

DESERT WATER AGENCY

MARCH 20, 2018



BOARD OF DIRECTORS

REGULAR MEETING AGENDA

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

About Desert Water Agency:

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

1. **PLEDGE OF ALLEGIANCE**
2. **APPROVAL OF MINUTES –** March 6, 2018 **CIOFFI**
3. **GENERAL MANAGER'S REPORT** **KRAUSE**
4. **COMMITTEE REPORTS –** Executive – March 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 - FEBRUARY** **BLOOMER**
7. **ITEMS FOR ACTION**
A. Riverside Local Agency Formation Commission Election **KRAUSE**
8. **ITEMS FOR DISCUSSION**
A. February Water Use Reduction Figures **KRAUSE**
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
11. **RECONVENE INTO OPEN SESSION – REPORT FROM CLOSED SESSION**
12. **ADJOURN**

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

2

March 6, 2018

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

DWA Staff:	Mark S. Krause, General Manager)
	Steve Johnson, Asst. General Manager)
	Martin S. Krieger, Finance Director)
	Sylvia Baca, Asst. Secretary of the Board)
	Ashley Metzger, Outreach & Cons. Mgr.)
	John Ruiz, Interim Human Resources Mgr.)

Consultant:	Michael T. Riddell, Best Best & Krieger)
	Robert Reeb, Reeb Government Relations)

Public:	David Freedman, P.S. Sustainability Comm.)
	Andy Sells, ACWA/JPIA)
	Melody McDonald, ACWA/JPIA)
	Kathy Tiegs, ACWA/JPIA)

18047. President Cioffi opened the meeting at 8:00 a.m. and asked everyone to join Director Oygur in the Pledge of Allegiance. **Pledge of Allegiance**

18048. President Cioffi welcomed ACWA/JPIA's Chief Executive Officer, Andy Sells and Executive Committee Member, Melody McDonald and invited them to the podium for their presentation to the Agency. **Presentation-
ACWA/JPIA**

Ms. McDonald congratulated the Agency on its low Expense Modification Factor (EMOD) over the years.

Mr. Sells commended the Board and staff on their efforts; he then presented the Agency with a check for \$115,523.

18049. President Cioffi called for approval of the February 20, 2018 Regular Board meeting minutes.

Approval of 02/20/18
Regular Board Mtg.
Minutes

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

18050. President Cioffi called upon General Manager Krause to provide an update on Agency operations.

General Manager's
Report

Mr. Krause stated as part of Metropolitan Water District's (MWD) annual Colorado River Aqueduct shutdown, the Agency planned to disassemble, inspect and make repairs to the hydroelectric turbine assembly. The Agency selected Turbine Repairs Services (TRS), who will repair any corrosion/wear, overlay the wear surfaces with stainless steel, reshape and machine the turbine assembly to original dimensions and recoat the turbine internal surfaces with a 2 week turn around time on the parts. It is anticipated that reassembly will begin on March 7 lasting 5-6 days. The Agency will be on schedule to have the hydroelectric plant ready to run when MWD restarts deliveries. When completed, the turbine assembly will be better than original and should not require similar maintenance for another 30-40 years.

Whitewater Hydro
Plant

Mr. Krause reported on March 1 at 10:30 a.m., Construction staff responded to a hit fire hydrant on San Rafael Dr., west of north Indian Canyon Dr. Staff replaced the hydrant and put it back into service. The water loss was a fully open 6-inch fire hydrant bury which ran for approximately 60 minutes. A police report was made.

Hit Hydrant

Continuing his report, Mr. Krause stated for several years, the Agency has participated in the Demand Bid Program, utilizing CPower as its provider. In 2017, the Agency participated in the program between May and October. During that period, 10 events were called by SCE requiring the Agency to curtail on average 3,630 kWh per event, which earned the Agency approximately \$129,500 for its commitment to the program.

Demand Bid Program

Mr. Krause noted that the original Snow Creek Hydro Plant Power Purchase agreement with SCE was scheduled to expire in February 2018, therefore in March 2016; the Agency began the process of establishing a new agreement with SCE, to include a new tariff. The new tariff, Renewable Market Adjusting Tariff or ReMat is the same tariff that we are using at Whitewater Hydro. On February 2, 2018 the new 20-year agreement and tariff was executed with SCE. The original tariff paid approximately \$0.04/kWh for power generated. The new ReMat tariff will pay \$0.089/kWh.

Snow Creek ReMat

Mr. Krause announced on February 24, Palm Springs High School students, their art teacher and local artists helped bring the Agency's new art installation to life. Celebration of the garden opening will be on Sunday, March 25 from 1:00 p.m. to 5:00 p.m.

GM Report
(Cont.)
Butterfly Garden

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

18051. President Cioffi noted the minutes for the March 1, 2018 Executive Committee were provided in the Board's packet.

Committee Reports:
Executive 03/01/18

18052. President Cioffi opened the meeting for public input.

Public Input

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

18053. President Cioffi called upon General Manager Krause to present staff's request for Board action regarding a claim for damages filed by Infinity Insurance (Raymundo G. Aguilar).

Item for Action:
Request Board
Action/Claim by
Infinity Insurance

Mr. Krause stated that Infinity Insurance on behalf of Raymundo Gonzalez Aguilar filed a claim on February 26 seeking damages for \$7,687.69. The claim states that an Agency employee rear-ended Mr. Aguilar causing a total loss of his 2006 BMW. Staff requests that the Board deny this claim and instruct Staff to refer it to the ACWA/JPIA claims adjuster for handling.

Director Oyar made a motion to deny the claim for damages filed by Infinity Insurance on behalf of Raymundo Gonzalez Aguilar. After a second by Director Ewing, the motion carried unanimously.

18054. President Cioffi called upon Finance Director Krieger to present staff's request for adoption of Resolution No. 1176 adjusting pass-through charges for sewer service in the City of Cathedral City.

Request Adoption of
Reso. 1176 Adjusting
Pass-Through Charges
for Sewer Service

Mr. Krieger explained the proposed resolution implements new rates and charges for providing sewer service charged by Coachella Valley Water District (CVWD). The sewer rates charged by CVWD are collected by DWA and passed through to CVWD. The monthly sewer service charge (CVWD portion) is decreasing from \$29.58/EDU to \$23.04/EDU. Additionally, CVWD is no longer charging commercial accounts for water consumption (Currently \$1.07/100 cf). Commercial accounts will be charged per EDU only. DWA's monthly service charge (\$5.55/EDU) remains the same. Customers will be provided advance notice of the rate adjustment. Staff recommends adoption of Resolution No. 1176 adjusting pass-through charges for sewer service implemented by CVWD.

Director Oygar made a motion to approve Resolution No. 1176. After a second by Vice President Stuart, the motion carried unanimously.

Action Items:
(Cont.)

Reso. 1176 Adopted

**RESOLUTION NO. 1176
RESOLUTION OF THE BOARD OF DIRECTORS
OF DESERT WATER AGENCY ADJUSTING RATES,
FEES AND CHARGES FOR SEWER SERVICE**

18055. President Cioffi called upon Assistant General Manager Johnson to present staff's request for authorization to call for bids for construction of 2017/2018 replacement pipelines (Via Miraleste, Cottonwood Rd., Chuckwalla Rd., Chaparral Rd., Ramon Rd., Francis Dr., Starr Rd., Racquet Club Rd., Laurel Cir., Sycamore Cir., Desert Willow Cir., Desert Holly Cir.).

Mr. Johnson stated the 2017/18 Capital Improvement budget includes Work Order No. 17-111 for replacement pipelines. The budget amount is \$3,200,000. The budget remaining from the 2016/17 replacement pipelines is \$247,000; with a combined budget amount of \$3,447,000. This includes engineering, construction, inspection and overhead costs. The Engineer's construction cost estimate is \$2,933,000 with an estimated inspection cost of \$213,000 and estimated Agency labor cost of \$205,000. Staff requests moving the 2016/17 remaining budget to the 2017/18 replacement pipelines budget; and authorization to advertise for bids for construction of the 2017/18 replacement pipelines.

Director Ewing made a motion to move the remaining 2016/17 replacement pipelines budget to the 2017/18 budget and authorize for advertisement for bids for the construction of the 2017/18 replacement pipelines. After a second by Secretary-Treasurer Bloomer, the motion carried unanimously.

18056. President Cioffi asked Agency Counsel Riddell to provide a report on the February 15, 2018 meeting of the State Water Contractors, Inc.

Discussion Items:
02/15/18 SWC Mtg.

Mr. Riddell provided a report on the following items: 1) Board action items, 2) Draft budget, 3) Business processes objectives, 4) Water supply, and 5) Other items.

18057. President Cioffi welcomed Mr. Reeb and asked him to discuss his 2017/2018 Legislative Report.

2017/2018 Legislative
Report

Mr. Reeb discussed the following items: AB1668, AB2060, AB2064, SB606, SB623, and SB998.

18058. President Cioffi noted that Board packets included Outreach & Conservation reports for February 2018. Outreach & Conservation – February 2018

Mrs. Metzger announced the Spring facility tour will be held on April 4 and those Board Members wishing to attend, please let her know.

