WEST VALLEY WATER DISTRICT
855 W. Base Line Road, Rialto, CA

BOARD MEETING
AGENDA

Thursday, June 1, 2017 - 6:00 p.m.

"In order to comply with legal requirements for posting of agendas, only those items filed with the District Secretary's office by noon, on Wednesday prior to the following Thursday meeting, not requiring departmental investigation, will be considered by the Board of Directors."

OPENING CEREMONIES

Pledge of Allegiance
Opening Prayer
Call to Order
Roll Call of Board Members

ADOPT AGENDA

PUBLIC PARTICIPATION

Any person wishing to speak to the Board of Directors on matters listed or not listed on the agenda, within its jurisdiction, is asked to complete a Speaker Card and submit it to the District Clerk. Each speaker is limited to three (3) minutes. Under the State of California Brown Act, the Board of Directors is prohibited from discussing or taking action on any item not listed on the posted agenda. Comments related to noticed Public Hearing(s) and Business Matters will be heard during the occurrence of the item.
CONSENT CALENDAR

All matters listed under the Consent Calendar are considered routine and will be enacted by one vote. There will be no separate discussion of these items unless a member of the Board of Directors, Staff Member, or any member of the public request a specific item(s) be removed for separate action.

Consideration of:

1. Minutes of the May 25, 2017 regular Board meeting. (Page 7)

PUBLIC HEARING

BUSINESS MATTERS

Consideration of:

1. Adopt Resolution No. 2017-12, Commending David Irmscher for Twenty-Six Years of Dedicated Service. (Page 17)

2. Consider the Purchase of a New Network Back Up System. (Page 21)

3. Approval of the Human Resources Committee and Employee Salary Committee Recommendations for Compensation of Employees for the 2017-2018 Fiscal Year. (Page 35)


5. Approval of the Sale of Water in Storage in Chino Ground Water Basin to Cucamonga Valley Water District. (Page 57)

6. Payment to Larson O’Brien, LLP for Professional Services rendered through April 30, 2017; Invoice No. 3510; $4,779.50. (Page 65)

7. Approval of Payment to Albright, Yee & Schmit, APC for Professional Services rendered through January 31, 2017; Statement No. 24118; $15,885.00; March 31, 2017; Statement No. 24209; $3,917.50. (Page 71)

8. Approval of Payment to Prata & Daley, LLP for Professional Services rendered through March 28, 2017; Statement No. 13801; $9,558.87. (Page 75)

9. Approval of Agreement for Assistant General Manager. (Page 77)
REPORTS – LIMITED TO 5 MINUTES MAXIMUM (Presentations or handouts must be provided to Board Members in advance of the Board Meeting).

1. Board Members
2. Legal Counsel
3. General Manager
4. Assistant General Manager
5. Interim Chief Financial Officer
6. Operations Manager
7. Treasurer
8. Engineering Services Manager
9. External Affairs Manager
10. Human Resources/Risk Manager
   • 938 Days Without a “Lost Time” Claim.
11. Business Systems Manager
12. Board Secretary

UPCOMING MEETINGS

1. June 5, 2017 - West Valley Water District Board of Directors special Board meeting, District Headquarters, 6:00 p.m.

2. June 7, 2017 - West Valley Water District Board of Directors Human Resources Committee meeting, District Headquarters, 5:00 p.m.

3. June 14, 2017 – West Valley Water District Board of Directors Engineering/Planning Committee meeting, District Headquarters, 5:45 p.m.

4. June 15, 2017 - West Valley Water District Board of Directors regular Board meeting, District Headquarters, 6:00 p.m.

5. June 19, 2017 – The Association of San Bernardino County Special Districts Monthly Membership Meeting, 6:00 p.m., in Hesperia.
6. June 20, 2017 – West Valley Water District Board of Directors Finance Committee meeting, District Headquarters, 5:45 p.m.

7. June 21, 2017 – West Valley Water District Board of Directors External Affairs Committee meeting, District Headquarters, 5:00 p.m.

8. July 3, 2017 – West Valley Water District Board of Directors Human Resources Committee meeting, District Headquarters, 5:00 p.m.


10. July 6, 2017 – West Valley Water District Board of Directors regular Board meeting, District Headquarters, 6:00 p.m.

11. July 20, 2017 – West Valley Water District Board of Directors regular Board meeting, District Headquarters, 6:00 p.m.

FUTURE AGENDA ITEM

INFORMATION

CLOSED SESSION

ADJOURN

DECLARATION OF POSTING: I declare under penalty of perjury, that I am employed by the West Valley Water District and posted the foregoing Agenda at the District Offices on May 26, 2017.

Shanae Smith
Board Secretary
Please Note:

Material related to an item on this Agenda submitted to the Board after distribution of the agenda packet are available for public inspection in the District's office located at 855 W. Baseline, Rialto, CA 92376 during normal business hours. Also, such documents are available on the District's website at www.wwwd.org subject to Staff’s ability to post the documents before the meeting.

Pursuant to Government Code Section 54954.2(a), any request for a disability-related modification or accommodation, including auxiliary aids or services, in order to attend or participate in the above-agendized public meeting should be directed to Shanae Smith, at least 72 hours in advance of the meeting to ensure availability of the requested service or accommodation. Mrs. Smith may be contacted by telephone at (909) 875-1804 ext. 704, or in writing at the West Valley Water District, P.O. Box 920, Rialto, CA 92377-0920.
MINUTES
REGULAR BOARD MEETING
of the
WEST VALLEY WATER DISTRICT
May 25, 2017

PRESENT  ABSENT  DIRECTORS
✓  Dr. Clifford Young, Sr., President
✓  Linda Gonzalez, Vice President
✓  Gregory Young, Director
✓  Donald Olinger, Director
✓  Robert Bourland, Director

STAFF
✓  Matthew H. Litchfield, P.E., General Manager
✓  Robert Christman, Interim Chief Financial Officer
✓  Karen Logue, Human Resources/Risk Manager
✓  Wendy Strack, External Affairs Manager
✓  Linda Jadeski, Engineering Services Manager
✓  Jon Stephenson, Business Systems Manager
✓  Joanne Chan, Operations Manager
✓  Shanae Smith, Board Secretary
✓  Rosa Gutierrez, Associate Engineer

LEGAL
✓  David J. Olivas, Tafoya & Garcia, LLP

VISITORS  Paul Rigali, Larson O’Brien, LLP
          June B. Hayes, Director, SBV Municipal Water District
          Michael Davis,
          Derek Hoffman,
          Anthony and Diana Araiza, Resident
          Scott Olson, HNS
The Regular meeting of the Board of Directors was called to order by Dr. Clifford Young, Sr., at 6:00 p.m. at the District Headquarters, 855 W. Baseline Road, Rialto, CA.

OPENING CEREMONIES

Pledge of Allegiance – Vice President Gonzalez
Opening Prayer – Director Donald Olinger
Roll Call of Board Members – Quorum

ADOPT AGENDA

President Young moved to table Business Item No. 1, Approval of Agreement for Chief Financial Officer (CFO) to the June 15, 2017 regular Board meeting. A discussion ensued regarding substantive changes to both the responsibilities of the CFO position, as well as the Investment Policy, as discussed at a recent Finance Committee meeting. Following discussion, Director Bourland made a motion to Adopt the Agenda as originally presented, seconded by Vice President Gonzalez. Following discussion, the motion was carried by the following vote:

| Ayes: Directors: | Gonzalez, Olinger, Bourland |
| Noes: Directors: | Young, Young, Sr. |
| Absent: Directors: | None |
| Abstain: Directors: | None |

PUBLIC PARTICIPATION

President Young indicated that any person wishing to speak to the West Valley Water District (“District”) Board of Directors (“Board”) on matters listed or not listed on the agenda, within its jurisdiction, is asked to complete a Speaker Card and submit it to the District Clerk. Each speaker is limited to three (3) minutes. Under the State of California Brown Act, the Board is prohibited from discussing or taking action on any item not listed on the posted agenda. Comments related to noticed Public Hearing(s) and Business Matters will be heard during the occurrence of the item.

There were no public comments.

CONSENT CALENDAR

President Young made a motion to Approve the Consent Calendar as presented with Director Young abstaining due to his absence from the May 4, 2017 regular Board meeting, seconded by Director Olinger. The motion carried by the following vote:

| Ayes: Directors: | Gonzalez, Olinger, Young, Young, Sr. |
| Noes: Directors: | None |
| Absent: Directors: | None |
| Abstain: Directors: | Bourland |
BUSINESS MATTERS

Consideration of:

1. **Approval of Agreement for Chief Financial Officer** - Following discussion Vice President Gonzalez made a motion to Approve an Agreement for Chief Financial Officer, seconded by Director Bourland. Director Young noted for the record that while he supported the Agreement initially, he now vehemently opposed the nominee based on information that he cannot publicly disclose. Following discussion, President Young amended the motion to instruct General Counsel to conduct a complete background check prior to the implementation of the contract, seconded by Director Young. The motion failed by the following vote:

   Ayes: Directors: Young, Young, Sr.  
   Noes: Directors: Gonzalez, Olinger, Bourland  
   Absent: Directors: None  
   Abstain: Directors: None

   Following discussion, the original motion carried by the following vote:

   Ayes: Directors: Gonzalez, Olinger, Bourland  
   Noes: Directors: Young, Young, Sr.  
   Absent: Directors: None  
   Abstain: Directors: None

2. **Approval of Joint Use Agreements with Southern California Edison** – Following discussion, a motion was made by Vice President Gonzalez to Approve the Joint Use Agreements with Southern California Edison, seconded by Director Young. The motion carried by the following unanimous vote:

   Ayes: Directors: Gonzalez, Olinger, Young, Bourland, Young, Sr.  
   Noes: Directors: None  
   Absent: Directors: None  
   Abstain: Directors: None

3. **Approval of Payment to Larson O’Brien, LLP for Professional Services rendered through March 31, 2017 in the San Bernardino Valley Municipal Water District Matter; Invoice No. 3475; $2,097.83** - Following discussion, a motion was made by Vice President Gonzalez to Approve Payment to Larson O’Brien, LLP for Professional Services rendered through March 31, 2017 in the San Bernardino Valley Municipal Water District Matter; Invoice No. 3475; $2,097.83, seconded by Director Young. The motion carried by the following unanimous vote:

   Ayes: Directors: Gonzalez, Olinger, Young, Bourland, Young, Sr.  
   Noes: Directors: None  
   Absent: Directors: None  
   Abstain: Directors: None
1. Board Reports

Vice President Gonzalez reported on the following:

a. Thanked everyone in attendance at the meeting. Mr. Tom Shalhoub, Director, Yucaipa Valley Water District notified her that he would not be able to attend the meeting.

b. May 5th – Attended the Human Resources Committee meeting regarding the Employee Salary Committee, which went well and information should be coming to the Board.

c. May 8th – Attended a Human Resources and Employee Salary Committee meeting with Director Olinger, Human Resources Manager, Ms. Karen Logue and General Manager, Matthew H. Litchfield.

d. May 9th - 11th – Attended the 2017 ACWA Spring Conference in Monterey, California. Brought back a list of some of the classes attended. Outstanding information was given, and one thing was strongly encouraged is for Board of Directors to not get involved with the day-to-day business, as it is the General Manager's business. Keep yourself out of problems. That stuck to her mind really strong and wanted to bring it back. It was very nice to see the people from the local area, like Melody McDonald. That was very nice.

e. May 15th - Attended the California Special Districts Association (“CSDA”) Legislative Days in Sacramento, California. The External Affairs Manager, Ms. Wendy Strack along with the General Manager and our new Director Bourland was in attendance. Assemblywoman Eloise Reyes was there and on her way out. Met briefly with her staff to discuss Well No. 39 and some of the projects that we need help with. She took notes and said she would follow through.

f. May 24th – Attended the External Affairs Committee meeting, which went really well and she enjoyed the meeting.

g. Wished everyone a Happy Memorial Day for Monday. Thanked all who has served our country, as she, her children and grandchildren can all sleep at night.

