



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

About Desert Water Agency:

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

- 1. PLEDGE OF ALLEGIANCE**
- 2. APPROVAL OF MINUTES –** A. September 28, 2016 (Special) CIOFFI
B. October 4, 2016
- 3. GENERAL MANAGER'S REPORT** KRAUSE
- 4. COMMITTEE REPORTS –** A. Executive – October 11, 2016 CIOFFI
B. Conservation & Public Affairs – October 12, 2016 CIOFFI
- 5. PUBLIC INPUT:**
Members of the public may comment on any item not listed on the agenda, but within the jurisdiction of the Agency. In addition, members of the public may speak on any item listed on the agenda as that item comes up for consideration. Speakers are requested to keep their comments to no more than three (3) minutes. As provided in the Brown Act, the Board is prohibited from acting on items not listed on the agenda.
- 6. SECRETARY-TREASURER'S REPORT - SEPTEMBER**
- 7. ITEMS FOR ACTION**
A. Request Board Action Regarding Claim filed by Angela Lacerenza KRAUSE
- 8. ITEMS FOR DISCUSSION**
A. September Water Production Comparison METZGER
B. City of Palm Springs Request for Alternative Watering Schedule METZGER
C. Annual Reporting of Back-Up Facility and Capacity Charges KRIEGER
- 9. DIRECTORS COMMENTS AND REQUESTS**
- 10. CLOSED SESSION**
 - A. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION**
Pursuant to Government Code Section 54956.9 (d) (1)
Name of Case: Agua Caliente Band of Cahuilla Indians vs. Coachella Valley Water District, et al
 - B. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION**
Pursuant to Government Code Section 54956.9 (d) (1)
Name of Case: Agua Caliente Band of Cahuilla Indians vs. County of Riverside, et al
 - C. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION**
Pursuant to Government Code Section 54956.9 (d) (1)
Name of Case: Desert Water Agency vs. U.S. Department of Interior
 - D. CONFERENCE WITH 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

11. RECONVENE INTO OPEN SESSION – REPORT FROM CLOSED SESSION

12. ADJOURN

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

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

September 28, 2016

DWA Board:	James Cioffi, President)	Attendance
	Joseph K. Stuart, Vice President)	
	Kristin Bloomer, Secretary-Treasurer)	
	Patricia G. Oygur, Director)	
	Craig A. Ewing, Director)	
DWA Staff:	Mark S. Krause, General Manager)	
	Steve Johnson, Asst. General Manager)	
	Martin S. Krieger, Finance Director)	
	Sylvia Baca, Asst. Secretary of the Board)	
	Vicki Petek, Outreach/Conserv. Associate)	
	Irene Gaudinez, Human Resources Manager)	
	Lee Lahtinen, Controller)	
	Esther Saenz, Account Clerk III)	
	Sarah Rapolla, Staff Engineer)	
Consultant:	Michael T. Riddell, Best Best & Krieger)	
	Kim Boehler, NBS Local Government Solutions)	
	Greg Henry, NBS Local Government Solutions)	
17600.	President Cioffi opened the meeting at 8:00 a.m. and asked everyone to join Secretary-Treasurer Bloomer in the Pledge of Allegiance.	Pledge of Allegiance
17601.	President Cioffi opened the meeting for public input.	Public Input
	There being no one from the public wishing to address the Board, President Cioffi closed the public comment period.	
17602.	President Cioffi asked General Manager Krause to introduce the presentation of the rate study results and recommendations by NBS Local Government Solutions.	Discussion Item: NBS Rate Study Results

Mr. Krause noted at the last workshop, direction was given to NBS to concentrate on rate alternative #4 (which is now alternative #1). He stated the Agency's current rates are based on a 17% fixed and 83% variable rate. Alternative #1's rate structure allows the Agency to transition to a 30% fixed/70% variable over the next five years. This transition includes an annual 13% increase in the volumetric rate for five years and

annual increases to the monthly fixed charges ranging from 20 to 25%. By transitioning to a 30 to 70% rate over a five-year period, the Agency will be able to meet its financial requirements while smoothing rate for its customers. He then welcomed Kim Boehler and Greg Henry from NBS who will be providing a PowerPoint presentation on the Board and staff's recommendations.

Ms. Boehler stated she would be presenting the revised rate study results and recommendations per the Board's direction from the September 8 meeting.

Ms. Boehler explained the water revenue requirements versus the existing and increased rates revenue. She provided an overview of the recommendations to the water rate structure; 1) maintain uniform volumetric rate structure (due to primary source of water supply), 2) increase percentage of revenues collected from fixed charges with two alternatives. Alternative #1 proposed fixed rates (17% current) at 21% for fiscal year 2016/2017 to 30% for fiscal year 2020/2021 and variable rates (83% current) at 79% for 2016/2017 to 70% for fiscal year 2020/2021. Alternative #2 proposed fix rates at 25% for fiscal year 2016/2017 to 30% for fiscal year 2020/2021 and variable rates at 75% for fiscal year 2016/2017 to 70% for fiscal year 2020/2021.

Continuing with her presentation, Ms. Boehler discussed the drought rate analysis, which would be implemented at various conservation levels. The levels would range from 10% - 60% conservation.

There was discussion on the trigger points for the drought rates and how to describe the amounts to customers.

Director Ewing expressed the need for a drought rate time limit and to re-assess these rates after a certain time; the Board and staff concurred.

In response to Agency Counsel Riddell, Mr. Krieger explained the drought rates are tied to recovery of the cost of service.

Ms. Boehler provided sample monthly water bill comparisons for both alternatives.

Reclaimed Water Rates

Ms. Boehler then explained the financial plan for reclaimed water rates. She noted the fixed rate would be 2.80% and remain the same at the end of the five years. The uniform rate would remain the same, with no changes.

Concluding her presentation, Ms. Boehler detailed the plan for wastewater rates. There would be a 3.5% increase per equivalent dwelling unit (EDU) per year over the five-year period. She noted the

Wastewater Rates

timeline of mid October for mailing out the Proposition 218 notices, holding community workshops in November and conducting a public hearing in December.

Discussion Item:
(Cont.)
NBS Rate Study
Results

17603. Finance Director Krieger stated after reviewing all related material and today's presentation by NBS, staff recommends approval of alternative #1 rate structure to be implemented over the next five fiscal years beginning January 1, 2017 with adjustments on July 1, 2017, 2018, 2019 & 2020. Implementation is contingent upon the successful completion of the Proposition 218 process.

Action Items:
Recommend Proposed
Rate Adjustment

Secretary-Treasurer Bloomer, Vice President Stuart, Director Oygar and President Cioffi expressed support of alternative #1.

Vice President Stuart made a motion: to approve staff's recommendation of the approval of alternative #1, including a drought rate schedule separating surcharge from baseline rate, 12-month limit on drought rates, revisit the drought rates, and to establish criteria for the drought rates (including state and local requirements). President Cioffi seconded the motion. The motion carried unanimously.

17604. President Cioffi asked General Manager Krause to present staff's request for direction regarding Proposition 218 notice preparation.

Action Items:
Staff Direction
Regarding Prop. 218
Notice Preparation &
Venue Location

Mr. Krause stated that staff has been preparing Proposition 218 notices in anticipation of possible rate changes. In addition to the notices, several workshops have been planned to inform the community. He noted the schedule as follows: November 3, 6:00 p.m. at Mizell Senior Center; November 10, 12:00 p.m. at Desert Water Agency; November 19, 10:30 a.m. Cathedral City Senior Center; and November 28, 7:30 a.m. at Desert Water Agency.

Continuing his report, Mr. Krause explained there are two different notices. In the Mission Creek and Garnet Hill Sub-basin areas where we provide only water replenishment services, only property owners will receive a notice describing the proposed rate changes in the replenishment assessment charge. In the Western Whitewater River Sub-basin (Indio Sub-basin) where we provide potable water, recycled water, wastewater, and water replenishment service to our customers and property owners, notices describing the proposed retail rate changes for all these services will be mailed to our retail water customers, property owners and tenants.

Concluding his report, Mr. Krause stated that 52,188 notices will be mailed out in the western Whitewater River Sub-basin, 11,011 notices will be mailed out in the Mission Creek Sub-basin and 761 notices will be mailed out in the Garnet Hill Sub-basin. Proposition 218 requires that said notices are issued at least 45 days in advance of a public hearing

on proposed rate increases. A tentative hearing date is proposed for the evening of Wednesday December 14 or Thursday December 15, 2016. Proposition 218 notices must be issued no later than October 26 to allow for delivery and 45 days advance notice. Three venues are proposed for the hearing: the Cielo Vista Charter School Cafeteria, the Palm Springs Air Museum and the Palm Springs Pavilion. The school cafeteria is only available on December 15 and will include a small fee, but the school will provide the seating and audio/visual equipment. Staff requests authorization to issue the proposed Proposition 218 notice on or before October 26 and requests selection of the public hearing date and venue.

Action Items:
(Cont.)
Staff Direction
Regarding Prop. 218
Hearing Notice
Preparation & Venue
Location

There was discussion on venue options and staff preference.

In response to President Cioffi, Mr. Krause indicated Cielo Vista Charter School cafeteria is staffs preferred venue.

Director Ewing made a motion to approve staff's recommendation to hold the Proposition 218 hearing on December 15, 6:00 p.m. at Cielo Vista Charter School Cafeteria. After a second by Director Oygar, the motion carried unanimously.

Prop. 218 Hearing Date
& Venue

Director Oygar made a motion to approve staff's recommendation for the Proposition 218 hearing notice to be issued on or before October 26 and to include the drought rate information. After a second by Director Ewing, the motion carried unanimously.

Prop. 218 Hearing
Notice

Mr. Krause stated that a revised drought rate schedule would be presented to the Board at its October 4 meeting.

On behalf of the entire Board, President Cioffi thanked NBS Local Government Solutions for their thorough presentations and their hard work.

17605. In the absence of any further business, President Cioffi adjourned the meeting at 9:30 a.m.

Adjournment

James Cioffi, President

ATTEST:

Kristin Bloomer, Secretary-Treasurer

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

OCTOBER 4, 2016

DWA Board:	James Cioffi, President)	Attendance
	Joseph K. Stuart, Vice President)	
	Kristin Bloomer, Secretary-Treasurer)	
	Patricia G. Oygar, Director)	

Absent:	Craig A. Ewing, Director)
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DWA Staff:	Mark S. Krause, General Manager)
	Steve Johnson, Asst. General Manager)
	Martin S. Krieger, Finance Director)
	Sylvia Baca, Asst. Secretary of the Board)
	Ashley Metzger, Outreach/Conserv. Manager)
	Irene Gaudinez, Human Resources Manager)
	Sarah Rapolla, Staff Engineer)

Consultant:	Michael T. Riddell, Best Best & Krieger)
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17606. President Cioffi opened the meeting at 8:00 a.m. and asked everyone to join him in the Pledge of Allegiance. **Pledge of Allegiance**

17607. President Cioffi called for approval of the September 8, 2016 Special Board meeting and September 20, 2016 Regular Board meeting minutes. **Approval of 09/08/16 Special & 09/20/16 Regular Board Mtg. Minutes**

Director Oygar moved for approval. After a second by Vice President Stuart, the minutes of the September 8, 2016 Special and September 20, 2016 Regular Board Meeting minutes were approved as written (Director Ewing absent).

17608. President Cioffi called upon General Manager Krause to provide an update on Agency operations. **General Manager's Report**

Mr. Krause stated construction on the 1240 Booster Plant, located within the Desert Palisade development has started. This plant will provide pressure to approximately 50 lots within the development. Completion is expected mid-January 2017. **1240 Booster Plant**

Concluding his report, Mr. Krause noted several meetings and activities he participated in during the past several weeks.

General Manager's Report (Cont.)
General Manager's Meetings & Activities

17609. Director Oygar noted the minutes for the September 28, 2016 Human Resources Committee were provided in the Board's packet. She stated the salary survey results and recommended salary range adjustments will be presented to the Board at the December 6 meeting.

