



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: 833 2141 6242
Passcode: 683622
or Via Computer:

<https://dwa-org.zoom.us/j/83321416242?pwd=XOSGNVaEYsVb1GD5KOpf0KnPxBCvkm.1>
Meeting ID: 833 2141 6242

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

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

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

Número gratuito: (253) 215-8782
ID de reunión: 833 2141 6242
código de acceso: 683622
o a través de la computadora:

<https://dwa-org.zoom.us/j/83321416242?pwd=XOSGNVaEYsVb1GD5KOpf0KnPxBCvkm.1>
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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 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 ORTEGA
2. PLEDGE OF ALLEGIANCE ORTEGA
3. ROLL CALL BACA
4. PUBLIC COMMENT ON ITEMS NOT ON THE AGENDA: Members of the public may comment on any item not listed on the agenda, but within the jurisdiction of the Agency. Speakers are requested to keep their comments to no more than three (3) minutes. As provided in the Brown Act, the Board is prohibited from acting on items not listed on the agenda.
5. PUBLIC COMMENT ON ITEMS LISTED ON THE AGENDA: Members of the public may also comment on items listed on the agenda that are not the subject of a public hearing at this time. Again, speakers are requested to keep their comments to no more than three (3) minutes.

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

- A. Receive and File Memo on May 16, 2024 State Water Contractors' Meeting
- B. Approve Minutes of the May 21, 2024 Regular Board Meeting
- C. Receive and File Minutes of the May 23, 2024 Finance Committee Meeting
- D. Receive and File Minutes of the May 29, 2024 Human Resources Committee Meeting
- E. Receive and File Minutes of the May 30, 2024 Executive Committee Meeting
- F. Receive and File the Water Use Reduction Figures for April 2024
- G. Request Authorization to Continue Emergency Repair Work at DWA Facilities Under Resolution No. 1312

7. ACTION ITEMS:

- A. Request Approval of 2024-2027 Desert Water Agency Employees' Association Memorandum of Understanding **HOPPING**
- B. Request Approval of July 2024 Cost-of-Living Salary Increase for DWA Employees **HOPPING**

8. DISCUSSION ITEMS:

- A. Draft Fiscal Year 2024/2025 Operating, General and Wastewater Budgets **SAENZ**
- B. Board of Directors' Fee Evaluation **SAENZ**
- C. Water Year 2022-2023 Sustainable Groundwater Management Act Annual Report for Indio, Mission Creek and San Geronio Pass Subbasins (PowerPoint) **RAPOLLA**
- D. Building Industry Association Membership Renewal **JOHNSON**

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

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

11. DIRECTORS COMMENTS/REQUESTS

12. CLOSED SESSION

- A. PUBLIC EMPLOYMENT
Pursuant to Government Code Section 54957
Unrepresented Employee: General Manager
- B. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION
Pursuant to Government Code Section 54956.9 (d) (1)
Name of Case: PacBell vs. County of Riverside
- C. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION
Pursuant to Government Code Section 54956.9 (d) (1)
Name of Case: Mission Springs Water District vs. Desert Water Agency
- D. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION
Pursuant to Government Code Section 54956.9 (d) (1)
Name of Case: Agua Caliente Band of Cahuilla Indians vs. Coachella Valley Water District, et al
Two Cases

13. RECONVENE INTO OPEN SESSION – REPORT FROM CLOSED SESSION
14. ADJOURN

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

DECLARATION OF POSTING

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

Sylvia Baca, MMC, Asst. Secretary of the Board



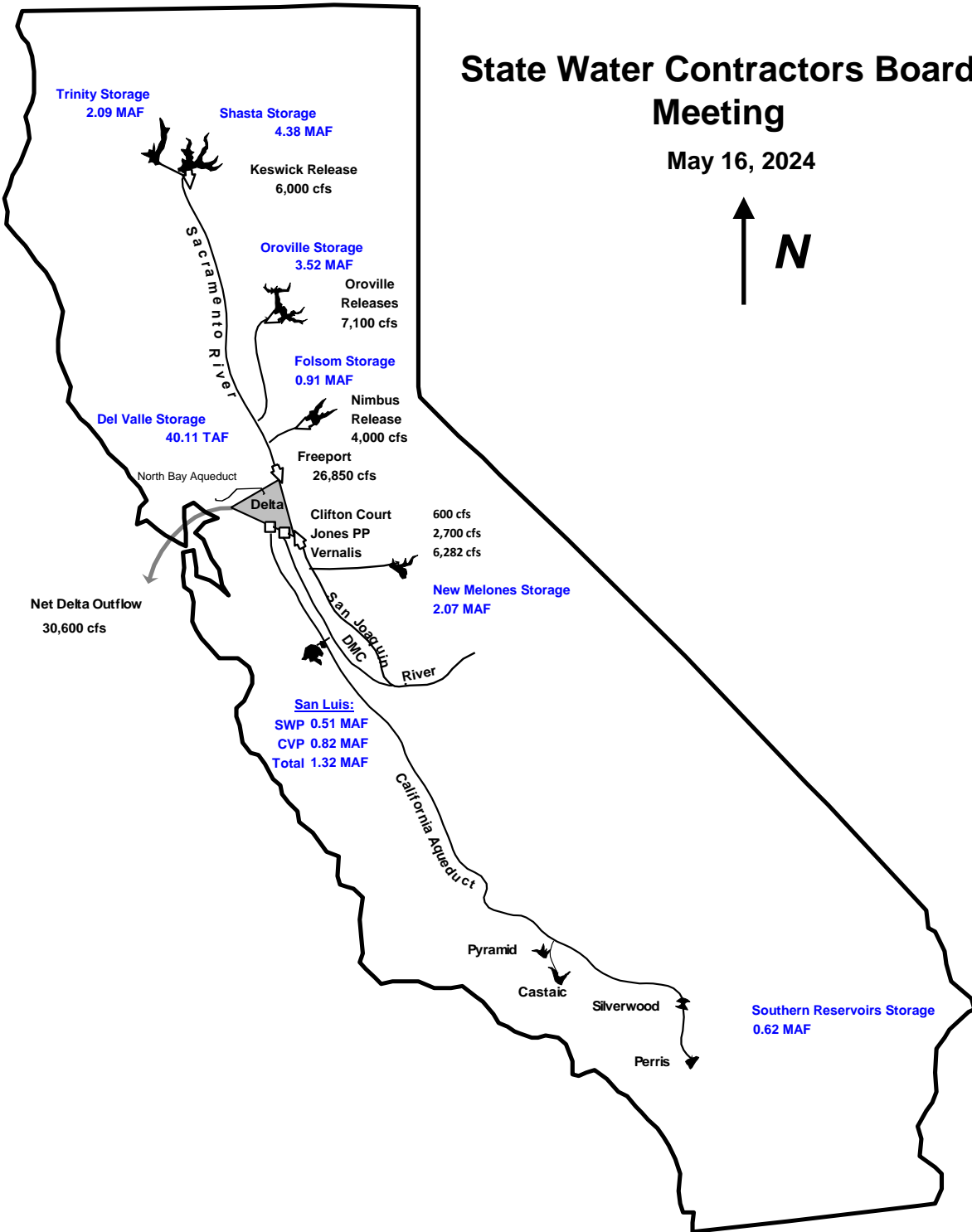
STATE WATER CONTRACTORS MEETING

May 16, 2024

- I. ANNUAL MEMBERSHIP MEETING
 - (a) Robert Cheng and Peter Thompson re-elected as Class 8 representatives
 - (b) SWC objectives approved for upcoming year
- II. SWC BOARD OFFICERS
 - (a) Laura Hidas elected Board President
 - (b) Jacob Westra elected Vice-President
 - (c) Chris Lee elected Treasurer
- III. BUDGET AND DUES
 - (a) Overall budget \$1 million higher than last year
 - \$9.6 million total
 - No 10% carryover proposed
 - (b) Overall dues less than previous year
 - Drawing down unexpended carryover from previous year
- IV. SWP OPERATIONS REPORT
 - (a) Total precipitation is slightly below average in all three watershed regions
 - (b) Snowpack is slightly above average in Northern Sierra, below average elsewhere
 - (c) Reservoir storage is above average in state's major reservoirs
 - Oroville storage is almost encroaching on flood control space
 - SWP share of storage in San Luis at about 500,000 AF

State Water Contractors Board Meeting

May 16, 2024

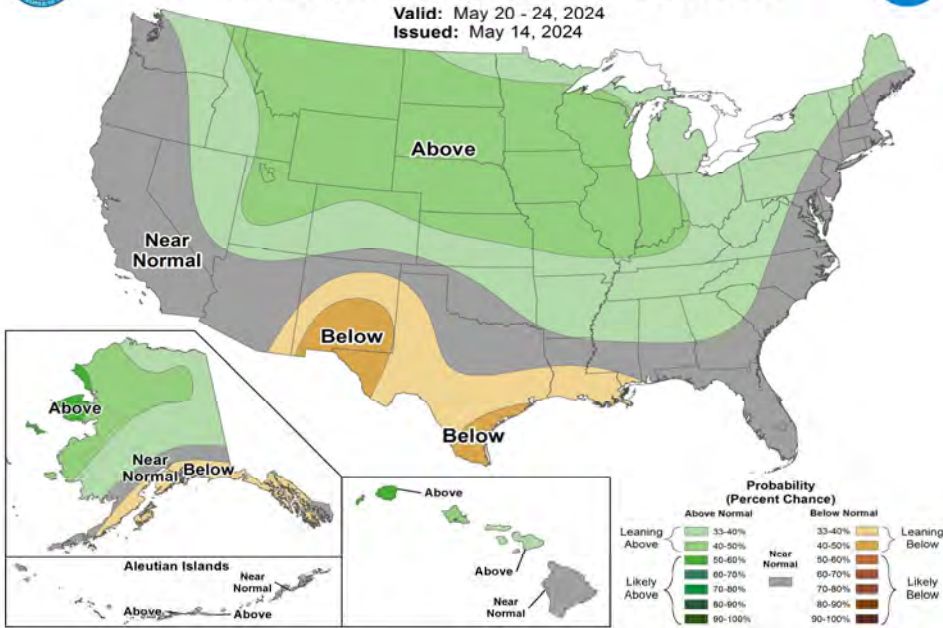


SHORT-TERM OUTLOOK



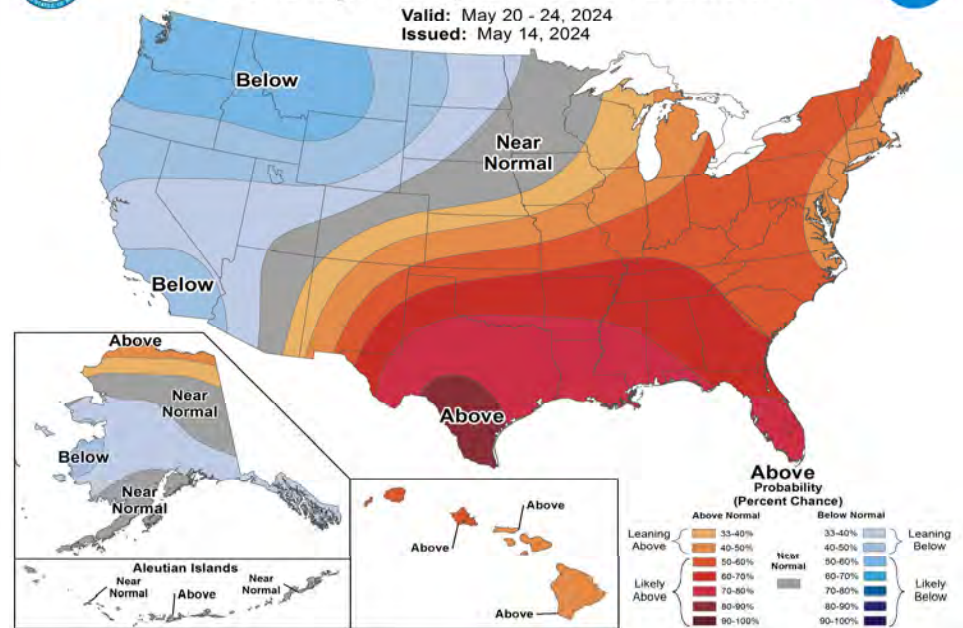
6-10 Day Precipitation Outlook

Valid: May 20 - 24, 2024
Issued: May 14, 2024



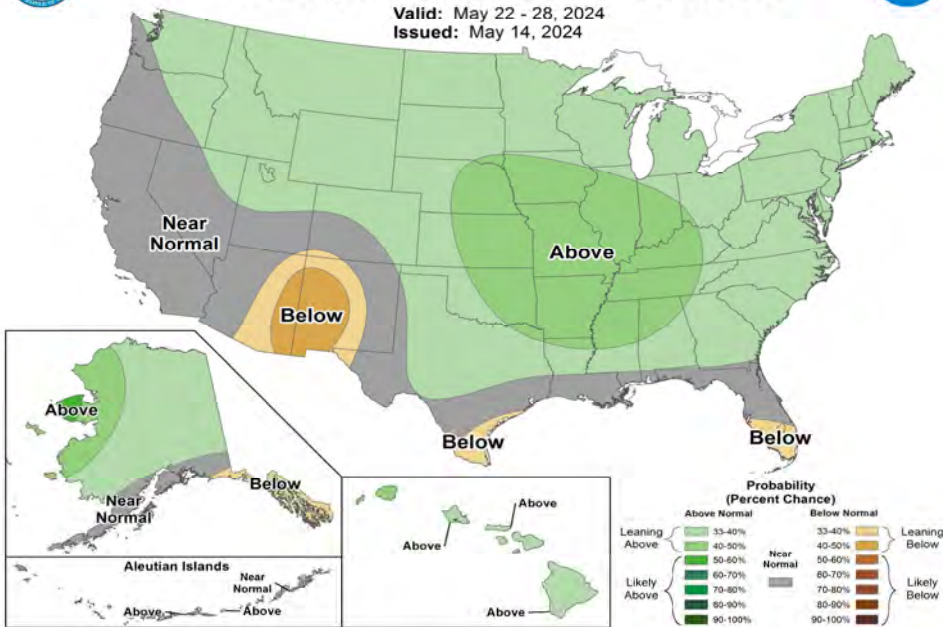
6-10 Day Temperature Outlook

Valid: May 20 - 24, 2024
Issued: May 14, 2024



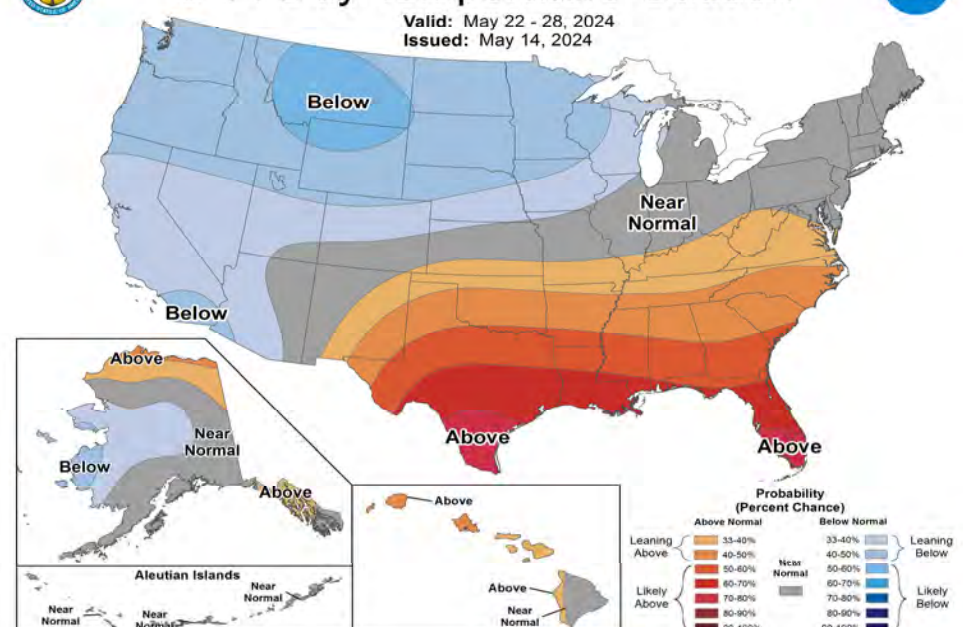
8-14 Day Precipitation Outlook

Valid: May 22 - 28, 2024
Issued: May 14, 2024



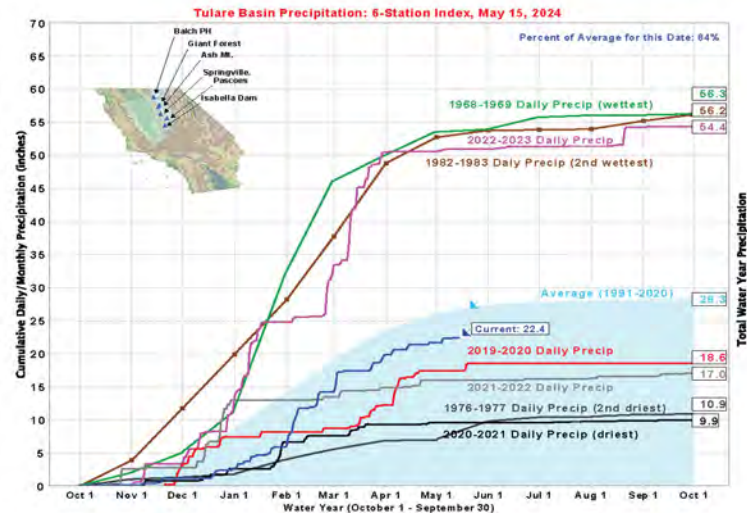
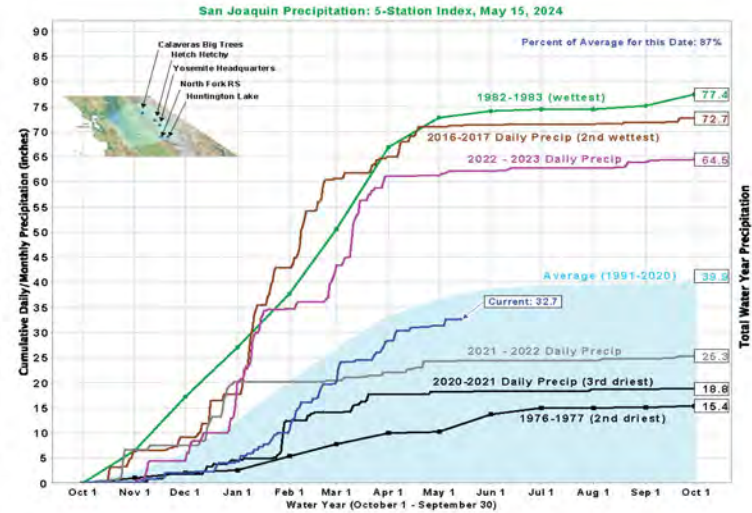
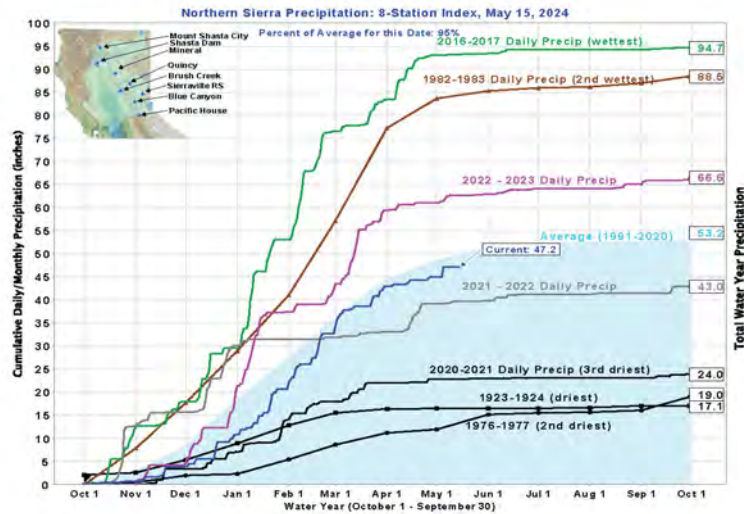
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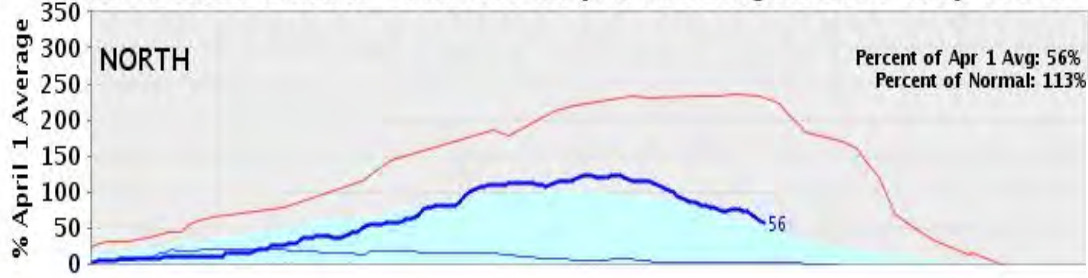


Statewide Precipitation Conditions as of 05/15/2024

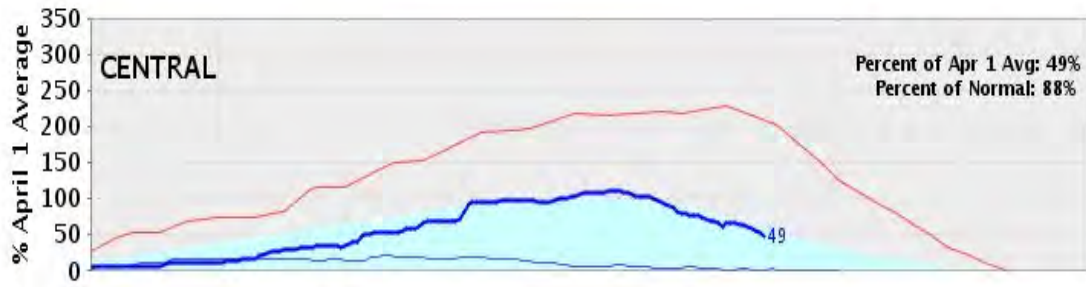
	Northern Sierra 8-Station Index inches (%)	San Joaquin 5-Station Index inches (%)	Tulare Lake 6-Station Index inches (%)
October	0.8" (28%)	0.2" (9%)	0.2" (16%)
November	3.1" (58%)	1.8" (50%)	1" (38%)
December	7" (70%)	2.3" (35%)	1.5" (32%)
January	9.9" (108%)	5.6" (72%)	3.3" (60%)
February	12" (134%)	9.8" (142%)	8.3" (162%)
March	10.2" (125%)	8.5" (134%)	5.6" (124%)
April	2" (46%)	3.1" (88%)	1.9" (76%)
May			
June			
July			
August			
September			
Season-to-Date	47.2" (94%)	32.7" (86%)	22.4" (83%)
WY Average	53.2" (88%)	40" (81%)	29.3" (80%)



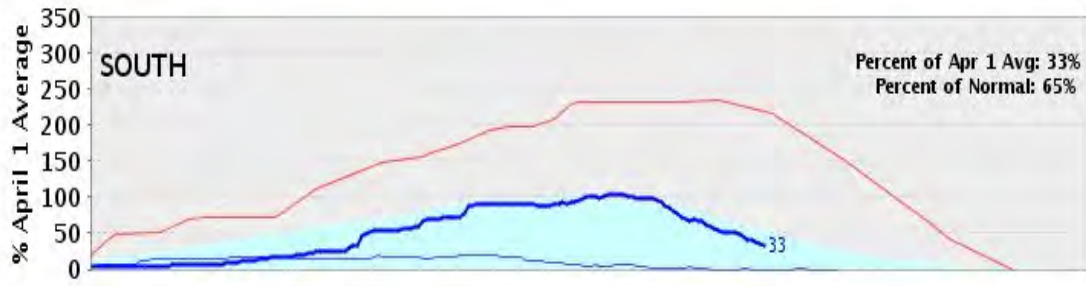
CA Snow Water Content - Percent of April 1 Average For: 14-May-2024



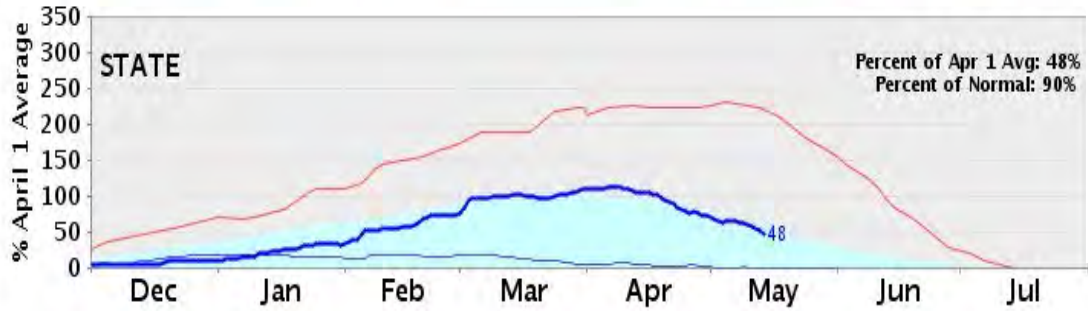
NORTH	
Data For: 15-May-2024	
Number of Stations Reporting	23
Average snow water equivalent	16.9"
Percent of April 1 Average	56%
Percent of normal for this date	117%



CENTRAL	
Data For: 15-May-2024	
Number of Stations Reporting	46
Average snow water equivalent	13.2"
Percent of April 1 Average	47%
Percent of normal for this date	88%



SOUTH	
Data For: 15-May-2024	
Number of Stations Reporting	27
Average snow water equivalent	6.9"
Percent of April 1 Average	32%
Percent of normal for this date	65%



STATEWIDE SUMMARY	
Data For: 15-May-2024	
Number of Stations Reporting	96
Average snow water equivalent	12.3"
Percent of April 1 Average	46%
Percent of normal for this date	89%

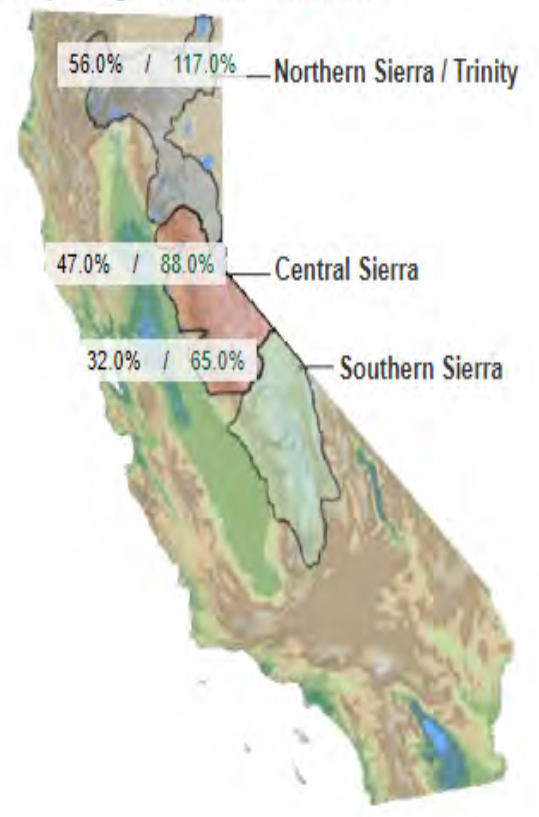
Average — 1982-1983 (max) — 2014-2015 (min) — 2023-2024 (current)

Snow Water Equivalents (inches)

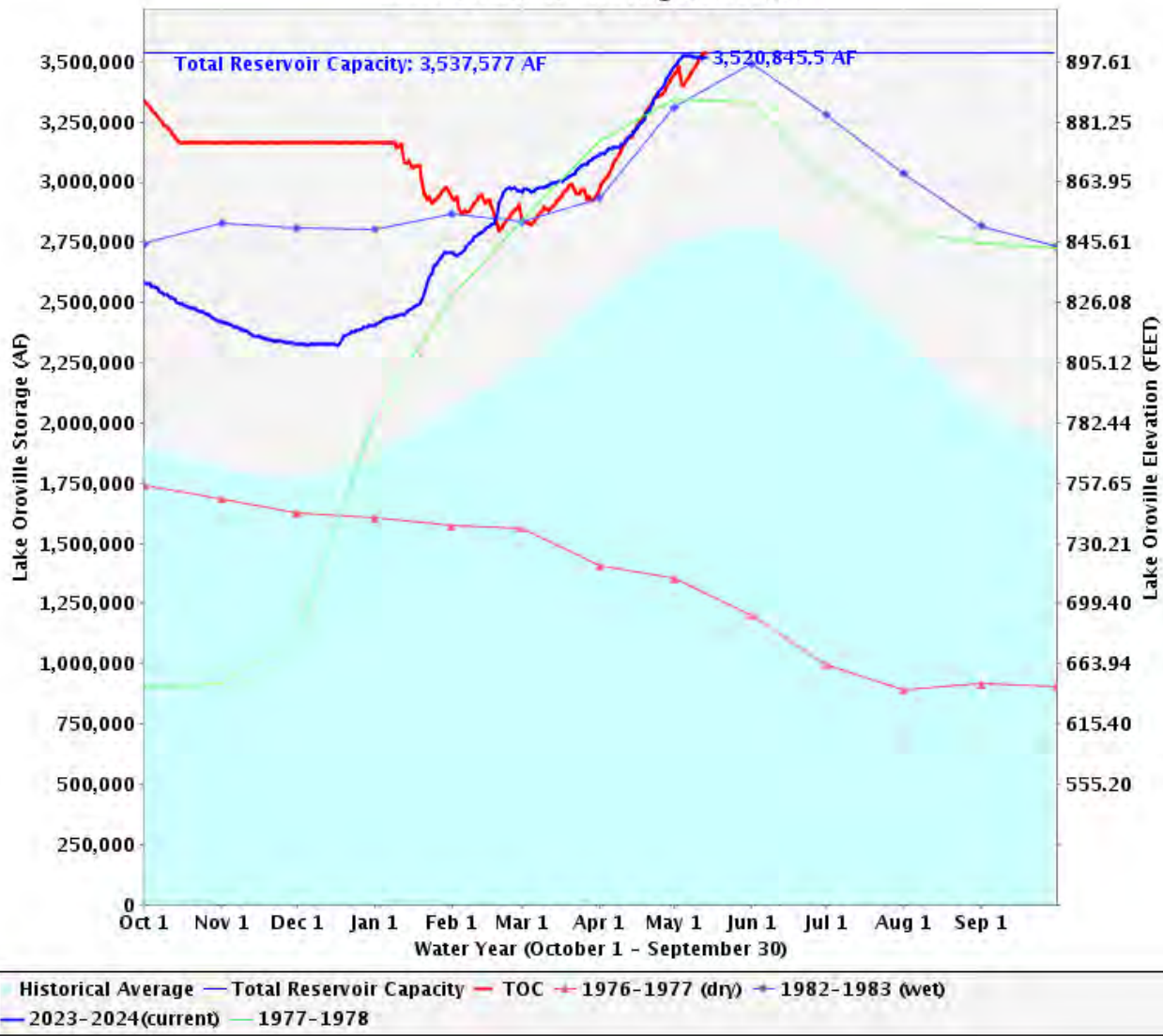
Provided by the California Cooperative Snow Surveys

Data For: 15-May-2024

% Apr 1 Avg. / % Normal for this Date



Lake Oroville Storage Levels



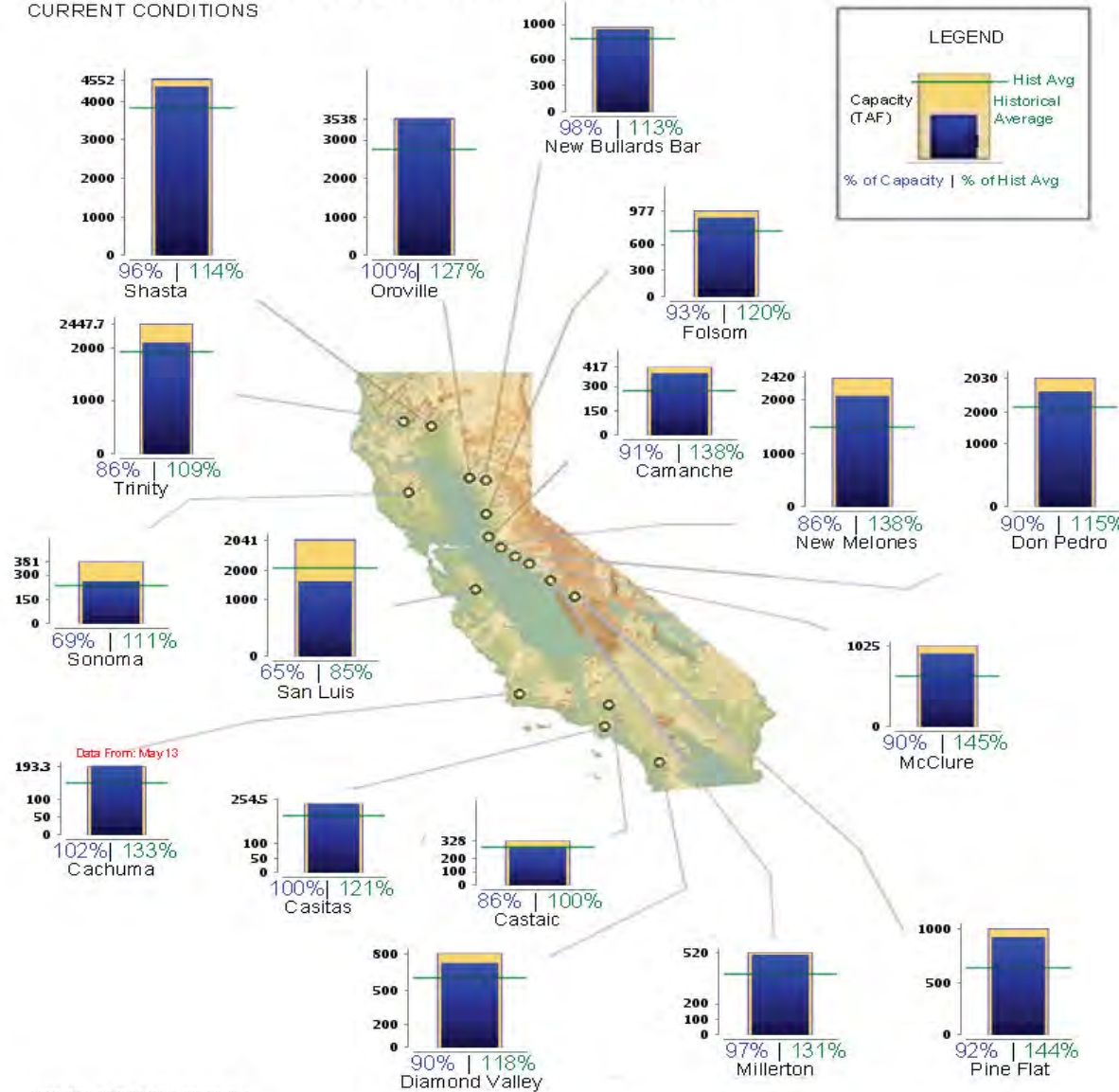


CURRENT RESERVOIR CONDITIONS

CALIFORNIA MAJOR WATER SUPPLY RESERVOIRS

Midnight - May 14, 2024

CURRENT CONDITIONS



	Storage (TAF)	% Average
Oroville	3,521	127%
Shasta	4,379	114%
Folsom	905	120%
San Luis	1,323	85%

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

6-B

May 21, 2024

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

Absent: Jeff Bowman, Vice President

DWA Staff: Steve Johnson, General Manager
David Tate, Assistant General Manager
Esther Saenz, Finance Director
Kris Hopping, Human Resources Director
Sylvia Baca, Asst. Secretary of the Board
Jamie Hoffman, Senior Admin. Assistant
Eddie Gonzalez, Facilities & Safety Manager
Ryan Molhoek, Operations & Engineering Manager
Xochitl Peña, Public Affairs Manager

Consultants via
Teleconference: Mike Riddell, Best Best & Krieger

Consultants: Dave Scrivens, Krieger & Stewart
Travis Romeyn, Krieger & Stewart

President Ortega opened the meeting at 8:00 a.m. and asked Director Bloomer to lead the Pledge of Allegiance. **Pledge of Allegiance**

President Ortega called upon Senior Admin. Assistant Hoffman to conduct the roll call: **Roll Call**

Present: Grasha, Bloomer, McKenna, Ortega
Absent: Bowman

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.

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

**General Manager's
Report**

General Manager Johnson and Facilities & Safety Officer Gonzalez acknowledged staff on their Confined Space Rescue training. Facilities & Safety Officer Gonzalez noted that the event was held on May 2nd & 9th and together with Palm Springs Fire Department and the Palm Springs Police Search & Rescue team it proved to be extremely helpful in increasing readiness between both organizations.

