



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: (253) 215-8782

Meeting ID: 832 1952 3866

Pass Code: 266887

or Via Computer:

<https://dwa-org.zoom.us/j/83219523866?pwd=eWRrNHhPdi92aEZWZU5RWmtBbksxUT09>

Meeting ID: 832 1952 3866

*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.*

De acuerdo con el proyecto de Ley de la Asamblea 361 (AB361), no habrá un lugar público para asistir en persona. Esta reunión se llevará a cabo virtualmente porque los funcionarios estatales y locales recomiendan medidas para promover el distanciamiento social. Los miembros del público que deseen participar pueden hacerlo llamando al:

Numero gratuito: (253) 215-8782

ID de reunión: 832 1952 3866

código de acceso: 266887

o a través de la computadora:

<https://dwa-org.zoom.us/j/83219523866?pwd=eWRrNHhPdi92aEZWZU5RWmtBbksxUT09>

ID de reunión: 832 1952 3866

Los miembros del público que deseen comentar sobre cualquier tema dentro de la jurisdicción de la Agencia o cualquier tema en la agenda pueden enviar comentarios por correo electrónico a sbaca@dwa.org o pueden hacerlo durante la reunión. Los comentarios pasarán a formar parte del registro de la reunión de la Junta. Los miembros de la junta y el personal participarán en esta reunión por teleconferencia.

**Para reducir los comentarios, silencia el audio cuando no estés hablando.*

1. CALL TO ORDER/PLEDGE OF ALLEGIANCE BLOOMER
2. ROLL CALL BACA
3. PUBLIC COMMENT ON ITEMS NOT ON THE AGENDA: Members of the public may comment on any item not listed on the agenda, but within the jurisdiction of the Agency. 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. PUBLIC COMMENT ON LISTED AGENDA ITEMS: Members of the public may also comment on items listed on the agenda that are not the subject of a public hearing, at this time. Again, speakers are requested to keep their comments to no more than three (3) minutes.

5. 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 April 5, 2022 Board Meeting
 - B. Receive and File – Minutes of the April 12, 2022 Executive Committee Meeting
 - C. Receive and File – Minutes of the April 13, 2022 Finance Committee Meeting
 - D. Receive and File - Minutes of the April 14, 2022 Executive Committee Meeting
 - E. Receive and File - March Activities & Events for the Public Affairs & Water Planning Department
 - 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 for Public Health (Per AB361)
 - G. Request Authorization for Finance Director to Execute Enrollment Documents for the Low Income Household Water Assistance Program on Behalf of Desert Water Agency
 - H. Request Adoption of Resolution No. 1273 Establishing Policy and Guidelines for Investment of Desert Water Agency Funds
 - I. Request Authorization for General Manager to Execute Engagement Letter for Professional Auditing Services
 - J. Request Authorization to Execute Colorado River Funding Area Underrepresented Communities Set Aside Memorandum of Understanding
6. ACTION ITEM:
 - A. Request Board Decision on Customer Appeal – Bellisha Klinge JOHNSON
7. DISCUSSION ITEMS:
 - A. Sustainable Groundwater Management Act (Annual Reports) METZGER
8. SECRETARY-**TREASURER'S REPORT** (March 2022) STUART
9. **GENERAL MANAGER'S REPORT** KRAUSE
10. DIRECTORS COMMENTS/REQUESTS
11. CLOSED SESSION
 - A. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION
Pursuant to Government Code Section 54956.9 (d) (1)
Name of Case: Agua Caliente Band of Cahuilla Indians vs. Coachella Valley Water District, et al
(Two Cases)
 - B. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION
Pursuant to Government Code Section 54956.9 (d) (1)
Name of Case: Mission Springs Water District vs. Desert Water Agency
 - C. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION
Pursuant to Government Code Section 54956.9 (d) (1)
Name of Case: AT&T vs. County of Riverside
 - D. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION
Pursuant to Government Code Section 54956.9 (d) (1)
Name of Case: Albrecht et al vs. County of Riverside
 - E. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION
Pursuant to Government Code Section 54956.9 (d) (1)
Name of Case: Abbey et al vs. County of Riverside

F. CONFERENCE WITH LEGAL COUNSEL – POTENTIAL LITIGATION (Government Code Section 54956.9(e)(1))
Potential Exposure to Litigation Pursuant to Section 54956.9(d) (2)
One Case

G. PUBLIC EMPLOYEE PERFORMANCE EVALUATION
Pursuant to Government Code Section 54957
Title: General Manager

12. RECONVENE INTO OPEN SESSION – REPORT FROM CLOSED SESSION

13. ADJOURN

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

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, MMC
Assistant Secretary of the Board

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

5-A

April 5, 2022

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.)

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

Public via Marion Champion, Mission Springs Water District)
Teleconference: Deiter Crawford, Palm Springs Resident)
Randy Duncan, Mission Springs Water District)
David Freedman, Palm Springs Sustainability Comm.)
Steve Grasha, Mission Springs Water District)

19398. President Bloomer opened the meeting at 8:00 a.m. and asked everyone to join her in the Pledge of Allegiance. **Pledge of Allegiance**

19399. President Bloomer called upon Assistant Secretary of the Board Baca to conduct the roll call: **Roll Call**

Present: Ortega, Oygar, Stuart, Cioffi, Bloomer

19400. President Bloomer opened the meeting for public comment for items not listed on the Agenda. **Public Comment on Items Not on the Agenda**

There was no one from the public wishing to address the Board for items not on the Agenda.

19401. President Bloomer opened the meeting for public comment for items listed on the Agenda. **Public Comment on Listed Items**

There was no one from the public wishing to address the Board for items listed on the Agenda.

19402. President Bloomer called upon Director of Public Affairs & Water Planning Metzger to present her report regarding the Electoral Division Maps Public Hearing.

Items for Action:
Public Hearing #3 on
Electoral Division Map
Adoption/Adoption of
Ordinance No. 73

Mrs. Metzger reported that this is the third public hearing on the electoral division map adoption and gave instructions on how the public hearing will proceed. She then invited Mr. Richardson with Best Best & Krieger, Election Services to present his report.

Mr. Richardson gave a Power Point presentation reviewing the legal process of redistricting and reviewing the remaining two draft maps 2.1 and 4.1 that represents a majority/minority district.

President Bloomer opened the public hearing to provide input on the Agency's Electoral Division Maps at 8:15 a.m.

Public Hearing Open

Mr. Grasha stated he supports Map 4.1.

Mr. Grasha

Mr. Freedman stated he prefers Map 2.1 noting it does not split North Palm Springs.

Mr. Freedman

Mr. Crawford stated he supports Map 4.1.

Mr. Crawford

Mr. Duncan reported that Mission Springs Water District supports Map 2.1.

Mr. Duncan

Mrs. Metzger reported two emails were received: 1).

Written Comments:

Mr. Paul Hinrichsen supports Map 4.1 and:

Mr. Hinrichsen

Correspondence was received from: Julia Gomez and Cynthia Valencia, American Civil Liberties Union; Sky Allen, IE United; Anna Vargas, Communities for a New California Education Fund; and, Silvia Paz, Alianza Coachella Valley urged the Board to reject Map 4.1.

Julia Gomez
Cynthia Valencia
Sky Allen
Anna Vargas
Silvia Paz

There being no further discussions from the public, President Bloomer closed the public hearing at 8:26 a.m.

Public Hearing Closed

President Bloomer called upon the Board for discussion on selecting a map for electoral division.

Items for Action:

(Cont.)

Public Hearing #3 on
Electoral Division Map
Adoption/Adoption of
Ordinance No. 73

Director Ortega, Secretary-Treasurer Stuart, and Vice President Cioffi expressed their support for Map 2.1.

There being no additional questions or comments, Secretary-Treasurer Stuart moved to adopt Ordinance No. 73 adopting Draft Map 2.1. After a second by Director Ortega, the motion carried by the following roll call vote:

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

**Ordinance No. 73
Adopted**

**ORDINANCE NO. 73
ORDINANCE OF DESERT WATER AGENCY ADJUSTING
BOUNDARIES OF DIRECTOR ELECTORAL DIVISIONS**

19403. President Bloomer called for approval of the Consent Calendar. She noted that the Consent Calendar items 6-A through 6-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 March 15, 2022 Regular Board Meeting
- B. Receive & File – Memo on March 17, 2022 State Water Contractors Meeting
- C. Receive and File - Minutes of the March 24, 2022 Conservation & Public Affairs Committee Meeting
- D. Receive and File - Minutes of the March 31, 2022 Executive Committee Meeting
- E. Receive and File – February Water Use Reduction Figures
- 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. Annual Reporting of Back-up Facility and Capacity Charges
- H. Request Adoption of Resolution No. 1272 Authorizing and Approving Submission for a U.S. Bureau of Reclamation Small-Scale Water Efficiency Projects Grant
- I. Request Approval of Budget Augmentation for Palm Springs North Reservoir Phase III Fire Hazard Abatement Project.

**Approval of the
Consent Calendar**

- A. March 15, 2022 Regular Board Mtg. Meeting Minutes
- B. March 17, 2022 SWC Mtg.
- C. March 24, 2022 Conservation & Public Affairs Mtg. Minutes
- D. March 31, 2022 Executive Comm. Mtg. Minutes
- E. February Water Use Reduction Figures
- F. Request Authorization to Continue Virtual Board & Comm. Mtgs.
- G. Annual Reporting of Back-up Facility & Capacity Charges
- H. Adoption of Reso. No. 1272 Authorizing & Approving Submission for a U.S. Bureau of Reclamation Small-Scale Water Efficiency Projects Grant
- I. Approval of Budget Augmentation for Palm Springs North Reservoir Phase III Fire Hazard Abatement Project

Vice President Cioffi requested Item H be pulled for discussion.

Mrs. Metzger reported that in order to apply for the 2022 U.S. Bureau of Reclamation Small-scale Water Efficiency Program grant, the Agency has to adopt Resolution No. 1272. She noted that the maximum funding request in 2022 is \$100,000. The application, which is due April 28, requests the full \$100,000 for grass removal projects to be completed from October 2022 to the end of 2023. There is a \$100,000 match requirement for this grant. Mrs. Metzger noted that staff plans to use IRWM Proposition 1 Round 2 program grant for the matching funds required.

There being no additional questions or comments, Director Ortega moved for approval of Items 6-A thru 6-I. After a second by Vice President Cioffi, the Consent Calendar was approved by the following roll call vote:

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

19404. President Bloomer called upon General Manager Krause to present staff's request for Adoption of the Legislative Committee's Bill Position Recommendation.

Items for Action:
Request Adoption of
the Legislative
Committee's Bill
Position
Recommendation

Mr. Krause reported that staff met with Mr. Reeb and the Legislative Committee and reviewed the packet and supports the proposed positions. He stated SB832 was added which is not in the packet but would like Board support. He noted Mr. Reeb was in attendance and asked him to present his report.

Mr. Reeb gave an update and provided a report that addressed thirty two Assembly and Senate Bills highlighting AB1944, 2449, 2142, 2421, 2536, and SB1157. Mr. Reeb reported that the Legislative Committee has reviewed the proposed positions on the bills.

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

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

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

Items for Action:
 (Cont.)
 Request Adoption of
 the Legislative
 Committee's Bill
 Position
 Recommendation

19405. President Bloomer called upon Director of Public Affairs & Water Planning Metzger to present her report on Executive Order N-7-22 on the Drought Emergency.

Item for Discussion:
 Executive Order N-7-
 22 Drought Emergency

Mrs. Metzger reported that on March 29, Governor Newsom issued an Executive Order N-7-22 on the drought emergency. The Governor called on the State Water Board (SWRCB) to consider adopting emergency regulations by May 25 that has key provisions that; 1) Require all agencies to enter Level 2 of their Water Shortage Contingency Plans (WSCP); and, 2) Define and ban irrigation of "non-functional turf" for commercial, industrial and institutional properties except as required to ensure the health of trees and other perennial non-turf plantings. She noted that because WSCP alignment was part of the Coachella Valley Urban Water Management Plan (CV-UWMP), staff is working closely with neighboring agencies to plan implementation when the SWRCB takes action. Staff expects to recommend WSCP Level 2 adoption to the Board by the end of May.

Mrs. Metzger noted that Desert Water Agency's WSCP Level 2 includes six provisions. The WSCP notes that the Board has the flexibility to implement some or all of the items as needed, depending on actual conditions. Since these plans were aligned with other CV-UWMP participants, any changes made could undermine the benefits of regional consistency. She reported that in response to the Executive Order, staff has reached out to the City of Palm Springs, City of Cathedral City, and neighboring water agencies.

19406. 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.

19407. At 9:45 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

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

Water District, et al (Two Cases); (B) Existing Litigation, pursuant to Government Code Section 54956.9 (d) (1), Mission Springs Water District vs. Desert Water Agency; et al; (C) Existing Litigation, Pursuant to Government Code Section 54956.9 (d) (1), AT&T vs. County of Riverside; (D) Existing Litigation, pursuant to Government Code Section 54956.9 (d) (1), Albrecht et al vs. County of Riverside; (E) Existing Litigation, pursuant to Government Code Section 54956.9 (d) (1), Abbey et al vs. County of Riverside; and (F) Potential Litigation, (Government Code Section 54956.9 (e) (1)), Potential Exposure to Litigation Pursuant to Section 54956.9 (d) (2) (One Case).

Closed Session:

(Cont.)

C. Existing Litigation - Possible Intervention in Case: AT&T vs. County of Riverside
Existing Litigation –
D. Existing Litigation - Albrecht et al vs. Riverside County
E. Existing Litigation – Abbey et al vs. Riverside County

19408. At 11:45 a.m., Assistant General Manager Johnson reconvened the meeting into open session and announced there was no reportable action taken.

Reconvene – No Reportable Action

19409. In the absence of any further business, Assistant General Manager Johnson adjourned the meeting at 11:46 a.m.

Adjournment

Sylvia Baca
Assistant Secretary of the Board

Minutes
Executive Committee Meeting
April 12, 2022

Directors Present: Kristin Bloomer, James Cioffi

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

Call to Order

1. Public Comments –

A resident of the Cathedral City Cove area attended the meeting and inquired about the assessment district in her area.

2. Discussion Item

A. Recycled Water Rate

Staff provided a presentation to the Committee on the Agency's recycled water rate.

Adjourn

Minutes
Finance Committee Meeting
April 13, 2022

Directors Present: Joseph K. Stuart, Kristin Bloomer

Staff Present: Mark Krause, Steve Johnson, Esther Saenz

Call to Order

1. Public Comments - None

2. Discussion Items

A. Proposed 2022/2023 Capital Budget

The Committee reviewed the proposed Capital Budget and management oversight procedures utilized in the Capital Budget preparation.

B. Proposed 2022/2023 Extraordinary Expense Budget

The Committee reviewed the proposed Extraordinary Expense Budget for the Operating and General Fund as well as discussed the management oversight procedures utilized in the Extraordinary Expense Budget preparation.

C. Proposed 2022/2023 Operating Fund Revenues

The Committee reviewed the proposed Operating Fund Revenues and discussed the conservation factor incorporated into revenue projections due current drought conditions.

D. Proposed 2022/2023 General Fund Revenues

The Committee reviewed the proposed General Fund Revenues.

E. Reclaimed Water Rate discussion

The Committee discussed the proposed reclaimed water rate reduction and impacts to the potable water rate.

F. Review Staff Recommendation for Professional Auditing Services Contract Award

The Committee discussed the Professional Auditing Service proposals received in response to the RFP issuance and provided support for staff's recommended selection.

G. Review Proposed Changes to Investment Policy and Guidelines

The Committee reviewed the proposed changes to the Investment Policy and Guidelines and provided support for staff's recommended updates.

Adjourn

Minutes
Executive Committee Meeting
April 14, 2022

Directors Present: Kristin Bloomer, James Cioffi

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

Call to Order

1. Public Comments - None

2. Discussion Item

A. Review Agenda for April 19, 2022 Board Meeting

The proposed agenda for the April 19, 2022 meeting was reviewed.

B. Review of the Updated Desert Water Agency Holiday Policy

The updated policy for the Agency's Holidays was reviewed and approved by the Committee.

C. Expense Reports

The March expense reports were reviewed.

Adjourn

**DESERT WATER AGENCY
PUBLIC AFFAIRS & WATER PLANNING
ACTIVITIES**

March 2022

Activities

- 3/01 Staff attended a Surface Water Data discussion meeting.
- 3/01 Staff attended a CV-SNMP 1st annual progress report review.
- 3/02 Ashley Metzger attended a Finance Committee meeting.
- 3/02 Xochitl Peña attended Palm Springs Concert Series.
- 3/02 Ashley Metzger attended a California PIO meeting.
- 3/02 Ashley Metzger attended a CaDC WUE / Statewide Joint meeting.
- 3/02 Ashley Metzger met with City of Palm Springs on planning.
- 3/02 Ashley Metzger did a taping with Joey English for her radio show.
- 3/02 Staff attended a DWR check in with CVWD on MCSB SGMA.
- 3/03 Xochitl Peña attended Water Counts Academy 2022.
- 3/03 Ashley Metzger attended a MSWD special meeting.
- 3/03 Ashley Metzger was on a live segment with KESQ on tourism.
- 3/04 Ashley Metzger attended the weekly SWC update meeting.
- 3/07 Clark Elliott attended an Annual Water Supply and Demand Assessment meeting.
- 3/08 Xochitl Peña attended One PS meeting to give updates on DWA.
- 3/08 Ashley Metzger attended a Management and Concepts meeting with CVWD.
- 3/08 Ashley Metzger attended an Ad Hoc Committee meeting on electoral mapping.
- 3/09 Staff attended a meeting with USGS at Snow Creek.
- 3/09 Staff organized Mr. Monopoly photo shoot at the Operations Center.
- 3/09 Clark Elliott attended a SWEP Webinar.
- 3/09 Ashley Metzger attended a CVRWGMG business meeting.
- 3/09 Staff attended joint teams meeting with Desert Water Agency, Cal OES and FEMA.
- 3/10 Xochitl Peña was on a live Segment with KESQ.
- 3/10 Ashley Metzger attended a Management Concepts Technical Group meeting #3.
- 3/15 Staff attended a CV Water Counts meeting.
- 3/15 Staff attended an annual review meeting for WSDA data inputs and Regional UWMP.
- 3/15 Clark Elliott attended a SWRCB meeting on Drought updates.
- 3/16 Staff attended a Esri monthly GIS program meeting.

- 3/16 Ashley Metzger attended a DCP Coordination meeting.
- 3/16 DWA hosted a press conference with CA Natural Resources Secretary Crowfoot.
- 3/17 Ashley Metzger was on a live segment with KESQ.
- 3/17 Ashley Metzger had a KNEWS interview with Gene Nichols on Water Sustainability.
- 3/17 Staff attended a SGMA Tribal Workshop 2022 Q1 meeting.
- 3/17 Staff attended an Indio Subbasin Workshop on Annual Report.
- 3/18 Xochitl Peña attended the Walk of Stars event.
- 3/23 Clark Elliott attended a Water Smart meeting.
- 3/24 Xochitl Peña attended a Webinar on Search Engine Optimization to Support Communication.
- 3/24 Xochitl Peña was on a live segment with KESQ.
- 3/29 Staff organized a regional discussion of the drought Executive Order.
- 3/31 Xochitl Peña was on a live segment with KESQ.

Public Information Releases/eBlasts/Customer Notifications

- 3/10 – Nextdoor Customer Notifications (2 neighborhoods) – DWA service line replacements.
- 3/15 – Media Advisory – Press conference with Natural Resources Secretary Crowfoot.
- 3/24 – Nextdoor Customer Notifications (7 neighborhoods) – DWA service line replacements.

Legislative/Regulatory Updates

- 3/2 – Staff met with Richie O’Connell from Congressman Ken Calvert’s office.
- 3/10 – DWA submitted a letter of support for a CVWD USBR Grant Application.
- 3/30 – Staff met with Supervisor V. Manuel Perez and staff.

Upcoming Events

- 5/11 – Thousand Palms Chamber Mixer at Palm Springs Air Museum.

Conservation Programs

Grass Removal

16 Inspections.
13 Projects pre-approved.
7 Projects approved.

Devices

8 Washing machine rebates requested.
6 Washing machine rebates approved.

11 Smart controller rebates requested.
9 Smart controller rebates approved.

1908 Nozzles requested for rebate.
235 Nozzles approved for rebate.

0 Toilet rebates requested (commercial only).
0 Toilet rebates approved (commercial only).

Water Waste Enforcement

34 Total complaints submitted
5 Citations

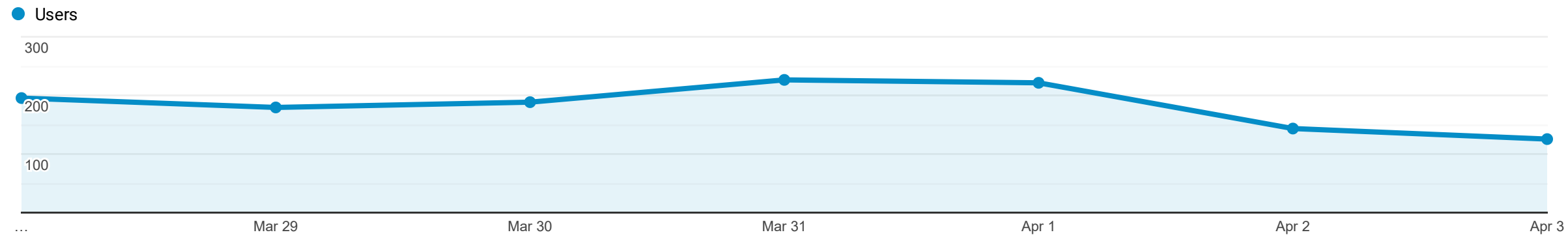
Audience Overview

All Users

100.00% Users

Mar 28, 2022 - Apr 3, 2022

Overview



Users

1,189

New Users

982

Sessions

1,404

Number of Sessions per User

1.18

Pageviews

3,002

Pages / Session

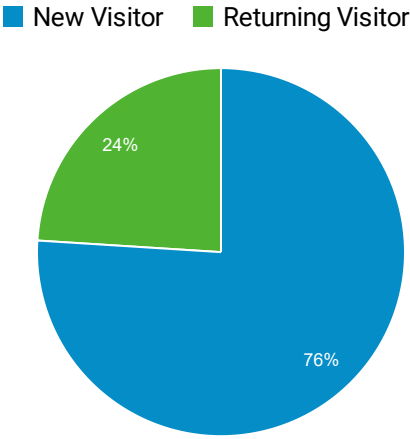
2.14

Avg. Session Duration

00:01:49

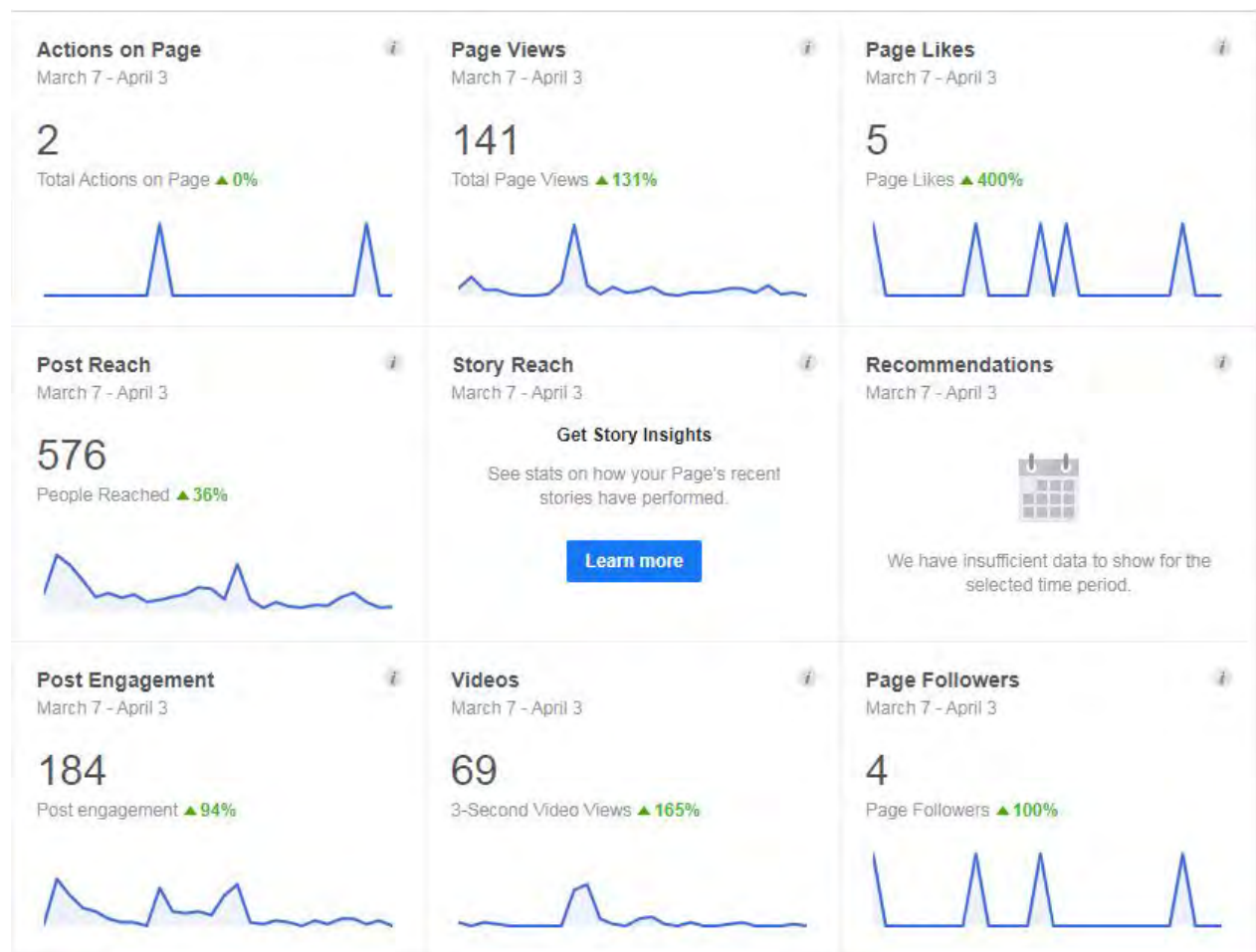
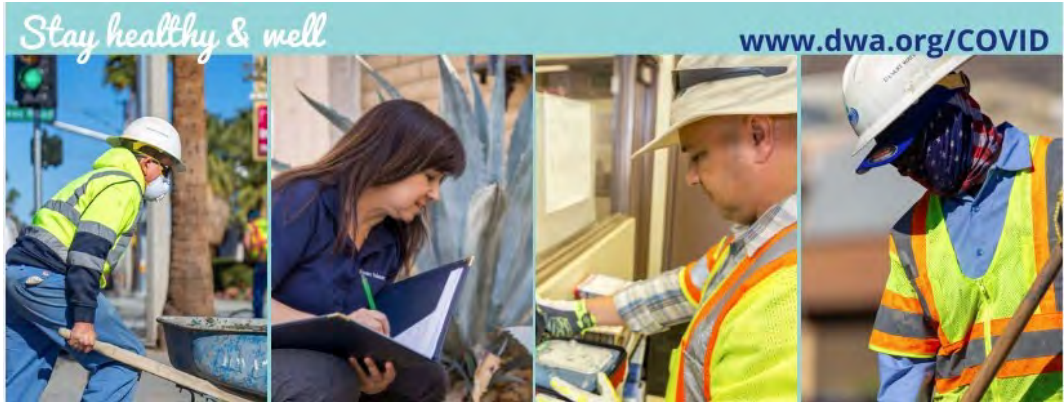
Bounce Rate

53.70%



Language		Users	% Users
1.	en-us	1,121	94.28%
2.	en-gb	20	1.68%
3.	en	18	1.51%
4.	en-ca	18	1.51%
5.	es-us	2	0.17%
6.	th-th	2	0.17%
7.	de-de	1	0.08%
8.	en-au	1	0.08%
9.	en-nz	1	0.08%
10.	es-es	1	0.08%

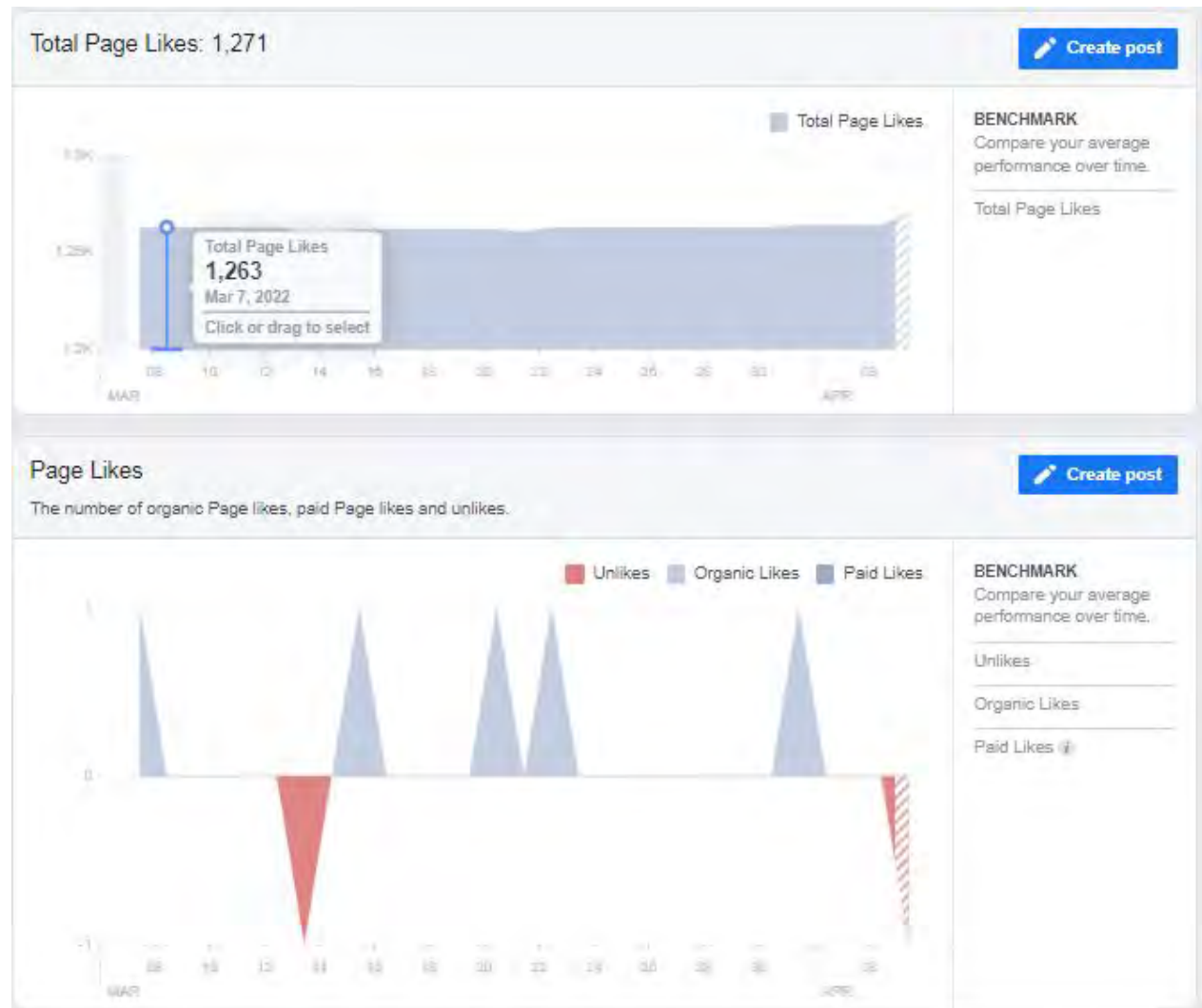
Desert Water Agency Facebook Analytics March 2022



Desert Water Agency Facebook Analytics March 2022

03/31/2022 12:00 PM	 Welcome golf fans! If you're heading out to the Chevron Golf Championship, keep hydrated with your refillable.			57		0		4
03/30/2022 12:00 PM	 As temperatures increase remember to water earlier in the day to avoid evaporation and give the water time to			49		0		4
03/28/2022 12:00 PM	 It is more efficient to run a fully loaded dishwasher. For more water saving tips around your home and business			27		0		3
03/25/2022 12:00 PM	 The Dietes bloodor, known as the African Iris or fortnightly, is a perennial that needs only occasional watering			39		0		4
03/22/2022 10:00 AM	 It's World Water Day! Let's appreciate the gift of groundwater – the source of almost all our drinking			163		3		19
03/20/2022 10:44 AM	 Springtime in the desert is fabulous! Spring into water savings with an incentive. Visit www.dwa.org/save			52		0		4
03/19/2022 4:02 PM	 It's been a busy but fun day for us! We were at the One-PS Neighborhood plonk at Ruth Hardy Park and the			110		4		12
03/18/2022 5:05 PM	 We were at the Downtown Park keeping folks hydrated during the latest Palm Springs Walk of Stars dedication.			106		4		6
03/17/2022 9:21 AM	 California Natural Resources Agency Secretary Wade Crowfoot was in Palm Springs Wednesday to talk about			45		8		7
03/14/2022 12:00 PM	 Household leaks account for 1 trillion gallons a year nationwide. Let's work on reducing that by hunting down			77		1		5
03/12/2022 12:00 PM	 Daylight Saving Time starts at 2 a.m. on Sunday, so remember to turn your clocks ahead one hour before			65		0		5
03/11/2022 12:00 PM	 Get Involved! Check out our electoral division draft maps and share your input at our virtual public hearing at 8			41		0		3
03/10/2022 2:24 PM	 The Monopoly Palm Springs Edition is out! Look who showed up in it. #WaterWorks #WaterUtility			114		3		6
03/08/2022 3:05 PM	 We've got a great group of women at DWA dedicated to serving our community every day! #Iwd2022			292		10		31
03/07/2022 10:07 AM	 Welcome tennis fans! If you're heading to the BNP Paribas Open don't forget your reusable water bottle.			54		0		3
03/06/2022 12:00 PM	 In the Coachella Valley most of our drinking water comes from the underground aquifer. Let's do our part of help			111		0		6
03/03/2022 1:40 PM	 Congrats CV Water Counts Academy Class of 2022! We had a great group that was really engaged and eager to			238		9		12
03/02/2022 5:47 PM	 We're at the Palm Springs Chamber of Commerce Downtown Concert series keeping music fans hydrated.			113		11		5

Desert Water Agency Facebook Analytics March 2022



Instagram March 2022



119 Impressions



111 Impressions



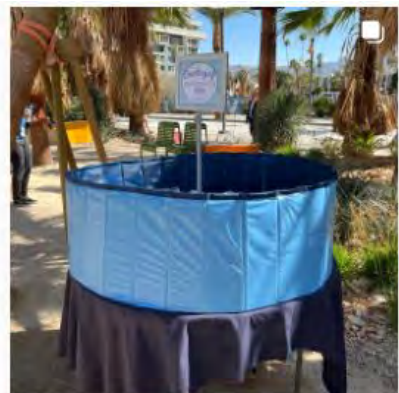
119 Impressions



95 Impressions



184 Impressions



150 Impressions



179 Impressions



76 Impressions



78 Impressions

Instagram March 2022



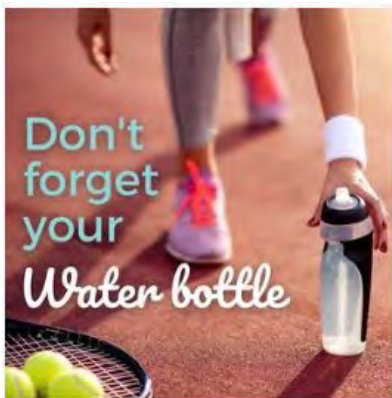
90 Impressions



178 Impressions



210 Impressions



116 Impressions



161 Impressions



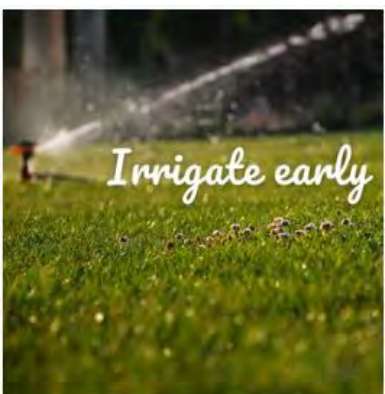
167 Impressions



204 Impressions



142 Impressions



96 Impressions



Desert Water Agency

1200 S Gene Autry Trl, Palm Springs

Desert Water Agency is the water utility for the Palm Springs area including outlying county areas, Desert Hot Springs, part of Cathedral City and Palm Springs.

It is our responsibility to provide a safe, reliable water supply to the area we serve while protecting our interests in the State Water Project.



Desert Water Agency

34,137 members

23,753 claimed households

141 neighborhoods

[Invite](#)



Desert Water Agency ✓

Outreach Specialist Xochitl Pena • 6 days ago



DWA Construction. Desert Water Agency crews plan to work on water service line replacements in your neighborhood beginning the week of March 28. The project should last about four weeks.

