



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: (866) 899-4679  
Access Code: 634-276-477**

**or Via Computer:**

**<https://www.gotomeeting.com/meeting/join-meeting>  
9 digit Meeting ID: 634-276-477**

*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 [sbaka@dwa.org](mailto:sbaka@dwa.org) before 5:00 p.m. October 19. 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 - A. September 24, 2020 (Special)<br>B. October 6, 2020   | STUART<br>STUART                       |
| 4. GENERAL MANAGER'S REPORT  | KRAUSE                                 |
| 5. COMMITTEE REPORTS – Executive – October 15, 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 (SEPTEMBER)  | EWING                                  |
| 8. ACTION ITEMS<br>A. Request Authorization to Increase the Whitewater River Irrigation Water Supply Rate  | KRAUSE                                 |
| 9. DISCUSSION ITEMS<br>A. September Water Use Reduction Figures<br>B. FEMA Funding Update<br>C. COVID-19 Financial Impact Update<br>D. MOU with Golden State Renewable Energy Update   | METZGER<br>METZGER<br>SAENZ<br>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

### G. CONFERENCE WITH LEGAL COUNSEL – POTENTIAL LITIGATION

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

One Case

## 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 SPECIAL MEETING  
OF THE  
DESERT WATER AGENCY  
BOARD OF DIRECTORS**

**3-A**

**September 24, 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 )  
Kris Hopping, Human Resources Director )  
Ashley Metzger, Outreach & Conserv. Mgr. )  
Kim McCance, Senior Admin. Asst. )

Public via Ray Amico, Palm Springs Resident )  
Teleconference: John Fitzpatrick, Mesquite Golf Course )  
David Freedman, Palm Springs Resident )  
Marcus Fuller, Palm Springs Asst. City Mgr. )  
Gersson Ojeda, Palm Springs Unified School District )  
Paul Ortega, Palm Springs Resident )  
Patrick Tallarico, Palm Springs Sustain. Comm. Mgr. )  
Rahsaan Tilford, Agua Caliente Band of )  
Cahuilla Indians, Deputy General Counsel )

18894. President Stuart opened the special meeting at 8:00 a.m. and asked everyone to join him in the Pledge of Allegiance. **Pledge of Allegiance**

18895. President Stuart called upon Senior Administrative Assistant McCance to conduct the roll call: **Roll Call**

Present: Cioffi, Oygar, Ewing, Bloomer, Stuart

18896. President Stuart opened the meeting for public comment. **Public Comment**

Mr. Amico thanked Mrs. Metzger for the last webinar regarding Overseeding. **Mr. Amico**

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

18897. President Stuart called upon General Manager Krause to provide a Power Point presentation regarding Recycled Water.

**Discussion Item:**  
Recycled Water Study  
Session

Mr. Krause noted the following presentation is for information only and he is not expecting any decisions to be made by the Board at this time. He provided an overview regarding recycled water, 1) Recycled water demands, Regulatory impacts, Future plans, 2) Treatment Facilities History, 3) Declining Demand, 4) Wastewater Seasonality, 5) Recent Figures, 6) Sites, 7) Customers, 8) Site Losses, 9) Regional Board Issues, 10) Stranded Treatment Assets, and 11) System Overview. At this point Mr. Krause called upon Finance Director Saenz to present her report.

Mrs. Saenz reported on the following, 1) Financials, 2) Stranded Capacity, and 3) Regulatory Impacts. Mrs. Saenz then called upon Outreach & Conservation Manager Metzger to present her report.

Mrs. Metzger reported on, 1) Future Scenarios, 2) Current Service Levels, and 3) Recovering Service. Mrs. Metzger called upon Assistant General Manager Johnson to present his report.

Mr. Johnson reported on, 1) Opportunities-Future and Decreased demand, 2) Challenges, 3) Opportunities-Golf, Municipal, Commercial, Multifamily and Single Family. Mr. Johnson then turned the meeting back to Mrs. Metzger.

Mrs. Metzger summarized by listing Future Considerations. She then turned the meeting back to Mr. Krause.

Mr. Krause thanked staff for the presentation and noted that the Agency has a large monetary contribution and commitment to the community by providing recycled water. He noted the Agency cannot move forward until it finds out what the new regulations will be for the Wastewater Treatment Plant.

18898. Director Cioffi thanked staff for the thorough presentation.

**Director's Comments**

In response to Director Cioffi, Mr. Krause indicated no decision on moving forward will be made today due to all the variables. Director Cioffi noted that millions of dollars have been spent to conserve potable water and is concerned that people choose to irrigate their golf course with potable water when they have recycled water available to use. He agreed the Agency should reach out to possible new recycled water customers.

Director Cioffi

Director Oygar thanked staff for the report and expressed appreciation with Agency staff and the City of Palm Springs working together. She understands a decision cannot be made until there is clarity on the regulatory side.

Director Oygar

Secretary-Treasurer Ewing thanked staff for the detailed report; and Mr. Fuller and Mr. Ojeda for their attendance.

**Director's Comments**  
(Cont.)  
Secretary-Treasurer  
Ewing

18899. President Stuart re-opened the meeting for public comment.

**Re-open Public  
Comment**

Assistant Palm Springs City Manager Fuller pointed out the long standing working relationship with the Agency regarding the wastewater and is concerned about the tertiary treatment the City may have to do in the future. He noted that the City and the Agency are hopeful they will be able to present to the Regional Board an alternative where the Agency will invest in additional shallow water wells and expand the recycled water system jointly with the City in lieu of having the City invest as much as \$100 million to remove nitrogen and salt from discharge. He gave an update noting the City finished the wastewater treatment plant CIP update and is analyzing the liquid treatments. The City installed new groundwater monitoring wells and they are going to start monitoring and sampling the groundwater to see how the salt and the nitrogen have directly affected the treatment plant. He noted the City will give the data to the Regional Board and they will determine whether they're going to move into the next phase of imposing an obligation on the City for additional treatment. Mr. Fuller noted the City will continue to work with the Agency to figure out how to best approach the upcoming issues.

Marcus Fuller

After listening to the presentation and comments, Mr. Ortega inquired about adding the airport, City Hall and the Civic Center to the wastewater pipeline. He pointed out he is very disappointed that a customer would use groundwater instead of recycled water to irrigate their golf course. Regarding the Mesquite Desert Preserve, he noted that even though it will no longer be a golf course, there would be other possibilities for using recycled water.

Paul Ortega

City of Palm Springs Sustainability Manager Patrick Tallarico stated it is egregious that a customer would switch from recycled water to potable water for irrigating a golf course and the need to figure out ways to increase recycled water use noting the possibility of drought conditions in the future. He expressed his support for the efforts put forth and offered his assistance.

Patrick Tallarico

In response to a question by Mr. Fitzpatrick, Mr. Krause pointed out that the Escena Golf Club agreement with the Agency is not subject to change.

John Fitzpatrick

Mr. Amico commented that it is criminal for the use of potable water to be used as irrigation in golf courses or any commercial usages where recycled water is available and he would hate to see the abandonment of the recycled water plant.

Ray Amico

18900. In conclusion, Mr. Krause thanked Mr. Fuller for his helpful information and that there are one to two years, possibly longer before the regulatory restrictions kick in which allows time to look into the different alternatives going forward.

**Staff Comments**  
General Manager  
Krause

In response to Mr. Fuller, Mr. Krause stated the Agency has adopted an Ordinance requiring connection if there is a new development next to the recycled water pipeline

Secretary-Treasurer Ewing advised updating Lobbyist Reeb regarding today's meeting and the concerns expressed.

Secretary-Treasurer  
Ewing

18901. In the absence of any further business, General Manager Krause adjourned the meeting at 11:00 a.m.

**Adjournment**

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Sylvia Baca  
Assistant Secretary of the Board

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

**3-B**

**October 6, 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: David Freedman, Palm Springs Sustain. Comm. )  
Steve Grasha, Mission Springs Water District )  
Paul Ortega, Palm Springs Resident )

18902. President Stuart opened the meeting at 8:00 a.m. and asked everyone to join him in the Pledge of Allegiance. **Pledge of Allegiance**

18903. President Stuart called upon Assistant Secretary of the Board Baca to conduct the roll call: **Roll Call**

Present: Cioffi, Oygar, Ewing, Bloomer, Stuart

18904. President Stuart called for approval of the September 15, 2020 Regular Board Meeting Minutes. **Approval of 09/15/20 Regular Board Mtg. Minutes**

Secretary-Treasurer Ewing moved for approval. After a second by Director Oygur, the minutes were approved by the following roll call vote: **Approval of 09/15/20 Regular Board Mtg. Minutes (Cont.)**

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

18905. 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 regarding the Palm Oasis surface water filtration project, Mr. Krause stated that the Agency is doing preliminary investigations in what it would take to filter Snow Creek water for Snow Creek Village. After that, all the remaining water from Snow Creek, Falls Creek and Whitewater River will be filtered for the potable water supply. There will be a need to refurbish approximately 4,000 ft. of the old Whitewater pipeline and another pipeline on Highway 111 and he stated that currently the water is being discharged at the Whitewater Hydro Plant.

18906. President Stuart noted the minutes for the October 1, 2020 Executive Committee meeting were provided in the Board's packet. **Committee Reports Executive 10/01/20**

18907. President Stuart opened the meeting for public comment. **Public Comment**

Mr. Freedman announced that at the next Palm Springs City Council Meeting they will be considering the concept design for the Demonstration Garden and the turf conversion at the airport; he will keep the Agency updated. **David Freedman**

Mr. Ortega congratulated the Palm Springs Sustainability Commission on the progress of the Demonstration Garden and turf conversion at the airport. **Paul Ortega**

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

18908. President Stuart called upon Secretary-Treasurer Ewing to present an overview of financial activities for the month of August 2020. **Secretary-Treasurer's Report (August)**



Secretary-Treasurer Ewing reported that the Operating Fund received \$3,542,699 in Water Sales Revenue, \$98,920 in Reclamation Sales Revenue, and \$5,354 from SCE for Snow Creek Hydro Power sales in July. \$1,535,792 was paid out in Accounts Payable. Year-to-date Water Sales are 8% over budget, Year-to-date Total Revenues are 9% over budget; and Year-to-date Total Expenses are 37% under budget. There were a total of 22,882 active services as of August 30, compared to 22,873 active services as of July 31.

Operating Fund

Reporting on the General Fund, Mr. Ewing stated that \$695,273 was received in Property Tax Revenues, \$393,315 in Groundwater Assessments from private pumpers, \$111,711 in State Water Project Refunds, and \$3,186 from SCE for Whitewater Hydro Power Sales for July. \$1,276,032 was paid in State Water Project charges (YTD \$4,746,115).

General Fund

Reporting on the Wastewater Fund, Mr. Ewing reported \$71,340 was received in Sewer Capacity Charges, and, \$0 in Sewer Contract payments. There are a total of 3 Sewer Contracts, 0 paid in full, with total delinquents of 3 (100%) with \$1,210 principal payments remaining. \$72,331 was paid out in Accounts Payable.

Wastewater Fund

18909. President Stuart called upon Human Resources Director Hopping to present staff's request for Board Approval of Expired Classification and Salary Charts for Recordkeeping purposes and CalPERS.

**Items for Action:**  
Request Approval of  
Expired Classification  
& Salary Charts for  
Recordkeeping  
Purposes & CalPERS

Mrs. Hopping reported that on September 1, 2020, Desert Water Agency Board of Directors approved three expired salary and classification charts to comply with CalPERS reporting requirements. She then explained that on September 22, CalPERS notified the Agency that two additional expired salary charts were not included in the Board Meeting packets when the others were approved. For recordkeeping purposes the Agency is required to have the two salary and classification charts included in this Board Meeting packet and be approved by the Board in an open session indicating 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 7-1-2019 DWA Classification and Salary Listing and the July 2020 DWA Classification and Salary Listing and Salary Charts for Recordkeeping Purposes & CalPERS.

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

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

18910. President Stuart called upon General Manager Krause to present staff's request to Request Authorization for General Manager to Execute Letter Agreement for Cost Sharing of the Mission Creek Subbasin Annual Report 2010-2020.

**Action Items:**

(Cont.)

Request Authorization for GM to Execute Letter Agreement for Cost Sharing of the Mission Creek Subbasin Annual Report 2019-2020

Mr. Krause reported that in accordance with the Sustainable Groundwater Management Act (SGMA) Groundwater Sustainability Plan (GSP) Emergency Regulations (CDWR, 2016), annual reports are to be submitted to California Department of Water Resources (CDWR) on April 1 of each year following adoption of a GSP, or in this case, following submission of an Alternative Plan to CDWR. These reports were done in 2017 and 2018 and were submitted to, and accepted and approved by the CDWR.

