



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

Pursuant to Assembly Bill 361 (AB361), there will be no public location for attending in person. This meeting will be held virtually because state and local officials recommend measures to promote social distancing. Members of the public who wish to participate may do so by calling in at:

Toll Free: (877) 309-2073
Access Code: 919-647-037

or Via Computer:
<https://www.gotomeeting.com/meeting/join-meeting>
9-digit Meeting ID: 919647037

Members of the public who wish to comment on any item within the jurisdiction of the Agency or any item on the agenda may submit comments by emailing sbaca@dwa.org or may do so during the meeting. 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. 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
4. CONSENT CALENDAR ITEMS: Items listed under the Consent Calendar are considered to be routine and will be acted upon by one motion of the Board without discussion. There will be no separate discussion on these items unless a Board Member requests a specific item to be discussed and/or removed from the Consent Calendar for separate action.
 - A. Approve minutes of the December 7, 2021 Board Meeting
 - B. Receive and File – Minutes of the December 13, 2021 Human Resources Committee Meeting
 - C. Receive and File - Minutes of the December 16, 2021 Executive Committee Meeting
 - D. Receive and File – November Water Use Reduction Figures
 - E. Receive and File – November Activities & Events for the Public Affairs & Water Planning Department
5. ACTION ITEMS:
 - A. Request Board Acceptance of SingerLewak LLP Annual Audit for 2020-2021 Fiscal Year SAENZ
 - B. Request Board Acceptance of 2021 Desert Water Agency Salary Survey HOPPING
 - C. Request Board Acceptance of Position Classification Listing and Salary Chart Revised as a Result of 2021 Desert Water Agency Salary Survey HOPPING
6. SECRETARY-TREASURER'S REPORT (November 2021) STUART
7. GENERAL MANAGER'S REPORT KRAUSE
8. DIRECTORS COMMENTS/REQUESTS

9. 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

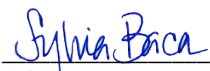
10. RECONVENE INTO OPEN SESSION – REPORT FROM CLOSED SESSION

11. 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.

DECLARATION OF POSTING

Pursuant to Government Code Section 54954.2, I certify that this agenda has been posted at least 72 hours prior to the meeting on the Agency's website at www.dwa.org and at the Agency's main office, 1200 South Gene Autry Trail, Palm Springs, CA.


Sylvia Baca

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

4-A

December 7, 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)
Ashley Metzger, Dir. Public Affairs & Water Planning)
Kris Hopping, Human Resources Director)
Kim McCance, Senior Administrative Asst.)
Ryan Molhoek, Senior Engineer)
Garrett Nelson, Field Services Supervisor)

Consultants via Michael T. Riddell, Best Best & Krieger)
Teleconference: Bob Reeb, Reeb Government Relations, LLC)

Public via Ori Dekel, Palm Springs Resident)
Teleconference: David Freedman, Palm Springs Sustainability Comm.)
Rosalyn Prickett, Woodard & Curran)
Iris Priestaf, Todd Groundwater)
Michelle Tse, Indio Water Authority)
Nina Waszak, ACBCI)

19306. President Bloomer opened the meeting at 8:00 a.m. and asked everyone to join her in the Pledge of Allegiance. **Pledge of Allegiance**

19307. President Bloomer called upon Assistant Secretary of the Board Baca to conduct the roll call: **Roll Call**

Present: Ortega, Oygar, Stuart, Cioffi, Bloomer

19308. President Bloomer opened the meeting for public comment. **Public Comment**

There was no one from the public wishing to address the Board at this time. **Public Comment (Cont.)**

19309. President Bloomer called for approval of the Consent Calendar. She noted that the Consent Calendar items 4-A through 4-I are expected to be routine and to be acted upon by the Board of Directors at one time without discussion. If any Board member requests that an item be removed from the consent calendar, it will be removed so that it may be presented separately.

- A. Approve minutes of the November 16, 2021 Board Meeting
- B. Approve minutes of the November 28, 2021 Special Board Meeting
- C. Receive and File – Minutes of the November 18, 2021 Conservation & Public Affairs Committee Meeting
- D. Receive and File - Minutes of the December 2, 2021 Executive Committee Meeting
- E. Receive & File – Memo on November 18, 2021 State Water Contractors Meeting
- F. Request Authorization to Continue Virtual Board and Committee Meetings for Another 30 Days Based Upon a Determination That In-Person Meetings Would Pose a Risk to Public Health (Per AB 361)
- G. Request Authorization for General Manager to Execute the Indio Sustainable Groundwater Management Act Memorandum of Understanding Supplement 3 for the United States Geological Services Subsidence Study
- H. Request Adoption of Resolution No. 1266 Amending Conflict of Interest Code
- I. Request Approval for General Manager to Execute Ninth Amendment to Tolling & Waiver Agreement with DWR

Approval of the Consent Calendar

- A. November 16, 2021 Regular Board Mtg. Minutes
- B. November 28, 2021 Special Board Mtg. Minutes
- C. November 18, 2021 Conservation & Public Affairs Comm. Mtg.
- D. December 2, 2021 Executive Comm. Mtg.
- E. November 10, 2021 SWC Mtg.
- F. Request Authorization to Continue Virtual Board & Comm. Mtgs.
- G. Request Authorization for GM to Execute the Indio Sustainable Groundwater Management Act MOU Supplement 3 for U.S. Geological Svcs. Subsidence Study
- H. Request Adoption of Resolution No. 1266 Amending Conflict of Interest Code
- I. Request Approval for GM to Execute Ninth Amendment to Tolling & Waiver Agreement with DWR

Vice President Cioffi moved for approval of Items 4-A thru 4-

- I. After a second by Secretary-Treasurer Stuart, the Consent Calendar was approved by the following roll call vote:

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

19310. President Bloomer called upon Assistant General Manager Johnson to Request Board Decision on Customer Appeal, Ori Dekel.

Items for Action:

- Request Board Decision on Customer Appeal – Ori Dekel

Mr. Johnson noted that Section 5 of Resolution No. 1224 addresses the procedures to contest or appeal a bill, in particular Section 5.3 (Appeal to Board of Directors). He reported that Ori Dekel is appealing his September 2021 water bill for an unusually high consumption compared to

previous months and that DWA staff has checked the property for leaks and found none. Mr. Johnson noted that after a new meter was installed in October, his consumption has gone down. Staff recommends that the Board of Directors consider the appeal by Mr. Dekel and grant or deny this appeal.

Items for Action:
(Cont.)
Request Board
Decision on Customer
Appeal – Ori Dekel

In response to the Board, Mr. Johnson noted: 1) Mr. Dekel's average monthly water consumption is 33 units of water, 2) Staff recommends denial of the appeal, 3) The water meter was replaced due to under reads; and 4) Water use for October and November is down.

Vice President Cioffi moved for denial of the Appeal. After a second by Secretary-Treasurer Stuart, motion to deny the Appeal passes 3-2 by the following roll call vote:

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

19311. President Bloomer called upon Director of Public Affairs & Water Planning Metzger to present staff's request for Adoption of Resolution No. 1267 Adopting the 2022 Indio Subbasin Water Management Plan Update Sustainable Groundwater Management Act (SGMA) Alternative Plan.

Public Hearing
Request Adoption of
Reso. No. 1267
Adopting the 2022
Indio Subbasin
Water Mgmt. Plan
Update Sustainable
Groundwater Mgmt.
Act (SGMA)
Alternative Plan

At 8:28 a.m., President Bloomer opened the public hearing and asked Mrs. Metzger to present her report. Mrs. Metzger presented a Power Point Presentation on 1) Introducing the 2022 Plan Update; 2) How Did We Engage People; 3) Plan Area; 4) Plan Update – Goals & Objectives; 5) Plan Update Describes the Indio Subbasin and How Groundwater Flows through It; 6) All Six Undesirable Results Are Addressed; 7) Thresholds Set for Groundwater Levels; 8) Suitable Proxy for Storage and Subsidence; 9) Groundwater Quality; 10) Plan Supports Salinity Studies and SNMP; 11) Seawater Intrusion and the Salton Sea; 12) Interconnected Surface Water and Groundwater Dependent Ecosystems (GDEs); 13) Total Projected Demand (AFY); 14) Supply Portfolio for Indio Subbasin; 15) Climate Change – Assumptions; 16) Projects & Management Actions –Selected; 17) Plan Scenarios –Assumptions; 18) Plan Scenarios Reflect Varying Water Supplies and PMAs; 19) Groundwater Sustainability Achieved with Implementation of PMAs; 20) Simulated Water Balance Includes More Inflows than Outflows; and 21) Plan Implementation Activities.

Open Public Hearing

President Bloomer noted a letter was received from the Sierra Club on this item. There being no one from the public wishing to address the Board regarding the proposed Resolution, President Bloomer closed the public hearing at 8:54 a.m.

Public Comment
Close Public Hearing

Director Oygar moved to adopt Resolution No. 1267 Adopting the 2022 Indio Subbasin Water Management Plan Update Sustainable Groundwater Management Act Alternative Plan. After a second by Secretary-Treasurer Stuart, the motion carried by the following roll call vote:

Items for Action:
(Cont.)
Public Hearing
Request Adoption of
Reso. 1267

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

RESOLUTION NO. 1267
RESOLUTION OF THE BOARD OF DIRECTORS OF DESERT
WATER AGENCY ADOPTING THE 2022 INDIO SUBBASIN
WATER MANAGEMENT PLAN UPDATE SUSTAINABLE
GROUNDWATER MANAGEMENT ACT (SGMA) ALTERNATIVE
PLAN

Resolution 1267
Adopted

19312. President Bloomer called upon Director of Public Affairs & Water Planning Metzger to present staff's request to Adopt Resolution No. 1268 Adopting the 2022 Mission Creek Subbasin Alternative Plan Update in Compliance with the Sustainable Groundwater Management Act.

Request Adoption of
Reso. No. 1268
Adopting the 2022
Mission Creek
Subbasin Alternative
Plan Update in
Compliance with the
Sustainable
Groundwater Mgmt.
Act

At 9:00 a.m., President Bloomer opened the public hearing and asked Mrs. Metzger to present her report. Mrs. Metzger presented a Power Point Presentation on, 1) SGMA Timeline; 2) Mission Creek Subbasin (MCSB); 3) Alternative Update Planning Area; 4) Alternative Plan Update – Goal and Objectives; 5) Groundwater Model Update; 6) Sustainable Management Criteria and Undesirable Results; 7) Key Wells; 8) Groundwater Level Thresholds; 9) Groundwater Levels used as a Proxy for Storage and Subsidence; 10) Groundwater Quality; 11) Plan Identifies the CV-SNMP for Evaluation of TDS; 12) Groundwater Dependent Ecosystems; 13) Population Projections; 14) Projected SWP Deliveries to the MCSB Replenishment Facility; 15) Total Demand Projections; 16) Water Management Forecasts; 17) Water Management Forecasts; 18) Forecast Scenarios; 19) Forecast Findings for Groundwater Levels; 20) Scenario Forecast for Key Wells; and 21) Projects and Management Actions.

Open Public Hearing

There being no one from the public wishing to address the Board and no written comments received regarding the proposed Resolution, President Bloomer closed the public hearing at 9:19 a.m.

Close Public Hearing

Director Oygar moved to adopt Resolution No. 1268 Adopting the 2022 Mission Creek Subbasin Alternative Plan Update in Compliance with the Sustainable Groundwater Management Act. After a second by Vice President Cioffi, the motion carried by the following roll call vote:

Items for Action:
(Cont.)
Public Hearing
Request Adoption of
Reso. 1268

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

**Resolution 1268
Adopted**

**RESOLUTION NO. 1268
RESOLUTION OF THE BOARD OF DIRECTORS OF DESERT
WATER AGENCY ADOPTING THE
2022 MISSION CREEK SUBBASIN ALTERNATIVE PLAN UPDATE
IN COMPLIANCE WITH THE SUSTAINABLE GROUNDWATER
MANAGEMENT ACT**

19313. 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 for the past several weeks.

In response to Director Ortega, Mrs. Metzger announced that there are two redistricting meetings tentatively scheduled in January and February 2022.

19314. President Bloomer asked Mr. Reeb to present his 2021 Annual Legislative Report.

**Discussion Item:
Legislative Report**

Mr. Reeb provided highlights of his report and discussed the following items; 1) State Budget, 2) District Activity on the Legislative Front, and 3) Looking Ahead to 2022.

19315. Vice President Cioffi noticed his attendance at the ACWA/JPIA Board meeting.

**Director's Report on
ACWA/JPIA Board
meeting and ACWA
Fall Conference**

Secretary-Treasurer Stuart and President Bloomer noted their attendance at the ACWA Fall Conference.

19316. At 10:25 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

Closed Session:
A. Existing Litigation –
ACBCI vs. CVWD, et
al. (2 Cases)
B. Existing Litigation –
MSWD vs. DWA

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) Bonnie Kessner, et al vs. Desert Water Agency, et al; and (D) Existing Litigation, Pursuant to Government Code Section 54956.9 (d) (1), AT&T vs. County of Riverside.

Closed Session:
(Cont.)

C. Existing Litigation-
Bonnie Kessner, et al
vs. Desert Water
Agency et al
D. Existing Litigation -
Possible Intervention in
Case: AT&T vs.
County of Riverside

19317. At 11:37 a.m., General Manager Krause reconvened the meeting into open session and announced there was no reportable action taken.

Reconvene – No
Reportable Action

19318. In the absence of any further business, General Manager Krause adjourned the meeting at 11:38 a.m.

Adjournment

Sylvia Baca
Assistant Secretary of the Board

Minutes
Human Resources Committee Meeting
December 13, 2021

Directors Present: Kristin Bloomer, James Cioffi
Staff Present: Steve Johnson, Kris Hopping

Call to Order

1. Public Comments – None
2. Discussion Items

A. Comprehensive Salary Survey Results

The Committee reviewed the comprehensive salary survey results and recommended changes to the classification listings based on the survey results. The Committee recommended that the survey be presented to the full board for approval.

B. Recommended Classification Changes

The Committee reviewed the proposed revised position classification and salary chart. The chart included changes based on the survey results and recommended changes to two department titles. The Committee recommended that the revised position classification and salary chart be presented to the full board for approval.

Adjourn

Minutes
Executive Committee Meeting
December 16, 2021

Directors Present: Kristin Bloomer, James Cioffi

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

Call to Order

1. Public Comments - None

2. Discussion Item

A. Review Agenda for December 21, 2021 Board Meeting

The proposed agenda for the December 21, 2021 meeting was reviewed.

B. 2022 Board Conference Schedule

The Committee reviewed the draft 2022 Board Conference Schedule and approved the recommended travel dates. Staff informed the Committee that the dates are tentative and may change as the conference nears.

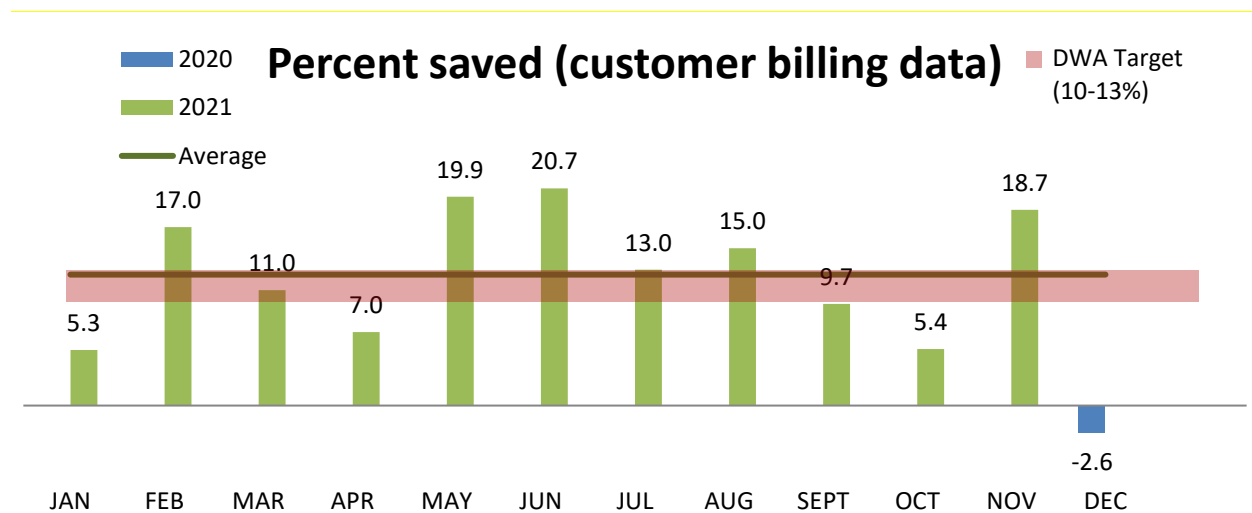
Adjourn

STAFF REPORT TO DESERT WATER AGENCY BOARD OF DIRECTORS

DECEMBER 21, 2021

RE: NOVEMBER 2021 WATER USE REDUCTION FIGURES

Desert Water Agency customers achieved an 18.65% reduction in metered potable water consumption during November 2021 compared to the same month in 2013 – the baseline year the State Water Resources Control Board (State Water Board) used to measure statewide conservation achievements during the last drought.



Over the past 12 months, consumption is trending 12.48% lower compared to 2013. DWA is asking its customers to voluntarily save 10-13% compared to 2013 to help achieve long-term sustainability.

While overall water use is down 18.65% in November 2021 compared to November 2013, if we account for the new meters/customers since 2013, the reduction is roughly 25%. The Governor has asked Californians to voluntarily conserve 15% compared to last year. DWA per customer usage is down 7.77% compared to last November. Though we're encouraging and incentivizing conservation, there is presently no requirement for the Agency or any of its customers to meet a certain savings requirement.

On the following page is additional information for this month.

| | |
|--|------------|
| November 2021 conservation percentage | 18.65% |
| November 2021 metered potable consumption | 2512.62 AF |
| November 2013 metered potable consumption | 3088.61 AF |
| The percentage of the Total Monthly Potable Water Production going to residential use only for the reporting month | 60.82% |
| Population (inclusive of seasonal residents) | 71,680 |
| Estimated R-GPCD | 264.53 |
| Number of public complaints of water waste or violation of conservation rules received during the reporting month. | 35 |
| Number of contacts with customers for actual/alleged water waste or for a violation of conservation rules. | 9 |
| Number of field visits for water waste follow up. | 17 |
| Number of citations for violation of conservation rules. | 1 |

DESERT WATER AGENCY
PUBLIC AFFAIRS & WATER PLANNING
ACTIVITIES

NOVEMBER 2021

Activities:

- 11/01 Staff attended a Coachella Valley Regional Water Management Group meeting.
- 11/01 Ashley Metzger attended a well sampling demonstration at a DWA well site.
- 11/03 President Bloomer and Ashley Metzger presented to the PS Realtors group.
- 11/03 Staff attended an Indio Groundwater Sustainability Agencies meeting on public comments.
- 11/03 Staff attended a meeting with Beaumont Cherry Valley Water District on AMI rollout.
- 11/04 Xochitl Peña was on a live segment with KESQ on Pipeline Replacement Projects.
- 11/04 Xochitl Peña did a radio interview with Joey English.
- 11/06 DWA provided canned water for Girlz Skate Jams and the Youth Zone for 2021 Pride.
- 11/06 Desert Water Agency provided water for the Pride 5k walk and run.
- 11/09 Xochitl Peña attended the ONE-PS meeting and provided a DWA update.
- 11/10 Staff attended a Coachella Valley Regional Water Management Group meeting.
- 11/15 Ashley Metzger attended and gave an update at a MSWD Board meeting.
- 11/16 Xochitl Peña attended a State Water Board meeting.
- 11/16 Ashley Metzger attended Indio Groundwater Sustainability Agencies meeting.
- 11/16 Ashley Metzger attended the Mission Creek Subbasin Management Committee coordination meeting for the Alternative Plan Update.
- 11/16 Staff attended a CV Water Counts meeting.
- 11/17 Staff met to discuss the GIS one-year plan and then met with Esri team.
- 11/17 Ashley Metzger attended the California Data Collaborative Steering Committee meeting.
- 11/18 Staff attended a training meeting with Esri for GIS.
- 11/18 Staff attended area of benefit analysis meeting.
- 11/18 Xochitl Peña was on a live segment on KESQ on FOG (fats, oil & grease) down the drain.
- 11/19 Staff met with BB&K representatives to discuss the redistricting timeline.
- 11/19 Clark Elliott performed a conservation site assessment at Canyon Estates HOA.
- 11/24 Xochitl Peña attended CV Water Counts subcommittee on Water Counts Academy.
- 11/29 Staff met with the Coachella Valley Regional Water Management Group on drought funding.

- 11/30 Staff attended a meeting to initiate the application for drought funding for grass removal.
- 11/30 Ashley Metzger attended ACWA's Water Management Committee meeting.
- 11/30 Ashley Metzger attended and presented at ACWA's Communications Committee meeting.

Public Information Releases/eBlasts/Customer Notifications

November 18 - CV Water Counts Announces 6th Annual Water Leadership Program - Website

Legislative/Regulatory Updates

November 16 – Draft Annual Water Supply and Demand Assessment Meeting

November 16 – Water Use Efficiency Final Draft Outdoor & CII Meeting

November 17 – Water Use Efficiency Final Draft Recommendations, Guidance & Methodology Meeting

November 18 – Meeting with State Water Board staff on Arrearage Program

November 29 – Submitted conservation numbers to State Water Board

November 29 – Sustainable Groundwater Management Grant Program Comment Letter (as CVRWGMG)

Upcoming Events

January 21 – Water Counts Academy application deadline

February 3 to March 3 – Water Counts Academy 2022

Conservation Programs

12 Grass removal inspections 2 Projects pre-approved

5 Projects given final approval

16 Washing machine rebates requested

6 Washing machine rebates approved

6 Smart controller rebates requested

17 Smart controller rebates approved

436 Nozzles requested for rebate

0 Nozzles approved for rebate

0 Toilet rebates requested (commercial only)

0 Toilet rebates approved (commercial only)

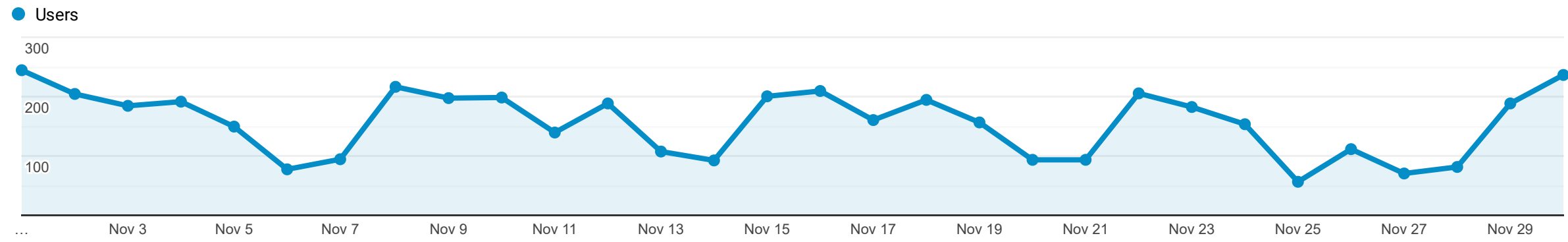
Audience Overview

All Users

100.00% Users

Nov 1, 2021 - Nov 30, 2021

Overview



Users

4,083

New Users

3,561

Sessions

5,038

Number of Sessions per User

1.23

Pageviews

10,158

Pages / Session

2.02

Avg. Session Duration

00:01:33

Bounce Rate

53.93%

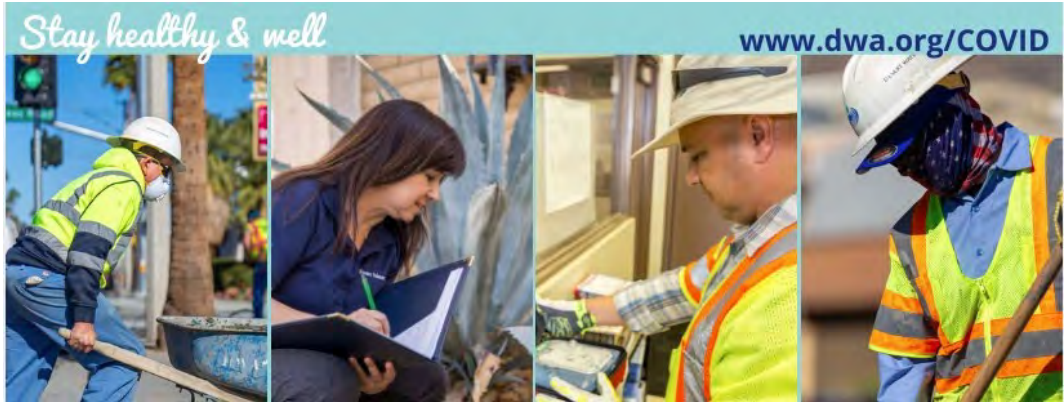
New Visitor

Returning Visitor

20.6%

79.4%

| Language | | Users | % Users |
|----------|-------|-------|---------|
| 1. | en-us | 3,814 | 93.39% |
| 2. | en-gb | 72 | 1.76% |
| 3. | en | 68 | 1.67% |
| 4. | en-ca | 52 | 1.27% |
| 5. | zh-cn | 27 | 0.66% |
| 6. | en-au | 8 | 0.20% |
| 7. | es-us | 5 | 0.12% |
| 8. | ar | 4 | 0.10% |
| 9. | es-es | 4 | 0.10% |
| 10. | fi | 3 | 0.07% |



Actions on Page

November 11 - December 8



We have insufficient data to show for the selected time period.

Page Views

November 11 - December 8

89

Total Page Views ▲10%

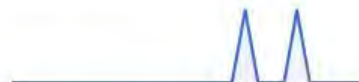


Page Likes

November 11 - December 8

2

Page Likes ▲0%



Post Reach

November 11 - December 8

493

People Reached ▼74%



Story Reach

November 11 - December 8

Get Story Insights

See stats on how your Page's recent stories have performed.

[Learn more](#)

Recommendations

November 11 - December 8



We have insufficient data to show for the selected time period.

Post Engagement

November 11 - December 8

70

Post engagement ▼61%



Videos

November 11 - December 8

10

3-Second Video Views ▼87%



Page Followers

November 11 - December 8

2

Page Followers ▼33%



Desert Water Agency Facebook Analytics November 2021

| | | | | | | | |
|------------------------|--|---|---|------|---|----------|---|
| 11/30/2021 12:00 PM |  Consider donating to Help2Others on #GivingTuesday so your neighbors in need can pay their water bills. Go to |  |  | 30 |  | 0 4 |  |
| 11/29/2021 12:00 PM |  Join DWA & LifeStream for a blood drive from 9 a.m. to 2 p.m. on Thursday, Dec. 2. The bloodmobile will be in our |  |  | 39 |  | 0 3 |  |
| 11/26/2021 8:00 AM |  If you're looking for a deal, we've got ways to save you water and money! Check out our incentives on washing |  |  | 51 |  | 1 4 |  |
| 11/25/2021 8:00 AM |  We are thankful to be part of a wonderful community and for all our employees who work hard to deliver safe and |  |  | 55 |  | 2 5 |  |
| 11/23/2021 12:00 PM |  Be nice to your pipes! When cooking, make sure not to dispose of Fat, Oil and Grease down the drain. Once |  |  | 51 |  | 0 4 |  |
| 11/19/2021 12:00 PM |  Did you know ... you can stop by our Little Library outside our entrance (1200 S. Gene Autry Trail, Palm |  |  | 83 |  | 2 6 |  |
| 11/15/2021 12:00 PM |  A weather-based irrigation controller makes sure you are watering the right amount each day. DWA has an |  |  | 58 |  | 0 4 |  |
| 11/11/2021 8:00 AM |  Thanks to all veterans for your service, especially our DWA team members! Our office is closed today in |  |  | 78 |  | 0 7 |  |
| 11/10/2021 12:00 PM |  Finding and fixing leaks inside and outside your home is a great way to save water. Use our handy DIY checklist |  |  | 189 |  | 1 6 |  |
| 11/08/2021 12:00 PM |  As temperatures cool, don't forget to adjust your sprinklers. A smart controller can help with that. Go to |  |  | 160 |  | 2 7 |  |
| 11/05/2021 12:00 PM |  If you need help paying your water bill – assistance is available! Go to www.dwa.org/h2o to apply for a \$200 |  |  | 56 |  | 0 4 |  |
| 11/03/2021 12:00 PM |  Are you a college student looking to dive into a water internship? DWA is recruiting a paid intern to join our |  |  | 1.3K |  | 17 10 |  |
| 11/01/2021 2:00 PM |  Happy Pride Week! Enjoy the festivities and don't forget to take your water bottle and stay hydrated! 🍹🌈 |  |  | 97 |  | 2 4 |  |

Desert Water Agency Facebook Analytics November 2021

Total Page Likes: 1,255

Create post



BENCHMARK
Compare your average performance over time.

Total Page Likes

Page Likes

The number of organic Page likes, paid Page likes and unlikes.

Create post



BENCHMARK
Compare your average performance over time.

Unlikes

Organic Likes

Paid Likes

Instagram November 2021



84 Impressions



75 Impressions



77 Impressions



93 Impressions



75 Impressions



94 Impressions



91 Impressions



110 Impressions



86 Impressions

Desert Water Agency Twitter Analytics Nov 2021



Tweets 2,552 **Following** 1,510 **Followers** 1,208

Nov 2021 • 30 days

TWEET HIGHLIGHTS

Top Tweet earned 1,409 impressions

Happy Pride Week! Enjoy the festivities and don't forget to take your water bottle and stay hydrated! 🌈💧 #prideweek #palmspringspride
pic.twitter.com/wGVufpcch6

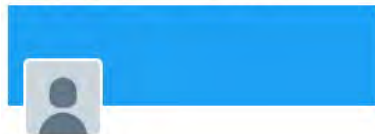


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Top mention earned 1 engagements

DAP Health
@DAPHealth · Oct 30

Here is a cool idea from @TDSXochitl of @DWAwater Stop by to get some water here at #desertaidswalk2021. Can't wait to be #togetheragain
pic.twitter.com/gMs5EnDTfE



🔗 1 🗨️ 2 ❤️ 5

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Top media Tweet earned 351 impressions

Are you a college student looking to dive into a water internship? DWA is recruiting a paid intern to join our Public Affairs & Water Planning team. Details at: dwa.org/careers
📄📄 #internship
pic.twitter.com/a0Ah4vgBNj



🔗 2 ❤️ 4

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NOV 2021 SUMMARY

| | |
|----------------|-------------------|
| Tweets | Tweet impressions |
| 13 | 3,751 |
| Profile visits | Mentions |
| 345 | 2 |
| New followers | |
| 0 | |

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

DECEMBER 21, 2021

**RE: REQUEST ACCEPTANCE OF SINGER LEWAK LLP ANNUAL
AUDIT FOR 2020-2021**

Karen Miessner of SingerLewak LLP will be in attendance at today's meeting, at which time, she will present their report on the Audit of Desert Water Agency's financial activities for Fiscal Year 2020-2021, and will answer any questions the Board may have with regard to the audit.

Fiscal Impact:
None

Recommendation:
Staff has reviewed the Audited Report and recommends its acceptance.

Attachments:
Desert Water Agency 2020-2021 Audited Financial Statements

DESERT WATER



**FINANCIAL REPORT
JUNE 30, 2021**

DESERT WATER AGENCY

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Desert Water Agency
Palm Springs, California

Report on the Financial Statements

We have audited the accompanying basic financial statements of Desert Water Agency (the Agency) as of and for the years ended June 30, 2021 and 2020, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the State Controller's minimum audit requirements for California Special Districts. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Agency's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Desert Water Agency as of June 30, 2021 and 2020, and the changes in its financial position and its cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, and information related to the pension and other postemployment benefits plans (OPEB) on pages 3 through 21 and 63 through 64, respectively, be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audits were conducted for the purpose of forming opinions on the basic financial statements. The accompanying supplementary information on pages 63 through 66 is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The organizational information on pages 66 and 66 and the schedule of board of directors and insurance coverage on pages 67 and 68 have not been subjected to auditing procedures applied in the audits of the basic financial statements and; accordingly, we do not express opinions or provide any assurance on them.

