



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 – February 6, 2018 CIOFFI
3. **GENERAL MANAGER'S REPORT** KRAUSE
4. COMMITTEE REPORTS – Executive – February 13, 2018 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 BLOOMER
7. ITEMS FOR ACTION
 - A. Request Board Action Regarding Claim for Damages Filed by Joe Butler KRAUSE
 - B. Request Authorization for General Manager to Enter Into Supplemental MOU/Indio Subbasin KRAUSE
8. ITEMS FOR DISCUSSION
 - A. January Water Use Reduction Figures KRAUSE
 - B. Annual Review of Investment Policy KRIEGER
 - C. **Director's Report on** Irrigation Leader/CSDA Committee/Conference STUART/BLOOMER
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: Mission Springs Water District vs. Desert Water Agency
 - D. CONFERENCE WITH REAL PROPERTY NEGOTIATORS
Pursuant to Government Code Section 54956.8
Property: APN 680-180-034; 3.23 acre parcel located 1,000 feet East of S. Gene Autry Trail on South Side of Dinah Shore Drive
Agency Negotiators: Mark S. Krause, General Manager
Negotiating Parties: Scott Stokes
Under Negotiation: Price and Terms
11. RECONVENE INTO OPEN SESSION – REPORT FROM CLOSED SESSION
12. ADJOURN

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

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

2

February 6, 2018

DWA Board:	James Cioffi, President)	Attendance
	Joseph K. Stuart, Vice President)	
	Craig A. Ewing, Director)	
Absent:	Kristin Bloomer, Secretary-Treasurer)	
	Patricia G. Oygar, 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)	
	Ashley Metzger, Outreach & Conserv. Mgr.)	
	John Ruiz, Interim Human Resources Mgr.)	
Consultant:	Michael T. Riddell, Best Best & Krieger)	
Public:	David Freedman, P.S. Sustainability Comm.)	
	Christine Hammond, Palm Springs resident)	
	Onnaca Heron, Palm Springs resident)	

18020. President Cioffi opened the meeting at 8:00 a.m. and asked everyone to join him in the Pledge of Allegiance. **Pledge of Allegiance**

18021. President Cioffi called for approval of the January 16, 2018 Regular Board meeting minutes. **Approval of 01/16/18 Regular Board Mtg. Minutes**

Vice President Stuart moved for approval. After a second by Director Ewing, the minutes were approved as written (Secretary-Treasurer Bloomer and Director Oygar absent).

18022. President Cioffi called upon General Manager Krause to provide an update on Agency operations. **General Manager's Report**

Mr. Krause stated on the weekend of January 19, the Works Floor & Wall removed and replaced the carpet in the Board conference room, Finance Director's office and Information Systems office. This concludes the carpet replacement project for the 2017-18 Capital Improvement budget. **Operations Center Carpet Replacement**

Mr. Krause reported on January 15 at approximately 7:00 a.m., construction responded to a hit fire hydrant on the 500 block of Yorba Rd. Staff replaced the gasket, breakaway bolts and put the hydrant back into service. The estimated water loss was based on a fully open 6-inch fire hydrant bury which ran for approximately 40 minutes. A police report was filed.

GM Report
(Cont.)
Hit Fire Hydrant-Yorba Rd.

Mr. Krause reported on January 26, construction was notified that two 2-inch backflows were stolen from 2440 A-F and 2450 A-F Birdie Way (Tahquitz Creek Golf Course area). Construction made repairs, replaced the backflows and put them back into service. The customer filed a police report and the water loss was metered.

Stolen Backflows-
Birdie Way

Mr. Krause stated on January 26, there was another backflow stolen, also from the Tahquitz Creek Golf Course area. It was a 3/4-inch located on Brentwood Dr., south of Cherry Hills Dr., which provides service to the golf course. Staff received the manager's approval to replace it and put it back into service. The water loss was metered and a police report was filed by the customer.

Stolen Backflows –
Brentwood Drive

Continuing his report, Mr. Krause announced that DWA offices will be closed on Monday, February 19 in observance of the President's Day holiday.

DWA Holiday – Office
Closed

Mr. Krause reported for the month of January 2018, approximately 10,200 acre-feet was delivered to the Whitewater Spreading basins. On January 30, delivery flows were reduced from 170 cfs to 75 cfs. MWD requested the reduction so they could deliver more water to their facilities. The reduction forced the shutdown of the hydro plant. The flow rate will remain at 75 cfs until February 13, when the flow will be reduced to 0 cfs for the aqueduct maintenance work, which will continue thru mid-March. The Whitewater hydro plant generated approximately 636,390 kwh for January and we anticipate receiving approximately \$55,900 from SCE for the electricity produced. The plants turbine and generator equipment will be inspected by a qualified contractor during the aqueduct maintenance period, making any necessary repairs.

Water Delivery Update

Aqueduct
Maintenance/Shutdown

Mr. Krause stated on January 29, the Agency received notice from DWR that our water allocation will be increased to 20%.

SWP Allocation
Increase

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

System Leak Data,
General Manager's
Meetings & Activities

18023. President Cioffi noted the minutes for the January 30, 2018 Executive Committee were provided in the Board's packet.

Committee Reports:
Executive 01/30/18

18024. President Cioffi opened the meeting for public input.

Public Input

Christine Hammond, Palm Springs resident spoke in support of the Agency's conservation efforts and the proposed Butterfly Garden.

Christine Hammond

Onnaca Heron expressed dissatisfaction with the Agency's late fee policy.

Onnaca Heron

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

18025. President Cioffi asked Assistant General Manager Johnson to present staff's request for Acceptance of the 2016-17 Replacement Pipelines project (W. Paseo El Mirador, E. Paseo El Mirador, Pasatiempo Rd, Linda Vista Rd., Broadmoor Dr., Via Monte Vista, E. Camino Norte, Vine Ave., Stevens Rd., W. Camino Norte, and Sunny Dunes Rd.).

Item for Action:

Request Acceptance of
2016-17 Replacement
Pipelines Project

Mr. Johnson stated Borden Excavating, Inc. has performed all work for this project. He noted the 2016-17 capital improvement budget included work order #16-160 for installation of said replacement pipelines. The budget is \$3,372,600 including engineering, overheads, construction and inspection. The final contract amount is \$2,747,517.53. Staff recommends the Agency accept said work in the amount of \$2,747,517.53. Subsequent to Board acceptance, a notice of completion will be filed and the Agency will make final payment to Borden Excavating, Inc. Thereafter, following the lien period, the Agency will release retained funds.

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

18026. President Cioffi asked Agency Counsel Riddell to provide a report on the January 18, 2018 meeting of the Board of Directors of the State Water Contractors, Inc.

Discussion Items:

SWC Mtg. 01/18/18

Mr. Riddell provided a report on the following items: 1) Meeting with new DWR Director, 2) General Counsel's report, 3) Water Supply report, 4) Legislative report, 5) General Manager's report, and 6) Energy Strategic Plan and Priority objectives.

18027. President Cioffi asked Outreach and Conservation Manager Metzger to report on the Butterfly Garden project.

Butterfly Garden
Project

Mrs. Metzger provided a PowerPoint presentation showing the proposed location and draft art work.

18028. President Cioffi noted that Board packets included Outreach & Conservation reports for January 2018.

Outreach & Conservation – January 2018

Mrs. Metzger noted the upcoming events for later this month and March.

18029. At 9:00 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), Mission Springs Water District vs. Desert Water Agency; and (D) Real Property Negotiators, pursuant to Government Code Section 54956.8, Property: APN 680-180-034, Agency Negotiator(s) Mark S. Krause, General Manager, Negotiating Parties: Scott Stokes, Under Negotiation: Price and Terms.

Closed Session:

A. Existing Litigation – ACBCI vs. CVWD, et al.
B. Existing Litigation – ACBCI vs. Riverside County
C. Existing Litigation – MSWD vs. DWA
D. Real Property Negotiators – APN No. 680-180-034

18030. At 10:44 a.m., President Cioffi reconvened the meeting into open session and announced there was no reportable action.

Reconvene –No Reportable Action

18031. In the absence of any further business, President Cioffi adjourned the meeting at 10:45 a.m.

Adjournment

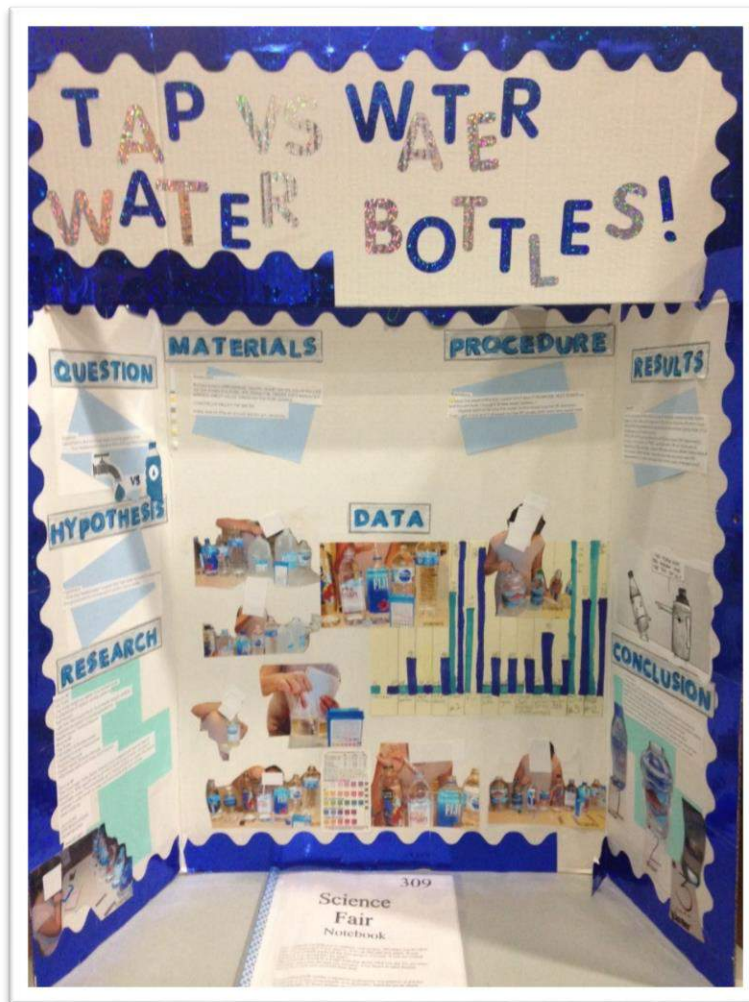
James Cioffi, President

ATTEST:

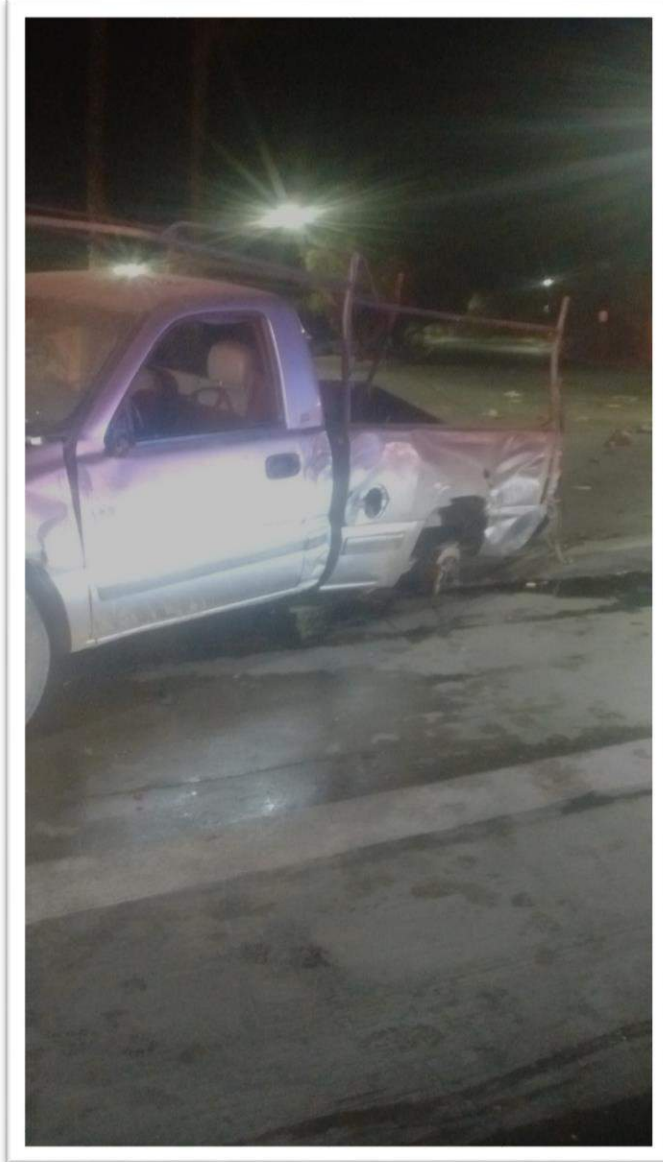
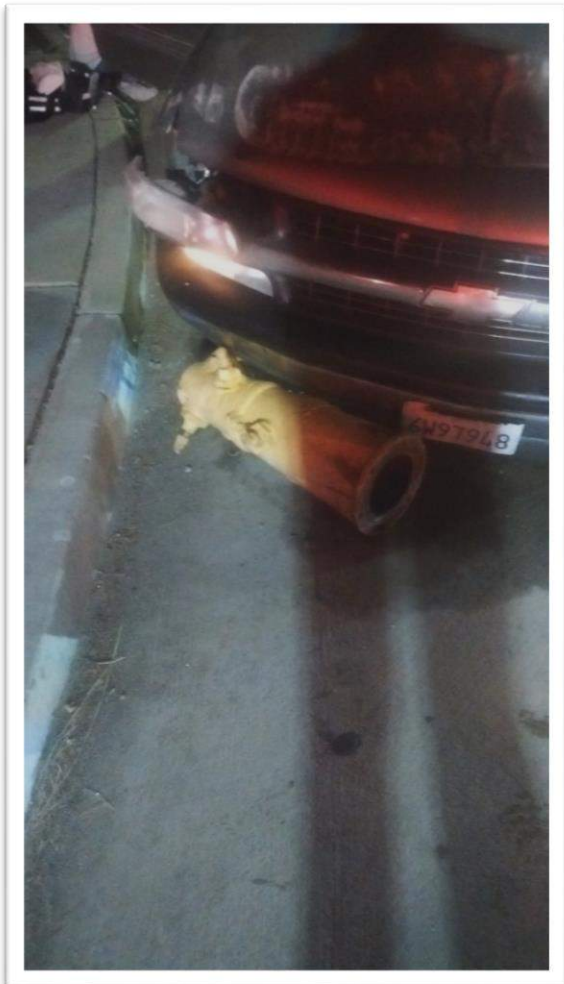
Kristin Bloomer, Secretary-Treasurer

GENERAL MANAGER'S REPORT FEBRUARY 20, 2018

On February 6, Outreach & Conservation Associate Petek was a judge for Palm Springs Unified School District's Science Fair. DWA gave a special award to a fourth grade student, Victoria Espinoza, from Sunny Sands Elementary for her project, "Tap Water versus Water Bottles."



On February 15 at approximately 9:30 p.m., stand-by responded to a hit fire hydrant on Gene Autry Trail in front of the Desert Sun Newspaper building. Staff replaced the fire hydrant and put it back in service. A police report was made and the water loss was from a fully open fire hydrant bury which ran for approximately 40 minutes.



