



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

Pursuant to the Governor's Executive Order N-29-20, there will be no public location for attending in person. Members of the public who wish to participate may do so by calling in at:

**Toll Free: (877) 309-2073
Access Code: 138-420-933**

Members of the public who wish to comment on any item within the jurisdiction of the Agency or any item on the agenda should submit comments by emailing sbaca@dwa.org before 5:00 p.m. September 14. Comments will become part of the Board meeting record. Board members and staff will be participating in this meeting via teleconference.

**In order to reduce feedback, please mute your audio when you are not speaking.*

- | | |
|--|---------|
| 1. CALL TO ORDER/PLEDGE OF ALLEGIANCE | STUART |
| 2. ROLL CALL | BACA |
| 3. APPROVAL OF MINUTES - September 1, 2020 | STUART |
| 4. GENERAL MANAGER'S REPORT | KRAUSE |
| 5. COMMITTEE REPORTS – Executive – September 10, 2020 | STUART |
| 6. PUBLIC COMMENT: Members of the public may comment on any item not listed on the agenda, but within the jurisdiction of the Agency. In addition, members of the public may speak on any item listed on the agenda as that item comes up for consideration. Speakers are requested to keep their comments to no more than three (3) minutes. As provided in the Brown Act, the Board is prohibited from acting on items not listed on the agenda. | |
| 7. SECRETARY-TREASURER'S REPORT (JULY) | EWING |
| 8. ACTION ITEMS | |
| A. Request Board Approval for Extension of COVID-19 Financial Relief to Customers | SAENZ |
| B. Request Approval of Amendment #6 - Yuba Accord Dry Year Water Purchase Agreement | KRAUSE |
| 9. DISCUSSION ITEMS | |
| A. August Water Use Reduction Figures | METZGER |
| B. Set Date for Recycled Water Workshop/Special Meeting | KRAUSE |
| C. MOU with Golden State Renewable Energy Update | JOHNSON |
| 10. DIRECTORS COMMENTS/REQUESTS | |
| 11. CLOSED SESSION | |
| A. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION | |
| Pursuant to Government Code Section 54956.9 (d) (1) | |
| Name of Case: Agua Caliente Band of Cahuilla Indians vs. Coachella Valley Water District, et al | |
| (2 cases) | |
| B. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION | |
| Pursuant to Government Code Section 54956.9 (d) (1) | |
| Name of Case: Mission Springs Water District vs. Desert Water Agency | |
| C. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION | |
| Pursuant to Government Code Section 54956.9 (d) (1) | |
| Name of Case: Albrecht et al vs. County of Riverside | |

- D. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION
Pursuant to Government Code Section 54956.9 (d) (1)
Name of Case: Abbey et al vs. County of Riverside
- E. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION
Pursuant to Government Code Section 54956.9 (d) (1)
Bonnie Kessner, et al vs. Desert Water Agency, et al
- F. CONFERENCE WITH LEGAL COUNSEL – PENDING LITIGATION
Pursuant to Government Code Section 54956.9 (d) (2)
Possible Intervention in Case: AT&T vs. County of Riverside

12. RECONVENE INTO OPEN SESSION – REPORT FROM CLOSED SESSION

13. ADJOURN

Upon request, this agenda will be made available in appropriate alternative formats to persons with disabilities, as required by Section 202 of the Americans with Disabilities Act of 1990. Any person with a disability who requires a modification or accommodation in order to participate in a meeting is asked to contact Desert Water Agency's Assistant Secretary of the Board, at (760) 323-4971, at least 48 working hours prior to the meeting to enable the Agency to make reasonable arrangements. Copies of records provided to Board members that relate to any agenda item to be discussed in open session may be obtained from the Agency at the address indicated on the agenda.

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

3

September 1, 2020

DWA Board via Joseph K. Stuart, President)
Teleconference: Kristin Bloomer, Vice President)
Craig Ewing, Secretary-Treasurer)
Patricia G. Oygar, Director)
James Cioffi, Director)

DWA Staff via Mark S. Krause, General Manager)
Teleconference: Steve Johnson, Assistant General Manager)
Esther Saenz, Finance Director)
Sylvia Baca, Asst. Secretary of the Board)
Kris Hopping, Human Resources Director)
Ashley Metzger, Outreach & Conserv. Mgr.)

Consultants via Michael T. Riddell, Best Best & Krieger)
Teleconference:

Public via Ray Amico, Palm Springs Resident)
Teleconference: Paul Ortega, Palm Springs Resident)
David Freedman, PS Sustainability Commission)
Randy Duncan, Mission Springs Water District)

18863. President Stuart opened the meeting at 8:00 a.m. and asked everyone to join him in the Pledge of Allegiance. **Pledge of Allegiance**

18864. President Stuart called upon Assistant Secretary of the Board Baca to conduct the roll call: **Roll Call**

Present: Cioffi, Oygar, Ewing, Bloomer, Stuart

18865. President Stuart called for approval of the August 18, 2020 Regular Board Meeting Minutes. **Approval of 08/18/20 Regular Board Mtg. Minutes**

Secretary-Treasurer Ewing moved for approval. After a second by Director Cioffi, the minutes were approved by the following roll call vote: **Approval of 08/18/20 Regular Board Mtg. Minutes (Cont.)**

AYES: Cioffi, Oygur, Ewing, Bloomer, Stuart
 NOES: None
 ABSENT: None
 ABSTAIN: None

18866. President Stuart called upon General Manager Krause to provide an update on Agency operations. **General Manager's Report**

Mr. Krause provided an update on Agency operations and noted his meetings and activities for the past several weeks.

In response to Director Cioffi, Mr. Krause noted will look into an outreach program for Snow Creek.

18867. President Stuart noted the minutes for the August 20, 2020 Human Resources Committee meeting were provided in the Board's packet. **Committee Reports**
 Human Resources
 08/20/20

Vice-President Bloomer reported two new job titles were discussed along with salary and classifications per CalPERS recommendation.

President Stuart noted the minutes for the August 27, 2020 Executive Committee meeting were provided in the Board's packet. **Executive 08/27/20**

18868. President Stuart opened the meeting for public comment. **Public Comment**

Mr. Ortega stated he appreciates the images in the General Manager's report and noted his interest in learning more about the grass removal funding and advanced metering infrastructure. **Mr. Ortega**

Mr. Amico thanked Board and staff for their continued support on upcoming projects and noted his participation in DWA's webinar on locating leaks. He inquired whether there was no development in the Seven Lakes Country Club HOA project. **Mr. Amico**

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

18869. President Stuart called upon Human Resources Director Hopping to Request Approval of Two Additional Position Titles to the Classification and Salary Chart. **Items for Action:**
 Request Approval of Two Additional Position Titles to the Classification & Salary Chart

Mrs. Hopping noted the Agency has a need to add two new job classifications, GIS Specialist I and GIS Specialist II to the current position

classification and salary charts. The reason for this change is to keep up with changing and advancing technologies in the area of Geographic Information Systems (GIS.) She noted staff is not requesting to add any additional staff positions to the budget at this time and there is no impact to the approved budget. Staff is requesting the approval of two new positions titles to be added to the classification and salary listing chart.

Action Items:
(Cont.)

Request Approval of
Two Additional
Position Titles to the
Classification & Salary
Chart

Director Oygar moved for approval. After a second by Director Cioffi, the motion carried by the following roll call vote:

AYES: Cioffi, Oygar, Ewing, Bloomer, Stuart
NOES: None
ABSENT: None
ABSTAIN: None

In response to Secretary-Treasurer Ewing, Mrs. Hopping noted Assistant General Manager Johnson conducted a survey from local agencies to determine the salary range for the two positions.

18870. President Stuart called upon Human Resources Director Hopping to Request Approval of Expired Classification and Salary Charts for Recordkeeping Purposes and CalPERS.

Request Approval of
Expired Classification
& Salary Charts for
Recordkeeping
Purposes & CalPERS

Mrs. Hopping noted on October 10, 2019, Desert Water Agency received notice that CalPERS was conducting an audit of the classification and salary charts dating back to July 1, 2017. In the past, the Agency approved changes to the salary and classification listings as two separate documents. She explained CalPERS requires that the charts be approved by the Board in open session in a format that combines the classification titles, corresponding salary ranges, and actual corresponding salary amount into one chart. She noted the past two changes to the classification listings and salary charts were presented to the Board for approval in the correct format. For recordkeeping purposes the Agency is required to have the Board approve the three previous classification and salary charts in an open session, noting that this will bring the Agency back into compliance with CalPERS regulations. She noted there is no fiscal impact to the approved budget. Staff is requesting the approval of Expired Classification & Salary Charts for Recordkeeping Purposes & CalPERS.

Director Oygar moved for approval. After a second by Secretary-Treasurer Ewing, the motion carried by the following roll call vote:

AYES: Cioffi, Oygar, Ewing, Bloomer, Stuart
NOES: None
ABSENT: None
ABSTAIN: None

18871. President Stuart called upon General Manager Krause to Present Acceptance of Letter Agreement for Legal Services (Terms of Agreement with Best Best & Krieger as General Counsel).

Items for Action:
(Cont.)

Request Acceptance of
Letter Agreement for
Legal Services

Mr. Krause reported that Best Best & Krieger has served as general counsel to Desert Water Agency continuously since 1961, when the Agency was first formed by special act of the California Legislature. That engagement was approved by a simple motion of the Agency's first Board of Directors, at its first meeting. He noted at the July 21 Board meeting, staff was asked to provide a copy of the agreement for legal services. Best Best & Krieger has prepared a letter that documents the terms of that agreement already in place, and the current rates charged for service. This letter has been reviewed by the Executive Committee. Staff requests acceptance of the letter of agreement documenting the terms of service.

Director Oygar moved for approval. After a second by Director Cioffi, the motion carried by the following roll call vote:

AYES: Cioffi, Oygar, Ewing, Bloomer, Stuart
NOES: None
ABSENT: None
ABSTAIN: None

18872. President Stuart called upon Outreach & Conservation Manager to Request Adoption of Resolution No. 1241 Authorizing & Approving Application Submission-U.S. Bureau of Reclamation Water & Energy Efficiency Grant for Grass Removal and Request Adoption of Resolution No. 1242 Authorizing & Approving Application Submission-U.S. Bureau of Reclamation Water & Energy Efficiency Grant for Advanced Metering Infrastructure.

Request Adoption of
Resolution No. 1241 &
No. 1242 Authorizing
& Approving
Application
Submission U.S.
Bureau of Reclamation
Water & Energy
Efficiency Grant for
Grass Removal &
Advanced Metering
Infrastructure.

Mrs. Metzger reported that in February of 2020, Desert Water Agency submitted its first U.S. Bureau of Reclamation (USBR) grant application to both seek \$75,000 in grass removal funding and to help determine its appeal to USBR as an applicant. In June, DWA was notified that USBR accepted the grant application for grass removal. She noted the \$75,000 in USBR funding will be expended quickly as a match to \$290,000 in grass removal funding recently awarded by the Department of Water Resources (DWR) through its Integrated Regional Water Management Program (IRWM Proposition 1 Round 1). In order to maintain its grass removal program as DWA's traditional sources of grant awards have dwindled, the Agency is seeking additional funding through USBR's WaterSMART Water & Energy Efficiency Grant Program (WEEG).

