



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: 839 3242 8558  
Passcode: 785884  
or Via Computer:  
<https://dwa-org.zoom.us/j/83932428558?pwd=LgHKikFkL39apaDAkPzBOLlbe6Tvkn.1>  
Meeting ID: 839 3242 8558

*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](mailto: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: 839 3242 8558  
código de acceso: 785884  
o a través de la computadora:  
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*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](mailto: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 estás hablando.***

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

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

- A. Approve Minutes of the November 21, 2023 Regular Board Meeting
- B. Receive and File – Minutes of the November 28, 2023 Human Resources Committee Meeting
- C. Receive and File – Minutes of the November 30, 2023 Executive Committee Meeting
- D. Receive and File – October Water Use Reduction Figures

**6. ACTION ITEMS:**

- A. Request Authorization to Continue Emergency Repair Work at DWA Facilities **JOHNSON**  
Under Resolution No. 1312
- B. Request Approval of Notice of Exemption for Regional Grass Replacement Projects **JOHNSON**
- C. Request Approval of Tenth Amendment to Tolling & Waiver Agreement **JOHNSON**

**7. SECRETARY-TREASURER'S REPORT (OCTOBER 2023)** **MCKENNA**

**8. GENERAL MANAGER'S REPORT** **JOHNSON**

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

**10. DIRECTORS COMMENTS/REQUESTS**

**11. CLOSED SESSION**

- A. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION  
Pursuant to Government Code Section 54956.9 (d) (1)  
Name of Case: Mission Springs Water District vs. Desert Water Agency
- B. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION  
Pursuant to Government Code Section 54956.9 (d) (1)  
Name of Case: 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)  
Name of Case: Southern California Edison vs. California State Board of Equalization, et al  
One Case
- D. 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

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

**13. ADJOURN**

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

**DECLARATION OF POSTING**

Pursuant to Government Code Section 54954.2, I certify that this agenda has been posted at least 72 hours prior to the meeting on the Agency's website at [www.dwa.org](http://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 OF THE REGULAR MEETING  
OF THE  
DESERT WATER AGENCY  
BOARD OF DIRECTORS**

**5-A**

**November 21, 2023**

Board: Paul Ortega, President  
Jeff Bowman, Vice President  
Kristin Bloomer, Director  
Steve Grasha, Director

Absent: Gerald McKenna, Secretary-Treasurer

DWA Staff: Mark Krause, General Manager  
Steve Johnson, Assistant General Manager  
Esther Saenz, Finance Director  
Sylvia Baca, Asst. Secretary of the Board  
Kris Hopping, Human Resources Director  
Jamie Hoffman, Senior Admin. Assistant  
Dan Camarena, Facilities & Safety Technician  
David Tate, Operations & Engineering Manager

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, Bowman, Ortega  
Absent: McKenna

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-D are expected to be routine and to be acted upon by the Board of Directors at one time without discussion. If any Board member requests that an item be removed from the consent calendar, it will be removed so that it may be presented separately.

- A. Approve Minutes of the November 7, 2023 Regular Board Meeting
- B. Receive and File – Minutes of the November 16, 2023 Executive Committee Meeting
- C. Receive and File – October Outreach & Conservation Activities & Events
- D. Request Authorization to Continue Emergency Repair Work at DWA Facilities Under Resolution No. 1312

**Approval of the Consent Calendar**

- A. Approve Minutes of the 11/07/23 Regular Board Meeting
- B. Receive & File Minutes of 11/16/23 Executive Committee Meeting
- C. Receive & File October Outreach & Conservation Activities & Events
- D. Request Authorization to Continue Emergency Repair Work at DWA Facilities Under Resolution No. 1312

Director Grasha requested Item 5A be pulled for separate discussion. He requested his attendance at the October 17 Palm Springs State of the City event be added.

Director Grasha moved for approval of Consent Calendar Items 5A through 5D with the correction above noted. After a second by Director Bloomer, the motion carried by the following roll call vote:

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

Assistant General Manager Johnson presented the staff report.

Director Grasha made a motion to authorize the General Manager to sign the quitclaim for the Whitewater Mutual Water Company and Palm Springs Water Company Right-Of-Way's over APN 504-260-024. After a second by Director Bloomer, the motion carried by the following roll call vote:

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

**Action Item:**

Request Authorization for General Manager to Execute Quitclaim of the Whitewater Mutual Water Co. & Palm Springs Water Co. Right of Way's of APN 504-260-024

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

**General Manager's Report**

Director Grasha noted his attendance at the November 8 DWA Facilities Tour, November 14 CVWD Board meeting, and the November 16 DHS State of the City event.

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

Director Bloomer noted her attendance at the November 7-10 NWRA conference, November 8 Tribal meeting, and the November 16 DHS State of the City event.

Vice President Bowman noted his attendance at the November 8 Tribal meeting, and the November 16 DHS State of the City event.

President Ortega noted his attendance at the November 8 DWA Facilities Tour.

At 8:30 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), Debra Duncan v. City of Palm Springs, et al; (B) Existing Litigation, Pursuant to Government Code Section 54956.9 (d) (1), Mission Springs Water District vs. Desert Water Agency; (C) Existing Litigation, Pursuant to Government Code Section 54956.9 (d) (1), AT&T vs. County of Riverside; (D) 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 (E) 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 – Debra Duncan v. City of PS
- B. Existing Litigation – MSWD vs. DWA, et al
- C. Existing Litigation - AT&T vs. County of Riverside
- D. Possible Intervention in Existing Litigation – So. Cal. Edison vs. CA State Board of Equalization, et al
- E. Existing Litigation – ACBCI vs. CVWD, et al. (2 Cases)

At 9:51 a.m., President Ortega reconvened the meeting into open session and announced there will be a reportable action for Item 10A.

**Reconvene – No Reportable Action**

After recommendation from Legal Counsel Riddell, Director Grasha made a motion to deny the claim by the City of Palm Springs for indemnity (Existing Litigation, Debra Duncan v. City of Palm Springs, et al). After a second from Director Bloomer, the motion carried by the following roll call vote.

**Adjournment**

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

In the absence of any further business, President Ortega adjourned the meeting at 9:53 a.m.

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Sylvia Baca, MMC  
 Assistant Secretary of the Board

## Human Resources Committee Meeting Minutes November 28, 2023

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Directors Present: Kristin Bloomer, Jeff Bowman

Staff Present: Mark Krause, Steve Johnson, Kris Hopping, Esther Saenz

Call to Order

1. Public Comments – None.

2. Discussion Items

A. Review of Proposed Department Reorganization and Proposed Positions to be Added to the Budget

The Committee and staff discussed the department reorganization plan and the impact to future staffing levels. The Committee expressed support of the recommended changes.

The Committee and staff then discussed the need to add two additional positions to the current budget. The Committee also expressed support of the addition of two positions to the current budget.

B. Review of Revised Position Classification and Salary Chart

The Committee and staff discussed the proposed revisions to the salary and classification chart that have been proposed to take effect January 1, 2024. The Committee expressed support of the recommended changes.

C. Review of Proposed Benefit Package Enhancements

The Committee and staff discussed a proposal to add a retiree medical benefit for employees who are not currently eligible to receive retiree medical benefits, to be presented to the Employee's Association. The Committee expressed their support of management's proposal of a retiree medical benefit plan for employees hired after May 1, 2007 and presenting to the Employee's Association.

Adjourn

**Executive Committee Meeting Minutes**  
November 30, 2023

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

Call to Order

1. Public Comments  
None

2. Discussion Items

A. Review Agenda for December 5, 2023 Board Meeting

The proposed agenda for the December 5, 2023 meeting was reviewed.

B. 2024 Board Conference Schedule

Staff provided the Committee with the Draft 2024 Board Conference Schedule. The Committee approved travel dates for the GMDA and Irrigation Leader conferences for January 2024.

The Committee directed staff to look into the upcoming CSDA Leadership Academies and provide an update at a future committee meeting.

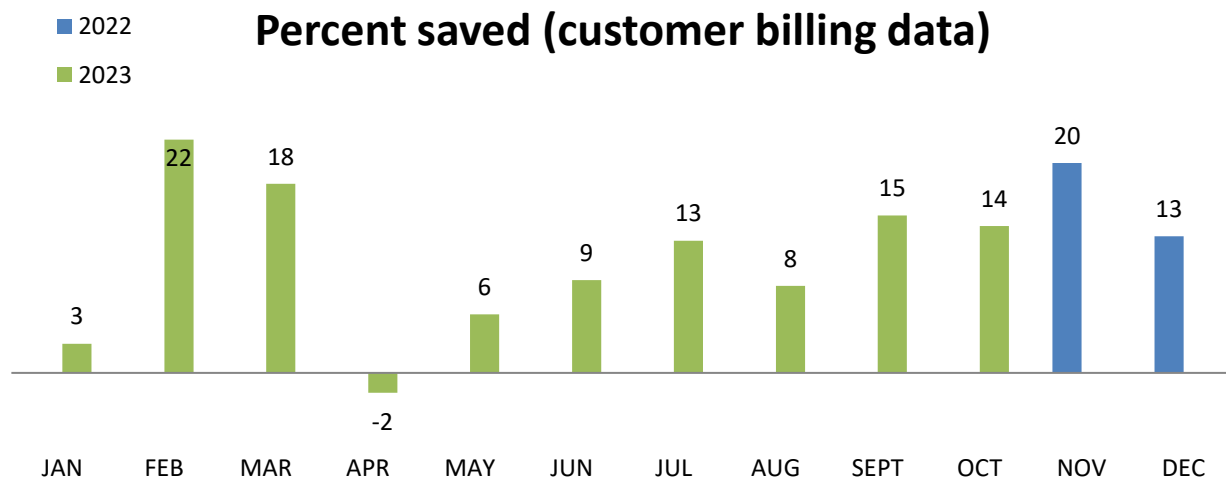
Adjourn

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

**DECEMBER 5, 2023**

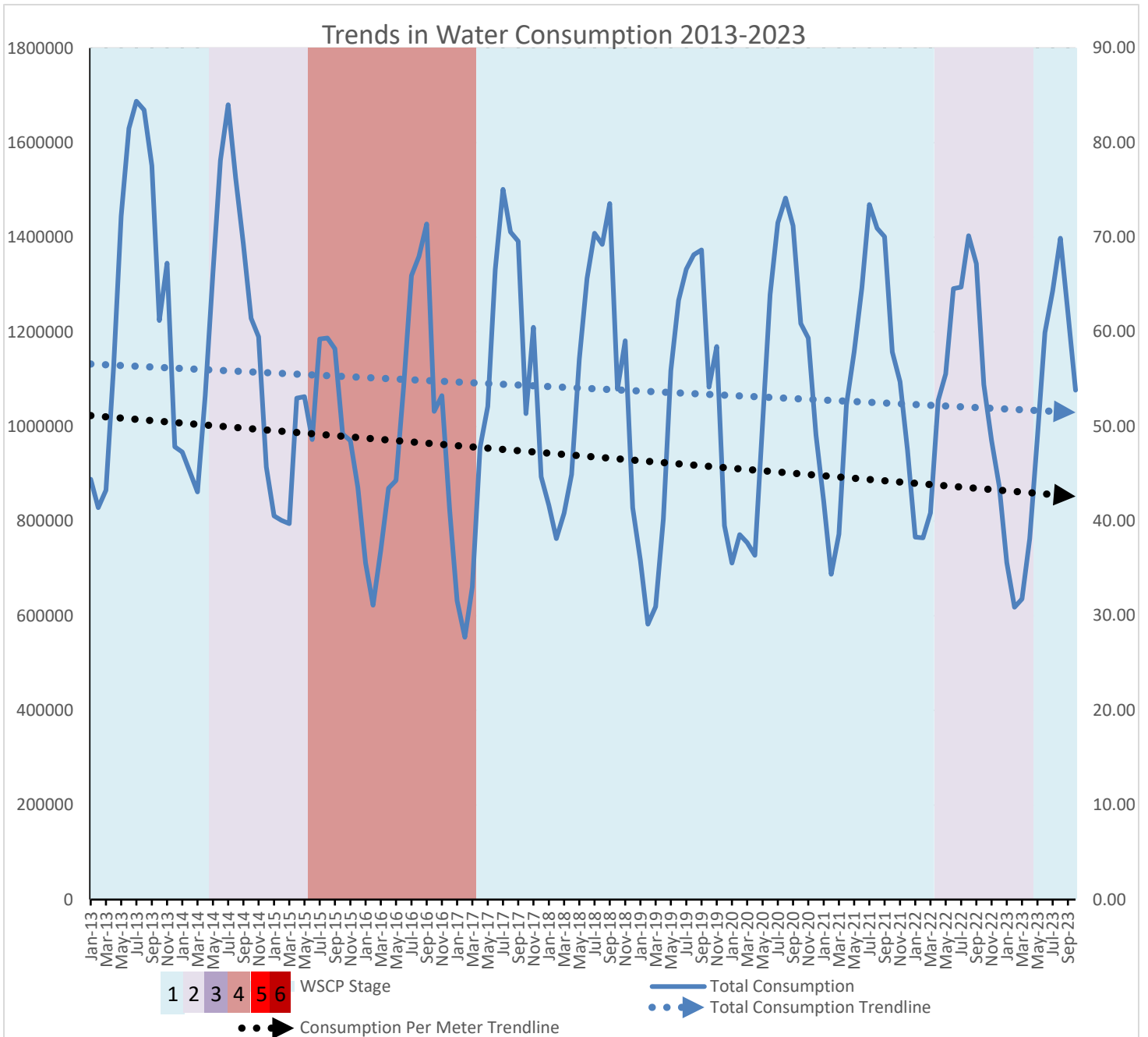
**RE: OCTOBER 2023 WATER USE REDUCTION FIGURES**

Desert Water Agency customers reduced water consumption per meter by 14% during October 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.

Oct 2023 conservation per meter percentage	14%
Oct 2023 consumption per meter	45 HCF
Oct 2020 consumption per meter	52 HCF
Oct 2023 gross consumption conservation percentage	12%
Oct 2023 metered potable consumption	2472 AF
Oct 2020 metered potable consumption	2795 AF
The percentage of the Total Monthly Potable Water Production going to residential use only for the reporting month	63%
Population (estimated and inclusive of seasonal residents)	74,611
Estimated R-GPCD	267
Number of public complaints of water waste or violation of conservation rules received during the reporting month.	70
Number of contacts with customers for actual/alleged water waste or for a violation of conservation rules.	27
Number of field visits for water waste follow up.	24
Number of citations for violation of conservation rules.	4

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

**DECEMBER 5, 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:

The following repair work has been done:

Whitewater Headworks:

- Graded road into site.
- Repaired 4" pump and re-established water supply to customers, at reduced delivery flow rate.
- Cleaned out concrete settling structure and transmission main.
- Scheduled fence contractor to replace the fence surrounding the settling structure.

Mission Creek Groundwater Replenishment Facility:

- Completed aerial survey of work zone area.
- CAD mapping from aerial survey is anticipated to be completed soon.

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  
DECEMBER 5, 2023**

**RE: REQUEST AUTHORIZATION TO FILE A CEQA NOTICE OF EXEMPTION FOR THE REGIONAL GRASS REPLACEMENT PROGRAM, MISSION SPRINGS WATER DISTRICT DEMONSTRATION GARDEN, AND REGIONAL CONSERVATION STUDY PROJECT**

In November 2022, the California Department of Water Resources (DWR) awarded the Coachella Valley IRWM Region approximately \$4 million dollars under Proposition 1, Round 2 to implement six priority projects in the region. The Regional Grass Replacement Program, Mission Springs Water District Demonstration Garden, and Regional Conservation Study project (Project) were included in the list of awarded projects. The Desert Water Agency (DWA) was listed as the implementing agency for the Project.

To satisfy the California Environmental Quality Act (CEQA) requirements for grant funding, the Desert Water Agency intends to file a CEQA Notice of Exemption (NOE) for the Regional Grass Replacement Program component (Program) of the Project. The Program includes removal of existing conventional landscaping at properties owned by various water customers within the Coachella Valley and the replacement of some with water-efficient landscaping. The Program does not have the potential to result in a significant effect on the environment and qualifies for CEQA exemption under Categorical Exemption, Class 4: Minor Alterations to Land.

With authorization granted today, Staff will file the NOE in Riverside, Imperial, San Bernardino, and San Diego Counties. Filing of the NOE will begin the 35-day statute of limitations on legal challenges to the Agency's approval of the project under CEQA. At the conclusion of the 35-day period, Staff will prepare and submit a legal challenges letter to DWR per the requirements under the grant program.

