



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

*About Desert Water Agency:*

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

1. **PLEDGE OF ALLEGIANCE**
2. **APPROVAL OF MINUTES – November 6, 2018** **CIOFFI**
3. **GENERAL MANAGER'S REPORT** **KRAUSE**
4. **COMMITTEE REPORTS - A. Executive – November 13, 2018** **CIOFFI**
5. **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.
6. **SECRETARY-TREASURER'S REPORT (OCTOBER)** **BLOOMER**
7. **ITEMS FOR ACTION**
  - A. Request Authorization to Enter Into Agreement (Quitclaim a Portion of Whitewater Mutual Water Company Right-Of-Way) **JOHNSON**
  - B. Request Budget Augmentation for the 2017/2018 Replacement Pipeline Project **JOHNSON**
  - C. Request Authorization for General Manager to Execute Main Extension Refund Agrmt/Horizon Gardens **JOHNSON**
  - D. Request Authorization for General Manager to Execute the Delta Conveyance Finance Authority Joint Powers Agreement **KRAUSE**
8. **ITEMS FOR DISCUSSION**
  - A. Director's Report on NWRA Attendance **BLOOMER, CIOFFI, STUART**
  - B. October Water Use Reduction Figures **PEÑA**
9. **DIRECTORS COMMENTS AND REQUESTS**
10. **CLOSED SESSION**
  - A. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION  
Pursuant to Government Code Section 54956.9 (d) (1)  
Name of Case: Agua Caliente Band of Cahuilla Indians vs. Coachella Valley Water District, et al
  - B. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION  
Pursuant to Government Code Section 54956.9 (d) (1)  
Name of Case: Agua Caliente Band of Cahuilla Indians vs. County of Riverside, et al
  - C. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION  
Pursuant to Government Code Section 54956.9 (d) (1)  
Name of Case: Mission Springs Water District vs. Desert Water Agency
  - D. CONFERENCE WITH 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

H. CONFERENCE WITH REAL PROPERTY NEGOTIATORS

Pursuant to Government Code Section 54956.8

Property: APN 669-680-024, 669-191-007 and 669-191-008

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

Negotiating Parties: DFI Properties, LLC

Under Negotiation: Price and Terms

11. RECONVENE INTO OPEN SESSION – REPORT FROM CLOSED SESSION

12. ADJOURN

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

**2**

**November 6, 2018**

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

DWA Staff:	Mark S. Krause, General Manager )
	Steve Johnson, Asst. General Manager )
	Martin Krieger, Finance Director )
	Sylvia Baca, Asst. Secretary of the Board )
	Kris Hopping, Human Resources Manager )
	Xochitl Peña, Outreach & Cons. Specialist I )
	Esther Saenz, Accounting Supervisor )

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

Public:	David Freedman, P.S. Sustainability Comm. )
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18252. President Cioffi opened the meeting at 8:00 a.m. and asked everyone to join Director Oygur in the Pledge of Allegiance. **Pledge of Allegiance**

18253. President Cioffi called for approval of the October 16, 2018 Regular Board meeting minutes. **Approval of 10/16/18 Regular Board Mtg. Minutes**

Director Oygur moved for approval. After a second by Director Ewing, the minutes were approved as written.

18254. President Cioffi called upon General Manager Krause to provide an update on Agency operations. **General Manager's Report**

Mr. Krause stated on October 16, Construction staff responded to a reported service line leak. Apparently, a vehicle backed over the Agency's meter box, damaging the service line and the customer side plumbing. As a result, the customer's house flooded from the leak runoff, which traveled downhill in the house. **Water Service Line Damage (Southridge Dr.)**

Mr. Krause noted as part of the CV Link Bike Path, the City of Cathedral City requested the use of land owned by the Agency, adjacent to **Well 31 Fence**

Well 31. Staff negotiated the land use for the bike path in exchange for upgrading the fence at the site to “No Climb” fencing, which the City recently completed construction.

**General Manager’s Report (Cont.)**  
Well 31 Fence

Mr. Krause stated the Department of Water Resources (DWR) announced it has met its goal of completely reconstructing the main spillway at Oroville Dam by 11/1/18. It is now built to its original design capacity of 270,000 cubic feet per second.

Oroville Dam’s Main Spillway Completed

Mr. Krause stated due to stoppage of water deliveries, the Whitewater Hydro plant only operated for a portion of the day on October 1. It generated approximately 9,330 kWh, resulting in a SCE settlement amount of \$755. As of the end of September, MWD has delivered approximately 129,611 acre feet to the Whitewater Spreading basins. On September 26, MWD began water deliveries to the Mission Creek Spreading basins (MCSB) at a rate of 25 cfs. On November 1, MWD completed water deliveries in the amount of 1,630 acre feet to the MCSB; a total of 2,012 acre feet of water has been delivered so far this year.

Whitewater Hydro & SWP Delivery Update

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

SWC Media, System Leak Data, General Manager’s Meetings & Activities

18255. President Cioffi noted the minutes for the October 30, 2018 Executive Committee were provided in the Board’s packet.

**Committee Reports:**  
Executive 10/30/18

18256. President Cioffi opened the meeting for public comment.

**Public Comment**

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

18257. President Cioffi asked Agency Counsel Riddell to present the request for Adoption of Resolution No. 1193 Adopting an Amended Appendix of the Agency’s Conflict of Interest Code.

**Action Items:**  
Resolution No. 1193 Amending Conflict of Interest Code

Mr. Riddell stated that the Agency is required to review its Conflict of Interest Code biennially and amend it if necessary to comply with current legislation. The proposed amendment includes new positions, deletes abolished positions, revises titles and adds a new disclosure category. It is requested that the Board adopt Resolution No. 1193.

Director Ewing moved to adopt Resolution No. 1193 Adopting an Amended Conflict of Interest Code. Vice President Stuart seconded the motion, which passed unanimously.

**RESOLUTION NO. 1193  
RESOLUTION OF THE BOARD OF DIRECTORS  
OF DESERT WATER AGENCY ADOPTING AN AMENDED  
CONFLICT OF INTEREST CODE PURSUANT TO  
THE POLITICAL REFORM ACT OF 1974**

**Action Items:**  
(Cont.)  
**Resolution No. 1193**  
**Adopted**

18258. President Cioffi asked Assistant General Manager Johnson to present staff's request for authorization for the General Manager to execute the Right of Way agreement for Conveyance of real property and Escrow Instructions, Grant Deed for Ramon Road property, Temporary Construction Easement agreement and the Temporary Construction easement.

Request Board  
Authorization –  
Execute ROW Agrmt.  
Conveyance of Real  
Property

Mr. Johnson stated the City of Palm Springs is seeking to purchase real property owned by the Agency and a temporary construction easement over a portion of the Agency's property for the construction of its Ramon Road Bridge Widening project. The City would like to acquire approximately 481 square feet and a five-year temporary construction easement of approximately 1,293 square feet over Agency property APN 677-420-024, for the sum of \$4,300. Staff requests Board authorization for the General Manager to execute the Right of Way agreement for Conveyance of Real Property and Escrow instructions, Grant Deed for Ramon Road Property, Temporary Construction Easement agreement and the Temporary Construction easement.

Director Oygar moved for approval of staff's recommendation. Director Ewing seconded the motion, which passed unanimously.

18259. President Cioffi asked Agency Counsel Riddell to provide a report on the October 18, 2018 Board of Directors of the State Water Contractors, Inc.

**Discussion Items:**  
10/18/18 SWC Mtg.

Mr. Riddell provided a report on the following items: 1) Closed Session, 2) Board Action Items, 3) Energy Update, and Water Supply Update.

18260. President Cioffi asked Mr. Reeb to present his 2018 Annual Legislative Report.

2018 Legislative Report

Mr. Reeb provided a highlight of his report and discussed the following items: 1) 2018 General Elections, 2) SB 998, 3) AB 3206, 4) SB 485, and 5) SB 966. He suggested the Legislative Committee meet with Assemblyman Garcia in the near future.

President Cioffi requested Mr. Reeb join the Legislative Committee once a meeting date is confirmed with Assemblyman Garcia.

18261. President Cioffi noted that Board packets included Outreach & Conservation reports for October. He then welcomed Xochitl Peña, Outreach & Conservation Specialist I.

**Outreach & Conservation – Oct.**

18262. At 9:28 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; (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., and (G) Real Property Negotiators – Conveyance of Easement, Parties: DWA and ACBCI.

**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  
 G. Real Property Negotiators – Conveyance of Easement APN 508-053-005  
 Parties: DWA and ACBCI

18263. At 10:33 a.m., President Cioffi reconvened the meeting into open session and announced there was no reportable action.

18264. In the absence of any further business, President Cioffi adjourned the meeting at 10:34 a.m.

**Reconvene – No Reportable Action**

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

**Adjournment**

ATTEST:

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

## GENERAL MANAGER'S REPORT NOVEMBER 20, 2018

### Damaged Block Wall – Well #5

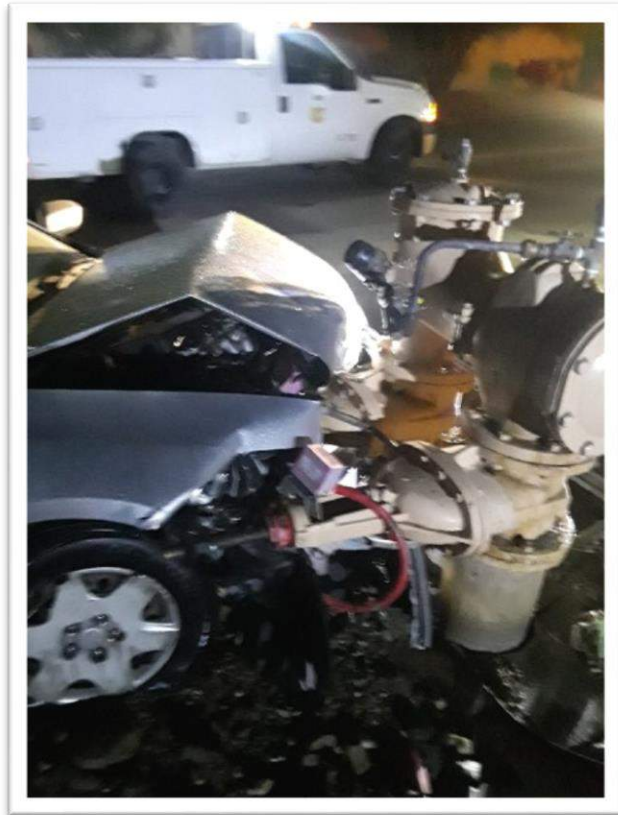
On November 9, at approximately 7:30 p.m. DWA construction staff responded to a reported damaged block wall at Well #5 (Intersection of Avenida Caballeros & Alejo Road). When staff arrived, there was no vehicle or police on site. The Agency filed a police report.





### Hit Fire Service – 67575 Canyon Plaza in Cathedral City

On November 10, at approximately 2:25 a.m. DWA construction stand-by responded to the report of a damaged 8-inch fire service. Staff shut the service off, notified the customer and fire department that the fire service was out of order. The customer requested and gave authorization to the Agency to replace the fire service. Once the fire service has been replaced and it passes disinfection testing, the Agency will put it back into service. The water loss was from a one-inch service which ran for approximately 30 minutes. A police report was filed.





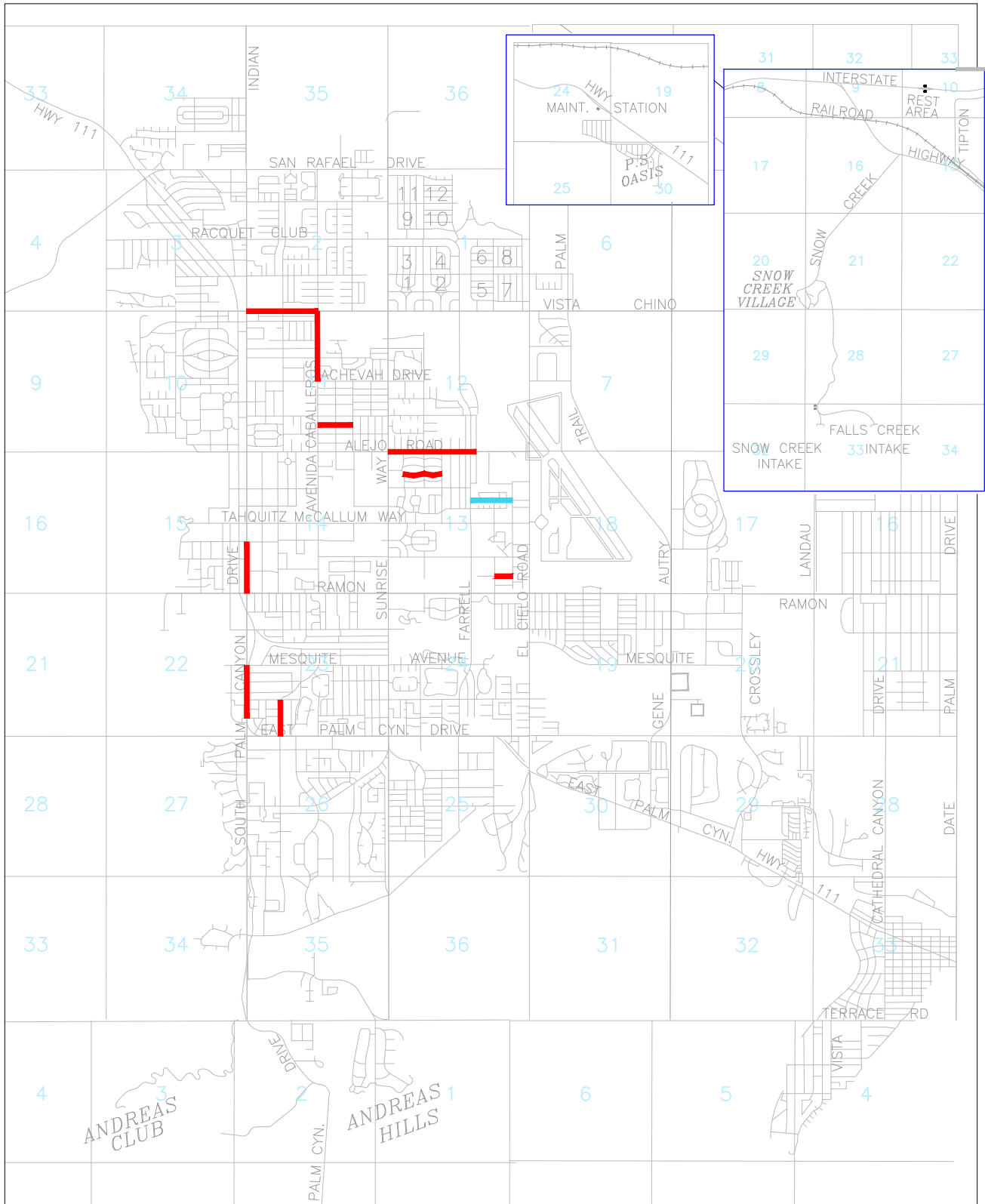
Human Resources Activities:

