

DESERT WATER AGENCY
FEBRUARY 19, 2019



BOARD OF DIRECTORS
REGULAR MEETING AGENDA

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

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

1. **PLEDGE OF ALLEGIANCE**
2. **NEW EMPLOYEE INTRODUCTION** **KRAUSE**
3. **APPROVAL OF MINUTES - February 5, 2019** **STUART**
4. **GENERAL MANAGER'S REPORT** **KRAUSE**
5. **COMMITTEE REPORTS – A. Executive – February 13, 2019** **STUART**
6. **PUBLIC COMMENT:** Members of the public may comment on any item not listed on the agenda, but within the jurisdiction of the Agency. In addition, members of the public may speak on any item listed on the agenda as that item comes up for consideration. Speakers are requested to keep their comments to no more than three (3) minutes. As provided in the Brown Act, the Board is prohibited from acting on items not listed on the agenda.
7. **SECRETARY-TREASURER'S REPORT (JANUARY 2019)** **EWING**
8. **ITEMS FOR DISCUSSION**
 - A. 2018 Capital Improvement Projects Presentation (PPT) **KRAUSE**
 - B. Exchange Agreement with MWD (PPT) **KRAUSE**
 - C. January Water Use Reduction Figures **METZGER**
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: Thurman W. Arnold, III vs. Julie K. Rupp, John Medjian, Mary Beth Rupp, David Merritt Levy, DWA
 - G. **CONFERENCE WITH LEGAL COUNSEL – EXPOSURE TO LITIGATION**
Pursuant to Government Code Section 54956.9 (d) (2)
Alan Neil Freiman, et al vs. Safari Park, Inc.
Riverside County Superior Court Case No. PSC1806308

H. CONFERENCE WITH LEGAL COUNSEL – EXPOSURE TO LITIGATION

Pursuant to Government Code Section 54956.9 (d) (2)

Claim to Compel Elections by Division Pursuant to the California Voting Rights Act

11. RECONVENE INTO OPEN SESSION – REPORT FROM CLOSED SESSION

12. ADJOURN

Desert Water Agency
REGULAR BOARD MEETING
February 19, 2019

The following employee is scheduled to attend and be introduced to the Board of Directors at the February 19, 2019 Board Meeting:

Name
Josiah Perez July 6, 2018 Water Service Worker I

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

3

February 5, 2019

DWA Board:	Joseph K. Stuart, President)	Attendance
	Kristin Bloomer, Vice President)	
	Craig A. Ewing, Secretary-Treasurer)	
	Patricia G. Oygar, Director)	
	James Cioffi, Director)	
DWA Staff:	Mark S. Krause, General Manager)	
	Steve Johnson, Asst. General Manager)	
	Martin S. Krieger, Finance Director)	
	Sylvia Baca, Asst. Secretary of the Board)	
	Kris Hopping, Human Resources Manager)	
	Ashley Metzger, Outreach & Conserv. Mgr.)	
	Esther Saenz, Accounting Supervisor)	
Consultant:	Michael T. Riddell, Best Best & Krieger)	
	Doug Johnson, National Demographics Corp.)	
Public:	David Freedman, PS Sustainability Comm.)	
	Karl Baker, Desert Hot Springs resident)	
	John Soulliere, Cathedral City resident)	
	Deiter Crawford, Palm Springs resident)	

18336. President Stuart opened the meeting at 8:00 a.m. and asked everyone to join Director Cioffi in the Pledge of Allegiance. **Pledge of Allegiance**

18337. President Stuart called for approval of the January 15, 2019 Regular Board meeting minutes. **Approval of 01/15/19 Regular Board Minutes**

Secretary-Treasurer Ewing moved for approval. After a second by Director Cioffi, the minutes were approved as written.

President Stuart called for approval of the January 28, 2019 Special Board meeting minutes. **Approval of 01/28/19 Special Board Minutes**

Director Cioffi moved for approval. After a second by Secretary-Treasurer Ewing, the minutes were approved as written (Director Oygar abstained due to her absence).

18338. President Stuart called upon General Manager Krause to provide an update on Agency operations. **General Manager's Report**

Mr. Krause provided an update on Agency operations and noted his meetings and activities for the past several weeks. He reminded everyone that the Agency will be closed on Monday, February 18 in observance of the Presidents' Day holiday.

18339. President Stuart noted the minutes for the January 14, 2019 Conservation & Public Affairs Committee were provided in the Board's packet. **Committee Reports: Conservation & Public Affairs 01/14/19**

President Stuart noted the minutes for the January 29, 2019 Executive Committee were provided in the Board's packet. **Executive 01/29/19**

18340. President Stuart opened the meeting for public comment. **Public Comment**

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

18341. President Stuart called upon Secretary-Treasurer Ewing to present an overview of financial activities for the month of December 2018. **Secretary-Treasurer's Report (December 2018)**

Secretary-Treasurer Ewing reported that the Operating Fund received \$2,552,636 in Water Sales Revenue, \$141,545 in Reclamation Sales Revenue, \$2,569 from SCE for Snow Creek Hydro Power Sales and \$613,271 from the General Fund. Included in the Miscellaneous receipts were \$151,260 from Desert Horizons for sewer charges. Year-to-date Water Sales are 5% under budget; Year-to-date Total Revenues are 4% under budget; and Year-to-date Total Expenses are 15% under budget. There were 22,620 active services as of December 31, 2018. **Operating Fund**

Reporting on the General Fund, Mr. Ewing stated that \$5,122,401 was received in Property Tax Revenue, \$2,135 in Groundwater Assessments for private pumpers and \$805,618 was paid out in State Water Project charges (YTD = \$7,659,727). **General Fund**

Reporting on the Wastewater Fund, Mr. Ewing stated that \$155,414 was received in Sewer Capacity charges. \$75,300 was paid out in Accounts Payable. **Wastewater Fund**

18342. President Stuart called upon Agency Counsel Riddell to present staff's request for adoption of Resolution No. 1201. **Action Items: Request Adoption of Resolution No. 1201 Resolution of Intent to Transition to Elections of Directors by Division**

Mr. Riddell provided a background on Desert Water Agency Law and explained the California Voting Rights Act of 2001. He stated on December 26, 2018, the Agency received a letter from an attorney

representing the Southwest Voter Registration Education Project, which claims the Agency's "at-large" system of voting dilutes the ability of Latinos to elect candidates of their choice or to otherwise influence the outcome of the Agency's elections.

Action Items:
(Cont.)
Adopt Resolution 1201

Continuing his report, Mr. Riddell stated Resolution No. 1201 expresses the Board's intention to undertake the steps prescribed by Elections Code Section 10010 for a transition from "at-large" elections to elections by division. In anticipation of the adoption of Resolution No. 1201, the agenda also provides for immediately conducting the first of two public hearings that must occur before a draft map or maps showing possible division boundaries can be prepared, as provided in the resolution. Staff recommends adoption of Resolution No. 1201 and the use of a professional demographer for further guidance in this matter.

Karl Baker, Desert Hot Springs resident, spoke in support of the resolution and expressed his willingness to work with the Board

Karl Baker

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

RESOLUTION NO. 1201
A RESOLUTION OF THE BOARD OF DIRECTORS
OF DESERT WATER AGENCY EXPRESSING THE
BOARD OF DIRECTORS' INTENTION, PURSUANT
TO ELECTIONS CODE SECTION 10010, TO INITIATE
PROCEDURES FOR ESTABLISHING AND
IMPLEMENTING ELECTIONS OF DIRECTIONS
BY DIVISION

Resolution No. 1201
Adopted

President Stuart then introduced Mr. Johnson, representing National Demographics Corporation.

Mr. Johnson then provided a PowerPoint presentation on District Elections and the California Voting Rights Act.

President Stuart opened the public hearing at 8:45 a.m.

Open Public Hearing

Karl Baker, Desert Hot Springs resident spoke in support of the Agency changing to district elections and encouraged the Board to hold public hearings in Desert Hot Springs.

Karl Baker

David Freedman, Palm Springs resident stated he recently worked with the City of Palm Springs on moving to district elections and encouraged the Agency to follow their model.

David Freedman

John Soulliere, Cathedral City resident expressed his concern with the possibility of having a non ratepayer serve on the Board that would be setting rates and fees.

Public Hearing
(Cont.)
John Soulliere

There being no one else from the public wishing to speak, President Stuart closed the public hearing at 8:51 a.m.

Close Public Hearing

18343. President Stuart asked Finance Director Krieger to present staff's request for adoption of Resolution No. 1202 Establishing an Account with Alamo Capital.