Committee Reports
Human Resources
09/28/16

President Cioffi noted the minutes for the September 29, 2016 Executive Committee were provided in the Board's packet.

Executive 09/29/16

17610. President Cioffi opened the meeting for public input.

Public Input

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

17611. President Cioffi called upon General Manager Krause to present the civil penalty hearings for water use violations.

Items for Action:

Water Use Violations –
Civil Penalty Hearing

Mr. Krause noted there have been more than 300 violations issued and that recipients have 7 days to request a hearing in writing. Staff has received four hearing requests for today. There are no appellants present for today's hearing.

Mr. Krause announced the first appellant is Michael O'Neil. He then presented information and noted the violation: 1) Irrigating during restricted hours, and 2) Runoff. The fine is \$100 (second violation, same issues) and the reason for appeal is the landscapers checking the valves each week to prevent leaks.

Michael O'Neil

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

Deny Appeal/Violation
Occurred/Issue Penalty

Mr. Krause stated the second appellant is Neal Badham. He noted the violations: 1) Irrigating during restricted hours, and 2) Runoff. The fine amount is \$50 and reason for appeal is accidentally swapped a.m. and p.m. on timer.

Neal Badham

Vice President Stuart noted runoff and station run time issue.

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

Uphold
Appeal/Violation
Occurred/Waive
Penalty

Mr. Krause stated the third appellant is Canyon View Estates #5. He noted the violations: 1) Irrigating during restricted hours, and 2) Runoff. The fine amount is \$100 and reason for appeal is electricity was turned off and forgot to reset the timer.

Items for Action:
(Cont.)
Canyon View Estates
#5 HOA

Director Oygar made a motion to uphold the appeal, violation occurred, and waive penalty. After a second by President Cioffi, the motion carried unanimously (Director Ewing absent).

Uphold
Appeal/Violation
Occurred/Waive
Penalty

Mr. Krause stated the fourth appellant is Mark Neveu and noted the violations: 1) Irrigating during restricted hours, and 2) Runoff. The fine amount is \$100 and reason for appeal is owner does not live at property, had no knowledge of the issue.

Mark Neveu

Vice President Stuart noted the runoff issue and the highly visible location of the property.

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

Deny Appeal/Violation
Occurred/Issue Penalty

Director Oygar asked Mrs. Metzger to provide Mr. Neveu information on the smart controller program.

17612. President Cioffi asked Agency Counsel Riddell to report on the September 14 and September 15 Board of Directors of the State Water Project Contracts Authority and State Water Contractors, Inc. meetings.

Items for Discussion:
09/14/16 State Water
Project Contractors
Authority & 09/15/16
State Water
Contractors, Inc. Mtgs.

Mr. Riddell provided a report on the following items: 1) SFCWA Habitat Restoration Projects, 2) Site Reservoir, 3) Report from DWR Director Cowin, 4) Water Supply Report, 5) Report of Business Processes Objective, and 6) General Counsel's Report.

17613. President Cioffi asked General Manager Krause to provide his presentation on the Back-Up Facility Charge, Supplemental Imported Water Capacity Charge & Misc. Fixed Charge Analysis Review.

Back-Up Facility
Charge, Supplemental
Imported Water
Capacity Charge &
Misc. Fixed Charge
Analysis Review

Mr. Krause stated the Agency has been conducting an in-house rate study of several connection charges. He explained Back-Up Facility charges are comprised of five factors: 1) pumping facilities, 2) treatment facilities, 3) storage facilities, 4) transmission piping facilities (12" diameter and larger), and 5) surface water facilities. He noted that the last time these charges were revised was fiscal year 2006-2007.

Continuing his presentation, Mr. Krause provided an overview of the various calculations. He explained the increase for the backflow installation charges is due to the cost increase for materials.

He noted with the growing number of residents, the Agency must provide adequate facilities and an ample supply of water to serve them. The Back-Up Facility charge, State Imported Water Capacity Charge, Zone Pumping Charge and other fixed charges provide the funds to ensure we meet the needs of all our customers.

Discussion Items:
(Cont.)
Back-Up Facility
Charge, Supplemental
Imported Water
Capacity Charge &
Misc. Fixed Charge
Analysis Review

In conclusion, Mr. Krause thanked Sarah Rapolla, Staff Engineer for her work on this presentation. He noted that Staff will be bringing a resolution back to the Board in December for adoption of these new charges.

17614. President Cioffi asked Conservation & Outreach Manager Metzger to provide her update on the Turf Buy Back Program.

Turf Buy Back Program
Update

Mrs. Metzger stated there have been 49 residential applications and 21 large-scale applications received. \$450,000 out of the \$500,000 budget has been depleted, leaving \$50,000 still available. She recommended applications stay on the Agency's website for further funding requests.

17615. President Cioffi asked General Manager Krause to provide his report on Prop. 218 Notice – Drought Rate.

Prop. 218 Notice –
Drought Rate

Mr. Krause stated in response to the Board's request, staff has prepared a draft table regarding drought rates for the Proposition 218 notice. The table is meant to show the incremental increase in the volumetric rate in addition to the total rate (less pumping zone charges). It includes an explanation of how and when the drought rate surcharge will be activated.

There was discussion on the frequency to analyze the information and the need to re-adjust the drought rate.

The Board thanked Mr. Krause and concurred with the information provided in the draft table.

17616. President Cioffi noted that Board packets included Media and Public Information reports for September 2016.

**Public Information –
September 2016**

Mrs. Metzger announced the United Way customer assistance program has received \$3,000 in contributions.

United Way Customer
Assistance Program
Update

17617. At 9:35 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 Steve 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

17618. At 11:00 a.m., President Cioffi reconvened the meeting into open session and announced there was no reportable action.

Reconvene – No Reportable Action

17619. In the absence of any further business, President Cioffi adjourned the meeting at 11:01 a.m.

Adjournment

James Cioffi, President

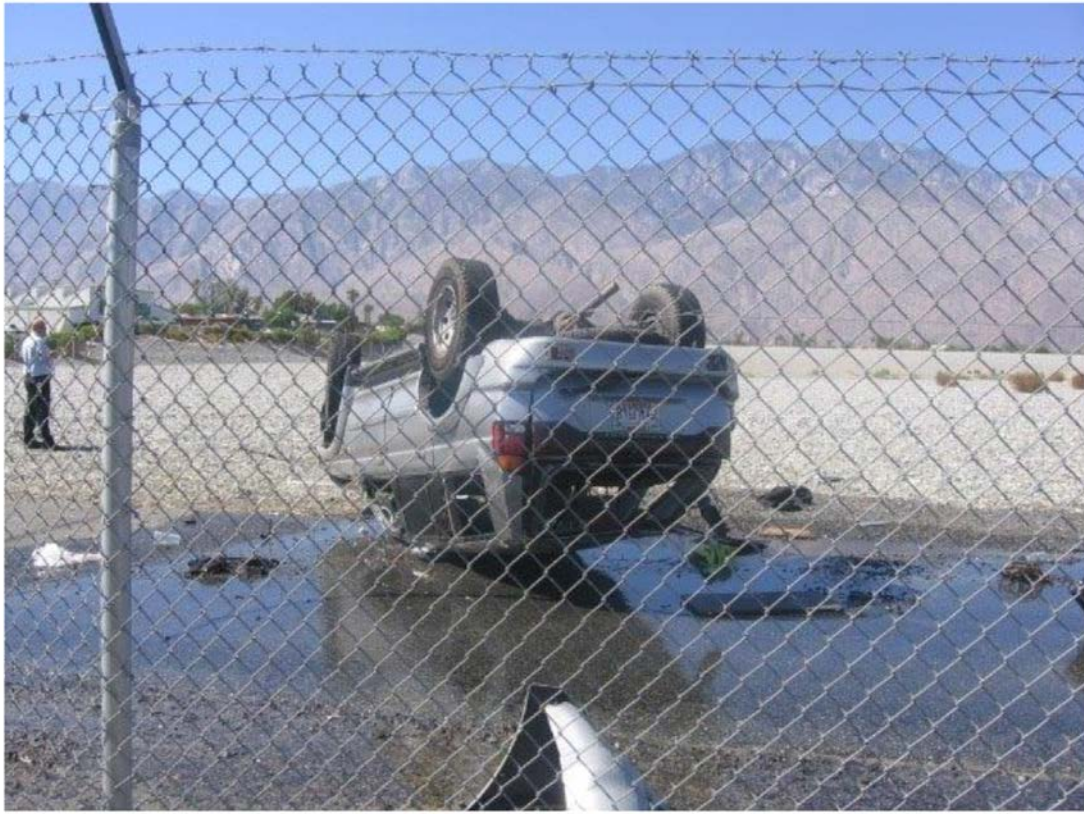
ATTEST:

Kristin Bloomer, Secretary-Treasurer

GENERAL MANAGER'S REPORT OCTOBER 18, 2016

On October 10 at approximately 11:40 a.m., staff responded to a hit fire hydrant on the west side of Gene Autry Trail, north of Ramon Road. Staff replaced the fire hydrant and put it back in service. The water loss was a fully open 6 inch pipe which ran for approximately 30 minutes. A damage report was filled out and a police report number was received.





BLM RIGHT OF WAY GRANT FOR WHITEWATER SPREADING BASINS

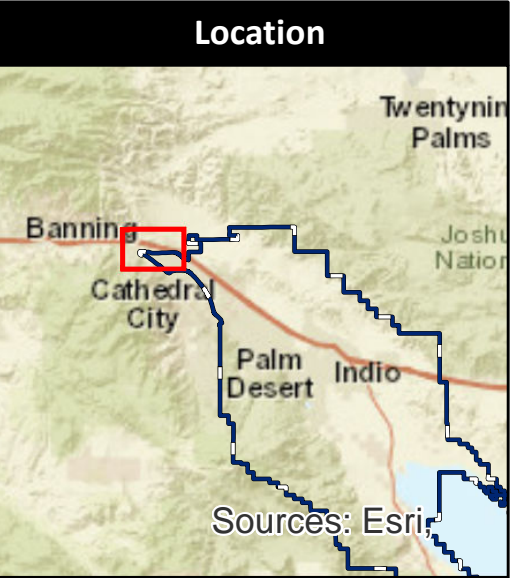
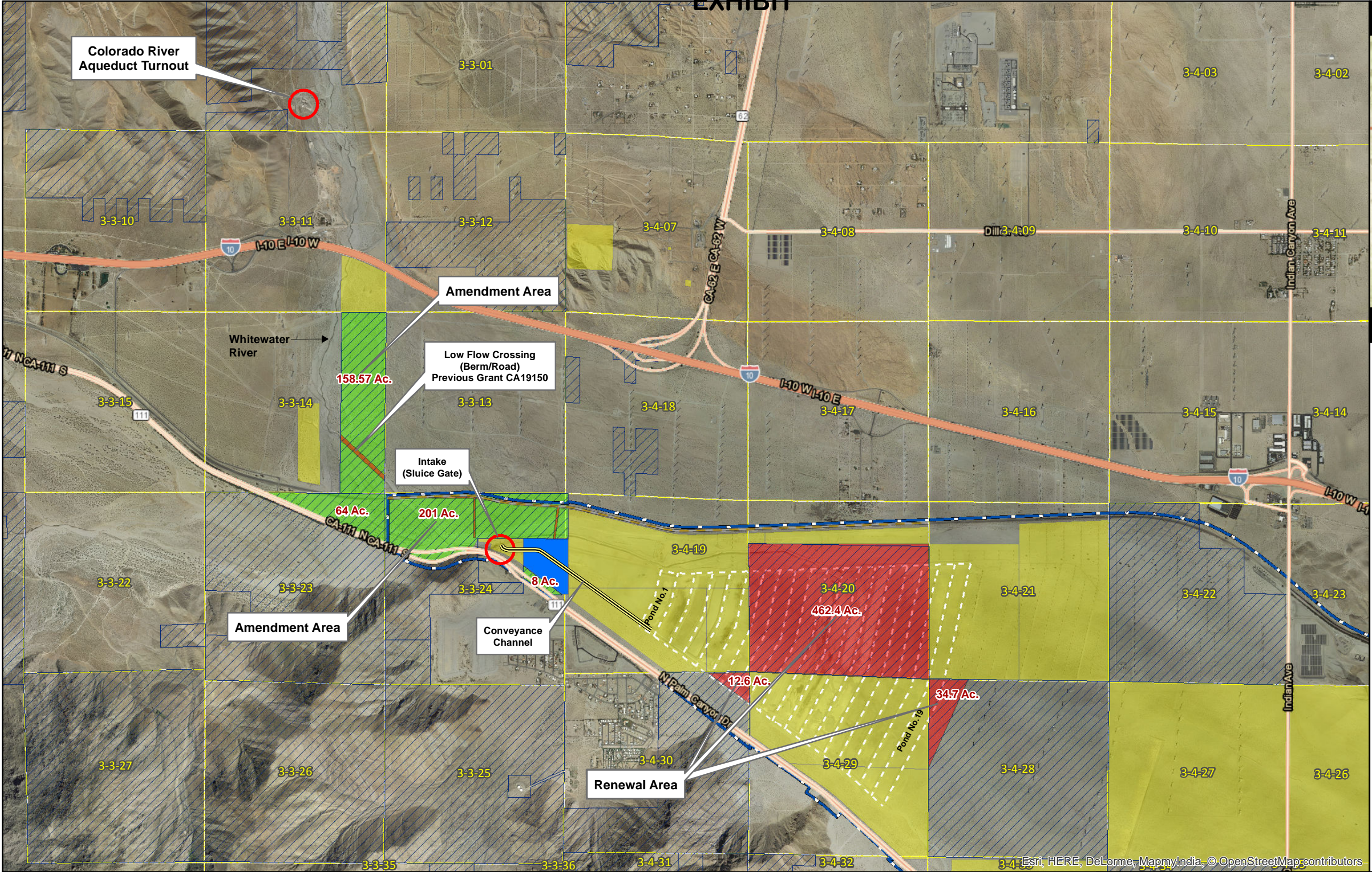
When we signed the advance delivery agreement with MWD back in 1984 the existing spreading basins had to be expanded to handle large advanced deliveries. This required putting some of the expansion on BLM land; about 500 acres of the 700 acres are now on BLM land. We needed an R/W Grant (not a permit) from the BLM. We received an R/W Grant in 1984 and as part of the environmental mitigation CVWD contributed 1,200 acres of land to fringe toed lizard habitat.

