



**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. **NEW EMPLOYEE INTRODUCTIONS** KRAUSE
3. **APPROVAL OF MINUTES – September 18, 2018** CIOFFI
4. **GENERAL MANAGER'S REPORT** KRAUSE
5. **COMMITTEE REPORTS - A. Executive – September 25, 2018** CIOFFI
6. **PUBLIC COMMENT:**  
Members of the public may comment on any item not listed on the agenda, but within the jurisdiction of the Agency. In addition, members of the public may speak on any item listed on the agenda as that item comes up for consideration. Speakers are requested to keep their comments to no more than three (3) minutes. As provided in the Brown Act, the Board is prohibited from acting on items not listed on the agenda.
7. **SECRETARY-TREASURER'S REPORT – AUGUST** BLOOMER
8. **ITEMS FOR DISCUSSION**
  - A. State Water Contractor's Meeting – September 12, 2018 RIDDELL
  - B. Director's Report on CSDA Conference BLOOMER, CIOFFI, STUART
9. **OUTREACH & CONSERVATION** METZGER
  - A. Media Information
  - B. Activities
10. **DIRECTORS COMMENTS AND REQUESTS**
11. **CLOSED SESSION**
  - A. **CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION**  
Pursuant to Government Code Section 54956.9 (d) (1)  
Name of Case: Agua Caliente Band of Cahuilla Indians vs. Coachella Valley Water District, et al
  - B. **CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION**  
Pursuant to Government Code Section 54956.9 (d) (1)  
Name of Case: Agua Caliente Band of Cahuilla Indians vs. County of Riverside, et al
  - C. **CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION**  
Pursuant to Government Code Section 54956.9 (d) (1)  
Name of Case: Mission Springs Water District vs. Desert Water Agency
  - D. **CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION**  
Pursuant to Government Code Section 54956.9 (d) (1)  
Name of Case: Albrecht et al vs. County of Riverside
  - E. **CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION**  
Pursuant to Government Code Section 54956.9 (d) (1)  
Name of Case: Abbey et al vs. County of Riverside
  - F. **CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION**  
Pursuant to Government Code Section 54956.9 (d) (1)  
Name of Case: Safari Park, Inc. vs. Southridge Property Owners Assoc. of Palm Springs, et al

**G. CONFERENCE WITH REAL PROPERTY NEGOTIATORS**

Pursuant to Government Code Section 54956.8

Property: Conveyance of Easement APN No. 508-053-005 to Desert Water Agency

Agency Negotiators: Mark S. Krause, General Manager and Steven L. Johnson, Asst. General Manager

Negotiating Parties: DWA and Agua Caliente Band of Cahuilla Indians

Under Negotiation: Terms

**12. RECONVENE INTO OPEN SESSION – REPORT FROM CLOSED SESSION**

**13. ADJOURN**

Desert Water Agency  
REGULAR BOARD MEETING  
October 2, 2018

The following employees are scheduled to attend and be introduced to the Board of Directors at the October 2, 2018 Board Meeting:

Name	Date Employed	Classification/Department
Kevin Raust	March 12, 2018	Equipment Operator/Construction
Eduardo Calderon	March 13, 2018	Equipment Operator/Construction
Ian Morales	April 6, 2018	Water Service Worker I/Construction

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

**3**

**September 18, 2018**

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

Absent: 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. )  
Esther Saenz, Accounting Supervisor )

Consultant: Michael T. Riddell, Best Best & Krieger )  
David Freedman, PS Sustainability Comm. )  
Donna Poyuzina, Desert Hot Springs resident )  
Greta Carter, Desert Hot Springs resident )  
Estela Rojas, Desert Hot Springs resident )

18212. President Cioffi opened the meeting at 8:00 a.m. and asked everyone to join him in the Pledge of Allegiance. **Pledge of Allegiance**

18213. President Cioffi called for approval of the August 21, 2018 Regular Board meeting minutes. **Approval of 08/21/18 Regular Board Mtg. Minutes**

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

18214. President Cioffi called upon General Manager Krause to provide an update on Agency operations. **General Manager's Report**

Mr. Krause stated on August 21 at approximately 4:00 p.m., Construction staff responded to a hit fire hydrant on Hermosa Drive. They were able to change the bolts and gasket and put it back in service. The water loss was from a fully open 6-inch fire hydrant bury which ran for approximately 20 minutes. A police report was filed. **Hit Fire Hydrant - Hermosa Drive**

**GM Report  
(Cont.)**Hit Fire Hydrant – Ave.  
Lalo Guerrero

Mr. Krause stated on August 24 at approximately 9:00 p.m., Construction staff responded to a hit fire hydrant on Ave. Lalo Guerrero. They were able to replace the gasket and bolts and put it back in service. The water loss was from a fully open hydrant bury which ran for approximately 25 minutes. An incident report was filed.

Hit Air Vac – Barona  
Rd.

Mr. Krause stated on September 4 at approximately 6:45 a.m., Construction staff responded to a hit air vac at the south end of Barona Rd. The air vac is on reclaimed water and was placed out of service for repairs. The water loss was from a one-inch opening, which ran for approximately 45 minutes. A police report was filed.

2015 Urban Water  
Management Plan

Continuing with his report, Mr. Krause explained that the Department of Water Resources (DWR) is still reviewing the Agency's 2015 UWMP and have identified portions of the plan requiring additional updates. The primary change revolves around the Agency's population served. DWR did not accept the methodology for determining population, which included seasonal resident's estimation. The changes will affect several tables with the UWMP and will require the Agency to reassess its 20 by 2020 (SBx7-7) progress. It will also impact the gallons per capita per day figures. Once the updates are complete, staff will bring the revised plan, technical memo and summary changes to the Board of Directors for a public hearing and adoption. This is anticipated to be completed by the end of this year.

Palm Springs Library

Mr. Krause noted on National Read a Book Day (September 6), a display of water themed books were available at the Palm Springs Public Library. The Agency also provided bookmarks, reusable water bottles and brochures to the library for distribution.

Whitewater  
Hydroelectric Plant

Mr. Krause stated as part of routine maintenance, it was determined that the relays which control/protect the hydro plant needed to be replaced. The plant was shut down for the new installation on August 27 and completed on September 6. The final project cost was \$143,000.

Whitewater Hydro and  
SWP Delivery Update

Mr. Krause stated for the month of August, the Whitewater Hydro plant generated approximately 489,670 kWh, resulting in a SCE settlement amount of \$45,306. As of the end of July, MWD has delivered approximately 64,970 acre-feet to the Whitewater Spreading Basin and 383 acre-feet to the Mission Creek Spreading Basin. MWD will complete a meter repair by the end of September. Once complete, approximately 1,660 acre-feet will be delivered to the Mission Creek Spreading Basin. Approximately 53,000 acre-feet is still scheduled to be delivered to Whitewater Spreading Basin by the end of the year.

Lincoln Avenue  
Manhole Replacement

Mr. Krause announced that during routine sewer maintenance, it was discovered that the manhole at the intersection of Lincoln Ave. and Taft in the Tramview Mobile Home Park was deteriorating due to corrosive sewer gases. The replacement manhole is made out of polymer resin. The

Agency budgeted \$81,500. The total project cost was \$72,000. The design was done in-house by Engineering staff and the project completed on August 16.

**GM Report**  
(Cont.)  
Lincoln Manhole  
Replacement

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

18215. President Cioffi noted the minutes for the August 29 and September 13, 2018 Executive Committee were provided in the Board's packet.

**Committee Reports:**  
Executive 08/29/18 &  
09/13/18

President Cioffi noted the minutes for the September 5, 2018 Conservation & Public Affairs Committee were provided in the Board's packet.

Conserv. & Public  
Affairs 09/05/18

18216. President Cioffi opened the meeting for public comment.

**Public Comment**

Donna Poyuzina, Greta Carter and Estela Rojas, Desert Hot Springs residents expressed concern that Mission Springs Water District found it necessary to sue DWA in order to compel the Agency to begin replenishing the Mission Creek Subbasin and that the Agency is trying to take their water and their water rights.

Donna Poyuzina  
Greta Carter  
Estela Rojas

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

18217. President Cioffi asked Assistant General Manager Johnson to present staff's request to continue participation in the USGS Cooperative Water Resources program.

**Action Item:**  
Request Auth. to  
Participate in 2018/19  
USGS Program

Mr. Johnson explained as in past years, the Agency along with Coachella Valley Water District, Riverside County Flood Control and Water Conservation District (Agencies) and USGS will share the costs for the operation and maintenance of stream gauging, as well as ground and surface water quality program. The cost share ratio remains at 60/40 between the Agencies and USGS, with USGS paying 40 percent.

Mr. Johnson noted there is a 4.5% increase over last year. Staff wishes to continue participation in the program, thereby, requesting approval of the Agency's participation in the 2018-19 program in the amount of \$88,090.

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

18218. President Cioffi called upon Secretary-Treasurer Bloomer to provide an overview of financial activities for the month of July 2018.

Secretary-Treasurer Bloomer reported that the Operating Fund received \$3,010,435 in Water Sales Revenue, \$186,978 in Reclamation Sales Revenue and \$75,092 in Work Order Deposits. \$4,977,049 was paid out in Accounts Payable. There were 22,616 active services as of July 31, 2018, compared to 22,613 as of June 30, 2018.

Operating Fund

Reporting on the General Fund, Ms. Bloomer stated that \$441,000 was received in Property Tax Revenue, \$328,302 in Groundwater Assessments from private pumpers, and \$370,407 from CVWD for the 2017 Water Management Agreement. \$3,065,300 was paid out in State Water Project charges.

General Fund

Reporting on the Wastewater Fund, Ms. Bloomer stated that \$7,979 was received in Sewer Capacity Charges. There are a total of 44 sewer contracts, with total delinquents of 13 (30%). \$76,228 was paid out in Accounts Payable.

Wastewater Fund

18219. President Cioffi asked Outreach & Conservation Manager Metzger to provide a report on the August water use reduction figures.

Discussion Items:  
August Water Use  
Figures

Mrs. Metzger reported that the Agency and its customers achieved a 17% reduction in potable water production during August 2018 compared to August 2013. The cumulative savings over the last twelve-month period is 14.1%.

18220. President Cioffi noted that Board packets included Outreach & Conservation reports for August.

Outreach &  
Conservation - August

Mrs. Metzger announced the following upcoming events: 1) October 2, National Nite Out - Palm Springs Police Department, 2) October 5, Mizell Senior Expo; and 3) October 10, MSWD Solar Event.

Upcoming Events

18221. Secretary-Treasurer Bloomer requested additional water filling stations be placed at Palm Springs High School.

Directors  
Comments/Requests

Agency Counsel Riddell expressed concern over false allegations made by today's speakers during Public Comment. Mr. Riddell stated that DWA was delivering imported water to the Mission Creek Subbasin when Mission Springs Water District sued the Agency to stop those deliveries. He added that DWA has not taken any water or water rights from Desert Hot Springs residents, and he expressed concern about a misinformation campaign in Desert Hot Springs involving statements that simply are not true.

Agency Counsel  
Comments

Director Oygar, Vice President Stuart and President Cioffi also expressed their concern over the circulation of misinformation.

18222. 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, (D) Existing Litigation, pursuant to Government Code Section 54959.9 (d) (1), Albrecht et al vs. County of Riverside; (E) Existing Litigation, pursuant to Government Code Section 54959.9 (d) (1), Abbey et al vs. County of Riverside; and (F) Existing Litigation, pursuant to Government Code Section 54956.9 (d) (1), Safari Park, Inc. vs. Southridge Property Owners Association of Palm Springs, et al.

**Closed Session:**

- A. Existing Litigation – ACBCI vs. CVWD, et al.
- B. Existing Litigation – ACBCI vs. Riverside County
- C. Existing Litigation – MSWD vs. DWA
- D. Existing Litigation – Albrecht et al vs. Riverside County
- E. Existing Litigation – Abbey et al vs. Riverside County
- F. Existing Litigation – Safari Park, Inc. vs. Southridge Property Owners Assoc. of Palm Springs, et al

18223. At 10:41 a.m., President Cioffi reconvened the meeting into open session and announced there was no reportable action.

**Reconvene – No  
Reportable Action**

18224. In the absence of any further business, President Cioffi adjourned the meeting at 10:42 a.m.

**Adjournment**

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

ATTEST:

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



## **GENERAL MANAGER'S REPORT OCTOBER 2, 2018**

### Surface Water Filtration Avoidance Inspection Update

Each year, the State Water Resources Control Board, Division of Drinking Water (Division), conducts an annual site inspection of the Agency's surface water facilities and source intakes, to include water quality data analysis from the surface water sources.

On December 7, 2017, the state representative, along with Operations Engineer David Tate performed the inspection. On September 12, 2018, the Agency received the official inspection report for the December 2017 inspection. The report indicated that the Agency continues to maintain an effective watershed control program for the Chino and Falls Creek watersheds; however, due to illegal activities that continue to occur with the Snow Creek watershed, the Snow Creek water source violated a treatment technique for a seven-month period and therefore no longer meets the criteria for filter avoidance. The Agency will be required to report this treatment technique violation on next year's Consumer Confidence Report. As a result of this determination, the Agency will be required to filter the Snow Creek surface water before distributing to the potable system. Per the current regulations, the Agency will have 18 months to design and construct a filtration system for the Snow Creek surface water.

Staff anticipated that the Division may require filtration and therefore budgeted \$2.3 million for filtration facilities. Agency engineering has been working with Krieger & Stewart on a filter facility design, with the facilities located on the Snow Creek Hydro Plant property. The proposed filtration system will allow the Agency to filter all of the water for the Snow Creek Village service area. Staff anticipates the filtration system will be operational by the end of January 2020.

### Lead Testing at School Sites

In 2017, the State Water Board's Division of Drinking Water required agencies to test water samples from drinking fountains and fixtures for lead all K-12 schools upon a school or district's request. Very few schools requested lead testing through this allowance for voluntary testing.

Due to lack of participation, Assembly Bill 746 (Fletcher) was passed in 2017 and went into effect January 1, 2018. The bill requires public water agencies to test all of the public K-12 schools within its retail water service area before July 1, 2019. For Desert Water Agency (DWA), there are 7 sites that we plan to test.

DWA is starting these tests on October 3 in coordination with the Riverside County Office of Education and Palm Springs Unified School District. We will conclude sampling by the end of the school year. DWA collects a map of each school site and determines 1-5 test locations for that campus. In addition to collecting the samples at the school, our personnel will also pull a sample at the meter to show the levels of lead in the water prior to the school's private plumbing system.

There is a stringent, unique sampling process that DWA operations technicians will administer. The samples will be sent to a lab that the Agency contracts with in the Riverside area. DWA will be required to share the test results with the district after receiving them from the lab. If water samples contained more than 15 parts per billion of lead, additional sampling may be needed. It is the district's responsibility to communicate any violations to the parents though DWA would work closely with them to do so.

### Whitewater Hydro and SWP Delivery Update

For the month of September, the Whitewater Hydro plant generated approximately 357,000 kWh, resulting in a SCE settlement amount of approximately \$33,000.