Mrs. Metzger noted that it became clear that the Agency's efforts to transition to an Advanced Metering Infrastructure (AMI), currently underway, would also be a strong candidate for this same grant funding. The

project, a portion of which the Agency is seeking grant funds for, will eliminate the need to walk or drive by water meters to collect reads. This program is expected to yield significant leak reduction and water savings by providing customers with near real-time water use data. She explained the Agency plans to submit two \$500,000 grant applications to USBR's WEEG program no later than September 17 with grant writing assistance from Engineering Solutions Service, who recently helped Mission Springs Water District earn a grant award from USBR's WEEG program for AMI. She noted if both applications are successful, USBR has confirmed that the Agency can accept \$500,000 for each of the projects. The Agency would have a two-year timeframe to complete the projects – with tentative completion in March of 2023. DWA can also leverage these grant applications to re-apply for USBR WEEG funding, which is traditionally open for applications in September or October each year.

Items for Action:
(Cont.)

Request Adoption of
Resolution No. 1241 &
No. 1242

Mrs. Metzger pointed out that USBR applications require a resolution by the Agency to commit the matching funds needed for the grant. Resolution No. 1241, for the grass removal project, notes matching funds would come from secured DWR IRWM Proposition 1 Round 1 (approximately \$215,000) and the Agency's own water conservation budget (approximately \$285,000), which has support from Sentinel Energy Center, or from additional grants secured in the future. Resolution No. 1242, for the AMI project, notes that the matching funds would come exclusively from the Agency's budget though staff will remain alert to other grant opportunities that could offset Agency expenditure. Staff recommends adoption of Resolution No. 1241 & Resolution No. 1242 authorizing and approving application submissions to the U.S. Bureau of Reclamation Water & Energy Efficiency Grant Program for grass removal and AMI.

Secretary-Treasurer Ewing requested a change to the 4th Whereas, to add "AMI will allow" to the beginning of that sentence.

Director Oygar moved for approval, noting the requested change. After a second by Director Cioffi, the motion carried by the following roll call vote:

AYES: Cioffi, Oygar, Ewing, Bloomer, Stuart
NOES: None
ABSENT: None
ABSTAIN: None

RESOLUTION NO. 1241
RESOLUTION OF THE BOARD OF DIRECTORS OF DESERT
WATER AGENCY AUTHORIZING AND APPROVING
SUBMISSION OF AN APPLICATION FOR A US BUREAU OF
RECLAMATION WATER AND ENERGY EFFICIENCY GRANT
FOR GRASS REMOVAL

Items for Action:
(Cont.)

Request Adoption of
Resolution No. 1241 &
No. 1242

Resolution No. 1241
Adopted

RESOLUTION NO. 1242
RESOLUTION OF THE BOARD OF DIRECTORS OF DESERT
WATER AGENCY AUTHORIZING AND APPROVING
SUBMISSION FOR AN APPLICATION FOR A US BUREAU OF
RECLAMATION WATER AND ENERGY EFFICIENCY GRANT
FOR ADVANCED METERING INFRASTRUCTURE

Resolution No. 1242
Adopted

18873. President Stuart noted that Board packets included Outreach & Conservation reports for August 2020.

Discussion Items:
Outreach &
Conservation – August
Activities & Events

18874. Vice President Bloomer reported her attendance at the NWRA Virtual Table Talk series. One item she highlighted was the Army Corp of Engineers who explained they are trying to streamline and speedup approvals.

Directors' Report on
NWRA Virtual
Conference Attendance
Vice President
Bloomer

Director Cioffi reported his attendance at the NWRA Virtual Table Talk series noting the following sessions he attended; August 19, the Urban Water Institute Study Session with Felicia Marcus and Pat Mulroy, also August 19 the NWRA session regarding title transfers, August 20 a session presented by archaeologist Christine Varah, and on August 27 a session presented by two Army Corp of Engineers regarding leading from the top.

Director Cioffi

President Stuart reported his attendance at the NWRA Virtual Table Talk series. He attended a session regarding title transfers and a session presented by an archaeologist who presented a PowerPoint presentation.

President Stuart

18875. At 9:30 a.m., President Stuart convened into a Teleconference Closed Session for the purpose of Conference with Legal Counsel, (A) Existing Litigation, pursuant to Government Code Section 54956.9 (d) (1), Agua Caliente Band of Cahuilla Indians vs. Coachella Valley Water District, et al (2 cases); (B) Existing Litigation, pursuant to Government Code Section 54956.9 (d) (1), Mission Springs Water District vs. Desert Water Agency; (C) Existing Litigation, pursuant to Government Code Section 54956.9 (d) (1), Albrecht et al vs. County of Riverside; (D) Existing Litigation, pursuant to Government Code Section 54956.9 (d) (1), Abbey et al vs. County of Riverside; (E) Existing Litigation, pursuant to Government Code Section 54956.9 (d) (1) Bonnie Kessner, et al vs. Desert Water Agency, et al; and (F) Pending Litigation, Pursuant to Government Code Section 54956.9 (d) (2), Possible Intervention in Case: AT&T vs. County of Riverside.

Closed Session:

A. Existing Litigation –
ACBCI vs. CVWD, et
al. (2 cases)
B. Existing Litigation –
MSWD vs. DWA
C. Existing Litigation –
Albrecht et al vs.
Riverside County
D. Existing Litigation –
Abbey et al vs.
Riverside County
E. Existing Litigation-
Bonnie Kessner, et al
vs. Desert Water
Agency et al
F. Pending Litigation -
Possible Intervention in
Case: AT&T vs.
County of Riverside

18876. At 10:23 a.m., General Manager Krause reconvened the meeting into open session and announced there was no reportable action taken.

Reconvene – No
Reportable Action

18877. In the absence of any further business, General Manager Krause adjourned the meeting at 10:24 a.m.

Adjournment

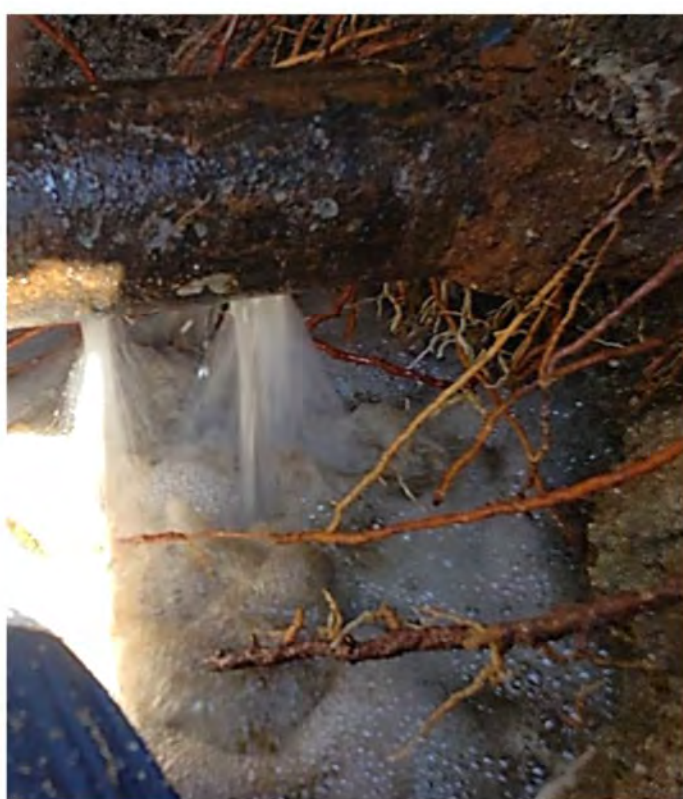
Sylvia Baca
Assistant Secretary of the Board

DRAFT

GENERAL MANAGER'S REPORT SEPTEMBER 15, 2020

Twin Palms Drive Leak

On August 29 at approximately 11:00 a.m., Construction stand-by responded to a leak at 1003 E. Twin Palms Drive. The leak was from a 6-inch water main where one of the holes was 2-inches in diameter and the other was 3/4 inches. A 6" x 12" full circle clamp was used to repair both leaks. Staff cleaned up the street, customer's yard, and landscape rock.



Damaged Fire Hydrant (B Street)

On September 1 at approximately 10:30 a.m., Construction staff responded to a report of a hit fire hydrant on B Street in Cathedral City. Staff replaced the hydrant and placed it back in service. The water loss was from a fully open fire hydrant bury which ran for approximately 10 minutes. A police report was filed.



Damaged Fire Hydrant (Toledo Ave.)

On September 5 at approximately 4:00 a.m., Construction stand-by responded to a report of a hit fire hydrant on Toledo Ave. Staff placed the hydrant back in service. A police report was filed (hit and run). Water loss was from a fully open 6-inch fire hydrant bury which ran for approximately 25 minutes.



Damaged Fire Hydrant (Sunrise Way)

On September 7 at approximately 10:45 a.m., Construction stand-by responded to a report of a hit fire hydrant on Sunrise Way and Arenas Rd. Staff placed the hydrant back in service. The water loss was from a fully open fire hydrant bury which ran for approximately 20 minutes. A police report was filed.



SWP Delivery and Whitewater Hydro Generation Update

On Monday August 31, MWD began water deliveries to the Whitewater spreading basins and on September 8 at 8:00 a.m. the Whitewater Hydro was placed online. At approximately 4:00 pm that same day, the plant shut off due to an electrical service interruption. High winds were present in the canyon and most likely caused the SCE interruption. A DWA operations technician immediately responded to the alarm, and was on site to restart the plant within 30 minutes. At approximately 5:45 p.m., the plant once again tripped. As a result of these events, it was decided to keep the plant offline and a meeting was arranged for the following morning between CVWD and DWA to discuss the operation of the plant.

Over the last two or three years, CVWD personnel have observed water quality issues within the channel if the hydro plant shuts down and is not restarted within 20 to 30 minutes. The disruption in the flow stirs up the silt which causes maintenance issues at the pond headworks for CVWD. This problem is also a concern for DWA because we contribute to the costs for pond maintenance and although we try and respond to a hydro alarm within 30 minutes, it is not always possible.

During the September 9 meeting, CVWD and DWA decided that the plant should remain off until a new SOP is developed, focusing on how to proceed during potential high wind events. Staff members from both CVWD and DWA are working on a draft SOP, and along with the help of MWD, anticipate a completed document by Friday September 18. Key components of the new SOP will address operations during weather conditions (high wind events, flood warnings) and appropriate lines of communications for field staff.

It was anticipated that the plant would generate between \$30,000 and \$35,000 in power for the month. If the plant can be put back online by September 21, we estimate generating approximately \$12,000 to \$15,000 for the month of September. It should be noted that MWD has tentatively scheduled water deliveries through the month of October providing for more opportunities to run the plant.

Blood Drive

DWA will be hosting a blood drive on September 17 from 9:00 a.m. - 2:00 p.m. In order to maintain social distancing you must make an appointment to donate. Appointments can be made online by clicking here: https://giftoflife.lstream.org/donor/schedules/drive_schedule/89098

All donors will also be screened for COVID-19 Antibodies as a free service. Information on this new benefit for donors can be found here: <https://www.lstream.org/covid-19/antibodytesting/>

Blood donations are needed now more than ever. Please make an appointment to donate if you are able. You will need to wear a mask throughout the donation process and you will need to show photo ID at the time of your donation.