[See more...](#)

Posted to **Subscribers of Desert Water Agency** in 1 neighborhood

Be the first to react

♥ Like

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Desert Water Agency ✓

Outreach Specialist Xochitl Pena • 6 days ago

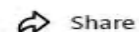


DWA Construction. Desert Water Agency crews plan to work on water service line replacements in your neighborhood beginning the week of March 28. The project should last about four weeks.

This project aims to improve water service reliability and avoid severe outages and See more...

Posted to **Subscribers of Desert Water Agency** in 2 neighborhoods

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Desert Water Agency ✓

Outreach Specialist Xochitl Pena • 6 days ago

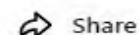


DWA Construction. Desert Water Agency crews plan to work on water service line replacements in your neighborhood beginning the week of March 28. The project should last about four weeks.

See more...

Posted to **Subscribers of Desert Water Agency** in 2 neighborhoods

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Desert Water Agency ✓

Outreach Specialist Xochitl Pena • 6 days ago

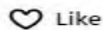


DWA Construction. Desert Water Agency crews plan to work on water service line replacements near your neighborhood beginning the week of March 28. The project should last about four weeks.

[See more...](#)

Posted to **Subscribers of Desert Water Agency** in 3 neighborhoods

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Outreach Specialist Xochitl Pena • 6 days ago

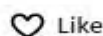


DWA Construction. Desert Water Agency crews plan to work on water service line replacements near your neighborhood beginning the week of March 28. The project should last about four weeks.

[See more...](#)

Posted to **Subscribers of Desert Water Agency** in 2 neighborhoods

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Desert Water Agency ✓

Outreach Specialist Xochitl Pena • 6 days ago



DWA Construction. Desert Water Agency crews plan to work on water service line replacements near your neighborhood beginning the week of March 28. The project should last about four weeks.

[See more...](#)

Posted to **Subscribers of Desert Water Agency** in 4 neighborhoods

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Outreach Specialist Xochitl Pena • 24 Mar

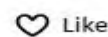


DWA Construction. Desert Water Agency crews plan to work on water service line replacements in your neighborhood beginning March 28. The project should last about four weeks.

[See more...](#)

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Desert Water Agency ✓

Outreach Specialist Xochitl Pena • 10 Mar



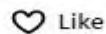
DWA Construction. Desert Water Agency crews plan to work on water service line replacements in your neighborhood beginning March 14. The project should last about five weeks.

[See more...](#)

Posted to **Subscribers of Desert Water Agency** in 1 neighborhood



1



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Desert Water Agency ✓

Outreach Specialist Xochitl Pena • 10 Mar



DWA Construction. Desert Water Agency crews plan to work on water service line replacements in your neighborhood beginning March 14. The project should last about five weeks.

[See more...](#)

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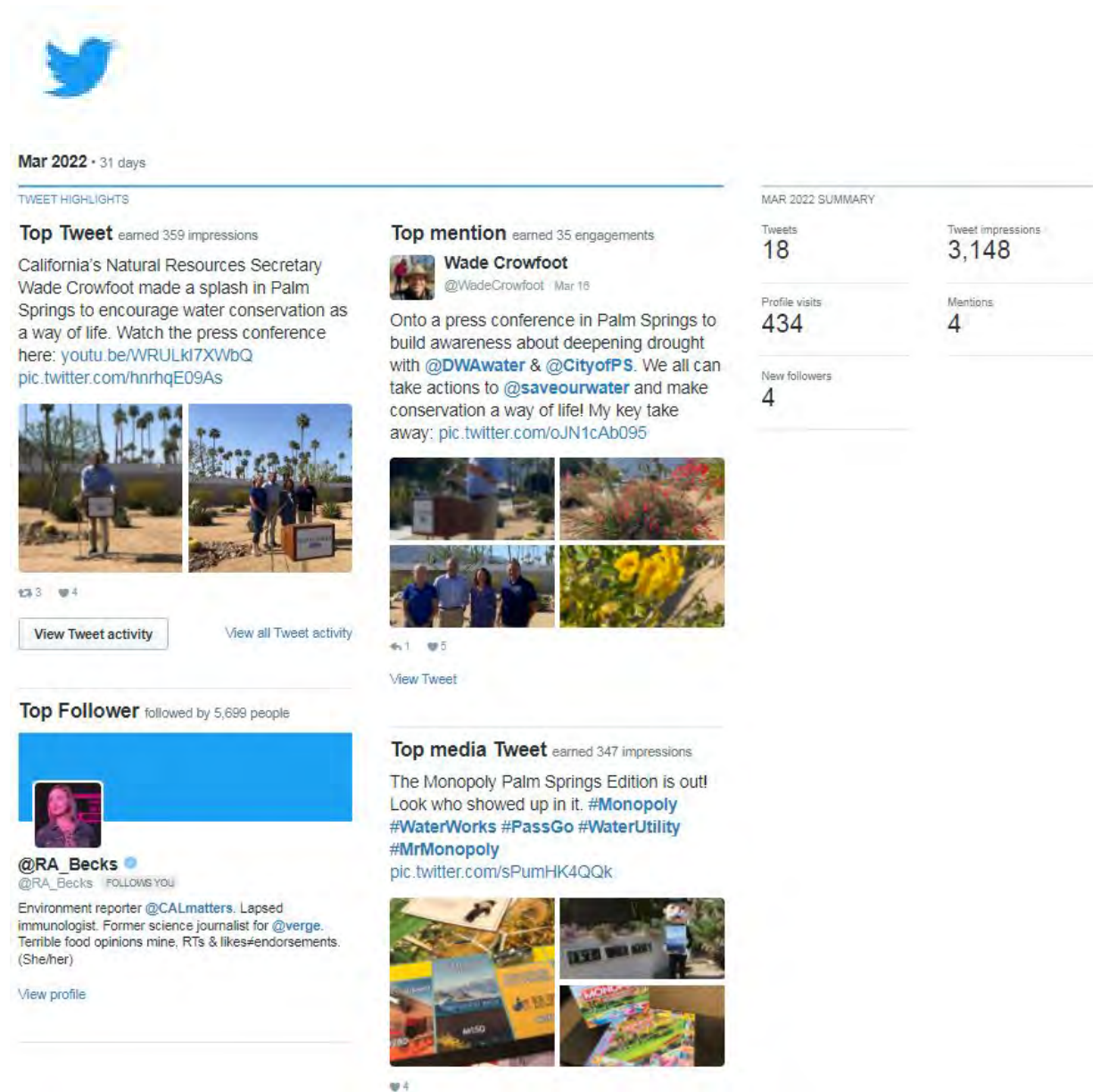


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Desert Water Agency Twitter Analytics March 2022



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

APRIL 19, 2022

**RE: 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)**

At its April 5, 2022 meeting, the Board of Directors authorized the continuation of virtual Board and Committee meetings for another 30-day period in accordance with the provisions of AB 361.

The Board of Directors may elect to continue conducting virtual meetings if it makes its own specific findings that meetings in person would pose a health threat to those in attendance, or when other regulatory bodies having jurisdiction within the Agency's service area recommend social distancing for the protection of people who otherwise might attend those meetings in person. The Board must make that determination every thirty days in order for meetings to be conducted virtually.

Therefore, it is recommended that the Desert Water Agency Board of Directors authorize Board and Committee meetings to be conducted virtually for the next ensuing 30-day period based upon the following facts and determinations:

- The California Department of Public Health and the County of Riverside continue to recommend social distancing as a result of the COVID-19 state of emergency.
- The Centers for Disease Controls and Prevention (CDC) recommends social distancing in high transmission areas.
- State officials have issued orders imposing or recommending social distancing measures for certain individuals and in certain situations.
- Due to the COVID-19 emergency, meeting in person would present risks to the health and safety of attendees.

Fiscal Impact: None.

Recommendation:

Staff recommends that the Board of Directors authorize the continuation of 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).

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

APRIL 19, 2022

**RE: REQUEST AUTHORIZATION FOR FINANCE DIRECTOR TO
EXECUTE ENROLLMENT DOCUMENTS FOR THE LOW INCOME
HOUSEHOLD WATER ASSISTANCE PROGRAM ON BEHALF OF
DESERT WATER AGENCY**

The COVID-19 public health emergency has heavily impacted the financial wellbeing of many local residents and businesses.

The new federal Low Income Household Water Assistance Program (LIHWAP) will provide financial assistance to low-income Californians to help pay their household water and wastewater bills. Established by Congress in December 2020, this federally funded program will help low-income households pay down their outstanding water and wastewater bills. California has been allocated \$116 million in one-time funding to provide LIHWAP assistance.

The LIHWAP program will allow DWA customers to apply directly to the County of Riverside for relief funding and, if approved, payment will be remitted directly to DWA. LIHWAP payments will help to pay bills that accrued during any timeframe, including late fees. Eligible residential customers can receive up to a \$2,000 one-time payment on a first-come, first-served basis.

Agency staff anticipates the LIHWAP program will only minimally increase the administrative burden upon the Agency. Agency program administration includes, but not limited to, Agency LIHWAP program enrollment, application and reconciliation of funds received, as well as potential Federal or State program audits. Additionally, Agency staff will be exploring opportunities to facilitate LIHWAP application assistance directly to customers to maximize program benefits to DWA customers.

Desert Water Agency has already received funding from CWWAPP on January 28, 2022 and has submitted an application for Wastewater Arrearages on March 29, 2022. The LIHWAP program can help fill the gaps after the Water Board Arrearage Program.

In order to complete the enrollment process, Desert Water Agency must complete and sign the direct payment agreement and complete the online Enrollment process. The form must be signed by an authorized signatory for Desert Water Agency, meaning an official with a delegation of signature authority by ordinance, resolution, or other delegation to provide the assurances, certifications and commitments associated with the receipt of and use of funding from the LIHWAP Program.

Fiscal Impact:

There is no fiscal impact to the Agency, however, LIHWAP enrollment will assist in the collection of past due water and wastewater amounts owed by residential customers assisting with Agency cash flow.

Recommendation:

Staff recommends that the Board of Directors authorize Finance Director Saenz to execute the online Enrollment process, Direct Payment Agreement Form and any subsequently required documents to complete the LIHWAP enrollment process.

Attachments:

LIHWAP Direct Payment Agreement Form



DIRECT PAYMENT AGREEMENT

THIS DIRECT PAYMENT AGREEMENT (Agreement) is made and entered into effective as of the date signed below (the “Effective Date”), by and between
[_____] (“the Water System”),
[_____]

and **HORNE LLP**, a Delaware limited liability partnership, having a place of business at 661 Sunnybrook Road, Suite 100, Ridgeland, MS 39157 (“HORNE”).

WHEREAS, the California Department of Community Services and Development (“CSD”) is authorized to administer the Low-Income Household Water Assistance Program (“LIHWAP” or “Program”) to provide financial assistance to help low-income Californians manage their residential water utility costs;

WHEREAS, CSD has contracted with HORNE to disburse direct payments to water systems to apply a LIHWAP credit to households identified as eligible for LIHWAP assistance by CSD or its Local Service Providers (LSPs);

WHEREAS, CSD has authorized HORNE to enter into this Agreement with Water System; and

WHEREAS, the Water System desires to enroll in LIHWAP and participate in the direct payment service established by the Direct Payment Program.

NOW, THEREFORE, in consideration of the mutual covenants herein contained, the Water System agrees to receive direct payments from HORNE for the benefit of California residents who qualify for LIHWAP and agrees to abide by all terms and conditions below:

Direct Payment Program General Terms and Conditions

- 1.1 To participate in the Direct Payment Program, a Water System must be defined as a “Community Water System” or “Community Water System Billing Entity”, “Wastewater Treatment Provider” or “Wastewater Billing Entity” (collectively referred to as a “Water System” in this Agreement).
- 1.2 A “Community Water System” means a public water system with at least 15 service connections used by yearlong residents or regularly services at least 25 yearlong residents.
- 1.3 A “Community Water System Billing Entity” means a third-party entity that is the designated billing entity for a community water system.
- 1.4 A “Wastewater Treatment Provider” means a city, county, special district, or joint powers authority that provides wastewater collection, treatment, or disposal service through a publicly owned treatment works.
- 1.5 A “Wastewater Billing Entity” means a local government entity (city, county, or special district) that is the designated billing entity for a wastewater treatment provider.
- 1.6 The Water System enrolled in the Direct Payment Program must be the responsible entity for applying the LIHWAP credit to customer accounts.
- 1.7 Qualified low-income residential customers will be identified by CSD and its LSP partners. CSD will provide HORNE with a direct pay file that contains customer account information as well as the amount for the direct payment to the Water System for each customer. Commercial customers are not eligible for the program.
- 1.8 HORNE will provide the Water System a direct pay file that contains customer account information and the LIHWAP benefit amount for the purpose of crediting the accounts of qualified low-income residential customers of the Water System who have been identified as eligible for water assistance payments under LIHWAP by CSD or its LSPs.
- 1.9 HORNE will establish a secure method to provide the direct pay file and customer information to the Water System and a secure method to receive the Direct Payment Summary from the Water System as described in 2.11.

- 1.10 The Water System is encouraged to offer a payment plan or other forms of assistance to customers who have a remaining balance after the LIHWAP benefit is applied to support the continuation of services or the restoration of services for accounts where services are terminated due to nonpayment.

Obligations of the Water System

- 2.1 Water System shall provide water and/or wastewater services to each eligible and approved residential household for which payment is provided under LIHWAP.
- 2.2 Water System shall charge LIHWAP residential households using the Water System's normal billing process, the difference between the actual amount due and the amount of the payment made by the LIHWAP payment.
- 2.3 Water System shall restore water services on a timely basis or remove disconnection status upon payment, if applicable, and shall confirm this action to HORNE by submission of the Direct Payment Summary report as specified in provision 2.11.
- 2.4 Water System shall charge all LIHWAP eligible residential households the same rates charged for home drinking water and/or wastewater services billed to other similarly situated residential households that are non-eligible, as determined by the approved rate setting process.
- 2.5 Water System shall not apply LIHWAP payments to account balances that have previously been written off or paid off with other customer assistance program funds. The Water System shall return issued LIHWAP payments to HORNE within 15 business days of receipt for accounts where the owed balance has been paid off with other customer assistance program funds or discharged (written off) in its entirety by the Water System along with the Direct Payment Summary specified in 2.11.
- 2.6 Water System shall apply the LIHWAP benefit to closed accounts to cover the pending balance and shall return any remaining amount of the LIHWAP payment to HORNE within 15 days of receipt along with the Direct Payment Reconciliation Summary specified in 2.11.
- 2.7 Water Systems shall adhere to existing credit return policies when returning funds to a customer that received a LIHWAP benefit, and the account is later closed and there is a remaining LIHWAP credit balance on the account.

- 2.8 Water systems that include other services on the customer's bill shall only apply LIHWAP payments towards the water, wastewater, and/or storm water amount owed including any applicable late fees, reconnection fees, taxes, and other charges.
- 2.9 Water System shall not discriminate against a LIHWAP eligible household with respect to terms, deferred payment plans, credit, conditions of sale, or discounts offered to other customers.
- 2.10 Water System shall post all payments to customer accounts within 5 business days from receipt of payment.
- 2.11 Water System shall submit to HORNE a Direct Payment Summary (in a format provided by HORNE) that reconciles the associated direct pay file and return payments that could not be credited to customer accounts within 15 business days of receipt of payment. The Direct Payment Summary must contain information on the date the credit was posted, direct pay file date; the total number of customer accounts that the Water System was successful in fully crediting; and the total number of customer accounts that the Water System was not successful in crediting. For those customer accounts that were not credited, the Water System shall reflect in the Direct Payment Summary the customer accounts that were not credited to include customer account information (customer name, account number, account address, benefit amount), and reason why the LIHWAP benefit was unable to be applied to the customer's account. The Water System shall use customer and account information contained in the direct pay file to complete the reporting and identification of customer accounts that were not credited.
- 2.12 Water System shall clearly enter, on the LIHWAP recipient's bill, the amount of LIHWAP payment(s) received and identify the payment was received from LIHWAP. The credit should appear on the first billing statement after the credit has been posted. If posting on the LIHWAP recipient's bill is not feasible, the Water System shall send customers a notification of the LIHWAP payment via phone call, letter, text, or email communication as soon as practicable.
- 2.13 Water System shall cooperate with any Federal or State investigation, audit, or program review related to the administration of LIHWAP to ensure funds are accurately applied to customer accounts in compliance with this Agreement, including allowing CSD and its designated representatives access to all books and records related to the receipt and posting of LIHWAP benefits under review.

- 2.14 Water System is informed that failure to cooperate with any Federal or State investigation, audit, or program review may result in the immediate suspension or disqualification from participation in LIHWAP.
- 2.15 Water System shall take corrective action in the time frame specified by the CSD if violations of this Agreement are discovered. Corrective action may include, but is not limited to, providing detailed documentation of changes made and detailed plans for future changes that will bring the Water System into compliance.
- 2.16 Water System is informed that failure to implement corrective actions may result in the immediate suspension or disqualification from participation in LIHWAP.
- 2.17 Water System shall comply with all federal and California privacy laws, and shall take all necessary steps to protect the confidentiality of the information provided by HORNE to the Water System. Water System agrees to provide required security to ensure the confidential, physical security and safekeeping of all data, information files, and documents (“customer information”) pertaining to the recipients of LIHWAP utility assistance payments, while such customer information is in its possession. Water System will, in accordance with applicable law and the terms of this Agreement, protect from unauthorized use and disclosure all sensitive data, documentation, or other customer information provided to Water System by HORNE, CSD, or CSD’s LSPs for purposes of this Agreement.

Term

- 3.1 The term of this Agreement shall be the effective date of this contract through October 31, 2023.

Project Coordinator

- 4.1 The Project Coordinator is designated to manage all HORNE inquiries regarding direct payments, issues with the direct payment process, mishandled or incorrect payments, clarification and updates of reports, and fraud and abuse. The Project Coordinator during the term of this Agreement is listed below. The Water System may designate a different Project Coordinator by notifying HORNE in writing.

Water System's Project Coordinator

Name and Title: _____

Company Name: _____

Address: _____

City, State, and ZIP Code: _____

Email: _____

Phone: (_____) _____ - _____

Additional Provisions

- 5.1 Amendment. All amendments to this Agreement shall be in writing, signed by HORNE and Water System.
- 5.2 Assignment. Neither this Agreement nor any of the rights, interests, or obligations under this Agreement shall be assigned by any party without the prior written consent of the other parties.
- 5.3 Merger/Entire Agreement. This Agreement (including the attachments, documents and instruments referred to in this Agreement) constitutes the entire agreement and understanding of the parties with respect to the subject matter of this Agreement and supersedes all prior understandings and agreements, whether written or oral, among the parties with respect to such subject matter.
- 5.4 Nonwaiver. The waiver by either party of any breach of any term, covenant, or condition contained in this Agreement, or any default in the performance of any obligations under this Agreement, shall not be deemed to be a waiver of any other breach or default of the same or any other term, covenant, condition, or obligation; nor shall any waiver of any incident of breach or default constitute a continuing waiver of the same. All waivers shall be in writing.
- 5.5 Severability. If any provision of this Agreement is found invalid or unenforceable in any respect for any reason, the validity and enforceability of any such provision in any other respect and of the remaining provisions of this Agreement will not be in any way impaired and shall remain in full force and effect.

5.6 Venue. In the event that suit shall be brought by either party to this Agreement, the parties agree that venue shall be exclusively vested in the State Courts of the County of Sacramento, or where otherwise appropriate, exclusively in the United States District Court for the Eastern District of California in Sacramento, California.

IN WITNESS WHEREOF, the parties hereto have signed this Agreement, or caused it to be signed by their duly authorized representatives “below”.

HORNE LLP

By: _____

Name: __Loden Snell_____

Title: __Deputy Project Manager_____

Date: _____

Water System: [_____]

By: _____

Name: _____

Title: _____

Date: _____

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

APRIL 19, 2022

**RE: REQUEST ADOPTION OF RESOLUTION NO. 1273
ESTABLISHING POLICY AND GUIDELINES FOR INVESTMENT
OF DESERT WATER AGENCY FUNDS**

Attached for the Board's review is a copy of Resolution No. 886 (adopted November 16, 2004), Resolution No. 1007 (adopted July 7, 2009) and Resolution No. 1200 (adopted January 15, 2019), which establish policies and guidelines for Desert Water Agency investments. Government Code §53646(a)(2) recommends that the Agency's investment policy be brought before the Board annually for review.

After review of the Government Code and the 2022 Policy and California Debt and Investment Advisory Commission (CDIAC) Local Agency Investment Guidelines for Investment of Desert Water Agency Funds, it was determined revisions are necessary to update the Agency's Investment Policy and Schedule 1 of the Policy and Guidelines to bring them into alignment with Government Code §53600-53635.

The Investment Policy requires revision to Section VI, Prohibited Investments. Government Code §53601.6 has been revised to include the provisions within §53601.6(B)(2) to temporarily provide Local Agencies the ability to invest in securities that may result in zero or negative interest accrual if held to maturity. Investing in zero or negative interest accrual investments would only become necessary in the event that authorized investments bearing positive interest rates are not available and the Agency must still ensure safety and liquidity of principal, which are of higher priority than yield. This circumstance may occur if the Federal Open Market Committee (FOMC) sets the target interest rate at or below zero in order to mitigate a financial crisis. This monetary policy has only been officially enacted under extraordinary economic circumstances and not yet in the US. However, it is recommended that governmental entities update their investment policies to authorize zero and negative yield investments in the event the FOMC enacts this monetary policy to ensure the ability to continue to prioritize safety of public funds. This provision of the Government Code will sunset on January 1, 2026.

Schedule 1 of the Agency's Investment Policy requires several updates an update to align terminology with Government Code §53601. The attached Schedule 1 Update document provides all updates (New) as compared to the current Schedule 1 (Current – in red).

The Finance Committee has reviewed the proposed changes to the Agency's Policy and Guidelines for Investment of Agency Funds.

Fiscal Impact:

None

Recommendation:

Staff recommends the Board of Directors adopt Resolution No. 1273 Establishing Policy and Guidelines for Investment of Agency Funds. This resolution will then rescind Resolution Nos. 886, 1007, and 1200.

Attachments:

1. Resolution No. 1273
2. Schedule 1
3. Schedule 1 Update Comparison
4. Resolution No. 886
5. Resolution No. 1007
6. Resolution No. 1200

RESOLUTION NO. 1273

RESOLUTION OF THE BOARD OF DIRECTORS OF DESERT WATER AGENCY ESTABLISHING POLICY AND GUIDELINES FOR INVESTMENT OF AGENCY FUNDS

BE IT RESOLVED by the Board of Directors of the Desert Water Agency ("Agency") that the following is the Policy and Guidelines for investment of Agency Funds. The Board of Directors hereby delegates the investment authority of the Agency to the General Manager pursuant to this policy.

I. INTRODUCTION

This Agency investment policy is intended to provide guidelines and investment practice policy for maximizing the efficiency of the Agency's investment of funds and to protect those funds while enhancing the Agency's economic status. Government Code Section 53600.6 reads "The Legislature hereby finds that the solvency and creditworthiness of each individual local agency can impact the solvency and creditworthiness of the state and other local agencies within the state. Therefore, to protect the solvency and creditworthiness of the state and all of its political subdivisions, the Legislature hereby declares that the deposit and investment of public funds by local officials and local agencies is an issue of statewide concern".

Thus, this policy is written so that all Agency investment practices and the writing of this policy will be in compliance with Government Code Sections 53600 through 53686 as modified by recent legislative enactments that apply to the Agency.

II. SCOPE

This investment policy applies to all Agency funds, as pooled by enterprise function as follows:

- Operating Fund
- General Fund
- Wastewater Fund
- Bond Fund
- Any new fund created by the Board unless specifically exempted

III. OBJECTIVES

The first and primary objective of the Agency investment of public funds is to safeguard investment principal; second, to maintain sufficient liquidity within the portfolio to meet cash flow requirements; and third, to achieve a reasonable rate of return or yield on the portfolio consistent with these objectives. The portfolio will be actively managed in a manner that is responsive to the public trust and consistent with State law.

A. Safety of Principal

Safety of principal is the foremost objective of the Agency. Each investment transaction shall seek to preserve the principal of the portfolio, whether from institutional default, broker-dealer default or erosion of market value of securities. The Agency shall seek to preserve principal by mitigating two types of risk: credit risk and market risk.

1. Credit Risk Credit risk, defined as the risk of loss due to failure of an issuer of a security, shall be mitigated by investing in only very safe institutions and by diversifying the portfolio so that the failure of any one issuer would not unduly harm the Agency's cash flow.
2. Market Risk The risk of market value fluctuations due to overall changes in the general level of interest rates shall be mitigated by limiting the maximum maturity of the Agency portfolio to five years. It is explicitly recognized herein, however, that in a diversified portfolio, occasional measured losses are inevitable, and must be considered within the context of the overall investment return.

B. Liquidity

Liquidity is the second most important objective. Investments shall be made whose maturity date is compatible with cash flow requirements and which can be easily and rapidly converted into cash without substantial loss of value.

C. Return on Investment

Investments shall be undertaken to produce an acceptable rate of return after first considering safety of principal and liquidity.

IV. **FIDUCIARY RESPONSIBILITY**

Section 53600.3 of the Government Code declares each person, or governing body authorized to make investment decisions on behalf of local agencies to be a *trustee* and therefore a *fiduciary* subject to the *prudent investor standard*. The prudent investor standard is defined as: "care, skill, prudence, and diligence under the circumstances then prevailing, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency." These persons shall act with care, skill, prudence, and diligence under the circumstances then prevailing when investing, reinvesting, purchasing, acquiring, exchanging, selling, and managing funds. Section 53600.5 further stipulates that the primary objective of any person investing public funds is to safeguard principal; secondly, to meet liquidity needs; and lastly, to achieve a return or yield on invested funds.

Investment officers acting in accordance with the written guidelines of this investment policy and exercising due diligence are relieved of personal responsibility for an individual security's credit risk or market price change, provided deviations from expectations of the security are reported in a timely manner and appropriate action is taken to control adverse developments.

V. **AUTHORIZED INVESTMENTS**

Investments shall be restricted to those authorized in Government Code Sections 53601 and 53635 as amended and as may be further restricted by this policy statement. All authorized investments are shown in Schedule I (attached) which defines the type of investments authorized, maturity limitations, portfolio diversification, credit quality standards and purchase restrictions that may apply.

VI. **PROHIBITED INVESTMENTS**

Prohibited investments include securities not listed in Schedule I, as well as inverse floaters, range notes, interest only strips that are derived from a pool of mortgages (Collateralized Mortgage Obligations) nor in any derivative or other investment that could result in zero interest accrual if held to maturity as outlined in Section 53601.6 of the Government Code, except in the event of a negative market. According to Government Code Section 53601.6(b)(2), until January 1, 2026, "the Agency may invest in securities issued by, or backed by, the United States Government that could result in zero- or negative-interest accrual if held to maturity, in the event of, and for the duration of, a period of negative market interest rates. A local agency may hold these instruments until their maturity dates."

VII. REPORTING

Government Code requires quarterly summary reporting of the investment portfolio, however, on a monthly basis the Board will be provided a report summarizing, by fund, each investment by type, issuer, maturity date, par and dollar amount invested in all securities, their market value, a statement denoting the ability of the Agency to meet its expenditure requirements for the next six months, or provide an explanation as to why the expenditure requirement cannot be met, and monthly statement of compliance of the investment portfolio with the policy and guidelines for investment of Agency funds or the manner in which the portfolio is not in compliance.

VIII. TRACKING AND EARLY SALE OF SECURITIES

All securities are to be purchased with the intent of holding them until maturity. However, in an effort to minimize market and credit risks, securities may be sold prior to maturity either at a profit or loss when economic circumstances, trend in short-term interest rates, or a deterioration in credit-worthiness of the issuer warrants a sale of the securities to either enhance overall portfolio yield or to minimize further erosion and loss of investment principal. In measuring a profit or loss. The sale proceeds will be compared to the original book value of the security plus cumulative interest earned on the security from the date of purchase to the date of sale.

IX. QUALIFIED INSTITUTIONS AND DEALERS

The Agency shall transact business only with banks, savings and loans, and registered investment securities broker/dealers. The purchase by the Agency of any investment other than those purchased directly from the issuer, will be purchased either from an institution licensed by the State as a broker/dealer, who is a member of the National Association of Securities Dealers, or a member of a federally regulated securities exchange, a national or state chartered bank, a federal or state association, or a brokerage firm designated as a primary government dealer by the Federal Reserve Bank.

Should an investment manager be assigned to manage a portion of the Agency invested funds, such manager shall have full discretion to invest the assigned funds within the guidelines of this policy. The investment manager will provide monthly reports detailing all asset information and performance results and maintain communication with the Agency at as reasonable frequency as market conditions warrant. Major market condition changes will be immediately called to the attention of the Agency. In all cases where an independent investment manager is utilized, no funds will be released until a signed acknowledgment of the managers willingness and commitment to abide by the guidelines of this policy is received by the Agency.

BE IT FURTHER RESOLVED that this investment policy will be periodically reviewed to ensure its compliance with any applicable legislative action and its consistency with the overall objectives of safety, liquidity and investment return as well as financial and economic trends. The foregoing investment policy notwithstanding, the intent and purpose is to ensure that investment of Agency funds is performed within the guidelines of relevant Government Code sections and as may be further limited herein. This policy will be presented to the Board at least annually for its review.

Resolution No. 886 adopted November 16, 2004 establishing investment policy and guidelines, Resolution No. 1007 adopted July 7, 2009 amending investment policy and guidelines, and Resolution No. 1200 amending investment policy and guidelines are hereby rescinded.

ADOPTED this 19th day of April 2022.

Kristin Bloomer, President

ATTEST:

Joseph K. Stuart, Secretary-Treasurer

DESERT WATER AGENCY

Investment Policy

Schedule 1

ID	Investment Type	Maximum Maturity	Maximum Portfolio %	Minimum Quality Requirements	Purchase Restrictions	Gov't Code Section(s)
1	U.S. Treasury Obligations	5 years	None	None	None	53601(b)
2	U.S. Agency Obligation	5 years	None	None	None	53601(f)
3	Local Agency Bonds	5 years	None	None	None	53601(a)
4	State Obligations	5 years	None	None	None	53601(c) 53601(d)
5	Bonds issued by Desert Water Agency	Max. 5 years unless board approval 3 mo. in advance (53601)	None	None	None	53601(a)
6	Bankers' Acceptances	180 days	40%	None	Maximum 30% with any one commercial bank	53601(g)
7	Commercial Paper - Non-Pooled Funds (when DWA under \$100mm of investments)	270 days or less	25% of the agency's money	Highest letter and number rating by an NRSRO ^[1]	Max. 10% of the outstanding commercial paper and medium-term notes of any single issuer. 53601(h)(2)(c)	53601(h)
8	Commercial Paper - Non-Pooled Funds (when DWA \$100mm of investments and over)	270 days or less	40% of the agency's money	Highest letter and number rating by an NRSRO ^[1]	Max. 10% of the outstanding commercial paper and medium-term notes of any single issuer. 53601(h)(2)(c)	53601(h)
9	Local Agency Investment Fund (LAIF)	None	None	None	Set by State Treasurer	16429.1
10	Negotiable Certificates of Deposit	5 years	30%	None	Gov. Code Sec. 53638	53601(i)
11	Non-Negotiable Certificates of Deposit	5 years	\$20,000,000 any one bank	None	Gov. Code Sec. 53638	53600 et seq.
12	Repurchase Agreements	1 year	None	None	102% collateral	53601(j)

Investment Policy**Schedule 1**

ID	Investment Type	Maximum Maturity	Maximum Portfolio %	Minimum Quality Requirements	Purchase Restrictions	Gov't Code Section(s)
13	Reverse Repurchase Agreements and Securities Lending Agreements	92 days	20% of the base value of the portfolio	None	For temporary cash flow needs only	53601(j)
14	Medium-Term Notes (Corporate Notes)	Remaining maturity of 5 years or less	30%	"A" rating category or its equivalent or better	Maximum 10% with any single issuer	53601(k)
15	Mutual Funds and Money Market Mutual Funds	None	20%	Highest letter and number rating by at least two NRSRO's ^[1] OR the fund must retain an investment meeting the qualifications of 53601(l)(3)(B) or 53601(l)(4)(B)	See minimum Quality Requirements	53601(l) 53601.6(b)

Investment Policy

Schedule 1 Update Comparison

ID	ID	Authorized Investments	Investment Type	Maturity	Maximum Maturity	Max Portfolio %	Maximum Portfolio %	Credit Quality Ratings	Minimum Quality Requirements	Purchase Restrictions	Purchase Restrictions	Gov't Code Section(s)
Current	New	Current	New	Current	New	Current	New	Current	New	Current	New	New
1	1	U.S. Treasury notes, bills, bonds or other certificates of indebtedness	U.S. Treasury Obligations	Max. 5 years	5 years	None	None	None	None	None	None	53601(b)
2	2	Notes, bonds, bills, certificates issued by agencies of the Federal Government	U.S. Agency Obligation	Max. 5 years	5 years	None	None	None	None	None	None	53601(f)
3	3	Registered warrants, notes, bonds or other certificates of indebtedness issued by the State or local Agencies	Local Agency Bonds	Max. 5 years	5 years	None	None	None	None	None	None	53601(a)
3	4	Registered warrants, notes, bonds or other certificates of indebtedness issued by the State or local Agencies	State Obligations	Max. 5 years	5 years	None	None	None	None	None	None	53601(c) 53601(d)
4	5	Obligations Issued by Desert Water Agency as set forth in Government Code, Section 53601(a)	Bonds issued by Desert Water Agency	Max. 5 years unless board approval 3 mo. in advance	Max. 5 years unless board approval 3 mo. in advance (53601)	None	None	None	None	None	None	53601(a)
5	6	Bankers Acceptance among 100 largest banks by size of deposits	Bankers' Acceptances	Max. 180 days	180 days	40% maximum	40%	None	None	Maximum 30% with any issuer	Maximum 30% with any one commercial bank	53601(g)
6	7	Commercial paper of U.S. Corp with total assets exceeding \$500 mm	Commercial Paper - Non-Pooled Funds (when DWA under \$100mm of investments)	Max. 270 days	270 days or less	25% maximum	25% of the agency's money	"Prime" highest letter or numerical rating	Highest letter and number rating by an NRSRO ⁽¹⁾	Max 10% with any issuer	Max. 10% of the outstanding commercial paper and medium-term notes of any single issuer. 53601(h)(2)(c)	53601(h)

Investment Policy

Schedule 1 Update Comparison

ID	ID	Authorized Investments	Investment Type	Maturity	Maximum Maturity	Max Portfolio %	Maximum Portfolio %	Credit Quality Ratings	Minimum Quality Requirements	Purchase Restrictions	Purchase Restrictions	Gov't Code Section(s)
Current	New	Current	New	Current	New	Current	New	Current	New	Current	New	New
6	8	Commercial paper of U.S. Corp with total assets exceeding \$500 mm	Commercial Paper - Non-Pooled Funds (when DWA \$100mm of investments and over)	Max. 270 days	270 days or less	25% maximum	40% of the agency's money	"Prime" highest letter or numerical rating	Highest letter and number rating by an NRSRO ^[1]	Max 10% with any issuer	Max. 10% of the outstanding commercial paper and medium-term notes of any single issuer. 53601(h)(2)(c)	53601(h)
7	9	State of California Local Agency Investment Fund	Local Agency Investment Fund (LAIF)	None	None	None	None	Non-rated	None	Set by State Treasurer	Set by State Treasurer	16429.1
8	10	Negotiable CD's issued by National or State chartered banks or a licensed branch of a foreign bank	Negotiable Certificates of Deposit	Max. 5 years	5 years	30% maximum	30%	None	None	Gov. Code Sec. 53638	Gov. Code Sec. 53638	53601(i)
9	11	Collateralized Certificates of Deposit	Non-Negotiable Certificates of Deposit	Max. 5 years	5 years	\$20,000,000 any one bank	\$20,000,000 any one bank	None	None	Gov. Code Sec. 53638	Gov. Code Sec. 53638	53600 et seq.
10	12	Repurchase agreements with 102% collateral	Repurchase Agreements	Max. 1 year	1 year	None	None	None	None	None	102% collateral	53601(j)
11	13	Reverse Repurchase Agreements on U.S. Treasury & Fed. Agency Securities in portfolio	Reverse Repurchase Agreements and Securities Lending Agreements	Max. 92 days	92 days	20% maximum	20% of the base value of the portfolio	None	None	For temporary cash flow needs only	For temporary cash flow needs only	53601(j)
12	14	Medium Term Notes of U.S. Corp. (Corporate Notes)	Medium-Term Notes (Corporate Notes)	Max. 5 years	Remaining maturity of 5 years or less	30% maximum	30%	"A" or better	"A" rating category or its equivalent or better	None	Maximum 10% with any single issuer	53601(k)

Investment Policy

Schedule 1 Update Comparison

ID	ID	Authorized Investments	Investment Type	Maturity	Maximum Maturity	Max Portfolio %	Maximum Portfolio %	Credit Quality Ratings	Minimum Quality Requirements	Purchase Restrictions	Purchase Restrictions	Gov't Code Section(s)
Current	New	Current	New	Current	New	Current	New	Current	New	Current	New	New
13	15	Mutual Funds that invest in eligible securities meeting requirements of California Government Code	Mutual Funds and Money Market Mutual Funds	Immediate Liquidity	None	20% maximum	20%	Highest letter or numerical rating	Highest letter and number rating by at least two NRSRO's ^[1] OR the fund must retain an investment meeting the qualifications of 53601(l)(3)(B) or 53601(l)(4)(B)	Issuer registered with SEC or 10% maximum with any one mutual fund	See minimum Quality Requirements	53601(l) 53601.6(b)

[1] NRSRO: Nationally Recognized Statistical Rating Organization

RESOLUTION NO. 886

RESOLUTION OF THE BOARD OF DIRECTORS OF DESERT WATER AGENCY ESTABLISHING POLICY AND GUIDELINES FOR INVESTMENT OF AGENCY FUNDS

BE IT RESOLVED by the Board of Directors of the Desert Water Agency (“Agency”) that the following is the Policy and Guidelines for investment of Agency Funds. The Board of Directors hereby delegates the investment authority of the Agency to the General Manager pursuant to this policy.