October 16, 2018	Laboratory Director Interviews
October 17, 2018	United Way Board Meeting
October 23, 2018	New Employee Orientation for one new employee
October 24, 2018	Retirement Party for Beth Amheiser
October 31, 2018	New Employee Orientation for four new employees
November 6, 2018	New Employee Orientation for one new employee
November 7, 2018	United Way Executive Board Meeting
November 8, 2018	HR Virtual Summit

SYSTEM LEAK DATA					
(PERIOD BEGINNING OCTOBER 31, 2018 THRU NOVEMBER 13, 2018)					
STREET NAME	NUMBER OF LEAKS	PIPE DIAMETER (INCHES)	YEAR INSTALLED	PIPE MATERIAL	PIPE CONSTRUCTION
LIVMOR AVE	4	4 AND 6	1955	STEEL	BARE/UNLINED
VIA ALTAMIRA	2	4	1954/1947	STEEL	BARE/UNLINED
AVENIDA CABALLEROS	2	20	1949	STEEL	BARE/UNLINED
ALEJO RD	1	12	1960	STEEL	CEMENT LINED
CALLE PALO FIERRO	1	4	1947	STEEL	BARE/UNLINED
VIA VAQUERO	1	4	1958	STEEL	BARE/UNLINED
VISTA CHINO	1	20	1949	STEEL	BARE/UNLINED
DESERT PALMS DR	1	4	1946	STEEL	BARE/UNLINED
INDIAN CANYON DR	1	6	1951	STEEL	BARE/UNLINED
S PALM CANYON DR	1	10	1938	STEEL	BARE/UNLINED
TOTAL LEAKS IN SYSTEM:		15			

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

<b>SYSTEM INFORMATION:</b>	
*OLDEST PIPE IN THE SYSTEM (YEAR OF INSTALLATION):	1925
AVERAGE YEAR OF INSTALLATION OF UNLINED STEEL PIPE (SYSTEMWIDE):	1952
AVERAGE AGE OF UNLINED STEEL PIPE (SYSTEMWIDE):	66 YEARS
AVERAGE AGE OF PIPELINE AT THE TIME OF REPLACEMENT:	68 YEARS
TOTAL LENGTH OF UNLINED PIPE SYSTEMWIDE (LINEAR FEET):	303,391
**AVERAGE LENGTH OF PIPE REPLACED ANNUALLY (LINEAR FEET):	14,500
PROJECTED TIME FRAME FOR 100% REPLACEMENT OF UNLINED STEEL PIPE:	21 YEARS
YEAR AGENCY TRANSITIONED TO CEMENT LINED STEEL PIPE:	1960
<p><b>* THIS PIPELINE IS BEING REPLACED AS PART OF THE 2018/2019 REPLACEMENT PIPELINES PROJECT.</b></p> <p><b>** PLEASE NOTE THIS FIGURE REPRESENTS THE AVERAGE LINEAR FOOTAGE OF PIPELINE REPLACED ANNUALLY GIVEN AN AVERAGE ANNUAL BUDGET OF \$3 MILLION.</b></p>	



## SYSTEM LEAKS

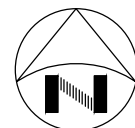
(Period beginning October 31, 2018  
thru November 13, 2018)

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  
11/18

SCALE  
NTS

EXHIBIT  
"A"

## General Manager's Meetings and Activities

### Meetings:

11/06/18	Quarterly Mission Creek Management Committee Meeting	CVWD
11/07/18	NWRA Conference	S.D.
11/08/18	NWRA Conference	S.D.
11/08/18	S.C. Village Water Filtration Plant Design Meeting	Conf. Call
11/09/18	NWRA Conference	S.D.
11/13/18	Bi-Monthly Executive Committee Meeting	DWA
11/13/18	Staff/I.S./Security Weekly Meeting	DWA
11/14/18	SWC's Monthly Delta Committee Meeting	SAC.
11/14/18	SWC's Monthly Policy Dinner Meeting	SAC.
11/15/18	SWC's Monthly Board Meeting	SAC.
11/16/18	Sites Reservoir Monthly Committee Meeting	MAX.
11/19/18	Staff/I.S./Security Weekly Meeting	DWA
11/20/18	Bi-Monthly DWA Board Meeting	DWA
11/20/18	SGP-Subbasin-GSA Monthly Workgroup Meeting	SGPWA

### Activities:

- 1) Outreach Talking Points – KESQ
- 2) Whitewater Hydro – Automatic Re-start
- 3) State and Federal Contractors Water Authority and Delta Specific Project Committee (Standing)
- 4) ACBCI Section 14 Facilities & Easements
- 5) Lake Oroville Spillway Damage
- 6) Replacement Pipelines 2018-2019
- 7) CWF – Finance JPA Agreement
- 8) DWA/CVWD/MWD Operations Coordination/Article 21/Pool A/Pool B/Yuba Water
- 9) DWA/CVWD/MWD Agreements Update
- 10) SWP 2018 Water Supply
- 11) ACBCI Lawsuits
- 12) Lake Perris Dam Remediation
- 13) Section 14 Pipeline Easements
- 14) DOI Regulation
- 15) Repair of Facility Access Roads Damaged in the September 10 Storm (Araby)
- 16) Whitewater Hydro Operations Coordination with Recharge Basin O&M
- 17) SGMA Tribal Stakeholder Meetings
- 18) Whitewater Spreading Basins – BLM Permits
- 19) Lake Perris Dam Seepage Recovery Project Participation
- 20) Cal Waterfix Cost Allocation
- 21) DWA Surface Water Filtration Feasibility Study
- 22) MCSB Delivery Updates
- 23) Well 6 Meaders Cleaners RWQB Meetings
- 24) SGMA – Indio Subbasin Classification
- 25) SGMA – San Geronio Pass Subbasin
- 26) Snow Creek Surface Water Filtration
- 27) UWMP Population Calculation Update
- 28) RWQCB Update to the SNMP

**Minutes**  
**Executive Committee Meeting**  
November 13, 2018

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

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

**1. Discussion Items**

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

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

B. Expense Reports

The October expense reports were reviewed.

**2. Other - None**

**3. Adjourn**

DESERT WATER AGENCY  
STATEMENT OF CASH RECEIPTS AND EXPENDITURES

OPERATING ACCOUNT

OCTOBER 2018

INVESTED  
RESERVE FUNDS  
\$20,343,845.49

BALANCE	OCTOBER 1, 2018	\$620,695.04	
WATER SALES		\$3,303,355.74	
RECLAMATION SALES		111,642.12	
WASTEWATER RECEIPTS		90,727.51	
POWER SALES		1,172.18	
METERS, SERVICES, ETC.		29,619.00	
REIMBURSEMENT – GENERAL FUND		168,022.13	
REIMBURSEMENT – WASTEWATER FUND		5,031.70	
ACCOUNTS RECEIVABLE – OTHER		5,255.81	
CUSTOMER DEPOSITS – SURETY		8,086.00	
CUSTOMER DEPOSITS – CONST.		21,197.40	
LEASE REVENUE		3,415.91	
INTEREST RECEIVED ON INV. FDS.		92,759.08	
FRONT FOOTAGE FEES		0.00	
BOND SERVICE & RESERVE FUND INT		0.00	
MISCELLANEOUS		34,837.17	
TOTAL RECEIPTS		\$3,875,121.75	
PAYMENTS			
PAYROLL CHECKS		\$534,699.59	
PAYROLL TAXES		221,164.30	
ELECTRONIC TRANSFERS		66,964.77	
CHECKS UNDER \$10,000.00		280,480.73	
CHECKS OVER \$10,000.00 – SCH. #1		3,246,080.28	
CANCELLED CHECKS AND FEES		15,024.23	
TOTAL PAYMENTS		\$4,364,413.90	
NET INCOME		(\$489,292.15)	
BOND SERVICE ACCOUNT			
MONTHLY WATER SALES		\$0.00	
EXCESS RETURNED BY B/A		\$0.00	
BOND SERVICE FUND			\$0.00
INVESTED RESERVE FUNDS			
FUNDS MATURED		\$1,904,000.22	
FUNDS INVESTED – SCH. #3		2,503,809.08	
NET TRANSFER		(\$599,808.86)	\$599,808.86
BALANCE	OCTOBER 31, 2018	(\$468,405.97)	\$20,943,654.35



# OPERATING ACCOUNT

SCHEDULE #1-CHECKS OVER \$10,000

CHECK #	NAME	DESCRIPTION	AMOUNT
120749	ACWA-JPIA	WORKERS COMPENSATION PREMIUM - 1ST QTR FISCAL 2018/2019	\$44,897.03
120761	BORDEN EXCAVATING INC	CONTRACT PAYMENT #4 - 2017/18 REPLACEMENT PIPELINES - (W/O #17-111--08/12)	\$627,991.05
120779	MCKEEVER WATERWELL & PUMP INC	MAINTENANCE - WELL #20 AND #22	\$11,883.00
120796	SHUMARD CORPORATION	FIBERGLASS SHELTER - CHLORINE INJECTION: WELL #22, #24, #25 & 33	\$22,144.00
120798	SOUTHERN CALIFORNIA EDISON CO	POWER	\$303,828.46
120807	Z&L PAVING, INC	PAVING	\$18,888.50
120809	FORSHOCK - MICHAEL JEAN KLUTTS	SCADA COMPUTER UPGRADES	\$11,457.59
120839	PACIFICA CONSULTING INC	I.T. CONSULTING SERVICES	\$12,920.00
120866	DESERT WATER AGENCY - GENERAL	1ST QUARTER 2018/2019 GROUNDWATER REPLENISHMENT ASSESSMENT	\$1,433,531.21
120869	ACWA-JPIA	LIABILITY INSURANCE PREMIUM FISCAL 2018-2019	\$168,848.53
120883	DESERT WATER AGENCY - WASTEWATER	WASTEWATER REVENUE BILLING - SEPTEMBER 2018	\$92,228.42
120894	BADGER METER INC	WATER SERVICE SUPPLIES	\$21,214.07
120895	BEST BEST & KRIEGER LLP	LEGAL FEES	\$127,386.43
120909	CROWLER COMPANY, INC	GASMASTER SERIES UNIT AT RECPLANT (W/O #18-401-M)	\$11,741.74
120914	DOWN TO EARTH LANDSCAPING	LANDSCAPE MAINTENANCE	\$29,874.24
120919	FERGUSON WATERWORKS	WATER SERVICE SUPPLIES	\$57,875.92
120937	INLAND WATER WORKS SUPPLY CO	WATER SERVICE SUPPLIES	\$10,058.12
120941	KRIEGER & STEWART INC.	ENGINEERING	\$44,455.84
120942	LANDMARK CONSULTANTS INC	COMPACTION TESTING (W/O #17-111--12)	\$14,022.00
120945	MCKEEVER WATERWELL & PUMP INC	MAINTENANCE - WELL #20	\$54,382.00
120954	OUTFLOW TECHNOLOGIES	PROGRAMMING - MODERNIZATION PROJECT (W/O #14-187-M)	\$27,420.00
120968	SOUTHERN CALIFORNIA EDISON CO	POWER	\$10,771.83
120970	THATCHER COMPANY OF CALIFORNIA	WATER SERVICE SUPPLIES	\$31,289.80
120979	Z&L PAVING, INC	PAVING	\$56,970.50
** TOTAL			\$3,246,080.28

