



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

This meeting will be held virtually and in person. The link and the telephone option provided is for the convenience of the public.

Toll Free: (253) 215-8782
Meeting ID: 819 3405 1313
Passcode: 873902
or Via Computer:
<https://dwa-org.zoom.us/j/81934051313?pwd=X4sQpv7tRyfh0ZLiFy8shFacvXOfoO.1>
Meeting ID: 819 3405 1313

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.

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

Esta reunión se llevará a cabo virtualmente y en persona. El enlace y la opción telefónica proporcionada es para la comodidad del público.

Número gratuito: (253) 215-8782
ID de reunión: 819 3405 1313
código de acceso: 873902
o a través de la computadora:
<https://dwa-org.zoom.us/j/81934051313?pwd=X4sQpv7tRyfh0ZLiFy8shFacvXOfoO.1>
ID de reunión: 819 3405 1313

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.

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

- | | |
|---|--------|
| 1. CALL TO ORDER/PLEDGE OF ALLEGIANCE | ORTEGA |
| 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 ITEMS LISTED ON THE AGENDA: 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. Receive and File – Minutes of the October 16, 2023 Conservation & Public Affairs Committee Meeting
- B. Approve Minutes of the October 17, 2023 Regular Board Meeting
- C. Receive and File – Minutes of the October 31, 2023 Conservation & Public Affairs Committee Meeting
- D. Receive and File – Minutes of the November 2, 2023 Executive Committee Meeting
- E. Receive and File – Memo on October 19, 2023 State Water Contractors' Meeting
- F. Request Authorization to Publish Notice of Disposition of Accumulated Unclaimed Money and Transfer Unclaimed Monies to The Operating Fund
- G. Request Authorization to Continue Emergency Repair Work at DWA Facilities Under Resolution No. 1312

6. ACTION ITEM:

- A. Request Board Action on Customer Appeal – Charles Potter

JOHNSON

7. DISCUSSION ITEMS:

- A. Legislative Annual Report
- B. Agency Strategic Planning Update
- C. September Water Use Reduction Figures

**REEB
JOHNSON
WEINRICH**

8. SECRETARY-TREASURER'S REPORT (SEPTEMBER 2023)

MCKENNA

9. GENERAL MANAGER'S REPORT

JOHNSON

10. DIRECTORS REPORTS ON MEETINGS/EVENTS ATTENDED ON BEHALF OF THE AGENCY

11. DIRECTORS COMMENTS/REQUESTS

12. CLOSED SESSION

- A. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION
Pursuant to Government Code Section 54956.9 (d) (1)
Name of Case: Debra Duncan v. City of Palm Springs, et al
- B. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION
Pursuant to Government Code Section 54956.9 (d) (1)
Name of Case: Aqueous Film-Forming Foams Products Liability Litigation
Case No. 2:18-mn-2873-RMG
- C. 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
- D. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION
Pursuant to Government Code Section 54956.9 (d) (1)
Name of Case: AT&T vs. County of Riverside
- E. CONFERENCE WITH LEGAL COUNSEL – POSSIBLE INTERVENTION IN EXISTING LITIGATION
Pursuant to Government Code Section 54956.9 (d) (4)
Name of Case: Southern California Edison vs. California State Board of Equalization, et al
One Case

F. 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

13. RECONVENE INTO OPEN SESSION – REPORT FROM CLOSED SESSION

14. ADJOURN

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

DECLARATION OF POSTING

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

Sylvia Baca, MMC, Assistant Secretary of the Board

Minutes
Conservation & Public Affairs Committee
 October 16, 2023

Directors Present: Paul Ortega, Steve Grasha
 Staff Present: Mark Krause, Steve Johnson, Melinda Weinrich, Clark Elliott
 Consultant Present: Ashley Metzger
 Public Present: Michael Ackermann, Villa Alegria HOA Board President
 Ted Grouya, Villa Alegria HOA Board Member

Call to Order

1. Public Comments - None

2. Discussion Items

A. Villa Alegria Appeal (Continued from September 6, 2023, meeting)

Representatives from the Villa Alegria community spoke regarding their appeal of the calculated square feet of grass removed that was used to determine their incentive amount. After review of the maps and discussion the Committee decided to deny the appeal.

B. Outreach updates

Staff presented outreach efforts for October and November including the current and upcoming plans for billboard advertising.

C. Palm Springs Pride Opportunities

Staff and Consultant Metzger presented on opportunities to show inclusiveness in the LGBTQ+ community. The Committee requested staff to come back with examples of adjusted DWA logos for various key holidays and communities celebrated within the DWA service area.

D. Conservation Recognition Program

Staff presented on the new “Sustainability Star” campaign to promote successful large scale and commercial projects that were completed through DWA’s incentive programs. The Committee reviewed and provided feedback on four draft logos for the program. Staff was tasked with returning to the Committee with updated logo examples and program details.

E. 2022/2023 Overseeding Exemptions

Staff presented a general review of customers who received overseeding exemptions in fiscal year 2022/2023. Of those customers who received exemptions, 17.49 acres were city parks as the areas predominately used for sports and public gatherings. Consultant Metzger also spoke on the O’Donnell Golf Course’s actions to reduce water usage and improve their irrigation efficiency.

F. Disadvantaged Community Project Update

Staff updated the Committee on the grass removal incentive program for low-income customers also known as DAC. Recently the program had an uptick of interest and participation. In winter 2023/24 staff will present some sample sites to the Committee for potential larger scale projects in a DAC area. Staff will continue monitoring the program and report back to the Committee.

G. Water Use Objective Regulation Updates

Consultant Metzger provided the Committee with an update on the State's Water Use Objective Regulations. She discussed the efforts staff have taken to ensure the State understands the unique issues in the DWA service area. She noted that DWA signed onto the ACWA letter and provided template letters to local entities to provide further support for DWA's efforts.

H. Mission Springs Water District Coordination Update

There was discussion on coordination opportunities with Mission Springs Water District (MSWD). Staff presented possible combined program marketing such as a Gene Autry Trail billboard and links to DWA incentives on the MSWD website. Staff will follow up with MSWD staff on the proposed ideas.

I. CIMIS Station

Staff presented on the California Irrigation Management Information System (CIMIS) and briefed the Committee on station capabilities and how having stations located within the DWA service area will provide more accurate information used by the State for regulatory requirements. The Committee directed staff to further research locations that meet the CIMIS station requirements and the estimated cost for purchase and maintenance for up to 3 stations.

Adjourn

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

5-B

October 17, 2023

Board: Paul Ortega, President
Jeff Bowman, Vice President
Gerald McKenna, Secretary-Treasurer
Kristin Bloomer, Director
Steve Grasha, Director

DWA Staff: Mark Krause, General Manager
Sylvia Baca, Asst. Secretary of the Board
Kris Hopping, Human Resources Director
Melinda Weinrich, Outreach & Conserv. Mgr.
Jamie Hoffman, Senior Admin. Assistant

Consultants: Michael T. Riddell, Best Best & Krieger

President Ortega opened the meeting at 8:00 a.m. and led the Pledge of Allegiance. **Pledge of Allegiance**

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

Present: Grasha, Bloomer, McKenna, Bowman, Ortega

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

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

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

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

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

- A. Approve Minutes of the October 3, 2023 Regular Board Meeting
- B. Receive and File – Minutes of the October 11, 2023 Executive Committee Meeting
- C. Receive and File – September Outreach & Conservation Activities & Events

**Approval of the
Consent Calendar**

- A. Approve Minutes of the 10/03/23 Regular Board Meeting
- B. Receive & File Minutes of 10/11/23 Executive Committee Meeting
- C. Receive & File September Outreach & Conservation Activities & Events

Vice President Bowman moved for approval of Consent Calendar Items 5A through 5C. After a second by Secretary-Treasurer McKenna, the motion carried by the following roll call vote:

AYES: Grasha, Bloomer, McKenna, Bowman, Ortega
 NOES: None
 ABSENT: None
 ABSTAIN: None

General Manager Krause presented the staff report.

Discussion Item:
 6A, ACWA Webinar Attendance and Manner of Authorization

The Board unanimously supports adding ACWA webinars to compensable events. Discussion ensued on the difference between ACWA events and ACWA sponsored events and whether they will both be compensable.

Director Grasha made a motion to accept the addition of all ACWA webinars to the list of approved activities and changing the name of the list to Listing of Other Organized Activities and Services Rendered as a Director. After a second by Director Bloomer, the motion carried by the following roll call vote:

Action Item:
 ACWA Webinar Attendance and Manner of Authorization

AYES: Grasha, Bloomer, McKenna, Bowman, Ortega
 NOES: None
 ABSENT: None
 ABSTAIN: None

It was clarified that the events must be listed on ACWA's website in order to be compensable.

Secretary-Treasurer McKenna provided the financial highlights for August 2023.

**Secretary-Treasurer's
Report for (August
2023)**

General Manager Krause provided an update on Agency operations for the past several weeks.

**General Manager's
Report**

Director Grasha noted his attendance at the October 10 CVWD Board meeting, October 12 ACWA webinar (not compensable), and October 16 Conservation & Public Affairs Committee meeting.

Directors Reports on Mtgs/Events Attended on Behalf of the Agency

Secretary-Treasurer McKenna noted his attendance at the October 5 MSWD Board meeting, October 11-13 ACWA Regions 6 & 7 event, and the October 16 MSWD Board meeting.

Vice President Bowman noted his attendance at the October 11 Executive Committee meeting, and October 12 at the MSWD Board meeting.

President Ortega noted his attendance at the October 4 State Water Resources Control Board meeting, and the October 11-13 ACWA Regions 6 & 7 event. He then reminded everyone that this Saturday is the Coachella Valley Garden Day event at the UCR campus in Palm Desert from 8:00 a.m. – 2:00 p.m.

Secretary-Treasurer McKenna noted receiving a letter from a rate payer on artificial turf and how the Agency includes it in its rebate program, and its environmental impact. He requested staff to research and see whether it should be included in the rebate program. He then discussed California water use.

Directors Comments/Requests

Vice President Bowman concurred with Secretary-Treasurer McKenna on his thoughts about California water use. He then requested that the Financial Highlights for the Secretary-Treasurers report be included with the agenda packet.

At 9:05 a.m., President Ortega convened into Closed Session for the purpose of Conference with Legal Counsel, (A) Existing Litigation, Pursuant to Government Code Section 54956.9 (d) (1), Mission Springs Water District vs. Desert Water Agency; (B) Existing Litigation, Pursuant to Government Code Section 54956.9 (d) (1), AT&T vs. County of Riverside; (C) Conference with Legal Counsel, Possible Intervention in Existing Litigation, Pursuant to Government Code Section 54956.9 (d) (4), Southern California Edison vs. California State Board of Equalization, et al; and (D) 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).

Closed Session:

- A. Existing Litigation – MSWD vs. DWA, et al
- B. Existing Litigation - AT&T vs. County of Riverside
- C. Possible Intervention in Existing Litigation – So. Cal. Edison vs. CA State Board of Equalization, et al
- D. Existing Litigation – ACBCI vs. CVWD, et al. (2 Cases)

At 9:20 a.m., President Ortega reconvened the meeting into open session and announced there was no reportable action.

Reconvene – No
Reportable Action

In the absence of any further business, President Ortega adjourned the meeting at 9:21 a.m.

Adjournment

Sylvia Baca
Assistant Secretary of the Board

DRAFT

Minutes
Conservation & Public Affairs Committee
October 31, 2023

Directors Present: Paul Ortega, Steve Grasha
Staff Present: Mark Krause, Steve Johnson, Melinda Weinrich
Consultant Present: Ashley Metzger
Public Present: Steve Nichols

Call to Order

1. Public Comments - None

2. Discussion Items

A. Palm Springs Visitors' Center Presentation

Steve Nichols, representing the Chino Cienega Foundation provided a presentation on the history of the tram, the visitor center, and the old gas station on the property off Highway 111. He also presented plans to expand the visitor center to include DWA and other local organizations. He indicated that his foundation had hired a consultant to develop a Specific Plan for the project and that DWA would be a stakeholder in the planning development process. DWA staff will be working on a proposal of how they see the Agency participating in the expansion and creating interactive displays to tell the story of water in Palm Springs. Mr. Nichols requested a letter of support from the Agency. Staff will be working on a draft letter of support to be reviewed by the committee.

B. Conservation Program Appeals Process

Staff and Consultant Metzger presented various policy options to the Committee regarding the appeals process for conservation programs, specifically the grass removal program. The focus of options was to keep a fair and streamlined process. Staff was directed to send this item to the Executive Committee to further solidify the most agreeable process for all appeals including conservation appeals.

C. Non-functional Turf Prohibition (AB 1572)

Staff and Consultant Metzger reviewed the key components of AB 1572 and the timeline for enforcement over the various customer sectors. The Committee directed Staff to continue following AB 1572 progression and review the plan of action that other water suppliers are planning. Chair Ortega recommended speaking with the City to determine what efforts are being made to meet this upcoming regulation.

D. Artificial Turf Discussion

The Committee discussed information on the current incentive program and participation of projects that included artificial turf in grass removal projects. Consultant Metzger noted that approximately 15% of the projects included some portion of artificial turf and that Staff can put together specific statistics on the total square feet of artificial turf approved

in the past year, and how many projects this included. The Committee requested that staff agendaize this issue for a committee meeting when program requirements are reviewed for the next Fiscal Budget.

E. Flag Discussion

The Committee discussed the current process the Agency has regarding its selection in supporting community organizations. This included flying flags, logo adjustments and social media posts. General Manager Krause and Consultant Metzger were tasked with putting together a procedure and protocol in determining DWA's participation and support within the community so that it is neutral, fair, and inclusive to the rate payers.

Adjourn

Executive Committee Meeting Minutes
November 2, 2023

Directors Present: Paul Ortega, Jeff Bowman
Staff Present: Mark Krause, Steve Johnson, Esther Saenz, Sylvia Baca,
Jamie Hoffman

Call to Order

1. Public Comments - None

2. Discussion Items

A. Review Agenda for November 7, 2023 Board Meeting

The proposed agenda for the November 7, 2023 meeting was reviewed.

Adjourn

State Water Contractors Meeting

October 19, 2023

I. COMPLETED LITIGATION MATTERS

- (a) Butte County Spillway Case
 - DA sought statutory penalties for illegal discharge of material into the river
 - Court determined that statute applies to “persons” and DWR not a person
- (b) FERC Relicensing Case
 - Court ruled in favor of DWR that environmental document is sufficient

II. SWP WATER SUPPLY

- (a) Strong El Nino Condition in the Pacific Ocean
 - Often results in a wet winter
- (b) Short term outlook relatively dry
 - Very early in the water year, however
- (c) Current releases from Oroville are to meet outflow requirements in the Delta
 - Releases to be reduced on November 1 when outflow requirements are less
- (d) All State reservoir levels are well above average
 - SWP share of storage in San Luis Reservoir at 770,000 AF
- (e) Exports from the Delta currently at 1,700 cfs

III. BOARD ACTION ITEM

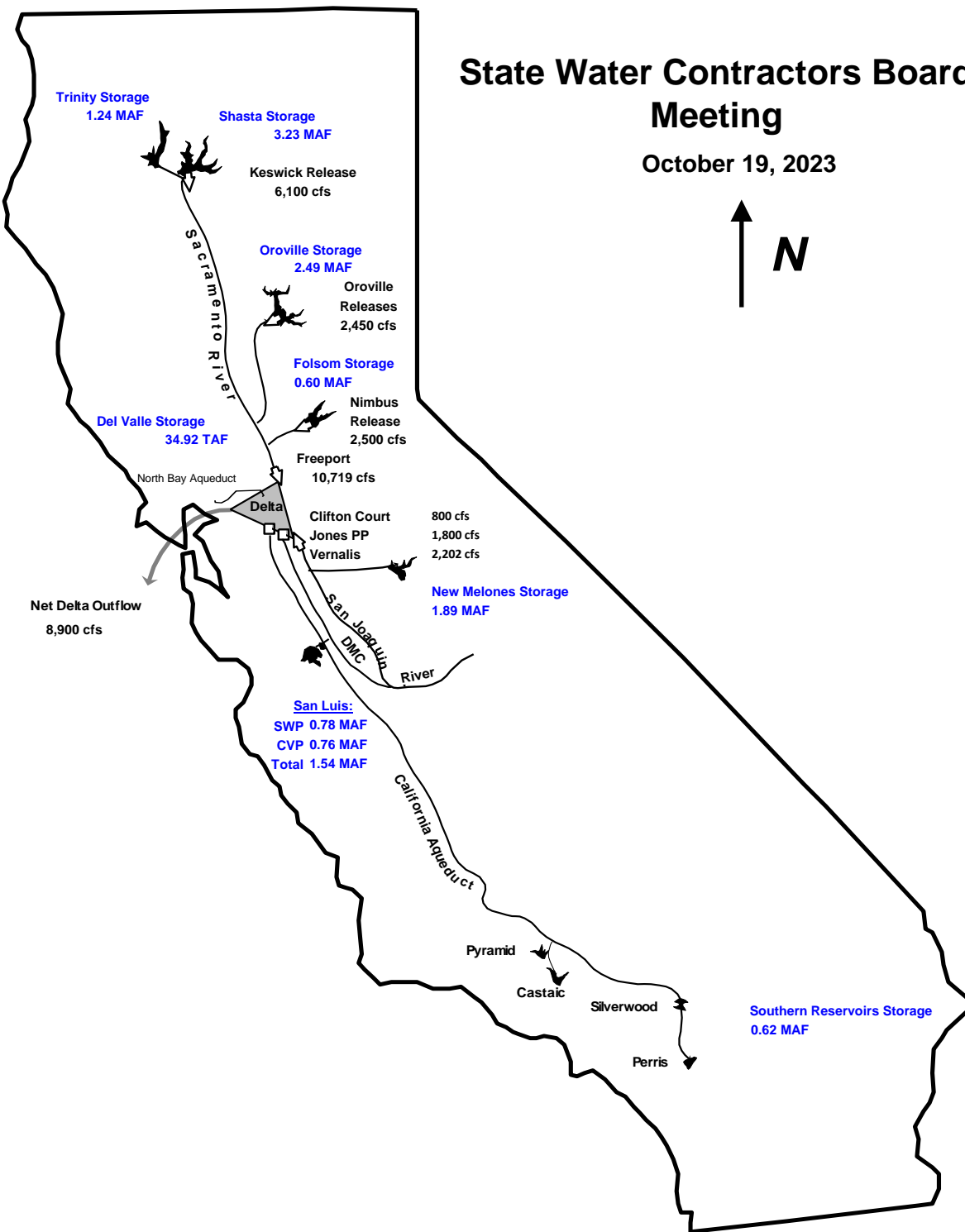
- (a) \$30,000 Contribution to Voluntary Agreement Fund
 - Helps fund efforts to reach agreement on Delta Water Quality Control Plan issues
 - Expect similar contributions from other stakeholders

IV. GENERAL MANAGER’S REPORT

- (a) Cost Share Agreement with Bureau of Reclamation re Sisk Dam
 - Sisk is one of the dams at the San Luis Reservoir
 - Bureau will contribute \$500 Million for seismic repairs
- (b) Juneteenth now a recognized State holiday
 - Commemorates emancipation of slaves in the US