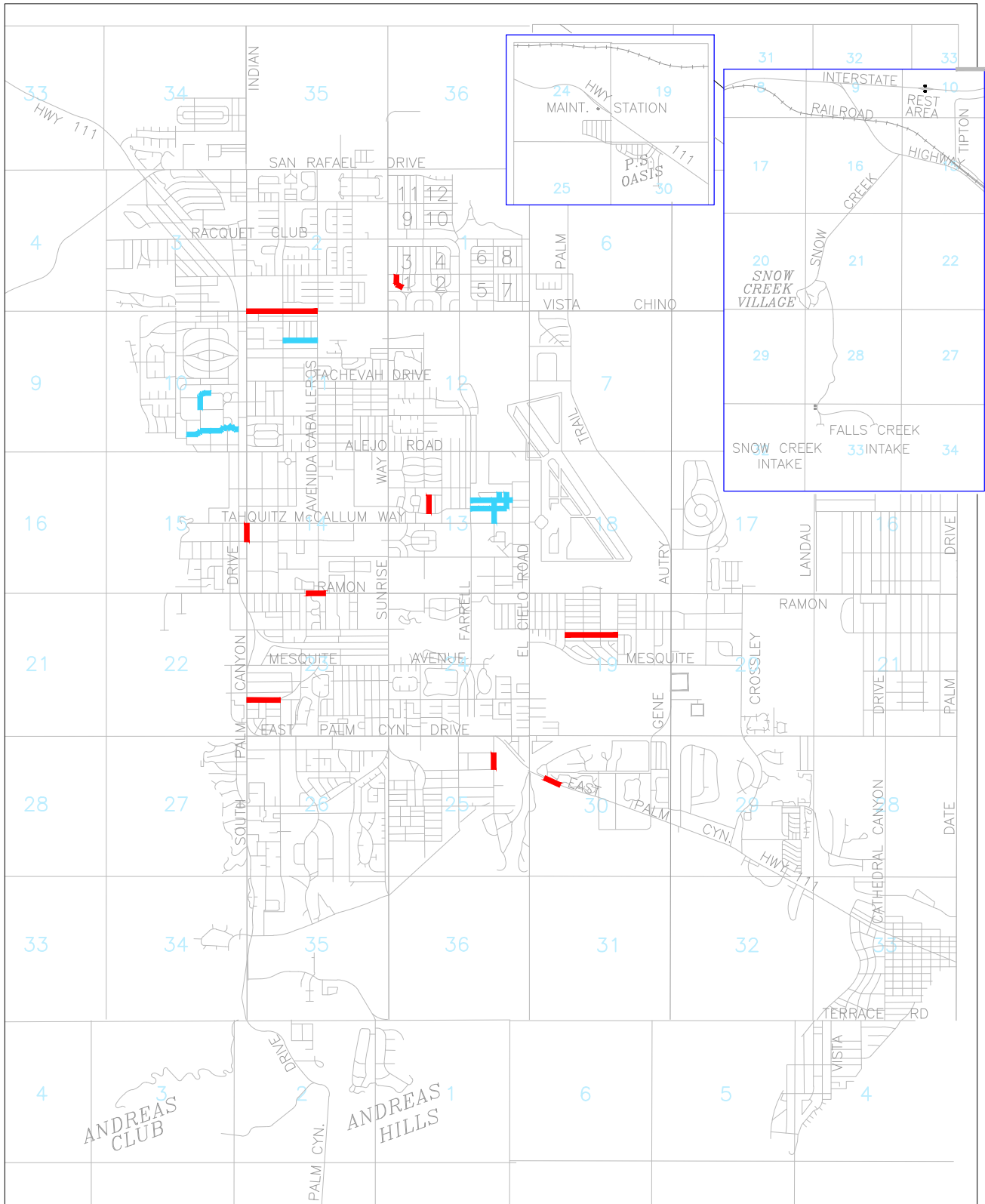
Water Delivery Update

The Whitewater Hydro generated approximately 636387 kWh for the month of January. SCE settlement amount is \$55,914. The CRA was shut down on February 13 for routine maintenance and will be offline until mid-March.

SYSTEM LEAK DATA		
(PERIOD BEGINNING JANUARY 31, 2018 THRU FEBRUARY 13, 2018)		
STREET NAME	QUARTER SECTION	NUMBER OF LEAKS
CHIA RD	4411NW	6
LIVMOR AVE	4413NE	2
MISSION RD (5")	4410SE	2
MERITO PL	4410SE	2
INDIAN CANYON DR (10")	4415SE	2
E PALM CANYON DR	4530NW	2
LOUELLA RD	4413NE	1
SYBIL RD	4413NE	1
ANDREAS RD	4413NE	1
AIRLANE DR	4413NE	1
HERMOSA PL	4410SE	1
SONORA RD	4423SW	1
RAMON RD	4423NE	1
ARABY DR	4425NE	1
MICHELLE RD	4413NW	1
CALLE SAN ANTONIO	4519NW	1
E NICOLA RD	4401SW	1
VISTA CHINO (20")	4411NW	1
TOTAL LEAKS IN SYSTEM:		28

* Streets highlighted in green are scheduled to be replaced as part of the
2017/2018 Replacement Pipeline Project

* Streets highlighted in blue are being proposed as part of the
2018/2019 Replacement Pipeline Project



SYSTEM LEAKS

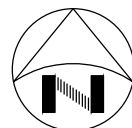
(Period beginning January 31, 2018
thru February 13, 2018)

DESERT WATER AGENCY
PALM SPRINGS, CALIFORNIA

LEGEND

- LEAK(S) RECORDED
- LEAK(S) RECORDED;
INCLUDED IN 2017/18
REPLACEMENT PIPELINES
- LEAK(S) RECORDED;
INCLUDED IN PROPOSAL
FOR 2018/19
REPLACEMENT PIPELINES

DWG. BY
SR



DATE
2/18

SCALE
NTS

EXHIBIT
"A"

General Manager's Meetings and Activities:

Meetings:

02/02/18	Cal WaterFix Update	Conf. Call
02/05/18	Weekly Staff Meeting, I.S. Meeting, Snow Crk Security	DWA
02/05/18	CPS HR Consulting-Recruitment Meeting	Conf. Call
02/06/18	Bi-Monthly Regular DWA Board Meeting	DWA
02/08/18	DWA/CVWD/MWD Face to Face Meeting	La Verne
02/12/18	Weekly Staff Meeting, I.S. Meeting, Snow Crk Security	DWA
02/12/18	Weekly Update with Bob Reeb	Conf. Call
02/13/18	Executive Committee	DWA
02/14/18	SWC Monthly Delta Committee Meeting	Sacramento
02/14/18	SWC Policy Meeting	Sacramento
02/15/18	SWC Monthly Board Meeting	Sacramento
02/15/18	SWC-SFWCA Monthly Board Meeting	Sacramento
02/15/18	Sites Reservoir Committee Monthly Meeting	Sacramento
02/16/18	Cal WaterFix Update	Conf. Call

Activities:

- 1) SGMA – Annual Alternative GW Sustainability Plan Update Due in April 2018
- 2) E-Billing – Implementing customer payment history capabilities
- 3) E-Billing - Implementing Customer One Time Payment Option
- 4) Outreach Talking Points – KESQ
- 5) Snow Creek Hydro SCE contract extension – ongoing
- 6) Whitewater Hydro – Facility Bypass Pipeline
- 7) State and Federal Contractors Water Authority and Delta Specific Project Committee (Standing)
- 8) MSWD Settlement Agreement and MOA from Mediation
- 9) ACBCI Section 14 Facilities & Easements
- 10) Lake Oroville Spillway Damage
- 11) Replacement Pipelines 2017-2018
- 12) CWF – Phasing Concepts
- 13) DWA/CVWD/MWD Operations Coordination/Article 21/Pool A/Pool B/Yuba Water
- 14) DWA/CVWD/MWD Agreements Update
- 15) SGMA Alternative Plans and Bridge Documents
- 16) SWP 2018 Water Supply
- 17) ACBCI Law Suits
- 18) Lake Perris Dam Remediation
- 19) Section 14 Pipeline Easements
- 20) DOI Regulation
- 21) Prop. 218 Applicability to Groundwater Recharge Assessment
- 22) A.B. 1562
- 23) Repair of Facility Access Roads Damaged in the September 10 Storm (Araby)
- 24) Whitewater Hydro Operations Coordination with Recharge Basin O&M

Activities:
(Cont.)

- 25) Multi-Agency Rate Study
- 26) SGMA Tribal Stakeholder Meetings
- 27) Whitewater Spreading Basins – BLM Permits
- 28) Lake Perris Dam Seepage Recovery Project Participation
- 29) Cal Waterfix Cost Allocation
- 30) DWA Surface Water Filtration Feasibility Study
- 31) Modification of our CVRWMP Boundary
- 32) MSWD Mediation
- 33) Review Documents for MSWD Public Records Act Request
- 34) CV-Link Solar
- 35) S1464 - Water Conservation Tax Parity Act (Conservation Rebate Tax)
- 36) CVWD 100 Year Anniversary Resolution
- 37) CRA & SWP Tours 2018
- 38) 3M Glass Shield
- 39) Snow Creek Gate Locks
- 40) MCSB Delivery Updates
- 41) DWA SWP Contract Amendment No. 20

Minutes
Executive Committee Meeting
February 13, 2018

Directors Present: Jim Cioffi, Joe Stuart
Staff Present: Mark Krause, Martin Krieger, Steve Johnson

1. Discussion Items

A. Review Agenda for February 20, 2018 Regular Board Meeting

The proposed agenda for the February 20, 2018 meeting was reviewed.

2. Other

A. Expense Reports

The January expense reports were reviewed.

B. CRA/Hoover Dam Trip

The updated attendee's list was reviewed. Copies will be provided to the Board for their final review.

3. Adjourn

DESERT WATER AGENCY
STATEMENT OF CASH RECEIPTS AND EXPENDITURES

OPERATING ACCOUNT

JANUARY 2018

INVESTED
RESERVE FUNDS
\$20,733,030.09

BALANCE	JANUARY 1, 2018	\$235,805.79	
WATER SALES		\$2,126,161.62	
RECLAMATION SALES		97,574.88	
WASTEWATER RECEIPTS		90,626.25	
POWER SALES		1,729.02	
METERS, SERVICES, ETC.		179,551.00	
REIMBURSEMENT – GENERAL FUND		17,378.25	
REIMBURSEMENT – WASTEWATER FUND		4,236.71	
ACCOUNTS RECEIVABLE – OTHER		29,606.79	
CUSTOMER DEPOSITS – SURETY		8,956.00	
CUSTOMER DEPOSITS – CONST.		185,701.00	
LEASE REVENUE		3,396.33	
INTEREST RECEIVED ON INV. FDS.		47,950.81	
FRONT FOOTAGE FEES		0.00	
BOND SERVICE & RESERVE FUND INT		0.00	
MISCELLANEOUS		24,584.40	
TOTAL RECEIPTS		\$2,817,453.06	
PAYMENTS			
PAYROLL CHECKS		\$331,687.73	
PAYROLL TAXES		230,178.45	
ELECTRONIC TRANSFERS		119,734.48	
CHECKS UNDER \$10,000.00		295,867.16	
CHECKS OVER \$10,000.00 – SCH. #1		2,176,113.77	
CANCELLED CHECKS AND FEES		24,704.25	
TOTAL PAYMENTS		\$3,178,285.84	
NET INCOME		(\$360,832.78)	
BOND SERVICE ACCOUNT			
MONTHLY WATER SALES		\$0.00	
EXCESS RETURNED BY B/A		\$0.00	
BOND SERVICE FUND			\$0.00
INVESTED RESERVE FUNDS			
FUNDS MATURED		\$1,200,000.00	
FUNDS INVESTED – SCH. #3		1,601,950.81	
NET TRANSFER		(\$401,950.81)	\$401,950.81
BALANCE	JANUARY 31, 2018	(\$526,977.80)	\$21,134,980.90

OPERATING ACCOUNT

CHECK #	NAME	DESCRIPTION	AMOUNT
SCHEDULE # 1-CHECKS OVER \$10,000			
116461	DOWN TO EARTH LANDSCAPING	LANDSCAPE MAINTENANCE	\$29,351.67
116464	ACWA/JOINT POWERS INS AUTHOR	HEALTH, DENTAL & VISION INSURANCE PREMIUMS - JANUARY 2018	\$173,342.24
116465	ACWA/JOINT POWERS INS AUTHOR	WORKERS COMPENSATION PREMIUM - OCTOBER - DECEMBER 2017	\$63,608.65
116480	CDW DIRECT	UPS REPLACEMENT BATTERIES (W/O #17-403-M)	\$20,176.05
116516	PROFOUND LOGIC SOFTWARE	ANNUAL MAINTENANCE CONTRACT - I SERIES SAND BOX	\$16,947.85
116534	SOUTHERN CALIFORNIA EDISON CO	POWER	\$165,695.32
116543	Z&L PAVING, INC	PAVING	\$11,749.50
116553	DESERT WATER AGENCY - WASTEWATER	SEWER CAPACITY CHARGE (JONES CREE VENTURES)	\$10,480.00
116583	Z&L PAVING, INC	PAVING	\$10,152.00
116595	ACWA/JOINT POWERS INS AUTHOR	HEALTH, DENTAL & VISION INSURANCE PREMIUMS - FEBRUARY 2018	\$174,924.27
116602	DESERT WATER AGENCY - GENERAL	GROUNDWATER REPLENISHMENT ASSESSMENT - 2ND QTR 2017/18	\$950,454.88
116603	DESERT WATER AGENCY - WASTEWATER	WASTEWATER REVENUE BILLING FOR DECEMBER 2017	\$85,360.34
116604	DESERT WATER AGENCY - WASTEWATER	SEWER CAPACITY CHARGE (JONES CREE VENTURES)	\$20,960.00
116617	BACKFLOW APPARATUS & VALVE CO	WATER SERVICE SUPPLIES	\$26,981.43
116619	BEST BEST & KRIEGER LLP	LEGAL FEES	\$49,494.12
116621	BRITHINEE ELECTRIC INC	SWITCH GEAR - WELL # 25 (W/O #17-126-W-25)	\$23,542.30
116641	DOWN TO EARTH LANDSCAPING	LANDSCAPE MAINTENANCE	\$29,270.54
116643	ERS	RECLAMATION PLANT FILTER # 1 MEDIA REPLACEMENT	\$53,849.11
116664	J COLON COATINGS INC	2017/2018 POTABLE WATER RESERVOIR MAINTENANCE	\$142,224.50
116669	KRIEGER & STEWART INC	ENGINEERING	\$42,579.80
116689	REEB GOVERNMENT RELATIONS LLC	RETAINERS - JAN/FEB 2018	\$15,000.00
116693	SOUTHERN CALIFORNIA EDISON CO	POWER	\$10,587.03
116695	THATCHER COMPANY OF CALIFORNIA	WATER SERVICE SUPPLIES	\$18,359.17
116709	Z&L PAVING, INC	PAVING	\$31,023.00

** TOTAL

\$2,176,113.77

DESERT WATER AGENCY
OPERATING FUND - LISTING OF INVESTMENTS
JANUARY 31, 2018

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	\$ 17,634,980.90	\$ 17,634,980.90	\$ 17,634,980.90	1.370%	-
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Certificates of Deposit

Total Certificates of Deposit	\$ -	\$ -	\$ -
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Commercial Paper

Total Commerical Paper	\$ -	\$ -	\$ -
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Government Agency

09-20-16	Union Bank	FNMA (Callable 3-20-18)	09-20-19	\$ 1,000,000.00	\$ 1,000,000.00	\$ 984,200.00	1.300%	Quarterly
10-28-16	Union Bank	FHLMC STEP (Callable 4-28-18)	10-28-21	\$ 1,000,000.00	\$ 1,000,000.00	\$ 991,320.00	2.000%	Quarterly
02-28-17	Union Bank	FHLMC (Callable 2-25-18)	02-25-19	\$ 500,000.00	\$ 500,000.00	\$ 495,920.00	1.400%	Quarterly
09-29-17	Union Bank	FHLMC (Callable 3-29-18)	09-29-20	\$ 500,000.00	\$ 500,000.00	\$ 491,080.00	1.700%	Quarterly
01-29-18	Union Bank	FHLB (Callable 1-29-19)	01-29-21	\$ 500,000.00	\$ 500,000.00	\$ 497,570.00	2.200%	Quarterly

Total Government Agency	\$ 3,500,000.00	\$ 3,500,000.00	\$ 3,460,090.00
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Weighted Mean YTM 1.425%

TOTAL INVESTED @ 01/31/18	\$ 21,134,980.90	\$ 21,134,980.90	\$ 21,095,070.90
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BALANCE @ 06/30/17	\$ 16,124,074.41
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INCREASE (DECREASE)	\$5,010,906.49
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\$889,722.08
\$199,228.49

DESERT WATER AGENCY

GENERAL ACCOUNT

SCHEDULE #1-CHECKS OVER \$10,000

CHECK #	NAME	DESCRIPTION	AMOUNT
8994	COACHELLA VALLEY WATER DISTRICT	WHITEWATER HYDRO REVENUE - OCTOBER 2017	\$28,591.05
8996	COACHELLA VALLEY WATER DISTRICT	WHITEWATER BASIN MANAGEMENT - 1ST QUARTER 2017/18	\$86,432.93
8997	ASSOCIATION OF CALIF WATER AGENCIES	MEMBERSHIP DUES - 2018	\$22,294.65
8998	STATE OF CA. DEPT. OF WATER RESOURCES	STATE WATER PROJECT ENTITLEMENT - OCTOBER 2017	\$505,783.00
9000	COACHELLA VALLEY WATER DISTRICT	WHITEWATER HYDRO REVENUE - NOVEMBER 2017	\$18,659.63
9001	STATE OF CA. DEPT. OF WATER RESOURCES	STATE WATER PROJECT - JANUARY 2018	\$3,062,926.00
9002	DESERT WATER AGENCY - OPERATING	P/R & EXP REIMBURSEMENT FOR DECEMBER 2017	\$17,378.25
9003	US GEOLOGICAL SURVEY	JOINT FUNDING AGREEMENT QUARTERLY BILLING - (08/01/2017 - 10/31/2017)	\$20,706.25