The signature is written in a cursive, handwritten style. It reads "Singer Lewak" followed by "LLP" in a slightly more formal, capitalized font.

December 16, 2021

MANAGEMENT'S DISCUSSION AND ANALYSIS

DESERT WATER AGENCY MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of Desert Water Agency's (the Agency) financial performance provides an overview of the Agency's financial activities for the year ended June 30, 2021. Please read it in conjunction with the Agency's financial statements which begin on page 23.

Financial Highlights

- The Agency's net position increased \$37.6 million or 11.2 percent as a result of the year's operations.
- Total assets increased \$36.9 million mainly due to a \$33.6 million increase in investments.
- Deferred outflows and inflows of resources were recorded for Pension and OPEB this year. Deferred outflows increased \$2.8 million while deferred inflows decreased \$2.1 million.
- Current year operating revenues increased \$3.1 million or 7.5 percent while operating expenses decreased by \$3.0 million or 6.3 percent, which produced a decrease in the net operating loss of 113.4%.
- The decrease in operating expenses is mainly due to a \$4.9 million decrease in source of supply expense, a \$0.7 million increase in pumping, a \$0.4 million increase in depreciation and amortization expense, and a \$0.5 million increase in administration and general expense.
- Capital contributions decreased \$0.7 million mainly due to a decrease in new and/or existing developer projects completed in the Agency's service area.
- Total operating and non-operating revenues for the year were a combined \$81.8 million and total expenses were \$45.1 million.
- Non-operating revenues decreased \$0.7 million.
- Other current assets decreased \$0.5 million.
- See accompanying charts for revenue and expense details, as well as capital expenditures.

Using This Annual Report

This annual report consists of a series of financial statements. The statements of net position and statements of revenues, expenses, and changes in net position (on pages 22 through 25) provide information about the activities of the Agency as a whole and present a longer-term view of the Agency's finances.

Reporting the Agency as a Whole

Our analysis of the Agency as a whole begins on page 4. One of the most important questions asked about the Agency's finances is, "Is the Agency as a whole better off or worse off as a result of the year's activities?" The statement of net position and the statement of revenues, expenses, and changes in net position report information about the Agency as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

DESERT WATER AGENCY MANAGEMENT'S DISCUSSION AND ANALYSIS

These two statements report the Agency's net position and changes in them. You can think of the Agency's net position - the difference between assets and liabilities - as one way to measure the Agency's financial health or financial position. Over time, increases or decreases in the Agency's net position is one indicator of whether its financial health is improving or deteriorating. You will need to consider other nonfinancial factors, such as changes in the Agency's property tax base and the condition of the Agency's water facilities, to assess the overall health of the Agency.

The Agency reports in the statement of net position and the statement of revenues, expenses, and changes in net position one type of activity for the water service it provides. All Agency activities are reported in these statements.

The Agency as a Whole

The Agency's net position increased to \$373.4 million from \$335.8 million. Our analysis below focuses on the net position (Table 1) and the changes in net position (Table 2) of the Agency's activities.

**Table 1
Net Position
(in Millions)**

| | June 30, | |
|---|-----------------|-----------------|
| | 2021 | 2020 |
| Current and other assets | \$ 230.9 | \$ 200.3 |
| Capital assets | 209.4 | 203.1 |
| Total assets | 440.3 | 403.4 |
| Deferred outflows of resources | 11.3 | 8.5 |
| Total assets and deferred outflows of resources | \$ 451.7 | \$ 411.9 |
| Long-term liabilities | \$ 67.5 | \$ 63.5 |
| Other liabilities | 6.7 | 6.4 |
| Total liabilities | 74.2 | 69.9 |
| Deferred inflows of resources | 4.1 | 6.2 |
| Net position | | |
| Invested in capital assets, net of related debt | 191.6 | 184.4 |
| Restricted (State Water Project) | 72.1 | 80.8 |
| Unrestricted | 109.7 | 70.6 |
| Total net position | 373.4 | 335.8 |
| Total liabilities, deferred inflows of resources, and net position | \$ 451.7 | \$ 411.9 |

The net position increased by \$37.6 million. The unrestricted net position - the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements - increased by \$39.0 million.

DESERT WATER AGENCY MANAGEMENT'S DISCUSSION AND ANALYSIS

Table 2
Changes in Net Position
(in Millions)

| | June 30, | |
|---|-----------------------|-----------------------|
| | 2021 | 2020 |
| Operating revenues | \$ 45.0 | \$ 41.9 |
| Operating expenses | <u>44.3</u> | <u>47.3</u> |
| Operating revenue (loss) | 0.7 | (5.4) |
| Nonoperating revenues and expenses, net | 36.0 | 36.8 |
| Capital contributions | <u>0.9</u> | <u>1.6</u> |
| Changes in net position | <u>\$ 37.6</u> | <u>\$ 33.0</u> |

The Agency's operating revenues increased 7.5 percent and operating expenses decreased 6.3 percent. The factors driving these results include:

- Water sales revenue increased \$3.2 million or 8.4% due to increased water consumption as a result of the COVID-19 pandemic.
- The source of supply expenses decreased \$4.9 million mainly due to decreased Variable costs for the State Water Project as a result of decreased water deliveries.
- Pumping expenses increased \$0.7 million mainly due to increased power costs.
- General and administrative expenses increased 4.2 percent mainly due to increased medical other employment benefit related expenses.
- Nonoperating revenues decreased 1.9 percent mainly due to an increase in property tax revenue in conjunction with an unrealized loss on investments of \$2.1 million.
- Capital contributions decreased \$0.7 million as a result of a decrease in new and/or existing developer projects completed in the Agency's service area.
- The Agency had 23,170 active water services at June 30, 2021. This represents a net increase of 316 active meters during the year.

DESERT WATER AGENCY

MANAGEMENT'S DISCUSSION AND ANALYSIS

Capital Asset and Debt Administration

Capital Assets

At June 30, 2021, the Agency had \$465.6 invested in a broad range of capital assets and construction in progress, including land, water transportation facilities, water storage facilities, water treatment facilities, reclamation facilities, water rights, water buildings, and equipment (see Table 3 below). This amount represents a net increase (including additions and deductions) of \$13.4 million or 3.0 percent over last year.

Table 3
Capital Assets at Year End
(in Millions)

| | June 30, | |
|--------------------------------------|------------------------|------------------------|
| | 2021 | 2020 |
| State Water Project | \$ 126.8 | \$ 121.2 |
| Mains | 108.9 | 106.5 |
| Wells, intakes, pumps | 25.8 | 25.5 |
| Water reclamation | 29.6 | 29.6 |
| Water transportation facilities | 25.6 | 23.6 |
| Wastewater transportation facilities | 23.0 | 22.8 |
| Hydro-electric plants | 5.1 | 7.1 |
| Water treatment | 3.1 | 3.0 |
| Services | 21.6 | 19.9 |
| Meters | 6.9 | 6.3 |
| Fire service and hydrants | 17.2 | 16.7 |
| Reservoirs | 17.7 | 17.6 |
| Structures and improvements | 21.7 | 18.2 |
| Building | 4.1 | 4.1 |
| Equipment | 12.5 | 12.1 |
| Land | 12.1 | 12.1 |
| Construction in progress | 3.9 | 5.9 |
| Accumulated depreciation | (256.2) | (249.1) |
| | <u>\$ 209.4</u> | <u>\$ 203.1</u> |

This year's major additions included:

- \$5.6 million increase in State Water Project.
- \$2.4 million increase in mains.
- \$2.0 million increase in transportation
- \$1.7 million increase in services.
- \$0.6 million increase meters.
- \$3.5 million increase in structures and improvements
- \$2.0 million decrease in construction in progress

Additional information regarding capital assets is provided in Note 5 of the Notes to the Financial Statements.

DESERT WATER AGENCY MANAGEMENT'S DISCUSSION AND ANALYSIS

Debt

Long-term debt consists of Water Revenue Advanced Refunding Bonds ("WRARB") debt issue, accrued vacation, and other employee benefits at June 30, 2021.

Water Revenue Refunding Bonds, Series 2016

Table 4
Water Revenue Advanced Refunding Bonds

| | |
|---|-----------------------------|
| Total Water Revenue Advanced Refunding Bonds issued June 29, 2016 | \$ 19,720,000 |
| Principal debt repayment in prior years | (2,780,000) |
| Principal debt repayment in current year | <u>(720,000)</u> |
| Water Revenue Advanced Refunding Bonds outstanding June 30, 2021 | <u>\$ 16,220,000</u> |

The liability for employee benefits relates to the Agency's current employees' unused vacation and attendance bonus plan ("ABP") time and other postemployment benefits ("OPEB"). The \$34,697,479 liability represents the total recorded amount due to current and retired employees at June 30, 2021.

Factors Bearing on the Agency's Future

The Agency has participated (along with Coachella Valley Water District, Metropolitan Water District, and San Geronio Pass Water Agency) in a partnership studying a potential desert aqueduct connection to the State Water Project. This potential connection remains an option to enable delivery and storage of water in the local groundwater basins.

The Department of Water Resources is in the final stages of creating a plan to address the Delta Conveyance Project and the aging and unreliable levees in the Delta. This plan will directly affect the state water contractors and the costs associated with the State Water Project.

The State Water Contractors and the Department of Water Resources are actively engaged in the State Water Project contract extension negotiations. The current contract expires in 2035 and both parties are working on extending the contract.

The Agency is participating in planning efforts for the Sites Reservoir Project along with many agricultural and municipal water providers throughout the State. The Agency is pursuing this project in order to meet its projected future increased water demands and promote water quality and environmental improvements in the Sacramento San Joaquin Delta. The Agency will be working with DWR to incorporate the construction costs for this project on its State Water Project statement of charges.

DESERT WATER AGENCY MANAGEMENT'S DISCUSSION AND ANALYSIS

It is important to recognize the potential desert aqueduct connection, the Delta Conveyance Project, the SWP contract extension and Sites Reservoir Project, as they will have a major financial impact on the Agency and its operations. Not only do the aqueduct connection, Delta conveyance project, SWP contract extension, and Sites Reservoir Project, constitute major financial transactions, but the potential financial obligations associated with the transactions are significant, thus impacting the financial statements and operations of the Agency.

Economic Factors and Next Year's Budget and Rates

The Agency's taxable assessed value (TAV) for 2020/2021 increased by \$1.8 Billion (8.7%) over the 2019/2020 taxable assessed value. This growth rate was up from the TAV increase of 5.6% in 2019/2020. Over the past ten years, taxable assessed valuations have increased 5.4% per year on average.

The Board approved a 9.6% volumetric rate increase, effective January 1, 2022. This rate increase, originally planned for July 2020, was postponed due to the COVID-19 pandemic. This adjustment is the last of five planned increases approved by the Board in the 2016 to cover increased costs to import water and replace aging pipeline. This increase will increase fixed revenues up to 30% as a significant portion of the Agency's costs are fixed; such as maintenance, system operations, labor, benefits and administrative costs. The Agency has and will continue to provide the best possible service and manage these costs to the betterment of the Agency's customers.

The Agency continues an aggressive capital improvement and planned maintenance project program, according to the Agency's General plan, in order to address the Agency's aging infrastructure.

The current drought and likely mandatory conservation measures will have a negative impact on water revenues. In order to mitigate this risk, if necessary, the Board may elect to impose the Agency's Drought Rate in order to increase water revenues to meet operational needs. This, in conjunction with reserves, provides a solid financial position for the Agency.

DESERT WATER AGENCY MANAGEMENT'S DISCUSSION AND ANALYSIS

Contacting the Agency's Financial Management

This financial report is designed to provide our citizens, taxpayers, and customers with a general overview of the Agency's finances and to show the Agency's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Finance Director's Office at: Desert Water Agency, 1200 Gene Autry Trail South, Palm Springs, California.

| <u>Account</u> | <u>2021</u> | <u>2020</u> | <u>Change</u> | <u>Percent Change</u> |
|---|-----------------------------|-----------------------------|-----------------------------|---------------------------|
| Statements of net position | | | | |
| Capital assets | \$209,406,040 | \$203,064,962 | \$ 6,341,078 | 3.1% |
| Current and other assets | <u>230,934,975</u> | <u>200,355,290</u> | <u>30,579,685</u> | 15.3 |
| Total assets | 440,341,015 | 403,420,252 | 36,920,763 | 9.2 |
| Deferred outflows of resources | <u>11,324,251</u> | <u>8,485,311</u> | <u>2,838,940</u> | 33.5 |
| Total assets and deferred outflows of resources | <u>\$451,665,266</u> | <u>\$411,905,563</u> | <u>\$ 39,759,703</u> | 9.7% |
| Long-term liabilities | \$ 67,494,891 | \$ 63,537,729 | \$ 3,957,162 | 6.2% |
| Other liabilities | <u>6,712,119</u> | <u>6,438,212</u> | <u>273,907</u> | 4.3 |
| Total liabilities | <u>74,207,010</u> | <u>69,975,941</u> | <u>4,231,069</u> | 6.0 |
| Deferred inflows of resources | <u>4,054,739</u> | <u>6,162,794</u> | <u>(2,108,055)</u> | (34.2) |
| Net position | | | | |
| Invested in capital assets, net of related debt | 191,606,484 | 184,408,537 | 7,197,947 | 3.9 |
| Restricted (State Water Project) | 72,127,998 | 80,762,543 | (8,634,545) | (10.7) |
| Unrestricted | <u>109,669,035</u> | <u>70,595,748</u> | <u>39,073,287</u> | 55.3 |
| Total net position | <u>373,403,517</u> | <u>335,766,828</u> | <u>37,636,689</u> | 11.2 |
| Total liabilities, deferred inflows of resources, and net position | <u>\$451,665,266</u> | <u>\$411,905,563</u> | <u>\$ 39,759,703</u> | 9.7% |

DESERT WATER AGENCY
MANAGEMENT'S DISCUSSION AND ANALYSIS

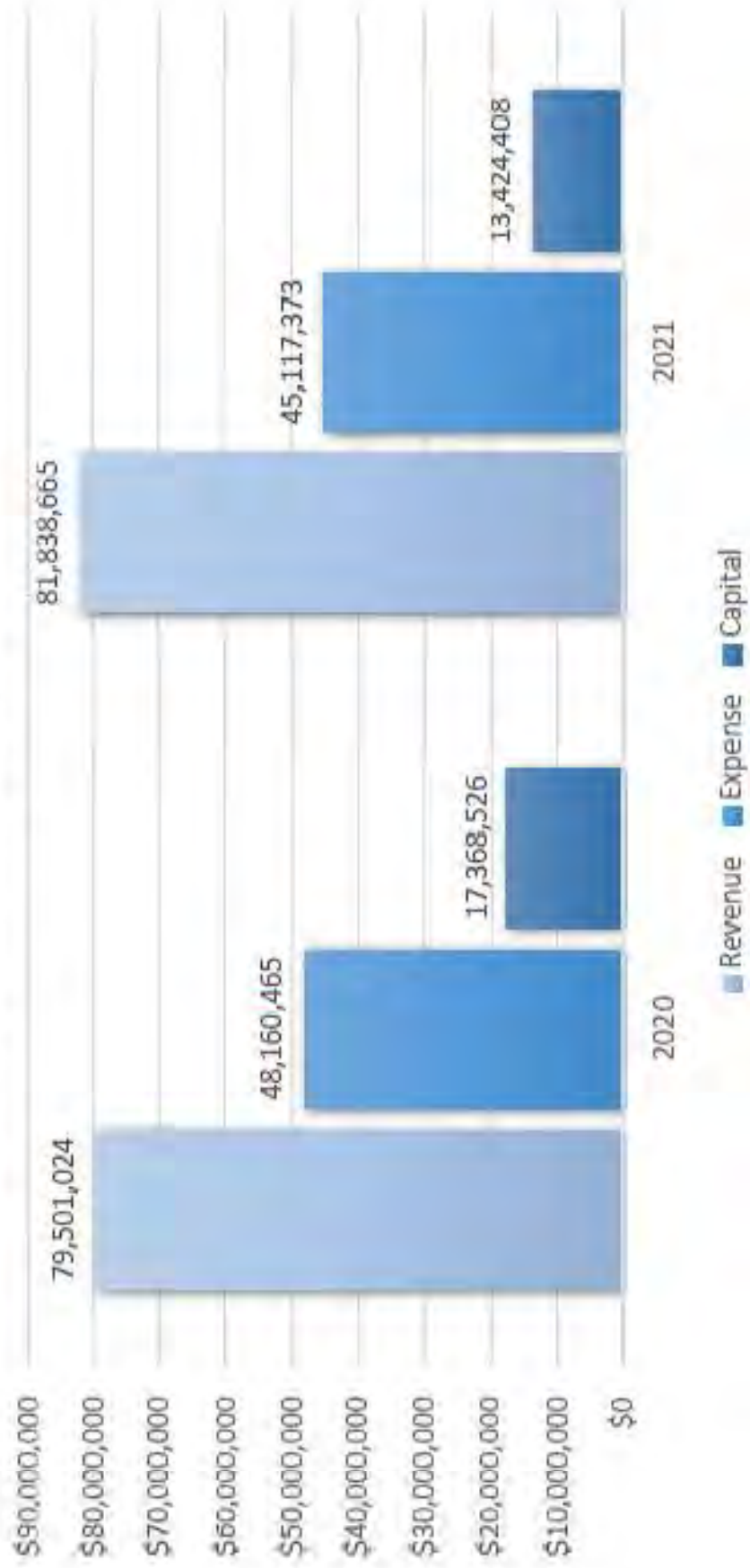
| <u>Account</u> | <u>2021</u> | <u>2020</u> | <u>Change</u> | <u>Percent Change</u> |
|--|-----------------------------|-----------------------------|-----------------------------|-----------------------|
| Statements of revenues, expenses, and changes in net position | | | | |
| Operating revenues | \$ 45,001,732 | \$ 41,865,290 | \$ 3,136,442 | 7.5% |
| Operating expenses | <u>(44,278,266)</u> | <u>(47,251,695)</u> | <u>2,973,429</u> | (6.3) |
| Operating income (loss) | 723,466 | (5,386,405) | 6,109,871 | (113.4) |
| Nonoperating revenues | 36,836,934 | 37,545,103 | (708,169) | (1.9) |
| Nonoperating expenses | (839,757) | (818,140) | (21,617) | 2.6 |
| Capital contributions | <u>916,046</u> | <u>1,628,723</u> | <u>(712,677)</u> | (43.8) |
| Change in net position | 37,636,689 | 32,969,281 | 4,667,408 | 14.2 |
| Beginning net position | <u>335,766,828</u> | <u>302,797,547</u> | <u>32,969,281</u> | 10.9 |
| Ending net position | <u>\$373,403,517</u> | <u>\$335,766,828</u> | <u>\$ 37,636,689</u> | 11.2% |

| | <u>2020 to 2021</u> | <u>2019 to 2020</u> |
|--|---------------------|---------------------|
| Change in net position – invested in capital assets, net of related debt | \$ 7,197,947 | \$ 11,079,081 |
| Percent change in net position – invested in capital assets, net of related debt | 3.9% | 6.4% |
| Change in net position – unrestricted | \$ 39,073,287 | \$ (15,199,526) |
| Percent change in net position – unrestricted | 55.3% | (17.7)% |

DESERT WATER AGENCY

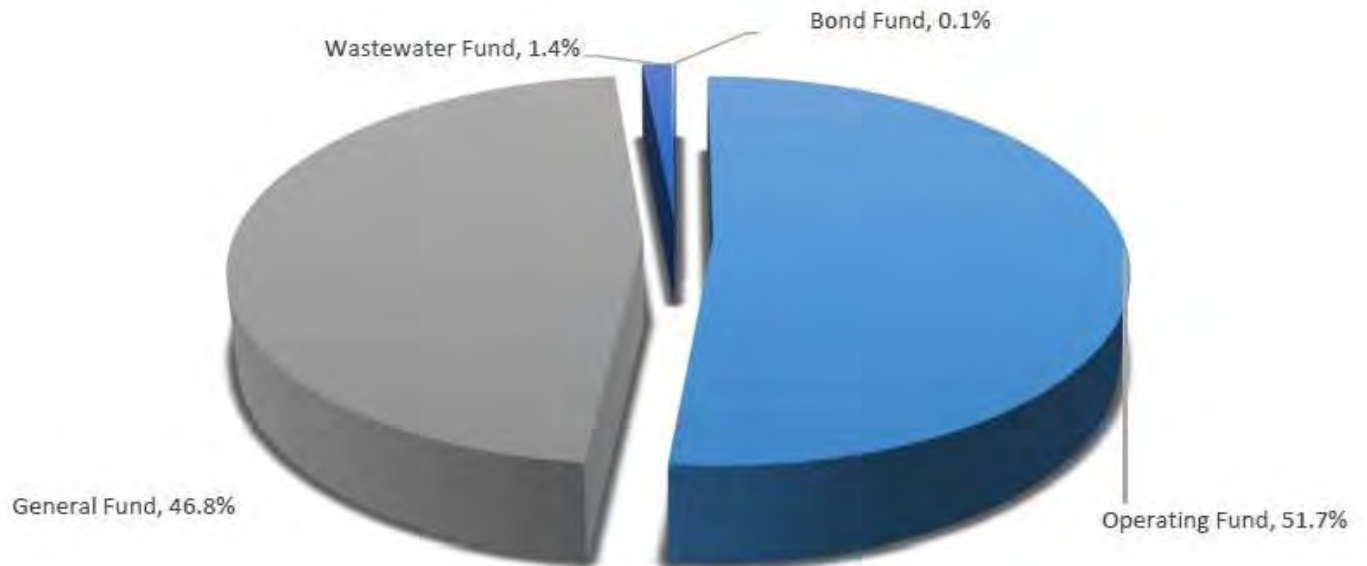
Comparison of Fiscal Year Ended June 30

Revenue, Expense & Capital Expenditures



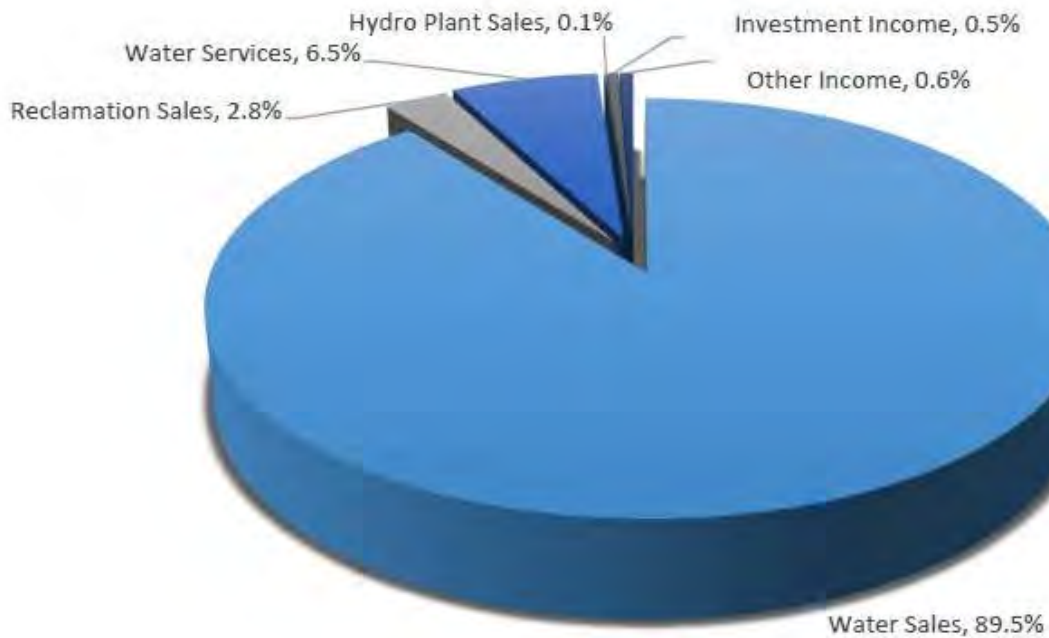
**DESERT WATER AGENCY
SOURCE OF REVENUES
FISCAL YEAR 2020 - 2021**

| Fund Type | Amount | % |
|-----------------|----------------------|---------------|
| Operating Fund | \$ 42,278,219 | 51.7% |
| General Fund | \$ 38,297,014 | 46.8% |
| Wastewater Fund | \$ 1,162,210 | 1.4% |
| Bond Fund | \$ 101,222 | 0.1% |
| TOTAL | \$ 81,838,665 | 100.0% |



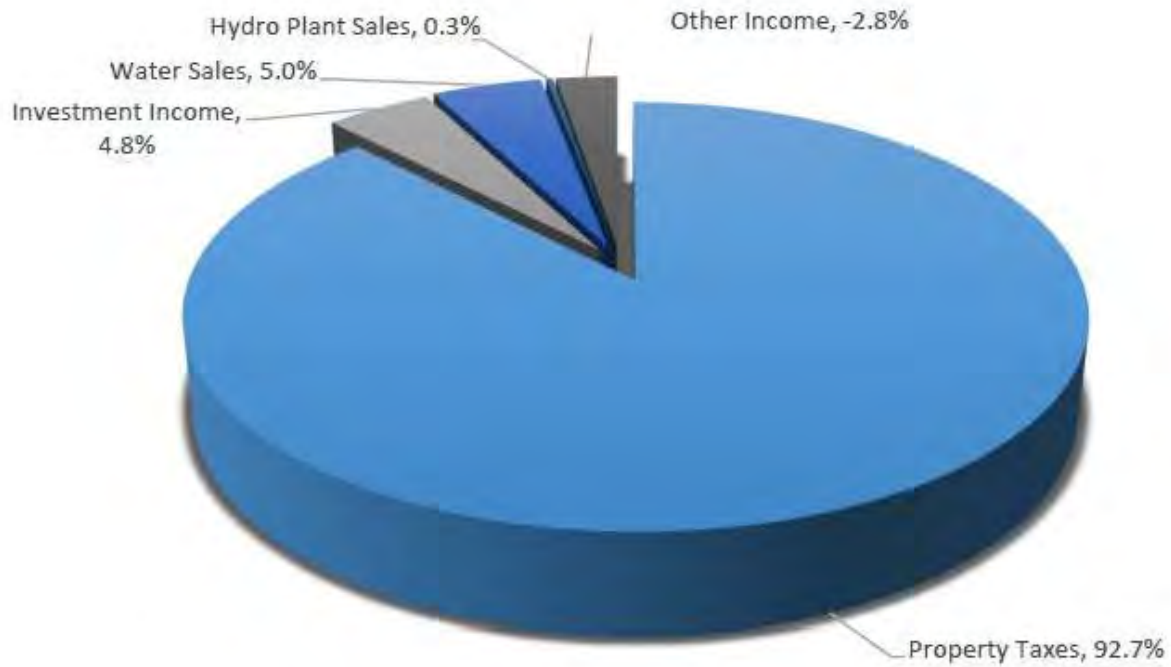
**DESERT WATER AGENCY
OPERATING FUND REVENUES
FISCAL YEAR 2020 - 2021**

| Revenue Source | Amount | % |
|-------------------|----------------------|---------------|
| Water Sales | \$ 37,855,469 | 89.5% |
| Reclamation Sales | \$ 1,182,864 | 2.8% |
| Water Services | \$ 2,756,922 | 6.5% |
| Hydro Plant Sales | \$ 23,184 | 0.1% |
| Investment Income | \$ 209,825 | 0.5% |
| Other Income | \$ 249,955 | 0.6% |
| TOTAL | \$ 42,278,219 | 100.0% |



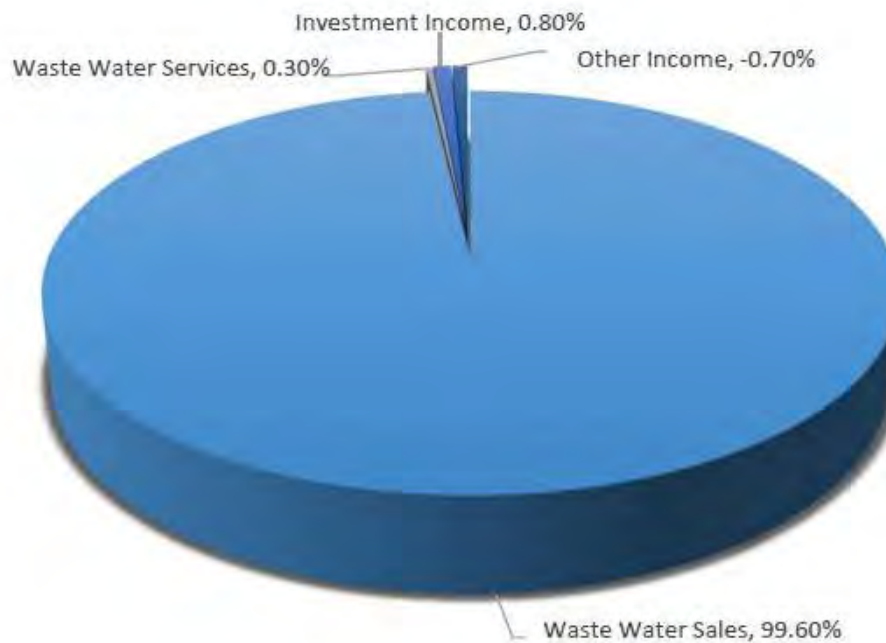
**DESERT WATER AGENCY
GENERAL FUND REVENUES
FISCAL YEAR 2020 - 2021**

| Revenue Source | Amount | % |
|-------------------|----------------------|---------------|
| Property Taxes | \$ 35,499,281 | 92.7% |
| Investment Income | \$ 1,823,860 | 4.8% |
| Water Sales | \$ 1,925,181 | 5.0% |
| Hydro Plant Sales | \$ 98,122 | 0.3% |
| Other Income | \$ (1,049,430) | -2.8% |
| TOTAL | \$ 38,297,014 | 100.0% |



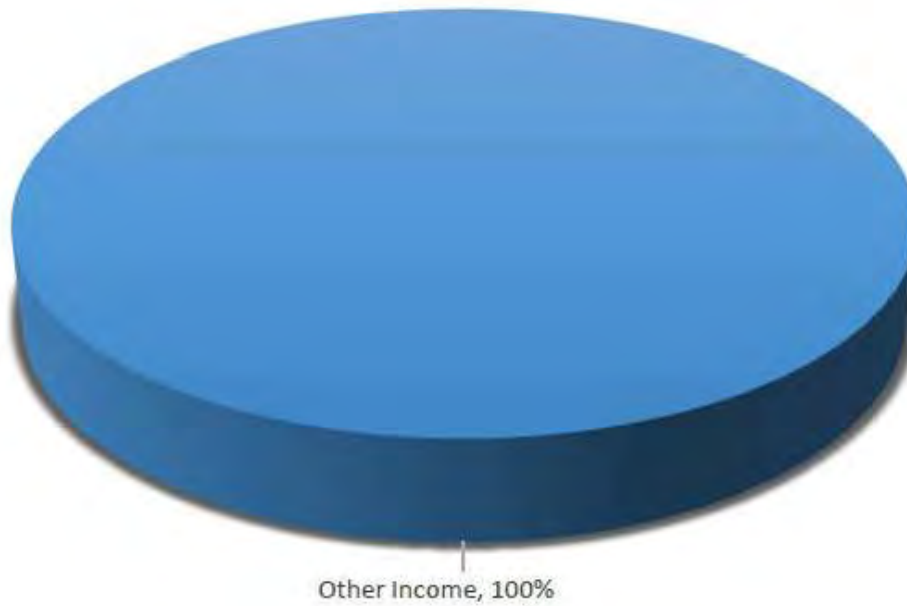
**DESERT WATER AGENCY
WASTEWATER FUND REVENUES
FISCAL YEAR 2020 - 2021**

| Revenue Source | Amount | % |
|----------------------|---------------------|---------------|
| Waste Water Sales | \$ 1,157,050 | 99.60% |
| Waste Water Services | \$ 2,940 | 0.30% |
| Investment Income | \$ 9,050 | 0.80% |
| Other Income | \$ (6,830) | -0.70% |
| TOTAL | \$ 1,162,210 | 100.0% |