State Water Contractors Board Meeting

October 19, 2023

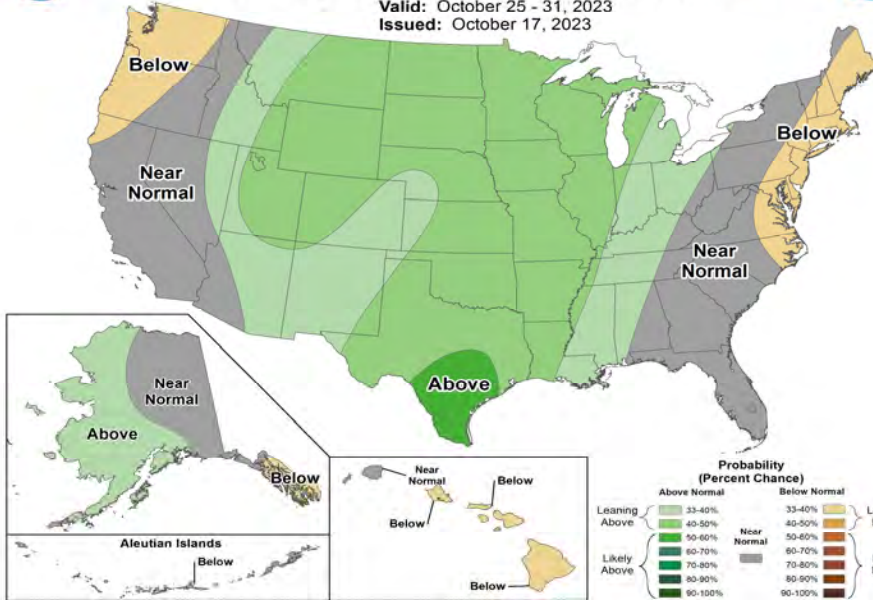


Precipitation Outlooks



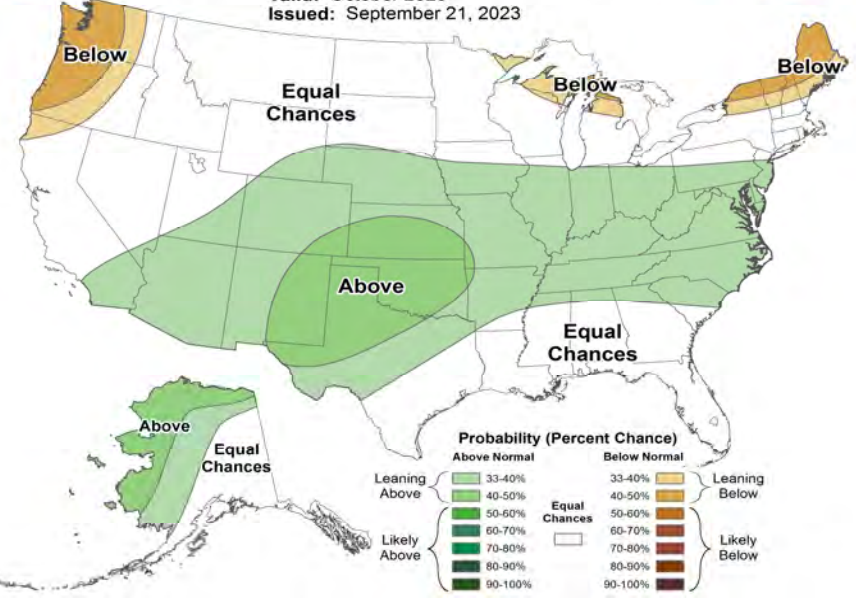
8-14 Day Precipitation Outlook

Valid: October 25 - 31, 2023
Issued: October 17, 2023



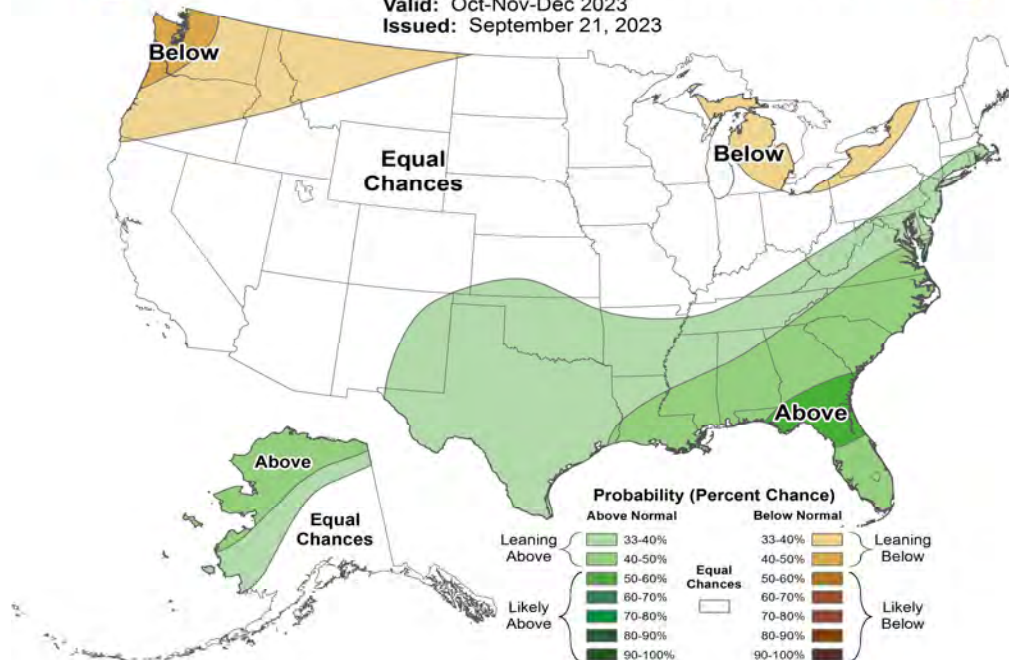
Monthly Precipitation Outlook

Valid: October 2023
Issued: September 21, 2023



Seasonal Precipitation Outlook

Valid: Oct-Nov-Dec 2023
Issued: September 21, 2023

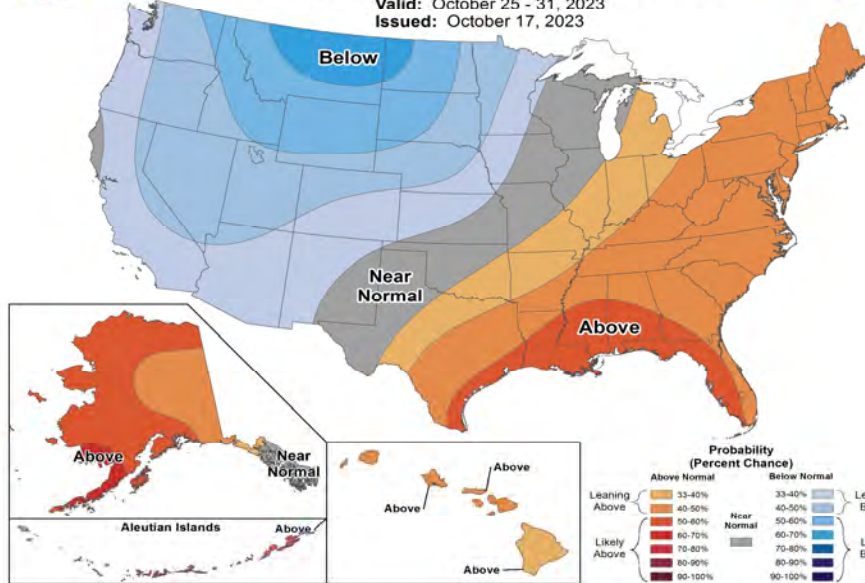


Temperature Outlooks



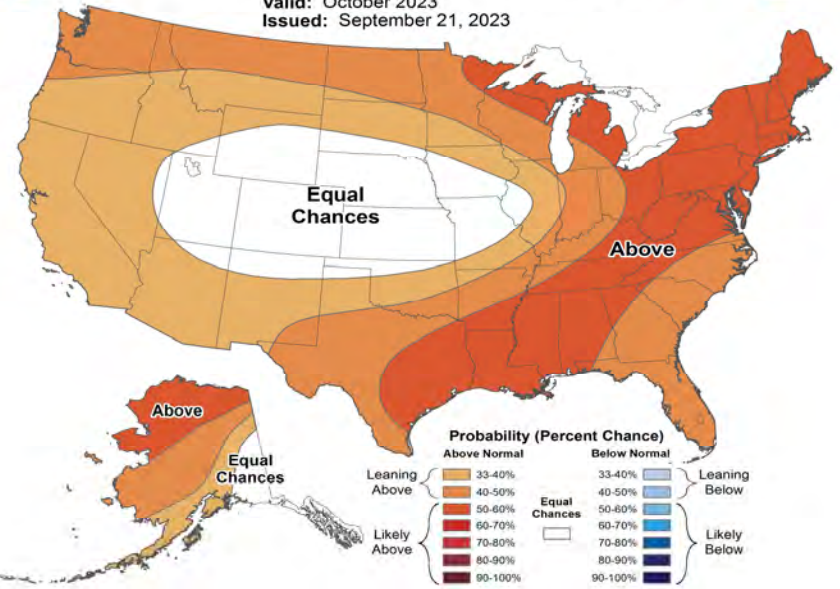
8-14 Day Temperature Outlook

Valid: October 25 - 31, 2023
Issued: October 17, 2023



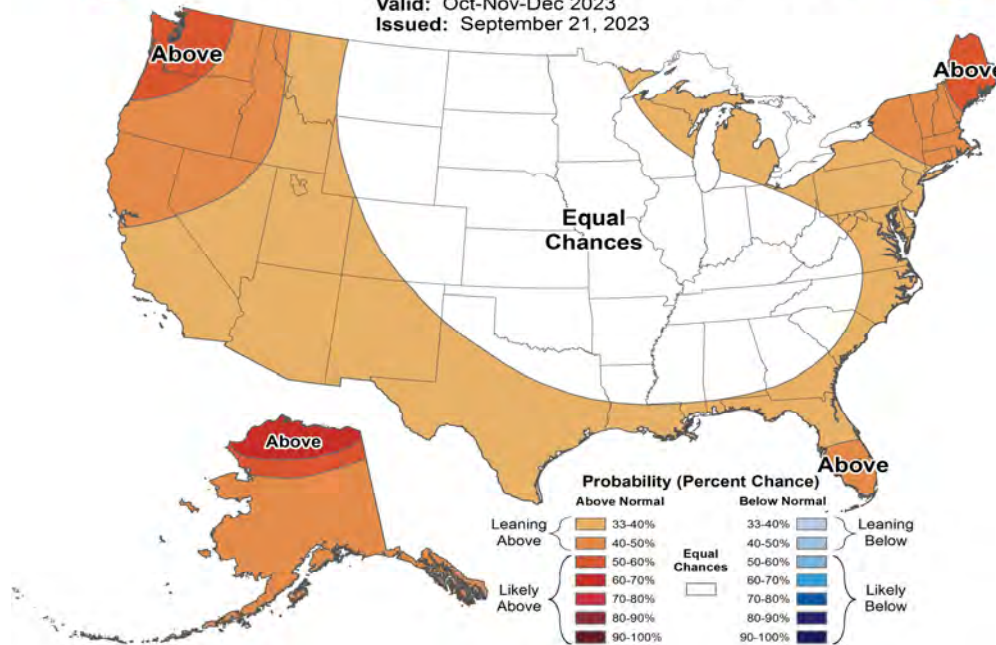
Monthly Temperature Outlook

Valid: October 2023
Issued: September 21, 2023



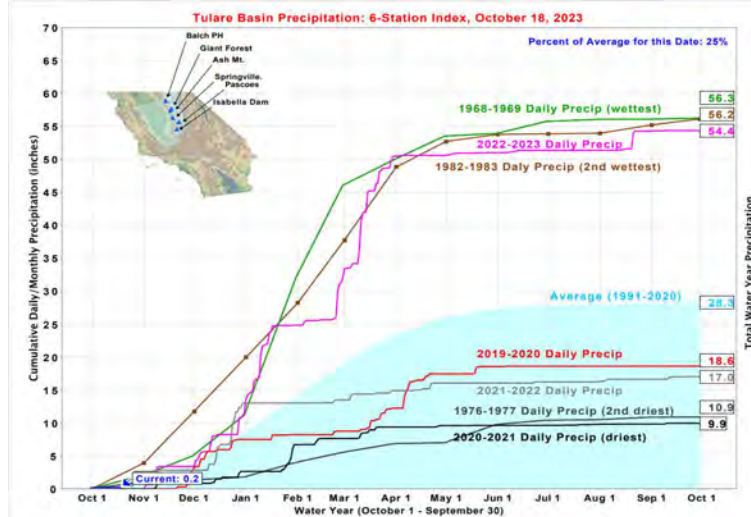
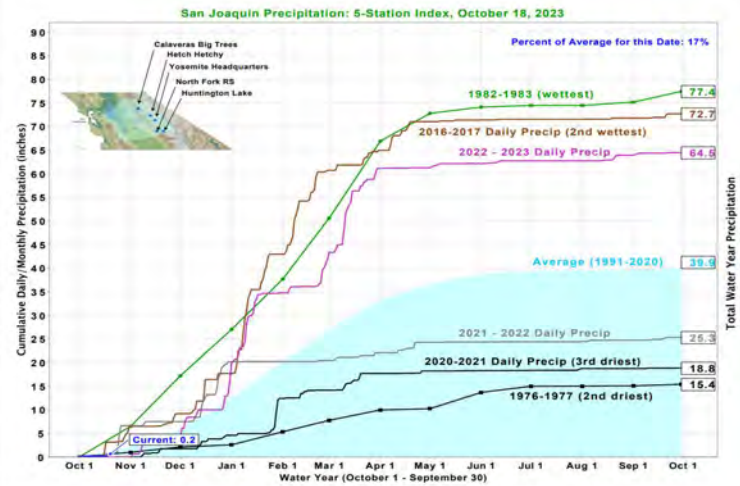
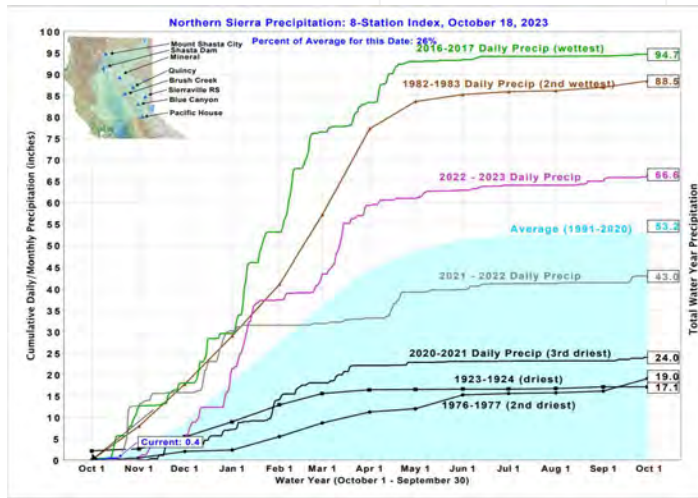
Seasonal Temperature Outlook

Valid: Oct-Nov-Dec 2023
Issued: September 21, 2023



Statewide Precipitation Conditions as of 10/18/2023

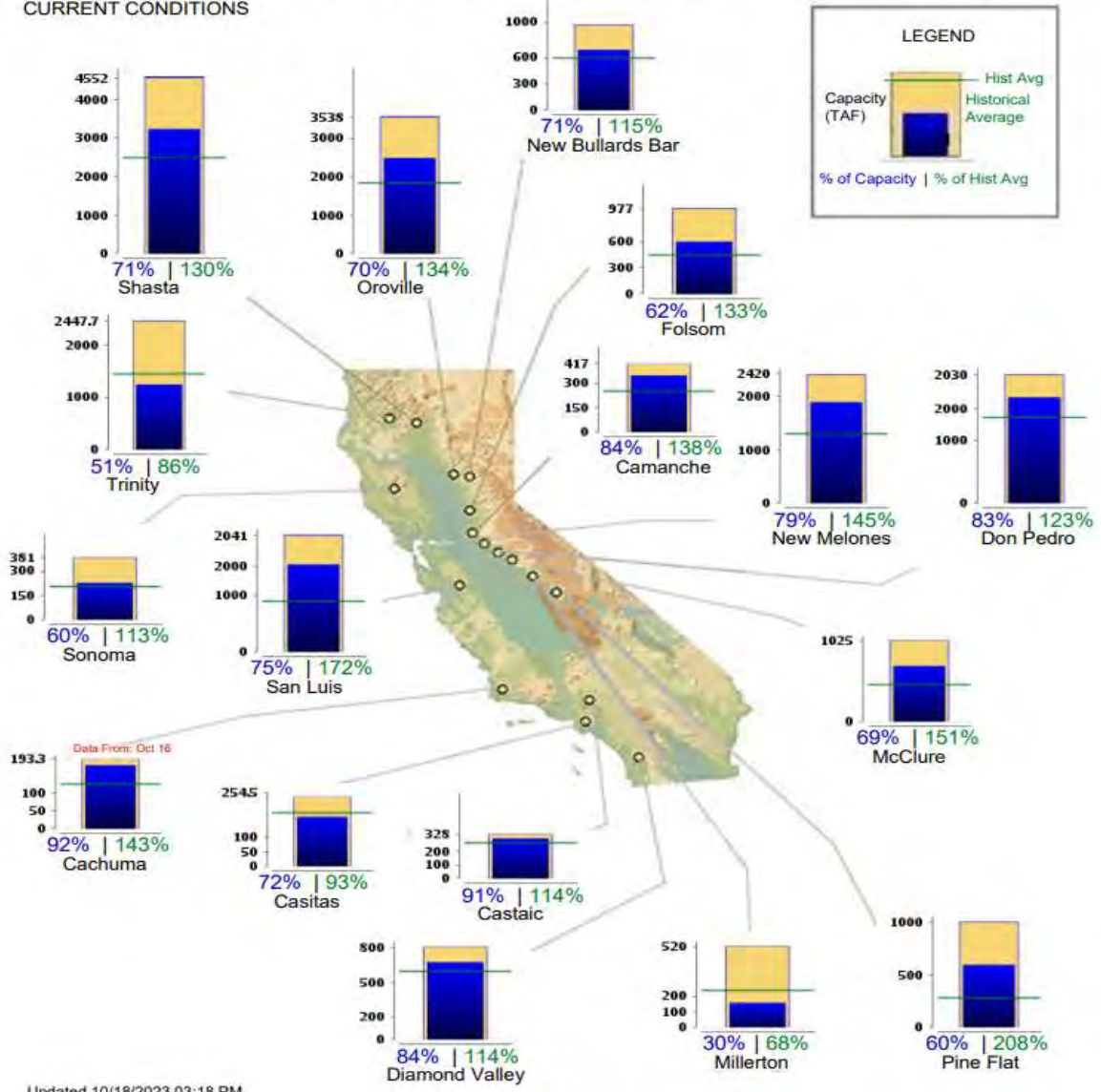
	Northern Sierra 8-Station Index inches (%)	San Joaquin 5-Station Index inches (%)	Tulare Lake 6-Station Index inches (%)
October	0.4" (14%)	0.2" (9%)	0.2" (16%)
Season-to-Date	0.4" (26%)	0.2" (16%)	0.2" (28%)
WY Average	53.2" (0%)	40.0" (0%)	29.3" (4%)





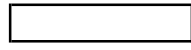
CALIFORNIA MAJOR WATER SUPPLY RESERVOIRS
CURRENT CONDITIONS

Midnight - October 17, 2023



Updated 10/18/2023 03:18 PM

	Storage (TAF)	% Average
Shasta	3,231	130%
Oroville	2,489	134%
Folsom	429	133%
San Luis	1,539	172%



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

NOVEMBER 7, 2023

**RE: REQUEST AUTHORIZATION TO PUBLISH NOTICE OF
DISPOSITION OF ACCUMULATED UNCLAIMED MONEY AND
TRANSFER UNCLAIMED MONIES TO THE OPERATING FUND**

Attached for the Board's review is a listing of individuals and business entities to whom the Agency has issued checks that have been returned to the Agency as undeliverable. Over time, the Operating Fund has accumulated these returned payments as a result of refunds issued on closed water and sewer accounts, work order refunds and other payments where the payee could not be located.

Since November 2013, the last time the Board authorized Staff to perform a similar transfer, the amount of unclaimed money three years and older has accumulated to a total of \$68,580.70.

Government Code Sections 50050-50056 allow the Agency to make this transfer and it specifies that the money must have remained unclaimed on the Agency's books for a period of three or more years, and before a transfer to general use can take place, the Board of Directors must authorize such transfers and appropriate notice be given in a local newspaper. Upon authorization from the Board, Staff will fulfill the public notice requirement and a claimant will have at least 45 days, and no more than 60 days, from the first publication date to file a verifiable claim for amounts of \$15 or more. All claims submitted will be reviewed and verified by Staff.

The attached listing will be posted to the Agency's website for public access along with the Unclaimed Money Claim Form.

Fiscal Impact:

If no claims are filed, the Operating Fund will realize an increase of miscellaneous revenue in the amount of \$68,580.70. If verifiable claims are filed within the filing period, the amount will decrease by the amount of the verifiable claims.

Legal Review:

Legal Counsel has reviewed this report.

Recommendation:

Staff recommends the Board of Directors authorize Staff to publish notice of disposition of unclaimed monies and transfer unclaimed monies meeting the requirements of Government Code Sections 50050-50056 to the Operating Fund for general use, after appropriate public notice, required waiting period, review and processing of verifiable claims.

Attachments:

1. Listing of Unclaimed Money
2. Draft Unclaimed Money Claim Form

DESERT WATER AGENCY
Unclaimed Refunds/Deposits
 3 Years or Older

Date [Mo/Yr]	Name	Type	GL	Amount
	Deposits under \$15 and Unknown Depositors		22615 \$	2,468.48
05/12	Barbara Woods	Stale Dated Check	22615 \$	15.15
01/11	John Wrischnick	Stale Dated Check	22615 \$	15.30
01/19	Arturo Ramirez	Stale Dated Check	22615 \$	15.47
01/15	Jay Aryale	Stale Dated Check	22615 \$	15.94
09/16	Hassan Assi	Stale Dated Check	22615 \$	16.17
05/14	Von Bramlett	Stale Dated Check	22615 \$	16.40
08/11	Larry Hughes	Stale Dated Check	22615 \$	16.86
11/18	Donald Meyer	W/B Refund	22615 \$	16.91
05/16	Daniel Mc Closkey & Fran Hughes	Stale Dated Check	22615 \$	17.12
04/11	Steve Lippman	Stale Dated Check	22615 \$	17.30
11/14	Brien Paterno	Stale Dated Check	22615 \$	17.69
09/15	Basel Investors Inc	Stale Dated Check	22615 \$	18.15
01/11	Tashana Bednar	Stale Dated Check	22615 \$	18.27
10/13	Dos Palmas Development	Stale Dated Check	22615 \$	18.61
01/11	Deborah Townsend	Stale Dated Check	22615 \$	18.88
10/11	Brindi Barnett	Stale Dated Check	22615 \$	18.94
10/16	Joan Archibald Davis	W/A Deposit	22615 \$	19.20
11/12	Stacy Bonne	Stale Dated Check	22615 \$	19.25
11/12	Chase & Melody Welmas	Stale Dated Check	22615 \$	19.75
01/11	Scott Syverson	Stale Dated Check	22615 \$	20.07
05/12	Keller Williams Realty	Stale Dated Check	22615 \$	20.16
01/15	George & Kay Beier	Stale Dated Check	22615 \$	20.94
11/12	Dr Karen Miller	Stale Dated Check	22615 \$	20.96
02/13	Edwina Williams	Stale Dated Check	22615 \$	21.08
08/17	David Billington	Stale Dated Check	22615 \$	21.26
01/11	Vincenzo Amodeo	Stale Dated Check	22615 \$	21.41
03/11	June Reyno	Stale Dated Check	22615 \$	21.84
01/11	EB Investments	Stale Dated Check	22615 \$	22.45
05/16	Maria Serratos De Lara	Stale Dated Check	22615 \$	22.66
05/16	Gallagher Revokable Trust	Stale Dated Check	22615 \$	22.77
05/12	Brian Burnham	Stale Dated Check	22615 \$	23.34
07/13	Tia Chen International Inc	Stale Dated Check	22615 \$	23.94
09/19	Timothy Jones	W/B Refund	22615 \$	24.37
05/14	Tom Stanley	Stale Dated Check	22615 \$	25.11
12/14	Robert James	Stale Dated Check	22615 \$	25.44
01/11	Benjamin Anglin	Stale Dated Check	22615 \$	26.04

DESERT WATER AGENCY
Unclaimed Refunds/Deposits
 3 Years or Older

Date [Mo/Yr]	Name	Type	GL	Amount
01/11	Jonathan King	Stale Dated Check	22615 \$	26.29
06/12	John Long & Raymond Sheelen	Stale Dated Check	22615 \$	26.32
01/11	Airgas Safety	Stale Dated Check	22615 \$	26.79
05/16	Arthur Pleshek	Stale Dated Check	22615 \$	26.83
04/11	Daidys Welsh	W/B Refund	22615 \$	26.86
05/17	Jeoff Mcintosh	Stale Dated Check	22615 \$	27.03
02/13	Letichia Frazer	Stale Dated Check	22615 \$	27.38
04/11	Esther Juan & Aurelio Alonza	Stale Dated Check	22615 \$	28.19
04/17	Orisel Brian	Stale Dated Check	22615 \$	28.90
03/12	New Era Investments	Stale Dated Check	22615 \$	29.72
04/18	Jon & Patricia Merriam	Stale Dated Check	22615 \$	30.00
08/17	Carson & Frey Robb	Stale Dated Check	22615 \$	30.06
04/19	Emma Morales	Stale Dated Check	22615 \$	30.88
02/13	Mark Smelzer	Stale Dated Check	22615 \$	31.61
08/17	Poinciana Point	Stale Dated Check	22615 \$	31.92
10/18	Jose Perez	Stale Dated Check	22615 \$	32.44
09/16	Pelican Capital Group	Stale Dated Check	22615 \$	32.50
12/14	Calogero Augello	Stale Dated Check	22615 \$	32.83
04/18	Lloyds Bank PLC	Stale Dated Check	22615 \$	33.06
04/18	Wilmington Trust	Stale Dated Check	22615 \$	33.06
01/13	Bonnie Schoor & Terry Fraser	Stale Dated Check	22615 \$	33.37
05/16	Omar Haddedov	Stale Dated Check	22615 \$	33.87
05/12	David Short & Mark Sierak	Stale Dated Check	22615 \$	33.92
08/17	Bruce Urena	Stale Dated Check	22615 \$	34.10
08/17	Reina Ortiz	Stale Dated Check	22615 \$	34.62
08/17	Alliance Capital	Stale Dated Check	22615 \$	35.20
04/11	Justin Monson	Stale Dated Check	22615 \$	35.34
02/13	Keller Williams	Stale Dated Check	22615 \$	35.52
08/17	Murrel & Carolyn Crump	Stale Dated Check	22615 \$	37.15
04/12	Barbara Rago	Stale Dated Check	22615 \$	37.28
12/11	Manuel Torres	Stale Dated Check	22615 \$	37.81
08/17	CMS Inv	Stale Dated Check	22615 \$	38.08
09/13	Daniel Marty	Stale Dated Check	22615 \$	38.40
05/12	Esquire	Stale Dated Check	22615 \$	38.40
05/12	Thomas Sterns & Hugh Maguire	Stale Dated Check	22615 \$	38.72
05/12	Fred Dallal	Stale Dated Check	22615 \$	39.19
10/13	Jody Kelly	Stale Dated Check	22615 \$	39.50

DESERT WATER AGENCY
Unclaimed Refunds/Deposits
 3 Years or Older

Date [Mo/Yr]	Name	Type	GL	Amount
05/11	LPS Field Services	Stale Dated Check	22615 \$	39.68
02/13	Mack Jones	Stale Dated Check	22615 \$	39.96
04/18	Butterfly Block Party	Stale Dated Check	22615 \$	40.00
08/17	P Tai Spendly	Stale Dated Check	22615 \$	40.49
04/19	Michael Dekruif	Stale Dated Check	22615 \$	41.23
03/11	James Tyler	Stale Dated Check	22615 \$	41.48
05/12	Yesenia Vega	Stale Dated Check	22615 \$	41.80
02/13	BAC Field Services	Stale Dated Check	22615 \$	41.82
01/11	Craig Desedle	Stale Dated Check	22615 \$	42.10
10/18	Dora Salgado	Stale Dated Check	22615 \$	43.22
09/16	Carol Ferris	Stale Dated Check	22615 \$	43.90
08/17	Christopher Whitham	Stale Dated Check	22615 \$	44.47
10/18	Blue Heaven	Stale Dated Check	22615 \$	45.24
09/18	Shari Cobb	Stale Dated Check	22615 \$	45.58
05/16	Tuscany Showroom	Stale Dated Check	22615 \$	45.66
04/17	Gregory Brenneman	Stale Dated Check	22615 \$	45.70
05/12	BAC Home Loan Servicing	Stale Dated Check	22615 \$	46.28
04/15	Patricia Dean	W/B Refund	22615 \$	46.63
02/17	Kenneth Wys	Stale Dated Check	22615 \$	47.31
01/14	Monaco Invest LLC	W/A Deposit	22615 \$	47.50
04/18	Cathedral City Collective	Stale Dated Check	22615 \$	48.43
02/12	Dewaine Edwards	Stale Dated Check	22615 \$	49.61
05/12	George Batsakes	Stale Dated Check	22615 \$	50.00
01/11	Jessie Rodriguez	Stale Dated Check	22615 \$	50.00
06/11	Emmanuel Manning	W/A Deposit	22615 \$	50.00
06/11	RMS Asset Management	W/A Deposit	22615 \$	50.00
05/13	Robert Imber	W/A Deposit	22615 \$	50.00
05/18	Victoria Colloway	W/A Deposit	22615 \$	50.00
05/15	Homer Rivera	W/B Refund	22615 \$	50.00
12/11	James Hughes & James Mitsuda	W/B Refund	22615 \$	50.00
05/11	M&S Fotoohi & Micasso Group	Stale Dated Check	22615 \$	50.03
11/12	Joe Hanna & Sam Bianco	Stale Dated Check	22615 \$	51.68
04/19	Stephen Smith	Stale Dated Check	22615 \$	52.52
09/11	Revest LLC	Stale Dated Check	22615 \$	54.42
05/16	Heming & Johnson Prop Mgmnt	Stale Dated Check	22615 \$	55.00
04/19	Stillman Pacific	Stale Dated Check	22615 \$	55.00
12/14	Ulysses & Kayla Marroquin	Stale Dated Check	22615 \$	55.00

DESERT WATER AGENCY
Unclaimed Refunds/Deposits
 3 Years or Older

Date [Mo/Yr]	Name	Type	GL	Amount
05/15	Ulysses & Kayla Marroquin	Stale Dated Check	22615 \$	55.00
05/15	Ulysses & Kayla Marroquin	Stale Dated Check	22615 \$	55.00
12/14	Herbert Bates	Stale Dated Check	22615 \$	55.19
10/13	Patricia Ott Trust	Stale Dated Check	22615 \$	55.96
02/14	John Swarts	W/B Refund	22615 \$	56.44
11/16	FS Property Investment	Stale Dated Check	22615 \$	60.18
01/11	C Rogers	Stale Dated Check	22615 \$	62.09
10/18	Martin MacDonald	Stale Dated Check	22615 \$	62.27
05/16	Antimite Associates	Stale Dated Check	22615 \$	65.06
07/18	Neil Stenzel	W/A Deposit	22615 \$	65.42
01/11	EB Investments	Stale Dated Check	22615 \$	66.03
06/13	Barry London	Stale Dated Check	22615 \$	68.05
05/16	Mark Godson	Stale Dated Check	22615 \$	68.20
02/13	Riojer Valmy	Stale Dated Check	22615 \$	69.01
10/18	Allan Joy	Stale Dated Check	22615 \$	69.78
08/17	Robert Sossa	Stale Dated Check	22615 \$	74.68
03/17	Jasmine & Chad Jarred	Stale Dated Check	22615 \$	75.00
07/16	Jasmine & Chad Jarred	Stale Dated Check	22615 \$	75.00
08/16	Jasmine & Chad Jarred	Stale Dated Check	22615 \$	75.00
04/15	Kiumarz Mazaheri	W/B Refund	22615 \$	77.20
05/15	Ignacio Bruno	Stale Dated Check	22615 \$	78.26
08/11	Department of Public Health	Stale Dated Check	22615 \$	80.00
01/17	Tyler Smith	Stale Dated Check	22615 \$	83.02
05/14	Richard Gross	Stale Dated Check	22615 \$	84.80
12/14	J Dale Mill;er	Stale Dated Check	22615 \$	85.93
01/11	Maryann Samuelson	Stale Dated Check	22615 \$	87.59
03/15	Barbara Beck	Stale Dated Check	22615 \$	90.48
03/18	Joseph Playan	Stale Dated Check	22615 \$	92.20
11/11	Diversified Realty	Stale Dated Check	22615 \$	92.43
08/17	William Frazee	Stale Dated Check	22615 \$	94.05
09/18	Ray Cochran	Stale Dated Check	22615 \$	95.78
03/15	James Rossi	Stale Dated Check	22615 \$	97.10
04/19	Rugdery	Stale Dated Check	22615 \$	99.00
05/18	John Drew	Stale Dated Check	22615 \$	100.00
01/19	Daniel Rodriguez	W/A Deposit	22615 \$	100.00
09/18	Lavonna Urban	W/A Deposit	22615 \$	100.00
09/20	Thomboy Properties,Inc	W/A Deposit	22615 \$	100.00

DESERT WATER AGENCY
Unclaimed Refunds/Deposits
 3 Years or Older

Date [Mo/Yr]	Name	Type	GL	Amount
10/20	Richard Carmona	W/A Deposit	22615 \$	100.00
10/11	George Ligar 11	Stale Dated Check	22615 \$	104.26
10/11	California State University	Stale Dated Check	22615 \$	110.00
04/18	Modlin Homes LLC	Stale Dated Check	22615 \$	112.72
08/17	EP Avirso & M Mackinnon	Stale Dated Check	22615 \$	118.05
11/18	SCVPP Properties LLC	Stale Dated Check	22615 \$	118.46
11/18	Refund FH Meter	Stale Dated Check	22615 \$	126.36
05/15	Harry Breslau	Stale Dated Check	22615 \$	128.35
08/17	Aaron Freeman	Stale Dated Check	22615 \$	134.57
11/12	BAC Field Services	Stale Dated Check	22615 \$	134.61
05/15	C&J Glazier & C&J Cook	Stale Dated Check	22615 \$	148.53
10/16	Jasmine & Chad Jarred	Stale Dated Check	22615 \$	150.00
05/18	Larry Parks	W/A Deposit	22615 \$	150.00
01/19	Joseph Hlavac	Stale Dated Check	22615 \$	160.45
02/16	The Cove @ Palm Springs	W/A Deposit	22615 \$	207.89
04/19	Tim Holmes	Stale Dated Check	22615 \$	221.42
10/18	David Dunn	Stale Dated Check	22615 \$	226.16
11/18	Star Escrow INC	Stale Dated Check	22615 \$	254.05
08/17	Palm Springs Disposal	Stale Dated Check	22615 \$	274.63
08/17	Palm Ridge	Stale Dated Check	22615 \$	296.71
05/14	Stan Jacobs	Stale Dated Check	22615 \$	315.63
08/17	Bankside LLC	Stale Dated Check	22615 \$	320.17
09/19	Escenca Toll	Stale Dated Check	22615 \$	422.50
12/14	Raul Villalobos	Stale Dated Check	22615 \$	490.50
05/16	Randolph Compagna	Stale Dated Check	22615 \$	522.00
04/20	Douglas Ward	Stale Dated Check	22615 \$	523.93
02/16	Lennar Homes	W/A Deposit	22615 \$	617.90
11/18	Manyat J Wong	Stale Dated Check	22615 \$	664.00
08/17	Circo Caballero	Stale Dated Check	22615 \$	984.09
05/14	Via Escuela Land Partners	Stale Dated Check	22615 \$	2,728.00
08/03	Ashbrook Communities	W/B Deposit	22615 \$	4,140.00
02/06	Cal Fund Control Tahiti Partners	W/B Deposit	22615 \$	11,460.00
04/07	O&M LLC / Delano Project/Nexus	Stale Dated Check	22615 \$	33,105.00
Total				\$ 68,580.70

Unclaimed Money Claim Form

Desert Water Agency has published a listing of unclaimed money as of [MONTH DD, 20YY] and the period to submit a claim will end on [MONTH DD, 20YY].

Pursuant to California Government Code Section 50052, I wish to file a claim for the unclaimed funds in the amount of \$ _____ published in The Public Record, an adjudicated publication in the Coachella Valley.

- ☐ I am the payee listed on your website.
☐ I am an heir of the deceased payee listed on your website.
☐ I am an agency/officer of the business listed on your website.

The grounds on which I file this claim are:

Customer/Vendor Information

** = Required*

Name * <hr/> <small><i>Last Name, First Name or Vendor Name</i></small> DWA Service Address (customer only *) <hr/> <small><i>Street</i></small>	DWA Account Number <hr/>
<hr/> <small><i>City</i></small>	<hr/> <small><i>State</i></small>
<hr/> <small><i>Zip</i></small>	

Claimant Information

Name <small><i>(if different than customer name)</i></small> <hr/> <small><i>Last Name, First Name</i></small>			Company Name <small><i>(business only *)</i></small> <hr/>	Title <small><i>(business only *)</i></small> <hr/>
Claimant Current Mailing Address * <hr/> <small><i>Street</i></small>			<hr/> <small><i>City</i></small>	<hr/> <small><i>State</i></small>
<hr/> <small><i>Zip</i></small>				

I hereby certify that the above information is true and correct and is being submitted to Desert Water Agency to substantiate my claim to monies paid to the Agency. I further certify that I have the authority and right to claim and receive payment of these monies and if the claim is approved I hereby release the Agency, its directors, employees, representatives, attorneys and agents from all liability and further obligation with respect to this claim.