Request Adoption of
Resolution No. 1202
Establishing Account
with Alamo Capital

Mr. Krieger stated Alamo Capital is a full service brokerage and investment firm founded in 1987 (Alamo is the largest women's business enterprise in the United States). Staff would like to include Alamo Capital with the Agency's other authorized investment firms in order to increase its investment options. Staff recommends adoption of Resolution No. 1202 authorizing establishment of an account with Alamo Capital for purposes of investment.

Secretary-Treasurer Ewing move to approve staff's recommendation. After a second by Director Cioffi, the motion carried unanimously.

RESOLUTION NO. 1200
A RESOLUTION OF THE BOARD OF DIRECTORS
OF DESERT WATER AGENCY AUTHORIZING
THE ESTABLISHMENT OF ACCOUNTS WITH
ALAMO CAPITAL INVESTMENT SERVICES
FOR PURPOSES OF INVESTMENT
(OPERATING FUND/GENERAL FUND)

Resolution No. 1202
Adopted

18344. President Stuart asked General Manager Krause to present staff's request for the Board's authorization for the General Manager to enter into and execute the Sites Project Authority, 2019 Reservoir Project Agreement.

Request Approval to
Execute Agrmt. (Sites
Project Authority, 2019
Reservoir Project)

Mr. Krause provided background regarding the Sites Reservoir Project, Phase 1 proposal to participate. He explained on August 16, 2018, the Reservoir Committee approved the proposed Sites Reservoir Authority, 2019 Reservoir Project Agreement. Based on the proposed 2019 agreement, the Agency is obligated to pay up to \$60 per acre-foot or \$390,000 in calendar year 2019. This would be in addition to the \$315,250 for Phase 1 (\$48.5 per acre-foot) for a total obligation of \$705,250. Staff recommends entering into the Sites Project Authority, 2019 Reservoir Project Agreement and requests authorization for the General Manager to execute said agreement.

Director Cioffi moved to approve staff's recommendation. After a second by Secretary-Treasurer Ewing, the motion carried unanimously.

Action Items:
(Cont.)

18345. President Stuart called upon Agency Counsel Riddell to provide a report on the January 17, 2019 Board of Directors of the State Water Contractors meeting.

Discussion Items:
01/17/19 SWC Mtg.

Mr. Riddell provided a report on the following items: 1) Closed Session, 2) Action Items, 3) SWP Operations, 4) SWP Management Report, 5) Delta Habitat Restoration Project, and 6) Water Supply Objectives Update.

18346. President Stuart noted that Board packets included Outreach & Conservation reports for January 2019.

Outreach & Conservation – January 2019

18347. At 9:15 a.m., President Stuart 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) Exposure to Litigation, pursuant to Government Code Section 54956.9 (d) (2), Freeman et al vs. Safari Park, Inc., (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) (2), Thurman W. Arnold III vs. Rupp, Medjian, Rupp, Levy, DWA; (G) Exposure to Litigation, pursuant to Government Code Section 54956.9 (d) (2), Claim to Compel Elections by Division Pursuant to the California Voting Rights Act; and (H) Public Employee Performance Evaluation, pursuant to Government Code Section 54957, General Manager.

Closed Session:
A. Existing Litigation – ACBCI vs. CVWD, et al.
B. Exposure to Litigation – Alan Neil Freman, et al vs. Safari Park, Inc.
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 – Thurman W. Arnold III vs. Rupp, Medjian, Rupp, Levy, DWA
G. Exposure to Litigation – Claim to Compel Elections by Division Pursuant to the CVRA
H. Public Employee Performance Evaluation – General Manager

18348. At 11:37 a.m., President Stuart reconvened the meeting into open session and announced there was no reportable action taken on Item No. 11-A thru 11-G.

Reconvene – No Reportable Action

Secretary-Treasurer Ewing stated a performance evaluation was conducted for General Manager Krause. He then made a motion to approve a 5% bonus (current salary or COLA in July, whichever is higher) plus an additional \$2,000 to the General Manager's employment agreement. Director Cioffi seconded the motion, which carried unanimously.

Public Employee Performance Evaluation-General Manager

18349. In the absence of any further business, President Stuart **Adjournment**
adjourned the meeting at 11:40 a.m.

Joseph K. Stuart, President

ATTEST:

Craig Ewing, Secretary-Treasurer

GENERAL MANAGER'S REPORT FEBRUARY 19, 2019

Stolen Backflow

On February 4 at 8:15 a.m., Construction staff responded to a stolen backflow at 1201 Bird Center Dr. Authorization was given to replace the backflow and it was placed back into service. The water loss was metered and the customer filed a police report.



Stolen Backflow

On January 29 at 7:30 a.m., Construction staff responded to a stolen backflow at Tramview Rd. and Eastgate Rd. This backflow is for city irrigation. City staff was notified and they gave the Agency authorization to replace the backflow and it was placed back into service. The water loss was metered and the City filed a police report.



Blood Drive

DWA will be hosting a blood drive on Thursday, February 28 from 9:00 a.m. – 2:00 p.m. The Bloodmobile will be in the parking lot at 1200 S. Gene Autry Trail. Those interested can sign up at: khopping@dwa.org. Donate and you will receive a free 1-hour massage, courtesy of Gamble Chiropractic. Please be sure to drink plenty of fluids and bring a photo ID with proof of age. Donors under the age of 17 must bring a signed LifeStream parental consent form.

California WaterFix Update

From the Sacramento Bee, by Dale Kasler:

Gov. Gavin Newsom, diving into one of California's most contentious water issues, said Tuesday he wants to downsize the Delta tunnels project. The Democratic governor also set out to overhaul state water policy by naming a new chair of the state's water board.

Newsom said he wants the twin-tunnel project — designed to [re-engineer the troubled estuary](#) that serves as the hub of California's elaborate water-delivery system — reduced to a single tunnel.

"I do not support the WaterFix as currently configured," Newsom said during his first State of the State address, using the official term for the Delta project. "Meaning, I do not support the twin tunnels. We can build, however, on the important work that's already been done. That's why I do support a single tunnel."

The announcement likely means WaterFix would require a fresh set of environmental reviews before it can proceed, translating into additional delays for a project that's been in the planning stage for more than a decade and will take an estimated 15 years to build.

Supplemental Water Supplies (Article 21)

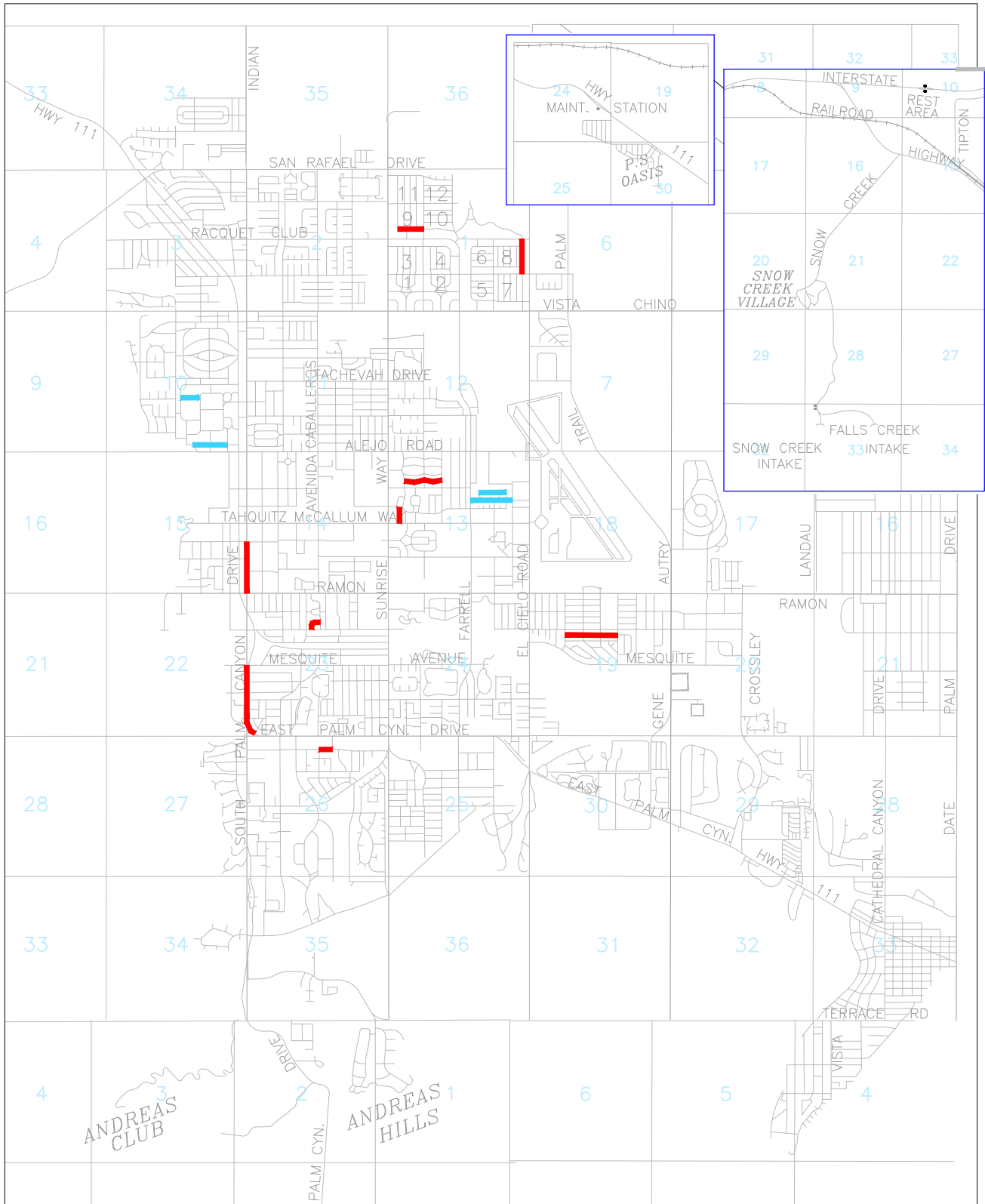
On February 12th the Department of Water Resources sent out notice 19-05 regarding the 2019 Article 21 Water Program. The notice states that due to the current water conditions and storage in San Luis Reservoir, it is likely that Article 21 water may become available south of the Sacramento-San Joaquin Delta during 2019.

