DESERT WATER AGENCY FEBRUARY 21, 2017



BOARD OF DIRECTORS REGULAR MEETING AGENDA

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

About Desert Water Agency:

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

1. PLEDGE OF ALLEGIANCE

| 2. | APPROVAL OF MINUTES – A. February 7, 2017 | CIOFFI |
|----|--|--------|
| 3. | GENERAL MANAGER'S REPORT | KRAUSE |
| 4. | COMMITTEE REPORTS – A. Executive – February 13, 2017 | 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 - JANUARY

7. ITEMS FOR ACTION

| A. Request Adoption of Resolution No. 1150 Granting Retirement Status to Michael Abdelnour B. Request Adoption of Resolution No. 1151 Concurring in Nomination of Melody McDonald on ACWA/JPIA Executive Committee | KRAUSE KRAUSE |
|---|-------------------|
| C. Request Adoption of Resolution No. 1152 Authorizing Investment of Monies in LAIF and Acknowledging Assignment of Signatories | KRIEGER |
| D. Request Approval to Augment 2016/2017 Operating & General Funds Budget | KRIEGER |
| ITEMS FOR DISCUSSION A. January Water Use Reduction Figures B. Consider the Consolidation of DWA Board Elections with Statewide Elections | KRAUSE RIDDELL |

9. DIRECTORS COMMENTS AND REQUESTS

10. CLOSED SESSION

8.

- 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.

2-A

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

February 7, 2017

| DWA Board: | James Cioffi, President)Joseph K. Stuart, Vice President)Kristin Bloomer, Secretary-Treasurer)Patricia G. Oygar, Director)Craig A. Ewing, Director) | Attendance |
|-------------------------------------|---|---|
| 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. Mgr.)Irene Gaudinez, Human Resources Manager)Lee Lahtinen, Controller) | |
| Consultant: | Michael T. Riddell, Best Best & Krieger) | |
| Public: | David Freedman, P.S. Sustainability Comm.) | |
| 17714. Preside everyone to join Di | ed Pledge of Allegiance | |
| 17715. Presid Special Board meet | dent Cioffi called for approval of the January 6, 20 ting minutes. | Approval of 01/06/17 Special Board Mtg. Minutes |
| | etor Ewing moved for approval. After a second by Vi he minutes were approved as written (Director Oyg r absence). | |
| Presid Regular Board mee | dent Cioffi called for approval of the January 17, 20 eting minutes. | Approval of 01/17/17 Regular Board Mtg. Minutes |
| | President Stuart moved for approval. After a second e minutes were approved as written. | ру |
| Presid Special Board meet | dent Cioffi called for approval of the January 24, 20 ting minutes. | 7 Approval of 01/24/17 Special Board Mtg. Minutes |

| Vice President Stuart moved for approval. After a second by Director Ewing, the minutes were approved as written (Director Oygar abstained due to her absence). | 8761 Approval of 01/24/17 Minutes (Cont.) |
|---|--|
| 17716. President Cioffi called upon General Manager Krause to provide an update on Agency operations. | General Manager's Report |
| Mr. Krause stated on January 30 at approximately 12:40 a.m., stand-by responded to a hit fire hydrant on Indian Canyon Drive, north of Vista Chino. Staff replaced the hydrant and placed it back in service. The water loss was from a fully open 6-inch fire hydrant bury which ran for approximately 30 minutes. A police report was filed. | Hit Fire Hydrant |
| Mr. Krause provided an update on Whitewater Basin deliveries: On February 2, a scheduled increase of 300 cfs was made. Plans to continue until the Colorado River Aqueduct scheduled maintenance on February 14. Water deliveries are scheduled to be off during this time, which should last 28 days. | Water Delivery Update |
| Regarding the Whitewater Hydro, Mr. Krause noted it produced 220,049 kw during the month of January. It is anticipated to earn approximately \$20,000, to be shared with CVWD. If it is operational from March thru December, we anticipate producing approximately 6,960 mw for 2017. This will generate approximately \$640,000 in earnings from SCE. | Whitewater Hydro |
| Continuing his report, Mr. Krause noted correspondence from SWC regarding the Delta Stewardship Councils development of the Delta Levee Investment Strategy was included with his report. | SWC Official Correspondence |
| Mr. Krause reminded everyone that Agency offices will be closed on Monday, February 20 for the Presidents' Day holiday. | DWA Offices Closed – Presidents' Day Holiday |
| Concluding his report, Mr. Krause noted several meetings and activities he participated in during the past several weeks. | General Manager's Meetings & Activities |
| 17717. President Cioffi noted the minutes for the February 1, 2017 Executive Committee were provided in the Board's packet. | Committee Reports Executive 02/01/17 |
| 17718. 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. | |
| 17719. President Cioffi called upon General Manager Krause to present staff's request for adoption of Resolution No. 1148 granting retirement status to Lee Lahtinen. | Items for Action: Request Adoption of Resolution No. 1148 Granting Retirement to Lee Lahtinen |

Action Items: (Cont.) Resolution No. 1148 Lahtinen Retirement

Mr. Krause announced that Mr. Lahtinen is retiring from the Agency after 12 years of dedicated service.

Mr. Lahtinen expressed his appreciation to the Board and staff.

Director Ewing made a motion to adopt Resolution No. 1148. After a second by Vice President Stuart, the motion carried unanimously.

RESOLUTION NO. 1148 A RESOLUTION OF THE BOARD OF DIRECTORS **OF THE DESERT WATER AGENCY GRANTING RETIREMENT STATUS TO LEE LAHTINEN**

17720 President Cioffi called upon Outreach & Conservation Water Use Violation -Civil Penalty Hearing Manager Metzger to present the civil penalty hearing for water use violation.

Mrs. Metzger noted there have been more than 440 violations issued and that recipients have 7 days to request a hearing in writing. Staff has received one hearing request for today. The appellant is not present for today's hearing.

Mrs. Metzger announced the appellant is Gordon Zentner and noted the violations: 1) Watering during the rain; and 2) Irrigating during restricted hours. The fine is \$50 and the reason for appeal is the customer is aware of restrictions and has fixed timing of zones. She noted that Mr. Zentner has applied for the Agency's smart controller program.

Director Oygar made a motion to uphold the appeal; violation occurred and waive the penalty. After a second by Vice President Stuart, the motion carried unanimously.

President Cioffi asked General Manager Krause to present 17721. staff's request for adoption of Resolution No. 1149 supporting the nomination of Kathleen J. Tiegs to the office of ACWA/JPIA Executive Committee.

Mr. Krause stated the Board is being asked to consider supporting the nomination of Kathleen J. Tiegs, Director of the Cucamonga Valley Water District and current President of ACWA to the ACWA/JPIA Executive Committee. If the Board concurs in the nomination of Ms. Tiegs, it may do so by adopting Resolution No. 1149. Following adoption, staff will forward a copy to Cucamonga Valley Water District and ACWA/JPIA offices.

Resolution No. 1148 Adopted

Gordon Zentner

Uphold Appeal/Violation Occurred/Waive Penalty

Request Adoption of Resolution No. 1149 Supporting the Nomination of Kathleen Tiegs to ACWA/JPIA **Executive Committee**

Action Items:

President Cioffi noted that Ms. Tiegs will be at the Agency on (Cont.) February 16 from 3 – 4 p.m. for "Meet ACWA's President" event.

Director Ewing made a motion to adopt Resolution No. 1149. President Cioffi seconded the motion, which carried unanimously.

RESOLUTION NO. 1149 RESOLUTION OF THE BOARD OF DIRECTORS OF DESERT WATER AGENCY CONCURRING IN NOMINATION OF KATHLEEN J. TIEGS TO THE EXECUTIVE COMMITTEE OF THE ASSOCIATION **OF CALIFORNIA WATER AGENCIES JOINT POWERS INSURANCE AUTHORITY (ACWA JPIA)**

17722. President Cioffi asked Outreach & Conservation Manager Metzger to present staff's request for authorization for the General Manager to enter into a Memorandum of Understanding (MOU) with Western Municipal Water District (WMWD) for freesprinklers.com program.

Mrs. Metzger explained to date, DWA has not offered a free sprinkler nozzle program. The FreeSprinklerNozzles.com program is a web administered voucher program for free high efficiency sprinkler nozzles created and offered by WMWD. Customers can receive: 1) Up to 25 free nozzles for single-family customers; 2) Up to 100 free nozzles for commercial customers; and 3) Special vouchers available for site needs as approved by the Agency. She then explained the registration process.

Continuing her report, Mrs. Metzger stated that WMWD requires a \$20,000 budget level for the program for the next 12 months. Staff has budgeted sufficient funds in the 2016-207 budget under Other Conservation Programs, but this cost could be covered by a contribution from CPV Sentinel and/or penalty fees collected to date. Staff recommends that the Board authorize the General Manager to enter into a MOU with WMWD for the next twelve months with a maximum budget of \$20,000. This would allow DWA to put about 5,000 nozzles in place for a savings of about 7 million gallons or 21.5 AF per year.

Responding to Director Ewing, Mrs. Metzger stated that Section 10 of the MOU discusses customer data confidentiality.

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

17723. President Cioffi asked General Manager Krause to present Request Authorization staff's request to enter into an agreement with Metropolitan Water District (MWD) and Coachella Valley Water District (CVWD) for Article 21 Water.

to Enter into an Agreement with MWD & CVWD for Article 21 Water

Request Auth. for GM to enter into MOU with

Resolution No. 1149

Adopted

WMWD

8764

Mr. Krause stated on January 25, the Agency received a notice from the Department of Water Resources (DWR) regarding the 2017 Article 21 Water Program. The notice advised that DWR was offering interested Contractors who signed the Monterey Agreement the opportunity to participate in the purchase of Article 21 Water, which may become available later in 2017. Staff executed and returned the notice, which indicated the Agency's acceptance of the criteria, procedures and charges established for this program.

Continuing his report, Mr. Krause explained that DWR will make Article 21 Water available by February 10. MWD cannot take immediate delivery but anticipates it will be able to do so in mid-March. MWD has agreed to deliver Article 21 Water to DWA and CVWD under certain conditions. The primary condition is that delivery must not interfere with MWD's operations or delivery of Table A to its member agencies. DWA's Article 21 delivery will most likely be between 0-2,500 acre-feet. The cost of the water only includes transportation costs (\$320/a.f.). This water will cost approximately 50% of a Table A delivery. A letter agreement defining the terms between the agencies is being prepared by MWD for execution. Staff requests Board authorization to participate in the 2017 Article 21 Water Program. Staff also requests authorization for the General Manager to execute a letter agreement with MWD for the exchange delivery of 2017 Article 21 Water.

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

17724. President Cioffi asked Outreach & Conservation Manager Metzger to report on the Conservation Program Update.

Mrs. Metzger provided a PowerPoint presentation which included progress on current conservation programs: 1) Replaced 167 toilets, 2) Installed 116 smart controllers, 3) Approved 331,844 square feet of turf replacement (Total water savings of 69,722,939 gallons/year, or 213 af/year), and 4) 440 penalties issued to date (\$35,200 in funds collected), 5) CPV Sentinel partnership (committed \$100,000 for 2017).

Continuing her presentation, Mrs. Metzger stated an alternative smart controller program is being considered. Staff is looking into "in-store placement" from local hardware & irrigation supply stores.

17725. President Cioffi asked Agency Counsel Riddell to provide a state Water Contractors report on the January 19, 2017 meeting of the Board of Directors of the Meeting -01/19/17 State Water Contractors, Inc.

(Cont.) Request Auth. to Enter into Agrmt. MWD & CVWD for Article 21 Water

Action Items:

Discussion Items:

Conservation Program

Update Presentation

Desert Water Agency Regular Board Meeting Minutes 02/07/17

Discussion Items: Mr. Riddell provided a report on the following items: 1) (Cont.) Board Action Items, 2) Water Supply Report, 3) DWR Report on SWP SWC Mtg. 01/19/17 Water Operations, 4) General Manager's Report, 5) Revisions to SWC Bylaws, and 6) Report on Energy Objectives.

Outreach & 17726. President Cioffi noted that Board packets included Outreach Conservation -& Conservation reports for January 2017. January 2017

Mrs. Metzger announced the following upcoming events: 1) Upcoming Events ACWA's Meet the President on February 16 3:00 p.m. - 4:00 p.m. at DWA, 2) Four Seasons HOA Annual Meeting on February 22 at 5:00 p.m., 3) PSNIC on March 25 11:00 a.m. – 12:00 p.m., and 4) Desert Garden Tour on March 26 12:00 p.m. -4:00 p.m. starting at DWA.

17727. Director Ewing announced that he would not be present for the March 21 (NWRA conference) April 18 and May 2 Board meetings.

President Cioffi announced that he will be out of the country for the March 21 Board meeting.

Director Oygar requested discussion/information on SB415 be placed on the February 21 Board agenda.

Agency Counsel Riddell explained that SB415 was enacted in 2016 and will apply to elections after January 1, 2018. It would affect odd numbered elections where voter turnout is more than 25% less than the average turnout of the last four statewide elections, requiring a move to even year elections.

In response to President Cioffi, Assistant Secretary of the Board Baca stated she has inquired to the County Registrar and is waiting for their analysis.

At 9:26 a.m., President Cioffi convened into Closed Session Closed Session: 17728. 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; (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; (F) Real Property Negotiators, pursuant to Government Code Section 54956.8,

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 F. Real Property Negotiators G. Public Employee Performance

Directors **Comments/Requests** **Closed Session:** (Cont.)