 Signature of Claimant

 Date

Please submit this completed claim form along with a **copy of the claimant's driver's license** to **Desert Water Agency, Attn: Accounting Supervisor, PO Box 1710, Palm Springs, CA 92263** or by email to jslough@dwa.org no later than **[MONTH DD, 20YY]** with any **supporting documentation**.

FOR AGENCY USE ONLY	
Claim Received: _____ Account Number: _____ Finance Director Review: _____	Approved <input type="checkbox"/> Denied <input type="checkbox"/> Amount: _____ Date: _____

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

NOVEMBER 7, 2023

**RE: REQUEST BOARD AUTHORIZATION TO CONTINUE
EMERGENCY REPAIR WORK AT DWA FACILITIES UNDER
RESOLUTION NO. 1312**

On September 19, 2023, the Board adopted Resolution No. 1312 declaring a local emergency that requires emergency repairs to Agency facilities due to Tropical Storm Hilary. As required by the resolution, the following is an update on the repairs:

DWA crews have completed the following repair work:

- Removed debris and re-graded access road to Whitewater Headworks.
- Excavate and expose 4-inch wellhead at Whitewater facilities.
- Connected new electrical service to 4-inch well pump.
- Replaced damaged discharge pipeline from 4-inch well.
- Removed mud and debris and cleaned concrete settling structure at Whitewater Headworks.

The General Manager has determined that the damage to Agency facilities warrants the continuation of work under a Local Emergency, as outlined in Resolution No. 1312.

Fiscal Impact:

The declaration of work under a Local Emergency does not have a fiscal impact, rather, it allows the Agency to expedite repairs according to the Uniform Public Construction Cost Accounting Act.

Legal Review:

N/A

Attachments:

None

Recommendation:

Staff recommends, as required by Resolution No. 1312, the Board's concurrence that the continued work to repair Agency facilities shall occur under the Board's declaration of a Local Emergency.

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

NOVEMBER 7, 2023

RE: CUSTOMER APPEAL – CHARLES POTTER

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

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

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

The appellant, Charles Potter is appealing his September 2023 water bill for the reason listed:

1. Does not agree with the high bill for September 2023
2. Does not use a lot of water
3. Only 3 elderly people live part time at the residence

Appeal Summary/Procedures:

1. 9/22/23 - Customer filed a dispute of the 9/14/23 bill.
2. 9/25/23 - Staff completed investigation of dispute; determined that bill was correct.
3. 9/25/23 - Staff mailed/emailed the customer results of investigation.
4. 10/3/23 - Customer filed an appeal to the Board.
5. 10/4/23 - Staff mailed/emailed customer notification of appeal date of 10/17/23.
6. 10/5/23 - Customer contacted staff and asked if appeal date can be moved to November; customer was out of town.
7. 10/17/23 – Staff notified customer of new appeal date of 11/07/23.

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

Legal Review:

N/A

Fiscal Impact:

If the Board decides to deny appeal, there will be no fiscal impact. If the Board decides to grant the appeal, the Agency may credit Mr. Potter's account in the amount of \$47.88

Staff Recommendation:

Based on results of re-reads and the field flow test by the Field Services Supervisor, staff recommends that the Board of Directors deny the appeal of Charles Potter.

Attachments:

Attachment #1 – Appeal form

Attachment #2 – Staff Summary/Notes

From: [Desert Water Agency](#)
To: [Appeal](#)
Subject: Desert Water Agency - Bill Appeal
Date: Tuesday, October 03, 2023 11:12:14 AM

Hello,

We just received this bill appeal from the website.

Name: Charles Potter

Email : [REDACTED]

Phone : [REDACTED]

Property Address: [REDACTED], Palm Springs

Date on bill disputing: 09/14/2023

Why disputing your bill? : My family has not been in California at this property since late May 2023. Frankly, all the summer months this year show more usage than the previous year when we were also not in residence. However, this September bill shows I used enough water to fill a swimming pool, 15,708 gallons. I appreciate the employees of the company who have tried to assist me in determining if the meter itself was a problem. Evidently it is not. There is no broken pipe, we have no sprinkler system tied to our meter, we have no pool....just three old people living simply in a home during the winter months. Do we need to, or can we, put a lock on our water supply to assure we are the only people using our water? We need relief and direction. This is not right!

What do you want DWA to do?: {What would you like DWA to do?: 14}

Thank You!

ATTACHMENT #2 (STAFF SUMMARY)

RE: CUSTOMER APPEAL – CHARLES POTTER

The following is a Staff Summary regarding the appeal submitted by Charles Potter:

- The property listed in the appeal is owned by Charles Potter.
- On September 14, the property meter was read by DWA Field Services staff.
- Read was 21 units, 7 times more than the previous month's read of 3 units. This generated a high read warning for the Field Services Supervisor.
- On September 15, Field Services re-read the meter. The meter showed 0 units used from the September 14 read.
- On September 18, after receiving his bill in the mail, Mr. Potter contacted Field Services Supervisor, Garrett Nelson, advising him that nobody has stayed at the property since May, there must be an error and asked to have the meter re-read. Garrett Nelson went to the property that same day and measured 0 units used since the September 14 read.
- On September 22, Mr. Potter emailed a Dispute Letter.
- On September 25, Garrett Nelson performed a field flow test of the meter. The results of the field test indicated 100% accuracy. A customer letter was prepared and mailed and emailed to Mr. Potter the same day. A copy of the letter is provided as part of this attachment.
- On October 3, Mr. Potter filed an official dispute/appeal to the Board.

Paul Ortega, President (Division 4)
Jeff Bowman, Vice President (Division 3)
Gerald McKenna, Secretary-Treasurer (Division 2)
Kristin Bloomer, Director (Division 5)
Steve Grasha, Director (Division 1)

DESERT WATER



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

Charles Potter
[REDACTED]
[REDACTED]

Mailed / emailed
9/25/23

September 25, 2023

RE: WATER BILL DISPUTE
[REDACTED]

Dear Customer,

Thank you for reaching out to us. We understand your concern about your bill and recent spike in water use. We recently read your water meter and noticed that you used much more water than usual this past month. We had a representative go to your property on September 15th and September 18th to confirm the unusually high meter read; however, no motion was found at that time and consumption had returned to normal. We also field tested the meter on September 25th, and the accuracy was 100%.

While Desert Water Agency does not typically issue credits for leaks, we have a new program to help eligible low-income customers that have a high-water bill due to a leak.

Criteria (must meet both):

1. Apply and qualify for either DWA's Help2Others or LIHWAP programs (Details for United Way: www.unitedwayofthedesert.org/help2others (760)323-2731. Details for LIHWAP: (951)955-4900)
2. Had a recent unusually high bill (water use more than 2.5 times your average for that month) and provide proof of a leak repair, Desert Water Agency will credit your bill for the excess water use. (For example, if you qualify for Help2Others and you get a February bill showing 70 units of water and normally use 10 units in February, you can submit your leak repair receipts/invoices and Desert Water Agency will credit you for 60 units of water.)

If you're eligible, please email your receipts/repair invoices to assistance@dwa.org - unfortunately, if you are not eligible, we are unable to offer you assistance.

If you are not satisfied with this solution, please fill out an appeal form (www.dwa.org/appeal) within 10 business days of this letter and our Board of Directors will review your appeal at a public board meeting. If no appeal is submitted, the decision above will be final.

If you have any questions, please feel free to contact me directly at EXT 128.

Sincerely,

Garrett Nelson
Field Service Supervisor

Garrett Nelson

From: Kory Knox
Sent: Monday, September 25, 2023 7:42 AM
To: Garrett Nelson; Priscila Ramirez
Subject: FW: Dispute bill/usage



From: Chuck Potter <chuck.potter@mydwa.org>
Sent: Friday, September 22, 2023 10:49 AM
To: support@mydwa.org
Subject: Dispute bill/usage

You don't often get email from [chuck.potter@mydwa.org](#). [Learn why this is important](#)

My account number is [REDACTED] for a home at [REDACTED] Palm Springs. I have spoken with two DWA employees who told me I must make a dispute over water evidently metered (they checked the meter) that neither I nor anyone in my household used last month. DWA had billed me for 15,708 gallons when the house has been unoccupied since late May of 2023. I have had toilets checked for unintentional runs. I have had outside areas checked for wet spots, soft spots and pooling....there are none. My neighbors on both sides are not in residence either so I'm fairly certain they did not run 15K gallons out.

I object to this billing in the strongest way and ask that someone find a way to correct this billing/usage mess.

I was also told to go onto the DWA website and file a dispute but I find no such form, method nor offering so please accept this email as my complaint/dispute.

Chuck Potter
[REDACTED]

ACCT#
METER#
ERT#
MRID

NAME
ADDRESS
TROUBLE CODE 1
TROUBLE CODE 2

STATUS
SKIP CODE

CUR RD
PRV RD
USAGE

CYCLE/ROUTE:
09000480

COPY

18059453
81364853
402

POTTER, CHARLES

A

62

41

AVG CNS PRV CNS

21

6

0

HI 1

HI 2

NO LETTER

2:32p

No Motion 9.15.23 JB

40399447
81367187
402

A

560

558

AVG CNS PRV CNS

2

5

5

LO 1

LO 1

9/15/23

40399456
81367164
402

A

648

632

AVG CNS PRV CNS

16

0

0

HI 2

HI 2

NO LETTER

2:38p

No Motion 9.15.23 JB

32512083
81367209
402

A

80

79

AVG CNS PRV CNS

1

22

3

LO 2

LO 2

9/15/23

40399455
81367197
402

A

244

214

AVG CNS PRV CNS

30

0

0

HI 2

HI 2

NO LETTER

2:40p

MOTION ON METER 9/15/23 JB

40399431
81368637
402

A

547

547

AVG CNS PRV CNS

0

5

16

LO 2

LO 2

36327760
81366790
402

A

1,185

1,183

AVG CNS PRV CNS

3

6

LO 1

RECEIVED

SEP 18 2023

40588245
81367250
402

A

594

593

AVG CNS PRV CNS

1

2

LO 1

1

9/18/23 DWA RE-READ

NAME: Charles Potter ACCT #: [REDACTED]
 ADDR: [REDACTED] MTR #: [REDACTED]
 PHONE: [REDACTED] ERT #: 81364853
 NO one has been @ the pty since May. RTE #: 48-0
 SVC #: 34466
 SIZE: 1 in.

LOW READ/POSS STK
☒ HI READ / CK FOR MOTION
 POSS UNDER-READ DATE 9/18/23 PRESS RD: 0062
 POSS OVER-READ
 CK FOR NEW MTR/REG CHG DATE 9/14/23 PREV RD: 62

STUCK? MOTION? NB
 HEAD1 :
 HEAD2 :
 CONS : Ø

REMARKS
 COMMENTS No Motion on MTR @ THIS TIME.
LEV W ON POSITION
2FT V.M.

RETURN TO: DATE: RE-READ BY: GAMETT 10:28A

CUST. WILL FILE DISPUTE ONLINE.
 UNSATISFIED WITH HAVING TO PAY FOR WATER
 THE "DID NOT USE" RECOMMENDED TURNING COV OFF
 WHEN OUT OF TOWN.
 GAMETT 9/21/23 12:50PM

0003. 2760
 GAMETT 9/25/23 12:00PM

$\frac{1}{7} \times 30 = 4.28$ AFTER.

0003. 2860 AFTER FIELD TEST 100% ACCURATE.

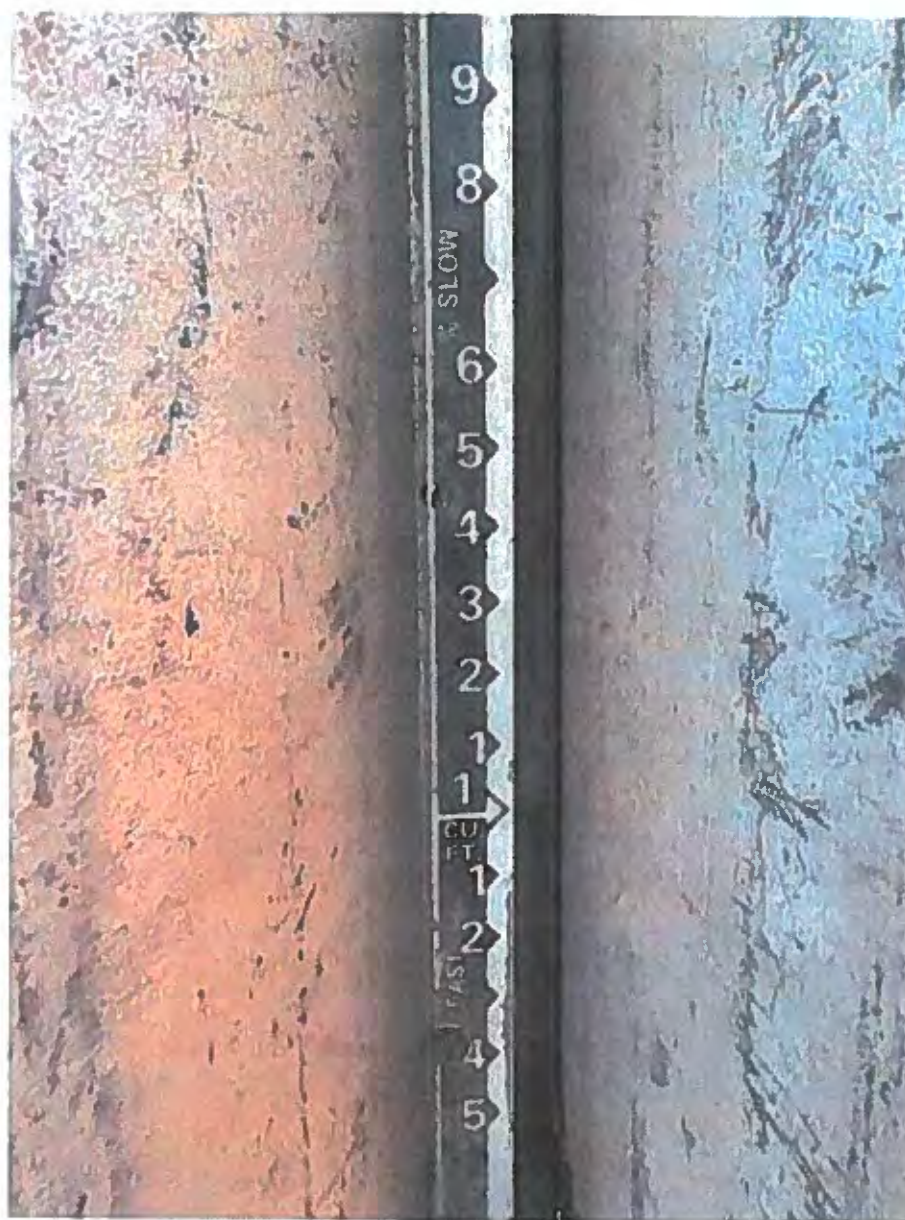
WATER RUNNING FROM FRONT STORM DRAIN. LOOKED TO BE
 FROM CONDENSATION LINE.

Garrett Nelson

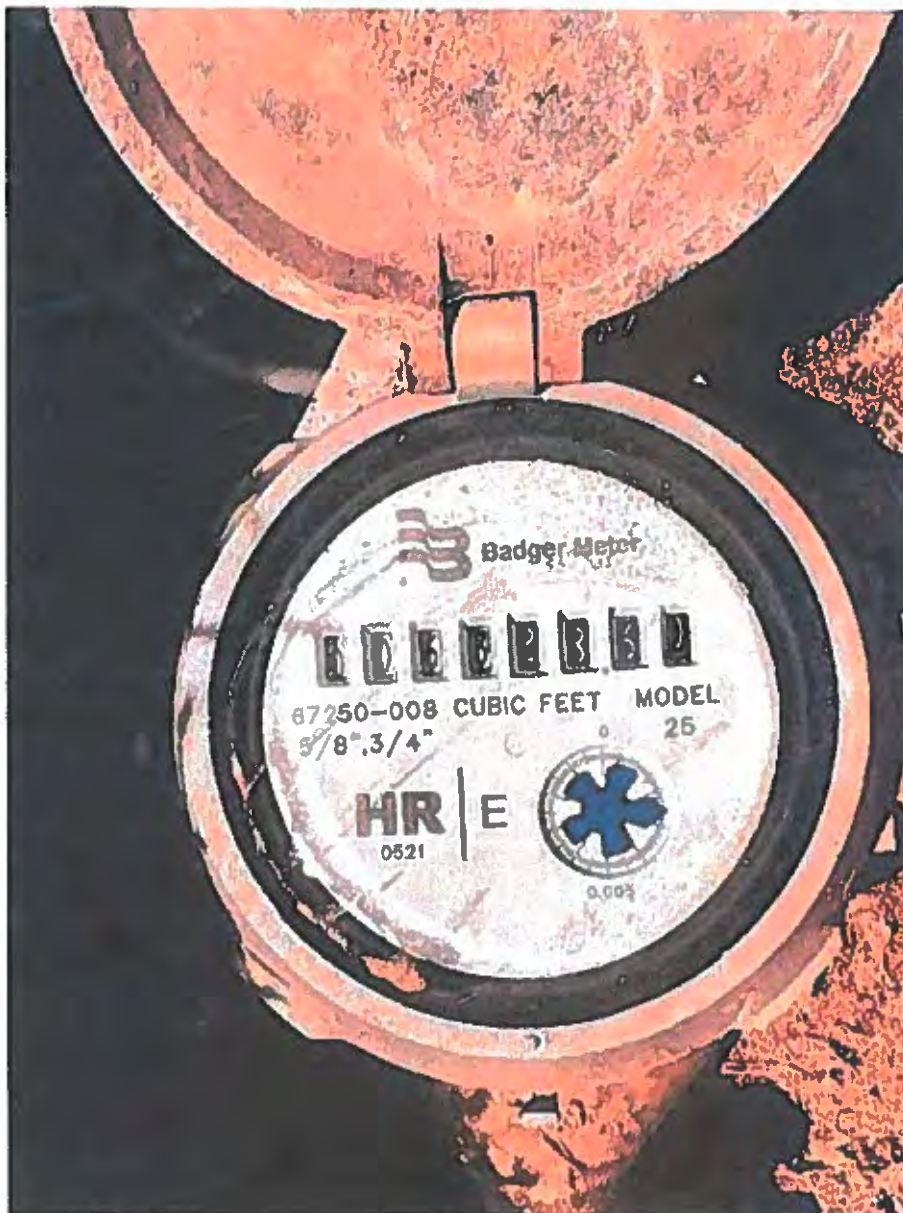
From: Garrett Nelson [REDACTED]
Sent: Monday, September 25, 2023 12:03 PM
To: Garrett Nelson
Subject: [REDACTED]



004 327.60 BEFORE TEST



- 1 CUBIC FEET TANK
FILLED FROM FRONT
HOSE SPINDT.



006328,60
AFTER TEST.

Sent from my iPhone

Office: 1200 S Gene Autry Trail
Palm Springs

Hours: Weekdays: 8 a.m. - 5 p.m.

Inquires: 760-323-4971

Web Site: www.dwa.org



Desert Water Agency
P.O. Box 1710
Palm Springs, CA
92263-1710

CHARLES POTTER

ACCOUNT INFORMATION

Account No:

Service Address:

Read Date: 9/14/2023

Previous Reading: 41 HCF

Current Reading: 62 HCF

Consumption: 21 HCF (15,708 gallons)

100 cubic feet (HCF) = 748 gallons

[bill code: Normal v1]

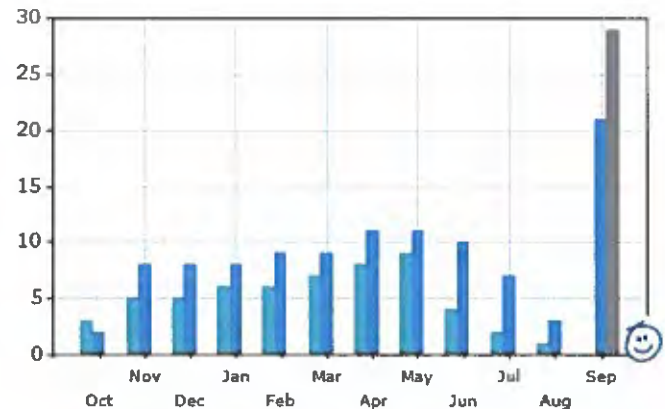
Learn about your water!

Go behind the scenes with DWA. Visit www.dwa.org/tour to join our interest list.

Previous Balance: \$73.62
Payments Received: (\$73.62)
Past Due: \$0.00
Consumption: (21 x \$2.28) \$47.88
Water Service: \$33.53
Sewer: \$33.25
Current Charges: \$114.66
Total Charges Due: \$114.66

PREVIOUS vs. CURRENT USE

How are you doing
on conservation?



Current (HCF)	2	8	8	8	9	9	11	11	10	7	3	21
Previous (HCF)	3	5	5	6	6	7	8	9	4	2	1	0

How do you compare?

You used less than similar customers.

29

100 cubic feet (HCF) = 748 gallons

(return stub below dotted line for payment)



Desert Water Agency
P.O. Box 1710 Palm Springs, CA
92263-1710

RETURN THIS PORTION WITH YOUR CHECK
MADE PAYABLE TO DESERT WATER AGENCY.
PLEASE DO NOT SEND CASH. PLEASE DO NOT STAPLE.

CHARLES POTTER

Account Number:

Payment Due Date: 10/2/2023

Total Amount Due: \$114.66

Amount Enclosed \$

Thank You!

Pay My Bill

Update your Information

(Please pay the total amount due to avoid a \$25 Late Fee)



MEMORANDUM

October 20, 2023

TO: Mark Krause, General Manager and Chief Engineer
Desert Water Agency

FROM: Bob Reeb and Raquel Ayala Vargas, Esq.
Reeb Government Relations, LLC

RE: 2023 Annual Report

This is the 19th year that Reeb Government Relations has had the honor and privilege to work with Desert Water Agency (DWA or Agency) to advance its interests on behalf of Agency customers and taxpayers through state-level legislative and regulatory advocacy in Sacramento.

Our firm provides a full suite of lobbying services and enjoys working with agency staff and the board of directors. During the legislative session, we participate in weekly calls with agency staff and submit weekly legislative status reports to the agency. We value the expertise, advice and comments shared by senior staff in response to our inquiries related to legislation and proposed regulations.

This was the first year of the 2023-24 Regular Session of the Legislature and we are pleased to report that the agency and our firm have enjoyed getting to know Assembly Member Greg Wallis and his staff in this, his first year of service in the California Legislature. Assembly Member Wallis has been responsive to district positions on legislation. We continue to enjoy good working relationships with Senator Seyarto and Assembly Member Garcia and their respective staff.

Desert Water Agency adopted a “2023 Legislative and Regulatory Policy Platform” to help guide advocacy efforts in Washington, D.C. and Sacramento. Policy directives included:

1. Maintain local control of water resources and avoid constraints on operations.
2. Protect DWA's local and imported water supplies
3. Maintain or improve DWA's ability of efficiently conduct business

4. Keep water and tax rates affordable. See external funding for conservation, new projects, and facility improvements.
5. Oppose a water tax or fee and monitor ways in which the state will address water affordability.
6. Engage with the Department of Water Resources and State Water Resources Control Board to ensure urban water use efficiency legislation is implemented in a way that accounts for local circumstances.

Our firm worked with Agency staff and the Board of Directors to identify legislation of interest that could either benefit or harm the interests of the Agency and its customers. Following a meeting with members of the Agency's legislative committee, legislative positions were finalized, and the Board of Directors reviewed and approved positions for the Agency.

A Debt Problem Is, At Its Core, a Budgeting Problem¹

Governor Gavin Newsom introduced his \$296.9 billion state budget proposal on January 10, 2023, with a projected General Fund deficit of \$22.5 billion. To deal with this deficit, the proposed budget initially reduced, delayed, or eliminated several previous spending commitments, including significant investments in mitigating or preparing for the effects of climate change.

The 2021 and 2022 Budget Acts allocated about \$54 billion over five years to advance the state's climate agenda. The Governor's proposed budget slashed this by \$6 billion. About half of the budget cuts, \$3.3 billion, to the state's climate change programs would come from the state's clean transportation initiatives, including programs designed to ramp up zero emission vehicle infrastructure. Still, the governor's initial proposal maintained \$8.6 billion, over multiple years, of previously committed funding to mitigate the impacts of drought and continue to cultivate water resilience throughout the state.

As the year progressed, however, the state's projected budget deficit increased to \$31.5 billion, revealing a more dire fiscal picture for the state. According to the Legislative Analyst's Office, the increasing budget problems were due to a combination of factors, such as decreased revenues, increased baseline spending, and new discretionary spending.

The Governor's May Revision proposed to address the higher deficit through a combination of several fiscal maneuvers, some initially introduced in the January state budget proposal, including:

- Delaying an additional \$695 million in spending (for a total of \$8.1 billion) across the 2021-22 through 2023-24 fiscal years.
- Reducing an additional \$1.1 billion in spending (for a total of \$6.7 billion).
- Shifting an additional \$3.3 billion (for a total of \$7.5 billion) in expenditures from the General Fund to special funds.

- Increasing \$3.7 billion (for a total of \$4.9 billion total) in revenue and borrowing from special funds.
- Withdrawing for expenditure \$450 million from the state's Safety Net Reserve.

The State Budget deficit and uncertain revenue future prompted the Department of Finance, in the Governor's May Revision to write the following:

“Given the ambition and urgency of California’s climate agenda, the Administration remains committed to supporting additional resources to continue to advance the climate and opportunity agenda. As indicated at Governor’s Budget, the Administration is committed to engaging the Legislature in pursuing a climate bond over the coming months. As a result of lower revenue projections and a resulting increase in the budget problem, the May Revision includes an additional \$1.1 billion in General Fund shifts across climate resilience programs. These programs remain a high priority for the Administration and will be included as part of the future climate bond proposal. Specific shifts to the bond include:

- *Water Recycling—\$270 million*
- *Salton Sea Restoration—\$169 million*
- *Community Resilience Centers—\$160 million*
- *Transformative Climate Communities—\$100 million*
- *Regional Resilience Program—\$100 million*
- *Urban Greening—\$100 million*
- *Statewide Parks Program—\$86.6 million*
- *Sustainable Groundwater Management Act Implementation—\$60 million*
- *Dam Safety and Flood Management—\$50 million*
- *Multi-Benefit Land Repurposing—\$20 million*

The Legislature passed a budget bill on June 15, 2023, to meet the constitutional deadline to pass a balanced state budget. Further negotiations ensued between legislative leaders and the governor to reach an agreement on a state budget before the start of the fiscal year on July 1, 2023.

On June 27, 2023, the governor signed the FY 2023-24 state budget, along with 20 budget trailer bills, approving a \$310 billion spending plan. According to the governor and legislative leaders, the budget addressed a \$31.7 billion deficit while maintaining budget reserves through the following actions: \$9.3 billion in spending shifts from the General Fund to other funds; \$8.1 billion in General Fund spending reductions or the elimination of previously approved spending; \$7.9 billion in spending delays; \$6.1 billion in revenue and internal borrowing from special fund balances not projected to be needed for programmatic purposes in FY 2023-24; and \$340 million in reductions that will be restored in the January 2024 governor's state budget proposal should there be sufficient resources.

In 2022, California enacted landmark legislation to advance the Newsom Administration's climate goals of cutting pollution, advancing carbon neutrality,

developing a carbon removal target date for natural and working lands, and accelerating the state's transition to clean energy.