** TOTAL

\$3,762,771.76

DESERT WATER AGENCY
GENERAL FUND - LISTING OF INVESTMENTS
JANUARY 31, 2018

PURCHASE DATE	NAME	DESCRIPTION	MATURITY DATE	COST	PAR VALUE	MARKET VALUE	YIELD TO MATURITY	CALLABLE STATUS
Local Agency Investment Fund								
06-30-83	State of California	LAIF	Open	\$ 45,997,310.98	\$ 45,997,310.98	\$ 45,997,310.98	1.370%	-
Certificates of Deposit								
10-07-15	Ladenburg Thalmann	Goldman Sachs CD	04-07-18	\$ 245,000.00	\$ 245,000.00	\$ 244,973.05	1.350%	Bullet
04-20-17	RBC Wealth Mgmt	Whitney Bank CD	04-22-19	\$ 1,000,000.00	\$ 1,000,000.00	\$ 996,640.00	1.650%	Bullet
06-14-17	RBC Wealth Mgmt	Capital One N/A CD	06-15-20	\$ 250,000.00	\$ 250,000.00	\$ 247,930.00	1.900%	Bullet
06-14-17	RBC Wealth Mgmt	Capital One Bank USA CD	06-15-20	\$ 250,000.00	\$ 250,000.00	\$ 247,930.00	1.900%	Bullet
06-19-17	RBC Wealth Mgmt	First Priority Bank CD	06-19-20	\$ 250,000.00	\$ 250,000.00	\$ 247,045.00	1.750%	Bullet
06-22-17	Sun Community FCU	Credit Union CD	06-22-18	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,009,242.29	1.500%	Bullet
Total Certificates of Deposit				\$ 2,995,000.00	\$ 2,995,000.00	\$ 2,993,760.34		
Commercial Paper								
12-16-13	Stifel	General Electric	05-15-18	\$ 587,600.00	\$ 500,000.00	\$ 504,825.00	6.300%	Bullet
04-27-15	Ladenburg Thalmann	Apple Inc.	05-03-18	\$ 997,920.00	\$ 1,000,000.00	\$ 998,410.00	1.000%	Bullet
Total Commercial Paper				\$ 1,585,520.00	\$ 1,500,000.00	\$ 1,503,235.00		
Government Agency								
03-27-13	Ladenburg Thalmann	FNMA (Callable 3-27-18)	03-27-18	\$ 1,000,000.00	\$ 1,000,000.00	\$ 999,290.00	1.050%	Qtrtly
06-13-13	Ladenburg Thalmann	FHLB (Callable 3-13-18)	06-13-18	\$ 1,000,000.00	\$ 1,000,000.00	\$ 998,280.00	1.100%	Qtrtly
10-02-15	Stifel	FHLB (Callable Continuous)	10-02-19	\$ 1,000,000.00	\$ 1,000,000.00	\$ 986,750.00	1.450%	Continuous
10-29-15	Stifel	FHLB (Callable Continuous)	10-29-18	\$ 1,000,000.00	\$ 1,000,000.00	\$ 994,280.00	1.120%	Continuous
11-23-15	Ladenburg Thalmann	FHLMC (Callable 2-23-18)	05-23-18	\$ 996,000.00	\$ 1,000,000.00	\$ 998,450.00	1.000%	Qtrtly
11-25-15	Stifel	FNMA (Callable 2-25-18)	11-25-19	\$ 1,000,000.00	\$ 1,000,000.00	\$ 985,840.00	1.500%	Qtrtly
02-26-16	Ladenburg Thalmann	FNMA (Callable 2-26-18)	02-26-19	\$ 1,000,000.00	\$ 1,000,000.00	\$ 990,410.00	1.250%	Qtrtly
03-23-16	Ladenburg Thalmann	FNMA (Callable 3-23-18)	03-23-20	\$ 1,000,000.00	\$ 1,000,000.00	\$ 983,010.00	1.500%	Qtrtly
03-30-16	Stifel	FNMA STEP (Callable 3-30-18)	03-30-21	\$ 1,000,000.00	\$ 1,000,000.00	\$ 986,860.00	1.500%	Qtrtly
03-30-16	Stifel	FHLMC STEP (Callable 3-30-18)	03-30-21	\$ 1,000,000.00	\$ 1,000,000.00	\$ 989,610.00	1.250%	Qtrtly
04-26-16	Ladenburg Thalmann	FHLB (Callable Continuous)	10-26-20	\$ 999,500.00	\$ 1,000,000.00	\$ 976,810.00	1.550%	Continuous
05-23-16	Stifel	FNMA (Callable 2-23-18)	08-23-19	\$ 1,000,000.00	\$ 1,000,000.00	\$ 981,900.00	1.250%	Qtrtly
05-26-16	Union Bank	FNMA	11-26-19	\$ 1,000,000.00	\$ 1,000,000.00	\$ 984,890.00	1.300%	1 Time
05-31-16	Ladenburg Thalmann	FHLMC (Callable 2-28-18)	08-29-18	\$ 1,000,000.00	\$ 1,000,000.00	\$ 995,410.00	1.020%	Qtrtly
06-01-16	Stifel	FFCB (Callable Continuous)	03-01-19	\$ 1,000,000.00	\$ 1,000,000.00	\$ 988,260.00	1.250%	Continuous
06-13-16	Ladenburg Thalmann	FNMA (Callable 3-13-18)	06-13-19	\$ 1,000,000.00	\$ 1,000,000.00	\$ 989,890.00	1.400%	Qtrtly
06-16-16	Stifel	FFCB (Callable Continuous)	03-16-20	\$ 1,000,000.00	\$ 1,000,000.00	\$ 980,520.00	1.400%	Continuous
06-21-16	Stifel	FHLMC STEP (Callable 3-21-18)	06-21-21	\$ 1,000,000.00	\$ 1,000,000.00	\$ 967,220.00	1.400%	Qtrtly
06-28-16	Ladenburg Thalmann	FNMA (Callable 3-28-18)	06-28-19	\$ 1,000,000.00	\$ 1,000,000.00	\$ 985,860.00	1.200%	Qtrtly
06-30-16	Stifel	FHLMC STEP (Callable 3-30-18)	12-30-19	\$ 1,000,000.00	\$ 1,000,000.00	\$ 990,810.00	1.250%	Qtrtly
07-07-16	Ladenburg Thalmann	FFCB (Callable Continuous)	01-07-19	\$ 1,000,000.00	\$ 1,000,000.00	\$ 990,600.00	1.000%	Continuous
07-11-16	Ladenburg Thalmann	FHLB (Callable Continuous)	10-11-19	\$ 1,000,000.00	\$ 1,000,000.00	\$ 981,760.00	1.125%	Continuous
07-11-16	Ladenburg Thalmann	FHLB (Callable Continuous)	07-11-19	\$ 1,000,000.00	\$ 1,000,000.00	\$ 985,490.00	1.125%	Continuous
07-13-16	Union Bank	FFCB (Callable Continuous)	01-13-20	\$ 1,000,000.00	\$ 1,000,000.00	\$ 979,800.00	1.240%	Continuous
07-26-16	Ladenburg Thalmann	FNMA (Callable 4-26-18)	07-26-19	\$ 999,500.00	\$ 1,000,000.00	\$ 986,390.00	1.125%	Qtrtly
07-27-16	Stifel	FNMA STEP (Callable 4-27-18)	07-27-21	\$ 1,000,000.00	\$ 1,000,000.00	\$ 963,130.00	1.250%	Qtrtly
08-10-16	Ladenburg Thalmann	FHLMC (Callable 2-10-18)	08-10-20	\$ 1,000,000.00	\$ 1,000,000.00	\$ 976,890.00	1.450%	Qtrtly
08-24-16	Ladenburg Thalmann	FHLMC STEP (Callable 2-24-18)	08-24-21	\$ 1,000,000.00	\$ 1,000,000.00	\$ 992,800.00	1.250%	Qtrtly
08-30-16	Stifel	FHLMC STEP (Callable 2-28-18)	08-27-21	\$ 1,000,000.00	\$ 1,000,000.00	\$ 991,470.00	1.500%	Qtrtly
08-30-16	Ladenburg Thalmann	FNMA (Callable 2-27-18)	11-27-19	\$ 1,000,000.00	\$ 1,000,000.00	\$ 977,590.00	1.250%	Qtrtly
09-06-16	Ladenburg Thalmann	FFCB (Callable Continuous)	03-06-19	\$ 1,000,000.00	\$ 1,000,000.00	\$ 988,030.00	1.150%	Continuous
09-20-16	Union Bank	FNMA (Callable 3-20-18)	09-20-19	\$ 1,000,000.00	\$ 1,000,000.00	\$ 984,200.00	1.300%	Qtrtly

DESERT WATER AGENCY
GENERAL FUND - LISTING OF INVESTMENTS
JANUARY 31, 2018

PURCHASE DATE	NAME	DESCRIPTION	MATURITY DATE	COST	PAR VALUE	MARKET VALUE	YIELD TO MATURITY	CALLABLE STATUS
<div>Government Agency</div>								
09-27-16	Ladenburg Thalmann	FHLMC STEP (Callable 3-27-18)	09-27-19	\$ 1,000,000.00	\$ 1,000,000.00	\$ 995,560.00	1.250%	Qtrly
09-29-16	Ladenburg Thalmann	FHLMC STEP (Callable 3-29-18)	09-29-21	\$ 950,000.00	\$ 950,000.00	\$ 929,546.50	1.375%	Qtrly
09-30-16	Ladenburg Thalmann	FNMA (Callable 3-30-18)	09-30-19	\$ 1,000,000.00	\$ 1,000,000.00	\$ 981,970.00	1.250%	Qtrly
10-06-16	Ladenburg Thalmann	FHLMC (Callable 4-6-18)	07-06-20	\$ 1,000,000.00	\$ 1,000,000.00	\$ 976,860.00	1.375%	Qtrly
10-11-16	Ladenburg Thalmann	FHLMC (Callable 4-11-18)	10-11-18	\$ 999,750.00	\$ 1,000,000.00	\$ 993,580.00	1.000%	Qtrly
10-17-16	Stifel	FNMA	04-17-20	\$ 1,000,000.00	\$ 1,000,000.00	\$ 979,920.00	1.250%	1 Time
10-28-16	Stifel	FHLMC STEP (Callable 4-28-18)	10-28-21	\$ 1,500,000.00	\$ 1,500,000.00	\$ 1,473,975.00	1.250%	Qtrly
10-28-16	Union Bank	FHLMC STEP (Callable 4-28-18)	10-28-21	\$ 1,000,000.00	\$ 1,000,000.00	\$ 991,320.00	2.000%	Qtrly
11-03-16	Ladenburg Thalmann	FFCB (Callable Continuous)	05-03-21	\$ 999,250.00	\$ 1,000,000.00	\$ 969,310.00	1.490%	Continuous
11-15-16	Stifel	FHLMC STEP (Callable 2-15-18)	11-15-19	\$ 1,000,000.00	\$ 1,000,000.00	\$ 986,900.00	1.000%	Qtrly
12-14-16	Ladenburg Thalmann	FHLMC (Callable 3-14-18)	12-14-20	\$ 1,000,000.00	\$ 1,000,000.00	\$ 980,590.00	1.750%	Qtrly
12-29-16	Ladenburg Thalmann	FNMA (Callable 3-29-18)	06-29-20	\$ 1,000,000.00	\$ 1,000,000.00	\$ 985,640.00	1.750%	Qtrly
12-30-16	Ladenburg Thalmann	FHLMC (Callable 3-30-18)	12-30-19	\$ 998,000.00	\$ 1,000,000.00	\$ 985,510.00	1.500%	Qtrly
01-27-17	Ladenburg Thalmann	FNMA (Callable 4-27-18)	01-27-20	\$ 1,000,000.00	\$ 1,000,000.00	\$ 988,930.00	1.650%	Qtrly
01-30-17	Union Bank	FHLB (Callable 4-30-18)	04-30-20	\$ 1,000,000.00	\$ 1,000,000.00	\$ 987,130.00	1.750%	Qtrly
02-28-17	Union Bank	FHLMC (Callable 2-25-18)	02-25-19	\$ 1,000,000.00	\$ 1,000,000.00	\$ 991,840.00	1.400%	Qtrly
03-29-17	Stifel	FHLMC STEP (Callable 3-29-18)	03-29-22	\$ 1,000,000.00	\$ 1,000,000.00	\$ 999,320.00	1.300%	Annual
04-20-17	Stifel	FHLMC STEP (Callable 4-20-18)	04-20-20	\$ 1,000,000.00	\$ 1,000,000.00	\$ 999,020.00	1.250%	Qtrly
04-27-17	Ladenburg Thalmann	FHLMC (Callable 4-27-18)	01-27-21	\$ 1,000,000.00	\$ 1,000,000.00	\$ 988,800.00	2.000%	Qtrly
06-08-17	Stifel	FHLMC STEP (Callable 3-8-18)	06-08-20	\$ 1,000,000.00	\$ 1,000,000.00	\$ 994,340.00	1.375%	Qtrly
06-22-17	Ladenburg Thalmann	FHLMC STEP (Callable 3-22-18)	06-22-22	\$ 1,000,000.00	\$ 1,000,000.00	\$ 990,510.00	1.625%	Qtrly
06-27-17	Union Bank	FHLB (Callable 3-27-18)	09-27-19	\$ 1,000,000.00	\$ 1,000,000.00	\$ 988,050.00	1.500%	Qtrly
06-29-17	Ladenburg Thalmann	FHLMC (Callable 3-29-18)	09-29-20	\$ 1,000,000.00	\$ 1,000,000.00	\$ 981,370.00	1.750%	Qtrly
07-11-17	Ladenburg Thalmann	FHLMC (Callable 4-11-18)	01-11-21	\$ 1,000,000.00	\$ 1,000,000.00	\$ 978,640.00	1.800%	Qtrly
07-26-17	Stifel	FHLMC STEP (Callable 4-26-18)	07-26-22	\$ 1,000,000.00	\$ 1,000,000.00	\$ 992,050.00	1.750%	Qtrly
07-27-17	Stifel	FHLMC STEP (Callable 4-27-18)	07-27-22	\$ 1,000,000.00	\$ 1,000,000.00	\$ 992,420.00	1.500%	Qtrly
08-07-17	Ladenburg Thalmann	FFCB (Callable Continuous)	11-23-20	\$ 999,850.00	\$ 1,000,000.00	\$ 981,600.00	1.770%	Continuous
08-09-17	Stifel	FHLB STEP (Callable 2-9-18)	02-09-22	\$ 2,000,000.00	\$ 2,000,000.00	\$ 1,968,740.00	1.750%	Qtrly
08-10-17	Ladenburg Thalmann	FHLB STEP (Callable 2-10-18)	08-10-22	\$ 1,000,000.00	\$ 1,000,000.00	\$ 993,120.00	1.500%	Qtrly
09-08-17	Stifel	FHLB STEP (Callable 3-8-18)	09-08-22	\$ 1,000,000.00	\$ 1,000,000.00	\$ 983,820.00	1.750%	Qtrly
09-28-17	Ladenburg Thalmann	FHLMC STEP (Callable 3-28-18)	09-28-20	\$ 1,000,000.00	\$ 1,000,000.00	\$ 986,360.00	1.375%	Qtrly
09-29-17	Union Bank	FHLMC (Callable 3-29-18)	09-29-20	\$ 1,000,000.00	\$ 1,000,000.00	\$ 982,160.00	1.700%	Qtrly
09-29-17	Stifel	FHLMC STEP (Callable 3-29-18)	09-29-22	\$ 1,000,000.00	\$ 1,000,000.00	\$ 983,050.00	1.625%	Qtrly
10-26-17	Ladenburg Thalmann	FNMA (Callable 4-26-18)	07-26-21	\$ 1,000,000.00	\$ 1,000,000.00	\$ 982,210.00	2.000%	Qtrly
11-06-17	Ladenburg Thalmann	FFCB (Callable 2-16-18)	06-06-19	\$ 1,000,000.00	\$ 1,000,000.00	\$ 992,640.00	1.600%	Continuous
11-20-16	Ladenburg Thalmann	FHLMC (Callable 2-20-18)	11-20-20	\$ 1,000,000.00	\$ 1,000,000.00	\$ 989,250.00	2.000%	Qtrly
12-11-17	Ladenburg Thalmann	FHLB (Callable 6-11-18)	12-11-20	\$ 999,750.00	\$ 1,000,000.00	\$ 987,510.00	2.000%	Qtrly
12-14-17	Stifel	FFCB (Callable 12-14-18)	12-14-20	\$ 1,000,000.00	\$ 1,000,000.00	\$ 989,100.00	2.060%	Continuous
01-16-18	Ladenburg Thalmann	FHLMC (Callable 4-16-18)	10-16-20	\$ 1,000,000.00	\$ 1,000,000.00	\$ 992,290.00	2.070%	Qtrly
01-26-18	Stifel	FHLMC (Callable 4-26-18)	01-26-21	\$ 1,000,000.00	\$ 1,000,000.00	\$ 993,310.00	2.220%	Qtrly
01-26-18	Ladenburg Thalmann	FHLB (Callable 4-26-18)	01-26-21	\$ 999,650.00	\$ 1,000,000.00	\$ 994,280.00	2.250%	Qtrly
01-29-18	Union Bank	FHLB (Callable 1-29-19)	01-29-21	\$ 1,000,000.00	\$ 1,000,000.00	\$ 995,140.00	2.200%	Qtrly
01-30-18	Union Bank	FHLB (Callable 1-30-19)	07-30-20	\$ 1,000,000.00	\$ 1,000,000.00	\$ 993,750.00	2.100%	Qtrly
Total Government Agency				\$ 76,441,250.00	\$ 76,450,000.00	\$ 75,443,931.50		
Weighted Mean YTM							1.462%	
TOTAL INVESTED @ 01/31/18				\$ 127,019,080.98	\$ 126,942,310.98	\$ 125,938,237.82		
BALANCE @ 06/30/17				\$ 117,493,032.70				
INCREASE OR (DECREASE)				\$ 9,526,048.28				