Property-APN 504-260-026 and portions of APN No. 504-260-025 and 504-260-027, Agency Negotiators: Mark S. Krause, General Manager and Steven L. Johnson, Assistant General Manager, Negotiating Parties: Ayres Advisors, Under Negotiation: Price and terms; and (G) Public Employee Performance Evaluation, pursuant to Government Code Section 54957, Title: General Manager.

Reconvene –No 17729. At 11:16 a.m., President Cioffi reconvened the meeting into **Reportable Action** open session and announced there was no reportable action for Items 10-A thru 10-F.

Regarding Item 6-B and 10-G, President Cioffi stated a Reportable Action performance evaluation was conducted for General Manager Krause.

Director Ewing then made a motion to approve a second amendment to the General Manager's employment agreement with a 4% salary increase and a 4% bonus. Vice President Stuart seconded the motion, which carried unanimously.

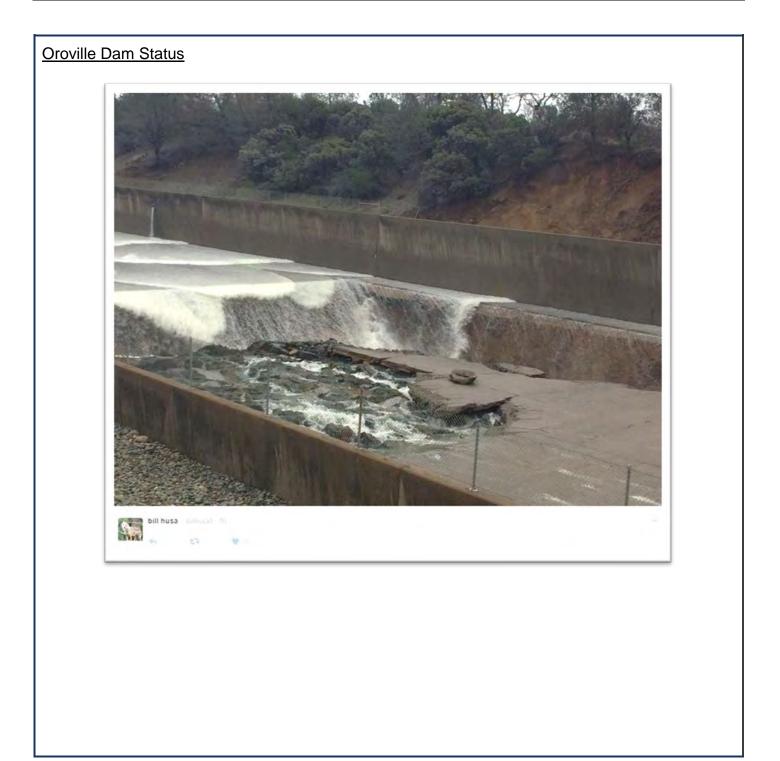
In the absence of any further business, President Cioffi Adjournment 17730. adjourned the meeting at 11:17 a.m.

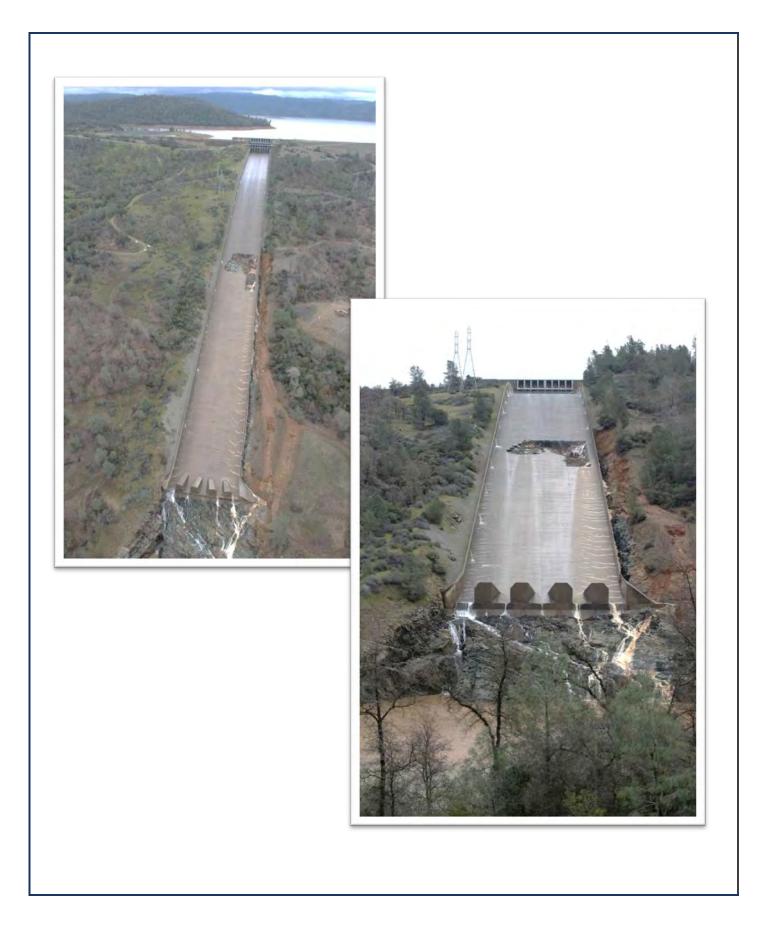
James Cioffi, President

ATTEST:

Kristin Bloomer, Secretary-Treasurer

GENERAL MANAGER'S REPORT FEBRUARY 21, 2017





Water Delivery Update

Whitewater Basin Water Deliveries:

On February 15 at 3:00 p.m., deliveries to the Whitewater Hydro were stopped as part of the CRA maintenance schedule.

Water deliveries will resume in mid-March and are scheduled to last the remainder of the year for a total delivery of 300,000 acre-feet.

General Manager's Meetings and Activities

Meetings:

| 02/09/2017 | SWC Operations Committee | Conf. Call |
|------------|---|--------------------|
| 02/13/2017 | SWC Oroville Spillway Damage Update | Conf. Call |
| 02/13/2017 | Executive Committee Meeting | DWA |
| 02/14/2017 | Met With Local Representatives, Stone, Mayes & Garcia | Sacramento |
| 02/15/2017 | SWC Delta Committee Meetings | Sacramento |
| 02/16/2017 | SWC Monthly Board Meeting | Sacramento |
| 02/16/2017 | SFCWA Monthly Board Meeting | Sacramento |
| 02/16/2017 | Sites Reservoir Agreement Committee Meeting | Sacramento/Maxwell |
| 02/17/2017 | SWC Water Operations Committee | Conf. Call |
| | | |

Activities:

- 1) Sites Reservoir Agreement
- 2) E-Billing Completed and now tracking
- 3) Outreach Talking Points KMIR
- 4) Snow Creek Hydro SCE contract extension ongoing
- 5) Whitewater Hydro Developing new administration procedures
- 6) State and Federal Contractors Water Authority and Delta Specific Project Committee (Standing)
- 7) Property Acquisition New Mesquite HOA Ongoing
- 8) MSWD Lawsuit Ongoing
- 9) ACBCI Section 14 Facilities & Easements
- 10) CPV Agreement Amendment
- 11) Chain of Title
- 12) Budget Augmentation
- 13) Replacement Pipelines 2016-2017
- 14) Letter to Eduardo Garcia's Office
- 15) DWA/CVWD/MWD Operations Coordination
- 16) DWA/CVWD/MWD Agreements Update
- 17) Recycled Water Effluent Reservoir Coating Failures
- 18) Meetings with Local Representatives in Sacramento with Ashley and Bob Reeb
- 19) SWP 2017 Water Supply
- 20) DWA Credit Card Payment Costs
- 21) ACBCI Law Suits
- 22) Lake Perris Dam Remediation

Minutes Executive Committee Meeting

February 13, 2017

Directors Present:Jim Cioffi, Joe StuartStaff Present:Mark Krause, Martin Krieger

1. Discussion Items

- A. <u>Review Agenda for February 21, 2017 Regular Board Meeting</u> The proposed agenda for the February 21, 2017 regular board meeting was reviewed.
- B. <u>Sites Reservoir Consultant Selection</u> Staff informed the Committee that some of the SWC's are looking into hiring a consultant to determine different ways the Sites Reservoir Project might be coordinated and incorporated into the SWP.
- C. <u>Unauthorized Water Use Through Fire Services</u> Implementation of the Unauthorized Water Use Charge was discussed.

2. Other - None

3. Adjourn

DESERT WATER AGENCY STATEMENT OF CASH RECEIPTS AND EXPENDITURES

OPERATING ACCOUNT

JANUARY 2017

| | | | | RESERVE FUNDS |
|--------------|---------------------------|-------------------------------------|----------------|-----------------|
| BALANCE | JANUARY 1, 2017 | (\$256,34 | 8.91) | \$14,771,688.09 |
| WATER SAI | LES | \$1,392,804.72 | | |
| RECLAMAT | ION SALES | 64,717.09 | | |
| WASTEWA | TER RECEIPTS | 78,730.72 | | |
| POWER SA | LES | 628.84 | | |
| METERS, S | ERVICES, ETC. | 39,371.80 | | |
| REIMBURS | EMENT – GENERAL FUND | 136,140.83 | | |
| REIMBURS | EMENT – WASTEWATER FUND | 5,043.27 | | |
| ACCOUNTS | RECEIVABLE - OTHER | 19,085.47 | | |
| CUSTOMER | R DEPOSITS - SURETY | 9,310.00 | | |
| | R DEPOSITS - CONST. | 21,400.00 | | |
| LEASE REV | | 3,396.33 | | |
| | RECEIVED ON INV. FDS. | 22,612.66 | | |
| | DTAGE FEES | 0.00 | | |
| | /ICE & RESERVE FUND INT | 0.00 | | |
| MISCELLAN | EOUS | 652,559.18 | | |
| то | TAL RECEIPTS | \$2,445,80 | 00.91 | |
| PAYMENTS | | | | |
| PAYROLL C | HECKS | \$317,115.30 | | |
| PAYROLL T | AXES | 150,309.77 | | |
| ELECTRON | IC TRANSFERS | 119,868.32 | | |
| CHECKS UN | JDER \$10,000.00 | 328,349.41 | | |
| CHECKS O\ | /ER \$10,000.00 – SCH. #1 | 1,498,482.78 | | |
| CANCELLE | CHECKS AND FEES | 22,510.30 | | |
| тот | TAL PAYMENTS | <u>\$2,436,63</u> | 35.88 | |
| NET INCOME | | | \$9,165.03 | |
| BOND SERVIC | E ACCOUNT | | | |
| MONTHLY V | VATER SALES | \$0.00 | | |
| EXCESS RE | TURNED BY B/A | \$0.00 | | |
| BO | ND SERVICE FUND | | \$0.00 | |
| | | | | |
| INVESTED RES | | ¢045 000 00 | | |
| | ESTED – SCH. #3 | \$845,000.00 1,068,416.55 | | |
| | -31ED - 30n. #3 | 1,000,410.00 | | |
| NET | TRANSFER | | (\$223,416.55) | \$223,416.55 |
| | | 12 | (\$470,600,49) | ¢14.005.104.64 |

BALANCE JANUARY 31, 2017

6

INVESTED

| | NAME | SCHEDULE #1-CHECKS OVER \$10,000 DESCRIPTION |
|----|-------------------------------------|---|
| Ň | ACWA/JOINT POWERS INS AUTHOR | WORKERS COMPENSATION PREMILIM - OCTOBED - DECEMBED 2014 |
| 5 | Southern California Edison Co | |
| Ē | BRITHINEE ELECTRIC INC | WELL # 28 - SWITCHGEAP AW/O #14-170-W |
| S | DESERT WATER AGENCY - WASTEWATER | WASTEWATER REVENUE BILLING FOR DECEMBED 2014 |
| S | DESERT WATER AGENCY-GENERAL | 2ND QUARTER 2016/2017 GPOILNDWATED DEPLENISHMENT ASSESSMENT |
| 7 | ACWA/JOINT POWERS INS AUTHOR | HEALTH, DENTAL & VISION INSURANCE PDEMILIAR EERDILA DV 2017 |
| Ū | BACKFLOW APPARATUS & VALVE CO | WATER SERVICE SUPPLIES |
| ST | BEST BEST & KRIEGER LLP | LEGAL FEES |
| Ř | CORA CONSTRUCTION | ZONE 1240 - BOOSTER DESERT PALISADES (W/D # 75-150-R) |
| × | CRYSTAL CHRYSLER CENTER | VEHICLE PURCHASE - UNIT # 25 (W/O # 16-164-M) |
| ×. | DOWN TO EARTH LANDSCAPING | |
| S | HD SUPPLY WATERWORKS LTD | WATER SERVICE SUPPLIES |
| Z | KENNY STRICKLAND INC | FUEL PURCHASE |
| Q | MRC SMART TECHNOLOGY SOLUTIONS | PRINTERS - 1/S + ADMIN /W/O #16-402-403-40 |
| ō | PROFORMA SOCAL INC. | WATER BILLS AND ENVELOPES |
| | Z&L PAVING, INC | PAVING |

\$58,103.00 \$153,537.40 \$53,927.64 \$80,886.74 \$714,777.44 \$170,966.37 \$170,966.37 \$170,966.37 \$170,966.37 \$170,966.37 \$170,966.37 \$170,966.37 \$170,966.37 \$170,966.37 \$111 \$34,130.13 \$32,037.98 \$10,670.35 \$16,274.64 \$10,297.78 \$10,297.78