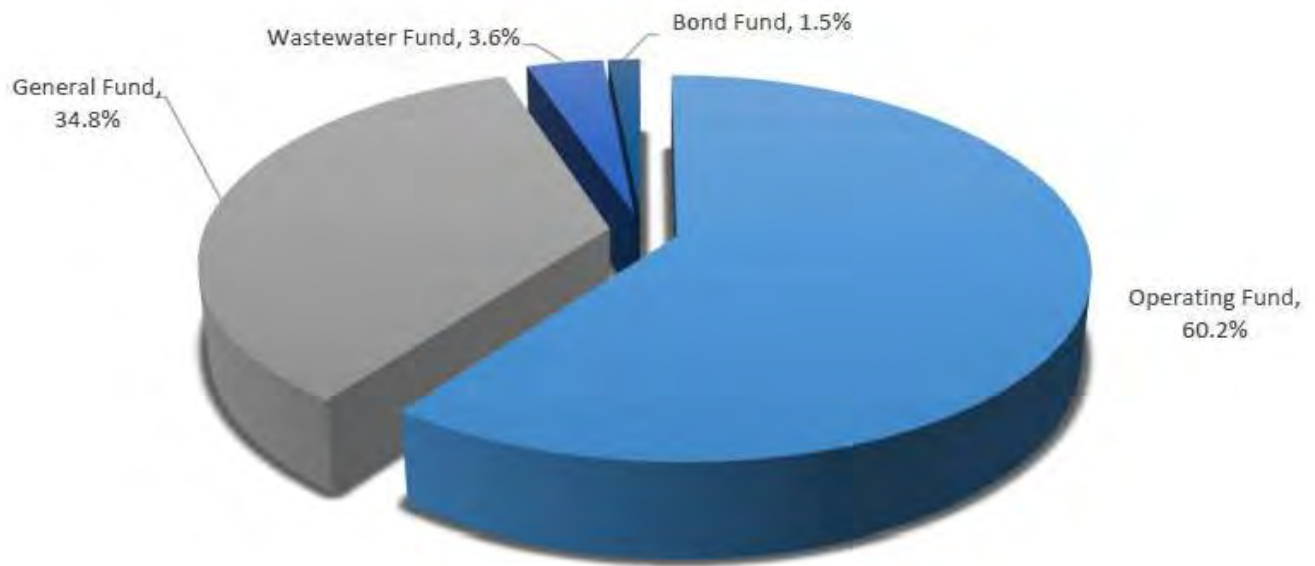
**DESERT WATER AGENCY
BOND FUND REVENUES
FISCAL YEAR 2020 - 2021**

| Revenue Source | Amount | % |
|-------------------|-------------------|---------------|
| Other Income | \$ 101,221 | 100.0% |
| Investment Income | \$ 1 | 0.0% |
| TOTAL | \$ 101,222 | 100.0% |



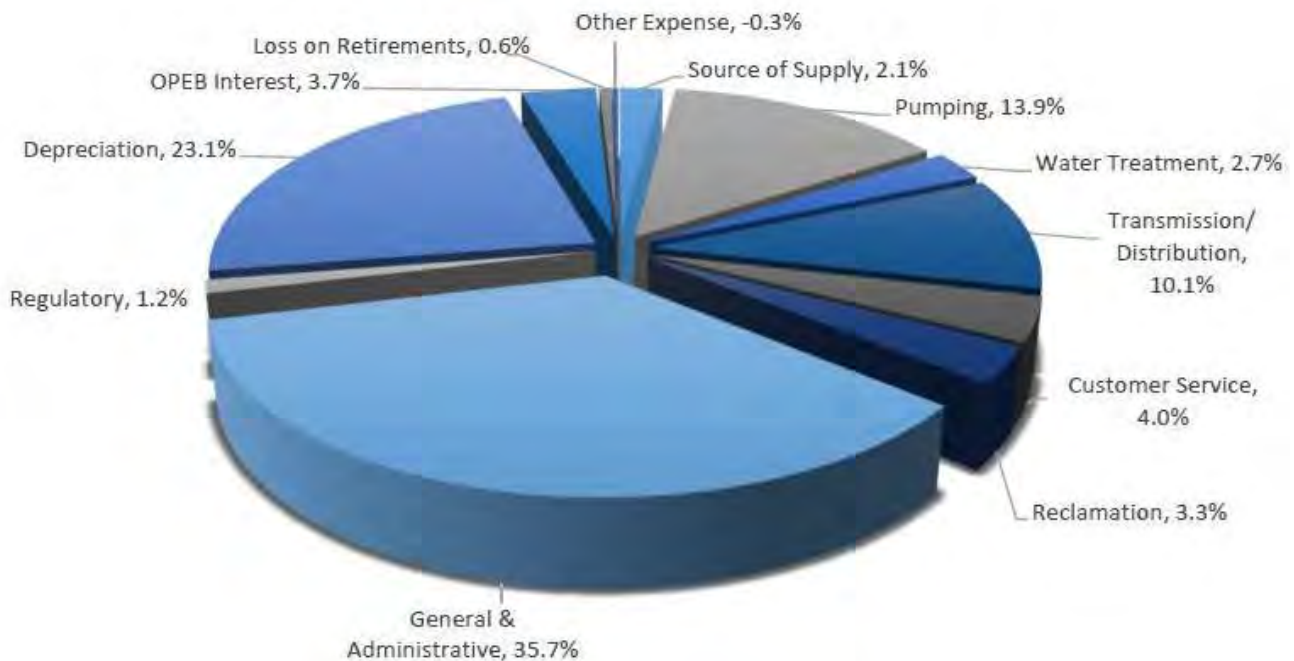
**DESERT WATER AGENCY
EXPENSE ANALYSIS
FISCAL YEAR 2020 - 2021**

| Fund Type | Amount | % |
|-----------------|----------------------|---------------|
| Operating Fund | \$ 27,105,343 | 60.2% |
| General Fund | \$ 15,686,010 | 34.8% |
| Wastewater Fund | \$ 1,633,393 | 3.6% |
| Bond Fund | \$ 692,627 | 1.5% |
| TOTAL | \$ 45,117,373 | 100.1% |



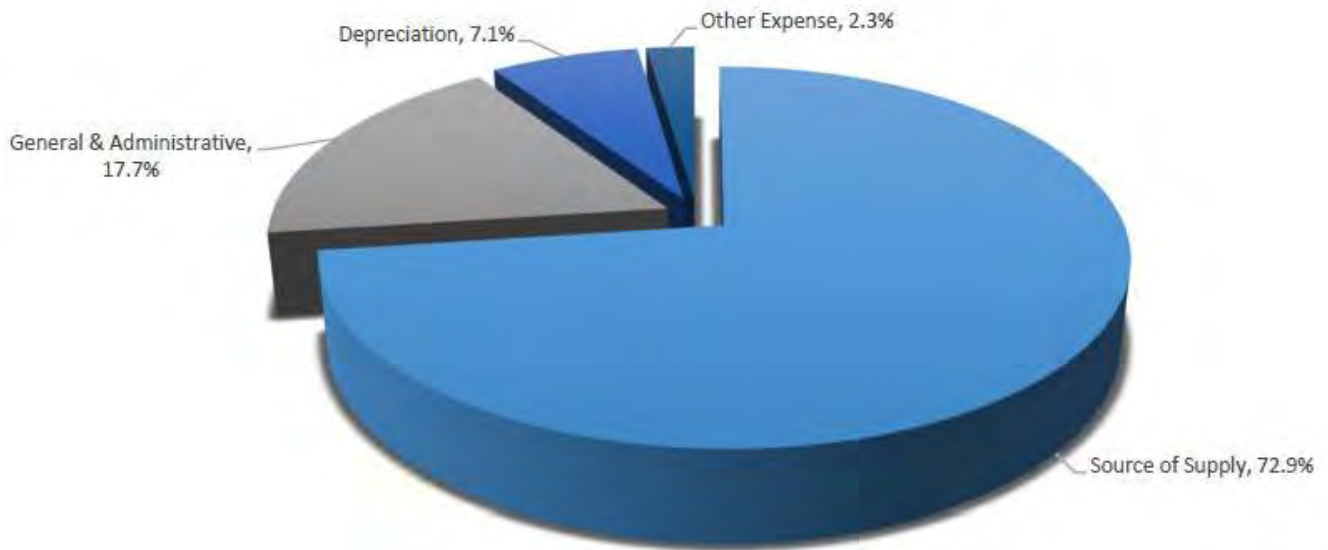
**DESERT WATER AGENCY
OPERATING FUND EXPENSES
FISCAL YEAR 2020 - 2021**

| Expense Category | Amount | % |
|---------------------------|----------------------|---------------|
| Source of Supply | \$ 573,601 | 2.1% |
| Pumping | \$ 3,761,845 | 13.9% |
| Water Treatment | \$ 720,936 | 2.7% |
| Transmission/Distribution | \$ 2,738,174 | 10.1% |
| Customer Service | \$ 1,072,405 | 4.0% |
| Reclamation | \$ 885,837 | 3.3% |
| General & Administrative | \$ 9,707,008 | 35.7% |
| Regulatory | \$ 312,271 | 1.2% |
| Depreciation | \$ 6,272,814 | 23.1% |
| OPEB Interest | \$ 996,782 | 3.7% |
| Loss on Retirements | \$ 149,380 | 0.6% |
| Other Expense | \$ (85,710) | -0.3% |
| TOTAL | \$ 27,105,343 | 100.1% |



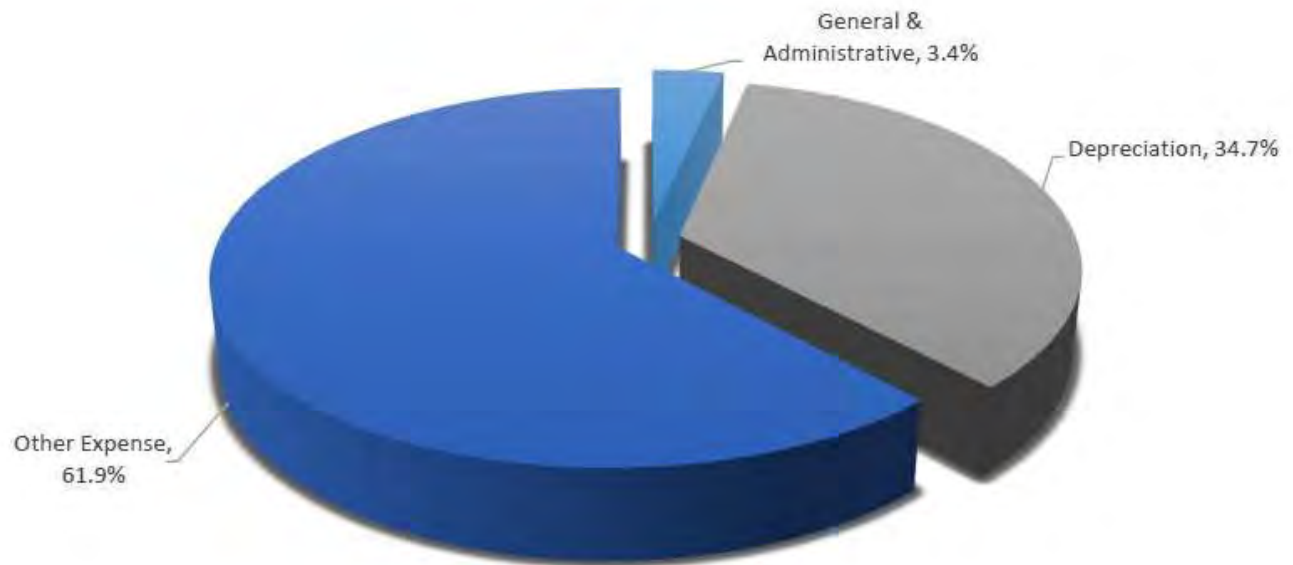
**DESERT WATER AGENCY
GENERAL FUND EXPENSES
FISCAL YEAR 2020 - 2021**

| Expense Category | Amount | % |
|--------------------------|----------------------|---------------|
| Source of Supply | \$ 11,434,068 | 72.9% |
| General & Administrative | \$ 2,780,184 | 17.7% |
| Depreciation | \$ 1,118,085 | 7.1% |
| Other Expense | \$ 353,673 | 2.3% |
| TOTAL | \$ 15,686,010 | 100.0% |



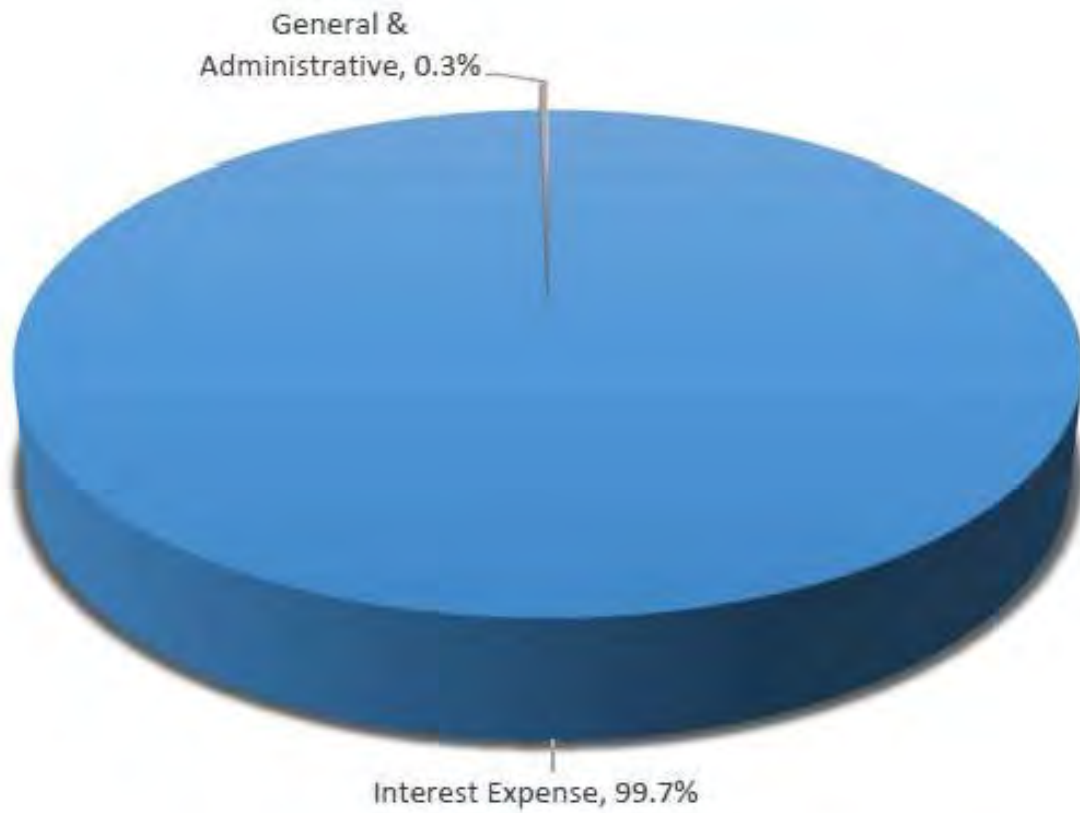
**DESERT WATER AGENCY
WASTEWATER FUND EXPENSES
FISCAL YEAR 2020 - 2021**

| Expense Category | Amount | % |
|--------------------------|---------------------|---------------|
| General & Administrative | \$ 55,771 | 3.4% |
| Depreciation | \$ 567,427 | 34.7% |
| Other Expense | \$ 1,010,195 | 61.9% |
| TOTAL | \$ 1,633,393 | 100.0% |



**DESERT WATER AGENCY
BOND FUND EXPENSES
FISCAL YEAR 2020 - 2021**

| Expense Category | Amount | % |
|--------------------------|-------------------|---------------|
| Interest Expense | \$ 690,377 | 99.7% |
| General & Administrative | \$ 2,250 | 0.3% |
| TOTAL | \$ 692,627 | 100.0% |



BASIC FINANCIAL STATEMENTS

DESERT WATER AGENCY
STATEMENTS OF NET POSITION
JUNE 30, 2021 and 2020

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

| | 2021 | 2020 |
|--|------------------------------|------------------------------|
| Current assets | | |
| Cash and cash equivalents | \$ 32,979,029 | \$ 27,575,215 |
| Investments | 118,054,133 | 84,415,617 |
| Accounts receivable | | |
| Utility | 2,970,762 | 2,435,708 |
| Property taxes | 923,601 | 905,261 |
| Other governmental agencies | 47,018 | 1,303 |
| Other | 345,948 | 120,159 |
| Inventories | 1,297,368 | 1,331,830 |
| Other current assets | 1,114,631 | 1,606,050 |
| | <u>157,732,490</u> | <u>118,391,143</u> |
| Noncurrent assets | | |
| Restricted cash and cash equivalents | 35,572,931 | 46,974,078 |
| Restricted investments | 37,629,554 | 34,990,069 |
| Capital assets, net | 209,406,040 | 203,064,962 |
| | <u>282,608,525</u> | <u>285,029,109</u> |
| Total assets | <u>440,341,015</u> | <u>403,420,252</u> |
| Deferred outflows of resources | | |
| Pension related | 5,663,467 | 5,751,246 |
| Other post employment benefits (OPEB) related | 4,574,085 | 1,574,919 |
| Deferred loss on refunding | 1,086,699 | 1,159,146 |
| | <u>11,324,251</u> | <u>8,485,311</u> |
| Total deferred outflows of resources | <u>11,324,251</u> | <u>8,485,311</u> |
| Total assets and deferred outflows of resources | <u><u>\$ 451,665,266</u></u> | <u><u>\$ 411,905,563</u></u> |

See notes to financial statements.

DESERT WATER AGENCY
STATEMENTS OF NET POSITION
JUNE 30, 2021 and 2020

LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION

| | <u>2021</u> | <u>2020</u> |
|---|------------------------------|------------------------------|
| Current liabilities | | |
| Accounts payable | \$ 3,477,325 | \$ 3,081,230 |
| Payable to other governmental agencies | 87,802 | 157,444 |
| Current portion of long-term debt | 745,000 | 720,000 |
| Customer deposits | 1,997,925 | 2,098,603 |
| Other current liabilities | <u>404,067</u> | <u>380,935</u> |
| Total current liabilities | <u>6,712,119</u> | <u>6,438,212</u> |
| Long-term liabilities | | |
| OPEB liability | 33,237,468 | 28,314,463 |
| Net pension liability | 15,804,090 | 15,957,880 |
| Other employee benefits payable | 1,460,011 | 1,425,842 |
| Long-term debt, net | <u>16,993,322</u> | <u>17,839,544</u> |
| Total long-term liabilities | <u>67,494,891</u> | <u>63,537,729</u> |
| Total liabilities | <u>74,207,010</u> | <u>69,975,941</u> |
| Deferred inflows of resources | | |
| Pension related | 1,304,039 | 1,586,906 |
| OPEB related | <u>2,750,700</u> | <u>4,575,888</u> |
| Total deferred inflows of resources | <u>4,054,739</u> | <u>6,162,794</u> |
| Net position | | |
| Invested in capital assets (including State Water Project costs), net of related debt | 191,606,484 | 184,408,537 |
| Restricted (State Water Project) | 72,127,998 | 80,762,543 |
| Unrestricted | <u>109,669,035</u> | <u>70,595,748</u> |
| Total net position | <u>373,403,517</u> | <u>335,766,828</u> |
| Total liabilities, deferred inflows of resources, and net position | <u>\$ 451,665,266</u> | <u>\$ 411,905,563</u> |

See notes to financial statements.

DESERT WATER AGENCY
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
Years Ended June 30, 2021 and 2020

| | <u>2021</u> | <u>2020</u> |
|---------------------------------------|-------------------|--------------------|
| Operating revenues | | |
| Water sales | \$ 40,937,700 | \$ 37,767,216 |
| Water services | 2,759,862 | 2,189,174 |
| Hydroplant revenues | 121,306 | 165,960 |
| Fines and fees | - | 219,125 |
| Reclamation sales/services | <u>1,182,864</u> | <u>1,523,815</u> |
| Total operating revenues | <u>45,001,732</u> | <u>41,865,290</u> |
| Operating expenses | | |
| Source of supply | 12,007,669 | 16,868,315 |
| Pumping | 3,761,845 | 3,067,485 |
| Water treatment | 720,936 | 590,144 |
| Transmission and distribution | 2,738,174 | 2,933,593 |
| Customer accounts | 1,073,388 | 1,004,539 |
| Water reclamation | 885,837 | 1,073,028 |
| Regulatory | 312,271 | 330,224 |
| Administration and general | 13,541,995 | 12,993,703 |
| Prior year expense (revenue) | 239,861 | (73,626) |
| Other operating expenses | 1,027,443 | 924,795 |
| Depreciation and amortization | <u>7,968,847</u> | <u>7,539,495</u> |
| Total operating expenses | <u>44,278,266</u> | <u>47,251,695</u> |
| Operating income (loss) | <u>723,466</u> | <u>(5,386,405)</u> |
| Nonoperating revenues | | |
| Property taxes | 35,499,281 | 31,979,950 |
| Net investment return | 2,206,962 | 3,454,172 |
| Gain on retirement of capital assets | 129,047 | 60,279 |
| Unrealized gain (loss) on investments | (2,102,024) | 1,286,223 |
| Other | <u>1,103,668</u> | <u>764,479</u> |
| Total nonoperating revenues | <u>36,836,934</u> | <u>37,545,103</u> |

See notes to financial statements.

DESERT WATER AGENCY
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
Years Ended June 30, 2021 and 2020

| | <u>2021</u> | <u>2020</u> |
|--|------------------------------|------------------------------|
| Nonoperating expenses | | |
| Interest expense | 690,377 | 718,363 |
| Losses on retirement of capital assets | <u>149,380</u> | <u>99,777</u> |
| Total nonoperating expenses | <u>839,757</u> | <u>818,140</u> |
| Increase in net position, before capital contributions | <u>36,720,643</u> | <u>31,340,558</u> |
| Capital contributions | | |
| Contributions of property | 880,083 | 1,585,673 |
| Capacity charges | <u>35,963</u> | <u>43,050</u> |
| Total capital contributions | <u>916,046</u> | <u>1,628,723</u> |
| Increase in net position | 37,636,689 | 32,969,281 |
| Net position | | |
| Beginning of year | <u>335,766,828</u> | <u>302,797,547</u> |
| Net position, end of year | <u>\$ 373,403,517</u> | <u>\$ 335,766,828</u> |

See notes to financial statements.

DESERT WATER AGENCY
STATEMENTS OF CASH FLOWS
Years Ended June 30, 2021 and 2020

| | <u>2021</u> | <u>2020</u> |
|---|-----------------------------|-----------------------------|
| Cash flows from operating activities | | |
| Cash received from customers | \$ 44,585,915 | \$ 41,732,122 |
| Cash paid to suppliers and employees | <u>(36,141,430)</u> | <u>(39,097,993)</u> |
| Net cash provided by operating activities | <u>8,444,485</u> | <u>2,634,129</u> |
| Cash flows from noncapital financing activities | | |
| Property taxes | <u>35,480,941</u> | <u>31,748,986</u> |
| Cash flows from capital and related financing activities | | |
| Purchases of capital assets | (13,617,087) | (16,386,612) |
| Proceeds from sale of capital assets | 166,912 | 68,704 |
| Principal paid on long-term debt | (720,000) | (695,000) |
| Interest paid on long-term debt | (622,750) | (650,550) |
| Capacity charges | 35,963 | 43,050 |
| Other revenue | 1,002,447 | 772,900 |
| Other expenses | <u>(350,812)</u> | <u>117,943</u> |
| Net cash used in capital and related financing activities | <u>(14,105,327)</u> | <u>(16,729,565)</u> |
| Cash flows from investing activities | | |
| Purchased investments | (141,552,233) | (190,950,345) |
| Proceeds from maturing investments and return of principal | 103,692,065 | 176,882,080 |
| Interest on investments | <u>2,042,736</u> | <u>3,445,751</u> |
| Net cash used in investing activities | <u>(35,817,432)</u> | <u>(10,622,514)</u> |
| Net increase (decrease) in cash and cash equivalents | (5,997,333) | 7,031,036 |
| Cash and cash equivalents, beginning of year | <u>74,549,293</u> | <u>67,518,257</u> |
| Cash and cash equivalents, end of year | <u>\$ 68,551,960</u> | <u>\$ 74,549,293</u> |

See notes to financial statements.

DESERT WATER AGENCY
STATEMENTS OF CASH FLOWS
Years Ended June 30, 2021 and 2020

| | <u>2021</u> | <u>2020</u> |
|--|------------------------------|-----------------------------|
| Reconciliation of cash and cash equivalents to statements of net position | | |
| Unrestricted cash and cash equivalents | \$ 32,979,029 | \$ 27,575,215 |
| Restricted cash and cash equivalents | <u>35,572,931</u> | <u>46,974,078</u> |
| Total cash and cash equivalents | <u>\$ 68,551,960</u> | <u>\$ 74,549,293</u> |
| Reconciliation of operating revenue (loss) to net cash provided by operating activities | | |
| Operating income (loss) | 723,466 | (5,386,405) |
| Adjustments to reconcile operating revenue (loss) to net cash provided by operating activities | | |
| Depreciation and amortization | 7,968,847 | 7,539,495 |
| Changes in operating assets and liabilities | | |
| Accounts receivable: | | |
| Utility | (535,054) | (458,626) |
| Other governmental agencies | (45,715) | 269,611 |
| Other | (225,789) | 6,858 |
| Inventories | 34,462 | (201,988) |
| Other current assets | 491,419 | 395,018 |
| Deferred outflows - pension | 87,779 | (249,031) |
| Deferred outflows - OPEB | (2,999,166) | (853,064) |
| Accounts payable | 396,095 | 1,404,504 |
| Payable to other governmental agencies | (69,642) | (42,184) |
| Customer deposits | (100,678) | (346,029) |
| Other current liabilities | 23,132 | (138,844) |
| OPEB liability | 4,923,005 | (884,207) |
| Net pension liability | (153,790) | (17,425) |
| Employee benefits payable | 34,169 | 129,606 |
| Deferred inflows - pension | (282,867) | 412,546 |
| Deferred inflows - OPEB | <u>(1,825,188)</u> | <u>1,054,294</u> |
| Net cash provided by operating activities | <u>\$ 8,444,485</u> | <u>\$ 2,634,129</u> |
| Noncash capital, financing, and investing activities | | |
| Contributed capital assets | <u>\$ 880,083</u> | <u>\$ 1,585,673</u> |
| Unrealized gain (loss) on investments | <u>\$ (2,102,024)</u> | <u>\$ 1,286,223</u> |

See notes to financial statements.

DESERT WATER AGENCY

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – REPORTING ENTITY

The reporting entity includes all the funds of the Desert Water Agency (the Agency). The Agency is a special district created for the purpose of importing water and delivery of water to consumers within its service area.

The Agency and the Desert Water Agency Financing Corporation (the Corporation) have a financial and operational relationship which meets the reporting entity definition criteria of the Government Accounting Standards Board (GASB) Statement No. 14 (GASB 14), *The Financial Reporting Entity*, as amended by GASB Statement No. 39 (GASB 39), *Determining Whether Certain Organizations are Component Units*, for inclusion of the Corporation as a component unit of the Agency. Accordingly, the financial activities of the Corporation have been included in the financial statements of the Agency.

The following are those aspects of the relationship between the Agency and the Corporation which satisfy GASB Statement No. 39 criteria:

- A. The Corporation's board of directors was appointed by the Agency's board of directors.
- B. The Agency is able to impose its will upon the Corporation, based on the following:
 - The Corporation has no employees. The Agency's general manager functions as an agent of the Corporation. The general manager does not receive additional compensation for work performed in this capacity.
 - The Agency exercises significant influence over operations of the Corporation as it is anticipated that the Agency will be the sole lessee of all facilities owned by the Corporation. Likewise, it is anticipated that the Agency's lease payments will be the sole revenue source of the Corporation, with the exception of interest earned in the Corporation's trust accounts.
 - All major financing arrangements, contracts, and other transactions of the Corporation must have the consent of the Agency.
- C. The Corporation provides specific financial benefits or imposes specific financial burdens on the Agency based upon the following:
 - Any deficits incurred by the Corporation will be reflected in the lease payments of the Agency and any surpluses of the Corporation revert to the Agency at the end of the lease period.
 - The Agency has assumed a "moral obligation," and potentially a legal obligation, for any debt incurred by the Corporation.

DESERT WATER AGENCY

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – REPORTING ENTITY (Continued)

The Corporation is a nonprofit, public benefit corporation incorporated under the laws of the State of California and recorded by the Secretary of State on August 31, 2007. The Corporation was formed for the sole purpose of providing financing assistance to the Agency. Under an installment purchase agreement, the Corporation obtained title to certain Agency water project improvements. At the end of the installment purchase arrangement in 2037, title of all Corporation property will pass to the Agency for no additional consideration.

For financial statement presentation purposes, the Corporation's financial activity has been blended, or combined, with the financial data of the Agency.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting and Measurement Focus

The Agency reports its activities as an enterprise fund, which is used to account for operations that are financed and operated in a manner similar to a private business enterprise, where the intent of the Agency is that the costs of providing goods or services to the general public on a continuing basis (including depreciation) be financed or recovered primarily through user charges. Revenues are recognized in the accounting period in which they are earned and expenses are recognized in the period incurred. An enterprise fund is accounted for on the flow of economic resources measurement focus. This means that all assets, deferred outflows of resources, liabilities, and deferred inflows of resources associated with the activity (whether current or noncurrent) are included on the statement of net position.

The Agency distinguishes operating revenues and expenses from those revenues and expenses that are non-operating. Operating revenues are those revenues that are generated by water sales and wastewater services while operating expenses pertain directly to the furnishing of those services. Nonoperating revenues and expenses are those revenues and expenses generated that are not directly associated with the normal business of supplying water and wastewater treatment services.

When both restricted and unrestricted resources are available for use, it is the Agency's policy to use restricted resources first, and then unrestricted resources as they are needed.

Basic Financial Statements

The basic financial statements are comprised of the statement of net position, the statement of revenues, expenses, and changes in net position, the statement of cash flows, and the related notes to the financial statements.

Cash and Cash Equivalents

For the purpose of the statements of cash flows, the Agency considers all short-term debt securities purchased with an original maturity of three months or less to be cash equivalents. The Agency invests funds with the State of California's Local Agency Investment Fund (LAIF). Due to the high liquidity of this investment, the funds are classified as cash equivalents. For credit risk purposes, the fund is not rated.

DESERT WATER AGENCY

NOTES TO FINANCIAL STATEMENTS

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

Restricted Cash and Cash Equivalents and Restricted Investments

Restricted cash and cash equivalents represent money paid to the Agency as a deposit for water infrastructure to be installed by the Agency on behalf of customers as well as property tax funds and replenishment assessment charges collected which are restricted for the State Water Project.

Investments

Investments are reported in the accompanying statements of net position at fair value based on the last reported sales price published on the national exchange. Changes in fair value that occur during a fiscal year are recognized as investment income reported for that fiscal year. Investment income includes interest earnings, changes in fair value, and any gains or losses realized upon the liquidation or sale of investments.

Accounts Receivable

Accounts receivable are reported at their net realizable value, less an allowance for uncollectible accounts, if deemed necessary. The Agency uses the allowance method for the write-off of bad debts. The Agency considers such factors as historical trends for collections and knowledge of financial stability of debtors to establish the allowance for doubtful accounts. Receivables are written off when management determines that the amount will not be collectible. As of June 30, 2021 and 2020, no allowance for uncollectible accounts receivable was considered necessary as all accounts receivable were deemed fully collectable.

