

DESERT WATER AGENCY

FEBRUARY 18, 2020



BOARD OF DIRECTORS

REGULAR MEETING AGENDA

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

Desert Water Agency operates independently of any other local government. Its autonomous elected board members are directly accountable to the people they serve. The Agency is one of the desert's two State Water Contractors and provides water and resource management, including recycling, for a 325-square-mile area of Western Riverside County, encompassing parts of Cathedral City, Desert Hot Springs, outlying Riverside County and Palm Springs.

1. **PLEDGE OF ALLEGIANCE**
2. **APPROVAL OF MINUTES -** February 4, 2020 **STUART**
3. **GENERAL MANAGER'S REPORT** **KRAUSE**
4. **COMMITTEE REPORTS –** A. Executive – February 13, 2020 **STUART**
5. **PUBLIC COMMENT:** Members of the public may comment on any item not listed on the agenda, but within the jurisdiction of the Agency. In addition, members of the public may speak on any item listed on the agenda as that item comes up for consideration. 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.
6. **SECRETARY-TREASURER'S REPORT (JANUARY 2020)** **EWING**
7. **ACTION ITEMS**
 - A. Request Adoption of Resolution No. 1231, Authorizing and Approving Submission for a U.S. Bureau of Reclamation Small-Scale Water Efficiency Projects Grant **METZGER**
 - B. Request Approval of the Amended and Restated Joint Powers Agreement for the Delta Conveyance Authority **KRAUSE**
8. **DISCUSSION ITEM**
 - A. January Water Use Reduction Figures **METZGER**
9. **DIRECTORS COMMENTS AND REQUESTS**
10. **CLOSED SESSION**
 - A. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION
Pursuant to Government Code Section 54956.9 (d) (1)
Name of Case: Agua Caliente Band of Cahuilla Indians vs. Coachella Valley Water District, et al
 - B. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION
Pursuant to Government Code Section 54956.9 (d) (1)
Name of Case: Mission Springs Water District vs. Desert Water Agency
 - C. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION
Pursuant to Government Code Section 54956.9 (d) (1)
Name of Case: Albrecht et al vs. County of Riverside
 - D. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION
Pursuant to Government Code Section 54956.9 (d) (1)
Name of Case: Abbey et al vs. County of Riverside
 - E. CONFERENCE WITH LEGAL COUNSEL – EXPOSURE TO LITIGATION
Pursuant to Government Code Section 54956.9 (d) (2)
Alan Neil Freiman, et al vs. Safari Park, Inc.
Riverside County Superior Court Case No. PSC1806308

F. CONFERENCE WITH LEGAL COUNSEL – PENDING LITIGATION

Pursuant to Government Code Section 54956.9 (d) (4)

Possible Intervention in Case: AT&T vs. County of Riverside

11. RECONVENE INTO OPEN SESSION – REPORT FROM CLOSED SESSION

12. 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 which relate to any agenda item to be discussed in open session may be obtained from the Agency at the address indicated on the agenda.

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

2

February 4, 2020

DWA Board: Joseph K. Stuart, President)
 Kristin Bloomer, Vice President)
 Craig Ewing, Secretary-Treasurer)
 Patricia G. Oygard, Director)
 James Cioffi, Director)

DWA Staff: Mark S. Krause, General Manager)
 Steve Johnson, Assistant General Manager)
 Esther Saenz, Finance Director)
 Sylvia Baca, Asst. Secretary of the Board)
 Kris Hopping, Human Resources Director)
 Ashley Metzger, Outreach & Conserv. Mgr.)

Consultant: Michael T. Riddell, Best Best & Krieger)

Public: David Freedman, P.S. Sustainability Commission)

18660. President Stuart opened the meeting at 8:00 a.m. and asked everyone to join Director Cioffi in the Pledge of Allegiance. **Pledge of Allegiance**

18661. President Stuart called for approval of the January 21, 2020 Regular Board Meeting Minutes. **Approval of 01/21/20 Regular Board Mtg. Minutes**

Director Cioffi moved for approval. After a second by Secretary-Treasurer Ewing, the minutes were approved by the following vote:

AYES: Cioffi, Ewing, Stuart, Bloomer, Oygard
 NOES: None
 ABSENT: None
 ABSTAIN: None

18662. President Stuart called upon General Manager Krause to provide an update on Agency operations. **General Manager's Report**

Mr. Krause provided an update on Agency operations and noted his meetings and activities for the past several weeks. In response to

Secretary-Treasurer Ewing, Mr. Krause stated staff will reach out to local legislators for support regarding DWR's 2081 permit application.

General Manager's Report
Cont.)

18663. Vice President Bloomer noted the minutes for the January 30, 2020 Executive Committee meeting were provided in the Board's packet.

Committee Reports –
Executive 01/30/20

Vice President Bloomer indicated interest in Item 1-D, CSDA Board of Directors Call for Nominations Seat B.

18664. President Stuart opened the meeting for public comment.

Public Comment

There being no one from the public wishing to address the Board, President Stuart closed the public comment period.

18665. President Stuart called upon Agency Counsel Riddell to provide a report on the January 16, 2020 Board of Directors of the State Water Contractors meeting.

Discussion Item:
01/16/20 SWC Mtg.

Mr. Riddell provided a report on the following: 1) The court has denied the motion for recovery of attorney's fees from DWR after Governor Newsom ordered decertification of Cal WaterFix; 2) DWR has initiated a study to identify the causes of aqueduct subsidence, and is working with the Attorney General's office on a legal strategy for pursuing recovery of damages; 3) DWR expects a decision from FEMA soon in its appeal of denial of cost reimbursement for certain repairs resulting from the spillway event at Lake Oroville, and 4) Precipitation and snow pack levels are below normal in the SWP watershed. Storage levels are high in the San Luis Reservoir with approximately 800,000 acre-feet being carryover water. The allocation has been increased to 15%.

18666. President Stuart reported his attendance at the Irrigation Leader Operations & Management Training Workshop in Phoenix, AZ and noted he attended several workshops and conference calls.

Report on Irrigation
Leader Operations &
Management Training
Workshop

18667. President Stuart called upon General Manager Krause to present the 2019 Capital Improvement Projects.

2019 Capital
Improvement Projects

Mr. Krause provided a PowerPoint presentation on the 2019 Capital Improvement projects which included: 1) Pipeline Projects; 2) Construction Vehicles and Equipment; 3) Electrical Upgrades; 4) Sites/Facilities, and 5) Snow Creek and Falls Creek Repair Project.

18668. President Stuart noted that Board packets included Outreach & Conservation reports for January 2020.

**Outreach &
Conservation –
January 2020**

Outreach & Conservation Manager Metzger noted the graphics on the DWA bills are changing; DWA is going to focus on updating customer contact information, and rolling out a low income high bill assistance program. She noted the following events the Agency will be participating in: 1) Modernism week, 2) Black History Month parade and Town Fair; and 3) DWR meeting on landscape area measurement.

Outreach & Conservation – January 2020
(Cont.)

In response to Secretary-Treasurer Ewing, Mrs. Metzger noted DWA's facilities tour is tentatively set for March 31.

18669. Regarding the facilities tours, Secretary-Treasurer Ewing suggested targeting interest groups e.g. Hoteliers Associations or community groups that have a leadership position rather than the general public.

Director's Comments/Requests

18670. At 9:12 a.m., President Stuart convened into Closed Session for the purpose of Conference with Legal Counsel, (A) Existing Litigation, pursuant to Government Code Section 54956.9 (d) (1), Agua Caliente Band of Cahuilla Indians vs. Coachella Valley Water District, et al; (B) Existing Litigation, pursuant to Government Code Section 54956.9 (d) (1), Mission Springs Water District vs. Desert Water Agency; (C) Existing Litigation, pursuant to Government Code Section 54959.9 (d) (1), Albrecht et al vs. County of Riverside; (D) Existing Litigation, pursuant to Government Code Section 54959.9 (d) (1), Abbey et al vs. County of Riverside; (E) Exposure to Litigation, pursuant to Government Code Section 54956.9 (d) (2), Alan Neil Freiman et al vs. Safari Park, Inc.(F) Conference with Real Property Negotiators, Pursuant to Government Code Section 54956.8, Property: APN 501-441-012 and APN 501-433-008, Agency Negotiators: Mark S. Krause, General Manager and Steve Johnson, Assistant General Manager, Negotiating Parties: Desert Water Agency and Trevor Whitcomb, Under Negotiation: Price and Terms.(G) Pending Litigation, Pursuant to Government Code Section 5456.9 (d) (4), Possible Intervention in Case: AT&T vs. County of Riverside, and (H) Public Employee Performance Evaluation, pursuant to Government Code Section 54957, General Manager.

Closed Session:

A. Existing Litigation – ACBCI vs. CVWD, et al.
B. Existing Litigation – MSWD vs. DWA
C. Existing Litigation – Albrecht et al vs. Riverside County
D. Existing Litigation – Abbey et al vs. Riverside County
E. Exposure to Litigation – Alan Neil Freiman, et al vs. Safari Park, Inc.
(F) Real Property Negotiators, Property: APN No's. 5011-1441-012 and 501-433-008
(G) Pending Litigation- AT&T vs. County of Riverside
(H) Public Employee Performance Evaluation – General Manager

18671. At 12:30 p.m., President Stuart reconvened the meeting into open session and announced there was no reportable action taken on Items No. 9-A thru No. 9-G.

Reconvene –No Reportable Action on Items No. 9-A thru No. 9-G.

Regarding Item No. 9-H, Secretary-Treasurer Ewing stated a performance evaluation was conducted for General Manager Krause. He then made a motion to amend the General Manager's employment agreement with the following items effective July 1, 2020: 1) Cost-of-living increase (as provided to all Agency employees), 2) 5% bonus; and 3) Additional \$2,000 bonus. Director Cioffi seconded the motion, which carried by the following vote:

Closed Session:
(Cont.)
Item No. 9-H

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

18672. In the absence of any further business, President Stuart adjourned the meeting at 12:31 p.m. **Adjournment**

Joseph K. Stuart, President

ATTEST:

Craig Ewing, Secretary-Treasurer

**GENERAL MANAGER'S REPORT
FEBRUARY 18, 2020**

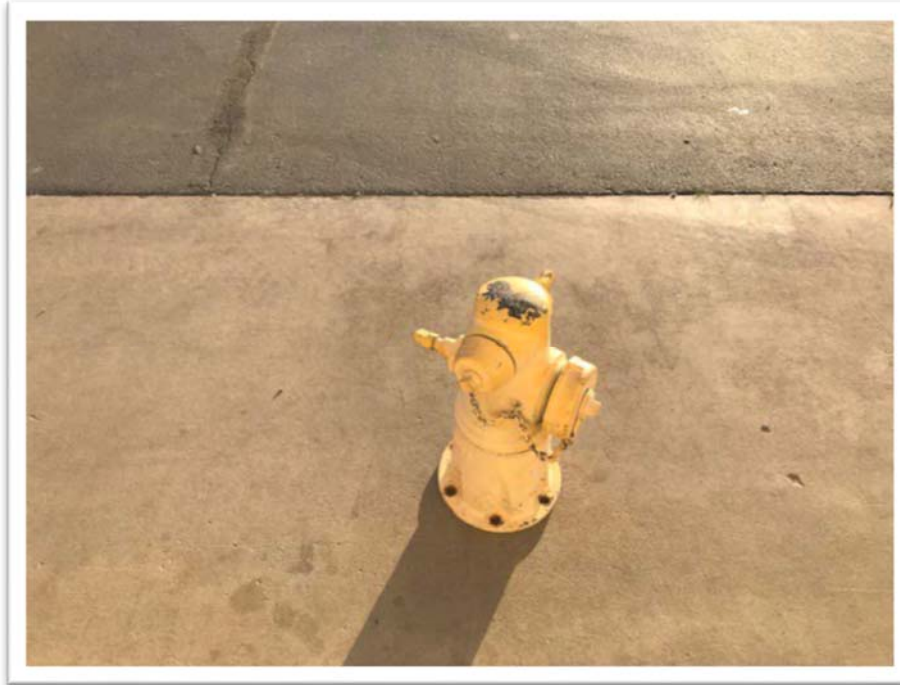
Damaged Fire Hydrant – N. Los Felices Road and W. Santa Catalina Road

On January 31 at approximately 10:00 p.m., Construction stand-by responded to a hit fire hydrant on near the Palm Springs Visitor Center. This was a hit and run. The hydrant had to be replaced and is back in service. The water loss was estimated assuming a fully open 6-inch fire hydrant bury which ran for approximately 30 minutes. A police report was filed.



Damaged Hydrant –S. Paseo Dorotea and E. Camino Parocela

On February 3 at approximately 5:00 p.m., Construction responded to a hit fire hydrant near Cielo Elementary School. This was a hit and run. Staff replaced the hydrant and placed it back in service. The water loss was estimated assuming a 1/8 inch hole which ran for approximately 20 minutes.



Damaged Hydrant – N. Avenida Caballeros and E. Alejo Rd.

On February 6 at approximately 12:30 a.m., Construction stand-by responded to a hit fire hydrant near Ruth Hardy Park. The hydrant is being replaced and chlorinated. Once it passes bac-t staff will place it back into service. A police report was filed. The water loss was estimated assuming a fully open 6-inch fire hydrant bury which ran for approximately 20 minutes.