OPERATING ACCOUNT

AMOUNT

DESERT WATER AGENCY OPERATING FUND - LISTING OF INVESTMENTS JANUARY 31, 2017

| 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 | \$ 11,740,404.64 | \$ 11,740,404.64 | \$ 11,740,404.64 | 0.760% | |
| | | | | | | | | |
| | | Certificates of Deposit | | | | | | |
| 0 9 -28-15 | Union Bank | Capital Bank CD | 09-28-17 | \$ 250,000.00 | \$ 250,000.00 | \$ 250,695.00 | 1.050% | Bullet |
| | | Total Certificat | es of Deposit | \$ 250,000.00 | \$ 250,000.00 | \$ 250,695.00 | | |
| | | Commercial Paper | | | | | | |
| 04-30-12 | Union Bank | General Electric | 04-27-17 | \$ 1,004,700.00 | \$ 1,000,000.00 | \$ 1,002,470.00 | 2.300% | Bullet |
| | | Total Comr | nerical Paper | \$ 1,004,700.00 | \$ 1,000,000.00 | \$ 1,002,470.00 | | |
| | | Government Agency | | | | | | |
| 09-20-16 | Union Bank | FNMA (Callable 3-20-17) | 09-20-19 | \$ 1,000,000.00 | \$ 1,000,000.00 | \$ 986,610.00 | 1.300% | Quarterly |
| 1 0-28-16 | Union Bank | FHLMC STEP (Callable 4-28-17) | 10-28-21 | \$ 1,000,000.00 | \$ 1,000,000.00 | \$ 994,220.00 | 1.000% | Quarterly |
| | | Total Govern | ment Agency | \$ 2,000,000.00 | \$ 2,000,000.00 | \$ 1,980,830.00 | | |
| | | Total Govern | ment Agency | \$ 2,000,000.00 | \$ 2,000,000.00 | \$ 1,980,830.00 | | |

Weighted Mean YTM 0.919%

 BALANCE @ 06/30/16
 \$ 14,995,104.64
 \$ 14,990,404.64
 \$ 14,974,399.64

 BALANCE @ 06/30/16
 \$ 12,488,311.86
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DESERT WATER AGENCY STATEMENT OF CASH RECEIPTS AND EXPENDITURES

GENERAL ACCOUNT

JANUARY 2017

INVESTED

| BALANCE | JANUARY 1, 2017 | (\$657,0 | 948.47) | RESERVE FUNDS \$106,546,640.47 |
|------------|----------------------------|---------------|------------------|-----------------------------------|
| TAXES - | RIVERSIDE COUNTY | 7,594,662.95 | | |
| * INTERES | ST EARNED - INV. FUNDS | 134,668.81 | | |
| GROUN | OWATER REPLEN. ASSESSMENT | | | |
| REIMBU | RSEMENT - OPERATING FUND | 0.00 | | |
| REIMBU | RSEMENT - CVWD MGMT | 339,261.00 | | |
| STATE V | VATER PROJECT REFUNDS | 0.00 | | |
| REIMB - | CVWD - WHITEWATER HYDRO | 14,830.50 | | |
| POWER | SALES - WHITEWATER | 0.00 | | |
| MISCELL | ANEOUS | 2,000.00 | | |
| - | TOTAL RECEIPTS | \$8,865,9 | 928.64 | |
| PAYMENTS | | | | |
| CHECKS | UNDER \$10,000.00 | 10,430.76 | | |
| CHECKS | OVER \$10,000.00 - SCH. #1 | 2,435,412.83 | | |
| CANCEL | LED CHECKS AND FEES | 0.00 | | |
| - | TOTAL PAYMENTS | \$2,445,8 | 343.59 | |
| NET INCOM | E | \$6 | ,420,085.05 | |
| INVESTED I | RESERVE FUNDS | | | |
| | MATURED | 7,480,000.00 | | |
| FUNDS I | NVESTED – SCH. #2 | 15,431,343.88 | | |
| 1 | NET TRANSFER | | (\$7,951,343.88) | \$7,951,343.88 |
| BALANCE | JANUARY 31, 2017 | - | (\$2,188,307.30) | \$114,497,984.35 |
| * INCLUSI | VE TO DATE | | TAXES | INTEREST |
| | S IN FISCAL YEAR | | \$13,724,556.26 | \$582,091.91 |
| RECEIPT | S IN CALENDAR YEAR | | \$7,594,662.95 | \$134,668.81 |

| AMOUNT | \$24,373.00 \$29,765.00 \$136,140.83 \$2,245,134.00 |
|---|--|
| DESERT WATER AGENCY GENERAL ACCOUNT SCHEDULE #1-CHECKS OVER \$10,000 DESCRIPTION | STATE WATER PROJECT ENTITLEMENT - OCTOBER 2016 JOINT FUNDING AGREEMENT QUARTERLY BILLING - (08/01/2016 - 10/31/2016) P/R & EXP REIMBURSEMENT FOR DECEMBER 2016 STATE WATER PROJECT - JANUARY 2017 |
| ## | STATE OF CA. DEPT. OF WATER RESOURCES US GEOLOGICAL SURVEY DESERT WATER AGENCY-OPERATING STATE OF CA. DEPT. OF WATER RESOURCES |
| CHECK # | 8849 8850 8855 8855 8858 |

** TOTAL

\$2,435,412.83

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DESERT WATER AGENCY GENERAL FUND - LISTING OF INVESTMENTS JANUARY 31, 2017