Human Resource's Meetings and Activities

Meetings:

08/18/2020	DWA Board Meeting	Virtual Meeting	
08/19/2020	College of the Desert HR Advisory Committee Meeting		Virtual Meeting
08/20/2020	HR Committee Meeting	Virtual Meeting	
08/24/2020	Weekly Staff Meeting	Virtual Meeting	
08/31/2020	Weekly Staff Meeting	Virtual Meeting	
09/01/2020	DWA Board Meeting	Virtual Meeting	
09/08/2020	Weekly Staff Meeting	Virtual Meeting	
09/14/2020	Weekly Staff Meeting	Virtual Meeting	

Activities:

08/20/2020	DWA Webinar: Tech & Tips to Locate Leaks		Online Webinar
08/24/2020	New Employee Orientation		DWA Offices
08/31/2020	DOT Random Testing		DWA Offices
09/01/2020	Benefits Renewal Webinar		Online Webinar

SYSTEM LEAK DATA

(PERIOD BEGINNING AUGUST 25, 2020 THRU SEPTEMBER 7, 2020)

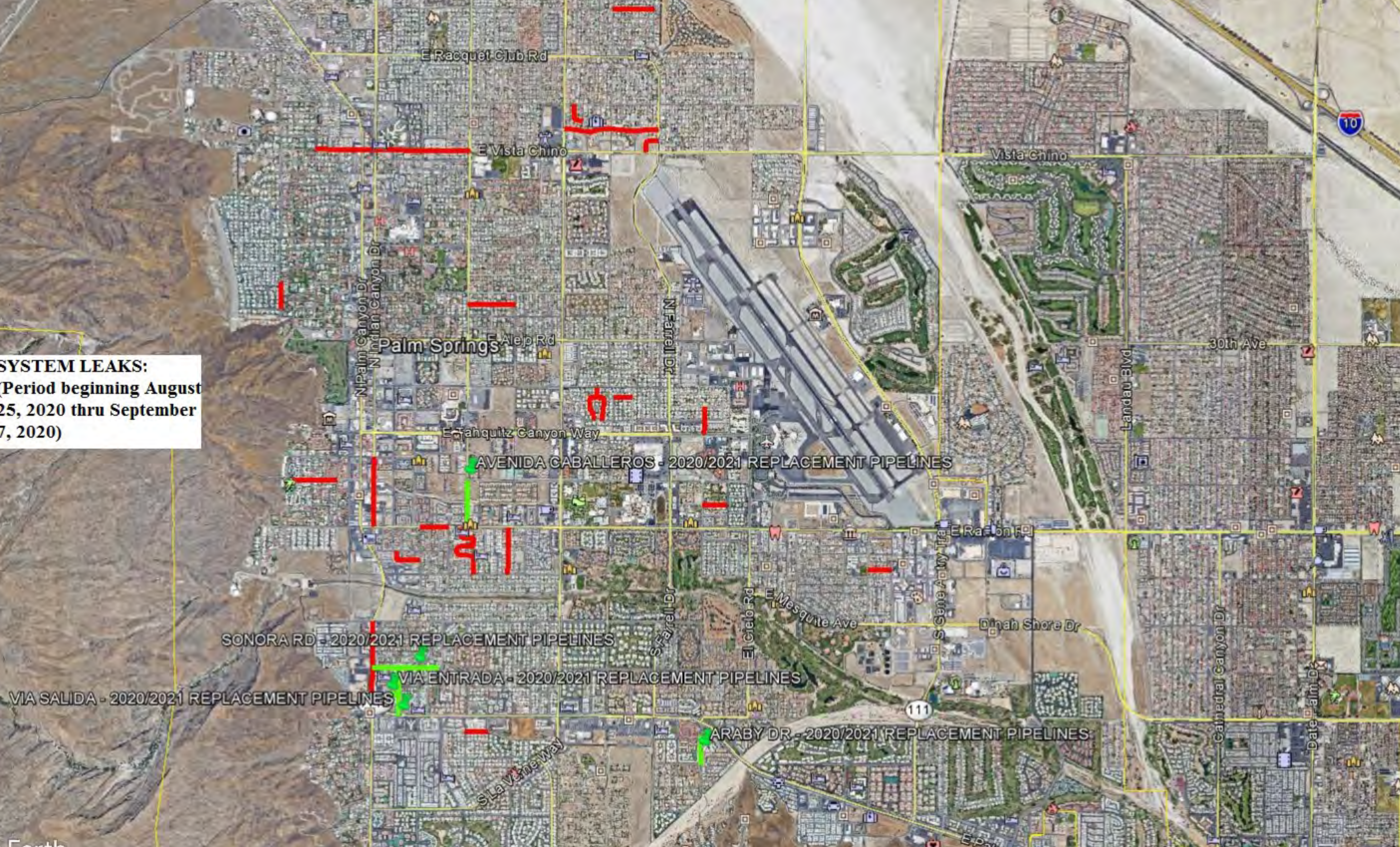
STREET NAME	NUMBER OF LEAKS	PIPE DIAMETER (INCHES)	YEAR INSTALLED	PIPE MATERIAL	PIPE CONSTRUCTION
VISTA CHINO	3	20	1949	STEEL	BARE/UNLINED
S PALM CANYON DR	3	10	1938	STEEL	BARE/UNLINED
VIA VAQUERO RD	3	4	1958	STEEL	BARE/UNLINED
VIA MONTE VISTA	2	8	1953	STEEL	BARE/UNLINED
SONORA RD	2	6	1936	STEEL	BARE/UNLINED
ARABY DR	2	6	1947	STEEL	BARE/UNLINED
INDIAN CANYON DR	2	6	1951	STEEL	BARE/UNLINED
TWIN PALMS DR	2	6	1955	STEEL	BARE/UNLINED
VIA SALIDA	2	4	1937	STEEL	BARE/UNLINED
WARM SANDS DR	2	4	1946	STEEL	BARE/UNLINED
AVENIDA CABALLEROS	1	14	1953	STEEL	BARE/UNLINED
FRANCIS DR	1	8	1957	STEEL	BARE/UNLINED
DESERT PARK AVE	1	6	1955	STEEL	BARE/UNLINED
LOUELLA RD	1	6	1955	STEEL	BARE/UNLINED
THORNHILL RD	1	6	1955	STEEL	BARE/UNLINED
RAMON RD	1	6	1955	STEEL	BARE/UNLINED
BARISTO RD	1	4	1937	STEEL	BARE/UNLINED
VIA ENTRADA	1	4	1937	STEEL	BARE/UNLINED
CERRITOS DR	1	4	1946	STEEL	BARE/UNLINED
CAMINO SAN MIGUEL	1	4	1946	STEEL	BARE/UNLINED
VIA ALTAMIRA	1	4	1954	STEEL	BARE/UNLINED
CALLE ROCA	1	4	1954	STEEL	BARE/UNLINED
NICOLA RD W	1	4	1955	STEEL	BARE/UNLINED
SHARON RD	1	4	1955	STEEL	BARE/UNLINED
TERRY LN	1	4	1956	STEEL	BARE/UNLINED

TOTAL LEAKS IN SYSTEM: 38

Streets highlighted in green are being proposed as part of the **2020/2021 Replacement Pipeline Project**

SYSTEM INFORMATION:	
OLDEST PIPE IN THE SYSTEM (YEAR OF INSTALLATION):	1935
AVERAGE YEAR OF INSTALLATION OF UNLINED STEEL PIPE (SYSTEMWIDE):	1952
AVERAGE AGE OF UNLINED STEEL PIPE (SYSTEMWIDE):	66 YEARS
AVERAGE AGE OF PIPELINE AT THE TIME OF REPLACEMENT:	68 YEARS
TOTAL LENGTH OF PIPE IN SYSTEM OLDER THAN 70 YEARS (LINEAR FEET):	128,186
TOTAL LENGTH OF UNLINED PIPE SYSTEMWIDE (LINEAR FEET):	297,672
*AVERAGE LENGTH OF PIPE REPLACED ANNUALLY (LINEAR FEET):	14,500
PROJECTED TIME FRAME FOR 100% REPLACEMENT OF UNLINED STEEL PIPE:	21 YEARS
PROJECTED TIME FRAME FOR 100% REPLACEMENT OF PIPE OLDER THAN 70 YEARS:	9 YEARS
YEAR AGENCY TRANSITIONED TO CEMENT LINED STEEL PIPE:	1960
<p>*PLEASE NOTE THIS FIGURE REPRESENTS THE AVERAGE LINEAR FOOTAGE OF PIPELINE REPLACED ANNUALLY GIVEN AN AVERAGE ANNUAL BUDGET OF \$3 MILLION.</p>	

SYSTEM LEAKS:
(Period beginning August 25, 2020 thru September 7, 2020)



AVENIDA CABALLEROS - 2020/2021 REPLACEMENT PIPELINES

SONORA RD - 2020/2021 REPLACEMENT PIPELINES

VIA ENTRADA - 2020/2021 REPLACEMENT PIPELINES

VIA SALIDA - 2020/2021 REPLACEMENT PIPELINES

ARABY DR - 2020/2021 REPLACEMENT PIPELINES

General Manager's Meetings and Activities

Meetings:

09/01/20	DWA Bi-Monthly Board Mtg.	Conf Call
09/01/20	MCSB Quarterly GM Meeting.	Conf Call
09/02/20	SWC Class 8 DCA Governance	Conf Call
09/02/20	Staff Mtg on Recycled Water Workshop	Conf Call
09/03/20	SGP GSP Review	Conf Call
09/08/20	DWA Weekly Staff Mtg.	Conf Call
09/08/20	SWC DCA Formation Agreement Mtg.	Conf Call
09/08/20	WWRF BLM Right of Way Grant Cooperators Mtg	Conf Call
09/08/20	K&S Mtg to discuss DWA Historical Water Deliveries	Conf Call
09/09/20	CVWD Mtg. WW Hydro Operations Protocols	Conf Call
09/09/20	MWD/DWA/MWD Coord. Mtg. Init. 2021 SWP Deliveries	Conf Call
09/10/20	DWA Executive Cmte Mtg.	Conf Call
09/10/20	SWC Class 8 DCA Governance	Conf Call
09/14/20	DWA Weekly Staff Mtgs.	Conf Call
09/15/20	DWA Bi-Monthly Board Mtg.	Conf Call
09/15/20	MCSB SGMA GSP Update Mtg	Conf Call

Activities:

- 1) SWP Contract Extension Amendment
- 2) DWA Remote Meter Reading Fixed Network
- 3) Whitewater Hydro – Automatic Re-start
- 4) State and Federal Contractors Water Authority and Delta Specific Project Committee (Standing)
- 5) Whitewater River Surface Water Recharge
- 6) Lake Oroville Spillway FEMA funding
- 7) Replacement Pipelines 2020-2021
- 8) DC Project – Finance JPA Committee (Standing)
- 9) DWA/CVWD/MWD Operations Coordination/Article 21/Pool A/Pool B/Yuba Water (Standing)
- 10) DWA/CVWD/MWD Exchange Agreement Coordination Committee (Standing)
- 11) SWP 2020 Water Supply
- 12) ACBCI Water Rights Lawsuit
- 13) Whitewater Hydro Operations Coordination with Recharge Basin O&M
- 14) SGMA Tribal Stakeholder Meetings
- 15) Whitewater Spreading Basins – BLM Permits
- 16) Lake Perris Dam Seepage Recovery Project Participation
- 17) Delta Conveyance Project Cost Allocation
- 18) DWA Surface Water Filtration Feasibility Snow Creek Village/Palm Oasis
- 19) MCSB Delivery Updates
- 20) Well 6 Meaders Cleaners RWQB Meetings
- 21) SWP East Branch Enlargement Cost Allocation
- 22) UWMP Population Calculation Update/Valley-Wide UWMP
- 23) RWQCB Update to the SNMP
- 24) SGMA – San Gorgonio Pass Subbasin

Minutes
Executive Committee Meeting
September 10, 2020

Directors Present: Joseph Stuart, Kristin Bloomer

Staff Present: Mark Krause, Steve Johnson, Esther Saenz, Sylvia Baca,
Ashley Metzger

1. Discussion Items

A. Review Agenda for September 15, 2020 Regular Board Meeting

The proposed agenda for the September 1, 2020 meeting was reviewed.