I. INTRODUCTION

This Agency investment policy is intended to provide guidelines and investment practice policy for maximizing the efficiency of the Agency’s investment of funds and to protect those funds while enhancing the Agency’s economic status. Government Code Section 53600.6 reads “The Legislature hereby finds that the solvency and creditworthiness of each individual local agency can impact the solvency and creditworthiness of the state and other local agencies within the state. Therefore, to protect the solvency and creditworthiness of the state and all of its political subdivisions, the Legislature hereby declares that the deposit and investment of public funds by local officials and local agencies is an issue of statewide concern”.

Thus, this policy is written so that all Agency investment practices and the writing of this policy will be in compliance with Government Code Sections 53600 through 53686 as modified by recent legislative enactments that apply to the Agency.

II. SCOPE

This investment policy applies to all Agency funds, as pooled by enterprise function as follows:

- Operating Fund
- General Fund
- Wastewater Fund
- Bond Fund
- Any new fund created by the Board unless specifically exempted

III.

OBJECTIVES

The first and primary objective of the Agency investment of public funds is to safeguard investment principal; second, to maintain sufficient liquidity within the portfolio to meet cash flow requirements; and third, to achieve a reasonable rate of return or yield on the portfolio consistent with these objectives. The portfolio will be actively managed in a manner that is responsive to the public trust and consistent with State law.

A. Safety of Principal

Safety of principal is the foremost objective of the Agency. Each investment transaction shall seek to preserve the principal of the portfolio, whether from institutional default, broker-dealer default or erosion of market value of securities. The Agency shall seek to preserve principal by mitigating two types of risk: credit risk and market risk.

1. Credit Risk Credit risk, defined as the risk of loss due to failure of an issuer of a security, shall be mitigated by investing in only very safe institutions and by diversifying the portfolio so that the failure of any one issuer would not unduly harm the Agency's cash flow.
2. Market Risk The risk of market value fluctuations due to overall changes in the general level of interest rates shall be mitigated by limiting the maximum maturity of the Agency portfolio to five years. It is explicitly recognized herein, however, that in a diversified portfolio, occasional measured losses are inevitable, and must be considered within the context of the overall investment return.

B. Liquidity

Liquidity is the second most important objective. Investments shall be made whose maturity date is compatible with cash flow requirements and which can be easily and rapidly converted into cash without substantial loss of value.

C. Return on Investment

Investments shall be undertaken to produce an acceptable rate of return after first considering safety of principal and liquidity.

IV. **FIDUCIARY RESPONSIBILITY**

Section 53600.3 of the Government Code declares each person, or governing body authorized to make investment decisions on behalf of local agencies to be a *trustee* and therefore a *fiduciary* subject to the *prudent investor standard*. The prudent investor standard is defined as: “care, skill, prudence, and diligence under the circumstances then prevailing, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency.” These persons shall act with care, skill, prudence, and diligence under the circumstances then prevailing when investing, reinvesting, purchasing, acquiring, exchanging, selling, and managing funds. Section 53600.5 further stipulates that the primary objective of any person investing public funds is to safeguard principal; secondly, to meet liquidity needs; and lastly, to achieve a return or yield on invested funds.

Investment officers acting in accordance with the written guidelines of this investment policy and exercising due diligence are relieved of personal responsibility for an individual security’s credit risk or market price change, provided deviations from expectations of the security are reported in a timely manner and appropriate action is taken to control adverse developments.

V. **AUTHORIZED INVESTMENTS**

Investments shall be restricted to those authorized in Government Code Sections 53601 and 53635 as amended and as may be further restricted by this policy statement. All authorized investments are shown in Schedule I (attached) which defines the type of investments authorized, maturity limitations, portfolio diversification, credit quality standards and purchase restrictions that may apply.

VI. **PROHIBITED INVESTMENTS**

Prohibited investments include securities not listed in Schedule I, as well as inverse floaters, range notes, interest only strips that are derived from a pool of mortgages (Collateralized Mortgage Obligations) nor in any derivative or other investment that could result in zero interest accrual if held to maturity as outlined in Section 53601.6 of the Government Code.

VII. **REPORTING**

Government Code requires quarterly summary reporting of the investment portfolio, however, on a monthly basis the Board will be provided a report summarizing, by fund, each investment by type, issuer, maturity date, par and dollar amount invested in all securities, their market value, a statement denoting the ability of the Agency to meet its expenditure requirements for the next six months, or provide an explanation as to why the expenditure requirement cannot be met, and monthly statement of compliance of the investment portfolio with the policy and guidelines for investment of Agency funds or the manner in which the portfolio is not in compliance.

VIII. **TRACKING AND EARLY SALE OF SECURITIES**

All securities are to be purchased with the intent of holding them until maturity. However, in an effort to minimize market and credit risks, securities may be sold prior to maturity either at a profit or loss when economic circumstances, trend in short-term interest rates, or a deterioration in credit-worthiness of the issuer warrants a sale of the securities to either enhance overall portfolio yield or to minimize further erosion and loss of investment principal. In measuring a profit or loss. The sale proceeds will be compared to the original book value of the security plus cumulative interest earned on the security from the date of purchase to the date of sale.

IX. **QUALIFIED INSTITUTIONS AND DEALERS**

The Agency shall transact business only with banks, savings and loans, and registered investment securities broker/dealers. The purchase by the Agency of any investment other than those purchased directly from the issuer, will be purchased either from an institution licensed by the State as a broker/dealer, who is a member of the National Association of Securities Dealers, or a member of a federally regulated securities exchange, a national or state chartered bank, a federal or state association, or a brokerage firm designated as a primary government dealer by the Federal Reserve Bank.

Should an investment manager be assigned to manage a portion of the Agency invested funds, such manager shall have full discretion to invest the assigned funds within the guidelines of this policy. The investment manager will provide monthly reports detailing all asset information and performance results and maintain communication with the Agency at as reasonable frequency as market conditions warrant. Major market condition changes will be immediately called to the attention of the Agency. In all cases where an independent investment manager is utilized, no funds will be released until a signed acknowledgment of the managers willingness and commitment to abide by the guidelines of this policy is received by the Agency.

BE IT FURTHER RESOLVED that this investment policy will be periodically reviewed to ensure its compliance with any applicable legislative action and its consistency with the overall objectives of safety, liquidity and investment return as well as financial and economic trends. The foregoing investment policy notwithstanding, the intent and purpose is to ensure that investment of Agency funds is performed within the guidelines of relevant Government Code sections and as may be further limited herein. This policy will be presented to the Board at least annually for its review.

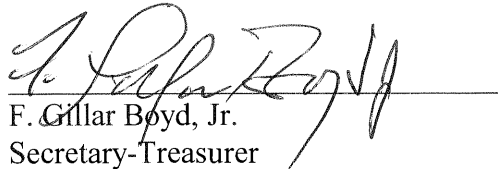
Resolution No. 843 adopted March 19, 2002 establishing investment guidelines is hereby rescinded.

ADOPTED this 16th day of November, 2004.



Ronald E. Starrs
President

ATTEST:



F. Gillar Boyd, Jr.
Secretary-Treasurer

DESERT WATER AGENCY

Schedule 1

AUTHORIZED INVESTMENTS		MAX PORTFOLIO %	PURCHASE RESTRICTIONS	MATURITY	CREDIT QUALITY RATINGS (S&P/MOODY'S)
1.	U.S. Treasury notes, bills, bonds or other certificates of indebtedness	NONE	NONE	Max. 5 years	NONE
2.	Notes, bonds, bills certificates issued by agencies of the Federal Government	NONE	NONE	Max. 5 years	NONE
3.	Registered warrants, notes, bonds or other certificates of indebtedness issued by the State or local agencies	NONE	NONE	Max. 7 years	NONE
4.	Obligations issued by Desert Water Agency as set forth in Government Code, Section 53601(a)	NONE	NONE	NONE	NONE
5.	Bankers Acceptance among 100 largest banks by size of deposits	40% maximum	Maximum 30% with any issuer	Max. 270 days	NONE
6.	Commercial paper of U.S. Corp with total assets exceeding \$500 mm	25% maximum*	Max 10% with any issuer	Max. 180 days	"Prime" highest letter or numerical rating
7.	State of California Local Agency Investment Fund	NONE	Set by State Treasurer	Immediate Liquidity	Non-rated
8.	Negotiable CD's issued by National or State chartered banks or a licensed branch of a foreign bank	30% maximum	NONE	Max. 5 years	NONE
9.	Collateralized Certificates of Deposit	\$2,000,000 any one bank	Gov. Code Sec. 53638	Max. 5 years	NONE
10.	Repurchase agreements with 102% collateral	NONE	NONE	Max. 1 year	NONE
11.	Reverse Repurchase Agreements on U.S. Treasury & Fed. Agency Securities in portfolio	NONE	For temporary cash flow needs only	Max. 92 days	NONE
12.	Medium Term Notes of U.S. Corp.	30% maximum	NONE	Max. 5 years	"A" or better
13.	Mutual Funds that invest in eligible securities meeting requirements of California Government Code	20% maximum	Issuer registered with SEC or 10% maximum with any one mutual fund	Immediate Liquidity	Highest letter or numerical rating

* Increased from 15% to 25% in 2001

RESOLUTION NO. 1007

**A RESOLUTION OF THE BOARD OF DIRECTORS OF
THE DESERT WATER AGENCY
AMENDING POLICY AND GUIDELINES FOR
INVESTMENT OF DESERT WATER AGENCY FUNDS**

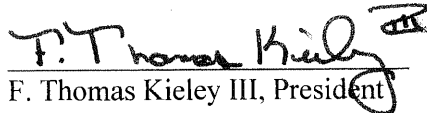
WHEREAS, the Board of Directors has adopted Resolution No. 886 setting forth this Agency Investment Policy and Guidelines as required by law; and

WHEREAS, the Board wishes to amend its Investment Policy with regard to the amounts that may be invested in certificates of deposit, as allowed by law;

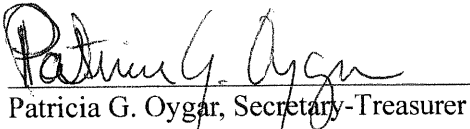
NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of Desert Water Agency that effective April 21, 2009, Schedule 1, Item No. 9 (Collateralized Certificates of Deposit) of Resolution No. 886 be revised to read as follows:

	Authorized Investments	Maximum Portfolio %	Purchase Restrictions	Maturity	Credit Quality Ratings (S&P/Moody's)
9.	Collateralized Certificates of Deposit	\$20,000,000 with one bank	Gov. Code Sec. 53638	Maximum 5 years	NONE

ADOPTED this 7th day of July, 2009.


F. Thomas Kieley III, President
Board of Directors
Desert Water Agency

ATTEST:


Patricia G. Oygur, Secretary-Treasurer
Board of Directors
Desert Water Agency

DESERT WATER AGENCY

Schedule 1

AUTHORIZED INVESTMENTS		MAX PORTFOLIO %	PURCHASE RESTRICTIONS	MATURITY	CREDIT QUALITY RATINGS (S&P/MOODY'S)
1.	U.S. Treasury notes, bills, bonds or other certificates of indebtedness	NONE	NONE	Max. 5 years	NONE
2.	Notes, bonds, bills, certificates issued by agencies of the Federal Government	NONE	NONE	Max. 5 years	NONE
3.	Registered warrants, notes, bonds or other certificates of indebtedness issued by the State or local agencies	NONE	NONE	Max. 7 years	NONE
4.	Obligations issued by Desert Water Agency as set forth in Government Code, Section 53601(a)	NONE	NONE	NONE	NONE
5.	Bankers Acceptance among 100 largest banks by size of deposits	40% maximum	Maximum 30% with any issuer	Max. 270 days	NONE
6.	Commercial paper of U.S. Corp with total assets exceeding \$500 mm	25% maximum	Max 10% with any issuer	Max. 5 years	"Prime" highest letter or numerical rating
7.	State of California Local Agency Investment Fund	NONE	Set by State Treasurer	Immediate Liquidity	Non-rated
8.	Negotiable CD's issued by National or State chartered banks or a licensed branch of a foreign bank	30% maximum	NONE	Max. 5 years	NONE
9.	Collateralized Certificates of Deposit	\$20,000,000 any one bank	Gov. Code Sec. 53638	Max. 5 years	NONE
10.	Repurchase agreements with 102% collateral	NONE	NONE	Max. 1 year	NONE
11.	Reverse Repurchase Agreements on U.S. Treasury & Fed. Agency Securities in portfolio	NONE	For temporary cash flow needs only	Max. 92 days	NONE
12.	Medium Term Notes of U.S. Corp.	30% maximum	NONE	Max. 5 years	"A" or better
13.	Mutual Funds that invest in eligible securities meeting requirements of California Government Code	20% maximum	Issuer registered with SEC or 10% maximum with any one mutual fund	Immediate Liquidity	Highest letter or numerical rating

RESOLUTION NO. 1200

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE DESERT WATER AGENCY AMENDING POLICY AND GUIDELINES FOR INVESTMENT OF DESERT WATER AGENCY FUNDS

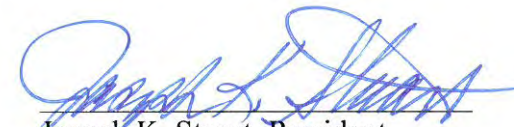
WHEREAS, the Board of Directors has adopted Resolution No. 886 setting forth this Agency Investment Policy and Guidelines as required by law; and

WHEREAS, the Board wishes to amend its Investment Policy with regard to the amounts that may be invested in certificates of deposit, as allowed by law;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of Desert Water Agency that effective January 15, 2019, Schedule 1, Item No. 3 (Registered warrants, notes, bonds or other certificates of indebtedness issued by the State or local agencies), Item No. 4 (Obligations issued by Desert Water agency), Item No. 5 (Bankers Acceptance), Item No. 6 (Commercial paper of U.S. Corp.), Item No. 11 (Reverse Repurchase Agreements), and Item No. 12 (Medium Term Notes) of Resolution No. 886 be revisited to read as follows:


	Authorized Investments	Maximum Portfolio %	Purchase Restrictions	Maturity	Credit Quality Ratings (S&P/Moody's)
3.	Registered warrants, notes, bonds or other certificates of indebtedness issued by the State or local agencies	NONE	NONE	Maximum 5 years	NONE
4.	Obligations issued by Desert Water Agency as set forth in Government Code, Section 53601(a)	NONE	NONE	Maximum 5 years unless Board approval 3 months in advance	NONE
5.	Bankers Acceptance among 100 largest banks by size of deposits	40% maximum	Maximum 30% with any issuer	Maximum 180 days	NONE
6.	Commercial paper of U.S. Corp with total assets exceeding \$500 mm	25% maximum	Maximum 10% with any issuer	Maximum 270 days	"Prime" highest letter or numerical rating
11.	Reverse Repurchase Agreements on U.S. Treasury & Fed. Agency Securities in portfolio	20%	For temporary cash flow needs only	Maximum 92 days	NONE
12.	Medium Term Notes of U.S. Corp. (Corporate Notes)	30% maximum	NONE	Maximum 5 years	"A" or better

ADOPTED this 15th day of January 2019.



Joseph K. Stuart, President
Board of Directors

ATTEST:



Craig Ewing, Secretary-Treasurer
Board of Directors

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

APRIL 19, 2022

**RE: REQUEST AUTHORIZATION FOR GENERAL MANAGER TO
EXECUTE ENGAGEMENT LETTER FOR PROFESSIONAL
AUDITING SERVICES**

California Government Code §26909, Debt Continuing Disclosure, and Rating Agencies require the Agency to arrange for an annual audit of its financial statements by independent auditors. The auditors play a critical role in evaluating the Agency's system of internal controls and overall financial management and condition. They also assist in the preparation of the Agency Wide financial report and provide assistance with the implementation of new Governmental Accounting Standard Board ("GASB") pronouncements.

The Agency has contracted with Singer Lewak, LLP since 2015/2016 for the above-described professional auditing services. Governmental Finance Officers Association (GFOA) best practice is to undertake a competitive process for Independent Auditor selection and recommends entering into a multi-year agreement of at least five years in duration. It is common practice, amongst governmental entities to enter into a three-year initial term with an option to extend for an additional two-years based on satisfactory performance.

The Agency issued a Request for Proposal (RFP) (attached) on March 9, 2022, for professional auditing services to five firms as well as publically posting on the California Society of Municipal Finance Officers (CSMFO) website. The Agency received three proposals. Utilizing the evaluation criteria outlined in the RFP, Vasquez & Company, LLP received the highest overall score. The evaluation results and staff recommendation have been presented to the Finance Committee.

Fiscal Impact:

There is no fiscal impact for FY 2021/2022. Budgetary impact for the initial 3-year term of the contract will be \$117,454, billable each year as services are rendered. (FY23 \$38,000, FY24 \$39,140, and FY25 \$40,314).

Recommendation:

Staff recommends the Board of Directors authorize the General Manager to execute the engagement letter with Vasquez & Company, LLP for professional auditing services for fiscal year 2022 through 2024 with an option to extend for an additional two years, fiscal year 2025 & 2026.

Attachments:

1. Vasquez & Company, LLP Engagement Letter
2. Professional Auditing Services RFP



655 N. Central Avenue
Suite 1550
Glendale, CA 91203

www.vasquez.cpa

213-873-1700
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April 13, 2022

To the Board of Directors
Desert Water Agency
1200 Gene Autry Trail
South Palm Springs, CA 92264

Attention: Esther Saenz, Finance Director

The Objective and Scope of the Audit of the Financial Statements

You have requested that Vasquez & Company LLP ("Vasquez", "we", "us", or "our"), audit the financial statements of Desert Water Agency (the Agency), which comprise the statement of net position as of June 30, 2022, and the related statements of revenues, expenses and changes in net position, and cash flows for the year then ending and the related notes to the financial statements. We are pleased to confirm our acceptance and our understanding of this audit engagement by means of this letter ("Engagement Letter").

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America (GAAS) and *Government Auditing Standards* issued by the Comptroller General of the United States (GAS) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as Management's Discussion and Analysis (MD&A), to supplement the Agency's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the Agency's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding 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 will 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.



The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

- 1) Management's Discussion and Analysis (MD&A)
- 2) Schedule of Changes in Post-Employment Benefits Other Than Pensions (OPEB) Plan Liability and Related Ratios
- 3) Schedule of OPEB Contributions
- 4) Schedule of Agency's Proportionate Share of the Plan's Net Pension Liability and Related Ratios as of the Measurement Date
- 5) Schedule of Pension Plan Contributions
- 6) Notes to Required Supplementary Information

Also, the following supplementary information accompanying the financial statements will be subjected to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, in accordance with auditing standards generally accepted in the United States of America, and we will provide an opinion on it in relation to the financial statements as a whole, in a report combined with our auditors' report on the financial statements:

- 1) Supplementary Schedules in the Financial Section

The following other information accompanying the financial statements will not be subjected to the auditing procedures applied in our audit of the financial statements:

- 1) Organizational Information
- 2) Schedule of Board of Directors and Insurance Coverage

The Responsibilities of the Auditor

We will conduct our audit in accordance with GAAS, GAS, the audit requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and the U.S. Office of Management and Budget's (OMB) Compliance Supplement. Those standards, regulations, and supplements or guides require that we comply with applicable ethical requirements. As part of an audit in accordance with GAAS and GAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Obtain an understanding of internal control relevant to the audit 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. However, we will communicate to you in writing concerning any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we have identified during the audit.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



- Conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Agency's ability to continue as a going concern for a reasonable period of time.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk that some material misstatements may not be detected exists, even though the audit is properly planned and performed in accordance with GAAS and GAS. Because the determination of waste or abuse is subjective, GAS does not require auditors to perform specific procedures to detect waste or abuse in financial statement audits.

We will communicate to the Board of Directors (a) any fraud involving senior management and fraud (whether caused by senior management or other employees) that causes a material misstatement of the financial statements that becomes known to us during the audit, and (b) any instances of noncompliance with laws and regulations that we become aware of during the audit (unless they are clearly inconsequential).

We are responsible for the compliance audit of major programs under the Uniform Guidance, including the determination of major programs, the consideration of internal control over compliance, and reporting responsibilities.

Our report on internal control will include any significant deficiencies and material weaknesses in controls of which we become aware as a result of obtaining an understanding of internal control and performing tests of internal control consistent with requirements of the standards and regulations identified above. Our report on compliance matters will address material errors, fraud, violations of compliance obligations, and other responsibilities imposed by state and federal statutes and regulations or assumed by contracts; and any state or federal grant, entitlement or loan program questioned costs of which we become aware, consistent with requirements of the standards and regulations identified above.

We will maintain our independence in accordance with the standards of the American Institute of Certified Public Accountants and GAS.

The Responsibilities of Management and Identification of the Applicable Financial Reporting Framework

Management is responsible for:

1. Identifying and ensuring that the Agency complies with the laws and regulations applicable to its activities, and for informing us about all known violations of such laws or regulations, other than those that are clearly inconsequential;
2. The design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the Agency involving management, employees who have significant roles in internal control, and others where the fraud could have a material effect on the financial statements; and
3. Informing us of its knowledge of any allegations of fraud or suspected fraud affecting the Agency received in communications from employees, former employees, analysts, regulators, short sellers, vendors, customers or others.

Management is responsible for the preparation of the supplementary information in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). Management agrees to include the auditor's report on the supplementary information in any document that contains the supplementary information and indicates that the auditor has reported on such supplementary information. Management also agrees to present the supplementary information with the audited financial statements or, if the supplementary information will not be presented with the audited financial statements, to make the



audited financial statements readily available to the intended users of the supplementary information no later than the date of issuance of the supplementary information and the auditor's report thereon.

The Board of Directors is responsible for informing us of its views about the risks of fraud, waste or abuse within the Agency, and its knowledge of any fraud, waste or abuse or suspected fraud, waste or abuse affecting the Agency.

Our audit will be conducted on the basis that management and, when appropriate, those charged with governance acknowledge and understand that they have responsibility:

1. For the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP);
2. To evaluate subsequent events through the date the financial statements are issued or available to be issued, and to disclose the date through which subsequent events were evaluated in the financial statements. Management also agrees that it will not conclude on subsequent events earlier than the date of the management representation letter referred to below;
3. For 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;
4. For establishing and maintaining effective internal control over financial reporting, and for informing us of all significant deficiencies and material weaknesses in the design or operation of such controls of which it has knowledge;
5. For report distribution; and
6. To provide us with:
 - a. Access to all information of which management is aware that is relevant to the preparation and fair presentation of the financial statements including information relevant to disclosures;
 - b. Draft financial statements, including information relevant to their preparation and fair presentation, when needed, to allow for the completion of the audit in accordance with the proposed timeline;
 - c. Additional information that we may request from management for the purpose of the audit; and
 - d. Unrestricted access to persons within the Agency from whom we determine it necessary to obtain audit evidence.

As part of our audit process, we will request from management and, when appropriate, those charged with governance, written confirmation concerning representations made to us in connection with the audit, including among other items:

1. That management has fulfilled its responsibilities as set out in the terms of this Engagement Letter; and
2. That it believes the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.



If a Single Audit is necessary, the audit will be performed in accordance with the Single Audit Act and the Uniform Guidance, management is responsible for (a) identifying all federal awards received and expended; (b) preparing and the fair presentation of the schedule of expenditures of federal awards (including notes and noncash assistance received) in accordance with Uniform Guidance requirements; (c) internal control over compliance; (d) compliance with federal statutes, regulations, and the terms and conditions of federal awards; (e) making us aware of significant vendor relationships where the vendor is responsible for program compliance; (f) following up and taking corrective action on audit findings, including the preparation of a summary schedule of prior audit findings and a corrective action plan; (g) timely and accurate completion of the data collection form and (h) submitting the reporting package and data collection form.

Reporting

We will issue a written report upon completion of our audit of the Agency's financial statements. Our report will be addressed to the Board of Directors of the Agency. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinion or add an emphasis-of-matter paragraph or other-matter paragraph to our auditor's report.

If circumstances arise relating to the condition of the Agency's records, the availability of appropriate audit evidence or indications of a significant risk of material misstatement of the financial statements because of error, fraudulent financial reporting or misappropriation of assets which, in our professional judgment, prevent us from completing the audit or forming an opinion, we retain the unilateral right to take any course of action permitted by professional standards, including, but not limited to, declining to express an opinion or issue a report, or withdrawing from the engagement.

In addition to our report on the Agency's financial statements, if a single audit is deemed necessary, we will also issue the following reports:

1. A report on the fairness of the presentation of the Agency's schedule of expenditures of federal awards for the year ending June 30, 2022;
2. Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with GAS;
3. An accompanying schedule of findings and questioned costs.

Records and Assistance

During the course of our engagement, we may accumulate records containing data that should be reflected in the Agency's books and records. The Agency will determine that all such data, if necessary, will be so reflected. Accordingly, the Agency will not expect us to maintain copies of such records in our possession.

The assistance to be supplied by Agency personnel, including the preparation of schedules and analyses of accounts, has been discussed and coordinated with Esther Saenz, Finance Director. The timely and accurate completion of this work is an essential condition to our completion of the audit and issuance of our audit report.



Nonaudit Services

In connection with our audit, you have requested us to perform certain nonaudit services:

1. Assistance in the drafting of the financial statements.
2. Prepare the annual Special Districts' State Controller's Report to be filed with the California State Controller's Office based on information provided by the Agency.

GAS independence standards require that the auditor maintain independence so that opinions, findings, conclusions, judgments and recommendations will be impartial and viewed as impartial by reasonable and informed third parties. Before we agree to provide a non-audit service to the Agency, we determine whether providing such a service would create a significant threat to our independence for GAS audit purposes, either by itself or in aggregate with other non-audit services provided. A critical component of our determination is consideration of management's ability to effectively oversee the non-audit services to be performed. The Agency has agreed that Esther Saenz, Finance Director, possesses suitable skill, knowledge or experience and that the individual understands the services to be performed sufficiently to oversee them. Accordingly, the management of the Agency agrees to the following:

1. The Agency has designated Esther Saenz, Finance Director, as a senior member of management who possesses suitable skill, knowledge and experience to oversee the services;
2. Esther Saenz, Finance Director, will assume all management responsibilities for subject matter and scope of the assistance in the drafting of the financial statement;
3. The Agency will evaluate the adequacy and results of the services performed; and
4. The Agency accepts responsibility for the results and ultimate use of the services.

GAS further requires that we establish an understanding with the Agency's management and those charged with governance, of the objectives of the non-audit services, the services to be performed, the Agency's acceptance of its responsibilities, the auditor's responsibilities and any limitations of the non-audit services. We believe this Engagement Letter documents that understanding.

Parties' Understandings Concerning Situation Around COVID-19

Vasquez and the Agency acknowledge that, at the time of the execution of this Engagement Letter, federal, state and local governments, both domestic and foreign, have imposed certain restrictions on travel and/or the movement of their citizens due to the ongoing and evolving situation around COVID-19. In addition, like many organizations and companies in the United States and around the globe, Vasquez has restricted its employees from certain travel and onsite work, whether at a client facility or Vasquez facility, to protect the health of both Vasquez's and its clients' employees. Accordingly, to the extent that any of the services described in this Engagement Letter requires or relies on Vasquez or the Agency personnel to travel and/or perform work onsite, either at the Agency's or Vasquez's facilities, including, but not limited to, maintaining business operations and/or IT infrastructure, Vasquez and the Agency acknowledge and agree that the performance of such work may be delayed, significantly or indefinitely, and thus certain services described herein may need to be rescheduled and/or suspended at either Vasquez's or the Agency's sole discretion. Vasquez and the Agency agree to provide the other with prompt written notice (email will be sufficient) in the event any of the services described herein will need to be rescheduled and/or suspended. Vasquez and the Agency also acknowledge and agree that any delays or workarounds due to the situation surrounding COVID-19 may increase the cost of the services described herein. Costs also may increase if services provided include matters such as consideration of going concern, impairment analysis, debt forgiveness or lease concessions, not already considered within the stated fees. Vasquez will obtain the Agency's prior written approval (email will be sufficient) for any increase in the cost of Vasquez services that may result from the situation surrounding COVID-19.



Fees and Costs

Elisa Stilwell is the engagement partner and is responsible for supervising the engagement. Roger A. Martinez is responsible for signing the audit report.

Our fees for the audit services described above are based upon the value of the services performed and the time required by the individuals assigned to the engagement, plus direct expenses.

Our fee estimate and completion of our work are based upon the following criteria:

- a. Anticipated cooperation from the Agency's personnel
- b. Timely responses to our inquiries
- c. Timely completion and delivery of client assistance requests
- d. Timely communication of all significant accounting and financial reporting matters
- e. The assumption that unexpected circumstances (Exhibit I) will not be encountered during the engagement
- f. No instances of fraud that will require additional procedures
- g. All information will be available electronically to help us perform the procedures remotely.

If any of the aforementioned criteria are not met, then fees may increase. If we find that additional time is likely to be necessary, we will discuss it with the Agency's management and Audit Committee and arrive at a new fee estimate before we incur additional fees or costs.

Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your engagement. The fees are based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the engagement.

We will bill for our services based on actual hours using the following rates:

Personnel Category	Hourly Rate
Partner/Principal	\$ 325
Manager	200
IT Manager	250
Senior	150
Staff	120

We anticipate the fee to be **\$38,000**. This fee excludes the cost of a single audit which is not expected for fiscal year 2022. The payment schedule for the aforementioned services is as follows:

Year End Audit	
Upon acceptance of this letter	\$ 20,000
Start of fieldwork	10,000
Issuance of initial audit draft	8,000
Total	<u>\$ 38,000</u>



The maximum number of report copies we will provide you is ten (10). Any copies you will request in excess of this maximum number will be an additional cost to you. As an alternative, we can provide you an electronic copy (PDF) of the report at no cost. Billings are due upon submission.

Our invoices for these fees will be rendered in accordance with the terms set forth in our contract and are payable on presentation. In accordance with Vasquez policies, work may be suspended if your account becomes 30 days or more overdue and will not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notice of termination, even if we have not issued a report. You will be obliged to compensate us for all time expended and to reimburse us for all out-of-pocket expenditures through the date of termination. Invoices aged over 30 days may be subject to a 10% late charge.

You have informed us that you intend to prepare a Annual Comprehensive Financial Report (ACFR) and submit it for evaluation by the Government Finance Officers Association's Certificate of Achievement for Excellence in Financial Reporting. Our association with the ACFR is to consist of a quality control review process which incorporates review of the ACFR in light of reporting guidelines prescribed by the Government Finance Officers Association.

Use of Subcontractors and Third-Party Products

From time to time and depending upon the circumstances, we may, in our sole discretion, use qualified third-party service providers (located within and outside the United States) to assist us in providing professional services to you. In such circumstances, it may be necessary for us to disclose Personal Information or Confidential Information (as both terms are defined below) to them. You hereby consent to us sharing your information, including Confidential Information and Personal Information, with these third-party service providers on the same basis as we would be permitted to share information with one of our employees; provided that such recipients are bound by written obligations of confidentiality that are as protective of your Confidential Information as the confidentiality terms set forth herein. You acknowledge and agree that our use of a third-party service providers may involve the processing, input, disclosure, movement, transfer, and storage of your information and data outside of our technology infrastructure.

We also may provide services to you using certain third-party hardware, software, software services, managed services (including, but not limited to, web hosting, data security, data back-up, email security, or similar services subject to direct end-user or subscription agreements), applications, and equipment (collectively, "Third-Party Products"). You acknowledge that your or our use of a Third-Party Product may involve the processing, input, disclosure, movement, transfer, and storage of information provided by you to us, including Personal Information and Confidential Information, within the Third-Party Product's infrastructure and not ours, and that the terms of use and service set forth in the end-user license, subscription, or other agreement with the licensor of such Third-Party Product, including, but not limited to, applicable laws, will govern all obligations of such licensor relating to data privacy, storage, recovery, security, and processing within such Third-Party Product's infrastructure, as well as, the service levels associated with such Third-Party Product. You hereby consent to the disclosure of your information, including your Confidential Information and Personal Information, to the licensors of such Third-Party Products for the purpose described herein.

You acknowledge that your or our use of Third-Party Products may be subject to limitations, delays, interruptions, errors, and other problems which are beyond our control, including, without limitation, internet outage or lack of availability related to updates, upgrades, patches, fixes, maintenance, or other issues. We will not be liable for any delays, delivery failures, or other losses or damages resulting from such issues. Nor will we be held responsible or liable for any loss, or unauthorized use or disclosure, of any information or data provided by you, including, without limitation, Personal Information provided by you, resulting from your or our use of a Third-Party Product.



Use and Ownership; Access to Audit Documentation

The Audit Documentation for this engagement is the property of Vasquez. For the purposes of this Engagement Letter, the term "Audit Documentation" shall mean the confidential and proprietary records of Vasquez's audit procedures performed, relevant audit evidence obtained, other audit-related workpapers, and conclusions reached. Audit Documentation shall not include custom-developed documents, data, reports, analyses, recommendations, and deliverables authored or prepared by Vasquez for the Agency under this Engagement Letter, or any documents belonging to the Agency or furnished to Vasquez by the Agency.

Review of Audit Documentation by a successor auditor or as part of due diligence is subject to applicable Vasquez policies, and will be agreed to, accounted for and billed separately. Any such access to our Audit Documentation is subject to a successor auditor signing an Access & Release Letter substantially in Vasquez's form. Vasquez reserves the right to decline a successor auditor's request to review our workpapers.

In the event we are required by government regulation, subpoena or other legal process to produce our documents or our personnel as witnesses with respect to our engagement for the Agency, the Agency will, so long as we are not a party to the proceeding in which the information is sought, reimburse us for our professional time and expenses, as well as the fees and expenses of our counsel, incurred in responding to such requests.

You acknowledge and grant your assent that representatives of the cognizant or oversight agency or their designee, other government audit staffs, and the U.S. Government Accountability Office shall have access to the Audit Documentation upon their request and that we shall maintain the Audit Documentation for a period of at least three years after the date of the report, or for a longer period if we are requested to do so by the cognizant or oversight agency. Access to the requested Audit Documentation will be provided under the supervision of Vasquez audit personnel and at a location designated by our firm.

Indemnification, Limitation of Liability, and Dispute Resolution

Because Vasquez will rely on the Agency and its management to discharge the foregoing responsibilities, the Agency agrees to indemnify, hold harmless and release Vasquez and its partners, employees, affiliates, subsidiary, contractors, Subcontractors, or assigns from all claims, liabilities, losses, and costs arising in circumstances where there has been a knowing misrepresentation by a member of the Agency's management.

The Agency and Vasquez agree that no claim or demand for arbitration arising out of services rendered pursuant to this Agreement shall be filed more than the earlier of two years after the date of the audit report issued by Vasquez or the date of this Engagement Letter if no report has been issued. In no event shall either party be liable to the other for claims of punitive, consequential, special, or indirect damages. Vasquez's liability for all claims, damages and costs of the Agency arising from this engagement is limited to the amount of fees paid by the Agency to Vasquez for the services rendered under this Engagement Letter.

If any dispute, controversy, or claim arises out of, relates to, or results from the performance or breach of this Agreement, excluding claims for non-monetary or equitable relief (collectively, the Dispute), either party may, upon written notice to the other party, request non-binding mediation. A recipient party of such notice may waive its option to resolve such Dispute by non-binding mediation by providing written notice to the party requesting mediation and then such parties hereto shall resolve such Dispute by binding arbitration as described below. Such mediation shall be assisted by a neutral mediator acceptable to both parties and shall require the commercially reasonable efforts of the parties to discuss with each other in good faith their respective positions and different interests to finally resolve such Dispute. If the parties are unable to agree on a mediator within twenty (20) days from delivery of the written notice, either party may invoke the mediation service of the JAMS Mediation, Arbitration and ADR Services.



