



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: 837 8073 8420
Passcode: 254447

or Via Computer:

<https://dwa-org.zoom.us/j/83780738420?pwd=UmJUd2NERmN2M0ZObDF2OGVWbWd3Zz09>

Meeting ID: 837 8073 8420

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
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ID de reunión: 837 8073 8420

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.*

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- | | |
|--|---------|
| 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 May 17, 2022 Board Meeting
- B. Receive and File – Minutes of the May 18, 2022 Conservation & Public Affairs Committee Meeting
- C. Receive and File – Memo on May 19, 2022 State Water Contractors' Meeting
- D. Receive and File – Minutes of the May 24, 2022 Finance Committee Meeting
- E. Receive and File – Minutes of the June 1, 2022 Finance Committee Meeting
- F. Receive and File - Minutes of the June 2, 2022 Executive Committee Meeting
- G. Receive and File – April Water Use Reduction Figures
- H. Request Authorization for General Manager to Sign First Supplement to MOU Regarding Collaboration on the Coachella Valley Salt Nutrient Management Plan
- I. Authorize Staff to Execute Data Use Agreement with University of California Riverside for Hotel Research Project
- J. Request Board Decision on Customer Appeal – Bellisha Klinge

6. **ACTION ITEM:**

- A. Request Authorization for Finance Director to Execute Tyler Technologies Software as a Service Agreement SAENZ

7. **PUBLIC HEARINGS:**

- A. Consider Declaring a Level 2 Alert of Desert Water Agency's Water Shortage Contingency Plan Pursuant to Ordinance No. 72 METZGER
- B. For the Purpose of Accepting and Responding to Public Comments on 2021 Public Health Goals JOHNSON

8. **DISCUSSION ITEMS:**

- A. Fiscal Year 2022/2023 Operating, General and Wastewater Budgets SAENZ
- B. Director's Report on Attendance at CSDA Legislative Days BLOOMER

9. **GENERAL MANAGER'S REPORT**

KRAUSE

10. **SECRETARY-TREASURER'S REPORT (April 2022)**

STUART

11. **DIRECTORS COMMENTS/REQUESTS**

12. **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. REGARDING EVALUATION OF LEGAL COUNSEL
Pursuant to Government Code Section 54957 (b) (1)

13. **RECONVENE INTO OPEN SESSION – REPORT FROM CLOSED SESSION**

14. 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

May 17, 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)
	Victoria Petek, Outreach & Conserv. Associate)

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

Public via	Randy Duncan, Mission Springs Water District)
Teleconference:	David Freedman, Palm Springs Sustainability Comm.)
	Steve Grasha, Desert Hot Springs Resident)

19422. President Bloomer opened the meeting at 8:00 a.m. and asked everyone to join her in the Pledge of Allegiance. **Pledge of Allegiance**

19423. President Bloomer called upon Assistant Secretary of the Board Baca to conduct the roll call: **Roll Call**

Present: Ortega, Oygar, Stuart, Cioffi, Bloomer

19424. President Bloomer requested Item 6-A be heard at this time. She then read into the record, Resolution No. 1274 Granting Retirement Status to Victoria Petek.

Item 6-A

Resolution No. 1274
Granting Retirement
Status to Victoria Petek

Staff recommends that the Board adopt Resolution No. 1274, Granting Retirement Status to Victoria Petek.

Vice President Cioffi moved for approval of staff's recommendation. Director Ortega seconded the motion, which was approved by the following roll call vote:

**Item 6-A
(Cont.)
Resolution No. 1274
Adopted**

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

**RESOLUTION NO. 1274
A RESOLUTION OF THE BOARD OF DIRECTORS
OF DESERT WATER AGENCY
GRANTING RETIREMENT STATUS TO
VICTORIA PETEK**

Human Resources Director Hopping then presented Mrs. Petek with a framed resolution.

19425. 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.

19426. 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.

19427. President Bloomer called for approval of the Consent Calendar. She noted that the Consent Calendar items 5-A through 5-H 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.

**Approval of the
Consent Calendar**
A. April 19, 2022
Regular Board Mtg.
Meeting Minutes
B. April 21, 2022 SWC
Meeting Minutes
C. May 12, 2022
Executive Comm. Mtg.
Minutes
D. April Activities &
Events
E. March Water Use
Reduction Figures
F. Request
Authorization to
Continue Virtual Board
& Comm. Mtgs.
G. Adoption of
Resolution No. 1275
2022 CEQA
Guidelines

- A. Approve minutes of the April 19, 2022 Board Meeting
- B. Receive and File – Minutes of the April 21, 2022 State Water Contractors' Meeting
- C. Receive and File – Minutes of the May 12, 2022 Executive Committee Meeting
- D. Receive and File - April Activities & Events for the Public Affairs & Water Planning Department
- E. March 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 for Public Health (Per AB361)
- G. Request Adoption of Resolution No. 1275 2022 CEQA Guidelines
- H. Request Authorization for General Manager to Execute License Agreement for CV Link Multi-Modal Transportation Corridor Project Over Agency Parcel (APN No. 680-180-047).

**Approval of the
Consent Calendar
(Cont.)**

H. Authorize General
Manager to Execute
License Agrmt./CV
Link Multi-Modal
Transportation
Corridor Project

Director Ortega moved for approval of Items 5-A thru 5-H. 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

19428. President Bloomer called upon Human Resources Director Hopping to present staff's Request for Board Approval of July 2022 Cost of Living Salary Increase for DWA Employees and Contract Amendment for General Manager.

Items for Action:
 Request Board
 Approval – July 2022
 COLA Increase for
 DWA Employees &
 Contract Amendment
 for General Manager

Mrs. Hopping noted that the 2021-2024 Memorandum of Understanding between the Desert Water Agency (DWA) and the Desert Water Agency Employees' Association (DWAEA) calls for a cost of living salary increase effective July 1 of each year. The maximum cap set for the increase is 5%. For March 2022, the CPI percentage was 9.9%. Based on the DWAEA agreement, DWA employees will receive a 5% salary adjustment.

Continuing with her report, Mrs. Hopping stated that the employment agreement with the General Manager provides for an adjustment to the base salary of the same percentage as provided to DWA employees. Upon approval by the Board, the General Manager's agreement will be amended to reflect a 5% base salary increase.

Staff requests that the Board of Directors: 1) Approve a 5% Cost of Living increase to DWA employees and the General Manager with an effective date of the pay periods including July 1, 2022; 2) Approve the July 2022 DWA Monthly Salary Schedule reflecting a 5% increase; 3) Approve the Eighth amendment to the General Manager's employment agreement reflecting a 5% cost of living increase to the base salary. This agreement also includes the bonus that was approved by the Board of Directors at its April 19, 2022 meeting.

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

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

Action Items:

(Cont.)
 Request Board
 Approval – July 2022
 COLA Increase for
 DWA Employees &
 Contract Amendment
 for General Manager

19429. President Bloomer called upon General Manager Krause to present Staff's request for 2022-2023 Groundwater Replenishment Assessment Report (Draft) and to set Public Hearing for June 21, 2022.

2022-2023
 Groundwater
 Replenishment
 Assessment Report
 (Draft) Set June 21,
 2022 Public Hearing

Mr. Krause stated the final draft of the Engineer's report for the 2022-2023 Groundwater Replenishment Assessments is presented today for discussion purposes. A final report will be presented at the public hearing scheduled for June 21, 2022. He noted that the proposed rates for West Whitewater River and Mission Creek areas of benefit will remain at the current rate of \$175 per acre-foot. He then asked Mr. Scriven from Krieger & Stewart to discuss the highlights of the report.

Mr. Scriven provided a summary of changes as outlined in the Executive Summary portion of the report.

Staff recommends the following: 1) The Board of Directors receive the Draft Engineer's report for FY 2022-2023 for the West Whitewater River and Mission Creek Subbasins, 2) Requests a determination be made that funds should be raised by a replenishment assessment; and 3) Set the time and place for a public hearing on June 21, 2022 to consider resolutions of findings of fact and levying replenishment assessments for the Fiscal Year 2022-2023.

Director Ortega moved to approve staff's recommendations. After a second by Secretary-Treasurer Stuart, the motion carried by the following roll call vote:

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

19430. Vice President Cioffi noted his attendance at the ACWA/JPIA Board of Directors meeting. Director Ortega noted his attendance at the ACWA conference.

Items for Discussion:
 Directors' Report on
 ACWA/JPIA
 Conference Attendance

19431. President Bloomer noted her attendance at the NWRA conference.

Discussion Items:
(Cont'd)
Director's Report on
NWRA Conference
Attendance

19432. 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.

19433. At 9:15 a.m., President Bloomer convened into a Teleconference Closed Session for the purpose of Conference with Legal Counsel, (A) Existing Litigation, pursuant to Government Code Section 54956.9 (d) (1), Agua Caliente Band of Cahuilla Indians vs. Coachella Valley Water District, et al (Two Cases); (B) Existing Litigation, pursuant to Government Code Section 54956.9 (d) (1), Mission Springs Water District vs. Desert Water Agency; et al; and (C) Existing Litigation, Pursuant to Government Code Section 54956.9 (d) (1), AT&T vs. County of Riverside.

Closed Session:
A. Existing Litigation –
ACBCI vs. CVWD, et
al. (2 Cases)
B. Existing Litigation –
MSWD vs. DWA
Agency et al
C. Existing Litigation -
Possible Intervention in
Case: AT&T vs.
County of Riverside

19434. At 10:29 a.m., General Manager Krause reconvened the meeting into open session and announced there was no reportable action taken.

Reconvene – No
Reportable Action

19435. In the absence of any further business, General Manager Krause adjourned the meeting at 10:30 a.m.

Adjournment

Sylvia Baca
Assistant Secretary of the Board

Minutes
Conservation & Public Affairs Committee Meeting
May 18, 2022

Directors Present: James Cioffi, Paul Ortega

Staff Present: Mark Krause, Ashley Metzger, Clark Elliott

Public: Steve Grasha, Erin Rode

Call to Order

1. Public Comments - None

2. Discussion Items

A. Community Engagement

Staff provided two options for a community committee. The Scotts Valley Junior Board Member and East Valley Water District Community Advisory Committee provide greater potential for public participation in DWA operations. The Committee asked clarifying questions regarding how these would operate. The Committee requested an additional presentation at a future Committee meeting.

B. Open House Event

Staff presented an option for an open house event to provide information for elections and candidate participation for upcoming elections. The Committee supported this option and requested two in-person meetings, one here at the DWA Operations Center and one in Desert Hot Springs at a community center.

C. FY 2023 Incentives

Staff discussed increasing the turf removal rebate program from \$2 per square foot to \$3 square foot and questions regarding the shovel readiness of projects over 20,000 square feet. The Committee supported the increase. There were no changes to other rebate programs.

D. Palm Springs Airport Demo Garden Ribbon Cutting

Staff said there was no date or time set for the Palm Springs Airport Demo Garden ribbon cutting though the garden was largely complete.

E. Non-functional Turf Prohibition

Staff presented on the upcoming prohibitions regarding non-functional turf. The questions to the Committee focused on the enforcement approach. The Committee directed staff to put out nuanced messaging on the prohibition and wait to see how the state and other agencies handle enforcement. Staff recommended distributing outreach and messaging material, creating a courtesy letter letting customers know about the state prohibition, and to bring the updates back to the Committee at a future meeting.

F. Water Shortage Contingency Plan Level 2 Enactment

Staff informed the Committee that the language of Executive Order N-7-22 forced DWA to invoke Level 2 of the Water Shortage Contingency Plan. Staff gave an overview of what this meant and asked for guidance on appeals. There was interest in having the appeals consolidated to facilitate efficient review and having the Committee make a recommendation to the Board via the Consent Calendar thereby making the Board the last review for an appeal.

G. Conservation Alternative Plans

The Committee discussed Conservation Alternative Plans and how they would be used. Staff noted that in the past these have been used for time of day exemptions and overseeding. The Committee did not express support for using the Conservation Alternative Plans for overseeding.

H. Drought Outreach

Staff spoke about current outreach programs and upcoming planned changes to outreach campaigns.

I. Drought Emergency Regulations Comment Letters

Regarding State Water Board Emergency Regulations, staff spoke about a DWA letter, a regional letter, a "Stress Test" letter, and an Association of California Water Agencies letter. The Committee expressed support for DWA's letter and inclusion in other comment letters.

Adjourn

STATE WATER CONTRACTORS MEETING

May 19, 2022

I. ANNUAL MEMBERSHIP MEETING

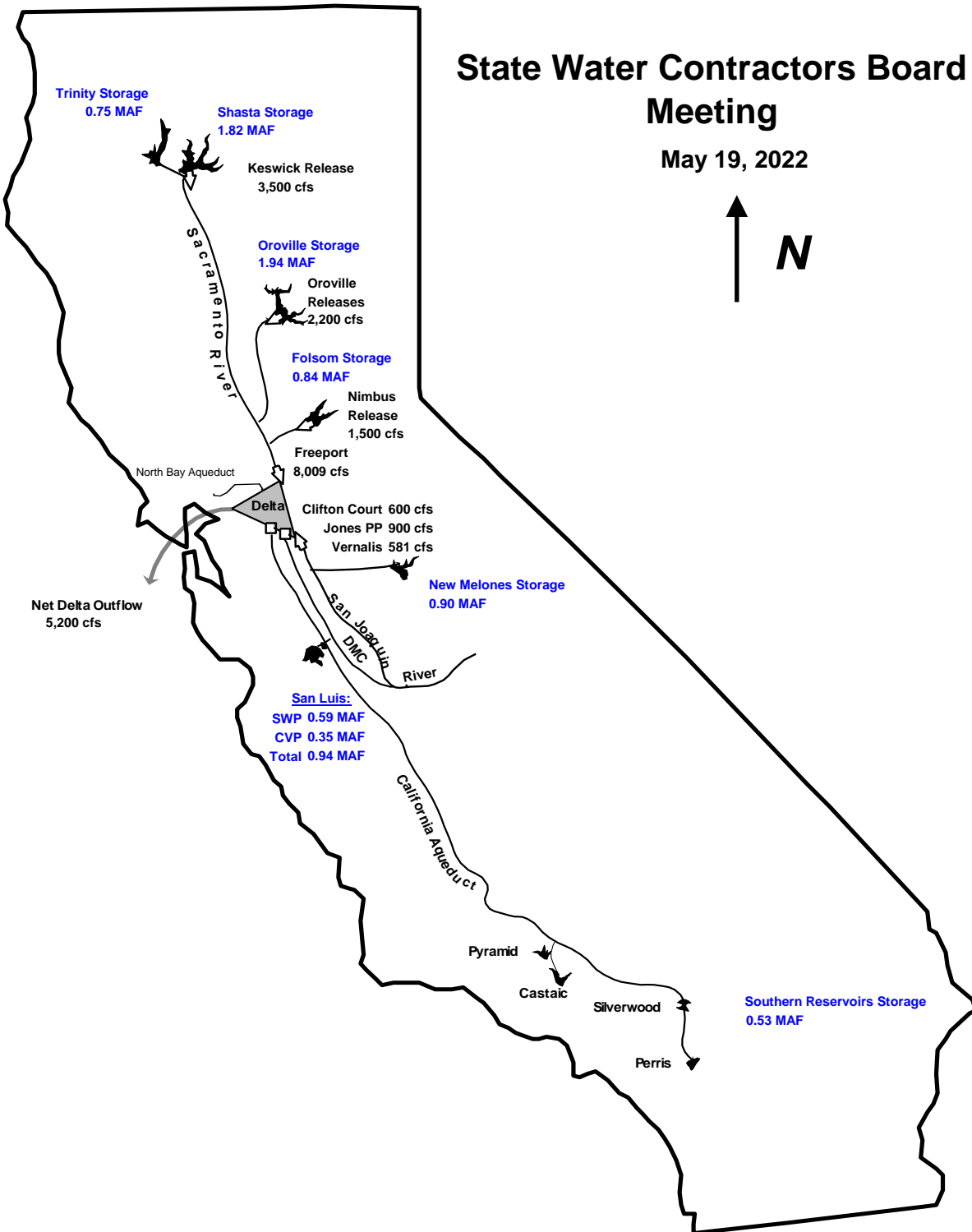
- (a) 2022-23 SWC Directors elected
 - Class 1: Thomas Pate
 - Class 2: Laura Hidas
 - Class 3: Jacob Westra
 - Class 4: Craig Wallace
 - Class 5: Ray Stokes
 - Class 6: Steve Arakawa
 - Class 7: Matt Stone
 - Class 8: Peter Thompson and Robert Cheng

II. BOARD MEETING

- (a) Board officers elected
 - President: Craig Wallace
 - Vice-President: Robert Cheng
 - Treasurer: Laura Hidas
- (b) Senate Bill No. 1020 introduced
 - A leadership bill authored by Senate Pro Tem
 - For State agencies would advance the requirement to be on 100% renewable energy by 2030 instead of 2045
 - Only renewable energy sources in California qualify
 - All purchases must be from newly constructed facilities
 - Would cost DWR at least \$3.3 Billion to achieve goal
- (c) Governor submitted May revised budget (\$300 Billion)
 - \$49 Billion in discretionary spending
 - \$1.3 Billion budgeted for water resiliency and drought relief
- (d) FY 2022-23 SWC budget approved
 - Dues generally remain the same (higher in some categories, lower in others)
- (e) State water supply picture remains grim

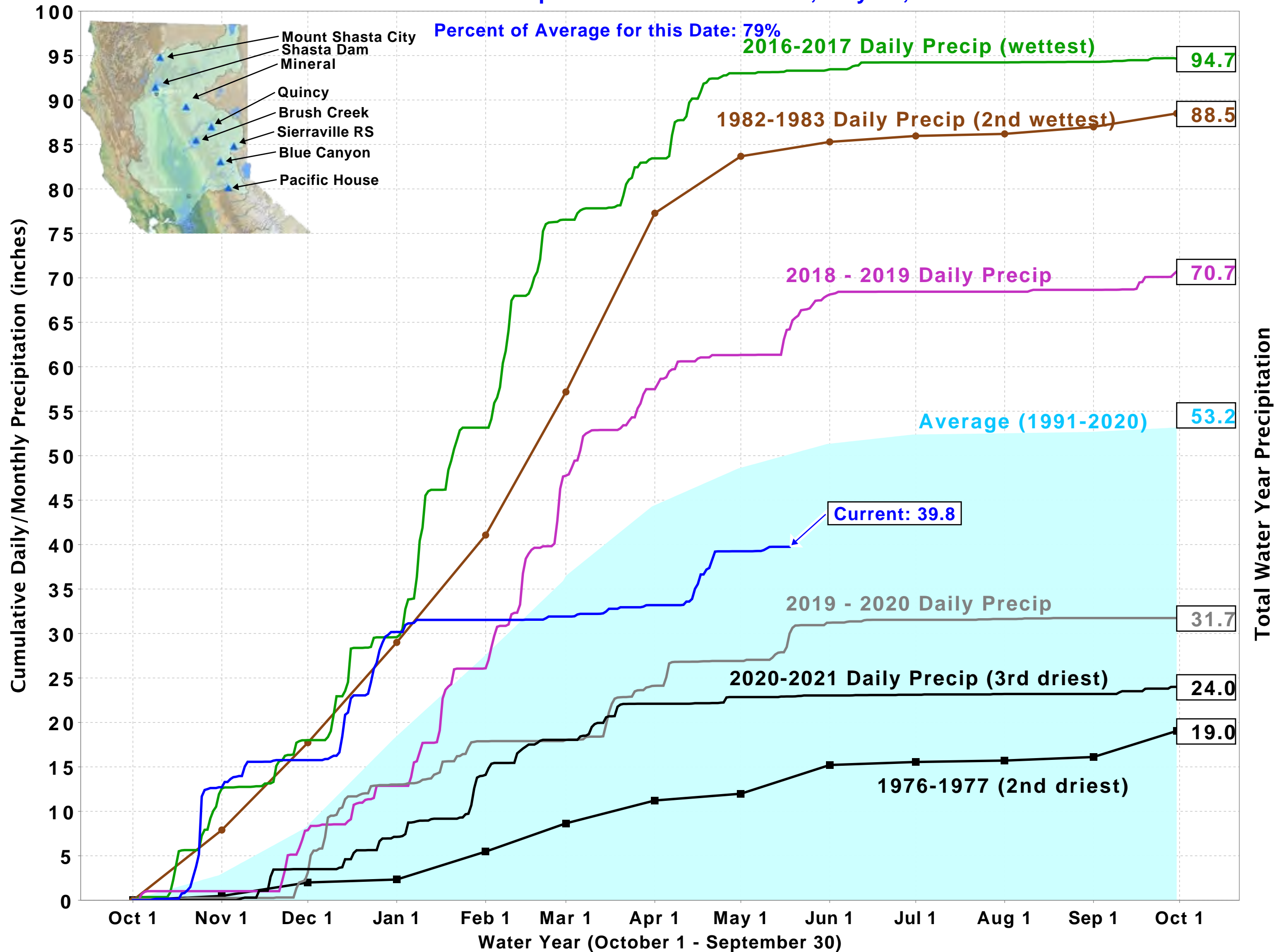
State Water Contractors Board Meeting

May 19, 2022

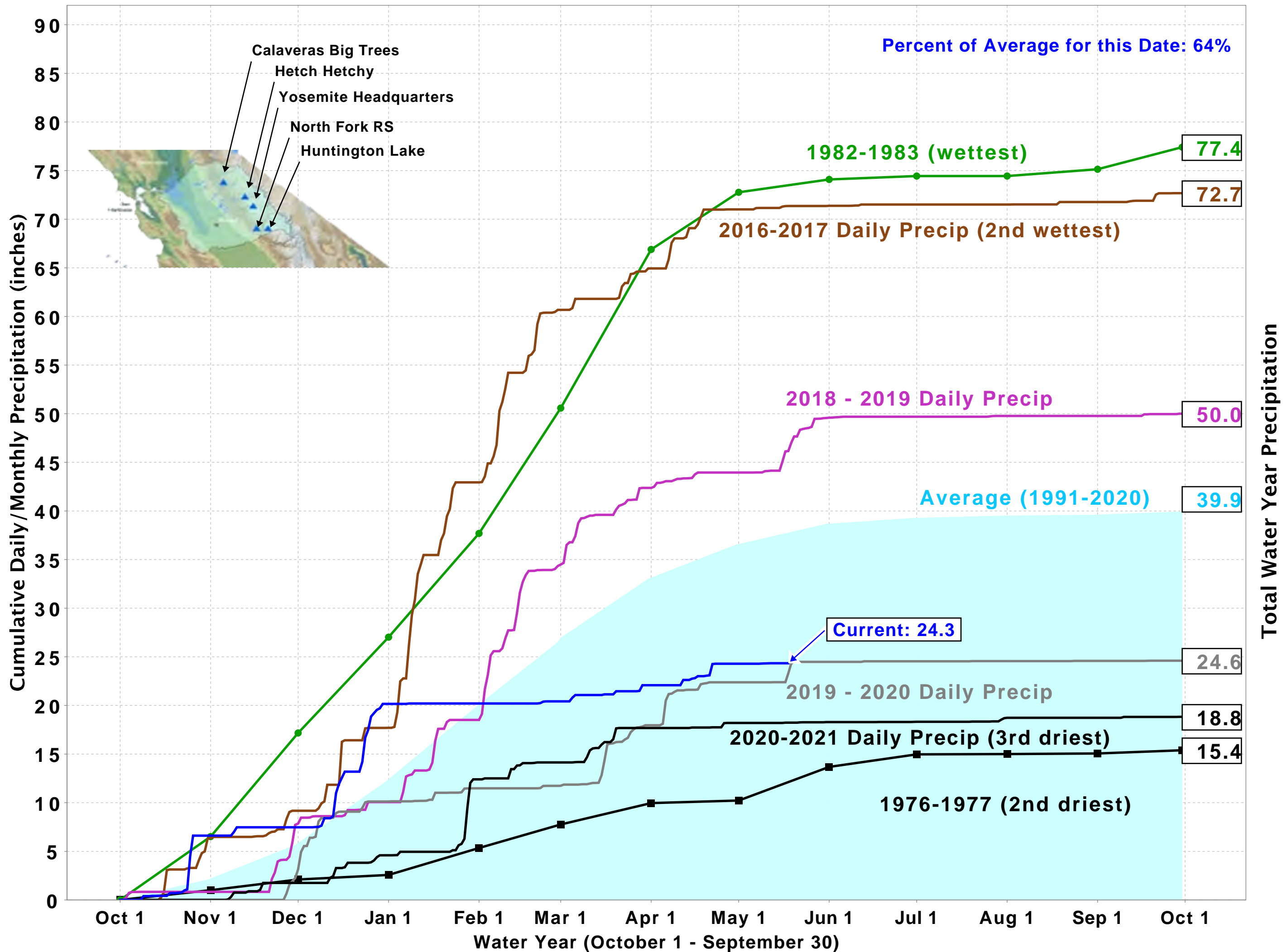


Data Compiled on:
5/18/2022

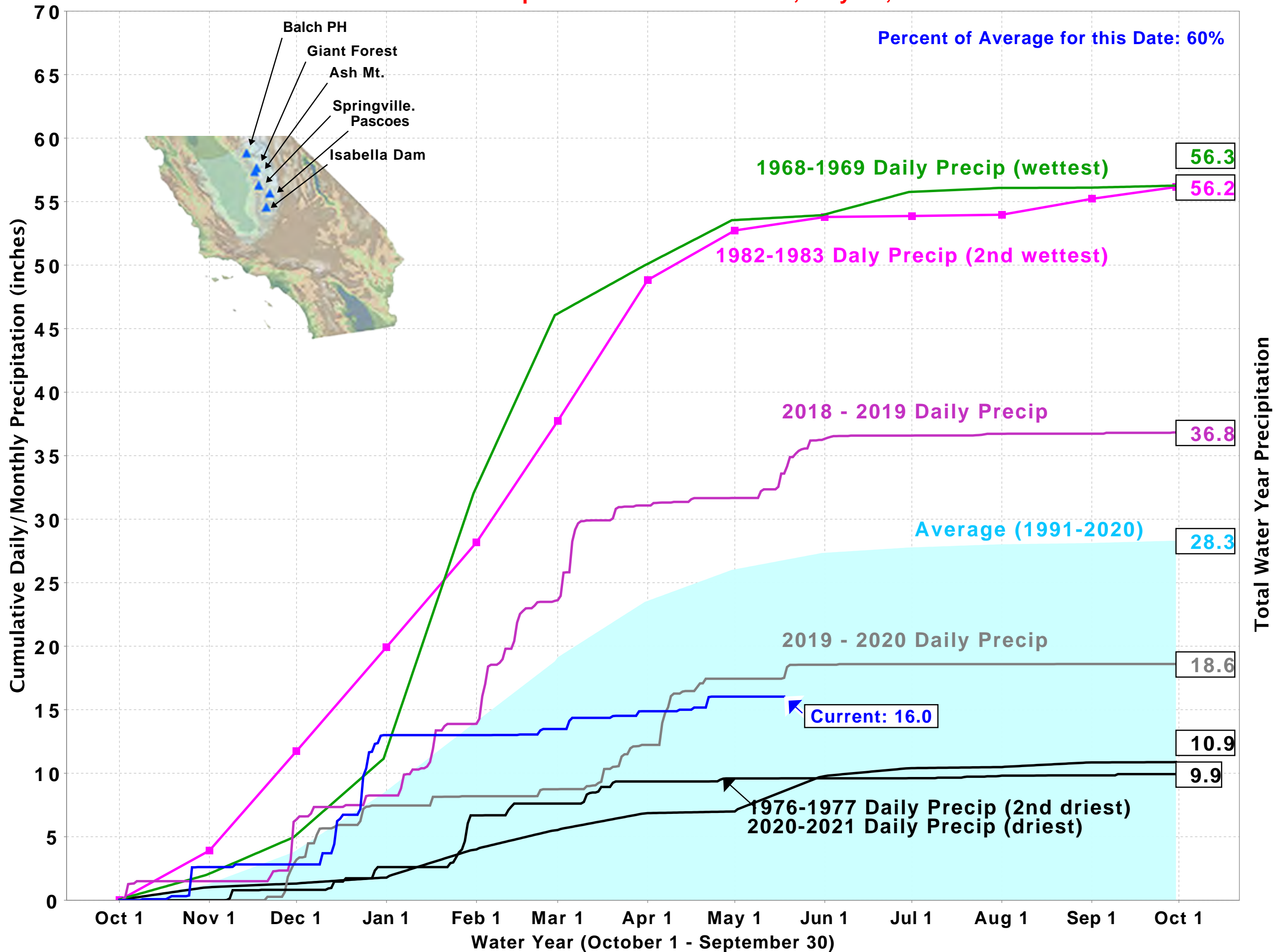
Northern Sierra Precipitation: 8-Station Index, May 18, 2022



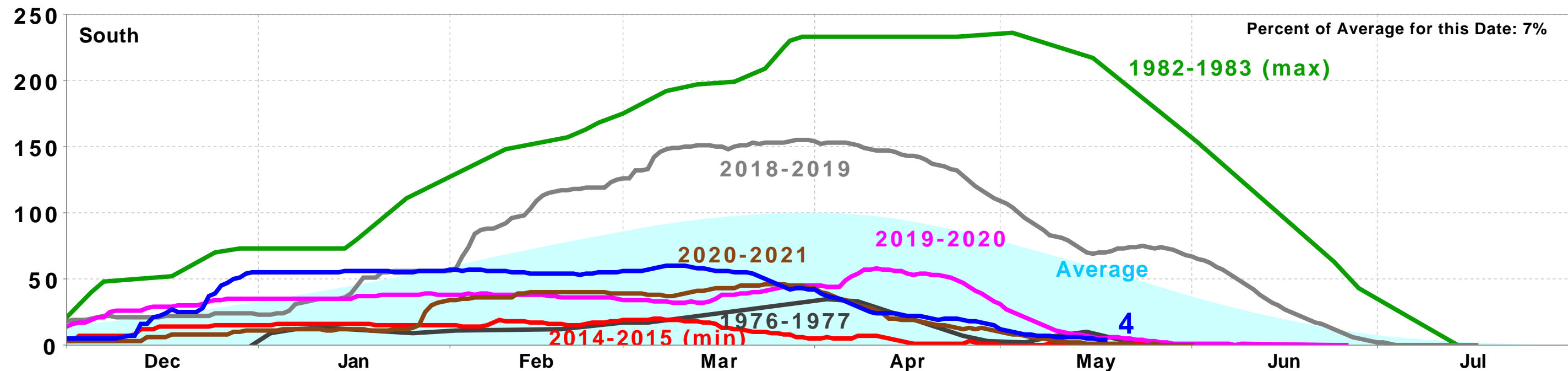
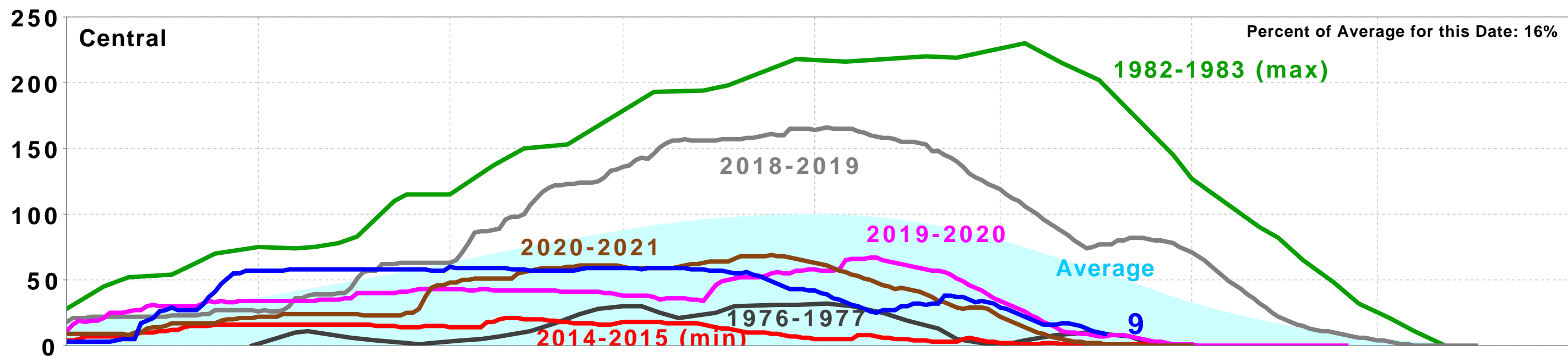
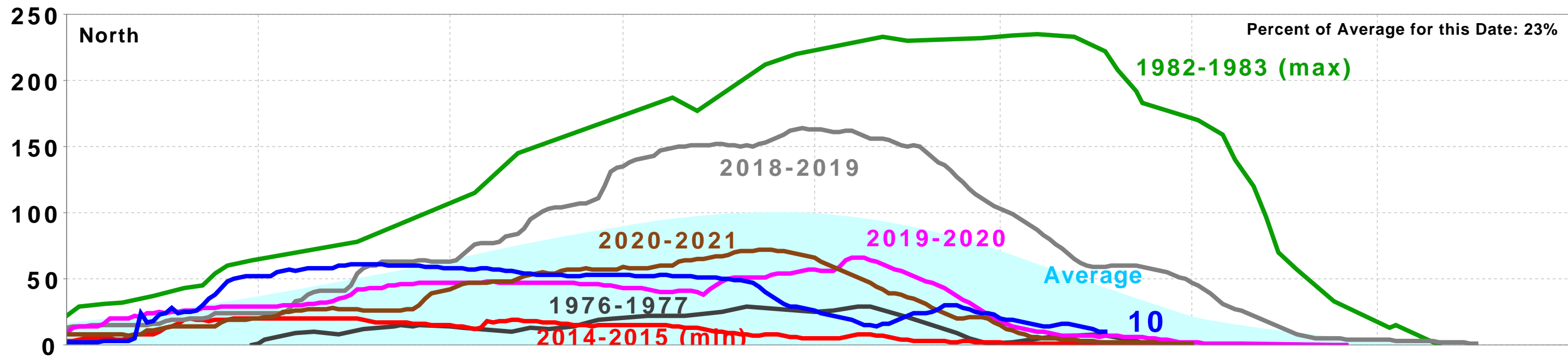
San Joaquin Precipitation: 5-Station Index, May 18, 2022



Tulare Basin Precipitation: 6-Station Index, May 18, 2022



California Snow Water Content, May 18, 2022, Percent of April 1 Average



Statewide Percent of April 1: 8%

Statewide Percent of Average for Date: 15%

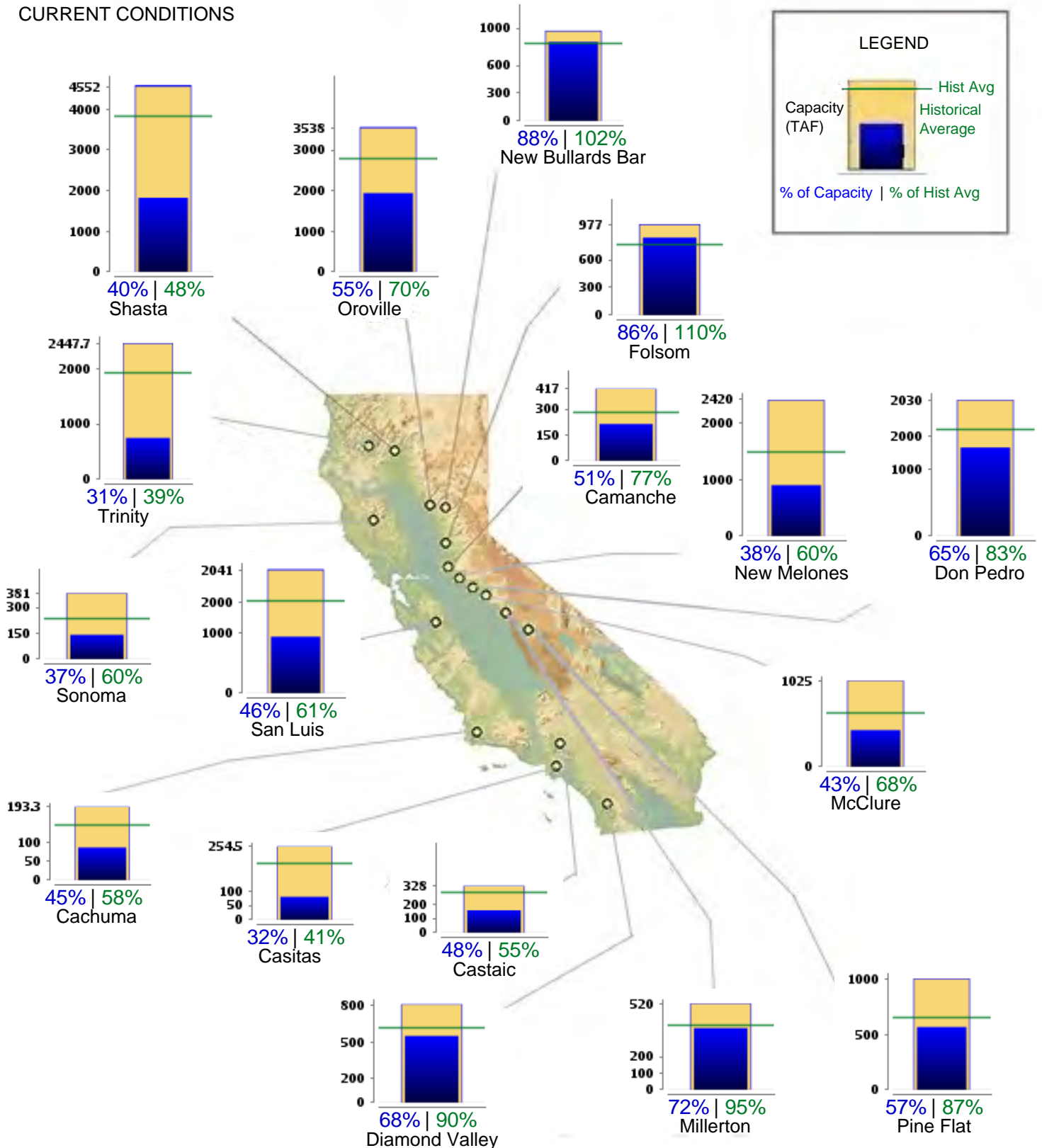


CURRENT RESERVOIR CONDITIONS

CALIFORNIA MAJOR WATER SUPPLY RESERVOIRS

Midnight - May 17, 2022

CURRENT CONDITIONS



Minutes
Finance Committee Meeting
May 24, 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 Operating Fund Budget

The Committee reviewed the Operating Fund revenues, expenses, proposed reserve adjustments and reserve balances as compared to minimum and maximum target reserve balances.

B. Proposed 2022/2023 General Fund Budget

The Committee reviewed the General Fund revenues, expenses, proposed reserve adjustments and reserve balances as compared to minimum and maximum target reserve balances.

C. Proposed 2022/2023 Wastewater Fund Budget

The Committee reviewed the estimated sewer revenues, operating expenses, and anticipated reserve balance.

D. Proposed 2022/2023 Capital Improvement Budget

The Committee reviewed the revisions to the Capital Improvement Budget for the Operating and General Funds.

E. Proposed 2022/2023 Tax Rate

The Committee reviewed the proposed tax rate for 2022/2023 and impacts on revenue.

F. Board of Directors Compensation Evaluation

The Committee reviewed and discussed the Board of Directors compensation survey and per-diem rate.

G. Late Payment Fee Discussion

The Committee reviewed the Agency's late payment fee application process. The Agency's billing cycle timeline was presented to illustrate the timing of each event in the billing cycle. The Committee discussed the customer appeal as it pertained to the time provided to make payment prior to late fee assessment. The Committee recommended to deny the customer appeal as sufficient time and multiple payment options are provided to customers for them to make payments in advance of late fee assessments.

Minutes
Finance Committee Meeting
June 1, 2022

Directors Present: Joseph K. Stuart, Kristin Bloomer

Staff Present: Mark Krause, Steve Johnson, Esther Saenz

Public Present: Steve Grasha

Call to Order

1. Public Comments - None

2. Discussion Item

A. Discuss Tyler Technologies Software as a Service Agreement

Staff presented the Agency's need for the Tyler Munis ERP solution and benefits to the Agency. The Committee discussed the proposed contract term, contract cost, statement of work and project timeline. The Committee provided support authorizing the Finance Director to execute the Tyler Technologies Software as a Service Agreement. The Committee also requested quarterly updates regarding the implementation of the Tyler Munis.

Minutes
Executive Committee Meeting
June 2, 2022

Directors Present: Kristin Bloomer, James Cioffi

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

Public Present: Steve Grasha

Call to Order

1. Public Comments - None

2. Discussion Item

A. Review Agenda for June 7, 2022 Board Meeting

The proposed agenda for the June 7, 2022 meeting was reviewed.

3. Closed Session

The Committee convened into Closed Session to discuss the following:

A. Regarding Evaluation of Legal Counsel

Pursuant to Government Code Section 54957 (b) (1)

General Manager Krause reconvened the committee meeting into open session. There was no reportable action.

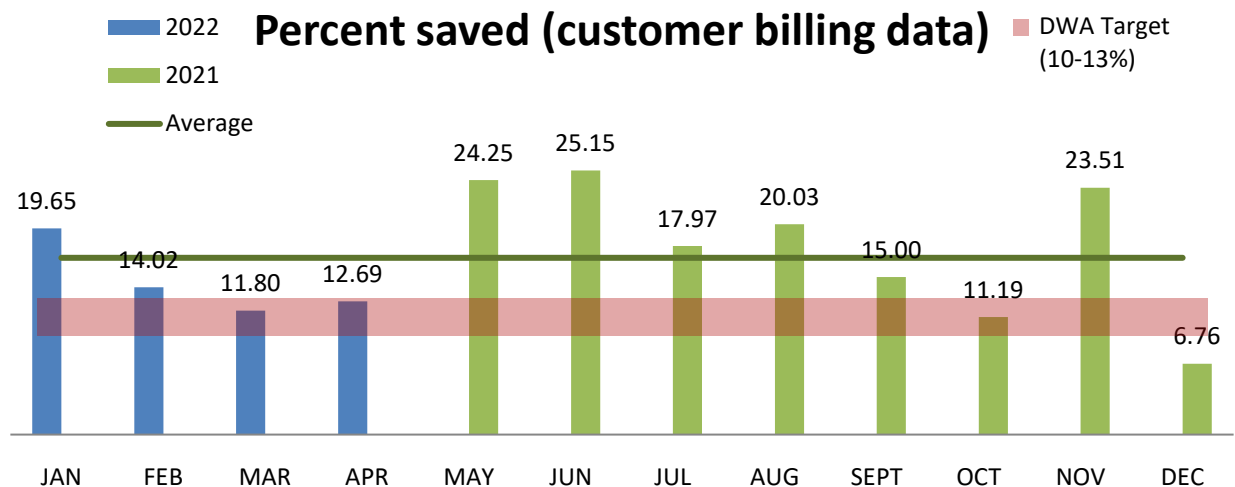
Adjourn

STAFF REPORT TO DESERT WATER AGENCY BOARD OF DIRECTORS

JUNE 7, 2022

RE: APRIL 2022 WATER USE REDUCTION FIGURES

Desert Water Agency customers achieved a 12.7% reduction in metered potable water consumption per meter during April 2022 compared to the same month in 2013 – the baseline year the State Water Resources Control Board (State Water Board) used to measure statewide conservation achievements during the last drought.



Over the past 12 months, consumption per meter is trending 17.7% lower compared to 2013. DWA is asking its customers to voluntarily save 10-13% compared to 2013 to help achieve long-term sustainability.

Governor Newsom has asked for a voluntary 15% reduction compared to 2020 water use. DWA use per meter is up compared to April 2020, likely due to the impacts of the Covid-19 shutdown on our tourism-based economy. Though we're encouraging and incentivizing conservation, there is presently no requirement for the Agency or any of its customers to meet a certain savings requirement. On the following page is additional information for this month.

April 2022 conservation per meter percentage	12.69%
April 2022 consumption per meter	45.24 HCF
April 2013 consumption per meter	51.82 HCF
April 2022 gross conservation percentage	6.50%
April 2022 metered potable consumption	2422.29 AF
April 2013 metered potable consumption	2590.61 AF
The percentage of the Total Monthly Potable Water Production going to residential use only for the reporting month	69.89%
Population (projected based on number of active residential meters and inclusive of seasonal residents)	73,576
Estimated R-GPCD	262.50
Number of public complaints of water waste or violation of conservation rules received during the reporting month.	58
Number of contacts with customers for actual/alleged water waste or for a violation of conservation rules.	8
Number of field visits for water waste follow up.	20
Number of citations for violation of conservation rules.	5

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

JUNE 7, 2022

**RE: REQUEST AUTHORIZATION FOR GENERAL MANAGER TO SIGN
FIRST SUPPLEMENT TO MOU REGARDING COLLABORATION
ON THE COACHELLA VALLEY SALT NUTRIENT MANAGEMENT
PLAN**

A 2018 update to the state's Recycled Water Policy gave the Colorado River Basin Regional Water Quality Control Board (Regional Board) additional authority to require an approved Salt Nutrient Management Plan. The Regional Board expressed perceived insufficiencies in the 2015 Salt Nutrient Management Plan (SNMP) developed by Coachella Valley Water District (CVWD), Desert Water Agency (DWA) and Indio Water Authority (IWA). Short of rejecting the plan, they provided findings and encouraged further work on a SNMP.

A number of stakeholders joined together in spring of 2020 to address the concerns from the Regional Board. The parties listed below (CV-SNMP Agencies) signed into a Memorandum of Agreement in December of 2020.

- City of Palm Springs
- CVWD
- City of Coachella
- DWA
- IWA
- Mission Springs Water District
- Myoma Dunes Mutual Water Company
- Valley Sanitary District

The CV-SNMP Agencies developed the Salt Nutrient Management Development Workplan (the workplan) that includes a monitoring plan and lays the foundation for the development of a Salt Nutrient Management Plan. The workplan was approved by the Regional Water Quality Control Board in October of 2021.

The Agencies reviewed proposals in early 2022 and selected West Yost Associates as the consultant to develop the plan alongside the CV-SNMP Agencies.

The First Supplement to the MOU affirms the group's decision to hire West Yost Associates and outlines cost share of the SNMP development.

Party	Amount	Percentage
City of Palm Springs	\$151,126.67	5.6%
City of Coachella	\$199,062.79	7.4%
CVWD	\$1,220,381.36	45.5%
DWA	\$490,339.90	18.3%
IWA	\$209,941.92	7.8%
MSWD	\$209,611.78	7.8%
MDMWC	\$79,852.57	3.0%
VSD	\$123,795.02	4.6%

Coachella Valley Water District's Board authorized their General Manager to sign at their May 24, 2022 meeting.

Fiscal Impact:

This agreement identified Desert Water Agency's share of the \$2,684,112 project at \$490,339.90 (18% of the total project) over the next five years. The amount for fiscal year 2022-2023 is included in the budget that will be presented to the Board on June 21, 2022. Additionally, Desert Water Agency retains the ability to cease participation at any time encumbering only costs incurred to date. Finance Director Saenz has reviewed this report.

Recommendation:

Staff requests Board authorization for the General Manager to sign the First Supplement to the MOU Regarding Collaboration on the Coachella Valley Salt and Nutrient Management Plan.

Attachments:

Attachment #1 - First Supplement to the MOU Regarding Collaboration on the Coachella Valley Salt and Nutrient Management Plan

Attachment #2 - MOU Regarding Collaboration on the Coachella Valley Salt and Nutrient Management Plan

Attachment #1

FIRST SUPPLEMENT TO
MEMORANDUM OF UNDERSTANDING
REGARDING COLLABORATION ON THE
COACHELLA VALLEY SALT AND NUTRIENT MANAGEMENT PLAN

This FIRST SUPPLEMENT is entered into among the Parties identified herein which are the Parties to that certain Memorandum Of Understanding Regarding Collaboration On The Coachella Valley Salt And Nutrient Management Plan (“MOU”) dated as of November 5, 2020. The purpose of the MOU is to collaborate on development of a Coachella Valley Salt and Nutrient Management Plan Development Workplan (“Development Workplan”) and a Groundwater Monitoring Program Workplan, and on subsequent work that may arise from the Development Workplan and Groundwater Monitoring Program Workplan. The purpose of this FIRST SUPPLEMENT is to provide for the implementation of the completed Development Workplan. Unless otherwise stated herein, all capitalized terms in this FIRST SUPPLEMENT shall have the same definition as said terms are defined in the MOU. The Parties to this FIRST SUPPLEMENT shall be collectively referred to herein as “Parties” and individually as “Party.”

PARTIES

1. City of Palm Springs, a charter city that owns its wastewater treatment plant and manages municipal wastewater within its service area.
2. Coachella Valley Water District (“CVWD”), a county water district organized under the California County Water District Law, codified at Sections 30000, et seq., of the California Water Code and the Coachella Valley Water District Merger Law, Water Code section 33100, et seq.
3. City of Coachella, a general-law City that provides water service through the Coachella Water Authority (“CWA”), a joint powers authority formed as a component of the City of Coachella and the Housing Authority of the City of Coachella, and manages municipal wastewater in its service area through its subsidiary Coachella Sanitary District (“CSD”).
4. Desert Water Agency (“DWA”), an independent special district organized under the Desert Water Agency Law, codified at Sections 100-1, et seq., of the Appendix to the California Water Code.
5. Indio Water Authority (“IWA”), a joint powers authority formed as a component of the City of Indio and Housing Authority of the City of Indio.
6. Mission Springs Water District (“MSWD”), a county water district organized under the California County Water District Law, codified at Sections 30000, et seq., of the California Water Code.
7. Myoma Dunes Mutual Water Company (“MDMWC”), a mutual water utility system organized under California Corporations Code Sections 14300, regulated under the U.S. EPA Safe Drinking Water Act, and by California’s Water Code, Health and Safety Code.

8. Valley Sanitary District (“VSD”), a California special district, which operates under the authority of the Health and Safety Code, Sanitary District Act of 1923, Sections 6400 et seq.

RECITALS

WHEREAS, the Parties recognize the importance of basin-wide management of salts and nutrients in groundwater; and

WHEREAS, the Parties wish to supplement the MOU for the purpose of retaining consultants to assist in the implementation of the Development Workplan approved by the Colorado River Basin Regional Water Quality Control Board on October 4, 2021; and

WHEREAS, the Parties selected WEST YOST ASSOCIATES, INC. (“WEST YOST”) to assist with the implementation of the Workplan through a competitive process;

NOW, THEREFORE, it is mutually understood and agreed as follows:

RETENTION OF CONSULTANT

1. WEST YOST submitted the scope of work and fee schedule included as Exhibit 1 to this FIRST SUPPLEMENT for the implementation of the Workplan, hereafter referred to as the “Project.”
2. The Parties agree to have CVWD retain WEST YOST on behalf of the Parties, and under the MOU, to complete the Project for an amount not to exceed \$2,684,112, inclusive of a 5% contingency. Said price shall not be exceeded without prior authorization of all Parties.
3. Each Party shall be provided the opportunity to attend all Project meetings.
4. Each Party shall be provided the opportunity to review and provide comments on all Project deliverables.

COST-SHARE

5. The Parties agree to share the cost to implement the Development Workplan in accordance with the cost-share schedule included below.

Cost-Share Schedule

Party	Amount	Percentage
City of Palm Springs	\$151,126.67	5.6%
City of Coachella	\$199,062.79	7.4%
CVWD	\$1,220,381.36	45.5%
DWA	\$490,339.90	18.3%
IWA	\$209,941.92	7.8%
MSWD	\$209,611.78	7.8%

MDMWC	\$79,852.57	3.0%
VSD	\$123,795.02	4.6%

6. It is the stated goal of the Parties to pursue grant funding opportunities to off-set the cost of the Project. Grant funding secured by the Parties, collaboratively or individually, for the Project will be applied to the cost-share amount of all Parties in accordance with the percentages in the cost-share schedule.
7. It is the stated goal of the Parties to expand participation in this collaboration to any and all interested local salt contributing stakeholders. Any funding provided for the Project by future collaborators shall result in an adjustment to the cost-share amount of all Parties in accordance with the percentages in the cost-share schedule.

INVOICING AND PAYMENT

8. CVWD shall enter into a contract with WEST YOST and pay submitted invoices per the terms of the contract.
9. CVWD shall invoice each Party for reimbursement of its cost-share percentage of paid invoices on a quarterly basis.
10. Each Party shall pay the invoice submitted by CVWD within 30 days of receipt of the invoice.

OTHER PROVISIONS

11. All terms of the MOU remain unchanged, except, as supplemented herein.
12. The term of this FIRST SUPPLEMENT shall be from the date on which all Parties sign this FIRST SUPPLEMENT ("Effective Date") to the date of completion of the Project.
13. Any Party terminating participation in the MOU, and by extension this FIRST SUPPLEMENT, shall be responsible for its share of the Project costs, as set forth in the MOU and this FIRST SUPPLEMENT, which are incurred on or before the effective date of said termination.
14. During the term of this FIRST SUPPLEMENT, the Parties shall ensure that Confidential Information shall not be disclosed to any person or entity. Each Party agrees to protect the confidentiality of the Confidential Information of the other in the same manner that it protects the confidentiality of its own confidential information but in no event shall either Party exercise less than reasonable care in protecting such Confidential Information. Any and all requests for information related to the Project shall be shared with the other Parties so that they may identify Confidential Information. If any Party receives a subpoena or other validly issued administrative or judicial process requesting Confidential Information of one or more of the other Parties, it shall provide prompt notice to the other of such receipt. The Party receiving the subpoena shall thereafter be entitled to comply with such subpoena or legal process to that extent permitted by law. The Parties' obligations under this provision shall be binding and shall survive the expiration or termination of this FIRST SUPPLEMENT.

15. This FIRST SUPPLEMENT may be executed in any number of counterparts, each of which shall be deemed original, but all of which, when taken together, shall constitute one and the same instrument.

IN WITNESS WHEREOF, the Parties have executed this FIRST SUPPLEMENT as of the date indicated below.

Justin Clifton
City of Palm Springs

Date

J. M. Barrett
Coachella Valley Water District

Date

Gabriel Martin
City of Coachella

Date

Mark S. Krause
Desert Water Agency

Date

Bryan H. Montgomery
Indio Water Authority

Date

Arden Wallum
Mission Springs Water District

Date

Michele Donze
Myoma Dunes Mutual Water Company

Date

Beverli A. Marshall
Valley Sanitary District

Date

Attachment #2

MEMORANDUM OF UNDERSTANDING
REGARDING COLLABORATION ON THE
COACHELLA VALLEY SALT AND NUTRIENT MANAGEMENT PLAN

This memorandum of understanding (MOU) is entered into among the Parties identified herein for the purpose of collaborating on the development of a workplan to update the Coachella Valley Salt and Nutrient Management Plan (CV-SNMP) and on subsequent work that may arise from the CV-SNMP Development Workplan and Groundwater Monitoring Program Workplan. The Parties to this MOU shall be collectively referred to herein as “Parties” and individually as “Party.”

Parties

1. City of Palm Springs, a charter city that owns its wastewater treatment plant and manages municipal wastewater within its service area.
2. Coachella Valley Water District (CVWD), a county water district organized under the California County Water District Law, codified at Sections 30000, et seq., of the California Water Code and the Coachella Valley Water District Merger Law, Water Code section 33100, et seq.
3. City of Coachella, a general-law City that provides water service through the Coachella Water Authority, a joint powers authority formed as a component of the City of Coachella and the Housing Authority of the City of Coachella, and manages municipal wastewater in its service area through its subsidiary Coachella Sanitary District.
4. Desert Water Agency (DWA), an independent special district organized under the Desert Water Agency Law, codified at Sections 100-1, et seq., of the Appendix to the California Water Code.
5. Indio Water Authority, a joint powers authority formed as a component of the City of Indio and Housing Authority of the City of Indio.
6. Mission Springs Water District, a county water district organized under the California County Water District Law, codified at Sections 30000, et seq., of the California Water Code.
7. Myoma Dunes Mutual Water Company, a mutual water utility system organized under California Corporations Code Sections 14300, regulated under the U.S. EPA Safe Drinking Water Act, and by California’s Water Code, Health and Safety Code.
8. Valley Sanitary District, a California special district, which operates under the authority of the Health and Safety Code, Sanitary District Act of 1923, Sections 6400 et seq.

RECITALS

A. *The Policy for Water Quality Control for Recycled Water* (Recycled Water Policy) required local water and wastewater agencies, together with local salt contributing stakeholders to develop a Salt and Nutrient Management Plan (SNMP) for those basins identified as “priority basins,” to help address the potential for recycled water use to impact groundwater quality and to promote basin-wide management of salts and nutrients in groundwater.

B. The CV-SNMP was prepared and submitted to the Colorado River Basin Regional Water Quality Control Board (Regional Board) in June of 2015, but was not adopted by the Regional Board because certain components were considered to be insufficient.

C. On February 19, 2020, in accordance with the Recycled Water Policy as amended in 2018, the Regional Board, prior to adopting a determination on the CV-SNMP, provided specific findings regarding which components of the CV-SNMP were found to be insufficient and recommendations to develop an acceptable SNMP.

D. The Parties, which are composed of local water and wastewater agencies, have agreed that it is in their mutual interest to collaborate on the development of an updated CV-SNMP, and further agreed to collaboratively prepare a CV-SNMP Development Workplan and Groundwater Monitoring Program Workplan, as agreed to with the Regional Board and confirmed in their subsequent communication dated April 27, 2020.

NOW, THEREFORE, it is mutually understood and agreed as follows:

1. Preparation of the CV-SNMP Development Workplan

The Parties will collaborate on the preparation of the CV-SNMP Development Workplan and Groundwater Monitoring Program Workplan.

- a. Consultant: The Parties selected Wildermuth Environmental, Inc. (WEI) to prepare the CV-SNMP Development Workplan and Groundwater Monitoring Program Workplan. CVWD has retained WEI on behalf of the Parties to complete this work.
- b. Cost-Share: The not-to-exceed cost for preparing the SNMP Development Workplan and Groundwater Monitoring Program Workplan is \$226,578.00. Each Party will be responsible for an equal share of the not-to-exceed cost for preparing these deliverables.
- c. Billing: WEI will submit monthly invoices to CVWD. CVWD will initially be responsible for payment of such invoices, but will, in turn, invoice each of the other Parties for their equal share of each invoice.

2. Implementation of Monitoring Workplan

The Parties will collaborate on the implementation of the Groundwater Monitoring Program Workplan.

- a. Monitoring: Each Party will be responsible for monitoring wells identified for inclusion in the monitoring network, in accordance with the Groundwater Monitoring Program Workplan, that are within their ownership or, if it is a customer-owned well, within their jurisdiction. Where jurisdictions overlap, the Parties with overlapping jurisdictions will designate the Party that will monitor individual customer-owned wells.
- b. Reporting: Each Party will be responsible for submitting monitoring data according to the schedule and format identified in the Groundwater Monitoring Program Workplan.

- c. **Monitoring Costs:** Each Party will be responsible for absorbing its own costs related to implementation of its individual monitoring responsibilities identified in the Groundwater Monitoring Program Workplan.

3. Preparation of the Updated CV-SNMP

The Parties will collaborate on the development of an updated CV-SNMP following completion of and in accordance with the recommendations in the SNMP Development Workplan. The means of procuring consulting services and need to share additional costs associated with the development of the updated CV-SNMP will be addressed in future amendments to this MOU.

4. Participation by Other Local Salt Contributing Stakeholders

It is the stated goal of the Parties to expand participation in this collaboration to any and all interested local salt contributing stakeholders. Addition of Parties and associated cost-share provisions will be addressed in future amendments to this MOU.

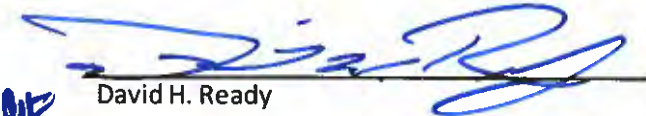
5. General Provisions Governing MOU

- a. **Term.** The term of this MOU shall be from the date the second Party signs this MOU (“Effective Date”). This MOU shall be effective as to any Parties that execute it, whether or not all named Parties execute it.
- b. **Modification.** This MOU may be amended in a writing signed by a duly authorized officer or representative of each of the Parties hereto.
- c. **Termination.** Any Party may terminate its participation in this MOU upon thirty (30) days prior written notice to the other Parties for any reason or no reason. Any Party terminating or otherwise ceasing its participation in this MOU shall be responsible for its share of the costs, as set forth herein, which are incurred on or before the effective date of said termination.
- d. **Dispute Resolution.** Each Party shall use its best efforts and work wholeheartedly and in good faith for the expeditious completion of the objectives of this MOU and the satisfactory performance of its terms. The Parties will attempt in good faith to resolve any dispute or disagreement arising out of or in relation to this MOU. If the dispute or disagreement cannot be settled amicably within fourteen (14) days from the date on which either Party has served written notice on the other Parties, the dispute or disagreement will be resolved by a simple majority vote. Final decisions agreed upon by a majority of the Parties will become binding on all Parties.
- e. **Payment Default.** In the event a Party (Defaulting Party) fails or refuses to make any of its payments under this MOU, CVWD will provide a 30-day notice to cure to the Defaulting Party. If the Defaulting Party does not make the required payment before expiration of the 30-day notice period, the Defaulting Party shall be deemed to have terminated its participation in this MOU. The Defaulting Party shall remain responsible for its share of the costs, as set forth herein, which are incurred on or before the expiration of the 30-day notice period. After the Defaulting Party has been deemed to have terminated its participation in this MOU, each

remaining Party will be responsible for an equal share of the remaining not-to-exceed cost for preparing the deliverables.

- f. Counterparts. This MOU may be executed in one or more counterparts, each of which shall be deemed to be an original.

IN WITNESS WHEREOF, the Parties have executed this MOU as of the day and year indicated below.


David H. Ready
City of Palm Springs

4/19/20
Date

J.M. Barrett
Coachella Valley Water District

Date

William Pattison
City of Coachella

Date

Mark S. Krause
Desert Water Agency

Date

Trish Rhay
Indio Water Authority

Date

Arden Wallum
Mission Springs Water District

Date

Mark Meeler
Myoma Dunes Mutual Water Company

Date

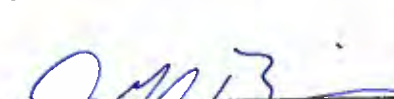
Beverli A. Marshall
Valley Sanitary District

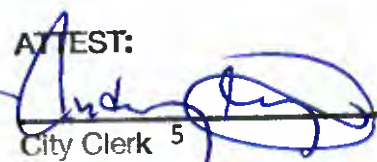
Date

APPROVED AS TO FORM

APPROVED BY CITY COUNCIL

A8625 10 11-12-20


CITY ATTORNEY

ATTEST:

City Clerk ⁵

IN WITNESS WHEREOF, the Parties have executed this MOU as of the day and year indicated below.

David H. Ready
City of Palm Springs

Date



J.M. Barrett
Coachella Valley Water District

11.09.2020
Date

William Pattison
City of Coachella

Date

Mark S. Krause
Desert Water Agency

Date

Trish Rhay
Indio Water Authority

Date

Arden Wallum
Mission Springs Water District

Date

Mark Meeler
Myoma Dunes Mutual Water Company

Date

Beverli A. Marshall
Valley Sanitary District

Date

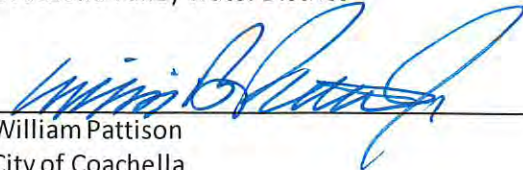
IN WITNESS WHEREOF, the Parties have executed this MOU as of the day and year indicated below.

David H. Ready
City of Palm Springs

Date

J.M. Barrett
Coachella Valley Water District

Date



William Pattison
City of Coachella

12/3/20

Date

Mark S. Krause
Desert Water Agency

Date

Trish Rhay
Indio Water Authority

Date

Arden Wallum
Mission Springs Water District

Date

Mark Meeler
Myoma Dunes Mutual Water Company

Date

Beverli A. Marshall
Valley Sanitary District

Date

IN WITNESS WHEREOF, the Parties have executed this MOU as of the day and year indicated below.

David H. Ready
City of Palm Springs


Date

J.M. Barrett
Coachella Valley Water District

Date

William Pattison
City of Coachella

Date


Mark S. Krause
Desert Water Agency

December 15, 2020
Date

Trish Rhay
Indio Water Authority

Date

Arden Wallum
Mission Springs Water District

Date

Mark Meeler
Myoma Dunes Mutual Water Company

Date

Beverli A. Marshall
Valley Sanitary District

Date

IN WITNESS WHEREOF, the Parties have executed this MOU as of the day and year indicated below.

David H. Ready
City of Palm Springs

Date

J.M. Barrett
Coachella Valley Water District

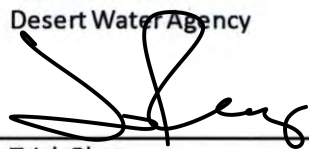
Date

William Pattison
City of Coachella

Date

Mark S. Krause
Desert Water Agency

Date



Trish Rhay
Indio Water Authority

11/18/20

Date

Arden Wallum
Mission Springs Water District

Date

Mark Meeler
Myoma Dunes Mutual Water Company

Date

Beverli A. Marshall
Valley Sanitary District

Date

IN WITNESS WHEREOF, the Parties have executed this MOU as of the day and year indicated below.

David H. Ready
City of Palm Springs

Date

J.M. Barrett
Coachella Valley Water District

Date

William Pattison
Coachella Water Authority

Date

Mark S. Krause
Desert Water Agency

Date

Trish Rhay
Indio Water Authority

Date



November 5, 2020

Arden Wallum
Mission Springs Water District

Date

Mark Meeler
Myoma Dunes Mutual Water Company

Date

Beverli A. Marshall
Valley Sanitary District

Date

IN WITNESS WHEREOF, the Parties have executed this MOU as of the day and year indicated below.

David H. Ready
City of Palm Springs

Date

J.M. Barrett
Coachella Valley Water District

Date

William Pattison
City of Coachella

Date

Mark S. Krause
Desert Water Agency

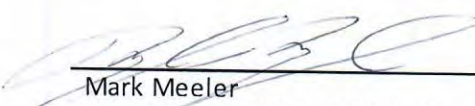
Date

Trish Rhay
Indio Water Authority

Date

Arden Wallum
Mission Springs Water District

Date



Mark Meeler
Myoma Dunes Mutual Water Company

11-5-2020
Date

Beverli A. Marshall
Valley Sanitary District

Date

IN WITNESS WHEREOF, the Parties have executed this MOU as of the day and year indicated below.

David H. Ready
City of Palm Springs

Date

J.M. Barrett
Coachella Valley Water District

Date

William Pattison
City of Coachella

Date

Mark S. Krause
Desert Water Agency

Date

Trish Rhay
Indio Water Authority


Date

Arden Wallum
Mission Springs Water District

Date

Mark Meeler
Myoma Dunes Mutual Water Company

Date



Beverly A. Marshall
Valley Sanitary District



Date

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

JUNE 7, 2022

**RE: AUTHORIZE STAFF TO EXECUTE DATA USE AGREEMENT
WITH UNIVERSITY OF CALIFORNIA RIVERSIDE FOR HOTEL
RESEARCH PROJECT**

University of California Riverside, School of Public Policy (UCR) is conducting a study funded by [Visit California](#) to develop a better understanding of how hotel water use has evolved over time. The study includes comparisons among hotel types and characteristics, such as: number of rooms, chain or independent, and location. The study will also look at how the changes over time in hotel use compares to changes over time in other sectors, such as: residential, commercial, government and industrial.

Researchers asked Desert Water Agency to provide customer water use data. The research team has committed that data for specific sites/hotels will not be publicly identifiable.

Desert Water Agency will receive a report for the hotel(s) within our area and how it compares to others across the state. Desert Water Agency will not incur any costs to participate or receive information since this is a sponsored research project.

UCR provided a FDP Data Transfer and Use Agreement (Data Use Agreement) to document assurances to Desert Water Agency that no data that could lead to the identification of the hotel would be published.

If authorized, data will be shared with UCR in June and the research project will conclude by the end of 2022.

Fiscal Impact:

None

Recommendation:

Staff requests Board authorization for staff to enter into the attached Data Use Agreement with UCR.

Attachments

Attachment #1 - Data Use Agreement

Attachment #2 - Project Description, "An Analysis of Hotel Water Usage: Spatial and Temporal Comparisons Across Sector and Type"

Attachment #1

Agreement ID:

FDP Data Transfer and Use Agreement ("Agreement")	
Provider:	Recipient:
Provider Scientist	Recipient Scientist
Name:	Name:
Email:	Email:
Agreement Term"	Project Title:
Start Date:"	
End Date: after the Start Date"	Attachment 2 Type:"
<p style="text-align: center;">HYfa g'UbX'7 cbX]hcbg"</p> <ol style="list-style-type: none"> 1) Provider shall provide the data set described in Attachment 1 (the "Data") to Recipient for the research purpose set forth in Attachment 1 (the "Project"). Provider shall retain ownership of any rights it may have in the Data, and Recipient does not obtain any rights in the Data other than as set forth herein. 2) If applicable, reimbursement of any costs associated with the preparation, compilation, and transfer of the Data to the Recipient will be addressed in Attachment 1. 3) Recipient shall not use the Data except as authorized under this Agreement. The Data will be used solely to conduct the Project and solely by Recipient Scientist and Recipient's faculty, employees, fellows, students, and agents ("Recipient Personnel") and Collaborator Personnel (as defined in Attachment 3) that have a need to use, or provide a service in respect of, the Data in connection with the Project and whose obligations of use are consistent with the terms of this Agreement (collectively, "Authorized Persons"). 4) Except as authorized under this Agreement or otherwise required by law, Recipient agrees to retain control over the Data and shall not disclose, release, sell, rent, lease, loan, or otherwise grant access to the Data to any third party, except Authorized Persons, without the prior written consent of Provider. Recipient agrees to establish appropriate administrative, technical, and physical safeguards to prevent unauthorized use of or access to the Data and comply with any other special requirements relating to safeguarding of the Data as may be set forth in Attachment 2. 5) Recipient agrees to use the Data in compliance with all applicable laws, rules, and regulations, as well as all professional standards applicable to such research. 6) Recipient is encouraged to make publicly available the results of the Project. Before Recipient submits a paper or abstract for publication or otherwise intends to publicly disclose information about the results of the Project, the Provider will have thirty (30) days from receipt to review proposed manuscripts and ten (10) days from receipt to review proposed abstracts to ensure that the Data is appropriately protected. Provider may request in writing that the proposed publication or other disclosure be delayed for up to thirty (30) additional days as necessary to protect proprietary information. 	

Agreement ID:

- 7) Recipient agrees to recognize the contribution of the Provider as the source of the Data in all written, visual, or oral public disclosures concerning Recipient's research using the Data, as appropriate in accordance with scholarly standards and any specific format that has been indicated in Attachment 1.
- 8) Unless terminated earlier in accordance with this section or extended via a modification in accordance with Section 13, this Agreement shall expire as of the End Date set forth above. Either party may terminate this Agreement with thirty (30) days written notice to the other party's Authorized Official as set forth below. Upon expiration or early termination of this Agreement, Recipient shall follow the disposition instructions provided in Attachment 1, provided, however, that Recipient may retain one (1) copy of the Data to the extent necessary to comply with the records retention requirements under any law, and for the purposes of research integrity and verification.
- 9) Except as provided below or prohibited by law, any Data delivered pursuant to this Agreement is understood to be provided "AS IS." PROVIDER MAKES NO REPRESENTATIONS AND EXTENDS NO WARRANTIES OF ANY KIND, EITHER EXPRESSED OR IMPLIED. THERE ARE NO EXPRESS OR IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, OR THAT THE USE OF THE DATA WILL NOT INFRINGE ANY PATENT, COPYRIGHT, TRADEMARK, OR OTHER PROPRIETARY RIGHTS. Notwithstanding, Provider, to the best of its knowledge and belief, has the right and authority to provide the Data to Recipient for use in the Project.
- 10) Except to the extent prohibited by law, the Recipient assumes all liability for damages which may arise from its use, storage, disclosure, or disposal of the Data. The Provider will not be liable to the Recipient for any loss, claim, or demand made by the Recipient, or made against the Recipient by any other party, due to or arising from the use of the Data by the Recipient, except to the extent permitted by law when caused by the gross negligence or willful misconduct of the Provider. No indemnification for any loss, claim, damage, or liability is intended or provided by either party under this Agreement.
- 11) Neither party shall use the other party's name, trademarks, or other logos in any publicity, advertising, or news release without the prior written approval of an authorized representative of that party. The parties agree that each party may disclose factual information regarding the existence and purpose of the relationship that is the subject of this Agreement for other purposes without written permission from the other party provided that any such statement shall accurately and appropriately describe the relationship of the parties and shall not in any manner imply endorsement by the other party whose name is being used.
- 12) Unless otherwise specified, this Agreement and the below listed Attachments embody the entire understanding between Provider and Recipient regarding the transfer of the Data to Recipient for the Project:
 - I. Attachment 1: Project Specific Information
 - II. Attachment 2: Data-specific Terms and Conditions
 - III. Attachment 3: Identification of Permitted Collaborators (if any)
- 13) No modification or waiver of this Agreement shall be valid unless in writing and executed by duly-authorized representatives of both parties.