**Fiscal Impact:**

None. Finance Director Saenz has reviewed this report.

**Legal Review:**

Legal Counsel has reviewed this report.

**Attachments:**

Attachment #1 – NOE Regional Grass Replacement Program (Draft)

**Recommendation:**

Staff recommends authorization to file the CEQA Notice Of Exemption for the Regional Grass Replacement Program, Mission Springs Water District Demonstration Garden, and Regional Conservation Study Project.

**DRAFT****NOTICE OF EXEMPTION**

TO: Riverside County Clerk 2720 Gateway Drive Riverside, CA 92507	FROM: Name: Desert Water Agency (Public Agency) Address: P. O. Box 1710 Palm Springs, CA 92263  Telephone: (760) 323-4971
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1. Project Title:	Regional Grass Replacement Program
2. Project Applicant:	Desert Water Agency
3. Project Location – Identify street address and cross streets or attach a map showing project site (preferably a USGS 15' or 7 1/2' topographical map identified by quadrangle name):	Various existing landscaped areas within the collective service area of the member agencies of the Coachella Valley Water Management Group. See attached Coachella Valley Water Management Group Figure 1-2.
4. (a) Project Location – City: Multiple Cities	(b) Project Location – County: Riverside County, Imperial County, and San Diego County
5. Description of nature, purpose, and beneficiaries of Project:	The Regional Grass Replacement Program (the Program) will make turf-replacement rebates available throughout the Coachella Valley Regional Water Management Group's (CVRWMG's) collective service area for a variety of water customers. Implementation of the Program will include public outreach, application review and approval, pre- and post- site visits to customer sites, verification of successful project completion, customer support, rebate check processing, and program website maintenance. Implementation will also include work to measure and report Program progress and budgeted funds for materials and equipment necessary to implement the water efficient landscape upgrades. The purpose of the Program is to assist water suppliers in the CVRWMG in effectively managing groundwater by reducing demands, groundwater pumping, and dry weather urban runoff. The beneficiaries of the Program are the water suppliers and customers within the CVRWMG's collective service area.
6. Name of Public Agency approving project:	Desert Water Agency
7. Name of Person or Agency undertaking the project, including any person undertaking an activity that receives financial assistance from the Public Agency as part of the activity or the person receiving a lease, permit, license, certificate, or other entitlement of use from the Public Agency as part of the activity:	Desert Water Agency
8. Exempt status: (check one)	
(a) <input type="checkbox"/> Ministerial project.	(Pub. Resources Code § 21080(b)(1); State CEQA Guidelines § 15268)
(b) <input type="checkbox"/> Not a project.	
(c) <input type="checkbox"/> Emergency Project.	(Pub. Resources Code § 21080(b)(2),(4); State CEQA Guidelines § 15269(b),(c))
(d) <input checked="" type="checkbox"/> Categorical Exemption. State type and section number:	Class 4: Minor Alterations to Land (§ 15301)

(e) <input type="checkbox"/> Declared Emergency.	(Pub. Resources Code § 21080(b)(3); State CEQA Guidelines § 15269(a))
(f) <input type="checkbox"/> Statutory Exemption. State Code section number:	
(g) <input checked="" type="checkbox"/> Other. Explanation:	State CEQA Guidelines § 15061(b)(3)
9. Reason why project was exempt:	The Program includes the removal of existing conventional landscaping at properties owned by various water customers within the Coachella Valley and the replacement of same with water-efficient landscaping. The Program does not have the potential to result in a significant effect on the environment.
10. Lead Agency Contact Person: Telephone:	Sarah Rapolla, Desert Water Agency (760) 323-4971 ext. 127
11. If filed by applicant: Attach Preliminary Exemption Assessment (Form "A") before filing. N/A	
12. Has a Notice of Exemption been filed by the public agency approving the project? Yes <input type="checkbox"/> No <input type="checkbox"/> N/A	
13. Was a public hearing held by the Lead Agency to consider the exemption? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If yes, the date of the public hearing was: <a href="#">Click to enter date</a>	

\_\_\_\_\_  
Signature

Date: November 16, 2023

James R. Beale  
Name

Title: Krieger & Stewart, Incorporated  
Agency Consulting Engineer

☒ Signed by Lead Agency

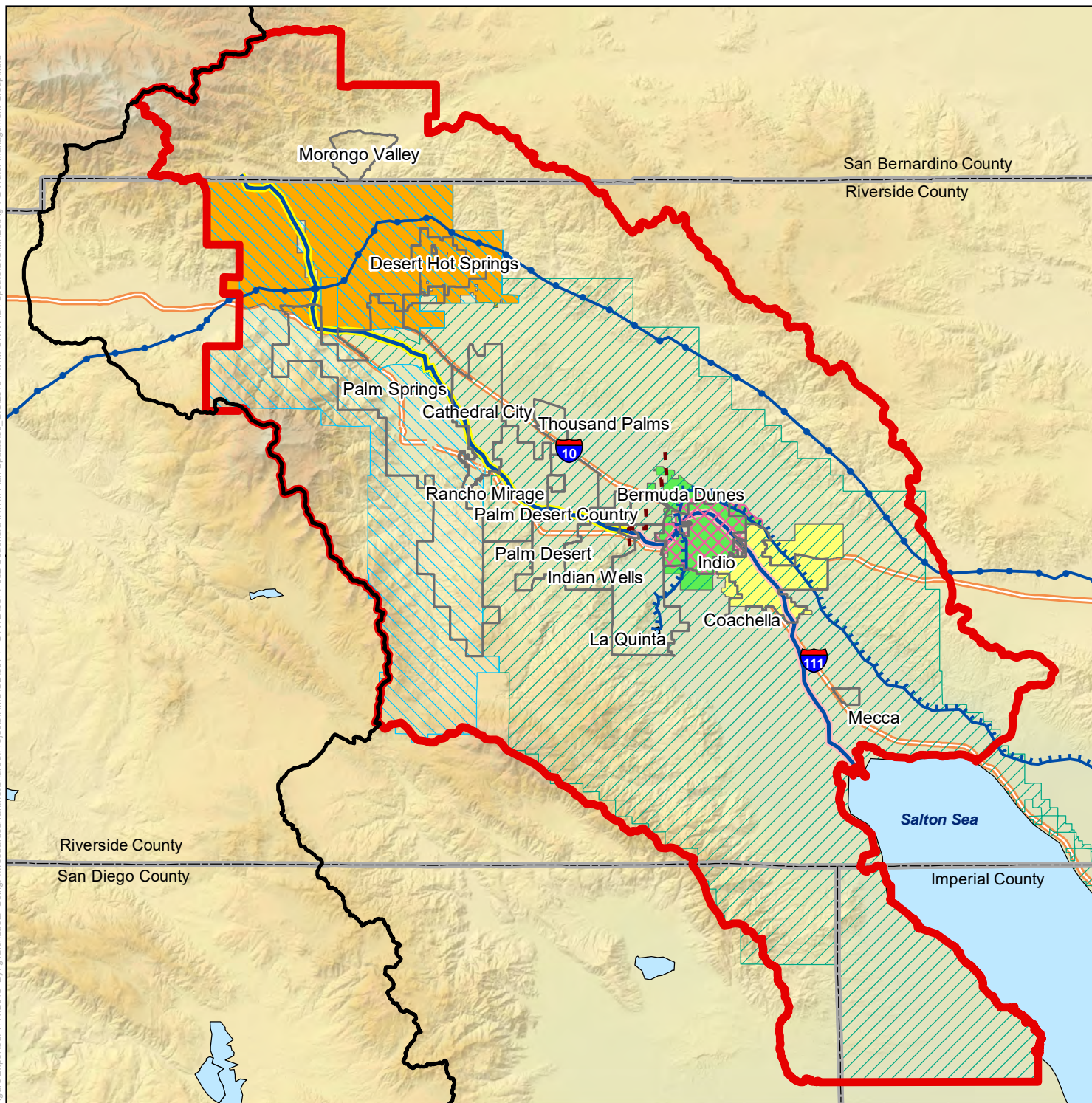
☐ Signed by Applicant

Date Received for Filing: [Click to enter date](#)

(Clerk Stamp Here)

Authority cited: Sections 21083 and 21110, Public Resources Code.  
Reference: Sections 21108, 21152, and 21152.1, Public Resources Code.





# Coachella Valley Regional Water Management Group

Figure 1-2

## Legend

- Division between Western and Eastern Coachella Valley
- Colorado River
- Coachella and All American
- Whitewater River Stormwater Channel
- Coachella Valley Stormwater Channel
- Highways
- Water Bodies
- Colorado River Funding
- IRWM / SWR Planning
- County Lines
- City Boundaries
- Water Agencies**
  - Indio Water
  - Mission Springs Water
  - Coachella Water
  - Coachella Valley Water District
  - Desert Water
  - Valley Sanitary District

0 1.75 3.5 7 10.5 14 Miles



Map Created: June 2018

Third Party GIS Disclaimer: This map is for reference and graphical purposes only and should not be relied upon by third parties for any legal decisions. Any reliance upon the map or data contained herein shall be at the users' sole risk. **Data Sources:** CVRWGM

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

**DECEMBER 5, 2023**

**RE: REQUEST BOARD APPROVAL FOR GENERAL MANAGER TO  
EXECUTE TENTH AMENDMENT TO TOLLING AND WAIVER  
AGREEMENT WITH DEPARTMENT OF WATER RESOURCES**

In 2007, Desert Water Agency and all other State Water Contractors entered into a Tolling and Waiver Agreement with the Department of Water Resources, and thereafter executed nine amendments to the Agreement extending the term of the Agreement until December 31, 2023. The purpose of the Agreement and its amendments was to toll the very short period allowed in the State Water Contract for filing claims with DWR, and then suing upon those claims, involving disputed charges in DWR's invoices to the Contractors. The Contractors and DWR did not want to force the filing of lawsuits to resolve the disputed charges while the parties were engaged in discussions to resolve their disagreements regarding a number of charges. The Agreement and its nine previous amendments have preserved the rights of the Contractors to challenge disputed charges in DWR's invoices. During that period of time some charges have been added to the original list, and a number have been resolved amicably.

In order to extend the tolling period beyond the December 31, 2023 term, a Tenth Amendment to the Tolling and Waiver Agreement has been prepared and needs to be signed and transmitted to DWR by the end of December. The amendment would extend the tolling period to include State Water Project invoices through June 1, 2026. DWR cannot have different tolling agreements with different Contractors, and therefore cannot sign any version of the Tenth Amendment which deviates in any respect from the one that has been prepared for execution by all Contractors.

The Tenth Amendment provides that any Contractor may remove any claim from the Agreement, thus clearing the way for a lawsuit on that claim, by providing written notice to DWR and to the other Contractors that have signed the Agreement. Thus, the amendment provides easy "off ramps" should the Agency decide that it would prefer to simply litigate any claim.

Fiscal Impact:

Unknown at this time. Finance Director Saenz has reviewed this report.

Legal Review:

Legal Counsel has reviewed this agreement.



Recommendation:

Staff and Legal Counsel agree with the provisions set forth in the Tenth Amendment and recommend approval for the General Manager to Execute the Tenth Amendment to the Tolling and Waiver Agreement with the Department of Water Resources.

Attachments:

Attachment #1 – Tenth Amendment Tolling and Waiver Agreement

## **TENTH AMENDMENT TO TOLLING AND WAIVER AGREEMENT**

This TENTH AMENDMENT TO TOLLING AND WAIVER AGREEMENT (“Tenth Amendment”), which shall be effective as of December 15, 2023 (“Effective Date of Tenth Amendment”), is entered into by and between \_\_\_\_\_ (“AGENCY”) and the CALIFORNIA DEPARTMENT OF WATER RESOURCES (“DWR” or “The Department”). AGENCY and DWR are referred to individually as a “Party” and collectively as the “Parties.”

### **RECITALS**

A. In 2007, the Parties entered into a Tolling and Waiver Agreement (“Agreement”), and thereafter entered into the First Amendment with an effective date of December 15, 2007 (“First Amendment”), Second Amendment with an effective date of December 15, 2008 (“Second Amendment”), Third Amendment with an effective date of September 15, 2009 (“Third Amendment”), Fourth Amendment with an effective date of December 15, 2010 (“Fourth Amendment”), Fifth Amendment with an effective date of December 15, 2012 (“Fifth Amendment”), Sixth Amendment with an effective date of December 15, 2015 (“Sixth Amendment”), Seventh Amendment with an effective date of December 15, 2017 (“Seventh Amendment”), Eighth Amendment with an effective date of December 15, 2019 (“Eighth Amendment”), and Ninth Amendment with an effective date of December 15, 2021 (“Ninth Amendment”). Except as otherwise set forth in this Tenth Amendment, capitalized terms have the meanings given to such terms in the Agreement, as amended.

B. Among other things, the Agreement, as currently amended through the Ninth Amendment, tolls the statute of limitations with regard to certain Claims beginning with the Effective Date of the Agreement through and including December 31, 2023. The Claims specified in the Agreement, as amended through the Ninth Amendment, include, with certain exceptions, DWR’s bills to the Contractors for calendar years 2007 through and including 2024, but do not include bills for subsequent years.

C. Thus, in the absence of an amendment to extend the tolling period beyond December 31, 2023, AGENCY will be required to formally protest and/or take other legal action to preserve its rights to pursue Claims under the Agreement, as amended, upon expiration of the tolling period on December 31, 2023. In addition, in the absence of an amendment to the Agreement regarding the SWP bills for 2025 and 2026, AGENCY will be required to formally protest its SWP bills for 2025 and 2026 and/or take other legal action to preserve any claims it may have with respect to such bills.

D. The Parties currently are engaged in good faith discussions concerning a possible resolution of the claims related to the SWP bills issued for calendar years 2007 through and including 2024 and certain other claims related to the State Water Project. In order to facilitate these discussions, the Parties agree that the applicable tolling period for pursuing Claims as set out in the Agreement, as amended, (with the exception of the issues set out in Exhibit 1, Exhibit 2A, Exhibit 2B, Exhibit 2C, Exhibit 2D, and Exhibit 2E) should be extended through June 1, 2026, and that claims related to the SWP bills issued by DWR for 2025 and 2026, including any revisions made on or before June 1, 2026, should also be tolled.

E. The Parties also recognize that there may be issues that they are not able to resolve through good faith discussions and that a Party to this Agreement and/or a Contractor which has entered into a similar, but separate, tolling and waiver agreement with DWR may desire to seek formal dispute resolution or other legal action on such issues before the end of the tolling period on June 1, 2026. Accordingly, the Parties have included procedures in this Agreement, as amended, and DWR has included similar procedures in its tolling and waiver agreements with other Contractors to allow any party (including DWR) to exclude issues from the tolling provisions before the end of the tolling period and to have such exclusion apply to and bind DWR and all other Contractors with tolling and waiver agreements with DWR.

