



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: 882 3491 4596
Passcode: 749903**

or Via Computer:

**<https://dwa-org.zoom.us/j/88234914596?pwd=azVwYk5BcjNCc2Y0UVZ6U3JGTTBtZz09>
Meeting ID: 882 3491 4596**

Members of the public who wish to comment on any item within the jurisdiction of the Agency or any item on the agenda may submit comments by emailing sbaca@dwa.org or may do so during the meeting. Comments will become part of the Board meeting record. Board members and staff will be participating in this meeting via teleconference.

****In order to reduce feedback, please mute your audio when you are not speaking.***

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

**Numero gratuito: (253) 215-8782
ID de reunión: 882 3491 4596
código de acceso: 749903**

o a través de la computadora:

**<https://dwa-org.zoom.us/j/88234914596?pwd=azVwYk5BcjNCc2Y0UVZ6U3JGTTBtZz09>
ID de reunión: 882 3491 4596**

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

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

-
- | | |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|
| 1. CALL TO ORDER/PLEDGE OF ALLEGIANCE | BLOOMER |
| 2. ROLL CALL | BACA |
| 3. PUBLIC COMMENT ON ITEMS NOT ON THE AGENDA: Members of the public may comment on any item not listed on the agenda, but within the jurisdiction of the Agency. Speakers are requested to keep their comments to no more than three (3) minutes. As provided in the Brown Act, the Board is prohibited from acting on items not listed on the agenda. | |
| 4. PUBLIC COMMENT ON LISTED AGENDA ITEMS: Members of the public may also comment on items listed on the agenda that are not the subject of a public hearing, at this time. Again, speakers are requested to keep their comments to no more than three (3) minutes. | |

5. CONSENT CALENDAR ITEMS: Items listed under the Consent Calendar are considered to be routine and will be acted upon by one motion of the Board without discussion. There will be no separate discussion on these items unless a Board Member requests a specific item to be discussed and/or removed from the Consent Calendar for separate action.

- A. Approve minutes of the June 21, 2022 Board Meeting
- B. Approve minutes of the July 5, 2022 Board Meeting
- C. Receive and File – Minutes of the July 14, 2022 Executive Committee Meeting
- D. Receive and File – June Activities & Events for the Public Affairs & Water Planning Department
- E. 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)
- F. Request Authorization for Finance Director to Execute Master Services Agreement and Statements of Work with Ernst & Young, LLC

6. ACTION ITEM:

- A. Request Board Decision on Customer Appeal – William L. Mackin **SAENZ**

7. DISCUSSION ITEM:

- A. Director's Report on Attendance at ACWA DC Conference **ORTEGA**

8. GENERAL MANAGER'S REPORT

KRAUSE

9. SECRETARY-TREASURER'S REPORT (June 2022)

STUART

10. DIRECTORS COMMENTS/REQUESTS

11. CLOSED SESSION

A. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION

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

Name of Case: Agua Caliente Band of Cahuilla Indians vs. Coachella Valley Water District, et al
(Two Cases)

B. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION

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

Name of Case: Mission Springs Water District vs. Desert Water Agency

C. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION

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

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

D. CONFERENCE WITH REAL PROPERTY NEGOTIATORS

Pursuant to Government Code Section 54956.8

APN No. 681-282-045

Agency Negotiator: Mark S. Krause, General Manager

Negotiating Parties: Mark S. Krause and Habitat for Humanity

Under Negotiation: Possible Terms of Conveyance

12. RECONVENE INTO OPEN SESSION – REPORT FROM CLOSED SESSION

13. ADJOURN

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

DECLARATION OF POSTING

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

Sylvia Baca, MMC
Assistant Secretary of the Board

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

5-A

June 21, 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)

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

Public: David Freedman, Palm Springs Sustainability Comm.)

19451. President Bloomer opened the meeting at 8:00 a.m. and asked everyone to join her in the Pledge of Allegiance. **Pledge of Allegiance**

19452. President Bloomer called upon Assistant Secretary of the Board Baca to conduct the roll call: **Roll Call**

Present: Ortega, Oygar, Stuart, Cioffi, Bloomer

19453. President Bloomer opened the meeting for public comment for items not listed on the Agenda. **Public Comment on Items Not on the Agenda**

Mr. Freedman stated his term on the Palm Springs Sustainability Commission will be ending on June 30. **David Freedman**

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

19454. President Bloomer opened the meeting for public comment for items listed on the Agenda.

**Public Comment on
Listed Agenda Items**

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

19455. President Bloomer called for approval of the Consent Calendar. She noted that Consent Calendar items 5-A through 5-F 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. Approve minutes of the June 7, 2022 Board Meeting
- B. Receive and File – Minutes of the June 16, 2022 Executive Committee Meeting
- C. Receive and File – May Activities & Events for Public Affairs & Water Planning Department
- D. Request Authorization to Continue Virtual Board and Committee Meetings for Another 30 days (Per AB361)
- E. Request Adoption of Resolution No. 1276 Calling for Election of Directors from Division 1, 2 and 3 of Agency and Adoption of Resolution No. 1277 Notifying County Clerk that Candidates Responsible to Pay for Publication of Statement of Qualifications
- F. Request Adoption of Resolution No. 1278 Establishing Sewer Service Rates

- A. Approve 06/07/22 Board Meeting Minutes
- B. Receive & File 06/16/22 Executive Committee Meeting Minutes
- C. Receive & File May Activities & Events for Public Affairs & Water Planning Dept.
- D. Request Author. to Continue Virtual Board & Committee Meetings for Another 30 Days (AB361)
- E. Request Adoption of Reso. 1276 Calling for Election and Reso. 1277 Notifying County that Candidates Pay Stmt of Qualif.
- F. Request Adoption of Reso. 1278 Establishing Sewer Service Rates

Director Ortega moved for approval of Consent Calendar Items 5-A thru 5-F. After a second by Secretary-Treasurer Stuart, the motion carried unanimously by the following roll call vote:

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

19456. President Bloomer called upon General Manager Krause to present the public hearings for the 2022/2023 Groundwater Replenishment Assessments.

**Public Hearings:
2022/2023
Groundwater
Replenishment
Assessments**

General Manager Krause noted that Mr. Scriven from Krieger and Stewart was present to answer any questions. He noted at the May 17, 2022 meeting, the Board determined that funds should be raised by a replenishment assessment and today's public hearing was set. As indicated in the Engineer's report, the proposed West Whitewater and Mission Creek Groundwater Replenishment Assessment will remain at \$175 per acre-foot.

He noted that a copy of the notice of today's hearing was sent to all pumpers on May 24 as well as the recommended assessment to be considered.

Public Hearings:
(Cont.)
2022/2023
Groundwater
Replenishment
Assessments

Concluding his report, Mr. Krause stated that staff recommends adoption of: 1) West Whitewater River Subbasin Resolution No. 1280 Making Findings in Fact Pursuant to Section 15.4 of DWA Law for the Replenishment Assessment, 2). West Whitewater River Subbasin Resolution No. 1281 Levying a Replenishment Assessment 2022/2023, 3). Mission Creek Subbasin Resolution No. 1282 Making Findings in Fact Pursuant to Section 15.4 of DWA Law for the Replenishment Assessment; and 4). Mission Creek Subbasin Resolution No. 1283 Levying a Replenishment Assessment 2022/2023.

President Bloomer declared the public hearing open at 8:12 a.m.

Open Public Hearing

There being no one from the public wishing to address the Board and no written comments received regarding the proposed assessments, President Bloomer closed the public hearing at 8:13 a.m.

Close Public Hearing

Director Oygar moved to adopt Resolution No's. 1280 – 1283 for the West Whitewater River and Mission Creek Subbasins Groundwater Replenishment Assessments. After a second by Director Ortega, the motion carried by the following roll call vote:

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

RESOLUTION NO. 1280
RESOLUTION OF THE BOARD OF DIRECTORS OF DESERT
WATER AGENCY MAKING FINDINGS OF FACT RELEVANT
AND MATERIAL TO THE LEVY OF A REPLENISHMENT
ASSESSMENT PURSUANT TO DESERT WATER AGENCY LAW
WEST WHITEWATER RIVER SUBBASIN

Resolution No. 1280
Adopted

RESOLUTION NO. 1281
RESOLUTION OF THE BOARD OF DIRECTORS
OF DESERT WATER AGENCY LEVYING A WATER
REPLENISHMENT ASSESSMENT FOR THE
FISCAL YEAR 2022-2023 FOR THE PURPOSE OF
REPLENISHING GROUNDWATER SUPPLIES
WEST WHITEWATER RIVER SUBBASIN

Resolution No. 1281
Adopted

RESOLUTION NO. 1282
A RESOLUTION OF THE BOARD OF DIRECTORS OF DESERT
WATER AGENCY MAKING FINDINGS OF FACT RELEVANT
AND MATERIAL TO THE LEVY OF A REPLENISHMENT
ASSESSMENT PURSUANT TO DESERT WATER AGENCY LAW
MISSION CREEK SUBBASIN

Public Hearings:
 (Cont.)
 2022/2023
 Groundwater
 Replenishment
 Assessments

Resolution No. 1282
Adopted

RESOLUTION NO. 1283
RESOLUTION OF THE BOARD OF DIRECTORS
OF DESERT WATER AGENCY LEVYING A
WATER REPLENISHMENT ASSESSMENT FOR THE
FISCAL YEAR 2022-2023 FOR THE PURPOSE OF
REPLENISHING GROUNDWATER SUPPLIES
MISSION CREEK SUBBASIN

Resolution No. 1283
Adopted

19457. President Bloomer called upon Finance Director Saenz to present staff's request for Adoption of Fiscal Year 2022/2023 Operating, General & Wastewater Budgets.

Action Items:
 Request Adoption of
 FY 2022/2023
 Operating, General &
 Wastewater Budgets

Mrs. Saenz reported after the June 7 draft budget presentation, adjustments were made to the Wastewater Fund Capital Improvements budget. The Capital Improvements budget was increased by \$66,000 for the Cathedral Canyon Force Main Monitoring Manhole. Staff recommends adoption of the budgets for Fiscal Year 2022/2023.

Director Ortega made a motion to adopt the 2022/2023 Operating, General and Wastewater budgets. 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

19458. President Bloomer called upon Assistant General Manager Johnson to present staff's request for Authorization for General Manager to Execute Amendment #1 to Recycled Water Agreement with NV Golf (Escena Golf Course and Adoption of Resolution No. 1279 Establishing Recycled Water Rates.

Request Authorization-
 General Manager
 Execute Amendment 1
 to Recycled Water
 Agreement with NV
 Golf (Escena) and
 Adoption of Resolution
 No. 1279 Establishing
 Recycled Water Rates

Mr. Johnson stated on March 18, 2014 the Agency executed a recycled water agreement with New Valley (NV) Golf outlining recycled water delivery and use for the Escena golf course. NV Golf agreed to use 15% recycled water to meet its irrigation needs and would incrementally increase to its use of recycled water by 5% each subsequent year until it uses a

minimum of 95% recycled water for its golf course and landscape irrigation needs. Over the past eight years, the golf course managing company responsible for water operations have been diligently adhering to this agreement. This year the course is scheduled to use a minimum of 55% recycled water for its irrigation needs.

Continuing his report, Mr. Johnson stated to ensure that recycled water costs are competitive with private well pumping costs, staff is proposing to modify the recycled water rate, reducing the cost from \$0.785 per 1 unit of water (748 gallons) to \$0.60 per unit, with a \$0.05 annual increase through the year 2029. With this new rate, the current golf course owner, Escena Golf, has agreed to use a minimum of 95% recycled water for golf course and landscape irrigation needs and has signed Amendment No. 1 to the March 18, 2014 Recycled Water Agreement. The increased recycled water use by Escena Golf will improve daily production at our Recycled Water Production Facilities significantly increasing the operational efficiencies and decrease the overall amount of wastewater percolated at the Palm Spring Wastewater Treatment Plant thereby improving groundwater quality. Staff recommends Board authorization for the General Manager to execute Amendment No. 1 to March 18, 2014 Recycled Water Agreement with NV Golf (Escena Golf Course), with an effective date of July 1, 2022 and adopt Resolution No. 1279 establishing recycled water rates.

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

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

**RESOLUTION NO. 1279
 RESOLUTION OF THE BOARD OF
 DIRECTORS OF DESERT WATER AGENCY
 ESTABLISHING RATES, FEES AND CHARGES FOR
 RECYCLED WATER SERVICE**

**Resolution No. 1279
 Adopted**

19459. Secretary-Treasurer Stuart and Director Ortega noted their virtual attendance at the American Water Works Association conference.

Discussion Item:
 Director's Report on
 Attendance at AWWA
 Conference (Virtual)

19460. 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.

19461. President Bloomer called upon Secretary-Treasurer Stuart to present an overview of financial activities for the month of May 2022. **May 2022 Secretary-Treasurer's Report**

Secretary-Treasurer Stuart reported that the Operating Fund received \$3,421,856 in Water Sales Revenue Receipts, \$69,571 in Reclamation Sales Revenue Receipts, \$24,165 in Power Sales Revenue from SCE for Snow Creek Hydro and \$29,460 in Construction deposits. \$9,045,036 was paid out in Accounts Payable. Year-to-date Water Sales are 5% over budget, Year-to-date Total Revenues are 9% over budget; and Year-to-date Expenses are 11% under budget. There were a total of 23,428 active services as of May 31 compared to 23,377 as of April 30. **Operating Fund**

Reporting on the General Fund, Mr. Stuart stated \$13,556,190 was received in Property Taxes, \$1,335,172 in Groundwater Assessments and \$503,801 in State Water Project Refunds. \$838,527 was paid out in State Water Project charges (YTD \$17,331,453). **General Fund**

Reporting on the Wastewater Fund, Mr. Stuart reported that \$81,556 was received in Wastewater Revenue Receipts and \$158 received in Sewer Loan payments. All sewer loans are paid in full and marks the end of the sewer loan program that began in 2012. \$71,634 was paid out in Accounts Payable. **Wastewater Fund**

19462. At 9:10 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; (C) Existing Litigation, Pursuant to Government Code Section 54956.9 (d) (1), AT&T vs. County of Riverside; and (D) Evaluation of Legal Counsel, Pursuant to Government Code Section 54957 (b) (1). **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
D. Evaluation of Legal Counsel

19463. At 10:21 a.m., General Manager Krause reconvened the meeting into open session and announced there was no reportable action taken.

Reconvene – No
Reportable Action

19464. In the absence of any further business, General Manager Krause adjourned the meeting at 10:22 a.m.

Adjournment

Sylvia Baca
Assistant Secretary of the Board

DRAFT

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

5-B

July 5, 2022

DWA Board via Kristin Bloomer, President)
Teleconference: James Cioffi, Vice President)
Joseph K. Stuart, Secretary-Treasurer)
Patricia G. Oygar, Director)
Paul Ortega, Director)

DWA Staff via Mark S. Krause, General Manager)
Teleconference: -Esther Saenz, Finance Director)
Sylvia Baca, Asst. Secretary of the Board)
Ashley Metzger, Dir. Public Affairs & Water Planning)
Kris Hopping, Human Resources Director)

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

Public: David Freedman, Palm Springs Sustainability Comm.)

19465. President Bloomer opened the meeting at 8:00 a.m. and asked everyone to join her in the Pledge of Allegiance. **Pledge of Allegiance**

19466. President Bloomer called upon Assistant Secretary of the Board Baca to conduct the roll call: **Roll Call**

Present: Ortega, Oygar, Stuart, Cioffi, Bloomer

19467. President Bloomer opened the meeting for public comment for items not listed on the Agenda. **Public Comment on Items Not on the Agenda**

Mr. Freedman stated his term on the Palm Springs Sustainability Commission has been extended. **David Freedman**

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

19468. President Bloomer opened the meeting for public comment for items listed on the Agenda. **Public Comment on Listed Agenda Items**

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

19469. President Bloomer called for approval of the Consent Calendar. She noted that Consent Calendar items 5-A through 5-G are expected to be routine and to be acted upon by the Board of Directors at one time without discussion. If any Board member requests that an item be removed from the consent calendar, it will be removed so that it may be presented separately.

- A. Receive and File – Memo on June 16, 2022 State Water Contractors’ Meeting
- B. Receive and File – Minutes of the June 22, 2022 Conservation & Public Affairs Committee Meeting
- C. Receive and File – Minutes of the June 20, 2022 Executive Committee Meeting
- D. Receive and File – May Water Use Reduction Figures
- E. Request Adoption of Resolution No. 1284 Establishing Tax Rate for Fiscal Year 2022-2023
- F. Request Adoption of Resolution No. 1285 Updating Signers for U.S. Bank Accounts
- G. Request Adoption of Resolution No. 1286 Authorizing and Approving Submission for a U.S. Bureau of Reclamation Water and Energy Efficiency Grant – Advanced Metering Infrastructure

Approval of the Consent Calendar

- A. Receive & File Memo on 06/16/22 SWC Meeting
- B. Receive & File Minutes of the 06/22/22 Conserv. & Public Affairs Comm.
- C. Receive & File Minutes of the 06/30/22 Exec. Comm. Mtg.
- D. Receive & File May Water Use Reduction Figures
- E. Request Adoption of Reso. 1284 Establishing 2022-2023 Tax Rate
- F. Request Adoption of Reso. 1285 Updating Signers for U.S. Bank
- G. Request Adoption of Reso. 1286 U.S.B.R. Water & Efficiency Grant - Advanced Metering Infrastructure

Vice President Cioffi requested Item 5-D be pulled for separate discussion.

Director of Public Affairs and Water Planning Metzger reported that the Agency and its customers achieved a 28.3% reduction in metered potable water consumption per meter during May 2022 compared to May 2013. Over the past 12 months, consumption per meter is trending 18.1% lower compared to 2013. DWA is asking its customers to voluntarily save 10-13% compared to 2013 to help achieve long-term sustainability.

- D. May Water Use Reduction Figures

Vice President Cioffi moved for approval of Consent Calendar Items 5-A thru 5-G. After a second by Director Ortega, the motion carried unanimously by the following roll call vote:

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

19470. President Bloomer called upon Finance Director Saenz to present staff's request for Authorization for Finance Director to Execute Independent Contractor Agreement with Change Pros, LLC.

Action Item:
Request Authorization
for Finance Director
Execute Independent
Contractor Agrmt.-
Change Pros, LLC

Mrs. Saenz stated on June 7, 2022 the Board of Directors authorized her to execute Tyler Technologies Software as a Service agreement for the Munis ERP solution (DWA 2.0 project). In the beginning stages of the DWA 2.0 project, SingerLewak Business Informatics led the Agency through a risk assessment to identify potential risks that may keep the Agency from a successful implementation of a new ERP system. During this assessment, it was identified that implementing DWA 2.0 will require significant Agency staff time in addition to staff's normal workload. One of the requirements was to contract with an independent program manager to assist with DWA 2.0 implementation. The program manager will assist with developing and tracking project plans, risks, milestones, and deliverables from Tyler as well as Agency staff to ensure that we stay on track with the DWA 2.0 implementation.

Concluding her report, Mrs. Saenz noted that the agreement is estimated at \$541,000 representing an approximately 40-hour work week for 24 months. These costs are already included in the DWA 2.0 ERP work order budget. Staff recommends the Board of Directors authorize the Finance Director to execute the Independent Contractor Agreement with Change Pros, LLC, to include the attached Statement of Work and additional Statements of Work as required for the DWA 2.0 Technology Transformation project during the contract term of 24-months

Director Ortega moved for approval of staff's recommendation. 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

19471. 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.

19472. At 8:40 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; (C) Existing Litigation, Pursuant to Government Code Section 54956.9 (d) (1), AT&T vs. County of Riverside; (D) Conference with Real Property, Pursuant to Government Code Section 54956.8, Property: 0.504 acre west of Indian Canyon Drive between Racquet Club Road and Via Olivera, APN No. 504-260-026 and portions of APN No. 504-260-025 and 504-260-027; and (E) Public Employment: General Manager, Pursuant to Government Code Section 54957.