18059. Director Ewing expressed appreciation to Agency staff on their efforts regarding ACWA/JPIA's low liability. **Directors Comments/Requests**

18060. At 9:32 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; (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; and (E) Public Employee Performance Evaluation pursuant to Government Code Section 54957, Title: General Manager. **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
E. Public Employee Performance Evaluation General Manager

18061. Director Ewing left the meeting at 11:00 a.m. **Director Ewing left the meeting**

18062. At 11:49 a.m., President Cioffi reconvened the meeting into open session and announced there was no reportable action. **Reconvene –No Reportable Action**

18063. Regarding Item 11-E, President Cioffi stated a performance evaluation was conducted for General Manager Krause. **Reportable Action**

Director Oygur then made a motion to approve a 4% merit increase to the General Manager's employment agreement. Vice President Stuart seconded the motion, which passed unanimously (Director Ewing absent).

18064. In the absence of any further business, President Cioffi adjourned the meeting at 11:51 a.m. **Adjournment**

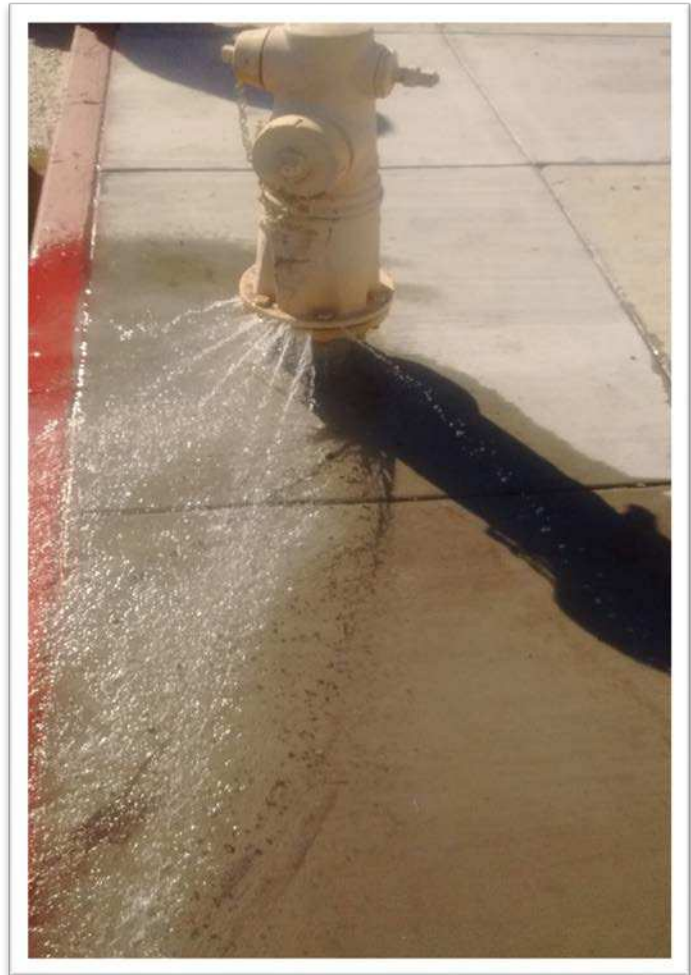
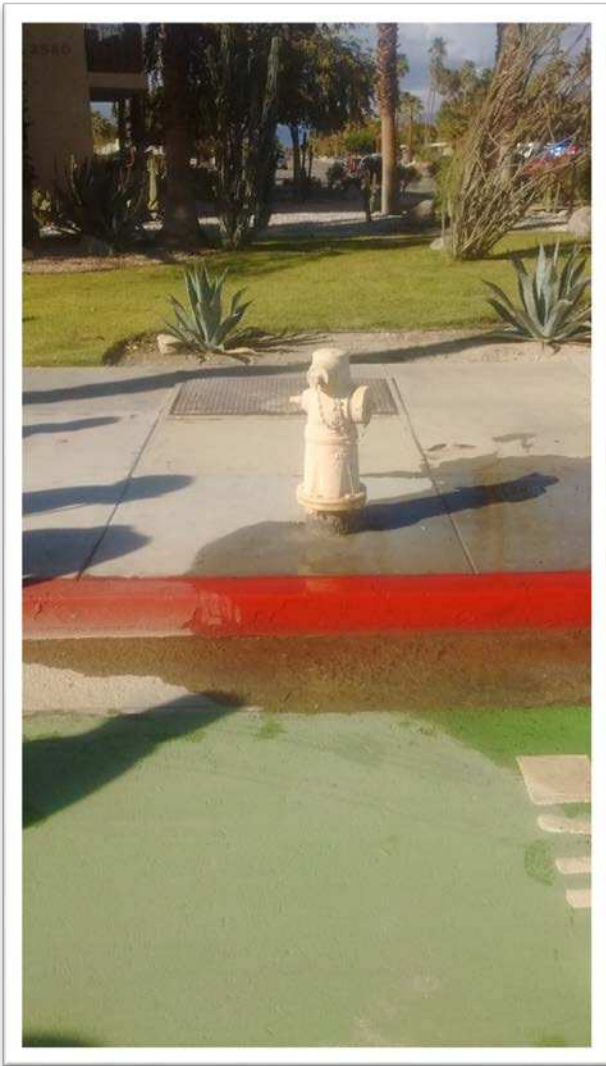
James Cioffi, President

ATTEST:

Kristin Bloomer, Secretary-Treasurer

GENERAL MANAGER'S REPORT MARCH 20, 2018

On March 11 at approximately at 3:50 p.m. Construction staff responded to a hit fire hydrant on the north west corner of Tahquitz Canyon Way and Farrell Drive. The fire hydrant wasn't completely knocked off the flange. The bolts and gasket were replaced and the hydrant was put back in service. The water loss was from a ¼ inch by 3 inch from the flanges which ran for approximately 20 minutes. A police report was made.



On March 15 at approximately 7:45 a.m. staff responded to a hit fire hydrant in front of the Agency Operations Center, employee parking lot entrance. There was damage to the employee entrance sign and stop sign. The hydrant was replaced and put back in service. The water loss was from a fully open 6-inch fire hydrant bury which ran for 5 minutes. The driver was 16 years old and unlicensed. A police report was made.



Hit hydrant
(Cont.)