| Uceil Agency Investment Fund Open 5 49,739,534,35 5 45,539,534,35 5 45,539,534,35 5 <th></th> <th></th> <th>ALLABLE STATUS</th> | | | ALLABLE STATUS |
|--|------------|-------------|-------------------|
| Oli-25-13 Union Bank General Electric Capital Bank CD 0.3-25-18 \$ 1.000,000.00 \$ 1.000,000.00 \$ 1.000,000.00 \$ 2.000,000 \$ 2.000,000 \$ 2.000,000 \$ 2.000,000 \$ 2.000,000 \$ 2.000,000 \$ 2.000,000 \$ 2.000,000 \$ 2.000,000 \$ 2.000,000 \$ 2.000,000 \$ 2.000,000 \$ 2.400,000 \$ 2.400,000 \$ 2.400,000 \$ 2.400,000 \$ 2.400,000 \$ 2.400,000 \$ 2.45,000,00 \$ 2.45,000,00 \$ 2.45,000,00 \$ 2.45,500,00 \$ 2.45,500,00 \$ 2.45,500,00 \$ 2.45,500,00 \$ 2.45,500,00 \$ 2.45,500,00 \$ 2.45,500,00 \$ 2.45,500,00 \$ 2.45,500,00 \$ 2.45,500,00 \$ 2.45,500,00 \$ 2.250,000,00 \$ 2.250,000,00 \$ 2.250,000,00 \$ 2.250,000,00 \$ 2.250,000,00 <th< td=""><td></td><td></td><td></td></th<> | | | |
| Oli-25-13 Union Bank General Electric Capital Bank CD 0.3-25-18 \$ 1.000,000.00 \$ 1.000,000.00 \$ 1.000,000.00 \$ 2.000,000 | | | |
| 01-25-13 Union Bank General Electric Capital Bank CD 01-25-18 \$ 1,000,000.00 \$ 1,000,000.00 \$ 250,655.00 04-07-15 Lidenburg Thaliman Geldman Scis CD 00-26-17 \$ 250,000.00 \$ 245,000.00 \$ 245,000.00 \$ 245,000.00 \$ 245,000.00 \$ 245,000.00 \$ 245,000.00 \$ 245,000.00 \$ 245,000.00 \$ 245,000.00 \$ 245,000.00 \$ 245,577.00 11-04-15 Ladenburg Thalimann Capital Den NA CD 11-06-17 \$ 245,000.00 \$ 245,000.00 \$ 245,577.00 11-04-15 Ladenburg Thalimann Discover CD 11-06-17 \$ 245,000.00 \$ 2,230,000.00 \$ 2,234,255.70 12-46-13 Stifiel General Electric 05-15-18 \$ 507,600.00 \$ 1,000,000.00 \$ 1,000,000.00 \$ 1,000,000.00 \$ 1,000,000.00 \$ 1,000,000.00 \$ 1,000,000.00 \$ | 14.35 0.7 | 0.760% | |
| 09-28-15 Union Bank Capital Bank CD 00-28-17 \$ 250,000.00 \$ 1,000,000.00 \$ 1,00 | | | |
| 09-28-15 Union Bank Capital Bank CD 00-28-17 \$ 250,000.00 \$ 1,000,000.00 \$ 1,00 | 00.00 11 | 1.100% E | Builet |
| 10-29-15 Ladenburg Thaimann Ally Bank CD 10-30-15 Control Control 245,000.00 \$ 2,000.00 \$ 2,230,000.00 \$ 2,230,000.00 \$ 2,234,285.70 04-27-15 Ladenburg Thaimann Apple Inc. 05-19-18 \$ 997,920.00 \$ 1,000,000.00 \$ 1,000,000.00 \$ 1,000,000.00 \$ 1,000,000.00 \$ 1,000,000.00 \$ 1,000,000.00 \$ 1,000,000.00 \$ 1,000,000 | | | Bullet |
| 11-04-15 Ladenburg Thalmann Capital One NA CD 11-06-17 5 245,000.00 5 2 | 66.85 1.3 | 1.350% E | Builet |
| 11-04-15 Ladenburg Theimann Discover CD 11-06-17 5 245,000.00 5 245,000 | 63.95 1.1 | 1.150% E | Builet |
| Total Certificates of Deposit \$ 2,230,000.00 \$ 2,234,255,70 12-15-13 Stfel General Electric 05-15-18 \$ 587,600.00 \$ 500,000.00 \$ 2,234,255,70 12-15-13 Stfel General Electric 05-15-18 \$ 587,600.00 \$ 500,000.00 \$ 527,955.00 04-27-15 Ladenburg Thalmann Apple Inc. 05-03-18 \$ 997,920.00 \$ 1,000,000.00 \$ 1,000,900.00 \$ 1,999,440.00 \$ 1,000,000. | 51.70 1.1 | 1.100% 8 | Builet |
| Liz-16-13 Stifel General Electric 05-15-18 \$ 587,600.00 \$ 500,000.00 \$ 527,955.00 04-27-15 Ladenburg Thalmann Apple Inc. 05-03-18 \$ 997,520.00 \$ 1,000,900.00 \$ 996,630.00 02-01-16 Union Bank U5 Bank Note (Callable 12-29-17) 01-29-18 \$ 1,000,950.00 \$ 1,000,900.00 \$ 2,525,485.00 Government Agency OP-19-17 \$ 1,000,000.00 \$ 1,001,060.00 \$ 998,480.00 OP-19-17 \$ 1,000,000.00 \$ 1,000,000.00 \$ 998,480.00 OP-19-17 \$ 1,000,000.00 \$ | 78.20 1.1 | 1.150% E | Bullet |
| 12-16-13 Stifel General Electric 05-15-18 \$ 587,600.00 \$ 500,000.00 \$ 527,955.00 04-27-15 Ladenburg Thalmann Apple Inc. 05-03-18 \$ 997,920.00 \$ 1,000,000.00 \$ 996,630.00 02-01-16 Union Bank US Bank Note (Callable 12-29-17) 01-29-18 \$ 1,000,950.00 \$ 1,000,000.00 \$ 996,630.00 Total Commercial Paper \$ 2,586,470.00 \$ 2,500,000.00 \$ 1,001,060.00 Government Agency O9-19-12 \$ 1,000,000.00 \$ 1,001,060.00 Stifel (D.A.D) FNMA 09-19-17 \$ 1,000,000.00 \$ 1,000,000.00 \$ 1,001,060.00 Government Agency O9-19-17 \$ 1,000,000.00 \$ 1,000,000.00 \$ 1,001,060.00 O4-27-13 Ladenburg Thalmann FNMA (Callable 3-27-17) 03-27-18 \$ 1,000,000.00 \$ 1,000,000.00 \$ 999,440.00 O4-23-15 Ladenburg Thalmann FNMA (Callable 3-27-17) 06-13-18 \$ 1,000,000.00 \$ 1,000,000.00 \$ 1,000,000.00 \$ 1,000,000.00 \$ 999,250.00 O4-23-15 Stifel < | 55.70 | | |
| 12-16-13 Stifel General Electric 05-15-18 \$ 587,600.00 \$ 500,000.00 \$ 527,955.00 04-27-15 Ladenburg Thalmann Apple Inc. 05-03-18 \$ 997,920.00 \$ 1,000,000.00 \$ 996,630.00 02-01-16 Union Bank US Bank Note (Callable 12-29-17) 01-29-18 \$ 1,000,950.00 \$ 1,000,000.00 \$ 1,000,000.00 \$ 1,000,000.00 \$ 1,000,000.00 \$ 1,000,000.00 \$ 1,000,000.00 \$ 1,000,000.00 \$ 1,001,060.00 Op-19-17 \$ 1,000,000.00 \$ 1,000,000.00 \$ 1,000,000.00 \$ 1,000,000.00 \$ 1,001,060.00 Op-19-17 \$ 1,000,000.00 \$ 1,000,000.00 \$ 1,000,000.00 \$ 1,000,000.00 \$ 1,001,060.00 Op-19-17 \$ 1,000,000.00 \$ 1,000,000.00 \$ 1,000,000.00 \$ 1,000,000.00 \$ 999,440.00 Op-19-17 \$ 1,000,000.00 \$ 1,000,000.00 \$ 1,000,000.00 \$ 999,440.00 Op-19-17 \$ 1,000,000.00 \$ 1,000,000.00 \$ 999,440.00 Op-19-17 \$ 1,000,000.00 \$ 1,000,000.00 \$ 999,440.00 Op-19-17 \$ 1,000,000.00 \$ 1,000,000.00 \$ 999,250.00 | | | |
| 04-27-15 Ladenburg Thalmann Apple Inc. 05-03-16 997,520.00 \$ 1,000,000.00 \$ 996,630.00 02-01-16 Union Bank US Bank Note (Callable 12-29-17) 01-29-18 \$ 1,000,950.00 \$ 1,000,000.00 \$ <t< td=""><td></td><td></td><td></td></t<> | | | |
| 02-01-16 Union Bank US Bank Note (Callable 12-29-17) 01-29-18 \$ 1,000,95000 \$ 1,000,900.00 \$ 1,000,900.00 \$ 1,000,900.00 \$ 1,000,900.00 \$ 1,000,900.00 \$ 1,000,900.00 \$ 1,000,900.00 \$ 1,000,900.00 \$ 1,000,900.00 \$ 1,000,900.00 \$ 1,000,900.00 \$ 1,000,900.00 \$ 1,000,900.00 \$ 2,525,485.00 Government Agency Government Agency 12-28-12 Stiffel (D.A.D) FNMA Callable Continuous) 12-28-17 \$ 1,000,000.00 \$ 1,000,000.00 \$ 999,440.00 03-27-13 Ladenburg Thalmann FNLB (Callable 3-27-17) 03-27-18 \$ 1,000,000.00 \$ 1,000,000.00 \$ 999,250.00 06-23-17 Ladenburg Thalmann FNLMC 06-23-17 \$ 1,000,000.00 \$ 1,000,000.00 \$ 1,000,000.00 \$ 1,000,000.00 \$ 1,000,000.00 \$ | 55.00 6.3 | 6.300% B | Bullet |
| Total Commercial Paper \$ 2,500,000.00 \$ 2,500,000.00 \$ 2,525,485.00 Government Agency Og-19-12 Stifel (D.A.D) FNMA 09-19-17 \$ 1,000,000.00 \$ 1,001,080.00 Government Agency Og-19-12 Stifel (D.A.D) FNMA 09-19-17 \$ 1,000,000.00 \$ 1,001,080.00 Government Agency Og-19-17 \$ 1,000,000.00 \$ 1,001,080.00 Government Agency Og-19-17 \$ 1,000,000.00 \$ 1,001,080.00 Government Agency Og-19-17 \$ 1,000,000.00 \$ 999,440.00 Government Agency | 30.00 1.0 | 1.000% B | Bullet |
| Government Agency 09-19-12 Stifel (D.A.D) FNMA 09-19-17 \$ 1,000,000.00 \$ 1,001,080.00 12-28-12 Stifel (D.A.D) FHLB (callable Continuous) 12-28-17 \$ 1,000,000.00 \$ 999,440.00 03-27-13 Ladenburg Thalmann FNMA (callable 3-27-17) 03-27-18 \$ 1,000,000.00 \$ 999,440.00 06-13-13 Ladenburg Thalmann FHLB (callable 3-27-17) 03-27-18 \$ 1,000,000.00 \$ 1,000,000.00 \$ 999,250.00 06-23-15 Ladenburg Thalmann FHLB (callable 3-13-17) 06-13-18 \$ 1,000,000.00 \$ 1,000,000.00 \$ 1,000,000.00 \$ 1,000,000.00 \$ 1,000,000.00 \$ 1,000,000.00 \$ 1,000,000.00 \$ 1,000,000.00 \$ 1,000,000.00 \$ 1,000,000.00 \$ 1,000,000.00 \$ 1,000,000.00 \$ 1,000,000.00 \$ 1,000,000.00 \$ 1,000,000.00 \$ 997,510.00 11-25-15 Stifel <td>0.00 1.4</td> <td>1.450% 1</td> <td>l Time</td> | 0.00 1.4 | 1.450% 1 | l Time |
| 09-19-12 Stifel (D.A.D) FNMA 09-19-17 \$ 1,000,000.00 \$ 1,001,080.00 12-28-12 Stifel (D.A.D) FHLB (Callable Continuous) 12-28-17 \$ 1,000,000.00 \$ 1,000,000.00 \$ 999,440.00 03-27-13 Ladenburg Thalmann FNMA (Callable 3-27-17) 03-27-18 \$ 1,000,000.00 \$ 1,000,000.00 \$ 999,250.00 06-13-13 Ladenburg Thalmann FHLB (Callable 3-13-17) 06-13-18 \$ 1,000,000.00 \$ 1,000,000.00 \$ 1,000,000.00 \$ 999,250.00 06-23-15 Ladenburg Thalmann FHLB (Callable 10-2-17) 10-02-19 \$ 1,000,000.00 \$ 1,000,000.00 \$ 998,270.00 10-02-15 Stifel FHLB (Callable Continuous) 10-29-18 \$ 1,000,000.00 \$ 997,510.00 11-25-15 Stifel FHLMC (Callable 2-23-17) 05-23-18 \$ 996,000.00 \$ 1,000,000.00 \$ 997,510.00 11-25-15 Stifel FNMA (Callable | 15.00 | | |
| 12-28-12 Stifel (D.A.D.) FHLB (Callable Continuous) 12-28-17 \$ 1,000,000.00 \$ 1999,440.00 03-27-13 Ladenburg Thalmann FNMA (Callable 3-27-17) 03-27-18 \$ 1,000,000.00 \$ 1,000,000.00 \$ 999,440.00 06-13-13 Ladenburg Thalmann FNMA (Callable 3-27-17) 03-27-18 \$ 1,000,000.00 \$ 1,000,000.00 \$ 999,250.00 06-23-15 Ladenburg Thalmann FHLB (Callable 10-2-17) 06-13-18 \$ 1,000,000.00 \$ 1,000,000.00 \$ 999,250.00 10-02-15 Stifel FHLB (Callable 10-2-17) 10-02-19 \$ 1,000,000.00 \$ 1,000,000.00 \$ 999,7510.00 10-23-15 Stifel FHLB (Callable Continuous) 10-29-18 \$ 1,000,000.00 \$ 1,000,000.00 \$ 999,7510.00 11-23-15 Stifel FHLMC (Callable 2-23-17) 05-23-18 \$ 996,000.00 \$ 1,000,000.00 \$ 997,510.00 12-25-15 Stifel FNMA (Callable 2-25-17) 11-25-19 \$ 1,000,000.00 \$ 1,000,000 | | | |
| 03-27-13 Ladenburg Thaimann FNMA (Callable 3-27-17) 03-27-18 \$ 1,000,000.00 \$ 1,000,000.00 \$ 998,180.00 06-13-13 Ladenburg Thaimann FHLB (Callable 3-13-17) 06-13-18 \$ 1,000,000.00 \$ 1,000,000.00 \$ 999,250.00 06-23-15 Ladenburg Thaimann FHLB (Callable 3-13-17) 06-13-18 \$ 1,000,000.00 \$ 1,000,000.00 \$ 999,250.00 10-02-15 Stifel FHLB (Callable 10-2-17) 10-02-19 \$ 1,000,000.00 \$ 1,000,000.00 \$ 998,270.00 10-02-15 Stifel FHLB (Callable 10-2-17) 10-02-19 \$ 1,000,000.00 \$ 1,000,000.00 \$ 998,270.00 11-23-15 Ladenburg Thaimann FHLMC (Callable 2-23-17) 05-23-18 \$ 996,000.00 \$ 1,000,000.00 \$ 997,510.00 11-25-15 Stifel FNMA (Callable 2-25-17) 11-25-19 \$ 1,000,000.00 \$ 1,000,000.00 \$ 997,510.00 02-26-16 Ladenburg Thaimann FNMA (Callable 3-23-17) 03-23-20 \$ 1,000,000.00 \$ 1,000,000.00 \$ 997,800.00 03-30-16 Stifel FNMA (Callable 3-30-17) 03-30-21 \$ 1,000,000.00 \$ 1,000,000.00 \$ 999,94,240.00 03-30-16< | 0.00 0.9! | 0.950% 1 | Time |