Mr. Krause noted that Wood Environmental and Infrastructure Solutions, Inc. (Wood) has been selected by the Agencies to prepare the annual report for water year 2019 - 2020 at an estimated cost of \$48,275. DWA, CVWD and MSWD each agree to pay one-third (1/3) of the total cost (DWAs cost, \$16,091.67) and that CVWD will administer the contract. Mr. Krause explained that this report will also include a description of the progress on the 2022 Alternative Plan Update for the Mission Creek Subbasin. He indicated it is anticipated that Wood will provide the final annual report to the Agencies for submission by February 15, 2021, then the report will be submitted to the CDWR by April 1, 2021. Staff requests authorization for the General Manager to execute the letter of agreement for the approval of the cost sharing between Desert Water Agency, Coachella Valley Water District, and Mission Springs Water District for the preparation of the Mission Creek Subbasin Alternative Groundwater Sustainability Plan Annual Report for Water Year 2019 - 2020.

Director Cioffi moved for approval. After a second by Director Oygar, 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, Mr. Krause commented that there is no difference in last year's contract other than all the data has been updated.

18911. President Stuart called upon Agency Counsel Riddell to provide a report on the September 17, 2020 Board of Directors of the State Water Contractors meeting.

**Discussion Items:**

09/17/20 SWC Mtg.

Mr. Riddell provided a report on the following items; 1) Legislative Report, 2) SWP Management Report, and 3) General Manager's Report.

**Discussion Items:**  
(Cont.)  
09/17/20 SWC Mtg.

18912. President Stuart noted that Board packets included Outreach & Conservation reports for September 2020.

Outreach & Conservation – September Activities & Events

In addition to the report presented, Outreach & Conservation Manager Metzger noted the Agency is participating in the Little Free Library project, which will be located in the Agency front parking lot.

18913. Director Cioffi noted his attendance at the NWRA Virtual Conference and NWRA Table Talks and that he attended two sessions, one on Sept. 10 and one on Sept. 17 and they both had to do with the Water Resources Development Act.

Directors' report on NWRA Virtual Conference Attendance (September 10 - 17)

Director Cioffi

Vice President Bloomer noted her attendance at the NWRA Virtual Conference and that she attended the same two sessions as Director Cioffi.

Vice President Bloomer

President Stuart noted his attendance at the NWRA Virtual Conference and that he attended the session on Sept. 17 and all but one of the NWRA Table Talks.

President Stuart

18914. Director Cioffi indicated he would like to set up a Conservation & Public Affairs Committee meeting to discuss Little Free Library.

**Director's Comments/Requests**

Director Cioffi

President Stuart thanked Director Cioffi for his help with the Little Free Library project.

President Stuart

18915. At 9:16 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; (F) Pending Litigation, Pursuant to Government Code Section 54956.9 (d) (2), Possible Intervention in Case: AT&T vs. County of Riverside, and, (G) Potential Litigation, Pursuant to Government Code Section 54956.9 (d) (2) (1 case).

**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  
G. Potential Litigation- (One Case)

18916. At 10:19 a.m., General Manager Krause reconvened the meeting into open session and announced there was no reportable action taken.

**Reconvene** – No  
Reportable Action

18917. In the absence of any further business, General Manager Krause adjourned the meeting at 10:20 a.m.

**Adjournment**

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Sylvia Baca  
Assistant Secretary of the Board

DRAFT

## GENERAL MANAGER'S REPORT OCTOBER 20, 2020

### Human Resource's Meetings and Activities

#### Meetings:

09/15/2020	DWA Board Meeting	Virtual Meeting
09/21/2020	Weekly Staff Meeting	Virtual Meeting
09/24/2020	DWA Special Board Meeting	Virtual Meeting
09/28/2020	Weekly Staff Meeting	Virtual Meeting
09/29/2020	Lincoln 457 Plan Review	Virtual Meeting
10/05/2020	Weekly Staff Meeting	Virtual Meeting
10/06/2020	DWA Board Meeting	Virtual Meeting
10/12/2020	Weekly Staff Meeting	Virtual Meeting
10/19/2020	Weekly Staff Meeting	Virtual Meeting

#### Activities:

09/17/2020	Hosted Blood Drive	DWA Offices
09/29/2020	New Employee Orientation	DWA Offices
10/08/2020	HR Virtual Summit	Virtual Meetings

SYSTEM LEAK DATA					
(PERIOD BEGINNING SEPTEMBER 25, 2020 THRU OCTOBER 12, 2020)					
STREET NAME	NUMBER OF LEAKS	PIPE DIAMETER (INCHES)	YEAR INSTALLED	PIPE MATERIAL	PIPE CONSTRUCTION
BELLAMY RD	4	4	1957	STEEL	BARE/UNLINED
VIA VAQUERO RD	4	4	1958	STEEL	BARE/UNLINED
VISTA CHINO	3	20	1949	STEEL	BARE/UNLINED
AVENIDA CABALLEROS	3	14	1953	STEEL	BARE/UNLINED
RAMON RD	2	12	1956	STEEL	BARE/UNLINED
LOUELLA RD	2	6	1955	STEEL	BARE/UNLINED
EL ALAMEDA	2	4	1952	STEEL	BARE/UNLINED
VIA ALTAMIRA	2	4	1954	STEEL	BARE/UNLINED
PALM CANYON DR S	1	10	1938	STEEL	BARE/UNLINED
ALEJO RD	1	8	1958	STEEL	BARE/UNLINED
DESERT PARK AVE	1	6	1955	STEEL	BARE/UNLINED
MCMANUS DR	1	4	1946	STEEL	BARE/UNLINED
INDUSTRIAL PL	1	4	1948	STEEL	BARE/UNLINED
CALLE TOMAS	1	4	1958	STEEL	BARE/UNLINED
SAN CLEMENTE RD	1	4	1958	STEEL	BARE/UNLINED
INDIAN TR	1	3	1935	STEEL	BARE/UNLINED
TOTAL LEAKS IN SYSTEM:		30			

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

<b>SYSTEM INFORMATION:</b>	
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
<b>TOTAL LENGTH OF PIPE IN SYSTEM OLDER THAN 70 YEARS (LINEAR FEET):</b>	<b>128,186</b>
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
<b>PROJECTED TIME FRAME FOR 100% REPLACEMENT OF PIPE OLDER THAN 70 YEARS:</b>	<b>9 YEARS</b>
YEAR AGENCY TRANSITIONED TO CEMENT LINED STEEL PIPE:	1960
<p><b>*PLEASE NOTE THIS FIGURE REPRESENTS THE AVERAGE LINEAR FOOTAGE OF PIPELINE REPLACED ANNUALLY GIVEN AN AVERAGE ANNUAL BUDGET OF \$3 MILLION.</b></p>	





**SYSTEM LEAKS:**  
(Period beginning Sept. 25,  
2020 thru Oct. 12, 2020)

**AVENIDA CABALLEROS - 2020/2021 REPLACEMENT PIPELINES**



## General Manager's Meetings and Activities

### Meetings:

10/06/20	DWA Bi-Monthly Board Mtg.	Conf Call
10/06/20	WWRF Cooperating Agencies BLM Permit Mtg.	Conf Call
10/06/20	CV SNMP Workplan Mtg.	Conf Call
10/07/20	Delta Conveyance Authority Update	Conf Call
10/07/20	Kickoff for 2019/2020 Indio SB SGMA Annual Report	Conf Call
10/07/20	SGMA Alt. GSP Update Water Supply Assumptions	Conf Call
10/08/20	Tour of Snow Creek Filtration Facility	Conf Call
10/08/20	SWC Class 8 Delta Conveyance Authority Voting Procedures	Conf Call
10/09/20	East Branch Enlargement Status	Conf Call
10/12/20	DWA Weekly Staff Mtgs.	Conf Call
10/13/20	DWA Customer Types by Demand	Conf Call
10/13/20	SGMA SGP GSP Working Group	Conf Call
10/13/20	Staff Mtg. Discussion on WWRF BLM Permit DEIS Comments	Conf Call
10/14/20	SWC Delta Committee Mtgs.	Conf Call
10/14/20	SWC Monthly Board Mtg.	Conf Call
10/15/20	DWA Executive Cmte. Mtg.	Conf Call
10/15/20	Delta Conveyance Finance Authority 2020 Brd. Mtg.	Conf Call
10/15/20	Sites Reservoir Committee Mthly. Mtg.	Conf Call
10/19/20	DWA Weekly Staff Mtgs.	Conf Call
10/19/20	SWC Class 8 Mtg.	Conf Call
10/20/20	WWRF BLM Permit Cooperators Mtg.	Conf Call
10/20/20	SGMA MC GSP Update Mtg.	Conf Call
10/20/20	DWA Bi-Monthly Board 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



Activities:

(Cont.)

- 16) Delta Conveyance Project Cost Allocation
- 17) DWA Surface Water Filtration Feasibility Snow Creek Village/Palm Oasis
- 18) MCSB Delivery Updates
- 19) Well 6 Meaders Cleaners RWQB Meetings
- 20) SWP East Branch Enlargement Cost Allocation
- 21) UWMP Population Calculation Update/Valley-Wide UWMP
- 22) RWQCB Update to the SNMP
- 23) SGMA – San Gorgonio Pass Subbasin

**Minutes**  
**Executive Committee Meeting**  
October 15, 2020

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**Directors Present:** Joseph Stuart, Kristin Bloomer

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

1. Discussion Items

A. Review Agenda for October 20, 2020 Regular Board Meeting

The proposed agenda for the October 20, 2020 meeting was reviewed.

B. October 21, 2020 Urban Water Institute (UWI) Webinar

Staff informed the Committee about the upcoming UWI webinar. The Committee approved any Board Directors wishing to attend, can do so in service to the Board. Those interested are asked to notify Assistant Board Secretary Baca.

2. Adjourn

DESERT WATER AGENCY  
STATEMENT OF CASH RECEIPTS AND EXPENDITURES

OPERATING ACCOUNT

SEPTEMBER 2020

INVESTED  
RESERVE FUNDS  
\$31,317,757.27

BALANCE	SEPTEMBER 1, 2020	\$32,425.02	
WATER SALES		\$3,768,760.50	
RECLAMATION SALES		150,183.27	
WASTEWATER RECEIPTS		84,372.79	
POWER SALES		346.31	
METERS, SERVICES, ETC.		31,758.00	
REIMBURSEMENT – GENERAL FUND		320,982.07	
REIMBURSEMENT – WASTEWATER FUND		97,425.83	
ACCOUNTS RECEIVABLE – OTHER		7,004.50	
CUSTOMER DEPOSITS – SURETY		8,085.00	
CUSTOMER DEPOSITS – CONST.		49,164.00	
LEASE REVENUE		5,871.09	
INTEREST RECEIVED ON INV. FDS.		10,410.00	
FRONT FOOTAGE FEES		0.00	
BOND SERVICE & RESERVE FUND INT		0.00	
MISCELLANEOUS		<u>143,792.69</u>	
TOTAL RECEIPTS		\$4,678,156.05	
PAYMENTS			
PAYROLL CHECKS		\$510,221.29	
PAYROLL TAXES		221,093.36	
ELECTRONIC TRANSFERS		183,269.82	
CHECKS UNDER \$10,000.00		260,100.82	
CHECKS OVER \$10,000.00 – SCH. #1		2,182,458.07	
CANCELLED CHECKS AND FEES		<u>1,842.13</u>	
TOTAL PAYMENTS		<u>\$3,358,985.49</u>	
NET INCOME		\$1,319,170.56	
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		\$52,000.00	
FUNDS INVESTED – SCH. #3		<u>2,797,700.00</u>	
NET TRANSFER			(\$2,745,700.00) \$2,745,700.00
BALANCE	SEPTEMBER 30, 2020	(\$1,394,104.42)	\$34,063,457.27