19473. At 9:34 a.m., General Manager Krause reconvened the meeting into open session and announced there was no reportable action taken.

19474. In the absence of any further business, General Manager Krause adjourned the meeting at 9:35 a.m.

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
- D. Conference with Real Property Negotiators – Property: 0.504 acre west of Indian Cyn Dr. between Racquet Club Dr. and Via Olivera Under Negotiations: Price and terms
- E. Public Employment – General Manager

Reconvene – No Reportable Action

Adjournment

Sylvia Baca
Assistant Secretary of the Board

Minutes
Executive Committee Meeting
July 14, 2022

Directors Present: Kristin Bloomer, James Cioffi

Staff Present: Mark Krause, Esther Saenz, Sylvia Baca

Call to Order

1. Public Comments - None

2. Discussion Items

A. Review Agenda for July 19, 2022 Board Meeting

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

B. Board of Director's Handbook

Staff informed the Committee that they are looking at updating the handbook. Staff will work on a draft copy to present to the Committee at a future meeting.

Adjourn

DESERT WATER AGENCY
PUBLIC AFFAIRS & WATER PLANNING
ACTIVITIES

June 2022

Activities

- 6/1 Ashley Metzger did an interview on drought and water supply with Jeff Stahl.
- 6/1 Staff did a ride along and interviews with KESQ on water waste.
- 6/1 Staff attended a Creative/Messaging meeting with CV Water Counts.
- 6/1 Ashley Metzger attended a MSWD Budget Workshop.
- 6/1 Staff attended a storm damage repair project kick off meeting.
- 6/1 Xochitl Peña attended the Downtown Palm Springs concert series.
- 6/2 Ashley Metzger did a live segment with KESQ.
- 6/3 Xochitl Peña attended a Legislative Morning Series with Assemblymembers Eduardo Garcia and Chad Mayes.
- 6/6 Staff attended a DWA/Esri scoping call on grass area measurement field workflow.
- 6/6 Ashley Metzger met with CVWD on SGMA items.
- 6/6 Ashley Metzger met with lobbyist Bob Reeb.
- 6/6 Staff met with State Water Contractors on water management tool amendment.
- 6/6-7 Ashley Metzger and Kris Hopping held interviews for the Public Affairs & Water Planning Coordinator position.
- 6/8 Staff attended a DWA/Esri Advantage Program monthly meeting.
- 6/8 Ashley Metzger attended a water use efficiency ACWA subcommittee meeting.
- 6/8 Ashley Metzger did an interview with NBC Palm Springs on water restrictions.
- 6/8 Staff attended a CVRWGMG business meeting.
- 6/8 Staff presented at a Keller Williams presentation meeting.
- 6/9 Xochitl Peña was on a live segment with KESQ on new drought restrictions.
- 6/9 CV Independent interviewed Ashley Metzger.
- 6/9 Staff attended a SGP GSA's Governor's Drought Executive Order item 9(a) and 9(b) meeting.
- 6/10 Ashley Metzger attended a MSWD Reclamation Facility Groundbreaking.
- 6/10 Staff attended a CV Water Counts meeting on Save our Water.
- 6/14 Staff attended a DWA Water Restrictions meeting.
- 6/14 Staff attended a working session on primary research.
- 6/14 Xochitl Peña and Clark Elliott attended ONE-PS to provide DWA updates.
- 6/15-17 Ashley Metzger attended a SWC monthly meetings in Sacramento.
- 6/16 Xochitl Peña was on a live segment with KESQ on customer assistance.

- 6/21 Ashley Metzger attended a CVRWMG meeting.
- 6/21 Staff attended a CV Water Counts meeting.
- 6/21 Staff attended a meeting with DWR on DWA's landscape aerial measurements.
- 6/21 DWA hosted a webinar on customer assistance programs.
- 6/22 Ashley Metzger attended an Agua Caliente Water Authority meeting.
- 6/22 The Conservation & Public Affairs Committee convened a meeting.
- 6/23 Staff attended a SGMA tribal workgroup meeting.
- 6/23 Xochitl Peña was on a live segment with KESQ.
- 6/23 Ashley Metzger recorded an interview with Joey English.
- 6/23 Ashley Metzger attended a special CA Data Collaborative Steering Committee meeting.
- 6/24 Ashley Metzger attended an ACWA Region 9 program meeting.
- 6/27 Ashley Metzger met with lobbyist Bob Reeb.
- 6/29 Ashley Metzger met with Woodard & Curran on a supply analysis.
- 6/29 Staff attended a meeting on commercial water audits.
- 6/29 Ashley Metzger attended a meeting on DWA primary research efforts.
- 6/30 Ashley Metzger was on KESQ live to discuss the increased grass removal rebate.

Public Information Releases/eBlasts/Customer Notifications

- 6/6 – Latest New on website – DWA board to discuss and vote on water restrictions Tuesday
- 6/6 – Nextdoor notification – DWA service line replacement work
- 6/7 – Press release – DWA adopts new water restrictions
- 6/7 – Latest News on website – New water restrictions in effect
- 6/7 – eBlast – DWA adopts new water restrictions
- 6/9 – Latest News on website – New water bill assistance program provides up to \$2,000
- 6/13 – Nextdoor notification – Webinar: Drought & Mandates
- 6/30 – Latest News on website – Amid drought, customers can get more money to replace grass

Upcoming Events

7/25 – DWA hosts a workshop for interested/potential candidates at the DHS Library

7/26 – DWA hosts a workshop for interested/potential candidates at the DWA office

8/17 – DWA to provide water for Palm Springs Cultural Center movies in the park

Conservation Programs

Grass Removal:

35 Inspections

28 Projects pre-approved

13 Projects given final approval

Devices:

6 Washing machine rebates requested

6 Washing machine rebates approved

16 Smart controller rebates requested

10 Smart controller rebates requested

0 Nozzles requested for rebate

0 Nozzles approved for rebate

0 Toilet rebates requested (commercial only)

0 Toilet rebates approved (commercial only)

Water Waste Enforcement

170 total complaints submitted

57 contacts to customer

41 follow up visits

14 citations

Desert Water Agency Facebook Analytics June 2022

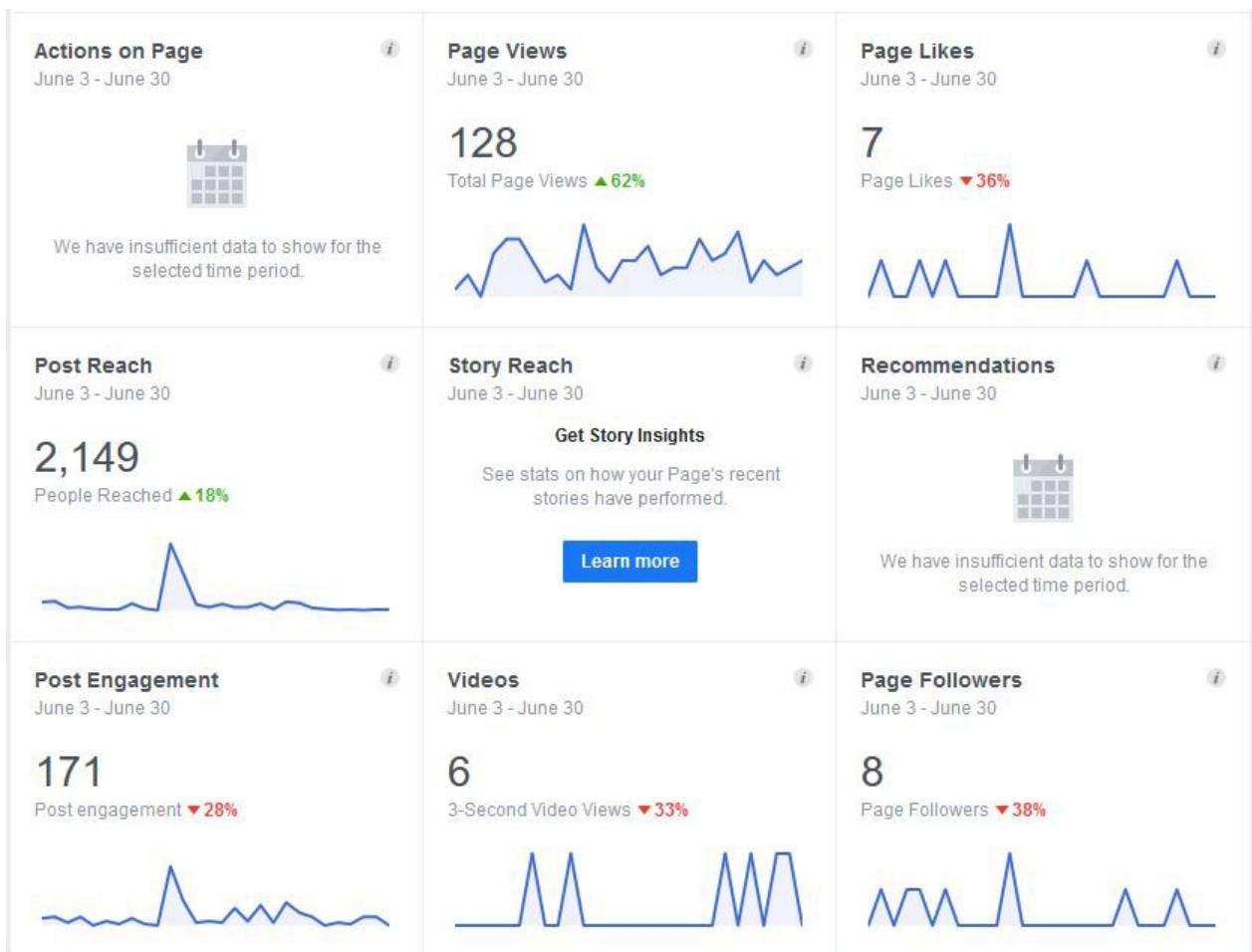


Desert Water Agency

@dwawater • 4.4 14 reviews • Public Utility Company

Contact Us

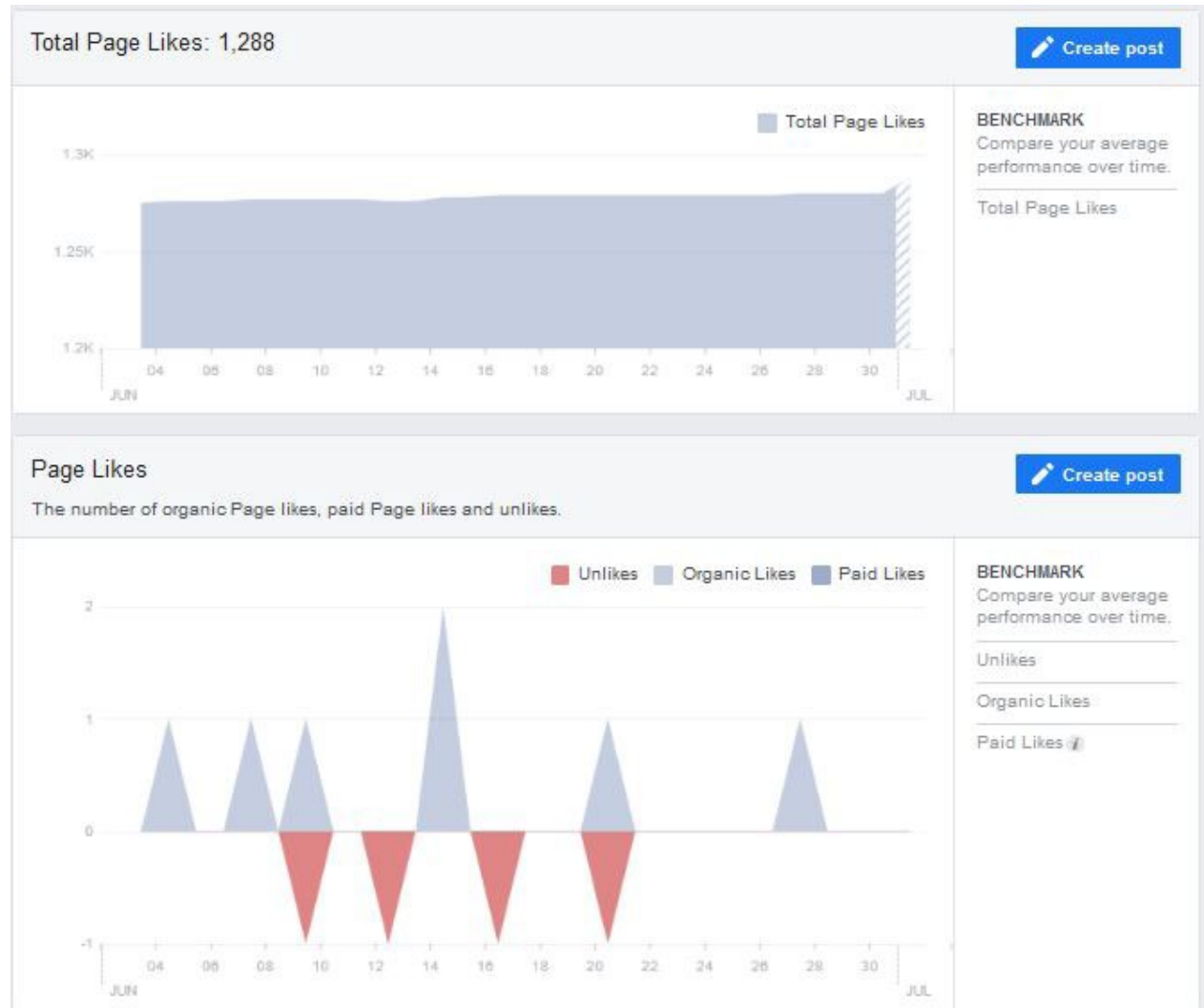
dwa.org



Desert Water Agency Facebook Analytics June 2022

06/29/2022 11:54 AM	 Check out our Water Quality Report and learn more about our water system and how we ensure your tap			28		0 3	
06/27/2022 11:48 AM	 Dial back how long your sprinklers run when you switch to cooler hours – save water and avoid			31		2 3	
06/24/2022 10:00 AM	 DWA is proud to partner with Palm Springs International Film Festival ShortFest to remind folks			40		0 3	
06/22/2022 3:49 PM	 Yay for rain! After a good soak don't water your lawn for at least 48 hours. 🌧️ #rainalert			279		5 19	
06/20/2022 8:00 AM	 DWA offices are closed today in observance of Juneteenth. Work crews are on standby for			130		6 8	
06/19/2022 12:39 PM	 DWA wishes all the fathers out there a wonderful and family filled day. 🌟 #HappyFathersDay			65		0 4	
06/18/2022 12:06 PM	 We're a fan of all things short – showers (because they help save water) and movies! Like and share			43		2 3	
06/17/2022 12:00 PM	 Join our webinar at 12:30 p.m. on Tuesday (6/21) to learn about water bill assistance programs and			131		1 4	
06/13/2022 12:55 PM	 TOMORROW - Join our webinar at 10 a.m. on Tuesday (6/14) to learn more about DWA watering			1.5K		39 21	
06/10/2022 11:21 AM	 A new bill assistance program for low income Riverside County residents provides up to \$2,000 to			162		2 6	
06/08/2022 11:26 AM	 DWA approved new water restrictions. You cannot use sprinklers during daylight hours & restaurants			37		3 3	
06/06/2022 9:23 AM	 DWA is holding a public hearing on water restrictions in response to California drought			106		1 5	
06/01/2022 6:34 PM	 We're at the Palm Springs Downtown Park for the free monthly concert series - keeping music fans			1.7K		36 68	

Desert Water Agency Facebook Analytics June 2022



Instagram June 2022



desertwateragency

Edit profile



945 posts

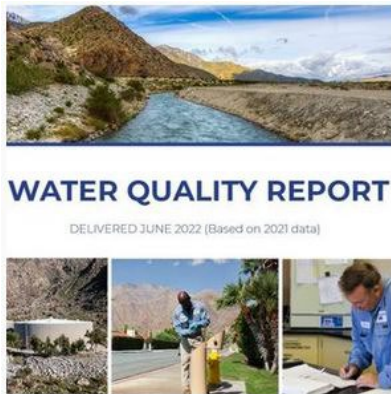
1,215 followers

208 following

Desert Water Agency

Desert Water Agency serves tap water in the Palm Springs area. We replenish the aquifer and offer incentives to help people save water.

linkin.bio/desertwateragency



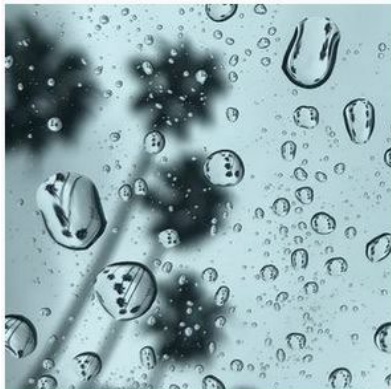
113 Impressions



94 Impressions



121 Impressions



61 Impressions



111 Impressions



76 Impressions



105 Impressions



76 Impressions



98 Impressions

Instagram June 2022



92 Impressions



100 Impressions



121 Impressions



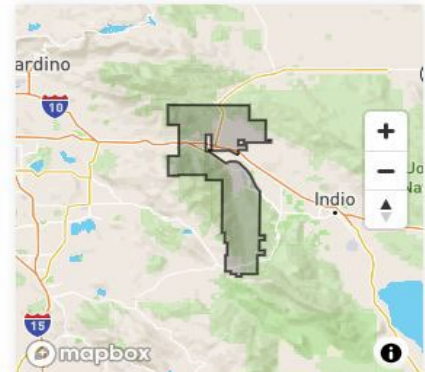
190 Impressions



Desert Water Agency

1200 S Gene Autry Trl, Palm Springs

Desert Water Agency is the water utility for the Palm Springs area including outlying county areas, Desert Hot Springs, part of Cathedral City and Palm Springs. It is our responsibility to provide a safe, reliable water supply to the area we serve while protecting See more...



Desert Water Agency

35,042 members
24,176 claimed households
144 neighborhoods

[Invite](#)



Desert Water Agency ✓

Outreach Specialist Xochitl Pena • 13 Jun

Webinar: Drought & Mandates. Desert Water Agency adopted new water restrictions that restrict daylight sprinkler use.

The State also passed a prohibition of irrigating "non-functional turf" that applies See more...



Webinar: Drought & Mandates
Desert Water Agency

Going? ▾

Posted to **Subscribers of Desert Water Agency**



3

Like

9 Comments

Share



Desert Water Agency ✓

Outreach Specialist Xochitl Pena • 6 Jun



DWA Construction. DWA Construction. Desert Water Agency crews plan to work on water service line replacements located near your neighborhood on Wednesday (6/8) and Thursday (6/9).

[See more...](#)

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



2



Like



1 Comment



Share



Desert Water Agency ✓

Outreach Specialist Xochitl Pena • 6 Jun



DWA Construction. Road paving will occur in your neighborhood starting Tuesday (6/7) and should be completed by the end of the week (6/10).