Damaged Water Service – 737 S. Mountain View Drive

On February 6 at approximately 8:00 a.m., Construction Dept. responded to a hit water service near E. Mesquite Ave and Demuth Park. The service was damaged by Matich Corporation while grinding the street asphalt for paving. The service was replaced and service restored. A damage report was made. The water loss was estimated assuming a fully open one-inch service which ran for approximately 30 minutes.



Stolen Backflow – 1675 East Palm Canyon Drive

On February 7 at approximately 8:30 a.m., Construction Dept. responded to a stolen backflow at 1675 East Palm Canyon Drive near its intersection with S. Sunrise Way. The customer filed a police report and replaced the backflow. The water waste was metered and recorded.

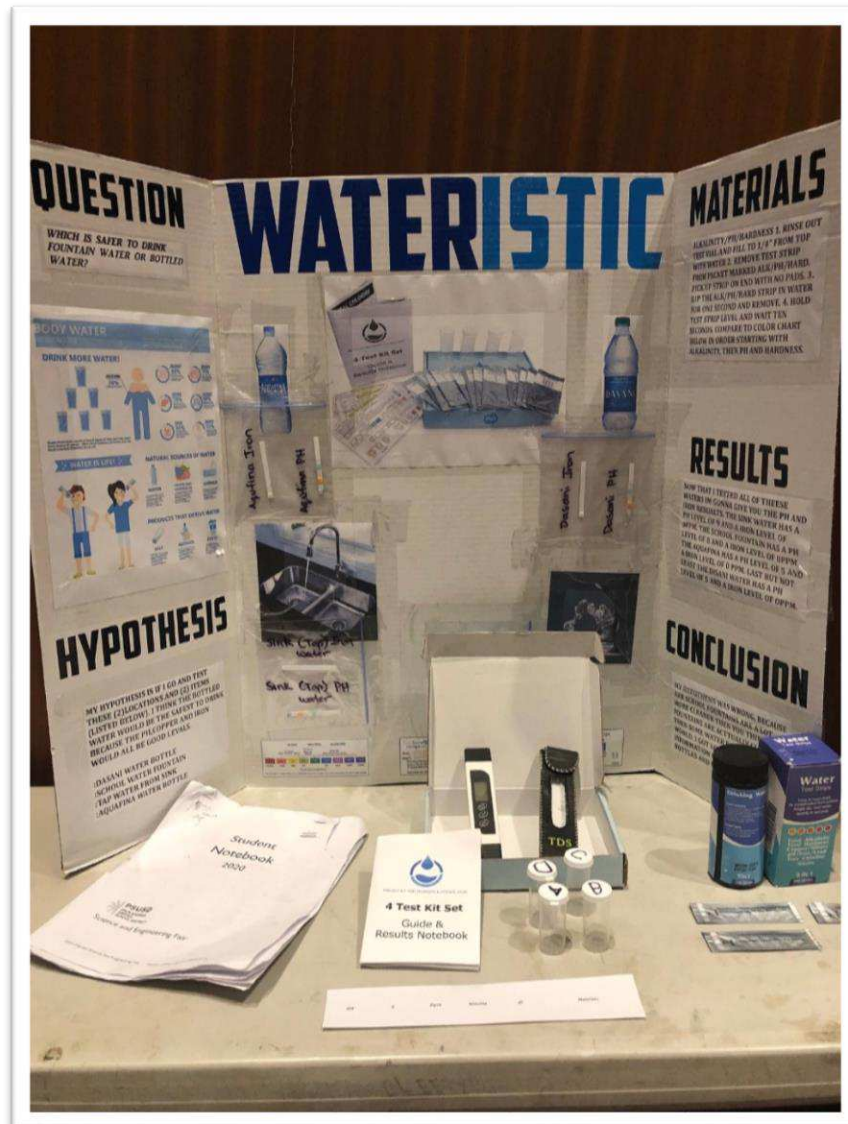


Stolen Backflows at 67555 E. Palm Canyon Drive in Cathedral City

On February 7 Construction staff was notified of two stolen backflows in the East Canyon Plaza across from the Target Shopping Center... One was a 2-inch at McDonalds and the other a 1 ½-inch at Eisenhower Health. Both backflows were replaced by the customer and a police report was filed. The water waste was metered and recorded.

Palm Springs Unified School District Science Fair

DWA participated as a judge in the Palm Springs Unified School District 2020 District Science Fair on February 4. The Agency honored a 4th grader from Julius Corsini Elementary School in Desert Hot Springs. The winner tested bottled water and tap water with different types of water testing kits and his project determined that the tap water was cleaner and safer to drink than bottled water.



Snow Creek Village Surface Water Filtration Plant

The Snow Creek/Falls Creek Surface Water Filtration Avoidance Permit expires on June 12th, 2020. Cora Constructors, Inc. was awarded the contract on July 16th, 2019 and given 296 days to complete the project. They are on schedule and they have made good progress; even with 4 working days lost due to inclement weather. It is anticipated that the Plant start-up and testing will take place on April 15th, 2020, and the Plant will be operational by May 7th, 2020.



Photo 1: The filters were assembled for mechanical testing and final measurement. Representatives from DWA's Operations and Engineering Department inspected the filters.



Photo 2: The sub-grade of the filter room. The proposed filters will sit on a reinforced foundation. The filters are connected by an array of electrical conduit, potable water pipes, raw water pipes, and drain lines.



Photo 3: The sub-grade of the filter room. The extensive array of piping and conduit required multiple layers to complete the installation. The lower level of conduit and pipe was backfilled with concrete slurry to ensure proper compaction around the lower pipes and conduits. This level will be backfilled with slurry prior to the final reinforced concrete floor being placed.



Photo 4: The sub-grade beneath the control room. An array of conduit are installed to connect the various components together to operate the plant and filters.



Photo 5: The backwash and rinse water clarifier. Backwash and rinse water will be diverted to this unit where any fine sediment will be removed. The clarified water will be returned to the filters. Without the clarifier, the backwash and rinse water would need to be handled onsite or hauled/piped offsite.

State Water Contractors External Communications Program July 2019 - January 2020

The State Water Contractors Inc. as an organization does a tremendous amount to outreach. Attached is a summary of the SWC's external communications program, accomplishments and future plans. These items span from education information to website development, regulatory and legislative outreach, the science programs we support, media relations/rapid response and social media.

**STATE WATER CONTRACTORS
EXTERNAL COMMUNICATIONS PROGRAM
July 2019 – January 2020**

COMMUNICATIONS PROGRAM OBJECTIVES

- Demonstrate the benefits and critical value of the SWP to California and inoculate against threats to the project.
- Spur a fact-based dialogue about new and innovative science to protect fish and secure our state's water supply.
- Proactively drive SWC messaging to the media, key stakeholders, legislators and regulatory agencies in order to elevate the organization's position on priority issues.

WHAT WE'VE DONE AND WHERE WE'RE GOING

State Water Project

- Demonstrating the value of the SWP remains a large focus of the communications program.
- A comprehensive suite of educational materials on the SWP was produced, including specific regional snapshots that highlight the foundational role SWP supplies play in key geographic areas of the state.
- Education and outreach to key stakeholders and local communities on the importance of the SWP infrastructure took place in earnest through the mobilization of member agencies, which included the development and dissemination of outreach materials.
- These efforts helped protect the SWC from legislative and regulatory threats to SWP operations and positioned SWC's member agencies as responsible and forward-thinking stewards of our state's primary water delivery system.
- In Sacramento, a steady drumbeat of messaging and informational materials that showcase the benefits and value of the SWP was distributed to targeted audiences (Governor Newsom & staff, state legislators & staff, regulatory agencies, Sacramento and regional opinion leaders and news media).
- An updated SWC website is currently under construction that will better showcase SWP and member agency operations, including an interactive GIS map, and password protected pages for posting key SWC documents and resources for members.

Regulatory & Legislative

- Public participation in Governor Newsom's Water Resiliency Portfolio, which among other important initiatives includes Voluntary Settlement Agreements and Delta Conveyance, was important in maintaining the SWC's position and leadership on decisions that will impact the SWP and member agencies.
- Through statements, blog posts, letters, opinion pieces, social media content and regular briefings, the SWC's played a vocal role in regulatory deliberations and actions by the State Water Resource Control Board, Department of Water Resources, Natural Resources Agency, Delta Stewardship Council, Bureau of Reclamation, state and federal Fish & Wildlife agencies and state and federal legislators.
- External communications focused on the SWP contract extension and amendments, Oroville spillway reimbursement, legislation like SB 1, federal bi-ops, CESA permits for long-term operation of the SWP and planning for the Delta Conveyance tunnel project.
- 2020 will be marked by continued legislative, regulatory and legal threats to our organization, the SWP and our member agencies.
- We will continue external communication efforts to protect against these threats and advance reasonable, viable solutions.

Science Program

- The SWC's are driving science-based dialogue to address critical natural resource issues, investing \$2 million annually in science, research and management, while driving collaborative stakeholder engagement like the SWC-sponsored Longfin Smelt Symposium, advancing outreach materials and research like the Sutter Bypass Chinook Salmon pilot study, and participating in science community events and programs like the Tule Red Breach Ceremony.

**STATE WATER CONTRACTORS
EXTERNAL COMMUNICATIONS PROGRAM
July 2019 – January 2020**

- The SWC worked with prominent researchers and institutions, including scientists at University of California, Davis and University of California, Santa Cruz, Flora Cordoleani and Carson Jeffres, to promote insights into the fragile ecosystems and species in the Sacramento-San Joaquin Delta, providing new tools for effective and science-based water management.
- Supporting the next generation of scientists is also a priority of the SWC. As a funding contributor of the California Sea Grant Delta Science Fellowship, the SWC's are offering scientists opportunities in research, natural resource management and marine policy that help to inform the state's water policies and management decisions. The SWC highlights fellows and their research through Q&A's that provide information on their work and findings.
- Our external communication efforts around science have successfully positioned the SWC's as a dedicated partner in advancing important research and restoration efforts.
- We will continue our science work into 2020 and beyond to promote innovative research and address priority issues such as species management, entrainment, habitat restoration, water management technology, outflow and climate change, among others, through regular symposiums, stakeholder briefings, community outreach and media engagement.

Media Relations / Rapid Response

- The SWC's have cemented solid working relationships with key beat reporters, columnists and editorial writers covering water and natural resources. Operating in a dynamic landscape – with reporters shifting regularly – we've kept pace with outreach to ensure SWC issues are front and center.
- SWC messaging and positions have been incorporated in news articles covering key events/trigger points and opinion editorials/commentary have been secured.
- Our rapid response program furthered the SWC's role as a leader in the water industry, positioning the GM as a thought leader and elevated the organization's voice to protect against legislative and regulatory threats.
- We will continue to rapidly respond to emerging issues, trends and announcements at the federal, state and local level through social media channels, media statements and press releases, and at briefings and events.

Social Media

- Social media channels, primarily Twitter, remain a crucial platform for elected officials and staff, policy elite, news media, academia and other opinion leaders. Water industry professionals and the environmental community are particularly active in this space.
- The SWC and GM Twitter handles have been actively engaged during the year and will continue to do so in the coming months to promote policies, programs and projects, correct information in real time, directly engage with supporters and opponents and opine on breaking events – ultimately elevating SWC and its member agencies' profile, influence and positioning.

###

State Water Contractor's Response To State's Draft Water Resilience Portfolio

There are many areas identified in the Draft WRP that the SWC's agree with and support, as well as a few areas that would benefit from further clarifications and specific changes.

The SWC's support that the new Delta Conveyance is necessary and would benefit the environment and water supplies. We support a holistic scientific approach that incorporates adaptive management.

We support development of expedited and cost-effective permitting mechanisms for common types of restoration and enhancement projects, but the Draft WRP could benefit from more specific direction to the various state agencies with permitting authority over such projects to coordinate with federal and local responsible agencies to avoid Catch 22 saturations where permit terms are incompatible.

We are concerned with WRP Action 18.3 which does not reflect the Delta Reform Act "reduced reliance" policy that it appears to be designed to advance. The state's policy "to reduce reliance on the Delta in meeting California's future water supply needs through a statewide strategy of investing in improved regional supplies like conservation and water use efficiency" does not mean State Water Project and Central Valley Project supplies should be reduced, as some have argued that Draft Action 18.3 suggests.

SWC's are concerned with the statement: "water needs of California fish, wildlife and natural ecosystems" can be "quantified" on a season-by-season basis, as assumed in the text on pages 13 and 15, as assumed is possible for actions under heading 9, "help regions better protect fish and wildlife by quantifying the timing, quality, and volume of flows they need. As is demonstrated in the recent Voluntary Agreement modeling, functional flows that work with natural and altered landscapes and habitat restoration promise to be more effective than estimating only the quantity, quality and timing of flows in watershed "needed" for fish and riparian habitat. However we agree that all watersheds should strive to understand flow, landscapes, and human intervention cap interact to create suitable and resilient habitat conditions.

In Action 26.3 there is an element on drought SWP/CPV operations that suggests modified operations to meet D-1641, which appears to mean avoid Temporary Urgency Change Petitions, in droughts lasting up to 6 years. Such a goal is infeasible due to the unique nature of droughts in California. It is infeasible to hold sufficient water in storage to meet all required flow and water quality criteria in a six-year drought.