Director Olinger reported on the following:

a. Agreed with Vice President Gonzalez’ comments regarding the Memorial Day Holiday.

b. May 2nd – Attended the Grand Opening & Dedication - Bryce E. Hanes Park and Jon Cole Skate Park, which the Board approved. Thanked Ms. June B. Hayes, Director, San Bernardino Valley Municipal Water District (“Valley District”) and commented that it was great for San Bernardino. The Mayor, City Counsel, people from Valley District and several hundred people were all there. It was a great day for San Bernardino, Valley District and all of us.
Director Young reported on the following:

a. Thanked everyone for coming out. Echoed Vice President Gonzalez’ great points about Memorial Day and wished everyone a safe and happy one. Thanked the General Manager and department heads for all the hard work put into this week’s Finance Committee meeting. He and Director Bourland spent a lot of time going through lot of pages worth of numbers and wanted to thank everyone who contributed to producing the first draft of our budget. Director Young stated he is looking forward to greater discussions with the rest of the Board members in our special workshop. Thanked everyone again for their hard, as the Chair of the Committee, he really appreciates it.

Director Bourland reported on the following:

a. Thanked Mrs. Gonzalez for her comments about our servicemen. He can’t say how much he appreciates the lives lost and the sacrifices made by so many great people so that we may enjoy our freedoms here. It always touches him very deeply. Thanked Vice President Gonzalez for sharing and concurred Director Young also.

b. May 15th – 17th - Attended the CSDA Legislative Days in Sacramento, California. In complete learning mode as most people know. Very interesting, the story that he learned there. Quite a few comments were made with regard to staying above the radar, as we need to make sure we tell our story and that we keep a very positive perspective to our constituents, as well as our local officials. We have to take the time to invest in the things that are necessary in order to make sure that we stay above the radar, as they say. If you fall below the radar, you will lose and you will lose the money you need in your grants and the things you need to help sustain your District. That was the big take-away. It was interesting to get to meet with the legislative aids up there and see their interest or disinterest in the things that we are interested in. Tell the story to make sure they are interested and we can catch their attention.

President Young had no report.

2. Legal Counsel/Consultants

No report.

3. General Manager

Mr. Litchfield reported on the following:

a. May 8th - 11th – Attended the 2017 ACWA Spring Conference in Monterey, California. The District was a finalist for the Claire A. Hill Water Agency Award for Excellence for the Groundwater Wellhead Treatment System (“FBR”) Project. We were up against pretty stiff competition, including the San Diego County Water Authority’s Desalination Project, which won the award. As a runner up, the District received a plaque and recognition while there.
4. **Interim Chief Financial Officer**

   Mr. Robert Christman was absent.

5. **Operations Manager**

   a. Lytle Creek flow is at 6.6 mgd.

   b. State Water Project (SWP) water flow is at 2.2 mgd.

   c. The Oliver P. Roemer Water Treatment Plant is producing 10 mgd.

   d. The FBR Treatment Plant is treating 2.9 mgd.

   e. Rain Index Update.

6. **Treasurer**

   No report.

7. **Engineering Services Manager**

   Ms. Jadeski had no report.

8. **External Affairs**

   Ms. Wendy Strack reported on the following:

   a. Acknowledged Director June Hayes and the support of Valley District. Staff went before them last week and requested a reimbursement for our matched funds for the Water-Energy Community Action Network (“WECAN”) Turf Replacement Grant Program. Valley District Board has supported a reimbursement to the District in the amount of $65,000.

9. **Human Resources/Risk Manager**

   Ms. Karen Logue had no report.

10. **Business Systems Manager**

    Mr. Jon Stephenson had no report.

11. **Board Secretary**

    Ms. Smith had no report.
FUTURE AGENDA ITEMS

None.

INFORMATION

None.

President Young invited Director June Hayes to address the Board. Thanked the Board for the great partnership between Valley District and West Valley. Attended ACWA for the very first time. Found some of the legal sessions to be interesting and the Board may not be aware that there is an effort to do a State Constitutional Amendment No. 4, which provides for relief from Proposition No. 218 ("Prop 218") for low-income individuals that would allow us to in some way, subsidize, which we cannot do right now under Prop 218 low income families. Director Hayes also attended an additional legal session that spoke of ways to get around Prop 218 and still give low income seniors and disabled individuals a break, which cannot come from the rates themselves. Informed the Board that she will not be in attendance to the first meeting in June.

President Young announced that he would like for us to remember the young kids in Manchester, England. Watching to those events unfold, his mind flashed back to his grandkids who would have been at a concert like that. Let us adjourn with a moment of silence for the families that lost people in the tragedy. President Young also reminded everyone, that if they see something suspicious that is out of the ordinary in their community, report it, as we are living in a time that we don’t know what is happening.

CLOSED SESSION

At 6:40 p.m. the Board convened to Closed Session to discuss the following:

1. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION – Pursuant to Government Code Section 54956.9(d)(1):

2. CONFERENCE WITH LEGAL COUNSEL – PUBLIC EMPLOYEE APPOINTMENT – Pursuant to Government Code Section 54957 – Title: Assistant General Manager

3. CONFERENCE WITH LEGAL COUNSEL – PUBLIC EMPLOYEE APPOINTMENT – Pursuant to Government Code Section 54957 – Title: External Affairs Manager

4. CONFERENCE WITH LEGAL COUNSEL – PUBLIC EMPLOYEE PERFORMANCE EVALUATION – Pursuant to Government Code Section 54957 – Title: General Manager
5. CONFERENCE WITH LEGAL COUNSEL – PERSONNEL MATTER – Pursuant to Government Code Section 54957 – Title: General Counsel

At 9:05 p.m. the Board reconvened to Open session and Mr. reported the following:

1. CONFERENCE WITH LEGAL COUNSEL – PERSONNEL MATTER – Pursuant to Government Code Section 54957 – Title: General Counsel

The Board acted 3-2 to dismiss Tafoya and Garcia, LLP as General Counsel and by a vote of 5-0 to engage Gresham, Savage, Nolan & Tilden, PC as Interim General Counsel.

2. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION - Pursuant to Government Code Section 54956.9(d)(1):
No reportable action.

3. CONFERENCE WITH LEGAL COUNSEL – PUBLIC EMPLOYEE APPOINTMENT – Pursuant to Government Code Section 54957 – Title: Assistant General Manager
No reportable action.

4. CONFERENCE WITH LEGAL COUNSEL – PUBLIC EMPLOYEE APPOINTMENT – Pursuant to Government Code Section 54957 – Title: External Affairs Manager
No reportable action.

5. CONFERENCE WITH LEGAL COUNSEL – PUBLIC EMPLOYEE PERFORMANCE EVALUATION – Pursuant to Government Code Section 54957 – Title: General Manager
No reportable action.

President Young asked that everyone keep in mind the victims of the recent terrorist attacks in our country and may God bless everyone.

THERE BEING NO FURTHER BUSINESS, PRESIDENT YOUNG MOVED TO ADJOURN THE MEETING AT 9:10 P.M. IN MEMORY OF THE MANCHESTER ENGLAND VICTIMS.

____________________________
Dr. Clifford Young, Sr.
President of the Board of Directors
of West Valley Water District
BOARD OF DIRECTORS
STAFF REPORT

DATE:       June 1, 2017
TO:         Board of Directors
FROM:       Matthew H. Litchfield, P.E., General Manager
SUBJECT:    ADOPT RESOLUTION NO. 2017-12, COMMENDING DAVID IRMSCHER FOR OVER TWENTY-SIX YEARS OF DEDICATED SERVICE

BACKGROUND:

David Irmscher began employment with the West Valley Water District on September 22, 1986. During his tenure, Mr. Irmscher demonstrated loyalty and dedication to the District and its ratepayers. Attached as Exhibit A for the Board’s consideration and approval is Resolution No. 2017-12, commending Mr. Irmscher for over twenty-six years of dedicated service.

FISCAL IMPACT:

There are no fiscal impacts.

STAFF RECOMMENDATION:

Adopt Resolution No. 2017-12, A Resolution of the West Valley Water District Board of Directors, Commending David Irmscher for over twenty-nine years of dedicated service.

Respectfully Submitted

Matthew H. Litchfield, P.E.
General Manager

MHL:ss
Attachment:    Resolution No. 2017-12
EXHIBIT A
RESOLUTION NO. 2017-12
A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE WEST VALLEY WATER DISTRICT
COMMENDING DAVE IRMSCHER FOR OVER
TWENTY-SIX YEARS OF
DEDICATED SERVICE

WHEREAS, Dave Irmscher has been employed with the West Valley Water District ("District") since October 15, 1990; and

WHEREAS, he has completed over twenty-six years of service with the District and its residents; and

WHEREAS, the District Board of Directors appreciates Dave Irmscher’s dedicated service that has allowed the District to grow during his career with us; and

WHEREAS, Dave Irmscher began his service with the District as a Meter Service Operator in October 1990. Dave excelled in his job duties and trained new staff members and wrote the Standard Operating Procedures for the Meter Reading department; and

WHEREAS, the Board of Directors of the West Valley Water District appreciate the excellence of his performance as well as his many years of dedicated service; and

WHEREAS, the Board of Directors of the West Valley Water District does hereby extend its best wishes to Dave Irmscher for a long and enjoyable retirement.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of West Valley Water District does officially commend and congratulate Dave Irmscher for his tremendous display of personal dedication, diligence and perseverance in devoting tireless efforts toward the achievement of the goals of West Valley Water District. It is with great appreciation and admiration that the Board of Directors wish him continued success in his future endeavors.

ADOPTED, SIGNED, AND APPROVED THIS 1st DAY OF JUNE, 2017 BY THE FOLLOWING VOTE:

Dr. Clifford O. Young
President

Linda Gonzalez
Vice President

Donald Olinger
Director

Gregory Young
Director

Robert Bourland
Director
BOARD OF DIRECTORS
STAFF REPORT

DATE: June 1, 2017
TO: Board of Directors
FROM: Matthew H. Litchfield, P.E., General Manager
SUBJECT: APPROVAL OF PURCHASE OF A NEW NETWORK BACKUP SYSTEM

BACKGROUND:

The West Valley Water District (“District”) maintains two backup systems. One backup system for the IBM iSeries server, (where the District’s enterprise system resides), and a separate system for all other servers. Both are legacy tape-based backup systems that use 400 GB tapes and Symantec Backup Exec software. The systems were purchased in 2009. Since then, the District has implemented a virtual server environment, (which has created back up bottlenecks), and the District’s data footprint has more than tripled. The District’s back up needs have grown beyond the capability of the system.

The current system can take up to a week to back up all District server data, which puts the District at an increased risk of data loss. In a disaster recovery event, the process to restore data would take a significantly long time. Additionally, the District’s only off-site backup storage is at the Roemer Water Filtration Facility. Although this would be sufficient for any disaster localized to the District’s headquarters, (such as a fire), a larger scale disaster, (such as an earthquake), could compromise the District’s disaster recovery capability.