**NOW, THEREFORE**, AGENCY and DWR, for good and adequate consideration, the sufficiency of which is hereby acknowledged, agree to the following:

#### **TERMS OF TENTH AMENDMENT**

1. The text in Paragraph 1(b) of the Agreement, as amended by the Ninth Amendment, is deleted in its entirety and replaced with the following text, shown here in italics:

*(b) (i) The term “Claims” is broadly defined to include any and all claims for relief, actions, suits, causes of action, damages, debts, costs, demands, losses, liabilities and obligations of whatever nature, whether legal or equitable, and notices of contest under Article 29(i) of the State Water Contracts (or with regard to Alameda County Water District, Alameda County Flood Control and Water Conservation District, Zone 7 and Santa Clara Valley Water District, notices of contest under Article 29(k) of the State Water Contracts) that arise out of or are related to: (1) the Metropolitan Claim; (2) the use, prior to July 1, 2006, of revenue bond proceeds and commercial paper note proceeds to pay “costs incurred for the enhancement of fish and wildlife or for the development of public recreation”; (3) the related establishment, restatement or adjustment of charges and rate reductions under the State Water Contracts; (4) the accounting for the costs of the San Joaquin Drainage Program; (5) the allocation of the costs of certain facilities in the Delta to the purposes of the development of public recreation and the enhancement of fish and wildlife; (6) DWR’s bills to the Contractors for calendar years 2007 through and including 2026, including any revisions to such bills made on or before June 1, 2026; provided that the term “Claims” does not include the issue set out in Exhibit 1, attached hereto, effective January 1, 2009; the issues set out in Exhibit 2A, attached hereto, effective January 1, 2016; the issues set out in Exhibit 2B, attached hereto, effective January 1, 2018; the issues set out in Exhibit 2C, attached hereto, effective January 1, 2020; the issues set out in Exhibit 2D, attached hereto, effective January 1, 2022; and the issues set out in Exhibit 2E, attached hereto, effective January 1, 2024. To the extent the issue set out in Exhibit 1 was heretofore included within the term “Claims”, the Tolling Period Expiration Date for such issue as used in Paragraph 4 shall be deemed to be December 31, 2008. To the extent the issues set out in Exhibit 2A were heretofore included within the term “Claims”, the Tolling Period*

*Expiration Date for such issues as used in Paragraph 4 shall be deemed to be December 31, 2015. To the extent the issues set out in Exhibit 2B were heretofore included within the term "Claims", the Tolling Period Expiration Date for such issues as used in Paragraph 4 shall be deemed to be December 31, 2017. To the extent the issues set out in Exhibit 2C were heretofore included within the term "Claims", the Tolling Period Expiration Date for such issues as used in Paragraph 4 shall be deemed to be December 31, 2019. To the extent the issues set out in Exhibit 2D were heretofore included within the term "Claims", the Tolling Period Expiration Date for such issues as used in Paragraph 4 shall be deemed to be December 31, 2021. To the extent the issues set out in Exhibit 2E were heretofore included within the terms "Claims", the Tolling Period Expiration Date for such issues as used in Paragraph 4 shall be deemed to be December 31, 2023. In addition, the term "Claims" shall not include any issue to the extent such issue is excluded from the term "Claims" pursuant to the provisions of Paragraph 1(b)(ii) or 1(b)(iii).*

*(ii) Any Party (including DWR) to this Agreement may elect to remove one or more of the issues set out in Exhibit 3 from the term "Claims" by giving 60 days advance written notice to DWR and the other Contractors which have tolling and waiver agreements with DWR with a tolling period expiration date that has been extended to June 1, 2026. Such notice shall specify the effective date of such exclusion and shall apply to and be binding upon DWR and the other Contractors listed in Exhibit 4 which have a tolling and waiver agreement with DWR with a tolling period expiration date that has been extended to June 1, 2026. Exhibit 4 contains a listing of all water contractors which entered into the previous tolling and waiver agreement amendment extending the tolling period to December 31, 2023, and which are expected to enter into amendments to extend their tolling periods to June 1, 2026. To be effective, such notice must be received by DWR and shall be effective as to all other Contractors with tolling and waiver agreements with DWR with a tolling period expiration date that has been extended to June 1, 2026, even if one or more of such Contractors do not receive such notice. The effect of such notice by one Party or by any Contractor with a tolling and waiver agreement with DWR shall be to exclude such issue or issues from the term "Claims" in this Agreement and in the tolling and waiver agreements of DWR and the other*

*Contractors listed in Exhibit 4 with a tolling period expiration date that has been extended to June 1, 2026. To the extent the issue or issues set out in the notice were heretofore included within the term “Claims”, the Tolling Period Expiration Date for each such issue as used in Paragraph 4 shall be the issue exclusion date so specified in the notice.*

*(iii) Any Party (including DWR) to this Agreement may elect to remove one or more issues (other than those listed in Exhibit 3, which are addressed in Paragraph 1(b)(ii)) from the definition of the term “Claims” by giving 120 days advance written notice to DWR and the other Contractors which have tolling and waiver agreements with DWR with a tolling period expiration date that has been extended to June 1, 2026; provided, however, that such Party (if other than DWR) shall notify DWR at least 30 days in advance of the issuance of such 120 day notice and allow DWR the opportunity to discuss the matter with that Party. The Party shall use its best efforts to describe clearly in the notice the issue or issues to be excluded and shall specify the effective date of such exclusion. The notice shall apply to and be binding upon DWR and the other Contractors listed in Exhibit 4 which have a tolling and waiver agreement with DWR with a tolling period expiration date that has been extended to June 1, 2026. To be effective, such notice must be received by DWR and shall be effective as to all other Contractors with tolling and waiver agreements with DWR with a tolling period expiration date that has been extended to June 1, 2026, even if one or more of such Contractors do not receive such notice. The effect of such notice by one Party or by any Contractor with a tolling and waiver agreement with DWR shall be to exclude such issue or issues from the term “Claims” in this Agreement and in the tolling and waiver agreements of DWR and the other Contractors listed in Exhibit 4 with a tolling period expiration date that has been extended to June 1, 2026. To the extent the issue or issues set out in the notice were heretofore included within the term “Claims”, the Tolling Period Expiration Date for each such issue as used in Paragraph 4 shall be the issue exclusion date so specified in the notice.*

2. The text in Paragraph 4 of the Agreement, as amended by the Ninth Amendment, is deleted in its entirety and replaced with the following text, shown here in italics:

*The Tolling Period Expiration Date is June 1, 2026; provided that DWR may, upon giving 60 days advance written notice to Agency, change the Tolling Period Expiration Date to a date earlier than June 1, 2026, if the sum of the maximum Table A amounts for all Contractors who enter into a Tenth Amendment to the Tolling and Waiver Agreement with DWR (plus the Table A amount for the County of Butte, if the County enters into an Ninth Amendment to the Tolling and Waiver Agreement with DWR) is less than 95% of the sum of the maximum Table A amounts for the 27 Contractors who signed the Monterey Amendment; and provided further that the Tolling Period Expiration Date as to any specific issue may be set at an earlier date pursuant to the provisions of Paragraph 1(b)(ii) or 1(b)(iii). For the time period between the Effective Date of the Agreement and the Tolling Period Expiration Date, inclusive (the "Tolling Period"), Agency and DWR agree that, except as provided for in this Agreement, all Periods of Limitation applicable to all Claims between the Parties, including without limitation those described in the Metropolitan Claim, shall be tolled and waived, shall not run or expire, and shall not operate in any manner so as to prejudice, bar, limit, create a defense to or in any way restrict Claims between the Parties. Except as provided in Paragraph 2 herein, after the Tolling Period Expiration Date, the Parties shall have the same rights, remedies, and damages each of them had on the Effective Date of the Agreement and the Tolling Period shall be excluded from any time calculation in determining whether any period of limitations has run; provided, however, that with regard to Claims pertaining to DWR's bills to the Contractors for calendar years 2007 through and including 2026, AGENCY shall have until 60 days from the Tolling Period Expiration Date to submit notices of contest to DWR for Claims pertaining to any such bills for calendar years 2007 through and including 2026. Except for the Parties' waiver of the Statute of Limitations as provided herein and except as provided in Paragraph 2 herein, this Agreement shall not operate as a waiver of any Claims or defenses that either Party may have against the other.*

3. Exhibit 1, entitled “Issue Not Included in the Term “Claims” Effective January 1, 2009”, which title was changed by the Fifth Amendment, remains unchanged as a part of this Agreement and is attached.

4. Exhibit 2, entitled “Issues Not Included in the Term “Claims” for Purposes of the Tolling and Waiver Agreement Extension Beginning January 1, 2013”, which was added by the Fifth Amendment, did not have any issues listed and was therefore deleted in its entirety and replaced in the Sixth Amendment by Exhibit 2, entitled “Issues Not Included in the Term “Claims” Effective January 1, 2016”. Exhibit 2 subsequently was renumbered as Exhibit 2A, but remained entitled “Issues Not Included in the Term “Claims” Effective January 1, 2016. Exhibit 2A is attached to the Sixth Amendment and remains a part of this Agreement.

5. Exhibit 2B, entitled “Issues Not Included in the Term “Claims” Effective January 1, 2018”, is attached to the Seventh Amendment and remains a part of this Agreement.

6. Exhibit 2C, entitled “Issues Not Included in the Term “Claims” Effective January 1, 2020”, is attached to the Eighth Amendment and remains a part of this Agreement.

7. Exhibit 2D, entitled “Issues Not Included in the Term “Claims” Effective January 1, 2022,” is attached to the Ninth Amendment and remains a part of this Agreement,

8. Exhibit 2E, entitled “Issues Not Included in the Term “Claims” Effective January 1, 2024,” is attached to this Tenth Amendment and made a part of this Agreement,

9. Exhibit 3, entitled “Issues that May be Excluded from the Term “Claims” upon 60 Days Advance Notice”, which was added by the Fourth Amendment, is amended by listing additional issues, if any, to issues 1 and 2 previously listed therein, and such Exhibit 3 as amended is attached and remains a part of this Agreement.

10. Exhibit 4, entitled “Contractors which Signed Prior Tolling Agreement Amendment Extending Tolling Period to December 31, 2021 and which are Expected to Enter into Amendment to Extend Tolling Period to December 31, 2023, which was added by the Ninth



Amendment, is deleted in its entirety and replaced by Exhibit 4 entitled “Contractors which Signed Prior Tolling Agreement Amendment Extending Tolling Period to December 31, 2023, and which are Expected to Enter into Amendment to Extend Tolling Period to June 1, 2026”, which is attached and made a part of this Agreement.

11. All other terms and conditions of the Agreement, as amended, are unchanged by this Tenth Amendment and shall remain in full force and effect.

12. In consideration of the extension of the tolling period provided by this Tenth Amendment, the Parties intend to continue to use their best efforts to discuss and seek to resolve, in a timely manner, as many of the remaining issues as practicable that have been tolled by this Agreement or that have otherwise been raised in the resolution process established in response to this Agreement.

12. Each individual signing below represents and warrants that he or she is authorized to execute this Tenth Amendment on behalf of the respective Party to this Tenth Amendment and does so freely and voluntarily.

13. Each Party warrants and represents that, in executing this Tenth Amendment, it has relied upon legal advice from counsel of its choice; that the terms of this Tenth Amendment have been read and its consequences have been completely explained to it by counsel; that it fully understands the terms of this Tenth Amendment; and that it knows of no reason why this Tenth Amendment shall not be a valid and binding agreement of that Party.

14. The Parties agree that this Amendment will be executed using DocuSign by electronic signature, which shall be considered an original signature for all purposes and shall have the same force and effect as an original signature. The Amendment shall take effect as soon as all Parties have signed.

15. All Parties will receive an executed copy of this Amendment via DocuSign after all Parties have signed.

DATED: \_\_\_\_\_

\_\_\_\_\_  
Thomas Gibson  
General Counsel  
Attorney for DWR

DATED: \_\_\_\_\_

\_\_\_\_\_  
Name:  
Title:  
For AGENCY

## **EXHIBIT 1**

### **ISSUE NOT INCLUDED IN THE TERM “CLAIMS” EFFECTIVE JANUARY 1, 2009**

1. The validity of charges for costs incurred by DWR at Perris Reservoir for beach sand, the ADA fishing pier, and marina repairs and relocation, which have been billed to and included in the annual Statements of Charges issued to Metropolitan Water District, Coachella Valley Water District and Desert Water Agency for calendar years 2008 and 2009.

## **EXHIBIT 2A**

ISSUES NOT INCLUDED IN THE TERM “CLAIMS” EFFECTIVE JANUARY 1, 2016

FOR THE COMPLETE LIST OF “ISSUES NOT INCLUDED IN THE TERM “CLAIMS” EFFECTIVE JANUARY 1, 2016” PLEASE REFER TO EXHIBIT 2 IN THE SIXTH AMENDMENT. THOSE ISSUES ARE DEEMED INCORPORATED HEREIN AS THOUGH FULLY SET FORTH IN THIS EXHIBIT 2A.

## **EXHIBIT 2B**

ISSUES NOT INCLUDED IN THE TERM “CLAIMS” EFFECTIVE JANUARY 1, 2018

FOR THE COMPLETE LIST OF “ISSUES NOT INCLUDED IN THE TERM “CLAIMS” EFFECTIVE JANUARY 1, 2018” PLEASE REFER TO EXHIBIT 2B IN THE SEVENTH AMENDMENT. THOSE ISSUES ARE DEEMED INCORPORATED HEREIN AS THOUGH FULLY SET FORTH IN THIS EXHIBIT 2B.

## **EXHIBIT 2C**

ISSUES NOT INCLUDED IN THE TERM “CLAIMS” EFFECTIVE JANUARY 1, 2020

FOR THE COMPLETE LIST OF “ISSUES NOT INCLUDED IN THE TERM “CLAIMS” EFFECTIVE JANUARY 1, 2020” PLEASE REFER TO EXHIBIT 2C IN THE EIGHTH AMENDMENT. THOSE ISSUES ARE DEEMED INCORPORATED HEREIN AS THOUGH FULLY SET FORTH IN THIS EXHIBIT 2C.

## **EXHIBIT 2D**

ISSUES NOT INCLUDED IN THE TERM “CLAIMS” EFFECTIVE JANUARY 1, 2022

FOR THE COMPLETE LIST OF “ISSUES NOT INCLUDED IN THE TERM “CLAIMS” EFFECTIVE JANUARY 1, 2022” PLEASE REFER TO EXHIBIT 2D IN THE NINTH AMENDMENT. THOSE ISSUES ARE DEEMED INCORPORATED HEREIN AS THOUGH FULLY SET FORTH IN THIS EXHIBIT 2D.

## EXHIBIT 2E

### ISSUES NOT INCLUDED IN THE TERM “CLAIMS” EFFECTIVE JANUARY 1, 2024

1. Whether the Department improperly charged the Contractors the costs of the Upper Castaic Canyon Recreation Development Plan, instead of seeking reimbursement from the Los Angeles Department of Water and Power (LADWP). Resolution: The Department determined that the costs were properly included in the Contractors’ charges. The Division of Fiscal Services recorded that approximately \$144,000 was spent in 1983 – 1987. LADWP was not billed due to a lack of contract supporting LADWP’s cost share. Hence, no changes were necessary.
2. Whether the Department improperly charged the Contractors for the Contra Costa Canal intake relocation costs. Resolution: The Department determined that the costs were properly included in the Contractors’ charges. There was no support provided with this claim. Hence, no changes were necessary.
3. Whether costs associated with Los Banos Grandes and Arroyo Pasajero are outside the scope of the water supply contract, and therefore, improperly charged. Resolution: The Department determined that the planning costs for both projects were properly billed in the Contractors’ charges. Hence, no changes were necessary.
4. Whether any costs included in the Statements of Charges are based on estimates and the actual costs are not yet known. Resolution: The Department determined the claim to be too general. Hence, no changes were necessary.
5. Whether the Department improperly charged the Contractors for costs associated with the Department's funding of general fund obligations and non-project related expenditures that affect the Department's cash flows and provide little or no benefit to the Project. Resolution: The Department reviewed this claim and determined the claim is too broad in nature. Hence, no changes were necessary.
6. Whether the costs associated with the improper allocation of revenues derived from the sale or disposal of electrical energy generated in connection with the operation of the State Water Project were charged to the Transportation Variable OMP&R charges instead of the Delta Water Charges as required by contract. Resolution: The Department determined that the costs were properly included in the Contractors’ charges. Hence, no changes were necessary.
7. Whether the Department improperly allocated costs for recreation facilities and enhancement of fish and wildlife at SWP facilities by using funds obtained from rates and charges imposed upon SWP Contractors, contrary to the dictates of the Davis-Dolwig Act. Resolution: The Department determined that it does not bill Contractors for Davis-Dolwig costs but may use any SWP revenues (other than revenues attributable to Central



Valley Project revenue bonds) to pay any SWP costs consistent with the Burns-Porter Act. Hence, no changes were necessary.

8. Whether the costs associated with the Phase 2B Project were improperly allocated to Delta Water Charge minimum and transportation minimum components, instead of the transportation variable component or capitalizing these costs. Resolution: The Department determined that the Phase 2B Project costs were allocated correctly. Hence, no changes were necessary.
9. Whether the costs associated with the buying and selling of power to meet State Water Project energy needs, including all costs associated with the SWP Power Office and Risk Office, were improperly allocated to Delta Water Charge minimum and transportation minimum components instead of the transportation variable component. Resolution: The Department determined that the costs associated with buying and selling of power were allocated correctly. Hence, no changes were necessary.
10. Whether the costs associated with the installation and removal of the temporary barriers annually installed in the South Delta were improperly allocated where the State Water Project has paid the entire cost of the barriers and has not sought reimbursement of the federal share of costs. Resolution: The Department determined that no agreements were in place with the United States Bureau of Reclamation to share the costs. Hence, no changes were necessary.
11. Whether all costs were incurred after January 1, 2005. Resolution: The Department determined that the claim is general, and no correction or action can be taken.
12. Whether the Department correctly allocated the costs of certain Delta facilities to the development of public recreation and fish and wildlife enhancement. Resolution: The Department determined that the allocations were correct. Hence, no changes were necessary.
13. Whether the Department's inclusion in the 2010 Statements of Charges of cost increase projections beyond three years for the Delta Water Charge Minimum was proper. Resolution: The Department included an escalation factor on future costs of the Delta Minimum cost component beginning in the 2010 Statements of Charges.
14. Whether the interest earnings on the General Operating Account (GOA) are being retained in the GOA rather than being returned and counted as additional revenues in the Systems Revenue Account. Resolution: The Department has determined that all interest earnings on the GOA are retained instead of returning those interest earnings as additional Rate Management Credits. Hence, no changes were necessary.
15. Whether the 2006 - 2008 Off-Aqueduct power charges were incorrectly charged due to the poor business practices and untimely invoicing by the Nevada Power Company/Corporation, concerning the Reid Gardner Unit 4 coal-fired power generation facility. Resolution: The Department updated the Off-Aqueduct power charges for 2006

through 2008 in the SAP accounting system. This was reflected in the 2012 Statements of Charges.