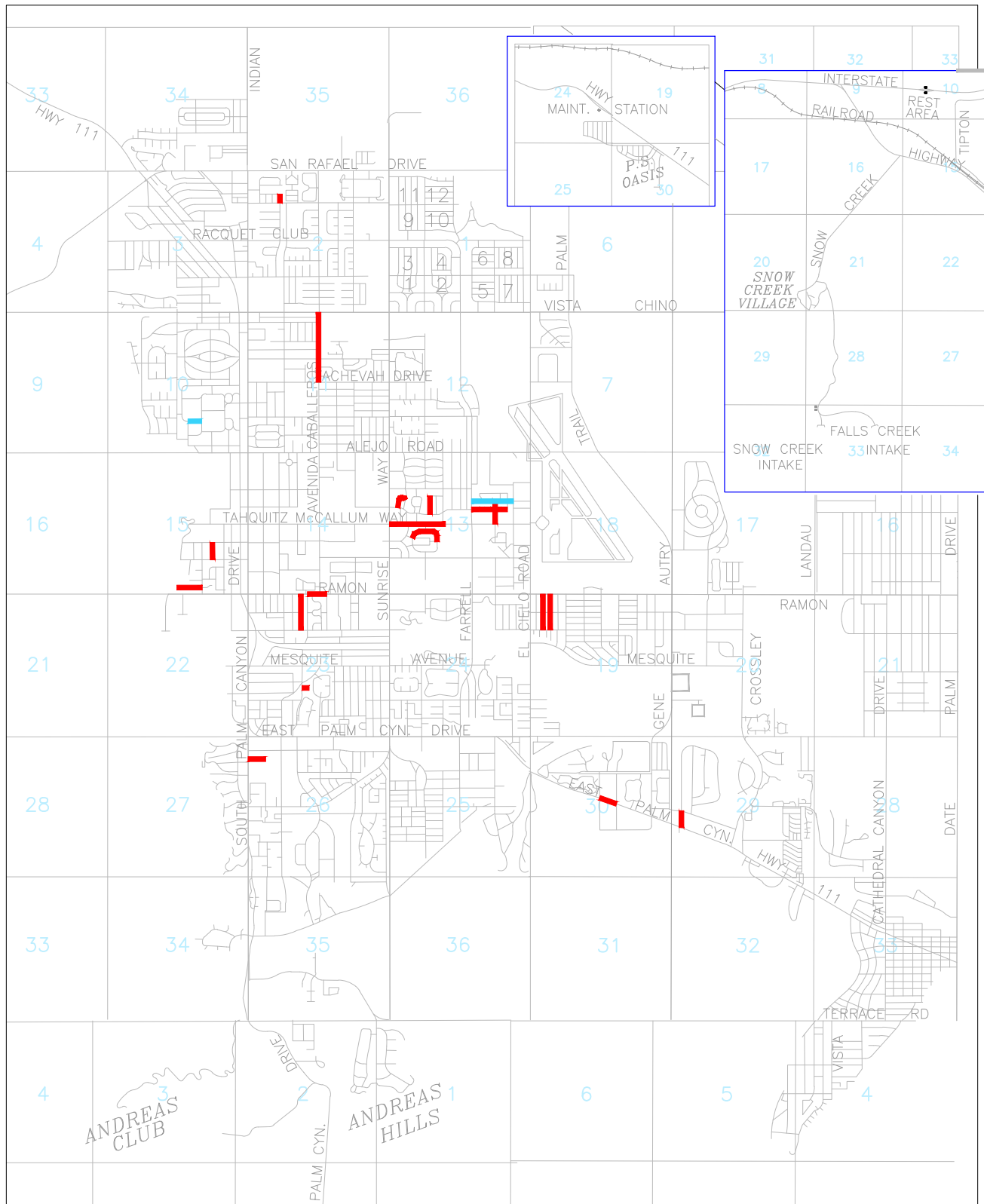
As of the end of August, MWD has delivered approximately 104,275 AC-FT to the Whitewater Spreading Basins, and 383 AC-FT to the Mission Creek Spreading Basins.

MWD completed their meter repair work for the Mission Creek Spreading Basin outlet in mid-September and began delivery water to the Mission Creek Spreading Basin on September 26. They will deliver at a rate of 25 CFS for approximately 30 days, with a total delivery amount of approximately 1,660 AC-FT.

On October 1, MWD will stop their water deliveries to the Whitewater Spreading Basin. It is anticipated that water deliveries to the basin will not resume for the rest of 2018.

SYSTEM LEAK DATA					
(PERIOD BEGINNING SEPTEMBER 12, 2018 THRU SEPTEMBER 25, 2018)					
STREET NAME	NUMBER OF LEAKS	PIPE DIAMETER (INCHES)	YEAR INSTALLED	PIPE MATERIAL	PIPE CONSTRUCTION
LIVMOR AVE	3	4	1955	STEEL	BARE/UNLINED
LOUELLA RD	3	6	1955	STEEL	BARE/UNLINED
AVENIDA CABALLEROS	3	20	1949	STEEL	BARE/UNLINED
ANDREAS RD	2	6	1958	STEEL	BARE/UNLINED
MICHELLE RD	2	4	1956	STEEL	BARE/UNLINED
CANYON PL	1	4	1939	STEEL	BARE/UNLINED
HIGHLAND DR	1	4	1946	STEEL	BARE/UNLINED
BROADMOOR DR	1	10	1958	STEEL	BARE/UNLINED
LURING DR	1	4	1946	STEEL	BARE/UNLINED
BILTMORE PL	1	4	1955	STEEL	BARE/UNLINED
VISTA ORO	1	4	1958	STEEL	BARE/UNLINED
LUGO RD	1	6	1954	STEEL	BARE/UNLINED
RAMON RD	1	6	1955	STEEL	BARE/UNLINED
PASEO ROSETA	1	4	1946	STEEL	BARE/UNLINED
TAHQUITZ CANYON WY	1	8	1946	STEEL	BARE/UNLINED
CANYON ROCK RD	1	4	1956	STEEL	BARE/UNLINED
E PALM CANYON DR	1	6	1955	STEEL	BARE/UNLINED
W LINDA VISTA RD	1	4	1951	STEEL	BARE/UNLINED
DESERT WY	1	4	1946	STEEL	BARE/UNLINED
TOTAL LEAKS IN SYSTEM:		27			

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



## SYSTEM LEAKS

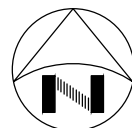
(Period beginning September 12, 2018  
thru September 25, 2018)

DESERT WATER AGENCY  
PALM SPRINGS, CALIFORNIA

### LEGEND

- LEAK(S) RECORDED
- LEAK(S) RECORDED;  
INCLUDED IN PROPOSED  
LIST OF STREETS FOR  
2018/2019  
REPLACEMENT PIPELINES

DWG. BY  
SR



DATE  
9/18

SCALE  
NTS

EXHIBIT  
"A"

## General Manager's Meetings and Activities

### Meetings:

09/19/18	DWA Performance Review Changes	DWA
09/21/18	Sites Reservoir Committee	Maxwell
09/24/18	Staff/I.S./Security	DWA
09/25/18	Building Access Security Protocols	DWA
09/25/18	Meeting with Assemblyman Mayes	Rancho Mirage
09/26/18	Executive Committee	DWA
09/26/18	SGP Sub-basin SGMA Meeting	SGPWA
09/27/18	All Valley Mayors/ACBCI Chairman Luncheon	ACBCI
09/28/18	Phillip Ball Active Shooter/Prevention/Response	DWA
09/28/18	CWF Weekly Update	Conf. Call
10/01/18	Staff/I.S./Security	DWA
10/01/18	Meeting with CVCAN	DWA
10/02/18	DWA Bi-Monthly Board Meeting	DWA

### Activities:

09/19/18	DWA Performance Review Changes	DWA
09/21/18	Sites Reservoir Committee	Maxwell
09/24/18	Staff/I.S./Security	DWA
09/25/18	Building Access Security Protocols	DWA
09/25/18	Meeting with Assemblyman Mayes	Rancho Mirage
09/26/18	Executive Committee	DWA
09/26/18	SGP Sub-basin SGMA Meeting	SGPWA
09/27/18	All Valley Mayors/ACBCI Chairman Luncheon	ACBCI
09/28/18	Phillip Ball Active Shooter/Prevention/Response	DWA
09/28/18	CWF Weekly Update	Conf. Call
10/01/18	Staff/I.S./Security	DWA
10/01/18	Meeting with CVCAN	DWA
10/02/18	DWA Bi-Monthly Board Meeting	DWA

**Minutes**  
**Executive Committee Meeting**  
September 25, 2018

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

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

**1. Discussion Items**

A. Review Agenda for October 2, 2018 Regular Board Meeting

The proposed agenda for the October 2, 2018 meeting was reviewed.

**2. Other - None**

**3. Adjourn**

DESERT WATER AGENCY  
STATEMENT OF CASH RECEIPTS AND EXPENDITURES

OPERATING ACCOUNT

AUGUST 2018

INVESTED  
RESERVE FUNDS  
\$18,697,765.49

BALANCE	AUGUST 1, 2018	(\$619,687.78)	
WATER SALES		\$3,508,000.90	
RECLAMATION SALES		164,696.99	
WASTEWATER RECEIPTS		95,298.26	
POWER SALES		536.01	
METERS, SERVICES, ETC.		85,180.15	
REIMBURSEMENT – GENERAL FUND		327,298.94	
REIMBURSEMENT – WASTEWATER FUND		3,167.73	
ACCOUNTS RECEIVABLE – OTHER		6,814.25	
CUSTOMER DEPOSITS – SURETY		9,390.68	
CUSTOMER DEPOSITS – CONST.		100,561.00	
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		107,836.77	
TOTAL RECEIPTS		\$4,415,679.59	
PAYMENTS			
PAYROLL CHECKS		\$384,189.27	
PAYROLL TAXES		247,082.55	
ELECTRONIC TRANSFERS		130,461.18	
CHECKS UNDER \$10,000.00		294,058.90	
CHECKS OVER \$10,000.00 – SCH. #1		1,741,101.31	
CANCELLED CHECKS AND FEES		4,409.68	
TOTAL PAYMENTS		\$2,801,302.89	
NET INCOME		\$1,614,376.70	
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		\$275,000.00	
FUNDS INVESTED – SCH. #3		1,633,500.00	
NET TRANSFER		(\$1,358,500.00)	\$1,358,500.00
BALANCE	AUGUST 31, 2018	(\$363,811.08)	\$20,056,265.49

# OPERATING ACCOUNT

SCHEDULE #1-CHECKS OVER \$10,000

CHECK #	NAME	DESCRIPTION	AMOUNT
118240	DOWN TO EARTH LANDSCAPING	LANDSCAPE MAINTENANCE - JULY 2018	\$31,836.27
118241	PINNACLE VIEW LLC	WORK ORDER REFUND - RACQUET CLUB ST. (W/O # 14-806 SERIES)	\$24,714.99
118242	SIERRA OAK PARTNERS LLC	WORK ORDER REFUND - SKYE TRACT (W/O # 15-805 SERIES)	\$43,324.77
118260	BORDEN EXCAVATING INC	CONTRACT PAYMENT - 2017/18 REPLACEMENT PIPELINES - (W/O #17-111--08/12)	\$256,784.98
118266	CORE & MAIN LP	WATER SERVICE SUPPLIES	\$14,409.09
118281	J COLON COATINGS INC	CONTRACT PAYMENT - RESERVOIR MAINTENANCE	\$213,737.55
118286	MCKEEVER WATERWELL & PUMP INC	MAINTENANCE - WELL #22	\$14,365.00
118305	SOUTHERN CALIFORNIA EDISON CO	POWER	\$314,200.96
118313	Z&L PAVING, INC	PAVING	\$13,887.00
118364	DESERT WATER AGENCY - WASTEWATER	WASTEWATER REVENUE BILLING & EXPENSE REIMBURSEMENT FOR JULY 2018	\$90,966.77
118370	ACWA-JPIA	HEALTH,DENTAL & VISION INSURANCE PREMIUMS - SEPTEMBER 2018	\$206,290.30
118380	AMERICAN BACKFLOW SPECIALTIES	WATER SERVICE SUPPLIES	\$11,733.46
118387	BEST BEST & KRIEGER LLP	LEGAL FEES	\$119,339.82
118399	CORE & MAIN LP	WATER SERVICE SUPPLIES	\$12,433.75
118407	DOWN TO EARTH LANDSCAPING	LANDSCAPE MAINTENANCE - AUGUST 2018	\$31,074.24
118432	J & R CONCRETE PRODUCTS INC	WATER SERVICE SUPPLIES	\$12,126.75
118436	KRIEGER & STEWART INC	ENGINEERING	\$95,730.02
118450	OUTFLOW TECHNOLOGIES	PROGRAMMING - MODERNIZATION PROJECT (W/O #14-187-M)	\$27,245.00
118465	SINGER LEWAK LLP	PROGRESS WORK 2017/2018 AUDIT	\$28,150.00
118469	SOUTHERN CALIFORNIA EDISON CO	POWER	\$13,129.51
118475	STARWIND SOFTWARE INC	STONE FLY UPGRADES - SERVER STORAGE (W/O # 18-178-M)	\$32,154.37
118477	THATCHER COMPANY OF CALIFORNIA	WATER SERVICE SUPPLIES	\$12,093.46
118479	TRI-STAR CONTRACTING II, INC	PAYMENT #1 -CONSTRUCTION OF LINCOLN AVENUE MANHOLE REPLACEMENT	\$52,188.25
118484	Z&L PAVING, INC	PAVING	\$30,303.00
118485	PS SUNRISE PALM HOA	TURF BUY BACK PROGRAM	\$20,000.00
118486	FIREBIRD ESTATES	TURF BUY BACK PROGRAM	\$18,882.00
** TOTAL			\$1,741,101.31



**DESERT WATER AGENCY  
OPERATING FUND - LISTING OF INVESTMENTS  
AUGUST 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	\$ 13,552,845.49	\$ 13,552,845.49	\$ 13,552,845.49	2.020%	-
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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 9-20-18)	09-20-19	\$ 1,000,000.00	\$ 1,000,000.00	\$ 987,830.00	1.300%	Quarterly
10-28-16	Union Bank	FHLMC STEP (Callable 10-28-18)	10-28-21	\$ 1,000,000.00	\$ 1,000,000.00	\$ 987,530.00	2.000%	Quarterly
02-28-17	Union Bank	FHLMC (Callable 11-25-18)	02-25-19	\$ 500,000.00	\$ 500,000.00	\$ 497,915.00	1.400%	Quarterly
09-29-17	Union Bank	FHLMC (Callable 9-29-18)	09-29-20	\$ 500,000.00	\$ 500,000.00	\$ 489,565.00	1.700%	Quarterly
01-29-18	Union Bank	FHLB (Callable 1-29-19)	01-29-21	\$ 500,000.00	\$ 500,000.00	\$ 492,110.00	2.200%	Quarterly
02-08-18	Union Bank	FFCB	05-08-19	\$ 1,000,000.00	\$ 1,000,000.00	\$ 997,310.00	2.000%	Bullet
04-17-18	Union Bank	FFCB	04-17-19	\$ 1,000,000.00	\$ 1,000,000.00	\$ 998,570.00	2.150%	Bullet
06-26-18	Union Bank	FHLB (Callable 9-26-18)	06-26-20	\$ 1,003,420.00	\$ 1,000,000.00	\$ 1,000,770.00	3.375%	1 Time

Total Government Agency	\$	6,503,420.00	\$	6,500,000.00	\$	6,451,600.00
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Weighted Mean YTM    2.037%

TOTAL INVESTED @ 08/31/18	\$	20,056,265.49	\$	20,052,845.49	\$	20,004,445.49
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BALANCE @ 06/30/18	\$	20,642,759.86
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INCREASE (DECREASE)	(586,494.37)
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DESERT WATER AGENCY  
STATEMENT OF CASH RECEIPTS AND EXPENDITURES

GENERAL ACCOUNT

AUGUST 2018

INVESTED  
RESERVE FUNDS  
\$128,477,750.49

BALANCE                      AUGUST 1, 2018                      (\$2,010,336.69)

* TAXES - RIVERSIDE COUNTY	426,507.84
* INTEREST EARNED - INV. FUNDS	88,850.83
GROUNDWATER REPLEN. ASSESSMENT	29,601.41
REIMBURSEMENT - OPERATING FUND	0.00
REIMBURSEMENT - CVWD MGMT	3,172.59
STATE WATER PROJECT REFUNDS	0.00
REIMB - CVWD - WHITEWATER HYDRO	0.00
POWER SALES - WHITEWATER	32,471.36
MISCELLANEOUS	0.00