DESERT WATER AGENCY  
**Operating Fund**  
Schedule #1 - Checks Over \$10,000

**September 2020**

Check #	Name	Description	Amount
126249	Southern California Edison	Power	\$ 356,935.01
126454	Southern California Edison	Power	\$ 346,693.81
126457	Z&L Paving	Paving	\$ 21,492.00
126496	Desert Water Agency - Wastewater	Wastewater revenue billing - August 2020	\$ 95,965.45
126500	ACWA/JPIA	Health, dental & vision insurance premiums - October 2020	\$ 214,407.99
126511	Backflow Apparatus & Valve Co.	Water service supplies	\$ 16,216.74
126514	Badger Meter Inc.	Water service supplies	\$ 43,184.40
126516	Beck Oil Inc.	Fuel purchase	\$ 13,401.66
126518	Best Best & Krieger LLP	Legal fees	\$ 90,004.45
126520	CDW Direct	I.S. technology supplies	\$ 18,582.08
126525	Cleanexcel, Inc	Cleaning services - September 2020	\$ 14,742.00
126528	Core & Main LP	Water service supplies	\$ 51,512.46
126534	Down to Earth Landscaping	Landscape maintenance	\$ 30,968.56
126535	Droplet Technologies LLC	Annual licensing for rebate processing platform	\$ 17,500.00
126543	Ferguson Waterworks	Water service supplies	\$ 12,209.27
126557	Hunter Johnsen Inc.	Consulting services for CV Water Counts	\$ 10,021.39
126561	Inland Water Works Supply Co.	Water service supplies	\$ 42,207.20
126564	Jones Bros Construction Co.	2019/2020 Pipeline replacement - Progress payment #2 - (W/O# 19-113-30)	\$ 449,321.28
126565	JCI Jones Chemicals Inc	Chlorine	\$ 11,179.95
126570	Krieger & Stewart Inc.	Engineering	\$ 74,257.66
126572	Landmark Consulting Inc.	Soil testing	\$ 14,559.00
126582	MSA Safety Inc/Mine Safety App	Safety supplies	\$ 15,847.78
126608	Simpler Life	Emergency preparedness supplies	\$ 17,818.11
126609	Singer Lewak LLP	Audit Services	\$ 45,047.41
126612	Southern California Edison	Power	\$ 11,554.21
126616	Sulzer Electro-Mechanical	Install of Well #30 Equipment (W/O # 19-125-W)	\$ 47,290.62
126617	Thatcher Company of California	Water service supplies	\$ 21,432.78
126621	United Water Works Inc.	Water service supplies	\$ 13,151.30
126628	Z&L Paving	Paving	\$ 44,773.50
126635	The Palm Springs Deaville HOA	Turf Buy Back	\$ 20,180.00
<b>Total</b>			<b>\$ 2,182,458.07</b>

# Monthly Investment Portfolio Report

As of 09/30/2020

AGG- Operating Fund (213426)

Dated: 10/15/2020

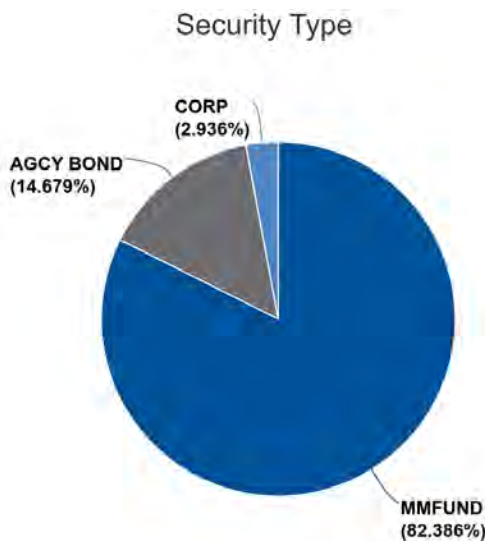


Chart calculated by: PAR Value

## MMFUND

Description, Broker	Settle Date	Next Call Date	Effective Maturity	Final Maturity	PAR Value	Original Cost	Market Value	Yield to Maturity
LAIF Money Market Fund LAIF - OP	---	---	09/30/2020	09/30/2020	28,062,997.27	28,062,997.27	28,062,997.27	---
<b>LAIF Money Market Fund LAIF - OP</b>	<b>---</b>	<b>---</b>	<b>09/30/2020</b>	<b>09/30/2020</b>	<b>28,062,997.27</b>	<b>28,062,997.27</b>	<b>28,062,997.27</b>	<b>---</b>

## AGCY BOND

Description, Broker	Settle Date	Next Call Date	Effective Maturity	Final Maturity	PAR Value	Original Cost	Market Value	Yield to Maturity
FEDERAL HOME LOAN BANKS UnionBanc OP	04/29/2020	04/29/2021	04/29/2024	04/29/2024	1,000,000.00	1,000,000.00	1,000,000.00	0.740%
FEDERAL NATIONAL MORTGAGE ASSOCIATION UnionBanc OP	06/16/2020	12/09/2020	06/09/2025	06/09/2025	1,000,000.00	999,750.00	999,750.00	0.805%
FEDERAL NATIONAL MORTGAGE ASSOCIATION UnionBanc OP	06/30/2020	06/30/2021	06/30/2025	06/30/2025	1,000,000.00	1,000,000.00	1,000,000.00	0.730%
FEDERAL HOME LOAN MORTGAGE CORP UnionBanc OP	08/20/2020	08/20/2021	08/20/2025	08/20/2025	1,000,000.00	1,000,000.00	1,000,000.00	0.625%
FEDERAL NATIONAL MORTGAGE ASSOCIATION UnionBanc OP	08/12/2020	08/12/2022	08/12/2025	08/12/2025	1,000,000.00	1,000,000.00	1,000,000.00	0.560%
<b>--- UnionBanc OP</b>	<b>---</b>	<b>---</b>	<b>04/20/2025</b>	<b>04/20/2025</b>	<b>5,000,000.00</b>	<b>4,999,750.00</b>	<b>4,999,750.00</b>	<b>0.692%</b>

## CORP

Description, Broker	Settle Date	Next Call Date	Effective Maturity	Final Maturity	PAR Value	Original Cost	Market Value	Yield to Maturity
WELLS FARGO BANK NA UnionBanc OP	10/04/2019	09/09/2021	09/09/2021	09/09/2022	1,000,000.00	1,000,710.00	1,007,780.00	1.626%

# Monthly Investment Portfolio Report

As of 09/30/2020

AGG- Operating Fund (213426)

Dated: 10/15/2020

<i>Description, Broker</i>	<i>Settle Date</i>	<i>Next Call Date</i>	<i>Effective Maturity</i>	<i>Final Maturity</i>	<i>PAR Value</i>	<i>Original Cost</i>	<i>Market Value</i>	<i>Yield to Maturity</i>
WELLS FARGO BANK NA UnionBanc OP	10/04/2019	09/09/2021	09/09/2021	09/09/2022	1,000,000.00	1,000,710.00	1,007,780.00	1.626%

## Summary

<i>Description, Broker</i>	<i>Settle Date</i>	<i>Next Call Date</i>	<i>Effective Maturity</i>	<i>Final Maturity</i>	<i>PAR Value</i>	<i>Original Cost</i>	<i>Market Value</i>	<i>Yield to Maturity</i>
---	---	---	06/12/2021	06/22/2021	34,062,997.27	34,063,457.27	34,070,527.27	0.849%
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\* Grouped by: Security Type.   \* Groups Sorted by: Ending Market Value + Accrued.   \* Weighted by: Ending Market Value + Accrued.

DESERT WATER AGENCY  
STATEMENT OF CASH RECEIPTS AND EXPENDITURES

GENERAL ACCOUNT

SEPTEMBER 2020

INVESTED  
RESERVE FUNDS  
\$156,674,069.72

BALANCE	SEPTEMBER 1, 2020	(\$267,930.49)	
* TAXES - RIVERSIDE COUNTY		0.00	
* INTEREST EARNED - INV. FUNDS		232,645.51	
GROUNDWATER REPLEN. ASSESSMENT		2,037.13	
REIMBURSEMENT - OPERATING FUND		0.00	
REIMBURSEMENT - CVWD MGMT		0.00	
STATE WATER PROJECT REFUNDS		0.00	
REIMB - CVWD - WHITEWATER HYDRO		0.00	
POWER SALES - WHITEWATER		0.00	
MISCELLANEOUS		<u>164,226.00</u>	
TOTAL RECEIPTS		\$398,908.64	
PAYMENTS			
CHECKS UNDER \$10,000.00		10,628.88	
CHECKS OVER \$10,000.00 - SCH. #1		2,830,751.15	
CANCELLED CHECKS AND FEES		<u>0.00</u>	
TOTAL PAYMENTS		<u>\$2,841,380.03</u>	
NET INCOME		(\$2,442,471.39)	
INVESTED RESERVE FUNDS			
FUNDS MATURED		10,542,314.00	
FUNDS INVESTED – SCH. #2		<u>10,031,740.00</u>	
NET TRANSFER		\$510,574.00	(\$510,574.00)
BALANCE	SEPTEMBER 30, 2020	(\$2,199,827.88)	\$156,163,495.72
* INCLUSIVE TO DATE		TAXES	INTEREST
RECEIPTS IN FISCAL YEAR		\$695,272.66	\$648,132.53
RECEIPTS IN CALENDAR YEAR		\$25,499,338.04	\$2,155,081.67

DESERT WATER AGENCY

**General Fund**

Schedule #1 - Checks Over \$10,000

**September 2020**

Check #	Name	Description	Amount
9427	United States Geological Survey	Joint Funding Agreement quarterly billing - (5/01/2020 - 07/31/2020)	\$ 22,241.25
9429	Coachella Valley Water District	Indio Subbasin 2022 Alternative Plan Update	\$ 237,774.09
9430	Water Systems Consulting, Inc.	Regional Urban Water Management Plan	\$ 10,536.25
9432	Desert Water Agency - Operating Fund	Operating Fund Reimbursement for July & August 2020	\$ 316,684.57
9433	State of California Department of Water Resources	State Water Project - September 2020	\$ 2,200,140.00
9434	Coachella Valley Water District	CVRWMG Program Management	\$ 13,374.99
9435	Best Best & Krieger	Legal Fees	\$ 30,000.00
<b>Total</b>			<b>\$ 2,830,751.15</b>



# Monthly Investment Portfolio Report

As of 09/30/2020

AGG- General Fund (213428)

Dated: 10/15/2020

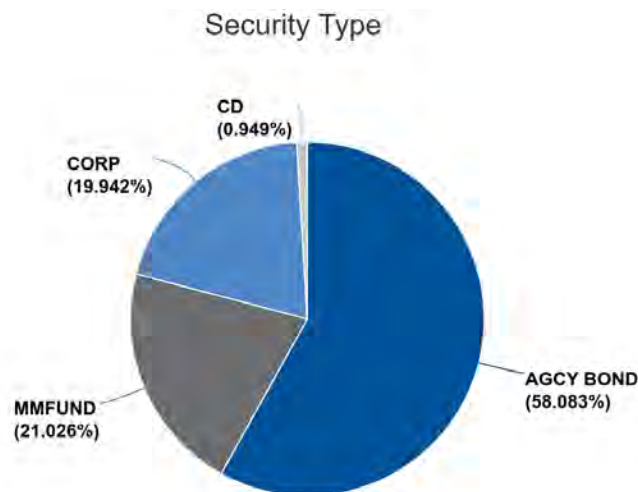


Chart calculated by: PAR Value

## AGCY BOND

Description, Broker	Settle Date	Next Call Date	Effective Maturity	Final Maturity	PAR Value	Original Cost	Market Value	Yield to Maturity
FEDERAL NATIONAL MORTGAGE ASSOCIATION Alamo Capital	09/06/2019	---	09/06/2022	09/06/2022	1,000,000.00	996,520.00	1,023,200.00	0.406%
FEDERAL NATIONAL MORTGAGE ASSOCIATION Alamo Capital	08/25/2020	---	08/25/2025	08/25/2025	3,000,000.00	2,985,965.00	2,985,960.00	0.470%
FEDERAL HOME LOAN MORTGAGE CORP Alamo Capital	04/14/2020	10/14/2020	04/14/2025	04/14/2025	3,000,000.00	3,000,005.00	2,992,590.00	1.176%
FEDERAL HOME LOAN MORTGAGE CORP Alamo Capital	07/08/2020	12/30/2020	06/30/2025	06/30/2025	3,000,000.00	3,000,005.00	3,000,000.00	0.750%
FEDERAL FARM CREDIT BANKS FUNDING CORP Alamo Capital	08/04/2020	02/04/2021	08/04/2025	08/04/2025	3,000,000.00	3,000,005.00	3,000,000.00	0.670%
FEDERAL HOME LOAN MORTGAGE CORP Alamo Capital	08/12/2020	02/12/2021	02/12/2024	02/12/2024	2,000,000.00	2,000,005.00	2,000,000.00	0.430%
FEDERAL HOME LOAN MORTGAGE CORP Alamo Capital	09/30/2020	09/30/2021	09/30/2025	09/30/2025	3,000,000.00	3,000,000.00	3,000,000.00	0.400%
FEDERAL HOME LOAN MORTGAGE CORP UnionBanc GF	12/30/2019	12/28/2020	12/28/2020	12/28/2023	3,000,000.00	3,000,000.00	3,029,040.00	1.628%
FEDERAL HOME LOAN MORTGAGE CORP UnionBanc GF	02/12/2020	02/12/2021	02/12/2021	02/12/2025	3,000,000.00	3,000,000.00	3,025,650.00	1.614%
FEDERAL NATIONAL MORTGAGE ASSOCIATION UnionBanc GF	06/16/2020	12/09/2020	06/09/2025	06/09/2025	3,000,000.00	2,999,250.00	3,000,000.00	0.800%
FEDERAL NATIONAL MORTGAGE ASSOCIATION UnionBanc GF	06/23/2020	12/09/2020	06/09/2025	06/09/2025	3,000,000.00	3,000,000.00	3,000,000.00	0.800%
FEDERAL NATIONAL MORTGAGE ASSOCIATION UnionBanc GF	07/15/2020	07/15/2021	07/15/2025	07/15/2025	3,000,000.00	3,000,000.00	3,000,000.00	0.730%
FEDERAL HOME LOAN MORTGAGE CORP UnionBanc GF	08/20/2020	08/20/2021	08/20/2025	08/20/2025	3,000,000.00	3,000,000.00	3,000,000.00	0.625%
FEDERAL NATIONAL MORTGAGE ASSOCIATION UnionBanc GF	08/12/2020	08/12/2022	08/12/2025	08/12/2025	3,000,000.00	3,000,000.00	3,000,000.00	0.560%