Z & L Paving will do the work at Mesquite Ave. and Random Road (see attached [See more...](#))

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

Be the first to react



Like

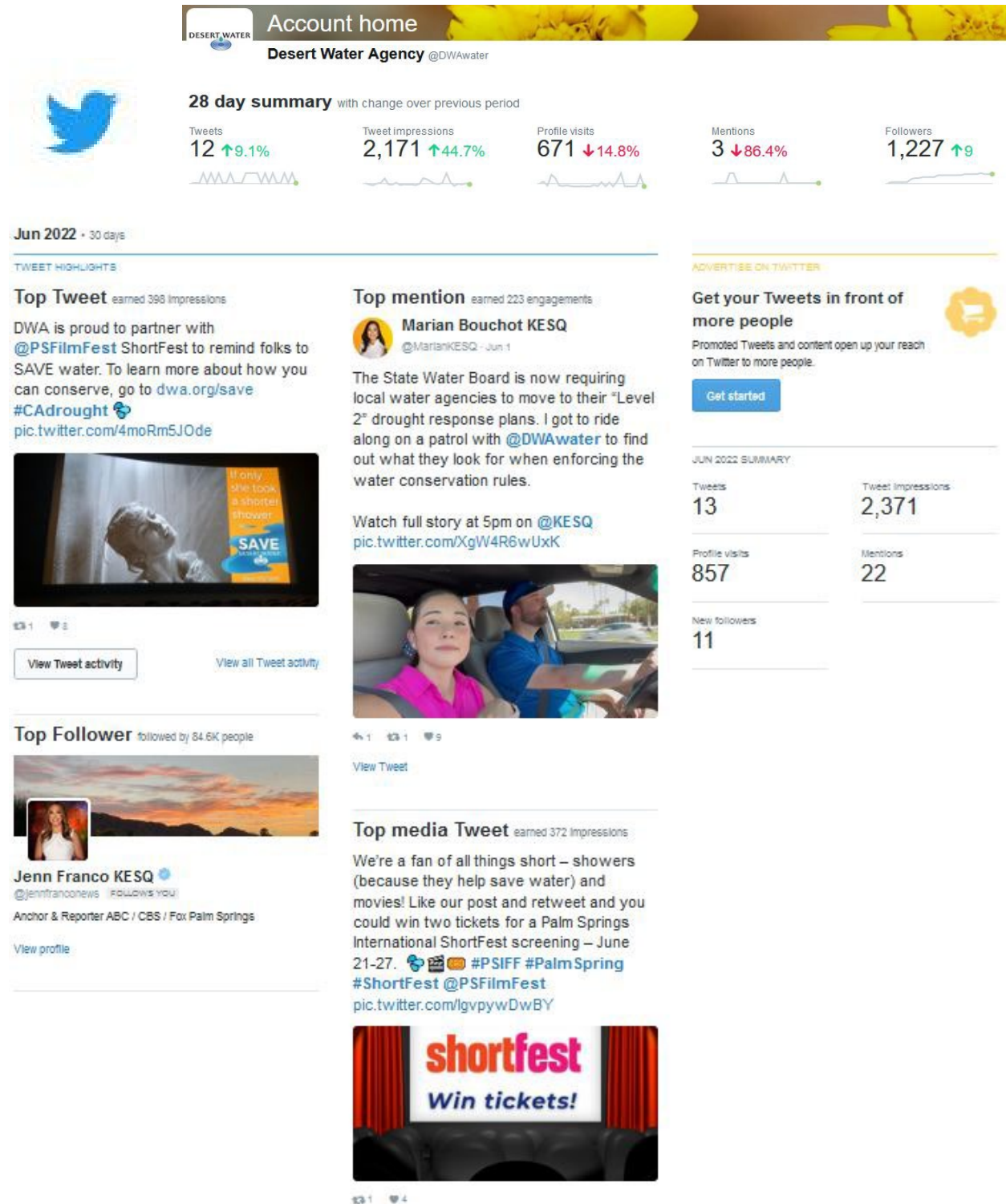


1 Comment



Share

Desert Water Agency Twitter Analytics June 2022



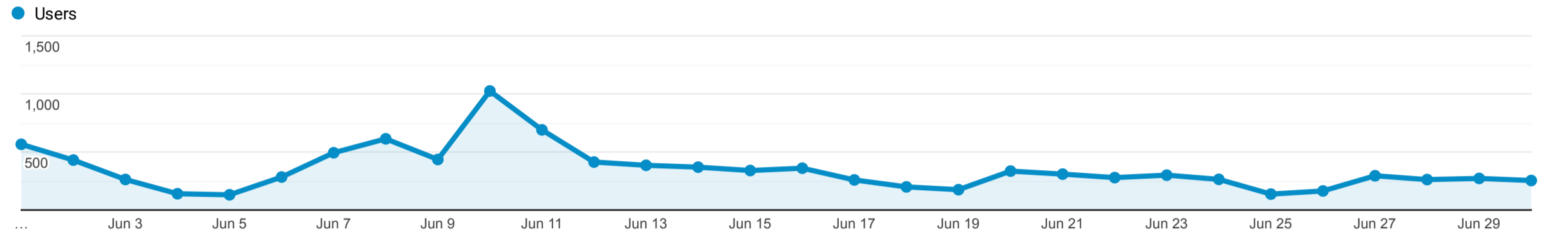
Audience Overview

All Users

100.00% Users

Jun 1, 2022 - Jun 30, 2022

Overview



Users

8,857

New Users

8,160

Sessions

11,660

Number of Sessions per User

1.32

Pageviews

21,869

Pages / Session

1.88

Avg. Session Duration

00:01:37

Bounce Rate

59.43%

New Visitor

Returning Visitor

Language		Users	% Users
1.	en-us	8,511	96.12%
2.	en	84	0.95%
3.	en-gb	71	0.80%
4.	en-ca	60	0.68%
5.	en-au	22	0.25%
6.	es-us	21	0.24%
7.	c	20	0.23%
8.	es-419	20	0.23%
9.	zh-cn	7	0.08%
10.	es-mx	4	0.05%

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

JULY 19, 2022

**RE: REQUEST AUTHORIZATION TO CONTINUE VIRTUAL BOARD
AND COMMITTEE MEETINGS FOR ANOTHER 30 DAYS BASED
UPON A DETERMINATION THAT IN-PERSON MEETINGS WOULD
POSE A RISK TO PUBLIC HEALTH (PER AB 361)**

At its June 21, 2022 meeting, the Board of Directors authorized the continuation of virtual Board and Committee meetings for another 30-day period in accordance with the provisions of AB 361.

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

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

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

Fiscal Impact:

None

Recommendation:

Staff recommends that the Board of Directors authorize the continuation of virtual Board and Committee meetings for another 30 days based upon a determination that in-person meetings would pose a risk to public health (Per AB 361).

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

JULY 19, 2022

**RE: REQUEST AUTHORIZATION FOR FINANCE DIRECTOR TO
EXECUTE MASTER SERVICES AGREEMENT AND STATEMENTS
OF WORK WITH ERNST & YOUNG LLP**

Over the years, Ernst & Young (EY) has provided auditing services on the accounting records of the California Department of Water Resources with respect to the State Water Project. These professional services are performed by EY on behalf of a number of other State Water Project contractors under substantially identical Master Services Agreements (MSAs) where the costs of these services are shared by all participants.

The attached MSA has been developed by the State Water Contractors Independent Audit Association (IAA) and EY. If executed, this MSA will extend the Agency's engagement with EY for an additional five-year period, July 1, 2022 to June 30, 2027.

The execution of the MSA will not require the Agency to utilize EY's services, however, at least annually, a Statement of Work is developed by the IAA and EY for acceptance by participating contractors to engage with EY for specific services. Each Statement of Work outlines the services to be provided, maximum fee in aggregate, and the maximum fee for each participating Agency.

The 2022-2023 Statement of Work maximum fee is \$614,000. This includes \$50,000 for additional consulting services as approved by the IAA only to be billed if additional services are approved and provided by EY. Desert Water Agency's share of the total fee for 2022-2023 is 3.4%, or \$20,659. The State Water Contractors Independent Audit Association has reviewed 2022-2023 Statement of Work and recommends its approval by the Agency.

Fiscal Impact:

The fiscal impact of the 2022-2023 Statement of Work is \$20,659. This cost has already been included in the 2022-2023 General Fund Budget.

The fiscal impact of additional Statements of Work to be executed under the Master Services Agreement is not yet known. The average annual cost to the Agency is approximately \$24,000, according to a five-year lookback.

Recommendation:

Staff recommends the Board of Directors authorize the Finance Director to execute the Ernst & Young LLP Master Services Agreement, 2022 2023 Statement of work and subsequent statements of work under the Master Services Agreement, through June 30, 2027.

Attachments:

1. Ernst & Young LLP Master Services Agreement
2. 2022 2023 Statement of Work
3. Independent Audit Association Memorandum Recommending Approval



Ernst & Young LLP
Suite 900
400 Capitol Mall
Sacramento, CA 95814

Tel: +1 916 218 1900
ey.com

Ms. Esther Saenz
Desert Water Agency
Finance Director
P.O. Box 1710
Palm Springs, California 92263

July 1, 2022

Dear Ms. Saenz:

Thank you for choosing Ernst & Young LLP (“we” or “EY”) to perform professional services (the “Services”) for Desert Water Agency (“you” or “Client”). We appreciate the opportunity to assist you and look forward to working with you. This letter agreement constitutes the Master Services Agreement (MSA) between EY and Desert Water Agency under which EY will perform the Services for Desert Water Agency. It is intended that the Services performed by EY on behalf of Desert Water Agency under this MSA will also be performed on behalf of a number of other State Water Project contractors under substantially identical MSAs, and that the costs of these services will be shared by all participants.

For each project that we agree to undertake for you, we will prepare a Statement of Work describing the particular Services, as well as any advice, presentations, or filings to be made, our fees therefor, and any other project-specific arrangements. All of the Services will be subject to the terms and conditions of this letter, its attachments, including the General Terms and Conditions, and the applicable Statement of Work (together, this “Agreement”). Except for a claim seeking solely injunctive relief, any dispute or claim arising out of or relating to this Agreement, the Services or any other services provided by us or on our behalf to you shall be resolved by mediation and arbitration as set forth in this Agreement.

We may enter into Statements of Work with you for a period of five years following the date of this letter, although we may agree with you to extend that period, including by executing additional Statements of Work referencing this Agreement. We understand that this MSA does not bind you to use our Services, but instead reflects our general understanding of the arrangement should EY and you choose to enter into any future Statement of Work.

Please sign this letter in the space provided below to indicate your agreement with these arrangements and return it to Scott Enos (400 Capitol Mall, Suite 900, Sacramento, CA 95814) or email to scott.enos@ey.com at your earliest convenience. If you have any questions about any of these materials, please do not hesitate to contact Scott Enos at 916-218-1958 so that we can address any issues you identify before we begin to provide any Services.



Very truly yours,

Ernst & Young LLP

AGREED:

Desert Water Agency

By: _____
Ms. Esther Saenz

General Terms and Conditions

Our relationship with you

1. We will perform the Services in accordance with applicable professional standards, including those established by the American Institute of Certified Public Accountants (“**AICPA**”).
2. We are a member of the global network of Ernst & Young firms (“**EY Firms**”), each of which is a separate legal entity.
3. We will provide the Services to you as an independent contractor and not as your employee, agent, partner or joint venturer. Neither you nor we have any right, power or authority to bind the other.
4. We may subcontract portions of the Services to other EY Firms, who may deal with you directly. Nevertheless, we alone will be responsible to you for the Reports (as defined in Section 11), the performance of the Services, and our other obligations under this Agreement. From time to time, non-CPA personnel may perform the Services.
5. We will not assume any of your management responsibilities in connection with the Services. We will not be responsible for the use or implementation of the output of the Services, although we may otherwise provide advice and recommendations to assist you in your management functions and making decisions.

Your responsibilities

6. You shall assign a qualified person to oversee the Services. You are responsible for all management decisions relating to the Services, the use or implementation of the output of the Services and for determining whether the Services are appropriate for your purposes.
7. You shall provide (or cause others to provide) to us, promptly, the information, resources and assistance (including access to records, systems, premises and people) that we reasonably require to perform the Services.
8. To the best of your knowledge, all information provided by you or on your behalf (“**Client Information**”) will be accurate and complete in all material respects. The provision of Client Information to us will not infringe any copyright or other third-party rights.
9. We will rely on Client Information made available to us and, unless we expressly agree otherwise, will have no responsibility to evaluate or verify it.

10. You shall be responsible for your personnel’s compliance with your obligations under this Agreement.

Our Reports

11. Any information, advice, recommendations or other content of any reports, presentations or other communications we provide under this Agreement (“**Reports**”), other than Client Information, are for your internal use only (consistent with the purpose of the particular Services).
12. You may not disclose a Report (or any portion or summary of a Report) externally (including to your affiliates) or refer to us or to any other EY Firm in connection with the Services, except:
 - (a) to your lawyers (subject to these disclosure restrictions), who may review it only to give you advice relating to the Services,
 - (b) to the extent, and for the purposes, required by subpoena or similar legal process (of which you will promptly notify us),
 - (c) to other persons (including your affiliates) with our prior written consent, who have executed an access letter substantially in the form we prescribe, or
 - (d) to the extent it contains Tax Advice, as set forth in Section 13.

If you are permitted to disclose a Report (or a portion thereof) externally, you shall not alter, edit or modify it from the form we provided.

13. You may disclose to anyone a Report (or a portion thereof) solely to the extent that it relates to tax matters, including tax advice, tax opinions, tax returns, or the tax treatment or tax structure of any transaction to which the Services relate (“**Tax Advice**”). With the exception of tax authorities, you shall inform those to whom you disclose Tax Advice that they may not rely on it for any purpose without our prior written consent.
14. You may incorporate into documents that you intend to disclose externally EY summaries, calculations or tables based on Client Information contained in a Report, but not our recommendations, conclusions or findings. However, you must assume sole responsibility for the contents of those documents and not refer to us or any other EY Firm in connection with them. This provision does not affect your ability to circulate Reports internally.

15. You may not rely on any draft Report. We shall not be required to update any final Report for circumstances of which we become aware, or events occurring, after its delivery.

Limitations

16. You (and any others for whom Services are provided) may not recover from us, in contract or tort, under statute or otherwise, any consequential, incidental, indirect, punitive or special damages in connection with claims arising out of this Agreement or otherwise relating to the Services, including any amount for loss of profit, data or goodwill, whether or not the likelihood of such loss or damage was contemplated.
17. You (and any others for whom Services are provided) may not recover from us, in contract or tort, under statute or otherwise, aggregate damages in excess of the fees actually paid for the Services that directly caused the loss in connection with claims arising out of this Agreement or otherwise relating to the Services. This limitation will not apply to losses caused by our fraud or willful misconduct or to the extent prohibited by applicable law or professional regulations.
18. You shall make any claim relating to the Services or otherwise under this Agreement no later than one year after you became aware (or ought reasonably to have become aware) of the facts giving rise to any alleged such claim and in any event, no later than two years after the completion of the particular Services. This limitation will not apply to the extent prohibited by applicable law or professional regulations.
19. You may not make a claim or bring proceedings relating to the Services or otherwise under this Agreement against any other EY Firm or our or its subcontractors, members, shareholders, directors, officers, partners, principals or employees ("**EY Persons**"). You shall make any claim or bring proceedings only against us. The provisions of Sections 16 through 20 are intended to benefit the other EY Firms and all EY Persons, who shall be entitled to enforce them.

Indemnity

20. To the fullest extent permitted by applicable law and professional regulations, you shall indemnify us, the other EY Firms and the EY Persons against all claims by third parties (including your affiliates and attorneys) and resulting liabilities, losses, damages, costs and expenses (including reasonable external and internal legal costs) arising out of the disclosure of any Report (other than Tax Advice) or a third party's use of or reliance on any Report (including Tax Advice) disclosed to it by you or at your request.

Intellectual property rights

21. We may use data, software, designs, utilities, tools, models, systems and other methodologies and know-how that we own or license ("**Materials**") in performing the Services. Notwithstanding the delivery of any Reports, we retain all intellectual property rights in the Materials (including any improvements or knowledge developed while performing the Services), and in any working papers compiled in connection with the Services (but not Client Information reflected in them).
22. Upon payment for particular Services and subject to the other terms of this Agreement, you may use the Reports relating to those Services, as well as any Materials owned by us that are included therein, solely to the extent necessary to use the Reports.

Confidentiality

23. Except as otherwise permitted by this Agreement, neither of us may disclose to third parties the contents of this Agreement or any information (other than Tax Advice) provided by or on behalf of the other that ought reasonably to be treated as confidential and/or proprietary. Either of us may, however, disclose such information to the extent that it:
 - (a) is or becomes public other than through a breach of this Agreement,
 - (b) is subsequently received by the recipient from a third party who, to the recipient's knowledge, owes no obligation of confidentiality to the disclosing party with respect to that information,
 - (c) was known to the recipient at the time of disclosure or is thereafter created independently,
 - (d) is disclosed as necessary to enforce the recipient's rights under this Agreement, or
 - (e) must be disclosed under applicable law, legal process or professional regulations.

EY acknowledges that Client has taken the position that Client is subject to the Freedom of Information Act ("FOIA") as may be amended, updated or replaced from time to time. EY has made no independent inquiry or determination on the subject, however, to the extent FOIA is applicable, the parties acknowledge and agree that: (a) Subject to clause (b) below, the decision on whether any exemption applies to a request for disclosure of information under the FOIA is a decision for Client after consultation with EY; (b) where Client is managing a request under FOIA to disclose a Report or any information that belongs to EY, EY shall cooperate with Client and shall use all reasonable efforts to respond to Client within ten (10) working

days of Client's request for assistance in determining whether or not an exemption to the FOIA applies; and (c) Client will only disclose the confidential information when required by FOIA, and when Client discloses a Report or EY confidential information, Client shall (i) use all reasonable efforts to limit the disclosure to the maximum extent possible (including redaction of the Report or EY's confidential information where possible), and (ii) notify EY in writing prior to such disclosure unless prohibited by law.

24. Either of us may use electronic media to correspond or transmit information and such use will not in itself constitute a breach of any confidentiality obligations under this Agreement.
25. Unless prohibited by applicable law, we may provide Client Information to other EY Firms (which are listed at www.ey.com) and EY Persons, as well as external third parties providing services on our or their behalf, who may collect, use, transfer, store or otherwise process (collectively, "**Process**") it in various jurisdictions in which they operate in order to facilitate performance of the Services, to comply with regulatory requirements, to check conflicts, to provide financial accounting and other administrative, infrastructure and security support services or for quality and risk management purposes. We shall be responsible to you for maintaining the confidentiality of Client Information, regardless of where or by whom such information is Processed on our behalf.
26. With respect to any Services, if U.S. Securities and Exchange Commission auditor independence requirements apply to the relationship between you or any of your associated entities and any EY Firm, you represent, to the best of your knowledge, as of the date of this Agreement and as of the date of each Statement of Work hereunder, that neither you nor any of your affiliates has agreed, either orally or in writing, with any other advisor to restrict your ability to disclose to anyone the tax treatment or tax structure of any transaction to which the Services relate. An agreement of this kind could impair an EY Firm's independence as to your audit or that of any of your affiliates, or require specific tax disclosures as to those restrictions. Accordingly, you agree that the impact of any such agreement is your responsibility.

Data protection

27. If we Process Client Information that can be linked to specific individuals ("**Personal Data**"), we will Process it in accordance with Section 25 of this Agreement, as well as law and professional regulations applicable to us. We will also require any service provider that Processes Personal Data on our behalf to provide at least the same level of protection for such data as is required by such legal and regulatory requirements. If Personal Data relating to a data subject in the UK, European Union or Switzerland (collectively,

"**European Personal Data**") is required for EY to perform the Services, the parties agree to negotiate in good faith a data transfer addendum intended to validate the transfer of such European Personal Data by Company to EY prior to such transfer. If any Client Information is protected health information under the Health Insurance Portability and Accountability Act, as amended, this Agreement is deemed to incorporate all of the terms otherwise required to be included in a business associate contract relating to such information.

28. You warrant that you have the authority to provide the Personal Data to us in connection with the performance of the Services and that the Personal Data provided to us has been Processed in accordance with applicable law. In order to provide the Services, we may need to access Personal Data consisting of protected health information, financial account numbers, Social Security or other government-issued identification numbers, or other data that, if disclosed without authorization, would trigger notification requirements under applicable law ("Restricted Personal Data"). In the event that we need access to such information, you will consult with us on appropriate measures (consistent with professional standards applicable to us) to protect the Restricted Personal Data, such as deleting or masking unnecessary information before it is made available to us, encrypting any data transferred to us, or making the data available for on-site review at a Client site. You will provide us with Restricted Personal Data only in accordance with mutually agreed protective measures.