February 11, 2020



Delivered via email to: input@waterresilience.ca.gov

Mr. Jared Blumenfeld
Secretary for California Environmental
Protection Agency
P.O. Box 2815
Sacramento, CA 95812

Ms. Karen Ross
Secretary for California Department of
Food and Agriculture
1220 N Street
Sacramento CA 95814

Mr. Wade Crowfoot
Secretary for Natural Resources
1416 Ninth Street, Suite 1311
Sacramento, CA 95814

Dear Secretaries Blumenfeld, Crowfoot, and Ross:

Thank you for the opportunity to comment on the State's Draft Water Resilience Portfolio (Draft WRP). The State Water Contractors (SWC) appreciate you incorporating many of our comments into the Draft WRP. There are many areas identified in the Draft WRP that we agree with and support. There are a few areas that we believe would benefit from further clarification and specific edits and have outlined them below.

Areas of Support

First, SWC agrees that new Delta conveyance through the Delta is necessary and would complement many of the actions called for in the Draft WRP aimed at capturing water during periods of high river flows when impacts to sensitive fish are low for storage and use during dry periods. Delta conveyance is a critical upgrade to the State Water Project and its ability to combat risks it faces from seismic events, sea level rise and climate change. The SWC also agree that water infrastructure and management must be updated to allow capture of water when it is available in increasingly intense storm events and to provide water supplies and protect the environment during prolonged dry periods. New Delta conveyance is critical to achieving this objective.

The SWC agree with the Draft WRP that the focus on protecting single species rather than ecological functions has had limited success, and a paradigm shift to a more holistic, science-based approach that incorporates adaptive management is needed. The Voluntary Agreements are the most promising path forward to address the beneficial uses of water in the Delta in a smart, science-based manner that is aimed at restoring ecological functions. In this regard, SWC appreciates the suite of actions under heading 13, "Simplify permitting to help launch more multi-benefit, multi-partner projects," as well as action 11.3, "Support expansion of multi-benefit floodplain projects across the Central Valley and coastal regions, including projects that restore or mimic historical river and floodplain processes, such as the Yolo Bypass and Cache Slough Partnership program."

SWC supports actions 13.1-13.7 because they are necessary to expedite habitat restoration projects in the Delta and Delta watershed that advance the coequal goals, the Delta Plan, California EcoRestore, and the Voluntary Agreements. SWC and its member agencies have invested hundreds of millions in such actions since the 1994 Bay-Delta Accord, including restored access to salmon spawning grounds, seasonal floodplain habitat, and tidal marsh. But as the Delta Plan, EcoRestore, and the draft Water Resilience Portfolio recognize, more restoration is needed, and the sooner the better.

While we support action 13.2, the development of expedited and cost-effective permitting mechanisms for common types of restoration and enhancement projects, could benefit from more specific direction to the various state agencies with permitting authority over such projects to coordinate with federal and local responsible agencies to avoid Catch 22 situations where permit terms are incompatible. As has occurred on past restoration projects where one agency insists that restored habitat exclude the general public, but another agency insists it provide recreational access, it can take months to reach a compromise and often entails elevating the issue to agency decision makers.

In addition, SWC recommends the addition of specific direction to the Department of Fish and Wildlife to issue one or more programmatic California Endangered Species Act permits and lake and stream alteration agreements to further streamline permitting.

Past projects, like the recently completed Tule Red tidal marsh restoration project, could provide a lessons-learned roadmap for current and future restoration actions in the Delta and Suisun Marsh. Others in the upper watershed could provide templates for spawning ground restoration, side-channel habitat restoration, and other actions that benefit sensitive salmon runs. SWC welcomes the opportunity to work with the Newsom administration to share our experience with restoration and our ideas to expedite more multi-benefit, multi-partner projects.

Request for Revisions to Reduced Reliance Water Portfolio Action 18.3

Draft Water Portfolio Action 18.3 raises concerns because it does not reflect the Delta Reform Act “reduced reliance” policy that it appears to be designed to advance.

The state’s policy “to reduce reliance on the Delta in meeting California’s future water supply needs through a statewide strategy of investing in improved regional supplies, conservation, and water use efficiency” does not mean State Water Project or Central Valley Project supplies should be reduced, as some have argued, and as Draft Action 18.3 suggests. (Water Code, § 85021.) That would be inconsistent with the state’s coequal goal for the Delta of restoring and protecting reliable supplies from the Delta, and it would deter investment in new Delta conveyance—something the draft plan rightly promotes—since it would lead to ever dwindling State Water Project supplies. Indeed, reliable State Water Project supplies make local and regional projects like recycling possible—one of the key actions needed to reduce reliance to meet future needs. As explained in our prior letter, restoring and protecting State Water Project supplies keeps water affordable for millions of Californians, including those in disadvantaged communities.

Instead, reduced reliance means that as California's population, economy, and water demands increase, regions that depend on supplies from the Delta watershed will need to meet those growing needs by investing in feasible, cost-effective measures to stretch existing supplies and create new local or regional supplies. Diversifying supplies, ensuring reliable Delta supplies, and increasing storage also enables the state and regions that rely on water from the Delta to capture water when river flows are high and risks to sensitive fish species are low, facilitating storage for use in extended dry periods, which reduces reliance on the Delta at times when drought amplifies stressors on the ecosystem.

SWC's member agencies have been reducing their reliance on the Delta since long before the Delta Reform Act by investing in conservation, conjunctive use, remediating groundwater contamination, water use efficiency, recycling, desalinization, new storage, coordinated regional planning, and otherwise diversifying local supplies to ensure their respective service areas have reliable, affordable supplies. As explained in our previous letter, modernizing the State Water Project and investing in actions to improve its reliability as a foundational source of water for the majority of Californians as well as hundreds of thousands of acres of farmland is essential to meeting California's needs and sustaining its economy.

As currently worded, Water Portfolio Action 18.3 raises three main concerns.

First, it assumes that DWR or the Delta Stewardship Council (DSC) have the legal authority to create a new reduced reliance "requirement" for urban or agricultural water management plans. Neither agency has such authority. Thus, Action 18.3 should be edited to propose guidance to water suppliers, not a new reporting "requirement."

If the intent is that DWR and DSC should propose potential bill language to amend the Urban and Agricultural Water Management Planning Acts, SWC urges you to ensure that it be drafted in close consultation with SWC, its members, and other affected water suppliers. Any new requirement would have to be both feasible and consistent with the Delta Reform Act. Of critical importance, any proposed new reporting requirements should not make reduced reliance a precondition to eligibility for state grants or loans.¹ For some suppliers, such a mandate could cripple their ability to protect or diversify local supplies, thwarting the overarching goal of the Water Resilience Portfolio and the reduced reliance policy itself.

Second, Action 18.3 should not be limited to water suppliers that receive water from "Delta-based projects," which would include new Delta conveyance. It should apply to all water suppliers who depend on water from the entire Delta watershed, especially in light of its inclusion under the heading: "Help protect the economic and ecological vitality of the Sacramento-San Joaquin Delta." The same water code provision that discusses reduced reliance established a corresponding policy: "Each region that depends on water from the Delta watershed shall improve its regional self-

¹ See Water Code, §§ 10656 ("An urban water supplier is not eligible for a water grant or loan awarded or administered by the state unless the urban water supplier complies with [the Urban Water Management Planning Act]"); 10852 (same for agricultural water suppliers). As draft Action 18.3 and her article are worded, if a supplier did not show how it is reducing reliance, which is not be feasible or cost-effective for every supplier, it would not have met the new "requirement," thus rendering it ineligible for state grants and loans needed to maintain and improve the reliability of its existing local supplies.

reliance for water through investment in water use efficiency, water recycling, advanced water technologies, local and regional water supply projects, and improved regional coordination of local and regional water supply efforts.” (Water Code, § 85021, emphasis added.) In other words, improving regional self-reliance is the key to reducing reliance, not a separate objective, it applies to regions, not each individual water supplier, and it applies upstream of the Delta, not just in and downstream of the Delta, and not just to those that receive water from “Delta-based projects.”²

Third, as currently worded, Action 18.3 is inconsistent with the fundamental premise of the draft Water Resilience Portfolio, including the stated focus on “enabling regional resilience,” and the important recognition that “[d]ifferent areas of the state have very different water supplies and demand profiles,” which “requires regionally-tailored approaches to providing water supply to address demands” and that “[d]ifferent areas have unique water supplies, environmental conditions, user needs, and vulnerabilities” which means “a one-size-fits-all approach to building water resilience does not work in California.”

With this in mind, SWC proposes the following language, and would welcome the opportunity to discuss alternative language:

18.3: Work with water suppliers to draft guidance for urban and agricultural water suppliers that receive water from the Delta watershed on how to report on any past, ongoing or planned local or regional projects or programs that improve regional self-reliance ~~in the water management plans they submit to the state every five years.~~

Other Areas of Concern

SWC are concerned with the statement: “water needs of California fish, wildlife and natural ecosystems” can be “quantified” on a season-by-season basis, as assumed in the text on pages 13 and 15, and as assumed is possible for the actions under heading 9, “Help regions better protect fish and wildlife by quantifying the timing, quality, and volume of flows they need.” As is demonstrated in the recent Voluntary Agreement modeling, functional flows that work with natural and altered landscapes and habitat restoration promise to be more effective than estimating only the quantity, quality and timing of flows in a watershed “needed” for fish and riparian habitat. However, we agree that all watersheds should strive to understand how flow, landscapes, and human intervention can interact to create suitable and resilient habitat conditions.

As currently drafted, Water Portfolio Action 9.4 is limited to working with universities, tribes, and non-governmental groups. It should be revised to include SWC and other water suppliers that have made considerable investments in science and who are dedicated to further advancements to better inform water management decisions.

² Indeed, the statutory policy is not limited to “water suppliers” as defined in the Urban and Agricultural Water Management Planning Acts. Some regions that rely on water from the Delta watershed involve primarily agricultural diversions by landowners or reclamation and irrigation districts that may not qualify as water suppliers. Notably, the text of Appendix 3 on page 113 misrepresents the statutory policy as applying to “water districts.” That inaccuracy can be addressed by simply quoting Water Code section 85021, which sets forth the state policy in plain language.

Action 9.2 should be revised to expressly acknowledge that under California law, “public trust values” of California’s waters includes diversions for human consumptive use, and not just “instream” fish and wildlife benefits, and that the public trust requires a balancing of those uses.

While we support the intent of Action 8.4, “Support mercury control programs to reduce human and wildlife exposure to mercury contaminated fish,” the TMDL process that will be used to implement this component needs to consider the practicability, effectiveness and affordability of required actions, and ideally would be developed collaboratively with affected parties and stakeholders.

Finally, in Action 26.3 there is an element on drought SWP/CVP operations that suggests modified operations to meet D-1641, which appears to mean avoid Temporary Urgency Change Petitions, in droughts lasting up to 6 years. Such a goal is infeasible due to the unique nature of droughts in California. No two droughts are alike, and even within a multi-year drought, the timing and type of precipitation, surface air temperatures, and water storage conditions vary month-to-month and year-to-year, so no plan could possibly anticipate every conceivable drought. In addition, while it may be feasible to develop a toolbox approach, it is infeasible to hold sufficient water in storage to meet all required flow and water quality criteria in a six-year drought.

We appreciate the opportunity to comment and look forward to working with this administration on these important issues.

Sincerely,

A handwritten signature in dark ink, appearing to read "Jennifer Pierre", with a stylized, cursive script.

Jennifer Pierre
General Manager

cc: Nancy Vogel
Karla Nemeth
Jessica Pearson

MWD Colorado River Aqueduct Shutdown Update

The 2020 Colorado River Aqueduct (CRA) Shutdown officially began at 1200 hrs on February 4th, with the closing of the Copper Basin gates. All pump plants began preparations for various inspections and maintenance. Environmental staff began surveys along the CRA in preparation for the planned work. Staff is conducting high-voltage switching, and performing other aqueduct operations as necessary for the shutdown.

MWD is also surveying the aqueduct near the Mission Creek turnout in order to improve its hydraulic calculations for estimating the water delivered to the Mission Creek Recharge Facilities in 2019.

State Water resources Control Board Sets Lower Response Levels for PFOA and PFOS

The SWRCB announced lowered Drinking Water Response Levels for Perflourooctanoate (PFOA) and perfluorooctanesulfonate (PFOS) from 70 ppt of the total combined concentration to 10 ppt and 40 ppt, respectively. Under AB 756, which went into effect January 1, 2020, water system with concentrations that exceed this new level are required to remove the source (well) from the service or notify their customers in writing about the exceedance. The Agency has sampled tested for these constituents and has not detected them.

