



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: 522-224-165**

**or Via Computer:
<https://www.gotomeeting.com/meeting/join-meeting>
9-digit Meeting ID: 52224165**

Members of the public who wish to comment on any item within the jurisdiction of the Agency or any item on the agenda should submit comments by emailing sbaca@dwa.org before 5:00 p.m. March 15. 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 | BLOOMER |
| 2. ROLL CALL | BACA |
| 3. APPROVAL OF MINUTES - March 2, 2021 | BLOOMER |
| 4. GENERAL MANAGER'S REPORT | KRAUSE |
| 5. COMMITTEE REPORTS -
A. Finance – March 10, 2021
B. Executive – March 11, 2021 | STUART
BLOOMER |
| 6. SECRETARY-TREASURER'S REPORT – February 2021 | STUART |
| 7. 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. | |
| 8. ACTION ITEMS | |
| A. Request Adoption of the Legislative Committee's Bill Position Recommendation (Reeb) | KRAUSE |
| B. Request Authorization to Call for Bids for Construction of 2020/2021 Replacement Pipelines and Request Authorization to Re-Allocate \$350,000 From Work Order 19-113-30 to Work Order 20-161 | TATE |
| C. Request Approval for Extension of COVID-19 Financial Relief to Customers | SAENZ |
| D. Request Adoption of Resolution No.1254 to Designate Authorized Agents to Execute Agreements with the Governor's Office of Emergency Services for Disaster Remediation | METZGER |
| 9. DISCUSSION ITEM | |
| A. February Water Use Reduction Figures | METZGER |
| 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 (Two 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)

Bonnie Kessner, et al vs. Desert Water Agency, et al

D. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION

Pursuant to Government Code Section 54956.9 (d) (1)

Name of Case: AT&T vs. County of Riverside

E. CONFERENCE WITH LEGAL COUNSEL – PENDING ADMINISTRATIVE PROCEEDING

Pursuant to Government Code Section 54956.9 (d) (1)

Regional Water Quality Control Board Claim No. 7018 0680 0000 1010 7377

12. RECONVENE INTO OPEN SESSION – REPORT FROM CLOSED SESSION

13. ADJOURN

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

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

3

March 2, 2021

DWA Board via Kristin Bloomer, President)
Teleconference: James Cioffi, Vice President)
Joseph K. Stuart, Secretary-Treasurer)
Patricia G. Oygar, Director)
Paul Ortega, 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)
Xochitl Peña, Outreach Specialist II)
Kim McCance, Senior Admin. Asst.)

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

Public via David Freedman, Palm Springs Sustainability Comm.)
Teleconference: Steve Grasha, Desert Hot Springs Resident)

19060. President Bloomer opened the meeting at 8:00 a.m. and asked everyone to join her in the Pledge of Allegiance. **Pledge of Allegiance**

19061. President Bloomer called upon Assistant Secretary of the Board Baca to conduct the roll call: **Roll Call**

Present: Ortega, Oygar, Stuart, Cioffi, Bloomer

19062. President Bloomer called for approval of the February 16, 2021 Regular Board Meeting Minutes. **Approval of 02/16/21 Regular Board Mtg. Minutes**

Director Ortega moved for approval. After a second by Vice President Cioffi, the minutes were approved by the following roll call vote: **Approval of 02/16/21 Regular Board Mtg. Minutes (Cont.)**

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

19063. President Bloomer 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 Ortega, Mr. Krause explained there are a number of participants in the Salt & Nutrient Management Plan and the Agencies are looking at different ways of funding. He noted the projected date for funding is by end of this year.

19064. President Bloomer noted the minutes for the February 25, 2021 Executive Committee meeting were provided in the Board's packet. **Committee Reports**
Executive 02/25/21

19065. President Bloomer opened the meeting for public comment. **Public Comment**

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

19066. President Bloomer called upon General Manager Krause to present staff's Request for Board Approval of Resolution No. 1252 Concurring in Nomination of Randall Reed of Cucamonga Valley Water District to the office of ACWA/JPIA Executive Committee **Items for Action:**
Request Adoption of Resolution No. 1252
Concurring in Nomination of Randall Reed of CVWD to office of ACWA/JPIA Executive Committee

Mr. Krause reported that during the February 25 Executive Committee meeting there was support of Mr. Reed's nomination to the Executive Committee of ACWA/JPIA. If the Board concurs in the nomination of Mr. Reed, it may do so by adopting this resolution. Staff recommends that the Board adopt Resolution No. 1252. Following adoption, staff will forward a copy of the resolution to Cucamonga Valley Water District and ACWA/JPIA offices.

Vice President Cioffi moved for approval of staff's request. After a second by Director Ortega, the motion carried by the following roll call vote:

Items for Action:
(Cont.)
Request Adoption of
Resolution No. 1252

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

Resolution No. 1252
Adopted

RESOLUTION NO. 1252
RESOLUTION OF THE BOARD OF DIRECTORS OF
DESERT WATER AGENCY CONCURRING
IN NOMINATION OF RANDALL REED
TO THE EXECUTIVE COMMITTEE OF THE
ASSOCIATION OF CALIFORNIA WATER AGENCIES
JOINT POWERS INSURANCE AUTHORITY ("ACWA JPIA")

19067. President Bloomer called upon General Manager Krause to present staff's Request for Board Approval of Resolution No. 1253 Concurring in Nomination of Melody McDonald of San Bernardino Valley Water Conservation District to the office of ACWA/JPIA Executive Committee

Request Adoption of
Resolution No. 1253
Concurring in
Nomination of Melody
McDonald of
SBVWCD to office of
ACWA/JPIA
Executive Committee

Mr. Krause reported that during the February 25 Executive Committee meeting there was support of Ms. McDonald's nomination to the Executive Committee of ACWA/JPIA. If the Board concurs in the nomination of Ms. McDonald, it may do so by adopting this resolution. Staff recommends that the Board adopt Resolution No. 1253. Following adoption, staff will forward a copy of the resolution to San Bernardino Valley Water Conservation District and ACWA/JPIA offices.

Vice President Cioffi moved for approval of staff's request. After a second by Director Ortega, the motion carried by the following roll call vote:

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

RESOLUTION NO. 1253
RESOLUTION OF THE BOARD OF DIRECTORS OF
DESERT WATER AGENCY CONCURRING
IN NOMINATION OF MELODY MCDONALD
TO THE EXECUTIVE COMMITTEE OF THE
ASSOCIATION OF CALIFORNIA WATER AGENCIES
JOINT POWERS INSURANCE AUTHORITY ("ACWA JPIA")

Resolution No. 1253
Adopted

19068. President Bloomer noted that Board packets included Outreach & Conservation reports for February 2021.

Discussion Items:
 Outreach &
 Conservation –
 February 2021
 Activities & Events

19069. President Bloomer called upon Secretary-Treasurer Stuart to provide his report on the Urban Water Institute's Virtual Conference.

Directors' Report on
 UWI Virtual
 Conference Attendance
 02/17 – 02/18

Secretary-Treasurer Stuart noted his attendance at the Urban Water Institute's Virtual Conference held on February 17-18, 2021.

Secretary Treasurer
 Stuart

19070. President Bloomer called upon Director Ortega to provide his report on the ACWA DC Virtual Conference, February 24, 2021.

Director's Report on
 ACWA DC Virtual
 Conference Attendance
 02/24

Director Ortega and President Bloomer noted their attendance at the ACWA DC Virtual Conference held on February 24, 2021.

Director Ortega and
 President Bloomer

19071. At 8:49 a.m., President Bloomer 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 (Two 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, (G) Potential Litigation, Pursuant to Government Code Section 54956.9 (d) (2) (One Case); (H) Pending Administrative Proceeding Pursuant to Government Code Section 54956.9 (d) (1) Regional Water Quality Control Board Claim No. 7018 0680 0000 1010 7377, and (I) Public Employee Performance Evaluation, pursuant to Government Code Section 54957, General Manager.

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. Existing Litigation -
 Possible Intervention in
 Case: AT&T vs.
 County of Riverside
 G. Potential Litigation-
 (1 Case)
 H. Pending Admin.
 Proceeding, RWQCB
 Claim
 I. Public Employee
 Performance
 Evaluation – General
 Manager

19072. At 11:08 a.m., President Bloomer reconvened the meeting into open session and announced there was no reportable action taken on Items No. 10-A thru No. 10-H.

Reconvene – No Reportable Action taken on Items No. 10-A thru No. 10-H.

Regarding Item No. 10-I, President Bloomer stated a performance evaluation was conducted for General Manager Krause. She then made a motion to amend the General Manager's employment agreement with the following items: 1) Additional \$2,000 cash bonus; 2) 5% salary bonus; and 3) Cost-of-living increase effective July 1. Director Cioffi seconded the motion, which carried by the following roll call vote:

Item No. 10-I

AYES: Ortega, Oygara, Stuart, Cioffi, Bloomer
 NOES: None
 ABSENT: None
 ABSTAIN: None

19073. In the absence of any further business, President Bloomer adjourned the meeting at 11:12 a.m.

Adjournment

Sylvia Baca
 Assistant Secretary of the Board

GENERAL MANAGER'S REPORT MARCH 16, 2021

Damaged Backflow and Fire Service (68956 Perez Rd., Cathedral City)

On February 26 at approximately 11:45 p.m., Construction stand-by responded to a damaged 1 ½" backflow and Fire Service serving the Vista Point Plaza on the north side of Perez Rd. west of Date Palm Dr. in Cathedral City. The fire service bypass, #1 OS&Y valve and concrete pad was damaged. The customer made the repair to the backflow and the Agency gave them a quote for the repairs for the fire service. The water loss for the backflow was metered and the water loss for the Fire Service bypass was estimated based unrestricted flow through a 1-inch pipe lasting for approximately an hour. A police report was filed.



Damaged Fire Hydrant – Ramon Rd./Crossley Rd.

On March 8 at approximately 7:45 a.m., Construction staff responded to a hit fire hydrant located at Crossley Rd., north of Ramon Rd. in Cathedral City (hit and run). The hydrant has been replaced and is back in service. The water loss was from the separated flanges opening a 4-inch long section by a 1/4-inch-wide and 1/16-inch hole on the top of the hydrant. The water flowed for approximately 30 minutes. A police report was filed.



Damaged Fire Hydrant – Tachevah Dr./Sunrise Wy.

On March 9 at approximately 2:30 p.m., Construction staff responded to a hit fire hydrant located on the south west corner of Tachevah Drive and Sunrise Way (hit and run). Staff replaced the bolts and gasket and put the hydrant back in service. The water loss was estimated using unrestricted flow from a fully open 6" diameter hydrant bury which flowed for approximately 20 minutes.



SWP – Implementation of Water Management Amendment

On March 5, 2021 Ted Craddock, Deputy Director of the State Water Project (SWP) gave notice to the State Water Contractors (SWC's) that the minimum threshold of 24 SWC's had executed amendments and therefore the Water Management Amendment (Amendment) is now in effect as of February 28, 2021. The amendment provides contractual tools to the SWC's to provide them with greater flexibility to manage their SWP water supplies.

Human Resource's Meetings and Activities

Meetings:

02/16/2021	DWA Board Meeting	Virtual Meeting
02/22/2021	Outreach & Conservation Staff Meeting	Virtual Meeting
02/22/2021	Engineering/Operations Staff Meeting	Virtual Meeting
03/01/2021	Outreach & Conservation Staff Meeting	Virtual Meeting
03/01/2021	Weekly Staff Meeting	Virtual Meeting
03/02/2021	DWA Board Meeting	Virtual Meeting
03/08/2021	Weekly Staff Meeting	Virtual Meeting
03/15/2021	Engineering/Operations Staff Meeting	Virtual Meeting

Activities:

02/16/2021	Meeting with Esther Saenz and ERP Consultant	Virtual Meeting
02/17/2021	Engineering Technician I Interviews	Virtual Meeting
02/18/2021	ACWA JPIA Webinar	Virtual Meeting
02/18/2021	BB&K Webinar – Public Records Act Legislative Update	Virtual Meeting
02/18/2021	CV Water Counts Academy Session 3	Virtual Meeting
02/18/2021	DWA Webinar: Water Works – Joining DWA	Virtual Meeting
02/22/2021	Meeting with Esther Saenz and ERP Consultant	Virtual Meeting
02/24/2021	JPIA Statewide Human Resources Group	Virtual Meeting
02/24/2021	Meeting with ERP Consultant	Virtual Meeting
02/25/2021	CV Water Counts Academy Session 4	Virtual Meeting
03/02/2021	ACWA JPIA Webinar: Anthem EAP Resources for Employers	Virtual Meeting
03/03/2021	ACWA JPIA Risk Assessment Annual Review	Virtual Meeting
03/03/2021	Meeting with Esther Saenz and ERP Consultant	Virtual Meeting
03/04/2021	Hosted LifeStream Blood Drive	DWA Offices
03/04/2021	Water Counts Academy Session 5	Virtual Meeting
03/08/2021	DWAEA Initial Contract Negotiations Meeting	Virtual Meeting
03/10/2021	DWA/SL Technology Assessment Feedback Meeting	Virtual Meeting
03/10/2021	Meeting with Esther Saenz and ERP Consultant	Virtual Meeting
03/15/2021	DWAEA Contract Negotiations Meeting	Virtual Meeting

SYSTEM LEAK DATA					
(PERIOD BEGINNING FEBRUARY 23, 2021 THRU MARCH 8, 2021)					
STREET NAME	NUMBER OF LEAKS	PIPE DIAMETER (INCHES)	YEAR INSTALLED	PIPE MATERIAL	PIPE CONSTRUCTION
VISTA CHINO	8	20	1949	STEEL	BARE/UNLINED
VENTURA RD	3	6	1958	STEEL	BARE/UNLINED
INDIAN CANYON DR	2	8	1938	STEEL	BARE/UNLINED
MAGNOLIA RD	2	6	1955	STEEL	BARE/UNLINED
RAMON RD	1	12	1956	STEEL	BARE/UNLINED
ANDREAS RD	1	6	1958	STEEL	BARE/UNLINED
PASEO EL MIRADOR	1	4	1945	STEEL	BARE/UNLINED
S RIVERSIDE DR	1	4	1948	STEEL	BARE/UNLINED
PATENCIO LN	1	4	1951	STEEL	BARE/UNLINED
VIA ALTAMIRA	1	4	1954	STEEL	BARE/UNLINED
TOTAL LEAKS IN SYSTEM:		21			

Streets highlighted in green are included as part of the

2020/2021 Replacement Pipeline Project

Streets highlighted in blue are being proposed as part of the

2021/2022 Replacement Pipeline Project

Estimate for design portion of Vista Chino 20" mainline replacement is being developed

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

SYSTEM LEAKS
(Period beginning Feb. 23,
2021 thru Mar. 8, 2021)



General Manager's Meetings and Activities

Meetings:

03/02/21	DWA Bi-Monthly Board Mtg.	Conf Call
03/02/21	Lake Perris Seepage Recovery Agreements	Conf Call
03/03/21	SGMA Indio SB Tribal Workshop	Conf Call
03/03/21	SGMA Indio SB Stakeholders Workshop	Conf Call
03/04/21	ACBCI Mediation Colorado River Salinity Programs	Conf Call
03/04/21	DWA/CVWD Review East Branch Enlargement Cost Alloc.	Conf Call
03/04/21	SGMA Mission Creek GSP Update	Conf Call
03/04/21	Sites Reservoir Storage Policy	Conf Call
03/08/21	DWA Weekly Staff Mtgs.	Conf Call
03/08/21	DWA Employee Association Salary and Benefits Negotiation	Conf Call
03/09/21	Lake Perris Seepage Recovery Hydrogeology/EIR	Conf Call
03/09/21	Whitewater River Recharge Facilities BLM R/W Grant App.	Conf Call
03/09/21	Mission Creek Settlement Agreement Managers Meeting	Conf Call
03/10/21	Sites Reservoir Meeting with Jerry Brown Sites Res. GM	Conf Call
03/10/21	Perris Dam Seepage Recovery CVWD/DWA/MWD	Conf Call
03/10/21	DWA Finance Committee Meeting	Conf Call
03/10/21	DWA/CVWD Exchange Agreement Mtg	Conf Call
03/10/21	ACBCI Mediation Small Group Meeting	Conf Call
03/11/21	DWA Executive Committee	Conf Call
03/11/21	SWP Annual Maintenance Mtg.	Conf Call
03/11/21	SGMA San Geronio Pass	Conf Call
03/11/21	Sentinel Conservation Meeting	Conf Call
03/15/21	DWA Weekly Staff Mtgs	Conf Call
03/15/21	DWA Employees Salary and Benefits Negotiation	Conf Call
03/15/21	DWA/CVWD/MWD Exchange Agreement Coordination	Conf Call
03/16/21	DCF Caucus Mtg	Conf Call
03/16/21	SGMA Mission Creek GSP Update	Conf Call
03/16/21	DWA Bi-Monthly Board Meeting	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

Activities:
(Cont.)