16. Whether the alpha allocation percentages from 1988 and forward should have been updated since the conversion to the new Utility Cost Accounting & Billing System (UCABS) in 2006. Resolution: The Department updated the alpha allocation percentages in the 2014 Statements of Charges.
17. Whether the Department correctly credited system power costs associated with the exchange of 10,033 acre-feet demonstration water from the Kern Water Bank. Resolution: The Department determined that the Contractors that paid for the stored water were properly credited.
18. Whether the Department improperly allocated downstream variable costs of approximately \$328,000 and \$484,000 for CA Aqueduct reaches 22B and 26A, respectively to transportation minimum for East Branch Enlargement rather than CA Aqueduct, for 2008 - 2010. Resolution: The Department determined that the downstream costs have been allocated to the East Branch Enlargement along with other transportation minimum costs since 2000, and made adjustments to the proper reaches.
19. Whether the Department's current methodology of computing the Delta Water Charge fails to acknowledge that Contractors make semi-annual capital and monthly minimum payments and, therefore, deprives them of any related interest benefits. Resolution: The Department determined that the cost was properly included in the Contractors' charges. Hence, no changes were necessary.
20. Whether the Power Allocation Table (PAT) factor for the PAT317 transmission alpha allocation cycle has not been updated since 2001 resulting in a reallocation of costs of approximately \$156,463. Resolution: The Department moved all the costs from the PAT317 transmission alpha allocation cycle to specific orders that were allocated directly to those specific pumping plants. The update was not necessary as the PAT317 alpha cycle was not used since 2018, and the costs from 2007 – 2018 were moved out of the PAT317 alpha cycle.
21. Whether costs totaling approximately \$8,000 related to the Federal Energy Regulatory Commission (FERC) relicensing of southern California power facilities for 2013 were improperly included in the transportation minimum component in the 2016 Statements of Charges. Resolution: The Department determined, for administrative (complexity and cost benefits) reasons, not to move the \$8,000 from the transportation minimum component to the transportation capital component. However, the Department determined to capitalize all southern California power facilities relicensing-related costs for 2015 and future years.
22. Whether greenhouse gas instrument credits (emission allowances), were incorrectly charged to the Contractors based on the year of purchase instead of the years the credits were used. Resolution: The Department made adjustments to reflect the year of use and will do so for future years. The Department's process is that the costs are moved from

purchase year to compliance year when the Department's compliance obligation costs are finalized and fully paid. Hence, no changes are necessary.

23. Whether the 2015 Value of Recovery Generation (VORG) credit was improperly calculated for Alamo and Mojave using Mill Rates, the melded unit rate for power, based on outdated Statements of Charges, resulting in an overstatement of VORG credits in 2015 of approximately \$7,164. Resolution: The Department updated the Mill Rates for Alamo and Mojave in May 2022.
24. Whether the Department updated the historical direct labor costs for the calculation of the three-year average for the F-series allocations. Resolution: The Department determined to maintain its policy of not retroactively updating historical costs for the calculation, of the F-series allocations, and has informed the Contractors of its decision. Hence, no changes were necessary.
25. Whether the Contractors are being charged through a minimum cost center allocation (alpha cost center 2300FFN907) for capital costs related to asset purchases for 2014 - 2017. Resolution: The Department determined that the costs were properly included in the Contractors' charges. This is being charged in accordance with the capitalization policy of the Department.
26. Whether DWR failed to include East Branch Extension plants in the PAT317 transmission alpha allocation cycle, resulting in the improper allocation of costs among contractors. Resolution: The Department moved all the costs from the PAT317 transmission alpha allocation cycle to specific orders that were allocated directly to those specific pumping plants. The update to include EBX plants was not necessary as the PAT317 alpha cycle was not used since 2018, and the costs from 2007 - 2018 were moved out of the PAT317 alpha cycle.
27. Whether the Cap-and-Trade emission allowances expected to be used in 2020 of approximately \$3,696,000 were improperly included in the transportation variable component, but the allowances were also included in the year they were purchased, resulting in a double billing in the variable component. Resolution: The Department determined that the Statements of Charges included the costs of emission allowances used in the relevant year and the projected costs to purchase Cap-and-Trade allowances in the same year for future compliance periods. The actual costs of Cap-and-Trade auction purchases each year were reflected in the invoicing rate to invoice monthly variable charges in the particular year. Hence, no changes were necessary.
28. Whether minimum costs from January to June 1999 totaling approximately \$1,509,000 for the downstream allocation of costs, power costs recovered under transportation minimum component, were erroneously reversed in the SAP system. Resolution: The Department made adjustments of approximately \$1,508,591 to reverse this error. This correction was reflected in the 2022 Statements of Charges.

29. Whether the Department inadvertently double-posted an entry of approximately \$108,000 to correct a misposting of Delta Conveyance Program costs. Resolution: The Department removed the posting, and the correction was reflected in the 2022 Statements of Charges.
30. Whether the Coastal Branch Extension (CBX) Refund Money Schedule for the State of California Department of Water Resources Central Valley Project Water System Revenue Bonds Series AZ was calculated using South Bay Enlargement balances, which resulted in an overstatement of debt service charges plus interest credit to Santa Barbara FC and WCD totaling approximately \$420,933 for the 2019 Statements of Charges and totaling approximately \$54,425 for the 2020 Statements of Charges. Resolution: The Department revised the AZ Schedules, and it was reflected in the 2022 Statements of Charges.
31. Whether the East Branch Extension (EBX) Phase 1 Improvement Refund Money Schedule for the State of California Department of Water Resources Central Valley Project Water System Revenue Bonds Series AZ was calculated using Coastal Branch Extension (CBX) balances, which resulted in an understatement of debt service charges plus interest credits to San Bernardino Valley, MWD, and San Geronio Pass Water Agency totaling approximately \$973,069 for the 2019 Statements of Charges and totaling approximately \$129,030 for the 2020 Statements of Charges. Resolution: The Department revised the AZ Schedules, and it was reflected in the 2022 Statements of Charges.
32. Whether the South Bay Enlargement Refund Money Schedule for the State of California Department of Water Resources Central Valley Project Water System Revenue Bonds Series AZ was calculated using East Branch Extension (EBX) Phase 1 Improvement balances, which resulted in an overstatement of debt service charges plus interest credits to Alameda County FC and WCD Zone 7, totaling approximately \$552,126 and totaling approximately \$74,605 for 2020 Statements of Charges. Resolution: The Department revised the AZ Schedules, and it was reflected in the 2022 Statements of Charges.
33. Whether the Pacific Power Engineers, Inc. invoice #1161 includes costs related to the Citrus Pumping Station, but had costs charged directly to the Crafton Hills Pumping Station, resulting in a reallocation of costs among Contractors in 2018 of approximately \$25,199. Resolution: The Department moved approximately \$25,199 to the Citrus Pumping Station and the correction was done in October 2019.
34. Whether the Pure Technologies U.S. Inc. invoice #PTUS-PIN-002512 includes costs related to the North Bay Aqueduct Reach 1, but had costs charged to South Bay Aqueduct Reach 1, resulting in a reallocation of costs among Contractors in 2018 of approximately \$1,240. Resolution: The Department moved approximately \$1,240 to the North Bay Aqueduct Reach 1 and the correction was done in February 2022.
35. Whether administrative fees and the settlement payment totaling approximately \$1,460,000 received for litigation related to the construction of the Tehachapi Second Afterbay were not included in the variable component. Resolution: The Department properly included the administrative fees and the settlement payment totaling approximately \$1,460,000 received for litigation related to the construction of the Tehachapi Second Afterbay, in the variable component. This was reflected in the 2022 Statements of Charges.

36. Whether the Department omitted the payment for peaking capacity foregone at the Castaic Powerplant of approximately \$582,500 for 2021 from net power costs. Resolution: The Department included the payment in the calculation of the net power costs in the 2022 Statements of Charges.
37. Whether the budgeted costs related to the Salton Sea totaling approximately \$3.4 million were improperly included in the calculation of the Delta Water Charge. Resolution: The Department excluded the budgeted costs related to the Salton Sea totaling approximately \$3.4 million in the calculation of the Delta Water Charge. This was reflected in the 2022 Statements of Charges.
38. Whether the Department failed to include credits in the cost allocation system totaling approximately \$224,000 in the 2021 Statements of Charges. Resolution: The Department included the credits which were reflected in the 2022 Statements of Charges.
39. Whether the Department miscalculated the Delta Water Charge in 2021 due to a formula error, resulting in an overstatement of costs by approximately \$40,000. Resolution: The Department corrected the calculation which was reflected in the 2022 Statements of Charges.
40. Whether relicensing costs of approximately \$9,000 for the South State Water Project hydropower facilities that were not paid with bond proceeds were improperly excluded from the net power costs. Resolution: The Department moved costs of approximately \$8,462 to the V-PAT017 allocation for 2013, in May 2022.
41. Whether costs used to calculate the potential Federal Emergency Management Agency (FEMA) reimbursement for the Oroville Spillway were overstated by approximately \$303,000, resulting in a larger than intended credit being included in the Delta Water Charge. Resolution: The Department revised the methodology for determining the Contractors' share of the Oroville Spillway recovery and response costs, correcting the previous overstatement of the potential FEMA reimbursement of approximately \$303,000. No correction was needed in the SAP system, as the process used to calculate the potential FEMA reimbursement was an estimate done outside the system and SAP numbers were correct.
42. Whether costs, totaling \$853,000, for work performed at the San Luis Field Division from May and June 2020 were not assessed properly in the cost allocation system, resulting in the amounts being excluded from the transportation capital component. Resolution: The Department corrected the capital costs totaling approximately \$853,000 in the cost allocation system, resulting in the amounts being properly included in the transportation capital component. This was reflected in the 2022 Statements of Charges.
43. Whether the Department failed to include in the 2021 Statement of Charges offsetting entries for Cap-and-Trade credits related to the disposal of approximately \$3,247,000 in emission allowance intangible assets transferred to the cost allocation system. Resolution:

The Department included the credits which were reflected in the 2022 Statements of Charges.

44. Whether the Commercial Door Company invoices related to claim numbers 1382645, 1373177, 1378534, 1370626, and 1357872 included costs related to work performed at Lost Hills, Buena Vista Pumping Plant, Teerink Pumping Plant, Chrisman Pumping Plant, Edmonston Pumping Plant, and Badger Hill Pumping Plant, but had costs in the amount of approximately \$54,055 allocated to the San Joaquin Field Division through alpha cost center 2300FFN907. Resolution: The Department reallocated costs for the Commercial Door invoices, totaling approximately \$54,055, to the plants where the work was performed. This was reflected in the 2022 Statements of Charges.
45. Whether the Barc Industries and Development invoices related to claim numbers 1372191, 1381644, 1379684, 1374954, 1377297, 1373635, and 1379192 included costs related to work performed at Lost Hills, Buena Vista Pumping Plant, Teerink Pumping Plant, Chrisman Pumping Plant, Edmonston Pumping Plant, Badger Hill Pumping Plant, and Devil's Den Pumping Plant, but had costs allocated in the amount of approximately \$135,200 to the San Joaquin Field Division through alpha cost center 2300FFN907. Resolution: The Department reallocated costs for the Barc Industries and Development invoices, totaling approximately \$135,200, to the plants where the work was performed. This was reflected in the 2022 Statements of Charges.
46. Whether the total 2018 Oroville response costs were incorrect within the Delta Water Charge calculation due to information from SAP data not matching the manual calculation (i.e., a sign was flipped while copying the information into the manual calculation), resulting in an understatement of costs to the Contractors of approximately \$224,476. Resolution: The Department fixed the calculation error in the Delta Water Charge calculation. This correction was reflected in the 2022 Statements of Charges.
47. Whether the Delta Water Charge calculation related to California Aqueduct (CA) CA-R2A minimum costs was overstated due to CA-R2B data being used for the 2021 and 2022 years within the calculation for both CA-R2A and CA-R2B (i.e., there was a formula error within the calculation), resulting in an overstatement of costs to the Contractors of approximately \$39,981. Resolution: The Department fixed the calculation error in the Delta Water Charge calculation. This correction was reflected in the 2023 Statements of Charges.
48. Whether the HDR Engineering, Inc. invoices related to claims 1372393, 1377256, 1382806, 1387697, and 1369875 included costs of approximately \$319,995 related to Pyramid Dam, but had costs charged directly to Cedar Springs Dam. Resolution: The Department reallocated costs for the HDR Engineering invoices related to Pyramid Dam, totaling approximately \$318,067, from Cedar Springs Dam to Pyramid Dam. This was reflected in the 2023 Statements of Charges.
49. Whether the HDR Engineering, Inc. invoices related to claims 1389228, 1389669, and 1391125 included costs related to San Joaquin Field Division, but had costs charged to the San Luis Field Division through the C-AFJ907 alpha allocation cycle, resulting in an

overstatement of costs to the San Luis Field Division of approximately \$421,773 and an understatement of to the San Joaquin Field Division of approximately \$421,773.

Resolution: The Department reallocated costs for the HDR Engineering invoices, totaling approximately \$421,773, related to San Joaquin Field Division from San Luis Field Division to San Joaquin Field Division. This was reflected in the 2023 Statements of Charges.

50. Whether budgeted costs for the United States Bureau of Reclamation's share of the Yolo Bypass Restoration Project, totaling approximately \$57.3 million, were improperly included in the 2022 Statements of Charges. Resolution: The Department correctly reflected the allocable program costs and reduced the costs considering the cost-sharing percentages. This correction was reflected in the 2023 Statements of Charges.
51. Whether credits in the cost allocation system totaling approximately \$1,334,000 for seismic bridge retrofit and other reimbursements received were not posted in time to be included in the 2022 Statements of Charges. Resolution: The Department posted credits in the cost allocation system, in July 2021, totaling approximately \$1,334,000 for seismic bridge retrofit and other reimbursements received. This was reflected in the 2023 Statements of Charges.
52. Whether credits in the cost allocation system totaling approximately \$420,000 for the wheeling of non-entitlement water were not posted in time to be included in the 2022 Statements of Charges. Resolution: The Department posted credits in the cost allocation system, in August 2021, totaling approximately \$420,000 for the wheeling of non-entitlement water. This was reflected in the 2023 Statements of Charges.
53. Whether credits in the cost allocation system totaling approximately \$2,247,000 for the United States Bureau of Reclamation's (USBR) reimbursement of San Luis capital costs were not posted in time to be included in the 2022 Statements of Charges. Resolution: The Department posted credits in the cost allocation system, in July 2021, totaling approximately \$2,247,000 for the USBR's reimbursement of San Luis capital costs. This was reflected in the 2023 Statements of Charges.
54. Whether duplicate entries in UCABS were posted to offset the impact of the disposal of capital assets totaling approximately \$154,000. Resolution: The Department made adjustments of approximately \$154,000 to reverse the duplicate entries in the Cost Allocation Billing system. This was reflected in the 2023 Statements of Charges.
55. Whether entries in UCABS made to correct the allocation of costs in the accounting system totaling approximately \$498,000 were incorrectly transferred twice. Resolution: The Department corrected the duplicate entry in a subsequent PR5/SWP interface in July 2021. This was reflected in the 2023 Statements of Charges.
56. Whether Industrial Waste Utilization, Inc. invoices related to 45 claim numbers included costs related to work performed at the Buena Vista Pumping Plant, Chrisman Pumping Plant, Edmonston Pumping Plant, Lost Hills, and Teerink Pumping Plant, but had costs allocated totaling approximately \$340,512 to the San Joaquin Field Division through alpha

cost center 2300FFN907. Resolution: The Department reallocated costs for the Industrial Waste Utilization invoices, totaling approximately \$340,512, to the plants where the work was performed.