We are currently discussing with MWD the possibility that we may participate in this program. MWD is currently assessing its carryover situation with respect to participation in the Article 21 program.

SYSTEM LEAK DATA					
(PERIOD BEGINNING JANUARY 30, 2019 THRU FEBRUARY 12, 2019)					
STREET NAME	NUMBER OF LEAKS	PIPE DIAMETER (INCHES)	YEAR INSTALLED	PIPE MATERIAL	PIPE CONSTRUCTION
LIVMOR AVE	4	4 AND 6	1955	STEEL	BARE/UNLINED
PLAIMOR AVE	3	6	1955	STEEL	BARE/UNLINED
CHINO DR	3	4	1936	STEEL	BARE/UNLINED
S INDIAN CANYON DR	3	6	1951	STEEL	BARE/UNLINED
HERMOSA PL	1	4	1952	STEEL	BARE/UNLINED
S PALM CANYON DR	1	10	1938	STEEL	BARE/UNLINED
DEL LAGO RD	1	6	1957	STEEL	BARE/UNLINED
TWIN PALMS DR	1	6	1955	STEEL	BARE/UNLINED
S PALM CANYON DR	1	6	1952	STEEL	BARE/UNLINED
WHITEWATER CLUB DR	1	6	1958	STEEL	BARE/UNLINED
McMANUS DR	1	4	1946	STEEL	BARE/UNLINED
WARM SANDS PL	1	4	1946	STEEL	BARE/UNLINED
CALLE SAN ANTONIO	1	4	1946	STEEL	BARE/UNLINED
LURING DR	1	4	1947	STEEL	BARE/UNLINED
TOTAL LEAKS IN SYSTEM:		23			

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

SYSTEM INFORMATION:	
*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 PIPE IN SYSTEM OLDER THAN 68 YEARS (LINEAR FEET):	142,113
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
PROJECTED TIME FRAME FOR 100% REPLACEMENT OF PIPE OLDER THAN 68 YEARS:	10 YEARS
YEAR AGENCY TRANSITIONED TO CEMENT LINED STEEL PIPE:	1960
<p>* THIS PIPELINE IS BEING REPLACED AS PART OF THE 2018/2019 REPLACEMENT PIPELINES PROJECT.</p> <p>** PLEASE NOTE THIS FIGURE REPRESENTS THE AVERAGE LINEAR FOOTAGE OF PIPELINE REPLACED ANNUALLY GIVEN AN AVERAGE ANNUAL BUDGET OF \$3 MILLION.</p>	



SYSTEM LEAKS

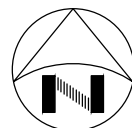
(Period beginning January 30, 2019
thru February 12, 2019)

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
2/19

SCALE
NTS

EXHIBIT
"A"

General Manager's Meetings and Activities

Meetings:

02/05/19	DWA Bi-Monthly Board Meeting	DWA
02/05/19	Mission Creek SB Quarterly GM Meeting	MSWD
02/06/19	DWA/K&S Snow Creek Village Filtration Design Review	DWA
02/07/19	SWC's Class 8, Quarterly Meeting	SBVMWD
02/07/19	SWC's CWF Finance Meeting	Conf. Call
02/11/19	DWA Staff/I.S./Security Meetings	DWA
02/11/19	DWA Succession Planning	DWA
02/12/19	SWC's – Governor's State of the State on CWF	Conf. Call
02/13/19	MWD – CRA Shutdown Coordination	Conf. Call
02/13/19	DWA Executive Committee Meeting	DWA
02/14/19	MWD/CVWD/DWA Article 21 Coordination	Conf. Call
02/18/19	DWA Holiday – Presidents Day	DWA
02/19/19	DWA Bi-Monthly Board Meeting	City Hall
02/19/19	DWA Special Board Meeting – Election by Division Hearing	DHS

Activities:

- 1) Investigation of at-large VS. district elections
- 2) SWP – CWF Voluntary Settlement Agreement Framework
- 3) SWP Contract Extension Amendment
- 4) Well 20 Re-habilitation
- 5) DWA Pilot Remote Meter Reading Fixed Network
- 6) MSWD PRA For Financial Records
- 7) Water Leak at Palm Springs Mall
- 8) Customer Complaint Regarding Shut-Off Notice Verbiage and Policy
- 9) Outreach Talking Points – KESQ
- 10) Whitewater Hydro – Automatic Re-start
- 11) State and Federal Contractors Water Authority and Delta Specific Project Committee (Standing)
- 12) Security Camera Software Upgrade for all facilities
- 13) Cal OSHA Violation Appeal
- 14) DWA Laboratory ELAP Certification
- 15) Whitewater River Surface Water Recharge
- 16) ACBCI Section 14 Facilities & Easements
- 17) Lake Oroville Spillway Damage
- 18) Replacement Pipelines 2018-2019
- 19) CWF – Finance JPA Committee
- 20) DWA/CVWD/MWD Operations Coordination/Article 21/Pool A/Pool B/Yuba Water
- 21) DWA/CVWD/MWD Agreements Meeting Number 7
- 22) SWP 2018 Water Supply
- 23) ACBCI Lawsuits
- 24) Lake Perris Dam Remediation
- 25) Section 14 Pipeline Easements
- 26) DOI Regulation
- 27) Whitewater Hydro Operations Coordination with Recharge Basin O&M
- 28) SGMA Tribal Stakeholder Meetings

Activities:
(Cont.)

- 29) Whitewater Spreading Basins – BLM Permits
- 30) Lake Perris Dam Seepage Recovery Project Participation
- 31) Cal Waterfix Cost Allocation
- 32) DWA Surface Water Filtration Feasibility Study
- 33) MCSB Delivery Updates
- 34) Well 6 Meaders Cleaners RWQB Meetings
- 35) SGMA – Indio Subbasin Classification
- 36) SGMA – San Geronio Pass Subbasin
- 37) Snow Creek Surface Water Filtration Design
- 38) UWMP Population Calculation Update
- 39) RWQCB Update to the SNMP

Minutes
Executive Committee Meeting
February 13, 2019

Directors Present: Joe Stuart, Kristin Bloomer
Staff Present: Mark Krause, Martin Krieger, Steve Johnson

1. Discussion Items

- A. Review Agenda for February 19, 2019 Regular Board Meeting
The proposed agenda for the February 19, 2019 meeting was reviewed.
- B. Expense Reports
The January expense reports were reviewed.