| D6-13-13 Ladenburg Thalmann FHLB (Callable 3-13-17) 06-13-18 \$ 1,000,000.00 \$ 1,000,000.00 \$ 999,250.00 D6-23-15 Ladenburg Thalmann FHLMC 06-23-17 \$ 1,000,000.00 \$ 1,000,000.00 \$ 1,000,000.00 \$ 1,000,000.00 \$ 1,000,000.00 \$ 1,000,000.00 \$ 1,000,000.00 \$ 1,000,000.00 \$ 1,000,000.00 \$ 1,000,000.00 \$ 1,000,000.00 \$ 998,270.00 10-02-15 Stifel FHLB (Callable 10-2-17) 10-02-19 \$ 1,000,000.00 \$ 1,000,000.00 \$ 997,510.00 11-23-15 Ladenburg Thalmann FHLMC (Callable 2-25-17) 11-25-19 \$ 1,000,000.00 \$ 1,000,000.00 \$ 997,500.00 12-25-15 Stifel FNMA (Callable 2-26-17) 02-26-19 \$ 1,000,000.00 \$ 1,000,000.00 \$ 997,800.00 03-23-16 Ladenburg Thalmann FNMA (Callable 3-30-17) 03-32-20 \$ 1,000,000. | 0.00 0.84 | 0.840% Cont | ntinuous |
| 06-23-15 Ladenburg Thalmann FHLMC 06-23-17 \$ 1,000,000.00 \$ 1,000,000.00 \$ 1,000,680.00 10-02-15 Stifel FHLB (Callable 10-2-17) 10-02-19 \$ 1,000,000.00 \$ 998,270.00 10-02-15 Stifel FHLB (Callable 10-2-17) 10-02-19 \$ 1,000,000.00 \$ 998,270.00 10-29-15 Stifel FHLB (Callable 2-23-17) 05-23-18 \$ 996,000.00 \$ 1,000,000.00 \$ 997,510.00 11-25-15 Stifel FNMA (Callable 2-25-17) 11-25-19 \$ 1,000,000.00 \$ 997,510.00 12-26-16 Ladenburg Thalmann FNMA (Callable 2-26-17) 02-26-19 \$ 1,000,000.00 \$ 997,800.00 13-23-16 Ladenburg Thalmann FNMA (Callable 3-23-17) 03-23-20 \$ 1,000,000.00 \$ 997,800.00 13-30-16 Stifel FNMA STEP (Callable 3-30-17) 03-30-21 \$ 1,000,000.00 \$ 991,940.00 13-30-16 Stifel FHLMC STEP (Callable 3-30-17) 03-30-21 \$ 1,000,000.00 \$ < | 0.00 1.05 | 1.050% Q | Qrtrly |
| 10-02-15 Stifel FHLB (Callable 10-2-17) 10-02-19 \$ 1,000,000.00 \$ 998,270.00 10-02-15 Stifel FHLB (Callable 10-2-17) 10-02-19 \$ 1,000,000.00 \$ 998,270.00 10-29-15 Stifel FHLB (Callable Continuous) 10-29-18 \$ 1,000,000.00 \$ 997,510.00 11-23-15 Ladenburg Thalmann FHLMC (Callable 2-23-17) 05-23-18 \$ 996,000.00 \$ 1,000,000.00 \$ 995,700.00 11-25-15 Stifel FNMA (Callable 2-25-17) 11-25-19 \$ 1,000,000.00 \$ 997,510.00 02-26-16 Ladenburg Thalmann FNMA (Callable 2-26-17) 02-26-19 \$ 1,000,000.00 \$ 1,000,000.00 \$ 997,500.00 03-23-16 Ladenburg Thalmann FNMA (Callable 3-23-17) 03-23-20 \$ 1,000,000.00 \$ 994,240.00 03-30-16 Stifel FNLMC STEP (Callable 3-30-17) 03-30-21 \$ 1,000,000.00 \$ 991,940.00 03-30-16 Stifel FHLMC STEP (Callable 3-30-17) 03-30-21 \$ 1,000,000.00 | 0.00 1.10 | 1.100% Q | Qrtrly |
| 10-29-15 Stiffel FHLB (callable Continuous) 10-29-18 \$ 1,000,000.00 \$ 997,510.00 11-23-15 Ladenburg Thalmann FHLB (callable 2-23-17) 05-23-18 \$ 996,000.00 \$ 1,000,000.00 \$ 997,510.00 11-25-15 Stiffel FNMA (callable 2-25-17) 11-25-19 \$ 1,000,000.00 \$ 997,510.00 02-26-16 Ladenburg Thalmann FNMA (callable 2-25-17) 11-25-19 \$ 1,000,000.00 \$ 997,500.00 03-23-16 Ladenburg Thalmann FNMA (callable 3-23-17) 03-23-20 \$ 1,000,000.00 \$ 994,240.00 03-30-16 Stifel FNMA STEP (callable 3-30-17) 03-30-21 \$ 1,000,000.00 \$ 991,940.00 03-30-16 Stifel FHLMC STEP (callable 3-30-17) 03-30-21 \$ 1,000,000.00 \$ 991,940.00 03-23-16 Ladenburg Thalmann FHLB (callable 2-23-17) 03-30-21 \$ 1,000,000.00 \$ 991,940.00 03-30-16 Stifel FHLMC STEP (callable 3-30-17) 03-30-21 \$ 1,000,000.00 \$ 991 | 0.00 0.90 | 0.900% 17 | Time |
| L1-23-15 Ladenburg Thalmann FHLMC (Callable 2-23-17) 05-23-18 \$ 996,000.00 \$ 1,000,000.00 \$ 995,700.00 L1-25-15 StHel FNMA (Callable 2-25-17) 11-25-19 \$ 1,000,000.00 \$ 997,510.00 J2-26-16 Ladenburg Thalmann FNMA (Callable 2-25-17) 11-25-19 \$ 1,000,000.00 \$ 997,510.00 J2-26-16 Ladenburg Thalmann FNMA (Callable 3-23-17) 02-26-19 \$ 1,000,000.00 \$ 997,800.00 J3-30-16 Ladenburg Thalmann FNMA (Callable 3-23-17) 03-23-20 \$ 1,000,000.00 \$ 991,940.00 J3-30-16 Stifel FNMA STEP (Callable 3-30-17) 03-30-21 \$ 1,000,000.00 \$ 991,940.00 J3-30-16 Stifel FHLMC STEP (Callable 3-30-17) 03-30-21 \$ 1,000,000.00 \$ 991,940.00 J3-30-16 Stifel FHLMC STEP (Callable 3-30-17) 03-30-21 \$ 1,000,000.00 \$ 991,940.00 J3-30-16 Stifel FHLMC STEP (Callable 2-23-17) 03-30-21 \$ 1,000,000.00 \$ 99 | 0.00 1.45 | 1.450% Cont | ntinuous |
| 11-25-15 Stiffel FNMA (Callable 2-25-17) 11-25-19 \$ 1,000,000.00 \$ 1,000,000.00 \$ 997,510.00 02-26-16 Ladenburg Thalmann FNMA (Callable 2-26-17) 02-26-19 \$ 1,000,000.00 \$ 1,000,000.00 \$ 997,500.00 03-23-16 Ladenburg Thalmann FNMA (Callable 3-23-17) 03-23-20 \$ 1,000,000.00 \$ 997,800.00 03-30-16 Stifel FNMA STEP (Callable 3-30-17) 03-30-21 \$ 1,000,000.00 \$ 991,940.00 03-30-16 Stifel FHLMC STEP (Callable 3-30-17) 03-30-21 \$ 1,000,000.00 \$ 991,940.00 03-30-16 Stifel FHLMC STEP (Callable 3-30-17) 03-30-21 \$ 1,000,000.00 \$ 991,940.00 04-26-16 Ladenburg Thalmann FHLMC STEP (Callable 3-30-17) 03-30-21 \$ 1,000,000.00 \$ 991,940.00 05-23-16 Stifel FHLMC STEP (Callable 2-23-17) 05-23-19 \$ 1,000,000.00 \$ 997,610.00 05-23-16 Stifel FNMA (Callable 2-23-17) 05-23-19 \$ 1,000 | .0.00 1.12 | 1.120% Cont | rtinuous |
| 32-26-16 Ladenburg Thaimann FNMA (Callable 2-26-17) 02-26-19 \$ 1,000,000.00 \$ 997,800.00 33-23-16 Ladenburg Thaimann FNMA (Callable 3-23-17) 03-23-20 \$ 1,000,000.00 \$ 994,240.00 33-30-16 Stifel FNMA STEP (Callable 3-30-17) 03-30-21 \$ 1,000,000.00 \$ 991,940.00 33-30-16 Stifel FHLMC STEP (Callable 3-30-17) 03-30-21 \$ 1,000,000.00 \$ 991,940.00 33-30-16 Stifel FHLMC STEP (Callable 3-30-17) 03-30-21 \$ 1,000,000.00 \$ 991,940.00 32-23-16 Stifel FHLMC STEP (Callable 3-30-17) 03-30-21 \$ 1,000,000.00 \$ 991,940.00 32-23-16 Stifel FHLMC STEP (Callable 2-23-17) 03-30-21 \$ 1,000,000.00 \$ 991,940.00 32-23-16 Stifel FHLMC STEP (Callable 2-23-17) 03-30-21 \$ 1,000,000.00 \$ 991,940.00 32-23-16 Stifel FHLMC STEP (Callable 2-23-17) 05-23-19 \$ 1,000,000.00 \$ 997,610.00 32-23- | 0.00 1.00 | 1.000% Q | 2rtrly |
| 33-23-16 Ladenburg Thalmann FNMA (Callable 3-23-17) 03-23-20 \$ 1,000,000.00 \$ 1,000,000.00 \$ 994,240.00 33-30-16 Stifel FNMA STEP (Callable 3-30-17) 03-30-21 \$ 1,000,000.00 \$ 1,000,000.00 \$ 991,940.00 33-30-16 Stifel FHLMC STEP (Callable 3-30-17) 03-30-21 \$ 1,000,000.00 \$ 1,000,000.00 \$ 988,150.00 34-26-16 Ladenburg Thalmann FHLB (Callable 2-23-17) 03-30-21 \$ 1,000,000.00 \$ 1,000,000.00 \$ 988,150.00 95-23-16 Stifel FHLMC STEP (Callable 2-23-17) 05-23-19 \$ 1,000,000.00 \$ 1,000,000.00 \$ 997,610.00 95-23-16 Stifel FNMA (Callable 2-23-17) 08-23-19 \$ 1,000,000.00 \$ 991,030.00 95-23-16 Stifel FNMA (Callable 2-23-17) 05-25-21 \$ 1,000,000.00 \$ 991,030.00 95-25-16 Stifel FNMA STEP (Callable 2-23-17) 05-25-21 \$ 1,000,000.00 \$ 995,290.00 95-25-16 Stifel FNMA STEP (Callable 2-23-17) 05-25-21 \$ 1,000,000.00 \$ 995,290.00 | | | Qrtniy |
| 33-30-16 Stifel FNMA STEP (Callable 3-30-17) 03-30-21 \$ 1,000,000.00 \$ 1,000,000.00 \$ 991,940.00 33-30-16 Stifel FHLMC STEP (Callable 3-30-17) 03-30-21 \$ 1,000,000.00 \$ 1,000,000.00 \$ 988,150.00 V4-26-16 Ladenburg Thalmann FHLB (Callable 2-23-17) 03-30-21 \$ 1,000,000.00 \$ 1,000,000.00 \$ 988,150.00 V5-23-16 Stifel FHLMC STEP (Callable 2-23-17) 05-23-19 \$ 1,000,000.00 \$ 997,610.00 V5-23-16 Stifel FNMA (Callable 2-23-17) 08-23-19 \$ 1,000,000.00 \$ 991,030.00 V5-23-16 Stifel FNMA (Callable 2-23-17) 08-23-19 \$ 1,000,000.00 \$ 991,030.00 V5-23-16 Stifel FNMA (Callable 2-23-17) 05-25-21 \$ 1,000,000.00 \$ 991,030.00 V5-23-16 Stifel FNMA STEP (Callable 2-23-17) 05-25-21 \$ 1,000,000.00 \$ 991,030.00 V5-23-16 Stifel FNMA STEP (Callable 2-23-17) 05-25-21 \$ 1,000,000.00 \$ 995,290.00 | | | 2rtrly |
| 33-30-16 Stifel FHLMC STEP (Callable 3-30-17) 03-30-21 \$ 1,000,000.00 \$ 1,000,000.00 \$ 988,150.00 44-26-16 Ladenburg Thalmann FHLB (Callable 3-30-17) 03-30-21 \$ 1,000,000.00 \$ 1,000,000.00 \$ 988,150.00 15-23-16 Stifel FHLMC STEP (Callable 2-23-17) 05-23-19 \$ 1,000,000.00 \$ 997,510.00 15-23-16 Stifel FNMA (Callable 2-23-17) 05-23-19 \$ 1,000,000.00 \$ 991,030.00 15-23-16 Stifel FNMA (Callable 2-23-17) 08-23-19 \$ 1,000,000.00 \$ 991,030.00 15-25-16 Stifel FNMA STEP (Callable 2-25-17) 05-25-21 \$ 1,000,000.00 \$ 991,030.00 15-25-16 Stifel FNMA STEP (Callable 2-25-17) 05-25-21 \$ 1,000,000.00 \$ 995,290.00 | | | artriy |
| W-26-16 Ladenburg Thalmann FHLB (Callable Continuous) 10-26-20 \$ 999,500.00 \$ 1,000,000.00 \$ 984,830.00 15-23-16 Stifel FHLMC STEP (Callable 2-23-17) 05-23-19 \$ 1,000,000.00 \$ 1,000,000.00 \$ 997,510.00 15-23-16 Stifel FNMA (Callable 2-23-17) 08-23-19 \$ 1,000,000.00 \$ 1,000,000.00 \$ 991,030.00 15-25-16 Stifel FNMA STEP (Callable 2-25-17) 05-25-21 \$ 1,000,000.00 \$ 991,030.00 15-25-16 Stifel FNMA STEP (Callable 2-25-17) 05-25-21 \$ 1,000,000.00 \$ 995,290.00 | | | Artriy |
| 15-23-16 5tifel FHLMC STEP (Callable 2-23-17) 05-23-19 \$ 1,000,000.00 \$ 1,000,000.00 \$ 997,610.00 15-23-16 Stifel FNIMA (Callable 2-23-17) 08-23-19 \$ 1,000,000.00 \$ 1,000,000.00 \$ 991,030.00 15-25-16 Stifel FNIMA STEP (Callable 2-25-17) 08-23-19 \$ 1,000,000.00 \$ 991,030.00 5-25-16 Stifel FNIMA STEP (Callable 2-25-17) 05-25-21 \$ 1,000,000.00 \$ 995,290.00 5-25-16 Stifel FNIMA STEP (Callable 2-25-17) 05-25-21 \$ 1,000,000.00 \$ 995,290.00 | | |), triy |
| 5-23-16 Stifel FNMA (Callable 2-23-17) 08-23-19 \$ 1,000,000.00 \$ 1,000,000.00 \$ 991,030.00 5-25-16 Stifel FNMA STEP (Callable 2-25-17) 05-25-21 \$ 1,000,000.00 \$ 995,290.00 5-25-16 Stifel FNMA STEP (Callable 2-25-17) 05-25-21 \$ 1,000,000.00 \$ 995,290.00 | | | tinuous |
| 5-25-16 Stifel FNMA STEP (Callable 2-25-17) 05-25-21 \$ 1,000,000.00 \$ 1,000,000.00 \$ 995,290.00 | | | () Trink |
| | | | (rtrly |
| | | | ertriy Time |
| 5-31-16 Ladenburg Thalmann FHLMC (Callable 2-28-17) 08-29-18 \$ 1,000,000.00 \$ 1,000,000.00 \$ 996,000.00 | | | Time |
| 6-01-16 Stifel FFCB (Callable Continuous) 03-01-19 \$ 1,000,000.00 \$ 1,000,000.00 \$ 993,410.00 | | | tinuous |
| 6-13-16 Ladenburg Thalmann FNMA (Callable 3-13-17) 06-13-19 \$ 1,000,000.00 \$ 1,000,000.00 \$ 995,440.00 | | | tinuous Irtriy |
| 6-16-16 Stife! FFCB (Callable Continuous) 03-16-20 \$ 1,000,000.00 \$ 1,000,000.00 \$ 984,290.00 | | | tinuous |
| 6-21-16 Stife! FHLMC STEP (Callable 3-21-17) 06-21-21 \$ 1,000,000.00 \$ 1,000,000.00 \$ 981,570.00 | | | trtrly |
| 6-28-16 Stifel FHLMC STEP (Callable 3-28-17) 06-28-19 \$ 1,500,000.00 \$ 1,500,000.00 \$ 1,495,380.00 | | - | rtrly |