57. Whether Linda Rogers & Associates, Inc. invoices #20538 and #20569 related to claim 1403495 included costs related to the NERC Compliance Project (Statewide alpha allocation cycle C-FAD908), but had costs charged to the Delta Field Division through the C-AFE906 alpha allocation cycle totaling approximately \$135,000. Resolution: The Department reallocated the costs totaling approximately \$135,000 from PMO 75000240959 to Order MNERCRSOPRGM, in December 2021. This was reflected in the 2022 Statements of Charges.
58. Whether costs, totaling approximately \$512,420, for work performed at the San Joaquin Field Division by HDR Engineering, Inc. relating to claims 1393648, 1394897, 139596, 1396320, 1399349, and 1400312 were improperly allocated to the San Luis Field Division through the C-AFJ906 alpha allocation cycle. Resolution: The Department reallocated costs for the HDR Engineering invoices, totaling approximately \$512,420, from the San Luis Field Division to the San Joaquin Field Division.
59. Whether the calculated bonded costs related to Oroville incident costs were understated for 2017 - 2021 actuals, due to PR5 data being used instead of UCABS data, totaling approximately \$1,715,416. Resolution: The Department determined that the costs were properly included in the Contractors' charges. These bonded costs per UCABS are correctly matched in the Statements of Charges. PR5 only shows the related actual costs; UCABS data and the Statements of Charges costs include both actual costs and projected costs for a project.
60. Whether Unico Mechanical Corporation invoice related to claim 1401339 was double billed through UCABS direct-to-reach CA-R1, resulting in an overstatement of costs to the Contractors of approximately \$99,507. Resolution: The Department reversed the double-billed costs in October 2021, and the correction was reflected in the billing system.
61. Whether costs, totaling \$29,446, for work performed at the Edmonston Pumping Plant by Johnson Controls Fire Protection LP relating to claims 1400458 and 1402516 were improperly allocated to the Chrisman Pumping Plant. This results in a reallocation of costs among the Contractors of approximately \$29,446. Resolution: The Department moved approximately \$29,446 to the Edmonston Pumping Plant and the correction was done in December 2021.
62. Regarding Suisun Marsh costs attributable to the United States Bureau of Reclamation (USBR), but not reimbursed by USBR, the Contractors agreed to release those claims upon the Department's execution of the Sisk Dam Cost Share Agreement. The Sisk Dam Cost Share Agreement was executed on October 12, 2023, and provides credits to the Contractors for certain Suisun Marsh costs.



### **EXHIBIT 3**

#### **ISSUES THAT MAY BE EXCLUDED FROM THE TERM “CLAIMS” UPON 60 DAYS ADVANCE NOTICE**

1. The Department of Water Resources’ change in funding the costs of the San Joaquin Valley Drainage program from the Capital Facilities Account (as established pursuant to Article 51 (b) (1) of the State Water Contract) prior to 2006 to operations and maintenance costs beginning in 2006, but not including the Department’s retention of unused Capital Facility Account balances in 2006 and 2007 for anticipated future year capital expenditures (which retention issue shall not be subject to exclusion upon 60 days notice).
2. All Claims arising out of or related to the determination, allocation and/or payment of fish and wildlife enhancement and recreation costs incurred in constructing, operating and maintaining the State Water Project Perris Reservoir and any of its appurtenant, ancillary or related facilities, including, but not limited to, such costs associated with any actions taken at Perris Reservoir to address seismic safety issues. (“Claims” as used in this item 2, does not include the issue described in Exhibit 1, item 1.)

## EXHIBIT 4

### CONTRACTORS WHICH SIGNED PRIOR TOLLING AGREEMENT AMENDMENT EXTENDING TOLLING PERIOD TO DECEMBER 31, 2023, AND WHICH ARE EXPECTED TO ENTER INTO AMENDMENT TO EXTEND TOLLING PERIOD TO JUNE 1, 2026

Valerie Pryor, General Manager  
Alameda County FC&WCD, Zone 7  
100 North Canyons Parkway  
Livermore, CA 94551

Mark Gilkey, Manager-Engineer  
Dudley Ridge Water District  
286 W. Cromwell Ave  
Fresno, CA 93711-6162

Ed Stevenson, General Manager  
Alameda County Water District  
43885 So. Grimmer Blvd.  
Fremont, CA 94537

Scott Sills, Manager  
Empire West Side Irrigation District  
P.O. Box 66  
Stratford, CA 93266

Matt Knudson, General Manager  
Antelope Valley/East Kern Water Agency  
6500 West Avenue N  
Palmdale, CA 93551-2855

Amelia Minaberrigarai, General Counsel  
Kern County Water Agency  
P.O. Box 58  
Bakersfield, CA 93302

Brad Stephens, County Counsel  
Butte County  
25 County Center Drive, Suite 210  
Oroville, CA 95965

Kyria Martinez, County Administrative  
Officer  
County Of Kings  
1400 West Lacey Blvd  
Hanford, CA 93230

Matthew Stone, General Manager  
Santa Clarita Valley Water Agency  
27234 Bouquet Canyon Road  
Santa Clarita, CA 91350

James Chaisson, General Manager  
Littlerock Creek Irrigation District  
35141 N.87<sup>th</sup> Street East  
Littlerock, CA 93543

Diana Langley, City Manager  
City of Yuba City  
1201 Civic Center Blvd  
Yuba City, CA 95993

John Schlotterbeck, Senior Deputy General  
Counsel  
Metropolitan Water District  
P.O. Box 54153  
Los Angeles, CA 90054

Jim Barrett, General Manager  
Coachella Valley Water District  
P.O. Box 1058  
Coachella, CA 92236

Adnan Anabtawi, General Manager  
Mojave Water Agency  
13846 Conference Center Drive  
Apple Valley, CA 92307

Jennifer Spindler, General Manager  
Crestline/Lake Arrowhead Water Agency  
P.O. Box 3880  
Crestline, CA 92325

Christopher Silke, District Engineer  
Napa County FC & WCD  
1195 Third Street, Room 201  
Napa, CA 94559

Mark Krause, General Manager  
Desert Water Agency  
P.O. Box 1710  
Palm Springs, CA 92263-1710

Anthea Hansen, General Manager  
Oak Flat Water District  
P.O. Box 1596 / 17840 Ward Avenue  
Patterson, CA 95363

Dennis LaMoreaux, Resource and Analytics  
Director  
Palmdale Water District  
2029 East Avenue Q  
Palmdale, CA 93550

Rick L. Callender, Esq., Chief Executive  
Officer  
Santa Clara Valley Water District  
5750 Almaden Expressway  
San Jose, CA 95118

Heather Dyer, Chief Executive General  
Manager  
San Bernardino Valley MWD  
380 East Vanderbilt Way  
San Bernardino, CA 92408

Chris Lee, General Manager  
Solano County Water Agency  
810 Vaca Valley Parkway  
Vacaville, CA 95688

Darin Kasamoto, General Manager  
San Gabriel Valley MWD  
P.O. Box 1299  
Azusa, CA 91702

Jacob Westra, General Manager  
Tulare Lake Basin WSD  
1001 Chase Avenue  
Corcoran, CA 93212

Lance Eckhardt, General Manager  
San Geronimo Pass Water Agency  
1210 Beaumont Avenue  
Beaumont, CA 92223

Glenn Shephard, Director  
Ventura County Watershed Protection District  
800 S. Victoria Avenue  
Ventura, CA 93009-1600

and

Kate Ballantyne, Deputy Director  
San Luis Obispo County FC&WCD  
976 Osos Street, Room 206  
San Luis Obispo, CA 93408

Michael Flood, General Manager  
Casitas Municipal Water District  
1055 Ventura Avenue  
Oakview, CA 93022-9622

Matthew Young, Water Agency Manager  
Santa Barbara County Water Agency  
123 East Anapamu Street, 2nd Floor  
Santa Barbara, CA 93101-2058

and

Ray Stokes, Executive Director  
Central Coast Water Agency  
255 Industrial Way  
Buellton, CA 93427-9565

DESERT WATER AGENCY  
**Financial Highlights**  
 October 2023

## OPERATING FUND

### Received

- \$3,732,861 in Water Sales Revenue Receipts
- \$80,434 in Recycled Water Sales Revenue Receipts
- \$18,781 in Power Sales Revenue from Southern California Edison for Snow Creek Hydro
- \$57,500 in Construction Deposits
  - Aloe Palm Canyon LP: \$21,500 (WO # 23-801-S-04)
  - Statewide Services: \$36,000 (WO # 23-702-F-08)
- \$1,220,038 in grant funds received from the Department Water Resources for the turf replacement program

### Paid

- \$3,909,003 in Accounts Payable

### Year to date

- YTD Water Sales are 6% under budget
- YTD Total Revenues are 2% over budget
- YTD Total Expenses are 15% under budget

### Active Potable Water Accounts

- There were 23,510 active potable water accounts @ 10/31/2023
- Compared to 23,509 active potable water accounts @ 9/30/2023  
 (Net increase of 1 active accounts)

DESERT WATER AGENCY  
Financial Highlights  
October 2023

## GENERAL FUND

### Received

- \$1,772,464 in Replenishment Assessments
  - \$1,727,962 from the Operating Fund
  - \$44,502 from Private Pumpers
- \$528,316 in State Water Project Refunds

### Paid

- \$1,335,563 in State Water Project charges  
(YTD SWP Payments = \$8,151,024)

## WASTEWATER FUND

### Received

- \$74,146 in Wastewater Revenue Receipts.

### Paid

- \$82,821 in Accounts Payable

DESERT WATER AGENCY  
STATEMENT OF CASH RECEIPTS AND EXPENDITURES

OPERATING ACCOUNT

OCTOBER 2023

INVESTED  
RESERVE FUNDS  
\$57,947,988.26

BALANCE	OCTOBER 1, 2023	(\$805,103.40)	
WATER SALES		\$3,732,861.49	
RECYCLED WATER		80,433.64	
WASTEWATER RECEIPTS		104,395.59	
POWER SALES		18,780.92	
METERS, SERVICES, ETC.		178,411.00	
REIMBURSEMENT – GENERAL FUND		0.00	
REIMBURSEMENT – WASTEWATER FUND		0.00	
ACCOUNTS RECEIVABLE – OTHER		15,366.23	
CUSTOMER DEPOSITS – SURETY		5,592.00	
CUSTOMER DEPOSITS – CONST.		57,500.00	
LEASE REVENUE		4,871.11	
INTEREST RECEIVED ON INV. FDS.		349,361.79	
FRONT FOOTAGE FEES		0.00	
BOND SERVICE & RESERVE FUND INT		0.00	
MISCELLANEOUS		<u>1,245,056.61</u>	
TOTAL RECEIPTS		\$5,792,630.38	
PAYMENTS			
PAYROLL CHECKS		\$483,738.66	
PAYROLL TAXES		222,081.00	
ELECTRONIC TRANSFERS		186,173.63	
CHECKS UNDER \$10,000.00		430,273.75	
CHECKS OVER \$10,000.00 – SCH. #1		3,292,555.61	
CANCELLED CHECKS AND FEES		<u>(5,765.36)</u>	
TOTAL PAYMENTS		<u>\$4,609,057.29</u>	
NET INCOME		\$1,183,573.09	
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		\$4,483,356.11	
FUNDS INVESTED – SCH. #3		<u>5,845,976.23</u>	
NET TRANSFER			<u>(\$1,362,620.12)</u>
BALANCE	OCTOBER 31, 2023	(\$984,150.43)	\$59,310,608.38

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



**October 2023**

Check #	Name	Description	Amount
135556	ACWA/JPIA	Workers Compensation Premium - July /September 2023	\$ 63,887.12
135556	ACWA/JPIA	Health, Dental & Vision Insurance Premiums-November 2023	\$ 204,069.29
135560	Chase Card Member Services	Credit Card Purchases	\$ 35,633.11
135626	Tyler Technologies Inc	Tyler ERP Software (W/O #20-178-M--73)	\$ 16,179.53
135629	Verizon Wireless Services Inc	Wireless Equipment	\$ 10,471.74
135631	Z&L Paving	Paving	\$ 21,447.50
135633	Sunrise Palms HOA	Grass Removal Rebate	\$ 82,106.00
135655	Brian Henderson	Customer Overpayment Refund	\$ 18,303.00
135659	SWRCB Accounting Offcie	Water System Annual Fee (7/1/22-06/30/23 )	\$ 64,823.35
134679	Desert Water Agency - Wastewater	Groundwater billing - July-September 2023	\$ 1,727,961.63
135680	Desert Water Agency - General Fund	Wastewater Revenue billing- September 2023	\$ 74,145.54
135697	Rose Garden HOA	Smart Controller Rebate	\$ 10,750.00
135701	ACWA/JPIA	Liabilty Program (10/1/2023-10/01/2024)	\$ 366,243.00
135710	A & N Technical Services INC	Regional Conservation Study	\$ 19,725.00
134713	Backflow Apparatus & Valve Co	Water service supplies	\$ 23,816.50
135715	Beck Oil Inc	Fuel Purchase	\$ 23,229.96
135716	Best Best & Krieger LLP	Legal fees	\$ 42,850.75
135721	Calif Survey & Drafting Supply	Water service supplies	\$ 11,420.41
135739	Down to Earth Landscaping	Landscape maintenance	\$ 39,925.61
135740	Dudek	FEMA Project #147524 & #147525	\$ 30,442.10
135742	Droplet Technologies LLC	Annual Licensing Fee (9/1/23-08/31/24)	\$ 17,500.00
1357614	Krieger & Stewart Inc.	Engineering Services	\$ 20,193.65
135769	LM Technology Consultaing	Consulting Services- IT Governance	\$ 28,378.02
135791	Regional Government Services	Consulting Services -September 2023	\$ 13,070.54
135795	SC Commercial LLC	Fuel Purchase	\$ 16,547.41
135798	Southern Calif Edison	Power	\$ 12,757.38
135799	Southland Pipe Corp	Water service supplies	\$ 26,278.49

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



**October 2023**

135802	Sulzer Electro -MS	Motor Rebuild	\$	29,734.24
135804	Thatcher Company of California	Water service supplies	\$	89,205.60
135819	Western Water Works Supply Co	Water service supplies	\$	22,155.39
135822	Z & L Paving Inc	Paving	\$	29,192.75
135831	Palm Springs Air Museum	Grass Removal Rebate	\$	60,285.00
135832	Park San Rafael	Grass Removal Rebate	\$	23,392.00
135835	Indian Canyon Gardens	Grass Removal Rebate	\$	16,434.00
<b>Total</b>				<b>\$ 3,292,555.61</b>



## Monthly Investment Portfolio Report

As of 10/31/2023

AGG- Operating Fund (213426)

Dated: 11/22/2023

Security Type

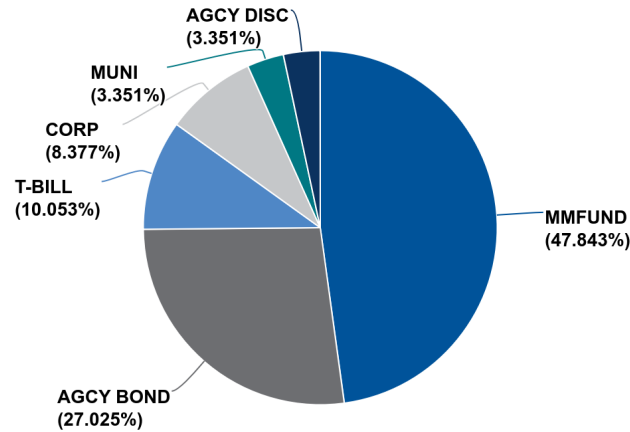


Chart calculated by: PAR Value

### MMFUND

Description, Broker	Settle Date	Next Call Date	Effective Maturity	Final Maturity	PAR Value	Original Cost	Market Value	Yield to Maturity
LAIF Money Market Fund LAIF - OP	---	---	10/31/2023	10/31/2023	28,555,422.37	28,555,422.37	28,555,422.37	---
<b>LAIF Money Market Fund LAIF - OP</b>	<b>---</b>	<b>---</b>	<b>10/31/2023</b>	<b>10/31/2023</b>	<b>28,555,422.37</b>	<b>28,555,422.37</b>	<b>28,555,422.37</b>	<b>---</b>