B. Recycled Water Workshop

Staff informed the Committee on information regarding recycled water. Setting a date for a special board meeting/workshop will be discussed at the September 15 meeting.

2. Adjourn

DESERT WATER AGENCY
STATEMENT OF CASH RECEIPTS AND EXPENDITURES

OPERATING ACCOUNT

JULY 2020

INVESTED
RESERVE FUNDS
\$31,261,147.89

BALANCE	JULY 1, 2020	(\$532,905.56)	
WATER SALES		\$3,942,682.46	
RECLAMATION SALES		148,600.09	
WASTEWATER RECEIPTS		99,505.44	
POWER SALES		8,094.52	
METERS, SERVICES, ETC.		282,638.00	
REIMBURSEMENT – GENERAL FUND		0.00	
REIMBURSEMENT – WASTEWATER FUND		20,960.00	
ACCOUNTS RECEIVABLE – OTHER		1,342.38	
CUSTOMER DEPOSITS – SURETY		3,028.00	
CUSTOMER DEPOSITS – CONST.		76,056.00	
LEASE REVENUE		3,779.89	
INTEREST RECEIVED ON INV. FDS.		92,609.38	
FRONT FOOTAGE FEES		0.00	
BOND SERVICE & RESERVE FUND INT		0.00	
MISCELLANEOUS		<u>102,509.15</u>	
TOTAL RECEIPTS		\$4,781,805.31	
PAYMENTS			
PAYROLL CHECKS		\$519,088.58	
PAYROLL TAXES		228,927.10	
ELECTRONIC TRANSFERS		2,572,535.61	
CHECKS UNDER \$10,000.00		206,476.48	
CHECKS OVER \$10,000.00 – SCH. #1		2,409,557.49	
CANCELLED CHECKS AND FEES		<u>22,277.97</u>	
TOTAL PAYMENTS		<u>\$5,958,863.23</u>	
NET INCOME		(\$1,177,057.92)	
BOND SERVICE ACCOUNT			
MONTHLY WATER SALES		\$0.00	
EXCESS RETURNED BY B/A		<u>\$0.00</u>	
BOND SERVICE FUND			\$0.00
INVESTED RESERVE FUNDS			
FUNDS MATURED		\$4,241,000.00	
FUNDS INVESTED – SCH. #3		<u>1,867,609.38</u>	
NET TRANSFER			\$2,373,390.62 (\$2,373,390.62)
BALANCE	JULY 31, 2020	<u>\$663,427.14</u>	<u>\$28,887,757.27</u>

JULY 2020

DESERT WATER AGENCY

OPERATING ACCOUNT

SCHEDULE #1-CHECKS OVER \$10,000

CHECK #	NAME	DESCRIPTION	AMOUNT
125957	ACWA/JPIA	HEALTH, DENTAL & VISION INSURANCE PREMIUMS - JULY 2020	\$217,252.84
125959	ACWA/JPIA	WORKERS COMPENSATION PREMIUM / APRIL - JUNE 2020	\$65,139.35
125971	BADGER METER INC	WATER SERVICE SUPPLIES	\$16,387.50
125974	BEST BEST & KRIEGER LLP	LEGAL FEES	\$111,398.70
125979	CLEANEXCEL INC	CLEANING SERVICES - JUNE 2020	\$29,104.00
125985	D&R SELECT CONSTRUCTION INC.	BLOCK WALL REPAIR ON WELL 10	\$13,025.88
125993	FRONTIER	EQUIPMENT CHARGES	\$11,267.17
126003	J COLON COATINGS INC	RESERVOIR #18 MAINTENANCE RETENTION	\$11,515.00
126005	KRIEGER & STEWART INC	ENGINEERING	\$192,796.84
126013	OUTFLOW TECHNOLOGIES	PROGRAMMING JUNE 2020 - MODERNIZATION PROJECT (W/O # 18-179-M)	\$35,045.00
126038	SOUTHERN CALIFORNIA EDISON	POWER	\$325,170.97
126040	THATCHER COMPANY OF CALIFORNIA	WATER SERVICE SUPPLIES	\$15,395.43
126058	VENTURE PACIFIC INSURANCE SERVICES	EARTHQUAKE INSURANCE RENEWAL 2020/2021	\$52,128.25
126059	ACWA/JPIA	2020/2021 MEMBERSHIP DUES	\$24,667.66
126064	DESERT WATER AGENCY	SEWER CAPACITY CHARGE - JONES CREE VENTURES EAST LLC	\$20,960.00
126076	ACWA/JPIA	HEALTH, DENTAL & VISION INSURANCE PREMIUMS - AUGUST 2020	\$213,011.72
126106	DESERT WATER AGENCY	WASTEWATER REVENUE BILLING - JULY 2020	\$181,600.59
126107	DESERT WATER AGENCY	GENERAL FUND INTERFUND PAYABLES & 2019/2020 4TH QTR GROUNDWATER	\$729,257.98
126129	JT TECH INC	EXTREME NETWORKS SERVICE UNIT	\$16,863.61
126139	SOCIAL & ENVIRONMENTAL ENTPT	CADC FY MEMBERSHIP 2020/2021	\$10,000.00
126146	Z&L PAVING, INC	PAVING	\$34,047.00
126155	SUNRISE EAST	TURF BUY BACK REBATE	\$42,370.00
126157	VILLA DE LAS FLORES	TURF BUY BACK REBATE	\$21,636.00
126158	PALM SPRINGS SEVENTH-DAY	TURF BUY BACK REBATE	\$19,516.00
		** TOTAL	\$2,409,557.49

DESERT WATER AGENCY
OPERATING FUND - LISTING OF INVESTMENTS
July 31, 2020

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

06-30-83	State of California	LAIF		Open	\$ 23,887,297.27	\$ 23,887,297.27	\$ 23,887,297.27	0.820%	-
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Certificates of Deposit

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

10-04-19	Union Bank	Wells Fargo	09-09-21	09-09-22	\$ 1,000,710.00	\$ 1,000,000.00	\$ 1,016,540.00	2.044%	1 Time
Total Commerical Paper					\$ 1,000,710.00	\$ 1,000,000.00	\$ 1,016,540.00		

Government Agency

02-10-22	Union Bank	FHLMC	08-10-20	08-10-22	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,280.00	1.650%	Quarterly
04-29-20	Union Bank	FFCB	04-29-21	04-29-24	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,001,100.00	0.740%	Continuous
06-16-20	Union Bank	FNMA	12-09-20	06-09-25	\$ 999,750.00	\$ 1,000,000.00	\$ 1,000,240.00	0.805%	Quarterly
06-30-20	Union Bank	FNMA	06-30-21	06-30-25	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,600.00	0.730%	Quarterly
Total Government Agency					\$ 3,999,750.00	\$ 4,000,000.00	\$ 4,002,220.00		

Weighted Mean YTM 0.935%

TOTAL INVESTED @ 07/31/20	\$	28,887,757.27	\$	28,887,297.27	\$	28,906,057.27
BALANCE @ 06/30/20	\$	31,261,147.89				
INCREASE (DECREASE)		(\$2,373,390.62)				

DESERT WATER AGENCY
STATEMENT OF CASH RECEIPTS AND EXPENDITURES

GENERAL ACCOUNT

JULY 2020

INVESTED
RESERVE FUNDS
\$158,047,100.68

BALANCE	JULY 1, 2020	\$1,286,704.98	
* TAXES - RIVERSIDE COUNTY		0.00	
* INTEREST EARNED - INV. FUNDS		272,852.79	
GROUNDWATER REPLEN. ASSESSMENT		778,569.33	
REIMBURSEMENT - OPERATING FUND		0.00	
REIMBURSEMENT - CVWD MGMT AGRMT		0.00	
STATE WATER PROJECT REFUNDS		0.00	
REIMB - CVWD - WHITEWATER HYDRO		5,074.72	
POWER SALES - WHITEWATER		0.00	
MISCELLANEOUS		<u>4,276.46</u>	
TOTAL RECEIPTS		\$1,060,773.30	
PAYMENTS			
CHECKS UNDER \$10,000.00		18,144.61	
CHECKS OVER \$10,000.00 - SCH. #1		3,636,111.34	
CANCELLED CHECKS AND FEES		<u>0.00</u>	
TOTAL PAYMENTS		<u>\$3,654,255.95</u>	
NET INCOME		(\$2,593,482.65)	
INVESTED RESERVE FUNDS			
FUNDS MATURED		22,880,500.00	
FUNDS INVESTED – SCH. #2		<u>19,253,309.04</u>	
NET TRANSFER		\$3,627,190.96	(\$3,627,190.96)
BALANCE JULY 31, 2020		<u>\$2,320,413.29</u>	<u>\$154,419,909.72</u>

* INCLUSIVE TO DATE	TAXES	INTEREST
RECEIPTS IN FISCAL YEAR	\$0.00	\$272,852.79
RECEIPTS IN CALENDAR YEAR	\$24,804,065.38	\$1,779,801.93

JULY 2020

DESERT WATER AGENCY

GENERAL ACCOUNT

SCHEDULE #1-CHECKS OVER \$10,000

CHECK #	NAME	DESCRIPTION	AMOUNT
9405	COUNTY OF RIVERSIDE	LAFCO FY 2020-2021FEES	\$13,847.25
9406	STATE WATER CONTRACTORS	DELTA CONVEYANCE PROJECT FUND FY 2020-2021 MEMBER DUES	\$25,441.00
9409	STATE OF CA. DEPT. OF WATER RESOURCES	STATE WATER PROJECT ENTITLEMENT- JULY 2020	\$26,122.84
9411	COACHELLA VALLEY WATER DISTRICT	WHITewater MANAGEMENT AGREEMENT EXPENSES	\$116,379.00
9412	WATER SYSTEMS CONSULTING, INC	REGIONAL URBAN WATER MANAGEMENT PLAN	\$10,361.25
9415	STATE OF CA. DEPT. OF WATER RESOURCES	STATE WATER PROJECT - JUNE 2020	\$3,443,960.00
		** TOTAL	\$3,636,111.34