TOTAL RECEIPTS                      \$580,604.03

PAYMENTS

CHECKS UNDER \$10,000.00	13,520.15
CHECKS OVER \$10,000.00 - SCH. #1	1,432,564.56
CANCELLED CHECKS AND FEES	0.00

TOTAL PAYMENTS                      \$1,446,084.71

NET INCOME                      (\$865,480.68)

INVESTED RESERVE FUNDS

FUNDS MATURED	3,878,000.00
FUNDS INVESTED – SCH. #2	2,085,000.00

NET TRANSFER                      \$1,793,000.00                      (\$1,793,000.00)

BALANCE      AUGUST 31, 2018                      (\$1,082,817.37)                      \$126,684,750.49

\* INCLUSIVE TO DATE

	TAXES	INTEREST
RECEIPTS IN FISCAL YEAR	\$441,000.33	\$327,563.96
RECEIPTS IN CALENDAR YEAR	\$22,002,711.44	\$1,175,316.32

DESERT WATER AGENCY

GENERAL ACCOUNT

SCHEDULE #1-CHECKS OVER \$10,000

CHECK #	NAME	DESCRIPTION	AMOUNT
9078	US GEOLOGICAL SURVEY	JOINT FUNDING AGREEMENT QUARTERLY BILLING - (05/01/2018 - 7/31/2018)	\$21,058.75
9079	COACHELLA VALLEY WATER DISTRICT	STATE WATER PROJECT REIMBURSEMENT - APRIL-JUNE 2018	\$201,317.00
9081	STATE OF CA. DEPT. OF WATER RESOURCES	STATE WATER PROJECT - AUGUST 2018	\$617,982.00
9082	DESERT WATER AGENCY-OPERATING	P/R & EXP REIMBURSEMENT FOR JULY 2018	\$327,298.94
9083	COACHELLA VALLEY WATER DISTRICT	WHITEWATER HYDRO REVENUE - JUNE 2018	\$27,324.87
9085	COACHELLA VALLEY WATER DISTRICT	WHITEWATER MANAGEMENT AGREEMENT - 3RD QTR 2017/18	\$237,583.00

\*\* TOTAL

\$1,432,564.56

DESERT WATER AGENCY  
GENERAL FUND - LISTING OF INVESTMENTS  
AUGUST 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	\$	42,486,080.49	\$	42,486,080.49	\$	42,486,080.49	2.020%	-
Certificates of Deposit											
04-20-17	RBC Wealth Mgmt	Whitney Bank CD	04-22-19	\$	1,000,000.00	\$	1,000,000.00	\$	997,090.00	1.650%	Bullet
06-14-17	RBC Wealth Mgmt	Capital One N/A CD	06-15-20	\$	250,000.00	\$	250,000.00	\$	246,407.50	1.900%	Bullet
06-14-17	RBC Wealth Mgmt	Capital One Bank USA CD	06-15-20	\$	250,000.00	\$	250,000.00	\$	246,407.50	1.900%	Bullet
06-19-17	RBC Wealth Mgmt	First Priority Bank CD	06-19-20	\$	250,000.00	\$	250,000.00	\$	245,712.50	1.750%	Bullet
Total Certificates of Deposit				\$	1,750,000.00	\$	1,750,000.00	\$	1,735,617.50		
Commercial Paper											
Total Commercial Paper				\$	-	\$	-	\$	-		
Government Agency											
10-02-15	Stifel	FHLB (Callable Continuous)	10-02-19	\$	1,000,000.00	\$	1,000,000.00	\$	989,040.00	1.450%	Continuous
10-29-15	Stifel	FHLB (Callable Continuous)	10-29-18	\$	1,000,000.00	\$	1,000,000.00	\$	998,330.00	1.120%	Continuous
11-25-15	Stifel	FNMA (Callable 11-25-18)	11-25-19	\$	1,000,000.00	\$	1,000,000.00	\$	987,700.00	1.500%	Qtrly
02-26-16	Ladenburg Thalmann	FNMA (Callable 11-26-18)	02-26-19	\$	1,000,000.00	\$	1,000,000.00	\$	994,260.00	1.250%	Qtrly
03-23-16	Ladenburg Thalmann	FNMA (Callable 9-23-18)	03-23-20	\$	1,000,000.00	\$	1,000,000.00	\$	983,240.00	1.500%	Qtrly
03-30-16	Stifel	FNMA STEP (Callable 9-30-18)	03-30-21	\$	1,000,000.00	\$	1,000,000.00	\$	984,630.00	1.750%	Qtrly
03-30-16	Stifel	FHLMC STEP (Callable 9-30-18)	03-30-21	\$	1,000,000.00	\$	1,000,000.00	\$	986,940.00	1.750%	Qtrly
04-26-16	Ladenburg Thalmann	FHLB (Callable Continuous)	10-26-20	\$	999,500.00	\$	1,000,000.00	\$	974,730.00	1.550%	Continuous
05-23-16	Stifel	FNMA (Callable 11-23-18)	08-23-19	\$	1,000,000.00	\$	1,000,000.00	\$	988,310.00	1.250%	Qtrly
05-26-16	Union Bank	FNMA	11-26-19	\$	1,000,000.00	\$	1,000,000.00	\$	985,030.00	1.300%	1 Time
06-01-16	Stifel	FFCB (Callable Continuous)	03-01-19	\$	1,000,000.00	\$	1,000,000.00	\$	994,680.00	1.250%	Continuous
06-13-16	Ladenburg Thalmann	FNMA (Callable 9-13-18)	06-13-19	\$	1,000,000.00	\$	1,000,000.00	\$	992,350.00	1.400%	Qtrly
06-16-16	Stifel	FFCB (Callable Continuous)	03-16-20	\$	1,000,000.00	\$	1,000,000.00	\$	981,520.00	1.400%	Continuous
06-21-16	Stifel	FHLMC STEP (Callable 9-21-18)	06-21-21	\$	1,000,000.00	\$	1,000,000.00	\$	983,470.00	1.750%	Qtrly
06-28-16	Ladenburg Thalmann	FNMA (Callable 9-28-18)	06-28-19	\$	1,000,000.00	\$	1,000,000.00	\$	989,810.00	1.200%	Qtrly
06-30-16	Stifel	FHLMC STEP (Callable 9-30-18)	12-30-19	\$	1,000,000.00	\$	1,000,000.00	\$	993,130.00	1.500%	Qtrly
07-07-16	Ladenburg Thalmann	FFCB (Callable Continuous)	01-07-19	\$	1,000,000.00	\$	1,000,000.00	\$	995,600.00	1.000%	Continuous
07-11-16	Ladenburg Thalmann	FHLB (Callable Continuous)	10-11-19	\$	1,000,000.00	\$	1,000,000.00	\$	985,070.00	1.125%	Continuous
07-11-16	Ladenburg Thalmann	FHLB (Callable Continuous)	07-11-19	\$	1,000,000.00	\$	1,000,000.00	\$	989,150.00	1.125%	Continuous
07-13-16	Union Bank	FFCB (Callable Continuous)	01-13-20	\$	1,000,000.00	\$	1,000,000.00	\$	981,940.00	1.240%	Continuous
07-26-16	Ladenburg Thalmann	FNMA (Callable 10-26-18)	07-26-19	\$	999,500.00	\$	1,000,000.00	\$	988,080.00	1.125%	Qtrly
07-27-16	Stifel	FNMA STEP (Callable 10-27-18)	07-27-21	\$	1,000,000.00	\$	1,000,000.00	\$	962,100.00	1.300%	Qtrly
08-10-16	Ladenburg Thalmann	FHLMC (Callable 11-10-18)	08-10-20	\$	1,000,000.00	\$	1,000,000.00	\$	977,450.00	1.450%	Qtrly
08-24-16	Ladenburg Thalmann	FHLMC STEP (Callable 11-24-18)	08-24-21	\$	1,000,000.00	\$	1,000,000.00	\$	987,420.00	1.750%	Qtrly
08-30-16	Stifel	FHLMC STEP (Callable 11-28-18)	08-27-21	\$	1,000,000.00	\$	1,000,000.00	\$	992,970.00	2.000%	Qtrly
08-30-16	Ladenburg Thalmann	FNMA (Callable 11-27-18)	11-27-19	\$	1,000,000.00	\$	1,000,000.00	\$	984,440.00	1.250%	Qtrly
09-06-16	Ladenburg Thalmann	FFCB (Callable Continuous)	03-06-19	\$	1,000,000.00	\$	1,000,000.00	\$	994,000.00	1.150%	Continuous
09-20-16	Union Bank	FNMA (Callable 9-20-18)	09-20-19	\$	1,000,000.00	\$	1,000,000.00	\$	987,830.00	1.300%	Qtrly
09-27-16	Ladenburg Thalmann	FHLMC STEP (Callable 9-27-18)	09-27-19	\$	1,000,000.00	\$	1,000,000.00	\$	997,080.00	1.500%	Qtrly
09-29-16	Ladenburg Thalmann	FHLMC STEP (Callable 9-29-18)	09-29-21	\$	950,000.00	\$	950,000.00	\$	929,432.50	1.375%	Qtrly
09-30-16	Ladenburg Thalmann	FNMA (Callable 9-30-18)	09-30-19	\$	1,000,000.00	\$	1,000,000.00	\$	986,880.00	1.250%	Qtrly
10-06-16	Ladenburg Thalmann	FHLMC (Callable 10-6-18)	07-06-20	\$	1,000,000.00	\$	1,000,000.00	\$	977,580.00	1.375%	Qtrly
10-11-16	Ladenburg Thalmann	FHLMC	10-11-18	\$	999,750.00	\$	1,000,000.00	\$	998,940.00	1.000%	Qtrly
10-17-16	Stifel	FNMA	04-17-20	\$	1,000,000.00	\$	1,000,000.00	\$	978,500.00	1.250%	1 Time
10-28-16	Stifel	FHLMC STEP (Callable 10-28-18)	10-28-21	\$	1,500,000.00	\$	1,500,000.00	\$	1,473,255.00	1.250%	Qtrly

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

PURCHASE DATE	NAME	DESCRIPTION	MATURITY DATE	COST	PAR VALUE	MARKET VALUE	YIELD TO MATURITY	CALLABLE STATUS
Government Agency								
10-28-16	Union Bank	FHLMC STEP (Callable 10-28-18)	10-28-21	\$ 1,000,000.00	\$ 1,000,000.00	\$ 987,530.00	2.000%	Qtrly
11-03-16	Ladenburg Thalmann	FFCB (Callable Continuous)	05-03-21	\$ 999,250.00	\$ 1,000,000.00	\$ 967,430.00	1.490%	Continuous
11-15-16	Stifel	FHLMC STEP (Callable 11-15-18)	11-15-19	\$ 1,000,000.00	\$ 1,000,000.00	\$ 988,840.00	1.250%	Qtrly
12-14-16	Ladenburg Thalmann	FHLMC (Callable 9-14-18)	12-14-20	\$ 1,000,000.00	\$ 1,000,000.00	\$ 979,080.00	1.750%	Qtrly
12-29-16	Ladenburg Thalmann	FNMA (Callable 9-29-18)	06-29-20	\$ 1,000,000.00	\$ 1,000,000.00	\$ 984,030.00	1.750%	Qtrly
12-30-16	Ladenburg Thalmann	FHLMC (Callable 9-30-18)	12-30-19	\$ 998,000.00	\$ 1,000,000.00	\$ 985,780.00	1.500%	Qtrly
01-27-17	Ladenburg Thalmann	FNMA (Callable 10-27-18)	01-27-20	\$ 1,000,000.00	\$ 1,000,000.00	\$ 985,360.00	1.650%	Qtrly
01-30-17	Union Bank	FHLB (Callable 10-30-18)	04-30-20	\$ 1,000,000.00	\$ 1,000,000.00	\$ 985,970.00	1.750%	Qtrly
02-28-17	Union Bank	FHLMC (Callable 11-25-18)	02-25-19	\$ 1,000,000.00	\$ 1,000,000.00	\$ 995,830.00	1.400%	Qtrly
04-20-17	Stifel	FHLMC STEP (Callable 10-20-18)	04-20-20	\$ 1,000,000.00	\$ 1,000,000.00	\$ 990,760.00	2.250%	Qtrly
04-27-17	Ladenburg Thalmann	FHLMC (Callable 10-27-18)	01-27-21	\$ 1,000,000.00	\$ 1,000,000.00	\$ 983,530.00	2.000%	Qtrly
06-08-17	Stifel	FHLMC STEP (Callable 9-8-18)	06-08-20	\$ 1,000,000.00	\$ 1,000,000.00	\$ 995,240.00	1.500%	Qtrly
06-22-17	Ladenburg Thalmann	FHLMC STEP (Callable 9-22-18)	06-22-22	\$ 1,000,000.00	\$ 1,000,000.00	\$ 990,380.00	1.750%	Qtrly
06-27-17	Union Bank	FHLB (Callable 9-27-18)	09-27-19	\$ 1,000,000.00	\$ 1,000,000.00	\$ 988,160.00	1.500%	Qtrly
06-29-17	Ladenburg Thalmann	FHLMC (Callable 9-29-18)	09-29-20	\$ 1,000,000.00	\$ 1,000,000.00	\$ 981,390.00	1.750%	Qtrly
07-11-17	Ladenburg Thalmann	FHLMC (Callable 10-11-18)	01-11-21	\$ 1,000,000.00	\$ 1,000,000.00	\$ 979,180.00	1.800%	Qtrly
07-26-17	Stifel	FHLMC STEP (Callable 10-26-18)	07-26-22	\$ 1,000,000.00	\$ 1,000,000.00	\$ 992,100.00	2.000%	Qtrly
07-27-17	Stifel	FHLMC STEP (Callable 10-27-18)	07-27-22	\$ 1,000,000.00	\$ 1,000,000.00	\$ 994,900.00	2.000%	Qtrly
08-07-17	Ladenburg Thalmann	FFCB (Callable Continuous)	11-23-20	\$ 999,850.00	\$ 1,000,000.00	\$ 979,290.00	1.770%	Continuous
08-09-17	Stifel	FHLB STEP (Callable 11-9-18)	02-09-22	\$ 2,000,000.00	\$ 2,000,000.00	\$ 1,966,260.00	1.750%	Qtrly
08-10-17	Ladenburg Thalmann	FHLB STEP (Callable 11-10-18)	08-10-22	\$ 1,000,000.00	\$ 1,000,000.00	\$ 995,550.00	2.000%	Qtrly
09-08-17	Stifel	FHLB STEP (Callable 9-8-18)	09-08-22	\$ 1,000,000.00	\$ 1,000,000.00	\$ 983,750.00	1.750%	Qtrly
09-28-17	Ladenburg Thalmann	FHLMC STEP (Callable 9-28-18)	09-28-20	\$ 1,000,000.00	\$ 1,000,000.00	\$ 984,640.00	1.375%	Qtrly
09-29-17	Union Bank	FHLMC (Callable 9-29-18)	09-29-20	\$ 1,000,000.00	\$ 1,000,000.00	\$ 979,130.00	1.700%	Qtrly
09-29-17	Stifel	FHLMC STEP (Callable 9-29-18)	09-29-22	\$ 1,000,000.00	\$ 1,000,000.00	\$ 984,040.00	1.625%	Qtrly
10-26-17	Ladenburg Thalmann	FNMA (Callable 10-26-18)	07-26-21	\$ 1,000,000.00	\$ 1,000,000.00	\$ 976,180.00	2.000%	Qtrly
11-06-17	Ladenburg Thalmann	FFCB (Callable Continuous)	06-06-19	\$ 1,000,000.00	\$ 1,000,000.00	\$ 993,650.00	1.600%	Continuous
11-20-16	Ladenburg Thalmann	FHLMC (Callable 11-20-18)	11-20-20	\$ 1,000,000.00	\$ 1,000,000.00	\$ 982,610.00	2.000%	Qtrly
12-11-17	Ladenburg Thalmann	FHLB (Callable 9-11-18)	12-11-20	\$ 999,750.00	\$ 1,000,000.00	\$ 981,400.00	2.000%	Qtrly
12-14-17	Stifel	FFCB (Callable 12-14-18)	12-14-20	\$ 1,000,000.00	\$ 1,000,000.00	\$ 983,190.00	2.060%	Continuous
01-16-18	Ladenburg Thalmann	FHLMC (Callable 10-16-18)	10-16-20	\$ 1,000,000.00	\$ 1,000,000.00	\$ 985,710.00	2.070%	Qtrly
01-26-18	Stifel	FHLMC (Callable 10-26-18)	01-26-21	\$ 1,000,000.00	\$ 1,000,000.00	\$ 986,620.00	2.220%	Qtrly
01-29-18	Union Bank	FHLB (Callable 1-29-19)	01-29-21	\$ 1,000,000.00	\$ 1,000,000.00	\$ 984,220.00	2.200%	Qtrly
01-30-18	Union Bank	FHLB (Callable 1-30-19)	07-30-20	\$ 1,000,000.00	\$ 1,000,000.00	\$ 988,110.00	2.100%	Qtrly
01-30-18	Ladenburg Thalmann	FHLB (Callable 10-26-18)	01-26-21	\$ 999,650.00	\$ 1,000,000.00	\$ 986,700.00	2.250%	Qtrly
02-01-18	Stifel	FFCB (Callable 11-1-18)	02-01-21	\$ 1,000,000.00	\$ 1,000,000.00	\$ 985,980.00	2.350%	Qtrly
02-08-18	Union Bank	FFCB	05-08-19	\$ 1,000,000.00	\$ 1,000,000.00	\$ 997,310.00	2.000%	Qtrly
02-12-18	Stifel	FHLB (Callable 2-12-19)	02-12-21	\$ 1,000,000.00	\$ 1,000,000.00	\$ 987,430.00	2.300%	Qtrly
03-26-18	Ladenburg Thalmann	FHLB STEP (Callable 9-26-18)	03-26-21	\$ 1,000,000.00	\$ 1,000,000.00	\$ 997,900.00	2.125%	Qtrly
03-29-18	Stifel	FHLMC STEP (Callable 9-29-18)	03-29-23	\$ 1,000,000.00	\$ 1,000,000.00	\$ 998,110.00	2.250%	Qtrly
04-17-18	Union Bank	FFCB	04-17-19	\$ 1,000,000.00	\$ 1,000,000.00	\$ 998,570.00	2.150%	Bullet
06-26-18	Union Bank	FHLB (Callable 9-26-18)	06-26-20	\$ 1,003,420.00	\$ 1,000,000.00	\$ 1,000,770.00	3.375%	1 Time
06-28-18	Ladenburg Thalmann	FHLMC (Callable 9-28-18)	03-28-22	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,000.00	3.000%	Qtrly
06-28-18	Stifel	FHLMC (Callable 6-28-19)	06-28-22	\$ 1,000,000.00	\$ 1,000,000.00	\$ 998,470.00	3.100%	Qtrly
07-30-18	Ladenburg Thalmann	FHLMC (Callable 1-28-19)	01-28-22	\$ 1,000,000.00	\$ 1,000,000.00	\$ 999,980.00	3.020%	Qtrly
08-16-18	Ladenburg Thalmann	FHLMC (Callable 11-16-18)	11-16-21	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,000.00	3.000%	Qtrly
Total Government Agency				\$ 82,448,670.00	\$ 82,450,000.00	\$ 81,415,947.50		
Weighted Mean YTM							1.824%	
TOTAL INVESTED @ 08/31/18				\$ 126,684,750.49	\$ 126,686,080.49	\$ 125,637,645.49		
BALANCE @ 06/30/18				\$ 127,943,061.53				
INCREASE OR (DECREASE)				\$ (1,256,311.04)				