President Ortega called for approval of the Consent Calendar. He noted that Consent Calendar Items 7-A through 7-F are expected to be routine and to be acted upon by the Board of Directors at one time without discussion. If any Board member requests that an item be removed from the consent calendar, it will be removed so that it may be presented separately.

**Approval of the
Consent Calendar**

- A. Approve Minutes of the April 30, 2024 Special Board Meeting
- B. Receive and File Minutes of the May 2, 2024 Public Affairs & Conservation Committee Meeting
- C. Receive and File Minutes of the May 16, 2024 Executive Committee Meeting
- D. Receive and File April 2024 Public Affairs & Conservation Activities & Events
- E. Receive and File the Water Use Reduction Figures for March 2024
- F. Request Adoption of Resolution No. 1322 Approving the 2024 Local Guidelines for Implementing the California Environmental Quality Act (CEQA) for Desert Water Agency

- A. Approve Minutes of the 4/30/24 Special Board Meeting
- B. Receive & File Minutes of the 5/2/24 Public Affairs & Conservation Comm. Mtg.
- C. Receive & File Minutes of the 5/16/24 Exec. Comm. Mtg.
- D. Receive & File April 2024 PA & C Activities & Events
- E. Receive & File the Water Use Reduction Figures for March 2024
- F. Request Adoption of Reso. No. 1322 Approving the 2024 Local Guidelines for Implementing the CA Environmental Quality Act (CEQA) for DWA

Director Grasha moved for approval of Consent Calendar Items 7A through 7F. After a second by Director Bloomer, the motion carried by the following roll call vote:

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

General Manager Johnson presented the staff report. He stated that the draft of the Engineer's report for the 2024-2025 Groundwater Replenishment Assessments is presented today for discussion purposes. He noted that the proposed rates for West Whitewater River and Mission Creek Subbasin areas of benefit will be \$215 per acre-foot. The last increase implemented by the Agency was in June 2023 and was the first approved increase included in a 5-year rate study completed in 2023 and the subsequent Prop 218 approval process.

Action Items:
8A- Draft Engineer's Report for FY 2024-2025 for West Whitewater River & Mission Creek Subbasins

Staff recommends the following: 1) The Board of Directors receive the Draft Engineer's report for FY 2024-2025 for the West Whitewater River and Mission Creek Subbasins, 2) Requests a determination be made that funds should be raised by a replenishment assessment; and 3) Set the time and place for a public hearing on June 18, 2024 to consider resolutions of findings of fact and levying replenishment assessments for the Fiscal Year 2024-2025.

General Manager Johnson introduced Mr. Scriven and Mr. Romeyn from Krieger & Stewart and asked them to discuss the highlights of the report.

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

In response to Director Grasha, Finance Director Saenz explained that the difference in cost comes from the State Water Project reserve funds.

Both President Ortega and Secretary-Treasurer McKenna concurred that the Agency has been under collecting for years.

In response to Director Grasha, General Manager Johnson stated that a Public hearing will be held on June 18.

Director Grasha made a motion to approve staff's recommendations. After a second by Director Bloomer, the motion carried by the following roll call vote:

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

Operations & Engineering Manager Molhoek presented the staff report.

Action Items:

(Cont.)

8B- Request Board Consideration of Adoption of Mitigated Negative Declaration: Pumping Plant Well No. 46

Discussion ensued between President Ortega, Mr. Scrivens and Staff on the location of Well 46 in the windy point area of Palm Springs and on whether this will return to the Board for further approval on design and implementation. Operation & Engineering Manager Molhoek stated that yes, this will come back to the Board for further approval.

Director Grasha made a motion to adopt the Mitigated Negative Declaration for Pumping Plant Well No. 46. After a second by Director Bloomer, the motion carried by the following roll call vote:

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

Assistant General Manager Tate presented the staff report.

8C- Request Authorization to Continue Emergency Repair Work at DWA Facilities Under Resolution No. 1312

In response to Secretary-Treasurer McKenna's inquiry on how the facilities will hold up during a large storm, Assistant General Manager Tate noted that the vegetative growth may have caused some of the water to move and spread out. He went on to state that the channel has been cleared of all the vegetative growth and debris, so it should be helpful in the facilities holding up.

Director Grasha made a motion to approve 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. After a second by Director Bloomer, the motion carried by the following roll call vote:

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

Finance Director Saenz presented the staff report.

Mrs. Saenz explained that due to the recent retirement of General Manager Krause, promotion of Steven Johnson to General Manager and John “David” Tate to Assistant General Manager it is necessary to update signers on the Agency’s bank accounts.

Action Items:

(Cont.)

8D- Request Adoption of Resolution No. 1323 Updating Signers for U.S. Bank Accounts

Director Grasha made a motion to adopt Resolution No. 1323 updating authorized signers for U.S. Bank. After a second by Director Bloomer, the motion carried by the following roll call vote:

AYES: Grasha, Bloomer, McKenna, Ortega

NOES: None

ABSENT: Bowman

ABSTAIN: None

Finance Director Saenz presented the staff report.

Mrs. Saenz explained that due to the recent retirement of General Manager Krause, promotion of Steven Johnson to General Manager and John “David” Tate to Assistant General Manager it is necessary to update signers on the Agency’s investment accounts.

8E- Request Adoption of Resolution No. 1324-1327 Updating Signers for Investment Accounts

Director Grasha made a motion to adopt Resolution No’s. 1324, 1325, 1326 and 1327 updating authorized signers for Alamo Capital Investment Services, Piper Sandler, Stifel and US Wealth Management. After a second by Director Bloomer, the motion carried by the following roll call vote:

AYES: Grasha, Bloomer, McKenna, Ortega

NOES: None

ABSENT: Bowman

ABSTAIN: None

Public Affairs Manager Xochitl Peña presented the staff report.

Discussion Items:

9A- Board Review of Compensable Event List

Director Grasha made a motion to approve the list of public events eligible for Board compensation, After a second by Director Bloomer, the motion carried by the following roll call vote:

AYES: Grasha, Bloomer, McKenna, Ortega

NOES: None

ABSENT: Bowman

ABSTAIN: None

General Manager Johnson presented the staff report

Discussion Items:
(Cont.)
9B- Strategic Plan RFP
Review

Director Grasha expressed his interest of including the MSWD Board during this period and working together as a team.

Director Grasha made a motion to authorize to proceed with the new Strategic Plan RFP, After a second by Director Bloomer, the motion carried by the following roll call vote:

AYES: Grasha, Bloomer, McKenna, Ortega

NOES: None

ABSENT: Bowman

ABSTAIN: None

Secretary-Treasurer McKenna provided the financial highlights for April 2024. **Secretary-Treasurer's Report (April 2024)**

In response to President Ortega's inquiry regarding the non-payment trend, Finance Director Saenz explained the proactive process and procedures. She also noted that the Agency has been able to keep a low turnoff rate compared to pre COVID era.

Director Grasha noted his attendance at the May 2 Public Affairs & Conservation Committee meeting, May 13 IT Security training, May 14 CVWD Board meeting and Cathedral City State of the City, and the May 16 DWA Executive Committee meeting. **Directors Reports on Mtgs/Events Attended on Behalf of the Agency**

Director Bloomer noted her attendance at the May 5-9 ACWA Conference, May 14 Cathedral City State of the City, and the May 20 Tribal Meeting.

Secretary-Treasurer McKenna noted his attendance at the May 20 MSWD Board Meeting.

President Ortega noted his attendance at the May 5-9 ACWA Conference, and the May 14 Cathedral City State of the City

Director Grasha noted the May 28 Water Use Efficiency Committee meeting for ACWA. He also expressed his thanks to staff for the Chromium 6 information on the DWA website. **Directors Comments/Requests**

At 10:00 a.m., President Ortega convened into Closed Session for the purpose of Conference with Legal Counsel, (A) Public Employment, Pursuant to Government Code Section 54957, Unrepresented Employee: General Manager; (B) Conference with Legal Counsel, Existing Litigation, Pursuant to Government Code Section 54956.9 (d) (1), PacBell vs. County of Riverside; (C) Conference with Legal Counsel, Existing Litigation, Pursuant to Government Code Section 54956.9 (d) (1), Mission Springs Water District vs. Desert Water Agency; and (D) Conference with Legal Counsel, 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. Public Employment – Unrepresented Employee: General Manager
- B. Existing Litigation - PacBell vs. County of Riverside
- C. Existing Litigation – MSWD vs. DWA, et al
- D. Existing Litigation – ACBCI vs. CVWD, et al. (2 Cases)

At 11:11 a.m., President Ortega reconvened the meeting into open session and announced there was no reportable action.

Reconvene – No Reportable Action

In the absence of any further business, President Ortega adjourned the meeting at 11:12 a.m.

Adjournment

Sylvia Baca, MMC
Assistant Secretary of the Board

Finance Committee Meeting MinutesMay 23, 2024

Directors Present: Gerald McKenna, Kristin Bloomer
Staff Present: Steve Johnson, David Tate, Esther Saenz

1. Call to Order
2. Public Comments - None
3. Discussion Items
 - A. Proposed 2024/2025 Operating Fund Budget

The Committee reviewed the Operating Fund revenues, expenses, and proposed reserve adjustments. The Committee also discussed the increased conservation impacts to water revenues and the efforts taken to balance the budget. The Committee directed Staff to utilize reserves to continue to make additional discretionary Unfunded Accrued Liability (UAL) payments to CalPERS according to the Agency's accelerated UAL payment plan.
 - B. Proposed 2024/2025 General Fund Budget

The Committee reviewed the General Fund revenues, expenses, and proposed reserve adjustments.
 - C. Proposed 2024/2025 Wastewater Fund Budget

The Committee reviewed the estimated sewer revenues, operating expenses, and projected reserve balance.
 - D. Revised Proposed 2024/2025 Capital Improvement Budget

The Committee reviewed the revisions to the Capital Improvement Budget for the Operating, General and Wastewater Funds. The Committee discussed the items removed from the Operating Fund Capital Improvement Budget in order to balance the budget due to decreased water revenues as a result of increased conservation.
 - E. Revised 2024/2025 Tax Rate Projections

The Committee reviewed the revised tax rate projections and proposed tax rate for the upcoming 2024/2025 fiscal year.
 - F. Reserve Policy Review & Analysis

The Committee reviewed proposed adjustments to Agency reserves to be included in the 2024/2025 budget. The Committee reviewed the 2024/2025 reserve analysis according to the Agency's reserve policy, comparing the proposed reserve balances to minimum and maximum target reserve balances established in the Agency's reserve policy.

G. Board of Directors Compensation Evaluation

The Committee reviewed and discussed the Board of Directors Benefits and Compensation Survey. The Committee did not propose a rate increase, rather, directed Staff to present the Board of Directors Benefits and Compensation Survey to the full Board for discussion. The Committee did indicate that while they are not proposing a rate increase, the rate increase, if any, should be at the same rate as the Cost-of-Living adjustment provided to Agency Staff for the 2024/2025 fiscal year of 4.8%.

Adjourn

Human Resources Committee Meeting Minutes May 29, 2024

Directors Present: Kristin Bloomer, Jeff Bowman
Staff Present: Steve Johnson, David Tate, Kris Hopping, Esther Saenz

1. Call to Order
2. Public Comments
None
3. Discussion Items

A. Discuss DWAEA negotiations and review proposed MOU Document

The Committee discussed the results of the Desert Water Agency Employee's Association (DWAEA) and DWA Management negotiations and reviewed the draft DWAEA Memorandum of Understanding (MOU) document. The Committee was supportive of approving the draft DWAEA MOU.

B. Review of revised position classification and salary chart

The Committee discussed the proposed revisions to the salary and classification chart that have been proposed to take effect July 1, 2024. The Committee was supportive of the recommended changes.

Adjourn

Executive Committee Meeting Minutes
May 30, 2024

Directors Present: Paul Ortega, Jeff Bowman

Staff Present: Steve Johnson, David Tate, Esther Saenz, Victoria Llort, Sylvia Baca,
Jamie Hoffman

1. Call to Order

2. Public Comments

None

3. Discussion Items

A. Review Agenda for June 4, 2024 Board Meeting

The proposed agenda for the June 4, 2024 meeting was reviewed.

B. Building Industry Association Membership

Staff informed the Committee that membership renewal for the Building Industry Association will be due soon. There was discussion whether DWA should continue its membership. The Committee directed Staff to place this item on the next agenda for full Board consideration.

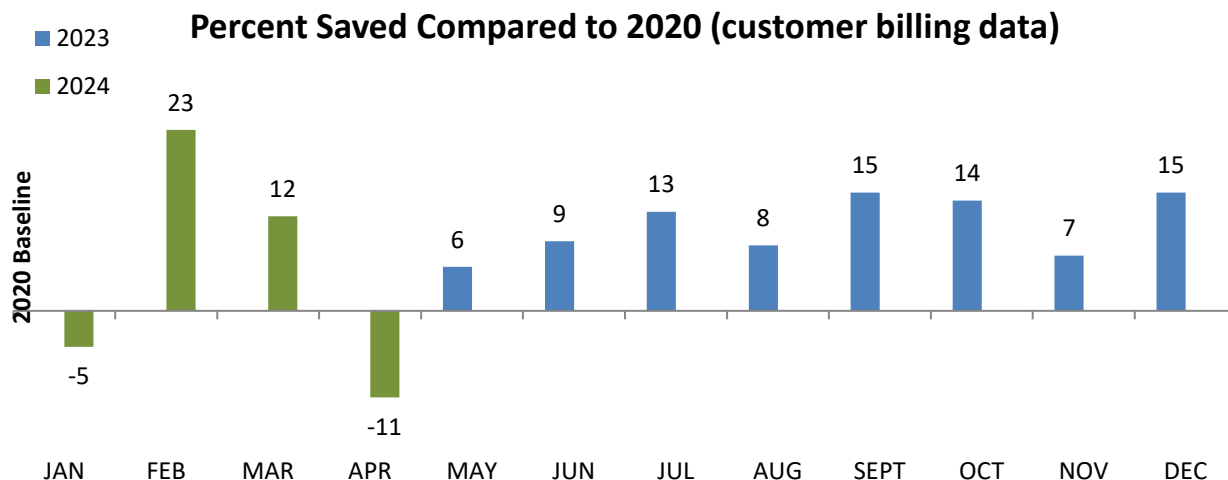
4. Adjourn

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

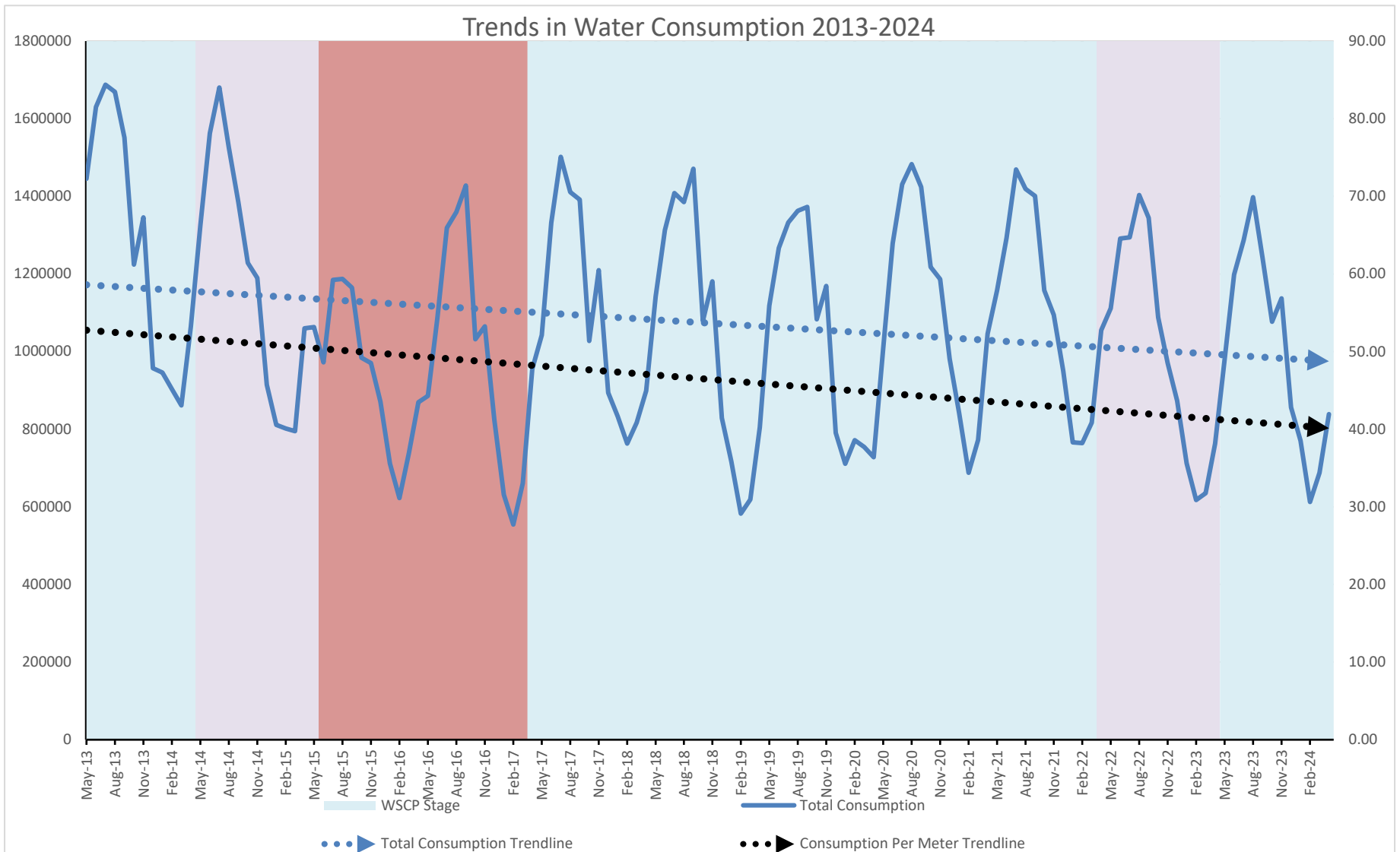
JUNE 4, 2024

RE: APRIL 2024 WATER USE REDUCTION FIGURES

Desert Water Agency customers increased water consumption per meter by 11% during April 2024 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. This may be partially explained by higher average temperatures and less days of precipitation.



Over the past 12 months, consumption per meter has been trending 10% 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.

Apr 2024 conservation per meter percentage	Up 11%
Apr 2024 consumption per meter	35 HCF
Apr 2020 consumption per meter	31 HCF
Apr 2024 gross consumption conservation percentage	Up 15%
Apr 2024 metered potable consumption	1926 AF
Apr 2020 metered potable consumption	1671 AF
The percentage of the Total Monthly Potable Water Consumption going to residential use only for the reporting month	73%
Population (estimated and inclusive of seasonal residents)	75,002
Estimated R-GPCD	204
Number of public complaints of water waste or violation of conservation rules received during the reporting month.	43
Number of contacts with customers for actual/alleged water waste or for a violation of conservation rules.	9
Number of field visits for water waste follow up.	16
Number of citations for violation of conservation rules.	12

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

JUNE 4, 2024

**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.
- Replaced the fence surrounding the settling structure.
- Working with FEMA on disaster relief.

Mission Creek Groundwater Replenishment Facility:

- Completed aerial survey and CAD mapping of work zone area.
- Installed K-Rail barriers to secure the site from vehicular traffic.
- Completed clearing and restoration of debris basin and basin 2 (See Photos).
- Completed replacement of fence (See Photos).
- Working on final clean-up of site by DWA Construction.
- Working with FEMA on disaster relief funding.
- Replenishment Facility is capable of taking water when needed.

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

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**

JUNE 4, 2024

RE: REQUEST APPROVAL OF 2024-2027 MEMORANDUM OF UNDERSTANDING BETWEEN THE DESERT WATER AGENCY AND THE DESERT WATER AGENCY EMPLOYEES' ASSOCIATION FOR EMPLOYEE SALARIES AND BENEFITS

This Board Agenda Item is to approve the Memorandum of Understanding (MOU) between Desert Water Agency (DWA) and the Desert Water Agency Employee Association (DWAEA) from July 1, 2024 – June 30, 2027.

1. Term of agreement: 7/1/2024 – 6/30/2027
2. Cost of Living (COLA) Adjustments:
 - a. Effective July 1, 2024, increase salary schedule by 4.8% based on March CPI data.
 - b. Effective July 1, 2025, increase salary schedule by March CPI with a 0% minimum and a 6% maximum.
 - c. Effective July 1, 2026, increase salary schedule by March CPI with a 0% minimum and a 6% maximum.
3. Other negotiated changes to benefits and policies:
 - a. Commencing July 1, 2024, implement revised bonus and add-pay program.
 - b. Commencing July 1, 2024, increase ABP accrual to 8 hours per month of service.
 - c. Commencing July 1, 2024, all employees will be paid for regular holidays at their normal rate of pay for their regular work hours on the day of the holiday.
 - d. DWA will offer an additional 457 provider option with a ROTH provision.
 - e. Effective July 1, 2024, revise bereavement pay policy to provide up to three days of pay and an additional two days of unpaid leave per loss.
4. A salary survey for benchmarked job classifications will be performed toward the end of 2024 and, with Board approval of any changes, have an implementation date of January 1, 2025.

The Human Resources Committee has reviewed the draft MOU and approved it to be presented to the full Board of Directors for vote and approval.

Fiscal Impact:

The costs for the changes to this agreement are estimated to be \$206,900 annually. The increased benefit costs were included in the 2024-2025 Budget. Finance Director Saenz has reviewed this report.

Legal Review:

N/A

Recommendation:

Staff recommends that the Board of Directors approve the Memorandum of Understanding (MOU) between Desert Water Agency (DWA) and the Desert Water Agency Employee Association (DWAEA) from July 1, 2024 – June 30, 2027.

Attachments:

Attachment #1 – DWAEA MOU July 1, 2024 – June 30, 2027

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



Steve L. Johnson, General Manager-Chief Engineer
Best, Best & Krieger, General Counsel
Krieger & Stewart, Consulting Engineers

May 28, 2024

Desert Water Agency Employees' Association
Attn: Gerardo Maldonado - Chairman/DWAEA
1200 South Gene Autry Trail
Palm Springs, CA 92264

RE: Employee Salaries and Fringe Benefits through June 30, 2027

DWA Employees' Association Committee:

Pursuant to the meet-and-confer process under state law, the following salary and fringe benefit package was negotiated between the Desert Water Agency Employees' Association and the General Manager. This negotiated package extends to June 30, 2027, and I have received your notice that the proposal was initially accepted by the DWA Employees' Association by a majority vote on May 9, 2024, and I was informed by Secretary Nadia Acosta that the final negotiated terms of the MOU (as outlined below) were subsequently approved by a majority vote of the DWAEA on May 23, 2024.

This proposal has been approved by the Desert Water Agency Board of Directors at their regular meeting on June 4, 2024, and has a commencement date of July 1, 2024.

The specific terms negotiated and agreed upon are as follows:

1. Commencing July 1, 2024, all holidays will be paid without the requirement to utilize 1 hour Vacation/ABP/Floating Holiday time on holidays for employees working 9/80 schedules.
2. Commencing July 1, 2024, each Agency employee will receive a cost-of-living increase of 4.8% which is equal to the percent change for the year ending March 2024, with the percentage derived from the Bureau of Labor Statistics "Consumer Price Indexes - Pacific Cities and U.S. City Average", "Urban Wage Earners and Clerical Workers" for Riverside-San Bernardino-Ontario Index.
3. Commencing July 1, 2025, each Agency employee will receive a cost-of-living increase equal to the percent change for the year ending March 2025, with the percentage derived from the Bureau of Labor Statistics "Consumer Price Indexes - Pacific Cities and U.S. City Average", "Urban Wage Earners and Clerical Workers" for Riverside-San Bernardino-Ontario Index. The minimum will not be lower than 0% (in the event the actual index goes below 0%); the maximum will be 6%.

4. Commencing July 1, 2026, each Agency employee will receive a cost-of-living increase equal to the percent change for the year ending March 2026, with the percentage derived from the Bureau of Labor Statistics "Consumer Price Indexes- Pacific Cities and U.S. City Average", "Urban Wage Earners and Clerical Workers" for Riverside-San Bernardino-Ontario Index. The minimum will not be lower than 0% (in the event the actual index goes below 0%); the maximum will be 6%.
5. Employees will accrue ABP time at a rate of 8 hours per month. Employees may request to cash out a portion of their ABP hours for an emergency, however they must maintain a minimum balance of 80 hours of ABP. An emergency can be defined by or deemed by HR/Management on a case-by-case basis. Employees may be asked to provide documentation or verification to support their request. Limited to one occurrence per 12 months.
6. If an employee is designated to complete work for a manager or supervisor due to absence of two weeks and one day or longer, the employee shall receive out of class pay until the said manager or supervisor has returned to work. The pay will be at the bottom step of the supervisor or manager's pay scale or the next available step which is 5% or higher than the employee's current step.
7. Agreed to revise dress code to allow some visible tattoos and piercings (See new 2024 Dress Code Policy).
8. Agreed to revise Bonus program to include "add pay" provisions for agreed upon certifications based on position requirements.
9. Management will add another 457(a) plan option with a Roth provision in addition to the current Lincoln 457 (a) plan. Management will consider CalPERS/Voya and Nationwide as options.
10. Employee Association committee members may act as a mediator between employees and management/department heads. The committee shall bring these issues/complaints forward to HR to begin a resolution process. If deemed necessary, the employee who submitted the issue/complaint shall be asked to speak with HR. The committee shall assist HR until any outstanding issues/complaints are resolved.
11. The employee association may call an "all hands meeting" once per quarter. This meeting shall last no longer than one (1) hour and must be scheduled during work hours. The date and time of the meeting must be approved by all necessary managers and executive staff to ensure no disruptions to agency operations. Additionally, committee members shall be allotted 2 hours per quarter for meetings or other employee association duties.
12. A salary survey for benchmarked job classifications will be performed toward the end of 2024 and, with Board approval of any changes, have an implementation date of January 1, 2025. CVWD, IWA, Coachella Water Authority, MSWD, and Yucaipa Valley Water District will be surveyed. Compare salaries using the top step data.

13. Increase bereavement leave to 3 paid days for the loss of an immediate family member. For purposes of this leave, "immediate family" shall be defined as any parent, grandparent, stepparent, spouse, child, stepchild, grandchild, or sibling of the employee; or any parent, grandparent, or stepparent of the employee's spouse. If additional time off is needed, an additional 2 days can be taken as lost time or by using ABP pay or Vacation pay.
14. A benefit survey will be performed during the month of March 2027.
15. Commencing in early 2027, a new Salary and Fringe Benefits Memorandum of Understanding will be negotiated between the DWA Employees' Association and the General Manager and will be implemented (with the Board's approval) on July 1, 2027.

If you agree that this letter correctly memorializes our understanding, please sign below and return one copy to me at your earliest convenience. Another copy of this letter agreement has been enclosed for your records.

Sincerely,

Steve L. Johnson
General Manager

We agree to the above.

DESERT WATER AGENCY EMPLOYEES ASSOCIATION

Date

Chairman – Gerardo Maldonado

Date

Vice-Chairman –

Date

Secretary – Nadia Acosta

Date

Treasurer –

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

JUNE 4, 2024

**RE: APPROVAL OF JULY 2024 COST-OF-LIVING SALARY INCREASE
FOR DWA EMPLOYEES**

The 2024-2027 Memorandum of Understanding between the Desert Water Agency (DWA) and the Desert Water Agency Employees' Association (DWAEA) calls for a cost of living salary increase effective July 1st of each year (see Attachment #1). The increase is equal to the percentage change for the year ending each March, with the percentage derived from the Bureau of Labor Statistics. The maximum cap set for the increase was 6%. For March 2024, the CPI percentage was 4.8% (see Attachment #2). Based on the DWAEA agreement, DWA employees will receive a 4.8% salary adjustment.

The General Manager has an Employment Agreement that provides for a cost-of-living adjustment to the base salary of the same percentage as provided to all Agency employees (see Attachment #3). Upon approval by the Board, the General Manager's Employment Agreement will be amended to reflect a 4.8% base salary increase (see Attachment #4).

Staff has updated the Desert Water Agency's Monthly Salary Schedule to reflect a 4.8% increase for all salary ranges effective the pay periods including July 1, 2024 (see Attachment #5).

The Human Resources Committee has reviewed the COLA increase proposal and approved it to be presented to the full Board of Directors for vote and approval.

Fiscal Impact:

The total fiscal impact of \$478,000 has been included in the 2024-2025 budget. Finance Director Saenz has reviewed this report.

Legal Review:

N/A

Recommendation:

Staff recommends the following:

1. Approve a 4.8% Cost of Living Increase to DWA Employees and the General Manager with an effective date of the pay periods including July 1, 2024.
2. Approve the July 2024 DWA Monthly Salary Schedule reflecting a 4.8% increase.
3. Approve First amendment to the General Manager's Employment Agreement to reflect a 4.8% cost-of-living increase to the base salary.

Attachments

Attachment #1 – 2024-2027 DWAEA Memorandum of Understanding

Attachment #2 – March 2024 Consumer Price Index

Attachment #3 – General Manager's Employment Agreement

Attachment #4 – First Amendment to General Manager Employment Agreement

Attachment #5 – Combined Salary Schedule

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



Steve L. Johnson, General Manager-Chief Engineer
Best, Best & Krieger, General Counsel
Krieger & Stewart, Consulting Engineers

May 28, 2024

Desert Water Agency Employees' Association
Attn: Gerardo Maldonado - Chairman/DWAEA
1200 South Gene Autry Trail
Palm Springs, CA 92264

RE: Employee Salaries and Fringe Benefits through June 30, 2027

DWA Employees' Association Committee:

Pursuant to the meet-and-confer process under state law, the following salary and fringe benefit package was negotiated between the Desert Water Agency Employees' Association and the General Manager. This negotiated package extends to June 30, 2027, and I have received your notice that the proposal was initially accepted by the DWA Employees' Association by a majority vote on May 9, 2024, and I was informed by Secretary Nadia Acosta that the final negotiated terms of the MOU (as outlined below) were subsequently approved by a majority vote of the DWAEA on May 23, 2024.

This proposal has been approved by the Desert Water Agency Board of Directors at their regular meeting on June 4, 2024, and has a commencement date of July 1, 2024.

The specific terms negotiated and agreed upon are as follows:

1. Commencing July 1, 2024, all holidays will be paid without the requirement to utilize 1 hour Vacation/ABP/Floating Holiday time on holidays for employees working 9/80 schedules.
2. Commencing July 1, 2024, each Agency employee will receive a cost-of-living increase of 4.8% which is equal to the percent change for the year ending March 2024, with the percentage derived from the Bureau of Labor Statistics "Consumer Price Indexes - Pacific Cities and U.S. City Average", "Urban Wage Earners and Clerical Workers" for Riverside-San Bernardino-Ontario Index.
3. Commencing July 1, 2025, each Agency employee will receive a cost-of-living increase equal to the percent change for the year ending March 2025, with the percentage derived from the Bureau of Labor Statistics "Consumer Price Indexes - Pacific Cities and U.S. City Average", "Urban Wage Earners and Clerical Workers" for Riverside-San Bernardino-Ontario Index. The minimum will not be lower than 0% (in the event the actual index goes below 0%); the maximum will be 6%.

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Sincerely,

Steve L. Johnson
General Manager

We agree to the above.

DESERT WATER AGENCY EMPLOYEES ASSOCIATION

Date

Chairman – Gerardo Maldonado

Date

Vice-Chairman –

Date

Secretary – Nadia Acosta

Date

Treasurer –

CONSUMER PRICE INDEXES PACIFIC CITIES AND U. S. CITY AVERAGE

March 2024

(All items indexes. 1982-84=100 unless otherwise noted. Not seasonally adjusted.)

MONTHLY DATA	All Urban Consumers (CPI-U)						Urban Wage Earners and Clerical Workers (CPI-W)					
	Indexes			Percent Change			Indexes			Percent Change		
				Year ending	1 Month ending					Year ending	1 Month ending	
	Mar 2023	Feb 2024	Mar 2024	Feb 2024	Mar 2024	Mar 2024	Mar 2023	Feb 2024	Mar 2024	Feb 2024	Mar 2024	Mar 2024
U. S. City Average.....	301.836	310.326	312.332	3.2	3.5	0.6	296.021	304.284	306.502	3.1	3.5	0.7
West.....	320.715	329.339	332.202	3.2	3.6	0.9	312.556	320.965	324.323	3.2	3.8	1.0
West – Size Class A ¹	329.536	339.135	341.299	3.2	3.6	0.6	318.259	327.424	329.897	3.1	3.7	0.8
West – Size Class B/C ²	187.301	191.874	194.047	3.2	3.6	1.1	188.621	193.309	195.880	3.3	3.8	1.3
Mountain ³	127.950	130.059	131.176	2.5	2.5	0.9	129.321	131.423	132.864	2.5	2.7	1.1
Pacific ³	123.395	127.230	128.341	3.5	4.0	0.9	124.189	128.000	129.315	3.4	4.1	1.0
Los Angeles-Long Beach-Anaheim, CA.....	317.873	328.232	330.671	3.4	4.0	0.7	306.331	315.625	318.280	3.0	3.9	0.8
BI-MONTHLY DATA (Published for odd months)	Indexes			Percent Change			Indexes			Percent Change		
				Year ending	2 Months ending					Year ending	2 Months ending	
	Mar 2023	Jan 2024	Mar 2024	Jan 2024	Mar 2024	Mar 2024	Mar 2023	Jan 2024	Mar 2024	Jan 2024	Mar 2024	Mar 2024
Riverside-San Bernardino-Ontario, CA ³	127.707	131.358	133.144	2.9	4.3	1.4	128.027	131.840	134.144	3.1	4.8	1.7
San Diego-Carlsbad, CA.....	358.026	367.917	370.858	3.8	3.6	0.8	339.498	348.486	351.778	3.6	3.6	0.9
Urban Hawaii.....	322.608	333.172	338.060	3.9	4.8	1.5	321.671	332.335	337.685	3.8	5.0	1.6
BI-MONTHLY DATA (Published for even months)	Indexes			Percent Change			Indexes			Percent Change		
				Year ending	2 Months ending					Year ending	2 Months ending	
	Feb 2023	Dec 2023	Feb 2024	Dec 2023	Feb 2024	Feb 2024	Feb 2023	Dec 2023	Feb 2024	Dec 2023	Feb 2024	Feb 2024
Phoenix-Mesa-Scottsdale, AZ ⁴	177.118	179.733	181.010	2.7	2.2	0.7	177.059	179.593	180.826	2.7	2.1	0.7
San Francisco-Oakland-Hayward, CA.....	337.173	339.915	345.151	2.6	2.4	1.5	331.875	335.597	341.595	2.8	2.9	1.8
Seattle-Tacoma-Bellevue, WA.....	334.987	344.982	349.288	4.4	4.3	1.2	328.615	338.852	342.387	4.3	4.2	1.0
Urban Alaska.....	256.856	261.178	261.340	1.8	1.7	0.1	254.887	258.598	259.326	1.4	1.7	0.3

1 Population over 2,500,000 2 Population 2,500,000 and under, Dec 1996 = 100 3 Dec 2017=100 4 Dec 2001=100

NOTE: In January 2018, BLS introduced a new geographic area sample for the Consumer Price Index (CPI): www.bls.gov/regions/west/factsheet/2018cpirevisionwest.pdf

1967=100 base year indexes and tables with semiannual and annual average data are available at: www.bls.gov/regions/west/factsheet/consumer-price-index-data-tables.htm

Release date April 10, 2024. The next release date is scheduled for May 15, 2024. For questions, please contact us at BLInfoSF@bls.gov or (415) 625-2270.

**EMPLOYMENT AGREEMENT BETWEEN DESERT WATER AGENCY
AND
STEVE L. JOHNSON**

This EMPLOYMENT AGREEMENT (“Agreement”) is made by and between STEVE L. JOHNSON (“General Manager – Chief Engineer” or “GM-CE”) and the Board of Directors of the DESERT WATER AGENCY, a local governmental entity (“Agency”), hereinafter also referred to as “Board of Directors.” The parties hereto agree as follows:

Section 1. Employment.

The Board of Directors agree to employ said STEVE L. JOHNSON as General Manager-Chief Engineer, and he agrees and does accept employment as GM-CE upon the terms and conditions set forth herein.

GM-CE agrees to perform the functions and duties of GM-CE as may be established or directed by the Board of Directors. GM-CE agrees to perform all such functions and duties to the best of his ability and in an efficient and competent manner.

Section 2. Term of the Agreement.

2.1 This Agreement shall be for a term of approximately sixteen (16) months, beginning February 22, 2024, and ending July 3, 2025. Subject to the Agency’s right to terminate this Agreement and GM-CE’s employment at any time pursuant to Section 3 of this Agreement, and unless otherwise provided for by a subsequent written agreement between the Parties, the terms and conditions of this Agreement shall apply to any extended term of this Agreement.