Human Resources Meetings and Activities

Meetings:

01/21/20	DWA Board Meeting	DWA
01/23/20	HR Update Presentation to all Staff at the monthly safety meeting	DWA
01/27/20	Weekly Staff Meeting	DWA
02/03/20	Weekly Staff Meeting	DWA
02/04/20	DWA Board Meeting	DWA
02/05/20	United Way Executive Board Meeting	UWD Offices
02/10/20	Weekly Staff Meeting	DWA

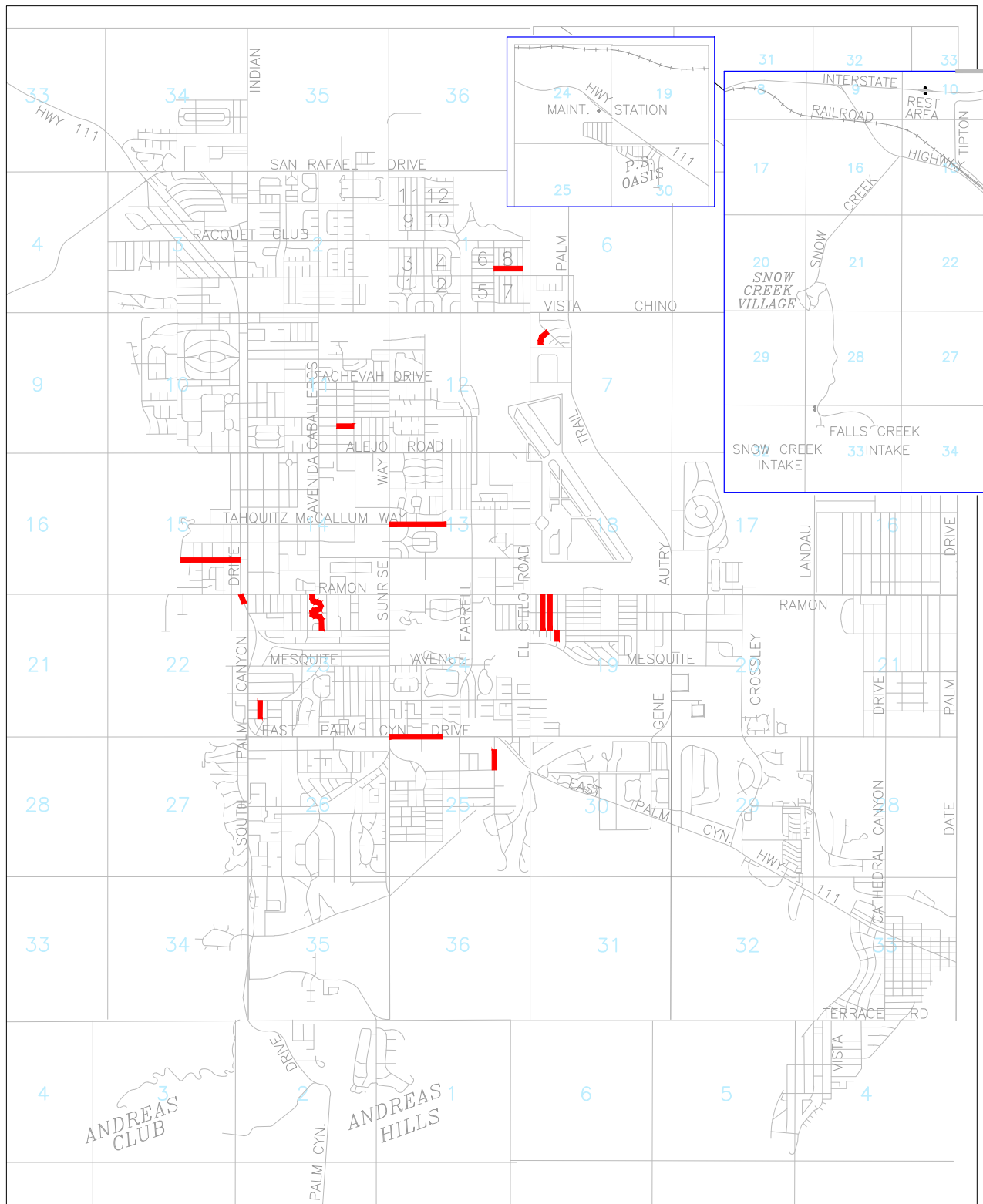
Activities:

01/28/20	Received training on the pool vehicle check-out procedures and the fuel system
01/28/20	Webinar: Confessions of a Recruiter: Making the Case for Better Collaboration
01/29/20	Employee Recognition Breakfast
02/06/20	Webinar: Managing Tough HR Conversations
02/12/20	2020 Coachella Valley USD CTE Program Advisory Meeting
02/13/20	HR Virtual Summit

SYSTEM LEAK DATA					
(PERIOD BEGINNING JANUARY 29, 2020 THRU FEBRUARY 11, 2020)					
STREET NAME	NUMBER OF LEAKS	PIPE DIAMETER (INCHES)	YEAR INSTALLED	PIPE MATERIAL	PIPE CONSTRUCTION
DESERT WY	5	4	1946	STEEL	BARE/UNLINED
TAHQUITZ CANYON WY	2	8	1946	STEEL	BARE/UNLINED
HIGHLAND DR	2	4	1946	STEEL	BARE/UNLINED
VIA ALTAMIRA	2	4	1954	STEEL	BARE/UNLINED
MOUNTAIN VIEW DR	2	4	1957	STEEL	BARE/UNLINED
E PALM CANYON DR	1	12	1958	STEEL	BARE/UNLINED
S PALM CANYON DR	1	10	1953	STEEL	BARE/UNLINED
AVENIDA FEY NORTE	1	8	1979	AC	N/A
ARABY DR	1	6	1947	STEEL	BARE/UNLINED
BARISTO RD	1	6	1950	STEEL	BARE/UNLINED
VENTURA RD	1	6	1958	STEEL	BARE/UNLINED
WARM SANDS DR	1	4	1946	STEEL	BARE/UNLINED
VIA SOLEDAD	1	4	1955	STEEL	BARE/UNLINED
TOTAL LEAKS IN SYSTEM:		21			

Streets highlighted in blue are being proposed as part of the
2019/2020 Replacement Pipeline Project

SYSTEM INFORMATION:	
*OLDEST PIPE IN THE SYSTEM (YEAR OF INSTALLATION):	1935
AVERAGE YEAR OF INSTALLATION OF UNLINED STEEL PIPE (SYSTEMWIDE):	1952
AVERAGE AGE OF UNLINED STEEL PIPE (SYSTEMWIDE):	66 YEARS
AVERAGE AGE OF PIPELINE AT THE TIME OF REPLACEMENT:	68 YEARS
TOTAL LENGTH OF PIPE IN SYSTEM OLDER THAN 68 YEARS (LINEAR FEET):	142,113
TOTAL LENGTH OF UNLINED PIPE SYSTEMWIDE (LINEAR FEET):	303,391
**AVERAGE LENGTH OF PIPE REPLACED ANNUALLY (LINEAR FEET):	14,500
PROJECTED TIME FRAME FOR 100% REPLACEMENT OF UNLINED STEEL PIPE:	21 YEARS
PROJECTED TIME FRAME FOR 100% REPLACEMENT OF PIPE OLDER THAN 68 YEARS:	10 YEARS
YEAR AGENCY TRANSITIONED TO CEMENT LINED STEEL PIPE:	1960
<p>* THIS PIPELINE IS BEING REPLACED AS PART OF THE 2018/2019 REPLACEMENT PIPELINES PROJECT.</p> <p>** PLEASE NOTE THIS FIGURE REPRESENTS THE AVERAGE LINEAR FOOTAGE OF PIPELINE REPLACED ANNUALLY GIVEN AN AVERAGE ANNUAL BUDGET OF \$3 MILLION.</p>	



SYSTEM LEAKS

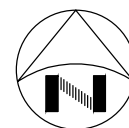
(Period beginning January 29, 2020
thru February 11, 2020)

DESERT WATER AGENCY
PALM SPRINGS, CALIFORNIA

LEGEND

- LEAK(S) RECORDED
- LEAK(S) RECORDED;
INCLUDED IN PROPOSED
LIST OF STREETS FOR
2019/2020
REPLACEMENT PIPELINES

DWG. BY
SR



DATE
02/20

SCALE
NTS

EXHIBIT
"A"

General Manager's Meetings and Activities

Meetings:

02/04/20	DWA Bi-Monthly Board Meeting	DWA
02/10/20	DWA Weekly Staff Meetings	DWA
02/11/20	GCVC 28 Senate Seat Candidate Forum	PD
02/11/20	Whitewater Cooperators Meeting BLM Permit	Conf. Call
02/11/20	DWA/CVWD/MSWD Quarterly GM Meeting	DWA
02/12/20	SWP DCF Caucus Meeting	Conf. Call
02/13/20	DWA Executive Committee Meeting	DWA
02/13/20	SGMA Indio Subbasin Meeting	Conf. Call
02/18/20	DWA Bi-Monthly Board Meeting	DWA

Activities:

- 1) SWP – CWF Voluntary Settlement Agreement Framework
- 2) SWP Contract Extension Amendment
- 3) DWA Remote Meter Reading Fixed Network
- 4) Whitewater Hydro – Automatic Re-start
- 5) State and Federal Contractors Water Authority and Delta Specific Project Committee (Standing)
- 6) Whitewater River Surface Water Recharge
- 7) ACBCI Section 14 Facilities & Easements
- 8) Lake Oroville Spillway FEMA funding
- 9) Replacement Pipelines 2020-2021
- 10) DC Project – Finance JPA Committee (Standing)
- 11) DWA/CVWD/MWD Operations Coordination/Article 21/Pool A/Pool B/Yuba Water
- 12) DWA/CVWD/MWD Exchange Agreement Coordination Committee
- 13) SWP 2020 Water Supply
- 14) ACBCI Water Rights Lawsuit
- 15) Whitewater Hydro Operations Coordination with Recharge Basin O&M
- 16) SGMA Tribal Stakeholder Meetings
- 17) Whitewater Spreading Basins – BLM Permits
- 18) Lake Perris Dam Seepage Recovery Project Participation
- 19) Delta Conveyance Project Cost Allocation
- 20) DWA Surface Water Filtration Feasibility Snow Creek Village/Palm Oasis
- 21) MCSB Delivery Updates
- 22) Well 6 Meaders Cleaners RWQB Meetings
- 23) SWP East Branch Enlargement Cost Allocation
- 24) UWMP Population Calculation Update/Valley-Wide UWMP
- 25) RWQCB Update to the SNMP
- 26) SGMA – San Geronio Pass Subbasin

Minutes
Executive Committee Meeting
February 13, 2020

Directors Present: Joseph Stuart, Kristin Bloomer

Staff Present: Mark Krause, Steve Johnson, Esther Saenz

1. Discussion Items

A. Review Agenda for February 18, 2020 Regular Board Meeting

The proposed agenda for the February 18, 2020 meeting was reviewed.

2. Other – None

3. Adjourn

DESERT WATER AGENCY
STATEMENT OF CASH RECEIPTS AND EXPENDITURES

OPERATING ACCOUNT

JANUARY 2020

INVESTED
RESERVE FUNDS
\$27,911,247.14

BALANCE	JANUARY 1, 2020	(\$608,586.88)	
WATER SALES		\$2,547,210.16	
RECLAMATION SALES		44,367.77	
WASTEWATER RECEIPTS		98,602.12	
POWER SALES		4,627.52	
METERS, SERVICES, ETC.		316,250.50	
REIMBURSEMENT – GENERAL FUND		276,713.84	
REIMBURSEMENT – WASTEWATER FUND		4,939.40	
ACCOUNTS RECEIVABLE – OTHER		14,954.55	
CUSTOMER DEPOSITS – SURETY		9,910.00	
CUSTOMER DEPOSITS – CONST.		259,373.00	
LEASE REVENUE		5,364.26	
INTEREST RECEIVED ON INV. FDS.		124,525.85	
FRONT FOOTAGE FEES		0.00	
BOND SERVICE & RESERVE FUND INT		0.00	
MISCELLANEOUS		<u>62,298.47</u>	
TOTAL RECEIPTS		\$3,769,137.44	
PAYMENTS			
PAYROLL CHECKS		\$437,323.87	
PAYROLL TAXES		131,585.10	
ELECTRONIC TRANSFERS		135,463.32	
CHECKS UNDER \$10,000.00		283,434.01	
CHECKS OVER \$10,000.00 – SCH. #1		1,287,209.05	
CANCELLED CHECKS AND FEES		<u>(17,922.61)</u>	
TOTAL PAYMENTS		<u>\$2,257,092.74</u>	
NET INCOME		\$1,512,044.70	
BOND SERVICE ACCOUNT			
MONTHLY WATER SALES		\$0.00	
EXCESS RETURNED BY B/A		<u>\$0.00</u>	
BOND SERVICE FUND			\$0.00
INVESTED RESERVE FUNDS			
FUNDS MATURED		\$1,901,500.00	
FUNDS INVESTED – SCH. #3		<u>2,961,585.85</u>	
NET TRANSFER		(\$1,060,085.85)	\$1,060,085.85
BALANCE	JANUARY 31, 2020	(\$156,628.03)	\$28,971,332.99