### 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 US Wealth OP	04/29/2021	11/17/2023	04/28/2025	04/28/2025	1,000,000.00	999,500.00	931,951.00	5.420%
FEDERAL HOME LOAN BANKS US Wealth OP	09/30/2021	12/30/2023	09/30/2026	09/30/2026	1,000,000.00	1,000,000.00	888,789.00	5.177%
FEDERAL HOME LOAN BANKS US Wealth OP	04/29/2022	04/29/2024	04/29/2027	04/29/2027	2,000,000.00	2,000,000.00	1,877,364.00	5.004%
FEDERAL HOME LOAN BANKS US Wealth OP	05/24/2022	05/24/2024	05/24/2027	05/24/2027	2,000,000.00	2,000,000.00	1,889,072.00	5.018%
FEDERAL HOME LOAN BANKS US Wealth OP	05/23/2022	11/23/2023	05/23/2025	05/23/2025	2,000,000.00	2,000,000.00	1,938,424.00	5.381%
FEDERAL HOME LOAN BANKS US Wealth OP	09/24/2021	---	09/13/2024	09/13/2024	1,130,000.00	1,125,513.90	1,081,568.20	5.506%
FEDERAL HOME LOAN BANKS US Wealth OP	06/28/2021	12/30/2023	09/30/2024	09/30/2024	1,000,000.00	1,000,000.00	954,462.00	5.564%
FEDERAL HOME LOAN MORTGAGE CORP US Wealth OP	08/20/2020	08/20/2024	08/20/2025	08/20/2025	1,000,000.00	1,000,000.00	920,672.00	5.296%
FEDERAL HOME LOAN MORTGAGE CORP US Wealth OP	05/26/2022	11/26/2023	08/26/2024	08/26/2024	2,000,000.00	2,000,000.00	1,960,010.00	5.574%

## Monthly Investment Portfolio Report

As of 10/31/2023

AGG- Operating Fund (213426)

Dated: 11/22/2023

Description, Broker	Settle Date	Next Call Date	Effective Maturity	Final Maturity	PAR Value	Original Cost	Market Value	Yield to Maturity
FEDERAL NATIONAL MORTGAGE ASSOCIATION US Wealth OP	06/30/2020	12/30/2023	06/30/2025	06/30/2025	1,000,000.00	1,000,000.00	927,316.00	5.345%
FEDERAL NATIONAL MORTGAGE ASSOCIATION US Wealth OP	08/12/2020	02/12/2024	08/12/2025	08/12/2025	1,000,000.00	1,000,000.00	920,375.00	5.305%
FEDERAL NATIONAL MORTGAGE ASSOCIATION US Wealth OP	12/16/2020	12/14/2023	06/14/2024	06/14/2024	1,000,000.00	1,000,500.00	968,653.00	5.593%
--- US Wealth OP	---	---	09/29/2025	09/29/2025	16,130,000.00	16,125,513.90	15,258,656.20	5.327%

### 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 US Wealth OP	08/25/2023	---	02/15/2024	02/15/2024	2,000,000.00	1,949,250.00	1,968,759.44	5.428%
UNITED STATES TREASURY US Wealth OP	09/08/2023	---	12/19/2023	12/19/2023	2,000,000.00	1,970,533.33	1,985,813.34	5.336%
UNITED STATES TREASURY US Wealth OP	10/13/2023	---	04/11/2024	04/11/2024	2,000,000.00	1,947,208.33	1,952,210.00	5.497%
UNITED STATES TREASURY US Wealth OP	---	---	02/14/2024	02/14/2024	6,000,000.00	5,866,991.66	5,906,782.78	5.420%

### CORP

Description, Broker	Settle Date	Next Call Date	Effective Maturity	Final Maturity	PAR Value	Original Cost	Market Value	Yield to Maturity
AMAZON.COM INC US Wealth OP	05/16/2022	03/13/2027	04/13/2027	04/13/2027	2,000,000.00	1,987,040.00	1,869,522.00	5.397%
JPMORGAN CHASE BANK, NATIONAL ASSOCIATION US Wealth OP	06/22/2021	---	12/23/2024	12/23/2024	1,000,000.00	1,000,000.00	930,550.00	6.831%
MASSMUTUAL GLOBAL FUNDING II US Wealth OP	06/14/2023	---	06/14/2028	06/14/2028	2,000,000.00	2,021,800.00	1,932,346.00	5.896%
--- US Wealth OP	---	---	04/25/2027	04/25/2027	5,000,000.00	5,008,840.00	4,732,418.00	5.883%

### 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 US Wealth OP	08/25/2023	---	01/16/2024	01/16/2024	2,000,000.00	1,957,920.00	1,977,370.00	5.425%
FEDERAL HOME LOAN BANKS US Wealth OP	08/25/2023	---	01/16/2024	01/16/2024	2,000,000.00	1,957,920.00	1,977,370.00	5.425%

### MUNI

Description, Broker	Settle Date	Next Call Date	Effective Maturity	Final Maturity	PAR Value	Original Cost	Market Value	Yield to Maturity
UNIVERSITY CALIF REVS US Wealth OP	05/16/2022	03/15/2027	05/15/2027	05/15/2027	2,000,000.00	1,795,920.00	1,752,060.00	5.196%
UNIVERSITY CALIF REVS US Wealth OP	05/16/2022	03/15/2027	05/15/2027	05/15/2027	2,000,000.00	1,795,920.00	1,752,060.00	5.196%

### 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
---	---	---	09/30/2024	09/30/2024	59,685,422.37	59,310,607.93	58,182,709.35	5.433%
---								

\* 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

OCTOBER 2023

INVESTED  
RESERVE FUNDS  
\$233,565,521.41

BALANCE	OCTOBER 1, 2023	(\$1,651,572.08)		
* TAXES - RIVERSIDE COUNTY		848,040.30		
* INTEREST EARNED - INV. FUNDS		528,030.76		
GROUNDWATER REPLEN. ASSESSMENT		1,772,463.78		
REIMBURSEMENT - OPERATING FUND		0.00		
REIMBURSEMENT - CVWD MGMT AGRMT		0.00		
STATE WATER PROJECT REFUNDS		528,316.00		
REIMB - CVWD - WHITEWATER HYDRO		0.00		
POWER SALES - WHITEWATER		0.00		
MISCELLANEOUS		0.00		
TOTAL RECEIPTS		\$3,676,850.84		
PAYMENTS				
CHECKS UNDER \$10,000.00		41,050.85		
CHECKS OVER \$10,000.00 - SCH. #1		1,373,705.24		
ELECTRONIC TRANSFERS		271,920.16		
CANCELLED CHECKS AND FEES		0.00		
TOTAL PAYMENTS		<u>\$1,686,676.25</u>		
NET INCOME		\$1,990,174.59		
INVESTED RESERVE FUNDS				
FUNDS MATURED		7,735,562.50		
FUNDS INVESTED - SCH. #2		<u>7,542,726.68</u>		
NET TRANSFER			\$192,835.82	(\$192,835.82)
BALANCE	OCTOBER 31, 2023		\$531,438.33	\$233,372,685.59
* INCLUSIVE TO DATE			TAXES	INTEREST
RECEIPTS IN FISCAL YEAR			\$2,125,459.08	\$1,555,912.89
RECEIPTS IN CALENDAR YEAR			\$38,721,684.66	\$2,859,230.39

DESERT WATER AGENCY

**General Fund**

Schedule #1 - Checks Over \$10,000

DESERT WATER



**October 2023**

Check #	Name	Description	Amount
9797	State of California Department of Water Resources	State Water Project - July 2023 Variable OMP&R	\$ 434,688.00
9801	Coachella Valley Water District	Whitewater Hydro September 2023 Expenses & August 2023 Rev	\$ 10,547.24
9802	State of California Department of Water Resources	State Water Project - October 2023	\$ 900,875.00
9805	Association Of California Water Agencies	ACWA 2023 Annual Agency Dues	\$ 27,595.00
<b>Total</b>			<b>\$ 1,373,705.24</b>

### Monthly Investment Portfolio Report

As of 10/31/2023

AGG- General Fund (213428)

Dated: 11/22/2023

Security Type

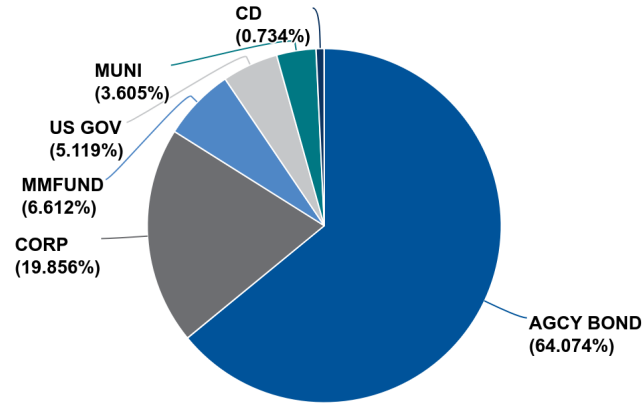


Chart calculated by: PAR Value

#### 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	962,629.00	5.296%
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	2,715,225.00	5.260%
FEDERAL FARM CREDIT BANKS FUNDING CORP Alamo Capital	08/04/2020	11/16/2023	08/04/2025	08/04/2025	3,000,000.00	3,000,005.00	2,769,465.00	5.304%
FEDERAL FARM CREDIT BANKS FUNDING CORP Alamo Capital	02/12/2021	11/16/2023	11/12/2024	11/12/2024	3,000,000.00	3,000,000.00	2,844,678.00	5.538%
FEDERAL FARM CREDIT BANKS FUNDING CORP Alamo Capital	01/05/2021	11/16/2023	04/05/2024	04/05/2024	3,000,000.00	3,000,000.00	2,933,283.00	5.592%
FEDERAL FARM CREDIT BANKS FUNDING CORP Alamo Capital	10/15/2020	11/16/2023	10/15/2024	10/15/2024	3,000,000.00	2,995,500.00	2,857,845.00	5.560%
FEDERAL FARM CREDIT BANKS FUNDING CORP US Wealth GF	12/22/2020	11/16/2023	12/22/2025	12/22/2025	3,000,000.00	3,000,000.00	2,715,504.00	5.206%
FEDERAL FARM CREDIT BANKS FUNDING CORP Piper Sandler	11/05/2021	11/16/2023	10/20/2026	10/20/2026	3,000,000.00	2,988,000.00	2,670,789.00	5.174%
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	2,708,568.00	5.039%
FEDERAL FARM CREDIT BANKS FUNDING CORP Piper Sandler	12/28/2020	11/16/2023	12/21/2023	12/21/2023	3,000,000.00	3,000,000.00	2,978,316.00	5.449%
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	3,826,916.00	4.929%
FEDERAL FARM CREDIT BANKS FUNDING CORP Piper Sandler	10/15/2020	11/16/2023	10/15/2024	10/15/2024	3,000,000.00	3,000,000.00	2,858,670.00	5.560%
FEDERAL FARM CREDIT BANKS FUNDING CORP Stifel	10/16/2020	11/16/2023	03/28/2024	03/28/2024	3,000,000.00	3,000,000.00	2,936,913.00	5.565%
FEDERAL HOME LOAN BANKS Alamo Capital	04/09/2021	02/18/2024	11/18/2024	11/18/2024	3,000,000.00	2,989,263.00	2,842,494.00	5.529%

# Monthly Investment Portfolio Report

As of 10/31/2023

AGG- General Fund (213428)

Dated: 11/22/2023

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	2,664,771.00	5.177%
FEDERAL HOME LOAN BANKS Alamo Capital	12/30/2021	---	12/30/2024	12/30/2024	3,000,000.00	3,000,005.00	2,869,437.00	5.397%
FEDERAL HOME LOAN BANKS Alamo Capital	09/13/2022	---	06/14/2024	06/14/2024	1,190,000.00	1,182,431.60	1,173,066.30	5.486%
FEDERAL HOME LOAN BANKS US Wealth GF	12/30/2020	11/16/2023	12/30/2025	12/30/2025	3,000,000.00	3,000,000.00	2,716,083.00	5.194%
FEDERAL HOME LOAN BANKS US Wealth GF	09/30/2021	12/30/2023	09/30/2026	09/30/2026	3,000,000.00	3,000,000.00	2,666,367.00	5.177%
FEDERAL HOME LOAN BANKS US Wealth GF	04/29/2022	04/29/2024	04/29/2027	04/29/2027	3,000,000.00	3,000,000.00	2,816,046.00	5.004%
FEDERAL HOME LOAN BANKS US Wealth GF	06/23/2022	11/17/2023	06/23/2026	06/23/2026	3,000,000.00	3,000,000.00	2,902,662.00	5.544%
FEDERAL HOME LOAN BANKS US Wealth GF	02/28/2023	02/28/2025	02/28/2028	02/28/2028	3,000,000.00	2,999,250.00	2,910,237.00	5.790%
FEDERAL HOME LOAN BANKS US Wealth GF	03/08/2023	---	03/06/2024	03/06/2024	5,000,000.00	4,998,650.00	4,994,880.00	5.506%
FEDERAL HOME LOAN BANKS US Wealth GF	06/23/2023	---	06/09/2028	06/09/2028	5,000,000.00	4,986,500.00	4,810,515.00	4.929%
FEDERAL HOME LOAN BANKS US Wealth GF	06/28/2021	12/30/2023	09/30/2024	09/30/2024	3,000,000.00	3,000,000.00	2,863,386.00	5.564%
FEDERAL HOME LOAN BANKS Piper Sandler	02/17/2021	02/17/2024	02/17/2026	02/17/2026	3,000,000.00	3,000,000.00	2,702,529.00	5.269%
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	2,839,590.00	5.517%
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	2,667,165.00	5.177%
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	2,664,771.00	5.177%
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	2,923,308.00	5.427%
FEDERAL HOME LOAN BANKS Piper Sandler	01/28/2021	11/16/2023	03/28/2024	03/28/2024	3,000,000.00	3,000,000.00	2,936,553.00	5.566%
FEDERAL HOME LOAN BANKS Piper Sandler	04/22/2021	01/29/2024	04/29/2024	04/29/2024	3,000,000.00	3,000,000.00	2,924,805.00	5.584%
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	2,841,483.00	5.519%
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	2,949,240.00	5.576%
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	2,885,559.00	5.850%
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	1,910,854.00	5.564%
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	2,736,729.00	5.274%
FEDERAL HOME LOAN MORTGAGE CORP Alamo Capital	05/12/2022	02/12/2024	11/12/2024	11/12/2024	3,000,000.00	3,000,000.00	2,924,643.00	5.540%
FEDERAL HOME LOAN MORTGAGE CORP US Wealth GF	08/20/2020	08/20/2024	08/20/2025	08/20/2025	3,000,000.00	3,000,000.00	2,762,016.00	5.296%
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	2,782,044.00	5.359%
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	2,879,679.00	5.574%
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	2,908,749.00	5.625%
FEDERAL HOME LOAN MORTGAGE CORP Stifel	05/03/2023	02/03/2024	05/03/2027	05/03/2027	3,000,000.00	3,000,000.00	2,943,633.00	5.952%
FEDERAL HOME LOAN MORTGAGE CORP Stifel	11/30/2020	---	05/30/2024	05/30/2024	3,000,000.00	3,000,000.00	2,913,606.00	5.442%
FEDERAL HOME LOAN MORTGAGE CORP Stifel	10/28/2020	01/28/2024	10/28/2024	10/28/2024	3,000,000.00	3,000,000.00	2,853,336.00	5.545%

## Monthly Investment Portfolio Report

As of 10/31/2023

AGG- General Fund (213428)

Dated: 11/22/2023

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	2,751,318.00	5.216%
FEDERAL NATIONAL MORTGAGE ASSOCIATION US Wealth GF	07/15/2020	01/15/2024	07/15/2025	07/15/2025	3,000,000.00	3,000,000.00	2,777,937.00	5.327%
FEDERAL NATIONAL MORTGAGE ASSOCIATION US Wealth GF	08/12/2020	02/12/2024	08/12/2025	08/12/2025	3,000,000.00	3,000,000.00	2,761,125.00	5.305%
FEDERAL NATIONAL MORTGAGE ASSOCIATION US Wealth GF	12/16/2020	12/14/2023	06/14/2024	06/14/2024	3,000,000.00	3,001,500.00	2,905,959.00	5.593%
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	2,905,959.00	5.593%
---	---	---	09/18/2025	09/18/2025	150,190,000.00	150,066,915.60	142,061,335.30	5.409%
---								