Compounding the need is the progression of the District’s GIS implementation. The specifications of the District’s virtual server environment were developed with the expectation that it would be robust enough to handle the processing needs of the GIS. However, we are experiencing performance issues that will need to be resolved before GIS can be fully launched. In order to resolve those performance issues, staff will need to make some significant configuration changes to the virtual server environment. In order to make those configuration changes, a significant amount of unused hard drive space is required. However, that space is not currently available. A significant amount of the District’s increased data footprint is due to the GIS imagery and data, and because of the limitations of the current backup system, much of the GIS data is being manually backed up to the virtual server environment, and there is not enough unused space available.
DISCUSSION:

In researching backup solutions to meet the District’s current and anticipated needs, staff spoke to I.T. professionals at other agencies to glean their insights on various aspects, such as system comprehensiveness, reliability, ease of use, etc. Based on those informal conversations and direct evaluation of various backup engine interfaces, EMC was identified as the ideal solution for the District. It is also recognized as an industry leader for Data Center Backup and Recovery software by Gartner, Inc., (a leading information technology research and advisory company).

Staff developed specifications for a backup solution that will significantly reduce the amount of time it takes to back up the non-IBM servers. In addition, the District's disaster recovery capability will be strengthened by the addition of a cloud storage solution. The following two diagrams illustrate the current and proposed backup systems.
Valley Water District Current Network Backup System

Current Backup System saves data to 400 GB LTO4 tapes. This system is very slow and no longer adequate for the large amount of district data we have today. Current system will take over a week to backup all data.

Current AS/400 Series 400 GB LTO4 tapes. 700 GB takes 4 hours to complete with current tape drive system. Off site tape rotation.

Virtual Servers

Wwddserv
Dmsserv
Navserv
Gisdocserv
Gisweb1
Gisweb2

(Thursday) + Monthly external drive backup

IBM iSeries (Monday – Friday)
Up to 24 terabytes per hour, the DD6300 can back up 192 TB of data in under 8 hours. Thanks in part to the addition of flash SSD for metadata. Reduce backup storage footprint by 10-30x in typical use with high-speed, variable-length Data Domain deduplication.

EMC Avamar: Fast, efficient backup and recovery through a complete software and hardware solution. Avamar facilitates fast, daily full backups for virtual environments, Physical Server enterprise applications.

- Hydra (Daily incremental Weekly full Backup Monthly Off Site Backup)
- Hades (Daily incremental Weekly full Backup Monthly Off Site Backup)
- Nemo Hades (Daily incremental Weekly full Backup Monthly Off Site Backup)
- Trident Hades (Daily incremental Weekly full Backup Monthly Off Site Backup)
- Licserv (Monthly Backup)
- IVR (Daily incremental Weekly full Backup Monthly Off Site Backup)

Cisco UCS 240 (Daily incremental Weekly full Backup Monthly Off Site Backup)

Virtual Servers
- Wywdser
- Dmsserv
- Navserv
- Gisdocserv
- Gisweb1
- Gisweb2

Current AS400/iSeries 400 GB LTO4 tapes. 700 GB takes 4 Hours to complete with current tape drive system. Off site tape rotation.

IBM iSeries (Monday - Friday)
Staff provided the system specifications to three vendors and gathered preliminary quotes in order to develop a budgetary estimate for the project. The following table provides a summary of the quotes received:

<table>
<thead>
<tr>
<th></th>
<th>CDW</th>
<th>Dell EMC</th>
<th>iT1</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>5 Sockets DPS for Vmware</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Software</td>
<td>$4,315.95</td>
<td>$6,129.20</td>
<td>$6,845.00</td>
</tr>
<tr>
<td>Support (3 yrs)</td>
<td>$2,728.55</td>
<td>$3,861.36</td>
<td>$4,313.21</td>
</tr>
<tr>
<td>Implementation Services</td>
<td>$11,875.54</td>
<td>$10,766.60</td>
<td>$11,527.00</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$18,920.04</td>
<td>$20,757.16</td>
<td>$22,685.21</td>
</tr>
<tr>
<td><strong>1TB DPS for physical data</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Software</td>
<td>$4,788.02</td>
<td>$6,776.00</td>
<td>$7,311.22</td>
</tr>
<tr>
<td>Support (3 yrs)</td>
<td>$3,016.28</td>
<td>$4,268.88</td>
<td>$4,712.00</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$7,804.30</td>
<td>$11,044.88</td>
<td>$12,023.22</td>
</tr>
<tr>
<td><strong>Data Domain 6300 for OnPrem backups</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hardware</td>
<td>$12,230.82</td>
<td>$18,931.50</td>
<td>$21,000.00</td>
</tr>
<tr>
<td>Software</td>
<td>$6,593.65</td>
<td>$10,206.00</td>
<td>$11,206.00</td>
</tr>
<tr>
<td>Support (3 yrs)</td>
<td>$4,637.38</td>
<td>$7,178.40</td>
<td>$7,655.80</td>
</tr>
<tr>
<td>Implementation Services</td>
<td>$2,142.14</td>
<td>$2,050.00</td>
<td>$2,250.00</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$25,603.99</td>
<td>$38,365.90</td>
<td>$42,111.80</td>
</tr>
<tr>
<td><strong>7TB Offsite replication to Virtustream</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Annual cost</td>
<td>$5,413.59</td>
<td>$4,601.07</td>
<td>$4,928.00</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$5,413.59</td>
<td>$4,601.07</td>
<td>$4,928.00</td>
</tr>
</tbody>
</table>

Following the receipt of the quotes, an Invitation to Bid was posted to PlanetBids.com by the District’s Purchasing Department. The bid was open to any vendor, (with invitations sent specifically to the three who provided preliminary quotes). Only CDW submitted a bid, (Exhibit A), in the amount of $57,741.90.

**FISCAL IMPACT:**

The Fiscal Year 2016/2017 Capital Budget includes $60,000 for Project #W17038.
STAFF RECOMMENDATION:

Approve the purchase of the new backup system from CDW at the bid price of $57,741.90.

Respectfully Submitted,

[Signature]

Matthew H. Litchfield, P.E.
General Manager

JS:ss

Attachment: Exhibit A - CDW Bid
EXHIBIT A
Bid Results

Bidder Details

Vendor Name  CDW Government LLC
Address  230 N. Milwaukee Ave.
         Vernon Hills, IL  60061
         United States
Respondee  Matt Flood
Respondee Title  Proposals Supervisor
Phone  800-808-4239 Ext.
Email  psao@cdw.com
Vendor Type

Bid Detail

Bid Format  Electronic
Delivery Method  2-10 days ARO**
Bid Responsive
Bid Status  Submitted
Confirmation #  104133
Ranking  0

Respondpee Comment

**In stock item - most shipped same day order is placed.
**Out of stock item - 2-10 days ARO, subject to availability.

Buyer Comment

Line Items

Discount Terms  no discount

<table>
<thead>
<tr>
<th>Type</th>
<th>Item Code</th>
<th>UOM</th>
<th>Qty</th>
<th>Unit Price</th>
<th>Line Total</th>
<th>Discount</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>5 SOCKETS DATA PROTECTION SUITE (DPS) FOR VMWARE</td>
<td>EA</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>Included</td>
</tr>
<tr>
<td>2</td>
<td>DPA SINGLE FEDERATED REPORTING SERVER</td>
<td>458-002-060</td>
<td>EA</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>Included</td>
</tr>
<tr>
<td>3</td>
<td>DPA SINGLE FED REPORTING SERVER=IA</td>
<td>456-112-408</td>
<td>EA</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>Included</td>
</tr>
<tr>
<td>4</td>
<td>ENHANCED SOFTWARE SUPPORT (DD)</td>
<td>M-ENH-SWDD-M1</td>
<td>EA</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>Included</td>
</tr>
<tr>
<td>5</td>
<td>MULTIPLE SYSTEMS MANAGEMENT</td>
<td>458-002-015</td>
<td>EA</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>Included</td>
</tr>
<tr>
<td>6</td>
<td>MULTIPLE SYSTEMS MANAGEMENT=CC</td>
<td>456-112-201</td>
<td>EA</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>Included</td>
</tr>
</tbody>
</table>
## Bid Results

<table>
<thead>
<tr>
<th>Type</th>
<th>Item Code</th>
<th>UOM</th>
<th>Qty</th>
<th>Unit Price</th>
<th>Line Total</th>
<th>Discount</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>7</td>
<td>ENHANCED SOFTWARE SUPPORT (DD)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>M-ENHSHWDD-H1</td>
<td>EA</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>Included</td>
</tr>
<tr>
<td>8</td>
<td>DPS FOR VMWARE</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>458-001-162</td>
<td>EA</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>Included</td>
</tr>
<tr>
<td>9</td>
<td>DPS FOR VMWARE 2TB AVE ENABLER=CA</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>456-109-974</td>
<td>EA</td>
<td>2</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>Included</td>
</tr>
<tr>
<td>10</td>
<td>DPS FOR VMWARE AVAMAR F ENABLER=IA</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>456-111-235</td>
<td>EA</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>Included</td>
</tr>
<tr>
<td>11</td>
<td>DPS FOR VMWARE SOCKETS=IA</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>456-110-832</td>
<td>EA</td>
<td>5</td>
<td>$807.7900</td>
<td>$4,038.9500</td>
<td>$4,038.9500</td>
<td></td>
</tr>
<tr>
<td>12</td>
<td>DPS FOR VMWARE DPA ENABLER=C=CB</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>456-110-834</td>
<td>EA</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>Included</td>
</tr>
<tr>
<td>13</td>
<td>DPS FOR VMWARE DPSEARCH ENABLER=CA</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>456-110-835</td>
<td>EA</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>Included</td>
</tr>
<tr>
<td>14</td>
<td>DPS FOR VMWARE RP4VM ENABLER=IB</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>456-107-804</td>
<td>EA</td>
<td>50</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>Included</td>
</tr>
<tr>
<td>15</td>
<td>ENHANCED SOFTWARE SUPPORT (DD)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>M-ENHSHWDD-M1</td>
<td>EA</td>
<td>1</td>
<td>$2,544.3600</td>
<td>$2,544.3600</td>
<td>$2,544.3600</td>
<td></td>
</tr>
<tr>
<td>16</td>
<td>EMC GRANULAR RECOVERY FOR MICROSOFT=IC</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>458-001-481</td>
<td>EA</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>Included</td>
</tr>
<tr>
<td>17</td>
<td>EMC GLR FOR MS APPS ENABLER=CA</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>456-111-143</td>
<td>EA</td>
<td>1</td>
<td>$156.5000</td>
<td>$156.5000</td>
<td>$156.5000</td>
<td></td>
</tr>
<tr>
<td>18</td>
<td>ENHANCED SOFTWARE SUPPORT (DD)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>M-ENHSHWDD-M1</td>
<td>EA</td>
<td>1</td>
<td>$2,932.0900</td>
<td>$2,932.0900</td>
<td>$2,932.0900</td>
<td></td>
</tr>
<tr>
<td>19</td>
<td>NW REMOTE IMPL. FOR SMB, VBA ADD-ON</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>PS-BAS-NWSMBRVBA</td>
<td>EA</td>
<td>1</td>
<td>$1,556.2100</td>
<td>$1,556.2100</td>
<td>$1,556.2100</td>
<td></td>
</tr>
<tr>
<td>20</td>
<td>REMOTE IMPLEMENTATION FOR SMB BASE SVC</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>PS-BAS-NWSMBR</td>
<td>EA</td>
<td>1</td>
<td>$2,778.3000</td>
<td>$2,778.3000</td>
<td>$2,778.3000</td>
<td></td>
</tr>
</tbody>
</table>
## Bid Results