Agreement ID:

14) The undersigned Authorized Officials of Provider and Recipient expressly represent and affirm that the contents of any statements made herein are truthful and accurate and that they are duly authorized to sign this Agreement on behalf of their institution.

By an Authorized Official of Provider:"

Name: _____ Date

Title:

Contact Information for Formal Notices:

Name:"

Address:"

Email:"

Phone:"

By an Authorized Official of Recipient:"

Name: _____ Date

Title:

Contact Information for Formal Notices:

Name:"

Address:"

Email:"

Phone:"

Agreement ID:

Attachment 1
Data Transfer and Use Agreement
Project Specific Information

1. Description of Data:

2. Description of Project:

3. Provider Support and Data Transmission:

Provider shall transmit the Data to Recipient: (select one) electronically or by mail to:

Name:	
Address:	
Email:	
Phone:	

Agreement ID:

Upon execution of this Agreement, Provider shall send any specific instructions necessary to complete the transfer of the Data to the contact person listed above, if not already included below in this section of Attachment 1.

4. Reimbursement of Costs:

None

As governed by a separate written agreement between the parties
Reimbursement Agreement Reference # (if required):

As set forth herein:

5. Disposition Requirements upon the termination or expiration of the Agreement:

Agreement ID:

Attachment 2

Data Transfer and Use Agreement

Data-specific Terms and Conditions:

Other:

Additional Terms and Conditions:

None. No additional terms and conditions are required.

-OR-

The additional terms and conditions are as set forth below and agreed upon between the Parties:

Agreement ID:

<p style="text-align: center;">Attachment 3 Data Transfer and Use Agreement Identification of Permitted Collaborators (if any)</p>

For all purposes of this Agreement, the definition of “Collaborator Personnel” checked below will pertain:

“Collaborator Personnel” means: None. No collaborators are permitted on the Project.

-OR-

“Collaborator Personnel” means as set forth below and agreed upon between the Parties:

Attachment #2

Project Description – Visit California

Project Title

An Analysis of Hotel Water Usage: Spatial and Temporal Comparisons Across Sector and Type

Objectives

- Evaluate how water use from hotels around California changed over time and compare across different geographic regions.
- Compare water use trends and use by hotels with other water use sectors (e.g., single-family residential usage, multi-family residential usage, industrial, commercial, government) over similar geographic and temporal dimensions.
- Using meter-level data, analyze how hotel water use depends/varies by hotel type and characteristics, including, but not limited to (depending on the availability of data from the STR's AMPM database)
 - Number of rooms (e.g., average water use per room)
 - Chain Scale
 - Class
 - Affiliation or Independent
 - Resort
 - Golf or not
 - Rate Type
 - Location

Research Approach

a) Obtain and clean monthly water consumption from water agencies for the industrial water sector (which contains water meters associated with hotels) from 2011 to 2020.

The water agency data will come from between eight and twelve water agencies.

b) For each agency, match water-meter locations from the industrial water use sector using lat-long characteristics to lat-long data from STR's AMPM data set to develop individual hotel level water use data.

c) For each hotel in the dataset, identify water use and hotel characteristics from 2011 to 2020. Hotel characteristics will be drawn from the STR AMPM database.

d) For each water agency and for the entire state, develop average water use per sector and year from 2011 through 2020 and compare across time and sectors.

Deliverables

- Generate and compare water use for the hotel sector based on water agencies and hotels in the data set with water use for other sectors (i.e., single-family residential, multi-family residential, industrial, commercial, and government) from 2011 to 2020.
 - Highlight differences in trends and usage pre-drought, drought, and post-drought
- Compare water use for different types and hotel characteristics over time and across districts, including:
 - Size of the hotel (based on number of rooms)
 - Whether the hotel is part of a national chain or is independent
 - Number of rooms (e.g., average water use per room)
 - Whether the hotel is listed as a resort
 - Class of hotel (e.g., upper-upscale class)
 - Whether the hotel has a golf course or not
 - Rate type
 - Location
- Presentation of the findings to Visit California and any individual water agency providing data
- Explore the presentation of findings to participating water agency staff and board
- Final report

Estimated Duration

- Nine months (Fall, 2022)

Investigators

- Dr. Kurt Schwabe, Professor of Environmental Economics and Policy, School of Public Policy, UC Riverside
- Dr. Mehdi Nemati, Assistant Professor of Cooperative Extension in Water Economics & Policy, School of Public Policy, UC Riverside

Data requested**Usage data (CII Customers)**

Data Field	Description	Time-period
CII Customer id	Unique id for each CII customer assigned by the utility	2011-2022
Usage ET amount	Reference evapotranspiration (inches) assigned to each CII customer (assuming by microzone)	2011-2022
Usage et amount default	Reference evapotranspiration (inches) from nearby CIMIS stations	2011-2022
Water budgets & prices	Allocated water budgets and prices for each tier for each CII customer	2011-2022
Outdoor budget (CCF)	CCF allocated in outdoor tier of water budget rate structure	2011-2022
Indoor budget (CCF)	CCF allocated in the indoor tier of water budget rate structure	2011-2022
Usage start date	Beginning date in the billing period	2011-2022
Usage end date	Ending date in the billing period	2011-2022
Usage total bill	The total price paid for that billing period	2011-2022
Fixed charges	Total fixed charges for that billing period	2011-2022
Sewage charges	Total sewage charges for that billing period	2011-2022
Variable/usage charges	Total volumetric charges for that billing period	2011-2022
Usage (CCF)	Amount of water used between the start and ending date	2011-2022
CII type	Type of CII account (e.g., hotels, school, restaurants, etc.)	2011-2022
Irrigated area	square feet of irrigable area	2011-2022
Customer location	lat-long or address	-

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

JUNE 7, 2022

**RE: REQUEST BOARD DECISION ON CUSTOMER APPEAL –
BELLISHA KLINGE**

On April 19, 2022, the Board of Directors reviewed the Customer Appeal submitted by Bellisha Klinge to waive late fees assessed to the account and the ability to change the billing date. At that meeting, the Board postponed making a decision regarding the appeal and instructed staff to meet with the Finance Committee and provide additional information on the Agency's billing and late fee assessment process. The Board also instructed staff to bring the appeal back for a final decision after meeting with the Finance Committee.

On May 24, 2022, staff met with the Finance Committee and reviewed the Agency's billing and late fee assessment process, as well as how this process specifically impacted the customer. The Committee also reviewed all options available to customers for accessing and paying their bill. Staff also outlined processing times for each of these options and how it affects late fee assessments and provided the Finance Committee with a Billing & Payment Processing Timeline graphic showing that customers have between 22 and 24 days to pay a bill once the bill is mailed to the customer and before a late fee is assessed. After hearing all of the additional information, the Finance Committee supported the decision to deny the customer's appeal to waive late fees assessed to the account (\$50) and the ability to change billing due date.

Fiscal Impact:

If the Board decides to deny the customer's appeal, there will be no fiscal impact. If the Board decides to grant the appeal, the Agency may credit Ms. Klinge's account up to \$50 for the two remaining late fees on the customer's account.

Recommendation:

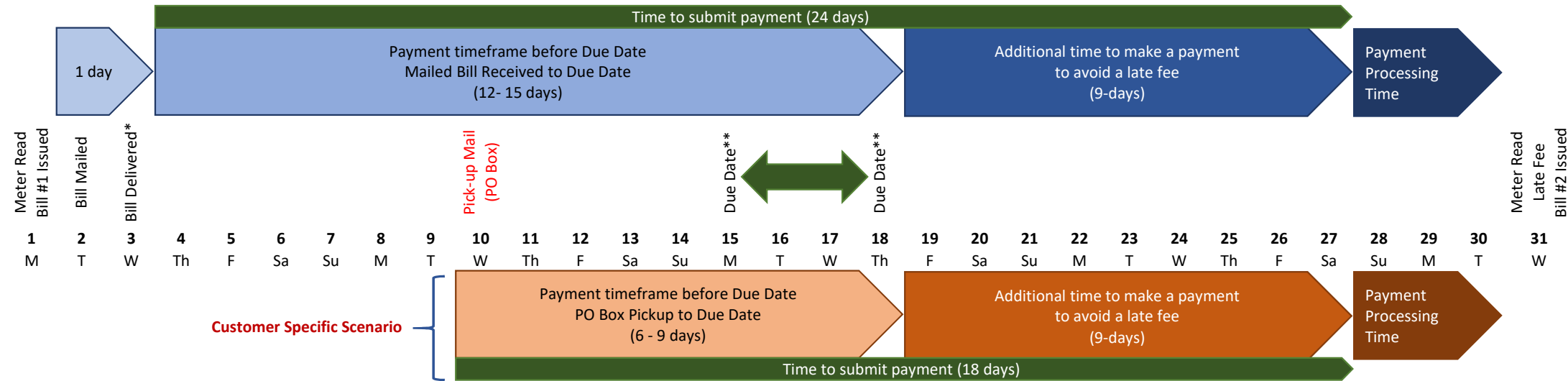
Staff recommends the Board of Directors support the decision determined by the Finance Committee and deny the customer's appeal to waive late fees assessed to the account (\$50) and the ability to change billing date.

Attachments:

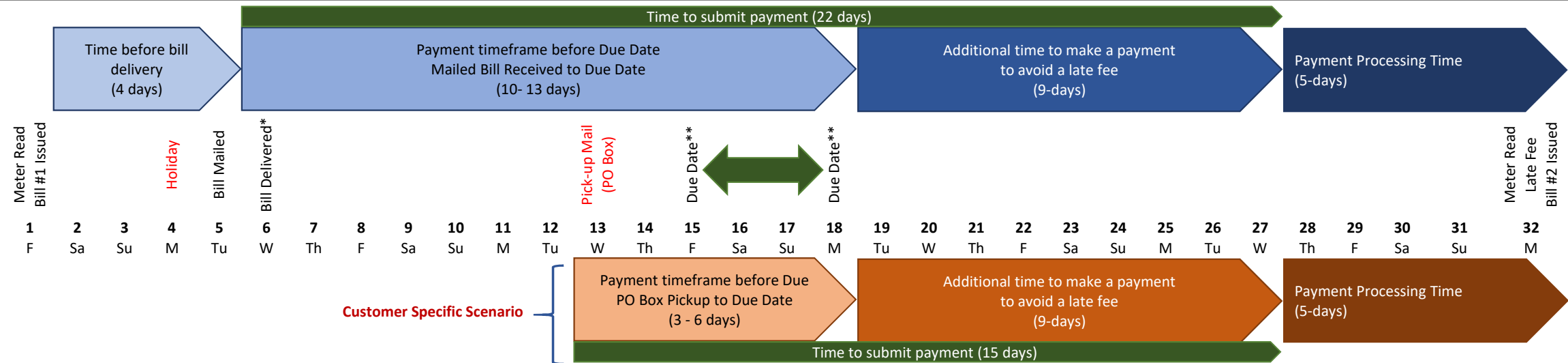
1. Billing & Payment Processing Timeline

Billing & Payment Processing Timeline

Typical Scenario



Worst Case Scenario



* Bills mailed out via first class mail. This provides the faster delivery time over pre-sort mail. Delivered to Palm Springs area, next business day. Delivered outside PS area, 3 business days generally.

** Due date timing varies per route. Not less than 15 days.

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

JUNE 7, 2022

**RE: REQUEST AUTHORIZATION FOR FINANCE DIRECTOR TO
EXECUTE TYLER TECHNOLOGIES SOFTWARE AS A SERVICE
(SaaS) AGREEMENT**

An Enterprise Resource Planning (ERP) system refers to the systems and software packages used by organizations to manage day-to-day business activities, such as accounting, billing, procurement, asset management, human resources, and payroll. An ERP system ties together a multitude of business processes and enables the flow of data between them.

The Agency currently utilizes a number of different 3rd party systems, manual processes, and internal programmed systems to maintain agency data, including the iSeries, originally implemented in the 1980's, for core accounting and customer billing functions. As a result of these different systems and processes, departments have created several disparate solutions to manage data, causing departmental inefficiencies.

In recognition of the difficulties surrounding the Agency's antiquated systems, staff engaged with SingerLewak Business Informatics to assist in the evaluation of different ERP Systems that can replace the current systems used by staff. As part of this selection process, four vendors were identified to have software solutions that meet the Agency's needs. After a deeper assessment, the list of vendors was narrowed down to two vendors, Tyler Technologies and Infor. To make the final selection, an evaluation team consisting of thirteen Agency staff members from several departments attended vendor demonstrations by Tyler and Infor. The evaluation team identified and recommended Tyler Technologies Munis software product as the best-fit solution to replace the Agency's current systems.

Munis will consolidate many of the Agency's systems used for core functions and operations, and will also decrease the annual costs associated with the maintenance and support of our current systems.

The anticipated timeline for completing the implementation of the Munis system is approximately 19 months, or January 2024.

The Agency's legal counsel was integral to the negotiations of the attached SaaS Agreement and Statement of Work.

Fiscal Impact:

The Tyler contract costs are included in the 2022/2023 budget.

Tyler Munis Implementation Fees:	\$550,000 (One-time)
Annual Subscription Fee:	\$187,100 (5-year contract term)
Total Contract:	\$1,485,500

Recommendation:

Staff recommends the Board of Directors authorize the Finance Director to execute the Tyler Technologies SaaS Agreement for the implementation and use of the Tyler Munis ERP system.

Attachments:

1. Tyler Technologies Software as a Service Agreement
2. Desert Water Agency Statement of Work from Tyler Technologies, Inc.
3. DWA 2.0 Technology Transformation PowerPoint

Attachment #1



SOFTWARE AS A SERVICE AGREEMENT

This Software as a Service Agreement is made between Tyler Technologies, Inc. and Client.

WHEREAS, Client selected Tyler to provide certain products and services set forth in the Investment Summary, including providing Client with access to Tyler's proprietary software products, and Tyler desires to provide such products and services under the terms of this Agreement.

WHEREAS, Tyler and Client have negotiated a Statement of Work to detail the implementation of the software and services that will be provided by Tyler pursuant to this Agreement;

NOW THEREFORE, in consideration of the foregoing and of the mutual covenants and promises set forth in this Agreement, Tyler and Client agree as follows:

SECTION A – DEFINITIONS

- **"Agreement"** means this Software as a Service Agreement.
- **"Business Travel Policy"** means our business travel policy. A copy of our current Business Travel Policy is attached as Schedule 1 to Exhibit B.
- **"Client"** means Desert Water Agency in Palm Springs, California.
- **"Data"** means your data necessary to utilize the Tyler Software, including Data included in Client files that are stored in the Content Manager module of the Tyler Software.
- **"Data Storage Capacity"** means the contracted amount of storage capacity for your Data identified in the Investment Summary.
- **"Defect"** means a failure of the Tyler Software to substantially conform to the functional descriptions set forth in our written proposal to you, or their functional equivalent, and the current Documentation. Future functionality may be updated, modified, or otherwise enhanced through our maintenance and support services, and the governing functional descriptions for such future functionality will be set forth in our then-current Documentation.
- **"Defined Users"** means the number of users that are authorized to use the SaaS Services. The Defined Users for the Agreement are as identified in the Investment Summary.
- **"Developer"** means a third party who owns the intellectual property rights to Third Party Software.
- **"Documentation"** means any online or written documentation related to the use or functionality of the Tyler Software that we provide or otherwise make available to you, including instructions, user guides, manuals and other training or self-help documentation.
- **"Effective Date"** means the date by which both your and our authorized representatives have signed the Agreement.
- **"Force Majeure"** means an event beyond the reasonable control of you or us, including, without limitation, governmental action, war, riot or civil commotion, fire, natural disaster, public health emergency, or any other cause that could not with reasonable diligence be foreseen or prevented by you or us.



- **“Investment Summary”** means the agreed upon cost proposal for the products and services attached as Exhibit A.
- **“Invoicing and Payment Policy”** means the invoicing and payment policy. A copy of our current Invoicing and Payment Policy is attached as Exhibit B.
- **“Order Form”** means an ordering document that includes a quote or investment summary and specifying the items to be provided by Tyler to Client, including any addenda and supplements thereto.
- **“Phase”** shall mean the particular phase/stage of implementation of the Tyler Software and Services as set forth in the Statement of Work.
- **“Professional Services”** means the implementation, training and other services to be provided by us as set forth in the Investment Summary and detailed in the Statement of Work to allow you to use the SaaS Services.
- **“Project Schedule”** means the schedule for the performance of the Services to be developed pursuant to the Statement of Work.
- **“SaaS Fees”** means the fees for the SaaS Services identified in the Investment Summary.
- **“SaaS Services”** means software as a service consisting of system administration, system management, and system monitoring activities that Tyler performs for the Tyler Software, and includes the right to access and use the Tyler Software, receive maintenance and support on the Tyler Software, including Downtime resolution under the terms of the SLA, and Data storage and archiving. SaaS Services do not include support of an operating system or hardware, support outside of our normal business hours, or training, consulting or other professional services.
- **“SLA”** means the service level agreement. A copy of our current SLA is attached hereto as Exhibit C.
- **“Statement of Work”** means the scope of work and implementation plan that sets forth in detail the services to be performed by Tyler, how our professional services will be provided to implement the Tyler Software, including the phasing of Tyler Software and services during the implementation, and outlining your and our roles and responsibilities in connection with that implementation. The Statement of Work is attached as Exhibit E.
- **“Support Call Process”** means the support call process applicable to all of our customers who have licensed the Tyler Software. A copy of our current Support Call Process is attached as Schedule 1 to Exhibit C.
- **“Third Party Hardware”** means the third party hardware, if any, identified in the Investment Summary.
- **“Third Party Products”** means the Third Party Software and Third Party Hardware.
- **“Third Party SaaS Services”** means software as a service provided by a third party, if any, identified in the Investment Summary.
- **“Third Party Services”** means the third party services, if any, identified in the Investment Summary.
- **“Third Party Software”** means the third party software, if any, identified in the Investment Summary.
- **“Third Party Terms”** means, if any, the end user license agreement(s) or similar terms for the Third Party Products or other parties’ products or services, as applicable and attached or indicated at Exhibit D.
- **“Tyler”** means Tyler Technologies, Inc., a Delaware corporation.
- **“Tyler Software”** means our proprietary software, including any integrations, custom modifications, and/or other related interfaces identified in the Investment Summary and licensed by us to you through this Agreement.

- “we”, “us”, “our” and similar terms mean Tyler.
- “you” and similar terms mean Client.

SECTION B – SAAS SERVICES

1. Rights Granted. We grant to you the non-exclusive, non-assignable limited right to use the SaaS Services solely for your internal business purposes for the number of Defined Users only. The Tyler Software will be made available to you according to the terms of this Agreement and the SLA. You acknowledge that we will not ship copies, via digital transfer or physical media, or otherwise, of the Tyler Software as part of the SaaS Services. You may use the SaaS Services to access updates and enhancements to the Tyler Software, as further described in Section C(9).
2. SaaS Fees.
 - 2.1 You agree to pay us the SaaS Fees.
 - 2.2 SaaS Fees will be payable in accordance with our Invoicing and Payment Policy. The SaaS Fees are based on the number of Defined Users and amount of Data Storage Capacity. You may add additional users or additional data storage capacity on the terms set forth in Section H(1). In the event you regularly and/or meaningfully exceed the Defined Users or Data Storage Capacity, we reserve the right to charge you additional fees commensurate with the overage(s). For the avoidance of doubt, occasional or intermittent access to the SaaS Services which exceeds the number of Defined Users will be treated as an intermittent occurrence that is not subject to additional fees, provided, however, that if we give you written notice of regular or repeated access in excess of Defined Users and you do not reduce access to conform to the number of Defined Users you have purchased within thirty (30) days of such notice, then we will have the right to increase the number of Defined Users to accommodate the overage and charge you the fee your then-current fee for additional users, subject to Section H(1) of this Agreement. We will give you notice if your data usage exceeds Data Storage Capacity and give you the opportunity to increase such Data Storage Capacity or purge unneeded or historical data within thirty (30) days of receipt of such notice to avoid an overage charge.
 - 2.3 The hourly work rates for Professional Services that are set forth in the Investment Summary will remain fixed through Project Closure for services purchased as of the Effective Date..
3. Ownership.
 - 3.1 We retain all ownership and intellectual property rights to the SaaS Services, the Tyler Software, and anything developed by us under this Agreement. You do not acquire under this Agreement any license to use the Tyler Software in excess of the scope and/or duration of the SaaS Services.
 - 3.2 The Documentation is licensed to you and may be used and copied by your employees for internal, non-commercial reference purposes only.
 - 3.3 You retain all ownership and intellectual property rights to the Data. We acknowledge and agree that we have no right to use your Data except as reasonably necessary to provide the SaaS Services and that such Data may not be shared with any third party (other than a provider of third party software or cloud services being used to provided the SaaS Services) or aggregated or anonymized for use by us for our own internal business purposes except for the collection of data concerning the performance of the Tyler Software and the SaaS Services. You expressly

recognize that except to the extent Data is altered or compiled to provide the functionality of the Tyler Software and the SaaS Services or to otherwise carry out our obligations contained in this Agreement, it is solely your responsibility to provide the Data used in connection with the SaaS Services and we make no representation or warranty concerning the accuracy of the Data that you provide.

4. Restrictions. You may not: (a) make the Tyler Software or Documentation resulting from the SaaS Services available in any manner to any third party for use in the third party's business operations; (b) modify, make derivative works of, disassemble, reverse compile, or reverse engineer any part of the SaaS Services; (c) access or use the SaaS Services in order to build or support, and/or assist a third party in building or supporting, products or services competitive to us; or (d) license, sell, rent, lease, transfer, assign, distribute, display, host, outsource, disclose, permit timesharing or service bureau use, or otherwise commercially exploit or make the SaaS Services, Tyler Software, or Documentation available to any third party other than as expressly permitted by this Agreement. In the event you request disclosure of Tyler Software or Documentation beyond what is permitted here, you will forward such request to Tyler, including the scope and purpose of the disclosure. Tyler will not unreasonably refuse such disclosure but reserves the absolute right to require execution of a non-disclosure or other agreement with the intended recipients of such information.
5. Software Warranty. We warrant that the Tyler Software will perform without Defects during the term of this Agreement. If the Tyler Software does not perform as warranted, we will use all reasonable efforts, consistent with industry standards and at no cost to you, to cure the Defect in accordance with the maintenance and support process set forth in Section C(9), below, the SLA and our then current Support Call Process.
6. SaaS Services.
 - 6.1 Our SaaS Services are audited at least yearly in accordance with the AICPA's Statement on Standards for Attestation Engagements ("SSAE") No. 18. We have attained, and will maintain, SOC 1 and SOC 2 compliance, or its equivalent ("Certification Standards"), for so long as you are receiving SaaS Services pursuant to the terms of this Agreement. The scope of audit coverage varies for some Tyler Software solutions, provided, however, that any Tyler Software that processes or stores Data that is (i) included in Client files that are stored in the Content Manager module of the Tyler Software; or (ii) personal identifiable information of your customers, contractors and employees will be subject to SOC 1 compliance or its equivalent. Upon execution of a mutually agreeable Non-Disclosure Agreement ("NDA"), we will provide you with a summary of our compliance report(s) or its equivalent. Every year thereafter, for so long as the NDA is in effect and in which you make a written request, we will provide that same information. If our SaaS Services are provided using a 3rd party data center, we will provide available compliance reports for that data center.
 - 6.2 You will be hosted on shared hardware in a Tyler data center or in a third-party data center. In either event, databases containing your Data will be dedicated to you and inaccessible to our other customers. .
 - 6.3 Our Tyler data centers have fully-redundant telecommunications access, electrical power, and the required hardware to provide access to the Tyler Software in the event of a disruption, disaster or component failure. In the event of a data center failure, we reserve the right to employ our disaster recovery plan for resumption of the SaaS Services. In that event, we commit

to a Recovery Point Objective (“RPO”) of 24 hours and a Recovery Time Objective (“RTO”) of 24 hours. RPO represents the maximum duration of time between the most recent recoverable copy of your hosted Data and subsequent data center failure. RTO represents the maximum duration of time following data center failure within which your access to the Tyler Software must be restored. In the event any of your Data is lost or damaged due to an act or omission of Tyler or its subcontractors or due to a Defect in the Tyler Software or other software used for providing the SaaS Services, we will use our best commercial efforts to restore or recover your Data on our data servers with the goal of minimizing any Data loss to the greatest extent possible.

- 6.4 We conduct penetration testing of either the production network and/or web application to be performed and we will maintain industry standard intrusion detection and prevention systems to monitor malicious activity in the network and to log and block any such activity. We will promptly provide you with a written or electronic record of the actions taken by us in the event that any unauthorized access to your database(s) is detected as a result of our security protocols or any security protocols of a third party data center. We will undertake an additional security audit, on terms and timing to be mutually agreed to by the parties, at your written request in order to identify the cause and scope of any unauthorized access. You may not attempt to bypass or subvert security restrictions in the SaaS Services or environments related to the Tyler Software. Unauthorized attempts to access files, passwords or other confidential information, and unauthorized vulnerability and penetration test scanning of our network and systems (hosted or otherwise) is prohibited without the prior written approval of our IT Security Officer.
- 6.5 We test our disaster recovery plan on an annual basis. Our standard test is not client-specific. Should you request a client-specific disaster recovery test, we will work with you to schedule and execute such a test on a mutually agreeable schedule. At your written request, we will provide test results to you within a commercially reasonable timeframe after receipt of the request at no additional cost.
- 6.6 Following a data center failure, we will be responsible for importing back-up Data and verifying that you can log-in to access the SaaS Services. You will be responsible for running reports and testing critical processes to verify the returned Data has been properly restored.
- 6.7 We provide secure Data transmission paths between each of your workstations and our servers.
- 6.8 Tyler data centers are accessible only by authorized personnel with a unique key entry. All other visitors to Tyler data centers must be signed in and accompanied by authorized personnel. Entry attempts to the data center are regularly audited by internal staff and external auditors to ensure no unauthorized access.
- 6.9 Where applicable with respect to our applications that take or process card payment data, we are responsible for the security of cardholder data that we possess, including functions relating to storing, processing, and transmitting of the cardholder data and affirm that, as of the Effective Date, we comply with applicable requirements to be considered PCI DSS compliant and have performed the necessary steps to validate compliance with the PCI DSS. We agree to supply the current status of our PCI DSS compliance program in the form of an official Attestation of Compliance, which can be found at <https://www.tylertech.com/about-us/compliance>, and in the event of any change in our status, will comply with applicable notice

requirements.

6.10 Upon your advance written notice, we will timely provide for electronic download a full back up of all Data which is hosted on our servers. We reserve the right to charge you an administrative fee if the frequency of your requests exceeds once per year. Furthermore, you will have the ability to download copies of Client files that are stored in the Content Manager module of the Tyler Software at all times.

6.11 *Data Breach Notification.* We will provide you notice of a confirmed data breach in alignment with the scope and timelines of Cal. Civ. Code §§ 1798.81.5, 1798.82.

SECTION C – PROFESSIONAL SERVICES

1. Professional Services. We will provide you with qualified personnel familiar with Tyler Software to provide the Professional Services. The fees for and quantity of Professional Services will be as set forth in the Investment Summary. You will receive Professional Services for the implementation of the Tyler Software and SaaS Services by Phase and in accordance with the Project Schedule and as described in the Statement of Work. To the extent reasonably feasible, Professional Services will be provided remotely.
2. Professional Services Fees. You agree to pay us the professional services fees in the amounts set forth in the Investment Summary, subject to reconciliation of such fees to the actual number of hours worked. Those amounts are payable in accordance with our Invoicing and Payment Policy. We represent to you that the estimated number of hours of Professional Services are reasonable and accurate based on our experience implementing the Tyler Software and SaaS Services for similarly situated public agencies, and we will notify you of any unusual or unique circumstance of which we become actually aware as the project proceeds that may impact such estimate and work with you to mitigate any additional expense. You acknowledge that the fees stated in the Investment Summary are good-faith estimates of the amount of time and materials required for your implementation. We will bill you the actual fees incurred based on the in-scope services provided to you, subject to the Invoicing and Payment Policy. Any discrepancies in the total values set forth in the Investment Summary will be resolved by multiplying the applicable hourly rate by the quoted hours.
3. Project Staffing. We agree to the following regarding our personnel:
 - 3.1 Professional Services will be provided by our personnel in accordance with the requirements of the Statement of Work. For the purposes of this Agreement, “personnel” will include employees and independent contractors employed or engaged by Tyler who are familiar with the implementation of Tyler Software and SaaS Services.
 - 3.2 As a general principal, we will use reasonable efforts to maintain the continuity of its personnel to provide a team that is knowledgeable about the requirements of this Agreement. In the event any of our personnel are, in your reasonable opinion, uncooperative, inept, incompetent, or otherwise do not conform to the requirements of this Agreement, we will be given an opportunity to correct the deficiency. In the event the deficiency persists, you may request via written request to us, the removal of the personnel in question. We will work towards a mutually agreeable remedy in the event of a change in personnel, including managing the effect upon the timelines and milestones set forth in the Statement of Work and the Project Schedule. The replacement personnel will be timely assigned.
 - 3.3 If replacement personnel are necessary,

we will provide such personnel as soon as reasonably possible. Such personnel shall, at no additional cost to you, devote sufficient time to becoming familiar with the project before delivering services to you.

4. Additional Services. The Investment Summary contains, and the Statement of Work describes, the scope of services and related costs (including programming and/or interface estimates, if and as applicable) required for the project based on our understanding of the specifications you supplied. If additional work is required beyond the scope as described in the Investment Summary and Statement of Work, or if you request additional services, we will provide you with a change order outlining the costs for the additional work and any impact on the Project Schedule. The price quotes in the change order will be valid for thirty (30) days from the date of the quote. No change order will be effective until approved by Client. Following approval by Tyler and Client, a change order will be considered a formal amendment to this Agreement and, if and as applicable, the SOW.
5. Cancellation. If travel is required, we will make all reasonable efforts to schedule travel for our personnel, including arranging travel reservations, at least two (2) weeks in advance of commitments. Therefore, if you cancel mutually scheduled services less than two (2) weeks in advance (other than for Force Majeure or breach by us), you will be liable for all (a) non-refundable expenses incurred by us on your behalf, and (b) daily fees associated with cancelled professional services if we are unable to reassign our personnel. Notwithstanding the foregoing, if the work that was scheduled on-site can reasonably be accomplished remotely by the same personnel, then there will be no charge to you for the daily fees for the personnel for cancellation. We will make all reasonable efforts to reassign personnel in the event you cancel within two (2) weeks of scheduled commitments.
6. Services Warranty. We will perform the services in a professional, workmanlike manner, consistent with industry standards. In the event we provide services that do not conform to this warranty, we will re-perform such services at no additional cost to you.
7. We agree at all times to maintain an adequate staff of experienced and qualified employees for efficient performance under this Agreement
8. Site Access and Requirements.
 - 8.1 At no cost to us, but subject to the requirements of this Section 7, you agree to provide us with reasonable and free access to your personnel, facilities, and equipment as may be reasonably necessary for us to provide the Professional Services .
 - 8.2 We agree that all Tyler personnel whose duties require access to your facilities shall obey the rules, regulations and safety protocols that are established by you and communicated to us in advance and will comply with the reasonable directions of your personnel, including without limitation, any security protocols required for access to and use of your network provided to us as of the Effective Date.
 - 8.3 We agree that, in the event of an accident caused by our personnel at your facility or on our way to or from your facility, we will timely notify you and thereafter, if requested, provide sufficient information for Client's required response to such accident.
 - 8.4 We shall perform the Professional Services that must be performed at your facility without unreasonably interfering with the activities of your personnel or visitors.

- 8.5 Our personnel shall have the right to use only those facilities that are reasonably necessary to perform services under this Agreement and shall have no right to access any of your other facilities except as otherwise permitted by you. You agree to provide parking to properly identified members of our personnel who are working at your facility.
9. Background Checks. All personnel who are assigned to provide Professional Services for Client have undergone criminal background checks and have agreed to our confidentiality agreement and security policies which are consistent with the obligations of Tyler pursuant to this Agreement.
10. Client Assistance. You acknowledge that the implementation of the Tyler Software is a cooperative process requiring the time and resources of your personnel. You agree to use all reasonable efforts to cooperate with and assist us as may be reasonably required to meet the agreed upon project deadlines and other milestones for implementation as agreed to in the Project Schedule. This cooperation includes at least working with us to schedule the implementation-related services outlined in this Agreement and the Statement of Work. We will not be liable for failure to meet any deadlines and milestones when such failure is due to Force Majeure or to the failure by your personnel to provide such cooperation and assistance (either through action or omission). Notwithstanding the foregoing, in the event that your personnel have not provided cooperation or information necessary for Tyler to timely perform the Services, Tyler will give prompt written notice of such failure and the expected impact on the Project Schedule to you so that you can take remedial action.
11. Project Schedule/Acceptance Testing.
- 11.1 Pursuant to the SOW, the parties will develop a project schedule that details both Tyler and Client's responsibilities, timeline for project activities, phases, milestones, and deliverables ("Project Schedule") in connection with Tyler's performance of the Professional Services. The Project Schedule should be in sufficient detail to specify the deliverables, conversion, training, testing, acceptance, configuration, modification, integration, and live operation activities. The Project Schedule will comply with any agreed upon major milestones or project completion dates as set forth in Section 11.1 of the SOW.
- 11.2 Tyler will assign an experienced project manager that has multiple successful implementations of the Tyler Software being provided to Client.
12. Tyler Software Acceptance.
- 12.1 At the end of each Phase, Client will have a maximum of a thirty (30) calendar day "Test Period" to test the Tyler Software in live production that is made available during such Phase as part of the SaaS Services and report documented Defects. If there are no Defects reported during the Test Period the Client shall issue "Phase Acceptance." If Client reports a documented Defect during the Test Period, Client will notify Tyler in writing. Tyler will correct the Defect(s) or provide a mutually agreeable plan for future resolution of any Defect(s). A dispute with respect to the plan shall be addressed pursuant to the Dispute Resolution Process of this Agreement. Upon resolution of a Defect during the Test Period, Client may re-perform testing for a maximum of fifteen (15) calendar days. This procedure shall repeat until all Defects have either been resolved or the Client and Tyler, reasonably have developed a mutually agreeable schedule for Defect resolution, at which point the Client shall issue Phase Acceptance.

12.2 Upon the completion of Phase Acceptance for all Phases set forth in the Statement of Work, Client will have a maximum of a ninety (90) calendar day "Test Period" to test the Tyler Software in live production that all Phases of the Tyler Software are properly functioning together as an integrated system, including any interfaces that are being provided by Tyler pursuant to the Statement of Work, and report documented Defects. If there are no Defects reported during the Test Period the Client shall issue "Final Acceptance." If Client reports a documented Defect during the Test Period of the live production testing, Client will notify Tyler in writing. Tyler will correct the Defect(s) or provide a mutually agreeable plan for future resolution of any Defect(s). A dispute with respect to the plan shall be addressed pursuant to the Dispute Resolution Process of this Agreement. Upon resolution of a Defect during the Test Period, Client may re-perform testing for a maximum of fifteen (15) calendar days. This procedure shall repeat until all Defects have either been resolved or the Client and Tyler, reasonably cooperating, have developed a mutually agreeable schedule for Defect resolution, at which point the Client shall issue Final Acceptance. This process shall repeat for all Phases. Upon "Phase Acceptance" of the last Phase of the project and Final Acceptance, Client shall issue "Project Closure."

13. Maintenance and Support. For so long as you timely pay your SaaS Fees according to the Invoicing and Payment Policy, then in addition to the terms set forth in the SLA and the Support Call Process, we will:

13.1 perform our maintenance and support obligations in a professional, good, and workmanlike manner, consistent with industry standards, to resolve Defects in the Tyler Software (subject to any applicable release life cycle policy);

13.2 provide support during our established support hours;

13.3 maintain personnel that are sufficiently trained to be familiar with the Tyler Software and Third Party Software, if any, in order to provide maintenance and support services;

13.4 make available to you all releases to the Tyler Software (including updates and enhancements) that we make generally available without additional charge to customers who have a maintenance and support agreement in effect. ; and

13.5 provide non-Defect resolution support of prior releases of the Tyler Software in accordance with any applicable release life cycle policy.

You will not be entitled to the foregoing maintenance and support services for a particular SaaS Service or module during any period in which the SaaS Fees for such SaaS Service or module are not current in accordance with the requirements of the Invoicing and Payment Policy. Maintenance and support services will be restored and any releases applied upon such SaaS Fees being paid.

It is expected that all support for the Tyler Software will be performed remotely. Currently, we use a third-party secure unattended connectivity tool called Bomgar, as well as GotoAssist by Citrix. Therefore, you agree to maintain a high-speed internet connection capable of connecting us to your PCs and server(s). You agree to provide us with a login account and local administrative privileges as we may reasonably require to perform remote services. We will, at our option, use the secure connection to assist with proper diagnosis and resolution, subject to any reasonably applicable security protocols. If

we cannot resolve a support issue remotely, we may be required to provide onsite services. In such event, we will be responsible for our travel expenses, unless it is determined that the reason onsite support was required was a reason outside our control. Either way, you agree to provide us with full and free access to the Tyler Software, working space, adequate facilities within a reasonable distance from the equipment, and use of machines, attachments, features, or other equipment reasonably necessary for us to provide the maintenance and support services, all at no charge to us. We strongly recommend that you also maintain your VPN for backup connectivity purposes.

For the avoidance of doubt, SaaS Fees do not include the following services: (a) onsite support (unless Tyler cannot remotely correct a Defect in the Tyler Software, as set forth above); (b) application design; (c) other consulting services; or (d) support outside our normal business hours as listed in our then-current Support Call Process. Requests for the excluded services outlined in this paragraph will be billed to you on a time and materials basis at our then current rates. You must request those services with at least one (1) weeks' advance notice.

SECTION D – THIRD PARTY PRODUCTS

1. Third Party Hardware. We will sell, deliver, and install onsite the Third Party Hardware, if you have purchased any, for the price set forth in the Investment Summary. Those amounts are payable in accordance with our Invoicing and Payment Policy.
2. Third Party Software. As part of the SaaS Services, you will receive access to the Third Party Software and related documentation for internal business purposes only. Your rights to the Third Party Software will be governed by the Third Party Terms.
3. Third Party Products Warranties.
 - 3.1 We are authorized by each Developer to grant access to the Third Party Software.
 - 3.2 The Third Party Hardware will be new and unused, and upon payment in full, you will receive free and clear title to the Third Party Hardware.
 - 3.3 You acknowledge that we are not the manufacturer of the Third Party Products. We do not warrant or guarantee the performance of the Third Party Products. However, we grant and pass through to you any warranty that we may receive from the Developer or supplier of the Third Party Products.
4. Third Party Services. If you have purchased Third Party Services, those services will be provided independent of Tyler by such third-party at the rates set forth in the Investment Summary and in accordance with our Invoicing and Payment Policy.

SECTION E - INVOICING AND PAYMENT; INVOICE DISPUTES

1. Invoicing and Payment. We will invoice you the SaaS Fees and fees for other professional services in the Investment Summary per our Invoicing and Payment Policy, subject to Section E(2).
2. Invoice Disputes. If you believe any delivered software or service does not conform to the warranties in this Agreement or was billed prior to completion of the appropriate milestone or other requirement for invoicing, you will provide us with written notice within thirty (30) days of your receipt of the applicable invoice. The written notice must contain reasonable detail of the issues

you contend are in dispute so that we can confirm the issue and respond to your notice with either a justification of the invoice, an adjustment to the invoice, or a proposal addressing the issues presented in your notice. We will work with you as may be necessary to develop an action plan that outlines reasonable steps to be taken by each of us to resolve any issues presented in your notice. You may withhold payment of the amount(s) actually in dispute, and only those amounts, until we complete the action items outlined in the plan. If we are unable to complete the action items outlined in the action plan solely because of your failure to complete the items agreed to be done by you, then you will remit full payment of the invoice. We reserve the right to suspend delivery of all SaaS Service, including maintenance and support services, for which you fail to pay an invoice not disputed as described above within thirty (30) days of notice of our intent to do so.

SECTION F – TERM AND TERMINATION

1. Term. The initial term of this Agreement is five (5) years from the first day of the first month following the Effective Date, unless earlier terminated as set forth below. Upon expiration of the initial term, this Agreement will renew automatically for additional one (1) year renewal terms at our then-current SaaS Fees (subject to any limitations on increases to the SaaS Fees as set forth in Exhibit B) unless terminated in writing by either party at least sixty (60) days prior to the end of the then-current renewal term. Your right to access or use the Tyler Software and the SaaS Services will terminate at the end of this Agreement.
2. Termination. This Agreement may be terminated as set forth below. In the event of termination, you will pay us for all undisputed fees and expenses related to the software, products, and/or services you have received, or we have incurred or delivered, prior to the effective date of termination. Disputed fees and expenses in all terminations other than your termination for cause must have been submitted as invoice disputes in accordance with Section E(2).
 - 2.1 Failure to Pay SaaS Fees. You acknowledge that continued access to the SaaS Services is contingent upon your timely payment of SaaS Fees. If you fail to timely pay the SaaS Fees, we may discontinue the SaaS Services and deny your access to the Tyler Software. We may also terminate this Agreement if you don't cure such failure to pay within sixty (60) days of receiving written notice of our intent to terminate.
 - 2.2 For Cause. If you believe we have materially breached this Agreement, you will invoke the Dispute Resolution clause set forth in Section H(3). You may terminate this Agreement for cause in the event we do not cure, or create a mutually agreeable action plan to address, a material breach of this Agreement within the thirty (30) day window set forth in Section H(3).
 - 2.3 Force Majeure. Either party has the right to terminate this Agreement if a Force Majeure event prevents Tyler from providing the SaaS Services in accordance with the terms of this Agreement for the period set forth in Section H, Paragraph 9.
 - 2.4 Lack of Appropriations. If you should not appropriate or otherwise make available funds sufficient to utilize the SaaS Services, you may unilaterally terminate this Agreement upon thirty (30) days written notice to us. You will not be entitled to a refund or offset of previously paid, but unused SaaS Fees. You agree not to use termination for lack of appropriations as a substitute for termination for convenience.

- 2.5 Return of Data.** Upon your request within ninety (90) days of the termination of this Agreement for any reason, we will provide a full copy of all Data for electronic download which is hosted on our servers. We will use commercially reasonable efforts to provide such download within five (5) business days of your request.

SECTION G – INDEMNIFICATION, LIMITATION OF LIABILITY AND INSURANCE

1. Intellectual Property Infringement Indemnification.

- 1.1 We will defend you against any third party claim(s) that the Tyler Software or Documentation infringes that third party's patent, copyright, or trademark, or misappropriates its trade secrets, and will pay the amount of any resulting adverse final judgment (or settlement to which we consent). You must notify us promptly in writing of the claim and give us sole control over its defense or settlement. You agree to provide us with reasonable assistance, cooperation, and information in defending the claim at our expense.
- 1.2 Our obligations under this Section G(1) will not apply to the extent the claim or adverse final judgment is based on your use of the Tyler Software in contradiction of this Agreement, including with non-licensed third parties, or your willful infringement.
- 1.3 If we receive information concerning an infringement or misappropriation claim related to the Tyler Software or during the pendency of the defense of the claim, we may, at our sole option and expense, and without obligation to do so, do any one of the following: (a) procure for you the right to continue its use; (b) modify it to make it non-infringing; or (c) replace it with a functional equivalent, in which case you will stop running the allegedly infringing Tyler Software as soon as the functional equivalent is operational. Alternatively, we may decide to litigate the claim to judgment, in which case you may continue to use the Tyler Software consistent with the terms of this Agreement.
- 1.4 If an infringement or misappropriation claim is fully litigated and your use of the Tyler Software is enjoined by a court of competent jurisdiction, in addition to paying any adverse final judgment (or settlement to which we consent), we will, at our option: (a) procure the right to continue its use; (b) modify it to make it non-infringing; or (c) replace it with a functional equivalent. This section provides your exclusive remedy for third party copyright, patent, or trademark infringement and trade secret misappropriation claims.

2. General Indemnification.

- 2.1 We will indemnify, hold harmless, and defend you and your agents, officials, and employees from and against any and all third-party claims, losses, liabilities, damages, costs, and expenses (including reasonable attorney's fees and costs) for (a) personal injury or property damage to the extent caused by our negligence or willful misconduct while working on site at your facility or while traveling to or from your facility; (b) our failure to comply with any obligations under Section B(6), including our violation of PCI-DSS requirements; (c) violate a law applicable to our performance under this Agreement; or (d) breach Section H(17) of this Agreement. You must notify us promptly in writing of the claim and give us sole control over its defense or settlement. You agree to provide us with reasonable assistance, cooperation, and information in defending the claim at our expense.
- 2.2 To the extent permitted by applicable law, you will indemnify, hold harmless and defend us and our agents, officials, and employees from and against any and all third-party claims, losses,

liabilities, damages, costs, and expenses (including reasonable attorney's fees and costs) for personal injury or property damage to any Tyler personnel or equipment to the extent caused by your negligence or willful misconduct while such personnel or equipment are on site at your facility; or (b) your violation of a law applicable to your performance under this Agreement. We will notify you promptly in writing of the claim and will give you sole control over its defense or settlement. We agree to provide you with reasonable assistance, cooperation, and information in defending the claim at your expense.

2.3 The indemnifying party shall assume the defense of the indemnified party pursuant to the provisions of the paragraphs above within thirty (30) days of receipt of written notice, or sooner as reasonably necessary, and shall reimburse the indemnified party for any legal cost or expense, including attorney's fees, reasonably incurred by the indemnified party prior to the assumption of such defense. The indemnified party shall have the right to participate in the defense with counsel of its own choice and at its own cost. The indemnifying party shall not enter into any settlement of a claim requiring payment by the indemnified party or actions otherwise not contemplated herein without the written agreement of the indemnified party.

3. **DISCLAIMER.** EXCEPT FOR THE EXPRESS WARRANTIES PROVIDED IN THIS AGREEMENT AND TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, WE HEREBY DISCLAIM ALL OTHER WARRANTIES AND CONDITIONS, WHETHER EXPRESS, IMPLIED, OR STATUTORY, INCLUDING, BUT NOT LIMITED TO, ANY IMPLIED WARRANTIES, DUTIES, OR CONDITIONS OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. CLIENT UNDERSTANDS AND AGREES THAT TYLER DISCLAIMS ANY LIABILITY FOR ERRORS THAT RELATE TO USER ERROR.
4. **LIMITATION OF LIABILITY.** EXCEPT AS OTHERWISE EXPRESSLY SET FORTH IN THIS AGREEMENT, OUR LIABILITY FOR DAMAGES ARISING OUT OF THIS AGREEMENT, WHETHER BASED ON A THEORY OF CONTRACT OR TORT, INCLUDING NEGLIGENCE AND STRICT LIABILITY, SHALL BE LIMITED TO YOUR ACTUAL DIRECT DAMAGES, NOT TO EXCEED (A) DURING THE INITIAL TERM, AS SET FORTH IN SECTION F(1), TWO (2) MULTIPLIED BY THE TOTAL AMOUNT OF FEES LISTED IN THE INVESTMENT SUMMARY AS OF THE EFFECTIVE DATE; OR (B) DURING ANY RENEWAL TERM, TWO (2) MULTIPLIED BY THE THEN-CURRENT ANNUAL SAAS FEES PAYABLE IN THAT RENEWAL TERM. THE PARTIES ACKNOWLEDGE AND AGREE THAT THE PRICES SET FORTH IN THIS AGREEMENT ARE SET IN RELIANCE UPON THIS LIMITATION OF LIABILITY AND TO THE MAXIMUM EXTENT ALLOWED UNDER APPLICABLE LAW, THE EXCLUSION OF CERTAIN DAMAGES, AND EACH SHALL APPLY REGARDLESS OF THE FAILURE OF AN ESSENTIAL PURPOSE OF ANY REMEDY. THE FOREGOING LIMITATION OF LIABILITY SHALL NOT APPLY TO CLAIMS THAT ARE SUBJECT TO SECTIONS G(1) AND G(2).
5. **EXCLUSION OF CERTAIN DAMAGES.** TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, IN NO EVENT SHALL WE BE LIABLE FOR ANY SPECIAL, INCIDENTAL, PUNITIVE, INDIRECT, OR CONSEQUENTIAL DAMAGES WHATSOEVER, EVEN IF WE HAVE BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.
6. **Insurance.** During the course of performing services under this Agreement, we agree to maintain the following levels of insurance: (a) Commercial General Liability of at least \$1,000,000, per occurrence and \$2,000,000 in aggregate; (b) Automobile Liability of at least \$1,000,000 combined single limit; (c) Professional Liability of at least \$5,000,000; (d) Workers Compensation complying with applicable statutory requirements; (e) cyber liability insurance covering unauthorized access

and data loss of at least \$3,000,000 per occurrence and in the aggregate; and (f) Excess/Umbrella Liability of at least \$5,000,000. We will add you as an additional insured to our Commercial General Liability and Automobile Liability policies, which will automatically add you as an additional insured to our Excess/Umbrella Liability policy as well. We will provide you with copies of certificates of insurance upon your written request.

SECTION H – GENERAL TERMS AND CONDITIONS

1. **Additional Products and Services.** You may purchase additional products and services at the rates set forth in the Investment Summary for twelve (12) months from the Effective Date by executing a mutually agreed addendum. If no rate is provided in the Investment Summary, or those twelve (12) months have expired, you may purchase additional products and services at our then-current list price, also by executing a mutually agreed addendum. The terms of this Agreement will control any such additional purchase(s), unless otherwise specifically provided in the addendum.
2. **Optional Items.** Pricing for any listed optional products and services in the Investment Summary will be valid for twelve (12) months from the Effective Date.
3. **Dispute Resolution.**
 - 3.1 You agree to provide us with written notice within thirty (30) days of becoming aware of a dispute. You agree to cooperate with us in trying to reasonably resolve all disputes, including, if requested by either party, appointing a senior representative to meet and engage in good faith negotiations with our appointed senior representative. Senior representatives will convene within thirty (30) days of the written dispute notice, unless otherwise agreed. All meetings and discussions between senior representatives will be deemed confidential settlement discussions not subject to disclosure under Federal Rule of Evidence 408 or any similar applicable state rule. If we fail to resolve the dispute, then the parties shall participate in non-binding mediation in an effort to resolve the dispute. If the dispute remains unresolved after mediation, then either of us may assert our respective rights and remedies in a court of competent jurisdiction. Nothing in this section shall prevent you or us from seeking necessary injunctive relief during the dispute resolution procedures.
 - 3.2 In the event that the parties are unable to resolve differences after exhausting the escalation procedures set forth in sub-section 3.1 above, then either of us may assert our respective rights and remedies in a court of competent jurisdiction in accordance with sub-section 19 below.
4. **Taxes.** The fees in the Investment Summary do not include any taxes, including, without limitation, sales, use, or excise tax. If you are a tax-exempt entity, you agree to provide us with a tax-exempt certificate. Otherwise, we will pay all applicable taxes to the proper authorities and you will reimburse us for such taxes. If you have a valid direct-pay permit, you agree to provide us with a copy. For clarity, we are responsible for paying our income taxes, both federal and state, as applicable, arising from our performance of this Agreement.
5. **Nondiscrimination.** We will not discriminate against any person employed or applying for employment concerning the performance of our responsibilities under this Agreement. This discrimination prohibition will apply to all matters of initial employment, tenure, and terms of employment, or otherwise with respect to any matter directly or indirectly relating to employment concerning race, color, religion, national origin, age, sex, sexual orientation, ancestry, disability that

is unrelated to the individual's ability to perform the duties of a particular job or position, height, weight, marital status, or political affiliation. We will post, where appropriate, all notices related to nondiscrimination as may be required by applicable law.

6. E-Verify. We have complied, and will comply, with the E-Verify procedures administered by the U.S. Citizenship and Immigration Services Verification Division for all of our employees assigned to your project.
7. Subcontractors. We will not subcontract any services under this Agreement without your prior written consent, not to be unreasonably withheld. Other than providers of cloud or comparable services, you shall have the right to approve all subcontractors we assign, if any, to fulfill our roles and responsibilities defined in the Statement of Work. In the event any subcontractor is, in your opinion, uncooperative, inept, incompetent, or otherwise do not conform to the warranties herein, we will be given an opportunity to correct the deficiency. In the event the deficiency persists, you may request the removal of the subcontractor in question. We will work towards a mutually agreeable remedy in the event of a change in subcontractor, including managing the effect upon the timelines and milestones set forth in the Statement of Work and the Project Schedule. The replacement subcontractor will be timely assigned. Replacement subcontractor shall, at no additional cost to you, devote sufficient time to becoming familiar with the project before delivering services to you.
8. Binding Effect; No Assignment. This Agreement shall be binding on, and shall be for the benefit of, either your or our successor(s) or permitted assign(s). Neither party may assign this Agreement without the prior written consent of the other party; provided, however, your consent is not required for an assignment by us as a result of a corporate reorganization, merger, acquisition, or purchase of substantially all of our assets.
9. Force Majeure. Except for your payment obligations, neither party will be liable for delays in performing its obligations under this Agreement to the extent that the delay is caused by Force Majeure; provided, however, that within ten (10) business days of the Force Majeure event, the party whose performance is delayed provides the other party with written notice explaining the cause and extent thereof, as well as a request for a reasonable time extension equal to the estimated duration of the Force Majeure event. Either party shall have the right to terminate the Agreement if force majeure suspends performance of scheduled tasks by the other party for a period of one hundred-twenty (120) or more days from the scheduled date of the task.
10. No Intended Third Party Beneficiaries. This Agreement is entered into solely for the benefit of you and us. No third party will be deemed a beneficiary of this Agreement, and no third party will have the right to make any claim or assert any right under this Agreement. This provision does not affect the rights of third parties under any Third Party Terms.
11. Entire Agreement; Amendment. This Agreement represents the entire agreement between you and us with respect to the subject matter hereof, and supersedes any prior agreements, understandings, and representations, whether written, oral, expressed, implied, or statutory. Purchase orders submitted by you, if any, are for your internal administrative purposes only, and the terms and conditions contained in those purchase orders will have no force or effect. This Agreement, and any change in the scope of services to be provided by Tyler, including pricing and schedule, may only be modified by a written amendment signed by an authorized representative of each party. We will not be entitled to any fees for any work outside of the scope of this Agreement without a written

amendment or change order or other written agreement by you.

12. Severability. If any term or provision of this Agreement is held invalid or unenforceable, the remainder of this Agreement will be considered valid and enforceable to the fullest extent permitted by law.
13. No Waiver. In the event that the terms and conditions of this Agreement are not strictly enforced by either party, such non-enforcement will not act as or be deemed to act as a waiver or modification of this Agreement, nor will such non-enforcement prevent such party from enforcing each and every term of this Agreement thereafter.
14. Independent Contractor. We are an independent contractor for all purposes under this Agreement.
15. Notices. All notices or communications required or permitted as a part of this Agreement, such as notice of an alleged material breach for a termination for cause or a dispute that must be submitted to dispute resolution, must be in writing and will be deemed delivered upon the earlier of the following: (a) actual receipt by the receiving party; (b) upon receipt by sender of proof of delivery by an overnight courier or agent of the receiving party; or (c) upon receipt by sender of a return e-mail from the recipient thereof (including an automated confirmation) confirming proof of email delivery; or (d) if not actually received, five (5) days after deposit with the United States Postal Service authorized mail center with proper postage (certified mail, return receipt requested). Notices will be addressed to the other party at the address set forth on the signature page hereto or such other address as the party may have designated by proper notice. The consequences for the failure to receive a notice due to improper notification by the intended receiving party of a change in address will be borne by the intended receiving party. Where formal notice is not required, the parties may communicate via electronic mail, video conference or telephonically on a day to day basis with respect to the implementation of the Agreement.
16. Advertising and Client Lists. Tyler shall not use, in its external advertising, marketing programs, or other promotional efforts, any data, pictures, or other representation of the Client unless Tyler receives specific written authorization in advance from the Client's General Manager. However, nothing in this clause shall preclude Tyler from listing the Client on its routine client list for matters of reference.
17. Confidentiality. Both parties recognize that their respective employees and agents, in the course of performance of this Agreement, may be exposed to confidential information and that disclosure of such information could violate rights to private individuals and entities, including the parties. Confidential information is nonpublic information that a reasonable person would believe to be confidential and includes, without limitation, personal identifying information (*e.g.*, social security numbers) and trade secrets, each as defined by applicable state law. Client Data will be treated as confidential information except for any Client Data to which an obligation of confidentiality does not apply as set forth. Each party agrees that it will not disclose any confidential information (including Personal Identifying Information as such term is defined under applicable federal and state laws) of the other party and further agrees to take all reasonable and appropriate action to prevent such disclosure by its employees, contractors, subcontractors or agents. The confidentiality covenants contained herein will survive the termination or cancellation of this Agreement. The obligations in this Section 17 will be in addition to and will not terminate, waive or release the obligations of Tyler and Client under any existing confidentiality and non-disclosure agreement. This obligation of confidentiality will not apply to information that:

- (a) is in the public domain, either at the time of disclosure or afterwards, except by breach of this Agreement by a party or its employees or agents;
- (b) a party can establish by reasonable proof was in that party's possession at the time of initial disclosure;
- (c) a party receives from a third party who has a legal right to disclose it to the receiving party; or
- (d) is the subject of a legitimate disclosure request under a court order or other legal process or the California Public Records Act or similar applicable public disclosure laws governing this Agreement; provided, however, that in the event (i) a party receives a court order or other legal process, it will notify the other party and cooperate with such party to obtain a protective order; and (ii) if Client receives an open records or other similar request, you will give us prompt notice and otherwise perform the functions applicable under existing law.

18. Quarantining of Client Data. Some services provided by Tyler require us to be in possession of your Data. In the event we detect malware or other conditions associated with your Data that are reasonably suspected of putting Tyler resources or other Tyler clients' data at risk, we reserve the absolute right to move your Data from its location within a multi-tenancy Tyler hosted environment to an isolated "quarantined" environment without advance notice. For the avoidance of doubt, the SaaS Services will otherwise perform in accordance with the requirements of this Agreement. Your Data will remain in such quarantine for a period of at least six (6) months during which time we will review the Data, and all traffic associated with the Data, for signs of malware or other similar issues. If no issues are detected through such reviews during the six (6) month period of quarantine, we will coordinate with you the restoration of your Data to a non-quarantined environment. In the event your Data must remain in quarantine beyond this six (6) month period through no fault of Tyler's, we reserve the right to require payment of additional fees for the extended duration of quarantine. We will provide an estimate of what those costs will be upon your request.

19. Business License. We will be responsible for obtaining any licenses or approvals necessary to do business in the State of California. In the event a local business license is required for us to perform services hereunder, you will promptly notify us and provide us with the necessary paperwork and/or contact information so that we may timely obtain such license.

20. Governing Law & Compliance with Laws, Rules and Regulations.

19.1 This Agreement will be governed by and construed in accordance with the laws of the State of California, without regard to its rules on conflicts of law. The venue for any action brought to enforce the terms of this Agreement will be brought in the Superior Court of the County of Riverside, State of California or the Federal District Court for the Central District of California located in Riverside, California, as appropriate.

19.2 We will comply with applicable laws, rules and regulations in effect as of the Effective Date, and the software, services, and fees set forth in the Investment Summary account for those compliance efforts based on the mutually agreed scope of the project. Our compliance includes support for the reports we make available as of the Effective Date. We may also provide compliance updates of general applicability to users of the Tyler Software from time to time at no cost to you as further described in the Maintenance and Support Agreement. In the event any applicable laws, rules or regulations change or are created after the Effective Date, and we determine that compliance will create additional work for us not provided for in

this Agreement, the parties will negotiate a mutually agreeable change order to address the development. The change order may itemize a one-time cost for compliance or may set forth a commensurate adjustment to your ongoing SaaS Fees. We also reserve the right to negotiate with you an adjustment to other terms and conditions in the Agreement that are impacted by the change in applicable law, rule or regulation, your consent to such adjustment not to be unreasonably withheld

21. Multiple Originals and Authorized Signatures. This Agreement may be executed in multiple originals, any of which will be independently treated as an original document. Any electronic, faxed, scanned, photocopied, or similarly reproduced signature on this Agreement or any amendment hereto will be deemed an original signature and will be fully enforceable as if an original signature. Each party represents to the other that the signatory set forth below is duly authorized to bind that party to this Agreement.
22. Cooperative Procurement. To the maximum extent permitted by applicable law, we agree that this Agreement may be used as a cooperative procurement vehicle by eligible jurisdictions. We reserve the right to negotiate and customize the terms and conditions set forth herein, including but not limited to pricing, to the scope and circumstances of that cooperative procurement.
23. Data & Insights Solution Terms. Your use of certain Tyler solutions includes Tyler's Data & Insights data platform. Your rights, and the rights of any of your end users, to use Tyler's such platform is subject to the Data & Insights SaaS Services Terms of Service, available at <https://www.tylertech.com/terms/data-insights-saas-services-terms-of-service> (DI Terms). By signing a Tyler Agreement or Order Form, or accessing, installing, or using any of the Tyler solutions listed at the linked terms, you certify that you have reviewed, understand, and agree to said terms. Notwithstanding the foregoing, with respect to the applicability of the DI Terms: (i) Tyler's obligations under Section B(6.1) of this Agreement shall apply to the Data & Insights software; (ii) notice of a data breach pursuant to Section B(10) of the DI Terms will be subject to Section B(11) of this Agreement; (iii) the provisions of Section H(17) of this Agreement shall take precedence over Section B(11) of the DI Terms; and (iv) the provisions of Section G(4) of this Agreement take precedence over the provisions of Section F(2) of the DI Terms.
24. Survival. All duties and responsibilities of Tyler and Client pursuant to Sections E2, F2.5, G1, G2, G4, G5, H3, H15, and H17, shall extend beyond and survive the end of the contract term or cancellation of this Agreement..
25. Non-Collusion. Tyler hereby represents and agrees that it has in no way entered into any contingent fee arrangement with any firm, employee of the Client, or other person or entity concerning the obtaining of this Agreement. In addition, Tyler agrees that a duly authorized Tyler representative will sign a non-collusion affidavit, in a form acceptable to Client and Tyler that Tyler has not received from Client any incentive or special payments, or considerations not related to the provision of the Software and Services described in this Agreement.
26. Conflict of Interest. Tyler shall not knowingly employ as a director, officer, employee, agent, or subcontractor any elected or appointed official of the Client or any member of his/her immediate family.
27. Contract Documents. This Agreement includes the following exhibits:

Exhibit A	Investment Summary
Exhibit B	Invoicing and Payment Policy
	Schedule 1: Business Travel Policy
Exhibit C	Service Level Agreement
	Schedule 1: Support Call Process
Exhibit D	Third Party Terms
	Schedule 1: Hyperlinked Terms
	Schedule 2: DocOrigin Terms
Exhibit E	Statement of Work

IN WITNESS WHEREOF, a duly authorized representative of each party has executed this Agreement as of the date(s) set forth below.

Tyler Technologies, Inc.

Desert Water Agency, CA

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

Address for Notices:

Tyler Technologies, Inc.
One Tyler Drive
Yarmouth, ME 04096
Attention: Chief Legal Officer

Address for Notices:

Desert Water Agency
1200 S Gene Autry Trail
Palm Springs, California 92264-3533

Attention: _____



Exhibit A

Investment Summary

The following Investment Summary details the software and services to be delivered by us to you under the Agreement. This Investment Summary is effective as of the Effective Date. Capitalized terms not otherwise defined will have the meaning assigned to such terms in the Agreement.

Tyler sales quotation follows this page.

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Exhibit B

Invoicing and Payment Policy

We will provide you with the software and services set forth in the Investment Summary of the Agreement. Capitalized terms not otherwise defined will have the meaning assigned to such terms in the Agreement.

Invoicing: We will invoice you for the applicable software and services in the Investment Summary as set forth below. Your rights to dispute any invoice are set forth in the Agreement.

1. **SaaS Fees.** SaaS Fees for the initial term are invoiced as set forth below.

Period	SaaS Services Fees Payable
Year 1	\$144,545
Year 2	\$162,503
Year 3	\$185,523
Year 4	\$185,523
Year 5	\$185,523

Your annual SaaS fees for the initial five (5) year term are set forth in the Investment Summary. Upon expiration of the initial term, your annual SaaS fees will be invoiced annually, in advance, subject to annual increase up to five [5%] percent for the following five (5) annual renewal terms. Following the tenth (10th) anniversary of the Term commencement Date as set forth in Section F(1) of this Agreement, subsequent renewals will be at our then current rates.

2. **Other Tyler Software and Services.**

2.1 Professional Services (including training): Implementation of Professional Services (including training) are billed and invoiced as delivered, at the rates set forth in the Investment Summary. The foregoing notwithstanding, Client shall retain 10% of the fees for Professional Services delivered (exclusive of fixed fee Conversions), with such retainage to be invoiced by Tyler following each phase acceptance by Client of the Tyler Software for the applicable phase in live production. In the event that Client unreasonably delays a Phase Acceptance, then such payment will be due at such time as Tyler has given written notice to Client that it has fulfilled its obligations pursuant to Section C (10.3.1). If Client disputes that it has unreasonably delayed Phase Acceptance, it may dispute the invoice pursuant to the process set forth in Section E (2).

2.2 Consulting Services: If you have purchased any Business Process Consulting services, if they have been quoted as fixed-fee services, they will be invoiced 50% upon your acceptance of the Best Practice Recommendations, by module, and 50% upon your acceptance of custom desktop procedures, by module. If you have purchased any Business Process Consulting services and they are quoted as an estimate, then we will bill you the actual services



delivered on a time and materials basis.

- 2.3 *Conversions*: Fees for fixed-fee conversions indicated in the Investment Summary are invoiced at the fee set forth in the Investment Summary, with 50% of the fee invoiced upon initial delivery of the converted Data, by conversion option, and 50% of the fee invoiced upon Client acceptance to load the converted Data into Live/Production environment, by conversion option. Where conversions are quoted as estimated, we will bill you the actual services delivered on a time and materials basis.
- 2.4 *Requested Modifications to the Tyler Software*: Requested modifications to the Tyler Software are invoiced 50% upon delivery of specifications and 50% upon delivery of the applicable modification. You must report any failure of the modification to conform to the specifications within thirty (30) days of delivery; otherwise, the modification will be deemed to be accepted. You may still report Defects to us as set forth in this Agreement.
- 2.5 *Other Fixed Price Services*: Other fixed price services are invoiced upon complete delivery of the service. For the avoidance of doubt, where "Project Planning Services" are provided, payment will be due upon delivery of the Implementation Planning document.
- 2.6 *Annual Services*: Unless otherwise indicated in this Exhibit B, fees for annual services are due annually, in advance, commencing on the availability of the service. Your annual fees for the initial term are set forth in the Investment Summary. Upon expiration of the initial term, your annual fees will be at our then-current rates.
3. Third Party Products.
 - 3.1 *Third Party Software License Fees*: License fees for Third Party Software, if any, are invoiced when we make it available to you for downloading.
 - 3.2 *Third Party Software Maintenance*: The first year maintenance for the Third Party Software is invoiced when we make it available to you for downloading.
 - 3.3 *Third Party Hardware*: Third Party Hardware costs, if any, are invoiced upon delivery.
 - 3.4 *Third Party Services*: Fees for Third Party Services, if any, are invoiced as delivered, along with applicable expenses, at the rates set forth in the Investment Summary.
 - 3.5 *Third Party SaaS*: Third Party SaaS Services fees, if any, are invoiced annually, in advance, commencing with availability of the respective Third Party SaaS Services. Pricing for the first year of Third Party SaaS Services is indicated in the Investment Summary. Pricing for subsequent years will be at the respective third party's then-current rates.
4. Transaction Fees. Unless paid directly by an end user at the time of transaction, per transaction (call, message, etc.) fees are invoiced on a quarterly basis. Fees are indicated in Schedule A and may be increased by Tyler upon notice of no less than thirty (30) days.
5. Expenses. The service rates in the Investment Summary do not include travel expenses. Tyler has estimated a travel budget for the Professional Services in the Investment Summary based on the number of hours of expected onsite work. Expenses for Tyler delivered services will be billed as incurred and only in accordance with our then-current Business Travel Policy. Our current Business Travel Policy is attached to this Exhibit B at Schedule 1. Copies of receipts will

be provided upon request; we reserve the right to charge you an administrative fee depending on the extent of your requests. That fee will not exceed \$45 per week of onsite service delivered. Receipts for miscellaneous items less than twenty-five dollars and mileage logs are not available.

Payment. Payment for undisputed invoices is due within forty-five (45) days of the invoice date. We prefer to receive payments electronically. Our electronic payment information is available by contacting AR@tylertech.com.



Exhibit B
Schedule 1
Business Travel Policy

1. Air Travel

A. Reservations & Tickets

The Travel Management Company (TMC) used by Tyler will provide an employee with a direct flight within two hours before or after the requested departure time, assuming that flight does not add more than three hours to the employee's total trip duration and the fare is within \$100 (each way) of the lowest logical fare. If a net savings of \$200 or more (each way) is possible through a connecting flight that is within two hours before or after the requested departure time and that does not add more than three hours to the employee's total trip duration, the connecting flight should be accepted.

Employees are encouraged to make advanced reservations to take full advantage of discount opportunities. Employees should use all reasonable efforts to make travel arrangements at least two (2) weeks in advance of commitments. A seven (7) day advance booking requirement is mandatory. When booking less than seven (7) days in advance, management approval will be required.

Except in the case of international travel where a segment of continuous air travel is six (6) or more consecutive hours in length, only economy or coach class seating is reimbursable. Employees shall not be reimbursed for "Basic Economy Fares" because these fares are non-refundable and have many restrictions that outweigh the cost-savings.

B. Baggage Fees

Reimbursement of personal baggage charges are based on trip duration as follows:

- Up to five (5) days = one (1) checked bag
- Six (6) or more days = two (2) checked bags

Baggage fees for sports equipment are not reimbursable.



2. Ground Transportation

A. Private Automobile

Mileage Allowance – Business use of an employee's private automobile will be reimbursed at the current IRS allowable rate, plus out of pocket costs for tolls and parking. Mileage will be calculated by using the employee's office as the starting and ending point, in compliance with IRS regulations. Employees who have been designated a home office should calculate miles from their home.

B. Rental Car

Employees are authorized to rent cars only in conjunction with air travel when cost, convenience, and the specific situation reasonably require their use. When renting a car for Tyler business, employees should select a "mid-size" or "intermediate" car. "Full" size cars may be rented when three or more employees are traveling together. Tyler carries leased vehicle coverage for business car rentals; except for employees traveling to Alaska and internationally (excluding Canada), additional insurance on the rental agreement should be declined.

C. Public Transportation

Taxi or airport limousine services may be considered when traveling in and around cities or to and from airports when less expensive means of transportation are unavailable or impractical. The actual fare plus a reasonable tip (15-18%) are reimbursable. In the case of a free hotel shuttle to the airport, tips are included in the per diem rates and will not be reimbursed separately.

D. Parking & Tolls

When parking at the airport, employees must use longer term parking areas that are measured in days as opposed to hours. Park and fly options located near some airports may also be used. For extended trips that would result in excessive parking charges, public transportation to/from the airport should be considered. Tolls will be reimbursed when receipts are presented.

3. Lodging

Tyler's TMC will select hotel chains that are well established, reasonable in price, and conveniently located in relation to the traveler's work assignment. Typical hotel chains include Courtyard, Fairfield Inn, Hampton Inn, and Holiday Inn Express. If the employee has a discount rate with a local hotel, the hotel reservation should note that discount and the employee should confirm the lower rate with the hotel upon arrival. Employee memberships in travel clubs such as AAA should be noted in their travel profiles so that the employee can take advantage of any lower club rates.