### 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	968,747.00	5.564%
APPLE INC US Wealth GF	01/27/2021	08/11/2024	09/11/2024	09/11/2024	3,000,000.00	3,150,000.00	2,906,241.00	5.564%
APPLE INC Stifel	09/24/2020	04/11/2025	05/11/2025	05/11/2025	2,000,000.00	2,055,740.00	1,876,390.00	5.393%
APPLE INC Stifel	03/26/2021	01/08/2026	02/08/2026	02/08/2026	1,000,000.00	986,200.00	903,162.00	5.283%
APPLE INC Stifel	06/21/2022	11/09/2026	02/09/2027	02/09/2027	3,000,000.00	2,953,920.00	2,828,991.00	5.267%
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	936,250.00	6.171%
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	2,734,557.00	5.193%
CHEVRON CORP Stifel	07/08/2020	01/03/2024	03/03/2024	03/03/2024	3,000,000.00	3,239,700.00	2,970,012.00	5.876%
CITIBANK NA Stifel	06/24/2020	12/23/2023	01/23/2024	01/23/2024	3,000,000.00	3,297,000.00	2,985,063.00	5.807%
EXXON MOBIL CORP US Wealth GF	08/11/2022	12/01/2025	03/01/2026	03/01/2026	3,000,000.00	2,976,180.00	2,843,307.00	5.455%
EXXON MOBIL CORP Stifel	12/15/2022	12/01/2025	03/01/2026	03/01/2026	2,000,000.00	1,928,640.00	1,895,538.00	5.455%
GUARDIAN LIFE GLOBAL FUNDING US Wealth GF	03/03/2023	---	11/19/2027	11/19/2027	3,000,000.00	2,522,160.00	2,504,004.00	5.899%
JOHN DEERE CAPITAL CORP Alamo Capital	02/08/2021	---	01/15/2026	01/15/2026	3,000,000.00	3,000,000.00	2,705,100.00	5.493%
JOHN DEERE CAPITAL CORP Alamo Capital	04/18/2023	---	03/09/2027	03/09/2027	2,000,000.00	1,829,101.63	1,771,168.00	5.532%
MICROSOFT CORP Stifel	02/10/2021	08/03/2025	11/03/2025	11/03/2025	3,000,000.00	3,337,530.00	2,880,750.00	5.239%
PROCTER & GAMBLE CO US Wealth GF	02/24/2023	---	01/26/2028	01/26/2028	3,000,000.00	2,951,160.00	2,875,512.00	5.049%
TOYOTA MOTOR CREDIT CORP Alamo Capital	07/18/2022	---	04/14/2025	04/14/2025	2,044,000.00	2,035,824.00	1,985,018.34	5.492%
TOYOTA MOTOR CREDIT CORP Alamo Capital	04/18/2023	---	04/06/2028	04/06/2028	2,000,000.00	1,799,880.37	1,723,350.00	5.456%
TOYOTA MOTOR CREDIT CORP Alamo Capital	10/21/2019	---	10/07/2024	10/07/2024	1,500,000.00	1,499,994.00	1,449,814.50	5.731%
WALMART INC Stifel	06/18/2020	10/15/2024	12/15/2024	12/15/2024	2,000,000.00	2,173,300.00	1,938,398.00	5.515%
---	---	---	01/02/2026	01/02/2026	46,544,000.00	46,525,636.99	43,681,372.84	5.501%
---								



## Monthly Investment Portfolio Report

As of 10/31/2023

AGG- General Fund (213428)

Dated: 11/22/2023

### MMFUND

Description, Broker	Settle Date	Next Call Date	Effective Maturity	Final Maturity	PAR Value	Original Cost	Market Value	Yield to Maturity
LAIF Money Market Fund LAIF - GF	---	---	10/31/2023	10/31/2023	15,498,258.53	15,498,258.53	15,498,258.53	---
RBC BANK DEPOSIT PROGRAM Alamo Capital	10/23/2023	---	10/31/2023	10/31/2023	17.07	17.07	17.07	---
---	---	---	<b>10/31/2023</b>	<b>10/31/2023</b>	<b>15,498,275.60</b>	<b>15,498,275.60</b>	<b>15,498,275.60</b>	<b>---</b>

### 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 US Wealth GF	05/27/2021	---	11/15/2023	11/15/2023	3,000,000.00	3,005,156.25	2,993,906.25	5.238%
UNITED STATES TREASURY Piper Sandler	05/15/2023	---	05/31/2027	05/31/2027	3,000,000.00	2,901,780.00	2,779,687.50	4.884%
UNITED STATES TREASURY Piper Sandler	08/17/2023	---	07/31/2028	07/31/2028	3,000,000.00	2,974,080.00	2,910,000.00	4.838%
UNITED STATES TREASURY Stifel	09/01/2023	---	07/15/2026	07/15/2026	3,000,000.00	2,997,726.30	2,966,718.75	4.940%
<b>UNITED STATES TREASURY</b> ---	---	---	<b>07/30/2026</b>	<b>07/30/2026</b>	<b>12,000,000.00</b>	<b>11,878,742.55</b>	<b>11,650,312.50</b>	<b>4.977%</b>

### 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	883,650.00	5.390%
EL CAJON CALIF US Wealth GF	02/08/2021	---	04/01/2024	04/01/2024	300,000.00	302,583.00	294,069.00	5.782%
MONTEREY PK CALIF PENSION OBLIG US Wealth GF	02/16/2021	---	06/01/2025	06/01/2025	400,000.00	403,156.00	371,532.00	5.649%
MONTEREY PK CALIF PENSION OBLIG US Wealth GF	02/16/2021	---	06/01/2024	06/01/2024	550,000.00	552,255.00	533,621.00	5.893%
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	1,016,568.00	5.296%
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	4,380,150.00	5.196%
---	---	---	<b>12/26/2026</b>	<b>12/26/2026</b>	<b>8,450,000.00</b>	<b>7,683,132.00</b>	<b>7,479,590.00</b>	<b>5.327%</b>

### 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	232,543.95	5.222%
Capital One Bank (USA), National Association Piper Sandler	06/08/2022	---	06/08/2027	06/08/2027	245,000.00	245,000.00	229,908.73	5.037%
Capital One, National Association Piper Sandler	06/08/2022	---	06/08/2027	06/08/2027	245,000.00	245,000.00	229,908.73	5.037%
Discover Bank Piper Sandler	06/07/2022	---	06/07/2027	06/07/2027	245,000.00	245,000.00	229,919.27	5.037%
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	225,440.25	5.334%
Morgan Stanley Bank, N.A. Piper Sandler	06/09/2022	---	06/09/2027	06/09/2027	245,000.00	245,000.00	229,107.34	5.036%

Monthly Investment Portfolio Report

AGG- General Fund (213428)

As of 10/31/2023

Dated: 11/22/2023

Description, Broker	Settle Date	Next Call Date	Effective Maturity	Final Maturity	PAR Value	Original Cost	Market Value	Yield to Maturity
Morgan Stanley Private Bank, National Association Piper Sandler	06/09/2022	---	06/09/2027	06/09/2027	245,000.00	245,000.00	229,107.34	5.036%
---	---	---	02/04/2027	02/04/2027	1,720,000.00	1,720,000.00	1,605,935.63	5.105%
---								

Summary

Description, Broker	Settle Date	Next Call Date	Effective Maturity	Final Maturity	PAR Value	Original Cost	Market Value	Yield to Maturity
---	---	---	09/25/2025	09/25/2025	234,402,275.60	233,372,702.74	221,976,821.86	5.398%
---								

\* 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

OCTOBER 2023

INVESTED  
RESERVE FUNDS  
\$1,619,313.17

BALANCE	OCTOBER 1, 2023	(\$9,871.84)		
ACCOUNTS RECEIVABLE - OTHER		\$0.00		
CUSTOMER DEPOSITS - CONSTRUCTION		0.00		
INTEREST EARNED - INVESTED FUNDS		14,704.44		
WASTEWATER REVENUE		74,145.54		
SEWER CAPACITY CHARGES		0.00		
MISCELLANEOUS		<u>0.00</u>		
TOTAL RECEIPTS		\$88,849.98		
PAYMENTS				
CHECKS UNDER \$10,000.00		\$9,586.43		
CHECKS OVER \$10,000.00 - SCH. #1		73,234.27		
CANCELLED CHECKS AND FEES		<u>0.00</u>		
TOTAL PAYMENTS		<u>\$82,820.70</u>		
NET INCOME		\$6,029.28		
INVESTED RESERVE FUNDS				
FUNDS MATURED		\$18,900.00		
FUNDS INVESTED – SCH. #2		<u>14,704.44</u>		
NET TRANSFER			\$4,195.56	(\$4,195.56)
BALANCE	OCTOBER 31, 2023		\$353.00	\$1,615,117.61

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

DESERT WATER



**October 2023**

Check #		Name	Description	Amount	
3473		Coachella Valley Water District	Wastewater Revenue Billing for September 2023	\$	73,234.27
<b>Total</b>				\$	<b>73,234.27</b>

Security Type

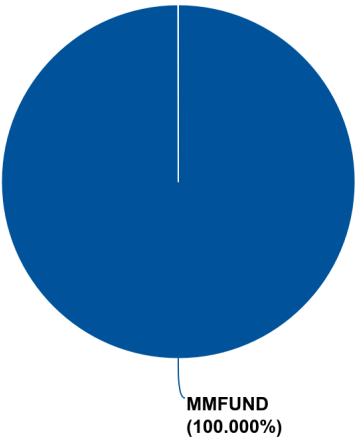


Chart calculated by: PAR Value

MMFUND

Description, Broker	Settle Date	Next Call Date	Effective Maturity	Final Maturity	PAR Value	Original Cost	Market Value	Yield to Maturity
LAIF Money Market Fund LAIF - WW	---	---	10/31/2023	10/31/2023	1,615,117.61	1,615,117.61	1,615,117.61	---
<b>LAIF Money Market Fund LAIF - WW</b>	<b>---</b>	<b>---</b>	<b>10/31/2023</b>	<b>10/31/2023</b>	<b>1,615,117.61</b>	<b>1,615,117.61</b>	<b>1,615,117.61</b>	<b>---</b>

\* 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*  
**October 31, 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.

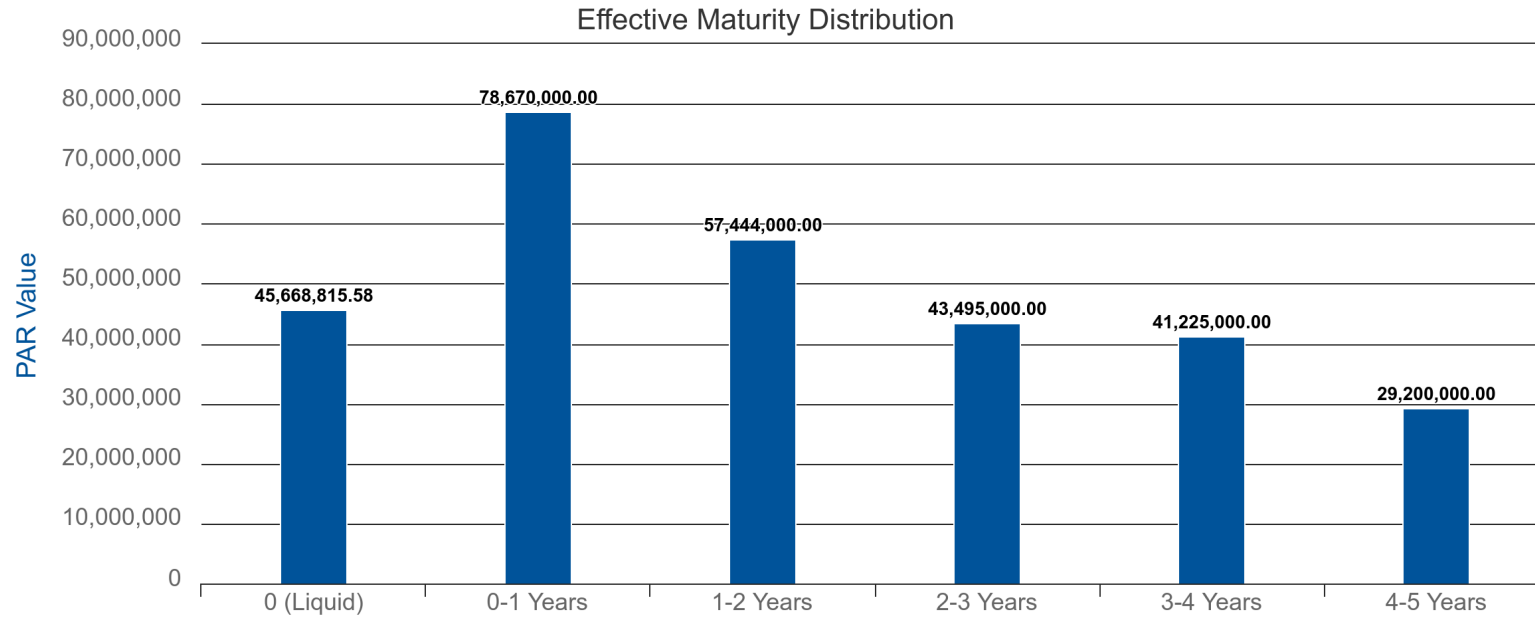
Esther Saenz  
Finance Director  
Desert Water Agency

### Effective Maturity Distribution Summary

As of 10/31/2023

AGG-ALL (219610)

Dated: 11/21/2023



#### 0 (Liquid)

DWA Fund	Account	Identifier	Description	Security Type	PAR Value	Ending Effective Maturity	Final Maturity
General Fund	---	---	---	MMFUND	15,498,275.60	10/31/2023	10/31/2023
Operating Fund	LAIF - OP	LAIFMMF	LAIF Money Market Fund	MMFUND	28,555,422.37	10/31/2023	10/31/2023
Wastewater Fund	LAIF - WW	LAIFMMF	LAIF Money Market Fund	MMFUND	1,615,117.61	10/31/2023	10/31/2023
---	---	---	---	MMFUND	45,668,815.58	10/31/2023	10/31/2023

#### 0-1 Years

DWA Fund	Account	Identifier	Description	Security Type	PAR Value	Ending Effective Maturity	Final Maturity
General Fund	---	---	---	---	65,540,000.00	05/25/2024	05/25/2024
Operating Fund	US Wealth OP	---	---	---	13,130,000.00	04/23/2024	04/23/2024
---	---	---	---	---	78,670,000.00	05/20/2024	05/20/2024

#### 1-2 Years

DWA Fund	Account	Identifier	Description	Security Type	PAR Value	Ending Effective Maturity	Final Maturity
General Fund	---	---	---	---	50,444,000.00	04/15/2025	04/15/2025
Operating Fund	US Wealth OP	---	---	---	7,000,000.00	05/27/2025	05/27/2025
---	---	---	---	---	57,444,000.00	04/20/2025	04/20/2025



Effective Maturity Distribution Summary

As of 10/31/2023

AGG-ALL (219610)

Dated: 11/21/2023

2-3 Years

DWA Fund	Account	Identifier	Description	Security Type	PAR Value	Ending Effective Maturity	Final Maturity
General Fund	---	---	---	---	42,495,000.00	05/11/2026	05/11/2026
Operating Fund	US Wealth OP	3130AP6M2	FEDERAL HOME LOAN BANKS	AGCY BOND	1,000,000.00	09/30/2026	09/30/2026
---	---	---	---	---	43,495,000.00	05/14/2026	05/14/2026

3-4 Years

DWA Fund	Account	Identifier	Description	Security Type	PAR Value	Ending Effective Maturity	Final Maturity
General Fund	---	---	---	---	33,225,000.00	04/07/2027	04/07/2027
Operating Fund	US Wealth OP	---	---	---	8,000,000.00	05/05/2027	05/05/2027
---	---	---	---	---	41,225,000.00	04/13/2027	04/13/2027

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	US Wealth 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
---	---	---	---	295,702,815.58	07/08/2025	07/08/2025

\* 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**

<b>AGCY BOND</b>	US Agency Obligation <sup>1</sup>
<b>AGCY DISC</b>	Discounted US Agency Obligation <sup>1 &amp; 8</sup>
<b>CORP</b>	Medium Term Notes (Corporate Notes) <sup>2</sup>
<b>MMFUND</b>	Local Agency Investment Fund (LAIF) <sup>3</sup> & Cash Funds in Transit <sup>4</sup>
<b>MUNI</b>	Municipal Bonds/Local Agency Bonds <sup>5</sup>
<b>CD</b>	Negotiable Certificates of Deposit <sup>6</sup>
<b>US GOV</b>	U.S. Treasury notes, bills bonds or other certificates of indebtedness <sup>7</sup>