- 13) Whitewater Hydro Operations Coordination with Recharge Basin O&M
- 14) SGMA Tribal Stakeholder Meetings
- 15) Whitewater Spreading Basins – BLM Permits
- 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
Finance Committee Meeting
March 10, 2021**

Directors Present: Joseph Stuart, Kristin Bloomer

Staff Present: Mark Krause, Steve Johnson, Esther Saenz

1. Discussion Items

A. 2016 Cost of Service Study 'Roll Forward' Evaluation

The Committee discussed the necessity for hiring a consultant to perform a 2016 Cost of Service Study roll forward evaluation to bring it current. It was determined that the analysis was not necessary at this time and that staff will not proceed.

B. 2021 Cost of Service Study Timeline

The Committee discussed the timeline for the 2021 Cost of Service Study (5-year cost projection). It was determined that the current RFP for the 2021 Cost of Service Study, which has already been submitted to consultants, will be updated to a 2022 Cost of Service Study RFP to include the new project timeline to commence in July 2021. This updated RFP will be resubmitted to consultants.

2. Adjourn

Minutes
Executive Committee Meeting
March 11, 2021

Directors Present: Kristin Bloomer, James Cioffi

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

1. Discussion Items

A. Review Agenda for March 16, 2021 Regular Board Meeting

The proposed agenda for the March 16, 2021 meeting was reviewed.

B. 2021 Board Conference Schedule Update

Staff provided updated dates for the upcoming year. Staff also informed the Committee of the April and May NWRA Virtual Federal Water Issues conference. The Committee requested this event be added to the 2021 Board Conference Schedule.

C. Expense Reports

The February expense reports were reviewed.

2. Adjourn

DESERT WATER AGENCY
STATEMENT OF CASH RECEIPTS AND EXPENDITURES

OPERATING ACCOUNT

FEBRUARY 2021

INVESTED
RESERVE FUNDS
\$34,525,119.65

BALANCE	FEBRUARY 1, 2021	\$199,734.73	
WATER SALES		\$2,221,688.08	
RECLAMATION SALES		47,658.63	
WASTEWATER RECEIPTS		80,456.88	
POWER SALES		4,393.51	
METERS, SERVICES, ETC.		388,814.00	
REIMBURSEMENT – GENERAL FUND		238,028.46	
REIMBURSEMENT – WASTEWATER FUND		16,140.00	
ACCOUNTS RECEIVABLE – OTHER		1,376.97	
CUSTOMER DEPOSITS – SURETY		6,656.00	
CUSTOMER DEPOSITS – CONST.		21,588.00	
LEASE REVENUE		3,796.78	
INTEREST RECEIVED ON INV. FDS.		5,925.00	
FRONT FOOTAGE FEES		0.00	
BOND SERVICE & RESERVE FUND INT		0.00	
MISCELLANEOUS		<u>11,423.59</u>	
TOTAL RECEIPTS		\$3,047,945.90	
PAYMENTS			
PAYROLL CHECKS		\$390,121.07	
PAYROLL TAXES		177,864.32	
ELECTRONIC TRANSFERS		145,632.46	
CHECKS UNDER \$10,000.00		270,445.65	
CHECKS OVER \$10,000.00 – SCH. #1		897,251.63	
CANCELLED CHECKS AND FEES		<u>16,284.05</u>	
TOTAL PAYMENTS		<u>\$1,897,599.18</u>	
NET INCOME		\$1,150,346.72	
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		\$0.00	
FUNDS INVESTED – SCH. #3		<u>934,000.00</u>	
NET TRANSFER			(\$934,000.00) \$934,000.00
BALANCE	FEBRUARY 28, 2021	\$416,081.45	\$35,459,119.65

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

February 2021

Check #	Name	Description	Amount
127571	Jones Bros Construction Co.	2019/2020 Pipeline replacement - Progress payment #4 - (W/O# 19-113-30)	\$ 229,111.50
127602	Singer Lewak LLP	Audit Services and ERP Consulting (W/O # 20-178-M)	\$ 50,393.44
127603	Southern California Edison	Power	\$ 163,621.37
127610	Desert Water Agency - Wastewater	Sewer Capacity Charge - Jones Cree Ventures East LLC	\$ 16,140.00
127643	Desert Water Agency - Wastewater	Wastewater revenue billing - January 2021	\$ 91,248.50
127654	Badger Meter Inc.	Water service supplies	\$ 41,231.07
127656	Best Best & Krieger LLP	Legal fees	\$ 83,922.83
127658	CDW Direct	I.S. technology supplies	\$ 14,744.11
127661	Cleanexcel, Inc	Cleaning services - February 2021	\$ 13,952.00
127665	Core & Main LP	Water service supplies	\$ 38,337.84
127667	D&H Water Systems Inc.	Tidal Wave Mixer	\$ 12,563.75
127673	Down to Earth Landscaping	Landscape maintenance	\$ 34,217.75
127685	Harrington Industrial Plastics LLC	Water service supplies	\$ 10,433.27
127693	Inland Water Works Supply Co.	Water service supplies	\$ 18,107.48
127731	Sulzer Electro-Mechanical	Well #41 motor repair (W/O# 52-220-65)	\$ 28,380.18
127737	United Water Works Inc.	Water service supplies	\$ 33,985.04
127746	Z&L Paving	Paving	\$ 16,861.50
Total			\$ 897,251.63

Monthly Investment Portfolio Report

As of 02/28/2021

AGG- Operating Fund (213426)

Dated: 03/05/2021

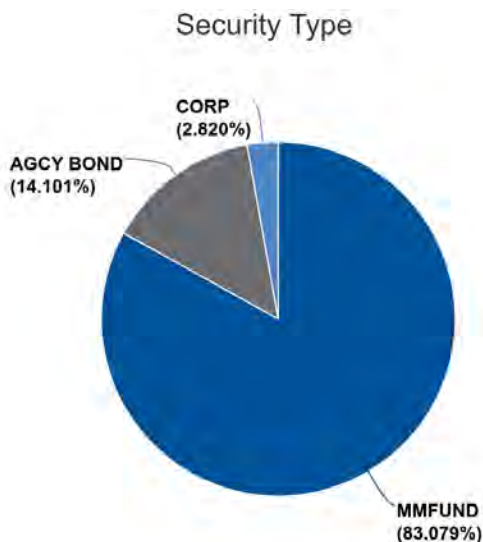


Chart calculated by: PAR Value

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	---	---	02/28/2021	02/28/2021	29,457,909.65	29,457,909.65	29,457,909.65	---
LAIF Money Market Fund LAIF - OP	---	---	02/28/2021	02/28/2021	29,457,909.65	29,457,909.65	29,457,909.65	---

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	04/29/2021	04/29/2024	1,000,000.00	1,000,000.00	1,001,044.00	0.707%
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	994,181.00	0.757%
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	996,604.00	0.810%
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	992,816.00	0.724%
FEDERAL NATIONAL MORTGAGE ASSOCIATION UnionBanc OP	12/16/2020	12/14/2021	06/14/2024	06/14/2024	1,000,000.00	1,000,500.00	997,580.00	0.449%
--- UnionBanc OP	---	---	07/01/2024	02/07/2025	5,000,000.00	5,000,500.00	4,982,225.00	0.689%

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	1,008,582.00	0.713%

Monthly Investment Portfolio Report

As of 02/28/2021

AGG- Operating Fund (213426)

Dated: 03/05/2021

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	1,008,582.00	0.713%

Summary

Description, Broker	Settle Date	Next Call Date	Effective Maturity	Final Maturity	PAR Value	Original Cost	Market Value	Yield to Maturity
---	---	---	08/24/2021	10/04/2021	35,457,909.65	35,459,119.65	35,448,716.65	0.693%

* Grouped by: Security Type. * Groups Sorted by: Ending Market Value + Accrued. * Filtered By: Description ≠ "Receivable". * Weighted by: Ending Market Value + Accrued.

DESERT WATER AGENCY
STATEMENT OF CASH RECEIPTS AND EXPENDITURES

GENERAL ACCOUNT

FEBRUARY 2021

INVESTED
RESERVE FUNDS
\$168,523,623.87

BALANCE	FEBRUARY 1, 2021	\$852,234.51	
* TAXES - RIVERSIDE COUNTY		480,390.83	
* INTEREST EARNED - INV. FUNDS		98,893.21	
GROUNDWATER REPLEN. ASSESSMENT		40,293.59	
REIMBURSEMENT - OPERATING FUND		0.00	
REIMBURSEMENT - CVWD MGMT AGRMT		2,027.44	
STATE WATER PROJECT REFUNDS		0.00	
REIMB - CVWD - WHITEWATER HYDRO		0.00	
POWER SALES - WHITEWATER		14,098.89	
MISCELLANEOUS		<u>78,585.67</u>	
TOTAL RECEIPTS		\$714,289.63	
PAYMENTS			
CHECKS UNDER \$10,000.00		1,516.00	
CHECKS OVER \$10,000.00 - SCH. #1		1,152,006.83	
CANCELLED CHECKS AND FEES		<u>(20.01)</u>	
TOTAL PAYMENTS		<u>\$1,153,502.82</u>	
NET INCOME		(\$439,213.19)	
INVESTED RESERVE FUNDS			
FUNDS MATURED		21,229,000.00	
FUNDS INVESTED – SCH. #2		<u>22,381,311.51</u>	
NET TRANSFER		(\$1,152,311.51)	\$1,152,311.51
BALANCE	FEBRUARY 28, 2021	(\$739,290.19)	\$169,675,935.38
* INCLUSIVE TO DATE		TAXES	INTEREST
RECEIPTS IN FISCAL YEAR		\$20,210,788.02	\$1,478,131.39
RECEIPTS IN CALENDAR YEAR		\$13,269,444.53	\$228,800.38

DESERT WATER AGENCY

General Fund

Schedule #1 - Checks Over \$10,000

February 2021

Check #	Name	Description	Amount
9498	Piedmont Hydro Technologies, LLC	Whitewater Hydroelectric Project	\$ 31,380.00
9499	Coachella Valley Water District	Whitewater Hydro Revenue December 2020	\$ 26,652.37
9500	Coachella Valley Water District	Whitewater Management Expense Distribution	\$ 52,295.00
9501	Desert Water Agency - Operating Fund	Operating Fund Reimbursement for January 2021	\$ 238,028.46
9502	State of California Department of Water Resources	State Water Project - February 2021	\$ 803,651.00
Total			\$ 1,152,006.83

Monthly Investment Portfolio Report

As of 02/28/2021

AGG- General Fund (213428)

Dated: 03/05/2021

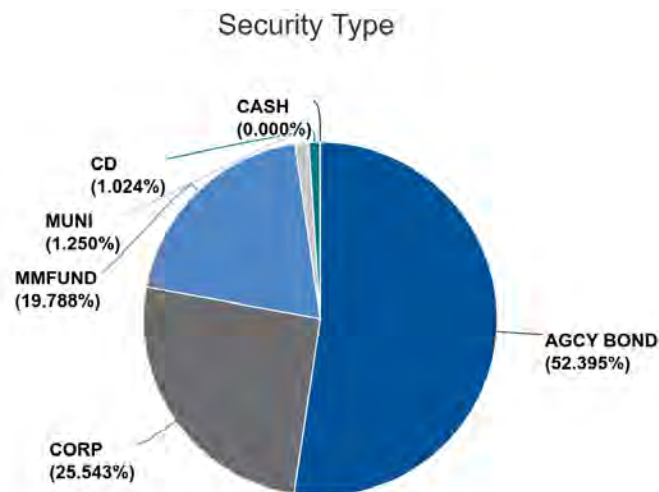


Chart calculated by: PAR Value

AGCY BOND

Description, Broker	Settle Date	Next Call Date	Effective Maturity	Final Maturity	PAR Value	Original Cost	Market Value	Yield to Maturity
FEDERAL FARM CREDIT BANKS FUNDING CORP Alamo Capital	08/04/2020	03/08/2021	08/04/2025	08/04/2025	3,000,000.00	3,000,005.00	2,985,249.00	0.783%
FEDERAL FARM CREDIT BANKS FUNDING CORP Alamo Capital	10/15/2020	03/08/2021	10/15/2024	10/15/2024	3,000,000.00	2,995,500.00	2,986,572.00	0.524%
FEDERAL FARM CREDIT BANKS FUNDING CORP Alamo Capital	01/05/2021	04/05/2021	04/05/2024	04/05/2024	3,000,000.00	3,000,000.00	2,988,903.00	0.390%
FEDERAL FARM CREDIT BANKS FUNDING CORP Alamo Capital	02/12/2021	05/12/2021	11/12/2024	11/12/2024	3,000,000.00	3,000,000.00	2,975,253.00	0.525%
FEDERAL FARM CREDIT BANKS FUNDING CORP UnionBanc GF	12/22/2020	12/22/2022	12/22/2025	12/22/2025	3,000,000.00	3,000,000.00	2,952,273.00	0.807%
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	3,003,009.00	0.768%
FEDERAL FARM CREDIT BANKS FUNDING CORP Piper Sandler	10/15/2020	10/15/2021	10/15/2024	10/15/2024	3,000,000.00	3,000,000.00	2,989,341.00	0.529%
FEDERAL FARM CREDIT BANKS FUNDING CORP Piper Sandler	12/28/2020	12/21/2021	12/21/2023	12/21/2023	3,000,000.00	3,000,000.00	2,987,976.00	0.353%
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	3,001,725.00	0.972%
FEDERAL FARM CREDIT BANKS FUNDING CORP Stifel	10/16/2020	03/09/2021	03/28/2024	03/28/2024	3,000,000.00	3,000,000.00	2,991,390.00	0.394%
FEDERAL HOME LOAN BANKS UnionBanc GF	12/30/2020	12/30/2021	12/30/2025	12/30/2025	3,000,000.00	3,000,000.00	2,958,057.00	0.815%
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	3,035,637.00	1.542%
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	3,002,223.00	0.839%
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	3,002,178.00	1.182%

Monthly Investment Portfolio Report

As of 02/28/2021

AGG- General Fund (213428)

Dated: 03/05/2021

Description, Broker	Settle Date	Next Call Date	Effective Maturity	Final Maturity	PAR Value	Original Cost	Market Value	Yield to Maturity
FEDERAL HOME LOAN BANKS Piper Sandler	01/28/2021	06/28/2021	03/28/2024	03/28/2024	3,000,000.00	3,000,000.00	2,988,891.00	0.391%
FEDERAL HOME LOAN BANKS Piper Sandler	02/17/2021	08/17/2021	02/17/2026	02/17/2026	3,000,000.00	3,000,000.00	2,967,078.00	0.851%
FEDERAL HOME LOAN BANKS Piper Sandler	02/26/2021	08/26/2021	11/26/2024	11/26/2024	3,000,000.00	3,000,000.00	2,975,139.00	0.523%
FEDERAL HOME LOAN BANKS Stifel	02/25/2021	08/25/2021	11/25/2024	11/25/2024	3,000,000.00	3,000,000.00	2,979,630.00	0.533%
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	2,952,495.00	0.751%
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	2,982,543.00	0.757%
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	2,989,269.00	0.784%
FEDERAL HOME LOAN MORTGAGE CORP Piper Sandler	08/26/2020	05/26/2021	08/26/2024	08/26/2024	3,000,000.00	3,000,000.00	2,999,154.00	0.508%
FEDERAL HOME LOAN MORTGAGE CORP Stifel	10/28/2020	10/28/2022	10/28/2024	10/28/2024	3,000,000.00	3,000,000.00	2,987,196.00	0.527%
FEDERAL HOME LOAN MORTGAGE CORP Stifel	11/30/2020	11/30/2022	05/30/2024	05/30/2024	3,000,000.00	3,000,000.00	2,993,214.00	0.430%
FEDERAL NATIONAL MORTGAGE ASSOCIATION Alamo Capital	08/25/2020	---	08/25/2025	08/25/2025	3,000,000.00	2,985,965.00	2,955,120.00	0.714%
FEDERAL NATIONAL MORTGAGE ASSOCIATION Alamo Capital	09/06/2019	---	09/06/2022	09/06/2022	1,000,000.00	996,520.00	1,018,387.00	0.169%
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	2,992,467.00	0.788%
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	2,978,448.00	0.724%
FEDERAL NATIONAL MORTGAGE ASSOCIATION UnionBanc GF	12/16/2020	12/14/2021	06/14/2024	06/14/2024	3,000,000.00	3,001,500.00	2,992,740.00	0.449%
FEDERAL NATIONAL MORTGAGE ASSOCIATION Piper Sandler	12/14/2020	12/14/2021	06/14/2024	06/14/2024	3,000,000.00	3,000,000.00	2,992,740.00	0.449%
---	---	---	05/20/2024	11/12/2024	88,000,000.00	87,979,490.00	87,604,297.00	0.671%