2. Other - None

3. Adjourn

DESERT WATER AGENCY
STATEMENT OF CASH RECEIPTS AND EXPENDITURES

OPERATING ACCOUNT

JANUARY 2019

BALANCE	JANUARY 1, 2019	(\$1,065,041.34)	INVESTED RESERVE FUNDS \$22,782,854.35
WATER SALES		\$2,216,095.35	
RECLAMATION SALES		73,151.83	
WASTEWATER RECEIPTS		89,693.25	
POWER SALES		1,036.14	
METERS, SERVICES, ETC.		108,047.00	
REIMBURSEMENT – GENERAL FUND		260,066.31	
REIMBURSEMENT – WASTEWATER FUND		5,951.34	
ACCOUNTS RECEIVABLE – OTHER		14,018.62	
CUSTOMER DEPOSITS – SURETY		4,768.00	
CUSTOMER DEPOSITS – CONST.		21,804.00	
LEASE REVENUE		3,397.91	
INTEREST RECEIVED ON INV. FDS.		102,699.74	
FRONT FOOTAGE FEES		0.00	
BOND SERVICE & RESERVE FUND INT		0.00	
MISCELLANEOUS		6024.57	
TOTAL RECEIPTS		\$2,906,754.06	
PAYMENTS			
PAYROLL CHECKS		\$383,509.00	
PAYROLL TAXES		172,126.82	
ELECTRONIC TRANSFERS		222,466.97	
CHECKS UNDER \$10,000.00		287,535.29	
CHECKS OVER \$10,000.00 – SCH. #1		2,608,742.11	
CANCELLED CHECKS AND FEES		8,266.15	
TOTAL PAYMENTS		\$3,682,646.34	
NET INCOME		(\$775,892.28)	
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		\$1,658,000.00	
FUNDS INVESTED – SCH. #3		112,199.74	
NET TRANSFER		\$1,545,800.26	(\$1,545,800.26)
BALANCE	JANUARY 31, 2019	(\$295,133.36)	\$21,237,054.09

OPERATING ACCOUNT

SCHEDULE #1-CHECKS OVER \$10,000			AMOUNT
CHECK #	NAME	DESCRIPTION	
121479	DOWN TO EARTH LANDSCAPING	LANDSCAPE MAINTENANCE - DECEMBER 2018	\$29,874.24
121491	CDW DIRECT	IS SUPPLIES	\$19,470.34
121515	MCKEEVER WATERWELL & PUMP INC	WELL #32 MAINTENANCE / INFLUENT PUMP MAINTENANCE	\$176,316.00
121521	OUTFLOW TECHNOLOGIES	PROGRAMMING - MIGRATION PROJECT (W/O #18-179-M)	\$27,245.00
121522	CITY OF PALM SPRINGS	REIMBURSEMENTS FOR WATER VALVE ADJUSTMENTS - 2016 PAVEMENT REHABILITATION	\$228,072.00
121539	ROBERTS WATER TECHNOLOGIES, INC	RECLAMATION FILTER MAINTENANCE	\$15,499.00
121540	SOUTHERN CALIFORNIA EDISON CO	POWER	\$188,437.74
121541	THATCHER COMPANY OF CALIFORNIA	WATER SERVICE SUPPLIES	\$11,852.77
121549	Z&L PAVING, INC	PAVING	\$16,717.50
121551	VILLAS DE LAS FLORES	TURF BUY BACK PROGRAM	\$16,495.00
121597	ACWA-JPIA	HEALTH, DENTAL & VISION INSURANCE PREMIUMS - FEBRUARY 2019	\$211,941.65
121601	ACWA-JPIA	WORKERS COMPENSATION PREMIUM OCTOBER - DECEMBER 2018	\$51,722.58
121606	CITY OF PALM SPRINGS	WORKORDER REFUND-REPLACEMENT CHECK ORIGINAL CHECK #120614	\$12,691.63
121639	DESERT WATER AGENCY	GENERAL FUND REIMBURSEMENT & GROUNDWATER BILLING	\$1,061,751.86
121640	BETH AMHEISER	REPLACEMENT FOR FINAL PAYROLL CHECK	\$11,989.12
121641	DESERT WATER AGENCY - WASTEWATER	WASTEWATER REVENUE BILLING - DECEMBER 2018	\$91,861.13
121652	BADGER METER INC	WATER SERVICE SUPPLIES	\$11,826.32
121654	BEST BEST & KRIEGER LLP	LEGAL FEES	\$46,838.82
121673	DOWN TO EARTH LANDSCAPING	LANDSCAPE MAINTENANCE - JANUARY 2019	\$31,767.24
121695	INLAND WATER WORKS SUPPLY CO	WATER SERVICE SUPPLIES	\$26,810.61
121704	KRIEGER & STEWART INC	ENGINEERING	\$107,124.55
121711	MISSION SPRINGS WATER DISTRICT	CV WATER COUNTS - CONSERVATION CONTRACT	\$11,000.00
121721	OUTFLOW TECHNOLOGIES	PROGRAMMING - MIGRATION PROJECT (W/O #18-179-M)	\$27,245.00
121723	CITY OF PALM SPRINGS	REIMBURSEMENTS FOR WATER VALVE ADJUSTMENTS - CITY PROJECT 17-01	\$110,831.88
121733	THE SOCO GROUP, INC	FUEL PURCHASE	\$12,626.34
121740	THATCHER COMPANY OF CALIFORNIA	WATER SERVICE SUPPLIES	\$16,452.29
121752	Z&L PAVING, INC	PAVING	\$34,281.50
** TOTAL			\$2,608,742.11

**DESERT WATER AGENCY
OPERATING FUND - LISTING OF INVESTMENTS
JANUARY 31, 2019**

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	\$ 15,737,054.09	\$ 15,737,054.09	\$ 15,737,054.09	2.380%	-
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Certificates of Deposit

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

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

09-20-16	Union Bank	FNMA (Callable 3-20-19)	09-20-19	\$ 1,000,000.00	\$ 1,000,000.00	\$ 992,240.00	1.300%	Quarterly
10-28-16	Union Bank	FHLMC STEP (Callable 4-28-19)	10-28-21	\$ 1,000,000.00	\$ 1,000,000.00	\$ 995,580.00	2.000%	Quarterly
02-28-17	Union Bank	FHLMC	02-25-19	\$ 500,000.00	\$ 500,000.00	\$ 499,690.00	1.400%	Quarterly
09-29-17	Union Bank	FHLMC (Callable 3-29-19)	09-29-20	\$ 500,000.00	\$ 500,000.00	\$ 492,530.00	1.700%	Quarterly
01-29-18	Union Bank	FHLB (Callable 4-29-19)	01-29-21	\$ 500,000.00	\$ 500,000.00	\$ 496,505.00	2.200%	Quarterly
02-08-18	Union Bank	FFCB	05-08-19	\$ 1,000,000.00	\$ 1,000,000.00	\$ 999,050.00	2.000%	Bullet
04-17-18	Union Bank	FFCB	04-17-19	\$ 1,000,000.00	\$ 1,000,000.00	\$ 999,620.00	2.150%	Bullet

Total Government Agency	\$	5,500,000.00	\$	5,500,000.00	\$	5,475,215.00
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Weighted Mean YTM 2.239%

TOTAL INVESTED @ 01/31/19	\$	21,237,054.09	\$	21,237,054.09	\$	21,212,269.09
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BALANCE @ 06/30/18	\$	20,642,759.86
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INCREASE (DECREASE)	\$594,294.23
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DESERT WATER AGENCY
STATEMENT OF CASH RECEIPTS AND EXPENDITURES

GENERAL ACCOUNT

JANUARY 2019

INVESTED
RESERVE FUNDS
\$129,587,520.23

BALANCE JANUARY 1, 2019 (\$613,336.37)

* TAXES - RIVERSIDE COUNTY	959,271.22
* INTEREST EARNED - INV. FUNDS	394,051.14
GROUNDWATER REPLEN. ASSESSMENT	1,161,458.50
REIMBURSEMENT - OPERATING FUND	0.00
REIMBURSEMENT - CVWD MGMT	20.97
STATE WATER PROJECT REFUNDS	0.00
REIMB - CVWD - WHITEWATER HYDRO	13,414.92
POWER SALES - WHITEWATER	0.00
MISCELLANEOUS	0.00

TOTAL RECEIPTS \$2,528,216.75

PAYMENTS

CHECKS UNDER \$10,000.00	6,037.97
CHECKS OVER \$10,000.00 - SCH. #1	4,536,329.71
CANCELLED CHECKS AND FEES	0.00

TOTAL PAYMENTS \$4,542,367.68

NET INCOME (\$2,014,150.93)