DESERT WATER AGENCY
STATEMENT OF CASH RECEIPTS AND EXPENDITURES

WASTEWATER ACCOUNT

JANUARY 2018

INVESTED
RESERVE FUNDS
\$1,183,390.93

BALANCE	JANUARY 1, 2018	\$22,946.31	
ACCOUNTS RECEIVABLE - OTHER		\$0.00	
CUSTOMER DEPOSITS - CONSTRUCTION		0.00	
INTEREST EARNED - INVESTED FUNDS		3,602.93	
WASTEWATER REVENUE		85,360.34	
SEWER CAPACITY CHARGES		34,662.18	
MISCELLANEOUS		<u>0.00</u>	
TOTAL RECEIPTS		\$123,625.45	
PAYMENTS			
CHECKS UNDER \$10,000.00		\$25,882.95	
CHECKS OVER \$10,000.00 - SCH. #1		49,384.88	
CANCELLED CHECKS AND FEES		<u>0.00</u>	
TOTAL PAYMENTS		<u>\$75,267.83</u>	
NET INCOME		\$48,357.62	
INVESTED RESERVE FUNDS			
FUNDS MATURED		\$0.00	
FUNDS INVESTED - SCH. #2		<u>69,583.48</u>	
NET TRANSFER		(\$69,583.48)	\$69,583.48
BALANCE	JANUARY 31, 2018	\$1,720.45	\$1,252,974.41

DESERT WATER AGENCY

WASTEWATER ACCOUNT

SCHEDULE #1-CHECKS OVER \$10,000

CHECK #	NAME	DESCRIPTION	AMOUNT
2533	COACHELLA VALLEY WATER DISTRICT	WASTEWATER REVENUE BILLING FOR DECEMBER 2017	\$49,384.88
** TOTAL			\$49,384.88

**DESERT WATER AGENCY
WASTEWATER FUND - LISTING OF INVESTMENTS
JANUARY 31, 2018**

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	\$ 1,252,974.41	\$ 1,252,974.41	\$ 1,252,974.41	1.370%
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TOTAL INVESTED @ 01/31/18	\$ 1,252,974.41	\$ 1,252,974.41	\$ 1,252,974.41
BALANCE @ 06/30/17	\$ 1,142,620.01		
INCREASE OR (DECREASE)	\$ 110,354.40		

DESERT WATER AGENCY - OPERATING FUND
COMPARATIVE EARNINGS STATEMENT

MONTH 17-18 JANUARY	THIS MONTH-----/			FISCAL YEAR TO DATE-----/			VARIANCE-----/		
	THIS YEAR	LAST YEAR	BUDGET	THIS YEAR	LAST YEAR	BUDGET	YTD	PCT	
OPERATING REVENUES									
WATER SALES	1,974,922.51	1,350,924.28	1,774,100.00	17,835,341.71	14,332,900.47	16,716,675.00	1,118,666.71	7	
RECLAMATION SALES	82,729.86	59,903.03	63,700.00	909,931.34	924,331.11	868,900.00	41,031.34	5	
POWER SALES	1,729.02	628.84	2,000.00	20,050.01	14,251.09	14,000.00	6,050.01	43	
OTHER OPER REVENUE	153,338.86	65,999.68	130,700.00	1,403,082.74	700,043.79	914,900.00	488,182.74	53	
TOTAL OPER REVENUES	2,212,720.25	1,477,455.83	1,970,500.00	20,168,405.80	15,971,526.46	18,514,475.00	1,653,930.80	9	
OPERATING EXPENSES									
SOURCE OF SUPPLY EXP	15,258.63	15,139.56	36,825.00	2,331,061.95	1,843,828.06	2,172,300.00	158,761.95	7	
PUMPING EXPENSE	194,934.36	84,580.06	237,475.00	1,854,027.76	1,619,865.05	1,911,825.00	57,797.24	3-	
REGULATORY WATER TREAT	46,910.23	28,343.73	42,500.00	317,902.64	284,090.31	297,500.00	20,402.64	7	
TRANS & DIST EXPENSE	337,506.47	177,230.35	437,800.00	1,507,226.72	1,405,091.73	3,064,600.00	1,557,373.28	51-	
CUSTOMER ACT EXPENSE	69,521.31	77,700.69	80,025.00	513,608.13	546,888.08	561,675.00	48,066.87	9-	
ADMIN & GEN EXPENSE	848,156.88	641,805.59	607,475.00	5,379,226.11	5,389,888.58	5,373,600.00	5,626.11	0	
REGULATORY EXPENSE	2,200.41	11,260.47	25,125.00	109,615.56	136,685.45	176,025.00	66,409.44	38-	
SNOW CREEK HYDRO EXP	1,715.01	1,868.05	3,350.00	11,653.37	26,116.49	23,450.00	11,796.63	50-	
RECLAMATION PLNT EXP	122,807.56	51,771.65	207,800.00	554,722.62	475,674.22	1,455,175.00	900,452.38	62-	
SUB-TOTAL	1,639,010.86	1,089,700.15	1,678,375.00	12,579,044.86	11,728,127.97	15,036,150.00	2,457,105.14	16-	
OTHER OPER EXPENSES									
DEPRECIATION	463,003.08	453,622.76	471,200.00	3,260,410.43	3,256,743.35	3,298,400.00	37,989.57	1-	
SERVICES RENDERED	11,583.05	15,594.83	11,250.00	127,765.44	86,777.12	78,750.00	49,015.44	62	
DIR & INDIR CST FOR WO	171,397.05	139,861.21	83,750.00	1,146,812.64	1,217,781.14	586,250.00	560,562.64	96	
TOTAL OPER EXPENSES	1,942,199.94	1,419,056.53	2,077,075.00	14,820,408.09	13,853,867.30	17,827,050.00	3,006,641.91	17-	
NET INCOME FROM OPERATIONS	270,520.31	58,399.30	106,575.00	5,347,997.71	2,117,659.16	687,425.00	4,660,572.71	678	
NON-OPERATING INCOME (NET)									
RENTS	3,396.33	3,396.33	3,425.00	55,614.31	55,446.91	55,625.00	10.69	0	
INTEREST REVENUES	25,931.88	11,579.10	10,250.00	128,449.11	67,688.26	71,750.00	56,699.11	79	
OTHER REVENUES	76,580.00	240.00	.00	495,749.16	1,060.00	.00	495,749.16	0	
GAINS ON RETIREMENT	.00	21.81	750.00	14,095.00	54.15	3,750.00	10,345.00	276	
DISCOUNTS	.00	605.68	300.00	164.22	890.13	2,100.00	1,935.78	92-	
PR. YEAR EXPENSES	.00	.00	.00	161,598.89	.00	.00	161,598.89	0	
LOSS ON RETIREMENTS	.00	4,999.98	3,000.00	13,803.41	15,672.65	21,000.00	7,196.59	34-	
TOTAL NON-OPER INCOME	105,908.21	21,322.94	11,725.00	841,867.28	109,466.80	112,225.00	729,642.28	650	
TOTAL NET INCOME	376,428.52	79,722.24	94,850.00	6,189,864.99	2,227,125.96	799,650.00	5,390,214.99	674	

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

FEBRUARY 20, 2018

**RE: REQUEST BOARD ACTION REGARDING A CLAIM FOR
DAMAGES FILED BY MR. JOE BUTLER**

Attached for the Board's review is a claim form submitted to the Agency by Mr. Joe Butler on January 31, 2018.

Mr. Butler claims that while driving on Gene Autry Trail, an object flew out of an Agency work truck and caused damage to his vehicle windshield. Mr. Butler is seeking damages to repair his windshield in the amount of \$108.50.

After a review of Agency cameras, Mr. Butler was photographed at 9:44 a.m. driving south on Gene Autry Trail then again at 9:55 a.m. establishing the approximate time of the alleged damage. Further review shows no indication of Agency vehicles leaving either of the two driveways or passing by the Agency Operations Center on Gene Autry Trail from 9:41 a.m. – 9:55 a.m. There is no evidence that an Agency vehicle caused this damage.

Staff requests that the Board deny the claim for damages filed by Mr. Butler.

Claim Form

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

RECEIVED

JAN 31 2018

DESERT WATER AGENCY
MANAGEMENT

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: JOE BUTLER Phone Number: (760) 774-2604
Address(es): 2601 S. BROADMOOR DR N/A
#67 PALM SPRINGS CA Date of Birth: N/A
92264 E-mail: joe.thefishguy@dc.vr.com

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

Name: N/A
Address: N/A
Phone Number: ()

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

Date: 1-30-18 Time: 9:45 AM Place: Gene Autry Near Water Park
Tell What Happened (give complete information):
DRIVING MY TRUCK NEXT LANE FROM A DESERT
WATER TRUCK Ford F-250 with tool boxes, RACK
I DID NOT GET ANY NUMBER FROM THE TRUCK
OR LICENSE PLATE. SOMETHING CAME OFF THE TRUCK
BED & HIT MY WINDSHIELD. I WENT TO DWA and
SYLVIA BACA gave me this form - Eddie took pictures
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.

DAMAGE to WINDSHIELD

I'm Fine with REPAIR Joe Butler

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

DON'T KNOW

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.

REPLACE AMOUNT - \$1,103.02
REPAIR AMOUNT - \$108.50

Date: 1-31-18 Time: 10:10 Signature: Joe Butler

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



Location Information

Safelite #263949
3700 E TACHEVAH DR.
PALM SPRINGS, CA 92262
760-779-5583

Estimate 01841-232253

Org Date: 1/30/2018 CTU WO: 232253

1/30/2018 2:28 PM

Keyed By: 502

J BUTLER

Account Information

CONSUMER PARENT
127035 - 086780 --

Primary: 760-774-2604

Alternate:

Year	Make	Model	Body Style	Mileage
------	------	-------	------------	---------

Qty	Part #	Selling	Labor	Kit
1	MWSREPAIR	\$0.00	\$99.95	\$0.00

Replace with new - MOBILE WINDSHIELD REPAIR:

1	SUPPLIES-REPAIR	\$7.95	\$0.00	\$0.00
---	-----------------	--------	--------	--------

Replace with new - REPAIR SUPPLIES:

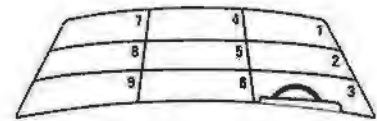
Part Sub Total:	\$7.95
Labor Sub Total:	\$99.95
Sub Total:	\$107.90
Sales Tax:	\$0.70
Total:	\$108.60

This ESTIMATE is good for 10 days from the date noted above.

THIS IS AN ESTIMATE ONLY

** CALL TO SCHEDULE WORK **

** 1-800-800-ASAP (2727) **



Location Information

Safelite #263949
3700 E TACHEVAH DR.
PALM SPRINGS, CA 92262
760-779-5583

Estimate 01841-232251

Org Date: 1/30/2018 CTU WO: 232251

1/30/2018 2:25 PM

Keyed By: 502

J BUTLER

Account Information

CONSUMER PARENT
127035 - 086780 --

Primary: 760-774-2604

Alternate:

Year	Make	Model	Body Style	Mileage
2016	TOYOTA	TACOMA PICKUP	2 DOOR EXTENDED CAB	

Qty	Part #	Selling	Labor	Kit
1	FW04299 GTYOEM	\$949.95	\$60.00	\$0.00

Replace with new - SOLAR~W/THIRD VISOR FRIT~ACOUSTIC INTERL

1	DISPOSAL FEE	\$0.00	\$9.95	\$0.00
---	--------------	--------	--------	--------

Replace with new - DISPOSAL FEE

Part Sub Total:	\$949.95
Labor Sub Total:	\$69.95
Sub Total:	\$1,019.90
Sales Tax:	\$83.12
Total:	\$1,103.02

This ESTIMATE is good for 10 days from the date noted above.

THIS IS AN ESTIMATE ONLY

Your windshield is an Original Equipment manufactured part.
You will be prevented from operating your vehicle for approximately 1-hour after installation.

**** CALL TO SCHEDULE WORK ****

**** 1-800-800-ASAP (2727) ****



TOYOTA
PILKINGTON
08/11/17 6 851
1000 1000



5THX5GNX6X062253

TOYOTA
PILKINGTON
DOT 177
LNSG G AS-1
U
M21

Yard South

9:41:33.948 AM

1/30/2018



CustParking

9:44:15.478 AM

1/30/2018



CustParking

9:44:15.945 AM

1/30/2018



CustParking

9:44:16.012 AM

1/30/2018



Yard South

9:44:24.456 AM

1/30/2018



CustParking

9:55:23.614 AM

1/30/2018



CustParking

9:55:25.415 AM

1/30/2018



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

FEBRUARY 20, 2018

**RE: REQUEST AUTHORIZATION FOR THE GENERAL MANAGER TO
ENTER INTO A SUPPLEMENTAL MOU/INDIO SUB-BASIN**

On September 6, 2016, Desert Water Agency (DWA) entered into an memorandum of understanding (MOU) regarding governance of the Indio Sub-basin under the Sustainable Groundwater Management Act (SGMA) with Coachella Valley Water District (CVWD), the Coachella Water Authority (CWA) and the Indio Water Authority (IWA) (collectively referred to as the Partners), for the development and submission of an alternative groundwater sustainability plan (GSP) for the Indio Sub-basin. This MOU facilitated both the development and shared financing of the GSP. DWA's share of the cost was \$28,180.75.

SGMA requires the submission of an Annual Report of all alternative GSP's beginning April 1, 2018. Attached for your review is the Supplement Memorandum of Understanding Regarding Governance of the Indio Sub-basin under the Sustainable Groundwater Management Act. Exhibit 1 to the supplement MOU describes the scope of work to produce the "Water Year 2017 Annual Report for the Indio Sub-basin (Annual Report) to be submitted to DWR before the deadline of April 1, 2018. The cost of the project, \$63,260 will be shared equally among the partners (DWA's share, \$15,815).

Staff recommends that the Board authorize the General Manager to enter into a supplemental MOU with the Partners for the purpose of producing the 2018 Annual Report for the alternative GSP for the Indio Sub-basin applicable to the implementation of the SGMA.

SUPPLEMENT TO
MEMORANDUM OF UNDERSTANDING
REGARDING GOVERNANCE OF THE INDIO SUB-BASIN
UNDER THE SUSTAINABLE GROUNDWATER MANAGEMENT ACT

This SUPPLEMENT dated XXXXXXXX is entered into among the City of Coachella, a municipal corporation acting through, and on behalf of, the Coachella Water Authority (CWA), the Coachella Valley Water District (CVWD), the Desert Water Agency (DWA), and the City of Indio, a municipal corporation acting through, and on behalf of, the Indio Water Authority (IWA) for the purpose of developing a common understanding among the Partners regarding the governance structures applicable to implementation of the Sustainable Groundwater Management Act (Water Code, Part 2.74, Section 10720 et seq.) (SGMA) in the Indio Sub-Basin of the Coachella Valley Groundwater Basin. The Partners to this MOU shall be collectively referred to herein as “Partners” and individually as “Partner”.

WHEREAS, each Partner is a party to a Memorandum of Understanding (MOU) regarding governance of the Indio Sub-basin under SGMA; and

WHEREAS, the Partners wish to supplement the MOU for the purpose of retaining consultants to assist in the preparation of Groundwater Sustainability Agency (GSA) annual reports by water year for the Indio Sub-basin for submission to the California Department of Water Resources (DWR) by April 1 of each year to satisfy SGMA requirements;

NOW, THEREFORE, it is mutually understood and agreed as follows:

SECTION 1:

RETENTION OF CONSULTANTS AND AGREEMENTS

1.1 The Partners acknowledge and agree that DWR has required that all GSAs who have submitted an Alternative Groundwater Sustainability Plan (Alternative GSP) prepare and submit an Annual Report for Water Year 2017 (October 1, 2016 – September 30, 2017) to DWR by April 1, 2018 in accordance with SGMA. The Partners agree to the following:

1.1.1 Stantec Consulting Services Inc. (Stantec, formerly MWH America’s Inc.), the consultant who completed work needed to submit the Indio Sub-basin Alternative GSP, has provided the scope of work and fee schedule included in Exhibit 1 for the preparation of the GSAs Annual Report for the Indio Sub-basin for Water Year 2017.

1.1.2 The Partners have agreed to have CVWD retain Stantec to prepare the GSAs Annual Report for the Indio Sub-basin for Water Year 2017 for an amount not to exceed \$63,260, without prior authorization of the Partners.

1.1.3 CVWD shall invoice each Partner for reimbursement of one-fourth (1/4) of the cost of the preparation of the Annual Report for the Indio Sub-basin for Water Year 2017 which is an amount equal to \$15,815.

SECTION 2:

INVOICING AND PAYMENT

- 2.1. CVWD shall administer Agreements and pay consultants per the terms of the Agreements as approved by the Partners, and then invoice each Partner for reimbursement of one-fourth (1/4) of the payment that has been made to the consultants.
- 2.2 Each Partner shall pay the invoice within 30 days of receipt of the invoice.