**DESERT WATER AGENCY  
OPERATING FUND - LISTING OF INVESTMENTS  
OCTOBER 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	\$ 15,443,654.57	\$ 15,443,654.57	\$ 15,443,654.57	2.190%	-
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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 12-20-18)	09-20-19	\$ 1,000,000.00	\$ 1,000,000.00	\$ 987,680.00	1.300%	Quarterly
10-28-16	Union Bank	FHLMC STEP (Callable 1-28-19)	10-28-21	\$ 1,000,000.00	\$ 1,000,000.00	\$ 984,340.00	2.000%	Quarterly
02-28-17	Union Bank	FHLMC (Callable 11-25-18)	02-25-19	\$ 500,000.00	\$ 500,000.00	\$ 498,505.00	1.400%	Quarterly
09-29-17	Union Bank	FHLMC (Callable 12-29-18)	09-29-20	\$ 500,000.00	\$ 500,000.00	\$ 487,955.00	1.700%	Quarterly
01-29-18	Union Bank	FHLB (Callable 1-29-19)	01-29-21	\$ 500,000.00	\$ 500,000.00	\$ 490,255.00	2.200%	Quarterly
02-08-18	Union Bank	FFCB	05-08-19	\$ 1,000,000.00	\$ 1,000,000.00	\$ 997,510.00	2.000%	Bullet
04-17-18	Union Bank	FFCB	04-17-19	\$ 1,000,000.00	\$ 1,000,000.00	\$ 998,700.00	2.150%	Bullet

Total Government Agency	\$	5,500,000.00	\$	5,500,000.00	\$	5,444,945.00
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Weighted Mean YTM 2.097%

TOTAL INVESTED @ 10/31/18	\$	20,943,654.57	\$	20,943,654.57	\$	20,888,599.57
BALANCE @ 06/30/18	\$	20,642,759.86				
INCREASE (DECREASE)		\$300,894.71				

DESERT WATER AGENCY  
STATEMENT OF CASH RECEIPTS AND EXPENDITURES

GENERAL ACCOUNT

OCTOBER 2018

BALANCE	OCTOBER 1, 2018	(\$1,509,313.62)	INVESTED RESERVE FUNDS \$126,091,080.49
* TAXES - RIVERSIDE COUNTY		0.00	
* INTEREST EARNED - INV. FUNDS		337,612.34	
GROUNDWATER REPLEN. ASSESSMENT		1,460,152.74	
REIMBURSEMENT - OPERATING FUND		0.00	
REIMBURSEMENT - CVWD MGMT		0.00	
STATE WATER PROJECT REFUNDS		397,789.00	
REIMB - CVWD - WHITEWATER HYDRO		0.00	
POWER SALES - WHITEWATER		38,189.78	
MISCELLANEOUS		0.00	
TOTAL RECEIPTS		\$2,233,743.86	
PAYMENTS			
CHECKS UNDER \$10,000.00		29,875.43	
CHECKS OVER \$10,000.00 - SCH. #1		836,224.39	
CANCELLED CHECKS AND FEES		335,356.72	
TOTAL PAYMENTS		<u>\$1,201,456.54</u>	
NET INCOME		\$1,032,287.32	
INVESTED RESERVE FUNDS			
FUNDS MATURED		6,534,450.00	
FUNDS INVESTED - SCH. #2		<u>6,665,089.74</u>	
NET TRANSFER		(\$130,639.74)	\$130,639.74
BALANCE	OCTOBER 31, 2018	(\$607,666.04)	\$126,221,720.23
* INCLUSIVE TO DATE		TAXES	INTEREST
RECEIPTS IN FISCAL YEAR		\$1,538,334.29	\$905,809.47
RECEIPTS IN CALENDAR YEAR		\$23,100,045.40	\$1,753,561.83

DESERT WATER AGENCY

GENERAL ACCOUNT

SCHEDULE #1-CHECKS OVER \$10,000

CHECK #	NAME	DESCRIPTION	AMOUNT
9162	DESERT WATER AGENCY-OPERATING	P/R & EXP REIMBURSEMENT FOR SEPTEMBER 2018	\$168,022.13
9165	REED ELECTRIC	WHITEWATER HYDRO UPGRADE (W/O #16-174-M & #17-171-M)	\$50,221.26
9166	STATE OF CA. DEPT. OF WATER RESOURCES	STATE WATER PROJECT - OCTOBER 2018	\$617,981.00

\*\* TOTAL

\$836,224.39

**DESERT WATER AGENCY  
GENERAL FUND - LISTING OF INVESTMENTS  
OCTOBER 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	\$ 40,027,520.23	\$ 40,027,520.23	\$ 40,027,520.23	2.190%	-
Certificates of Deposit								
04-20-17	RBC Wealth Mgmt	Whitney Bank CD	04-22-19	\$ 1,000,000.00	\$ 1,000,000.00	\$ 996,800.00	1.650%	Bullet
06-14-17	RBC Wealth Mgmt	Capital One N/A CD	06-15-20	\$ 250,000.00	\$ 250,000.00	\$ 246,127.50	1.900%	Bullet
06-14-17	RBC Wealth Mgmt	Capital One Bank USA CD	06-15-20	\$ 250,000.00	\$ 250,000.00	\$ 246,127.50	1.900%	Bullet
06-19-17	RBC Wealth Mgmt	First Priority Bank CD	06-19-20	\$ 250,000.00	\$ 250,000.00	\$ 245,490.00	1.750%	Bullet
Total Certificates of Deposit				\$ 1,750,000.00	\$ 1,750,000.00	\$ 1,734,545.00		
Commercial Paper								
9-19-18	Stifel	Wells Fargo MTN (Callable 9-19-20)	9-19-21	\$ 1,000,000.00	\$1,000,000.00	\$990,730.00	3.250%	Quarterly
Total Commercial Paper				\$ 1,000,000.00	\$ 1,000,000.00	\$ 990,730.00		
Government Agency								
10-02-15	Stifel	FHLB (Callable Continuous)	10-02-19	\$ 1,000,000.00	\$ 1,000,000.00	\$ 988,820.00	1.450%	Continuous
11-25-15	Stifel	FNMA (Callable 11-25-18)	11-25-19	\$ 1,000,000.00	\$ 1,000,000.00	\$ 986,640.00	1.500%	Qtrly
02-26-16	Ladenburg Thalmann	FNMA (Callable 11-26-18)	02-26-19	\$ 1,000,000.00	\$ 1,000,000.00	\$ 996,160.00	1.250%	Qtrly
03-23-16	Ladenburg Thalmann	FNMA (Callable 12-23-18)	03-23-20	\$ 1,000,000.00	\$ 1,000,000.00	\$ 982,190.00	1.500%	Qtrly
03-30-16	Stifel	FNMA STEP (Callable 12-30-18)	03-30-21	\$ 1,000,000.00	\$ 1,000,000.00	\$ 985,660.00	1.750%	Qtrly
03-30-16	Stifel	FHLMC STEP (Callable 12-30-18)	03-30-21	\$ 1,000,000.00	\$ 1,000,000.00	\$ 983,300.00	1.750%	Qtrly
04-26-16	Ladenburg Thalmann	FHLB (Callable Continuous)	10-26-20	\$ 999,500.00	\$ 1,000,000.00	\$ 972,050.00	1.550%	Continuous
05-23-16	Stifel	FNMA (Callable 11-23-18)	08-23-19	\$ 1,000,000.00	\$ 1,000,000.00	\$ 988,680.00	1.250%	Qtrly
05-26-16	Union Bank	FNMA	11-26-19	\$ 1,000,000.00	\$ 1,000,000.00	\$ 984,580.00	1.300%	1 Time
06-01-16	Stifel	FFCB (Callable Continuous)	03-01-19	\$ 1,000,000.00	\$ 1,000,000.00	\$ 996,310.00	1.250%	Continuous
06-13-16	Ladenburg Thalmann	FNMA (Callable 12-13-18)	06-13-19	\$ 1,000,000.00	\$ 1,000,000.00	\$ 992,710.00	1.400%	Qtrly
06-16-16	Stifel	FFCB (Callable Continuous)	03-16-20	\$ 1,000,000.00	\$ 1,000,000.00	\$ 981,250.00	1.400%	Continuous
06-21-16	Stifel	FHLMC STEP (Callable 12-21-18)	06-21-21	\$ 1,000,000.00	\$ 1,000,000.00	\$ 980,910.00	1.750%	Qtrly
06-28-16	Ladenburg Thalmann	FNMA (Callable 12-28-18)	06-28-19	\$ 1,000,000.00	\$ 1,000,000.00	\$ 990,570.00	1.200%	Qtrly
06-30-16	Stifel	FHLMC STEP (Callable 12-30-18)	12-30-19	\$ 1,000,000.00	\$ 1,000,000.00	\$ 993,470.00	1.500%	Qtrly
07-07-16	Ladenburg Thalmann	FFCB (Callable Continuous)	01-07-19	\$ 1,000,000.00	\$ 1,000,000.00	\$ 997,680.00	1.000%	Continuous
07-11-16	Ladenburg Thalmann	FHLB (Callable Continuous)	10-11-19	\$ 1,000,000.00	\$ 1,000,000.00	\$ 985,170.00	1.125%	Continuous
07-11-16	Ladenburg Thalmann	FHLB (Callable Continuous)	07-11-19	\$ 1,000,000.00	\$ 1,000,000.00	\$ 989,710.00	1.125%	Continuous
07-13-16	Union Bank	FFCB (Callable Continuous)	01-13-20	\$ 1,000,000.00	\$ 1,000,000.00	\$ 982,220.00	1.240%	Continuous
07-26-16	Ladenburg Thalmann	FNMA (Callable 1-26-19)	07-26-19	\$ 999,500.00	\$ 1,000,000.00	\$ 989,000.00	1.125%	Qtrly
07-27-16	Stifel	FNMA STEP (Callable 1-27-19)	07-27-21	\$ 1,000,000.00	\$ 1,000,000.00	\$ 958,830.00	1.300%	Qtrly
08-10-16	Ladenburg Thalmann	FHLMC (Callable 11-10-18)	08-10-20	\$ 1,000,000.00	\$ 1,000,000.00	\$ 973,720.00	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	\$ 985,440.00	1.750%	Qtrly
08-30-16	Stifel	FHLMC STEP (Callable 11-28-18)	08-27-21	\$ 1,000,000.00	\$ 1,000,000.00	\$ 992,180.00	2.000%	Qtrly
08-30-16	Ladenburg Thalmann	FNMA (Callable 11-27-18)	11-27-19	\$ 1,000,000.00	\$ 1,000,000.00	\$ 984,070.00	1.250%	Qtrly
09-06-16	Ladenburg Thalmann	FFCB (Callable Continuous)	03-06-19	\$ 1,000,000.00	\$ 1,000,000.00	\$ 995,790.00	1.150%	Continuous
09-20-16	Union Bank	FNMA (Callable 12-20-18)	09-20-19	\$ 1,000,000.00	\$ 1,000,000.00	\$ 987,680.00	1.300%	Qtrly
09-27-16	Ladenburg Thalmann	FHLMC STEP (Callable 12-27-18)	09-27-19	\$ 1,000,000.00	\$ 1,000,000.00	\$ 997,470.00	2.000%	Qtrly
09-29-16	Ladenburg Thalmann	FHLMC STEP (Callable 12-29-18)	09-29-21	\$ 950,000.00	\$ 950,000.00	\$ 926,440.00	1.500%	Qtrly
09-30-16	Ladenburg Thalmann	FNMA (Callable 12-30-18)	09-30-19	\$ 1,000,000.00	\$ 1,000,000.00	\$ 986,680.00	1.250%	Qtrly
10-06-16	Ladenburg Thalmann	FHLMC (Callable 1-6-19)	07-06-20	\$ 1,000,000.00	\$ 1,000,000.00	\$ 975,480.00	1.375%	Qtrly
10-17-16	Stifel	FNMA	04-17-20	\$ 1,000,000.00	\$ 1,000,000.00	\$ 977,530.00	1.250%	1 Time
10-28-16	Stifel	FHLMC STEP (Callable 1-28-19)	10-28-21	\$ 1,500,000.00	\$ 1,500,000.00	\$ 1,469,715.00	1.500%	Qtrly
10-28-16	Union Bank	FHLMC STEP (Callable 1-28-19)	10-28-21	\$ 1,000,000.00	\$ 1,000,000.00	\$ 984,340.00	2.000%	Qtrly
11-03-16	Ladenburg Thalmann	FFCB (Callable Continuous)	05-03-21	\$ 999,250.00	\$ 1,000,000.00	\$ 963,920.00	1.490%	Continuous