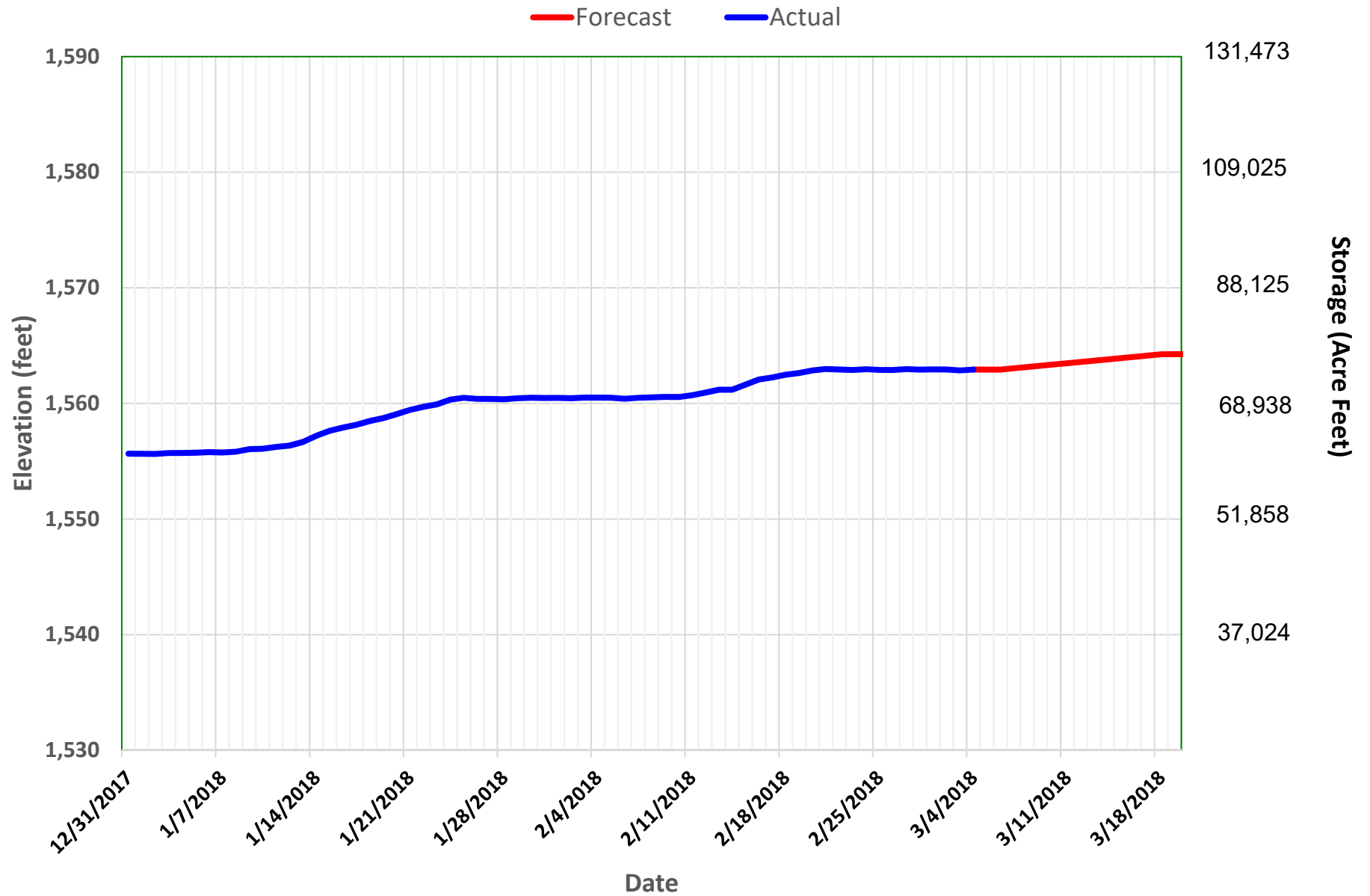
Lake Perris Update

Currently, the storage is 74,347 acre-feet (about elevation 1563 feet). DWR continues to assess the opportunity to increase storage in Lake Perris by ascertaining the availability of water and maximizing the flow in the Santa Ana Pipeline when necessary. (See attached graph)

DWR plans to start increasing storage at approximately 100 cfs until 1568 feet is reached.

- Status: Complete as of March 15, 2017
 - Costs = \$75.54M (award) + \$10.52M (variance) \approx \$86* (*DWR still working through claims, etc)
 - Final Board of Consultants (BOC) meeting on December 12-13, 2017
 - Board of Consultants (BOC) Appointed by the Director of DWR Comprised of a group of experts performs independent review of the dam design Approves design work for construction
 - BOC performed review of the completed construction program
 - BOC concurs with DWR that their efforts have successfully improved the seismic performance of alluvial soil foundation and the reservoir can be refilled to El. 1590.5'
- DSOD gave final approval of the remediation work
Depending on hydrology and dam's performance, the reservoir could be back up to maximum pool by the end of 2018

Lake Perris
(03-05-18 update)





Notice of Operational Change at Lake Perris (dated March 5, 2018)

Prepared by: Tracy Pettit
Water Management Branch
Division of Operations and Maintenance
Department of Water Resources

Dates Applicable: March 5, 2018 – March 18, 2018

Brief Description of Operational Change:

DWR plans to start increasing storage at approximately 100 cfs until 1568 feet is reached. Currently, the storage is 74,347 acre-feet (about elevation 1563 feet). DWR continues to assess the opportunity to increase storage in Lake Perris by ascertaining the availability of water and maximizing the flow in the Santa Ana Pipeline when necessary.

Forecast of Lake Perris Storage (Elevation):

Lake Perris storage is currently slightly below 74,500 acre-feet (about elevation 1563 feet) and will increase to approximately 77,000 acre-feet (elevation 1,564 feet) by March 18.

Potential Impacts:

None at this time.

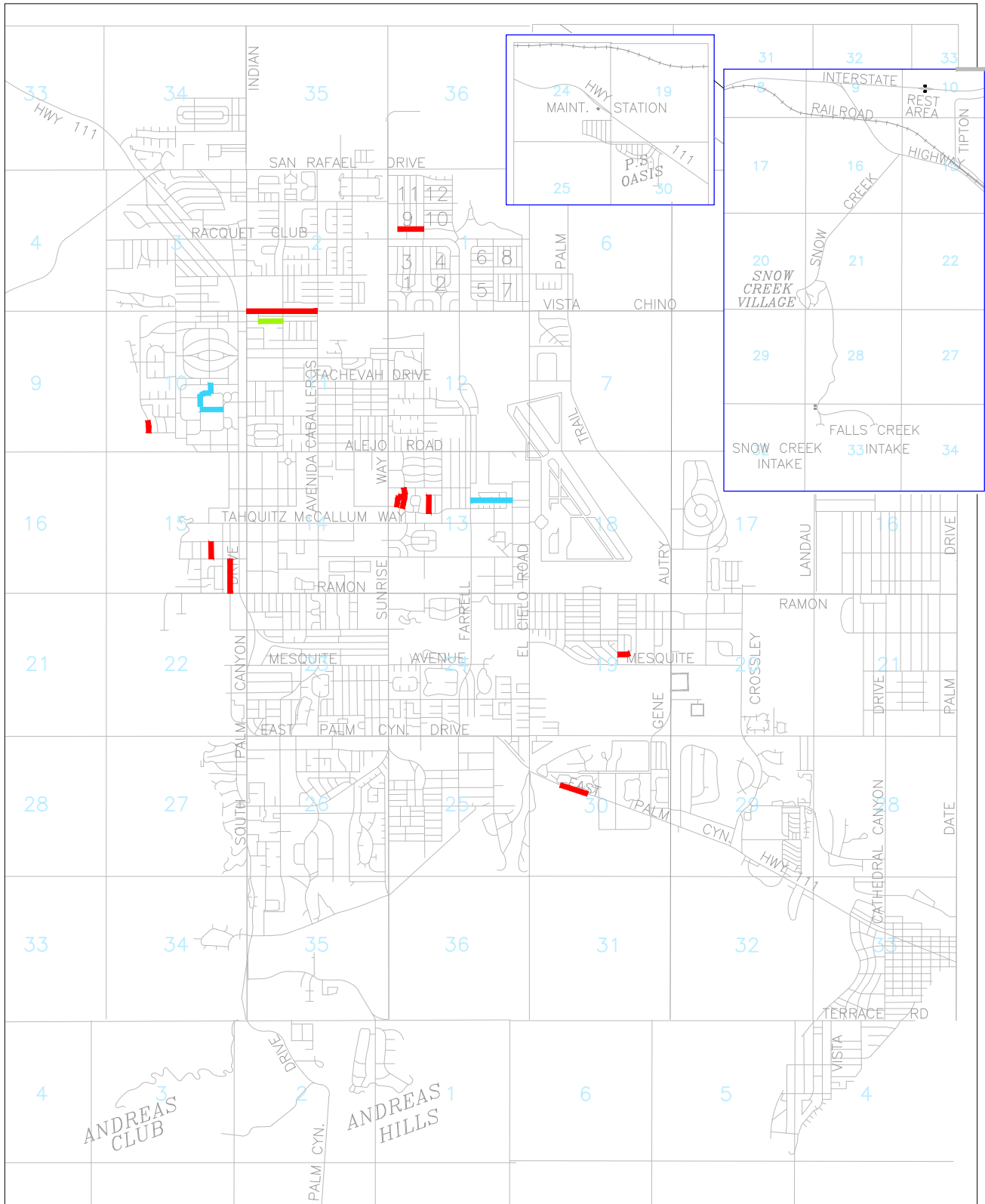
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LLamdin@mwdh2o.com

SYSTEM LEAK DATA		
(PERIOD BEGINNING FEBRUARY 28, 2018 THRU MARCH 13, 2018)		
STREET NAME	QUARTER SECTION	NUMBER OF LEAKS
LIVMOR AVE	4413NE	4
MOUNTAIN VIEW RD	4410SE	2
LUGO RD	4415SE	2
CHUCKWALLA RD	4411NW	1
MISSION RD (5")	4410SE	1
CAHUILLA RD (5")	4410SE	1
DEL LAGO RD	4401NW	1
LURING DR	4413NW	1
MICHELLE RD	4413NW	1
ROSE AVE	4401SW	1
VISTA CHINO (20")	4411NW	1
SATURMINO DR	4413NW	1
E PALM CANYON DR	4530NW	1
BELARDO RD	4415SE	1
PASEO CAROLETA	4519NE	1
TOTAL LEAKS IN SYSTEM:		20

* 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

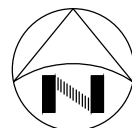
(Period beginning February 28, 2018
thru March 13, 2018)

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
3/18

SCALE
NTS

EXHIBIT
"A"

General Manager's Meetings and Activities:

Meetings:

03/06/18	DWA Bi-Monthly Board Meeting	DWA
03/07/18	SWP Contract Amendment Cal WaterFix	Conf. Call
03/18/18	DWA/CVWD/MWD Contract Negotiations	Riv. BB&K
03/11/18	Monday Staff/I.S./Security Meetings	DWA
03/12/18	DWA Employee Association Benefits Negotiations	DWA
03/13/18	Weekly Conf. Call with Kris Polly	DWA
03/13/18	DWA Executive Committee Meeting	DWA
03/14/18	SWC's Delta Committee Meetings	SAC
03/14/18	SWC's Policy Meeting	SAC
03/15/18	SWC's Monthly Board Meeting	SAC
03/15/18	SWC's Meeting with MWD Cal WaterFix	SAC
03/19/18	Monday Staff/I.S./Security	DWA

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) Repair of Facility Access Roads Damaged in the September 10 Storm (Araby)
- 23) Whitewater Hydro Operations Coordination with Recharge Basin O&M

Activities:
(Cont.)