SECTION 3:

MISCELLANEOUS

- 3.1 Abbreviations, capitalized words, and phrases used in this supplement shall have the same meaning as in the MOU.
- 3.2 All terms of the MOU remain unchanged, except, as supplemented herein.
- 3.3 This Supplement may be executed in any number of counterparts, each of which shall be deemed original, but all of which, when taken together, shall constitute one and the same instrument.

IN WITNESS WHEREOF, the Partners have executed this Supplement as of the day and year indicated on the first page of this MOU.

Jim Barrett

Coachella Valley Water District

William B. Pattison, Jr.

Coachella Water Authority

Mark Krause

Desert Water Agency

Brian Macy

Indio Water Authority

EXHIBIT “1”

TO

**SUPPLEMENT TO MEMORANDUM OF UNDERSTANDING
REGARDING GOVERNANCE OF THE INDIO SUB-BASIN UNDER THE
SUSTAINABLE GROUNDWATER MANAGEMENT ACT**

Scope Of Work

The proposed scope of work for the Water Year 2017 Annual Report for the Indio Subbasin (Annual Report) will include those items identified by the California Department of Water Resources (DWR) in the Guidance Document for Water Year 2017 (October 1, 2016 – September 30, 2017):

- **Project Management and Meetings**

Stantec will attend and facilitate a kickoff meeting at the Coachella Valley Water District (CVWD) administration office, maintain records and data, and facilitate and participate in up to two (2) teleconferences with CVWD, Desert Water Agency (DWA), Coachella Water Authority (CWA), and Indio Water Authority (IWA) personnel.

- **Executive Summary**

The Annual Report will include an Executive Summary highlighting the key elements of the Annual Report.

- **Introduction**

The Annual Report will include an Introduction with a brief background on the need for the Annual Report including implementation of the Sustainable Groundwater Management Act (SGMA), formation of Groundwater Sustainability Agencies (GSAs) by agencies in the Indio Subbasin, submission of the Alternative Groundwater Sustainability Plan (Alternative GSP) to DWR by GSAs in the Indio Subbasin, and SGMA requirements for the Annual Report.

- **Basin Setting**

The Annual Report will include a general description of the Coachella Valley, the Coachella Valley Groundwater Basin, subbasins and subareas, geology, groundwater storage capacity, water supply, land subsidence, and location maps.

- **Groundwater Elevation**

The Annual Report will include groundwater elevation data from monitoring wells identified in the Indio Subbasin to include:

- Groundwater elevation contour maps for the principal aquifer in the Indio Subbasin illustrating the seasonal high and seasonal low groundwater conditions.
- Hydrographs of groundwater elevations and water year type using historical data to the greatest extent available, including January 1, 2015 to current reporting year.

- **Groundwater Extraction**

The Annual Report will include groundwater extraction data for Water Year 2017. Data shall be presented in a table that summarizes groundwater extractions by water use sector, and identifies the method of measurement (direct or estimate) and accuracy of measurements, and a map that illustrates the general location and volume of groundwater extractions.

- **Surface Water**

The Annual Report will include surface water supply used, or available for use, for groundwater recharge, or in-lieu use, and shall be reported based on quantitative data that describes the annual volumes and sources for the preceding water year.

- **Total Water Use**

The Annual Report will include total water use which shall be reported in a table that summarizes total water use by water use sector, water source type, and which identifies the method of measurement (direct or estimate) and accuracy of measurements.

- **Change in Groundwater Storage**

The Annual Report will include change in groundwater storage information including:

- Change in groundwater storage maps for principal aquifers in the Indio Subbasin
- A graph depicting water year type, groundwater use, the annual change in groundwater storage, and the cumulative change in groundwater storage for the Indio Subbasin based on historical data to the greatest extent available, including from January 1, 2015 to the current reporting year.

- **Description of Progress**

The Annual Report will include a description of the progress towards implementing the Alternative GSP, including achieving interim milestones, and implementation of projects or management actions.

- **References**

The Annual Report will include a list of all documents referenced in the Annual Report.

- **Report Graphics**

The Annual Report shall provide effective graphic representations of key program elements consisting of subbasin/subarea locations, monitoring well locations, water balance, and changes in groundwater levels/storage using GIS. These graphics may be used as tools for the GSAs to make groundwater management recommendations. CVWD's Information Technology Department can provide GIS data for groundwater well locations, subbasin/subarea boundaries, and fault systems in an ESRI format. Maps should include the Coachella Valley Groundwater Basin and Subbasins, basin geology and faults, current groundwater levels, historic groundwater levels, annual change in groundwater levels, long-term (ten year increments) water level change, areas and amount of land subsidence, and areas and amount of artesian conditions above ground surface.

- **Schedule for Deliverables**

A Timeline of Deliverables is included with this Scope of Work that provides key milestones needed to present the Annual Report to the DWR prior to April 1, 2018, in accordance with the California Water Code.

Schedule

The following list presents key milestones and dates for the preparation of the Annual Report.

Date	Consultant Milestone
01/23/2018	Project begins.
01/23/2018	Assist CVWD project manager with hosting Kick-off Meeting at CVWD Palm Desert Office.
01/23/2018	Obtain annual groundwater elevation data, groundwater production data, surface water supply used for groundwater replenishment or In-lieu use, recycled water usage data, and land subsidence data from CVWD, DWA, CWA, and IWA.



- 02/12/2018 Provide one electronic copy of the Draft Annual Report to the CVWD project manager for distribution to DWA, CWA, and IWA for review and comment.
- 02/19/2018 CVWD project manager provides comments on the Draft Annual Report from CVWD, DWA, CWA, and IWA.
- 03/05/2018 Provide one electronic copy of the Final Draft Annual Report to the CVWD project manager for distribution to DWA, CWA, and IWA for review and comment.
- 03/19/2018 CVWD project manager provides comments on the Final Draft Annual Report from CVWD, DWA, CWA, and IWA.
- 03/26/2018 Provide one electronic and 15 hard copies of the Final Annual Report to the CVWD project manager for submission to DWR and distribution to DWA, CWA, and IWA.

Budget

The proposed detailed fee for the preparation of the Annual Report is provided on the following page. The not to exceed amount for the preparation of the Annual Report is \$63,260.



Estimated Level of Effort
2016/17 WY Annual Report
TO 13 Indio Subbasin

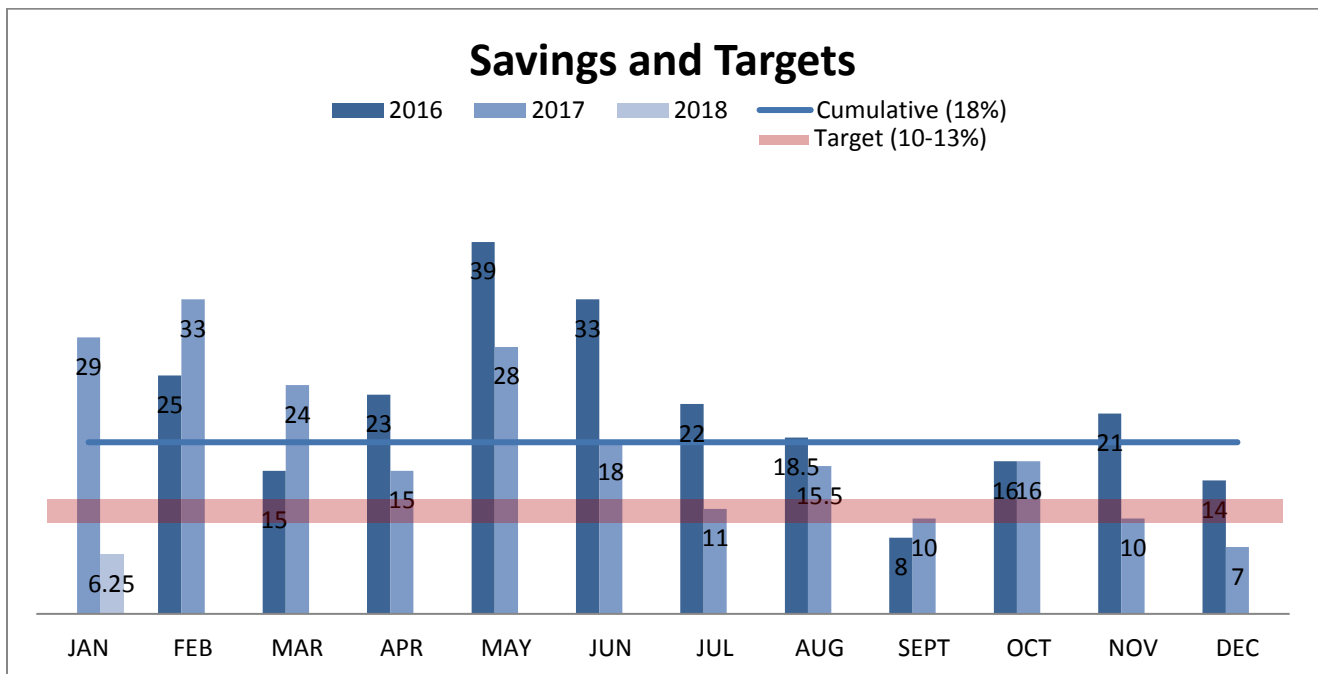
<div><div> MWH <small>now part of</small>  Stantec</div></div> <div>Estimated Level of Effort 2016/17 WY Annual Report TO 13 Indio Subbasin</div>		<div>Principal Professional Victor Harris</div>	<div>Project Manager Oliver Slosser</div>	<div>Professional Engineer Areeba Syed</div>	<div>GIS Specialist Chisa Whelan</div>	<div>Sylvia Monarez Senior Administrator</div>	<div>Total MWH Hours</div>	<div>Other Direct Costs MWH</div>	<div>Total MWH Fee</div>	<div>David Ringel Hours</div>	<div>David Ringel Fee</div>	<div>Principal In Charge</div>	<div>Project Manager</div>	<div>Project Assistant</div>	<div>Technical Advisor</div>	<div>CADD Service</div>	<div>Clerical</div>	<div>Total Kreiger and Stewart Hours</div>	<div>Other Direct Costs</div>	<div>Total Kriger and Stewart Fee</div>	<div>Total Project Fee</div>
Task Number	Name	Hours	Hours	Hours	Hours	Hours	Hours		Hours		Hours	Hours	Hours	Hours	Hours	Hours	Hours				
1	Project Management and Meetings	16	16			16	48	\$400	\$10,075	12	\$2,898		8				4	12	\$60	\$2,369	\$15,342
2	Exec Summary, Introduction, Basin Setting	2		16			18		\$2,388	2	\$483										\$2,871
3	Groundwater Elevations	4		12	12		28		\$3,997	4	\$966		4	2				6	\$35	\$1,374	\$6,337
4	Groundwater Extraction, Surface Water Use, Total Water Use	4		16			20		\$2,951	12	\$2,898										\$5,849
5	Change in Groundwater Storage	4		12	4		20		\$2,996	6	\$1,449		4	2		2		8	\$43	\$1,699	\$6,144
6	Description of Progress, References	2		12			14		\$1,932	2	\$483										\$2,415
7	Report Graphics, Draft Report	8		24	12		44		\$6,493	6	\$1,449		16	4		16	2	38	\$189	\$7,477	\$15,418
8	Respond to Comments on Draft Report, Final Annual Report	8	8	4	8	4	32	\$300	\$5,982	4	\$966		4	2		2	2	10	\$49	\$1,935	\$8,884
	Total Hours	48	24	96	36	20	224	\$700	\$36,814	48	\$11,592		36	10		20	8	74	\$376	\$14,854	\$63,260

STAFF REPORT TO DESERT WATER AGENCY BOARD OF DIRECTORS

FEBRUARY 20, 2018

RE: JANUARY 2018 WATER USE REDUCTION FIGURES

Desert Water Agency and its customers achieved a 6.25% percent reduction in potable water production during January 2018 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. DWA continues to report its production to the state on a monthly basis, despite mandatory conservation ending in April 2017.



Staff is also tracking the water use compared to the threshold in the rate study regarding the proposed drought surcharge. This trigger was not met this month and the cumulative since January is far below the drought surcharge trigger (we are 19.8% above the baseline).

DWA is asking its customers to save 10-13% compared to 2013 to help achieve long-term sustainability. The cumulative savings beginning in June of 2016 when we put our 10-13% target in place is 18%.

On the following page is additional information for this month.

January 2018 water production	1,913.00 AF
January 2013 water production	2,040.29 AF
Percent changed in this month per drought surcharge baseline (January 2016)	9.8% increase
Quantity of potable water delivered for all commercial, industrial, and institutional users for the reporting month	696.2 AF
The percentage of the Total Monthly Potable Water Production going to residential use only for the reporting month	63.66%
Population (inclusive of seasonal residents)	106,452
Estimated R-GPCD	120.24
How many public complaints of water waste or violation of conservation rules were received during the reporting month?	26
How many contacts (written/ verbal) were made with customers for actual/ alleged water waste or for a violation of conservation rules?	11
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?	10
How many penalties were issued for water waste or for a violation of conservation rules?	1
<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.</p> <p>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 January was 890,586 acre feet. Additionally, since it began recycling water Desert Water Agency has reclaimed 94,651 acre feet. If our recycled water production for this month was taken into consideration against our potable production, the conservation achieved would have been several percentage points higher.</p>	

NMFS & FWS Biological Opinions

Reasonable and Prudent Alternatives

DRAFT

CRITERIA	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP
National Marine Fisheries Service												
Action IV. 1.2 DCC Gate Operation	Oct 1 - Nov 30 Gates Are Closed if Fish Are Present		Dec 1 - 14	Dec 15 - Jan 31 Gates Are Closed	Feb 1 - May 15 Gates Are Closed per D1641				May 16 - Jun 15 up to 14 Days Closed per D1641			
Action IV. 2.1 San Joaquin River Inflow/Export Ratio			Gates Are Closed except for Experiments/WQ				Apr 1 - May 31 Maintain Vernalis I/E Ratio		Interim - Based on IOP Water Supply Long Term - Based on WY Type			
Action IV. 2.2 Six-Year Acoustic Tag Experiment						Mar 1 - Jun 15						
Action IV. 2.3 Old & Middle River Flow Mananement			Jan 1 - Jun 15 OMR (-5000 to -2500 cfs) until after Jun 1 Water Temperature @ Mossdale ≥ 72°F for 7 Days									
Action IV. 3 Reduce Likelihood of Entrainment or Salvage		Nov 1 - Dec 31										
Fish & Wildlife Service												
Action 1 Adult Migration & Entrainment (1st Flush)			Dec 1 - 20	After Dec 20 Triggers: Turbidity or Salvage Off Ramps: Water Temperature or Biological								
Action 2 Adult Migration & Entrainment			Begins Immediately After Action 1. Suspension of Action: Flow Off Ramps: Water Temperature or Biological									
Action 3 Entrainment Protection of Larval Smelt						Triggers: Water Temperature or Biological Off Ramps: Water Temperature or June 30						
Action 4 Estuarine Habitat During Fall (X2)	Oct 1 - Nov 30											Sep 1 - 30
Action 5 Temporary Spring HORB & the TBP							Apr 1 - May 15					

Fishery Regulations: BiOps

- Delta Cross Channel
 - NMFS Action IV.1.2 (Oct 1 to Jan 31)
- Export restrictions/Old and Middle River flows
 - FWS Action 1 and 2 (Dec 1 until spawning detected)
 - Action 1: First flush: OMR -2,000 cfs: **Not triggered**
 - Dec 1 to Dec 20: Possible action based on current factors
 - Beginning Dec 20: Action based on turbidity triggers or salvage: OMR -2,000 cfs
 - Action 2: Adult migration and entrainment: OMR -5,000 cfs to -1,250 cfs, **No recommendation**
 - After Action 1 or based on current factors
 - Action 3: Larval smelt entrainment: OMR -5,000 cfs to -1,250 cfs, **No recommendation**
 - Detection of spawning or temperature trigger (12°C Mossdale, Antioch, Rio Vista)
 - NMFS Action IV.3 (Nov 1 – Dec 31): **Not triggered**
 - Can reduce exports based on fish density (6,000 cfs or 4,000 cfs combined export)
 - NMFS Action IV.2.3 (Jan 1 – Jun 15): **Controlling Jan 1 to date**
 - Calendar based OMR (-5,000 cfs to -2,500 cfs)

ACTION IV. 1.2 - OPERATION OF DCC TO ENHANCE PROTECTION OF EMIGRATING SALMONIDS/GREEN STURGEON

Page 635

Timing: October 1 – November 30

Triggers:

- Water quality criteria per D-1641 are met and either Knights Landing Catch Index (KLCI) or the Sacramento Catch Index (SCI) are greater than 3 fish per day but less than or equal to 5 fish per day. Within 24 hours of trigger, DCC gates are closed. Gates will remain closed for 3 days.
- Water quality criteria per D-1641 are met and either KLCI or SCI is greater than 5 fish per day. Within 24 hours, close the DCC gates and keep closed until the catch index is less than 3 fish per day at both the Knights Landing and Sacramento monitoring sites.
- KLCI or SCI triggers are met, but water quality criteria are not met per D-1641 criteria. DOSS reviews monitoring data and makes recommendation to NMFS and WOMIT per procedures in Action IV. 5 (page 658).