**DESERT WATER AGENCY
GENERAL FUND - LISTING OF INVESTMENTS
July 31, 2020**

PURCHASE DATE	NAME	DESCRIPTION	CALLABLE	MATURITY DATE	COST	PAR VALUE	MARKET VALUE	YIELD TO MATURITY	CALLABLE STATUS
Local Agency Investment Fund									
06-30-83	State of California	LAIF	Bullet	Open	\$ 38,783,278.72	\$ 38,783,278.72	\$ 38,783,278.72	0.820%	-
Certificates of Deposit									
05-29-19	Piper Sandler	Sallie Mae Bank	Bullet	05-31-22	\$ 245,000.00	\$ 245,000.00	\$ 255,508.05	2.500%	Bullet
05-30-19	Piper Sandler	Ally bank	Bullet	05-31-22	\$ 245,000.00	\$ 245,000.00	\$ 255,493.35	2.500%	Bullet
06-05-19	Piper Sandler	Goldman Sachs	Bullet	06-06-22	\$ 245,000.00	\$ 245,000.00	\$ 255,584.00	2.500%	Bullet
06-06-19	Piper Sandler	Morgan Stanley Bank	Bullet	06-06-22	\$ 245,000.00	\$ 245,000.00	\$ 255,811.85	2.550%	Bullet
06-06-19	Piper Sandler	Morgan Stanley Private Bank	Bullet	06-06-22	\$ 245,000.00	\$ 245,000.00	\$ 255,811.85	2.550%	Bullet
06-07-19	Piper Sandler	Synchrony Bank (GE)	Bullet	06-07-22	\$ 245,000.00	\$ 245,000.00	\$ 255,145.45	2.400%	Bullet
Total Certificates of Deposit					\$ 1,470,000.00	\$ 1,470,000.00	\$ 1,533,354.55		
Medium Term Notes									
02-19-19	Alamo Capital	Toyota Motor Corp MTN	Bullet	07-13-22	\$ 1,399,076.00	\$1,400,000.00	\$ 1,464,316.00	2.800%	Bullet
07-18-19	Alamo Capital	Toyota Motor Corp MTN	Bullet	09-08-22	\$ 1,000,000.00	\$1,000,000.00	\$ 1,035,680.00	2.150%	Bullet
09-16-19	Alamo Capital	Apple Inc. MTN		08-11-24	\$ 990,552.00	\$1,000,000.00	\$ 1,053,310.00	2.000%	1 Time
10-04-19	Union Bank	Wells Fargo Bank NA		09-09-21	\$ 2,001,420.00	\$2,000,000.00	\$ 2,033,080.00	2.044%	1 Time
10-21-19	Alamo Capital	Toyota Motor Corp MTN	Bullet	10-07-24	\$ 1,499,994.00	\$1,500,000.00	\$ 1,578,690.00	2.000%	Bullet
10-23-19	Alamo Capital	American Honda Finance	Bullet	09-10-24	\$ 3,011,474.00	\$3,000,000.00	\$ 3,168,750.00	2.000%	Bullet
11-22-19	Union Bank	Exxon Mobile Corp		01-01-23	\$ 2,055,180.00	\$2,000,000.00	\$ 2,113,780.00	1.809%	Continuous
12-20-19	Stifel	Microsoft		02-01-23	\$ 2,034,620.00	\$2,000,000.00	\$ 2,109,900.00	1.872%	Continuous
01-30-20	Stifel	VISA Inc		10-14-22	\$ 2,065,680.00	\$2,000,000.00	\$ 2,113,680.00	1.625%	1 Time
03-17-20	Union Bank	Exxon Mobile Corp	Bullet	08-16-22	\$ 3,037,470.00	\$3,000,000.00	\$ 3,098,280.00	1.373%	Bullet
04-03-20	Alamo Capital	John Deere	Bullet	09-08-22	\$ 1,003,535.00	\$1,000,000.00	\$ 1,037,940.00	2.000%	Bullet
04-24-20	Stifel	United Parcel Service		08-01-24	\$ 2,083,740.00	\$2,000,000.00	\$ 2,123,320.00	1.209%	Continuous
05-06-20	Alamo Capital	Bank of NY Mellon		03-24-25	\$ 1,020,000.00	\$1,000,000.00	\$ 1,046,060.00	1.177%	Continuous
06-05-20	Stifel	3M		03-15-25	\$ 3,258,120.00	\$3,000,000.00	\$ 3,278,580.00	0.811%	Continuous
06-18-20	Stifel	Walmart		10-15-24	\$ 2,173,300.00	\$2,000,000.00	\$ 2,180,100.00	0.619%	Continuous
06-24-20	Stifel	Citibank NA		12-23-23	\$ 3,297,000.00	\$3,000,000.00	\$ 3,312,420.00	0.837%	Continuous
07-08-20	Stifel	Chevron Corp		01-03-24	\$ 3,239,700.00	\$3,000,000.00	\$ 3,234,090.00	0.677%	Continuous
Total Commercial Paper					\$ 35,170,861.00	\$ 33,900,000.00	\$ 35,981,976.00		
Government Agency									
08-12-19	Union Bank	FFCB		08-12-20	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,510.00	2.120%	Continuous
09-06-19	Alamo Capital	FNMA	Bullet	09-06-22	\$ 996,520.00	\$ 1,000,000.00	\$ 1,025,250.00	1.494%	Bullet
09-11-19	Stifel	FFCB		09-11-20	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,990.00	1.900%	Continuous
09-23-19	Piper Sandler	FFCB		09-23-20	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,002,440.00	2.000%	Continuous
10-15-19	Stifel	FFCB		10-15-20	\$ 3,000,000.00	\$ 3,000,000.00	\$ 3,008,310.00	1.920%	Continuous
10-15-19	Piper Sandler	FHLMC		10-15-20	\$ 3,000,000.00	\$ 3,000,000.00	\$ 3,008,220.00	1.875%	Quarterly
10-16-19	Stifel	FHLB		10-16-20	\$ 3,000,000.00	\$ 3,000,000.00	\$ 3,009,540.00	2.000%	Annual
11-04-19	Piper Sandler	FHLB		11-04-21	\$ 3,000,000.00	\$ 3,000,000.00	\$ 3,050,220.00	1.875%	Continuous
11-25-19	Piper Sandler	FFCB		11-25-20	\$ 3,000,000.00	\$ 3,000,000.00	\$ 3,014,190.00	1.710%	Continuous
11-27-19	Stifel	FFCB		11-27-20	\$ 3,000,000.00	\$ 3,000,000.00	\$ 3,013,860.00	1.790%	Continuous
12-11-19	Piper Sandler	FHLB		12-11-20	\$ 3,000,000.00	\$ 3,000,000.00	\$ 3,015,540.00	1.850%	Continuous
12-30-19	Union Bank	FHLMC		12-28-20	\$ 3,000,000.00	\$ 3,000,000.00	\$ 3,019,050.00	1.900%	Quarterly
12-30-19	Piper Sandler	FHLMC		12-28-20	\$ 3,000,000.00	\$ 3,000,000.00	\$ 3,019,140.00	1.850%	Annual
02-10-20	Union Bank	FHLMC		08-10-20	\$ 3,000,000.00	\$ 3,000,000.00	\$ 3,000,840.00	1.650%	Quarterly

**DESERT WATER AGENCY
GENERAL FUND - LISTING OF INVESTMENTS
July 31, 2020**

PURCHASE DATE	NAME	DESCRIPTION	CALLABLE	MATURITY DATE	COST	PAR VALUE	MARKET VALUE	YIELD TO MATURITY	CALLABLE STATUS
02-12-20	Union Bank	FHLMC	02-12-21	02-12-25	\$ 3,000,000.00	\$ 3,000,000.00	\$ 3,019,230.00	1.800%	Annual
02-18-20	Stifel	FHLMC	02-18-21	02-18-25	\$ 3,000,000.00	\$ 3,000,000.00	\$ 3,018,180.00	1.700%	1 Time
02-25-20	Piper Sandler	FHLMC STEP	08-25-20	02-25-25	\$ 3,000,000.00	\$ 3,000,000.00	\$ 3,002,160.00	1.750%	Quarterly
03-24-20	Stifel	FFCB	03-24-21	03-24-23	\$ 3,000,000.00	\$ 3,000,000.00	\$ 3,011,610.00	1.000%	Continuous
03-25-20	Piper Sandler	FHLB	03-25-21	03-25-25	\$ 3,000,000.00	\$ 3,000,000.00	\$ 3,009,000.00	1.200%	Continuous
04-06-20	Piper Sandler	FHLB	04-06-21	04-06-23	\$ 3,000,000.00	\$ 3,000,000.00	\$ 3,012,030.00	0.875%	Continuous
04-14-20	Alamo Capital	FHLMC	04-14-20	04-14-25	\$ 3,000,000.00	\$ 3,000,000.00	\$ 3,000,870.00	1.125%	Quarterly
04-17-20	Piper Sandler	FHLMC	04-17-20	01-19-24	\$ 3,000,000.00	\$ 3,000,000.00	\$ 3,000,630.00	1.000%	Quarterly
04-23-20	Piper Sandler	FFCB	04-22-21	04-22-24	\$ 3,000,000.00	\$ 3,000,000.00	\$ 3,003,180.00	0.800%	Quarterly
06-16-20	Union Bank	FNMA	12-09-20	06-09-25	\$ 2,999,250.00	\$ 3,000,000.00	\$ 3,000,720.00	0.805%	Quarterly
06-23-20	Union Bank	FNMA	12-09-20	06-09-25	\$ 3,000,000.00	\$ 3,000,000.00	\$ 3,000,720.00	0.800%	Quarterly
06-25-20	Piper Sandler	FHLMC	06-25-21	06-25-25	\$ 3,000,000.00	\$ 3,000,000.00	\$ 3,001,350.00	0.700%	Annual
07-08-20	Alamo Capital	FHLMC	12-30-20	06-30-25	\$ 3,000,000.00	\$ 3,000,000.00	\$ 3,000,540.00	0.750%	Quarterly
07-15-20	Piper Sandler	FFCB	01-15-21	01-15-25	\$ 3,000,000.00	\$ 3,000,000.00	\$ 3,000,270.00	0.600%	Continuous
07-15-20	Union Bank	FNMA	07-15-21	07-15-25	\$ 3,000,000.00	\$ 3,000,000.00	\$ 3,001,680.00	0.730%	Quarterly

Total Government Agency \$ 78,995,770.00 \$ 79,000,000.00 \$ 79,270,270.00

Weighted Mean YTM 1.482%

TOTAL INVESTED @ 07/31/20 \$ 154,419,909.72 \$ 153,153,278.72 \$ 155,568,879.27

BALANCE @ 06/30/20 \$ 158,047,100.68

INCREASE OR (DECREASE) \$ (3,627,190.96)

DESERT WATER AGENCY
STATEMENT OF CASH RECEIPTS AND EXPENDITURES

WASTEWATER ACCOUNT

JULY 2020

INVESTED
RESERVE FUNDS
\$1,500,534.11

BALANCE	JULY 1, 2020	\$228.06	
ACCOUNTS RECEIVABLE - OTHER		\$181,600.59	
CUSTOMER DEPOSITS - CONSTRUCTION		0.00	
INTEREST EARNED - INVESTED FUNDS		5,367.14	
WASTEWATER REVENUE		0.00	
SEWER CAPACITY CHARGES		21,012.85	
MISCELLANEOUS		<u>0.00</u>	
TOTAL RECEIPTS		\$207,980.58	
PAYMENTS			
CHECKS UNDER \$10,000.00		\$0.00	
CHECKS OVER \$10,000.00 - SCH. #1		72,357.64	
CANCELLED CHECKS AND FEES		<u>0.00</u>	
TOTAL PAYMENTS		<u>\$72,357.64</u>	
NET INCOME		\$135,622.94	
INVESTED RESERVE FUNDS			
FUNDS MATURED		\$260,000.00	
FUNDS INVESTED – SCH. #2		<u>286,367.01</u>	
NET TRANSFER		(\$26,367.01)	\$26,367.01
BALANCE JULY 31, 2020		<u>\$109,483.99</u>	<u>\$1,526,901.12</u>