"No shows" or cancellation fees are not reimbursable if the employee does not comply with the hotel's cancellation policy.

Tips for maids and other hotel staff are included in the per diem rate and are not reimbursed separately.

Employees are not authorized to reserve non-traditional short-term lodging, such as Airbnb, VRBO, and HomeAway. Employees who elect to make such reservations shall not be reimbursed.

4. Meals and Incidental Expenses

Employee meals and incidental expenses while on travel status within the continental U.S. are in accordance with the federal per diem rates published by the General Services Administration. Incidental expenses include tips to maids, hotel staff, and shuttle drivers and other minor travel expenses. Per diem rates are available at www.gsa.gov/perdiem.

Per diem for Alaska, Hawaii, U.S. protectorates and international destinations are provided separately by the Department of State and will be determined as required.

A. Overnight Travel

For each full day of travel, all three meals are reimbursable. Per diems on the first and last day of a trip are governed as set forth below.

Departure Day

Depart before 12:00 noon	Lunch and dinner
Depart after 12:00 noon	Dinner

Return Day

Return before 12:00 noon	Breakfast
Return between 12:00 noon & 7:00 p.m.	Breakfast and lunch
Return after 7:00 p.m.*	Breakfast, lunch and dinner

*7:00 p.m. is defined as direct travel time and does not include time taken to stop for dinner.

The reimbursement rates for individual meals are calculated as a percentage of the full day per diem as follows:

Breakfast	15%
Lunch	25%
Dinner	60%

B. Same Day Travel

Employees traveling at least 100 miles to a site and returning in the same day are eligible to claim lunch on an expense report. Employees on same day travel status are eligible to claim dinner in the event they return home after 7:00 p.m.*

*7:00 p.m. is defined as direct travel time and does not include time taken to stop for dinner.

5. Internet Access – Hotels and Airports

Employees who travel may need to access their e-mail at night. Many hotels provide free high speed internet access and Tyler employees are encouraged to use such hotels whenever possible. If an employee's hotel charges for internet access it is reimbursable up to \$10.00 per day. Charges for internet access at airports are not reimbursable.

6. International Travel

All international flights with the exception of flights between the U.S. and Canada should be reserved through TMC using the "lowest practical coach fare" with the exception of flights that are six (6) or more consecutive hours in length. In such event, the next available seating class above coach shall be reimbursed.

When required to travel internationally for business, employees shall be reimbursed for photo fees, application fees, and execution fees when obtaining a new passport book, but fees related to passport renewals are not reimbursable. Visa application and legal fees, entry taxes and departure taxes are reimbursable.

The cost of vaccinations that are either required for travel to specific countries or suggested by the U.S. Department of Health & Human Services for travel to specific countries, is reimbursable.

Section 4, Meals & Incidental Expenses, and Section 2.b., Rental Car, shall apply to this section.



Exhibit C

Service Level Agreement

I. Agreement Overview

This SLA operates in conjunction with, and does not supersede or replace any part of, the Agreement. It outlines the information technology service levels that we will provide to you to ensure the availability of the application services that you have requested us to provide. This SLA does not apply to any Third Party SaaS Services. All other support services are documented in the Support Call Process.

II. Definitions. Except as defined below, all defined terms have the meaning set forth in the Agreement.

Actual Attainment: The percentage of time the Tyler Software is available during a calendar quarter, calculated as follows: $(\text{Service Availability} - \text{Downtime}) \div \text{Service Availability}$.

Client Error Incident: Any service unavailability resulting from your applications, content or equipment, or the acts or omissions of any of your service users or third-party providers over whom we exercise no control.

Downtime: Those minutes during Service Availability, as defined below, when all users cannot launch, login, search or save primary data in the Tyler Software. Downtime does not include those instances in which only a Defect is present.

Emergency Maintenance: (1) maintenance that is required to patch a critical security vulnerability; (2) maintenance that is required to prevent an imminent outage of Service Availability; or (3) maintenance that is mutually agreed upon in writing by Tyler and the Client.

Planned Downtime: Downtime that occurs during a Standard or Emergency Maintenance window.

Service Availability: The total number of minutes in a calendar quarter that the Tyler Software is capable of receiving, processing, and responding to requests, excluding Planned Downtime, Client Error Incidents, denial of service attacks and Force Majeure.

Standard Maintenance: Routine maintenance to the Tyler Software and infrastructure. Standard Maintenance is limited to five (5) hours per week.

III. **Service Availability**

a. Your Responsibilities

Whenever you experience Downtime, you must make a support call according to the procedures outlined in the Support Call Process. You will receive a support case number.

b. Our Responsibilities

When our support team receives a call from you that Downtime has occurred or is occurring, we will work with you to identify the cause of the Downtime (including whether it may be the result of Planned



Downtime, a Client Error Incident, Denial of Service attack or Force Majeure). We will also work with you to resume normal operations.

c. Client Relief

Our targeted Attainment Goal is 100%. You may be entitled to credits as indicated in the Client Relief Schedule found below. Your relief credit is calculated as a percentage of the SaaS fees paid for the calendar quarter.

In order to receive relief credits, you must submit a request through one of the channels listed in our Support Call Process within fifteen days (15) of the end of the applicable quarter. We will respond to your relief request within thirty (30) day(s) of receipt.

The total credits confirmed by us will be applied to the SaaS Fee for the next billing cycle. Issuing of such credit does not relieve us of our obligations under the Agreement to correct the problem which created the service interruption.

Client Relief Schedule	
Actual Attainment	Client Relief
99.99% - 99.50%	Remedial action will be taken
99.49% - 98.50%	2%
98.49% - 97.50%	4%
97.49% - 96.50%	6%
96.49% - 95.50%	8%
Below 95.50%	10%

* Notwithstanding language in the Agreement to the contrary, Recovery Point Objective is one (1) hour.

IV. Maintenance Notifications

We perform Standard Maintenance during limited windows that are historically known to be reliably low-traffic times. If and when maintenance is predicted to occur during periods of higher traffic, we will provide advance notice of those windows and will coordinate to the greatest extent possible with you.

Not all maintenance activities will cause application unavailability. However, if Tyler anticipates that activities during a Standard or Emergency Maintenance window may make the Tyler Software unavailable, we will provide advance notice, as reasonably practicable, that the Tyler Software will be unavailable during the maintenance window.



Exhibit C Schedule 1 Support Call Process

Support Channels

Tyler Technologies, Inc. provides the following channels of software support for authorized users*:

- (1) On-line submission (portal) – for less urgent and functionality-based questions, users may create support incidents through the Tyler Customer Portal available at the Tyler Technologies website. A built-in Answer Panel provides users with resolutions to most “how-to” and configuration-based questions through a simplified search interface with machine learning, potentially eliminating the need to submit the support case.
- (2) Email – for less urgent situations, users may submit emails directly to the software support group.
- (3) Telephone – for urgent or complex questions, users receive toll-free, telephone software support.

** Channel availability may be limited for certain applications.*

Support Resources

A number of additional resources are available to provide a comprehensive and complete support experience :

- (1) Tyler Website – www.tylertech.com – for accessing client tools, documentation, and other information including support contact information.
- (2) Tyler Search -a knowledge based search engine that lets you search multiple sources simultaneously to find the answers you need, 24x7.
- (3) Tyler Community –provides a venue for all Tyler clients with current maintenance agreements to collaborate with one another, share best practices and resources, and access documentation.
- (4) Tyler University – online training courses on Tyler products.

Support Availability

Tyler Technologies support is available during the local business hours of 8 AM to 5 PM (Monday – Friday) across four US time zones (Pacific, Mountain, Central and Eastern). Tyler’s holiday schedule is outlined below. There will be no support coverage on these days.

New Year’s Day	Labor Day
Martin Luther King, Jr. Day	Thanksgiving Day
Memorial Day	Day after Thanksgiving
Independence Day	Christmas Day

For support teams that provide after-hours service, we will provide you with procedures for contacting

support staff after normal business hours for reporting Priority Level 1 Defects only. Upon receipt of such a Defect notification, we will use commercially reasonable efforts to meet the resolution targets set forth below.

We will also make commercially reasonable efforts to be available for one pre-scheduled Saturday of each month to assist your IT staff with applying patches and release upgrades, as well as consulting with them on server maintenance and configuration of the Tyler Software environment.

Handling

Incident Tracking

Every support incident is logged into Tyler's Customer Relationship Management System and given a unique case number. This system tracks the history of each incident. The case number is used to track and reference open issues when clients contact support. Clients may track incidents, using the case number, through Tyler's Customer Portal or by calling software support directly.

Incident Priority

Each incident is assigned a priority level, which corresponds to the Client's needs. Tyler and the Client will reasonably set the priority of the incident per the chart below. This chart is not intended to address every type of support incident, and certain "characteristics" may or may not apply depending on whether the Tyler software has been deployed on customer infrastructure or the Tyler cloud. The goal is to help guide the Client towards clearly understanding and communicating the importance of the issue and to describe generally expected response and resolution targets in the production environment only.

References to a "confirmed support incident" mean that Tyler and the Client have successfully validated the reported Defect/support incident.

Priority Level	Characteristics of Support Incident	Resolution Targets*
1 Critical	Support incident that causes (a) complete application failure or application unavailability; (b) application failure or unavailability in one or more of the client's remote location; or (c) systemic loss of multiple essential system functions.	Tyler shall provide an initial response to Priority Level 1 incidents within one (1) business hour of receipt of the incident. Once the incident has been confirmed, Tyler shall use commercially reasonable efforts to resolve such support incidents or provide a circumvention procedure within one (1) business day. For non-hosted customers, Tyler's responsibility for lost or corrupted data is limited to assisting the Client in restoring its last available database.

Priority Level	Characteristics of Support Incident	Resolution Targets*
2 High	Support incident that causes (a) repeated, consistent failure of essential functionality affecting more than one user or (b) loss or corruption of data.	Tyler shall provide an initial response to Priority Level 2 incidents within four (4) business hours of receipt of the incident. Once the incident has been confirmed, Tyler shall use commercially reasonable efforts to resolve such support incidents or provide a circumvention procedure within ten (10) business days. For non-hosted customers, Tyler's responsibility for loss or corrupted data is limited to assisting the Client in restoring its last available database.
3 Medium	Priority Level 1 incident with an existing circumvention procedure, or a Priority Level 2 incident that affects only one user or for which there is an existing circumvention procedure.	Tyler shall provide an initial response to Priority Level 3 incidents within one (1) business day of receipt of the incident. Once the incident has been confirmed, Tyler shall use commercially reasonable efforts to resolve such support incidents without the need for a circumvention procedure with the next published maintenance update or service pack, which shall occur at least quarterly. For non-hosted customers, Tyler's responsibility for lost or corrupted data is limited to assisting the Client in restoring its last available database.
4 Non-critical	Support incident that causes failure of non-essential functionality or a cosmetic or other issue that does not qualify as any other Priority Level.	Tyler shall provide an initial response to Priority Level 4 incidents within two (2) business days of receipt of the incident. Once the incident has been confirmed, Tyler shall use commercially reasonable efforts to resolve such support incidents, as well as cosmetic issues, with a future version release.

**Response and Resolution Targets may differ by product or business need*

Incident Escalation

If Tyler is unable to resolve any priority level 1 or 2 defect as listed above or the priority of an issue has elevated since initiation, you may escalate the incident to the appropriate resource, as outlined by each product support team. The corresponding resource will meet with you and any Tyler staff to establish a mutually agreeable plan for addressing the defect.

Remote Support Tool

Some support calls may require further analysis of the Client's database, processes or setup to diagnose a problem or to assist with a question. Tyler will, at its discretion, use an industry-standard remote support tool. Tyler's support team must have the ability to quickly connect to the Client's system and view the site's setup, diagnose problems, or assist with screen navigation. More information about the remote support tool Tyler uses is available upon request.



Exhibit D
Third Party Terms

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Exhibit D
Schedule 1
Hyperlinked Terms

ThinPrint Terms. Your use of Tyler Forms software and forms is subject to the End User License Agreement terms for ThinPrint Engine, ThinPrint License Server, and Connected Gateway found here: <https://www.thinprint.com/en/legal-notes/eula/>. By signing a Tyler Agreement or Order Form, or accessing, installing, or using Tyler Forms software or forms, you agree that you have read, understood, and agree to such terms.

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- Electronic Warrants
- Modria
- Odyssey Notifications Add On (text notifications)
- ReadySub
- Tyler Notify
- Tyler Jury Manager
- Tyler Supervision
- Virtual Court



Exhibit D
Schedule 2
DocOrigin Terms

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DocOrigin

SOFTWARE LICENSE

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IF YOU ARE AN AGENT OR EMPLOYEE OF ANOTHER ENTITY YOU REPRESENT AND WARRANT THAT (I) THE INDIVIDUAL ACCEPTING THIS AGREEMENT IS DULY AUTHORIZED TO ACCEPT THIS AGREEMENT ON SUCH ENTITY'S BEHALF AND TO BIND SUCH ENTITY, AND (II) SUCH ENTITY HAS FULL POWER, CORPORATE OR OTHERWISE, TO ENTER INTO THIS AGREEMENT AND PERFORM ITS OBLIGATIONS HEREUNDER.

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- 1.1** In this Agreement a "**License Key**" means any license key, activation code, or similar installation, access or usage control codes, including serial numbers digitally created and or provided by Eclipse Corporation ,designed to provide unlocked access to the Software and its functionality.
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- A. Per-CPU.** The total number of CPUs on a computer used to operate the Software may not exceed the licensed quantity of CPUs. For purposes of this license metric: (a) CPUs may contain more than one processing core, each group of two (2) processing cores is consider one (1) CPU., and any remaining unpaired processing core, will be deemed a CPU. (b) all CPUs on a computer on which the Software is installed shall be deemed to operate the Software unless You configure that computer (using a reliable and verifiable means of hardware or software partitioning) such that the total number of CPUs that actually operate the Software is less than the total number on that computer. Virtual Machines ("VM's") are considered as a server. Installing and configuring the software on multiple VM's requires one license per VM server. An enterprise license is available upon request. Pricing varies based on the size of the company.
 - B. Per-Document.** This is defined as a fee per document based on the total number of documents generated annually by merging data with a template created by the Software. The combined data and template produce documents of one or more pages. A document may contain 1 or more pages. For instance, a batch of invoices for 250 customers may contain 1,000 pages, this will be counted as 250 documents which should correspond to 250 invoices.
 - C. Per-Surface.** This is defined as a fee per surface based on the total number of surfaces generated annually by merging data with a template created by the Software. The combined data and template produce documents of one or more pages, the pages may be printed one side (one surface) or duplexed (2 surfaces). The documents may be rendered to a computer file (i.e. PDF), each page placed in the file is considered a surface. A document may contain 1 or more surfaces. For instance, a batch of invoices for 250 customers may contain 500 pages duplexed, this will be counted as 1000 surfaces.
- 1.5 Disaster Recovery License.** You may request a Disaster Recovery license of the Software for each production license You have purchased as a failover in the event of loss of use of the production server(s). This license is for disaster recovery purposes only and under no circumstance may the disaster recovery license be used for production simultaneously with a production license with which it is paired.
- 1.6 Backup Copies.** After installation of the Software pursuant to this EULA, you may store a copy of the installation files for the Software solely for backup or archival purposes. Except as expressly provided in this EULA, you may not otherwise make copies of the Software or the printed materials accompanying the Software.
- 1.7 Third-Party Software License Rights.** If a separate license agreement pertaining to an item of third-party software is: delivered to You with the Software, included in the Software download package, or referenced in any material that is provided with the Software, then such separate license agreement shall govern Your use of that item or version of Third-Party Software. Your rights in respect to any third-party software, third-party data, third-party software or other third-party content provided with the Software shall be limited to those rights necessary to operate the Software as permitted by this Agreement. No other rights in the Software or third-party software are granted to You.

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- 8.6 **Entire Agreement.** This Agreement is the entire understanding and agreement between You and Eclipse Corporation with respect to the subject matter hereof, and it supersedes all prior negotiations, commitments and understandings, verbal or written, and purchase order issued by You. This Agreement may be amended or otherwise modified by Eclipse Corporation from time to time and the most recent version of the Agreement will be available on the Eclipse Corporation website www.docorigin.com.

Last Updated: July 22, 2017



Exhibit E
Statement of Work

Statement of Work follows this page.

Attachment #2

Desert Water Agency

SOW from Tyler Technologies, Inc.

5/23/2022

Presented to:
Desert Water Agency ("DWA")
1200 S Gene Autry Trail
Palm Springs, CA 92264-3533

Contact:
Katharina Howard
Email: Katharina.Howard@TylerTech.com
One Tyler Drive, Yarmouth, ME 04096

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Part 1: Executive Summary

1. Project Overview

1.1 Introduction

Tyler Technologies (“Tyler”) is the largest and most established provider of integrated software and technology services focused solely on the public sector. Tyler’s end-to-end solutions empower public sector entities including local, state, provincial and federal government, to operate more efficiently and connect more transparently with their constituents and with each other. By connecting data and processes across disparate systems, Tyler’s solutions transform how clients gain actionable insights that solve problems in their communities.

This Statement of Work is Exhibit E to that certain SOFTWARE AS A SERVICE AGREEMENT between Tyler and Desert Water Agency dated [_____] (“Agreement”) and sets forth the scope of Professional Services to be provided by Tyler pursuant to the Agreement. Defined terms that are not defined herein shall have the meaning set forth in the Agreement. The services provided by Tyler pursuant to this SOW are subject to the terms and conditions set forth in the Agreement. In the event of any conflict between the terms of this SOW and the Agreement, the terms of the Agreement will control.

1.2 Project Goals

This Statement of Work (“SOW”) documents the methodology, implementation stages, activities, and roles and responsibilities, and project scope for deploying a fully integrated SaaS ERP solution (the “Munis Solution”) for Desert Water Agency (“DWA”) using the Tyler Software listed in the Investment Summary of the Agreement (collectively the “Project”).

The overall goals of the project are to:

- A. Implement the Munis Solution in a manner that meets the business and functional needs of DWA, as described in the Information and Requirements Document package (“IRD”) that was provided to Tyler by Client. Such business and functional requirements include the following critical components:
 - Enhance operational efficiencies in all key departments and provide automated workflow capabilities to improve compliance, information and Project tracking, and internal controls;
 - Through modern reporting and analytical tools, deliver data visibility across departments and the ability to more efficiently and reliably generate reporting that is meaningful to internal users, managers, and external parties;
 - Improve the quality and fidelity of information through ERP-mandated “master record” and single-source of truth practices – including a reliable single “source” for customer records;
 - Allow the finance team to develop and better manage the budget process, financial reporting and transaction management; decrease the days required to close the monthly and year-end books;



- Reduce the reliance on paper-based and manual processes;
 - Increase the trust factor in information provided by the systems – reducing the need for extensive validation, reconciliation and re-computation;
 - Allow Finance department personnel to “own” financial reporting and journal entry tasks;
 - Decrease (or eliminate) reliance on custom software and developers for key components of the organization’s deliverables and processes; and
 - Allow for sharing of information amongst departments, as appropriate in the internal control structure.
- B. Use best efforts to provide all services necessary to Implement the Munis Solution within the fees agreed to in the Investment Summary;
- C. Develop the Project Schedule, including Phase start and completion dates, consistent with the estimated Project timeline that is set forth in Section 11.
- D. Provide effective management of the Project and perform its responsibilities under this SOW in accordance with the Project Schedule that is developed herein, subject to the timely performance of the responsibilities of DWA; and
- E. Effectively prepare DWA for in the use of the Munis Solution through effective training and communication.

The accomplishment of the foregoing requirements and outcomes will be measured by Tyler and accepted by DWA in accordance with the acceptance process described in this SOW and the Agreement.

1.3 Methodology

This is accomplished by DWA and Tyler working in partnership and Tyler utilizing its depth of implementation experience. While each Project is unique, all will follow Tyler’s six-stage methodology. Each of the six stages is comprised of multiple work packages, and each work package includes a narrative description, objectives, tasks, inputs, outputs/deliverables, assumptions, and a responsibility matrix.

Tailored specifically for Tyler’s public sector clients, the project methodology contains Stage Acceptance Control Points throughout each Phase to ensure adherence to scope, budget, timeline controls, effective communications, and quality standards. Clearly defined, the project methodology repeats consistently across Phases, and is scaled to meet DWA’s complexity and organizational needs.



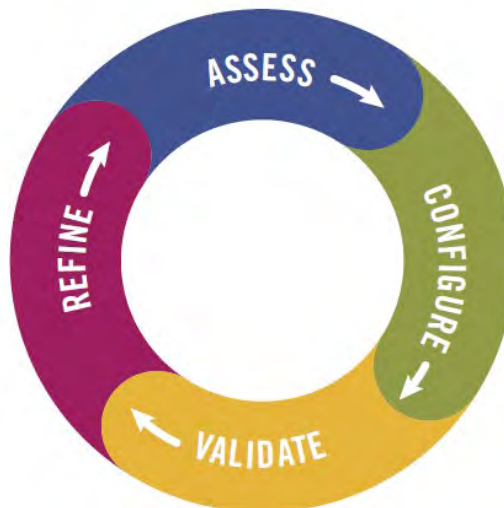
Tyler's Six Stage Project Methodology



The methodology adapts to both single-phase and multiple-phase projects.

To achieve Project success, it is imperative that both DWA and Tyler commit to including the necessary leadership and governance. During each stage of the Project, it is expected that DWA and Tyler Project teams work collaboratively to complete tasks. An underlying principle of Tyler's Implementation process is to employ an iterative model where the Desert Water Agency's business processes are assessed, configured, validated, and refined cyclically in line with the project budget. This approach is used in multiple stages and work packages as illustrated in the graphic below.

Iterative Project Model



The delivery approach is systematic, which reduces variability and mitigates risks to ensure Project success. As illustrated, some stages, along with work packages and tasks, are intended to be overlapping by nature to complete the Project efficiently and effectively.



Part 2: Project Foundation

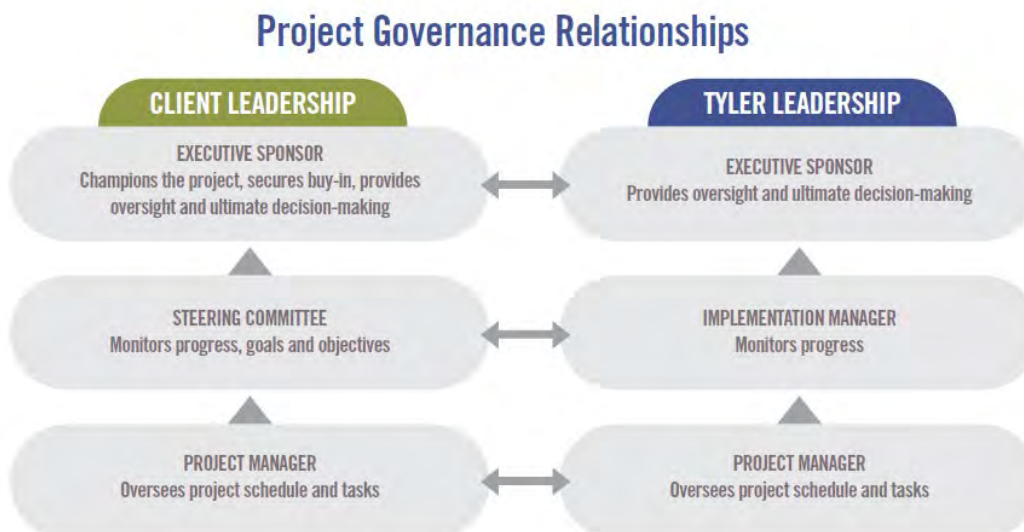
2. Project Governance

Project governance is the management framework within which Project decisions are made. The role of Project governance is to provide a decision-making approach that is logical, robust, and repeatable. This allows organizations to have a structured approach for conducting its daily business in addition to project related activities.

The staffing of the Tyler Project team will be undertaken consistent with the requirements set forth in the Agreement.

This section outlines the resources required to achieve the business needs, objectives, and priorities for the Project, communicate the goals to other Project participants, and provide support and guidance to accomplish these goals. Project governance defines the structure for escalation of issues and risks, Change Control review and authority, and Organizational Change Management activities. Throughout the Statement of Work Tyler has provided RACI Matrices for activities to be completed throughout the implementation which will further outline responsibilities of different roles in each stage. Further refinement of the governance structure, related processes, and specific roles and responsibilities occurs during the Initiate & Plan Stage.

The chart below illustrates an overall team perspective where Tyler and DWA collaborate to resolve Project challenges according to defined escalation paths. If project managers do not possess authority to determine a solution, resolve an issue, or mitigate a risk, Tyler implementation management and the DWA Steering Committee become the escalation points to triage responses prior to escalation to DWA and Tyler executive sponsors. As part of the escalation process, each Project governance tier presents recommendations and supporting information to facilitate knowledge transfer and issue resolution. DWA and Tyler executive sponsors serve as the final escalation point.



3. Project Scope Control

3.1 Managing Scope and Project Change

Project Management governance principles contend that there are three connected constraints on a Project: budget, timeline, and scope. These constraints, known as the “Triple Constraints” or project management triangle, define budget in terms of financial cost, labor costs, and other resource costs. Scope is defined as the work performed to deliver a product, service or result with the specified features and functions, while time is simply defined as the schedule. The Triple Constraint theory states that if you change one side of the triangle, the other two sides must be correspondingly adjusted. For example, if the scope of the Project is increased, cost and time to complete will also need to increase. The Project and executive teams will need to remain cognizant of these constraints when making impactful decisions to the Project. A simple illustration of this triangle is included here, showing the connection of each item and their relational impact to the overall Scope.



A pillar of any successful project is the ability to properly manage scope while allowing the appropriate level of flexibility to incorporate approved changes. Scope and changes within the project will be managed using the change control process outlined in the following section.

3.2 Change Control

It may become necessary to change the scope of this Project due to unforeseeable circumstances (e.g., new constraints or opportunities are discovered). This Project is being undertaken with the understanding that Project scope, schedule, and/or cost may need to change in order to produce optimal results for stakeholders. Proposed changes to the scope of services being provided pursuant to the SOW will be presented and discussed in accordance with the process described in Section 3.3 below and any final change order or addendum to this SOW will be documented as required by Section C(4) of the Agreement..

3.3 Change Request Management

Should the need for a change to Project scope, schedule, and/or cost be identified during the Project, the change will be brought to the attention of the Steering Committee and an assessment of the change will occur. A Change Request may be initiated by Tyler or DWA. While such changes may result in additional costs and delays relative to the schedule, some changes may result in less cost to DWA; for example, DWA



may decide it no longer needs a deliverable originally defined in the Project. A Change Request will include the following information:

- The nature of the change, including the specific modules or functionality that will be impacted and the desired outcome; and
- Cause, justification and value proposition of the change

If a Change Request is initiated by Tyler or if Tyler is responding to a change request from DWA, the following information will be included:

- A good faith estimate of the additional cost or associated savings to DWA, if any.
- The timetable for implementing the change.
- The effect on and/or risk to the Project Schedule, resource needs or resource responsibilities for the overall Project and any unfinished Phases.

Tyler will evaluate a Change Request initiated by DWA in accordance with the Change Request Process diagram set forth below, provided, however, that Tyler will use its best efforts to accommodate any such change to the extent technically feasible within the broader context of the Project and the Munis Solution and subject to the negotiation of mutually acceptable terms and conditions regarding changes in scope, cost and timing. If Tyler does not agree to a Change Request, it will provide a written response which sets forth in detail why the Change Request cannot reasonably be performed.

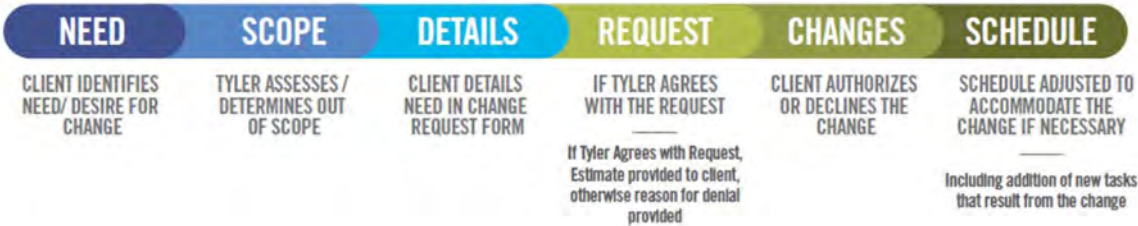
DWA will evaluate a change request initiated by Tyler in good faith, taking into account whether the Change Request is consistent with the broader context of the Project and the Munis Solution and constitutes a reasonable change in circumstance from the original expectations of scope set forth in this SOW.

DWA will use good faith efforts to either approve or disapprove the proposed terms and conditions for a Change Request that involves a technical or process change to the SOW or results in minor adjustments to cost and impact on the Project Schedule within ten (10) Business Days (or other period as mutually agreeable between Tyler and DWA). Significant change in the cost or timing set forth in the SOW, including any significant change in the contracted SaaS Services or the Phase implementation, will be subject to approval by Client's Board of Directors unless specifically within the discretion granted to the General Manager when the Agreement is approved. Given the longer duration for obtaining Board approval, Tyler and DWA will attempt to continue work on other deliverables while the Change Request is pending to mitigate delays in the Project Schedule.

Any changes to the Project scope, budget, or timeline must be documented and approved in writing using a Change Request form that is mutually agreed upon by the parties. Once approved in writing by Tyler and Client, the agreed changes will constitute a formal amendment to this Statement of Work and will supersede any conflicting term in the Statement of Work.



Change Request Process



4. Acceptance Process

The implementation of a Project involves many decisions to be made throughout its lifecycle. Decisions will vary from higher level strategy decisions to smaller, detailed Project level decisions. It is critical to the success of the Project that each DWA office or department designates specific individuals for making decisions on behalf of their offices or departments.

Both Tyler and DWA will identify representative project managers. These individuals will represent the interests of all stakeholders and serve as the primary contacts between the two organizations.

The coordination of gaining DWA feedback and approval on Project deliverables will be critical to the success of the Project. DWA project manager will strive to gain deliverable and decision approvals from all authorized DWA representatives. Given that the designated decision-maker for each department may not always be available, there must be a designated proxy for each decision point in the Project. Assignment of each proxy will be the responsibility of the leadership from each DWA department. The proxies will be named individuals that have the authorization to make decisions on behalf of their department.

Acceptance of each Phase will be subject to a thirty (30) day acceptance process as set forth in Section 11.3 of the SaaS Agreement.

The following process will be used for accepting deliverables and control points within each Phase:

- DWA shall have a reasonable period of time to accept each deliverable or control point, it being understood that the complexity or size of a deliverable and importance of a control point will impact the review and acceptance process. For interim deliverables and control points, DWA will use reasonable efforts to provide acceptance or acknowledgement within ten (10) business days. If DWA does not provide acceptance or acknowledgement within a reasonable period, or the otherwise agreed upon timeframe, then Tyler will be entitled to an extension of the Project Schedule and the delay caused by DWA will not be a breach of Tyler's responsibilities under this SOW.
- If DWA does not agree the particular deliverable or control point meets the requirements set forth in this SOW, then DWA shall notify Tyler project manager(s), in writing, with sufficient reasoning for Tyler to understand the alleged deficiency. Notification will be given within the time periods specified above.
- Tyler shall address any deficiencies and redeliver the deliverable or control point. DWA shall then have a similar period to that set forth above from receipt of the redelivered deliverable or control point to accept or again submit written notification of reasons for rejecting the milestone. This process continues until DWA accepts the deliverable or provides conditional acceptance subject to a written plan of resolution.
- In the event Tyler believes DWA is not conducting its review promptly and in good faith, Tyler may request a meeting with DWA's project manager to resolve the cause of the delay.



5. Roles and Responsibilities

The following defines the roles and responsibilities of each Project resource for DWA and Tyler. Roles and responsibilities may not follow the organizational chart or position descriptions at DWA, but are roles defined within the Project. It is common for individual resources on both the Tyler and DWA project teams to fill multiple roles. Similarly, it is common for some roles to be filled by multiple people.

5.1 Tyler Roles & Responsibilities

Tyler assigns a project manager prior to the start of each Phase of the Project (some Projects may only be one Phase in duration). Additional Tyler resources are assigned as the schedule develops and as needs arise.

5.1.1 Tyler Executive Manager

Tyler executive management has indirect involvement with the Project and is part of the Tyler escalation process. This team member offers additional support to the Project team and collaborates with other Tyler department managers as needed to escalate and facilitate implementation Project tasks and decisions.

- Provides clear direction for Tyler staff on executing on the Project Deliverables to align with satisfying DWA's overall organizational strategy.
- Authorizes required Project resources.
- Resolves all decisions and/or issues not resolved at the implementation management level as part of the escalation process.
- Acts as the counterpart to DWA's executive sponsor.

5.1.2 Tyler Implementation Manager

- Tyler implementation management has indirect involvement with the Project and is part of the Tyler escalation process. The Tyler project managers consult implementation management on issues and outstanding decisions critical to the Project. Implementation management works toward a solution with the Tyler Project Manager or with DWA management as appropriate. Tyler executive management is the escalation point for any issues not resolved at this level.
- Assigns Tyler Project personnel.
- Provides support for the Project team.
- Provides management support for the Project to ensure it is staffed appropriately and staff have necessary resources.
- Monitors Project progress including progress towards agreed upon goals and objectives.

5.1.3 Tyler Project Manager

- The Tyler project manager(s) provides oversight of the Project, coordination of Tyler resources between departments, management of the Project budget and schedule, effective risk, and issue management, and is the primary point of contact for all Project related items. As requested by the Desert Water Agency, the Tyler Project Manager provides regular updates to DWA Steering Committee and other Tyler governance members. Tyler Project Manager's role includes responsibilities in the following areas:

5.1.3.1 Contract Management

- Validates contract compliance throughout the Project.



- Ensures Deliverables meet contract requirements.
- Acts as primary point of contact for all contract and invoicing questions.
- Prepares and presents contract milestone signoffs for acceptance by DWA project manager(s).
- Coordinates Change Requests, if needed, to ensure proper Scope and budgetary compliance.

5.1.3.2 Planning

- Delivers project planning documents.
- Defines Project tasks and resource requirements.
- Develops initial Project schedule and Project Management Plan.
- Collaborates with DWA project manager(s) to plan and schedule Project timelines to achieve on-time implementation.

5.1.3.3 Implementation Management

- Tightly manages Scope and budget of Project to ensure Scope changes and budget planned versus actual are transparent and handled effectively and efficiently.
- Establishes and manages a schedule and Tyler resources that properly support the Project Schedule and are also in balance with Scope/budget.
- Establishes risk/issue tracking/reporting process between DWA and Tyler and takes all necessary steps to proactively mitigate these items or communicate with transparency to DWA any items that may impact the outcomes of the Project.
- Collaborates with DWA's project manager(s) to establish key business drivers and success indicators that will help to govern Project activities and key decisions to ensure a quality outcome of the project.
- Collaborates with DWA's project manager(s) to set a routine communication plan that will aide all Project team members, of both DWA and Tyler, in understanding the goals, objectives, status, and health of the Project.

5.1.3.4 Resource Management

- Acts as liaison between Project team and Tyler manager(s).
- Identifies and coordinates all Tyler resources across all applications, Phases, and activities including development, forms, installation, reports, implementation, and billing.
- Provides direction and support to Project team.
- Manages the appropriate assignment and timely completion of tasks as defined in the Project Schedule, task list, and Go-Live Checklist.
- Assesses team performance and adjusts as necessary.
- Consulted on in Scope 3rd party providers to align activities with ongoing Project tasks.

5.1.4 Tyler Implementation Consultant(s)

- Completes tasks as assigned by the Tyler project manager(s).
- Performs initial system configuration and trains DWA on how to manage configuration.
- Documents activities for services performed by Tyler.
- Guides DWA through software validation process following configuration.
- Assists during Go-Live process and provides support until DWA transitions to Client Services.
- Facilitates training sessions and discussions with DWA and Tyler staff to ensure adequate discussion of the appropriate agenda topics during the allotted time.
- May provide conversion review and error resolution assistance.



5.1.5 Tyler Sales

- Supports Sales to Implementation knowledge transfer during Initiate & Plan.
- Provides historical information, as needed, throughout implementation.
- Participates in pricing activities if additional licensing and/or services are needed.

5.1.6 Tyler Technical Services

- Maintains Tyler infrastructure requirements and design document(s).
- Involved in system infrastructure planning/review(s).
- Provides first installation of licensed software with initial database on servers.
- Supports and assists the project team with technical/environmental issues/needs.
- Deploys Tyler products.
- Conducts GIS Planning.
- Reviews GIS data and provides feedback to DWA.
- Loads DWA provided GIS data into the system.

5.1.7 Tyler SaaS Technicians

- Sets up Tyler-hosted servers.
- Provides maintenance of hosted server hardware, operating system, and software upgrades.
- Provides IT-related services for server environment.
- Provides remote technical assistance and tracks issues.
- Provides system management and disaster recovery services within hosting services.
- Performs Tyler software upgrades through coordination with DWA.

5.1.8 Tyler Conversion Programmer

- Takes data provided by DWA and converts it into file that is loaded into Munis database
- Provides error reports for data
- Converts subsequent passes until data is approved by DWA to be loaded in Production environment
- Coordinates with Tyler PM to schedule conversions based on project timeline

5.2 DWA Roles & Responsibilities

DWA resources will be assigned prior to the start of each Phase of the Project. One person may be assigned to multiple Project roles.

5.2.1 DWA Executive Sponsor

DWA executive sponsor provides support to the Project by providing strategic direction and communicating key issues about the Project and its overall importance to the organization. When called upon, the executive sponsor also acts as the final authority on all escalated Project issues. The executive sponsor engages in the Project, as needed, to provide necessary support, oversight, guidance, and escalation, but does not participate in day-to-day Project activities. The executive sponsor empowers DWA steering committee, project manager(s), and functional leads to make critical business decisions for the Desert Water Agency.

- Champions the project at the executive level to secure buy-in.
- Authorizes required project resources.



- Actively participates in organizational change communications.

5.2.2 DWA Steering Committee

DWA steering committee understands and supports the cultural change necessary for the Project and fosters an appreciation for the Project's value throughout the organization. The steering committee oversees DWA project manager and Project through participation in regular internal meetings. DWA steering committee remains updated on all Project progress, Project decisions, and achievement of Project milestones. DWA steering committee also serves as primary level of issue resolution for the Project.

- Works to resolve all decisions and/or issues not resolved at the project manager level as part of the escalation process.
- Attends all scheduled steering committee meetings.
- Provides support for the project team.
- Assists with communicating key project messages throughout the organization.
- Prioritizes the project within the organization.
- Ensures the project is staffed appropriately and that staff have necessary resources.
- Monitors project progress including progress towards agreed upon goals and objectives.
- Has the authority to approve or deny changes impacting the following areas:
 - Cost
 - Scope
 - Schedule
 - Project Goals
 - DWA Policies
 - Needs of other client projects

5.2.3 DWA Project Manager

DWA shall assign project manager(s) prior to the start of this project with overall responsibility and authority to make decisions related to Project Scope, scheduling, and task assignment. DWA project manager should communicate decisions and commitments to the Tyler project manager(s) in a timely and efficient manner. When DWA project manager(s) do not have the knowledge or authority to make decisions, he or she engages the necessary resources to participate in discussions and make decisions in a timely fashion to avoid Project delays. DWA project manager(s) are responsible for reporting to DWA steering committee and determining appropriate escalation points.

5.2.3.1 Contract Management

- Validates contract compliance throughout the project.
- Ensures that invoicing and Deliverables meet contract requirements.
- Acts as primary point of contact for all contract and invoicing questions. Collaborates on and approves Change Requests, if needed, to ensure proper scope and budgetary compliance.

5.2.3.2 Planning

- Reviews and accepts project planning documents.
- Defines project tasks and resource requirements for DWA project team.
- Collaborates in the development and approval of the project schedule.
- Collaborates with Tyler project manager(s) to plan and schedule project timelines to achieve on-time implementation.



5.2.3.3 Implementation Management

- Tightly manages project budget and scope.
- Collaborates with Tyler project manager(s) to establish a process and approval matrix to ensure that scope changes and budget (planned versus actual) are transparent and handled effectively and efficiently.
- Collaborates with Tyler project manager to establish and manage a schedule and resource plan that properly supports the project schedule as a whole and is also in balance with scope and budget.
- Collaborates with Tyler project manager(s) to establish risk and issue tracking and reporting process between DWA and Tyler and takes all necessary steps to proactively mitigate these items or communicate with transparency to Tyler any items that may impact the outcomes of the project.
- Collaborates with Tyler project manager(s) to establish key business drivers and success indicators that will help to govern project activities and key decisions to ensure a quality outcome of the project.
- Routinely communicates with both DWA staff and Tyler, aiding in the understanding of goals, objectives, current status, and health of the project by all team members.
- Manages the requirements gathering process and ensure timely and quality business requirements are being provided to Tyler.

5.2.3.4 Resource Management

- Acts as liaison between project team and stakeholders.
- Identifies and coordinates all DWA resources across all modules, phases, and activities including data conversions, forms design, hardware and software installation, reports building, and satisfying invoices.
- Provides direction and support to project team.
- Builds partnerships among the various stakeholders, negotiating authority to move the project forward.
- Manages the appropriate assignment and timely completion of tasks as defined.
- Assesses team performance and takes corrective action, if needed.
- Provides guidance to DWA technical teams to ensure appropriate response and collaboration with Tyler Technical Support Teams to ensure timely response and appropriate resolution.
- Owns the relationship with in-Scope 3rd party providers and aligns activities with ongoing project tasks.
- Ensures that users have appropriate access to Tyler project toolsets as required.
- Facilitate training sessions (including train the trainer) in collaboration with the DWA Change Management lead on proper use of toolsets.
- Validates completion of required assignments using toolsets.

5.2.4 DWA Functional Leads

- Makes business process change decisions under time sensitive conditions.
- Communicates existing business processes and procedures to Tyler consultants.
- Assists in identifying business process changes that may require escalation.
- Contributes business process expertise for Current & Future State Analysis.
- Identifies and includes additional subject matter experts to participate in Current & Future State Analysis.
- Validates that necessary skills have been retained by end users.
- Provides End Users with dedicated time to complete required homework tasks.
- Acts as an ambassador/champion of change for the new process and provide business process change support.



- Identifies and communicates any additional training needs or scheduling conflicts to DWA project manager.
- Actively participates in all aspects of the implementation, including, but not limited to, the following key activities:
 - Task completion
 - Stakeholder Meeting
 - Project Management Plan development
 - Schedule development
 - Maintenance and monitoring of risk register
 - Escalation of issues
 - Communication with Tyler project team
 - Coordination of DWA resources
 - Attendance at scheduled sessions
 - Change management activities
 - Modification specification, demonstrations, testing and approval assistance
 - Data analysis assistance
 - Decentralized end user training
 - Process testing
 - Solution Validation

5.2.5 DWA Power Users

- Participate in project activities as required by the project team and project manager(s).
- Provide subject matter expertise on DWA business processes and requirements.
- Act as subject matter experts and attend Current & Future State Analysis sessions as needed.
- Attend all scheduled training sessions.
- Participate in all required post-training processes as needed throughout project.
- Test all application configuration to ensure it satisfies business process requirements.
- Become application experts.
- Participate in Solution Validation.
- Adopt and support changed procedures.
- Complete all deliverables by the due dates defined in the project schedule.
- Demonstrate competency with Tyler products processing prior to Go-live.
- Provide knowledge transfer to DWA staff during and after implementation.
- Participate in conversion review and validation.

5.2.6 DWA End Users

- Attend all scheduled training sessions.
- Become proficient in application functions related to job duties.
- Adopt and utilize changed procedures.
- Complete all deliverables by the due dates defined in the project schedule.
- Utilize software to perform job functions at and beyond Go-live.

5.2.7 DWA Technical Lead

- Coordinates updates and releases with Tyler as needed.
- Coordinates the copying of source databases to training/testing databases as needed for training days.
- Coordinates and adds new users, printers and other peripherals as needed.



- Validates that all users understand log-on process and have necessary permission for all training sessions.
- Coordinates interface development for DWA third party interfaces.
- Develops or assists in creating reports as needed.
- Ensures on-site system meets specifications provided by Tyler.
- Assists with software installation as needed.
- Extracts and transmits conversion data and control reports from the Desert Water Agency's legacy system per the conversion schedule set forth in the project schedule.

5.2.7.1 DWA GIS

- Participates in GIS planning activities.
- Responsible for management and maintenance of DWA GIS infrastructure and data.
- Ensures GIS data/service endpoints are in alignment with Tyler software requirements.
- Provides Tyler implementation team with GIS data/service access information.

5.2.7.2 DWA Upgrade Coordination

- Becomes familiar with the software upgrade process and required steps.
- Becomes familiar with Tyler's releases and updates.
- Utilizes Tyler resources to stay abreast of the latest Tyler releases and updates, as well as the latest helpful tools to manage the Desert Water Agency's software upgrade process.
- Assists with the software upgrade process during implementation.
- Manages software upgrade activities post-implementation.
- Manages software upgrade plan activities.
- Coordinates software upgrade plan activities with DWA and Tyler resources.
- Communicates changes affecting users and department stakeholders.
- Obtains department stakeholder acceptance to upgrade production environment.

5.2.8 DWA Change Management Lead

- Validates that users receive timely and thorough communication regarding process changes.
- Provides coaching to supervisors to prepare them to support users through the project changes.
- Identifies the impact areas resulting from project activities and develops a plan to address them proactively.
- Identifies areas of resistance and develops a plan to reinforce the change.
- Monitors post-production performance and new process adherence.



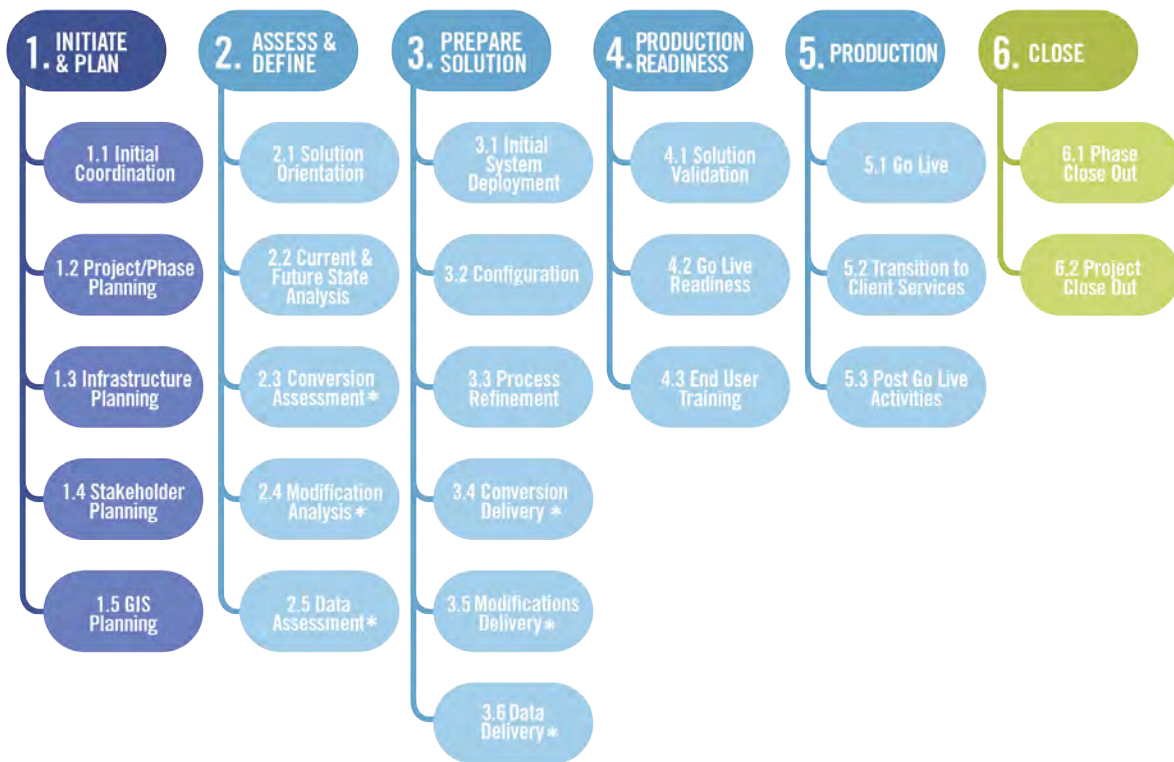
Part 3: Project Plan

6. Project Stages

Work Breakdown Structure

The Work Breakdown Structure (WBS) is a hierarchical representation of a Project or Phase broken down into smaller, more manageable components. The top-level components are called “Stages” and the second level components are called “Work Packages”. The work packages, shown below each stage, contain the high-level work to be done. The detailed Project Schedule, developed during Project/Phase Planning and finalized during subsequent stages, lists the tasks to be completed within each work package. Each stage ends with a “Control Point”, confirming the work performed during that stage of the Project has been accepted by the Desert Water Agency.

Work Breakdown Structure (WBS)



**Items noted with an asterisk in the graphic above relate to specific products and services. If those products and services are not included in the scope of the contract, these specific work packages will be noted as "Intentionally Left Blank" in Section 6 of the Statement of Work.*



6.1 Initiate and Plan

The Initiate and Plan stage involves Project initiation, infrastructure, and planning. This stage creates a foundation for the Project by identifying and establishing sequence and timing for each Phase as well as verifying scope for the Project. This stage will be conducted at the onset of the Project, with a few unique items being repeated for the additional Phases as needed.

The IRD will provide a basis for discussion with the Tyler implementation team throughout Project planning to ensure that the Munis Solution is consistent with DWA's goals, organization, planning and high-level functional requirements.

6.1.1 Initial Coordination

Prior to Project commencement, Tyler management assigns project manager(s). Additional Project resources will be assigned later in the Project as a Project schedule is developed. Tyler will provide DWA with initial Project documents used to gather names of key personnel, their functional role as it pertains to the Project, as well as any blackout dates to consider for future planning. DWA gathers the information requested by the provided deadline ensuring preliminary planning and scheduling can be conducted moving the Project forward in a timely fashion. Internally, the Tyler Project Manager(s) coordinate with sales to ensure transfer of vital information from the sales process prior to scheduling a Project Planning Meeting with the Desert Water Agency's team. During this step, Tyler will work with DWA to establish the date(s) for the Project and Phase Planning session.

Objectives:

- Formally launch the project.
- Establish project governance.
- Define and communicate governance for Tyler.
- Identify DWA project team.

STAGE 1	Initial Coordination														
	Tyler								DWA						
RACI MATRIX KEY: R = Responsible A = Accountable C = Consulted I = Informed	Executive Manager	Implementation Manager	Project Manager	Implementation Consultant	Data Experts	Modification Services	Technical Services	Client Services	Executive Sponsor	Steering Committee	Project Manager	Functional Leads	Change Management Leads	Subject Matter Experts (Power)	Department Heads
Tyler project team is assigned	A	R	C	I	I	I	I	I	I		I				
Desert Water Agency project team is assigned									A	C	R	I	I	I	



Provide initial project documents to the Desert Water Agency		A	R	C				C		I		I						
Gather preliminary information requested			I							A		R	C		C		C	C
Sales to implementation knowledge transfer		A	R	I	I	I	I					I						
Create Project Portal to store project artifacts and facilitate communication		A	R									I						

Inputs	Contract documents
	Statement of Work
	DWA Information and Requirements Document

Outputs/Deliverables	Completed initial project documents
	Project portal

At any time during project implementation, DWA reserves the right to adjust DWA RACI assignments and their roles included in the RACI charts set forth herein. DWA will give Tyler reasonable notice of any such changes.

Work package assumptions:

- Project activities begin after the agreement has been fully executed.

6.1.2 Project/Phase Planning

Project and Phase planning provides an opportunity to review the contract, software, data conversions and services purchased, identify applications to implement in each Phase (if applicable), and discuss implementation timeframes.

During this work package Tyler will work with DWA to coordinate and plan a formal Project planning meeting(s). This meeting signifies the start of the Project and should be attended by all DWA Project team members and the Tyler Project Manager. The meeting provides an opportunity for Tyler to introduce its implementation methodology, terminology, and Project management best practices to the DWA Project Team. This will also present an opportunity for project managers and Project sponsors to begin to discuss Project communication, metrics, status reporting and tools to be used to measure Project progress and manage change.

Tyler will work with the DWA Project Team to prepare and deliver the Project Management Plan as an output of the planning meeting. This plan will continue to evolve and grow as the Project progresses and will describe how the project will be executed, monitored, and controlled. Tyler will also work with DWA to incorporate DWA Change Management activities into the project plan at logical times.

During project planning, Tyler will introduce the tools that will be used throughout the implementation. Tyler will familiarize DWA with these tools during project planning and make them available for review and maintenance as applicable throughout the project. Some examples are Solution validation plan, issue log, and go-live checklist.



STAGE 1	Project/Phase Planning																
	Tyler								DWA								
RACI MATRIX KEY: R = Responsible A = Accountable C = Consulted I = Informed	Executive Manager	Implementation Manager	Project Manager	Implementation Consultant	Data Experts	Modification Services	Technical Services	Client Services	Executive Sponsor	Steering Committee	Project Manager	Functional Leads	Change Management Leads	Subject Matter Experts (Power Users)	Department Heads	End Users	Technical Leads
Schedule and conduct planning session(s)		A	R						I		C	C	I				
Develop Project Management Plan		A	R						I		C	C	I				
Develop initial project schedule		A	R	I	I	I	I		I	I	C	C	I	I	C		I

Inputs	Contract documents
	Statement of Work
	Guide to Starting Your Project
	DWA Information and Requirements Document

Outputs / Deliverables		Acceptance Criteria [only] for Deliverables
	Project Management Plan	Delivery of document
	Project Operational Plan	Delivery of document
	Initial Project Schedule	DWA provides acceptance of schedule based on resource availability, project budget, and goals.

Work package assumptions:

- DWA has reviewed and completed the Guide to Starting Your Project document.

6.1.3 Infrastructure Planning

Procuring required hardware and setting it up properly is a critical part of a successful implementation. This task is especially important for Tyler-hosted/SaaS deployment models. Tyler will be responsible for building the environments for a hosted/SaaS deployment, unless otherwise identified in the Agreement. Tyler will install Tyler Software on hosted/SaaS application server(s). DWA is responsible for the installation and setup of all peripheral devices.

Objectives:

- Ensure the Desert Water Agency's infrastructure meets Tyler's application requirements.



- Ensure the Desert Water Agency's infrastructure is scheduled to be in place and available for use on time.

STAGE 1	Infrastructure Planning																
	Tyler							DWA									
RACI MATRIX KEY: R = Responsible A = Accountable C = Consulted I = Informed	Executive Manager	Implementation Manager	Project Manager	Implementation Consultant	Data Experts	Modification Services	Technical Services	Client Services	Executive Sponsor	Steering Committee	Project Manager	Functional Leads	Change Management Leads	Subject Matter Experts	Department Heads	End Users	Technical Leads
Provide Infrastructure Requirements and Design Document		A	R		C		C				I						I
Initial Infrastructure Meeting		A	R		C		C				C						C
*Schedule SaaS Environment Availability		A	R				C				I						
*Schedule Hardware to be Available for Installation			I				I		A		R						C
Schedule Installation of All Licensed Software		A	R				C				I						I
Infrastructure Audit		A	R				C				I						C

Inputs	1. Initial Infrastructure Requirements and Design Document
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Outputs / Deliverables		Acceptance Criteria [only] for Deliverables
	1. Completed Infrastructure Requirements and Design Document	Delivery of Document
	2. Infrastructure Audit	System Passes Audit Criteria

6.1.4 Stakeholder Meeting

Communication of the Project planning outcomes to the DWA Project team, executives and other key stakeholders is vital to Project success. The Stakeholder meeting is a strategic activity to inform, engage, gain commitment, and instill confidence in the DWA Project team. During the meeting, the goals and objectives of the Project will be reviewed along with detail on Project scope, implementation methodology, roles and responsibilities, Project timeline and schedule, and keys to Project success.

Objectives:

- Formally present and communicate the project activities and timeline.
- Communicate project expectations.



STAGE 1	Stakeholder Meeting																
	Tyler								DWA								
RACI MATRIX KEY: R = Responsible A = Accountable C = Consulted I = Informed	Executive Manager	Implementation Manager	Project Manager	Implementation Consultant	Data Experts	Modification Services	Technical Services	Client Services	Executive Sponsor	Steering Committee	Project Manager	Functional Leads	Change Management Leads	Subject Matter Experts (Power	Department Heads	End Users	Technical Leads
Create Stakeholder Meeting Presentation	I	A	R	I	I				I	I	C		I				
Review Stakeholder Meeting Presentation		I	C						A		R		C				
Perform Stakeholder Meeting Presentation	I	A	R	I	I				I	I	C	I	I	I	I	I	I

Inputs	Agreement
	SOW
	Project Management Plan

Outputs / Deliverables		Acceptance Criteria [only] for Deliverables
	Stakeholder Meeting Presentation	

Work package assumptions:

- None

6.1.5 GIS Preparation

GIS data is a core part of many Tyler applications. Other DWA offices/products may also use this data and have different GIS requirements. A key focus of this preparation will be the process for developing the GIS data for use with Tyler applications. This can be an iterative process, so it is important to begin preparation early.

Objectives:

- Identify all DWA GIS data sources and formats.
- Tyler to understand DWA's GIS needs and practices.
- Tyler to recommend and share best practices for GIS deployment in support of Tyler products.
- Ensure the Desert Water Agency's GIS data meets Tyler product requirements.

STAGE 1	GIS Preparation														
	Tyler								DWA						



RACI MATRIX KEY: R = Responsible A = Accountable C = Consulted I = Informed	Executive Manager	Implementation Manager	Project Manager	Implementation Consultant	Data Experts	Modification Services	Technical Services	Client Services	Executive Sponsor	Steering Committee	Project Manager	Functional Leads	Change Management Leads	Subject Matter Experts (Power	Department Heads	End Users	Technical Leads
Initial GIS Planning Meeting		A	R				C				C						C
Determine all GIS Data Sources			I				I		A		R						C
Provide Source GIS Data			I				I		A		R						C
Review GIS Data and Provide Feedback		A	R				C				I						C

Inputs	GIS Requirements Document
--------	---------------------------

Outputs / Deliverables		Acceptance Criteria [only] for Deliverables
	Production Ready Map Data	Meets Tyler GIS Requirements.

Work package assumptions:

- GIS data provided to Tyler is accurate and complete.
- GIS data provided to Tyler is current.
- DWA is responsible for maintaining the GIS data.

6.1.6 Control Point 1: Initiate & Plan Stage Acceptance

Acceptance criteria for this stage includes completion of all criteria listed below.

Note: Advancement to the Assess & Define stage is not dependent upon Tyler's receipt of this stage acceptance.

Initiate & Plan Stage Deliverables:

- Project Management Plan
- Initial Project Schedule

Initiate & Plan stage acceptance criteria:

- All stage deliverables accepted based on acceptance criteria previously defined
- Project governance defined
- Project portal made available to DWA
- Stakeholder meeting complete
- All architecture and functionality for GIS Data Production is in place and ready for implementation when GIS is put into operation by DWA
- Completed Infrastructure Requirements and Design Document



- System Passes Infrastructure Audit (as applicable)

6.2 Assess & Define

The Assess & Define stage will provide an opportunity to gather information related to current DWA business processes. This information will be used to identify and define business processes utilized with Tyler software. DWA collaborates with Tyler providing complete and accurate information to Tyler staff and assisting in analysis, understanding current workflows and business processes.

In this Phase, the IRD will provide an initial framework for discussion and understanding of the DWA expectations for existing and future-intended business processes by the Tyler implementation team. Tyler will schedule billable resources to review this document prior to any sessions.

6.2.1 Solution Orientation

The Solution Orientation provides the Project stakeholders a high-level understanding of the solution functionality prior to beginning the current and future state analysis. The primary goal is to establish a foundation for upcoming conversations regarding the design and configuration of the solution.

Tyler utilizes a variety of tools for the Solution Orientation, focusing on DWA team knowledge transfer such as: eLearning, documentation, or walkthroughs. DWA team will gain a better understanding of the major processes and focus on data flow, the connection between configuration options and outcome, integration, and terminology that may be unique to Tyler's solution.

Objectives:

- Provide a basic understanding of system functionality.
- Prepare DWA for current and future state analysis.

STAGE 2	Solution Orientation																
	Tyler								DWA								
RACI MATRIX KEY: R = Responsible A = Accountable C = Consulted I = Informed	Executive Manager	Implementation Manager	Project Manager	Implementation Consultant	Data Experts	Modification Services	Technical Services	Client Services	Executive Sponsor	Steering Committee	Project Manager	Functional Leads	Change Management Leads	Subject Matter Experts (Power	Department Heads	End Users	Technical Leads
Provide pre-requisites			A	R							I	I		I	I		I
Complete pre-requisites											A	R		C			C
Conduct orientation			A	R							I	I		I	I		I

Inputs	Solution orientation materials
	Training Plan
	DWA's Information and Requirements Document



6.2.2 Current & Future State Analysis

The Current & Future State Analysis provides the Project stakeholders and Tyler an understanding of process changes that will be achieved with the new system.

DWA and Tyler will evaluate current state processes, options within the new software, pros and cons of each based on current or desired state and make decisions about the future state configuration and processing. This may occur before or within the same timeframe as the configuration work package. The options within the new software will be limited to the scope of this implementation and will make use of standard Tyler functionality.

DWA will adopt the existing Tyler solution wherever possible to avoid project schedule and quality risk from over customization of Tyler products. It is the DWA's responsibility to verify that the expectations regarding functionality set forth in the IRD are being met throughout the implementation. Notwithstanding the foregoing, Tyler will identify for DWA if the functionality of the SaaS Services will not meet a need or expectations set forth in the IRD or otherwise requested by DWA, and the manner in which Tyler intends to provide a change process or workaround to meet such expectations. The following guidelines will be followed when evaluating if a modification to the product is required:

- A reasonable business process change is available.
- Functionality exists which satisfies the requirement.
- Configuration of the application satisfies the requirement.
- An in-scope modification satisfies the requirement.

Requirements that are not met will follow the agreed upon change control process and can have impacts on the project schedule, scope, budget, and resource availability.

STAGE 2	Current & Future State Analysis																
	Tyler							DWA									
RACI MATRIX KEY: R = Responsible A = Accountable C = Consulted I = Informed	Executive Manager	Implementation Manager	Project Manager	Implementation Consultant	Data Experts	Modification Services	Technical Services	Client Services	Executive Sponsor	Steering Committee	Project Manager	Functional Leads	Change Management Leads	Subject Matter Experts (Power	Department Heads	End Users	Technical Leads
Current State process review			A	R	I	I	I				C	C	C	C			C
Discuss future-state options			A	R	C	C	C				C	C	C	C			C
Make future-state decisions (non-COTS)			C	C	C	C	C				A	R	I	C			C
Document anticipated configuration options required to support future state			A	R	C	C	C				I	I	I	I			I



Inputs	DWA current state documentation	
	Solution Orientation completion	
	DWA IRD	
Outputs / Deliverables		Acceptance Criteria [only] for Deliverables
	Documentation that describes future-state decisions and configuration options to support future-state decisions.	Delivery of document

Work package assumptions:

- DWA attendees possess sufficient knowledge and authority to make future state decisions.
- The IRD provided by DWA contains a high-level discussion of the current state of business processes that will be studied and understood by Tyler.
- DWA can effectively communicate current state processes.

6.2.3 Conversion Assessment

Data Conversions are a major effort in any software implementation. Tyler's conversion tools facilitate the predictable, repeatable conversion process that is necessary to support a successful transition to the Tyler system. The first step in this process is to perform an assessment of the existing ("legacy") system(s), to better understand the source data, risks, and options available. Once the data has been analyzed, the plan for data conversion is completed and communicated to the appropriate stakeholders.

Objectives:

- Communicate a common understanding of the project goals with respect to data.
- Ensure complete and accurate source data is available for review/transfer.
- Map the data from the source to the Tyler system.
- Document the data conversion/loading approach.

STAGE 2	Data Conversion Assessment																
	Tyler								DWA								
RACI MATRIX KEY: R = Responsible A = Accountable C = Consulted I = Informed	Executive Manager	Implementation Manager	Project Manager	Implementation Consultant	Data Experts	Modification Services	Technical Services	Client Services	Executive Sponsor	Steering Committee	Project Manager	Functional Leads	Change Management Leads	Subject Matter Experts (Power	Department Heads	End Users	Technical Leads
Extract Data from Source Systems			I		C						A						R
Review and Scrub Source Data			I	I	I						A	R		C			I
Build/Update Data Conversion Plan			R	C	C						C	I	I	I			I



Inputs	DWA Source data
	DWA Source data Documentation (if available)

Outputs / Deliverables		Acceptance Criteria [only] for Deliverables
	Data Conversion Plan built/updated	DWA Acceptance of Data Conversion Plan, if Applicable

Work package assumptions:

- Tyler will be provided with data from the Legacy system(s) in a mutually agreed upon format.
- Tyler will work with DWA representatives to identify business rules before writing the conversion.
- DWA subject matter experts and resources most familiar with the current data will be involved in the data conversion planning effort.

6.2.4 Intentionally left blank.

6.2.5 Intentionally left blank.

6.2.6 Control Point 2: Assess & Define Stage Acceptance

Acceptance criteria for this Stage includes completion of all criteria listed below.

Note: Advancement to the Prepare Solution Stage is dependent upon Tyler's receipt of the Stage Acceptance.

Assess & Define Stage Deliverables:

- Documentation of future state decisions and configuration options to support future state decisions.
- Modification specification document.
- Assess & Define Stage Acceptance Criteria:
- All stage deliverables accepted based on criteria previously defined.
- Solution Orientation is delivered.
- Conversion data extracts are received by Tyler.
- Data conversion plan built.

6.3 Prepare Solution

During the Prepare Solution stage, information gathered during the Initiate & Plan and Assess & Define stages will be used to install and configure the Tyler software solution. Software configuration will be validated by DWA against future state decisions defined in previous stages and processes refined as needed to ensure business requirements are met.

6.3.1 Initial System Deployment

The timely availability of the Tyler Solution is important to a successful Project implementation. The success and timeliness of subsequent work packages are contingent upon the initial system deployment of Tyler



Licensed Software on an approved network and infrastructure. Delays in executing this work package can affect the project schedule.

Objectives:

- All licensed software is installed and operational.
- DWA can access the software.

STAGE 3	Initial System Deployment (Hosted/SaaS)*																
	Tyler							DWA									
RACI MATRIX KEY: R = Responsible A = Accountable C = Consulted I = Informed	Executive Manager	Implementation Manager	Project Manager	Implementation Consultant	Data Experts	Modification Services	Technical Services	Client Services	Executive Sponsor	Steering Committee	Project Manager	Functional Leads	Change Management Leads	Subject Matter Experts (Power Users)	Department Heads	End Users	Technical Leads
Prepare hosted environment			A				R				I						C
Install Licensed Software with Initial Database on Server(s) for Included Environments			A				R				I						C
Install Licensed Software on DWA Devices (if applicable)			I				C				A						R
Tyler System Administration Training (if applicable)			A				R				I						C

Outputs / Deliverables		Acceptance Criteria [only] for Deliverables
	Licensed Software is Installed on the Server(s)	Software is accessible
	Licensed Software is Installed on DWA Devices (if applicable)	Software is accessible
	Installation Checklist/System Document	System Passes
	Infrastructure Design Document (C&J – If Applicable)	

Work package assumptions:

- The most current available version of the Tyler Licensed Software will be installed.



- DWA will provide network access for Tyler modules, printers, and Internet access to all applicable DWA and Tyler Project staff.

6.3.2 Configuration

The purpose of Configuration is to prepare the software product for validation.

Tyler staff collaborates with DWA to complete software configuration based on the outputs of the future state analysis performed during the Assess and Define Stage. DWA collaborates with Tyler staff iteratively to validate software configuration.

Objectives:

- Software is ready for validation.
- Educate DWA Power User how to configure and maintain software.
- Prepare standard interfaces for process validation.

STAGE 3	Configuration																
	Tyler								DWA								
RACI MATRIX KEY: R = Responsible A = Accountable C = Consulted I = Informed	Executive Manager	Implementation Manager	Project Manager	Implementation Consultant	Data Experts	Modification Services	Technical Services	Client Services	Executive Sponsor	Steering Committee	Project Manager	Functional Leads	Change Management Leads	Subject Matter Experts (Power Users)	Department Heads	End Users	Technical Leads
Conduct configuration training			A	R							I	C		C			
Complete Tyler configuration tasks (where applicable)			A	R							I	I		I			
Complete DWA configuration tasks (where applicable)			I	C							A	R		C			
Standard interfaces configuration and training (if applicable)			A	R			C				I	C		C			C
Updates to Solution Validation testing plan			C	C							A	R		C			C

Inputs	Documentation that describes future state decisions and configuration options to support future state decisions.
--------	--

Outputs / Deliverables		Acceptance Criteria [only] for Deliverables
	Configured System	N/A



Work package assumptions:

- Tyler provides guidance for configuration options available within the Tyler software. DWA is responsible for making decisions when multiple options are available.

6.3.3 Process Refinement

Tyler will educate DWA users on how to execute processes in the system to prepare them for the validation of the software. DWA collaborates with Tyler staff iteratively to validate software configuration options to support future state.

Objectives:

- Ensure that DWA understands future state processes and how to execute the processes in the software.
- Refine each process to meet the business requirements.
- Validate standard interfaces, where applicable.
- Validate forms and reports, where applicable.

STAGE 3	Process Refinement																
	Tyler								DWA								
RACI MATRIX KEY: R = Responsible A = Accountable C = Consulted I = Informed	Executive Manager	Implementation Manager	Project Manager	Implementation Consultant	Data Experts	Modification Services	Technical Services	Client Services	Executive Sponsor	Steering Committee	Project Manager	Functional Leads	Change Management Leads	Subject Matter Experts (Power Users)	Department Heads	End Users	Technical Leads
Conduct process training			A	R							I	C	I	C			
Confirm process decisions			I	C						A	R	C	I	C			
Test configuration			I	C							A	R		C			
Refine configuration (DWA Responsible)			I	C							A	R		C			
Refine configuration (Tyler Responsible)			A	R							I	I		I			
Validate interface process and results			I	C			C				A	R		C			C
Update Desert Water Agency-specific process documentation (if applicable)			I	C							A	R		C			



Updates to Solution Validation testing plan			C	C							A	R		C			C
---	--	--	---	---	--	--	--	--	--	--	---	---	--	---	--	--	---

Inputs	Initial Configuration
	Documentation that describes future state decisions and configuration options to support future state decisions.
	Solution validation test plan

Outputs / Deliverables		Acceptance Criteria [only] for Deliverables
	Updated solution validation test plan	
	Completed Desert Water Agency-specific process documentation (completed by Desert Water Agency)	

Work package assumptions:

- None

6.3.4 Conversion Delivery

The purpose of this task is to transition the Desert Water Agency's data from their source ("legacy") system(s) to the Tyler system(s). The data will need to be mapped from the legacy system into the new Tyler system format. A well-executed data conversion is key to a successful cutover to the new system(s).

With guidance from Tyler, DWA will review specific data elements within the system and identify / report discrepancies. Iteratively, Tyler will collaborate with DWA to address conversion discrepancies. This process will allow for clean, reconciled data to transfer from the source system(s) to the Tyler system(s). Reference Conversion Appendix for additional detail.



Objectives:



- Data is ready for production (Conversion).

STAGE 3	Data Delivery & Conversion																
	Tyler								DWA								
RACI MATRIX KEY: R = Responsible A = Accountable C = Consulted I = Informed	Executive Manager	Implementation Manager	Project Manager	Implementation Consultant	Data Experts	Modification Services	Technical Services	Client Services	Executive Sponsor	Steering Committee	Project Manager	Functional Leads	Change Management Leads	Subject Matter Experts (Power Users)	Department Heads	End Users	Technical Leads
Provide data crosswalks/code mapping tool			A	C	R						I	I		I			
Populate data crosswalks/code mapping tool			I	C	C						A	R		C			
Iterations: Conversion Development			A	C	R						I						I
Iterations: Deliver converted data			A		R		I				I						I
Iterations: Proof/Review data and reconcile to source system			C	C	C						A	R		C			C

Inputs	
	Data Conversion Plan
	Configuration

Outputs / Deliverables		Acceptance Criteria [only] for Deliverables
	Code Mapping Complete / Validated	N/A
	Conversion Iterations / Reviews Complete	Conversion complete, verified, and ready for final pass

Work package assumptions:

- DWA will provide a single file layout per source system as identified in the investment summary.
- DWA subject matter experts and resources most familiar with the current data will be involved in the data conversion effort and validation
- DWA project team will be responsible for completing the code mapping activity, with assistance from Tyler.