Inventories

Inventories consist primarily of water meters, pipe, and pipe fittings for construction and repair to the Agency's water transmission and distribution system. Inventories are valued at cost using the average cost method. Inventory items are charged to expense at the time that individual items are withdrawn from inventory or consumed. As of June 30, 2021 and 2020, no reserve for inventory was deemed necessary based on management's evaluation of the Agency's inventory.

Property Taxes

The County of Riverside Assessor's Office assesses all real and personal property within the County each year. The County of Riverside Tax Collector's Office bills and collects the Agency's share of property taxes and assessments. The County of Riverside Treasurer's Office remits current and delinquent property tax collections to the Agency throughout the year. Property tax in California is levied in accordance with Article 13A of the State Constitution at 1.0 percent of countywide assessed valuations.

DESERT WATER AGENCY
NOTES TO FINANCIAL STATEMENTS

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property Taxes (Continued)

Property taxes receivable at year-end are related to property taxes collected by the County of Riverside, which have not been credited to the Agency's cash balance as of June 30. The property tax calendar is as follows:

| | |
|------------------|---------------------------------|
| Lien date: | January 1 |
| Levy date: | On July 1 for July 1 to June 30 |
| Due date: | November 1 – 1st installment |
| | February 1 – 2nd installment |
| Collection date: | December 10 – 1st installment |
| | April 10 – 2nd installment |

Capital Assets

Capital assets acquired and/or constructed are capitalized at historical cost. Agency policy has set the capitalization threshold for reporting capital assets at \$10,000. Donated assets are recorded at estimated acquisition value at the date of donation. Upon retirement or other disposition of capital assets, the cost and related accumulated depreciation are removed from the respective balances and any gains or losses are recognized.

Depreciation is recorded on a straight-line basis over the estimated useful lives of the assets as follows:

| | |
|--------------------------------------|---------------|
| Transmission and distribution system | 50 years |
| Service lines | 33-1/3 years |
| Wells and water treatment equipment | 5 to 25 years |
| Other equipment and vehicles | 5 to 11 years |

Capitalized State Water Project costs are amortized over forty-five years.

Employee Benefits Payable

Employees of the Agency are entitled to paid vacation and paid attendance benefits, depending on length of service and other factors. The liability for these benefits has been accrued in these financial statements. Vacation is accrued beginning on the first day of employment and ranges from 8 to 13.334 hours per month based on longevity with the Agency. The Agency is not liable to pay vacation hours accrued until the employee has been employed for six months. Employee Attendance Bonus Plan hours accrue monthly. The employees have an opportunity to earn a maximum of 80 hours per year in this plan.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

Pension Accounting

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the plan, and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by California Public Employees' Retirement System ("CalPERS") Financial Office. For this purpose, benefit payments (including refunds of employee contributions) are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

Net Position

The financial statements utilize a net position presentation. Net position is categorized as follows:

Investment in Capital Assets (including State Water Project costs), net of related debt – This component of net position consists of capital assets, net of accumulated depreciation and reduced by any debt outstanding against the acquisition, construction, or improvement of those assets.

Restricted Net Position – This component of net position consists of net position that is constrained by externally imposed requirements of creditors, grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions of enabling legislation.

Unrestricted Net Position – This component of net position does not meet the definition of restricted or net investment in capital assets.

Budgetary Policies

The Agency adopts an annual nonappropriated budget for planning, control, and evaluation purposes. Budgetary control and evaluation are affected by comparisons of actual revenues and expenses with planned revenues and expenses for the period. Encumbrance accounting is not used to account for commitments related to unperformed contracts for construction and services.

DESERT WATER AGENCY

NOTES TO FINANCIAL STATEMENTS

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Pension Liability, Deferred Outflows of Resources, Deferred Inflows of Resources, and Pension Expense

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* (GASB 68), provides requirements for how pension costs and obligations are measured and reported in the basic financial statements. When an organization's pension liability exceeds the pension plan's net position available for paying benefits, there is a net pension liability which must be reported in the basic financial statements. In addition, GASB 68 requires that projected benefit payments be discounted to their actuarial present value using a single rate that reflects (1) a long-term expected rate of return on pension plan investments to the extent that the pension plan's fiduciary net position is projected to be sufficient to pay benefits and pension plan assets are expected to achieve that rate and (2) a tax-exempt, high-quality municipal bond rate to the extent that the conditions under (1) are not met.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the financial statements and disclosures made in the accompanying notes to the financial statements. While management believes these estimates are adequate, actual results could differ from those estimates.

Reclassifications

Certain reclassifications of amounts previously reported have been made to the accompanying financial statements to maintain consistency between periods presented. The reclassifications had no impact on previously reported net position.

Recent Accounting Pronouncements

GASB has issued the below statements which may affect the Agency's financial reporting requirements in the future. The Agency is currently evaluating its accounting practices to determine the potential impact that these statements will have on the Agency's financial statements.

In June 2017, GASB issued Statement No. 87, *Leases*, which addresses new accounting and financial reporting requirements for leases, improving accounting and financial reporting for leases for governments. Leases that were previously classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract will be recognized as a lease liability and an intangible right-to-use lease asset for lessees and a lease receivable and a deferred inflow of resources for a lessor. As deferred by GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, the requirements of this statement are effective for fiscal years beginning after June 15, 2021. The Agency does not anticipate that this statement will have a material impact on the financial statements.

DESERT WATER AGENCY
NOTES TO FINANCIAL STATEMENTS

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recent Accounting Pronouncements (continued)

In June 2020, GASB issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation plans*, which requires that a Section 457 plan be classified as either a pension plan or another employee benefit plan depending on whether the plan meets the definition of a pension plan and clarifies that Statement 84, as amended, should be applied to all arrangements organized under IRC section 457 to determine whether those arrangements should be reported as fiduciary activities. The requirements for this statement are effective for reporting periods beginning after June 15, 2021.

NOTE 3 – STATE WATER PROJECT

The Agency has contracted with the State Department of Water Resources to participate in the State Water Project to convey water from Northern California into the Southern California area. This participation requires payments in varying amounts by the Agency for many years into the future, including capital costs in connection with the transportation facilities, operations and maintenance (“OMP&R”) costs, and variable costs for the actual delivery of water. These future payments have been estimated at June 30, 2021 by the State Department of Water Resources through 2035 as follows:

| | |
|---|-----------------------------|
| Water system revenue bond surcharge | \$ 13,587,025 |
| Delta water charges | 81,607,904 |
| Transportation charges: | |
| Capital cost component (principal and interest) | 42,177,876 |
| Minimum operations, maintenance, power, and replacement (OMP&R) | 86,256,591 |
| Variable OMP&R | 98,457,310 |
| Off-aqueduct facility charges | 425,521 |
| East branch enlargement transportation charges: | |
| Capital cost component | 7,088,091 |
| Minimum OMP&R | <u>7,199,629</u> |
| Total | <u>\$336,799,947</u> |

The Agency has been billed formally through calendar year 2022 only. The policy of the Agency is not to accrue any amounts which are due after the fiscal year-end. The payments which have been billed but are not reflected on the books and are not due until after the fiscal year-end of the Agency are approximately as follows:

DESERT WATER AGENCY
NOTES TO FINANCIAL STATEMENTS

NOTE 3 – STATE WATER PROJECT (Continued)

| | |
|---|-----------------------------|
| Capital cost component (delta water and transportation charges): | |
| Due July 1, 2021 | \$ 2,072,238 |
| Due January 1, 2022 | 2,585,826 |
| Due July 1, 2022 | 2,585,824 |
| Minimum OMP&R component: | |
| Water supply (delta water and transportation charges): | |
| Monthly payments of \$754,353 from July 1 to December 31, 2021 | 4,526,118 |
| Monthly payments of \$767,539 for the calendar year 2022 | 9,210,466 |
| Off-aqueduct power facilities: | |
| Monthly payments of \$3,674 from July 1 to December 31, 2021 | 22,045 |
| Monthly payments of \$12,519 for the calendar year 2022 | 150,228 |
| East Branch Enlargement Facilities: | |
| Monthly payments of \$33,383 from July 1 to December 31, 2021 | 200,298 |
| Monthly payments of \$42,610 for the calendar year 2022 | 511,320 |
| Estimated variable OMP&R component (water delivery charges): | |
| Monthly payments of \$507,382 from July 1 to December 31, 2021 | 3,044,292 |
| Monthly payments of \$504,345 for the calendar year 2022 | 6,052,140 |
| Water system revenue bond surcharge and 25 percent bond cover charge: | |
| Due July 1, 2021 | 550,494 |
| Due January 1, 2022 | 584,946 |
| Due July 1, 2022 | 584,947 |
| Allocated capital costs of Tehachapi second afterbay facilities: | |
| Due September 1, 2021 | 49,060 |
| Due March 1, 2022 | 48,279 |
| Due September 1, 2022 | 48,278 |
| Allocated capital costs of east branch enlargement: | |
| Due September 1, 2021 | 1,005,297 |
| Due March 1, 2022 | 203,503 |
| Due September 1, 2022 | <u>1,076,876</u> |
| Total | <u>\$ 35,112,475</u> |

The Agency has committed to purchase supplemental State Water Project water supply as they become available at reasonable prices in the future. The future payments for this excess water are not determinable at this time.

DESERT WATER AGENCY
NOTES TO FINANCIAL STATEMENTS

NOTE 4 – CASH, CASH EQUIVALENTS, AND INVESTMENTS

Cash, cash equivalents, and investments are included in the statements of net position in the following captions:

| | June 30, | |
|--------------------------------------|-----------------------------|-----------------------------|
| | 2021 | 2020 |
| Cash and cash equivalents | \$ 32,979,029 | \$ 27,575,215 |
| Restricted cash and cash equivalents | <u>35,572,931</u> | <u>46,974,078</u> |
| Total cash and cash equivalents | 68,551,960 | 74,549,293 |
| Investments | 118,054,133 | 84,415,617 |
| Restricted investments | <u>37,629,554</u> | <u>34,990,069</u> |
| Total investments | 155,683,687 | 119,405,686 |
| | <u>\$224,235,647</u> | <u>\$193,954,979</u> |

For purposes of the following discussion, these accounts have been classified as follows:

| | June 30, | |
|-------------|-----------------------------|-----------------------------|
| | 2021 | 2020 |
| Deposits | \$ 735,667 | \$ 1,777,636 |
| Investments | <u>223,499,980</u> | <u>192,177,343</u> |
| | <u>\$224,235,647</u> | <u>\$193,954,979</u> |

Deposits

At June 30, 2021 and 2020, the carrying amount of the Agency's deposits is \$735,667 and \$1,777,636, respectively, and the bank balances were \$973,333 and \$1,221,779, respectively.

Custodial Credit Risk

The Agency maintains deposits with financial institutions in excess of the Federal Depository Insurance Corporation's (FDIC) insurance limit of \$250,000. The California Government Code and the Agency's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: the California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit) in the Agency's name and places it ahead of general creditors of the institution. The market value of the pledged securities in the collateral pool must equal at least 110 percent of the total amount deposited by the public agencies. California law also allows financial institutions to secure Agency deposits by pledging first trust deed mortgage notes having a value of 150 percent of the secured public deposits.

DESERT WATER AGENCY
NOTES TO FINANCIAL STATEMENTS

NOTE 4 – CASH, CASH EQUIVALENTS, AND INVESTMENTS (Continued)

Investments Authorized by the Agency's Investment Policy

Under provisions of the Agency's investment policy, adopted by Board Resolution No. 886 in November 2004, No. 1007 in July 2009, and 1200 in January 2019, which is in accordance with California Government Code Sections 53600 through 53686 et seq., the types of investments authorized for deposit are identified in the following table. Also following are tables identifying certain provisions of the California Government Code (or the Agency's investment policy where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk.

| <u>Authorized Investment Type</u> | <u>Maximum Maturity*</u> | <u>Maximum Percentage of Portfolio</u> | <u>Maximum Investment in one Issuer</u> | <u>Maximum Credit Quality</u> |
|--|--------------------------|--|---|--|
| U.S. Treasury | 5 years | 100% | 100% | None |
| Federal agency | 5 years | 100% | 100% | None |
| Bankers' acceptances | 180 days | 40% | 30% | None |
| Commercial paper | 270 days | 25% | 10% | "Prime" highest letter or numerical rating |
| Negotiable certificates of deposit (CD's) | 5 years | 30% | 100% | None |
| Collateralized CD's | 5 years | \$20 million one bank | Gov Code Sect 53638 | None |
| Repurchase agreements | 1 year | 100% | 100% | None |
| Medium term notes of U.S. Corps. (Corporate Notes) | 5 years | 30% | 100% | A or better |
| Local government investment pools (mutual funds) | Daily | 20% | 10% | Highest letter or numerical rating |
| Registered warrants, notes, bonds, or other certificates of indebtedness issued by the State or local agencies | 5 years | 100% | 100% | None |
| Obligations issued by Desert Water Agency | 5 years** | 100% | 100% | None |
| Local Agency Investment Funds | Daily | 100% | N/A | None |

*Average life of portfolio at any time shall not exceed five years.

** Unless Board approval 3 months in advance.

DESERT WATER AGENCY
NOTES TO FINANCIAL STATEMENTS

NOTE 4 – CASH, CASH EQUIVALENTS, AND INVESTMENTS (Continued)

Concentration of Credit Risk

Investments at June 30 in any one issuer, other than U.S. Treasury Securities and LAIF that represent 5 percent or more of the total investments of the Agency are as follows:

| <u>Issuer</u> | <u>Investment Type</u> | <u>2021</u> | <u>2020</u> |
|---|----------------------------|---------------|---------------|
| Federal Farm Credit | U.S. agency securities | \$ 24,823,218 | \$ 20,057,050 |
| Federal National Mortgage Association | U.S. agency securities | 18,891,273 | 12,023,160 |
| Federal Home Loan Mortgage Corporation | U.S. agency securities | 18,872,365 | 36,109,490 |
| Federal Home Loan Bank | U.S. agency securities | 38,780,477 | 16,094,200 |
| Medium Term Notes | Corporate notes | 47,474,219 | 33,586,753 |

Interest Rate Risk

Interest rate risk is the possibility that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. As a means of highlighting exposure to interest rate risk, the fair value of all securities is calculated and reported quarterly to the board for investments. Investment fair value and effective duration (in years) at June 30 are as follows:

| <u>Authorized Investment Type</u> | <u>2021</u> | | <u>2020</u> | |
|---------------------------------------|-------------------|-----------------|-------------------|-----------------|
| | <u>Fair Value</u> | <u>Duration</u> | <u>Fair Value</u> | <u>Duration</u> |
| U.S. agency securities | \$101,367,333 | 2.09 | \$ 84,283,900 | 1.20 |
| Corporate Notes | 47,474,219 | 2.52 | 33,586,753 | 2.89 |
| Negotiable CD's | 1,749,071 | 1.43 | 1,535,033 | 1.89 |
| Municipal Bonds | 2,097,752 | 2.61 | - | - |
| U.S. Treasury | 2,995,312 | 2.37 | - | - |

DESERT WATER AGENCY
NOTES TO FINANCIAL STATEMENTS

NOTE 4 – CASH, CASH EQUIVALENTS, AND INVESTMENTS (Continued)

Disclosures Relating to Credit Risk

Information about the risk that an issuer or other counterparty to an investment will not fulfill its obligations is provided by the following tables at June 30:

| <u>Authorized Investment</u> | <u>2021</u> | <u>2020</u> |
|------------------------------------|-----------------------------|------------------------------|
| Aaa: | | |
| Corporate Notes | \$ 5,337,477 | \$ 2,105,980 |
| Aa(1-3): | | |
| U.S. agency securities | 101,367,333 | 84,283,900 |
| Corporate Notes | 19,665,762 | 10,527,370 |
| Municipal bonds | 2,097,752 | - |
| U.S. Treasury | 2,995,312 | - |
| A (1-3): | | |
| Corporate Notes | 22,470,980 | 20,953,403 |
| Negotiable certificates of deposit | 998,538 | 768,065 |
| BBB (1-3): | | |
| Negotiable certificates of deposit | 750,533 | 511,193 |
| Not Rated: | | |
| Negotiable certificates of deposit | - | 255,775 |
| Exempt from Disclosure: | | |
| Local Agency investment funds | <u>67,816,293</u> | <u>72,771,657</u> |
| | <u>\$223,499,980</u> | <u>\$ 192,177,343</u> |

NOTE 4 – CASH, CASH EQUIVALENTS, AND INVESTMENTS (Continued)

Fair Value of Investments

GASB 72, provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements).

The three levels of the fair value hierarchy under GASB 72 are described as follows:

- Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets as of the measurement date in active markets that the Agency has the ability to access.
- Level 2 Inputs to the valuation methodology include quoted prices for similar assets in active markets; quoted prices for identical or similar assets in inactive markets; and model based valuation techniques for which all significant assumptions are observable in the market or can be corroborated by observable market data for substantially the full term of the assets.
- Level 3 Inputs to the valuation methodology are unobservable and include situations where there is little, if any, market activity for the investment.

The asset's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2021 and 2020:

Obligations of U.S. government agencies – Valued at the closing price reported in the active market on which the individual securities are traded.

Negotiable certificates of deposit – Valued at the closing price reported on the active market on which the negotiable paper is traded.

Corporate notes – Valued at the closing price reported on the active market on which the notes are traded.

Municipal bonds – Valued at the coded price reported in the active markets for identical assets.

DESERT WATER AGENCY
NOTES TO FINANCIAL STATEMENTS

NOTE 4 – CASH, CASH EQUIVALENTS, AND INVESTMENTS (Continued)

Fair Value of Investments (Continued)

U.S. Treasury - Valued at the coded price reported in the active markets for identical assets.

State pooled Local Agency Investment Fund (LAIF) - The Agency is a voluntary participant in LAIF that is regulated by the California Government Code under oversight by the Local Investment Advisory Board, which consists of five members, with the Treasurer of the State of California serving as chairman. The fair value of the Agency's position in the pool approximates the value of the pool shares. LAIF is not subject to fair value leveling.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair value. Furthermore, while the Agency believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the Agency's investment assets at fair value as of June 30, 2021:

| | <u>Level 1</u> | <u>Level 2</u> | <u>Level 3</u> | <u>Total</u> |
|-----------------------------------|--------------------|-----------------------------|--------------------|-----------------------------|
| Obligations of U.S. | | | | |
| Government agencies | \$ - | \$101,367,333 | \$ - | \$101,367,333 |
| Negotiable certificate of deposit | - | 1,749,071 | - | 1,749,071 |
| Corporate Notes | - | 47,474,219 | - | 47,474,219 |
| Municipal Bonds | - | 2,097,752 | - | 2,097,752 |
| US Treasury | <u>-</u> | <u>2,995,312</u> | <u>-</u> | <u>2,995,312</u> |
| | - | 155,683,687 | - | 155,683,687 |
| Not subject to leveling – LAIF | <u>-</u> | <u>-</u> | <u>-</u> | <u>67,816,293</u> |
| Total | <u>\$ -</u> | <u>\$155,683,687</u> | <u>\$ -</u> | <u>\$223,499,980</u> |

DESERT WATER AGENCY
NOTES TO FINANCIAL STATEMENTS

NOTE 4 – CASH, CASH EQUIVALENTS, AND INVESTMENTS (Continued)

The following table sets forth by level, within the fair value hierarchy, the Agency's investment assets at fair value as of June 30, 2020:

| | <u>Level 1</u> | <u>Level 2</u> | <u>Level 3</u> | <u>Total</u> |
|-----------------------------------|----------------|----------------------|----------------|----------------------|
| Obligations of U.S. | | | | |
| Government agencies | \$ - | \$ 84,283,900 | \$ - | \$ 84,283,900 |
| Negotiable certificate of deposit | - | 1,535,033 | - | 1,535,033 |
| Corporate Notes | - | 33,586,753 | - | 33,586,753 |
| | - | 119,405,686 | - | 119,405,686 |
| Not subject to leveling – LAIF | - | - | - | 72,771,657 |
| Total | \$ - | \$119,405,686 | \$ - | \$192,177,343 |

At June 30, 2021 and 2020, the Agency had no investments in repurchase and reverse repurchase agreements and did not invest in such during the years then ended.

The balance available for withdrawal in LAIF is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. There are no limitations on the withdrawal of these funds.

DESERT WATER AGENCY
NOTES TO FINANCIAL STATEMENTS

NOTE 5 – CAPITAL ASSETS

Utility Plant in Service

For the year ended June 30, 2021, the changes in utility plant for the Agency were as follows:

| | Balance July 1, 2020 | Additions | Deletions | Balance June 30, 2021 |
|--------------------------------------|-----------------------------|-----------------------------|------------------------------|-----------------------------|
| State Water Project | \$121,267,573 | \$ 5,577,462 | \$ - | \$126,845,035 |
| Mains | 106,472,199 | 2,401,307 | (7,525) | 108,865,981 |
| Wells, intakes, pumps | 25,462,643 | 687,158 | (332,578) | 25,817,223 |
| Water reclamation | 29,576,368 | 19,733 | - | 29,596,101 |
| Water transportation facilities | 23,605,912 | 1,999,955 | - | 25,605,867 |
| Wastewater transportation facilities | 22,822,602 | 140,957 | - | 22,963,559 |
| Hydro-electric plants | 7,096,065 | - | (1,999,953) | 5,096,112 |
| Water treatment | 2,958,833 | 169,468 | - | 3,128,301 |
| Services | 19,975,623 | 1,987,600 | (387,555) | 21,575,668 |
| Meters | 6,294,050 | 695,040 | (48,037) | 6,941,053 |
| Fire services and hydrants | 16,683,046 | 548,520 | - | 17,231,566 |
| Reservoirs | 17,632,159 | 150,682 | (127,487) | 17,655,354 |
| Structures and improvements | 18,195,778 | 3,516,919 | - | 21,712,697 |
| Building | 4,076,905 | 16,104 | - | 4,093,009 |
| Equipment | 12,055,762 | 586,445 | (140,960) | 12,501,247 |
| Land | 12,099,250 | - | (28,625) | 12,070,625 |
| Other | 19,695 | - | - | 19,695 |
| | <u>\$446,294,463</u> | <u>\$ 18,497,350</u> | <u>\$ (3,072,720)</u> | <u>\$461,719,093</u> |

DESERT WATER AGENCY
NOTES TO FINANCIAL STATEMENTS

NOTE 5 – CAPITAL ASSETS (Continued)

Utility Plant in Service (Continued)

For the year ended June 30, 2020, the changes in utility plant for the Agency were as follows:

| | Balance July 1, 2019 | Additions | Deletions | Balance June 30, 2020 |
|---|-----------------------------|-----------------------------|----------------------------|-----------------------------|
| State Water Project | \$116,421,321 | \$ 4,846,252 | \$ - | \$121,267,573 |
| Mains | 99,518,061 | 7,066,680 | (112,542) | 106,472,199 |
| Wells, intakes, pumps | 25,481,231 | 63,998 | (82,586) | 25,462,643 |
| Water reclamation | 29,569,108 | 7,260 | - | 29,576,368 |
| Water transportation facilities | 23,605,912 | - | - | 23,605,912 |
| Wastewater transportation facilities | 22,822,602 | - | - | 22,822,602 |
| Hydro-electric plants | 5,096,112 | 1,999,953 | - | 7,096,065 |
| Water treatment | 2,958,833 | - | - | 2,958,833 |
| Services | 17,636,987 | 2,448,244 | (109,608) | 19,975,623 |
| Meters | 5,289,301 | 1,083,820 | (79,071) | 6,294,050 |
| Fire services and hydrants | 15,811,490 | 889,762 | (18,206) | 16,683,046 |
| Reservoirs | 17,632,159 | - | - | 17,632,159 |
| Structures and improvements | 18,191,830 | 3,948 | - | 18,195,778 |
| Building | 4,074,931 | 1,974 | - | 4,076,905 |
| Equipment | 11,760,504 | 497,004 | (201,746) | 12,055,762 |
| Land | 11,316,832 | 782,418 | - | 12,099,250 |
| Other | 19,695 | - | - | 19,695 |
| | <u>\$427,206,909</u> | <u>\$ 19,691,313</u> | <u>\$ (603,759)</u> | <u>\$446,294,463</u> |

DESERT WATER AGENCY
NOTES TO FINANCIAL STATEMENTS

NOTE 5 – CAPITAL ASSETS (Continued)

Accumulated Depreciation and Amortization

For the year ended June 30, 2021, the changes in accumulated depreciation and amortization for the Agency were as follows:

| | Balance <u>July 1, 2020</u> | Additions | Deletions | Balance <u>June 30, 2021</u> |
|---|--------------------------------|----------------------------|----------------------------|---------------------------------|
| State Water Project | \$ 98,730,170 | \$ 588,893 | \$ - | \$ 99,319,063 |
| Mains | 44,065,069 | 1,901,205 | (5,990) | 45,960,282 |
| Wells, intakes, pumps | 14,431,744 | 592,068 | (243,942) | 14,779,870 |
| Water reclamation | 19,620,773 | 770,881 | - | 20,391,654 |
| Water transportation facilities | 3,881,907 | 169,915 | - | 4,051,822 |
| Wastewater transportation facilities | 7,403,613 | 567,427 | - | 7,971,040 |
| Hydro-electric plants | 4,791,659 | 188,016 | - | 4,979,675 |
| Water treatment | 2,058,739 | 66,424 | - | 2,125,164 |
| Services | 9,637,158 | 653,139 | (375,466) | 9,914,831 |
| Meters | 1,863,597 | 234,554 | (27,627) | 2,070,525 |
| Fire services and hydrants | 8,420,207 | 386,830 | - | 8,807,036 |
| Reservoirs | 10,716,939 | 379,789 | (91,536) | 11,005,193 |
| Structures and improvements | 11,018,225 | 671,430 | - | 11,689,655 |
| Building | 2,843,476 | 139,101 | - | 2,982,577 |
| Equipment | <u>9,654,389</u> | <u>659,175</u> | <u>(140,959)</u> | <u>10,172,605</u> |
| | <u>\$249,137,665</u> | <u>\$ 7,968,847</u> | <u>\$ (885,520)</u> | <u>\$256,220,992</u> |

DESERT WATER AGENCY
NOTES TO FINANCIAL STATEMENTS

NOTE 5 – CAPITAL ASSETS (Continued)

Accumulated Depreciation and Amortization (Continued)

For the year ended June 30, 2020, the changes in accumulated depreciation and amortization for the Agency were as follows:

| | Balance July 1, 2019 | Additions | Deletions | Balance June 30, 2020 |
|--------------------------------------|-----------------------------|----------------------------|----------------------------|-----------------------------|
| State Water Project | \$ 98,396,416 | \$ 333,755 | \$ - | \$ 98,730,170 |
| Mains | 42,342,441 | 1,810,636 | (88,008) | 44,065,069 |
| Wells, intakes, pumps | 13,862,232 | 607,667 | (38,155) | 14,431,744 |
| Water reclamation | 18,779,398 | 841,375 | - | 19,620,773 |
| Water transportation facilities | 3,721,714 | 160,193 | - | 3,881,907 |
| Wastewater transportation facilities | 6,836,493 | 567,120 | - | 7,403,613 |
| Hydro-electric plants | 4,635,691 | 155,968 | - | 4,791,659 |
| Water treatment | 1,996,213 | 62,527 | - | 2,058,739 |
| Services | 9,148,951 | 580,599 | (92,392) | 9,637,158 |
| Meters | 1,716,004 | 204,644 | (57,051) | 1,863,597 |
| Fire services and hydrants | 8,055,923 | 382,489 | (18,206) | 8,420,207 |
| Reservoirs | 10,328,812 | 388,127 | - | 10,716,939 |
| Structures and improvements | 10,350,301 | 667,924 | - | 11,018,225 |
| Building | 2,705,308 | 138,168 | - | 2,843,476 |
| Equipment | 9,217,831 | 638,303 | (201,746) | 9,654,389 |
| | <u>\$242,093,728</u> | <u>\$ 7,539,495</u> | <u>\$ (495,558)</u> | <u>\$249,137,665</u> |

Construction in Progress

The Agency has begun construction of pipeline projects and numerous other smaller projects. Upon completion of these projects, they will be placed in service and depreciation will commence. Costs expended and the total budget for the projects are as follows:

| | June 30, | | | |
|--------------------|--|-----------------------------|--|-----------------------------|
| | 2021 | | 2020 | |
| | Cost of Construction in Progress | Total Budget | Cost of Construction in Progress | Total Budget |
| Major projects | \$ 2,388,360 | \$ 4,610,000 | \$ 4,528,006 | \$ 3,645,000 |
| All other projects | 1,519,579 | 9,402,379 | 1,380,158 | 13,259,646 |
| Total | <u>\$ 3,907,939</u> | <u>\$ 14,012,379</u> | <u>\$ 5,908,164</u> | <u>\$ 16,904,646</u> |

DESERT WATER AGENCY
NOTES TO FINANCIAL STATEMENTS

NOTE 5 – CAPITAL ASSETS (Continued)

Capital Assets, Net

For the years ended June 30, 2021 and 2020, net capital assets for the Agency were as follows:

| | <u>June 30,</u> | |
|--|-----------------------------|-----------------------------|
| | <u>2021</u> | <u>2020</u> |
| Utility plant in service | \$461,719,093 | \$446,294,463 |
| Less accumulated depreciation and amortization | (256,220,992) | (249,137,665) |
| Construction in progress | <u>3,907,939</u> | <u>5,908,164</u> |
| Capital assets, net | <u>\$209,406,040</u> | <u>\$203,064,962</u> |

NOTE 6 – NONCURRENT LIABILITIES

Noncurrent liability activity for the year ended June 30, 2021 was as follows:

| | <u>Outstanding July 1, 2020</u> | <u>Additions</u> | <u>Reductions</u> | <u>Outstanding June 30, 2021</u> |
|-----------------------------|-------------------------------------|----------------------------|----------------------------|--------------------------------------|
| Long-term debt | | | | |
| Water revenue refunding | | | | |
| Bond | \$ 16,940,000 | \$ - | \$ (720,000) | \$ 16,220,000 |
| Premium | 1,619,544 | - | (101,222) | 1,518,322 |
| Other long-term liabilities | | | | |
| OPEB liability | 28,314,463 | 4,923,005 | - | 33,237,468 |
| Net pension liability | 15,957,880 | - | (153,790) | 15,804,090 |
| Other employee benefits | <u>1,425,842</u> | <u>34,169</u> | <u>-</u> | <u>1,460,011</u> |
| | <u>\$ 64,257,729</u> | <u>\$ 4,957,174</u> | <u>\$ (975,012)</u> | <u>\$ 68,239,891</u> |

Balances due within one year at June 30, 2021 are for the water revenue refunding bond of \$745,000.

DESERT WATER AGENCY
NOTES TO FINANCIAL STATEMENTS

NOTE 6 – NONCURRENT LIABILITIES (Continued)

Noncurrent liability activity for the year ended June 30, 2020 was as follows:

| | Outstanding July 1, 2019 | Additions | Reductions | Outstanding June 30, 2020 |
|-----------------------------|-----------------------------|--------------------------|------------------------------|------------------------------|
| Long-term debt | | | | |
| Water revenue refunding | | | | |
| Bond | \$ 17,635,000 | \$ - | \$ (695,000) | \$ 16,940,000 |
| Premium | 1,720,765 | - | (101,221) | 1,619,544 |
| Other long-term liabilities | | | | |
| OPEB liability | 29,198,670 | - | (884,207) | 28,314,463 |
| Net pension liability | 15,975,305 | - | (17,425) | 15,957,880 |
| Other employee benefits | <u>1,296,236</u> | <u>129,606</u> | <u>-</u> | <u>1,425,842</u> |
| | <u>\$ 65,825,976</u> | <u>\$ 129,606</u> | <u>\$ (1,727,853)</u> | <u>\$ 64,257,729</u> |

Balances due within one year at June 30, 2020 are for the water revenue refunding bond of \$720,000.