Timing: December 1 – December 14

Triggers:

- Water quality criteria per D-1641 are met. DCC gates are closed. If Chinook salmon migration experiments are conducted during this time period, the DCC gates may be opened according to the experimental design, with NMFS' prior approval of the study.
- Water quality criteria are not met but both KLCI or SCI are less than 3 fish per day. DCC gates may be opened until water quality criteria are met. Once water quality criteria are met, the DCC gates will be closed within 24 hours of compliance.
- Water quality criteria are not met, but either KLCI or SCI is greater than 3 fish per day. DOSS reviews monitoring data and makes recommendation to NMFS and WOMIT per procedures in Action IV. 5 (page 658).

Timing: December 15 – January 31

Triggers:

- DCC gates are closed December 15 – January 31.
- NMFS-approved experiments may be conducted. Agency sponsoring the experiment may request gate opening for up to 5 days. NMFS will determine whether opening is consistent with ESA obligations.
- One-time event between December 15 to January 5, when necessary to maintain Delta water quality in response to the astronomical high tide, coupled with low inflow conditions. Upon concurrence of NMFS, DCC gates may be opened one hour after sunrise to one hour before sunset, for up to 3 days, then return to full closure. USBR and DWR will also reduce Delta exports down to a health and safety level during the period of this action.

Timing: February 1 – June 15

Triggers:

- DCC gates are closed February 1 – May 15 as per D-1641 and WQCP.
- May 16 – June 15, DCC gates may be closed for up to 14 days as per D-1641 and 2006 WQCP, if NMFS determines it is necessary.

ACTION IV. 2.1 - MAINTAIN SAN JOAQUIN RIVER INFLOW/EXPORT RATIO

Page 641

Timing: April 1 – May 31 (Phase I: Interim Operations 2010-2011)

- Flows at Vernalis (7-day running average) shall not be less than 7% of the target requirement(s) shall be based on the New Melones Index. In addition to the Goodwin flow schedule for the Stanislaus River prescribed in Action III. 1.3 and Appendix 2-E, USBR shall increase its Goodwin Reservoir releases, if necessary, in order to meet the flows required at Vernalis, as provided in the following table. NMFS expects the tributary contributions of water from the Tuolumne and Merced rivers, through the SJRA, will continue through 2011 and that the installation of a fish barrier at the Head of Old River will continue during this period as permitted.

New Melones Index (TAP)	Minimum flow required at Vernalis (cfs)
0-2000	No new requirements
1000-1399	D-1641 requirements or 1500, whichever is greater
1400-1999	D-1641 requirements or 2000, whichever is greater
2000-2499	4500
2500 or greater	6000

- Combined CVP and SWP exports shall be restricted through the following:

Flows at Vernalis (cfs)	Combined CVP and SWP Export
0-6,000	1,500 cfs
6,000-21,750	4:1 (Vernalis flow export ratio)
21,750 or greater	Unrestricted until flood recedes below 21,750

In addition:

- USBR/DWR shall seek supplemental agreement with the SJRA as soon as possible to achieve minimum long term flows at Vernalis (see following table) through all existing authorities.

San Joaquin River Index (60-20-20)	Minimum long-term flow at Vernalis (cfs)
Catastrophic Dry	1,500
Dry	3,000
Below Normal	4,500
Above Normal	6,000
Wet	6,000

ACTION IV. 2.2 - ACOUSTIC TAG EXPERIMENT

Page 645

Timing: March 1 – March 31

- Exports will be opened in accordance with the requirements dictated by Action IV.2.3.

Timing: April 1 – May 30

- Exports will be dictated by the requirements of Action IV.2.1.

Timing: June 1 – June 15

- Reclamation shall operate to a minimum 1:1 inflow to export ratio, allowing exports to vary in relation to inflows from the San Joaquin to meet varying flow to export ratios during this period. If daily water temperatures at Mossdale exceed 72°F for seven consecutive days during this period, then the inflow to export ratio may be relaxed.

ACTION IV. 2.3 - REDUCED EXPORTS TO LIMIT NEGATIVE FLOWS IN OMR DEPENDING ON PRESENCE OF SALMONIDS

Page 648

Timing: January 1 – June 15

Action:

- Exports are managed to a level that produces a 14-day running average of the tidally filtered flow of 5,000 cfs in Old and Middle River (OMR). A five-day running average flow shall be calculated from the daily tidally filtered values and be no more than 25 percent more negative than the targeted requirement flow for the 14-day average flow.

Timing: January 1 – June 15

First Stage Trigger (increasing level of concern):

- Daily SWP/CVP older juvenile loss density (fish per tail) 1) is greater than incidental take limit divided by 2000 (2 percent WR JPE = 2000), with a minimum value of 2.5 fish per tail, or 2) daily loss is greater than daily measured fish density divided by 12 tail (daily measured fish density = 12 tail) or 3) CNFH CWT LFR or LSNFH CWT WR cumulative loss greater than 0.5%, or 4) daily loss of wild steelhead (intact adipose fin) is greater than the daily measured fish density divided by 12 tail (daily measured fish density = 12 tail).

Action:

- Reduce exports to achieve an average net OMR flow of (minus) -3,500 cfs for a minimum of 5 consecutive days. The five day running average OMR flows shall be no more than 25 percent more negative than the targeted flow level at any time during the 5-day running average period (e.g., -4,375 cfs average over five days). Resumption of (minus) -5,000 cfs flows is allowed when average daily fish density is less than trigger density for 3 consecutive days following the 5 consecutive days of export reduction. Reductions are required when any one criterion is met.

Timing: January 1 – June 15

Second Stage Trigger (analogous to high concern level):

- Daily SWP/CVP older juvenile loss density (fish per tail) 1) is greater than incidental take limit (2 percent of WR JPE) divided by 1000 (2 percent of WR JPE = 1000), with a minimum value of 2.5 fish per tail, or 2) daily loss is greater than daily fish density divided by 8 tail (daily fish density = 8 tail), or 3) CNFH CWT LFR or LSNFH CWT WR cumulative loss greater than 0.5%, or 4) daily loss of wild steelhead (intact adipose fin) is greater than the daily measured fish density divided by 8 tail (daily measured fish density = 8 tail).

Action:

- Reduce exports to achieve an average net OMR flow of (minus) -2,500 cfs for a minimum 5 consecutive days. Resumption of (minus) -5,000 cfs flows is allowed when average daily fish density is less than trigger density for 3 consecutive days following the 5 consecutive days of export reduction. Reductions are required when any one criterion is met.

Timing: January 1 – June 15

End of Triggers:

- Continue action until June 15 or until average daily water temperature at Mossdale is greater than 72°F (22°C) for 7 consecutive days, whichever is earlier.

ACTION IV. 3 - REDUCE LIKELIHOOD OF ENTRAINMENT OR SALVAGE AT EXPORT FACILITIES

Page 652

Timing: November 1 – December 31

Triggers:

- Daily SWP/CVP older juvenile loss density greater than 8 fish/tail, or daily loss is greater than 95 fish/day, or Coleman National Fish Hatchery coded wire tagged late fall-run Chinook salmon (CNFH CWT LFR) or Livingston Stone National Fish Hatchery coded wire tagged winter-run (LSNFH CWT WR) cumulative loss greater than 0.5%. Reduce exports to a combined 6,000 cfs for 3 days or until CVP/SWP daily density is less than 8 fish/tail. Export reductions are required when any one of the four criteria is met.

- Daily SWP/CVP older juvenile loss density greater than 15 fish/tail, or daily loss is greater than 120 fish/day, or CNFH CWT LFR or LSNFH CWT WR cumulative loss greater than 0.5%. Reduce exports to a combined 4,000 cfs for 3 days or until CVP/SWP daily density is less than 8 fish/tail. Export reductions are required when any one of the four criteria is met.

Text for the Biological Opinion Actions have been condensed to fit within this limited space. Page numbers in the upper right hand corner of each Action block have been provided for referencing the actual document.

ACTION 1: ADULT MIGRATION AND ENTRAINMENT (FIRST FLUSH)

Page 329

Action: Limit exports so that the average daily OMR flow is no more negative than -2,000 cfs for a total duration of 14 days, with a 5-day running average no more negative than 2,500 cfs (within 25 percent).

Timing:

Part A: December 1 to December 20 – Based upon examination of turbidity data from Prisoner's Point, Holland Cut, and Victoria Canal and salvage data from CVP/SWP (see Triggers below), and other parameters important to the protection of delta smelt including, but not limited to, preceding conditions of X2, FMWT, and mer flows, the SWG may recommend a start date to USFWS. USFWS will make the final determination.

Part B: After December 20 – The action will begin if the 3 day average turbidity at Prisoner's Point, Holland Cut, and Victoria Canal exceeds 12 NTU. However, the SWG can recommend a delayed start or interruption based on other conditions such as Delta inflow that may affect vulnerability to entrainment.

Triggers (Part B): Turbidity 3-day average of 12 NTU or greater at all three stations (Prisoner's Point, Holland Cut, Victoria Canal) or Salvage: Three days of delta smelt salvage after December 20 at either facility or cumulative daily salvage count that is above a risk threshold based upon the "daily salvage index" approach reflected in a daily salvage index value >0.5 (daily delta smelt salvage >one half prior year FMWT index value). The window for triggering Action 1 concludes when either off-ramp condition described below is met. These off-ramp conditions may occur without Action 1 ever being triggered. If the occurs, then Action 3 is triggered, unless USFWS concludes on the basis of the totality of available information that Action 2 should be implemented instead.

Off ramps:

Temperature: Water temperature reaches 12°C based on a three station daily mean at Mossdale, Antioch and Rio Vista. **or**

Biological: Onset of spawning (presence of spent females in SKT or at Banks or Jones).

ACTION 2: ADULT MIGRATION AND ENTRAINMENT

Page 352

Action: The range of net daily OMR flows will be no more negative than -1,250 to -5,000 cfs. Depending on extant conditions (and the general guidelines below), specific OMR flows within this range are recommended by the SWG from the onset of Action 2 through its termination. The SWG will provide weekly recommendations based upon review of the sampling data, from real-time salvage data at the CVP and SWP, and utilizing most up-to-date technological expertise and knowledge relating populations status and predicted distribution to monitored physical variable of flow and turbidity. USFWS will make the final determination.

Timing: Beginning immediately after Action 1. Before this date (in time for operators to implement the flow requirement) the SWG will recommend specific required OMR flows based on salvage and on physical and biological data on an ongoing basis. If Action 1 is not implemented, the SWG may recommend a start date for the implementation of Action 2 to protect adult delta smelt.

Suspension of Action: Flow OMR flow requirements do not apply whenever a three day flow average is greater than or equal to 90,000 cfs in Sacramento River at Rio Vista and 10,000 cfs in San Joaquin River at Vernalis. Once such flows have abated, the OMR flow requirements of the Action are again in place.

Off ramps:

Temperature: Water temperature reaches 12°C based on a three station daily average (Rio Vista, Antioch, Mossdale). **or**

Biological: Onset of spawning (presence of spent females in SKT or at either facility).

ACTION 3: ENTRAINMENT PROTECTION OF LARVAL SMELT

Page 367

Action: Net daily OMR flow will be no more negative than -1,250 to -5,000 cfs based on a 14-day running average with a simultaneous 5-day running average within 25 percent of the applicable requirement for OMR. Depending on extant conditions (and the general guidelines below) specific OMR flows within this range are recommended by the SWG from the onset of Action 3 through its termination. The SWG will provide these recommendations based upon a weekly review of sampling data, from real-time salvage data at the CVP/SWP, and expertise and knowledge relating population status and predicted distribution to monitored physical variables of flow and turbidity. USFWS will make the final determination.

Timing: Initiate the action after reaching the triggers below, which are indicative of spawning activity and the probable presence of larval delta smelt in the South and Central Delta. Based upon daily salvage data, the SWG may recommend an earlier start to Action 3. USFWS will make the final determination.

Triggers:

Temperature: When temperature reaches 12°C based on three station average at Mossdale, Antioch, and Rio Vista. **or**

Biological: Onset of spawning (presence of spent females in SKT or at either facility).

Off ramps:

Temporal: June 30. **or**

Temperature: Water temperature reaches a daily average of 25°C for three consecutive days at Clifton Court Forebay.

ACTION 4: ESTUARINE HABITAT DURING FALL

Page 369

Action: Subject to adaptive management as described below, provide sufficient Delta outflow to maintain average X2 for September and October no greater (no further eastward) than 74 km in the Fall following Wet years and 82 km in the Fall following Above Normal years. The monthly average X2 must be maintained at or seaward of these values for each individual month and not averaged over the two month period. In November, the inflow to CVP/SWP reservoirs in the Sacramento Basin will be added to reservoir releases to provide an added increment of Delta inflow and to augment Delta outflow up to the fall target. The action will be evaluated and may be modified or terminated as determined by USFWS.

Timing: September 1 to November 30

Triggers: Wet and above normal WY type classification from the 1985 Water Quality Control Plan that is used to implement D-1641.

ACTION 5: TEMPORARY SPRING HEAD OF OLD RIVER BARRIER (HORB) AND THE TEMPORARY BARRIER PROJECT (TBP)

Page 377

Action: Do not install HORB if delta smelt entrainment is a concern. If installation of the HORB is not allowed, the agricultural barriers would be installed as described in the Project Description. If installation of the HORB is allowed, the agricultural barriers could be installed, but the flap gates would be tied in the open position until May 15.

Timing: The timing of the action would vary depending on the conditions. The normal installation of the spring temporary HORB and the TBP is in April.

Triggers: For Delta smelt, installation of the HORB will only occur when PTM results show that entrainment levels of Delta smelt will not increase beyond 1 percent at Station 815 as a result of installing the HORB.

National Marine Fisheries Service (NMFS) Determination:

Action IV.2.3 of the Biological Opinion for the Long-Term Operations of the Central Valley Project and State Water Project (Opinion)

February 22, 2011

Summary of Action and Advice from the Delta Operations for Salmonids and Sturgeon (DOSS) group:

Summary of Action: Old and Middle River Flow Management (Action IV.2.3, page 648-652 of the 2009 NMFS Biological Opinion). This action applies from January 1st through June 15th of every year and calls for Old and Middle River (OMR) flows to be managed to no more negative than -5,000 cfs throughout the action period. More positive OMR flows are required for at least 5 days when any of the four triggers as described in the following table is exceeded, while more negative OMR flow may resume when the fish loss is below a trigger for the last 3 days of the reduced export period of time.

Table 1. Fish loss triggers for managing OMR flow

Trigger	First stage: no more negative than -3,500 cfs	Second stage: no more negative than -2,500 cfs
Trigger 1: Daily fish loss density	3.32 fish*/TAF	6.64 fish*/TAF
Trigger 2: Daily fish loss number	8 fish*	12 fish*
Trigger 3: Cumulative loss	0.5% tag recovery of spring-run or winter-run hatchery releases	
Trigger 4: Daily steelhead loss density	8 unclipped steelhead/TAF	12 unclipped steelhead/TAF

*Include all Chinook salmon, except hatchery releases, above the minimum length-at-date for winter-run Chinook salmon, based on the "delta model" length-at-date table.

Background on DOSS Advice

Based on evaluation of the fish salvage and loss data, the first trigger (at the first stage level) under Action IV.2.3 was exceeded on Friday, 2/18/2011, with the reported combined loss density being 4.51 fish/TAF. Estimated daily fish loss was 77.94 fish at the SWP, and 0 fish at the CVP. The second stage level of the first trigger was exceeded on Saturday, 2/19/2011, with the reported combined loss density being 7.51 fish/TAF. Estimated daily loss was 138.56 fish at the SWP, and 2.72 fish at the CVP. DWR notified NMFS on Saturday and indicated they would schedule a change in SWP exports starting on Tuesday to meet OMR flows no more negative than -2,500 cfs. The combined CVP/SWP loss density remained high on Sunday, 2/20/2011 (5.89 fish/TAF), and on Monday, 2/21/2011 (9.36 fish/TAF).

DOSS Advice from the 2/22/2011 call

On Tuesday, 2/22/2011, DOSS confirmed that the first and second stage levels of the first trigger had been exceeded. The recent storm event had caused an increase in juvenile salmon emigration through the Delta. The DOSS advice to WOMT and NMFS is that CVP/SWP operates at reduced export rates to meet the OMR flow limit of no more negative than -2,500 cfs for at least 5 days, from 2/22/2011 through 2/26/2011, pursuant to RPA action IV.2.3 in the NMFS Biological Opinion. Fish losses at the CVP/SWP facilities are expected to decline at less

negative OMR flows and provide enough time for older juvenile salmonids to find their way out of the interior Delta. A follow-up DOSS call was scheduled on Friday, 2/25/2011, to review the export, OMR flow, and fish loss data and determine if further actions are warranted.

NMFS Determination

NMFS accepts the advice from DOSS and determines that CVP/SWP shall operate to reduce exports in order to meet the OMR flows of no more negative than -2,500 cfs from Tuesday, 2/22/2011 through Saturday, 2/26/2011. Beginning with the first full 5-day running average of OMR flows under adjusted operations (which will average OMR flows from 2/22 through 2/26), until there is some relaxation of the OMR flow requirement, the 5-day running average shall be no more than 25% more negative than -2,500 cfs.