6.3.5 Intentionally left blank.

6.3.6 Intentionally left blank.

6.3.7 Control Point 3: Prepare Solution Stage Acceptance

Acceptance criteria for this Stage includes all criteria listed below in each Work Package.

Note: Advancement to the Production Readiness Stage is dependent upon Tyler's receipt of the Stage Acceptance.

Prepare Solution Stage Deliverables:

- Licensed software is installed.
- Installation checklist/system document.
- Conversion iterations and reviews complete.

Prepare Solution Stage Acceptance Criteria:

- All stage deliverables accepted based on criteria previously defined.
- Software is configured.
- Solution validation test plan has been reviewed and updated if needed.

6.4 Production Readiness

Activities in the Production Readiness stage will prepare DWA team for go-live through solution validation, the development of a detailed go-live plan and end user training. A readiness assessment will be conducted with DWA to review the status of the project and the organizations readiness for go-live.

6.4.1 Solution Validation

Solution Validation is the end-to-end software testing activity to ensure that DWA verifies all aspects of the Project (hardware, configuration, business processes, etc.) are functioning properly, and validates that all features and functions per the contract have been deployed for system use.

Objectives:

- Validate that the solution performs as indicated in the solution validation plan.
- Ensure DWA organization is ready to move forward with go-live and training (if applicable).

STAGE 4	Solution Validation	
	Tyler	DWA



RACI MATRIX KEY: R = Responsible A = Accountable C = Consulted I = Informed	Executive Manager	Implementation Manager	Project Manager	Implementation Consultant	Data Experts	Modification Services	Technical Services	Client Services	Executive Sponsor	Steering Committee	Project Manager	Functional Leads	Change Management Leads	Subject Matter Experts (Power)	Department Heads	End Users	Technical Leads
Update Solution Validation plan			A	R	C						C	C		C			
Update test scripts (as applicable)			C	C	C						A	R		C			
Perform testing			C	C	C						A	R		C			
Document issues from testing			C	C	C						A	R		C			
Perform required follow-up on issues			A	R	C						C	C		C			

Inputs	Solution Validation plan
	Completed work product from prior stages (configuration, business process, etc.)

Outputs / Deliverables		Acceptance Criteria [only] for Deliverables
	Solution Validation Report	DWA updates report with testing results

Work package assumptions:

- Designated testing environment has been established.
- Testing includes current phase activities or deliverables only.
- In subsequent Phases (beyond Phase 1), regression testing for end-to-end functionality and interconnectivity is performed by DWA. Tyler will provide its available template scripts for such testing upon request by DWA.

6.4.2 Go-Live Readiness

Tyler and DWA will ensure that all requirements defined in Project planning have been completed and the Go-Live event can occur, as planned. A go-live readiness assessment will be completed identifying risks or actions items to be addressed to ensure DWA has considered its ability to successfully Go-Live. Risks, Issues and concerns will be discussed, and mitigation (or where appropriate, “roll-back”) options documented. Tyler and DWA will jointly agree to move forward with transition to production. Expectations for final preparation and critical dates for the weeks leading into and during the Go-Live week will be planned in detail and communicated to Project teams.

Objectives:

- Action plan for go-live established.
- Assess go-live readiness.
- Stakeholders informed of go-live activities.



- Risk mitigations and roll-back options communicated.

STAGE 4	Go-Live Readiness																
	Tyler								DWA								
RACI MATRIX KEY: R = Responsible A = Accountable C = Consulted I = Informed	Executive Manager	Implementation Manager	Project Manager	Implementation Consultant	Data Experts	Modification Services	Technical Services	Client Services	Executive Sponsor	Steering Committee	Project Manager	Functional Leads	Change Management Leads	Subject Matter Experts (Power	Department Heads	End Users	Technical Leads
Perform Readiness Assessment	I	A	R	C	C	I	C	I	I	I	I		I				I
Conduct Go-Live planning session		A	R	C							C	C	C	C	C		C
Order peripheral hardware (if applicable)			I							A	R						C
Confirm procedures for Go-Live issue reporting & resolution		A	R	I	I	I	I				C	C	I	I	I	I	I
Develop Go-Live checklist		A	R	C	C						C	C	I	C			C
Final system infrastructure review (where applicable)			A				R				C						C

Inputs	Future state decisions
	Go-live checklist

Outputs / Deliverables		Acceptance Criteria [only] for Deliverables
	Updated go-live checklist	Updated Action plan and Checklist for go-live delivered to the Desert Water Agency

Work package assumptions:

- None

6.4.3 End User Training

End User Training is a critical part of any successful software implementation. Using a training plan previously reviewed and approved, the Project team will organize and initiate the training activities.

Train the Trainer: Tyler provides one occurrence of each scheduled training or implementation topic. DWA users who attended the Tyler sessions may train additional users. Additional Tyler led sessions may be contracted at the applicable rates for training.

Tyler will provide standard application documentation for the general use of the software. It is not Tyler's responsibility to develop DWA specific business process documentation. Desert Water Agency-led training



labs using DWA specific business process documentation if created by DWA can be added to the regular training curriculum, enhancing the training experiences of the end users.

Objectives:

- End users are trained on how to use the software prior to go-live.
- DWA is prepared for on-going training and support of the application.

STAGE 4	End User Training																
	Tyler								DWA								
RACI MATRIX KEY: R = Responsible A = Accountable C = Consulted I = Informed	Executive Manager	Implementation Manager	Project Manager	Implementation Consultant	Data Experts	Modification Services	Technical Services	Client Services	Executive Sponsor	Steering Committee	Project Manager	Functional Leads	Change Management Leads	Subject Matter Experts (Power	Department Heads	End Users	Technical Leads
Update training plan		A	R	C							C		I		C		
End User training (Tyler-led)		A	R	C							C	C	I	C	C	C	
Train-the-trainer		A	R	C							C	C	I	C			
End User training (Desert Water Agency-led)			C	C							A	R	I	C	C	C	

Inputs	Training Plan														
	List of End Users and their Roles / Job Duties														
	Configured Tyler System														

Outputs / Deliverables								Acceptance Criteria [only] for Deliverables							
	End User Training							DWA signoff that training was delivered							

Work package assumptions:

- DWA project team will work with Tyler to jointly develop a training curriculum that identifies the size, makeup, and subject-area of each of the training classes.
- DWA change management team members will be integrated into the Tyler training sessions to support the adoption and learning process by DWA personnel.
- Tyler will work with DWA to provide end-user training in a manner that reasonably minimizes the impact to the daily operations of DWA departments.
- DWA will be responsible for training new users after go-live (exception—previously planned or regular training offerings by Tyler).



6.4.4 Control Point 4: Production Readiness Stage Acceptance

Acceptance criteria for this stage includes all criteria listed below. Advancement to the Production stage is dependent upon Tyler's receipt of the stage acceptance.

Production Readiness stage deliverables:

- Solution Validation Report.
- Update go-live action plan and checklist.
- End user training.

Production Readiness stage acceptance criteria:

- All stage deliverables accepted based on criteria previously defined.
- Go-Live planning session conducted.

6.5 Production

Following end user training, the production system will be fully enabled and made ready for daily operational use as of the scheduled date. Tyler and DWA will follow the comprehensive action plan laid out during Go-Live Readiness to support go-live activities and minimize risk to the Project during go-live. Following go-live, Tyler will work with DWA to verify that implementation work is concluded, post go-live activities are scheduled, and the transition to Client Services is complete for long-term operations and maintenance of the Tyler software.

6.5.1 Go-Live

Following the action plan for Go-Live, defined in the Production Readiness stage, DWA and Tyler will complete work assigned to prepare for Go-Live.

DWA provides final data extract and Reports from the Legacy System for data conversion and Tyler executes final conversion iteration, if applicable. If defined in the action plan, DWA manually enters any data added to the Legacy System after final data extract into the Tyler system.

Tyler staff collaborates with DWA during Go-Live activities. DWA transitions to Tyler software for day-to day business processing.

Some training topics are better addressed following Go-Live when additional data is available in the system or based on timing of applicable business processes and will be scheduled following Go-Live per the Project Schedule.

Objectives:

- Execute day to day processing in Tyler software.
- DWA data available in Production environment.

STAGE 5	Go-Live	
	Tyler	DWA



RACI MATRIX KEY: R = Responsible A = Accountable C = Consulted I = Informed	Executive Manager	Implementation Manager	Project Manager	Implementation Consultant	Data Experts	Modification Services	Technical Services	Client Services	Executive Sponsor	Steering Committee	Project Manager	Functional Leads	Change Management Leads	Subject Matter Experts (Power Users)	Department Heads	End Users	Technical Leads
Provide final source data extract, if applicable			C		C						A						R
Final source data pushed into production environment, if applicable			A	C	R						I	C		C			C
Proof final converted data, if applicable			C	C	C						A	R		C			
Complete Go-Live activities as defined in the Go-Live action plan			C	C	C					A	R	C	I	C			
Provide Go-Live assistance			A	R	C	C		I			C	C	I	C		I	C

Inputs	Comprehensive Action Plan for Go-Live
	Final source data (if applicable)

Outputs / Deliverables		Acceptance Criteria [only] for Deliverables
	Data is available in production environment	DWA confirms data is available in production environment

Work package assumptions:

- DWA will complete activities documented in the action plan for Go-Live as scheduled.
- External stakeholders will be available to assist in supporting the interfaces associated with the Go-Live process.
- DWA business processes required for Go-Live are fully documented and tested.
- DWA Project team and subject matter experts are the primary point of contact for the end users when reporting issues during Go-Live.
- DWA Project Team and Power User's provide business process context to the end users during Go-Live.
- The Tyler Go-Live support team is available to consult with DWA teams as necessary.
- The Tyler Go-Live support team provides standard functionality responses, which may not be tailored to the local business processes.

6.5.2 Transition to Client Services

This work package signals the conclusion of implementation activities for the Phase or Project with the exception of agreed-upon post Go-Live activities (which are addressed in 6.5.3). The Tyler project manager(s)



schedules a formal transition of DWA onto the Tyler Client Services team, who provides DWA with support following Go-Live, officially transitioning DWA to live operations and maintenance of the SaaS Services. Notwithstanding the foregoing, Tyler personnel and managers who are familiar with the DWA implementation will be available for consultation to resolve issues prior to Project Closure.

Objectives:

- Ensure no critical issues remain for the project teams to resolve.
- Confirm proper knowledge transfer to DWA teams for key processes and subject areas.

STAGE 5	Transition to Client Services																
	Tyler								DWA								
RACI MATRIX KEY: R = Responsible A = Accountable C = Consulted I = Informed	Executive Manager	Implementation Manager	Project Manager	Implementation Consultant	Data Experts	Modification Services	Technical Services	Client Services	Executive Sponsor	Steering Committee	Project Manager	Functional Leads	Change Management Leads	Subject Matter Experts (Power)	Department Heads	End Users	Technical Leads
Transfer DWA to Client Services and review issue reporting and resolution processes	I	I	A	I	I			R	I	I	C	C		C			
Review long term maintenance and continuous improvement			A					R			C	C		C			

Inputs	Open item/issues List
--------	-----------------------

Outputs / Deliverables		Acceptance Criteria [only] for Deliverables
	Client Services Support Document	

Work package assumptions:

- No material project issues remain without assignment and plan.

6.5.3 Post Go-Live Activities

Some implementation activities are provided post-production due to the timing of business processes, the requirement of actual production data to complete the activities, or the requirement of the system being used in a live production state. This includes, but is not limited to, the first month-end reconciliation and bank reconciliation process, fiscal year-end close, as well as first bill-run for the utility billing phase. The fees for these specific activities are included in Exhibit A of the Agreement.

Objectives:



- Schedule activities that are planned for after Go-Live, including Project Closure.
- Ensure issues have been resolved or are planned for resolution before phase or project close.

STAGE 5	Post Go-Live Activities																
	Tyler								DWA								
RACI MATRIX KEY: R = Responsible A = Accountable C = Consulted I = Informed	Executive Manager	Implementation Manager	Project Manager	Implementation Consultant	Data Experts	Modification Services	Technical Services	Client Services	Executive Sponsor	Steering Committee	Project Manager	Functional Leads	Change Management Leads	Subject Matter Experts (Power	Department Heads	End Users	Technical Leads
Schedule contracted activities that are planned for delivery after go-live		A	R	C	C	C	C	I			C	C	I	C			C
Determine resolution plan in preparation for phase or project close out		A	R	C	C	C		I			C	C	I	C			

Inputs	List of post Go-Live activities
--------	---------------------------------

Outputs / Deliverables		Acceptance Criteria [only] for Deliverables
	Updated issues log	

Work package assumptions:

- System is being used in a live production state.

6.5.4 Control Point 5: Production Stage Acceptance

Acceptance criteria for this Stage includes completion of all criteria listed below:

- Advancement to the Close stage is not dependent upon Tyler's receipt of this Stage Acceptance.
- Converted data is available in production environment.

Production Stage Acceptance Criteria:

- All stage deliverables accepted based on criteria previously defined.
- Go-Live activities defined in the Go-Live action plan completed.
- Client services support document is provided.



6.6 Close

The Close stage signifies full implementation of all products purchased and encompassed in the Phase or Project. DWA transitions to the next cycle of their relationship with Tyler (next Phase of implementation or long-term relationship with Tyler Client Services).

6.6.1 Phase Closeout

This work package represents Phase completion and signals the conclusion of implementation activities for the Phase. The Tyler Client Services team will assume ongoing support of DWA for systems implemented in the Phase.

Objectives:

- Agreement from Tyler and DWA teams that activities within this phase are complete.

STAGE 6	Phase Close Out																
	Tyler								DWA								
RACI MATRIX KEY: R = Responsible A = Accountable C = Consulted I = Informed	Executive Manager	Implementation Manager	Project Manager	Implementation Consultant	Data Experts	Modification Services	Technical Services	Client Services	Executive Sponsor	Steering Committee	Project Manager	Functional Leads	Change Management Leads	Subject Matter Experts (Power	Department Heads	End Users	Technical Leads
Reconcile project budget and status of contract Deliverables	I	A	R						I	I	C						
Hold post phase review meeting		A	R	C	C	C	C				C	C	C	C			C
Release phase-dependent Tyler project resources	A	R	I								I						

Participants	Tyler	DWA
	Project Leadership	Project Manager
	Project Manager	Project Sponsor(s)
	Implementation Consultants	Functional Leads, Power Users, Technical Leads
	Technical Consultants (Conversion, Deployment, Development)	
	Client Services	

Inputs	Contract
	Statement of Work
	Project artifacts



Outputs / Deliverables		Acceptance Criteria [only] for Deliverables
	Final action plan (for outstanding items)	
	Reconciliation Report	
	Post Phase Review	

Work package assumptions:

- Tyler deliverables for the phase have been completed.

6.6.2 Project Closeout

Completion of this work package signifies final acceptance and formal closing of the Project.

At this time DWA may choose to begin working with Client Services to look at continuous improvement Projects, building on the completed solution.

Objectives:

- Confirm no critical issues remain for the project teams to resolve.
- Determine proper knowledge transfer to DWA teams for key processes and subject areas has occurred.
- Verify all deliverables and objectives/Project goals included in the following documents are/have been delivered: a) the Agreement; b) all artifacts with “requirements” provided as delivered in this Project; and c) DWA’s Information and Requirements Document.

STAGE 6	Project Close Out																
	Tyler								DWA								
RACI MATRIX KEY: R = Responsible A = Accountable C = Consulted I = Informed	Executive Manager	Implementation Manager	Project Manager	Implementation Consultant	Data Experts	Modification Services	Technical Services	Client Services	Executive Sponsor	Steering Committee	Project Manager	Functional Leads	Change Management Leads	Subject Matter Experts (Power	Department Heads	End Users	Technical Leads
Conduct post project review		A	R	C	C	C	C				C	C	C	C			C
Deliver post project report to DWA and Tyler leadership	I	A	R						I	I	C						
Release Tyler project resources	A	R	I								I						

Inputs	Contract
	Statement of Work
	DWA IRD



Outputs / Deliverables		Acceptance Criteria [only] for Deliverables
	Post Project Report	DWA acceptance; Completed report indicating all project Deliverables and milestones have been completed

Work package assumptions:

- All project implementation activities have been completed and approved.
- No critical project issues remain that have not been documented and assigned.
- Final project budget has been reconciled and invoiced.
- All Tyler deliverables have been completed.
- The Munis Solution as implemented is consistent with the requirements, goals and expectations set forth in Section 1.2.

6.6.3 Control Point 6: Close Stage Acceptance

Acceptance criteria for this Stage includes completion of all criteria listed below.

Close Stage Deliverables:

- Post Project Report.

Close Stage Acceptance Criteria:

- Completed report indicating all Project deliverables and milestones have been completed.

7. General Assumptions

Tyler and DWA will use this SOW as a guide for managing the implementation of the Tyler Project as provided and described in the Agreement. There are a few assumptions which, when acknowledged and adhered to, will support a successful implementation. Assumptions related to specific work packages are documented throughout the SOW. Included here are general assumptions which should be considered throughout the overall implementation process.

7.1 Project

- Project activities will begin after the Agreement has been fully executed.
- The DWA Project team and the Tyler Project team will complete their necessary assignments in a mutually agreed upon timeframe to meet the scheduled go-live date, as outlined in the Project Schedule.
- Sessions will be scheduled and conducted at a mutually agreeable time.
- Additional services, software modules and modifications not described in the SOW or Agreement will be considered a change to this Project and will require a written change request approved by Tyler and Client as previously referenced in the definition of the Change Control Process.
- Tyler will provide a written agenda and notice of any prerequisites to DWA project manager(s) ten (10) business days or as otherwise mutually agreed upon time frame prior to any scheduled on-site or remote sessions, as applicable.



- Tyler will provide guidance for configuration and processing options available within the Tyler software. If multiple options are presented by Tyler, DWA is responsible for making decisions based on the options available.
- Implementation of new software may require changes to existing processes, both business and technical, requiring DWA to make process changes.
- DWA is responsible for defining, documenting, and implementing their policies that result from any business process changes.

7.2 Organizational Change Management

Unless otherwise contracted by Tyler, DWA is responsible for managing Organizational Change. Impacted DWA resources will need consistent coaching and reassurance from their leadership team to embrace and accept the changes being imposed by the move to new software. An important part of change is ensuring that impacted DWA resources understand the value of the change, and why they are being asked to change.

7.3 Resources and Scheduling

- DWA and Tyler resources will participate in scheduled activities as assigned in the Project Schedule.
- DWA team and the Tyler team will complete prerequisites prior to applicable scheduled activities. Failure to do so may affect the schedule.
- Tyler and DWA will provide resources to support the efforts to complete the Project as scheduled and within the constraints of the Project budget.
- Abbreviated timelines and overlapped Phases require sufficient resources to complete all required work as scheduled.
- Changes to the Project Schedule, availability of resources or changes in Scope will be requested through a Change Request. Impacts to the triple constraints (scope, budget, and schedule) will be assessed and documented as part of the change control process.
- DWA and Tyler will ensure assigned resources will follow the change control process and possess the required business knowledge to complete their assigned tasks successfully. Should there be a change in resources, the replacement resource should have a comparable level of availability, change control process buy-in, and knowledge.
- DWA and Tyler make timely Project related decisions to achieve scheduled due dates on tasks and prepare for subsequent training sessions. Failure to do so may affect the schedule, as each analysis and implementation session is dependent on the decisions made in prior sessions.
- DWA and Tyler (if/as applicable) will respond to information requests in a comprehensive and timely manner, in accordance with the Project Schedule.
- DWA will provide adequate meeting space or facilities, including appropriate system connectivity, to the project teams including Tyler team members.
- For on-site visits, Tyler will identify a travel schedule that balances the needs of the project and the employee.

7.4 Data

- Data will be provided by DWA and converted for use in the Munis Solution as set forth in this SOW.
- DWA is responsible for the quality of legacy data and for cleaning or scrubbing erroneous legacy data.
- Tyler will work closely with DWA representatives to identify business rules before writing the data import conversion. DWA must confirm that all known data mapping from source to target have been identified and documented before Tyler writes the conversion.
- All in-scope source data is in data extract(s).



- Each legacy system data file submitted for conversion includes all associated records in a single approved file layout; such layout will be instructed by Tyler to DWA prior to provision by DWA of the data file(s).
- DWA will provide the legacy system data extract in the same format for each iteration unless changes are mutually agreed upon in advance. If not, negative impacts to the schedule, budget and resource availability may occur and/or data in the new system may be incorrect.
- DWA Project Team is responsible for reviewing the converted data and reporting issues during each iteration, with assistance from Tyler.
- DWA is responsible for providing or entering test data (e.g., data for training, testing interfaces, etc.) Tyler will prepare instructions and requirements for DWA related to each test data instance, with adequate notice to prepare such data, prior to scheduled testing.

7.5 Facilities

- DWA will provide dedicated space for Tyler staff to work with DWA resources for both on-site and remote sessions consistent with the terms of the Agreement. If Phases overlap, DWA will provide multiple training facilities to allow for independent sessions scheduling without conflict.



8. Glossary

Word or Term	Definition
Acceptance	Confirming that the output or deliverable is suitable and conforms to the agreed upon criteria.
Accountable	The one who ultimately ensures a task or deliverable is completed; the one who ensures the prerequisites of the task are met and who delegates the work to those responsible. [Also see RACI]
Application	A computer program designed to perform a group of coordinated functions, tasks, or activities for the benefit of the user.
Application Programming Interface (API)	A defined set of tools/methods to pass data to and receive data from Tyler software products
Agreement	This executed legal contract that defines the products and services to be implemented or performed. As defined in Section 1.1
Business Process	The practices, policy, procedure, guidelines, or functionality that the client uses to complete a specific job function.
Business Requirements Document	A specification document used to describe Client requirements for contracted software modifications.
Change Request	A formal written request as part of the Change Control process whereby changes in the scope of work, timeline, resources, and/or budget are initiated, documented and agreed upon by participating parties.
Change Management	Guides how we prepare, equip and support individuals to successfully adopt change in order to drive organizational success & outcomes
Code Mapping [where applicable]	An activity that occurs during the data conversion process whereby users equate data (field level) values from the old system to the values available in the new system. These may be one to one or many to one. Example: Old System [Field = eye color] [values = BL, Blu, Blue] maps to New Tyler System [Field = Eye Color] [value = Blue].
Consulted	Those whose opinions are sought, typically subject matter experts, and with whom there is two-way communication. [Also see RACI]
Control Point	This activity occurs at the end of each stage and serves as a formal and intentional opportunity to review stage deliverables and required acceptance criteria for the stage have been met.
Data Mapping [where applicable]	The activity determining and documenting where data from the legacy system will be placed in the new system; this typically involves prior data analysis to understand how the data is currently used in the legacy system and how it will be used in the new system.
Deliverable	A verifiable document or service produced as part of the Project, as defined in the work packages.
Go-Live	The point in time when the Client is using the Tyler software to conduct daily operations in Production.
Informed	Those who are kept up-to-date on progress, often only on completion of the task or deliverable, and with whom there is just one-way communication. [Also see RACI]



Infrastructure	The composite hardware, network resources and services required for the existence, operation, and management of the Tyler software.
Interface	A connection to and potential exchange of data with an external system or application. Interfaces may be one way, with data leaving the Tyler system to another system or data entering Tyler from another system, or they may be bi-directional with data both leaving and entering Tyler and another system.
Integration	A standard exchange or sharing of common data within the Tyler system or between Tyler applications
Legacy System	The software from which a client is converting.
Modification	Custom enhancement of Tyler's existing software to provide features or functions to meet individual client requirements documented within the scope of the Agreement.
On-site	Indicates the work location is at one or more of the client's physical office or work environments.
Organizational Change	The process of changing an organization's strategies, processes, procedures, technologies, and culture, as well as the effect of such changes on the organization.
Output	A product, result or service generated by a process.
Peripheral devices	An auxiliary device that connects to and works with the computer in some way. Some examples: scanner, digital camera, printer.
Phase	A portion of the Project in which specific set of related applications are typically implemented. Phases each have an independent start, Go-Live and closure dates but use the same Implementation Plans as other Phases of the Project. Phases may overlap or be sequential and may have different Tyler resources assigned.
Project	The delivery of the software and services per the Agreement and the Statement of Work. A Project may be broken down into multiple Phases. As defined in Section 1.2
RACI	A matrix describing the level of participation by various roles in completing tasks or Deliverables for a Project or process. Individuals or groups are assigned one and only one of the following roles for a given task: Responsible (R), Accountable (A), Consulted (C), or Informed (I).
Remote	Indicates the work location is at one or more of Tyler's physical offices or work environments.
Responsible	Those who ensure a task is completed, either by themselves or delegating to another resource. [Also see RACI]
Scope	Products and services that are included in the Agreement.



Solution	The implementation of the contracted software product(s) resulting in the connected system allowing users to meet Project goals and gain anticipated efficiencies.
Stage	The top-level components of the WBS. Each Stage is repeated for individual Phases of the Project.
Standard	Software functionality that is included in the base software (off-the-shelf) package; is not customized or modified.
Statement of Work (SOW)	Document which will provide supporting detail to the Agreement defining Project-specific activities, services, and Deliverables.
System	The collective group of software and hardware that is used by the organization to conduct business.
Test Scripts	The steps or sequence of steps that will be used to validate or confirm a piece of functionality, configuration, enhancement, or Use Case Scenario.
Training Plan	Document(s) that indicate how and when users of the system will be trained relevant to their role in the implementation or use of the system.
Validation (or to validate)	The process of testing and approving that a specific Deliverable, process, program, or product is working as expected.
Work Breakdown Structure (WBS)	A hierarchical representation of a Project or Phase broken down into smaller, more manageable components.
Work Package	A group of related tasks within a project.



Part 4: Appendices

9. Conversion

9.1 Enterprise ERP Conversion Summary

9.1.1 Accounting COA

- Chart of Accounts segments, objects, character codes, project codes (if applicable), organization codes (if applicable), control accounts budget rollups, fund attributes, due to/due from accounts
- Requires the use of a Tyler provided spreadsheet for design and entry of the data to be converted

9.1.2 Accounting - Actuals

- Summary account balances
- Up to 3 years

9.1.3 Accounting - Budgets

- Original budget, budget adjustments, revised budget summaries for accounts
- Up to 3 years

9.1.4 Accounts Payable Master

- Vendor Master file including names, addresses, SSN/FID, contacts, phone numbers
- Multiple remittance addresses
- Year-to-date 1099 amounts

9.1.5 Accounts Payable - Checks

- Check header data including vendor, warrant, check number, check date, overall check amount, GL cash account and clearing information
- Check detail data including related document and invoice numbers for each check
- Up to 5 years

9.1.6 Accounts Payable - Invoices

- Invoice header data containing general information for the invoice
- Invoice detail data containing line-specific information for the invoice
- Up to 5 years

9.1.7 Contracts

- Contract header detail with many fields available to convert including fiscal year and period, vendor number, department code, description, enforcement method code, dates for award, approval, entry and expiration, retention information, user-defined type and review codes, status code, user id for entry and approver. Additional fields are also available. A balance forward contract amount is



converted, if original amount is required there will be an additional charge and contracts, po's and invoices must be converted together.

9.1.8 Capital Assets Master

- Asset description, status, acquisition quantity, date and amount, codes for asset class, subclass, department, custodian, flags for capitalization and depreciation, estimated life, serial number, model, model year, depreciation method, life-to-date depreciation amount, last depreciation date, disposal information (if any), purchase information, if any (vendor, PO, Invoice)

9.1.9 General Billing CID

- Customer information

9.1.10 General Billing – Recurring Invoices

- General Billing Invoices that are sent on a regular basis
- Header records with general information about the invoice
- Detail records with line-specific information

9.1.11 General Billing – Bills

- 5 years of open and closed invoices
- General Ledger information so open invoices can be processed in Enterprise ERP

9.1.12 Asset Maintenance – Work Order Assets

- Asset Maintenance tables for all work order asset types. These tables contain the detail of the asset based on the type e.g. Equipment, infrastructure, fleet etc.

9.1.13 Asset Maintenance – Closed Work Order History No Cost Data

- Work Order History with no cost data, this is the basic work order information, the work order number, comments, contacts, description, user defined fields.

9.1.14 Asset Maintenance – Work Order History with Cost Data

- Work Order History with cost data, everything included in option 2 but integrated with several other Enterprise ERP modules such as Inventory or Payroll, linking employee numbers, customer number, Inventory items, etc.

9.1.15 Utility Billing

- Account Master data including previous and current customer owner information- address info, phone, fax, SSN number, FID number, account status, parcel number, location street, apartment, city, state, zip, book number, read sequence, account start and end date, EFT bank information

9.1.16 Utility Billing –Services

- Current service codes, service status, type, factor, condo units, bill cycle codes, , current deposits held on account including unpaid deposit amounts, winter usage, current meter(s) associated with



service, meter readings(current and previous), meter usage (current and previous) and sales tax information.

9.1.17 Utility Billing –Consumption History

- History of meter readings, usage, read dates, usage days, bill amounts, bill dates, read codes
- Up to 5 years

9.1.18 Utility Billing –Balance Forward AR

- Account balance forward information converted as total amount due. If the Desert Water Agency's business practices require current due and past due bills this can be broken into three balance forward bills (current balance due and up to two past due balance bills). These can be converted to one balance forward charge code or separate balance forward charge codes, and converted to the account/customer if the Desert Water Agency's legacy data contains this information.
- If late penalties will be applied in Enterprise ERP after the conversion, balance forward amounts must be converted by charge code

9.1.19 Utility Billing –Backflow

- Account information, backflow device information, backflow type, and backflow violations

9.1.20 Utility Billing –Budget Billing

- Converts information for budget average billing by account, customer and service. Legacy data must include: calculated budget amount by service; number of periods remaining until plan renews; budget plan balance/credit amount, broken out by service/customer; additional amortized amount by service.

9.1.21 Project Grant Accounting

- Segments, account strings and fund string allocation table
- Requires the use of a Tyler provided (Chart of Accounts) spreadsheet for design and entry of the data to be converted

9.1.22 Project Grant Accounting - Actuals

- Summary project ledger string balances. If linking to GL, must be converted at the same time.
- Up to 3 years

9.1.23 Project Grant Accounting – Budget

- Original project ledger budget amounts. If linking to GL, must be converted at the same time.
- Up to 3 years

9.1.24 Purchase Orders

- Open purchase orders header data including vendor, buyer, date, accounting information, etc.
- Open purchase orders detail data including line item descriptions, quantities, amounts, etc.





10. Additional Appendices

10.1 Tyler and Client Work Split Assumptions

10.1.1 Increased Work Split Hours

Additional hours were purchased in this contract to increase the work split from the standard 30% Tyler work effort level to a 40% Tyler work effort level. Clients have different needs and there are different ways the allocation of these hours can benefit the project. We will work with the client project manager during the planning sessions and project plan development to determine the best use of these hours. Common areas additional hours are used are:

- Configuration
 - Setting and Code configuration
 - Security and Workflow Building
- Data Conversion
 - Conversion Mapping
 - Conversion Proofing
 - Conversion Testing
 - Imports in lieu of conversion
 - Formatting files
 - Building custom templates
 - Testing imports/Data validation
- Training/Documentation
 - Additional repeat process training
 - Post Live Assistance
 - Bank Reconciliation assistance for additional months
 - Month-end assistance for additional months
 - Year-end assistance for multiple years
 - W-2/1099 processing for multiple years
 - Job aides/quick reference guides
 - End user training documentation
- Testing
 - Additional parallel processing
 - Test script building
 - Integration Testing
 - Import/Export template building
 - Import testing
 - Process validation/documentation

All clients have unique needs on a project. By defining the use of these hours during project planning, we have the flexibility to determine the greatest needs of your organization and plan accordingly. At any point in the project, we can revisit the use of these hours and adjust content as needed to support the success of the project.

10.2 Intentionally left blank.



11. Project Timeline

11.1 ERP Project Timeline

The Project Timeline establishes a target start and end date for each Phase of the Project. The timeline needs to account for resource availability, business goals, size and complexity of the Project, and task duration requirements. These will be reviewed and adjusted, if needed, during the Initiate and Plan Stage. Refer to the Project Stages section of this SOW for information on work packages associated with each stage of the implementation.

The following dates may be revised based on the date the Agreement is signed and further refined during the course of the project. Tyler requires up to forty-five (45) days to move from Agreement signing to the Initiate & Plan Stage.

Phase	Functional Areas	Modules	Start Date	Go-Live Date
1	Financials	<ul style="list-style-type: none">• Accounting/General Ledger• Accounts Payable• Budgeting• Capital Assets• Cash Management• Contract Management• Inventory• Project & Grant Accounting• Purchasing w/ eProcurement• Accounts Receivable• General Billing• Cashiering• ACFR Statement Builder (post-live)	July 2022	July 2023
	System Wide	<ul style="list-style-type: none">• Munis Analytics & Reporting<ul style="list-style-type: none">○ Tyler Reporting Services○ Munis Office○ HUB• Tyler Forms Processing		
1a	Content Manager Enterprise Edition	<ul style="list-style-type: none">• Content Manager Enterprise Workflow• Content Manager Enterprise• Content Manager Enterprise Access	July 2022	July 2023 or sooner for internal usage



		<ul style="list-style-type: none"> Content Manager Enterprise Auto Indexing and Redaction 		
2	Utility Billing	<ul style="list-style-type: none"> Citizen Self Service Utility Billing CIS Utility Billing Meter Interface Enterprise Service Requests My Civic 	July 2022	July 2023
3	Enterprise Asset Management	<ul style="list-style-type: none"> Asset Maintenance GIS 	January 2023	January 2024
4	Human Capital Management	<ul style="list-style-type: none"> Payroll w/Employee Self Access Human Resources & Talent Management Recruiting Time and Attendance 	Tyler should suggest – start no later than January 2023	January 2024

11.2 Tyler Content Manager Enterprise Timeline (this is included in the table above)



Attachment #3



DWA 2.0 Technology Transformation

June 7th, 2022

DWA 2.0

About the DWA 2.0 Program

- DWA 2.0 Project Beginnings
- Tyler Implementation Project Goals
- Vendor Screening / Review process
- Tyler Contract Specifics
 - Contract key points
 - Duration of project itself
 - Cost breakdown
 - Impact Timeline

What we want you to do

- Provide Approval for Finance Director execute Tyler Technologies SaaS contract

DWA 2.0 Program: Beginnings

- Current Operations are inefficient
 - 3rd Party Systems
 - Manual Processes
 - Internally programed iSeries
- Need recognized to replace current systems with an Enterprise Resource Planning system (ERP)
- Engaged with SingerLewak Business Informatics to assist in the evaluation of different ERP Systems.





SLBI: Framework

Phase 1 – Evaluate Readiness

- Orientation: Project Leaders, Sr Leadership
- Project Strategy & Governance Sessions
- Change Management Initiation
- Current State Overview Sessions
- ERP+ Risk Assessment prepared
- Success Audit prepared; scope and focus areas confirmed

Completed

Phase 2 – Strategic Risk Mitigation

- Develop Risk Mitigation strategies and identify plans required for Project Success elements:
 - Change Impact
 - Data Strategies
 - Project Risks

In Process - Iterative

Phase 3 – Prepare and Refine

Processes, reporting, integrations, data, workflows:

- Current state review
- Future state envision
- Software functional requirements, integrations, workflow and data needs
- Change impact and leadership interactions
- Data readiness efforts

Completed

Phase 4 - Solution

- Future State Architecture
- Document requirements: Business case, Software requirements, Key processes, Reporting
- Identification, vetting and gap/fit of requirements with viable vendor candidates
- Vendor evaluation and selection process
- Scope and Contract Negotiation

Complete June 2022

DWA is here

Phase 5 – Implement & Adopt

- Implementation Planning
- Change impact management
- Project resource Allocation
- Systems Testing, Training and Implementation
- New state processes, documentation and protocols implemented and integrated

July 2022 ----->>>>

Phase 6 – Re-valuate

- Implementation Assessment
- User Adoption Tracking (and additional training where needed)
- Change Request Process - Next Steps

TBD – Target Q1 2024

DWA 2.0 – Tyler Implementation Project Goals

Internal Improvements and Goals

- Through modern reporting and analytical tools, deliver data visibility across departments and the ability to more efficiently and reliably generate reporting that is meaningful to staff, managers, and external parties
- Improve the quality and reliability of information through master record
- Allow the finance team to develop and better manage the budget process, financial reporting and transaction management
- Reduce the reliance on paper-based and manual processes
- Increase the trust factor in information provided by the systems – reducing the need for extensive validation, reconciliation and re-computation
- Ability to stay current through ongoing updates provided by a subscription based platform

DWA 2.0 – Tyler Implementation Project Goals

Customer Facing Improvements and Goals

- Modern interface for customer self-service
- Real-time payment recognition capabilities
- Improved reliability, speed, ease-of-use, and security for customers and their information
- Increased billing and management efficiencies and accuracy
- Improved customer management platform will facilitate improved customer service
- Facilitate continuous customer service improvement by deploying and maintaining a software system designed on industry best practices

ERP Software Selection Process: *Vendor Screening*



Vendors provided DWA's Information & Requirements Document (IRD) and functionality gap-analysis – responded with initial pricing proposal and written response to gap-analysis



DWA 2.0 team met with vendors for initial discussions and questions on IRD



Vendors prepared and delivered demonstrations



DWA 2.0 team evaluated and scored vendors on demonstrations



In-depth reference calls held with both vendor-provided and DWA-known users of the Tyler system

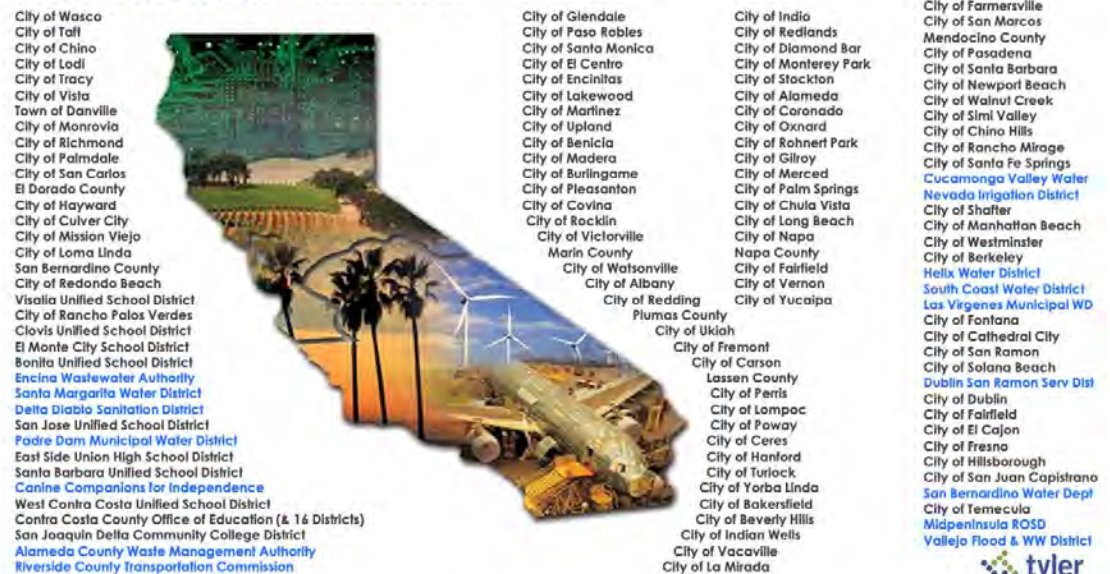


Contract negotiation

Vendor Selection Process – Why Tyler?

- Two solutions reached final evaluation stage
 - Tyler Munis
 - Infor CloudSuite Public Sector
- Tyler was chosen to move forward
 - Less expensive and less complex than Infor
 - Functionality more specifically aligned with DWA than Infor
 - Internal evaluators (DWA employees) chose Tyler overwhelmingly
 - Tyler prevalence in utility market especially in California
 - More user-friendly

Commitment to California



Tyler Contract: Key Points



SaaS (Software as a Service) Licensing

- No on premises hardware or internal IT requirements
- 99.99% uptime service-level-agreement



5-year Licensing Term

- Initial billing for Financials and Tyler Content Manager
- Additional modules will be billed as implementation begins
- 5% overall discount



Heavily Negotiated & Legally- Reviewed Contract & SOW

- Phased approach allowing industry-best-practice process implementation and change management within DWA

Tyler Contract Structure: Three Documents

1. SaaS (Software as a Service) Agreement

- Contract related to Tyler hosting, providing software and maintaining uptime and functionality

2. SOW (Statement of Work)

- Implementation methodology, details and timing

3. Investment Summary

- Pricing summary and breakdown

Contract Pricing Summary

One-Time Costs

- Implementation \$550,000

Reoccurring Costs

- Annual Subscription \$187,100
- 5-year term cost \$935,500

(Includes negotiated 5% discount)

Total Contract Cost \$1,485,500

Included in Work Order 20-178-M Budget

Current System

Annual Management Cost

\$225,000

Programming Consulting &
Staff time for error detection and correction

Staff Recommendation:

Staff recommends the Board of Directors authorize the Finance Director to execute the Tyler Technologies SaaS Agreement for the implementation and use of the Tyler Munis ERP system.

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

JUNE 7, 2022

**RE: PUBLIC HEARING ON ADOPTION OF LEVEL 2 OF THE WATER
SHORTAGE CONTINGENCY PLAN SET FORTH IN ORDINANCE
NO. 72**

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. On May 24, the State Water Resources Control Board passed emergency drought regulations that:

- require all agencies to adopt all demand reduction actions in Level 2 of their Water Shortage Contingency Plans (WSCP), and
- define and ban irrigation of “non-functional turf” for commercial, industrial and institutional properties, including HOAs except as required to ensure the health of trees and other perennial non-turf plantings.

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.

Desert Water Agency’s WSCP Level 2 includes 6 provisions. The WSCP notes that the Board has the flexibility to implement some or all of the items as needed, depending on actual conditions, however the SWRCB action indicates that all demand reduction actions in Level 2 should be implemented.

2.1 Outdoor water use is prohibited during daylight hours for spray irrigation except for leak checks or with an agency approved conservation alternative plan.

2.2 Restaurants and other eating establishments shall not provide drinking water to patrons, except upon request.

2.3 The Agency will actively discourage overseeding.

2.4 Agency shall expand public information campaign.

2.5 Agency shall increase water waste patrols.

2.6 Agency shall reduce hydrant and dead-end line flushing.

In response to the Executive Order and emergency regulations staff has reached out to the City of Palm Springs, City of Cathedral City, Community Associations Institute of the Coachella Valley (CAI-CV) and neighboring water agencies.

To date, staff has:

- executed a DWA drought ad campaign
- worked with ONE-PS, CAI-CV, Palm Springs Hospitality Association on industry outreach
- processed additional incentive applications
- worked with HOAs to discuss implications for fall overseeding
- discussed implementation and enforcement with the Conservation & Public Affairs Committee
- submitted the draft Annual Water Supply and Demand Assessment indicating no water supply shortage

To date, staff is planning:

- increase outreach regionally through CV Water Counts
- notify and inform DWA customers via bill messaging, website, social, ONE PS
- increase staff time responding to and managing water waste
- identify and execute any other Board priorities related to drought
- finalize the Annual Water Supply and Demand Assessment indicating no water supply shortage

Staff recommends that, as a result of emergency drought regulations and not a declared shortage, the Board of Directors adopt Level 2 (Alert) of the Water Shortage Contingency Plan as set forth in section 3.2 of Ordinance No. 72. If approved, the restrictions in Ordinance No. 72 would go into effect immediately. Staff recommends that the Agency issue only courtesy notices until July to give staff time to notify customers. Otherwise, the elements will go into effect immediately.

Attachments:

Attachment #1: June 2021 Desert Water Agency Water Shortage Contingency Plan

Attachment #2: Desert Water Agency Ordinance No. 72

Water Shortage Contingency Plan



Desert Water Agency

June 2021

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Appendix A. Legal Authority

Appendix B. Resolution of Adoption

Introduction

This document represents the Water Shortage Contingency Plan (WSCP) adopted by the Desert Water Agency (DWA). The document follows the structure recommended in guidance documents prepared by the California Department of Water Resources (DWR).

DWA is one of six agencies in the Coachella Valley participating in the development of a 2020 Regional Urban Water Management Plan (RUWMP). Each agency is adopting the RUWMP to meet its reporting requirements under the Urban Water Management Planning Act. Each agency is also adopting its own WSCP. The agencies have sought to align their shortage levels and shortage response actions to the extent possible, with the intent of reducing confusion for neighboring customers during a shortage. However, each agency will adopt its own WSCP with slight variations (e.g. penalty processes and amounts) for flexibility in the event that future changes are necessary.

As individual agencies make updates or enhancements to their WSCP, each will be able to make modifications and re-adopt an amended WSCP without triggering a requirement for the other participating agencies to take similar steps. The update process is described in later sections of this WSCP.

1.0 Water Supply Reliability Analysis

This section provides a summary of the supply reliability analysis presented in the RUWMP and highlights key issues that could create a shortage condition.

The supplies of the agencies in the Coachella Valley generally have a high degree of reliability. The RUWMP participating agencies meet most of their urban demands with groundwater produced from the Indio (also known as Whitewater River) and Mission Creek Subbasins of the Coachella Valley Groundwater Basin. The groundwater basin is large enough to provide storage that allows continued production during dry periods. Because production exceeds the recharge provided by precipitation and return flows, the agencies use imported water to recharge the groundwater basin. These sources of imported water for recharge include:

- Colorado River water that Coachella Valley Water District (CVWD) receives through the Coachella Canal.
- State Water Project (SWP) water that CVWD and DWA have rights to receive. Because the SWP infrastructure does not extend into the Coachella Valley, CVWD and DWA have an exchange agreement with the Metropolitan Water District of Southern California (MWD). The agreement allows MWD to deliver water from its Colorado River Aqueduct (CRA) to the Coachella Valley to recharge the local aquifer. In return, MWD receives SWP water through the SWP infrastructure based on the annual allocations to CVWD and DWA.

Drought conditions are not expected to affect CVWD's Colorado River water supply due to the District's high priority allocation. Colorado River water is not a direct source of urban water supply; it is used for groundwater replenishment and non-potable uses. If a reduction in Colorado River water supply occurred, CVWD would initially reduce deliveries to groundwater replenishment projects. Subsequent reductions in delivery would be applied to users following the priorities in CVWD's Canal Water Shortage Contingency Plan. These priorities are defined in CVWD's Canal Water Shortage Contingency Plan, which is Chapter 3.10, Article XII of CVWD's administrative code.

Drought conditions in the Sierra Nevada would have an effect on the SWP water allocation; thus reducing the SWP Exchange water received by CVWD and DWA. This water is used for replenishment of the groundwater basin and is not a direct source of urban water supply. Consequently, water use restrictions due to drought involving the SWP water supply would likely be implemented only as a result of a prolonged drought.

During dry periods when less imported water is available, groundwater production will exceed the amount of recharge, and the volume in storage will be reduced. However, these reductions can be reversed in years when additional imported water is available. The Coachella Valley Groundwater Basin is a large basin which provides a buffer during dry periods, thus allowing the agencies to develop long-term plans and programs to manage regional water supplies.

The reliability analysis for DWA is presented in Section 7 of DWA's chapter of the RUWMP. Although that analysis demonstrates that the region's urban water supply is reliable, there are potential issues that could create a shortage condition. These include:

- An extended drought more severe than historic events, possibly impacted by climate change.
- A natural disaster or a malevolent act that leads to prolonged disruption of imported water delivery from the Colorado River or the SWP.
- A natural disaster or malevolent act that affects DWA's distribution system.
- Reductions in imported water supply due to environmental restrictions related to endangered species or habitat protection.
- Identification of a currently unregulated contaminant that has widespread effects on the region's groundwater supply.
- Regulatory mandates to reduce water use.

Water shortage contingency planning provides a way to plan for these risks and anticipate actions that can be implemented to manage the impacts. This plan describes how DWA intends to respond to such shortage events. We have aligned our responses to those of other RUWMP participating agencies to the extent possible.

2.0 Annual Water Supply and Demand Assessment Procedures

DWA will be required to prepare an Annual Water Supply and Demand Assessment (Annual Assessment) and submit it to DWR each year, beginning July 1, 2022. The Annual Assessment is intended to meet requirements of Water Code Section 10632.1 and present an assessment of the likelihood of a water shortage occurring during the next 12 months. This section of the WSCP outlines the procedures that DWA will use to prepare the Annual Assessment. The procedures defined in this section will allow DWA to follow a consistent annual procedure for making the determination of whether to activate the WSCP.

2.1 Decision Making Process

DWR requires a defined decision-making process for performing the Annual Assessment. The process and anticipated timeline are presented in Table 1.

Table 1. Annual Assessment Decision-Making Process

Anticipated Timeline of Each Year	Activities
February	DWA staff will review available data related to anticipated supplies and demands.
March	The six agencies participating in the Coachella Valley RUWMP will review the data and determine whether a consistent region-wide determination on water supply reliability can be made. If needed, individual agencies may elect to activate their WSCP at different shortage levels than other participating agencies.
April	DWA staff will make a determination whether to recommend implementation of shortage response actions.
May	If shortage response actions are to be implemented, DWA management will present the recommendation to the governing board for consideration. If the governing board decides to implement the WSCP, it will provide public notice of a hearing to consider changes in the implementation of the shortage response actions.
June	DWA staff will prepare the Annual Assessment and submit it to DWR by July 1 st .

2.2 Data and Methodologies

This section describes the data and methodologies that will be used to evaluate water system reliability for the coming year, while considering that the year to follow could be dry.

2.2.1 Evaluation Criteria

DWA will rely on locally applicable criteria for each Annual Assessment. This includes findings of the annual reports prepared for the Indio Subbasin and the Mission Creek Subbasin for compliance with the Sustainable Groundwater Management Act. The annual Engineer's Report on Water Supply and Replenishment Assessment will also be incorporated along with both applicable reports and data.

2.2.2 Water Supply

DWA's anticipated supplies will be quantified for the near-term future, and descriptive text will be used to note any anticipated reductions in supply.

2.2.3 Unconstrained Customer Demand

DWA will prepare an estimate of unconstrained demand (as the term is used in Water Code Section 10632(a)(2)(B)(i)). The estimated demand will be calculated using the demand projection approach described in Section 4 of each agency's chapter of the RUWMP, in combination with updated data for connections, climate, changes in land use, and recent water usage history.

2.2.4 Planned Water Use for Current Year Considering Dry Subsequent Year

DWA will describe the anticipated use of water supplies for the coming year, with the anticipation that the following year will be dry. The supplies will be characterized in a manner consistent with the RUWMP, in combination with updated data for climate and recent observations.

2.2.5 Infrastructure Considerations

DWA will describe any potential infrastructure constraints on the ability to deliver adequate supplies to meet expected customer demands in the coming year. DWA will verify that its system of wells, pipelines, pump stations, storage tanks and related infrastructure have adequate capacity to deliver the anticipated demands. DWA will describe any anticipated capital projects that are intended to address constraints in production, treatment, or distribution.

2.2.6 Other Factors

DWA will describe any specific locally applicable factors that could influence or disrupt supplies. DWA will also describe unique local considerations that are considered as part of the Annual Assessment.

3.0 Six Standard Water Shortage Levels

The RUWMP participating agencies have elected to use the six standard shortage levels included in guidance documents prepared by DWR. The six standard water shortage levels correspond to progressively increasing estimated shortage conditions (up to 10-, 20-, 30-, 40-, 50- percent, and greater than 50-percent shortage compared to the normal reliability condition). These levels are identified in Table 2.

Table 2. Water Shortage Contingency Plan Levels

Shortage Level	Percent Shortage Range	Description	Shortage Response Actions
1	Less than 10%	Normal water supplies	Mandatory prohibitions defined by the state, ongoing rebate programs
2	Up to 20%	Slightly limited water supplies	Outdoor water use restrictions on time of day, increased water waste patrols
3	Up to 30%	Moderately limited water supplies	Outdoor water use restrictions on days per week, restrictions on filling swimming pools
4	Up to 40%	Limited water supplies	Limits on new landscaping, expanded public information campaign
5	Up to 50%	Significantly limited water supplies	Limits on watering of parks or school grounds
6	Greater than 50%	Severe shortage or catastrophic incident	No potable water use for outdoor purposes

Each level in Table 2 represents an anticipated reduction in the supplies that would normally be available to DWA. These supply reductions could be the result of a variety of potential causes including natural forces, system component failure or interruption, regulatory actions, contamination, or any combination of factors. DWA may need to activate shortage levels across its entire service area or within certain areas that are impacted by an event.

The levels involve voluntary and mandatory conservation measures and restrictions, depending on the causes, severity, and anticipated duration of the water supply shortage. The locally appropriate shortage response actions that would be taken at each level to address the resulting gap between supplies and demands are described in the following section.

4.0 Shortage Response Actions

This section describes the shortage response actions that would be taken by DWA at each shortage level. These actions have been grouped into categories including:

- Supply Augmentation Actions
- Demand Reduction Actions and Mandatory Use Restrictions
- Operational Changes

4.1 Supply Augmentation

For long-range planning, DWA continues to evaluate opportunities for transfers, exchanges, and other purchases of imported water to increase supply reliability. CVWD and DWA collaborate to replenish the groundwater aquifer with imported water, creating a stored supply that can be used for emergencies or longer-term shortages. CVWD and DWA are also making investments in increasing supply reliability from the SWP through the Delta Conveyance Facility and in securing new supplies like Sites Reservoir. Additionally, the RUWMP participating agencies continue to implement water conservation measures and increase use of recycled water usage to reduce groundwater demand. These programs are described in Chapter 3 of the RUWMP.

In its WSCP, DWA has the option of identifying short-term supply augmentation actions that would be taken during a shortage. These actions are intended to be separate from the long-range planning efforts to sustainably manage the groundwater basin. The short-term supply augmentation measures that could be implemented are presented in Table 3.

Table 3. Supply Augmentation Actions

Shortage Level	Supply Augmentation Methods and Other Actions by Water Supplier	Expected Relative Impact	Additional Explanation or Reference
1 - 6	Exchanges	Medium	Emergency connections with neighboring agencies could be activated or constructed to help exchange water with adjoining systems.
5	New recycled water	Medium	In areas where recycled water supply is available, customers could be mandated to use recycled water and cease use of potable water.
6	Other actions	Medium	Additional non-potable water sources such as new shallow groundwater wells or expanded use of non-potable water sources.

4.2 Demand Reduction Actions and Mandatory Use Restrictions

The RUWMP participating agencies have aligned their demand reduction actions to the greatest extent possible, while allowing each agency flexibility needed to address unique characteristics. The agencies conducted public workshops to gather input on actions that could be taken during a water shortage. The input from stakeholders was used to select and prioritize actions that reflected the values of the community. Key elements of the input included:

- The importance of recognizing the conservation efforts that many customers have already made and not imposing requirements for all customers to meet the same percentage reduction in water use.
- The importance of involving Homeowner Associations (HOAs) to help implement and communicate response actions to individuals.
- A balanced program should include incentives (such as expanded rebates for turfgrass removal) as well as penalties (such as drought rates).
- A range of approaches is needed to communicate with customers and end users, including social media, web sites, bill inserts, presentations, and virtual tours, ideally in multiple languages.

The demand reduction actions that could be implemented at each shortage level are shown in Table 4. During a shortage, DWA may implement some or all of the actions as needed, depending on actual conditions.

Table 4. Demand Reduction Actions

Shortage Level	ID	Demand Reduction Actions	Expected Relative Impact	Penalty or Enforcement
1	1.1	Water flows onto adjacent property, non-irrigated areas, private and public walkways, roadways, parking lots, or parking structures is prohibited.	Low	Yes
	1.2	Using any water in a fountain or other decorative water feature is prohibited, unless the water recirculates.	Low	Yes
	1.3	Applying water to driveways, sidewalks, concrete or asphalt is prohibited unless to address immediate health and safety needs. Reasonable pressure washer or water broom use is permitted.	Low	Yes
	1.4	Spray irrigation of outdoor landscapes during and within 48 hours after rainfall of 0.10 inches is prohibited.	Low	Yes
	1.5	Using a hose to wash a vehicle, windows, or solar panels is prohibited unless an automatic shut-off nozzle or pressure washer is used.	Low	Yes
	1.6	Broken sprinklers shall be repaired within five business days of notification by agency, and leaks shall be repaired as soon as practical.	Low	Yes
	1.7	Hotels will provide guests the option of choosing not to have towels and linens laundered daily.	Low	Yes
	1.8	Draining and refilling of private swimming pools is discouraged, unless necessary for health and safety or repairs.	Low	No
	1.9	The Agency will discourage overseeding.	Low	No
	1.10	The Agency will provide rebates for landscape efficiency.	High	No
	1.11	The Agency will provide rebates for indoor water use efficiency.	Medium	No
	1.12	The Agency shall offer water use surveys/audits.	Medium	No
2	2.1	Outdoor water use is prohibited during daylight hours for spray irrigation except for leak checks or with an agency approved conservation alternative plan.	Medium	Yes
	2.2	Restaurants and other eating establishments shall not provide drinking water to patrons, except upon request.	Low	Yes
	2.3	The Agency will actively discourage overseeding.	Medium	No
	2.4	Agency shall expand public information campaign.	Medium	No
	2.5	Agency shall increase water waste patrols.	Medium	Yes
	2.6	Agency shall reduce hydrant and dead-end line flushing.	Low	No
3	3.1	Outdoor water use is allowed only three days a week for spray irrigation (Monday, Wednesday, and Friday).	High	Yes
	3.2	Drip or subterranean irrigation is allowed seven days per week, during non-daylight hours.	Medium	Yes
	3.3	Commercial nurseries are to use water only on alternate days during non-daylight hours for outside operations.	Low	Yes

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Shortage Level	ID	Demand Reduction Actions	Expected Relative Impact	Penalty or Enforcement
	3.4	Decorative ponds, non-irrigation system golf course water hazards, fountains, and other waterscape features are not to be filled or replenished.	Low	Yes
	3.5	No filling of swimming pools or landscaping ponds unless necessary for health and safety or leak repair.	Low	Yes
	3.6	Commercial car washes must use recycled water or recirculating water systems.	Medium	Yes
	3.7	Spray irrigation of medians and parkways is prohibited.	Medium	Yes
	3.8	The Agency will encourage counties, cities, Homeowners Associations (HOAs) and other enforcement agencies to suspend code enforcement and fines for brown turfgrass areas.	Low	No
	3.9	The Agency will strengthen customer billing messages with use comparisons.	Medium	No
	3.10	The Agency will implement water use audits targeted to key customers to ensure compliance with directives.	Medium	No
	3.11	The Agency will expand rebate programs.	Medium	No
4	4.1	Turfgrass landscapes may not be watered except where subterranean or non-potable water systems are used.	High	Yes
	4.2	No new turf landscaping shall be installed.	N/A	Yes
	4.3	The Agency shall consider implementing its drought rate surcharge.	High	Yes
	4.4	The Agency will expand public information campaign.	Medium	No
5	5.1	Watering turfgrass is prohibited.	High	Yes
	5.2	The use of misting systems is prohibited.	Medium	Yes
	5.3	Turfgrass at parks and school grounds may water with recycled water or not at all.	Medium	Yes
	5.4	Golf course greens and tees may be watered no more than two times per week during non-daylight hours with recycled water, or not at all.	Medium	Yes
	5.5	Trees, desert plants and shrubs may be watered only with drip, subterranean or non-adjustable bubbler irrigation systems during non-daylight hours.	High	Yes
	5.6	Outdoor water use for grading or development is prohibited.	High	Yes
	5.7	The Agency will impose moratorium or net zero demand on new connections.	N/A	Yes
	5.8	The Agency will not issue new construction meters, and water service through construction meters will not be available.	N/A	Yes
6	6.1	The Agency will implement mandatory rationing.	High	Yes
	6.2	Outdoor water use is prohibited.	High	Yes
	6.3	Restaurants must use disposable cups, plates, and utensils.	High	Yes
	6.4	Commercial nurseries shall discontinue all use of potable water for watering and irrigation.	Low	Yes
	6.5	Watering of livestock is permitted as necessary.	N/A	No

4.3 Operational Changes

DWA has identified potential operational changes that could be made to help address a short-term gap between demands and available supplies. These include improved monitoring and analysis of customer water usage, reductions in flushing of hydrants and dead-end lines, and use of emergency connections with neighboring water agencies. Some of the potential actions are included in Table 4. DWA may also expedite planned system improvement projects that include reduction in water loss (e.g., replacement of water mains that are experiencing higher rates of leaks and breaks).

4.4 Additional Mandatory Restrictions

DWA has identified a series of restrictions that could be implemented at different shortage levels. These restrictions are included in the demand reduction actions in Table 4.

4.5 Emergency Response Plan

The Water Code requires that an agency's WSCP address catastrophic water shortages and plans to address them. This information can be addressed in the agency's Emergency Response Plan (ERP). DWA's ERP contains sensitive information related to potential vulnerabilities or impacts of natural disasters or malevolent acts. Therefore, these documents are not typically made publicly available. DWA's plan outlines specific disaster-related procedures to guide staff in responding efficiently to catastrophic interruptions of water supply.

DWA collaborates on planning efforts, including emergency response, through the Coachella Valley Regional Water Management Group (CVRWMG). In addition, CVWD, DWA, IWA, and MSWD are members of the California Water/Wastewater Agency Response Network (CalWARN), which supports and promotes emergency preparedness. More information about CalWARN is available at their web site at www.calwarn.org.

The region's imported water supplies from the Colorado River and the SWP could be disrupted by an earthquake. Because the agencies use local groundwater to meet urban demands, the agencies could continue to meet short term urban demands with groundwater production. The agencies have installed backup generators at key water production facilities to allow continued operation during a power outage.

DWR has plans in place to make emergency repairs to the SWP, and MWD has plans in place to make emergency repairs to the CRA. CVWD has plans to make emergency repairs to the Coachella Canal. CVWD staff receives regular Incident Command System (ICS) training through the Federal Emergency Management Agency (FEMA), and drills are conducted routinely. CVWD remotely monitors the status of most key facilities at CVWD headquarters, which enables it to detect areas affected by disasters. RUWMP participating agencies also participate in ICS training and regularly monitor key water facilities remotely.

If imported water supplies were disrupted for an extended period, it would reduce the water supply available for replenishment of the groundwater basin. DWA would implement levels of this WSCP as needed if pumping needed to be decreased while imported water supplies were interrupted.

4.6 Seismic Risk Assessment and Mitigation Plan

Water Code Section 10632.5 requires the RUWMP participating agencies to assess seismic risk to water supplies as part of their WSCP. The code also requires a mitigation plan for managing seismic risks. In lieu of conducting their own seismic risk assessment, which can be a lengthy process, suppliers can comply with the Water Code requirement by submitting the relevant local hazard mitigation plan or multi-hazard mitigation plan.

The Riverside County Local Hazard Mitigation Plan (LHMP) was updated in 2018. The Riverside County LHMP is available on the Riverside County web site at <https://rivcoemd.org/LHMP>. The Riverside County

LHMP includes an assessment of the region's vulnerability to a broad range of hazards, including earthquakes. It also describes mitigation strategies and actions to reduce the impacts of a seismic event. The RUWMP participating agencies continue to include seismic risk assessment in their planning process for system improvements.

5.0 Communication Protocols

Timely and effective communication is a key element of WSCP implementation. DWA will need to inform customers, the general public, and other government entities of WSCP actions taken during a water shortage (either one determined by the Annual Assessment, an emergency, catastrophic, or other event). An overview of planned communication approaches is provided in Table 5. These protocols have been aligned between the RUWMP participating agencies where possible, but some are tailored to the needs of DWA's service area. DWA will adjust its communication strategy as needed to address issues that are impacting the entire service area or limited areas.

Table 5. Communication Plan Outline

At all times	Level 1 Up to 10% Voluntary Conservation	Level 2 Up to 20% Mandatory Conservation	Levels 3 and 4 Up to 30% or 40% Mandatory Conservation	Levels 5 and 6 Up to 50% or Over 50% Mandatory Conservation
Standard outreach efforts in effect (media relations, social media, website)	Update message platform to reflect conditions, DWA’s response, and needed actions from public	Update campaign and messages to generate immediate actions/behaviors by public, include information on enforcement actions	Update campaign and messages to raise awareness for more severe water-saving actions/behaviors by public, highlight need for reduced outdoor water use	Update campaign and messages to reflect extreme or emergency condition and likely need to focus water use on health/safety needs
Promote ongoing Water Use Efficiency (WUE) programs and tools and partnerships designed to achieve long-term water management goals	Announce status change to key stakeholders and general public (e.g., News release, social media, etc.)	Announce status change to key stakeholders and general public (e.g., News release, social media, etc.)	Announce status change to key stakeholders and general public (e.g., News release, social media, etc.)	Announce emergency status to key stakeholders and general public (e.g., News release, social media, etc.)
Standard coordination with MWD and regional partners	Include increased conservation messages on website and in standard outreach efforts; provide regular condition updates to stakeholders/media	Supplement Level 1 activities with additional tactics as needed; provide regular condition updates to stakeholders/media	Supplement Level 2 outreach with additional tactics as needed; provide regular updates to stakeholders/media on conditions	Supplement Level 3-4 outreach with additional tactics as needed; provide regular condition updates to stakeholders/media on conditions
Board reports on public communication and water-use efficiency outreach activities at least annually	Enhance promotion of ongoing WUE programs/tools; deploy targeted advertising	Conduct issue briefings with elected officials, other key civic and business leaders	Conduct specialized outreach to HOAs and local organizations	Suspend promotion of long-term WUE programs/tools to focus on imminent needs
	Initiate regular Board reports on campaign efforts	Increase promotion of ongoing WUE programs/tools	Promote available water assistance resources for vulnerable populations; specialized outreach to impacted industries	Continue enhanced coordination with neighbor agencies and local/state/federal policy makers as needed (e.g. daily or weekly briefings or email updates, etc.)

6.0 Compliance and Enforcement

This section describes how DWA will ensure compliance with and enforce provisions of the WSCP. The RUWMP participating agencies have worked together to align their policies where possible, but each agency implements its compliance and enforcement actions within its service area.

6.1 Penalties

The penalties that could be imposed for non-compliance are summarized in Table 6.

Table 6. Enforcement Actions

Water Shortage Level	First Violation	Second Violation (within 12 months)	Third Violation (within 12 months)	Subsequent Violations	Additional Information
All	<p>Single-family residence: \$50 civil penalty</p> <p>All others: \$100 civil penalty</p> <p>First penalties may be removed through participation in an incentive program at staff discretion.</p>	<p>Single-family residence: \$100 civil penalty</p> <p>All others: \$200 civil penalty</p>	<p>Single-family residence: \$250 civil penalty</p> <p>All others: \$500 civil penalty</p>	<p>Single-family residence: \$250 civil penalty</p> <p>All others: \$500 civil penalty</p>	<p>DWA staff is authorized to discontinue water service for water waste violations.</p> <p>DWA could pursue criminal charges for violation.</p> <p>Severe or persistent violations may be considered a misdemeanor. Conviction of a violation of could result in imprisonment in the County jail for up to 30 days, a fine of up to \$1000, or both such fine and imprisonment.</p>

6.2 Appeals and Exemption Process

This section describes the appeals and exemption processes. Where feasible, specific exemptions can be identified and defined. Where not feasible, the process to appeal or obtain an exemption should be detailed.

Any water user violating the regulations and restrictions on water use may receive a written notice for the violation. The water user shall have seven days from receipt of the notice to submit a written request for a hearing. If no hearing is requested, or at the hearing it is determined that the water user has committed a violation, a civil penalty may be levied.

The government codes and ordinances that are used to implement these policies and processes are discussed in Section 7.

7.0 Legal Authorities

This section describes the legal authorities that DWA relies upon to implement the shortage response actions and the associated enforcement actions.

DWA's Ordinance No. 65 establishes its Water Conservation Plan and was adopted March 1, 2016.

Water Shortage Contingency Plan

DWA is in the process of updating the ordinance to reflect the contents of this WSCP.

A copy of the legal authority is included in Appendix A.

In accordance with Water Code Chapter 3 (commencing with Section 350) of Division 1 general provisions regarding water shortage emergencies, DWA shall declare a water shortage emergency in the event of a catastrophic interruption in supply.

DWA shall coordinate with any city or county within which it provides water supply services for the possible proclamation of a local emergency under California Government Code, California Emergency Services Act (Article 2, Section 8558). Including a list of and contacts for all cities or counties for which the RUWMP participating agencies provide service in the WSCP, along with developed coordination protocols, can facilitate compliance with this section of the Water Code in the event of a local emergency as defined in subpart (c) of Government Code Section 8558.

These cities and counties are summarized in Table 7.

Table 7. City and County Coordination on Proclamation of Emergencies

City or County	Contact	CVWD	CWA	DWA	IWA	MDMWC	MSWD
Imperial County	Office of Emergency Services	X					
Riverside County	Emergency Management Department	X	X	X	X	X	X
City of La Quinta	Emergency Management Division	X			X	X	
City of Indio	Emergency Services Coordinator	X	X		X		
City of Coachella	Emergency Services Coordinator	X	X		X		
City of Palm Desert	Emergency Services Coordinator	X					
City of Cathedral City	Emergency Manager	X		X			
City of Indian Wells	Emergency Services Coordinator	X					
City of Rancho Mirage	Emergency Services Coordinator	X					
City of Palm Springs	Emergency Management Coordinator			X			X
City of Desert Hot Springs	Emergency Services Coordinator			X			X

8.0 Financial Consequences of WSCP

This section describes the anticipated financial consequences to DWA of implementing the WSCP. The description includes potential reductions in revenue due to lower water sales and increased expenses associated with implementing the shortage response actions.

Potential financial impacts of implementing the WSCP could include:

- Reduced revenue from reduced water use
- Increased staff costs for tracking, reporting, patrolling, and enforcing restrictions
- Economic impacts associated with water-dependent businesses in the service area

Potential mitigation measures include:

- Triggering of drought rate structures or surcharges
- Using financial reserves
- Reducing operation and maintenance expenses (expenses related to source of supply and pumping will fall due to reduced water production)
- Deferring capital improvement projects
- Reducing future projected operation and maintenance expenses
- Increasing fixed readiness-to-serve charge
- Increasing commodity charge and water adjustment rates to cover revenue shortfalls
- Seeking alternative source of funding, such as state or federal grants or loans
- Other financial management mechanisms

DWA will monitor financial conditions during a water shortage and take appropriate actions as needed. DWA maintains financial reserves that can be used to continue operations during a period of reduced water sales. DWA has the ability to increase water rates or implement a surcharge to increase revenues from water sales.

9.0 Monitoring and Reporting

This section describes how DWA will monitor and report on implementation of the WSCP. DWA will gather data on key water use metrics and use the data to evaluate the effectiveness of response actions in achieving their intended water use reduction purposes. DWA will also gather data on customer compliance to evaluate the effectiveness of enforcement actions. DWA will gather and report data at frequencies adequate to meet reporting requirements established by the State Water Resources Control Board and other government agencies. The specific reporting requirements are expected to continue to change over the next five years.

DWA will monitor water use by customers using billing systems and operational control systems to monitor production and consumption. Each customer is metered, and billing records will be compiled and used to observe trends in water consumption. Each groundwater well and water connection point is also metered, and production records will be used to observe trends in water production. Levels in reservoirs can be monitored using the operational control systems to help identify potential high usage or leaks. DWA staff may also perform field visits and record observations to monitor water use and identify potential issues for follow-up.

The consumption records will be aggregated by customer class to evaluate response actions and identify potential additional measures.

10.0 WSCP Refinement Procedures

DWA will monitor the implementation of this plan to evaluate its effectiveness as an adaptive management tool. The monitoring and reporting program described in Section 9 will provide information

on the effectiveness of the shortage response actions during any shortage levels that may be invoked. If DWA determines that the shortage response actions are not effective in producing the desired results, DWA will initiate a process to refine the WSCP. DWA will consider the addition of new shortage response actions, or changing the levels when shortage response actions are implemented. Suggestions for refinements will be collected from DWA staff, customers, industry experts, and the general public. The RUWMP participating agencies will share data and suggestions for refinement to identify opportunities to increase the effectiveness of the WSCP while maintaining alignment with other agencies in the region when possible.