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

Minutes
Executive Committee Meeting
March 13, 2018

Directors Present: Jim Cioffi, Joe Stuart

Staff Present: Mark Krause, Martin Krieger, Steve Johnson

1. Discussion Items

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

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

B. Expense Reports

The February expense reports were reviewed.

C. Riverside County LAFCO Nominations

The Committee reviewed the request for consideration from Rancho California Water District for Special District Election (Western representative) and Mission Springs Water District's endorsement letter for Redevelopment Agency Oversight Board. This item will be placed on the Board agenda for consideration.

2. Other

A. 2018 Board Conference Schedule

The schedule was revised to include travel dates for the CSDA Legislative Days event May 22 – 23 in Sacramento.

B. CRA Trip Update

The upcoming trip attendee's registration was prioritized.

3. Adjourn

DESERT WATER AGENCY
STATEMENT OF CASH RECEIPTS AND EXPENDITURES

OPERATING ACCOUNT

FEBRUARY 2018

BALANCE	FEBRUARY 1, 2018	(\$526,977.80)	INVESTED RESERVE FUNDS \$21,134,980.90
WATER SALES		\$1,881,839.82	
RECLAMATION SALES		96,699.52	
WASTEWATER RECEIPTS		65,136.20	
POWER SALES		774.61	
METERS, SERVICES, ETC.		203,080.00	
REIMBURSEMENT – GENERAL FUND		120,466.14	
REIMBURSEMENT – WASTEWATER FUND		3,867.57	
ACCOUNTS RECEIVABLE – OTHER		34,408.59	
CUSTOMER DEPOSITS – SURETY		9,810.00	
CUSTOMER DEPOSITS – CONST.		25,000.00	
LEASE REVENUE		3,397.91	
INTEREST RECEIVED ON INV. FDS.		3,500.00	
FRONT FOOTAGE FEES		0.00	
BOND SERVICE & RESERVE FUND INT		0.00	
MISCELLANEOUS		<u>131,699.51</u>	
TOTAL RECEIPTS		\$2,579,679.87	
PAYMENTS			
PAYROLL CHECKS		\$329,322.51	
PAYROLL TAXES		144,597.17	
ELECTRONIC TRANSFERS		115,498.59	
CHECKS UNDER \$10,000.00		278,418.50	
CHECKS OVER \$10,000.00 – SCH. #1		2,803,933.22	
CANCELLED CHECKS AND FEES		<u>38,192.28</u>	
TOTAL PAYMENTS		<u>\$3,709,962.27</u>	
NET INCOME		(\$1,130,282.40)	
BOND SERVICE ACCOUNT			
MONTHLY WATER SALES		\$0.00	
EXCESS RETURNED BY B/A		<u>\$0.00</u>	
BOND SERVICE FUND			\$0.00
INVESTED RESERVE FUNDS			
FUNDS MATURED		\$2,952,000.00	
FUNDS INVESTED – SCH. #3		<u>1,614,000.00</u>	
NET TRANSFER		\$1,338,000.00	(\$1,338,000.00)
BALANCE	FEBRUARY 28, 2018	(\$319,260.20)	\$19,796,980.90

OPERATING ACCOUNT

SCHEDULE #1-CHECKS OVER \$10,000

CHECK #	NAME	DESCRIPTION	AMOUNT
116738	BORDEN EXCAVATING INC	CONTRACT PAYMENT - 2016/17 REPLACEMENT PIPELINES - (W/O #16-160-08)	\$1,717,480.49
116753	J COLON COATINGS INC	CONTRACT PAYMENT - RESERVOIR MAINTENANCE	\$176,424.50
116755	KRIEGER & STEWART INC	ENGINEERING	\$43,637.31
116776	SOUTHERN CALIFORNIA EDISON CO	POWER	\$168,734.92
116789	BEAZER HOMES	CONSTRUCTION DEPOSIT REFUND (W/O #13-810 SERIES)	\$12,815.79
116790	LONGLEY HOSPITALITY LLC	CONSTRUCTION DEPOSIT REFUND (W/O #17-800-F-04)	\$12,361.29
116791	AGUA CALIENTE BAND OF CAHUILLA	CONSTRUCTION DEPOSIT REFUND (W/O #16-813 SERIES)	\$128,998.39
116807	ACWA/JOINT POWERS INS AUTHOR	HEALTH, DENTAL & VISION INSURANCE PREMIUMS - MARCH 2018	\$177,071.06
116815	DESERT WATER AGENCY - WASTEWATER	WASTEWATER REVENUE BILLING FOR JANUARY 2018	\$85,819.89
116825	BADGER METER INC	WATER SERVICE SUPPLIES	\$53,049.37
116827	BEST BEST & KRIEGER LLP	LEGAL FEES	\$76,944.35
116843	DOWN TO EARTH LANDSCAPING	LANDSCAPE MAINTENANCE	\$30,181.34
116860	IEH-BIOVIR LABORATORIES	CRYPTOSPORIDIUM EVALUATIONS - RECLAMATION PLANT	\$10,070.00
116867	KRIEGER & STEWART INC	ENGINEERING	\$34,679.27
116872	MILLIMAN	GASB No.45 OPEB ACTUARIAL VALUATION	\$13,500.00
116885	PROFORMA SOCIAL INC.	COMPUTER PAPER/ENVELOPES/DOOR HANGERS/P.I. SUPPLIES	\$12,029.51
116900	UNITED WATER WORKS INC	WATER SERVICE SUPPLIES	\$25,142.74
116909	Z&L PAVING, INC	PAVING	\$24,993.00
		** TOTAL	\$2,803,933.22

**DESERT WATER AGENCY
OPERATING FUND - LISTING OF INVESTMENTS
FEBRUARY 28, 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	\$ 15,296,980.90	\$ 15,296,980.90	\$ 15,296,980.90	1.430%	-
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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	\$ 983,820.00	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	\$ 988,720.00	2.000%	Quarterly
02-28-17	Union Bank	FHLMC (Callable 5-25-18)	02-25-19	\$ 500,000.00	\$ 500,000.00	\$ 495,700.00	1.400%	Quarterly
09-29-17	Union Bank	FHLMC (Callable 3-29-18)	09-29-20	\$ 500,000.00	\$ 500,000.00	\$ 490,040.00	1.700%	Quarterly
01-29-18	Union Bank	FHLB (Callable 1-29-19)	01-29-21	\$ 500,000.00	\$ 500,000.00	\$ 496,055.00	2.200%	Quarterly
02-08-18	Union Bank	FFCB	05-08-19	\$ 1,000,000.00	\$ 1,000,000.00	\$ 998,480.00	2.000%	Quarterly

Total Government Agency	\$	4,500,000.00	\$	4,500,000.00	\$	4,452,815.00
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Weighted Mean YTM 1.507%

TOTAL INVESTED @ 02/28/18	\$	19,796,980.90	\$	19,796,980.90	\$	19,749,795.90
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BALANCE @ 06/30/17	\$	16,124,074.41
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INCREASE (DECREASE)	\$3,672,906.49
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DESERT WATER AGENCY
STATEMENT OF CASH RECEIPTS AND EXPENDITURES

GENERAL ACCOUNT

FEBRUARY 2018

INVESTED
RESERVE FUNDS
\$127,019,080.98

BALANCE FEBRUARY 1, 2018 (\$2,062,287.86)

* TAXES - RIVERSIDE COUNTY	178,556.95
* INTEREST EARNED - INV. FUNDS	64,365.37
GROUNDWATER REPLEN. ASSESSMENT	271,418.12
REIMBURSEMENT - OPERATING FUND	0.00
REIMBURSEMENT - CVWD MGMT	0.00
STATE WATER PROJECT REFUNDS	0.00
REIMB - CVWD - WHITEWATER HYDRO	0.00
POWER SALES - WHITEWATER	55,930.93
MISCELLANEOUS	815.00

TOTAL RECEIPTS	\$571,086.37
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PAYMENTS

CHECKS UNDER \$10,000.00	12,507.36
CHECKS OVER \$10,000.00 - SCH. #1	1,700,330.65
CANCELLED CHECKS AND FEES	0.00

TOTAL PAYMENTS	<u>\$1,712,838.01</u>
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NET INCOME	(\$1,141,751.64)
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INVESTED RESERVE FUNDS

FUNDS MATURED	5,968,000.00
FUNDS INVESTED – SCH. #2	<u>3,300,000.00</u>

NET TRANSFER	\$2,668,000.00	(\$2,668,000.00)
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BALANCE FEBRUARY 28, 2018	(\$536,039.50)	\$124,351,080.98
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* INCLUSIVE TO DATE

	TAXES	INTEREST
RECEIPTS IN FISCAL YEAR	\$16,121,418.41	\$954,087.45
RECEIPTS IN CALENDAR YEAR	\$9,572,726.88	\$263,593.86