DESERT WATER AGENCY  
GENERAL FUND - LISTING OF INVESTMENTS  
OCTOBER 1, 2018

PURCHASE DATE	NAME	DESCRIPTION	MATURITY DATE	COST	PAR VALUE	MARKET VALUE	YIELD TO MATURITY	CALLABLE STATUS
Government Agency								
11-15-16	Stifel	FHLMC STEP (Callable 11-15-18)	11-15-19	\$ 1,000,000.00	\$ 1,000,000.00	\$ 988,140.00	1.250%	Qtrly
12-14-16	Ladenburg Thalmann	FHLMC (Callable 12-14-18)	12-14-20	\$ 1,000,000.00	\$ 1,000,000.00	\$ 975,220.00	1.750%	Qtrly
12-29-16	Ladenburg Thalmann	FNMA (Callable 12-29-18)	06-29-20	\$ 1,000,000.00	\$ 1,000,000.00	\$ 981,960.00	1.750%	Qtrly
12-30-16	Ladenburg Thalmann	FHLMC (Callable 12-30-18)	12-30-19	\$ 998,000.00	\$ 1,000,000.00	\$ 985,080.00	1.500%	Qtrly
01-27-17	Ladenburg Thalmann	FNMA (Callable 1-27-19)	01-27-20	\$ 1,000,000.00	\$ 1,000,000.00	\$ 985,530.00	1.650%	Qtrly
01-30-17	Union Bank	FHLB (Callable 1-30-19)	04-30-20	\$ 1,000,000.00	\$ 1,000,000.00	\$ 984,020.00	1.750%	Qtrly
02-28-17	Union Bank	FHLMC (Callable 11-25-18)	02-25-19	\$ 1,000,000.00	\$ 1,000,000.00	\$ 997,010.00	1.400%	Qtrly
04-20-17	Stifel	FHLMC STEP (Callable 1-20-19)	04-20-20	\$ 1,000,000.00	\$ 1,000,000.00	\$ 988,610.00	2.250%	Qtrly
04-27-17	Ladenburg Thalmann	FHLMC (Callable 1-27-19)	01-27-21	\$ 1,000,000.00	\$ 1,000,000.00	\$ 978,210.00	2.000%	Qtrly
06-08-17	Stifel	FHLMC STEP (Callable 12-8-18)	06-08-20	\$ 1,000,000.00	\$ 1,000,000.00	\$ 994,580.00	1.500%	Qtrly
06-22-17	Ladenburg Thalmann	FHLMC STEP (Callable 12-22-18)	06-22-22	\$ 1,000,000.00	\$ 1,000,000.00	\$ 987,080.00	1.750%	Qtrly
06-27-17	Union Bank	FHLB (Callable 12-27-18)	09-27-19	\$ 1,000,000.00	\$ 1,000,000.00	\$ 988,140.00	1.500%	Qtrly
06-29-17	Ladenburg Thalmann	FHLMC (Callable 12-29-18)	09-29-20	\$ 1,000,000.00	\$ 1,000,000.00	\$ 978,150.00	1.750%	Qtrly
07-11-17	Ladenburg Thalmann	FHLMC (Callable 1-11-19)	01-11-21	\$ 1,000,000.00	\$ 1,000,000.00	\$ 975,190.00	1.800%	Qtrly
07-26-17	Stifel	FHLMC STEP (Callable 1-26-19)	07-26-22	\$ 1,000,000.00	\$ 1,000,000.00	\$ 987,960.00	2.000%	Qtrly
07-27-17	Stifel	FHLMC STEP (Callable 1-27-19)	07-27-22	\$ 1,000,000.00	\$ 1,000,000.00	\$ 992,840.00	2.000%	Qtrly
08-07-17	Ladenburg Thalmann	FFCB (Callable Continuous)	11-23-20	\$ 999,850.00	\$ 1,000,000.00	\$ 976,830.00	1.770%	Continuous
08-09-17	Stifel	FHLB STEP (Callable 11-9-18)	02-09-22	\$ 2,000,000.00	\$ 2,000,000.00	\$ 1,955,080.00	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	\$ 992,350.00	2.000%	Qtrly
09-08-17	Stifel	FHLB STEP (Callable 12-8-18)	09-08-22	\$ 1,000,000.00	\$ 1,000,000.00	\$ 979,870.00	1.750%	Qtrly
09-28-17	Ladenburg Thalmann	FHLMC STEP (Callable 12-28-18)	09-28-20	\$ 1,000,000.00	\$ 1,000,000.00	\$ 982,570.00	1.500%	Qtrly
09-29-17	Union Bank	FHLMC (Callable 12-29-18)	09-29-20	\$ 1,000,000.00	\$ 1,000,000.00	\$ 975,910.00	1.700%	Qtrly
09-29-17	Stifel	FHLMC STEP (Callable 12-29-18)	09-29-22	\$ 1,000,000.00	\$ 1,000,000.00	\$ 981,060.00	1.750%	Qtrly
10-26-17	Ladenburg Thalmann	FNMA (Callable 1-26-19)	07-26-21	\$ 1,000,000.00	\$ 1,000,000.00	\$ 970,170.00	2.000%	Qtrly
11-06-17	Ladenburg Thalmann	FFCB (Callable Continuous)	06-06-19	\$ 1,000,000.00	\$ 1,000,000.00	\$ 994,500.00	1.600%	Continuous
11-20-16	Ladenburg Thalmann	FHLMC (Callable 11-20-18)	11-20-20	\$ 1,000,000.00	\$ 1,000,000.00	\$ 980,380.00	2.000%	Qtrly
12-11-17	Ladenburg Thalmann	FHLB (Callable 12-11-18)	12-11-20	\$ 999,750.00	\$ 1,000,000.00	\$ 978,400.00	2.000%	Qtrly
12-14-17	Stifel	FFCB (Callable 12-14-18)	12-14-20	\$ 1,000,000.00	\$ 1,000,000.00	\$ 980,090.00	2.060%	Continuous
01-16-18	Ladenburg Thalmann	FHLMC (Callable 1-16-19)	10-16-20	\$ 1,000,000.00	\$ 1,000,000.00	\$ 982,750.00	2.070%	Qtrly
01-26-18	Stifel	FHLMC (Callable 1-26-19)	01-26-21	\$ 1,000,000.00	\$ 1,000,000.00	\$ 982,710.00	2.220%	Qtrly
01-29-18	Union Bank	FHLB (Callable 1-29-19)	01-29-21	\$ 1,000,000.00	\$ 1,000,000.00	\$ 980,510.00	2.200%	Qtrly
01-30-18	Union Bank	FHLB (Callable 1-30-19)	07-30-20	\$ 1,000,000.00	\$ 1,000,000.00	\$ 985,470.00	2.100%	Qtrly
01-30-18	Ladenburg Thalmann	FHLB (Callable 1-26-19)	01-26-21	\$ 999,650.00	\$ 1,000,000.00	\$ 982,720.00	2.250%	Qtrly
02-01-18	Stifel	FFCB (Callable Continuous)	02-01-21	\$ 1,000,000.00	\$ 1,000,000.00	\$ 982,110.00	2.350%	Continuous
02-08-18	Union Bank	FFCB	05-08-19	\$ 1,000,000.00	\$ 1,000,000.00	\$ 997,510.00	2.000%	Qtrly
02-12-18	Stifel	FHLB (Callable 2-12-19)	02-12-21	\$ 1,000,000.00	\$ 1,000,000.00	\$ 984,270.00	2.300%	Qtrly
03-26-18	Ladenburg Thalmann	FHLB STEP (Callable 12-26-18)	03-26-21	\$ 1,000,000.00	\$ 1,000,000.00	\$ 996,610.00	2.250%	Qtrly
03-29-18	Stifel	FHLMC STEP (Callable 12-29-18)	03-29-23	\$ 1,000,000.00	\$ 1,000,000.00	\$ 996,410.00	2.250%	Qtrly
04-17-18	Union Bank	FFCB	04-17-19	\$ 1,000,000.00	\$ 1,000,000.00	\$ 998,700.00	2.150%	Bullet
06-28-18	Ladenburg Thalmann	FHLMC (Callable 12-28-18)	03-28-22	\$ 1,000,000.00	\$ 1,000,000.00	\$ 991,360.00	3.000%	Qtrly
06-28-18	Stifel	FHLMC (Callable 6-28-19)	06-28-22	\$ 1,000,000.00	\$ 1,000,000.00	\$ 990,420.00	3.100%	Qtrly
07-30-18	Ladenburg Thalmann	FHLMC (Callable 1-28-19)	01-28-22	\$ 1,000,000.00	\$ 1,000,000.00	\$ 992,890.00	3.020%	Qtrly
08-16-18	Ladenburg Thalmann	FHLMC (Callable 11-16-18)	11-16-21	\$ 1,000,000.00	\$ 1,000,000.00	\$ 993,650.00	3.000%	Qtrly
09-21-18	Ladenburg Thalmann	FHLMC (Callable 12-21-18)	06-21-21	\$ 999,750.00	\$ 1,000,000.00	\$ 996,550.00	2.875%	Qtrly
10-23-18	Ladenburg Thalmann	FHLMC (Callable 1-23-19)	04-23-21	\$ 999,350.00	\$ 1,000,000.00	\$ 996,880.00	3.000%	Qtrly
10-25-18	Stifel	FHLMC (Callable 10-25-19)	10-25-21	\$ 1,000,000.00	\$ 1,000,000.00	\$ 995,630.00	3.100%	Qtrly
10-29-18	Ladenburg Thalmann	FHLB (Callable 10-29-19)	10-29-20	\$ 999,600.00	\$ 1,000,000.00	\$ 998,630.00	2.940%	Continuous
Total Government Agency				\$ 83,444,200.00	\$ 83,450,000.00	\$ 82,246,675.00		
							Weighted Mean YTM	1.933%
TOTAL INVESTED @ 10/31/18				\$ 126,221,720.23	\$ 126,227,520.23	\$ 124,999,470.23		
BALANCE @ 06/30/18				\$ 127,941,051.53				
INCREASE OR (DECREASE)				\$ (1,719,331.30)				



DESERT WATER AGENCY  
STATEMENT OF CASH RECEIPTS AND EXPENDITURES

WASTEWATER ACCOUNT

OCTOBER 2018

			INVESTED RESERVE FUNDS
BALANCE	OCTOBER 1, 2018	\$15,381.40	\$1,403,569.36
ACCOUNTS RECEIVABLE - OTHER		\$0.00	
CUSTOMER DEPOSITS - CONSTRUCTION		0.00	
INTEREST EARNED - INVESTED FUNDS		7,508.02	
WASTEWATER REVENUE		92,228.42	
SEWER CAPACITY CHARGES		3,106.08	
MISCELLANEOUS		<u>0.00</u>	
TOTAL RECEIPTS		\$102,842.52	
PAYMENTS			
CHECKS UNDER \$10,000.00		\$16,521.55	
CHECKS OVER \$10,000.00 - SCH. #1		0.00	
CANCELLED CHECKS AND FEES		<u>0.00</u>	
TOTAL PAYMENTS		<u>\$16,521.55</u>	
NET INCOME		\$86,320.97	
INVESTED RESERVE FUNDS			
FUNDS MATURED		\$3,100.00	
FUNDS INVESTED - SCH. #2		<u>103,499.56</u>	
NET TRANSFER		(\$100,399.56)	\$100,399.56
BALANCE	OCTOBER 31, 2018	\$1,302.81	\$1,503,968.92

## WASTEWATER ACCOUNT

**AMOUNT****DESCRIPTION**

NAME

CHECK #

**\*\*TOTAL**

**\$0.00**

**DESERT WATER AGENCY  
WASTEWATER FUND - LISTING OF INVESTMENTS  
OCTOBER 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	\$ 1,503,968.70	\$ 1,503,968.70	\$ 1,503,968.70	2.190%
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TOTAL INVESTED @ 10/31/18	\$ 1,503,968.70	\$ 1,503,968.70	\$ 1,503,968.70
BALANCE @ 06/30/18	\$ 1,354,594.08		
INCREASE OR (DECREASE)	\$ 149,374.62		

DESERT WATER AGENCY - OPERATING FUND  
COMPARATIVE EARNINGS STATEMENT

MONTH 18-19 OCTOBER	THIS MONTH LAST YEAR		THIS YEAR BUDGET		FISCAL YEAR TO DATE LAST YEAR		BUDGET		VARIANCE YTD	
OPERATING REVENUES										
WATER SALES	2,749,534.39	2,299,078.36	2,801,125.00	12,609,435.01	11,168,803.90	13,133,650.00	524,214.99-	4-		
RECLAMATION SALES	111,642.12	100,221.93	112,500.00	635,362.90	571,469.08	593,900.00	41,462.90	7		
POWER SALES	1,172.18	2,885.41	3,600.00	3,864.62	15,953.26	6,400.00	2,535.38-	40-		
OTHER OPER REVENUE	97,321.81	107,953.03	165,575.00	610,641.79	694,662.03	662,300.00	51,658.21-	8-		
TOTAL OPER REVENUES	2,959,670.50	2,510,138.73	3,082,800.00	13,859,304.32	12,450,888.27	14,396,250.00	536,945.68-	4-		
OPERATING EXPENSES										
SOURCE OF SUPPLY EXP	90,450.43	15,069.25	39,175.00	1,616,623.87	1,326,166.94	1,480,775.00	135,848.87	9		
PUMPING EXPENSE	345,578.68	343,237.29	292,000.00	1,138,598.08	1,087,662.63	1,144,700.00	6,101.92-	1-		
REGULATORY WATER TREAT	63,125.57	44,318.74	45,225.00	182,109.48	166,916.27	180,900.00	1,209.48	1		
TRANS & DIST EXPENSE	281,510.33	201,233.31	436,875.00	1,183,272.79	780,794.43	1,747,500.00	564,227.21-	32-		
CUSTOMER ACT EXPENSE	110,279.30	71,545.81	79,400.00	311,148.54	271,266.00	317,600.00	6,451.46-	2-		
ADMIN & GEN EXPENSE	535,960.11	587,192.86	661,513.00	4,191,226.95	3,251,612.49	4,771,902.00	580,675.05-	12-		
REGULATORY EXPENSE	6,690.30	7,709.39	30,125.00	28,332.92	56,010.54	120,500.00	92,167.08-	76-		
SNOW CREEK HYDRO EXP	2,710.59	2,145.42	3,100.00	1,547.74	6,552.74	12,400.00	10,852.26-	88-		
RECLAMATION PLINT EXP	100,956.58	87,969.57	120,108.00	399,312.28	290,435.65	479,482.00	80,169.72-	17-		
SUB-TOTAL	1,537,261.89	1,360,421.64	1,707,521.00	9,052,172.65	7,237,417.69	10,255,759.00	1,203,586.35-	12-		
OTHER OPER EXPENSES										
DEPRECIATION	495,265.27	470,098.74	483,692.00	1,941,907.09	1,872,412.65	1,934,768.00	7,139.09	0		
SERVICES RENDERED	11,502.50	11,616.22	15,750.00	51,215.20	77,535.87	63,000.00	11,784.80-	19-		
DIR & INDIR CST FOR WO	146,029.13-	139,363.66-	65,750.00-	826,730.97-	681,580.56-	263,000.00-	563,730.97-	214		
TOTAL OPER EXPENSES	1,898,000.53	1,702,772.94	2,141,213.00	10,218,563.97	8,505,785.65	11,990,527.00	1,771,963.03-	15-		
NET INCOME FROM OPERATIONS	1,061,669.97	807,365.79	941,587.00	3,640,740.35	3,945,102.62	2,405,723.00	1,235,017.35	51		
NON-OPERATING INCOME (NET)										
RENTS	3,415.91	3,396.33	3,400.00	45,449.64	45,425.32	45,450.00	.36-	0		
INTEREST REVENUES	42,657.40	16,826.44	27,500.00	147,762.96	61,974.45	110,000.00	37,762.96	34		
INVESTMENT AMORT.	.00	.00	.00	50,720.00	.00	.00	50,720.00	0		
OTHER REVENUES	280.00	140.00	.00	31,230.00	1,880.36	.00	31,230.00	0		
GAINS ON RETIREMENT	.00	14,095.00	1,200.00	.00	14,095.00	2,400.00	2,400.00-	100-		
DISCOUNTS	6.78	151.71	25.00	32.73	164.22	100.00	67.27-	67-		
PR. YEAR EXPENSES	15,816.25	.00	.00	15,816.25	161,622.97	.00	15,816.25	0		
LOSS ON RETIREMENTS	6,260.71-	7,102.82-	3,250.00-	6,260.71-	13,803.41-	13,000.00-	6,739.29	52-		
TOTAL NON-OPER INCOME	55,915.63	27,506.66	28,875.00	284,750.87	271,358.91	144,950.00	139,800.87	96		
TOTAL NET INCOME	1,117,585.60	834,872.45	970,462.00	3,925,491.22	4,216,461.53	2,550,673.00	1,374,818.22	54		