11.0 Special Water Feature Distinction

The RUWMP participating agencies have distinguished swimming pools and spas as recreational water features, while non-pool and non-spa water features are considered decorative water features. This distinction is used in the shortage response actions because decorative water features have the potential to use recycled water, while most pools and spas (recreational water features) use potable water for health and safety considerations. However, this distinction does not apply to the hot mineral spring pools and spas throughout the Desert Hot Springs area; while they are recreational, they also do not rely on potable water.

12.0 Plan Adoption, Submittal, and Availability

DWA adopted this WSCP with the 2020 RUWMP. The RUWMP and WSCP were made available for public review during May and June of 2021. A public hearing was held on June 15, 2021 to allow public input on the draft RUWMP and the WSCP.

DWA's governing board adopted the RUWMP and the WSCP at a meeting on June 15, 2021. The resolution of adoption is included as Appendix B.

This WSCP was submitted to DWR through the WUEData portal before the deadline of July 1, 2021. This WSCP was made available to the public on DWA's web site. Notice was provided to cities and counties in the service area that the WSCP was available on DWA's web site.

If DWA identifies the need to amend this WSCP, it will follow the same procedures for notification to cities, counties and the public as used for the RUWMP and for initial adoption of the WSCP. The draft amended WSCP will be made available for public review, and DWA's governing board will hold a public hearing to receive comments on the draft amended WSCP. Once DWA's governing board adopts the amended WSCP, the amended plan will be submitted to DWR and the California State Library, and it will be made available to the public and the cities and counties in the service area through placement on DWA's web site.

Appendix A. Legal Authority

ORDINANCE NO. 72

AN ORDINANCE OF DESERT WATER AGENCY ESTABLISHING A WATER SHORTAGE CONTINGENCY PLAN INCLUDING REGULATIONS RESTRICTING THE USE OF WATER DURING THREATENED OR EXISTING WATER SHORTAGE CONDITIONS

WHEREAS, Desert Water Agency (hereinafter “Agency”) is a public agency organized under the Desert Water Agency Law, California Water Code Appendix Section 100-1 et seq., to provide water service among other purposes to water users within the boundaries of the Agency; and

WHEREAS, the Agency is authorized by Water Code Appendix Section 100-15 (13) to restrict the use of Agency water during an emergency caused by a drought, or other threatened or existing water shortage, and during such periods to prohibit the waste or the use of Agency water for any purpose other than household uses or such other restricted uses as may be determined by the Agency to be necessary; and

WHEREAS, the Agency is further authorized by Water Code Sections 375-377 to adopt water conservation programs; and

WHEREAS, after the historic 2012-2016 drought, the California Legislature enacted several laws in 2018 to advance long-term water use efficiency as a way to demonstrate conservation as a way of life; and

WHEREAS, urban water suppliers are required to prepare, adopt and submit to the California Department of Water Resources a Water Shortage Contingency Plan and conduct a Drought Risk Assessment every five years; and

WHEREAS, the Agency wishes to adopt a Water Shortage Contingency Plan that meets requirements set forth in the regulations adopted by the Department of Water Resources and State Water Resources Control Board in implementation of long-term water-use efficiency, and which will provide a framework for managing supplies in shortage conditions; and

WHEREAS, the Agency finds and determines that the adoption of the Water Shortage Contingency Plan set forth herein is necessary to (1) comply with State mandates, (2) protect the health, safety and welfare of the inhabitants of the Agency, (3) assure the maximum beneficial use of the water supplies within the Agency, and (4) ensure that there will be sufficient water supplies to meet the basic needs of human consumption, sanitation and fire protection;

NOW, THEREFORE, BE IT ORDAINED by the Board of Directors of Desert Water Agency as follows:

Section 1: DEFINITIONS.

- 1.1 “Agency” means Desert Water Agency.
- 1.2 “Board” means the Board of Directors of Desert Water Agency.
- 1.3 “General Manager” means the General Manager of Desert Water Agency.
- 1.4 “Measurable rainfall” means rainfall of 1/10 inch or more during any 24-hour period.
- 1.5 “Waste” means any unreasonable or non-beneficial use of water, or any unreasonable method of use of water, including, but not limited to, the specific uses prohibited and restricted by this Ordinance as hereinafter set forth.
- 1.6 “Water user” means any person, firm, partnership, association, corporation or political entity using water obtained from the water system of Desert Water Agency.
- 1.7 “Water” means water supplied by Desert Water Agency.

Section 2: NOTICED PUBLIC HEARING PRIOR TO MANDATORY CONSERVATION, LEVELS 2 THROUGH 6.

Except when an emergency is caused by the breakage or failure of Agency infrastructure or by a malevolent act, a noticed public hearing shall be conducted prior to the adoption of Level 2, 3, 4, 5 or 6 of the Water Shortage Contingency Plan as set forth in Sections 3.2, 3.3, 3.4 and 3.5 below. Notice of the time and place of hearing shall be published at least seven days prior to the date of hearing in a newspaper printed, published, and circulated within the area in which the water supply is distributed, or if there is no such newspaper, in any newspaper printed, published and circulated in the County of Riverside.

Section 3: WATER CONSERVATION PLAN LEVELS.

3.1 Level No. 1: Normal Conditions

Level 1 shall apply whenever normal conditions are in effect. Normal conditions shall be in effect when the Agency is able to meet all the water demands of its customers in the immediate future, and when the State Water Resources Control Board or other regulatory body has not imposed restrictions on the use of water within the Agency. During normal conditions, all water users must continue to use water wisely. The waste or unreasonable use of water is prohibited.

(1) Water flows onto adjacent property, non-irrigated areas, private and public walkways, roadways, parking lots, or parking structures is prohibited.

(2) Using any water in a fountain or other decorative water feature is prohibited, unless the water recirculates.

(3) Applying water to driveways, sidewalks, concrete or asphalt is prohibited unless to address immediate health and safety needs. Reasonable pressure washer or water broom use is permitted.

(4) Spray irrigation of outdoor landscapes during and within 48 hours after rainfall of 0.10 inches is prohibited.

(5) Using a hose to wash a vehicle, windows, or solar panels is prohibited unless an automatic shut-off nozzle or pressure washer is used.

(6) Broken sprinklers shall be repaired within five business days of notification by the Agency, and leaks shall be repaired as soon as practical.

(7) Hotels will provide guests the option of choosing not to have towels and linens laundered daily.

(8) Draining and refilling of private swimming pools is discouraged, unless necessary for health and safety or repairs.

(9) The Agency will discourage overseeding.

(10) The Agency will provide rebates for landscape efficiency.

(11) The Agency will provide rebates on indoor water use efficiency.

(12) The Agency will offer water use surveys/audits.

3.2 Level 2: Alert

When the State Water Resources Control Board or other regulatory body has imposed restrictions on the use of water within the Agency that warrant the restrictions set forth herein, or in the event of a threatened or existing water supply shortage that could prevent the Agency from meeting the water demands of its water users, the Board shall conduct a public hearing to consider declaring a Level 2 Alert, during which water users shall have the opportunity to present their

protests and respective needs to the Board. Upon such declaration the following restrictions shall take effect immediately, in addition to those specified in Section 3.1:

- (1) Outdoor water use is prohibited during daylight hours for spray irrigation except for leak checks or with an Agency-approved conservation alternative plan.
- (2) Restaurants and other eating establishments shall not provide drinking water to patrons, except upon request.
- (3) The Agency will discourage overseeding.
- (4) The Agency will expand its public information campaign.
- (5) The Agency will increase water waste patrols.
- (6) The Agency will reduce hydrant and dead-end line flushing.

3.3 Level 3: Warning

When the State Water Resources Control Board or other regulatory body has imposed restrictions on the use of water within the Agency that warrant the restrictions set forth herein, or in the event that a water shortage condition in fact will prevent the Agency from meeting the demands of its water users, following a public hearing as set forth in Section 3.2, during which water users shall have the opportunity to present protests and their respective needs to the Board, the Board may declare that a Level 3 Warning condition exists. Upon such declaration, the following water conservation measures shall apply in addition to those set forth in Sections 3.1 and 3.2:

- (1) Outdoor water use is allowed only three days a week for spray irrigation (Monday, Wednesday and Friday).
- (2) Drip or subterranean irrigation is allowed seven days a week, during non-daylight hours.
- (3) Commercial nurseries are to use water only on alternate days during non-daylight hours for outside operations.
- (4) Decorative ponds, non-irrigation system golf course water hazards, fountains, and other waterscape features are not to be filled or replenished.
- (5) No filling of swimming pools or landscaping ponds unless necessary for health and safety or leak repair.
- (6) Commercial car washes must use recycled water or a recirculating water systems.
- (7) Spray irrigation of medians and parkways is prohibited.
- (8) The Agency will encourage counties, cities, Homeowners Associations (HOAs) and other entities to suspend code enforcement and fines for brown turfgrass areas.
- (9) The Agency will strengthen customer billing messages with the use of comparisons.
- (10) The Agency will implement water use audits targeted to key customers to ensure compliance with directives.
- (11) The Agency will expand rebate programs.

3.4 Level 4: Critical

When the State Water Resources Control Board or other regulatory body has imposed restrictions on the use of water within the Agency that warrant the restrictions set forth herein, or in the event that a water shortage condition requires a significant reduction in water use, following a public hearing as set forth in Section 3.2, during which water users shall have the opportunity to present protests and their respective needs to the Board, the Board may declare that a Level 4 Emergency condition exists. Upon such declaration, the following water conservation measures shall apply in addition to those set forth in Sections 3.1, 3.2 and 3.3:

- (1) Turfgrass landscapes may not be watered except with subterranean irrigation or recycled water.
- (2) No new turfgrass landscaping shall be installed.

- (3) The Agency shall consider implementing its drought rate surcharge.
- (4) The agency will expand its public information campaign.

3.5 Level No. 5: Urgent

When the State Water Resources Control Board or other regulatory body has imposed restrictions on the use of water within the Agency that warrant the restrictions set forth herein, or in the event that a water shortage condition requires a significant reduction in water use, following a public hearing as set forth in Section 3.2, during which water users shall have the opportunity to present protests and their respective needs to the Board, the Board may declare that a Level 5 Emergency condition exists. Upon such declaration, the following water conservation measures shall apply in addition to those set forth in Sections 3.1, 3.2, 3.3 and 3.4:

- (1) Watering turfgrass is prohibited.
- (2) The use of misting systems is prohibited.
- (3) Turfgrass at parks and school grounds may water with recycled water or not at all.
- (4) Golf course greens and tees may be watered no more than two times per week during non-daylight hours with recycled water or not at all.
- (5) Trees, desert plants and shrubs may be watered only with drip, subterranean or non-adjustable bubbler irrigation systems during non-daylight hours.
- (6) Outdoor water use for grading or development is prohibited.
- (7) The Agency will impose a moratorium or net zero demand on new connections.
- (8) The Agency will not issue new construction meters, and service through construction meters will not be available.

3.6 Level No. 6 – Emergency Rationing

When the State Water Resources Control Board or other regulatory body has imposed restrictions on the use of water within the Agency that warrant the restrictions set forth herein, or in the event that a water shortage condition requires a significant reduction in water use, following a public hearing as set forth in Section 3.2, during which water users shall have the opportunity to present protests and their respective needs to the Board, the Board may declare that a Level 6 Emergency condition exists. Upon such declaration, the following water conservation measures shall apply in addition to those set forth in Sections 3.1, 3.2, 3.3, 3.4 and 3.5:

- (1) The Agency will implement mandatory rationing.
- (2) Outdoor water use is prohibited.
- (3) Restaurants must use disposable cups, plates, and utensils.
- (4) Commercial nurseries shall discontinue all watering and irrigation.
- (5) Watering of livestock is permitted as necessary.

In addition, as set forth in Water Code Sections 350 et seq., the Board may consider adoption of a resolution or ordinance that allocates water deliveries among the Agency's water users, and that imposes penalties for consumption in excess of the allocated amounts. The resolution or ordinance may also, or instead, impose a limit on new water service connections. Violation of the provisions of such resolution or ordinance shall be deemed a violation of this Ordinance, and shall be subject to the enforcement provisions set forth herein.

Section 4: MODIFICATION OF WATER CONSERVATION MEASURES.

The specific requirements of each mandatory conservation Level identified in this Ordinance shall be effective upon adoption by the Board following a public hearing; provided that the Board may modify or amend such requirements at the time of adoption upon a showing of the need for such modification or amendment.

Section 5: IMPLEMENTATION AND TERMINATION OF MANDATORY COMPLIANCE LEVELS.

The General Manager of the Agency shall monitor the supply and demand for water on a regular basis to determine the level of conservation required by the implementation or termination of the Water Shortage Contingency Plan Levels set forth in this Ordinance, and shall notify the Board of the necessity for the implementation or termination

of each Level. Each declaration of the Board implementing a Water Shortage Contingency Plan Level shall be published at least once in a newspaper of general circulation, and shall remain in effect until the Board otherwise declares, as provided herein.

Section 6: EXCEPTIONS.

The General Manager of the Agency is hereby authorized to allow exceptions from the application of any provision of this Ordinance, due to exceptional circumstances, if the General Manager determines that the application of a provision would either: (a) cause an unnecessary and undue hardship to the water user or to the public; or (b) jeopardize the health, sanitation, fire protection or safety of the water user or of the public. Such exceptions may be granted only upon application therefor. Upon granting any such exception, the General Manager may impose any conditions the General Manager determines to be appropriate in the circumstance.

Section 7: CRIMINAL PROCEEDINGS FOR VIOLATION.

The Board hereby determines that, pursuant to Water Code Section 377, it shall be a misdemeanor for any water user to use or apply water contrary to or in violation of any mandatory restriction or requirement established by this Ordinance and, upon conviction thereof, that water user shall be punished by imprisonment in the County jail for not more than 30 days or by a fine of not more than \$1,000, or by both such fine and imprisonment.

Section 8: CIVIL PENALTIES AND ENFORCEMENT.

In addition to criminal penalties, violators of the mandatory provisions of this Ordinance shall be subject to civil penalties and enforcement action by the Agency staff, as follows:

8.1 First Violation.

For a first violation, the Agency staff may serve a written complaint to impose civil penalties to the water user or account holder who is violating the provisions of this Ordinance or violating the water use restrictions imposed by the State Water Resources Control Board. Upon receipt of the complaint for civil penalty, the water user or account holder shall have seven days to request, in writing, a hearing. If no hearing is requested or at the hearing it is determined that the water user or account holder has committed a violation, a civil penalty of \$50 for a first violation at a single family residence and \$100 for a first violation at a multi-family residential, commercial or institutional establishment may be levied.

8.2 Second Violation.

For a second violation of this Ordinance or water use restrictions imposed by the State Water Resources Control Board within any 12-month period, the Agency staff may serve a written complaint to impose civil penalties on the water user or account holder with written notice thereof, and the water user or account holder shall have the same period of time set forth in Section 8.1 to request a hearing. For a second violation within any 12-month period the civil penalty shall be \$100 at a single family residence and \$200 at a multi-family residential, commercial or institutional establishment.

8.3 Third Violation.

For a third violation of this Ordinance and for each subsequent violation within any 12-month period, the water user or account holder shall be subject to civil penalties and shall have the same opportunity to request a hearing in the manner set forth in Section 8.1. For a third and each subsequent violation within any 12-month period, the civil penalty shall be \$250 at a single family residence and \$500 at a multi-family residential, commercial or institutional establishment.

8.4 Collection of Civil Penalties.

Civil penalties may be billed to the violating water user by separate invoice, or may be added to the water user's invoice for water service as a separately itemized charge as determined by Agency staff. Civil penalties that are not paid may become a lien on the affected property in a manner provided by law to secure payment for water service. In addition, the Agency staff shall be authorized to discontinue water service for any violation of this Ordinance and for failure to pay a civil penalty within the period of time provided by the Agency staff for payment of invoices for water service. In the

event that service is terminated, such service shall remain terminated for a period of at least 48 hours, unless such period is extended by action of the Board of Directors. A charge shall be imposed for reconnection and restoration of service in the amount normally charged by the Agency for restoration of service. Such restoration of service shall not be made until the General Manager has determined that the water user has provided adequate assurances that future violations of this Ordinance by such water user will not occur.

8.5 Service of Complaint.

The complaint for civil penalties may be served personally, by mail or by affixing a copy of the complaint to the front entry of the property. The complaint shall contain, in addition to the facts of the violation, a statement of the possible civil penalties for the violation and a statement informing the water user of his or her right to a hearing.

8.6 Hearing and Appeal.

Within seven days of receipt of a complaint for civil penalties, the water user may request a hearing to present evidence that a violation did not occur. Within seven days after receipt of a written request for a hearing, the Executive Committee of the Board will schedule a hearing for the water user to present evidence that a violation did not occur. The hearing shall take place no sooner than 30 days after the complaint has been issued to the violator, unless requested at an earlier date by the violator. The decision of the Executive Committee following the hearing shall be final.

Section 9: CUMULATIVE REMEDIES.

The remedies for violations set forth in this Ordinance shall be cumulative to any other remedies available to the Agency according to law.

Section 10: SEVERABILITY.

If any section, subsection, sentence, clause or phrase of this Ordinance is for any reason held to be unconstitutional or invalid, such determination shall not affect the validity of the remaining provisions of this Ordinance.

Section 11: PUBLICATION.

The Secretary of the Board of Directors of the Agency shall attest to the adoption of this Ordinance and shall cause the same to be published in a newspaper of general circulation which is printed, published and circulated in the Agency within ten days after its adoption.

Section 12: EFFECTIVE DATE.

This Ordinance shall take effect immediately upon adoption and shall supersede the provisions of Ordinance No. 65.

ADOPTED this 15th day of June, 2021.


Kristin Bloomer, President

ATTEST:


Joseph K. Stuart, Secretary-Treasurer

Appendix B. Resolution of Adoption

RESOLUTION NO. 1260

RESOLUTION OF THE BOARD OF DIRECTORS OF DESERT WATER AGENCY ADOPTING THE 2020 URBAN WATER MANAGEMENT PLAN

WHEREAS, the California Legislature enacted Assembly Bill 797 (Water Code Section 10610 et seq., known as the Urban Water Management Planning Act) during the 1983-1984 Regular Session, as subsequently amended, which mandates that every supplier providing water for municipal purposes to more than 3,000 customers or supplying more than 3,000 acre feet of water annually, prepare an Urban Water Management Plan; and

WHEREAS, the Urban Water Management Planning Act requires each urban water supplier to update its Urban Water Management Plan at least once every five years on or before December 31, in years ending five and zero; and

WHEREAS, legislation referred to as the Water Conservation Act of 2009 or “SBX7-7” (Water Code, Part 2.55, Section 10608 et seq.), enacted by the California Legislature during the 2009 Extraordinary Session, extended the time by which urban retail water suppliers must adopt their 2015 Urban Water Management Plans until July 1, 2016, and, among other things, established requirements for urban retail water suppliers to prepare interim and urban water use targets for achieving increased water use efficiency by the years 2015 and 2020, in accordance with the goal of SBX7-7 to reduce statewide per capita water use 20 percent by the year 2020; and

WHEREAS, the Desert Water agency (Agency) is an urban retail water supplier for purposes of the Urban Water Management Planning Act and SBX7-7; and

WHEREAS, in accordance with the Urban Water Management Planning Act and SBX7-7, the Agency adopted its current Urban Water Management Plan (Plan) in 2016 and must update the Plan no later than July 1, 2021; and

WHEREAS, in accordance with applicable law, including Water Code Sections 10608.26 and 10642, and Government Code Section 6066, a properly noticed public hearing regarding said updated the Plan was conducted by the Board of Directors on June 15, 2021, and the proposed updated Plan was posted on the Agency’s website two (2) weeks before the hearing; and

WHEREAS, pursuant to said public hearing on the Agency’s proposed updated Plan, the Agency, among other things, encouraged the active involvement of diverse social, cultural, and economic elements of the population within the Agency’s service area with regard to the preparation of the Plan, allowed community input regarding the Agency’s implementation plan for complying with SBX7-7, considered the economic impacts of the Agency’s implementation plan for complying with SBX7-7, and adopted Method 1 under Water Code Section 10608.20(b) for determining its water use targets; and

WHEREAS, the California Department of Water Resources issued a Guidebook to Assist Urban Water Suppliers to Prepare an Urban Water Management Plan (the “DWR Guidebook”) and Methodologies for Calculating Baseline and Compliance Urban Per Capita Water Use (the “DWR Methodologies”) to provide guidance to urban retail water suppliers for purposes of preparing Urban Water Management Plans, and the Agency utilized the DWR Guidebook and the DWR Methodologies in preparing its updated Plan; and

WHEREAS, in accordance with Water Code Section 10620(e), the Agency has prepared its updated Plan with its own staff, with the assistance of consulting professionals, and in cooperation with other governmental agencies, and has utilized industry standards and the expertise of industry professionals in preparing its updated Plan; and

WHEREAS, the Agency’s Board of Directors has reviewed and considered the purposes and requirements of the Urban Water Management Planning Act and SBX7-7, the contents of the updated Plan, and the documentation contained in the administrative record in support of the updated Plan, and has determined that the factual analyses and conclusions set forth in the updated Plan are supported by substantial evidence.

WHEREAS, DWA’s 2020 Urban Water Management Plan, attached hereto as Exhibit A, is hereby adopted as amended by changes agreed upon by participating CV UWMP Agencies as a result of input received (if any) at public hearings and ordered filed with the Secretary of DWA.

NOW, THEREFORE, be it resolved by the Board of Directors of Desert Water Agency as follows:

1. The Agency hereby adopts Target Method 1 under Water Code Section 10608.20(b) for determining its water use targets, and the updated Urban Water Management Plan is hereby adopted and ordered filed with the Secretary of the Board.
2. The General Manager is hereby authorized and directed to include a copy of this Resolution in the Agency’s updated Urban Water Management Plan and, in accordance with Water Code Section 10644(a), to file the updated Urban Water Management Plan with the California Department of Water Resources, the California State Library, and any city or county within which the Agency provides water supplies within thirty (30) days after this date.
3. The General Manager is hereby authorized and directed, in accordance with Water Code Section 10645, to make the updated Urban Water Management Plan available for public review not later than thirty (30) days after filing a copy thereof with the California Department of Water Resources.
4. The General Manager is hereby authorized and directed, in accordance with Water Code Section 10635(b), to provide that portion of the updated Urban Water Management Plan prepared pursuant to Water Code Section 10635(a) to any city or county within which the Agency provides water supplies not later than sixty (60) days after filing a copy thereof with the California Department of Water Resources.

5. The General Manager is hereby authorized and directed to implement the components of the updated Urban Water Management Plan in accordance with the Urban Water Management Planning Act and SBX7-7 including, but not limited to, the Agency's Water Conservation Programs and its water shortage contingency analysis.

6. The General Manager is hereby authorized and directed to recommend to the Board of Directors additional steps necessary or appropriate to effectively carry out the implementation of the updated Urban Water Management Plan.

ADOPTED this 15th day of June 2021.



Kristin Bloomer, President

ATTEST:



Joseph K. Stuart, Secretary-Treasurer

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

JUNE 7, 2022

RE: REPORT ON PUBLIC HEALTH GOALS - PUBLIC HEARING

Per the California Health and Safety Code - Section 116470(b), staff has prepared DWA's 2021 Public Health Goal Report (due July 2022). The Report compares the Agency's system water quality with Public Health Goals (PHGs) and Maximum Contaminant Level Goals (MCLGs), and is prepared every three years.

PHG levels have been established by the California Environmental Protection Agency's Office of Environmental Health Hazard Assessment (OEHHA); the MCLGs have been established by the United States Environmental Protection Agency (USEPA), and are the federal equivalent to PHGs. PHGs and MCLGs are not enforceable standards and no action is required to meet them.

The Agency's water system complies with all of the health-based drinking water standards and maximum contaminant levels (MCLs) required by the Division of Drinking Water and the USEPA. Throughout the three-year reporting period (2019-2021), there were only two constituents found at levels that exceeded the PHG or MCGL.

Constituent	PHG/MCLG	MCL	DWA max level	Removal	Capital Costs Per Site	Yearly O&M Per Site
PCE	0.06 ppb	5 ppb	0.85 ppb	RWQCB Managed	RWQCB Managed	RWQCB Managed
Uranium	0.43 pCi/L	20 pCi/L	16 pCi/L	Reverse Osmosis	\$2.5M	\$38K

Report recommendations:

DWA meets all federal and state drinking water standards set to protect public health. The further reduction of the constituents is not justified. The effectiveness of additional techniques and the projected health benefits are not clear or quantifiable. As DWA is a not-for-profit public agency, all of its treatment costs are borne by its customers. No action is proposed at this time.

In accordance with requirements of Health and Safety Code (California Safe Drinking Water Act of 1996, SB 1307), a public hearing must be held.

The purpose of this public hearing is to allow the Board to accept and respond to public comments on the report.

The Public Hearing notice was posted/published:

- DWA lobby and outside bulletin board
- The Public Record on May 24, 2022

As of 5:00 p.m., June 2, 2022 no written or verbal comments were received from the public.

Other than conducting the hearing, no action is required with respect to the report. Staff will notify the Division of Drinking Water to make them aware that the hearing took place.

Fiscal Impact: None

Based on the report recommendations, there will be no fiscal impacts to the Agency at this time. Finance Director Saenz has reviewed this report.

Recommendation:

Staff requests that the Board of Directors receive and file the report.

Attachment:

Attachment #1 –

DESERT WATER AGENCY REPORT ON SYSTEM WATER QUALITY RELATIVE TO
PUBLIC HEALTH GOALS JANUARY 2019 TO DECEMBER 2021

DESERT WATER AGENCY REPORT ON SYSTEM WATER QUALITY RELATIVE TO PUBLIC HEALTH GOALS January 2019 to December 2021

BACKGROUND

Provisions of the California Health & Safety Code (see Reference #1) specify that public water systems with greater than 10,000 service connections must prepare a special report by July 1, 2022 if their water quality measurements have exceeded any Public Health Goals (PHGs). PHGs are non-enforceable goals established by the Cal-EPA's Office of Environmental Health Hazard Assessment (OEHHA). The law also requires that where OEHHA has not adopted a PHG for a constituent, the water suppliers are to use the MCLGs (Maximum Contaminant Level Goal) adopted by the U.S. Environmental Protection Agency (USEPA). Only constituents which have a California primary drinking water standard and for which either a PHG or MCLG has been set are to be addressed. (Reference #2 includes a list of all regulated constituents with the MCLs and PHGs.)

The purpose of this Report is to provide consumer access to information regarding the levels of various constituents, even if they are below enforceable mandatory maximum contaminant levels (MCLs), and an estimate of cost to either reduce the constituent level or eliminate any trace of it from drinking water, regardless of how minimal the risk might be.

If a constituent was detected in the Agency's water supply between 2019 and 2021 at a level exceeding an applicable PHG or MCLG, this Report provides the information required by the law. Included is the numerical public health risk (if applicable) associated with the MCL and the PHG or MCLG, the category or type of risk to health that could be associated with each constituent, the best treatment technology available that could be used to eliminate or reduce the constituent level, and an estimate of the cost to install that treatment if it is appropriate and feasible.

WHAT ARE PHGs/MCLs/MCLGs?

Public health goals (PHGs) are based solely on public health risk assessments and are generally lower than the enforceable maximum contaminant levels (MCLs) of the primary drinking water standards. MCLs, which are established at very conservative levels, provide protection to consumers against all but very low to negligible risk and are the regulatory definition of what is considered "safe."

PHGs for non-carcinogenic chemicals in drinking water are set at a concentration "at which no known or anticipated adverse health effects will occur, with an adequate margin of safety." For carcinogens, PHGs are set at a concentration that "does not pose a significant risk of cancer." This is usually a one-in-a-million excess cancer risk (1×10^{-6}) for a lifetime of exposure. MCLGs, like PHGs, are strictly health-based and include a margin

of safety. One difference, however, is that the MCLGs for carcinogens are set at zero because the USEPA assumes there is no absolutely safe level of exposure to them.

None of the practical risk-management factors that are considered in establishing MCLs are considered in establishing PHGs/MCLGs. MCLs include analytical detection capability, availability of treatment technology, benefits and costs.

PHGs/MCLGs are not enforceable and are not required to be met by any public water system. In addition to cost and technological feasibility, PHGs/MCLGs may provide a basis for revising MCLs.

HEALTH RISK CATEGORIES

Health Risk Assessments are categorized for various PHG/MCLGs. Health risks are based on long-term exposure to low levels of contaminants as would occur with drinking water, rather than high doses from a single or short-term exposure. These are the first or most sensitive adverse effects that occur when chemical exposure reaches a sufficient level and duration to produce toxicity. Basing health goals to protect against these risks also protects against risks that would occur from short-term exposure.

Numerical Public Health Risks have been assigned to carcinogenic health risk categories, whereas the cancer risk is stated in terms of excess cancer cases per million (or fewer) population. No numerical Public Health Risk has been calculated for chemicals considered non-carcinogenic.

Various Health Risk categories and specific health outcome are as follows:

Acute toxicity – adverse health effects that develop after a short-term exposure to a chemical. Exposure may last only minutes or occur over a few days.

Carcinogenic – capable of producing cancer.

Chronic Toxicity – adverse effects that usually develop gradually from low levels of chemical exposure where exposure may occur from months to years.

Developmental toxicity – adverse effects on the developing organism that may result from exposure prior to conception (either parent), during prenatal development, or postnatal to the time of sexual maturation. Adverse developmental effects may be detected at any point in the life span of the organism. The majority manifestations include: (1) death of the developing organism, (2) structural abnormality (birth defects), (3) altered growth, and (4) functional deficiency.

Neurotoxic – capable of destroying or adversely affecting the nervous system, or interfering with nerve signal transmission. Effects may be reversible (for example, effects on chemicals that carry nerve signals across gaps between nerve cells) or irreversible (destruction of nerve cells).

Reproductive effects – the occurrence of adverse effects on the reproductive system of females or males that may result from exposure to environmental agents. The toxicity may cause changes to the female or male reproductive organs, the regulating endocrine system, or pregnancy outcomes. Examples of such toxicity may include adverse effects on onset of puberty, egg production and transport, menstrual cycle normality, sexual behavior such as sexual urge, and lowered fertility, sperm production, length of pregnancy, and milk production.

WATER QUALITY DATA CONSIDERED

All water quality data collected within our system between January 1, 2019 and December 31, 2021, has been considered for the purpose of determining compliance with the primary drinking water standards. Data from 2021 is summarized in our 2021 Annual Water Quality Report, which has already been distributed to our customers (Reference #3).

BEST AVAILABLE TREATMENT TECHNOLOGY & COST ESTIMATES

Both the USEPA and State Water Resources Control Board (SWRCB) adopt what are known as BATs or Best Available Technologies, which are the best known methods of reducing contaminant levels to the MCL. Costs of these BATs are difficult to predict. Estimating the costs to reduce a constituent to zero is difficult, if not impossible. Some approved analytical methods may not be able to verify that levels have indeed been reduced beyond the method detection limit. However, since many PHGs and all MCLGs are set much lower than the MCL, it is not always possible nor feasible to determine what treatment is needed to further reduce a constituent downward to or near the PHG or MCLG. In some cases, installing treatment to try and further reduce very low levels of one constituent may have adverse effects on other aspects of water quality.

CONSTITUENTS DETECTED THAT EXCEED A PHG OR MCLG

The following constituents were detected in one or more of our drinking water sources at levels above the PHG, or if no PHG, above the MCLG.

Tetrachloroethylene (PCE)

Tetrachloroethylene is a manufactured substance that is not found in nature. At room temperature, it is a nonflammable liquid that easily evaporates into the air. It has a distinctive sharp-sweet odor that most people can detect at 1 part PCE per million parts of air. Its primary use is for dry cleaning. It is also used as a metal degreaser in the automotive industry and may be found in spot removers and paint strippers. Though a chemically stable solvent, it is volatile and can enter the body through inhalation and skin contact. It has been detected in drinking water supplies from contaminated groundwater. The OEHHA has established the PHG for PCE at 0.06 ug/L. The MCL for drinking water is 5 ug/L.

Effects of exposure to PCE include neurological effects like dizziness, headache, sleepiness, unconsciousness, mood or behavioral changes and impaired motor skills. Exposure can cause kidney and liver dysfunction and irritation to the eyes and upper respiratory tract. It is a carcinogen associated with liver, kidney and bladder cancer. The cancer risk is 1×10^{-6} which means there could be one excess cancer case per million people. Because of the cancer and toxicity risks, PCE was banned in 2007 for all new dry cleaning machines. Older machines using PCE were shut down as of 2010 and use of PCE will be completely discontinued in California by 2023. As a result of this action, PCE detection in the air has been reduced.

Desert Water Agency pumps water directly from the unconfined Whitewater River Sub-basin Aquifer. This aquifer generally flows underground in a south easterly direction. In 1987, levels of PCE that exceeded the MCL were detected at Well 6. The source of the contamination was a drycleaner approximately 800 feet away. The well was immediately taken out of service, with a Regional Water Quality Control Board (RWQCB) Cleanup and Abatement Order issued in 1997 (CAO No. 97-145).

In 2013, PCE was detected at Well 32, which is 4,500 feet southeast of Well 6. The amount of PCE that was detected was 0.5 ug/L which is ten times less than the MCL, but right at the detection limit for reporting. During the calendar years of 2019-2021, PCE was detected at Well 32 at concentration levels between 0.64 and 0.85 ug/L.

The RWQCB is the lead agency involved with the remediation at Well 6. The financial burden for the cleanup using BAT, including collecting soil samples and an abatement plan, is the responsibility of the drycleaner. Should future sampling at Well 32 show an excess of PCE, and if abatement is necessary, the expense will be covered by the same BAT overseen by the RWQCB.

Uranium

Uranium is a silvery white metallic radioactive element that is present, to some degree, in almost everything in our environment. It occurs naturally in granites and other mineral deposits and it generally finds its way into water by leaching from these natural deposits. As established by OEHHA, the PHG for uranium is 0.43 pCi/L (pico Curies per liter of water). The MCL for drinking water standard for uranium is 20 pCi/L. Uranium has a health risk category of Carcinogen and it usually effects the kidneys. Health risk categories are based on experimental animal testing data evaluated by the USEPA. Cancer risk is stated numerically as 1×10^{-6} , which means there could be one excess cancer case per million people.

Between 2019 and the end of 2021, 21 well sites and 1 surface water site were monitored for uranium. All 22 sites sampled exceeded the PHG for uranium. Laboratory analysis on our groundwater and surface water sources have indicated uranium levels ranging from 2.8 pCi/L to 16 pCi/L.

Contaminant Removal

Many steps can be taken to achieve compliance with state and federal regulations. Desert Water Agency continues to remain in compliance and delivers safe drinking water to our customers. To protect the water system and continue to deliver safe drinking water, it may be necessary to reduce or remove the contaminant.

Desert Water Agency has explored the best available technology (BAT) to remove radium-228 and uranium. Each of these contaminants can be removed or reduced by using the same technology; reverse osmosis (RO). RO is an accepted method for removal of many contaminants and once installed at a well site, it has the ability to remove several components, including those that pose no risk at all.

To remove uranium, the estimated initial construction cost is approximately \$2.5M per water source, with an estimated additional overhead and annual maintenance cost of \$38,750 per site. Uranium is the most frequent occurring contaminant and if the Agency had to remove uranium throughout the system, the costs would be estimated at \$75M for initial construction and \$1.162M for additional overhead and annual maintenance. If surface water samples have high turbidity, they must first be filtered for reverse osmosis to be effective and the above figures do not reflect this additional expense. To meet the construction expenses, the Agency would have to collect approximately \$3,225 per each service connection.

RECOMMENDATION FOR FURTHER ACTION

The Desert Water Agency meets all Federal and State Drinking Water Standards set to protect public health.

To further reduce the levels of constituents identified in this Report that are already significantly below the health-based Maximum Contaminant Levels, additional costly treatment processes would be required. As the effectiveness of additional treatment processes is uncertain, and the health protection benefits of any reduction are not clear, and may not be quantifiable, additional treatment processes are not justified. Therefore, no action is proposed.

References Attached:

- #1 *Excerpt from California Health & Safety Code: Section 116470(b)*
- #2 *ACWA April 2022 Suggested Guidelines for Preparation of Required Reports on PUBLIC HEALTH GOALS (PHGs) to satisfy requirements of California Health and Safety Code Section 116470(b), to include Table of Regulated Contaminants with MCL, PHG, or MCLGs, updated September 14, 2021; and Health Risk Information for Public Health Goal Exceedance Reports; February 2022*
- #3 *DWA 2021 Consumer Confidence Report*

State of California

HEALTH AND SAFETY CODE

Section 116470

116470. (a) As a condition of its operating permit, every public water system shall annually prepare a consumer confidence report and mail or deliver a copy of that report to each customer, other than an occupant, as defined in Section 799.28 of the Civil Code, of a recreational vehicle park. A public water system in a recreational vehicle park with occupants as defined in Section 799.28 of the Civil Code shall prominently display on a bulletin board at the entrance to or in the office of the park, and make available upon request, a copy of the report. The report shall include all of the following information:

- (1) The source of the water purveyed by the public water system.
 - (2) A brief and plainly worded definition of the terms “maximum contaminant level,” “primary drinking water standard,” and “public health goal.”
 - (3) If any regulated contaminant is detected in public drinking water supplied by the system during the past year, the report shall include all of the following information:
 - (A) The level of the contaminant found in the drinking water, and the corresponding public health goal and primary drinking water standard for that contaminant.
 - (B) Any violations of the primary drinking water standard that have occurred as a result of the presence of the contaminant in the drinking water and a brief and plainly worded statement of health concerns that resulted in the regulation of that contaminant.
 - (C) The public water system’s address and phone number to enable customers to obtain further information concerning contaminants and potential health effects.
 - (4) Information on the levels of unregulated contaminants, if any, for which monitoring is required pursuant to state or federal law or regulation.
 - (5) Disclosure of any variances or exemptions from primary drinking water standards granted to the system and the basis therefor.
- (b) On or before July 1, 1998, and every three years thereafter, public water systems serving more than 10,000 service connections that detect one or more contaminants in drinking water that exceed the applicable public health goal, shall prepare a brief written report in plain language that does all of the following:
- (1) Identifies each contaminant detected in drinking water that exceeds the applicable public health goal.
 - (2) Discloses the numerical public health risk, determined by the office, associated with the maximum contaminant level for each contaminant identified in paragraph (1) and the numerical public health risk determined by the office associated with the public health goal for that contaminant.

(3) Identifies the category of risk to public health, including, but not limited to, carcinogenic, mutagenic, teratogenic, and acute toxicity, associated with exposure to the contaminant in drinking water, and includes a brief plainly worded description of these terms.

(4) Describes the best available technology, if any is then available on a commercial basis, to remove the contaminant or reduce the concentration of the contaminant. The public water system may, solely at its own discretion, briefly describe actions that have been taken on its own, or by other entities, to prevent the introduction of the contaminant into drinking water supplies.

(5) Estimates the aggregate cost and the cost per customer of utilizing the technology described in paragraph (4), if any, to reduce the concentration of that contaminant in drinking water to a level at or below the public health goal.

(6) Briefly describes what action, if any, the local water purveyor intends to take to reduce the concentration of the contaminant in public drinking water supplies and the basis for that decision.

(c) Public water systems required to prepare a report pursuant to subdivision (b) shall hold a public hearing for the purpose of accepting and responding to public comment on the report. Public water systems may hold the public hearing as part of any regularly scheduled meeting.

(d) The department shall not require a public water system to take any action to reduce or eliminate any exceedance of a public health goal.

(e) Enforcement of this section does not require the department to amend a public water system's operating permit.

(f) Pending adoption of a public health goal by the Office of Environmental Health Hazard Assessment pursuant to subdivision (c) of Section 116365, and in lieu thereof, public water systems shall use the national maximum contaminant level goal adopted by the United States Environmental Protection Agency for the corresponding contaminant for purposes of complying with the notice and hearing requirements of this section.

(g) This section is intended to provide an alternative form for the federally required consumer confidence report as authorized by 42 U.S.C. Section 300g-3(c).

(Repealed and added by Stats. 1996, Ch. 755, Sec. 12. Effective January 1, 1997.)



April 2022

Suggested Guidelines for Preparation of Required Reports on PUBLIC HEALTH GOALS (PHGs) to satisfy requirements of California Health and Safety Code Section 116470(b)

Background

Public water systems serving more than 10,000 service connections must prepare a brief, written report in plain language by July 1, 2022 that gives information on the “detection” of any contaminants above the Public Health Goals (PHGs) published by the state’s Office of Environmental Health Hazard Assessment (OEHHA). The report must also list the “detection” of any contaminant above the Maximum Contaminant Level Goals (MCLGs) set by United States Environmental Protection Agency (U.S. EPA) for all other contaminants until such time as OEHHA has published PHGs for those contaminants.

It is emphasized that the report only needs to provide information on the number of contaminants that a water system has found at a level exceeding a PHG or a MCLG.

The purpose of the legislation requiring these reports was to provide consumers with information on levels of contaminants even below the enforceable mandatory Maximum Contaminant Levels (MCLs) so they would be aware of whatever risks might be posed by the presence of these contaminants at levels below the MCLs. Additionally, each water system must provide an estimate of the cost to reduce the contaminant(s) to the PHG (or MCLG if there is no PHG) regardless of how minimal the risk might be.

The following should be considered when preparing the mandated reports:

1. The U.S. EPA and the California State Water Resources Control Board (SWRCB) Division of Drinking Water (DDW) establish MCLs at very conservative levels to provide protection to consumers against all but very low to negligible risk. In other words, MCLs are the regulatory definition of what is “safe.” Adopted MCLs are still the criteria for being in compliance, not those proposed or possible in the future, and certainly not MCLGs or PHGs.

2. MCLGs and PHGs are often set at very low levels depending on the established health risk, and in the case of U.S. EPA, MCLGs are also set at zero for some contaminants. Determination of health risk at these low levels is theoretical based on risk assessments with multiple assumptions and mathematical extrapolations. Many contaminants are considered to be carcinogenic and U.S. EPA's policy is to set the applicable MCLGs at zero because they consider no amount of these contaminants to be without risk. It is understood by all that zero is an unattainable goal and cannot be measured by the practically available analytical methods. Note that by regulation, OEHHA cannot set a PHG at zero and must calculate a numerical level to address risk, even though it may be unattainable or impossible to measure.
3. PHGs and MCLGs are not enforceable. The Best Available Technology (BAT) to reach such low levels has not been defined and may not realistically be available. Accurate cost estimates are difficult, if not impossible, and are highly speculative and theoretical. Therefore, they have limited value and may not warrant significant investment of agency time and money.

These reports are unique to California. They are required in addition to the extensive public reporting of water quality information that California water utilities have been doing for many years and in addition to the federally mandated Consumer Confidence Reports (CCRs). Hence, it should be kept in mind that in addition to this required report, each utility will continue reporting annually in great depth on the quality of the water it serves.

The guidance herein is intended to assist water suppliers in completing the required reports.

The DDW is the primary enforcing agency of all provisions of the Health and Safety (H&S) Code relative to drinking water systems. It has the authority to ensure that public water systems comply with the report requirement. DDW requests that utilities report in writing as to how they have complied with the fundamental requirements of this section, which are:

- 1) Prepare a brief written report,
- 2) Hold a public hearing (meeting), and
- 3) Notify DDW that the meeting was held and the report is available.

Detailed Guidelines:

I. Who must prepare a PHG report?

California H&S Code, Section 116470(b) is clear that a system ONLY needs to do a report IF it has at least 10,000 service connections AND IF it exceeds one or more PHG or MCLG. Also, a public hearing is NOT required if a report does not have to be prepared.

Utilities that do NOT have to do the report may choose to submit an information item to their governing board advising them that no report is required.

This report is required every three years.

II. Wholesalers (<10,000 service connections) are NOT required to do a PHG report.

Wholesalers who do not directly serve more than 10,000 service connections are not required to meet the PHG report requirements of California H&S Code, Section 116470(b).

III. Timing, Notification, Meetings

- A. **Timing and Meeting:** The report must be prepared by July 1, 2022. A public hearing, which can be held as part of any regularly scheduled meeting, should be held sometime after July 1 and prior to reporting to DDW. The public hearing “should be held within a reasonable time after the report’s completion” so the information is current. The purpose of the hearing is to “accept and respond to” public comment. The governing board or council of public water agencies would also likely approve the staff report at that time. This would represent endorsement by the board of the part of the report where any action (or no action) would be proposed regarding reduction of contaminants to levels lower than required for compliance with MCLs.

Notification: There is no requirement to send a copy of the report to the public. Public agencies must “notice” public hearings so this hearing would be subject to the normal notice requirements (i.e., number of days advance, publishing in appropriate newspaper, etc.) The notice would appropriately indicate the report is the subject of the hearing and indicate it is available for the public to review or to get a copy upon request.

(NOTE: Investor-owned utilities will likely have to schedule a special “meeting” since they are not subject to the same meeting notice requirements and may not have any authority to hold a “public hearing” per se. Their notification of the public could however be similar to public agencies (e.g., publication of legal notice in newspaper of general circulation.)

- B. **Submission of Reports:** DDW does not specifically require that a copy of the report be submitted to them.

IV. Interpretations

- A. **What contaminants must be covered?**

A table of relevant current PHGs, MCLGs, MCLs, and Detection Limits for purposes of Reporting (DLRs) is attached to this guidance as Attachment No. 1.

1. Only contaminants that **have an existing MCL** AND were “detected” at a level that “exceeds” the PHG or, where there is no PHG, the Federal MCLG, need to be included in the report. (See guidance below on “detected” and “exceed”)
2. All contaminants that, **as of December 31, 2021**, have Primary Drinking Water Standards (PDWS) set by California **AND** have an equivalent PHG or a MCLG. This includes chemical, microbiological and radiological constituents. PDWS may be either MCLs or Treatment Techniques (TT). For example, the Surface Water Treatment Rule (SWTR) is a TT for the following contaminants: *Giardia lamblia*, viruses, *Cryptosporidium*, *Legionella* and heterotrophic bacteria (HPC). A TT is set when it is not possible to reliably analyze for the contaminant of concern (the SWTR) or when it is not feasible or appropriate to set a numerical standard (e.g., the Lead & Copper Rule).
3. It does NOT include contaminants, such as radon, for which U.S. EPA has considered adopting an MCL, nor does it include any contaminants DDW plans to regulate in the future.

It does NOT include contaminants for which there is no final PHG or MCLG as of December 31, 2021, nor does it include any secondary MCLs (e.g., TDS, SO₄, Na, etc).

B. What data are to be used for the report due by July 1, 2022?

1. It is recommended that the data used should be from the 3 consecutive calendar years prior to the year the report is prepared. For example, the 2022 report would be based on the analytical data from samples taken in 2019, 2020, and 2021. The data should be the same as that used by the drinking water system in determining compliance with DDW requirements. In most cases, this would be after blending or treatment. Individual well data would only be used if the well feeds directly to the distribution system.
2. For utilities that purchase water from another agency or from a wholesaler, it is suggested that the same guidance or ground rules be followed as for the CCRs. If the only source for a retail system is treated water from a wholesaler and that water contains a constituent above a PHG or MCLG, the retailer should use its own distribution system monitoring data. For systems with both its own sources of water and purchased water, the retailer should evaluate its own distribution system compliance monitoring and compare the annual average value with the PHG or MCLG.

- C. What do the terms “detect” and “exceed” mean in the context of the required report?
1. Keep in mind that there are no regulations that relate to “meeting” or “complying with” PHGs. The logical approach would be to use the same procedures and requirements that Title 22 of the California Code of Regulations specify for determining compliance with MCLs. For example, if Title 22 or DDW guidance specifies that the average of a group of samples be compared to the MCL for compliance purposes, the same averaging should be used to compare to the PHG or MCLG. For most constituents (coliform is an exception), compliance with MCLs is measured at the “point of entry” to the distribution system. This means that, for the most part, the analytical results for each well must be evaluated separately and compared to the MCLG or PHG. If wells are blended or treated before delivery to the system, the judgment as to whether there was a “detection exceeding the MCLG or PHG” should be based on the “point of entry” data just as for compliance with MCLs.
 2. Be sure to report the PHG (or MCLG) as a number equal to or greater than 1.0 as specified in the State Consumer Confidence Report Guidance for Water Suppliers. It is recommended that all data be converted to match CCR data. Attachment No. 1 concentration numbers are given as mg/L, unless otherwise noted.
 3. Keep in mind that if a utility determines that a constituent has been found at a level exceeding the PHG or MCLG, a cost estimate is mandated. A utility would ordinarily be required to perform a cost estimate only if it is clear that the MCL has been clearly exceeded, not just momentarily, or on one sample. In the same way, only when the PHG/MCLG level is clearly exceeded should a cost estimate be calculated and reported.
 4. Significant figures, analytical detection limits, reporting limits, and different methods of determining compliance, all affect the assessment of which constituents were “detected” above the PHG or the MCLG.
 5. Results that are reported below the state regulatory Detection Limit for Purposes of Reporting (DLR - See California Code of Regulations Title 22, Sections 64432 & 64445.1 and other DDW guidance on compliance reporting) should be treated as 0 (zero) which is accepted DDW practice. U.S. EPA also recommends treating non-detection (ND) as zero.

6. As in all cases of reporting results to the state, the results of analyses should be rounded to reflect the appropriate number of significant figures. (EXAMPLE: For E. coli bacteria, the MCLG is 0% samples positive per month which indicates one significant figure. So, if during 2021, a system had a positive sample but the percentage of samples positive for the month was <0.49%, this could be rounded to one significant figure, as the MCLG is expressed, so it would be rounded to 0%.) (SECOND EXAMPLE: For a constituent like PCBs where the MCL is 0.5ppb and the DLR is 0.5 ppb, how do you determine if you exceeded the MCLG of “zero”? Webster defines “zero” as “having no measurable or otherwise determinable value,” which, in effect, is the DLR. So for PCBs, if the average of results for a given well is less than the DLR, the value would be reported as “zero.” Note that by regulation, OEHHA cannot set a PHG at zero and must calculate a numerical level to address risk.)
 7. In averaging the results for a constituent over a specified period during which some of the data is less than the DLR, the average value obtained should be rounded to the appropriate significant figure before comparing to the PHG or MCLG. (EXAMPLE: If a well were sampled for PCE and 0.6 ppb was found and the resample showed 0.6 ppb, it would constitute a confirmed positive detection. But if 3 additional compliance samples were taken from the well and all had less than 0.5 ppb, which is the DLR, then averaging the 5 samples would give an average of 0.24 ppb, which would be rounded to zero. The average from the well does not exceed the PHG of 0.06 ppb, and no cost estimate would be needed for this well.)
- D. What does the term “best available technology” (BAT) mean as used in this portion of the law?
1. While a specific definition of the term is not in the California H&S Code, the accepted meaning in all other sections is that it refers to a technology to achieve compliance with MCLs. In fact, where “best available technology” is listed or explained (Sections 64447, 64447.2 & 64447.4), the usage is “for achieving compliance with the MCLs.” This is also true for BAT specified in federal regulations.
 2. However, in Section 116470(b)(4), the term refers to “BAT,” if any is available on a commercial basis, to remove or reduce the concentration of the contaminant. Specifically, subdivision (b)(5) requires cost estimates of using the technology described in subdivision (b)(4) to “reduce the contaminant...to a level at or below the” PHG (or MCLG).

3. Obviously, where MCLGs are set at zero, there may not be commercially available technology to reach a non-detectable level. This should be clearly stated in the report. Since there is little data readily available to “estimate” cost of treatment to achieve absolute zero levels, rough estimates of “BAT” as defined in law might be used with a clearly written caveat that use of this “BAT” may still not achieve the PHG or MCLG and the costs may be significantly higher to do so.

E. Must the report deal with total coliforms?

No. No PHG or MCLG for total coliforms existed during the period covered by the 2022 report. For reports on PHGs prepared in 2019 and prior years, results for total coliforms needed to be evaluated because the U.S. EPA established a MCLG of zero (0) for total coliforms that remained applicable until March 31, 2016. In 2013, U.S. EPA revised the 1989 Total Coliform Rule (TCR) and one of the provisions of the revised Total Coliform Rule (RTCR) eliminated the MCLG for total coliforms effective April 1, 2016.

F. How should the report deal with *E. coli*?

The federal RTCR included a MCL and MCLG for *E. coli* effective April 1, 2016. The MCLG for *E. coli* is zero (0). DDW adopted a MCL for *E. coli* which became effective July 1, 2021. Even though there is no PHG, *E. coli* is subject to PHG report requirements because there is a MCLG and a MCL.

1. The *E. coli* MCL is based on either an *E. coli* positive repeat sample following a total coliform (TC) positive routine sample, a TC-positive repeat sample following an *E. coli* -positive routine sample, failure to collect all required repeat samples following a *E. coli* positive routine sample, or failure to test for *E. coli* when any repeat sample is TC-positive. The PWS should report the number of *E. coli* detections that occurred during the three-year period (2019, 2020, and 2021 for this report). The MCLG of zero is therefore appropriately interpreted as zero samples positive.
2. If it is determined that the system has exceeded the MCLG of zero for *E. coli*, the following factors are pertinent for deciding what action, if any, is appropriate to consider and for estimating costs:
 - a. Exceeding zero *E. coli* bacteria at any one time, in and of itself, would not normally constitute the need for any treatment or action.
 - b. There is no action that could be taken with absolute certainty that could ensure that the system would always have zero-percent *E. coli* every single time.

- c. The “best available technology” (to meet the MCL, not the MCLG) that is specified for total coliform by DDW in California Code of Regulations Title 22, Section 64447 would also apply to *E. coli* and for the most part is already followed by many systems.
 - d. The one single action that would most likely decrease the possibility of positive *E. coli* detection would be to significantly increase the disinfectant residual. This would likely result in increased disinfection byproducts (DBPs). While disinfection protects against acute health risks, such as *E. coli* and *Giardia*, DBPs can have potentially adverse chronic health risks. The limits to the amount of disinfectant residual allowed in the distribution system are the maximum residual disinfectant levels (MRDLs) as established by the Disinfectants and Disinfection Byproducts Rule (DBPR).
 - e. Utilities should point out the positive, proactive steps they take to prevent *E. coli* contamination in the distribution system, including preventive maintenance, main flushing, special monitoring, residual maintenance and testing, cross-connection control, etc.
- G. How should the report handle the MCLGs of zero for *Giardia lamblia*, *Cryptosporidium*, *Legionella* and viruses?
 - 1. The MCL for pathogenic micro-organisms is a TT (i.e., the SWTR). No monitoring is mandated for the organisms because there are no standardized methods for testing or the analyses are not timely (like virus testing – 30 days) to provide public health protection.
 - 2. For these reasons, since the intent of the TT (SWTR) is to protect against these pathogens, it can properly be assumed that if the SWTR is met, that the utility has met the MCLG because there is no uniform way to assess possible pathogen levels.
 - 3. For utilities doing voluntary monitoring of pathogens (such as *Giardia* and *Cryptosporidium*), the results are appropriately considered research or for operational purposes and not for compliance purposes.
- H. How should the report deal with Lead and Copper?
 - 1. Any lead or copper values below the respective DLR should be reported as zero.
 - 2. For monitoring lead at the tap, if the 90 percentile lead value is ND, or <0.005 mg/l, then you should assume you do not exceed the lead PHG of 0.2 ppb.

3. For monitoring copper at the tap, if the 90 percentile copper value is not above 300 ppb, then you have not exceeded the copper PHG.
 4. While not precisely stated in the regulations, best available technology for Lead and Copper compliance is a TT (in lieu of MCLs) of “optimized corrosion control.” For larger systems with >10,000 service connections, this depends on a series of steps involving sampling, reports, studies, etc. If a system meets the requirements of having optimized corrosion control but still has a 90 percentile lead or copper value above the PHGs, it is not clear what additional steps could be considered, particularly without causing other potential water quality problems. It may be appropriate to explain this in a straight-forward manner rather than putting in “hypothetical” cost figures.
- I. Must the report deal with Total Trihalomethanes (TTHMs) or Haloacetic Acids (HAAS)?

No. MCLG/PHG exceedances must be reported only for those contaminants that have a primary drinking water standard in place and an associated MCLG/PHG. Although U.S. EPA has adopted MCLGs for some individual THMs and HAAs (such as dibromochloromethane or dichloroacetic acid), there are no MCLs in effect for these individual constituents. Likewise, U.S. EPA has adopted standards for the cumulative byproduct groups, but there are no MCLGs or PHGs established for the groups. In California, DDW has adopted an MCL for both cumulative byproduct groups, but there are no associated PHGs. (Note: OEHHA published a draft PHG of 0.8 ppb for total trihalomethanes in September 2010, but it had not been finalized as of December 31, 2021).

On February 7, 2020, OEHHA published PHGs of 0.4 ppb for chloroform, 0.5 ppb for bromoform, 0.06 ppb for bromodichloromethane, and 0.1 ppb for dibromochloromethane but there are no MCLs for individual trihalomethanes so these constituents do not need to be included in the report.

However, individual MCLs and MCLGs for bromate and chlorite exist, so they must be included in the report if detected.

- J. How should water utilities handle gross alpha and uranium?

When looking at the results of any radionuclide monitoring done in the 3-year period to be covered by the report, there are several things to keep in mind:

As indicated in C.1 of this Guidance, where averaging is done to determine compliance with MCLs, it should also be done in considering PHGs. This is important for radionuclides because compliance is often based on averaging.

Unlike most other constituents, laboratories doing radionuclides report some results that are LOWER than the state DLR. Title 22, 64442 (h)(3)(c) states: “If a sample result is LESS than the DLR in Table 64442, ZERO shall be used to calculate the annual average.....” Also, it says for Gross Alpha: “.....1/2 of the DLR shall be used to calculate the annual average.”

Where Gross Alpha analyses are used in lieu of analyzing for uranium, Radium 226 or 228, the procedure outlined in Title 22, 64442(f) should be followed. (Note: The 95% confidence limit is often reported by labs as MDA95.)

K. Do utilities have to report detections of hexavalent chromium?

Water systems do NOT have to report anything on hexavalent chromium because there is no MCL. While there is an MCL and an MCLG for TOTAL chromium, systems will not have to report on it either since the MCLG (100 ppb) is much higher than the California MCL (50 ppb).

V. Disclosure of Numerical Public Health Risk Associated with PHGs/MCLs and Identification of Category of Risk

H&S Code, Section 116470(b)(2) requires the report to disclose the numerical public health risk associated with both the maximum contaminant level and public health goal for each contaminant detected in drinking water that exceeds the public health goal, and Section 116470(b)(3) requires an identification of the category of risk to public health associated with exposure to the contaminant. In February 2022, OEHHA prepared and published an updated “Health Risk Information for Public Health Goal Exceedance Reports” document. It is included as Attachment No. 2, and can be accessed at <https://oehha.ca.gov/water/public-health-goal-report/health-risk-information-public-health-goal-exceedance-reports-2022>.

V. Cost Estimates

The most difficult aspect of the required report is estimating the cost of treatment. Agencies are urged to keep in mind that because of the advisory nature of the report, the non-enforceable aspect of PHGs and MCLGs, and the highly speculative applicability of technology to achieve “zero” levels, only very preliminary cost estimating is appropriate and necessary.

Remember that a cost estimate is only required for a constituent if you determine that it was “detected” above the PHG or MCLG. If the MCLG is zero and the result (after approximation, averaging, rounding) is less than the DLR, no cost estimate is needed. (Remember that many DLRs are LOWER than the PHG, so “detection” above the DLR does not necessarily mean that it is above the PHG.)

The cost estimates should not be low estimates because that would give a mistaken impression that achieving “zero” levels would have a lower price tag when the amount of uncertainty and unknowns would be very high. Given the uncertainties, it might be appropriate to consider reporting a range of costs.

For the 2022 guidance, ACWA is providing a revision of its previous treatment cost information.

Attachment No. 3 to this guidance includes several tables which provide "ranges" of costs for installing and operating several treatment technologies. These data have been gathered from a variety of sources and represent estimates for different size systems, different sources, and different constituents targeted for reduction by the treatment.

Table 1 represents the results of a 2012 ACWA Survey of its member agencies. This has been revised using the average 2021 ENR Cost Index.

Table 2 includes data from several agencies that was gathered separately from the 2012 ACWA survey. This has been revised using the average 2021 ENR Cost Index.

Table 3 is treatment cost data from previous ACWA Guidance documents with the costs updated to 2021. This has been revised using the average 2021 ENR Cost Index.

The law specifies that the report should only “estimate the aggregate cost and the cost per customer of utilizing the technology” to reduce the level down to the PHG. There is no specification of what is to be estimated: initial construction cost, annualized costs of construction and O&M, or another way of expressing cost. It is suggested that each utility may do it the way they report other costs. (EXAMPLES: 1. Initial Cost of Construction, including % increases for each of design, planning, CEQA, permitting, contingency, etc. = \$10 million, or \$1000 per customer, plus an ongoing O&M cost of \$1 million, or \$100 per customer, forever; 2. Annualized Cost of Construction plus O&M = \$2 million, or \$200 per customer.)

All possible technologies do not have to be evaluated for each constituent to compare costs. For example, if granular activated carbon (GAC) and reverse osmosis (RO) are both possible treatment technologies to try to lower the level of a particular contaminant to the “zero” PHG/MCLG level, it is appropriate to specify and estimate costs for the technology that would likely be used, keeping in mind there are significant uncertainties based on a variety of factors. If the utility has multiple contaminants to address in the report, one technology (i.e., RO) may address them all, so a cost estimate for RO only could suffice.

General “order of magnitude” estimates are adequate. It is assumed that ALL costs including capital, land, construction, engineering, planning, environmental, contingency and operations and maintenance (O&M) costs should be included but general assumptions can be made for most of these items.

If a system chooses to do its own cost estimating rather than use the costs in Attachment No. 3, it is recommended that generally available cost estimating guides be used such as from U.S. EPA, WRF, AWWA, ASCE, or textbooks, manuals, journals.

The following is a list of references that might be used:

- (1) Implementation of Arsenic Treatment Systems, Part 1. Process Selection; AWWA Research Foundation and U.S.E.P.A, Published by AWWA RF and AWWA, 2002,
- (2) Implementation of Arsenic Treatment Systems, Part 2: Design Considerations, Operation and Maintenance, AWWA Research Foundation, Published by AWWA RF and AWWA, 2002,
- (3) State-of-Science on Perchlorate Treatment Technologies, Final Report for Water Research Foundation project #4359, 2011,
- (4) An Assessment of the State of Nitrate Treatment Alternatives, AWWA, June 2011, Chad Siedel and Craig Gorman, Jacobs Engineering Group, Inc.,
- (5) Performance and Cost Analysis of Arsenic Treatment in California, October, 2009, JAWRA, UC Davis, Hilkert, Young, Green and Darby.

U.S. EPA includes cost data in the Federal Register for each regulation when it is proposed or adopted. (NOTE: U.S. EPA estimates generally do not consider state-specific concerns and some costs have been known to be underestimated in the past so costs should be increased appropriately and based on utility experience.) The experience of other utilities in your area that have installed treatment to meet MCLs or data reported in journals is valuable as well.

Utilities may also choose to have their engineering consultants prepare these very general cost estimates.

VI. Sample Hypothetical Report

Attachment No. 4 is a comparable attempt to show what a PHG-required report might look like for a "hypothetical" water system that serves more than 10,000 service connections and had one or more PHG/MCLG exceedances in the three-year period ending December 31, 2015, as an example. It is NOT the only way the report might be done. The sample is based on these guidelines. If there appears to be a conflict between the sample and the guidelines, the guidelines should be followed.

If you have any questions about these guidelines or any of the attachments, contact Nick Blair of ACWA at NickB@acwa.com or 916-669-2377.

ATTACHMENT NO. 1
2019 PHG Triennial Report: Calendar Years 2019-2020-2021

MCLs, DLRs, and PHGs for Regulated Drinking Water Contaminants (Units are in milligrams per liter (mg/L), unless otherwise noted.) Last Update: S e p t e m b e r 1 4 , 2 0 2 1				
This table includes: California's maximum contaminant levels (MCLs) Detection limits for purposes of reporting (DLRs) Public health goals (PHGs) from the Office of Environmental Health Hazard Assessment (OEHHA) Also, the PHG for NDMA (which is not yet regulated) is included at the bottom of this table.				
Regulated Contaminant	MCL	DLR	PHG	Date of PHG
Chemicals with MCLs in 22 CCR §64431—Inorganic Chemicals				
Aluminum	1	0.05	0.6	2001
Antimony	0.006	0.006	0.001	2016
Arsenic	0.010	0.002	0.000004	2004
Asbestos (MFL = million fibers per liter; for fibers >10 microns long)	7 MFL	0.2 MFL	7 MFL	2003
Barium	1	0.1	2	2003
Beryllium	0.004	0.001	0.001	2003
Cadmium	0.005	0.001	0.00004	2006
Chromium, Total - OEHHA withdrew the 0.0025-mg/L PHG	0.05	0.01	withdrawn Nov. 2001	1999
Chromium, Hexavalent - 0.01-mg/L MCL & 0.001-mg/L DLR repealed September 2017	--	--	0.00002	2011
Cyanide	0.15	0.1	0.15	1997
Fluoride	2	0.1	1	1997
Mercury (inorganic)	0.002	0.001	0.0012	1999 (rev2005)*
Nickel	0.1	0.01	0.012	2001
Nitrate (as nitrogen, N)	10 as N	0.4	45 as NO ₃ (=10 as N)	2018
Nitrite (as N)	1 as N	0.4	1 as N	2018
Nitrate + Nitrite (as N)	10 as N	--	10 as N	2018
Perchlorate	0.006	0.004	0.001	2015
Selenium	0.05	0.005	0.03	2010
Thallium	0.002	0.001	0.0001	1999 (rev2004)
Copper and Lead, 22 CCR §64672.3				
<i>Values referred to as MCLs for lead and copper are not actually MCLs; instead, they are called "Action Levels" under the lead and copper rule</i>				
Copper	1.3	0.05	0.3	2008

ATTACHMENT NO. 1
2019 PHG Triennial Report: Calendar Years 2019-2020-2021

Lead	0.015	0.005	0.0002	2009
Radionuclides with MCLs in 22 CCR §64441 and §64443—Radioactivity				
[units are picocuries per liter (pCi/L), unless otherwise stated; n/a = not applicable]				
Gross alpha particle activity - OEHHA concluded in 2003 that a PHG was not practical	15	3	none	n/a
Gross beta particle activity - OEHHA concluded in 2003 that a PHG was not practical	4 mrem/yr	4	none	n/a
Radium-226	--	1	0.05	2006
Radium-228	--	1	0.019	2006
Radium-226 + Radium-228	5	--	--	--
Strontium-90	8	2	0.35	2006
Tritium	20,000	1,000	400	2006
Uranium	20	1	0.43	2001
Chemicals with MCLs in 22 CCR §64444—Organic Chemicals				
(a) Volatile Organic Chemicals (VOCs)				
Benzene	0.001	0.0005	0.00015	2001
Carbon tetrachloride	0.0005	0.0005	0.0001	2000
1,2-Dichlorobenzene	0.6	0.0005	0.6	1997 (rev2009)
1,4-Dichlorobenzene (p-DCB)	0.005	0.0005	0.006	1997
1,1-Dichloroethane (1,1-DCA)	0.005	0.0005	0.003	2003
1,2-Dichloroethane (1,2-DCA)	0.0005	0.0005	0.0004	1999 (rev2005)
1,1-Dichloroethylene (1,1-DCE)	0.006	0.0005	0.01	1999
cis-1,2-Dichloroethylene	0.006	0.0005	0.013	2018
trans-1,2-Dichloroethylene	0.01	0.0005	0.05	2018
Dichloromethane (Methylene chloride)	0.005	0.0005	0.004	2000
1,2-Dichloropropane	0.005	0.0005	0.0005	1999
1,3-Dichloropropene	0.0005	0.0005	0.0002	1999 (rev2006)
Ethylbenzene	0.3	0.0005	0.3	1997
Methyl tertiary butyl ether (MTBE)	0.013	0.003	0.013	1999
Monochlorobenzene	0.07	0.0005	0.07	2014
Styrene	0.1	0.0005	0.0005	2010
1,1,2,2-Tetrachloroethane	0.001	0.0005	0.0001	2003
Tetrachloroethylene (PCE)	0.005	0.0005	0.00006	2001
Toluene	0.15	0.0005	0.15	1999
1,2,4-Trichlorobenzene	0.005	0.0005	0.005	1999
1,1,1-Trichloroethane (1,1,1-TCA)	0.2	0.0005	1	2006
1,1,2-Trichloroethane (1,1,2-TCA)	0.005	0.0005	0.0003	2006
Trichloroethylene (TCE)	0.005	0.0005	0.0017	2009
Trichlorofluoromethane (Freon 11)	0.15	0.005	1.3	2014

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1,1,2-Trichloro-1,2,2-Trifluoroethane (Freon 113)	1.2	0.01	4	1997 (rev2011)
Vinyl chloride	0.0005	0.0005	0.00005	2000
Xylenes	1.75	0.0005	1.8	1997
(b) Non-Volatile Synthetic Organic Chemicals (SOCs)				
Alachlor	0.002	0.001	0.004	1997
Atrazine	0.001	0.0005	0.00015	1999
Bentazon	0.018	0.002	0.2	1999 (rev2009)
Benzo(a)pyrene	0.0002	0.0001	0.000007	2010
Carbofuran	0.018	0.005	0.0007	2016
Chlordane	0.0001	0.0001	0.00003	1997 (rev2006)
Dalapon	0.2	0.01	0.79	1997 (rev2009)
1,2-Dibromo-3-chloropropane (DBCP)	0.0002	0.00001	0.000003	2020
2,4-Dichlorophenoxyacetic acid (2,4-D)	0.07	0.01	0.02	2009
Di(2-ethylhexyl)adipate	0.4	0.005	0.2	2003
Di(2-ethylhexyl)phthalate (DEHP)	0.004	0.003	0.012	1997
Dinoseb	0.007	0.002	0.014	1997 (rev2010)
Diquat	0.02	0.004	0.006	2016
Endothal	0.1	0.045	0.094	2014
Endrin	0.002	0.0001	0.0003	2016
Ethylene dibromide (EDB)	0.00005	0.00002	0.00001	2003
Glyphosate	0.7	0.025	0.9	2007
Heptachlor	0.00001	0.00001	0.000008	1999
Heptachlor epoxide	0.00001	0.00001	0.000006	1999
Hexachlorobenzene	0.001	0.0005	0.00003	2003
Hexachlorocyclopentadiene	0.05	0.001	0.002	2014
Lindane	0.0002	0.0002	0.000032	1999 (rev2005)
Methoxychlor	0.03	0.01	0.00009	2010
Molinate	0.02	0.002	0.001	2008
Oxamyl	0.05	0.02	0.026	2009
Pentachlorophenol	0.001	0.0002	0.0003	2009
Picloram	0.5	0.001	0.166	2016
Polychlorinated biphenyls (PCBs)	0.0005	0.0005	0.00009	2007
Simazine	0.004	0.001	0.004	2001
Thiobencarb	0.07	0.001	0.042	2016
Toxaphene	0.003	0.001	0.00003	2003
1,2,3-Trichloropropane	0.000005	0.000005	0.0000007	2009
2,3,7,8-TCDD (dioxin)	3x10 ⁻⁸	5x10 ⁻⁹	5x10 ⁻¹¹	2010
2,4,5-TP (Silvex)	0.05	0.001	0.003	2014
Chemicals with MCLs in 22 CCR §64533—Disinfection Byproducts				
Total Trihalomethanes	0.080	--	--	--
Bromodichloromethane	--	0.0010	0.00006	2020

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Bromoform	--	0.0010	0.0005	2020
Chloroform	--	0.0010	0.0004	2020
Dibromochloromethane	--	0.0010	0.0001	2020
Haloacetic Acids (five) (HAA5)	0.060	--	--	--
Monochloroacetic Acid	--	0.0020	--	--
Dichloroacetic Acid	--	0.0010	--	--
Trichloroacetic Acid	--	0.0010	--	--
Monobromoacetic Acid	--	0.0010	--	--
Dibromoacetic Acid	--	0.0010	--	--
Bromate	0.010	0.0050**	0.0001	2009
Chlorite	1.0	0.020	0.05	2009
<i>Chemicals with PHGs established in response to DDW requests. These are not currently regulated drinking water contaminants.</i>				
N-Nitrosodimethylamine (NDMA)	--	--	0.000003	2006
*OEHHA's review of this chemical during the year indicated (rev20XX) resulted in no change in the PHG.				
**The DLR for Bromate is 0.0010 mg/L for analysis performed using EPA Method 317.0 Revision 2.0, 321.8, or 326.0.				