2.2 Nothing in this Agreement shall prevent, limit, or otherwise interfere with the right of the Board of Directors to terminate the services of GM-CE at any time, subject only to the provisions set forth in this Agreement.

2.3 Nothing in this Agreement shall prevent, limit, or otherwise interfere with the right of the GM-CE to resign, or retire, at any time from his position with the Agency, subject only to the provisions set forth in this Agreement.

2.4 GM-CE agrees to remain in the exclusive employment of the Agency during the term of this Agreement, and he shall neither accept other employment nor become employed by any other person, business, or organization during the term of this Agreement. As used in this section, the term “employed” shall not be construed to include occasional teaching, writing, or consulting on GM-CE’s time off, which may be undertaken by the GM-CE, provided they are conducted with persons, businesses, or organizations not within the Agency service area.

Section 3. Termination and Severance Pay.

3.1 GM-CE serves at the will and pleasure of the Board of Directors and may be terminated with or without cause at any time. Consequently, nothing in this Agreement shall in any way affect the Board of Directors' right to terminate the employment of GM-CE and this Agreement on an at-will basis, with or without cause, at any time, as provided herein. The Parties agree that GM-CE is at-will and shall not have appeal or so-called Skelly rights related to his employment. Notwithstanding, in the event that the Board of Directors determines to terminate the employment of GM-CE, either with or without cause, before such termination is effectuated GM-CE will be given the opportunity to retire from employment with the Agency without any loss of retiree benefits otherwise provided for by the Agency. Regardless of whether GM-CE exercises the right to retire before being terminated, or is terminated either with or without cause, GM-CE will still be entitled to retire post-termination and will be entitled to the retiree medical benefits set forth in section 5.4 below.

3.2 This Agreement shall automatically terminate upon Employee's death, retirement, unforeseen extended unavailability (defined as six months), or permanent incapacity from being able to perform the essential functions of the General Manager position with reasonable accommodations.

3.3 In the event that that GM-CE is notified by the Board that he is going to be terminated without cause and makes the decision to retire in lieu of termination, Agency agrees to provide GM-CE with severance pay in a lump sum cash payment equal to the remaining months of base salary from the remaining unexpired effective term of this Agreement, less wage and employment deductions required by law ("Severance Pay"), in addition to providing GM-CE his final pay, cash out of his accrued vacation hours, and 100% cash out of the value of unused attendance bonus plan hours and floating holiday hours, as required by law and by the Agency's personnel policies. The Severance Pay is subject to reduction as required by Government Code sections 53260, *et seq.* Thus, notwithstanding the above, in no event shall the total cash value of the Severance Pay exceed the value of the base salary for the remaining unexpired effective term of this Agreement as of the date of termination.

3.4 The provisions of California Government Code sections 53243 to 53243.4, as those sections now or hereafter exist are hereby incorporated by reference into this Agreement. Thus, if the GM-CE is convicted of a crime involving the abuse of his office or position, whether before or after release from employment, Employee shall fully reimburse the Agency for any severance pay, paid leave salary disbursed pending an investigation related to the crime, or legal criminal defense funds relevant to the crime.

3.5 In the event GM-CE and this Agreement are terminated for cause, GM-CE shall not be entitled to any severance pay. Termination for cause is defined as follows:

- (a) A willful breach of this Agreement.

- (b) Habitual neglect of duties required to be performed under this Agreement.
- (c) Any acts of dishonesty, fraud, misrepresentation, or other acts of moral turpitude (no pending criminal prosecution need be in effect for termination due to fraud, embezzlement or public conduct reflecting on the Agency; rather the Board must only have a good faith belief based on a good faith investigation).
- (d) Refusal or failure to act in accordance with any legal directive or order of the Board of Directors.

3.6 In the event that GM-CE and this Agreement are terminated for cause, GM-CE will be presented with written notice of the basis for said cause. Upon receipt of said written notice, GM-CE, within five (5) business days, may request a hearing before the Board of Directors. The issue at the hearing shall be limited solely to whether or not there is sufficient evidence to support a finding of termination for cause such that GM-CE would not be entitled to any severance pay. Under no circumstances shall GM-CE be entitled to reinstatement as a result of such hearing.

3.7 Nothing in this Agreement shall prevent, limit, or otherwise interfere with the right of GM-CE to resign, or retire, at any time from his position with the Agency, subject only to the provisions set forth in this Agreement. Other than in the case of a retirement as provided in section 3.1 above, in the event GM-CE resigns, or retires from his position with the Agency, GM-CE shall provide the Board of Directors ten (10) days' notice in advance, unless the Parties agree otherwise. In the event GM-CE resigns, or retires, he shall not be entitled to any severance pay, unless the resignation or retirement is the result of termination without cause. Upon GM-CE's resignation or retirement, he is entitled to all benefits legally required to be paid at separation, including accrued vacation and attendance bonus plan benefits.

Section 4. Salary and Expenses.

4.1 Board of Directors agrees to pay GM-CE for his services rendered a base salary of Twenty-Four Thousand, Five Hundred and Sixty Dollars (\$24,560.00) per month, less wage and employment deductions required by law, in installments at the same time as other employees of the Agency are paid, commencing February 22, 2024. The base salary will be adjusted annually by the same percentage adjustment provided to all Agency employees for changes in the cost of living, if any.

In addition, the Board shall have the right to grant merit increases as the Board deems appropriate, in its discretion. GM-CE will be eligible for a discretionary annual incentive award not to exceed ten percent (10%) of his total annual base salary based on the results of his annual performance evaluation. The incentive may be based, in part, on the accomplishment of specific goals set by the Board of Directors that are achieved by GM-CE. Any performance incentive awarded under this section shall be lump sum payment, subject to all legally required wage and employment deductions.

Notwithstanding the above, the issuance of any incentive awards is at the sole discretion of the Board of Directors. Further any performance pay awarded under this Section shall not become a part of GM-CE's established base salary going forward.

4.2 The Agency shall reimburse GM-CE, within its budget and upon approval of the Board of Directors, for all actual and necessary expenses incurred in connection with the performance of his official duties. GM-CE agrees to maintain and submit accurate records of all expenses for which reimbursement is claimed.

Section 5. Benefits.

5.1 Vacation. GM-CE shall receive and use vacation benefits under the same terms and conditions applicable to Agency employees generally.

5.2 Attendance Bonus Plan (ABP). GM-CE shall accrue and use paid ABP benefits under the same terms and conditions applicable to Agency employees generally.

5.3 Retirement. The Agency agrees to provide for participation in and pay all Employer and Employee contributions for GM-CE in the California Public Employees Retirement System (Cal PERS). The Agency acknowledges that GM-CE is enrolled in the CalPERS under the same terms as other miscellaneous employees of the Agency who are considered "classic members" of CalPERS. The Agency's current contract with CalPERS for classic members provides for a retirement benefit formula of 2.5% at age 55, with the highest single year compensation determining the benefit.

5.4 Retiree Medical. GM-CE will be provided with medical, dental, and vision coverage upon retirement in the same coverage amounts provided to Agency employees hired before May 1, 2007. Such coverage shall extend to GM-CE's dependents who are eligible during the time of coverage.

5.5 Deferred Compensation Plans. The Agency will adopt and establish a qualified pension plan pursuant to either Section 401 (a) or 457 of the Internal Revenue Code for the benefit of GM-CE and will make an annual "matching" contribution in the Employee's name. The Agency's matching contribution shall not exceed six hundred dollars (\$600) per pay period. The Agency shall be responsible for all expenses associated with the deferred compensation account during the term of this Agreement, including but not limited to administrative services fees and commissions.

5.6 Disability, Health, and Life Insurance. The Agency will keep in force and make required premium payments for GM-CE for disability, health, and life insurance benefits/policies covering GM-CE and his dependents in the same amount and on the same terms as provided to all regular employees of the Agency hired before May 1, 2007. The Agency agrees to purchase and pay the required premium on a term life insurance policy in the amount equal to one (1) time GM-CE's annual salary. The Agency also agrees to purchase and to pay the required premium on short-term and long-term disability insurance, the same as are provided to all regular employees of the Agency. If required by the insurance provider, GM-CE agrees to submit once per calendar year to a complete physical examination by a qualified physician of his choice, the cost of which

shall be paid by the Agency. The Agency agrees to maintain GM-CE's medical records in confidence.

5.7 Membership Dues, Subscriptions, and License Fees. To the extent the Agency's approved annual budget designates sufficient funds for the purposes identified in this section, the Agency agrees to pay for the professional dues and subscriptions necessary for GM-CE's continued and full participation in national, state, regional and local associations and organizations necessary or desirable for his continued professional participation, growth and advancement, and for the good of the Agency.

5.8 Professional Development. To the extent the Agency's approved annual budget designates sufficient funds for the following purposes, the Agency agrees to pay for registration fees and travel subsistence expenses of GM-CE for professional and official travel, meetings, and occasions adequate to continue the professional development of GM-CE and to adequately pursue necessary and/or appropriate official business and other functions for the Agency. Upon the prior approval of the Board of Directors, the Agency also agrees to pay for related tuition, fees, and travel and subsistence expenses of GM-CE for educational degree programs, short courses, institutes, and seminars that are necessary for his professional development and the good of the Agency.

5.9 Other Leave. GM-CE shall accrue sick leave and shall be provided with holiday leave and pay, bereavement leave and pay, as are provided to other regular employees of the Agency.

5.10 Vehicle. The Agency shall furnish GM-CE with a vehicle and shall provide for the fueling and maintenance thereof. The Agency vehicle shall be used for Agency business and discretionary personal use.

Section 6. Performance Evaluation.

6.1 The Agency shall review and evaluate the performance of GM-CE within thirty (30) days prior to this Agreement's anniversary date. Said review and evaluation shall be conducted by an ad hoc committee, the members of which shall be established by the Board of Directors. Evaluation criteria shall be developed and adopted by the Board of Directors.

Section 7. Bonding.

7.1 The Agency shall bear the full cost of any fidelity or other bonding required of GM-CE under any law or ordinance. The Agency shall further indemnify and defend GM-CE for discharge of his duties as required by law.

Section 8. General Provisions.

8.1 Integration. This agreement integrates all of the terms and conditions mentioned herein, or incidental hereto, and this Agreement supersedes all negotiations and previous agreements between parties with respect to all or any part of the subject

matter hereof. This Agreement wholly supersedes and replaces the terms of any prior agreement and any rights contained in such agreement.

8.2 Governing Law. This Agreement shall be governed by the laws of the State of California. The parties agree that venue for any dispute is appropriate in the Superior Court of Riverside County, California.

8.3 Waiver. A waiver of any term or condition of this Agreement shall not be construed as a general waiver by either party to this Agreement, and either party shall be free to reinstate any such term or condition, with or without notice, to the other.

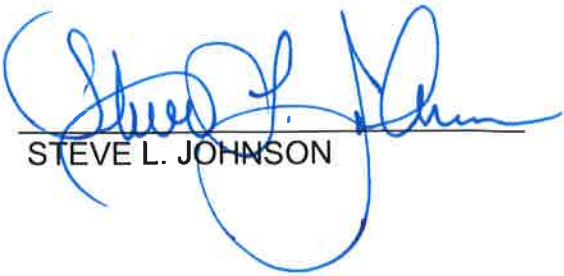
8.4 Amendment. This Agreement may be amended from time to time, as mutually agreed by the parties in writing. No amendment or variation of the terms of this Agreement shall be valid unless made in writing, signed by GM-CE and approved by the Board.

8.5 Binding Effect. This Agreement shall be binding upon the inure to the benefit of the heirs at law and executors of GM-CE, but nothing herein shall be construed as an authorization or right of any party to assign his/its rights or obligations hereunder. Any assignment of the rights or obligations of GM-CE hereunder without the express written approval of Agency shall be void.

8.6 Partial Invalidity. If any provision or any portion thereof, contained in this Agreement is held to be unconstitutional, invalid, or unenforceable, the remainder of this Agreement or portion thereof, shall not be affected, and shall remain in the full force and effect.

8.7 Legal Consultation. GM-CE acknowledges that he has had the opportunity to consult legal counsel in regard to this Agreement, that he has read and understands this Agreement, that he is fully aware of its legal effect, and that he has entered into it freely and voluntarily and based on his own judgement and not on any representations or promises other than those contained in this Agreement.

IN WITNESS WHEREOF, the DESERT WATER AGENCY has caused this Agreement to be signed and duly executed by its President, and GM-CE has signed and executed this Agreement, both in duplicate, as of the day and year first above written.

By: 
STEVE L. JOHNSON

DESERT WATER AGENCY

By: 
Paul Ortega President, Board of
Directors

APPROVED AS TO FORM:

By: 
Michael T. Riddell,
General Counsel
Best Best & Krieger LLP

**DESERT WATER AGENCY
FIRST AMENDMENT TO EMPLOYMENT AGREEMENT**

This First Amendment to Employment Agreement (this “First Amendment”) between the DESERT WATER AGENCY (the “Agency”) and STEVE L. JOHNSON (“General Manager – Chief Engineer”) is entered into this 4th day of June 2024.

Except as modified in this First Amendment and the underlying Employment Agreement originally dated February 22, 2024 (“Agreement”) between the Agency and the General Manager – Chief Engineer shall remain in full force and effect.

The parties to this First Amendment agree to the following changes:

Section 4.1 entitled “Salary and Expenses” is hereby amended to reflect the 2024 Cost of Living Adjustment:

“Section 4. Salary and Expenses.”

4.1 Effective July 1, 2024, the Board of Directors agrees to pay the GM-CE for his services rendered a base salary of Twenty-Five Thousand, Seven Hundred and Thirty-Nine Dollars and No Cents (\$25,739.00) per month in installments at the same time as other employees of the Agency are paid. The base salary will be adjusted annually by the same percentage adjustment provided to all Agency employees for changes in the cost of living, if any.

In addition, the Board shall have the right to grant merit increases as the Board deems appropriate, in its discretion. The GM-CE will be eligible for a discretionary annual incentive award not to exceed ten percent (10%) of his total annual base salary based on the results of his annual performance evaluation. The incentive may be based, in part, on the accomplishment of specific goals set by the Board of Directors that are achieved by the GM-CE. Any performance incentive awarded under this section shall be in a lump sum payment, subject to all legally required wage and employment deductions. Notwithstanding the above, the issuance of any incentive awards is at the sole discretion of the Board of Directors. Any performance pay awarded under this Section shall not become a part of the GM-CE’s established base salary going forward.

The Agency and the General Manager – Chief Engineer have duly executed this First Amendment as of the date first written above.

DESERT WATER AGENCY

STEVE L. JOHNSON

By: _____
President, Board of Directors

By: _____

Desert Water Agency
Position Classification and Monthly Salary Schedule
Effective 6/21/2024 for RDO2 Pay Period Employees. Effective 6/28/2024 for RDO1 and Classic Pay Period Employees.

DEPARTMENT	POSITION TITLE	RANGE	STEP 1	STEP 2	STEP 3	STEP 4	STEP 5
ACCOUNTING	Account Clerk I	24	\$4,688	\$4,928	\$5,166	\$5,438	\$5,707
	Account Clerk II	31	\$5,570	\$5,856	\$6,152	\$6,468	\$6,789
	Account Clerk III	34	\$6,002	\$6,302	\$6,622	\$6,955	\$7,313
	Account Clerk/Telephone Operator	20	\$4,249	\$4,463	\$4,688	\$4,928	\$5,166
	Accountant	46	\$8,061	\$8,481	\$8,910	\$9,355	\$9,834
	Accounting Supervisor	55	\$10,071	\$10,575	\$11,100	\$11,664	\$12,249
	Controller	66	\$13,182	\$13,840	\$14,542	\$15,288	\$16,059
	Computer Operator I	31	\$5,570	\$5,856	\$6,152	\$6,468	\$6,789
	Computer Operator II	40	\$6,955	\$7,313	\$7,680	\$8,061	\$8,481
	Office Assistant	18	\$4,045	\$4,249	\$4,463	\$4,688	\$4,929
	Senior Account Clerk	40	\$6,955	\$7,313	\$7,680	\$8,061	\$8,481
ADMINISTRATIVE	Administrative Assistant I	33	\$5,856	\$6,152	\$6,468	\$6,789	\$7,133
	Administrative Assistant II	38	\$6,622	\$6,955	\$7,313	\$7,680	\$8,061
	Administrative Assistant III	40	\$6,955	\$7,313	\$7,680	\$8,061	\$8,481
	Executive Secretary/Assistant Secretary to the Board	54	\$9,834	\$10,327	\$10,842	\$11,390	\$11,953
	Senior Administrative Assistant	46	\$8,061	\$8,481	\$8,910	\$9,355	\$9,834
CONSTRUCTION - FLEET MAINTENANCE							
Construction	Assistant Construction Superintendent	53	\$9,596	\$10,071	\$10,575	\$11,100	\$11,664
	Construction Superintendent	65	\$12,865	\$13,508	\$14,195	\$14,913	\$15,669
	Equipment Operator	36	\$6,302	\$6,622	\$6,955	\$7,313	\$7,680
	Water Service Foreman	46	\$8,061	\$8,481	\$8,910	\$9,355	\$9,834
	Water Service Worker I	28	\$5,166	\$5,438	\$5,707	\$6,002	\$6,302
	Water Service Worker II	33	\$5,856	\$6,152	\$6,468	\$6,789	\$7,133
	Water Service Worker III	37	\$6,468	\$6,789	\$7,133	\$7,492	\$7,871
Fleet Maintenance	Fleet Mechanic Foreman	46	\$8,061	\$8,481	\$8,910	\$9,355	\$9,834
	Fleet Mechanic I	31	\$5,570	\$5,856	\$6,152	\$6,468	\$6,789
	Fleet Mechanic II	36	\$6,302	\$6,622	\$6,955	\$7,313	\$7,680

Desert Water Agency
Position Classification and Monthly Salary Schedule
Effective 6/21/2024 for RDO2 Pay Period Employees. Effective 6/28/2024 for RDO1 and Classic Pay Period Employees.

DEPARTMENT	POSITION TITLE	RANGE	STEP 1	STEP 2	STEP 3	STEP 4	STEP 5
FIELD SERVICES	Field Services Representative I	34	\$6,002	\$6,302	\$6,622	\$6,955	\$7,313
	Field Services Representative II	37	\$6,468	\$6,789	\$7,133	\$7,492	\$7,871
	Field Services Supervisor	53	\$9,596	\$10,071	\$10,575	\$11,100	\$11,664
	Field Services Technician I	27	\$5,054	\$5,306	\$5,570	\$5,856	\$6,152
	Field Services Technician II	31	\$5,570	\$5,856	\$6,152	\$6,468	\$6,789
	Field Services Technician III	37	\$6,468	\$6,789	\$7,133	\$7,492	\$7,871
ENGINEERING - OPERATIONS							
Engineering	Associate Engineer	56	\$10,327	\$10,842	\$11,390	\$11,953	\$12,557
	Construction Inspector I	40	\$6,955	\$7,313	\$7,680	\$8,061	\$8,481
	Construction Inspector II	44	\$7,680	\$8,061	\$8,481	\$8,910	\$9,355
	Engineering Technician I	34	\$6,002	\$6,302	\$6,622	\$6,955	\$7,313
	Engineering Technician II	39	\$6,789	\$7,133	\$7,492	\$7,871	\$8,270
	Engineering Technician III	43	\$7,492	\$7,871	\$8,270	\$8,689	\$9,130
	Laboratory Director	53	\$9,596	\$10,071	\$10,575	\$11,100	\$11,664
	Operations and Engineering Manager	72	\$15,288	\$16,059	\$16,869	\$17,707	\$18,597
	Senior Engineer	64	\$12,557	\$13,182	\$13,840	\$14,542	\$15,288
	Senior Engineering Technician	45	\$7,871	\$8,270	\$8,689	\$9,130	\$9,596
	Staff Engineer	51	\$9,130	\$9,596	\$10,071	\$10,575	\$11,100
	GIS Specialist I	46	\$8,061	\$8,481	\$8,910	\$9,355	\$9,834
	GIS Specialist II	49	\$8,689	\$9,130	\$9,596	\$10,071	\$10,575
	Senior GIS Specialist	52	\$9,355	\$9,834	\$10,327	\$10,842	\$11,390
Operations	Operations Technician Foreman	51	\$9,130	\$9,596	\$10,071	\$10,575	\$11,100
	Operations Technician I	37	\$6,468	\$6,789	\$7,133	\$7,492	\$7,871
	Operations Technician II	41	\$7,133	\$7,492	\$7,871	\$8,270	\$8,689
	Operations Technician III	46	\$8,061	\$8,481	\$8,910	\$9,355	\$9,834
	Operations Technician in Training	30	\$5,438	\$5,707	\$6,002	\$6,302	\$6,622
	System Operator I	35	\$6,152	\$6,468	\$6,789	\$7,133	\$7,492
	System Operator II	38	\$6,622	\$6,955	\$7,313	\$7,680	\$8,061
	System Operator III	41	\$7,133	\$7,492	\$7,871	\$8,270	\$8,689
	System Operator in Training	30	\$5,438	\$5,707	\$6,002	\$6,302	\$6,622
	Water Operations Supervisor	60	\$11,390	\$11,953	\$12,557	\$13,182	\$13,840

Desert Water Agency
Position Classification and Monthly Salary Schedule
Effective 6/21/2024 for RDO2 Pay Period Employees. Effective 6/28/2024 for RDO1 and Classic Pay Period Employees.

DEPARTMENT	POSITION TITLE	RANGE	STEP 1	STEP 2	STEP 3	STEP 4	STEP 5
WATER RESOURCES	Water Resources Manager	64	\$12,557	\$13,182	\$13,840	\$14,542	\$15,288
	Water Resources Specialist I	42	\$7,313	\$7,680	\$8,061	\$8,481	\$8,910
	Water Resources Specialist II	49	\$8,689	\$9,130	\$9,596	\$10,071	\$10,575
	Senior Water Resources Specialist	53	\$9,596	\$10,071	\$10,575	\$11,100	\$11,664
FACILITIES MAINTENANCE AND SAFETY	Facilities and Safety Officer	54	\$9,834	\$10,327	\$10,842	\$11,390	\$11,953
	Facilities and Safety Technician	43	\$7,492	\$7,871	\$8,270	\$8,689	\$9,130
INFORMATION TECHNOLOGY	Information Technology Manager	65	\$12,865	\$13,508	\$14,195	\$14,913	\$15,669
	PC Support Technician I	37	\$6,468	\$6,789	\$7,133	\$7,492	\$7,871
	PC Support Technician II	43	\$7,492	\$7,871	\$8,270	\$8,689	\$9,130
	Senior PC Support Technician	51	\$9,130	\$9,596	\$10,071	\$10,575	\$11,100
	Programmer I	50	\$8,910	\$9,355	\$9,834	\$10,327	\$10,842
	Programmer II	54	\$9,834	\$10,327	\$10,842	\$11,390	\$11,953
MANAGEMENT	General Manager	Contract	N/A	N/A	N/A	N/A	\$25,739
	Assistant General Manager	83	\$20,012	\$21,010	\$22,061	\$23,168	\$24,326
	Finance Director	81	\$19,063	\$20,012	\$21,010	\$22,061	\$23,168
	Human Resources Director	69	\$14,195	\$14,913	\$15,669	\$16,459	\$17,292
	Director of Public Affairs and Conservation	74	\$16,059	\$16,869	\$17,707	\$18,597	\$19,522
CONSERVATION	Conservation Manager	60	\$11,390	\$11,953	\$12,557	\$13,182	\$13,840
	Conservation Specialist I	38	\$6,622	\$6,955	\$7,313	\$7,680	\$8,061
	Conservation Specialist II	43	\$7,492	\$7,871	\$8,270	\$8,689	\$9,130
	Senior Conservation Specialist	47	\$8,270	\$8,689	\$9,130	\$9,596	\$10,071
PUBLIC AFFAIRS	Public Affairs Manager	61	\$11,664	\$12,249	\$12,865	\$13,509	\$14,195
	Public Affairs Specialist I	41	\$7,133	\$7,492	\$7,871	\$8,270	\$8,689
	Public Affairs Specialist II	45	\$7,871	\$8,270	\$8,689	\$9,130	\$9,596
	Senior Public Affairs Specialist	48	\$8,481	\$8,910	\$9,355	\$9,834	\$10,327
SNOW CREEK SECURITY	Snow Creek Security	17	\$3,004	\$3,155	\$3,314	\$3,477	\$3,651

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

JUNE 4, 2024

**RE: FISCAL 2024/2025 OPERATING, GENERAL AND WASTEWATER
BUDGETS**

Attached is the draft Operating, General and Wastewater Fund Budgets for Fiscal Year 2024/2025 and accompanying Budget Highlights document for your review.

On May 23, 2024, the Finance Committee met and reviewed the proposed budgets.

Updates since presenting to the Finance Committee:

General Fund:

1. Increased SWP reimbursement due from CVWD from (\$72,800) to \$768,500 due to an error located in the SWP Delta Water Charge projection calculation identified in quality control review.
2. Decreased Delta Capital charge from \$2,291,400 to \$1,818,100 due to an error located in the SWP Delta Water Charge projection calculation identified in quality control review.
3. Increase in the Reserve for SWP Additional Water of \$1,314,000 related to the cumulative impacts of revisions 1 & 2 noted above.

The 2024/2025 Fiscal Year Budget will be presented for adoption at the June 18, 2024 Board meeting.

Staff is available to answer any questions the Board may have with regard to the budgets for the 2024/2025 Fiscal Year.

Legal Review:

N/A

Attachments:

Attachment #1 - 2024/2025 Desert Water Agency Operating, General & Wastewater Fund Draft Budget

Attachment #2 - Fiscal 2024/2025 Budget Highlights

Attachment #3 – Resolution No.1302 – Reserve Policy

DESERT WATER



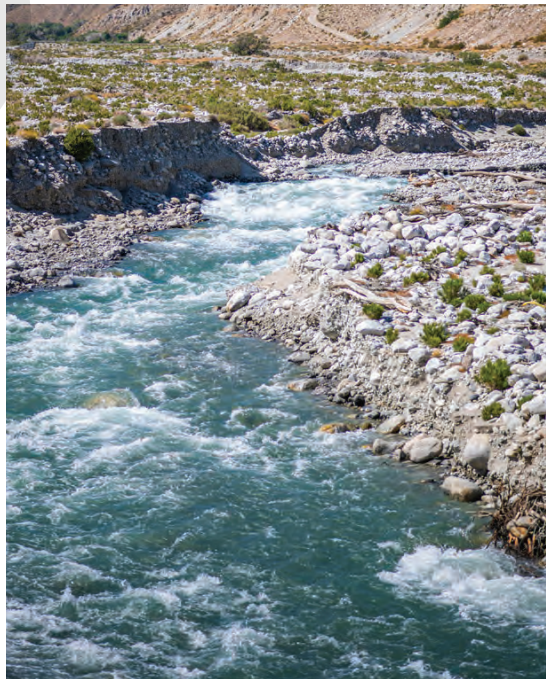
Fiscal Year 2024 - 2025

BUDGET

OPERATING FUND

GENERAL FUND

WASTEWATER FUND





DESERT WATER AGENCY
2024 / 2025
Budget

Operating Fund
General Fund
Wastewater Fund





DESERT WATER AGENCY
Operating Fund Budget
2024 / 2025



DESERT WATER AGENCY

OPERATING FUND

2024-2025 Budget with Prior Year Comparison

	ACTUAL 2022-2023	ACTUAL TO 3/31/2024	BUDGET 2023-2024	BUDGET 2024-2025	Increase / (Decrease)
OPERATING REVENUES					
WATER REVENUE					
Water Sales	\$38,983,355	\$30,082,277	\$43,080,000	\$41,227,000	(\$1,853,000)
Recycled Water Sales	\$895,990	\$704,268	\$996,000	\$1,035,000	\$39,000
TOTAL OPERATING REVENUES	\$39,879,345	\$30,786,545	\$44,076,000	\$42,262,000	(\$1,814,000)
OTHER OPERATING REVENUE					
Fire Protection	\$446,935	\$342,258	\$435,000	\$492,000	\$57,000
Charge for Inst of Serv & Mtr	\$118,020	\$122,371	\$177,600	\$162,000	(\$15,600)
Back-up Facility Charge	\$789,370	\$556,850	\$912,000	\$766,000	(\$146,000)
Service Charges	\$1,020,825	\$878,711	\$940,800	\$969,600	\$28,800
Power Sales	\$45,298	\$87,311	\$56,400	\$86,400	\$30,000
TOTAL WATER SERVICE	\$2,420,447	\$1,987,501	\$2,521,800	\$2,476,000	(\$45,800)
TOTAL OPERATING REVENUES	\$42,299,792	\$32,774,046	\$46,597,800	\$44,738,000	(\$1,859,800)
OPERATING EXPENSES					
SOURCE OF SUPPLY EXPENSE					
Supervision & Engineering	\$77,174	\$50,614	\$94,800	\$102,000	\$7,200
Operating Labor	\$58,736	\$36,577	\$60,960	\$115,200	\$54,240
Maint of Struct & Improv	\$169,457	\$128,073	\$319,080	\$278,200	(\$40,880)
Maint, Rds & Res Security	\$20,410	\$9,765	\$286,920	\$688,510	\$401,590
Maintenance of Intakes	\$300,180	\$92,406	\$64,560	\$15,550	(\$49,010)
Maintenance of Wells	\$2,328	\$14,076	\$12,960	\$15,060	\$2,100
Water Replenishment	\$5,298,877	\$4,436,453	\$6,149,040	\$6,348,000	\$198,960
Misc Source of Supply	\$64,493	\$22,026	\$57,000	\$10,000	(\$47,000)
TOTAL SOURCE OF SUPPLY	\$5,991,655	\$4,789,989	\$7,045,320	\$7,572,520	\$527,200
PUMPING EXPENSE					
Supervision & Engineering	\$123,356	\$78,316	\$159,600	\$169,200	\$9,600
Pumping Labor	\$370,863	\$134,764	\$205,800	\$219,300	\$13,500
Maintenance of Structures	\$209,993	\$103,901	\$102,000	\$116,060	\$14,060
Maint of Pumping Equipment	\$236,904	\$194,497	\$936,600	\$504,300	(\$432,300)
Power Purchases	\$3,905,148	\$3,653,183	\$4,398,000	\$4,896,000	\$498,000
Misc Exp & Care of Grounds	\$115,965	\$85,889	\$19,920	\$157,000	\$137,080
TOTAL PUMPING	\$4,962,228	\$4,250,550	\$5,821,920	\$6,061,860	\$239,940

DESERT WATER AGENCY

OPERATING FUND

2024-2025 Budget with Prior Year Comparison

	ACTUAL 2022-2023	ACTUAL TO 3/31/2024	BUDGET 2023-2024	BUDGET 2024-2025	Increase / (Decrease)
REGULATORY WATER TREATMENT EXPENSE					
Supervision & Engineering	\$159,087	\$128,687	\$175,200	\$206,400	\$31,200
Operating Labor	\$240,721	\$176,476	\$214,680	\$223,380	\$8,700
Maint of Structures	\$5,618	\$4,363	\$15,000	\$16,550	\$1,550
Maint of Water Treat Equipment	\$109,293	\$64,450	\$102,000	\$108,000	\$6,000
Chem & Filtering Material	\$415,018	\$390,236	\$399,960	\$525,100	\$125,140
Misc Water Treatment	\$179,453	\$125,125	\$146,400	\$154,800	\$8,400
TOTAL WATER TREATMENT	\$1,109,190	\$889,337	\$1,053,240	\$1,234,230	\$180,990
TRANSMISSION & DISTRIBUTION EXPENSE					
Supervision & Engineering	\$719,957	\$544,392	\$751,200	\$882,000	\$130,800
Maintenance of Struct & Impv	\$358	\$0	\$4,560	\$5,000	\$440
Storage Facilities	\$167,725	\$115,699	\$148,560	\$121,500	(\$27,060)
Trans & Distr Lines	\$135,086	\$129,648	\$98,040	\$114,000	\$15,960
Customer Installation	\$63,382	\$49,162	\$164,160	\$178,800	\$14,640
Cross Connection	\$177,081	\$98,503	\$175,080	\$175,000	(\$80)
Maintenance of Reservoirs	\$57,278	\$47,036	\$41,640	\$580,000	\$538,360
Maintenance of Mains	\$1,139,392	\$876,330	\$1,751,280	\$1,296,500	(\$454,780)
Maintenance of Whitewater MWC	\$200,520	\$124,574	\$317,880	\$41,750	(\$276,130)
Maintenance of Hydrants	\$106,942	\$102,521	\$175,080	\$150,000	(\$25,080)
Maintenance of Fire Services	\$58,930	\$33,464	\$110,040	\$110,000	(\$40)
Maintenance of Services	\$309,822	\$199,196	\$275,040	\$200,000	(\$75,040)
Maintenance of Meters	\$300,856	\$163,965	\$325,560	\$263,810	(\$61,750)
Misc Supply Expense	\$103,397	\$82,249	\$127,800	\$106,600	(\$21,200)
TOTAL TRANS & DIST	\$3,540,725	\$2,566,738	\$4,465,920	\$4,224,960	(\$240,960)
CUSTOMER ACCOUNT EXPENSE					
Supervision & Engineering	\$156,283	\$161,469	\$230,400	\$234,000	\$3,600
Meter Reading Expense	\$156,570	\$128,482	\$161,040	\$168,000	\$6,960
Customer Rec & Coll Exp	\$702,283	\$544,076	\$823,560	\$876,180	\$52,620
Uncollectible Accounts	\$132,677	\$12,280	\$86,400	\$38,400	(\$48,000)
TOTAL CUST ACCT EXPENSE	\$1,147,813	\$846,306	\$1,301,400	\$1,316,580	\$15,180

DESERT WATER AGENCY

OPERATING FUND

2024-2025 Budget with Prior Year Comparison

	ACTUAL 2022-2023	ACTUAL TO 3/31/2024	BUDGET 2023-2024	BUDGET 2024-2025	Increase / (Decrease)
ADMINISTRATIVE & GENERAL EXPENSE					
Admin. & Gen Salaries	\$1,125,705	\$859,440	\$1,110,000	\$1,279,200	\$169,200
Supervision & Engineering	\$244,485	\$197,339	\$289,200	\$322,800	\$33,600
Director's Fees	\$69,376	\$64,054	\$116,400	\$108,000	(\$8,400)
General Office Supplies & Expense	\$373,717	\$240,949	\$456,360	\$489,970	\$33,610
Legal Services	\$158,018	\$38,620	\$120,000	\$120,000	\$0
Professional Consulting Services	\$155,913	\$249,036	\$393,480	\$416,500	\$23,020
Engineering Services	\$88,618	\$13,915	\$114,000	\$84,000	(\$30,000)
Insurance & Claims	\$314,658	\$291,158	\$408,000	\$494,400	\$86,400
Injuries & Safety	\$421,668	\$315,442	\$484,800	\$430,480	(\$54,320)
Health Care Benefits	(\$1,363,528)	\$1,258,867	\$1,728,000	\$2,077,200	\$349,200
Payroll Taxes & Unemployment	\$592,775	\$513,088	\$690,000	\$728,400	\$38,400
Paid Time Off	\$1,562,692	\$1,210,905	\$1,573,200	\$1,860,000	\$286,800
Pension	\$2,428,233	\$2,601,722	\$2,897,280	\$3,692,800	\$795,520
OPEB Interest	\$503,005	\$0	\$870,000	\$1,308,000	\$438,000
Other Employee Benefits	\$202,507	\$195,825	\$330,240	\$413,800	\$83,560
Operations Center Security	\$4,445	\$5,637	\$12,000	\$19,800	\$7,800
Operations Center Maintenance	\$273,897	\$240,987	\$547,800	\$468,900	(\$78,900)
Solar Facilities Maintenance	\$11,299	\$3,435	\$7,440	\$7,650	\$210
Information Technology	\$1,350,271	\$706,391	\$1,586,040	\$1,769,970	\$183,930
Maint - Telemetry Equipment	\$46,033	\$36,445	\$44,640	\$48,400	\$3,760
Maint - Communications Equipment	\$13,937	\$8,070	\$44,280	\$15,500	(\$28,780)
Storeroom	\$87,219	\$72,207	\$146,040	\$160,000	\$13,960
Transportation	\$468,563	\$349,665	\$560,400	\$599,700	\$39,300
Tools & Work Equipment	\$199,847	\$129,266	\$176,040	\$170,000	(\$6,040)
Public Information	\$262,343	\$207,377	\$231,360	\$324,000	\$92,640
Water Conservation	\$130,656	\$103,514	\$332,040	\$228,000	(\$104,040)
Water Cons - Grass Removal	\$1,813,195	\$639,723	\$1,845,480	\$530,570	(\$1,314,910)
Services Rendered - Customers	\$159,666	\$203,000	\$156,000	\$204,000	\$48,000
Direct/Indirect Costs	(\$787,420)	(\$2,283,253)	(\$1,373,400)	(\$1,772,600)	(\$399,200)
TOTAL ADMIN & GEN EXP	\$10,911,794	\$8,472,823	\$15,897,120	\$16,599,440	\$702,320
REGULATORY EXPENSES					
Certificates/Training/School	\$132,356	\$142,474	\$169,440	\$231,900	\$62,460
Health Department / Services	\$31,117	\$58,494	\$20,040	\$82,000	\$61,960
State - Regulatory	\$157,599	\$213,437	\$155,040	\$180,600	\$25,560
Federal - Regulatory	\$9,354	\$12,719	\$92,520	\$64,550	(\$27,970)
Recycled Water - Regulatory	\$0	\$2,662	\$15,120	\$18,000	\$2,880
AQMD Compliance	\$1,051	\$964	\$3,000	\$3,000	\$0
RMP/OSHA/Misc.	\$47,388	\$33,417	\$30,000	\$35,000	\$5,000
Legal Services - Regulatory	\$0	\$0	\$0	\$0	\$0
TOTAL REGULATORY EXPENSES	\$378,864	\$464,165	\$485,160	\$615,050	\$129,890