**Definitions**

<b>Settle Date</b>	The date of original purchase
<b>Next Call Date</b>	The next eligible date for the issuer to refund or call the bond or note
<b>Effective Maturity</b>	The most likely date that the bond will be called based on current market conditions
<b>Final Maturity</b>	The date the bond matures, DWA receives the full PAR value plus the final interest payment
<b>PAR Value</b>	The principal amount DWA will receive when a bond is either called or matures
<b>Original Cost</b>	The original cost to purchase the bond (includes premium/discount)
<b>Market Value</b>	The current value of the bond at current market rates
<b>Yield to Maturity</b>	The total anticipated return on a bond if the bond is held to maturity

NOTES:

- <sup>1</sup> DWA Investment Policy, Resolution 1301, Schedule 1, Item 2
- <sup>2</sup> DWA Investment Policy, Resolution 1301, Schedule 1, Item 14
- <sup>3</sup> DWA Investment Policy, Resolution 1301, Schedule 1, Item 9
- <sup>4</sup> 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
- <sup>5</sup> DWA Investment Policy, Resolution 1301, Schedule 1, Item 3
- <sup>6</sup> DWA Investment Policy, Resolution 1301, Schedule 1, Item 10
- <sup>7</sup> DWA Investment Policy, Resolution 1301, Schedule 1, Item 1
- <sup>8</sup> 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 OCTOBER	/-----THIS MONTH-----/ THIS YEAR	LAST YEAR	BUDGET	/-----FISCAL YEAR TO DATE-----/ THIS YEAR	LAST YEAR	BUDGET	/--VARIANCE--/ YTD	PCT
OPERATING REVENUES								
WATER SALES	3,444,023.11	3,482,479.22	3,618,600.00	15,370,111.29	15,674,315.45	16,266,900.00	896,788.71-	6-
RECLAMATION SALES	63,460.14	61,675.59	78,600.00	400,686.61	404,301.38	397,100.00	3,586.61	1
POWER SALES	18,780.92	12,991.64	4,700.00	44,144.04	13,735.09	18,800.00	25,344.04	135
OTHER OPER REVENUE	231,809.93	171,197.64	206,050.00	782,463.78	838,817.13	817,000.00	34,536.22-	4-
TOTAL OPER REVENUES	3,758,074.10	3,728,344.09	3,907,950.00	16,597,405.72	16,931,169.05	17,499,800.00	902,394.28-	5-
OPERATING EXPENSES								
SOURCE OF SUPPLY EXP	40,319.86	61,143.79	74,690.00	2,020,887.92	1,908,493.79	2,186,560.00	165,672.08-	8-
PUMPING EXPENSE	80,133.74	446,387.95	514,460.00	1,882,458.00	2,028,522.34	2,294,340.00	411,882.00-	18-
REGULATORY WATER TREAT	134,248.52	100,411.02	87,770.00	418,332.25	348,213.53	351,080.00	67,252.25	19
TRANS & DIST EXPENSE	387,719.29	306,701.73	372,160.00	1,227,881.44	1,087,620.49	1,488,640.00	260,758.56-	18-
CUSTOMER ACT EXPENSE	82,802.85	83,433.95	108,160.00	312,822.41	281,443.43	432,640.00	119,817.59-	28-
ADMIN & GEN EXPENSE	967,316.97	759,124.16	1,263,410.00	5,645,715.29	5,316,280.86	6,059,900.00	414,184.71-	7-
REGULATORY EXPENSE	90,201.41	24,698.13	39,590.00	126,793.82	78,858.89	158,360.00	31,566.18-	20-
SNOW CREEK HYDRO EXP	1,029.24	4,229.12	6,410.00	11,264.58	13,614.79	25,640.00	14,375.42-	56-
RECLAMATION PLNT EXP	73,952.54	89,060.76	188,890.00	314,252.96	317,008.75	755,560.00	441,307.04-	58-
SUB-TOTAL	1,857,724.42	1,875,190.61	2,655,540.00	11,960,408.67	11,380,056.87	13,752,720.00	1,792,311.33-	13-
OTHER OPER EXPENSES								
DEPRECIATION	527,475.85	543,360.29	574,500.00	2,122,684.37	2,106,251.43	2,298,000.00	175,315.63-	8-
SERVICES RENDERED	28,249.95	4,802.61	13,000.00	85,784.77	53,739.16	52,000.00	33,784.77	65
DIR & INDIR CST FOR WO	435,421.19-	181,775.69-	274,450.00-	1,340,676.30-	1,034,807.45-	1,097,800.00-	242,876.30-	22
TOTAL OPER EXPENSES	1,978,029.03	2,241,577.82	2,968,590.00	12,828,201.51	12,505,240.01	15,004,920.00	2,176,718.49-	15-
NET INCOME FROM OPERATIONS	1,780,045.07	1,486,766.27	939,360.00	3,769,204.21	4,425,929.04	2,494,880.00	1,274,324.21	51
NON-OPERATING INCOME (NET)								
RENTS	4,007.58	3,899.11	16,750.00	16,030.32	27,923.44	67,000.00	50,969.68-	76-
INTEREST REVENUES	138,090.15	85,575.06	110,000.00	487,637.83	275,868.27	440,000.00	47,637.83	11
INVESTMENT AMORT.	40,643.89	.00	.00	122,492.78	.00	.00	122,492.78	0
OTHER REVENUES	1,222,087.18	50,674.78	.00	1,222,367.18	80,109.28	.00	1,222,367.18	0
GAINS ON RETIREMENT	.00	.00	5,200.00	.00	.00	10,400.00	10,400.00-	100-
DISCOUNTS	.00	34.81	75.00	.00	1,390.30	300.00	300.00-	100-
PR. YEAR EXPENSES	243.64	.00	.00	1,178.43	.01	.00	1,178.43	0
OTHER EXPENSES	.00	.00	2,090.00-	.00	.00	8,360.00-	8,360.00	100-
LOSS ON RETIREMENTS	.00	189.54-	8,900.00-	.00	189.54-	35,600.00-	35,600.00	100-
TOTAL NON-OPER INCOME	1,405,072.44	139,994.22	121,035.00	1,849,706.54	387,101.76	473,740.00	1,375,966.54	290
TOTAL NET INCOME	3,185,117.51	1,626,760.49	1,060,395.00	5,618,910.75	4,811,030.80	2,968,620.00	2,650,290.75	89

## **GENERAL MANAGER'S REPORT DECEMBER 5, 2023**

### **Sites Reservoir Reaches Milestone in Environmental Review**

On November 17, the Sites Project Authority (Authority), as the lead agency under the California Environmental Quality Act, certified the Final Environmental Impact Report (Final EIR) and has approved the Sites Reservoir Project. With this certification, the Authority will be working to move the project forward through the final planning stages and on to construction.

The Final EIR, which was released as a joint Final EIR/Environmental Impact Statement (EIS) with the Bureau of Reclamation as the lead federal agency, evaluates and describes the environmental effects and proposed mitigation measures associated with construction and operation of the Sites Reservoir Project.

The release of the Final EIR/EIS is the culmination of over 20 years of environmental analysis for the Sites Project. The EIR process was originally initiated by California Department of Water Resources (DWR) in November 2001 with the publication of a notice of preparation (NOP). In February 2017, the Authority, as the CEQA lead agency issued a supplemental NOP and a Draft EIR/EIS was released for public review and comment in August 2017.

As previously reported, on November 6, Governor Newsom certified the Sites Reservoir Project as an infrastructure project qualifying for judicial streamlining under Senate Bill 149. By certifying the project, courts must decide CEQA challenges to Sites Project within 270 days to the extent feasible.

### **Sacramento/Delta Update to Bay-Delta Plan – 2023 Draft Staff Report**

On Sept. 28, the State Water Board released the draft Staff Report for the Sacramento/Delta Update to the Bay-Delta Plan (draft Staff Report). The draft Staff Report assesses a range of alternatives that may be considered for adoption by the State Water Board, including the Agreements and a 55 percent unimpaired flows approach based on the 2018 Framework.

The proposed Agreements would provide a comprehensive suite of actions to restore and enhance the Delta ecosystem and provide more reliable water supplies for the 35 million people and eight million acres of farmland dependent on the Delta watershed and its water supply.

DWA has long supported the Agreements as the best approach to protecting, restoring, and enhancing the Bay-Delta.

The State Board has scheduled hearings on the draft Staff Report for November 17, December 1 & 11. DWA provided comments virtually on December 1, in support of the agreements.

### **DWA CVWD MWD Gathering at ACWA**

Members of the Desert Water Agency, Coachella Valley Water District and Metropolitan Water District met at the ACWA conference to celebrate the continued success of their joint agreements. Significantly, these agreements allow each of the Agencies to effectively manage their water supplies while minimizing costs and maximizing conveyance efficiency. They all look forward to the continuing success of the agreements.



### **State Water Project Initial 2024 Allocation of 10 Percent**

On December 1, the Agency received notice from DWR of its Initial 2024 Allocation. Per DWR, "Water year 2023 provided much-needed relief following three of the most severely dry years on record. However, water year 2024 is off to a slow start with precipitation amounts at about half of average in October and November. To make the initial 2024 allocation, the Department of Water Resources (DWR) forecasts what water supplies will be available if the current dry pattern continues through the remainder of the water year 2024. As a result, DWR is initially allocating 10 percent of most State Water Project (SWP) contractors' requested Table A amounts for 2024. The dry start to this year is a reminder that we must continue to prepare for swings between wet and dry conditions.



## **DWA Participated in the 31<sup>st</sup> Annual Festival of Lights Parade**

On December 2, 2023, DWA participated in the annual Festival of Lights parade coordinated by the City of Palm Springs. DWA built a 20-foot float with the theme “Winter in the Desert.” Elements of the float focused on the important sources of water supply in the valley. The back wall of the float included snow cap mountains and three creeks running down. The sides of the float included desertscape with green lighted plants. Along the bottom of the float were blue lights symbolizing the groundwater basin that provides water for the community. Lastly, construction and engineering created a giant faucet lit up with water flowing out the faucet.

DWA staff from all departments helped in creating this year’s float. It was anticipated that nearly 100,000 people came to Palm Springs to enjoy the parade.



# SYSTEM LEAK DATA 2023

Nov 15, 2023 - Nov 27, 2023

Street Name	Number of Leaks	Pipe Diameter (inches)	Install Date	Material	Coatling/Linning	Planned Replacement
VISTA CHINO	4	20"	1949	Steel - SP	UL	2022/2023
ANDREAS RD	3	6"	1958	Steel - SP	UL	2021/2022
AVENIDA CABALLEROS	3	14"	1953	Steel - SP	UL	2020/2021
BERNE DR	2	4"	1959	Steel - SP	UL	
RAMON RD	1	12"	1956	Steel - SP	UL	2021/2022
LOUELLA RD	1	6"	1955	Steel - SP	UL	2021/2022
SATURMINO DR	1	4"	1957	Steel - SP	UL	2021/2022
SUNNY DUNES RD	1	6"	1946	Steel - SP	UL	2021/2022
CAMINO REAL	1	12"	1953	Steel - SP	UL	
ALEJO RD	1	8"	1991	Steel - SP	UL	
PARK DR	1	4"	1946	Steel - SP	UL	
PATENCIO RD	1	6"	1951	Steel - SP	UL	
STEVENS RD	1	8"	1951	Unknown	UL	
Total Leaks In System						
21						

### Planned Replacement

- 2020/2021
- 2021/2022
- 2022/2023

### SYSTEM INFORAMTION

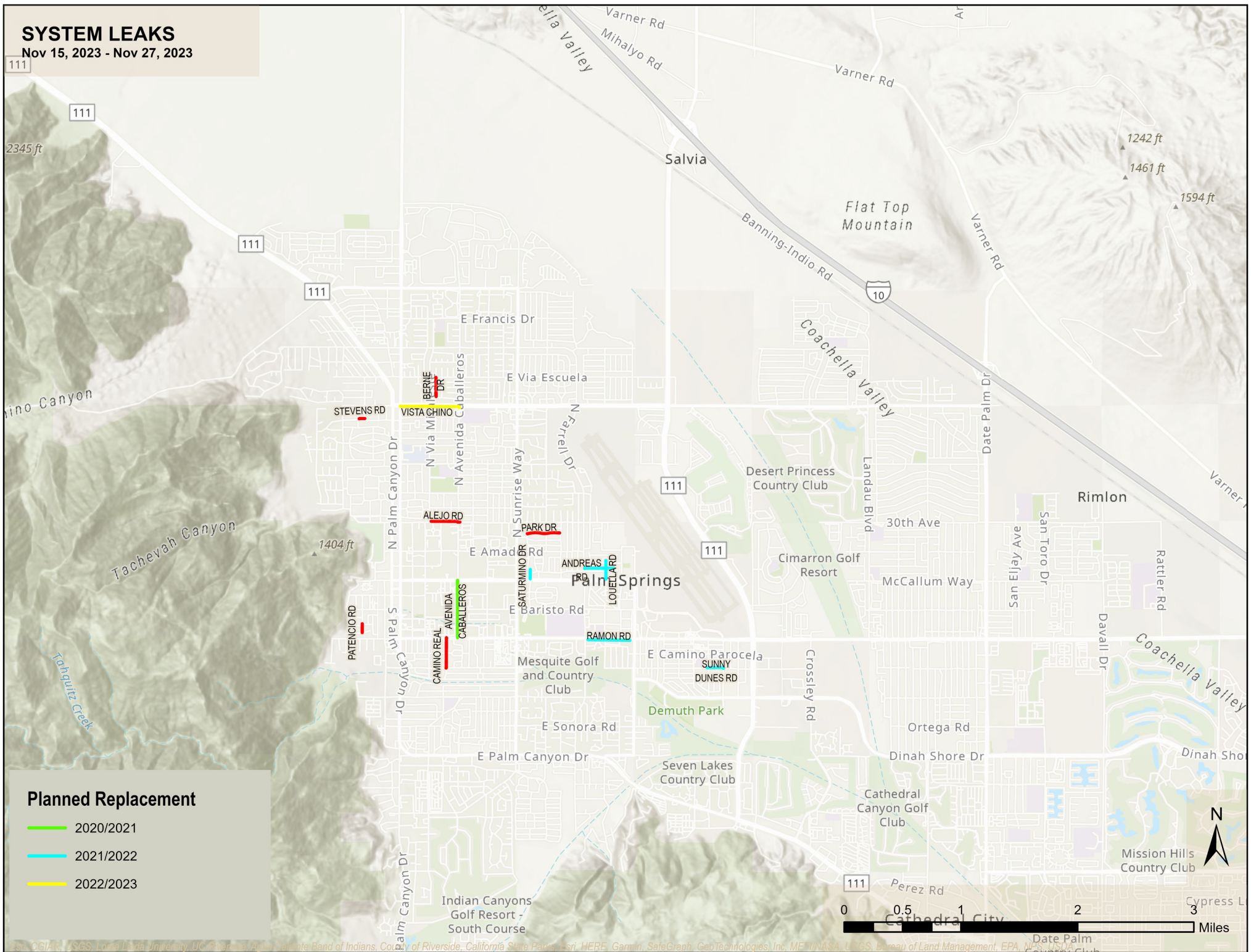
Oldest Pipe in the System (Year of Installation): 1935, 88 years old  
Average Year of Installation of Unlined Steel Pipe (Systemwide): 1954, 69 years old  
**Total Length of Unlined Pipe Systemwide (Linear Feet): 263,496 ft**  
\*Average Length of Pipe Replaced Annually (Linear Feet): 15,000 ft  
**\*Projected 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



# SYSTEM LEAKS

Nov 15, 2023 - Nov 27, 2023





## **General Manager's Meetings and Activities**

### Meetings:

11/27/23	2024 Leg & Reg Platform Review	Conf Call
11/27/23	Staff Department Heads Meeting	DWA
11/27/23	Tribal Mediation Small Group Meeting	Conf Call
11/28/23	HR Committee Meeting	DWA
11/28/23	ACWA Conference	Indian Wells
11/28/23	DWA/CVWD/MWD Reception	Indian Wells
11/29/23	ACWA Conference	Indian Wells
11/29/23	Tribal Mediation Recycled Water Project Meeting	Conf Call
11/30/23	Executive Committee Meeting	DWA
11/30/23	ACWA Conference	Indian Wells
12/01/23	State Water Resources Board Hearing (Johnson)	Conf Call
12/01/23	SWC Update (Krause)	Conf Call
12/01/23	DCP Update (Krause)	Conf Call
12/04/23	Finance Committee Meeting	DWA
12/04/23	Staff Department Heads Meeting	DWA
12/04/23	Tribal Mediation Small Group Meeting	Conf Call
12/04/23	RGS Consultant Monthly Update	Conf Call
12/05/23	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)
- 14) DWA/CVWD/MWD Operations Coordination (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