Public Health Goals

Health Risk Information for Public Health Goal Exceedance Reports

February 2022



Pesticide and Environmental Toxicology Branch
Office of Environmental Health Hazard Assessment
California Environmental Protection Agency

Health Risk Information for Public Health Goal Exceedance Reports

Prepared by

Office of Environmental Health Hazard Assessment
California Environmental Protection Agency

February 2022

NEW for the 2022 Report: New in this document are an updated Public Health Goal(PHG) for 1,2-dibromo-3-chloropropane (DBCP) and newly established PHGs for the trihalomethanes bromodichloromethane, bromoform, chloroform, and dibromochloromethane.

Background: Under the Calderon-Sher Safe Drinking Water Act of 1996 (the Act), public water systems with more than 10,000 service connections are required to prepare a report every three years for contaminants that exceed their respective PHGs.¹This document contains health risk information on regulated drinking water contaminants to assist public water systems in preparing these reports. A PHG is the concentration of a contaminant in drinking water that poses no significant health risk if consumed for a lifetime. PHGs are developed and published by the Office of Environmental Health Hazard Assessment (OEHHA) using current risk assessment principles, practices and methods.²

The water system's report is required to identify the health risk category (e.g., carcinogenicity or neurotoxicity) associated with exposure to each regulated contaminant in drinking water and to include a brief, plainly worded description of these risks. The report is also required to disclose the numerical public health risk, if available, associated with the California Maximum Contaminant Level (MCL) and with the PHG for each contaminant. This health risk information document is prepared by OEHHA every three years to assist the water systems in providing the required information in their reports.

¹ Health and Safety Code Section 116470(b)

² Health and Safety Code Section 116365

ATTACHMENT NO. 2
2022 Health Risk Information for Public Health Goal
Exceedance Reports

Numerical health risks: Table 1 presents health risk categories and cancer risk values for chemical contaminants in drinking water that have PHGs.

The Act requires that OEHHA publish PHGs based on health risk assessments using the most current scientific methods. As defined in statute, PHGs for non-carcinogenic chemicals in drinking water are set at a concentration “at which no known or anticipated adverse health effects will occur, with an adequate margin of safety.” For carcinogens, PHGs are set at a concentration that “does not pose any significant risk to health.” PHGs provide one basis for revising MCLs, along with cost and technological feasibility. OEHHA has been publishing PHGs since 1997 and the entire list published to date is shown in Table 1.

Table 2 presents health risk information for contaminants that do not have PHGs but have state or federal regulatory standards. The Act requires that, for chemical contaminants with California MCLs that do not yet have PHGs, water utilities use the federal Maximum Contaminant Level Goal (MCLG) for the purpose of complying with the requirement of public notification. MCLGs, like PHGs, are strictly health based and include a margin of safety. One difference, however, is that the MCLGs for carcinogens are set at zero because the US Environmental Protection Agency (US EPA) assumes there is no absolutely safe level of exposure to such chemicals. PHGs, on the other hand, are set at a level considered to pose no *significant* risk of cancer; this is usually no more than a one-in-one-million excess cancer risk (1×10^{-6}) level for a lifetime of exposure. In Table 2, the cancer risks shown are based on the US EPA’s evaluations.

For more information on health risks: The adverse health effects for each chemical with a PHG are summarized in a PHG technical support document. These documents are available on the OEHHA website (<https://oehha.ca.gov/water/public-health-goals-phgs>).

Table 1: Health Risk Categories and Cancer Risk Values for Chemicals with California Public Health Goals (PHGs)

Chemical	Health Risk Category ¹	California PHG (mg/L) ²	Cancer Risk ³ at the PHG	California MCL ⁴ (mg/L)	Cancer Risk at the California MCL
Alachlor	carcinogenicity (causes cancer)	0.004	NA ^{5,6}	0.002	NA
Aluminum	neurotoxicity and immunotoxicity (harms the nervous and immune systems)	0.6	NA	1	NA
Antimony	hepatotoxicity (harms the liver)	0.001	NA	0.006	NA
Arsenic	carcinogenicity (causes cancer)	0.000004 (4×10 ⁻⁶)	1×10 ⁻⁶ (one per million)	0.01	2.5×10 ⁻³ (2.5 per thousand)
Asbestos	carcinogenicity (causes cancer)	7 MFL ⁷ (fibers >10 microns in length)	1×10 ⁻⁶	7 MFL (fibers >10 microns in length)	1×10 ⁻⁶ (one per million)
Atrazine	carcinogenicity (causes cancer)	0.00015	1×10 ⁻⁶	0.001	7×10 ⁻⁶ (seven per million)

¹ Based on the OEHHA PHG technical support document unless otherwise specified. The categories are the hazard traits defined by OEHHA for California's Toxics Information Clearinghouse (online at: <https://oehha.ca.gov/media/downloads/risk-assessment/gcregtext011912.pdf>).

² mg/L = milligrams per liter of water or parts per million (ppm)

³ Cancer Risk = Upper bound estimate of excess cancer risk from lifetime exposure. Actual cancer risk may be lower or zero. 1×10⁻⁶ means one excess cancer case per million people exposed.

⁴ MCL = maximum contaminant level.

⁵ NA = not applicable. Cancer risk cannot be calculated.

⁶ The PHG for alachlor is based on a threshold model of carcinogenesis and is set at a level that is believed to be without any significant cancer risk to individuals exposed to the chemical over a lifetime.

⁷ MFL = million fibers per liter of water.

Table 1: Health Risk Categories and Cancer Risk Values for Chemicals with California Public Health Goals (PHGs)

Chemical	Health Risk Category ¹	California PHG (mg/L) ²	Cancer Risk ³ at the PHG	California MCL ⁴ (mg/L)	Cancer Risk at the California MCL
Barium	cardiovascular toxicity (causes high blood pressure)	2	NA	1	NA
Bentazon	hepatotoxicity and digestive system toxicity (harms the liver, intestine, and causes body weight effects ⁸)	0.2	NA	0.018	NA
Benzene	carcinogenicity (causes leukemia)	0.00015	1×10^{-6}	0.001	7×10^{-6} (seven per million)
Benzo[a]pyrene	carcinogenicity (causes cancer)	0.000007 (7×10^{-6})	1×10^{-6}	0.0002	3×10^{-5} (three per hundred thousand)
Beryllium	digestive system toxicity (harms the stomach or intestine)	0.001	NA	0.004	NA
Bromate	carcinogenicity (causes cancer)	0.0001	1×10^{-6}	0.01	1×10^{-4} (one per ten thousand)
Cadmium	nephrotoxicity (harms the kidney)	0.00004	NA	0.005	NA
Carbofuran	reproductive toxicity (harms the testis)	0.0007	NA	0.018	NA

⁸ Body weight effects are an indicator of general toxicity in animal studies.

Table 1: Health Risk Categories and Cancer Risk Values for Chemicals with California Public Health Goals (PHGs)

Chemical	Health Risk Category ¹	California PHG (mg/L) ²	Cancer Risk ³ at the PHG	California MCL ⁴ (mg/L)	Cancer Risk at the California MCL
Carbon tetrachloride	carcinogenicity (causes cancer)	0.0001	1×10^{-6}	0.0005	5×10^{-6} (five per million)
Chlordane	carcinogenicity (causes cancer)	0.00003	1×10^{-6}	0.0001	3×10^{-6} (three per million)
Chlorite	hematotoxicity (causes anemia) neurotoxicity (causes neurobehavioral effects)	0.05	NA	1	NA
Chromium, hexavalent	carcinogenicity (causes cancer)	0.00002	1×10^{-6}	none	NA
Copper	digestive system toxicity (causes nausea, vomiting, diarrhea)	0.3	NA	1.3 (AL ⁹)	NA
Cyanide	neurotoxicity (damages nerves) endocrine toxicity (affects the thyroid)	0.15	NA	0.15	NA
Dalapon	nephrotoxicity (harms the kidney)	0.79	NA	0.2	NA
Di(2-ethylhexyl) adipate (DEHA)	developmental toxicity (disrupts development)	0.2	NA	0.4	NA

⁹ AL = action level. The action levels for copper and lead refer to a concentration measured at the tap. Much of the copper and lead in drinking water is derived from household plumbing (The Lead and Copper Rule, Title 22, California Code of Regulations [CCR] section 64672.3).

Table 1: Health Risk Categories and Cancer Risk Values for Chemicals with California Public Health Goals (PHGs)

Chemical	Health Risk Category ¹	California PHG (mg/L) ²	Cancer Risk ³ at the PHG	California MCL ⁴ (mg/L)	Cancer Risk at the California MCL
Di(2-ethylhexyl) phthalate (DEHP)	carcinogenicity (causes cancer)	0.012	1×10^{-6}	0.004	3×10^{-7} (three per ten million)
1,2-Dibromo-3-chloropropane (DBCP)	carcinogenicity (causes cancer)	0.000003 (3×10^{-6})	1×10^{-6}	0.0002	7×10^{-5} (seven per hundred thousand)
1,2-Dichloro-benzene (o-DCB)	hepatotoxicity (harms the liver)	0.6	NA	0.6	NA
1,4-Dichloro-benzene (p-DCB)	carcinogenicity (causes cancer)	0.006	1×10^{-6}	0.005	8×10^{-7} (eight per ten million)
1,1-Dichloro-ethane (1,1-DCA)	carcinogenicity (causes cancer)	0.003	1×10^{-6}	0.005	2×10^{-6} (two per million)
1,2-Dichloro-ethane (1,2-DCA)	carcinogenicity (causes cancer)	0.0004	1×10^{-6}	0.0005	1×10^{-6} (one per million)
1,1-Dichloro-ethylene (1,1-DCE)	hepatotoxicity (harms the liver)	0.01	NA	0.006	NA
1,2-Dichloro-ethylene, cis	nephrotoxicity (harms the kidney)	0.013	NA	0.006	NA
1,2-Dichloro-ethylene, trans	immunotoxicity (harms the immune system)	0.05	NA	0.01	NA

Table 1: Health Risk Categories and Cancer Risk Values for Chemicals with California Public Health Goals (PHGs)

Chemical	Health Risk Category ¹	California PHG (mg/L) ²	Cancer Risk ³ at the PHG	California MCL ⁴ (mg/L)	Cancer Risk at the California MCL
Dichloromethane (methylene chloride)	carcinogenicity (causes cancer)	0.004	1×10^{-6}	0.005	1×10^{-6} (one per million)
2,4-Dichlorophenoxyacetic acid (2,4-D)	hepatotoxicity and nephrotoxicity (harms the liver and kidney)	0.02	NA	0.07	NA
1,2-Dichloropropane (propylene dichloride)	carcinogenicity (causes cancer)	0.0005	1×10^{-6}	0.005	1×10^{-5} (one per hundred thousand)
1,3-Dichloropropene (Telone II®)	carcinogenicity (causes cancer)	0.0002	1×10^{-6}	0.0005	2×10^{-6} (two per million)
Dinoseb	reproductive toxicity (harms the uterus and testis)	0.014	NA	0.007	NA
Diquat	ocular toxicity (harms the eye) developmental toxicity (causes malformation)	0.006	NA	0.02	NA
Endothall	digestive system toxicity (harms the stomach or intestine)	0.094	NA	0.1	NA
Endrin	neurotoxicity (causes convulsions) hepatotoxicity (harms the liver)	0.0003	NA	0.002	NA
Ethylbenzene (phenylethane)	hepatotoxicity (harms the liver)	0.3	NA	0.3	NA

Table 1: Health Risk Categories and Cancer Risk Values for Chemicals with California Public Health Goals (PHGs)

Chemical	Health Risk Category ¹	California PHG (mg/L) ²	Cancer Risk ³ at the PHG	California MCL ⁴ (mg/L)	Cancer Risk at the California MCL
Ethylene dibromide (1,2-Dibromoethane)	carcinogenicity (causes cancer)	0.00001	1×10^{-6}	0.00005	5×10^{-6} (five per million)
Fluoride	musculoskeletal toxicity (causes tooth mottling)	1	NA	2	NA
Glyphosate	nephrotoxicity (harms the kidney)	0.9	NA	0.7	NA
Heptachlor	carcinogenicity (causes cancer)	0.000008 (8×10^{-6})	1×10^{-6}	0.00001	1×10^{-6} (one per million)
Heptachlor epoxide	carcinogenicity (causes cancer)	0.000006 (6×10^{-6})	1×10^{-6}	0.00001	2×10^{-6} (two per million)
Hexachlorobenzene	carcinogenicity (causes cancer)	0.00003	1×10^{-6}	0.001	3×10^{-5} (three per hundred thousand)
Hexachlorocyclopentadiene (HCCPD)	digestive system toxicity (causes stomach lesions)	0.002	NA	0.05	NA
Lead	developmental neurotoxicity (causes neurobehavioral effects in children) cardiovascular toxicity (causes high blood pressure) carcinogenicity (causes cancer)	0.0002	$<1 \times 10^{-6}$ (PHG is not based on this effect)	0.015 (AL ⁹)	2×10^{-6} (two per million)

Table 1: Health Risk Categories and Cancer Risk Values for Chemicals with California Public Health Goals (PHGs)

Chemical	Health Risk Category ¹	California PHG (mg/L) ²	Cancer Risk ³ at the PHG	California MCL ⁴ (mg/L)	Cancer Risk at the California MCL
Lindane (γ-BHC)	carcinogenicity (causes cancer)	0.000032	1×10^{-6}	0.0002	6×10^{-6} (six per million)
Mercury (inorganic)	nephrotoxicity (harms the kidney)	0.0012	NA	0.002	NA
Methoxychlor	endocrine toxicity (causes hormone effects)	0.00009	NA	0.03	NA
Methyl tertiary-butyl ether (MTBE)	carcinogenicity (causes cancer)	0.013	1×10^{-6}	0.013	1×10^{-6} (one per million)
Molinate	carcinogenicity (causes cancer)	0.001	1×10^{-6}	0.02	2×10^{-5} (two per hundred thousand)
Monochlorobenzene (chlorobenzene)	nephrotoxicity (harms the kidney)	0.07	NA	0.07	NA
Nickel	developmental toxicity (causes increased neonatal deaths)	0.012	NA	0.1	NA
Nitrate	hematotoxicity (causes methemoglobinemia)	45 as nitrate	NA	10 as nitrogen (=45 as nitrate)	NA
Nitrite	hematotoxicity (causes methemoglobinemia)	3 as nitrite	NA	1 as nitrogen (=3 as nitrite)	NA

Table 1: Health Risk Categories and Cancer Risk Values for Chemicals with California Public Health Goals (PHGs)

Chemical	Health Risk Category ¹	California PHG (mg/L) ²	Cancer Risk ³ at the PHG	California MCL ⁴ (mg/L)	Cancer Risk at the California MCL
Nitrate and Nitrite	hematotoxicity (causes methemoglobinemia)	10 as nitrogen ¹⁰	NA	10 as nitrogen	NA
N-nitroso-dimethyl-amine (NDMA)	carcinogenicity (causes cancer)	0.000003 (3×10 ⁻⁶)	1×10 ⁻⁶	none	NA
Oxamyl	general toxicity (causes body weight effects)	0.026	NA	0.05	NA
Pentachloro-phenol (PCP)	carcinogenicity (causes cancer)	0.0003	1×10 ⁻⁶	0.001	3×10 ⁻⁶ (three per million)
Perchlorate	endocrine toxicity (affects the thyroid) developmental toxicity (causes neurodevelopmental deficits)	0.001	NA	0.006	NA
Picloram	hepatotoxicity (harms the liver)	0.166	NA	0.5	NA
Polychlorinated biphenyls (PCBs)	carcinogenicity (causes cancer)	0.00009	1×10 ⁻⁶	0.0005	6×10 ⁻⁶ (six per million)
Radium-226	carcinogenicity (causes cancer)	0.05 pCi/L	1×10 ⁻⁶	5 pCi/L (combined Ra ²²⁶⁺²²⁸)	1×10 ⁻⁴ (one per ten thousand)

¹⁰ The joint nitrate/nitrite PHG of 10 mg/L (10 ppm, expressed as nitrogen) does not replace the individual values, and the maximum contribution from nitrite should not exceed 1 mg/L nitrite-nitrogen.

Table 1: Health Risk Categories and Cancer Risk Values for Chemicals with California Public Health Goals (PHGs)

Chemical	Health Risk Category ¹	California PHG (mg/L) ²	Cancer Risk ³ at the PHG	California MCL ⁴ (mg/L)	Cancer Risk at the California MCL
Radium-228	carcinogenicity (causes cancer)	0.019 pCi/L	1×10^{-6}	5 pCi/L (combined Ra ²²⁶⁺²²⁸)	3×10^{-4} (three per ten thousand)
Selenium	integumentary toxicity (causes hair loss and nail damage)	0.03	NA	0.05	NA
Silvex (2,4,5-TP)	hepatotoxicity (harms the liver)	0.003	NA	0.05	NA
Simazine	general toxicity (causes body weight effects)	0.004	NA	0.004	NA
Strontium-90	carcinogenicity (causes cancer)	0.35 pCi/L	1×10^{-6}	8 pCi/L	2×10^{-5} (two per hundred thousand)
Styrene (vinylbenzene)	carcinogenicity (causes cancer)	0.0005	1×10^{-6}	0.1	2×10^{-4} (two per ten thousand)
1,1,2,2-Tetrachloroethane	carcinogenicity (causes cancer)	0.0001	1×10^{-6}	0.001	1×10^{-5} (one per hundred thousand)
2,3,7,8-Tetrachlorodibenzo-<i>p</i>-dioxin (TCDD, or dioxin)	carcinogenicity (causes cancer)	5×10^{-11}	1×10^{-6}	3×10^{-8}	6×10^{-4} (six per ten thousand)

Table 1: Health Risk Categories and Cancer Risk Values for Chemicals with California Public Health Goals (PHGs)

Chemical	Health Risk Category ¹	California PHG (mg/L) ²	Cancer Risk ³ at the PHG	California MCL ⁴ (mg/L)	Cancer Risk at the California MCL
Tetrachloroethylene (perchloroethylene, or PCE)	carcinogenicity (causes cancer)	0.00006	1×10^{-6}	0.005	8×10^{-5} (eight per hundred thousand)
Thallium	integumentary toxicity (causes hair loss)	0.0001	NA	0.002	NA
Thiobencarb	general toxicity (causes body weight effects) hematotoxicity (affects red blood cells)	0.042	NA	0.07	NA
Toluene (methylbenzene)	hepatotoxicity (harms the liver) endocrine toxicity (harms the thymus)	0.15	NA	0.15	NA
Toxaphene	carcinogenicity (causes cancer)	0.00003	1×10^{-6}	0.003	1×10^{-4} (one per ten thousand)
1,2,4-Trichlorobenzene	endocrine toxicity (harms adrenal glands)	0.005	NA	0.005	NA
1,1,1-Trichloroethane	neurotoxicity (harms the nervous system), reproductive toxicity (causes fewer offspring) hepatotoxicity (harms the liver) hematotoxicity (causes blood effects)	1	NA	0.2	NA

Table 1: Health Risk Categories and Cancer Risk Values for Chemicals with California Public Health Goals (PHGs)

Chemical	Health Risk Category ¹	California PHG (mg/L) ²	Cancer Risk ³ at the PHG	California MCL ⁴ (mg/L)	Cancer Risk at the California MCL
1,1,2-Trichloroethane	carcinogenicity (causes cancer)	0.0003	1×10^{-6}	0.005	2×10^{-5} (two per hundred thousand)
Trichloroethylene (TCE)	carcinogenicity (causes cancer)	0.0017	1×10^{-6}	0.005	3×10^{-6} (three per million)
Trichlorofluoromethane (Freon 11)	accelerated mortality (increase in early death)	1.3	NA	0.15	NA
1,2,3-Trichloropropane (1,2,3-TCP)	carcinogenicity (causes cancer)	0.0000007 (7×10^{-7})	1×10^{-6}	0.000005 (5×10^{-6})	7×10^{-6} (seven per million)
1,1,2-Trichloro-1,2,2-trifluoroethane (Freon 113)	hepatotoxicity (harms the liver)	4	NA	1.2	NA
Trihalomethanes: Bromodichloromethane	carcinogenicity (causes cancer)	0.00006	1×10^{-6}	0.080*	1.3×10^{-3} (1.3 per thousand) ¹¹
Trihalomethanes: Bromoform	carcinogenicity (causes cancer)	0.0005	1×10^{-6}	0.080*	2×10^{-4} (two per ten thousand) ¹²

* For total trihalomethanes (the sum of bromodichloromethane, bromoform, chloroform, and dibromochloromethane). There are no MCLs for individual trihalomethanes.

¹¹ Based on 0.080 mg/L bromodichloromethane; the risk will vary with different combinations and ratios of the other trihalomethanes in a particular sample.

¹² Based on 0.080 mg/L bromoform; the risk will vary with different combinations and ratios of the other trihalomethanes in a particular sample.

Table 1: Health Risk Categories and Cancer Risk Values for Chemicals with California Public Health Goals (PHGs)

Chemical	Health Risk Category ¹	California PHG (mg/L) ²	Cancer Risk ³ at the PHG	California MCL ⁴ (mg/L)	Cancer Risk at the California MCL
Trihalomethanes: Chloroform	carcinogenicity (causes cancer)	0.0004	1×10^{-6}	0.080*	2×10^{-4} (two per ten thousand) ¹³
Trihalomethanes: Dibromochloromethane	carcinogenicity (causes cancer)	0.0001	1×10^{-6}	0.080*	8×10^{-4} (eight per ten thousand) ¹⁴
Tritium	carcinogenicity (causes cancer)	400 pCi/L	1×10^{-6}	20,000 pCi/L	5×10^{-5} (five per hundred thousand)
Uranium	carcinogenicity (causes cancer)	0.43 pCi/L	1×10^{-6}	20 pCi/L	5×10^{-5} (five per hundred thousand)
Vinyl chloride	carcinogenicity (causes cancer)	0.00005	1×10^{-6}	0.0005	1×10^{-5} (one per hundred thousand)
Xylene	neurotoxicity (affects the senses, mood, and motor control)	1.8 (single isomer or sum of isomers)	NA	1.75 (single isomer or sum of isomers)	NA

* For total trihalomethanes (the sum of bromodichloromethane, bromoform, chloroform, and dibromochloromethane). There are no MCLs for individual trihalomethanes.

¹³ Based on 0.080 mg/L chloroform; the risk will vary with different combinations and ratios of the other trihalomethanes in a particular sample.

¹⁴ Based on 0.080 mg/L dibromochloromethane; the risk will vary with different combinations and ratios of the other trihalomethanes in a particular sample.

Table 2: Health Risk Categories and Cancer Risk Values for Chemicals without California Public Health Goals

Chemical	Health Risk Category ¹	US EPA MCLG ² (mg/L)	Cancer Risk ³ at the MCLG	California MCL ⁴ (mg/L)	Cancer Risk at the California MCL
Disinfection byproducts (DBPs)					
Chloramines	acute toxicity (causes irritation) digestive system toxicity (harms the stomach) hematotoxicity (causes anemia)	4 ^{5,6}	NA ⁷	none	NA
Chlorine	acute toxicity (causes irritation) digestive system toxicity (harms the stomach)	4 ^{5,6}	NA	none	NA
Chlorine dioxide	hematotoxicity (causes anemia) neurotoxicity (harms the nervous system)	0.8 ^{5,6}	NA	none	NA
Disinfection byproducts: haloacetic acids (HAA5)					
Monochloroacetic acid (MCA)	general toxicity (causes body and organ weight changes ⁸)	0.07	NA	none	NA

¹ Health risk category based on the US EPA MCLG document or California MCL document unless otherwise specified.

² MCLG = maximum contaminant level goal established by US EPA.

³ Cancer Risk = Upper estimate of excess cancer risk from lifetime exposure. Actual cancer risk may be lower or zero. 1×10^{-6} means one excess cancer case per million people exposed.

⁴ California MCL = maximum contaminant level established by California.

⁵ Maximum Residual Disinfectant Level Goal, or MRDLG.

⁶ The federal Maximum Residual Disinfectant Level (MRDL), or highest level of disinfectant allowed in drinking water, is the same value for this chemical.

⁷ NA = not available.

⁸ Body weight effects are an indicator of general toxicity in animal studies.

Table 2: Health Risk Categories and Cancer Risk Values for Chemicals without California Public Health Goals

Chemical	Health Risk Category ¹	US EPA MCLG ² (mg/L)	Cancer Risk ³ at the MCLG	California MCL ⁴ (mg/L)	Cancer Risk at the California MCL
Dichloroacetic acid (DCA)	Carcinogenicity (causes cancer)	0	0	none	NA
Trichloroacetic acid (TCA)	hepatotoxicity (harms the liver)	0.02	NA	none	NA
Monobromoacetic acid (MBA)	NA	none	NA	none	NA
Dibromoacetic acid (DBA)	NA	none	NA	none	NA
Total haloacetic acids (sum of MCA, DCA, TCA, MBA, and DBA)	general toxicity, hepatotoxicity and carcinogenicity (causes body and organ weight changes, harms the liver and causes cancer)	none	NA	0.06	NA
Radionuclides					
Gross alpha particles ⁹	carcinogenicity (causes cancer)	0 (²¹⁰ Po included)	0	15 pCi/L ¹⁰ (includes radium but not radon and uranium)	up to 1x10 ⁻³ (for ²¹⁰ Po, the most potent alpha emitter)

⁹ MCLs for gross alpha and beta particles are screening standards for a group of radionuclides. Corresponding PHGs were not developed for gross alpha and beta particles. See the OEHHA memoranda discussing the cancer risks at these MCLs at <http://www.oehha.ca.gov/water/reports/grossab.html>.

¹⁰ pCi/L = picocuries per liter of water.

ATTACHMENT NO. 2
2022 Health Risk Information for Public Health Goal
Exceedance Reports

Chemical	Health Risk Category ¹	US EPA MCLG ² (mg/L)	Cancer Risk ³ at the MCLG	California MCL ⁴ (mg/L)	Cancer Risk at the California MCL
Beta particles and photon emitters ⁹	carcinogenicity (causes cancer)	0 (²¹⁰ Pb included)	0	50 pCi/L (judged equiv. to 4 mrem/yr)	up to 2×10^{-3} (for ²¹⁰ Pb, the most potent beta-emitter)

ATTACHMENT NO. 3

Table 1

Reference: 2012 ACWA PHG Survey

COST ESTIMATES FOR TREATMENT TECHNOLOGIES

(INCLUDES ANNUALIZED CAPITAL AND O&M COSTS)

No.	Treatment Technology	Source of Information	Estimated Unit Cost 2012 ACWA Survey Indexed to 2021* (\$/1,000 gallons treated)
1	Ion Exchange	Coachella Valley WD, for GW, to reduce Arsenic concentrations. 2011 costs.	2.40
2	Ion Exchange	City of Riverside Public Utilities, for GW, for Perchlorate treatment.	1.16
3	Ion Exchange	Carollo Engineers, anonymous utility, 2012 costs for treating GW source for Nitrates. Design source water concentration: 88 mg/L NO ₃ . Design finished water concentration: 45 mg/L NO ₃ . Does not include concentrate disposal or land cost.	0.88
4	Granular Activated Carbon	City of Riverside Public Utilities, GW sources, for TCE, DBCP (VOC, SOC) treatment.	0.58
5	Granular Activated Carbon	Carollo Engineers, anonymous utility, 2012 costs for treating SW source for TTHMs. Design source water concentration: 0.135 mg/L. Design finished water concentration: 0.07 mg/L. Does not include concentrate disposal or land cost.	0.42
6	Granular Activated Carbon, Liquid Phase	LADWP, Liquid Phase GAC treatment at Tujunga Well field. Costs for treating 2 wells. Treatment for 1,1 DCE (VOC). 2011-2012 costs.	1.78
7	Reverse Osmosis	Carollo Engineers, anonymous utility, 2012 costs for treating GW source for Nitrates. Design source water concentration: 88 mg/L NO ₃ . Design finished water concentration: 45 mg/L NO ₃ . Does not include concentrate disposal or land cost.	0.94
8	Packed Tower Aeration	City of Monrovia, treatment to reduce TCE, PCE concentrations. 2011-12 costs.	0.52
9	Ozonation+ Chemical addition	SCVWD, STWTP treatment plant includes chemical addition + ozone generation costs to reduce THM/HAA5 concentrations. 2009-2012 costs.	0.11

COST ESTIMATES FOR TREATMENT TECHNOLOGIES

(INCLUDES ANNUALIZED CAPITAL AND O&M COSTS)

No.	Treatment Technology	Source of Information	Estimated Unit Cost 2012 ACWA Survey Indexed to 2021* (\$/1,000 gallons treated)
10	Ozonation+ Chemical addition	SCVWD, PWTP treatment plant includes chemical addition + ozone generation costs to reduce THM/HAA concentrations, 2009-2012 costs.	0.23
11	Coagulation/Filtration	Soquel WD, treatment to reduce manganese concentrations in GW. 2011 costs.	0.88
12	Coagulation/Filtration Optimization	San Diego WA, costs to reduce THM/Bromate, Turbidity concentrations, raw SW a blend of State Water Project water and Colorado River water, treated at Twin Oaks Valley WTP.	1.00
13	Blending (Well)	Rancho California WD, GW blending well, 1150 gpm, to reduce fluoride concentrations.	0.83
14	Blending (Wells)	Rancho California WD, GW blending wells, to reduce arsenic concentrations, 2012 costs.	0.68
15	Blending	Rancho California WD, using MWD water to blend with GW to reduce arsenic concentrations. 2012 costs.	0.81
16	Corrosion Inhibition	Atascadero Mutual WC, corrosion inhibitor addition to control aggressive water. 2011 costs.	0.10

*Costs were adjusted from date of original estimates to present, where appropriate, using the Engineering News Record (ENR) annual average Construction Cost Index of 12,1332021

ATTACHMENT NO. 3
Table 2
Reference: Other Agencies

COST ESTIMATES FOR TREATMENT TECHNOLOGIES
(INCLUDES ANNUALIZED CAPITAL AND O&M COSTS)

No.	Treatment Technology	Source of Information	Estimated 2012 Unit Cost Indexed to 2021* (\$/1,000 gallons treated)
1	Reduction - Coagulation-Filtration	Reference: February 28, 2013, Final Report Chromium Removal Research, City of Glendale, CA. 100-2000 gpm. Reduce Hexavalent Chromium to 1 ppb.	1.91 - 11.96
2	IX - Weak Base Anion Resin	Reference: February 28, 2013, Final Report Chromium Removal Research, City of Glendale, CA. 100-2000 gpm. Reduce Hexavalent Chromium to 1 ppb.	1.96 – 8.19
3	IX	Golden State Water Co., IX w/disposable resin, 1 MGD, Perchlorate removal, built in 2010.	0.60
4	IX	Golden State Water Co., IX w/disposable resin, 1000 gpm, perchlorate removal (Proposed; O&M estimated).	1.31
5	IX	Golden State Water Co., IX with brine regeneration, 500 gpm for Selenium removal, built in 2007.	8.57
6	GFO/Adsorption	Golden State Water Co., Granular Ferric Oxide Resin, Arsenic removal, 600 gpm, 2 facilities, built in 2006.	2.24 - 2.39
7	RO	Reference: Inland Empire Utilities Agency : Chino Basin Desalter. RO cost to reduce 800 ppm TDS, 150 ppm Nitrate (as NO ₃); approx. 7 mgd.	2.93
8	IX	Reference: Inland Empire Utilities Agency : Chino Basin Desalter. IX cost to reduce 150 ppm Nitrate (as NO ₃); approx. 2.6 mgd.	1.63

9	Packed Tower Aeration	Reference: Inland Empire Utilities Agency : Chino Basin Desalter. PTA-VOC air stripping, typical treated flow of approx. 1.6 mgd.	0.49
10	IX	Reference: West Valley WD Report, for Water Recycling Funding Program, for 2.88 mgd treatment facility. IX to remove Perchlorate, Perchlorate levels 6-10 ppb. 2008 costs.	0.68 - 0.97
11	Coagulation Filtration	Reference: West Valley WD, includes capital, O&M costs for 2.88 mgd treatment facility- Layne Christensen packaged coagulation Arsenic removal system. 2009-2012 costs.	0.45
12	FBR	Reference: West Valley WD/Envirogen design data for the O&M + actual capitol costs, 2.88 mgd fluidized bed reactor (FBR) treatment system, Perchlorate and Nitrate removal, followed by multimedia filtration & chlorination, 2012. NOTE: The capitol cost for the treatment facility for the first 2,000 gpm is \$23 million annualized over 20 years with ability to expand to 4,000 gpm with minimal costs in the future. \$17 million funded through state and federal grants with the remainder funded by WVWD and the City of Rialto.	2.02 – 2.13

* Costs were adjusted from date of original estimates to present, where appropriate, using the Engineering News Record (ENR) annual average Construction Cost Index of 12,133 for 2021. .

ATTACHMENT NO. 3**Table 3****Reference: Updated 2012 ACWA Cost of Treatment Table****COST ESTIMATES FOR TREATMENT TECHNOLOGIES****(INCLUDES ANNUALIZED CAPITAL AND O&M COSTS)**

No.	Treatment Technology	Source of Information	Estimated 2012 Unit Cost Indexed to 2021* (\$/1,000 gallons treated)
1	Granular Activated Carbon	Reference: Malcolm Pirnie estimate for California Urban Water Agencies, large surface water treatment plants treating water from the State Water Project to meet Stage 2 D/DBP and bromate regulation, 1998	0.69 - 1.31
2	Granular Activated Carbon	Reference: Carollo Engineers, estimate for VOC treatment (PCE), 95% removal of PCE, Oct. 1994, 1900 gpm design capacity	0.32
3	Granular Activated Carbon	Reference: Carollo Engineers, est. for a large No. Calif. surf. water treatment plant (90 mgd capacity) treating water from the State Water Project, to reduce THM precursors, ENR construction cost index = 6262 (San Francisco area) - 1992	1.51
4	Granular Activated Carbon	Reference: CH2M Hill study on San Gabriel Basin, for 135 mgd central treatment facility for VOC and SOC removal by GAC, 1990	0.59 - 0.86
5	Granular Activated Carbon	Reference: Southern California Water Co. - actual data for "rented" GAC to remove VOCs (1,1-DCE), 1.5 mgd capacity facility, 1998	2.71
6	Granular Activated Carbon	Reference: Southern California Water Co. - actual data for permanent GAC to remove VOCs (TCE), 2.16 mgd plant capacity, 1998	1.75
7	Reverse Osmosis	Reference: Malcolm Pirnie estimate for California Urban Water Agencies, large surface water treatment plants treating water from the State Water Project to meet Stage 2 D/DBP and bromate regulation, 1998	2.036 – 3.89
8	Reverse Osmosis	Reference: Boyle Engineering, RO cost to reduce 1000 ppm TDS in brackish groundwater in So. Calif., 1.0 mgd plant operated at 40% of design flow, high brine line cost, May 1991	4.80
9	Reverse Osmosis	Reference: Boyle Engineering, RO cost to reduce 1000 ppm TDS in brackish groundwater in So. Calif., 1.0 mgd plant operated at 100% of design flow, high brine line cost, May 1991	2.96
10	Reverse Osmosis	Reference: Boyle Engineering, RO cost to reduce 1000 ppm TDS in brackish groundwater in So. Calif., 10.0 mgd plant operated at 40% of design flow, high brine line cost, May 1991	3.20

COST ESTIMATES FOR TREATMENT TECHNOLOGIES
(INCLUDES ANNUALIZED CAPITAL AND O&M COSTS)

No.	Treatment Technology	Source of Information	Estimated 2012 Unit Cost Indexed to 2021* (\$/1,000 gallons treated)
11	Reverse Osmosis	Reference: Boyle Engineering, RO cost to reduce 1000 ppm TDS in brackish groundwater in So. Calif., 10.0 mgd plant operated at 100% of design flow, high brine line cost, May 1991	2.48
12	Reverse Osmosis	Reference: Arsenic Removal Study, City of Scottsdale, AZ - CH2M Hill, for a 1.0 mgd plant operated at 40% of design capacity, Oct. 1991	8.04
13	Reverse Osmosis	Reference: Arsenic Removal Study, City of Scottsdale, AZ - CH2M Hill, for a 1.0 mgd plant operated at 100% of design capacity, Oct. 1991	4.75
14	Reverse Osmosis	Reference: Arsenic Removal Study, City of Scottsdale, AZ - CH2M Hill, for a 10.0 mgd plant operated at 40% of design capacity, Oct. 1991	3.55
15	Reverse Osmosis	Reference: Arsenic Removal Study, City of Scottsdale, AZ - CH2M Hill, for a 10.0 mgd plant operated at 100% of design capacity, Oct. 1991	2.20
16	Reverse Osmosis	Reference: CH2M Hill study on San Gabriel Basin, for 135 mgd central treatment facility with RO to remove nitrate, 1990	2.22 - 3.89
17	Packed Tower Aeration	Reference: Analysis of Costs for Radon Removal... (AWWARF publication), Kennedy/Jenks, for a 1.4 mgd facility operating at 40% of design capacity, Oct. 1991	1.27
18	Packed Tower Aeration	Reference: Analysis of Costs for Radon Removal... (AWWARF publication), Kennedy/Jenks, for a 14.0 mgd facility operating at 40% of design capacity, Oct. 1991	0.68
19	Packed Tower Aeration	Reference: Carollo Engineers, estimate for VOC treatment (PCE) by packed tower aeration, without off-gas treatment, O&M costs based on operation during 329 days/year at 10% downtime, 16 hr/day air stripping operation, 1900 gpm design capacity, Oct. 1994	0.34
20	Packed Tower Aeration	Reference: Carollo Engineers, for PCE treatment by Ecolo-Flo Enviro-Tower air stripping, without off-gas treatment, O&M costs based on operation during 329 days/year at 10% downtime, 16 hr/day air stripping operation, 1900 gpm design capacity, Oct. 1994	0.35
21	Packed Tower Aeration	Reference: CH2M Hill study on San Gabriel Basin, for 135 mgd central treatment facility - packed tower aeration for VOC and radon removal, 1990	0.55 - 0.90

COST ESTIMATES FOR TREATMENT TECHNOLOGIES
(INCLUDES ANNUALIZED CAPITAL AND O&M COSTS)

No.	Treatment Technology	Source of Information	Estimated 2012 Unit Cost Indexed to 2021* (\$/1,000 gallons treated)
22	Advanced Oxidation Processes	Reference: Carollo Engineers, estimate for VOC treatment (PCE) by UV Light, Ozone, Hydrogen Peroxide, O&M costs based on operation during 329 days/year at 10% downtime, 24 hr/day AOP operation, 1900 gpm capacity, Oct. 1994	0.67
23	Ozonation	Reference: Malcolm Pirnie estimate for CUWA, large surface water treatment plants using ozone to treat water from the State Water Project to meet Stage 2 D/DBP and bromate regulation, <i>Cryptosporidium</i> inactivation requirements, 1998	0.15 - 0.32
24	Ion Exchange	Reference: CH2M Hill study on San Gabriel Basin, for 135 mgd central treatment facility - ion exchange to remove nitrate, 1990	0.73 - 0.97

* Costs were adjusted from date of original estimates to present, where appropriate, using the Engineering News Record (ENR) annual average Construction Cost Index of 12,133 for 2021.

ATTACHMENT NO. 4

SAMPLE "HYPOTHETICAL" PUBLIC HEALTH GOAL REPORT AND TRANSMITTAL
MEMORANDUM

NOTE: It is suggested that the Report take the form of a communication to the utility's Governing Board or management since the report does not have to be submitted to any government oversight agency. It is suggested that a transmittal memo from staff to the Board should succinctly summarize the report and indicate what action is needed, which as a minimum includes the scheduling of a public hearing and the formal public notice of the hearing.

SAMPLE MEMORANDUM TRANSMITTING REPORT TO GOVERNING BOARD:

TO: Governing Board, SoftWater Public Water Utility District

FROM: Betty Bestwater, General Manager

SUBJECT: Required Report on Public Health Goals

Attached for your approval is the final draft of a report prepared by staff comparing our district's drinking water quality with public health goals (PHGs) adopted by California EPA's Office of Environmental Health Hazard Assessment (OEHHA) and with maximum contaminant level goals (MCLGs) adopted by the USEPA. PHGs and MCLGs are not enforceable standards and no action to meet them is mandated.

SB 1307 (Calderone-Sher; effective 1-1-97) added new provisions to the California Health and Safety Code which mandate that a report be prepared by July 1, 1998, and every three years thereafter. The attached report is intended to provide information to the public in addition to the annual Consumer Confidence Report (CCR) mailed to each customer.

Our water system complies with all of the health-based drinking water standards and maximum contaminant levels (MCLs) required by the California Division of Drinking Water and the USEPA. No additional actions are recommended. *(If staff plans to recommend any action to further lower constituent levels, these actions should be noted here.)*

The new law requires that a public hearing be held (which can be part of a regularly scheduled public meeting) for the purpose of accepting and responding to public comment on the report. This public hearing will be scheduled as part of our regular board (or council, etc) meeting scheduled for _____ and will be noticed as required for public hearings.

Signed _____ General Manager

SOFTWATER PUBLIC WATER UTILITY DISTRICT REPORT ON DISTRICT'S WATER QUALITY RELATIVE TO PUBLIC HEALTH GOALS

(Note: The names, data, and analytical values cited in this sample report are hypothetical and each utility would need to substitute its own data and adjust the comments accordingly. The constituents discussed are only examples of some that water utilities may have to address in this report. This is not the only way the report can be structured)

Background:

Provisions of the California Health and Safety Code (Reference No. 1) specify that larger (> 10,000 service connections) water utilities prepare a special report by July 1, 2016 if their water quality measurements have exceeded any Public Health Goals (PHGs). PHGs are non-enforceable goals established by the Cal-EPA's Office of Environmental Health Hazard Assessment (OEHHA). The law also requires that where OEHHA has not adopted a PHG for a constituent, the water suppliers are to use the MCLGs adopted by USEPA. Only constituents which have a California primary drinking water standard and for which either a PHG or MCLG has been set are to be addressed. (Reference No. 2 is a list of all regulated constituents with the MCLs and PHGs or MCLGs.)

There are a few constituents that are routinely detected in water systems at levels usually well below the drinking water standards for which no PHG nor MCLG has yet been adopted by OEHHA or USEPA including Total Trihalomethanes. These will be addressed in a future required report after a PHG has been adopted.

The new law specifies what information is to be provided in the report. (See Reference No. 1)

If a constituent was detected in the District's water supply between 2013 and 2015 at a level exceeding an applicable PHG or MCLG, this report provides the information required by the law. Included is the numerical public health risk associated with the MCL and the PHG or MCLG, the category or type of risk to health that could be associated with each constituent, the best treatment technology available that could be used to reduce the constituent level, and an estimate of the cost to install that treatment if it is appropriate and feasible.

(Note: If "numerical health risk" data is not available from OEHHA, insert the following: "OEHHA is required to provide numerical health risk information, but has not done so in time to include it in this report").

What Are PHGs?

PHGs are set by the California Office of Environmental Health Hazard Assessment (OEHHA) which is part of Cal-EPA and are based solely on public health risk considerations. None of the practical risk-management factors that are considered by the USEPA or the California Division of Drinking Water in setting drinking water standards (MCLs) are considered in setting the PHGs. These factors include analytical detection capability, treatment technology available, benefits and costs. The PHGs are not enforceable and are not required to be met by any public water system. MCLGs are the federal equivalent to PHGs.

Water Quality Data Considered:

All of the water quality data collected by our water system between 2013 and 2015 for purposes of determining compliance with drinking water standards was considered. This data was all summarized in our 2013, 2014, and 2015 Consumer Confidence Reports which were mailed to all of our customers in _____. (Reference No. 3)

Guidelines Followed:

The Association of California Water Agencies (ACWA) formed a workgroup which prepared guidelines for water utilities to use in preparing these newly required reports. The ACWA guidelines were used in the preparation of our report. No guidance was available from state regulatory agencies.

Best Available Treatment Technology and Cost Estimates:

Both the USEPA and DDW adopt what are known as BATs or Best Available Technologies which are the best known methods of reducing contaminant levels to the MCL. Costs can be estimated for such technologies. However, since many PHGs and all MCLGs are set much lower than the MCL, it is not always possible nor feasible to determine what treatment is needed to further reduce a constituent downward to or near the PHG or MCLG, many of which are set at zero. Estimating the costs to reduce a constituent to zero is difficult, if not impossible because it is not possible to verify by analytical means that the level has been lowered to zero. In some cases, installing treatment to try and further reduce very low levels of one constituent may have adverse effects on other aspects of water quality.

Constituents Detected That Exceed a PHG or a MCLG:

The following is a discussion of constituents that were detected in one or more of our drinking water sources at levels above the PHG, or if no PHG, above the MCLG.

Trichloroethylene (TCE): There is no PHG for TCE but the MCLG set by the USEPA is zero. The MCL or drinking water standard for TCE is 0.005 mg/l. We have detected TCE in 2 of our 20 wells at a level of 0.002 mg/l in Well No. 1 and at 0.003 mg/l in Well No. 8. The levels detected were below the MCLs at all times. The category of health risk associated with TCE, and the reason that a drinking water standard was adopted for it, is that people who drink water containing TCE above the MCL throughout their lifetime could experience an increased risk of getting cancer. DDW says that "Drinking water which meets this standard (the MCL) is associated with little to none of this risk and should be considered safe with respect to TCE." (NOTE: This language is taken from the DDW Blue Book of drinking water law and regulations, Section 64468.2, Title 22, CCR.) The numerical health risk for a MCLG of zero is zero. The BAT for TCE to lower the level below the MCL is either Granular Activated Carbon (GAC) or Packed Tower Aeration (PTA). Since the TCE level in these two wells is already below the MCL, GAC with a long empty bed contact time (EBCT) would likely be required to attempt to lower the TCE level to zero. The estimated cost to install and operate such a treatment system on both Wells No. 1 and No. 8 that would reliably reduce the TCE level to zero would be approximately \$ initial construction cost with additional O&M cost of \$ per year. This would result in an assumed increased cost for each customer of \$, ear.

E. coli:

In July 2021, the California Revised Total Coliform Rule became effective. The revisions included the new Coliform Treatment Technique requirement replacing the Total Coliform MCL, and a new *E. coli* MCL regulatory limit. The purpose for the revisions was to provide the public with increased protection against microbial pathogens in drinking water served by public water systems. A water system is in violation of the *E. coli* MCL if any of the following trigger levels occur:

1. *E. coli*-positive repeat sample following total coliform-positive routine sample
2. Total coliform-positive repeat sample following an *E. coli* routine sample
3. Failure to collect all required repeat samples following an *E. coli*-positive routine sample
4. Failure to test for *E. coli* when any repeat sample is total coliform-positive

Coliform bacteria are an indicator organism that are ubiquitous in nature and are not generally considered harmful. They are used because of the ease in monitoring and analysis. However, the presence of *E. coli* bacteria indicates that the water may be contaminated with human or animal wastes. These bacteria can make people sick and are a particular concern for those with weakened immune systems. In the month of October 2021, we collected 120 samples from our distribution system for coliform analysis. One of these samples had tested positive for total coliform bacteria and was absent for *E. coli* bacteria. However, the repeat sample we had conducted tested positive for both total coliform bacteria and *E. coli* bacteria; we had exceeded the *E. coli* MCL. In coordinating with our local regulating agency, we initiated a Tier 1 public notification (Boil Water Order) and conducted a Level 2 assessment to identify the cause of the *E. coli*-positive sample. The cause was determined to be *(insert cause of contamination)* and the following corrective actions were taken...*(insert corrective actions taken)*.

Alternative No. 1: "We are working closely with our regional water supplier and have instituted new disinfection procedures to provide for a slightly higher disinfectant residual. Our disinfectant is chloramines. This increase has been carefully studied before it was implemented. This careful balance of treatment processes used is essential to continue supplying our customers with safe drinking water."

Alternative No. 2: "We add chlorine at our sources to assure that the water served is microbiologically safe. The chlorine residual levels are carefully controlled to provide the best health protection without causing the water to have undesirable taste and odor or increasing the disinfection byproduct level. This careful balance of treatment processes is essential to continue supplying our customers with safe drinking water."

Other equally important measures that we have implemented include: an effective cross-connection control program, maintenance of a disinfectant residual throughout our system, an effective monitoring and surveillance program and maintaining positive pressures in our distribution system. Our system has already taken all of the steps described by DDW as "best available technology" for coliform bacteria in Section 64447, Title 22, CCR.

(Note: If a utility is planning to initiate different treatment or new programs, these should be described and cost estimates could be included.)

Lead and/or Copper:

There is no MCL for Lead or Copper. Instead the 90th percentile value of all samples from house hold taps in the distribution system cannot exceed an Action Level of 0.015 mg/l for lead and 1.3 mg/l for copper. The PHG for lead is 0.002 mg/l. The PHG for copper is 0.17 mg/l.

The category of health risk for lead is damage to the kidneys or nervous system of humans. The category of health risk for copper is gastrointestinal irritation. Numerical health risk data on lead and copper have not yet been provided by OEHHA, the State agency responsible for providing that information. *(Note: If OEHHA provides this information prior to completion of a utility's report, it should be inserted here.)*

All of our source water samples for lead and copper in 200 were less than the PHG. Based on extensive sampling of our distribution system in 200, our 90th percentile value for lead was 0.006 mg/l and for copper was 0.18 mg/l.

Our water system is in full compliance with the Federal and State Lead and Copper Rule. Based on our extensive sampling, it was determined according to State regulatory requirements that we meet the Action Levels for Lead and Copper. Therefore, we are deemed by DDW to have "optimized corrosion control" for our system.

In general, optimizing corrosion control is considered to be the best available technology to deal with corrosion issues and with any lead or copper findings. We continue to monitor our water quality parameters that relate to corrosivity, such as the pH, hardness, alkalinity, total dissolved solids, and will take action if necessary to maintain our system in an "optimized corrosion control" condition.

Alternative No. 1: Since we are meeting the "optimized corrosion control" requirements, it is not prudent to initiate additional corrosion control treatment as it involves the addition of other chemicals and there could be additional water quality issues raised. Therefore, no estimate of cost has been included.

Alternative No. 2: To further reduce the potential that lead (or copper) values at consumer taps would exceed the PHO, corrosion control treatment could be installed at all of our sources at an estimated initial cost of \$_____ and an ongoing annual O&M cost of \$_____ which would be equivalent to \$ per service connection.

RECOMMENDATIONS FOR FURTHER ACTION:

The drinking water quality of the SoftWater Public Water Utility District meets all State of California, DDW and USEPA drinking water standards set to protect public health. To further reduce the levels of the constituents identified in this report that are already significantly below the health-based Maximum Contaminant Levels established to provide "safe drinking water", additional costly treatment processes would be required. The effectiveness of the treatment processes to provide any significant reductions in constituent levels at these already low values is uncertain. The health protection benefits of these further hypothetical reductions are not at all clear and may not be quantifiable. Therefore, no action is proposed.

Optional additional language: "The money that would be required for these additional treatment processes might provide greater public health protection benefits if spent on other water system operation, surveillance, and monitoring programs."

REFERENCES:

- No.1 Excerpt from Calif Health & Safety Code: Section 116470 (b)No.2
Table of Regulated Constituents with MCLs, PHGs or MCLGs
- No.3 SoftWater Public Water Utility District's 2013, 2014 and 2015 Water Quality Reports
- No.4 Glossary of terms and abbreviations used in report (*Optional*)



WATER QUALITY REPORT

DELIVERED JUNE 2022 (Based on 2021 data)



A LETTER FROM OUR GENERAL MANAGER



Building a sustainable tomorrow today

California is experiencing extremely dry conditions, which means serious issues in some parts of the state. While, thanks to the aquifer, our community is not hard hit by the drought, we've always got our eye on sustainability. Desert Water Agency provides incentives to our customers to make saving water easy. These programs are a great way for you to do your part to show support during the drought.

It is our responsibility to protect our community's precious water resources and we need your help to do it. Through our programs for grass removal, smart controllers, water efficient irrigation, EnergyStar washing machines, we can support water conservation together while making improvements to your property.

Our goal as a government agency and utility is to make sure there is water in the Palms Springs area for future generations. The Sustainable Groundwater Management Act (SGMA) was implemented statewide in 2015 to protect groundwater and require diligent management like we've had in place for decades. We've partnered with our neighbors to develop plans through 2045 and have projected water demands to the year 2070 so we can do our best to keep water safe, reliable and affordable even in the face of longer droughts and climate change.

From those that focus on these planning efforts to the team that collects and analyzes water quality samples – our employees embody the spirit of public service. If you ever have a question about water or need help with your account, just know we're here for you. This report is part of our commitment to transparency. On the following pages, you'll see results from thousands of water quality samples collected in 2021.

If you have any questions regarding this report or our conservation efforts, please don't hesitate to reach out.

Yours in service,

MARK S. KRAUSE

General Manager & Chief Engineer



OUR WATER SUPPLY

DESERT WATER AGENCY

Established in 1961, Desert Water Agency (DWA) is a public nonprofit agency and State Water Contractor managing water in a 325-square-mile area that includes parts of Cathedral City, Palm Springs, and Desert Hot Springs, as well as some unincorporated areas of Riverside County. The Agency's responsibility is to provide safe, reliable water to its retail customers while managing water resources throughout its boundary. DWA is guided by an elected board of five community members. Board members make policy decisions as public representatives.

WATER SOURCES

Desert Water Agency's groundwater comes from the Indio Subbasin of the Coachella Valley Groundwater Basin, a natural reservoir storing water beneath the valley floor. Mountain streams also bring water by way of Chino Creek, Falls Creek, Snow Creek and the Whitewater River. A new surface water filtration plant came online in late 2020 to filter Snow Creek and Falls Creek surface water. Chino Creek operates in accordance with filtration avoidance criteria.

Natural groundwater replenishment is supplemented with Colorado River water, imported via the Colorado River Aqueduct and infiltrated into the groundwater basin through recharge ponds near Windy Point.

WATER QUALITY MONITORING

Unless otherwise noted, data presented in this report was obtained between January 1, 2021, and December 31, 2021. Water quality monitoring was performed in accordance with regulations established by the State Water Resources Control Board Division of Drinking Water and the U.S. Environmental Protection Agency.

In some cases, the State Water Resources Control Board allows DWA to test for certain contaminants less than once a year, because the Agency's system is not susceptible to these contaminants, or because the levels recorded are expected to change little from year to year.

WATER SOURCE INFORMATION

The sources of drinking water (both tap water and bottled water) include rivers, lakes, streams, ponds, reservoirs, springs, and wells. As water travels over the surface of the land or through the ground, it dissolves naturally occurring minerals and, in some cases, radioactive material, and can pick up substances resulting from the presence of animals or from human activity.



SOURCE WATER ASSESSMENT

- Source Water Assessment Plans (SWAPs), last updated 2000-2014, for various sources, are available at our office. This plan is an assessment of the delineated area around our listed sources through which contaminants, if present, could migrate and reach our source water. It also includes an inventory of potential sources of contamination within the delineated area and a determination of the water supply's susceptibility to contamination by the identified potential sources.
- These sources are considered vulnerable to activities normally associated with residential, commercial and industrial development. However, all water provided by Desert Water Agency meets all U.S. EPA and SWRCB guidelines. To review the SWAPs, please contact our office during regular business hours.

Questions? For more information about this report, or for any questions relating to your drinking water, please call Paul Monroy, laboratory director, at (760) 323-4971 ext. 169.

GLOSSARY

Action Level (AL): The level at which the system must undertake a number of additional actions to control corrosion.

Aggressive Index: A calculation used to determine the corrosivity of water in our pipes. Numbers ≤ 10 are considered very aggressive, between 10-12 are moderately aggressive and ≥12 are non-aggressive.

Locational Running Annual Average (LRAA): The average of sample analytical results for samples taken during the previous four calendar quarters.

Maximum Contaminant Level (MCL): The highest level of a contaminant that is allowed in drinking water. Primary MCLs are set as close to the (PHGs or MCLGs) as is economically and technologically feasible. Secondary MCLs are set to protect the odor, taste, and appearance of drinking water.

Maximum Contaminant Level Goal (MCLG): The level of a contaminant in drinking water, below, which there is no known or expected risk to health. MCLG's are set by the U.S. Environmental Protection Agency.

Maximum Residual Disinfectant Level (MRDL): The highest level of a disinfectant allowed in drinking water. There is convincing evidence that addition of a disinfectant is necessary for control of microbial contaminants.

Maximum Residual Disinfectant Level Goal (MRDLG): The level of a drinking water disinfectant below which there is no known or expected risk to health. MRDLGs do not reflect the benefits of the use of disinfectants to control microbial contaminants. MRDLGs are set by the U.S. Environmental Protection Agency.

Microsiemens Per Centimeter (µS/cm): A measurement of the electrolytes in the water, which determines the ability of the water to conduct electrical current.

Micrograms Per Liter (µg/L): A measure of a contaminant in a known quantity of water. 1 µg/L equals 1 part per billion (see parts per billion).

Milligrams Per Liter (mg/L): A measure of a contaminant in a known quantity of water. 1 mg/L equals 1 part per million (see parts per million).

NA: Not applicable.

Nanograms per Liter (ng/L): A measurement of a contaminant in a known quantity of water. 1ng/L equals 1 part per trillion. (see parts per trillion).

ND: Not detected or below the reporting detection limit.

Nephelometric Turbidity Units (NTU): A measure of cloudiness due to undissolved solids in the water. We measure turbidity because it is a good indication of the effectiveness of our filtration system and/or water quality.

SAMPLING RESULTS

During the past year we have taken more than 2,550 water samples in order to determine the presence of any radioactive, biological, inorganic, volatile organic, or synthetic organic contaminants. **The tables below show those contaminants that were detected in the water.** The State allows us to monitor for certain substances less often than once per year because the concentrations of these substances do not change frequently. Some of our data, although representative, are more than one year old. In these cases, the most recent sample data are included, along with the year in which the sample was taken.

REGULATED SUBSTANCES

Substance	Unit of Measure	MCL (MRDL)	PHG (MCLG) [MRDLG]	Groundwater Source			Surface Water Source			Violation		Likely source of contamination
				Year Sampled	Amount Detected	Range (Low-High)	Year Sampled	Amount Detected	Range (Low-High)	Yes	No	
Chlorine	mg/L	(4.0 as Cl ₂)	[4 as Cl ₂]	2021	0.45	ND-2.2	2021	0.78	ND-3.0		x	Drinking water disinfectant added to treatment
Fluoride	mg/L	2.0	1	2019-2021	0.4 ¹	ND-0.64	2021	ND	ND		x	Erosion of natural deposits: discharge from fertilizer and aluminum factories
Gross Alpha Particle Activity	pCi/L	15	0	2014-2021	6.8	ND-16	2013	ND	ND		x	Erosion of natural deposits
Haloacetic Acids (HAA5)*	ug/L	60	NONE	2021	9.9 ²	ND	2021	34 ²	17-44		x	By-product of drinking water disinfection
Nitrate (as N)	mg/L	10	10	2021	0.99	0.3-2.6	2021	ND	ND		x	Runoff/leaching from fertilizer use; leaching from septic tanks and sewage; erosion of natural deposit
Tetrachloroethylene (PCE)	ug/L	5	0.06	2019-2021	<0.5	ND-0.71 ³	NA	NA	NA		x	Runoff/leaching from natural deposit
Total Trihalomethanes (TTHM)*	ug/L	80	NONE	2021	16 ²	ND-12	2021	38 ²	33-42		x	By-product of drinking water disinfection
Turbidity	NTU	5	NONE	2019-2021	0.2	0.1-0.72	2021	0.31	0.22-0.40		x	Soil runoff
Surface Water Turbidity ⁴	NTU	TT=1 NTU	NONE	NA	NA	NA	2021	0.31	0.07-0.31		x	Soil runoff
Surface Water Turbidity ⁹	NTU	TT= 95% of samples < 0.2 NTU	NONE	NA	NA	NA	2021	98.9%	98.9-100%		x	Soil runoff
Uranium	pCi/L	20	0.43	2014-2021	6.3	2.75-15.9	NA	NA	NA		x	Erosion of natural deposits
Tap water samples were collected for lead and copper analyses from sample sites throughout the community.												
Substance	Unit of Measure	AL	PHG	Distribution System			Number of School Sampled	School samples above AL/Total Samples	Violation		Likely source of contamination	
				Year Sampled	Amount Detected (90th Percentile)	Sites Above AL/Total Samples			Yes	No		
Copper	mg/L	1.3	0.3	2021	0.22	0/30	NA	NA		x	Internal corrosion of household/business water plumbing systems; discharges from industrial manufacturers; erosion of natural deposits	
Lead	ug/L	15	0.2	2021	0	2**/30	0	0		x	Internal corrosion of household/business water plumbing systems; discharges from industrial manufacturers; erosion of natural deposits	
Substance	MCL	MCLG	Highest % postivie samples in any month	Total # of routine positive samples	Total # of repeat ⁵ positive samples	Violation		Likely source of contamination				
						Yes	No					
Total Coliform Bacteria (State Total Coliform Rule)	5.0% of monthly samples are positive	0	3.0%	3	0		x	Naturally present in the environment				
Fecal Coliform and E. coli (State Total Coliform Rule)	See Footnote 6	0	0	0	0		x	Human and animal fecal waste				
E. coli (Federal Revised Total Coliform Rule)	See Footnote 7	0	0	0	0		x	Human and animal fecal waste				

Notification Level (NL): Health-based advisory levels established by the State for chemicals in drinking water that lack maximum contaminant levels (MCLs). When chemicals are found at concentrations greater than their notification levels, certain requirements and recommendations apply.

Parts Per Billion (PPB): One part per billion corresponds to one minute in 2,000 years or one penny in \$10,000,000 (Ten million dollars).

Parts Per Million (PPM): One part per million corresponds to one minute in two years or one penny in \$10,000 (Ten thousand dollars).

pH: An expression of the intensity of the basic or acidcondition of a liquid. The pH may range from 0 to 14, where 0 is most acidic, 14 most basic and 7 neutral.

PicoCuries per Liter (pCi/L): A measure of the radioactivity in the water.

Primary Drinking Water Standard (PDWS): MCLs and MRDLs for contaminants that affect health along with their monitoring and reporting requirements and water treatment requirements.

Public Health Goal (PHG): The level of a contaminant in drinking water, below, which there is no known or expected risk to health. PHGs are set by the California Environmental Protection Agency.

Regulatory Action Level (AL): The concentration of a contaminant, which if exceeded, triggers treatment or other requirements, such as public notification, that a water system must follow.

Treatment Technique (TT): A required process intended to reduce the level of a contaminant in drinking water.

UCMR: Unregulated Contaminant Monitoring Rule

Variances and Exemptions: SWRCB permission to exceed an MCL or not comply with a treatment technique under certain conditions.

< Means “less than”: For example <0.2 means the lowest detectable levels is 0.2 and that the contaminant was less than 0.2 and therefore not detected.

* This number is not the average annual amount
** Levels found in rarely used customer faucet, but not in primary fixtures or DWA distribution line.

1. DWA does not add fluoride to drinking water.
2. Highest LRAA for 2021.
3. Of 22 wellheads in the system, 21 tested nondetect.
4. Turbidity is regulated as a TT for filtration avoidance and filtration treatment. TT=1 is a requirement for both filtration avoidance and filtration treatment. TT=95% of samples ≤ 0.2 NTU is for filtration treatment only.
5. These repeat sample results validate no violation occurred.
6. If a routine and repeat sample are total coliform-positive and either is E. coli positive, or system fails to take repeat samples following E. coli-positive routine sample or a system fails to analyze total coliform positive repeat sample for E. coli, then a violation occurs.
7. If a routine sample is E. Coli positive and a repeat sample is total coliform positive, then a violation has occurred.
8. Currently pending approval for regulatory limits.
9. Surface water provided by Snow Creek Filtration Plant.

Substance	Unit of Measure	MCL (MRDL)	PHG (MCLG) [MRDLG]	Groundwater Source			Surface Water Source			Violation		Likely source of contamination
				Year Sampled	Amount Detected	Range (Low-High)	Year Sampled	Amount Detected	Range (Low-High)	Yes	No	
Chloride	mg/L	500	NONE	2019-2021	48	10-92	2021	1.3	1.3		x	Runoff/leaching from natural deposit; seawater influence
Color	Units	15	NONE	2019-2020	ND	ND	2021	ND	ND		x	Naturally occurring organic materials
Odor-Theshold	TON	3	NONE	2019-2020	1	1-2	2021	1	1		x	Naturally occurring organic materials
Specific Conductance	uS/cm	1600	NONE	2019-2020	610	270-960	2021	130	130		x	Substance that form ions when in water; seawater influence
Sulfate	mg/L	500	45	2019-2021	120	23-220	2021	1.2	1.2		x	Runoff/leaching from natural deposits; industrial wastes
Total Dissolved Solids	mg/L	1000	NONE	2019-2021	400	190-640	2021	75	75		x	Runoff/leaching from natural deposits
Aggressive Index	AI	Non-ag-gressive	NONE	2007-2019	12.4	12-12.7	2021	10.7	10.7		x	Influenced by hydrogen, carbon, oxygen and temperature
Alkalinity	mg/L	NONE	NONE	2019-2021	130	100-150	2021	61	61		x	Function of carbonate, hydroxide and bicarbonate; naturally occurring
Bicarbonate	mg/L	NONE	NONE	2019-2021	130	100-150	2021	61	61		x	Naturally occurring
Barium	mg/L	1	2	2019-2021	ND	ND-0.11	2021	0.039	0.039		x	Naturally occurring
Calcium	mg/L	NONE	NONE	2019-2021	73	29-100	2021	13	13		x	Contributes to water hardness; naturally occurring
Hexavalent Chromium ⁸	ug/L	NONE	NONE	2013-2018	1.3	ND-3.9	NA	NA	NA		x	Discharge from steel and pulp mills and chrome plating; erosion of natural deposits
Hardness	mg/L	NONE	NONE	2019-2021	230	86-330	2021	38	38		x	Naturally occurring
Iron	ug/L	300	None	2019-2020	ND	ND-120	2021	ND	ND		x	Leaching from natural deposits; industrial wastes
Magnesium	mg/L	NONE	NONE	2019-2021	13	3.2-21	2021	1.1	1.1		x	Contributes to water hardness; naturally occurring
Potassium	mg/L	NONE	NONE	2019	4.5	3.0-7.8	2021	2.3	2.3		x	Leaching from water softeners, fertilizers and natural deposits
pH	pH Unit	NONE	NONE	2019-2021	8.1	8-8.2	2021	7.4	7.4		x	Naturally occurring
Sodium	mg/L	NONE	NONE	2019-2021	40	23-77	2021	10	10		x	Naturally occurring

Effective April 1, 2016, all water systems are required to comply with the state Total Coliform Rule and the federal Revised Total Coliform Rule. The new federal rule maintains the purpose to protect public health by ensuring the integrity of the drinking water distribution system and monitoring for the presence of microbials (total coliform and E. coli bacteria). U.S. EPA anticipates greater public health protection as the new rule requires water systems vulnerable to microbial contamination to identify and fix problems. Water systems that exceed a specified frequency of total coliform occurrences are required to do an assessment to determine if any sanitary defects exist. If found, the water system must take corrective action.

HEALTH INFORMATION



Some people may be more vulnerable to contaminants in drinking water than the general population. Immunocompromised persons such as persons with cancer undergoing chemotherapy, persons who have undergone organ transplants, people with HIV/AIDS or other immune system disorders, some elderly, and infants can be particularly at risk from infections. These people should seek advice about drinking water from their health care providers.

U.S. EPA/Centers for Disease Control (CDC) guidelines on appropriate means to lessen the risk of infection by *Cryptosporidium* and other microbial contaminants are available from the Safe Drinking Water Hotline (1-800-426-4791).

If present, elevated levels of lead can cause serious health problems, especially for pregnant women and young children. Lead in drinking water is primarily from materials and components associated with service lines and home plumbing. Desert Water Agency is responsible for providing high-quality drinking water but cannot control the variety of materials used in your property's plumbing. When your water has been sitting for several hours, you can minimize the potential for lead exposure by flushing your tap for 30 seconds to 2 minutes before using water for drinking or cooking. If you are concerned about lead in your water, you may wish to have your water tested. Information on lead in drinking water, testing methods, and steps you can take to minimize exposure is available from the Safe Drinking Water Hotline or at <http://www.epa.gov/safewater/lead>.

CHROMIUM-6: WHAT YOU NEED KNOW



Desert Water Agency is continually monitoring our water system, performing thousands of tests per year to make sure the drinking water we deliver to customers meets all public health standards.

One of the things we test for is chromium-6, also known as hexavalent chromium, a mineral that occurs naturally in the Coachella Valley's groundwater. California may soon become the first and only state in the nation to set a drinking water standard for chromium-6. DWA is fortunate because its water supplies are below the proposed state standard of 10 parts per billion.

Any chromium-6 that is present in the aquifer is diluted when Colorado River imports are blended with groundwater in our portion of the Coachella Valley Groundwater Basin. Because the success of our groundwater recharge program means our water already complies with this new state regulation, DWA is one of the only water providers in the region that will not have to perform additional treatment or build costly new facilities.

The state continues to monitor possible long-term health risks of chromium-6. However, there is no immediate health threat. DWA will continue to prioritize water quality, to ensure that families and businesses in the communities we serve have access to a safe and reliable water supply.

COMMON WATER QUALITY QUESTIONS

WHY DOES TAP WATER SOMETIMES SMELL FUNNY?

When your water tastes or smells funny, the problem may or may not be in the water. Odors might actually be coming from your sink drain, where bacteria grow on hair, soap, food, and other things that get trapped. Odorous gases get stirred up when water pours into the drain. Odor can also come from bacteria growing on devices such as water heaters.

WHY DOES TAP WATER HAVE A FAINT CHLORINE SMELL?

A small amount of chlorine is added to meet drinking water regulations. It is a disinfectant used to provide continuous protection against possible microbial contamination. Regulations limit the amount of chlorine added to tap water so that the water is safe to drink. A slight smell or taste of chlorine is normal.

WHY DOES MY WATER HAVE A ROTTEN EGG OR SULFUR SMELL?

This smell can occur under some conditions when sulfate is present in the water supply. Improperly maintained water heaters or lack of water circulation within a residence during warmer months are circumstances that may contribute to this odor.

WHY DOES MY WATER LOOK CLOUDY?

Occasionally, tiny air bubbles in tap water cause a cloudy appearance. Air dissolves into water when pressurized, which occurs in the groundwater basin and in the water pipes that deliver water to your tap. These bubbles dissipate after a few moments in a glass.



DO I NEED A SOFTENER?

No. Desert Water Agency tap water meets all drinking water standards and does not need to be conditioned or filtered. DWA does not prohibit the use of water softeners, but Agency ordinance does prohibit the discharge of excess salt down the drain. Discharged salt can harm the groundwater and may require additional treatment, which would increase the future costs of providing sewer and water services.