# Monthly Investment Portfolio Report

As of 09/30/2020

AGG- General Fund (213428)

Dated: 10/15/2020

Description, Broker	Settle Date	Next Call Date	Effective Maturity	Final Maturity	PAR Value	Original Cost	Market Value	Yield to Maturity
FEDERAL FARM CREDIT BANKS FUNDING CORP Piper Sandler	11/25/2019	11/25/2020	11/25/2020	11/25/2022	3,000,000.00	3,000,000.00	3,010,590.00	1.572%
FEDERAL HOME LOAN MORTGAGE CORP Piper Sandler	12/30/2019	12/28/2020	12/28/2020	12/28/2023	3,000,000.00	3,000,000.00	3,028,440.00	1.586%
FEDERAL HOME LOAN BANKS Piper Sandler	11/04/2019	11/04/2021	11/04/2021	11/04/2024	3,000,000.00	3,000,000.00	3,053,850.00	1.462%
FEDERAL HOME LOAN BANKS Piper Sandler	03/25/2020	03/25/2021	03/25/2021	03/25/2025	3,000,000.00	3,000,000.00	3,006,780.00	1.153%
FEDERAL HOME LOAN BANKS Piper Sandler	04/06/2020	04/06/2021	04/06/2021	04/06/2023	3,000,000.00	3,000,000.00	3,002,220.00	0.849%
FEDERAL HOME LOAN MORTGAGE CORP Piper Sandler	10/15/2019	10/15/2020	10/15/2020	10/15/2024	3,000,000.00	3,000,000.00	3,016,680.00	1.746%
FEDERAL HOME LOAN MORTGAGE CORP Piper Sandler	04/17/2020	10/19/2020	01/19/2024	01/19/2024	3,000,000.00	3,000,000.00	2,996,280.00	1.034%
FEDERAL FARM CREDIT BANKS FUNDING CORP Piper Sandler	04/23/2020	04/22/2021	04/22/2021	04/22/2024	3,000,000.00	3,000,000.00	3,000,270.00	0.798%
FEDERAL HOME LOAN BANKS Piper Sandler	12/11/2019	12/11/2020	12/11/2020	06/11/2024	3,000,000.00	3,000,000.00	3,023,730.00	1.650%
FEDERAL HOME LOAN MORTGAGE CORP Piper Sandler	06/25/2020	06/25/2021	06/25/2025	06/25/2025	3,000,000.00	3,000,000.00	3,000,000.00	0.700%
FEDERAL FARM CREDIT BANKS FUNDING CORP Piper Sandler	07/15/2020	01/15/2021	01/15/2025	01/15/2025	3,000,000.00	3,000,000.00	3,000,000.00	0.600%
FEDERAL HOME LOAN MORTGAGE CORP Piper Sandler	08/26/2020	02/26/2021	08/26/2024	08/26/2024	3,000,000.00	3,000,000.00	3,000,000.00	0.500%
FEDERAL FARM CREDIT BANKS FUNDING CORP Stifel	10/15/2019	10/15/2020	10/15/2020	10/15/2024	3,000,000.00	3,000,000.00	3,016,530.00	1.791%
FEDERAL FARM CREDIT BANKS FUNDING CORP Stifel	11/27/2019	11/27/2020	11/27/2020	11/27/2023	3,000,000.00	3,000,000.00	3,022,320.00	1.575%
FEDERAL HOME LOAN MORTGAGE CORP Stifel	02/18/2020	02/18/2021	02/18/2021	02/18/2025	3,000,000.00	3,000,000.00	3,023,130.00	1.533%
FEDERAL FARM CREDIT BANKS FUNDING CORP Stifel	03/24/2020	03/24/2021	03/24/2021	03/24/2023	3,000,000.00	3,000,000.00	3,002,370.00	0.972%
FEDERAL HOME LOAN BANKS Stifel	10/16/2019	10/16/2020	10/16/2020	10/16/2024	3,000,000.00	3,000,000.00	3,019,110.00	1.850%
---	---	---	02/21/2023	10/06/2024	90,000,000.00	89,981,755.00	90,278,740.00	1.070%
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## MMFUND

Description, Broker	Settle Date	Next Call Date	Effective Maturity	Final Maturity	PAR Value	Original Cost	Market Value	Yield to Maturity
LAIF Money Market Fund LAIF - GF	---	---	09/30/2020	09/30/2020	32,580,378.72	32,580,378.72	32,580,378.72	---
<b>LAIF Money Market Fund LAIF - GF</b>	---	---	<b>09/30/2020</b>	<b>09/30/2020</b>	<b>32,580,378.72</b>	<b>32,580,378.72</b>	<b>32,580,378.72</b>	---

## CORP

Description, Broker	Settle Date	Next Call Date	Effective Maturity	Final Maturity	PAR Value	Original Cost	Market Value	Yield to Maturity
TOYOTA MOTOR CREDIT CORP Alamo Capital	02/19/2019	---	07/13/2022	07/13/2022	1,400,000.00	1,399,076.00	1,425,410.00	1.975%
TOYOTA MOTOR CREDIT CORP Alamo Capital	07/18/2019	---	09/08/2022	09/08/2022	1,000,000.00	1,000,000.00	997,290.00	2.266%
JOHN DEERE CAPITAL CORP Alamo Capital	04/03/2020	---	09/08/2022	09/08/2022	1,000,000.00	1,003,535.00	1,003,512.00	2.000%
TOYOTA MOTOR CREDIT CORP Alamo Capital	10/21/2019	---	10/07/2024	10/07/2024	1,500,000.00	1,499,994.00	1,497,855.00	2.033%
EXXON MOBIL CORP UnionBanc GF	03/17/2020	---	08/16/2022	08/16/2022	3,000,000.00	3,037,470.00	3,047,880.00	1.203%
APPLE INC Alamo Capital	09/16/2019	08/11/2024	08/11/2024	09/11/2024	1,000,000.00	990,552.00	1,035,780.00	0.971%

# Monthly Investment Portfolio Report

As of 09/30/2020

AGG- General Fund (213428)

Dated: 10/15/2020

Description, Broker	Settle Date	Next Call Date	Effective Maturity	Final Maturity	PAR Value	Original Cost	Market Value	Yield to Maturity
BANK OF NEW YORK MELLON CORP Alamo Capital	05/06/2020	03/24/2025	03/24/2025	04/24/2025	1,000,000.00	1,020,005.00	1,020,005.00	1.184%
EXXON MOBIL CORP UnionBanc GF	11/22/2019	01/01/2023	01/01/2023	03/01/2023	2,000,000.00	2,055,180.00	2,060,620.00	1.638%
WELLS FARGO BANK NA UnionBanc GF	10/04/2019	09/09/2021	09/09/2021	09/09/2022	2,000,000.00	2,001,420.00	2,015,560.00	1.626%
MICROSOFT CORP Stifel	12/20/2019	02/01/2023	02/01/2023	05/01/2023	2,000,000.00	2,034,620.00	2,092,840.00	0.807%
VISA INC Stifel	01/30/2020	10/14/2022	10/14/2022	12/14/2022	2,000,000.00	2,065,680.00	2,106,000.00	0.755%
CHEVRON CORP Stifel	07/08/2020	01/03/2024	01/03/2024	03/03/2024	3,000,000.00	3,239,700.00	3,239,695.00	0.680%
WALMART INC Stifel	06/18/2020	10/15/2024	10/15/2024	12/15/2024	2,000,000.00	2,173,300.00	2,173,295.00	0.690%
CITIBANK NA Stifel	06/24/2020	12/23/2023	12/23/2023	01/23/2024	3,000,000.00	3,297,000.00	3,296,995.00	0.842%
3M CO Stifel	06/05/2020	03/15/2025	03/15/2025	04/15/2025	3,000,000.00	3,258,120.00	3,258,115.00	0.841%
APPLE INC Stifel	09/24/2020	04/11/2025	04/11/2025	05/11/2025	2,000,000.00	2,055,740.00	2,055,735.00	0.516%
---	---	---	09/23/2023	11/19/2023	30,900,000.00	32,131,392.00	32,326,587.00	1.120%
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## CD

Description, Broker	Settle Date	Next Call Date	Effective Maturity	Final Maturity	PAR Value	Original Cost	Market Value	Yield to Maturity
Sallie Mae Bank Piper Sandler	05/29/2019	---	05/31/2022	05/31/2022	245,000.00	245,000.00	252,236.42	0.713%
Ally Bank Piper Sandler	05/30/2019	---	05/31/2022	05/31/2022	245,000.00	245,000.00	252,236.42	0.713%
Goldman Sachs Bank USA Piper Sandler	06/05/2019	---	06/06/2022	06/06/2022	245,000.00	245,000.00	252,301.69	0.714%
Morgan Stanley Bank, N.A. Piper Sandler	06/06/2019	---	06/06/2022	06/06/2022	245,000.00	245,000.00	252,505.33	0.714%
Morgan Stanley Private Bank, National Association Piper Sandler	06/06/2019	---	06/06/2022	06/06/2022	245,000.00	245,000.00	252,505.33	0.714%
Synchrony Bank Piper Sandler	06/07/2019	---	06/07/2022	06/07/2022	245,000.00	245,000.00	251,904.50	0.714%
---	---	---	06/04/2022	06/04/2022	1,470,000.00	1,470,000.00	1,513,689.71	0.714%
Piper Sandler								

## Summary

Description, Broker	Settle Date	Next Call Date	Effective Maturity	Final Maturity	PAR Value	Original Cost	Market Value	Yield to Maturity
---	---	---	10/04/2022	09/23/2023	154,950,378.72	156,163,525.72	156,699,395.42	1.079%
---								

\* Grouped by: Security Type. \* Groups Sorted by: Ending Market Value + Accrued. \* Weighted by: Ending Market Value + Accrued.

DESERT WATER AGENCY  
STATEMENT OF CASH RECEIPTS AND EXPENDITURES

WASTEWATER ACCOUNT

SEPTEMBER 2020

INVESTED  
RESERVE FUNDS  
\$1,707,701.12

BALANCE	SEPTEMBER 1, 2020	\$49,890.66		
ACCOUNTS RECEIVABLE - OTHER		\$0.00		
CUSTOMER DEPOSITS - CONSTRUCTION		0.00		
INTEREST EARNED - INVESTED FUNDS		0.16		
WASTEWATER REVENUE		95,965.45		
SEWER CAPACITY CHARGES		209.16		
MISCELLANEOUS		<u>0.00</u>		
TOTAL RECEIPTS		\$96,174.77		
PAYMENTS				
CHECKS UNDER \$10,000.00		\$0.00		
CHECKS OVER \$10,000.00 - SCH. #1		254,578.37		
CANCELLED CHECKS AND FEES		<u>0.00</u>		
TOTAL PAYMENTS		<u>\$254,578.37</u>		
NET INCOME		(\$158,403.60)		
INVESTED RESERVE FUNDS				
FUNDS MATURED		\$333,700.00		
FUNDS INVESTED – SCH. #2		<u>225,100.00</u>		
NET TRANSFER			\$108,600.00	(\$108,600.00)
BALANCE	SEPTEMBER 30, 2020		\$87.06	\$1,599,101.12

## DESERT WATER AGENCY

**Wastewater Fund**

Schedule #1 - Checks Over \$10,000

**September 2020**

Check #	Name	Description	Amount
3358	Coachella Valley Water District	Sewer Capacity Charges	\$ 84,842.32
3359	Desert Water Agency	Operating Fund Reimbursement - July & August 2020	\$ 97,425.83
3360	City of Palm Springs	Wastewater Revenue Billing for August 2020	\$ 10,489.98
3361	Coachella Valley Water District	Wastewater Revenue Billing for August 2020	\$ 61,820.24
<b>Total</b>			<b>\$ 254,578.37</b>

# Monthly Investment Portfolio Report

As of 09/30/2020

AGG- Wastewater Fund (213427)

Dated: 10/15/2020

Security Type



Chart calculated by: PAR Value

## MMFUND

Description, Broker	Settle Date	Next Call Date	Effective Maturity	Final Maturity	PAR Value	Original Cost	Market Value	Yield to Maturity
LAIF Money Market Fund LAIF - WW	---	---	09/30/2020	09/30/2020	1,599,101.12	1,599,101.12	1,599,101.12	---
<b>LAIF Money Market Fund LAIF - WW</b>	<b>---</b>	<b>---</b>	<b>09/30/2020</b>	<b>09/30/2020</b>	<b>1,599,101.12</b>	<b>1,599,101.12</b>	<b>1,599,101.12</b>	<b>---</b>

\* Grouped by: Security Type. \* Groups Sorted by: Ending Market Value + Accrued. \* Weighted by: Ending Market Value + Accrued.