<table>
<thead>
<tr>
<th>Type</th>
<th>Item Code</th>
<th>UOM</th>
<th>Qty</th>
<th>Unit Price</th>
<th>Line Total</th>
<th>Discount</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>21</td>
<td>IMPL. FOR CLOUDBOOST FOR NW IN HYB CLD</td>
<td>EA</td>
<td>1</td>
<td>$7,209.5300</td>
<td>$7,209.5300</td>
<td>$7,209.5300</td>
<td></td>
</tr>
<tr>
<td></td>
<td>PS-BAS- NWCBHYB</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>22</td>
<td>1 TB DPS FOR PHYSICAL DATA</td>
<td>EA</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>Included</td>
</tr>
<tr>
<td>23</td>
<td>EMC DATA PROTECTION SUITE FOR BACKUP</td>
<td>458-000-882</td>
<td>EA</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>Included</td>
</tr>
<tr>
<td>24</td>
<td>DPS FOR BU DP SEARCH ENABLER=CA</td>
<td>456-107-280</td>
<td>EA</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>Included</td>
</tr>
<tr>
<td>25</td>
<td>CLOUDBOOST V2 VM 2TB FOR DPS ENABLER=CA</td>
<td>456-110-556</td>
<td>EA</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>Included</td>
</tr>
<tr>
<td>26</td>
<td>CLOUDBOOST V2 CLIENT FOR DPS ENABLER=CA</td>
<td>456-110-557</td>
<td>EA</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>Included</td>
</tr>
<tr>
<td>27</td>
<td>NW 9.1 DPS CAP ENABLER=CA</td>
<td>456-112-196</td>
<td>EA</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>Included</td>
</tr>
<tr>
<td>28</td>
<td>AVAMAR G DPS BACKUP ENABLER=IA</td>
<td>456-112-195</td>
<td>EA</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>Included</td>
</tr>
<tr>
<td>29</td>
<td>DPS FOR BU DDBOOST FOR APPS ENABLER=CA</td>
<td>456-106-406</td>
<td>EA</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>Included</td>
</tr>
<tr>
<td>30</td>
<td>BACKUP AND RECOVERY MANAGER AVAMAR, BACKUP AND RECOVERY MANAGER -</td>
<td>456-103-950</td>
<td>EA</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>Included</td>
</tr>
<tr>
<td>31</td>
<td>NETWORKER</td>
<td>456-103-951</td>
<td>EA</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>Included</td>
</tr>
<tr>
<td>32</td>
<td>EMC BACKUP SUITE DPA ENABLER-B=CB</td>
<td>456-106-112</td>
<td>EA</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>Included</td>
</tr>
<tr>
<td>33</td>
<td>DATA PROT SUITE BACKUP 1-10TB=CA</td>
<td>456-105-958</td>
<td>EA</td>
<td>1</td>
<td>$4,654.3600</td>
<td>$4,654.3600</td>
<td>$4,654.3600</td>
</tr>
<tr>
<td>34</td>
<td>ENHANCED SOFTWARE SUPPORT (DD)</td>
<td>M- ENHSWDD- M1</td>
<td>EA</td>
<td>1</td>
<td>$108.0100</td>
<td>$108.0100</td>
<td>$108.0100</td>
</tr>
<tr>
<td>35</td>
<td>MULTIPLE SYSTEMS MANAGEMENT</td>
<td>458-002-015</td>
<td>EA</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>Included</td>
</tr>
</tbody>
</table>
## Bid Results

<table>
<thead>
<tr>
<th>Type</th>
<th>Item Code</th>
<th>UOM</th>
<th>Qty</th>
<th>Unit Price</th>
<th>Line Total</th>
<th>Discount</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>36</td>
<td>MULTIPLE SYSTEMS MANAGEMENT=CC</td>
<td>EA</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>Included</td>
</tr>
<tr>
<td></td>
<td>456-112-201</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>37</td>
<td>ENHANCED SOFTWARE SUPPORT (DD)</td>
<td>EA</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>Included</td>
</tr>
<tr>
<td></td>
<td>M-ENHSWDD-H1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>38</td>
<td>DPA SINGLE FEDERATED REPORTING SERVER</td>
<td>EA</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>Included</td>
</tr>
<tr>
<td></td>
<td>458-002-060</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>39</td>
<td>DPA SINGLE FED REPORTING SERVER=IA</td>
<td>EA</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>Included</td>
</tr>
<tr>
<td></td>
<td>458-112-408</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>40</td>
<td>ENHANCED SOFTWARE SUPPORT (DD)</td>
<td>EA</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>Included</td>
</tr>
<tr>
<td></td>
<td>M-ENHSWDD-M1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>41</td>
<td>TERABYTE VIRTUSTREAM STORAGE CLOUD - EMC SELECT</td>
<td>TB</td>
<td>7</td>
<td>$784,5100</td>
<td>$5,491,5700</td>
<td>$5,491,5700</td>
<td></td>
</tr>
<tr>
<td>42</td>
<td>DATA DOMAIN 6300 FOR ON PREMISE BACK UPS</td>
<td>EA</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>Included</td>
</tr>
<tr>
<td>43</td>
<td>DD6300 OPTION - FIELD INSTALL KIT</td>
<td>EA</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>Included</td>
</tr>
<tr>
<td></td>
<td>C-FLDIN6300</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>44</td>
<td>DD 10GBASE T/IO MODULE 4PORT</td>
<td>EA</td>
<td>1</td>
<td>$1,691,4300</td>
<td>$1,691,4300</td>
<td>$1,691,4300</td>
<td></td>
</tr>
<tr>
<td></td>
<td>C-10GBTM4P-NF</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>45</td>
<td>SYSTEM DD6300 NFS CIFS</td>
<td>EA</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>Included</td>
</tr>
<tr>
<td></td>
<td>DD6300</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>46</td>
<td>SYSTEM DD6300-7X4 14TB NFS CIFS</td>
<td>EA</td>
<td>1</td>
<td>$10,858,5200</td>
<td>$10,858,5200</td>
<td>$10,858,5200</td>
<td></td>
</tr>
<tr>
<td></td>
<td>DD6300-14TB</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>47</td>
<td>ENHANCED HARDWARE SUPPORT</td>
<td>EA</td>
<td>1</td>
<td>$2,931.6900</td>
<td>$2,931.6900</td>
<td>$2,931.6900</td>
<td></td>
</tr>
<tr>
<td></td>
<td>M-ENHIHWDD-DD1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>48</td>
<td>DOCS DD OS DOC 6=IA</td>
<td>EA</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>Included</td>
</tr>
<tr>
<td></td>
<td>DDOS-60</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>49</td>
<td>DD6300 OPERATING ENVIRONMENT SOFTWARE</td>
<td>EA</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>Included</td>
</tr>
<tr>
<td></td>
<td>458-001-335</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Type</td>
<td>Item Code</td>
<td>UOM</td>
<td>Qty</td>
<td>Unit Price</td>
<td>Line Total</td>
<td>Discount</td>
<td>Comment</td>
</tr>
<tr>
<td>------</td>
<td>-----------</td>
<td>-----</td>
<td>-----</td>
<td>------------</td>
<td>------------</td>
<td>----------</td>
<td>---------</td>
</tr>
<tr>
<td>50</td>
<td>LICENSE BASE DD OE DD6300=IA</td>
<td>456-106-424</td>
<td>EA</td>
<td>1</td>
<td>$6,765.6900</td>
<td>$6,765.6900</td>
<td>$6,765.6900</td>
</tr>
<tr>
<td>51</td>
<td>ENHANCED SOFTWARE SUPPORT</td>
<td>M-ENHSWDD- DD1</td>
<td>EA</td>
<td>1</td>
<td>$1,826.6700</td>
<td>$1,826.6700</td>
<td>$1,826.6700</td>
</tr>
<tr>
<td>52</td>
<td>DD6300 OE APPLICATION SOFTWARE</td>
<td>458-001-330</td>
<td>EA</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>53</td>
<td>LIC DD6300 CAPACITY AIO 14TB=1A</td>
<td>456-106-417</td>
<td>EA</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>54</td>
<td>ENHANCED SOFTWARE SUPPORT</td>
<td>M-ENHSWDD- DD1</td>
<td>EA</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>55</td>
<td>DD BOOST/REPLICATION AIO ENBLER=CB</td>
<td>458-002-006</td>
<td>EA</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>56</td>
<td>ENHANCED SOFTWARE SUPPORT</td>
<td>M-ENHSWDD- DD1</td>
<td>EA</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>57</td>
<td>DD6300 SSD CAPACITY LICENSE</td>
<td>458-001-829</td>
<td>EA</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>58</td>
<td>FS 800GB 0.8TB RAW=CF</td>
<td>456-111-330</td>
<td>EA</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>59</td>
<td>ENHANCED SOFTWARE SUPPORT</td>
<td>M-ENHSWDD- DD1</td>
<td>EA</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>60</td>
<td>DD6300 SOFTWARE=CB</td>
<td>458-001-836</td>
<td>EA</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>61</td>
<td>ENHANCED SOFTWARE SUPPORT</td>
<td>M-ENHSWDD- DD1</td>
<td>EA</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>62</td>
<td>IMPL FOR DD 0 SHELF GS</td>
<td>PS-BAS-DD00</td>
<td>EA</td>
<td>1</td>
<td>$2,198.0200</td>
<td>$2,198.0200</td>
<td>$2,198.0200</td>
</tr>
<tr>
<td>63</td>
<td>OTHER MISCELLANEOUS (IF APPLICABLE)</td>
<td>EA</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>
## Bid Results

<table>
<thead>
<tr>
<th>Type</th>
<th>Item Code</th>
<th>UOM</th>
<th>Qty</th>
<th>Unit Price</th>
<th>Line Total</th>
<th>Discount</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Subtotal</td>
<td></td>
<td></td>
<td></td>
<td>$57,741.9000</td>
<td>$57,741.9000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td></td>
<td>$57,741.9000</td>
<td>$57,741.9000</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
DATE: June 1, 2017

TO: Board of Directors

FROM: Matthew H. Litchfield, P.E., General Manager

SUBJECT: Approval of the Human Resources Committee and Employee Salary Committee Recommendations for Compensation of Employees for the 2017-2018 Fiscal Year

This item was reviewed and approved by the Board/Employee Salary Committee on April 28, 2017.

BACKGROUND:

Each year a committee comprised of two West Valley Water District ("District") regular Staff employees, and the Human Resources Committee, (which include two Board of Directors members, the Human Resources and Risk Manager, and the General Manager), meet to obtain and review employees' compensation related requests. This committee met on March 27, 2017 and April 28, 2017.

DISCUSSION:

The Staff employees on the committee presented an electronic survey to all District employees requesting the ranking of ten items from first through tenth most desired. Feedback was received and shared with the other Employee Salary Committee members. A variety of scenarios were brought forward to the Board/Employee Salary Committee for review and discussion. The final recommendation from the Board/Employee Salary Committee include:

1) Cost of Living Increase (COLA) of 2.5%.

2) Deferred Compensation Contribution – Employees contributing $50, $100 or $150 or greater, per pay period, would receive a contribution from the District of $25, $50 or $75 respectively.

3) Operator Certification or Education incentive pay. Incentive to motivate employees to pursue higher certifications (D3 and T3 and above and college degrees) and to retain and attract current and future employees.

4) Closure of District offices between Christmas Eve and New Year’s Day holiday.

The Board/Employee Salary Committee supported the requests and recommended moving them to the Board of Directors' June 1, 2017 meeting for Board approval.
FISCAL IMPACT

Exhibit A demonstrates various scenarios based upon the requested items from the Board/Employee Salary Committee. Assumptions include a 2.5% merit increase for all employees, along with inclusion of new positions put forth in the 2017-18 budget requests, and related tax and CalPERS retirement costs. The projected costs of all salaries and benefits associated with these items without a COLA is $7,811,776. The additional costs for each item is stated below:

1) Cost of Living Increase (COLA) of 2.5% = $193,992

2) Deferred Compensation Contribution = $125,000

(Assumes highest required contribution amount of $150 or greater per pay period and an 80%, or 64 employee participation rate in the 457 deferred compensation program. Current participation is 72%, or 54 of 75 employees. If employees elect a lower contribution amount of $50 or $100 per pay period, the total costs will be lower.)