REGULATORY INFORMATION

CONTAMINANTS THAT MAY BE PRESENT IN SOURCE WATER INCLUDE:

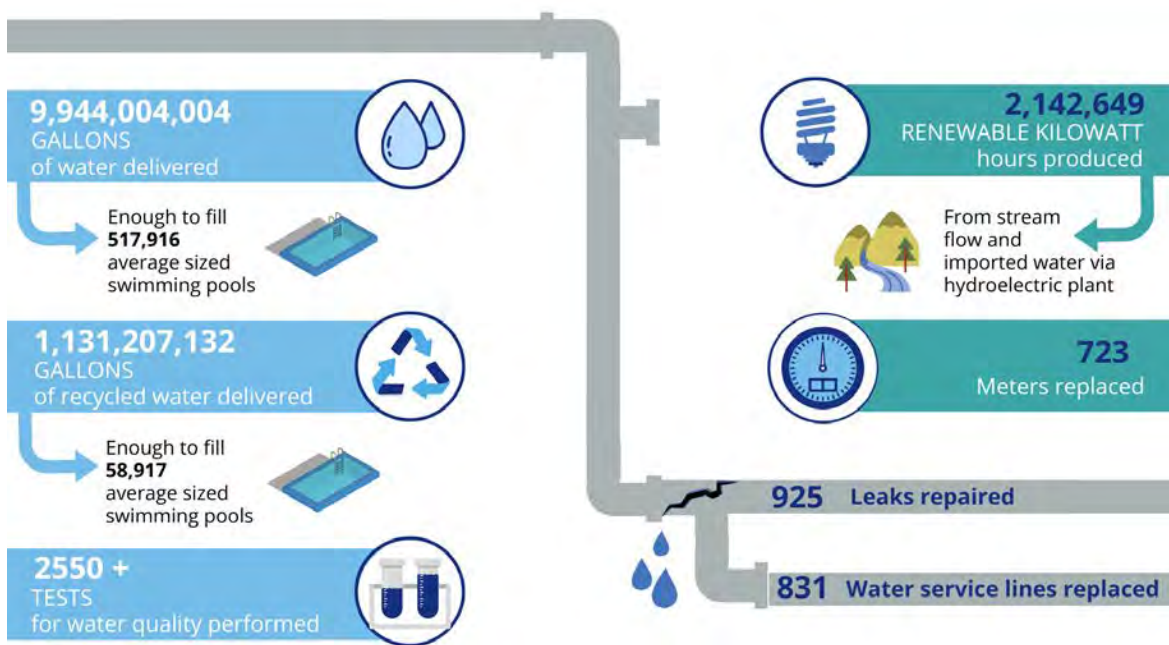
- **Microbial contaminants**, such as viruses and bacteria, that may come from sewage treatment plants, septic systems, agricultural livestock operations, and wildlife.
- **Inorganic contaminants**, such as salts and metals, that can be naturally occurring or result from urban stormwater runoff, industrial or domestic wastewater discharges, oil and gas production, mining, or farming.
- **Pesticides and herbicides**, which may come from a variety of sources such as agriculture, urban stormwater runoff, and residential uses.
- **Organic chemical contaminants**, including synthetic and volatile organic chemicals, that are by-products of industrial processes and petroleum production, and can also come from gas stations, urban stormwater runoff, agricultural application, and septic systems.
- **Radioactive contaminants**, which can be naturally occurring or be the result of oil and gas production and mining activities.



In order to ensure that tap water is safe to drink, the U.S. Environmental Protection Agency (U.S. EPA) and the State Water Resources Control Board (State Water Board) prescribe regulations that limit the amount of certain contaminants in water provided by public water systems. The U.S. Food and Drug Administration regulations and California law also establish limits for contaminants in bottled water that provide the same protection for public health.

Drinking water, including bottled water, may reasonably be expected to contain at least small amounts of some contaminants. The presence of contaminants does not necessarily indicate that water poses a health risk. More information about contaminants and potential health effects is available through the U.S. EPA's Safe Drinking Water Hotline (1-800-426-4791).

DESERT WATER AGENCY 2021 YEAR AT A GLANCE



Your Water Quality

Desert Water Agency is committed to serving healthy, safe drinking water and to keeping you informed about the quality of the water that is delivered to your tap. Our team samples water daily to ensure it meets strict standards. As fluctuating conditions in California continue to affect water supply, it is important for us to support our customers and work together to protect this precious local resource.

By explaining the sources of our water and defining the constituents in the water, this report is our way of providing clear, transparent information to our customers. The board and staff take their responsibility to provide high-quality water very seriously and we're proud to report that our water meets and beats the strictest standards in the nation. If you have any questions when reviewing this report, please contact Paul Monroy, laboratory director, at (760) 323-4971 ext. 169.

BOARD OF DIRECTORS

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Board Meetings are held the first and third Tuesdays of each month at 8 a.m.



1200 Gene Autry Trail South, Palm Springs, CA 92264 | (760) 323-4971

www.dwa.org



Este informe contiene información muy importante sobre su agua potable. Tradúzcalo o hable con alguien que lo entienda bien.
Para alguna pregunta o inquietud, llame al 760-323-4971.

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

JUNE 7, 2022

**RE: FISCAL 2022/2023 OPERATING, GENERAL AND WASTEWATER
BUDGETS**

Attached for your review is a draft of the proposed Operating, General and Wastewater Fund Budgets for Fiscal Year 2022/2023.

On May 24, 2022, the Finance Committee has met and reviewed the proposed budgets.

The 2022/2023 Fiscal Year Budget will be presented for adoption at the June 21, 2022 Board meeting.

Staff is available to answer any questions the Board may have with regard to the budgets for the 2022/2023 Fiscal Year.

Attachments:

1. 2022 2023 Desert Water Agency Operating, General & Wastewater Fund Draft Budget
2. Fiscal 2022 / 2023 Budget Highlights

Attachment #1

DESERT WATER



fiscal year
2022-2023
BUDGET

Operating Fund
General Fund
Wastewater Fund



DESERT WATER AGENCY

Fiscal Year 2022 / 2023

BUDGETS

Operating Fund
General Fund
Wastewater Fund

DESERT WATER AGENCY
OPERATING FUND BUDGET
2022 / 2023

DRAFT

**DESERT WATER AGENCY
OPERATING FUND
2022-2023 BUDGET WITH PRIOR YEAR COMPARISON**

	ACTUAL 2020-2021	ACTUAL TO 3/31/2022	BUDGET 2021-2022	OVER OR UNDER	BUDGET 2022-2023
<u>OPERATING REVENUES</u>					
Water Sales	\$37,855,469	\$28,539,123	\$37,658,000	(\$9,118,877)	\$41,614,000
Power Sales	\$23,184	\$63,187	\$31,900	\$31,287	\$111,000
Reclamation Sales	\$1,182,864	\$887,123	\$996,000	(\$108,877)	\$897,000
TOTAL OPER REVENUES	\$39,061,517	\$29,489,434	\$38,685,900	(\$9,196,466)	\$42,622,000
<u>WATER SERVICES</u>					
Fire Protection	\$386,089	\$301,250	\$380,400	(\$79,150)	\$410,900
Back-up Facility Charge	\$1,686,018	\$924,610	\$1,080,000	(\$155,390)	\$1,201,000
Service Charges	\$548,472	\$627,794	\$475,950	\$151,844	\$915,500
Charge for Inst of Serv & Mtr	\$190,618	\$166,283	\$161,000	\$5,283	\$189,700
TOTAL WATER SERVICE	\$2,811,197	\$2,019,938	\$2,097,350	(\$77,412)	\$2,717,100
TOTAL OPER REVENUES	\$41,872,714	\$31,509,372	\$40,783,250	(\$9,273,878)	\$45,339,100
<u>OPERATING EXPENSES</u>					
<u>SOURCE OF SUPPLY</u>					
Supervision & Engineering	\$65,082	\$42,679	\$76,800	(\$34,121)	\$84,000
Operating Labor & Expense	\$53,121	\$37,712	\$55,980	(\$18,268)	\$57,240
Misc Source of Supply	\$35,424	\$12,300	\$107,000	(\$94,700)	\$154,080
Maint of Struct & Improv	\$160,838	\$147,486	\$331,500	(\$184,014)	\$262,080
Maint, Rds, Coll, Impo, Res	\$12,343	\$14,478	\$72,100	(\$57,622)	\$324,120
Maintenance of Intakes	\$238,737	\$18,689	\$113,350	(\$94,661)	\$306,360
Maintenance of Wells	\$8,056	\$335	\$12,450	(\$12,115)	\$12,840
Groundwater Replenishment	\$5,765,675	\$4,350,789	\$5,307,000	(\$956,211)	\$5,506,800
TOTAL SOURCE OF SUPPLY	\$6,339,277	\$4,624,468	\$6,076,180	(\$1,451,712)	\$6,707,520
<u>PUMPING</u>					
Supervision & Engineering	\$114,387	\$83,827	\$126,000	(\$42,173)	\$139,200
Pumping Labor Expense	\$164,849	\$127,581	\$191,000	(\$63,419)	\$193,200
Misc Exp & Care of Grounds	\$131,900	\$85,485	\$131,500	(\$46,015)	\$131,760
Maintenance of Structures	\$110,789	\$70,994	\$374,600	(\$303,606)	\$322,800
Maint of Pumping Equipment	\$233,366	\$220,899	\$325,000	(\$104,101)	\$441,840
Power Purchases	\$3,006,554	\$2,474,848	\$3,210,000	(\$735,152)	\$3,531,000
TOTAL PUMPING	\$3,761,844	\$3,063,634	\$4,358,100	(\$1,294,466)	\$4,759,800

**DESERT WATER AGENCY
OPERATING FUND
2022-2023 BUDGET WITH PRIOR YEAR COMPARISON**

	ACTUAL 2020-2021	ACTUAL TO 3/31/2022	BUDGET 2021-2022	OVER OR UNDER	BUDGET 2022-2023
<u>REGULATORY WATER TREATMENT</u>					
Supervision & Engineering	\$127,331	\$107,052	\$126,960	(\$19,908)	\$142,800
Operating Labor Expense	\$212,928	\$175,961	\$195,625	(\$19,664)	\$201,480
Water Analysis/Health Dept.	\$124,164	\$92,828	\$189,000	(\$96,172)	\$138,000
Chem & Filtering Material	\$158,672	\$167,734	\$140,450	\$27,284	\$280,560
Maint of Structures	\$11,697	\$5,751	\$14,750	(\$8,999)	\$14,880
Maint of Water Treat Equipment	\$86,144	\$60,852	\$95,000	(\$34,148)	\$96,000
TOTAL WATER TREATMENT	\$720,936	\$610,178	\$761,785	(\$151,607)	\$873,720
<u>TRANSMISSION & DISTRIBUTION</u>					
Supervision & Engineering	\$538,245	\$412,679	\$631,920	(\$219,241)	\$704,400
Storage Facilities Expense	\$117,740	\$88,165	\$149,500	(\$61,335)	\$144,000
Trans & Distr Lines Expense	\$102,597	\$109,731	\$153,000	(\$43,269)	\$160,200
Meter Expense	\$31,332	\$76,629	\$122,400	(\$45,771)	\$127,560
Customer Install Expense	\$88,929	\$107,398	\$146,500	(\$39,102)	\$150,240
Cross Connect Expense	\$118,986	\$109,180	\$140,000	(\$30,820)	\$193,080
Misc Supply Expense	\$55,633	\$38,337	\$49,000	(\$10,663)	\$53,760
Maintenance of Struct & Impv	\$1,611	\$2,634	\$2,500	\$134	\$4,080
Maintenance of Reservoirs	\$315,744	\$165,427	\$614,000	(\$448,573)	\$107,640
Maintenance of Mains	\$818,152	\$667,587	\$1,300,000	(\$632,413)	\$1,598,040
Maintenance of Whitewater MWC	\$36,636	\$26,663	\$50,150	(\$23,487)	\$322,080
Maintenance of Fire Services	\$47,575	\$35,203	\$110,000	(\$74,797)	\$110,040
Maintenance of Services	\$256,692	\$158,073	\$275,000	(\$116,927)	\$275,040
Maintenance of Meters	\$89,250	\$57,353	\$130,860	(\$73,507)	\$192,000
Maintenance of Hydrants	\$119,058	\$82,240	\$150,000	(\$67,760)	\$175,080
TOTAL TRANS & DIST	\$2,738,182	\$2,137,298	\$4,024,830	(\$1,887,532)	\$4,317,240
<u>CUSTOMER ACCOUNT EXPENSE</u>					
Supervision & Engineering	\$171,854	\$115,811	\$193,560	(\$77,749)	\$213,600
Meter Reading Expense	\$135,576	\$100,782	\$145,200	(\$44,418)	\$153,600
Customer Rec & Coll Exp	\$714,906	\$487,573	\$775,600	(\$288,027)	\$846,720
Information Systems Supplies	\$0	\$0	\$2,500	(\$2,500)	\$3,480
Uncollectible Accounts	\$50,068	(\$8,314)	\$70,800	(\$79,114)	\$55,200
TOTAL CUST ACCT EXPENSE	\$1,072,404	\$695,852	\$1,187,660	(\$491,808)	\$1,272,600

**DESERT WATER AGENCY
OPERATING FUND
2022-2023 BUDGET WITH PRIOR YEAR COMPARISON**

	ACTUAL 2020-2021	ACTUAL TO 3/31/2022	BUDGET 2021-2022	OVER OR UNDER	BUDGET 2022-2023
<u>ADMINISTRATIVE & GEN EXPENSE</u>					
Administrative & Gen Salaries	\$846,893	\$663,644	\$1,059,800	(\$396,156)	\$1,138,800
Office Supplies & Expense	\$276,073	\$210,761	\$297,320	(\$86,559)	\$346,920
Legal	\$116,514	\$37,417	\$120,000	(\$82,583)	\$109,200
Engineering	\$155,084	\$40,389	\$84,000	(\$43,611)	\$84,000
Auditing	\$39,293	\$34,526	\$42,000	(\$7,474)	\$36,000
Appraisals & Consultants	\$132,795	\$115,795	\$402,000	(\$286,205)	\$258,120
Insurance & Claims	\$182,080	\$173,362	\$218,400	(\$45,038)	\$336,600
Injuries & Safety	\$484,927	\$290,759	\$437,000	(\$146,241)	\$443,400
Pension	\$2,610,442	\$2,497,244	\$2,710,800	(\$213,556)	\$2,939,400
Health Care Benefits	\$1,502,858	\$1,446,909	\$1,859,600	(\$412,691)	\$1,751,400
OPEB Benefits	\$0	\$0	\$0	\$0	\$0
Other Employee Benefits	\$551,451	\$508,125	\$601,100	(\$92,975)	\$637,560
Payroll Taxes - FICA	\$574,079	\$425,787	\$591,800	(\$166,013)	\$628,800
Unemployment Insurance	\$14,848	\$0	\$18,000	(\$18,000)	\$18,000
Vacation Pay	\$980,083	\$788,866	\$1,027,400	(\$238,534)	\$1,107,600
Maintenance - Oper Center	\$284,807	\$214,976	\$332,300	(\$117,325)	\$349,920
Maintenance - Solar Facilities	\$7,105	\$4,346	\$6,500	(\$2,154)	\$6,960
Information Technology	\$410,285	\$1,610,952	\$507,000	\$1,103,952	\$1,138,080
Maint - Office Equip	\$81,320	\$57,929	\$59,900	(\$1,971)	\$85,800
Maint - Info.Systems Equip	\$197,366	\$260,176	\$384,900	(\$124,724)	\$429,000
Maint - Telemetry Equip	\$29,667	\$31,923	\$30,000	\$1,923	\$43,440
Maint - Comm Equip	\$8,963	\$18,053	\$9,600	\$8,453	\$38,040
Supervision & Engineering	\$208,270	\$156,082	\$237,600	(\$81,518)	\$262,800
Storeroom Expense	\$82,316	\$67,791	\$80,000	(\$12,209)	\$100,080
Transportation	\$320,287	\$327,445	\$1,237,000	(\$909,555)	\$769,680
Tools & Work Equipment	\$137,496	\$89,233	\$145,000	(\$55,767)	\$130,080
Heavy Equipment Maint	\$3,272	\$336	\$15,000	(\$14,664)	\$10,080
Director's Fees	\$50,862	\$27,477	\$48,000	(\$20,523)	\$48,000
Public Information	\$130,735	\$145,970	\$185,310	(\$39,340)	\$247,440
Water Conservation	\$72,786	\$95,005	\$348,930	(\$253,925)	\$251,280
Water Conservation - Turf Buy Back	\$153,523	\$141,994	\$403,700	(\$261,706)	\$859,680
TOTAL ADMIN & GEN EXP	\$10,646,479	\$10,483,272	\$13,499,960	(\$3,016,688)	\$14,606,160
	\$682,099				
<u>REGULATORY EXPENSES</u>					
Certificates/Training/School	\$75,296	\$74,427	\$130,200	(\$55,773)	\$146,640
Health Department / Services	\$19,491	\$13,170	\$18,000	(\$4,830)	\$19,080
State - Regulatory	\$153,764	\$146,295	\$169,750	(\$23,455)	\$165,120
Federal - Regulatory	\$14,859	\$0	\$10,250	(\$10,250)	\$32,400
Reclamation - Regulatory	\$5,155	\$2,128	\$24,750	(\$22,622)	\$5,040
AQMD Compliance	\$2,152	\$1,873	\$1,500	\$373	\$3,000
RMP/OSHA/Misc.	\$41,504	\$44,307	\$60,000	(\$15,693)	\$55,080
Legal	\$50	\$0	\$0	\$0	\$0
TOTAL REGULATORY EXPENSES	\$312,270	\$282,201	\$414,450	(\$132,249)	\$426,360

**DESERT WATER AGENCY
OPERATING FUND
2022-2023 BUDGET WITH PRIOR YEAR COMPARISON**

	ACTUAL 2020-2021	ACTUAL TO 3/31/2022	BUDGET 2021-2022	OVER OR UNDER	BUDGET 2022-2023
<u>SNOW CREEK HYDRO EXPENSE</u>					
Snow Creek Hydro	\$33,809	\$40,774	\$36,600	\$4,174	\$60,000
TOTAL SNOW CREEK HYDRO	\$33,809	\$40,774	\$36,600	\$4,174	\$60,000
<u>RECLAMATION PLANT EXPENSE</u>					
Pumping Expense	\$292,905	\$235,355	\$322,950	(\$87,595)	\$337,080
Treatment Expense	\$404,085	\$285,338	\$561,900	(\$276,562)	\$530,040
Transportation/Distribution	\$42,588	\$17,315	\$1,710,100	(\$1,692,785)	\$212,880
Administrative & General	\$146,259	\$96,965	\$227,400	(\$130,435)	\$288,960
TOTAL RECL PLANT EXP	\$885,837	\$634,973	\$2,822,350	(\$2,187,377)	\$1,368,960
<u>OTHER OPERATING EXPENSE</u>					
Depreciation (Inc Recl)	\$6,272,814	\$4,637,558	\$6,556,800	(\$1,919,242)	\$6,646,800
Services Rendered Cust	\$144,268	\$125,825	\$160,800	(\$34,975)	\$170,400
Dir Costs App to W.O.'s	\$530,969	(\$593,497)	\$730,400	(\$1,323,897)	\$568,080
Indir Adm & Gen Exp Cap	(\$1,648,516)	(\$1,612,408)	(\$1,860,000)	\$247,592	(\$2,274,960)
TOTAL OTHER OPER EXP	\$5,299,535	\$2,557,477	\$5,588,000	(\$3,030,523)	\$5,110,320
TOTAL OPERATING EXPENSES	\$31,810,572	\$25,130,127	\$38,769,915	(\$13,639,788)	\$39,502,680
NET INCOME FROM OPER	\$10,062,143	\$6,379,245	\$2,013,335	\$4,365,910	\$5,836,420
<u>NON-OPERATING REVENUES</u>					
Revenue from Leases	\$171,701	\$131,428	\$171,100	(\$39,672)	\$189,300
Interest	\$209,824	\$105,680	\$138,000	(\$32,320)	\$583,200
Gains/Loss Investments	(\$127,589)	\$0	\$0	\$0	\$0
Other Income	\$7,380	\$601,625	\$250,000	\$351,625	\$1,489,000
DWA Front Footage Chgs	\$0	\$81,200	\$0	\$81,200	\$0
Gains on Retirements	\$129,047	\$0	\$38,600	(\$38,600)	\$63,100
Discounts	\$371	\$278	\$500	(\$222)	\$400
Revenue - Contributed	\$723,435	\$15,690	\$315,000	(\$299,310)	\$315,000
TOTAL NON-OPER REV	\$1,114,170	\$935,900	\$913,200	\$22,700	\$2,640,000
<u>NON OPERATING EXPENSES</u>					
OPEB Interest	\$996,782	\$0	\$1,047,000	(\$1,047,000)	\$780,000
Exp App to Prior Years	(\$157,171)	\$960	\$0	\$960	\$0
Services to Others	\$0	\$0	\$0	\$0	\$0
Customer Assistance Program	\$30,000	\$0	\$60,000	(\$60,000)	\$35,520
Grant Expenses	\$27,341	\$162	\$39,000	(\$38,838)	\$20,040
Losses on Retirements	\$149,380	\$0	\$175,000	(\$175,000)	\$108,000
TOTAL NON-OPER EXP	\$1,046,332	\$1,121	\$1,321,000	(\$1,319,879)	\$943,560
TOTAL NET INCOME	\$10,129,981	\$7,314,023	\$1,605,535	\$5,708,488	\$7,532,860

**DESERT WATER AGENCY
OPERATING FUND
2022-2023 BUDGET WITH PRIOR YEAR COMPARISON**

	ACTUAL 2020-2021	ACTUAL TO 3/31/2022	BUDGET 2021-2022	OVER OR UNDER	BUDGET 2022-2023
<u>APPLICATION OF COMMIT FUNDS</u>					
Capital Loan to Wastewater Fund	\$0	\$0	\$0	\$0	\$0
Other Post Emp. Benefits (GASB 75)	\$705,534	\$551,010	\$725,000	(\$173,990)	\$860,000
TOTAL COMMIT FUNDS	\$705,534	\$551,010	\$725,000	(\$173,990)	\$860,000
 BALANCE REMAINING	\$9,424,447	\$6,763,013	\$880,535	\$5,882,478	\$6,672,860
Add Back Depreciation (Plant/Equip)	\$6,272,814	\$4,637,558	\$6,556,800	(\$1,919,242)	\$6,646,800
Funds Avail For Capital Additions	\$15,697,261	\$11,400,571	\$7,437,335	\$3,963,236	\$13,319,660
Less Capital Additions:					
Routine Improvements	\$6,653,557	\$3,854,265	\$11,307,800	(\$7,453,535)	\$17,647,100
General Plan Improvements	\$0	\$0	\$100,000	(\$100,000)	\$100,000
 BALANCE	\$9,043,704	\$7,546,306	\$859,550	\$6,686,756	(\$4,427,440)
 TOTAL BUDGET			\$43,303,950		\$59,053,340
	2021-2022 BEGIN BAL	2021-2022 ADJUSTMENTS	2022-2023 ADDITIONS	2022-2023 DELETIONS	BALANCE
Estimated Reserve Fund Balance 6/30/22					\$48,075,000
Inter-Fund Loan/LC - General Fund					\$0
Reserves:					
Reserve for Operations	\$12,866,000	\$2,601,700	\$4,961,000	\$0	
Reserve for Replacements	\$2,760,000	\$0	\$0	\$0	
Reserve for Disaster Response	\$2,000,000	\$0	\$0	\$0	
Reserve for Land Acquisition	\$675,000	\$0	\$0	\$0	
Reserve for Regulatory Compliance	\$0	\$0	\$0	\$0	
Reserve for Retirement Benefits	\$5,000,000	\$0	\$0	\$0	
Total Reserves - 6/30/23	\$23,301,000	\$2,601,700	\$4,961,000	\$0	(\$30,863,700)
Required for 2021-22 Carryover Capital Items					(\$12,783,266)
2022-2023 Budget Balance					(\$4,427,440)
Unappropriated Fund Balance 6/30/23					\$594

BUDGET AMOUNT SUMMARY:

Total Operating Expenses	\$39,502,680
Non-Operating Expenses	\$943,560
Application of Committed Funds	\$860,000
Capital Additions	\$17,747,100
TOTAL BUDGET	\$59,053,340

**DESERT WATER AGENCY - OPERATING FUND
2022-2023 BUDGET
CAPITAL IMPROVEMENTS**

W.O. No.	DESCRIPTION	ACCOUNT NO.	ESTIMATED COST
<u>ROUTINE</u>			
RECLAMATION			
22-_____	Chlorine Injector Water Effluent Feed	11130	\$15,000
22-_____	Backup Sump Pump	11130	\$18,000
TOTAL RECLAMATION			\$33,000
PIPELINES			
20-160--30	Ave Caballeros 30" Pipeline Replacement - Augment	11171	\$1,700,000
21-111--08	2021-2022 Pipeline Replacement - Augment	11171	\$1,615,000
21-112--20	Vista Chino Pipeline Replacement - Augment	11171	\$4,010,000
22-_____	Snow Creek Pipeline Disconnect	11171	\$41,000
22-_____	2024 Summer Replacement Pipelines Design	11171	\$26,000
22-_____	2024 Winter Replacement Pipelines Design	11171	\$26,000
22-_____	Whitewater Mutual Parshall Flume/Bypass	11171	\$128,000
22-399	Contingency - Mains	11171	\$200,000
TOTAL PIPELINES			\$7,746,000
WELLS			
22-_____	Palm Oasis Well	11141	\$1,750,000
22-_____	Palm Oasis Connection to Main System	11141	\$201,000
22-_____	Well 11 Piping and Chlorine Building	11141	\$132,000
22-_____	Well 21 Chlorine Injection	11141	\$67,000
22-_____	Well 29 Chlorine Injection	11141	\$67,000
TOTAL WELLS			\$2,217,000
TRANSPORTATION EQUIPMENT			
22-_____	Liquid Chlorine Transport truck with storage tank	11183	\$150,000
22-_____	2022 Ford Ranger 4x4 (Replace Unit # 7)	11183	\$43,000
22-_____	2022 Ford Ranger 4x4 (Replace Unit # 17)	11183	\$43,000
22-_____	2022 Ford Escape (Replace Unit # 20)	11183	\$34,000
22-_____	2022 Ford Escape (Replace Unit # 26)	11183	\$34,000
TOTAL TRANSPORTATION EQUIPMENT			\$304,000

DESERT WATER AGENCY - OPERATING FUND
2022-2023 BUDGET
CAPITAL IMPROVEMENTS

W.O. No.	DESCRIPTION	ACCOUNT NO.	ESTIMATED COST
METERS			
22-202-E	Encoder Receiver Transmitter (ERT) Purchases	11173	\$695,000
22-202-M-01	1" Meter Purchases	11173	\$115,000
22-202-M-02	2" Meter Purchases	11173	\$54,000
22-202-M-03	3" Meter Purchases	11173	\$6,000
22-202-M-06	6" Meter Purchases	11173	\$4,000
22-202-M-15	1 1/2" Meter Purchases	11173	\$77,000
22-202-M-75	3/4" Meter Purchases	11173	\$140,000
TOTAL METERS			\$1,091,000
SERVICES			
22-100-S-01	1" Service Replacements	11172	\$1,171,000
22-100-S-02	2" Service Replacements	11172	\$500,000
22-201-S-01	1" Invoiced Services	11172	\$55,000
22-201-S-02	2" Invoiced Services	11172	\$45,000
TOTAL SERVICES			\$1,771,000
MISCELLANEOUS			
21-132-M	Server Replacement - Augment	11188	\$69,000
20-178-M	DWA2.0 / ERP System - Augment	11188	\$3,000,000
22-_____	Well 25 Perimeter Fence Enhancements	11181	\$15,000
22-_____	AMI Fixed Network - Phase I	11184	\$446,000
22-_____	Doosan P185/HP150WDO-T4F Flex Air Compressor	11185	\$42,000
22-_____	SCADA Computer System Upgrade	11188	\$30,000
22-_____	Survey GPS Equipment	11188	\$52,000
22-_____	Conference Room Virtual Communications System	11188	\$27,500
22-_____	Main Entrance Monument Renovation	11181	\$23,400
22-_____	HVAC Air Purification System	11181	\$64,000
22-_____	Warehouse Shelving	11181	\$27,400
22-_____	Mezzanine Remodel	11181	\$319,400
22-_____	Employee Parking Expansion	11181	\$199,400
22-_____	Snow Creek Cabin Foundation Upgrade	11181	\$20,000
22-499	Contingency - Other	VARIOUS	\$150,000
TOTAL MISCELLANEOUS			\$4,485,100
TOTAL ROUTINE			\$17,647,100

**DESERT WATER AGENCY - OPERATING FUND
2022-2023 BUDGET
CAPITAL IMPROVEMENTS**

W.O. No.	DESCRIPTION	ACCOUNT NO.	ESTIMATED COST
<u>GENERAL PLAN</u>			
PIPELINES			
22-699	Main Oversizing	11171	\$100,000
		TOTAL PIPELINES	\$100,000
TOTAL GENERAL PLAN			\$100,000
TOTAL CAPITAL IMPROVEMENTS 2022-2023			\$17,747,100

Reserve Policy Analysis 2022 / 2023 Budget

OPERATING FUND

In June 2021, the Board of Directors established a policy for Agency Reserves (Resolution No. 1262). Per section 5 of the policy, an annual review of the reserves will be presented during the annual budget presentation. Presented below is the reserve analysis:

Reserve for Operations

Reserve should be equal to 6-months to 1 year of operations

2022 / 2023	Cost of Operations	\$ 39,427,680
	<i>Minimum Reserve Requirement</i>	\$ 19,713,840
	<i>Maximum Allowable Reserve Balance</i>	\$ 39,427,680
2021 / 2022	Current Reserve Balance	\$ 15,467,700
2022 / 2023	Reserve Adjustment *	\$ 4,961,000
2022 / 2023	Reserve Balance	\$ 20,428,700
2022 / 2023	Minimum Target Reserve Shortfall	\$ -
2022 / 2023	Maximum Reserve Shortfall	\$ (18,998,980)

* Proposed \$5,036,000 addition to the Reserve for Operations in Fiscal Year 2022 / 2023

2022 / 2023	RESERVE FOR OPERATIONS	\$ 20,428,700
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Reserve for Replacements

Reserve should be equal to the accumulated depreciation of assets

	Accumulated Depreciation at 4/30/21	\$ 142,673,920
	<i>Maximum Reserve Balance</i>	\$ 142,673,920
2021 / 2022	Current Reserve Balance	\$ 2,760,000
2022 / 2023	Reserve Adjustment *	\$ -
2022 / 2023	Reserve Balance	\$ 2,760,000
2022 / 2023	Maximum Reserve Shortfall	\$ (139,913,920)

* There are no excess funds available to add to the Reserve for Replacements in Fiscal Year 2022 / 2023

2022 / 2023	RESERVE FOR REPLACEMENTS	\$ 2,760,000
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Reserve Policy Analysis
2022 / 2023 Budget

OPERATING FUND

Reserve for Disaster Response

Reserve should be equal to approximately 15% of the Agency's General System

System Value at 4/30/21	\$	264,334,478
15% of System Value	\$	39,650,200
<i>Maximum Reserve Balance</i>	\$	39,650,200
2021 / 2022 Current Reserve Balance	\$	2,000,000
2022 / 2023 Reserve Adjustment *	\$	-
2022 / 2023 Reserve Balance	\$	2,000,000
2022 / 2023 Maximum Reserve Shortfall	\$	(37,650,200)

* There are no excess funds available to add to the Reserve for Disaster Response in Fiscal Year 2022 / 2023

2022 / 2023	RESERVE FOR DISASTER RESPONSE	\$	2,000,000
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Reserve for Land Acquisitions

Reserve shall not exceed \$5,000,000

<i>Maximum Reserve Balance</i>	\$	5,000,000
2021 / 2022 Current Reserve Balance	\$	675,000
2022 / 2023 Reserve Adjustment *	\$	-
2022 / 2023 Reserve Balance	\$	675,000
2022 / 2023 Maximum Reserve Shortfall	\$	(4,325,000)

* There are no excess funds available to add to the Reserve for Land Acquisition in Fiscal Year 2022 / 2023

2022 / 2023	RESERVE FOR LAND ACQUISITIONS	\$	675,000
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Reserve Policy Analysis
2022 / 2023 Budget

OPERATING FUND

Reserve for Regulatory Compliance

Reserve shall not exceed \$10,000,000

<i>Maximum Reserve Balance</i>		\$ 10,000,000
2021 / 2022	Current Reserve Balance	\$ -
2022 / 2023	Reserve Adjustment *	\$ -
2022 / 2023	Reserve Balance	\$ -
2022 / 2023	Maximum Reserve Shortfall	\$ (10,000,000)

* There are no excess funds available to add to the Reserve for Regulatory Compliance in Fiscal Year 2022 / 2023

2022 / 2023	RESERVE FOR REGULATORY COMPLIANCE	\$ -
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Reserve for Retirement Benefits

Reserve should equal two times the actual annual retirement benefit costs from the preceding year but not to exceed four times the cost

	Annual OPEB Costs - Actuarial study (2022)	\$ 1,532,333
	Annual CalPERS Normal Contributions	\$ 861,664
	<i>Minimum Reserve Requirement</i>	\$ 4,787,994
	<i>Maximum Allowable Reserve Balance</i>	\$ 9,575,988
2021 / 2022	Current Reserve Balance	\$ 5,000,000
2022 / 2023	Reserve Adjustment *	\$ -
2022 / 2023	Reserve Balance	\$ 5,000,000
2022 / 2023	Minimum Target Reserve Shortfall	\$ -
2022 / 2023	Maximum Reserve Shortfall	\$ (4,575,988)

* There are no excess funds available to add to the Reserve for Retirement Benefits in Fiscal Year 2022 / 2023

2022 / 2023	RESERVE FOR RETIREMENT BENEFITS	\$ 5,000,000
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Reserve Policy Analysis
2022 / 2023 Budget

OPERATING FUND

Reserve Policy Summary

** 2022 / 2023	Minimum Reserve Requirement	\$ 221,825,954 *
** 2022 / 2023	Maximum Reserve Requirement	\$ 246,327,788
2022 / 2023	Projected Total Reserves	\$ 30,863,700
2022 / 2023	Projected Minimum Reserve Shortfall	\$ (191,889,120)
2022 / 2023	Maximum Reserve Shortfall	\$ (215,464,088)

* Where no minimum reserve balance is established, the maximum reserve balance is used

** Reserve Policy and Reserve Requirements (Resolution No. 1262) Based on established ACWA and AWWA Policy Principles and Guidelines

DESERT WATER AGENCY
GENERAL FUND BUDGET
2022 / 2023

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**DESERT WATER AGENCY
GENERAL FUND BUDGET
2022-2023 BUDGET WITH PRIOR YEAR COMPARISON**

	ACTUAL 2020-2021	ACTUAL TO 3/31/2022	BUDGET 2021-2022	OVER (UNDER) BUDGET	BUDGET 2022-2023
<u>OPERATING REVENUES</u>					
Groundwater Replenishment Assessment	\$7,690,856	\$5,775,913	\$7,609,400	(\$1,833,488)	\$7,781,000
Power Sales - Whitewater Hydro	\$98,123	\$7,884	\$5,500	\$2,384	\$13,500
TOTAL OPERATING REVENUES	\$7,788,979	\$5,783,796	\$7,614,900	(\$1,831,104)	\$7,794,500
<u>OPERATING EXPENSES</u>					
<u>SOURCE OF SUPPLY</u>					
Watershed Management - West Fork	\$0	\$0	\$0	\$0	\$0
Whitewater Mutual Water Co	\$0	\$0	\$12,000	(\$12,000)	\$12,000
Whitewater Basin Management	\$388,384	\$40,880	\$280,000	(\$239,120)	\$250,800
Mission Creek Basin Management	\$41,867	\$121,924	\$188,400	(\$66,476)	\$536,400
Mission Creek - Garnett Hill Mgmt Plan	\$0	\$0	\$20,000	(\$20,000)	\$30,000
Indio Subbasin Management Plan	\$17,291	\$106,777	\$22,500	\$84,277	\$30,000
San Geronio Pass Management Plan	\$0	\$0	\$20,000	(\$20,000)	\$22,800
Groundwater Monitoring Wells	\$0	\$0	\$900	(\$900)	\$0
U.S.G.S. Water Quality Monitoring System	\$9,900	\$12,978	\$13,200	(\$222)	\$15,600
U.S.G.S. Stream Gauging Study	\$55,653	\$73,551	\$76,800	(\$3,249)	\$82,800
Monitoring Wells #2 & #6	\$0	\$0	\$6,000	(\$6,000)	\$0
Urban Water Management Plan	\$61,943	\$4,545	\$0	\$4,545	\$0
Salt Nutrient Plan	\$32,519	\$3,152	\$220,000	(\$216,848)	\$126,000
Groundwater Rights DWA/CVWD	\$145,463	\$8,195	\$300,000	(\$291,805)	\$240,000
SGMA	\$203,055	\$85,128	\$355,000	(\$269,872)	\$130,800
USDOJ Federal Rule Litigation	\$219,021	\$110,804	\$210,000	(\$99,196)	\$240,000
TOTAL SOURCE OF SUPPLY	\$1,175,094	\$567,933	\$1,724,800	(\$1,156,867)	\$1,717,200
<u>STATE WATER PROJECT EXPENSE</u>					
Delta O.M.P. & R.	\$1,347,175	\$2,266,053	\$2,802,000	(\$535,947)	\$3,434,000
Transportation O.M.P. & R.	\$7,454,262	\$3,091,033	\$6,757,000	(\$3,665,967)	\$7,032,000
Variable	\$808,743	\$931,908	\$6,186,000	(\$5,254,092)	\$5,956,000
Off-Aqueduct Power Facilities	\$122,801	\$48,580	\$98,000	(\$49,420)	\$181,000
East Branch Enlargement	\$450,924	\$227,979	\$428,000	(\$200,021)	\$487,000
Replacement Component	\$0	\$0	\$0	\$0	\$0
Delta Conveyance (formerly CWF)	\$0	\$0	\$300,000	(\$300,000)	\$0
Water Purchases	\$26,462	\$370,844	\$2,430,000	(\$2,059,156)	\$2,483,000
Lake Perris Seepage Recovery Project	\$0	\$0	\$0	\$0	\$0
CVWD Reimb (Delta, Var, OAP)	\$22,255	\$34,171	(\$723,000)	\$757,171	(\$770,900)
MWD Reimb (Delta, Trans, Var, OAP)	\$0	\$0	\$0	\$0	\$0
TOTAL STATE WTR PROJ. EXPENSE	\$10,232,622	\$6,970,568	\$18,278,000	(\$11,307,432)	\$18,802,100
<u>WHITewater HYDRO EXPENSE</u>					
Supervision & Labor	\$6,103	\$11,824	\$15,750	(\$3,926)	\$18,000
Miscellaneous/SCE	\$5,226	\$6,570	\$7,200	(\$630)	\$8,400
Tools & Work Equipment	\$0	\$0	\$2,100	(\$2,100)	\$2,400
Maint Structures & Improvements	\$0	\$0	\$1,200	(\$1,200)	\$1,200
Maint of Equipment	\$5,282	\$5,627	\$60,000	(\$54,373)	\$196,800
Whitewater Hydro Contract Management	\$9,739	\$667	\$15,000	(\$14,333)	\$9,600
TOTAL WHITEWTR HYDRO EXPENSE	\$26,350	\$24,688	\$101,250	(\$76,562)	\$236,400
<u>CUSTOMER ACCOUNT EXPENSE</u>					
Meter Reading Expense	\$260	\$2,685	\$600	\$2,085	\$4,800
Uncollectible Accounts	\$723	\$0	\$0	\$0	\$0
TOTAL WHITEWTR HYDRO EXPENSE	\$983	\$2,685	\$600	\$2,085	\$4,800

**DESERT WATER AGENCY
GENERAL FUND BUDGET
2022-2023 BUDGET WITH PRIOR YEAR COMPARISON**

	ACTUAL 2020-2021	ACTUAL TO 3/31/2022	BUDGET 2021-2022	OVER (UNDER) BUDGET	BUDGET 2022-2023
<u>ADMIN & GENERAL EXPENSE</u>					
Salaries	\$347,655	\$282,344	\$451,400	(\$169,056)	\$612,000
Office Supplies & Expenses	\$8,665	\$4,137	\$14,700	(\$10,563)	\$16,800
Legal	\$710,397	\$252,430	\$660,000	(\$407,570)	\$960,000
State Water - Audit Fees	\$50,354	\$18,439	\$28,800	(\$10,361)	\$33,600
Engineering	\$55,844	\$30,795	\$66,000	(\$35,205)	\$114,000
Appraisals & Consultants	\$191,534	\$95,260	\$290,000	(\$194,740)	\$272,400
Auditing	\$12,642	\$5,895	\$16,000	(\$10,105)	\$6,000
Conferences & Seminars	\$1,144	\$20,698	\$74,000	(\$53,302)	\$66,000
Membership Dues & Subscriptions	\$65,349	\$111,749	\$101,100	\$10,649	\$134,400
Bay-Delta Hearings	\$106,210	\$83,609	\$135,000	(\$51,391)	\$102,000
SWC-Energy Fund	\$940	\$11,498	\$13,000	(\$1,502)	\$13,200
Utilities	\$55,996	\$48,639	\$60,000	(\$11,361)	\$72,000
Property & Liability Insurance	\$67,641	\$55,964	\$82,800	(\$26,836)	\$84,000
Other Employee Benefits	\$467,832	\$396,212	\$456,600	(\$60,388)	\$290,400
Payroll Taxes	\$52,639	\$35,953	\$58,200	(\$22,247)	\$46,800
Uncollectible Accounts	\$0	\$0	\$0	\$0	\$0
LAFCO Expenses	\$13,847	\$14,573	\$15,000	(\$427)	\$16,800
Integrated Regional Water Mgmt Plan (IRWMP)	\$29,261	\$4,558	\$38,000	(\$33,442)	\$40,800
IRWMP Conservation Program	\$1,808	\$2,976	\$0	\$2,976	\$0
Operations Center Security	\$0	\$0	\$7,500	(\$7,500)	\$8,400
Operations Center Maintenance	\$87,744	\$71,750	\$103,200	(\$31,450)	\$110,400
Directors' Fees	\$54,208	\$24,132	\$48,000	(\$23,868)	\$48,000
Public Information	\$115,543	\$65,819	\$175,900	(\$110,081)	\$248,400
Water Conservation	\$303,724	\$231,153	\$727,800	(\$496,647)	\$1,107,600
Election Expense	\$52,382	\$0	\$0	\$0	\$140,400
TOTAL ADMIN & GENERAL EXPENSE	\$2,853,358	\$1,868,582	\$3,623,000	(\$1,754,418)	\$4,544,400
<u>OTHER OPERATING EXPENSES</u>					
Depreciation	\$1,118,084	\$0	\$1,200,000	(\$1,200,000)	\$1,110,000
Direct/Indirect Costs	(\$73,175)	(\$13,103)	(\$107,000)	\$93,897	(\$108,000)
TOTAL OTHER OPERATING EXPENSES	\$1,044,910	(\$13,103)	\$1,093,000	(\$1,106,103)	\$1,002,000
TOTAL OPERATING EXPENSES	\$15,333,316	\$9,421,353	\$24,820,650	(\$15,399,297)	\$26,306,900
NET OPERATING INCOME (loss)	(\$7,544,337)	(\$3,637,556)	(\$17,205,750)	\$13,568,194	(\$18,512,400)
<u>NON-OPERATING REVENUES</u>					
Property Taxes	\$35,499,281	\$20,532,606	\$35,416,000	(\$14,883,394)	\$37,264,000
Interest - Invested Reserves	\$1,823,860	\$1,194,476	\$802,800	\$391,676	\$2,136,000
Interest - Wastewater Fund	\$0	\$0	\$0	\$0	\$0
Supplemental Imported Water Fees	\$725,006	\$440,460	\$488,600	(\$48,140)	\$612,500
Gains/Loss Investments	(\$1,757,321)	\$704,138	\$582,100	\$122,038	\$173,200
Other	(\$1,425)	\$24,726	\$0	\$24,726	\$0
TOTAL NON-OPERATING REVENUES	\$36,289,400	\$22,896,407	\$37,289,500	(\$14,393,093)	\$40,185,700

**DESERT WATER AGENCY
GENERAL FUND BUDGET
2022-2023 BUDGET WITH PRIOR YEAR COMPARISON**

	ACTUAL 2020-2021	ACTUAL TO 3/31/2022	BUDGET 2021-2022	OVER (UNDER) BUDGET	BUDGET 2022-2023
<u>NON-OPERATING EXPENSES</u>					
Prior Year - State Water Project	\$348,697	(\$26,141)	\$0	(\$26,141)	\$0
Prior Year Expenses	\$4,013	\$56	\$0	\$56	\$0
Other	(\$20)	\$1,420	\$0	\$1,420	\$0
TOTAL NON-OPERATING EXPENSES	\$352,690	(\$24,665)	\$0	(\$24,665)	\$0
TOTAL NET INCOME	\$28,392,372	\$19,283,516	\$20,083,750	(\$800,235)	\$21,673,300
<u>APPLICATION OF COMMIT FUNDS</u>					
Bond Service - Principle/Interest	\$1,342,750	\$296,975	\$1,338,950	(\$1,041,975)	\$1,344,150
TOTAL COMMIT FUNDS	\$1,342,750	\$296,975	\$1,338,950	(\$1,041,975)	\$1,344,150
 BALANCE REMAINING	\$27,049,622	\$18,986,541	\$18,744,800	\$241,740	\$20,329,150
Add Back Depreciation	\$1,118,084	\$0	\$1,200,000	(\$1,200,000)	\$1,110,000
Funds Avail For Capital Additions	\$28,167,706	\$18,986,541	\$19,944,800	(\$958,260)	\$21,439,150
<u>CAPITAL ADDITIONS</u>					
Delta			\$1,608,200		\$2,028,500
Transportation			\$2,419,000		\$2,657,000
Revenue Bond Surcharge			\$1,100,000		\$1,181,000
East Branch Enlargement			\$16,616,000		\$1,565,000
Tehachapi			\$88,000		\$98,000
Delta Conveyance			\$0		\$0
Lake Perris Seepage Recovery Project			\$1,458,000		\$550,000
Sites Reservoir Project			\$975,000		\$910,000
Whitewater Hydro PLC Modernization			\$0		\$0
Chino West Canyon Treatment Facility			\$0		\$0
Whitewater Area Land Purchase			\$0		\$0
Mission Creek Recharge Basin Flow Meters			\$124,000		\$0
Board Room AV Enhancements			\$29,800		\$0
Conference Room Virtual Communications System			\$0		\$27,500
Main Entrance Monument Renovation			\$0		\$11,700
HVAC Air Purification System			\$0		\$32,000
Warehouse Shelving			\$0		\$13,700
Mezzanine Remodel			\$0		\$159,700
Employee Parking Expansion			\$0		\$99,700
Submersible Pump and Hose Drop Pipe			\$0		\$15,000
Contingency			\$150,000		\$150,000
TOTAL CAPITAL ADDITIONS			\$24,568,000		\$9,498,800
 BALANCE			(\$4,623,200)		\$11,940,350
 TOTAL BUDGET			\$50,727,600		\$37,149,850

**DESERT WATER AGENCY
GENERAL FUND BUDGET
2022-2023 BUDGET WITH PRIOR YEAR COMPARISON**

	<u>2021-2022 BEGIN BAL</u>	<u>2021-2022 ADJUSTMENTS</u>	<u>2022-2023 ADDITIONS</u>	<u>2022-2023 DELETIONS</u>	<u>BALANCE</u>
Reserve Fund Balance-6/30/22					\$199,525,331
Restricted & Unrestricted Reserves:					
State Water Contract Fund	\$62,779,000	\$13,000,000			
Reserve For SWP Additional Water	\$0	\$10,493,000	\$13,150,000		
Reserve For Additional Water	\$23,782,000	(\$23,782,000)			
Reserve for Delta Conveyance	\$19,238,000				
Reserve For Operations	\$10,571,800	(\$3,545,450)	\$478,450		
Reserve For Replacements	\$8,892,800		\$1,454,000		
Regulatory Compliance Reserve	\$7,765,000		\$2,235,000		
Land Acquisition Reserve	\$5,000,000				
Reserve For Additional Non-SWP Water	\$0	\$23,782,000	\$35,304,400		
Total Reserves - 6/30/23	\$138,028,600	\$19,947,550	\$52,621,850	\$0	(\$210,598,000)
Required for 2021/22 Carryover Items					(\$867,332)
2022-2023 Budget Balance					\$11,940,350
Unappropriated Fund Balance - 6/30/23					\$349

BUDGET AMOUNT SUMMARY

Total Operating Expense	\$26,306,900
Non-Operating Expense	\$0
Application of Committed Funds	\$1,344,150
Capital Additions	\$9,498,800
TOTAL BUDGET	\$37,149,850

**DESERT WATER AGENCY
GENERAL FUND BUDGET
2022 - 2023**

**SUMMARY OF ASSESSED VALUATIONS
AND RESULTING TAX RATES**

Assessed Valuations		
Secured	\$18,589,114,321	
Unsecured	\$797,977,267	
Total Estimated Assessed Valuations*		\$19,387,091,588
Tax Rate	2021-2022	2022-2023
Secured	\$0.10	\$0.10
Unsecured	\$0.10	\$0.10
Estimated Revenue from Property Taxes		
Secured	\$18,589,000	
Unsecured	\$798,000	
SBE Unitary	\$14,823,000	
RPTTF	\$1,460,000	
County 1% General Purpose Allocation	\$1,594,000	
TOTAL ESTIMATED PROPERTY TAXES		\$37,264,000

* Assessed values reflect a combined 2.14% delinquency and value adjustment factor for secured and unsecured valuations

**DESERT WATER AGENCY
GENERAL FUND BUDGET
FISCAL 2022 - 2023**

Estimated State Water Project Payments

	CAPITAL							O.M.P. & R.					
	Revenue Bond Surcharge		Lake Perris Seepage Recovery	Sites Reservoir	Transportation	Tehachapi	East Branch Enlargement				Aqueduct Power Facilities	East Branch Enlargement	
2021		Delta						Delta	Transportation	Variable			Total
July	\$585,000	\$1,149,000	\$550,000	---	\$1,438,000	---	---	\$270,550	\$497,000	\$488,500	\$12,550	\$42,600	\$5,033,200
August	---	---	---	---	---	---	---	\$270,550	\$497,000	\$488,500	\$12,550	\$42,600	\$1,311,200
September	---	---	---	---	---	\$48,500	\$1,077,000	\$270,550	\$497,000	\$488,500	\$12,550	\$42,600	\$2,436,700
October	---	---	---	---	---	---	---	\$270,550	\$497,000	\$488,500	\$12,550	\$42,600	\$1,311,200
November	---	---	---	---	---	---	---	\$270,550	\$497,000	\$488,500	\$12,550	\$42,600	\$1,311,200
December	---	---	---	---	---	---	---	\$270,550	\$497,000	\$488,500	\$12,550	\$42,600	\$1,311,200
2022													
January	\$596,000	\$1,019,000	---	\$910,000	\$1,219,000	---	---	\$301,800	\$675,000	\$504,150	\$17,600	\$38,550	\$5,281,100
February	---	---	---	---	---	---	---	\$301,800	\$675,000	\$504,150	\$17,600	\$38,550	\$1,537,100
March	---	---	---	---	---	\$49,500	\$488,000	\$301,800	\$675,000	\$504,150	\$17,600	\$38,550	\$2,074,600
April	---	---	---	---	---	---	---	\$301,800	\$675,000	\$504,150	\$17,600	\$38,550	\$1,537,100
May	---	---	---	---	---	---	---	\$301,800	\$675,000	\$504,150	\$17,600	\$38,550	\$1,537,100
June	---	---	---	---	---	---	---	\$301,700	\$675,000	\$504,250	\$17,700	\$38,650	\$1,537,300
	\$1,181,000	\$2,168,000	\$550,000	\$910,000	\$2,657,000	\$98,000	\$1,565,000	\$3,434,000	\$7,032,000	\$5,956,000	\$181,000	\$487,000	\$26,219,000

Based on calendar year costs being shared 26.49% DWA and 73.51% CVWD on Variable, Delta Water and Off Aqueduct Charges:

	<u>2022</u>	<u>Variable</u>	<u>Delta Charge</u>	<u>Off Aqueduct</u>	<u>Total</u>	<u>DWA-26.49%</u>	<u>CVWD-73.51%</u>
DWA	55,750 AF	\$5,861,836	\$5,658,794	\$150,228	\$11,670,858	\$3,091,610	\$8,579,248
CVWD	128,450 AF	\$14,546,816	\$14,042,944	\$170,788	\$28,760,548	\$7,618,669	\$21,141,879
					<u>\$40,431,406</u>	<u>\$10,710,279</u>	<u>\$29,721,127</u>
	<u>2023</u>						
DWA	55,750 AF	\$6,048,846	\$5,658,794	\$210,704	\$11,918,344	\$3,157,169	\$8,761,175
CVWD	128,450 AF	\$15,010,903	\$14,042,944	\$522,886	\$29,576,733	\$7,834,877	\$21,741,856
					<u>\$41,495,077</u>	<u>\$10,992,046</u>	<u>\$30,503,031</u>

STATE WATER PROJECT TABLE A ALLOTMENTS:

DWA - 38,100 A.F. + MWD Transfer 11,900 A.F. = 50,000 A.F.

CVWD - 23,100 A.F. + MWD Transfer 88,100 A.F. + Tulare Transfer 9,000 A.F. = 121,100 A.F.

Beginning January 1, 2010 : Berrenda-Mesa 16,000 A.F. Transfer = DWA 4,000 A.F. / CVWD 12,000 A.F.

Beginning January 1, 2010 : Westlake Farms 7,000 A.F. Transfer = DWA 1,750 A.F. / CVWD 5,250 A.F.

Calendar years 2022 & 2023 = DWA 55,750 A.F. / CVWD 128,450 A.F.

TOTALS \$81,926,483 \$21,702,325 \$60,224,158

Less Amount Billed Direct to CVWD (\$58,337,281)

Amount Due To DWA \$1,886,877

ONE-HALF FOR FISCAL YEAR \$943,438

**DESERT WATER AGENCY - GENERAL FUND
2022-2023 BUDGET
CAPITAL IMPROVEMENTS**

W.O. No.	DESCRIPTION	ACCOUNT NO.	ESTIMATED COST
<u>ROUTINE</u>			
MISCELLANEOUS			
22-_____	Conference Room Virtual Communications System	11188	\$27,500
22-_____	Main Entrance Monument Renovation	11185	\$11,700
22-_____	HVAC Air Purification System	11185	\$32,000
22-_____	Warehouse Shelving	11185	\$13,700
22-_____	Mezzanine Remodel	11185	\$159,700
22-_____	Employee Parking Expansion	11185	\$99,700
22-_____	Submersible Pump and Hose Drop Pipe	11163	\$15,000
22-499	Contingency - Other	VARIOUS	\$150,000
TOTAL MISCELLANEOUS			\$509,300
TOTAL CAPITAL IMPROVEMENTS 2022-2023			\$509,300

Reserve Policy Analysis 2022 / 2023 Budget

GENERAL FUND

In June 2021, the Board of Directors established a policy for Agency Reserves (Resolution No. 1262). Per section 5 of the policy, an annual review of the reserves will be presented during the annual budget presentation. Presented below is the reserve analysis:

State Water Contract Fund Reserve

Minimum reserve requirement is two and one half times prior year DWR Statement of Charges, not to exceed six times the total of such charges

2022 DWR Statement of Charges

Delta Capital	\$ 2,296,057
Delta OMP&R	\$ 3,246,341
Transportation Capital	\$ 2,875,593
Transportation OMP&R	\$ 5,964,125
Variable Entitlement	\$ 6,052,140
Water System Revenue Bond	\$ 1,169,893
Off Aqueduct	\$ 150,228
Conservation Replacement	\$ -
East Branch Enlargement Capital	\$ 1,280,379
East Branch Enlargement OMP&R	\$ 511,311
Tehachapi Second Afterbay	\$ 96,557
Total 2022 Statement of Charges	\$ 23,642,624

Minimum Reserve Requirement \$ 59,106,560

Maximum Allowable Reserve Balance \$ 141,855,744

2021 / 2022	Current Reserve Balance	\$ 75,779,000
2022 / 2023	Reserve Adjustment *	\$ -
2022 / 2023	Reserve Balance	\$ 75,779,000
2022 / 2023	Minimum Target Reserve Shortfall	\$ -
2022 / 2023	Maximum Reserve Shortfall	\$ (66,076,744)

* There are no excess funds available to add to the State Water Contract Fund Reserve in Fiscal Year 2022 / 2023

2022 / 2023	STATE WATER CONTRACT RESERVE	\$ 75,779,000
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Reserve Policy Analysis
2022 / 2023 Budget

GENERAL FUND

Reserve for Delta Conveyance Facilities

Minimum reserve requirement is two and one half times annual charges, not to exceed six times the total of such charges

10 Year DWR Cost projection	\$	43,424,000
Average Annual Charge	\$	4,342,400
<i>Minimum Reserve Requirement</i>	\$	10,856,000
<i>Maximum Allowable Reserve Balance</i>	\$	26,054,400
2021 / 2022 Current Reserve Balance	\$	19,238,000
2022 / 2023 Reserve Adjustment *	\$	-
2022 / 2023 Reserve Balance	\$	19,238,000
2022 / 2023 Minimum Target Reserve Shortfall	\$	-
2022 / 2023 Maximum Reserve Shortfall	\$	(6,816,400)

* There are no excess funds available to add to the Reserve for Delta Conveyance Facilities in Fiscal Year 2022 / 2023

2022 / 2023	RESERVE FOR DELTA CONVEYANCE	\$	19,238,000
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Reserve Policy Analysis

2022 / 2023 Budget

GENERAL FUND

Reserve for SWP Additional Water

The minimum reserve requirement should be greater than the prior year DWR Invoices, not to exceed five times the total of such charges

2022 DWR Statement of Charges

Delta Capital	\$ 2,296,057
Delta OMP&R	\$ 3,246,341
Transportation Capital	\$ 2,875,593
Transportation OMP&R	\$ 5,964,125
Variable Entitlement	\$ 6,052,140
Water System Revenue Bond	\$ 1,169,893
Off Aqueduct	\$ 150,228
Conservation Replacement	\$ -
East Branch Enlargement Capital	\$ 1,280,379
East Branch Enlargement OMP&R	\$ 511,311
Tehachapi Second Afterbay	\$ 96,557
Total 2022 Statement of Charges	\$ 23,642,624

Minimum Reserve Requirement \$ 23,642,624

Maximum Allowable Reserve Balance \$ 118,213,120

2021 / 2022 Current Reserve Balance \$ 10,493,000

2022 / 2023 Reserve Adjustment * \$ 13,150,000

2022 / 2023 Reserve Balance **\$ 23,643,000**

2022 / 2023 Minimum Target Reserve Shortfall \$ -

2022 / 2023 Maximum Reserve Shortfall \$ (94,570,120)

* Proposed \$13,150,000 addition to the Reserve for Additional Water in Fiscal Year 2022 / 2023

2022 / 2023 RESERVE FOR ADDITIONAL WATER \$ 23,643,000

Reserve Policy Analysis 2022 / 2023 Budget

GENERAL FUND

Reserve for Non-SWP Additional Water

The minimum reserve requirement should be greater than the prior year DWR Invoices, not to exceed five times the total of such charges

2022 DWR Statement of Charges

Delta Capital	\$ 2,296,057
Delta OMP&R	\$ 3,246,341
Transportation Capital	\$ 2,875,593
Transportation OMP&R	\$ 5,964,125
Variable Entitlement	\$ 6,052,140
Water System Revenue Bond	\$ 1,169,893
Off Aqueduct	\$ 150,228
Conservation Replacement	\$ -
East Branch Enlargement Capital	\$ 1,280,379
East Branch Enlargement OMP&R	\$ 511,311
Tehachapi Second Afterbay	\$ 96,557
Total 2022 Statement of Charges	\$ 23,642,624

Minimum Reserve Requirement \$ 23,642,624

Maximum Allowable Reserve Balance \$ 118,213,120

2021 / 2022 Current Reserve Balance \$ 23,782,000

2022 / 2023 Reserve Adjustment * \$ 35,304,400

2022 / 2023 Reserve Balance **\$ 59,086,400**

2022 / 2023 Minimum Target Reserve Shortfall \$ -

2022 / 2023 Maximum Reserve Shortfall **\$ (59,126,720)**

* Proposed \$35,304,400 addition to the Reserve for Additional Water in Fiscal Year 2022 / 2023

2022 / 2023 RESERVE FOR ADDITIONAL WATER **\$ 59,086,400**

Reserve Policy Analysis
2022 / 2023 Budget

GENERAL FUND

Reserve for Operations

Reserve should be equal to 6-months to 1 year of operations

2022 / 2023	Cost of Operations	\$	26,306,900
Less: 2022 / 2023	State Water Project Expense	\$	(18,802,100)
	Net Cost of Operations	\$	7,504,800
	<i>Minimum Reserve Requirement</i>	\$	3,752,400
	<i>Maximum Allowable Reserve Balance</i>	\$	7,504,800
2021 / 2022	Current Reserve Balance	\$	7,026,350
2022 / 2023	Reserve Adjustment *	\$	478,450
2022 / 2023	Reserve Balance	\$	7,504,800
2022 / 2023	Minimum Target Reserve Shortfall	\$	-
2022 / 2023	Maximum Reserve Shortfall	\$	-

* Proposed \$478,450 addition to the Reserve for Operations in Fiscal Year 2022 / 2023

2022 / 2023	RESERVE FOR OPERATIONS	\$	7,504,800
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Reserve Policy Analysis

2022 / 2023 Budget

GENERAL FUND

Reserve for Replacements

Reserve should be equal to the accumulated depreciation of assets (excluding State Water Project Capital)

6/30/2021 Audited Accumulated Depreciation	\$ 109,765,060
Less: SWP - Transportation	\$ (64,316,978)
SWP - Delta	\$ (14,582,274)
SWP - East Branch Enlargement	\$ (15,136,952)
SWP - Water System Rev Bond	\$ (5,301,292)
SWP - Advance Water Deliveries	\$ (69,273)
SWP - Tehachapi Second Afterbay	\$ (10,707)
Net Accumulated Depreciation	\$ 10,347,583
<i>Maximum Reserve Balance</i>	<i>\$ 10,347,583</i>
2021 / 2022 Current Reserve Balance	\$ 8,892,800
2022 / 2023 Reserve Adjustment *	\$ 1,454,000
2022 / 2023 Reserve Balance	\$ 10,346,800
2022 / 2023 Maximum Reserve Shortfall	\$ (783)

* Proposed \$1,454,000 addition to the Reserve for Replacements in Fiscal Year 2022 / 2023

2022 / 2023 RESERVE FOR REPLACEMENTS	\$ 10,346,800
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Reserve Policy Analysis
2022 / 2023 Budget

GENERAL FUND

Reserve for Regulatory Compliance

Reserve shall not exceed \$10,000,000

	<i>Maximum Reserve Balance</i>	\$ 10,000,000
2021 / 2022	Current Reserve Balance	\$ 7,765,000
2022 / 2023	Reserve Adjustment *	\$ 2,235,000
2022 / 2023	Reserve Balance	\$ 10,000,000
2022 / 2023	Maximum Reserve Shortfall	\$ -

* Proposed \$2,235,000 addition to the Reserve for Regulatory Compliance in Fiscal Year 2022 / 2023

2022 / 2023	RESERVE FOR REGULATORY COMPLIANCE	\$ 10,000,000
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Reserve for Land Acquisitions

Reserve shall not exceed \$5,000,000

	<i>Maximum Reserve Balance</i>	\$ 5,000,000
2021 / 2022	Current Reserve Balance	\$ 5,000,000
2022 / 2023	Reserve Adjustment *	\$ -
2022 / 2023	Reserve Balance	\$ 5,000,000
2022 / 2023	Maximum Reserve Shortfall	\$ -

* No proposed adjustment to the Reserve for Land Acquisition in 2022 / 2023, reserve is at maximum allowable balance.

2022 / 2023	RESERVE FOR LAND ACQUISITIONS	\$ 5,000,000
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Reserve Policy Analysis
2022 / 2023 Budget

GENERAL FUND

Reserve Policy Summary

**	2022 / 2023	Minimum Reserve Requirement	\$ 146,347,791 *
**	2022 / 2023	Maximum Reserve Requirement	\$ 437,188,767
	2022 / 2023	Projected Total Reserves	\$ 210,598,000
	2022 / 2023	Projected Minimum Reserve Shortfall	\$ (783)
	2022 / 2023	Projected Maximum Reserve Shortfall	\$ (226,590,767)

* Where no minimum reserve balance is established, the maximum reserve balance is used

** Reserve Policy and Reserve Requirements (Resolution No. 1262) Based on established ACWA and AWWA Policy Principles and Guidelines

DESERT WATER AGENCY
WASTEWATER FUND BUDGET
2022 / 2023

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**DESERT WATER AGENCY
WASTEWATER FUND
2022-2023 BUDGET WITH PRIOR YEAR COMPARISON**

	ACTUAL 2020-2021	ACTUAL TO 3/31/2022	BUDGET 2021-2022	OVER OR UNDER	BUDGET 2022-2023
<u>OPERATING REVENUES:</u>					
Capacity Charges	\$35,963	\$0	\$26,250	(\$26,250)	\$26,400
Wastewater Service	\$1,156,899	\$765,104	\$1,119,600	(\$354,496)	\$1,215,600
Plan Check Fees/Inspection/Svc	\$3,090	\$560	\$3,500	(\$2,940)	\$3,480
 TOTAL REVENUES	 \$1,195,951	 \$765,664	 \$1,149,350	 (\$383,686)	 \$1,245,480
<u>OPERATING EXPENSES:</u>					
C.V.W.D. Wastewater Service	\$745,955	\$499,470	\$750,000	(\$250,530)	\$825,600
City of P.S. - Wastewater Service	\$126,370	\$73,786	\$110,100	(\$36,314)	\$112,800
Office Supplies & Expense	\$647	\$289	\$900	(\$611)	\$1,200
Meetings and Seminars	\$0	\$0	\$0	\$0	\$0
Legal	\$28,429	\$12,804	\$6,000	\$6,804	\$6,000
Engineering	\$1,581	\$1,511	\$3,000	(\$1,490)	\$3,600
Auditing	\$2,634	\$1,684	\$3,000	(\$1,316)	\$2,400
Programming	\$1,530	\$786	\$2,400	(\$1,614)	\$2,400
Utilities	\$6,977	\$7,075	\$9,000	(\$1,925)	\$10,800
Insurance	\$9,852	\$11,874	\$12,000	(\$126)	\$13,200
Communications Equipment	\$0	\$0	\$3,250	(\$3,250)	\$0
Maintenance of Pumps	\$35,758	\$8,994	\$1,625	\$7,369	\$2,400
Maintenance of Laterals	\$1,499	\$1,226	\$4,200	(\$2,974)	\$2,400
Maintenance of Lift Stations	\$79,257	\$50,893	\$89,150	(\$38,257)	\$138,000
Maintenance of Mains	\$21,479	\$23,497	\$90,000	(\$66,503)	\$117,600
Tools & Work Equipment	\$0	\$0	\$200	(\$200)	\$2,400
Transportation Expense	\$4,121	\$2,169	\$11,700	(\$9,531)	\$9,600
Regulatory Expense	\$0	\$0	\$0	\$0	\$0
Uncollectible Accounts	\$0	\$0	\$0	\$0	\$0
Depreciation	\$567,427	\$0	\$640,000	(\$640,000)	\$572,400
 TOTAL OPERATING EXPENSE	 \$1,633,515	 \$696,058	 \$1,736,525	 (\$1,040,467)	 \$1,822,800
 NET INCOME FROM OPER.	 (\$437,564)	 \$69,605	 (\$587,175)	 \$656,780	 (\$577,320)
<u>NON-OPERATING REVENUES</u>					
Interest Short Term	\$9,050	\$2,732	\$6,000	(\$3,268)	\$10,800
Contributed Revenue - Customer	\$140,958	\$0	\$0	\$0	\$0
Other Income	(\$6,834)	(\$138)	\$0	(\$138)	\$0
 TOTAL NON-OPR. REV.	 \$143,173	 \$2,594	 \$6,000	 (\$3,406)	 \$10,800

**DESERT WATER AGENCY
WASTEWATER FUND
2022-2023 BUDGET WITH PRIOR YEAR COMPARISON**

	ACTUAL 2020-2021	ACTUAL TO 3/31/2022	BUDGET 2021-2022	OVER OR UNDER	BUDGET 2022-2023
<u>NON-OPERATING EXPENSES</u>					
Interest - General Fund Loan	\$0	\$0	\$0	\$0	\$0
Sewer Assessment Fees	\$799	\$803	\$850	(\$47)	\$850
Loss on Retirement	\$0	\$0	\$0	\$0	\$0
Prior Year Expenses	(\$922)	\$0	\$0	\$0	\$0
TOTAL NON-OPR. EXP.	(\$124)	\$803	\$850	(\$47)	\$850
TOTAL NET INCOME	(\$294,267)	\$71,397	(\$582,025)	\$653,422	(\$567,370)
<u>APPLICATION OF COMMIT. FUNDS</u>					
Principal - General Fund Loan	\$0	\$0	\$0	\$0	\$0
Principal - Operating Fund Loan	\$0	\$0	\$0	\$0	\$0
TOTAL COMM. FUNDS	\$0	\$0	\$0	\$0	\$0
Balance Remaining	(\$294,267)	\$71,397	(\$582,025)	\$653,422	(\$567,370)
Add Back Depreciation Exp.	\$567,427	\$0	\$640,000	(\$640,000)	\$572,400
Funds Avail. Capital Add.	\$273,160	\$71,397	\$57,975	\$13,422	\$5,030
<u>LESS CAPITAL ADDITIONS:</u>			BUDGET 2021-2022	BUDGET 2022-2023	
Lift Station - Generator			\$35,000	\$0	
Lift Station - Generator Enclosure			\$0	\$0	
Cat. Cyn Force Main Monitoring Manhole			\$0	\$134,000	
Contingency			\$15,000	\$15,000	
TOTAL CAPITAL ADDITIONS			\$50,000	\$149,000	
<u>BALANCE</u>			\$7,975	(\$143,970)	
<u>TOTAL BUDGET</u>			\$1,787,375	\$1,972,650	
<u>ESTIMATED RESERVE FUND BALANCE:</u>					
Estimated Reserve Fund Balance 6/30/22			\$1,707,000		
2022-2023 Budget Balance			(\$143,970)		
Required for 2021/22 Carryover Items			(\$149,404)		
Estimated Reserve Fund Balance 6/30/23			\$1,413,626		
<u>BUDGET AMOUNT SUMMARY:</u>					
Total Operating Expenses			\$1,822,800		
Total Non-operating Expenses			\$850		
Application of Committed Funds			\$0		
Capital Additions			\$149,000		
TOTAL BUDGET:			\$1,972,650		

**DESERT WATER AGENCY - WASTEWATER FUND
2022-2023 BUDGET
CAPITAL IMPROVEMENTS**

W.O. No.	DESCRIPTION	ACCOUNT NO.	ESTIMATED COST
<u>ROUTINE</u>			
MISCELLANEOUS			
22-_____	Cathedral Canyon Force Main Monitoring Manhole	10071	\$134,000
22-499	Contingency - Other	VARIOUS	<u>\$15,000</u>
TOTAL MISCELLANEOUS			\$149,000
TOTAL CAPITAL IMPROVEMENTS 2022-2023			\$149,000

Attachment #2

DESERT WATER AGENCY

Fiscal Year 2022 / 2023

Budget Highlights

Fiscal 2022 / 2023 Budget Highlights

OPERATING FUND

Revenues

Operating Revenues

Potable Water Sales

The Potable Water Sales budget of \$41,614,000 reflects a commodity rate of \$2.28/hcf for Fiscal Year 2022/2023.

The 2022/2023 budget reflects a \$3.9 million increase in water sales revenue from the 2021/2022 budget. This increase is attributed to the overall increase in water sales while still accounting for a 5% conservation factor and the impacts of the rate increase implemented January 1, 2022. The budget includes an annual average of 23,610 active meters, with an average consumption of 543 hcf per meter.

Monthly water service charges (fixed monthly meter charge) per meter remain unchanged for Fiscal Year 2022/2023 for an estimated total of \$11.9 million, which is included in the total Water Sales Revenue.

Operating Revenue Summary

Overall, Water Sales revenues increased \$3,936,000 or 10.2% as compared to the 2021/2022 budget.

Water Services

Service Charges

Service Charge Revenue reflects a \$440,000 increase from the 2021/2022 budget. This increase is due the anticipated reinstatement of disconnection of service for non-payment and associated reconnection fees (\$188,000 increase) and increase in service charges related to development (\$97,000 increase).

Water Service Revenue Summary

Overall, Water Service revenues increased \$620,000 or 29.6% as compared to the 2021/2022 budget.

TOTAL OPERATING REVENUES

Total Operating Revenues reflect an 11.2% or \$4,556,000 increase as compared to the 2021/2022 budget.