Fees and expenses generally

29. You shall pay our professional fees and specific expenses in connection with the Services as detailed in the applicable Statement of Work. You shall also reimburse us for other reasonable expenses incurred in performing the Services. Our fees are exclusive of taxes or similar charges, as well as customs, duties or tariffs imposed in respect of the Services, all of which you shall pay (other than taxes imposed on our income generally). Unless otherwise set forth in the applicable Statement of Work, payment is due within 30 days following receipt of each of our invoices. We may receive rebates in connection with certain purchases, which we use to reduce charges that we would otherwise pass on to you.
30. We may charge additional professional fees if events beyond our control (including your acts or omissions) affect our ability to perform the Services as originally planned or if you ask us to perform additional tasks.
31. If we are required by applicable law, legal process or government action to produce information or personnel as witnesses with respect to the Services or this Agreement, you shall reimburse us for any professional time and expenses (including reasonable external and internal legal costs) incurred to respond to the request,

unless we are a party to the proceeding or the subject of the investigation.

Force majeure

32. Neither you nor we shall be liable for breach of this Agreement (other than payment obligations) caused by circumstances beyond your or our reasonable control.

Term and termination

33. This Agreement applies to the Services whenever performed (including before the date of this Agreement).
34. This Agreement shall terminate upon the completion of the Services. Either of us may terminate it, or any particular Services, earlier upon 30 days' prior written notice to the other. In addition, we may terminate this Agreement, or any particular Services, immediately upon written notice to you if we reasonably determine that we can no longer provide the Services in accordance with applicable law or professional obligations.
35. You shall pay us for all work-in-progress, Services already performed, and expenses incurred by us up to and including the effective date of the termination of this Agreement. Payment is due within 30 days following receipt of our invoice for these amounts.
36. The provisions of this Agreement, including Section 14 and otherwise with respect to Reports, that give either of us rights or obligations beyond its termination shall continue indefinitely following the termination of this Agreement, except that our respective confidentiality obligations (other than those relating to Reports or under Section 14) shall continue thereafter for three years only.

Governing law and dispute resolution

37. This Agreement, and any non-contractual matters or obligations arising out of this Agreement or the Services, including (without limitation) claims arising in tort, fraud, under statute or otherwise relating to the Services, or questions relating to the scope or enforceability of this Section 37, shall be governed by, and construed in accordance with, the laws of New York applicable to agreements made, and fully to be performed, therein by residents thereof. Except as otherwise expressly provided in the Cover Letter, any dispute relating to this Agreement or the Services shall be resolved as set forth in Appendix 1 to these Terms and Conditions.

Miscellaneous

38. This Agreement constitutes the entire agreement between us as to the Services and the other matters it covers, and supersedes all prior agreements, understandings and representations with respect thereto, including any confidentiality agreements previously delivered. In addition, any policy, protocol, agreement (other than this Agreement) or other instrument, in whatever form, imposed at any time that purports to obligate EY, any other EY Firm or any EY Person with respect to the use of Client Information shall be void and of no further effect, and you shall not seek to enforce any such obligation.
39. Both of us may execute this Agreement (including Statements of Work), as well as any modifications thereto, by electronic means and each of us may sign a different copy of the same document. Both of us must agree in writing to modify this Agreement or any Statement of Work hereunder.
40. Each of us represents to the other that each person signing this Agreement or any Statement of Work hereunder on its behalf is expressly authorized to execute it and to bind such party to its terms. You also represent that this Agreement has, if necessary, been considered and approved by your Audit Committee. You represent that your affiliates and any others for whom Services are performed shall be bound by the terms of this Agreement.
41. You agree that we and the other EY Firms may, subject to professional obligations, act for other clients, including your competitors.
42. Neither of us may assign any of our rights, obligations or claims arising out of or related to this Agreement or any Services.
43. If any provision of this Agreement (in whole or part) is held to be illegal, invalid or otherwise unenforceable, the other provisions shall remain in full force and effect.
44. If there is any inconsistency between provisions in different parts of this Agreement, those parts shall have precedence as follows (unless expressly agreed otherwise): (a) the Cover Letter, (b) the applicable Statement of Work and any attachments thereto, (c) these General Terms and Conditions, and (d) other attachments to this Agreement.
45. Neither of us may use or reference the other's name, logo or trademarks publicly without the other's prior written consent, although we may publicly identify you as a client in connection with specific Services or generally.

46. For administrative reasons, you may from time to time ask that fees and expenses for Services performed for your international affiliates or at international locations be invoiced to you or your designate there, in local currency. You guarantee the timely payment of all those invoices by your affiliates. In addition, from time to time, an affiliate of ours, providing Services as a subcontractor to us, may bill you directly for fees incurred for work outside the US, in local currency or otherwise.

Appendix 1

Dispute resolution procedures

Mediation

A party shall submit a dispute to mediation by written notice to the other party or parties. The mediator shall be selected by the parties. If the parties cannot agree on a mediator, the International Institute for Conflict Prevention and Resolution (“CPR”) shall designate a mediator at the request of a party. Any mediator must be acceptable to all parties and must confirm in writing that the mediator is not, and will not become during the term of the mediation, an employee, partner, executive officer, director, of or beneficial owner with decision-making capacity over any EY Firm audit client.

The mediator shall conduct the mediation as the mediator determines, with the agreement of the parties. The parties shall discuss their differences in good faith and attempt, with the mediator’s assistance, to reach an amicable resolution of the dispute. The mediation shall be treated as a settlement discussion and shall therefore be confidential. The mediator may not testify for either party in any later proceeding relating to the dispute. The mediation proceedings shall not be recorded or transcribed.

Each party shall bear its own costs in the mediation. The parties shall share equally the fees and expenses of the mediator.

If the parties have not resolved a dispute within 90 days after written notice beginning mediation (or a longer period, if the parties agree to extend the mediation), the mediation shall terminate and the dispute shall be settled by arbitration. In addition, if a party initiates litigation, arbitration, or other binding dispute resolution process without initiating mediation, or before the mediation process has terminated, an opposing party may deem the mediation requirement to have been waived and may proceed with arbitration.

Arbitration

The arbitration will be conducted in accordance with the procedures in this document and the CPR Rules for Non-Administered Arbitration (“Rules”) as in effect on the date of the Agreement, or such other rules and procedures as the parties may agree. In the event of a conflict, the provisions of this document will control.

The arbitration will be conducted before a panel of three arbitrators, to be selected in accordance with the screened selection process provided in the Rules. Any issue concerning the extent to which any dispute is subject to arbitration, or concerning the applicability, interpretation, or enforceability of any of these procedures, shall be governed by the Federal Arbitration Act and resolved by the arbitrators. No potential arbitrator may be appointed unless the arbitrator has agreed in writing to these procedures and has confirmed in writing that the arbitrator is not, and will not become during the term of the arbitration, an employee, partner, executive officer, director, of or beneficial owner with decision-making capacity over any EY Firm audit client.

The arbitration panel shall have no power to award non-monetary or equitable relief of any sort or to make an award or impose a remedy that (i) is inconsistent with the agreement to which these procedures are attached or any other agreement relevant to the dispute, or (ii) could not be made or imposed by a court deciding the matter in the same jurisdiction. In deciding the dispute, the arbitration panel shall apply the limitations period that would be applied by a court deciding the matter in the same jurisdiction, and shall have no power to decide the dispute in any manner not consistent with such limitations period.

Discovery shall be permitted in connection with the arbitration only to the extent, if any, expressly authorized by the arbitration panel upon a showing of substantial need by the party seeking discovery.

All aspects of the arbitration shall be treated as confidential. The parties and the arbitration panel may disclose the existence, content or results of the arbitration only in accordance with the Rules or applicable professional standards. Before making any such disclosure, a party shall give written notice to all other parties and shall afford them a reasonable opportunity to protect their interests, except to the extent such disclosure is necessary to comply with applicable law, regulatory requirements or professional standards.

The result of the arbitration shall be binding on the parties, and judgment on the arbitration award may be entered in any court having jurisdiction.

Statement of Work

This Statement of Work with the attached Exhibits, dated July 1, 2022 (this SOW) is made by Ernst & Young LLP (“we” or “EY”) and Desert Water Agency on behalf of itself (“you” or “Client”), pursuant to the Master Services Agreement, dated July 1, 2022 (MSA), between EY and Desert Water Agency (the Agency).

The additional terms and conditions of this SOW shall apply only to the Services covered by this SOW and not to Services covered by any other SOW pursuant to the MSA. Capitalized terms used, but not otherwise defined, in this SOW shall have the meanings defined in the MSA, including references in the Agreement to “you” or “Client” shall be deemed references to you.

Scope of services

Except as otherwise set forth in this SOW, this SOW incorporates by reference, and is deemed to be a part of, the MSA. This SOW sets forth the terms and conditions on which EY will perform certain professional services as described in Exhibit A (the Services) for Agency, a member of the State Water Contractors (the “Contractors” or “SWC”) Independent Audit Association (IAA), for the twelve months ending June 30, 2023.

Any changes to the above scope of work will be agreed upon in writing and signed by both parties and will amend this original SOW.

The Services are advisory in nature and will not constitute an audit performed in accordance with Generally Accepted Accounting Principles. EY will perform the Services in accordance with the Statement of Standards for Consulting Services (CS100) of the American Institute for Certified Public Accountants (AICPA). As part of your review of the terms of this Agreement, please refer to the enclosed letter from Chantal Ouellet of the IAA Audit Contract Negotiating Committee.

Your specific obligations

You acknowledge that the Services are sufficient for your purposes.

You will not, and you will not permit others to, quote or refer to the Reports, any portion, summary or abstract thereof, or to EY or any other EY Firm, in any document filed or distributed in connection with (i) a purchase or sale of securities to which the United States or state securities laws (Securities Laws) are applicable, or (ii) periodic reporting obligations under Securities Laws. You will not contend that any provisions of Securities Laws could invalidate any provision of this agreement.

We also draw your attention to the reservations set out in paragraph 5 of the General Terms and Conditions of the MSA, as well as your management responsibilities under paragraph 6, your obligations under paragraphs 11 and 12, and your representation, as of the date hereof, under paragraph 26 thereof.

Specific additional terms and conditions

The Services are advisory in nature. EY will not render an assurance report or opinion under the Agreement, nor will the Services constitute an audit, review, examination, or other form of attestation as those terms are defined by the American Institute of Certified Public Accountants. None of the Services or any Reports will constitute any legal opinion or advice. We will not conduct a review to detect fraud or illegal acts, nor will we test compliance with the laws or regulations of any jurisdiction.

Notwithstanding anything to the contrary in the Agreement or this SOW, we do not assume any responsibility for any third-party products, programs or services, their performance or compliance with your specifications or otherwise.

We will base any comments or recommendations as to the functional or technical capabilities of any products in use or being considered by you solely on information provided by your vendors, directly or through you. We are not responsible for the completeness or accuracy of any such information or for confirming any of it.

Where our written consent under the MSA is required for you to disclose to a third party any of our Reports (other than Tax Advice), we will also require that third party to execute a letter substantially in the form of Exhibit D to this SOW. To the extent the Agency is permitted to disclose any written Report as set forth herein, it shall disclose such Report only in the original, complete and unaltered form provided by EY, with all restrictive legends and other agreements intact.

Unless prohibited by applicable law, we may provide Client Information to other EY firms, EY Persons and external third parties, who may collect, use, transfer, store or otherwise process such information in various jurisdictions in which they operate in order to provide support services to any EY Firm and/or assist in the performance of the Services.

After the Services under this SOW have been completed, we may disclose or present to prospective clients, or otherwise in our marketing materials, that we have performed the Services for you, and we may use your name solely for that purpose, in accordance with applicable professional obligations. In addition, we may use your name, trademark, service mark and logo as reasonably necessary to perform the Services and in correspondence, including proposals, from us to you.

Compliance with U.S. immigration requirements may require EY to provide certain information to the U.S. Citizenship and Immigration Services (“USCIS”) to confirm that EY employees on certain visas are, in fact, EY employees and not employees of the Client or other clients of EY. This will include providing certain information regarding work locations to support compliance with the visa requirements. As such, EY may disclose to USCIS information regarding this SOW, including the Client’s identity and location, as well as a redacted copy of this SOW. Upon providing this information, EY will request that USCIS keep any such information confidential. In further support of these legal requirements, the U.S. Department of Labor (DOL) regulations, at 20 CFR § 655.734(a)(1)(ii)(A), require the posting of notice of a Labor Condition Application (LCA) in instances where individuals holding H-1B visas will be working on the Client’s premises. EY and the Client will work together

to develop an appropriate notice as required. The Client acknowledges that EY resources will be operating at all times as an employee of and under the direction and control of Ernst & Young U.S. LLP's management, and all activities including supervision, hiring and firing decisions, and performance evaluations are controlled by Ernst & Young U.S. LLP. The Client will not have the right to control EY resources. At all times, EY resources will receive direction from an EY manager while on-site at the Client premises.

You shall not, while we are performing the Services hereunder and for a period of 12 months after they are completed, solicit for employment, or hire, any EY personnel involved in the performance of the Services, provided, that you may generally advertise available positions and hire EY personnel who either respond to such advertisements or who come to you on their own initiative without direct or indirect encouragement from you.

The Agency shall, among other responsibilities with respect to the Services, (i) make all management decisions and perform all management functions, including applying independent business judgment to EY work products, making implementation decisions and determining further courses of action in connection with any Services; (ii) assign a competent employee within senior management to make all management decisions with respect to the Services, oversee the Services and evaluate their adequacy and results; and (iii) accept responsibility for the implementation of the results or recommendations contained in the Reports or otherwise in connection with the Services. The Agency hereby confirms that management of the Agency accepts responsibility for the sufficiency of the Services. In performing the Services neither EY nor EY's partners or employees will act as an employee of the Agency.

The Agency represents and warrants to EY that the Agency's execution and delivery of this Agreement has been authorized by all requisite corporate or other applicable entity action and the person signing this Agreement is expressly authorized to execute it on behalf of, and to bind, the Agency.

The performance of the Services and the parties' obligations in connection therewith are subject to the additional terms and conditions set forth in the MSA.

It is understood that the Agency is not bound by our findings in any controversy or disagreement between the Agency and the Department of Water Resources (the "Department") should the Agency disagree with our findings.

We would also request that, if any IAA member discovers discrepancies in billings or other financial statements relative to their State Water Project costs, in addition to your working with the Department to correct the error, please notify EY for potential future inclusion as part of their procedures related to all IAA members.

Fees and billing

The General Terms and Conditions of the Agreement address our fees and expenses generally.

The total fees for these Services to be rendered to the Agency, as well as an allocation of the total fees for each member Agency of the IAA, appear in Exhibits A and B attached (no procedures or fees have been allocated to Exhibit B in this contract). Our total fees pursuant to Exhibit A to be charged to all members of the IAA entering into agreements with us shall not exceed \$564,000 for the twelve months ending June 30, 2023. This agreement will not be effective unless, in addition to the Agency, a sufficient number of other IAA agencies enter into agreements with us for such Services whose combined allocated fee would represent not less than 80% of \$564,000 based on the 100% participation fee allocation (see column 2 at A-4). If all agencies who are presently participating in the Services rendered by our firm enter into agreements with us for this twelve-month period, the maximum fees for our Services to your Agency will not exceed \$18,977 for Exhibit A. However, if not all of the participating agencies enter into agreements with us for services during the twelve-month period ending June 30, 2023, the maximum fees to your Agency will vary between the above-mentioned amount and \$23,721, which represents the maximum fees should sufficient agencies enter into agreements with us with a combined allocated fee of not less than 80%, as stated above.

In addition to the maximum fees under Exhibit A, maximum fees under Exhibit B shall not exceed a total of \$50,000 or \$1,682 for the Agency unless agreed to by the IAA. As noted above, no procedures have been allocated to Exhibit B. Prior to any expenditures under Exhibit B, said work must be specifically requested in writing in advance of any work being performed. Areas of potential focus for Exhibit B projects could include procedures agreed to by EY and the IAA in advance related to one or more of the items identified in Exhibit A. In prior years Exhibit B special projects have included projects such as assessing implementation and billing issues relating to the new SAP-based Cost Allocation and Repayment Analysis System (CARA), and studies to evaluate a pay-as-you-go system for funding conservation related operating costs incurred by the Department.

We have also included Exhibit C as part of this contract, which provides the opportunity for individual Contractors to enter into separate agreements for additional services with EY. There are currently no fees related to Exhibit C included herein.

The results of our procedures will include a presentation of our findings, observations and recommendations to be held in Sacramento, California for any interested Contractors. Any presentations requested at individual Contractor locations will be negotiated with the individual Contractor under Exhibit C and will be paid for by that Contractor.

Invoices for time and expenses will be billed monthly and are due upon receipt.



In witness whereof, the parties have executed this SOW as of the date set forth above.

Desert Water Agency

Ernst & Young, LLP

Representative

Representative

Signature

Signature

Scott Enos

Printed Name

Scott Enos

Printed Name

Title

Authorized Signatory

Title

Address

Ernst & Young LLP
400 Capitol Mall
Suite 900
Sacramento, CA 95814

Address

Date

July 1, 2022

Date

EXHIBIT A

I. SCOPE OF ENGAGEMENT

A-1 EY will work with the IAA, the SWC Audit/Finance Committee, and any subcommittees thereof, and the Department during the twelve months ending June 30, 2023 relating to matters currently being discussed between the SWC and the Department.

EY's Services to be rendered as described in this Exhibit shall be determined by the IAA at its discretion. These Services shall include:

1. Completion of the 2022/2023 procedures as outlined further below
2. Participation in all meetings of the SWC Audit/Finance Committee, which is a basic forum for communications between the State Water Project Contractors and the Department's staff on financial and accounting matters.
3. Cooperation with any subcommittees of the IAA assigned to study and resolve specific problem areas, such as the dispute resolution work group.
4. Review of reports and other documents prepared by the Department and disseminated at these meetings.
5. Provide an annual report setting forth the findings and recommendations related to our Services.

Report definitions

The assessment of risk of future occurrence, included in the findings summary tables in the report, provides the IAA with a meaningful measurement of the likelihood of similar findings in subsequent years if this issue is not addressed by the appropriate parties. This assessment of risk of future occurrence is based on knowledge obtained during discussions with the Department personnel and performance of procedures under this Exhibit A. Below are the definitions used in the report of findings and recommendations for the twelve months ending June 30, 2023 and we concur with these definitions.

Risk of Future Occurrence:

- A. High – it is highly likely (or probable) that the error or process failure will be repeated
- B. Medium – it is more likely than not that the error or process failure will be repeated
- C. Low – it is possible that the error or process failure will be repeated

During the twelve months ending June 30, 2023, the Services will include the following procedures.

2022/2023 Procedures

The procedures for the fiscal year ended June 30, 2023 were designed using estimated budgeted hours of 3,000. We will perform all procedures included in items 1-6 below. We will perform the procedures in items 7-8 if time permits. As a part of these procedures, we will regularly meet with the IAA to discuss the progress under this engagement. We will also submit the Report to each Agency setting forth the findings, observations, and recommendations related to our Services.

The following items represent the risks, risk factors, and procedures requested and determined by the IAA for the Contractors to be performed for the 2023 Statement of Charges (SOC) engagement:

Primary Procedures (Items 1-6)

1. Statement of Charges Testing

Risk:

- Incorrect amounts billed to contractors for each component by the Department.

Risk Factors:

- Manual adjustments made to SAP data to arrive at amounts billed. Manual processes create opportunities for errors.
- High importance of accurate contractor bills.
- Actual costs reported in the bills can be misstated.

Areas of Focus:

- Determine that all SOC amounts are internally consistent and agree to the Bulletin 132-22 for the contractors selected for testing (to be provided by IAA).
- Agree debt service amounts in the SOC attachments to the appropriate debt service schedule.
- Comparison of the current year SOC attachments to the prior year SOC attachments.
- Assessment of manual adjustments.
- Assess the corrected Project Interest Rate
- Assess the actual costs charged to various areas of the project.
- Assess the factors for distributing reach capital and minimum costs among the contractors.

2. Delta Water Charge

Risk:

- Incorrect amounts charged to contractors for conservation based on actual and estimated costs.