In 2014 the R/W Grant expired. The renewal of the R/W Grant required a pre-filing of the application 120 days prior to the actual expiration the grant. The filing was not submitted on time, it was submitted one day before the actual grant expiration date. The BLM did not renew the grant because the application had missed the deadline. In 2015 CVWD submitted an entirely new application, they expanded the R/W request to include other areas of the Whitewater River they felt should be included (see attached exhibit). Recently, CVWD has been experiencing long delays in acquiring R/W Grant for many of its projects.

Missing the deadline is not the reason for the delay in acquiring the right of way grant. The BLM would have engaged all of the stakeholders in the renewal of the R/W Grant regardless and required an environmental review whether it was a renewal or new application. CVWD is confident that they will receive a new R/W grant based on their experience with the BLM.

There have had stakeholder meetings with the BLM, SWRCB, and the ACBCI. It is expected that one of the most pivotal environmental issue will be the impact recharge program on the aquifer. The environmental review for this new grant is expected to take place over the next 2 years. The BLM has agreed that recharge activities may continue during the environmental review process.

EXHIBIT

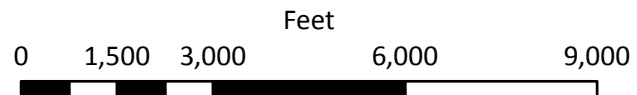


- Legend**
- CVWD Service Boundary
 - BLM Parcel
 - California State Lands Commission
 - Existing BLM Right-Of-Way (ROW) Grant Renewal Area
 - Proposed BLM ROW Grant (Amendment Area)
 - CVWD Fee Land



Coachella Valley Water District

75515 Hovley Lane East
Palm Desert, CA 92211
www.cvwd.org
Ph. (760) 398-2661
Fx. (760) 568-1789



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**Bureau of Land Management-Right-Of-Way Grant for
Whitewater Groundwater Replenishment
Vicinity Map**

File Name: CIB BLM Land Grant for WW Recharge-alternate_exhibit.mxd
File Location: J:\ENG\GIS BACKUP\GIS Projects\Mike M GIS Projects\Carrie\
Date Updated: Thursday, April 28, 2016 @ 2:43:15 PM
Updated By: mm0232
Department: CVWD Engineering - GIS/CAD

General Manager's Meetings and Activities

Meetings:

10/06/16	DWA Employee Association Salary Survey Meeting	DWA
10/11/16	DWA Executive Committee Meeting	DWA
10/11/16	DWR Conference Call SGMA Mark Nordberg	DWA
10/12/16	DWA Conservation and Outreach Committee Meeting	DWA
10/13/16	DWA Conference with Whitewater Rock and Supply	DWA

Activities:

- Perris Reservoir Seepage Water Supply Recovery – Finance Agreements, Water Rights, Costs, Coordination Meetings
- Sites Reservoir Water Supply Opportunity
- E-Billing – Monitoring Startup
- Outreach Talking Points - KMIR
- SWP Delta Charges – Rate Study
- Well 6 and Well 32 Water Quality Remediation issues
- Rate Study
- Proposition 218 – Compiling and checking Mailing List, Development of notification document
- Snow Creek Hydro SCE contract extension - ongoing
- Whitewater Hydro – Developing new administration procedures
- SWP/DWA tax rates
- State and Federal Contractors Water Authority and Delta Specific Project Committee (Standing)
- Property Acquisition - New Mesquite HOA – Ongoing
- MSWD Lawsuit – Ongoing
- Snow Creek Security Weekly Meeting
- Cal WaterFix – Change of Point of Diversion Hearings
- Turf Buy back, Alternative Conservations Plans, Reseeding
- United Way of The Desert – DWA Customer Assistance Program
- Snow Creek Security Position
- Reorganization of Departments
- Backup Facility Charges and Fees

Minutes
Executive Committee Meeting
October 11, 2016

Directors Present: Jim Cioffi, Joe Stuart

Staff Present: Mark Krause, Martin Krieger, Steve Johnson

1. Discussion Items

A. Review Agenda for October 18, 2016 Regular Board Meeting

The proposed agenda for the October 18, 2016 regular board meeting was reviewed.

B. Expense Reports

The September expense reports were reviewed.

2. Other –

A. Reviewed Prop. 218 notice.

3. Adjourn

Minutes Conservation & Public Affairs Committee Meeting

October 12, 2016

Directors Present: Jim Cioffi, Craig Ewing

Staff Present: Mark Krause, Ashley Metzger

1. Discussion Items

A. Review Draft 218 document

Staff presented the draft Proposition 218 documents and timeline. The Committee reviewed the draft documents and suggested minor changes.

B. Rate Outreach

Staff gave the committee information about logistics and next steps for public outreach on rates.

C. City Request (Tree watering)

The Committee discussed the request and gave staff guidance on possible action. The Committee requested that the item be brought to the full Board of Directors.

D. Review Penalty Hearing Appeal Log

Staff presented a spreadsheet with information about all prior formal appeals to civil penalties.

E. Smart Meter Pilot Study

Staff gave the Committee an overview of the program. The Committee guided staff to implement the pilot with various types and sizes of customers.

F. Smart Controller Program Update

Staff gave the Committee an update on the amount of program funding remaining (about \$16,000) and discussed potential future funding.

G. Toilet Rebate Update

Staff gave the Committee an update on the amount of program funding remaining in each category (residential about \$5,500; commercial about \$12,600).

H. Review Large-Scale Projects (No scoring needed)

Staff reviewed a map with the Committee and noted all of the large-scale project locations and square footage requests.

I. Determine Next Steps with Turf Applications

The Committee instructed staff to leave the application open until enough applications were received to fulfill the grant amount awarded to DWA in Proposition 84 Round 4 (about \$328,000).

J. New State Regulations (Next steps)

Staff gave an overview of recent action by the state on long-term restrictions and Water Shortage Contingency Planning. Staff noted that DWA would be represented in the participatory process going forward.

2. Other

A. Tax-Exemption for Water Conservation Rebates

Staff noted the availability of a petition by the Alliance for Water Efficiency to eliminate the tax burden for customers that are awarded water conservation rebates. The Committee gave staff guidance to reach out to DWA's legislative efforts, and move forward as appropriate.

3. Adjourn

DESERT WATER AGENCY
STATEMENT OF CASH RECEIPTS AND EXPENDITURES

OPERATING ACCOUNT

SEPTEMBER 2016

INVESTED
RESERVE FUNDS
\$12,904,520.60

BALANCE	SEPTEMBER 1, 2016	(\$454,541.16)	
WATER SALES		\$2,594,878.37	
RECLAMATION SALES		178,925.90	
WASTEWATER RECEIPTS		85,335.53	
POWER SALES		2,675.98	
METERS, SERVICES, ETC.		232,544.78	
REIMBURSEMENT – GENERAL FUND		73,068.40	
REIMBURSEMENT – WASTEWATER FUND		5,570.03	
ACCOUNTS RECEIVABLE – OTHER		10,207.16	
CUSTOMER DEPOSITS – SURETY		6,431.00	
CUSTOMER DEPOSITS – CONST.		43,005.00	
LEASE REVENUE		3,368.43	
INTEREST RECEIVED ON INV. FDS.		1,323.29	
FRONT FOOTAGE FEES		0.00	
BOND SERVICE & RESERVE FUND INT		0.00	
MISCELLANEOUS		92,940.54	
TOTAL RECEIPTS		\$3,330,274.41	
PAYMENTS			
PAYROLL CHECKS		\$325,123.15	
PAYROLL TAXES		151,298.42	
ELECTRONIC TRANSFERS		158,962.04	
CHECKS UNDER \$10,000.00		311,529.94	
CHECKS OVER \$10,000.00 – SCH. #1		1,053,412.64	
CANCELLED CHECKS AND FEES		13,530.75	
TOTAL PAYMENTS		<u>\$2,013,856.94</u>	
NET INCOME		\$1,316,417.47	
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		\$840,000.00	
FUNDS INVESTED – SCH. #3		1,840,000.00	
NET TRANSFER		(\$1,000,000.00)	\$1,000,000.00
BALANCE	SEPTEMBER 30, 2016	(\$138,123.69)	\$13,904,520.60

OPERATING ACCOUNT

SCHEDULE #1-CHECKS OVER \$10,000

CHECK #	NAME	DESCRIPTION	AMOUNT
112562	DESERT WATER AGENCY - WASTEWATER	SEWER CAPACITY CHARGE (JONES CREE VENTURES)	\$36,680.00
112564	NATIONAL SAFETY SERVICES INC	CONFINED SPACE TRAILER - (W/O #16-165-M)	\$22,624.65
112578	CANYON SPRINGS ENTERPRISES DBA	CONTRACT PAYMENT - ZONE 1040 RESERVOIR (W/O # 05-582-R-33)	\$57,028.57
112588	ECOWISE LANDCARE	SMART CONTROLLER INSTALLATIONS	\$10,202.62
112636	SOUTHERN CALIFORNIA EDISON CO	POWER	\$274,424.38
112652	NBS GOVERNMENT FINANCE CORP	CONSULTING SERVICES	\$17,330.00
112667	DESERT WATER AGENCY - WASTEWATER	WASTEWATER REVENUE BILLING - AUGUST 2016	\$81,927.45
112671	ACWA-JPIA	HEALTH,DENTAL & VISION INSURANCE PREMIUMS - OCTOBER 2016	\$148,369.99
112693	ACWA-JOINT POWERS INS AUTHORITY	WORKERS COMPENSATION PREMIUM - JULY - SEPTEMBER 2016	\$51,201.00
112696	ASARO BUILDERS INC	REFUND - CONSTRUCTION DEPOSIT	\$14,611.81
112697	LWSC LLC	REFUND - CONSTRUCTION DEPOSIT	\$15,389.15
112704	BEST BEST & KRIEGER LLP	LEGAL FEES	\$66,841.51
112705	BRITHINEE ELECTRIC INC	WELL MAINTENANCE - WELL # 27	\$11,040.53
112708	CDW DIRECT	ENGINEERING WORK STATIONS (W/O # 16-197-M) & I.S. SUPPLIES	\$35,505.09
112720	DOWN TO EARTH LANDSCAPING	LANDSCAPE MAINTENANCE	\$29,155.38
112753	KRIEGER & STEWART INC	ENGINEERING	\$52,467.17
112778	SENSORS & SOFTWARE INC	GPS EQUIPMENT (W/O # 16-193-M)	\$14,000.00
112784	THATCHER COMPANY OF CALIFORNIA	WATER SERVICE SUPPLIES	\$15,715.34
112799	Z&L PAVING, INC	PAVING	\$39,710.00
112800	MESQUITE COUNTRY CLUB - HOA	TURF BUY BACK PROGRAM	\$38,030.00
112801	FIREBIRD ESTATES HOA	TURF BUY BACK PROGRAM	\$21,158.00
** TOTAL			\$1,053,412.64