INVESTED RESERVE FUNDS

FUNDS MATURED	2,721,350.00
FUNDS INVESTED – SCH. #2	3,234,042.22

NET TRANSFER (\$512,692.22) \$512,692.22

BALANCE JANUARY 31, 2019 (\$3,140,179.52) \$130,100,212.45

* INCLUSIVE TO DATE

	TAXES	INTEREST
RECEIPTS IN FISCAL YEAR	\$7,620,006.07	\$1,510,480.27
RECEIPTS IN CALENDAR YEAR	\$959,271.22	\$394,051.14

DESERT WATER AGENCY

GENERAL ACCOUNT

SCHEDULE #1-CHECKS OVER \$10,000

CHECK #	NAME	DESCRIPTION	AMOUNT
9195	STATE OF CA. DEPT. OF WATER RESOURCES	STATE WATER PROJECT ENTITLEMENT - OCTOBER 2018	\$1,017,258.00
9197	ASSOCIATION OF CALIF WATER AGENCIES	MEMBERSHIP DUES - 2019	\$23,009.65
9198	DESERT WATER AGENCY - OPERATING	P/R & EXP REIMBURSEMENT FOR DECEMBER 2018	\$260,066.31
9200	STATE OF CA. DEPT. OF WATER RESOURCES	STATE WATER PROJECT - JANUARY 2019	\$3,214,937.00
9202	US GEOLOGICAL SURVEY	JOINT FUNDING AGREEMENT QUARTERLY BILLING - (08/01/2018 - 10/31/2018)	\$21,058.75

** TOTAL

\$4,536,329.71

DESERT WATER AGENCY
GENERAL FUND - LISTING OF INVESTMENTS
JANUARY 31, 2019

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	\$	41,905,362.45	\$ 41,905,362.45	\$ 41,905,362.45	2.380%	-
Certificates of Deposit									
04-20-17	RBC Wealth Mgmt	Whitney Bank CD	04-22-19	\$	1,000,000.00	\$ 1,000,000.00	\$ 998,590.00	1.650%	Bullet
06-14-17	RBC Wealth Mgmt	Capital One N/A CD	06-15-20	\$	250,000.00	\$ 250,000.00	\$ 247,552.50	1.900%	Bullet
06-14-17	RBC Wealth Mgmt	Capital One Bank USA CD	06-15-20	\$	250,000.00	\$ 250,000.00	\$ 247,552.50	1.900%	Bullet
06-19-17	RBC Wealth Mgmt	First Priority Bank CD	06-19-20	\$	250,000.00	\$ 250,000.00	\$ 247,017.50	1.750%	Bullet
Total Certificates of Deposit				\$	1,750,000.00	\$ 1,750,000.00	\$ 1,740,712.50		
Medium Term Notes									
9-19-18	Stifel	Wells Fargo MTN (Callable 9-19-20)	9-19-21	\$	1,000,000.00	\$ 1,000,000.00	\$ 1,002,740.00	3.250%	Quarterly
Total Commercial Paper				\$	1,000,000.00	\$ 1,000,000.00	\$ 1,002,740.00		
Government Agency									
10-02-15	Stifel	FHLB (Callable Continuous)	10-02-19	\$	1,000,000.00	\$ 1,000,000.00	\$ 992,780.00	1.450%	Continuous
11-25-15	Stifel	FNMA (Callable 2-25-19)	11-25-19	\$	1,000,000.00	\$ 1,000,000.00	\$ 991,570.00	1.500%	Qtrtly
02-26-16	Ladenburg Thalmann	FNMA	02-26-19	\$	1,000,000.00	\$ 1,000,000.00	\$ 999,120.00	1.250%	Qtrtly
03-23-16	Ladenburg Thalmann	FNMA (Callable 3-23-19)	03-23-20	\$	1,000,000.00	\$ 1,000,000.00	\$ 988,450.00	1.500%	Qtrtly
03-30-16	Stifel	FNMA STEP (Callable 3-30-19)	03-30-21	\$	1,000,000.00	\$ 1,000,000.00	\$ 995,000.00	1.750%	Qtrtly
03-30-16	Stifel	FHLMC STEP (Callable 3-30-19)	03-30-21	\$	1,000,000.00	\$ 1,000,000.00	\$ 992,630.00	1.750%	Qtrtly
04-26-16	Ladenburg Thalmann	FHLB (Callable Continuous)	10-26-20	\$	999,500.00	\$ 1,000,000.00	\$ 983,040.00	1.550%	Continuous
05-23-16	Stifel	FNMA (Callable 2-23-19)	08-23-19	\$	1,000,000.00	\$ 1,000,000.00	\$ 992,960.00	1.250%	Qtrtly
05-26-16	Union Bank	FNMA	11-26-19	\$	1,000,000.00	\$ 1,000,000.00	\$ 989,960.00	1.300%	1 Time
06-01-16	Stifel	FFCB (Callable Continuous)	03-01-19	\$	1,000,000.00	\$ 1,000,000.00	\$ 999,130.00	1.250%	Continuous
06-13-16	Ladenburg Thalmann	FNMA (Callable 3-13-19)	06-13-19	\$	1,000,000.00	\$ 1,000,000.00	\$ 996,010.00	1.400%	Qtrtly
06-16-16	Stifel	FFCB (Callable Continuous)	03-16-20	\$	1,000,000.00	\$ 1,000,000.00	\$ 987,770.00	1.400%	Continuous
06-21-16	Stifel	FHLMC STEP (Callable 3-21-19)	06-21-21	\$	1,000,000.00	\$ 1,000,000.00	\$ 992,450.00	1.750%	Qtrtly
06-28-16	Ladenburg Thalmann	FNMA (Callable 3-28-19)	06-28-19	\$	1,000,000.00	\$ 1,000,000.00	\$ 994,730.00	1.200%	Qtrtly
06-30-16	Stifel	FHLMC STEP (Callable 3-30-19)	12-30-19	\$	1,000,000.00	\$ 1,000,000.00	\$ 997,260.00	2.000%	Qtrtly
07-11-16	Ladenburg Thalmann	FHLB (Callable Continuous)	10-11-19	\$	1,000,000.00	\$ 1,000,000.00	\$ 990,310.00	1.125%	Continuous
07-11-16	Ladenburg Thalmann	FHLB (Callable Continuous)	07-11-19	\$	1,000,000.00	\$ 1,000,000.00	\$ 994,090.00	1.125%	Continuous
07-13-16	Union Bank	FFCB (Callable Continuous)	01-13-20	\$	1,000,000.00	\$ 1,000,000.00	\$ 987,500.00	1.240%	Continuous
07-26-16	Ladenburg Thalmann	FNMA (Callable 4-26-19)	07-26-19	\$	999,500.00	\$ 1,000,000.00	\$ 993,290.00	1.125%	Qtrtly
07-27-16	Stifel	FNMA STEP (Callable 4-27-19)	07-27-21	\$	1,000,000.00	\$ 1,000,000.00	\$ 975,810.00	1.400%	Qtrtly
08-10-16	Ladenburg Thalmann	FHLMC (Callable 2-10-19)	08-10-20	\$	1,000,000.00	\$ 1,000,000.00	\$ 983,490.00	1.450%	Qtrtly
08-24-16	Ladenburg Thalmann	FHLMC STEP (Callable 2-24-19)	08-24-21	\$	1,000,000.00	\$ 1,000,000.00	\$ 995,360.00	1.750%	Qtrtly
08-30-16	Stifel	FHLMC STEP (Callable 2-28-19)	08-27-21	\$	1,000,000.00	\$ 1,000,000.00	\$ 997,550.00	2.000%	Qtrtly
08-30-16	Ladenburg Thalmann	FNMA (Callable 2-27-19)	11-27-19	\$	1,000,000.00	\$ 1,000,000.00	\$ 989,500.00	1.250%	Qtrtly
09-06-16	Ladenburg Thalmann	FFCB (Callable Continuous)	03-06-19	\$	1,000,000.00	\$ 1,000,000.00	\$ 998,890.00	1.150%	Continuous
09-20-16	Union Bank	FNMA (Callable 3-20-19)	09-20-19	\$	1,000,000.00	\$ 1,000,000.00	\$ 992,240.00	1.300%	Qtrtly
09-27-16	Ladenburg Thalmann	FHLMC STEP (Callable 3-27-19)	09-27-19	\$	1,000,000.00	\$ 1,000,000.00	\$ 999,230.00	2.000%	Qtrtly
09-29-16	Ladenburg Thalmann	FHLMC STEP (Callable 3-29-19)	09-29-21	\$	950,000.00	\$ 950,000.00	\$ 940,490.50	1.500%	Qtrtly
09-30-16	Ladenburg Thalmann	FNMA (Callable 3-30-19)	09-30-19	\$	1,000,000.00	\$ 1,000,000.00	\$ 991,510.00	1.250%	Qtrtly
10-06-16	Ladenburg Thalmann	FHLMC (Callable 4-6-19)	07-06-20	\$	1,000,000.00	\$ 1,000,000.00	\$ 983,720.00	1.375%	Qtrtly
10-17-16	Stifel	FNMA	04-17-20	\$	1,000,000.00	\$ 1,000,000.00	\$ 984,890.00	1.250%	1 Time
10-28-16	Stifel	FHLMC STEP (Callable 4-28-19)	10-28-21	\$	1,500,000.00	\$ 1,500,000.00	\$ 1,487,820.00	1.500%	Qtrtly
10-28-16	Union Bank	FHLMC STEP (Callable 4-28-19)	10-28-21	\$	1,000,000.00	\$ 1,000,000.00	\$ 995,580.00	2.000%	Qtrtly
11-03-16	Ladenburg Thalmann	FFCB (Callable Continuous)	05-03-21	\$	999,250.00	\$ 1,000,000.00	\$ 976,880.00	1.490%	Continuous
11-15-16	Stifel	FHLMC STEP (Callable 2-15-19)	11-15-19	\$	1,000,000.00	\$ 1,000,000.00	\$ 992,870.00	1.500%	Qtrtly
12-14-16	Ladenburg Thalmann	FHLMC (Callable 3-14-19)	12-14-20	\$	1,000,000.00	\$ 1,000,000.00	\$ 985,440.00	1.750%	Qtrtly
12-29-16	Ladenburg Thalmann	FNMA (Callable 3-29-19)	06-29-20	\$	1,000,000.00	\$ 1,000,000.00	\$ 989,170.00	1.750%	Qtrtly