NOTE 7 – LONG-TERM DEBT

On June 29, 2016, the Agency Financing Corporation issued \$19,720,000 Water Revenue Refunding Bonds, Series 2016 to provide funds to defease and refund on an advance refunding basis the Agency's outstanding Certificates of Participation (Water System Improvement Project) Series 2007 (COP) outstanding at that date in the amount of \$21,420,000 and to pay the debt issue costs. The bonds are payable from and secured by the Agency's pledge of net revenues defined generally as gross revenues received from the Agency's water system. The bonds bear interest at various rates from 2 to 5% and are payable on May 1 and November 1 of each year commencing on November 1, 2016. The cost to retire the COPs was \$23,372,318 including debt issue costs. The refunding produced a loss on the advance refunding of the old debt in the amount of \$1,420,128 which has been included in deferred outflows of resources and will be amortized over the life of the new debt or 20 years.

DESERT WATER AGENCY
NOTES TO FINANCIAL STATEMENTS

NOTE 7 – LONG-TERM DEBT (Continued)

Future principal and interest payments in accordance with the debt agreement as of June 30, 2021 are as follows:

| <u>Year ending December 31,</u> | <u>Principal</u> | <u>Interest</u> |
|---------------------------------|------------------|----------------------------|
| 2022 | \$ 745,000 | \$ 593,950 |
| 2023 | 780,000 | 564,150 |
| 2024 | 800,000 | 544,650 |
| 2025 | 830,000 | 512,650 |
| 2026 | 865,000 | 479,450 |
| 2027 through 2031 | 4,930,000 | 1,642,100 |
| 2032 through 2036 | 5,965,000 | 754,850 |
| 2037 | <u>1,305,000</u> | <u>39,150</u> |
| | 16,220,000 | <u>\$ 5,130,950</u> |
| Less current portion | (745,000) | |
| Unamortized premium | <u>1,518,322</u> | |

A premium of \$2,024,430, related to the new debt issue, was recognized and is being amortized over the life of the new debt issue of 20 years. Amortization expense for the premium paid on the new debt was \$101,222 for the years ended June 30, 2021 and 2020.

The Agency incurred bond interest expense during the years ended June 30, 2021 and 2020 in the amount of \$721,723 and \$754,342, respectively.

DESERT WATER AGENCY

NOTES TO FINANCIAL STATEMENTS

NOTE 8 – RESERVES AND DESIGNATIONS OF AGENCY NET POSITION

Under the accounting standards the Agency is required to follow, a governmental entity may set up “reserves” of Agency net position to segregate balances which are not available for expenditure in future periods, or which are legally set aside for a future specific use, or established to indicate tentative plans for financial resource utilization in future periods.

The Agency’s reserves and designations at June 30 are presented below:

| | <u>2021</u> | <u>2020</u> |
|-----------------------------------|-----------------------------|-----------------------------|
| Reserve for additional water | \$ 33,671,002 | \$ 20,726,458 |
| Reserve for land acquisition | 5,675,000 | 5,675,000 |
| Reserve for operations | 23,437,800 | 21,891,800 |
| Reserve for replacements | 11,652,800 | 11,652,800 |
| Reserve for regulatory compliance | 7,765,000 | 7,765,000 |
| Reserve for retirement benefits | 5,000,000 | 5,000,000 |
| Reserve for disaster response | <u>2,000,000</u> | <u>2,000,000</u> |
| | 89,201,602 | 74,711,058 |
| Undesignated (over designated) | <u>20,467,433</u> | <u>(4,115,310)</u> |
| Net position, unrestricted | <u>\$109,669,035</u> | <u>\$ 70,595,748</u> |

NOTE 9 – JOINT VENTURES

The Agency participates in a joint venture under a joint powers agreement (JPA) with the Association of California Water Agencies Joint Powers Insurance Authority (JPIA). The relationship between the Agency and the JPA is such that the JPA is not a component unit of the Agency for financial reporting purposes. Audited financial statements are available by contacting the ACWA-JPIA at 2100 Professional Drive, Roseville, California 95661.

The Association of California Water Agencies Joint Powers Insurance Authority arranges for and provides insurance coverage for its approximately 396 member districts. JPIA is governed by a board of directors and each member agency is required to designate one representative from its local board of directors to participate in the JPIA board. From the board of directors, eight members of a nine-member executive committee are elected and delegated the authority to make JPIA’s preliminary policy decisions relying upon input received from other standing and ad hoc committees and subcommittees. These policy decisions, along with other matters such as financial and claims data, are ultimately brought before the full board for review and/or ratification. The board controls the operations of the JPIA, including selection of management and approval of operating budgets, independent of any influence by the member agencies beyond their representation on the board. JPIA provides joint protection coverage for losses in excess of the member districts’ individually specified self-insurance retention levels. Individual claims (and aggregate public liability and property claims) in excess of specified levels are covered by excess insurance policies purchased from commercial insurance carriers.

DESERT WATER AGENCY

NOTES TO FINANCIAL STATEMENTS

NOTE 9 – JOINT VENTURES (Continued)

Condensed audited financial information of the Association of California Water Agencies Joint Powers Insurance Authority for the year ended September 30 follows:

| | 2020 | 2019 |
|---|-----------------------------|-----------------------------|
| Total assets | \$237,525,073 | \$212,099,851 |
| Deferred outflows of resources | <u>1,054,750</u> | <u>553,790</u> |
| Total assets and deferred outflows of resources | <u>\$238,579,823</u> | <u>\$212,653,641</u> |
| Total liabilities | \$113,075,164 | \$112,046,920 |
| Deferred inflows of resources | 1,817,452 | 1,672,219 |
| Net position | <u>123,687,207</u> | <u>98,934,502</u> |
| Total liabilities, deferred inflows, and net position | <u>\$238,579,823</u> | <u>\$212,653,641</u> |
| Total operating revenues | \$189,130,318 | \$173,647,293 |
| Total operating expenses | (172,886,738) | (169,356,246) |
| Total nonoperating revenues | <u>8,509,125</u> | <u>8,177,851</u> |
| Change in net position | <u>\$ 24,752,705</u> | <u>\$ 12,468,898</u> |

NOTE 10 – PENSION PLAN

General Information About the Pension Plan

Plan Description

All qualified Agency employees are required to participate in the Desert Water Agency Miscellaneous Plan (the Plan), a cost-sharing multiple-employer defined benefit pension plan administered by the California Public Employees' Retirement System (CalPERS), unless they specifically opt out. CalPERS acts as a common investment and administrative agent for participating public entities within the State of California. A menu of benefit provisions as well as other requirements is established by State statutes within the Public Employee's Retirement Law. The Agency selects optional benefit provisions from the benefit menu by contract with CalPERS and adopts those benefits through Board approval. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions, membership, and financial information that can be found on the CalPERS website at www.calpers.ca.gov.

Benefits Provided

CalPERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefits are based on years of credited service, with one year of credited service being equal to one year of full-time employment. All members are eligible for improved non-industrial disability benefits after five years of service. The Agency has chosen the Optional Settlement 2W Death Benefit.

DESERT WATER AGENCY
NOTES TO FINANCIAL STATEMENTS

NOTE 10 – PENSION PLAN (Continued)

Contribution Description

Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS' annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance any unfunded accrued costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The Agency is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. The Agency's total employer contributions were \$3,262,927 and \$3,121,647 for the years ended June 30, 2021 and 2020, respectively.

Active plan members who were hired before January 1, 2013 are referred to as "Classic" employees. Beginning January 1, 2013, the Agency established two classes of employees, as dictated by the newly enacted Public Employees Pension Reform Act (PEPRA).

General Information About the Pension Plan (Continued)

The plan's provisions and benefits in effect at June 30, 2021 and 2020 are summarized as follows:

| | <u>Miscellaneous</u> | |
|---|---------------------------------|------------------------------------|
| <u>Hire date</u> | <u>Prior to January 1, 2013</u> | <u>On or after January 1, 2013</u> |
| Benefit formula | 2.5 percent at 55 | 2.0 percent at 62 |
| Benefit vesting schedule | 5 years | 5 years |
| Benefit payments | Monthly for life | Monthly for life |
| Final average compensation period | 12 months | 36 months |
| Sick leave credit | Yes | Yes |
| Retirement age | 50 to 55 | 52 to 67 |
| Monthly benefits as a % of eligible compensation | 2.0% to 2.5% | 1.0% to 2.5% |
| Cost of living adjustment | 2.0% | 2.0% |
| Required employee contribution rates | | |
| 2021 | 8.0 percent | 7.25 percent |
| 2020 | 8.0 percent | 7.25 percent |
| Required employer contribution rates | | |
| 2021 | 13.146% + \$1,114,102 | 7.874% + \$1,939 |
| 2020 | 12.142% + \$1,390,503 | 7.072% + \$13,366 |

NOTE 10 – PENSION PLAN (Continued)

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

Methods and Assumptions

The actuarial methods and assumptions used are those adopted by the CalPERS Board of Administration. For the measurement period ending June 30, 2020 (the measurement date), the total pension liability was determined by rolling forward the total pension liability determined in the June 30, 2019 actuarial accounting valuation. The June 30, 2020 total pension liability was based on the following actuarial methods and assumptions:

| | |
|---------------------------|---|
| Actuarial cost method | Entry age normal in accordance with the requirements of GASB Statement No. 68 |
| Actuarial Assumptions: | |
| Investment rate of return | 7.15% |
| Inflation | 2.50% |
| Salary increases | Varies by entry age and service |
| Mortality rate table | Derived using CalPERS' membership data for all funds |

Actuarial Methods and Assumptions Used to Determine Total Pension Liability (Continued)

Methods and Assumptions (Continued)

| | |
|----------------------------------|---|
| Post-retirement benefit increase | Contract COLA up to 2.50% until purchasing power protection allowance floor on purchasing power applies |
|----------------------------------|---|

The mortality table used was developed based on CalPERS' specific data. The table includes 15 years of mortality improvements using Society of Actuaries Scale 90% of scale MP 2016. For more details on this table, please refer to the December 2017 CalPERS experience study report (based on CalPERS demographic data from 1997 to 2015) that can be found on the CalPERS website.

Long-term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

DESERT WATER AGENCY

NOTES TO FINANCIAL STATEMENTS

NOTE 10 – PENSION PLAN (Continued)

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all of the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

Actuarial Methods and Assumptions Used to Determine Total Pension Liability (Continued)

Long-term Expected Rate of Return (Continued)

The table below reflects long-term expected real rate of return by asset class.

| Asset Class ¹ | Asset Allocation | Real Return | |
|--------------------------|------------------|-------------------------|------------------------|
| | | Years 1-10 ² | Years 11+ ³ |
| Global equity | 50% | 4.80% | 5.98% |
| Fixed income | 28% | 1.00% | 2.62% |
| Inflation assets | - | .77% | 1.81% |
| Private equity | 8% | 6.30% | 7.23% |
| Real assets | 13% | 3.75% | 4.93% |
| Liquidity | 1% | - | (0.92)% |
| Total | 100% | | |

¹In CalPERS's CAFR, Fixed Income is included in Global Debt Securities; Liquidity is included in Short-term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities.

²An expected inflation of 2.00% used for this period.

³An expected inflation of 2.92% used for this period.

Discount Rate

The discount rate used to measure the total pension liability for PERF C was 7.15%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

DESERT WATER AGENCY
NOTES TO FINANCIAL STATEMENTS

NOTE 10 – PENSION PLAN (Continued)

Changes in the Net Pension Liability

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following table presents the net pension liability of the Plan as of the June 30, 2020 and June 30, 2019 measurement dates, calculated using the discount rate in effect at each year end. The table also shows what the net pension liability would be if it were calculated using a discount rate that is 1.0 percentage-point lower or 1.0 percentage-point higher than the current rate:

| | | Discount Rate -1.0% | Current Discount | Discount Rate +1.0% |
|-----------------------|------|------------------------|---------------------|------------------------|
| Net pension liability | 2020 | (6.15)% | (7.15)% | (8.15)% |
| | | \$ 24,510,307 | \$ 15,804,090 | \$ 8,610,417 |
| | 2019 | (6.15)% | (7.15)% | (8.15)% |
| | | \$ 24,271,495 | \$ 15,957,880 | \$ 9,095,579 |

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued CalPERS financial report.

Amortization of Deferred Outflows and Deferred Inflows of Resources

Under GASB 68, actuarial gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time.

The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to pensions and are to be recognized in future pension expense.

The amortization period differs depending on the source of the gain or loss:

| | |
|--|-------------------------------------|
| Difference between projected and actual earnings on pension plan investments | 5-year straight-line amortization |
| All other amounts | 3.8 year straight-line amortization |

DESERT WATER AGENCY
NOTES TO FINANCIAL STATEMENTS

NOTE 10 – PENSION PLAN (Continued)

Pension Related Liabilities, Expense, and Deferred Outflows/Deferred Inflows of Resources

The Agency's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2020, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2019 rolled forward to June 30, 2020 using standard update procedures. The Agency's proportion of the net pension liability was based on a projection of the Agency's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The Agency's proportionate share of the net pension liability as of the June 30, 2020 measurement date was 0.40%. This represents a 0.00% change since the prior measurement date.

For the year ended June 30, 2021, the Agency recognized pension expense of \$2,914,050. At June 30, 2021, the Agency deferred inflows and outflows of resources related to pensions as follows:

| | Deferred Outflows of Resources | | Deferred Inflows of Resources | |
|---|--------------------------------------|----------------------------|-------------------------------------|----------------------------|
| | 2021 | 2020 | 2021 | 2020 |
| Changes of assumptions | \$ - | \$ 760,945 | \$ 112,721 | \$ 269,749 |
| Differences between expected and actual experience | 814,431 | 1,108,342 | - | 85,874 |
| Net differences between projected and actual investment earnings | 469,486 | - | - | 278,993 |
| Differences between employer's contributions and proportionate share of contributions | 1,116,623 | 700,017 | 6,945 | 23,682 |
| Change in employer's proportion | - | 60,296 | 1,184,375 | 928,608 |
| Pension contributions subsequent to measurement date | <u>3,262,927</u> | <u>3,121,646</u> | <u>-</u> | <u>-</u> |
| Total | <u>\$ 5,663,467</u> | <u>\$ 5,751,246</u> | <u>\$ 1,304,041</u> | <u>\$ 1,586,906</u> |

DESERT WATER AGENCY
NOTES TO FINANCIAL STATEMENTS

NOTE 10 – PENSION PLAN (Continued)

Pension Related Liabilities, Expense, and Deferred Outflows/Deferred Inflows of Resources

The amounts above are net of outflows and inflows recognized in the pension expense for the year ended June 30, 2021. The \$3,262,927 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2022.

Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in the pension expenses as follows:

| Year Ending June 30, | |
|-------------------------|---------------------------|
| 2022 | \$ 73,109 |
| 2023 | 453,455 |
| 2024 | 344,757 |
| 2025 | <u>225,178</u> |
| Total | <u>\$1,096,499</u> |

NOTE 11 – DEFINED CONTRIBUTION PLAN AND DEFERRED COMPENSATION PLAN

The Agency has a defined contribution plan and there is one employee eligible to participate in this plan (the “eligible employee”). All contributions by the Agency are fully vested upon receipt. The eligible employee cannot contribute directly to the defined contribution plan. The Agency contributes matching contributions to the defined contribution plan for any contributions made to the deferred compensation plan by the eligible employee. The Agency contributed \$27,337 and \$31,080 to the defined contribution plan for the years ended June 30, 2021 and 2020, respectively.

There is also a deferred compensation plan under Internal Revenue Code (IRC) Section 457 available to Agency employees which the employees can voluntarily contribute to. The Agency makes contributions to the deferred compensation plan for certain eligible employees hired after May 1, 2007. The Agency contributed \$72,160 and \$60,375 to the deferred compensation plan for the years ended June 30, 2021 and 2020, respectively.

DESERT WATER AGENCY
NOTES TO FINANCIAL STATEMENTS

NOTE 12 – POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

General Information About the OPEB Plan

Plan Description and Benefits Provided

The Agency, a single employer, offers postemployment benefits through the Association of California Water Agencies Health Plans. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. Employees who retire from the Agency on or after age 50, have at least 12 years of service, and were hired prior to May 1, 2007 are eligible for postemployment medical benefits. The Agency pays full retiree and spousal health premiums for eligible retirees. Surviving spouses of active employees at their time of death, whose sum of years of service and age equals 60 or above, will continue having premiums paid by the Agency for their lifetime. The Agency also pays full dental and vision premiums for eligible retirees, who have 25 years or more of Agency service, and their dependents.

Employees Covered

At June 30, 2020 (the measurement date of the actuarial valuation), the following number of employees (including spouses) were covered by the benefit terms:

| | |
|--|-------------------|
| Inactive employees or beneficiaries receiving benefit payments | 79 |
| Inactive employees entitled to, but not yet receiving benefit payments | - |
| Active employees | <u>30</u> |
| Total | <u><u>109</u></u> |

Total OPEB Liability

The Agency's total OPEB liability of \$33,237,468 was measured as of June 30, 2020 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the June 30, 2020 (measurement date) actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

| | |
|-----------------------------|--|
| Salary increase | CalPERS salary scale for Miscellaneous employees hired at age 30 |
| Discount rate | 2.21% |
| Healthcare cost trend rates | The assumed future increases to the health costs and premiums are based on the "Getzen" model published by the Society of Actuaries. Dental and vision costs were assumed to increase at a rate of 3.50% per year. |

DESERT WATER AGENCY
NOTES TO FINANCIAL STATEMENTS

NOTE 12 – POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

The discount rate was based on the 20-year Bond GO Index as of the measurement date.

Mortality rates were based on statistics taken from the California PERS Experience Study Report adopted in 2017 and includes 15 years of mortality improvements using Society of Actuaries Scale 90% of scale MP 2016.

All other actuarial assumptions used in the June 30, 2020 (measurement date) valuation were based on the results of the CalPERS valuation experience study for the period 1997 to 2015, including updates to salary increase, mortality and retirement rates. The Experience Study report can be obtained at CalPERS' website under Forms and Publications.

Change in the Total OPEB Liability

| | June 30, 2021 | June 30, 2020 |
|---|-----------------------------|-----------------------------|
| Balance beginning of year | \$ 28,314,463 | \$ 29,198,670 |
| Changes for the year: | | |
| Service Cost | 585,056 | 631,297 |
| Interest | 996,782 | 1,137,027 |
| Difference between expected and actual experience | - | (2,879,482) |
| Changes of assumptions | 4,188,505 | 1,134,393 |
| Benefit payments | (847,338) | (907,442) |
| Balance year-end | <u>\$ 33,237,468</u> | <u>\$ 28,314,463</u> |

Change of assumptions reflect a change in the discount rate from 3.58% as of the June 30, 2018 measurement date to 3.50% as of the June 30, 2019 measurement date to 2.21% as of the June 30, 2020 measurement date.

DESERT WATER AGENCY
NOTES TO FINANCIAL STATEMENTS

NOTE 12 – POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

Sensitivity of the total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the Agency, as well as what the Agency's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage-point lower or 1 percentage-point higher than the current discount rates:

| | Discount Rate -1% <u>1.21%</u> | Current Rate <u>2.21%</u> | Discount Rate +1% <u>2.21%</u> |
|----------------------|--------------------------------------|---------------------------------|--------------------------------------|
| Total OPEB liability | \$ 39,770,259 | \$ 33,237,468 | \$ 28,107,551 |

Sensitivity of the total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the Agency, as well as what the Agency's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage-point lower or 1 percentage-point higher than the current healthcare cost trend rates:

| | Trend Rate -1% <u></u> | Current Trend Rate <u></u> | Trend Rate +1% <u></u> |
|----------------------|------------------------------|----------------------------------|------------------------------|
| Total OPEB liability | \$ 27,356,616 | \$ 33,237,468 | \$ 40,974,880 |

OPEB Related Expense and Deferred Outflows/Inflows of Resources

For the years ended June 30, 2021 and 2020, the Agency recognized OPEB expense of \$955,501 and \$198,630, respectively. The Agency reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

| | Deferred Outflows of Resources <u></u> | Deferred Inflows of Resources <u></u> |
|--|---|--|
| June 30, 2021: | | |
| Differences between expected and actual experience | \$ - | \$ 1,600,428 |
| Changes of assumptions | 3,868,553 | 1,150,272 |
| OPEB contributions subsequent to measurement date | <u>705,531</u> | <u>-</u> |
| Total | <u>\$ 4,574,084</u> | <u>\$ 2,750,700</u> |
| June 30, 2020: | | |
| Differences between expected and actual experience | \$ - | \$ 2,259,370 |
| Changes of assumptions | 878,899 | 2,316,518 |
| OPEB contributions subsequent to measurement date | <u>696,020</u> | <u>-</u> |
| Total | <u>\$ 1,574,919</u> | <u>\$ 4,575,888</u> |

DESERT WATER AGENCY
NOTES TO FINANCIAL STATEMENTS

NOTE 12 – POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

The \$696,020 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the fiscal year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in future OPEB expense as follows:

| Year Ending June 30, | |
|-------------------------|----------------------------|
| 2022 | \$ (392,158) |
| 2023 | 324,514 |
| 2024 | 770,420 |
| 2025 | <u>415,077</u> |
| Total | <u>\$ 1,117,853</u> |

NOTE 13 – RISK MANAGEMENT

The Agency is exposed to various risks of loss related to torts, theft, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by commercial insurance through participation in the Association of California Water Agencies Joint Powers Insurance Authority (see Note 9). The insurance purchased is for liability, property and workers' compensation insurance and there are various self-insured retention levels, similar to a deductible, per occurrence. See the schedule of insurance coverage presented as supplementary information for additional information.

NOTE 14 – UNCERTAINTIES

On January 30, 2020, the World Health Organization declared the coronavirus outbreak a "Public Health Emergency of International Concern" and on March 10, 2020, declared it to be a pandemic. Actions taken around the world to help mitigate the spread of the coronavirus include restrictions on travel, and quarantines in certain areas, and forced closures for certain types of public places and businesses. The coronavirus and actions taken to mitigate it have had and are expected to continue to have an adverse impact on the economies and financial markets of many countries, including the geographical area in which the Agency operates. The Board has authorized extended payment plans of up to 48-months for COVID-19 related arrears. The Agency is currently in the process of applying for funding made available through the California Water and Wastewater Arrearage Program, administered by the State Water Board to provide relief to community water and wastewater systems for unpaid bills related to the pandemic. The Agency maintains adequate operating reserves to provide cash flow for ongoing operations and currently does not expect there to be any significant impact on the Agency's long-term ability to continue operations.

NOTE 15 – COMMITMENTS AND CONTINGENCIES

Various claims and litigation involving the Agency are currently outstanding. The most significant activity is related to an action by the local tribe that is still pending in Federal District Court to adjudicate its reserved right to groundwater, and its right to storage space beneath reservation lands. The outcome of these matters is not determinable at this time but could be significant if the Tribe prevails.

The Agency has a \$8,720,617 contractual commitment as of June 30, 2021, related to constructing pipeline replacements. This commitment is due within the next fiscal year.

REQUIRED SUPPLEMENTARY INFORMATION

DESERT WATER AGENCY
REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2021

Schedule of Pension Plan Contributions - Last 10 Years*

| <u>Fiscal Year</u> | <u>Contractually Required Contributions</u> | <u>Contributions in Relation to the Actuarially Determined Contributions</u> | <u>Contribution Deficiency/ (Excess)</u> | <u>Covered Payroll</u> | <u>Contributions as a % of Covered Employee Payroll</u> |
|--------------------|---|--|--|----------------------------|---|
| 2021 | \$ 2,262,927 | \$ (3,262,927) | \$ (1,000,000) | \$ 7,721,227 | 42.26% |
| 2020 | 2,121,647 | (3,121,647) | (1,000,000) | 7,253,560 | 43.04 |
| 2019 | 1,849,946 | (2,849,946) | (1,000,000) | 7,026,860 | 40.55 |
| 2018 | 1,586,919 | (1,586,919) | - | 6,050,470 | 26.23 |
| 2017 | 1,461,680 | (1,461,680) | - | 6,021,869 | 24.27 |
| 2016 | 1,379,325 | (1,379,325) | - | 5,952,152 | 23.17 |
| 2015 | 1,208,856 | (1,208,856) | - | 5,808,831 | 20.81 |

*Fiscal year 2015 was the first year of implementation, therefore, not all 10 years of information is available.

Schedule of the Agency's Proportionate Share of the Net Pension Liability - Last 10 Plan Years*

| <u>Measurement Date</u> | <u>Proportion of the Net Pension Liability</u> | <u>Proportionate Share of Net Pension Liability</u> | <u>Covered Payroll</u> | <u>Proportionate Share of the Net Pension Liability as a % of Payroll</u> | <u>Plan Fiduciary Net Position as a % of the Total Pension Liability</u> |
|-----------------------------|--|---|----------------------------|---|--|
| 2020 | 0.37% | \$ 15,804,090 | \$ 7,721,227 | 204.68% | 75.84% |
| 2019 | 0.40 | 15,957,880 | 7,253,560 | 220.00 | 74.18 |
| 2018 | 0.42 | 15,975,305 | 7,026,860 | 227.34 | 72.69 |
| 2017 | 0.42 | 16,466,171 | 6,050,470 | 272.15 | 75.39 |
| 2016 | 0.42 | 14,563,532 | 6,021,869 | 241.84 | 75.87 |
| 2015 | 0.44 | 12,000,195 | 5,952,152 | 200.16 | 79.89 |
| 2014 | 0.46 | 11,449,416 | 5,808,831 | 197.10 | 81.15 |

*Fiscal year 2015 was the first year of implementation, therefore, not all 10 years of information is available.

Notes to the Pension Schedules:

Benefit Changes: None

Changes in Assumptions: For the measurement date June 30, 2017, the discount rate was changed from 7.65% to 7.15%. For the measurement date June 30, 2018, the inflation rate was changed from 2.75% to 2.50%.

DESERT WATER AGENCY
REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2021

Schedule of Changes in the Agency's Total OPEB Liability and Related Ratios – Last Ten Plan Years*

| | June 30, 2020 | June 30, 2019 | June 30, 2018 | June 30, 2017 |
|---|----------------------|----------------------|----------------------|----------------------|
| Balance beginning of year | \$ 28,314,463 | \$ 29,198,670 | \$ 29,766,869 | \$ 32,704,594 |
| Changes for the year: | | | | |
| Service Cost | 585,056 | 631,297 | 664,025 | 809,859 |
| Interest | 996,782 | 1,137,027 | 1,076,226 | 947,450 |
| Difference between expected and actual experience | - | (2,879,482) | (49,240) | - |
| Changes of assumptions | 4,188,505 | 1,134,393 | (1,413,861) | (4,102,481) |
| Benefit payments | (847,338) | (907,442) | (845,349) | (592,553) |
| Balance year-end | \$ 33,237,468 | \$ 28,314,463 | \$ 29,198,670 | \$ 29,766,869 |
| Covered Payroll | \$ 7,721,227 | \$ 7,253,560 | \$ 7,026,860 | \$ 6,050,470 |
| Plan net OPEB liability as a percentage of covered-employee payroll | 430% | 390% | 416% | 492% |

*Fiscal year 2018 was the first year of implementation, therefore, not all 10 years of information is available.

Notes to the Schedule:

Changes of benefit terms: None

Changes of Assumptions: Change of assumptions reflect a change in the discount rate from 2.85% as of the June 30, 2016 measurement date to 3.58% as of the June 30, 2017 measurement date to 3.87% as of the June 30, 2018 measurement date to 3.50% as of the June 30, 2019 measurement date.

OTHER INFORMATION

DESERT WATER AGENCY

ORGANIZATIONAL INFORMATION

Organization and Description of the Agency

Desert Water Agency (the “Agency”) was formed in September 1961 by the Legislature of the State of California through the enactment of special legislation. The Agency was formed for the purpose of importing water by contracting for participation in the State Water Project of the State Department of Water Resources and for any other activities authorized by the Legislature as proper for the Agency to conduct. The Agency’s contract for water provides for delivery of up to 38,100 acre feet of water per year, starting at 8,000 acre feet and increasing annually until deliveries total the full contract amount in 1990. In 2004, the contract was amended to reflect an allotment of 50,000 acre feet. In 2007, the contract was amended to reflect an allotment of 55,750 acre feet, effective January 1, 2010. Requested deliveries totaled 55,750 acre feet for calendar years 2019 and 2020. The Agency negotiated an agreement with the Metropolitan Water Agency of Southern California for the exchange of the Agency’s entitlement to Northern California water for an equal amount of Metropolitan Water Agency’s Colorado River water. The exchange agreement became effective when approved by the Secretary of the Interior on December 1, 1972 and extends until 2035.

The Agency started receiving this exchange water in September 1973 when the service connection to the Metropolitan Water Agency’s aqueduct was completed.

The Agency is committed to pay its proportionate share of the capital and other costs of the State Water Project, including the capital costs in connection with both the transportation facilities and the conservation facilities, the operation and maintenance costs in connection therewith, and the variable costs incident to the actual delivery of water. Annually, the State Department of Water Resources issues a bulletin known as the 132 Series in which the capital and operating costs are estimated for the life of the project. On June 30 of each year, they bill for the costs to be paid during the next succeeding calendar year. The capital costs are being capitalized as utility plant while the other costs are charged to operations. The capital costs are being amortized using a life of 45 years.

The Agency has shared in the costs of the Whitewater Turnout with the Coachella Valley Water District and is also committed to share in the cost of the Mission Creek Turnout of the Metropolitan Water Agency’s Colorado River Aqueduct. The Mission Creek Turnout connection will make imported water available for spreading in the Mission Creek area of the Mission Springs Water District. These facilities are necessary to enable the Agency and Coachella Valley Water District to perform under the present agreement for the exchange of State Water Project water for Colorado River water with the Metropolitan Water Agency of Southern California, which agreement was referred to in a paragraph above. The Whitewater connection was constructed by Metropolitan Water Agency crews and was completed in September 1973. Although the Whitewater and Mission Creek turnouts from the Colorado River Aqueduct were constructed by Metropolitan Water District, Desert Water Agency and Coachella Valley Water District funded the costs of constructing those turnouts.

DESERT WATER AGENCY

ORGANIZATIONAL INFORMATION

Organization and Description of the Agency (Continued)

The Agency is also committed to pay in future years its share of the cost of supplemental water facilities which may be necessary to enable it to benefit fully from participation in the State Water Project. Such supplemental facilities could be in the form of an aqueduct to transport State Water Project water from Hesperia or San Bernardino to the Coachella Valley or could consist of a desalination plant and/or other facilities necessary to continue the exchange of the Agency's Northern California water entitlement for Colorado River water. The cost of supplemental water facilities will be shared by other agencies which will benefit from their construction. Anticipated costs may also include construction of new Delta conveyance facilities and the cost of participation in additional surface water storage facilities, such as the Sites Reservoir.

The Agency entered into a water management agreement with the Coachella Valley Water District on July 1, 1976. The agreement establishes principles which will control the continuation of the parties' imported water program and the allocation of costs for these programs. It further provides for the collection and analysis of data which will serve as the basis for management of the natural and imported water supplies of the management area. This agreement was amended in July 2014 to reflect a change in the allocation of certain costs to more accurately reflect allocations of water to each party. The Agency and Coachella Valley Water District have also entered into a similar, additional agreement to allocate between them the cost of delivering imported water to the Mission Creek spreading facilities.

DESERT WATER AGENCY
SCHEDULE OF BOARD OR DIRECTORS AND INSURANCE COVERAGE

Officers, Directors, and Senior Management

The officers, directors, and senior management of the Agency are listed below:

| | <u>Term Expires</u> |
|-------------------------------------|---------------------|
| Kristin Bloomer , President | December 2024 |
| James Cioffi , Vice President | December 2022 |
| Joseph Stuart , Secretary-Treasurer | December 2022 |
| Patricia Oygar, Director | December 2022 |
| Paul Ortega, Director | December 2024 |
| Mark S. Krause, General Manager | N/A |

DESERT WATER AGENCY

SCHEDULE OF BOARD OR DIRECTORS AND INSURANCE COVERAGE

Insurance Coverage

The Agency is a member of the Association of California Water Agencies Joint Powers Insurance Authority (ACWA JPIA). The purpose of the ACWA JPIA is to arrange and administer programs of insurance for pooling of self-insured losses and to purchase excess insurance coverage.