3) Operator Certification or Education incentive pay assumes the following*:
   i. D3 or T3 certification or AA degree = 2% Lump Sum bonus
   ii. D4 or T4 certification or Bachelor’s degree = 3% Lump Sum bonus
   iii. D5 or T5 certification or Master’s Degree = 4% Lump Sum bonus
   iv. PhD = 5% Lump Sum Bonus

*Employee to receive only one (1) Lump Sum bonus based upon highest certification level or educational degree or whichever is greatest.

4) Closure of District offices between Christmas Eve and New Year’s Day = no cost.

Employees would no longer receive the Holiday Floater or Birthday Floater and the President’s Day holiday would be observed during this year-end holiday week.

Additionally, it is recognized that the transition to the Holiday week closure in 2017 would require employees to use their own vacation or Compensatory Time Off (CTO) to cover the President’s Holiday which was already observed and paid on February 20, 2017, and the Holiday Floater (if already taken) and Birthday Floater (if already taken).

Total projected District Cost Increase for all items = $394,379.

STAFF RECOMMENDATION

Approve the Human Resources Committee and Employee Salary Committee Recommendations.

Respectfully Submitted,

Matthew H. Litchfield, P.E.
General Manager

Attachment: Exhibit A – Projected Increases in Salaries Summary
EXHIBIT A
## FY 17-18 Salary Committee
### Projected Increases in Salaries

<table>
<thead>
<tr>
<th>COLA Increase</th>
<th>W/O COLA</th>
<th>2.0%</th>
<th>2.5%</th>
<th>2.7%</th>
<th>3.0%</th>
<th>3.5%</th>
<th>4.0%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Classic</td>
<td>$4,520,082</td>
<td>$4,610,484</td>
<td>$4,633,084</td>
<td>$4,642,125</td>
<td>$4,655,685</td>
<td>$4,678,285</td>
<td>$4,700,886</td>
</tr>
<tr>
<td>PEPRA</td>
<td>$1,563,876</td>
<td>$1,594,949</td>
<td>$1,602,788</td>
<td>$1,605,895</td>
<td>$1,610,586</td>
<td>$1,618,404</td>
<td>$1,626,223</td>
</tr>
<tr>
<td>None</td>
<td>$72,133</td>
<td>$73,576</td>
<td>$73,936</td>
<td>$74,081</td>
<td>$74,297</td>
<td>$74,658</td>
<td>$75,018</td>
</tr>
</tbody>
</table>

Projected Salaries FY 2017-2018*

|                           | $6,155,891 | $6,279,009 | $6,309,789 | $6,322,100 | $6,340,568 | $6,371,347 | $6,402,127 |

*Plus Benefits that vary with Salaries:

|                                | $367,333   | $373,700   | $375,292   | $375,929   | $376,884   | $378,476   | $380,056   |
|                                | $89,469    | $91,254    | $91,700    | $91,879    | $92,146    | $92,593    | $93,039    |
| FICA 6.2% ($127K Cap)          | $317,346   | $323,674   | $325,256   | $325,888   | $326,838   | $328,420   | $330,002   |
| Medicare 1.45%                | $651,782   | $664,779   | $668,029   | $669,328   | $671,278   | $674,527   | $677,776   |
| PERS EPMC (Classic Members) 7%| $103,686   | $105,759   | $106,277   | $106,484   | $106,795   | $107,313   | $107,831   |
| PERS EMPLR (Classic Members) 14.377%| $126,269 | $128,794 | $129,425 | $129,678 | $130,057 | $130,688 | $131,319 |
| PERS EMPLR (PEPRA Members) 6.627%| $126,269 | $128,794 | $129,425 | $129,678 | $130,057 | $130,688 | $131,319 |
| Workers' Comp                 |            |            |            |            |            |            |            |

Total Salaries & Variable benefits $7,811,776 $7,966,969 $8,005,767 $8,021,286 $8,044,565 $8,083,364 $8,122,150

With COLA Increase $155,193 $193,992 $209,511 $232,790 $271,588 $310,375

**Deferred Compensation 457 - 50% Match**

Projected District Cost Increase $125,000 $125,000 $125,000 $125,000 $125,000 $125,000

**Education/Certification Incentive Pay**

Projected District Cost Increase $75,388 $75,388 $75,388 $75,388 $75,388 $75,388

Total Projected District Cost Increase $200,388 $355,581 $394,379 $409,898 $433,177 $471,976 $510,763

| % Projected District Cost Increase | 2.6% | 4.6% | 5.0% | 5.2% | 5.5% | 6.0% | 6.5% |
| % Salary Increase                  | 3.3% | 5.8% | 6.4% | 6.7% | 7.0% | 7.7% | 8.3% |

*Includes Estimated 2.5% Merit Increase and New Positions Budgeted

**Medical and Dental Insurance Premiums**

Medical and Dental Insurance District Cost Increase** $68,199

*Includes Estimated 10% Medical Insurance Increase and 2% Dental Insurance Increase
DATE:       June 1, 2017

TO:          Board of Directors

FROM:        Matthew H. Litchfield, P.E., General Manager

SUBJECT:     ADOPT RESOLUTION NO. 2017-13, AMENDING THE INVESTMENT POLICY

This item was presented to the Finance Committee on March 29, 2017, April 19, 2007 and May 22, 2017.

BACKGROUND:

The West Valley Water District ("District") currently has an investment policy that was first adopted in 2010 and subsequently amended on June 16, 2016. Upon review of the latest version, some changes are needed to update our investment policy.

DISCUSSION:

It is good practice for the Board of Directors to annually review its investment policies. The District has refinanced its bonds, established a credit rating and has a comfortable cash balance. Recognizing that primary consideration should be the safety of our principal balances, the District can significantly increase the rate of return on its assets without any significant additional risk or exposure. This can be done by adding short term, investment grade bonds to the portfolio, lengthening the maturity times for our Certificates of Deposit, and improved cash management. A draft resolution is attached as Exhibit A.

STAFF RECOMMENDATION

Adopt Resolution No. 2017-13, Amending the Investment Policy.

Respectfully Submitted,

Matthew H. Litchfield, P.E.
General Manager

RC:ss
Attachment: Exhibit A – Resolution No. 2017-13
EXHIBIT A
RESOLUTION NO. 2017-13
RESOLUTION OF THE BOARD OF DIRECTORS OF
THE WEST VALLEY WATER DISTRICT
ADOPTING THE ANNUAL INVESTMENT POLICY
AMENDING RESOLUTIONS NO. 2010-13 and 2016-12

WHEREAS, pursuant to State law, the Chief Financial Officer/or Treasurer of
the West Valley Water District ("District") shall annually prepare and submit a statement
of investment policy and such policy and any changes thereto, shall be considered by the
legislative body at a public meeting;

NOW, THEREFORE, the Board of Directors ("Board") of the District does
hereby resolve and determine as follows:

Section 1. Policy It is the policy of the District to invest public funds in a manner
which will provide the highest investment return with the maximum security, while
meeting the daily cash flow demands of the District and conforming to all state and local
statutes governing the investment of public funds.

Section 2. Scope This investment policy applies to all financial assets of the
District. These funds are accounted for in the District’s audited Comprehensive Annual
Financial Report (CAFR) and include:

2.1 Funds:

2.1.1 General Fund
2.1.2 Any new fund created by the District, unless
     specifically exempted

2.2 Funds Excluded From This Policy

2.2.1 Public Employees Retirement Fund
2.2.2 Deferred Compensation
2.2.3 West Valley Water District Water Revenue
     Refunding Bonds, Series 2016A
2.2.4 Any Restricted Funds

Section 3. Prudence Investments shall be made with judgment and care - under
circumstances then prevailing - which persons of prudence, discretion and intelligence
exercise in the management of their own affairs, not for speculation, but for investment,
considering the probable safety of their capital as well as the probable income to be
derived.

The standard of prudence to be used by investment officials shall be the
“prudent person” and/or “prudent investor” standard and shall be applied in the
context of managing an overall portfolio. Investment officers acting in
accordance with written procedures and the investment policy and exercising due
diligence shall be relieved of personal responsibility for an individual security's
credit risk or market price changes, provided deviations from expectations are
reported in a timely fashion and appropriate action is taken to control adverse
developments.

Section 4. Investment Objectives The primary objectives, in priority order, of
the District's investment activities shall be:

4.1 Safety. Safety of principal is the foremost objective of the
investment program. Investments of the District shall be undertaken in a manner
that seeks to ensure the preservation of capital in the overall portfolio. To attain
this objective, the District will diversify its investments by investing funds among
independent financial institutions offering a variety of securities offering
independent returns. Investments shall be made with the aim of avoiding capital
losses due to issuer default, broker-dealer default or market value erosion.

4.2 Liquidity. The District's investment portfolio will remain
sufficiently liquid to enable the District to meet all operating requirements which
are reasonably anticipated.

4.3 Return on Investment. The District's investment portfolio shall
be designed with the objective of attaining a benchmark rate of return throughout
budgetary and economic cycles, commensurate with the District's investment risk
constraints and the cash flow characteristics of the portfolio.

Section 5. Delegation of Authority. Authority to manage the District's
investment program is derived from California Government Code, Section 53607.
Management responsibility for the investment program is hereby delegated to the General
Manager and Chief Financial Officer/or Treasurer, who shall be responsible for all
transactions undertaken and shall establish a system of controls to regulate the activities
of subordinate officials, and their procedures in their absence.

The Board of Directors, the General Manager, the Assistant General Manager,
and the Chief Financial Officer/or Treasurer shall be signatories on all accounts, to access
accounts for these and other authorized investments consistent with this investment
policy.

The Chief Financial Officer/or Treasurer may retain the services of an outside
investment advisor or manager as approved by the Board to assist with the District's
investment program. Qualified outside managers will be either SEC Registered
Investment Advisors or Bank Money Managers. The investment advisor shall make all
investment decisions and transactions in strict accordance with State and Federal law, this
Policy and such other written instructions as are provided. The performance and service
levels of investment advisors and managers shall be reviewed annually.
5.1 **Investment Procedures.** The Chief Financial Officer/or Treasurer shall establish written investment policy procedures for the operation of the investment program consistent with this policy. The procedures should include reference to: safekeeping, wire transfer agreements, banking service contracts and collateral/depository agreements, and cash flow forecasting. Such procedures shall include explicit delegation of authority to persons responsible for investment transactions. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the Chief Financial Officer/or Treasurer.

**Section 6. Internal Controls.** The Chief Financial Officer/or Treasurer shall establish a system of internal controls designed to prevent losses due to fraud, employee error, misrepresentation by third parties, unanticipated market changes, and/or imprudent actions by employees of the District. The internal control structure shall be designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes the (1) cost of control should not exceed the benefits likely to be derived and (2) the value of costs and benefits requires estimates and judgements by management. Compliance with this policy and internal controls shall be reviewed annually by the District’s independent, external auditors as part of its normal audit procedures.

**Section 7. Ethics and Conflicts of Interest** Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions. Employees and investment officials shall disclose to the Board any material financial interests in financial institutions that conduct business within their jurisdiction, and they shall further disclose any large personal financial/investment positions that could be related to the performance of the District.

**Section 8. Authorized Broker-Dealer** the Chief Financial Officer/or Treasurer will maintain a list of financial institutions authorized to provide investment services. In addition, a list will also be maintained of approved security broker/dealers, selected by credit worthiness, who are authorized to provide investment services in the State of California. These may include “primary” dealers, or regional dealers that qualify under Securities and Exchange Commission Rule 15C3-1 (uniform net capital rule). No public deposit shall be made except in a qualified public depository as established by California laws. All financial institutions and broker/dealers who desire to become qualified bidders for investment transactions must supply the Chief Financial Officer/or Treasurer with the following:

8.1 Must be in business for at least three (3) years
8.2 Proof of Financial Industry Regulatory Authority (FINRA) certification (not applicable to Certificate of Deposit counterparties)
8.3 Proof of national Association of Security Dealers certification.
8.4 Proof of California registration
8.5 Certification of having read and understood and agreeing to comply with the District’s investment policy and depository contracts.