CORP

Description, Broker	Settle Date	Next Call Date	Effective Maturity	Final Maturity	PAR Value	Original Cost	Market Value	Yield to Maturity
3M CO Stifel	06/05/2020	03/15/2025	03/15/2025	04/15/2025	3,000,000.00	3,258,120.00	3,196,686.00	1.027%
APPLE INC Alamo Capital	09/16/2019	08/11/2024	08/11/2024	09/11/2024	1,000,000.00	990,552.00	1,043,295.00	0.564%
APPLE INC UnionBanc GF	01/27/2021	08/11/2024	08/11/2024	09/11/2024	3,000,000.00	3,150,000.00	3,129,885.00	0.564%
APPLE INC Stifel	09/24/2020	04/11/2025	04/11/2025	05/11/2025	2,000,000.00	2,055,740.00	2,016,664.00	0.923%
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	1,021,944.00	1.059%
CATERPILLAR FINANCIAL SERVICES CORP Alamo Capital	12/17/2020	---	09/14/2023	09/14/2023	3,000,000.00	3,012,276.48	3,002,439.00	0.418%
CHEVRON CORP Stifel	07/08/2020	01/03/2024	01/03/2024	03/03/2024	3,000,000.00	3,239,700.00	3,196,671.00	0.697%
CITIBANK NA Stifel	06/24/2020	12/23/2023	12/23/2023	01/23/2024	3,000,000.00	3,297,000.00	3,259,014.00	0.648%
EXXON MOBIL CORP UnionBanc GF	03/17/2020	---	08/16/2022	08/16/2022	3,000,000.00	3,037,470.00	3,073,446.00	0.235%
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	2,085,572.00	0.586%
JOHN DEERE CAPITAL CORP Alamo Capital	04/03/2020	---	09/08/2022	09/08/2022	1,000,000.00	1,003,535.00	1,027,411.00	0.356%
JOHN DEERE CAPITAL CORP Alamo Capital	02/08/2021	---	01/15/2026	01/15/2026	3,000,000.00	3,000,000.00	2,944,089.00	1.093%

Monthly Investment Portfolio Report

As of 02/28/2021

AGG- General Fund (213428)

Dated: 03/05/2021

Description, Broker	Settle Date	Next Call Date	Effective Maturity	Final Maturity	PAR Value	Original Cost	Market Value	Yield to Maturity
MICROSOFT CORP Stifel	12/20/2019	02/01/2023	02/01/2023	05/01/2023	2,000,000.00	2,034,620.00	2,081,236.00	0.500%
MICROSOFT CORP Stifel	02/10/2021	08/03/2025	08/03/2025	11/03/2025	3,000,000.00	3,337,530.00	3,293,265.00	0.985%
TOYOTA MOTOR CREDIT CORP Alamo Capital	07/18/2019	---	09/08/2022	09/08/2022	1,000,000.00	1,000,000.00	1,027,796.00	0.331%
TOYOTA MOTOR CREDIT CORP Alamo Capital	10/21/2019	---	10/07/2024	10/07/2024	1,500,000.00	1,499,994.00	1,569,063.00	0.707%
TOYOTA MOTOR CREDIT CORP Alamo Capital	02/19/2019	---	07/13/2022	07/13/2022	1,400,000.00	1,399,076.00	1,447,691.00	0.325%
VISA INC Stifel	01/30/2020	10/14/2022	10/14/2022	12/14/2022	2,000,000.00	2,065,680.00	2,082,496.00	0.495%
WALMART INC Stifel	06/18/2020	10/15/2024	10/15/2024	12/15/2024	2,000,000.00	2,173,300.00	2,145,100.00	0.713%
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	2,017,164.00	0.713%
---	---	---	01/27/2024	03/16/2024	42,900,000.00	44,631,198.47	44,660,927.00	0.670%

MMFUND

Description, Broker	Settle Date	Next Call Date	Effective Maturity	Final Maturity	PAR Value	Original Cost	Market Value	Yield to Maturity
INSURED BANK PROGRAM MONEY MARKET FDIC INSD Stifel	02/26/2021	---	02/28/2021	02/28/2021	4.90	4.90	4.90	---
LAIF Money Market Fund LAIF - GF	---	---	02/28/2021	02/28/2021	33,234,480.40	33,234,480.40	33,234,480.40	---
---	---	---	02/28/2021	02/28/2021	33,234,485.30	33,234,485.30	33,234,485.30	---

MUNI

Description, Broker	Settle Date	Next Call Date	Effective Maturity	Final Maturity	PAR Value	Original Cost	Market Value	Yield to Maturity
EL CAJON CALIF UnionBanc GF	02/08/2021	---	04/01/2024	04/01/2024	300,000.00	302,583.00	297,252.00	1.229%
EL CAJON CALIF UnionBanc GF	02/08/2021	---	04/01/2023	04/01/2023	400,000.00	402,124.00	401,620.00	0.455%
MONTEREY PK CALIF PENSION OBLIG UnionBanc GF	02/16/2021	---	06/01/2025	06/01/2025	400,000.00	403,156.00	399,036.00	0.945%
MONTEREY PK CALIF PENSION OBLIG UnionBanc GF	02/16/2021	---	06/01/2023	06/01/2023	450,000.00	450,643.50	449,869.50	0.376%
MONTEREY PK CALIF PENSION OBLIG UnionBanc GF	02/16/2021	---	06/01/2024	06/01/2024	550,000.00	552,255.00	549,098.00	0.677%
---	---	---	02/23/2024	02/23/2024	2,100,000.00	2,110,761.50	2,096,875.50	0.699%
UnionBanc GF								

CD

Description, Broker	Settle Date	Next Call Date	Effective Maturity	Final Maturity	PAR Value	Original Cost	Market Value	Yield to Maturity
Ally Bank Piper Sandler	05/30/2019	---	05/31/2022	05/31/2022	245,000.00	245,000.00	252,104.76	0.190%
Goldman Sachs Bank USA Piper Sandler	06/05/2019	---	06/06/2022	06/06/2022	245,000.00	245,000.00	252,244.40	0.175%
JPMorgan Chase Bank, National Association Alamo Capital	02/08/2021	04/16/2021	01/16/2026	01/16/2026	250,000.00	250,000.00	246,667.75	0.879%
Morgan Stanley Bank, N.A. Piper Sandler	06/06/2019	---	06/06/2022	06/06/2022	245,000.00	245,000.00	252,362.01	0.187%
Morgan Stanley Private Bank, National Association Piper Sandler	06/06/2019	---	06/06/2022	06/06/2022	245,000.00	245,000.00	252,400.47	0.175%

Monthly Investment Portfolio Report

As of 02/28/2021

AGG- General Fund (213428)

Dated: 03/05/2021

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	252,148.12	0.176%
Synchrony Bank Piper Sandler	06/07/2019	---	06/07/2022	06/07/2022	245,000.00	245,000.00	251,908.76	0.187%
---	---	---	12/06/2022	12/06/2022	1,720,000.00	1,720,000.00	1,759,836.26	0.279%

CASH

Description, Broker	Settle Date	Next Call Date	Effective Maturity	Final Maturity	PAR Value	Original Cost	Market Value	Yield to Maturity
Cash Alamo Capital	---	---	02/28/2021	02/28/2021	0.00	0.00	0.00	---
Cash Alamo Capital	---	---	02/28/2021	02/28/2021	0.00	0.00	0.00	---

Summary

Description, Broker	Settle Date	Next Call Date	Effective Maturity	Final Maturity	PAR Value	Original Cost	Market Value	Yield to Maturity
---	---	---	08/27/2023	12/09/2023	167,954,485.30	169,675,935.27	169,356,421.06	0.666%

* Grouped by: Security Type. * Groups Sorted by: Ending Market Value + Accrued. * Filtered By: Description ≠ "Receivable". * Weighted by: Ending Market Value + Accrued.

DESERT WATER AGENCY
STATEMENT OF CASH RECEIPTS AND EXPENDITURES

WASTEWATER ACCOUNT

FEBRUARY 2021

INVESTED
RESERVE FUNDS
\$1,609,535.48

BALANCE	FEBRUARY 1, 2021	\$636.07		
ACCOUNTS RECEIVABLE - OTHER		\$0.00		
CUSTOMER DEPOSITS - CONSTRUCTION		0.00		
INTEREST EARNED - INVESTED FUNDS		0.00		
WASTEWATER REVENUE		91,248.50		
SEWER CAPACITY CHARGES		16,140.00		
MISCELLANEOUS		0.00		
TOTAL RECEIPTS		\$107,388.50		
PAYMENTS				
CHECKS UNDER \$10,000.00		\$399.37		
CHECKS OVER \$10,000.00 - SCH. #1		85,307.78		
CANCELLED CHECKS AND FEES		0.00		
TOTAL PAYMENTS		<u>\$85,707.15</u>		
NET INCOME		\$21,681.35		
INVESTED RESERVE FUNDS				
FUNDS MATURED		\$0.00		
FUNDS INVESTED – SCH. #2		16,000.00		
NET TRANSFER			(\$16,000.00)	\$16,000.00
BALANCE	FEBRUARY 28, 2021	\$6,317.42		\$1,625,535.48

DESERT WATER AGENCY

Wastewater Fund

Schedule #1 - Checks Over \$10,000

February 2021

Check #	Name	Description	Amount
3378	Coachella Valley Water District	Wastewater Revenue Billing for January 2021	\$ 62,213.28
3379	City of Palm Springs	Wastewater Revenue Billing for January 2021	\$ 10,524.50
3380	Coachella Valley Water District	Sewer Capacity Charges	\$ 12,570.00
Total			\$ 85,307.78

Monthly Investment Portfolio Report

As of 02/28/2021

AGG- Wastewater Fund (213427)

Dated: 03/05/2021

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	---	---	02/28/2021	02/28/2021	1,625,535.48	1,625,535.48	1,625,535.48	---
LAIF Money Market Fund LAIF - WW	---	---	02/28/2021	02/28/2021	1,625,535.48	1,625,535.48	1,625,535.48	---

* Grouped by: Security Type. * Groups Sorted by: Ending Market Value + Accrued. * Filtered By: Description ≠ "Receivable". * 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

February 28, 2021

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.

Municipal Bonds

Fixed income securities issued by states, cities, counties, special districts and other governmental entities.

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.

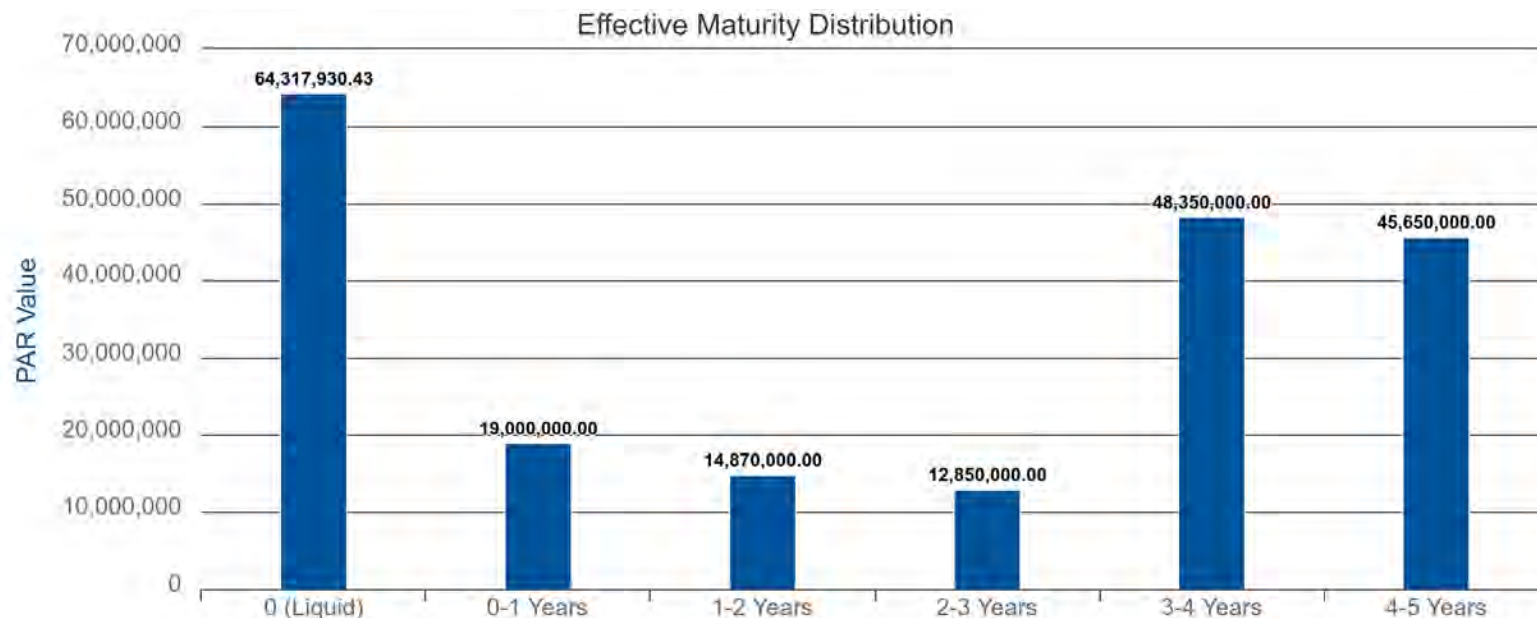
Esther Saenz
Finance Director
Desert Water Agency

Effective Maturity Distribution Summary

As of 02/28/2021

AGG-ALL (219610)

Dated: 03/05/2021



0 (Liquid)

DWA Fund	Account	Identifier	Description	Security Type	PAR Value	Ending Effective Maturity	Final Maturity
General Fund	---	---	---	MMFUND	33,234,485.30	02/28/2021	02/28/2021
Operating Fund	LAIF - OP	LAIFMMF	LAIF Money Market Fund	MMFUND	29,457,909.65	02/28/2021	02/28/2021
Wastewater Fund	LAIF - WW	LAIFMMF	LAIF Money Market Fund	MMFUND	1,625,535.48	02/28/2021	02/28/2021
---	---	---	---	MMFUND	64,317,930.43	02/28/2021	02/28/2021

0-1 Years

DWA Fund	Account	Identifier	Description	Security Type	PAR Value	Ending Effective Maturity	Final Maturity
General Fund	---	---	---	---	17,000,000.00	05/31/2021	12/31/2023
Operating Fund	UnionBanc OP	---	---	---	2,000,000.00	07/05/2021	07/03/2023
---	---	---	---	---	19,000,000.00	06/03/2021	12/12/2023

1-2 Years

DWA Fund	Account	Identifier	Description	Security Type	PAR Value	Ending Effective Maturity	Final Maturity
General Fund	---	---	---	---	14,870,000.00	09/29/2022	10/27/2022
General Fund	---	---	---	---	14,870,000.00	09/29/2022	10/27/2022

2-3 Years

DWA Fund	Account	Identifier	Description	Security Type	PAR Value	Ending Effective Maturity	Final Maturity
General Fund	---	---	---	---	12,850,000.00	11/18/2023	12/10/2023

Effective Maturity Distribution Summary

As of 02/28/2021

AGG-ALL (219610)

Dated: 03/05/2021

<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	---	---	---	---	12,850,000.00	11/18/2023	12/10/2023

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	---	---	---	---	47,350,000.00	08/10/2024	08/16/2024
Operating Fund	UnionBanc OP	3135GA5Y3	FEDERAL NATIONAL MORTGAGE ASSOCIATION	AGCY BOND	1,000,000.00	06/14/2024	06/14/2024
---	---	---	---	---	48,350,000.00	08/09/2024	08/15/2024

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	---	---	---	---	42,650,000.00	09/02/2025	09/13/2025
Operating Fund	UnionBanc OP	---	---	AGCY BOND	3,000,000.00	07/31/2025	07/31/2025
---	---	---	---	---	45,650,000.00	08/30/2025	09/10/2025

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>
---	---	---	---	205,037,930.43	04/16/2023	07/18/2023

* 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	
AGCY BOND	Agency Bond ¹
CORP	Medium Term Notes (Corporate) ²
MMFUND	Local Agency Investment Fund (LAIF) ³ & Cash Funds in Transit ⁴
MUNI	Municipal Bonds ⁵
CD	Negotiable Certificates of Deposit ⁶

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

NOTES:

¹ DWA Investment Policy, Resolution 1200, Schedule 1, Item 2

² DWA Investment Policy, Resolution 1200, Schedule 1, Item 12

³ DWA Investment Policy, Resolution 1200, Schedule 1, Item 7

⁴ 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.