DESERT WATER AGENCY **GENERAL FUND - LISTING OF INVESTMENTS** JANUARY 31, 2017

| PURCHASE DATE | NAME | DESCRIPTION | MATURITY DATE | | COST | | PAR VALUE | | MARKET VALUE | YIELD TO MATURITY | CALLABLE STATUS |
|----------------------|----------------------------|-------------------------------|------------------|----|--------------|----------|--------------|----------|--------------|----------------------|--------------------|
| | | | _ | | | | | | | | |
| | | Government Agency | | | | | | | | | |
| 06-28-16 | Ladenburg Thaimann | FNMA (Cailable 3-28-17) | 06-28-19 | \$ | 1,000,000.00 | \$ | 1,000,000.00 | \$ | 989,780.00 | 1.200% | Qrtriv |
| 06-30-16 | Stife! | FHLMC STEP (Callable 3-30-17) | 12-30-19 | \$ | 1,000,000.00 | • | 1,000,000.00 | \$ | 993,000.00 | 1.000% | Qrtrly |
| 07- 07 -16 | Ladenburg Thalmann | FFCB (Callable Continuous) | 01-07-19 | \$ | 1,000,000.00 | \$ | 1,000,000.00 | Ś | 991,750.00 | 1.000% | Continuous |
| 07-11-1 6 | Ladenburg Thalmann | FHLB (Callable Continuous) | 10-11-19 | \$ | 1,000,000.00 | \$ | 1,000,000.00 | \$ | 990,030.00 | 1.125% | Continuous |
| 07-11-16 | Ladenburg Thalmann | FHLB (Caliable Continuous) | 07-11-19 | \$ | 1,000,000.00 | \$ | 1,000,000.00 | \$ | 990,580.00 | 1.125% | Continuous |
| 07-13-16 | Union Bank | FFCB (Callable Continuous) | 01-13-20 | \$ | 1,000,000.00 | \$ | 1,000,000.00 | \$ | 982,530.00 | 1.240% | Continuous |
| 07-26-16 | Ladenburg Thaimann | FNMA (Callable 4-26-17) | 07-26-19 | \$ | 999,500.00 | \$ | 1,000,000.00 | \$ | 990,920,00 | 1.125% | Qrtrly |
| 07-27-16 | Stife! | FNMA STEP (Callable 4-27-17) | 07-27-21 | \$ | 1,000,000.00 | \$ | 1.000,000.00 | \$ | 973,200.00 | 1.250% | Qrtrly |
| 08-10-16 | Ladenburg Thaimann | FHLMC (Callable 2-10-17) | 08-10-20 | \$ | 1,000,000.00 | \$ | 1,000,000.00 | \$ | 984.990.00 | 1.450% | Qrtrly |
| 08-24-16 | Ladenburg Theimann | FHLMC STEP (Callable 2-24-17) | 08-24-21 | \$ | 1,000,000.00 | \$ | 1,060,000.00 | \$ | 989,250.00 | 1.000% | Qrtrly |
| 08-24-16 | RBC Capital Markets | FHLMC STEP (Callable 2-24-17) | 08-24-18 | \$ | 1,000,000.00 | \$ | 1,000,000.00 | \$ | 995,830.00 | 0.750% | Qrtrly |
| 08-30-16 | Stife | FHLMC STEP (Callable 2-28-17) | 08-30-21 | \$ | 1,000,000.00 | \$ | 1,000,000.00 | ŝ | 992,480.00 | 1.000% | Qrtrly |
| 08-30-16 | Ladenburg Thaimann | FNMA (Callable 2-27-17) | 11-27-19 | \$ | 1,000,000.00 | \$ | 1,000,000.00 | \$ | 984,970.00 | 1.250% | Qrtrly |
| 09-06-16 | Ladenburg Thalmann | FFCB (Callable Continuous) | 03-06-19 | \$ | 1,000,000.00 | \$ | 1,000,000.00 | \$ | 992.260.00 | 1.150% | Continuous |
| 09-20-16 | Union Bank | FNMA (Callable 3-20-17) | 09-20-19 | \$ | 1,000,000.00 | \$ | 1,000,000.00 | Ś | 986,610.00 | 1.300% | Qrtriv |
| 09-27-19 | Ladenburg Thalmann | FHLMC STEP (Caliable 3-27-17) | 09-27-19 | \$ | 1,000,000.00 | 5 | 1,000,000.00 | ŝ | 994,380.00 | 1.000% | Qrtrly |
| 09-29-16 | Ladenburg Thalmann | FHLMC STEP (Callable 3-29-17) | 09-29-21 | \$ | 950,000.00 | \$ | 950,000.00 | \$ | 934,743.00 | 1.250% | Qrtrly |
| 09-30-16 | Ladenburg Thaimann | FNMA (Callable 3-30-17) | 09-30-19 | \$ | 1,000,000.00 | Ś | - | Ś | 991,050.00 | 1.250% | Qrtrly |
| 10-06-16 | Ladenburg Thalmann | FHLMC (Callable 4-6-17) | 07-06-20 | \$ | 1,000,000.00 | \$ | | ŝ | 987,890.00 | 1.375% | Qrtrly |
| 10-11-16 | Ladenburg Thalmann | FHLMC (Callable 4-11-17) | 10-11-18 | \$ | | \$ | | \$ | 993,860.00 | 1.000% | Qrtrly |
| 10-17-16 | Stifei | FNMA (Callable 10-17-17) | 04-17-20 | \$ | 1,000,000.00 | ŝ | | Ś | 984,240.00 | 1.250% | 1 Time |
| 10-28-16 | Stifel | FHLMC STEP (Caliable 4-28-17) | 10-28-21 | \$ | 1,500,000.00 | \$ | | s | 1,485,300.00 | 1.250% | Qrtrly |
| 10-28-16 | Union Bank | FHLMC STEP (Callable 4-28-17) | | \$ | | \$ | | ŝ | 994,220.00 | 1.000% | Qrtrly |
| 11-03-16 | Ladenburg Thalmann | FFCB (Callable 2-3-17) | 05-03-21 | \$ | 999,250.00 | - | | ŝ | 981,400.00 | 1.490% | Continuous |
| 1-15-16 | Stifel | FHLMC STEP (Callable 2-15-17) | | \$ | - | ŝ | | ŝ | 991,140.00 | 1.000% | Qrtrly |
| 12-14-16 | Ladenburg Thaimann | FHLMC (Callable 3-14-17) | | \$ | • • | \$ | | ŝ | 992,380,00 | 1.750% | |
| 2-29-16 | Ladenburg Thalmann | FHLB (Callable 6-29-17) | | \$ | | Ś | | ŝ | 1.000.370.00 | 2.000% | Qrtriy Qrtriy |
| 1 2-29-16 | Ladenburg Thalmann | FNMA (Callable 6-29-17) | | \$ | | ŝ | | 5 | 1,000,190.00 | 1.750% | |
| 2-30-16 | Ladenburg Thaimann | FHLMC (Callable 3-30-17) | | \$ | • • | \$ | | ŝ | 998,100.00 | 1.500% | Qrtrly |
| 1-27-17 (| Ladenburg Thalmann | FNMA (Caliable 7-27-17) | | \$ | - | Ś | | Ś | 998,440.00 | 1.650% | Qrtrly |
| 1-27-17 | RBC Capital Markets | FHLMC (Callable 7-27-17) | | \$ | | ŝ | | \$ \$ | 999,560.00 | 2.000% | Qrtrly Ortrk |
| 1-27-17 9 | Stifel | FHLMC (Callable 7-27-17) | | Ś | | ŝ | | \$ \$ | 1,000,080.00 | 1.850% | Qrtrly |
| 1-27-17 9 | Stifel | FHLB STEP (Callable 4-27-17) | | \$ | | ş. | | ş S | 998,580.00 | 1.000% | Qrtrly |
| 1-30-17 (| Union Bank | FHLB (Callable 1-30-18) | | Ś | | \$ \$ | | Ş S | 999,910.00 | 1.750% | Qrtrly |
| 1-30-17 | Stifei | FHLMC (Callable 4-28-17) | | s | | Ś | 1,000,000.00 | | 999.940.00 | 2.000% | Qrtrly |

Total Government Agency \$ 59,942,000.00 \$ 59,950,000.00 \$ 59,521,943.00

Weighted Mean YTM 1.060%

TOTAL INVESTED @ 01/31/17 \$ 114,497,584.35 \$ 114,419,514.35 \$ 114,021,198.05 BALANCE @ 06/30/16 \$ 107,168,350.37 INCREASE OR (DECREASE) \$ 7,329,633.98

DESERT WATER AGENCY STATEMENT OF CASH RECEIPTS AND EXPENDITURES

WASTEWATER ACCOUNT

JANUARY 2017

| BALANCE JANUARY 1, 2017 | \$17,699.83 | | INVESTED RESERVE FUNDS \$1,111,726.18 |
|---|----------------------------|---------------|---|
| ACCOUNTS RECEIVABLE - OTHER | \$0.00 | | |
| CUSTOMER DEPOSITS - CONSTRUCTION | - | | |
| INTEREST EARNED - INVESTED FUNDS | 1,936.25 | | |
| WASTEWATER REVENUE | 80,886.74 | | |
| | - | | |
| SEWER CAPACITY CHARGES | 13,177.38 | | |
| MISCELLANEOUS | 0.00 | | |
| TOTAL RECEIPTS | \$96,000.37 | | |
| PAYMENTS | | | |
| CHECKS UNDER \$10,000.00 | \$16,052.52 | | |
| CHECKS OVER \$10,000.00 - SCH. #1 | 73,411.80 | | |
| CANCELLED CHECKS AND FEES | 0.00 | | |
| CANCELLED CHECKS AND FEES | 0.00 | | |
| TOTAL PAYMENTS | <u>\$89,464.32</u> | | |
| NET INCOME | \$6,5 | 36.05 | |
| INVESTED RESERVE FUNDS FUNDS MATURED FUNDS INVESTED – SCH. #2 | \$0.00 18,901.41 | | |
| NET TRANSFER | | (\$18,901.41) | \$18,901.41 |
| BALANCE JANUARY 31, 2017 | | \$5,334.47 | \$1,130,627.59 |

| | AMOUNT | \$24,362.32 \$49,049.48 | \$73,411.80 |
|--|--------------|--|-------------|
| DESERT WATER AGENCY WASTEWATER ACCOUNT SCHEDULE # 1-CHECKS OVER \$10,000 | DESCRIPTION | SEWER CAPACITY CHARGES WASTEWATER REVENUE BILLING FOR DECEMBER 2016 | * TOJAL |
| | CHECK # NAME | 2472 COACHELLA VALLEY WATER DISTRICT 2474 COACHELLA VALLEY WATER DISTRICT | |

DESERT WATER AGENCY WASTEWATER FUND - LISTING OF INVESTMENTS JANUARY 31, 2017

| PURCH DATE | NAME | DESCRIPTION | MATURITY DATE | | COST | PAR VALUE | MARKET VALUE | YIELD TO MATURITY |
|------------|---------------------|--|------------------|----------|----------------------------|-----------------|-----------------|----------------------|
| | | Local Agency Invstment Fund | | | | | | |
| 06-30-83 | State of California | LAIF | Open | \$ | 1,130,627.59 | \$ 1,130,627.59 | \$ 1,130,627.59 | 0.760% |
| | | TOTAL INVESTED @ 01/31/17 | | \$ | 1,130,627.59 | \$ 1,130,627.59 | \$ 1,130,627.59 | |
| | | BALANCE @ 06/30/16 INCREASE OR (DECREASE) | | \$ \$ | 1,027,031.01 103,596.58 | | | |

| | | DESERT N COMPA | WATER AGENCY - UP PARATIVE EARNINGS | OPERATING FUND 35 STATEMENT | 0 | | | |
|---|--|--|---|---|---|---|--|---|
| MDNTH 15-17 JAWDARY | THIS YEAR | THIS MONTH LAST YEAR | BUDGET | /FISCAL | ICAL YEAR TO DATE. LAST YEAR | 1E/ BUDGF7 | /VARIANCE/ vtn | 2 1 1 |
| OPERATING REVENUES | | | | | | | 2 | -) |
| WATER SALES RECLAMATION SALES POWER SALES OTHER OPER REVENUES TOTAL OPER REVENUES | 1, 350, 924, 28 59, 903, 03 628, 84 65, 979, 68 1, 477, 455, 83 | 1,470,646,79 82,512,16 55,162,41 55,162,41 1,608,321,36 | 1, 320, 500, 00 78, 900, 00 1, 750, 00 108, 000, 00 1, 509, 150, 00 | 14, 332, 900, 47 924, 331, 11 14, 251, 09 700, 043, 79 15, 971, 526, 46 | 13, 342, 480, 77 879, 448, 75 6, 102, 52 910, 528, 52 15, 158, 980, 54 | 12, 663, 050, 00 851, 300, 00 851, 300, 00 12, 250, 00 748, 500, 00 | 1, 669, 850, 47 73, 031, 11 2, 001, 09 456, 21- | 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 |
| CPERATING EXPENSES | | | | | | | - | 74 |
| SCURCE OF SUPPLY EXP PUMPING EXPENSE | | 11, 770, 77 136, 893, 81 | 27, 083, 00 183, 775, 00 | 1,843,828,06 1,619,865,05 | 1, 658, 295, 99 1, 847, 280, 10 | 1, 902, 756, 00 | 927. | - 61 1 |
| | 28, 343, 73 177, 230, 35 | 40, 253, 80 236, 900 94 | 42, 100, 00 227, 727, 72 | 060 | 281, 703. | 294,700. | 10, 409, 49- | 14 |
| CUSTOMER ACT EXPENSE Admin : oem exerner | | | រ រ រ រ រ រ រ រ | 1991 1991 | 1, 504, 850, 16 504, 850, 16 | 2,009,644,00 519,975,00 | 604, 352, 27- 24, 913, 29 | - n M |
| REGULATORY EXPENSE | 041,805,59 11,260,47 | 781, 593, 29 2, 304 95 | 665, 425, 00 14, 000 00 | | 438. | i si co | 086. | n 4 |
| | 1,848.05 | 1009 f2 | 400 100 | 100 001 100 001 100 001 | 76, 061, 42 25, 211 41 | 118, 944, 00 23, 230, 50 | | ហ **1 • |
| SUB-TOTAL | 51, 771, 45 1, 089, 700, 15 | 72, 583, 25 | 271,800.00 | 674. 127. | | | 625, 350, 78- 2, 075, 014, 03- | 2 M - 2 M - 1 1 |
| OTHER OPER EXPENSES | | | | | | | | 1 |
| DEPRECIATION SERVICES RENDERED | 453,622.76 15,594 83 | 444, 073, 20 14, 324, 14 | 459,225,00 | 743. | 5 2 | ររ រប | 42, 168, 35 | *** |
| DIR & INDIR CST FOR WO TOTAL OPER EXPENSES | 139, 861. 21- 1, 419, 056, 53 | | 12, 750, 00 | 80, ///. 12 1, 217, 781, 14- 13, 853, 867, 30 | 133, 369, 78 1, 150, 832, 55- 13, 938, 552, 89 | 954,950,00 509,250,00- 16,605,419,00 | 10, 172, 88- 708, 531, 14- 2, 741, 551, 70- | 10- |
| NET INCOME FROM OPERATIONS | 58, 399, 30 | 28,405,19- | 462,867.00- | 2, 117, 659, 16 | 1,220,427,67 | 330, 319. | 447.979 | 1 |
| NON-OFERATING INCOME (NET) | • | | | | | | ì | |
| RENTS INTEREST REVENUES INTEREST EXP. OTHER OTHER REVENUES GAINS ON RETIREMENT DISCOUNTS LOSS ON RETIREMENTS TOTAL NON-OPER INCOME | 3, 336, 33 11, 579, 10 240, 00 21, 81 4, 999, 98- 21, 322, 94 | 3, 343, 72 8, 444, 75 100, 00 100, 00 100, 00 11, 888, 47 | 375,00 25,375,00 25,300,00 25,00 75,000 75,0000000000 | 55, 446, 91 67, 638, 26 1, 060, 00 54, 15 54, 15 15, 672, 65 109, 466, 30 | 55, 246, 04 52, 051, 25 132, 497, 52 175, 00 19, 816, 43- 220, 875, 48 | 55, 475, 00 58, 100, 00 5, 275, 00 5, 255, 00 5, 255, 00 1, 925, 00 20 20 79, 575, 00 20 79, 575, 00 20 20 20 20 20 20 20 20 20 20 20 20 2 | 28.09- 28.09- 177,275.00 4,197.00 4,197.00 4,197.00 1,034.87- 1,034.87- 5,827.35 | 0 4 1 0 0 1 1 0 0 1 1 0 0 0 1 1 0 0 0 1 1 0 0 0 0 1 0 |
| TOTAL NET INCOME | 79, 722. 24 | 16, 516, 72- | 479, 917, 00- | 2, 227, 125, 96 | 1,441,303,15 | 894.00- | 019. 96 | 192- |

STAFF REPORT TO DESERT WATER AGENCY BOARD OF DIRECTORS

FEBRUARY 21, 2017

RE: REQUEST ADOPTION OF RESOLUTION NO. 1150, GRANTING RETIREMENT STATUS TO MICHAEL ABDELNOUR WITH APPRECIATION

Attached is a copy of Resolution No. 1150 officially granting retirement status to Water Operations Supervisor, Michael Abdelnour.