8.6 Evidence of adequate insurance coverage.

An annual review of the financial condition and registrations of qualified bidders will be conducted by the Chief Financial Officer/or Treasurer. A current audited financial statement is required to be on file for each financial institution and broker/dealer in which the District invests.

Section 9. Authorized Investments  From the Board of Director’s perspective, special care must be taken to ensure that the list of instruments includes only those allowed by law and those that the District Chief Financial Officer/or Treasurer is trained and competent to handle.

The District is empowered by statute to invest in the following types of securities:

9.1 United States Treasury Issues. United States Treasury notes, bonds, bills or certificates of indebtedness, or those for which the faith and credit of the United States are pledged for the payment of principal and interest (CGC §53601(b)). There’s no limitation as to the percentage of the portfolio that may be invested in this category, however, maximum investment maturities are limited to up to three years;

9.2 State of California Local Agency Investment Fund (LAIF). The District may invest in the Local Agency Investment Fund established by the State Treasurer for the benefit of local agencies (CGC §16429.1). The fund must have 24 hour liquidity. There is no limitation on the percentage of the District portfolio that may be invested in this category;

9.3 The Investment Trust of California (CalTRUST). The Investment Trust of California (CalTRUST) is a local government investment pool organized as a joint powers authority pursuant to California Government Code Section 6509.7 Shares of beneficial interest issued by the Investment Trust of California (CalTRUST), which invests in securities and obligations eligible for direct investment by local agencies pursuant to California Government Code Section 53601. There are four different funds that are available. They are:

1. Government Money Market Fund
2. Heritage Money Market Fund
3. CalTRUST Short term fund
4. CalTRUST Medium term fund

Both the Short term and the Medium term funds trade in a narrow range. During the 2016-2017 year they have traded
between $10.02 and $10.04 Net Asset Value (NAV).
Investment of District funds in CalTRUST shall be subject to
investigation and due diligence prior to investing. No limit
will be placed on the percentage total in this category

9.4 **Negotiable Certificates of Deposit.** Negotiable Certificates of
Deposit (NCDs) issued by a nationally or state chartered bank,
a savings association or a federal association, a state or federal
credit union, or by a federally licensed or state-licensed branch
of a foreign bank. Purchases are limited to institutions that
have a long-term debt rating of at least “A” or its equivalent,
by a Nationally Recognized Statistical Rating Organization
(NRSRO); and/or have a short-term debt rating of at least “A-
1”, or its equivalent, by NRSRO. NCDs for which the full
amount of the principal and the interest that may be accrued
during the maximum term of each certificate is insured by
federal deposit insurance are exempt from rating requirements.
A maximum of 30 percent of surplus funds can be invested in
Certificates of Deposit (CGC §53601(h)).

9.5 **Federal Agency Obligations.** Federal agency or United
States government-sponsored enterprise obligations,
participations, mortgage backed securities or other
instruments, including those issued by or fully guaranteed as
to principal and interest by Federal agencies or United States
government-sponsored enterprises (CGC §53601 (f)). There is
no limitation as to percentage of the portfolio that may be
invested in this category, however, purchases of callable
Federal Agency obligations are limited to a maximum of 30
percent of portfolio.

9.6 **Municipal Securities.** Registered state warrants or treasury
notes or bonds of this state or any of the other 49 states,
including bonds payable solely out of the revenues from a
revenue-producing property owned, controlled, or operated by
a state or by a department, board, agency, or authority of this
state or any of the other 49 United States;

Bonds, notes, warrants, or other evidences of indebtedness of
any local agency within this state, including the District’s
bonds.

Securities must have a long-term debt rating of at least “A” or
its equivalent, by a NRSRO; and/or have a short term debt
rating of at least “A-1”, or its equivalent, by a NRSRO. A
maximum of 20 percent of the portfolio may be invested in this category.

9.7 Bankers’ Acceptances. Banker’s acceptances otherwise known as bills of exchange or time drafts that are drawn on and accepted by a commercial bank; Purchases are limited to bankers’ acceptances issued by domestic or foreign banks, which are eligible for purchase by the Federal Reserve System. Purchases of bankers’ acceptance may not exceed 180 days maturity. Eligible bankers’ acceptances are restricted to issuing financial institutions with a short-term debt rating of at least “A-1”, or its equivalent, by a NRSRO. A maximum of 25 percent of the portfolio may be invested in this category.

9.8 Commercial Paper. Commercial paper of “Prime” quality or the highest ranking or of the highest letter and number rating as provided for by a NRSRO. The entity that issues the commercial paper shall meet all of the following conditions: (i) is organized and operating in the United States as a general corporation, (ii) has total assets in excess of five hundred million dollars ($500,000,000), and (iii) has debt other than commercial paper, if any, that is rated at least “A”, or its equivalent, by a NRSRO. Eligible commercial paper shall have a maximum maturity of 270 days or less and not represent more than 10 percent of the outstanding paper of an issuing corporation. A maximum of 25 percent of the portfolio may be invested in this category.

9.9 Repurchase Agreements. Investments in repurchase agreements or reverse repurchase agreements or securities lending agreements are to be used as short-term investments not to exceed 90 days. Repurchase agreements shall be made with counterparties that are primary dealers of the Federal Reserve Bank of New York or a nationally or state-chartered bank that has or has had a significant banking relationship with District. Furthermore, the counter-party shall have the following qualifications: (i) a long-term debt rating of at least “A”, or its equivalent, by a NRSRO; (ii) a short-term credit rating of at least “A-1” or its equivalent, by a NRSRO; (iii) minimum assets and capital size of $25 billion in assets and $350 million in capital; (iv) five years of acceptable audited financial results; and (v) a strong reputation among market participants.
The District shall have a properly executed master repurchase agreement with each counter-party for which it enters into an agreement for repurchase agreements. Collateral of at least 100 percent of market value of principal and accrued interest is required. For any repurchase agreement with a term of more than one day, the value of the underlying securities must be reviewed on an on-going basis according to market conditions. Market value must be calculated each time there is a substitution of collateral. Collateral is limited to obligations of the United States government and its agencies. Collateral must be delivered to the District’s custodian bank or handled under a properly executed master repurchase agreement. The District, or its trustee, shall have a perfected first security interest in all collateral. A maximum of 10 percent of the portfolio may be invested in this category.

9.10 **Medium-Term notes.** Medium-term notes, defined as all corporate and depository institution debt securities with a maximum remaining maturity of five years or less, issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States (CGC §53601 (k)). Purchases are limited to securities that have a long-term debt rating of at least “A”, or its equivalent, by a NRSRO. A maximum of 30 percent of the portfolio may be invested in this category.

9.11 **Money Market Funds.** Shares of beneficial interest issued by diversified management companies that are money market funds registered with the Securities and Exchange Commission (CGC 53601 (l)(2));

The company shall have met either of the following criteria: 1) attained the highest ranking or the highest letter and numerical rating provided by not less than two NRSROs or 2) retained an investment adviser registered or exempt from registration with the Securities and Exchange Commission with not less than five years of experience managing money market mutual funds with assets under management in excess of five hundred million dollars ($500,000,000). A maximum of 20 percent of the portfolio may be invested in this category.

If the District has funds invested in a money market fund, a copy of the fund’s information statement shall be maintained on file. In addition, the Chief Financial Officer/or Treasurer
should review the fund's summary holdings on a quarterly basis.

Mutual Funds that are specifically designated for short term investments such as Floating Rate Funds are acceptable as long as they have a minimum of quarterly liquidity.

9.12 **Bank Deposits.** FDIC insured or fully collateralized bank deposits, including, but not limited to, demand deposit accounts, savings accounts, market rate accounts and time deposits issued by a state or national bank, savings and loan associations, or state or federal credit unions located in California (CGC §53630 et. Seq.) A written depository contract is required with all institutions that hold District deposits requiring that deposits be collateralized in accordance with CGC. The Chief Finance Officer/or Treasurer, at his/her discretion, may waive the collateralization requirements for any portion that is covered by federal deposit insurance. Securities placed in a collateral pool must provide coverage for at least 100 percent of all deposits that are placed in that institution. Acceptable pooled coverage is governed by CGC §53651. Real estate mortgages are not considered acceptable collateral by the District, even though they are permitted in CGC §53651 (m). All financial institutions holding District deposits are required to provide the District with regular statements of pooled collateral. The report will state they are meeting the 100 percent collateral rule, a listing of all collateral with location and market value, plus an accountability of the total amount of deposits secured by the pool. In accordance with CGC §53638, no deposit shall exceed the shareholder’s equity of any depository bank, nor shall a deposit exceed the total net worth of any institution. No deposits shall be made at a state or federal credit union if a member of the Board or the General Manager or Chief Financial Officer/or Treasurer of the District services on the Board of Directors or a committee of the credit union. The maturity of time deposits (TCDs) may not exceed 4 years. There is no limit on the percentage of the portfolio that may be invested in bank deposits. However, a maximum of 20% of the portfolio may be invested in TCDs.

9.13 **Local Government Investment Pools (LGIP).** Shares of beneficial interest issued by a joint powers authority organized pursuant to Government Code Section 6509.7. To be eligible for purchase, the pool shall meet all of the following conditions: (i) must meet the requirements of California
Government Code Section 53601(p), (ii) the pool must seek to maintain a stable Net Asset Value (NAV), and (iii) the pool must be rated at least “AA”, or its equivalent, by a NRSRO. A maximum of 50 percent of the portfolio may be invested in this category. Whenever the District has any funds invested in a LGIP, the Chief Financial Officer/or Treasurer shall maintain on file a copy of the pool’s current information statement. In addition, the Chief Financial Officer/or Treasurer should review the pool’s summary portfolio holdings on a quarterly basis.

**Section 10. Pooled Investment Information Requirements** Insofar as this policy allows available funds to be deposited into pooled investment accounts, a thorough investigation of the pool is required prior to investing, and on a continual basis. There shall be a questionnaire developed which will answer the following general questions:

- A description of eligible investment securities, and a written statement of investment policy and objectives;
- A description of interest calculations and how it is distributed, and how gains and losses are treated;
- A description of how the securities are safeguarded (including the settlement processes), and how often are the securities are priced and the program audited;
- A description of who may invest in the program, how often, what size deposit and withdrawal are allowed;
- A schedule for receiving statements and portfolio listings;
- Are reserves, retained earnings, etc., utilized by the pool?
- A fee schedule, and when and how it is assessed;
- Is the pool eligible for bond proceeds and/or will it accept such proceeds?

**Section 11. Collateralization** will be required on Certificates of Deposit, unless they are FDIC insured. In order to anticipate market changes and provide a level of security for all funds, the collateralization level will be 100% of market value of principal and accrued interest.

Collateral will always be held by an independent third party with whom the District has a current written custodial agreement. A clearly marked evidence of ownership (safekeeping receipt) must be supplied to the District and retained. The right of collateral substitution is granted.

**Section 12. Prohibited Investments** Under provisions of CGC §53601.6 and §53651.5, the District shall not invest any funds covered by this policy in equity securities, inverse floaters, range notes, interest-only strips that are derived from a pool of mortgages, or any investment that could result in zero interest earned if held to maturity.
The purchase of any investment permitted by the Government Code, but not listed as an authorized investment in this Policy is prohibited without prior approval of the Board.