DESERT WATER AGENCY
GENERAL FUND - LISTING OF INVESTMENTS
JANUARY 31, 2019

PURCHASE DATE	NAME	DESCRIPTION	MATURITY DATE	COST	PAR VALUE	MARKET VALUE	YIELD TO MATURITY	CALLABLE STATUS
<div>Government Agency</div>								
12-30-16	Ladenburg Thalmann	FHLMC (Callable 3-30-19)	12-30-19	\$ 998,000.00	\$ 1,000,000.00	\$ 989,360.00	1.500%	Qtrtly
01-27-17	Ladenburg Thalmann	FNMA (Callable 4-27-19)	01-27-20	\$ 1,000,000.00	\$ 1,000,000.00	\$ 991,220.00	1.650%	Qtrtly
01-30-17	Union Bank	FHLB (Callable 4-30-19)	04-30-20	\$ 1,000,000.00	\$ 1,000,000.00	\$ 991,000.00	1.750%	Qtrtly
02-28-17	Union Bank	FHLMC	02-25-19	\$ 1,000,000.00	\$ 1,000,000.00	\$ 999,380.00	1.400%	Qtrtly
04-20-17	Stifel	FHLMC STEP (Callable 4-20-19)	04-20-20	\$ 1,000,000.00	\$ 1,000,000.00	\$ 994,960.00	2.250%	Qtrtly
04-27-17	Ladenburg Thalmann	FHLMC (Callable 4-27-19)	01-27-21	\$ 1,000,000.00	\$ 1,000,000.00	\$ 988,470.00	2.000%	Qtrtly
06-08-17	Stifel	FHLMC STEP (Callable 3-8-19)	06-08-20	\$ 1,000,000.00	\$ 1,000,000.00	\$ 998,900.00	2.000%	Qtrtly
06-22-17	Ladenburg Thalmann	FHLMC STEP (Callable 3-22-19)	06-22-22	\$ 1,000,000.00	\$ 1,000,000.00	\$ 997,390.00	2.000%	Qtrtly
06-27-17	Union Bank	FHLB (Callable 3-27-19)	09-27-19	\$ 1,000,000.00	\$ 1,000,000.00	\$ 993,220.00	1.500%	Qtrtly
06-29-17	Ladenburg Thalmann	FHLMC (Callable 3-29-19)	09-29-20	\$ 1,000,000.00	\$ 1,000,000.00	\$ 985,980.00	1.750%	Qtrtly
07-11-17	Ladenburg Thalmann	FHLMC (Callable 4-11-19)	01-11-21	\$ 1,000,000.00	\$ 1,000,000.00	\$ 985,610.00	1.800%	Qtrtly
07-26-17	Stifel	FHLMC STEP (Callable 4-26-19)	07-26-22	\$ 1,000,000.00	\$ 1,000,000.00	\$ 992,040.00	2.000%	Qtrtly
07-27-17	Stifel	FHLMC STEP (Callable 4-27-19)	07-27-22	\$ 1,000,000.00	\$ 1,000,000.00	\$ 998,660.00	2.000%	Qtrtly
08-07-17	Ladenburg Thalmann	FFCB (Callable Continuous)	11-23-20	\$ 999,850.00	\$ 1,000,000.00	\$ 986,550.00	1.770%	Continuous
08-09-17	Stifel	FHLB STEP (Callable 2-9-19)	02-09-22	\$ 2,000,000.00	\$ 2,000,000.00	\$ 1,986,940.00	1.750%	Qtrtly
08-10-17	Ladenburg Thalmann	FHLB STEP (Callable 2-10-19)	08-10-22	\$ 1,000,000.00	\$ 1,000,000.00	\$ 998,930.00	2.000%	Qtrtly
09-08-17	Stifel	FHLB STEP (Callable 3-8-19)	09-08-22	\$ 1,000,000.00	\$ 1,000,000.00	\$ 993,040.00	1.750%	Qtrtly
09-28-17	Ladenburg Thalmann	FHLMC STEP (Callable 3-28-19)	09-28-20	\$ 1,000,000.00	\$ 1,000,000.00	\$ 991,940.00	1.500%	Qtrtly
09-29-17	Union Bank	FHLMC (Callable 3-29-19)	09-29-20	\$ 1,000,000.00	\$ 1,000,000.00	\$ 985,060.00	1.700%	Qtrtly
09-29-17	Stifel	FHLMC STEP (Callable 3-29-19)	09-29-22	\$ 1,000,000.00	\$ 1,000,000.00	\$ 992,100.00	1.750%	Qtrtly
10-26-17	Ladenburg Thalmann	FNMA (Callable 4-26-19)	07-26-21	\$ 1,000,000.00	\$ 1,000,000.00	\$ 983,060.00	2.000%	Qtrtly
11-06-17	Ladenburg Thalmann	FFCB (Callable Continuous)	06-06-19	\$ 1,000,000.00	\$ 1,000,000.00	\$ 997,340.00	1.600%	Continuous
11-20-16	Ladenburg Thalmann	FHLMC (Callable 2-20-19)	11-20-20	\$ 1,000,000.00	\$ 1,000,000.00	\$ 992,410.00	2.000%	Qtrtly
12-11-17	Ladenburg Thalmann	FHLB (Callable 3-11-19)	12-11-20	\$ 999,750.00	\$ 1,000,000.00	\$ 988,180.00	2.000%	Qtrtly
12-14-17	Stifel	FFCB (Callable 3-14-19)	12-14-20	\$ 1,000,000.00	\$ 1,000,000.00	\$ 991,360.00	2.060%	Continuous
01-16-18	Ladenburg Thalmann	FHLMC (Callable 4-16-19)	10-16-20	\$ 1,000,000.00	\$ 1,000,000.00	\$ 991,290.00	2.070%	Qtrtly
01-26-18	Stifel	FHLMC (Callable 4-26-19)	01-26-21	\$ 1,000,000.00	\$ 1,000,000.00	\$ 994,890.00	2.220%	Qtrtly
01-29-18	Union Bank	FHLB (Callable 4-29-19)	01-29-21	\$ 1,000,000.00	\$ 1,000,000.00	\$ 993,010.00	2.200%	Qtrtly
01-30-18	Union Bank	FHLB (Callable 4-30-19)	07-30-20	\$ 1,000,000.00	\$ 1,000,000.00	\$ 993,050.00	2.100%	Qtrtly
01-30-18	Ladenburg Thalmann	FHLB (Callable 4-26-19)	01-26-21	\$ 999,650.00	\$ 1,000,000.00	\$ 994,840.00	2.250%	Qtrtly
02-01-18	Stifel	FFCB (Callable Continuous)	02-01-21	\$ 1,000,000.00	\$ 1,000,000.00	\$ 994,360.00	2.350%	Continuous
02-08-18	Union Bank	FFCB	05-08-19	\$ 1,000,000.00	\$ 1,000,000.00	\$ 999,050.00	2.000%	Qtrtly
02-12-18	Stifel	FHLB (Callable 2-12-19)	02-12-21	\$ 1,000,000.00	\$ 1,000,000.00	\$ 996,430.00	2.300%	Qtrtly
03-26-18	Ladenburg Thalmann	FHLB STEP (Callable 3-26-19)	03-26-21	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,100.00	2.375%	Qtrtly
03-29-18	Stifel	FHLMC STEP (Callable 3-29-19)	03-29-23	\$ 1,000,000.00	\$ 1,000,000.00	\$ 998,880.00	2.250%	Qtrtly
04-17-18	Union Bank	FFCB	04-17-19	\$ 1,000,000.00	\$ 1,000,000.00	\$ 999,620.00	2.150%	Bullet
06-28-18	Ladenburg Thalmann	FHLMC (Callable 3-28-19)	03-28-22	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,360.00	3.000%	Qtrtly
06-28-18	Stifel	FHLMC (Callable 6-28-19)	06-28-22	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,960.00	3.100%	Qtrtly
07-30-18	Ladenburg Thalmann	FHLMC (Callable 4-28-19)	01-28-22	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,740.00	3.020%	Qtrtly
08-16-18	Ladenburg Thalmann	FHLMC (Callable 2-16-19)	11-16-21	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,150.00	3.000%	Qtrtly
09-21-18	Ladenburg Thalmann	FHLMC (Callable 3-21-19)	06-21-21	\$ 999,750.00	\$ 1,000,000.00	\$ 1,000,190.00	2.875%	Qtrtly
10-25-18	Stifel	FHLMC (Callable 10-25-19)	10-25-21	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,001,450.00	3.100%	Qtrtly
10-29-18	Ladenburg Thalmann	FHLB (Callable 10-29-19)	10-29-20	\$ 999,600.00	\$ 1,000,000.00	\$ 1,002,250.00	2.940%	Continuous
11-20-18	Stifel	FHLMC (Callable 11-20-19)	11-20-20	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,002,730.00	3.000%	1 Time
11-23-18	Ladenburg Thalmann	FHLB (Callable 5-23-19)	11-23-21	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,940.00	3.250%	Qtrtly
11-27-18	Union Bank	FHLB (Callable 2-27-19)	08-27-20	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,200.00	3.000%	Qtrtly
01-25-19	Ladenburg Thalmann	FHLMC (Callable 4-25-19)	01-25-22	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,240.00	2.950%	Qtrtly
Total Government Agency				\$ 85,444,850.00	\$ 85,450,000.00	\$ 84,877,320.50		
							Weighted Mean YTM	2.045%
TOTAL INVESTED @ 01/31/19				\$ 130,100,212.45	\$ 130,105,362.45	\$ 129,526,135.45		
BALANCE @ 06/30/18				\$ 127,941,061.53				
INCREASE OR (DECREASE)				\$ 2,159,150.92				