⁵ DWA Investment Policy, Resolution 1200, Schedule 1, Item 3

⁶ DWA Investment Policy, Resolution 1200, Schedule 1, Item 8

DESERT WATER AGENCY - OPERATING FUND								
COMPARATIVE EARNINGS STATEMENT								
MONTH 20-21 FEBRUARY	/-----THIS MONTH-----/ THIS YEAR	LAST YEAR	BUDGET	/-----FISCAL YEAR TO DATE-----/ THIS YEAR	LAST YEAR	BUDGET	/--VARIANCE--/ YTD	PCT
OPERATING REVENUES								
WATER SALES	2,237,202.75	2,400,270.99	2,232,900.00	25,710,126.63	23,885,188.85	25,047,150.00	662,976.63	3
RECLAMATION SALES	47,363.02	66,340.38	53,200.00	803,394.60	1,115,355.22	998,300.00	194,905.40-	20-
POWER SALES	4,393.51	.00	2,750.00	23,184.29	33,618.67	22,000.00	1,184.29	5
OTHER OPER REVENUE	344,556.82	310,761.37	173,725.00	1,644,676.20	1,933,877.41	1,389,800.00	254,876.20	18
TOTAL OPER REVENUES	2,633,516.10	2,777,372.74	2,462,575.00	28,181,381.72	26,968,040.15	27,457,250.00	724,131.72	3
OPERATING EXPENSES								
SOURCE OF SUPPLY EXP	50,766.56	147,540.29	62,775.00	3,548,577.40	2,926,610.26	3,286,050.00	262,527.40	8
PUMPING EXPENSE	216,990.72	130,427.16	217,950.00	2,325,418.58	1,797,425.98	2,263,600.00	61,818.58	3
REGULATORY WATER TREAT	44,762.39	36,683.23	53,700.00	443,417.29	371,187.34	429,600.00	13,817.29	3
TRANS & DIST EXPENSE	199,372.07	160,017.54	349,000.00	1,521,410.82	1,901,101.67	2,792,000.00	1,270,589.18-	46-
CUSTOMER ACT EXPENSE	88,339.05	79,960.96	95,750.00	675,483.44	645,940.53	752,800.00	77,316.56-	10-
ADMIN & GEN EXPENSE	481,632.92	648,362.68	875,535.00	7,923,187.70	7,980,645.75	8,696,930.00	773,742.30-	9-
REGULATORY EXPENSE	3,415.69	6,926.02	37,750.00	131,875.26	229,107.69	302,000.00	170,124.74-	56-
SNOW CREEK HYDRO EXP	3,873.17	2,528.71	3,050.00	27,869.78	21,113.34	24,400.00	3,469.78	14
RECLAMATION PLNT EXP	47,654.05	60,784.22	209,375.00	528,700.47	705,474.83	1,676,000.00	1,147,299.53-	68-
SUB-TOTAL	1,136,806.62	1,273,230.81	1,904,885.00	17,125,940.74	16,578,607.39	20,223,380.00	3,097,439.26-	15-
OTHER OPER EXPENSES								
DEPRECIATION	521,436.90	515,808.62	518,550.00	4,190,877.43	4,040,367.49	4,148,400.00	42,477.43	1
SERVICES RENDERED	13,245.04	13,630.88	13,750.00	91,493.16	87,637.06	110,000.00	18,506.84-	17-
DIR & INDIR CST FOR WO	147,946.85-	161,706.33-	204,900.00-	1,859,243.47-	1,600,163.52-	1,639,200.00-	220,043.47-	13
TOTAL OPER EXPENSES	1,523,541.71	1,640,963.98	2,232,285.00	19,549,067.86	19,106,448.42	22,842,580.00	3,293,512.14-	14-
NET INCOME FROM OPERATIONS	1,109,974.39	1,136,408.76	230,290.00	8,632,313.86	7,861,591.73	4,614,670.00	4,017,643.86	87
NON-OPERATING INCOME (NET)								
RENTS	14,338.37	55,179.89	55,200.00	114,347.95	155,135.24	155,900.00	41,552.05-	27-
INTEREST REVENUES	13,437.28	43,341.34	15,000.00	155,615.34	380,520.89	120,000.00	35,615.34	30
OTHER REVENUES	700.00	.00	.00	9,244.65-	10,061.72	.00	9,244.65-	0
GAINS ON RETIREMENT	13,174.12	.00	2,480.00	13,174.12	.00	14,880.00	1,705.88-	11-
DISCOUNTS	44.69	12.87	50.00	291.24	198.55	400.00	108.76-	27-
PR. YEAR EXPENSES	.00	.00	.00	363.60-	292.11	.00	363.60-	0
OTHER EXPENSES	.00	.00	2,500.00-	27,059.80-	20,000.00-	50,000.00-	22,940.20	46-
LOSS ON RETIREMENTS	8,939.44-	.00	4,500.00-	69,712.19-	24,948.81-	36,000.00-	33,712.19-	94
TOTAL NON-OPER INCOME	32,755.02	98,534.10	65,730.00	177,048.41	501,259.70	205,180.00	28,131.59-	14-
TOTAL NET INCOME	1,142,729.41	1,234,942.86	296,020.00	8,809,362.27	8,362,851.43	4,819,850.00	3,989,512.27	83

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

MARCH 16, 2021

**RE: REQUEST ADOPTION OF THE LEGISLATIVE COMMITTEE'S
BILL POSITION RECOMMENDATION**

The legislative packet provides a description of legislation and proposed positions. The Legislative Committee has reviewed the packet and supports the proposed positions.

Mr. Reeb is in attendance at today's meeting and will provide a brief overview of the recommendations.

Staff requests adoption of the Legislative Committee's recommended position as the Agency's position with regard to each bill presented.

**Desert Water Agency
2021-22 Regular Session, First Year**

8-A

[AB 442](#)

([Mayes I](#)) Surface Mining and Reclamation Act of 1975: exemption: Metropolitan Water District of Southern California: single master reclamation plan.

Current Text: Introduced: 2/4/2021 [html](#) [pdf](#)

Introduced: 2/4/2021

Status: 2/12/2021-Referred to Coms. on NAT. RES. and W.,P., & W.

Is Urgency: N

Is Fiscal: Y

Location: 2/12/2021-A. NAT. RES.

Summary: The Surface Mining and Reclamation Act of 1975 exempts certain activities from the provisions of the act, including, among others, emergency excavations or grading conducted by the Department of Water Resources or the Central Valley Flood Protection Board for the specified purposes; surface mining operations conducted on lands owned or leased, or upon which easements or rights-of-way have been obtained, by the Department of Water Resources for the purpose of the State Water Resources Development System or flood control; and surface mining operations on lands owned or leased, or upon which easements or rights-of-way have been obtained, by the Central Valley Flood Protection Board for the purpose of flood control. This bill would additionally exempt from the provisions of the act emergency excavations or grading conducted by the Metropolitan Water District of Southern California (MWD) for its own operations and infrastructure for specified purposes.

Notes: The Metropolitan Water District of Southern California is the sponsor of this legislation. The legislation would exempt emergency excavations or grading conducted by the District for its own operations and infrastructure for the purpose of averting, alleviating, repairing, or restoring damage to property due to imminent or recent floods, disasters, or other emergencies. The legislation would impose numerous requirements on the District to ensure protection of the environment and control of materials excavated or graded. According to the legislation, the District service area covers six counties and the district's Colorado River Aqueduct and other critical drinking water infrastructure are unique in that it crosses multiple counties and it is essential to the district's mission to provide its service area with adequate and reliable supplies of high-quality water to meet present and future needs in an environmentally and economically responsible way.

The legislation states: "It is necessary for the district to use stone, gravel, and sand to operate and maintain its critical infrastructure, including the use of materials to repair storm and flood damage, and repairs to the rights-of-way and appurtenant facilities necessary to ensure the safe operation of its critical drinking water infrastructure and, thus, ensure delivery of water to approximately 19,000,000 people in southern California; the implementation of the Surface Mining and Reclamation Act of 1975 (Chapter 9 (commencing with Section 2710) of Division 2 of the Public Resources Code) by multiple counties as to the district may lead to the conflicting application of the law to a single special district; and the implementation of the Surface Mining and Reclamation Act of 1975 by the district with the oversight of the Department of Conservation will ensure more uniform and efficient application of the law."

The Agency receives water from the District in lieu of direct State Water Project deliveries for groundwater replenishment purposes. This exchange water is delivered to the Agency by means of the Colorado River Aqueduct, the operations of which would benefit from the passage of this legislation.

Current Position: Not Yet Considered

Recommended Position: Favor

[AB 564](#)

([Gonzalez, Lorena D](#)) Biodiversity Protection and Restoration Act.

Current Text: Introduced: 2/11/2021 [html](#) [pdf](#)

Introduced: 2/11/2021

Status: 2/18/2021-Referred to Coms. on A. & A.R. and W.,P., & W.

Is Urgency: N

Is Fiscal: Y

Location: 2/18/2021-A. A. & A.R.

Summary: Would establish the Biodiversity Protection and Restoration Act and would provide that it is the policy of the state that all state agencies, boards, and commissions shall utilize their authorities in furtherance of the biodiversity conservation purposes and goals of certain executive orders. The bill would require all state agencies, boards, and commissions to consider and prioritize the protection of biodiversity in carrying out their statutory mandates. The bill would require strategies related to the goal of the state to conserve at least 30% of California's land and coastal waters by 2030 to be made

Notes: This legislation would establish two state policies: First, that all state agencies, boards, and commissions must utilize their authorities in furtherance of the biodiversity conservation purposes and goals of Executive Orders B-54-18 and N-82-20; and, all state agencies, boards, and commissions must consider and prioritize the protection of biodiversity in carrying out their statutory mandate. Second, that public agencies are prohibited from approving projects as proposed that are inconsistent with or would impair the successful implementation of strategies that will not be recommended to Governor Newsom until next year.

The legislation is premature at best. Like the Human Right to Water state policy, this legislation will influence every state action in the resources arena. The legislation is unclear in many aspects. For example, does the requirement to prioritize the protection of biodiversity become the top priority? Or one of many priorities? Local agencies are "public agencies." Project approvals by local agencies run the gamut from housing to transportation to water. The terms "inconsistent" and "impair" are not defined.

Current Position: Not Yet Considered

Recommended Position: Oppose

AB 754 (Mathis R) Sustainable Groundwater Management Act.

Current Text: Introduced: 2/16/2021 [html](#) [pdf](#)

Introduced: 2/16/2021

Status: 2/17/2021-From printer. May be heard in committee March 19.

Is Urgency: N

Is Fiscal: N

Location: 2/16/2021-A. PRINT

Summary: The Sustainable Groundwater Management Act requires all groundwater basins designated as high- or medium-priority basins by the Department of Water Resources that are designated as basins subject to critical conditions of overdraft to be managed under a groundwater sustainability plan or coordinated groundwater sustainability plans by January 31, 2020, and requires all other groundwater basins designated as high- or medium-priority basins to be managed under a groundwater sustainability plan or coordinated groundwater sustainability plans by January 31, 2022, except as specified. This bill would state the intent of the Legislature to enact statutory changes relating to the Sustainable Groundwater Management Act.

Notes: This legislation will require substantive amendments before it can be referred to an Assembly policy committee for consideration. The Agency should monitor this legislation due to the subject matter--Sustainable Groundwater Management Act.

Current Position: Not Yet Considered

Recommended Position: Watch

AB 1183 (Ramos D) California Desert Conservation Program.

Current Text: Introduced: 2/18/2021 [html](#) [pdf](#)

Introduced: 2/18/2021

Status: 3/4/2021-Referred to Com. on W.,P., & W.

Is Urgency: N

Is Fiscal: Y

Location: 3/4/2021-A. W.,P. & W.

Summary: Would establish the California Desert Conservation Program under the administration of the Wildlife Conservation Board to protect, preserve, and restore desert lands, water, and wildlife by the acquisition of interests and rights in real property and waters, as specified.

Notes: Existing law authorizes the Wildlife Conservation Board to authorize the acquisition of real property, rights in real property, water, or water rights as may be necessary to carry out the purposes of the Wildlife Conservation Law of 1947 (see Section 1348, Fish and Game Code). The board may authorize acquisition by the department, but the department is prohibited from acquiring any property by eminent domain proceedings, except for specified purposes related to ocean fishing access. Existing law requires the department, when authorized by the board, to construct such facilities as are suitable for the purpose for which the real property or rights in real property or water, or water rights

were acquired. Each completed project shall be managed and maintained by the department (see Section 1350, Fish and Game Code).

This legislation authorizes the board to approve projects to acquire, preserve, restore, and enhance desert habitat consistent with conservation strategies approved by the department, including the California Desert Biological Conservation Framework. The latter is a Federal/State interagency product of a collaborative, multiyear planning effort designed to provide a biological conservation foundation to support conservation strategies and decisions across the California deserts. Originally developed to address renewable energy and transmission planning as part of the Draft Desert Renewable Energy Conservation Plan (California Energy Commission, 2014), the vision for conservation described in the biological conservation framework has broader utility for conservation planning in the desert and has been assembled to set groundwork for conservation planning at the federal, state, and local levels. The cities of Palm Springs, Palm Desert, Coachella and Indio and surrounding areas lie outside of the Framework boundary.

There is a remote possibility that Agency activities could come into conflict with the preservation and enhancement of desert habitat, which would be the primary concern of the board and department pursuant to this legislation. The Agency should consider seeking amendments to ensure that potential conflicts may be addressed without interference with the interests of the Agency in a reliable water supply. The following amendment would provide some limitations to board authority:

"Nothing in this chapter grants to the board: (a) Any of the powers of a city or county to regulate land use. (b) Any powers to regulate any activities on land, except as the owner of an interest in the land, or pursuant to an agreement with, or a license or grant of management authority from, the owner of an interest in the land. (c) Any powers over water rights held by others."

In addition, the board should be required to coordinate its activities undertaken pursuant to the program with local agencies. The legislation now only requires the board to coordinate with other resources protection activities of the board and other state agencies.

Current Position: Not Yet Considered

Recommended Position: Watch/Amend

AB 1434 (Friedman D) Urban water use objectives: indoor residential water use.

Current Text: Introduced: 2/19/2021 [html](#) [pdf](#)

Introduced: 2/19/2021

Status: 2/22/2021-Read first time.

Is Urgency: N

Is Fiscal: Y

Location: 2/19/2021-A. PRINT

Summary: Would establish, beginning January 1, 2023, until January 1, 2025, the standard for indoor residential water use as 48 gallons per capita daily. The bill would establish, beginning January 1, 2025, the standard as 44 gallons per capita daily and, beginning January 1, 2030, 40 gallons per capita daily. The bill would eliminate the requirement that the department, in coordination with the state board, conduct necessary studies and investigations and jointly recommend to the Legislature a standard for indoor residential water use.

Notes: This legislation undermines or eliminates two agreed upon provisions in AB 1668 by the same author (Chapter 15, Statutes of 2018). First, residential indoor water use standards were established in statute. Until January 1, 2025, the standard for indoor residential water use was set at 55 gallons per capita daily. Beginning January 1, 2025, and until January 1, 2030, the standard for indoor residential water use was set at the greater of 52.5 gallons per capita daily or a standard recommended by the Department of Water Resources, in coordination with the State Water Resources Control Board. The latter were required to conduct necessary studies and investigations and could jointly recommend to the Legislature a standard for indoor residential water use that more appropriately reflects best practices for indoor residential water use than the standards set forth under AB 1668. A report on the results of the studies and investigations was required be made to the chairpersons of the relevant policy committees of each house of the Legislature by January 1, 2021, and shall include information necessary to support the recommended standard, if there is one. The studies and investigations shall also include an analysis of the benefits and impacts of how the changing standard for indoor residential water use will impact water and wastewater management, including potable water usage, wastewater, recycling and reuse systems, infrastructure, operations, and supplies. Further, the studies, investigations, and report were to include collaboration with, and input from, a broad group of stakeholders, including, but not limited to, environmental groups, experts in indoor plumbing, and water, wastewater, and recycled water agencies.

Finally, beginning January 1, 2030, the standard for indoor residential water use shall be the greater

of 50 gallons per capita daily or a standard recommended pursuant to the studies and investigations.

This legislation would take effect on January 1, 2022 if enacted into law--well ahead of the 2025 timeframe for making a change in the standard. Further, it would reduce the indoor water use standard significantly below any level set forth under AB 1668.