DESERT WATER AGENCY  
STATEMENT OF CASH RECEIPTS AND EXPENDITURES

WASTEWATER ACCOUNT

August 2018

INVESTED  
RESERVE FUNDS  
\$1,374,069.36

BALANCE                      AUGUST 1, 2018                      \$1,122.08

ACCOUNTS RECEIVABLE - OTHER	\$0.00
CUSTOMER DEPOSITS - CONSTRUCTION	0.00
INTEREST EARNED - INVESTED FUNDS	9.08
WASTEWATER REVENUE	90,966.77
SEWER CAPACITY CHARGES	7,259.33
MISCELLANEOUS	<u>0.00</u>

TOTAL RECEIPTS                      \$98,235.18

PAYMENTS

CHECKS UNDER \$10,000.00	\$7,357.73
CHECKS OVER \$10,000.00 - SCH. #1	69,129.77
CANCELLED CHECKS AND FEES	<u>0.00</u>

TOTAL PAYMENTS                      \$76,487.50

NET INCOME                      \$21,747.68

INVESTED RESERVE FUNDS

FUNDS MATURED	\$3,500.00
FUNDS INVESTED – SCH. #2	<u>25,000.00</u>

NET TRANSFER                      (\$21,500.00)                      \$21,500.00

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BALANCE      AUGUST 31, 2018                      \$1,369.76                      \$1,395,569.36

DESERT WATER AGENCY

WASTEWATER ACCOUNT

SCHEDULE #1-CHECKS OVER \$10,000

CHECK #	NAME	DESCRIPTION	AMOUNT
2567	COACHELLA VALLEY WATER DISTRICT	WASTEWATER REVENUE BILLING FOR JULY 2018	\$59,070.26
2568	CITY OF PALM SPRINGS	WASTEWATER REVENUE BILLING FOR JULY 2018	\$10,059.51
** TOTAL			\$69,129.77

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

PURCH DATE	NAME	DESCRIPTION	MATURITY DATE	COST	PAR VALUE	MARKET VALUE	YIELD TO MATURITY
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Local Agency Investment Fund
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06-30-83	State of California	LAIF	Open	\$ 1,395,569.36	\$ 1,395,569.36	\$ 1,395,569.36	2.020%
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TOTAL INVESTED @ 08/31/18	\$ 1,395,569.36	\$ 1,395,569.36	\$ 1,395,569.36
BALANCE @ 06/30/18	\$ 1,354,594.08		
INCREASE OR (DECREASE)	\$ 40,975.28		



DESERT WATER AGENCY - GENERAL FUND  
COMPARATIVE EARNINGS STATEMENT

MONTH 18-19 AUGUST	-----THIS MONTH-----		-----FISCAL YEAR TO DATE-----		-----VARIANCE-----	
	THIS YEAR	LAST YEAR	BUDGET	THIS YEAR	LAST YEAR	BUDGET
						YTD
						PCT
OPERATING REVENUES						
GRNDWTR REPLENISHMENT	.00	.00	.00	.00	.00	.00
WHITewater HYDRO SALES	3,968.24	32,293.57	35,250.00	16,496.67	66,686.50	19,503.33
TOTAL OPER REVENUES	3,968.24	32,293.57	35,250.00	16,496.67	66,686.50	19,503.33
OPERATING EXPENSES						
SOURCE OF SUPPLY	258,641.75	20,860.23	74,400.00	258,641.75	20,860.23	184,241.75
STATE WATER PROJECT	617,982.00	654,273.00	618,125.00	1,236,047.00	1,319,737.00	1,236,250.00
WHITewater HYDRO EXP	89,113.49	5,021.78	5,850.00	7,798.56	6,539.06	8,900.00
ADMINISTRATIVE/GENERAL	297,292.99	105,032.65	209,825.00	431,123.69	250,743.78	373,725.00
SUB-TOTAL	1,263,030.23	785,187.66	908,200.00	1,933,611.00	1,597,880.07	1,693,275.00
OTHER OPER EXPENSES						
DEPRECIATION	.00	.00	.00	.00	.00	.00
DIR & INDIR CST FOR WO	2,770.87	124.05	16,650.00	2,770.87	124.05	16,650.00
TOTAL OPER EXPENSES	1,260,259.36	785,063.61	891,550.00	1,930,840.13	1,597,756.02	1,676,625.00
NET INCOME FROM OPERATIONS	1,256,291.12	752,770.04	856,300.00	1,914,343.46	1,531,069.52	1,640,625.00
NON-OPERATING INCOME (NET)						
PROPERTY TAX REVENUES	.00	479,967.11	.00	.00	.00	.00
INTEREST REVENUES	194,653.01	125,797.01	150,000.00	400,283.52	249,882.02	100,283.52
SUPLMNTL IMPORTED WTR	38,210.00	44,240.00	.00	38,210.00	44,240.00	38,210.00
OTHER REVENUES	.00	.00	.00	1,122,028.00	.00	1,122,028.00
GAINS ON RETIREMENT	.00	.00	.00	.00	.00	.00
GAIN/LOSS SALE INVEST	.00	.00	.00	.00	.00	.00
DISCOUNTS	.00	.00	.00	.00	.00	.00
PRIOR YEAR REVENUES	12,528.43	.21	.00	12,424.35	.21	12,424.35
TOTAL NON-OPER INCOME	245,391.44	309,930.31	150,000.00	1,572,945.87	294,121.81	1,272,945.87
NON-OPERATING EXPENSE						
PRIOR YEAR EXPENSE	83,522.84	.00	.00	83,522.84	.00	83,522.84
PY-STATE WATER PROJECT	.00	.00	.00	.00	28,421.00	.00
TOTAL NON-OPER EXPENSE	83,522.84	.00	.00	83,522.84	28,421.00	83,522.84
TOTAL NET INCOME	927,376.84	1,062,700.35	706,300.00	257,874.75	1,208,526.71	1,082,750.25

September 24, 2018

**MEMORANDUM**

**TO:** GENERAL MANAGER AND BOARD OF DIRECTORS  
OF DESERT WATER AGENCY

**FROM:** BEST BEST & KRIEGER LLP

**RE:** SEPTEMBER 12, 2018 MEETING OF THE BOARD OF DIRECTORS OF THE  
STATE WATER CONTRACTORS, INC.

The September 12, 2018 meeting of the Board of Directors of the State Water Contractors, Inc. (SWC), was conducted at the offices of the SWC in downtown Sacramento.

1. Action Items. The Board of Directors approved a number of action items:

- Winter-Run Salmon Study. The Board approved a \$90,000 consultant agreement to conduct a winter-run Chinook salmon acoustic telemetry analysis study. This study will hopefully confirm that late-fall Chinook salmon are an appropriate surrogate for the endangered winter-run salmon. Many studies use late-fall run as a surrogate for winter-run, and this study will review whether this is appropriate.

- Toxicity Study. The Board approved an agreement with UC Davis to conduct sampling and analysis for fish toxicity, for an amount up to \$180,000. The study will look at water quality in the Sacramento River and its effects on fish.

- SFCWA Transfer. The Board approved a transfer agreement between SWC and the State and Federal Contractors Water Agency (SFCWA) to accept the transfer of active SFCWA Science Program contracts and funding to allow for completion of work currently underway. This follows up on a Board action from earlier this year that transferred some other in progress SFCWA contracts.

- Salmon Entrainment App. The Board authorized a \$5,000 cost amendment for ICF to develop a “shiny” app for the previously developed salmon entrainment model. This

app allows stakeholders to modify inputs in the model and see the effect on outputs without changing the underlying methodology. Currently, staff must provide the entire model to stakeholders to allow them to modify inputs.

- Annual Staff Salary Adjustments. The Board approved a policy to annually budget and implement SWC staff salary adjustments, excluding the General Manager and General Counsel. This policy creates a salary adjustment pool that can be allocated to staff by the General Manager as appropriate.

- 2016-2017 Audit. The Board approved the Fiscal Year 2016-17 Audit Report. This included authorizing staff to contract with Nicholson & Olson, CPA's for the next three years. The Board indicated a preference for conducting a request for proposal once this three-year period expired.

- Delta Smelt Workshop. The Board approved an agreement with Compass Resource Management to hold a workshop at CSAMP to determine management questions for the delta smelt structured decision making, for an amount up to \$25,000. Cost sharing will be sought from Coalition for a Sustainable Delta and/or San Luis Delta-Mendota Water Authority.

2. Water Operations Report. Molly White from DWR provided a report on SWP water operations. Generally, reservoir levels are at or above their historical averages for this time of year. For example, San Luis Reservoir is at 50% capacity (116% of its historical average for this time of year). This is consistent with Central Valley Project facilities. For example, Don Pedro Reservoir is at 77% capacity (110% of its historical average). The one exception to this general trend is Lake Oroville. It is at 43% capacity, which is only 66% of its historical average.

Ms. White also noted that demand has been relatively low recently but is expected to increase in September and October. This is consistent with historical averages. Lastly, Ms. White discussed Lake Perris. The lake is currently undergoing a riparian restoration project that should be completed in October. Once completed DWR will begin to fill the lake and should finish doing so in late December or early January.

3. Water Quality Report. Tanya Veldhuizen from DWR provided an overview of current water quality conditions. There were no major concerns or noteworthy items.

4. Legislative Report. SWC General Counsel Stefanie Morris provided the legislative report. With the recent conclusion of the legislative session, Ms. Morris provided an overview of noteworthy legislation that did and did not receive approval. First, AB 747 was approved by the Legislature and presented to the Governor. If signed, it will create an administrative hearings office within the State Water Resources Control Board. This office will include attorneys responsible for conducting administrative hearings regarding water rights matters. Second, AB 2649 was not enacted by the Legislature before the conclusion of the session.

This bill would have required DWR to provide at least ten days' notice to relevant legislative committees before holding any public session to negotiate an amendment to long-term water supply contracts. DWR also would have been required to provide advance notice prior to approving any amendments. This bill was being driven by opponents of Cal WaterFix, and a similar or even stronger bill may be introduced next session.

Third, SB 100 was approved by the Legislature and signed by the Governor. It increases existing renewable energy requirements. Relevant to SWC, it requires the SWP to be carbon-free by 2045. This is expected to result in increased power costs for DWR.

Fourth, SB 955 has been approved by the Legislature and signed by the Governor. This bill creates a Citizens Advisory Commission for the Oroville Dam within the Natural Resources Agency. This commission includes members of affected local agencies and will function as a mechanism for input and feedback.

5. General Manager's Report.

General Manager Jennifer Pierre provided an update on various matters. Of note, Ms. Pierre reported that the SWC had hired a new science manager. This is part of the increasing importance of overseeing and developing studies on SWC operations. Ms. Pierre also provided an update on the nutria situation. There is significant concern that nutria may enter the Delta and affect levees. They are very destructive and burrow into levees, weakening them. The California

Department of Fish and Wildlife is conducting an eradication program, and the closest sighting to the Delta is Manteca. Lastly, Ms. Pierre provided an overview of the recent legislative cycle. It is likely that additional Cal WaterFix bills will be introduced when the Legislature re-convenes this winter.