Risk Factors:

- Calculation of delta water charge is a manual process.
- Tracking of Oroville Spillway costs and reimbursement and segregation between response and recovery costs is a manual process.
- Potential for high dollar impact (\$341 million in delta water charges in 2020 per Table B-21).

Areas of Focus:

- Recalculate the delta water charge used in the SOC.
- For prior year actual costs included in the calculation, compare costs in SAP to the Department's calculation and investigate variances.
- Obtain an understanding of future estimates included in the calculation and perform appropriate procedures to assess such estimates.
- Assess the Hyatt-Thermalito credit to the delta water charge.

3. Alpha Allocation Cycles

Risk:

- Incorrect contractor charged and/or incorrect allocation of costs between contractors.

Risk Factors:

- The F-series and S-series alpha allocation cycles update performed on an annual basis is a manual process. Manual processes create opportunities for errors.
- Potential for errors in determining work performed that falls under direct to reach, field division, and state-wide allocations.
- Potential for high dollar impact (\$299 million allocated by alpha allocation cycles in 2020).

Areas of Focus:

- Examine all cost centers from SAP to determine which cost centers represent alpha cost centers.
- Select alpha cost centers with the largest total annual costs.
- Review costs being posted to selected alpha cost centers based on activities charged to the alpha cost center through examination of invoices posted and discussions with the project managers, as necessary.
- Review the current year alpha update activity performed by the Department.
- Review the current year alpha update performed by the Department.
- Review the F-series and S-series updates performed by the Department.

4. Transportation Minimum and Capital Direct and Indirect Analysis

Risk:

- Incorrect amounts billed to contractors for the transportation minimum and capital component by the Department.

Risk Factors:

- Direct and indirect costs may be allocated incorrectly through corresponding reaches.
- Judgment involved in selecting internal orders and work breakdown structures for billing to the contractors create opportunities for incorrect allocations.
- Project manager's and employee's lack of understanding of importance of accurate time charging to correct internal orders and work breakdown structures create opportunities for incorrect allocations.

Areas of Focus:

- Obtain a listing of internal orders associated with costs for selected reaches and group like internal orders to perform a fluctuation analysis to the prior year.
- Assess or obtain the Department's grouping of like internal orders to assess if the Department is able to group information for managerial reporting. This could include internal order hierarchies in SAP that could be used to group like internal orders.
- Assess a sample of internal orders with the largest increase in costs from group like internal orders for direct and indirect cost allocations.
- Obtain supporting documentation to assess the work was performed for the selected reaches.

5. System Power Costs – Variable Transportation

Risk:

- Incorrect contractor charged and/or incorrect allocation of costs between contractors.

Risk Factors:

- Calculation of the allocation factors is a manual process. Manual processes create opportunities for errors.
- Estimated Table 2 projected costs (invoicing rate) may not reflect actual costs incurred.
- Potential for high dollar impact (\$162 million net system power costs in 2020 per Table B-3).

Areas of Focus:

- Vouch power costs and power revenues from SAP and assess the classification of costs.
- Reconcile the 2021 Preliminary Allocation of Power Costs (PALPOC) to UCABS (SAP). Recalculate appropriate inputs to the 2021 PALPOC (e.g., value of recovery generation credits, direct-to-plant transmission, etc.).
- Recalculate the 2021 calendar year power allocation factors used in UCABS (SAP) to allocate net power costs.
- Recalculate the billed amounts for the transportation variable cost component for 2021 for the contractors selected (to be provided by the IAA).

6. Debt Service Procedures

Risk:

- Incorrect bond debt service charged to the contractors.

Risk Factors:

- Water System Revenue Bond (WSRB) Surcharge calculation is a manual process. Manual processes create opportunities for errors.
- Debt service not subsequently adjusted to provide the benefits of any refinancing to the contractors.
- Cost/debt reconciliation project ongoing adjustments to the calculation creates opportunities for errors.
- WSRB Surcharge currently does not reflect the results of the cost/debt reconciliation project.

Areas of Focus:

- Reconcile any new bond offerings to the debt service schedules.
- Determine whether refinanced bonds were credited to the debt service schedules to provide the benefits of such refinancing to the contractors (direct billed debt service and WSRB Surcharge).
- Assess changes made to the cost/debt reconciliation project from previous versions.

Other Procedures (Items 7-8)

These procedures will only be performed as time permits after completion of items 1-6 above and consideration of the estimated 3,000 hour time budget.

7. Rate Management Calculation Including Revenue and Cost Data

Risk:

- Rate management credits are improperly allocated among the contractors.
- Rate management credits are improperly calculated based on the revenue and expenditure data in the rate management credits calculation prepared by the Department.

Risk Factors:

- Calculation of rate management credits is a manual process.
- Lack of review and approval process for the rate management credit calculation.
- Outdated information used to calculate credits due to the contractors.

Areas of Focus:

- Obtain the rate management allocation schedule used for the 2023 SOC and review the allocation methodology for sample selected.
- Obtain the most recent rate management credits calculation and assess a sample of the largest balances.
- Perform a review of revenues including systems revenue and 51e (amount in excess of rate management credits).
- Perform a review of revenues and related cash funds.
- Assess the impact of findings on the revenues available for rate management credits.

8. Reconciliation between PR5 and UCABS and SWRDS Funds Analysis

Risk:

- Costs and revenues are not accurately billed to the contractors based on inconsistencies between PR5 and UCABS.

Risk Factors:

- Costs and revenues do not accurately match between both systems.
- Manual process of moving costs between systems create opportunities for errors.
- Potential for movement of costs and revenues outside the SWRDS funds used for the state water project.

Areas of Focus:

- Gain an understanding of the reconciliation process performed by the Department.
- Reconcile all SWRDS PR5 costs and revenues included in the bond fund (0502), the construction fund (0506), and the revenue fund (0507) to the UCABS system.
- Identify, document, and investigate all variances between the two systems (PR5 and UCABS).
- Assess and classify all variances into two categories, (1) valid variance and (2) errant variance.
- Provide final assessment on the Department's recovery of all SWRDS costs.
- Perform an analysis of the movement of costs and revenues outside the SWRDS funds used for the state water project.

II. FEES FOR EY SERVICES

- A-2. Total fees for Exhibit A services performed by EY will not exceed \$564,000, including reasonable and necessary out-of-pocket expenses, which represent an estimated 3,000 hours to be incurred.

III. ALLOCATION OF FEES

- A-3. The maximum aggregate fee set forth in paragraph A-2 shall be apportioned among the agencies named in paragraph A-4 based on a basis consistent with prior years.

IV. MAXIMUM AGGREGATE FEE FOR EACH AGENCY

- A-4. The portion of the maximum aggregate fee set forth in paragraph A-2 applicable to each Agency in conformity with the methodology set forth in paragraph A-3 is shown below:

Agency	Maximum fee for each Agency, provided all agencies listed below enter into agreements with EY	Maximum fee for each Agency, provided 80% of agencies listed below enter into agreements with EY	Percent of total
Alameda County Flood Control and Water Conservation District, Zone No. 7	\$ 27,444	\$ 34,305	4.9%
Alameda County Water District	14,297	17,871	2.5
Antelope Valley-East Kern Water Agency	49,305	61,631	8.7
Casitas Municipal Water District	6,808	8,509	1.2
Central Coast Water Authority	15,483	19,353	2.7
City of Yuba City	3,268	4,085	0.6
Coachella Valley Water District	47,094	58,868	8.4
County of Kings	3,167	3,959	0.6
Crestline-Lake Arrowhead Water Agency	1,974	2,468	0.4
Desert Water Agency	18,977	23,721	3.4
Dudley Ridge Water District	15,437	19,296	2.7
Empire West Side Irrigation District	1,021	1,276	0.2
Kern County Water Agency	141,000	176,250	25.0
Littlerock Creek Irrigation District	783	979	0.1
Mojave Water Agency	29,206	36,508	5.2
Napa County Flood Control and Water Conservation District	9,880	12,350	1.8
Palmdale Water District	7,251	9,064	1.3
San Bernardino Valley Municipal Water District	34,925	43,656	6.2
San Gabriel Valley Municipal Water District	9,804	12,255	1.7
San Geronio Pass Water Agency	5,889	7,361	1.0
San Luis Obispo County Flood Control and Water Conservation District	8,510	10,638	1.5
Santa Clara Valley Water District	34,040	42,550	6.0
Santa Clarita Valley Water Agency	32,406	40,508	5.7
Solano County Water Agency	16,256	20,320	2.9
Tulare Lake Basin Water Storage District	29,775	37,219	5.3
Total	<u>\$ 564,000</u>		<u>100.0%</u>

V. PAYMENT SCHEDULE

This is the payment schedule for the Agency.

<u>August 10, 2022 Billing</u>	<u>September 9, 2022 Billing</u>	<u>October 10, 2022 Billing</u>	<u>November 10, 2022 Billing</u>	<u>December 9, 2022 Billing</u>	<u>Total Billing</u>
\$5,693	\$3,795	\$3,795	\$3,795	\$1,899	\$18,977

EXHIBIT B

I. OTHER CONSULTING SERVICES

EY shall, during the twelve months ending June 30, 2023, perform other services if requested by the IAA. No such work shall be performed unless specifically authorized by the IAA in writing. Areas of potential focus for Exhibit B projects could include in depth procedures agreed to by EY and the IAA in advance related to one or more of the items identified in Exhibit A.

Total fees for such other consulting services shall 1) be agreed to prior to commencement of work, 2) be allocated among the agencies based on the same procedures included in the Exhibit A allocation, and 3) shall not exceed \$50,000, which represents an estimated 266 hours to be incurred, unless agreed to by the IAA, for the year ended June 30, 2023. Any part of the \$50,000 which is unused shall not be billed.

Agency	Maximum fee for each Agency, provided all Agencies listed below enter into agreements with EY	Percent of total
Alameda County Flood Control and Water Conservation District, Zone No.7	\$ 2,432	4.9%
Alameda County Water District	1,267	2.5
Antelope Valley-East Kern Water Agency	4,371	8.7
Casitas Municipal Water District	604	1.2
Central Coast Water Authority	1,373	2.7
City of Yuba City	290	0.6
Coachella Valley Water District	4,175	8.4
County of Kings	281	0.6
Crestline-Lake Arrowhead Water Agency	175	0.4
Desert Water Agency	1,682	3.4
Dudley Ridge Water District	1,369	2.7
Empire West Side Irrigation District	91	0.2
Kern County Water Agency	12,500	25.0
Littlerock Creek Irrigation District	69	0.1
Mojave Water Agency	2,589	5.2
Napa County Flood Control and Water Conservation District	876	1.8
Palmdale Water District	643	1.3
San Bernardino Valley Municipal Water District	3,096	6.2
San Gabriel Valley Municipal Water District	869	1.7
San Geronio Pass Water Agency	522	1.0
San Luis Obispo County Flood Control and Water Conservation District	754	1.5
Santa Clara Valley Water District	3,018	6.0
Santa Clarita Valley Water Agency	2,873	5.7
Solano County Water Agency	1,441	2.9
Tulare Lake Basin Water Storage District	2,640	5.3
Total	\$ 50,000	100.0%

EXHIBIT C

I. INDIVIDUAL CONTRACTOR AGREEMENTS

EY may, during the twelve months ending June 30, 2023, perform other consulting services as requested by individual Contractors. These services will be performed and billed separately from the services outlined in Exhibits A and B.

The terms and conditions of any procedures performed under Exhibit C, including payment terms, will be outlined in a separate Statement of Work (SOW). These services, which will be agreed to by EY and the requesting Contractor in advance, will be documented in the example SOW attached to herein as Exhibit C-1. An Exhibit C-1 statement of work will be made available to any Contractor upon request. All other provisions of the Contractor's signed contract with EY for the twelve months ending June 30, 2023 will continue to be in effect.

Total fees for such other consulting services shall be agreed to with the individual Contractor prior to commencement of work. The fees for services provided under Exhibit C will be outside of those referenced in Exhibits A and B, and will be paid for directly by the requesting Contractor.

EXHIBIT C-1

Statement of Work

This Statement of Work with the attached Exhibit, dated July 1, 2022 (this SOW) is made by Ernst & Young LLP (“we” or “EY”) and Desert Water Agency on behalf of itself (“you” or “Client”), pursuant to the Agreement, dated July 1, 2022 (the Agreement), between EY and Desert Water Agency (the Agency).

Except as otherwise set forth in this SOW, this SOW incorporates by reference, and is deemed to be a part of, the Agreement. The additional terms and conditions of this SOW shall apply only to the Services covered by this SOW and not to Services covered by any other Statement of Work pursuant to the Master Services Agreement (MSA) by and between EY and the Agency dated July 1, 2022. Capitalized terms used, but not otherwise defined, in this SOW shall have the meanings defined in the MSA, including references in the Agreement to “you” or “Client” shall be deemed references to you.

Scope of services

Except as otherwise set forth in this SOW, this SOW incorporates by reference, and is deemed to be a part of, the Agreement. This SOW sets forth the terms and conditions on which EY will perform certain professional services as described [INSERT DEFINITION OF SERVICES] (the Services) for Agency, a member of the State Water Contractors Independent Audit Association (IAA), for the twelve months ending June 30, 2023.

Any changes to the above scope of work will be agreed upon in writing and signed by both parties and will amend this original SOW.

The Services are advisory in nature and will not constitute an audit performed in accordance with Generally Accepted Accounting Principles. EY will perform the Services in accordance with the Statement of Standards for Consulting Services (CS100) of the American Institute for Certified Public Accountants (AICPA).

Your specific obligations

You acknowledge that the Services are sufficient for your purposes.

You will not, and you will not permit others to, quote or refer to the Reports, any portion, summary or abstract thereof, or to EY or any other EY Firm, in any document filed or distributed in connection with (i) a purchase or sale of securities to which the United States or state securities laws (Securities Laws) are applicable, or (ii) periodic reporting obligations under Securities Laws. You will not contend that any provisions of Securities Laws could invalidate any provision of this agreement.

We also draw your attention to the reservations set out in paragraph 5 of the General Terms and Conditions of the MSA, as well as your management responsibilities under paragraph 6, your obligations under paragraphs 11 and 12, and your representation, as of the date hereof, under paragraph 26 thereof.

Specific additional terms and conditions

The Services are advisory in nature. EY will not render an assurance report or opinion under the Agreement, nor will the Services constitute an audit, review, examination, or other form of attestation as those terms are defined by the American Institute of Certified Public Accountants. None of the Services or any Reports will constitute any legal opinion or advice. We will not conduct a review to detect fraud or illegal acts, nor will we test compliance with the laws or regulations of any jurisdiction.

Notwithstanding anything to the contrary in the Agreement or this SOW, we do not assume any responsibility for any third-party products, programs or services, their performance or compliance with your specifications or otherwise.

We will base any comments or recommendations as to the functional or technical capabilities of any products in use or being considered by you solely on information provided by your vendors, directly or through you. We are not responsible for the completeness or accuracy of any such information or for confirming any of it.

Where our written consent under the MSA is required for you to disclose to a third party any of our Reports (other than Tax Advice), we will also require that third party to execute a letter substantially in the form of Exhibit D to the Agreement. To the extent the Agency is permitted to disclose any written Report as set forth herein, it shall disclose such Report only in the original, complete and unaltered form provided by EY, with all restrictive legends and other agreements intact.

Unless prohibited by applicable law, we may provide Client Information to other EY firms, EY Persons and external third parties, who may collect, use, transfer, store or otherwise process such information in various jurisdictions in which they operate in order to provide support services to any EY Firm and/or assist in the performance of the Services.

After the Services under this SOW have been completed, we may disclose or present to prospective clients, or otherwise in our marketing materials, that we have performed the Services for you, and we may use your name solely for that purpose, in accordance with applicable professional obligations. In addition, we may use your name, trademark, service mark and logo as reasonably necessary to perform the Services and in correspondence, including proposals, from us to you.

Compliance with U.S. immigration requirements may require EY to provide certain information to the U.S. Citizenship and Immigration Services ("USCIS") to confirm that EY employees on certain visas are, in fact, EY employees and not employees of the Client or other clients of EY. This will include providing certain information regarding work locations to support compliance with the visa requirements. As such, EY may disclose to USCIS information regarding this SOW, including the Client's identity and location, as well as a redacted copy of this SOW. Upon providing this information, EY will request that USCIS keep any such information confidential. In further support of these legal requirements, the U.S. Department of Labor (DOL) regulations, at 20 CFR § 655.734(a)(1)(ii)(A), require the posting of notice of a Labor Condition Application (LCA) in instances where individuals holding H-1B visas will be working on the Client's premises. EY and the Client will work together to develop an appropriate notice as required. The Client acknowledges that EY resources will be operating at all times as an employee of and under the direction and control of Ernst & Young U.S. LLP's management, and all activities including supervision, hiring and firing decisions, and performance evaluations are controlled by Ernst & Young U.S. LLP. The Client will not have the right to control EY resources. At all times, EY resources will receive direction from an EY manager while on-site at the Client premises.

You shall not, while we are performing the Services hereunder and for a period of 12 months after they are completed, solicit for employment, or hire, any EY personnel involved in the performance of the Services, provided, that you may generally advertise available positions and hire EY personnel who either respond to such advertisements or who come to you on their own initiative without direct or indirect encouragement from you.

The Agency shall, among other responsibilities with respect to the Services, (i) make all management decisions and perform all management functions, including applying independent business judgment to EY work products, making implementation decisions and determining further courses of action in connection with any Services; (ii) assign a competent employee within senior management to make all management decisions with respect to the Services, oversee the Services and evaluate their adequacy and results; and (iii) accept responsibility for the implementation of the results or recommendations contained in the Reports or otherwise in connection with the Services. The Agency hereby confirms that management of the Agency accepts responsibility for the sufficiency of the Services. In performing the Services neither EY nor EY's partners or employees will act as an employee of the Agency.

The Agency represents and warrants to EY that the Agency's execution and delivery of this Agreement has been authorized by all requisite corporate or other applicable entity action and the person signing this Agreement is expressly authorized to execute it on behalf of, and to bind, the Agency.

The performance of the Services and the parties' obligations in connection therewith are subject to the additional terms and conditions set forth in the MSA.

It is understood that the Agency is not bound by our findings in any controversy or disagreement between the Agency and the Department of Water Resources should the Agency disagree with our findings.

We would also request that, if any IAA member discovers discrepancies in billings or other financial statements relative to their State Water Project costs, in addition to your working with the Department to correct the error, please notify EY for potential future inclusion as part of their procedures related to all IAA members.

Project deliverables

The matrix below lists the specific deliverables and related timelines that EY will provide to **(insert Contractor)**.

Deliverable	Timeline	Comments

Additional responsibilities

EY will provide **(insert Contractor)** with a timeline/schedule related to all project deliverables prior to the start of work on the project.

EY will notify **(insert Contractor)** in writing of any incremental changes to the original project estimate.

Production of all elements described in the "Project deliverables" section of this SOW is to be included in the cost breakdown under the "Pricing and payment terms" section below, agreed upon by **(insert Contractor)** and EY for this project.

Fees and billing

Below is a summary of the current cost estimates for this SOW. Due to the complexities and variable nature of this project, actual costs could vary from these estimates. In the event costs are expected to exceed the estimate, EY will contact **(insert Contractor)** before performing any additional work.

Out-of-pocket expenses incurred during this contract are not included in the above SOW estimated cost. Expenses include such items as travel, meals, accommodations, and other administrative expenses based on actual amounts incurred.

Invoices for time and expenses will be billed monthly and are due upon receipt.

IN WITNESS WHEREOF, the parties hereto have executed this SOW as of the day and year written below.