Urban water use objectives were mandated under a companion bill--SB 606, which requires each urban retail water supplier to calculate its urban water use objective no later than November 1, 2023, and by November 1 every year thereafter. The residential indoor standard makes up one component of the urban water use objective. An urban retail water supplier must submit a report to DWR no later than November 1, 2023, and by November 1 every year thereafter. The report shall include all of the following: (1) The urban water use objective calculated pursuant to Section 10609.20 of the Water Code (SB 606) along with relevant supporting data; (2) The actual urban water use calculated pursuant to Section 10609.22 along with relevant supporting data; (3) Documentation of the implementation of the performance measures for CII water use; (4) A description of the progress made towards meeting the urban water use objective. The State Water Board may issue an information order or conservation order to, or impose civil liability on, an entity or individual for failure to submit a report.

The determination of residential indoor water use is based on aggregated data for each retail urban water supplier and is not a state mandated standard for individual households. Yet, the standard has significance as it is one of four factors for a supplier to determine its urban water use objective and related targets. The obvious question raised by this legislation is whether improvements to indoor water using appliances would enable a household to achieve the proposed standard, or whether individual households on the aggregate would be required to reduce indoor gallons per capita per day water use. And, the larger issue is to what purpose is the lower standard being proposed given the requirements specified under the Urban Water Management Planning Act and other laws regarding water supply availability across multiple water year types. While residential outdoor water use in the summer months likely is more significant, the lower standard threatens to strand supplier investments in infrastructure developed to ensure an adequate water supply as well as place significant upward pressure on water rates.

Current Position: Not Yet Considered

Recommended Position: Oppose

AB 1500 (Garcia, Eduardo D) Safe Drinking Water, Wildfire Prevention, Drought Preparation, Flood Protection, Extreme Heat Mitigation, and Workforce Development Bond Act of 2022.

Current Text: Introduced: 2/19/2021 [html](#) [pdf](#)

Introduced: 2/19/2021

Status: 2/22/2021-Read first time.

Is Urgency: N

Is Fiscal: Y

Location: 2/19/2021-A. PRINT

Summary: Would enact the Safe Drinking Water, Wildfire Prevention, Drought Preparation, Flood Protection, Extreme Heat Mitigation, and Workforce Development Bond Act of 2022, which, if approved by the voters, would authorize the issuance of bonds in the amount of \$6,700,000,000 pursuant to the State General Obligation Bond Law to finance projects for safe drinking water, wildfire prevention, drought preparation, flood protection, extreme heat mitigation, and workforce development programs.

Notes: Proceeds of bonds issued and sold pursuant to this legislation would be allocated according to the following: (1) \$1.1 billion dollars for wildfire prevention and climate risk reduction; (2) \$1.2 billion for the protection of coastal lands, bays, and oceans from climate risks; (3) \$1.6 billion for the protection of California's water supplies from multiyear droughts, reducing flood risk from extreme events, and providing safe drinking water; (4) \$800 million for the protection of California's wildlife, biodiversity, and fisheries from climate risks; (5) \$300 million for protecting farms, ranches, and working lands from the impacts of climate change; (6) \$640 million for addressing extreme heat ; and (7) \$1.06 billion for regional climate resilience projects that address multiple risks.

In terms of potential benefit to the Agency, proceeds of bonds issued and sold would be made available for grants for (1) Water recycling projects, including all of the following: (a) Treatment, storage, conveyance, and distribution facilities for potable and nonpotable recycling projects; (2) Dedicated distribution infrastructure to serve residential, commercial, agricultural, and industrial end-user retrofit projects to allow use of recycled water; and (c) Multibenefit recycled water projects that improve water quality. At least a 50% local cost share would be required for projects.

This legislation would fund a broad ranged of climate resilience projects, most of which would focus on forest health and ecosystem habitat acquisition and restoration for fish and wildlife. Another significant

focus of the legislation is to fund projects that assist communities to better adapt and endure to climate change effects, like extreme heat. A significant amount of funding would be allocated for wildfire prevention projects and the hardening of critical community infrastructure, including water and wastewater facilities. A significant amount of funding among the various programs is targeted to economically disadvantaged and severely economically disadvantaged persons and communities.

This legislation would provide relatively fewer dollars for traditional water supply and water management projects as compared to past State General Obligation Bonds. The allocation for water recycling projects, for example, would not even be sufficient to address the backlog of projects on the current State Water Board project application list. While funding is included for residential weatherization projects, the legislation does not include funding for urban water conservation projects, despite pending local implementation of actions related to achieving the urban water use objective.

State Water Contractors is seeking funding for subsidence damage repairs for the California Aqueduct and Joint Use Facilities at San Luis Reservoir. Aging infrastructure, including arterial water supply canals that are part of the SWP and the federal Central Valley Project (CVP) are now experiencing up to a 60 percent reduction of design flow capacity due to subsidence and decades of neglect. This is the result of multiple factors, including the age of the facilities, but the largest single factor is land elevation subsidence, where the ground under and surrounding canals and other infrastructure literally sinks. Combined with higher operational and power costs, it now costs more every year to convey less water through the SWP and CVP. In a letter to the author of SB 45, the State Water Contractors wrote: "Conveyance improvement work has already begun for some of these facilities and can be completed through additional funding partnerships between the federal government, local public water agencies and the state of California – all of whom stand to benefit from the resiliency of California's major conveyance systems. The total estimated cost to address SWP and CVP subsidence is \$2.5 billion. A pending federal bill, if passed, would provide nearly \$800 million towards this cost. New state funding, which would match the local and federal cost shares, is necessary to address subsidence impacts that have substantially reduced the carrying capacity of the water delivery system and to increase resiliency during droughts."

State Water Contractors also support funding for ecosystem restoration through implementation of voluntary agreements, funding for actions to implement the Sustainable Groundwater Management Act, and the implementation of Forecast Informed Reservoir Operations (FIRO). FIRO can enable more efficient operations at existing dams to protect public safety and maximize water supplies for multiple benefits while improving resilience of the state's water infrastructure and management system.

Current Position: Not Yet Considered

Recommended Position: Support if Amended

SB 45 (Portantino D) Wildfire Prevention, Safe Drinking Water, Drought Preparation, and Flood Protection Bond Act of 2022.

Current Text: Introduced: 12/7/2020 [html](#) [pdf](#)

Introduced: 12/7/2020

Status: 2/17/2021-Set for hearing March 16.

Is Urgency: N

Is Fiscal: Y

Location: 1/28/2021-S. N.R. & W.

Summary: Would enact the Wildfire Prevention, Safe Drinking Water, Drought Preparation, and Flood Protection Bond Act of 2022, which, if approved by the voters, would authorize the issuance of bonds in the amount of \$5,510,000,000 pursuant to the State General Obligation Bond Law to finance projects for a wildfire prevention, safe drinking water, drought preparation, and flood protection program.

Notes: Proceeds of bonds issued and sold pursuant to this legislation would be allocated according to the following: (1) \$2.2 billion for wildfire prevention, drought, or other natural disaster prevention and community resilience from climate change impacts; (2) \$1.47 billion for providing safe drinking water and protecting water supply and water quality from climate risks (3) \$620 million for protecting fish and wildlife from climate risks; (4) \$190 million for protecting agricultural land from climate risks; (5) \$970 million for protecting coastal lands, oceans, bays, waters, natural resources, and wildlife from climate risks; and (6) \$60 million for climate resilience, workforce development, and education.

Proceeds of bonds issued and sold pursuant to this legislation would be available for grants for: (1) Installation of microgrids and distributed generation and storage systems powered by clean energy that provide continuity of electrical service in response to, or anticipation of, disruption due to public safety power shutoffs, wildfire, or other disaster; (2) Recycled water projects; (3) Projects that include acquisition of water from willing sellers, acquisition of land that includes water rights or right to water,

and other projects that provide water for fish and wildlife or improve aquatic or riparian habitat conditions; (4) Protection of California's fish and wildlife resources in response to changing climate conditions and the highly variable habitat needs of fish and wildlife, as well as for restoration and stewardship projects that restore or manage the land to improve its resilience to climate impacts and natural disasters; and (5) Multibenefit projects that improve groundwater management, water quality, surface water use efficiency, drought and flood tolerance, on-farm water use efficiency, or water supply and water quality conditions for fish and wildlife.

This legislation would fund a broad range of climate resilience projects, most of which would focus on forest health and ecosystem habitat acquisition and restoration for fish and wildlife. Another significant focus of the legislation is to fund projects that assist communities to better adapt and endure to climate change effects, like extreme heat. A significant amount of funding would be allocated for wildfire prevention projects and the hardening of critical community infrastructure, including water and wastewater facilities. A significant amount of funding among the various programs is targeted to economically disadvantaged and severely economically disadvantaged persons and communities.

This legislation would provide relatively fewer dollars for traditional water supply and water management projects as compared to past State General Obligation Bonds. The allocation for water recycling projects, for example, would not even be sufficient to address the backlog of projects on the current State Water Board project application list. The legislation does not include funding for urban water conservation projects, despite pending local implementation of actions related to achieving the urban water use objective. On a positive note, the measure would appropriate funding for the repair of subsidence damage to conveyance structures.

State Water Contractors is seeking funding for subsidence damage repairs for the California Aqueduct and Joint Use Facilities at San Luis Reservoir. Aging infrastructure, including arterial water supply canals that are part of the SWP and the federal Central Valley Project (CVP) are now experiencing up to a 60 percent reduction of design flow capacity due to subsidence and decades of neglect. This is the result of multiple factors, including the age of the facilities, but the largest single factor is land elevation subsidence, where the ground under and surrounding canals and other infrastructure literally sinks. Combined with higher operational and power costs, it now costs more every year to convey less water through the SWP and CVP. In a letter to the author of SB 45, the State Water Contractors wrote: "Conveyance improvement work has already begun for some of these facilities and can be completed through additional funding partnerships between the federal government, local public water agencies and the state of California – all of whom stand to benefit from the resiliency of California's major conveyance systems. The total estimated cost to address SWP and CVP subsidence is \$2.5 billion. A pending federal bill, if passed, would provide nearly \$800 million towards this cost. New state funding, which would match the local and federal cost shares, is necessary to address subsidence impacts that have substantially reduced the carrying capacity of the water delivery system and to increase resiliency during droughts."

State Water Contractors also support funding for ecosystem restoration through implementation of voluntary agreements, funding for actions to implement the Sustainable Groundwater Management Act, and the implementation of Forecast Informed Reservoir Operations (FIRO). FIRO can enable more efficient operations at existing dams to protect public safety and maximize water supplies for multiple benefits while improving resilience of the state's water infrastructure and management system.

Current Position: Not Yet Considered

Recommended Position: Support/Amend

SB 222

(Dodd D) Water Affordability Assistance Program.

Current Text: Introduced: 1/14/2021 [html](#) [pdf](#)

Introduced: 1/14/2021

Status: 3/2/2021-Set for hearing March 15.

Is Urgency: N

Is Fiscal: Y

Location: 2/8/2021-S. E. U., & C.

Summary: Would establish the Water Affordability Assistance Fund in the State Treasury to help provide water affordability assistance, for both drinking water and wastewater services, to low-income ratepayers and ratepayers experiencing economic hardship in California. The bill would make moneys in the fund available upon appropriation by the Legislature to the state board to provide, as part of the Water Affordability Assistance Program established by the bill, direct water bill assistance, water bill credits, water crisis assistance, affordability assistance, and short-term assistance to public water systems to administer program components.

Notes: Establishes the Water Affordability Assistance Fund in the State Treasury. The bill would make moneys in the fund available upon appropriation by the Legislature to the State Water Board to

provide a Water Affordability Assistance Program that includes among other things, direct water bill assistance, water bill credits, water crisis assistance, affordability assistance, and short-term assistance to public water systems to administer program components.

This legislation would establish a Water Low-Income Rate Assistance Program (LIRA). The bill would allocate funding to the State Water Resources Control Board (State Water Board) for “direct water bill assistance.” Although the bill’s language is unclear, it appears that the intent is that public water systems would distribute the benefit for customers who directly pay their water bill. The legislation does not specify a source of funding for the LIRA Program. The estimated annual cost for such a program developed by the State Water Board pursuant to its AB 401 report was about \$600 million.

According to the Association of California Water Agencies, consensus regarding the type of LIRA Program was not achieved through the AB 401 (Dodd, 2015) implementation stakeholder process at the State Water Board. ACWA argues that the Legislature needs to consider what will be the most efficient and lowest-cost distribution mechanism. Instead of having the State Water Board and 2,900 public water systems distribute the benefit, ACWA argues that the State should use an existing benefit distribution mechanism, such as CalFresh or the Franchise Tax Board. ACWA believes that the state implementing agency should be an agency that is already set up to distribute low-income assistance. The State Water Board does not provide such a program. ACWA also is concerned about the cost impacts to water agencies to operate a LIRA Program, including increased personnel and billing software costs.

ACWA notes that SB 222 would define “low-income” as “a household income, or a community annual median household income, that is equal to or no greater than 200 percent of the Federal Poverty Level” (FPL). In the development of the AB 401 report, there was discussion that the State should look at different eligibility levels. In the AB 401 report, which used the 2010-2014 American Community Survey data, 24 percent of California households were at or below 150 percent of the FPL, and 34 percent of the households were at or below 200 percent of the FPL. The selection of the threshold percentage is important because it is a major factor in which households receive assistance and the annual funding needed for the program.

The AB 401 report focuses on four types of assistance: (1) direct water bill credits; (2) renter’s water bill credits; (3) water crisis assistance; and (4) short-term assistance to community water systems for administrative costs. In addition to these four types of assistance, SB 222 would include eligibility for “economic hardship” (an undefined term) in addition to low-income ratepayers, and affordability assistance to low-income households served by domestic wells. ACWA argues that SB 222 should be a ratepayer (Water-LIRA) assistance program for low-income households.

SB 222 proposes to limit the use of Fund dollars for “administrative” purposes to 5 percent of the annual deposits into the Fund. For a \$600 million annual fund, this would total \$30 million. The language used in SB 222 parallels language under SB 200—the Safe and Affordable Drinking Water Fund. SB 200 would appear to limit State Water Board administrative costs to \$6.5 million a year. For its SB 200 program, the State authorized 48 personnel years (PYs); some positions support administration and some support implementation. The SB 200 Fund Expenditure Plan for Fiscal Year 2020-21 included \$12.8 million for staff costs, which shows that a large portion of the State Water Board staff costs were for implementation since the administrative (5 percent) cap was \$6.5 million.

If the Water LIRA Program was implemented by each of the 2,900 public water systems in California, the system would be required to modify its billing system to deliver the monthly Wi-LIRA credit; train personnel about the LIRA program; modify marketing, education and outreach programs, and comply with applicable requirements for reimbursement with State funding. State Water Board staff, in the AB 401 report, estimated the funding need for short-term assistance to water systems at \$43 million or about \$14,827 per system. ACWA estimates that the cost to modify billing software for one agency can exceed \$100,000, which could be extrapolated to a statewide cost of over \$200 million. Further, ACWA believes there would be a need for the system to hire at least one new staff person to implement the program. Even if on average there was one person (a conservative estimate) hired with a \$75,000 salary plus benefits at \$25,000, that ongoing local administration staff cost times 2,900 systems would be close to \$300 million per year. SB 222 does not propose ongoing administration assistance for public water systems.

Our firm has been participating in an Association of California Water Agencies working group that is analyzing this legislation and SB 223. ACWA has identified key attributes of legislation to enact a reasonable, efficient and effective LIRA Program. These attributes include, but are not limited to: (1) Use of an existing benefit distribution system. There is no need to develop a costly new program when an existing program can be used to efficiently and effectively aid low-income households; (2) Specification of the funding source, which should be progressive. The funding source should not be a water tax, which is a regressive funding source; (3) A LIRA program that is formulaic, establishes eligibility criterion (e.g., at or below 150 percent or 200 percent of the Federal Poverty Level), and includes reasonable public process opportunities relative to the development of program documents; (4) No new mandates for public water system data collection regarding local rates/rate structures; and

(5) Specifies cost limits on both State administration and State implementation.

Our firm presented a minority viewpoint to the direction ACWA seeks for the Water LIRA Program. The goal of such a program is to assist low-income households with payment of their monthly water bill; e.g., provide a monthly credit of \$10 for a \$40 monthly bill. A secondary, but often unstated goal, would be to reduce the incidence of delinquency and, in turn, the reduction in annual revenues to the public water system (and the increased costs to pursue payment). A third goal should be to maintain—even strengthen—the relationship between the customer and the public water system. The direction ACWA is recommending fails on all accounts. Adding funds to the CalFresh EBT card completely obfuscates the nexus to payment of a water service bill. In fact, there is no guarantee that the funds will be utilized for payment of a water bill. To use the above example, the increase to the CalFresh EBT card would need to be transferred to another portion of the household budget for payment of the water service bill, which is unlikely to occur. The water system-client relationship also would not be strengthened. For example, a requirement for a customer to request the Water-LIRA benefit either in person or on-line would provide an opportunity to explore water use efficiency assistance or conducting a water audit for leaks and other water-saving opportunities. A Water LIRA Program also should be tied to the amount of water that is adequate for human consumption, cooking, and sanitary purposes (or about 8 CCF per month).