JULY 2020

DESERT WATER AGENCY

WASTEWATER ACCOUNT

SCHEDULE #1-CHECKS OVER \$10,000

CHECK #	NAME	DESCRIPTION	AMOUNT
3352	COACHELLA VALLEY WATER DISTRICT	WASTEWATER REVENUE BILLING FOR JUNE 2020	\$61,817.04
3353	CITY OF PALM SPRINGS	WASTEWATER REVENUE BILLING FOR JUNE 2020	\$10,540.60
		** TOTAL	\$72,357.64

DESERT WATER AGENCY
WASTEWATER FUND - LISTING OF INVESTMENTS
July 31, 2020

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

06-30-83	State of California	LAIF	Open	\$ 1,526,901.12	\$ 1,526,901.12	\$ 1,526,901.12	0.820%
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TOTAL INVESTED @ 07/31/20	\$	1,526,901.12	\$	1,526,901.12	\$	1,526,901.12
BALANCE @ 06/30/20	\$	<u>1,500,534.11</u>				
INCREASE OR (DECREASE)	\$	26,367.01				

DESERT WATER AGENCY - OPERATING FUND
COMPARATIVE EARNINGS STATEMENT

MONTH 20-21 JULY	/-----THIS MONTH-----/ THIS YEAR LAST YEAR BUDGET			/-----FISCAL YEAR TO DATE-----/ THIS YEAR LAST YEAR BUDGET			/---VARIANCE---/ YTD	PCT
OPERATING REVENUES								
WATER SALES	3,777,073.96	3,193,180.94	3,528,550.00	3,777,073.96	3,193,180.94	3,528,550.00	248,523.96	7
RECLAMATION SALES	158,571.68	191,595.77	174,500.00	158,571.68	191,595.77	174,500.00	15,928.32-	9-
POWER SALES	8,094.52	.01-	2,750.00	8,094.52	.01-	2,750.00	5,344.52	194
OTHER OPER REVENUE	266,512.31	150,871.93	173,725.00	266,512.31	150,871.93	173,725.00	92,787.31	53
TOTAL OPER REVENUES	4,210,252.47	3,535,648.63	3,879,525.00	4,210,252.47	3,535,648.63	3,879,525.00	330,727.47	9
OPERATING EXPENSES								
SOURCE OF SUPPLY EXP	9,327.55	13,523.06	62,775.00	9,327.55	13,523.06	62,775.00	53,447.45-	85-
PUMPING EXPENSE	15,571.28	45,168.09	67,950.00	15,571.28	45,168.09	67,950.00	52,378.72-	77-
REGULATORY WATER TREAT	19,355.11	38,397.86	53,700.00	19,355.11	38,397.86	53,700.00	34,344.89-	64-
TRANS & DIST EXPENSE	108,187.56	67,405.03	349,000.00	108,187.56	67,405.03	349,000.00	240,812.44-	69-
CUSTOMER ACT EXPENSE	56,806.54	66,787.74	93,250.00	56,806.54	66,787.74	93,250.00	36,443.46-	39-
ADMIN & GEN EXPENSE	2,879,527.34	2,731,146.61	2,932,535.00	2,879,527.34	2,731,146.61	2,932,535.00	53,007.66-	2-
REGULATORY EXPENSE	1,640.23	15,058.16	37,750.00	1,640.23	15,058.16	37,750.00	36,109.77-	96-
SNOW CREEK HYDRO EXP	2,299.35	1,821.24	3,050.00	2,299.35	1,821.24	3,050.00	750.65-	25-
RECLAMATION PLNT EXP	14,674.50	73,555.06	209,375.00	14,674.50	73,555.06	209,375.00	194,700.50-	93-
SUB-TOTAL	3,107,389.46	3,052,862.85	3,809,385.00	3,107,389.46	3,052,862.85	3,809,385.00	701,995.54-	18-
OTHER OPER EXPENSES								
DEPRECIATION	523,912.60	503,107.76	518,550.00	523,912.60	503,107.76	518,550.00	5,362.60	1
SERVICES RENDERED	2,703.93	9,026.28	13,750.00	2,703.93	9,026.28	13,750.00	11,046.07-	80-
DIR & INDIR CST FOR WO	498,650.05-	442,282.20-	204,900.00-	498,650.05-	442,282.20-	204,900.00-	293,750.05-	143
TOTAL OPER EXPENSES	3,135,355.94	3,122,714.69	4,136,785.00	3,135,355.94	3,122,714.69	4,136,785.00	1,001,429.06-	24-
NET INCOME FROM OPERATIONS	1,074,896.53	412,933.94	257,260.00-	1,074,896.53	412,933.94	257,260.00-	1,332,156.53	518-
NON-OPERATING INCOME (NET)								
RENTS	14,241.22	3,454.77	3,780.00	14,241.22	3,454.77	3,780.00	10,461.22	277
INTEREST REVENUES	25,357.74	47,273.80	15,000.00	25,357.74	47,273.80	15,000.00	10,357.74	69
OTHER FUNDS	22.50-	.00	.00	22.50-	.00	.00	22.50-	0
OTHER REVENUES	560.00	456.72	.00	560.00	456.72	.00	560.00	0
DISCOUNTS	.00	.74	50.00	.00	.74	50.00	50.00-	100-
OTHER EXPENSES	.00	20,000.00-	32,500.00-	.00	20,000.00-	32,500.00-	32,500.00	100-
LOSS ON RETIREMENTS	.00	1,547.58	4,500.00-	.00	1,547.58	4,500.00-	4,500.00	100-
TOTAL NON-OPER INCOME	40,136.46	32,733.61	18,170.00-	40,136.46	32,733.61	18,170.00-	58,306.46	321-
 TOTAL NET INCOME	 1,115,032.99	 445,667.55	 275,430.00-	 1,115,032.99	 445,667.55	 275,430.00-	 1,390,462.99	 505-

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

SEPTEMBER 15, 2020

**RE: REQUEST BOARD APPROVAL FOR EXTENSION OF COVID-19
FINANCIAL RELIEF TO CUSTOMERS/COVID-19 FINANCIAL
IMPACT UPDATE**

Like so many other government agencies, the COVID-19 public health emergency has change the way Desert Water Agency conducts business. It has also heavily impacted the financial wellbeing of many local residents and businesses.

Desert Water Agency's Board of Directors acted promptly at the onset of this crisis. On March 17, 2020, the Board took multiple actions in response to the COVID-19 pandemic. These actions included the suspension of Late Fees and water disconnections for non-payment, and absorption of Paymentus remote payment convenience fees for sixty days and granted General Manager Krause the ability to take action regarding on premise staffing levels in order to achieve appropriate social distancing while continuing Agency operations. The Board voted unanimously on May 5, 2020 and July 7, 2020 to extend the financial relief measures for customers. These customer financial relief measures are set to expire today, September 15, 2020.

On April 2, Governor Gavin Newsom issued Executive Order N-42-20 which prohibits the water shutoff for any resident or critical business. There is no termination date in the Executive Order, so the timing for it to be discontinued by the Governor is unknown.

Desert Water Agency's prohibition on shutoffs is more comprehensive than that of the Governor because it is inclusive of all customer types. Additionally, water agencies are not required to halt late fees or assume processing fees as DWA's Board elected to do.

If the Board takes no action, the Agency would default into following Executive Order N-42-20. Shutoffs would still be halted until the Governor determines otherwise, late fees will be collected and the Agency will not cover the cost of processing charges for phone or credit card payments.

The following figures are representative of the financial impact the Agency has experienced to date as a result of the above-mentioned actions and COVID-19 impacts to Water Sale revenue.

Water Sales

As a result of COVID-19, the Agency has experienced decreased water sales. However, for the third consecutive month, consumption has returned to pre-COVID levels as compared to the three-year historical average for the month.

For the 2020/2021 budget, the Agency incorporated forecasted COVID-19 impacts through December 2020. August actual water sales revenue exceeds the pre-COVID-19 adjusted budget by \$203,900. Overall, the Agency has experienced approximately \$148,000 in decreased water revenues attributed to COVID-19 for the period of March through August 2020.

	<u>August 2020</u>
Adopted 2020/2021 Budget	\$ 3,547,800
COVID-19 Adjustment	<u>\$ 143,900</u>
Pre-COVID-19 Budget	\$ 3,691,700
Actual Revenue	\$ 3,895,600
Over/(Under)	\$ 203,900

Reduced Variable Expenses

As a result of decreased water sales, the Agency has experienced a decrease in variable expenses relating to water production. Included in these variable expenses is the replenishment assessment charge, power for groundwater pumping and water conveyance and water treatment chemicals. To date, the Agency has experienced a reduction of \$125,900 in variable expenses directly related to decreased water sales.

Reduced Administrative Expenses

With the shift from in-person meetings, conferences and training opportunities, to virtual meetings and webinars, the Agency has experienced reduced expenses of \$53,300 for the period of March 2019 through August 2020.

Late Fees

For the measurement period of March 17th to September 8th, the Agency has not assessed 9,231 late fees. This equates to \$205,400 in lost revenues.

Reconnection Fees

The Agency has not discontinued water service for non-payment, which has resulted in decreased revenues of approximately \$147,350 from March 17th to September 3rd. Prior to COVID-19, the anticipated reconnection fee revenues from March 2020 through August 2020 were \$23,600.

Paymentus Fees

For the measurement period of March 17th to September 8th, the Agency has absorbed \$14,400 in Paymentus fees (3,460 payments), allowing customers to make remote payments at no charge. The Agency has not experienced an increase payment volume on the Paymentus platform despite it being free of charge. DWA receives an average of 20 payments per day through Paymentus.

Telecommuting Expenses

In order to support social distancing efforts, the Agency has shifted to a remote working environment where possible. Agency laptops and telecommunication access to the Agency have been provided to staff, costing the agency \$23,700 to date. The upgrade to the Agency's telecommuting software is substantially complete and in use but has yet to be billed to the Agency. The upgrade to the Agency's phone system is also nearing completion. These enhanced capabilities will cost approximately \$28,000 and will be beneficial to the Agency beyond the immediate COVID-19 need.

Safety Supplies & Disinfection

To date, the Agency has purchased \$5,600 in safety supplies directly related to COVID-19. Items purchased include, masks/respirators, thermometers and disinfecting supplies. The Agency has also increased its nightly cleaning services contract to include daily disinfection of the Operations Center, totaling \$39,200 to date.

To date, the Agency has experienced lost revenues of \$500,750 and net decrease in expenses of \$68,300 as a result of the COVID-19 pandemic, totaling a net impact of \$432,450.

Staff recommends that the Board of Directors extend financial relief for customers (suspension of late fees, disconnection of service for non-payment and absorption of remote payment fees) for an additional 63 days, September 16 through November 17. Staff will bring this item back to the Board of Directors for consideration at its November 17 meeting. Staff will also continue to monitor the ongoing revenue losses and expenses related to COVID-19 and will provide ongoing updates to the Board.