Section 13. Safekeeping of Securities All security transactions entered into by the District shall be conducted on a delivery-versus-payment (DVP) basis. Securities will be held by a third-party custodian designated by the Chief Financial Officer/or Treasurer and evidenced by safekeeping receipts.

Section 14. Diversification and Maximum Maturities The District will diversify its investments by security type and institution. Assets shall be diversified to eliminate the risk of loss resulting from over-concentration of assets in a specific maturity, a specific issuer or a specific class of securities. Diversification shall be determined and revised periodically. Adequate diversification shall be applied to the individual issuers of debt, both within each class of investments and collectively. With the exception of U. S. Treasury securities, Federal Agency securities, LGIFs, LAIF, CalTRUST securities, and authorized pools, no more than 50% of the District’s total investment portfolio will be invested in a single security type or with a single financial institution.

14.1 To the extent possible, the District will attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, the District will not directly invest in securities maturing more than four years from the settlement date. Reserve funds may be invested in securities exceeding three years if the maturity of such investments is made to coincide as nearly as practicable with the expected use of the funds.

14.2 The Chief Financial Officer/or Treasurer shall establish an annual process of independent review by an external auditor. This review will provide internal control by assuring compliance with policies and procedures.

Section 15. Performance Standards The investment portfolio shall be designed with the objective of obtaining a rate of return throughout budgetary and economic cycles, commensurate with the investment risk constraints and cash flow needs.

Section 15.1. The District’s investment strategy is passive. Given this strategy, the basis used by the Chief Financial Officer/or Treasurer to determine whether market yields are being achieved shall be to identify a comparable benchmark to District’s portfolio investment duration, a 3-month U. S. Treasury Bill.

Section 16. Investment Reporting The Chief Financial Officer/or Treasurer shall provide to the Finance Committee of the Board of Directors monthly investment reports that provide a clear picture of the status of the current investment portfolio. The Management Report should include comments on the fixed income markets and
economic conditions, discussions regarding restrictions on percentage of investment by categories, possible changes in the portfolio structure going forward, and thoughts on investment strategies.

Schedules in the monthly report should include the following:

- A listing of individual securities held at the end of the reporting period by authorized investment category
- Average life and final maturity of all investments lists
- Coupon, discount, or earnings rate
- Par value, amortized book value and market value
- Percentage of the portfolio represented by each investment category

**Section 17. Policy Adoption and Review.** The District’s investment policy shall be adopted by resolution of the District’s Board. The policy shall be reviewed annually by the Board and any modifications made thereto must be approved by the Board.

**Section 18. Glossary.** See attached Glossary.

**Section 19. Resolution.** This Resolution shall take effect immediately upon its adoption.
The foregoing Resolution was duly adopted at a Regular Meeting of the Board of Directors of West Valley Water District by motion made, seconded, and duly carried on

ROLL CALL:

AYES: DIRECTORS:
NOES: DIRECTORS:
ABSENT: DIRECTORS:
ABSTAIN: DIRECTORS:

WEST VALLEY WATER DISTRICT

__________________________________________
Dr. Clifford O. Young, Sr
President of the Board

ATTEST:

__________________________________________
Shanae Smith, Board Secretary
GLOSSARY

AGENCIES. Federal agency securities and/or Government-sponsored enterprises.

ASKED. The price at which securities are offered.

BENCHMARK. A comparative base for measuring the performance or risk tolerance of the investment portfolio. A benchmark should represent a close correlation to the level of risk and the average duration of the portfolio’s investments.

CERTIFICATE OF DEPOSIT (CD). A time deposit with a specific maturity evidenced by a certificate. Large-denomination CD’s are typically negotiable.

COLLATERAL. Securities, evidence of deposit, or other property that a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public monies.

COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR). An official annual report of a local government. It includes five combined statements for each individual fund and account group prepared in conformity with GAAP. It also includes supporting schedules necessary to demonstrate compliance with finance-related legal and contractual provisions, extensive introductory materials, and detailed Statistical Section.

COUPON. (a) The annual rate of interest that a bond's issuer promises to pay the bondholder on the bond's face value. (b) A certificate attached to a bond evidencing interest due on a payment date.

DELIVERY VERSUS PAYMENT. There are two methods of delivery of securities: delivery versus payment and delivery versus receipt. Delivery versus payment is delivery of securities with an exchange of money for the securities. Delivery versus receipt is delivery of securities with an exchange of a signed receipt for the securities.

DISCOUNT. The difference between the cost price of a security and its maturity when quoted at lower than face value. A security selling below original offering price shortly after sale also is considered to be at a discount.

DISCOUNT SECURITIES. Non-interest bearing money market instruments that are issued a discount and redeemed at maturity for full face value (U. S. Treasury Bills).

DIVERSIFICATION. Dividing investment funds among a variety of securities offering independent returns.

FEDERAL DEPOSIT INSURANCE CORPORATION (FDIC). A federal agency that insures bank deposits, currently up to $250,000 per deposit.
FEDERAL HOME LOAN BANKS (FHLB). Government sponsored wholesale banks (currently 12 regional banks) that lend funds and provide correspondent banking services to member commercial banks, thrift institutions, credit unions and insurance companies. The mission of the FHLBs is to liquify the housing related assets of its members who must purchase stock in their district Bank.

LIQUIDITY. A liquid asset is one that can be converted easily and rapidly into cash without a substantial loss of value. In the money market, a security is said to be liquid if the spread between bid and asked prices is narrow and reasonable size can be done at those quotes.

LOCAL GOVERNMENT INVESTMENT POOL. The aggregate of all funds from political subdivisions that are placed in the custody of the State Chief Financial Officer for investment and reinvestment.

MARKET VALUE. The price at which a security is trading and could presumably be purchased or sold.

Maturity. The date upon which the principal of stated value of an investment becomes due and payable.

MONEY MARKET. The market in which short-term debt instruments (bills, commercial paper, bankers’ acceptances, etc.) are issued and traded.

PORTFOLIO. Collection of securities held by an investor.

PRUDENT PERSON RULE. An investment standard. In some states, the law requires that a fiduciary, such as a trustee, may invest money only in a list of securities selected by the custody state, the so-called legal list. In other states the trustee may invest in a security if it is one which would be bought by a prudent person of discretion and intelligence who is seeking a reasonable income and preservation of capital.

RATE OF RETURN. The yield obtainable on a security based on its purchase price or its current market price. This may be the amortized yield to maturity on a bond the current incomes return.

SAFEKEEPING. A service to customers rendered by banks for a fee whereby securities and valuables of all types and descriptions are held in the bank’s vaults for protection.

STRUCTURED NOTES. Notes issued by Government Sponsored Enterprises (FHLB) and corporations that have imbedded options (call features, etc.,) into their debt structure. Their market performance is impacted by the fluctuation of interest rates, the volatility of the imbedded options and shifts in the shape of the yield curve.
TREASURY BILLS. A non-interest bearing discount security issued by the U. S. Treasury to finance the national debt. Most bills are issued to mature in three months, six months, or one year.

TREASURY BONDS. Long-term coupon-bearing U. S. Treasury securities issued as direct obligations of the U. S. Government and having initial maturities of more than 10 years.

TREASURY NOTES. Medium-term coupon-bearing U. S. Treasury securities issued as direct obligations of the U. S. Government and having initial maturities from two to 10 years.

YIELD. The rate of annual income return on an investment, expressed as a percentage. (a) Income Yield is obtained by dividing the current dollar income by the current market price for the security, (b) Net Yield or Yield to maturity is the current income yield minus any premium above par or plus any discount from par in purchase price, with the adjustment spread over the period from the date of purchase to the date of maturity of the bond.
BOARD OF DIRECTORS
STAFF REPORT

DATE: June 1, 2017
TO: Board of Directors
FROM: Matthew H. Litchfield, P.E., General Manager
SUBJECT: APPROVAL OF SALE OF WATER IN STORAGE IN THE CHINO GROUND WATER BASIN TO CUCAMONGA VALLEY WATER DISTRICT

BACKGROUND:

In 2002, the West Valley Water District ("District") and the Cucamonga Valley Water District ("CVWD") entered into an agreement titled "Agreement for Sale of Water in Storage in the Chino Ground Water Basin" ("Agreement"). The Agreement spells out terms and conditions whereby the District can elect to sell up to 500 acre feet of stored water in the Chino Basin to the CVWD. The Agreement is attached as Exhibit A. The District is unable to extract its current Chino Basin right due to well contamination issues, therefore the sale of 500 acre feet of stored water to CVWD is appropriate.

CVWD contacted District Administration on May 1, 2017 to request the 500-acre foot sale and the appropriate forms were sent to CVWD in time to meet the May 3rd deadline imposed by the Chino Basin Watermaster in order for the item to be placed on the May Pool Meeting agenda. This transaction is pending District Board approval and CVWD Board approval prior to moving the item to the Chino Basin Board meeting in June.

FISCAL IMPACT:

This item is not included in the FY 2016/2017 Revenues section of the approved budget. Per the terms of the Agreement, the CVWD shall purchase the stored water at price for each acre foot of water equal to the Chino Basin Watermaster’s Replenishment Assessment rate times eighty-five (85%) for each acre foot of water sold. The Chino Basin Watermaster has not established a replenishment assessment rate, and CVWD purchased the 500 acre feet of stored water the previous year at $508 per acre foot. CVWD proposed a $520 per acre foot sales price for this fiscal year, consistent with other water transactions by CVWD in the Chino Basin.

STAFF RECOMMENDATION:

Approve the sale of 500 acre feet of stored water in the Chino Ground Water Basin to Cucamonga Valley Water District at a rate of $520 per acre foot.
Respectfully Submitted,

[Signature]

Matthew H. Litchfield, P.E.
General Manager

MHL:ss
Attachment: Exhibit A – "Agreement for Sale of Water in Storage in the Chino Ground Water Basin"
EXHIBIT A
AGREEMENT FOR SALE OF WATER
IN STORAGE IN THE CHINO GROUND WATER BASIN

THIS AGREEMENT is entered into on the ___ day of May, 2002 by and between CUCAMONGA COUNTY WATER DISTRICT, a public agency ("Cucamonga"), and WEST SAN BERNARDINO COUNTY WATER DISTRICT, a public agency ("West District").

RECITALS

A. West District and Cucamonga are parties to the Judgement in the matter of Chino Basin Municipal Water District v. the City of Chino, et al., Superior Court of the State of California for the County of San Bernardino, Case No.RCV 51010. (formerly Case No. SCV 164327) (the "Judgement"), and have entered into Ground Water Storage Agreements (the "Storage Agreement") with the Watermaster of the Chino Ground Water Basin ("Basin") which, pursuant to the Judgement, entitles West District and Cucamonga to store in the Basin supplemental water and any unused quantity of their share of the Operating Safe Yield of the Basin ("Stored Water"). West District and Cucamonga may capture the Stored Water and use it pursuant to their Storage Agreements with Watermaster.

B. Pursuant to the Rules and Regulations and procedures of the Watermaster, Cucamonga may purchase Stored Water from West District. Cucamonga and West District desire to enter an arrangement whereby Cucamonga will purchase from West District and West District will sell to Cucamonga quantities of Stored
Water. The price per acre foot shall be based on the Watermaster Replenishment Assessment rate ("Assessment Rate"). The Assessment rate shall mean the current replenishment rate in effect for such fiscal year including the Inland Empire Utilities Agency current administrative fee in effect for such fiscal year, excluding any spreading cost.

NOW, THEREFORE, in consideration of the preceding recitals and covenants contained, the parties agree as follows:

Section 1. Sale of Stored Water; Exclusive Arrangement. For each fiscal year during the Effective Period (as specified in Section 6 below) of the Agreement, beginning with fiscal year 2001/2002 and so long as West District has sufficient quantity of Stored Water, West District shall sell to Cucamonga and Cucamonga shall purchase from West District as much as 500 acre feet of Stored Water for each fiscal year. West District shall notify Cucamonga in writing by December 1 of each year during the Effective Period of the quantity of Stored Water which it has in storage in the Basin and which will be available for sale to Cucamonga for that fiscal year.