DESERT WATER AGENCY

GENERAL ACCOUNT

SCHEDULE #1-CHECKS OVER \$10,000

CHECK #	NAME	DESCRIPTION	AMOUNT
9005	STATE OF CA. DEPT. OF WATER RESOURCES	STATE WATER PROJECT ENTITLEMENT - NOVEMBER 2017	\$916,432.00
9009	DESERT WATER AGENCY-OPERATING	OPERATING FUND REIMBURSEMENT FOR JANUARY 2018	\$120,466.14
9010	COACHELLA VALLEY WATER DISTRICT	WHITEWATER HYDRO REVENUE - DECEMBER 2017	\$24,305.76
9011	STATE OF CALIFORNIA	STATE WATER PROJECT - FEBRUARY 2018	\$618,068.00
9013	US GEOLOGICAL SURVEY	JOINT FUNDING AGREEMENT QUARTERLY BILLING - (11/01/2017 - 1/31/2018)	\$21,058.75

** TOTAL

\$1,700,330.65

DESERT WATER AGENCY
GENERAL FUND - LISTING OF INVESTMENTS
FEBRUARY 28, 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	\$	40,329,310.98	\$	40,329,310.98	\$	40,329,310.98		1.430%		-
Certificates of Deposit													
10-07-15	Ladenburg Thalmann	Goldman Sachs CD	04-07-18	\$	245,000.00	\$	245,000.00	\$	245,002.45		1.350%		Bullet
04-20-17	RBC Wealth Mgmt	Whitney Bank CD	04-22-19	\$	1,000,000.00	\$	1,000,000.00	\$	996,020.00		1.650%		Bullet
06-14-17	RBC Wealth Mgmt	Capital One N/A CD	06-15-20	\$	250,000.00	\$	250,000.00	\$	247,147.50		1.900%		Bullet
06-14-17	RBC Wealth Mgmt	Capital One Bank USA CD	06-15-20	\$	250,000.00	\$	250,000.00	\$	247,147.50		1.900%		Bullet
06-19-17	RBC Wealth Mgmt	First Priority Bank CD	06-19-20	\$	250,000.00	\$	250,000.00	\$	246,292.50		1.750%		Bullet
06-22-17	Sun Community FCU	Credit Union CD	06-22-18	\$	1,000,000.00	\$	1,000,000.00	\$	1,010,403.61		1.500%		Bullet
Total Certificates of Deposit				\$	2,995,000.00	\$	2,995,000.00	\$	2,992,013.56				
Commercial Paper													
12-16-13	Stifel	General Electric	05-15-18	\$	587,600.00	\$	500,000.00	\$	498,720.00		6.300%		Bullet
04-27-15	Ladenburg Thalmann	Apple Inc.	05-03-18	\$	997,920.00	\$	1,000,000.00	\$	998,220.00		1.000%		Bullet
Total Commercial Paper				\$	1,585,520.00	\$	1,500,000.00	\$	1,496,940.00				
Government Agency													
03-27-13	Ladenburg Thalmann	FNMA (Callable 3-27-18)	03-27-18	\$	1,000,000.00	\$	1,000,000.00	\$	999,240.00		1.050%		Qtrtly
06-13-13	Ladenburg Thalmann	FHLB (Callable 3-13-18)	06-13-18	\$	1,000,000.00	\$	1,000,000.00	\$	998,360.00		1.100%		Qtrtly
10-02-15	Stifel	FHLB (Callable Continuous)	10-02-19	\$	1,000,000.00	\$	1,000,000.00	\$	986,210.00		1.450%		Continuous
10-29-15	Stifel	FHLB (Callable Continuous)	10-29-18	\$	1,000,000.00	\$	1,000,000.00	\$	993,800.00		1.120%		Continuous
11-23-15	Ladenburg Thalmann	FHLMC (Callable 5-23-18)	05-23-18	\$	996,000.00	\$	1,000,000.00	\$	998,560.00		1.000%		Qtrtly
11-25-15	Stifel	FNMA (Callable 5-25-18)	11-25-19	\$	1,000,000.00	\$	1,000,000.00	\$	985,180.00		1.500%		Qtrtly
02-26-16	Ladenburg Thalmann	FNMA (Callable 5-26-18)	02-26-19	\$	1,000,000.00	\$	1,000,000.00	\$	991,230.00		1.250%		Qtrtly
03-23-16	Ladenburg Thalmann	FNMA (Callable 3-23-18)	03-23-20	\$	1,000,000.00	\$	1,000,000.00	\$	982,120.00		1.500%		Qtrtly
03-30-16	Stifel	FNMA STEP (Callable 3-30-18)	03-30-21	\$	1,000,000.00	\$	1,000,000.00	\$	985,580.00		1.500%		Qtrtly
03-30-16	Stifel	FHLMC STEP (Callable 3-30-18)	03-30-21	\$	1,000,000.00	\$	1,000,000.00	\$	988,320.00		1.250%		Qtrtly
04-26-16	Ladenburg Thalmann	FHLB (Callable Continuous)	10-26-20	\$	999,500.00	\$	1,000,000.00	\$	974,800.00		1.550%		Continuous
05-23-16	Stifel	FNMA (Callable 5-23-18)	08-23-19	\$	1,000,000.00	\$	1,000,000.00	\$	981,730.00		1.250%		Qtrtly
05-26-16	Union Bank	FNMA	11-26-19	\$	1,000,000.00	\$	1,000,000.00	\$	983,720.00		1.300%		1 Time
05-31-16	Ladenburg Thalmann	FHLMC (Callable 5-28-18)	08-29-18	\$	1,000,000.00	\$	1,000,000.00	\$	995,840.00		1.020%		Qtrtly
06-01-16	Stifel	FFCB (Callable Continuous)	03-01-19	\$	1,000,000.00	\$	1,000,000.00	\$	987,790.00		1.250%		Continuous
06-13-16	Ladenburg Thalmann	FNMA (Callable 3-13-18)	06-13-19	\$	1,000,000.00	\$	1,000,000.00	\$	990,020.00		1.400%		Qtrtly
06-16-16	Stifel	FFCB (Callable Continuous)	03-16-20	\$	1,000,000.00	\$	1,000,000.00	\$	979,740.00		1.400%		Continuous
06-21-16	Stifel	FHLMC STEP (Callable 3-21-18)	06-21-21	\$	1,000,000.00	\$	1,000,000.00	\$	964,600.00		1.400%		Qtrtly
06-28-16	Ladenburg Thalmann	FNMA (Callable 3-28-18)	06-28-19	\$	1,000,000.00	\$	1,000,000.00	\$	985,830.00		1.200%		Qtrtly
06-30-16	Stifel	FHLMC STEP (Callable 3-30-18)	12-30-19	\$	1,000,000.00	\$	1,000,000.00	\$	990,610.00		1.250%		Qtrtly
07-07-16	Ladenburg Thalmann	FFCB (Callable Continuous)	01-07-19	\$	1,000,000.00	\$	1,000,000.00	\$	990,840.00		1.000%		Continuous
07-11-16	Ladenburg Thalmann	FHLB (Callable Continuous)	10-11-19	\$	1,000,000.00	\$	1,000,000.00	\$	981,470.00		1.125%		Continuous
07-11-16	Ladenburg Thalmann	FHLB (Callable Continuous)	07-11-19	\$	1,000,000.00	\$	1,000,000.00	\$	985,380.00		1.125%		Continuous
07-13-16	Union Bank	FFCB (Callable Continuous)	01-13-20	\$	1,000,000.00	\$	1,000,000.00	\$	979,240.00		1.240%		Continuous
07-26-16	Ladenburg Thalmann	FNMA (Callable 4-26-18)	07-26-19	\$	999,500.00	\$	1,000,000.00	\$	984,730.00		1.125%		Qtrtly
07-27-16	Stifel	FNMA STEP (Callable 4-27-18)	07-27-21	\$	1,000,000.00	\$	1,000,000.00	\$	960,830.00		1.250%		Qtrtly
08-10-16	Ladenburg Thalmann	FHLMC (Callable 5-10-18)	08-10-20	\$	1,000,000.00	\$	1,000,000.00	\$	976,270.00		1.450%		Qtrtly
08-24-16	Ladenburg Thalmann	FHLMC STEP (Callable 5-24-18)	08-24-21	\$	1,000,000.00	\$	1,000,000.00	\$	991,860.00		1.500%		Qtrtly
08-30-16	Stifel	FHLMC STEP (Callable 5-28-18)	08-27-21	\$	1,000,000.00	\$	1,000,000.00	\$	990,360.00		1.500%		Qtrtly
08-30-16	Ladenburg Thalmann	FNMA (Callable 5-27-18)	11-27-19	\$	1,000,000.00	\$	1,000,000.00	\$	977,280.00		1.250%		Qtrtly
09-06-16	Ladenburg Thalmann	FFCB (Callable Continuous)	03-06-19	\$	1,000,000.00	\$	1,000,000.00	\$	987,640.00		1.150%		Continuous
09-20-16	Union Bank	FNMA (Callable 3-20-18)	09-20-19	\$	1,000,000.00	\$	1,000,000.00	\$	983,820.00		1.300%		Qtrtly