The Newsom Administration has begun those initiatives, and the enacted State Budget includes resources to continue their implementation. According to the Department of Finance, the initiatives and funding include:

- *Nature-Based Solutions—Chapter 341, Statutes of 2022 (AB 1757) outlined a comprehensive portfolio of initiatives that include setting targets, quantifying and reporting progress, updating the state strategy, and engaging with experts, to develop an ambitious range of targets for natural and working lands. The Budget includes \$7.6 million General Fund and Cost of Implementation Account in 2023-24 and \$5 million ongoing to support implementation.*
- *Clean Electric Grid—Chapter 361, Statutes of 2022 (SB 1020) advances new interim clean energy targets for California while increasing community engagement. The bill requires eligible renewable energy resources and zero-carbon resources supply 90 percent of all retail sales of electricity to California end-use customers by December 31, 2035; 95 percent of all retail sales of electricity to California end-use customers by December 31, 2040; and 100 percent of electricity procured to serve all state agencies by December 31, 2035. SB 1020 accelerates Chapter 312, Statutes of 2018 (SB 100) requirements for state agencies by ten years. The Budget includes \$4 million from various funds (General Fund, Cost of Implementation Account, Greenhouse Gas Reduction Fund, and Public Utilities Commission Utilities Reimbursement Account) in 2023-24, and additional ongoing funds, across multiple agencies to support implementation.*
- *Carbon Sequestration—Chapter 359, Statutes of 2022 (SB 905) establishes a framework for capture, utilization, and storage of compressed carbon dioxide and created the Carbon Capture, Removal, Utilization, and Storage Program. The Budget includes \$7.8 million Cost of Implementation Account for the State Air Resources Board (\$3.6 million), Department of Conservation (\$3.7 million), and State Water Resources Control Board (\$280,000) in 2023-24 and ongoing to support implementation.*

The 2021 and 2022 Budget Acts committed \$8.7 billion over multiple years to support drought resilience and response programs to help communities and fish and wildlife avoid immediate impacts from extreme drought, while advancing projects and programs that will improve the state's resilience to future droughts and floods. The enacted State Budget maintains \$8.1 billion (93 percent) of these investments over multiple years in programs and projects to bolster the capacity of communities and ecosystems to endure droughts and floods. The Budget reflects \$632 million in General Fund reductions and \$455 million in delays across various programs.

Legislative climate resilience bond proposals include SB 867 (Allen), AB 1567 (Garcia), and SB 638 (Eggman and Niello). All three measures moved to the opposite house, but failed to advance further. Governor Newsom prioritized a mental health state general obligation bond, which will appear on the March 2024 Primary ballot. The Allen and Garcia bond proposals total about \$16 billion each, while the Eggman and Niello bond sits at \$6 billion (some flood risk reduction funding is included in SB 867 and AB 1567). We believe the three proposals will be combined into one state general obligation bond proposal for placement on the November 2024 General Election ballot, but the total amount will likely be between \$8 and \$10 billion, according to Newsom Administration sources. Recent polling of state voters, however, indicate they are hesitant to support significant issuance of new debt. Our firm has been working with the Agency to convey Agency priorities for state general obligation bond funding, including the State Water Project, integrated regional water management, and urban water use efficiency.

When it Rains, it Pours...²

After three consecutive years of persistent and worsening drought conditions, the state was inundated with multiple atmospheric rivers, causing widespread flooding in several counties earlier this year. These storms set rainfall records, with some locations receiving their annual average rainfall totals in less than a month. Breached levees, overtopped riverbanks, flash floods, mudslides, debris flow, and fallen trees resulted in loss of life and severe property and infrastructure damage. Thousands of persons were forced to evacuate with many losing their homes. By the time the storms and floods receded, economic losses were estimated to have reached between \$5–7 billion. The silver lining was the creation of historic levels of snowpack, significantly improving the state's water conditions. The FY2023-24 State Budget reflected these changing conditions, with many of the climate funding reductions being shifted to support targeted statewide flood funding.

He Who Sews Hurry Reaps Indigestion³

This year's budget negotiations between the Legislature and the governor were more complicated compared to the last few years due, in part, to the governor's proposed trailer bills to streamline infrastructure projects that would help meet the state's climate goals, such as drought and flood resilience. The Governor originally proposed a package of 11 measures in May to accompany the main budget bill.

Under Newsom's proposal, certain types of water, transportation, clean energy, and semi-conductor or microelectronic projects would be eligible for expedited judicial review under CEQA. The provisions would require that judicial challenges and appeals under CEQA be completed, to the extent feasible, within 270 days. For water infrastructure, this expedited review process would specifically apply to the Delta Conveyance Project, water storage projects under Proposition 1 (including the Sites Reservoir Project), water recycling projects, desalination projects, and canal or other conveyance maintenance or repair projects. Projects would need to apply to be certified

as an eligible water-related project and lead agencies would be required to prepare the administrative record concurrently with the administrative approval process.

The governor's trailer bill proposals would directly benefit water infrastructure projects by streamlining administrative and project delivery processes. Specifically, the proposals would also streamline the process and types of documents that are subject to CEQA administrative record; grant the Department of Water Resources (DWR) the authority to utilize the Progressive Design-Build project delivery process to accelerate construction and reduce costs; repeal the classification of "fully protected" under CESA and provide additional authority for the California Department of Fish and Wildlife to issue incidental take permits; and streamline certain procedures of the Delta Stewardship Council to allow the Council's consistency review process to be more efficient. The trailer bills would also seek to establish a Green Bank Financing Program within the Climate Catalyst Fund so that the state can leverage existing federal dollars for climate projects.

The Governor's proposals were reduced to five infrastructure bills following negotiations with the Legislature to allow the state to "build more, faster to mitigate extreme weather and other environmental impacts."

Senate Bill 149 by Senators Ana Caballero (D-Salinas) and Josh Becker (D-San Mateo), and Assembly Speaker Robert Rivas (D-Salinas) included the governor's proposal to expedite CEQA administrative and judicial review procedures. Specifically, the legislation will revise procedures regarding CEQA administrative record to make preparation and certification of the record more efficient, without compromising the content of the record; establish new expedited judicial review procedures (270-days, if feasible) for four categories of public and private "infrastructure projects" provided the eligible projects are certified by the governor, approved by the lead agency by January 1 2033, and meet specified labor requirements; and extend these expedited administrative and judicial procedures until January 1, 2032.

Water-related projects that can qualify for this new streamlined CEQA review processes include a project that is approved to implement a groundwater sustainability plan that DWR has determined to be in compliance with specified provisions of SGMA; water storage projects under Proposition 1; water recycling projects; desalination projects; and projects exclusively for canal or other conveyance maintenance and repair. The definition of "water-related projects" explicitly excluded the design or construction of through-Delta conveyance facilities of the Sacramento-San Joaquin Delta.

Governor Newsom signed the final infrastructure bill package on July 10, 2023.

Changes in Attitude, Changes in Latitude⁴

Assemblyman Robert Rivas (D-Hollister) was sworn in on June 30, 2023 as the 71st Speaker of the California State Assembly. Speaker Rivas represents all of San Benito County, as well as portions of Monterey, Santa Clara, and Santa Cruz Counties. He

succeeds Assembly Member Anthony Rendon from Los Angeles, who served as Speaker from 2016 to 2023.

Rivas announced his leadership team at a news conference on July 3. Assembly Member Cecilia Aguiar-Curry (D-Winters) has been tapped to assume the role of Speaker Pro Tem and Assembly Member Isaac Bryan (D-Los Angeles) will be the new Majority Leader for the 62-member Democratic caucus. Aguiar-Curry and Bryan were allies of Rivas during his long, bitter fight for the Speaker role. At the news conference, Bryan said that the team would work on “building a different kind of culture in the body.” Rivas emphasized efficiency and unifying the caucus. Rivas told the news at the conference that other committee leadership shake-ups were coming, though mostly in the next session to “minimize disruptions in the legislative year.” Rivas represents a largely rural and agricultural district on California’s Central Coast. Since the early 1960s, the majority of Speakers have been from the urban areas of Los Angeles County or the San Francisco Bay Area. Many view Rivas’ politics and policies to be the same as Rendon’s, however, Rivas is expected to bring more of a focus on farmworkers and agricultural communities.

Speaker Rivas named Keith Cialino to serve as an environmental policy consultant in his office. The move comes after longtime environmental policy advisers Alf Brandt and Marie Liu departed the speaker’s office following Rivas’ ascension into leadership. Prior to this position, Cialino served as a consultant for the Assembly Water, Parks, and Wildlife Committee over the last five years. According to his LinkedIn profile, his areas of expertise include crafting science-informed public policy, public outreach, sustainability, water quality, and environmental management.

On the Senate side, on August 28, Senate President pro-Tempore Toni G. Atkins (D-San Diego) announced that the Senate Democratic Caucus had unanimously named Senator Mike McGuire (D-Healdsburg) as the Pro Tem Designee, with a transition to be announced next year. Senator McGuire, a former county supervisor who was elected to the Senate in 2014, has served as Majority Leader since 2022 and has been integral to several legislative victories, including the 2022 climate package and the infrastructure streamlining package negotiated alongside this year’s state budget. Senator Atkins reaches the end of her term limit in 2024.

It is difficult to make our material condition better by the best law...⁵

Following the review and approval of legislative positions by Agency staff and the Board of Directors, our firm actively monitored and engaged in direct lobbying on over 30 bills. Below, we highlight legislation on which The Agency was active this year.

Lead Testing in Public Schools

Assembly Bill 249, by Assemblymember Christopher Holden (D-Pasadena), as introduced, would require, on or before January 1, 2027, a community water system that serves a school site to test for lead in each of the school site’s potable water system

outlets and to report the results to the State Water Resources Control Board (state board) and applicable school or Local Educational Agency (LEA). Specifically, the bill would require additional testing and aligning action levels at the 5 parts per billion (ppb) action level that the State Water Board established by regulation for child daycare centers. According to the author, AB 249 is the “responsible step of aligning childcare and school lead testing standards.”

DWA opposed AB 249, primarily because the bill’s provisions could potentially lead to conflicting state and federal requirements, all while remaining unclear as to how public water systems would be expected to fulfill both sets of requirements. By establishing a 5 ppb action level and requiring testing at every potable water outlet at eligible school sites, AB 249 proposed stricter standards for lead in drinking water than those currently required by state or federal law. DWA’s position was informed by Policy Directives 1, 3, and 4.

The United States Environmental Protection Agency (USEPA) recently updated the Lead and Copper Rule Revision (LCRR) and is currently developing federal Lead and Copper Rule Improvements (LCRI) to strengthen the regulatory framework to address lead in drinking water and more equitably protect public health. The current compliance date for the LCRR and expected issue date for the LCRI is October 16, 2024. Under this current established timeline, community water systems will not be required to begin testing in schools until October 16, 2024, and from that date, will have five years to complete testing in all of the schools in their distribution areas. In comparison, the operative date for AB 249 would be January 1, 2024 with a completion date of January 1, 2027. The school testing provisions in the federal LCRR/LCRI will likely achieve the same outcome as the proposed requirements under AB 249.

In an effort to address concerns raised by the opposition to the bill, the author amended the measure on September 1 to, among other provisions, require the state board to work with community water systems and school sites to eliminate duplicative testing that may occur based on applicable USEPA requirements on or before January 1, 2027, including through application for a waiver from those requirements.

The state board also weighed in with proposed amendments that would have eliminated the mandatory testing part of the bill and replaced it with a proposed new grant program. The author and sponsors rejected those amendments at the last minute, testing where the Governor lands on the measure.

The Department of Finance has an oppose position on the measure stating that the bill would result in significant ongoing General Fund (GF) costs; increase Safe Drinking Water Account costs in excess of the statutory cap of 5 percent and increases to fee payers that have already faced substantial fee increases over the last several years; is likely to create a reimbursable state mandate with ongoing Proposition 98 GF costs that could range into the hundreds of millions due to its requirements on LEA’s; and concerns over the establishment of a two-tiered water quality testing standard in California.

Despite the bill's provisions creating duplicative, costly, requirements, AB 249 passed the Senate on a 35 to 3 vote and the Assembly on a 71 to 8 vote on concurrence with Senate amendments. Assembly Members Greg Wallis and Eduardo Garcia voted to pass the bill, as did Senator Kelly Seyarto. AB 249 was enrolled and presented to the Governor on September 20, 2023. The Governor vetoed AB 249, writing, in part:

“While I support the author’s commitment to ensure safe drinking water in schools, this bill contains several problematic provisions and cannot be implemented as drafted. The bill creates an entirely new enforcement role for the State Water Board, requires the creation of a costly database for tracking compliance and enforcement, and contains an infeasible implementation timeline.”

As he wrote in veto messages last year, Governor Newsom noted on AB 249 and other legislation that he worked with the legislature to close significant revenue shortfalls.

“This year, however, the Legislature sent me bills outside the budget process that, if all enacted, would add nearly \$19 billion of accounted costs in the budget, of which \$11 billion would be ongoing. With our state facing continued economic risk and revenue uncertainty, it is important to remain disciplined when considering bills with significant fiscal implications...”

Water management planning and water shortages

Existing law requires every urban water supplier to prepare and adopt a water shortage contingency plan as part of its urban water management plan that consists of each of the following elements: (1) an analysis of water supply reliability; (2) procedures used in conducting an annual water supply and demand assessment that include, at a minimum, both the written decision-making process that an urban water supplier will use each year to determine its water supply reliability, and the key data inputs and assessment methodology used to evaluate the urban water supplier’s water supply reliability for the current year and one dry year.

Assembly Bill 754, by Assemblymember Diane Papan (D-San Mateo), would additionally require an urban water supplier, if a single reservoir constitutes at least 50% of the total water supply, to identify the dam and describe existing reservoir management operations. Similar requirements would be imposed on agricultural water suppliers.

According to the author, “the state eagerly uses all available water immediately after wet years and does not conserve until crisis hits. We must start planning for severe droughts rather than scrambling to react when faced with water shortages. The worst time to plan for drought is during drought. To better handle California's water crisis, California must learn to adapt to these extreme weather fluctuations and conserve water from the wet years before drought. To deal with these issues, [this bill] simply requires

agricultural and urban water suppliers to initiate demand-side conservation triggered by reservoir storage levels. These plans will change our management from reactive to proactive.” The bill’s sponsor, the California Coastkeeper Alliance, presented similar arguments to the author and argued that AB 754 is necessary so that both urban and agricultural water suppliers exercise greater foresight in planning for periods of drought to ensure demand-side conservation actions are adopted once in drought. The sponsors further asserted that urban water suppliers draw down reservoir levels as a first response to drought rather than taking steps to reduce demand during such periods.

Both the author’s and sponsor’s depictions of reservoir owners and their operations, however, are inaccurate and baseless. Our firm noted in communications with committees that AB 754 is sponsored and supported by environmental organizations that lack the expertise and experience of the engineers, hydrologists, and other professionals who operate sophisticated water systems. This is exemplified in the bill’s core provisions, which are unnecessary and overly simplistic.

Water agencies that rely on reservoirs as water sources are already required by law to develop water shortage contingency plans, which require an assessment of water supply reliability, requiring identification of six standard water shortage levels corresponding to 10%, 20%, 30%, 40%, 50%, and greater than 50% shortages. Further, water agencies that rely on locally managed reservoirs are already accounting for the issues AB 754 seeks to address in their planning documents and through licensing and other agreements with state and federal entities. These licenses and agreements take numerous factors into account including the water year and environmental needs among others. AB 754, however, would require additional information such as the range of historic annual inflows into the reservoir, the range of historic annual outflows from the reservoir, the range of historic annual carryover volumes for the reservoir, the purposes for which the reservoir is operated, existing regulatory requirements, including instream flow requirements downstream of the reservoir, and more—all of which are unnecessary for an urban water management plan. Such additional requirements would also result in significant state and local implementation costs.

Further, while many agencies rely upon a single reservoir for a significant portion of their supply, they likely have other supplies that they manage in conjunction, including groundwater, recycled water, surface water, desalinated water, or other potential supplies. Additionally, though a water provider may receive water from a reservoir, for many water providers, that reservoir may be owned and operated by the U.S. Bureau of Reclamation and/or is part of the larger State Water Project or Central Valley Project, and the requirements placed on water providers would be based on reservoir actions that are out of their control and based on complex and diverse information about the current and expected supply among other factors.

AB 754, however, would inappropriately force agencies to make water shortage and conservation decisions based on only one source of supply, rather than considering the full portfolio of water supplies and water supply goals. Making conservation decisions

based on a reservoir level in isolation from all other water resources would lead to defective decision-making, potentially impeding critical activities such as groundwater recharge.

DWA strongly opposed AB 754 and joined a coalition of other water providers to stop the bill from progressing. DWA's position was informed by Policy Directives 1, 2, 3, and 4.

AB 754 passed the Assembly on a 59-18 vote, with 3 members not voting, AB 754 was ultimately held on suspense in the Senate Appropriations Committee. Assembly Member Wallis voted against the bill, while Assembly Member Eduardo Garcia voted in favor of the legislation. Senator Seyarto also voted against the measure when it was heard in the Senate Natural Resources and Water Committee from where the bill was approved on a 7-3 vote prior to being heard in the Appropriations Committee.

Water Usage Demand Analysis

Water rates reflect the overall cost of service incurred by a water agency to deliver water to its customers; these rates consist of several factors, including the condition of the infrastructure, water treatment, geographic location, the number of customers, and more. Revenue generated by rates covers the costs of service, including the operation, upgrade, and maintenance of the water delivery system, treatment plants, and other water infrastructure. To establish water rates, water agencies conduct a cost-of-service analysis to determine a rate model and methodology.

Assembly Bill 755, by Assemblymember Diane Papan (D-San Mateo), would require a public entity to conduct a water usage and demand analysis prior to completing, or as part of, a cost-of-service analysis conducted to set fees and charges for water service that are consistent with applicable law. The bill would require a public entity to identify within the analysis the costs of water service for high water users incurred by the public entity and the average annual volume of water delivered to high water users. The bill would also require the costs of water service for the highest water users and the average annual volume of water delivered to high water users to be made publicly available by posting the information on the public entity's cost-of-service analysis.

The bill defines "cost of water service for the highest users" as the difference in costs, including applicable capital costs and operation and maintenance costs, that the public entity incurs directly, or by contract, because of the increased water service required by its high-water users. "High water users" is defined as the top ten percent of water, in terms of volume of water consumed. Alternatively, for a public entity that has allocation-based conservation water pricing, the public entity may define high water users as those customers whose water use is above the water budget assigned to them by that public entity.

The overall goal of AB 755 is essentially to determine how major water users affect system wide costs to serve as a basis for a fair and equitable rate structure and to

incentivize major water users to conserve. The authors believe that AB 755 will address the concern that the maximum water demand is driven by major water users, increasing the need for a larger water supply, increased infrastructure, efforts to conserve the systems water, and other investments that would ultimately increase a water agency's overall cost and increase rates for customers.

"In drought, these issues are especially exacerbated, as temporary additional water supplies and conservation programs can be costly," stated Assemblymember Papan. "For people who conserve water and keep demand low, many of the public utilities costly investments are unnecessary."

The bill was sponsored by the California Coastkeeper Alliance which argued that the bill will "ensure Californians pay a fair price for water" by requiring water utilities to determine how the heaviest water users in their service area drive up the cost." The Coastkeeper's offered similar statements as the author, noting that an analysis indicated larger lot single family residences in more affluent neighborhoods are typically the highest water users.

As with other bills sponsored by the California Coastkeeper Alliance introduced this session, AB 755 reflected a rudimentary and misguided understanding of public water systems. AB 755 would require systems to identify the incremental costs that would be avoided if major water users met the state board's Urban Water Use Efficiency standards. Such an analysis, however, would introduce the use of hypotheticals into a cost-of-service analysis, which is typically used by systems to demonstrate their compliance with Proposition 218. The latter places restrictions on how local agencies impose fees, or special assessments, to cover the cost of providing property-related services. To comply with Proposition 218, water agencies undertake detailed cost studies to establish the basis upon which the amount of a proposed fee or charge is calculated, notify customers of the proposed fee or charge, and hold public hearings on the proposed fee or charge. By adding incremental costs of high-water users into the cost-of-service analysis, public water agencies could be forced to include speculative numbers to satisfy the demands of the bill. This, in turn, would result in a hypothetical analysis for the new rates in the new cost-of-service analysis, and create uncertainty in the methodology used to establish rates.

The local agency has the burden of proof to show that rates, fees, and charges satisfy the requirements of Proposition 218 if a water supplier's rates are challenged. Under this legislation, if a court does not understand the cost-of-service analysis, it may find that the agency is imposing disproportionate or unreasonable rates on certain water users and therefore violating Proposition 218.

Additionally, though some of the information required by AB 755 may be readily available to some water systems, others will find it more challenging and time-consuming to accurately determine the direct impact of high-water users on a wide range of costs necessary to include in the cost-of-service analysis. As with other bills, the author and sponsor assume that all water systems possess the same capabilities in

meeting the requirements of the bill, not taking into account the complexity and unique needs individual water systems are working with throughout the state.

DWA opposed AB 755. The Association of California Water Agencies (ACWA) worked with the author throughout the legislative session and on August 25, 2023, ACWA noted that Assemblymember Papan intended to make the requirements of her bill permissive instead of mandatory. Many ACWA member agencies, including The Agency, voted to remove opposition based on the author's intent. Assemblymember Papan, however, changed her mind mere weeks before the September 14, 2023 deadline to pass bills. Despite this turn of events, ACWA decided to maintain a neutral position on the bill. The Agency, along with several others, continued to oppose AB 755. DWA's position was informed by Policy Directives 1, 3, and 4.

AB 755 passed the Senate on a 28-10 vote, and the Assembly on concurrence with Senate amendments on a 60-18 vote. Assemblymember Wallis and Senator Seyarto both voted against the bill; while Assemblymember Garcia voted "AYE" on the legislation. Governor Newsom signed AB 755 into law on October 9, 2023 (Chapter 542, Statutes of 2023).

California Water Affordability and Infrastructure Transparency Act of 2023

Assembly Bill 838, by Assemblymember Damon Connolly (D-San Rafael), would require, beginning on January 1, 2025, and thereafter at intervals to be determined by the State Water Resources Control Board (state water board), public water systems to provide information and data to the state water board related to customer water bills and efforts to replace aging infrastructure.

According to the author, AB 838 is necessary because "more transparency is needed to ensure that water rates are equitable and affordable for those who need our help the most."

The State Water Board currently uses the Electronic Annual Report (eAR), to collect critical water system information intended to assess the status of compliance with specific regulatory requirements; to provide updated contact and inventory information (such as population and number of service connections); and, to provide information that is used to assess the financial capacity of water systems. The eAR is currently required annually. The California Water Service, the sponsor of this bill, however, contends that the information collected through the eAR process is insufficient, citing that information on actual water bills paid by customers and infrastructure replacement efforts will "allow for a more thorough and in-depth analysis of water affordability in California...and ensure customers are receiving safe, reliable water utility service."

The Agency opposed AB 838's arguing that the bill's provisions were both unnecessary and burdensome. The state water board is responsible for ensuring that all public water systems are operated in compliance with Federal and State Safe Drinking Water acts and any regulations adopted thereunder. The Board directly enforces the California Safe

Drinking Water Act for all public water systems but does not exercise authority for rate setting or capital expenditures. The Board does not have jurisdiction over public water system rate setting; thus, customer water bill information collected under the bill's provisions would be of little or no benefit. Further, the information gathered under this bill would have little meaning as each of the over 750 public water systems in the state possess unique qualities, including supply source, treatment level, elevational differences in service areas, miles of distribution line per customer, age of the system, and many more.

Calculating the average water bill paid by customers on an annual basis and submitting data on replacing aging infrastructure would not only be burdensome, but also a wasted effort. This is especially true, in light of the fact that public water systems already report a myriad of information annually to the Department of Water Resources and the Board to ensure compliance with Federal and State laws and regulations, with enforcement mechanisms in place for those who are found out of compliance.

Our firm further noted that spending on new infrastructure in anticipation of population growth and expenditures on infrastructure (e.g., drinking water and wastewater treatment facilities) to comply with new regulations is also important. AB 838, however, did not address either of these issues.

DWA took an "oppose" position on AB 838 as soon as it was introduced. The bill never reached the Assembly floor as it was held under submission in the Assembly Appropriations Committee in May. The bill is now a 2-year bill and may be acted upon in 2024. DWA's position was informed by Policy Directives 1, 3, and 4.

Potable Water Irrigation for Nonfunctional Turf

Assembly Bill 1572, by Assemblymember Laura Friedman (D-Burbank), would prohibit the use of potable water for the irrigation of nonfunctional turf located on commercial, industrial, and institutional properties, other than a cemetery, and on properties of homeowners' associations, common interest developments, and community service organizations or similar entities. The bill would also authorize the state board to create a form of compliance certification and authorize a public water system to enforce provisions.

According to Assemblymember Friedman, AB 1572 is a response to the "urgent need for additional efforts to reduce unnecessary water use in urban areas." The author further states that "a large portion of California's treated drinking water is used to irrigate urban landscapes. In a year without drought restrictions, roughly half of all publicly supplied water is used outdoors, primarily for landscape irrigation.... In a study published in 2005, it was estimated that California had approximately 2.75 million acres of turf grass. Nearly all this turf requires irrigation to survive, and nearly all the irrigation is with treated drinking water."

DWA strongly opposed AB 1572, arguing that, like many previous proposals, AB 1572 is based on a path of scarcity, imposing restrictions and prohibitions on public water systems on a selective basis. By imposing a statewide prohibition against the use of potable water to irrigate nonfunctional turf, the bill not only ignores variabilities among local water supply and water use factors but also clearly counters the legislative intent of existing law written by the same author, AB 1668 (Chapter 15, Statutes of 2018). Worse, AB 1572 exempts turf on single family and multifamily residential from the prohibition against irrigating nonfunctional turf with potable water, but does not provide flexibility for allowing irrigation of turf in common areas of common interest developments. AB 1572 authorizes a property owner or local agency to designate recreational areas and community space as functional turf areas that would allow for continued irrigation with potable water. Our firm sought amendments to allow a homeowner association to have the same authority and asked Assembly Member Garcia to seek the amendment. The author rejected his request.

The author cites an introductory statement contained in the Newsom Administration's August 2022 *"California Water Supply Strategy: Adapting to a Hotter, Drier Future"* that states climate change will leave less water to meet the needs of California. Current climate models indicate that rising temperatures will increase evaporation. This will result in storm-affected areas more likely to experience increases in precipitation and flooding, while areas located away from storm tracks will experience less precipitation and be at greater risk of drought. Current climate assessments indicate that the Southwestern United States is the most likely to experience less rainfall; however, there is little evidence to support a finding that "climate change will bring significant enduring reductions in California's water supply" in terms of water supply from Northern California.

In 2018, the Legislature enacted Assemblymember Friedman's AB 1668, which established a method to "estimate the aggregate amount of water that would have been delivered the previous year by an urban retail water supplier if all that water had been used efficiently. This estimated aggregate water use is the urban retail water supplier's urban water use objective. The method is based on water use efficiency standards and local service area characteristics for that year. By comparing the amount of water actually used in the previous year with the urban water use objective, local urban water suppliers will be in a better position to help eliminate unnecessary use of water; that is, water used in excess of that needed to accomplish the intended beneficial use." AB 1668 stated the intent of the Legislature that urban retail water suppliers should have primary responsibility for meeting standards-based water use targets and shall retain the flexibility to develop their water supply portfolios, design and implement water conservation strategies, educate their customers, and enforce their rules. AB 1572 clearly counters this legislative intent.

Finally, existing law requires urban retail water suppliers to match water supply and demand over 20 years in all water year types through development, adoption, and implementation of urban water management plans. Additionally, the State Water Resources Control Board is in the midst of considering regulations to implement Making

Water Conservation a Way of Life. Water systems were promised flexibility to meet their urban water use objective, which includes residential outdoor water use and Commercial, Industrial, and Institutional outdoor water use. AB 1572, by contrast, imposes a one-size-fits-all mandate across all urban areas. Urban retail water suppliers have authority to limit or prohibit the irrigation of turf grass and outdoor landscape in periods of drought. A prohibition across the state is unnecessary. DWA's position was informed by Policy Directives 1, 3, and 4.

AB 1572 passed Senate 29-10 and the Assembly on concurrence in Senate amendments 55-18. Assembly Member Wallis and Senator Seyarto voted against the bill, while Assemblymember Garcia abstained from voting on the legislation. On September 20, 2023, the bill was enrolled and presented to the Governor. Governor Newsom signed the bill on October 13, 2023 (Chapter 849, Statutes of 2023).

Disconnection of Residential Service

Senate Bill 57, by Senator Lena Gonzalez (D-Long Beach), would require an electrical corporation, local publicly owned electric utility, gas corporation, local publicly owned gas utility, water corporation, or local agency that owns a public water system to postpone the disconnection of a customer's residential service for nonpayment of a delinquent account when the temperature will be 32 degrees Fahrenheit or cooler, or 95 degrees Fahrenheit or warmer, within the utility's service area during the 24 hours after that service disconnection would occur. The bill would require each of those utilities to notify its residential ratepayers of that requirement and to create an online reporting system available through its internet website, if it has one, that enables its residential ratepayers to report when their utility service has been disconnected in violation of that requirement.