**DESERT WATER AGENCY
OPERATING FUND - LISTING OF INVESTMENTS
SEPTEMBER 30, 2016**

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

06-30-83	State of California	LAIF	Open	\$ 11,149,820.60	\$ 11,149,820.60	\$ 11,149,820.60	0.640%	
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Certificates of Deposit

09-28-15	Union Bank	Capital Bank CD	09-28-17	\$ 250,000.00	\$ 250,000.00	\$ 251,102.50	1.050%	Bullet
01-15-16	Union Bank	Union Bank CD	01-13-17	\$ 500,000.00	\$ 500,000.00	\$ 500,045.00	0.830%	Bullet

Total Certificates of Deposit	\$ 750,000.00	\$ 750,000.00	\$ 751,147.50
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Commercial Paper

04-30-12	Union Bank	General Electric	04-27-17	\$ 1,004,700.00	\$ 1,000,000.00	\$ 1,006,890.00	2.300%	Bullet
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Total Commerical Paper	\$ 1,004,700.00	\$ 1,000,000.00	\$ 1,006,890.00
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Government Agency

09-20-16	Union Bank	FNMA (Callable 3-20-17)	09-20-19	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,070.00	1.300%	Quarterly
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Total Government Agency	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,070.00
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Weighted Mean YTM 0.821%

TOTAL INVESTED @ 09/30/16	\$ 13,904,520.60	\$ 13,899,820.60	\$ 13,907,928.10
BALANCE @ 06/30/16	\$ 12,488,311.86		
INCREASE (DECREASE)	\$1,416,208.74		

DESERT WATER AGENCY
STATEMENT OF CASH RECEIPTS AND EXPENDITURES

GENERAL ACCOUNT

SEPTEMBER 2016

INVESTED
RESERVE FUNDS
\$104,175,929.03

BALANCE SEPTEMBER 1, 2016 (\$555,658.18)

* TAXES - RIVERSIDE COUNTY	592,973.24
* INTEREST EARNED - INV. FUNDS	52,223.30
GROUNDWATER REPLEN. ASSESSMENT	0.00
REIMBURSEMENT - OPERATING FUND	0.00
REIMBURSEMENT - CVWD MGMT AGRMT	329,423.85
STATE WATER PROJECT REFUNDS	31,812.00
REIMB - CVWD - WHITEWATER HYDRO	0.00
POWER SALES - WHITEWATER	51,860.87
MISCELLANEOUS	78,108.00

TOTAL RECEIPTS \$1,136,401.26

PAYMENTS

CHECKS UNDER \$10,000.00	23,762.77
CHECKS OVER \$10,000.00 - SCH. #1	1,901,984.01
CANCELLED CHECKS AND FEES	0.00

TOTAL PAYMENTS \$1,925,746.78

NET INCOME (\$789,345.52)

INVESTED RESERVE FUNDS

FUNDS MATURED	6,200,000.00
FUNDS INVESTED - SCH. #2	4,950,000.00

NET TRANSFER \$1,250,000.00 (\$1,250,000.00)

BALANCE SEPTEMBER 30, 2016 (\$95,003.70) \$102,925,929.03

* INCLUSIVE TO DATE

	TAXES	INTEREST
RECEIPTS IN FISCAL YEAR	\$1,422,769.13	\$206,829.46
RECEIPTS IN CALENDAR YEAR	\$18,169,446.55	\$684,739.04

DESERT WATER AGENCY
GENERAL ACCOUNT

SCHEDULE #1 - CHECKS OVER \$10,000

CHECK #	NAME	DESCRIPTION	AMOUNT
8796	STATE OF CA. DEPT. OF WATER RESOURCES	STATE WATER PROJECT ENTITLEMENT - JUNE 2016	\$24,373.00
8797	COACHELLA VALLEY WATER DISTRICT	WHITEWATER BASIN MANAGEMENT (4TH QUARTER - FISCAL 2015/16)	\$119,782.00
8801	STATE WATER CONTRACTORS AUTHORITY	FISCAL 2016/2017 MEMBER DUES	\$18,694.00
8802	COACHELLA VALLEY WATER DISTRICT	WHITEWATER HYDRO REVENUE - JULY 2016	\$17,383.83
8804	DESERT WATER AGENCY-OPERATING	P/R & EXP REIMBURSEMENT FOR AUGUST 2016	\$71,872.18
8808	STATE OF CA. DEPT. OF WATER RESOURCES	STATE WATER PROJECT - SEPTEMBER 2016	\$1,649,879.00

== TOTAL

\$1,901,984.01

**DESERT WATER AGENCY
GENERAL FUND - LISTING OF INVESTMENTS
SEPTEMBER 30, 2016**

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

06-30-83	State of California	LAIF	Open	\$ 48,419,459.03	\$ 48,419,459.03	\$ 48,419,459.03	0.640%	
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Certificates of Deposit

01-25-13	Union Bank	General Electric Capital Bank CD	01-25-18	\$ 1,000,000.00	\$ 1,000,000.00	\$ 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	\$ 245,198.45	1.050%	Bullet
09-28-15	Union Bank	Capital Bank CD	09-28-17	\$ 250,000.00	\$ 250,000.00	\$ 251,102.50	1.050%	Bullet
10-07-15	Ladenburg Thalmann	Goldman Sachs CD	04-07-18	\$ 245,000.00	\$ 245,000.00	\$ 245,283.22	1.350%	Bullet
10-29-15	Ladenburg Thalmann	Ally Bank CD	10-30-17	\$ 245,000.00	\$ 245,000.00	\$ 245,441.24	1.150%	Bullet
11-04-15	Ladenburg Thalmann	Capital One NA CD	11-06-17	\$ 245,000.00	\$ 245,000.00	\$ 245,052.18	1.100%	Bullet
11-04-15	Ladenburg Thalmann	Discover CD	11-06-17	\$ 245,000.00	\$ 245,000.00	\$ 245,184.24	1.150%	Bullet
01-15-16	Union Bank	Union Bank CD	01-13-17	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,090.00	0.830%	Bullet

Total Certificates of Deposit	\$ 3,475,000.00	\$ 3,475,000.00	\$ 3,481,061.83
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Commercial Paper

12-16-13	Stifel	General Electric	05-15-18	\$ 587,600.00	\$ 500,000.00	\$ 536,970.00	6.300%	Bullet
04-27-15	Ladenburg Thalmann	Apple Inc.	05-03-18	\$ 997,920.00	\$ 1,000,000.00	\$ 998,622.00	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	\$ 1,002,780.00	1.450%	1 Time

Total Commercial Paper	\$ 2,586,470.00	\$ 2,500,000.00	\$ 2,538,372.00
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Government Agency

09-19-12	Stifel (D.A.D)	FNMA	09-19-17	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,360.00	0.950%	1 Time
10-03-12	Stifel (D.A.D)	FNMA	10-03-16	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,000.00	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	\$ 999,520.00	0.840%	Continuous
03-12-13	Stifel (D.A.D)	FFCB (Callable Continuous)	03-12-18	\$ 1,000,000.00	\$ 1,000,000.00	\$ 999,770.00	1.030%	Continuous
03-27-13	Ladenburg Thalmann	FNMA (Callable 12-27-16)	03-27-18	\$ 1,000,000.00	\$ 1,000,000.00	\$ 999,530.00	1.050%	Qtrly
06-13-13	Ladenburg Thalmann	FHLB (Callable 12-13-16)	06-13-18	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,590.00	1.100%	Qtrly
06-23-15	Ladenburg Thalmann	FHLMC	06-23-17	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,002,072.00	0.900%	1 Time
10-02-15	Stifel	FHLB (Callable 10-2-17)	10-02-19	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,004,460.00	1.450%	Continuous
10-29-15	Stifel	FHLB (Callable Continuous)	10-29-18	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,010.00	1.120%	Continuous
11-23-15	Ladenburg Thalmann	FHLMC (Callable 11-23-16)	05-23-18	\$ 996,000.00	\$ 1,000,000.00	\$ 999,705.00	1.000%	Qtrly
11-25-15	Stifel	FNMA (Callable 11-25-16)	11-25-19	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,650.00	1.500%	Qtrly
02-26-16	Ladenburg Thalmann	FNMA (Callable 11-26-16)	02-26-19	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,290.00	1.250%	Qtrly
03-23-16	Ladenburg Thalmann	FNMA (Callable 12-23-16)	03-23-20	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,630.00	1.500%	Qtrly
03-30-16	Stifel	FNMA STEP (Callable 12-30-16)	03-30-21	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,300.00	1.350%	Qtrly
03-30-16	Stifel	FHLMC STEP (Callable 12-30-16)	03-30-21	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,030.00	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	\$ 1,000,234.00	1.500%	Qtrly
04-26-16	Ladenburg Thalmann	FHLB (Callable Continuous)	10-26-20	\$ 999,500.00	\$ 1,000,000.00	\$ 999,840.00	1.550%	Continuous
04-28-16	Ladenburg Thalmann	FHLMC (Callable 10-28-16)	01-28-21	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,587.00	1.700%	Qtrly
04-28-16	Union Bank	FHLMC (Callable 10-28-16)	01-28-20	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,140.00	1.400%	Qtrly
05-23-16	Stifel	FHLMC STEP (Callable 11-23-16)	05-23-19	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,150.00	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
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Government Agency