DESERT WATER AGENCY  
**Investment Portfolio Reporting Requirements**

*as required by DWA Resolution 886, Section VII  
& California Government Code Section 53646*

*as of*

**September 30, 2020**

### Statement of Compliance

The Desert Water Agency portfolio is in compliance with the Agency's investment policy and guidelines for investment of Agency funds as outlined in DWA Resolution 886 and updated by Resolution 1200.

### Statement of Agency's Ability to Meet Six-Month Expenditure Requirements

Desert Water Agency has the ability to meet its expenditure requirements for the next six months.

### Description of Investments

#### Agency Bonds

Securities issued by a government-sponsored enterprise or by a federal government department other than the U.S. Treasury.

#### Bank Deposits

Agency funds on deposit in the General Fund, Operating Fund and Wastewater Fund active checking accounts for use in meeting the daily cash flow requirements of the Agency.

#### Certificate of Deposits (CD)

Interest bearing time deposit. FDIC insured up to \$250,000 per depositor, per FDIC-insured bank.

#### Corporate Notes

Debt securities issued by a for-profit company.

#### Money Market Funds

High quality, short-term debt instruments, cash and cash equivalents. Utilized for overnight holding of investment proceeds prior to reinvesting or transferring to Agency checking accounts.

### Funds Managed by Contracted Parties - LAIF

The Desert Water Agency has contracted with the California Local Agency Investment Fund (LAIF) for investment of Agency funds. LAIF is a voluntary program created by Section 16429.1 et seq. of the California Government Code. LAIF is an investment alternative for California's local governments and special districts. This program offers local agencies the opportunity to participate in a major portfolio, which invests hundreds of millions of dollars, using the investment expertise of the state Treasurer's Office professional investment staff at no additional cost to the taxpayer or ratepayer. All Agency funds invested with LAIF are available for withdrawal upon demand and may not be altered, impaired or denied in any way (California Government Code Section 16429.4).

### Market Value Source

Current market values are provided by Clearwater Analytics for all investment types other than LAIF. LAIF market values are recorded at PAR value.

Esther Saenz  
Finance Director  
Desert Water Agency

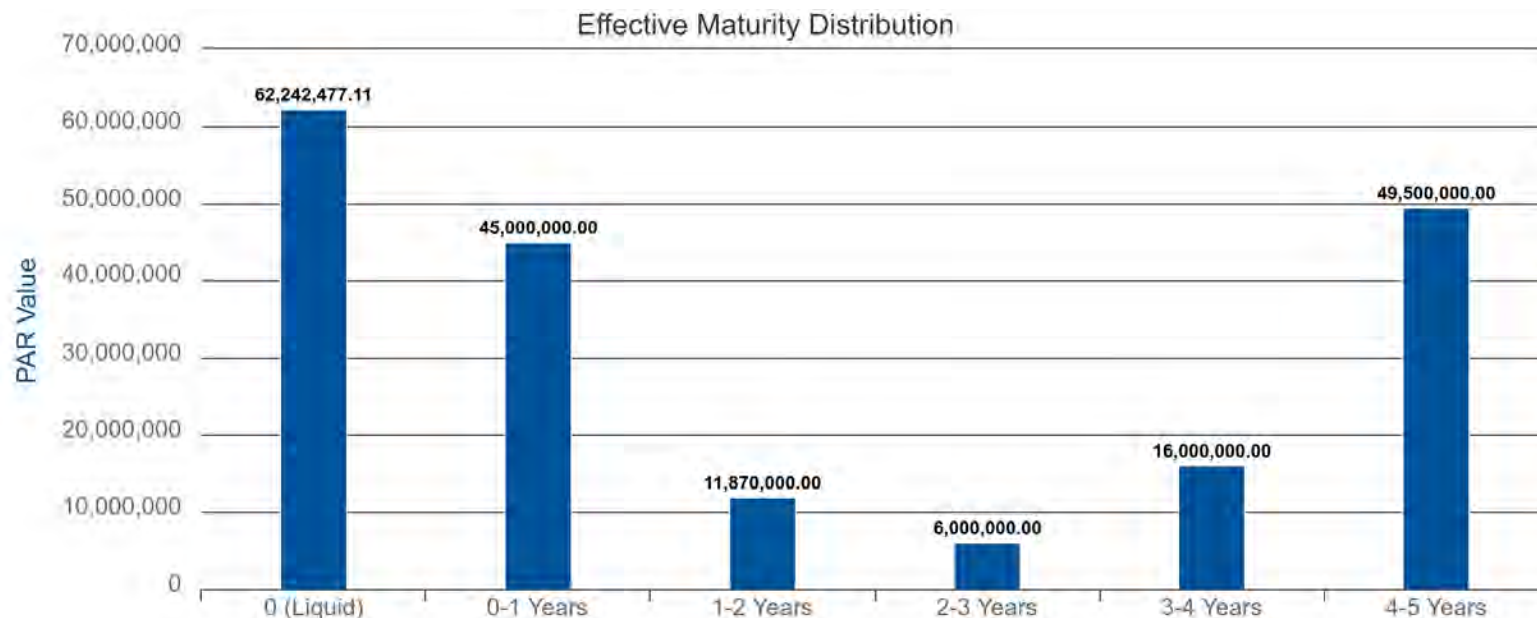


# Effective Maturity Distribution Summary

As of 09/30/2020

AGG-ALL (219610)

Dated: 10/15/2020



## 0 (Liquid)

DWA Fund	Account	Identifier	Description	Security Type	PAR Value	Ending Effective Maturity	Final Maturity
General Fund	LAIF - GF	LAIFMMF	LAIF Money Market Fund	MMFUND	32,580,378.72	09/30/2020	09/30/2020
Operating Fund	LAIF - OP	LAIFMMF	LAIF Money Market Fund	MMFUND	28,062,997.27	09/30/2020	09/30/2020
Wastewater Fund	LAIF - WW	LAIFMMF	LAIF Money Market Fund	MMFUND	1,599,101.12	09/30/2020	09/30/2020
---	---	LAIFMMF	LAIF Money Market Fund	MMFUND	62,242,477.11	09/30/2020	09/30/2020

## 0-1 Years

DWA Fund	Account	Identifier	Description	Security Type	PAR Value	Ending Effective Maturity	Final Maturity
General Fund	---	---	---	---	44,000,000.00	01/21/2021	03/16/2024
Operating Fund	UnionBanc OP	94988J6A0	WELLS FARGO BANK NA	CORP	1,000,000.00	09/09/2021	09/09/2022
---	---	---	---	---	45,000,000.00	01/26/2021	03/04/2024

## 1-2 Years

DWA Fund	Account	Identifier	Description	Security Type	PAR Value	Ending Effective Maturity	Final Maturity
General Fund	---	---	---	---	11,870,000.00	05/28/2022	03/02/2023
General Fund	---	---	---	---	11,870,000.00	05/28/2022	03/02/2023

## 2-3 Years

DWA Fund	Account	Identifier	Description	Security Type	PAR Value	Ending Effective Maturity	Final Maturity
General Fund	---	---	---	CORP	6,000,000.00	12/16/2022	02/24/2023

# Effective Maturity Distribution Summary

As of 09/30/2020

AGG-ALL (219610)

Dated: 10/15/2020

<i>DWA Fund</i>	<i>Account</i>	<i>Identifier</i>	<i>Description</i>	<i>Security Type</i>	<i>PAR Value</i>	<i>Ending Effective Maturity</i>	<i>Final Maturity</i>
General Fund	---	---	---	CORP	6,000,000.00	12/16/2022	02/24/2023

## 3-4 Years

<i>DWA Fund</i>	<i>Account</i>	<i>Identifier</i>	<i>Description</i>	<i>Security Type</i>	<i>PAR Value</i>	<i>Ending Effective Maturity</i>	<i>Final Maturity</i>
General Fund	---	---	---	---	15,000,000.00	03/09/2024	03/30/2024
Operating Fund	UnionBanc OP	3130AJJR1	FEDERAL HOME LOAN BANKS	AGCY BOND	1,000,000.00	04/29/2024	04/29/2024
---	---	---	---	---	16,000,000.00	03/12/2024	04/01/2024

## 4-5 Years

<i>DWA Fund</i>	<i>Account</i>	<i>Identifier</i>	<i>Description</i>	<i>Security Type</i>	<i>PAR Value</i>	<i>Ending Effective Maturity</i>	<i>Final Maturity</i>
General Fund	---	---	---	---	45,500,000.00	05/27/2025	06/03/2025
Operating Fund	UnionBanc OP	---	---	AGCY BOND	4,000,000.00	07/18/2025	07/18/2025
---	---	---	---	---	49,500,000.00	05/31/2025	06/06/2025

## Summary

<i>Account</i>	<i>Identifier</i>	<i>Description</i>	<i>Security Type</i>	<i>PAR Value</i>	<i>Ending Effective Maturity</i>	<i>Final Maturity</i>
---	---	---	---	190,612,477.11	07/06/2022	04/22/2023

\* Grouped by: Effective Maturity Distribution -> DWA Fund. \* Groups Sorted by: Effective Maturity Distribution -> DWA Fund. \* Filtered By: Security Type not in "CASH". \* Weighted by: Ending Market Value + Accrued.

DESERT WATER AGENCY  
**Monthly Investment Portfolio Report**

Abbreviations & Definitions

Investment Type Abbreviations	
<b>AGCY BOND</b>	Agency Bond <sup>1</sup>
<b>CORP</b>	Medium Term Notes (Corporate) <sup>2</sup>
<b>MMFUND</b>	Local Agency Investment Fund (LAIF) <sup>3</sup> & Cash Funds in Transit <sup>4</sup>
<b>CD</b>	Negotiable Certificates of Deposit <sup>5</sup>

Definitions	
<b>Settle Date</b>	The date of original purchase
<b>Next Call Date</b>	The next eligible date for the issuer to refund or call the bond or note
<b>Effective Maturity</b>	The most likely date that the bond will be called based on current market conditions
<b>Final Maturity</b>	The date the bond matures, DWA receives the full PAR value plus the final interest payment
<b>PAR Value</b>	The principal amount DWA will receive when a bond is either called or matures
<b>Original Cost</b>	The original cost to purchase the bond (includes premium/discount)
<b>Market Value</b>	The current value of the bond at current market rates
<b>Yield to Maturity</b>	The total anticipated return on a bond held to maturity expressed as an annual rate

NOTES:

<sup>1</sup> DWA Investment Policy, Resolution 1200, Schedule 1, Item 2

<sup>2</sup> DWA Investment Policy, Resolution 1200, Schedule 1, Item 12

<sup>3</sup> DWA Investment Policy, Resolution 1200, Schedule 1, Item 7

<sup>4</sup> Cash funds in transit are a result of maturities/calls/coupon payments that are held in the Agency's money market account with the broker/custodian until transferred to the Agency's bank.