Mr. Abdelnour will be presented a copy of Resolution No. 1150 acknowledging his 32 years of dedicated service and loyalty to Desert Water Agency.

RESOLUTION NO. 1150

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE DESERT WATER AGENCY GRANTING RETIREMENT STATUS TO MICHAEL J. ABDELNOUR

WHEREAS, Michael J. Abdelnour ("Mike"), began his service with Desert Water Agency on August 24, 1984 as a Water Service Worker in the Construction Department. On March 18, 1987, he was promoted to the position of Water Service Worker II and on July 11, 1988 he transferred to the Operations Department as an Operations Mechanic I. He was promoted to Operations Mechanic II on September 9, 1992, Operations Technician III on January 24, 2005 and Water Operations Supervisor on May 15, 2008; and is concluding his career in that capacity; and

WHEREAS, over his 32 year career with Desert Water Agency, Mike has always taken it upon himself to look at innovative ways to improve upon operations and his ideas have helped the Agency implement more efficient and cost-effective methods; and

WHEREAS, Mike has supervised the employees of the Operations Department well and to the best of his ability, and has done a commendable job with respect to organizing and scheduling the day-to-day activities of the Operations Department and all the related system maintenance, monitoring and implementation of the 2012 SCADA system upgrade and communication equipment needed to provide water to our community; and

WHEREAS, Mike has been responsible for the oversight of our recycled water plant, solar facility, two hydroelectric plants, 30 pumping plants, 25 reservoirs, 13 booster stations and 2 sewer lift stations; and

WHEREAS, Mike has faithfully discharged his duties as the Agency's Water Operations Supervisor, and has gone above and beyond with respect to giving of his time to make sure the Desert Water Agency is able to provide a safe and reliable water supply to its customers; and

WHEREAS, the Desert Water Agency is deeply appreciative of this employee's loyalty, honesty, integrity, competency and conscientious service in his duties, and his willingness to assist others whenever necessary for the completion of a project or special assignment, and

WHEREAS, Mike has served as an outstanding role model with respect to his work ethics and has consistently performed his duties meticulously and with commitment to the highest standards required in conjunction with the responsibilities he fulfilled, and has done so with the Agency's best interest in mind;

NOW, THEREFORE, BE IT RESOLVED by the Desert Water Agency Board of Directors that

MICHAEL J. ABDELNOUR

is, with infinite thanks and appreciation for his 32 years of service to the Desert Water Agency, and our community, hereby granted the status of retirement. It is the wish of the Board that Mike spends countless years enjoying a happy and healthy retirement, for he has earned it.

ADOPTED this 21st day of February, 2017, with retirement effective February 25, 2017.

James Cioffi, President Board of Directors

ATTEST:

STAFF REPORT TO DESERT WATER AGENCY BOARD OF DIRECTORS

FEBRUARY 21, 2017

RE: REQUEST ADOPTION OF RESOLUTION NO. 1151 SUPPORTING THE NOMINATION OF MELODY MCDONALD TO THE OFFICE OF ACWA/JPIA EXECUTIVE COMMITTEE

Attached for the Board's consideration is Resolution No. 1151, which supports the nomination of Melody McDonald, Director of the San Bernardino Valley Water Conservation District and current member of ACWA/JPIA Executive Committee.

Also attached is ACWA/JPIA's election notice and a copy of Ms. McDonald's bio.

If the Board concurs in the nomination of Ms. McDonald to the office of ACWA/JPIA Executive Committee, it may do so by adopting Resolution No. 1151. Following adoption, staff will forward a copy of the resolution to San Bernardino Valley Water Conservation District and ACWA/JPIA offices.



SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT Established 1932

1630 West Redlands Boulevard, Suite A Redlands, CA 92373-8032 (909) 793-2503 Fax: (909) 793-0188

Email: info@sbywcd.org www.sbvwcd.org

January 31, 2017

James Cioffi Desert Water Agency P.O. Box 1710 Palm Springs, CA 92263-1710

Dear James Cioffi.

The Board of Directors of the San Bernardino Valley Water Conservation District has nominated its Vice-President, Melody A. McDonald, to continue in her position on the ACWA/JPIA Executive Committee. Enclosed is a certified copy of SBVWCD Resolution No. 542 nominating Mrs. McDonald for ACWA/JPIA Executive Committee.

Melody currently serves on the ACWA/JPIA Executive Committee, Personnel Committee, Chairs the Liability Program Subcommittee, served on the Building & Property Ad Hoc Committee, and was past chair of the Property & Workers Compensation Program Subcommittees. Melody has an institutional knowledge of all of JPIA's programs, their history, how coverage's evolved for the JPIA membership and has helped the organization grow to 188 Million in assets. Melody participates in training at various JPIA members facilities; she has personally visited and presented rate stabilization fund refund checks back to JPIA members totaling over 25 Million, since the inception of the fund. This year, JPIA has held nearly 400 training classes resulting in more than 7,700 employees receiving training. Melody believes the best claim is the one that never happened, and that there is a direct correlation between risk management, training, and minimizing losses. She pursues all her duties with a strong sense of commitment and dedication. Enclosed is her Statement of Oualifications.

The District respectfully requests your organization consider adopting a concurring resolution of nomination in support of Mrs. McDonald. Enclosed is a sample concurring resolution for your consideration in support of her nomination or it can be found at http://www.acwajpia.com/ElectionNews.aspx . Since time is of the essence, and that this will require Board action, please include this on your agenda for your next Board meeting. Please send a certified copy to:

ACWA/JPIA Attention: Sylvia Robinson P.O. Box 619082 Roseville, CA 95661-9082

San Bernardino Valley Water Conservation District Attention: Athena Monge 1630 W. Redlands Blvd. Ste "A" Redlands, CA 92374

This resolution must be received by ACWA/JPIA no later than 4:30 pm Friday March 24, 2017.

Sincerely,

Daniel B. Cozad General Manager

BUARD OF DIRECTORS Division 1: Richard Corneille Division 2: David E. Raley

Division 3: T. Milford Harrison Division 4: John Longville

and

Division 5: Melody McDonald

GENERAL MANAGER Daniel B. Cozad

RESOLUTION NO. 542

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT NOMINATING ITS ACWA/JPIA BOARD MEMBER TO THE EXECUTIVE COMMITTEE OF THE ASSOCIATION OF CALIFORNIA WATER AGENCIES JOINT POWERS INSURANCE AUTHORITY ("ACWA/JPIA")

WHEREAS, this District is a member district of the ACWA/JPIA that participates in all four of its Programs: Liability, Property, and Workers' Compensation; and Employee Benefits; and

WHEREAS, the Bylaws of the ACWA/JPIA provide that in order for a nomination to be made to ACWA/JPIA's Executive Committee, the member district must place into nomination its member of the ACWA/JPIA Board of Directors for such open position;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the San Bernardino Valley Water Conservation District that its member of the ACWA/JPIA Board of Directors, Melody McDonald, be nominated as a candidate for the Executive Committee for the election to be held on May 8, 2017.

BE IT FURTHER RESOLVED that the ACWA/JPIA staff is hereby requested, upon receipt of the formal concurrence of five other member districts to effect such nomination.

BE IT FURTHER RESOLVED that the District Secretary is hereby directed to transmit a certified copy of this resolution to the ACWA/JPIA at P.O. Box 619082, Roseville, California 95661-9082, forthwith.

ADOPTED this 11th day of January, 2017.

Ruhard Comelli

President, Board of Directors

ATTEST



Melody.sbywed@gmail.com

Melody Henriques-McDonald

P.O. BOX 30197 SAN BERNARDINO, CA 92413

> (909) 793-2503 District (909) 499-5175 cell (909) 383-1122 fax

Like (a https://www.facebook.com/Melody4Water

Candidate for:

ACWA JPIA EXECUTIVE COMMITTEE (Incumbent)



Melody & Board receiving, District of Distinction Award, the highest governance and best practices accreditation possible.

Left, Kathleen Tiegs, Special Districts Board Member & ACWA Vice-President presenting,

ASSOCIATIONS

Member, Board of Directors of the San Bernardino Valley Water Conservation District (Elected), Past President, & currently Vice-President, 1991 originally appointed, and first woman on the board

Member, Executive Committee ACWA/JPIA

Chair, JPIA Liability Program Committee

Director, ACWA/Joint Powers Insurance Authority

Voting Member, Association of the San Bernardino County Special Districts

Over the 25 + Years, Experience in the Water Industry includes:

Past Member, (CWA) California Women for Agriculture

Past Member, ACWA Water Management Committee

Past Member, ACWA State Legislative Committee

Chair & Vice-Chair, JPIA Property & Workers Compensation Programs

Member, Board of Directors ACWA, Region 9 Chair

Chair, Water Management Certification Subcommittee

Chair, California Water Quality Control Board, Santa Ana Region 8 Years of service, Gubernatorial Appointment

CURRENT EMPLOYMENT

Southwest Lift & Equipment, Inc. (Heavy Duty Vehicle Lifts) Broker/Associate, Century 21 Lois Lauer Realty

PROFESSIONAL ASSOCIATIONS & LICENSES Redlands Association of Realtors California Real Estate Broker's License Arizona Real Estate Broker's License

ORGANIZATIONS AND SOCIETIES Highland Chamber of Commerce San Bernardino Chamber of Commerce Immanuel Baptist Church Highland, CA BSF International

EDUCATION

San Gorgonio High School, 1976 Western Real Estate School, 1989 Graduate, Special Districts Board Management Institute, 1997



- To: JPIA Directors, Alternates, and Others
- From: Sylvia Robinson, Publications & Web Editor

Date: January 3, 2017

Subject: 2017 ACWA JPIA Executive Committee Election Notice

Notice is hereby given that there will be an Executive Committee election during the JPIA's Board of Directors' meeting to be held on May 8, 2017, at the spring conference in Monterey, California.

This election will fill four Executive Committee member positions, each for a four-year term each.

The incumbents are Tom Cuquet, South Sutter WD; David Drake, Rincon Del Diablo MWD; and Melody McDonald, San Bernardino Valley WCD. There is one vacant position.

Candidates for the election must be elected or appointed directors of the JPIA member that they represent and must have been appointed by that member to be on the JPIA's Board of Directors. Further, candidates for the election must also be representatives of JPIA members that participate in all four of the JPIA's Programs: Liability, Property, Workers' Compensation, and Employee Benefits.

The candidates must also each receive concurring in nomination resolutions from **three** other JPIA members. However, JPIA members may **concur** in the nomination of as many candidates as they wish. When asking other JPIA members to concur in a nomination, it would be helpful to them to include some information about the Director and his/her background.

The submission of the nominating resolution, the three concurring in nomination resolutions, and the candidate's statement of qualifications is the sole responsibility of the nominating member. These nominations must reach the JPIA by the close of business (4:30 pm) on **Friday, March 24, 2017**. Nominations may be mailed to the attention of Sylvia Robinson at the JPIA: P. O. Box 619082, Roseville, CA 95661-9082 or emailed to srobinson@acwajpia.com.

Final notice of the qualified candidates will be included as part of the Board of Directors' meeting packet, which will be mailed on or before April 24, 2017, to those who request a meeting packet.

Use this <u>link</u> to find copies of this notice, the nominating procedures, and sample resolutions on the JPIA's website.

RESOLUTION NO. 1151

RESOLUTION OF THE BOARD OF DIRECTORS OF DESERT WATER AGENCY CONCURRING IN NOMINATION OF MELODY MCDONALD TO THE EXECUTIVE COMMITTEE OF THE ASSOCIATION OF CALIFORNIA WATER AGENCIES JOINT POWERS INSURANCE AUTHORITY ("ACWA JPIA")

WHEREAS, Desert Water Agency is a member district of the ACWA JPIA; and WHEREAS, the Bylaws of the ACWA JPIA provide that in order for a nomination to be made to ACWA JPIA's Executive Committee, three member districts must concur with the nominating district, and

WHEREAS, another ACWA JPIA member district, the San Bernardino Valley Water Conservation District has requested that Desert Water Agency concur in its nomination of its member of the ACWA JPIA Board of Directors to the Executive Committee of the ACWA JPIA;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Desert Water Agency that this district concur with the nomination of Melody McDonald of San Bernardino Valley Water Conservation District to the Executive Committee of the ACWA JPIA.