DESERT WATER AGENCY

OPERATING FUND

2024-2025 Budget with Prior Year Comparison

	ACTUAL 2022-2023	ACTUAL TO 3/31/2024	BUDGET 2023-2024	BUDGET 2024-2025	Increase / (Decrease)
SNOW CREEK HYDRO EXPENSE					
Snow Creek Hydro	\$97,558	\$64,264	\$76,920	\$42,600	(\$34,320)
TOTAL SNOW CREEK HYDRO	\$97,558	\$64,264	\$76,920	\$42,600	(\$34,320)
RECYCLED WATER PLANT EXPENSE					
Pumping	\$415,589	\$259,674	\$381,240	\$407,950	\$26,710
Treatment	\$495,227	\$281,873	\$1,305,840	\$1,366,800	\$60,960
Transportation/Distribution	\$76,748	\$69,474	\$218,400	\$167,220	(\$51,180)
Administrative & General	\$165,308	\$119,271	\$351,120	\$297,950	(\$53,170)
TOTAL RECYCLED WATER PLANT EXP	\$1,152,872	\$730,291	\$2,256,600	\$2,239,920	(\$16,680)
OTHER OPERATING EXPENSE					
Exp App to Prior Years	(\$10,391)	(\$5,839)	\$0	\$0	\$0
Other Misc Expense	\$16,518	\$0	\$25,080	\$45,000	\$19,920
Depreciation & Amortization	\$6,296,466	\$3,191,433	\$6,894,000	\$6,807,600	(\$86,400)
TOTAL OTHER OPERATING EXPENSE	\$6,302,593	\$3,185,594	\$6,919,080	\$6,852,600	(\$66,480)
TOTAL OPERATING EXPENSES	\$35,595,292	\$26,260,058	\$45,322,680	\$46,759,760	\$1,437,080
NET INC/(LOSS) FROM OPERATIONS	\$6,704,500	\$6,513,988	\$1,275,120	(\$2,021,760)	(\$3,296,880)
NON-OPERATING REVENUES					
Gains/Loss Investments	(\$299,050)	\$244,789	\$0	\$0	\$0
Interest	\$1,029,348	\$1,153,980	\$1,320,000	\$1,500,000	\$180,000
DWA Front Footage Chgs	\$0	\$0	\$0	\$0	\$0
Revenue from Leases	\$234,771	\$36,176	\$201,000	\$214,000	\$13,000
Gains on Retirements	\$1,957	\$0	\$52,000	\$6,800	(\$45,200)
Other Misc Income	\$298,822	\$1,738,085	\$445,400	\$355,100	(\$90,300)
Revenue - Contributed	\$383,978	\$0	\$315,000	\$315,000	\$0
TOTAL NON-OPERATING REVENUES	\$1,649,827	\$3,173,030	\$2,333,400	\$2,390,900	\$57,500
NON-OPERATING EXPENSES					
Losses on Retirements	\$20,465	\$0	\$106,800	\$63,600	(\$43,200)
TOTAL NON-OPER EXPENSE	\$20,465	\$0	\$106,800	\$63,600	(\$43,200)
TOTAL NET INCOME/(LOSS)	\$8,333,862	\$9,687,019	\$3,501,720	\$305,540	(\$3,196,180)

DESERT WATER AGENCY

OPERATING FUND

2024-2025 Budget with Prior Year Comparison

	ACTUAL 2022-2023	ACTUAL TO 3/31/2024	BUDGET 2023-2024	BUDGET 2024-2025	Increase / (Decrease)
<u>APPLICATION OF COMMIT FUNDS</u>					
Current Year SBITA	\$0	\$0	\$0	\$214,000	\$214,000
Other Post Emp. Benefits (GASB 75)	\$637,839	\$443,451	\$860,000	\$860,000	\$0
TOTAL COMMIT FUNDS	\$637,839	\$443,451	\$860,000	\$1,074,000	\$214,000
BALANCE REMAINING	\$7,696,023	\$9,243,568	\$2,641,720	(\$768,460)	(\$3,410,180)
Add Back OPEB Interest	\$503,005	\$0	\$870,000	\$1,308,000	\$438,000
Add Back Depreciation (Plant/Equip)	\$6,296,466	\$3,191,433	\$6,894,000	\$6,807,600	(\$86,400)
Funds Avail For Capital Additions	\$14,495,494	\$12,435,000	\$10,405,720	\$7,347,140	(\$3,058,580)
<u>CAPITAL ADDITIONS</u>					
Routine Improvements	\$4,084,447	\$2,364,623	\$17,647,100	\$12,599,000	(\$5,048,100)
General Plan Improvements	\$0	\$0	\$100,000	\$100,000	\$0
Outstanding future SBITA	\$0	\$0	\$0	(\$642,000)	(\$642,000)
TOTAL CAPITAL ADDITIONS	\$4,084,447	\$2,364,623	\$17,747,100	\$12,057,000	(\$5,690,100)
BALANCE	\$10,411,047	\$10,070,377	(\$7,341,380)	(\$4,709,860)	\$2,631,520
TOTAL BUDGET			\$64,036,580	\$59,954,360	(\$3,440,220)
	2023-2024 BEGIN BAL	2023-2024 ADJUSTMENTS	2024-2025 ADDITIONS	2024-2025 DELETIONS	BALANCE
Estimated Reserve Fund Balance 6/30/24					\$62,216,000
Inter-Fund Loan - General Fund					\$0
<u>RESERVES</u>					
Reserve for Land Acquisition	\$675,000	\$0	\$0	\$0	\$675,000
Reserve for Operations	\$18,838,700	(\$1,660,200)	\$0	(\$190,500)	\$16,988,000
Reserve for Replacements	\$2,760,000	\$0	\$0	\$0	\$2,760,000
Reserve for Regulatory Compliance	\$0	\$0	\$0	\$0	\$0
Reserve for Disaster Response	\$2,000,000	\$0	\$0	\$0	\$2,000,000
Reserve for Retirement Benefits	\$5,000,000	\$0	\$0	(\$902,000)	\$4,098,000
	\$29,273,700	(\$1,660,200)	\$0	(\$1,092,500)	\$26,521,000
Total Reserves - 6/30/25					(\$26,521,000)
Required for 2023-2024 Carryover Capital Items					(\$30,985,061)
2024-2025 Budget Balance					(\$4,709,860)
Unappropriated Fund Balance 6/30/25					\$79

BUDGET SUMMARY

Total Operating Expenses	\$46,759,760
Non-Operating Expenses	\$63,600
Application of Committed Funds	\$1,074,000
Capital Additions	\$12,057,000
TOTAL BUDGET	\$59,954,360

DESERT WATER AGENCY

OPERATING FUND

2024 / 2025

Capital Improvements

PROJECT #	DESCRIPTION	ASSET ACCOUNT	ESTIMATED COST
Routine			
WELLS			
24#####	Well Flow Meter Digital Upgrade Kits	180310	\$26,000
24#####	Well Water Level Monitoring SCADA (2 wells)		\$46,000
		TOTAL RECLAMATION	\$72,000
PIPELINES			
211012020	Vista Chino Repl. Pipeline - Const. - Augment	180351	\$200,000
221068W17	Palm Oasis Connection to Main System - Augment	180351	\$200,000
231014008	2024 Summer Repl. Pipeline - Const. - Augment	180351	\$5,200,000
243099	Contingency - Mains	180351	\$200,000
		TOTAL PIPELINES	\$5,800,000
RESERVOIRS			
24#####	Destratification/Chlorine Mixer - Palisades (R-33)	180345	\$25,000
24#####	Seismic Actuator - Tahquitz #1 (R-8)	180345	\$45,000
24#####	Seismic Actuator - Tahquitz #2 (R-32)	180345	\$45,000
24#####	Seismic Actuator - PS North #1 (R-19)	180345	\$45,000
		TOTAL RESERVOIRS	\$160,000
SERVICES			
241000S01	1" Service Replacements	180430	\$300,000
241000S02	2" Service Replacements	180430	\$300,000
242001S01	1" Invoiced Services	180430	\$48,000
242001S02	2" Invoiced Services	180430	\$22,000
		TOTAL SERVICES	\$670,000

DESERT WATER AGENCY

OPERATING FUND

2024 / 2025

Capital Improvements

PROJECT #	DESCRIPTION	ASSET ACCOUNT	ESTIMATED COST
METERS			
242002E	Encoder Receiver Transmitter (ERT) Purchases	180510	\$43,000
242002M01	1" Meter Purchases	180510	\$130,000
242002M02	2" Meter Purchases	180510	\$60,000
242002M03	3" Meter Purchases	180510	\$12,000
242002M06	6" Meter Purchases	180510	\$4,000
242002M15	1 1/2" Meter Purchases	180510	\$90,000
242002M75	3/4" Meter Purchases	180510	\$160,000
TOTAL METERS			\$499,000
TRANSPORTATION EQUIPMENT			
24#####	2024 EV E-450 XL Reg Cab w/ Combo Body (Replace Unit # 18)	180630	\$205,000
24#####	2024 EV E-450 XL Reg Cab w/ Mech. Utility Body (Replace Unit # 21)	180630	\$215,000
24#####	2024 Ford F-450 XL Reg Cab w/ Utility Body (Replace Unit # 48)	180630	\$105,000
24#####	2024 Ford F-450 XL Reg Cab w/ Utility Body (Replace Unit # 55)	180630	\$110,000
24#####	2024 Ford F-150 (Replace Unit # 15)	180630	\$48,000
24#####	Electric Vehicle Charging Stations	180630	\$24,000
TOTAL TRANSPORTATION EQUIPMENT			\$707,000

DESERT WATER AGENCY

OPERATING FUND

2024 / 2025

Capital Improvements

PROJECT #	DESCRIPTION	ASSET ACCOUNT	ESTIMATED COST
RECYCLED WATER			
231011C	Ammonia Analyzer - Augment	180710	\$25,000
231013012	Sunrise Park Recycled Water Pipeline - Augment	180710	\$1,000,000
24#####	Effluent Reservoir Roof Reconstruction	180710	\$2,000,000
24#####	Sunrise Park Recycled Water Booster Station	180710	\$550,000
24#####	Chlorine Crane Replacement	180710	\$25,000
TOTAL RECLAMATION			\$3,600,000
MISCELLANEOUS			
24#####	Snow Creek Filtration High Turbidity Bypass Line	180251	\$125,000
24#####	Operations Center Generator Platform	180571	\$14,000
24#####	Operations Center Electrical Upgrades	180571	\$297,000
24#####	Operations Center Lobby Counter Remodel	180571	\$34,000
24#####	Operations Center Office Construction (3 offices)	180571	\$40,000
24#####	Operations Center HVAC VAV Upgrades	180571	\$77,000
24#####	DS700i Folder/Inserter	180620	\$120,000
24#####	IX-9 Mailing System	180620	\$32,000
24#####	Operations Center Gate Communication System	180640	\$17,000
24#####	Replace 20 inch Self - Propelled Saw	180660	\$32,000
24#####	Xerox Copier	180680	\$10,000
24#####	Canon Plotter Replacements (x2)	180680	\$27,000
24#####	GIS System	180680	\$116,000
244099	Contingency - Other	VARIOUS	\$150,000
TOTAL MISCELLANEOUS			\$966,000
TOTAL ROUTINE			\$12,599,000

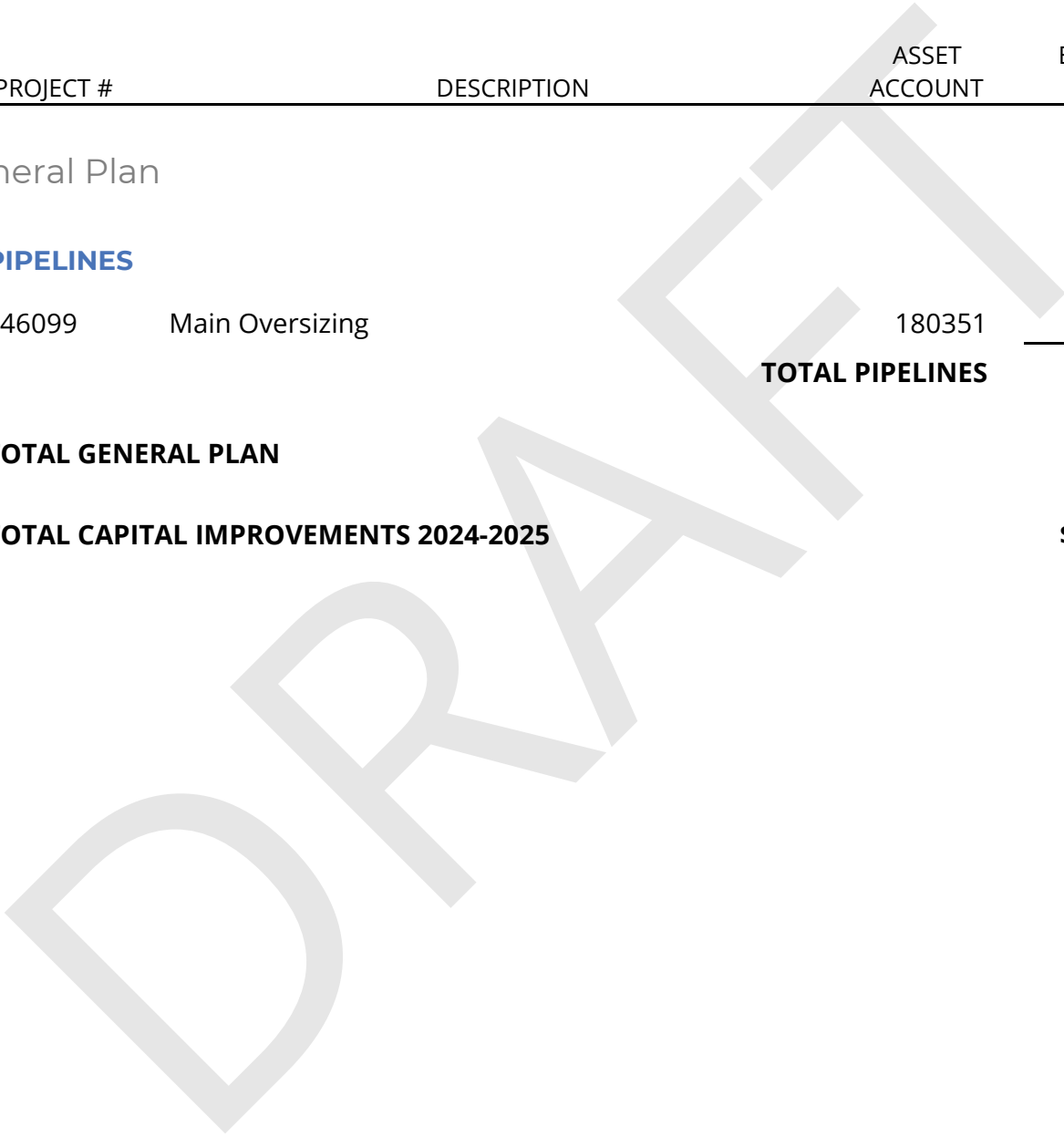
DESERT WATER AGENCY

OPERATING FUND

2024 / 2025

Capital Improvements

PROJECT #	DESCRIPTION	ASSET ACCOUNT	ESTIMATED COST
General Plan			
PIPELINES			
246099	Main Oversizing	180351	\$100,000
TOTAL PIPELINES			\$100,000
TOTAL GENERAL PLAN			\$100,000
TOTAL CAPITAL IMPROVEMENTS 2024-2025			\$12,699,000



DESERT WATER AGENCY

OPERATING FUND

2024 / 2025 Budget

Reserve Policy Analysis

In June 2023, the Board of Directors revised the policy for Agency Reserves (Resolution No. 1302). Per section 5 of the policy, an annual review of the reserves will be presented during the annual budget presentation. Presented below is the reserve analysis:

Reserve for Land Acquisitions

Reserve shall not exceed \$5,000,000

	<i>Maximum Reserve Balance</i>	\$	5,000,000
2023 / 2024	Current Reserve Balance	\$	675,000
2024 / 2025	Reserve Adjustment *	\$	-
2024 / 2025	Reserve Balance	\$	675,000
2024 / 2025	Maximum Reserve Shortfall	\$	(4,325,000)

* There are no excess funds available to add to the Reserve for Land Acquisition in Fiscal Year 2024 / 2025

2024 / 2025	RESERVE FOR LAND ACQUISITIONS	\$	675,000
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Reserve for Operations

Reserve should be equal to 6-months to 1 year of operations

2024 / 2025	Cost of Operations	\$	46,759,760
	<i>Minimum Reserve Requirement</i>	\$	23,379,880
	<i>Maximum Allowable Reserve Balance</i>	\$	46,759,760
2023 / 2024	Current Reserve Balance	\$	17,178,500
2024 / 2025	Reserve Adjustment *	\$	(190,500)
2024 / 2025	Reserve Balance	\$	16,988,000
2024 / 2025	Minimum Target Reserve Shortfall	\$	(6,391,880)
2024 / 2025	Maximum Reserve Shortfall	\$	(29,771,760)

* Proposed \$190,500 reduction to the Reserve for Operations in Fiscal Year 2024 / 2025

2024 / 2025	RESERVE FOR OPERATIONS	\$	16,988,000
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DESERT WATER AGENCY

OPERATING FUND

2024 / 2025 Budget

Reserve Policy Analysis

Reserve for Replacements

Reserve should be equal to at least 6% of Agency infrastructure and not to exceed 10% of fixed assets reflected in the last annual audit

Agency Infrastructure at 6/30/2023		\$	275,054,706
<i>Minimum Reserve Balance</i>		\$	16,503,282
<i>Maximum Reserve Balance</i>		\$	27,505,471
2023 / 2024	Current Reserve Balance	\$	2,760,000
2024 / 2025	Reserve Adjustment *	\$	-
2024 / 2025	Reserve Balance	\$	2,760,000
2024 / 2025	Minimum Reserve Shortfall	\$	(13,743,282)
2024 / 2025	Maximum Reserve Shortfall	\$	(24,745,471)

* There are no excess funds available to add to the Reserve for Replacements in Fiscal Year 2024 / 2025

2024 / 2025	RESERVE FOR REPLACEMENTS	\$	2,760,000
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Reserve for Regulatory Compliance

Reserve shall not exceed \$10,000,000

<i>Maximum Reserve Balance</i>		\$	10,000,000
2023 / 2024	Current Reserve Balance	\$	-
2024 / 2025	Reserve Adjustment *	\$	-
2024 / 2025	Reserve Balance	\$	-
2024 / 2025	Maximum Reserve Shortfall	\$	(10,000,000)

* There are no excess funds available to add to the Reserve for Regulatory Compliance in Fiscal Year 2024 / 2025

2024 / 2025	RESERVE FOR REGULATORY COMPLIANCE	\$	-
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DESERT WATER AGENCY

OPERATING FUND

2024 / 2025 Budget

Reserve Policy Analysis

Reserve for Disaster Response

Reserve should be equal to approximately 15% of the Agency's General System

System Value at 3/31/24	\$	278,008,730
15% of System Value	\$	41,701,300
<i>Maximum Reserve Balance</i>	\$	41,701,300
2023 / 2024 Current Reserve Balance	\$	2,000,000
2024 / 2025 Reserve Adjustment *	\$	-
2024 / 2025 Reserve Balance	\$	2,000,000
2024 / 2025 Maximum Reserve Shortfall	\$	(39,701,300)

* There are no excess funds available to add to the Reserve for Disaster Response in Fiscal Year 2024 / 2025

2024 / 2025	RESERVE FOR DISASTER RESPONSE	\$	2,000,000
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Reserve for Retirement Benefits

Reserve should equal two times the actual annual retirement benefit costs from the preceding year but not to exceed four times the cost

Annual OPEB Costs - Actuarial study (2023)	\$	1,017,842
Annual CalPERS Normal Contributions	\$	1,033,640
<i>Minimum Reserve Requirement</i>	\$	4,102,964
<i>Maximum Allowable Reserve Balance</i>	\$	8,205,928
2023 / 2024 Current Reserve Balance	\$	5,000,000
2024 / 2025 Reserve Adjustment *	\$	(902,000)
2024 / 2025 Reserve Balance	\$	4,098,000
2024 / 2025 Minimum Target Reserve Shortfall	\$	(4,964)
2024 / 2025 Maximum Reserve Shortfall	\$	(4,107,928)

* Proposed \$902,000 reduction to the Reserve for Retirement Benefits in Fiscal Year 2024 / 2025

2024 / 2025	RESERVE FOR RETIREMENT BENEFITS	\$	4,098,000
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DESERT WATER AGENCY

OPERATING FUND

2024 / 2025 Budget

Reserve Policy Analysis

Reserve Policy Summary

** 2024 / 2025	Minimum Reserve Requirement	\$	100,687,426 *
** 2024 / 2025	Maximum Reserve Requirement	\$	139,172,459
2024 / 2025	Projected Total Reserves	\$	26,521,000
2024 / 2025	Projected Minimum Reserve Shortfall	\$	(74,166,426)
2024 / 2025	Maximum Reserve Shortfall	\$	(112,651,459)

* Where no minimum reserve balance is established, the maximum reserve balance is used

** Reserve Policy and Reserve Requirements (Resolution No. 1302)



DESERT WATER AGENCY
General Fund Budget
2024 / 2025



DESERT WATER AGENCY

GENERAL FUND

2024-2025 Budget with Prior Year Comparison

	ACTUAL 2022-2023	ACTUAL TO 3/31/2024	BUDGET 2023-2024	BUDGET 2024-2025	increase / (Decrease)
OPERATING REVENUES					
Replenishment Assessments	\$7,052,002	\$5,861,108	\$8,155,000	\$8,492,000	\$337,000
Power Sales - Whitewater Hydro	\$48,429	\$131,179	\$129,000	\$132,660	\$3,660
TOTAL OPERATING REVENUES	\$7,100,431	\$5,992,287	\$8,284,000	\$8,624,660	\$340,660
OPERATING EXPENSES					
SOURCE OF SUPPLY EXPENSE					
Whitewater Basin Management	\$366,099	\$175,872	\$451,200	\$454,000	\$2,800
Indio Subbasin Management	\$14,146	\$0	\$48,000	\$50,000	\$2,000
Mission Creek Subbasin Mgmt	\$70,419	\$65,355	\$588,000	\$522,000	(\$66,000)
Mission Creek - Garnett Hill Mgmt	\$14,330	\$0	\$12,000	\$50,000	\$38,000
San Gorgonio Pass Subbasin Mgmt	\$13,564	\$0	\$25,200	\$25,000	(\$200)
SGMA	\$46,071	\$0	\$50,400	\$55,000	\$4,600
USGS Water Quality Monitoring Sys	\$10,597	\$10,889	\$15,600	\$7,200	(\$8,400)
USGS Stream Gauging Study	\$60,047	\$61,703	\$85,200	\$93,200	\$8,000
Groundwater Monitoring Wells	\$0	\$0	\$0	\$0	\$0
Urban Water Management Plan	\$0	\$0	\$0	\$30,000	\$30,000
Salt Nutrient Plan	\$71,375	\$0	\$217,200	\$234,000	\$16,800
Legal - Water Rights	\$137,464	\$122,327	\$372,000	\$276,000	(\$96,000)
Water Banking - Metropolitan	\$0	\$0	\$1,166,400	\$0	(\$1,166,400)
Lake Perris Seepage Recovery Proj	\$0	\$0	\$0	\$0	\$0
Other Source of Supply Expense	\$0	\$0	\$12,000	\$0	(\$12,000)
TOTAL SOURCE OF SUPPLY EXPENSE	\$804,113	\$436,145	\$3,043,200	\$1,796,400	(\$1,246,800)
STATE WATER PROJECT EXPENSE					
Delta O.M.P.& R.	\$3,102,486	\$2,205,782	\$3,131,000	\$3,088,000	(\$43,000)
Transportation O.M.P.& R.	\$6,487,467	\$5,912,766	\$6,179,000	\$8,115,000	\$1,936,000
Transportation Variable O.M.P.& R.	\$2,737,663	\$1,445,296	\$12,444,000	\$10,348,000	(\$2,096,000)
Off-Aqueduct Power Facilities	\$119,935	\$83,681	\$171,000	\$214,000	\$43,000
Replacement Component	\$0	\$0	\$0	\$0	\$0
East Branch Enlargement	\$628,326	\$581,954	\$835,000	\$562,000	(\$273,000)
Delta Conveyance Facilities	\$0	\$0	\$0	\$0	\$0
Water Purchases	\$255,066	\$0	\$0	\$100,000	\$100,000
CVWD Reimb (Delta, Var, OAP)	(\$576,910)	(\$11,057)	(\$1,540,100)	(\$768,500)	\$771,600
TOTAL STATE WTR PROJ. EXPENSE	\$12,754,033	\$10,218,422	\$21,219,900	\$21,658,500	\$438,600

DESERT WATER AGENCY

GENERAL FUND

2024-2025 Budget with Prior Year Comparison

	ACTUAL 2022-2023	ACTUAL TO 3/31/2024	BUDGET 2023-2024	BUDGET 2024-2025	Increase / (Decrease)
WHITEWATER HYDRO EXPENSE					
Supervision & Labor	\$18,517	\$8,870	\$39,600	\$41,250	\$1,650
Miscellaneous/SCE	\$3,600	\$5,026	\$8,400	\$13,000	\$4,600
Tools & Work Equipment	\$654	\$0	\$2,400	\$3,000	\$600
Maint Structures & Improvements	\$1,000	\$293	\$1,200	\$1,500	\$300
Maint of Equipment	\$66,644	\$6,908	\$152,400	\$206,000	\$53,600
Whitewater Hydro Contract Mgmt	\$7,221	\$10,559	\$9,600	\$19,200	\$9,600
TOTAL WHITEWTR HYDRO EXPENSE	\$97,636	\$31,656	\$213,600	\$283,950	\$70,350
CUSTOMER ACCOUNT EXPENSE					
Meter Reading Expense	\$461	\$786	\$4,800	\$5,000	\$200
Uncollectible Accounts	\$0	\$0	\$0	\$0	\$0
TOTAL WHITEWTR HYDRO EXPENSE	\$461	\$786	\$4,800	\$5,000	\$200
ADMINISTRATIVE & GENERAL EXPENSE					
Salaries	\$506,471	\$374,298	\$553,200	\$720,000	\$166,800
Directors' Fees	\$64,309	\$64,608	\$116,400	\$108,000	(\$8,400)
General Office Supplies & Expense	\$82,792	\$72,689	\$159,600	\$114,455	(\$45,145)
Utilities	\$83,773	\$49,505	\$108,000	\$98,400	(\$9,600)
Seminar & Travel Expense	\$75,062	\$3,379	\$44,400	\$85,200	\$40,800
Legal Services	\$427,300	\$243,586	\$612,000	\$468,000	(\$144,000)
Professional Consulting Services	\$152,637	\$182,778	\$380,400	\$288,500	(\$91,900)
Engineering Services	\$68,720	\$26,214	\$108,000	\$72,000	(\$36,000)
State Water Contractors - Misc	\$104,124	\$114,395	\$133,200	\$121,200	(\$12,000)
Insurance & Claims	\$87,351	\$87,731	\$117,600	\$153,600	\$36,000
Injury & Safety	\$0	\$0	\$0	\$8,400	\$8,400
Information Technology	\$0	\$3,472	\$0	\$0	\$0
Payroll Taxes	\$74,471	\$43,802	\$50,400	\$63,600	\$13,200
Pension	\$0	\$233,886	\$334,800	\$400,400	\$65,600
Health Care Benefits	\$0	\$0	\$0	\$122,400	\$122,400
Other Employee Benefits	\$465,869	\$155,360	\$111,600	\$6,000	(\$105,600)
Operations Center Security	\$471	\$2,601	\$12,000	\$30,000	\$18,000
Operations Center Maintenance	\$113,268	\$93,622	\$219,600	\$241,000	\$21,400
Public Information	\$230,507	\$150,572	\$231,600	\$237,412	\$5,812
Transportation Expense	\$166	\$605	\$0	\$1,200	\$1,200
Water Conservation	\$119,098	\$67,900	\$316,800	\$202,250	(\$114,550)
Water Cons - Grass Removal	\$1,733,837	\$593,677	\$1,845,600	\$530,570	(\$1,315,030)
LAFCO Expenses	\$17,340	\$18,155	\$19,200	\$20,000	\$800
Urban Water Management Plan	\$50,973	\$0	\$16,800	\$25,000	\$8,200
Election Expense	\$95,865	\$0	\$0	\$110,000	\$110,000
Direct/Indirect Costs	(\$40,020)	(\$1,097)	(\$72,000)	(\$144,000)	(\$72,000)
TOTAL ADMIN & GENERAL EXPENSE	\$4,514,385	\$2,581,736	\$5,419,200	\$4,083,587	(\$1,335,613)

DESERT WATER AGENCY

GENERAL FUND

2024-2025 Budget with Prior Year Comparison

	ACTUAL 2022-2023	ACTUAL TO 3/31/2024	BUDGET 2023-2024	BUDGET 2024-2025	Increase / (Decrease)
OTHER OPERATING EXPENSES					
Exp App to Prior Years	\$83	\$0	\$0	\$0	\$0
Prior Year - State Water Project	(\$60,756)	\$0	\$0	\$0	\$0
Other Misc Expense	\$0	\$0	\$0	\$25,000	\$25,000
Depreciation	\$1,436,692	\$0	\$1,130,400	\$1,520,000	\$389,600
TOTAL OTHER OPERATING EXPENSE	\$1,376,019	\$0	\$1,130,400	\$1,545,000	\$414,600
TOTAL OPERATING EXPENSES	\$19,546,647	\$13,268,745	\$31,031,100	\$29,372,437	(\$1,658,663)
NET INC/(LOSS) FROM OPERATIONS	(\$12,446,216)	(\$7,276,457)	(\$22,747,100)	(\$20,747,777)	\$1,999,323
NON-OPERATING REVENUES					
Property Taxes	\$45,286,416	\$21,492,598	\$40,352,000	\$39,119,000	(\$1,233,000)
Gains/Loss Investments	(\$2,251,457)	(\$775,915)	(\$379,200)	(\$346,800)	\$32,400
Interest - Invested Reserves	\$3,051,400	\$3,508,436	\$3,636,000	\$5,304,000	\$1,668,000
Supplemental Imported Water Fees	\$312,847	\$325,395	\$502,800	\$428,400	(\$74,400)
Other Misc Income	\$924	\$0	\$0	\$0	\$0
TOTAL NON-OPERATING REVENUE	\$46,400,130	\$24,550,514	\$44,111,600	\$44,504,600	\$393,000
NON-OPERATING EXPENSES					
Losses on Retirements	\$0	\$0	\$0	\$0	\$0
TOTAL NON-OPERATING EXPENSES	\$0	\$0	\$0	\$0	\$0
TOTAL NET INCOME/(LOSS)	\$33,953,914	\$17,274,056	\$21,364,500	\$23,756,823	\$2,392,323
APPLICATION OF COMMIT FUNDS					
Bond Service - Principle/Interest	\$1,344,084	\$271,920	\$1,344,650	\$1,342,650	(\$2,000)
TOTAL COMMIT FUNDS	\$1,344,084	\$271,920	\$1,344,650	\$1,342,650	(\$2,000)
BALANCE REMAINING	\$32,609,829	\$17,002,136	\$20,019,850	\$22,414,173	\$2,394,323
Add Back Depreciation	\$1,436,692	\$0	\$1,130,400	\$1,520,000	\$389,600
Funds Avail For Capital Additions	\$34,046,522	\$17,002,136	\$21,150,250	\$23,934,173	\$2,783,923

DESERT WATER AGENCY

GENERAL FUND

2024-2025 Budget with Prior Year Comparison

	BUDGET 2023-2024	BUDGET 2024-2025	Increase / (Decrease)
<u>CAPITAL ADDITIONS</u>			
Delta	\$1,810,800	\$1,818,100	\$7,300
Transportation	\$2,170,000	\$2,530,000	\$360,000
Revenue Bond Surcharge	\$1,383,000	\$1,499,000	\$116,000
East Branch Enlargement	\$1,838,000	\$2,086,000	\$248,000
Tehachapi	\$98,000	\$98,000	\$0
Delta Conveyance	\$0	\$0	\$0
Lake Perris Seepage Recovery Project	\$550,000	\$550,000	\$0
Sites Reservoir Project	\$1,300,000	\$335,000	(\$965,000)
Routine Capital Improvements	\$219,000	\$971,000	\$752,000
TOTAL CAPITAL ADDITIONS	\$9,368,800	\$9,887,100	\$518,300
BALANCE	\$11,781,450	\$14,047,073	\$2,265,623
TOTAL BUDGET	\$41,744,550	\$40,602,187	(\$1,142,363)

	2023-2024 BEGIN BAL	2023-2024 ADJUSTMENTS	2024-2025 ADDITIONS	2024-2025 DELETIONS	BALANCE
Estimated Reserve Fund Balance 6/30/24					\$259,050,000
<u>RESTRICTED & UNRESTRICTED RESERVES</u>					
State Water Contract Fund	\$75,779,000	\$0	\$13,033,000	\$0	\$88,812,000
Reserve for Delta Conveyance	\$19,238,000	\$0	\$0	\$0	\$19,238,000
Reserve For SWP Additional Water	\$23,643,000	\$15,000,000	\$16,533,000	\$0	\$55,176,000
Reserve For Addtnl Non-SWP Water	\$59,086,400	\$22,433,000	\$0	\$0	\$81,519,400
Land Acquisition Reserve	\$5,000,000	\$0	\$0	\$0	\$5,000,000
Reserve For Operations	\$6,004,800	\$3,756,800	\$0	(\$2,047,700)	\$7,713,900
Reserve For Replacements	\$10,346,800	(\$5,638,740)	\$0	(\$16,660)	\$4,691,400
Regulatory Compliance Reserve	\$10,000,000	\$0	\$0	\$0	\$10,000,000
	\$209,098,000	\$35,551,060	\$29,566,000	(\$2,064,360)	\$272,150,700
Total Reserves - 6/30/25					(\$272,150,700)
Required for 2023/24 Carryover Items					(\$945,605)
2024-2025 Budget Balance					\$14,047,073
Unappropriated Fund Balance - 6/30/25					\$768

BUDGET SUMMARY

Total Operating Expense	\$29,372,437
Non-Operating Expense	\$0
Application of Committed Funds	\$1,342,650
Capital Additions	\$9,887,100
TOTAL BUDGET	\$40,602,187

DESERT WATER AGENCY

GENERAL FUND

2024 - 2025 Budget

Summary of Assessed Valuations and Resulting Tax Rates

Assessed Valuations

Secured	\$24,712,867,040
Unsecured	\$927,435,135

Total Estimated Assessed Valuations* **\$25,640,302,175**

Tax Rate

	<u>2023-2024</u>	<u>2024-2025</u>
Secured	\$0.08	\$0.07
Unsecured	\$0.10	\$0.08

Estimated Revenue from Property Taxes

Secured	\$17,002,000
Unsecured	\$742,000
SBE Unitary	\$17,706,000
RPTTF	\$1,921,000
County 1% General Purpose Allocation	\$1,748,000

TOTAL ESTIMATED PROPERTY TAXES

\$39,119,000

* Assessed values reflect a combined 2.87% delinquency and value adjustment factor for secured and unsecured valuations

DESERT WATER AGENCY

GENERAL FUND

2024 / 2025

Capital Improvements

PROJECT #	DESCRIPTION	ASSET ACCOUNT	ESTIMATED COST
Routine			
MISCELLANEOUS			
211034M	M.C. Recharge Facility Flow Meter - Augment	180180	\$575,000
24#####	Operations Center Generator Platform	180571	\$7,000
24#####	Operations Center Electrical Upgrades	180571	\$149,000
24#####	Operations Center Lobby Counter Remodel	180571	\$17,000
24#####	Operations Center Office Construction (3 offices)	180571	\$20,000
24#####	Operations Center HVAC VAV Upgrades	180571	\$39,000
24#####	Operations Center Gate Communication System	180640	\$9,000
24#####	Xerox Copier	180680	\$5,000
244099	Contingency - Other	VARIOUS	\$150,000
TOTAL MISCELLANEOUS			\$971,000
TOTAL CAPITAL IMPROVEMENTS 2024-2025			\$971,000

DESERT WATER AGENCY

GENERAL FUND

2024 / 2025 Budget

Reserve Policy Analysis

In June 2023, the Board of Directors revised the policy for Agency Reserves (Resolution No. 1302). Per section 5 of the policy, an annual review of the reserves will be presented during the annual budget presentation. Presented below is the reserve analysis:

State Water Contract Fund Reserve

Minimum reserve requirement is two and one half times prior year DWR Statement of Charges, not to exceed six times the total of such charges

2024 DWR Statement of Charges

Delta Capital	\$	2,054,898
Delta OMP&R	\$	2,905,874
Transportation Capital	\$	2,330,606
Transportation OMP&R	\$	9,629,433
Variable Entitlement	\$	11,203,742
Water System Revenue Bond	\$	1,520,531
Off Aqueduct	\$	166,360
Conservation Replacement	\$	-
East Branch Enlargement Capital	\$	1,010,022
East Branch Enlargement OMP&R	\$	606,254
Tehachapi Second Afterbay	\$	96,830

Total 2024 Statement of Charges

\$ 31,524,550

Minimum Reserve Requirement \$ 78,811,375

Maximum Allowable Reserve Balance \$ 189,147,300

2023 / 2024	Current Reserve Balance	\$	75,779,000
2024 / 2025	Reserve Adjustment *	\$	13,033,000
2024 / 2025	Reserve Balance	\$	88,812,000
2024 / 2025	Minimum Target Reserve Shortfall	\$	-
2024 / 2025	Maximum Reserve Shortfall	\$	(100,335,300)

* Proposed \$13,033,000 addition to the Reserve for Additional SWP Water in Fiscal Year 2024 / 2025

2024 / 2025 STATE WATER CONTRACT RESERVE \$ 88,812,000

DESERT WATER AGENCY

GENERAL FUND

2024 / 2025 Budget

Reserve Policy Analysis

Reserve for Delta Conveyance Facilities

Minimum reserve requirement is two and one half times annual charges, not to exceed six times the total of such charges. The 10-year average from the most recent project cost projections and payment timeline have been used to establish the average annual charge.