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

**NOVEMBER 20, 2018**

**RE: REQUEST FOR AUTHORIZATION TO ENTER INTO AN  
AGREEMENT TO QUITCLAIM A PORTION OF THE  
WHITEWATER MUTUAL WATER COMPANY RIGHT-OF-WAY**

Staff received a request from a Developer to sell a portion of the Whitewater Mutual Water Company Right-of-Way (ROW). The portion of the ROW is coincident with N. Zanjero Road, adjacent to Via Escuela in the City of Palm Springs (see Exhibit "B"). The City of Palm Springs has made the widening of N. Zanjero Road, adjacent to the development, a requirement for the Developer to proceed with its project.


The portion of the ROW to be quitclaimed is 33 feet by 344 feet (11,352 square feet) rectangle. Due to the shape of the property and zoning in the area, and the parcel being coincident with N. Zanjero Road, the parcel by itself is virtually undevelopable. The Developer commissioned an appraisal of the ROW, which indicated the property had no market value. Subsequently a price of \$2.50/sf was negotiated with the developer, which takes into account the risk of losing the property to another developer and the market value for raw land in that area of Palm Springs.

Staff has written a Purchase Agreement with the Developer such that the Agency will first quitclaim the parcel to the Developer for \$28,300: the Developer will then grant the Agency a pipeline easement over the parcel which will ensure that the Agency has prior rights over the parcel. After the quitclaim and easement are complete, the Developer will construct the road and sidewalk. The Developer will then transfer a portion of the parcel to the City of Palm Springs for use as a public road.

Staff recommends the Board authorize the General Manager to enter into the Purchase Agreement with the Developer; and, after the Agreement has been finalized, authorize the General Manager to sign the quitclaim to transfer the surplus property to the Developer.



Legend

 Parcel "A"

 Parcel "A"

W Via Olivera

E Glen Cir

Zanero St

W Via Escuela

E Via Escuela

Indian Canyon Dr

N Palm Canyon Dr

Tangerine Ct

Google Earth

© 2018 Google



500 ft



LINE TABLE		
#	BEARING	LENGTH
①	N89°58'00"W	33.20'

# EXHIBIT "B"

W.O. 16-141

APN 504-260-027

VIA OLIVERA

C/L

WHITEWATER  
MUTUAL WATER  
COMPANY ROW  
(TO BE RETAINED BY DWA)

APN 504-270-014

N ZANUERO RD.

PARCEL B  
COC 10-02  
DOC# 2011-0047810

PARCEL A  
COC 10-02  
DOC# 2011-0047810

PARCEL 1  
LLA 03-13  
DOC# 2003-696702

N INDIAN CANYON DRIVE

N06°17'00"W 343.43'  
N06°17'00"W 343.88'

N89°58'00"W 299.00'

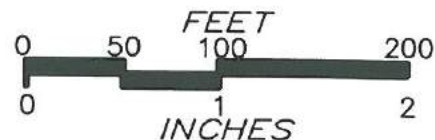
VIA ESCUELA

P.O.C.

SE COR. NE 1/4  
SE 1/4 SEC. 3,  
T4S, R4E



PORTION OF APN 504-270-014



DESERT WATER



1200 GENE AUTRY TRAIL SOUTH  
PALM SPRINGS, CA 92262  
(760) 323-4971

DESERT WATER AGENCY

PORTION OF WHITEWATER MUTUAL  
WATER COMPANY RIGHT OF WAY

PORTION OF THE NORTHEAST 1/4 OF THE NORTHEAST 1/4, OF SECTION 10,  
TOWNSHIP 4 SOUTH, RANGE 4 EAST, SAN BERNARDINO MERIDIAN

EXHIBIT

B

SCALE: 1"=100' DATE: 12/4/2017

DRAWN BY: AMS CHECKED BY: DT

W.O.: 16-141

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

**NOVEMBER 20, 2018**

**RE: RECOMMENDATION OF CONTRACT AUGMENTATION FOR THE  
2017/2018 REPLACEMENT PIPELINE PROJECT**

On May 1, 2018 Borden Excavating was awarded the contract for constructing the 2017/2018 Replacement Pipeline Project in the amount of \$3,195,525.00. The 2017/2018 Capital Improvement Budget includes Work Order No. 17-111--12, -08 in the total amount of \$3,447,000 for project engineering, overheads, construction and inspection. Surplus money from the 2016/2017 replacement pipeline budget in the amount of \$155,743 was added to the budget, making the final budget amount available for the project equal to \$3,602,743.

As discussed at the May 1, 2018 Board meeting, staff anticipated the total project costs to be approximately \$3,700,000. To date, the total amount spent on the project is \$2,249,037. Staff estimates that the total project costs will be approximately \$3,830,000, to include two change orders in the amount of \$31,005. This estimate is \$227,257 over the total budget for the project.

The City of Palm Springs would like to begin their street rehabilitation work within Michelle Road and Debby Drive. The water mains located in these streets were installed in 1956 and are 4" diameter unlined bare steel and have had 26 leaks this year. Agency staff recommended to the City that these streets be removed from the rehabilitation schedule this year. The City removed the streets from the primary work schedule, however, kept the streets on their supplemental bid list. The City received much lower than estimated bid amounts for their primary schedule and was able to add supplemental streets to the overall project to include Michelle Road and Debby Drive.

Based on the condition of the mains within Michelle Road and Debby Drive, staff would like to add Michelle Road and Debby Drive to the current replacement pipeline project. Although Borden Excavating is wrapping up the current contract work, the project manager from Borden did state that they will be willing to perform these streets for the values based on the current contract bid schedule. Using current contract bid values, staff have determined an estimated cost in the amount of \$450,000, to include engineering, construction, and inspection for Michelle Road and Debby Drive. If approved, work will begin the week of November 26, with a completion date of December 14.

Staff recommends augmenting the 2017/2018 replacement pipeline budget in the amount of \$450,000 to cover all costs associated with the additional costs for Michelle Road and Debby Drive.

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

**NOVEMBER 20, 2018**

**RE: REQUEST BOARD AUTHORIZATION FOR GENERAL MANAGER  
TO EXECUTE MAIN EXTENSION REFUND AGREEMENT WITH  
HORIZON GARDENS, LLC**

Horizon Gardens, LLC. (developer) is seeking a main extension refund agreement with the Agency for approximately 340 feet of ductile pipeline they will be installing for a re-development senior living complex located within Cathedral City. The property was served by a private well, however, the well has been abandoned and the property requires a pipeline extension for domestic and fire protection purposes.

The developer will be required to extend an existing Agency pipeline approximately 515 feet, with approximately 340 feet that will front an undeveloped property. The main extension refund agreement stipulates that if an owner of property fronting the main extension requests a connection to the system to serve a portion of his/her property, the Agency shall be obligated to levy, collect and pay the developer that installed the extension a front footage connection charge per the main extension refund agreement terms. It also requires that the Agency is obligated to collect moneys for a period of ten (10) years from the date the agreement is accepted, or when the Agency accepts the actual mainline facilities, whichever occurs first.

Attached is a copy of a main extension refund agreement, Exhibit A, showing the location of the Horizon Garden project and the portion of the main fronting currently un-subdivided property that is subject to the main extension agreement, and Exhibit B, cost summary for the proposed extension pipeline. Based on the cost summary, the proposed front footage that will be collected by the Agency per the main extension refund agreement will be \$88/L.F. This will be collected if or when the undeveloped property requests water service. If, after ten years, water service is not required, the agreement will expire and the Agency will no longer be obligated to collect the money for the developer.

Staff requests that the Board authorize the General Manager to execute a main extension refund agreement with Horizon Gardens, LLC.

**MAIN EXTENSION REFUND AGREEMENT**  
(Water)

PARTIES

1. The parties to this Agreement are the DESERT WATER AGENCY, a public agency created by special act of the Legislature (Stats. 1961, Ch. 1069), hereinafter called "Desert", and \_\_\_\_\_ hereinafter called "Developer".

RECITALS

1. Desert is authorized to enter into this Agreement pursuant to approval of its Board of Directors.

2. The purpose of this Agreement is to provide for extensions of Desert's water system at Developer's expense, for that improvement referred to as

\_\_\_\_\_,  
to serve Developer and future anticipated customers who connect to Desert's water system, whether connected to said main extension or otherwise, and to further provide for repayment to Developer of a proportional share of the cost for extension from sums collected by Desert from future anticipated customers at the time of connection to said water system. The general area to be served by the main extension is indicated on Exhibit "A" attached to this Agreement and made a part hereof.

3. Developer has obtained Desert's approval for the design of the main extension and has arranged for construction of the facility in accordance with said design and Desert's rules and regulations. If construction was performed by an independent contractor, the Contractor's work has been approved by Desert.

4. Developer has submitted the total cost of work performed and material required for the construction and installation of the main extension. The total cost of the job is indicated on Exhibit "B" attached to this Agreement and made a part hereof.

### TERMS AND CONDITIONS

1. Developer agrees to be bound by all of the rules and regulations of Desert as evidenced by its ordinances and resolutions now in effect, and including such amendments thereto as may from time to time be adopted by Desert's Board of Directors.

2. Developer agrees to pay Desert for the full cost of design and construction of the main extension. In the event that the amount indicated on Exhibit "B" is not sufficient to complete the job, Developer will advance such additional funds as are necessary to complete the job. If the work was performed by an independent contractor, Developer shall secure Desert's approval of all work performed and shall compensate Desert for any costs or expense incurred.

3. The parties agree that the cost per lineal foot of said main extension is \$\_\_\_\_\_, and that the front footage charge therefore is \$\_\_\_\_\_ per lineal foot. Desert agrees to levy a front footage connection charge of \$\_\_\_\_\_, per lineal foot against all properties fronting on said main extension at such future time as such properties are connected to Desert's water system, whether connected to said main extension or otherwise. The moneys so collected by Desert will be paid over to Developer within thirty (30) days after collection. If the actual front footage charge has not been determined at the time the charge is due, and therefore has not been identified in the appropriate spaces above, an estimated front footage charge will be collected by Desert until such time as the actual front footage fee has been determined, at which time the amounts collected by Desert and paid over to Developer will be adjusted to reflect the actual front footage fee. Desert shall not be obligated to collect

and pay over to Developer a front footage connection charge for any of said properties which do not connect to Desert's water system. If an owner of property fronting on the main extension requests a connection to Desert's water system, whether to said main extension or otherwise, to serve a portion of his property that fronts on the main extension, Desert shall be obligated to levy, collect and pay to Developer a front footage connection charge for such part of said portion of such property as actually fronts on the main extension.

4. Desert's obligation to collect moneys hereunder shall continue for a period of ten (10) years from the date of this Agreement or Desert's acceptance of the mainline facilities, whichever occurs first.

5. This Agreement shall be binding on the heirs, successors and assigns of the parties hereto.

6. Any assignment of this Agreement by Developer must first be approved by Desert.

7. All rights, title and interest in and to said main extension improvement, as shown on as-built water improvement plans shall become the property of Desert upon their completion and acceptance by Desert. Developer agrees to hold Desert harmless from any claim of right against the property so transferred.

8. In the event of any legal action upon this Agreement, the prevailing party shall be entitled to reimbursement of costs and reasonable attorney's fees.