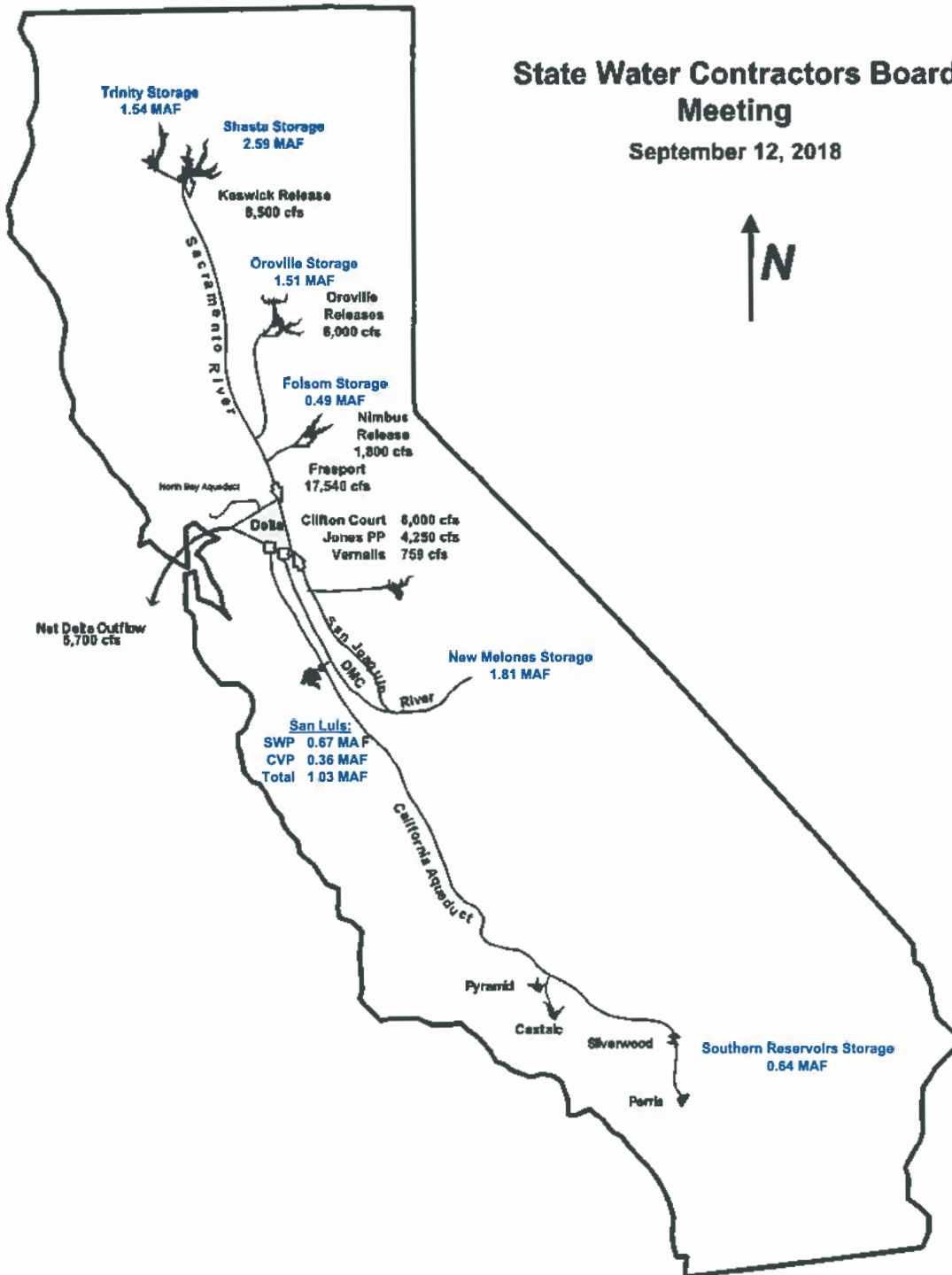
6. Business Processes Objectives Update.

Theresa Lightle and Julie Ramsay provided a presentation on SWC's business processes objectives and DWR's financial management enhancement program. This program began earlier this year and is expected to be completed in 2021. The program is focused on improving transparency and accuracy in SWP financial estimations and reporting. As an example, Ms. Lightle provided an in-depth report on recent volatility for some Contractors in the transportation minimum charges in 2017-2019. Overall, while SWP-wide charges were relatively stable, there was significant volatility between regions. For example, North and South Bay Contractors saw a one-year decrease in 2018 before charges returned in prior levels in 2019. Central Coast Contractors saw flat charges in 2017 and 2018 before a large spike in 2019. Ms. Lightle noted that the financial management enhancement program may provide an opportunity to improve DWR processes to mitigate or at least forecast these types of cost spikes.