DESERT WATER AGENCY
STATEMENT OF CASH RECEIPTS AND EXPENDITURES

WASTEWATER ACCOUNT

JANUARY 2019

INVESTED
RESERVE FUNDS
\$1,540,968.92

BALANCE	JANUARY 1, 2019	\$83,962.10
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ACCOUNTS RECEIVABLE - OTHER	\$0.00
CUSTOMER DEPOSITS - CONSTRUCTION	0.00
INTEREST EARNED - INVESTED FUNDS	8,801.76
WASTEWATER REVENUE	91,861.13
SEWER CAPACITY CHARGES	1,931.45
MISCELLANEOUS	<u>0.00</u>

TOTAL RECEIPTS	\$102,594.34
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PAYMENTS

CHECKS UNDER \$10,000.00	\$5,951.34
CHECKS OVER \$10,000.00 - SCH. #1	190,798.65
CANCELLED CHECKS AND FEES	<u>0.00</u>

TOTAL PAYMENTS	<u>\$196,749.99</u>
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NET INCOME	(\$94,155.65)
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INVESTED RESERVE FUNDS

FUNDS MATURED	\$0.00
FUNDS INVESTED - SCH. #2	<u>109,794.33</u>

NET TRANSFER	(\$109,794.33)	\$109,794.33
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BALANCE	JANUARY 31, 2019	(\$119,987.88)	\$1,650,763.25
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DESERT WATER AGENCY

WASTEWATER ACCOUNT

SCHEDULE #1-CHECKS OVER \$10,000

CHECK #	NAME	DESCRIPTION	AMOUNT
3269	CITY OF PALM SPRINGS	WASTEWATER REVENUE BILLING FOR DECEMBER 2018	\$10,045.59
3270	COACHELLA VALLEY WATER DISTRICT	WASTEWATER REVENUE BILLING FOR DECEMBER 2018	\$59,243.06
3272	COACHELLA VALLEY WATER DISTRICT	SEWER CAPACITY CHARGES - HORIZON GARDENS	\$121,510.00
** TOTAL			\$190,798.65

**DESERT WATER AGENCY
WASTEWATER FUND - LISTING OF INVESTMENTS
JANUARY 31, 2019**

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

06-30-83	State of California	LAIF	Open	\$ 1,650,763.25	\$ 1,650,763.25	\$ 1,650,763.25	2.380%
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TOTAL INVESTED @ 01/31/19	\$ 1,650,763.25	\$ 1,650,763.25	\$ 1,650,763.25
BALANCE @ 06/30/18	\$ 1,354,594.08		
INCREASE OR (DECREASE)	\$ 296,169.17		

DESERT WATER AGENCY - OPERATING FUND
COMPARATIVE EARNINGS STATEMENT

MONTH 18-19
JANUARY

	THIS YEAR	THIS MONTH- LAST YEAR	BUDGET	THIS YEAR	FISCAL YEAR TO DATE- LAST YEAR	BUDGET	VAR- YTD	PCT
OPERATING REVENUES								
WATER SALES	1,976,117.46	1,974,922.51	2,211,325.00	19,639,790.83	17,835,341.71	20,785,725.00	1,145,934.17-	6-
RECLAMATION SALES	54,975.94	82,729.86	75,200.00	995,090.27	909,931.34	949,400.00	45,690.27	5-
POWER SALES	1,036.14	1,729.02	3,600.00	8,279.08	20,050.01	17,200.00	8,920.92-	52-
OTHER OPER REVENUE	166,399.43	153,338.86	165,575.00	1,157,001.06	1,403,082.74	1,159,025.00	2,023.94-	0
TOTAL OPER REVENUES	2,198,528.97	2,212,720.25	2,455,700.00	21,800,161.24	20,168,405.80	22,911,350.00	1,111,188.76-	5-
OPERATING EXPENSES								
SOURCE OF SUPPLY EXP	14,770.46	15,258.63	39,175.00	2,771,736.08	2,331,061.95	2,594,650.00	177,086.08	7
PUMPING EXPENSE	334,474.88	194,934.36	238,400.00	1,995,807.32	1,854,027.76	1,905,900.00	89,907.32	5
REGULATORY WATER TREAT	40,613.86	46,910.23	45,225.00	311,889.17	314,310.64	316,575.00	4,685.83-	1-
TRANS & DIST EXPENSE	623,660.99	337,506.47	436,875.00	2,247,381.43	1,507,226.72	3,058,125.00	810,743.57-	27-
CUSTOMER ACT EXPENSE	73,921.26	69,521.31	79,400.00	527,010.53	513,608.13	557,600.00	30,589.47-	5-
ADMIN & GEN EXPENSE	797,377.94	848,156.88	658,888.00	6,270,291.15	5,379,226.11	6,813,316.00	543,024.85-	8-
REGULATORY EXPENSE	5,756.95	2,200.41	30,125.00	91,917.45	113,207.56	210,875.00	118,957.55-	56-
SNOW CREEK HYDRO EXP	2,767.47	1,715.01	3,100.00	7,546.73	11,653.37	21,700.00	14,153.27-	65-
RECLAMATION PLNT EXP	95,525.23	122,807.56	119,758.00	651,002.49	554,722.62	838,756.00	187,753.51-	22-
SUB-TOTAL	1,988,869.04	1,639,010.86	1,650,946.00	14,874,582.35	12,579,044.86	16,317,497.00	1,442,914.65-	9-
OTHER OPER EXPENSES								
DEPRECIATION	473,854.63	463,003.08	483,692.00	3,376,201.51	3,260,410.43	3,385,844.00	9,642.49-	0
SERVICES RENDERED	5,281.03	11,583.05	15,750.00	84,394.79	127,765.44	110,250.00	25,855.21-	23-
DIR & INDIR CST FOR WO	168,922.09-	171,397.05-	65,750.00-	1,276,152.18-	1,146,812.64-	460,250.00-	815,902.18-	177
TOTAL OPER EXPENSES	2,299,082.61	1,942,199.94	2,084,638.00	17,059,026.47	14,820,408.09	19,353,341.00	2,294,314.53-	12-
NET INCOME FROM OPERATIONS	100,553.64-	270,520.31	371,062.00	4,741,134.77	5,347,997.71	3,558,009.00	1,183,125.77	33
NON-OPERATING INCOME (NET)								
RENTS	3,397.91	3,396.33	3,400.00	55,643.37	55,614.31	55,650.00	6.63-	0
INTEREST REVENUES	48,654.02	25,931.88	27,500.00	274,147.17	128,449.11	192,500.00	81,647.17	42
OTHER REVENUES	.00	76,580.00	.00	32,070.00	495,749.16	.00	32,070.00	0
GAINS ON RETIREMENT	.00	.00	1,200.00	.00	14,095.00	6,000.00	6,000.00-	100-
DISCOUNTS	3.11	.00	25.00	354.73	164.22	175.00	179.73	103
PR. YEAR EXPENSES	.00	.00	.00	15,816.25	161,598.89	.00	15,816.25	0
LOSS ON RETIREMENTS	28,396.26-	.00	3,250.00-	34,656.97-	13,803.41-	22,750.00-	11,906.97-	52
TOTAL NON-OPER INCOME	23,658.78	105,908.21	28,875.00	343,374.55	841,867.28	231,575.00	111,799.55	48
TOTAL NET INCOME	76,894.86-	376,428.52	399,937.00	5,084,509.32	6,189,864.99	3,789,584.00	1,294,925.32	34