10 Year DWR Cost projection		\$	43,424,000
Average Annual Charge		\$	4,342,400
<i>Minimum Reserve Requirement</i>		\$	10,856,000
<i>Maximum Allowable Reserve Balance</i>		\$	26,054,400
2023 / 2024	Current Reserve Balance	\$	19,238,000
2024 / 2025	Reserve Adjustment *	\$	-
2024 / 2025	Reserve Balance	\$	19,238,000
2024 / 2025	Minimum Target Reserve Shortfall	\$	-
2024 / 2025	Maximum Reserve Shortfall	\$	(6,816,400)

* No proposed adjustment to the Reserve for Delta Conveyance Facilities in Fiscal Year 2024 / 2025

2024 / 2025	RESERVE FOR DELTA CONVEYANCE	\$	19,238,000
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DESERT WATER AGENCY

GENERAL FUND

2024 / 2025 Budget

Reserve Policy Analysis

Reserve for SWP Additional Water

The minimum reserve requirement should be greater than the prior year DWR Invoices, not to exceed five times the total of such charges

2024 DWR Statement of Charges

Delta Capital	\$	2,054,898
Delta OMP&R	\$	2,905,874
Transportation Capital	\$	2,330,606
Transportation OMP&R	\$	9,629,433
Variable Entitlement	\$	11,203,742
Water System Revenue Bond	\$	1,520,531
Off Aqueduct	\$	166,360
Conservation Replacement	\$	-
East Branch Enlargement Capital	\$	1,010,022
East Branch Enlargement OMP&R	\$	606,254
Tehachapi Second Afterbay	\$	96,830
Total 2024 Statement of Charges	\$	31,524,550

Minimum Reserve Requirement \$ 31,524,550

Maximum Allowable Reserve Balance \$ 157,622,750

2023 / 2024	Current Reserve Balance	\$	38,643,000
2024 / 2025	Reserve Adjustment *	\$	16,533,000
2024 / 2025	Reserve Balance	\$	55,176,000
2024 / 2025	Minimum Target Reserve Shortfall	\$	-
2024 / 2025	Maximum Reserve Shortfall	\$	(102,446,750)

* Proposed \$16,533,000 addition to the Reserve for Additional SWP Water in Fiscal Year 2024 / 2025

2024 / 2025 RESERVE FOR ADDITIONAL SWP WATER \$ 55,176,000

DESERT WATER AGENCY

GENERAL FUND

2024 / 2025 Budget

Reserve Policy Analysis

Reserve for Non-SWP Additional Water

The minimum reserve requirement should be greater than the prior year DWR Invoices, not to exceed five times the total of such charges. The DWR Invoices are utilized for setting the reserve target levels for Non-SWP Additional Water to establish the magnitude of costs associated with purchasing additional non State Water Project water.

2024 DWR Statement of Charges

Delta Capital	\$	2,054,898
Delta OMP&R	\$	2,905,874
Transportation Capital	\$	2,330,606
Transportation OMP&R	\$	9,629,433
Variable Entitlement	\$	11,203,742
Water System Revenue Bond	\$	1,520,531
Off Aqueduct	\$	166,360
Conservation Replacement	\$	-
East Branch Enlargement Capital	\$	1,010,022
East Branch Enlargement OMP&R	\$	606,254
Tehachapi Second Afterbay	\$	96,830
Total 2024 Statement of Charges	\$	31,524,550

<i>Minimum Reserve Requirement</i>	\$	31,524,550
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<i>Maximum Allowable Reserve Balance</i>	\$	157,622,750
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2023 / 2024	Current Reserve Balance	\$	81,519,400
2024 / 2025	Reserve Adjustment *	\$	-
2024 / 2025	Reserve Balance	\$	81,519,400
2024 / 2025	Minimum Target Reserve Shortfall	\$	-
2024 / 2025	Maximum Reserve Shortfall	\$	(76,103,350)

* No proposed adjustment to the Reserve for Additional Non-SWP Water in Fiscal Year 2024 / 2025

2024 / 2025	RESERVE FOR ADDTINL NON-SWP WATER	\$	81,519,400
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DESERT WATER AGENCY

GENERAL FUND

2024 / 2025 Budget

Reserve Policy Analysis

Reserve for Land Acquisitions

Reserve shall not exceed \$5,000,000

	<i>Maximum Reserve Balance</i>	\$	5,000,000
2023 / 2024	Current Reserve Balance	\$	5,000,000
2024 / 2025	Reserve Adjustment *	\$	-
2024 / 2025	Reserve Balance	\$	5,000,000
2024 / 2025	Maximum Reserve Shortfall	\$	-

* No proposed adjustment to the Reserve for Land Acquisition in 2024 / 2025, reserve is at maximum allowable balance.

2024 / 2025	RESERVE FOR LAND ACQUISITIONS	\$	5,000,000
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Reserve for Operations

Reserve should be equal to 6-months to 1 year of operations

	2024 / 2025 Cost of Operations	\$	30,213,737
Less: 2024 / 2025	State Water Project Expense	\$	(22,499,800)
	Net Cost of Operations	\$	7,713,937
	<i>Minimum Reserve Requirement</i>	\$	3,856,969
	<i>Maximum Allowable Reserve Balance</i>	\$	7,713,937
2023 / 2024	Current Reserve Balance	\$	9,761,600
2024 / 2025	Reserve Adjustment *	\$	(2,047,700)
2024 / 2025	Reserve Balance	\$	7,713,900
2024 / 2025	Minimum Target Reserve Shortfall	\$	-
2024 / 2025	Maximum Reserve Shortfall	\$	-

* Proposed \$2,047,700 reduction to the Reserve for Operations in Fiscal Year 2024 / 2025

2024 / 2025	RESERVE FOR OPERATIONS	\$	7,713,900
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DESERT WATER AGENCY

GENERAL FUND

2024 / 2025 Budget

Reserve Policy Analysis

Reserve for Replacements

Reserve should be equal to at least 6% of Agency infrastructure and not to exceed 10% of fixed assets (excluding State Water Project Capital)

Agency Infrastructure at 6/30/2023	\$	179,623,265
Less: SWP - Transportation	\$	(74,132,137)
SWP - Delta	\$	(22,081,538)
SWP - East Branch Enlargement	\$	(27,251,674)
SWP - Water System Rev Bond	\$	(9,143,658)
SWP - Advance Water Deliveries	\$	(69,273)
SWP - Tehachapi Second Afterbay	\$	(31,081)
Net Accumulated Depreciation	\$	46,913,904
<i>Minimum Reserve Balance</i>	\$	2,814,834
<i>Maximum Reserve Balance</i>	\$	4,691,390
2023 / 2024 Current Reserve Balance	\$	4,708,060
2024 / 2025 Reserve Adjustment *	\$	(16,660)
2024 / 2025 Reserve Balance	\$	4,691,400
2024 / 2025 Minimum Reserve Shortfall	\$	-
2024 / 2025 Maximum Reserve Shortfall	\$	-

* Proposed \$16,600 reduction to the Reserve for Replacements in Fiscal Year 2024 / 2025

2024 / 2025	RESERVE FOR REPLACEMENTS	\$	4,691,400
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DESERT WATER AGENCY

GENERAL FUND

2024 / 2025 Budget

Reserve Policy Analysis

Reserve for Regulatory Compliance

Reserve shall not exceed \$10,000,000

	<i>Maximum Reserve Balance</i>	\$	10,000,000
2023 / 2024	Current Reserve Balance	\$	10,000,000
2024 / 2025	Reserve Adjustment *	\$	-
2024 / 2025	Reserve Balance	\$	10,000,000
2024 / 2025	Maximum Reserve Shortfall	\$	-

* No proposed adjustment to the Reserve for Regulatory Compliance in 2024 / 2025, reserve is at maximum allowable balance.

2024 / 2025	RESERVE FOR REGULATORY COMPLIANCE	\$	10,000,000
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Reserve Policy Summary

**	2024 / 2025	Minimum Reserve Requirement	\$	174,388,278 *
**	2024 / 2025	Maximum Reserve Requirement	\$	557,852,527
	2024 / 2025	Projected Total Reserves	\$	272,150,700
	2024 / 2025	Projected Minimum Reserve Shortfall	\$	-
	2024 / 2025	Projected Maximum Reserve Shortfall	\$	(285,701,827)

* Where no minimum reserve balance is established, the maximum reserve balance is used

** Reserve Policy and Reserve Requirements (Resolution No. 1302)



DESERT WATER AGENCY
Wastewater Fund Budget
2024 / 2025



DESERT WATER AGENCY

WASTEWATER FUND

2024-2025 Budget with Prior Year Comparison

	ACTUAL 2022-2023	ACTUAL TO 3/31/2024	BUDGET 2023-2024	BUDGET 2024-2025	increase / (Decrease)
<u>OPERATING REVENUES</u>					
Wastewater Service	\$1,152,400	\$851,879	\$1,299,600	\$1,423,200	\$123,600
Plan Check Fees/Inspection/Srvs	\$0	\$8,980	\$1,160	\$0	(\$1,160)
TOTAL OPERATING REVENUES	\$1,152,400	\$860,859	\$1,300,760	\$1,423,200	\$122,440
<u>OPERATING EXPENSES</u>					
MAINTENANCE & OPERATIONS					
Maintenance of Pumps	\$43	\$77,386	\$3,600	\$2,550	(\$1,050)
Maintenance of Laterals	\$12,041	\$15,212	\$7,200	\$18,500	\$11,300
Maintenance of Lift Stations	\$104,262	\$92,639	\$92,400	\$171,750	\$79,350
Maintenance of Mains	\$118,867	\$41,818	\$142,800	\$155,000	\$12,200
Transportation Expense	\$23,785	\$4,052	\$6,000	\$26,400	\$20,400
Tools & Work Equipment	\$54	\$131	\$6,000	\$0	(\$6,000)
Other Maint & Operations	\$0	\$0	\$2,400	\$0	(\$2,400)
TOTAL MAINT & OPERATIONS EXP	\$259,053	\$231,237	\$260,400	\$374,200	\$113,800
WASTEWATER TREATMENT SERVICE EXPENSE					
Coachella Valley Water District	\$749,212	\$661,129	\$890,400	\$961,200	\$70,800
City of Palm Springs	\$110,253	\$82,729	\$111,600	\$112,800	\$1,200
TOTAL WW TREATMENT SRVS EXP	\$859,465	\$743,858	\$1,002,000	\$1,074,000	\$72,000
ADMINISTRATIVE & GENERAL EXPENSE					
General Office Supplies & Expense	\$443	\$1,080	\$1,200	\$3,200	\$2,000
Utilities	\$15,589	\$10,920	\$27,600	\$1,200	(\$26,400)
Legal Services	\$2,995	\$783	\$6,000	\$6,000	\$0
Professional Consulting Services	\$1,155	\$2,126	\$2,400	\$2,500	\$100
Engineering Services	\$0	\$0	\$3,600	\$3,600	\$0
Insurance & Claims	\$14,837	\$17,518	\$19,200	\$22,800	\$3,600
Information Technology	\$510	\$0	\$2,400	\$2,400	\$0
Communications Equipment	\$0	\$0	\$2,400	\$3,000	\$600
Misc Admin & General Exp	\$792	\$799	\$850	\$850	\$0
TOTAL ADMIN & GEN EXP	\$36,322	\$33,226	\$65,650	\$45,550	(\$20,100)
OTHER OPERATING EXPENSE					
Regulatory Expense	\$0	\$0	\$0	\$0	\$0
Uncollectible Accounts	\$0	\$0	\$0	\$0	\$0
Exp App to Prior Years	\$0	\$0	\$0	\$0	\$0
Depreciation	\$578,598	\$0	\$585,600	\$588,000	\$2,400
Other Misc Operating Expense	\$91	\$0	\$0	\$0	\$0
TOTAL OTHER OPERATING EXPENSE	\$578,689	\$0	\$585,600	\$588,000	\$2,400
TOTAL OPERATING EXPENSES	\$1,733,530	\$1,008,321	\$1,913,650	\$2,081,750	\$168,100
NET INCOME FROM OPER.	(\$581,130)	(\$147,461)	(\$612,890)	(\$658,550)	(\$45,660)

DESERT WATER AGENCY

WASTEWATER FUND

2024-2025 Budget with Prior Year Comparison

	ACTUAL 2022-2023	ACTUAL TO 3/31/2024	BUDGET 2023-2024	BUDGET 2024-2025	Increase / (Decrease)
<u>NON-OPERATING REVENUES</u>					
Interest Short Term	\$34,915	\$47,346	\$48,000	\$61,200	\$13,200
Contributed Revenue - Customer	\$161,962	\$0	\$0	\$0	\$0
Capacity Charges	\$3,421	\$37,414	\$4,800	\$13,200	\$8,400
Other Misc Income/(Expense)	\$0	\$0	\$0	\$0	\$0
TOTAL NON-OPR. REVENUE	\$200,298	\$84,760	\$52,800	\$74,400	\$21,600
<u>NON-OPERATING EXPENSES</u>					
Loss on Retirement	\$0	\$0	\$0	\$0	\$0
TOTAL NON-OPR. EXPENSE	\$0	\$0	\$0	\$0	\$0
TOTAL NET INCOME/(LOSS)	(\$380,832)	(\$62,701)	(\$560,090)	(\$584,150)	(\$24,060)
<u>APPLICATION OF COMMIT. FUNDS</u>					
Principal - General Fund Loan	\$0	\$0	\$0	\$0	\$0
Principal - Operating Fund Loan	\$0	\$0	\$0	\$0	\$0
TOTAL COMM. FUNDS	\$0	\$0	\$0	\$0	\$0
Balance Remaining	(\$380,832)	(\$62,701)	(\$560,090)	(\$584,150)	(\$24,060)
Add Back Depreciation Exp.	\$578,598	\$0	\$585,600	\$588,000	\$2,400
Funds Avail. Capital Add.	\$197,767	(\$62,701)	\$25,510	\$3,850	(\$21,660)
<u>LESS CAPITAL ADDITIONS</u>					
Routine Capital Improvements			\$15,000	\$15,000	\$0
TOTAL CAPITAL ADDITIONS			\$15,000	\$15,000	\$0
BALANCE			\$10,510	(\$11,150)	(\$21,660)
TOTAL BUDGET			\$600,600	\$603,000	\$2,400
<u>ESTIMATED RESERVE FUND BALANCE</u>					
Estimated Reserve Fund Balance 6/30/24			\$1,787,000		
2024-2025 Budget Balance			(\$11,150)		
Required for 2023/24 Carryover Items			(\$161,530)		
Estimated Reserve Fund Balance 6/30/25			<u>\$1,614,320</u>		
<u>BUDGET SUMMARY</u>					
Total Operating Expenses			\$588,000		
Total Non-operating Expenses			\$0		
Application of Committed Funds			\$0		
Capital Additions			\$15,000		
TOTAL BUDGET			\$603,000		

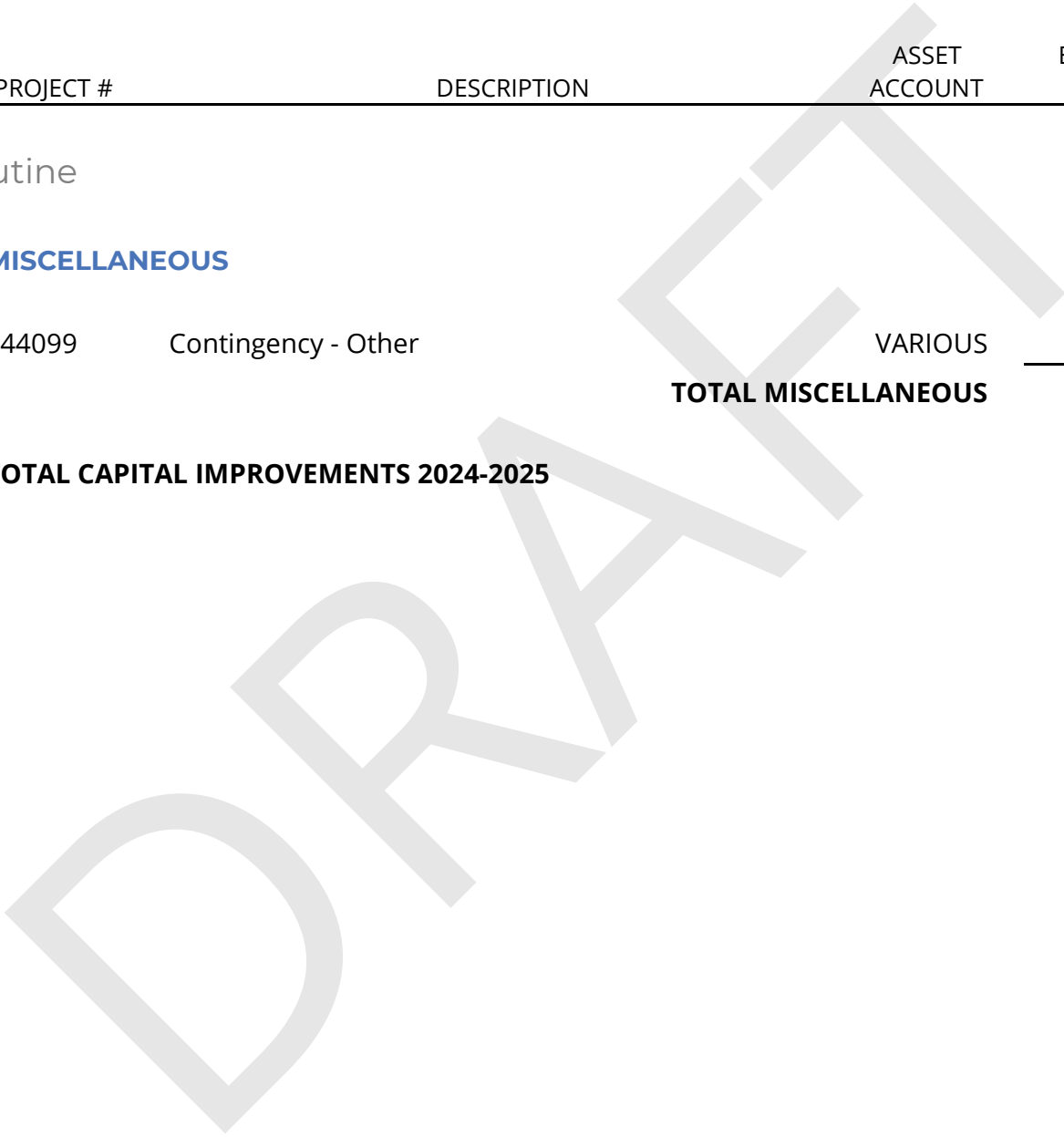
DESERT WATER AGENCY

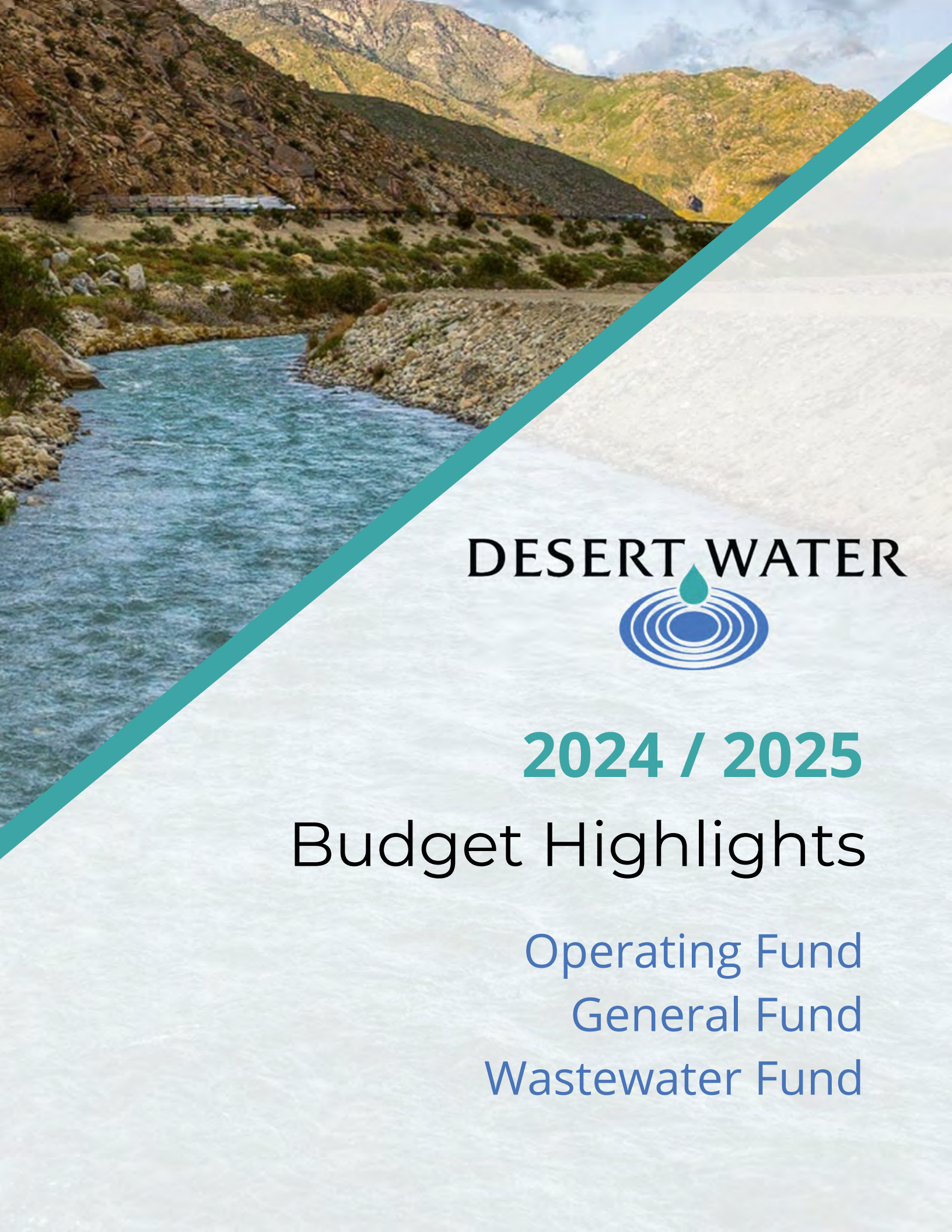
WASTEWATER FUND

2024 / 2025

Capital Improvements

PROJECT #	DESCRIPTION	ASSET ACCOUNT	ESTIMATED COST
Routine			
MISCELLANEOUS			
244099	Contingency - Other	VARIOUS	\$15,000
TOTAL MISCELLANEOUS			\$15,000
TOTAL CAPITAL IMPROVEMENTS 2024-2025			\$15,000





DESERT WATER



2024 / 2025

Budget Highlights

Operating Fund

General Fund

Wastewater Fund

DESERT WATER AGENCY

2024 / 2025

Budget Highlights

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Fiscal 2024 / 2025 Budget Highlights

Operating Fund

Revenues

Operating Revenues

Water Revenue – Water Sales

The Water Sales budget of \$41,227,000 reflects a decrease in water sales revenue of \$1.9 million (-4.3%). Conservation efforts have resulted in sustained decreases in water consumption resulting in a negative impact to water sales revenue. The projected revenues incorporate an increase in the commodity rate from \$2.44/hcf to \$2.59/hcf effective January 1, 2025 (+6.15%). This 6-month rate increase will result in increased revenues of \$685,000 as compared to no rate increase.

Monthly water service charges (fixed monthly meter charge) are proposed to increase effective January 1, 2025 (+6.25%). The 6-month increase will result in increased revenues of \$324,000, which are included in the total Water Sales Revenue.

The budget includes an annual average of 23,532 active meters, with an average consumption of 530 hcf per meter.

The proposed rate increase, effective January 1, 2025, will be the second of five in the current 5-year rate increase plan.

Water Revenue - Recycled Water Sales

Proposed rate increase from \$0.65/hcf to \$0.70/hcf, effective July 1, 2024, according to the 5-year approved rate increase plan. This rate increase will result in an additional \$39,000 (+3.9%) in recycled water revenue.

Water Revenue Summary

Overall, Water Sales and Recycled Water Sales revenues decreased \$1,814,000 (-4.12%) as compared to the 2024/2025 budget.

Other Operating Revenue

Back-up Facility Charges

Back-up Facility Charge Revenue reflects a decrease of \$146,000 (-16.0%) from the 2023/2024 budget. This decrease is attributed to the decrease in new developments applying for new water service connections.

Other Operating Revenue Summary

Overall, Other Operating Revenues decreased \$45,800 (-1.8%) as compared to the 2023/2024 budget.

TOTAL OPERATING REVENUES

Total Operating Revenues reflect a \$1,859,800 (-4.0%) decrease as compared to the 2023/2024 budget.

Expenses

Source of Supply

Maintenance of Roads & Reservoir Security

The Maintenance of Roads and Reservoir Security increased \$402,000 (+140.0%) is attributed to a one-time extraordinary expense for the repair of the Falls Creek low water crossing.

Water Replenishment

The Water Replenishment expense budget reflects a \$199,000 (+3.2%) increase from 2023/2024. The budget is based on projected Operating Fund water sales for 2024/2025 adjusted for anticipated system water losses based on historical production vs water sold factor. The budget reflects the proposed Replenishment Assessment Charge of \$215/AF, an increase of \$20/AF.

Source of Supply Summary

Overall, total Source of Supply expense reflects an increase of \$527,200 (+7.5%) as compared to the 2023/2024 budget.

Pumping Expense

Maintenance of Pumping Equipment

The maintenance of pumping equipment reflects a decrease of \$432,000 (-46.2%). This decrease is attributed to well electrical control replacements and Well #38 pump inspection that were included in the 2023/2024 budget as one-time extraordinary expenses.

Power Purchases

The pumping power purchase expense reflects an increase of \$498,000 (+11.3%). This increase is based on historical power use and anticipated rate increases by Southern California Edison.

Miscellaneous Pumping Expense & Care of Grounds

The Miscellaneous Pumping Expense and Care of Grounds reflects an increase of \$137,000 mainly attributable to a one-time extraordinary expense for a manual electrical switch installation project and an increase of well site landscaping maintenance efforts.

Pumping Expense Summary

Overall, total Pumping Expense, reflects an increase of \$240,000 (+4.2%) as compared to the 2023/2024 budget.

Regulatory Water Treatment Expense

Chemicals & Filtering Material

The Chemicals & Filtering Material expense reflects an increase of \$125,000 (+31.3%) attributed to the chemicals to supply the new chlorine injection stations added to the system and increased supply costs due to inflation and supply chain issues.

Regulatory Water Treatment Expense Summary

Overall, the total Regulatory Water Treatment expense reflects an increase of \$181,000 (+17.2%) as compared to the 2023/2024 budget.

Transmission & Distribution

Maintenance of Reservoirs

The Maintenance of Reservoirs expense reflects an increase of \$538,000 mainly attributed to the extraordinary expenses for inspecting various reservoirs and recoating of the Snow Creek Village reservoir totaling \$525,000.

Maintenance of Mains

The Maintenance of mains expense reflects a decrease of \$455,000 (-26.0%) from the 2023/2024 budget. In the 2023/2024 budget were several, one-time, extraordinary expense projects totaling \$424,000 attributing to the decrease in the 2024/2025 budget as compared to the prior year.

Maintenance of Whitewater Mutual Water Company

The Maintenance of Whitewater Mutual Water Company reflects a decrease of \$276,000 (-86.9%) attributable to the Whitewater headworks repair budgeted for in 2023/2024. Due to Storm Hillary, the remaining Whitewater headworks facilities were destroyed. This shallow water well is planned to be re-drilled in 2025/2026 and will be budgeted as a capital item.

Transmission & Distribution Summary

Overall, the Transmission & Distribution expense reflects a decrease of \$241,000 (-5.4%) in expenses as compared to the 2023/2024 budget.

Customer Account Expense

Customer Account Expense Summary

Overall, Customer Account expense reflects an increase of \$15,000 (+1.2%) as compared to the 2023/2024 budget.

General & Administrative Expense

Health Care Benefits

The Health Care Benefit expense increased \$349,000 (+20.2%) attributed to additional staff positions and projected rate increases by ACWA JPIA.

Paid Time Off

The Paid Time Off expense reflects an increase of \$287,000 (+18.2%) attributable to the increased time off benefits provided in the MOU with the DWA Employees' Association. The Attendance Bonus Plan time off increased from 80 to 96 hours per year.

Pension

The Pension expense reflects an increase of \$796,000 (+27.5%) as compared to 2023/2024. This increase includes a 4.8% COLA adjustment to payroll, a slight increase in employer contribution rate, and an increase of \$764,000 (+70%) in required Unfunded Accrued Liability payments as compared to 2023/2024 (\$1.7 million Operating Fund & \$0.2 million General Fund) and an additional \$1 million additional discretionary payment (\$0.9 million Operating Fund & \$0.1 million General Fund).

For employees hired prior to 2013 (Classic), the employer contribution increased from 14.92% to 14.99%. For employees hired after January 1, 2013 (PEPRA), the employer contribution rate increased from 8.00% to 8.18%.

The Agency's CalPERS pension plan is currently underfunded. The Agency makes annual required payments in order to pay down this Unfunded Accrued Liability (UAL). For fiscal year 2024/2025, the annual required UAL payment is \$1.9 million dollars.

Beginning with the 2018/2019 fiscal year, the Agency began contributing an additional \$1 million dollars to the Agency's UAL in order to accelerate the pay down of this unfunded liability. To date, the Agency has contributed an additional \$6 million in additional discretionary UAL payments, saving the Agency approximately \$8.7 million in interest payments.

OPEB Interest

The OPEB Interest expense has increased \$438,000 (+50.3%) as compared to the 2023/2024 budget. This increase is attributed to the retiree medical insurance benefits provided to employees hired after May 1, 2007. This is a non-cash expense and does not impact cash flow but is a required financial entry when a retirement benefit plan is unfunded. The Agency pays these expenses as they occur rather than setting the full value of the plan aside in an irrevocable trust.

Water Conservation – Grass Removal

The Water Conservation – Grass Removal expense decreased \$1,315,000 (-71.3%). This decrease is attributed to scaling back the turf buyback program from 2023/2024 due to decreased water revenue as a result of increased conservation. For 2024/2025, the grass removal program funded by the Operating Fund is \$531,000. 50% of the Agency’s turf buyback program is funded by the General Fund the remaining 50% by the Operating Fund.

General & Administrative Expense Summary

Overall, the General & Administrative expense increased \$702,000 (4.4%) as compared to the 2023/2024 budget.

Regulatory Expenses

Regulatory Expenses Summary

Overall, the Regulatory Expenses decreased \$130,000 (+26.8%) mainly attributed to increased training efforts, County and State fees.

Snow Creek Hydro Expense

Snow Creek Hydro Expense Summary

Overall, the Snow Creek Hydro Expense decreased \$34,000 (-44.6%) for the Snow Creek/Falls Creek Hydro modernization project that was included in the 2023/2024 budget as a one-time, extraordinary expense.

Recycled Water Plant Expense

Recycled Water Plant Expense Summary

Overall, the Recycled Water Plant Expense decreased \$17,000 (-0.7%) as compared to the 2023/2024 budget.

TOTAL EXPENSES

Total Expenses reflect an increase of \$1,393,880,000 (+3.1%) as compared to the 2023/2024 budget.

2024/2025 Expense Budget	\$46,823,360
2023/2024 Expense Budget	\$45,429,480

Capital Additions

The 2024/2025 Capital Budget reflects a \$5.1 million decrease as compared to the 2023/2024 Capital Budget for a total of \$12,699,000.

The Agency continues to place emphasis on critical, operational infrastructure, such as pipelines, service replacements, and transportation equipment in order to adhere to AQMD 1196.

Major 2023/2024 Capital Budget Requests

\$5,800,000	Pipeline Replacements
\$2,000,000	Recycled Water Plant Effluent Reservoir Roof Reconstruction - <i>Augment</i>
\$1,000,000	Sunrise Park Recycled Water Pipeline
\$707,000	Vehicle Replacements

Carry-Over Capital Additions

There is \$30,985,000 in prior year carry-over capital additions. These are capital projects approved by the Board in previous fiscal years and projects funded by customers that have not yet been completed yet. Major DWA projects included in the carry-over amount in the 2024/2025 budget are:

\$729,000	Project # 181061016	2018/2019 Main Replacements
\$3,308,000	Project # 201060030	30" Pipeline Replacement Avenida Caballeros
\$3,457,000	Project # 201078M00	Accounting Software / ERP System
\$3,611,000	Project # 211011008	2021/2022 8" Main Replacements
\$3,977,000	Project # 211012020	2021/2022 20" Main Replacements
\$1,341,000	Project # 211014W44	Pumping Plant - Well # 44
\$4,420,000	Project # 221063008	2024 Winter Pipeline Replacement Design
\$1,647,000	Project # 221067D00	Palm Oasis Well
\$3,600,000	Project # 231012R00	Recycled Water Plant Effluent Reservoir Roof Reconst.
\$1,201,000	Project # 231025M00	Fixed Network

Reserves

A reduction of \$1,092,500 is proposed for the 2024/2025 Reserve for Operations in order to meet revenue requirements for the 2024/2025 proposed expense and capital improvement budget.

A copy of the Reserve Policy – Resolution No. 1302 is attached to these Budget Highlights

Fiscal 2023 / 2024 Budget Highlights

General Fund

Revenues

Operating Revenues

Replenishment Assessments

The Replenishment Assessment Charge (RAC) revenue reflects an increase of \$337,000 (+4.1%) as compared to the 2023/2024 budget. This increase is mainly attributed to the proposed RAC rate increase from \$195/AF to \$215/AF.

Groundwater Replenishment revenue is based on Krieger & Stewart's estimated production in the Whitewater and Mission Creek Subbasins for private pumpers and projected DWA production for delivery to customers within the domestic water system (Operating Fund).

Operating Revenues Summary

The overall Operating Revenues reflect an increase of \$341,000 (+4.1%) as compared to the 2023/2024 budget.

Non-Operating Revenues

Property Tax

Property Tax Revenue projections are based on a reduced Secured Assessment tax rate of \$0.07 / \$100 AV in 2024/2025 as compared to \$0.08 in 2023/2024. The Agency's Assessed Valuation increased by \$2.7 billion (+11.7%). Property tax revenues decreased by \$1.2 million (-8.3%) as compared to the 2023/2024 budget.