05-23-16	Ladenburg Thalmann	FHLMC (Callable 11-23-16)	11-16-18	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,240.00	1.200%	Qtrly
05-23-16	Stifel	FNMA (Callable 11-23-16)	08-23-19	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,070.00	1.250%	Qtrly
05-25-16	Stifel	FNMA STEP (Callable 11-25-16)	05-25-21	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,020.00	1.000%	Qtrly
05-26-16	Union Bank	FNMA (Callable 5-26-17)	11-26-19	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,003,260.00	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	\$ 999,132.00	1.020%	Qtrly
06-01-16	Stifel	FFCB (Callable Continuous)	03-01-19	\$ 1,000,000.00	\$ 1,000,000.00	\$ 998,680.00	1.250%	Continuous
06-13-16	Ladenburg Thalmann	FNMA (Callable 12-13-16)	06-13-19	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,840.00	1.400%	Qtrly
06-16-16	Stifel	FFCB (Callable Continuous)	03-16-20	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,000.00	1.400%	Continuous
06-21-16	Stifel	FHLMC STEP (Callable 12-21-16)	06-21-21	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,860.00	1.400%	Qtrly
06-28-16	Stifel	FHLMC STEP (Callable 12-28-16)	06-28-19	\$ 1,500,000.00	\$ 1,500,000.00	\$ 1,499,715.00	0.750%	Qtrly
06-28-16	Ladenburg Thalmann	FNMA (Callable 12-28-16)	06-28-19	\$ 1,000,000.00	\$ 1,000,000.00	\$ 998,940.00	1.200%	Qtrly
06-30-16	Stifel	FHLMC STEP (Callable 12-30-16)	12-30-19	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,220.00	1.000%	Qtrly
07-07-16	Ladenburg Thalmann	FFCB (Callable 10-7-16)	01-07-19	\$ 1,000,000.00	\$ 1,000,000.00	\$ 998,470.00	1.000%	Continuous
07-11-16	Ladenburg Thalmann	FHLB (Callable 1-11-17)	10-11-19	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,030.00	1.125%	Continuous
07-11-16	Ladenburg Thalmann	FHLB (Callable 10-11-16)	07-11-19	\$ 1,000,000.00	\$ 1,000,000.00	\$ 994,280.00	1.125%	Qtrly
07-13-16	Union Bank	FFCB (Callable 10-13-16)	01-13-20	\$ 1,000,000.00	\$ 1,000,000.00	\$ 997,180.00	1.240%	Continuous
07-26-16	Ladenburg Thalmann	FNMA (Callable 10-26-16)	07-26-19	\$ 999,500.00	\$ 1,000,000.00	\$ 997,390.00	1.125%	Qtrly
07-27-16	Stifel	FNMA STEP (Callable 1-27-17)	07-27-21	\$ 1,000,000.00	\$ 1,000,000.00	\$ 997,460.00	1.250%	Qtrly
08-10-16	Ladenburg Thalmann	FHLMC (Callable 11-10-16)	08-10-20	\$ 1,000,000.00	\$ 1,000,000.00	\$ 999,471.00	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	\$ 998,713.00	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	\$ 999,640.00	0.750%	Qtrly
08-30-16	Stifel	FHLMC STEP (Callable 11-30-16)	08-30-21	\$ 1,000,000.00	\$ 1,000,000.00	\$ 999,530.00	1.000%	Qtrly
08-30-16	Ladenburg Thalmann	FNMA (Callable 02-27-17)	11-27-19	\$ 1,000,000.00	\$ 1,000,000.00	\$ 999,450.00	1.250%	Qtrly
09-06-16	Ladenburg Thalmann	FFCB (Callable 12-6-16)	03-06-19	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,000.00	1.150%	Continuous
09-20-16	Union Bank	FNMA (Callable 3-20-17)	09-20-19	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,070.00	1.300%	Qtrly
09-27-16	Ladenburg Thalmann	FHLMC STEP (Callable 12-27-16)	09-27-19	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,220.00	1.000%	Qtrly
09-29-16	Ladenburg Thalmann	FHLMC STEP (Callable 3-29-17)	09-29-21	\$ 950,000.00	\$ 950,000.00	\$ 950,333.45	1.250%	Qtrly
09-30-16	Ladenburg Thalmann	FNMA (Callable 3-30-17)	09-30-19	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,000.00	1.250%	Qtrly

Total Government Agency \$ 48,445,000.00 \$ 48,450,000.00 \$ 48,443,082.45

Weighted Mean YTM 0.941%

TOTAL INVESTED @ 09/30/16 \$ 102,925,929.03 \$ 102,844,459.03 \$ 102,881,975.31

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

INCREASE OR (DECREASE) \$ (4,242,421.34)

DESERT WATER AGENCY
STATEMENT OF CASH RECEIPTS AND EXPENDITURES

WASTEWATER ACCOUNT

SEPTEMBER 2016

INVESTED
RESERVE FUNDS
\$1,058,436.16

BALANCE	SEPTEMBER 1, 2016	\$3,316.86		
ACCOUNTS RECEIVABLE - OTHER		\$0.00		
CUSTOMER DEPOSITS - CONSTRUCTION		0.00		
INTEREST EARNED - INVESTED FUNDS		35.46		
WASTEWATER REVENUE		81,927.45		
SEWER CAPACITY CHARGES		40,635.84		
MISCELLANEOUS		<u>0.00</u>		
TOTAL RECEIPTS		\$122,598.75		
PAYMENTS				
CHECKS UNDER \$10,000.00		\$13,524.07		
CHECKS OVER \$10,000.00 - SCH. #1		96,360.86		
CANCELLED CHECKS AND FEES		<u>0.00</u>		
TOTAL PAYMENTS		<u>\$109,884.93</u>		
NET INCOME		\$12,713.82		
INVESTED RESERVE FUNDS				
FUNDS MATURED		\$0.00		
FUNDS INVESTED - SCH. #2		<u>55,000.00</u>		
NET TRANSFER			(\$55,000.00)	\$55,000.00
BALANCE	SEPTEMBER 30, 2016		(\$38,969.32)	\$1,113,436.16

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

CHECK #	NAME	DESCRIPTION	AMOUNT
2453	COACHELLA VALLEY WATER DISTRICT	WASTEWATER REVENUE BILLING FOR AUGUST 2016	\$50,270.86
2455	COACHELLA VALLEY WATER DISTRICT	SEWER CAPACITY CHARGES	\$46,090.00
** TOTAL			\$96,360.86

**DESERT WATER AGENCY
WASTEWATER FUND - LISTING OF INVESTMENTS
SEPTEMBER 30, 2016**

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

06-30-83	State of California	LAIF	Open	\$ 1,113,436.16	\$ 1,113,436.16	\$ 1,113,436.16	0.640%
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TOTAL INVESTED @ 09/30/16	\$ 1,113,436.16	\$ 1,113,436.16	\$ 1,113,436.16
BALANCE @ 06/30/16	\$ 1,027,031.01		
INCREASE OR (DECREASE)	\$ 86,405.15		

DESERT WATER AGENCY - OPERATING FUND
COMPARATIVE EARNINGS STATEMENT

	THIS MONTH		FISCAL YEAR TO DATE		VARIANCE	
	THIS YEAR	LAST YEAR	BUDGET	THIS YEAR	LAST YEAR	YTD
MONTH 16-17 SEPTEMBER						PCT
OPERATING REVENUES						
WATER SALES	2,568,203.92	2,178,265.11	2,013,100.00	7,121,407.16	6,542,963.85	6,326,325.00
RECLAMATION SALES	180,069.04	152,845.79	149,500.00	493,231.55	471,124.84	457,200.00
POWER SALES	2,675.98	424.88	1,750.00	11,287.76	5,827.03	5,250.00
OTHER OPER REVENUE	224,527.97	72,791.26	108,000.00	418,553.72	370,770.67	316,500.00
TOTAL OPER REVENUES	2,975,476.91	2,404,327.04	2,272,350.00	8,345,080.19	7,390,686.39	7,105,275.00
OPERATING EXPENSES						
SOURCE OF SUPPLY EXP	1,024,370.02	868,808.94	1,021,530.00	1,052,274.97	895,278.85	1,075,749.00
PUMPING EXPENSE	316,574.58	348,982.14	377,700.00	746,021.92	1,001,481.09	1,236,850.00
REGULATORY WATER TREAT	47,263.81	44,696.28	42,100.00	122,771.59	121,281.03	126,300.00
TRANS & DIST EXPENSE	176,284.07	231,743.71	287,092.00	595,223.56	553,817.66	861,276.00
CUSTOMER ACT EXPENSE	67,912.07	85,360.79	74,025.00	201,363.60	219,630.04	222,075.00
ADMIN & GEN EXPENSE	700,968.40	579,953.61	659,125.00	2,817,086.50	2,518,617.32	2,840,675.00
REGULATORY EXPENSE	6,124.30	4,454.77	16,992.00	29,068.67	19,787.26	50,976.00
SNOW CREEK HYDRO EXP	9,945.65	2,565.22	3,400.00	14,526.63	8,108.80	10,200.00
RECLAMATION PLNT EXP	54,165.99	64,541.70	66,925.00	158,739.18	190,127.28	200,525.00
SUB-TOTAL	2,403,608.89	2,231,107.16	2,548,942.00	5,737,076.62	5,528,129.33	6,624,626.00
OTHER OPER EXPENSES						
DEPRECIATION	461,006.87	448,663.36	459,225.00	1,385,362.65	1,348,698.20	1,377,675.00
SERVICES RENDERED	12,873.29	16,423.32	13,850.00	29,950.85	49,868.07	41,550.00
DIR & INDIR CST FOR WO	159,771.23	140,399.37	72,750.00	571,525.84	516,959.98	218,250.00
TOTAL OPER EXPENSES	2,717,717.82	2,555,894.47	2,949,267.00	6,580,865.28	6,409,735.62	7,825,601.00
NET INCOME FROM OPERATIONS	257,759.09	151,567.43	376,917.00	1,764,214.91	980,950.77	720,326.00
NON-OPERATING INCOME (NET)						
RENTS	3,368.43	3,343.72	3,375.00	10,105.29	41,871.16	41,975.00
INTEREST REVENUES	8,510.76	6,903.48	8,000.00	25,147.46	22,748.17	24,900.00
INTEREST EXP. OTHER	00	00	25,325.00	00	00	75,975.00
OTHER REVENUES	56,444.99	240.00	2,625.00	57,284.99	2,152.52	2,625.00
GAINS ON RETIREMENT	12.50	00	75.00	12.50	00	150.00
DISCOUNTS	1.83	7.57	275.00	22.03	363.00	825.00
LOSS ON RETIREMENTS	10,672.67	2,954.80	3,750.00	10,672.67	5,128.27	7,500.00
TOTAL NON-OPER INCOME	57,665.84	13,449.57	14,425.00	81,899.60	61,924.78	13,000.00
TOTAL NET INCOME	315,424.93	138,117.86	391,342.00	1,846,114.51	1,042,875.55	733,326.00
						2,579,440.51
						352-

**DESERT WATER AGENCY
OPERATING FUND
WATER CONSUMPTION**

	QUARTER ENDING SEPTEMBER 2016					
	THIS QUARTER			FISCAL YEAR TO DATE		
	LAST YEAR	THIS YEAR	% UP (DOWN)	LAST YEAR	THIS YEAR	% UP (DOWN)
WATER REVENUE	\$6,542,963	\$7,421,407	13	\$6,542,963	\$7,421,407	13
TOTAL CONSUMPTION (100 CU FT)	3,560,874	4,107,307	15	3,560,874	4,107,307	15
AVERAGE CONSUMPTION PER CONSUMER (100 CU FT)	161	184 *	14	161	184 c	14
NUMBER OF CONNECTIONS	16	5		22,142	22,309	1

* = ADDED THIS QUARTER

C = TOTAL ACTIVE JUNE 2016

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

OCTOBER 18, 2016

**RE: REQUEST BOARD ACTION WITH REGARD TO A CLAIM FOR
DAMAGES FILED BY ANGELA LACERENZA**

Attached for the Board's review is a claim form submitted to the Agency by Angela Lacerenza at 675 E. Racquet Club Road. Ms. Lacerenza is claiming damage due to a blocked sewer line that occurred on June 12, 2016. She contends that there was damage done to the main caused by our existing water main. The 6" main was installed in 1959 with the most recent work in the area occurring in 2005. In 2005 new copper water service lateral was installed 7 feet to the west of the sewer lateral damage. The installation date of the sewer lateral was investigated; however a date of installation was not available from the City of Palm Springs.

It appears that the damage to the sewer lateral was not directly beneath our water main but is a few feet north of the water main. There is a natural gas main of similar size and depth a few more feet to the north of the sewer lateral damage. The horizontal alignment of the sewer is not straight; the sewer lateral appears to have been installed with a horizontal deflection or was subsequently pushed out of a straight alignment. There is no way to determine if this was a factor contributing to the damage and how it occurred. Lacerenza claims that improper backfill material and lack of compaction during the installation of our main caused damage to the sewer lateral. She claims that there were large rocks between our water main and the sewer lateral that transferred traffic loads from our water main to the sewer lateral. Lacerenza also claims that the water service lateral installation in 2005 contributed to the damage. She also claims that there are scratches on the sewer lateral indicative of the sewer lateral coming in contact with the claws on a backhoe bucket.

Our Construction Superintendent Frank Robinson inspected the scratches. The distance between the scratches could be the width of a backhoe bucket but if a backhoe bucket caused these scratches there should have been scratches from all the teeth on the bucket. Regardless, Robinson said that the scratches did not

look like they were caused from contact with a backhoe bucket and there is no way to know when, where or how the scratches had occurred.