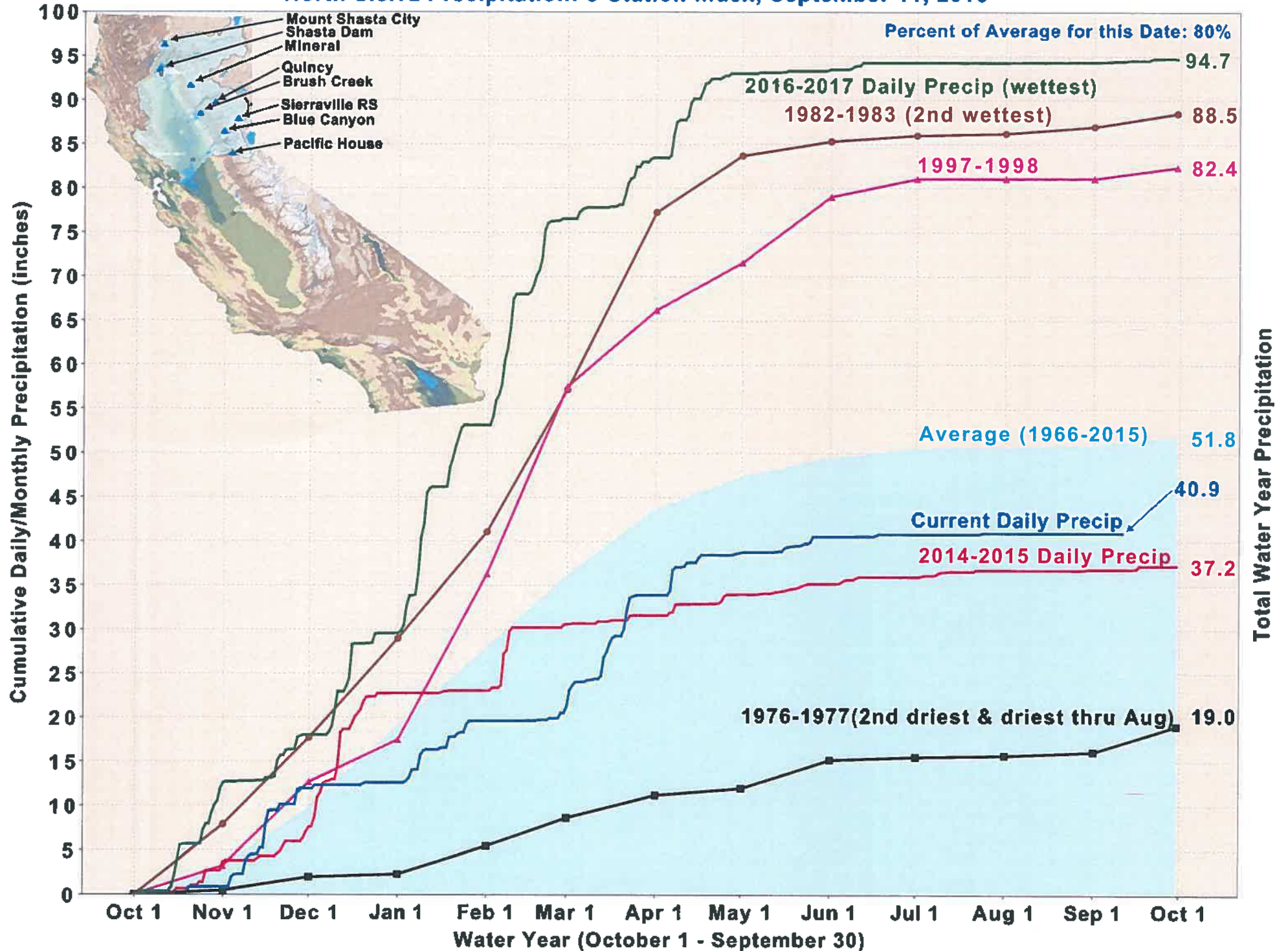
JOSH NELSON

# State Water Contractors Board Meeting

September 12, 2018

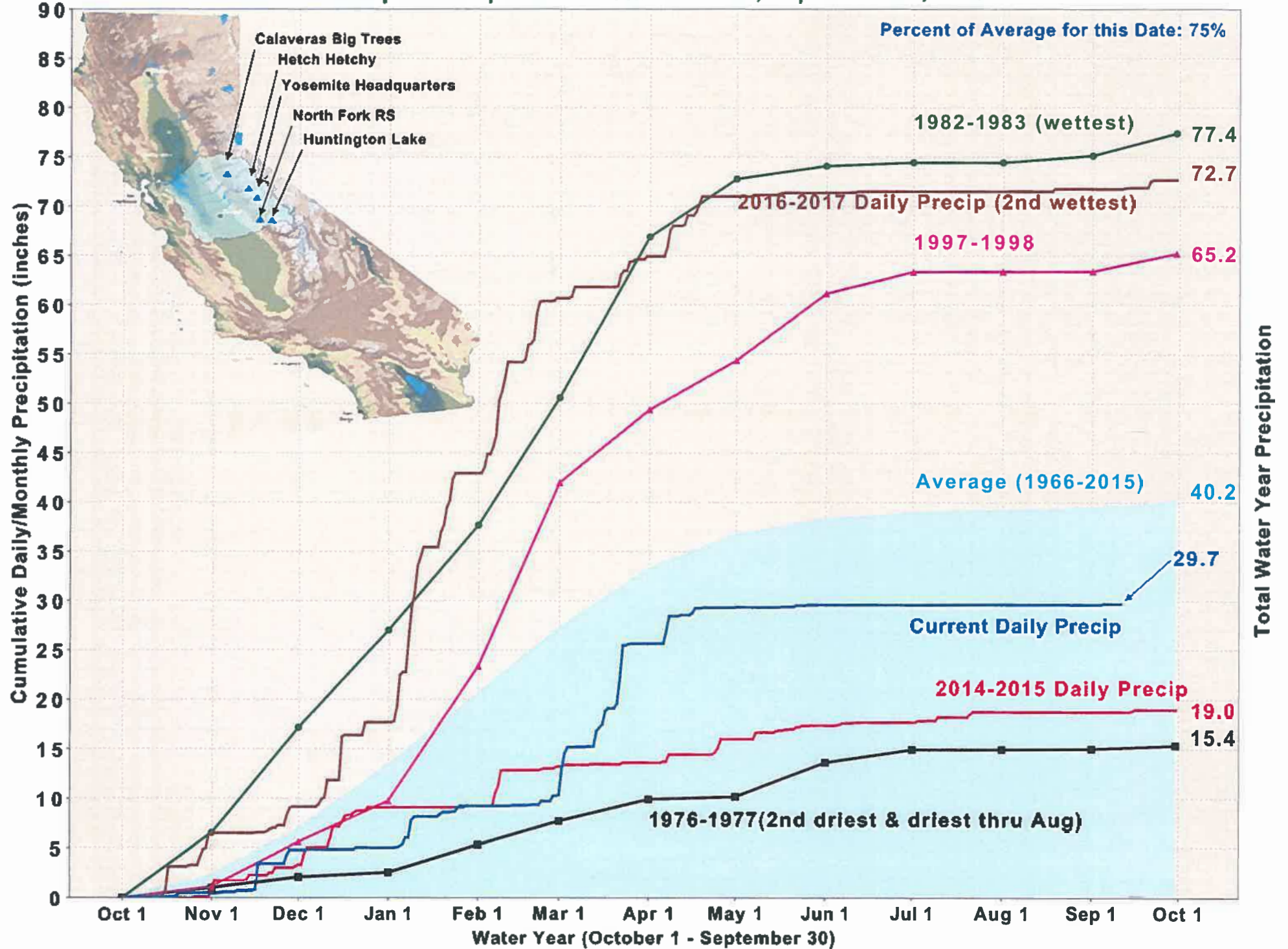


# North Sierra Precipitation: 8-Station Index, September 11, 2018



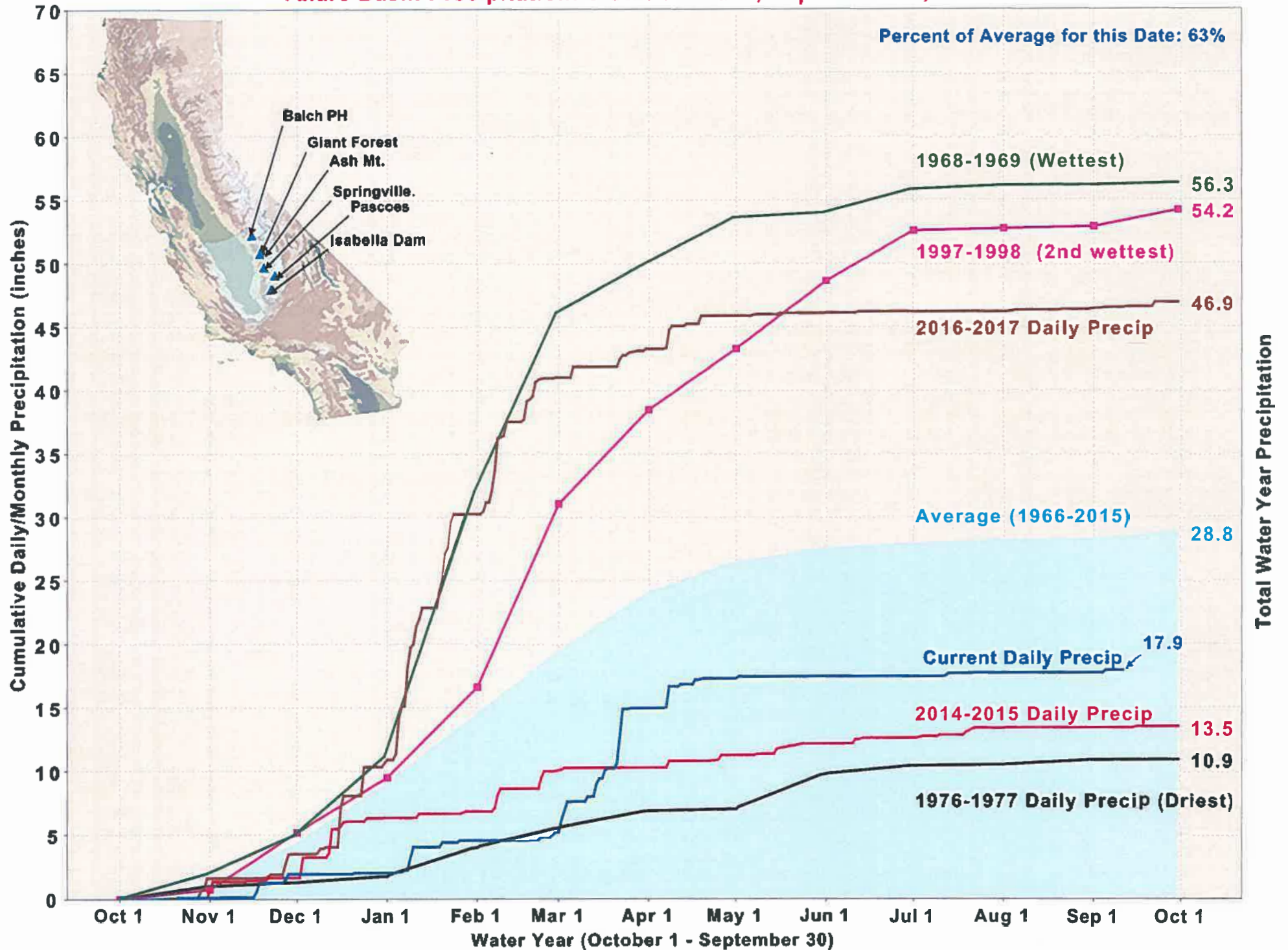


# San Joaquin Precipitation: 5-Station Index, September 11, 2018





# Tulare Basin Precipitation: 6-Station Index, September 11, 2018

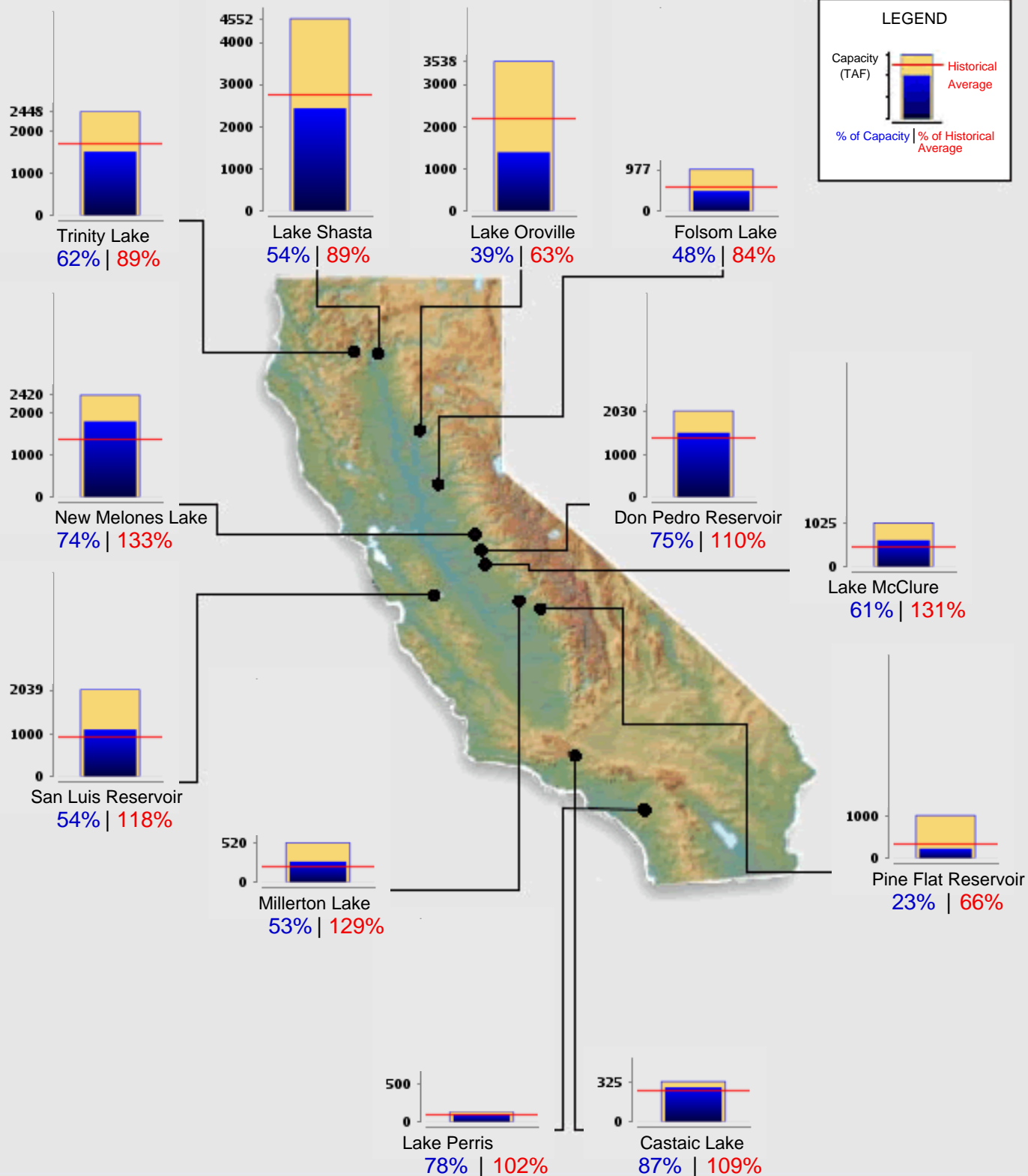




# Reservoir Conditions

Ending At Midnight - September 26, 2018

## CURRENT RESERVOIR CONDITIONS



**DESERT WATER AGENCY  
MEDIA INFORMATION  
SEPTEMBER 2018**

<b>DATE</b>	<b>PACKET PAGE</b>	<b>MEDIA SOURCE</b>	<b>ARTICLE</b>
09/01/18	1-4	THE DESERT SUN	Upstream From Mead, 'Crisis Is Already Real'
09/03/18	5-6	LOS ANGELES TIMES	Water Project Bill Fails To Advance
09/10/18	7-8	CAPITOL WEEKLY	State Water Project: Our Most Important Infrastructure
09/17/18	9-11	LOS ANGELES TIMES	Water Officials In Compton Launch Bid To Save Their Jobs

## Upstream from Mead, 'crisis is already real'

### *Lake Mead dropping despite Colorado River allocation*

Ian James, September 1, 2018

With Lake Mead dropping to levels that could trigger water cutbacks in less than two years, there's been a lot of talk lately about negotiating a deal to keep the reservoir from falling even further.

But in a new report, scientists say the situation is just as worrisome upstream at Lake Powell. The declines there during the past 18 years, they say, also reflect the Colorado River's worsening 'structural deficit.'

The 10 scientists, who make up the Colorado River Research Group, said even though the four Upper Basin states — Colorado, New Mexico, Utah and Wyoming — haven't been using all the water they're legally entitled to, Lake Powell has declined due to extra water releases into Mead. Those releases, they said, are 'the only thing that has kept Lake Mead from dropping into shortage conditions.'

"I want people to know that what's going on at Lake Mead is very, very closely tied to what's going on at Lake Powell," said Doug Kenney, the group's chair and a professor at the University of Colorado. "We're draining Lake Powell to prop it up."

The scientists titled their report 'It's Hard to Fill a Bathtub When the Drain is Wide Open.'

Lake Powell now sits 48 percent full, and Lake Mead is 38 percent full.

The Colorado River basin, which stretches from Wyoming to Mexico, has been drying out during what scientists say is one of the driest 19-year periods in the past 1,200 years. The river has long been over-allocated, with the demands of farms and cities exceeding the available water supply, and the strains are being compounded by growing population, drought and climate change.

The scientists, who say their group presents an 'independent, scientific voice for the future of the Colorado River,' detailed how much Lake Powell has gone down in less than two decades. By the end of this year, Powell's levels are projected to have dropped 94 feet below where the reservoir stood in 2000, when it was nearly full.

The U.S. Bureau of Reclamation operates Glen Canyon Dam and manages the releases from one reservoir to the other.

'Continuing this operational pattern will further drain Lake Powell and erode the benefits associated with its water storage,' the researchers said in the report. 'If storage in Lake Powell cannot rebound in an era where the Upper Basin consumes less than two-thirds of its legal apportionment, then the crisis is already real.'

### **‘Essentially one giant reservoir’**

The Colorado River and its tributaries provide water for about 40 million people and more than 5 million acres of farmland from Wyoming to California.

The legal framework that divides the Colorado River among seven states and Mexico was established during much wetter times nearly a century ago, starting with the 1922 Colorado River Compact. That and subsequent agreements have allocated more water than what flows in the river in an average year, leading to chronic overuse.

For decades, so much water has been diverted from dams all along the Colorado that the river seldom meets the sea. The river's delta in Mexico has become a dusty stretch of desert.

The river is managed under a system that firmly delineates between the Upper Basin and the Lower Basin, with the dividing line running through Lees Ferry in northern Arizona.

The treaties that originally divided the river allocated 7.5 million acre-feet of water per year for the four Upper Basin states; 7.5 million acre-feet for the Lower Basin states of Nevada, Arizona and California; and 1.5 million acre-feet for Mexico.

John Fleck, director of the water resources program at the University of New Mexico, recently pointed out in a blog post that the Lower Basin has gotten more water than it is entitled to under the compact — 9.7 million acre-feet of 'bonus water' since 2000 — yet Lake Mead is still dropping.

The scientists suggested that Lake Powell could bounce back better in wet years if 'new operational rules' are developed.

'Better options might be found by thinking outside of this familiar framework. Lakes Mead and Powell, after all, are essentially one giant reservoir,' the group said. 'Managing — and thinking — of these facilities as two distinct reservoirs, one for the benefit of the Upper Basin and one for the Lower, now seems outdated.'

Under the current rules, if Lake Mead's water level reaches elevation 1,075 feet above sea level at the end of any year, the federal government will declare a shortage and supplies to Arizona and Nevada will be cut back.

Representatives of Arizona, California and Nevada have been discussing a proposed drought-contingency plan under which each state would take less water from Lake Mead to keep it from falling to even lower levels, which would mean even deeper cuts. The four Upper Basin states have been working separately on a regional drought plan.

The combined amount of water in the two reservoirs has been much smaller since the mid-2000s than in the previous two decades. While the reservoirs' levels have retreated, heavy pumping of groundwater has also led to declining aquifers in parts of the river basin.

Scientists have found that higher temperatures have contributed significantly to reductions in the river's flow since 2000. They call it a 'temperature-dominated drought.' In one recent study, scientists projected that warming will likely cause the river's flow to decrease by 35 percent or more this century.

## Scientists say status quo 'untenable'

The research group said viewing the river's serious supply-demand mismatch as a problem of the Lower Basin states is too simplistic.

They acknowledged that many stakeholders aren't interested in tinkering with the law or administration of the river, but they suggested 'it might be worthwhile to think about what could be achieved in terms of water security, Grand Canyon (and perhaps Glen Canyon) restoration, and other objectives if we allowed ourselves more flexibility in managing (and perhaps modifying) the massive infrastructure investments already in place.'

'Long-term, we may have no choice to consider reform on this scale,' they said.

Some conservationists have long proposed draining Lake Powell and making Lake Mead the primary reservoir.

Jack Schmidt, a professor at Utah State University and one of the group's 10 members, has studied the so called 'Fill Mead First' proposal, which would involve initially lowering Powell to a minimum level at which Glen Canyon Dam would still generate hydroelectricity, and then in later phases draining the reservoir further and eventually drilling new water tunnels around the dam.

Under the proposal, Lake Powell would become a secondary reservoir to be used only when Mead is full. Lowering the reservoir would reveal the sandstone walls of Glen Canyon and gradually restore a natural river ecosystem in the canyon. Water managers, however, have generally dismissed the idea as unworkable.

In a 2016 study of the proposal, Schmidt said there was insufficient data and recommended gathering more data on the losses to evaporation from Powell. After his study was published, the Bureau of Reclamation began a program to measure how much water is lost to evaporation from Lake Powell.

'I take the position that it does not matter whether water is stored in Powell or Mead,' said Schmidt, Utah State's Janet Quinney Lawson chair in Colorado River studies. 'We should store water in whatever way minimizes total system losses and maximizes environmental benefit to the Grand Canyon.'

Schmidt said Powell and Mead are together 'effectively one reservoir' and should be managed as such. 'We need to say, 'How do we effectively operate the Mead/Powell reservoir?' The group of scientists noted in their report that negotiations on a drought-contingency plan are already pressing up against 2020, when officials are due to start renegotiating the guidelines for managing the reservoirs and dealing with shortages — which are now governed by a 2007 agreement.

'For many in the basin, the next generation of Guidelines are the place to adopt a comprehensive solution — a sustainable water budget,' the researchers wrote. 'The new framework can potentially take many forms, but at a minimum, will need to recognize the linked future of the two basins, and the political necessity of addressing equity concerns among users, sectors, and regions.'

'Admittedly, this is a tall order on a tight deadline, but the recent history of Lake Powell shows us that the status quo is untenable.'

### **Debates over tapping more water**

Despite the concerns about the declining reservoirs, water agencies in the northern states have been pressing for controversial projects to draw out more water.

In Utah, water districts are proposing to build a 140 mile pipeline to carry water from Lake Powell to growing communities around St. George.

In Colorado, Denver Water is proposing to expand Gross Reservoir. Conservation groups oppose the project and notified the U.S. Fish and Wildlife Service last week that they plan to sue, saying the enlarged dam would harm trout and violate the Endangered Species Act.

The groups said filling the bigger dam would mean diverting more water out of small streams in the Colorado River basin that are home to threatened green-lineage cutthroat trout. They said the federal agency failed to properly analyze the effects of the project and that drawing out the water from the streams could kill thousands of fish.

The groups include Save The Colorado, the Environmental Group, WildEarth Guardians, Waterkeeper Alliance, Living Rivers and the Sierra Club. They notified the Fish and Wildlife Service, the Interior Department, the Army Corps of Engineers and Denver Water that they intend to sue if the agencies don't act within 60 days.

The environmental groups said if the project goes ahead as proposed, it will further drain the Colorado River.

Jen Pelz of WildEarth Guardians said in a statement: 'People don't love Colorado for our green lawns, but rather our majestic mountains, native trout, and the reinvigorating experiences our wild landscapes and rivers provide.'

She said the project would mean 'squandering the heritage of our namesake river.'

Steve Segin, a spokesperson for the Fish and Wildlife Service, said the agency can't comment on the pending litigation.

Jim Lochhead, Denver Water's CEO and manager, said expanding the Gross Reservoir "will make Colorado's rivers and environment better off in the future.

'Delaying this project actually delays environmental benefits, including 1,000 acre-feet of water for rivers and streams in Grand County and an environmental pool with 5,000 acre-feet of water for South Boulder Creek,' Lochhead said in an emailed statement.

He said Denver Water is providing more than \$20 million as part of water management efforts 'that will result in myriad stream health and habitat improvements.'

'We're proud that this project will help us achieve our goals of providing a secure water supply for our customers in the most environmentally sustainable way possible,' Lochhead said.

# Los Angeles Times

## Water project bill fails to advance

*Water project bill fails to advance Senate panel shelves measure that would have subjected Cadiz plans to more scrutiny.*

Melanie Mason, September 3, 2018

SACRAMENTO — A last-ditch effort to impose additional environmental review on a controversial groundwater pumping project in the Mojave Desert sputtered Friday night after a key state Senate committee held the bill over concerns about legislative process.

The measure, Senate Bill 120, would have given the state Lands Commission and Department of Fish and Wildlife the authority to study the project by Cadiz Inc. to make sure the pumping would not harm surrounding lands.

A similar measure was shelved by the Senate last year. Sen. Richard Roth (D-Riverside) revived the proposal in recent days using a legislative maneuver called a gut-and-amend, or inserting a new policy into an existing, unrelated bill.

"We hit that pause button in order to make sure we get the science right," Roth said in the Senate Appropriations Committee on Friday.

"If Cadiz has it wrong, if we get it wrong, who is going to accept responsibility for this?" he added. "We can't afford to get it wrong."

Roth's bill had several high-profile backers, including U.S. Sen. Dianne Feinstein and Lt. Gov. Gavin Newsom. But Cadiz strongly opposed the measure, arguing the project has already been scrutinized under the California Environmental Quality Act and won several lawsuits against it.

Labor groups also opposed the bill, arguing it would squelch jobs.

"What are we telling investors in projects, that they can invest 20 years of time, tens of millions of dollars of pre-construction costs and go through the entire process and meet everything that this Legislature has set before them to just have the rug ripped out from underneath them and threaten 6,000 jobs in one of the most economically disadvantaged areas in the state of California?" said Scott Wetch, lobbyist for the California State Pipe Trades Council.

The measure cleared the Assembly last week, but prospects looked shakier in the Senate, where the attempt to impede the Cadiz project had previously faltered in the Senate Appropriations Committee.

Sen. Anthony Portantino (D-La Cañada Flintridge), chairman of the committee, said he objected to how SB 120 was resurrected, which he said would have undermined the decision of the panel's prior chair.

"I actually support where you're trying to do in the bill," Portantino said. "But I have to stand up for the integrity of the House. I have to stand up for how we do what we do."

Cadiz cheered the outcome.

"SB 120 was an attempt by its proponents at the 11th hour of session to change the rules of the game for Cadiz, but the bill also risked so much more — water reliability, jobs and the integrity of California's environmental laws," spokeswoman Courtney Degener said. "We are proud to have been



a part of a wide coalition of more than 70 organizations that quickly opposed SB 120 and appreciative of the respect for the legislative process expressed by the Senate tonight.”