Desert Water Agency

Ernst & Young, LLP

Representative

Representative

Signature

Signature

Printed Name

Printed Name

Title

Title

Address

Address

Date

Date

EXHIBIT D
FORM OF ACCESS LETTER

[Letterhead of EY]

[Addressee (e.g., third party seeking access to EY Report)]
[Street Address]
[City, State Zip]

[Month XX, 20XX]

Dear [] :

[Client] (the “Client”) has informed Ernst & Young LLP (“EY”) that it wishes to disclose to [party seeking access] (the “Recipient”) EY’s[describe report(s)] , dated [] , relating to [describe subject] (the “Report(s)”). EY has not placed any limitations on the Client’s ability to disclose any contents of the Report relating to the tax aspects or structure of any transaction proposed by the Client.

EY performed Services only for the Client. EY did not undertake the Services on behalf of, or to serve the needs of, the Recipient or any other third party. As part of such services, EY did not audit the Client’s financial statements, subsequent to the date(s) of the Report(s).

EY prepared the Report(s) solely for the Client. The Report(s) address[es] only the issues identified by the Client, and [is/are] based solely on information obtained by EY using the procedures specified by the Client or otherwise provided by or on behalf of the Client. The Report(s) [is/are] subject to many limitations and [do/does] not provide any form of assurance with respect to any of the information referred to therein. The Recipient understands and accepts the scope and limitations of the Report(s).

Except (1) where compelled by legal process (of which the Recipient will immediately notify EY and tender to EY, if it so elects, the defense thereof), (2) with respect to any contents of the Report relating to the tax treatment and tax structure of the proposed transaction (including any facts that may be relevant to understanding the proposed tax treatment of the proposed transaction), or (3) with EY’s prior written consent, the Recipient will not, circulate, quote, disclose or distribute any of the Report(s) or any information contained therein, or any summary or abstract thereof, or make any reference thereto or to EY, to anyone other than the Recipient’s directors, officers or employees or legal advisors who, in each case, need to know its contents in order to _____ , and who have agreed to be bound by the terms and conditions of this agreement to the same extent as the Recipient.

The Recipient further agrees that it will not, and will not permit others to, quote or refer to the Report, any portion, summary or abstract thereof, or to EY, in any document filed or distributed in connection with (a) a purchase or sale of securities to which the United States or state securities laws (“Securities Laws”) are applicable or (b) periodic reporting obligations under Securities Laws. The Recipient will not contend that any provisions of Securities Laws could invalidate any provision of this agreement.

In further consideration of EY allowing the Recipient access to the Report(s) and the information contained therein, the Recipient agrees that:

1. It does not acquire any rights against EY, and EY does not assume any duties or obligations to the Recipient or otherwise, as a result of such access.
2. It will not rely on the Report(s) or any portion thereof and will make no claim that it has done so.
3. It will make no claim against EY, its partners, employees or affiliates, or other members of the global Ernst & Young network (collectively, the “EY Parties” that relates in any way to the Report(s), any information contained therein, or the Recipient’s access to the Report(s).
4. To the fullest extent permitted by applicable law, it will indemnify, defend and hold harmless the EY Parties from and against any claim or expense, including reasonable attorneys’ fees, suffered or incurred by any EY Party relating to any breach by the Recipient of any of its representations or agreements contained herein or the use or disclosure of the Report(s) or any portion thereof by anyone who received it directly or indirectly from or at the request of the Recipient.

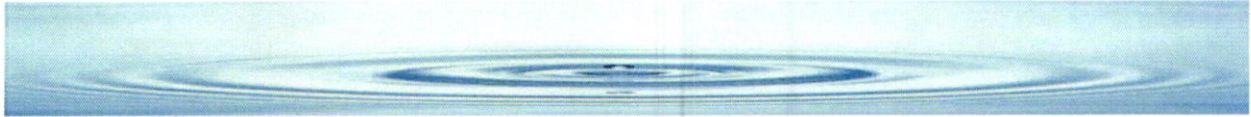
Very truly yours,

Ernst & Young LLP

Accepted by:

[Addressee]

By: _____



MEMORANDUM

Date: July 1, 2022
To: Members of the Independent Audit Association (IAA)
From: Chantal Ouellet, IAA Secretary
Subject: Ernst and Young Master Service Agreement and 2022/2023 State Water Project
Professional Services Contract –
Recommended Approval and Execution

Enclosed is a new Master Services Agreement (MSA) with Ernst & Young which spans a period of 5 years from July 1, 2022 through June 30, 2027. Also enclosed is the 2022/23 Statement of Work (SOW) which includes the State Water Project procedures to be performed in relation to the Department of Water Resources' (DWR) Statement of Charges.

The Exhibit B budget limit is only billed by Ernst and Young if additional work is reviewed and approved by the IAA and remains at \$50,000. Exhibit C allows individual IAA Members to request Ernst and Young to undertake additional services beyond those included in Exhibit A of the SOW.

The IAA team has reviewed Ernst and Young's proposed procedures and recommends that IAA Members approve and execute the 2022/2023 SOW. If you have any questions, please contact me at (559) 992-4127 or couellet@tlbwsd.com.

Sincerely,

Chantal Ouellet, CMA
Tulare Lake Basin Water Storage District

CC: Joe Pirnik, EY

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

JULY 19, 2022

RE: CUSTOMER APPEAL – WILLIAM MACKIN ACCOUNT

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

Section 5 of Resolution No. 1224 addresses the procedures to contest or appeal a bill, in particular Section 5.3 (Appeal to Board of Directors).

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

Appeal:

The appellant, Jeffrey Vilarino representing William Mackin, is appealing multiple water bill late fees totaling \$275 for the reason(s) listed:

1. Financial Hardship
2. Mental Stability

Statements of Fact:

1. Staff has followed Agency billing policies regarding late fee assessments.
2. Customer is disputing all late fees assessed from January 2017 to May 2022 totaling \$300.
3. Staff has waived one late fee. The balance of remaining late fees in dispute is \$275.
4. All disputed late fees were paid in full when they were assessed.
5. Staff provided the customer information for the Help2Others program.
6. The customer applied for, and received, a \$200 payment to their water account from the Help2Others program.

7. Mr. Vilarino placed the account on Autopay. By enrolling in Autopay, the amount due will automatically be drafted from a checking account on the due date, avoiding future late fees.
8. DWA's Resolution No. 1124 section 5.1, indicates a customer's complaint is considered timely if submitted at least two days before the shutoff date on the bill. In regards to this customer dispute, the customer did not have a shut off notice, therefore the evaluation to determine timeliness does not apply and professional judgement must be used. Staff considers a timely dispute, where no shut off notice applies, to be three months. This aligns with the period of time that a customer's water bills are outstanding prior to being provided a disconnection date.

Schedule of Late Fees Assessed:

10/2/2017	Late Fee Assessed	\$ 25.00
12/1/2017	Late Fee Assessed	\$ 25.00
2/2/2018	Late Fee Assessed	\$ 25.00
10/1/2018	Late Fee Assessed	\$ 25.00
2/1/2019	Late Fee Assessed	\$ 25.00
4/1/2019	Late Fee Assessed	\$ 25.00
10/1/2019	Late Fee Assessed	\$ 25.00
12/2/2019	Late Fee Assessed	\$ 25.00
2/5/2020	Late Fee Assessed	\$ 25.00
1/3/2022	Late Fee Assessed	\$ 25.00
3/1/2022	Late Fee Assessed	\$ 25.00
5/3/2022	Late Fee Assessed	\$ 25.00
5/18/2022	Late Fee Waived	\$ (25.00)
		<u>\$ 275.00</u>

Appeal Procedure:

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

Fiscal Impact:

If the Board decides to deny the appeal, there will be no fiscal impact. If the Board decides to grant the appeal, the Agency may credit the account an amount decided by the Board, not to exceed \$275.

Staff Recommendation:

Staff recommends that the Board of Directors deny the appeal to waive any additional late fees. Staff considers the customers complaint to be untimely as it spans over a five-year period. Of the two late fees assessed during the time period staff considers timely (3-months), one has already been waived.

Attachments:

Attachment #1 – Customer Dispute Form

Attachment #2 – DWA Staff Appeal Determination



Dispute My Bill

Can I dispute my bill?

Water meters are a tool that tends to be incredibly accurate in determining your water use. While older meters can lose accuracy over time, it benefits the customer because more water goes through the meter than it counts. Most meters that are 20 years old are still 95% accurate.

If you do not agree with the amount that you're being billed, you can dispute your water bill.

If your water is scheduled to be turned off for non-payment, **a written dispute must be submitted two (2) business days before the shutoff date on your bill.** Your water will not be turned off while our team reviews your dispute or you have an open appeal to the Board of Directors.

Process

1. Fill out the dispute form (below) with your details and the reason you do not agree with the amount Desert Water Agency has billed you. Please include as many details as possible to support your case. (Paper forms are available for those who need them – please call 760-323-4971 and press 0 to request.)
2. Give us time to process. Our team will review your dispute and respond to you in writing within 10 business days. We take this time to investigate the circumstances of your complaint. We may contact you for additional details during this phase. Supervisor-level staff will make the decision about your claim.

3. If you are not satisfied with the decision, you have the opportunity to submit an appeal within 10 business days. Instructions on how to submit an appeal will be provided in writing if your dispute is rejected.
4. Give us time to process. Our management team will review the appeal and present it to the Board of Directors for their decision. You will be informed of the date that the Board of Directors will hear the appeal. It will be heard at a public meeting that you are welcome to attend and provide verbal and/or written comments.
5. The decision of the Board of Directors is final and will be carried out by Desert Water Agency staff. If your appeal is granted, please allow two billing cycles to see changes reflected/credited on your bill.

Bill dispute form

Your Name *

JEFFREY VILARINO / WILLIAM MAEKIN

Name on DWA water account *

WILLIAM MAEKIN

☐ Same as above

☐ Other

Phone number *

[REDACTED]

Email address

[REDACTED]

Property address *

[REDACTED]

Date on bill you're disputing *

mm/dd/yyyy

Why are you disputing your bill? *

1/03/2017 - 5/03/22 \$300⁰⁰
my spouse WILLIAM MACKIN HAS BEEN DIAGNOSED WITH MENTAL DISABILITIES AND WAS PREVIOUSLY TAKING CARE OF UTILITY BILLS. I DIDNT SEE THIS THINING'S IT COMPANY AS A PROBLEM AS IT WAS PAID BUT WITH A FORGETFUL MIND DUE TO SHORT TERM MEMORY LOSS I HAVE TAKEN OVER THIS UTILITY AND MADE IT ON AUTO PAY. I WOULD

Please upload any supporting documents or photos.

LIKE YOU TO REVIEW AS OFF HANDSHIP ON FINANCES AND MENTAL STABILITY. I HAVE ENCLOSED STATEMENTS WHERE LATE FEES APPLIED. SHORT TERM MEMORY

GOES IN & OUT AND

REFLECT THIS PATTERN. I APPRECIATE YOUR WILLINGNESS TO

Accepted file types: pdf, jpg, png, doc, docx, Max. file size: 10 MB, Max. files: 10

UNDERSTAND THIS SITUATION AND THAT HAS BEEN TAKEN

1 MB or less each Word, PDF, JPEG or PNG only

CARE OF DUE TO MY INQUIRY NOT KNOWING THAT THIS WAS

SUBMIT

HAPPENING. IF ANYONE QUESTIONS FEEL FREE
THANK YOU TO CONTACT ME AT [REDACTED]

William

Bill Dispute Form

You can also download the PDF above, fill it out and mail or deliver it to our office.

mail: PO Box 1710, Palm Springs, CA 92263-1710

physical address: 1200 Gene Autry Trail S, Palm Springs, CA 92264

5. Procedures to Contest or Appeal a Bill

(form [Policy on Discontinuation of Residential Water Service for Nonpayment](#))

5.1 Time to Initiate Complaint or Request an Investigation. A customer may initiate a complaint or request an investigation regarding the amount of a bill at least two (2) business days before the shutoff date on the bill by submitting a written complaint or request to the Agency.

5.2 Review by Agency. A timely complaint or request for investigation shall be reviewed by a manager of the Agency, who shall provide a written determination to the customer. The review will include consideration of whether the customer may receive an extension, amortization, or other alternative payment schedule under Section 6. The Agency may, in its discretion, review untimely complaints or requests for investigation; however, such complaints or requests are not subject to appeal.

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



DHS-Specialty Clinic
12520 Palm Drive
Desert Hot Springs, CA 92240
Office: 760-676-5800 • Fax: 858-634-6960

Stonewall Medical Center
68-555 Ramon Road, Suite D-103
Cathedral City, CA 92234
Office: 760-507-3310 • Fax: 858-634-6974

July 3, 2019

Patient: MACKIN, WILLIAM

DOB: [REDACTED]

To Whom It May Concern:

This letter is in regard to my patient, Mr. Mackin, who is currently being worked up for cognitive impairment. Mr. Mackin's symptoms date back to approximately 2014.

Sincerely,

A handwritten signature in black ink, appearing to read "G. Nosovitsky", followed by a horizontal line and the letters "PA-C".

Gennady Nosovitsky, PA-C, AAIHVS
Medical License: PA23278 / California
National Provider ID: 1780007708

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



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

May 19, 2022

William L. Mackin
[REDACTED]

RE: WATER BILL DISPUTE
[REDACTED]

Dear Valued Customer:

Thank you for reaching out to us- and for your concern about the account associated with your billing issue. Upon review, we have determined that we can only remove one late fee on your account.

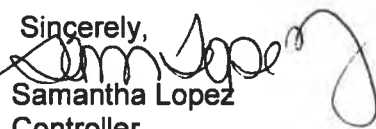
Our policy states customers are eligible to get one late fee waived if they have not had a fee waived in the past 24-month period.

Our team works hard to provide resources and connect customers with programs to help pay water bills. Help2Others is a program Desert Water Agency established that could help you with a \$200 credit per year. You can go online to apply <https://unitedwayofthedesert.org/help2others> or contact United Way at 760) 323-2731 ext 100.

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

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

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

Sincerely,

Samantha Lopez
Controller
Ext. 147

GENERAL MANAGER'S REPORT JULY 19, 2022

Damaged Hydrant (Indian Cyn. Rd./Tachevah Dr.

On July 10 at approximately 6:45 a.m., Construction staff responded to a hit hydrant located on the west side of N. Indian Canyon Drive, north of Tachevah Drive (in front of Desert Regional Hospital). Staff replaced the hydrant due to the damage of the 4-inch nozzle. It was placed back into service and a police report was filed. There was no measurable water loss.



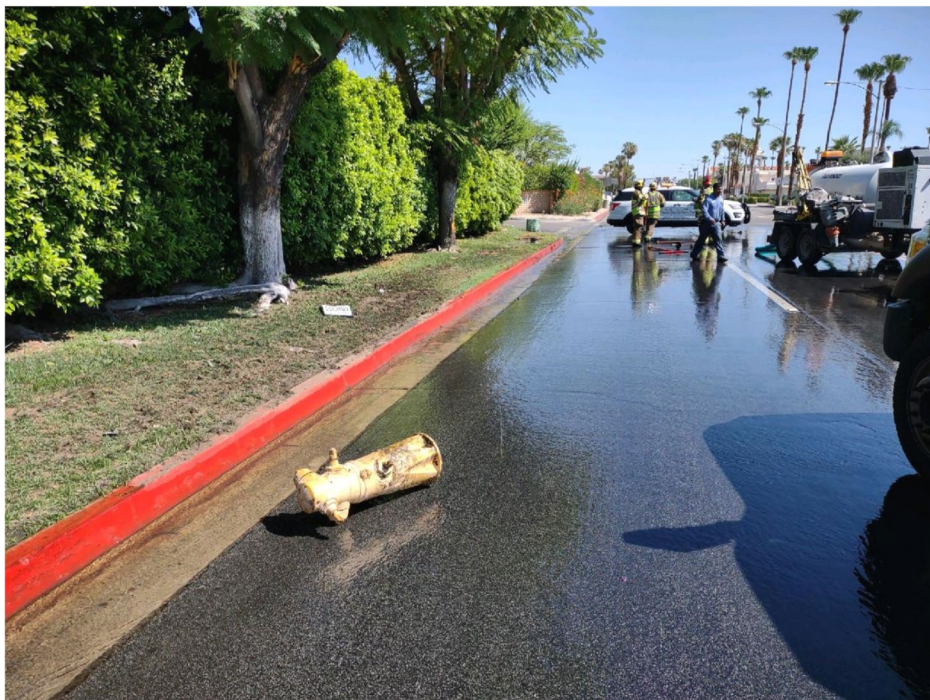
Stolen Backflow (Well 8)

On July 11 at approximately 5:15 a.m., Construction stand-by responded to a report of a stolen 3/4 inch backflow located at Well 8. This well is located at the northwest corner of Alejo Rd. and N. Sunrise Wy. Staff installed a 1 1/4 inch single check underground and placed the service back on. A police report was filed and the water loss was metered.



Damaged Hydrant (Indian Cyn./Tamarisk Rd.)

On July 12 at approximately 9:00 a.m., Construction staff responded to a hit hydrant located on the southwest corner of N. Indian Dr. and Tamarisk Rd. Staff was able to reinstall the hydrant and placed it back into service. A police report was filed and the water loss was from a 6-inch hydrant bury fully open for approximately 25 minutes.



Annual Water Supply and Demand Assessment (AWSDA) Submitted

The 2018 water use efficiency legislation included a new requirement to annually submit a water supply and demand assessment. This is in addition to the five-year Urban Water Management Plan requirement.

In June of 2022, per Executive Order N-7-22, DWA submitted a draft AWSDA. On July 1, 2022 the first complete AWSDA was due. This spring, DWA worked with neighboring agencies to facilitate regionally consistent submission. DWA submitted its AWSDA to the Department of Water Resources on June 30.

While the AWSDA showed no water shortage in the coming year, it did show that Level 2 demand response actions are in place.

Proposition 1 Round 2 Integrated Regional Water Management Application in Development

The Coachella Valley Regional Water Management Group (RWMG) negotiated with Mojave RWMG, Imperial RWMG and San Geronio RWMG to earmark \$4.11 million in grant funding for the Coachella Valley. This amount is out of a of \$8.54 million pot of funding available to the Colorado River Funding area through the Proposition 1 Round 2 Integrated Regional Water Management program from the Department of Water Resources.

The Coachella Valley RWMG and its Planning Partners put out a call for project submissions, reviewed possible projects and have selected a tentative slate of projects to submit in the application due August 19, 2022. The application plans to include \$500,000 to extend DWA's recycled water system to Sunrise Park and \$118,833 in grass removal rebates for DWA customers.

DWR Approves 2020 Coachella Valley Urban Water Management Plan (UWMP)

In early 2022, the Department of Water Resources (DWR) sent DWA and CVWD a request for errata for their 2020 UWMP submissions. In late June, the remaining CV-UWMP agencies received similar comments.

Changes DWR requested of DWA:

1	Link to SGMA Plans	Done. The plans were not final when the UWMP was submitted to DWR.
2	Note subbasin “priority” per DWR	This clarifying information was added.
3	Add quantification (percentage or volume) to “low” “medium”, and “high” savings for demand reduction actions in Water Shortage Contingency Plan (WSCP).	DWR did not request this change from CVWD for their nearly identical WSCP. DWA pushed back and DWR has allowed DWA to add a narrative description: <i>The exact water savings for individual measures is difficult to quantify. Measures with “Low” impact are expected to reduce the gap 0 to 33 percent. Measures with “Medium” impact are expected to reduce the gap 33 to 66 percent. Measures with “High” impact could reduce the gap 66 to 100 percent.</i>

After receipt of the errata with the three changes noted above, DWR sent formal UWMP/WSCP approval to DWA on Wednesday July 6, 2022. Staff has posted the errata on its website as required by DWR. No other outreach or Board action is necessary for these minor updates. Having an approved UWMP helps ensure DWA remains eligible for grant funding from DWR.