Expenses

Source of Supply

Maintenance of Roads

The Maintenance of Roads increase of \$252,000 is attributed to the repair of damaged caused by the 2019 Valentine's Day Storm. A majority of these repairs will be reimbursed by FEMA.

Maintenance of Intakes

The Maintenance of Intakes increase of \$193,000 is attributed to the repair of damaged caused by the 2019 Valentine's Day Storm. A majority of these repairs will be reimbursed by FEMA.

Groundwater Replenishment

The Groundwater Replenishment expense budget reflects a \$200,000 or 3.8% increase from 2021/2022. The budget is based on projected Operating Fund water sales for 2021/2022 adjusted for anticipated system water losses based on historical production vs water sold factor. The budget reflects the current Replenishment Assessment Charge of \$175/AF.

Source of Supply Summary

Overall, total Source of Supply expense reflects a 10.4% or \$631,000 increase from the 2021/2022 budget.

Pumping Expense

Power Purchases

The pumping power purchases reflects a \$321,000 or 10.0% increase. The increase is based on historical power use and anticipated rate increases by Southern California Edison.

Pumping Expense Summary

Overall, total Pumping Expenses, reflect a \$402,000 or 9.2% increase as compared to the 2021/2022 budget.

Regulatory Water Treatment Expense

Chemicals & Filtering Material

The Chemicals & Filtering Material expense reflects an increase of \$140,000 or 99.8% attributed to the chemicals to supply the new chlorine injection stations added to the system and increased supply costs due to supply chain issues.

Regulatory Water Treatment Expense Summary

Overall, the total Regulatory Water Treatment expense reflects an \$112,000 or 14.7% increase as compared to the 2021/2022 budget.

Transmission & Distribution

Maintenance of Reservoirs

The Maintenance of Reservoirs expense reflects a \$506,000 or 82.5% decrease from the 2021/2022 budget. The 2021/2022 budget included the recoating of the Andreas II and Palm Springs East reservoirs that was not completed or re-budged in 2022/2023 as the coatings life was determined it can be extended a couple years.

Maintenance of Mains

The Maintenance of mains expense reflects a \$298,000 or 22.9% increase from the 2021/2022 budget. Extraordinary expense projects included in 2022/2023 include the abandoning of a 16" portion of the Farrell pipeline (\$100k) and the replacement of deteriorating piping and vaults at various well sites (\$200k).

Maintenance of Whitewater MWC

The Maintenance of Whitewater MWC expense reflects a \$272,000 or 542.2% increase from the 2021/2022 budget for the repair of the Whitewater Headworks (\$276k).

Transmission & Distribution Summary

Overall, the Transmission & Distribution expense reflects a \$292,000 or 7.3% increase in expenses as compared to the 2021/2022 budget.

Customer Account Expense

Customer Account Expense Summary

Overall, Customer Account expense reflects a \$71,000 or 9.2% increase as compared to the 2021/2022 budget.

General & Administrative Expense

Pension

The Pension expense reflects an increase of \$229,000 or 8.4% as compared to 2021/2022. This increase includes a 5.0% COLA adjustment to payroll, slight increase in employer contribution rate, and the addition of three staff members in the 2022/2023 budget. For employees hired prior to 2013 (Classic), the employer contribution increased from 12.99% to 13.02%. For employees hired after January 1, 2013 (PEPRA), the employer contribution rate increased from 7.73%, to 7.76%.

The Agency's CalPERS pension plan is currently underfunded. The Agency makes annual required payments in order to pay down this Unfunded Accrued Liability (UAL). For fiscal year 2022/2023, the annual required UAL payment is \$1.4 million dollars. Beginning with the 2018/2019 budget, the Agency began contributing an additional \$1 million dollars to the Agency's UAL in order to accelerate the pay down of this liability. This will be the fifth year of additional UAL payments. UAL payments over the last four years, since the implementation of this accelerated UAL funding strategy, the Agency's has saved of \$6.7 million in interest payments.

Information Systems & Maintenance of Information Systems Equipment

Information Systems Expense and Information System Maintenance expenses have a combined increase of \$675,000 or 75.7%. This is attributed to the necessary work identified by the Technology Assessment performed by SingerLewak Business Informatics for various projects.

Transportation

The transportation expense decreased \$467,000 as compared to the 2021/2022 budget. In the 2021/2022 budget, fleet enhancements were included to meet AQMD requirements. These requirements will now satisfied by a 3-year capital plan to replace the vehicles that do not meet AQMD standards rather than retrofitting current vehicles.

Water Conservation – Turf Buyback

The Water Conservation – Turf Buyback expense increased \$456,000 (113.0%). This increase is primarily attributed to the proposed expansion of the program to include an increase from \$2/sft to \$3/sft for turf removed. Since the inception of the Turf Buyback program, turf replacement costs have increased roughly 50%. 50% of the Agency's turf buyback program is funded by the Operating Fund the remaining 50% by the General Fund.

General & Administrative Expense Summary

Overall, the General & Administrative expense increased \$1,406,000 or 8.2% as compared to the 2021/2022 budget.

Regulatory Expenses

Regulatory Expenses Summary

Overall, the Regulatory Expenses decreased \$12,000 or 2.9%.

Snow Creek Hydro Expense

Snow Creek Hydro Expense Summary

Overall, the Snow Creek Hydro Expense increased \$23,000 (64.0%) for the Snow Creek/Falls Creek Hydro modernization project.

Reclamation Plant Expense

Transportation & Distribution

The Reclamation Transportation & Distribution expense reflects a \$1,497,000 or 87.6% decrease as compared to the 2021/2022 budget. The 2021/2022 budget included the recoating of Effluent Reservoir No. 1. This work was not completed and not included in the budget for 2022/2023. Staff will be re-evaluating the design and propose for the 2023/2024 fiscal year budget.

Reclamation Plant Expense Summary

Overall, the Reclamation Plant Expense decreased \$1,453,000 or 51.5% as compared to the 2021/2022 budget.

TOTAL EXPENSES

Total Expenses reflect a \$355,325 or 0.9% increase as compared to the 2021/2022 budget (\$40,446,240 vs. \$40,090,915).

Capital Additions

The 2022/2023 Capital Budget reflects a \$6.3 million increase. The Agency continues to place emphasis on critical, operational infrastructure, such as pipeline and service replacements.

Major 2022/2023 Capital Budget Requests

\$7,746,000	Pipeline Replacements
\$1,700,000	Palm Oasis Well
\$1,671,000	Service Replacements
\$3,000,000	Accounting Software / ERP System (Augmented)
\$446,000	AMI Fixed Network (Phase 1)
\$695,000	Electronic Meters
\$319,400	Operations Center Mezzanine Remodel

Carry-Over Capital Additions

There is \$12,783,000 in prior year carry-over capital additions. These are capital projects approved by the Board in previous fiscal years and capital projects funded by customers that have not yet

been started and/or completed yet. Major DWA projects included in the carry-over amount in the 2022/2023 budget are:

\$218,548	WO # 11-125-M	Solar Invert Replacements
\$300,000	WO # 17-155-M	Meter Test Bench
734,262	WO # 18-161--16	2018/2019 Main Replacements
\$250,000	WO # 18-171-M	Reclamation Plant Scrubber Replacement
\$1,789,832	WO # 20-160--36	2021/2022 36" Pipeline Replacement
\$356,923	WO # 20-161--12	2021/2022 30" Pipeline Replacement
\$1,388,775	WO # 20-178-M	Accounting Software / ERP System
\$4,001,680	WO # 21-111--08	2021/2022 Main Replacements
\$1,520,000	WO # 21-114-W-44	Pumping Plant Well # 44

Reserves

A net addition of \$4,961,000 is proposed to add to the 2022/2023 Reserve for Operations. This addition will bring the Reserve for Operations up to the minimum target reserve set by DWA Resolution 1187.

A copy of the Reserve Policy – Resolution No. 1187 is attached to these Budget Highlights

Fiscal 2022 / 2023 Budget Highlights

GENERAL FUND

Revenues

Operating Revenues

Groundwater Replenishment Assessment

The Groundwater Replenishment Assessment (RAC) revenue reflects a \$179,000 or 2.4% increase as compared to the 2021/2022 budget. This increase is mainly attributed to the increase in production as compared to 2021/2022.

Groundwater Replenishment revenue is based on Krieger & Stewart's estimated production in the Whitewater and Mission Creek Subbasins for private pumpers and anticipated DWA production.

Power Sales

The Whitewater Hydro budget reflects a \$143,300 or 96.3% decrease in power sales due to a reduction in water deliveries for the upcoming water year.

Operating Revenues Summary

Overall, Operating Revenues reflect a \$179,600 or 2.4% increase as compared to the 2021/2022 budget.

Non-Operating Revenues

Property Tax

Property Tax Revenue projections are based on maintaining the current Secured and Unsecured Assessment tax rate of \$0.10 / \$100 AV. The Agency's Assessed Valuation increased by \$1.3 billion or 7.0%. Property tax revenues increased by \$1.8 million or 5.2% as compared to the 2021/2022 budget.

Interest – Invested Reserves

Invested Reserve Interest revenue reflects a \$1.3 million or 166.1% increase as compared to 2021/2022. This increase is attributed to the increase in bond interest rates as compared to 2021/2022 and the shift to investing more of the Agency's reserves in bonds from LAIF to take advantage of the increase in interest rates while still maintaining adequate liquid funds for cash flow purposes.

Non-Operating Revenue Summary

Overall, the Non-Operating Revenues reflect an increase of \$2,896,200 or 7.8% as compared to the 2021/2022 budget.

TOTAL REVENUES

Total General Fund Revenues reflect an increase of \$3,075,800 or 6.9% as compared to the 2021/2022 budget.

Expenses

Source of Supply

Whitewater Basin Management

Whitewater Basin Management expenses are estimated to be \$251,000 for 2022/2023 based on a three-year historical average for Desert Water Agency's (DWA) share of maintenance costs per agreement with the Coachella Valley Water District (CVWD) with no major maintenance projects planned by CVWD for 2022/2023.

Mission Creek Basin Management

Mission Creek Basin Management expenses are estimated to be \$536,400 for 2022/2023 for DWA's share of maintenance costs per agreement with CVWD. This reflects an increase of 348,000 or 184.7% for the grading of the ponds for increased percolation rates.

Source of Supply Summary

Overall, Source of Supply expense decreased \$7,600 or 0.4% as compared to the 2021/2022 budget.

State Water Project Expense

All State Water Project budgeted costs are based on the actual 2022 Department of Water Resources (DWR) invoices for July through December 2022, and per DWR Bulletin 132-21 Appendix B for January through June 2023. Additionally, there is the anticipated purchase off additional Yuba water included in the 2022/2023 budget as well as funds for additional water purchases if they come available. Estimated \$2,483,000 in potential purchases, (Yuba, Article 21, multi-year and Pool A).

State Water Project Expense Summary

Overall, the State Water Project (SWP) expense increased \$524,000 or 2.9% as compared to the 2021/2022 budget.

Whitewater Hydro Expense

Whitewater Hydro Expense Summary

Overall, Whitewater Hydro Expense increased \$135,000 or 133.5% as compared to the 2021/2022 budget for a Hydro mechanical inspection.

Administrative & General Expense

Legal

Legal expense reflects a \$300,000 or 45.5% as compared to the 2021/2022 budget based on anticipated needs and potential rate increase.

Water Conservation

Water Conservation reflects a \$380,000 or 52.2% increase as compared to the 2021/2022 budget primarily attributed to the proposed expansion of the program to include an increase from \$2/sft to \$3/sft for turf removed. Since the inception of the Turf Buyback program, turf replacement costs have increased roughly 50%. 50% of the Agency's turf buyback program is funded by the General Fund the remaining 50% by the Operating Fund.

Administrative & General Expense Summary

Overall, the Administrative & General Expense increased \$921,400 or 25.4% as compared to the 2021/2022 budget.

TOTAL EXPENSES

Total Expenses increased \$1,486,250 or 6.0% as compared to the 2021/2022 budget.

Application of Committed Funds

Bond Service

Bond Service reflects a \$1,344,150 payment for the 2016 bond refinance, which reflects over a \$299,000 savings in 2022/2023 and a realized cumulative savings of \$2.4 million as a result of refinancing the 2007 bond issuance in 2016. Projected refinance savings are \$6.3 million.

Capital Additions

The Capital Additions budget for 2022/2023 reflects a \$15,069,000 or 61.3% decrease as compared to the 2021/2022 budget.

2022/2023 Capital Budget Requests

\$8,079,500	State Water Project
\$910,000	Sites Reservoir Project
\$159,700	Operations Center Mezzanine Remodel

Carry-Over Capital Additions

There is \$867,000 in prior year, carry-over capital additions. These are capital projects approved by the Board in previous fiscal years that have not yet been started and/or completed yet. Major projects included in the carry-over amount in the 2022/2023 budget are:

\$450,000	WO # 19-161-M	Chino West Canyon Filtration Plant
\$179,000	WO # 20-402-M	Whitewater Area Land Purchase

POST FINANCE COMMITTEE REVIEW REVISION:

- The prior year capital carryover budget increased by \$867,000 to reflect carryover amounts previously omitted and located in quality review procedures.

Reserves

The 2022/2023 budget includes a proposed addition of \$52,622,000 to General Fund Reserves. The proposed additions to the Reserve for Additional SWP Water, Reserve for Operations, Reserve for Replacements and Regulatory Compliance Reserve will bring each of these reserves up to the minimum target reserve set by Resolution No. 1187. The remainder of the unrestricted reserves are recommended to be added to the Reserve for Additional Non-SWP Water.

The funds available to add to reserves are attributed to prior budgeting of the East Branch Enlargement 'True-Up' costs that will be paid out in installment payments in the coming years, the closing of a filtration plant work order for \$23.6 million, as the plant was no longer required and net 2022/2023 budget balance of \$11.9 million.

POST FINANCE COMMITTEE REVIEW REVISION:

- The Reserve for Additional Non-SWP Water decreased by \$867,000 as a result of the revision for Carry-Over Capital Additions

A copy of the Reserve Policy – Resolution No. 1187 is attached to these Budget Highlights

Fiscal 2022 / 2023 Budget Highlights

Wastewater Fund

Revenues

Operating Revenues

Operating Revenues Summary

Overall, Operating Revenues increased \$101,000 or 8.7% as compared to the 2021/2022 primarily attributed to CVWD's rate increase collected by the Agency and remitted to CVWD as a pass through.

Expenses

Operating Expenses

CVWD Wastewater Service Expense

The CVWD Wastewater Service Expense for 2022/2023 is estimated at \$826,000, which reflects monthly service charge of \$24.98 per Equivalent Dwelling Unit (EDU), an increase from \$23.04/EDU in 2021/2022. These are pass through charges collected by DWA and remitted to Coachella Valley Water District.

City of Palm Springs Wastewater Service

City of Palm Springs Wastewater Service expense for 2022/2023 is estimated at \$113,000 which reflects a monthly service charge of \$20 per EDU and a Fixture Unit (FU) charge of \$1.98/FU. These are pass through charges collected by DWA and remitted to the City of Palm Springs.

Maintenance of Lift Stations

Maintenance of Lift Stations expense reflects a \$49,000 or 35.4% increase as compared to the 2021/2022 budget due to Motor Control Center (MCC) maintenance for the Date Palm lift station.

Maintenance of Mains

Maintenance of Mains expense reflects a \$28,000 or 23.8% increase as compared to the 2021/2022 budget due sewer flushing and root treatments.

Operating Expense Summary

Overall, Operating Expenses increased \$86,000 or 5.0% increase as compared to the 2021/2022 budget.

Capital Additions

The Capital Additions budget for 2022/2023 reflects a \$99,000 or 66.4% increase as compared to the 2021/2022 budget.

2022/2023 Capital Budget Requests

\$134,000	Cathedral Canyon Force Main Monitoring Manhole
\$15,000	Contingency

RESOLUTION NO. 1187

**A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE DESERT WATER AGENCY
REVISING THE AGENCY RESERVE POLICY**

WHEREAS, the Board of Directors of the Desert Water Agency (“Agency”) is charged with responsibility for providing an imported water supply to the areas located within the Agency’s boundaries, for recharge of local groundwater supplies, for the construction, operation, maintenance, repair and replacement of facilities to treat, store, transport and deliver water to Agency customers, and for the collection and accumulation of revenues necessary to accomplish these purposes; and

WHEREAS, the implementation of Board policy over a period of many years has resulted in the accumulation of funds to be utilized for variety of Agency activities and to protect the Agency’s customers and taxpayers from the financial impacts of catastrophic events, contractual obligations, and from fluctuations in Agency expenses; and

WHEREAS, the Board believes it would be helpful and prudent to formally adopt reserve categories within this policy to ensure that the Agency at all times will have sufficient funds available to meet its operating, capital, contractual and debt service obligations; and

WHEREAS, this Board also wishes to provide for the creation and/or re-allocation of certain reserve accounts in the Operating and General Funds, and to set forth in writing the Agency’s policy regarding the accumulation of reserves, the purposes for which they may be expended, and the levels which the Agency should strive to maintain;

NOW THEREFORE, be it resolved that the Board of Directors of Desert Water Agency hereby provides for the creation of three types of reserve categories – Restricted, Unrestricted, and Administrative Reserves – and hereby allocates existing reserve funds as follows:

1. **RESTRICTED RESERVES (FUNDS)**

Restricted Funds – are funds that are restricted by law or contract to be used for only a specific purpose, such as contractual obligations, bond covenants, etc.

The Restricted Reserves will include, but not be limited to, the following:

- (a) **State Water Contract Fund (General Fund)** - All revenue collected from taxes levied on real property within the Agency's boundaries to pay amounts due and owing to the State of California Department of Water Resources ("DWR") pursuant to the Agency's contract with the State ("State Water Contract") for participation in the State Water Resources Development System shall be deposited into the State Water Contract Fund. The revenues deposited into the State Water Contract Fund may be utilized only to pay the Agency's financial obligations on the State Water Contract. The Agency shall endeavor to maintain money in the State Water Contract Fund in an amount which is more than two and one-half (2-1/2) times the total of the previous year's invoices from DWR, but not more than six (6) times the total of such invoices, so that a reserve may be maintained to absorb temporary increases in charges from DWR, help to stabilize Agency tax rates, and protect against economic conditions which could result in the failure of numerous Agency taxpayers to pay their taxes.
- (b) **Delta Conveyance (Formerly CWF) Reserve (General Fund)** – The Delta Conveyance Reserve is a sub-set of the State Water Contract Fund. Delta Conveyance is a \$16 billion plan being implemented by the Department of Water Resources to build one tunnel to carry fresh water from the Sacramento River to State Water Project diversion facilities in the South Delta, and to restore habitat in the Delta. The Agency is a participating contractor in the Delta Conveyance. The Agency is obligated to pay its share of the Delta Conveyance Capital & Operating costs over the next 40 years. The current projection from the Department of Water Resources for the Agency's portion of the cost of the Delta Conveyance is \$35,262,100 over the next 10 years. Revenue collected from taxes levied on real property within the Agency's boundaries will be utilized

to pay amounts due and owing to DWR per the State Water Contract (see State Water Contract Fund). The Agency will endeavor to maintain money in the Delta Conveyance Fund for current and future payments in order to smooth tax rates (rate stabilization) and protect against economic conditions, which could result in the failure of Agency taxpayers to pay their taxes. The target for this reserve will also be two and one-half (2 1/2) times the annual charges from DWR for the Agency's share of Delta Conveyance, but not more than six (6) times the annual charges for Delta Conveyance.

- (c) **Bond Reserve Fund** (Operating and/or General Funds) –The Bond Reserve Fund will be utilized in the event the Agency incurs bonds or other finance debt. As bond indebtedness occurs, the following guidelines will be enforced:

This Fund is governed by bond covenants for the Agency's revenue bonds. Bond covenants require that this fund be maintained at a level sufficient to fund maximum annual debt service payments. These funds are held by the bond trustee during the term of the bonds, and are to be used in the event that the Agency is unable to meet its required semi-annual debt service obligation.

Reserve funds for each revenue bond or other form of financing issued will be used to make the last two semi-annual debt service payments for that issue. Annual interest earnings on bond reserve funds shall be applied to each year's debt service payments.

2. **UNRESTRICTED (DESIGNATED) RESERVES**

Unrestricted (Designated) Reserves – are funds, though not required by any covenant or contractual requirement, that are necessary and play a critical role in providing reliable service and funding short and long term capital projects, capital replacement projects, potential environmental obligations and responding to emergencies. Unrestricted (Designated) Reserves include, but are not limited to:

- (a) **Reserve for Operations** (Operating and/or General Funds) – A “Reserve for Operations” is hereby created to be utilized to pay the costs of operating the Agency’s facilities and operations, as the case may be, including unanticipated costs of operation. The Agency shall endeavor to maintain in each reserve for operations an amount sufficient to pay for six (6) months of normal operation, but not exceeding one year of normal operation. However, funds appropriated to any Reserve for Operations may be accessed at any time for any other Agency purpose, upon approval by the Board.
- (b) **Reserve for Replacements** (Operating and/or General Funds) – A “Reserve for Replacements” is hereby created for the Agency’s Operating and/or General Accounts to which the Board may appropriate unrestricted Agency revenues. Each Reserve for Replacements may be utilized to replace the Agency’s physical plant, as needed. The Agency shall endeavor to maintain in each Reserve for Replacements an amount approximately equal to the accumulated amount of depreciation of the Agency’s physical plant (not including State Water Project facilities) for the Agency’s facilities and as reflected in the annual audit of the Agency presented to the Board each year. However, the funds appropriated to each Reserve for Replacements may be accessed at any time for any other Agency purpose, upon approval by the Board. Funds appropriated to a Reserve for Replacements may be invested in the same manner as other Agency surplus funds, and the earnings thereon shall be credited to the Agency’s Operating and/or General Fund Accounts, as the case may be.
- (c) **Reserve for Disaster Response** (Operating Fund) – A “Reserve for Disaster Response” is hereby created for the Agency’s Operating Fund, to which the Board may appropriate unrestricted Agency revenues. The Reserve for Disaster Response may be utilized to procure such equipment and supplies, perform such repairs, employ such personnel, and take such other measures as may be necessary or appropriate in the event of a disaster or calamity requiring Agency response. The Agency shall endeavor to maintain in the Reserve for Disaster Response an amount approximately equal to 15% of the value of the Agency’s net physical plant

or for the Agency's general system, as the case may be, and as reflected in the annual audit of the Agency presented to the Board each year. However, the funds appropriated to the Reserve for Disaster Response may be accessed at any time for any other Agency purpose, upon approval by the Board. Funds appropriated to a Reserve for Disaster Response may be invested in the same manner as other Agency surplus funds, and the earnings thereon shall be credited to the Agency's Operating Fund.

- (d) **Land Acquisition Reserve** (Operating and General Funds) – A “Reserve for Land Acquisition” is hereby created for the Operating and General Funds to which the Board may appropriate unrestricted Agency revenues. The Land Acquisition Reserve may be utilized to acquire property necessary for future Agency groundwater recharge facilities, power generating facilities, well sites, reservoir sites, booster plants, water treatment facilities, lift stations, recycling facilities, and/or any other Agency operations. The Agency will endeavor to maintain the Land Acquisition Reserve in an amount not to exceed \$5,000,000 in each fund, respectively.
- (e) **Reserve for Additional Water** (General Fund) – A “Reserve for Additional Water” is hereby created to which the Board may appropriate unrestricted Agency revenues. The Reserve for Additional Water may be utilized for the purchase of additional water, to augment the Agency's annual allocation of water pursuant to Table A of the Agency's State Water Contract, and for costs associated with the banking or transfer of any water purchased by the Agency. The Agency shall endeavor to maintain the Reserve for Additional Water in an amount which is greater than the total of the previous year's invoices from DWR pursuant to the Agency's State Water Contract, but which does not exceed five (5) times that amount. However, the funds appropriated to the Reserve for Additional Water may be accessed at any time for any other Agency purpose, upon approval by the Board. Funds appropriated to the Reserve for Additional Water may be invested in the same manner as other Agency surplus funds, and the earnings thereon shall be credited to the Agency's General Fund.

- (f) **Regulatory Compliance Reserve** (Operating and General Fund) – A “Reserve for Regulatory Compliance” is hereby created to which the Board may appropriate unrestricted Agency revenues. The Regulatory Compliance Reserve may be utilized by the Operating and/or General Funds to comply with any regulatory legislation or requirements imposed on the Agency for groundwater and/or surface water treatment by any Federal, State or Local authority. The Agency shall endeavor to maintain the Reserve for Regulatory Compliance in an amount not to exceed \$10,000,000 per fund, respectively. However, the Funds appropriated to the Regulatory Compliance Reserve may be accessed at any time for any other Agency purpose upon approval by the Board.

3. **ADMINISTRATIVE RESERVES (Operating Fund)**

Administrative reserves are funds, though not required by any covenant or contractual provision, that are utilized for the administrative costs associated with personnel. Administrative Reserves include, but are not limited to:

- (a) **Retirement Benefits Reserve** (Operating Fund) – A “Reserve for Retirement Benefits” is hereby created to be utilized to pay the cost of retiree benefits such as, but not limited to, health, dental and vision insurance premiums and PERS adjustments. The Agency shall endeavor to maintain in the Retirements Benefits Reserve a minimum of two times the actual cost from the preceding year, but not to exceed four (4) times the cost, in order to absorb any rate increases and/or the addition of new retirees. However, the funds appropriated to the Retirement Benefits Reserve may be accessed at any time for any other Agency purpose upon approval by the Board.

4. **ADDITIONAL ACCOUNTS**

In addition to the Restricted, Unrestricted and Administrative Accounts identified above, the Board may approve the creation of such additional accounts, whether temporary or

permanent, as the Board deems necessary or appropriate, by amendment to this Resolution or by simple motion. In such event, the Board will identify the purposes for which such additional accounts are created, provide guidance as to the amount which the Agency should endeavor to main in each such account, and establish the limits and restrictions pertaining thereto.

5. **PROCEDURE FOR MONITORING RESERVE LEVELS**

Each year, the Agency's Finance Director, during the annual budget presentation, shall provide the Board with a report indicating the beginning and ending balance for each of the reserve funds or accounts created pursuant to this Resolution, shall document the purposes for which expenditures have been made therefrom, and shall make recommendations to replenish or augment funds or account balances as appropriate.


6. **EFFECTIVE DATE** – The policies set forth herein shall become effective on July 1, 2018 and as of that date shall replace the policies set forth in Resolution No. 926.

ADOPTED AND APPROVED this 19th day of June, 2018.



James Cioffi, President

ATTEST:



Kristin Bloomer, Secretary-Treasurer

GENERAL MANAGER'S REPORT JUNE 7, 2022

Damaged Air-Vac (1426 N. Yermo)

On May 31 at approximately 6:30 p.m., Construction stand-by responded to a hit air-vac located at 1426 N. Yermo. This location is a small tract of homes off the west side of Hermosa Dr., north of Amado Rd. Repairs have been made and the air-vac is back in service. The water loss was from an 1/8 inch hole which flowed for approximately 2 hours. This was a hit and run. A police report was filed.



Confined Space Rescue Training with Palm Springs Fire Department

On April 20, DWA and the Palm Springs Fire Department collaborated in a joint Confined Space Rescue Training exercise at the Agency's PS North 12 MG reservoir site. The exercise included two simulation scenarios requiring the Agency's Confined Space Rescue team members and three Rescue Technicians from the Palm Springs Fire Department to perform a rescue of an injured employee from a vault approximately 27 feet in depth.

Both agencies worked together to solve the challenges associated with confined space, low visibility, and the stresses of stabilizing and rescuing an injured coworker. Captain Matthew Kearney of the PSFD stated that "The department was grateful for the opportunity and invitation to train with such a fine group of professionals." Captain Kearney also said that one of his coworkers has been a firefighter for over 23 years and said "...this was the best Confined Space Rescue training he has had in his career." DWA's CSR trainer is Mr. Chuck Hudson. He has facilitated the Agency's training for over 5 years and has been a strong advocate for advancing our proficiency, competence, equipment, and safety procedures for our Confined Space Rescue program.



Reminder:

The Agency will be closed on Monday, June 20 in observance of Juneteenth.

SYSTEM LEAK DATA					
(PERIOD BEGINNING MAY 10, 2022 THRU MAY 30, 2022)					
STREET NAME	NUMBER OF LEAKS	PIPE DIAMETER (INCHES)	YEAR INSTALLED	PIPE MATERIAL	PIPE CONSTRUCTION
INDIAN CANYON DR	4	6	1951	STEEL	BARE/UNLINED
CLARKE RD	4	6	1955	STEEL	BARE/UNLINED
LOUELLA RD	3	6	1955	STEEL	BARE/UNLINED
INDIAN CANYON DR	2	10	1938	STEEL	BARE/UNLINED
TAHQUITZ CANYON WY	2	8	1946	STEEL	BARE/UNLINED
SUNNY DUNES RD	2	6	1946	STEEL	BARE/UNLINED
CYPRESS RD	2	4	1957	STEEL	BARE/UNLINED
ALEJO RD	1	12	1960	STEEL	CML
WAVERLY DR	1	10	1958	STEEL	BARE/UNLINED
BROADMOOR DR	1	10	1958	STEEL	BARE/UNLINED
VIA MIRALESTE	1	8	1958	STEEL	BARE/UNLINED
E PALM CANYON DR	1	6	1953	STEEL	BARE/UNLINED
RAMON RD	1	6	1955	STEEL	BARE/UNLINED
CALIENTE RD	1	6	1956	STEEL	BARE/UNLINED
ANDREAS RD	3	6	1958	STEEL	BARE/UNLINED
WILLIAMS RD	1	6	1958	STEEL	BARE/UNLINED
BARISTO RD	1	4	1936	STEEL	BARE/UNLINED
CALLE SAN RAPHAEL	1	4	1946	STEEL	BARE/UNLINED
PICO RD	1	4	1947	STEEL	BARE/UNLINED
SHOSHONEAN TR	1	4	1950	STEEL	BARE/UNLINED
VIA ALTAMIRA	1	4	1954	STEEL	BARE/UNLINED
HUDSON RD	1	4	1955	STEEL	BARE/UNLINED
SHARON RD	1	4	1955	STEEL	BARE/UNLINED
MOUNTAIN VIEW DR	1	4	1957	STEEL	BARE/UNLINED
SATURMINO DR	1	4	1957	STEEL	BARE/UNLINED
INDIAN TR	1	3	1935	STEEL	BARE/UNLINED
TOTAL LEAKS IN SYSTEM:		40			

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>	

SYSTEM LEAKS
(Period beginning May 10,
2022 thru May 30, 2022)

2021/2022 REPLACEMENT PIPELINES - VIA ALTAMIRA

2021/2022 REPLACEMENT PIPELINES - LOUELLA RD - 2021/2022 REPLACEMENT PIPELINES - ANDREAS RD

2021/2022 REPLACEMENT PIPELINES - SATURMINO DR

2021/2022 REPLACEMENT PIPELINES - SUNNY DUNES RD

2021/2022 REPLACEMENT PIPELINES - WAVERLY DR 2021/2022 REPLACEMENT PIPELINES - BROADMOOR DR

General Manager's Meetings and Activities

Meetings:

05/17/22	DWA Bi-Monthly Board Mtg	Conf Call
05/17/22	Tribal Mediation Mtg. Debrief with CVWD	Conf Call
05/18/22	SWC DCP Coordination Mtg.	Conf Call
05/18/22	SWC DCP Update From DWR	Conf Call
05/18/22	SWC Monthly Mtg.	Conf Call
05/18/22	Mtg. with NearMap GIS Proposal	Conf Call
05/18/22	DWA Conservation & Public Affairs Cmte. Mtg.	Conf Call
05/19/22	SWC Mthly Board Mtg.	Conf Call
05/19/22	Cathedral City State of the City	Cat. City
05/19/22	SWC DCP Finance Authority Board Mtg. (Johnson)	Conf Call
05/19/22	DWA Mthly Safety Mtg.	Conf Call
05/20/22	Site's Mthly Reservoir Cmte Mtg.	Conf Call
05/20/22	Tribal Mediation Mtg. Debrief with CVWD	Conf Call
05/23/22	DWA Staff Mtgs.	Conf Call
05/23/22	Mtg. with Ashley & Director Ortega	DWA
05/24/22	DWA Finance Cmte Mtg – 22/23 Budget	Conf Call
05/24/22	Governor's Drought Executive Order Item 9(a) and 9(b)	Conf Call
05/25/22	Tribal Mediation In Person Negotiations	ACBCI
05/26/22	DWA Retirement Luncheon	DWA
05/26/22	WWRF Right of Way Grant All Team Mtg (Sarah)	Conf Call
05/31/22	DWA Wkly Staff Mtgs.	Conf Call
05/31/22	Governor's EO 9(a) and (b) Discussion	Conf Call
05/31/22	DWA IT Staff Computer Migration	Conf Call
05/31/22	Tribal Mediation Mtg. BB&K	Conf Call
05/31/22	Review Finance Committee Tyler Contract Presentation	Conf Call
06/01/22	Sites/Desert WA Quarterly Financial Activities Check-In	Conf Call
06/01/22	DWA Finance Committee Meeting	Conf Call
06/02/22	DWA Executive Cmte. Mtg.	Conf Call
06/03/22	SWC Update Call	Conf Call
06/06/22	DWA Wkly Staff Mtgs.	Conf Call
06/06/22	Water Mgmt. Tool Amend. Mtg. (Pre-Existing Programs)	Conf Call
06/07/22	DWA Bi-Monthly Board Mtg.	Conf Call

Activities:

- 1) 2022 DWA Voting District Boundaries
- 2) DWA Rate Study
- 3) DWA Surface Water Rights
- 4) COVID 19 Water and Sewer Arrearages
- 5) Water Supply Planning – DWA Area of Benefit
- 6) Sites Reservoir Finance
- 7) DCP Financing
- 8) Lake Perris Seepage Recovery Project Financing

Activities:
(Cont'd)

- 9) Recycled Water Supply - Strategic Planning\
- 10) Recycled Water Rate
- 11) AQMD Rule 1196
- 12) DWA Digital Transformation Project
- 13) DWA Organizational Restructuring
- 14) DWA Tax Rate Analysis
- 15) DWA Staff Succession Planning
- 16) Palm Springs Aerial Tramway Water Supply 2022
- 17) SWP Contract Extension Amendment
- 18) DWA Remote Meter Reading Fixed Network
- 19) State and Federal Contractors Water Authority and Delta Specific Project Committee (Standing)
- 20) Whitewater River Surface Water Recharge
- 21) Replacement Pipelines 2021-2022
- 22) DC Project – Finance JPA Committee (Standing)
- 23) DWA/CVWD/MWD Operations Coordination/Article 21/Pool A/Pool B/Yuba Water (Standing)
- 24) DWA/CVWD/MWD Exchange Agreement Coordination Committee (Standing)
- 25) SWP 2022 Water Supply
- 26) ACBCI Water Rights Lawsuit
- 27) Whitewater Hydro Operations Coordination with Recharge Basin O&M
- 28) Whitewater Spreading Basins – BLM Permits
- 29) Delta Conveyance Project Cost Allocation
- 30) MCSB Delivery Updates
- 31) Well 6 Meaders Cleaners RWQB Meetings
- 32) SWP East Branch Enlargement Cost Allocation
- 33) WQCB Update to the SNMP

DESERT WATER AGENCY
STATEMENT OF CASH RECEIPTS AND EXPENDITURES

OPERATING ACCOUNT

APRIL 2022

BALANCE	APRIL 1, 2022	(\$ 1,142,736.70)	INVESTED RESERVE FUNDS \$46,239,315.42
WATER SALES	\$3,032,830.74		
RECLAMATION SALES	79,678.14		
WASTEWATER RECEIPTS	81,543.78		
POWER SALES	11,500.22		
METERS, SERVICES, ETC.	140,737.00		
REIMBURSEMENT - GENERAL FUND	231,578.29		
REIMBURSEMENT - WASTEWATER FUND	.00		
ACCOUNTS RECEIVABLE - OTHER	5,894.70		
CUSTOMER DEPOSITS - SURETY	10,548.00		
CUSTOMER DEPOSITS - CONST.	.00		
LEASE REVENUE	3,899.11		
INTEREST RECEIVED ON INV. FDS.	31,263.21		
FRONT FOOTAGE FEES	.00		
BOND SERVICE & RESERVE FUND INT	.00		
MISCELLANEOUS	36,816.66		

TOTAL RECEIPTS	\$3,666,289.85		
PAYMENTS			
PAYROLL CHECKS	\$ 449,627.99		
PAYROLL TAXES	201,617.66		
ELECTRONIC TRANSFERS	164,384.27		
CHECKS UNDER \$10,000.00	306,392.27		
CHECKS OVER \$10,000.00-SCH.#1	1,392,368.59		
CANCELLED CHECKS AND FEES	5,889.63		

TOTAL PAYMENTS	\$2,520,280.41		

NET INCOME	\$ 1,146,009.44		
BOND SERVICE ACCOUNT			
MONTHLY WATER SALES	\$.00		
EXCESS RETURNED BY B/A	.00		

BOND SERVICE FUND		.00	
INVESTED RESERVE FUNDS			
FUNDS MATURED	\$2,598,000.00		
FUNDS INVESTED - SCH.#3	3,286,213.21		

NET TRANSFER	(\$ 688,213.21)	\$ 688,213.21	

BALANCE	APRIL 30, 2022	(\$ 684,940.47)	\$52,927,528.63

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



April 2022

Check #	Name	Description	Amount
131006	Singer Lewak LLP	IT Governance & ERP Consulting (WO # 20-178-M)	\$ 81,270.13
131021	ACWA/JPIA	Workers Compensation Premium / January 2022 to March 2022	\$ 60,403.41
131046	ACWA/JPIA	Health, dental & vision insurance premiums - May 2022	\$ 207,875.77
131047	Vasquez & Company LLP	2021/2022 Audit Services	\$ 20,000.00
131055	Desert Water Agency - Wastewater	Wastewater revenue billing - March 2022	\$ 77,205.13
131058	Bermudez MFG, Welding	Startup payment for 3 fence repair projects	\$ 11,708.00
131068	The Fairways	Irrigation Nozzle Rebate	\$ 22,240.00
131080	Backflow Apparatus & Valve Co.	Water service supplies	\$ 20,068.14
131081	Badger Meter Inc.	Water service supplies	\$ 124,567.00
131082	Beck Oil Inc	Fuel purchase	\$ 14,501.22
131083	Best Best & Krieger LLP	Legal fees	\$ 43,029.46
131084	Big Bear Electric Inc.	Kohler generator	\$ 36,000.00
131102	Dell Marketing LP	Computer Equipment	\$ 97,571.99
131108	Down to Earth Landscaping	Landscape maintenance	\$ 40,491.00
131125	Iconix Waterworks Inc	Water service supplies	\$ 10,113.87
131129	Inland Water Works Supply Co.	Water service supplies	\$ 52,021.28
131137	McCrometer Inc.	Ultra Mag Meter	\$ 18,338.24
131138	McKeever Waterwell & Pump Inc.	Reclamation plant backwash pump #2 removal	\$ 105,171.00
131152	Purafil, Filtration Group	Emergency gas scrubber retrofit materials kit	\$ 15,265.00
131159	Southern California Edison	Power	\$ 261,318.02
131164	Thatcher Company of California	Water service supplies	\$ 10,963.45
131170	WaterTrax USA INC	WaterTrax Annual Subscription	\$ 16,704.23
131177	Z&L Paving	Paving	\$ 45,542.25
Total			\$ 1,392,368.59

Monthly Investment Portfolio Report

As of 04/30/2022

AGG- Operating Fund (213426)

Dated: 05/13/2022

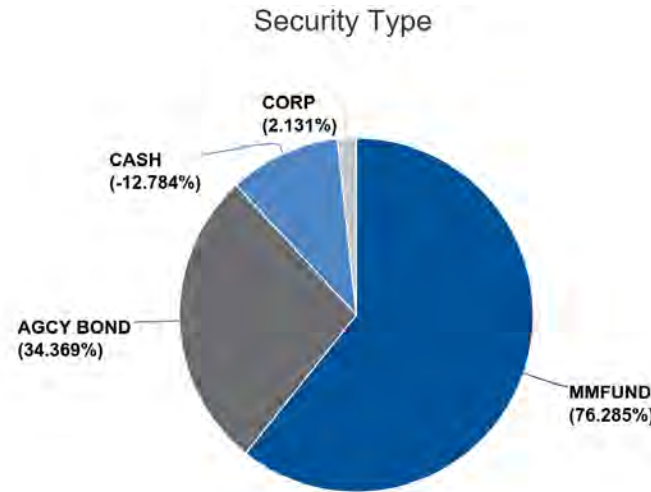


Chart calculated by: PAR Value

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	---	---	04/30/2022	04/30/2022	35,802,014.73	35,802,014.73	35,802,014.73	---
LAIF Money Market Fund LAIF - OP	---	---	04/30/2022	04/30/2022	35,802,014.73	35,802,014.73	35,802,014.73	---

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	933,597.00	2.943%
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	942,910.00	2.862%
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	915,774.00	3.074%
FEDERAL HOME LOAN BANKS UnionBanc OP	09/24/2021	---	09/13/2024	09/13/2024	1,130,000.00	1,125,513.90	1,067,540.38	2.802%
FEDERAL HOME LOAN BANKS UnionBanc OP	04/29/2022	04/29/2024	04/29/2027	04/29/2027	2,000,000.00	2,000,000.00	1,980,036.00	3.288%
FEDERAL HOME LOAN BANKS UnionBanc OP	05/24/2022	05/24/2024	05/24/2027	05/24/2027	2,000,000.00	2,000,000.00	1,990,502.00	3.404%
FEDERAL HOME LOAN BANKS UnionBanc OP	05/23/2022	11/23/2022	05/23/2025	05/23/2025	2,000,000.00	2,000,000.00	1,993,974.00	3.407%
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	925,865.00	2.997%
FEDERAL HOME LOAN MORTGAGE CORP UnionBanc OP	05/26/2022	08/26/2022	08/26/2024	08/26/2024	2,000,000.00	2,000,000.00	1,995,286.00	3.161%

Monthly Investment Portfolio Report

As of 04/30/2022

AGG- Operating Fund (213426)

Dated: 05/13/2022

Description, Broker	Settle Date	Next Call Date	Effective Maturity	Final Maturity	PAR Value	Original Cost	Market Value	Yield to Maturity
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	931,571.00	3.012%
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	924,337.00	2.997%
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	950,046.00	2.816%
--- UnionBanc OP	---	---	10/06/2025	10/06/2025	16,130,000.00	16,125,513.90	15,551,438.38	3.129%

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	938,230.00	2.857%
JPMORGAN CHASE BANK, NATIONAL ASSOCIATION UnionBanc OP	06/22/2021	---	12/23/2024	12/23/2024	1,000,000.00	1,000,000.00	938,230.00	2.857%

CASH

Description, Broker	Settle Date	Next Call Date	Effective Maturity	Final Maturity	PAR Value	Original Cost	Market Value	Yield to Maturity
Payable UnionBanc OP	---	---	04/30/2022	04/30/2022	-6,000,000.00	-6,000,000.00	-6,000,000.00	---
Payable UnionBanc OP	---	---	04/30/2022	04/30/2022	-6,000,000.00	-6,000,000.00	-6,000,000.00	---

Summary

Description, Broker	Settle Date	Next Call Date	Effective Maturity	Final Maturity	PAR Value	Original Cost	Market Value	Yield to Maturity
---	---	---	07/15/2023	07/15/2023	46,932,014.73	46,927,528.63	46,291,683.11	3.114%

* 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

PRELIM ID..CSHSTA

GENERAL ACCOUNT

APRIL 2022

BALANCE	APRIL 1, 2022	(\$ 937,154.93)	INVESTED RESERVE FUNDS \$ 193,502,465.57
*TAXES - RIVERSIDE COUNTY	1,975,021.86		
*INTEREST EARNED - INV. FUNDS	136,314.57		
GROUNDWATER REPLEN. ASSESSMENT	31,793.28		
REIMBURSEMENT - OPERATING FUND	.00		
REIMBURSEMENT - CVWD MGMT AGRMT	.00		
STATE WATER PROJECT REFUNDS	461,132.00		
REIMB-CVWD-WHITEWATER HYDRO	7,840.64		
POWER SALES-WHITEWATER	.00		
MISCELLANEOUS	.00		

TOTAL RECEIPTS	\$2,612,102.35		
PAYMENTS			
CHECKS UNDER \$10,000.00	18,183.20		
CHECKS OVER \$10,000.00-SCH.#1	1,184,712.14		
CANCELLED CHECKS AND FEES	1,041,975.00		

TOTAL PAYMENTS	\$2,244,870.34		

NET INCOME	\$ 367,232.01		
INVESTED RESERVE FUNDS			
FUNDS MATURED	7,787,000.00		
FUNDS INVESTED - SCH.#2	8,033,131.21		

NET TRANSFER	(\$ 246,131.21)	\$ 246,131.21	

BALANCE	APRIL 30, 2022	(816,054.13)	196,748,596.78
*INCLUSIVE TO DATE		TAXES	INTEREST
RECEIPTS IN FISCAL YEAR	\$23,431,065.91	\$ 1,360,548.56	
RECEIPTS IN CALENDAR YEAR	\$15,792,975.80	\$ 572,750.48	

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



April 2022

Check #	Name	Description	Amount
9640	State of California Department of Water Resources	State Water Project entitlement - April 2022	\$ 15,859.00
9641	Coachella Valley Water District	Mission Creek Percolation Pond Maintenance	\$ 27,637.10
9643	State of California Department of Water Resources	State Water Project - April 2022	\$ 822,668.00
9646	United States Geological Survey	Joint Funding Agreement quarterly billing - (1/1/22 - 3/31/ 22)	\$ 23,318.75
9647	Piedmont Hydro Technologies, LLC	Whitewater Hydroelectric Project Whitewater, CA	\$ 13,690.00
9649	Desert Water Agency - Operating Fund	Operating Fund Reimbursement for March 2022	\$ 231,578.29
9650	Coachella Valley Water District	Whitewater Facilities Management Agreement Cost Share	\$ 49,961.00
Total			\$ 1,184,712.14

Monthly Investment Portfolio Report

As of 04/30/2022

AGG- General Fund (213428)

Dated: 05/13/2022

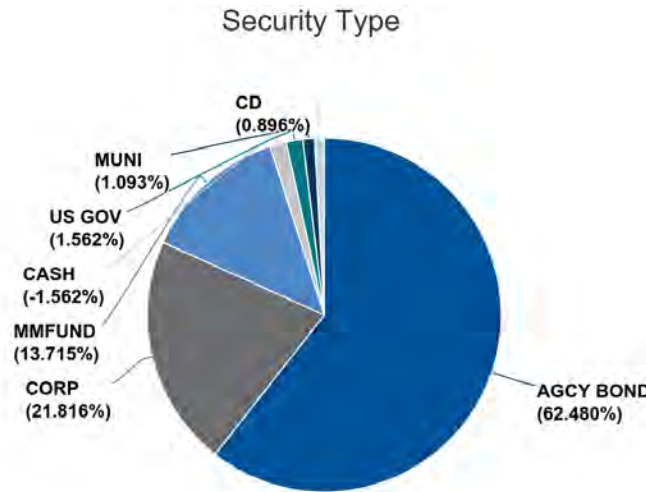


Chart calculated by: PAR Value

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	2,850,564.00	3.225%
FEDERAL FARM CREDIT BANKS FUNDING CORP Alamo Capital	08/04/2020	05/16/2022	08/04/2025	08/04/2025	3,000,000.00	3,000,005.00	2,784,591.00	2.997%
FEDERAL FARM CREDIT BANKS FUNDING CORP Alamo Capital	10/15/2020	05/16/2022	10/15/2024	10/15/2024	3,000,000.00	2,995,500.00	2,824,794.00	2.878%
FEDERAL FARM CREDIT BANKS FUNDING CORP Alamo Capital	01/05/2021	05/16/2022	04/05/2024	04/05/2024	3,000,000.00	3,000,000.00	2,862,261.00	2.728%
FEDERAL FARM CREDIT BANKS FUNDING CORP Alamo Capital	02/12/2021	05/16/2022	11/12/2024	11/12/2024	3,000,000.00	3,000,000.00	2,811,534.00	2.890%
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	2,736,912.00	3.030%
FEDERAL FARM CREDIT BANKS FUNDING CORP Piper Sandler	10/15/2020	05/16/2022	10/15/2024	10/15/2024	3,000,000.00	3,000,000.00	2,826,915.00	2.878%
FEDERAL FARM CREDIT BANKS FUNDING CORP Piper Sandler	12/28/2020	05/16/2022	12/21/2023	12/21/2023	3,000,000.00	3,000,000.00	2,882,283.00	2.669%
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	2,757,738.00	3.087%
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	2,837,586.00	3.021%
FEDERAL FARM CREDIT BANKS FUNDING CORP Stifel	10/16/2020	05/16/2022	03/28/2024	03/28/2024	3,000,000.00	3,000,000.00	2,865,861.00	2.717%
FEDERAL HOME LOAN BANKS Alamo Capital	04/09/2021	08/18/2022	11/18/2024	11/18/2024	3,000,000.00	2,989,263.00	2,810,253.00	2.891%
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	2,745,105.00	3.072%
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	2,867,604.00	2.976%

Monthly Investment Portfolio Report

As of 04/30/2022

AGG- General Fund (213428)

Dated: 05/13/2022

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	05/16/2022	12/30/2025	12/30/2025	3,000,000.00	3,000,000.00	2,740,485.00	3.030%
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	2,828,730.00	2.862%
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	2,747,322.00	3.074%
FEDERAL HOME LOAN BANKS UnionBanc GF	04/29/2022	04/29/2024	04/29/2027	04/29/2027	3,000,000.00	3,000,000.00	2,970,054.00	3.288%
FEDERAL HOME LOAN BANKS Piper Sandler	01/28/2021	05/16/2022	03/28/2024	03/28/2024	3,000,000.00	3,000,000.00	2,864,196.00	2.717%
FEDERAL HOME LOAN BANKS Piper Sandler	02/17/2021	08/17/2022	02/17/2026	02/17/2026	3,000,000.00	3,000,000.00	2,743,293.00	3.027%
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	2,808,537.00	2.892%
FEDERAL HOME LOAN BANKS Piper Sandler	04/22/2021	07/29/2022	04/29/2024	04/29/2024	3,000,000.00	3,000,000.00	2,862,621.00	2.747%
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	2,748,465.00	3.075%
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	2,745,105.00	3.072%
FEDERAL HOME LOAN BANKS Piper Sandler	04/25/2022	07/25/2023	07/25/2025	07/25/2025	3,000,000.00	3,000,000.00	2,980,392.00	3.418%
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	2,812,446.00	2.892%
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	1,890,926.00	2.862%
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	2,869,026.00	2.714%
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	2,748,255.00	3.002%
FEDERAL HOME LOAN MORTGAGE CORP Alamo Capital	05/12/2022	08/12/2022	11/12/2024	11/12/2024	3,000,000.00	3,000,000.00	2,985,582.00	3.202%
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	2,777,595.00	2.997%
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	2,795,553.00	2.981%
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	2,843,730.00	2.833%
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	2,822,691.00	2.883%
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	2,854,521.00	2.772%
FEDERAL NATIONAL MORTGAGE ASSOCIATION Alamo Capital	08/25/2020	---	08/25/2025	08/25/2025	3,000,000.00	2,985,965.00	2,759,379.00	2.928%
FEDERAL NATIONAL MORTGAGE ASSOCIATION Alamo Capital	09/06/2019	---	09/06/2022	09/06/2022	1,000,000.00	996,520.00	1,000,314.00	1.282%
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	2,794,602.00	2.983%
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	2,773,011.00	2.997%
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	2,850,138.00	2.816%
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	2,850,138.00	2.816%
---	---	---	05/06/2025	05/06/2025	120,000,000.00	119,956,044.00	112,931,108.00	2.935%

CORP

Monthly Investment Portfolio Report

As of 04/30/2022

AGG- General Fund (213428)

Dated: 05/13/2022

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	2,941,494.00	3.348%
APPLE INC Alamo Capital	09/16/2019	08/11/2024	09/11/2024	09/11/2024	1,000,000.00	990,552.00	975,159.00	2.894%
APPLE INC UnionBanc GF	01/27/2021	08/11/2024	09/11/2024	09/11/2024	3,000,000.00	3,150,000.00	2,925,477.00	2.894%
APPLE INC Stifel	09/24/2020	04/11/2025	05/11/2025	05/11/2025	2,000,000.00	2,055,740.00	1,885,884.00	3.112%
APPLE INC Stifel	03/26/2021	01/08/2026	02/08/2026	02/08/2026	1,000,000.00	986,200.00	914,253.00	3.127%
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	948,696.00	3.424%
CATERPILLAR FINANCIAL SERVICES CORP Alamo Capital	12/17/2020	---	09/14/2023	09/14/2023	3,000,000.00	3,012,276.47	2,906,022.00	2.793%
CHEVRON CORP Stifel	07/08/2020	01/03/2024	01/03/2024	03/03/2024	3,000,000.00	3,239,700.00	3,003,762.00	2.823%
CITIBANK NA Stifel	06/24/2020	12/23/2023	12/23/2023	01/23/2024	3,000,000.00	3,297,000.00	3,025,770.00	3.134%
EXXON MOBIL CORP UnionBanc GF	03/17/2020	---	08/16/2022	08/16/2022	3,000,000.00	3,037,470.00	2,999,862.00	1.910%
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	2,004,820.00	2.431%
JOHN DEERE CAPITAL CORP Alamo Capital	02/08/2021	---	01/15/2026	01/15/2026	3,000,000.00	3,000,000.00	2,718,543.00	3.415%
JOHN DEERE CAPITAL CORP Alamo Capital	04/03/2020	---	09/08/2022	09/08/2022	1,000,000.00	1,003,535.00	1,001,168.00	1.814%
MICROSOFT CORP Stifel	12/20/2019	02/01/2023	05/01/2023	05/01/2023	2,000,000.00	2,034,620.00	1,998,880.00	2.432%
MICROSOFT CORP Stifel	02/10/2021	08/03/2025	08/03/2025	11/03/2025	3,000,000.00	3,337,530.00	3,006,666.00	3.058%
TOYOTA MOTOR CREDIT CORP Alamo Capital	10/21/2019	---	10/07/2024	10/07/2024	1,500,000.00	1,499,994.00	1,461,795.00	3.093%
TOYOTA MOTOR CREDIT CORP Alamo Capital	02/19/2019	---	07/13/2022	07/13/2022	1,400,000.00	1,399,076.00	1,399,883.80	2.818%
TOYOTA MOTOR CREDIT CORP Alamo Capital	07/18/2019	---	09/08/2022	09/08/2022	1,000,000.00	1,000,000.00	1,001,238.00	1.794%
VISA INC Stifel	01/30/2020	10/14/2022	10/14/2022	12/14/2022	2,000,000.00	2,065,680.00	2,009,862.00	1.997%
WALMART INC Stifel	06/18/2020	10/15/2024	12/15/2024	12/15/2024	2,000,000.00	2,173,300.00	1,987,862.00	2.891%
---	---	---	03/30/2024	04/18/2024	41,900,000.00	43,615,978.46	41,117,096.80	2.796%

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	---	---	04/30/2022	04/30/2022	26,340,661.56	26,340,661.56	26,340,661.56	---
LAIF Money Market Fund LAIF - GF	---	---	04/30/2022	04/30/2022	26,340,661.56	26,340,661.56	26,340,661.56	---

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	2,896,406.25	2.549%
UNITED STATES TREASURY UnionBanc GF	05/27/2021	---	11/15/2023	11/15/2023	3,000,000.00	3,005,156.25	2,896,406.25	2.549%

Monthly Investment Portfolio Report

As of 04/30/2022

AGG- General Fund (213428)

Dated: 05/13/2022

MUNI

Description, Broker	Settle Date	Next Call Date	Effective Maturity	Final Maturity	PAR Value	Original Cost	Market Value	Yield to Maturity
EL CAJON CALIF UnionBanc GF	02/08/2021	---	04/01/2024	04/01/2024	300,000.00	302,583.00	284,937.00	3.659%
EL CAJON CALIF UnionBanc GF	02/08/2021	---	04/01/2023	04/01/2023	400,000.00	402,124.00	393,704.00	2.390%
MONTEREY PK CALIF PENSION OBLIG UnionBanc GF	02/16/2021	---	06/01/2025	06/01/2025	400,000.00	403,156.00	367,056.00	3.737%
MONTEREY PK CALIF PENSION OBLIG UnionBanc GF	02/16/2021	---	06/01/2023	06/01/2023	450,000.00	450,643.50	438,534.00	2.760%
MONTEREY PK CALIF PENSION OBLIG UnionBanc GF	02/16/2021	---	06/01/2024	06/01/2024	550,000.00	552,255.00	517,522.50	3.589%
--- UnionBanc GF	---	---	02/16/2024	02/16/2024	2,100,000.00	2,110,761.50	2,001,753.50	3.209%

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	245,464.77	0.263%
Goldman Sachs Bank USA Piper Sandler	06/05/2019	---	06/06/2022	06/06/2022	245,000.00	245,000.00	245,559.09	0.246%
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	230,661.50	2.798%
Morgan Stanley Bank, N.A. Piper Sandler	06/06/2019	---	06/06/2022	06/06/2022	245,000.00	245,000.00	245,572.08	0.244%
Morgan Stanley Private Bank, National Association Piper Sandler	06/06/2019	---	06/06/2022	06/06/2022	245,000.00	245,000.00	245,572.08	0.244%
Sallie Mae Bank Piper Sandler	05/29/2019	---	05/31/2022	05/31/2022	245,000.00	245,000.00	245,464.77	0.263%
Synchrony Bank Piper Sandler	06/07/2019	---	06/07/2022	06/07/2022	245,000.00	245,000.00	245,547.08	0.252%
--- ---	---	---	11/29/2022	11/29/2022	1,720,000.00	1,720,000.00	1,703,841.35	0.594%

CASH

Description, Broker	Settle Date	Next Call Date	Effective Maturity	Final Maturity	PAR Value	Original Cost	Market Value	Yield to Maturity
Payable Alamo Capital	---	---	04/30/2022	04/30/2022	-3,000,000.00	-3,000,000.00	-3,000,000.00	---
Payable Alamo Capital	---	---	04/30/2022	04/30/2022	-3,000,000.00	-3,000,000.00	-3,000,000.00	---

Summary

Description, Broker	Settle Date	Next Call Date	Effective Maturity	Final Maturity	PAR Value	Original Cost	Market Value	Yield to Maturity
---	---	---	08/27/2024	08/31/2024	192,060,661.56	193,748,601.77	183,990,867.47	2.870%

* 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

PRELIM ID..CSSTAT

WASTEWATER ACCOUNT

APRIL 2022

			INVESTED RESERVE FUNDS
BALANCE	APRIL 1, 2022	338.60	1,768,968.04
ACCOUNTS RECEIVABLE-OTHER	\$.00		
CUSTOMER DEPOSITS-CONSTRUCTION	.00		
INTEREST EARNED-INVESTED FUNDS	1,374.02		
WASTEWATER REVENUE	77,205.13		
SEWER CAPACITY CHARGES	.00		
MISCELLANEOUS	.00		

TOTAL RECEIPTS	\$ 78,579.15		
PAYMENTS			
CHECKS UNDER \$10,000.00	\$ 9,237.76		
CHECKS OVER \$10,000.00-SCH.#1	153,601.72		
CANCELLED CHECKS AND FEES	.00		

TOTAL PAYMENTS	\$ 162,839.48		

NET INCOME	(\$ 84,260.33)		
INVESTED RESERVE FUNDS			
FUNDS MATURED	\$ 163,000.00		
FUNDS INVESTED - SCH.#2	1,374.02		

NET TRANSFER	\$ 161,625.98 (\$ 161,625.98)		

BALANCE	APRIL 30, 2022	77,704.25	\$ 1,607,342.06

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

DESERT WATER



April 2022

Check #	Name	Description	Amount
3417	Coachella Valley Water District	Wastewater Revenue Billing for March 2022	\$ 62,627.72
3419	State Water Resources Control Board	Unauthorized Wastewater Discharge	\$ 90,974.00
Total			\$ 153,601.72

Security Type

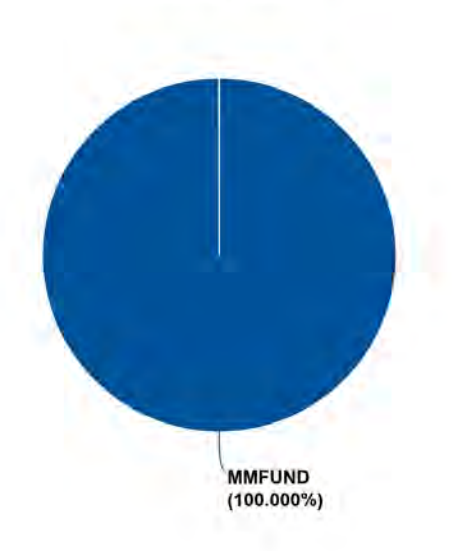


Chart calculated by: PAR Value

MMFUND								
Description, Broker	Settle Date	Next Call Date	Effective Maturity	Final Maturity	PAR Value	Original Cost	Market Value	Yield to Maturity
LAIF Money Market Fund LAIF - WW	---	---	04/30/2022	04/30/2022	1,607,342.06	1,607,342.06	1,607,342.06	---
LAIF Money Market Fund LAIF - WW	---	---	04/30/2022	04/30/2022	1,607,342.06	1,607,342.06	1,607,342.06	---

* 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

April 30, 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.

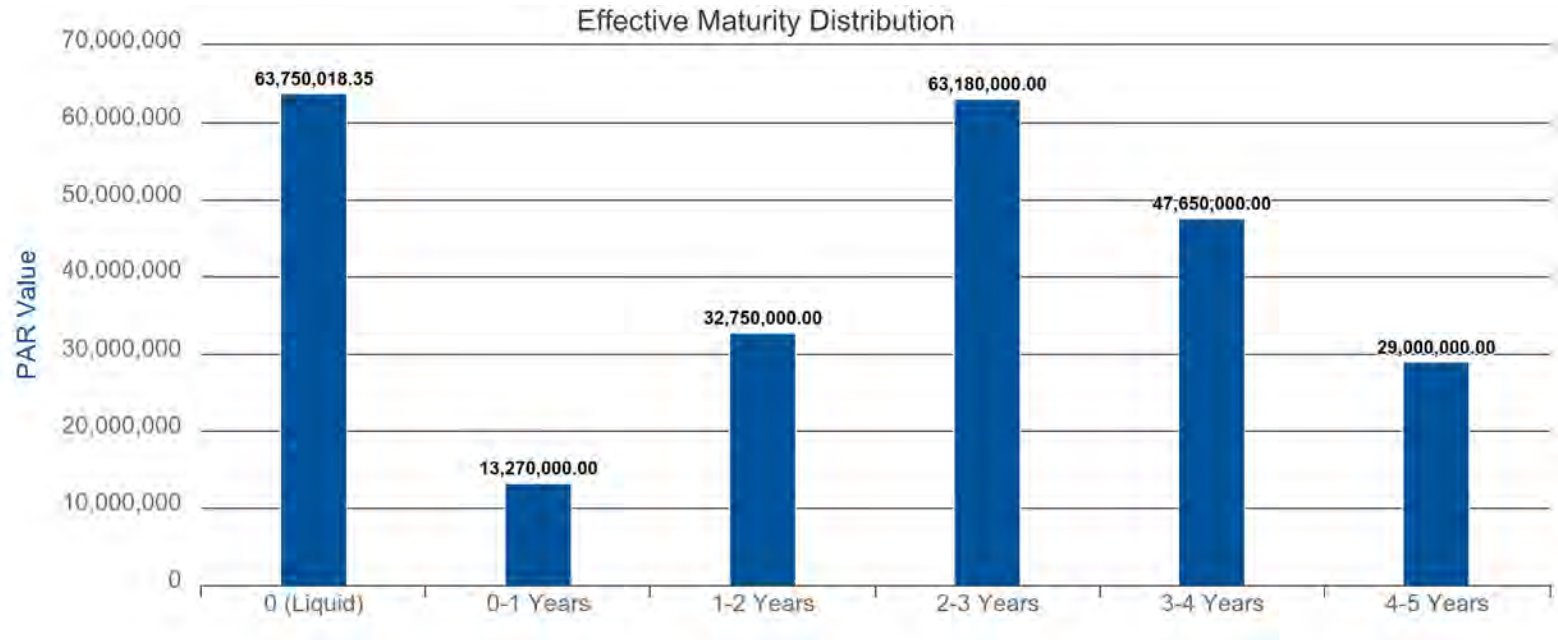
Esther Saenz
Finance Director
Desert Water Agency

Effective Maturity Distribution Summary

As of 04/30/2022

AGG-ALL (219610)

Dated: 05/13/2022



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	26,340,661.56	04/30/2022	04/30/2022
Operating Fund	LAIF - OP	LAIFMMF	LAIF Money Market Fund	MMFUND	35,802,014.73	04/30/2022	04/30/2022
Wastewater Fund	LAIF - WW	LAIFMMF	LAIF Money Market Fund	MMFUND	1,607,342.06	04/30/2022	04/30/2022
---	---	LAIFMMF	LAIF Money Market Fund	MMFUND	63,750,018.35	04/30/2022	04/30/2022

0-1 Years

DWA Fund	Account	Identifier	Description	Security Type	PAR Value	Ending Effective Maturity	Final Maturity
General Fund	---	---	---	---	13,270,000.00	09/15/2022	10/03/2022
General Fund	---	---	---	---	13,270,000.00	09/15/2022	10/03/2022

1-2 Years

DWA Fund	Account	Identifier	Description	Security Type	PAR Value	Ending Effective Maturity	Final Maturity
General Fund	---	---	---	---	32,750,000.00	01/08/2024	01/16/2024
General Fund	---	---	---	---	32,750,000.00	01/08/2024	01/16/2024

2-3 Years

DWA Fund	Account	Identifier	Description	Security Type	PAR Value	Ending Effective Maturity	Final Maturity
General Fund	---	---	---	---	56,050,000.00	10/16/2024	10/16/2024

Effective Maturity Distribution Summary

AGG-ALL (219610)

As of 04/30/2022

Dated: 05/13/2022

DWA Fund	Account	Identifier	Description	Security Type	PAR Value	Ending Effective Maturity	Final Maturity
Operating Fund	UnionBanc OP	---	---	---	7,130,000.00	10/12/2024	10/12/2024
---	---	---	---	---	63,180,000.00	10/16/2024	10/16/2024

3-4 Years

DWA Fund	Account	Identifier	Description	Security Type	PAR Value	Ending Effective Maturity	Final Maturity
General Fund	---	---	---	---	42,650,000.00	09/20/2025	09/27/2025
Operating Fund	UnionBanc OP	---	---	AGCY BOND	5,000,000.00	07/02/2025	07/02/2025
---	---	---	---	---	47,650,000.00	09/12/2025	09/18/2025

4-5 Years

DWA Fund	Account	Identifier	Description	Security Type	PAR Value	Ending Effective Maturity	Final Maturity
General Fund	---	---	---	AGCY BOND	24,000,000.00	12/06/2026	12/06/2026
Operating Fund	UnionBanc OP	---	FEDERAL HOME LOAN BANKS	AGCY BOND	5,000,000.00	03/31/2027	03/31/2027
---	---	---	---	AGCY BOND	29,000,000.00	12/26/2026	12/26/2026

Summary

Account	Identifier	Description	Security Type	PAR Value	Ending Effective Maturity	Final Maturity
---	---	---	---	249,600,018.35	05/03/2024	05/06/2024

* 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 APRIL	/-----THIS MONTH-----/ THIS YEAR	LAST YEAR	BUDGET	/-----FISCAL YEAR TO DATE-----/ THIS YEAR	LAST YEAR	BUDGET	/--VARIANCE--/ YTD	PCT
OPERATING REVENUES								
WATER SALES	3,374,450.09	2,988,868.46	2,660,600.00	31,913,573.54	31,115,709.92	30,417,500.00	1,496,073.54	5
RECLAMATION SALES	97,866.58	91,815.21	54,800.00	984,989.53	949,410.96	800,800.00	184,189.53	23
POWER SALES	11,500.22	.00	2,658.00	74,687.37	23,184.29	26,580.00	48,107.37	181
OTHER OPER REVENUE	188,019.96	203,812.87	177,847.00	2,207,957.92	2,117,312.50	1,741,666.00	466,291.92	27
TOTAL OPER REVENUES	3,671,836.85	3,284,496.54	2,895,905.00	35,181,208.36	34,205,617.67	32,986,546.00	2,194,662.36	7
OPERATING EXPENSES								
SOURCE OF SUPPLY EXP	33,688.55	20,122.04	132,849.00	4,658,156.98	4,655,343.31	4,532,890.00	125,266.98	3
PUMPING EXPENSE	284,659.56	90,505.05	363,192.00	3,348,293.49	2,701,708.10	3,631,920.00	283,626.51-	8-
REGULATORY WATER TREAT	45,394.09	58,610.23	63,482.00	655,571.94	560,359.29	634,820.00	20,751.94	3
TRANS & DIST EXPENSE	210,243.04	367,601.33	335,402.00	2,347,541.09	2,143,878.86	3,354,020.00	1,006,478.91-	30-
CUSTOMER ACT EXPENSE	103,239.37	86,827.10	100,013.00	799,090.90	872,070.56	986,380.00	187,289.10-	19-
ADMIN & GEN EXPENSE	953,110.95	690,354.63	952,247.00	11,436,382.70	9,623,108.03	11,566,375.00	129,992.30-	1-
REGULATORY EXPENSE	44,938.17	19,825.53	34,538.00	327,138.69	202,106.93	345,380.00	18,241.31-	5-
SNOW CREEK HYDRO EXP	8,820.74	885.06	3,050.00	49,595.21	30,778.07	30,500.00	19,095.21	63
RECLAMATION PLNT EXP	169,962.81	111,075.21	235,072.00	804,935.99	703,326.17	2,352,220.00	1,547,284.01-	66-
SUB-TOTAL	1,854,057.28	1,445,806.18	2,219,845.00	24,426,706.99	21,492,679.32	27,434,505.00	3,007,798.01-	11-
OTHER OPER EXPENSES								
DEPRECIATION	512,906.34	499,717.44	546,400.00	5,150,464.03	5,194,368.14	5,464,000.00	313,535.97-	6-
SERVICES RENDERED	8,844.89	5,346.08	13,400.00	134,669.50	113,797.59	134,000.00	669.50	0
DIR & INDIR CST FOR WO	206,958.01-	187,008.31-	218,600.00-	2,412,563.15-	2,308,367.68-	2,186,000.00-	226,563.15-	10
TOTAL OPER EXPENSES	2,168,850.50	1,763,861.39	2,561,045.00	27,299,277.37	24,492,477.37	30,846,505.00	3,547,227.63-	11-
NET INCOME FROM OPERATIONS	1,502,986.35	1,520,635.15	334,860.00	7,881,930.99	9,713,140.30	2,140,041.00	5,741,889.99	268
NON-OPERATING INCOME (NET)								
RENTS	14,803.70	14,338.37	3,800.00	146,231.69	143,024.69	163,500.00	17,268.31-	11-
INTEREST REVENUES	22,720.70	15,375.19	11,500.00	128,400.29	184,350.81	115,000.00	13,400.29	12
INVESTMENT AMORT.	710.00-	.00	.00	28,754.87	.00	.00	28,754.87	0
OTHER REVENUES	25,350.00	10,000.00	.00	694,400.01	1,315.35	.00	694,400.01	0
GAINS ON RETIREMENT	18,552.14	.00	3,860.00	18,552.14	126,098.79	30,880.00	12,327.86-	40-
DISCOUNTS	428.05	27.30	42.00	705.66	322.03	420.00	285.66	68
PR. YEAR EXPENSES	.00	72,802.13	.00	959.84-	72,438.53	.00	959.84-	0
OTHER EXPENSES	.00	59.22-	5,750.00-	161.62-	27,178.23-	87,500.00-	87,338.38	100-
LOSS ON RETIREMENTS	13,468.12-	.00	14,583.00-	67,792.63-	145,570.47-	145,830.00-	78,037.37	54-
TOTAL NON-OPER INCOME	68,386.47	112,483.77	1,131.00-	948,130.57	354,801.50	76,470.00	871,660.57	0
TOTAL NET INCOME	1,571,372.82	1,633,118.92	333,729.00	8,830,061.56	10,067,941.80	2,216,511.00	6,613,550.56	298