**DEVELOPER:**

Dated: \_\_\_\_\_ By: \_\_\_\_\_  
(Signature)

**ATTEST:** \_\_\_\_\_  
(Printed Name)

By: \_\_\_\_\_  
(Name of Development)

**DESERT WATER AGENCY:**

Dated: \_\_\_\_\_ By: \_\_\_\_\_  
(Signature)

**ATTEST:** \_\_\_\_\_  
Mark S. Krause  
(Printed Name)

General Manager  
(Printed Title, if applicable)

By: \_\_\_\_\_  
Sylvia Baca, Executive Secretary  
Desert Water Agency  
DESERT WATER AGENCY  
(Company Name, if applicable)







**Exhibit "B"**  
Job Cost and Refund Computation  
APN: 681-310-031  
67670 Carey Road,  
Cathedral City, CA  
W.O. 18-805

MAINS: 514' – 8" Ductile Iron Pipe @\$176.00/lf_____	\$90,464.00
SERVICES_____	\$20,000.00
FIRE SERVICE_____	\$18,000.00
FIRE HYDRANTS_____	<u>\$14,000.00</u>

Net Cost to Developer_____	\$142,464.00
----------------------------	--------------

Less: Non-Refundable Expenses (For Developer's Use Only)

MAINS: 177' - 8" Ductile Iron @ \$176.00/lf_____	(\$31,152.00)
SERVICES_____	(\$20,000.00)
FIRE SERVICE_____	(\$18,000.00)
FIRE HYDRANTS_____	<u>(\$14,000.00)</u>

Total Refundable_____	\$58,432.00
-----------------------	-------------

8" MAIN:

Length of main subject to refund_____	337'
Length of main not subject to refund previously subdivided_____	177'
Cost Per Lineal Foot_____	\$176.00
Assessment per front footage (1/2 of lineal foot)_____	\$88.00

MAIN SUBJECT TO REFUND:

South Side of Carey Rd 337' @ \$88.00_____	\$29,656.00
--	-------------

TOTAL AMOUNT TO BE REFUNDED_____	<u>\$29,656.00</u>
----------------------------------	--------------------

Checked: \_\_\_\_\_ Accounting

Checked: \_\_\_\_\_ Operations Engineer

Checked: \_\_\_\_\_ Asst. General Manager

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

**NOVEMBER 20, 2018**

**RE: REQUEST AUTHORIZATION FOR GENERAL MANAGER TO  
EXECUTE THE DELTA CONVEYANCE FINANCE AUTHORITY**

At the October 16, 2018, Desert Water Agency Board Meeting a PowerPoint presentation was made explaining the purpose of the Delta Conveyance Finance Authority Joint Powers Agreement. The presentation focused on the key issues of the agreement such as membership requirements, agreement terms, decision-making procedures, how to withdraw from membership, and the risks and benefits of membership. Also discussed, were the mechanics of the bond transactions and the flow of money between the Design Construction JPA (DCA), the Department of Water Resources (DWR), the State Water Contractors (SWCs), the Finance Authority and the Bond Holders.

At present, the Agency would be responsible for approximately 1.4% of Cal WaterFix expenses. The Agency expects the project to yield approximately 9,600 acre-feet of water at a cost of approximately \$1,200 per acre-foot. As discussed in prior Agency Board Meetings, this incremental water supply is vital to meeting our projected future water demands in the Indio and Mission Creek Sub-basins. The Agency has already committed \$2,176,183 in support of the California WaterFix (supplemental funding and gap funding). Approving the agreement and joining the Finance Authority will continue our support of the project by strengthening the Finance Authority's bond fund rating and thereby decrease project finance costs. It will also allow the Agency to participate in Finance Authority discussions and have a vote in its administrative decisions.

The Agency staff will continue monitoring the progress of the California WaterFix and prior to incurring any significant costs, staff will report back to the Board to evaluate the risks and benefits of continued membership in the Finance Authority.

Staff requests Board acceptance of the Delta Conveyance Authority Joint Powers Authority, dated July 3, 2018, and authorize the General Manager to execute said Agreement (attached).

**DELTA CONVEYANCE FINANCE AUTHORITY**

**JOINT POWERS AGREEMENT**

**Dated as of July 3, 2018**

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## **JOINT POWERS AGREEMENT**

### **DELTA CONVEYANCE FINANCE AUTHORITY**

THIS AGREEMENT, dated as of and effective on July 3, 2018, is made and entered into by and among Alameda County Water District, Alameda County Flood Control and Water Conservation District, Zone 7, and San Geronio Pass Water Agency. Additional Public Water Agencies may execute and become members as specified in Section 15 below.

#### **W I T N E S S E T H :**

WHEREAS, each Member is a Public Water Agency and is empowered by law to acquire, construct, finance, maintain and operate facilities for the delivery of water for public or private use and all rights, properties and improvements necessary therefor; and

WHEREAS, each Member desires to enter into an agreement to create a separate public entity pursuant to the provisions of the Joint Powers Act for the purpose set forth herein and desires that such separate public entity have the powers provided herein in connection with such purpose;

NOW, THEREFORE, the Members, for and in consideration of the mutual promises and agreements herein contained, do hereby agree as follows:

**SECTION 1. PURPOSE.** This Agreement is made pursuant to the provisions the Joint Powers Act, to create a separate public entity to: (1) exercise Common Powers, and (2) exercise Additional Powers; in each case as determined from time to time by the Board. It is explicitly recognized that it is intended that the Finance Authority, in exercising its powers, will serve as an issuer of Bonds for the benefit of a Member or Members in implementing the Conveyance Project in the public interest.

**SECTION 2. DEFINITIONS.** In addition to the other terms defined herein, the following terms, whether in the singular or in the plural, when used herein and initially capitalized, shall have the meanings specified.

(a) **Additional Powers.** Such powers, in addition to the Common Powers, as are granted or otherwise available to the Finance Authority pursuant to the Joint Powers Act or any other applicable law, whether currently in force or hereafter enacted. Such powers include those provided in the Marks-Roos Local Bond Pooling Act of 1985, as amended, constituting Article 4 of the Joint Powers Act, including but not limited to, the power to issue and purchase debt obligations issued by, or to make loans to, the Members or other agencies or enter into various other financing arrangements as authorized under the Joint Powers Act, and to sell bonds so issued or purchased to public or private purchasers at public or negotiated sale. To the extent not already constituting Common Powers, the Additional Powers shall include without limitation, the Powers described in Section 6 hereof.

(b) **Additional Project Amounts.** The term “Additional Project Amounts” means the amount of payments made by a Member to the California Department of Water Resources for the construction of California WaterFix “CWF”) in exchange for a right to use capacity in CWF



(“CWF Capacity Right”) (other than any payments made under a State Water Contract relating to the State Water Project); provided, however, if any Member is assigned any CWF Capacity Right from another Member and the assignee Member makes payments to the assignor Member for such CWF Capacity Right, then the amount of such payments shall constitute the Member Support Amount of solely the assignee Member.

(c) **Bonds.** Bonds, notes and any other evidence of indebtedness issued or incurred by the Finance Authority pursuant to any applicable provision of the Joint Powers Act or any other lawful authority.

(d) **Central Valley Project.** The term “Central Valley Project” means the federal reclamation project operated by the United States Bureau of Reclamation pursuant to federal reclamation law (Act of June 17, 1902 (32 Stat. 388)) and acts amendatory or supplementary thereto.

(e) **Common Powers.** The legal powers which are common to the Members under applicable laws of the State, including but not limited to, those powers of the Members in connections with the issuance of Bonds, the expenditure of proceeds of Bonds and the borrowing and lending of money.

(f) **Conveyance Project.** The term “Conveyance Project” shall mean the project described in Section 2(a) of the JEPA, including facilities for conveying and delivering water for public or private uses and all rights, properties and improvements necessary therefor, including fuel and energy facilities and resources, and buildings, structures, improvements and facilities appurtenant thereto or provided therefor together with land necessary therefor

(g) **DCA Agreement.** The term “DCA Agreement” shall mean the Joint Powers Agreement, dated May 14, 2018, which formed the Delta Conveyance Design and Construction Joint Powers Authority.

(h) **DCA.** The term “DCA” shall mean the joint exercise of powers agency formed by the DCA Agreement.

(i) **Finance Authority.** The term “Finance Authority” shall mean the separate public entity created by this Agreement.

(j) **Financial Commitment Amount.** The term “Financial Commitment Amount” shall mean, initially, one (1), and from and after the first issuance of Bonds by the Finance Authority, a fraction, the numerator of which is the total Member Support Amount of the Member selecting the applicable Director, and the denominator of which is the sum of the total principal amount of Bonds then outstanding and the aggregate amount of all Additional Project Amounts of all Members.

(k) **Fiscal Year.** The term “Fiscal Year” shall mean the Fiscal Year of the Finance Authority as established from time to time by the Board of Directors, being at the date of this Agreement the period from July 1 to and including the following June 30.

(l) **JEPA.** The term “JEPA” shall mean the Joint Exercise of Powers Agreement, between the Department of Water Resources, State of California and the DCA to design and construct the California WaterFix conveyance facilities.

(m) **Joint Powers Act.** The Joint Exercise of Powers Act, constituting Articles 1 through 4 (commencing with Section 6500) of Chapter 5 of Division 7 of Title 1 of the California Government Code as in effect on the effective date of this Agreement, as the same may be amended and supplemented.

(n) **Member.** The term “Member” shall mean (1) the Public Water Agencies that execute this Agreement on or before the date first above written; (2) a Public Water Agency which shall have met the requirements of Section 15 hereof; or (3) a successor of a Public Water Agency referred to in Section 21. The term “Member” shall, however, exclude any Public Water Agency which shall have withdrawn or been excluded from the Finance Authority pursuant to Section 16 hereof.

(o) **Member Support Amount.** The term “Member Support Amount” shall mean, with respect to any Member, the sum of (1) the original principal amount of Bonds that a Member has undertaken by agreement to pay by installment purchase agreement, and (2) without duplication with amounts described in clause 1 of this definition, any Additional Project Amounts of such Member.

(p) **Powers.** Collectively, the Common Powers and the Additional Powers.

(q) **Public Water Agency.** The term “Public Water Agency” shall mean (1) a public agency that has entered into an agreement with the California Department of Water Resources for water supply from the State Water Project or an agreement with the Federal Bureau of Reclamation for water supply from the Central Valley Project or (2) a member unit of Kern County Water Agency.

(r) **State Water Project.** The term “State Water Project” means the State Water Facilities, as defined in California Water Code section 12934(d).

**SECTION 3. CREATION OF AUTHORITY.** Pursuant to the Joint Powers Act, there is hereby created a public entity, to be known as the “Finance Authority”, and said Finance Authority shall be a public entity separate and apart from the Members. The effective date of this Agreement shall be July 3, 2018.

Within 30 days after the effective date of this Agreement or any amendment hereto, the Secretary shall cause a notice of this Agreement or amendment hereto to be prepared and filed with the office of the Secretary of State of the State of California in the manner set forth in Section 6503.5 of the Joint Powers Act.

**SECTION 4. PLACE OF BUSINESS.** The business office of the Finance Authority shall be at 1121 L Street, Suite 1045, Sacramento, CA 95814, Sacramento, CA 95814, or at such other place as may later be designated by the Board of Directors.

**SECTION 5. TERM.** This Agreement shall become effective as of the date hereof and, subject to the right to rescind provided by Section 9 hereof, shall continue in full force and effect for a period of fifty (50) years from the date hereof or until such later date as all bonds and notes of the Finance Authority and the interest thereon shall have been paid in full or adequate provision for such payment shall have been made in accordance with the instruments governing such bonds and notes.

**SECTION 6. POWERS.** The Finance Authority has all Powers necessary or convenient, specified or implied, to the accomplishment of the purposes of this Agreement, subject to the restrictions set for in this Section. The enumeration of any Powers herein shall not limit the generality or scope of the Powers granted to the Authority pursuant to this Section, the definition of Common Powers, the definition of Additional Powers, or the grant of any other powers otherwise available to the Authority as a separate public entity pursuant to the Joint Powers Act or any other applicable law whether currently in force or hereafter enacted. Without limiting the generality of the Powers conferred in this Section, the Finance Authority is hereby authorized, in its own name, to do all acts necessary or convenient to the accomplishment of the purposes of this Agreement and the full exercise of the Powers conferred in this Section, including, but not limited to, any or all of the following:

(a) To finance or assist in the financing of the planning, development, acquisition, construction, improvement, management, maintenance or operation of the Conveyance Project, or any interest therein, to act as agent, and to sell, deliver, exchange, and otherwise dispose of any interest the Authority may have or acquire in the Conveyance Project, including without limitation, any capacity or other interest in the Conveyance Project; and to purchase, lease or otherwise acquire and equip, maintain, operate, sell, assign, convey, lease and otherwise dispose of facilities or systems, or interests therein, together with all lands, buildings, equipment, and all other real or personal property, tangible or intangible, necessary or incidental thereto.

(b) To acquire (by exercise of the power of eminent domain or otherwise), hold, lease (as lessor or lessee), sell, or otherwise dispose of any real or personal property, commodity, or service including, without limitation, to buy, lease, construct, appropriate, contract for, invest in, and otherwise acquire, and to own, hold, maintain, equip, operate, manage, improve, develop, and deal in and with, and to sell, lease, exchange, transfer, convey and otherwise dispose of, real and personal property of every kind, tangible and intangible, commodities (including fuel and water) and services; provided that the power to acquire property shall not include the power of condemnation of property owned or otherwise subject to use or control by any public utility within the State of California.

(c) To make and enter into contracts with any Member or Members, or any other entity, public or private, with respect to the planning, design, ownership, location, acquisition, financing, construction, operation or disposal of the Conveyance Project or any interest therein, and with respect to any other matters relating to the Conveyance Project, or the financing thereof, on such terms and conditions as shall be determined by the Board of Directors.

(d) To establish or agree to establish, pursuant to any contract with respect to the Conveyance Project, management or other committees composed of representatives of

participating entities and to agree to the powers, duties, procedures and responsibilities of any such committee.