As ACWA appropriately explains, if SB 222 requires a Water-LIRA Program that is implemented by each public water system, the cost to implement the program annually likely increases from about \$600 million to nearly \$1 billion per year. If the State Legislature supports creation of the program, then the total cost to implement and administer must be paid for by the State General Fund. That said, the Legislature and Governor Newsom (and former Governor Brown), in recognizing the high cost of living in California, has tripled the amount of financial assistance to local income households through the Earned Income Tax Credit.

One final observation, the creation of a Water-LIRA Program is emblematic of the approach taken by the California Legislature over the past 20 years to address the high cost of living in the state. The focus is rarely, if ever, on actions to reduce, either directly or indirectly, the factors that fuel the high cost of living. The same is true for the cost of providing water service in relation to the affordability of water service.

Current Position: Not Yet Considered

Recommended Position: Oppose Unless Amended

SB 223

(Dodd D) Discontinuation of residential water service.

Current Text: Introduced: 1/14/2021 [html](#) [pdf](#)

Introduced: 1/14/2021

Status: 3/2/2021-Set for hearing March 15.

Is Urgency: N

Is Fiscal: Y

Location: 1/28/2021-S. E. U., & C.

Summary: Current law prohibits an urban and community water system, defined as a public water system that supplies water to more than 200 service connections, from discontinuing residential water service for nonpayment until a payment by a customer has been delinquent for at least 60 days. Current law requires an urban and community water system to have a written policy on discontinuation of residential service for nonpayment, including, among other things, specified options for addressing the nonpayment. Current law requires an urban and community water system to provide notice of that policy to customers, as provided. This bill would apply those provisions, on and after July 1, 2022, to a very small community water system, defined as a public water system that supplies water to 200 or fewer service connections used by year-long residents.

Notes: This legislation would expand upon existing water shutoff prohibitions and would add a requirement for water agencies to have an arrearage management plan. The arrearage management plan would be required to extend for a maximum of 12 months and would be required to include forgiveness of at least one-twelfth of the delinquent balance with each consecutive on-time payment of the monthly charge for water service only. Forgiveness of the full delinquent balance under the arrearage management plan would take place at the final consecutive on-time payment under the plan. The legislation would authorize a water provider to remove a customer who misses two consecutive payments from the arrearage management plan. If a customer is removed from the arrearage management plan before making 12 on-time payments, any debt that has already been forgiven would remain forgiven and the urban and community water system or very small community water system would then offer enrollment into an amortization agreement, alternative payment schedule, or a plan for deferred or reduced payment.

The requirement for a local agency public water system to forgive delinquent payments could place the

system in jeopardy of violating the provisions of Proposition 218, particularly if the rates imposed on all customers include in the cost of service recovery of revenue from forgiven water bills. This legislation would include in the written policy for discontinuation of service a requirement, for systems that provide water audits or have the capacity to do so, to offer a free water audit to low-income residential customers households with water usage that is above the annual average volume usage of their customer class. This requirement does not belong in the discontinuation of service policy, but could be placed into the provisions of existing law when a customer requests a repayment plan.

This legislation also would provide that a residential water customer who pays a water bill that is combined with billing for other services, including, but not limited to, sewer service or electricity service, is not delinquent and shall not have their water service discontinued for nonpayment if the customer has paid an amount equal to or greater than the monthly charge for water service, excluding taxes and fees. Also, notwithstanding any other law, the water system would be required to release all liens, and shall not obtain any new lien, for delinquent amounts owed for residential water service when the customer is enrolled in an amortization agreement, alternative payment schedule, or arrearage management plan, or a plan for deferred or reduced payment. This would require a system to release a lien prior to payment of the arrearage; and, one assumes, place a new lien on the property if the customer fails to fulfill a payment arrangement.

Finally, SB 223 would amend existing law, which provides for the imposition of reconnection fees at specified amounts, to require a water system to waive fees for disconnection and reconnection of service for low income households and to waive all late fees, interest charges, and penalties on delinquent bills once every 12 months.

The percentage of delinquencies experienced by water systems during the COVID-19 pandemic has increased significantly--in some cases, water systems have experienced a 10-fold increase. While it is likely that most of the delinquencies are legitimately linked to job loss or a reduction in hours across multiple business classes, water systems point to anecdotal evidence that many customers are not paying their water bills due to the moratorium imposed by Governor Newsom on discontinuation of water service. SB 223 could inadvertently lead to this experience with discontinuation of service requirements that, in essence, make a water system a lender of last resort.

Current Position: Not Yet Considered

Recommended Position: Oppose

SB 230 (Portantino D) State Water Resources Control Board: Constituents of Emerging Concern Program.

Current Text: Introduced: 1/19/2021 [html](#) [pdf](#)

Introduced: 1/19/2021

Status: 3/3/2021-Set for hearing March 15.

Is Urgency: N

Is Fiscal: Y

Location: 1/28/2021-S. E.Q.

Summary: Would require the State Water Resources Control Board to establish, maintain, and direct an ongoing, dedicated program called the Constituents of Emerging Concern Program to assess the state of information and recommend areas for further study on, among other things, the occurrence of constituents of emerging concern (CEC) in drinking water sources and treated drinking water. The bill would require the state board to convene, by an unspecified date, the Science Advisory Panel to review and provide recommendations to the state board on CEC for further action, among other duties. The bill would require the state board to provide an annual report to the Legislature on the ongoing work conducted by the panel.

Notes: Currently, constituents of emerging concern (CEC) can become regulated by the State Water Board in one of three ways: adoption of federal standards, after the Office of Environmental Health Hazard Assessment sets a public health goal, or by legislative mandate. In addition, the State Water Board can set notification levels and response levels as precautionary measures for contaminants that have not yet undergone or completed the regulatory standard setting process. All these processes have their own unique challenges and inefficiencies.

SB 230 would require the State Water Resources Control Board to establish a dedicated program called the Constituents of Emerging Concern Program to assess the state of information and recommend areas for further study on, among other things, the occurrence of CECs in drinking water sources and treated drinking water. The state board would create a Science Advisory Panel to gather and develop information for the program. The bill would require the program to provide opportunities for public participation through periodic stakeholder meetings and workshops.

The development of information and recommended areas for future study of the occurrence of

constituents of emerging concern, as well as the opportunities for public participation established by this bill, would benefit the work of the Agency in terms of protecting groundwater quality and targeting groundwater contamination cleanup.

California Municipal Utilities Association is the sponsor of this legislation.

Current Position: Not Yet Considered

Recommended Position: Favor

SB 323 (Caballero D) Local government: water or sewer service: legal actions.

Current Text: Introduced: 2/5/2021 [html](#) [pdf](#)

Introduced: 2/5/2021

Status: 3/8/2021-March 11 hearing postponed by committee.

Is Urgency: N

Is Fiscal: N

Location: 2/17/2021-S. GOV. & F.

Summary: Current law prohibits a local agency from imposing fees for specified purposes, including fees for water or sewer connections, as defined, that exceed the estimated reasonable cost of providing the service for which the fee is charged, unless voter approval is obtained. Current law provides that a local agency levying a new a water or sewer connection fee or increasing a fee must do so by ordinance or resolution. Current law requires, for specified fees, including water or sewer connection fees, any judicial action or proceeding to attack, review, set aside, void, or annul an ordinance, resolution, or motion adopting a new fee or service charge or modifying an existing fee or service charge to be commenced within 120 days of the effective date of the ordinance, resolution, or motion according to specified procedures for validation proceedings. This bill would apply the same judicial action procedure and timelines, as stated above, to ordinances, resolutions, or motions adopting, modifying, or amending water or sewer service fees or charges, except as provided.

Notes: The Association of California Water Agencies (ACWA) is the sponsor of this legislation. The bill seeks to create a 120-day statute of limitations for legal challenges to water and sewer service rates. And, it would authorize a local agency to initiate a validation action to, in effect challenge its own rates and charges, pursuant to Chapter 9 (commencing with Section 860) of Title 10 of Part 2 of the Code of Civil Procedure.

Existing law requires any judicial action or proceeding to attack, review, set aside, void, or annul an ordinance, resolution, or motion adopting a new connection fee or capacity charge or modifying an existing fee or charge to be commenced within 120 days of the effective date of the ordinance, resolution, or motion according to specified procedures for validation proceedings. This legislation would apply the same proceedings and timelines to ordinances, resolutions, or motions adopting, modifying, or amending water or sewer rates, which are property-related fees and charges under the California Constitution. The bill exempts from this provision any fee or charge for water or sewer service for which another statute establishes a specific time and procedure for bringing a judicial action or proceeding to attack, review, set aside, void or annul a fee or charge of that type.

According to ACWA, existing law recognizes the need to minimize fiscal uncertainty for public agencies providing essential services by establishing a reasonable period of time beyond which agencies will not face exposure to lawsuits challenging the validity of various local taxes, assessments, fees, and charges. However, existing law provides a piecemeal statutory landscape, where a statute of limitations is afforded to fees and charges that fund some essential government services but not others. By allowing customers to bring challenges within a reasonable — but limited — period of time, this proposal would balance the interests of ratepayers with those of public water and sewer agencies.

The legislation would authorize, but not require, a public water system to initiate a validation action to seek judicial approval of its rates. The significance of providing this option is that the water system can, in effect, take itself to court. Code of Civil Procedure sections 860 to 870 authorize a public agency or an interested private party to bring a “validation action” in superior court to determine the validity of certain public agency actions. The action is an in rem proceeding, so the judgment validating or invalidating the public agency’s actions is conclusive against all other persons and not just the litigants. Because the judgment will be binding against all other persons, the plaintiff in a validation action must draft a special summons that invites all unknown, interested defendants to come forward and file an answer in the case. Every government agency in the state that is empowered to impose parcel assessments and to issue bonds backed by assessments, has the ability to guarantee that repayment is provided by relying on the expedited and conclusive procedural rules set forth in Code of Civil Procedure §§ 860 et seq. (the “Validation Statutes”). Local agencies acknowledge that procedural rules under the Validation Statutes can and do operate to cut off untimely or improperly asserted claims, but that this does not mean that procedural rules contradict the substantive rights of the public

(or customer) interest.

Current Position: Not Yet Considered

Recommended Position: Favor

SB 427 (Eggman D) Water theft: enhanced penalties.

Current Text: Introduced: 2/12/2021 [html](#) [pdf](#)

Introduced: 2/12/2021

Status: 2/25/2021-Referred to Coms. on GOV. & F. and PUB. S.

Is Urgency: N

Is Fiscal: N

Location: 2/25/2021-S. GOV. & F.

Summary: Would authorize the legislative body of a city or a county to make, by ordinance, any violation of an ordinance regarding water theft, as defined, subject to an administrative fine or penalty in excess of the limitations above, as specified.

Notes: Existing law, Government Code Sections 36900 and 25132, authorizes the legislative body of a city or a county, respectively, to make, by ordinance, any violation of an ordinance subject to an administrative fine or penalty and limits the maximum fine or penalty amounts for infractions, to \$100 for the first violation, \$200 for a 2nd violation of the same ordinance within one year of the first violation, and \$500 for each additional violation of the same ordinance within one year of the first violation.

This bill would authorize the legislative body of a "local agency" to make, by ordinance, any violation of an ordinance enacted by the local agency regarding water theft subject to an administrative fine or penalty. The bill limits the maximum fine or penalty amounts for infraction to \$1,000 for a first violation, \$2,000 for a second violation of the same ordinance within one year, and \$5,000 for each additional violation of the same ordinance within one year.

Government Code Section 54951 defines "local agency" to mean a county, city, whether general law or chartered, city and county, town, school district, municipal corporation, district, political subdivision, or any board, commission or agency thereof, or other local public agency.

"Water theft" is defined to mean an action to divert, tamper, or reconnect water utility services.

This bill is sponsored by Elk Grove Water District, and is similar to last year's AB 2095 (Cooper, as amended 02/20/2020).

Current Position: Not Yet Considered

Recommended Position: Support

SB 559 (Hurtado D) Department of Water Resources: water conveyance systems: Canal Conveyance Capacity Restoration Fund.

Current Text: Introduced: 2/18/2021 [html](#) [pdf](#)

Introduced: 2/18/2021

Status: 3/3/2021-Referred to Com. on N.R. & W.

Is Urgency: N

Is Fiscal: Y

Location: 3/3/2021-S. N.R. & W.

Summary: Would establish the Canal Conveyance Capacity Restoration Fund in the State Treasury to be administered by the Department of Water Resources. The bill would require all moneys deposited in the fund to be expended, upon appropriation by the Legislature, in support of subsidence repair costs, including environmental planning, permitting, design, and construction and necessary road and bridge upgrades required to accommodate capacity improvements. The bill would require the department to expend from the fund, upon appropriation by the Legislature, specified monetary amounts to restore the capacity of 4 specified water conveyance systems, as prescribed, with 2 of those 4 expenditures being in the form of a grant to the Friant Water Authority and to the San Luis and Delta-Mendota Water Authority. The bill would make these provisions inoperative on July 1, 2030, and would repeal the provisions as of January 1, 2031.

Notes: This is why a broad coalition of SWP and CVP contractors support SB 559 (Hurtado), a bill to create a ten-year, \$785 million Canal Conveyance Capacity Restoration Fund, administered by DWR, to help restore these critical conveyance systems.

Current Position: Not Yet Considered

Recommended Position: Support

Total Measures: 13

Total Tracking Forms: 13

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

MARCH 16, 2021

**RE: REQUEST AUTHORIZATION TO CALL FOR BIDS FOR
CONSTRUCTION OF 2020/2021 REPLACEMENT PIPELINES
(PALM HIGHLANDS TRACT, AND S. ARABY DRIVE) AND
REQUEST AUTHORIZATION TO RE-ALLOCATE \$350,000
FROM WORK ORDER 19-113-30 TO WORK ORDER 20-161**

The 2020/2021 Capital Improvement Budget includes Work Order No. 20-161 for Palm Highlands Tract and S. Araby Drive Pipeline Replacement Project (approximately 9,600 linear feet of 8" ductile iron pipe and 1,000 linear feet of 12" ductile iron pipe).

The budget amount for the work order is \$2,550,000, to include engineering, construction, and inspection. The Engineer's construction cost estimate for the project is \$2,440,000 with an estimated inspection cost of \$160,000 and an estimated Agency labor cost of \$170,000. The estimated total cost of \$2,770,000 exceeds the existing budget by \$220,000; however, with approximately \$1,650,000 remaining in the 2019/2020 Avenida Caballeros Replacement Pipeline work order (19-113-30), staff is requesting that the Board authorize the re-allocation of money from work order 19-113-30 to work order 20-161 in the amount of \$350,000 (\$220,000 to cover the anticipated estimated overage and an additional \$130,000 to cover potential costs associated with COVID that may affect the project).