<sup>5</sup> DWA Investment Policy, Resolution 1200, Schedule 1, Item 8

DESERT WATER AGENCY - OPERATING FUND COMPARATIVE EARNINGS STATEMENT								
MONTH 20-21 SEPTEMBER	/-----THIS MONTH-----/ THIS YEAR	LAST YEAR	BUDGET	/-----FISCAL YEAR TO DATE-----/ THIS YEAR	LAST YEAR	BUDGET	/--VARIANCE--/ YTD	PCT
OPERATING REVENUES								
WATER SALES	3,773,336.84	3,662,523.73	3,626,700.00	11,445,973.89	10,481,736.31	10,703,000.00	742,973.89	7
RECLAMATION SALES	118,245.39	176,076.38	155,300.00	389,675.83	597,929.25	499,900.00	110,224.17-	22-
POWER SALES	346.31	19,770.03	2,750.00	5,700.51	19,770.03	8,250.00	2,549.49-	31-
OTHER OPER REVENUE	141,575.89	209,754.10	173,725.00	610,620.89	655,461.28	521,175.00	89,445.89	17
TOTAL OPER REVENUES	4,033,504.43	4,068,124.24	3,958,475.00	12,451,971.12	11,754,896.87	11,732,325.00	719,646.12	6
OPERATING EXPENSES								
SOURCE OF SUPPLY EXP	1,777,335.91	1,496,483.53	1,632,125.00	1,813,930.20	1,526,201.28	1,757,675.00	56,255.20	3
PUMPING EXPENSE	724,356.87	178,889.05	357,950.00	822,025.82	623,833.11	823,850.00	1,824.18-	0
REGULATORY WATER TREAT	73,670.04	53,065.57	53,700.00	170,554.48	146,237.30	161,100.00	9,454.48	6
TRANS & DIST EXPENSE	262,481.65	227,521.30	349,000.00	577,491.44	796,535.31	1,047,000.00	469,508.56-	45-
CUSTOMER ACT EXPENSE	104,465.30	82,880.03	93,250.00	252,961.20	220,252.13	279,750.00	26,788.80-	10-
ADMIN & GEN EXPENSE	939,200.09	726,058.49	812,160.00	4,538,910.26	4,198,953.02	4,488,730.00	50,180.26	1
REGULATORY EXPENSE	7,652.71	34,120.55	37,750.00	22,190.81	70,505.07	113,250.00	91,059.19-	80-
SNOW CREEK HYDRO EXP	2,197.29	703.52	3,050.00	8,221.77	8,391.84	9,150.00	928.23-	10-
RECLAMATION PLNT EXP	109,649.03	92,306.71	209,875.00	208,514.43	308,681.30	628,625.00	420,110.57-	67-
SUB-TOTAL	4,001,008.89	2,892,028.75	3,548,860.00	8,414,800.41	7,899,590.36	9,309,130.00	894,329.59-	10-
OTHER OPER EXPENSES								
DEPRECIATION	526,410.49	520,620.95	518,550.00	1,573,894.06	1,526,108.23	1,555,650.00	18,244.06	1
SERVICES RENDERED	7,063.25	7,707.15	13,750.00	21,752.16	31,416.71	41,250.00	19,497.84-	47-
DIR & INDIR CST FOR WO	245,305.22-	148,773.88-	204,900.00-	927,122.49-	745,485.53-	614,700.00-	312,422.49-	51
TOTAL OPER EXPENSES	4,289,177.41	3,271,582.97	3,876,260.00	9,083,324.14	8,711,629.77	10,291,330.00	1,208,005.86-	12-
NET INCOME FROM OPERATIONS	255,672.98-	796,541.27	82,215.00	3,368,646.98	3,043,267.10	1,440,995.00	1,927,651.98	134
NON-OPERATING INCOME (NET)								
RENTS	16,332.43	3,727.53	3,780.00	44,814.87	10,909.83	11,340.00	33,474.87	295
INTEREST REVENUES	19,278.65	45,345.76	15,000.00	65,511.70	137,929.60	45,000.00	20,511.70	46
OTHER REVENUES	280.00	140.00	.00	3,550.00	1,156.72	.00	3,550.00	0
GAINS ON RETIREMENT	.00	.00	2,480.00	.00	.00	2,480.00	2,480.00-	100-
DISCOUNTS	211.85	22.29	50.00	225.27	106.07	150.00	75.27	50
PR. YEAR EXPENSES	363.60-	.00	.00	363.60-	.00	.00	363.60-	0
OTHER EXPENSES	902.95-	.00	2,500.00-	902.95-	20,000.00-	37,500.00-	36,597.05	98-
LOSS ON RETIREMENTS	53.86-	13,671.42-	4,500.00-	53.86-	12,123.84-	13,500.00-	13,446.14	100-
TOTAL NON-OPER INCOME	34,805.02	35,564.16	14,310.00	112,781.43	117,978.38	7,970.00	104,811.43	0
TOTAL NET INCOME	220,867.96-	832,105.43	96,525.00	3,481,428.41	3,161,245.48	1,448,965.00	2,032,463.41	140

DESERT WATER AGENCY  
OPERATING FUND  
WATER CONSUMPTION

				QUARTER ENDING SEPTEMBER 2020		
	THIS QUARTER			FISCAL YEAR TO DATE		
	LAST YEAR	THIS YEAR	% UP (DOWN)	LAST YEAR	THIS YEAR	% UP (DOWN)
WATER REVENUE	\$10,481,736	\$11,445,974	9	\$10,481,736	\$11,445,974	9
TOTAL CONSUMPTION (100 CU FT)	4,098,787	4,291,399	5	4,098,787	4,291,399	5
AVERAGE CONSUMPTION PER CONSUMER (100 CU FT)	181	185 *	2	181	185 C	2
NUMBER OF CONNECTIONS	38	76		22,686	22,930	1

\* = ADDED THIS QUARTER

C = TOTAL ACTIVE SEPTEMBER 2020

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

**OCTOBER 20, 2020**

**RE: REQUEST AUTHORIZATION TO INCREASE THE WHITEWATER RIVER  
IRRIGATION WATER SUPPLY RATE**

The Agency currently provides Whitewater River Water Irrigation (WWI) water service to three customers, the Agua Caliente Band of Cahuilla Indians (Tribe), Whitewater Rock & Supply Co., Inc. and Caltrans. However, Caltrans has not taken any water for over a year. The Agency has an agreement with Whitewater Rock and Supply Co., Inc. However, the Agency does not have an agreement with the Tribe and Caltrans. They are provided water service via an “at will” arrangement.

Staff has completed a cost of service analysis for its delivery WWI water supply. The Agency must recover its costs incurred and in order to do this the cost must be increased from \$0.83/hcf (hundred cubic feet) to \$1.20/hcf, a 44.6% adjustment. At present the Tribe is our largest customer followed by Whitewater Rock Co. Inc.

In accordance with our agreement with Whitewater Rock and Supply Co., Inc., a notice will be sent notifying them of the adjusted rate (attached). Letter agreements have been prepared for the Tribe and Caltrans to inform them of the proposed adjusted rate along with a copy of the Agency’s calculation of the rate for diversion and delivery of the WWI water supply (attached).

The executed letter agreements must be returned to the Agency by December 15, 2020, or deliveries will be halted. The adjusted rate will be applied beginning in the month following the execution and return of this letter.

Staff requests authorization to adjust the Whitewater River irrigation water supply rate to \$1.20 per hcf to recover its costs incurred in providing this water supply to its customers effective January 4, 2021.

Whitewater Rate Study									
	Water Consumption (hcf) 1	Electricity Cost (\$) 2	Electricity Rate (\$/hcf) 3	Operating and Maintenance Cost (\$) 4	Operating and Maintenance Rate (\$/hcf) 5	Depreciation Rate (\$/hcf) 6	Replacement Reserve Rate (\$/hcf) 7	Replenishment Assessment Rate (\$/hcf) 8	Water Rate (\$/hcf) 9
5 Year Average	20133	1093	0.06	3598	0.19	0.35	0.22		0.82
Proposed Rate			0.06		0.19	0.35	0.22	0.38	1.20

- 1- WATER CONSUMPTION (HCF). DATA ACQUIRED FROM WATER SERVICE ACCOUNTS.
- 2- ELECTRICITY COST (\$). DATA ACQUIRED FROM ELECTRICAL SERVICE ACCOUNTS FOR WELLS ON WHITEWATER RIVER.
- 3- ELECTRICITY RATE (\$/HCF). CALCULATED BY DIVIDING ELECTRICITY COST BY THE WATER CONSUMPTION (COLUMN 2/COLUMN 1).
- 4- OPERATING AND MAINTENANCE (O&M) COST (\$). DATA ACQUIRED FROM EXPENSES ACCUMULATED IN DWA ACCOUNT NUMBER 54-235 AND GENERAL AND ADMINISTRATIVE COST PER MONTH.
- 5- OPERATING AND MAINTENANCE (O&M) RATE (\$/HCF). CALCULATED BY DIVIDING OPERATING AND MAINTENANCE (O&M) COST BY THE WATER CONSUMPTION (COLUMN 4/COLUMN 1).
- 6- DEPRECIATION RATE (\$/HCF). DETERMINED FROM DWA'S YEARLY OPERATIONS AND STATISTICS ANALYSIS.
- 7- REPLACEMENT RESERVE RATE (\$/HCF).  
COST ( ESTIMATED AT \$2,500,000) TO REPLACE THE PIPELINE OVER 50 YEAR TIME SPAN.  
THE FORMULA IS : REPLACEMENT COST (\$2,500,000)/(RECOVERY YEARS(50 YEARS)\* 12 MONTHS/YEAR\* MONTHLY CONSUMPTION /MONTH)
- 8- REPLENISHMENT ASSESSMENT RATE (\$/HCF).
- 9- WATER RATE (\$/HCF)  
THE SUMMARY OF THE ELECTRICITY RATE, OPERATIONS AND MAINTENCEN RATE, DEPRECIATION RATE, REPLACMENT RATE, AND REPLENISHMENT ASSESSMENT RATE  
COLUMN 9 = COLUMN 3 + COLUMN 5 + COLUMN 6 + COLUMN 7 + COLUMN 8

HCF IS 100 CUBIC FEET.  
1 ACRE-FOOT IS 42,560 CUBIC FEET  
\$1.20 PER HCF IS EQUAL TO \$524.79 PER ACRE-FOOT

# WHITEWATER ROCK & SUPPLY CO.

QUARRY STONE - MASONRY SUPPLIES

July 30, 2009



David K. Luker  
General Manager-Chief Engineer  
Desert Water Agency  
P.O. Box 1710  
Palm Springs, CA 92263-1710

RE: DESERT WATER AGENCY NON-POTABLE WATER  
SERVICE AGREEMENT

Mr. Luker:

The attached draft agreement between Whitewater Rock & Supply and the Desert Water Agency for non-potable water service has been reviewed and executed by Allan E. Bankus, Jr., President.

Once all parties have signed this agreement, please forward a copy of the executed agreement for our files.

Sincerely,

A handwritten signature in cursive script, appearing to read "Linda Jo Bankus".

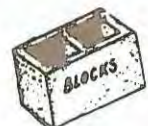
Linda Jo Bankus  
Administration

LJB/ljo

Enc.



58645 OLD HIGHWAY 60, WHITEWATER, CALIFORNIA 92282  
PHONE PALM SPRINGS (760) 325-2747 FAX (760) 325-3666  
e-mail: WWROCKCO@aol.com web site: www.whitewater-rock.com





E. Thomas Kieley, III  
President  
Ronald E. Starrs  
Vice President  
Patricia G. Oygur  
Secretary/Treasurer  
Craig E. Ewing  
James Cioffi

David K. Luker  
General Manager  
Chief Engineer  
Best, Best & Krieger  
General Counsel  
Krieger & Stewart  
Consulting Engineers

## DESERT WATER



Desert Water Agency  
1200 Gene Autry Trail South  
P.O. Box 1710  
Palm Springs, CA 92263-1710  
Telephone 760 323-4971  
Fax 760 325-6505  
[www.dwa.org](http://www.dwa.org)

July 16, 2009

Alan Bankus  
Whitewater Rock & Supply  
58645 Old Highway 60  
Whitewater, CA 92282

**RE: DESERT WATER AGENCY NON-POTABLE WATER SERVICE AGREEMENT**

Dear Alan:

Enclosed please find a draft agreement between Whitewater Rock & Supply and the Desert Water Agency for non-potable water service. The service will be provided to your property using the recently acquired Whitewater Mutual delivery system.

In February 2009, the Agency installed meters on all those connections that were to remain on the non-potable system operated by Desert Water Agency. Since that time, the Agency has maintained the existing flat monthly water rate to you, as established by Whitewater Mutual, at \$584 per month. Your metered consumption between February and June 2009 (five months) has ranged between 1,057/100 cubic foot units to 1,588/100 cubic foot units.

Using the five months of metered service, the Agency has developed an actual cost based on the cost of production, and established a rate for non-potable water service to Whitewater Rock & Supply; that rate has been established at \$.60 per 100 cubic feet. By comparison, the Agency's domestic water system rate in its service area is \$.90 per 100 cubic feet. If you had been on the metered rate between February and June 2009, your monthly costs would have ranged between \$634.20 and \$952.80 in the highest month of use.

I will be happy to answer any questions you may have about the enclosed agreement, the operating costs we have experienced in each of the five months of metering, or how we arrived at the rate of \$.60 per 100 cubic feet. If the draft agreement is acceptable to you, please execute it and return it to my attention at Desert Water Agency.