(e) To make and enter into other contracts of every kind with the Members, the United States, any state or political subdivision thereof, and any individual, firm, association, partnership, corporation or any other organization of any kind.

(f) To apply for, accept, receive and disburse state, federal or local licenses, permits, grants, loans, or other aid from any agency of the United States, the State or other public or private entities as the Finance Authority deems necessary for the full exercise of its powers.

(g) To employ full-time and part-time employees, assistants and independent contractors that may be necessary from time to time to accomplish the purpose of the Finance JPA, including interagency agreements with Members.

(h) To issue Bonds and otherwise to incur debts, liabilities or obligations provided that no such Bond, debt, liability or obligation shall constitute a debt, liability or obligation of any Member.

(i) To sue and be sued in its own name.

(j) To purchase for investment or otherwise such bonds, notes, commercial paper or other evidences of indebtedness issued by the Department of Water Resources of the State of California or any other governmental agency or entity as may be legal investments for the Finance Authority and to pledge any such indebtedness to the payment of any debts, liabilities or obligations of the Finance Authority.

(k) To apply for letters of credit or other forms of financial guarantees in order to secure the repayment of Bonds and enter into agreements in connection therewith.

(l) To engage the services of private consultants to render professional and technical assistance and advice in carrying out the purposes of the Finance Authority.

(m) To employ and compensate counsel including general counsel, bond counsel and disclosure counsel, as well as financial consultants, municipal advisors and other advisers, in each case as determined appropriate by the Finance Authority in the accomplishment of the purposes of the Authority, including without limitation in connection with the issuance and sale of any Bonds.

(n) To contract for engineering, construction, architectural, accounting, environmental, land use, or other services determined necessary or convenient by the Finance Authority in connection with the accomplishment of the purposes of the Finance Authority.

(o) To take title to, and transfer, sell by installment sale or otherwise, lands, structures, real or personal property, rights, capacity interests, rights-of-way, easements, and other interests in real or personal property which the Finance Authority determines are necessary or convenient in connection with the accomplishment of the purposes of the Finance Authority.

(p) To exercise any other power permitted by the Joint Powers Act.

To the extent required under Government Code section 6509, in the event that the Metropolitan Water District of Southern California becomes a party to this Agreement, and upon approval of the Board, the Finance Authority shall exercise its powers in the manner and according to the methods provided under the laws applicable to the Metropolitan Water District of Southern California. Prior to such event, to the extent required under Government Code section 6509, the Finance Authority shall exercise its powers in the manner and according to the methods provided under the laws applicable to the San Geronio Pass Water Agency.

**SECTION 7. BONDS AND NOTES.** The Finance Authority shall also have the power to issue, sell and deliver, in accordance with the provisions of the Joint Powers Act, (1) bonds, notes or other obligations to provide funds for the acquisition, construction and/or financing of the Conveyance Project, including, without limitation, the financing of the purchase, lease or other acquisition by one or more Members of an interest in the Conveyance Project, and (2) refunding bonds for the purpose of redeeming or retiring any bonds issued by the Finance Authority and any other indebtedness incurred by the Finance Authority. The terms and conditions of the issuance of any such bonds, refunding bonds or notes shall be set forth in such resolution, indenture or other instrument, shall include such security provisions and shall specify such source or sources of payment, as in accordance with law shall be determined by the Board of Directors.

**SECTION 8. LIMITATIONS AND CONTRIBUTION.**

(a) Bonds or notes issued by the Finance Authority under Section 6, and contracts or obligations which are entered into by the Finance Authority to carry out the purposes for which such bonds or notes are issued and which are payable in whole or in part from the proceeds of said bonds or notes, shall not constitute a debt, liability or obligation of any Member. Pursuant to Section 6508.1 of the Government Code of the State of California, as amended, no debt, liability or obligation of the Finance Authority shall be a debt, liability or obligation of any Member except as provided by Section 895.2 of the Government Code of the State of California in the case of injury caused by a negligent or wrongful act or omission occurring in the performance of this Agreement.

(b) Nothing in this Section contained shall in any way diminish the liability of any Member or other party with respect to any contract between such Member or other party and the Finance Authority

**SECTION 9. TERMINATION OF POWERS; LIQUIDATION; DISTRIBUTION.** This Agreement shall continue in full force and effect, and the Finance Authority shall continue to possess the powers herein conferred upon it, until the expiration (pursuant to Section 5 of this Agreement) of the term of this Agreement or until the Members shall have rescinded this Agreement (pursuant to this Section 9). Rescission of this Agreement may only be accomplished by a writing or writings executed by each Member and approved by resolution of each Member's governing body. In no event shall this Agreement or the powers herein granted to the Authority be rescinded until (1) all bonds and notes of the Finance Authority and the interest thereon shall have been paid or adequate provision for such payment shall have been made in accordance with the instruments governing such bonds and notes and (2) all other obligations and liabilities of the Finance Authority shall have been met or adequately provided for.

Upon any such expiration or rescission, the Board of Directors shall liquidate the business and assets and property of the Finance Authority as expeditiously as possible, and distribute any net proceeds to any Members in such manner in accordance with law as shall be determined by the Board of Directors.

#### **SECTION 10. BOARD OF DIRECTORS.**

(a) The Finance Authority shall be administered by a governing board (the “Board of Directors”) which shall consist of one Director representing each Member. The Director representing each Member shall be a director, officer or employee of such Member. Each Director will serve in his individual capacity as a member of the Board of Directors. The Board of Directors shall have the general management of the affairs, property and business of the Authority and may adopt and modify from time to time such by-laws and other rules and regulations for that purpose and for the conduct of its meetings as it may deem proper. The Board of Directors may exercise and shall be vested with all powers of the Finance Authority insofar as not inconsistent with law or this Agreement.

(b) The Board of Directors may adopt an annual budget for administrative expenses, which shall include all expenses not included in any financing issue or Conveyance Project Matter of the Finance Authority, on or about July 1<sup>st</sup> of each year.

(c) Directors may receive reasonable compensation for serving as a Director, and shall be entitled to reimbursement for any expenses actually incurred in connection with serving as such, if the Board of Directors determines that such expenses shall be reimbursed and there are unencumbered funds available for such purpose.

#### **SECTION 11. EXECUTIVE COMMITTEE AND EXECUTIVE DIRECTOR**

(a) The Board of Directors shall establish an Executive Committee comprised of the President, Vice President, and Secretary of the Board of Directors and shall serve at the pleasure of the Board. The Board of Directors by majority vote may appoint additional Members to the Executive Committee.

(b) The Executive Committee shall be responsible and is delegated authority to manage the administration of the affairs, property and business of the Authority, and shall carry out such other responsibilities as are delegated to it by the Board of Directors. The Executive Committee shall study and recommend to the Board of Directors changes in procedures, plans, and programs as appropriate. Notwithstanding the foregoing, the Executive Committee shall have no authority to approve any matter that requires the unanimous vote of the Directors under Section 12(g) of this Agreement.

(c) The Executive Committee shall hold at least one regular meeting quarterly. The date, time and place upon which such regular meetings shall be held, shall be fixed by the Executive Committee, and notice of such meetings shall be provided to each Member of the Authority.

(d) The presence of a majority of the Members of the Executive Committee shall constitute a quorum, except that less than a quorum may adjourn from time to time. An affirmative vote of three (3) Members of the Executive Committee shall be necessary to constitute action and to transact business.

(e) The Executive Committee shall develop or cause to be developed and recommend to the Board of Directors for approval an annual budget for the Finance Authority.

(f) Recommendations of the Executive Committee to the Board of Directors shall be established upon a majority vote of the Executive Committee Members.

(g) The Board may hire an Executive Director to assist the Executive Committee in carrying out its responsibilities, and/or other duties and responsibilities as delegated by the Board of Directors. The Executive Director shall serve at the pleasure of the Board of Directors, and shall be compensated for his/her services, as determined by the Board of Directors.

## **SECTION 12. MEETINGS OF BOARD OF DIRECTORS.**

(a) **Regular Meetings.** The Board of Directors shall hold a regular meeting not less than once each calendar year. The date upon which, and the hour and place at which, each regular meeting shall be held shall be set by the Board of Directors.

(b) **Special Meetings.** Special meetings of the Board of Directors may be called in accordance with the provisions of Section 54956 of the Government Code of the State of California, as amended.

(c) **Legal Notice.** All meetings of the Board of Directors shall be held subject to the provisions of the laws of the State of California requiring notice of meetings of public bodies to be given in the manner in such laws provided.

(d) **Minutes.** The Secretary of the Finance Authority shall cause to be kept minutes of the meetings of the Board of Directors, both regular and special, and shall, as soon as possible after each meeting, cause a copy of the minutes to be forwarded to each Director.

(e) **Quorum.** Those Directors representing a majority of the votes of the Board of Directors for all non-administrative matters, as calculated under subsection (f) below, shall constitute a quorum for the transaction of business, except that, if less than a majority of votes is present at a meeting, Directors representing a majority of votes that are present may adjourn the meeting from time to time. At no time shall a quorum consist of fewer than two Directors.

(f) **Voting.** When a quorum is present at a meeting of the Board of Directors, the vote of the Directors present at such meeting shall decide any question brought before such meeting and such decision shall be deemed to be the action of the Board. Each Director shall have the number of votes equal to 1,000 multiplied by its Financial Commitment Amount. Except as provided in subsections (g) and (h) of this Section 12 and in Section 15(c) of this Agreement, the majority of votes shall decide any question. Notwithstanding any other provision of this Agreement, all administrative matters shall be decided by a majority vote, with each Director having one vote. Administrative matters include, but are not limited to, actions such as, selecting



Board Officers, selecting additional Executive Committee Members, selecting an Executive Director, setting agendas, designating meeting times and places and other general matters related to the basic functions of the Finance Authority.

(g) **Super Majority Voting Provisions.** Any of the following matters shall require a vote of not less than all of the Directors:

(i) The addition of any Public Water Agency as a new Member under Section 15(c) of this Agreement;

(ii) The termination of this Agreement; and

(iii) Any action, the taking of which would cause the Finance Authority to breach its obligations under the contractual arrangements among the Members relating to the issuance of Bonds and the Conveyance Project.

(h) **Other Voting Arrangements.** No provision of this Agreement shall in any way restrict the ability of the Finance Authority to make and enter into from time to time contracts providing for representation on management or other committees with respect to the Conveyance Project and/or voting by the parties to such contracts on matters related thereto, on the terms provided therein.

### **SECTION 13. OFFICERS.**

(a) At its first meeting in each calendar year, the Board of Directors shall elect a President, Vice President and Secretary, and appoint or reappoint a Treasurer/Controller who may, but need not, be selected from among the Directors. In the event that the President, Vice President, Secretary or Treasurer/Controller so elected or appointed ceases (in the case of the President or the Vice President) to be a Director, resigns from such office or is otherwise unable to perform the duties of such office, the resulting vacancy shall be filled at the next regular meeting of the Board of Directors held after such vacancy occurs. In the absence or inability of the President to act, the Vice President shall act as President. The President, or in his absence the Vice President, shall preside at and conduct all meetings of the Board of Directors.

(b) The Treasurer/Controller is designated as the treasurer and the controller of the Finance Authority and as such (1) shall be the depository of the Finance Authority to have custody of all the money of the Finance Authority, from whatever source, (2) shall draw warrants to pay demands against the Finance Authority when the demands have been approved by the President or the Vice President of the Finance Authority, and (3) shall have the other powers, duties and responsibilities of such officers as specified in Section 6505.5 of the Government Code of the State of California, as amended, except insofar as such powers, duties and responsibilities are assigned to a trustee appointed, as is provided for and authorized by Section 6558 of the Government Code of the State of California, as amended, pursuant to any resolution, indenture or other instrument providing for the issuance of bonds or notes of the Finance Authority pursuant to Section 6 of this Agreement.

(c) The President, the Vice President and (to the extent such officer's duties and responsibilities pursuant to the Joint Powers Act require) the Treasurer/Controller are designated

as the public officers or persons who have charge of, handle, or have access to any property of the Finance Authority, and each such officer shall file an official bond with the Secretary of the Finance Authority in the amount of \$100,000.

(d) In addition to the powers, duties and responsibilities provided herein or by law, the President, the Vice President and the Secretary shall have such powers, duties and responsibilities as are provided in the by-laws of the Finance Authority. The Treasurer/Controller shall have such powers, duties and responsibilities as are provided herein or by law.

(e) The Board of Directors shall have the power to appoint an Executive Director, who shall have such powers, duties and responsibilities as may be provided in the by-laws of the Finance Authority and as specified in section 11(g) of this Agreement.

(f) The Board of Directors shall have the power to appoint a General Counsel. The General Counsel will report to the Board of Directors.

(g) The Board of Directors shall have the power to appoint such other officers and employees as it may deem necessary, any of whom may be employees of a Member, and who shall have such powers, duties and responsibilities as are determined by the Board of Directors.

**SECTION 14. CONTRIBUTIONS; PAYMENTS; ADVANCES.** In accordance with Section 6504 of the Government Code of the State of California, as amended, the Members shall make such contributions, payments and advances to the Finance Authority as are approved from time to time by the Board of Directors, provided that only Members who vote to approve such contribution, payment and advance by a Member shall be obligated to make any such contribution, payment or advance. The Finance Authority may make such arrangements relative to the repayment or return to the Members of such contributions, payments and advances as are approved from time to time by the Board of Directors. Notwithstanding this section, any administrative action taken under section 12(f) that would require the Finance Authority to incur costs will be allocated equally amongst the Members. Costs of non-administrative matters, which include, but are not limited to, costs related to financing such as costs of bond counsel, financial advisors, underwriting costs, custodian costs, rating agency costs, and arbitrage consultant costs, shall be apportioned based on the Members' Financial Commitment Amount.