Each party may disclose any facts to the other party or to the mediator that it, in good faith, considers reasonably necessary to resolve the Dispute. However, all such disclosures shall be deemed in furtherance of settlement efforts and shall not be admissible in any subsequent proceeding against the disclosing party. Except as agreed to in writing by both parties, the mediator shall keep confidential all information disclosed during mediation. The mediator shall not act as a witness for either party in any subsequent proceeding between the parties.

Unless waived, such mediation shall conclude after the parties have engaged in good faith settlement negotiations, but nonetheless are unable to resolve the Dispute through the mediation process. The attorneys' fees and costs incurred by each party in such mediation shall be borne solely by such party, except that the fees and expenses of the mediator, if any, shall be borne equally by the parties.

Any Dispute not resolved first by mediation between the parties (or if the mediation process is waived as provided herein) shall be decided by binding arbitration. The arbitration proceeding shall take place in the jurisdiction in which the Vasquez office providing the relevant services exists, unless the parties agree in writing to a different locale. The arbitration shall be governed by the provisions of the laws of the state in which the arbitration is to take place (except if there is no applicable state law providing for such arbitration, then the Federal Arbitration Act shall apply) and the substantive law of such state shall be applied without reference to conflicts of law rules. In any arbitration instituted hereunder, the proceedings shall proceed in accordance with the then current JAMS Comprehensive Arbitration Rules & Procedures, except that the Arbitration Panel (as defined below) shall permit discovery that is consistent with the scope of discovery typically permitted by the California Rules of Civil Procedure and/or is otherwise customary in light of the complexity of the Dispute and the amount in controversy. Any Dispute regarding discovery, or the relevance or scope thereof, shall be determined by the Arbitration Panel (as defined below).

The arbitration shall be conducted before one neutral arbitrator, unless all parties agree otherwise. In cases involving more than one Arbitrator, the Parties shall agree on, or, in the absence of agreement, JAMS shall designate, the Chairperson of the Arbitration Panel. Where the parties have agreed that each party is to name one Arbitrator, the Arbitrators so named shall be neutral and independent of the appointing party, unless the parties have agreed that they shall be non-neutral (the "Arbitration Panel"). The Arbitration Panel shall have no authority to award non-monetary or equitable relief, but nothing herein shall be construed as a prohibition against a party from pursuing non-monetary or equitable relief in a state or federal court. The parties also waive the right to punitive damages and the arbitrators shall have no authority to award such damages or any other damages that are not strictly compensatory in nature. In rendering their award, the Arbitration Panel shall issue in writing findings of fact and conclusions of law. The Arbitration Panel shall not have authority to grant an award that is not supported by substantial evidence or that is based on an error of law, and such absence of substantial evidence or such error of law may be reviewed on appeal to vacate an award based on the standard of review otherwise applicable in the California Appellate Court responsible for the jurisdiction in which the arbitration is venued, and without regard to any heightened standard of review otherwise applicable to an arbitration decision rendered by the JAMS. The confidentiality provisions applicable to mediation shall also apply to arbitration. The award issued by the Arbitration Panel may be confirmed in a judgment by any state court of competent jurisdiction. No payment of any award or posting of any bond of any kind whatsoever is required to be made or posted until such Dispute is finally determined.

In no event shall a demand for arbitration be made after the date on which the initiation of the legal or equitable proceeding on the same Dispute would be barred by the applicable statute of limitations or repose. For the purposes of applying the statute of limitations or repose, receipt of a written demand for arbitration by the JAMS shall be deemed the initiation of the legal or equitable proceeding based on such Dispute.

These provisions shall survive the termination of this engagement for services.



Confidentiality

Vasquez and the Agency may, from time to time, disclose Confidential Information (as defined below) to one another. Accordingly, Vasquez and the Agency agree as the recipient of such Confidential Information (the "Receiving Party") to keep strictly confidential all Confidential Information provided to it by the disclosing party (the "Disclosing Party") and use, modify, store, and copy such Confidential Information only as necessary to perform its obligations and exercise its rights under this Engagement Letter and for no other purpose or use. Except as otherwise set forth herein, the Receiving Party may only disclose the Confidential Information of the Disclosing Party to its personnel, agents, and representatives who are subject to obligations of confidentiality at least as restrictive as those set forth herein and only for the purpose of exercising its rights and fulfilling its obligations hereunder. To avoid any doubt, Vasquez is permitted to disclose the Agency's Confidential Information to Vasquez's personnel, agents, and representatives for the purpose of maintaining compliance with applicable laws and professional, regulatory, and/or ethical standards.

As used herein, "Confidential Information" means, information in any form, oral, graphic, written, electronic, machine-readable or hard copy consisting of: (i) any nonpublic information provided by the Disclosing Party, including, but not limited to, all of its inventions, designs, data, source and object code, programs, program interfaces, know-how, trade secrets, techniques, ideas, discoveries, marketing and business plans, pricing, profit margins and/or similar information; (ii) any information that the Disclosing Party identifies as confidential; or (iii) any information that, by its very nature, a person in the same or similar circumstances would understand should be treated as confidential, including, but not limited to, this Engagement Letter.

As used herein, the term "Confidential Information" will not include information that: (i) is publicly available at the time of disclosure by the Disclosing Party; (ii) becomes publicly available by publication or otherwise after disclosure by the Disclosing Party, other than by breach of the confidentiality obligations set forth herein by the Receiving Party; (iii) was lawfully in the Receiving Party's possession, without restriction as to confidentiality or use, at the time of disclosure by the Disclosing Party; (iv) is provided to the Receiving Party without restriction as to confidentiality or use by a third party without violation of any obligation to the Disclosing Party; or (v) is independently developed by employees or agents of the Receiving Party who did not access or use the Confidential Information.

The Receiving Party will treat the Disclosing Party's Confidential Information with the same degree of care as the Receiving Party treats its own confidential and proprietary information, but in no event will such standard of care be less than a reasonable standard of care. The Receiving Party will promptly notify the Disclosing Party if it becomes aware that any of the Confidential Information of the Disclosing Party has been used or disclosed in violation of this Engagement Letter.

Notwithstanding the foregoing, in the event that the Receiving Party becomes legally compelled to disclose any of the Confidential Information of the Disclosing Party, or as may be required by applicable regulations or professional standards, the Receiving Party will use commercially reasonable efforts to provide the Disclosing Party with notice prior to disclosure, to the extent permitted by law.

Preexisting Nondisclosure Agreements

In the event that the parties have executed a separate nondisclosure agreement and such agreement does not automatically terminate or expire upon execution of this Engagement Letter, such agreement shall be terminated as of the effective date of this Engagement Letter.

Disclosure of Relevant Information

Vasquez is an integral part of the RSM US Alliance. RSM US Alliance provides its members with access to resources of RSM US LLP, the fifth largest accounting, tax and consulting services firm in the U.S. Those resources will be available to support Vasquez by rendering services related to the performance of the engagement. If a situation occurs in connection with the proposed engagement for which we would request the services of RSM US LLP, we will notify you and obtain permission from you before giving access to



your records. We maintain supervision, control and ultimate responsibility for the performance of this engagement.

Vasquez is independently owned and operated and assumes full responsibility for the quality of service delivered to our clients. We are responsible for our own client fee arrangements and maintenance of our client relationships.

GAS require that we provide you with a copy of our most recent external peer review report and any letter of comment, and any subsequent peer review reports and letters of comment received during the period of the contract. Our latest tri-annual peer review report accompanies this letter as Exhibit II.

Independence

Vasquez meets the GAS independence requirements as it relates to the Agency. Professional and certain regulatory standards require us to be independent, in both fact and appearance, with respect to the Agency in the performance of our services. Any discussions that you have with Vasquez personnel regarding employment could pose a threat to our independence. Therefore, we request that you inform us immediately prior to any such discussions so that we can implement appropriate safeguards to maintain our independence.

Information Security

Vasquez is committed to the safe and confidential treatment of the Agency's proprietary information. Vasquez is required to maintain the confidential treatment of client information in accordance with relevant industry professional standards which govern the provision of services described herein. the Agency agrees that it will not provide Vasquez with any unencrypted electronic confidential or proprietary information, and the parties agree to utilize commercially reasonable measures to maintain the confidentiality of the Agency's information, including the use of our Citrix Sharefile site to ensure the safe transfer of data between the parties.

E-mail Communication

In connection with this engagement, we may communicate with you or others via e-mail transmission. As e-mails may be intercepted and read, disclosed, or otherwise used or communicated by an unintended third party, or may not be delivered to each of the parties to whom they are directed and only to such parties, we cannot guarantee or warrant that e-mails from us will be properly delivered and read only by the addressee. Therefore, we specifically disclaim and waive any liability or responsibility whatsoever for interception or unintentional disclosure or communication of e-mail transmissions, or for the unauthorized use or failed delivery of e-mails transmitted by us in connection with the performance of this engagement.

In that regard, you agree that we shall have no liability for any loss or damage to any person or entity resulting from the use of e-mail transmissions, including any consequential, incidental, direct, indirect, or special damages, such as loss of revenues or anticipated profits, or disclosure or communication of confidential or proprietary information.

We ask that you use our Citrix Sharefile site to transfer all confidential information to the engagement team.

Personal Information

As used herein, the term "Personal Information" means any personal information that directly or indirectly identifies a natural person as may be defined by applicable privacy, data protection or cybersecurity laws, and includes, but is not limited to, nonpublic, personally identifiable information such as Social Security numbers, Social Insurance numbers, driver's license numbers or state- or province-issued identification card numbers, credit or debit card numbers with or without any required security code, number or passwords, health information, and other personal information as defined by applicable laws, whether of the Agency or the Agency's customers or other third parties.



Each party agrees that it will not transmit to the other, in any manner, (i) Personal Information that is not needed to render the services hereunder, and (ii) Personal Information that has not been encrypted. In the event you transmit to us Personal Information in an unencrypted format or via unencrypted means, you agree that we have no obligation to notify you of the foregoing.

You represent and warrant that you have provided all notices and obtained all consents required under applicable data protection laws prior to your collection, use and disclosure to us or our Subcontractors of such Personal Information and shall take reasonable steps to ensure that such Personal Information does not include irrelevant or unnecessary information about individuals.

In the event the services provided hereunder involve Personal Information collected in Canada, you acknowledge that we or our Subcontractors performing services hereunder on our behalf may store, transfer, and/or process such Personal Information in locations and on servers located outside of Canada, including jurisdictions such as the United States whose data protection laws differ from those of Canada. As a result, such Personal Information may be subject to access requests from governments, courts, or law enforcement in those jurisdictions, including the United States, according to the laws in those jurisdictions. Subject to applicable laws in such other jurisdictions, we will use reasonable efforts to require that appropriate protections are in place to require our Subcontractors maintain protections on Personal Information collected in Canada that are equivalent to those that apply in Canada.

Upon your written request, we will enter into a mutually agreed upon agreement relating to the lawful cross-border transfer and processing of Personal Information. We will use all such Agency-provided Personal Information, if at all, only for the purposes described in this Engagement Letter. The parties agree that as part of the performance of the services as described in this Engagement Letter, and as part of the direct business relationship between the parties, we may, at our election, use the Personal Information to improve the services and for other similar internal and business purposes. We agree to maintain appropriate security measures to protect such Personal Information in accordance with applicable laws.

If we become aware of an unauthorized acquisition or use of the Agency-provided Personal Information, we will promptly inform you of such unauthorized acquisition or use as required by applicable laws and, upon your written request, reasonably cooperate with you at your sole cost in support of any breach notification requirements as imposed upon you by applicable laws.

Retention of Records

We will return to you all original records you provide to us in connection with this engagement. Further, in addition to providing you with those deliverables set forth in this Engagement Letter, we will provide to you a copy of any records we prepare or accumulate in connection with such deliverables which are not otherwise reflected in your books and records without which your books and records would be incomplete. You have the sole responsibility for retaining and maintaining in your possession or custody all of your financial and nonfinancial records related to this engagement. We will not host, and will not accept responsibility to host, any of your records. We, however, may maintain a copy of any records of yours necessary for us to comply with applicable law and/or professional standards. Any such records retained by us will be subject to the confidentiality obligations set forth herein and destroyed in accordance with our record retention policies.

Termination

Your failure to make full payment of any and all undisputed amounts invoiced in a timely manner constitutes a material breach for which we may refuse to provide deliverables and/or, upon written notice, suspend or terminate our services under this Engagement Letter. We will not be liable to you for any resulting loss, damage or expense connected with the suspension or termination of our services due to your failure to make full payment of undisputed amounts invoiced in a timely manner.



In the event you terminate this engagement, you will pay us for all services rendered (including deliverables and products delivered), expenses incurred, and noncancelable commitments made by us on your behalf through the effective date of termination.

We will not be responsible for any delay or failure in our performance resulting from acts beyond our reasonable control or unforeseen or unexpected circumstances, such as, but not limited to, acts of God, government or war, riots or strikes, disasters, fires, floods, epidemics, pandemics or outbreaks of communicable disease, cyberattacks, and internet or other system or network outages. At your option, you may terminate this Engagement Letter where our services are delayed more than 120 days; however, you are not excused from paying us for all amounts owed for services rendered and deliverables provided prior to the termination of this Engagement Letter.

When an engagement has been suspended at the request of management or those charged with governance, and work on that engagement has not recommenced within 120 days of the request to suspend our work, we may, at our sole discretion, terminate this Engagement Letter without further obligation to you. Resumption of our work following termination may be subject to our client acceptance procedures and, if resumed, will require additional procedures not contemplated in this Engagement Letter. Accordingly, the scope, timing and fee arrangement discussed in this Engagement Letter will no longer apply. In order for us to recommence work, the execution of a new Engagement Letter will be required.

We may terminate this Engagement Letter upon written notice if we determine that our continued performance would result in a violation of law, regulatory requirements, applicable professional or ethical standards, or our client acceptance or retention standards.

The parties agree that those provisions of this Engagement Letter which, by their context, are intended to survive, including, but not limited to, payment, limitations on liability, claim resolution, use and ownership, and confidentiality obligations, shall survive the termination of this Engagement Letter.

Miscellaneous

Vasquez may mention the Agency's name and provide a general description of the engagement in Vasquez' client lists and marketing materials.

The Agency agrees that it will not include our reports or otherwise associate us with any public or private securities offering without first obtaining our consent. Therefore, the Agency agrees to contact us before it includes our reports, or otherwise makes reference to us, in any public or private securities offering. Our association with an official statement is a matter for which separate arrangements may be necessary. The Agency agrees to provide us with printer's proofs or masters of such offering documents for our review and approval before printing, and with a copy of the final reproduced material for our approval before it is distributed. In the event our auditor/client relationship has been terminated when the Agency seeks such consent, we will be under no obligation to grant such consent or approval.

Our professional standards require that we perform certain additional procedures, on current and previous years' engagements, whenever a partner or professional employee leaves the firm and is subsequently employed by or associated with a client in a key position. Accordingly, you agree to compensate us for any additional costs incurred as a result of your employment of one of our partners, principals or employees.

Other Services

We are always available to meet with you and/or other executives at various times throughout the year to discuss current business, operations, accounting, and auditing matters affecting the Agency. Whenever you feel such meetings are desirable, please let us know. We are also prepared to provide services to assist you in any of these areas.

You may request that we perform additional services not addressed in this Engagement Letter. If this occurs, we will communicate with you the scope of the additional services and estimated fees. We also



may issue a separate engagement letter covering the additional services. In the absence of any other written communication from us documenting such additional services, our services will continue to be governed by the terms of this Engagement Letter.

Notices

Unless otherwise expressly agreed upon by the parties in this Engagement Letter, all notices required to be given hereunder will be in writing and addressed to the party at the business address provided in this Engagement Letter, or such other address as such party may indicate by a notice delivered to the other party. Except as otherwise expressly provided in this Engagement Letter, notices hereunder will be deemed given and effective: (i) if personally delivered, upon delivery; (ii) if sent by registered or certified mail or by overnight courier service with tracking capabilities, upon receipt; and, (iii) if sent by electronic mail (without indication of delivery failure), at such time as the party that sent the notice receives confirmation of receipt, whether by read-receipt confirmation or otherwise.

Governing Law

This Engagement Letter, including, without limitation, its validity, interpretation, construction, and enforceability, and any dispute, litigation, suit, action, claim, or other legal proceeding arising out of, from, or relating in any way to this Engagement Letter, any provisions herein, a report issued or the services provided hereunder, will be governed and construed in accordance with the laws of the State of California, without regard to its conflict of law principles, and applicable U.S. federal law.

Entire Agreement

This Engagement Letter constitutes the complete and exclusive statement of the agreement between Vasquez and the Agency, superseding all proposals, oral or written, and all other communications, with respect to the terms of the engagement, between the parties.

If any term or provision of this Engagement Letter is determined to be invalid or unenforceable, such term or provision will be deemed stricken and all other terms and provisions will remain in full force and effect.

This Engagement Letter may be amended or modified only by a written instrument executed by both parties.

Electronic Signatures and Counterparts

Each party hereto agrees that any electronic signature of a party to this agreement or any electronic signature to a document contemplated hereby (including any representation letter) is intended to authenticate such writing and shall be as valid, and have the same force and effect, as a manual signature. Any such electronically signed document shall be deemed (i) to be "written" or "in writing," (ii) to have been signed and (iii) to constitute a record established and maintained in the ordinary course of business and an original written record when printed from electronic files. Each party hereto also agrees that electronic delivery of a signature to any such document (via email or otherwise) shall be as effective as manual delivery of a manual signature. For purposes hereof, "electronic signature" includes, but is not limited to, (i) a scanned copy (as a "pdf" (portable document format) or other replicating image) of a manual ink signature, (ii) an electronic copy of a traditional signature affixed to a document, (iii) a signature incorporated into a document utilizing touchscreen capabilities or (iv) a digital signature. This agreement may be executed in one or more counterparts, each of which shall be considered an original instrument, but all of which shall be considered one and the same agreement. Paper copies or "printouts," of such documents if introduced as evidence in any judicial, arbitral, mediation or administrative proceeding, will be admissible as between the parties to the same extent and under the same conditions as other original business records created and maintained in documentary form. Neither party shall contest the admissibility of true and accurate copies of electronically signed documents on the basis of the best evidence rule or as not satisfying the business records exception to the hearsay rule.



Please sign and return a copy of this Engagement Letter to indicate your acknowledgment of, and agreement with, the arrangements for our audit of the financial statements including our respective responsibilities.

Very truly yours,

VASQUEZ & COMPANY LLP

Roger A. Martinez
Partner – Audit Practice Leader

RESPONSE:

This letter correctly sets forth the understanding of the **Desert Water Agency**.

Officer's Signature: _____

Title: _____

Date: _____



EXHIBIT I – Examples of Unexpected Circumstances

Incorrect accounting applications or errors in your records

We generally form our fee estimates on the expectations that your accounting records are in good order so that our work can be completed based upon our normal testing and other procedures. However, should we find numerous errors, incomplete records or disorganized bookkeeping methods, we will have to do additional work to determine that the necessary corrections have been made and properly reflected in the financial statements.

Lack of audit facilitation or timely preparation

To minimize your costs, we plan the means by which your personnel can facilitate the audit (e.g. what schedules they will prepare, how to prepare them, the supporting documents that need to be provided, etc.). We also discuss matters such as availability of your key personnel, deadlines and working conditions. Indeed, the information concerning these matters that you furnish to us is a key element in our fee quotation. Therefore, if your personnel are unable, for whatever reason, to provide these materials on a timely basis, it may substantially increase the work we must do to complete the engagement within the established deadlines. Moreover, in some circumstances this may require a staff withdrawal, as discussed in the following paragraph.

Staff withdrawal

A staff withdrawal consists of our removing one or all staff because the condition of your records or the inability of your personnel to provide agreed upon materials within the established timetable makes it impossible for us to perform our work in a timely, efficient manner, as established by our engagement plan. Sometimes, a complete staff withdrawal is necessary to permit an orderly audit approach. A staff withdrawal is not necessarily an adverse reflection on your personnel. However, it involves additional costs, as we must reschedule our personnel; incur additional start-up costs, etc., to prevent total engagement costs from increasing significantly.

Unforeseen events

Even though we communicate frequently with clients and plan our engagement with management and their staff, unforeseen events can occur. Examples include accounting problems, litigation, changes in your business or business environment, contractual or other difficulties with suppliers, third-party service providers, or customers, etc. When those circumstances occur, additional time is needed to provide you with assistance and complete our engagement in accordance with professional standards.

Again, we emphasize that we strive to give you optimum value for our professional services. Fee quotations are provided based upon the facts and circumstances that you describe to us. However, unlike the sale of products, the performance of professional services is affected by many variables, such as the foregoing, which may cause fee estimates to change.

We want you to receive the maximum value for our professional services and to perceive that our fees are reasonable and fair. We, therefore, commit to inform you in advance of any need to revisit fee estimates.



EXHIBIT II – Peer Review Report



Peer Review Program

Administered by the National Peer Review Committee

American Institute of CPAs
220 Leigh Farm Road
Durham, NC 27707-8110

April 01, 2020

Gilbert Vasquez
Vasquez & Company, LLP
655 N Central Ave Ste 1550
Glendale, CA 91203

Dear Gilbert Vasquez:

It is my pleasure to notify you that on March 25, 2020, the National Peer Review Committee accepted the report on the most recent System Review of your firm. The due date for your next review is December 31, 2021. This is the date by which all review documents should be completed and submitted to the administering entity.

As you know, the report had a peer review rating of pass. The Committee asked me to convey its congratulations to the firm.

Thank you for your cooperation.

Sincerely,

Michael Fawley
Chair, National PRC
nprc@aicpa.org
+1.919.402.4502

cc: James Dougherty, Roger Martinez

Firm Number: 900010138115

Review Number: 568010



16475 Dallas Parkway, Suite 770
Addison, Texas 75001
Tel: 972-931-6803

jlrosenberger.com

Report on the Firm's System of Quality Control

December 20, 2019

To the Partners of Vasquez & Company LLP, and the Peer Review Committee of the State of California.

We have reviewed the system of quality control for the accounting and auditing practice of Vasquez & Company (the firm) applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended June 30, 2019. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

The nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

The Firm's Responsibility

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review.

Required Selections and Considerations

Engagements selected for review included engagements performed under Government Auditing Standards, including compliance audits under the Single Audit Act, and audits of employee benefit plans.

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

Opinion

In our opinion the system of quality control for the accounting and auditing practice of Vasquez & Company applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended June 30, 2019, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of pass, pass with deficiency(ies) or fail. Vasquez & Company, LLP has received a peer review rating of pass.

JLK Rosenberg, LLP

JLK Rosenberg LLP

DESERT WATER AGENCY

Professional Auditing Services



Request for Proposal

March 9, 2022

DESERT WATER AGENCY
1200 Gene Autry Trail South
Palm Springs, CA 92264

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I. General

A. Purpose

Desert Water Agency, hereinafter referred to as “Agency”, is requesting proposals from qualified Certified Public Accounting firms (herein “auditor”) to perform an audit and issue opinions on Desert Water Agency’s financial statements. This request is for a three (3) year contract term beginning with the fiscal year ending June 30, 2022 through June 30, 2024 with the option of extending the contract for two (2) additional one-year periods, at the Agency’s sole discretion. Audit fees for the additional two years will be negotiated between the Agency and the selected firm, subject to the concurrence of the Agency’s Board.

B. Key RFP Dates

Subject to change at the discretion of the Agency.

Issue Date	Thursday March 9, 2022
Deadline for Question/Inquiries	Thursday, March 24, 2022
Proposal Due Date	Thursday, March 31, 2022
Project Award Date	Tuesday, April 19, 2022

C. Agency Background Information

The Agency is a Special District of the State of California, founded as a groundwater management agency in the western Coachella Valley in 1961 and started providing water service to customers in Palm Springs and Cathedral City in 1968. DWA is one of only 29 state water contractors in California. This gives the Agency the ability to import water, which is used to recharge the groundwater basin (the main source of water in the valley). The Agency currently has approximately 23,000 domestic water connections that serve approximately 106,000 customers (including seasonal population).

Desert Water provides potable water service to approximately 23,000 metered connections. The primary source of water is ground water. The aquifer is replenished with water from the State Water Project, additionally supply comes from local mountain streams.

Desert Water provides reclaimed water service to 12 metered customers. These customers use reclaimed water to irrigate golf courses, parks, medians and Palm Springs High School fields. The Desert Water reclamation plant provides the additional tertiary water treatment to effluent provided by the City of Palm Springs wastewater treatment plant necessary to meet the California title 22 water reuse standards.

Desert Water provides wastewater collection and conveyance services for customers in Dream Homes area of Palm Springs and the Cathedral City Cove. The wastewater is transported to two treatment facilities, one operated by the Coachella Valley Water District and the other by the City of Palm Springs.

The Agency is governed by a five-member Board of Directors, elected at large from within the Agency's service area. The Agency's Board of Directors meets on the first and third Tuesday of each month. Meetings are publicly noticed and residents are encouraged to attend. Daily operation of the Agency falls under the responsibility of the General Manager, Mark Krause. The General Manager administers the day-to-day operations of the Agency in accordance with resolutions and ordinances established by the Board of Directors. As General Manager, Mr. Krause is responsible for the general oversight of the production and distribution of potable and non-potable water, as well as treatment and water recycling at the Agency's Water Reclamation Facility.

The Agency accounts for all of its operations in a single enterprise fund in accordance with generally accepted accounting principles. The Agency currently uses an in house custom built accounting system and is currently preparing to transition into a modern ERP system with an anticipated 'go-live' date in Late 2022.

Information regarding the Agency is available for review on our website, www.dwa.org. Additional information is available by request. The Agency will be more than happy to assist you in obtaining any information you may need. It is the proposing firm's responsibility to obtain a thorough understanding of the Agency, the scope of the audit(s), and the work to be performed in order to successfully complete the audit(s) prior to submitting your proposal and maximum price bid.

II. Nature of Services Required

A. Scope of Work to be Performed

The Agency desires the auditor to express an opinion on the fair presentation of its general purpose financial statements in conformity with generally accepted governmental accounting principles (GASB). The scope of work relative to this request for proposals shall include the following tasks:

1. A pre-audit conference (teleconference is acceptable) is required to provide a clear understanding of any conditions to be met by Agency staff and the responsibilities of the auditor, so that the audit can be conducted on a timely basis and concluded in accordance with predetermined schedules.
2. Auditor will perform an audit of all funds and financial statements of the Agency. The audit will be conducted in accordance with auditing standards generally accepted in the United States of America and Government Auditing Standards, issued by the Comptroller of the United States.
3. Auditor will be responsible for preparing the combined financial statements, footnotes and required supplementary information of the individual funds. Any results prepared by the auditor which alter the Agency's books must be reviewed by the Agency's personnel.
4. Auditor will assist Agency personnel in applying generally accepted accounting principles and provide support necessary to maintain sound financial management procedures. Auditor shall provide financial advice and counsel on significant matters occurring throughout the year that would affect the annual reports and sound accounting practices.

5. The Agency desires the auditor to express an opinion on the fair presentation of its financial statements in conformity with generally accepted accounting principles (GAAP). The auditor shall also be responsible for performing certain limited procedures involving preparation of supplementary information required by the Governmental Accounting Standards Board (GASB) and mandated by generally accepted auditing standards (GAAS). All of the Agency's operations are accounted for in four funds: General Fund, Operating Fund, Wastewater Fund, and Finance Corporation Fund. Review other supplementary information and statistical section to ensure it is consistent with information on the financial statements.
6. Auditor shall provide sixteen (16) unbound copies and one (1) electronic version of the auditor's report.
7. Auditor will evaluate the adequacy of the internal control system and, where weaknesses are noted, make appropriate recommendations for improvements.
8. Auditor will prepare a report to the Board of Directors and management which identifies control deficiencies, significant deficiencies and material weaknesses, if any, and recommendations for improvements in accounting and administrative controls.
9. The auditor shall be required to make an immediate written report of all irregularities and illegal acts of which they become aware to the Board of Directors and General Manager.
10. Annual Report of Financial Transactions of Special District - auditor shall prepare the annual report to the State Controller pursuant to Government Code Section 26909. This report shall be completed and on file with the State Controller by January 31st of each respective year. Auditor shall submit to the District a copy of the annual report for review prior to transmittal to the State Controller.
11. The auditor in charge shall attend the board meeting to present the audit to the Board and answer any questions the board may have. A representative may be requested to attend a meeting with the Finance Director and/or General Manager earlier if clarification of the audit findings is necessary by staff.
12. Management Letter - The audit examination shall evaluate the Agency's accounting system, internal control structure, methods of processing data and maintaining financial records. This evaluation shall be comprehensive enough in scope to provide for an appropriate report thereon to the Agency. The auditor shall prepare a separate management letter on the internal control structure based upon the auditor's understanding of the control structure and assessment of control risk. This report shall be submitted to Agency and shall outline the auditor observations and recommendations for enhancement, and include any reportable conditions found during the audit.
13. Audit procedures will include a review of the Investment Policy to provide assurances of strong internal controls by reviewing compliance with established policies and procedures. The result of this review will be included with the annual audit report to the Board of Directors.
14. The auditing firm shall submit a draft of the financial statements to management no later than October 1, 2022.

B. Additional Work

If it should become necessary for the Agency to request the auditor to render additional services to either supplement the services requested in this request for proposal or to perform additional work as a result of the specific recommendations included in any report issued with this engagement, then such additional work shall be performed only if set forth in a written addendum to the contract between the Agency and the auditor. Any such additional work agreed to between the Agency and the auditor shall be performed at the same rates set forth in the schedule of fees and expenses included in the formal bidding proposal.

Historically, Desert Water Agency has not been subject to the single audit requirement. In the near future, this may change as the Agency has been actively pursuing Federal Funds. When required, the audit firm will perform a single audit on the expenditures of federal grants in accordance with U.S. Office of Management and Budget (OMB) Grant Guidance/Super Circular and render the appropriate audit reports on the Internal Control over Financial Reporting based upon the audit of the Agency's basic financial statements in accordance with Government Auditing Standards and the appropriate reports on compliance with Requirements Applicable to each Major Program, Internal Control over Compliance and on the Schedule of Expenditures of Federal Awards. The single audit report will include appropriate schedule of expenditures of federal awards, footnotes, findings, and questioned costs, including reportable conditions and materials and weaknesses, and follow up on prior audit findings where required.

C. Working Paper Retention

All working papers and reports must be retained at the auditor's expense for a minimum of seven (7) years, unless the firm is notified in writing by the Agency of the need to extend the retention period. The auditor will be required to make working papers available to the Agency. In addition, the firm shall respond to the reasonable inquiries of successor auditors and allow successor auditors to review working papers relating to matters of continuing accounting significance.

III. Project Timeline

1. Audit planning, interim work may commence as soon as practicable after award of contract. A detailed Audit Plan and list of all schedules to be prepared by the City shall be provided to the Agency no later than June 30th of each respective year.
2. Fieldwork shall be completed no later than September 30 of each respective year.
3. Completion and submission of the Annual Report of Financial Transactions of Special District to the State Controller prior to January 31st due date of each respective year.
4. The auditor will be expected to complete their work with respect to the financial statements in time to furnish the Agency with their letter of opinion no later than October 31 of each respective year.
5. Should the Agency exercise the option for the selected auditor to perform subsequent work, the aforementioned time schedule shall be applicable. The failure of the auditor to strictly adhere to the

schedule may result in the assessment of damages against auditor for delay. Notwithstanding the foregoing, auditor shall not be responsible for delays which are due to cause beyond auditor's reasonable control.

IV. Elements of Proposal

Proposals submitted pursuant to this request must contain the following information:

1. Cover Page showing the request for proposal subject; the firm's name; name, address, telephone number of the contact person; and date of the proposal.
2. Table of Contents identifying the materials submitted by section and page number. Cross-referencing the RFP section would be helpful.
3. Transmittal Letter

Proposals shall include a signed letter of transmittal briefly stating the following

- a. Auditor's understanding of the work to be done
 - b. The commitment to perform the work within the specified time
 - c. A statement why the firm believes itself to be the best qualified to perform the engagement
 - d. A statement that the proposal is a final and irrevocable offer for a period of sixty (60) calendar days from the submitted date
 - e. A statement that the Auditor has no conflict of interest with regard to any of the work performed by the Auditor for the Agency
 - f. A statement that the audit firm is independent and licensed to practice in the State of California
4. Firm/Team General Information
Proposals shall provide information on the size of the firm, the size of the firm's governmental audit staff, the location of the office from which the work on this engagement is to be performed and the number and nature of the professional staff to be employed in this engagement.
 5. Disciplinary Action
The Auditor shall provide information on the circumstances and status of any disciplinary action taken or pending against the firm during the past three (3) years with any regulatory or professional organizations.
 6. Peer Review
The Auditor shall submit a copy of the Auditor's most recent governmental engagement peer review.
 7. Firm/Team Experience
Proposal shall include a profile of the firm's experience. Include resumes of audit team. At a minimum, this should include the auditor in charge, audit team members and the percentage of each individual's time devoted to this audit as well as the percentage of this audit engagement performed by each audit team member. The auditor in charge shall be the primary contact person to represent your firm.
 8. Relevant Project Experience
List the most significant engagements performed in the last two (2) years that are most similar to the engagement described in this request for proposal. Indicate the names and telephone numbers of principal client contacts as professional references.

9. References

Proposals shall provide a minimum of three (3) references that may be contacted regarding the firm's capabilities. References shall include the audited firm's name, contact individual name, current telephone number, and type and dates of services rendered. (This requirement may be satisfied by responses to item number 8, Relevant Project Experience. Auditor may provide additional references in this section that do not meet the criteria of item number 8 above.)

10. Understanding of Need

Proposal shall include an outline demonstrating the Auditor's understanding of the scope of work. This outline should include anticipated approach/audit methodology, tasks necessary for successful completion, and suggestions or special concerns that the Agency should be made aware of.

11. Schedule/Work Plan

- a. Proposals shall include a specific timeline to complete the various phases of the audit according to the work plan outlined in response to item 10, Understanding of Need.
- b. Written statement providing information on current workload and how this project will be accommodated.

12. Professional Insurance

The proposal shall include a copy of the Auditor's current certificate of insurance and endorsements for professional liability and worker's compensation insurance.

13. Cost Proposal

The cost proposal should include all pricing information relative to performing the audit and related services as described in this request for proposal. The total all-inclusive maximum price is to contain all direct and indirect costs, including all items such as travel and out-of-pocket expenses. The cost proposal should include the following information:

- a. Name of the Firm
- b. A Total All-Inclusive Maximum Price for each fiscal year for initial 3-year term.
- c. Total All-Inclusive Maximum Price for each additional fiscal year if option to extend is exercised
- d. A schedule of rates by partner, specialist, supervisory, and staff level. If it should become necessary for the Agency to request the auditor to render any additional services to either supplement the services requested in this RFP or to perform additional work as a result of the specific recommendations included in any report issued on this engagement, then such additional work agreed to between the Agency and the firm shall be performed at the rates included.
- e. Certification that the person signing the proposal is entitled to represent the firm and authorized to sign a contract with the Agency.

V. Submission Instructions

A. Submission Method

The Proposals must be submitted electronically to:

Esther Saenz
Finance Director
Esaenz@dwa.org

B. Submission Time

On or before the following date and time:

Time: 4:00 pm PST
Date: Thursday, March 31, 2022

C. Questions

Questions from Proponents are due by:

Time: 4:00 pm PST
Date: Thursday, March 24, 2022

D. Amendments to Proposals

Proposals may be revised by written amendment, submitted electronically to Esther Saenz (Esaenz@dwa.org) at any time before the Closing Time but not after. The amendment must indicate the change in the proposal price, if any.

E. Inquiries

All inquiries related to this Proposal should be directed in writing to the person(s) named below (Agency Representative). Information obtained from any person or source other than this Agency Representative(s) may not be relied upon.

Name: Esther Saenz
Title: Finance Director
Address: PO Box 1710
Palm Springs, CA 92263
Email: Esaenz@dwa.org

The Agency reserves the right to not respond to inquiries made after the due date for questions provided.

Contact with personnel of the Agency other than the above regarding this request for proposal may be grounds for elimination from the selection process.

F. **Opening of Proposals**

The Agency intends to open and evaluate Proposals internally. There will not be a public opening.

G. **Status Inquiries**

All inquiries to the status of this Proposal, including whether a Contract has been awarded, should be directed to the Agency Representative.

VI. **Evaluation & Selection**

A. **Evaluation Team**

The evaluation of Proposals will be undertaken on behalf of the Agency by the Evaluation Team. The Evaluation Team will consist of Agency staff. The Evaluation Team may consult with others including Agency staff members, third-party consultants and references, as the Evaluation Team may in its discretion decide is required. The Evaluation Team will select a Preferred Proponent utilizing the Evaluation Criteria outlined below.

B. **Evaluation Criteria**

The Agency's Evaluation Team will review and evaluate proposers based on the response to the RFP, which includes adherence to outlined directions. A final score will be calculated for each submitted proposal and used to rank the proposers.