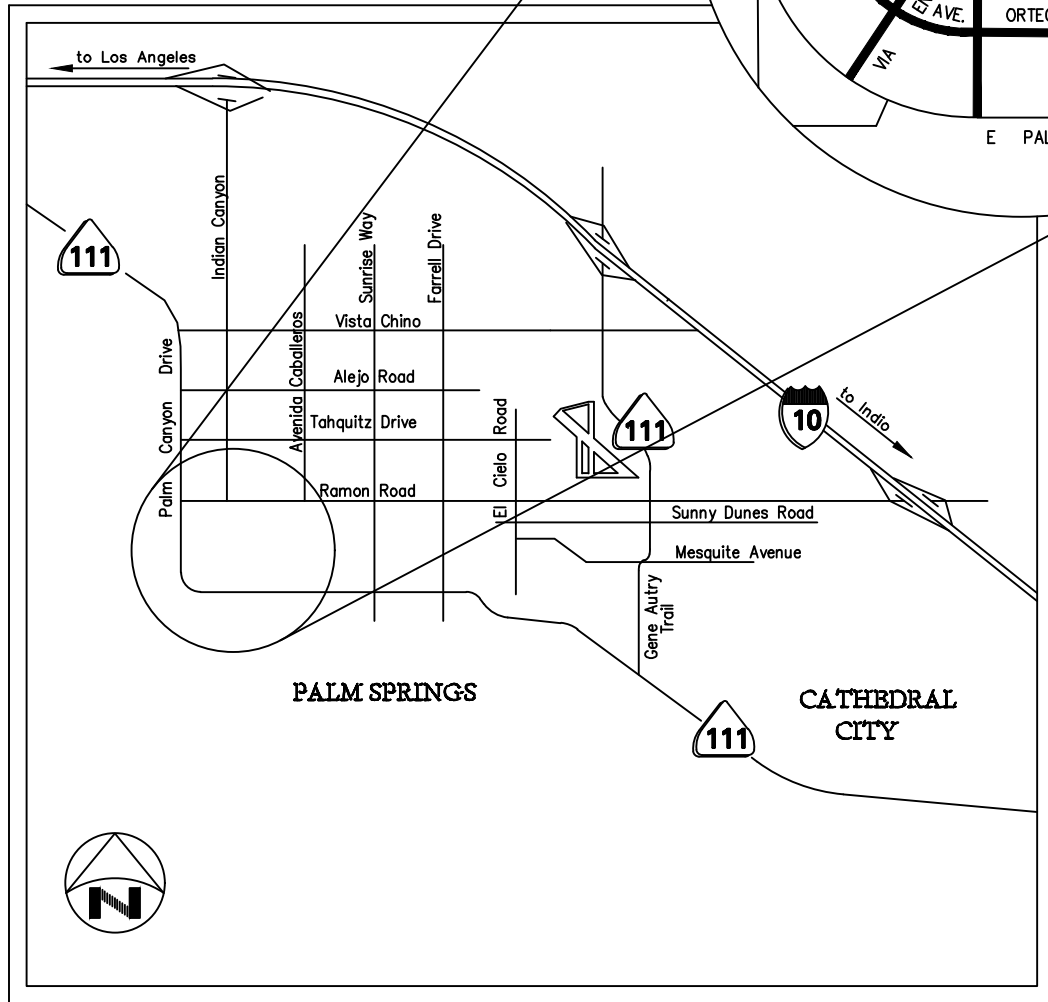
The original Engineer's construction cost estimate for the project was \$2,154,000. The revised estimate includes an additional 600 lineal feet within Sonora Road and 175 feet within Araby Drive that were not part of the original design. After reviewing the current pipe leak records and connection details, the engineering staff determined that it would be in the best interest of the Agency to include the additional 775 feet of pipe replacement as part of this project. This additional piping added \$136,000 to the construction estimate. Also, within Calle Palo Fierro, there is approximately 1,300 lineal feet of street paving that will require a 15 foot paving cap that was not part of the original estimate. The street has an existing concrete v-ditch channel down the centerline, and the proposed alignment of the new pipe will require the contractor to place a final paving cap from the v-ditch gutter to the curb. This cap added an estimated \$150,000 to the construction cost estimate.

The attached map shows the location(s) for the replacement pipelines within several streets throughout the Palm Springs area. All of the pipelines have exhibited several leak occurrences over the past couple of years, are unlined steel mains, and have an average age of 74 years.

With authorization being granted today, the bid opening for the project will tentatively be held on April 13, 2021 with the Contract award scheduled for the meeting of the Board of Directors on April 20, 2021. Work is expected to commence in May 2021, with completion expected in early October 2021.

Staff requests authorization to advertise for bids for construction of the 2020/2021 Replacement Pipeline Project and also requests authorization to re-allocate \$350,000 from work order 19-113-30 to work order 20-161.

PROJECT LOCATION

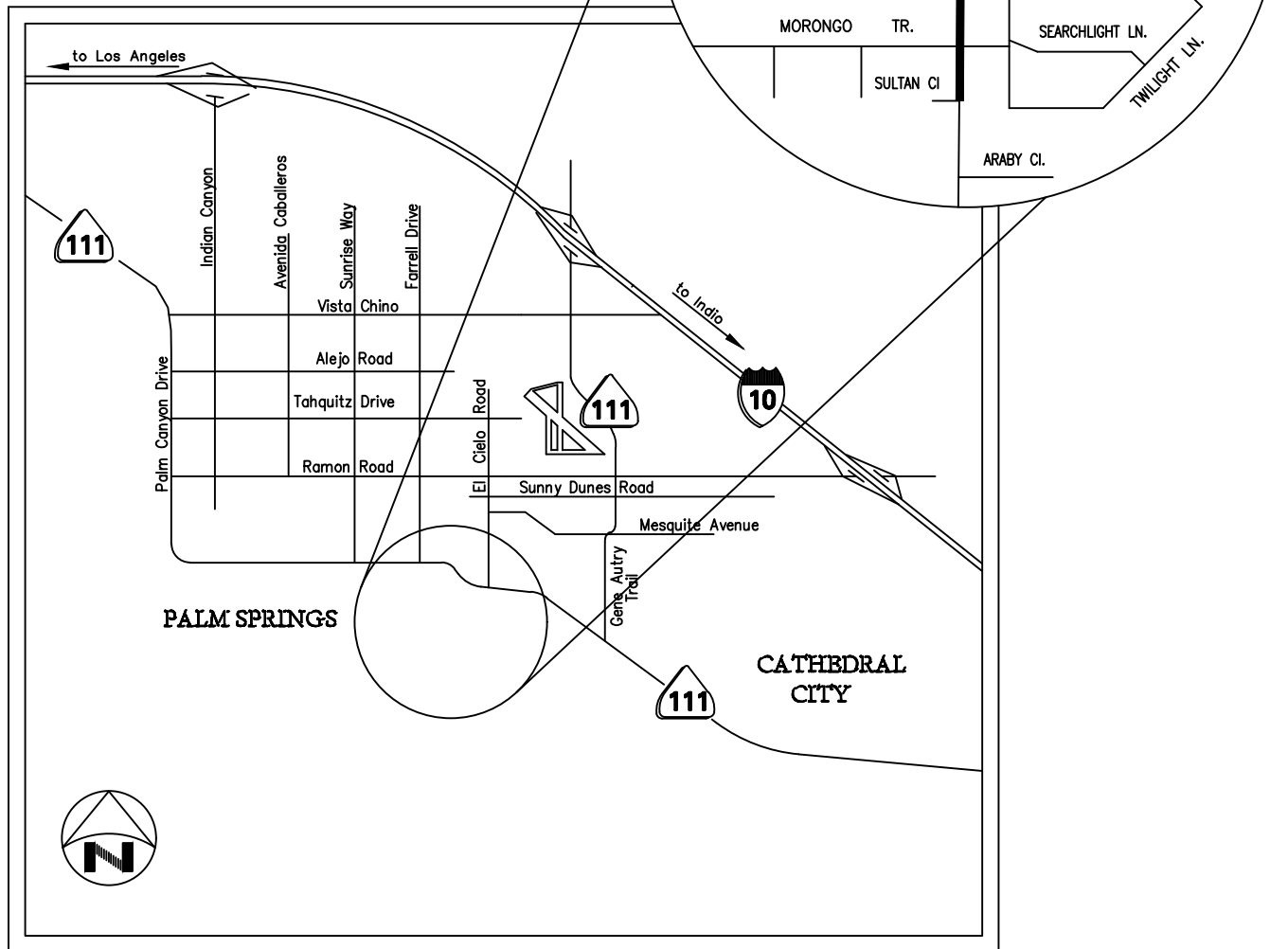


LOCATION MAP

NOT TO SCALE

FY 2020/2021 REPLACEMENT PIPELINES AREA 1 DESERT WATER AGENCY PALM SPRINGS, CALIFORNIA	DWG. BY	DATE	SCALE	W.O. NO.
	ML	2-22-21	N.T.S.	20-161
	APP'D BY	REVISED	PERMIT	FILE NO.
	MK			
	CHK'D BY			SHEET
	DT			1 OF 2

PROJECT LOCATION



LOCATION MAP

NOT TO SCALE

FY 2020/2021 REPLACEMENT PIPELINES AREA 2 DESERT WATER AGENCY PALM SPRINGS, CALIFORNIA	DWG. BY	DATE	SCALE	W.O. NO.
	ML	2-22-21	N.T.S.	20-161
	APP'D BY	REVISED	PERMIT	FILE NO.
	MK			
	CHK'D BY			SHEET
	DT			2 OF 2

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

MARCH 16, 2021

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

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

Desert Water Agency's Board of Directors acted promptly at the onset of this crisis. On March 17, 2020, the Board took multiple actions in response to the COVID-19 pandemic. These actions included the suspension of Late Fees and water disconnections for non-payment, and absorption of Paymentus remote payment convenience fees for sixty days and granted General Manager Krause the ability to take action regarding on premise staffing levels in order to achieve appropriate social distancing while continuing Agency operations. The Board voted unanimously on May 5, 2020, July 7, 2020, September 15, 2020, November 17, 2020 and January 19, 2021 to extend the financial relief measures for customers. These customer financial relief measures are set to expire today, March 16, 2021.

On April 2, 2020, Governor Gavin Newsom issued Executive Order N-42-20 which prohibits the water shutoff for any resident or critical business. There is no termination date in the Executive Order, so the timing for it to be discontinued by the Governor is unknown.

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

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

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

Water Sales

At the onset of the COVID-19 pandemic, the Agency experienced decreased water sales during the initial lockdown. However, in recent months, consumption has returned to, and exceeded, pre-COVID levels as compared to the pre-COVID three-year historical average for each month.

For the 2020/2021 budget, the Agency incorporated forecasted COVID-19 impacts through December 2020. Beginning January 2021, the budgeted water revenues are no longer adjusted for forecasted COVID-19 impacts. February actual water sales have returned to the historical average for the month. Overall, the Agency has experienced an increase in water sales of approximately \$771,200 since the onset of COVID-19 in March 2020.

	February 2021
Adopted 2020/2021 Budget	\$ 2,232,900
Actual Revenue	<u>\$ 2,237,203</u>
Over/(Under)	\$ 4,303

Late Fees

For the measurement period of March 17th to March 4th, the Agency has not assessed 19,578 late fees which equates to \$489,450. Prior to COVID-19, the anticipated late fee revenues from March 2020 through February 2021 were \$267,200.

Reconnection Fees

The Agency has not discontinued water service for non-payment, which has resulted in decreased revenues of approximately \$249,760 from March 17th to March 4th. Prior to COVID-19, the anticipated reconnection fee revenues from March 2020 through December 2020 were \$46,400.

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 February 28th, Accounts Receivable is \$219,800 above this historical average. This represents an increase in Accounts Receivable of 15%. The accounts receivable balance has continued to trend downward over the past 6 months from its all-time high of \$2.4 million in September 2020. This was a \$0.9 million or 62% increase as compared to the historical accounts receivable balance average.

There are currently 2,273 delinquent accounts that are at least 2 months past due, representing 9.9% of customers. 600 of these delinquent accounts are considered severely delinquent at 5 to 12 months past due.

Paymentus Fees

For the measurement period of March 17th to March 3rd, the Agency has absorbed \$29,400 in Paymentus fees (7,022 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 and the Agency continues to offer multiple free payment options in addition to the Paymentus platform.

Telecommuting Expenses

In order to support social distancing efforts, the Agency has shifted to a remote working environment where possible. Agency laptops and improved telecommunication access to the Agency have been provided to staff, totaling \$47,300 to date.

Safety Supplies & Disinfection

To date, the Agency has purchased \$5,700 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 \$78,800 to date.

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 \$117,300 for the period of March 2020 through February 2021.

Summary

Revenues	
Water Sales	\$ 771,200.00
Late Fees	\$ (267,200.00)
Reconnection Fees	\$ (46,400.00)
	<u>\$ 457,600.00</u>
Expenses	
Paymentus Fees	\$ (29,400.00)
Telecommuting Expenses	\$ (47,300.00)
Safety Supplies & Disinfection	\$ (84,500.00)
Reduced Administrative Expenses	\$ 117,300.00
	<u>\$ (43,900.00)</u>
Net Impact	\$ 413,700.00

To date, the Agency has experienced increased revenues of \$457,600 during the COVID-19 pandemic and net increase in expenses of \$43,900, totaling a net impact of \$413,700.

Staff recommends that the Board of Directors extend financial relief for customers (suspension of late fees, disconnection of service for non-payment and absorption of remote payment fees) for an additional 63 days, March 17th through May 18th. Staff will bring this item back to the Board of Directors for consideration at its May 18th meeting. Staff will also continue to monitor the ongoing financial impacts related to COVID-19 and will provide ongoing updates to the Board.

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

MARCH 16, 2021

**RE: REQUEST ADOPTION OF RESOLUTION NO. 1254 DESIGNATING
AUTHORIZED AGENTS TO EXECUTE AGREEMENTS WITH THE
GOVERNOR'S OFFICE OF EMERGENCY SERVICES FOR
DISASTER REMEDIATION**

On February 14, 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 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 in the process of obtaining reimbursement for its flood damage remediation at:

- Snow Creek (intake and bridge repairs): **\$216,246.25**
- Cathedral Canyon Drive (sewer line response and repairs): **\$55,860.43**

These projects have already been completed and FEMA has obligated the funding. The next step is receiving payment for these projects.

FEMA reimburses applicants for 75% of eligible project costs.

We have 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.

The attached resolution is part of the documentation required to accept funding for the projects and any others that are underway or that may arise within the next three years.

FEMA has also obligated reimbursement funding 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.

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 recommends adoption of Resolution No. 1254 designating authorized agents to execute agreements with the Governor's Office of Emergency Services for disaster remediation and complete the CalOES 89 Project Assurances for Federal Assistance form (attached).

RESOLUTION NO. 1254

A RESOLUTION OF THE BOARD OF DIRECTORS OF DESERT WATER AGENCY DESIGNATING THE GENERAL MANAGER AND ASSISTANT GENERAL MANAGER ON BEHALF OF DESERT WATER AGENCY TO BE THE AUTHORIZED AGENTS TO ENGAGE WITH THE FEDERAL EMERGENCY MANAGEMENT AGENCY AND THE GOVERNOR'S OFFICE OF EMERGENCY SERVICES REGARDING GRANTS APPLIED FOR BY DESERT WATER AGENCY

WHEREAS, Desert Water Agency seeks to apply for Federal Emergency Management (FEMA) and California reimbursement for costs incurred for emergency response services and damages due to extreme weather and flooding in February of 2019; and

WHEREAS, the Governor's Office of Emergency Services (Cal OES) administers the State and Federal reimbursement process and grant programs for emergency and disaster relief; and

WHEREAS, Cal OES Form 130 requires Desert Water Agency to designate agents to engage with FEMA and Cal OES regarding assistance and grants applied for by the Agency; and

WHEREAS, Desert Water Agency desires to ensure that Form 130 makes the Agency eligible to apply for disaster relief for the incident designated "FEMA-4431-DR-CA (DR-4431)" as well as future disaster incidents for three years.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of Desert Water Agency authorizes the General Manager and Assistant General Manager to sign and execute applications and agreements for Federal and State disaster relief and emergency assistance.

BE IT FURTHER RESOLVED, the Board of Directors of Desert Water Agency does designate the General Manager and Assistant General Manager as the agent(s) for Form Cal OES 130: Designation of Applicant's Agent Resolution for Non-State Agencies.

ADOPTED this 16th day of March, 2021.

Kristin Bloomer, President

ATTEST:

Joseph K. Stuart, Secretary-Treasurer

**DESIGNATION OF APPLICANT'S AGENT RESOLUTION
FOR NON-STATE AGENCIES**

BE IT RESOLVED BY THE Board of Directors OF THE Desert Water Agency
(Governing Body) (Name of Applicant)

THAT Mark S. Krause, General Manager, OR
(Title of Authorized Agent)

Steve Johnson, Asst. General Manager, OR
(Title of Authorized Agent)

(Title of Authorized Agent)

is hereby authorized to execute for and on behalf of the Desert Water Agency, a public entity
(Name of Applicant)

established under the laws of the State of California, this application and to file it with the California Governor's Office of Emergency Services for the purpose of obtaining certain federal financial assistance under Public Law 93-288 as amended by the Robert T. Stafford Disaster Relief and Emergency Assistance Act of 1988, and/or state financial assistance under the California Disaster Assistance Act.

THAT the Desert Water Agency, a public entity established under the laws of the State of California,
(Name of Applicant)

hereby authorizes its agent(s) to provide to the Governor's Office of Emergency Services for all matters pertaining to such state disaster assistance the assurances and agreements required.

Please check the appropriate box below:

☒ This is a universal resolution and is effective for all open and future disasters up to three (3) years following the date of approval below.

☐ This is a disaster specific resolution and is effective for only disaster number(s) _____

Passed and approved this 16th day of March, 2021

Kristin Bloomer, President of Desert Water Agency Board of Directors

(Name and Title of Governing Body Representative)

James Cioffi, Vice President of Desert Water Agency Board of Directors

(Name and Title of Governing Body Representative)

Joseph K. Stuart, Secretary-Treasurer of Desert Water Agency Board of Directors

(Name and Title of Governing Body Representative)

CERTIFICATION

I, Sylvia Baca, duly appointed and Asst. Secretary of the Board of
(Name) (Title)

Desert Water Agency, do hereby certify that the above is a true and correct copy of a
(Name of Applicant)

Resolution passed and approved by the Board of Directors of the Desert Water Agency
(Governing Body) (Name of Applicant)

on the 16th day of March, 2021.