Any Member which fails to make or pay when due any required contribution, payment or advance to the Finance Authority, may have its rights under this Agreement terminated and may be excluded from participation in the Authority as provided in Section 16 of this Agreement.

**SECTION 15. ADDITIONAL MEMBERS.** Any Public Water Agency may become a Member as follows:

(a) Within five months of the effective date of this Agreement, any Public Water Agency may execute this Agreement and become a Member if the governing body of the Public Water Agency adopts a resolution (at or before the time of its execution of this Agreement) which, (1) authorizes such Public Water Agency to commit to financially supporting any Bonds issued by the Finance Authority or which expresses an intention to do so at later date, and (2) approves the execution by such Public Water Agency of this Agreement.

(b) Except for Public Water Agencies that become Members pursuant to the provisions of subparagraph (a) above, a Public Water Agency may become a Member by filing with the Board of Directors a certified copy of a resolution of its governing body whereby the Public Water Agency (1) agrees to the provisions of this Agreement and (2) requests to become a Member.

(c) Except for Public Water Agencies that become Members pursuant to the provisions of subparagraph (a) above, if a Public Water Agency requests to be a Member under subparagraph (b), such Public Water Agency will not become a Member until its admission is approved at a regular or special meeting of the Board of Directors by unanimous vote.

(d) Upon satisfying the requirements of subparagraph (a) or the requirements of subparagraph (b) and (c), the Public Water Agency shall become a Member for all purposes of this Agreement.

## **SECTION 16. WITHDRAWAL OR EXCLUSION OF MEMBER**

(a) Any Member may withdraw from the Finance Authority upon the following conditions: (1) the Member shall have filed with the Board of Directors a certified copy of a resolution of its governing body expressing its desire to so withdraw and (2) if the Finance Authority, prior to the filing of such resolution, shall have incurred any obligation payable from contributions, payments or advances in accordance with Section 14 hereof which obligation matures after the date of such filing, the withdrawing Member shall have paid, or made arrangements satisfactory to the Board of Directors to pay, to the Finance Authority its *pro rata* portion of such obligation.

(b) Upon compliance with the conditions specified in subsection (a) of this Section 16, the withdrawing Member shall no longer be considered a Member for any reason or purpose under this Agreement and its rights and obligations under this Agreement shall terminate. The withdrawal of a Member shall not affect any obligations of such Member under any contract between the withdrawing Member and the Finance Authority.

**SECTION 17. ACCOUNTS AND REPORTS.** There shall be strict accountability of all funds and reporting of all receipts and disbursements of the Finance Authority. The Finance Authority shall establish and maintain such funds and accounts as may be required by good accounting practice or by any provision of any resolution, indenture or other instrument of the Finance Authority securing its bonds or notes, except insofar as such powers, duties and responsibilities are assigned to a trustee appointed pursuant to such resolution, indenture or other instrument. The books and records of the Finance Authority shall be open to inspection at all reasonable times to each Member and its representatives. The Finance Authority, within 180 days after the close of each Fiscal Year, shall give a complete written report of all financial activities for such Fiscal Year to the Members.

The Board of Directors shall cause an annual independent audit of the accounts and records of the Finance Authority to be made by a certified public accountant or public accountant, all in accordance with, and at the time or times required by, law.

All the books, records, accounts and files referred to in this Section 17 shall be open to the inspection of holders of bonds or notes of the Finance Authority to the extent and in the manner

provided in the resolution, indenture or other instrument providing for the issuance of such bonds or notes.

**SECTION 18. BREACH.** If default shall be made by any Member in any undertaking contained in this Agreement, such default shall not excuse such Member or any other Member from fulfilling its obligations under this Agreement and each Member shall continue to be liable for the payment of contributions, payments and advances pursuant to Section 14 hereof and the performance of all conditions herein contained. Each Member hereby declares that this Agreement is entered into for the benefit of the Finance Authority created hereby and each Member hereby grants to the Finance Authority the right to enforce by whatever lawful means the Finance Authority deems appropriate all of the obligations of each of the Members hereunder. Each and all of the remedies given to the Finance Authority hereunder or by any law now or hereafter enacted are cumulative and the exercise of one right or remedy shall not impair the right of the Finance Authority to any or all other remedies.

#### **SECTION 19. INDEMNITY**

(a) Indemnity by Finance Authority for Litigation Expenses of Officer, Director or Employee. To the extent permitted by law, the Board of Directors may authorize indemnification by the Finance Authority of any person who is or was a member of the Board of Directors, or an officer, employee or other agent of the Finance Authority, and who was or is a party or is threatened to be made a party to a proceeding by reason of the fact that such person is or was such a member of the Board, or officer employee or other agent of the Authority, against expenses, judgments, fines, settlements and other amounts actually and reasonably incurred in connection with such proceedings

(b) Indemnity by Finance Authority for Litigation Expenses of a Member. To the full extent permitted by law, the Board of Directors may authorize indemnification by the Finance Authority of a Member who was or is a party or is threatened to be made a party to a proceeding by reason of the fact that such entity is or was a Member of the Finance Authority against expenses, judgments, fines settlements and other amounts and reasonably incurred in connection with such proceedings. Any obligations pursuant to this Section shall be borne by the Finance Authority and shall be a charge against any unencumbered funds of the Finance Authority available for the purpose.

**SECTION 20. SEVERABILITY.** In the event that any term, covenant or condition of this Agreement or the application of such term, covenant or condition, shall be held invalid as to any person or circumstance by any court having jurisdiction in the premises, all other terms, covenants or conditions of this Agreement and their application shall not be affected thereby, but shall remain in force and effect unless a court holds that the provisions are not separable from all other provisions of this Agreement.

**SECTION 21. SUCCESSORS AND ASSIGNS; AMENDMENTS.** This Agreement shall be binding upon and shall inure to the benefit of the successors and assigns of the Members. No Member may assign its rights or obligations as a Member of the Finance Authority without the consent of all other Members. The immediately preceding sentence shall not affect, in any respect, any right of assignment under any contract between any Member and the Finance

Authority. Subject to any requirements of law (including Section 6573 of the Government Code of the State of California, as amended), this Agreement may be amended at any time and from time to time by a writing or writings executed by each Member and approved by resolution of each Member's governing body.

## **SECTION 22. NOTICES.**

(a) Any notice, demand or request provided for in this Agreement shall be in writing and shall be deemed properly served, given, or made if delivered in person or sent by registered or certified mail, postage prepaid, to the persons specified below:

if to the Finance Authority:	c/o Executive Director 1121 L Street, Suite 1045 Sacramento, CA 95814
if to Alameda County Water Agency:	c/o General Manager 43885 S Grimmer Blvd. Fremont, CA 94538
if to Alameda County Flood Control and Water Conservation District, Zone 7	c/o General Manager 100 N. Canyons Parkway Livermore, CA 94551
if to San Geronimo Pass Water Agency:	c/o General Manager 1210 Beaumont Ave Beaumont, CA 92223

(b) A Member may, at any time, by written notice to each other Member and the Finance Authority, designate different or additional persons or different addresses for giving of notices, demands or requests to it hereunder.

(c) The Finance Authority may, at any time, by written notice to each Member, designate a different or additional person or a different address for giving of notices, demands or requests to it hereunder.

**SECTION 23. OTHER OBLIGATIONS.** The Members acknowledge that contractual arrangements outside of this Agreement, but not inconsistent to the terms of this Agreement, may be made among the Members relating to the assignment and disposition of any security or assignable interests in the Conveyance Project and the study, planning, development, acquisition, construction, reconstruction, improvement, or betterment of the Conveyance Project.

**SECTION 24. EXECUTION OF COUNTERPARTS.** This Agreement may be executed in any number of counterparts. All such counterparts shall be deemed to be originals and shall together constitute but one and the same instrument.

IN WITNESS WHEREOF, the Members hereto have caused this Agreement to be executed and attested by their proper officers thereunto duly authorized, and their official seals to be hereto affixed, as of the day and year first above written.

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Date

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Alameda County Water Agency  
43885 S Grimmer Blvd.  
Fremont, CA 94538

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Date

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Alameda County Flood Control and Water Conservation  
District, Zone 7  
100 N. Canyons Parkway  
Livermore, CA 94551

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Date

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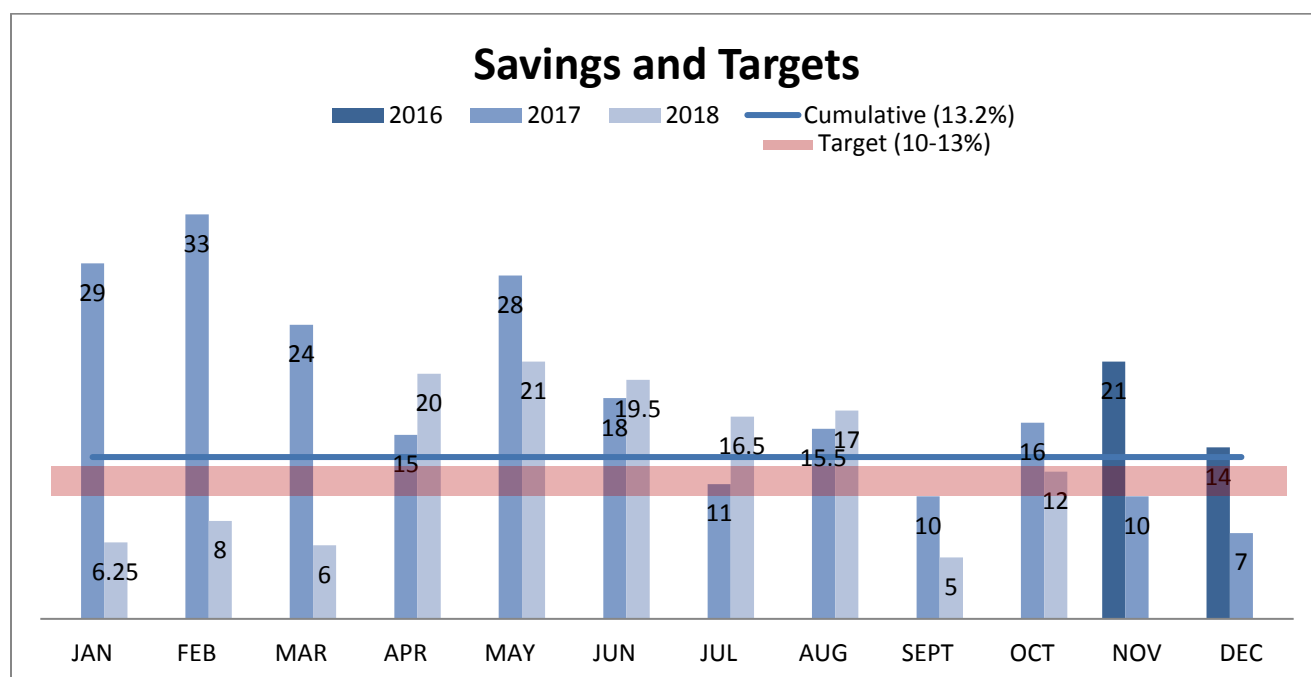
San Geronio Pass Water Agency  
1210 Beaumont Ave  
Beaumont, CA 92223

# STAFF REPORT TO DESERT WATER AGENCY BOARD OF DIRECTORS

NOVEMBER 20, 2018

## RE: OCTOBER 2018 WATER USE REDUCTION FIGURES

Desert Water Agency and its customers achieved a 12% percent reduction in potable water production during October 2018 compared to the same month in 2013 – the baseline year used by the State Water Resources Control Board (State Water Board) to measure statewide conservation achievements. DWA continues to report its production to the state on a monthly basis, despite mandatory conservation ending in 2017.



DWA is asking its customers to save 10-13% compared to 2013 to help achieve long-term sustainability.

The cumulative savings over the last twelve-month period is 13.2%. The cumulative savings beginning in June of 2016 when we put our 10-13% target in place is 16.7%.

On the following page is additional information for this month.



October 2018 water production	2,476.67 AF
October 2013 water production	2,809.58 AF
Percent changed in this month per drought surcharge baseline (October 2015)	-9.63% (more use)
Quantity of potable water delivered for all commercial, industrial, and institutional users for the reporting month	779.03 AF
The percentage of the Total Monthly Potable Water Production going to residential use only for the reporting month	68.55%
Population (inclusive of seasonal residents)	106,971
Estimated R-GPCD	166.81
How many public complaints of water waste or violation of conservation rules were received during the reporting month?	24
How many contacts (written/ verbal) were made with customers for actual/ alleged water waste or for a violation of conservation rules?	15
How many formal warning actions (e.g.: written notifications, warning letters, door hangers) were issued for water waste or for a violation of conservation rules?	12
How many penalties were issued for water waste or for a violation of conservation rules?	0
<p>Comments: The Agency's service area is highly seasonal making population analysis a complex task. The State Water Resources Control Board (State Board) analyzes data on a per capita basis.</p> <p>Historically, DWA has submitted data based on the permanent population of the service area; however, that data does not accurately reflect water use in DWA's service area which has a highly seasonal population. Based on local data, the correct population is higher than previously reported. The Residential Gallons Per Capita Per Day (R-GPCD) is being submitted using the corrected population.</p> <p>Since Desert Water Agency began recycling water, the agency has reclaimed 98,319 acre feet. If our recycled water production for this month was taken into consideration against our potable production, the conservation achieved would have been several percentage points higher.</p>	