Section 2. Price. West District shall sell such Stored Water to Cucamonga and Cucamonga shall purchase such stored water at a price for each acre foot of such Stored Water equal to the Assessment Rate times eighty-five percent (85%) for each acre foot of such Stored Water.
Section 3. **Transfer of Water.** Upon receipt from West District of the amount of stored water available for sale and transfer, Cucamonga and West District shall execute such assignment and transfer documents as are required by Watermaster to complete the assignment and transfer of Stored Water with respect to the then applicable fiscal year.

Section 4. **Payment.** Cucamonga shall pay the total purchase price for purchased Stored Water for each fiscal year in cash to West District within 30 days of completion of such assignment and transfer documents as are required by Watermaster to complete the assignment and transfer of Stored Water with respect to the fiscal year.

Section 5. **Further Acts.** West District and Cucamonga shall each take such further action as may be reasonably required to accomplish the assignment and transfer of Stored Water which Cucamonga shall purchase from West District for any fiscal year and shall execute and deliver such documents as may be required by the Watermaster to consummate the assignment and transfer of such Stored Water.

Section 6. **Effective Period, Termination.** This Agreement shall continue to be effective as between West District and Cucamonga unless and until West District on Cucamonga elects to terminate this Agreement as hereinafter in this section provided (the "Effective Period"). Either West District or Cucamonga may terminate this
Agreement by providing the other party with written notice of such termination not later than December 31 of any year.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed as of the date first above written.

CU CAMONGA COUNTY WATER DISTRICT

By: [Signature]  
President of the Board of Directors

ATTEST

[Signature]  
Secretary of the Board of Directors

WEST SAN BERNARDINO COUNTY WATER DISTRICT

By: [Signature]  
President of the Board of Directors

ATTEST

[Signature]  
Secretary of the Board of Directors
BOARD OF DIRECTORS
STAFF REPORT

DATE: June 1, 2017
TO: Board of Directors
FROM: Matthew H. Litchfield, P.E., General Manager

SUBJECT: APPROVAL OF PAYMENT TO LARSON O'BRIEN, LLP FOR PROFESSIONAL SERVICES RENDERED THROUGH APRIL 30, 2017 IN THE SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT MATTER; INVOICE NO. 3510; $1,387.79

BACKGROUND:

Attached for the Board of Directors ("Board") review and consideration is the invoice for of Larson O’Brien, LLP for professional services rendered for the month of April, 2017.

FISCAL IMPACT:

This item is included in the FY 2016/2017 Administration/Legal budget.

STAFF RECOMMENDATION:

Approve Payment to Larson O’Brien, LLP for professional services through April 30, 2017 for the San Bernardino Valley Municipal Water District Matter; Invoice No. 3510; $1,387.79.

Respectfully Submitted,

Matthew H. Litchfield, P.E.
General Manager

MHL:ss

Attachment: Exhibit A - Larson O’Brien, LLP Invoice No. 3510
May 16, 2017

West Valley Water District
Attn: Matt Litchfield
855 West Baseline Road
Rialto, CA 92376

Tafoya & Garcia
Attn: David Olivas
316 W. 2nd Street, Suite 1000
Los Angeles, CA 90012

Re: Adv. San Bernardino Valley Municipal Water District

Dear Messrs. Litchfield and Olivas,

Please find enclosed Invoice No. 3510 in the amount of $4,779.50 for legal services rendered through April 30, 2017 in the adv. San Bernardino Valley Municipal Water District matter.

We have applied the remainder of your retainer. Please remit $1,387.79 upon receipt.

Let Paul Rigali or me know if you have any questions.

Sincerely,

Stephen G. Larson

Enclosure
DATE:       June 1, 2017
TO:         Board of Directors
FROM:       Matthew H. Litchfield, P.E., General Manager
SUBJECT:    APPROVAL OF PAYMENT TO ALBRIGHT, YEE & SCHMIT, APC FOR PROFESSIONAL SERVICES RENDERED THROUGH JANUARY 31, 2017; STATEMENT NO. 24118; $15,885.00; MARCH 31, 2017; STATEMENT NO. 24209; $3,917.50

BACKGROUND:
Attached for the Board of Directors ("Board") review and consideration is the invoice for Albright, Yee & Schmit, APC for professional services rendered during the months of January, 2016 and March, 2017.

FISCAL IMPACT:
This item is included in the FY 2016/2017 Administration/Legal budget.

STAFF RECOMMENDATION:
Approve Payment to Albert, Yee & Schmit, APC for Professional Services rendered through January 31, 2017; Statement No. 24118; $15,885.00; and March 31, 2017; Statement No. 24209; $3,917.50.

Respectfully Submitted,

----------------------------------
Matthew H. Litchfield, P.E.
General Manager

MHL:ss

Attachment: Exhibit A – Albright, Yee & Schmit, APC Invoice Nos. 24118 and 24209
EXHIBIT A
THIS PAGE INTENTIONALLY LEFT BLANK
DATE:       June 1, 2017
TO:         Board of Directors
FROM:       Matthew H. Litchfield, P.E., General Manager
SUBJECT:    APPROVAL OF PAYMENT TO PRATA & DALEY, LLP FOR PROFESSIONAL
            SERVICES RENDERED FROM NOVEMBER 2016 THROUGH FEBRUARY
            2017; INVOICE NO. 13801; $9,558.87

BACKGROUND:

Attached for the Board of Directors ("Board") review and consideration is the invoice for Prata & Daley, LLP for professional services rendered from November, 2016 through February, 2017.

FISCAL IMPACT:

This item is included in the FY 2016/2017 Administration/Legal budget.

STAFF RECOMMENDATION:

Approve payment to Prata & Daley, LLP for Professional Services rendered from November 2016 through February, 2017; Invoice No. 13801; $9,558.87.

Respectfully Submitted,

Matthew H. Litchfield, P.E.
General Manager

MHL:ss

Attachment:   Exhibit A – Prata & Daley, LLP Invoice No. 13801
DATE: June 1, 2017

TO: Board of Directors

FROM: Matthew H. Litchfield, P.E., General Manager

SUBJECT: APPROVAL OF AGREEMENT FOR ASSISTANT GENERAL MANAGER

BACKGROUND:

The Board of Directors ("Board") appointed Mr. Greg Gage as the Assistant General Manager on May 4, 2017. To that end, the Agreement for Assistant General Manager ("Agreement") was drafted pursuant to negotiations between the General Manager, Mr. Matthew H. Litchfield, P.E. and the Board. The draft Agreement has an initial six month probationary term. The annual salary is $178,000. If the Agreement is terminated without cause, Mr. Gage will receive a lump sum severance payment equal to the three (3) months base salary. A performance evaluation will be held after six months and then once annually. Finally, it is clear from the Agreement that Mr. Gage is an ("at will") employee and can be terminated at any time with our without cause. The draft Agreement will be provided to the Board for review and consideration prior to the Board meeting.

FISCAL IMPACT:

The Assistant General Manager’s salary has been budgeted for in the 2016-17 FY Year Budget.

STAFF RECOMMENDATION:

Approve the Agreement for Assistant General Manager.

Respectfully Submitted,

Matthew H. Litchfield, P.E.
General Manager
West Valley Water District  
Cash, Investment & Reserve Balances - April 30, 2017

<table>
<thead>
<tr>
<th>Institution/Investment Type</th>
<th>March 2017 Balance</th>
<th>April 2017 Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Funds Under Control of the District:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>District Cash Drawers</td>
<td>$4,300.00</td>
<td>$4,300.00</td>
</tr>
<tr>
<td>Checking and Savings:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>B of A - General Government Checking</td>
<td>$1,957,406.70</td>
<td>$3,400,020.16</td>
</tr>
<tr>
<td>B of A - Pack N Mail Satellite Checking</td>
<td>$7,725.28</td>
<td>$2,552.60</td>
</tr>
<tr>
<td>Bank of Hope - J Check Cashing Satellite Loc.</td>
<td>$5,012.87</td>
<td>$21,818.76</td>
</tr>
<tr>
<td>Chase - General Government Checking</td>
<td>$4,714.54</td>
<td>$4,199.85</td>
</tr>
<tr>
<td>Total</td>
<td>$1,974,859.39</td>
<td>$3,428,591.39</td>
</tr>
<tr>
<td>State of California, Local Agency Investment Fund</td>
<td>$10,152,912.05</td>
<td>$10,169,530.73</td>
</tr>
<tr>
<td>CalTrust Pooled Investment Fund - Short Term</td>
<td>$13,673,465.92</td>
<td>$12,693,116.16</td>
</tr>
<tr>
<td>CalTrust Pooled Investment Fund - Medium Term</td>
<td>$10,009,970.09</td>
<td>$10,010,980.32</td>
</tr>
<tr>
<td>U. S. Treasury Bills</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Government Agencies (Federal Home Loan Bank)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>$35,815,607.45</td>
<td>$36,306,518.60</td>
</tr>
</tbody>
</table>

| **Funds Under Control of Fiscal Agents:** |
| US BANK |
| 2016A Bond - Cost of Issuance Fund | $26,029.66 | $26,035.38 |
| Total | $26,029.66 | $26,035.38 |
| Grand Total | $35,841,537.11 | $36,332,553.98 |

<table>
<thead>
<tr>
<th>RESERVE ACCOUNT</th>
<th>Minimum Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>RESTRICTED FUNDS</strong></td>
<td></td>
</tr>
<tr>
<td>2016A Bond - Cost of Issuance Fund</td>
<td>$26,035.38</td>
</tr>
<tr>
<td>Customer Deposit Accounts</td>
<td>$2,377,945.29</td>
</tr>
<tr>
<td>Capacity Charge Acct Balance</td>
<td>$1,058,433.49</td>
</tr>
<tr>
<td>Rebate 2015 (Cleared $2,313,533.57)</td>
<td>$225,604.80</td>
</tr>
<tr>
<td>Total</td>
<td>$3,688,018.96</td>
</tr>
<tr>
<td><strong>CAPITAL RESERVE FUNDS</strong></td>
<td></td>
</tr>
<tr>
<td>Capital Project Account - 100% FY 16-17</td>
<td>$5,621,500.00</td>
</tr>
<tr>
<td>[$800,000 Capacity Fee Funded] - 80% FY 17-18</td>
<td>$5,484,000.00</td>
</tr>
<tr>
<td>Administrative &amp; General Account</td>
<td>$1,056,114.50</td>
</tr>
<tr>
<td>Total</td>
<td>$12,161,614.50</td>
</tr>
<tr>
<td><strong>LIQUIDITY FUNDS</strong></td>
<td></td>
</tr>
<tr>
<td>Rate Stabilization Account</td>
<td>$4,052,394.00</td>
</tr>
<tr>
<td>Operating Reserve Account</td>
<td>$3,520,381.67</td>
</tr>
<tr>
<td>Emergency Account</td>
<td>$1,085,626.56</td>
</tr>
<tr>
<td>Water Banking Account</td>
<td>$125,000.00</td>
</tr>
<tr>
<td>Total</td>
<td>$8,783,402.23</td>
</tr>
</tbody>
</table>

| Operating Cash | Balance Available for Daily Operations | $11,699,518.29 |
| Total | Grand Total | $36,332,553.98 |

I hereby certify that the investment activity for this reporting period conforms with the investment policy adopted by the West Valley Water District adopted by the West Valley Water District Board of Directors and the California Government Code Section 53601.

I also certify that there are adequate funds available to meet the District's Budget.

Deborah L. Crowley, Treasurer

Page 78 of 78