Long-term SWP Tax rate projections have been prepared through 2035. Given the updated assessed valuations and planned SWP expenditures, a reduction to the SWP Tax Rate to \$0.07/\$100 A.V. will provide the funding necessary to meet the Agency's tax revenue requirements.

Interest – Invested Reserves

Invested Reserve Interest revenue reflects an increase of \$1.7 million (+45.9%) as compared to 2023/2024. This increase is attributed to the increase in bond interest rates as compared to 2023/2022.

Non-Operating Revenue Summary

Overall, the Non-Operating Revenues reflect an increase of \$393,000 (+0.9%) as compared to the 2023/2024 budget.

TOTAL REVENUES

Total General Fund Revenues reflect an increase of \$734,000 or 1.4% as compared to the 2023/2024 budget.

Expenses

Source of Supply

Mission Creek Basin Management

Mission Creek Basin Management expenses are estimated to be \$522,000 for 2024/2025 for DWA's share of maintenance costs per agreement with CVWD. This expense includes the costs associated with grading of the ponds for increased percolation rates.

Water Banking - Metropolitan

The Water Banking – Metropolitan expense budget decreased \$1,166,000 (-100%) as compared to 2023/2024. In years where the State Water Project allocation is greater than 50%, DWA pays a portion of Metropolitan Water District's average long-term costs to store water in Metropolitan's SWP groundwater storage program. DWA's Table A allocation is currently 40% for the upcoming water year as compared to 100% the prior year. DWA will not incur this cost in 2024/2025.

Source of Supply Summary

Overall, Source of Supply expense decreased \$1,247,000 (-41.0%) as compared to the 2023/2024 budget.

State Water Project Expense

All State Water Project budgeted costs are based on the actual 2024 Department of Water Resources (DWR) invoices for July through December 2024, and per DWR Bulletin 132-23 Appendix B for January through June 2025.

Transportation OMP&R

The Transportation OMP&R expense increased \$1,936,000 (+6.0%) as compared to the 2023/2024 budget.

Variable OMP&R

State Water Project Variable OMP&R expenses decreased \$2,096,000 as compared to the 2023/2024 budget. This is due to the decrease allocation for deliveries to 40% from 100% the prior year.

Water Purchases

There is the potential to purchase a small amount of Yuba water in 2024/2025. \$100,000 has been included in the budget for this purpose. Additional water purchases through the State Water Project are only available in years when the available water will be able to be transported (Yuba, Article 21, multi-year and Pool A).

State Water Project Expense Summary

Overall, the State Water Project (SWP) expense increased \$438,600 or 2.1% as compared to the 2023/2024 budget.

Whitewater Hydro Expense

Whitewater Hydro Expense Summary

Overall, Whitewater Hydro Expense increased \$70,000 (+32.9%) as compared to the 2023/2024 mainly attributed to mechanical inspection and maintenance.

Administrative & General Expense

Legal

General Legal expense reflects a decrease of \$144,000 (-23.5%) as compared to the 2023/2024 budget based on historical experience. This does not include legal expenses associated for cases related to source of supply.

Water Conservation – Grass Removal

Water Conservation – Grass Removal reflects a decrease of \$1,315,000 (-71.3%) primarily attributed to scaling back the turf buyback program from 2023/2024 due to decreased water revenue as a result of increased conservation. For 2024/2025, the grass removal program funded by the General Fund is \$531,000. 50% of the Agency's turf buyback program is funded by the General Fund the remaining 50% by the Operating Fund.

Administrative & General Expense Summary

Overall, the Administrative & General Expense decreased \$1,336,000 (-24.6%) as compared to the 2023/2024 budget.

TOTAL EXPENSES

Total Expenses decreased \$1,659,000 (-5.3%) as compared to the 2023/2024 budget.

2024/2025 Expense Budget	\$29,372,437
2023/2024 Expense Budget	\$31,031,100

Application of Committed Funds

Bond Service

Bond Service reflects a \$1,343,000 payment for the 2016 bond refinance, which reflects over a \$301,000 savings in 2023/2024 and a realized cumulative savings of \$2.7 million as a result of refinancing the 2007 bond issuance in 2016. Projected refinance savings are \$6.3 million.

Capital Additions

The Capital Additions budget for 2024/2025 reflect an increase of \$992,000 (+9.6%) as compared to the 2023/2024 budget.

2023/2024 Major Capital Budget Requests

\$8,031,100	State Water Project
\$335,000	Sites Reservoir Project
\$550,000	Lake Perris Seepage Recovery Project
\$575,000	Mission Creek Recharge Facility Flow Meter - <i>Augment</i>

Carry-Over Capital Additions

There is \$946,000 in prior year, carry-over capital additions. These are capital projects approved by the Board in previous fiscal years that have not yet been completed. Major projects included in the carry-over amount in the 2024/2025 budget are:

\$450,000	WO # 19-161-M	Chino West Canyon Filtration Plant
\$119,000	WO # 21-134-M	Mission Creek Recharge Basin Flow Meters
\$159,000	WO # 22-187-M	Operations Center Mezzanine Remodel

Reserves

The 2024/2025 budget includes a proposed addition of \$27,501,640 to General Fund Reserves. The proposed additions to the State Water Contract Fund and Reserve for Additional SWP Water with reductions to the Reserve for Operations and Reserve for Replacements to remain within reserve policy parameters.

The funds available to add to reserves are attributed to additional tax revenue received in excess of estimated revenues, investment revenue in excess of estimates and actual expenses in 2023/2024 less than anticipated expenses. The excess tax revenues have been included in forecasting future tax rate revenue needs and in setting the tax rate for the upcoming fiscal year.

A copy of the Reserve Policy – Resolution No. 1302 is attached to these Budget Highlights

Fiscal 2023 / 2024 Budget Highlights

Wastewater Fund

Revenues

Operating Revenues

Wastewater Service

Wastewater Service revenues increased \$124,000 (+8.7%) primarily attributed to CVWD's rate increase collected by the Agency and remitted to CVWD as a pass through and proposed increase in DWA's sewer rates. The proposed increase from \$7.31 to \$7.66 per EDU has been included in the wastewater service revenues and will be effective on January 1, 2025 if adopted.

Operating Revenues Summary

Overall, Operating Revenues increased \$122,000 (+8.6%) as compared to the 2023/2024 Budget.

Expenses

Maintenance & Operations

Maintenance & Operations Summary

The total Maintenance & Operations expense reflects an increase of \$114,000 (+43.7%) mainly attributed to the Maintenance of Lift Stations expense which includes a one-time, extraordinary expense item to relocate a lift station air vac.

Wastewater Treatment Service

CVWD Wastewater Treatment Service Expense

The CVWD Wastewater Service Expense for 2024/2025 is estimated at \$961,000, which reflects monthly service charge of \$29.48 per Equivalent Dwelling Unit (EDU), an increase from \$27.10/EDU in 2023/2024. This rate increase resulted in an increase in CVWD projected expenses for 2024/2025 by \$71,000 (+7.9%). These are pass through charges collected by DWA and remitted to Coachella Valley Water District.

City of Palm Springs Wastewater Service

City of Palm Springs Wastewater Service expense for 2024/2025 is estimated at \$113,000 which reflects a monthly service charge of \$20 per EDU and a Fixture Unit (FU) charge of \$1.98/FU. These are pass through charges collected by DWA and remitted to the City of Palm Springs. There is no planned increase by the City of Palm Springs for 2024/2025.

Operating Expense Summary

Overall, Operating Expenses increased \$168,100 or 8.8% increase as compared to the 2023/2024 budget.

2024/2025 Expense Budget	\$2,081,750
2023/2024 Expense Budget	\$1,913,650

Capital Additions

The Capital Additions budget for 2024/2025 reflects no change as compared to the 2023/2024 budget.

2024/2025 Capital Budget Requests

\$15,000 Contingency

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

JUNE 4, 2024

RE: BOARD OF DIRECTORS' FEE EVALUATION

On August 1, 2023, the Board adopted Ordinance No. 76 amending Section 1 of Ordinance No. 64 Establishing Compensation for Each Day of Service by Directors. This amendment fixed compensation at \$406.12 for each day of service until subsequently revised by ordinance.

Beginning in May 2020 and each year thereafter, Staff performs a Board Compensation and Benefits Survey and presents it to the Finance Committee in conjunction with the preparation of the budget. The Finance Committee makes a recommendation as to whether the item should be brought to the full Board for discussion and consideration of any increase.

At its May 23, 2024 meeting, the Finance Committee reviewed the Board Compensation and Benefits Survey. The Committee has not made a recommendation as to whether they would like to propose an increase in the fee received for each day of service. However, they requested the survey be provided to the full Board for discussion to determine whether to proceed with a public hearing to adopt a new ordinance.

Survey Results:

According to the Board Compensation & Benefits Survey, the Agency's Other Benefits match the level of benefits as a majority of the entities surveyed, where Board Directors are provided the same benefits as employees.

The Agency's Board Directors' fee, as compared to surveyed Water Districts, ranges from \$148.12 (57%) to \$217.57 (115%) more per day of service.

Rate Increase Discussion:

According to California Water Code Section 20202, “the increase may not exceed an amount equal to five percent (5%), for each calendar year following the operative date of the last adjustment”.

While the Finance Committee did not make a recommendation to increase the rate of pay received by Board Directors for each day of service, they did indicate the adjustment, if any, should be in line with Consumer Price Index amount of 4.8% provided to employees for the upcoming 2024/2025 fiscal year even though Government Code would allow for 5% per calendar year since the last adjustment.

Current Rate	\$406.12
4.8% Increase	<u>19.49</u>
Total Rate	\$425.61

Fiscal Impact:

The potential fiscal impact of a 4.8% increase would be approximately \$10,400, increasing the projected Agency Wide Directors’ Fee Expense from \$216,000 to \$226,400.

Legal Review:

Legal Counsel has reviewed this report.

If the Board of Directors pursue a rate increase, it must be revised by ordinance and adopted according to Water Code Sections 20200 through 20207 which includes a public hearing prior to the adoption of the ordinance.

Attachments:

- Attachment #1 – Board Compensation & Benefits Survey
- Attachment #2 – Ordinance No. 76
- Attachment #3 – Historical Board of Directors’ Fees

DESERT WATER AGENCY
Board Compensation & Benefits Survey

May 2024

	Desert Water Agency	Santa Clarita Water Agency	Coachella Valley Water District	Cucamonga Valley Water District	Eastern Municipal Water District	Elsinore Valley Municipal Water District	Mission Springs Water District	Mojave Water Agency	Rancho CA Water District
Per Diem Meeting Rate	\$406.12	\$228.15	\$223	\$250	\$258	\$244.13	\$250	\$188.55	\$200
Maximum Meetings Per Month	10	10	10	10	10	10	10	10	10
Other Benefits	Same as offered to employees	Not Listed	Same as offered to employees	Same as offered to employees	Same as offered to employees	Same as offered to employees	Same as offered to employees	Same as offered to employees	Not Listed

DWA Comparison

Per Meeting (+/-)	\$ 177.97	\$ 183.12	\$ 156.12	\$ 148.12	\$ 161.99	\$ 156.12	\$ 217.57	\$ 206.12
Per Month Max (+/-)	\$ 1,779.70	\$ 1,831.20	\$ 1,561.20	\$ 1,481.20	\$ 1,619.90	\$ 1,561.20	\$ 2,175.70	\$ 2,061.20
	78%	82%	62%	57%	66%	62%	115%	103%

ORDINANCE NO. 76

**AN ORDINANCE OF THE
BOARD OF DIRECTORS OF THE
DESERT WATER AGENCY ESTABLISHING
COMPENSATION AND REIMBURSEMENTS OF
EXPENSES FOR DIRECTORS**

WHEREAS, Assembly Bill 653, relating to compensation of members of the boards of water districts, was enacted by the Legislature on July 10, 1989; and

WHEREAS, the intent of the Legislature in enacting this assembly bill is that directors of water districts be authorized, by an ordinance adopted pursuant to the enactment of AB 653, to receive compensation for attendance for a total of up to 10 days or meetings per month; and

WHEREAS, the Board of Directors of the Desert Water Agency enacted such an ordinance in conformance with Assembly Bill 653; and

WHEREAS, the Board of Directors wishes to consolidate and replace all prior ordinances addressing this subject and to specify all compensation and reimbursements of expenses as a Director for attendance at Board meetings;

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

SECTION I. Attendance at Board Meetings.

Pursuant to Sections 20200 through 20207 of the California Water Code of the Desert Water Agency Law, each Director of this Agency shall receive compensation in the amount of Four Hundred and Six dollars and Twelve Cents (\$406.12) per day for each day's attendance at meetings of the Board, and at Board committee meetings and Board hearings when held on days separate from Board meetings. Service at such hearings and committee meetings is hereby deemed to be at the request of the Board.

SECTION 2. Other Services Rendered as a Director.

Each Director shall also receive compensation in the amount specified in Section 1 for each day of service rendered by request of the Board.

For the purposes of this section, attendance at the spring and fall conferences of the Association of California Water Agencies, Association of California Water Agencies Region 9 meetings, the spring, fall and national seminars of the National Water Resources Association, and the American Water Works Association national conference shall be deemed to be at the request of the Board.

The Board may also request that a Director or Directors attend other water-related or educational conferences, and such attendance will be deemed service as a Director at the Board's request.

SECTION 3. Maximum Permissible Service.

No payments shall be made under Sections 1 and 2 for attendance or service exceeding a total of ten days in any calendar month.

SECTION 4. Expenses.

Any actual expenses, including mileage, incurred by Directors for attendance or service rendered pursuant to Section 2 shall be paid directly by the Agency or else reimbursed by the Agency upon presentation of satisfactory evidence thereof.

In addition to the functions specifically pre-authorized in Section 2, or specifically requested by the Board pursuant to Section 1, the Board may also give advanced authorization to attend a meeting, conference or other function not listed under Section 2, and for those days of service the participating Director(s) may receive reimbursement for all actual and necessary expenses incurred incidental thereto pursuant to Section 4, but will not be compensated for a day of service pursuant to Section 2.

SECTION 5. Implementation.

The General Manager is hereby authorized to develop such forms and procedures as may be necessary to implement this Ordinance.

SECTION 6. Effective Date and Repeal.

This Ordinance shall take effect sixty (60) days after its adoption in accordance with California Water Code Section 20204, and shall replace all previously adopted ordinances that are inconsistent herewith.

ADOPTED this 1st day of August, 2023.



Paul Ortega, President

ATTEST:



Gerald McKenna, Secretary-Treasurer

DESERT WATER AGENCY
Historical Board Directors' Fee

Directors' Fee per Day of Service

Ordinance #	Effective	Rate	Increase %	Years Since Last Inc
Ordinance 16	7/23/1974	\$ 50.00		
Ordinance 30	1/19/1982	\$ 100.00	100.0%	7
Ordinance 39	4/18/1986	\$ 105.00	5.0%	4
Ordinance 39	1/1/1987	\$ 110.25	5.0%	1
Ordinance 39	1/1/1988	\$ 115.76	5.0%	1
Ordinance 39	1/1/1989	\$ 121.55	5.0%	1
Ordinance 39	1/1/1990	\$ 127.63	5.0%	1
Ordinance 51	1/1/1991	\$ 134.01	5.0%	1
Ordinance 51	1/1/1992	\$ 140.71	5.0%	1
Ordinance 51	1/1/1993	\$ 147.75	5.0%	1
Ordinance 51	1/1/1994	\$ 155.14	5.0%	1
Ordinance 51*	1/1/1995	\$ 162.90	5.0%	1
Ordinance 51*	1/1/1996	\$ 171.05	5.0%	1
Ordinance 51*	1/1/1997	\$ 179.61	5.0%	1
Ordinance 51*	1/1/1998	\$ 188.59	5.0%	1
Ordinance 51*	1/1/1999	\$ 198.02	5.0%	1
Ordinance 51*	1/1/2000	\$ 207.93	5.0%	1
Ordinance 51*	1/1/2001	\$ 218.33	5.0%	1
Ordinance 51*	1/1/2002	\$ 229.25	5.0%	1
Ordinance 51*	1/1/2003	\$ 240.72	5.0%	1
Ordinance 51*	1/1/2004	\$ 252.76	5.0%	1
Ordinance 51*	1/1/2005	\$ 265.40	5.0%	1
Ordinance 51*	1/1/2006	\$ 278.67	5.0%	1
Ordinance 51*	1/1/2007	\$ 292.61	5.0%	1
Ordinance 51*	1/1/2008	\$ 307.24	5.0%	1
Ordinance 51*	1/1/2009	\$ 322.16	4.9%	1
Ordinance 51*	1/1/2010	\$ 338.74	5.1%	1
Ordinance 51*	1/1/2011	\$ 355.68	5.0%	1
Ordinance 62	4/17/2012	\$ 373.47	5.0%	1
Ordinance 64	7/7/2015	\$ 389.75	4.4%	3
Ordinance 76	9/30/2023	\$ 406.12	4.2%	8

**According to 5% increase clause in Ordinance 51 and not according to a schedule*

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

JUNE 4, 2024

**RE: SUBMISSION OF WATER YEAR 2022-2023 SGMA ANNUAL
REPORTS FOR THE INDIO, MISSION CREEK, AND SAN
GORGONIO PASS SUBBASINS**

The Sustainable Groundwater Management Act (SGMA) requires Groundwater Sustainability Agencies (GSAs) in high and medium-priority basins to develop and implement a Groundwater Sustainability Plan (GSP) or Alternative Plan. These plans provide guidance on how each groundwater basin will achieve long-term sustainability.

Following adoption of a GSP or Alternative Plan, SGMA requires GSAs to submit annual reports to the Department of Water Resources (DWR) by April 1 of each year. Annual reports provide groundwater information and progress made toward implementing the GSP or Alternative Plan during the prior water year.

The Desert Water Agency is a GSA in the Indio, Mission Creek, and San Gorgonio Pass Subbasins. To meet the requirements as outlined by SGMA, the Desert Water Agency, along with other GSAs in each subbasin, prepared and submitted SGMA annual reports for Water Year 2022-2023 to DWR by the April 1 deadline.

Fiscal Impact:

N/A

Legal Review:

N/A

Recommendation:

N/A – Informational only

Attachments:

Attachment #1 – PowerPoint Presentation

Water Year 2022-2023 SGMA Annual Reports for Indio, Mission Creek, and San Geronio Pass Subbasins

BOARD OF DIRECTORS MEETING

JUNE 4, 2024

Presentation Overview

- Sustainable Groundwater Management Act (SGMA)
- Annual Reporting Requirements under SGMA
- WY 2022-2023 SGMA Annual Report for the Indio Subbasin
- WY 2022-2023 SGMA Annual Report for the Mission Creek Subbasin
- WY 2022-2023 SGMA Annual Report for the San Geronio Pass Subbasin

Sustainable Groundwater Management Act (SGMA)

- Requires Groundwater Sustainability Agencies (GSAs) in high and medium-priority basins to develop and implement a Groundwater Sustainability Plan (GSP).
- GSAs may opt to submit an alternative plan in lieu of a GSP that shows how water managers have already achieved or will achieve sustainable groundwater management.
- These GSPs/alternative plans provide guidance on how each groundwater basin will achieve long-term sustainability.
- Once a GSP/ alternative plan is submitted, the GSAs are required to submit annual reports to the Department of Water Resources along with more in depth GSP or Alternative Plan Updates every five years.
- Desert Water Agency is a GSA for the Indio, Mission Creek, and San Geronio Pass Subbasins.

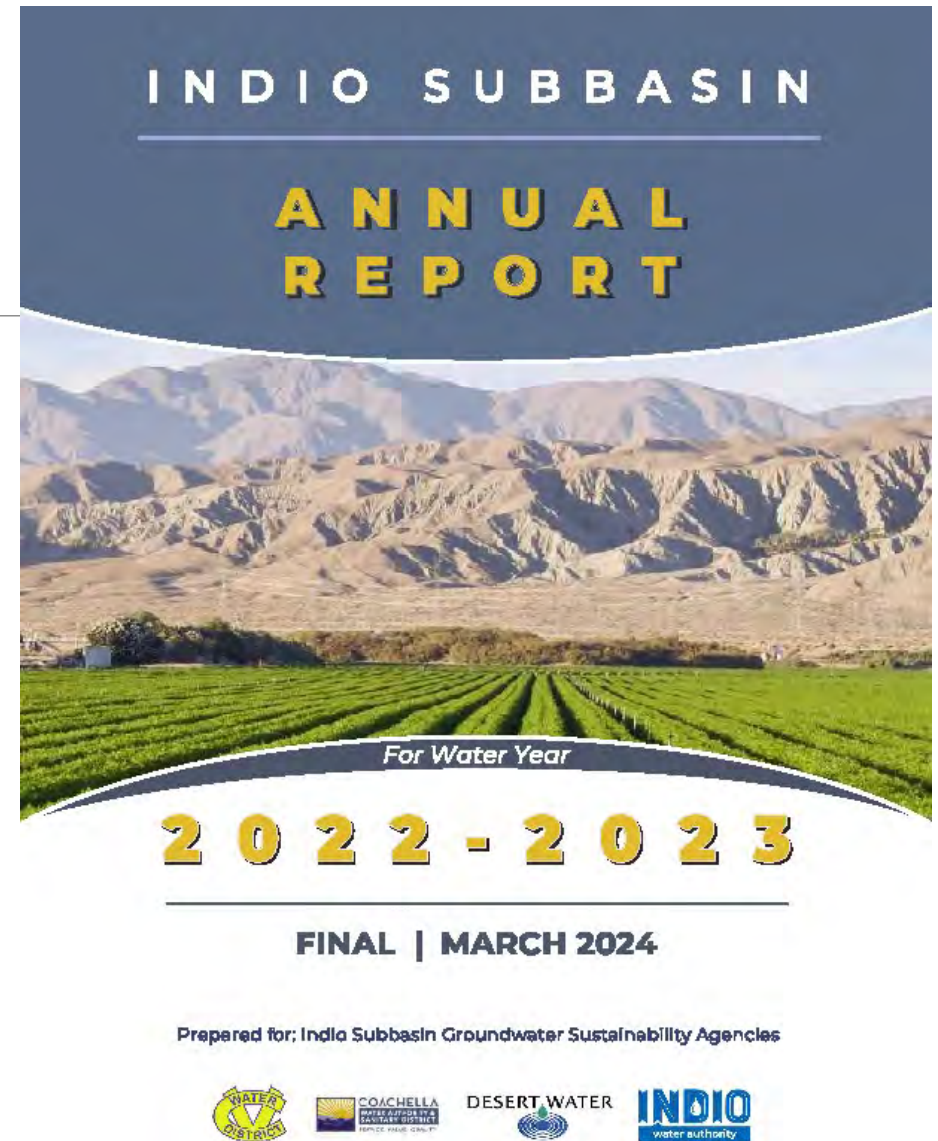
Annual Reporting Requirements under SGMA

- Annual reports are required to be submitted to California Department of Water Resources (CDWR) by April 1 each year
- Summarize subbasin conditions for the previous water year (WY): For the current annual report October 1, 2022, through September 30, 2023
- Provide detailed description and graphical representation of the conditions of the subbasin

Annual Reporting Requirements under SGMA

- Report Organization
 - Background
 - Subbasin Setting
 - Groundwater Elevation Data
 - Groundwater Production
 - Surface Water
 - Total Water Use
 - Groundwater Balance and Change in Storage
 - Summary of Projects and Management Actions (PMAs) and Description of Progress

WY 2022-2023 SGMA Annual Report for the Indio Subbasin (ISB)



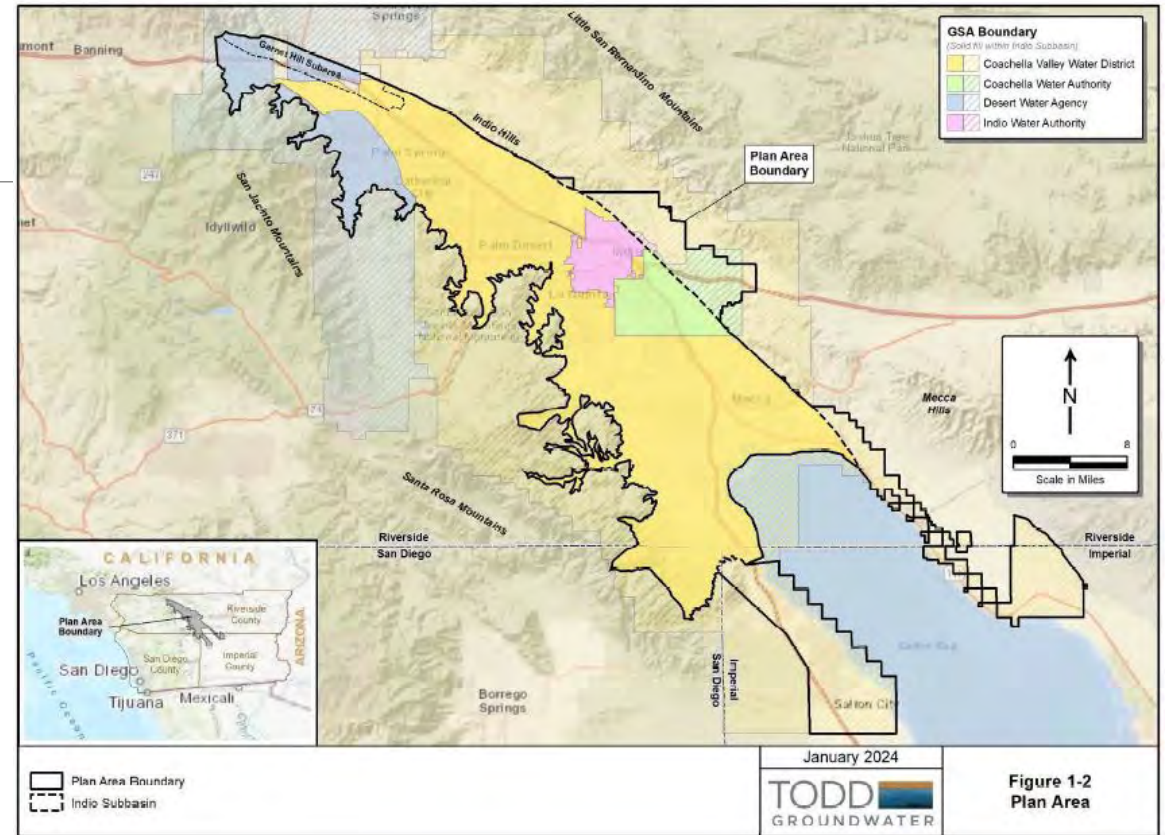
Indio Subbasin Team

- Project Consultants
 - Todd Groundwater



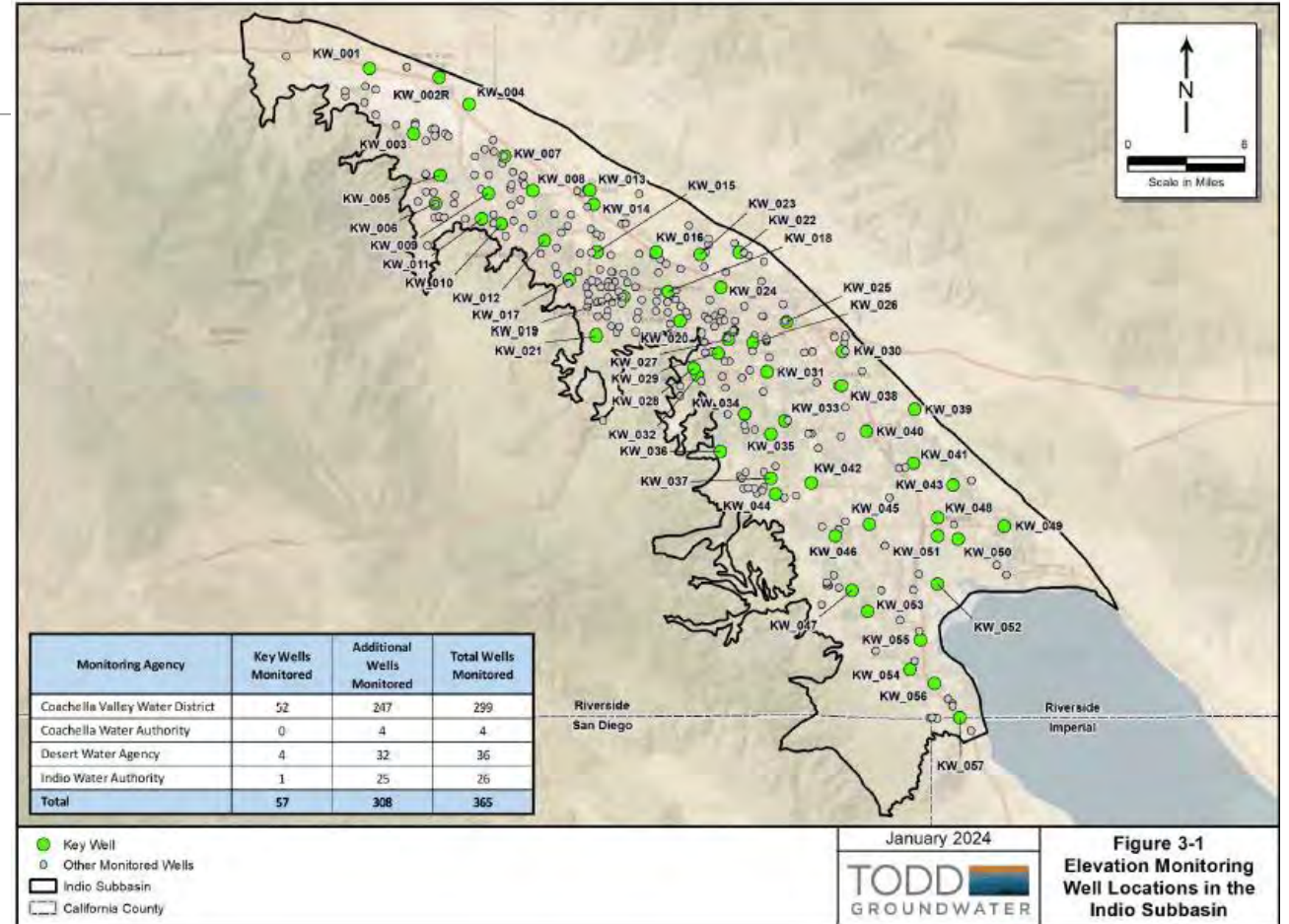
Indio Subbasin Groundwater Sustainability Agencies (GSAs)

- Coachella Valley Water District (CVWD)
- Coachella Water Authority (CWA)
- Desert Water Agency (DWA)
- Indio Water Authority (IWA)



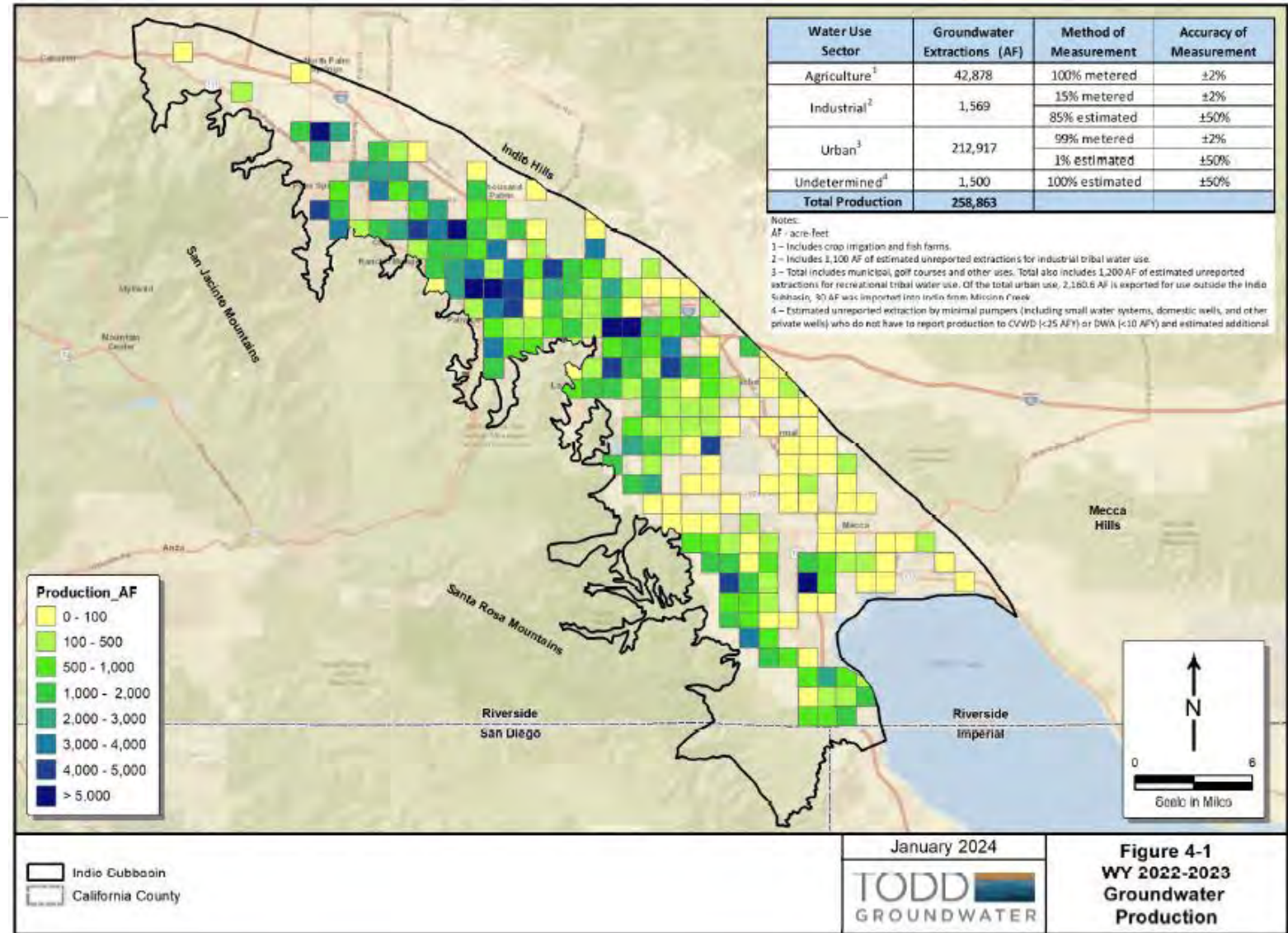
Groundwater Elevation Data

- Groundwater elevations from 365 wells
 - Contour maps
 - Change in storage maps
- The 2022 Alternative Plan Update identified 57 key wells to track groundwater sustainability
 - Minimum threshold (MT) established for each well
 - Current groundwater elevations were compared to the MTs
 - Groundwater elevations in all key wells were above MTs
 - One key well was not accessible and was replaced with an alternate nearby well



Groundwater Production

- Metered for most uses
 - Minimal pumpers not metered
 - Tribal trust lands not metered
- 258,863 AF
 - 82.2% urban
 - 16.6% agricultural
 - 0.6% industrial
 - 0.6% undetermined
- Groundwater pumping decreased 8% from the previous water year



Surface Water Diversion for Direct Use

- 100% Metered
- DWA stream diversion
 - Snow Creek
 - Chino Creek
 - Falls Creek (not in operation)
 - Whitewater Canyon (non-potable)
- 548 AF surface water use in DWA's service area



Imported Water

Direct Use

- 258,416 AF of Coachella Canal water for direct use in CVWD plan area
 - 85% agricultural
 - 15% urban

Groundwater Replenishment

- 180,710 AF imported Colorado River water for replenishment
 - 10,715 AF at Palm Desert GRF
 - 1,400 AF at Thomas E. Levy GRF
 - 168,594 AF at Whitewater River GRF



Recycled Water Production

- 13,338 AF recycled water produced
 - 100% urban
- Three water reclamation plants (WRPs) provide recycled water to customers
 - 3,105 AF - DWA WRP
 - 2,624 AF - CVWD WRP-7
 - 7,609 AF - CVWD WRP-10



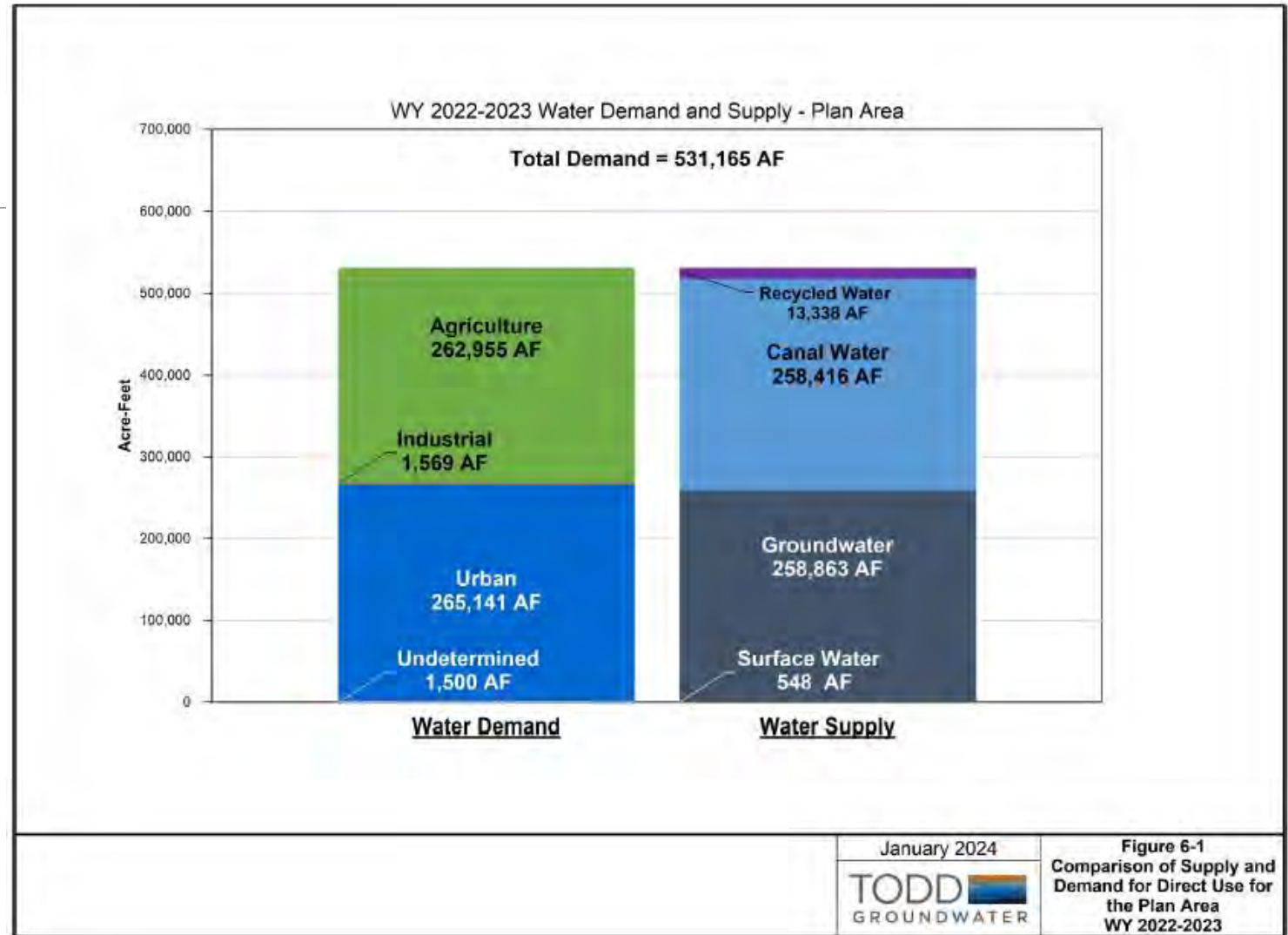
Total Water Use for WY 2022-2023

- Water Demand

- Urban
- Agricultural
- Industrial
- Undetermined

- Water Supply

- Groundwater Production
- Canal Water/Imported Water
- Recycled Water
- Surface Water



Change in Groundwater Storage for WY 2022-2023

- Comparison of Inflows and Outflows
- Inflows
 - Natural infiltration
 - Subsurface inflows
 - Return flows
 - Wastewater percolation
 - Groundwater replenishment
- Outflows
 - Groundwater pumping
 - Drain flow to Salton Sea
 - Subsurface outflow to Salton Sea
 - Evaporative losses/Evapotranspiration (ET)

Table 7-4. WY 2022-2023 Groundwater Balance in the Indio Subbasin

Groundwater Balance Component	WY 2022-2023 Flows (AF)
Inflows	
Infiltration of natural runoff ¹	97,617
Subsurface inflows from adjacent basins	11,243
Return Flows (Agricultural, Golf Course, and Municipal) ²	146,567
Wastewater percolation	5,697
Groundwater replenishment	180,710
Total Inflow	441,833
Outflows	
Subsurface outflow to adjacent basins ³	0
Groundwater pumping	258,863
Net drain flow to Salton Sea ³	39,580
Net Salton Sea subsurface flow ⁵	1,972
Evaporative losses ⁴	7,100
Evapotranspiration from the shallow aquifer ⁵	4,961
Total Outflow	312,476
Change in Groundwater Storage	129,357

1 – Net infiltration – Includes stream recharge and mountain front runoff that percolates into the basin.