Environmental groups blasted the move, with one pinning the blame on Senate leader Toni Atkins (D-San Diego).

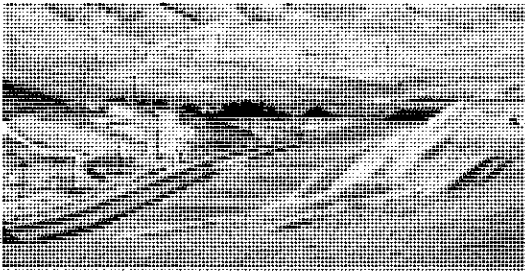
“Senate leadership let down the people of California tonight by not allowing a final vote on SB 120,” David Lamfrom, California Desert director for the National Parks Conservation Assn., said in a statement. “All eyes were on Sen. Toni Atkins and leadership following the assembly passage of a common-sense bill to ensure science was incorporated into an industrial, desert water mining project. Blocking a final vote on SB 120 furthers Trump administration actions to remove required federal review of the Cadiz project.”

In a statement after the hearing, Roth indicated he would continue to press the issue next year.

“The facts speak for themselves, and will be discussed again by myself and my colleagues,” Roth said. “The science of the Cadiz Water Project is based on a flawed process led by a self-interested agency. The discrepancies between numbers from the U.S. Geological Survey and Cadiz Inc. are alarming at best and dangerous at worst — imperiling an entire ecosystem. I am steadfast in my resolve and the conversation will continue”

**OPINION**

# State Water Project: Our most important infrastructure



BY **JENNIFER PIERRE** POSTED 09.10.2018

Ask me what tops the list of California's most critical infrastructure, and I'll tell you it's the State Water Project. It's hard to argue with the fact that water is a prerequisite for all life and a healthy economy.

That's why financing the operation and maintenance of the State Water Project in a responsible, cost-effective manner should be common sense — not a political volley that puts California's lifeline at risk and threatens ratepayers with a surge in water rates that is easily avoidable.

*By extending the contracts, DWR can issue bonds beyond 2035 to allow for long-term financing.*

The State Water Project delivers water to more than 25 million people, 750,000 acres of farmland, and fuels business and industry statewide. We must ensure it can continue serving our needs today while providing for future generations in the most reliable and affordable way possible. The best and most responsible way to do that is by extending long-term water supply contracts that have been in place between public water agencies and the California Department of Water Resources (DWR) since the 1960s.

By extending the contracts, DWR can issue bonds beyond 2035 to allow for long-term financing for planned State Water Project capital operation and maintenance, such as the Communications System Replacement Project and the Fire Systems Modernization Project. This protects ratepayers statewide, shielding them from the steep water rate increases that result from financial compression.

Think of "financial compression" in terms of financing a home mortgage.

If a homeowner has a 15-year mortgage, their monthly payments are much higher than if they were to finance the same amount using a 30-year mortgage. The contract extension is equivalent to changing from a 15-year to 30-year mortgage for millions of ratepayers.

*The State Water Project is the nation's largest state-built, user-financed water and power development and delivery system.*

Without an extension, municipal and industrial public water agencies' costs are projected to escalate by more than double, from \$300 million to \$700 million over the period until 2035. Agricultural public water agencies' capital charges would spike from \$36 million to \$490 million over the same period, an increase that is 13 times greater.

Opponents of California WaterFix are making the contract extension for the entire State Water Project about the Governor's \$17 billion twin tunnels project in hopes of delaying the project. A joint legislative budget committee hearing, scheduled Tuesday (Sept. 11) is the final informational hearing required to complete the contract extensions and avoid the financial compression.

After nearly five years and an extensive public review, the contract extension process is nearly complete. An Agreement in Principle was developed in public in 2014, after which the CEQA draft environmental document was publicly released and comments were received. DWR and public water agencies have done their due diligence with great care and transparency. While WaterFix is a necessary investment in our State Water Project, it's not the reason we need to extend the long-term water supply contracts.

The State Water Project is the nation's largest state-built, user-financed water and power development and delivery system – a vast network of aqueducts, tunnels, canals, reservoirs, pumping plants, and hydroelectric power generation plants.

Bringing Sierra Nevada melted snowpack from the Bay Area to San Diego, it's one of the cleanest and most cost-effective water supply sources. It gets us through droughts more efficiently than any other source, augments local water supply sources and recharges groundwater basins. Two-thirds of California's water is delivered through the State Water Project. Some California regions depend on water from the State Water Project for as much as 80 percent of their total supply.

The scheduled hearing has been delayed twice amidst the noise from WaterFix opponents, who are looking for any reason to slow down the project's momentum. There's no question the hearing should proceed as planned next week. Any further delay just makes it more difficult to maintain high bond ratings, keep interest costs low, and provide financial stability to the State Water Project.

And if there's any doubt about just how important this is, imagine life without the State Water Project. It's in California's best interest to have a stable, reliable water supply.

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*Ed's Note: Jennifer Pierre is the general manager of the State Water Contractors, a non-profit statewide association of 27 public agencies that purchase water from the California State Water Project.*

# Los Angeles Times

## Water officials in Compton launch bid to save their jobs

***Sativa board members say lawmakers' effort to dismantle district is 'a power grab.'***

By Angel Jennings, September 17, 2018

A Compton water district that could be abolished for delivering brown water is waging an eleventh-hour campaign for its survival.

The push comes after legislation sailed through the state Assembly and Senate last month that would dismantle the Sativa Los Angeles County Water District's five-member elected board of directors and install a new general manager by year's end. Lawmakers say the legislation is necessary to ensure Sativa's 6,800 customers in Compton and Willowbrook quickly receive water free of the manganese that taints the district's supply.

As the bill awaits a decision from Gov. Jerry Brown before the end of the month, the members of Sativa's board are launching a bid to save the district — and their jobs — by arguing what's at stake is not simply water but also democracy.

The leadership of Sativa and other public water systems in California is selected by voters. By ousting Sativa's leadership, board members say, Assembly Bill 1577 would strip power from voters and deny the elected body its right to a public hearing to plead its case.

The legislation, board members warn, imperils all of the state's small water districts, which were created by residents who wanted more control over local services.

"This bill will not only hurt Sativa but will be impacting other water districts in the future," said Thomas Martin, Sativa's interim general manager. "We don't know who's next in the chopping block."

In the last week, Martin said, he has written to Brown's office twice and requested a meeting with his staff. When Martin got no response, the board hired a lobbying firm for \$20,000 to gain access to the governor.

At a news conference Sept. 10, Martin described the bill as a "power grab" that might result in a private company obtaining the 474 acre-feet of water a year that Sativa is allowed to extract from the central groundwater basin.

Martin said those water rights are worth \$6 million a year and warned that an outside provider could charge higher prices than Sativa's monthly flat rate of about \$70.

He said that water quality is improving and that the district has received no complaints in the last two weeks. Projects approved by the board would further increase water pressure and better flush out the manganese, but the State Water Resources Control Board has put them on pause, Martin said.

The state water board said in a letter last month that Sativa's proposal was incomplete and failed to meet state standards.

Assemblyman Mike Gipson (D-Carson), who introduced the legislation, said Sativa's publicity campaign is a waste of ratepayers' money by a district that says it needs as much as \$15 million to fix its aging pipes.

“We are talking about a water system that does not have the proper resources to address the eroding and aging and failing infrastructure to provide good, clean, quality water to its residents,” yet the board is spending money on lobbying, he said.

Gipson said he's following the will of ratepayers, who separately launched a process to recall Sativa's board.

Authorities have long questioned whether Sativa should exist at all. Over decades, district officials have weathered accusations voted to dissolve of financial instability, nepotism and mismanagement. But when customers began posting videos online of brown water flowing from their faucets this year, new efforts were launched to abolish the district.

In July, L.A. County's Local Agency Formation Commission, or LAFCO — which oversees public water agencies such as Sativa — the district.

It's a slow process, and one that Sativa's board could further delay by suing LAFCO or galvanizing customers to force an election in which the voters would decide the district's fate.

A provision in AB 1577 would eliminate voters' right to contest the dissolution, speeding up the process by months, said LAFCO's executive officer, Paul Novak.

Current law requires that LAFCO transfer the services of any agency it dissolves to another agency. The bill would allow the state-appointed administrator to select a permanent replacement, which could also be an investor-owned utility.

The Los Angeles County Board of Supervisors and LAFCO have asked the state to appoint the county's Department of Public Works as the interim administrator.

The bill would shield the replacement provider from liability and make it a criminal offense for the board to divert any assets or sell off the system.

Some groups that represent small water districts acknowledge that the circumstances at Sativa warrant action. But others worry about the precedent of bypassing due process to remove an elected body.

State officials say they are trying to comply with the 2012 Human Right to Water Bill, a mandate that every Californian have access to water that's reliable and safe to drink. But that's a challenge with so many tiny water districts that are underfunded and understaffed.

About 2,000 water systems across California serve drinking water to fewer than 500 homes. Most are scattered across the Central Valley and pump water into as few as 15 households. These districts were responsible for 85% of state drinking-water citations last year.

Experts say tiny water systems lack the economies of scale to pass maintenance costs to their customers while remaining affordable. Some are reluctant to merge with bigger neighboring districts, while some other communities are isolated and don't have viable neighboring districts to join.

Until recently, the California water board could only encourage mergers between systems. A 2015 law authorized it to forcibly consolidate a system that has consistently failed to provide safe drinking water. Since then, 11 mandatory consolidations have been initiated.

In 2016, the board's powers were further expanded to allow it to appoint an administrator to take over operations of a troubled water system. However, the administrator has to be paid by the state, and the law did not provide funding.

The bill awaiting Brown goes a step further and allows the state to oust a district's entire board. Tucked into the budget bill, which is also on Brown's desk, is \$200,000 to pay for an administrator to take over Sativa.

Advocacy groups that represent smaller water systems said they are slowly being stripped of their ability to operate in ways that best suit their customers. New state rules for testing and reports, coupled with the water conservation mandate during the drought, put a bigger financial burden on tiny agencies, they said.

"The vast majority of water suppliers in the state do a great job of providing safe, reliable drinking water to customers," said John Woodling, executive director of the Regional Water Authority, which represents midsize Sacramento-area water agencies. "Being able to respond when there are problems that come up is really best handled at the local level."

## DESERT WATER AGENCY OUTREACH & CONSERVATION ACTIVITIES

**September 2018**

### Activities:

- 9/01 President Cioffi, Mark Krause and Ashley Metzger attended the Desert Hot Springs Neighborhood Group monthly breakfast.
- 9/05 Mark Krause and Ashley Metzger attended a Legislative Breakfast with Assemblymembers Eduardo Garcia and Chad Mayes.
- 9/05 Ashley Metzger was on a live segment with KESQ about DWA's partnership with the Palm Springs Public Library.
- 9/05 Ashley Metzger attended the Palm Springs Chamber of Commerce mixer at the Palm Springs Aerial Tramway
- 9/06 Mark Krause and Ashley Metzger attended the Palm Springs State of the City luncheon.
- 9/07 Ashley Metzger attended Urban Water Conservation and Drought Planning session at Metropolitan Water District.
- 9/08 Ashley Metzger and Vicki Petek staffed a table and provided water and information at the Palm Springs Farmer's Market.
- 9/09 - 9/11 President Cioffi, Vice President Stuart, Secretary-Treasurer Bloomer and staff attended the State Water Project tour.
- 9/12 Ashley Metzger and Xochitl Peña gave a presentation to the residents of Palm Springs Pointe Apartments.
- 9/12 President Cioffi and Ashley Metzger met with Supervisor V. Manuel Perez.
- 9/13 Ashley Metzger and Xochitl Peña attended the ONE-PS meeting and provided an update.
- 9/13 Vicki Petek and Eddie Gonzalez conducted a water audit for Ridgeview Homeowners Association.
- 9/13 Ashley Metzger was on a live segment with KESQ about the State Water Project tour.
- 9/17 Ashley Metzger and Heather Marcks attended a Water Loss Performance Standards seminar at Metropolitan Water District.
- 9/20 Ashley Metzger and Xochitl Peña gave a presentation to the residents of the Pacifica Senior Apartments.

- 9/20 Ashley Metzger was on a live segment with KESQ about National Preparedness Month.
- 9/21 President Cioffi and Ashley Metzger met with Senator Jeff Stone.
- 9/25 Ashley Metzger attended and presented at the HOA Presidents' Council meeting at Four Seasons' clubhouse.
- 9/25 President Cioffi, Mark Krause and Ashley Metzger met with Assemblymember Chad Mayes.
- 9/26 Ashley Metzger attended the Desert Hot Springs Agua Warriors meeting.
- 9/27 Ashley Metzger was on a live segment with KESQ about overseeding.

**Public Information Releases/eBlasts/Customer notifications:**

- September 4: #H2Oreads: Public agencies partner to feature books about water and quench the thirst for a good read – press release
- September 6: Racquet Club Road construction underway – website, Nextdoor
- September 19: Pueblo Sands water outage Monday (9/24) 9:00a-2:00p – Nextdoor
- September 20: HOA Presidents Council meeting notification – eBlast to HOAs

**Upcoming Events**

- October 02, 5:00 to 8:00 – DWA at PSPD National Night Out @ Sunrise Park Stadium
- October 05, 10:00 to 2:00 – DWA at Senior Lifestyle Expo @ Mizell Senior Center
- October 10, 9:00 to 10:30 – MSWD Solar Switch Flip in Desert Hot Springs
- October 16, 5:00 to 9:00 – DWA at PS Chamber Business Expo & Taste of PS @ Colony 29
- October 20, 7:00 to 12:00 – DWA at Desert AIDS Walk @ Ruth Hardy Park
- October 24, 8:00 to 11:20 – AWWA tour of DWA facilities
- October 27, 10:00 to 6:00 – CV Water Counts at Desert Garden Community Day @ UCR Palm Desert
- October 28, 11:00 to 6:00 – DWA OktoberPets @ Palm Springs Animal Shelter



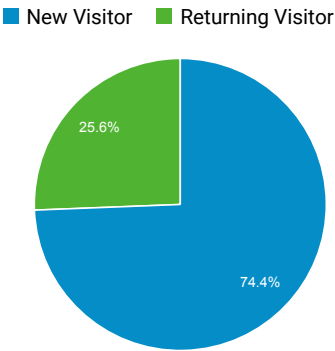
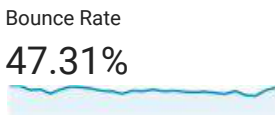
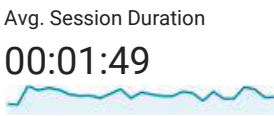
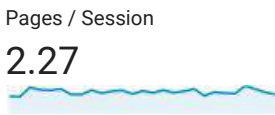
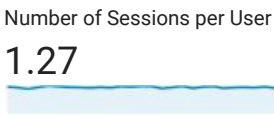
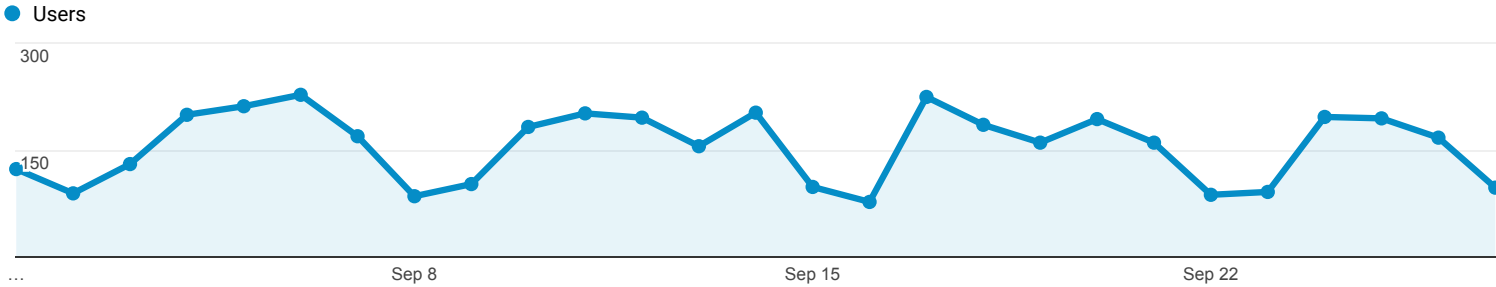