The weighted criteria for evaluating the submitted proposals is as follows:

Evaluation Criteria	Weight
Understanding of Need/Audit Approach	40%
Experience	20%
Fee	20%
Schedule	15%
References	5%

C. **Additional Information**

The evaluation team may, at its discretion, request clarification, additional information, or to allow corrections of errors or omissions from a Proponent with respect to any Proposal. The evaluation team may consider such clarifications or additional information in evaluating a Proposal.

At the discretion of the Agency, firms submitting proposals may be requested to make oral presentations as part of the evaluation process.



D. Negotiation and Award of Contract

Once a Preferred Proponent is selected, the Agency may

1. Enter into a Contract with the Preferred Proponent or
2. Enter into discussions with the Preferred Proponent to attempt to finalize the terms of the Contract

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

APRIL 19, 2022

**RE: REQUEST AUTHORIZATION TO EXECUTE COLORADO RIVER
FUNDING AREA UNDERREPRESENTED COMMUNITIES SET
ASIDE MEMORANDUM OF UNDERSTANDING**

Desert Water Agency is a member of the Coachella Valley Regional Water Management Group (CVRWMG) and is able to solicit state grant funding earmarked for Integrated Regional Water Management (IRWM).

CVRWMG is in the Colorado River Funding Area (CRFA), one of 12 IRWM funding regions in the state. Within the funding area there are four IRWM groups: CVRWMG, Imperial RWMG, Mojave RWMG and San Gorgonio RWMG.

The Budget Act of 2021 allocated \$300 million to deliver grants for interim and immediate drought relief to urban communities and for multibenefit projects. Of the \$300 million, \$5 million was set aside for each funding area for underrepresented communities.

CVRWMG agreed with the other RWMGs on a funding split to cover RWMGs and the projects outside of them within the CRFA. The methodology for the split was 40% split evenly five ways, and 60% of funds split by DAC population. Staff is seeking authorization for the General Manager to sign the MOU formally accepting the funding split.

Urban and Multibenefit Drought Relief Grant Program URC Set-Aside	
CVRWMG	\$1,857,771
Imperial RWMG	\$922,558
Mojave RWMG	\$635,807
San Gorgonio RWMG	\$513,326
Non-IRWM Areas	\$715,538
Grant Administration	\$355,000
Total	\$5,000,000

CVRWMG submitted 3 projects for its share of the URC set aside funds.

- Mission Springs Water District well rehabilitation - \$338,787
- Coachella Valley Water District Valley View MHP Water Consolidation - \$600,000
- CV Water Counts – regional DAC conservation program - \$918,984

CVRWMG has not yet determined how it will split funding for the regional DAC conservation program amongst CV Water Counts agencies. Staff will update the Board on the funding DWA receives and how it will be applied. There is no matching requirement for these funds since they are for underrepresented communities.

Fiscal Impact:

Not yet determined. Finance Director Saenz has reviewed this report.

Recommendation:

Staff recommends that the Board of Directors authorize General Manager Krause to sign the MOU as a CVRWMG member agency.

Attachments:

Attachment #1 – CRFA MOU

2022
MEMORANDUM OF UNDERSTANDING
FOR INTEGRATED REGIONAL WATER MANAGEMENT PLANNING AND FUNDING IN
THE COLORADO RIVER BASIN FUNDING AREA

This Memorandum of Understanding (MOU) is entered into this 12th day of April 2022 (Effective Date) among the Parties listed below:

PARTIES:

1. Coachella Valley Regional Water Management Group (RWMG), hereinafter CVRWMG agencies includes the following member agencies which are each a Party to this MOU:
Coachella Water Authority, hereinafter CWA; Coachella Valley Water District, hereinafter CVWD; Desert Water Agency, hereinafter DWA; Indio Water Authority, hereinafter IWA; Mission Springs Water District hereinafter MSWD; and Valley Sanitary District, hereinafter VSD.

2. Imperial RWMG, hereinafter IRWMG agencies, includes the following member agencies which are each a Party to this MOU:
Imperial Irrigation District, hereinafter IID; Imperial County; and the City of Imperial.

3. Mojave RWMG, hereinafter MRWMG agencies, includes the following member agencies which are each a Party to this MOU:
Mojave Water Agency, hereinafter MWA; Victor Valley Wastewater Reclamation Authority, hereinafter VVWRA; Technical Advisory Committee, hereinafter TAC; Mojave Desert Resource Conservation District, hereinafter Mojave Desert RCD; and Morongo Basin Pipeline Commission.

4. San Geronio RWMG, hereinafter SGRWMG, includes the following member agencies which are each a Party to this MOU:
City of Banning, hereinafter Banning; Banning Heights Mutual Water Company, hereinafter BHMWC; Cabazon Water District, hereinafter CWD, High Valleys Water District, hereinafter HVWD, Riverside County Flood Control and Water Conservation District, hereinafter RCFCWCD; and the San Geronio Pass Water Agency, hereinafter SGPWA.

The agencies acting collectively under this agreement are the COLORADO RIVER INTEGRATED REGIONAL WATER MANAGEMENT GROUPS, hereinafter called the Colorado River IRWM RWMGs. The agencies also are sometimes referred to in this MOU collectively as “Parties” and individually as “Party.”

RECITALS:

- A. The Budget Act of 2021 (Stats. 2021, ch. 240, § 80) allocated \$300 million to DWR to deliver grants for interim and immediate drought relief to urban communities and for multibenefit projects. These grants are intended to provide water to communities that face the loss or contamination of their water supplies, to address immediate impacts on human health and safety, and to protect fish and wildlife resources. Funding is administered by the Department of Water Resources (DWR).

- B. The intent of the Urban and Multibenefit Drought Relief Grant Program (Drought Grant) is to provide water to communities that face the loss or contamination of their water supplies, to address immediate impacts on human health and safety, and to protect fish and wildlife resources. DWR included a \$5,000,000 Underrepresented Community (URC) set-aside in the Drought Grant for each funding area that currently has a Proposition 1 DACI Grant Agreement. As the Colorado River Funding Area (CRFA) has a grant agreement between CVWD and DWR for the Proposition 1 DACI program, the CRFA is eligible to receive these funds if the CRFA submits an application. The CRFA submitted an application to DWR for the \$5,000,000 URC set-aside in January 2022 and was awarded the \$5,000,000 funds on March 21, 2022.
- C. The Colorado River Basin Hydrologic Region, also known as the Colorado River Funding Area, is composed of the IRWM regions of the four Parties – the CVRWMG, IRWMG, MRWMG, and SGRWMG. The boundaries of the CVRWMG, IRWMG, MRWMG, and SGRWMG are shown in **Attachment A**. Each IRWM region has been accepted into the IRWM Grant Program via the Region Acceptance Process.
- D. For the purposes of this 2022 MOU, the division of funding and terms of the funding agreement among the Colorado River IRWM regions shall be consistent with terms articulated in **Attachment B**, which are summarized below:

Urban and Multibenefit Drought Relief Grant Program URC Set-Aside Solicitation	
Region	Funding per Region
CVRWMG	\$1,857,771
IRWMG	\$922,558
MRWMG	\$635,807
SGRWMG	\$513,326
Non-IRWM Areas	\$715,538
Grant Administration	\$355,000
Total	\$5,000,000

- E. DWR does not consider the cost of applying for the URC Set-Aside to be an eligible cost. Therefore, each RWMG will be required to contribute funds to pay for their portion of the grant application cost. CVWD will enter into a contract with Woodard & Curran to complete the grant application. MRWMG, SGRWMG and IRWMG will provide their portion of the grant application cost, including costs for the Woodard & Curran contract, to CVWD. Each RWMG shall be responsible for payment of its respective share of grant application costs, based on the table below, to CVWD within 30 days of the date of invoices submitted by CVWD to the representatives for each RWMG as set forth in this MOU. The application cost for the non-IRWM applicant, City of Needles, was contracted separately between the City of Needles and Woodard & Curran, as the City of Needles is not a party to this MOU. The estimated grant application cost for the four RWMGs is \$69,394. The cost for Task 1 – Project Management (project management, CRFA and non-IRWM coordination) of \$24,222 was split equally between the four RWMGs and the cost for Task 2 – Grant Application of \$45,172 was split based on the number of projects each RWMG included in the application.

Estimated URC Set-Aside Grant Application Cost Per RWMG		
RWMG	No of Projects Included in Application	Grant Application Cost per RWMG
Mojave RWMG	3	\$19,607.10
San Geronio RWMG	1	\$10,572.70
Imperial RWMG	3	\$19,607.10
Coachella Valley RWMG	3	\$19,607.10
Total	10	\$69,394.00

- F. Each Party, with the exception of the IRWMG, has adopted an accepted IRWM Plan pursuant to Water Code § 10530 et seq that meets the 2016 Integrated Regional Water Management Grant Program Guidelines (2016 Guidelines). An IRWM Plan that meets the 2016 Guidelines is not required to participate in the URC Set-Aside of the Drought Grant. The Parties now desire coordination of applications for the URC Set-Aside to fund projects to enhance the quality of planning, identify opportunities for supporting common goals and projects, and improve the quality and reliability of water in the CRFA and throughout the State of California. The Parties will rank and select projects for inclusion in the URC Set-Aside grant applications for their projects consistent with their respective IRWM Plans. A Call for Projects and project selection process was completed for the non-IRWM areas of the CRFA with the four parties ranking and selecting the project for inclusion in the URC Set-Aside application.
- G. The Parties will balance the necessary autonomy of each planning region to plan for itself at the appropriate scale with the need to coordinate among themselves to improve inter-regional cooperation and efficiency. By consensus, the Parties have developed the 2022 MOU to improve the IRWM planning process in the Funding Area to coordinate planning across planning region lines, and facilitate the appropriation of funding for IRWM projects by DWR.
- H. The Parties will coordinate on grant funding requests to ensure that the sum of the total grant requests does not exceed the amount designated for the funding region.

The RECITALS are incorporated herein and the PARTIES hereby mutually agree as follows:

1. Definitions

The following terms and abbreviations, unless otherwise expressly defined by their context, shall mean:

- A. **Funding Area** – refers to any one of the 12 regions and sub-regions referenced in Public Resources Code section 79744(b) and allocated a specific amount of funding to support IRWM activities. The Colorado River Basin Hydrologic Region (also referred to as Colorado River Funding Area or CRFA) incorporates lands in the Colorado River Basin Regional Water Quality Control Board.
- B. **RWMG** – refers to a group of at least three agencies, two of which must have statutory authority over water management, that have joined together to manage water resources to meet regional needs. Each RWMG is the documented leader of IRWM planning and implementation efforts in a planning region.
- C. **Planning Region** – refers to regions with integrated stakeholders, agencies and projects in their regions for the purpose of coordinating with other planning regions and DWR. The boundaries of the four planning regions in the Colorado River Funding Area are shown in **Attachment A**.

- D. **Colorado River Integrated Regional Water Management RWMGs (Colorado River IRWM RWMGs)** – refers collectively to the four RWMGs entering into this MOU. The Colorado River IRWM RWMGs is composed of at least one representative from each recognized RWMG in the Funding Area. The Colorado River IRWM RWMGs will meet periodically to discuss issues pertaining to the Funding Area and make recommendations to their RWMGs.
- E. **Stakeholder Advisory Committee** – refers to the recognized committee or committees of stakeholders advising a planning region’s RWMG and/or governing agencies on key issues related to IRWM planning and grant applications.
- F. **Non-IRWM Area** – refers to areas within the CRFA as shown in **Attachment A** that do not fall within the CVRWMG, MRWMG, SGRWMG and IRWMG boundaries accepted by DWR through the Region Acceptance Process (RAP).

2. General Planning Cooperation

All RWMGs will meet on an as-needed basis throughout the Drought Grant application and administration process. The number and timing of meetings will depend on the amount and intensity of planning and coordination efforts of the planning regions required to apply for and administer the Drought Grant. The efforts of the Colorado River IRWM Parties will be to coordinate on Drought Grant-related funding efforts, enhance the quality of planning, and identify opportunities for supporting common goals and projects in the Funding Area.

3. Scope of the Agreement

Nothing contained within this MOU binds the Parties beyond the scope or term of this MOU unless the Parties expressly so agree in subsequent agreements, amendments, or contracts. With the exception of Recital E for the grant application cost, this MOU does not require any commitment of funding beyond that which is voluntarily committed by separate board actions but recognizes in-kind contributions of RWMG agencies and stakeholders.

4. Term of Agreement

The term of this MOU is from its Effective Date set forth above to the end of the fund expenditure date included in the Urban and Multibenefit Drought Relief Grant Program (Drought Grant) unless extended or terminated by mutual agreement of the Parties.

5. Modification or Termination

This MOU may be modified or terminated with the concurrence of the RWMGs. Modification or termination shall be effective upon execution of a written agreement by all the RWMGs.

6. Notice

Any notices sent or required to be sent to any RWMG shall be electronically mailed to the representatives designated for each member agency of the RWMGs.

7. Funding Uncertainties

The RWMGs do not guarantee that these coordination efforts and applications for funding will result in actual funding of any specific project. Nothing in this MOU shall be construed as creating a promise or guarantee of future funding. No liability or obligation shall accrue to any Party if DWR does not provide funding in response to any Party’s application. The Parties are committed to planning and coordinating

notwithstanding IRWM funding. The form of such coordination may change based on the sources of funding.

8. Indemnification

To the fullest extent permitted by law, each Party shall defend, indemnify and hold harmless the other Parties, their consultants, and each of their directors, officers, agents, and employees from and against all liability, claims, damages, losses, expenses, and other costs including costs of defense and attorneys' fees, arising out of or resulting from or in connection with work performed pursuant to this MOU. Such obligation shall not apply to any loss, damage, or injury, as may be caused by the sole negligence or willful misconduct of a Party, its directors, officers, employees, agents, and consultants.

9. Miscellaneous Provisions

- A. **Governing Law:** This MOU is to be construed in accordance with the laws of the State of California. Any action at law or in equity brought by any of the Parties shall be brought in a court of competent jurisdiction in Imperial, Riverside, or San Bernardino Counties, and the parties hereto waive all provisions of law providing for change of venue in such proceedings to any other county.
- B. **Severability and Validity of Provisions:** If any provision of this MOU is held by a court to be invalid, void or unenforceable, the remaining provisions shall be declared severable and shall be given full force and effect to the extent possible.
- C. **Arms' Length Negotiations:** This MOU is the result of negotiations between the parties hereto and with the advice and assistance of their respective counsels. No provision contained herein shall be construed against any Party because of its participation in preparing this MOU.
- D. **Waiver:** Any waiver by a Party of any breach by the other of any one or more of the terms of this MOU shall not be construed to be a waiver of any subsequent or other breach of the same or of any other term hereof. Failure on the part of any of the respective Parties to require from the others exact, full and complete compliance with any terms of the MOU shall not be construed to change the terms hereof or to prohibit the Party from enforcement hereof.
- E. **Execution in Parts or Counterparts:** This MOU may be executed and delivered in any number of parts or counterparts, hereinafter called "Counterpart". When each Party has signed and delivered at least one Counterpart to the other parties hereto, each Counterpart shall be deemed an original and, taken together, shall constitute one and the same MOU, which shall be binding and effective as to the Parties hereto. Facsimile or electronic signatures shall be binding.
- F. **Exclusive Expression of Agreement:** This MOU is intended by the parties hereto as their final expression with respect to the matters herein, and is a complete and exclusive statement of the terms and conditions thereof. This MOU shall not be changed or modified except by the written consent of all Parties hereto.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the dates shown on the attached counterpart signature pages:

On behalf of the Mojave Regional Water Management Group:

Mojave Water Agency

Allison Febbo, General Manager

Date

Technical Advisory Committee

Marina West, Chairperson

Date

On behalf of the San Gorgonio Regional Water Management Group:

City of Banning

Doug Schulze, City Manager

Date

On behalf of the Coachella Valley Regional Water Management Group

Jim Barrett
Coachella Valley Water District

Bryan H. Montgomery
Indio Water Authority

Arden Wallum
Mission Springs Water District

Mark Krause
Desert Water Agency

Dr. Gabriel Martin
Coachella Water Authority

Beverli Marshall
Valley Sanitary District

On behalf of the Imperial Regional Water Management Group:

Imperial County

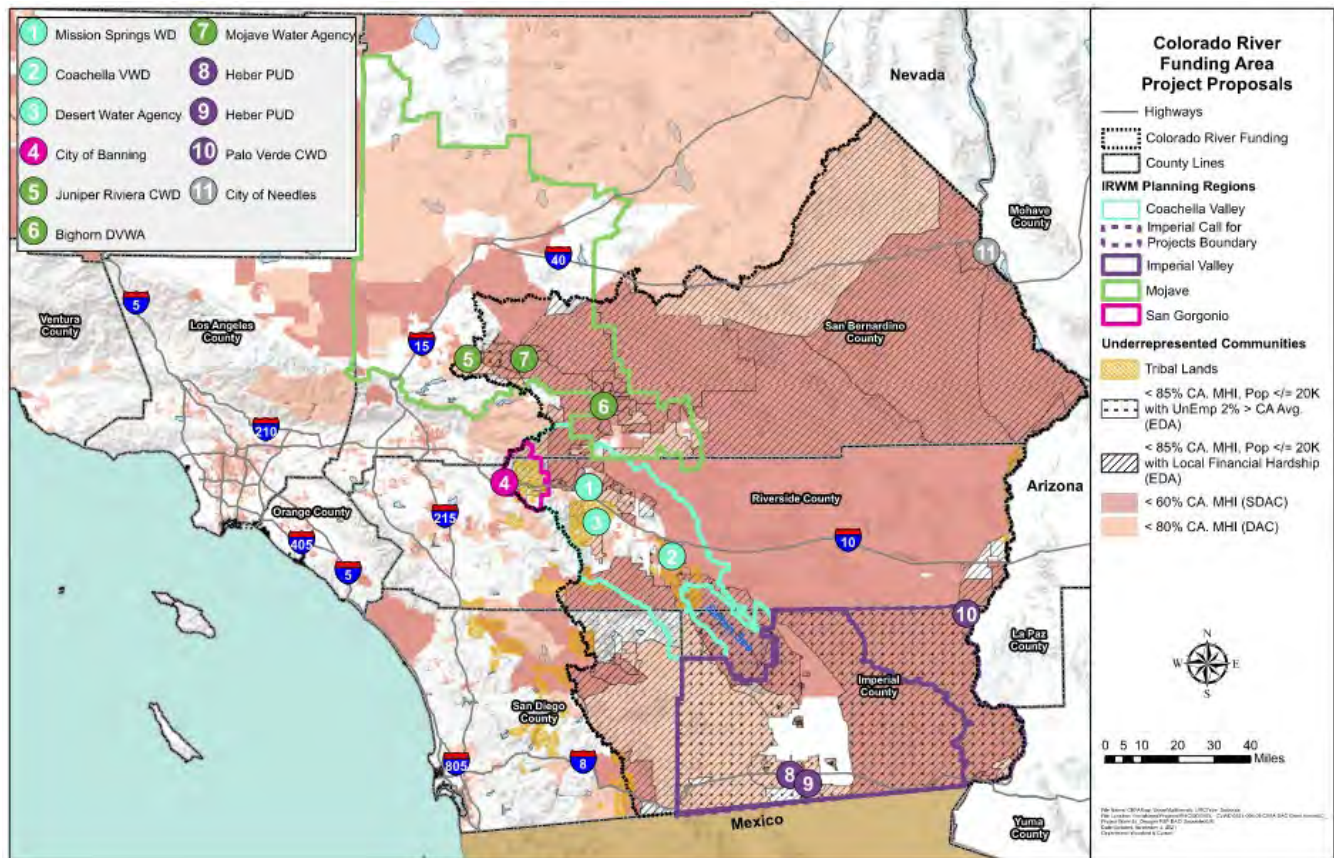
Esperanza Colio, Deputy CEO

Date

Attachment A

Colorado River Funding Area and Planning Region Boundaries

This figure shows the location of the Coachella Valley, Imperial, Mojave, and San Geronio IRWM Planning Regions within the Colorado River Funding Area. Please note that the Mojave IRWM Planning Region spans two Funding Areas: Lahontan and Colorado River, while the Coachella, Imperial, and San Geronio IRWM Planning Regions are wholly located in the Colorado River Funding Area. For the purposes of the Drought Grant, the Imperial IRWM Planning Region requested that the whole of Imperial County that is not included in an existing IRWM Planning Region be included in its Call for Projects. The DWR-accepted Imperial IRWM Planning Region boundary is shown as a dark purple line on the map below and the Call for Project boundary is shown extended to the eastern portion of the county via the dashed purple line. The 11 projects included in the January 2022 URC Set-Aside grant application are also shown on the map below.



Attachment B

Allocation of Drought Grant Funds

DWR included a \$5,000,000 Underrepresented Community (URC) set-aside in the Urban and Multibenefit Drought Relief Grant Program (Drought Grant) for each funding area that currently has a Proposition 1 DACI Grant Agreement. As the Colorado River Funding Area (CRFA) has a grant agreement between CVWD and DWR for the Proposition 1 DACI program, the CRFA is eligible to receive these funds if the CRFA submits an application. During a call on November 4, 2021, all Colorado River IRWM RWMGs agreed to use a funding split of 40% split evenly, and 60% of funds split by DAC population. Imperial RWMG returned a portion of their initial allocation (\$31,234) to the CRFA, which was reallocated to increase grant administration funds and then reallocated based on DAC population in the other three RWMGs and the non-IRWM area.

This MOU addresses only the Drought Grant solicitation, which is allocated in accordance with the amounts shown in the following table.

Drought Grant -URC Set-Aside Solicitation				
IRWM Region	DAC Population	Initial Allocation*	Reallocation	Final Allocation
<i>Grant Administration</i>	<i>N/A</i>	<i>\$340,000</i>	<i>+\$15,000</i>	<i>\$355,000</i>
Coachella Valley	352,290	\$1,846,967	+\$10,804	\$1,857,771
San Geronio	62,395	\$512,304	+\$1,022	\$513,326
Mojave	138,843	\$633,894	+\$1,913	\$635,807
Imperial	33,338**	\$953,792	-\$31,234	\$922,558
Non-IRWM	81,310	\$713,044	+\$2,494	\$715,538
Total	668,176	\$5,000,000	\$0	\$5,000,000

**Initial allocation was based on a 40% / 60% split, with 40% of the available funding being split equally between the four RWMGs and the non-IRWM area and the remaining 60% split by DAC population in each of the four RWMGs and non-IRWM area.*

***Note: DAC population within existing Imperial IRWM region only; eastern Imperial County DAC population is included in Non-IRWM population.*

These funds will be disbursed through the existing DAC Involvement grant agreement. With respect to the funding designated to each planning region through this contract, the following shall apply:

1. The Colorado River IRWM RWMGs agree to use due diligence distributing and reimbursing for grant funding in an expeditious manner. Based on the current schedule elaborated by DWR, funding should be spent by March 31, 2026. To ensure that this condition is met, the RWMGs agree to do the following:
 - a. Review DWR invoices on a quarterly basis to monitor the amount of grant funding not yet encumbered.
 - b. As soon as practicable two and a half years after the contract has been executed with DWR, the RWMGs will conduct a formal evaluation of funds not yet encumbered. Any funding which has not yet been encumbered by one of the planning regions and the non-IRWM area is subject to redistribution. The redistribution calculation shall be determined first pursuant to the agreed upon allocation split based on DAC population and second determined by project need by Colorado River IRWM RWMGs.

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

APRIL 19, 2022

RE: CUSTOMER APPEAL – BELLISHA KLINGE

On December 17, 2019, the Board of Directors adopted Resolution No. 1224 “Policy on Discontinuation of Residential Water Service for Nonpayment”, which became effective on February 1, 2020. This resolution was in accordance with Senate Bill 998 that was adopted by the California Legislature in 2018, which imposes new and expanded customer protections regarding discontinuation of residential water service for nonpayment and related matters.

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).

“Any customer whose timely complaint or request for an investigation pursuant to this Section 5 has resulted in an adverse determination by the Agency may appeal the determination to the Board of Directors by filing a written notice of appeal with the Agency Secretary within ten (10) business days of the Agency’s mailing of its determination. Upon receiving the notice of appeal, the Agency Secretary will set the matter to be heard at an upcoming Board meeting and mail the customer written notice of the time and place of the hearing at least ten (10) days before the meeting. The decision of the Board shall be final.”

The appellant, Bellisha Klinge is appealing her February 2022 water bill for the reason(s) listed:

1. Does not agree with \$25 late fee.
2. Would like the ability to change due date of bill.

Appeal Procedure:

1. Staff has provided the Board with the correspondence for this appeal (Attachment 1)
2. Staff summary and records of the account (Attachment 2).
3. The appellant, if in attendance, will be invited by President Bloomer to speak concerning the appeal
4. After hearing the appellant, the Board will decide whether to grant or deny the appeal.

Fiscal Impact:

If the Board decides to deny appeal, there will be no fiscal impact. If the Board decides to grant the appeal, the Agency may credit Ms. Klinge's account (the amount to be decided by the Board).

Staff Recommendation:

Staff has followed Agency billing policies regarding late fee assessments and has informed Ms. Klinge that the due date of her bill is based on the meter reading schedule for the area the property is located and cannot be changed. A possible solution that staff recommends would be to waive any late fee that has not been paid at the time of Ms. Klinge's appeal if Ms. Klinge will sign up for the Agency's Autopay service. By enrolling in Autopay, the amount due will automatically be drafted from her checking account on the due date.

Staff recommends that the Board of Directors consider the appeal by Bellisha Klinge and grant or deny this appeal based on the information provided.

Attachments:

Attachment #1 – Appeal form

Attachment #2 – Staff Summary/Notes

Kristin Bloomer, President (Division 5)
James Cioffi, Vice President (At large)
Joseph K. Stuart, Secretary-Treasurer (At large)
Patricia G. Oygar, Director (At large)
Paul Ortega, Director (Division 4)



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

March 01, 2022

Bellisha Klinge



RE: WATER BILL DISPUTE



Dear Valued Customer:

Thank you for reaching out to us and for your concern about the water use associated with your billing issue. Upon review, we have determined that we can remove a late fee that will reduce your bill from [REDACTED] due to the circumstances you described.

We do not have the ability to change the due date, but you do have 7 calendar days of the due date listed on your bill to pay.

Desert Water Agency has a new program to help low-income customers.

If you:

A) Qualify for Desert Water Agency's Help2Others program please visit these websites (www.unitedwayofthedesert/help2others or capriverside.org).

If you would like to take the matter further, please fill out this form (www.dwa.org/appeal) within 10 business days of the date on this notice and our Board of Directors will review your appeal at a public board meeting. If no appeal is submitted within ten business days, the decision above will be final. Paper forms are available for those who need them, please call 760-323-4971 or pick one up in our office. Completing the form online is the quickest way to get your issue resolved.

We will notify you when the appeal hearing date is set. You're welcome to attend the meeting and provide comments regarding your appeal. The decision of the Board of Directors will be final and binding.

If you need any help during this process, please let us know. We're happy to share any information or documentation you provide with our Board of Directors.

Sincerely,

Samantha Lopez
Controller
Ext. 147

Courtney Estrada

From: Samantha Lopez
Sent: Thursday, February 24, 2022 4:46 PM
To: Courtney Estrada
Subject: FW: Desert Water Agency

Courtney,

Please see the written dispute below. We will treat this the same way we would if it were submitted online.

Please let me know if you would like my help in the response.

Thank you
Sami

From: Bebe Klinge [REDACTED]
Sent: Thursday, February 24, 2022 4:26 PM
To: Nadia Acosta <Nadia@dwa.org>
Cc: [REDACTED]
Subject: Desert Water Agency

Desert Water Agency
1200 S Gene Autry Trail Palm Springs, California 92264 |

Please direct this email to the Board!

To Whom It May Concern,

I am sending you a copy of my bill paid on line minus the \$25.00 late fee that I told Jamie (?) I am disputing.

As of today, 2/24/2022 I have not received the information I requested. I will go to my mailbox on Monday and maybe I will receive it.

Please note you will have received your bill by the due date.

As for the \$25.00 late fee, it's not a late fee, it's usury. Jamie told me I am not the only elderly person to question your policy that brings financial hardship to us, but Desert Water Agency can't do anything about it. Really? To ask the elderly - many of us who live on a modest, fixed income and our social security checks are sent to us based on the month and day of our birthdate, your fixed due date is not user friendly for your customers. I have never asked for a reduction in my water bill, only the ability to change the due date. In short, you are placing a financial burden on those who can least afford it and apparently Desert Water Agency does

not have the ability to change their billing policy. You describe yourselves as a non-profit utility company yet the only word I can think of to describe your behavior towards the elderly is shameful!

Bellisha Klinge

[REDACTED]

DWA One-time Pay Submission

Your One-time ACH Pay Submission was successful.

If all the submitted information was correct, the process should take approximately 24-48 hours to process.

Your payment of [REDACTED] will be charged on the charge date you set of 2/27/2022.

Thank you,

Desert Water Agency

Customer Portal / eBilling Subscriber: [REDACTED]

To unsubscribe email support@mydwa.org or call [760-323-4971](tel:760-323-4971).

Desert Water Agency | [1200 S Gene Autry Trail Palm Springs, California 92264](#) | myDWA.org

Sent from my iPad

Customer Information:

Bellisha Klinge
Cathedral City

Summary of High Bill Complaint:

On February 17, 2022, Ms. Klinge contacted the Agency and spoke with Senior Administrative Assistant, Jamie Hoffman regarding her bill. Ms. Klinge did not agree with the \$25 late fee and wanted the ability to change the due date on her bill because it did not work for her. Jamie advised Ms. Klinge that the bill is sent out based on when the meter is read for the area and that she does have a 7 day grace period to pay the bill. Ms. Klinge was not satisfied with what Jamie told her.

On February 24, 2022, Ms. Klinge sent an email to Agency Account Clerk, Nadia Acosta advising the Agency that she was disputing her bill, paying the amount minus the \$25 late fee charge. Ms. Klinge also asked if the Agency would allow the ability to change the fixed due date and having a fixed due date was not user friendly.

On March 1, 2022, the Agency sent Ms. Klinge a letter advising her that the Agency will be waiving a late fee, reducing her bill by \$25. The letter also informed Ms. Klinge that the Agency is not able to change the due date, but she does have 7 days after the due date to pay the bill. The letter also provided information on customer assistance programs available for DWA customers.

On March 18, 2022, Ms. Klinge sent an email to the Controller, Sami Lopez, notifying Sami that she does not agree with the \$25 late fee charge. For the February bill she simply said "no more arbitrary "late fees" that are approximately the same as before mentioned". Ms. Klinge again mentioned that "your fixed due date is not user friendly for your customers".

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

APRIL 19, 2022

RE: SUSTAINABLE GROUNDWATER MANAGEMENT PLAN ANNUAL REPORTS

In 2014, the California Legislature enacted a statewide framework for sustainable groundwater management, known as the Sustainable Groundwater Management Act (California Water Code section 10720 et seq.). The Sustainable Groundwater Management Act (SGMA) went into effect on January 1, 2015.

Part of DWA's SGMA requirements include submitting an Annual Report to the Department of Water Resources (DWR). These reports are due each year on April 1. These reports are interim reports with groundwater condition data. They do not reevaluate planning assumptions or update planning and management actions.

Staff collaborated with other GSAs, plan participants and consultants to submit Annual Reports to DWR for Indio Subbasin, Mission Creek Subbasin and San Geronio Pass Subbasin. All reports were submitted on time and did not present any significant findings. Staff will highlight the attached presentation to go over the report details for each subbasin.