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

SEPTEMBER 15, 2020

**RE: REQUEST BOARD AUTHORIZATION TO EXECUTE AMENDMENT 6
TO YUBA ACCORD DRY YEAR WATER PURCHASE PROGRAM
AGREEMENT**

Under the December 4, 2007 “Agreement for the Long-Term Purchase of Water from Yuba County Water Agency by the Department of Water Resources” (Yuba Water Purchase Agreement), Yuba County Water Agency (Yuba) makes surface water available for delivery and purchase by DWR, some of which is made available through substitution of groundwater for surface flows that would otherwise be used by a number of water districts within Yuba County (Member Units).

In 2007 and 2008, 21 State Water Project (SWP) Contractors and the San Luis & Delta-Mendota Water Authority (“AUTHORITY”) entered into agreements with DWR for the purchase and delivery of the water made available under the Yuba Water Purchase Agreement (cumulatively referred to as the Participation Agreements). In 2014, two additional Participating Contractors entered into Participation Agreements. The Participating SWP Contractors and the AUTHORITY are jointly referred to as “Participating Contractors”. Desert Water Agency is a Participating Contractor.

The Parties amended the Agreement in 2009 (Amendment No. 1 and Amendment No. 2), 2010 (Amendment No. 3), 2012 (Amendment No. 4), and December 2014 (Amendment No. 5).

The term of the Yuba Water Purchase Agreement is through December 31, 2025, or when all obligations thereunder have been satisfied, whichever is later, unless it is terminated earlier. Under Section 26 of the Yuba Water Purchase Agreement, the current pricing structure for water made available expires on September 30, 2020.

In accordance with Section 15 of the Yuba Water Purchase Agreement, DWR and Yuba, in coordination with representatives of the Participating Contractors, negotiated a new pricing structure that establishes new pricing for the period from October 1, 2020 through September 30, 2025 that was incorporated into the Yuba Water Purchase Agreement by the seventh amendment to that agreement.

In light of the new pricing agreement reflected in the seventh amendment to the Yuba Water Purchase Agreement, the parties to the Participation Agreements desire to amend their respective Participation Agreements to conform with changes made by that amendment.

The fifth amendment required an initial deposit of \$20 million dollars and an opportunity for participating contractors to opt-out and non-participating contractors to opt-in.

The new terms provided for a \$20,000,000 deposit to be paid to YCWA no later than December 31, 2014 to lock in the new pricing structure for 5 years. The deposits was then credited to surface water purchases under the agreements. As a Participating Contractor, we also had the right to contribute towards that deposit (\$144,000). Those payments must have been received by DWR no later than December 15, 2014. That contribution was completely optional, and did not convey any benefits under the program. Desert Water Agency opted to not contribute to a deposit towards the YCWA.

The table below shows the changes to the Yuba Accord Water Purchase Agreement pricing as a result of Amendment No. 6. The first increment of Delivered Transfer Water provided on or after October 1, 2020, will be paid for according to the pricing schedule listed in Amendment 5 of this Agreement, which payment will be applied as a credit against the remaining balance of the advance deposit of \$20 million (provided for in Amendment 5), until full crediting of the \$20 million advance deposit, at which time the pricing under amendment no. 6 will be used.

Amendment 5 Pricing amended by Amendment 6

Component	Amount	Price per AF	Description
Component 1	60 TAF	\$64 \$50 Wet \$128 \$100 Above Normal \$191 \$150 Below Normal \$255 \$200 Dry \$383 \$300 Critical \$447 \$350 Consecutive Dry & Critical	<ul style="list-style-type: none"> Firm commitment every year Intended to repay BiOp export curtailments
Third Party Sales up to 10 TAF			
Component 2	15 TAF Dry 30 TAF Critical	80% of prices above	<ul style="list-style-type: none"> Discount Water Based on Exported flow in absence of Accord
Component 3	All Additional surface water releases	Same as component 1	<ul style="list-style-type: none"> Variable based on hydrology
Component 4	Up to 90 TAF	Negotiated annually	<ul style="list-style-type: none"> Groundwater substitution Made available as option

Staff recommends continued participation in the Yuba Dry Year Water Purchase Program and requests Board authorization to execute the 6th amendment to the Yuba Accord Dry Year Water Purchase Agreement, as requested by DWR.

STATE OF CALIFORNIA
THE RESOURCES AGENCY
DEPARTMENT OF WATER RESOURCES

AND

DESERT WATER AGENCY

AMENDMENT 6 TO THE
AGREEMENT FOR THE SUPPLY AND CONVEYANCE OF WATER
BY THE DEPARTMENT OF WATER RESOURCES
OF THE STATE OF CALIFORNIA
TO THE PARTICIPATING STATE WATER PROJECT CONTRACTORS
UNDER
THE DRY YEAR WATER PURCHASE PROGRAM
SWPAO NO. 20-812

THIS AMENDMENT 6 (Amendment) to the March 31, 2008 “Agreement for the Supply and Conveyance of Water by the Department of Water Resources of the State of California Under the Dry Year Water Purchase Program” (Participation Agreement, or Agreement) is entered into as of _____ pursuant to the provisions of the California Water Resources Development Bond Act, the State Central Valley Project Act, and other applicable laws of the State of California, between the Department of Water Resources of the State of California, herein referred to as “DWR,” and the Desert Water Agency, a public agency in the State of California, herein referred to as the “AGENCY.” DWR and the AGENCY are herein referred to separately as the “Party” and collectively as the “Parties.” Unless otherwise provided in this Amendment, the definitions in the Agreement, the Yuba Water Purchase Agreement, and the exhibits to that agreement shall apply to this Amendment.

RECITALS

- A. Under the December 4, 2007 “Agreement for the Long-Term Purchase of Water from Yuba County Water Agency by the Department of Water Resources” (Yuba Water Purchase Agreement), Yuba County Water Agency (Yuba) makes surface water available for delivery and purchase by DWR, some of which is made available through substitution of groundwater for surface flows that would otherwise be used by a number of water districts within Yuba County (Member Units).
- B. In 2007 and 2008, 21 State Water Project (SWP) Contractors and the San Luis & Delta-Mendota Water Authority (“AUTHORITY”) entered into agreements with DWR for the purchase and delivery of the water made available under the Yuba Water Purchase Agreement (cumulatively referred to as the Participation Agreements). In 2014, two additional Participating Contractors entered into Participation Agreements. The Participating SWP Contractors and the AUTHORITY are jointly referred to as “Participating Contractors”.
- C. The Parties amended the Agreement in 2009 (Amendment No. 1 and Amendment No. 2), 2010 (Amendment No. 3), 2012 (Amendment No. 4), and December 2014 (Amendment No. 5).
- D. The term of the Yuba Water Purchase Agreement is through December 31, 2025, or when all obligations thereunder have been satisfied, whichever is later, unless it is terminated earlier.
- E. Under Section 26 of the Yuba Water Purchase Agreement, the current pricing structure for water made available expires on September 30, 2020.
- F. In accordance with Section 15 of the Yuba Water Purchase Agreement, DWR and Yuba, in coordination with representatives of the Participating Contractors, negotiated a new pricing structure that establishes new pricing for the period from October 1, 2020 through September 30, 2025 that was incorporated into the Yuba Water Purchase Agreement by the seventh amendment to that agreement.
- G. In light of the new pricing agreement reflected in the seventh amendment to the Yuba Water Purchase Agreement, the parties to the Participation Agreements desire to amend their respective Participation Agreements to conform with changes made by that amendment. This sixth amendment to the Participation Agreement shall be referred to in this Amendment as “Amendment 6”.

AMENDMENT 6 to the Participation Agreement

Now Therefore, the Parties hereby amend the Participation Agreement as follows:

1. EFFECTIVE DATE OF AMENDMENT

Amendment 6 to the Participation Agreement shall take effect when all of the following have occurred: (i) execution by the Parties; (ii) execution of the same or substantively similar amendments by DWR and all other Participating Contractors that elect to participate beyond December 31, 2020; and (iii) execution of the seventh amendment to the Yuba Water Purchase Agreement by DWR and Yuba.

2. SECTION 2.B, “TERM OF THE AGREEMENT”, is amended to read as follows:

“B. Notwithstanding Subparagraph A, the Parties may terminate the Participation Agreement on December 31, 2025, if they fail to amend the Participation Agreement pursuant to Section 3.B.5 and as necessary to address amendments made to the Yuba Water Purchase Agreement regarding the quantity and pricing of Water to be made available by Yuba after September 30, 2025 pursuant to Section 15 of the Yuba Water Purchase Agreement.

3. CHANGES TO SECTION 3, “PURCHASED WATER”

a. Section 3.B, “TYPES AND PRICES OF PURCHASED WATER”, is amended to read as follows:

The AGENCY shall pay for Delivered Transfer Water made available to and accepted by the Agency under section 3.A above in accordance with the following sections, provided that, the first increment of Delivered Transfer Water provided on or after October 1, 2020, will be paid for according to the pricing schedule listed in Amendment 5 of this Agreement (which is \$50 in a Wet Water Year, \$100 in an Above-Normal Water Year, \$150 in a Below-Normal Water Year, \$200 in a Dry Water Year, \$300 in a Critical Water Year and \$350 in a Consecutive Dry Water Year), which payment will be applied as a credit against the remaining balance of the advance deposit of \$20 million (provided for in Amendment 5), until full crediting of the \$20 million advance deposit, at which time the pricing under this Amendment will be used.

b. Section 3.B.1.a, “COMPONENT 1 WATER”, is amended to read as follows:

- “a. For Component 1 Water that is accounted for as Purchased Water and made available to the AGENCY, the AGENCY will pay:
- i. \$64 per acre-foot in a Wet Year;
 - ii. \$128 per acre-foot in an Above Normal Year;

- iii. \$191 per acre-foot in a Below Normal Year;
- iv. \$255 per acre-foot in a Dry Year, except as provided in subsection vi;
- v. \$383 per acre-foot in a Critical Year, except as provided in subsection vi;
- vi. \$447 per acre-foot in two or more consecutive Final Classification Dry Years (or a Dry Year following a Critical Year) or in two or more consecutive Final Classification Critical Years (or a Critical Year following a Dry Year).
- vii. Notwithstanding subsections i-vi, in any year in which Yuba's Third-Party Transfer of up to 10,000 acre-feet of Storage Component water under Section 11 of the Yuba Water Purchase Agreement reduces the quantity of Component 2 Water available to the AGENCY, the price for Component 1 Water will reflect the reductions specified in Section 11.F.2 of such agreement."

c. Section 3.B.2, "COMPONENT 2 WATER", is amended to read as follows:

"For Component 2 Water that is accounted for as Purchased Water and made available to the AGENCY, the AGENCY will pay 80 percent of the amounts in Section 3.B.1, as amended."

d. Section 3.B.3, "COMPONENT 3 WATER", is amended to read as follows:

"For Component 3 Water that is accounted for as Purchased Water and made available to the AGENCY, the AGENCY will pay:

- a. \$64 per acre-foot in a Wet Year;
- b. \$128 per acre-foot in an Above Normal Year;
- c. \$191 per acre-foot in a Below Normal Year;
- d. \$255 per acre-foot in a Dry Year, except as provided in subsection f;
- e. \$383 per acre-foot in a Critical Year, except as provided in subsection f;
- f. \$447 per acre-foot in two or more consecutive Final Classification Dry Years (or a Dry Year following a Critical Year) or in two or more consecutive Final Classification Critical Years (or a Critical Year following a Dry Year)."

e. Section 3 is amended to add Section 3.B.7, "Price for Fall Delivered Water:

"Component 1, 2, 3, and 4 Water that is accounted as delivered in the months of October and November will be priced using the determination of Water Year that was in effect prior to September 30th of that year."