BE IT FURTHER RESOLVED that the District Secretary is hereby requested to transmit a certified copy of this resolution to the ACWA JPIA at P.O. Box 619082, Roseville, CA 95661-9082, forthwith.

ADOPTED this 21st day of February, 2017.

James Cioffi, President Board of Directors

ATTEST:

Kristin Bloomer, Secretary-Treasurer Board of Directors

STAFF REPORT TO DESERT WATER AGENCY BOARD OF DIRECTORS

FEBRUARY 21, 2017

RE: REQUEST ADOPTION OF RESOLUTION NO. 1152 AUTHORIZING THE INVESTMENT OF MONIES IN THE LOCAL AGENCY INVESTMENT FUND (LAIF) AND ACKNOWLEDGING ASSIGNMENT OF SIGNATORIES

Attached for the Board's review is a copy of Resolution No. 1152, which acknowledges the Desert Water Agency's account with the State Local Agency Investment Fund (LAIF) for investment purposes, and designates the authorized signers for that account.

The Agency established an account with LAIF in 1977, and has been actively making investments since that time. Due to the retirement of Controller, Lee Lahtinen, it is necessary to update signers on the account. As noted within the resolution, General Manager Mark S. Krause, Assistant General Manager Steve Johnson, Finance Director Martin Krieger and Accounting Supervisor Esther Saenz are the authorized signers on the account. Changes with regard to signers do not require an update to the existing resolution; however, a new resolution is necessitated with the addition or deletion of signers.

Upon adoption of Resolution No. 1152, a certified copy will be provided to LAIF in order to update the Agency's account.

RESOLUTION NO. 1152

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE DESERT WATER AGENCY AUTHORIZING INVESTMENT OF MONIES IN THE LOCAL AGENCY INVESTMENT FUND

WHEREAS, Pursuant to Chapter 730 of the statutes of 1976 Section 16429.1 was added to the California Government Code to create a Local Agency Investment Fund in the State Treasury for the deposit of money of a local agency for purposes of investment by the State Treasurer; and

WHEREAS, the Desert Water Agency Board of Directors does hereby find that the deposit and withdrawal of money in the Local Agency Investment Fund in accordance with the provisions of Section 16429.1 of the Government Code for the purpose of investment as stated therein as in the best interests of the Agency,

NOW, THEREFORE, BE IT RESOLVED that the Desert Water Agency Board of Directors does hereby authorize the deposit and withdrawal of Agency monies in the Local Agency Investment Fund in the State Treasury in accordance with the provisions of Section 16429.1 of the Government Code for the purpose of investment as stated therein, and verification by the State Treasurer's Office of all banking information provided in that regard.

BE IT FURTHER RESOLVED the following individuals or their successors in office shall be authorized to order the deposit or withdrawal of monies in the Local Agency Investment Fund:

Mark S. Krause – General Manager Steve Johnson - Assistant General Manager Martin S. Krieger – Finance Director Esther Saenz – Accounting Supervisor

ADOPTED this 21st day of February, 2017.

James Cioffi, President

ATTEST:

Kristin Bloomer, Secretary-Treasurer

STAFF REPORT TO DESERT WATER AGENCY BOARD OF DIRECTORS

FEBRUARY 21, 2017

RE: REQUEST TO AUGMENT 2016/2017 BUDGET

With the rate adjustments that were implemented on January 1, 2017, it is necessary at this time to augment the 2016/2017 Operating Budget to reflect those adjustments. Rate adjustments were made to the monthly fixed meter charges and monthly fire service charges.

The attached augmented Operating Fund Budget reflects an increase of \$534,000 to the Water Sales line item (volumetric & fixed charges included in this category) and an increase of \$52,500 to the Fire Protection line item. The total estimated revenue due to the adjustments is \$587,500 (January 1 through June 30).

Additionally, it is necessary to augment (increase) the Maintenance of Mains expense by \$575,000 to perform the City of Palm Springs valve can adjustments (approved prior & current year work). The net effect of the revenue & expense augmentation is a positive \$11,500. Staff has increased the Contingency Work Order (16-499) by \$11,500 to offset the costs associated with Email Server upgrades.

It is also necessary at this time to augment the 2016/2017 General Fund budget to reflect the addition of the Indio Subbasin Management Plan expense in the amount of \$30,000. This item was not previously anticipated during the 2016/2017 budget process. In order to recognize the additional expense, the Reserve for Operations is being reduced by \$30,000.

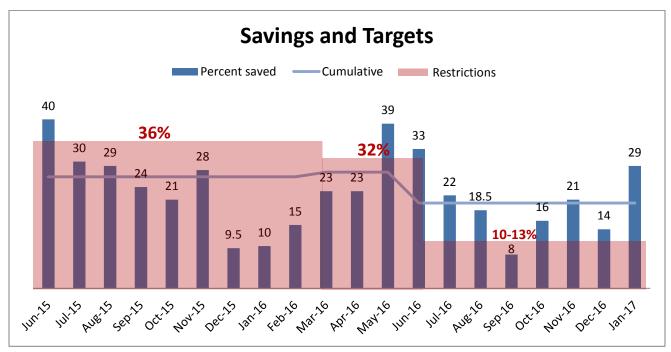
Staff recommends approval of the augmented 2016/2017 Operating & General Fund Budgets.

STAFF REPORT TO DESERT WATER AGENCY BOARD OF DIRECTORS

FEBRUARY 21, 2017

RE: JANUARY 2017 WATER USE REDUCTION FIGURES

Desert Water Agency and its customers achieved a 29 percent reduction in potable water production during January 2017 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. In January, Palm Springs saw 3.53 inches of rain (NOAA, NOW Data). Staff believes that precipitation was a large factor in high conservation numbers across the valley. Desert Water Agency's cumulative water savings June 2015 through January 2017 is 24% percent. DWA reports its production to the state on a monthly basis.



Staff is also tracking the water use compared to the threshold in the rate study regarding the proposed drought surcharge. The first trigger for the Board to consider action would be at use 10% below April 2015 – March 2016 levels. This trigger was met for January, though only for a single month.

DWA is asking its customers to save 10-13% compared to 2013 to help achieve longterm sustainability. The cumulative savings beginning in June of 2016 when we put our 10-13% target in place is 20%. Below is additional information reported to the State Board for December 2016.

| January 2017 water production | 1,449.6 AF | | |
|---|------------|--|--|
| January 2013 water production | 2,040.3 AF | | |
| Percent changed per drought surcharge baseline | 11.26% | | |
| Quantity of potable water delivered for all commercial, industrial, and institutional users for the reporting month | 476.4 AF | | |
| The percentage of the Total Monthly Potable Water Production going to residential use only for the reporting month | 62.5% | | |
| Population (inclusive of seasonal residents) | 105,817 | | |
| Estimated R-GPCD | 90.0 | | |
| How many public complaints of water waste or violation of 9 conservation rules were received during the reporting month? | | | |
| How many contacts (written/ verbal) were made with customers for actual/ alleged water waste or for a violation of conservation rules? | 15 | | |
| 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? | 14 | | |
| How many penalties were issued for water waste or for a violation of conservation rules? | 10 | | |
| Comments: The Agency's service area is highly seasonal making population analysis a complex task. The State Water Resources Control Board (State Board) analyzes data on a per capita basis. Historically, DWA has submitted data based on the permanent population of the service area; however that data does not accurately reflect water use in DWA's service area which has a highly seasonal population. Based on local data, the correct population is higher than previously reported. The Residential Gallons Per Capita Per Day (R-GPCD) is being submitted using the corrected population. | | | |

DWA would like it noted that the amount of fresh water outflow to the ocean during the month of December was 5,825,397 acre feet.

Additionally, since it began recycling water Desert Water Agency has reclaimed 90,564 acre feet. If our recycled water production for December was taken into consideration against our potable production, the conservation achieved would have been several percentage points higher.

STAFF REPORT TO DESERT WATER AGENCY BOARD OF DIRECTORS

FEBRUARY 21, 2017

RE: CONSIDER CONSOLIDATION OF DWA BOARD ELECTIONS WITH STATEWIDE ELECTIONS

Senate Bill 415, The Voter Participation Act will take effect on January 1, 2018. The Act prohibits a political subdivision such as a special district from holding an election other than on a statewide election date if holding an election on a non-concurrent date has previously resulted in voter turnout for a regularly scheduled election in the political subdivision being at least 25% less than the average voter turnout within the political subdivision for the previous 4 statewide general elections.

If the change in election date is approved, it is requested that the new election date be moved from November 2017 to November 2018 with Board Members whose terms would have expired in 2017 being extended to 2018 and Board Members whose terms would have expired in 2019 being extended to 2020 (see attached).

For other special districts that have changed their election dates, the Riverside County Registrar of Voters office indicated that there would be cost savings from aligning the current election schedule with the statewide general elections. At this time, staff has not received any information back from the County Registrar. It is anticipated that information will be received in time for the next Board meeting of March 7.

Elections Code Section 10404(i) states that those governing body members whose terms of office would have, prior to the adoption of the resolution, expired prior to that election shall, instead, continue in their offices until their successors are elected and qualified, but in no event shall the term be extended beyond December 31 of the year following the year in which the request for consolidation is approved by the board of supervisors.

| Current General Municipal Election Dates (3 seats) | Consolidate with the following potential Statewide Election Dates |
|---|--|
| November 7, 2017 | November 6, 2018 (+12 months) |
| James Cioffi | |
| Patricia G. Oygar | |
| Joseph K. Stuart | |

| Current General Municipal Election Dates (2 seats) | Consolidate with the following potential Statewide Election Dates |
|---|---|
| November 5, 2019 | November 3, 2020 (+12 months) |
| Kristin Bloomer Craig A. Ewing | |

RESOLUTION NO. 1153

RESOLUTION OF THE BOARD OF DIRECTORS OF DESERT WATER AGENCY CHANGING THE REGULAR ELECTION DATE FOR ELECTION OF ITS BOARD OF DIRECTORS FROM NOVEMBER OF ODD-NUMBERED YEARS TO THE STATEWIDE PRIMARY ELECTION DATE IN NOVEMBER OF EVEN-NUMBERED YEARS

WHEREAS, currently the regular election date for election of the Board of Directors of Desert Water Agency is in November of each odd-numbered year; and

WHEREAS, the California Voter Participation Rights Act (SB 415) becomes effective on January 1, 2018 and prohibits local governmental entities, including special districts, from holding a regular election on a date other than on a statewide primary or general election date of even-numbered years, if holding a regular election on a non-statewide election date has previously resulted in a "significant decrease in voter turnout," which is defined by SB 415 to mean at least 25% less voter turnout than the average voter turnout within the governmental entity for the previous four statewide general elections (November of 2010, 2012, 2014 and 2016); and

WHEREAS, elections conducted in odd-numbered years historically have resulted in lower voter participation and higher expenses to this Agency; and

WHEREAS, in order to change this Agency's regular election date to comply with SB 415, Elections Code Section 1303(b) authorizes the Board of Directors at this time to adopt a resolution changing the Agency's regular election date from November of odd-numbered years to the statewide general election date in November of even-numbered years; and

WHEREAS, the resolution must then be submitted to the Riverside County Board of Supervisors no later than March 12, 2017, which is at least 240 days before the next Agency regular election date, and the resolution must be approved by the Board of Supervisors in order to change the Agency's regular election date; and

WHEREAS, it is the intent and desire of this Board of Directors to change the Agency's regular election date for election of its Board of Directors from November of odd-numbered years to the statewide general election date in November of even-numbered years; and

WHEREAS, Elections Code Section 10404(i) provides that upon approval by the Board of Supervisors, changing the regular election date to November of even-numbered years, current Directors continue to serve until their positions are filled by election in the even-numbered year, so as to match their terms with a changed regular election date; and

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of Desert Water Agency as follows:

1. Pursuant to Elections Code Sections 1303(b) and 10404(b), the Agency hereby chooses to change the Agency's regular election date for election of the Board of Directors from

the first Tuesday after the first Monday in November of odd-numbered years to the statewide general election date on the first Tuesday after the first Monday in November of even-numbered years.

2. Special elections called for the purposes of filling Board vacancies, submitting measures to the Agency's electors for consideration, or other such matters, shall not be affected by this resolution and may be conducted on any date authorized by applicable law.

3. The Riverside County Board of Supervisors is hereby requested to consolidate all future Agency regular elections with the statewide general elections to be conducted in November of even-numbered years. The President of this Board of Directors shall be authorized to take any and all actions, and to execute any documents necessary, to assist the Agency's General Manager in presenting this resolution to the Riverside County Board of Supervisors for its approval.

4. The Secretary of the Board of Directors of Desert Water Agency shall transmit certified copies of this resolution to the Clerk of the Board of Supervisors and to the Office of the Registrar of Voters for the County of Riverside.

ADOPTED this _____ day of _____, 2017.

James Cioffi, President Board of Directors Desert Water Agency

ATTEST:

Kristin Bloomer, Secretary-Treasurer Board of Directors Desert Water Agency

CERTIFICATION

I, Sylvia Baca, Assistant Secretary of the Board of Directors of Desert Water Agency, do hereby certify that the attached is a true and correct copy of Resolution No. 1153 adopted by said Board of Directors at its regularly scheduled meeting of _____, 2017.

| Sylvia Baca |
|---|
| Assistant Secretary of the Board of Directors |
| Desert Water Agency |
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