Attachment:
Presentation



Update on SGMA Annual Reports

*Indio, Mission Creek & San
Gorgonio Pass Subbasins*

April 2022



Timing

Five Year updates submitted by 1/1/22

Groundwater Sustainability Plans by 1/31/22

Annual Reports due every April 1 for previous WY

Water year 2021

=

October 2020 - September 2021

DESERT WATER



Goal of Annual Reports

Compliance

Monitor groundwater conditions

- Avoid significant undesirable results
- Alignment with GSP/Alternative

Implementation of plans

DESERT WATER

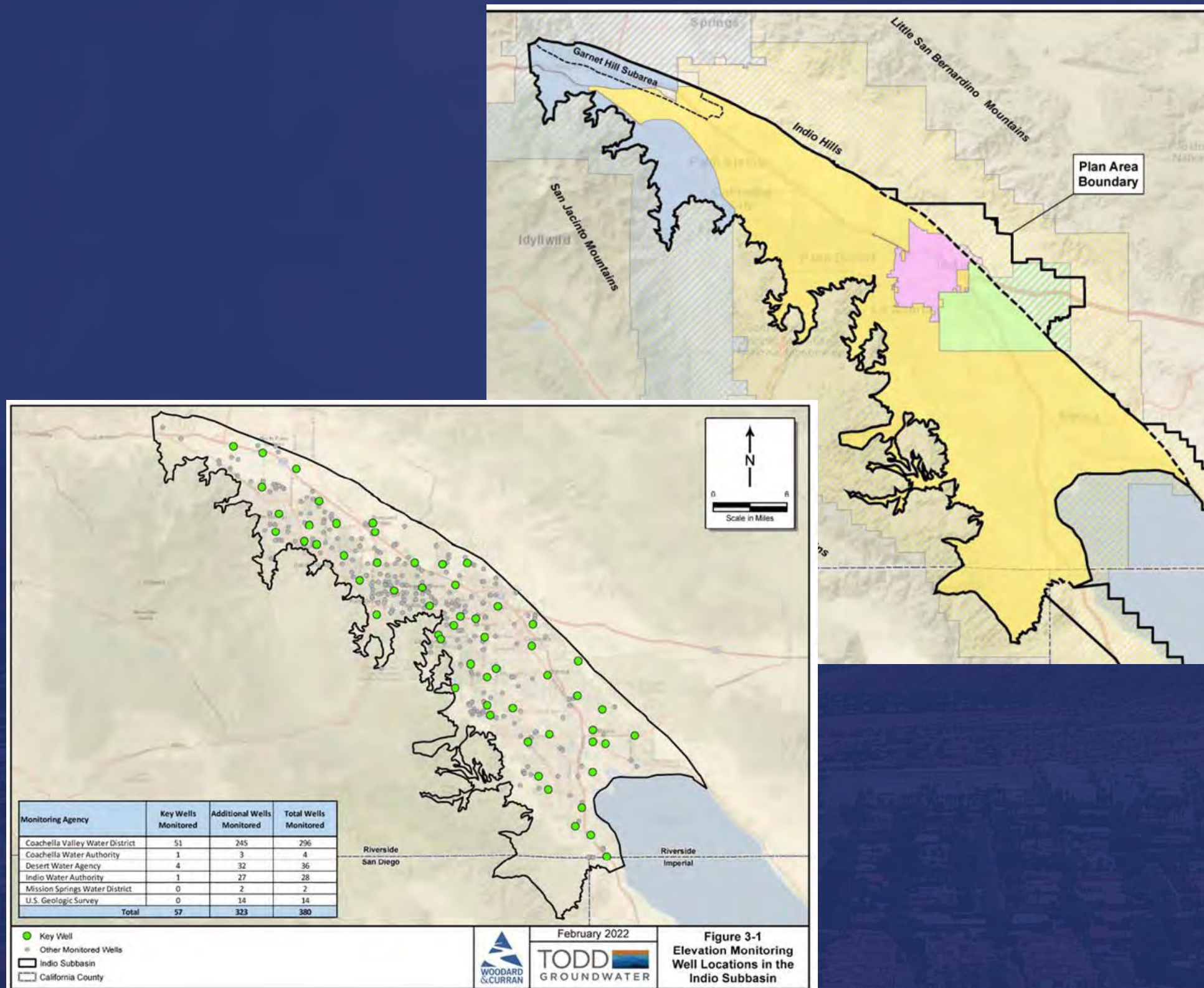


Indio Subbasin

Groundwater Sustainability Agencies (GSAs)

- Coachella Valley Water District
- Coachella Water Authority
- Desert Water Agency
- Indio Water Authority

380 monitoring wells
57 key wells



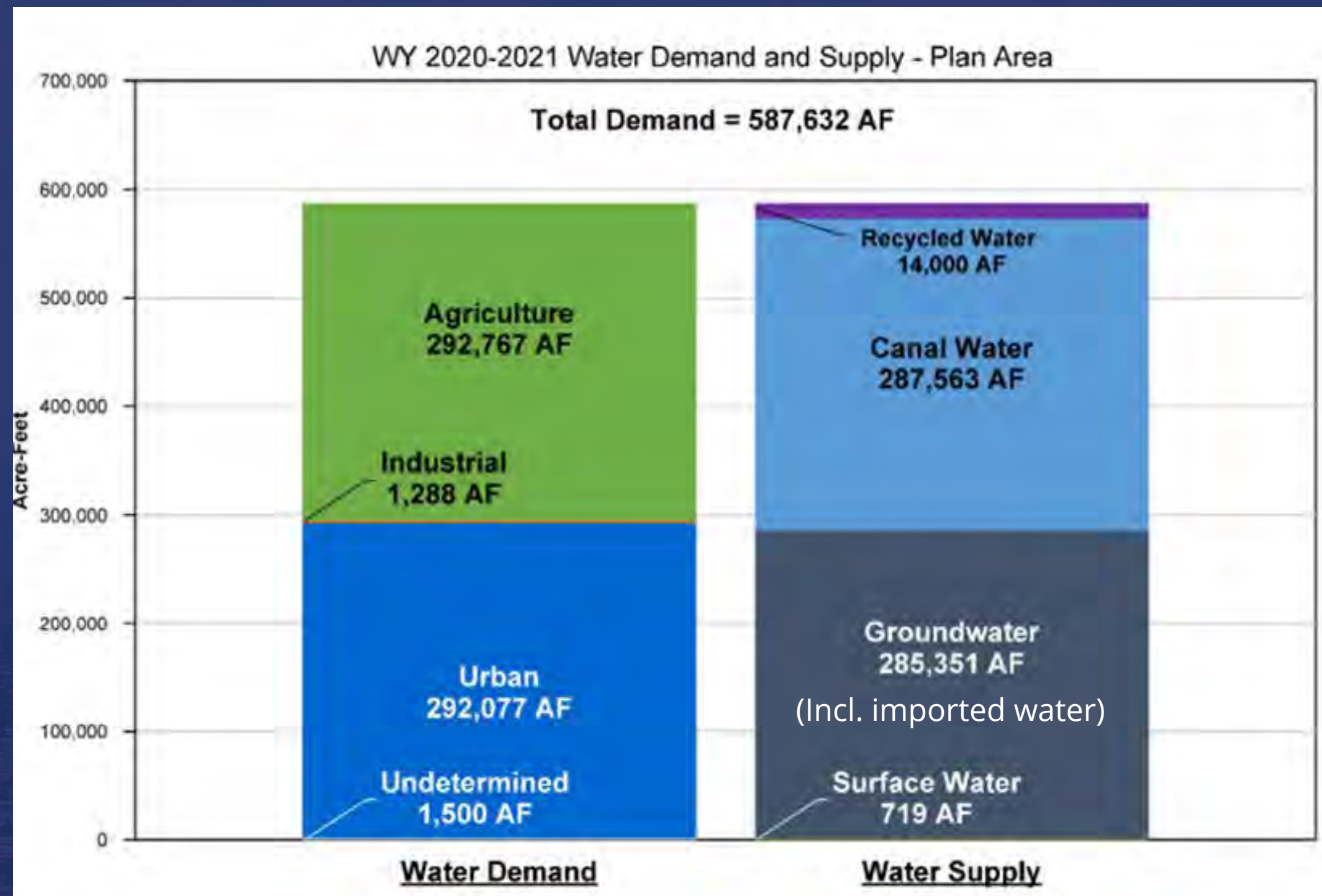
Indio Subbasin *Annual report highlights*

- Meeting sustainability criteria
- Demand in line with projection
- Slight increase in storage for WY
- Water levels above objectives and minimums
- Long-term planning efforts have momentum

DESERT WATER



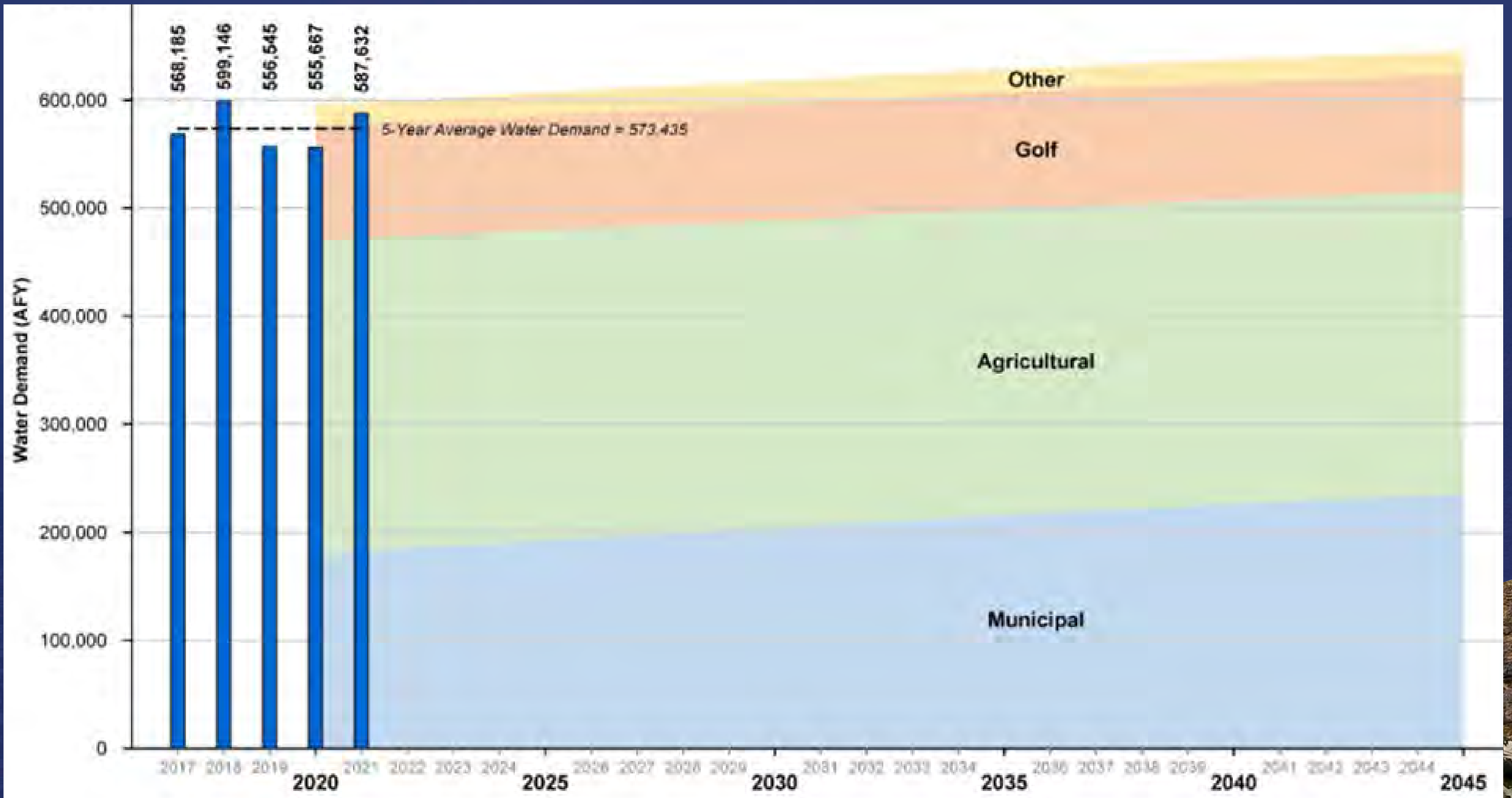
Indio Subbasin *WY 2021 supply & demand*



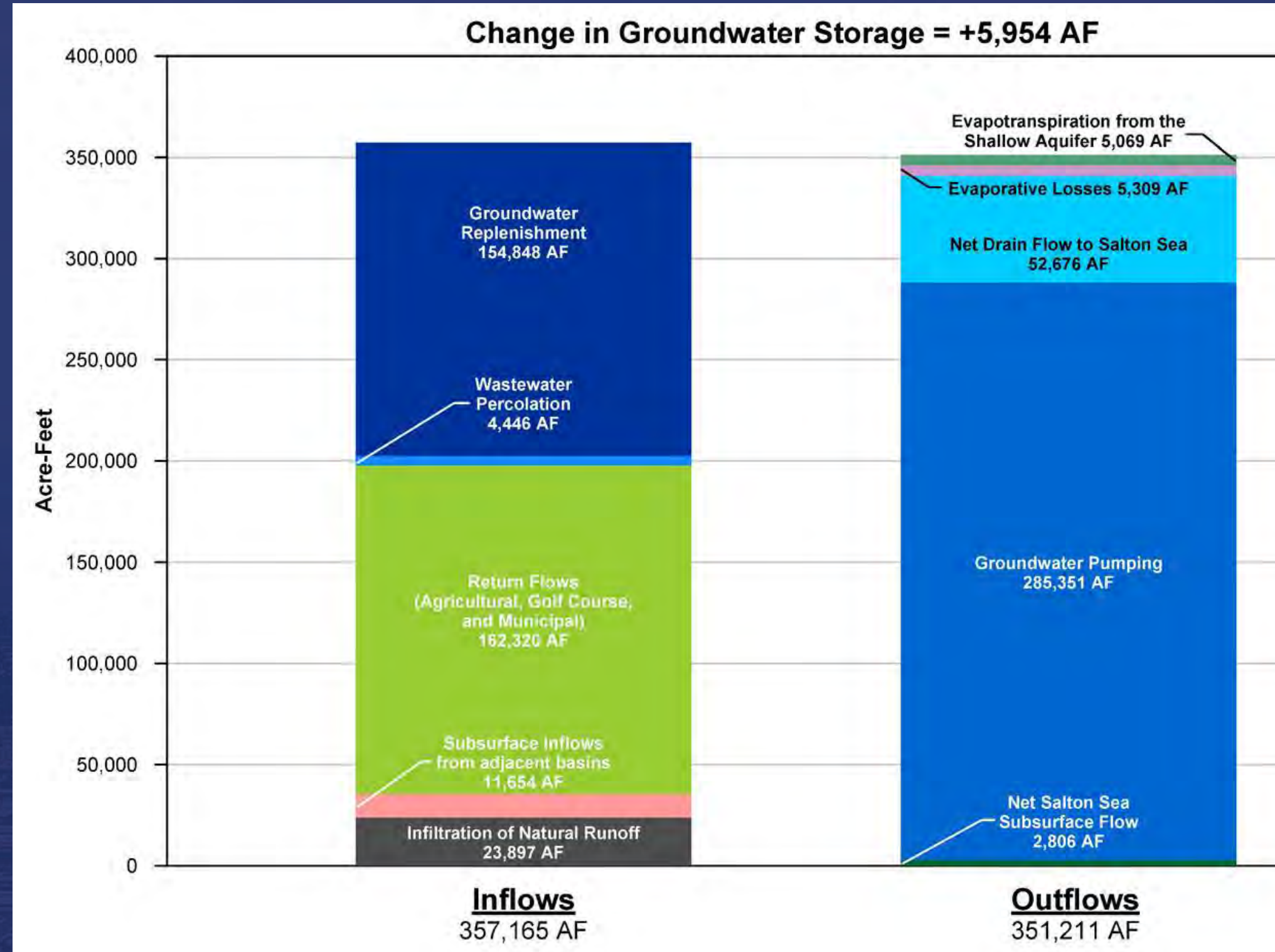
DESERT WATER



Indio Subbasin *demands, actual & projected*



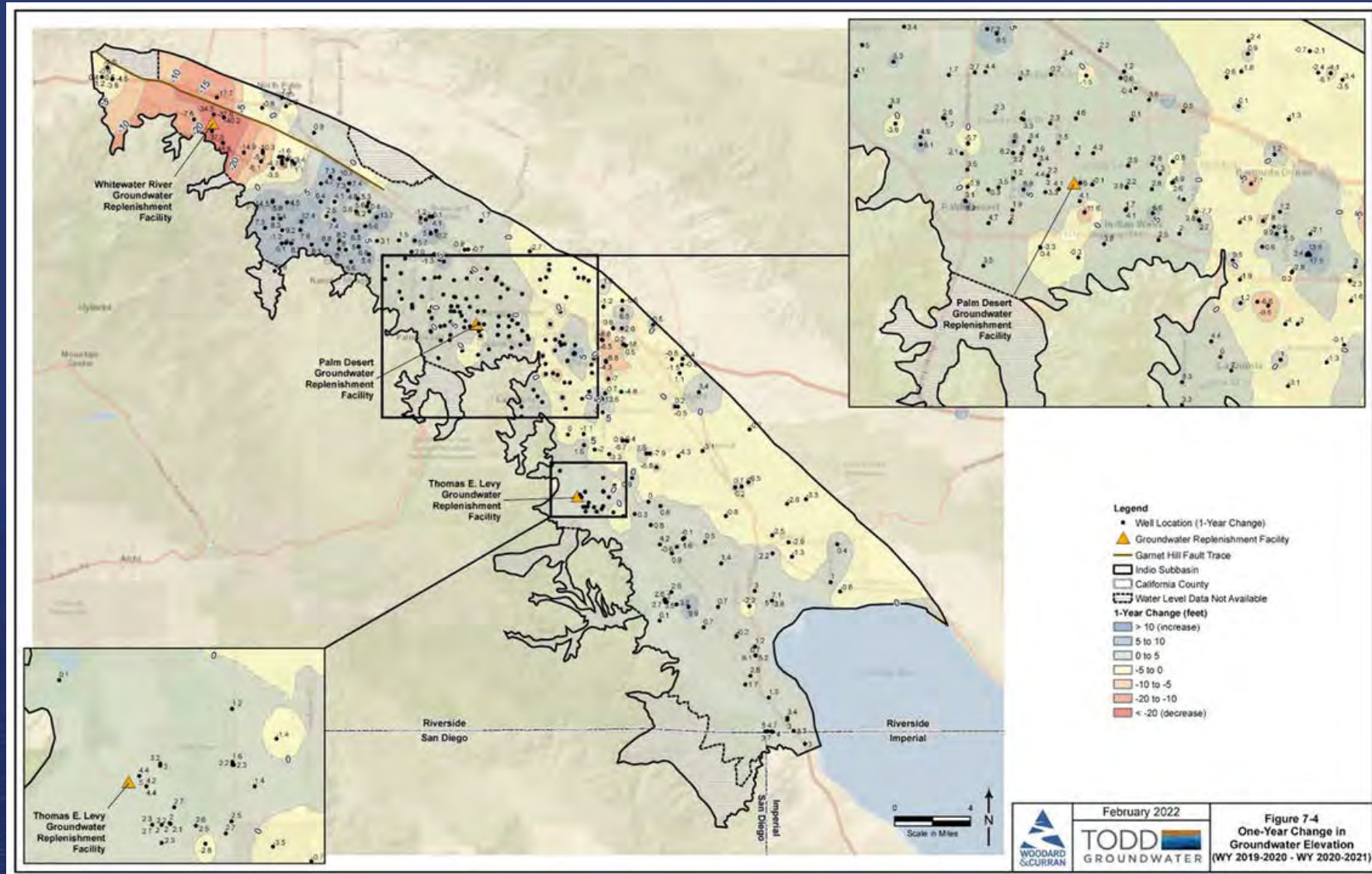
Indio Subbasin *WY 2021 groundwater balance*



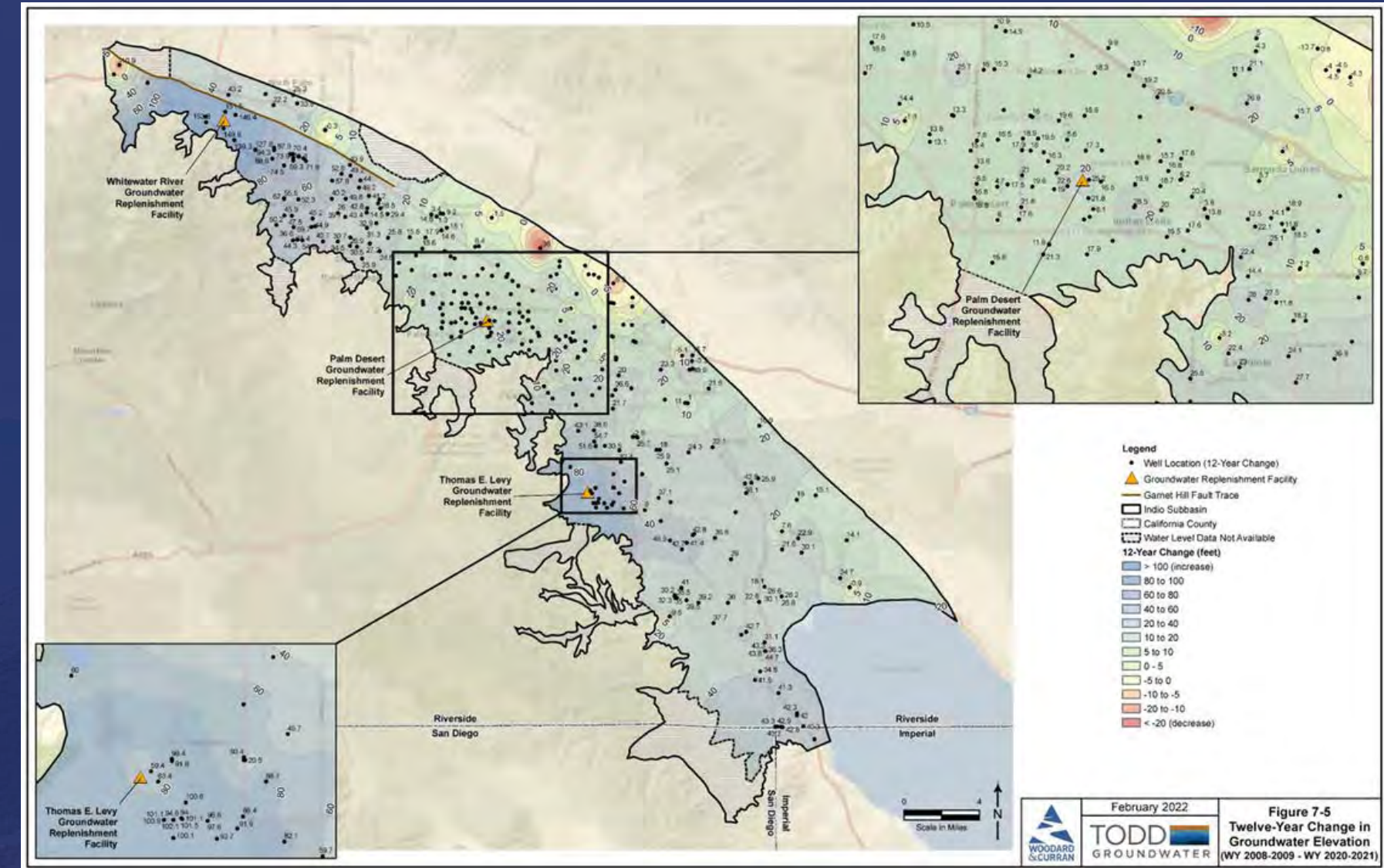
DESERT WATER



Indio Subbasin *change in levels*



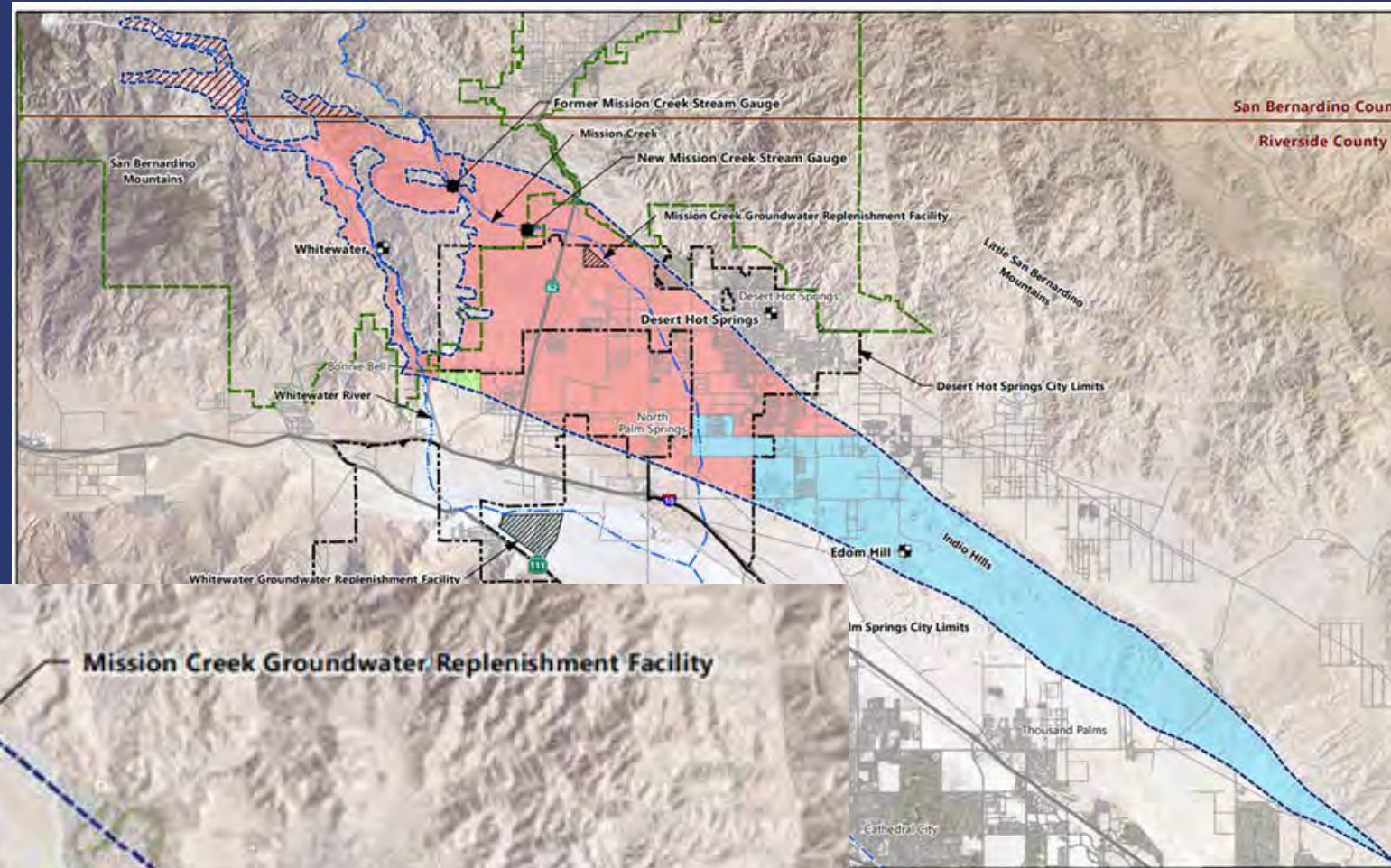
WY 2020 to 2021



since 2009

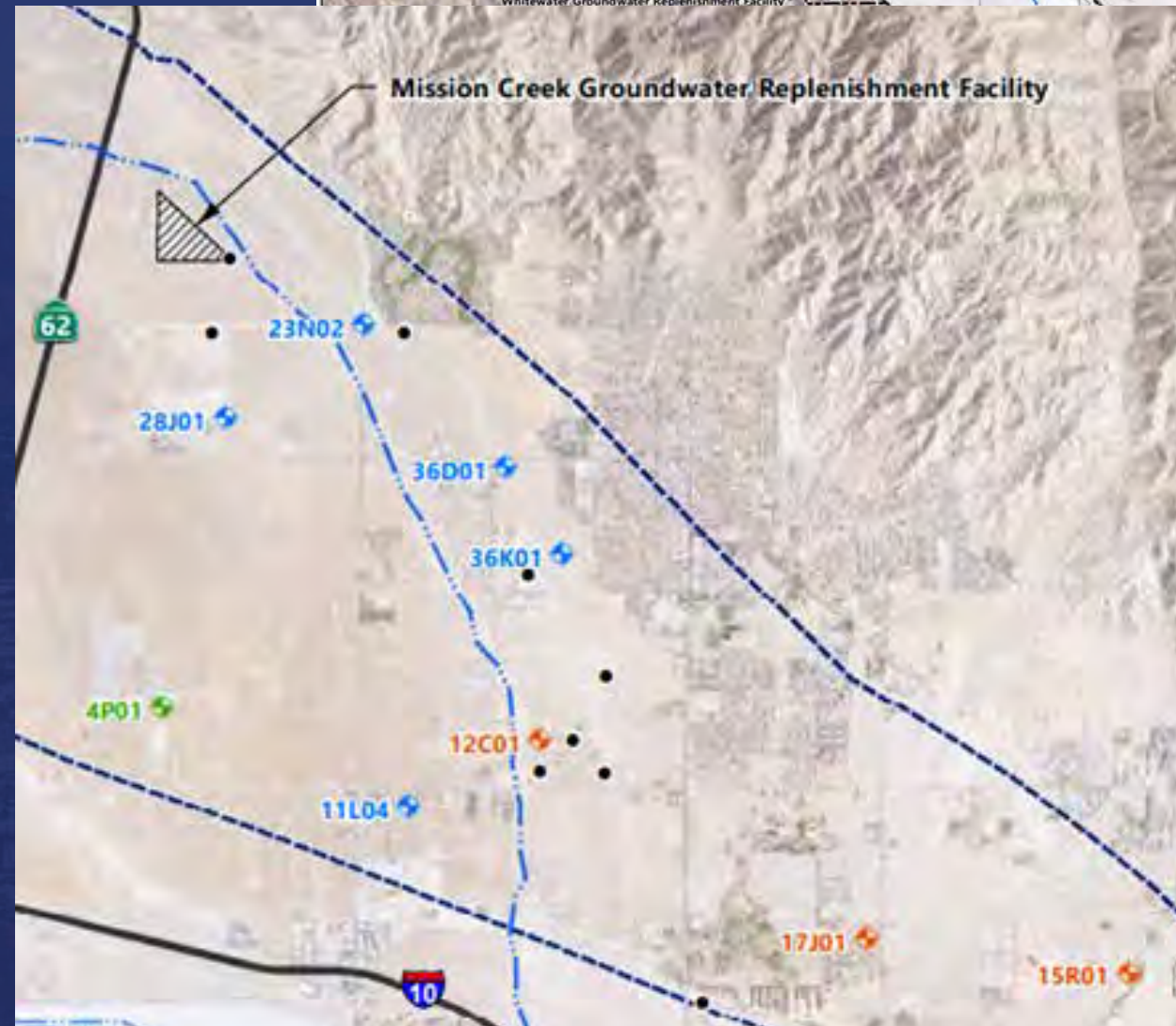


Mission Creek Subbasin



Plan Participants

- Coachella Valley Water District
- Desert Water Agency
- Mission Springs Water District



24 monitoring wells
9 key wells

DESERT WATER



Mission Creek Subbasin

Annual report highlights

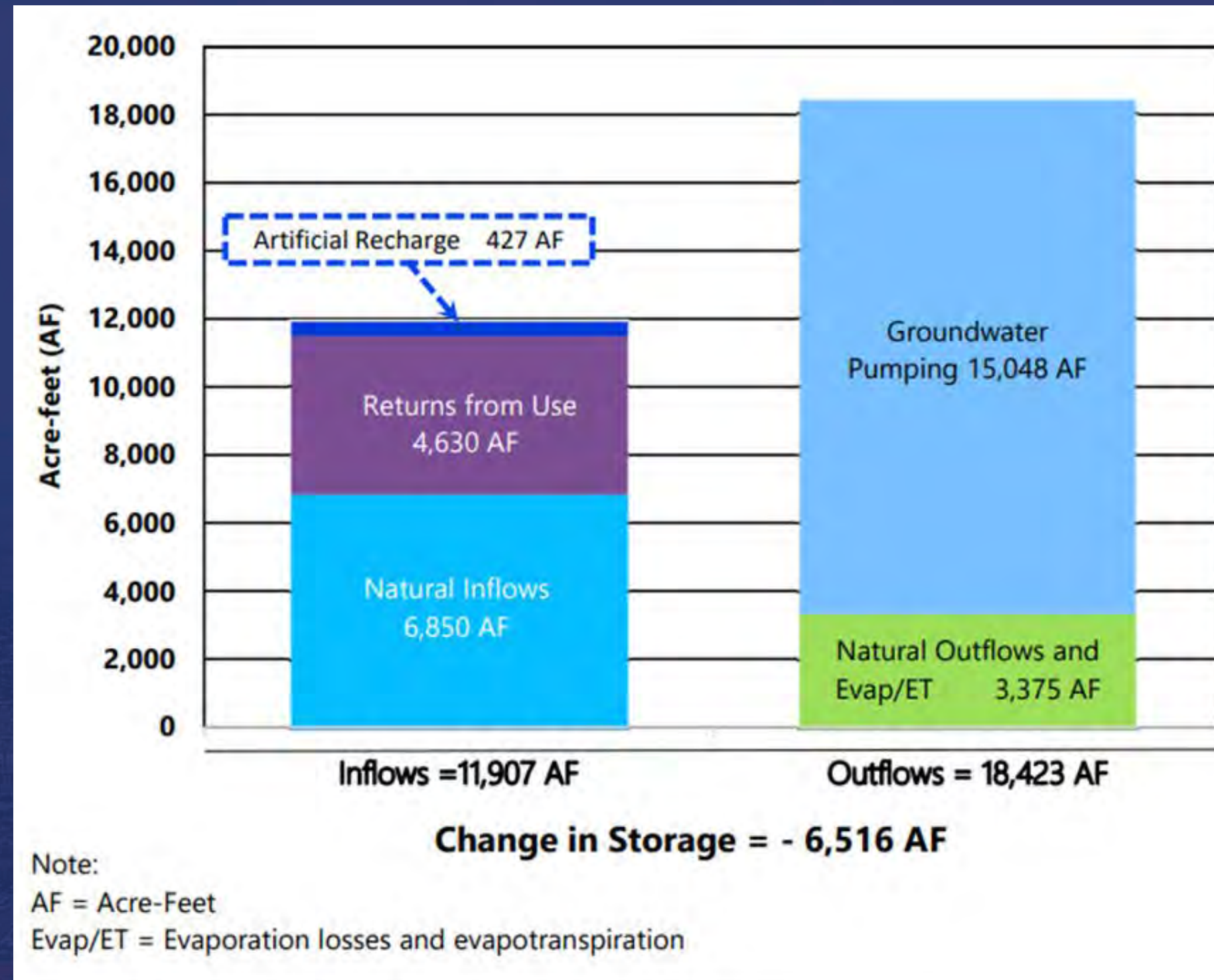
- Meeting sustainability criteria
- Demand in line with projection
- Slight decrease in storage for WY
- Objective for one well may need minor adjustment
- Long-term planning efforts have momentum

DESERT WATER



Mission Creek Subbasin

WY 2021 groundwater balance

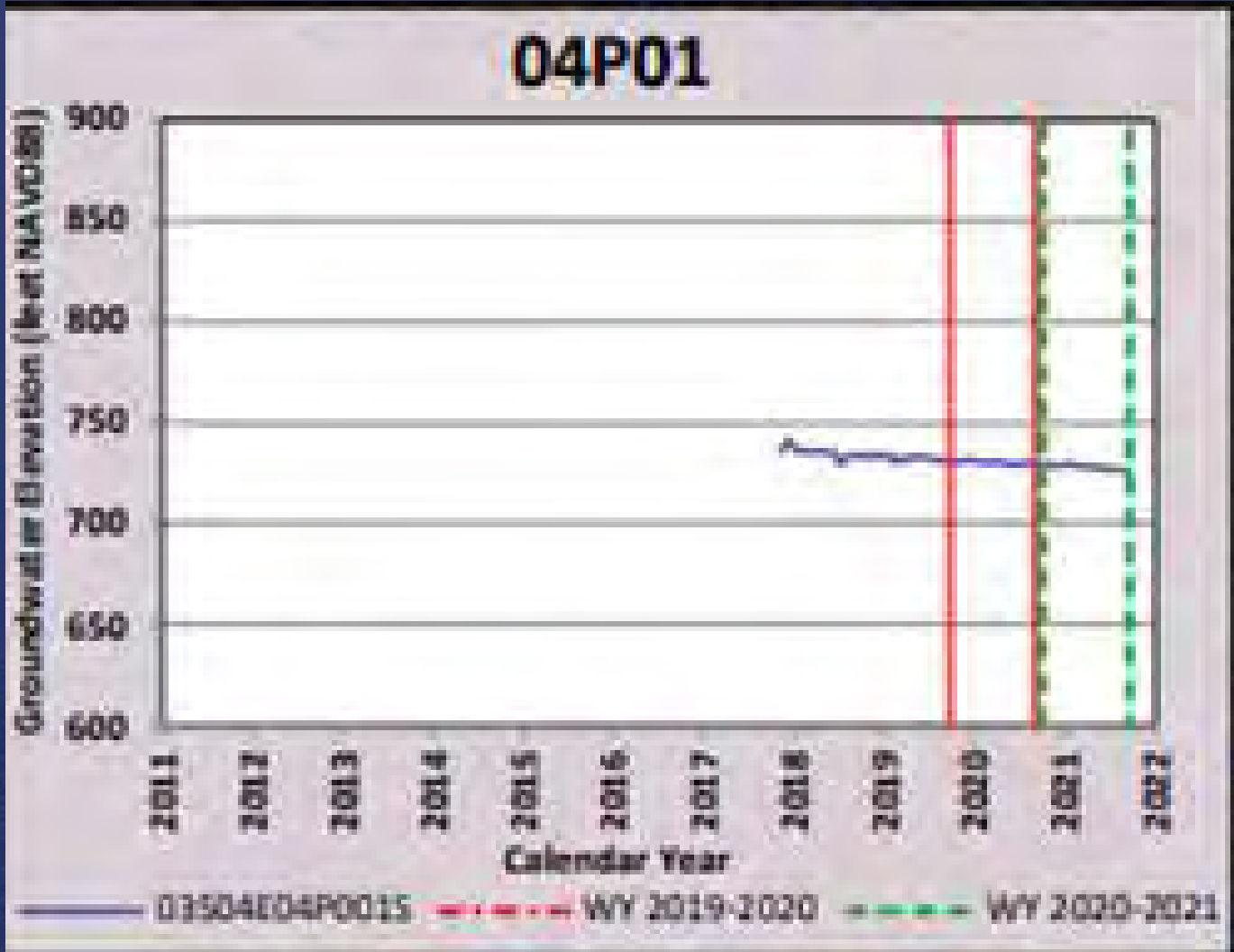
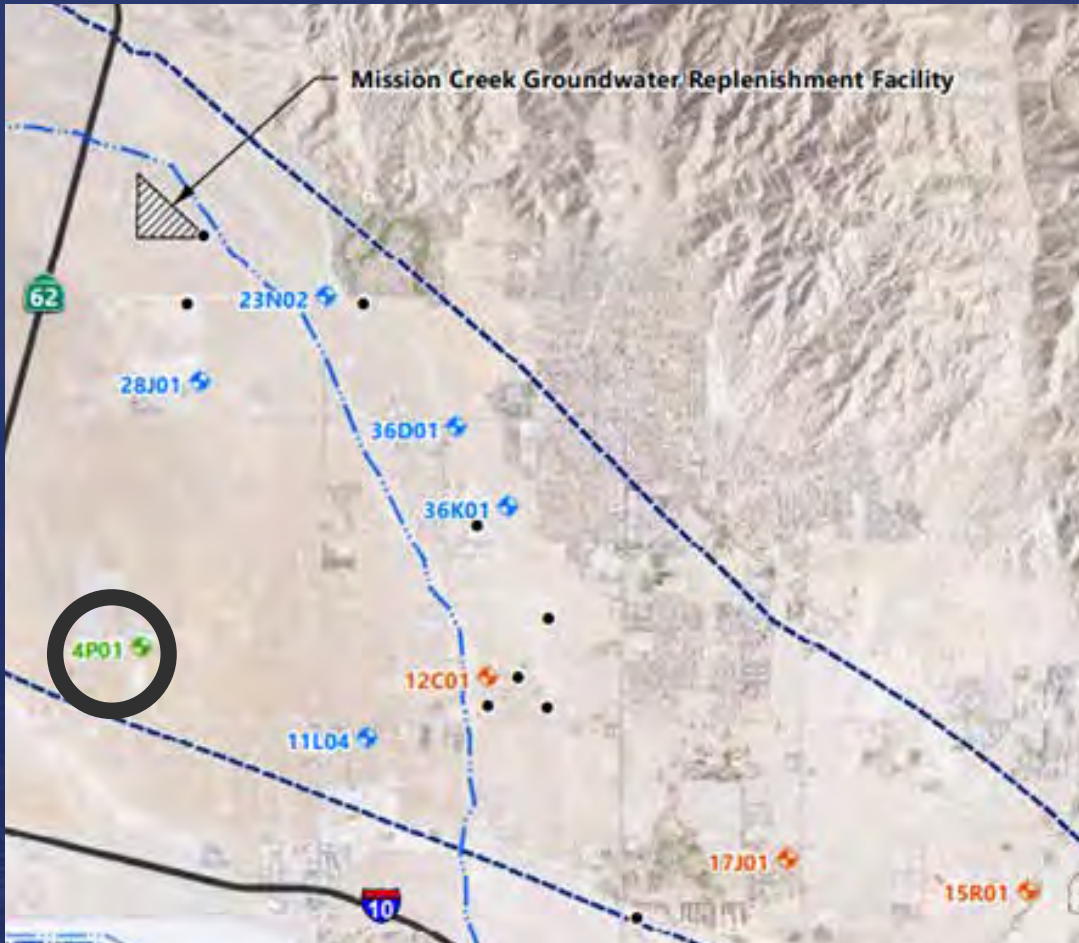