At June 30, 2021, the Agency participated in the self-insurance program of the ACWA JPIA as follows:

Property Loss – Insured up to the scheduled value with a \$25,000 deductible for buildings, personal property and fixed equipment and a \$5,000 deductible for mobile equipment.

General and Auto Liability – Insured up to \$55,000,000 with aggregate policy limits. ACWA JPIA is self-insured up to \$5,000,000 and excess insurance coverage has been purchased through ACWA JPIA.

Public Officials' Liability – Insured up to \$55,000,000 with aggregate policy limits; the ACWA JPIA is self-insured up to \$5,000,000 and excess insurance coverage has been purchased through ACWA JPIA

Crime Liability – Insured up to \$100,000 for public employee theft, depositor's forgery or alteration and computer and funds transfer fraud with a deductible of \$1,000. ACWA JPIA is self-insured up to \$100,000 and excess coverage has been purchased through ACWA JPIA.

Cyber Liability – Insured up to \$2,000,000 with a \$50,000 deductible

Workers' Compensation – Insured for statutory limits. Employer's liability is insured up to \$2,000,000 per occurrence. ACWA JPIA is self-insured up to \$2,000,000 and excess insurance coverage has been purchased through ACWA JPIA.

The Agency maintains separate Earthquake and Flood Insurance. Earthquake coverage includes a 5 percent or a \$50,000 minimum deductible. Flood coverage includes a \$50,000 deductible. The per occurrence and aggregate limit is \$27,419,417.

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

DECEMBER 21, 2021

**RE: REQUEST BOARD ACCEPTANCE OF 2021 DESERT WATER
AGENCY SALARY SURVEY**

In accordance with the DWAEA Memorandum of Understanding dated July 1, 2021, Desert Water Agency conducted a comprehensive salary survey in the fall of 2021. Any recommended changes based on the survey results would be enacted January 1, 2022.

A comprehensive salary survey was completed in November 2021. Five agencies were used for comparison purposes: Coachella Valley Water District, Eastern Municipal Water District, Elsinore Valley Municipal Water District, Cucamonga Valley Water District, and Rancho California Water District.

The following methodology was used to calculate the survey information:

1. If surveyed position had less than three comparable positions, it was not included in the survey results.
2. The middle point of the surveyed salaries was compared to the middle point of the current Desert Water Agency salary range.
3. If the DWA average step was greater than or equal to -2.5% or higher from the average, then range remained the same, no change.
4. If the DWA average step was lower than -2.5% from the average, then we looked at the DWA range that would result in a difference of less than -2.5% from the survey average. The resulting range became the new salary range for the position.

Attached for the Board's review is the completed 2021 Employee Salary Survey and the recommended classification changes. As noted in the minutes from the December 13, 2021 Human Resources Committee meeting, the results of the Survey were reviewed by the Committee and the Committee recommended the Salary Survey be presented to the full Board for acceptance as presented.

Fiscal Impact:

None

Finance Director Saenz has reviewed this report.

Recommendation:

Staff recommends the Board accept the Survey as presented.

Attachments:

DWA 2021 Employee Salary Survey Results

Desert Water Agency
2022 Comprehensive Salary Survey Results Summary

| DEPARTMENT | POSITION TITLE | DWA RANGE | DWA STEP 3 | CVWD | EMWD | EVMWD | CU. VWD | RCWD | AVERAGE | DIFFERENCE (\$) | DIFFERENCE (%) | CHANGE? | PROPOSED STEP | New Salary Mid Point |
|----------------------------------|---|-----------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-----------------|----------------|---------|------------------|----------------------|
| ACCOUNTING | Account Clerk I | 24 | \$4,506.00 | \$5,004.50 | \$4,836.87 | \$4,886.28 | \$4,592.00 | \$3,774.42 | \$4,618.81 | -\$112.81 | -2.50% | No | | |
| | Account Clerk II | 31 | \$5,366.00 | \$5,473.00 | \$5,332.60 | \$5,392.90 | \$5,379.00 | \$4,588.29 | \$5,233.16 | \$132.84 | 2.48% | No | | |
| | Account Clerk III | 33 | \$5,641.00 | \$5,976.50 | \$5,881.20 | \$5,951.65 | No Match | \$5,576.83 | \$5,846.55 | -\$205.55 | -3.64% | Yes | 34 | \$5,775 |
| | Account Clerk/Telephone Operator | 20 | \$4,089.00 | \$4,091.00 | \$3,736.00 | No Match | No Match | \$3,595.63 | \$3,807.54 | \$281.46 | 6.88% | | | |
| | Accountant | 46 | \$7,770.00 | \$6,834.50 | \$6,483.00 | \$6,916.00 | \$7,992.50 | \$9,539.83 | \$7,553.17 | \$216.83 | 2.79% | No | | |
| | Accounting Supervisor | 53 | \$9,223.00 | \$9,078.00 | \$10,055.94 | \$9,301.87 | \$9,744.00 | \$10,516.66 | \$9,739.29 | -\$516.29 | -5.60% | Yes | 55 | \$9,681 |
| | Computer Operator I | 31 | \$5,366.00 | No Match | No Match | No Match | No Match | No Match | | 0.00% | No | | | |
| | Computer Operator II | 40 | \$6,698.00 | No Match | No Match | No Match | No Match | No Match | | 0.00% | No | | | |
| | Controller | 66 | \$12,683.00 | \$12,674.00 | \$14,857.27 | \$10,785.67 | \$12,605.00 | \$12,174.24 | \$12,619.23 | \$63.77 | 0.50% | No | | |
| | Senior Account Clerk | 40 | \$6,698.00 | \$6,116.50 | No Match | No Match | \$7,240.00 | \$6,778.46 | \$6,711.65 | -\$13.65 | -0.20% | No | | |
| ADMINISTRATIVE | Administrative Assistant I | 33 | \$5,641.00 | \$5,005.00 | \$4,607.20 | \$4,886.00 | \$4,969.50 | \$4,161.56 | \$4,725.85 | \$915.15 | 16.22% | No | | |
| | Administrative Assistant II | 38 | \$6,378.00 | \$5,473.00 | \$5,079.54 | \$6,569.00 | \$5,823.00 | \$4,588.13 | \$5,506.53 | \$871.47 | 13.66% | No | | |
| | Administrative Assistant III | 40 | \$6,698.00 | \$6,247.00 | \$5,881.20 | \$6,569.36 | No Match | \$5,057.61 | \$5,938.79 | \$759.21 | 11.33% | No | | |
| | Executive Secretary/Assistant Secretary to the Board | 53 | \$9,223.00 | \$11,467.00 | \$9,487.54 | \$8,407.00 | \$9,181.50 | \$9,085.01 | \$9,525.61 | -\$302.61 | -3.28% | Yes | 54 | \$9,455 |
| | Senior Administrative Assistant | 46 | \$7,770.00 | \$6,835.00 | \$6,808.53 | \$6,901.00 | No Match | \$6,455.19 | \$6,749.93 | \$1,020.07 | 13.13% | No | | |
| CONSTRUCTION - FLEET MAINTENANCE | | | | | | | | | | | | | | |
| Construction | Assistant Construction Superintendent | 53 | \$9,223.00 | \$9,490.00 | \$9,577.54 | No Match | \$8,826.00 | \$9,083.88 | \$9,244.35 | -\$21.35 | -0.23% | No | | |
| | Construction Superintendent | 65 | \$12,380.00 | \$13,414.50 | \$11,641.94 | \$8,852.14 | \$11,878.00 | \$13,421.81 | \$11,841.68 | \$538.33 | 4.35% | No | | |
| | Equipment Operator | 36 | \$6,066.00 | \$5,716.00 | No Match | No Match | No Match | No Match | \$5,716.00 | \$350.00 | 5.77% | No | | |
| | Water Service Foreman | 46 | \$7,770.00 | \$8,304.50 | \$7,504.47 | No Match | \$7,098.00 | \$7,116.46 | \$7,505.86 | \$264.14 | 3.40% | No | | |
| | Water Service Worker I | 28 | \$4,977.00 | \$5,232.50 | \$5,332.60 | \$5,133.44 | \$5,171.50 | \$4,588.13 | \$5,091.63 | -\$114.63 | -2.30% | No | | |
| | Water Service Worker II | 33 | \$5,641.00 | \$5,716.00 | \$5,881.20 | \$5,665.08 | \$6,059.50 | \$5,576.83 | \$5,779.72 | -\$138.72 | -2.46% | No | | |
| | Water Service Worker III | 37 | \$6,221.00 | \$6,246.50 | \$6,483.54 | \$6,569.36 | No Match | \$6,147.70 | \$6,361.77 | -\$140.77 | -2.26% | No | | |
| Fleet Maintenance | Fleet Mechanic Foreman | 43 | \$7,212.00 | \$6,834.00 | \$6,397.00 | No Match | No Match | \$6,147.00 | \$6,459.33 | \$752.67 | 10.44% | No | | |
| | Fleet Mechanic I | 31 | \$5,366.00 | \$5,716.00 | \$5,011.00 | No Match | No Match | \$4,588.13 | \$5,105.04 | \$260.96 | 4.86% | No | | |
| | Fleet Mechanic II | 36 | \$6,066.00 | \$6,246.50 | \$5,526.00 | No Match | No Match | \$5,576.83 | \$5,783.11 | \$282.89 | 4.66% | No | | |
| FIELD SERVICES | Field Services Representative I | 34 | \$5,775.00 | \$5,716.00 | \$5,600.40 | No Match | No Match | \$5,576.83 | \$5,631.08 | \$143.92 | 2.49% | No | | |
| | Field Services Representative II | 37 | \$6,221.00 | No Match | \$6,173.27 | No Match | No Match | \$6,147.70 | \$6,160.48 | \$60.52 | 0.97% | No | | |
| | Field Services Supervisor | 53 | \$9,223.00 | \$9,490.50 | \$7,145.67 | \$8,852.14 | \$8,826.00 | \$9,083.88 | \$8,679.64 | \$543.36 | 5.89% | No | | |
| | Field Services Technician I | 27 | \$4,858.00 | \$5,003.81 | \$4,836.87 | \$5,133.44 | \$5,171.50 | \$3,595.63 | \$4,748.25 | \$109.75 | 2.26% | No | | |
| | Field Services Technician II | 30 | \$5,234.00 | \$5,745.71 | \$5,332.60 | \$5,665.08 | \$6,059.50 | \$4,592.13 | \$5,479.00 | -\$245.00 | -4.68% | Yes | 31 | \$5,366 |
| | Field Services Technician III | 37 | \$6,221.00 | \$6,647.62 | \$5,881.19 | \$6,569.36 | \$7,098.00 | \$5,057.61 | \$6,250.75 | -\$29.75 | -0.48% | No | | |
| ENGINEERING - OPERATIONS | | | | | | | | | | | | | | |
| Engineering | Associate Engineer | 56 | \$9,933.00 | \$10,088.50 | \$10,559.47 | \$9,301.93 | \$9,744.00 | \$10,015.46 | \$9,941.87 | -\$8.87 | -0.09% | No | | |
| | Engineering Technician I | 34 | \$5,775.00 | \$6,395.24 | \$5,332.60 | \$4,650.60 | \$5,823.00 | \$5,309.90 | \$5,502.27 | \$272.73 | 4.72% | No | | |
| | Engineering Technician II | 39 | \$6,534.00 | \$6,368.57 | \$5,881.20 | \$5,133.71 | \$6,823.00 | \$6,147.70 | \$6,070.84 | \$463.16 | 7.09% | No | | |
| | Engineering Technician III | 43 | \$7,212.00 | \$6,992.38 | No Match | \$5,665.08 | No Match | No Match | \$6,328.73 | \$883.27 | 12.25% | No | | |
| | Laboratory Director | 53 | \$9,223.00 | \$9,704.50 | \$8,688.33 | \$8,852.00 | \$7,992.50 | \$9,083.88 | \$8,864.24 | \$358.76 | 3.89% | No | | |
| | Operations and Engineering Manager | 72 | \$14,712.00 | \$14,484.00 | \$14,857.00 | \$13,780.00 | \$12,605.00 | \$14,797.47 | \$14,104.69 | \$607.31 | 4.13% | No | | |
| | Senior Engineer | 64 | \$12,070.00 | \$12,121.00 | \$11,641.94 | \$10,268.27 | No Match | \$11,042.98 | \$11,268.55 | \$801.46 | 6.64% | No | | |
| | Senior Engineering Technician | 45 | \$7,578.00 | \$7,654.50 | \$6,808.53 | No Match | \$7,992.50 | \$6,778.46 | \$7,308.50 | \$269.50 | 3.56% | No | | |
| | Staff Engineer | 51 | \$8,783.00 | \$8,392.50 | \$10,055.94 | \$8,424.00 | \$8,153.50 | \$9,085.01 | \$8,822.19 | -\$39.19 | -0.45% | No | | |
| Operations | Operations Technician Foreman | 51 | \$8,783.00 | \$8,304.50 | \$9,122.54 | \$7,616.82 | \$9,744.00 | No Match | \$8,696.96 | \$86.04 | 0.98% | No | | |
| | Operations Technician I | 37 | \$6,221.00 | \$5,716.00 | \$6,483.54 | \$6,253.00 | \$6,302.50 | \$5,576.00 | \$6,066.21 | \$154.79 | 2.49% | No | | |
| | Operations Technician II | 41 | \$6,865.00 | \$6,246.50 | \$7,145.67 | \$6,569.00 | \$7,385.00 | \$6,778.00 | \$6,824.83 | \$40.17 | 0.59% | No | | |
| | Operations Technician III | 46 | \$7,770.00 | \$6,834.50 | \$7,880.60 | \$7,248.00 | \$7,683.00 | \$7,845.00 | \$7,498.22 | \$271.78 | 3.50% | No | | |
| | Operations Technician in Training | 30 | \$5,234.00 | No Match | No Match | No Match | No Match | \$5,576.83 | \$5,576.83 | -\$342.83 | -6.55% | No | (only one match) | |
| | System Operator I | 35 | \$5,921.00 | \$5,473.00 | \$5,600.40 | No Match | \$5,597.00 | \$5,309.00 | \$5,494.85 | \$426.15 | 7.20% | No | | |
| | System Operator II | 38 | \$6,378.00 | \$5,976.50 | \$6,173.27 | No Match | \$6,558.00 | \$6,455.00 | \$6,290.69 | \$87.31 | 1.37% | No | | |

Desert Water Agency
2022 Comprehensive Salary Survey Results Summary

| DEPARTMENT | POSITION TITLE | DWA RANGE | DWA STEP 3 | CVWD | EMWD | EVMWD | CU. VWD | RCWD | AVERAGE | DIFFERENCE (\$) | DIFFERENCE (%) | CHANGE? | PROPOSED STEP | New Salary Mid Point |
|-----------------------------------|---|-----------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-----------------|----------------|---------|--------------------|----------------------|
| Operations (Cont.) | System Operator III | 41 | \$6,865.00 | \$6,534.50 | \$6,808.53 | No Match | No Match | \$7,116.00 | \$6,819.68 | \$45.32 | 0.66% | No | | |
| | System Operatator in Training | 30 | \$5,234.00 | \$4,774.00 | No Match | No Match | No Match | No Match | \$4,774.00 | \$460.00 | 8.79% | No | | |
| | Water Operations Supervisor | 60 | \$10,951.00 | \$9,922.50 | \$12,224.34 | \$10,268.27 | \$11,878.00 | \$9,083.00 | \$10,675.22 | \$275.78 | 2.52% | No | | |
| | | | | | | | | | | | | | | |
| FACILITIES MAINTENANCE AND SAFETY | Facilities and Safety Officer | 54 | \$9,455.00 | \$9,078.00 | \$9,577.54 | \$8,803.27 | \$8,153.50 | \$10,015.52 | \$9,125.56 | \$329.44 | 3.48% | No | | |
| | Facilities and Safety Technician | 43 | \$7,212.00 | \$6,534.50 | \$6,483.54 | \$5,644.60 | No Match | No Match | \$6,220.88 | \$991.12 | 13.74% | No | | |
| | | | | | | | | | | | | | | |
| INFORMATION SYSTEMS | Information Systems Manager | 65 | \$12,380.00 | \$11,855.00 | \$12,224.34 | \$9,249.07 | \$12,605.00 | \$11,042.98 | \$11,395.28 | \$984.72 | 7.95% | No | | |
| | PC Support Technician I | 37 | \$6,221.00 | \$5,715.24 | \$5,881.20 | \$5,113.34 | \$5,823.00 | \$7,845.85 | \$6,075.72 | \$145.28 | 2.34% | No | | |
| | PC Support Technician II | 43 | \$7,212.00 | \$6,245.71 | \$6,483.54 | \$5,644.60 | \$6,966.50 | \$8,650.29 | \$6,798.13 | \$413.87 | 5.74% | No | | |
| | Senior PC Support Technician | 51 | \$8,783.00 | \$6,834.29 | \$8,274.07 | \$7,228.87 | \$8,153.50 | \$9,539.83 | \$8,006.11 | \$776.89 | 8.85% | No | | |
| | Programmer I | 50 | \$8,576.00 | \$7,833.33 | \$8,274.07 | No Match | No Match | No Match | \$8,053.70 | \$522.30 | 6.09% | No | | |
| | Programmer II | 54 | \$9,455.00 | \$8,992.38 | \$9,577.54 | No Match | No Match | No Match | \$9,284.96 | \$170.04 | 1.80% | No | | |
| | | | | | | | | | | | | | | |
| MANAGEMENT | General Manager | Contract | \$24,887.00 | \$25,747.44 | \$26,156.00 | \$21,950.00 | \$26,461.00 | \$22,500.00 | \$24,562.89 | \$324.11 | 1.30% | No | | |
| | Assistant General Manager | 83 | \$19,240.00 | \$20,654.50 | \$23,050.74 | \$16,733.60 | \$19,105.00 | \$17,391.06 | \$19,386.98 | -\$146.98 | -0.76% | No | | |
| | Finance Director | 81 | \$18,324.00 | \$19,095.00 | \$17,200.74 | No Match | \$15,986.00 | \$17,346.06 | \$17,406.95 | \$917.05 | 5.00% | No | | |
| | Human Resources Director | 66 | \$12,683.00 | \$15,695.00 | \$14,150.94 | \$12,439.27 | \$14,769.00 | \$12,367.08 | \$13,884.26 | -\$1,201.26 | -9.47% | Yes | 69 | \$13,666 |
| | Director of Public Affairs and Water Planning | 74 | \$15,443.00 | \$15,091.00 | \$14,150.94 | No Match | \$11,878.00 | \$14,840.37 | \$13,990.08 | \$1,452.92 | 9.41% | No | | |
| | | | | | | | | | | | | | | |
| PUBLIC AFFAIRS AND WATER PLANNING | Communications and Water Resources Manager | 64 | \$12,070.00 | \$13,549.00 | \$12,223.00 | \$11,309.00 | No Match | \$11,042.00 | \$12,030.75 | \$39.25 | 0.33% | No | | |
| | GIS Specialist I | 46 | \$7,770.00 | \$6,992.00 | \$7,504.47 | \$5,113.34 | \$5,823.00 | \$6,147.70 | \$6,316.10 | \$1,453.90 | 18.71% | No | | |
| | GIS Specialist II | 49 | \$8,369.00 | \$7,833.00 | \$8,164.00 | \$5,644.60 | \$6,823.00 | \$7,116.46 | \$7,116.21 | \$1,252.79 | 14.97% | No | | |
| | Senior GIS Specialist | 52 | \$9,007.00 | No Match | \$9,449.00 | \$6,264.00 | \$7,992.50 | No Match | \$7,901.83 | \$1,105.17 | 12.27% | No | | |
| | Conservation Specialist I | 38 | \$6,378.00 | \$5,848.50 | \$6,090.50 | No Match | No Match | \$6,455.00 | \$6,131.33 | \$246.67 | 3.87% | No | | |
| | Conservation Specialist II | 43 | \$7,212.00 | \$7,833.00 | \$7,145.00 | No Match | No Match | \$7,116.46 | \$7,364.82 | -\$152.82 | -2.12% | No | | |
| | Senior Conservation Specialist | 47 | \$7,963.00 | \$8,992.50 | No Match | \$6,569.00 | No Match | No Match | \$7,780.75 | \$182.25 | 2.29% | No | | |
| | Outreach and Conservation Associate | 45 | \$7,578.00 | \$6,687.00 | \$7,145.00 | No Match | No Match | \$7,116.00 | \$6,982.67 | \$595.33 | 7.86% | No | | |
| | Outreach Specialist I | 41 | \$6,865.00 | \$6,395.50 | \$6,173.27 | No Match | \$6,059.50 | \$6,455.00 | \$6,270.82 | \$594.18 | 8.66% | No | | |
| | Outreach Specialist II | 45 | \$7,578.00 | \$8,201.50 | \$6,793.53 | \$6,569.36 | \$7,098.00 | \$7,116.46 | \$7,155.77 | \$422.23 | 5.57% | No | | |
| | Senior Outreach Specialist | 48 | \$8,159.00 | \$8,992.50 | \$7,405.00 | No Match | No Match | \$8,239.00 | \$8,212.17 | -\$53.17 | -0.65% | No | | |
| | Water Resource Specialist I | 42 | \$7,030.00 | \$8,583.00 | \$6,808.00 | No Match | No Match | No Match | \$7,695.50 | -\$665.50 | -9.47% | No | (only two matches) | |
| | Water Resource Specialist II | 47 | \$7,963.00 | \$8,682.00 | \$7,880.50 | No Match | No Match | \$8,651.50 | \$8,404.67 | -\$441.67 | -5.55% | Yes | 49 | \$8,369 |
| | Senior Water Resource Specialist | 52 | \$9,007.00 | \$9,490.00 | \$8,688.00 | No Match | No Match | \$9,539.00 | \$9,239.00 | -\$232.00 | -2.58% | Yes | 53 | \$9,223 |
| | | | | | | | | | | | | | | |
| SNOW CREEK SECURITY | Snow Creek Security | 17 | \$2,890.00 | No Match | No Match | No Match | No Match | No Match | | | | | | |

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

DECEMBER 21, 2021

**RE: RECOMMEND BOARD ACCEPTANCE OF POSITION
CLASSIFICATION LISTING AND SALARY CHART REVISED AS A
RESULT OF 2021 DESERT WATER AGENCY SALARY SURVEY**

Attached for the Board's review is the revised salary classification listing and salary chart. These documents have been revised to reflect the results of the completed 2021 Employee Salary Survey. If accepted by the Board, funding for increases to current salaries is available within the current 2021-2022 payroll budget.

As noted in the minutes from the December 13, 2021 Human Resources Committee meeting, the Position Classification Schedule were reviewed with the Committee, and the Committee recommended the Position Classification Schedule be presented to the full Board for acceptance, effective the pay period which includes January 1, 2022.

The Position Classification Listing also updates the name of the Information Services department to Information Technologies and associated position titles to align with the duties performed by the department and positions within.

Fiscal Impact:

\$9,666 for fiscal year 2021-2022

Finance Director Saenz has reviewed this report.

Recommendation:

Staff recommends the Board accept the revised salary classification listing and salary chart as presented, effective the pay period which includes January 1, 2022.

Attachments:

1. DWA Position Classification Listing and Salary Chart

Desert Water Agency
Position Classification and Monthly Salary Schedule
Effective 12/23/2021 for RDO2 Pay Period Employees. Effective 12/31/2021 for RDO1 and Classic Pay Period Employees.

| DEPARTMENT | POSITION TITLE | RANGE | STEP 1 | STEP 2 | STEP 3 | STEP 4 | STEP 5 |
|---|--|-------|-----------|-----------|-----------|-----------|-----------|
| ACCOUNTING | Account Clerk I | 24 | \$ 4,089 | \$ 4,298 | \$ 4,506 | \$ 4,743 | \$ 4,977 |
| | Account Clerk II | 31 | \$ 4,858 | \$ 5,108 | \$ 5,366 | \$ 5,641 | \$ 5,921 |
| | Account Clerk III | 34 | \$ 5,234 | \$ 5,496 | \$ 5,775 | \$ 6,066 | \$ 6,378 |
| | Account Clerk/Telephone Operator | 20 | \$ 3,706 | \$ 3,892 | \$ 4,089 | \$ 4,298 | \$ 4,506 |
| | Accountant | 46 | \$ 7,030 | \$ 7,396 | \$ 7,770 | \$ 8,159 | \$ 8,576 |
| | Accounting Supervisor | 55 | \$ 8,783 | \$ 9,223 | \$ 9,681 | \$ 10,172 | \$ 10,683 |
| | Controller | 66 | \$ 11,496 | \$ 12,070 | \$ 12,683 | \$ 13,333 | \$ 14,006 |
| | Computer Operator I | 31 | \$ 4,858 | \$ 5,108 | \$ 5,366 | \$ 5,641 | \$ 5,921 |
| | Computer Operator II | 40 | \$ 6,066 | \$ 6,378 | \$ 6,698 | \$ 7,030 | \$ 7,396 |
| | Senior Account Clerk | 40 | \$ 6,066 | \$ 6,378 | \$ 6,698 | \$ 7,030 | \$ 7,396 |
| ADMINISTRATIVE | Administrative Assistant I | 33 | \$ 5,108 | \$ 5,366 | \$ 5,641 | \$ 5,921 | \$ 6,221 |
| | Administrative Assistant II | 38 | \$ 5,775 | \$ 6,066 | \$ 6,378 | \$ 6,698 | \$ 7,030 |
| | Administrative Assistant III | 40 | \$ 6,066 | \$ 6,378 | \$ 6,698 | \$ 7,030 | \$ 7,396 |
| | Executive Secretary/Assistant Secretary to the Board | 54 | \$ 8,576 | \$ 9,007 | \$ 9,455 | \$ 9,933 | \$ 10,425 |
| | Senior Administrative Assistant | 46 | \$ 7,030 | \$ 7,396 | \$ 7,770 | \$ 8,159 | \$ 8,576 |
| CONSTRUCTION - FLEET MAINTENANCE | | | | | | | |
| Construction | Assistant Construction Superintendent | 53 | \$ 8,369 | \$ 8,783 | \$ 9,223 | \$ 9,681 | \$ 10,172 |
| | Construction Superintendent | 65 | \$ 11,220 | \$ 11,781 | \$ 12,380 | \$ 13,006 | \$ 13,666 |
| | Equipment Operator | 36 | \$ 5,496 | \$ 5,775 | \$ 6,066 | \$ 6,378 | \$ 6,698 |
| | Water Service Foreman | 46 | \$ 7,030 | \$ 7,396 | \$ 7,770 | \$ 8,159 | \$ 8,576 |
| | Water Service Worker I | 28 | \$ 4,506 | \$ 4,743 | \$ 4,977 | \$ 5,234 | \$ 5,496 |
| | Water Service Worker II | 33 | \$ 5,108 | \$ 5,366 | \$ 5,641 | \$ 5,921 | \$ 6,221 |
| | Water Service Worker III | 37 | \$ 5,641 | \$ 5,921 | \$ 6,221 | \$ 6,534 | \$ 6,865 |
| Fleet Maintenance | Fleet Mechanic Foreman | 43 | \$ 6,534 | \$ 6,865 | \$ 7,212 | \$ 7,578 | \$ 7,963 |
| | Fleet Mechanic I | 31 | \$ 4,858 | \$ 5,108 | \$ 5,366 | \$ 5,641 | \$ 5,921 |
| | Fleet Mechanic II | 36 | \$ 5,496 | \$ 5,775 | \$ 6,066 | \$ 6,378 | \$ 6,698 |

Desert Water Agency
Position Classification and Monthly Salary Schedule
Effective 12/23/2021 for RDO2 Pay Period Employees. Effective 12/31/2021 for RDO1 and Classic Pay Period Employees.

| DEPARTMENT | POSITION TITLE | RANGE | STEP 1 | STEP 2 | STEP 3 | STEP 4 | STEP 5 |
|--|------------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|
| FIELD SERVICES | Field Services Representative I | 34 | \$ 5,234 | \$ 5,496 | \$ 5,775 | \$ 6,066 | \$ 6,378 |
| | Field Services Representative II | 37 | \$ 5,641 | \$ 5,921 | \$ 6,221 | \$ 6,534 | \$ 6,865 |
| | Field Services Supervisor | 53 | \$ 8,369 | \$ 8,783 | \$ 9,223 | \$ 9,681 | \$ 10,172 |
| | Field Services Technician I | 27 | \$ 4,408 | \$ 4,628 | \$ 4,858 | \$ 5,108 | \$ 5,366 |
| | Field Services Technician II | 31 | \$ 4,858 | \$ 5,108 | \$ 5,366 | \$ 5,641 | \$ 5,921 |
| | Field Services Technician III | 37 | \$ 5,641 | \$ 5,921 | \$ 6,221 | \$ 6,534 | \$ 6,865 |
| | | | | | | | |
| ENGINEERING - OPERATIONS | | | | | | | |
| | | | | | | | |
| Engineering | Associate Engineer | 56 | \$ 9,007 | \$ 9,455 | \$ 9,933 | \$ 10,425 | \$ 10,951 |
| | Engineering Technician I | 34 | \$ 5,234 | \$ 5,496 | \$ 5,775 | \$ 6,066 | \$ 6,378 |
| | Engineering Technician II | 39 | \$ 5,921 | \$ 6,221 | \$ 6,534 | \$ 6,865 | \$ 7,212 |
| | Engineering Technician III | 43 | \$ 6,534 | \$ 6,865 | \$ 7,212 | \$ 7,578 | \$ 7,963 |
| | Laboratory Director | 53 | \$ 8,369 | \$ 8,783 | \$ 9,223 | \$ 9,681 | \$ 10,172 |
| | Operations and Engineering Manager | 72 | \$ 13,333 | \$ 14,006 | \$ 14,712 | \$ 15,443 | \$ 16,219 |
| | Senior Engineer | 64 | \$ 10,951 | \$ 11,496 | \$ 12,070 | \$ 12,683 | \$ 13,333 |
| | Senior Engineering Technician | 45 | \$ 6,865 | \$ 7,212 | \$ 7,578 | \$ 7,963 | \$ 8,369 |
| | Staff Engineer | 51 | \$ 7,963 | \$ 8,369 | \$ 8,783 | \$ 9,223 | \$ 9,681 |
| | | | | | | | |
| Operations | Operations Technician Foreman | 51 | \$ 7,963 | \$ 8,369 | \$ 8,783 | \$ 9,223 | \$ 9,681 |
| | Operations Technician I | 37 | \$ 5,641 | \$ 5,921 | \$ 6,221 | \$ 6,534 | \$ 6,865 |
| | Operations Technician II | 41 | \$ 6,221 | \$ 6,534 | \$ 6,865 | \$ 7,212 | \$ 7,578 |
| | Operations Technician III | 46 | \$ 7,030 | \$ 7,396 | \$ 7,770 | \$ 8,159 | \$ 8,576 |
| | Operations Technician in Training | 30 | \$ 4,743 | \$ 4,977 | \$ 5,234 | \$ 5,496 | \$ 5,775 |
| | System Operator I | 35 | \$ 5,366 | \$ 5,641 | \$ 5,921 | \$ 6,221 | \$ 6,534 |
| | System Operator II | 38 | \$ 5,775 | \$ 6,066 | \$ 6,378 | \$ 6,698 | \$ 7,030 |
| | System Operator III | 41 | \$ 6,221 | \$ 6,534 | \$ 6,865 | \$ 7,212 | \$ 7,578 |
| | System Operator in Training | 30 | \$ 4,743 | \$ 4,977 | \$ 5,234 | \$ 5,496 | \$ 5,775 |
| | Water Operations Supervisor | 60 | \$ 9,933 | \$ 10,425 | \$ 10,951 | \$ 11,496 | \$ 12,070 |
| | | | | | | | |
| FACILITIES MAINTENANCE AND SAFETY | Facilities and Safety Officer | 54 | \$ 8,576 | \$ 9,007 | \$ 9,455 | \$ 9,933 | \$ 10,425 |
| | Facilities and Safety Technician | 43 | \$ 6,534 | \$ 6,865 | \$ 7,212 | \$ 7,578 | \$ 7,963 |