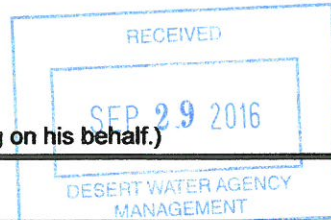
The water lateral installation is 7 feet west and several feet above the depth of the sewer lateral. The 6" steel water main is installed 1 foot above the sewer lateral. Because of the proximity of the water service lateral installed in 2005 to the damaged sewer lateral it is virtually impossible that this work had any impact on the sewer lateral.

DWA did not witness the excavation of the alleged rocks between the sewer lateral and the water main. Furthermore, it is unknown which utility was installed first, the water main or the sewer lateral. If these rocks were present between the mains they could have been introduced in the backfill during either the sewer lateral installation or the water main installation. Regardless, the damage did not occur at the intersection of our facilities but several feet away. If there had been a load applied to the sewer lateral from our water main, it is likely that it would have damaged the sewer immediately since the clay sewer pipe is not very ductile. Because of the proximity damage to the water main and the length of time (57 years) it took for the damage to occur it is extremely unlikely that our water main caused the damage.

Staff requests that the Board reject the claim for damages filed by Angela Lacerenza.

Claim Form

(A claim shall be presented by the claimant or by a person acting on his behalf.)



NAME OF DISTRICT: DESERT WATER AGENCY

1

Claimant name, address (mailing address if different), phone number, social security number, e-mail address, and date of birth.

Effective January 1, 2010, the Medicare Secondary Payer Act (Federal Law) requires the District/Agency to report all claims involving payments for bodily injury and/or medical treatments to Medicare. As such, if you are seeking medical damages, we **MUST** have both your Social Security Number and your date of birth.

Name: ANGELA LACERENZA

Phone Number: (310) 720-8879

Address(es): P/O Box 4441

Social Security No.:

Palm Springs CA 92262

Date of Birth

E-mail:

She said Frank has pictures

2

List name, address, and phone number of any witnesses.

Name: MICHAEL CAMPBELL

Address: 2210 So Calle Pro Fierro

Phone Number: (310) 720-7091

3

List the date, time, place, and other circumstances of the occurrence or transaction, which gave rise to the claim asserted.

Date: 6-12-2016 Time:

Place: 675 E. Racquel Club Rd B CA 92263

Tell What Happened (give complete information):

HAD A SEWER BLOCKAGE DISCOVERED BY SO GZ GAS INFORMED DESERT WATER WITH ROBOTIC PICTURES REPORT - DESERT WATER CHOSE NOT TO OPEN ROAD CLAIMED NO RESPONSABILITY - PIPE WAS FOUND TO BE LESS THAN 6" WITH WATER MAIN + 2 LARGE ROCKS BETWEEN - ALSO BACKHOLE MARKS ON SEWER PIPE THAT SHIFTER PIPE - ALSO SOIL VOIDS NO BINDER COURSE AND COMPACTION.

NOTE: Attach any photographs you may have regarding this claim.

4

Give a general description of the indebtedness, obligation, injury, damage, or loss incurred so far as it may be known at the time of presentation of the claim.

APPROX 25K-35K LOSS OF RENTS

APPROX 15K-20K INTERIOR DAMAGE

APPROX 10K-15K REPAIR - PERMITS/REMOVE/REPLACE/

5

Give the name or names of the public employee or employees causing the injury, damage, or loss, if known.

RESPONSABLE PARTY - THOSE IN CONTROL OF WATER (MAIN SUPPLY)

6

The amount claimed if it totals less than ten thousand dollars (\$10,000) as of the date of presentation of the claim, including the estimated amount of any prospective injury, damage or loss, insofar as it may be known at the time of the presentation of the claim, together with the basis of computation of the amount claimed. If the amount claimed exceeds ten thousand dollars (\$10,000), no dollar amount shall be included in the claim. However, it shall indicate whether the claim would be a limited civil case.

Date: 9-29-16 Time: 11:00 AM

Signature: Angela Lacerenza

ANSWER ALL QUESTIONS. OMITTING INFORMATION COULD MAKE YOUR CLAIM LEGALLY INSUFFICIENT!









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

OCTOBER 18, 2016

RE: SEPTEMBER 2016 WATER USE REDUCTION FIGURES

Desert Water Agency and its customers achieved an 8 percent reduction in total water production during September 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 September 2016 is 25% percent. The cumulative savings beginning in June of 2016 when we put our 10-13% target in place is 20.6%.

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 September 2016.

September 2016 water production	3,278.2 AF
September 2013 water production	3,561.2 AF
Quantity of potable water delivered for all commercial, industrial, and institutional users for the reporting month	827.7 AF
The percentage of the Total Monthly Potable Water Production going to residential use only for the reporting month	69.7%
Population (inclusive of seasonal residents)	105,872
Estimated R-GPCD	234.2
How many public complaints of water waste or violation of conservation rules were received during the reporting month?	10

How many contacts (written/ verbal) were made with customers for actual/ alleged water waste or for a violation of conservation rules?	29
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?	28
<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 September was 332,271 acre feet.</p> <p>Additionally, since it began recycling water Desert Water Agency has reclaimed 89,337 acre feet. If our recycled water production for September 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**

OCTOBER 18, 2016

**RE: CITY OF PALM SPRINGS REQUEST FOR ALTERNATIVE
WATERING SCHEDULE**

The City of Palm Springs has formally requested that its parks and recreation areas retain a five-day-per-week watering schedule, rather than return to the three-day-per-week schedule on November 1. The attached letter was sent to staff electronically on October 6 and is addressed to all members of the Board of Directors.

The primary reason given for the request is to preserve the health of trees watered by spray irrigation. The City noted that its parks were developed decades ago and have dated irrigation systems.

The Conservation Committee discussed this issue at their meeting on October 12. Recognizing the community benefit of keeping trees and grass in public parks and recreation areas healthy, the Committee was interested in accommodating the City's request. The Committee gave staff guidance in consideration of the request.

- Clearly define the exception as applying only to City parks and recreation areas.
- Revisit the City's turf reduction program, which was previously presented to DWA.
- Work with the City to develop a short-term conservation plan, identify possibilities for partnership.
- Request that the City create a long-term (10 year) strategy for non-native and spray irrigated trees on City property.

Under Ordinance 65, the General Manager has the authorization to allow exceptions from restrictions due to exceptional circumstances that would cause an unnecessary and undue hardship to the water user or the public. It is under this authority that the General Manager intends to consider the City of Palm Springs' request, with the help of the Committee's guidance. Desert Water Agency will retain the right to revoke the exemption at any time.

Prior to approving the request, staff intends to meet with the City Manager's office on this matter, and to request a list of all of the locations that the City considers parks and recreation areas. These properties would still be subject to the time of day restrictions and all other restrictions. Staff plans to determine the associated meter numbers and regularly run reports on consumption.

Staff will also work with the City on reviewing the programs and plans noted above.



City of Palm Springs

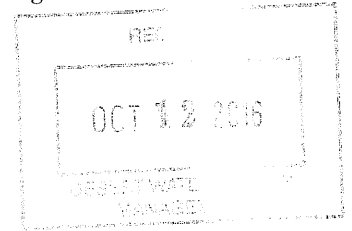
David H. Ready, Esq., Ph.D.

City Manager

3200 E. Tahquitz Canyon Way, Palm Springs, CA 92262
Tel 760.322.8350 • Fax 760.323.8207 • TDD 760.864.9527
David.Ready@palmspringsca.gov • www.palmspringsca.gov

October 6, 2016

Mr. James Cioffi, President
Mr. Joseph K. Stuart, Vice President
Ms. Kristin Bloomer, Secretary-Treasurer
Ms. Patricia G. Oygar
Mr. Craig Ewing



**RE: Outdoor Watering Restrictions | Maintaining 5-Day Watering Schedule
Public Parks and Recreation Areas**

Esteemed Desert Water Agency Board Members,

We are writing to you on behalf of the City of Palm Springs to request that the current outdoor watering restrictions limited to 5 nights per week be maintained permanently for the City's parks and recreation areas, and the City not be required to reduce outdoor watering to 3 nights per week on November 1. As a sustainable partner in this community, the City has made major investments in replacing older irrigation controllers at all City parks and facilities, reducing water waste and helping to achieve the state's ambitious water reduction standards. Under the current 5 nights per week watering schedule, the City has continued to demonstrate substantial reductions in its potable water consumption showing most recently for July 2016 a total potable consumption of 28.5 Million Gallons as compared to total potable consumption of 47.1 Million Gallons for July 2013, a reduction of 18.6 Million Gallons, or 39.5%.

Last year, after Desert Water Agency implemented outdoor watering restrictions to 3 nights per week, the City's parks significantly suffered. The state-wide mandates to save water are important, and the change in mindset made publicly visible through the state's "Brown is the New Green" or "Let it Go California Gold" campaigns helped change public perception away from maintaining lush dark green lawns. However, the City's parks were developed decades ago, and use older spray irrigation systems for not just turf play areas, but for irrigating trees and shrubs as well. Implementing the state's policies to allow turf to go brown has had the unintended consequence of starving the City's urban forest of water throughout our parks, and the health of most of our mature trees has significantly declined. Simply put – the City's parks require sufficient outdoor watering to maintain the health of its landscape. The City's parks are a public resource, being the only place for some of our residents to go to enjoy outdoor recreation.

The current policy allowing outdoor watering 5 nights per week has helped bring life back to our City parks – we ask that you consider allowing this schedule to remain for outdoor watering of the City's parks and recreation areas.

Sincerely,

David H. Ready, City Manager

Marcus L. Fuller, Assistant City Manager

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

OCTOBER 18, 2016

**RE: ANNUAL REPORTING OF BACK-UP FACILITY AND CAPACITY
CHARGES**

Attached for the Board's review are summaries of the Back-up Facility Charge and Capacity Charge the Agency collects when a new service connection is made to the water distribution, reclaimed or sewer systems. The amounts collected are used to off-set Agency capital expenditures on production, storage and transmission of water, reclaimed water and sewer collection and transmission facilities.

The Agency has received legal counsel that it does not need to make this report on an annual basis, as the Capital Expenditures exceed the fees collected (when this condition exists, there are no funds to segregate or interest to account for separately as Government Code requires in a situation where fees collected are greater than expenditures for Capital Improvements). However, it is felt it would be prudent to continue making an annual report to the Board in order to show the amounts expended during the year on projects for which the fees were collected, as well as the beginning and ending balances. As the attached summaries indicate, since this reporting requirement began with the 1988-89 fiscal year, Desert Water Agency has expended more funds on potable, sewer, and reclaimed water facilities than actual amounts collected.

Staff's intent is to not only report this information to the Board, but to also make it available to the Public upon request.