**DESERT WATER AGENCY
GENERAL FUND - LISTING OF INVESTMENTS
FEBRUARY 28, 2018**

PURCHASE DATE	NAME	DESCRIPTION	MATURITY DATE	COST	PAR VALUE	MARKET VALUE	YIELD TO MATURITY	CALLABLE STATUS
Government Agency								
09-27-16	Ladenburg Thalmann	FHLMC STEP (Callable 3-27-18)	09-27-19	\$ 1,000,000.00	\$ 1,000,000.00	\$ 995,400.00	1.250%	Qtrtly
09-29-16	Ladenburg Thalmann	FHLMC STEP (Callable 3-29-18)	09-29-21	\$ 950,000.00	\$ 950,000.00	\$ 927,257.00	1.375%	Qtrtly
09-30-16	Ladenburg Thalmann	FNMA (Callable 3-30-18)	09-30-19	\$ 1,000,000.00	\$ 1,000,000.00	\$ 981,660.00	1.250%	Qtrtly
10-06-16	Ladenburg Thalmann	FHLMC (Callable 4-6-18)	07-06-20	\$ 1,000,000.00	\$ 1,000,000.00	\$ 975,890.00	1.375%	Qtrtly
10-11-16	Ladenburg Thalmann	FHLMC (Callable 4-11-18)	10-11-18	\$ 999,750.00	\$ 1,000,000.00	\$ 994,170.00	1.000%	Qtrtly
10-17-16	Stifel	FNMA	04-17-20	\$ 1,000,000.00	\$ 1,000,000.00	\$ 977,460.00	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	\$ 1,470,780.00	1.250%	Qtrtly
10-28-16	Union Bank	FHLMC STEP (Callable 4-28-18)	10-28-21	\$ 1,000,000.00	\$ 1,000,000.00	\$ 988,720.00	2.000%	Qtrtly
11-03-16	Ladenburg Thalmann	FFCB (Callable Continuous)	05-03-21	\$ 999,250.00	\$ 1,000,000.00	\$ 968,230.00	1.490%	Continuous
11-15-16	Stifel	FHLMC STEP (Callable 5-15-18)	11-15-19	\$ 1,000,000.00	\$ 1,000,000.00	\$ 986,600.00	1.000%	Qtrtly
12-14-16	Ladenburg Thalmann	FHLMC (Callable 3-14-18)	12-14-20	\$ 1,000,000.00	\$ 1,000,000.00	\$ 978,310.00	1.750%	Qtrtly
12-29-16	Ladenburg Thalmann	FNMA (Callable 3-29-18)	06-29-20	\$ 1,000,000.00	\$ 1,000,000.00	\$ 984,390.00	1.750%	Qtrtly
12-30-16	Ladenburg Thalmann	FHLMC (Callable 3-30-18)	12-30-19	\$ 998,000.00	\$ 1,000,000.00	\$ 984,750.00	1.500%	Qtrtly
01-27-17	Ladenburg Thalmann	FNMA (Callable 4-27-18)	01-27-20	\$ 1,000,000.00	\$ 1,000,000.00	\$ 987,950.00	1.650%	Qtrtly
01-30-17	Union Bank	FHLB (Callable 4-30-18)	04-30-20	\$ 1,000,000.00	\$ 1,000,000.00	\$ 985,990.00	1.750%	Qtrtly
02-28-17	Union Bank	FHLMC (Callable 5-25-18)	02-25-19	\$ 1,000,000.00	\$ 1,000,000.00	\$ 991,400.00	1.400%	Qtrtly
03-29-17	Stifel	FHLMC STEP (Callable 3-29-18)	03-29-22	\$ 1,000,000.00	\$ 1,000,000.00	\$ 999,570.00	1.300%	Annual
04-20-17	Stifel	FHLMC STEP (Callable 4-20-18)	04-20-20	\$ 1,000,000.00	\$ 1,000,000.00	\$ 995,470.00	1.250%	Qtrtly
04-27-17	Ladenburg Thalmann	FHLMC (Callable 4-27-18)	01-27-21	\$ 1,000,000.00	\$ 1,000,000.00	\$ 986,150.00	2.000%	Qtrtly
06-08-17	Stifel	FHLMC STEP (Callable 3-8-18)	06-08-20	\$ 1,000,000.00	\$ 1,000,000.00	\$ 993,930.00	1.375%	Qtrtly
06-22-17	Ladenburg Thalmann	FHLMC STEP (Callable 3-22-18)	06-22-22	\$ 1,000,000.00	\$ 1,000,000.00	\$ 987,000.00	1.625%	Qtrtly
06-27-17	Union Bank	FHLB (Callable 3-27-18)	09-27-19	\$ 1,000,000.00	\$ 1,000,000.00	\$ 987,460.00	1.500%	Qtrtly
06-29-17	Ladenburg Thalmann	FHLMC (Callable 3-29-18)	09-29-20	\$ 1,000,000.00	\$ 1,000,000.00	\$ 979,320.00	1.750%	Qtrtly
07-11-17	Ladenburg Thalmann	FHLMC (Callable 4-11-18)	01-11-21	\$ 1,000,000.00	\$ 1,000,000.00	\$ 976,330.00	1.800%	Qtrtly
07-26-17	Stifel	FHLMC STEP (Callable 4-26-18)	07-26-22	\$ 1,000,000.00	\$ 1,000,000.00	\$ 989,920.00	1.750%	Qtrtly
07-27-17	Stifel	FHLMC STEP (Callable 4-27-18)	07-27-22	\$ 1,000,000.00	\$ 1,000,000.00	\$ 991,540.00	1.500%	Qtrtly
08-07-17	Ladenburg Thalmann	FFCB (Callable Continuous)	11-23-20	\$ 999,850.00	\$ 1,000,000.00	\$ 979,360.00	1.770%	Continuous
08-09-17	Stifel	FHLB STEP (Callable 5-9-18)	02-09-22	\$ 2,000,000.00	\$ 2,000,000.00	\$ 1,962,400.00	1.750%	Qtrtly
08-10-17	Ladenburg Thalmann	FHLB STEP (Callable 5-10-18)	08-10-22	\$ 1,000,000.00	\$ 1,000,000.00	\$ 992,120.00	1.500%	Qtrtly
09-08-17	Stifel	FHLB STEP (Callable 3-8-18)	09-08-22	\$ 1,000,000.00	\$ 1,000,000.00	\$ 981,160.00	1.750%	Qtrtly
09-28-17	Ladenburg Thalmann	FHLMC STEP (Callable 3-28-18)	09-28-20	\$ 1,000,000.00	\$ 1,000,000.00	\$ 984,840.00	1.375%	Qtrtly
09-29-17	Union Bank	FHLMC (Callable 3-29-18)	09-29-20	\$ 1,000,000.00	\$ 1,000,000.00	\$ 980,080.00	1.700%	Qtrtly
09-29-17	Stifel	FHLMC STEP (Callable 3-29-18)	09-29-22	\$ 1,000,000.00	\$ 1,000,000.00	\$ 980,890.00	1.625%	Qtrtly
10-26-17	Ladenburg Thalmann	FNMA (Callable 4-26-18)	07-26-21	\$ 1,000,000.00	\$ 1,000,000.00	\$ 979,200.00	2.000%	Qtrtly
11-06-17	Ladenburg Thalmann	FFCB (Callable Continuous)	06-06-19	\$ 1,000,000.00	\$ 1,000,000.00	\$ 992,130.00	1.600%	Continuous
11-20-16	Ladenburg Thalmann	FHLMC (Callable 5-20-18)	11-20-20	\$ 1,000,000.00	\$ 1,000,000.00	\$ 986,830.00	2.000%	Qtrtly
12-11-17	Ladenburg Thalmann	FHLB (Callable 6-11-18)	12-11-20	\$ 999,750.00	\$ 1,000,000.00	\$ 984,960.00	2.000%	Qtrtly
12-14-17	Stifel	FFCB (Callable 12-14-18)	12-14-20	\$ 1,000,000.00	\$ 1,000,000.00	\$ 986,570.00	2.060%	Continuous
01-16-18	Ladenburg Thalmann	FHLMC (Callable 4-16-18)	10-16-20	\$ 1,000,000.00	\$ 1,000,000.00	\$ 989,840.00	2.070%	Qtrtly
01-26-18	Ladenburg Thalmann	FHLB (Callable 4-26-18)	01-26-21	\$ 999,650.00	\$ 1,000,000.00	\$ 991,470.00	2.250%	Qtrtly
01-26-18	Stifel	FHLMC (Callable 4-26-18)	01-26-21	\$ 1,000,000.00	\$ 1,000,000.00	\$ 990,530.00	2.220%	Qtrtly
01-29-18	Union Bank	FHLB (Callable 1-29-19)	01-29-21	\$ 1,000,000.00	\$ 1,000,000.00	\$ 992,110.00	2.200%	Qtrtly
01-30-18	Union Bank	FHLB (Callable 1-30-19)	07-30-20	\$ 1,000,000.00	\$ 1,000,000.00	\$ 992,490.00	2.100%	Qtrtly
02-01-18	Stifel	FFCB (Callable 8-1-18)	02-01-21	\$ 1,000,000.00	\$ 1,000,000.00	\$ 995,090.00	2.350%	Qtrtly
02-08-18	Union Bank	FFCB	05-08-19	\$ 1,000,000.00	\$ 1,000,000.00	\$ 998,480.00	2.000%	Qtrtly
02-12-18	Stifel	FHLB (Callable 2-12-19)	02-12-21	\$ 1,000,000.00	\$ 1,000,000.00	\$ 993,060.00	2.300%	Qtrtly
Total Government Agency				\$ 79,441,250.00	\$ 79,450,000.00	\$ 78,332,257.00		
Weighted Mean YTM							1.506%	
TOTAL INVESTED @ 02/28/18				\$ 124,351,080.98	\$ 124,274,310.98	\$ 123,150,521.54		
BALANCE @ 06/30/17				\$ 117,493,032.70				
INCREASE OR (DECREASE)				\$ 6,858,048.28				