Desert Water Agency
Position Classification and Monthly Salary Schedule
Effective 12/23/2021 for RDO2 Pay Period Employees. Effective 12/31/2021 for RDO1 and Classic Pay Period Employees.

| DEPARTMENT | POSITION TITLE | RANGE | STEP 1 | STEP 2 | STEP 3 | STEP 4 | STEP 5 |
|--|---|-----------------|-----------|-----------|-----------|-----------|-----------|
| INFORMATION TECHNOLOGY | Information Technology Manager | 65 | \$ 11,220 | \$ 11,781 | \$ 12,380 | \$ 13,006 | \$ 13,666 |
| | PC Support Technician I | 37 | \$ 5,641 | \$ 5,921 | \$ 6,221 | \$ 6,534 | \$ 6,865 |
| | PC Support Technician II | 43 | \$ 6,534 | \$ 6,865 | \$ 7,212 | \$ 7,578 | \$ 7,963 |
| | Senior PC Support Technician | 51 | \$ 7,963 | \$ 8,369 | \$ 8,783 | \$ 9,223 | \$ 9,681 |
| | Programmer I | 50 | \$ 7,770 | \$ 8,159 | \$ 8,576 | \$ 9,007 | \$ 9,455 |
| | Programmer II | 54 | \$ 8,576 | \$ 9,007 | \$ 9,455 | \$ 9,933 | \$ 10,425 |
| | | | | | | | |
| MANAGEMENT | General Manager | Contract | n/a | n/a | n/a | n/a | \$ 24,887 |
| | Assistant General Manager | 83 | \$ 17,453 | \$ 18,324 | \$ 19,240 | \$ 20,206 | \$ 21,215 |
| | Finance Director | 81 | \$ 16,626 | \$ 17,453 | \$ 18,324 | \$ 19,240 | \$ 20,206 |
| | Human Resources Director | 69 | \$ 12,380 | \$ 13,006 | \$ 13,666 | \$ 14,354 | \$ 15,081 |
| | Director of Public Affairs and Water Planning | 74 | \$ 14,006 | \$ 14,712 | \$ 15,443 | \$ 16,219 | \$ 17,026 |
| | | | | | | | |
| PUBLIC AFFAIRS AND WATER PLANNING | Outreach and Conservation Associate | 45 | \$ 6,865 | \$ 7,212 | \$ 7,578 | \$ 7,963 | \$ 8,369 |
| | Communications and Water Resources Manager | 64 | \$ 10,951 | \$ 11,496 | \$ 12,070 | \$ 12,683 | \$ 13,333 |
| | Outreach Specialist I | 41 | \$ 6,221 | \$ 6,534 | \$ 6,865 | \$ 7,212 | \$ 7,578 |
| | Outreach Specialist II | 45 | \$ 6,865 | \$ 7,212 | \$ 7,578 | \$ 7,963 | \$ 8,369 |
| | Senior Outreach Specialist | 48 | \$ 7,396 | \$ 7,770 | \$ 8,159 | \$ 8,576 | \$ 9,007 |
| | GIS Specialist I | 46 | \$ 7,030 | \$ 7,396 | \$ 7,770 | \$ 8,159 | \$ 8,576 |
| | GIS Specialist II | 49 | \$ 7,578 | \$ 7,963 | \$ 8,369 | \$ 8,783 | \$ 9,223 |
| | Senior GIS Specialist | 52 | \$ 8,159 | \$ 8,576 | \$ 9,007 | \$ 9,455 | \$ 9,933 |
| | Conservation Specialist I | 38 | \$ 5,775 | \$ 6,066 | \$ 6,378 | \$ 6,698 | \$ 7,030 |
| | Conservation Specialist II | 43 | \$ 6,534 | \$ 6,865 | \$ 7,212 | \$ 7,578 | \$ 7,963 |
| | Senior Conservation Specialist | 47 | \$ 7,212 | \$ 7,578 | \$ 7,963 | \$ 8,369 | \$ 8,783 |
| | Water Resources Specialist I | 42 | \$ 6,378 | \$ 6,698 | \$ 7,030 | \$ 7,396 | \$ 7,770 |
| | Water Resources Specialist II | 49 | \$ 7,578 | \$ 7,963 | \$ 8,369 | \$ 8,783 | \$ 9,223 |
| | Senior Water Resources Specialist | 53 | \$ 8,369 | \$ 8,783 | \$ 9,223 | \$ 9,681 | \$ 10,172 |
| | | | | | | | |
| SNOW CREEK SECURITY | Snow Creek Security | 17 | \$2,620 | \$2,751 | \$2,890 | \$3,032 | \$3,184 |
| | | | | | | | |
| BOARD DIRECTOR | Board Director (Grandfathered Only) | | \$ 779.50 | \$ 779.50 | \$ 779.50 | \$ 779.50 | \$ 779.50 |

DESERT WATER AGENCY
STATEMENT OF CASH RECEIPTS AND EXPENDITURES

OPERATING ACCOUNT

NOVEMBER 2021

INVESTED
RESERVE FUNDS
\$44,335,634.57

| | | | |
|-----------------------------------|-------------------|-----------------------|-----------------|
| BALANCE | NOVEMBER 1, 2021 | (\$669,304.73) | |
| WATER SALES | | \$3,079,967.69 | |
| RECLAMATION SALES | | 124,873.36 | |
| WASTEWATER RECEIPTS | | 83,134.13 | |
| POWER SALES | | 7,001.30 | |
| METERS, SERVICES, ETC. | | 245,081.00 | |
| REIMBURSEMENT – GENERAL FUND | | 166,122.91 | |
| REIMBURSEMENT – WASTEWATER FUND | | 0.00 | |
| ACCOUNTS RECEIVABLE – OTHER | | 9,460.36 | |
| CUSTOMER DEPOSITS – SURETY | | 8,884.22 | |
| CUSTOMER DEPOSITS – CONST. | | 43,889.00 | |
| LEASE REVENUE | | 3,796.78 | |
| INTEREST RECEIVED ON INV. FDS. | | 0.00 | |
| FRONT FOOTAGE FEES | | 0.00 | |
| BOND SERVICE & RESERVE FUND INT | | 0.00 | |
| MISCELLANEOUS | | <u>168,434.21</u> | |
| TOTAL RECEIPTS | | \$3,940,644.96 | |
| PAYMENTS | | | |
| PAYROLL CHECKS | | \$423,677.54 | |
| PAYROLL TAXES | | 182,358.86 | |
| ELECTRONIC TRANSFERS | | 158,980.09 | |
| CHECKS UNDER \$10,000.00 | | 225,462.78 | |
| CHECKS OVER \$10,000.00 – SCH. #1 | | 973,932.87 | |
| CANCELLED CHECKS AND FEES | | <u>15,313.25</u> | |
| TOTAL PAYMENTS | | <u>\$1,979,725.39</u> | |
| NET INCOME | | \$1,960,919.57 | |
| 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 | | \$835,000.00 | |
| FUNDS INVESTED – SCH. #3 | | <u>2,041,300.00</u> | |
| NET TRANSFER | | (\$1,206,300.00) | \$1,206,300.00 |
| BALANCE | NOVEMBER 30, 2021 | \$85,314.84 | \$45,541,934.57 |

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



November 2021

| Check # | Name | Description | Amount |
|--------------|----------------------------------|--|----------------------|
| 129733 | ACWA/JPIA | Health, dental & vision insurance premiums-December 2021 | \$ 224,980.68 |
| 129767 | McKeever Waterwell & Pump Inc. | Well #33 pump maintenance | \$ 68,864.00 |
| 129790 | Thatcher Company of California | Water service supplies | \$ 24,947.38 |
| 129826 | Desert Water Agency - Wastewater | Wastewater revenue billing - October 2021 | \$ 64,545.98 |
| 129831 | Mighty Oak Technology | Technology services | \$ 21,305.00 |
| 129839 | Backflow Apparatus & Valve Co. | Water service supplies | \$ 15,635.87 |
| 129841 | Beck Oil Inc | Fuel purchase | \$ 10,835.25 |
| 129842 | Best Best & Krieger LLP | Legal fees | \$ 55,913.24 |
| 129854 | Core & Main LP | Water service supplies | \$ 22,068.90 |
| 129861 | Down to Earth Landscaping | Landscape maintenance | \$ 32,068.38 |
| 129862 | ECS Imaging, Inc. | Annual renewal | \$ 10,475.00 |
| 129869 | Grainger W W Inc. | Water service supplies | \$ 10,591.76 |
| 129879 | Inland Water Works Supply Co. | Water service supplies | \$ 180,275.20 |
| 129887 | Liberty Crane & Rigging | NCCCO Mobile crane prep course | \$ 16,825.00 |
| 129890 | NBS | Consulting services | \$ 34,475.00 |
| 129895 | Outflow Technologies | Programming - Core backoffice project (W/O # 18-179-M) | \$ 25,445.00 |
| 129909 | Singer Lewak LLP | ERP Consulting (W/O # 20-178-M) & IT Governance | \$ 51,740.51 |
| 129913 | Thatcher Company of California | Water service supplies | \$ 38,441.27 |
| 129917 | United Water Works Inc. | Water service supplies | \$ 20,210.45 |
| 129922 | Z&L Paving | Paving | \$ 44,289.00 |
| Total | | | \$ 973,932.87 |

Monthly Investment Portfolio Report

As of 11/30/2021

AGG- Operating Fund (213426)

Dated: 12/07/2021

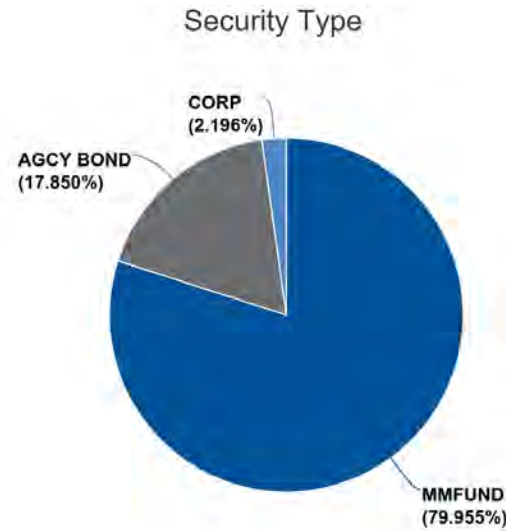


Chart calculated by: PAR Value

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 | --- | --- | 11/30/2021 | 11/30/2021 | 36,416,420.67 | 36,416,420.67 | 36,416,420.67 | --- |
| LAIF Money Market Fund LAIF - OP | --- | --- | 11/30/2021 | 11/30/2021 | 36,416,420.67 | 36,416,420.67 | 36,416,420.67 | --- |

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 UnionBanc OP | 04/29/2021 | 04/28/2023 | 04/28/2025 | 04/28/2025 | 1,000,000.00 | 999,500.00 | 987,749.00 | 0.976% |
| FEDERAL HOME LOAN BANKS UnionBanc OP | 06/28/2021 | 12/30/2021 | 09/30/2024 | 09/30/2024 | 1,000,000.00 | 1,000,000.00 | 988,038.00 | 0.828% |
| FEDERAL HOME LOAN BANKS UnionBanc OP | 09/30/2021 | 03/30/2022 | 09/30/2026 | 09/30/2026 | 1,000,000.00 | 1,000,000.00 | 986,170.00 | 1.316% |
| FEDERAL HOME LOAN BANKS UnionBanc OP | 09/24/2021 | --- | 09/13/2024 | 09/13/2024 | 1,130,000.00 | 1,125,513.90 | 1,117,288.63 | 0.784% |
| FEDERAL HOME LOAN MORTGAGE CORP UnionBanc OP | 08/20/2020 | 08/20/2022 | 08/20/2025 | 08/20/2025 | 1,000,000.00 | 1,000,000.00 | 984,925.00 | 1.039% |
| FEDERAL NATIONAL MORTGAGE ASSOCIATION UnionBanc OP | 06/30/2020 | 12/30/2021 | 06/30/2025 | 06/30/2025 | 1,000,000.00 | 1,000,000.00 | 989,265.00 | 1.036% |
| 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 | 982,750.00 | 1.036% |
| FEDERAL NATIONAL MORTGAGE ASSOCIATION UnionBanc OP | 12/16/2020 | 03/14/2022 | 06/14/2024 | 06/14/2024 | 1,000,000.00 | 1,000,500.00 | 990,845.00 | 0.740% |
| --- UnionBanc OP | --- | --- | 04/30/2025 | 04/30/2025 | 8,130,000.00 | 8,125,513.90 | 8,027,030.63 | 0.966% |

Monthly Investment Portfolio Report

As of 11/30/2021

AGG- Operating Fund (213426)
Dated: 12/07/2021

CORP

| Description, Broker | Settle Date | Next Call Date | Effective Maturity | Final Maturity | PAR Value | Original Cost | Market Value | Yield to Maturity |
|---|-------------|----------------|--------------------|----------------|--------------|---------------|--------------|-------------------|
| JPMORGAN CHASE BANK, NATIONAL ASSOCIATION UnionBanc OP | 06/22/2021 | --- | 12/23/2024 | 12/23/2024 | 1,000,000.00 | 1,000,000.00 | 990,170.00 | 0.745% |
| JPMORGAN CHASE BANK, NATIONAL ASSOCIATION UnionBanc OP | 06/22/2021 | --- | 12/23/2024 | 12/23/2024 | 1,000,000.00 | 1,000,000.00 | 990,170.00 | 0.745% |

Summary

| Description, Broker | Settle Date | Next Call Date | Effective Maturity | Final Maturity | PAR Value | Original Cost | Market Value | Yield to Maturity |
|---------------------|-------------|----------------|--------------------|----------------|---------------|---------------|---------------|-------------------|
| --- | --- | --- | 08/02/2022 | 08/02/2022 | 45,546,420.67 | 45,541,934.57 | 45,433,621.30 | 0.942% |
| --- | | | | | | | | |

* 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

NOVEMBER 2021

INVESTED
RESERVE FUNDS
\$176,639,336.74

| | | |
|---------|------------------|----------------|
| BALANCE | NOVEMBER 1, 2021 | \$1,139,398.23 |
|---------|------------------|----------------|

| | |
|---------------------------------|------------|
| * TAXES - RIVERSIDE COUNTY | 771,727.17 |
| * INTEREST EARNED - INV. FUNDS | 128,400.34 |
| GROUNDWATER REPLEN. ASSESSMENT | 522,850.92 |
| REIMBURSEMENT - OPERATING FUND | 400.00 |
| REIMBURSEMENT - CVWD MGMT AGRMT | 322,697.53 |
| STATE WATER PROJECT REFUNDS | 464,643.00 |
| REIMB - CVWD - WHITEWATER HYDRO | 1,815.01 |
| POWER SALES - WHITEWATER | 0.00 |
| MISCELLANEOUS | 200.00 |

| | |
|----------------|----------------|
| TOTAL RECEIPTS | \$2,212,733.97 |
|----------------|----------------|

PAYMENTS

| | |
|-----------------------------------|--------------|
| CHECKS UNDER \$10,000.00 | 21,831.24 |
| CHECKS OVER \$10,000.00 - SCH. #1 | 1,058,963.91 |
| CANCELLED CHECKS AND FEES | 0.00 |

| | |
|----------------|----------------|
| TOTAL PAYMENTS | \$1,080,795.15 |
|----------------|----------------|

| | |
|------------|----------------|
| NET INCOME | \$1,131,938.82 |
|------------|----------------|

INVESTED RESERVE FUNDS

| | |
|--------------------------|--------------|
| FUNDS MATURED | 3,475,000.00 |
| FUNDS INVESTED – SCH. #2 | 5,748,000.00 |

| | | |
|--------------|------------------|----------------|
| NET TRANSFER | (\$2,273,000.00) | \$2,273,000.00 |
|--------------|------------------|----------------|

| | | | |
|---------|-------------------|--------------|------------------|
| BALANCE | NOVEMBER 30, 2021 | (\$1,662.95) | \$178,912,336.74 |
|---------|-------------------|--------------|------------------|

* INCLUSIVE TO DATE

| | | |
|---------------------------|-----------------|----------------|
| | TAXES | INTEREST |
| RECEIPTS IN FISCAL YEAR | \$1,697,255.15 | \$670,686.79 |
| RECEIPTS IN CALENDAR YEAR | \$30,228,754.69 | \$1,484,793.56 |

DESERT WATER AGENCY

General Fund

Schedule #1 - Checks Over \$10,000



November 2021

| Check # | Name | Description | Amount |
|--------------|---|-------------------------------------|------------------------|
| 9591 | Coachella Valley Water District | Whitewater Cost Share | \$ 40,880.00 |
| 9592 | State of California Department of Water Resources | State Water Project entitlement | \$ 60,552.00 |
| 9595 | State of California Department of Water Resources | State Water Project - November 2021 | \$ 791,409.00 |
| 9596 | Desert Water Agency - Operating | Operating Fund Reimbursement | \$ 166,122.91 |
| Total | | | \$ 1,058,963.91 |

Monthly Investment Portfolio Report

As of 11/30/2021

AGG- General Fund (213428)

Dated: 12/07/2021

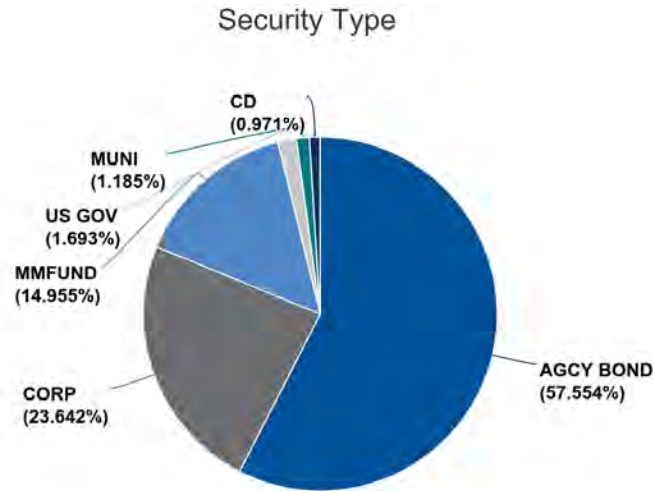


Chart calculated by: PAR Value

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 | 12/10/2021 | 08/04/2025 | 08/04/2025 | 3,000,000.00 | 3,000,005.00 | 2,958,912.00 | 1.051% |
| FEDERAL FARM CREDIT BANKS FUNDING CORP Alamo Capital | 10/15/2020 | 12/10/2021 | 10/15/2024 | 10/15/2024 | 3,000,000.00 | 2,995,500.00 | 2,962,539.00 | 0.840% |
| FEDERAL FARM CREDIT BANKS FUNDING CORP Alamo Capital | 01/05/2021 | 12/10/2021 | 04/05/2024 | 04/05/2024 | 3,000,000.00 | 3,000,000.00 | 2,971,929.00 | 0.672% |
| FEDERAL FARM CREDIT BANKS FUNDING CORP Alamo Capital | 02/12/2021 | 12/10/2021 | 11/12/2024 | 11/12/2024 | 3,000,000.00 | 3,000,000.00 | 2,951,985.00 | 0.851% |
| 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 | 2,927,325.00 | 1.081% |
| FEDERAL FARM CREDIT BANKS FUNDING CORP Piper Sandler | 10/15/2020 | 12/10/2021 | 10/15/2024 | 10/15/2024 | 3,000,000.00 | 3,000,000.00 | 2,964,882.00 | 0.843% |
| 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 | 2,977,692.00 | 0.574% |
| FEDERAL FARM CREDIT BANKS FUNDING CORP Piper Sandler | 11/05/2021 | 10/20/2022 | 10/20/2026 | 10/20/2026 | 3,000,000.00 | 2,988,000.00 | 2,969,052.00 | 1.359% |
| FEDERAL FARM CREDIT BANKS FUNDING CORP Stifel | 10/16/2020 | 12/10/2021 | 03/28/2024 | 03/28/2024 | 3,000,000.00 | 3,000,000.00 | 2,975,163.00 | 0.659% |
| FEDERAL HOME LOAN BANKS Alamo Capital | 04/09/2021 | 02/18/2022 | 11/18/2024 | 11/18/2024 | 3,000,000.00 | 2,989,263.00 | 2,951,463.00 | 0.853% |
| FEDERAL HOME LOAN BANKS Alamo Capital | 09/30/2021 | 09/30/2022 | 09/30/2026 | 09/30/2026 | 3,000,000.00 | 3,000,000.00 | 2,956,851.00 | 1.308% |
| 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 | 2,931,414.00 | 1.094% |
| FEDERAL HOME LOAN BANKS UnionBanc GF | 06/28/2021 | 12/30/2021 | 09/30/2024 | 09/30/2024 | 3,000,000.00 | 3,000,000.00 | 2,964,114.00 | 0.828% |
| FEDERAL HOME LOAN BANKS UnionBanc GF | 09/30/2021 | 03/30/2022 | 09/30/2026 | 09/30/2026 | 3,000,000.00 | 3,000,000.00 | 2,958,510.00 | 1.316% |

Monthly Investment Portfolio Report

As of 11/30/2021

AGG- General Fund (213428)

Dated: 12/07/2021

| 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 | 12/10/2021 | 03/28/2024 | 03/28/2024 | 3,000,000.00 | 3,000,000.00 | 2,973,324.00 | 0.656% |
| FEDERAL HOME LOAN BANKS Piper Sandler | 02/17/2021 | 02/17/2022 | 02/17/2026 | 02/17/2026 | 3,000,000.00 | 3,000,000.00 | 2,937,801.00 | 1.130% |
| FEDERAL HOME LOAN BANKS Piper Sandler | 02/26/2021 | 02/26/2022 | 11/26/2024 | 11/26/2024 | 3,000,000.00 | 3,000,000.00 | 2,950,659.00 | 0.859% |
| FEDERAL HOME LOAN BANKS Piper Sandler | 04/22/2021 | 01/29/2022 | 04/29/2024 | 04/29/2024 | 3,000,000.00 | 3,000,000.00 | 2,976,339.00 | 0.705% |
| FEDERAL HOME LOAN BANKS Piper Sandler | 09/30/2021 | 03/30/2022 | 09/30/2026 | 09/30/2026 | 3,000,000.00 | 3,000,000.00 | 2,959,455.00 | 1.319% |
| FEDERAL HOME LOAN BANKS Piper Sandler | 09/30/2021 | 09/30/2022 | 09/30/2026 | 09/30/2026 | 3,000,000.00 | 3,000,000.00 | 2,956,851.00 | 1.308% |
| FEDERAL HOME LOAN BANKS Stifel | 02/25/2021 | 02/25/2022 | 11/25/2024 | 11/25/2024 | 3,000,000.00 | 3,000,000.00 | 2,955,054.00 | 0.859% |
| FEDERAL HOME LOAN BANKS Stifel | 03/30/2021 | 12/30/2021 | 09/30/2024 | 09/30/2024 | 2,000,000.00 | 2,000,000.00 | 1,981,402.00 | 0.843% |
| FEDERAL HOME LOAN BANKS Stifel | 06/28/2021 | 12/28/2021 | 02/28/2024 | 02/28/2024 | 3,000,000.00 | 3,000,000.00 | 2,974,674.00 | 0.629% |
| FEDERAL HOME LOAN MORTGAGE CORP Alamo Capital | 09/30/2020 | 12/30/2021 | 09/30/2025 | 09/30/2025 | 3,000,000.00 | 3,000,000.00 | 2,927,382.00 | 1.046% |
| FEDERAL HOME LOAN MORTGAGE CORP UnionBanc GF | 08/20/2020 | 08/20/2022 | 08/20/2025 | 08/20/2025 | 3,000,000.00 | 3,000,000.00 | 2,954,775.00 | 1.039% |
| FEDERAL HOME LOAN MORTGAGE CORP Piper Sandler | 06/25/2020 | 06/25/2022 | 06/25/2025 | 06/25/2025 | 3,000,000.00 | 3,000,000.00 | 2,967,192.00 | 1.013% |
| FEDERAL HOME LOAN MORTGAGE CORP Piper Sandler | 08/26/2020 | 02/26/2022 | 08/26/2024 | 08/26/2024 | 3,000,000.00 | 3,000,000.00 | 2,974,953.00 | 0.809% |
| 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 | 2,962,947.00 | 0.840% |
| 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 | 2,974,002.00 | 0.710% |
| FEDERAL NATIONAL MORTGAGE ASSOCIATION Alamo Capital | 08/25/2020 | --- | 08/25/2025 | 08/25/2025 | 3,000,000.00 | 2,985,965.00 | 2,930,724.00 | 1.006% |
| FEDERAL NATIONAL MORTGAGE ASSOCIATION Alamo Capital | 09/06/2019 | --- | 09/06/2022 | 09/06/2022 | 1,000,000.00 | 996,520.00 | 1,009,330.00 | 0.157% |
| FEDERAL NATIONAL MORTGAGE ASSOCIATION UnionBanc GF | 07/15/2020 | 01/15/2022 | 07/15/2025 | 07/15/2025 | 3,000,000.00 | 3,000,000.00 | 2,965,455.00 | 1.055% |
| 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 | 2,948,250.00 | 1.036% |
| FEDERAL NATIONAL MORTGAGE ASSOCIATION UnionBanc GF | 12/16/2020 | 03/14/2022 | 06/14/2024 | 06/14/2024 | 3,000,000.00 | 3,001,500.00 | 2,972,535.00 | 0.740% |
| FEDERAL NATIONAL MORTGAGE ASSOCIATION Piper Sandler | 12/14/2020 | 03/14/2022 | 06/14/2024 | 06/14/2024 | 3,000,000.00 | 3,000,000.00 | 2,972,535.00 | 0.740% |
| --- | --- | --- | 03/16/2025 | 03/16/2025 | 102,000,000.00 | 101,956,753.00 | 100,647,470.00 | 0.924% |
| --- | | | | | | | | |

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 | 3,131,787.00 | 1.315% |
| APPLE INC Alamo Capital | 09/16/2019 | 08/11/2024 | 08/11/2024 | 09/11/2024 | 1,000,000.00 | 990,552.00 | 1,021,933.00 | 0.998% |
| APPLE INC UnionBanc GF | 01/27/2021 | 08/11/2024 | 08/11/2024 | 09/11/2024 | 3,000,000.00 | 3,150,000.00 | 3,065,799.00 | 0.998% |
| APPLE INC Stifel | 09/24/2020 | 04/11/2025 | 05/11/2025 | 05/11/2025 | 2,000,000.00 | 2,055,740.00 | 1,995,498.00 | 1.192% |
| APPLE INC Stifel | 03/26/2021 | 01/08/2026 | 02/08/2026 | 02/08/2026 | 1,000,000.00 | 986,200.00 | 975,858.00 | 1.294% |
| 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 | 1,010,068.00 | 1.296% |

Monthly Investment Portfolio Report

As of 11/30/2021

AGG- General Fund (213428)

Dated: 12/07/2021

| Description, Broker | Settle Date | Next Call Date | Effective Maturity | Final Maturity | PAR Value | Original Cost | Market Value | Yield to Maturity |
|--|-------------|----------------|--------------------|----------------|---------------|---------------|---------------|-------------------|
| CATERPILLAR FINANCIAL SERVICES CORP Alamo Capital | 12/17/2020 | --- | 09/14/2023 | 09/14/2023 | 3,000,000.00 | 3,012,276.48 | 2,991,828.00 | 0.603% |
| CHEVRON CORP Stifel | 07/08/2020 | 01/03/2024 | 01/03/2024 | 03/03/2024 | 3,000,000.00 | 3,239,700.00 | 3,124,593.00 | 1.029% |
| CITIBANK NA Stifel | 06/24/2020 | 12/23/2023 | 12/23/2023 | 01/23/2024 | 3,000,000.00 | 3,297,000.00 | 3,166,866.00 | 1.024% |
| 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 | 2,045,814.00 | 0.883% |
| EXXON MOBIL CORP UnionBanc GF | 03/17/2020 | --- | 08/16/2022 | 08/16/2022 | 3,000,000.00 | 3,037,470.00 | 2,984,505.00 | 2.638% |
| JOHN DEERE CAPITAL CORP Alamo Capital | 02/08/2021 | --- | 01/15/2026 | 01/15/2026 | 3,000,000.00 | 3,000,000.00 | 2,915,886.00 | 1.402% |
| JOHN DEERE CAPITAL CORP Alamo Capital | 04/03/2020 | --- | 09/08/2022 | 09/08/2022 | 1,000,000.00 | 1,003,535.00 | 1,013,509.00 | 0.396% |
| MICROSOFT CORP Stifel | 12/20/2019 | 02/01/2023 | 02/01/2023 | 05/01/2023 | 2,000,000.00 | 2,034,620.00 | 2,043,554.00 | 0.828% |
| MICROSOFT CORP Stifel | 02/10/2021 | 08/03/2025 | 08/03/2025 | 11/03/2025 | 3,000,000.00 | 3,337,530.00 | 3,202,095.00 | 1.357% |
| TOYOTA MOTOR CREDIT CORP Alamo Capital | 10/21/2019 | --- | 10/07/2024 | 10/07/2024 | 1,500,000.00 | 1,499,994.00 | 1,538,098.50 | 1.093% |
| TOYOTA MOTOR CREDIT CORP Alamo Capital | 02/19/2019 | --- | 07/13/2022 | 07/13/2022 | 1,400,000.00 | 1,399,076.00 | 1,420,462.40 | 0.434% |
| TOYOTA MOTOR CREDIT CORP Alamo Capital | 07/18/2019 | --- | 09/08/2022 | 09/08/2022 | 1,000,000.00 | 1,000,000.00 | 1,012,450.00 | 0.532% |
| VISA INC Stifel | 01/30/2020 | 10/14/2022 | 10/14/2022 | 12/14/2022 | 2,000,000.00 | 2,065,680.00 | 2,039,808.00 | 0.871% |
| WALMART INC Stifel | 06/18/2020 | 10/15/2024 | 10/15/2024 | 12/15/2024 | 2,000,000.00 | 2,173,300.00 | 2,099,248.00 | 0.990% |
| --- | --- | --- | 03/25/2024 | 04/27/2024 | 41,900,000.00 | 43,615,978.47 | 42,799,659.90 | 1.128% |

MMFUND

| Description, Broker | Settle Date | Next Call Date | Effective Maturity | Final Maturity | PAR Value | Original Cost | Market Value | Yield to Maturity |
|-------------------------------------|-------------|----------------|--------------------|----------------|---------------|---------------|---------------|-------------------|
| LAIF Money Market Fund LAIF - GF | --- | --- | 11/30/2021 | 11/30/2021 | 26,503,687.52 | 26,503,687.52 | 26,503,687.52 | --- |
| LAIF Money Market Fund LAIF - GF | --- | --- | 11/30/2021 | 11/30/2021 | 26,503,687.52 | 26,503,687.52 | 26,503,687.52 | --- |

US GOV

| Description, Broker | Settle Date | Next Call Date | Effective Maturity | Final Maturity | PAR Value | Original Cost | Market Value | Yield to Maturity |
|--|-------------|----------------|--------------------|----------------|--------------|---------------|--------------|-------------------|
| UNITED STATES TREASURY UnionBanc GF | 05/27/2021 | --- | 11/15/2023 | 11/15/2023 | 3,000,000.00 | 3,005,156.25 | 2,984,062.50 | 0.523% |
| UNITED STATES TREASURY UnionBanc GF | 05/27/2021 | --- | 11/15/2023 | 11/15/2023 | 3,000,000.00 | 3,005,156.25 | 2,984,062.50 | 0.523% |