Additionally, SB 57 would authorize the State Water Resources Control Board to enforce the requirement that a water corporation and local agency that owns a public water system postpone a disconnection of a customer's residential service. The state board may assess a penalty in an amount not to exceed \$1,000 per day for each day that a violation occurred, and for each day that a violation continues to occur. The bill states that although SB 57 would impose a state-mandated local program it would not appropriate funds to reimburse public water systems for the costs to implement the program because systems have the authority to levy service charges, fees, or assessments sufficient to pay for the program or level of service mandated by this act.

DWA strongly opposed SB 57 upon its introduction, arguing that the bill's provisions would be costly and burdensome to implement, and compliance would be nearly impossible. Determining the temperature within a service area would be a guessing game on most days as meteorological forecasts often change and many community water system service areas have microclimates that experience different temperature extremes. Thus, service could be disconnected one day and then be lifted the next day, only to be disconnected the following day. Community water systems would have to add workers to comply with the requirements of the legislation and communicate with

customers subject to disconnection or restoration of service on a daily basis. The costs that SB 57 would impose on a community water system will necessarily be passed along to customers as part of the reasonable cost of providing service.

Our firm also noted that the bill was unnecessary as the Legislature has already taken action to protect customers from service disconnection. The Water Shutoff Protection Act (Act) was established when Senate Bill 998 was enacted (Chapter 891, statutes of 2018). It requires certain actions related to discontinuation of water service due to nonpayment by community water systems. The law requires a community water system to refrain from shutting off water service for non-payment for at least 60 days and adhere to specified procedures when pursuing water shutoffs. The procedures include, but are not limited to, providing notice in advance of any shutoffs for nonpayment and offering an appeal process for residents to contest a planned shutoff, and to arrange for alternate payment schedules or other means of accommodating financial hardships. The law also requires a system to refrain from shutting off water service in certain specified conditions, such as a serious threat to life or health and safety of a resident or severe financial hardship.

The Act states that the State Water Resources Control Board may enforce the requirements for the shutoff policy and its website posting. In addition, the Act allows the Attorney General, at the request of the Board or upon his or her own motion, to bring an action in state court to restrain by temporary or permanent injunction the use of any method, act, or practice prohibited by the Act. For an urban and community water system regulated by the CPUC, the commission may bring an action in state court to restrain by temporary or permanent injunction the use by an urban and community water system regulated by the commission of any method, act, or practice declared in this chapter to be unlawful.

SB 57 was initially referred to the Energy, Utilities, and Communications Committee, with a first hearing set for April 18, 2023; however, the author requested this hearing to be cancelled. The bill became a 2-year bill after failing to meet the April 28, 2023 legislative deadline for policy committees to hear and report to fiscal committees fiscal bills introduced in their house. The bill may be acted upon in January 2024. DWA's position was informed by Policy Directives 1, 3, and 4.

The California Water Plan – Long-Term Supply Targets

The California Water Plan (Plan) is “the master plan which guides the orderly and coordinated control, protection, conservation, development, management and efficient utilization of the water resources of the state.” As a part of updating the plan every five years, the Department of Water Resources (DWR) is required to include a discussion of various strategies, including those relating to the development of new water storage facilities, water conservation, water recycling, desalination, conjunctive use, and water transfers that may be used to meet future water needs of the state. Inclusion of a particular project or strategy does not constitute approval of or state financing for said project or strategy without further legislative action.

DWR must also conduct, as part of the updating the plan, a study to determine the amount of water needed to meet the state's future needs and to recommend programs, policies, and facilities to meet those needs. The plan was last updated in 2018 and the next update is currently underway.

Senate Bill 366, by Senator Anna Caballero (D-Merced), would require DWR to coordinate with the California Water Commission, the State Water Resources Control Board, other state and federal agencies as appropriate, and a stakeholder advisory committee to develop a comprehensive plan for addressing the state's water needs and meeting specified long-term water supply targets established by the bill for purposes of the California Water Plan. The bill would require the plan to provide recommendations and strategies to ensure enough water supply for all beneficial uses; and require DWR to update the California Water Plan on or before December 31, 2028 and every five years thereafter. Each update will require the plan to include a discussion of various strategies that may be pursued to meet the water supply targets, and an economic analysis. The bill would also require DWR to submit to the Legislature an annual report between updates to the plan that includes progress made toward meeting the water supply targets once established.

According to the author:

"A reliable and sustainable water supply is critical to every aspect of California's economy and the quality of life for all Californians. While recent storms have been helpful, a combination of factors, including the driest three-year period in 1,200 years, an aging infrastructure, a growing population and economy, antiquated state policies, and climate change, have created a challenge that threatens the survival of some communities and sectors of the economy and jobs. Despite decades of work to improve California's water system, our infrastructure remains inadequate to meet present needs and is woefully unprepared to meet future needs. [This bill] would establish necessary water supply targets to capture and produce enough water for all uses, including communities, agriculture, and the environment, by modernizing the California Water Plan for a 21st century climate."

California has established numerous targets over the last decade, including for renewable energy generation and electric vehicles sales. In August 2022, Governor Newsom released the "[California's Water Supply Strategy: Adapting to a Hotter, Drier Future](#)," the Administration's blueprint for enabling the state to cope with more extreme droughts, floods, and temperatures while addressing long-standing challenges, such as over-reliance on groundwater and lack of safe drinking water in many communities. The governor released this strategy to address a projected 10% decrease in water supply by 2040 due to climate change. To address this projection, the strategy sets various targets to generate new water supply, reduce demand, and develop additional water shortage.

SB 366 would codify and amplify the governor's Water Supply Strategy, which admits that the ability to capture water in wet years for use in dry years and to supply water for groundwater recharge will depend on adding surface water and groundwater storage capacity. This is especially important if a warming climate results in more precipitation falling as rain instead of snow—adding surface water storage capacity will be needed to both maintain and increase water supplies.

The Agency held a support position on SB 366. The bill unanimously passed the Senate before it was sent to the Assembly, where it was referred to the Assembly Water, Parks, and Wildlife Committee. The bill was scheduled to be heard in the Assembly Water Committee on July 11. The hearing was canceled at the request of the Author, as the committee was requesting amendments Assemblymember Caballero was not willing to take. The requested amendments included, (1) striking the economic analysis requirement from the bill and instead requiring DWR to analyze the costs of achieving the targets developed under the bill and a cost-benefit analysis of the projects and strategies needed to achieve them; and (2) removing the 2040 interim target and allow DWR to determine whether or not an interim target is necessary and feasible. The bill is now 2-year bill after failing the July 14, 2023 legislative deadline for policy committees to meet and report bills. SB 366 may be acted upon in 2024. DWA's position was informed by Policy Directives 2 and 4.

Water Quality Control Plan—Delta Conveyance Project

The San Francisco Bay/Sacramento-San Joaquin Delta Estuary (the Bay-Delta) is the hub of the state's water system as the State Water Project and Central Valley Project use it to export water to the Central Valley, Central Coast, and Southern California. The State Water Board is responsible for updating and adopting the Water Quality Control Plan for the Bay-Delta (Bay-Delta Plan). The most recent major update was implemented in 1995, with some minor revisions in 2006. The process for the current update has been ongoing since 2009. Though state law requires water quality control plans be "periodically reviewed" and that a water quality control plan be reviewed every three years, the State Water Board has been unable to comply with these requirements for periodic or triennial review of the Bay-Delta Plan for various reasons.

The Delta Conveyance Project is a proposed infrastructure project that would add new diversions in the north Delta to help the State Water Project capture, move, and store water during extreme weather events. Thus, the Delta Conveyance Project would provide operational flexibility and allow adaptation to the changing runoff patterns. For example, if the Delta Conveyance Project had been operational during the high rain events of January this year, the modernized conveyance system could have moved 228,000 acre-feet of water into San Luis Reservoir while still meeting fishery and water quality protections and regulations. That's enough water to supply about 2.3 million people for an entire year and is equivalent to approximately 40 percent of the total State Water Project exports in water year 2022.

Senate Bill 687, by Senator Susan Talamantes Eggman, would require the State Water Board to first adopt a final update of the 1995 Bay-Delta Plan before the Board may consider a change in point of diversion or other water rights permit or order for the Delta Conveyance Project.

SB 687 would further provide that if, after completing the update of the water quality control plan, the board approves a change in point of diversion or other water rights permit or order approving the Delta Conveyance Project, the project cannot be operated unless and until the updated water quality control plan is “fully implemented.” The practical implications of this language could be that a completed project may never be operational as the term “fully implemented” is less than precise.

According to the author, the ultimate goal of SB 687 is to ensure that “any Delta Conveyance Project does not degrade water quality in the Delta.” Senator Eggman further asserted that the only way to do so is for the Board to establish a scientific baseline for the health of the estuary through a fully updated and implemented plan before it considers permitting for the Delta Conveyance Project. The language of the legislation, however, is imprecise. For example, it would require the board to first adopt a final update of the 1995 Bay-Delta Plan. Rather than prepare a “final update,” the board has been proceeding on a path to amend the 1995 Plan, dividing it into two phases: the Lower San Joaquin River and Southern Delta (LSJR/SD) phase and the Sacramento River and its tributaries, Delta eastside tributaries, Delta outflows, and interior Delta flows (Sacramento/Delta) phase. For example, on December 12, 2018, through State Water Board Resolution 2018-0059, the board amended the Bay-Delta Plan establishing the Lower San Joaquin River flow objectives and revised southern Delta salinity objectives. The plan sets a starting point for increased flows but also makes allowances for reduced river flows on tributaries where stakeholders have reached voluntary agreements to pursue a combination of flow and “non-flow” measures that improve conditions for fish and wildlife, such as habitat restoration and reducing predation.

According to the State Water Board’s press release announcing the December 2018 action:

“The Board has repeatedly emphasized that voluntary agreements can provide a faster, more durable solution to reasonably protect beneficial uses in the Lower San Joaquin River and its tributaries, while also recognizing the necessity of taking timely action.

Approval of the Bay-Delta Water Quality Control Plan update for the Lower San Joaquin River and Southern Delta, and an accompanying Substitute Environmental Document, follows a nine-year process during which the Board studied and analyzed options, and conducted one of the most extensive public outreach efforts in its history.

The State Water Board is also progressing with its effort to update flow requirements for the Sacramento River, its tributaries, and the Delta and its tributaries -- including the Feather, Yuba, and American rivers. This update is at an earlier stage of development than the Lower San Joaquin River/Southern Delta plan update; a draft proposed plan and staff report analyzing alternatives will be released later this year for public review and comment.

The two Bay-Delta Plan updates are part of a delicate balancing act aimed at addressing an ecological crisis in the Delta and preventing further collapse of Bay-Delta fisheries while considering the many other vital water uses for millions of Californians.”

As noted above, the Board believes that voluntary agreements can provide a faster, more durable solution to reasonably protect beneficial uses in the Sacramento and San Joaquin watersheds.

DWA opposed SB 687 for several reasons. The agency listed as its principal concern that implementation of the legislation would further delay the timeline for completing this critical infrastructure project. Delay, which will inevitably result in increased costs for the project. In addition, enactment of SB 687 would threaten the voluntary agreements (VA) approach as the VAs support completion and operation of the Delta Conveyance Project, an essential component to improving water supply reliability and recovery of threatened and endangered fisheries. DWA’s position was informed by Policy Directives 1, 2, 3, and 4.

The bill was double referred to the Senate Water Resources and Water Committee and to the Senate Environmental Quality Committee. The bill got out of those committees on an 8-1 vote, and 4-1 vote, respectively. Senator Seyarto voted against the legislation when it was in the Senate Natural Resources & Water Committee. SB 687 was held under submission in the Senate Appropriations Committee in May..

2023 Water Rights Legislation

In 2022, the Planning and Conservation League (PCL) convened a group of water law and policy professionals to develop recommendations for Updating California Water Laws to Address Drought and Climate Change. The report, titled “Updating California Water Laws to Address Drought and Climate Change,” contains 11 recommendations to modernize California’s water rights law. All recommendations in the report are characterized as focused approaches to updating existing laws, regulations, and funding.

PCL noted that it recognized these recommendations can and should be scrutinized and refined in the various public processes, writing, in part:

“Some are more detailed all the way to the proposed legislative language. Others are more generally described. Although we gave them the best consideration we

could in the time available, there will undoubtedly be additional drafting and implementation issues that will need to be considered. Also, we recognize that this is not a complete list of all needed upgrades. We hope that others will add their contributions to the process.”

This year, PCL co-sponsored three bills that would essentially restructure California’s water rights system: Senate Bill 389 by Senator Ben Allen (D-Santa Monica), Assembly Bill 460 by Assemblymember Rebecca Bauer-Kahan (D-Orinda), and Assembly Bill 1337 by Assemblymember Buffy Wicks (D-Oakland).

DWA opposed all three bills. DWA’s position was informed by Policy Directives 1, 2, 3, and 4. Joining a coalition that consisted of business properties associations, the California State Association of Counties (CSAC), the Association of California Water Agencies (ACWA), the California Municipal Utilities Association (CMUA), several other water districts, and building associations (collectively referred to in this section as “Coalition”), our firm continuously engaged legislators and legislative staff as the bill moved through the legislative process, aiming to halt their progress at every step.

Senate Bill 389

Current law authorizes the State Water Resources Control Board (State Water Board) to investigate bodies of water, to take testimony in regard to the rights of water or the use of water, and to ascertain whether or not water is appropriated lawfully. Under existing law, the diversion or use of water other than as authorized by specified provisions of law is a trespass and subject to civil liability.

In its early iteration, SB 389 would authorize the Board to investigate the diversion and use of water from a stream system to determine whether the diversion and use are based upon appropriations, riparian right, or other basis of right. The bill would allow the Board, in furtherance of an investigation, to issue an information to a water right claimant, diverter, or user, to provide technical reports or other information related to a diversion and use of water, including, among others, information related to the basis of the water right claimed; information related to the patent date claimed for the place of use; and information related to the notice date of the appropriation and the date of actual delivery of water to beneficial use.

The bill would, after notice and opportunity for hearing, authorize the Board to issue a decision or order determining the diversion and use basis of right, including the authorized scope of the diversion and use, or issue a decision or order determining that the diversion and use is not authorized under any basis of right. In determining whether a holder of an appropriative water right has forfeited the right or any portion of the right, the Board would not be required to find the existence of a conflicting claim by any water right holder within the stream system during the period of forfeiture. Further, the bill would have placed the burden of proving by the preponderance of evidence the elements of the basis of right on the water right claimant in any State Water Board proceeding. The bill further provided that nothing in its provisions limited the authority of

the State Water Board to issue any decision or order, or to take any other action authorized by law.

DWA opposed SB 389 as the bill presented significant concerns, namely that it would unjustly expand the authority of the Board and subject water rights holders to costly and resource intensive investigations. SB 389 would not require the Board to provide a basis for initiating an investigation of a water rights claim, meaning any claimant could be subject to an investigation at any time. Once an investigation is initiated, water right claimants would be subject to onerous reporting requirements, forced to provide countless amounts of information in the hopes of proving the validity of their right. In other words, the State Water Board would be able to drag any water rights holder before the board to defend its claim of right.

Once the Board begins adjudicating, the bill stacks the deck against all right holders by providing minimal due process protections and placing the burden of proof on the right holder. Though the bill includes an investigative process, the only opportunity for a claimant to participate is after notice and opportunity for a hearing; however, SB 389 provides no further details about the hearing process. The bill essentially would have allowed the Board to operate in the dark, without a fair and transparent process.

Additionally, by authorizing the Board to conclude that water rights have been forfeited in the absence of a conflicting claim, SB 389 disrupts settled law. Courts in California have long recognized there is no policy reason for finding a forfeiture until an alternative use has been asserted, as the purpose of the forfeiture doctrine is to free unused water for beneficial use. If no other beneficial use has been asserted, there is no reason to find a forfeiture.

In concert with the Coalition, our firm diligently worked on communicating how SB 389 would undermine the reliability of any water right, and in turn, all interests that depend on such rights. Senator Allen engaged the Coalition stating that the intent of SB 389 was to give the Board the authority to request information about riparian and pre-1914 water rights. The opposition coalition began negotiating amendments with the senator that would: remove the burden of proof and forfeiture elements of the bill; narrow the scope of information orders that the board may issue with limitations as to the burden of providing documents; and include a cross-reference to enforcement authority the Board has over an unauthorized use. By June, the Author, Senator Allen, committed to removing provisions related to forfeiture and expressed that he was open to further amendments to the bill.

By July, Senator Allen amended the bill to further address the Coalition's concerns with the measure. As amended, SB 389 would authorize the Board to investigate and ascertain whether or not a water right is valid. The bill would authorize the board to issue an information order in furtherance of an investigation, as executed by the executive director of the board, to a water right holder or claimant, diverter, or user to provide the information related to a diversion and use of water. Instead of the burden of proof being solely on the water right claimant, SB 389 was amended to state: "the

burden of any order issued under subdivision (b), including costs, shall bear a reasonable relationship to the need for the requested information and the benefits to be obtained from the board receiving that information.” Further, the Board would be required to provide the person to whom the request is directed with a written explanation with regard to the need for the information and identify the evidence that supports requiring that person to provide the information.

Based on these amendments, the majority of the opposition coalition, including the Agency, removed their opposition to SB 389 and took a neutral or watch position on the bill. SB 389 passed the Assembly on a 58-17 vote and the Senate 30-8 on concurrence in Assembly amendments. Senator Seyarto voted against the bill as did Assembly Member Wallis. Assembly Member Garcia voted in support of the bill.

Governor Newsom signed SB 389 into law on October 8, 2023 (Chapter 486; Statutes of 2023).

Assembly Bill 460

Current law authorizes the State Water Board to investigate all watercourses, take testimony relating to the rights to water or the use of water, and ascertain whether water filed upon or attempted to be appropriated is appropriated under the laws of the state. Current law requires the board to take appropriate actions to prevent waste or unreasonable use of water.

AB 460 would authorize the Board to issue, on its own motion or upon the petition of an interested party, an interim relief order to implement or enforce constitutional law, common law, and statutes regarding waste and unreasonable use, the public trust doctrine, and water quality objectives. The bill would provide that a person or entity that violates any interim relief order issued by the board would be liable to the board for a civil penalty.

Additionally, current law authorizes any party aggrieved by any decision or order of the Board to file a petition for a writ of mandate for judicial review of the decision or order. Current law requires a court to exercise its independent judgment on the evidence in any case involving the judicial review of certain cease and desist orders issued by the board and in any other case in which the court is authorized by law to exercise its independent judgment on the evidence.

AB 460 would require an aggrieved party to file a petition for reconsideration with the board to exhaust the party’s administrative remedies before filing an action for judicial review of the board’s decision or order. The bill would require the scope of review of a board decision or order regarding interim relief to be the same as for a court of appeal review of a superior court decision granting or denying a preliminary injunction. The bill would generally prohibit a legal or equitable process from issuing in any proceeding in a court against the Board to review, prevent, or enjoin certain adjudicative proceedings or a decision or order of the Board before a final decision or order of the Board is issued.

According to the Author, Assemblymember Rebecca Bauer-Kahan (D-Orinda), the bill is intended to give the State Water Board an additional tool to enforce existing law and enhance penalties to deter unlawful behavior. A coalition of environmental organizations similarly argued that the bill is necessary to ensure a “climate-resilient future for fish, water, and people.”

The Agency, along with the rest of the opposition coalition, argued against AB 460 stating that the bill is overly broad, significantly expanding the Board’s existing enforcement authority, thus presenting a threat to law-abiding water right holders and water supply reliability.

Water agencies rely on their water rights to ensure there will be sufficient water to meet the needs of their customers and to serve future growth. Materially altering the water rights system in California could result in the inability of public water systems to meet existing needs and to plan for the future because they would lack certainty regarding their ability to divert or store water pursuant to their water rights permits and licenses. For example, a city or county, at the time that it determines whether an environmental impact report, a negative declaration, or a mitigated negative declaration is required for any project subject to the California Environmental Quality Act, must identify any water system whose service area includes the project site and any water system adjacent to the project site that is, or may become as a result of supplying water to the project. Each public water system must verify that available water supply during normal, single dry, and multiple dry water years during a 20-year projection will meet the projected water demand associated with the proposed project, in addition to the public water system’s existing and planned future uses, including agricultural and manufacturing uses. The assessment required must include an identification of any existing water supply entitlements, water rights, or water service contracts relevant to the identified water supply for the proposed project, and a description of the quantities of water received in prior years by the public water system.

AB 460 would also authorize the Board to issue interim relief on much broader issues than violations to drought-related curtailment orders. The bill would apply to enforcement of Fish and Game Code Section 5937; the Public Trust Doctrine; Section 2 of Article X of the California Constitution (the reasonable use doctrine); and water quality objectives, principles, or guidelines. Under this bill, any interested party that takes issue with dam releases could seek immediate state intervention and the bill would authorize the Board to take over dam operations. Additionally, this bill allows the Board to essentially determine the degree to which the public trust doctrine applies, a concept that courts have been unable to agree on a precise definition.

Finally, the bill also raises several due process concerns. AB 460 would allow the Board to issue interim relief without notice or opportunity for a hearing. Allowing the Board to act on its own motion to issue an order violates certain ensured protections. There already exists a process where the Board can seek short-term injunctive relief by

referring matters to the Attorney General. The scope of actions this bill targets requires fact-finding and balancing, which is only something an adjudicator should be able to do.

AB 460 would give the Board sweeping authority to address far more than just illegal diversions. The bill continues to change the standard of review for all final Board orders to one that is deferential to the Board's decisions. This will effectively deny the court its current role to make its own determination about Board actions.

Interim relief should only be reserved for very limited circumstances (i.e., quick responses to obvious illegal actions). It should not be a tool to enforce all areas within the Board's jurisdiction. Furthermore, the Senate Natural Resources and Water Committee's analysis implies that this new authority would enable the Board to make seismic changes to the ways water is managed at a moment's notice, without the benefit of a robust administrative process. This ability to rapidly change the status quo is yet another way that this bill puts law-abiding water users at risk.

Despite the potential effects of AB 460, the Assembly voted to pass the bill 43–20, with 17 members not voting. Assembly Member Garcia voted “AYE” and Assembly Member Wallis voted “NO.” Throughout the bill's progress, Assemblymember Bauer-Kahan continued to signal disinterest in engaging with the opposition coalition and rejected suggested amendments from both ACWA and the CMUA. Based on this knowledge, our firm and the coalition focused on stopping AB 460's progress in the Senate Natural Resources and Water Committee. Though initial meeting requests with Committee Chair Dave Min (D-Irvine) were rejected, the opposition coalition was directed to meet with the committee consultant, who signaled that Senator Min had already decided to support the bill. Still, the coalition targeted 3 Democrats on the 11-member committee to either abstain or oppose the bill with Republican members to stop it from moving forward: Senators Melissa Hurtado (D-Sanger), Susan Talamantes Eggman (D-Stockton), and Steve Padilla (D-San Diego). With our efforts, all three committed to voting against AB 460.

Ultimately, Assemblymember Bauer-Kahan pulled AB 460 from the Senate Natural Resources & Water Committee hearing agenda on June 27, 2023. AB 460 is now a 2-year bill that will be eligible to be considered in 2024.

Assembly Bill 1337

Under existing law, the diversion or use of water authorized by specified provisions of law is a trespass. Existing law authorizes the Board to adopt emergency regulations if, among other things, the regulations are adopted to prevent the waste, unreasonable use, unreasonable method of use, or unreasonable method of diversion, of water, to promote water recycling or water conservation, to require curtailment of diversions when water is not available under the diverter's priority of right, or in furtherance of any of the foregoing, to require reporting of diversion or use or the preparation of monitoring reports. Existing law also authorizes the Board to issue a cease-and-desist order

against a person who is violating, or threatening to violate, certain requirements relating to water use.

AB 1337 would authorize the Board to issue a curtailment order for any diversion, regardless of basis of right, when water is not available under the diverter's priority of right. Specifically, the bill would: (1) require the Board to adopt regulations governing implementation of curtailment orders; (2) authorize the Board to issue a cease-and-desist order when a water right holder fails to curtail diversions when water is unavailable under the water right holder's priority of right; and (3) expand the instances when unauthorized diversion or use of water is considered a trespass.

According to the author:

“Before California passed The Water Commission Act in 1914, our state’s water rights system was fundamentally unfair. It was exclusionary—the textbook definition of systemic racism—with Indigenous People and Californians of color literally forbidden from owning the land that was necessary to attain a water right...Now, more than one hundred years later, those who have inherited the pre-1914 water rights claim they were “first in time, first in line”, and oppose this bill because it would subject them to regulation by a state-appointed body...The State Water Resources Control Board already has the ability to curtail water use in order to balance legitimate demands from residents, agriculture, businesses, and the environment. However, it lost a court case against the same organizations that oppose this bill, and AB 1337 amends the law upon which that ruling was based.”

A coalition of environmental organizations wrote in support of the bill, arguing that the Board “lacks the authority to curtail all rights outside of a state-wide drought emergency” and that AB 1337 would “fully equip” the Board to manage the state’s water rights system.

The Agency, along with the rest of the coalition, argued that AB 1337 would essentially hand the State Board unfettered authority to control water as it sees fit. The Board’s use of curtailments to deal with water shortages during drought is a relatively new occurrence. With this unprecedented statutory authority, the Board would be able to curtail the legal diversion or use of water under any claim of right during any water year—even during years when the state receives record amounts of precipitation. There are also limited guardrails or guidance in the bill for how the Board would implement curtailments under the authority provided in this bill.

Curtailments have significant ramifications that extend far beyond the water right holders themselves. For example, the resulting reduction in anticipated water supply can disrupt agriculture, industry, and other water-dependent sectors, leading to job losses, revenue declines, and other economic hardships. Additionally, curtailment orders can disproportionately impact small and disadvantaged water users who may lack the resources to adapt to changing water conditions. Because of their effects,

curtailments have historically—and should continue to be—reserved for use only during emergency drought conditions. By limiting curtailment to the most severe and urgent water shortages, the Board can ensure that this tool is used only when necessary and that its impacts are mitigated.

Under AB 1337, curtailments could become an every-year water management tool, which would be an unnecessary task for the Board and threaten to create chaos in the way water is managed, diverted, and used.

AB 1337 narrowly passed the Assembly with a 45-20 vote, with 15 members not voting. Every single Assembly Republican, along with a handful of Democrats from the San Joaquin, voted against the bill. Though some Assembly Democrats voted against AB 460, these same members still voted to pass AB 1337 as they felt they could not vote against both bills. Assembly Member Garcia was an “AYE” vote and Assembly Member Wallis was a “NO” vote.

Throughout the bill’s progress, Assemblymember Wicks was resistant to working with the opposition. After passing the Assembly, our firm and the coalition focused on stopping AB 1337’s progress in the Senate Natural Resources and Water Committee in tandem with efforts to stop AB 460. The coalition targeted the same (3) Democrats on the 11-member committee to either abstain or oppose the bill with Republican members to stop it from moving forward: Senators Melissa Hurtado (D-Sanger), Susan Talamantes Eggman (D-Stockton), and Steve Padilla (D-San Diego). With our efforts, all three committed to voting against AB 1337. Senator Seyarto and his Republican colleague committed to voting against AB 1337.

Ultimately, Assemblymember Wicks pulled AB 1337 from the Senate Natural Resources & Water Committee hearing agenda on June 21, 2023. AB 1337 is now a 2-year bill that will be eligible to be considered in 2024.

Climate Resilience Bond Legislation

According to July 2022 polling by the Public Policy Institute of California, Californians are most likely to name water supply and drought, followed by wildfires and climate change, as the most important environmental issues the state faces. In the same poll, overwhelming majorities raise concerns about water supply and protecting the condition of the state’s oceans and beaches.

Bonds can be placed on the ballot by citizen’s initiative and by the Legislature. Bonds are often used to finance capital outlay projects to help spread the cost over the years the proposed projects provide services. State voters have approved general obligation bonds for a variety of purposes including, for example, education, housing, high-speed rail, correctional facilities, and veterans.

With the overwhelming need to promote climate resilience in the state, legislators introduced climate resilience bonds to potentially be included in the November 2024 statewide election ballots. These include Senate Bill 638 by Senator Susan Eggman (D-Stockton) and Roger Niello (R-Roseville), Senate Bill 867 by Senator Ben Allen (D-Santa Monica), and Assembly Bill 1567 by Assemblymember Eduardo Garcia (D-Coachella).