Report on Exchange Agreements with Coachella Valley Water District and Desert Water Agency

Water Planning and Stewardship Committee
Item 6a
February 11, 2019

California Service Areas



State Water Project Contractors

- 29 SWP Contractors
- Coachella and Desert are SWP Contractors
 - Combined Table A: 191,400 acre-feet
 - No physical connection to SWP facilities



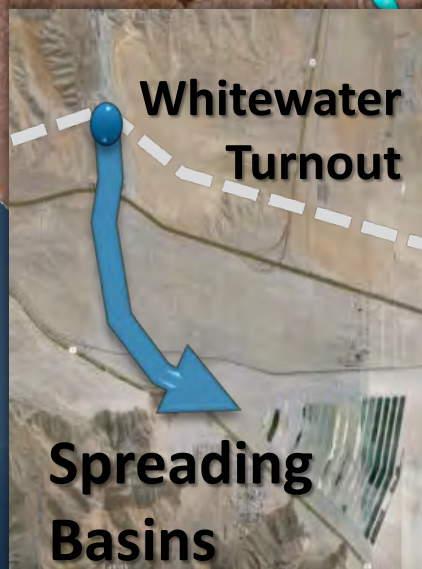
Exchange Agreements

- 1972 Exchange Agreement with Coachella and Desert
 - SWP water exchanged for Colorado River water
 - Agreement terminates in 2035
- Agreement amendments
 - Established Advance Delivery Account
 - Metropolitan can store 800 TAF in Coachella Valley
 - Metropolitan transferred 100,000 AF of SWP Table A water to Coachella/Desert
 - Metropolitan may recall transfer in any one year

DWA

CVWD

CRA Releases to Whitewater



MWD

MWD

Benefits of Exchange Agreement

- Metropolitan Benefits
 - No cost for storage; no storage losses
 - Reduced SWP Fixed Costs
 - Help meeting SWP exclusive area demands
- Coachella/Desert benefits
 - Avoid high cost of physical connection to SWP
 - Metropolitan staff coordinates delivery of water to Coachella and Desert

Desired Agreement Improvements

- Coachella and Desert seek increased certainty
 - Call-back provision reduces reliability
 - Need certainty beyond 2035
- Metropolitan seeks increased flexibility
 - Increase dry-year reliability
 - Reduce risk of spilling water in wet years
- All parties seek
 - More equal sharing of SWP benefits and risks
 - Simpler payment provisions

Proposed 2019 Amendments

- Consolidate exchange agreements
- Extend term through SWP contract extension
- Eliminate call-back provision
- Defer Colorado River exchange deliveries in dry years
- Share SWP operational risks and benefits
 - Increase flexibility and opportunities to acquire additional SWP supplies
- Simplify payment structure

Next Steps

- Finalize term sheet with Coachella and Desert
- Seek Board authorization for amending agreements this spring

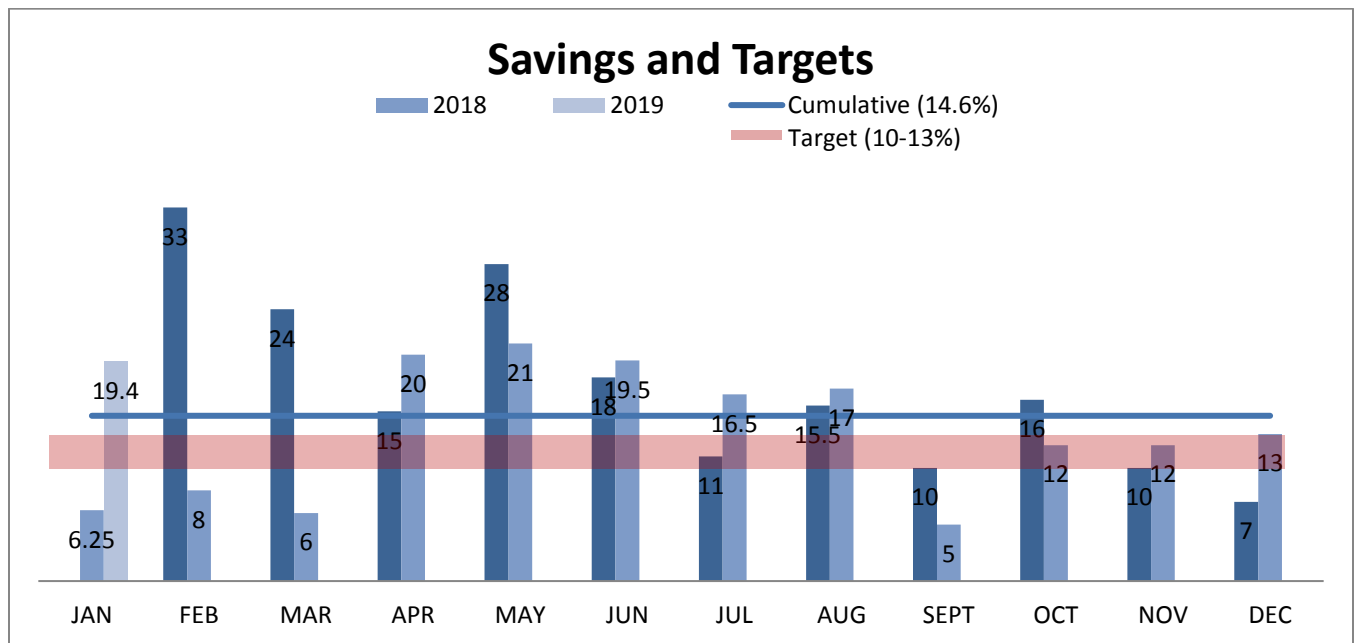


STAFF REPORT TO DESERT WATER AGENCY BOARD OF DIRECTORS

FEBRUARY 19, 2019

RE: JANUARY 2019 WATER USE REDUCTION FIGURES

Desert Water Agency and its customers achieved a 19.4% reduction in potable water production during January 2019 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 14.6%. The cumulative savings beginning in June of 2016 when we put our 10-13% target in place is 16.5%.

On the following page is additional information for this month.

January 2019 water production	1,644.68 AF
January 2013 water production	2,040.29 AF
Percent changed in this month per drought surcharge baseline (January 2015)	-.69% (more use)
Quantity of potable water delivered for all commercial, industrial, and institutional users for the reporting month	594.54 AF
The percentage of the Total Monthly Potable Water Production going to residential use only for the reporting month	63.85%
Population (inclusive of seasonal residents)	107,124
Estimated R-GPCD	103.04
How many public complaints of water waste or violation of conservation rules were received during the reporting month?	16
How many contacts (written/ verbal) were made with customers for actual/ alleged water waste or for a violation of conservation rules?	4
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?	1
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 99,354 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> <p>In the 2018 water year, October to mid-June, we have lost about a million acre feet due to biological opinions (regulatory restrictions). Please see the graph on the following page.</p>	

Delta Operations: WY 2019