4. NO OTHER CHANGES

All remaining provisions of the Agreement that are not changed by this Amendment will remain in full force and effect. Nothing in this Amendment affects the payment provisions of the Agreement through September 30, 2020.

5. COUNTERPARTS OF THE AGREEMENT

This Amendment may be signed in any number of counterparts by the Parties,

each of which will be deemed to be an original, and all of which together will be deemed to one and the same instrument. This Amendment, if executed in counterparts, will be valid and binding on a Party as if fully executed all in one copy.

IN WITNESS WHEREOF, the Parties hereto, by their authorized representatives,
have executed this Amendment on the last date set forth below.

Approved as to legal form
and sufficiency:

STATE OF CALIFORNIA
DEPARTMENT OF WATER RESOURCES

Spencer Kenner
Chief Counsel

Ted Craddock
Deputy Director

Date

Date

Approved as to legal form
and sufficiency:

DESERT WATER AGENCY

Name
Counsel

Mark Krause
General Manager

Date

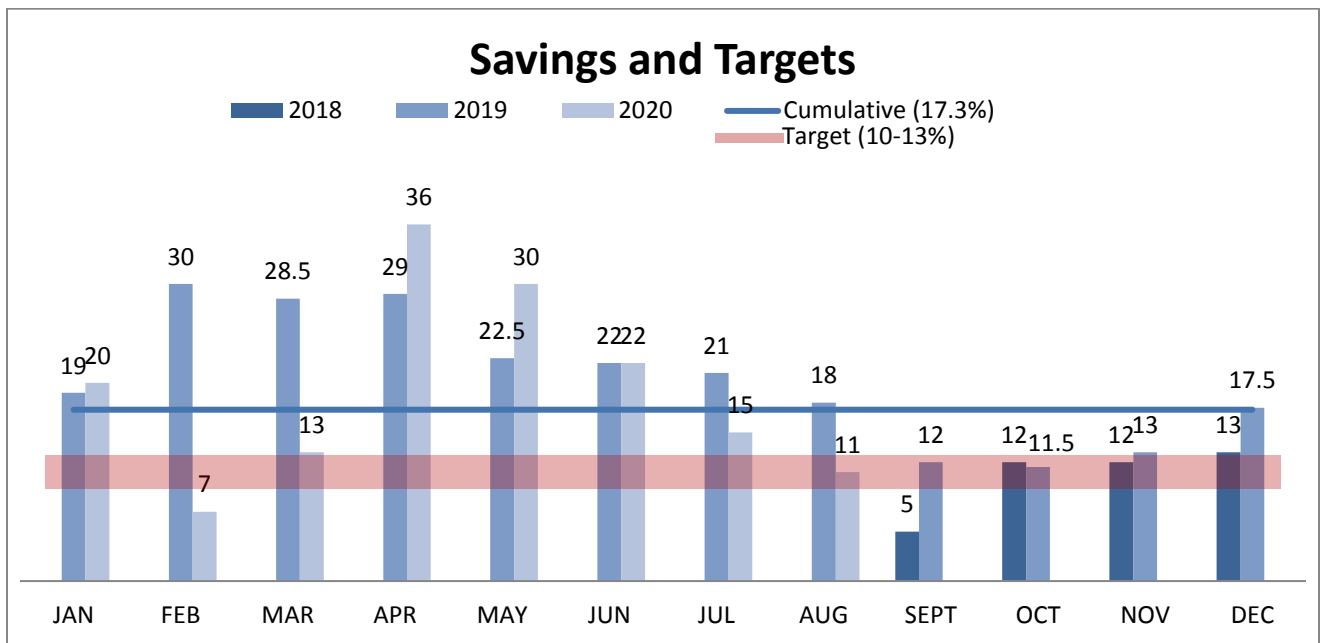
Date

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

SEPTEMBER 15, 2020

RE: AUGUST 2020 WATER USE REDUCTION FIGURES

Desert Water Agency and its customers achieved an 11% reduction in potable water production during August 2020 compared to the same month in 2013 – the baseline year used by the State Water Resources Control Board (State Water Board) to measure statewide conservation achievements. DWA continues to report its production to the state on a monthly basis, despite mandatory conservation ending in 2017.



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

The cumulative savings over the last twelve-month period is 17.3%. The cumulative savings beginning in June of 2016 when we put our 10-13% target in place is 17.7%.

On the following page is additional information for this month.

Reporting information	Consumption (Currently used)	Production (SWRCB required)
August 2020 conservation percentage	11.16%	7.25%
August 2020 water production	3403.95 AF	3637.07 AF
August 2013 water production	3831.46 AF	3921.37 AF
The percentage of the Total Monthly Potable Water Production going to residential use only for the reporting month	70.49%	65.97%
Population (inclusive of seasonal residents)	89,232	
Estimated R-GPCD	282.66	
How many public complaints of water waste or violation of conservation rules were received during the reporting month?	31	
How many contacts (written/ verbal) were made with customers for actual/ alleged water waste or for a violation of conservation rules?	13	
How many formal warning actions (e.g.: written notifications, warning letters, door hangers) were issued for water waste or for a violation of conservation rules?	4	
How many penalties were issued for water waste or for a violation of conservation rules?	3	
<p>Comments: The Agency's service area is highly seasonal making population analysis a complex task. The State Water Board analyzes data on a per capita basis. Population figures included are those accepted by the Department of Water Resources.</p> <p>We have historically reported water consumption (billing data) to the SWRCB. Starting later this year, we will be required to report production (water extracted from wells and streams), which includes water losses (leaks, theft, metering inaccuracy, etc.).</p> <p>We are working to review all of the 2013 baseline data for production before the reporting requirements begin.</p>		

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

SEPTEMBER 15, 2020

RE: UPDATE REGARDING MOU WITH GOLDEN STATE RENEWABLE ENERGY (GSRE) FOR SGIP APPLICATION FOR COMMERCIAL BATTERY ENERGY STORAGE SYSTEM (BESS) INSTALLATION

At the August 18, 2020 Board of Directors meeting, the Board authorized the Agency's General Manager (GM) to execute a Memorandum of Understanding (MOU) with Golden State Renewable Energy (GSRE) for a Self-Generation Incentive Program (SGIP) application for commercial battery storage systems for six Agency facilities. Immediately following the meeting, the MOU was signed by the GM and by GSRE.

On August 27, GSRE met with Agency staff (Engineering and Operations Manager and Assistant GM) to discuss in greater detail the six sites, including motor sizes and start up procedures at each site. With this new information, GSRE engineers performed a thorough design review for each of the sites. The original analysis of the sites was based on SCE billing information, only looking at electrical demand at the sites. The new design review involved evaluating each site based on electrical demand to overall motor sizes located on site. During this design review, engineers determined that two of the sites (Snow Creek Filtration Plant and Southridge Booster) have small demands but have large motors. The SGIP program has a limit to the size of a battery that can be used at a site, which is based on the load demand. The batteries that qualify for these sites are not large enough to operate the larger motors at these sites, and therefore, GSRE has removed these sites from the application request. A third site, Desert Palisade, has also been removed because it falls within a flood zone, which disqualifies the site from participating.

GSRE has recommended that the application be submitted for two sites, Well 17 and Acanto Booster. The other site that apparently qualifies for the program, Palm Oasis Filtration Plant, can be submitted at a later date when the electrical design by Krieger and Stewart is completed for this site and if there is still funding available.

A benefit of having a battery backup system at Acanto Booster and Well 17 is the fact that these sites do not have a portable generator connection and require the use of the portable pump if the power is out. The Agency has only one emergency portable pump. Currently, seven sites, including Acanto and Well 17, require the portable pump during a power outage. Having a battery backup power system at these sites for three or four hours will allow Agency personnel more options in deployment of the portable pump. Acanto Boosters and Well 17 deliver water to the Andreas Hill Reservoirs and Palm Oasis

Reservoirs, respectfully. Having the ability to continue delivering water to those reservoirs for three or four hours is a tremendous advantage for our Operations staff. For Well 17 and the Palm Oasis Filtration Plant, a battery backup system will be a very useful tool for our Operations staff during power outages caused by wind events, which happen quite often in that area.

Overall, although the number of sites that qualify for a battery backup system has decreased, staff would like to move forward with the three sites that do qualify. The battery systems will be very helpful tools for our Operations Department. The cost savings that the Agency will see by not having to use any funding for the equipment is significant. GSRE provided a design and construction cost proposal for Acanto Booster to show a cost breakdown for the project. These are the costs the Agency would expect to incur if we were to take this project on itself procuring a consultant for engineering design and project administration and going out ourselves to public bid for construction. The total equipment cost for Acanto Booster equals \$247,126 with a total project cost of \$609,135. For the SGIP application, GSRE is proposing \$685,560 for the Acanto Booster site. GSRE's proposal is attached for your review.



Cost Estimate

DWAU1001 - TBD - Accanto Booster

ID	DWAU1001	Power (kW):	174
Name	Accanto Booster	Capacity (kWh):	696
Estimator	Josh Fyfe	SGIP equity resiliency incentive (\$):	685,560

Cost Breakdown				
Category	Budget (\$)	Cost per Power (\$/kW)	Cost per Capacity (\$/kWh)	Project Percentage (%)
Engineering Cost	\$ 33,250	191.09	47.77	6%
Procurement Cost	\$ 14,227	81.76	20.44	3%
Civil Construction Cost	\$ 67,023	385.19	96.30	12%
Electrical Construction Cost	\$ 32,756	188.25	47.06	6%
Inspection Cost	\$ 11,500	66.09	16.52	2%
Overhead & Profit	\$ 34,226	196.70	49.18	6%
Subtotal EPC Cost	\$ 192,982	1,109.09	277.27	34%
System Cost	\$ 247,126	1,420.26	355.07	44%
Transportation, Installation & Storage Cost	\$ 9,895	56.87	14.22	2%
Fees	\$ 6,500	37.36	9.34	1%
Developer Cost	\$ 54,000	310.34	77.59	9.6%
Contingency	\$ 52,296	300.55	75.14	9.3%
Total Installation Cost	\$ 562,800	3,234.48	808.62	100%
SGIP Application, administration during operational life Y1-15	\$ 32,586	187.27	46.82	
BESS programming, annual O&M	\$ 13,750	79.02	19.76	
SGIP and General Admin / O&M	\$ 609,135	3,500.78	875.19	
Total Incentive Amount (NPV adjusted to payout schedule)	\$ 609,135	3,460.99	865.25	

Comments

The cost estimate assumes outdoor installation. System assumes one generation panel for the battery system. All conductor and conduit cost are included in Electrical Construction Cost and all purchased panels and breakers are under Procurement. Cost for BESS, Logistics, Design and Permitting, and Utility Administration. Cost does not assume 5% refundable SGIP reservation fee. Cost does not assume that SCE engineering will require Added Facilities.