Human Resource's Meetings and Activities

Meetings:

06/21/2022	DWA Board Meeting	Virtual Meeting
06/27/2022	DWA Staff Meeting	Virtual Meeting
07/05/2022	DWA Board Meeting	Virtual Meeting
07/11/2022	Operations/Engineering Staff Meeting	Virtual Meeting
07/18/2022	DWA Staff Meeting	Virtual Meeting

Activities:

06/21/2022	Workforce Webinar: Women in Water	Virtual Meeting
06/23/2022	Webinar: An Ethics Checklist for HR Professionals	Virtual Meeting
06/29/2022	Hosted a Riverside County Vaccination Clinic	DWA Offices
06/30/2022	DWA Safety Meetings	DWA Offices
07/12/2022	DOT Random Testing	DWA Offices
07/13/2022	Water Service Worker I (Locator) Interviews	DWA Offices
07/13/2022	CalPERS Webinar: CalPERS Converting Your State Second Tier Service	Virtual Meeting
07/14/2022	Water Service Worker I Interviews	DWA Offices
07/18/2022	Water Service Worker I Interview	DWA Offices

SYSTEM LEAK DATA					
(PERIOD BEGINNING JUN 28, 2022 THRU JUL 11, 2022)					
STREET NAME	NUMBER OF LEAKS	PIPE DIAMETER (INCHES)	YEAR INSTALLED	PIPE MATERIAL	PIPE CONSTRUCTION
FRANCIS DR	5	8	1957	STEEL	BARE/UNLINED
AVENIDA CABALLEROS	3	14	1953	STEEL	BARE/UNLINED
VISTA CHINO	2	20	1949	STEEL	BARE/UNLINED
ALEJO RD	2	8	1958	STEEL	BARE/UNLINED
INDIAN CANYON DR	2	6	1951	STEEL	BARE/UNLINED
PARK DR	2	4	1946	STEEL	BARE/UNLINED
CERRITOS DR	2	4	1946	STEEL	BARE/UNLINED
VIA MONTE VISTA	1	8	1959	STEEL	CML
EL PLACER	1	6	1946	STEEL	BARE/UNLINED
DESERT PARK AVE	1	6	1955	STEEL	BARE/UNLINED
LOUELLA RD	1	6	1955	STEEL	BARE/UNLINED
JOYCE DR	1	6	1958	STEEL	BARE/UNLINED
HIGHLAND DR	1	4	1946	STEEL	BARE/UNLINED
VIA ALTAMIRA	1	4	1954	STEEL	BARE/UNLINED
LUGO RD	1	4	1954	STEEL	BARE/UNLINED
CAMINO PAROCELA	1	4	1958	STEEL	BARE/UNLINED
TOTAL LEAKS IN SYSTEM:		27			

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):	117,721
TOTAL LENGTH OF UNLINED PIPE SYSTEMWIDE (LINEAR FEET):	297,672
*AVERAGE LENGTH OF PIPE REPLACED ANNUALLY (LINEAR FEET):	15,000
PROJECTED TIME FRAME FOR 100% REPLACEMENT OF UNLINED STEEL PIPE:	16 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 Jun. 28,
2022 thru Jul. 11, 2022)

2021/2022 DESIGN - VISTA CHINO

2021/2022 REPLACEMENT PIPELINES - VIA ALTAMIRA

2021/2022 REPLACEMENT PIPELINES - CERRITOS DR

2021/2022 REPLACEMENT PIPELINES - LOUELLA RD

2020/2021 REPLACEMENT PIPELINES - AVENIDA CABALLEROS

Ramon Rd

S Sunrise Way

S Farrel Dr

El Cielo Rd

E Palm Canyon Dr

E Vista Chino

Ramon Rd

Dinah Shore Dr

Vista Chino

Christopher Columbus Tr

General Manager's Meetings and Activities

Meetings:

07/05/22	DWA Bi-Monthly Board Meeting	Conf Call
07/11/22	DWA Weekly Staff Meetings	Conf Call
07/12/22	Sites - Plan of Finance (Guiding Principles) Workshop	Conf Call
07/12/22	WWRF BLM Right of Way Cooperators Meeting	Conf Call
07/12/22	SCAQCB Rule 1196 Meeting of Attorneys	Conf Call
07/14/22	DWA Executive Committee Meeting	Conf Call
07/14/22	Agua Caliente Recycling Project Initial Meeting	Conf Call
07/14/22	Agua Caliente Status and Preparation Meeting	Conf Call
07/18/22	DWA Weekly Staff Meetings	Conf Call
07/18/22	SWC Summer Release of the Delta Conveyance EIR	Conf Call
07/18/22	Desert/Coachella/Metropolitan Coordination Call	Conf Call
07/19/22	DWA Bi-Monthly Board Meeting	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
- 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

Activities:
(Cont'd)

- 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

JUNE 2022

INVESTED
RESERVE FUNDS
\$47,181,493.63

BALANCE	JUNE 1, 2022	(\$818,475.78)	
WATER SALES		\$3,667,976.67	
RECLAMATION SALES		117,261.27	
WASTEWATER RECEIPTS		66,729.91	
POWER SALES		10,335.82	
METERS, SERVICES, ETC.		10,426.00	
REIMBURSEMENT – GENERAL FUND		137,568.29	
REIMBURSEMENT – WASTEWATER FUND		0.00	
ACCOUNTS RECEIVABLE – OTHER		1,973.92	
CUSTOMER DEPOSITS – SURETY		5,564.00	
CUSTOMER DEPOSITS – CONST.		0.00	
LEASE REVENUE		3,899.11	
INTEREST RECEIVED ON INV. FDS.		7,625.00	
FRONT FOOTAGE FEES		0.00	
BOND SERVICE & RESERVE FUND INT		0.00	
MISCELLANEOUS		<u>25,155.84</u>	
TOTAL RECEIPTS		\$4,054,515.83	
PAYMENTS			
PAYROLL CHECKS		\$653,293.83	
PAYROLL TAXES		293,955.67	
ELECTRONIC TRANSFERS		243,206.09	
CHECKS UNDER \$10,000.00		348,225.23	
CHECKS OVER \$10,000.00 – SCH. #1		1,084,009.28	
CANCELLED CHECKS AND FEES		<u>17,698.22</u>	
TOTAL PAYMENTS		<u>\$2,640,388.32</u>	
NET INCOME		\$1,414,127.51	
BOND SERVICE ACCOUNT			
MONTHLY WATER SALES		\$0.00	
EXCESS RETURNED BY B/A		<u>\$0.00</u>	
BOND SERVICE FUND			\$0.00
INVESTED RESERVE FUNDS			
FUNDS MATURED		\$765,200.00	
FUNDS INVESTED – SCH. #3		<u>2,249,995.00</u>	
NET TRANSFER			(\$1,484,795.00) \$1,484,795.00
BALANCE	JUNE 30, 2022	(\$889,143.27)	\$48,666,288.63

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



June 2022

Check #	Name	Description	Amount
131485	Backflow Apparatus & Valve Co.	Water service supplies	\$ 15,109.28
131487	Best Best & Krieger LLP	Legal fees	\$ 53,029.50
131496	Core & Main LP	Water service supplies	\$ 17,908.42
131516	Krieger & Stewart Inc.	Engineering	\$ 16,217.90
131556	Southland Water Technologies LLC	Well level transmitter	\$ 12,690.69
131559	Thatcher Company of California	Water service supplies	\$ 36,239.23
131566	WaterTrax USA Inc.	WaterTrax Annual Subscription / April 1 - March 31, 2022	\$ 16,704.23
131570	Z&L Paving	Paving	\$ 10,327.50
131572	Singer Lewak	ERP Consulting (W/O # 20-178-M) & IT Governance Consulting	\$ 100,564.33
131613	Desert Water Agency - Wastewater	Wastewater revenue billing - May 2022	\$ 84,055.52
131638	Beck Oil Inc	Fuel purchase	\$ 20,361.46
131659	Down to Earth Landscaping	Landscape maintenance	\$ 34,377.01
131681	Krieger & Stewart Inc.	Engineering	\$ 43,620.65
131686	McKeever Waterwell & Pump Inc.	Well # 37 pump/pipe installation	\$ 53,907.00
131688	MSA Safety Sales, LLC	MSA Atmosphere Monitors - 5 sites	\$ 15,509.20
131692	Pacifica Consulting Inc.	Programming Consulting Services (5/1/22 - 5/31/22)	\$ 13,090.00
131693	Pacific Install & Service Inc.	Fabrication, transport & installation of generator enclosure	\$ 32,089.00
131704	Southern California Edison	Power	\$ 408,088.45
131709	Thatcher Company of California	Water service supplies	\$ 41,292.41
131718	Z&L Paving	Paving	\$ 48,511.50
131720	Greg W Vannaha	Turf Rebate	\$ 10,316.00
Total			\$ 1,084,009.28

Monthly Investment Portfolio Report

As of 06/30/2022

AGG- Operating Fund (213426)

Dated: 07/13/2022

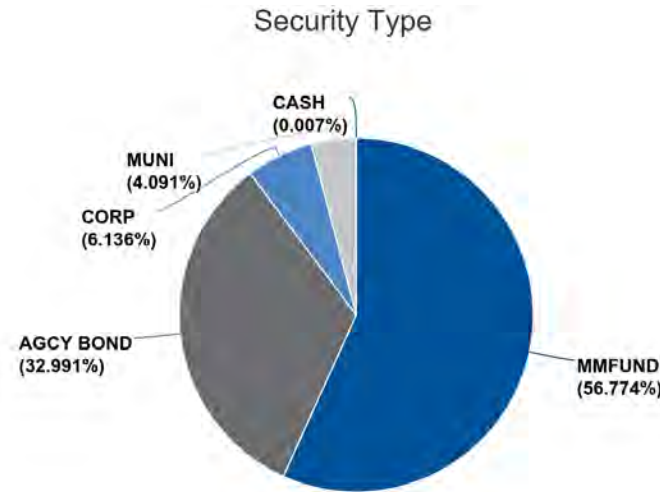


Chart calculated by: PAR Value

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	---	---	06/30/2022	06/30/2022	27,757,814.73	27,757,814.73	27,757,814.73	---
LAIF Money Market Fund LAIF - OP	---	---	06/30/2022	06/30/2022	27,757,814.73	27,757,814.73	27,757,814.73	---

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	933,865.00	3.069%
FEDERAL HOME LOAN BANKS UnionBanc OP	06/28/2021	09/30/2022	09/30/2024	09/30/2024	1,000,000.00	1,000,000.00	943,139.00	3.033%
FEDERAL HOME LOAN BANKS UnionBanc OP	09/30/2021	09/30/2022	09/30/2026	09/30/2026	1,000,000.00	1,000,000.00	916,902.00	3.123%
FEDERAL HOME LOAN BANKS UnionBanc OP	09/24/2021	---	09/13/2024	09/13/2024	1,130,000.00	1,125,513.90	1,067,290.65	2.997%
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	1,959,132.00	3.533%
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	1,975,642.00	3.573%
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	1,984,496.00	3.583%
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	927,110.00	3.079%
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	1,987,096.00	3.363%

Monthly Investment Portfolio Report

As of 06/30/2022

AGG- Operating Fund (213426)

Dated: 07/13/2022

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	09/30/2022	06/30/2025	06/30/2025	1,000,000.00	1,000,000.00	932,423.00	3.107%
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	924,851.00	3.108%
FEDERAL NATIONAL MORTGAGE ASSOCIATION UnionBanc OP	12/16/2020	09/14/2022	06/14/2024	06/14/2024	1,000,000.00	1,000,500.00	949,841.00	3.036%
--- UnionBanc OP	---	---	10/06/2025	10/06/2025	16,130,000.00	16,125,513.90	15,501,787.65	3.295%

CORP

Description, Broker	Settle Date	Next Call Date	Effective Maturity	Final Maturity	PAR Value	Original Cost	Market Value	Yield to Maturity
AMAZON.COM INC UnionBanc OP	05/16/2022	03/13/2027	04/13/2027	04/13/2027	2,000,000.00	1,987,040.00	1,964,016.00	3.713%
JPMORGAN CHASE BANK, NATIONAL ASSOCIATION UnionBanc OP	06/22/2021	---	12/23/2024	12/23/2024	1,000,000.00	1,000,000.00	939,640.00	2.962%
--- UnionBanc OP	---	---	07/16/2026	07/16/2026	3,000,000.00	2,987,040.00	2,903,656.00	3.471%

MUNI

Description, Broker	Settle Date	Next Call Date	Effective Maturity	Final Maturity	PAR Value	Original Cost	Market Value	Yield to Maturity
UNIVERSITY CALIF REVS UnionBanc OP	05/16/2022	03/15/2027	05/15/2027	05/15/2027	2,000,000.00	1,795,920.00	1,795,760.00	3.620%
UNIVERSITY CALIF REVS UnionBanc OP	05/16/2022	03/15/2027	05/15/2027	05/15/2027	2,000,000.00	1,795,920.00	1,795,760.00	3.620%

CASH

Description, Broker	Settle Date	Next Call Date	Effective Maturity	Final Maturity	PAR Value	Original Cost	Market Value	Yield to Maturity
Cash UnionBanc OP	---	---	06/30/2022	06/30/2022	3,650.00	3,650.00	3,650.00	---
Cash UnionBanc OP	---	---	06/30/2022	06/30/2022	3,650.00	3,650.00	3,650.00	---

Summary

Description, Broker	Settle Date	Next Call Date	Effective Maturity	Final Maturity	PAR Value	Original Cost	Market Value	Yield to Maturity
---	---	---	12/23/2023	12/23/2023	48,891,464.73	48,669,938.63	47,962,668.38	3.349%

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

DESERT WATER AGENCY
STATEMENT OF CASH RECEIPTS AND EXPENDITURES

GENERAL ACCOUNT

JUNE 2022

INVESTED
RESERVE FUNDS
\$204,826,596.78

BALANCE	JUNE 1, 2022	\$2,329,919.54	
* TAXES - RIVERSIDE COUNTY		272,402.43	
* INTEREST EARNED - INV. FUNDS		85,195.47	
GROUNDWATER REPLEN. ASSESSMENT		31,444.54	
REIMBURSEMENT - OPERATING FUND		0.00	
REIMBURSEMENT - CVWD MGMT AGRMT		0.00	
STATE WATER PROJECT REFUNDS		78,733.00	
REIMB - CVWD - WHITEWATER HYDRO		3,283.08	
POWER SALES - WHITEWATER		0.00	
MISCELLANEOUS		150.00	
TOTAL RECEIPTS		\$471,208.52	
PAYMENTS			
CHECKS UNDER \$10,000.00		1,380.25	
CHECKS OVER \$10,000.00 - SCH. #1		1,193,462.78	
CANCELLED CHECKS AND FEES		(5.00)	
TOTAL PAYMENTS		<u>\$1,194,838.03</u>	
NET INCOME		(\$723,629.51)	
INVESTED RESERVE FUNDS			
FUNDS MATURED		8,723,800.00	
FUNDS INVESTED – SCH. #2		<u>10,204,125.00</u>	
NET TRANSFER		(\$1,480,325.00)	\$1,480,325.00
BALANCE	JUNE 30, 2022	\$125,965.03	\$206,306,921.78
* INCLUSIVE TO DATE			
RECEIPTS IN FISCAL YEAR		\$37,259,657.89	\$1,547,394.03
RECEIPTS IN CALENDAR YEAR		\$29,621,567.78	\$759,595.95

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



June 2022

Check #	Name	Description	Amount
9661	Coachella Valley Water District	Indio Subbasin cost share	\$ 40,481.68
9663	Water Systems Consulting, Inc.	Mission Creek Subbasin Annual Report	\$ 177,285.19
9666	State of California Department of Water Resources	State Water Project entitlement -June 2022	\$ 15,859.00
9667	State of California Department of Water Resources	State Water Project - June 2022	\$ 822,666.00
9670	Desert Water Agency - Operating Fund	Operating Fund Reimbursement for May 2022	\$ 137,170.91
Total			\$ 1,193,462.78

Monthly Investment Portfolio Report

As of 06/30/2022

AGG- General Fund (213428)

Dated: 07/13/2022

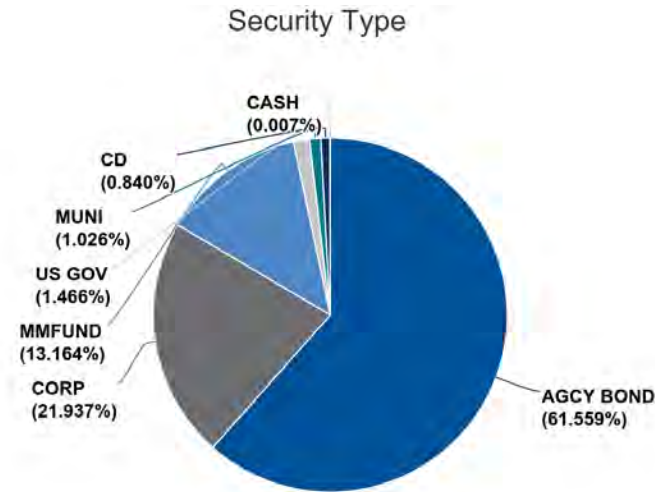


Chart calculated by: PAR Value

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	2,843,178.00	3.323%
FEDERAL FARM CREDIT BANKS FUNDING CORP Alamo Capital	08/04/2020	07/16/2022	08/04/2025	08/04/2025	3,000,000.00	3,000,005.00	2,788,080.00	3.081%
FEDERAL FARM CREDIT BANKS FUNDING CORP Alamo Capital	10/15/2020	07/16/2022	10/15/2024	10/15/2024	3,000,000.00	2,995,500.00	2,826,231.00	3.035%
FEDERAL FARM CREDIT BANKS FUNDING CORP Alamo Capital	01/05/2021	07/16/2022	04/05/2024	04/05/2024	3,000,000.00	3,000,000.00	2,860,623.00	2.994%
FEDERAL FARM CREDIT BANKS FUNDING CORP Alamo Capital	02/12/2021	07/16/2022	11/12/2024	11/12/2024	3,000,000.00	3,000,000.00	2,813,487.00	3.042%
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	2,743,161.00	3.085%
FEDERAL FARM CREDIT BANKS FUNDING CORP Piper Sandler	10/15/2020	07/16/2022	10/15/2024	10/15/2024	3,000,000.00	3,000,000.00	2,828,205.00	3.035%
FEDERAL FARM CREDIT BANKS FUNDING CORP Piper Sandler	12/28/2020	07/16/2022	12/21/2023	12/21/2023	3,000,000.00	3,000,000.00	2,880,834.00	2.983%
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	2,759,217.00	3.148%
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	2,831,571.00	3.112%
FEDERAL FARM CREDIT BANKS FUNDING CORP Stifel	10/16/2020	07/16/2022	03/28/2024	03/28/2024	3,000,000.00	3,000,000.00	2,863,983.00	2.987%
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	2,812,185.00	3.043%
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	2,748,552.00	3.121%
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	2,872,959.00	3.066%

Monthly Investment Portfolio Report

As of 06/30/2022

AGG- General Fund (213428)