BALANCE	FEBRUARY 28, 2018	\$3,007.57	\$1,254,974.41
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DESERT WATER AGENCY

WASTEWATER ACCOUNT

SCHEDULE #1-CHECKS OVER \$10,000

CHECK #	NAME	DESCRIPTION	AMOUNT
2539	COACHELLA VALLEY WATER DISTRICT	SEWER CAPACITY CHARGES	\$16,760.00
2540	COACHELLA VALLEY WATER DISTRICT	WASTEWATER REVENUE BILLING FOR JANUARY 2018	\$49,554.02
** TOTAL			\$66,314.02

**DESERT WATER AGENCY
WASTEWATER FUND - LISTING OF INVESTMENTS
FEBRUARY 28, 2018**

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

06-30-83	State of California	LAIF	Open	\$ 1,254,974.41	\$ 1,254,974.41	\$ 1,254,974.41	1.430%
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TOTAL INVESTED @ 02/28/18	\$ 1,254,974.41	\$ 1,254,974.41	\$ 1,254,974.41
BALANCE @ 06/30/17	\$ 1,142,620.01		
INCREASE OR (DECREASE)	\$ 112,354.40		

DESERT WATER AGENCY - OPERATING FUND
COMPARATIVE EARNINGS STATEMENT

MONTH 17-18 FEBRUARY	/-----THIS MONTH-----/			/-----FISCAL YEAR TO DATE-----/			/---VARIANCE---/		
	THIS YEAR	LAST YEAR	BUDGET	THIS YEAR	LAST YEAR	BUDGET	YTD	PCT	
OPERATING REVENUES									
WATER SALES	1,847,633.26	1,294,554.80	1,517,200.00	19,682,974.97	15,627,455.27	18,233,875.00	1,449,099.97	8	
RECLAMATION SALES	96,071.64	22,140.42	55,800.00	1,006,002.98	946,471.53	924,700.00	81,302.98	9	
POWER SALES	774.61	961.64	2,000.00	20,824.62	15,212.73	16,000.00	4,824.62	30	
OTHER OPER REVENUE	225,207.19	104,040.02	130,700.00	1,628,289.93	804,083.81	1,045,600.00	582,689.93	56	
TOTAL OPER REVENUES	2,169,686.70	1,421,696.88	1,705,700.00	22,338,092.50	17,393,223.34	20,220,175.00	2,117,917.50	10	
OPERATING EXPENSES									
SOURCE OF SUPPLY EXP	17,357.40	25,572.41	36,825.00	2,348,419.35	1,869,400.47	2,209,125.00	139,294.35	6	
PUMPING EXPENSE	72,561.11	168,441.12	253,175.00	1,926,588.87	1,788,306.17	2,165,000.00	238,411.13	11	
REGULATORY WATER TREAT	36,898.06	45,197.78	42,500.00	354,800.70	329,288.09	340,000.00	14,800.70	4	
TRANS & DIST EXPENSE	390,886.14	465,106.68	437,800.00	1,898,112.86	1,870,198.41	3,502,400.00	1,604,287.14	46	
CUSTOMER ACT EXPENSE	86,576.24	78,430.07	80,025.00	600,184.37	625,318.15	641,700.00	41,515.63	6	
ADMIN & GEN EXPENSE	572,413.25	658,822.93	599,375.00	5,951,639.36	6,048,711.51	5,972,975.00	21,335.64	0	
REGULATORY EXPENSE	6,028.48	12,399.90	25,125.00	115,644.04	149,085.35	201,150.00	85,505.96	43	
SNOW CREEK HYDRO EXP	2,431.84	2,646.11	3,350.00	14,085.21	28,762.60	26,800.00	12,714.79	47	
RECLAMATION PLNT EXP	77,354.05	98,580.45	207,800.00	632,076.67	574,254.67	1,662,975.00	1,030,898.33	62	
SUB-TOTAL	1,262,506.57	1,555,197.45	1,685,975.00	13,841,551.43	13,283,325.42	16,722,125.00	2,880,573.57	17	
OTHER OPER EXPENSES									
DEPRECIATION	479,123.24	460,738.63	471,200.00	3,739,533.67	3,717,481.98	3,769,600.00	30,066.33	1	
SERVICES RENDERED	14,623.38	4,279.86	11,250.00	142,388.82	91,056.98	90,000.00	52,388.82	58	
DIR & INDIR CST FOR WO	134,593.64	161,679.04	83,750.00	1,281,406.28	1,379,460.18	670,000.00	611,406.28	91	
TOTAL OPER EXPENSES	1,621,659.55	1,858,536.90	2,084,675.00	16,442,067.64	15,712,404.20	19,911,725.00	3,469,657.36	17	
NET INCOME FROM OPERATIONS	548,027.15	436,840.02	378,975.00	5,896,024.86	1,680,819.14	308,450.00	5,587,574.86	0	
NON-OPERATING INCOME (NET)									
RENTS	3,397.91	3,368.43	3,425.00	59,012.22	58,815.34	59,050.00	37.78	0	
INTEREST REVENUES	22,856.37	10,561.02	10,250.00	151,305.48	78,249.28	82,000.00	69,305.48	85	
OTHER REVENUES	280.00	480.00	.00	496,029.16	1,540.00	.00	496,029.16	0	
GAINS ON RETIREMENT	.00	9,500.00	750.00	14,095.00	9,554.15	4,500.00	9,595.00	213	
DISCOUNTS	.00	45.59	300.00	164.22	935.72	2,400.00	2,235.78	93	
PR. YEAR EXPENSES	.00	300.00	.00	161,598.89	300.00	.00	161,598.89	0	
LOSS ON RETIREMENTS	.00	2,078.48	3,000.00	13,803.41	17,751.13	24,000.00	10,196.59	42	
TOTAL NON-OPER INCOME	26,534.28	21,576.56	11,725.00	868,401.56	131,043.36	123,950.00	744,451.56	601	
TOTAL NET INCOME	574,561.43	415,263.46	367,250.00	6,764,426.42	1,811,862.50	432,400.00	6,332,026.42	0	

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

MARCH 20, 2018

**RE: LOCAL AGENCY FORMATION COMMISSION ELECTION PROCEEDINGS
(BALLOT)**

Attached for the Board's review are the ballot instructions for Regular Special District Member of the Local Agency Formation Commission (Western Riverside County) and Special District Appointee to the Consolidated Countywide Redevelopment Oversight Board. The Regular Special District Member term is for May 7, 2018 thru May 2, 2022 and the Redevelopment Oversight Board is for the term beginning July 1, 2018 with no fixed expiration.

There are three candidates for Regular Special District Member: 1) Angel Garcia (Rancho California Water District), 2) Phil Williams (Elsinore Valley Municipal Water District), and 3) David Hoffman (Beaumont-Cherry Valley Water District). Also attached are endorsement requests from RCWD and EVMWD.

The candidates for the Countywide Redevelopment Oversight Board are: 1) Brian Tisdale (Northwest Mosquito & Vector Control District), 2) Joseph Tessari (Northwest Mosquito & Vector Control District), 3) Phil Williams (Elsinore Valley Municipal Water District), 4) Karen Alexander (Northwest Mosquito & Vector Control District), and 5) Russ Martin (Mission Springs Water District). Also attached are endorsement requests from EVMWD and MSWD.

It is requested that the Board provide direction on the selection for the position of: 1) Regular Special District Member of LAFCO (Western Riverside County, and 2) Special District Member of the Countywide Redevelopment Oversight Board.

As presiding officer, President Cioffi is authorized to cast a ballot. Ballots must be received by LAFCO by 5:00 p.m., Monday, April 9, 2018.

Board of Directors

Harvey R. Ryan, President
Andy Morris, Vice President
Phil Williams, Treasurer
George Cambero, Director
Nancy Horton, Director



Elsinore Valley Municipal Water District

Our Mission...

EVMWD will provide reliable, cost-effective, high quality water and wastewater services
that are dedicated to the people we serve.