Senate Bill 867 & Senate Bill 638

SB 867 would enact the Drought, Flood, and Water Resilience, Wildfire and Forest Resilience, Coastal Resilience, Extreme Heat Mitigation, Biodiversity and Nature-Based Climate Solutions, Climate Smart Agriculture, Park Creation and Outdoor Access, and Clean Energy Bond Act of 2024, which, if approved by the voters, would authorize the issuance of bonds in the amount of \$15,500,000,000 pursuant to the State General Obligation Bond Law to finance projects for drought, flood, and water resilience, wildfire and forest resilience, coastal resilience, extreme heat mitigation, biodiversity and nature-based climate solutions, climate smart agriculture, park creation and outdoor access, and clean energy programs.

The bill would specifically authorize \$5.2 billion, upon appropriation by the Legislature, for drought, flood, and water resilience programs. These would include: \$400 million to the State Water Board for projects that improve water quality or help provide clean, safe, and reliable drinking water; \$400 million to the Department of Water Resources (DWR) for groundwater projects that improve water resilience, including recharge, storage, banking, and conjunctive use; \$600 million for projects that protect and restore rivers, streams, lakes, and watersheds; and \$300 million for water reuse and recycling grants. The bill would also authorize \$3 billion for wildfire and forest resilience programs, including watershed improvement programs.

Similarly, SB 638 would enact the Climate Resiliency and Flood Protection Bond Act of 2024 which, if approved by the voters, would authorize the issuance of bonds in the amount of \$6,000,000,000 pursuant to the State General Obligation Bond Law, for flood protection and climate resiliency projects.

Provisions were added to both SB 638 and SB 867 that would prevent each bond from going into effect unless the other is also enacted.

AB 1567 would enact the Safe Drinking Water, Wildfire Prevention, Drought Preparation, Flood Protection, Extreme Heat Mitigation, Clean Energy, and Workforce Development Bond Act of 2024, which, if approved by the voters, would authorize the issuance of bonds in the amount of \$15,995,000,000 pursuant to the State General Obligation Bond Law to finance projects for safe drinking water, wildfire prevention, drought preparation, flood protection, extreme heat mitigation, clean energy, and workforce development programs. These would include: \$2.275 billion for the prevention and reduction in the risk of wildfires to lives, properties, and natural resources; \$5.255 billion for safe drinking water, drought preparation and response, and

flood protection; \$1.59 billion for climate resilience and mitigation strategies to address increasing temperatures and extreme heat; and \$1.2 billion to strengthen climate resilience based on regional needs.

All bills would provide for the submission of their provisions to the voters at the November 5, 2024 statewide general election.

Our firm closely monitored the progress of all three bond bills and communicated the Agency's priorities for potential funding, which included funding for State Water Project clean energy projects, integrated regional water management programs, and urban water use efficiency. All three bills await final consideration next year.

Assembly Constitutional Amendment No. 13

Assembly Constitutional Amendment (ACA) No.13, by Assemblymember Christopher Ward (D-San Diego) proposes to amend the California Constitution for two purposes: (1) to require an initiative constitutional amendment to comply with any increased voter approval threshold that it seeks to impose on future ballot measures; and (2) to guarantee in the state constitution the ability of local governments to submit advisory questions to voters.

ACA 13 provides that an initiative measure that includes one or more provisions that amend the California Constitution, and that increases the voter approval requirement to adopt any state or local measure, must receive a proportion of votes in favor of the initiative that is equal to or greater than the highest voter approval requirement imposed by the initiative for the adoption of a state or local measure. In simpler terms, if an initiative measure proposes to require a 2/3 vote of the electorate to impose a tax, then the initiative measure itself must be approved by a 2/3 vote of the electorate. The current voter threshold for passage is a majority vote.

ACA 13 also authorizes a local governing body, at any election, to hold an advisory vote concerning any issue of governance for the purpose of allowing voters within the jurisdiction to voice their opinions on the issue. The measure provides that an advisory question is approved only if a majority of the votes cast on the question are in favor and further provides that the results of the advisory vote are not controlling on the local governing body. Further, the provisions of this measure related to the vote requirement for initiative constitutional amendments apply only to initiatives that seek to make it more difficult for voters to take a specified action by approving a ballot measure. It does not affect the vote requirement for initiative constitutional amendments that seek only to make it harder for a governmental body to approve a specified action by increasing the vote by which that body must approve an action.

According to Assemblymember Ward:

"The Protect and Retain the Majority Vote Act, ACA 13, would retain the majority vote requirement for passage of state and local initiatives. ACA 13 will require

proposed initiatives that seek to increase vote thresholds on future ballot measures to pass with that same proportional higher vote threshold. For example, a measure that would impose a two-thirds vote threshold on future measures should also pass with a two-thirds vote. Cities and counties also often place non-binding advisory measures on the ballot to allow voters to weigh in on various issues. This is a critical tool that allows voters to advise local government, and ACA 13 would protect the right of cities to place advisory questions on the ballot to ask voters their opinion on issues.”

ACA 13 was written in response to Initiative #1935—a measure that would amend the California Constitution to change the rules for how the state and local governments can impose taxes, fees, and other charges—which is slated to appear on the ballot during the 2024 statewide general election. Among other provisions, initiative #1935 requires that any local special tax be approved by a two-thirds vote of the electorate to take effect. Recent case law suggests that local special taxes that are proposed by a local initiative measure can be approved by a majority vote of the electorate. By contrast, local special taxes that are placed on the ballot by a local governmental body must be approved by a two-thirds vote of the electorate. Additionally, initiative #1935 prohibits an advisory measure from appearing on the same ballot as a local measure that proposes a general tax if the advisory measure would indicate that the revenue from the general tax will, could, or should be used for a specific purpose.

If ACA 13 were applied to the voter’s consideration of initiative #1935, then initiative #1935 would need to be approved by two-thirds of the voters to take effect—the very same threshold authors of the initiative seek to place on the local electorate for any local special tax to take place.

According to the California State Council of Service Employees international Union (SEIU California): “ACA 13 is simple. It would retain and protect the majority vote, require any initiative that increases voter approval requirements to also be approved at the higher level, and would ensure local governments can always ask voters for their opinion on issues.”

ACA 13 passed the Assembly 55-19 and the Senate with a 28–9 vote. Senator Seyarto voted against the legislation, as did Assembly Member Wallis. Assembly Member Eduardo Garcia voted “AYE” on ACA 13.

It's tough to make predictions...⁶

Members of the Assembly and one-half of the 40-member State Senate will stand for election in 2024 with the primary election moved up to March 2024 to put California in a more influential position to vote on presidential candidates. Locally, Assembly districts represented by Assemblymember Greg Wallis (R-Palm Springs) and Assemblymember Eduardo Garcia (D-Coachella) will appear on the ballot. Senator Kelly Seyarto (R-Murietta) will cease to represent the greater Palm Springs area following the November 2024 election as voters will consider candidates for the new 19th Senate District.

SD 19 is based on nesting AD 34 (currently Tom Lackey (R-Palmdale)) and AD 47 (currently Greg Wallis (R-Palm Springs)) and includes portions of Riverside and San Bernardino Counties including the whole Cities of Banning, Barstow, Beaumont, Big Bear Lake, Calimesa, Cathedral City, Desert Hot Springs, Indian Wells, La Quinta, Palm Desert, Palm Springs, Rancho Mirage, Twentynine Palms, and Yucaipa, and the towns of Yucca Valley and Apple Valley. This district splits the Cities of Colton, Grand Terrace, Hemet, Highland, Loma Linda, and Redlands for population requirements and in light of the district's terrain. This district consists of the majority of the High Desert communities of San Bernardino County, which share common interests in national parks, recreational activities, and tourism. This district links the communities next to the Nevada and Arizona borders with urban communities through Interstate 40 and Interstate 15. Northern communities are linked by Highway 58.

Ten State Senators and 8 Assemblymembers will be termed out of office in 2024, including many that hold important committee chair positions. In the Senate, term-limited members include Anthony Portantino, chair of the Appropriations Committee; Nancy Skinner, chair of the Budget & Fiscal Review Committee; Bill Dodd, chair of the Governmental Organization Committee; Richard Roth, chair of the Business, Professions and Economic Development Committee; Steve Glazer, chair of the Elections and Constitutional Amendments Committee; Steve Bradford, chair of the Energy, Utilities & Communications Committee; and Susan Talamantes Eggman, chair of the Health Committee. In the Assembly, Philip Ting, chair of the Budget Committee will term out, as also will Chris Holden, chair of the Appropriations Committee; Reginald Jones-Sawyer, chair of the Public Safety Committee; Brian Maienschein, chair of the Judiciary Committee; and Freddie Rodriguez, chair of the Emergency Management Committee.

The change in leadership in the Senate and Assembly, with Senate President pro tempore Atkins yielding her position to Senator McGuire next year and Speaker Rivas assuming his position at the end of this past June, in combination with the term-limited members noted above, could signal new fiscal and policy directions for both houses. It is likely that some current policy committee chairs will be appointed to fill the soon-to-be vacant chairs. Changes could occur at any time ahead of the next session, which is scheduled to be gaveled into order on January 3, 2024.

Our firm expects efforts to be renewed to effect reform in water rights administration and enforcement. AB 460 by Bauer-Kahan and AB 1337 by Wicks both remain eligible for consideration by the Senate Natural Resources & Wildlife Committee anytime next year as late as July. The committee chair, Senator Dave Min (D-Irvine) is running for Congress next year and would have to vacate his Senate seat at the end of the 2023-24 Regular Session if he remains in the Congressional race. The latter circumstance could lead to a change in the committee chairmanship. The water rights opposition coalition prevailed on both bills by a one-vote margin, with Min supporting both bills. A new chair could sway the vote in committee, although it is unlikely that the current vote tally would change absent changes to the committee membership.

The task of influencing the content of a climate resilience bond will occupy our time next year and we will lean heavily on Senator Seyarto to press for funding categories and language that will benefit the Agency in terms of its ability to compete for state grant funding. Voter sentiment combined with a limit on the amount of state general obligation bond debt service will make it difficult to place on measure on the November ballot at a sufficient dollar total that will benefit many programs or projects. The Governor has indicated that he can only support a total of \$26 billion in new debt going before the voters next year, and a \$4.68 billion bond to build 10,000 new behavioral health beds and supportive housing units across the state will appear on the March primary election ballot. This means that a climate resilience bond, given competing housing and education bond proposals, will likely end up in the \$8 to \$10 billion range—far less than the \$16 billion proposals contained in AB 1567 and SB 867 (let alone the \$6 billion SB 638 flood risk reduction bond that will likely be combined with the other two proposals).

Our firm continues to monitor work on voluntary agreements among state, federal and local water entities that create new measures to integrate additional water flows with the physical landscape to help improve conditions for native fish in the Sacramento and San Joaquin rivers, their tributaries, and the Delta to which they drain. The agreements encompass an integrated program to improve the health of rivers more quickly and more holistically than the traditional regulatory proceedings underway by the state board. Water suppliers in the Sacramento-San Joaquin Delta watershed not covered by a voluntary agreement will be subject to the regulatory requirements developed by the state board as part of its update to the Bay-Delta Water Quality Control Plan, which would include a mix of flow and potentially other measures to provide reasonable protection of fish, wildlife, agricultural, municipal, and other water uses.

According to the California Natural Resources Agency, parties are currently working to ensure the agreed-upon term sheet can go to the state board for its analysis as an alternative pathway to implement an updated Bay-Delta Water Quality Control Plan. Early implementation provisions of the MOU entered into by the parties mean that habitat restoration will not wait the two or more years it will take for the state board to complete its process. Some improvements are already underway. Signatories have begun creating the shared governance structure that will guide adaptive management under the agreements, and the state and water suppliers have already begun coordinating habitat restoration with flows.

The state board staff released its “Draft Scientific Basis Report Supplement in Support of Proposed Voluntary Agreements” in January 2023. The state board is holding a workshop on October 19, 2023, on a draft Staff Report/Substitute Environmental Document in support of possible updates to the Water Quality Control Plan for the San Francisco Bay/Sacramento San Joaquin Delta Estuary. The updates are focused on the Sacramento River watershed, Delta eastside tributaries, interior Delta, and Delta.

Our firm also is monitoring the State Water Board’s proposed regulations for “Making Water Conservation a Way of Life” that would implement the requirements of SB 606

(Hertzberg) and AB 1668 (Friedman) from 2018. We are members of several ACWA work groups and have shared communications from ACWA staff on the analysis and comments developed by the work groups with agency staff. A public workshop on the proposed regulations was held on October 4, 2023, and the comment deadline was October 17, 2023. The regulatory framework proposed by state board staff would establish individualized efficiency goals for each Urban Retail Water Supplier like DWA. The goals are based on the unique characteristics of the supplier's service area and are intended to give suppliers the flexibility to implement locally appropriate solutions. Once implemented, state board staff estimate the achievement of the goals will reduce urban water use by more than 400-thousand-acre feet by 2030. Public water systems led by ACWA, and other state organizations expressed significant concerns with the draft regulations during the public workshop, including the estimated cost to achieve the estimated savings--\$13 billion statewide. Thankfully, state board members shared many concerns similar to those expressed during the public comment period.

¹ "A Debt Problem Is, At Its Core, a Budgeting Problem." — Natalie Pace, The ABCs of Money

² "When it rains it pours. Maybe the art of life is to convert tough times to great experiences: we can choose to hate the rain or dance in it." — Joan F. Marques

³ "He Who Sews Hurry Reaps Indigestion." — Robert Louis Stevenson

⁴ "Changes in Attitude, Changes in Latitude;" Lyrics by Jimmy Buffett

⁵ "It is difficult to make our material condition better by the best law, but it is easy enough to ruin it by bad laws." — President Theodore Roosevelt

⁶ "It's tough to make predictions, especially about the future." —Yogi Berra

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

NOVEMBER 7, 2023

RE: AGENCY STRATEGIC PLANNING UPDATE

Recently, the Board directed staff to begin the process of establishing a Strategic Plan for the Agency. The following is an update to the Board on the plan:

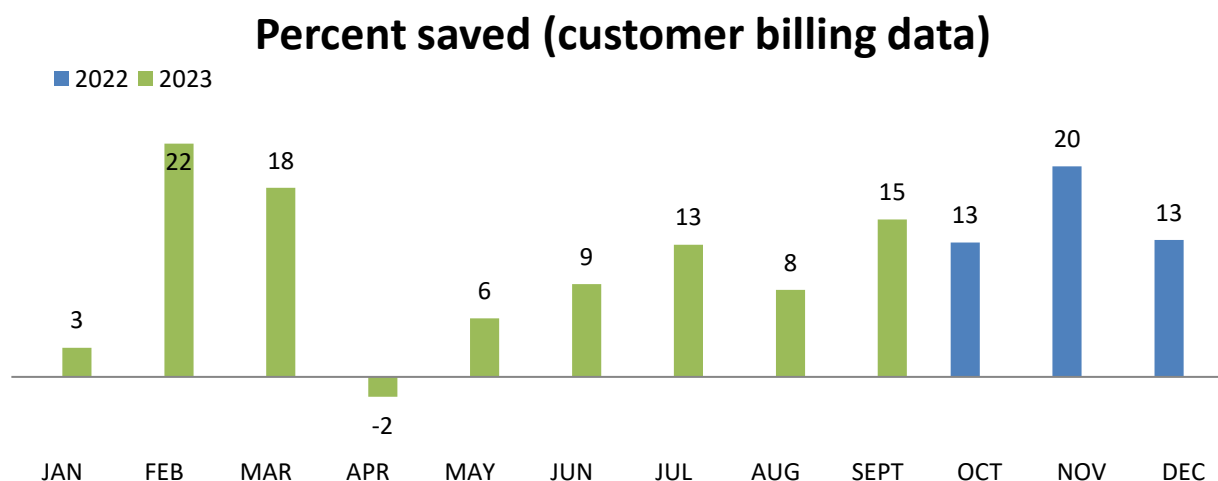
- Staff is finalizing the Request for Proposal (RFP) document and will be ready to send out to qualified consultants on November 17, 2023.
- Consultants will have until December 29, 2023 to review and submit their proposal to the Agency for review.
- Staff will review proposals and will present recommended selection to the Executive Committee on January 11, 2024. Staff will then begin contract negotiations with selected consultant.
- Staff will provide final contract negotiation results to the Executive Committee on February 1, 2024.
- Staff to provide full Board presentation at the February 6, 2024 Board meeting.
- Begin working with consultant on Strategic Plan.

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

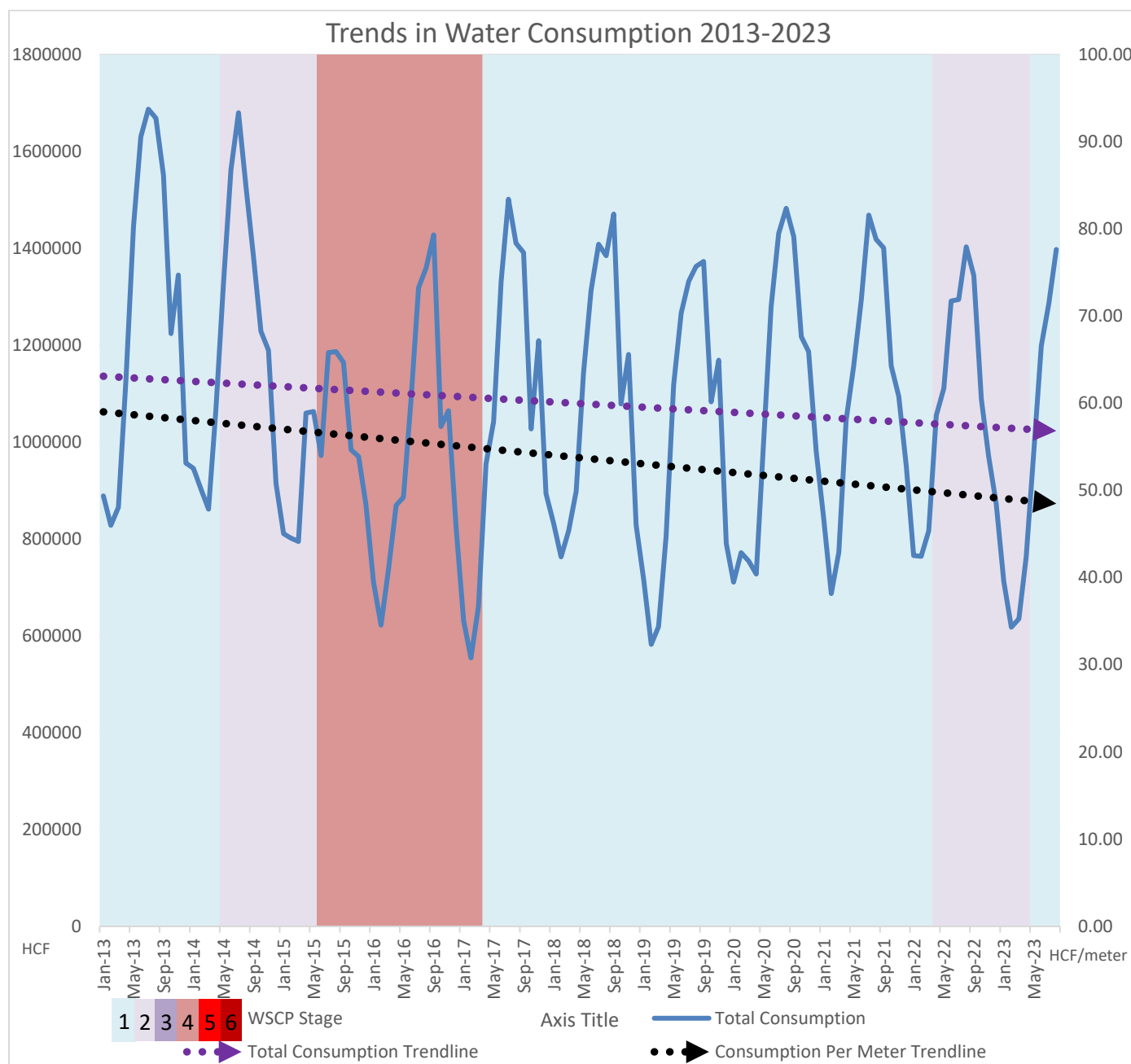
NOVEMBER 7, 2023

RE: SEPTEMBER 2023 WATER USE REDUCTION FIGURES

Desert Water Agency customers reduced water consumption per meter by 15% during September 2023 compared to the same month in 2020 – the baseline year the State Water Resources Control Board (State Water Board) used to measure statewide conservation achievements during the 2020-2022 drought. The graph below shows how recent use compares to the same months in 2020, which is a difficult year to use as a baseline because of the impacts of Covid-19.



Over the past 12 months, consumption per meter has been trending 12% lower compared to 2020. DWA is committed to conservation and has met the goals of many voluntary and mandatory calls for conservation such as [SB X7-7](#) (20% by 2020). The [Making Water Conservation a California Way of Life](#) regulation (currently in draft form) will provide DWA with a water use objective – in essence, an agency-wide water budget. This will inform DWA's future water conservation objectives.



The graph above shows total monthly water consumption trending downward over time. It also shows that water use *per meter* is trending downward even faster. This indicates significant conservation gains given that population and business grew while water consumption continued to decline. The graph also highlights Water Shortage Contingency Plan (WSCP) levels.

Sept 2023 conservation per meter percentage	15%
Sept 2023 consumption per meter	52 HCF
Sept 2020 consumption per meter	61 HCF
Sept 2023 gross consumption conservation percentage	13%
Sept 2023 metered potable consumption	2850 AF
Sept 2020 metered potable consumption	3269 AF
The percentage of the Total Monthly Potable Water Production going to residential use only for the reporting month	77%
Population (estimated and inclusive of seasonal residents)	74,546
Estimated R-GPCD	319
Number of public complaints of water waste or violation of conservation rules received during the reporting month.	60
Number of contacts with customers for actual/alleged water waste or for a violation of conservation rules.	30
Number of field visits for water waste follow up.	19
Number of citations for violation of conservation rules.	3

DESERT WATER AGENCY
Financial Highlights
September 2023

OPERATING FUND

Received

- \$4,310,037 in Water Sales Revenue Receipts
- \$77,102 in Recycled Water Sales Revenue Receipts
- \$100,000 contribution received from Sentinel for the Agency's landscape conservation program

Paid

- \$2,099,745 in Accounts Payable

Year to date

- YTD Water Sales are 6% under budget
- YTD Total Revenues are 5% under budget
- YTD Total Expenses are 10% under budget

Active Potable Water Accounts

- There were 23,509 active potable water accounts @ 9/30/2023
- Compared to 23,500 active potable water accounts @ 8/31/2023
(Net increase of 9 active accounts)

DESERT WATER AGENCY

Financial Highlights

September 2023

GENERAL FUND

Received

- \$49,069 in Replenishment Assessments from Private Pumpers
- \$38,618 in Power Sales Revenue from Southern California Edison for Whitewater Hydro.

Paid

- \$2,027,211 in State Water Project charges
(YTD SWP Payments = \$6,815,461)

WASTEWATER FUND

Received

- \$71,826 in Wastewater Revenue Receipts.

Paid

- \$82,700 in Accounts Payable

DESERT WATER AGENCY
STATEMENT OF CASH RECEIPTS AND EXPENDITURES

OPERATING ACCOUNT

SEPTEMBER 2023

INVESTED
RESERVE FUNDS
\$56,054,204.93

BALANCE	SEPTEMBER 1, 2023	(\$1,101,243.77)	
WATER SALES		\$4,310,037.37	
RECYCLED WATER		77,101.69	
WASTEWATER RECEIPTS		136,513.43	
POWER SALES		0.00	
METERS, SERVICES, ETC.		23,068.00	
REIMBURSEMENT – GENERAL FUND		288,810.24	
REIMBURSEMENT – WASTEWATER FUND		0.00	
ACCOUNTS RECEIVABLE – OTHER		14,585.78	
CUSTOMER DEPOSITS – SURETY		15,440.00	
CUSTOMER DEPOSITS – CONST.		22,300.00	
LEASE REVENUE		4,007.58	
INTEREST RECEIVED ON INV. FDS.		44,368.89	
FRONT FOOTAGE FEES		0.00	
BOND SERVICE & RESERVE FUND INT		0.00	
MISCELLANEOUS		<u>112,848.93</u>	
TOTAL RECEIPTS		\$5,049,081.91	
PAYMENTS			
PAYROLL CHECKS		\$500,882.95	
PAYROLL TAXES		223,169.47	
ELECTRONIC TRANSFERS		192,717.30	
CHECKS UNDER \$10,000.00		300,794.07	
CHECKS OVER \$10,000.00 – SCH. #1		1,606,233.18	
CANCELLED CHECKS AND FEES		<u>35,361.24</u>	
TOTAL PAYMENTS		<u>\$2,859,158.21</u>	
NET INCOME		\$2,189,923.70	
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		\$3,831,750.00	
FUNDS INVESTED – SCH. #3		<u>5,725,533.33</u>	
NET TRANSFER			<u>(\$1,893,783.33)</u>
BALANCE	SEPTEMBER 30, 2023	(\$805,103.40)	\$57,947,988.26

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



September 2023

Check #	Name	Description	Amount
135360	Cardmember	Credit Card Purchases	\$ 18,446.31
135379	ACWA/JPIA	Medical Insurance -August 2023	\$ 200,911.83
135388	Beck Oil Inc	Fuel purchase	\$ 11,656.13
135394	ESRI	GIS Mapping Software	\$ 56,500.00
135397	Iconix Waterworks Inc	Water service supplies	\$ 10,177.64
135425	Vasquez & Company LLP	Audit Services	\$ 44,000.00
135428	Z&L Paving	Paving	\$ 13,499.00
135452	City Of Palm Springs	Replacement check (W/O 17-816-H-06)	\$ 12,691.63
135460	Desert Water Agency	Wastewater Revenue billing "August 2023"	\$ 71,825.98
135461	Acorn Technology Services	IT Services	\$ 18,265.00
135463	Airgas Usa LLC	Safety supplies	\$ 14,071.29
135468	American Backflow Specialties	Water service supplies	\$ 24,476.69
135470	Shumard Corp	Shelter Model 5472(Chlorine Building)	\$ 23,800.00
135475	Beck Oil Inc	Fuel Purchase	\$ 24,017.02
135476	Best Best & Krieger LLP	Legal fees	\$ 45,337.00
135480	Core & Main LP	Water service supplies	\$ 26,250.70
135486	Down to Earth Landscaping	Landscape maintenance	\$ 41,167.07
135487	Dudek	Fema Project #147524 & #147525	\$ 27,014.42
135491	Ferguson Waterworks #1083	Water service supplies	\$ 20,623.07
135492	Fiesta Ford Lincoln Corp	Purchase-Unit #2 (W/O #21-124-M---77)	\$ 83,107.81
135505	Iconix Waterworks Inc	Water service supplies	\$ 13,108.93
135506	Indio Water Authority	Regional Conservation Program	\$ 24,500.00
135511	Kyle Groundwater Inc	Well #44 &45 Redevelopment &Testing	\$ 98,888.00
135513	LM Technology Consulting	Consulting Services- IT Governance	\$ 28,075.39
135532	Southern Calif Edison	Power	\$ 529,845.12
135536	Thatcher Company of California	Water service supplies	\$ 37,624.40
135548	Z&L Paving	Paving	\$ 35,114.75

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



September 2023

135553	Mountain Shadows HOA	Grass Removal Rebate	\$	39,474.00
135554	Khachik Karayan	Grass Removal Rebate	\$	11,764.00
Total				\$ 1,606,233.18

Monthly Investment Portfolio Report

As of 09/30/2023

AGG- Operating Fund (213426)

Dated: 10/23/2023

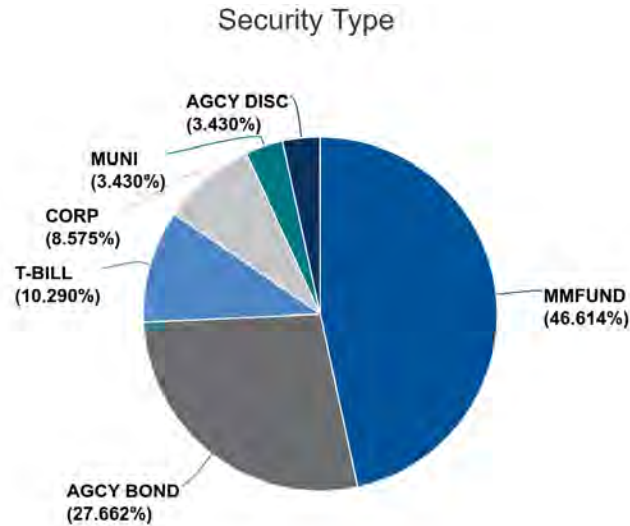


Chart calculated by: PAR Value

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	---	---	09/30/2023	09/30/2023	27,180,654.47	27,180,654.47	27,180,654.47	---
LAIF Money Market Fund LAIF - OP	---	---	09/30/2023	09/30/2023	27,180,654.47	27,180,654.47	27,180,654.47	---