Dated: 07/13/2022

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	07/16/2022	12/30/2025	12/30/2025	3,000,000.00	3,000,000.00	2,746,500.00	3.086%
FEDERAL HOME LOAN BANKS UnionBanc GF	06/28/2021	09/30/2022	09/30/2024	09/30/2024	3,000,000.00	3,000,000.00	2,829,417.00	3.033%
FEDERAL HOME LOAN BANKS UnionBanc GF	09/30/2021	09/30/2022	09/30/2026	09/30/2026	3,000,000.00	3,000,000.00	2,750,706.00	3.123%
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	2,938,698.00	3.533%
FEDERAL HOME LOAN BANKS UnionBanc GF	06/23/2022	12/23/2022	12/23/2022	06/23/2026	3,000,000.00	3,000,000.00	3,002,079.00	4.191%
FEDERAL HOME LOAN BANKS Piper Sandler	01/28/2021	07/16/2022	03/28/2024	03/28/2024	3,000,000.00	3,000,000.00	2,862,465.00	2.987%
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	2,747,559.00	3.093%
FEDERAL HOME LOAN BANKS Piper Sandler	02/26/2021	08/26/2022	11/26/2024	11/26/2024	3,000,000.00	3,000,000.00	2,810,442.00	3.044%
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	2,860,716.00	3.000%
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	2,751,777.00	3.124%
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	2,748,552.00	3.121%
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	2,971,206.00	3.586%
FEDERAL HOME LOAN BANKS Stifel	02/25/2021	08/25/2022	11/25/2024	11/25/2024	3,000,000.00	3,000,000.00	2,814,108.00	3.044%
FEDERAL HOME LOAN BANKS Stifel	03/30/2021	09/30/2022	09/30/2024	09/30/2024	2,000,000.00	2,000,000.00	1,891,020.00	3.033%
FEDERAL HOME LOAN BANKS Stifel	06/28/2021	09/28/2022	02/28/2024	02/28/2024	3,000,000.00	3,000,000.00	2,868,042.00	2.984%
FEDERAL HOME LOAN MORTGAGE CORP Alamo Capital	09/30/2020	09/30/2022	09/30/2025	09/30/2025	3,000,000.00	3,000,000.00	2,753,067.00	3.081%
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	2,973,573.00	3.389%
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	2,781,330.00	3.079%
FEDERAL HOME LOAN MORTGAGE CORP Piper Sandler	06/25/2020	06/25/2023	06/25/2025	06/25/2025	3,000,000.00	3,000,000.00	2,798,244.00	3.074%
FEDERAL HOME LOAN MORTGAGE CORP Piper Sandler	08/26/2020	08/26/2022	08/26/2024	08/26/2024	3,000,000.00	3,000,000.00	2,843,091.00	3.024%
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	2,824,149.00	3.037%
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	2,853,096.00	3.008%
FEDERAL HOME LOAN MORTGAGE CORP Stifel	05/26/2022	08/26/2022	05/26/2027	05/26/2027	3,000,000.00	3,000,000.00	2,988,936.00	4.321%
FEDERAL NATIONAL MORTGAGE ASSOCIATION Alamo Capital	08/25/2020	---	08/25/2025	08/25/2025	3,000,000.00	2,985,965.00	2,760,489.00	3.050%
FEDERAL NATIONAL MORTGAGE ASSOCIATION Alamo Capital	09/06/2019	---	09/06/2022	09/06/2022	1,000,000.00	996,520.00	999,103.00	1.858%
FEDERAL NATIONAL MORTGAGE ASSOCIATION UnionBanc GF	07/15/2020	10/15/2022	07/15/2025	07/15/2025	3,000,000.00	3,000,000.00	2,794,512.00	3.107%
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	2,774,553.00	3.108%
FEDERAL NATIONAL MORTGAGE ASSOCIATION UnionBanc GF	12/16/2020	09/14/2022	06/14/2024	06/14/2024	3,000,000.00	3,001,500.00	2,849,523.00	3.036%
FEDERAL NATIONAL MORTGAGE ASSOCIATION Piper Sandler	12/14/2020	09/14/2022	06/14/2024	06/14/2024	3,000,000.00	3,000,000.00	2,849,523.00	3.036%
---	---	---	05/03/2025	06/04/2025	126,000,000.00	125,956,044.00	118,908,742.00	3.147%

Monthly Investment Portfolio Report

As of 06/30/2022

AGG- General Fund (213428)

Dated: 07/13/2022

CORP

Description, Broker	Settle Date	Next Call Date	Effective Maturity	Final Maturity	PAR Value	Original Cost	Market Value	Yield to Maturity
3M CO Stifel	06/05/2020	03/15/2025	04/15/2025	04/15/2025	3,000,000.00	3,258,120.00	2,929,845.00	3.536%
APPLE INC Alamo Capital	09/16/2019	08/11/2024	09/11/2024	09/11/2024	1,000,000.00	990,552.00	969,512.00	3.248%
APPLE INC UnionBanc GF	01/27/2021	08/11/2024	09/11/2024	09/11/2024	3,000,000.00	3,150,000.00	2,908,536.00	3.248%
APPLE INC Stifel	09/24/2020	04/11/2025	05/11/2025	05/11/2025	2,000,000.00	2,055,740.00	1,880,786.00	3.324%
APPLE INC Stifel	03/26/2021	01/08/2026	02/08/2026	02/08/2026	1,000,000.00	986,200.00	910,470.00	3.357%
APPLE INC Stifel	06/21/2022	11/09/2026	02/09/2027	02/09/2027	3,000,000.00	2,953,920.00	2,978,205.00	3.522%
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	943,242.00	3.741%
CATERPILLAR FINANCIAL SERVICES CORP Alamo Capital	12/17/2020	---	09/14/2023	09/14/2023	3,000,000.00	3,012,276.47	2,912,358.00	2.934%
CHEVRON CORP Stifel	07/08/2020	01/03/2024	03/03/2024	03/03/2024	3,000,000.00	3,239,700.00	2,991,312.00	3.072%
CITIBANK NA Stifel	06/24/2020	12/23/2023	12/23/2023	01/23/2024	3,000,000.00	3,297,000.00	3,011,910.00	3.386%
EXXON MOBIL CORP UnionBanc GF	03/17/2020	---	08/16/2022	08/16/2022	3,000,000.00	3,037,470.00	3,000,336.00	1.801%
EXXON MOBIL CORP UnionBanc GF	11/22/2019	01/01/2023	03/01/2023	03/01/2023	2,000,000.00	2,055,180.00	1,997,656.00	2.901%
JOHN DEERE CAPITAL CORP Alamo Capital	02/08/2021	---	01/15/2026	01/15/2026	3,000,000.00	3,000,000.00	2,714,217.00	3.588%
JOHN DEERE CAPITAL CORP Alamo Capital	04/03/2020	---	09/08/2022	09/08/2022	1,000,000.00	1,003,535.00	999,810.00	2.236%
MICROSOFT CORP Stifel	02/10/2021	08/03/2025	08/03/2025	11/03/2025	3,000,000.00	3,337,530.00	3,001,110.00	3.112%
MICROSOFT CORP Stifel	12/20/2019	02/01/2023	05/01/2023	05/01/2023	2,000,000.00	2,034,620.00	1,993,444.00	2.772%
TOYOTA MOTOR CREDIT CORP Alamo Capital	10/21/2019	---	10/07/2024	10/07/2024	1,500,000.00	1,499,994.00	1,452,645.00	3.457%
TOYOTA MOTOR CREDIT CORP Alamo Capital	02/19/2019	---	07/13/2022	07/13/2022	1,400,000.00	1,399,076.00	1,400,036.40	2.693%
TOYOTA MOTOR CREDIT CORP Alamo Capital	07/18/2019	---	09/08/2022	09/08/2022	1,000,000.00	1,000,000.00	999,603.00	2.345%
VISA INC Stifel	01/30/2020	10/14/2022	10/14/2022	12/14/2022	2,000,000.00	2,065,680.00	2,001,870.00	2.589%
WALMART INC Stifel	06/18/2020	10/15/2024	12/15/2024	12/15/2024	2,000,000.00	2,173,300.00	1,977,470.00	3.129%
---	---	---	06/15/2024	06/27/2024	44,900,000.00	46,569,898.46	43,974,373.40	3.065%

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	---	---	06/30/2022	06/30/2022	26,945,061.56	26,945,061.56	26,945,061.56	---
LAIF Money Market Fund LAIF - GF	---	---	06/30/2022	06/30/2022	26,945,061.56	26,945,061.56	26,945,061.56	---

US GOV

Monthly Investment Portfolio Report

As of 06/30/2022

AGG- General Fund (213428)

Dated: 07/13/2022

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	2,891,250.00	2.960%
UNITED STATES TREASURY UnionBanc GF	05/27/2021	---	11/15/2023	11/15/2023	3,000,000.00	3,005,156.25	2,891,250.00	2.960%

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	285,408.00	3.822%
EL CAJON CALIF UnionBanc GF	02/08/2021	---	04/01/2023	04/01/2023	400,000.00	402,124.00	393,100.00	2.983%
MONTEREY PK CALIF PENSION OBLIG UnionBanc GF	02/16/2021	---	06/01/2025	06/01/2025	400,000.00	403,156.00	368,696.00	3.741%
MONTEREY PK CALIF PENSION OBLIG UnionBanc GF	02/16/2021	---	06/01/2024	06/01/2024	550,000.00	552,255.00	519,821.50	3.610%
MONTEREY PK CALIF PENSION OBLIG UnionBanc GF	02/16/2021	---	06/01/2023	06/01/2023	450,000.00	450,643.50	437,926.50	3.350%
--- UnionBanc GF	---	---	02/17/2024	02/17/2024	2,100,000.00	2,110,761.50	2,004,952.00	3.485%

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	06/02/2022	---	06/02/2026	06/02/2026	245,000.00	245,000.00	242,537.26	3.375%
Capital One Bank (USA), National Association Piper Sandler	06/08/2022	---	06/08/2027	06/08/2027	245,000.00	245,000.00	241,717.00	3.447%
Capital One, National Association Piper Sandler	06/08/2022	---	06/08/2027	06/08/2027	245,000.00	245,000.00	241,717.00	3.447%
Discover Bank Piper Sandler	06/07/2022	---	06/07/2027	06/07/2027	245,000.00	245,000.00	241,718.47	3.447%
JPMorgan Chase Bank, National Association Alamo Capital	02/08/2021	10/16/2022	01/16/2026	01/16/2026	250,000.00	250,000.00	226,226.25	3.457%
Morgan Stanley Bank, N.A. Piper Sandler	06/09/2022	---	06/09/2027	06/09/2027	245,000.00	245,000.00	240,610.83	3.447%
Morgan Stanley Private Bank, National Association Piper Sandler	06/09/2022	---	06/09/2027	06/09/2027	245,000.00	245,000.00	240,610.83	3.447%
--- ---	---	---	02/06/2027	02/06/2027	1,720,000.00	1,720,000.00	1,675,137.63	3.438%

CASH

Description, Broker	Settle Date	Next Call Date	Effective Maturity	Final Maturity	PAR Value	Original Cost	Market Value	Yield to Maturity
Cash Alamo Capital	---	---	06/30/2022	06/30/2022	7,500.00	7,500.00	7,500.00	---
Cash UnionBanc GF	---	---	06/30/2022	06/30/2022	7,800.00	7,800.00	7,800.00	---
Cash ---	---	---	06/30/2022	06/30/2022	15,300.00	15,300.00	15,300.00	---

Summary

Description, Broker	Settle Date	Next Call Date	Effective Maturity	Final Maturity	PAR Value	Original Cost	Market Value	Yield to Maturity
------------------------	-------------	----------------	--------------------	----------------	-----------	---------------	--------------	-------------------

Description, Broker	Settle Date	Next Call Date	Effective Maturity	Final Maturity	PAR Value	Original Cost	Market Value	Yield to Maturity
---	---	---	09/23/2024	10/15/2024	204,680,361.56	206,322,221.77	196,414,816.59	3.129%

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

DESERT WATER AGENCY
STATEMENT OF CASH RECEIPTS AND EXPENDITURES

WASTEWATER ACCOUNT

JUNE 2022

INVESTED
RESERVE FUNDS
\$1,684,342.06

BALANCE	JUNE 1, 2022	\$10,785.62		
ACCOUNTS RECEIVABLE - OTHER		\$0.00		
CUSTOMER DEPOSITS - CONSTRUCTION		0.00		
INTEREST EARNED - INVESTED FUNDS		0.00		
WASTEWATER REVENUE		84,055.52		
SEWER CAPACITY CHARGES		7,022.00		
MISCELLANEOUS		140.00		
TOTAL RECEIPTS		\$91,217.52		
PAYMENTS				
CHECKS UNDER \$10,000.00		\$14,981.11		
CHECKS OVER \$10,000.00 - SCH. #1		62,474.82		
CANCELLED CHECKS AND FEES		0.00		
TOTAL PAYMENTS		\$77,455.93		
NET INCOME		\$13,761.59		
INVESTED RESERVE FUNDS				
FUNDS MATURED		\$0.00		
FUNDS INVESTED – SCH. #2		17,800.00		
NET TRANSFER			(\$17,800.00)	\$17,800.00
BALANCE	JUNE 30, 2022	\$6,747.21		\$1,702,142.06

Security Type

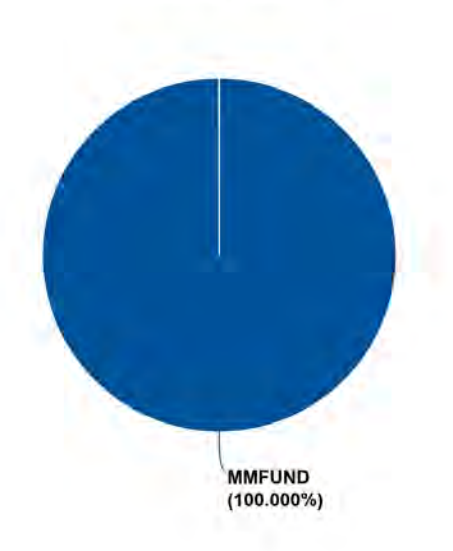


Chart calculated by: PAR Value

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	---	---	06/30/2022	06/30/2022	1,702,142.06	1,702,142.06	1,702,142.06	---
LAIF Money Market Fund LAIF - WW	---	---	06/30/2022	06/30/2022	1,702,142.06	1,702,142.06	1,702,142.06	---

* 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

June 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.

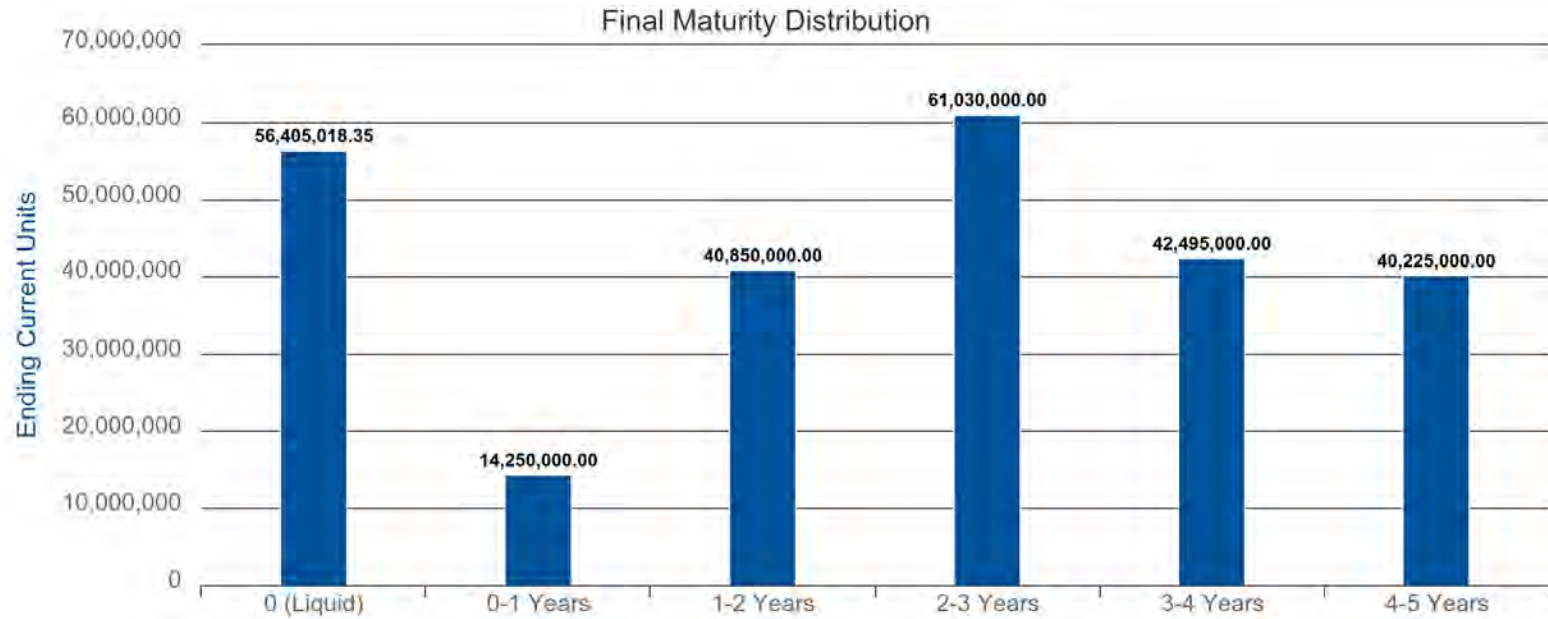
Esther Saenz
Finance Director
Desert Water Agency

Final Maturity Distribution Summary

As of 06/30/2022

AGG-ALL (219610)

Dated: 07/13/2022



0 (Liquid)

DWA Fund	Account	Identifier	Description	Security Type	Ending Current Units	Final Maturity
General Fund	LAIF - GF	LAIFMMF	LAIF Money Market Fund	MMFUND	26,945,061.56	06/30/2022
Operating Fund	LAIF - OP	LAIFMMF	LAIF Money Market Fund	MMFUND	27,757,814.73	06/30/2022
Wastewater Fund	LAIF - WW	LAIFMMF	LAIF Money Market Fund	MMFUND	1,702,142.06	06/30/2022
---	---	LAIFMMF	LAIF Money Market Fund	MMFUND	56,405,018.35	06/30/2022

0-1 Years

DWA Fund	Account	Identifier	Description	Security Type	Ending Current Units	Final Maturity
General Fund	---	---	---	---	14,250,000.00	11/21/2022
General Fund	---	---	---	---	14,250,000.00	11/21/2022

1-2 Years

DWA Fund	Account	Identifier	Description	Security Type	Ending Current Units	Final Maturity
General Fund	---	---	---	---	39,850,000.00	03/07/2024
Operating Fund	UnionBanc OP	3135GA5Y3	FEDERAL NATIONAL MORTGAGE ASSOCIATION	AGCY BOND	1,000,000.00	06/14/2024
---	---	---	---	---	40,850,000.00	03/09/2024

2-3 Years

DWA Fund	Account	Identifier	Description	Security Type	Ending Current Units	Final Maturity
General Fund	---	---	---	---	51,900,000.00	12/03/2024
Operating Fund	UnionBanc OP	---	---	---	9,130,000.00	01/11/2025

Final Maturity Distribution Summary

AGG-ALL (219610)

As of 06/30/2022

Dated: 07/13/2022

DWA Fund	Account	Identifier	Description	Security Type	Ending Current Units	Final Maturity
---	---	---	---	---	61,030,000.00	12/09/2024

3-4 Years

DWA Fund	Account	Identifier	Description	Security Type	Ending Current Units	Final Maturity
General Fund	---	---	---	---	40,495,000.00	11/04/2025
Operating Fund	UnionBanc OP	---	---	AGCY BOND	2,000,000.00	08/16/2025
---	---	---	---	---	42,495,000.00	10/31/2025

4-5 Years

DWA Fund	Account	Identifier	Description	Security Type	Ending Current Units	Final Maturity
General Fund	---	---	---	---	31,225,000.00	01/06/2027
Operating Fund	UnionBanc OP	---	---	---	9,000,000.00	04/12/2027
---	---	---	---	---	40,225,000.00	01/28/2027

Summary

Account	Identifier	Description	Security Type	Ending Current Units	Final Maturity
---	---	---	---	255,255,018.35	08/12/2024

* Grouped by: Final Maturity Distribution -> DWA Fund. * Groups Sorted by: Final 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
WATER CONSUMPTION

QUARTER ENDING JUNE 2022

THIS QUARTER

FISCAL YEAR TO DATE

	LAST YEAR	THIS YEAR	% UP (DOWN)	LAST YEAR	THIS YEAR	% UP (DOWN)
WATER REVENUE	\$9,728,628	\$10,872,942	12	\$37,855,469	\$39,412,065	4
TOTAL CONSUMPTION (100 CU FT)	3,570,954	3,527,396	(1)	13,747,036	13,578,222	1
AVERAGE CONSUMPTION PER CONSUMER (100 CU FT)	151	148	(2)	609	572	(6)
NUMBER OF CONNECTIONS	105	* 69		23,174	^C 23,444	1

* = ADDED THIS QUARTER

C = TOTAL ACTIVE JUNE 2022

UNAUDITED