DESERT WATER



Mission Creek Subbasin

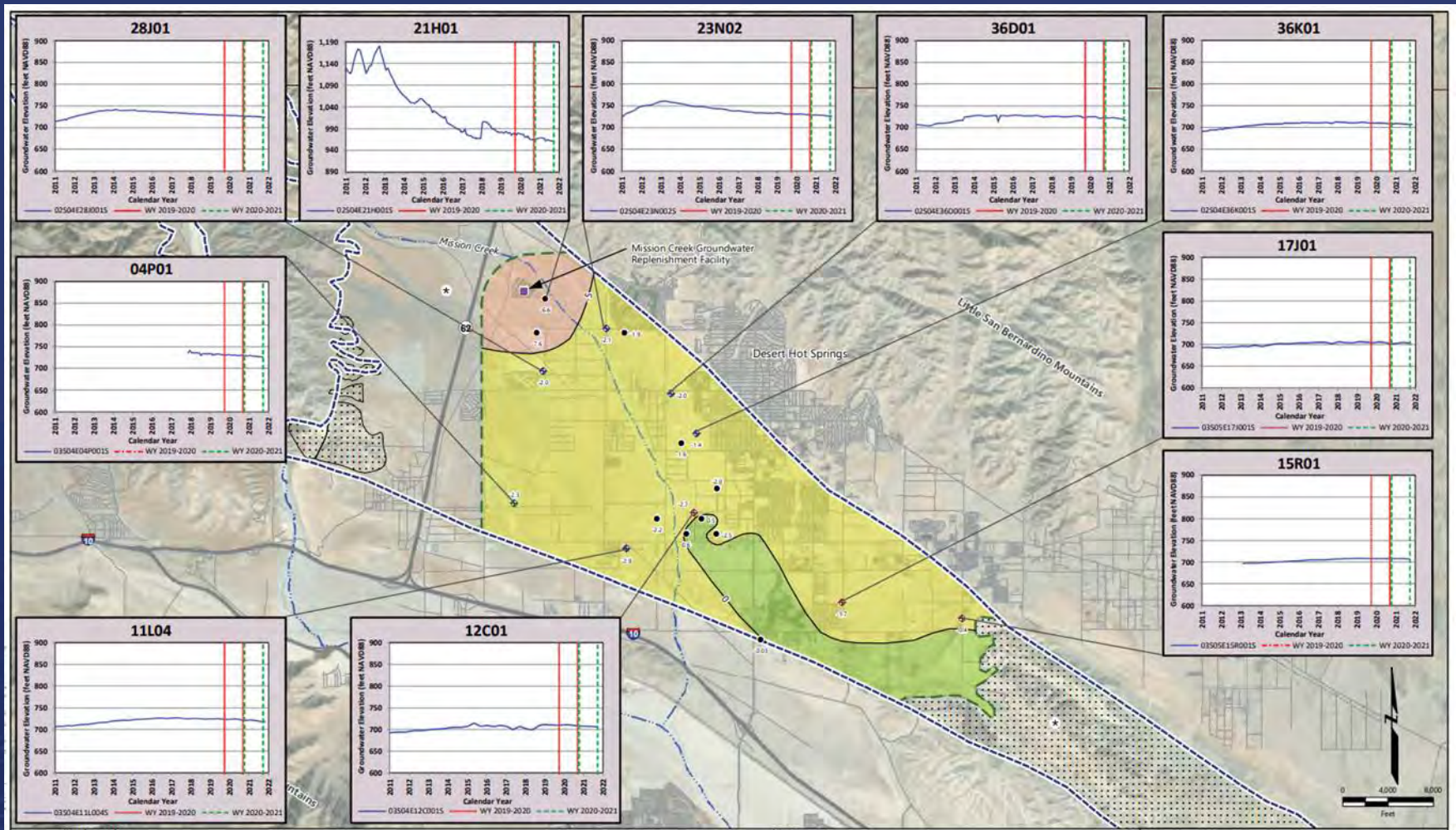
1 well below MO level



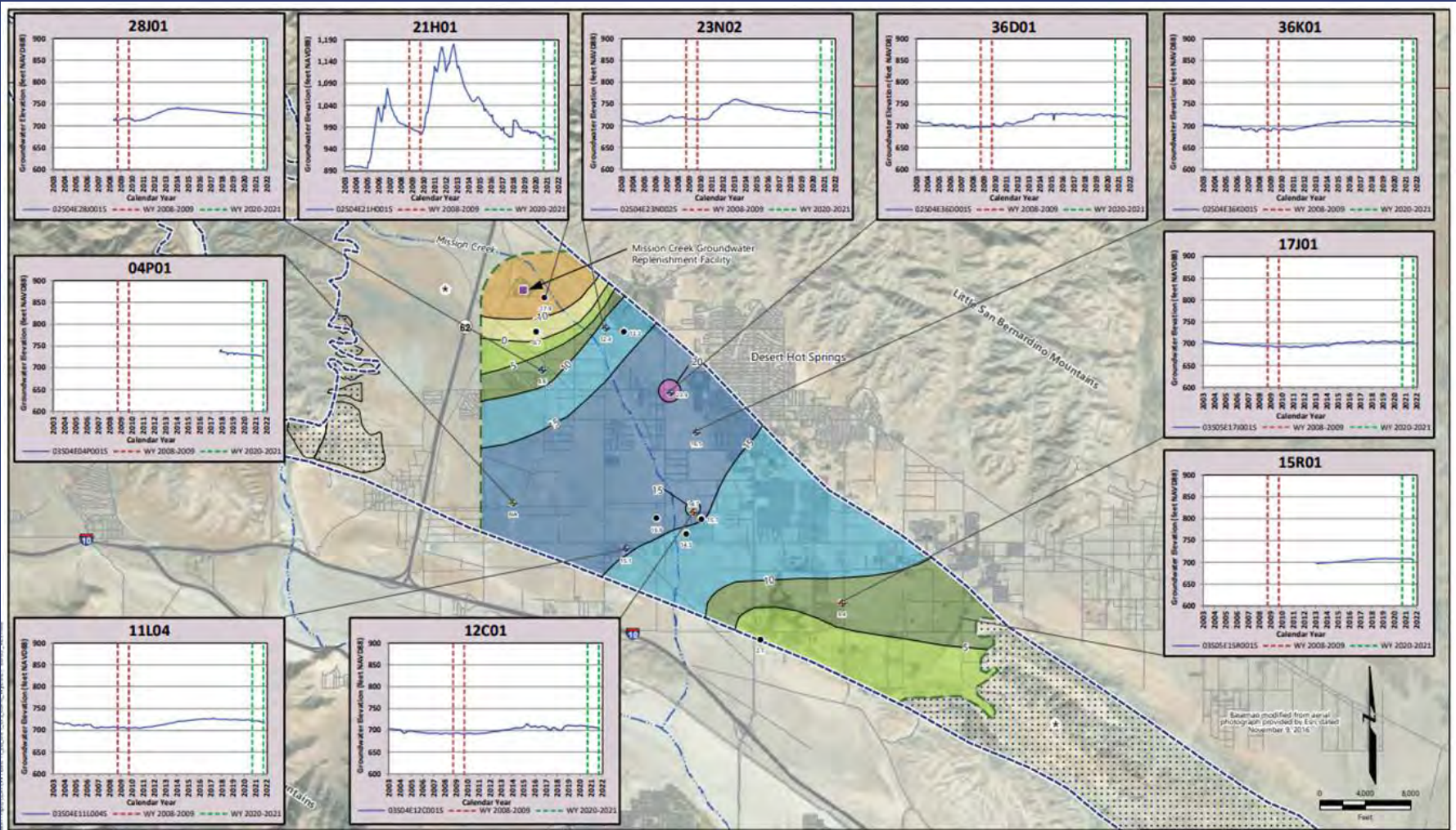
	ft	ft
WY 21	726.8	
MO	727.4	-0.6
MT	719.5	+7.3

Mission Creek Subbasin

change in levels



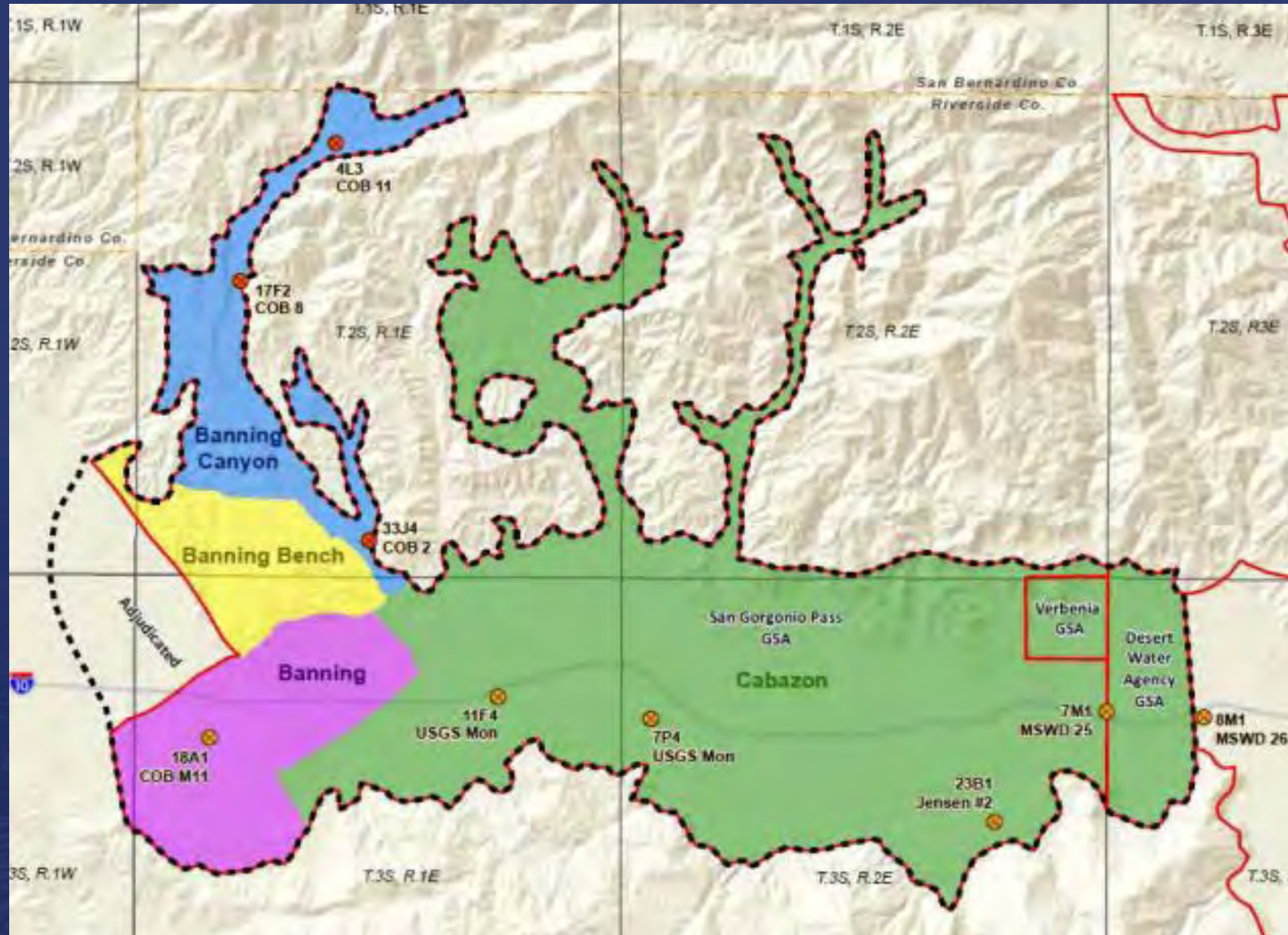
WY 2020 to 2021



since 2009



San Gorgonio Pass Subbasin



Plan Participants

- Banning Heights Mutual Water Co
- Cabazon Water District
- City of Banning
- Desert Water Agency
- Mission Springs Water District
- San Gorgonio Pass Water Agency

~30 monitoring wells
13 key wells

DESERT WATER



San Geronio Pass Subbasin

Annual report highlights

- Meeting sustainability criteria
- Slight decrease in storage for WY
- One well below objective
- GSP adopted after WY 2021

DESERT WATER



San Geronio Pass Subbasin

WY 2021 groundwater storage

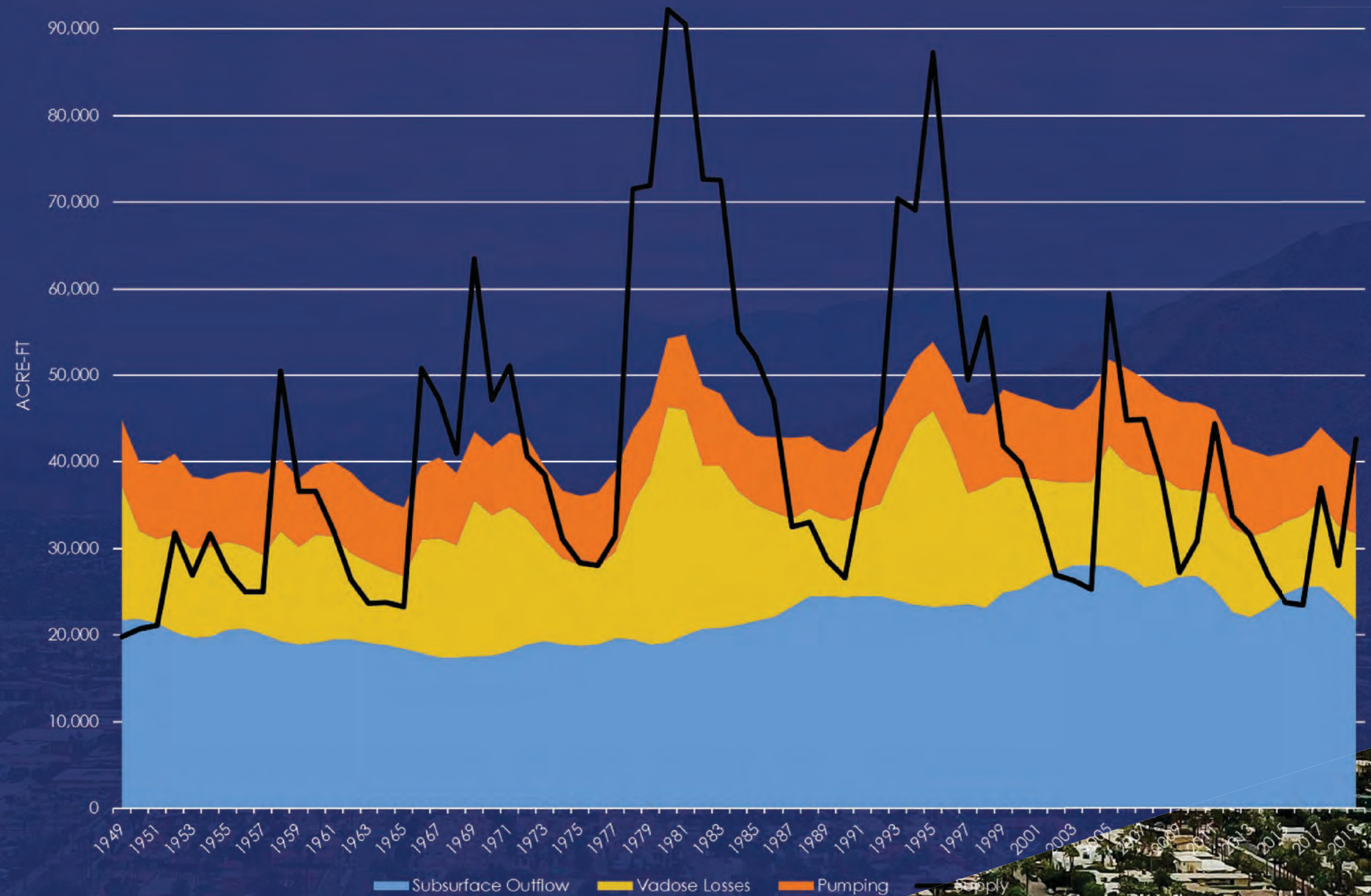
- Storage reduced by 6,267 AF in WY 2021
- Estimated groundwater in storage 1,400,000 AF
- No budget
 - Data on natural inflows, outflows and ET missing
- Basin natural inflow/outflows largest factor

DESERT WATER



San Geronio Pass Subbasin

A different basin



San Gorgonio Pass Subbasin

1 well below MO level

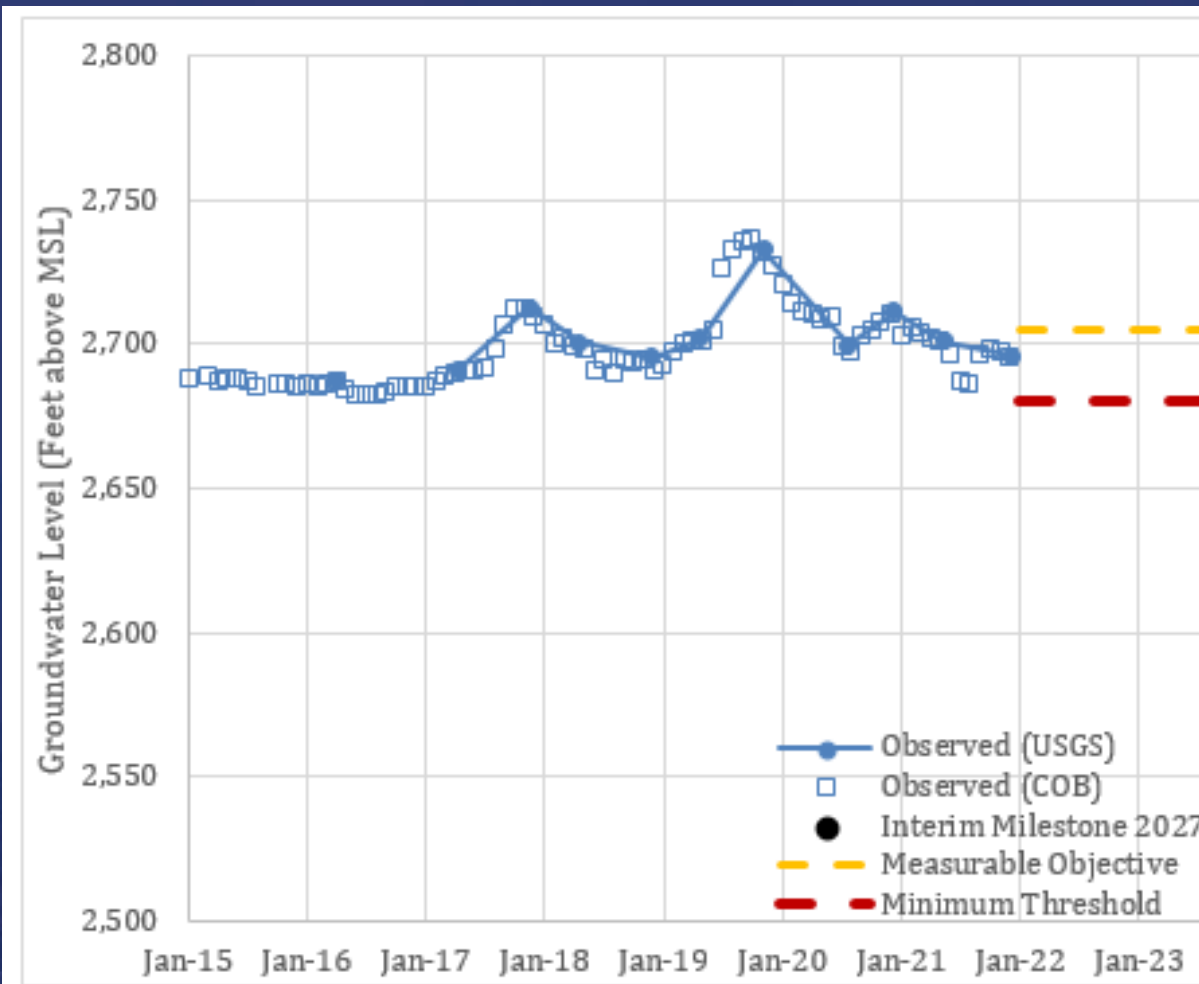
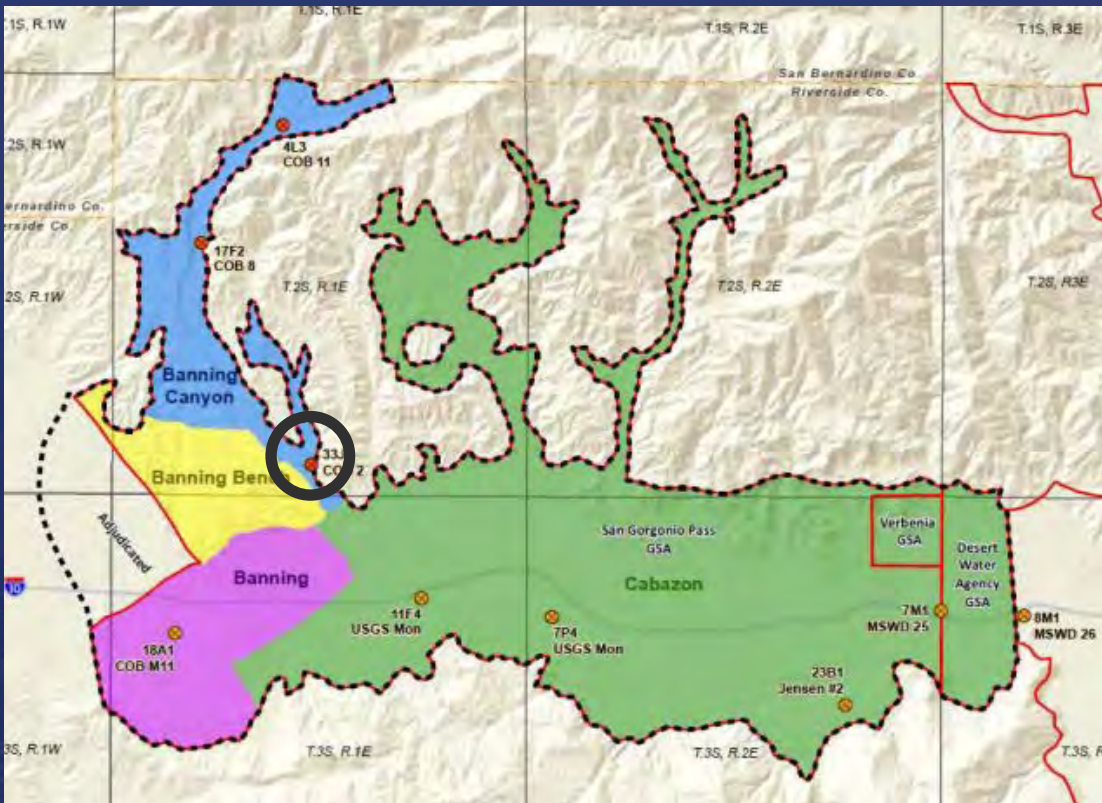


Figure 2-10 - Well 33J4 (COB #2) - Historical Groundwater Levels and Susta

	ft	ft
WY 21	2696	
MO	2710	-14
MT	2680	+16

33J4

DESERT WATER



Goal of Annual Reports

ISB

MCSB

SGPSB



Compliance

Monitor groundwater conditions

- Avoid significant undesirable results
- Alignment with GSP/Alternative

Implementation of plans

DESERT WATER





Questions?

DESERT WATER AGENCY
STATEMENT OF CASH RECEIPTS AND EXPENDITURES

OPERATING ACCOUNT

MARCH 2022

INVESTED
RESERVE FUNDS
\$45,353,315.42

BALANCE MARCH 1, 2022 (\$873,293.17)

WATER SALES		\$3,063,501.12
RECLAMATION SALES		92,917.32
WASTEWATER RECEIPTS		118,469.14
POWER SALES		10,484.87
METERS, SERVICES, ETC.		53,234.25
REIMBURSEMENT – GENERAL FUND		32,369.65
REIMBURSEMENT – WASTEWATER FUND		0.00
ACCOUNTS RECEIVABLE – OTHER		8,212.66
CUSTOMER DEPOSITS – SURETY		32,174.00
CUSTOMER DEPOSITS – CONST.		127,151.00
LEASE REVENUE		3,899.11
INTEREST RECEIVED ON INV. FDS.		9,513.02
FRONT FOOTAGE FEES		0.00
BOND SERVICE & RESERVE FUND INT		0.00
MISCELLANEOUS		60,586.90

TOTAL RECEIPTS \$3,612,513.04

PAYMENTS

PAYROLL CHECKS		\$547,544.99
PAYROLL TAXES		249,956.33
ELECTRONIC TRANSFERS		203,983.31
CHECKS UNDER \$10,000.00		336,910.83
CHECKS OVER \$10,000.00 – SCH. #1		1,857,927.33
CANCELLED CHECKS AND FEES		(200,366.22)

TOTAL PAYMENTS \$2,995,956.57

NET INCOME \$616,556.47

BOND SERVICE ACCOUNT

MONTHLY WATER SALES		\$0.00
EXCESS RETURNED BY B/A		\$0.00

BOND SERVICE FUND \$0.00

INVESTED RESERVE FUNDS

FUNDS MATURED		\$1,265,000.00
FUNDS INVESTED – SCH. #3		2,151,000.00

NET TRANSFER (\$886,000.00) \$886,000.00

BALANCE MARCH 31, 2022 (\$1,142,736.70) \$46,239,315.42

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



March 2022

Check #	Name	Description	Amount
130728	Badger Meter Inc.	Water service supplies	\$ 205,952.29
130816	ACWA/JPIA	Health, dental & vision insurance premiums - April 2022	\$ 209,599.35
130795	Singer Lewak LLP	ERP Consulting (W/O # 20-178-M)	\$ 38,337.83
130818	SWRCB Accounting Office	Water Systems Annual Fees - Billing Period 7/1/21 - 6/30/22	\$ 56,448.80
130823	Wheco Corporation	Unit #6 Boom Repair	\$ 26,299.91
130827	National Safety Services Inc	Hazwopr, SCBA & confined space trainigs	\$ 22,500.00
130828	Desert Water Agency - Wastewater	Wastewater revenue billing - February 2022	\$ 76,888.47
130847	Badger Meter Inc.	Water service supplies	\$ 174,046.30
130849	Beck Oil Inc	Fuel purchase	\$ 32,904.63
130850	Best Best & Krieger LLP	Legal fees	\$ 41,149.32
130851	Big Bear Electric Inc	Kohler generator	\$ 17,243.44
130853	Borden Excavating Inc.	2020/2021 Replacement pipelines	\$ 103,016.63
130876	Down to Earth Landscaping	Landscape maintenance	\$ 32,608.12
130884	Ferguson Waterworks	Water service supplies	\$ 16,334.05
130891	HCI Environmental & Engineering Ser.	Packaging, removal, transportation & disposal of hazardous waste	\$ 12,285.09
130896	Hunter Johnsen Inc.	Agency Consulting Services for CV Water Counts	\$ 28,557.14
130900	Inland Water Works Supply Co.	Water service supplies	\$ 149,334.42
130906	Krieger & Stewart Inc.	Engineering	\$ 35,143.05
130914	Municipal Diving Services Inc.	Reservoirs cleaning & inspection with minor repairs	\$ 72,882.44
130934	Quadient, Inc.	Ink cartridges & supplies	\$ 11,899.02
130941	Singer Lewak LLP	IT Governance Consulting	\$ 20,012.83
130944	Southern California Edison	Power	\$ 319,808.58
130947	Sulzer Electro-Mechanical	PCL control upgrade & installation of new terminal (W/O# 20-168-M)	\$ 54,668.62
130948	Thatcher Company of California	Water service supplies	\$ 21,840.25
130960	Z&L Paving	Paving	\$ 35,736.75
130968	The Palm Springs Deauville	Grass removal rebate	\$ 42,430.00
Total			\$ 1,857,927.33

Monthly Investment Portfolio Report

As of 03/31/2022

AGG- Operating Fund (213426)

Dated: 04/07/2022

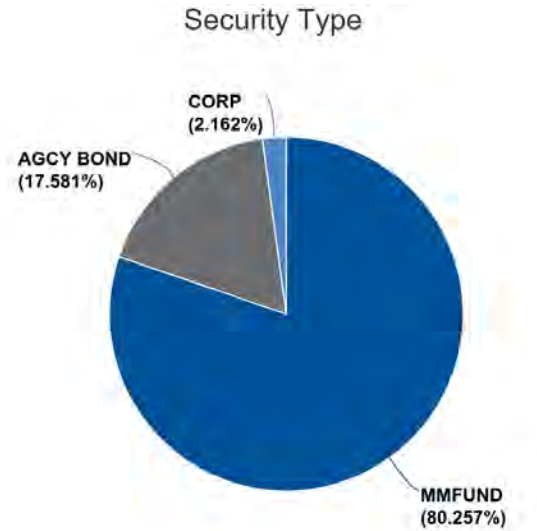


Chart calculated by: PAR Value

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	---	---	03/31/2022	03/31/2022	37,113,801.52	37,113,801.52	37,113,801.52	---
LAIF Money Market Fund LAIF - OP	---	---	03/31/2022	03/31/2022	37,113,801.52	37,113,801.52	37,113,801.52	---

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	943,794.00	2.521%
FEDERAL HOME LOAN BANKS UnionBanc OP	06/28/2021	06/30/2022	09/30/2024	09/30/2024	1,000,000.00	1,000,000.00	950,235.00	2.465%
FEDERAL HOME LOAN BANKS UnionBanc OP	09/30/2021	06/30/2022	09/30/2026	09/30/2026	1,000,000.00	1,000,000.00	933,714.00	2.590%
FEDERAL HOME LOAN BANKS UnionBanc OP	09/24/2021	---	09/13/2024	09/13/2024	1,130,000.00	1,125,513.90	1,075,973.57	2.396%
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	938,701.00	2.525%
FEDERAL NATIONAL MORTGAGE ASSOCIATION UnionBanc OP	06/30/2020	06/30/2022	06/30/2025	06/30/2025	1,000,000.00	1,000,000.00	943,449.00	2.554%
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	936,069.00	2.555%
FEDERAL NATIONAL MORTGAGE ASSOCIATION UnionBanc OP	12/16/2020	06/14/2022	06/14/2024	06/14/2024	1,000,000.00	1,000,500.00	956,343.00	2.422%
--- UnionBanc OP	---	---	04/28/2025	04/28/2025	8,130,000.00	8,125,513.90	7,678,278.57	2.501%

Monthly Investment Portfolio Report

As of 03/31/2022

AGG- Operating Fund (213426)

Dated: 04/07/2022

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	947,530.00	2.419%
JPMORGAN CHASE BANK, NATIONAL ASSOCIATION UnionBanc OP	06/22/2021	---	12/23/2024	12/23/2024	1,000,000.00	1,000,000.00	947,530.00	2.419%

Summary

Description, Broker	Settle Date	Next Call Date	Effective Maturity	Final Maturity	PAR Value	Original Cost	Market Value	Yield to Maturity
---	---	---	10/26/2022	10/26/2022	46,243,801.52	46,239,315.42	45,739,610.09	2.492%

* 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

MARCH 2022

INVESTED
RESERVE FUNDS
\$194,123,465.57

BALANCE	MARCH 1, 2022	(\$950,452.12)	
* TAXES - RIVERSIDE COUNTY		92,020.00	
* INTEREST EARNED - INV. FUNDS		228,210.00	
GROUNDWATER REPLEN. ASSESSMENT		334,363.47	
REIMBURSEMENT - OPERATING FUND		0.00	
REIMBURSEMENT - CVWD MGMT AGRMT		8,810.62	
STATE WATER PROJECT REFUNDS		0.00	
REIMB - CVWD - WHITEWATER HYDRO		24,360.60	
POWER SALES - WHITEWATER		0.00	
MISCELLANEOUS		<u>1,190.90</u>	
TOTAL RECEIPTS		\$688,955.59	
PAYMENTS			
CHECKS UNDER \$10,000.00		13,375.00	
CHECKS OVER \$10,000.00 - SCH. #1		1,283,283.40	
CANCELLED CHECKS AND FEES		<u>0.00</u>	
TOTAL PAYMENTS		<u>\$1,296,658.40</u>	
NET INCOME		(\$607,702.81)	
INVESTED RESERVE FUNDS			
FUNDS MATURED		1,125,000.00	
FUNDS INVESTED - SCH. #2		<u>504,000.00</u>	
NET TRANSFER		\$621,000.00	(\$621,000.00)
BALANCE	MARCH 31, 2022	(\$937,154.93)	\$193,502,465.57
* INCLUSIVE TO DATE		TAXES	INTEREST
RECEIPTS IN FISCAL YEAR		\$21,456,044.05	\$1,224,233.99
RECEIPTS IN CALENDAR YEAR		\$13,817,953.94	\$436,436.91

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



March 2022

Check #	Name	Description	Amount
9630	United States Geological Survey	Joint Funding Agreement quarterly billing - (10/01/2021 - 12/31/2021)	\$ 23,318.75
9631	Piedmont Hydro Technologies, LLC	Whitewater Hydroelectric Project	\$ 47,070.00
9634	Coachella Valley Water District	2021 State Water Project Rate Reconciliation	\$ 74,694.00
9635	State of California Department of Water Resources	State Water Project - March 2022	\$ 1,074,451.00
9636	Desert Water Agency - Operating Fund	Operating Fund Reimbursement for January 2022	\$ 32,369.65
9638	Piedmont Hydro Technologies, LLC	Whitewater Hydroelectric Project - 4th Installment payment	\$ 31,380.00
Total			\$ 1,283,283.40

Monthly Investment Portfolio Report

As of 03/31/2022

AGG- General Fund (213428)

Dated: 04/07/2022

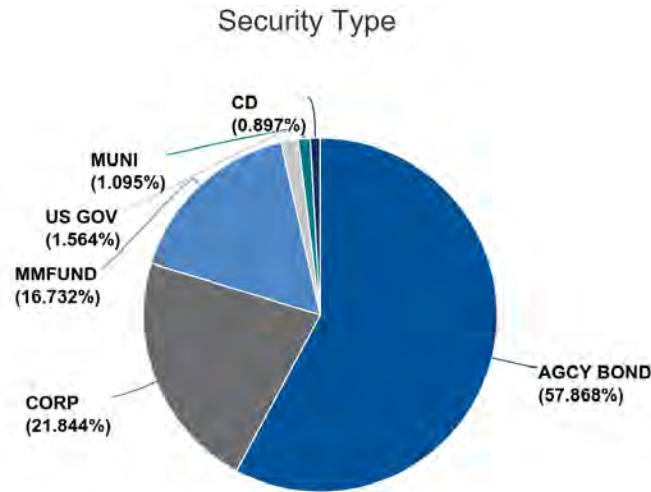


Chart calculated by: PAR Value

AGCY BOND

Description, Broker	Settle Date	Next Call Date	Effective Maturity	Final Maturity	PAR Value	Original Cost	Market Value	Yield to Maturity
FEDERAL AGRICULTURAL MORTGAGE CORP Piper Sandler	02/23/2022	08/23/2022	02/23/2027	02/23/2027	3,000,000.00	3,000,000.00	2,905,605.00	2.792%
FEDERAL FARM CREDIT BANKS FUNDING CORP Alamo Capital	08/04/2020	04/10/2022	08/04/2025	08/04/2025	3,000,000.00	3,000,005.00	2,822,361.00	2.529%
FEDERAL FARM CREDIT BANKS FUNDING CORP Alamo Capital	10/15/2020	04/10/2022	10/15/2024	10/15/2024	3,000,000.00	2,995,500.00	2,848,017.00	2.471%
FEDERAL FARM CREDIT BANKS FUNDING CORP Alamo Capital	01/05/2021	04/10/2022	04/05/2024	04/05/2024	3,000,000.00	3,000,000.00	2,879,292.00	2.330%
FEDERAL FARM CREDIT BANKS FUNDING CORP Alamo Capital	02/12/2021	04/10/2022	11/12/2024	11/12/2024	3,000,000.00	3,000,000.00	2,835,423.00	2.480%
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	2,780,325.00	2.543%
FEDERAL FARM CREDIT BANKS FUNDING CORP Piper Sandler	10/15/2020	04/10/2022	10/15/2024	10/15/2024	3,000,000.00	3,000,000.00	2,850,222.00	2.471%
FEDERAL FARM CREDIT BANKS FUNDING CORP Piper Sandler	12/28/2020	04/10/2022	12/21/2023	12/21/2023	3,000,000.00	3,000,000.00	2,896,536.00	2.263%
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	2,812,329.00	2.606%
FEDERAL FARM CREDIT BANKS FUNDING CORP Piper Sandler	02/16/2022	---	02/16/2027	02/16/2027	3,000,000.00	2,999,286.00	2,900,136.00	2.530%
FEDERAL FARM CREDIT BANKS FUNDING CORP Stifel	10/16/2020	04/10/2022	03/28/2024	03/28/2024	3,000,000.00	3,000,000.00	2,882,802.00	2.318%
FEDERAL HOME LOAN BANKS Alamo Capital	04/09/2021	05/18/2022	11/18/2024	11/18/2024	3,000,000.00	2,989,263.00	2,834,316.00	2.482%
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	2,799,006.00	2.587%
FEDERAL HOME LOAN BANKS Alamo Capital	12/30/2021	12/30/2022	12/30/2024	12/30/2024	3,000,000.00	3,000,005.00	2,895,093.00	2.545%