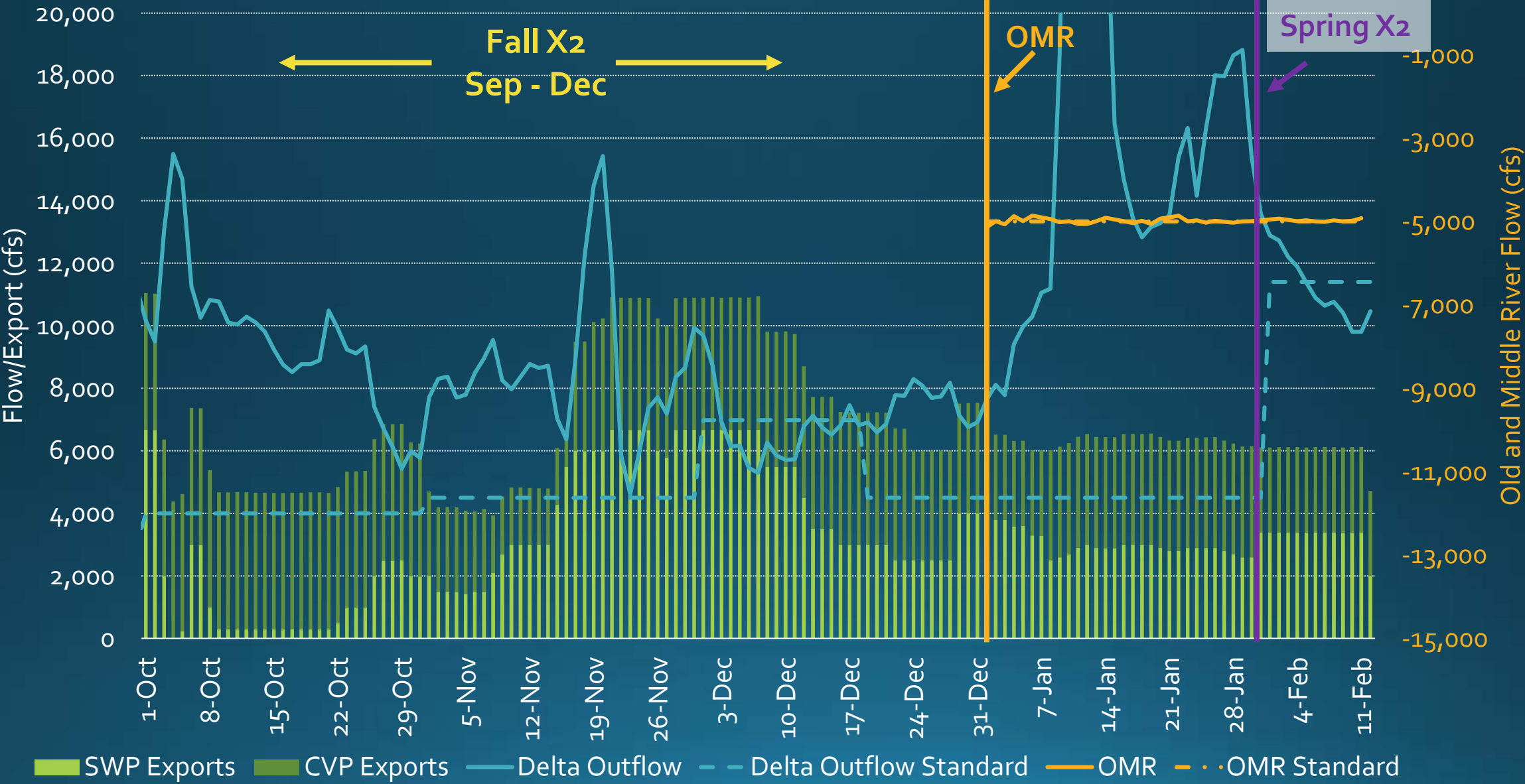
During the 5-day period, three consecutive days, in which the combined fish loss density is below an action trigger, are required before the OMR flow reductions can be relaxed. Starting on day 3 of the export reduction, i.e., 2/24/2011, the combined fish loss density shall be below the action trigger (i.e., 6.64 fish/TAF) for the remaining 3 days (i.e., 2/24, 2/25, and 2/26) in order to relax the OMR flow on day 6 (i.e., 2/27). If exceedance of the trigger during the last 3 days of the 5-day period occurs, the OMR flow action continues until there are 3 consecutive days of being below the fish loss density trigger.

If the combined fish loss density drops to below 6.64 but above 3.32 fish/TAF on 2/24, 2/25, and 2/26, the CVP/SWP export may increase on 2/27 to meet the OMR flow limit of no more negative than -3,500 cfs.

If the combined fish loss density drops to below 3.32 fish/TAF on 2/24, 2/25, and 2/26, the CVP/SWP export may increase on 2/27 to meet the OMR flow limit of no more negative than -5,000 cfs.

NMFS will notify DWR if further actions are warranted on Sunday 2/27/2011.

Delta Operations: WY 2018



D-1641 Spring X2

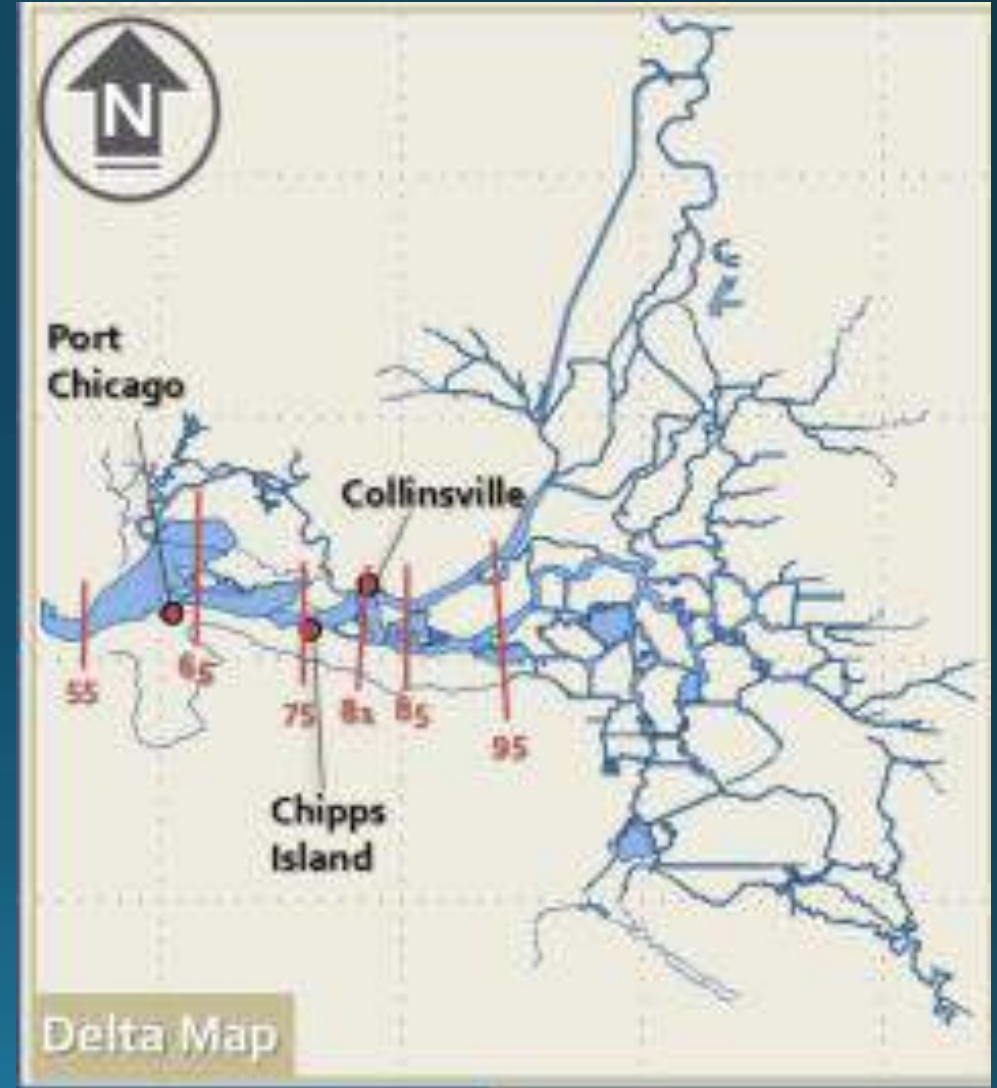
- 2 ppt isohaline, river bottom
- Distance from Golden Gate Bridge
- # Days per month at location

Location	km	Outflow (cfs)
Collinsville	81	7,100
Chipp's Island	75	11,400
Pt Chicago	64	29,200

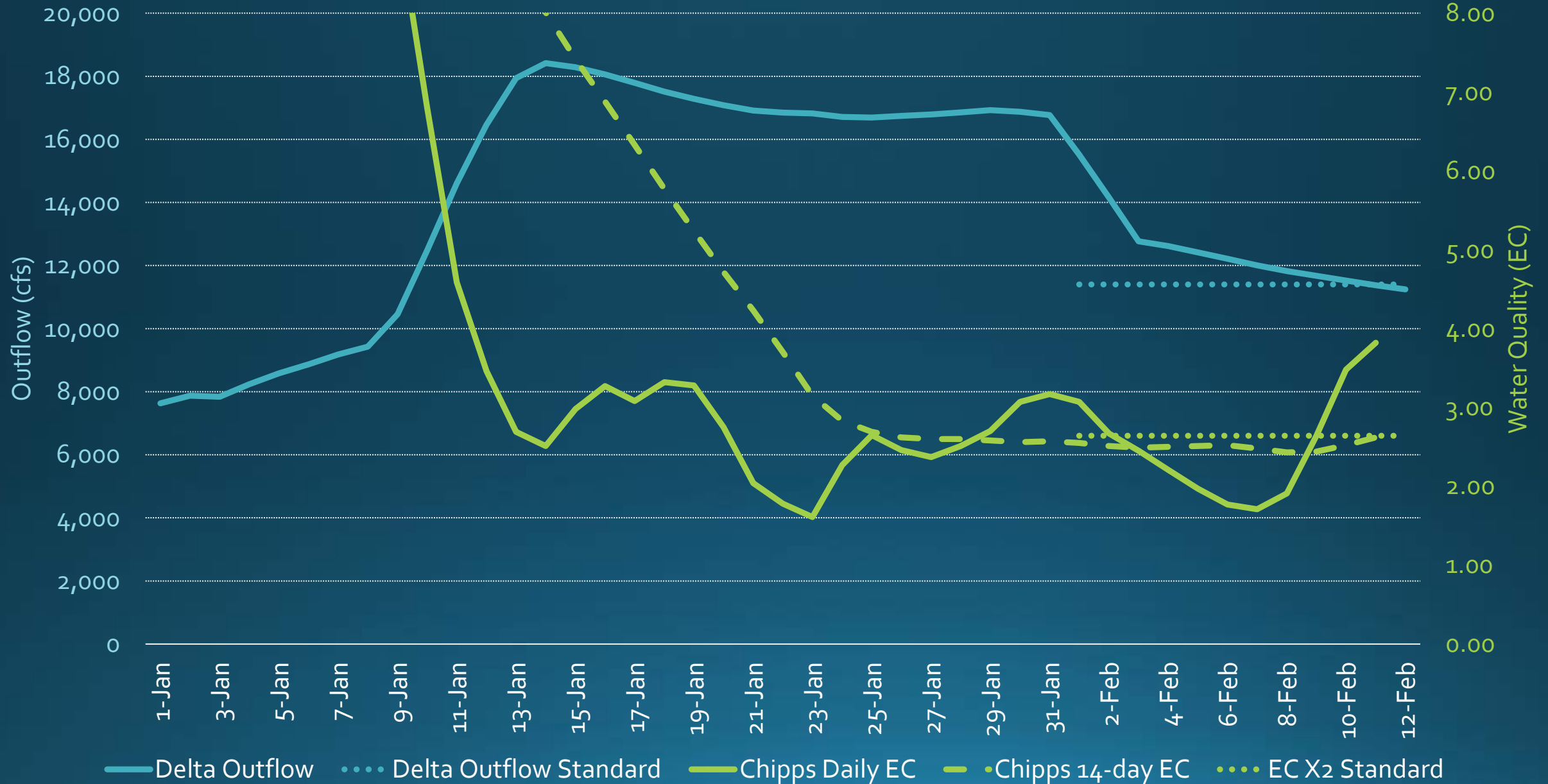
"3 Ways to Win"

- 1) Daily 2.64 EC at location
- 2) 14 day avg 2.64 EC at location
- 3) 3 day avg outflow

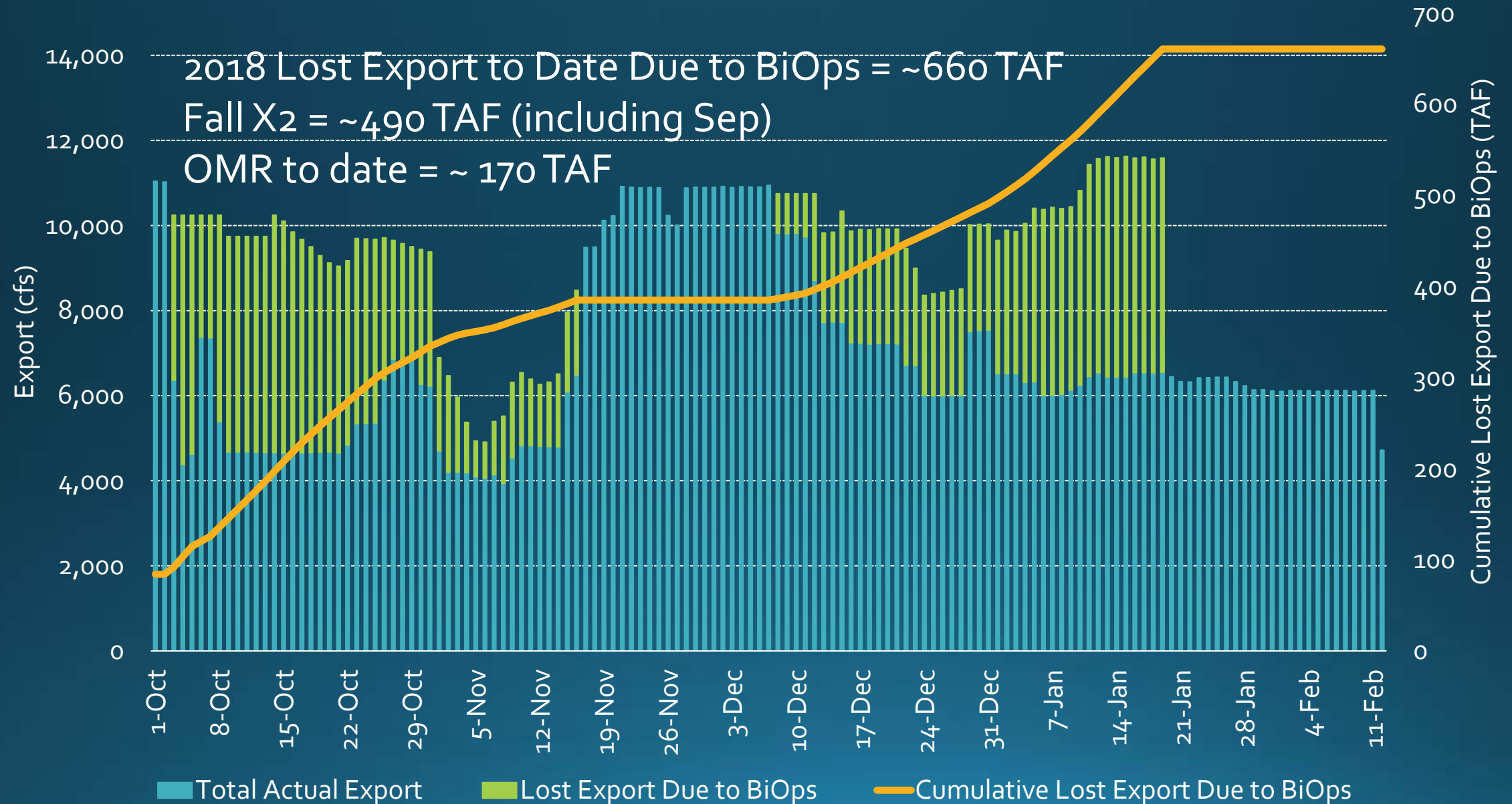
Number of days at each location
determined by previous month's 8RI