(Signature)

Assistant Secretary of the Board
(Title)

PROJECT ASSURANCES FOR FEDERAL ASSISTANCE

SUBRECIPIENT'S NAME: Desert Water Agency
(Name of Organization)

ADDRESS: 1200 S Gene Autry Trail

CITY: Palm Springs STATE: CA ZIP CODE: 92264

TELEPHONE: 760-323-4971 FAX NUMBER: 760-325-6505

AUTHORIZED AGENT: Mark S. Krause TITLE: General Manager

EMAIL ADDRESS: mkrause@dwa.org

ASSURANCES – CONSTRUCTION PROGRAMS

Note: Certain of these assurances may not be applicable to all of your projects. If you have questions, please contact the California Governor's Office of Emergency Services. Further, certain federal assistance awarding agencies may require applicants to certify to additional assurances. If such is the case, you will be notified.

As the duly authorized representative of the applicant, I certify that the subrecipient named above:

1. Has the legal authority to apply for federal assistance, and the institutional, managerial and financial capability (including funds sufficient to pay the non-federal share of project costs) to ensure proper planning, management, and completion of the project described in this application.
2. Will give the awarding agency, the Comptroller General of the United States, Federal Office of Inspector General 2 CFR 200.336, and if appropriate, the state, through any authorized representative, access to and the right to examine all records, books, papers, or documents related to the assistance; and will establish a proper accounting system in accordance with generally accepted accounting standards or agency directives.
3. Will not dispose of, modify the use of, or change the terms of the real property title, or other interest in the site and facilities without permission and instructions from the awarding agency. Will record the federal interest in the title of real property in accordance with awarding agency directives and will include a covenant in the title of real property acquired in whole or in part with federal assistance funds to assure nondiscrimination during the useful life of the project.
4. Will comply with the requirements of the assistance-awarding agency with regard to the drafting, review and approval of construction plans and specifications.
5. Will provide and maintain competent and adequate engineering supervision at the construction site to ensure that the complete work conforms with the approved plans and specifications and will furnish progress reports and such other information as may be required by the assistance awarding agency or state.
6. Will initiate and complete the work within the applicable time frame after receipt of approval of the awarding agency.
7. Will establish safeguards to prohibit employees from using their positions for a purpose that constitutes or presents the appearance of personal or organizational conflict of interest, or personal gains.
8. Will comply with the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. §§ 4801 et seq.), which prohibits the use of lead based paint in construction or rehabilitation of residence structures.

9. Will comply with all federal statutes relating to nondiscrimination. These include but are not limited to: (a) Title VI of the Civil Rights Act of 1964 (P.L. 88-352) which prohibits discrimination on the basis of race, color, or national origin; (b) Title IX of the Education Amendments of 1972, as amended (20 U.S.C §§ 1681-1683 and 1685-1686) which prohibits discrimination on the basis of sex; (c) Section 504 of the rehabilitation Act of 1973, as amended (29 U.S.C. § 794) which prohibit discrimination on the basis of handicaps; (d) the Age Discrimination Act of 1975, as amended (42 U.S.C. §§ 6101-6107) which prohibits discrimination on the basis of age; (e) the Drug Abuse Office and Treatment Act of 1972 (P.L. 93-255) as amended, relating to nondiscrimination on the basis of drug abuse; (f) the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970 (P.L. 91-616) as amended, relating to nondiscrimination on the basis of alcohol abuse or alcoholism; (g) §§ 523 and 527 of the Public Health Service Act of 1912 (42 U.S.C. 290 dd-3 and 290 ee-3) as amended, relating to confidentiality of alcohol and drug abuse patient records; (h) Title VIII of the Civil Rights Act of 1968 (42 U.S.C. § 3601 et seq.), as amended, relating to nondiscrimination in the sale, rental, or financing of housing; (i) any other nondiscrimination provisions in the specific statute(s) which may apply to the application.
10. Will comply, or has already complied, with the requirements of Titles II and III of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (P.L. 91-646) which provides for fair and equitable treatment of persons displaced or whose property is acquired as a result of federal and federally assisted programs. These requirements apply to all interests in real property acquired for project purposes regardless of federal participation in purchases.
11. Will comply with the flood insurance purchase requirements of Section 102(a) of the Flood Disaster Protection Act of 1973 (P.L. 93-234) which requires recipients in a special flood hazard area to participate in the program and to purchase flood insurance if the total cost of insurable construction and acquisition is \$5,000 or more.
12. Will comply with environmental standards which may be prescribed pursuant to the following: (a) institution of environmental quality control measures under the National Environmental Policy Act of 1969 (P.O. 91-190) and Executive Order (EO) 11514; (b) notification of violating facilities pursuant to EO 11738; (c) protection of wetlands pursuant to EO 11990; (d) evaluation of flood hazards in floodplains in accordance with EO 11988; (e) assurance of project consistency with the approved state management program developed under the Coastal Zone Management Act of 1972 (16 U.S.C. §§ 1451 et seq.); (f) conformity of federal actions to State (Clean Air) Implementation Plans under Section 176(c) of the Clean Air Act of 1955, as amended (42 U.S.C. § 7401 et seq.); (g) protection of underground sources of drinking water under the Safe Drinking Water Act of 1974, as amended, (P.L. 93-523); and (h) protection of endangered species under the Endangered Species Act of 1973, as amended (P.O. 93-205).
13. Will comply with the Wild and Scenic Rivers Act of 1968 (16 U.S.C. §§ 1271 et seq.) related to protecting components or potential components of the national wild and scenic rivers system.
14. Will assist the awarding agency in assuring compliance with Section 106 of the National Historic Preservation Act of 1966, as amended (16 U.S.C. 470), EO 11593 (identification and preservation of historic properties), and the Archeological and Historic Preservation Act of 1974 (16 U.S.C. 469a-1 et seq.).
15. Will comply with Standardized Emergency Management (SEMS) requirements as stated in the California Emergency Services Act, Government Code, Chapter 7 of Division 1 of Title 2, Section 8607.1(e) and CCR Title 19, Sections 2445, 2446, 2447, and 2448.
16. Subrecipients expending \$750,000 or more in federal grant funds annually are required to secure an audit pursuant to OMB Uniform Guidance 2 CFR Part 200, Subpart F. Will cause to be performed the required financial and compliance audits in accordance with the Single Audit Act of 1984 and the Single Audit Act Amendments of 1996.
17. Will disclose in writing any potential conflict of interest to the Federal awarding agency or pass-through entity in accordance with §200.112.
18. Will comply with all applicable requirements of all other federal laws, Executive Orders, regulations and policies governing this program.
19. Has requested through the State of California, federal financial assistance to be used to perform eligible work approved in the subrecipient application for federal assistance. Will, after the receipt of federal financial assistance, through the State of California, agree to the following:
 - a. The state warrant covering federal financial assistance will be deposited in a special and separate account, and will be used to pay only eligible costs for projects described above;
 - b. To return to the State of California such part of the funds so reimbursed pursuant to the above numbered application, which are excess to the approved actual expenditures as accepted by final audit of the federal or state government.
 - c. In the event the approved amount of the above numbered project application is reduced, the reimbursement applicable to the amount of the reduction will be promptly refunded to the State of California.

20. The non-Federal entity for a Federal award must disclose, in a timely manner, in writing to the Federal awarding agency or pass-through entity all violations of Federal criminal law involving fraud, bribery, or gratuity violations potentially affecting the Federal award §200.113. Failure to make required disclosures can result in any of the remedies described in §200.338 Remedies for noncompliance, including suspension or debarment.
21. Will not make any award or permit any award (subaward or contract) to any party which is debarred or suspended or is otherwise excluded from or ineligible for participation in Federal assistance programs under Executive Order 12549 and 12689, "Debarment and Suspension."

"I, the official named below, CERTIFY UNDER PENALTY OF PERJURY that I am duly authorized by the above named subrecipient to enter into this agreement for and on behalf of the said subrecipient, and by my signature do bind the subrecipient to the terms thereof."

Mark S. Krause

PRINTED NAME

SIGNATURE OF AUTHORIZED CERTIFYING OFFICIAL

General Manager

TITLE

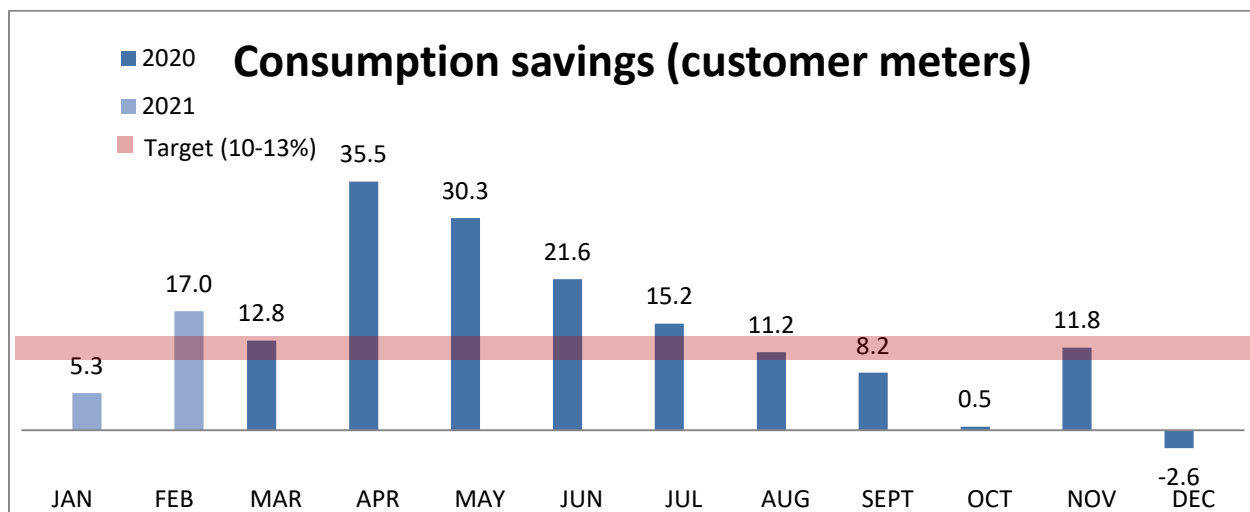
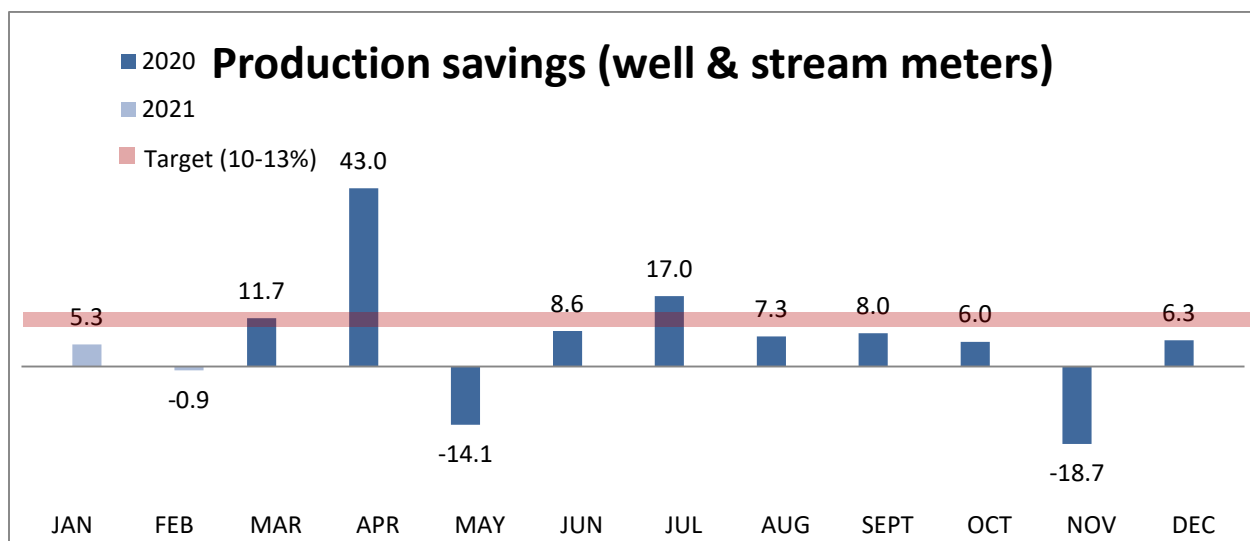
DATE

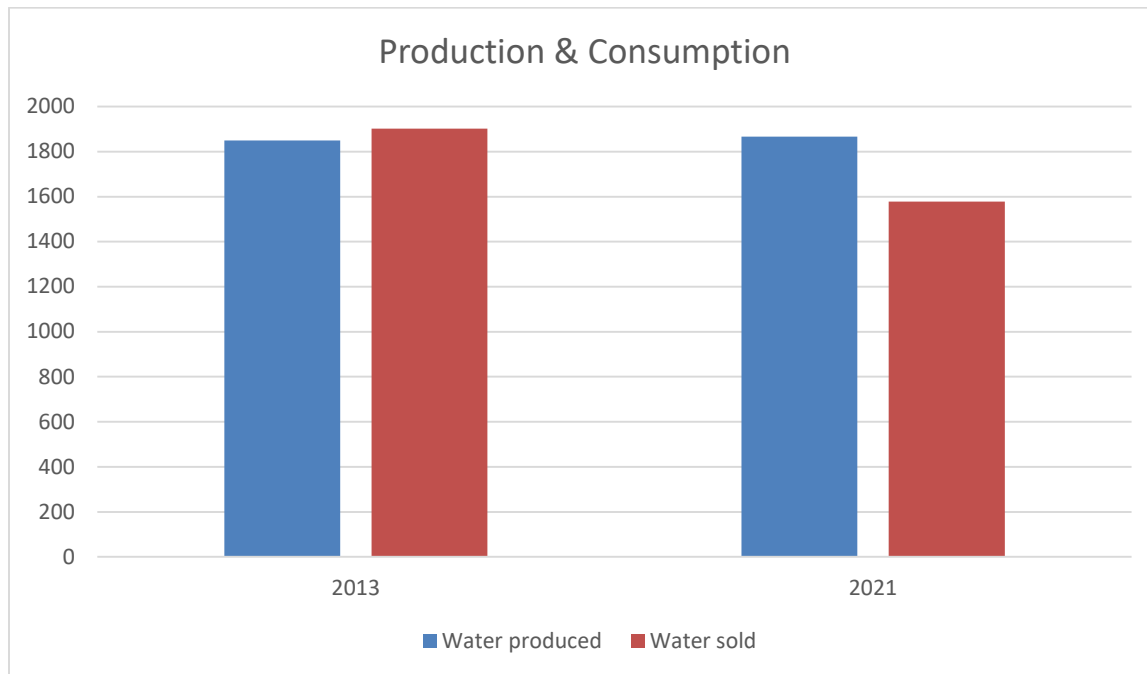
STAFF REPORT TO DESERT WATER AGENCY BOARD OF DIRECTORS

MARCH 16, 2021

RE: FEBRUARY 2021 WATER USE REDUCTION FIGURES

Desert Water Agency produced 0.92% more water during February 2021 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.





This month presents a bit of an anomaly. There is a large discrepancy between water produced (<1% increase in 2021 over 2013) and water sold (17% savings in 2021 over 2013). In reviewing the data, it appears that the 2013 water production figures (well and stream meters) may be artificially low. In reality, we must always produce more water than we sell: water sold plus system water losses. Because the production data was less reliable, we did not use it to report to the state until we were required to in October of 2020. We are working to increase the reliability of the current production data and reviewing the past data to correct where possible.

Over the last 12 months, water production is down 7.20% over 2013 levels. DWA asked its customers to save 10-13% compared to 2013 to help achieve long-term sustainability. This target will likely be re-evaluated 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)
February 2021 conservation percentage	17.01%	-0.92%
February 2021	1578.20 AF	1866.73 AF
February 2013	1901.69 AF	1849.79 AF

The percentage of the Total Monthly Potable Water Production going to residential use only for the reporting month	67%	57%
Population (inclusive of seasonal residents)	89,232	
Estimated R-GPCD	138.30	
How many public complaints of water waste or violation of conservation rules were received during the reporting month?	12	
How many contacts (written/ verbal) were made with customers for actual/ alleged water waste or for a violation of conservation rules?	3	
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?	0	
How many penalties were issued for water waste or for a violation of conservation rules?	0	
Comments: In October 2020 Desert Water Agency began submitting production figures. Prior to that, all data submitted under the emergency order and the subsequent voluntary reports were based on consumption (billing) data. In order to preserve the integrity of the data, DWA has requested that all data prior to October 2020 be removed from the SWRCB system. Population figures will be updated with new Census data as it becomes available and new seasonal population figures being developed in coordination with the 2020 Urban Water Management Plan.		