Monthly Investment Portfolio Report

As of 03/31/2022

AGG- General Fund (213428)

Dated: 04/07/2022

Description, Broker	Settle Date	Next Call Date	Effective Maturity	Final Maturity	PAR Value	Original Cost	Market Value	Yield to Maturity
FEDERAL HOME LOAN BANKS UnionBanc GF	12/30/2020	04/10/2022	12/30/2025	12/30/2025	3,000,000.00	3,000,000.00	2,784,369.00	2.542%
FEDERAL HOME LOAN BANKS UnionBanc GF	06/28/2021	06/30/2022	09/30/2024	09/30/2024	3,000,000.00	3,000,000.00	2,850,705.00	2.465%
FEDERAL HOME LOAN BANKS UnionBanc GF	09/30/2021	06/30/2022	09/30/2026	09/30/2026	3,000,000.00	3,000,000.00	2,801,142.00	2.590%
FEDERAL HOME LOAN BANKS Piper Sandler	01/28/2021	04/10/2022	03/28/2024	03/28/2024	3,000,000.00	3,000,000.00	2,881,053.00	2.319%
FEDERAL HOME LOAN BANKS Piper Sandler	02/17/2021	05/17/2022	02/17/2026	02/17/2026	3,000,000.00	3,000,000.00	2,788,740.00	2.543%
FEDERAL HOME LOAN BANKS Piper Sandler	02/26/2021	05/26/2022	11/26/2024	11/26/2024	3,000,000.00	3,000,000.00	2,832,837.00	2.483%
FEDERAL HOME LOAN BANKS Piper Sandler	04/22/2021	04/29/2022	04/29/2024	04/29/2024	3,000,000.00	3,000,000.00	2,880,465.00	2.351%
FEDERAL HOME LOAN BANKS Piper Sandler	09/30/2021	06/30/2022	09/30/2026	09/30/2026	3,000,000.00	3,000,000.00	2,802,276.00	2.591%
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	2,799,006.00	2.587%
FEDERAL HOME LOAN BANKS Stifel	02/25/2021	05/25/2022	11/25/2024	11/25/2024	3,000,000.00	3,000,000.00	2,836,860.00	2.483%
FEDERAL HOME LOAN BANKS Stifel	03/30/2021	06/30/2022	09/30/2024	09/30/2024	2,000,000.00	2,000,000.00	1,905,776.00	2.465%
FEDERAL HOME LOAN BANKS Stifel	06/28/2021	06/28/2022	02/28/2024	02/28/2024	3,000,000.00	3,000,000.00	2,886,246.00	2.292%
FEDERAL HOME LOAN MORTGAGE CORP Alamo Capital	09/30/2020	06/30/2022	09/30/2025	09/30/2025	3,000,000.00	3,000,000.00	2,787,684.00	2.525%
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	2,816,103.00	2.525%
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	2,831,202.00	2.523%
FEDERAL HOME LOAN MORTGAGE CORP Piper Sandler	08/26/2020	05/26/2022	08/26/2024	08/26/2024	3,000,000.00	3,000,000.00	2,865,120.00	2.438%
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	2,846,457.00	2.474%
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	2,873,085.00	2.375%
FEDERAL NATIONAL MORTGAGE ASSOCIATION Alamo Capital	08/25/2020	---	08/25/2025	08/25/2025	3,000,000.00	2,985,965.00	2,792,514.00	2.510%
FEDERAL NATIONAL MORTGAGE ASSOCIATION Alamo Capital	09/06/2019	---	09/06/2022	09/06/2022	1,000,000.00	996,520.00	1,001,647.00	0.990%
FEDERAL NATIONAL MORTGAGE ASSOCIATION UnionBanc GF	07/15/2020	07/15/2022	07/15/2025	07/15/2025	3,000,000.00	3,000,000.00	2,828,160.00	2.557%
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	2,808,207.00	2.555%
FEDERAL NATIONAL MORTGAGE ASSOCIATION UnionBanc GF	12/16/2020	06/14/2022	06/14/2024	06/14/2024	3,000,000.00	3,001,500.00	2,869,029.00	2.422%
FEDERAL NATIONAL MORTGAGE ASSOCIATION Piper Sandler	12/14/2020	06/14/2022	06/14/2024	06/14/2024	3,000,000.00	3,000,000.00	2,869,029.00	2.422%
---	---	---	04/19/2025	04/19/2025	111,000,000.00	110,956,044.00	105,179,175.00	2.471%

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	04/15/2025	04/15/2025	3,000,000.00	3,258,120.00	2,977,887.00	2.905%
APPLE INC Alamo Capital	09/16/2019	08/11/2024	09/11/2024	09/11/2024	1,000,000.00	990,552.00	983,824.00	2.486%
APPLE INC UnionBanc GF	01/27/2021	08/11/2024	09/11/2024	09/11/2024	3,000,000.00	3,150,000.00	2,951,472.00	2.486%

Monthly Investment Portfolio Report

As of 03/31/2022

AGG- General Fund (213428)

Dated: 04/07/2022

Description, Broker	Settle Date	Next Call Date	Effective Maturity	Final Maturity	PAR Value	Original Cost	Market Value	Yield to Maturity
APPLE INC Stifel	09/24/2020	04/11/2025	05/11/2025	05/11/2025	2,000,000.00	2,055,740.00	1,913,498.00	2.580%
APPLE INC Stifel	03/26/2021	01/08/2026	02/08/2026	02/08/2026	1,000,000.00	986,200.00	931,564.00	2.577%
BANK OF NEW YORK MELLON CORP Alamo Capital	05/06/2020	03/24/2025	04/24/2025	04/24/2025	1,000,000.00	1,020,005.00	963,514.00	2.852%
CATERPILLAR FINANCIAL SERVICES CORP Alamo Capital	12/17/2020	---	09/14/2023	09/14/2023	3,000,000.00	3,012,276.47	2,925,129.00	2.205%
CHEVRON CORP Stifel	07/08/2020	01/03/2024	01/03/2024	03/03/2024	3,000,000.00	3,239,700.00	3,031,539.00	2.332%
CITIBANK NA Stifel	06/24/2020	12/23/2023	12/23/2023	01/23/2024	3,000,000.00	3,297,000.00	3,054,303.00	2.619%
EXXON MOBIL CORP UnionBanc GF	03/17/2020	---	08/16/2022	08/16/2022	3,000,000.00	3,037,470.00	3,003,873.00	1.552%
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	2,014,566.00	1.920%
JOHN DEERE CAPITAL CORP Alamo Capital	02/08/2021	---	01/15/2026	01/15/2026	3,000,000.00	3,000,000.00	2,773,893.00	2.811%
JOHN DEERE CAPITAL CORP Alamo Capital	04/03/2020	---	09/08/2022	09/08/2022	1,000,000.00	1,003,535.00	1,003,552.00	1.329%
MICROSOFT CORP Stifel	12/20/2019	02/01/2023	02/01/2023	05/01/2023	2,000,000.00	2,034,620.00	2,006,056.00	2.090%
MICROSOFT CORP Stifel	02/10/2021	08/03/2025	08/03/2025	11/03/2025	3,000,000.00	3,337,530.00	3,051,834.00	2.617%
TOYOTA MOTOR CREDIT CORP Alamo Capital	10/21/2019	---	10/07/2024	10/07/2024	1,500,000.00	1,499,994.00	1,473,222.00	2.739%
TOYOTA MOTOR CREDIT CORP Alamo Capital	02/19/2019	---	07/13/2022	07/13/2022	1,400,000.00	1,399,076.00	1,405,475.40	1.406%
TOYOTA MOTOR CREDIT CORP Alamo Capital	07/18/2019	---	09/08/2022	09/08/2022	1,000,000.00	1,000,000.00	1,003,433.00	1.356%
VISA INC Stifel	01/30/2020	10/14/2022	10/14/2022	12/14/2022	2,000,000.00	2,065,680.00	2,015,748.00	1.666%
WALMART INC Stifel	06/18/2020	10/15/2024	10/15/2024	12/15/2024	2,000,000.00	2,173,300.00	2,009,872.00	2.460%
---	---	---	03/25/2024	04/21/2024	41,900,000.00	43,615,978.46	41,494,254.40	2.303%

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	---	---	03/31/2022	03/31/2022	32,094,530.35	32,094,530.35	32,094,530.35	---
LAIF Money Market Fund LAIF - GF	---	---	03/31/2022	03/31/2022	32,094,530.35	32,094,530.35	32,094,530.35	---

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	2,908,125.00	2.179%
UNITED STATES TREASURY UnionBanc GF	05/27/2021	---	11/15/2023	11/15/2023	3,000,000.00	3,005,156.25	2,908,125.00	2.179%

MUNI

Monthly Investment Portfolio Report

As of 03/31/2022

AGG- General Fund (213428)

Dated: 04/07/2022

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	286,593.00	3.253%
EL CAJON CALIF UnionBanc GF	02/08/2021	---	04/01/2023	04/01/2023	400,000.00	402,124.00	394,780.00	1.973%
MONTEREY PK CALIF PENSION OBLIG UnionBanc GF	02/16/2021	---	06/01/2025	06/01/2025	400,000.00	403,156.00	371,228.00	3.298%
MONTEREY PK CALIF PENSION OBLIG UnionBanc GF	02/16/2021	---	06/01/2023	06/01/2023	450,000.00	450,643.50	440,028.00	2.299%
MONTEREY PK CALIF PENSION OBLIG UnionBanc GF	02/16/2021	---	06/01/2024	06/01/2024	550,000.00	552,255.00	521,218.50	3.143%
--- UnionBanc GF	---	---	02/17/2024	02/17/2024	2,100,000.00	2,110,761.50	2,013,847.50	2.774%

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	245,895.23	0.310%
Goldman Sachs Bank USA Piper Sandler	06/05/2019	---	06/06/2022	06/06/2022	245,000.00	245,000.00	245,990.78	0.293%
JPMorgan Chase Bank, National Association Alamo Capital	02/08/2021	07/16/2022	01/16/2026	01/16/2026	250,000.00	250,000.00	234,161.50	2.347%
Morgan Stanley Bank, N.A. Piper Sandler	06/06/2019	---	06/06/2022	06/06/2022	245,000.00	245,000.00	246,013.32	0.293%
Morgan Stanley Private Bank, National Association Piper Sandler	06/06/2019	---	06/06/2022	06/06/2022	245,000.00	245,000.00	246,013.32	0.293%
Sallie Mae Bank Piper Sandler	05/29/2019	---	05/31/2022	05/31/2022	245,000.00	245,000.00	245,895.23	0.310%
Synchrony Bank Piper Sandler	06/07/2019	---	06/07/2022	06/07/2022	245,000.00	245,000.00	245,959.67	0.294%
--- ---	---	---	12/01/2022	12/01/2022	1,720,000.00	1,720,000.00	1,709,929.04	0.578%

Summary

Description, Broker	Settle Date	Next Call Date	Effective Maturity	Final Maturity	PAR Value	Original Cost	Market Value	Yield to Maturity
---	---	---	06/22/2024	06/28/2024	191,814,530.35	193,502,470.56	185,399,861.29	2.403%

* 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

MARCH 2022

INVESTED
RESERVE FUNDS
\$1,747,968.04

BALANCE	MARCH 1, 2022	\$15,978.86		
ACCOUNTS RECEIVABLE - OTHER		\$0.00		
CUSTOMER DEPOSITS - CONSTRUCTION		0.00		
INTEREST EARNED - INVESTED FUNDS		0.00		
WASTEWATER REVENUE		76,888.47		
SEWER CAPACITY CHARGES		0.00		
MISCELLANEOUS		0.00		
TOTAL RECEIPTS		\$76,888.47		
PAYMENTS				
CHECKS UNDER \$10,000.00		\$9,214.44		
CHECKS OVER \$10,000.00 - SCH. #1		62,314.29		
CANCELLED CHECKS AND FEES		0.00		
TOTAL PAYMENTS		<u>\$71,528.73</u>		
NET INCOME		\$5,359.74		
INVESTED RESERVE FUNDS				
FUNDS MATURED		\$0.00		
FUNDS INVESTED – SCH. #2		21,000.00		
NET TRANSFER			(\$21,000.00)	\$21,000.00
BALANCE	MARCH 31, 2022		\$338.60	\$1,768,968.04

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

DESERT WATER



March 2022

Check #	Name	Description	Amount
3416	Coachella Valley Water District	Wastewater Revenue Billing for February 2022	\$ 62,314.29
Total			\$ 62,314.29

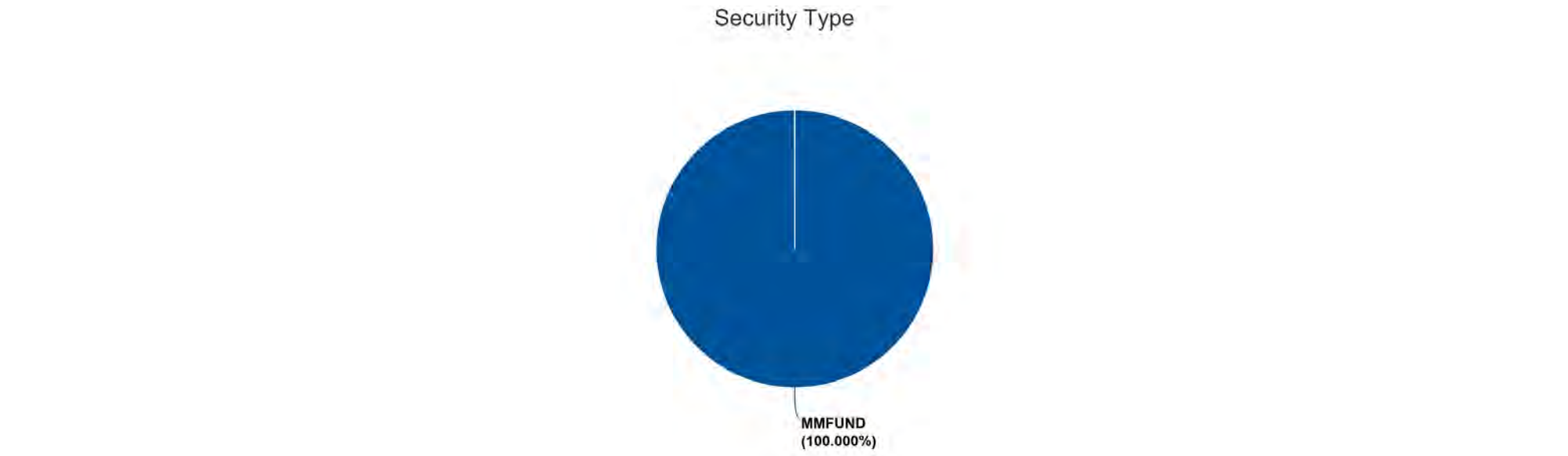


Chart calculated by: PAR Value

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	---	---	03/31/2022	03/31/2022	1,768,968.04	1,768,968.04	1,768,968.04	---
LAIF Money Market Fund LAIF - WW	---	---	03/31/2022	03/31/2022	1,768,968.04	1,768,968.04	1,768,968.04	---

* 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

March 31, 2022

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.

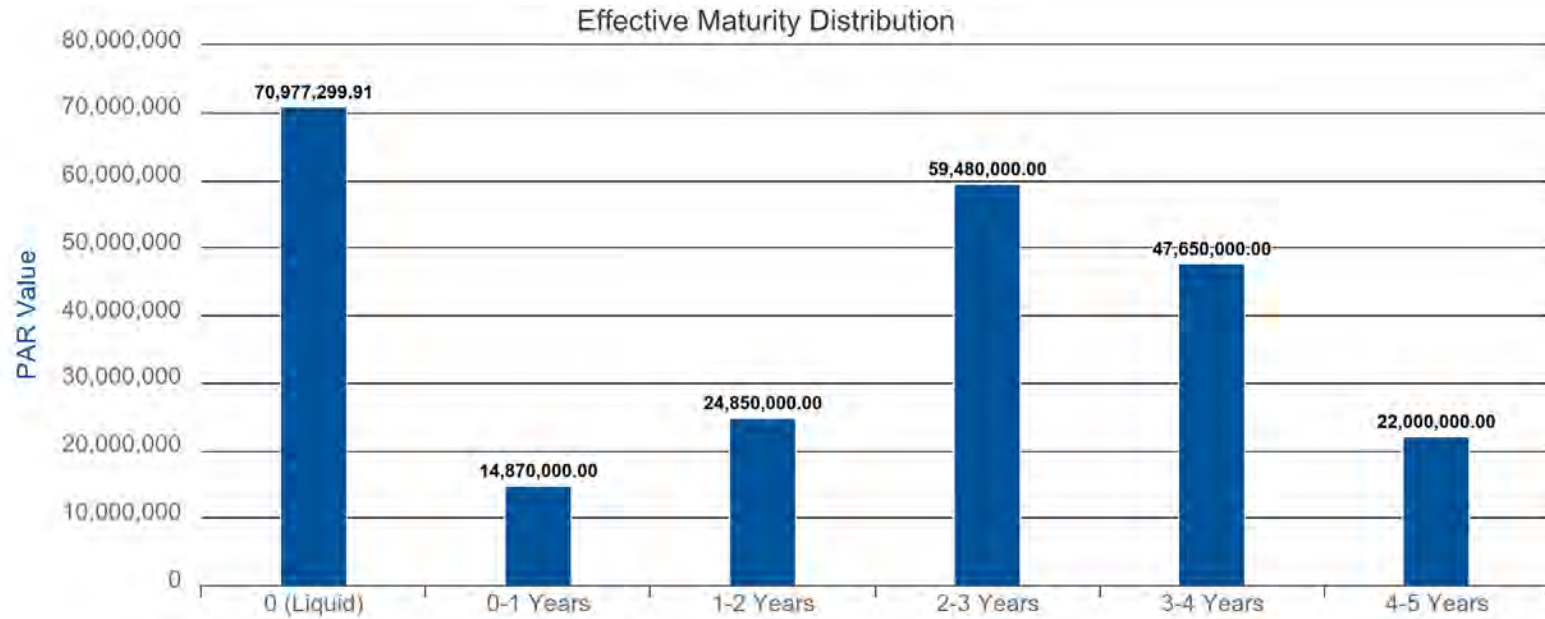
Esther Saenz
Finance Director
Desert Water Agency

Effective Maturity Distribution Summary

As of 03/31/2022

AGG-ALL (219610)

Dated: 04/07/2022



0 (Liquid)

DWA Fund	Account	Identifier	Description	Security Type	PAR Value	Ending Effective Maturity	Final Maturity
General Fund	LAIF - GF	LAIFMMF	LAIF Money Market Fund	MMFUND	32,094,530.35	03/31/2022	03/31/2022
Operating Fund	LAIF - OP	LAIFMMF	LAIF Money Market Fund	MMFUND	37,113,801.52	03/31/2022	03/31/2022
Wastewater Fund	LAIF - WW	LAIFMMF	LAIF Money Market Fund	MMFUND	1,768,968.04	03/31/2022	03/31/2022
---	---	LAIFMMF	LAIF Money Market Fund	MMFUND	70,977,299.91	03/31/2022	03/31/2022

0-1 Years

DWA Fund	Account	Identifier	Description	Security Type	PAR Value	Ending Effective Maturity	Final Maturity
General Fund	---	---	---	---	14,870,000.00	09/28/2022	10/27/2022
General Fund	---	---	---	---	14,870,000.00	09/28/2022	10/27/2022

1-2 Years

DWA Fund	Account	Identifier	Description	Security Type	PAR Value	Ending Effective Maturity	Final Maturity
General Fund	---	---	---	---	24,850,000.00	12/30/2023	01/11/2024
General Fund	---	---	---	---	24,850,000.00	12/30/2023	01/11/2024

2-3 Years

DWA Fund	Account	Identifier	Description	Security Type	PAR Value	Ending Effective Maturity	Final Maturity
General Fund	---	---	---	---	55,350,000.00	09/08/2024	09/10/2024

Effective Maturity Distribution Summary

AGG-ALL (219610)

As of 03/31/2022

Dated: 04/07/2022

DWA Fund	Account	Identifier	Description	Security Type	PAR Value	Ending Effective Maturity	Final Maturity
Operating Fund	UnionBanc OP	---	---	---	4,130,000.00	09/19/2024	09/19/2024
---	---	---	---	---	59,480,000.00	09/09/2024	09/11/2024

3-4 Years

DWA Fund	Account	Identifier	Description	Security Type	PAR Value	Ending Effective Maturity	Final Maturity
General Fund	---	---	---	---	43,650,000.00	09/10/2025	09/16/2025
Operating Fund	UnionBanc OP	---	---	AGCY BOND	4,000,000.00	07/08/2025	07/08/2025
---	---	---	---	---	47,650,000.00	09/04/2025	09/11/2025

4-5 Years

DWA Fund	Account	Identifier	Description	Security Type	PAR Value	Ending Effective Maturity	Final Maturity
General Fund	---	---	---	AGCY BOND	21,000,000.00	11/14/2026	11/14/2026
Operating Fund	UnionBanc OP	3130AP6M2	FEDERAL HOME LOAN BANKS	AGCY BOND	1,000,000.00	09/30/2026	09/30/2026
---	---	---	---	AGCY BOND	22,000,000.00	11/12/2026	11/12/2026

Summary

Account	Identifier	Description	Security Type	PAR Value	Ending Effective Maturity	Final Maturity
---	---	---	---	239,827,299.91	02/18/2024	02/23/2024

* 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 MARCH	/-----THIS MONTH-----/ THIS YEAR	LAST YEAR	BUDGET	/-----FISCAL YEAR TO DATE-----/ THIS YEAR	LAST YEAR	BUDGET	/--VARIANCE--/ YTD	PCT
OPERATING REVENUES								
WATER SALES	2,868,031.26	2,416,714.83	2,627,900.00	28,539,123.45	28,126,841.46	27,756,900.00	782,223.45	3
RECLAMATION SALES	56,233.84	54,201.15	58,800.00	887,122.95	857,595.75	746,000.00	141,122.95	19
POWER SALES	10,484.87	.00	2,658.00	63,187.15	23,184.29	23,922.00	39,265.15	164
OTHER OPER REVENUE	159,237.80	268,823.43	177,847.00	2,019,937.96	1,913,499.63	1,563,819.00	456,118.96	29
TOTAL OPER REVENUES	3,093,987.77	2,739,739.41	2,867,205.00	31,509,371.51	30,921,121.13	30,090,641.00	1,418,730.51	5
OPERATING EXPENSES								
SOURCE OF SUPPLY EXP	1,180,604.55	1,086,643.87	981,249.00	4,624,468.43	4,635,221.27	4,400,041.00	224,427.43	5
PUMPING EXPENSE	363,456.70	285,784.47	363,192.00	3,063,633.93	2,611,203.05	3,268,728.00	205,094.07-	6-
REGULATORY WATER TREAT	72,839.27	58,331.77	63,482.00	610,177.85	501,749.06	571,338.00	38,839.85	7
TRANS & DIST EXPENSE	282,744.01	254,866.71	335,402.00	2,137,298.05	1,776,277.53	3,018,618.00	881,319.95-	29-
CUSTOMER ACT EXPENSE	69,140.27	109,760.02	100,013.00	695,851.53	785,243.46	886,367.00	190,515.47-	21-
ADMIN & GEN EXPENSE	2,119,272.63	1,009,565.70	940,247.00	10,483,271.75	8,932,753.40	10,614,128.00	130,856.25-	1-
REGULATORY EXPENSE	93,706.12	50,406.14	34,538.00	282,200.52	182,281.40	310,842.00	28,641.48-	9-
SNOW CREEK HYDRO EXP	15,208.40	2,023.23	3,050.00	40,774.47	29,893.01	27,450.00	13,324.47	49
RECLAMATION PLNT EXP	86,625.24	63,550.49	235,572.00	634,973.18	592,250.96	2,117,148.00	1,482,174.82-	70-
SUB-TOTAL	4,283,597.19	2,920,932.40	3,056,745.00	22,572,649.71	20,046,873.14	25,214,660.00	2,642,010.29-	10-
OTHER OPER EXPENSES								
DEPRECIATION	509,118.10	503,773.27	546,400.00	4,637,557.69	4,694,650.70	4,917,600.00	280,042.31-	6-
SERVICES RENDERED	19,601.61	16,958.35	13,400.00	125,824.61	108,451.51	120,600.00	5,224.61	4
DIR & INDIR CST FOR WO	403,074.38-	262,115.90-	218,600.00-	2,205,605.14-	2,121,359.37-	1,967,400.00-	238,205.14-	12
TOTAL OPER EXPENSES	4,409,242.52	3,179,548.12	3,397,945.00	25,130,426.87	22,728,615.98	28,285,460.00	3,155,033.13-	11-
NET INCOME FROM OPERATIONS	1,315,254.75-	439,808.71-	530,740.00-	6,378,944.64	8,192,505.15	1,805,181.00	4,573,763.64	253
NON-OPERATING INCOME (NET)								
RENTS	14,803.70	14,338.37	3,800.00	131,427.99	128,686.32	159,700.00	28,272.01-	18-
INTEREST REVENUES	15,524.66	13,360.28	11,500.00	105,679.59	168,975.62	103,500.00	2,179.59	2
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	290,280.00	560.00	.00	669,050.01	8,684.65-	.00	669,050.01	0
GAINS ON RETIREMENT	.00	112,924.67	3,860.00	.00	126,098.79	27,020.00	27,020.00-	100-
DISCOUNTS	7.48	3.49	42.00	277.61	294.73	378.00	100.39-	27-
PR. YEAR EXPENSES	270.00	.00	.00	959.84-	363.60-	.00	959.84-	0
OTHER EXPENSES	.00	59.21-	5,750.00-	161.62-	27,119.01-	81,750.00-	81,588.38	100-
LOSS ON RETIREMENTS	.00	75,858.28-	14,583.00-	54,324.51-	145,570.47-	131,247.00-	76,922.49	59-
TOTAL NON-OPER INCOME	320,885.84	65,269.32	1,131.00-	879,744.10	242,317.73	77,601.00	802,143.10	0
TOTAL NET INCOME	994,368.91-	374,539.39-	531,871.00-	7,258,688.74	8,434,822.88	1,882,782.00	5,375,906.74	286

DESERT WATER AGENCY
OPERATING FUND
WATER CONSUMPTION

	QUARTER ENDING MARCH 2022					
	THIS QUARTER			FISCAL YEAR TO DATE		
	LAST YEAR	THIS YEAR	% UP (DOWN)	LAST YEAR	THIS YEAR	% UP (DOWN)
WATER REVENUE	\$7,208,025	\$8,004,264	11	\$26,254,959	\$28,539,123	9
TOTAL CONSUMPTION (100 CU FT)	2,372,017	2,414,436	2	9,379,699	10,050,826	7
AVERAGE CONSUMPTION PER CONSUMER (100 CU FT)	120	101 *	(16)	458	424 C	(7)
NUMBER OF CONNECTIONS	81	55		23,069	23,375	1

* = ADDED THIS QUARTER

C = TOTAL ACTIVE MARCH 2022

GENERAL MANAGER'S REPORT

April 19, 2022

Damaged Hydrant (3110 Arcada St.)

On April 4 at approximately 8:00 a.m., Construction staff responded to a hit fire hydrant at 3110 Arcada St. which is inside the Escena tract east on Gene Autry Trail and south of Vista Chino. Staff replaced the fire hydrant and put it back into service. The water flowed from a fully open 6-inch fire hydrant bury for approximately 30 minutes. A police report was filed.



Damaged Air-Vac on Bankside Dr. (Cathedral City)

On April 12 at approximately at 7:45 p.m. Construction staff responded to a hit air-vac on the east side of Bankside Dr., just north of E. Palm Canyon Dr. in Cathedral City. Staff repaired the air-vac and put back into service the following day. The water flowed from a fully open 2-inch pipe for approximately 20 minutes. A police report was filed.



Desert Water Agency Seeks Federal Infrastructure Funding

In late March, staff met with Supervisor V. Manuel Perez to determine project eligibility for Coronavirus State and Local Recovery Funds. A portion of the funding is for infrastructure projects. Staff submitted some project funding requests and is working with the Supervisor's team to determine if there are any DWA projects that may be federally funded through the County.

In early April staff met with Congressman Raul Ruiz' point-person on Appropriations and discussed possible projects. On April 13, staff submitted two FY23 Community Project requests to Congressman Raul Ruiz. One project is to replace a section of aging pipeline in Vista Chino and the other project is to extend the recycled water line to Sunrise Park. For the Community Projects, the Congressman is only able to submit 15 projects from his entire district.

Settlement Agreement with RWQCB

On Tuesday, April 12, 2022, the Regional Water Quality Control Board unanimously approved a settlement agreement to resolve a sewage spill incident that occurred on February 19, 2019 within the wash east of Cathedral Canyon Drive. According to the terms of the agreement, the Agency will be required to install a monitoring manhole with a sewage flow meter that will be connected to the Agency's SCADA system and will continuously monitor flows from the Agency's lift station.

Human Resource's Meetings and Activities

Meetings:

03/21/2022	DWA Engineering/Operations Staff Meeting	Virtual Meeting
03/28/2022	DWA Staff Meeting	Virtual Meeting
04/04/2022	DWA Staff Meeting	Virtual Meeting
04/05/2022	DWA Board Meeting	Virtual Meeting
04/11/2022	DWA Staff Meeting	Virtual Meeting
04/14/2022	DWA Executive Committee Meeting	Virtual Meeting
04/18/2022	DWA Staff Meeting	Virtual Meeting

Activities:

03/25/2022	Meeting with Aflac Representative	DWA Offices
03/29/2022	Department Head Capital & Extraordinary Expense Review	DWA Offices
03/31/2022	Webinar: What You Need to Know About Recruiting in 2022	Virtual Meeting
04/05/2022	Lincoln Financial Advisor On Site	DWA Offices
04/07/2022	Webinar: The Dangers of Drug Testing for Non-Drugs	Virtual Meeting
04/12/2022	Webinar: Beyond the Band-Aid: Rethinking Mental Health as Preventive Care	Virtual Meeting
04/13/2022	Is Your Plate Too Full? Webinar for Leaders	Virtual Meeting
04/14/2022	Webinar: Recruiting & Onboarding Strategies for Winning Talent during the Great Resignation	Virtual Meeting

SYSTEM LEAK DATA					
(PERIOD BEGINNING MAR 29, 2022 THRU APR 11, 2022)					
STREET NAME	NUMBER OF LEAKS	PIPE DIAMETER (INCHES)	YEAR INSTALLED	PIPE MATERIAL	PIPE CONSTRUCTION
AVENIDA CABALLEROS	2	14	1953	STEEL	BARE/UNLINED
BISKRA RD	2	4	1957	STEEL	BARE/UNLINED
CAMINO PAROCELA	1	8	1990	A.C.	N/A
E STEVENS RD	1	6	1946	STEEL	BARE/UNLINED
E PALM CANYON DR	1	6	1955	STEEL	BARE/UNLINED
CERRITOS RD	1	6	1955	STEEL	BARE/UNLINED
LOUELLA RD	1	6	1955	STEEL	BARE/UNLINED
E PALM CANYON DR	1	6	1955	STEEL	BARE/UNLINED
SANTA ROSA DR	1	4	1936	STEEL	BARE/UNLINED
McMANUS DR	1	4	1946	STEEL	BARE/UNLINED
PAROCELA PL (WARM SANDS DR)	1	4	1946	STEEL	BARE/UNLINED
BAHADA RD	1	4	1958	STEEL	BARE/UNLINED
CERRITOS RD	1	4	1959	STEEL	BARE/UNLINED
TOTAL LEAKS IN SYSTEM:		15			

Streets highlighted in green are included as part of the

2020/2021 Replacement Pipeline Project

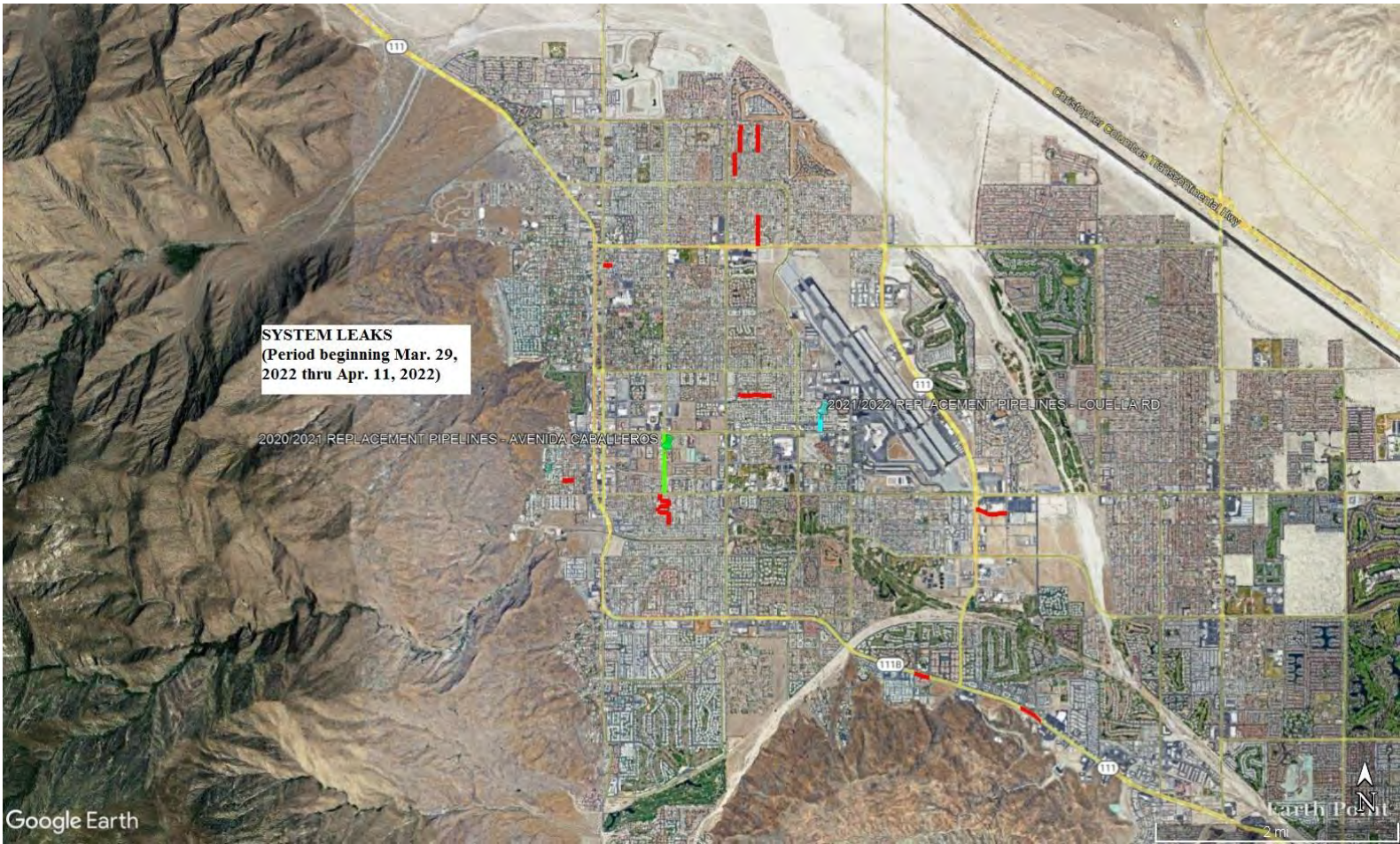
Streets highlighted in blue are being proposed as part of the

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):	124,846
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>	



General Manager's Meetings and Activities

Meetings:

04/05/22	DWA Bi-Monthly Board Mtg	Conf Call
04/05/22	SWC Class 8 Meeting Debrief	Conf Call
04/06/22	DWA Future Tax Rate Analysis	Conf Call
04/07/22	DWA Internal Review of SGMA Annual Report Presentation	Conf Call
04/08/22	DWR/SWC 2022-23 Drought Planning	Conf Call
04/11/22	DWA Weekly Staff Meeting	Conf Call
04/11/22	Tribal Mediation Meeting with Facilitator and CVWD	Conf Call
04/12/22	RWQB Meeting – 2/14/2019 Sewer Spill Settlement	Webinar
04/12/22	SWP Lake Perris Seepage Recovery Project Update	Conf Call
04/12/22	SWP Yuba Water Order Meeting with CVWD/MWD	Conf Call
04/12/22	DWA Special Executive Committee Meeting	Conf Call
04/13/22	DWA Finance Committee Meeting	Conf Call
04/14/22	DWA Executive Committee Meeting	Conf Call
04/19/22	BLM WWRF Grant of Right of Way Cooperators Mtg	Conf Call
04/19/22	DWA Bi-Monthly Board Meeting	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
- 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) WQCB Update to the SNMP
- 24) SGMA – San Geronio Pass Subbasin