Sincerely,

**DESERT WATER AGENCY**

David K. Luker  
General Manager-Chief Engineer

DKL/jlt  
Enclosure (1)

## **NON-POTABLE WATER SERVICE AGREEMENT**

This Non-Potable Water Service Agreement ("Agreement") is executed by and between Desert Water Agency (the "Agency"), an independent special district of the State of California, and Whitewater Rock & Supply Company ("Whitewater Rock"), a California corporation, effective July 1, 2009.

### **RECITALS**

A. Whitewater Rock is engaged in the business of supplying construction materials at 58645 Old Highway 60, Whitewater, California 92282.

B. For years Whitewater Rock has purchased non-potable water from Whitewater Mutual Water Company ("Whitewater Mutual") for controlling dust, sanitation use, and other non-potable purposes at its place of business. The source of the water has been surface water diverted from the Whitewater River and transported in pipeline facilities owned and operated by Whitewater Mutual for the delivery of non-potable water.

C. The Agency has acquired most of the shares in Whitewater Mutual. The owners of a majority of the shares of Whitewater Mutual have elected to dissolve Whitewater Mutual and distribute the assets to its shareholders, as a result of which the Agency will acquire ownership of Whitewater Mutual's assets, including its water rights and the facilities used to deliver non-potable water to Whitewater Rock.

D. Whitewater Rock wishes to continue receiving non-potable water from the same source, through the same facilities and for the same uses as in the past. The Agency is willing to continue providing such service, for a charge which recovers the Agency's actual costs of obtaining and delivering water and maintaining the production and delivery facilities.

E. The purpose of this Agreement is to provide for the continued service of non-potable water to Whitewater Rock, for its use in operating its business, at a charge which is sufficient to cover the Agency's cost of obtaining and providing the water.

## TERMS

1. The Agency agrees to provide non-potable water service to Whitewater Rock, for non-potable uses only, through the existing service connections located at 58645 Old Highway 60, Whitewater, California. The source of the water shall be surface water diverted from the flow or underflow of the Whitewater River. Deliveries shall be subject to the availability of that supply and the ability of Agency facilities to deliver the water.

2. Whitewater Rock agrees to purchase the non-potable water upon the terms set forth in this Agreement and subject to the same rules and regulations which apply to the delivery of Agency water to other customers of the Agency. Whitewater Rock acknowledges that the water shall not be used for domestic consumption and that the Agency makes no representation with regard to the quality of the water.


3. The parties agree that the water will be delivered through the existing three services with two 2" and one 3" meters which currently serve the business. The Agency will read the meter monthly and invoice Whitewater Rock for water delivered since the date of the previous meter reading. Billing and payment shall be as set forth in the Agency's rules and regulations for water service to other Agency customers.

4. The parties further agree that as of the date of this Agreement, the unit charge for non-potable water delivered to Whitewater Rock pursuant to this Agreement shall be \$.60 per 100 cubic feet, which covers the Agency's cost of obtaining and delivering the water and maintaining the production and delivery facilities. The Agency may adjust or revise its unit charge for water delivered pursuant to this Agreement as such costs may change from time to time. In such event, the Agency will provide Whitewater Rock with 45 days' advance written notice of the adjustment or revision of the unit charge, and will provide an opportunity to meet with the Agency to review the basis for the adjustment or revision. In no event shall the unit charge for water delivered pursuant to this Agreement exceed the rate for potable water delivered to Agency customers residing in the City of Palm Springs.


5. Either party may terminate this Agreement at any time upon 45 days' notice in writing to the other party, or sooner upon mutual consent in writing. Neither party may assign this Agreement, or any of the obligations or benefits contained herein, without the written consent of the other party.

6. In the event of any legal action on this Agreement, or to construe or enforce the provisions contained herein, the prevailing party shall be entitled to reimbursement of costs and reasonable attorney's fees.

DESERT WATER AGENCY

By   
David K. Luker, General Manager

WHITEWATER ROCK & SUPPLY COMPANY

By   
Alan Bankus, President

Joseph K. Stuart, President  
Kristin Bloomer, Vice President  
Craig A. Ewing, Secretary-Treasurer  
Patricia G. Oygar, Director  
James Cioffi, Director



Mark S. Krause, General Manager-Chief Engineer  
Best, Best & Krieger, General Counsel  
Krieger & Stewart, Consulting Engineers

October 20, 2020

Whitewater Rock & Supply  
Attn: Allen E. Mankus, Jr., President  
58645 Old Highway 60  
Whitewater, CA 92282

**RE: DESERT WATER AGENCY NON-POTABLE WATER SERVICE AGREEMENT,  
RATE INCREASE NOTIFICATION**

Dear Mr. Bankus:

Per our water supply agreement effective July 1, 2009, the Agency may adjust or revise its unit charge for water delivery pursuant to the agreement. In such event, the Agency is to provide 45 days advance written notice of the adjustment or revision of the unit charge, and will provide an opportunity to meet with the Agency to review the basis for the adjustment or revision. In no event shall the unit charge for water delivered pursuant to this Agreement exceed the rate for potable water delivered to Agency customers residing in the City of Palm Springs (currently \$2.08 per hundred cubic feet (hcf)).

We hereby notify you per the agreement that the unit rate is adjusted to \$1.20 per hcf on January 4, 2021. Your water meter will be read that day and water delivered on or after that reading will be delivered at the adjusted rate. A table summarizing the calculation of the rate is attached. The increase is largely the result of adding our replenishment assessment charge to the rate. This charge is now being applied to all Agency surface water diversions to cover the cost of importing water supplies used to replenish the aquifer as a source substitution for local surface water diversions that would otherwise recharge the groundwater aquifer.

Please contact the Agency if you would like to meet to review the basis for the adjustment.

Sincerely,

Mark S. Krause  
General Manager-Chief Engineer



Joseph K. Stuart, President  
Kristin Bloomer, Vice President  
Craig A. Ewing, Secretary-Treasurer  
Patricia G. Oygar, Director  
James Cioffi, Director



Mark S. Krause, General Manager-Chief Engineer  
Best, Best & Krieger, General Counsel  
Krieger & Stewart, Consulting Engineers

October 20, 2020

Agua Caliente Band of Cahuilla Indians  
Attn: Margaret Park, Director of Planning and Natural Resources  
5401 Dinah Shore Drive  
Palm Springs, CA 92264

Re: Whitewater River Irrigation Water Supply Delivery Rate

Dear Ms. Park:

As further explained in my letter to Tom Davis in 2016, Desert Water Agency ("Agency") has been delivering water diverted by the Agency from the Agency's diversion facility at Whitewater River, through Agency conveyance facilities, to the Whitewater Ranch property that the Agua Caliente Band of Cahuilla Indians ("Tribe") purchased some years ago. The Agency has been making these deliveries as an accommodation to the Tribe, without an agreement between the Agency and the Tribe currently in effect. It is an "at will" arrangement intended to accommodate the Tribe.

If these deliveries are to continue, however, the Agency must recover its costs incurred by the Agency in diverting and delivering the water. This requires an adjustment in the rate charged at this time to \$1.20 per hundred cubic feet (hcf). A copy of the Agency's calculation of this rate for diversion and delivery of the water is attached to this letter, to document the calculation. The Tribe is not obligated to continue receiving these deliveries from the Agency, but if it wishes to do so, the Agency does need to adjust the rate charged in order to continue.

If the Tribe agrees to this adjustment in the rate for diversion and delivery of the water, please so indicate by signing and dating the enclosed copy of this letter in the spaces provided below, and returning it to the Agency, to my attention. If we do not receive a signed copy back by December 15, 2020, deliveries will be halted. The adjusted rate will be applied beginning January 4, 2021, following the Tribe's execution and return of this letter.

Sincerely,

Mark S. Krause  
General Manager-Chief Engineer

Accepted and Agreed:  
Agua Caliente Band of Cahuilla Indians

By: \_\_\_\_\_

Date: \_\_\_\_\_

Joseph K. Stuart, President  
Kristin Bloomer, Vice President  
Craig A. Ewing, Secretary-Treasurer  
Patricia G. Oygar, Director  
James Cioffi, Director



Mark S. Krause, General Manager-Chief Engineer  
Best, Best & Krieger, General Counsel  
Krieger & Stewart, Consulting Engineers

October 20, 2020

Caltrans D-8 WRMW  
PO Box 168020  
Sacramento, CA 95816-8020

Re: Whitewater River Irrigation Water Supply Delivery Rate

To Whom it may Concern:

The Agency has been making these deliveries as an accommodation to Caltrans, without an agreement currently in effect. It is an "at will" arrangement. The Agency is seeking agreements with all of its customers receiving water service from its Whitewater River Irrigation water supply.

If these deliveries are to continue, however, the Agency must recover its costs incurred by the Agency in diverting and delivering the water. This requires an adjustment in the rate charged at this time to \$1.20 per hundred cubic feet (hcf). A copy of the Agency's calculation of this rate for diversion and delivery of the water is attached to this letter, to document the calculation. Caltrans is not obligated to continue receiving these deliveries from the Agency, but if it wishes to do so, the Agency does need to adjust the rate charged in order to continue.

If Caltrans agrees to this adjustment in the rate for diversion and delivery of the water, please so indicate by signing and dating the enclosed copy of this letter in the spaces provided below, and returning it to the Agency, to my attention. If we do not receive a signed copy back by December 15, 2020, deliveries will be halted. The adjusted rate will be applied beginning January 4, 2021, following Caltrans execution and return of this letter.

Sincerely,

Mark S. Krause  
General Manager-Chief Engineer

Accepted and Agreed:  
Caltrans

By: \_\_\_\_\_

Date: \_\_\_\_\_

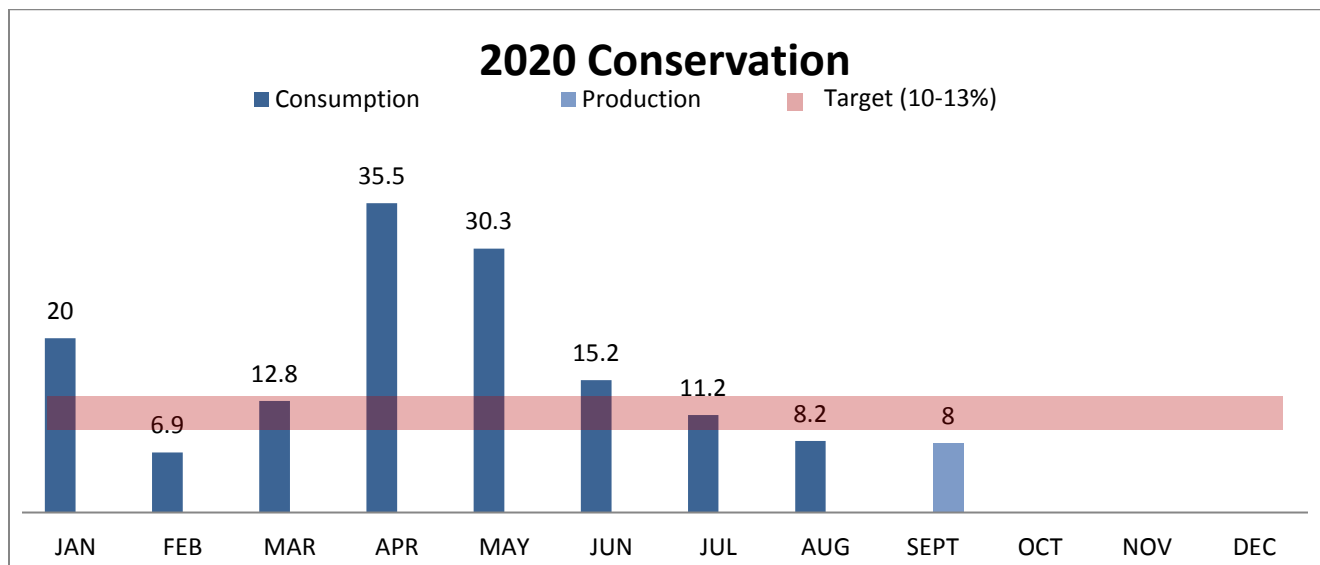
**STAFF REPORT  
TO  
DESERT WATER AGENCY  
BOARD OF DIRECTORS**

**OCTOBER 20, 2020**

**RE: SEPTEMBER 2020 WATER USE REDUCTION FIGURES**

Desert Water Agency and its customers achieved an 8% reduction in potable water production during September 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.

**September is the first month's data that will be provided to the state under its new non-emergency authority to collect monthly water production figures.** Historically, the Agency has submitted monthly water consumption (billing) data when mandated and voluntarily. The production figures are those from each well and stream source where water goes into the distribution potable system. This change adds system losses (leakage, theft etc.) to the calculation of the water “used or consumed”.