Audience Overview

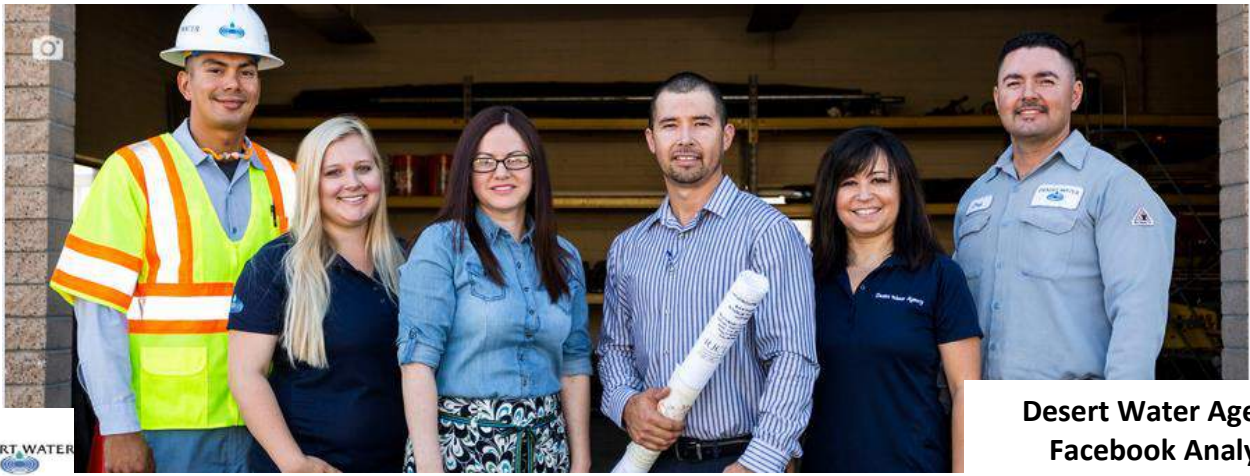
All Users  
100.00% Users

Sep 1, 2018 - Sep 27, 2018

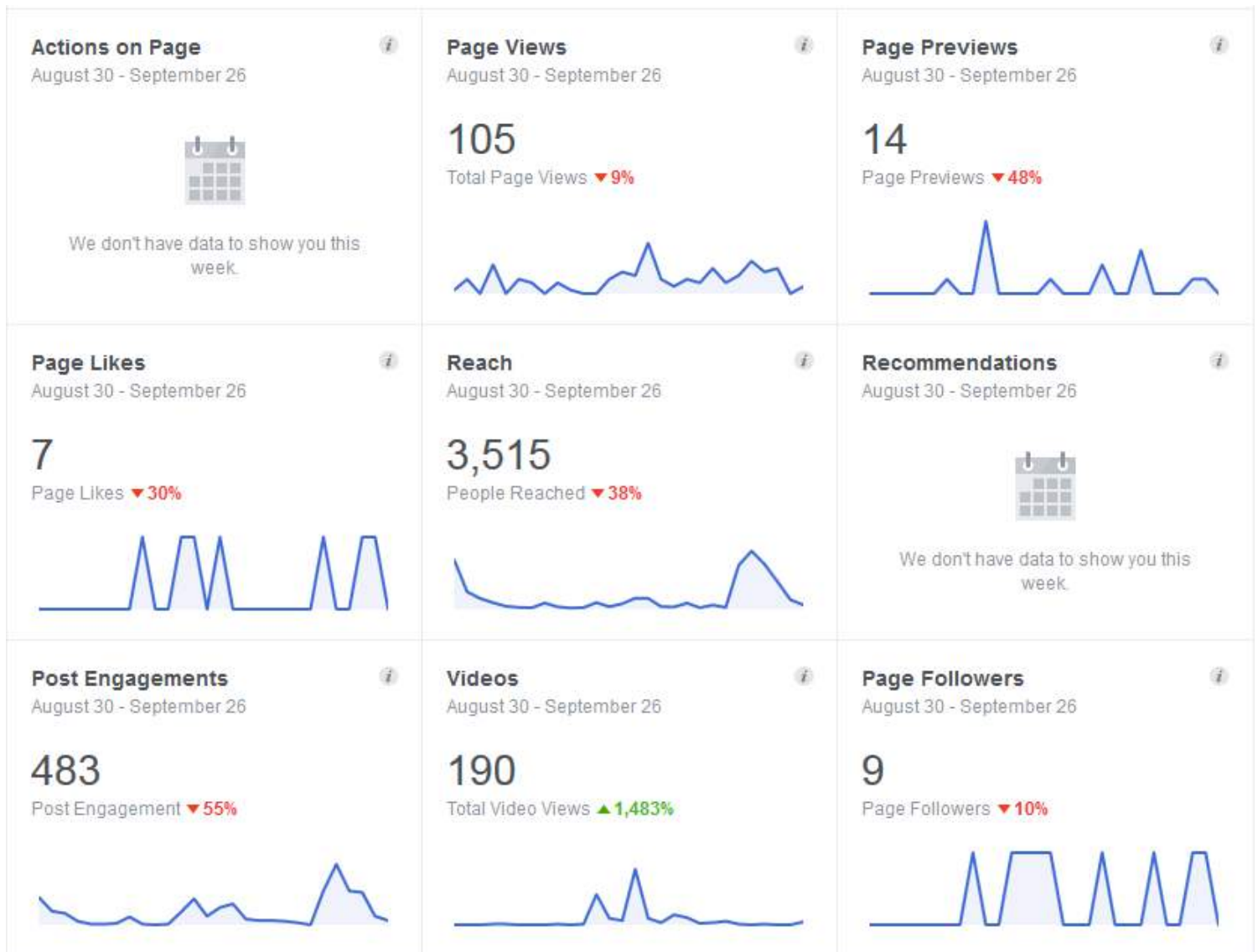
Overview

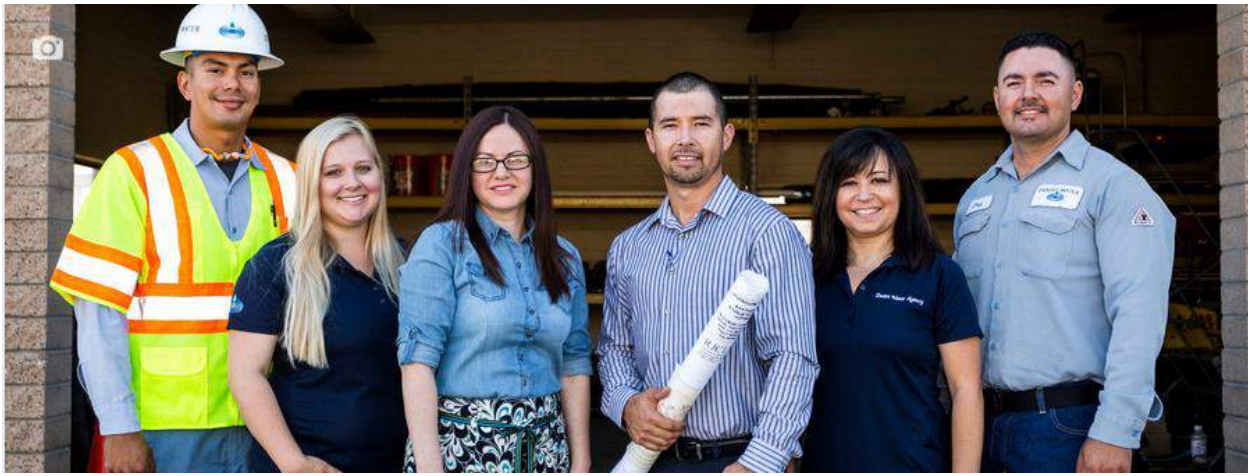


Language		Users	% Users
1.	en-us	3,419	95.64%
2.	en-ca	31	0.87%
3.	en-gb	26	0.73%
4.	es-xl	9	0.25%
5.	fi-fi	8	0.22%
6.	fr	8	0.22%
7.	ko	8	0.22%
8.	es-419	7	0.20%
9.	es-us	7	0.20%
10.	en	5	0.14%



## Desert Water Agency Facebook Analytics September 2018





Published	Post	Type	Targeting	Reach	Engagement	Promote
09/24/2018 2:49 pm	 We couldn't be happier for our team member and his family. ❤️			171	33 5	<a href="#">Boost Post</a>
09/24/2018 10:00 am	 Water we talking about? Water saving tips! Water before			103	2 4	<a href="#">Boost Post</a>
09/22/2018 10:00 am	 Goodbye Summer. Hello fall (technically)! The lowering			228	10 8	<a href="#">Boost Post</a>
09/21/2018 10:31 am	 Codi needs a heart transplant and donated blood. Help Codi			1.9K	102 64	<a href="#">Boost Post</a>
09/19/2018 10:00 am	 September is National Emergency Preparedness			67	0 2	<a href="#">Boost Post</a>
09/17/2018 10:00 am	 Water we talking about? Water saving tips! Adjust sprinkler			203	0 4	<a href="#">Boost Post</a>
09/14/2018 11:20 am	 Heading to the Palm Springs Animal Shelter to adopt a furry			150	24 8	<a href="#">Boost Post</a>
09/13/2018 1:48 pm	 Nice work! Our customers used 17% less water last month than			74	1 2	<a href="#">Boost Post</a>
09/13/2018 9:59 am	 Desert Water Agency is at the One-Ps Palm Springs			155	18 7	<a href="#">Boost Post</a>
09/12/2018 12:39 pm	 Happening now: a presentation on the past, present and future			80	1 0	<a href="#">Boost Post</a>
09/10/2018 1:01 pm	 Some of our team, Board and community members are with			114	23 7	<a href="#">Boost Post</a>
09/06/2018 11:32 am	 It's National Read a Book Day. DWA and the Palm Springs			89	7 5	<a href="#">Boost Post</a>
09/01/2018 9:30 am	 Have a safe and enjoyable Labor Day weekend. While our			75	4 2	<a href="#">Boost Post</a>





Total Page Likes as of Today: 1,145

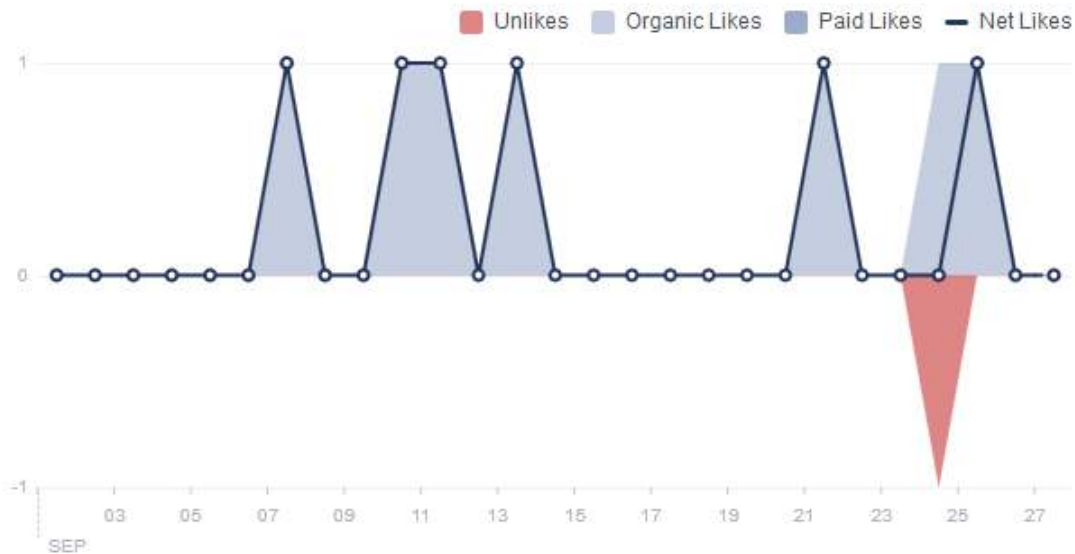


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Compare your average performance over time.

Total Page Likes

## Net Likes

Net likes shows the number of new likes minus the number of unlikes.



**BENCHMARK**  
Compare your average performance over time.

Unlikes

Organic Likes

Paid Likes

Net Likes

**WANT MORE LIKES?**  
Create an ad to get more people to like your Page.

Promote Page



desertwateragency

Edit Profile



231 posts

541 followers

172 following

Desert Water Agency

💧 Desert Water Agency serves water in Palm Springs & part of Cathedral City. We replenish the aquifer and offer programs to encourage efficiency.💧

[www.dwa.org](http://www.dwa.org)



19 likes



22 likes



19 likes



13 likes



23 likes



15 likes



19 likes



20 likes, 1 comment



29 likes, 2 comments





## Desert Water Agency

1200 S Gene Autry Trl, Palm Springs, CA 92264



Outreach & Conservation Manager Ashley Metzger, Desert Water Age...



### Pueblo Sands water outage Monday (9/24), 9:00a-2:00p

Desert Water Agency recently installed a new water pipeline in Ramon Road to replace one that was aged and leaky. We now need to connect the water meters at Pueblo Sands to the new water pipeline. From 9:00 a.m. to 2:00 p.m. our crews are scheduled to work on this and there will be outages for most or all of this time

[See more...](#)

Edited 19 Sep · Posted Sep 19, 2018 · Subscribers of Desert Water Agency in 1 neighborhood



Outreach & Conservation Manager Ashley Metzger, Desert Water Age...



### Construction alert - Racquet Club Road

On Monday, Sept. 10, crews will begin work on Racquet Club Road, followed by nearby streets, to replace old pipelines (see area map attached). This project to improve water reliability will last through November with the contractor working on one street at a time. During the day as crews work, lanes will be restricted in both

[See more...](#)



6 Sep · Subscribers of Desert Water Agency in 4 neighborhoods





Desert Water Agency  
Twitter Analytics  
September 2018

Sep 2018 • 26 days so far...

TWEET HIGHLIGHTS

**Top Tweet** earned 1,293 impressions

Some of our team, Board and community members are [#learningaboutwater](#) with [@mwdh2o](#) in Oroville. The salmon are almost ready to spawn. [pic.twitter.com/DbjdL28fKw](#)



1 9

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[View all Tweet activity](#)

**Top Follower** followed by 2,537 people



**Geraldine Estevez**

[@TheWriteWoman](#) [FOLLOWS YOU](#)

Social / Breaking News Reporter [@MyDesert](#) | [@USATODAY](#) Network. BX queen turned Californian. Story idea? Comparte tu historia: [Geraldine.Estevez@DesertSun.com](#)

**Top mention** earned 11 engagements



**Xochitl Pena**

[@TDSXochitl](#) · Sep 12

My first presentation as Outreach Specialist with [@DWAwater](#) - thanks [@ashleydhudgens](#) for co-presenting. Lots of good questions from [#PalmSprings](#) residents. [twitter.com/dwawater/statu...](#)

2

[View Tweet](#)

**Top media Tweet** earned 700 impressions

It's National Read a Book Day. DWA and the Palm Springs Public Library partnered to bring all types of water-themed books for our community to soak up (children's, sci-fi, romance, history, non-fiction and more). Check them out today! [#ReadABookDay](#) [@pslibrary](#) [pic.twitter.com/9QvHbTigUL](#)



1 6

ADVERTISE ON TWITTER

**Get your Tweets in front of more people**

Promoted Tweets and content open up your reach on Twitter to more people.

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SEP 2018 SUMMARY

Tweets  
18

Tweet impressions  
9,252

Profile visits  
230

Mentions  
9

New followers  
10