2 – Includes septic.

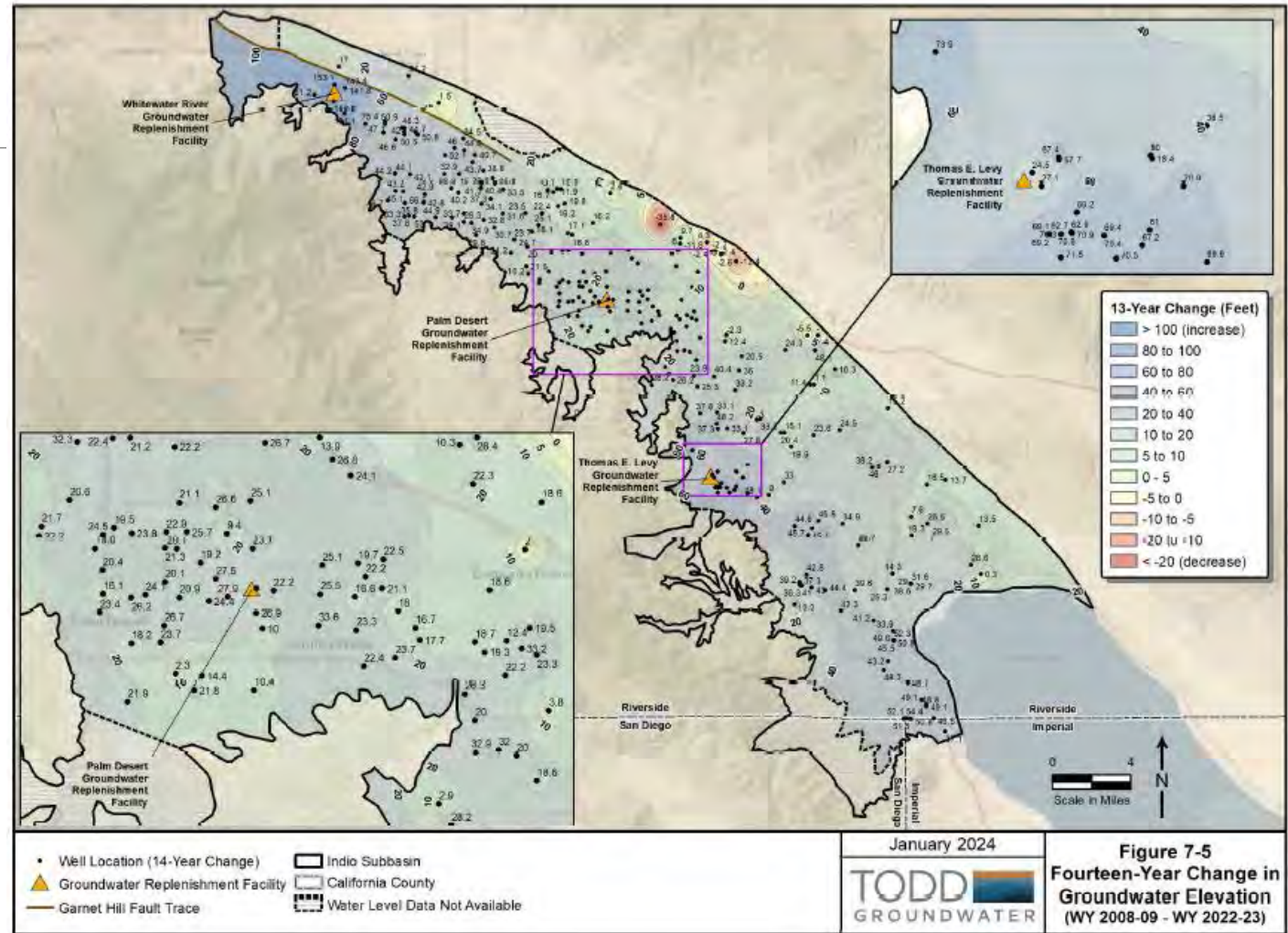
3 – Measured drain flow from Table 7-3

4 – Evaporative losses from replenishment and wastewater percolation, two percent from wastewater, Thomas E. Levy and Palm Desert GRF, 4 percent from WWR-GRF.

5 – From numerical model updated through WY 2023.

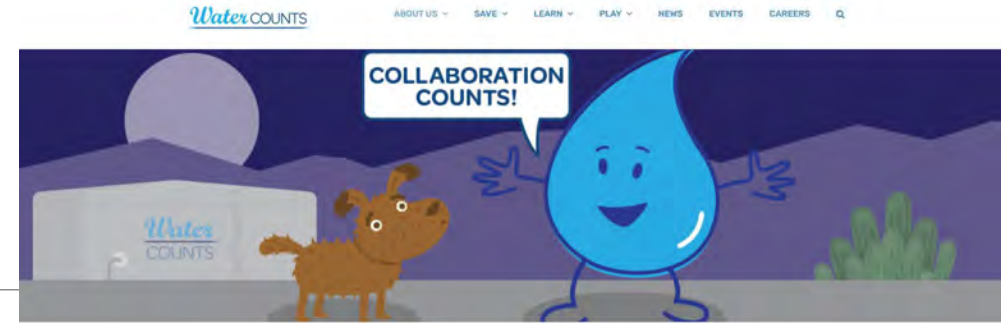
Long-Term Change in Storage

- 10-year average showed positive trend since 2017
- 20-year average showed positive trend since 2009
- 20-year average was positive for the first time in WY 2022/2023
- Over the long term, water levels have increased or stabilized with very few localized declines
- This is an indicator the Indio Subbasin is being sustainably managed

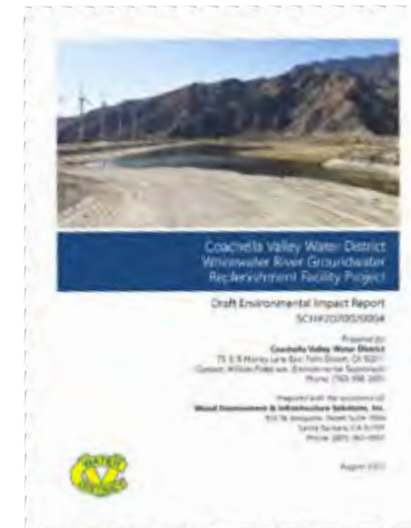


Progress Made on Projects and Management Actions (PMAs) in WY 2022-2023

- Water Conservation
 - Continued education and outreach
 - Indoor and outdoor incentive programs
 - Development of water use efficiency standards
- Water Supply Development
 - Contributed funds to the Lake Perris Seepage Recovery, Sites Reservoir, and Delta Conveyance Projects
- Source Substitution & Replenishment
 - Recycled Water Expansion Projects
 - Whitewater River GRF ROW grant
- Water Quality Protection
 - Coachella Valley Salt and Nutrient Management Plan (CV-SNMP) and Groundwater Monitoring Program

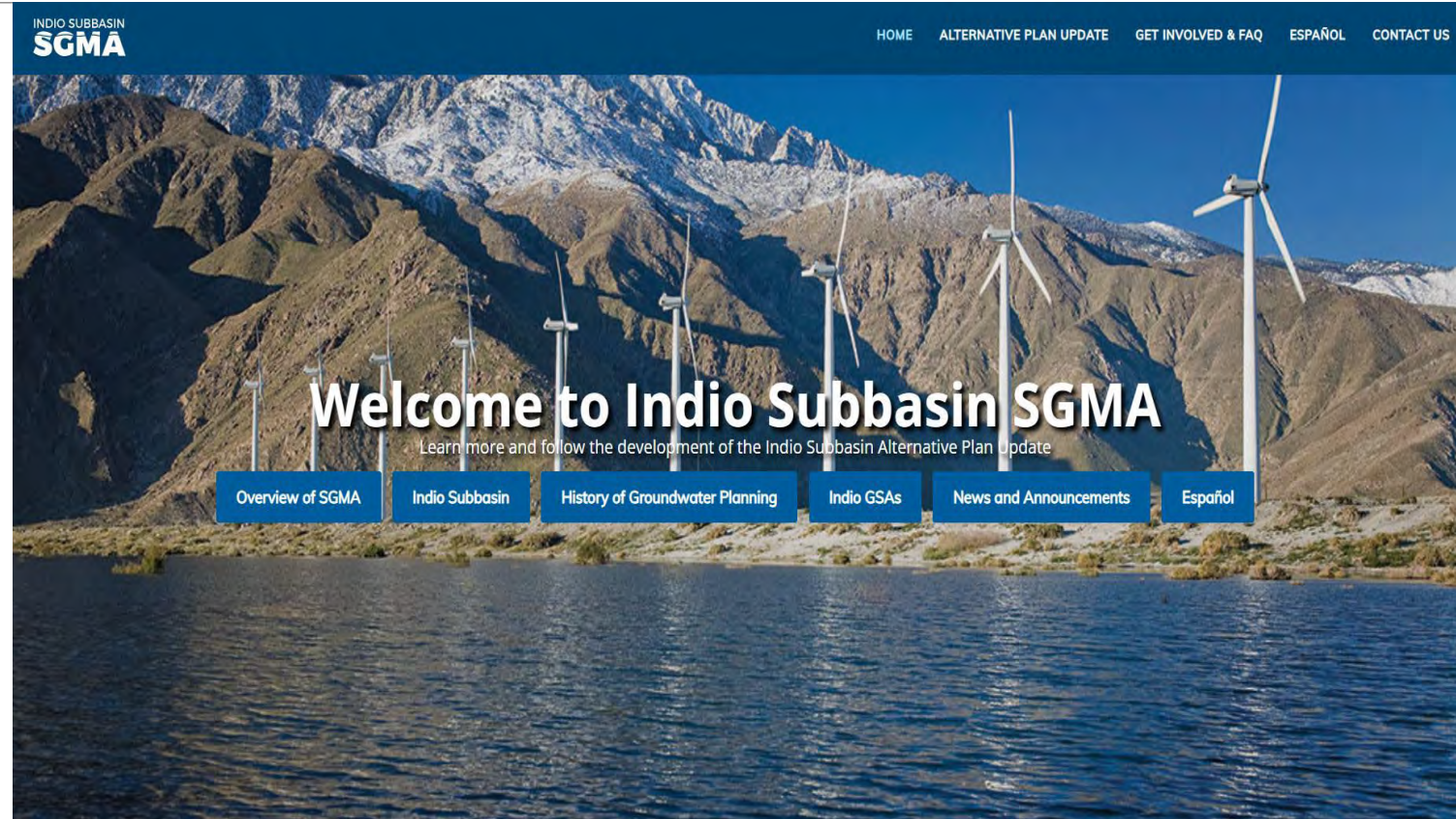


The CV Water Counts group is a nonprofit group that was formed to focus on water conservation, through awareness and education to Coachella Valley residents, businesses, and government. It is comprised of the Coachella Valley's six water agencies.



Indio Subbasin SGMA Website Information

- To learn more, visit our website
 - www.indiosubbasinsgma.org



Questions?

WY 2022-2023 SGMA Annual Report for the Mission Creek Subbasin (MCSB)



Mission Creek Subbasin Annual Report for the Water Year 2022 - 2023

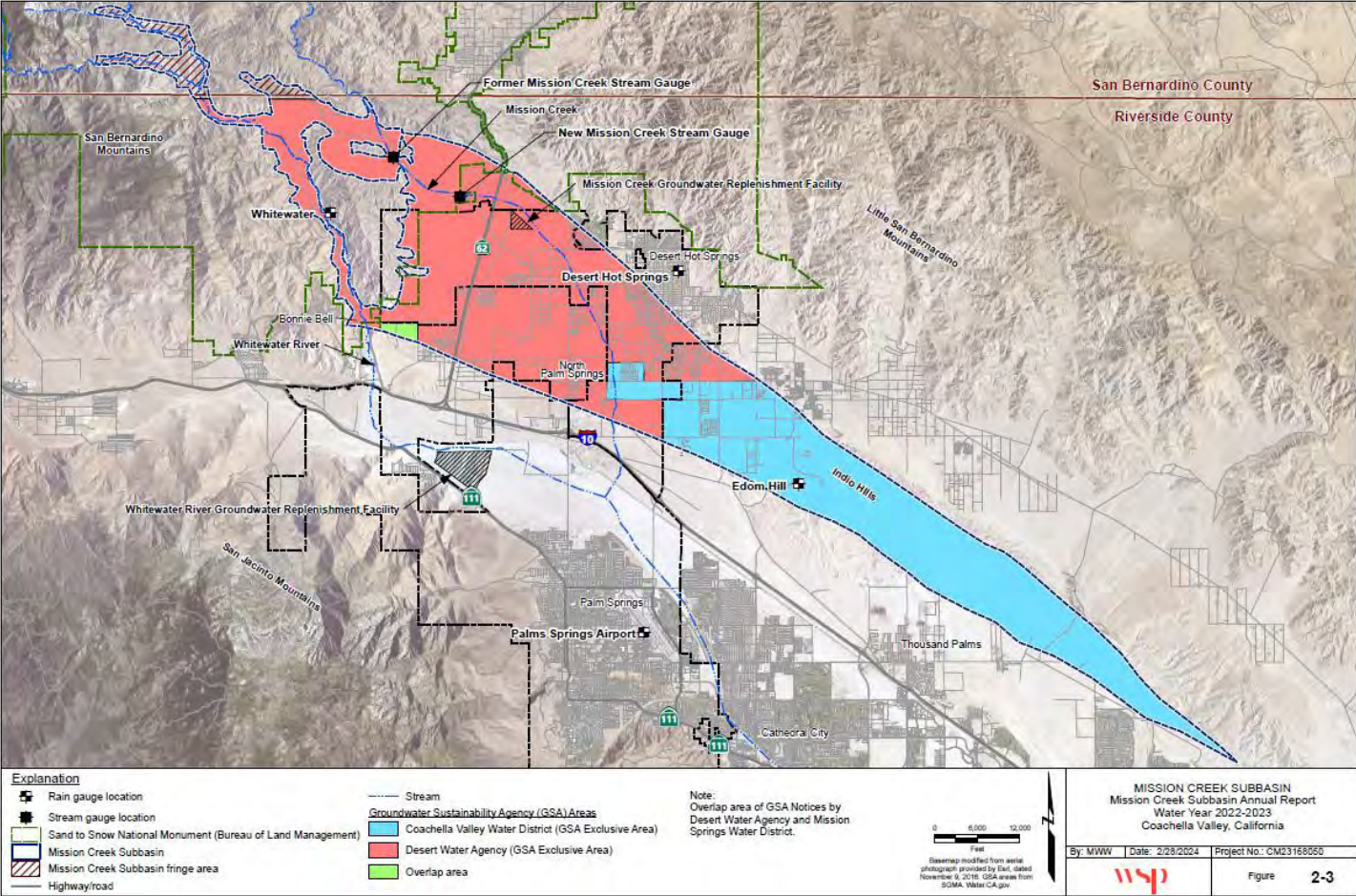
Prepared for Coachella Valley Water District, Desert Water Agency, and Mission Springs Water District

February 2024



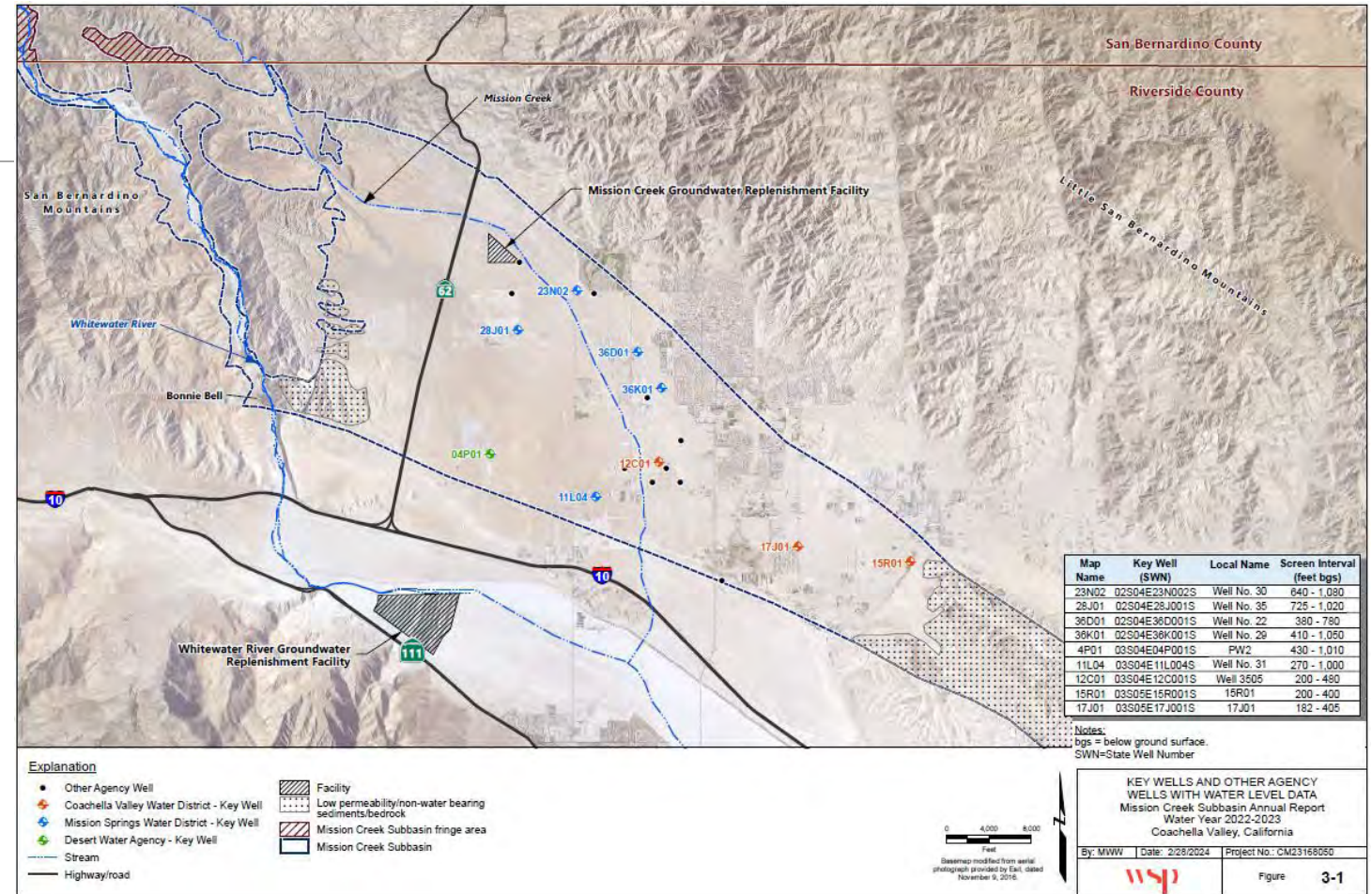
Mission Creek Subbasin Team

- Project Consultants
 - WSP (formerly Wood) 
- Mission Creek Subbasin Groundwater Sustainability Agencies (GSAs)
 - Coachella Valley Water District (CVWD)
 - Desert Water Agency (DWA)
- Management Committee includes CVWD, DWA, and Mission Springs Water District (MSWD)



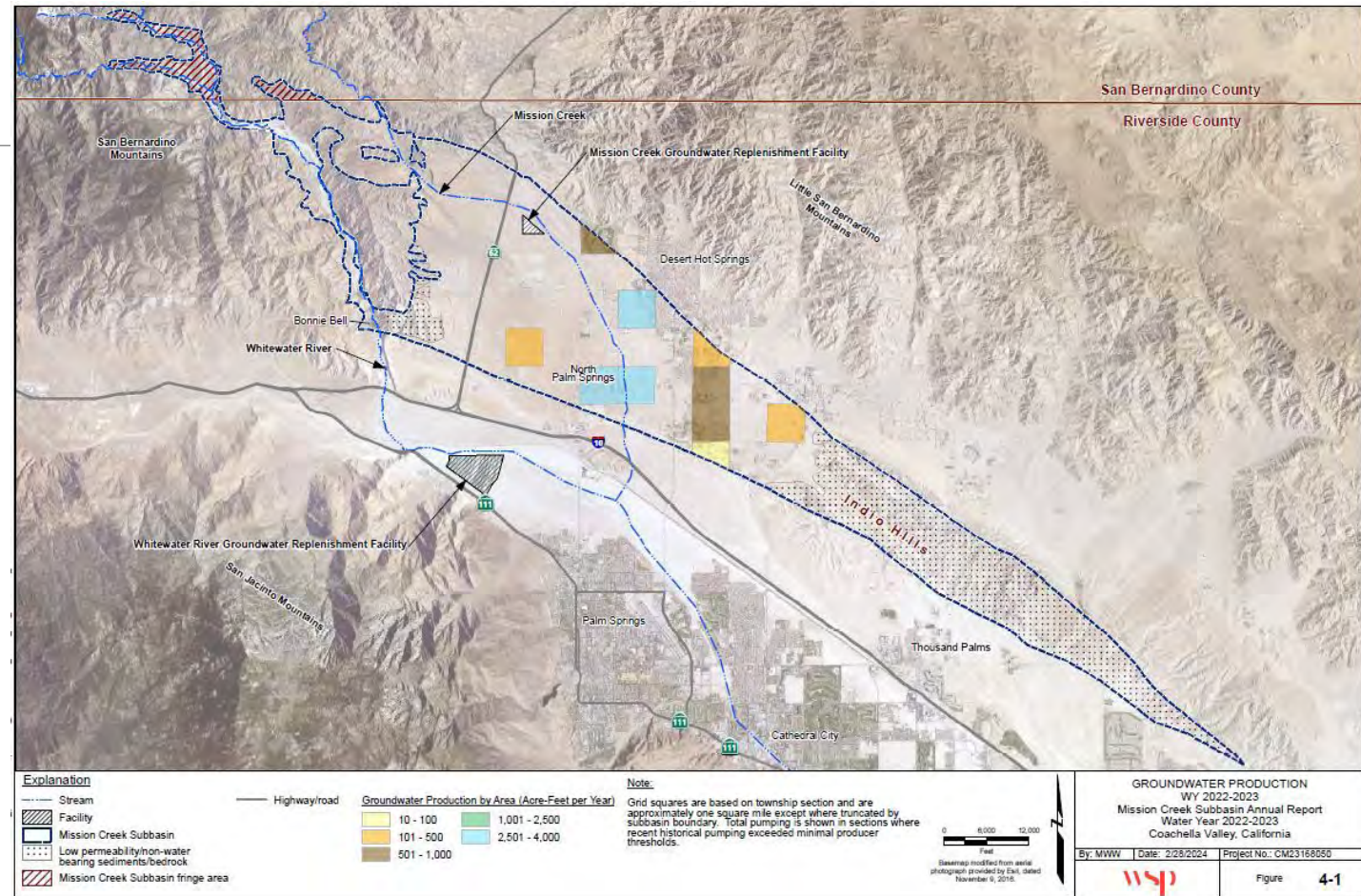
Groundwater Elevation Data

- The 2022 Alternative Plan Update identified nine Key Wells used to track groundwater sustainability
- Minimum threshold (MT) established for each key well
- Current groundwater elevations were compared to the MTs
- All levels were above the MT
- Data from nine additional wells was used to supplement the Key Wells
 - Contour maps
 - Change in storage maps



Groundwater Production

- 13,489 AF produced from 24 wells and minimal pumpers
 - 90% urban
 - 10% agricultural, industrial, and/or undetermined
 - Decrease in production from WY 2021-2022
- 6,146 AF was exported to Desert Hot Springs Subbasin by CVWD and MSWD to meet demands
- 48 AF was exported to Garnet Hill Subarea to partially meet demands



Surface Water

- No direct use of stream flow
- 5,276 AF imported water delivered to the Mission Creek GRF
- 2,254 AF of wastewater was treated and disposed of by percolation/evaporation
 - 2,204 AF Horton WWTP
 - 50 AF Desert Crest WWTP



Change in Groundwater Storage

- Inflows
 - Natural recharge
 - Subsurface inflows from adjacent subbasins (DHSSB)
 - Infiltration from applied irrigation water
 - Wastewater percolation
 - Septic tank percolation
 - Artificial recharge

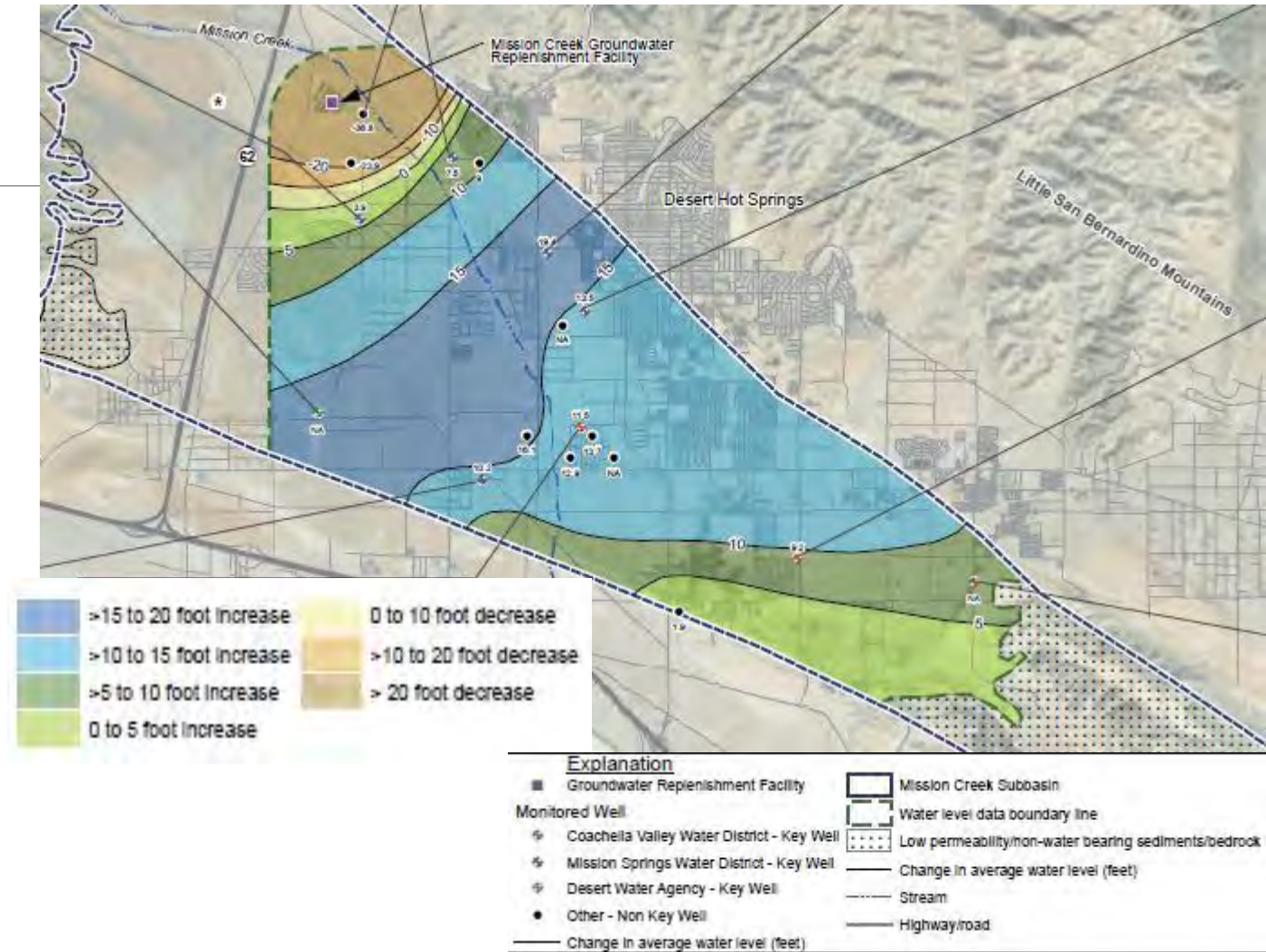
- Outflows
 - Groundwater pumping
 - Evaporative losses and evapotranspiration
 - Subsurface outflows

Table 7-3
Groundwater Balance in the Mission Creek Subbasin - WY 2022-2023

Component	WY 2021-2022 (AF)
Inflows	
Natural inflows - mountain front recharge	5,700
Subsurface inflows from adjacent subbasins	1,150
Infiltration of applied irrigation water	1,341
Wastewater percolation	2,254
Septic tank percolation	900
Artificial recharge	5,276
Total Inflow	+16,621
Outflows	
Groundwater pumping	13,489
Evaporative losses	173
Evapotranspiration from the shallow aquifer	950
Subsurface outflow to adjacent subbasins	2,350
Total Outflow	-16,962
Change in Groundwater Storage	-341

Long-Term Change in Storage

- Since WY 2008/2009, the long-term average change in storage has been positive
- Overall, water levels have increased or stabilized
- Very localized decline directly adjacent to MC-GRF resulting from temporary elevated levels associated with artificial recharge that has dissipated over time
- This is an indicator the MCSB is being sustainably managed

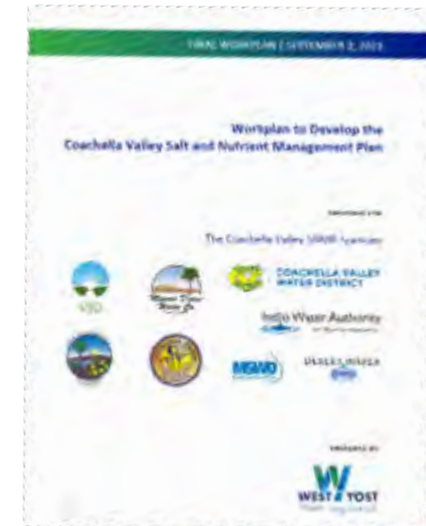


Progress Made on Projects and Management Actions (PMAs) in WY 2022-2023

- Water Conservation
 - Continued education and outreach, incentive programs
 - Regional conservation study in progress
- Water Supply
 - Continued imported water deliveries to MC-GRF
 - Continued participation in SWP projects including Lake Perris Seepage, Sites Reservoir, and Delta Conveyance
- Water Quality Protection
 - Septic to sewer conversion projects
 - RWRf construction (MSWD)
 - CV-SNMP workplan implementation
- SGMA Implementation
 - USGS subsidence study; three new benchmarks

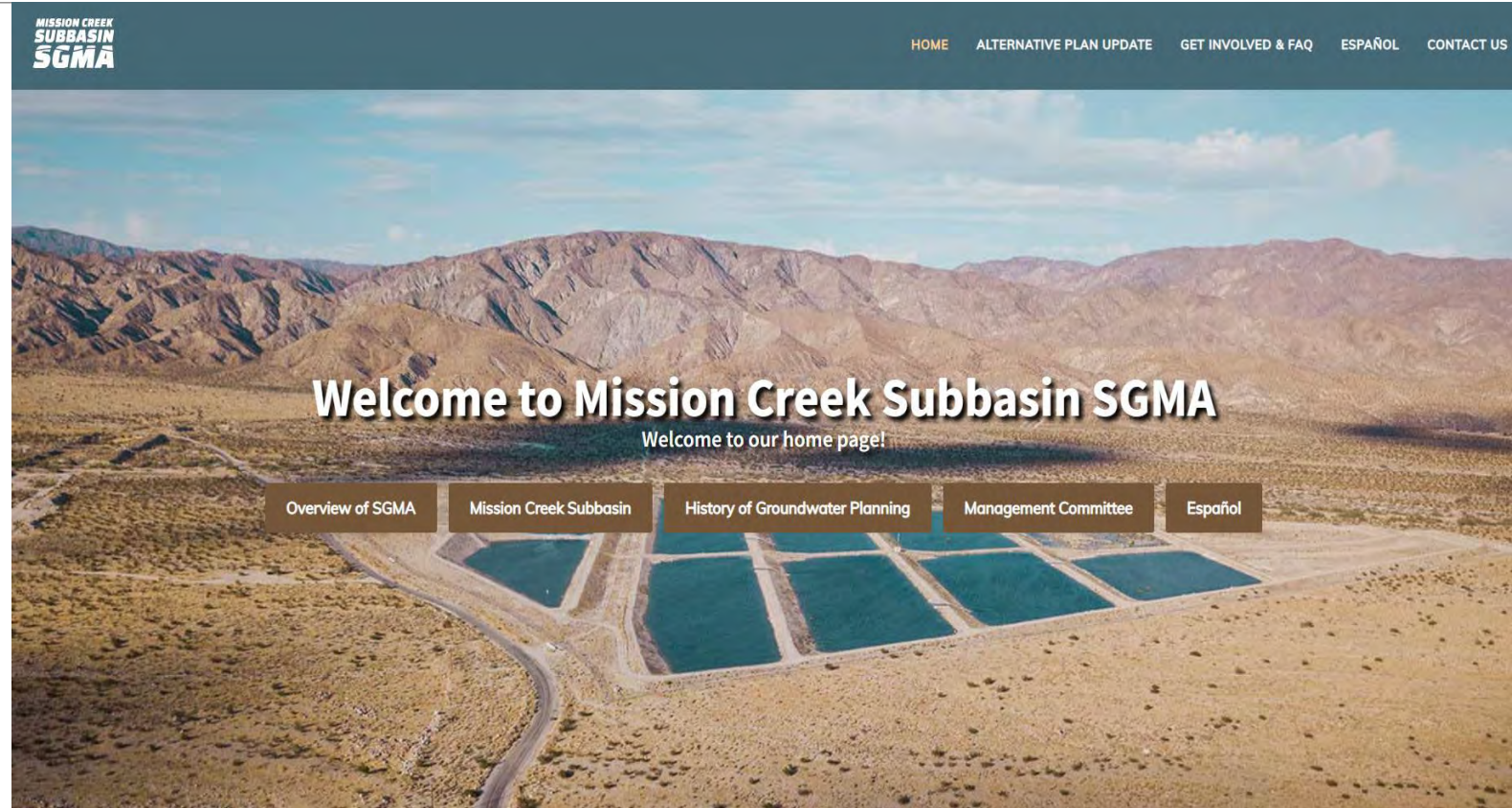


The CV Water Counts group is a nonprofit group that was formed to focus on water conservation, through awareness and education to Coachella Valley residents, businesses, and government. It is comprised of the Coachella Valley's six water agencies.