General Manager

John D. Vega

District Secretary

Terese Quintanar

Legal Counsel

Best Best & Krieger

March 14, 2018

RE: REQUEST FOR SUPPORT OF ELECTION OF PHIL WILLIAMS TO THE RIVERSIDE
COUNTY LOCAL AGENCY FORMATION COMMISSION AND COUNTYWIDE
REDEVELOPMENT OVERSIGHT BOARD

Dear Agency Representatives and Officers:

It is our pleasure to announce that Elsinore Valley Municipal Water District's (EVMWD) Board Member Phil Williams wishes to continue to serve as the special district western Riverside County representative to the Riverside Local Agency Formation Commission (LAFCO) and the Countywide Redevelopment Oversight Board.

Director Phil Williams has been serving as a Board Member of EVMWD for 17 years and as a member of the LAFCO Commission for 15 years. He has also served as a member of the City of Lake Elsinore's Redevelopment Oversight Board since its inception, in July of 2012. In addition to numerous other regional benefit affiliations and positions held over the years, he was born and raised in Lake Elsinore and has over 43 years of property sales and historical knowledge of Lake Elsinore and its surrounding areas.

Phil Williams is uniquely qualified and will continue to be a fair and objective representative for all special districts in Riverside County on the LAFCO and Countywide Oversight Board. EVMWD's Board of Directors and staff enthusiastically supports and endorses Phil Williams' nomination and election to these positions.

On behalf of EVMWD's Board of Directors, I ask for your agency's support of Phil Williams' election and continued efforts to carry out the mission of both LAFCO and the Oversight Board, to help implement State policy of encouraging orderly growth and development.

Thank you,

A handwritten signature in black ink, appearing to read 'Harvey R. Ryan', is written over a light blue horizontal line.

Harvey R. Ryan
EVMWD Board President

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66575 Second Street, Desert Hot Springs, CA 92240 • www.mswd.org • p 760.329.6448 • f 760.329.2482

**Appoint Russ Martin for
Riverside County RDA Oversight Board**

RECEIVED

MAR 08 2018

DESERT WATER AGENCY
MANAGEMENT

Dear Special Districts:

Russ Martin has been on the Board of Directors at Mission Springs Water District since June of 2010. During his time on the Board he has been President three times over and is the current Vice-President. He has also served as a Chair of the Executive Committee and a member of the Engineering Committee and Human Relations Committee. Russ Martin has also been a Board Member and President of the Desert Hot Springs RDA Successor Agency Oversight Board since its conception six years ago.

During this time he has proven to be a thoughtful candidate who's taken his role in this capacity seriously. His institutional knowledge and background has been instrumental in ensuring the best course of action is taken with respect to the RDA Oversight Board.

Please accept this letter as my endorsement of Mr. Russ Martin. Russ is the right choice for Riverside County!

Sincerely,

Arden Wallum
General Manager





**Rancho
Water**

March 8, 2018

Mark Krause
Desert Water Agency
P.O. Box 1710
Palm Springs, CA 92263

**RE: CONSIDERATION OF RANCHO CALIFORNIA WATER DISTRICT
DIRECTOR ANGEL GARCIA FOR RIVERSIDE COUNTY LAFCO
SPECIAL DISTRICT ELECTION – WESTERN REPRESENTATIVE**

Board of Directors

Ben R. Drake
President

Bill J. Wilson
Senior Vice President

Carol Lee Brady

Angel Garcia

Lisa D. Herman

Danny J. Martin

William E. Plummer

Officers

Jeffrey D. Armstrong
General Manager

Eva Plajzer, P.E.
Assistant General Manager
Engineering and Operations

Richard R. Aragon, CPFO
Assistant General Manager
Chief Financial Officer/Treasurer

Jason A. Martin
Director of Administration

Eileen Dienzo
Director of Human Resources

Andrew L. Webster, P.E.
Chief Engineer

Kelli E. Garcia
District Secretary

James B. Gilpin
Best Best & Krieger LLP
General Counsel

Dear Mark Krause:

I am writing to encourage you to cast your vote for Angel Garcia for Riverside LAFCO Special District Western representative.

Angel is one of our newest members on the Rancho California Water District Board of Directors; he serves on the Finance & Audit Committee, Planning & Administration Committee, Ad-Hoc Technology Committee, and jointly as Board representative to the County of Riverside and City of Temecula.

Angel is a product of public education and Palomar College; he graduated at 19 years old from UC Riverside, where he was taught the intricacies of local government from Past League of Cities President and Retired Riverside Mayor Ron Loveridge.

Angel has served as a Legislative intern for a State Legislature and US Representatives, where he conducted legislative research and handled constituent inquiries. His professional background has been in Strategic Communications, Public Affairs, and Non-profits.

As a pillar of the community, Angel has been an advocate for transparency in government and effective delivery of services. He believes in preserving special districts local control and will be fair, impartial, and accessible. Angel has our full Board's support and I have no doubt he will serve our County well. Thank you for your support.

Regards,

RANCHO CALIFORNIA WATER DISTRICT

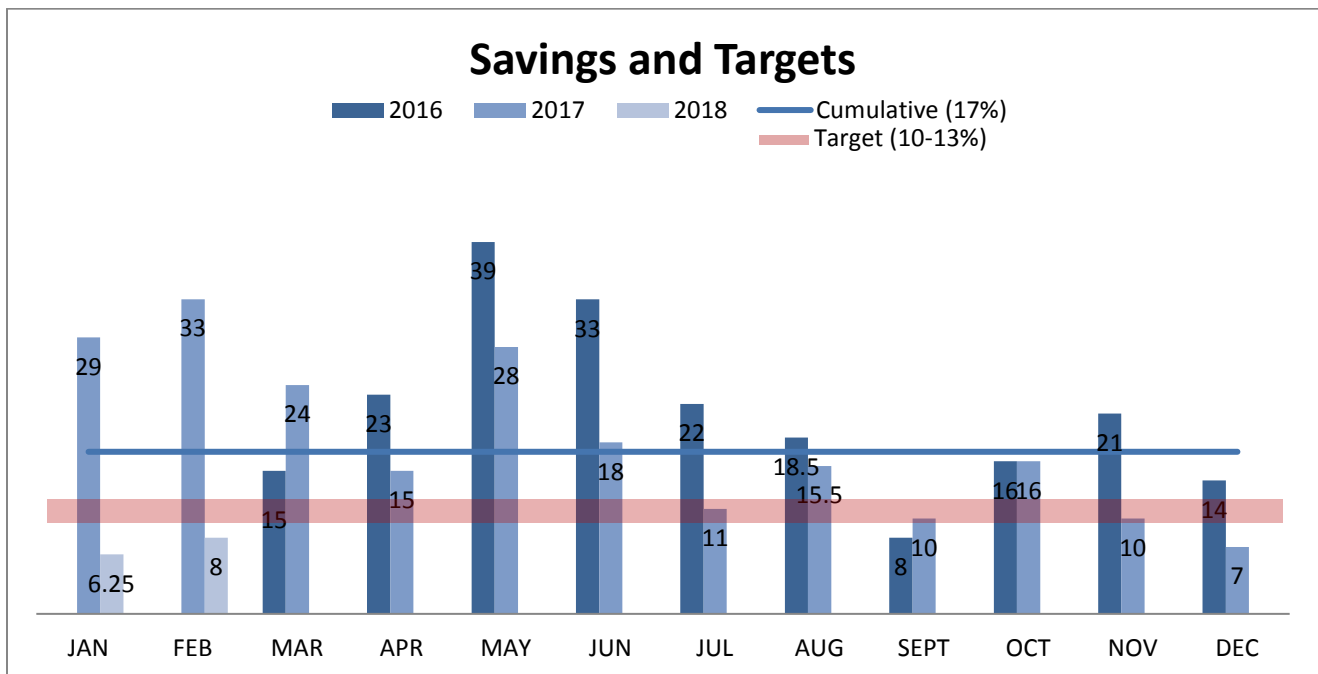
Jeff Armstrong
General Manager

STAFF REPORT TO DESERT WATER AGENCY BOARD OF DIRECTORS

MARCH 20, 2018

RE: FEBRUARY 2018 WATER USE REDUCTION FIGURES

Desert Water Agency and its customers achieved an 8% percent reduction in potable water production during February 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 February is far below the drought surcharge trigger (we are 20.45% 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 17%.

On the following page is additional information for this month.

February 2018 water production	1,751.34 AF
February 2013 water production	1,901.69 AF
Percent changed in this month per drought surcharge baseline (February 2016)	10.45% increase
Quantity of potable water delivered for all commercial, industrial, and institutional users for the reporting month	633.27 AF
The percentage of the Total Monthly Potable Water Production going to residential use only for the reporting month	63.84%
Population (inclusive of seasonal residents)	106,550
Estimated R-GPCD	122.12
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?	8
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?	5
How many penalties were issued for water waste or for a violation of conservation rules?	0
<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 February was 649,841 acre feet. Additionally, since it began recycling water Desert Water Agency has reclaimed 94,926 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>	