DESERT WATER AGENCY
Water Service
Backup Facility Charge Summary

Fiscal Year	Beginning Balance	Fees Collected	Capital Expenditures	Interest Earned	Ending Balance
1988/1989	\$ -	\$ 283,665	\$ (1,105,664)	\$ -	\$ (821,999)
1989/1990	\$ (821,999)	\$ 246,640	\$ (27,479)	\$ -	\$ (602,838)
1990/1991	\$ (602,838)	\$ 157,005	\$ (921,486)	\$ -	\$ (1,367,319)
1991/1992	\$ (1,367,319)	\$ 167,250	\$ (1,981,296)	\$ -	\$ (3,181,365)
1992/1993	\$ (3,181,365)	\$ 44,285	\$ (12,325)	\$ -	\$ (3,149,405)
1993/1994	\$ (3,149,405)	\$ 52,300	\$ (551,426)	\$ -	\$ (3,648,531)
1994/1995	\$ (3,648,531)	\$ 76,590	\$ (1,582,064)	\$ -	\$ (5,154,005)
1995/1996	\$ (5,154,005)	\$ 104,680	\$ (1,282,271)	\$ -	\$ (6,331,596)
1996/1997	\$ (6,331,596)	\$ 81,660	\$ (22,324)	\$ -	\$ (6,272,260)
1997/1998	\$ (6,272,260)	\$ 98,410	\$ (137,782)	\$ -	\$ (6,311,632)
1998/1999	\$ (6,311,632)	\$ 158,840	\$ (3,383,470)	\$ -	\$ (9,536,262)
1999/2000	\$ (9,536,262)	\$ 263,778	\$ (23,329)	\$ -	\$ (9,295,813)
2000/2001	\$ (9,295,813)	\$ 267,580	\$ (4,837)	\$ -	\$ (9,033,070)
2001/2002	\$ (9,033,070)	\$ 172,850	\$ (889,827)	\$ -	\$ (9,750,047)
2002/2003	\$ (9,750,047)	\$ 334,440	\$ (1,847,631)	\$ -	\$ (11,263,238)
2003/2004	\$ (11,263,238)	\$ 1,277,190	\$ (1,299,480)	\$ -	\$ (11,285,528)
2004/2005	\$ (11,285,528)	\$ 3,393,467	\$ (2,154,904)	\$ -	\$ (10,046,965)
2005/2006	\$ (10,046,965)	\$ 1,287,940	\$ (2,059,507)	\$ -	\$ (10,818,532)
2006/2007	\$ (10,818,532)	\$ 2,218,549	\$ (3,300,220)	\$ -	\$ (11,900,203)
2007/2008	\$ (11,900,203)	\$ 603,536	\$ (781,382)	\$ -	\$ (12,078,049)
2008/2009	\$ (12,078,049)	\$ 181,840	\$ (7,741,281)	\$ -	\$ (19,637,490)
2009/2010	\$ (19,637,490)	\$ 90,820	\$ (1,083,717)	\$ -	\$ (20,630,387)
2010/2011	\$ (20,630,387)	\$ 138,080	\$ (965,570)	\$ -	\$ (21,457,877)
2011/2012	\$ (21,457,877)	\$ 396,420	\$ (2,437,821)	\$ -	\$ (23,499,278)
2012/2013	\$ (23,499,278)	\$ 481,060	\$ (1,300,211)	\$ -	\$ (24,318,429)
2013/2014	\$ (24,318,429)	\$ 657,460	\$ (353,989)	\$ -	\$ (24,014,958)
2014/2015	\$ (24,014,958)	\$ 680,110	\$ (3,768,248)	\$ -	\$ (27,103,096)
2015/2016	\$ (27,103,096)	\$ 574,675	\$ (2,952,328)	\$ -	\$ (29,480,749)
	Totals	\$ 14,491,120	\$ (43,971,869)	\$ -	\$ (29,480,749)

BACK-UP FACILITY REVENUE SUMMARY

WATER SERVICE

YEAR	TOTAL REVENUE	CUMULATIVE BALANCE
FISCAL 1988/1989	\$ 283,665	\$ 283,665
FISCAL 1989/1990	\$ 246,640	\$ 530,305
FISCAL 1990/1991	\$ 157,005	\$ 687,310
FISCAL 1991/1992	\$ 167,250	\$ 854,560
FISCAL 1992/1993	\$ 44,285	\$ 898,845
FISCAL 1993/1994	\$ 52,300	\$ 951,145
FISCAL 1994/1995	\$ 76,590	\$ 1,027,735
FISCAL 1995/1996	\$ 104,680	\$ 1,132,415
FISCAL 1996/1997	\$ 81,660	\$ 1,214,075
FISCAL 1997/1998	\$ 98,410	\$ 1,312,485
FISCAL 1998/1999	\$ 158,840	\$ 1,471,325
FISCAL 1999/2000	\$ 263,778	\$ 1,735,103
FISCAL 2000/2001	\$ 267,580	\$ 2,002,683
FISCAL 2001/2002	\$ 172,850	\$ 2,175,533
FISCAL 2002/2003	\$ 334,440	\$ 2,509,973
FISCAL 2003/2004	\$ 1,277,190	\$ 3,787,163
FISCAL 2004/2005	\$ 3,393,467	\$ 7,180,630
FISCAL 2005/2006	\$ 1,287,940	\$ 8,468,570
FISCAL 2006/2007	\$ 2,218,549	\$ 10,687,119
FISCAL 2007/2008	\$ 603,536	\$ 11,290,655
FISCAL 2008/2009	\$ 181,840	\$ 11,472,495
FISCAL 2009/2010	\$ 90,820	\$ 11,563,315
FISCAL 2010/2011	\$ 138,080	\$ 11,701,395
FISCAL 2011/2012	\$ 396,420	\$ 12,097,815
FISCAL 2012/2013	\$ 481,060	\$ 12,578,875
FISCAL 2013/2014	\$ 657,460	\$ 13,236,335
FISCAL 2014/2015	\$ 680,110	\$ 13,916,445
FISCAL 2015/2016	\$ 574,675	\$ 14,491,120

CAPITAL ADDITIONS

BACK-UP FACILITIES - WATER

YEAR	TOTAL EXPENDITURE	CUMULATIVE TOTAL
1988/89 THRU 1996/97	\$ 7,486,335	\$7,486,335
FISCAL 1997/1998	\$ 137,782	\$7,624,117
FISCAL 1998/1999	\$ 3,383,470	\$11,007,587
FISCAL 1999/2000	\$ 23,329	\$11,030,916
FISCAL 2000/2001	\$ 4,837	\$11,035,753
FISCAL 2001/2002	\$ 889,827	\$11,925,580
FISCAL 2002/2003	\$ 1,847,631	\$13,773,211
FISCAL 2003/2004	\$ 1,299,480	\$15,072,691
FISCAL 2004/2005	\$ 2,154,904	\$17,227,595
FISCAL 2005/2006	\$ 2,059,507	\$19,287,102
FISCAL 2006/2007	\$ 3,300,220	\$22,587,322
FISCAL 2007/2008	\$ 781,382	\$23,368,704
FISCAL 2008/2009	\$ 7,741,281	\$31,109,985
FISCAL 2009/2010	\$ 1,083,717	\$32,193,702
FISCAL 2010/2011	\$ 965,570	\$33,159,272
FISCAL 2011/2012	\$ 2,437,821	\$35,597,093
FISCAL 2012/2013	\$ 1,300,211	\$36,897,304
FISCAL 2013/2014	\$ 353,989	\$37,251,293
FISCAL 2014/2015	\$ 3,768,248	\$41,019,541
FISCAL 2015/2016		
W/O #14-178-C-30 (11160)	\$ 29,943	\$41,049,484
W/O #14-179-C-32 (11160)	\$ 41,899	\$41,091,383
W/O #14-195--36 (11171)	\$ 1,418,425	\$42,509,808
W/O #14-301--08 (11171)	\$ 73,360	\$42,583,168
W/O #15-111--08 (11171)	\$ 590,240	\$43,173,408
W/O #15-111--12 (11171)	\$ 721,586	\$43,894,994
W/O #15-801--08 (11171)	\$ 19,396	\$43,914,390
W/O #15-802--08 (11171)	\$ 57,479	\$43,971,869

FISCAL 2015/2016 CAPITAL ADDITION DESCRIPTIONS:

W/O #14-178-C-30	WELL #30 - CHLORINE STATION	
W/O #14-179-C-32	WELL #39 - CHLORINE STATION	
W/O #14-195--36	36" MAINS - CABALLEROS / ALEJO / TAHQUITZ	
W/O #14-301--08	8" MAIN - EAST PALM CANYON (REPLACE 6" MAIN)	
W/O #15-111--08	8" MAINS - STEVENS / WAWONA	
W/O #15-111--12	12" MAINS -INDIAN CANYON (TAQHQUITZ / ALEJO / STEVENS)	
W/O #15-801--08	8" MAIN - CALIFORNIA AVENUE	
W/O #15-802--08	8" MAIN - BOGERT TRAIL	

DESERT WATER AGENCY
Reclamation Water Service
Backup Facility Charge Summary

Fiscal Year	Beginning Balance	Fees Collected	Capital Expenditures	Interest Earned	Ending Balance
1988/1989	\$ -	\$ -	\$ (8,496,895)	\$ -	\$ (8,496,895)
1989/1990	\$ (8,496,895)	\$ 96,193	\$ (28,934)	\$ -	\$ (8,429,636)
1990/1991	\$ (8,429,636)	\$ -	\$ -	\$ -	\$ (8,429,636)
1991/1992	\$ (8,429,636)	\$ -	\$ (37,793)	\$ -	\$ (8,467,429)
1992/1993	\$ (8,467,429)	\$ -	\$ -	\$ -	\$ (8,467,429)
1993/1994	\$ (8,467,429)	\$ -	\$ (19,190)	\$ -	\$ (8,486,619)
1994/1995	\$ (8,486,619)	\$ -	\$ (21,123)	\$ -	\$ (8,507,742)
1995/1996	\$ (8,507,742)	\$ -	\$ (3,545,644)	\$ -	\$ (12,053,386)
1996/1997	\$ (12,053,386)	\$ -	\$ (49,258)	\$ -	\$ (12,102,644)
1997/1998	\$ (12,102,644)	\$ -	\$ (33,313)	\$ -	\$ (12,135,957)
1998/1999	\$ (12,135,957)	\$ -	\$ (177,863)	\$ -	\$ (12,313,820)
1999/2000	\$ (12,313,820)	\$ -	\$ (28,864)	\$ -	\$ (12,342,684)
2000/2001	\$ (12,342,684)	\$ -	\$ (1,207,954)	\$ -	\$ (13,550,638)
2001/2002	\$ (13,550,638)	\$ -	\$ (339,383)	\$ -	\$ (13,890,021)
2002/2003	\$ (13,890,021)	\$ -	\$ (38,056)	\$ -	\$ (13,928,077)
2003/2004	\$ (13,928,077)	\$ -	\$ (522,373)	\$ -	\$ (14,450,450)
2004/2005	\$ (14,450,450)	\$ -	\$ (50,211)	\$ -	\$ (14,500,661)
2005/2006	\$ (14,500,661)	\$ -	\$ (25,173)	\$ -	\$ (14,525,834)
2006/2007	\$ (14,525,834)	\$ -	\$ (4,198,092)	\$ -	\$ (18,723,926)
2007/2008	\$ (18,723,926)	\$ -	\$ (1,935,892)	\$ -	\$ (20,659,818)
2008/2009	\$ (20,659,818)	\$ -	\$ (180,517)	\$ -	\$ (20,840,335)
2009/2010	\$ (20,840,335)	\$ -	\$ (45,005)	\$ -	\$ (20,885,340)
2010/2011	\$ (20,885,340)	\$ -	\$ (55,067)	\$ -	\$ (20,940,407)
2011/2012	\$ (20,940,407)	\$ -	\$ (4,973,063)	\$ -	\$ (25,913,470)
2012/2013	\$ (25,913,470)	\$ -	\$ -	\$ -	\$ (25,913,470)
2013/2014	\$ (25,913,470)	\$ -	\$ (739,724)	\$ -	\$ (26,653,194)
2014/2015	\$ (26,653,194)	\$ -	\$ (99,660)	\$ -	\$ (26,752,854)
2015/2016	\$ (26,752,854)	\$ -	\$ (2,555,400)	\$ -	\$ (29,308,254)
	Totals	\$96,193	\$ (29,404,447)	\$0	\$ (29,308,254)