JANUARY 2020

DESERT WATER AGENCY

OPERATING ACCOUNT

SCHEDULE #1-CHECKS OVER \$10,000

CHECK #	NAME	DESCRIPTION	AMOUNT
124491	ACWA/JPIA	HEALTH, DENTAL & VISION INSURANCE PREMIUMS - JANUARY 2020	\$216,675.15
124494	ACWA/JPIA	WORKERS COMPENSATION PREMIUM / OCTOBER - DECEMBER 2019	\$71,223.65
124603	THATCHER COMPANY OF CALIFORNIA	WATER SERVICE SUPPLIES	\$10,097.65
124614	INLAND WATER WORKS SUPPLY CO	WATER SERVICE SUPPLIES	\$31,796.75
124616	SOUTHERN CALIFORNIA EDISON	POWER	\$159,968.40
124633	DESERT WATER AGENCY - WASTEWATER	WASTEWATER REVENUE BILLING - DECEMBER 2019	\$94,732.88
124641	ACWA/JPIA	HEALTH, DENTAL & VISION INSURANCE PREMIUMS - FEBRUARY 2020	\$205,286.73
124661	BACKFLOW APPARATUS & VALVE CO.	WATER SERVICE SUPPLIES	\$15,747.08
124662	BACKFLOW PARTS USA	WATER SERVICE SUPPLIES	\$44,653.07
124664	BADGER METER INC	WATER SERVICE SUPPLIES	\$16,189.77
124665	BEST BEST & KRIEGER LLP	LEGAL FEES	\$54,768.54
124681	JAMES E MAISANO DBA DESERT COATING	RECLAMATION PLANT AND WELL PAINTING MAINTENANCE	\$10,750.00
124685	DOWN TO EARTH LANDSCAPING	LANDSCAPE MAINTENANCE	\$30,770.47
124692	FERGUSON WATERWORKS	WATER SERVICE SUPPLIES	\$10,836.97
124706	INLAND WATER WORKS SUPPLY CO	WATER SERVICE SUPPLIES	\$37,451.35
124711	KRIEGER & STEWART INC.	ENGINEERING	\$121,287.05
124729	OUTFLOW TECHNOLOGIES	PROGRAMMING - CORE BACKOFFICE PROJECT (W/O # 18-179-M)	\$28,245.00
124749	SC FUELS	FUEL PURCHASE	\$14,077.26
124756	SULZER ELECTRO-MECHANICAL SERVICES	JANIS TUSCANY SWITCHBOARD (W/O # 19-127-B)	\$21,572.06
124758	THOMPSON REUTERS - WEST	CALIFORNIA GOVERNMENT CODE UPDATES	\$10,854.72
124769	Z&L PAVING, INC	PAVING	\$28,678.50
124772	CANYON VIEW ESTATES #5 HOA	TURF BUY BACK REBATE	\$11,546.00
124770	SUNRISE EAST HOA	TURF BUY BACK REBATE	\$40,000.00
		** TOTAL	\$1,287,209.05

DESERT WATER AGENCY
OPERATING FUND - LISTING OF INVESTMENTS
January 31, 2020

PURCH DATE	NAME	DESCRIPTION	CALLABLE	MATURITY DATE	COST	PAR VALUE	MARKET VALUE	YIELD TO MATURITY	CALLABLE STATUS
------------	------	-------------	----------	---------------	------	-----------	--------------	-------------------	-----------------

Local Agency Investment Fund

06-30-83	State of California	LAIF		Open	\$ 24,470,622.99	\$ 24,470,622.99	\$ 24,470,622.99	1.930%	-
----------	---------------------	------	--	------	------------------	------------------	------------------	--------	---

Certificates of Deposit

Total Certificates of Deposit	\$	-	\$	-	\$	-
-------------------------------	----	---	----	---	----	---

Commercial Paper

10-04-19	Union Bank	Wells Fargo	09-09-21	09-09-22	\$ 1,000,710.00	\$ 1,000,000.00	\$ 1,004,250.00	2.044%	1 Time
Total Commerical Paper					\$ 1,000,710.00	\$ 1,000,000.00	\$ 1,004,250.00		

Government Agency

09-29-17	Union Bank	FHLMC	03-29-20	09-29-20	\$ 500,000.00	\$ 500,000.00	\$ 500,090.00	1.700%	Quarterly
08-26-19	Union Bank	FHLMC	02-26-20	08-26-22	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,340.00	2.050%	Quarterly
09-13-19	Union Bank	FHLB	03-13-20	03-13-24	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,300.00	2.100%	Quarterly
09-13-19	Union Bank	FHLMC	03-13-20	09-13-24	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,650.00	2.200%	Quarterly
Total Government Agency					\$ 3,500,000.00	\$ 3,500,000.00	\$ 3,501,380.00		

Weighted Mean YTM 1.949%

TOTAL INVESTED @ 01/31/20	\$	28,971,332.99	\$	28,970,622.99	\$	28,976,252.99
BALANCE @ 06/30/19	\$	23,936,118.14				
INCREASE (DECREASE)		\$5,035,214.85				

DESERT WATER AGENCY
STATEMENT OF CASH RECEIPTS AND EXPENDITURES

GENERAL ACCOUNT

JANUARY 2020

INVESTED
RESERVE FUNDS
\$147,813,968.81

BALANCE	JANUARY 1, 2020	\$1,005,958.90
---------	-----------------	----------------

* TAXES - RIVERSIDE COUNTY	5,028,528.77
* INTEREST EARNED - INV. FUNDS	417,628.74
GROUNDWATER REPLEN. ASSESSMENT	33,935.25
REIMBURSEMENT - OPERATING FUND	0.00
REIMBURSEMENT - CVWD MGMT	0.00
STATE WATER PROJECT REFUNDS	0.00
REIMB - CVWD - WHITEWATER HYDRO	0.00
POWER SALES - WHITEWATER	0.00
MISCELLANEOUS	31.00

TOTAL RECEIPTS	\$5,480,123.76
----------------	----------------

PAYMENTS

CHECKS UNDER \$10,000.00	11,818.39
CHECKS OVER \$10,000.00 - SCH. #1	4,637,989.13
CANCELLED CHECKS AND FEES	0.00

TOTAL PAYMENTS	<u>\$4,649,807.52</u>
----------------	-----------------------

NET INCOME	\$830,316.24
------------	--------------

INVESTED RESERVE FUNDS

FUNDS MATURED	22,423,740.00
FUNDS INVESTED – SCH. #2	<u>26,698,028.95</u>

NET TRANSFER	(\$4,274,288.95)	\$4,274,288.95
--------------	------------------	----------------

BALANCE	JANUARY 31, 2020	(\$2,438,013.81)	\$152,088,257.76
---------	------------------	------------------	------------------

* INCLUSIVE TO DATE

	TAXES	INTEREST
RECEIPTS IN FISCAL YEAR	\$11,868,314.99	\$1,920,149.56
RECEIPTS IN CALENDAR YEAR	\$31,300,222.53	\$3,445,472.76

JANUARY 2020

DESERT WATER AGENCY

GENERAL ACCOUNT

SCHEDULE #1-CHECKS OVER \$10,000

CHECK #	NAME	DESCRIPTION	AMOUNT
9336	COACHELLA VALLEY WATER DISTRICT	WHITEWATER HYDRO REVENUE - OCTOBER 2019	\$10,342.29
9337	STATE OF CA. DEPT. OF WATER RESOURCES	STATE WATER PROJECT ENTITLEMENT - JANUARY 2020	\$904,695.00
9338	DESERT WATER AGENCY - OPERATING	SNOW CREEK TREATMENT FACILITY (W/O # 18-101-M)	\$17,036.94
9343	DESERT WATER AGENCY - OPERATING	OPERATING FUND REIMBURSEMENT FOR DECEMBER 2019	\$259,676.90
9345	STATE OF CA. DEPT. OF WATER RESOURCES	STATE WATER PROJECT - JANUARY 2020	\$3,446,238.00

**** TOTAL**

\$4,637,989.13

DESERT WATER AGENCY
GENERAL FUND - LISTING OF INVESTMENTS
January 31, 2020

PURCHASE DATE	NAME	DESCRIPTION	CALLABLE	MATURITY DATE	COST	PAR VALUE	MARKET VALUE	YIELD TO MATURITY	CALLABLE STATUS
---------------	------	-------------	----------	---------------	------	-----------	--------------	-------------------	-----------------

Local Agency Investment Fund

06-30-83	State of California	LAIF	Bullet	Open	\$ 41,898,831.76	\$ 41,898,831.76	\$ 41,898,831.76	1.930%	-
----------	---------------------	------	--------	------	------------------	------------------	------------------	--------	---

Certificates of Deposit

06-14-17	RBC Wealth Mgmt	Capital One Bullet	Bullet	06-15-20	\$ 250,000.00	\$ 250,000.00	\$ 250,290.00	1.900%	Bullet
06-14-17	RBC Wealth Mgmt	Capital One Bank USA	Bullet	06-15-20	\$ 250,000.00	\$ 250,000.00	\$ 250,290.00	1.900%	Bullet
06-19-17	RBC Wealth Mgmt	First Priority Bank	Bullet	06-19-20	\$ 250,000.00	\$ 250,000.00	\$ 250,150.00	1.750%	Bullet
05-29-19	Ladenburg Thalmann	Sallie Mae Bank	Bullet	05-31-22	\$ 245,000.00	\$ 245,000.00	\$ 249,419.80	2.500%	Bullet
05-30-19	Ladenburg Thalmann	Ally bank	Bullet	05-31-22	\$ 245,000.00	\$ 245,000.00	\$ 249,419.80	2.500%	Bullet
06-05-19	Ladenburg Thalmann	Goldman Sachs	Bullet	06-05-22	\$ 245,000.00	\$ 245,000.00	\$ 249,449.20	2.500%	Bullet
06-06-19	Ladenburg Thalmann	Morgan Stanley Bank	Bullet	06-06-22	\$ 245,000.00	\$ 245,000.00	\$ 249,730.95	2.550%	Bullet
06-06-19	Ladenburg Thalmann	Morgan Stanley Private Bank	Bullet	06-06-22	\$ 245,000.00	\$ 245,000.00	\$ 249,730.95	2.550%	Bullet
06-07-19	Ladenburg Thalmann	Synchrony Bank (GE)	Bullet	06-07-22	\$ 245,000.00	\$ 245,000.00	\$ 248,890.60	2.400%	Bullet
Total Certificates of Deposit					\$ 2,220,000.00	\$ 2,220,000.00	\$ 2,247,371.30		

Medium Term Notes

02-19-19	Alamo Capital	Toyota Motor Corp MTN	Bullet	07-13-22	\$ 1,399,076.00	\$1,400,000.00	\$ 1,439,830.00	2.800%	Bullet
03-04-19	Alamo Capital	Apple Inc. MTN	Bullet	05-11-20	\$ 991,160.00	\$1,000,000.00	\$ 1,000,520.00	2.560%	Bullet
04-04-19	Alamo Capital	Toyota Motor Corp MTN	Bullet	04-17-20	\$ 994,400.00	\$1,000,000.00	\$ 1,000,430.00	2.500%	Bullet
07-18-19	Alamo Capital	Toyota Motor Corp MTN	Bullet	09-08-22	\$ 1,000,000.00	\$1,000,000.00	\$ 1,014,550.00	2.150%	Bullet
09-16-19	Alamo Capital	Apple Inc. MTN	08-11-24	09-11-24	\$ 990,552.00	\$1,000,000.00	\$ 1,006,740.00	2.000%	1 Time
10-04-19	Union Bank	Wells Fargo Bank NA	09-09-21	09-09-22	\$ 2,001,420.00	\$2,000,000.00	\$ 2,008,500.00	2.044%	1 Time
10-21-19	Alamo Capital	Toyota Motor Corp MTN	Bullet	10-07-24	\$ 1,499,994.00	\$1,500,000.00	\$ 1,518,720.00	2.000%	Bullet
10-23-19	Alamo Capital	American Honda Finance	Bullet	09-10-24	\$ 3,011,474.00	\$3,000,000.00	\$ 3,042,600.00	2.000%	Bullet
11-22-19	Union Bank	Exxon Mobile Corp	01-01-23	03-01-23	\$ 2,055,180.00	\$2,000,000.00	\$ 2,062,100.00	1.809%	Continuous
12-20-19	Stifel	Microsoft	02-01-23	05-01-23	\$ 2,034,620.00	\$2,000,000.00	\$ 2,050,300.00	2.375%	Continuous
01-30-20	Stifel	VISA Inc	10-14-22	12-14-22	\$ 2,065,680.00	\$2,000,000.00	\$ 2,065,540.00	1.625%	1 Time
Total Commercial Paper					\$ 18,043,556.00	\$ 17,900,000.00	\$ 18,209,830.00		

Government Agency

03-23-16	Ladenburg Thalmann	FNMA	Bullet	03-23-20	\$ 1,000,000.00	\$ 1,000,000.00	\$ 999,990.00	1.500%	Qtrly
04-26-16	Ladenburg Thalmann	FHLB	Continuous	10-26-20	\$ 999,500.00	\$ 1,000,000.00	\$ 1,000,000.00	1.550%	Continuous
06-16-16	Stifel	FFCB	Continuous	03-16-20	\$ 1,000,000.00	\$ 1,000,000.00	\$ 999,980.00	1.400%	Continuous
07-27-16	Stifel	FNMA STEP	01-27-20	07-27-21	\$ 1,000,000.00	\$ 1,000,000.00	\$ 999,300.00	1.625%	Qtrly
08-10-16	Ladenburg Thalmann	FHLMC	02-10-20	08-10-20	\$ 1,000,000.00	\$ 1,000,000.00	\$ 999,170.00	1.450%	Qtrly
10-06-16	Ladenburg Thalmann	FHLMC	01-06-20	07-06-20	\$ 1,000,000.00	\$ 1,000,000.00	\$ 999,490.00	1.375%	Qtrly
10-17-16	Stifel	FNMA	Bullet	04-17-20	\$ 1,000,000.00	\$ 1,000,000.00	\$ 999,510.00	1.250%	1 Time
11-03-16	Ladenburg Thalmann	FFCB	Continuous	05-03-21	\$ 999,250.00	\$ 1,000,000.00	\$ 998,790.00	1.490%	Continuous
12-14-16	Ladenburg Thalmann	FHLMC	03-14-20	12-14-20	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,140.00	1.750%	Qtrly
04-20-17	Stifel	FHLMC STEP	Bullet	04-20-20	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,001,410.00	2.250%	Bullet
06-29-17	Ladenburg Thalmann	FHLMC	03-29-20	09-29-20	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,580.00	1.750%	Qtrly
08-07-17	Ladenburg Thalmann	FFCB	Continuous	11-23-20	\$ 999,850.00	\$ 1,000,000.00	\$ 1,000,000.00	1.770%	Continuous
09-29-17	Union Bank	FHLMC	03-29-20	09-29-20	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,180.00	1.700%	Qtrly
02-26-19	Stifel	FHLMC	02-26-20	08-26-22	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,570.00	2.750%	Qtrly
08-06-19	Stifel	FHLMC	02-06-20	02-06-23	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,030.00	2.250%	Qtrly
08-12-19	Alamo Capital	FHLMC	02-12-20	08-12-24	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,150.00	2.200%	Qtrly
08-12-19	Union Bank	FFCB	08-12-20	08-12-24	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,620.00	2.120%	Continuous
08-19-19	Alamo Capital	FHLB	02-19-20	08-19-22	\$ 999,500.00	\$ 1,000,000.00	\$ 1,000,060.00	2.030%	Continuous
08-15-19	Union Bank	FHLMC	02-15-20	08-15-23	\$ 1,000,000.00	\$ 1,000,000.00	\$ 999,410.00	2.200%	Qtrly