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	10/16/2023	04/28/2025	04/28/2025	1,000,000.00	999,500.00	928,495.00	5.390%
FEDERAL HOME LOAN BANKS UnionBanc OP	06/28/2021	12/30/2023	09/30/2024	09/30/2024	1,000,000.00	1,000,000.00	950,655.00	5.526%
FEDERAL HOME LOAN BANKS UnionBanc OP	09/30/2021	12/30/2023	09/30/2026	09/30/2026	1,000,000.00	1,000,000.00	888,942.00	5.053%
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	1,884,662.00	4.842%
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	1,895,420.00	4.879%
FEDERAL HOME LOAN BANKS UnionBanc OP	05/23/2022	11/23/2023	05/23/2025	05/23/2025	2,000,000.00	2,000,000.00	1,936,062.00	5.347%
FEDERAL HOME LOAN BANKS UnionBanc OP	09/24/2021	---	09/13/2024	09/13/2024	1,130,000.00	1,125,513.90	1,076,656.09	5.514%
FEDERAL HOME LOAN MORTGAGE CORP UnionBanc OP	08/20/2020	08/20/2024	08/20/2025	08/20/2025	1,000,000.00	1,000,000.00	918,259.00	5.219%
FEDERAL HOME LOAN MORTGAGE CORP UnionBanc OP	05/26/2022	11/26/2023	08/26/2024	08/26/2024	2,000,000.00	2,000,000.00	1,956,292.00	5.547%

Monthly Investment Portfolio Report

As of 09/30/2023

AGG- Operating Fund (213426)

Dated: 10/23/2023

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	12/30/2023	06/30/2025	06/30/2025	1,000,000.00	1,000,000.00	924,370.00	5.305%
FEDERAL NATIONAL MORTGAGE ASSOCIATION UnionBanc OP	08/12/2020	11/12/2023	08/12/2025	08/12/2025	1,000,000.00	1,000,000.00	917,549.00	5.247%
FEDERAL NATIONAL MORTGAGE ASSOCIATION UnionBanc OP	12/16/2020	12/14/2023	06/14/2024	06/14/2024	1,000,000.00	1,000,500.00	964,598.00	5.540%
--- UnionBanc OP	---	---	10/01/2025	10/01/2025	16,130,000.00	16,125,513.90	15,241,960.09	5.255%

T-BILL

Description, Broker	Settle Date	Next Call Date	Effective Maturity	Final Maturity	PAR Value	Original Cost	Market Value	Yield to Maturity
UNITED STATES TREASURY UnionBanc OP	05/16/2023	---	10/12/2023	10/12/2023	2,000,000.00	1,959,356.11	1,997,069.44	4.131%
UNITED STATES TREASURY UnionBanc OP	08/25/2023	---	02/15/2024	02/15/2024	2,000,000.00	1,949,250.00	1,959,880.00	5.390%
UNITED STATES TREASURY UnionBanc OP	09/08/2023	---	12/19/2023	12/19/2023	2,000,000.00	1,970,533.33	1,976,968.34	5.264%
UNITED STATES TREASURY UnionBanc OP	---	---	12/15/2023	12/15/2023	6,000,000.00	5,879,139.44	5,933,917.78	4.924%

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	1,878,038.00	5.209%
JPMORGAN CHASE BANK, NATIONAL ASSOCIATION UnionBanc OP	06/22/2021	---	12/23/2024	12/23/2024	1,000,000.00	1,000,000.00	926,670.00	6.714%
MASSMUTUAL GLOBAL FUNDING II UnionBanc OP	06/14/2023	---	06/14/2028	06/14/2028	2,000,000.00	2,021,800.00	1,944,274.00	5.731%
--- UnionBanc OP	---	---	04/26/2027	04/26/2027	5,000,000.00	5,008,840.00	4,748,982.00	5.713%

AGCY DISC

Description, Broker	Settle Date	Next Call Date	Effective Maturity	Final Maturity	PAR Value	Original Cost	Market Value	Yield to Maturity
FEDERAL HOME LOAN BANKS UnionBanc OP	08/25/2023	---	01/16/2024	01/16/2024	2,000,000.00	1,957,920.00	1,968,436.00	5.370%
FEDERAL HOME LOAN BANKS UnionBanc OP	08/25/2023	---	01/16/2024	01/16/2024	2,000,000.00	1,957,920.00	1,968,436.00	5.370%

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	1,758,340.00	4.999%
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	1,758,340.00	4.999%

Summary

Description, Broker	Settle Date	Next Call Date	Effective Maturity	Final Maturity	PAR Value	Original Cost	Market Value	Yield to Maturity
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Description, Broker	Settle Date	Next Call Date	Effective Maturity	Final Maturity	PAR Value	Original Cost	Market Value	Yield to Maturity
---	---	---	09/18/2024	09/18/2024	58,310,654.47	57,947,987.81	56,832,290.34	5.256%

* 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

SEPTEMBER 2023

INVESTED
RESERVE FUNDS
\$234,263,443.58

BALANCE	SEPTEMBER 1, 2023	\$1,206.20	
* TAXES - RIVERSIDE COUNTY		0.00	
* INTEREST EARNED - INV. FUNDS		371,893.77	
GROUNDWATER REPLEN. ASSESSMENT		49,068.70	
REIMBURSEMENT - OPERATING FUND		0.00	
REIMBURSEMENT - CVWD MGMT AGRMT		0.00	
STATE WATER PROJECT REFUNDS		0.00	
REIMB - CVWD - WHITEWATER HYDRO		0.00	
POWER SALES - WHITEWATER		38,617.79	
MISCELLANEOUS		0.00	
TOTAL RECEIPTS		\$459,580.26	
PAYMENTS			
CHECKS UNDER \$10,000.00		3,984.00	
CHECKS OVER \$10,000.00 - SCH. #1		2,398,050.24	
CANCELLED CHECKS AND FEES		408,246.47	
TOTAL PAYMENTS		<u>\$2,810,280.71</u>	
NET INCOME		(\$2,350,700.45)	
INVESTED RESERVE FUNDS			
FUNDS MATURED		6,620,396.47	
FUNDS INVESTED – SCH. #2		<u>5,922,474.30</u>	
NET TRANSFER		\$697,922.17	(\$697,922.17)
BALANCE	SEPTEMBER 30, 2023	(\$1,651,572.08)	\$233,565,521.41
* INCLUSIVE TO DATE		TAXES	INTEREST
RECEIPTS IN FISCAL YEAR		\$1,277,418.78	\$1,027,882.13
RECEIPTS IN CALENDAR YEAR		\$37,873,644.36	\$2,331,199.63

DESERT WATER AGENCY

General Fund

Schedule #1 - Checks Over \$10,000

DESERT WATER

**September 2023**

Check #	Name	Description	Amount
9790	Coachella Valley Water District	Whitewater Hydro July 2023 Expenses/June 2023 Revenue	\$ 30,127.09
9791	United States Geological Survey	Quarterly Billing -4 QRTS Joint Funding Agreement	\$ 24,006.25
9792	State of California Department of Water Resources	State Water Project - June 2023 Variable OMP&R	\$ 365,672.00
9794	State of California Department of Water Resources	State Water Project - September 2023	\$ 1,661,539.00
9795	Coachella Valley Water District	Whitewater Hydro August 2023 Expenses/July 2023 Revenue	\$ 27,895.66
9796	Desert Water Agency	Operating Fund Reimbursement -August 2023	\$ 288,810.24
Total			\$ 2,398,050.24

Monthly Investment Portfolio Report

As of 09/30/2023

AGG- General Fund (213428)

Dated: 10/23/2023

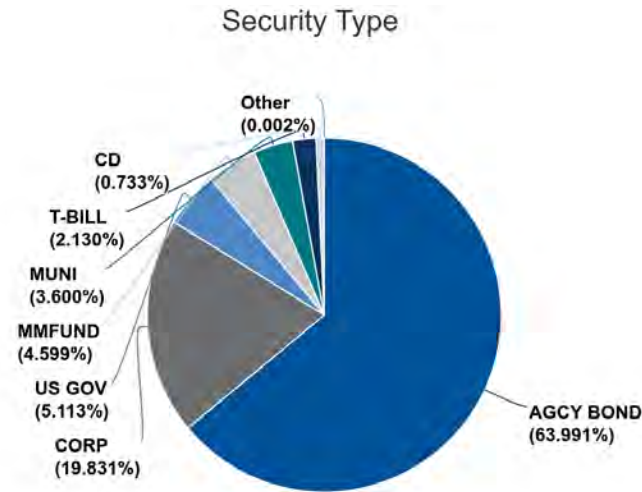


Chart calculated by: PAR Value

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 Alamo Capital	09/14/2022	---	04/21/2025	04/21/2025	1,000,000.00	977,400.00	960,898.00	5.266%
FEDERAL AGRICULTURAL MORTGAGE CORP Piper Sandler	02/23/2022	02/23/2024	02/23/2027	02/23/2027	3,000,000.00	3,000,000.00	2,718,459.00	5.143%
FEDERAL FARM CREDIT BANKS FUNDING CORP Alamo Capital	08/04/2020	10/17/2023	08/04/2025	08/04/2025	3,000,000.00	3,000,005.00	2,760,663.00	5.258%
FEDERAL FARM CREDIT BANKS FUNDING CORP Alamo Capital	10/15/2020	10/17/2023	10/15/2024	10/15/2024	3,000,000.00	2,995,500.00	2,846,550.00	5.506%
FEDERAL FARM CREDIT BANKS FUNDING CORP Alamo Capital	02/12/2021	10/17/2023	11/12/2024	11/12/2024	3,000,000.00	3,000,000.00	2,832,951.00	5.496%
FEDERAL FARM CREDIT BANKS FUNDING CORP Alamo Capital	01/05/2021	10/17/2023	04/05/2024	04/05/2024	3,000,000.00	3,000,000.00	2,920,839.00	5.520%
FEDERAL FARM CREDIT BANKS FUNDING CORP UnionBanc GF	12/22/2020	10/16/2023	12/22/2025	12/22/2025	3,000,000.00	3,000,000.00	2,703,159.00	5.227%
FEDERAL FARM CREDIT BANKS FUNDING CORP Piper Sandler	10/15/2020	10/16/2023	10/15/2024	10/15/2024	3,000,000.00	3,000,000.00	2,847,444.00	5.507%
FEDERAL FARM CREDIT BANKS FUNDING CORP Piper Sandler	11/05/2021	10/16/2023	10/20/2026	10/20/2026	3,000,000.00	2,988,000.00	2,671,875.00	5.044%
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	2,712,825.00	4.907%
FEDERAL FARM CREDIT BANKS FUNDING CORP Piper Sandler	12/28/2020	10/16/2023	12/21/2023	12/21/2023	3,000,000.00	3,000,000.00	2,965,731.00	5.282%
FEDERAL FARM CREDIT BANKS FUNDING CORP Piper Sandler	06/26/2023	---	06/21/2028	06/21/2028	4,000,000.00	3,963,160.00	3,855,916.00	4.733%
FEDERAL FARM CREDIT BANKS FUNDING CORP Stifel	10/16/2020	10/16/2023	03/28/2024	03/28/2024	3,000,000.00	3,000,000.00	2,924,619.00	5.491%
FEDERAL HOME LOAN BANKS Alamo Capital	04/09/2021	11/18/2023	11/18/2024	11/18/2024	3,000,000.00	2,989,263.00	2,830,761.00	5.490%

Monthly Investment Portfolio Report

As of 09/30/2023

AGG- General Fund (213428)

Dated: 10/23/2023

Description, Broker	Settle Date	Next Call Date	Effective Maturity	Final Maturity	PAR Value	Original Cost	Market Value	Yield to Maturity
FEDERAL HOME LOAN BANKS Alamo Capital	09/30/2021	12/30/2023	09/30/2026	09/30/2026	3,000,000.00	3,000,000.00	2,665,194.00	5.052%
FEDERAL HOME LOAN BANKS Alamo Capital	12/30/2021	---	12/30/2024	12/30/2024	3,000,000.00	3,000,005.00	2,859,198.00	5.424%
FEDERAL HOME LOAN BANKS Alamo Capital	09/13/2022	---	06/14/2024	06/14/2024	1,190,000.00	1,182,431.60	1,170,232.91	5.541%
FEDERAL HOME LOAN BANKS UnionBanc GF	12/30/2020	10/16/2023	12/30/2025	12/30/2025	3,000,000.00	3,000,000.00	2,706,855.00	5.170%
FEDERAL HOME LOAN BANKS UnionBanc GF	06/28/2021	12/30/2023	09/30/2024	09/30/2024	3,000,000.00	3,000,000.00	2,851,965.00	5.526%
FEDERAL HOME LOAN BANKS UnionBanc GF	09/30/2021	12/30/2023	09/30/2026	09/30/2026	3,000,000.00	3,000,000.00	2,666,826.00	5.053%
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	2,826,993.00	4.842%
FEDERAL HOME LOAN BANKS UnionBanc GF	06/23/2022	10/16/2023	06/23/2026	06/23/2026	3,000,000.00	3,000,000.00	2,902,680.00	5.502%
FEDERAL HOME LOAN BANKS UnionBanc GF	02/28/2023	02/28/2025	02/28/2028	02/28/2028	3,000,000.00	2,999,250.00	2,921,175.00	5.680%
FEDERAL HOME LOAN BANKS UnionBanc GF	03/08/2023	---	03/06/2024	03/06/2024	5,000,000.00	4,998,650.00	4,992,460.00	5.585%
FEDERAL HOME LOAN BANKS UnionBanc GF	06/23/2023	---	06/09/2028	06/09/2028	5,000,000.00	4,986,500.00	4,846,990.00	4.733%
FEDERAL HOME LOAN BANKS Piper Sandler	02/17/2021	11/17/2023	02/17/2026	02/17/2026	3,000,000.00	3,000,000.00	2,697,141.00	5.182%
FEDERAL HOME LOAN BANKS Piper Sandler	02/26/2021	11/26/2023	11/26/2024	11/26/2024	3,000,000.00	3,000,000.00	2,827,830.00	5.481%
FEDERAL HOME LOAN BANKS Piper Sandler	09/30/2021	12/30/2023	09/30/2026	09/30/2026	3,000,000.00	3,000,000.00	2,667,645.00	5.053%
FEDERAL HOME LOAN BANKS Piper Sandler	09/30/2021	12/30/2023	09/30/2026	09/30/2026	3,000,000.00	3,000,000.00	2,665,194.00	5.052%
FEDERAL HOME LOAN BANKS Piper Sandler	04/25/2022	07/25/2024	07/25/2025	07/25/2025	3,000,000.00	3,000,000.00	2,920,470.00	5.381%
FEDERAL HOME LOAN BANKS Piper Sandler	01/28/2021	10/16/2023	03/28/2024	03/28/2024	3,000,000.00	3,000,000.00	2,924,190.00	5.491%
FEDERAL HOME LOAN BANKS Piper Sandler	04/22/2021	10/29/2023	04/29/2024	04/29/2024	3,000,000.00	3,000,000.00	2,912,538.00	5.522%
FEDERAL HOME LOAN BANKS Stifel	02/25/2021	11/25/2023	11/25/2024	11/25/2024	3,000,000.00	3,000,000.00	2,829,840.00	5.483%
FEDERAL HOME LOAN BANKS Stifel	03/30/2021	12/30/2023	09/30/2024	09/30/2024	2,000,000.00	2,000,000.00	1,903,408.00	5.527%
FEDERAL HOME LOAN BANKS Stifel	06/28/2021	12/28/2023	02/28/2024	02/28/2024	3,000,000.00	3,000,000.00	2,937,435.00	5.413%
FEDERAL HOME LOAN BANKS Stifel	04/24/2023	04/24/2024	04/24/2028	04/24/2028	3,000,000.00	3,000,000.00	2,894,406.00	5.756%
FEDERAL HOME LOAN MORTGAGE CORP Alamo Capital	09/30/2020	12/30/2023	09/30/2025	09/30/2025	3,000,000.00	3,000,000.00	2,728,941.00	5.209%
FEDERAL HOME LOAN MORTGAGE CORP Alamo Capital	05/12/2022	11/12/2023	11/12/2024	11/12/2024	3,000,000.00	3,000,000.00	2,918,925.00	5.519%
FEDERAL HOME LOAN MORTGAGE CORP UnionBanc GF	08/20/2020	08/20/2024	08/20/2025	08/20/2025	3,000,000.00	3,000,000.00	2,754,777.00	5.219%
FEDERAL HOME LOAN MORTGAGE CORP Piper Sandler	06/25/2020	06/25/2024	06/25/2025	06/25/2025	3,000,000.00	3,000,000.00	2,773,101.00	5.310%
FEDERAL HOME LOAN MORTGAGE CORP Piper Sandler	08/26/2020	11/26/2023	08/26/2024	08/26/2024	3,000,000.00	3,000,000.00	2,868,279.00	5.522%
FEDERAL HOME LOAN MORTGAGE CORP Stifel	10/28/2020	10/28/2023	10/28/2024	10/28/2024	3,000,000.00	3,000,000.00	2,842,176.00	5.491%
FEDERAL HOME LOAN MORTGAGE CORP Stifel	05/26/2022	11/26/2023	05/26/2027	05/26/2027	3,000,000.00	3,000,000.00	2,910,483.00	5.553%
FEDERAL HOME LOAN MORTGAGE CORP Stifel	05/03/2023	11/03/2023	05/03/2027	05/03/2027	3,000,000.00	3,000,000.00	2,956,464.00	5.801%
FEDERAL HOME LOAN MORTGAGE CORP Stifel	11/30/2020	---	05/30/2024	05/30/2024	3,000,000.00	3,000,000.00	2,900,271.00	5.484%

Monthly Investment Portfolio Report

As of 09/30/2023

AGG- General Fund (213428)

Dated: 10/23/2023

Description, Broker	Settle Date	Next Call Date	Effective Maturity	Final Maturity	PAR Value	Original Cost	Market Value	Yield to Maturity
FEDERAL NATIONAL MORTGAGE ASSOCIATION Alamo Capital	08/25/2020	---	08/25/2025	08/25/2025	3,000,000.00	2,985,965.00	2,742,678.00	5.159%
FEDERAL NATIONAL MORTGAGE ASSOCIATION UnionBanc GF	07/15/2020	01/15/2024	07/15/2025	07/15/2025	3,000,000.00	3,000,000.00	2,768,916.00	5.285%
FEDERAL NATIONAL MORTGAGE ASSOCIATION UnionBanc GF	08/12/2020	11/12/2023	08/12/2025	08/12/2025	3,000,000.00	3,000,000.00	2,752,647.00	5.247%
FEDERAL NATIONAL MORTGAGE ASSOCIATION UnionBanc GF	12/16/2020	12/14/2023	06/14/2024	06/14/2024	3,000,000.00	3,001,500.00	2,893,794.00	5.540%
FEDERAL NATIONAL MORTGAGE ASSOCIATION Piper Sandler	12/14/2020	12/14/2023	06/14/2024	06/14/2024	3,000,000.00	3,000,000.00	2,893,794.00	5.540%
---	---	---	09/20/2025	09/20/2025	150,190,000.00	150,066,915.60	141,848,601.91	5.337%

CORP

Description, Broker	Settle Date	Next Call Date	Effective Maturity	Final Maturity	PAR Value	Original Cost	Market Value	Yield to Maturity
APPLE INC Alamo Capital	09/16/2019	08/11/2024	09/11/2024	09/11/2024	1,000,000.00	990,552.00	966,007.00	5.521%
APPLE INC UnionBanc GF	01/27/2021	08/11/2024	09/11/2024	09/11/2024	3,000,000.00	3,150,000.00	2,898,021.00	5.521%
APPLE INC Stifel	09/24/2020	04/11/2025	05/11/2025	05/11/2025	2,000,000.00	2,055,740.00	1,867,970.00	5.445%
APPLE INC Stifel	03/26/2021	01/08/2026	02/08/2026	02/08/2026	1,000,000.00	986,200.00	899,684.00	5.279%
APPLE INC Stifel	06/21/2022	11/09/2026	02/09/2027	02/09/2027	3,000,000.00	2,953,920.00	2,833,764.00	5.166%
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	937,404.00	5.831%
BERKSHIRE HATHAWAY FINANCE CORP Stifel	02/24/2023	02/15/2027	03/15/2027	03/15/2027	3,000,000.00	2,778,750.00	2,739,870.00	5.062%
CHEVRON CORP Stifel	07/08/2020	01/03/2024	03/03/2024	03/03/2024	3,000,000.00	3,239,700.00	2,965,647.00	5.625%
CITIBANK NA Stifel	06/24/2020	12/23/2023	01/23/2024	01/23/2024	3,000,000.00	3,297,000.00	2,977,128.00	6.063%
EXXON MOBIL CORP UnionBanc GF	08/11/2022	12/01/2025	03/01/2026	03/01/2026	3,000,000.00	2,976,180.00	2,853,477.00	5.214%
EXXON MOBIL CORP Stifel	12/15/2022	12/01/2025	03/01/2026	03/01/2026	2,000,000.00	1,928,640.00	1,902,318.00	5.214%
GUARDIAN LIFE GLOBAL FUNDING UnionBanc GF	03/03/2023	---	11/19/2027	11/19/2027	3,000,000.00	2,522,160.00	2,515,341.00	5.685%
JOHN DEERE CAPITAL CORP Alamo Capital	02/08/2021	---	01/15/2026	01/15/2026	3,000,000.00	3,000,000.00	2,703,423.00	5.334%
JOHN DEERE CAPITAL CORP Alamo Capital	04/18/2023	---	03/09/2027	03/09/2027	2,000,000.00	1,829,101.63	1,777,872.00	5.321%
MICROSOFT CORP Stifel	02/10/2021	08/03/2025	11/03/2025	11/03/2025	3,000,000.00	3,337,530.00	2,873,913.00	5.269%
PROCTER & GAMBLE CO UnionBanc GF	02/24/2023	---	01/26/2028	01/26/2028	3,000,000.00	2,951,160.00	2,891,436.00	4.887%
TOYOTA MOTOR CREDIT CORP Alamo Capital	10/21/2019	---	10/07/2024	10/07/2024	1,500,000.00	1,499,994.00	1,445,848.50	5.685%
TOYOTA MOTOR CREDIT CORP Alamo Capital	07/18/2022	---	04/14/2025	04/14/2025	2,044,000.00	2,035,824.00	1,978,542.94	5.596%
TOYOTA MOTOR CREDIT CORP Alamo Capital	04/18/2023	---	04/06/2028	04/06/2028	2,000,000.00	1,799,880.37	1,732,584.00	5.263%
WALMART INC Stifel	06/18/2020	10/15/2024	12/15/2024	12/15/2024	2,000,000.00	2,173,300.00	1,937,116.00	5.362%
---	---	---	01/04/2026	01/04/2026	46,544,000.00	46,525,636.99	43,697,366.44	5.401%

Monthly Investment Portfolio Report

As of 09/30/2023

AGG- General Fund (213428)

Dated: 10/23/2023

US GOV

Description, Broker	Settle Date	Next Call Date	Effective Maturity	Final Maturity	PAR Value	Original Cost	Market Value	Yield to Maturity
UNITED STATES TREASURY UnionBanc GF	05/27/2021	---	11/15/2023	11/15/2023	3,000,000.00	3,005,156.25	2,981,718.75	5.047%
UNITED STATES TREASURY Piper Sandler	05/15/2023	---	05/31/2027	05/31/2027	3,000,000.00	2,901,780.00	2,789,062.50	4.734%
UNITED STATES TREASURY Piper Sandler	08/17/2023	---	07/31/2028	07/31/2028	3,000,000.00	2,974,080.00	2,935,312.50	4.626%
UNITED STATES TREASURY Stifel	09/01/2023	---	07/15/2026	07/15/2026	3,000,000.00	2,997,726.30	2,972,343.75	4.854%
UNITED STATES TREASURY ---	---	---	08/01/2026	08/01/2026	12,000,000.00	11,878,742.55	11,678,437.50	4.817%

MMFUND

Description, Broker	Settle Date	Next Call Date	Effective Maturity	Final Maturity	PAR Value	Original Cost	Market Value	Yield to Maturity
INSURED BANK PROGRAM MONEY MARKET FDIC Stifel	09/29/2023	---	09/30/2023	09/30/2023	883.67	883.67	883.67	---
LAIF Money Market Fund LAIF - GF	---	---	09/30/2023	09/30/2023	10,793,531.85	10,793,531.85	10,793,531.85	---
---	---	---	09/30/2023	09/30/2023	10,794,415.52	10,794,415.52	10,794,415.52	---

MUNI

Description, Broker	Settle Date	Next Call Date	Effective Maturity	Final Maturity	PAR Value	Original Cost	Market Value	Yield to Maturity
CALIFORNIA ST UNIV REV Alamo Capital	09/09/2022	---	11/01/2026	11/01/2026	1,000,000.00	909,590.00	886,270.00	5.169%
EL CAJON CALIF UnionBanc GF	02/08/2021	---	04/01/2024	04/01/2024	300,000.00	302,583.00	292,518.00	6.009%
MONTEREY PK CALIF PENSION OBLIG UnionBanc GF	02/16/2021	---	06/01/2025	06/01/2025	400,000.00	403,156.00	370,264.00	5.605%
MONTEREY PK CALIF PENSION OBLIG UnionBanc GF	02/16/2021	---	06/01/2024	06/01/2024	550,000.00	552,255.00	531,421.00	5.821%
SAN FRANCISCO CALIF MUN TRANSN AGY REV Alamo Capital	09/14/2023	---	03/01/2028	03/01/2028	1,200,000.00	1,028,748.00	1,019,412.00	5.150%
UNIVERSITY CALIF REVS Alamo Capital	06/23/2023	03/15/2027	05/15/2027	05/15/2027	5,000,000.00	4,486,800.00	4,395,850.00	4.999%
---	---	---	12/27/2026	12/27/2026	8,450,000.00	7,683,132.00	7,495,735.00	5.167%

T-BILL

Description, Broker	Settle Date	Next Call Date	Effective Maturity	Final Maturity	PAR Value	Original Cost	Market Value	Yield to Maturity
UNITED STATES TREASURY Piper Sandler	05/16/2023	---	10/12/2023	10/12/2023	5,000,000.00	4,897,562.50	4,992,673.60	4.131%
UNITED STATES TREASURY Piper Sandler	05/16/2023	---	10/12/2023	10/12/2023	5,000,000.00	4,897,562.50	4,992,673.60	4.131%

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	232,762.25	5.116%
Capital One Bank (USA), National Association Piper Sandler	06/08/2022	---	06/08/2027	06/08/2027	245,000.00	245,000.00	230,895.60	4.869%

Monthly Investment Portfolio Report

As of 09/30/2023

AGG- General Fund (213428)

Dated: 10/23/2023

Description, Broker	Settle Date	Next Call Date	Effective Maturity	Final Maturity	PAR Value	Original Cost	Market Value	Yield to Maturity
Capital One, National Association Piper Sandler	06/08/2022	---	06/08/2027	06/08/2027	245,000.00	245,000.00	230,895.60	4.869%
Discover Bank Piper Sandler	06/07/2022	---	06/07/2027	06/07/2027	245,000.00	245,000.00	230,897.31	4.870%
JPMorgan Chase Bank, National Association Alamo Capital	02/08/2021	01/16/2024	01/16/2026	01/16/2026	250,000.00	250,000.00	225,614.00	5.120%
Morgan Stanley Bank, N.A. Piper Sandler	06/09/2022	---	06/09/2027	06/09/2027	245,000.00	245,000.00	230,067.25	4.869%
Morgan Stanley Private Bank, National Association Piper Sandler	06/09/2022	---	06/09/2027	06/09/2027	245,000.00	245,000.00	230,067.25	4.869%
---	---	---	02/04/2027	02/04/2027	1,720,000.00	1,720,000.00	1,611,199.25	4.939%

CASH

Description, Broker	Settle Date	Next Call Date	Effective Maturity	Final Maturity	PAR Value	Original Cost	Market Value	Yield to Maturity
Cash Stifel	---	---	09/30/2023	09/30/2023	5,100.00	5,100.00	5,100.00	0.000%
Cash Stifel	---	---	09/30/2023	09/30/2023	5,100.00	5,100.00	5,100.00	0.000%

Summary

Description, Broker	Settle Date	Next Call Date	Effective Maturity	Final Maturity	PAR Value	Original Cost	Market Value	Yield to Maturity
---	---	---	09/24/2025	09/24/2025	234,703,515.52	233,571,505.16	222,123,529.22	5.284%