Mission Creek Subbasin SGMA Website Information

- To learn more, visit our website
 - www.missioncreeksubbasinsgma.org



Questions?

WY 2022-2023 SGMA Annual Report for the San Geronio Pass Subbasin (SGPSB)

SAN GORGONIO PASS SUBBASIN ANNUAL REPORT



MARCH 2024

Prepared for:

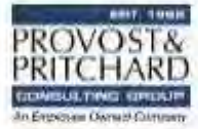
San Geronio Pass
Groundwater Sustainability Agency

Prepared by:

Provost & Pritchard Consulting Group
Sacramento, California

San Gorgonio Pass Subbasin Team

- Project Consultants
 - Provost & Pritchard



- San Gorgonio Pass Subbasin Groundwater Sustainability Agencies (GSAs)

- Desert Water Agency GSA
- San Gorgonio Pass GSA
- Verbenia GSA

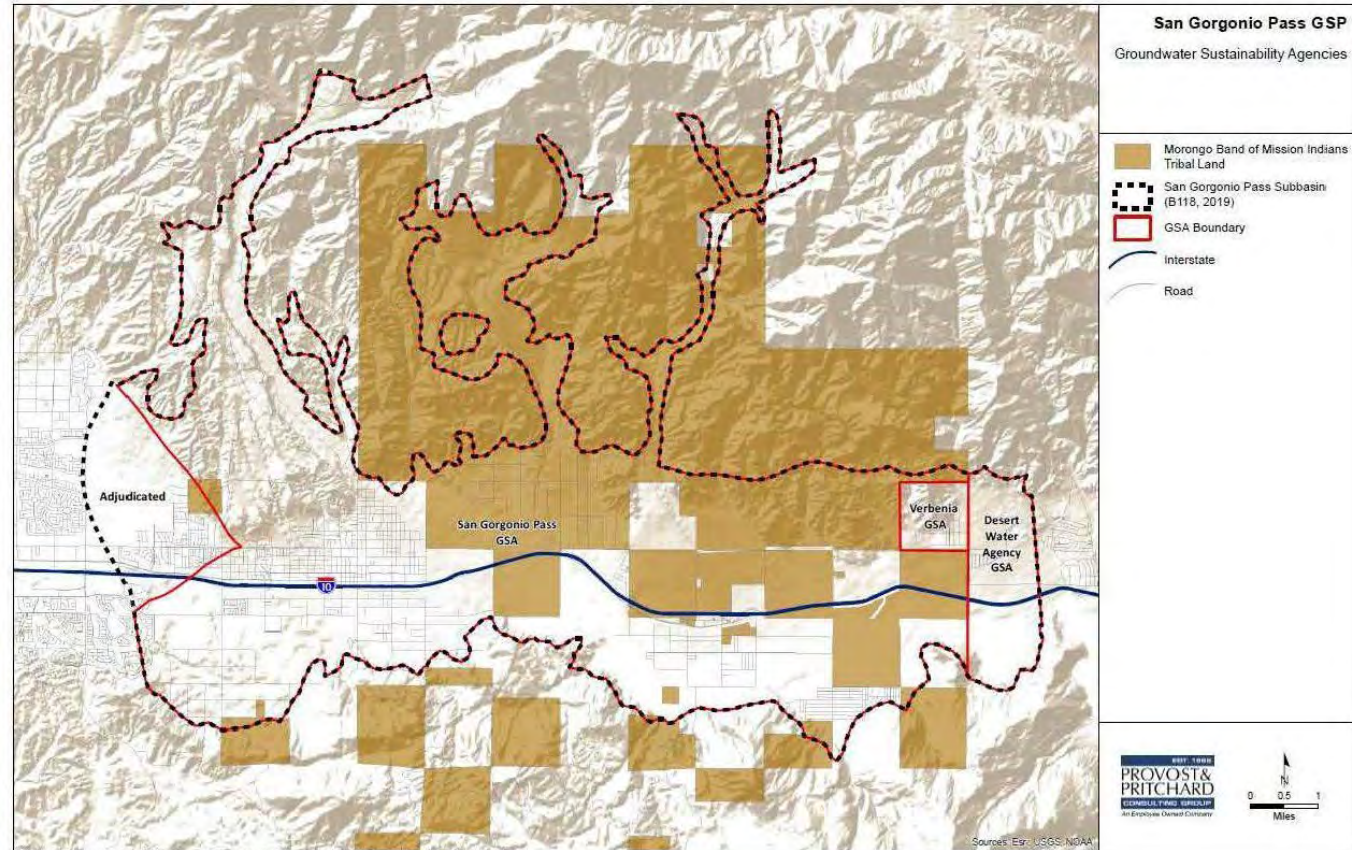
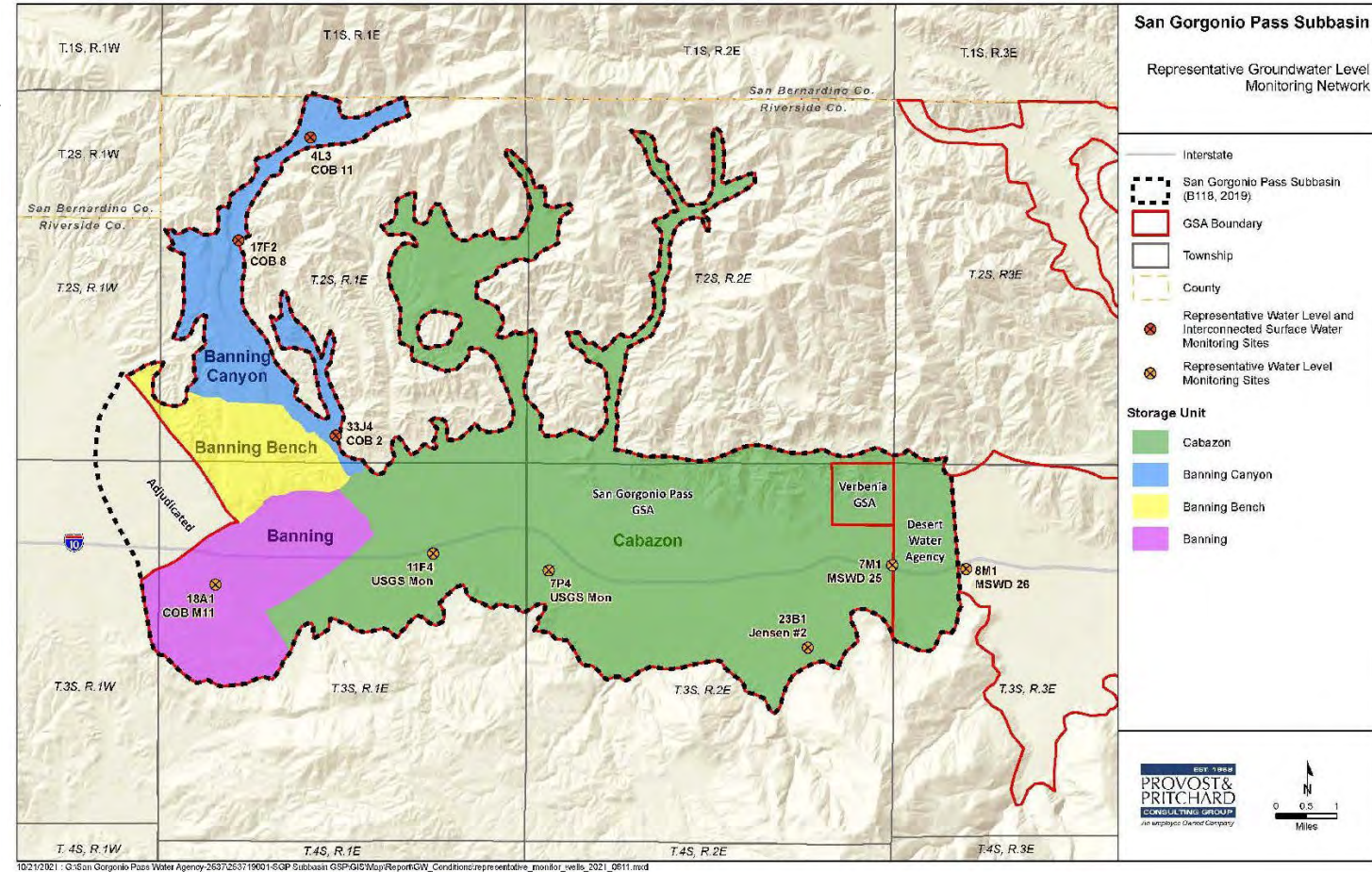


Figure 1-1 - San Gorgonio Pass Subbasin and Groundwater Sustainability Agencies



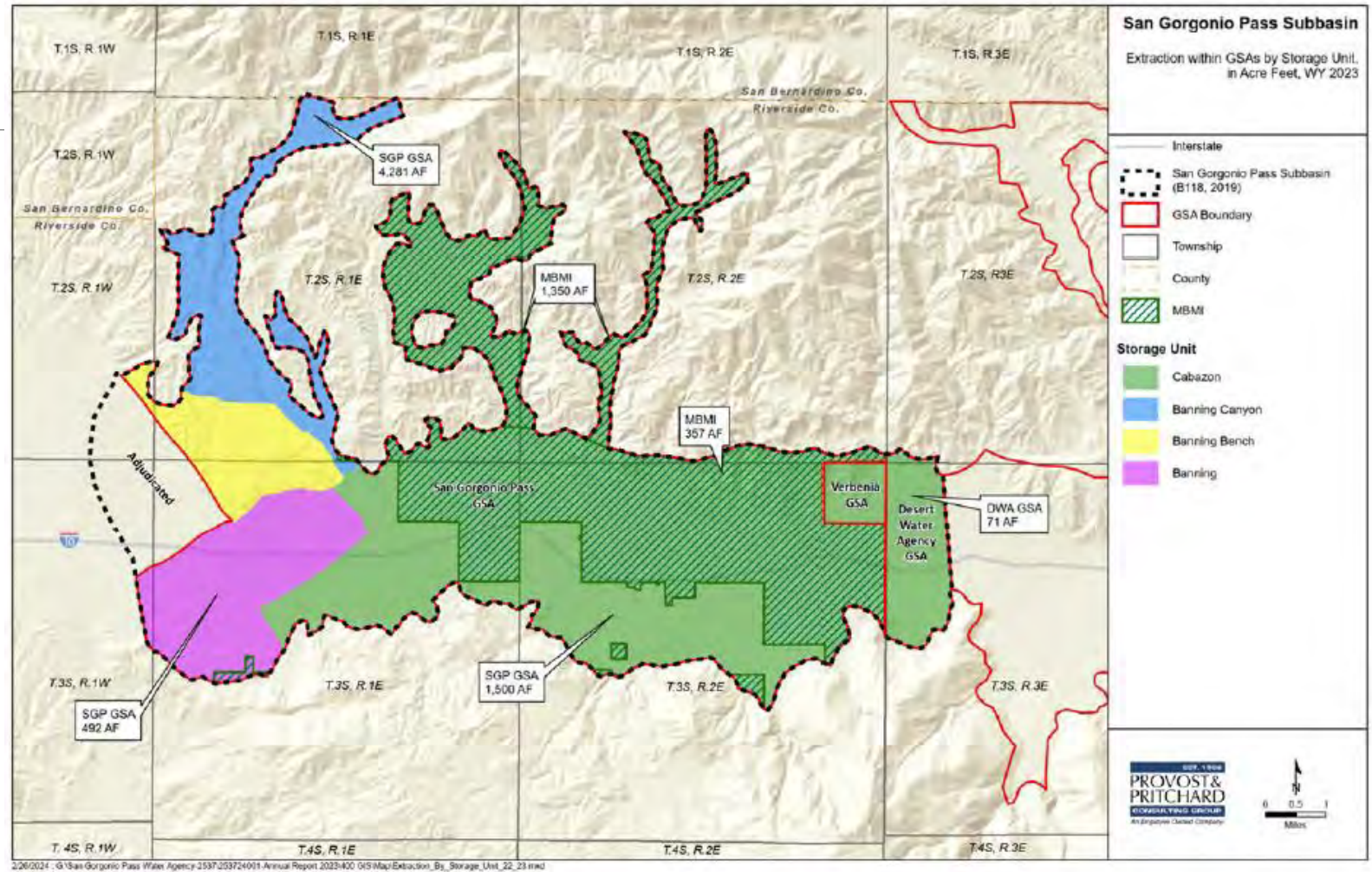
Groundwater Elevation Data

- Water levels were collected from nine representative monitoring wells throughout the SGPSB for WY 2022-2023
 - Contour maps
 - Change in storage maps
 - Determine groundwater sustainability
 - Minimum thresholds (MT) established for each well
- Groundwater levels for all nine wells were above the MTs



Groundwater Production

- 8,050 AF produced during WY 2022-2023
- Banning Canyon
 - 4,281 AF
- Other Canyons
 - Estimated 1,350 AF (MBMI)
- Banning
 - 492 AF
- Cabazon
 - 1,927 AF



Total Water Use

- 8,051 AF of groundwater production
 - 84% urban/domestic
 - 16% industrial
- No other water sources/use types indicated
- The only historical surface water supply was diverted from Whitewater River watershed
 - Facilities were damaged during Apple Fire in August 2020
 - Not available for use since that time

Table 5-1 – WY 2023 Total Water Use, San Geronio Pass Subbasin

Summary of Total Water Use (Acre-Feet)			
Total Water Use	WY 2023 Wet Year Type	Measurement Method	Measurement Accuracy (%)
Urban/Domestic			
Groundwater	6,737	Measured/Estimate	Refer to Table 3-2
Surface Water	0	Estimate	+/- > 10%
Total	6,737	Estimate	Unknown
Industrial			
Groundwater	1,314	Estimate	Refer to Table 3-2
Surface Water	0	Estimate	Unknown
Total	1,314	Estimate	Unknown
Total			
Groundwater	8,051	Measured/Estimated	Refer to Table 3-2
Surface Water	0	Estimate	Unknown
Total	8,051	Estimate	Unknown

Long-Term Change in Storage

- Recent records show a continued decrease in cumulative change in storage
- Models have a longer base period showing increase during wet periods
- Over time, trends are expected to show both increases and decreases in cumulative change in storage

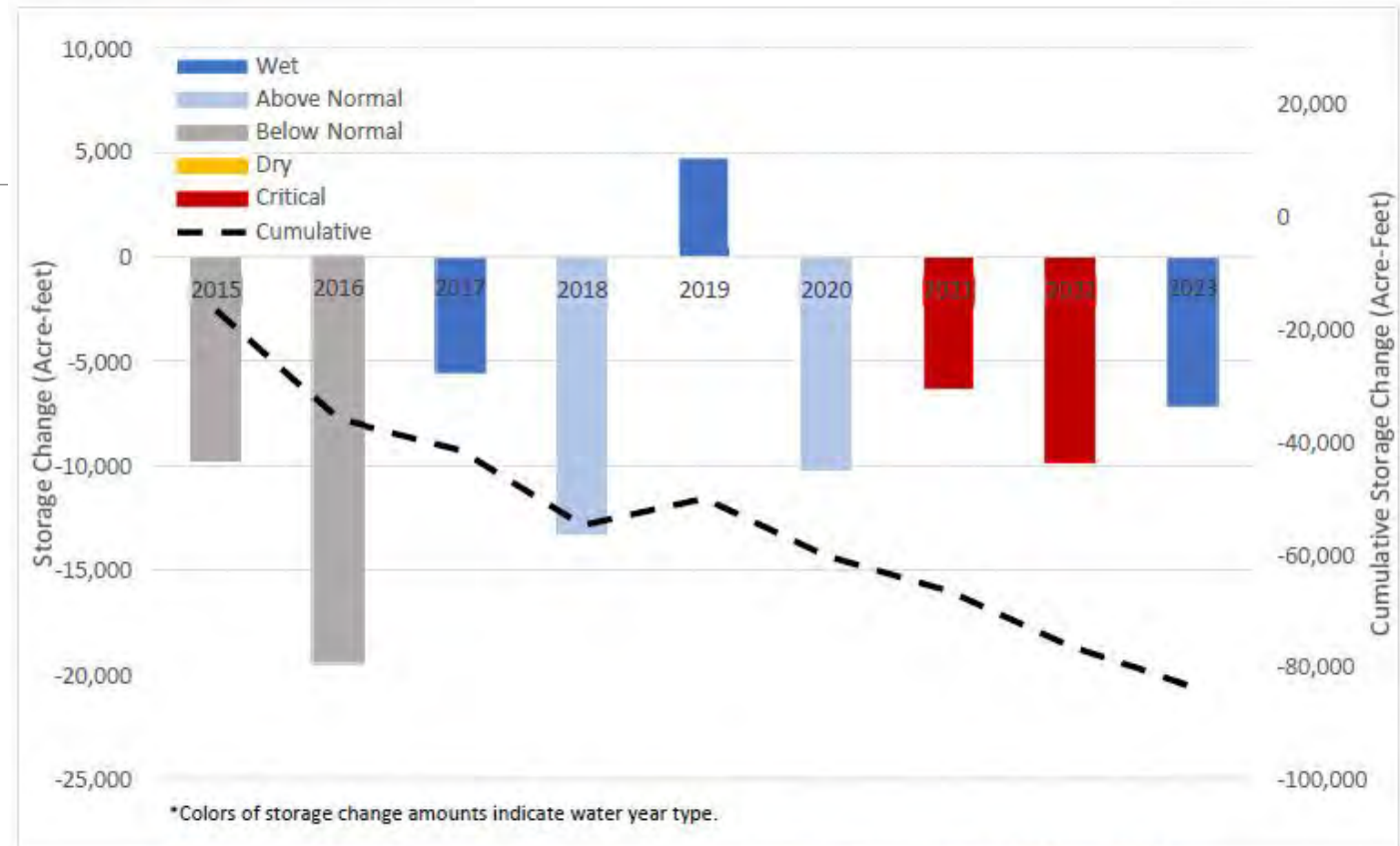
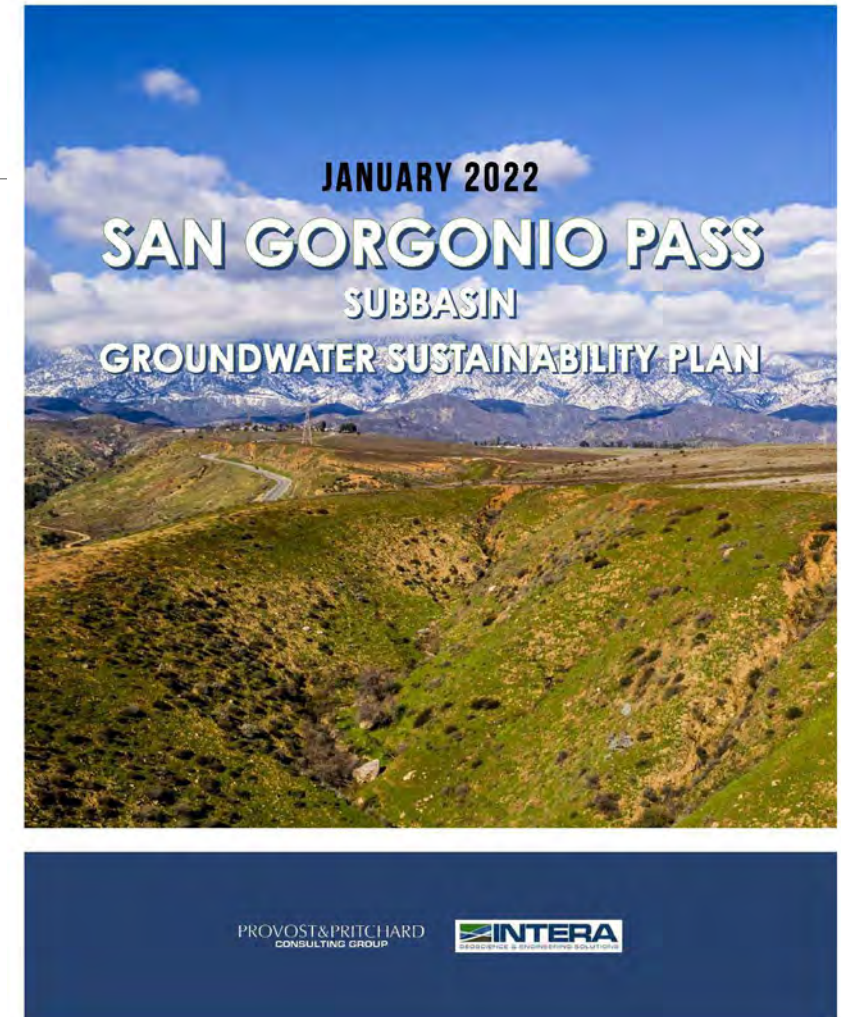


Figure 6-1 - Annual Change in Storage and Cumulative Change in Storage, 2015 to 2023*

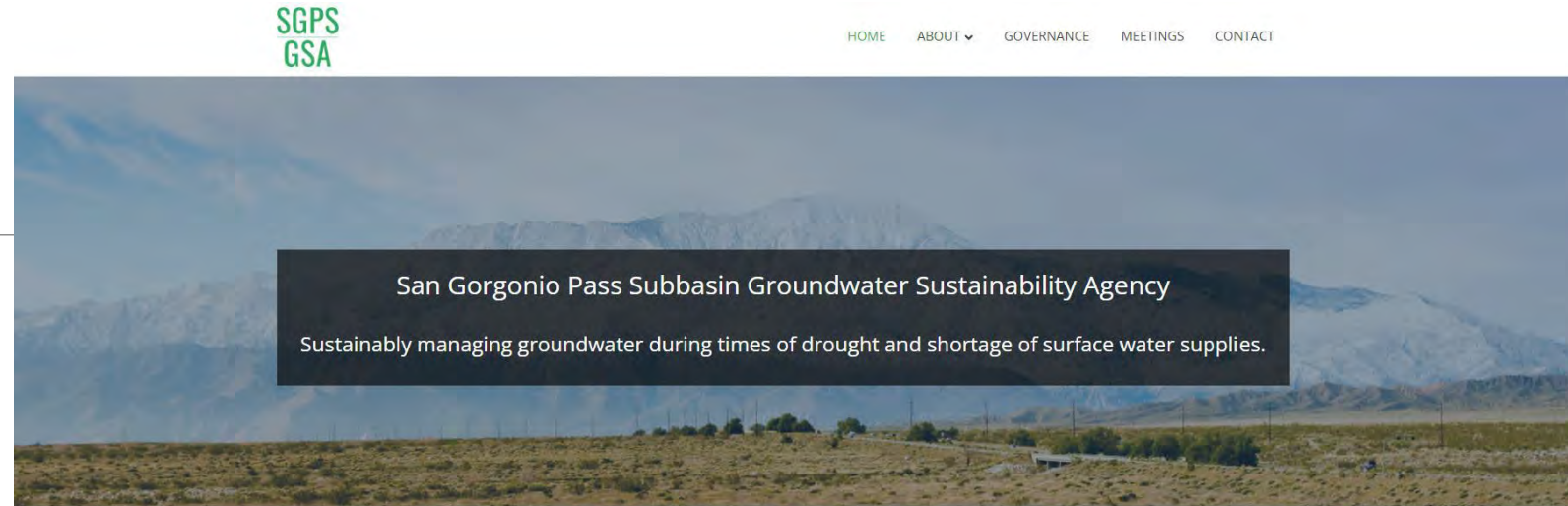
Progress Made on Projects and Management Actions (PMAs) in WY 2022-2023

- Limited progress due to SGP GSP being submitted during WY 2021-2022
- SGPWA and DWA are planning participants in Delta Conveyance and Sites Reservoir projects
 - Evaluating potential for additional conveyance and recharge facilities to deliver SWP water to SGPSB
- Awarded State funding to fill data gaps identified in SGP GSP
 - Four monitoring wells being constructed
 - Expected completion in 2025



San Gorgonio Pass Subbasin SGMA Website Information

- To learn more, visit our website
 - www.sgpgsas.org



Local photography courtesy of Dennis Clark | Flickr

San Gorgonio Pass GSA Board Meeting

Thurs, Oct 24, 2024 (time TBD)

[View Agenda Packets](#)



In Summary

- Groundwater levels, groundwater storage, and other data included in the annual reports document that the Indio and Mission Creek Subbasins are continuing to meet their respective sustainability goals and sustainability criteria.
- In the San Gorgonio Pass Subbasin, groundwater levels were above the specific minimum threshold in all nine of the representative monitoring wells. The subbasin was recently awarded grant funding to address data gaps by constructing four additional monitoring wells in the subbasin.
- The WY 2022-2023 SGMA Annual Reports for the Indio, Mission Creek, and San Gorgonio Pass Subbasins demonstrate that Projects and Managements Actions (PMAs), as identified in each respective subbasin's GSP or Alternative Plan Update, are being implemented.

Questions?

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

JUNE 4, 2024

**RE: BUILDING INDUSTRY ASSOCIATION (BIA) MEMBERSHIP
RENEWAL**

Desert Water Agency recently rejoined BIA in 2023. Prior to that, the Agency was a member and stopped renewing its membership in 2010 due to its local chapter being dissolved.

At the February 6, 2024 Board meeting, several Board Members discussed the benefits of the BIA and whether we should renew the Agency's membership.

At the May 30, 2024 Executive Committee meeting, Staff informed the Committee that membership renewal is due September 1, 2024 and wanted to know whether the Board would like to continue its membership. The Committee felt that input from the full Board would be best to see whether there is a benefit to continue membership.

It should be noted that attendance at BIA events is on the approved Public Events List.

Fiscal Impact:

The fiscal impact for the annual renewal is \$853 and has been included in the 2024/2025 budget. Finance Director Saenz has reviewed this report.

Legal Review:

N/A

Recommendation:

Staff recommends that the Board consider whether the Agency should renew its membership in the BIA. If the Board decides not to renew, consideration should also be made whether the Public Events List should be revised.

Attachments:

Attachment #1 – Public Events List (May 21, 2024)

DESERT WATER



Public Events List
Desert Water Agency
May 21, 2024

1. Civic
 - a. State of the City:
 - i. Cathedral City
 - ii. Desert Hot Springs
 - iii. Palm Springs
 - b. All-Valley Mayor and Tribal Chair Luncheon
 - c. State of the County – Riverside
 - d. State of the Fourth District – Riverside County
2. Community
 - a. ONE-PS Community picnic
 - b. Desert Garden Tour by Desert Horticultural Society
 - c. Desert Garden Community Day by Desert Horticultural Society
 - d. Desert Hot Springs Big Heart Awards
 - e. Cathedral City Fields of Valor
3. Business
 - a. Desert Valley Builders Association Events
 - b. Building Industry Association of Southern California - Coachella Valley Events
 - c. Business Expo/Taste of Palm Springs
 - d. Coachella Valley Economic Partnership Events
 - e. Riverside County Water Task Force
4. Desert Water Agency
 - a. Agency Tours

GENERAL MANAGER'S REPORT JUNE 4, 2024

City of Palm Springs Planning Commission VIP Tour

On May 23, 2024, Desert Water Agency hosted the City of Palm Springs Planning Commission for a VIP tour of the Mission Creek Groundwater Replenishment Facility.

General Manager Steve Johnson, Assistant General Manager David Tate, Public Affairs Manager Xochitl Pēna, Staff Engineer Maya Lopez and Water Operations Supervisor Emmanuel Sarpong presented information about DWA and the facility. Guests walked the edge of the ponds, asked engaging questions, and were interested in learning more at future tours.



Blood Drive Update

The Agency hosted a Blood Drive on May 29 and had 10 people donate, two of them being first time donors, with a total of 11 units collected. It's encouraging to know the blood donated will benefit up to 33 people.

SYSTEM LEAK DATA 2024

May 15, 2024 - May 27, 2024

Street Name	Number of Leaks	Pipe Diameter (inches)	Install Date	Material	Coating/Lining	Planned Replacement
AVENIDA CABALLEROS	19	14"	1953	Steel - SP	UL	2020/2021
ALEJO RD	7	8"	1958	Steel - SP	UL	
VISTA CHINO	3	20"	1949	Steel - SP	UL	2022/2023
LOUELLA RD	2	6"	1955	Steel - SP	UL	2021/2022
TERRY LN	2	4"	1956	Steel - SP	UL	2021/2022
CYPRESS RD	2	4"	1957	Steel - SP	UL	
PARK DR	2	4"	1946	Steel - SP	UL	
PATENCIO RD	2	6"	1951	Steel - SP	UL	
ANDREAS RD	1	6"	1958	Steel - SP	UL	2021/2022
CERRITOS DR	1	4"	1946	Steel - SP	UL	2021/2022
LURING DR	1	4"	1946	Steel - SP	UL	2021/2022
PALM CANYON DR E	1	12"	1958	Steel - SP	UL	
STEVENS RD E	1	6"	1946	Steel - SP	UL	
INDIAN CANYON DR	1	10"	1938	Steel - SP	UL	
CAMINO REAL	1	12"	1953	Steel - SP	UL	
INDUSTRIAL PL	1	4"	1948	Steel - SP	UL	
CALLE ROCA, CALLE CHIA	1	4"	1954	Steel - SP	UL	
PALM CANYON DR E	1	6"	1952	Steel - SP	UL	
CHUPEROSA RD	1	4"	1957	Steel - SP	UL	
JACQUES DR	1	4"	1959	Steel - SP	UL	
ARQUILLA RD	1	4"	1950	Steel - SP	UL	
EL ALAMEDA	1	4"	1967	Steel - SP	CML	
CALLE MARCUS	1	4"	1945	Steel - SP	UL	
WILLIAMS RD	1	6"	1958	Steel - SP	UL	
	1	6"	1958	Steel - SP	UL	
	Total Leaks In System					
	56					

Planned Replacement

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

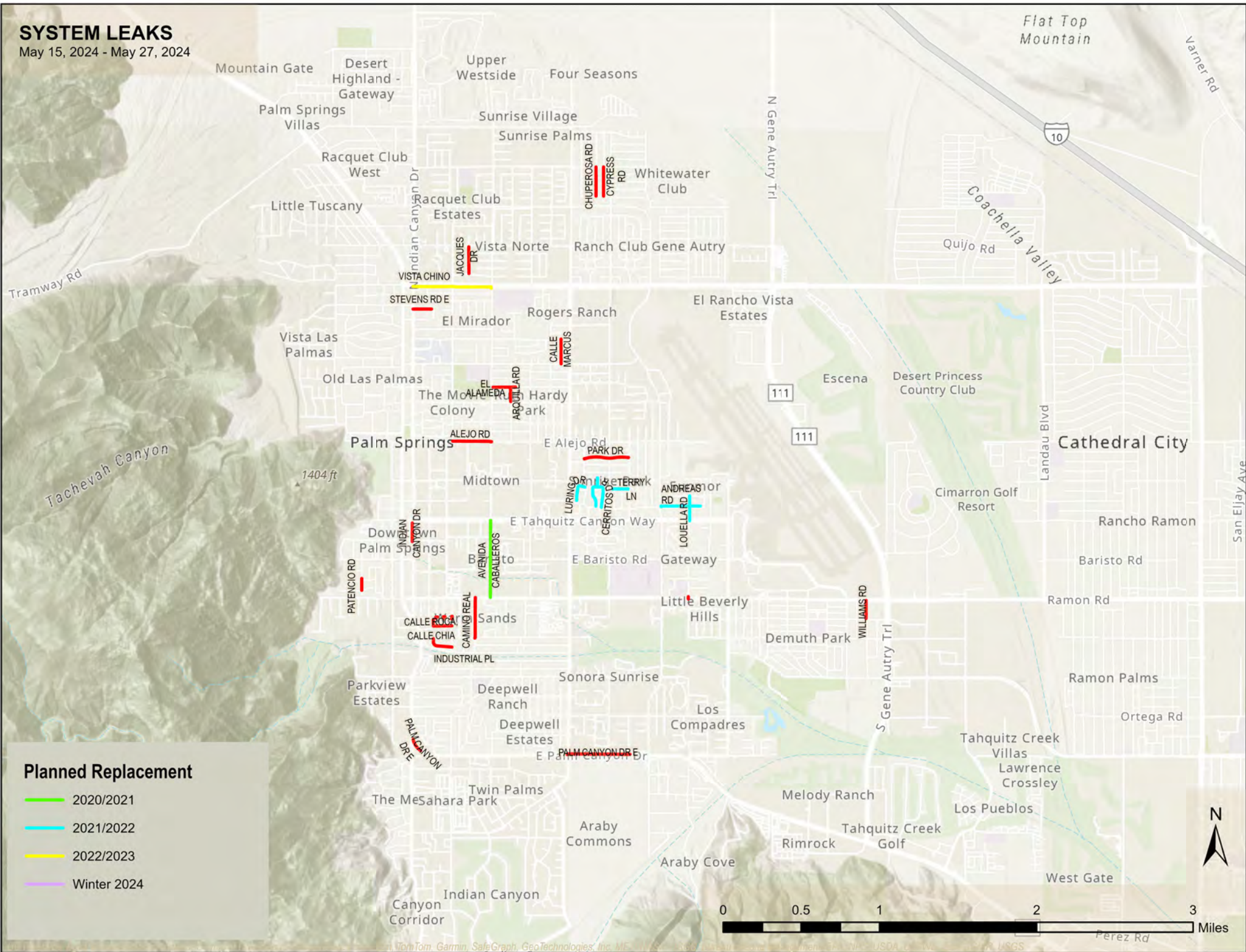
SYSTEM INFORMATION

Oldest Pipe in the System (Year of Installation): 1935, 89 years old
 Average Year of Installation of Unlined Steel Pipe (Systemwide): 1953, 71 years old
Total Length of Unlined Pipe Systemwide (Linear Feet): 260,716 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

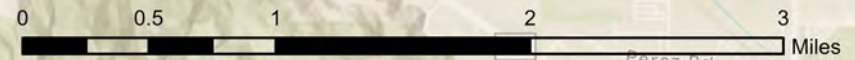
SYSTEM LEAKS

May 15, 2024 - May 27, 2024



Planned Replacement

- 2020/2021
- 2021/2022
- 2022/2023
- Winter 2024



General Manager's Meetings and Activities

Meetings:

05/21/24	Tribal Mediation Meeting	Tribal Headquarters
05/23/24	Palm Springs Planning Commission VIP Tour	MCSB
05/23/24	Finance Committee Meeting	DWA
05/23/24	Tribal Mediation Coordination Meeting w/ CVWD	Conf Call
05/23/24	Big Heart Awards Dinner	DHS
05/24/24	Municipal Water Leader Advisory Meeting	Conf Call
05/29/24	HR Committee Meeting	DWA
05/29/24	DCP Participants Meeting	Conf Call
05/30/24	Executive Committee Meeting	DWA
05/30/24	Tribal Mediation Tech Group Meeting	Conf Call
05/30/24	I.T. Department Update	DWA
06/03/24	Tribal Mediation In-Person Meeting	Rancho Mirage
06/04/24	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) DC Project – Finance JPA Committee (Standing)
- 13) DWA/CVWD/MWD Operations Coordination (Standing)
- 14) DWA/CVWD/MWD Exchange Agreement Coordination Committee (Standing)
- 15) ACBCI Water Rights Lawsuit
- 16) Whitewater Hydro Operations Coordination with Recharge Basin O&M
- 17) Whitewater Spreading Basins – BLM Permits
- 18) Delta Conveyance Project Cost Allocation
- 19) MCSB Delivery Updates
- 20) SWP East Branch Enlargement Cost Allocation
- 21) RWQCB Update to the SNMP