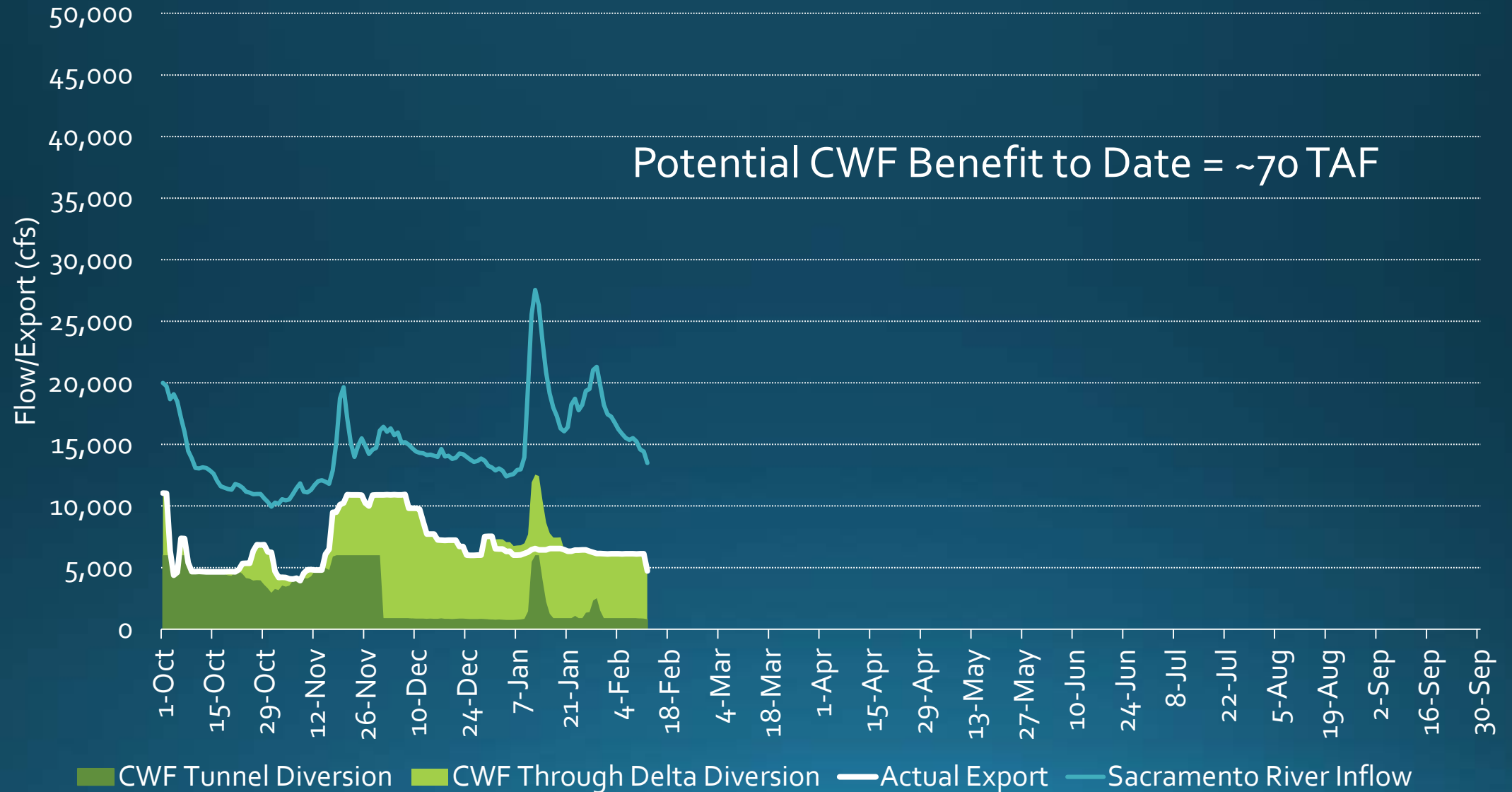
Spring X2: Delta Outflow and Water Quality



Lost Export Due to BiOps: 2018



Potential Export with CA WaterFix: 2017-18



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

FEBRUARY 20, 2018

**RE: ANNUAL REVIEW OF RESOLUTION ESTABLISHING POLICY
AND GUIDELINES FOR AGENCY INVESTMENTS**

Attached for the Board's review are copies of Resolutions No. 886 (adopted November 16, 2004) and No. 1007 (adopted July 7, 2009) which established the policies and guidelines for Desert Water Agency investments. Government Code recommends that the Agency's investment policy be brought before the Board at least annually for review and/or discussion.

After review of the Government Code, it was determined that the Board need not re-adopt the investment policy annually if there are no proposed changes. Thus, as there have been no changes or modifications in Fiscal Year 2017/2018 to the Government Code §53600-53635 which affects the Agency's investments, Staff has no recommendations for revisions to the Agency's existing policy, and a new resolution is not necessary at this time. Therefore, this policy is brought to the Board for the purpose of review only.

RESOLUTION NO. 886

RESOLUTION OF THE BOARD OF DIRECTORS OF DESERT WATER AGENCY ESTABLISHING POLICY AND GUIDELINES FOR INVESTMENT OF AGENCY FUNDS

BE IT RESOLVED by the Board of Directors of the Desert Water Agency (“Agency”) that the following is the Policy and Guidelines for investment of Agency Funds. The Board of Directors hereby delegates the investment authority of the Agency to the General Manager pursuant to this policy.

I. INTRODUCTION

This Agency investment policy is intended to provide guidelines and investment practice policy for maximizing the efficiency of the Agency’s investment of funds and to protect those funds while enhancing the Agency’s economic status. Government Code Section 53600.6 reads “The Legislature hereby finds that the solvency and creditworthiness of each individual local agency can impact the solvency and creditworthiness of the state and other local agencies within the state. Therefore, to protect the solvency and creditworthiness of the state and all of its political subdivisions, the Legislature hereby declares that the deposit and investment of public funds by local officials and local agencies is an issue of statewide concern”.

Thus, this policy is written so that all Agency investment practices and the writing of this policy will be in compliance with Government Code Sections 53600 through 53686 as modified by recent legislative enactments that apply to the Agency.

II. SCOPE

This investment policy applies to all Agency funds, as pooled by enterprise function as follows:

- Operating Fund
- General Fund
- Wastewater Fund
- Bond Fund
- Any new fund created by the Board unless specifically exempted

III.

OBJECTIVES

The first and primary objective of the Agency investment of public funds is to safeguard investment principal; second, to maintain sufficient liquidity within the portfolio to meet cash flow requirements; and third, to achieve a reasonable rate of return or yield on the portfolio consistent with these objectives. The portfolio will be actively managed in a manner that is responsive to the public trust and consistent with State law.

A. Safety of Principal

Safety of principal is the foremost objective of the Agency. Each investment transaction shall seek to preserve the principal of the portfolio, whether from institutional default, broker-dealer default or erosion of market value of securities. The Agency shall seek to preserve principal by mitigating two types of risk: credit risk and market risk.

1. Credit Risk Credit risk, defined as the risk of loss due to failure of an issuer of a security, shall be mitigated by investing in only very safe institutions and by diversifying the portfolio so that the failure of any one issuer would not unduly harm the Agency's cash flow.
2. Market Risk The risk of market value fluctuations due to overall changes in the general level of interest rates shall be mitigated by limiting the maximum maturity of the Agency portfolio to five years. It is explicitly recognized herein, however, that in a diversified portfolio, occasional measured losses are inevitable, and must be considered within the context of the overall investment return.

B. Liquidity

Liquidity is the second most important objective. Investments shall be made whose maturity date is compatible with cash flow requirements and which can be easily and rapidly converted into cash without substantial loss of value.

C. Return on Investment

Investments shall be undertaken to produce an acceptable rate of return after first considering safety of principal and liquidity.

IV. **FIDUCIARY RESPONSIBILITY**

Section 53600.3 of the Government Code declares each person, or governing body authorized to make investment decisions on behalf of local agencies to be a *trustee* and therefore a *fiduciary* subject to the *prudent investor standard*. The prudent investor standard is defined as: “care, skill, prudence, and diligence under the circumstances then prevailing, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency.” These persons shall act with care, skill, prudence, and diligence under the circumstances then prevailing when investing, reinvesting, purchasing, acquiring, exchanging, selling, and managing funds. Section 53600.5 further stipulates that the primary objective of any person investing public funds is to safeguard principal; secondly, to meet liquidity needs; and lastly, to achieve a return or yield on invested funds.

Investment officers acting in accordance with the written guidelines of this investment policy and exercising due diligence are relieved of personal responsibility for an individual security’s credit risk or market price change, provided deviations from expectations of the security are reported in a timely manner and appropriate action is taken to control adverse developments.

V. **AUTHORIZED INVESTMENTS**

Investments shall be restricted to those authorized in Government Code Sections 53601 and 53635 as amended and as may be further restricted by this policy statement. All authorized investments are shown in Schedule 1 (attached) which defines the type of investments authorized, maturity limitations, portfolio diversification, credit quality standards and purchase restrictions that may apply.

VI. **PROHIBITED INVESTMENTS**

Prohibited investments include securities not listed in Schedule I, as well as inverse floaters, range notes, interest only strips that are derived from a pool of mortgages (Collateralized Mortgage Obligations) nor in any derivative or other investment that could result in zero interest accrual if held to maturity as outlined in Section 53601.6 of the Government Code.

VII. **REPORTING**

Government Code requires quarterly summary reporting of the investment portfolio, however, on a monthly basis the Board will be provided a report summarizing, by fund, each investment by type, issuer, maturity date, par and dollar amount invested in all securities, their market value, a statement denoting the ability of the Agency to meet its expenditure requirements for the next six months, or provide an explanation as to why the expenditure requirement cannot be met, and monthly statement of compliance of the investment portfolio with the policy and guidelines for investment of Agency funds or the manner in which the portfolio is not in compliance.

VIII. **TRACKING AND EARLY SALE OF SECURITIES**

All securities are to be purchased with the intent of holding them until maturity. However, in an effort to minimize market and credit risks, securities may be sold prior to maturity either at a profit or loss when economic circumstances, trend in short-term interest rates, or a deterioration in credit-worthiness of the issuer warrants a sale of the securities to either enhance overall portfolio yield or to minimize further erosion and loss of investment principal. In measuring a profit or loss. The sale proceeds will be compared to the original book value of the security plus cumulative interest earned on the security from the date of purchase to the date of sale.

IX. **QUALIFIED INSTITUTIONS AND DEALERS**

The Agency shall transact business only with banks, savings and loans, and registered investment securities broker/dealers. The purchase by the Agency of any investment other than those purchased directly from the issuer, will be purchased either from an institution licensed by the State as a broker/dealer, who is a member of the National Association of Securities Dealers, or a member of a federally regulated securities exchange, a national or state chartered bank, a federal or state association, or a brokerage firm designated as a primary government dealer by the Federal Reserve Bank.

Should an investment manager be assigned to manage a portion of the Agency invested funds, such manager shall have full discretion to invest the assigned funds within the guidelines of this policy. The investment manager will provide monthly reports detailing all asset information and performance results and maintain communication with the Agency at as reasonable frequency as market conditions warrant. Major market condition changes will be immediately called to the attention of the Agency. In all cases where an independent investment manager is utilized, no funds will be released until a signed acknowledgment of the managers willingness and commitment to abide by the guidelines of this policy is received by the Agency.

BE IT FURTHER RESOLVED that this investment policy will be periodically reviewed to ensure its compliance with any applicable legislative action and its consistency with the overall objectives of safety, liquidity and investment return as well as financial and economic trends. The foregoing investment policy notwithstanding, the intent and purpose is to ensure that investment of Agency funds is performed within the guidelines of relevant Government Code sections and as may be further limited herein. This policy will be presented to the Board at least annually for its review.

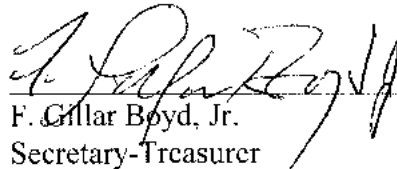
Resolution No. 843 adopted March 19, 2002 establishing investment guidelines is hereby rescinded.

ADOPTED this 16th day of November, 2004.



Ronald E. Starrs
President

ATTEST:


F. Villar Boyd, Jr.
Secretary-Treasurer

DESERT WATER AGENCY

Schedule 1

AUTHORIZED INVESTMENTS		MAX PORTFOLIO %	PURCHASE RESTRICTIONS	MATURITY	CREDIT QUALITY RATINGS (S&P/MOODY'S)
1.	U.S. Treasury notes, bills, bonds or other certificates of indebtedness	NONE	NONE	Max. 5 years	NONE
2.	Notes, bonds, bills certificates issued by agencies of the Federal Government	NONE	NONE	Max. 5 years	NONE
3.	Registered warrants, notes, bonds or other certificates of indebtedness issued by the State or local agencies	NONE	NONE	Max. 7 years	NONE
4.	Obligations issued by Desert Water Agency as set forth in Government Code, Section 53601(a)	NONE	NONE	NONE	NONE
5.	Bankers Acceptance among 100 largest banks by size of deposits	40% maximum	Maximum 30% with any issuer	Max. 270 days	NONE
6.	Commercial paper of U.S. Corp with total assets exceeding \$500 mm	25% <i>maximum</i> *	Max 10% with any issuer	Max. 180 days	"Prime" highest letter or numerical rating
7.	State of California Local Agency Investment Fund	NONE	Set by State Treasurer	Immediate Liquidity	Non-rated
8.	Negotiable CD's issued by National or State chartered banks or a licensed branch of a foreign bank	30% maximum	NONE	Max. 5 years	NONE
9.	Collateralized Certificates of Deposit	\$2,000,000 any one bank	Gov. Code Sec. 53638	Max. 5 years	NONE
10.	Repurchase agreements with 102% collateral	NONE	NONE	Max. 1 year	NONE
11.	Reverse Repurchase Agreements on U.S. Treasury & Fed. Agency Securities in portfolio	NONE	For temporary cash flow needs only	Max. 92 days	NONE
12.	Medium Term Notes of U.S. Corp.	30% maximum	NONE	Max. 5 years	"A" or better
13.	Mutual Funds that invest in eligible securities meeting requirements of California Government Code	20% maximum	Issuer registered with SEC or 10% maximum with any one mutual fund	Immediate Liquidity	Highest letter or numerical rating

* Increased from 15% to 25% in 2001

RESOLUTION NO. 1007

**A RESOLUTION OF THE BOARD OF DIRECTORS OF
THE DESERT WATER AGENCY
AMENDING POLICY AND GUIDELINES FOR
INVESTMENT OF DESERT WATER AGENCY FUNDS**

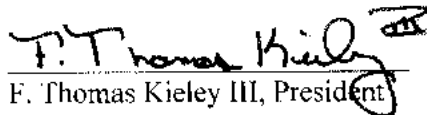
WHEREAS, the Board of Directors has adopted Resolution No. 886 setting forth this Agency Investment Policy and Guidelines as required by law; and

WHEREAS, the Board wishes to amend its Investment Policy with regard to the amounts that may be invested in certificates of deposit, as allowed by law;

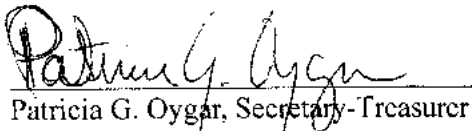
NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of Desert Water Agency that effective April 21, 2009, Schedule 1, Item No. 9 (Collateralized Certificates of Deposit) of Resolution No. 886 be revised to read as follows:

	Authorized Investments	Maximum Portfolio %	Purchase Restrictions	Maturity	Credit Quality Ratings (S&P/Moody's)
9.	Collateralized Certificates of Deposit	\$20,000,000 with one bank	Gov. Code Sec. 53638	Maximum 5 years	NONE

ADOPTED this 7th day of July, 2009.


F. Thomas Kieley III, President
Board of Directors
Desert Water Agency

ATTEST:


Patricia G. Oygar, Secretary-Treasurer
Board of Directors
Desert Water Agency

DESERT WATER AGENCY

Schedule 1

AUTHORIZED INVESTMENTS		MAX PORTFOLIO %	PURCHASE RESTRICTIONS	MATURITY	CREDIT QUALITY RATINGS (S&P/MOODY'S)
1.	U.S. Treasury notes, bills, bonds or other certificates of indebtedness	NONE	NONE	Max. 5 years	NONE
2.	Notes, bonds, bills, certificates issued by agencies of the Federal Government	NONE	NONE	Max. 5 years	NONE
3.	Registered warrants, notes, bonds or other certificates of indebtedness issued by the State or local agencies	NONE	NONE	Max. 7 years	NONE
4.	Obligations issued by Desert Water Agency as set forth in Government Code, Section 53601(a)	NONE	NONE	NONE	NONE
5.	Bankers Acceptance among 100 largest banks by size of deposits	40% maximum	Maximum 30% with any issuer	Max. 270 days	NONE
6.	Commercial paper of U.S. Corp with total assets exceeding \$500 mm	25% maximum	Max 10% with any issuer	Max. 5 years	"Prime" highest letter or numerical rating
7.	State of California Local Agency Investment Fund	NONE	Set by State Treasurer	Immediate Liquidity	Non-rated
8.	Negotiable CD's issued by National or State chartered banks or a licensed branch of a foreign bank	30% maximum	NONE	Max. 5 years	NONE
9.	Collateralized Certificates of Deposit	\$20,000,000 any one bank	Gov. Code Sec. 53638	Max. 5 years	NONE
10.	Repurchase agreements with 102% collateral	NONE	NONE	Max. 1 year	NONE
11.	Reverse Repurchase Agreements on U.S. Treasury & Fed. Agency Securities in portfolio	NONE	For temporary cash flow needs only	Max. 92 days	NONE
12.	Medium Term Notes of U.S. Corp.	30% maximum	NONE	Max. 5 years	"A" or better
13.	Mutual Funds that invest in eligible securities meeting requirements of California Government Code	20% maximum	Issuer registered with SEC or 10% maximum with any one mutual fund	Immediate Liquidity	Highest letter or numerical rating