BACK-UP FACILITY REVENUE SUMMARY

RECLAMATION SERVICE

YEAR	TOTAL REVENUE	CUMULATIVE BALANCE
FISCAL 1988/1989	\$ -	\$ -
FISCAL 1989/1990	\$ 96,193	\$ 96,193
FISCAL 1990/1991	\$ -	\$ 96,193
FISCAL 1991/1992	\$ -	\$ 96,193
FISCAL 1992/1993	\$ -	\$ 96,193
FISCAL 1993/1994	\$ -	\$ 96,193
FISCAL 1994/1995	\$ -	\$ 96,193
FISCAL 1995/1996	\$ -	\$ 96,193
FISCAL 1996/1997	\$ -	\$ 96,193
FISCAL 1997/1998	\$ -	\$ 96,193
FISCAL 1998/1999	\$ -	\$ 96,193
FISCAL 1999/2000	\$ -	\$ 96,193
FISCAL 2000/2001	\$ -	\$ 96,193
FISCAL 2001/2002	\$ -	\$ 96,193
FISCAL 2002/2003	\$ -	\$ 96,193
FISCAL 2003/2004	\$ -	\$ 96,193
FISCAL 2004/2005	\$ -	\$ 96,193
FISCAL 2005/2006	\$ -	\$ 96,193
FISCAL 2006/2007	\$ -	\$ 96,193
FISCAL 2007/2008	\$ -	\$ 96,193
FISCAL 2008/2009	\$ -	\$ 96,193
FISCAL 2009/2010	\$ -	\$ 96,193
FISCAL 2010/2011	\$ -	\$ 96,193
FISCAL 2011/2012	\$ -	\$ 96,193
FISCAL 2012/2013	\$ -	\$ 96,193
FISCAL 2013/2014	\$ -	\$ 96,193
FISCAL 2014/2015	\$ -	\$ 96,193
FISCAL 2015/2016	\$ -	\$ 96,193

CAPITAL ADDITIONS

BACK-UP FACILITIES - RECLAMATION

YEAR	TOTAL EXPENDITURE	CUMULATIVE TOTAL
FISCAL 1988/1989	\$ 8,496,895	\$ 8,496,895
FISCAL 1989/1990	\$ 28,934	\$ 8,525,829
FISCAL 1990/1991	\$ -	\$ 8,525,829
FISCAL 1991/1992	\$ 37,793	\$ 8,563,622
FISCAL 1992/1993	\$ -	\$ 8,563,622
FISCAL 1993/1994	\$ 19,190	\$ 8,582,812
FISCAL 1994/1995	\$ 21,123	\$ 8,603,935
FISCAL 1995/1996	\$ 3,545,644	\$ 12,149,579
FISCAL 1996/1997	\$ 49,258	\$ 12,198,837
FISCAL 1997/1998	\$ 33,313	\$ 12,232,150
FISCAL 1998/1999	\$ 177,863	\$ 12,410,013
FISCAL 1999/2000	\$ 28,864	\$ 12,438,877
FISCAL 2000/2001	\$ 1,207,954	\$ 13,646,831
FISCAL 2001/2002	\$ 339,383	\$ 13,986,214
FISCAL 2002/2003	\$ 38,056	\$ 14,024,270
FISCAL 2003/2004	\$ 522,373	\$ 14,546,643
FISCAL 2004/2005	\$ 50,211	\$ 14,596,854
FISCAL 2005/2006	\$ 25,173	\$ 14,622,027
FISCAL 2006/2007	\$ 4,198,092	\$ 18,820,119
FISCAL 2007/2008	\$ 1,935,892	\$ 20,756,011
FISCAL 2008/2009	\$ 180,517	\$ 20,936,528
FISCAL 2009/2010	\$ 45,005	\$ 20,981,533
FISCAL 2010/2011	\$ 55,067	\$ 21,036,600
FISCAL 2011/2012	\$ 4,973,063	\$ 26,009,663
FISCAL 2012/2013	\$ -	\$ 26,009,663
FISCAL 2013/2014	\$ 739,724	\$ 26,749,387
FISCAL 2014/2015	\$ 99,660	\$ 26,849,047
FISCAL 2015/2016		
W/O #11-590-W	\$ 1,260,232	\$ 28,109,279
W/O #11-591-W	\$ 1,259,405	\$ 29,368,684
W/O #15-117-M	\$ 8,937	\$ 29,377,621
W/O #15-118-M	\$ 8,932	\$ 29,386,553
W/O #15-119-M	\$ 17,894	\$ 29,404,447

FISCAL 2015/2016 CAPITAL ADDITION DESCRIPTIONS

W/O #11-590-W	GROUNDWATER RECOVERY - WELL #1
W/O #11-591-W	GROUNDWATER RECOVERY - WELL #2
W/O #15-117-M	INFLUENT MOTOR REPLACEMENT
W/O #15-118-M	COMPOSITE SAMPLER REPLACEMENT
W/O #15-119-M	AIR COMPRESSOR REPLACEMENT

DESERT WATER AGENCY
Wastewater Service
Capacity Charge Summary

Fiscal Year	Beginning Balance	Fees Collected	Capital Expenditures	Interest Earned	Ending Balance
Prior 88/89	\$ -	\$ 36,140	\$ (119,529)	\$ -	\$ (83,389)
1988/1989	\$ (83,389)	\$ -	\$ (7,599)	\$ -	\$ (90,988)
1989/1990	\$ (90,988)	\$ 77,512	\$ (7,599)	\$ -	\$ (21,075)
1990/1991	\$ (21,075)	\$ 34,965	\$ (7,599)	\$ 499	\$ 6,790
1991/1992	\$ 6,790	\$ 2,970	\$ (11,447)	\$ -	\$ (1,687)
1992/1993	\$ (1,687)	\$ 13,959	\$ (7,599)	\$ 192	\$ 4,865
1993/1994	\$ 4,865	\$ 6,039	\$ (8,309)	\$ 83	\$ 2,678
1994/1995	\$ 2,678	\$ 30,432	\$ (7,599)	\$ 1,381	\$ 26,892
1995/1996	\$ 26,892	\$ 10,290	\$ (7,599)	\$ 2,037	\$ 31,620
1996/1997	\$ 31,620	\$ 19,865	\$ (7,599)	\$ 2,456	\$ 46,342
1997/1998	\$ 46,342	\$ 27,038	\$ (99,631)	\$ -	\$ (26,251)
1998/1999	\$ (26,251)	\$ 18,457	\$ (2,380,685)	\$ -	\$ (2,388,479)
1999/2000	\$ (2,388,479)	\$ 2,783	\$ (37,077)	\$ -	\$ (2,422,773)
2000/2001	\$ (2,422,773)	\$ 118,283	\$ (153,707)	\$ -	\$ (2,458,197)
2001/2002	\$ (2,458,197)	\$ 32,834	\$ (5,000)	\$ -	\$ (2,430,363)
2002/2003	\$ (2,430,363)	\$ 2,836	\$ -	\$ -	\$ (2,427,527)
2003/2004	\$ (2,427,527)	\$ 199,950	\$ (34,706)	\$ -	\$ (2,262,283)
2004/2005	\$ (2,262,283)	\$ 1,185,870	\$ (41,294)	\$ -	\$ (1,117,707)
2005/2006	\$ (1,117,707)	\$ 176,085	\$ -	\$ -	\$ (941,622)
2006/2007	\$ (941,622)	\$ 42,472	\$ (806,040)	\$ -	\$ (1,705,190)
2007/2008	\$ (1,705,190)	\$ 99,288	\$ (180,813)	\$ -	\$ (1,786,715)
2008/2009	\$ (1,786,715)	\$ 50,520	\$ (12,442,742)	\$ -	\$ (14,178,937)
2009/2010	\$ (14,178,937)	\$ 80,776	\$ (173,702)	\$ -	\$ (14,271,863)
2010/2011	\$ (14,271,863)	\$ 96,705	\$ -	\$ -	\$ (14,175,158)
2011/2012	\$ (14,175,158)	\$ 229,445	\$ (4,953,728)	\$ -	\$ (18,899,441)
2012/2013	\$ (18,899,441)	\$ 64,395	\$ (3,575)	\$ -	\$ (18,838,621)
2013/2014	\$ (18,838,621)	\$ 34,650	\$ (61,503)	\$ -	\$ (18,865,474)
2014/2015	\$ (18,865,474)	\$ 11,820	\$ -	\$ -	\$ (18,853,654)
2015/2016	\$ (18,853,654)	\$ 13,336	\$ -	\$ -	\$ (18,840,318)
	Totals	\$ 2,719,715	\$ (21,566,681)	\$ 6,648	\$ (18,840,318)

SEWER CAPACITY CHARGE REVENUE SUMMARY

WASTEWATER SERVICE

YEAR	TOTAL REVENUE	CUMULATIVE BALANCE
PRIOR 1988/1989	\$ 36,140	\$ 36,140
FISCAL 1988/1989	\$ -	\$ 36,140
FISCAL 1989/1990	\$ 77,512	\$ 113,652
FISCAL 1990/1991	\$ 34,965	\$ 148,617
FISCAL 1991/1992	\$ 2,970	\$ 151,587
FISCAL 1992/1993	\$ 13,959	\$ 165,546
FISCAL 1993/1994	\$ 6,039	\$ 171,585
FISCAL 1994/1995	\$ 30,432	\$ 202,017
FISCAL 1995/1996	\$ 10,290	\$ 212,307
FISCAL 1996/1997	\$ 19,865	\$ 232,172
FISCAL 1997/1998	\$ 27,038	\$ 259,210
FISCAL 1998/1999	\$ 18,457	\$ 277,667
FISCAL 1999/2000	\$ 2,783	\$ 280,450
FISCAL 2000/2001	\$ 118,283	\$ 398,733
FISCAL 2001/2002	\$ 32,834	\$ 431,567
FISCAL 2002/2003	\$ 2,836	\$ 434,403
FISCAL 2003/2004	\$ 199,950	\$ 634,353
FISCAL 2004/2005	\$ 1,185,870	\$ 1,820,223
FISCAL 2005/2006	\$ 176,085	\$ 1,996,308
FISCAL 2006/2007	\$ 42,472	\$ 2,038,780
FISCAL 2007/2008	\$ 99,288	\$ 2,138,068
FISCAL 2008/2009	\$ 50,520	\$ 2,188,588
FISCAL 2009/2010	\$ 80,776	\$ 2,269,364
FISCAL 2010/2011	\$ 96,705	\$ 2,366,069
FISCAL 2011/2012	\$ 229,445	\$ 2,595,514
FISCAL 2012/2013	\$ 64,395	\$ 2,659,909
FISCAL 2013/2014	\$ 34,650	\$ 2,694,559
FISCAL 2014/2015	\$ 11,820	\$ 2,706,379
FISCAL 2015/2016	\$ 13,336	\$ 2,719,715

CAPITAL ADDITIONS

SEWER CAPACITY CHARGE - WASTEWATER

W/O # & (G/L A/C)	TOTAL EXPENDITURE	CUMULATIVE TOTAL
PRIOR 1988/1989	\$119,529	\$119,529
FISCAL 1988/1989	\$7,599	\$127,128
FISCAL 1989/1990	\$7,599	\$134,727
FISCAL 1990/1991	\$7,599	\$142,326
FISCAL 1991/1992	\$11,447	\$153,773
FISCAL 1992/1993	\$7,599	\$161,372
FISCAL 1993/1994	\$8,309	\$169,681
FISCAL 1994/1995	\$7,599	\$177,280
FISCAL 1995/1996	\$7,599	\$184,879
FISCAL 1996/1997	\$7,599	\$192,478
FISCAL 1997/1998	\$99,631	\$292,109
FISCAL 1998/1999	\$2,380,685	\$2,672,794
FISCAL 1999/2000	\$37,077	\$2,709,871
FISCAL 2000/2001	\$153,707	\$2,863,578
FISCAL 2001/2002	\$5,000	\$2,868,578
FISCAL 2002/2003	\$0	\$2,868,578
FISCAL 2003/2004	\$34,706	\$2,903,284
FISCAL 2004/2005	\$41,294	\$2,944,578
FISCAL 2005/2006	\$0	\$2,944,578
FISCAL 2006/2007	\$806,040	\$3,750,618
FISCAL 2007/2008	\$180,813	\$3,931,431
FISCAL 2008/2009	\$12,442,742	\$16,374,173
FISCAL 2009/2010	\$173,702	\$16,547,875
FISCAL 2010/2011	\$0	\$16,547,875
FISCAL 2011/2012	\$4,953,728	\$21,501,603
FISCAL 2012/2013	\$3,575	\$21,505,178
FISCAL 2013/2014	\$61,503	\$21,566,681
FISCAL 2014/2015	\$0	\$21,566,681
FISCAL 2015/2016		
NO CAPITAL ADDITIONS	\$0	\$21,566,681

FISCAL 2015/2016 CAPITAL ADDITION DESCRIPTIONS:

NONE