DESERT WATER AGENCY
GENERAL FUND - LISTING OF INVESTMENTS
January 31, 2020

PURCHASE DATE	NAME	DESCRIPTION	CALLABLE	MATURITY DATE	COST	PAR VALUE	MARKET VALUE	YIELD TO MATURITY	CALLABLE STATUS
08-27-19	Stifel	FHLMC	02-27-20	08-27-21	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,030.00	1.875%	Qtrly
08-28-19	Union Bank	FHLB	02-26-20	08-26-22	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,310.00	2.000%	Qtrly
09-09-19	Alamo Capital	FHLMC	03-09-20	03-09-23	\$ 2,000,000.00	\$ 2,000,000.00	\$ 2,000,280.00	1.950%	Qtrly
09-06-19	Alamo Capital	FNMA	Bullet	09-06-22	\$ 996,520.00	\$ 1,000,000.00	\$ 1,000,630.00	1.494%	Bullet
09-10-19	Stifel	FHLMC	03-10-20	09-10-24	\$ 2,000,000.00	\$ 2,000,000.00	\$ 2,000,980.00	2.100%	Qtrly
09-11-19	Stifel	FFCB	09-11-20	09-11-23	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,001,540.00	1.900%	Continuous
09-13-19	Ladenburg Thalmann	FFCB	09-23-20	09-23-22	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,001,330.00	2.000%	Continuous
09-27-19	Alamo Capital	FHLB	03-27-20	09-27-23	\$ 2,000,000.00	\$ 2,000,000.00	\$ 2,000,760.00	2.125%	Continuous
09-30-19	Ladenburg Thalmann	FHLB	02-26-20	08-26-22	\$ 1,950,000.00	\$ 1,950,000.00	\$ 1,950,604.50	2.000%	Qtrly
10-15-19	Stifel	FFCB	10-15-20	10-15-24	\$ 3,000,000.00	\$ 3,000,000.00	\$ 3,004,170.00	1.920%	Continuous
10-15-19	Piper Jaffray	FHLMC	10-15-20	10-15-24	\$ 3,000,000.00	\$ 3,000,000.00	\$ 3,002,970.00	1.875%	Quarterly
10-16-19	Stifel	FHLB	10-16-20	10-16-24	\$ 3,000,000.00	\$ 3,000,000.00	\$ 3,007,950.00	2.000%	Annual
10-17-19	Ladenburg Thalmann	FFCB	04-17-20	04-17-23	\$ 3,000,000.00	\$ 3,000,000.00	\$ 3,000,840.00	1.980%	Quarterly
11-01-19	Alamo Capital	FHLB	04-30-20	10-30-24	\$ 1,993,000.00	\$ 2,000,000.00	\$ 2,001,080.00	1.874%	Quarterly
11-04-19	Ladenburg Thalmann	FHLB	11-04-21	11-04-24	\$ 3,000,000.00	\$ 3,000,000.00	\$ 3,010,380.00	1.875%	Continuous
11-25-19	Piper Jaffray	FFCB	11-25-20	11-25-22	\$ 3,000,000.00	\$ 3,000,000.00	\$ 3,001,080.00	1.710%	Continuous
11-27-19	Stifel	FFCB	11-27-20	11-27-23	\$ 3,000,000.00	\$ 3,000,000.00	\$ 3,005,160.00	1.790%	Continuous
11-27-19	Alamo Capital	FHLMC	05-27-20	11-27-24	\$ 1,997,000.00	\$ 2,000,000.00	\$ 2,001,860.00	1.832%	Quarterly
12-11-19	Ladenburg Thalmann	FHLB	12-11-20	06-11-24	\$ 3,000,000.00	\$ 3,000,000.00	\$ 3,007,260.00	1.850%	Continuous
12-17-19	Alamo Capital	FFCB	03-03-20	06-03-24	\$ 1,998,000.00	\$ 2,000,000.00	\$ 2,000,640.00	1.963%	Continuous
12-18-19	Ladenburg Thalmann	FHLMC	06-18-20	12-18-23	\$ 3,000,000.00	\$ 3,000,000.00	\$ 3,003,000.00	1.930%	Quarterly
12-18-19	Stifel	FHLMC	06-18-20	12-18-23	\$ 2,000,000.00	\$ 2,000,000.00	\$ 2,002,000.00	1.930%	Quarterly
12-19-19	Union Bank	FHLMC	06-19-20	06-19-23	\$ 3,000,000.00	\$ 3,000,000.00	\$ 3,001,860.00	1.875%	Quarterly
12-30-19	Union Bank	FHLMC	12-28-20	12-28-23	\$ 3,000,000.00	\$ 3,000,000.00	\$ 3,008,910.00	1.900%	Quarterly
12-30-19	Piper Jaffray	FHLMC	12-28-20	12-28-23	\$ 3,000,000.00	\$ 3,000,000.00	\$ 3,007,170.00	1.850%	Annual
01-16-20	Ladenburg Thalmann	FFCB	04-13-20	10-13-23	\$ 2,997,750.00	\$ 3,000,000.00	\$ 3,000,960.00	1.861%	Continuous
01-17-20	Union Bank	FNMA	07-17-20	01-17-23	\$ 3,000,000.00	\$ 3,000,000.00	\$ 3,002,850.00	1.800%	Quarterly
01-21-20	Alamo Capital	FHLMC	07-21-20	01-21-25	\$ 1,995,500.00	\$ 2,000,000.00	\$ 2,002,120.00	1.847%	Quarterly
01-23-20	Ladenburg Thalmann	FFCB	04-23-20	04-23-24	\$ 3,000,000.00	\$ 3,000,000.00	\$ 3,000,630.00	1.940%	Continuous
01-30-20	Alamo Capital	FHLMC	07-30-20	01-30-23	\$ 3,000,000.00	\$ 3,000,000.00	\$ 3,000,870.00	1.600%	Quarterly
Total Government Agency					\$ 89,925,870.00	\$ 89,950,000.00	\$ 90,029,604.50		

Weighted Mean YTM 1.928%

TOTAL INVESTED @ 01/31/20 \$ 152,088,257.76 \$ 151,968,831.76 \$ 152,385,637.56

BALANCE @ 06/30/19 \$ 143,271,503.26

INCREASE OR (DECREASE) \$ 8,816,754.50

BALANCE	JANUARY 31, 2020	\$220.74	\$1,444,359.54
---------	------------------	----------	----------------

JANUARY 2020

DESERT WATER AGENCY

WASTEWATER ACCOUNT

SCHEDULE #1-CHECKS OVER \$10,000

CHECK #	NAME	DESCRIPTION	AMOUNT
3329	COACHELLA VALLEY WATER DISTRICT	WASTEWATER REVENUE BILLING FOR DECEMBER 2019	\$60,996.79
3330	CITY OF PALM SPRINGS	WASTEWATER REVENUE BILLING FOR DECEMBER 2019	\$10,540.60
** TOTAL			\$71,537.39

DESERT WATER AGENCY
WASTEWATER FUND - LISTING OF INVESTMENTS
January 31, 2020

PURCH DATE	NAME	DESCRIPTION	MATURITY DATE	COST	PAR VALUE	MARKET VALUE	YIELD TO MATURITY
------------	------	-------------	---------------	------	-----------	--------------	-------------------

Local Agency Invstment Fund

06-30-83	State of California	LAIF	Open	\$ 1,444,359.54	\$ 1,444,359.54	\$ 1,444,359.54	1.930%
----------	---------------------	------	------	-----------------	-----------------	-----------------	--------

TOTAL INVESTED @ 01/31/20	\$ 1,444,359.54	\$ 1,444,359.54	\$ 1,444,359.54
BALANCE @ 06/30/19	<u>\$ 1,400,362.63</u>		
INCREASE OR (DECREASE)	\$ 43,996.91		

DESERT WATER AGENCY- OPERATING FUND COMPARATIVE EARNINGS STATEMENT								
MONTH 19-20 JANUARY	/-----THIS MONTH-----/ THIS YEAR	LAST YEAR	BUDGET	/-----FISCAL YEAR TO DATE-----/ THIS YEAR	LAST YEAR	BUDGET	/--VARIANCE--/ YTD	PCT
OPERATING REVENUES								
WATER SALES	2,275,479.20	1,976,117.46	2,437,300.00	21,484,917.86	19,639,790.83	23,042,200.00	1,557,282.14-	7-
RECLAMATION SALES	54,407.59	54,975.94	64,450.00	1,049,014.84	995,090.27	944,400.00	104,614.84	11
POWER SALES	4,627.52	1,036.14	1,800.00	33,618.67	8,279.08	10,800.00	22,818.67	211
OTHER OPER REVENUE	293,961.04	166,399.43	184,850.00	1,623,116.04	1,157,001.06	1,293,950.00	329,166.04	25
TOTAL OPER REVENUES	2,628,475.35	2,198,528.97	2,688,400.00	24,190,667.41	21,800,161.24	25,291,350.00	1,100,682.59-	4-
OPERATING EXPENSES								
SOURCE OF SUPPLY EXP	33,068.26	14,770.46	50,850.00	2,779,069.97	2,771,736.08	3,134,950.00	355,880.03-	11-
PUMPING EXPENSE	187,548.22	334,474.88	197,200.00	1,666,998.82	1,995,807.32	2,123,400.00	456,401.18-	21-
REGULATORY WATER TREAT	41,782.07	40,613.86	47,275.00	334,504.11	311,889.17	330,925.00	3,579.11	1
TRANS & DIST EXPENSE	226,240.91	623,660.99	408,975.00	1,741,084.13	2,247,381.43	2,862,825.00	1,121,740.87-	39-
CUSTOMER ACT EXPENSE	74,836.88	73,921.26	88,125.00	565,979.57	527,010.53	603,675.00	37,695.43-	6-
ADMIN & GEN EXPENSE	859,918.51	797,377.94	750,925.00	7,332,283.07	6,270,291.15	7,463,525.00	131,241.93-	2-
REGULATORY EXPENSE	16,562.38	5,756.95	39,700.00	222,181.67	91,917.45	277,900.00	55,718.33-	20-
SNOW CREEK HYDRO EXP	3,997.73	2,767.47	3,000.00	18,584.63	7,546.73	21,000.00	2,415.37-	12-
RECLAMATION PLNT EXP	71,482.29	95,525.23	128,800.00	644,690.61	651,002.49	906,300.00	261,609.39-	29-
SUB-TOTAL	1,515,437.25	1,988,869.04	1,714,850.00	15,305,376.58	14,874,582.35	17,724,500.00	2,419,123.42-	14-
OTHER OPER EXPENSES								
DEPRECIATION	494,532.76	473,854.63	508,550.00	3,524,558.87	3,376,201.51	3,559,850.00	35,291.13-	1-
SERVICES RENDERED	7,007.86	5,281.03	15,000.00	74,006.18	84,394.79	105,000.00	30,993.82-	30-
DIR & INDIR CST FOR WO	181,831.45-	168,922.09-	183,200.00-	1,438,457.19-	1,276,152.18-	1,282,400.00-	156,057.19-	12
TOTAL OPER EXPENSES	1,835,146.42	2,299,082.61	2,055,200.00	17,465,484.44	17,059,026.47	20,106,950.00	2,641,465.56-	13-
NET INCOME FROM OPERATIONS	793,328.93	100,553.64-	633,200.00	6,725,182.97	4,741,134.77	5,184,400.00	1,540,782.97	30
NON-OPERATING INCOME (NET)								
RENTS	5,364.26	3,397.91	6,100.00	99,955.35	55,643.37	42,700.00	57,255.35	134
INTEREST REVENUES	55,343.71	48,654.02	40,000.00	337,179.55	274,147.17	280,000.00	57,179.55	20
OTHER REVENUES	280.00	.00	.00	10,061.72	32,070.00	.00	10,061.72	0
GAINS ON RETIREMENT	.00	.00	2,000.00	.00	.00	10,000.00	10,000.00-	100-
DISCOUNTS	2.34	3.11	100.00	185.68	354.73	700.00	514.32-	73-
PR. YEAR EXPENSES	.00	.00	.00	292.11	15,816.25	.00	292.11	0
OTHER EXPENSES	.00	.00	1,650.00-	20,000.00-	.00	11,550.00-	8,450.00-	73
LOSS ON RETIREMENTS	.00	28,396.26-	4,100.00-	24,948.81-	34,656.97-	28,700.00-	3,751.19	13-
TOTAL NON-OPER INCOME	60,990.31	23,658.78	42,450.00	402,725.60	343,374.55	293,150.00	109,575.60	37
TOTAL NET INCOME	854,319.24	76,894.86-	675,650.00	7,127,908.57	5,084,509.32	5,477,550.00	1,650,358.57	30

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

FEBRUARY 18, 2020

**RE: REQUEST ADOPTION OF RESOLUTION NO. 1231,
AUTHORIZING AND APPROVING SUBMISSION FOR A US
BUREAU OF RECLAMATION SMALL-SCALE WATER
EFFICIENCY PROJECTS GRANT**

Desert Water Agency's grass removal incentive has been an extremely popular program and a successful tool in achieving lasting water savings. The program has relied heavily on grant funding through the Department of Water Resources' Integrated Regional Water Management (IRWM) program in the past. Over the past several years, IRWM funding opportunities have dwindled. We are currently awaiting response of a \$385,000 request for Proposition 1 Round 1 IRWM funding and should know more by April.