DWA asked its customers to save 10-13% compared to 2013 to help achieve long-term sustainability. This target will likely be reevaluated once Desert Water Agency receives water use objectives in accordance with long-term conservation legislative (AB 1668 and SB 606, 2018). The 10-13% target was established after the drought mandatory reduction levels were eliminated.



Reporting information	Consumption	Production (submitted to SWRCB)
September 2020 conservation percentage	8.19%	8.01%
September 2020 water production	3269.43 AF	3240.74 AF
September 2013 water production	3561.22 AF	3522.77 AF
The percentage of the Total Monthly Potable Water Production going to residential use only for the reporting month	70.72%	71.34%
Population (inclusive of seasonal residents)	89,232	
Estimated R-GPCD	281.45	
How many public complaints of water waste or violation of conservation rules were received during the reporting month?	22	
How many contacts (written/ verbal) were made with customers for actual/ alleged water waste or for a violation of conservation rules?	5	
How many formal warning actions (e.g.: written notifications, warning letters, door hangers) were issued for water waste or for a violation of conservation rules?	1	
How many penalties were issued for water waste or for a violation of conservation rules?	0	
Comments: This is the first time Desert Water Agency is submitting production figures. All previous data submitted under the emergency order and the subsequent voluntary reports were based on consumption (billing) data and should not be compared to the production figures here or in the future. In order to preserve the integrity of the data, DWA has requested that previous data be removed from the SWRCB system.		

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

**OCTOBER 20, 2020**

**RE: FEMA FUNDING UPDATE**

On Valentine's Day of 2019, a storm caused incredible flooding and damage in the Coachella Valley. Several Desert Water Agency facilities were affected. On May 1, 2019, FEMA declared the flooding event a major disaster (4431-DR).

On June 17 of 2019 after learning that the City of Palm Springs was working with FEMA on assistance for flood remediation, staff submitted a formal Request for Project Assistance with FEMA. The request was submitted one day after the application period ended and was formally denied on August 28. DWA submitted a formal appeal and worked with Water Strategies to obtain a letter of support from Congressman Dr. Raul Ruiz. That appeal was submitted on October 2, 2019 and rejected on January 2, 2020. On July 13, 2020, FEMA representatives contacted staff to notify DWA that its Request for Project Assistance would be considered.

Staff has been working closely with FEMA on these projects.

The Agency is working to obtain reimbursement for its flood damage remediation at:

- Snow Creek (intake and bridge repairs): **\$216,243.60**
- Cathedral Canyon Drive (sewer line response and repairs): **\$54,412.38**

These projects have already been completed and we're awaiting final FEMA determination regarding all of the submitted costs.

DWA is also positioned to get reimbursement for work that has yet to be done to repair damage at the Falls Creek and Chino Creek North intakes and Whitewater Mutual system. Estimated repair costs are:

- Falls Creek (intake and low water crossing): **\$250,600**
- Chino Creek North (intake): **\$236,768**
- Whitewater Irrigation (pump headworks): **\$56,000**

These projects have yet to be completed. The actual project costs may vary from the Engineer's estimates.

FEMA reimburses applicants for 75% of eligible project costs.

The Agency has also coordinated with the California Office of Emergency Services (CalOES) and they indicated that of the remaining 25% of the project cost not funded by FEMA, the State would likely pick up 75% of the remaining costs for the above projects.

This would leave the Agency with a 6.25% cost share. If the estimates hold true and FEMA and CalOES determine all costs submitted are eligible, we can expect to pay about \$50,875 to complete roughly \$814,000 in repair and hardening projects.

Staff is also working with CalOES and FEMA on the COVID-19 declared disaster (4482-DR) to solicit reimbursement for money spent on personal protective equipment, disinfection services, emergency health signage, telecommuting supplies, legal fees and payment processing fees. Based on our guidance from CalOES, we do not expect FEMA to accept many of these charges.

Staff will return to the Board with updates on both FEMA requests as key milestones are met.

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

**OCTOBER 20, 2020**

**RE: 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. The Board voted unanimously on May 5, 2020, July 7, 2020 and September 15, 2020 to extend the financial relief measures for customers. Currently, the Board approved relief measures are effective through November 17, 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.

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, September's consumption has returned to pre-COVID 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 are below the pre-

COVID-19 adjusted budget by \$1,500. Overall, the Agency has experienced approximately \$150,000 in decreased water revenues attributed to COVID-19 for the period of March through September 2020.

	<u>September 2020</u>
Adopted 2020/2021 Budget	\$ 3,626,700
COVID-19 Adjustment	<u>\$ 148,100</u>
Pre-COVID-19 Budget	\$ 3,774,800
Actual Revenue	\$ 3,773,300
<b>Over/(Under)</b>	<b>(\$ 1,500)</b>

### **Late Fees**

For the measurement period of March 17<sup>th</sup> to October 6<sup>th</sup>, the Agency has not assessed 10,666 late fees which equates to \$266,700. Prior to COVID-19, the anticipated late fee revenues from March 2020 through September 2020 were \$167,200.

### **Reconnection Fees**

The Agency has not discontinued water service for non-payment, which has resulted in decreased revenues of approximately \$167,300 from March 17<sup>th</sup> to October 6<sup>th</sup>. Prior to COVID-19, the anticipated reconnection fee revenues from March 2020 through September 2020 were \$27,400.

### **Accounts Receivable**

The Agency's historical revolving accounts receivable balance is approximately \$1.5 million. Due to discontinuation of service disconnections for non-payment, as of September 30<sup>th</sup>, Accounts Receivable is \$905,000 above this historical average. This represents 4.0% of total water revenues for the period of March 2020 through September 2020.

There are currently 1,750 delinquent accounts that are at least 2 months past due, with 510 of these accounts being severely delinquent at 5 to 9 months past due.

### **Paymentus Fees**

For the measurement period of March 17<sup>th</sup> to October 6<sup>th</sup>, the Agency has absorbed \$17,000 in Paymentus fees (4,056 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 \$29,600 to date. The upgrade to the Agency's telecommuting software is now complete and

awaiting final billing. 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 \$5,000 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 \$46,700 to date.

### **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 \$98,300 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 \$65,100 for the period of March 2020 through September 2020.

### **Summary**

#### **Revenues**

Water Sales	\$ (150,000.00)
Late Fees	\$ (167,200.00)
Reconnection Fees	\$ (27,400.00)
	<u><b>\$ (344,600.00)</b></u>

#### **Expenses**

Paymentus Fees	\$ (17,000.00)
Telecommuting Expenses	\$ (57,600.00)
Safety Supplies & Disinfection	\$ (51,700.00)
Reduced Variable Expenses	\$ 98,300.00
Reduced Administrative Expenses	\$ 65,100.00
	<u><b>\$ 37,100.00</b></u>

<b>Net Impact</b>	<b>\$ (307,500.00)</b>
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To date, the Agency has experienced \$344,600 in lost revenues and a net decrease in expenses of \$37,100 as a result of the COVID-19 pandemic, totaling a net impact of \$307,500 when compared to pre-COVID anticipated revenue and expenses. The Agency will 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

OCTOBER 20, 2020

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

As requested by the Board, the following report outlines the proposed battery system equipment and installation costs that GSRE has proposed for Well 17 and Acanto Booster sites and estimated costs associated with the installation of a stationary diesel generator at each of the sites.

After performing a thorough design review for Well 17 and Acanto Booster, GSRE engineers are proposing the same battery equipment and configuration at both sites. The equipment is as follows:

Tesla Powerpack Unit: (3 per site)



Overall System Specs:

- Tesla Powerpack Units (3 total) rated at 174 kW with 696 kWh energy storage
- AC Voltage 380 to 480V, 3 phases Energy Capacity Up to 232 kWh (AC) per Powerpack Communications Modbus TCP/IP; DNP3; Rest API Operating Temperature -30°C to 50°C / -22°F to 122°F PowerUp to 130 kW (AC) per Powerpack Enclosures Pods: IP67
- Powerpack: IP35/NEMA 3R

- Inverter: IP66/NEMA 4
- Scalable Inverter Power From 70kVA to 700kVA (at 480V) System Efficiency (AC) 89.5% round-trip (4 hour system) Depth of Discharge 100% Certifications Nationally accredited certifications to international safety, EMC, utility and environmental legislation dimensions

Powerpack Unit dimensions:

- Length: 4.25 ft.
- Width: 3.0 ft.
- Height: 7.0 ft.
- Weight: 4,847 lbs.

Powerpack Inverter Dimensions:

- Length: 3.5 ft.
- Width: 4.5 ft.
- Height: 7.0 ft.
- Weight 2,470 lbs.

\* Net Energy delivered at 25°C (77°F) ambient temperature including thermal control

According to GSRE, the cost to have the above battery system designed and installed at each site is as follows:

Engineering Costs:	\$33,250
Procurement Costs:	\$14,227
Civil Construction Costs:	\$67,023
Electrical Construction Costs:	\$32,756
Inspection Costs:	\$11,500
Overhead & Profit:	\$34,226
 Subtotal:	 \$192,982
 Material Costs:	 \$247,126
Transportation, Storage Costs:	\$9,895
Fees:	\$6,500
Developer Costs:	\$54,000
Contingency:	\$52,296
 Total Installation Costs:	 \$562,800 per site

The State's Self Generation Incentive Program (SGIP) provides an incentive rate of \$1,000 per kWh in the Equity Resilience budget category. For Well 17 and Acanto Booster, the SGIP incentive will be \$668,500 per site, for a total of \$1,337,000. If the Agency continues with the MOU agreement, GSRE will be required to submit an application for funding along with a 5% refundable deposit in the amount of \$66,850 to the State. If the application is approved, GSRE will provide and fund all of the labor and material for the design and installation of the battery systems at both sites. Once the equipment has been installed and commissioned, GSRE will receive 50% of the total State incentive (\$334,250 per site). GSRE will then receive 10% of the total incentive



amount (\$66,850 per site) every year for the next 5 years; as long as the battery system performs as specified in the application.

For Well 17, GSRE is proposing a battery system with 4 hours of backup power at peak demand during an outage. The system will also operate on an ongoing basis to offset spikes in electric demand and reduce utility demand charges. GSRE conservatively estimates electrical costs at the site will be reduced approximately \$3,515 per year for the next 15 years. For Acanto Booster, GSRE is proposing a similarly configured system with 4-hour backup power at peak demand during an outage. This system will also operate on an ongoing basis to offset demand spikes and will reduce average annual electrical savings of approximately \$1,133 per year for the next 15 years. The 4-hour duration of the battery systems is at peak demand. If load at the sites is lower than peak demand, the batteries will operate for a longer period.

To ensure that the battery systems are operating as designed, and to collect the 10% incentive money for each of the first 5 years of operations, GSRE will be required to monitor the systems and submit reports to the SGIP Program Administrator. GSRE anticipates the cost to perform the monitoring and reporting at total cost of approximately \$32,586 per site over the 15-year project life. GSRE also anticipates a cost of approximately \$13,750 per site in O&M for maintaining the battery systems and software programming and updates over the 15-year project life.

If the Agency wanted to install a stationary diesel generator at each site, the estimated cost associated with that work is as follows:

- 180 kW stationary diesel generator: \$65,000 per site  
11' L x 3.5' W x 6' H
- AQMD permit: \$3,000 per generator
- Onsite electrical and civil work: \$35,000 per site

Total cost per site: \$103,000

The generators will only operate during a power outage and will not operate during peak electrical demand. The generators will be able to operate for several hours and can continue to run by refueling. They will, however, be limited to operating 200 hours per year, unless there is an emergency. The generators will also require monthly maintenance at an estimated cost of \$13,450 per year.

Overall, the battery systems for each site will be designed to provide 4 hours of continuous backup power at peak demand and will operate during peak electrical demand time, reducing electrical costs and the overall carbon footprint for each site. GSRE estimates that the battery system design and installation costs are approximately \$562,800 per site with a SGIP incentive amount totaling \$668,500 per site, to be paid out over 5 years and is subject to meeting SGIP system performance requirements.

The systems will require monitoring and reporting at an estimated average cost of \$2,172 per site per year over the 15-year project life, and O&M at an estimated average cost of approximately \$917 per site per year over the 15-year project life. These costs are paid by the SGIP incentive payment and a 20% share of the electric bill cost savings the Agency realizes through the operation of the batteries. Other than the small share of the electricity bill savings, the Agency will not be required to contribute any money towards the installation, monitoring, and O&M of the systems. Over the 15-year project life, GSRE

estimates its 20% share of electric bill savings will be \$10,545 from Well 17 and \$3,405 from Acanto Booster. GSRE estimates the 80% share of bill savings that the Agency will retain over the 15-year project life will be \$44,400 for Well 17 and \$14,312 for Acanto Booster.