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 | 296,628.00 | 1.418% |
| EL CAJON CALIF UnionBanc GF | 02/08/2021 | --- | 04/01/2023 | 04/01/2023 | 400,000.00 | 402,124.00 | 400,508.00 | 0.553% |
| MONTEREY PK CALIF PENSION OBLIG UnionBanc GF | 02/16/2021 | --- | 06/01/2025 | 06/01/2025 | 400,000.00 | 403,156.00 | 395,752.00 | 1.197% |

Monthly Investment Portfolio Report

As of 11/30/2021

AGG- General Fund (213428)

Dated: 12/07/2021

| Description, Broker | Settle Date | Next Call Date | Effective Maturity | Final Maturity | PAR Value | Original Cost | Market Value | Yield to Maturity |
|---|-------------|----------------|--------------------|-------------------|---------------------|---------------------|---------------------|-------------------|
| MONTEREY PK CALIF PENSION OBLIG UnionBanc GF | 02/16/2021 | --- | 06/01/2023 | 06/01/2023 | 450,000.00 | 450,643.50 | 449,140.50 | 0.491% |
| MONTEREY PK CALIF PENSION OBLIG UnionBanc GF | 02/16/2021 | --- | 06/01/2024 | 06/01/2024 | 550,000.00 | 552,255.00 | 546,436.00 | 0.888% |
| --- | --- | --- | 02/22/2024 | 02/22/2024 | 2,100,000.00 | 2,110,761.50 | 2,088,464.50 | 0.872% |
| 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 | 247,920.15 | 0.108% |
| Goldman Sachs Bank USA Piper Sandler | 06/05/2019 | --- | 06/06/2022 | 06/06/2022 | 245,000.00 | 245,000.00 | 247,990.96 | 0.128% |
| JPMorgan Chase Bank, National Association Alamo Capital | 02/08/2021 | 01/16/2022 | 01/16/2026 | 01/16/2026 | 250,000.00 | 250,000.00 | 244,851.50 | 1.111% |
| Morgan Stanley Bank, N.A. Piper Sandler | 06/06/2019 | --- | 06/06/2022 | 06/06/2022 | 245,000.00 | 245,000.00 | 248,053.92 | 0.128% |
| Morgan Stanley Private Bank, National Association Piper Sandler | 06/06/2019 | --- | 06/06/2022 | 06/06/2022 | 245,000.00 | 245,000.00 | 248,053.92 | 0.128% |
| Sallie Mae Bank Piper Sandler | 05/29/2019 | --- | 05/31/2022 | 05/31/2022 | 245,000.00 | 245,000.00 | 247,920.15 | 0.108% |
| Synchrony Bank Piper Sandler | 06/07/2019 | --- | 06/07/2022 | 06/07/2022 | 245,000.00 | 245,000.00 | 247,879.98 | 0.128% |
| --- | --- | --- | 12/07/2022 | 12/07/2022 | 1,720,000.00 | 1,720,000.00 | 1,732,670.59 | 0.261% |
| --- | | | | | | | | |

Summary

| Description, Broker | Settle Date | Next Call Date | Effective Maturity | Final Maturity | PAR Value | Original Cost | Market Value | Yield to Maturity |
|------------------------|-------------|----------------|--------------------|-------------------|-----------------------|-----------------------|-----------------------|-------------------|
| --- | --- | --- | 06/01/2024 | 06/09/2024 | 177,223,687.52 | 178,912,336.74 | 176,756,015.01 | 0.966% |
| --- | | | | | | | | |

* 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

NOVEMBER 2021

INVESTED
RESERVE FUNDS
\$1,717,477.56

| | | | | |
|-----------------------------------|-------------------|--------------|--------------|----------------|
| BALANCE | NOVEMBER 1, 2021 | \$11,745.93 | | |
| ACCOUNTS RECEIVABLE - OTHER | | \$0.00 | | |
| CUSTOMER DEPOSITS - CONSTRUCTION | | 0.00 | | |
| INTEREST EARNED - INVESTED FUNDS | | 0.00 | | |
| WASTEWATER REVENUE | | 64,545.98 | | |
| SEWER CAPACITY CHARGES | | 0.00 | | |
| MISCELLANEOUS | | 0.00 | | |
| | | | | |
| TOTAL RECEIPTS | | \$64,545.98 | | |
| PAYMENTS | | | | |
| CHECKS UNDER \$10,000.00 | | \$9,599.96 | | |
| CHECKS OVER \$10,000.00 - SCH. #1 | | 62,343.05 | | |
| CANCELLED CHECKS AND FEES | | 0.00 | | |
| | | | | |
| TOTAL PAYMENTS | | \$71,943.01 | | |
| NET INCOME | | (\$7,397.03) | | |
| INVESTED RESERVE FUNDS | | | | |
| FUNDS MATURED | | \$6,300.00 | | |
| FUNDS INVESTED – SCH. #2 | | 11,000.00 | | |
| | | | | |
| NET TRANSFER | | | (\$4,700.00) | \$4,700.00 |
| | | | | |
| BALANCE | NOVEMBER 30, 2021 | | (\$351.10) | \$1,722,177.56 |

DESERT WATER AGENCY

Wastewater Fund

Schedule #1 - Checks Over \$10,000



November 2021

| Check # | Name | Description | Amount |
|---------|---------------------------------|---|--------------|
| 3403 | Coachella Valley Water District | Wastewater Revenue Billing for October 2021 | \$ 62,343.05 |
| Total | | | \$ 62,343.05 |

Security Type

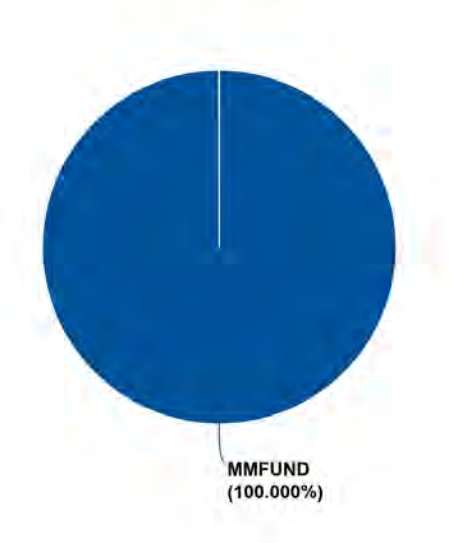


Chart calculated by: PAR Value

| 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 | --- | --- | 11/30/2021 | 11/30/2021 | 1,722,177.56 | 1,722,177.56 | 1,722,177.56 | --- |
| LAIF Money Market Fund LAIF - WW | --- | --- | 11/30/2021 | 11/30/2021 | 1,722,177.56 | 1,722,177.56 | 1,722,177.56 | --- |

* 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

November 30, 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.

Treasury Notes

Fixed income securities issued by the federal government with maturities between two and ten years backed by the full faith and credit of the United States government.

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.

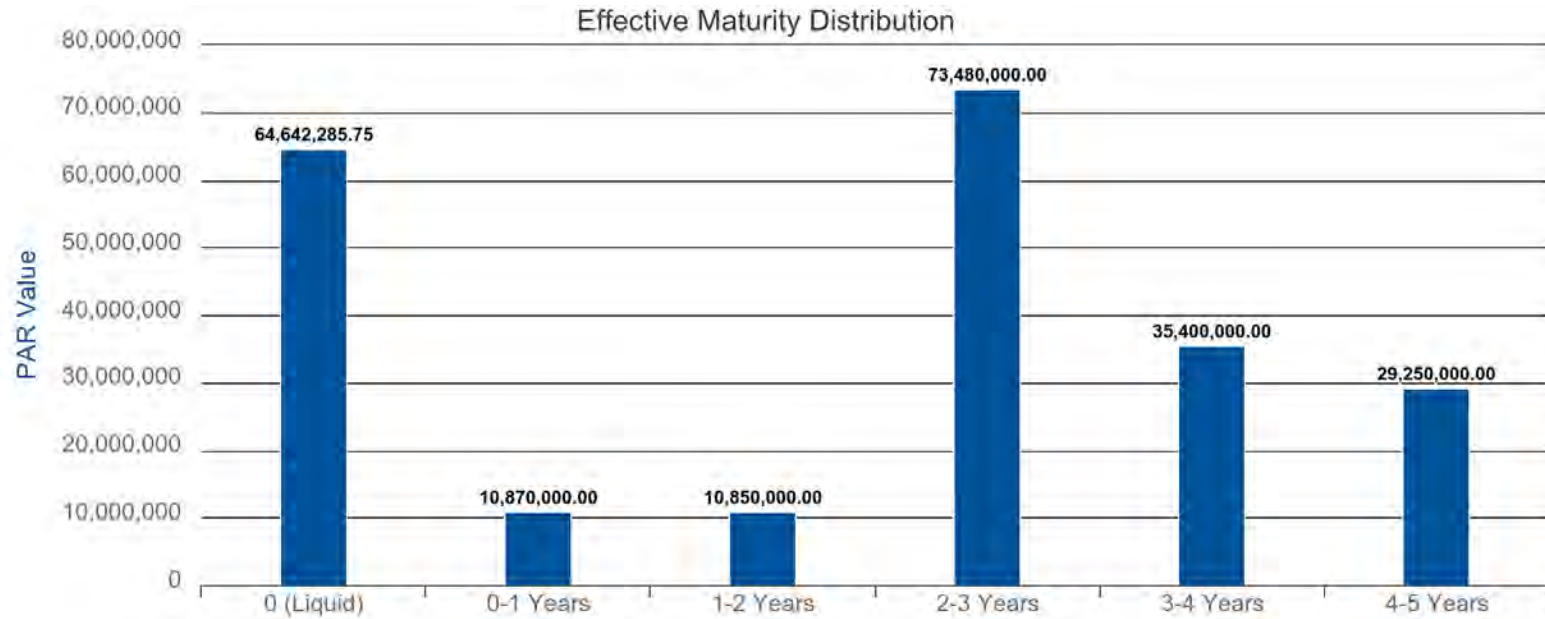
Esther Saenz
Finance Director
Desert Water Agency

Effective Maturity Distribution Summary

As of 11/30/2021

AGG-ALL (219610)

Dated: 12/07/2021



0 (Liquid)

| DWA Fund | Account | Identifier | Description | Security Type | PAR Value | Ending Effective Maturity | Final Maturity |
|-----------------|-----------|------------|------------------------|---------------|---------------|---------------------------|----------------|
| General Fund | LAIF - GF | LAIFMMF | LAIF Money Market Fund | MMFUND | 26,503,687.52 | 11/30/2021 | 11/30/2021 |
| Operating Fund | LAIF - OP | LAIFMMF | LAIF Money Market Fund | MMFUND | 36,416,420.67 | 11/30/2021 | 11/30/2021 |
| Wastewater Fund | LAIF - WW | LAIFMMF | LAIF Money Market Fund | MMFUND | 1,722,177.56 | 11/30/2021 | 11/30/2021 |
| --- | --- | LAIFMMF | LAIF Money Market Fund | MMFUND | 64,642,285.75 | 11/30/2021 | 11/30/2021 |

0-1 Years

| DWA Fund | Account | Identifier | Description | Security Type | PAR Value | Ending Effective Maturity | Final Maturity |
|--------------|---------|------------|-------------|---------------|---------------|---------------------------|----------------|
| General Fund | --- | --- | --- | --- | 10,870,000.00 | 08/19/2022 | 08/30/2022 |
| General Fund | --- | --- | --- | --- | 10,870,000.00 | 08/19/2022 | 08/30/2022 |

1-2 Years

| DWA Fund | Account | Identifier | Description | Security Type | PAR Value | Ending Effective Maturity | Final Maturity |
|--------------|---------|------------|-------------|---------------|---------------|---------------------------|----------------|
| General Fund | --- | --- | --- | --- | 10,850,000.00 | 06/22/2023 | 07/20/2023 |
| General Fund | --- | --- | --- | --- | 10,850,000.00 | 06/22/2023 | 07/20/2023 |

2-3 Years

| DWA Fund | Account | Identifier | Description | Security Type | PAR Value | Ending Effective Maturity | Final Maturity |
|--------------|---------|------------|-------------|---------------|---------------|---------------------------|----------------|
| General Fund | --- | --- | --- | --- | 70,350,000.00 | 07/07/2024 | 07/15/2024 |

Effective Maturity Distribution Summary

AGG-ALL (219610)

As of 11/30/2021

Dated: 12/07/2021

| DWA Fund | Account | Identifier | Description | Security Type | PAR Value | Ending Effective Maturity | Final Maturity |
|----------------|--------------|------------|-------------|---------------|---------------|---------------------------|----------------|
| Operating Fund | UnionBanc OP | --- | --- | AGCY BOND | 3,130,000.00 | 08/20/2024 | 08/20/2024 |
| --- | --- | --- | --- | --- | 73,480,000.00 | 07/09/2024 | 07/17/2024 |

3-4 Years

| DWA Fund | Account | Identifier | Description | Security Type | PAR Value | Ending Effective Maturity | Final Maturity |
|----------------|--------------|------------|-------------|---------------|---------------|---------------------------|----------------|
| General Fund | --- | --- | --- | --- | 30,400,000.00 | 07/13/2025 | 07/27/2025 |
| Operating Fund | UnionBanc OP | --- | --- | --- | 5,000,000.00 | 05/29/2025 | 05/29/2025 |
| --- | --- | --- | --- | --- | 35,400,000.00 | 07/07/2025 | 07/19/2025 |

4-5 Years

| DWA Fund | Account | Identifier | Description | Security Type | PAR Value | Ending Effective Maturity | Final Maturity |
|----------------|--------------|------------|-------------------------|---------------|---------------|---------------------------|----------------|
| General Fund | --- | --- | --- | --- | 28,250,000.00 | 06/04/2026 | 06/04/2026 |
| Operating Fund | UnionBanc OP | 3130AP6M2 | FEDERAL HOME LOAN BANKS | AGCY BOND | 1,000,000.00 | 09/30/2026 | 09/30/2026 |
| --- | --- | --- | --- | --- | 29,250,000.00 | 06/08/2026 | 06/08/2026 |

Summary

| Account | Identifier | Description | Security Type | PAR Value | Ending Effective Maturity | Final Maturity |
|---------|------------|-------------|---------------|----------------|---------------------------|----------------|
| --- | --- | --- | --- | 224,492,285.75 | 01/11/2024 | 01/17/2024 |

* 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 |
| US GOV | U.S. Treasury notes, bills bonds or other certificates of indebtedness ⁷ |

| 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

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

| DESERT WATER AGENCY - OPERATING FUND COMPARATIVE EARNINGS STATEMENT | | | | | | | | |
|--|-------------------------------------|--------------|--------------|--|---------------|---------------|-----------------------|------|
| MONTH 21-22 NOVEMBER | /-----THIS MONTH-----/ THIS YEAR | LAST YEAR | BUDGET | /-----FISCAL YEAR TO DATE-----/ THIS YEAR | LAST YEAR | BUDGET | /--VARIANCE--/ YTD | PCT |
| OPERATING REVENUES | | | | | | | | |
| WATER SALES | 3,099,177.90 | 3,205,098.76 | 3,131,000.00 | 17,739,618.62 | 18,072,124.76 | 17,061,300.00 | 678,318.62 | 4 |
| RECLAMATION SALES | 106,211.32 | 95,936.47 | 103,600.00 | 606,320.89 | 585,974.60 | 523,900.00 | 82,420.89 | 16 |
| POWER SALES | 7,001.30 | 1,363.85 | 2,658.00 | 27,067.72 | 7,064.36 | 13,290.00 | 13,777.72 | 104 |
| OTHER OPER REVENUE | 272,980.66 | 170,707.77 | 171,713.00 | 955,377.30 | 1,118,832.22 | 858,565.00 | 96,812.30 | 11 |
| TOTAL OPER REVENUES | 3,485,371.18 | 3,473,106.85 | 3,408,971.00 | 19,328,384.53 | 19,783,995.94 | 18,457,055.00 | 871,329.53 | 5 |
| OPERATING EXPENSES | | | | | | | | |
| SOURCE OF SUPPLY EXP | 25,061.82 | 92,637.83 | 57,849.00 | 1,955,781.43 | 1,932,217.70 | 1,955,645.00 | 136.43 | 0 |
| PUMPING EXPENSE | 119,519.46 | 325,747.90 | 95,692.00 | 331,520.74 | 1,510,497.17 | 478,460.00 | 146,939.26- | 31- |
| REGULATORY WATER TREAT | 85,816.24 | 59,878.28 | 63,482.00 | 360,684.62 | 300,940.86 | 317,410.00 | 43,274.62 | 14 |
| TRANS & DIST EXPENSE | 236,295.12 | 194,056.06 | 335,402.00 | 1,125,285.04 | 953,930.99 | 1,677,010.00 | 551,724.96- | 33- |
| CUSTOMER ACT EXPENSE | 78,262.86 | 85,312.07 | 98,763.00 | 392,453.50 | 431,518.19 | 488,815.00 | 96,361.50- | 20- |
| ADMIN & GEN EXPENSE | 722,338.80 | 777,418.10 | 1,027,347.00 | 5,623,363.70 | 5,605,133.24 | 6,680,840.00 | 1,057,476.30- | 16- |
| REGULATORY EXPENSE | 51,712.63 | 4,238.37 | 34,538.00 | 102,333.86 | 42,245.38 | 172,690.00 | 70,356.14- | 41- |
| SNOW CREEK HYDRO EXP | 3,850.28 | 2,380.77 | 3,050.00 | 15,999.15 | 14,014.21 | 15,250.00 | 749.15 | 5 |
| RECLAMATION PLNT EXP | 42,620.07 | 50,348.97 | 235,072.00 | 323,718.87 | 308,137.78 | 1,175,860.00 | 852,141.13- | 72- |
| SUB-TOTAL | 1,365,477.28 | 1,592,018.35 | 1,951,195.00 | 10,231,140.91 | 11,098,635.52 | 12,961,980.00 | 2,730,839.09- | 21- |
| OTHER OPER EXPENSES | | | | | | | | |
| DEPRECIATION | 515,613.19 | 521,708.84 | 546,400.00 | 2,582,361.07 | 2,625,987.74 | 2,732,000.00 | 149,638.93- | 5- |
| SERVICES RENDERED | 27,345.03 | 9,907.48 | 13,400.00 | 55,541.69 | 55,855.97 | 67,000.00 | 11,458.31- | 17- |
| DIR & INDIR CST FOR WO | 156,537.70- | 193,929.15- | 218,600.00- | 1,182,033.83- | 1,251,616.18- | 1,093,000.00- | 89,033.83- | 8 |
| TOTAL OPER EXPENSES | 1,751,897.80 | 1,929,705.52 | 2,292,395.00 | 11,687,009.84 | 12,528,863.05 | 14,667,980.00 | 2,980,970.16- | 20- |
| NET INCOME FROM OPERATIONS | 1,733,473.38 | 1,543,401.33 | 1,116,576.00 | 7,641,374.69 | 7,255,132.89 | 3,789,075.00 | 3,852,299.69 | 102 |
| NON-OPERATING INCOME (NET) | | | | | | | | |
| RENTS | 14,701.37 | 26,793.77 | 3,780.00 | 72,417.85 | 73,297.33 | 93,120.00 | 20,702.15- | 22- |
| INTEREST REVENUES | 10,251.01 | 17,450.63 | 11,500.00 | 54,150.97 | 105,221.40 | 57,500.00 | 3,349.03- | 6- |
| INTEREST EXP. OTHER | .00 | .00 | .00 | 710.00- | .00 | .00 | 710.00- | 0 |
| INVESTMENT AMORT. | .00 | .00 | .00 | 29,464.87 | .00 | .00 | 29,464.87 | 0 |
| OTHER REVENUES | 280.00 | 21,136.68- | .00 | 377,650.01 | 17,166.68- | .00 | 377,650.01 | 0 |
| GAINS ON RETIREMENT | .00 | .00 | 3,860.00 | .00 | .00 | 11,580.00 | 11,580.00- | 100- |
| DISCOUNTS | 24.46 | 1.78 | 42.00 | 174.56 | 227.09 | 210.00 | 35.44- | 17- |
| PR. YEAR EXPENSES | .00 | .00 | .00 | 1,229.84- | 363.60- | .00 | 1,229.84- | 0 |
| OTHER EXPENSES | 161.62- | 26,112.44- | 5,750.00- | 161.62- | 27,015.39- | 58,750.00- | 58,588.38 | 100- |
| LOSS ON RETIREMENTS | .00 | .00 | 14,583.00- | 35,269.77- | 53.86- | 72,915.00- | 37,645.23 | 52- |
| TOTAL NON-OPER INCOME | 25,095.22 | 3,002.94- | 1,151.00- | 496,487.03 | 134,146.29 | 30,745.00 | 465,742.03 | 0 |
| TOTAL NET INCOME | 1,758,568.60 | 1,540,398.39 | 1,115,425.00 | 8,137,861.72 | 7,389,279.18 | 3,819,820.00 | 4,318,041.72 | 113 |

GENERAL MANAGER'S REPORT DECEMBER 21, 2021

Reinstatement of Disconnections for Non-payment, Effective January 1, 2022

With the repeal of Executive Order N-42-20, the Agency was scheduled to resume disconnections of service for non-payment on September 30, 2021. The passing of SB155 on September 9, 2021 extended the moratorium of disconnections of service for non-payment to December 31, 2021.

With the sunset of this provision, the Agency will resume disconnections of service for non-payment. Delinquent customers have received on-bill notification of the reinstatement of disconnections for non-payment beginning in January 2022. Delinquent customers will receive a disconnection notification with their January bill. Customers will have the opportunity to either pay their delinquent amounts or enroll in a payment plan by their January bill due date in order to avoid service disconnection.

The Agency continues to offer extended payment plans of up to 48-months to customers in order to avoid disconnection of service for non-payment. Customers are still eligible to enroll for an extended payment plan term through February 28, 2022. Beginning March 1, 2022, the Agency will offer 12-month payment plan terms as outlined in the Agency's Policy on Discontinuation for Residential Water Service for Non-Payment.

The Agency has also applied for COVID-19 relief funding through the California Water and Wastewater Arrearage Payment Program. It is anticipated this funding will be received within the next two weeks and will be applied to eligible customer accounts. Staff will account for California Water and Wastewater Payment Program funding when processing delinquent accounts.

Cyber Liability Insurance

The Agency maintains cyber liability insurance under ACWA JPIA's liability insurance program. The 2021/2022 group policy renewal for all member agencies reflected a premium increase of 632%, from \$123,000 to \$900,000. Desert Water pays its proportionate share of this cyber liability insurance within the Agency's liability insurance premium, which reflected an overall increase of 11% (\$23,500) overall as compared to 2020/2021.

In prior years, cybersecurity insurance policies were informal and lax. Over the last few years, with the increasing number of incidents, claims have been on the rise, resulting in increased premiums.

For the upcoming 2022/2023 cyber liability insurance renewal, ACWA JPIA will be requiring member agencies to complete extensive information technology questionnaires. ACWA JPIA has advised member agencies they will likely need assistance from consultants to complete the survey for their agencies. DWA staff will collaborate with current IT consultants, SingerLewak Business Informatics and Acorn Technology Services to complete the required surveys.

Human Resource's Meetings and Activities

Meetings:

| | | |
|------------|--|-----------------|
| 11/16/2021 | DWA Board Meeting | Virtual Meeting |
| 11/22/2021 | DWA Staff Meeting | Virtual Meeting |
| 11/29/2021 | DWA Staff Meeting | Virtual Meeting |
| 12/06/2021 | DWA Staff Meeting | Virtual Meeting |
| 12/07/2021 | DWA Board Meeting | Virtual Meeting |
| 12/13/2021 | DWA HR Committee Meeting | Virtual Meeting |
| 12/13/2021 | DWA Engineering/Operations Staff Meeting | Virtual Meeting |
| 12/20/2021 | DWA Staff Meeting | Virtual Meeting |

Activities:

| | | |
|------------|---|-----------------|
| 11/17/2021 | Attended Safety Training: Active Shooter Prevention | DWA Offices |
| 11/18/2021 | Safety Training and Active Shooter Training Drill | Virtual Meeting |
| 11/18/2021 | Ask JAN Webinar: Return to Work After COVID-19 | Virtual Meeting |
| 11/23/2021 | Conducted Intern Pre-Screen Interview | Virtual Meeting |
| 11/30/2021 | Conducted HR Benefit Training Classes for Staff | DWA Offices |
| 11/30/2021 | Webinar: Strategic Total Rewards for 2022 | Virtual Meeting |
| 12/01/2021 | Conducted Interview for Intern Position | Virtual Meeting |
| 12/01/2021 | Meeting with GM and AGM to Discuss Salary Survey Results | DWA Offices |
| 12/01/2021 | Conducted DOT Random Testing | DWA Offices |
| 12/02/2021 | Hosted Blood Drive | DWA Offices |
| 12/07/2021 | Conducted HR Benefit Training Class for Staff | Virtual Meeting |
| 12/08/2021 | B&K Webinar: Annual Labor & Employment Law Update | Virtual Meeting |
| 12/09/2021 | Ask JAN Webinar: Accommodation Solutions for Autoimmune Disorders | Virtual Meeting |
| 12/09/2021 | Conducted Intern Orientation | DWA Offices |
| 12/15/2021 | Webinar: CalPERS Pre-Retirement Survivor Benefits | Virtual Meeting |
| 12/16/2021 | ACWA JPIA Webinar: New Laws for 2022 | Virtual Meeting |
| 12/16/2021 | Meeting with DWAEA to Review Salary Survey Results | DWA Offices |

Desert Water Agency offices will be closed on Thursday, December 23 and Friday, December 24 in observance of the Christmas holiday. The Agency will also be closed on Friday, December 31 for New Year's.



| SYSTEM LEAK DATA | | | | | |
|---|-----------------|------------------------|----------------|---------------|-------------------|
| (PERIOD BEGINNING NOV 30, 2021 THRU DEC 13, 2021) | | | | | |
| STREET NAME | NUMBER OF LEAKS | PIPE DIAMETER (INCHES) | YEAR INSTALLED | PIPE MATERIAL | PIPE CONSTRUCTION |
| CERRITOS RD | 7 | 6 | 1957 | STEEL | BARE/UNLINED |
| BISKRA RD | 6 | 6 | 1957 | STEEL | BARE/UNLINED |
| CHUPEROSA RD | 5 | 4 | 1958 | STEEL | BARE/UNLINED |
| DEL LAGO RD | 4 | 6 | 1957 | STEEL | BARE/UNLINED |
| BARISTO RD | 4 | 4 | 1936 | STEEL | BARE/UNLINED |
| AVENIDA CABALLEROS | 3 | 14 | 1953 | STEEL | BARE/UNLINED |
| VIA MONTE VISTA | 2 | 8 | 1953 | STEEL | BARE/UNLINED |
| E PALM CANYON DR | 2 | 6 | 1953 | STEEL | BARE/UNLINED |
| LURING DR | 2 | 4 | 1946 | STEEL | BARE/UNLINED |
| VIA ALTAMIRA | 2 | 4 | 1954 | STEEL | BARE/UNLINED |
| BAHADA RD | 2 | 4 | 1957 | STEEL | BARE/UNLINED |
| INDIAN CANYON DR | 1 | 10 | 1938 | STEEL | BARE/UNLINED |
| RAMON RD | 1 | 6 | 1955 | STEEL | BARE/UNLINED |
| DESERT PARK AVE | 1 | 6 | 1955 | STEEL | BARE/UNLINED |
| PASEO CAROLETA | 1 | 6 | 1958 | STEEL | BARE/UNLINED |
| CALLE DE CARLOS | 1 | 4 | 1946 | STEEL | BARE/UNLINED |
| WARM SANDS PL | 1 | 4 | 1946 | STEEL | BARE/UNLINED |
| BELARDO RD | 1 | 4 | 1950 | STEEL | BARE/UNLINED |
| PATENCIO RD | 1 | 4 | 1954 | STEEL | BARE/UNLINED |
| TERRY LN | 1 | 4 | 1956 | STEEL | BARE/UNLINED |
| JOHNSON ST | 1 | 3 | 1955 | STEEL | BARE/UNLINED |
| FIESTA RD | 1 | 2 | 1946 | GALV | BARE/UNLINED |
| TOTAL LEAKS IN SYSTEM: | | 50 | | | |

Streets highlighted in yellow experienced leaks during street pulverizing for

2021 City of Palm Springs Pavement Rehabilitation Project

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

Vista Chino 20" mainline replacement design is being developed

F.Y. 2021/2022 budget for design

| 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 Nov. 30, 2021
thru Dec. 13, 2021)

2020/2021 REPLACEMENT PIPELINES - AVENIDA CABALLEROS

2021/2022 REPLACEMENT PIPELINES - VIA ALTAMIRA

2021/2022 REPLACEMENT PIPELINES - TERRY LN

2021/2022 REPLACEMENT PIPELINES - LURING DR

2021/2022 REPLACEMENT PIPELINES - CALLE DE CARLOS

General Manager's Meetings and Activities

Meetings:

| | | |
|----------|--|-----------|
| 12/07/21 | DWA Bi-Monthly Board Mtg | Conf Call |
| 12/07/21 | Tribal Mediation Plenary Mtg | ACBCI |
| 12/07/21 | HR Benefits Enrollment Mtg | Conf Call |
| 12/07/21 | SGMA SGP GSP | Conf Call |
| 12/08/21 | SWC Mtg on SWP WSRB Surcharge | Conf Call |
| 12/09/21 | Review of DWA Const. Dep. Retention Schedule | Conf Call |
| 12/09/21 | SWP East Branch Enlargement Workshop #2 | Conf Call |
| 12/13/21 | DWA Wkly Staff Mtgs | Conf Call |
| 12/13/21 | DWA HR Cmte Mtg | Conf Call |
| 12/13/21 | Subeca Agency Portal Proposal and Presentation | Conf Call |
| 12/14/21 | Mission Creek Subbasin Quarterly GM Mtg | Conf Call |
| 12/14/21 | DWA Area of Benefit Mtg Woodard & Curran | Conf Call |
| 12/15/21 | SWP DCP Coordination Mtg | Conf Call |
| 12/15/21 | SWP DCP Update from DWR | Conf Call |
| 12/15/21 | SWC Mthly Mtgs | Conf Call |
| 12/15/21 | ACBCI ACWA Board Mtg | Conf Call |
| 12/15/21 | SGMA GSP Board Presentation Prep | Conf Call |
| 12/16/21 | DWA Executive Cmte Mtg | Conf Call |
| 12/16/21 | SWC Board Mtg | Conf Call |
| 12/16/21 | SWP DC Finance Board Mtg | Conf Call |
| 12/16/21 | SWP 2021 Water Transfers Annual Workshop | Conf Call |
| 12/17/21 | Sites Reservoir and Authority Joint Board Mtg | Conf Call |
| 12/21/21 | DWA Bi-Monthly Board Mtg | Conf Call |

Activities:

- 1) Palm Springs Aerial Tramway Water Supply 2021
- 2) SWP Contract Extension Amendment
- 3) DWA Remote Meter Reading Fixed Network
- 4) Whitewater Hydro – Automatic Re-start
- 5) State and Federal Contractors Water Authority and Delta Specific Project Committee (Standing)
- 6) Whitewater River Surface Water Recharge
- 7) Lake Oroville Spillway FEMA funding
- 8) Replacement Pipelines 2020-2021
- 9) DC Project – Finance JPA Committee (Standing)
- 10) DWA/CVWD/MWD Operations Coordination/Article 21/Pool A/Pool B/Yuba Water (Standing)
- 11) DWA/CVWD/MWD Exchange Agreement Coordination Committee (Standing)
- 12) SWP 2020 Water Supply
- 13) ACBCI Water Rights Lawsuit
- 14) Whitewater Hydro Operations Coordination with Recharge Basin O&M
- 15) SGMA Tribal Stakeholder Meetings

16) Whitewater Spreading Basins – BLM Permits

Activities Cont.:

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