Staff has also worked with our partners at CPV Sentinel to help fund the grass removal and is now also looking to bring Federal funding to the table for grass removal. Staff applied for and was awarded a technical assistance grant from WaterNow Alliance to assist in the development of a U.S. Bureau of Reclamation (USBR) Small-scale Water Efficiency Program grant application. This grant program, while it has more limited funds, generally has a very high acceptance rate.

The maximum funding request is \$75,000. The application, which is due March 4, requests the full \$75,000 for turf projects to be completed from October 2020 to the end of 2021. There is a \$75,000 match requirement for this grant. Staff plans to use the IRWM program grant for the matching funds required. If DWA is not successful in earning IRWM grant funds, DWA will have to match \$75,000 out of its own budget.

Thus far, we have letters of support from the City of Palm Springs and Coachella Valley Water District. We have also requested a letter of support from the Agua Caliente Band of Cahuilla Indians. USBR also requires a resolution from the applicant's governing body as part of the application process.

Resolution No. 1231 notes the Agency's commitment to water conservation and commits the Agency to providing the matching funds if USBR awards DWA the grant.

Staff recommends approval of Resolution No. 1231.

RESOLUTION NO. 1231

RESOLUTION OF THE BOARD OF DIRECTORS OF DESERT WATER AGENCY AUTHORIZING AND APPROVING SUBMISSION FOR A US BUREAU OF RECLAMATION SMALL-SCALE WATER EFFICIENCY PROJECTS GRANT

WHEREAS, the Desert Water Agency was established by an Act of the California Legislature in 1961 as a public water management agency; and

WHEREAS, the Agency views water conservation investments as a critical strategy to meet future water needs; and

WHEREAS, working with members of our own community to achieve local water conservation gains is an ideal approach; and

WHEREAS, about eighty percent of water is used outdoors, making grass removal an effective tool; and

WHEREAS, Desert Water Agency intends to submit an application for seventy-five thousand dollars in financial assistance from the United States Bureau of Reclamation through its small-scale water efficiency project grant in fiscal year 2020; and

WHEREAS, the funding requested is for the Desert Water Agency Grass Removal Incentive Program; and

WHEREAS, the U.S. Department of the Interior, Bureau of Reclamation, Policy and Administration requires Governing Body approval for submission of an application; and

WHEREAS, if successful, the Agency will use California Department of Water Resources grant funding or the Agency's own budgeted funds for the matching funds in the funding plan submitted with the application;

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of Desert Water Agency hereby authorizes staff to apply for grant funding through the United States Bureau of Reclamation's Small-scale Water Efficiency Projects.

ADOPTED this 18th day of February, 2020.

Joseph K. Stuart, President

ATTEST:

Craig Ewing, Secretary-Treasurer

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

FEBRUARY 18, 2020

**RE: REQUEST APPROVAL OF THE AMENDED AND RESTATED
JOINT POWERS AGREEMENT FOR THE DELTA CONVEYANCE
AUTHORITY**

The members of The Delta Conveyance Finance Authority wishes to amend and restate the original Joint Powers Agreement to increase flexibility and to empower the Authority to take actions necessary to finance projects, following applicable environmental review, to ensure the reliability and resiliency of the State Water Project, including conveyance project facilities to convey water through the Sacramento-San Joaquin Delta.

The amendment updates references to the “California WaterFix” to “conveyance project facilities to convey water through the Sacramento-San Joaquin Delta”. Also, language has been added that describes changes to membership since the establishment of the Authority on July 3, 2018 began with three members. There are now an additional 8 new members for a total of 11 members.

Staff recommends approval of the amended and restated joint powers agreement for the Delta Conveyance Authority and requests authority for the General Manager to execute the agreement.

DELTA CONVEYANCE FINANCE AUTHORITY

AMENDED AND RESTATED JOINT POWERS AGREEMENT

**DELTA CONVEYANCE FINANCE AUTHORITY
AMENDED AND RESTATED JOINT POWERS AGREEMENT**

Table of Contents

SECTION 1. PURPOSE.	2
SECTION 2. DEFINITIONS.....	2
SECTION 3. PLACE OF BUSINESS.	4
SECTION 4. TERM.....	4
SECTION 5. POWERS.	4
SECTION 6. BONDS AND NOTES.....	6
SECTION 7. LIMITATIONS AND CONTRIBUTIONS.	6
SECTION 8. TERMINATION OF POWERS; LIQUIDATION; DISTRIBUTION.	6
SECTION 9. BOARD OF DIRECTORS.	6
SECTION 10. EXECUTIVE COMMITTEE AND EXECUTIVE DIRECTOR.....	7
SECTION 11. MEETINGS OF BOARD OF DIRECTORS.	7
SECTION 12. OFFICERS.....	8
SECTION 13. CONTRIBUTIONS; PAYMENTS; ADVANCES.	9
SECTION 14. ADDITIONAL MEMBERS.	10
SECTION 15. WITHDRAWAL OR EXCLUSION OF MEMBER.	10
SECTION 16. ACCOUNTS AND REPORTS.	10
SECTION 17. BREACH.	10
SECTION 18. INDEMNITY	11
SECTION 19. SEVERABILITY.....	11
SECTION 20. SUCCESSORS AND ASSIGNS; AMENDMENTS.	11
SECTION 21. NOTICES.....	11
SECTION 22. OTHER OBLIGATIONS.....	13
SECTION 23. EXECUTION OF COUNTERPARTS.....	13

**AMENDED AND RESTATED
JOINT POWERS AGREEMENT**

DELTA CONVEYANCE FINANCE AUTHORITY

THIS amended and restated Joint Powers Agreement of the Delta Conveyance Finance Authority (“Agreement”) , is made and entered into by and among: Alameda County Water District; Alameda County Flood Control and Water Conservation District, Zone 7; San Geronio Pass Water Agency; Metropolitan Water District of Southern California; Antelope Valley-East Kern Water Agency; Coachella Valley Water District; Mojave Water Agency; Desert Water Agency; Santa Clara Valley Water District; Santa Clarita Valley Water Agency; and the San Bernardino Valley Municipal Water District. Additional Public Water Agencies may execute and become members as specified in Section 14 below.

WITNESSETH:

WHEREAS, each Member is a Public Water Agency and is empowered by law to acquire, construct, finance, maintain and operate facilities for the delivery of water for public or private use and all rights, properties and improvements necessary therefore; and

WHEREAS, each Member desires to clarify and support the purposes of an existing, separate public entity pursuant to the provisions of the Joint Powers Act for the purpose set forth herein and desires that such separate public entity have the powers provided herein in connection with such purpose;

WHEREAS, on July 3, 2018, pursuant to the Joint Powers Act, the Alameda County Water District, Alameda County Flood Control and Water Conservation District, Zone 7, and the San Geronio Pass Water Agency previously created a separate public agency, the Delta Conveyance Finance Authority (“DCFA”), for the purpose of financing some or all of costs of constructing a certain California Department of Water Resources Project to convey water through the Sacramento-San Joaquin Delta (“Delta”), which project was known as the “California WaterFix;” and

WHEREAS, the following public agencies, by resolution, joined the Delta Conveyance Authority subsequent to July 3, 2018: Metropolitan Water District of Southern California; Antelope Valley-East Kern Water Agency; Coachella Valley Water District; Mojave Water Agency; Desert Water Agency; Santa Clara Valley Water District; Santa Clarita Valley Water Agency; and the San Bernardino Valley Municipal Water District; and

WHEREAS, in February 2019, the California Department of Water Resources (“DWR”) rescinded its approvals of the California WaterFix and directed environmental review and study of alternative facilities to modernize and improve DWR’s water delivery system through the Delta; and

WHEREAS, the Members hereto wish to amend the original Joint Powers Agreement of the Delta Conveyance Finance Authority to increase flexibility and to empower the Delta Conveyance Finance Authority to take actions necessary to finance projects, following applicable environmental review, to ensure the reliability and resiliency of the State Water Project, including conveyance project facilities to convey water through the Sacramento-San Joaquin Delta.

NOW, THEREFORE, the Members, for and in consideration of the mutual promises and agreements herein contained, do hereby agree as follows:

SECTION 1. PURPOSE.

This Agreement is made pursuant to the provisions the Joint Powers Act, to create and support a separate public entity to: (1) exercise Common Powers, and (2) exercise Additional Powers; in each case as determined from time to time by the Board. It is explicitly recognized that it is intended that the Finance Authority, in exercising its powers, and to further the public's interest, will serve as an issuer of Bonds for the benefit of a Member or Members in implementing projects designed to modernize and improve the reliability and resiliency of the California Department of Water Resources' water delivery system from the Delta.

SECTION 2. DEFINITIONS.

In addition to the other terms defined herein, the following terms, whether in the singular or in the plural, when used herein and initially capitalized, shall have the meanings specified.

(a) **Additional Powers.** Such powers, in addition to the Common Powers, as are granted or otherwise available to the Finance Authority pursuant to the Joint Powers Act or any other applicable law, whether currently in force or hereafter enacted. Such powers include those provided in the Marks-Roos Local Bond Pooling Act of 1985, as amended, constituting Article 4 of the Joint Powers Act, including but not limited to, the power to issue and purchase debt obligations issued by, or to make loans to, the Members or other agencies or enter into various other financing arrangements as authorized under the Joint Powers Act, and to sell bonds so issued or purchased to public or private purchasers at public or negotiated sale. To the extent not already constituting Common Powers, the Additional Powers shall include without limitation, the Powers described in Section 5 hereof.

(b) **Additional Project Amounts.** The term "Additional Project Amounts" means the amount of payments made by a Member to the California Department of Water Resources for the construction of Conveyance Projects in exchange for a right to use capacity in said Conveyance Projects ("Project Capacity Right") (other than any payments made under a State Water Contract relating to the State Water Project); provided, however, if any Member is assigned any Project Capacity Right from another Member and the assignee Member makes payments to the assignor Member for such Project Capacity Right, then the amount of such payments shall constitute the Member Support Amount of solely the assignee Member.

(c) **Bonds.** Bonds, notes and any other evidence of indebtedness issued or incurred by the Finance Authority pursuant to any applicable provision of the Joint Powers Act or any other lawful authority.

(d) **Central Valley Project.** The term "Central Valley Project" means the federal reclamation project operated by the United States Bureau of Reclamation pursuant to federal reclamation law (Act of June 17, 1902 (32 Stat. 388)) and acts amendatory or supplementary thereto.

(e) **Common Powers.** The legal powers which are common to the Members under applicable laws of the State, including but not limited to, those powers of the Members in connections with the issuance of Bonds, the expenditure of proceeds of Bonds and the borrowing and lending of money.

(f) **Conveyance Projects.** The term "Conveyance Projects" shall mean facilities and projects designed to support the conveyance and delivery of water from the Delta for public or private uses and all rights, properties and improvements necessary therefore, including fuel and energy facilities and resources, and buildings, structures, improvements and facilities appurtenant thereto or provided therefore together with land necessary therefore.

(g) DCA Agreement. The term "DCA Agreement" shall mean the Joint Powers Agreement, dated May 14, 2018, and any subsequent amendments thereto, which formed the Delta Conveyance Design and Construction Joint Powers Authority.

(h) DCA. The term "DCA" shall mean the joint exercise of powers agency formed by the DCA Agreement.

(i) Effective Date. The term "Effective Date" shall mean the last signature date this agreement is executed by a party hereto and is the date upon which this Agreement shall be in effect.

(j) Finance Authority. The term "Finance Authority" shall mean the separate public entity created by this Agreement.

(k) Financial Commitment Amount. The term "Financial Commitment Amount" shall mean, initially, one (1), and from and after the first issuance of Bonds by the Finance Authority, a fraction, the numerator of which is the total Member Support Amount of the Member selecting the applicable Director, and the denominator of which is the sum of the total principal amount of Bonds then outstanding and the aggregate amount of all Additional Project Amounts of all Members.

(l) Fiscal Year. The term "Fiscal Year" shall mean the Fiscal Year of the Finance Authority. The Fiscal Year shall be established as beginning July 1, up to and including June 30 of the subsequent year. The Board of Directors may change the Fiscal Year from time to time.

(m) JEPA. The term "JEPA" shall mean the Joint Exercise of Powers Agreement, between the Department of Water Resources, State of California and the DCA to design and construct Conveyance Projects dated October 26, 2018, and any subsequent amendments thereto.

(n) Joint Powers Act. The Joint Exercise of Powers Act, constituting Articles 1 through 4 (commencing with Section 6500) of Chapter 5 of Division 7 of Title 1 of the California Government Code as in effect on the effective date of this Agreement, as the same may be amended and supplemented.