* 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

SEPTEMBER 2023

INVESTED
RESERVE FUNDS
\$1,629,313.17

BALANCE	SEPTEMBER 1, 2023	\$1,002.92		
ACCOUNTS RECEIVABLE - OTHER		\$0.00		
CUSTOMER DEPOSITS - CONSTRUCTION		0.00		
INTEREST EARNED - INVESTED FUNDS		0.00		
WASTEWATER REVENUE		71,825.98		
SEWER CAPACITY CHARGES		0.00		
MISCELLANEOUS		<u>0.00</u>		
TOTAL RECEIPTS		\$71,825.98		
PAYMENTS				
CHECKS UNDER \$10,000.00		\$9,215.08		
CHECKS OVER \$10,000.00 - SCH. #1		73,485.66		
CANCELLED CHECKS AND FEES		<u>0.00</u>		
TOTAL PAYMENTS		<u>\$82,700.74</u>		
NET INCOME		(\$10,874.76)		
INVESTED RESERVE FUNDS				
FUNDS MATURED		\$0.00		
FUNDS INVESTED – SCH. #2		<u>0.00</u>		
NET TRANSFER			\$0.00	\$0.00
BALANCE	SEPTEMBER 30, 2023		<u>(\$9,871.84)</u>	<u>\$1,619,313.17</u>

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



September 2023

Check #		Name	Description	Amount	
3469		Coachella Valley Water District	Wastewater Revenue Billing for August 2023	\$	73,485.66
Total				\$	73,485.66

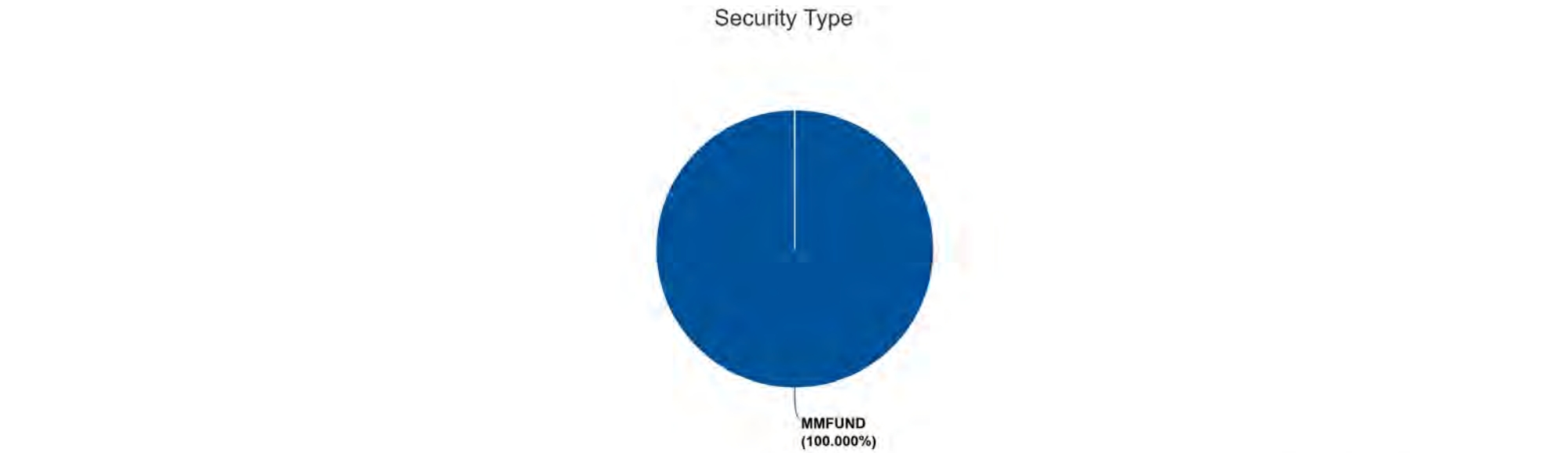


Chart calculated by: PAR Value

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	---	---	09/30/2023	09/30/2023	1,619,313.17	1,619,313.17	1,619,313.17	---
LAIF Money Market Fund LAIF - WW	---	---	09/30/2023	09/30/2023	1,619,313.17	1,619,313.17	1,619,313.17	---

* 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 1301, Section VII
& California Government Code Section 53646*

as of
September 30, 2023

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 1301.

Statement of Agency's Ability to Meet Six-Month Expenditure Requirements

Desert Water Agency has the ability to meet its expenditure requirements for the next six months.

Description of Investments

Agency Bonds

Securities issued by a government-sponsored enterprise or by a federal government department other than the U.S. Treasury.

Bank Deposits

Agency funds on deposit in the General Fund, Operating Fund and Wastewater Fund active checking accounts for use in meeting the daily cash flow requirements of the Agency.

Certificate of Deposits (CD)

Interest bearing time deposit. FDIC insured up to \$250,000 per depositor, per FDIC-insured bank.

Corporate Notes

Debt securities issued by a for-profit company.

Money Market Funds

High quality, short-term debt instruments, cash and cash equivalents. Utilized for overnight holding of investment proceeds prior to reinvesting or transferring to Agency checking accounts.

Municipal Bonds

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

Treasury Notes

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

Funds Managed by Contracted Parties - LAIF

The Desert Water Agency has contracted with the California Local Agency Investment Fund (LAIF) for investment of Agency funds. LAIF is a voluntary program created by Section 16429.1 et seq. of the California Government Code. LAIF is an investment alternative for California's local governments and special districts. This program offers local agencies the opportunity to participate in a major portfolio, which invests hundreds of millions of dollars, using the investment expertise of the state Treasurer's Office professional investment staff at no additional cost to the taxpayer or ratepayer. All Agency funds invested with LAIF are available for withdrawal upon demand and may not be altered, impaired or denied in any way (California Government Code Section 16429.4).

Market Value Source

Current market values are provided by Clearwater Analytics for all investment types other than LAIF. LAIF market values are recorded at PAR value.

Esther Saenz
Finance Director
Desert Water Agency

Effective Maturity Distribution Summary

As of 09/30/2023

AGG-ALL (219610)

Dated: 10/23/2023



0 (Liquid)

DWA Fund	Account	Identifier	Description	Security Type	PAR Value	Ending Effective Maturity	Final Maturity
General Fund	---	---	---	MMFUND	10,794,415.52	09/30/2023	09/30/2023
Operating Fund	LAIF - OP	LAIFMMF	LAIF Money Market Fund	MMFUND	27,180,654.47	09/30/2023	09/30/2023
Wastewater Fund	LAIF - WW	LAIFMMF	LAIF Money Market Fund	MMFUND	1,619,313.17	09/30/2023	09/30/2023
---	---	---	---	MMFUND	39,594,383.16	09/30/2023	09/30/2023

0-1 Years

DWA Fund	Account	Identifier	Description	Security Type	PAR Value	Ending Effective Maturity	Final Maturity
General Fund	---	---	---	---	55,040,000.00	03/27/2024	03/27/2024
Operating Fund	UnionBanc OP	---	---	---	12,130,000.00	03/11/2024	03/11/2024
---	---	---	---	---	67,170,000.00	03/24/2024	03/24/2024

1-2 Years

DWA Fund	Account	Identifier	Description	Security Type	PAR Value	Ending Effective Maturity	Final Maturity
General Fund	---	---	---	---	62,944,000.00	02/20/2025	02/20/2025
Operating Fund	UnionBanc OP	---	---	---	8,000,000.00	04/27/2025	04/27/2025
---	---	---	---	---	70,944,000.00	02/28/2025	02/28/2025

Effective Maturity Distribution Summary

AGG-ALL (219610)

As of 09/30/2023

Dated: 10/23/2023

2-3 Years

DWA Fund	Account	Identifier	Description	Security Type	PAR Value	Ending Effective Maturity	Final Maturity
General Fund	---	---	---	---	30,495,000.00	02/10/2026	02/10/2026
General Fund	---	---	---	---	30,495,000.00	02/10/2026	02/10/2026

3-4 Years

DWA Fund	Account	Identifier	Description	Security Type	PAR Value	Ending Effective Maturity	Final Maturity
General Fund	---	---	---	---	48,225,000.00	02/10/2027	02/10/2027
Operating Fund	UnionBanc OP	---	---	---	9,000,000.00	04/12/2027	04/12/2027
---	---	---	---	---	57,225,000.00	02/20/2027	02/20/2027

4-5 Years

DWA Fund	Account	Identifier	Description	Security Type	PAR Value	Ending Effective Maturity	Final Maturity
General Fund	---	---	---	---	27,200,000.00	04/18/2028	04/18/2028
Operating Fund	UnionBanc OP	57629W6H8	MASSMUTUAL GLOBAL FUNDING II	CORP	2,000,000.00	06/14/2028	06/14/2028
---	---	---	---	---	29,200,000.00	04/22/2028	04/22/2028

Summary

Account	Identifier	Description	Security Type	PAR Value	Ending Effective Maturity	Final Maturity
---	---	---	---	294,628,383.16	07/05/2025	07/05/2025

* Grouped by: Effective Maturity Distribution -> DWA Fund. * Groups Sorted by: Effective Maturity Distribution -> DWA Fund. * Filtered By: Security Type not in "CASH". * Weighted by: Ending Market Value + Accrued.

DESERT WATER AGENCY
Monthly Investment Portfolio Report

Abbreviations & Definitions

Investment Type Abbreviations

AGCY BOND	US Agency Obligation ¹
AGCY DISC	Discounted US Agency Obligation ^{1 & 8}
CORP	Medium Term Notes (Corporate Notes) ²
MMFUND	Local Agency Investment Fund (LAIF) ³ & Cash Funds in Transit ⁴
MUNI	Municipal Bonds/Local Agency 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 if the bond is held to maturity

NOTES:

- ¹ DWA Investment Policy, Resolution 1301, Schedule 1, Item 2
- ² DWA Investment Policy, Resolution 1301, Schedule 1, Item 14
- ³ DWA Investment Policy, Resolution 1301, Schedule 1, Item 9
- 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. DWA Investment Policy, Resolution 1301, Schedule 1, Item 15
- ⁵ DWA Investment Policy, Resolution 1301, Schedule 1, Item 3
- ⁶ DWA Investment Policy, Resolution 1301, Schedule 1, Item 10
- ⁷ DWA Investment Policy, Resolution 1301, Schedule 1, Item 1
- ⁸ US Agency Obligation that does not bear an interest rate, but purchased at a discount, held to maturity and redeemed at PAR.

DESERT WATER AGENCY - OPERATING FUND COMPARATIVE EARNINGS STATEMENT								
MONTH 23-24 SEPTEMBER	/-----THIS MONTH-----/ THIS YEAR	LAST YEAR	BUDGET	/-----FISCAL YEAR TO DATE-----/ THIS YEAR	LAST YEAR	BUDGET	/--VARIANCE--/ YTD	PCT
OPERATING REVENUES								
WATER SALES	3,831,797.43	4,061,629.28	4,181,500.00	11,926,088.18	12,191,836.23	12,648,300.00	722,211.82-	6-
RECLAMATION SALES	94,125.19	109,296.39	107,500.00	337,226.47	342,625.79	318,500.00	18,726.47	6
POWER SALES	.00	.00	4,700.00	25,363.12	743.45	14,100.00	11,263.12	80
OTHER OPER REVENUE	32,569.82	76,492.98	206,050.00	550,653.85	667,619.49	610,950.00	60,296.15-	10-
TOTAL OPER REVENUES	3,958,492.44	4,247,418.65	4,499,750.00	12,839,331.62	13,202,824.96	13,591,850.00	752,518.38-	6-
OPERATING EXPENSES								
SOURCE OF SUPPLY EXP	1,951,639.94	1,784,446.27	1,962,490.00	1,980,568.06	1,847,350.00	2,111,870.00	131,301.94-	6-
PUMPING EXPENSE	543,524.43	584,194.70	590,360.00	1,802,324.26	1,582,134.39	1,779,880.00	22,444.26	1
REGULATORY WATER TREAT	93,740.14	144,746.11	87,770.00	284,083.73	247,802.51	263,310.00	20,773.73	8
TRANS & DIST EXPENSE	319,027.11	325,889.25	372,160.00	840,162.15	780,918.76	1,116,480.00	276,317.85-	25-
CUSTOMER ACT EXPENSE	82,826.61	74,364.25	108,160.00	230,019.56	198,009.48	324,480.00	94,460.44-	29-
ADMIN & GEN EXPENSE	970,623.01	843,611.39	1,321,430.00	4,678,498.32	4,557,156.70	4,796,490.00	117,991.68-	2-
REGULATORY EXPENSE	108.34	21,357.99	39,590.00	36,592.41	54,160.76	118,770.00	82,177.59-	69-
SNOW CREEK HYDRO EXP	7,407.77	2,395.02	6,410.00	10,235.34	9,385.67	19,230.00	8,994.66-	47-
RECLAMATION PLNT EXP	63,403.17	81,573.21	188,890.00	240,300.42	227,947.99	566,670.00	326,369.58-	58-
SUB-TOTAL	4,032,300.52	3,862,578.19	4,677,260.00	10,102,784.25	9,504,866.26	11,097,180.00	994,395.75-	9-
OTHER OPER EXPENSES								
DEPRECIATION	538,720.41	522,822.94	574,500.00	1,595,208.52	1,562,891.14	1,723,500.00	128,291.48-	7-
SERVICES RENDERED	17,623.48	10,450.99	13,000.00	57,534.82	48,936.55	39,000.00	18,534.82	48
DIR & INDIR CST FOR WO	220,744.84-	187,986.47-	274,450.00-	905,255.11-	853,031.76-	823,350.00-	81,905.11-	10
TOTAL OPER EXPENSES	4,367,899.57	4,207,865.65	4,990,310.00	10,850,272.48	10,263,662.19	12,036,330.00	1,186,057.52-	10-
NET INCOME FROM OPERATIONS	409,407.13-	39,553.00	490,560.00-	1,989,059.14	2,939,162.77	1,555,520.00	433,539.14	28
NON-OPERATING INCOME (NET)								
RENTS	4,007.58	1,807.91	16,750.00	12,022.74	24,024.33	50,250.00	38,227.26-	76-
INTEREST REVENUES	117,275.67	68,382.18	110,000.00	349,547.68	190,293.21	330,000.00	19,547.68	6
INVESTMENT AMORT.	42,250.00	.00	.00	81,848.89	.00	.00	81,848.89	0
OTHER REVENUES	.00	27,454.50	.00	280.00	29,434.50	.00	280.00	0
GAINS ON RETIREMENT	.00	.00	5,200.00	.00	.00	5,200.00	5,200.00-	100-
DISCOUNTS	.00	33.03	75.00	.00	1,355.49	225.00	225.00-	100-
PR. YEAR EXPENSES	934.79	.00	.00	934.79	.01	.00	934.79	0
OTHER EXPENSES	.00	.00	2,090.00-	.00	.00	6,270.00-	6,270.00	100-
LOSS ON RETIREMENTS	.00	.00	8,900.00-	.00	.00	26,700.00-	26,700.00	100-
TOTAL NON-OPER INCOME	164,468.04	97,677.62	121,035.00	444,634.10	245,107.54	352,705.00	91,929.10	26
TOTAL NET INCOME	244,939.09-	137,230.62	369,525.00-	2,433,693.24	3,184,270.31	1,908,225.00	525,468.24	28

DESERT WATER AGENCY
OPERATING FUND
WATER CONSUMPTION

	THIS QUARTER			FISCAL YEAR TO DATE		
	LAST YEAR	THIS YEAR	% UP (DOWN)	LAST YEAR	THIS YEAR	% UP (DOWN)
WATER REVENUE	\$12,191,836	\$11,944,168	(2)	\$12,191,836	\$11,944,168	(2)
TOTAL CONSUMPTION (100 CU FT)	4,094,614	39,985,525	(3)	4,094,614	3,985,525	(3)
AVERAGE CONSUMPTION PER CONSUMER (100 CU FT)	175	170 *	(3)	175	170 C	(3)
NUMBER OF CONNECTIONS	-1	23		23,444	23,513	0

* = ADDED THIS QUARTER

C = TOTAL ACTIVE SEPTEMBER 2023

GENERAL MANAGER'S REPORT NOVEMBER 7, 2023

DWR Approves Groundwater Sustainability Plan for San Gorgonio Pass Subbasin

On October 26, 2023, the Department of Water Resources (DWR) approved the San Gorgonio Pass Subbasin Groundwater Sustainability Plan (GSP). The approval includes eight recommended corrective actions that should be incorporated into the GSP in future updates.

The Sustainable Groundwater Management Act (SGMA) requires local agencies to form groundwater sustainability agencies (GSAs) for high and medium-priority basins in the State of California. GSAs are required to develop and implement GSPs to avoid undesirable results and mitigate overdraft within 20 years.

Desert Water Agency is a GSA in the San Gorgonio Pass Subbasin along with San Gorgonio Pass GSA and Verbenia GSA.

GSAs are required to evaluate and update their GSP at least every five years and whenever the GSP is amended and provide a written assessment to DWR. DWR will evaluate approved GSPs and issue an assessment at least every five years.

The first periodic review of the San Gorgonio Pass GSP will be initiated by DWR no later than January 25, 2027.

In addition to the five-year updates, GSAs are required to submit annual reports to DWR by April 1 which provide information on groundwater conditions and implementation of the GSP for the prior water year.

DWA is also a GSA in the Indio Subbasin and the Mission Creek Subbasin. DWR has not yet completed its review of the five-year updates to the Indio Subbasin and Mission Creek Subbasin Alternative Plans. DWR has until January 1 of 2024 to complete its review.

DWR is not required to approve the five-year updates but will likely provide feedback to inform the next five-year update.

DWA Attended DAP Health Equality Walk

On October 28, 2023, DWA attended and hosted a booth at the DAP Health Equality Walk at Ruth Hardy Park. The event began at 8:00 a.m. and went until nearly noon. The event included a 5k walk that started at 9 a.m. The DWA team engaged with attendees and their dogs to promote water conservation and educate them on where Palm Springs water comes from. DWA also provided canned water to all the attendees.



Vaccination Clinic

DWA will be hosting a free vaccination clinic on Thursday, November 16, 2023 from 12:00 p.m. - 4:00 p.m. This clinic is being sponsored by Riverside County and it will be open to DWA staff and members of the public. No appointments are needed, and walk-ins will be welcome. Anyone coming into the clinic is asked to bring their ID and medical card to the clinic.

There will be Covid-19 Bivalent vaccines, Jynneos vaccines for MPOX, and Tdap vaccines available, subject to availability. Other vaccines may also be offered if available.

Veteran's Day Holiday/DWA Offices Closed

Reminder: DWA offices will be closed on Friday, November 10 in observance of Veteran's Day.



SYSTEM LEAK DATA 2023

Oct 10, 2023 - Oct 28, 2023

Street Name	Number of Leaks	Pipe Diameter (inches)	Install Date	Material	Coatling/Linning	Planned Replacement
LOUELLA RD	2	6"	1955	Steel - SP	UL	2021/2022
SUNNY DUNES RD	2	6"	1946	Steel - SP	UL	2021/2022
AVENIDA CABALLEROS	2	14"	1953	Steel - SP	UL	2020/2021
RAMON RD	2	6"	1955	Steel - SP	UL	
DEL LAGO RD	2	6"	1957	Steel - SP	UL	
BARISTO RD	1	4"	1937	Steel - SP	UL	W2024
ANDREAS RD	1	6"	1958	Steel - SP	UL	2021/2022
PALISADES DR	1	4"	1958	Steel - SP	UL	
WARM SANDS PL	1	4"	1946	Steel - SP	UL	
CALLE PALO FIERRO	1	4"	1948	Steel - SP	UL	
BELLAMY RD	1	4"	1957	Steel - SP	UL	
RACQUET CLUB RD	1	10"	1962	Steel - SP	CML	
JACINTO ESTATES: ARENAS RD, SATURMINO DR, CALLE FELECIA, CALLE LILETA, PASEO ROSETA, PASEO GRACIA, AVENIDA ELENORA & CERRITOS DR	1	4"	1946	Steel - SP	UL	
DOMINGUEZ RD	1	4"	1947	Steel - SP	UL	
PALM CANYON DR E (SOUTH SIDE)	1	6"	1953	Steel - SP	UL	
PARK DR	1	4"	1946	Steel - SP	UL	
DESERT WY	1	4"	1946	Steel - SP	UL	
CERRITOS RD	1	6"	1955	Steel - SP	UL	
SANTA ROSA DR	1	4"	1936	Steel - SP	UL	

Total Leaks In System
24

Planned Replacement

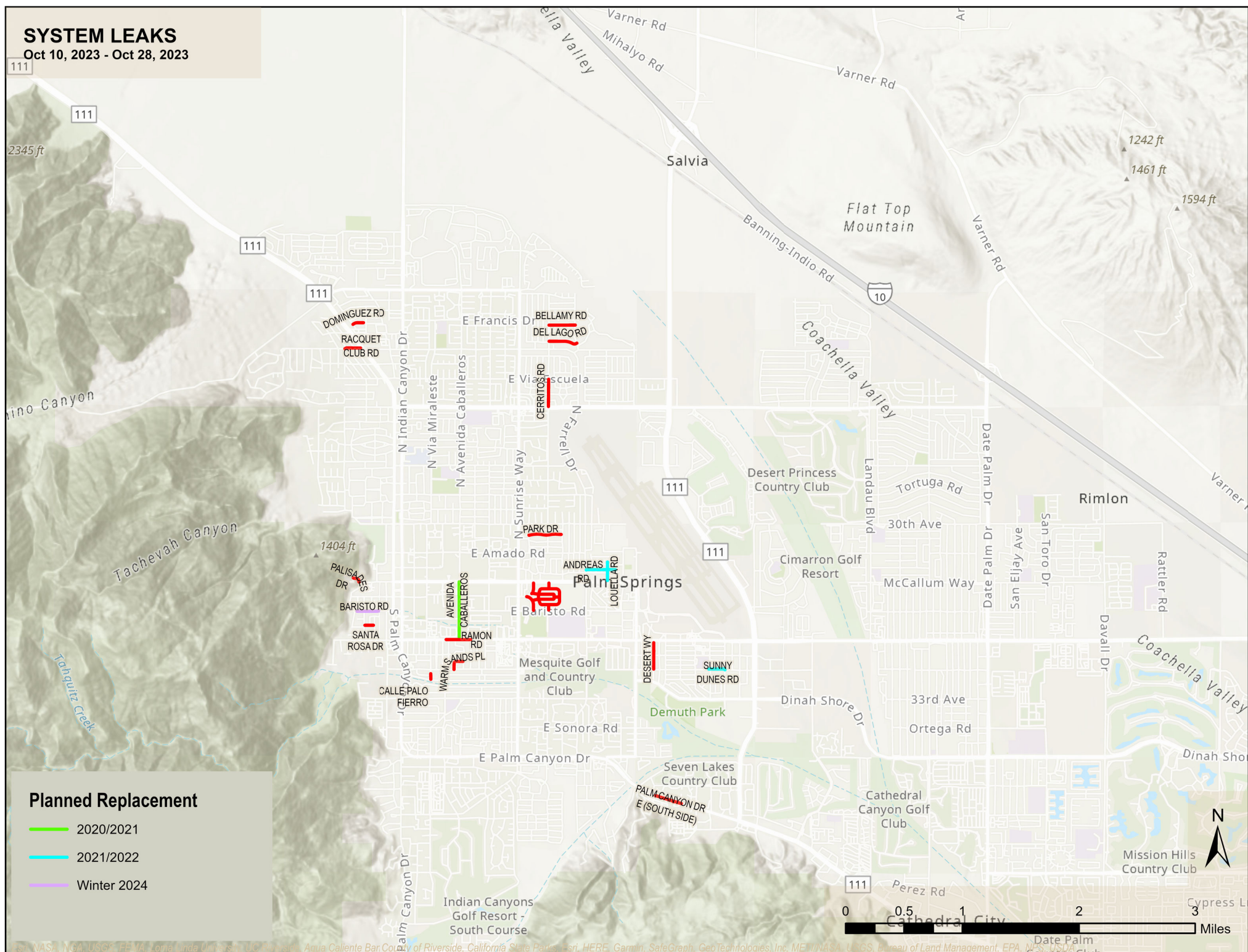
- 2020/2021
- 2021/2022
- Winter 2024

SYSTEM INFORAMTION

Oldest Pipe in the System (Year of Installation): 1935, 88 years old
Average Year of Installation of Unlined Steel Pipe (Systemwide): 1954, 69 years old
Total Length of Unlined Pipe Systemwide (Linear Feet): 263,496 ft
*Average Length of Pipe Replaced Annually (Linear Feet): 15,000 ft
***Projected Time Frame for 100% Replacement of Unlined Steel Pipe: 16 years**
Year Agency Transitioned to Cement Lined Steel Pipe: 1960

*Please note this figure represents the average linear footage of pipeline replaced annually given an average annual budget of \$3 million

Oct 10, 2023 - Oct 28, 2023



General Manager's Meetings and Activities

Meetings:

10/18/23	Meeting w/ Tribe and State (Krause)	Sacramento
10/18/23	DCP Coordination Meeting (Krause)	Sacramento
10/18/23	DCP Update Meeting (Krause)	Sacramento
10/18/23	SWC Monthly Meeting (Krause)	Sacramento
10/19/23	SWC General Counsel Meeting	Conf Call
10/19/23	SWC Board Meeting	Conf Call
10/19/23	MWD, CVWD & DWA Water Delivery Mtg. (Johnson)	Conf Call
10/19/23	TAC Group Tribal Mediation Meeting	Conf Call
10/20/23	Sites Joint Res. & Authority Board Meeting (Krause)	Conf Call
10/20/23	PrimeGov – General User Testing (Krause)	Conf Call
10/23/23	Tribal Mediation Meeting (Krause)	Agua Cal. Hotel
10/24/23	Tech. Transformation Committee Meeting	DWA
10/24/23	Snow Creek Security Weekly Update (Johnson)	DWA
10/24/23	DWA/CVWD Grant Project Emergency Intertie Mtg.	Conf Call
10/25/23	CV-SNMP Coordination Meeting	Conf Call
10/26/23	Monthly Agency Staff Safety Meeting	DWA
10/26/23	Meeting with CPS – WWTP Treatment	Conf Call
10/26/23	Meeting with BB&K – PFAS Lawsuit	Conf Call
10/26/23	Sites Reservoir SOC Contractor Meeting	Conf Call
10/27/23	DWA/CVWD Joint Meeting	CVWD
10/30/23	Weekly DWA Department Heads Meeting	DWA
10/31/23	Conservation & Public Affairs Committee Mtg.	DWA
10/31/23	I.T. Department Management Update	DWA
10/31/23	ESRI- GIS Management Update (Johnson)	Conf Call
11/01/23	DCP Coordination Meeting	Conf Call
11/02/23	Executive Committee Meeting	DWA
11/02/23	RGS Consultant Monthly Update	Conf Call
11/02/23	DWA/CVWD/MWD Water Operations Meeting	Conf Call
11/03/23	SWC Update	Conf Call
11/06/23	Weekly DWA Department Heads Meeting	DWA
11/06/23	I.T. Department Projects Update (Johnson)	DWA
11/07/23	DWA Bi-Monthly Board Meeting	DWA

Activities:

- 1) DWA Surface Water Rights
- 2) Water Supply Planning – DWA Area of Benefit
- 3) Sites Reservoir Finance
- 4) DCP Financing
- 5) Lake Perris Seepage Recovery Project Financing
- 6) Recycled Water Supply - Strategic Planning
- 7) AQMD Rule 1196
- 8) DWA Organizational Restructuring
- 9) DWA Tax Rate Analysis
- 10) DWA Remote Meter Reading Fixed Network
- 11) Whitewater River Surface Water Recharge
- 12) Replacement Pipelines Projects
- 13) DC Project – Finance JPA Committee (Standing)

Activities:

(Cont.)

- 14) DWA/CVWD/MWD Operations Coordination/Article 21/Pool A/Pool B/Yuba Water (Standing)
- 15) DWA/CVWD/MWD Exchange Agreement Coordination Committee (Standing)
- 16) ACBCI Water Rights Lawsuit
- 17) Whitewater Hydro Operations Coordination with Recharge Basin O&M
- 18) Whitewater Spreading Basins – BLM Permits
- 19) Delta Conveyance Project Cost Allocation
- 20) MCSB Delivery Updates
- 21) SWP East Branch Enlargement Cost Allocation
- 22) RWQCB Update to the SNMP