(o) Member. The term "Member" shall mean (1) the Public Water Agencies that execute this Agreement on or before the date first above written; (2) a Public Water Agency which shall have met the requirements of Section 14 hereof; or (3) a successor of a Public Water Agency referred to in Section 20. The term "Member" shall, however, exclude any Public Water Agency which shall have withdrawn or been excluded from the Finance Authority pursuant to Section 15 hereof.

(p) Member Support Amount. The term "Member Support Amount" shall mean, with respect to any Member, the sum of (1) the original principal amount of Bonds that a Member has undertaken by agreement to pay by installment purchase agreement, and (2) without duplication with amounts described in clause 1 of this definition, any Additional Project Amounts of such Member.

(q) Powers. Collectively, the Common Powers and the Additional Powers.

(r) Public Water Agency. The term "Public Water Agency" shall mean (1) a public agency that has entered into an agreement with the California Department of Water Resources for water supply from the State Water Project or an agreement with the Federal Bureau of Reclamation for water supply from the Central Valley Project or (2) a member unit of Kern County Water Agency.

(s) State Water Project. The term "State Water Project" means the State Water Facilities, as defined in California Water Code section 12934(d).

SECTION 3. PLACE OF BUSINESS.

The business office of the Finance Authority shall be at 1121 L Street, Suite 1045, Sacramento, CA 95814, or at such other place as may later be designated by the Board of Directors.

SECTION 4. TERM.

This Agreement shall become effective on the Effective Date , subject to the right to rescind provided by Section 8 hereof, shall continue in full force and effect until July 2, 2068, or until such later date as all bonds and notes of the Finance Authority and the interest thereon shall have been paid in full or adequate provision for such payment shall have been made in accordance with the instruments governing such bonds and notes.

SECTION 5. POWERS.

The Finance Authority has all Powers necessary or convenient, specified or implied, to the accomplishment of the purposes of this Agreement, subject to the restrictions set for in this Section. The enumeration of any Powers herein shall not limit the generality or scope of the Powers granted to the Authority pursuant to this Section, the definition of Common Powers, the definition of Additional Powers, or the grant of any other powers otherwise available to the Authority as a separate public entity pursuant to the Joint Powers Act or any other applicable law whether currently in force or hereafter enacted. Without limiting the generality of the Powers conferred in this Section, the Finance Authority is hereby authorized, in its own name, to do all acts necessary or convenient to the accomplishment of the purposes of this Agreement and the full exercise of the Powers conferred in this Section, including, but not limited to, any or all of the following:

(a) To finance or assist in the financing of the planning, development, acquisition, construction, improvement, management, maintenance or operation of the Conveyance Projects, or any interest therein, to act as agent, and to sell, deliver, exchange, and otherwise dispose of any interest the Authority may have or acquire in the Conveyance Projects, including without limitation, any capacity or other interest in the Conveyance Projects; and to purchase, lease or otherwise acquire and equip, maintain, operate, sell, assign, convey, lease and otherwise dispose of facilities or systems, or interests therein, together with all lands, buildings, equipment, and all other real or personal property, tangible or intangible, necessary or incidental thereto.

(b) To acquire (by exercise of the power of eminent domain or otherwise), hold, lease (as lessor or lessee), sell, or otherwise dispose of any real or personal property, commodity, or service including, without limitation, to buy, lease, construct, appropriate, contract for, invest in, and otherwise acquire, and to own, hold, maintain, equip, operate, manage, improve, develop, and deal in and with, and to sell, lease, exchange, transfer, convey and otherwise dispose of, real and personal property of every kind, tangible and intangible, commodities (including fuel and water) and services; provided that the power to acquire property shall not include the power of condemnation of property owned or otherwise subject to use or control by any public utility within the State of California.

(c) To make and enter into contracts with any Member or Members, or any other entity, public or private, with respect to the planning, design, ownership, location, acquisition, financing, construction, operation or disposal of the Conveyance Projects or any interest therein, and with respect to any other matters relating to the Conveyance Projects, or the financing thereof, on such terms and conditions as shall be determined by the Board of Directors.

(d) To establish or agree to establish, pursuant to any contract with respect to the Conveyance Projects, management or other committees composed of representatives of participating entities and to agree to the powers, duties, procedures and responsibilities of any such committee.

(e) To make and enter into other contracts of every kind with the Members, the United States, any state or political subdivision thereof, and any individual, firm, association, partnership, corporation or any other organization of any kind.

(f) To apply for, accept, receive and disburse state, federal or local licenses, permits, grants, loans, or other aid from any agency of the United States, the State or other public or private entities as the Finance Authority deems necessary for the full exercise of its powers.

(g) To employ full-time and part-time employees, assistants and independent contractors that may be necessary from time to time to accomplish the purpose of the Finance JPA, including interagency agreements with Members.

(h) To issue Bonds and otherwise to incur debts, liabilities or obligations provided that no such Bond, debt, liability or obligation shall constitute a debt, liability or obligation of any Member.

(i) To sue and be sued in its own name.

(j) To purchase for investment or otherwise such bonds, notes, commercial paper or other evidences of indebtedness issued by the Department of Water Resources of the State of California or any other governmental agency or entity as may be legal investments for the Finance Authority and to pledge any such indebtedness to the payment of any debts, liabilities or obligations of the Finance Authority.

(k) To apply for letters of credit or other forms of financial guarantees to secure the repayment of Bonds and enter into agreements in connection therewith.

(l) To engage the services of private consultants to render professional and technical assistance and advice in carrying out the purposes of the Finance Authority.

(m) To employ and compensate counsel, including general counsel, bond counsel and disclosure counsel, as well as financial consultants, municipal advisors and other advisers, in each case as determined appropriate by the Finance Authority in the accomplishment of the purposes of the Authority, including without limitation, in connection with the issuance and sale of any Bonds.

(n) To contract for engineering, construction, architectural, accounting, environmental, land use, or other services determined necessary or convenient by the Finance Authority in connection with the accomplishment of the purposes of the Finance Authority.

(o) To take title to, and transfer, sell by installment sale or otherwise, lands, structures, real or personal property, rights, capacity interests, rights-of-way, easements, and other interests in real or personal property which the Finance Authority determines are necessary or convenient in connection with the accomplishment of the purposes of the Finance Authority.

(p) To exercise any other power permitted by the Joint Powers Act.

The Finance Authority shall exercise its powers in the manner and according to the methods provided under the laws applicable to The Metropolitan Water District of Southern California.

SECTION 6. BONDS AND NOTES.

The Finance Authority shall also have the power to issue, sell and deliver, in accordance with the provisions of the Joint Powers Act: (1) bonds, notes or other obligations to provide funds for the acquisition, planning, design, construction and/or financing of the Conveyance Projects, including, without limitation, the financing of the purchase, lease or other acquisition by one or more Members of an interest in the Conveyance Projects; and (2) refunding bonds for the purpose of redeeming or retiring any bonds issued by the Finance Authority and any other indebtedness incurred by the Finance Authority. The terms and conditions of the issuance of any such bonds, refunding bonds or notes shall be set forth in such resolution, indenture or other instrument, shall include such security provisions and shall specify such source or sources of payment, as in accordance with law shall be determined by the Board of Directors.

SECTION 7. LIMITATIONS AND CONTRIBUTIONS.

(a) Bonds or notes issued by the Finance Authority under Section 5, and contracts or obligations which are entered into by the Finance Authority to carry out the purposes for which such bonds or notes are issued and which are payable in whole or in part from the proceeds of said bonds or notes, shall not constitute a debt, liability or obligation of any Member. Pursuant to Section 6508.1 of the Government Code of the State of California, as amended, no debt, liability or obligation of the Finance Authority shall be a debt, liability or obligation of any Member except as provided by Section 895.2 of the Government Code of the State of California in the case of injury caused by a negligent or wrongful act or omission occurring in the performance of this Agreement.

(b) Nothing in this Section contained shall in any way diminish the liability of any Member or other party with respect to any contract between such Member or other party and the Finance Authority.

SECTION 8. TERMINATION OF POWERS; LIQUIDATION; DISTRIBUTION.

This Agreement shall continue in full force and effect, and the Finance Authority shall continue to possess the powers herein conferred upon it, until the expiration (pursuant to Section 4 of this Agreement) of the term of this Agreement or until the Members shall have rescinded this Agreement (pursuant to this Section 8). Rescission of this Agreement may only be accomplished by a writing or writings executed by each Member and approved by resolution of each Member's governing body. In no event shall this Agreement or the powers herein granted to the Authority be rescinded until (1) all bonds and notes of the Finance Authority and the interest thereon shall have been paid or adequate provision for such payment shall have been made in accordance with the instruments governing such bonds and notes and (2) all other obligations and liabilities of the Finance Authority shall have been met or adequately provided for.

Upon any such expiration or rescission, the Board of Directors shall liquidate the business and assets and property of the Finance Authority as expeditiously as possible, and distribute any net proceeds to any Members in such manner in accordance with law as shall be determined by the Board of Directors.

SECTION 9. BOARD OF DIRECTORS.

(a) The Finance Authority shall be administered by a governing board (the "Board of Directors") which shall consist of one Director representing each Member. The Director representing each Member shall be a director, officer or employee of such Member. Each Director will serve in his individual capacity as a member of the Board of Directors. The Board of Directors shall have the general management of the affairs, property and business of the Authority and may adopt and modify from time to time such by-laws and other rules and regulations for that purpose and for the conduct of its meetings as it may deem proper. The Board of Directors may exercise and shall be vested with all powers of the Finance Authority insofar as not inconsistent with law or this Agreement.

(b) The Board of Directors may adopt an annual budget for administrative expenses, which shall include all expenses not included in any financing issue or Conveyance Project Matter of the Finance Authority, on or about July 1st of each year.

(c) Directors shall serve without compensation, but may be entitled to reimbursement for any expenses actually incurred in connection with serving as such, if the Board of Directors determines that such expenses shall be reimbursed and there are unencumbered funds available for such purpose.

SECTION 10. EXECUTIVE COMMITTEE AND EXECUTIVE DIRECTOR

(a) The Board of Directors shall establish an Executive Committee comprised of the President, Vice President, and Secretary of the Board of Directors, and such other members as approved by the Board, which directors shall serve at the pleasure of the Board. The Board of Directors by majority vote may appoint additional Members to the Executive Committee.

(b) The Executive Committee is delegated authority to manage the administration of the affairs, property and business of the Authority, as determined by the Board, and shall carry out such other responsibilities as are delegated to it by the Board of Directors. The Executive Committee shall study and recommend to the Board of Directors changes in procedures, plans, and programs as appropriate. Notwithstanding the foregoing, the Executive Committee shall have no authority to approve any matter that requires the unanimous vote of the Directors under Section 11(g) of this Agreement.

(c) The Executive Committee may meet as it deems necessary, and notice of such meetings shall be provided to each Member of the Authority.

(d) The presence of a majority of the Members of the Executive Committee shall constitute a quorum, except that less than a quorum may adjourn from time to time. An affirmative vote of the majority of the Executive Committee shall be necessary to constitute action and to transact business.

(e) The Executive Committee shall develop or cause to be developed and recommend to the Board of Directors for approval an annual budget for the Finance Authority.

(f) Recommendations of the Executive Committee to the Board of Directors shall be established upon a majority vote of the Executive Committee Members.

(g) The Board may hire an Executive Director to assist the Executive Committee and the Board in carrying out its responsibilities, and/or other duties and responsibilities as delegated by the Board of Directors. The Executive Director shall serve at the pleasure of the Board of Directors, and shall be compensated for his/her services, as determined by the Board of Directors.

SECTION 11. MEETINGS OF BOARD OF DIRECTORS.

(a) **Regular Meetings.** The Board of Directors shall hold a regular meeting not less than once each calendar year. The date upon which, and the hour and place at which, each regular meeting shall be held shall be set by the Board of Directors.

(b) **Special Meetings.** Special meetings of the Board of Directors may be called in accordance with the provisions of Section 54956 of the Government Code of the State of California, as amended.

(c) **Legal Notice.** All meetings of the Board of Directors shall be held subject to the provisions of the laws of the State of California requiring notice of meetings of public bodies to be given in the manner in such laws provided.

(d) **Minutes.** The Secretary of the Finance Authority shall cause to be kept minutes of the meetings of the Board of Directors, both regular and special, and shall, as soon as possible after each meeting, cause a copy of the minutes to be forwarded to each Director.

(e) **Quorum.** Those Directors representing a majority of the votes of the Board of Directors for all non-administrative matters, as calculated under subsection (f) below, shall constitute a quorum for the transaction of business, except that, if less than a majority of votes is present at a meeting, Directors representing a majority of votes that are present may adjourn the meeting from time to time. At no time shall a quorum consist of fewer than two Directors.

(f) **Voting.** When a quorum is present at a meeting of the Board of Directors, the vote of the Directors present at such meeting shall decide any question brought before such meeting and such decision shall be deemed to be the action of the Board. Each Director shall have the number of votes equal to 1,000 multiplied by its Financial Commitment Amount. Except as provided in subsections (g) and (h) of this Section 11 and in Section 14(c) of this Agreement, the majority of votes shall decide any question. Notwithstanding any other provision of this Agreement, all administrative matters shall be decided by a majority vote, with each Director having one vote. Administrative matters include, but are not limited to, actions such as, selecting Board Officers, selecting additional Executive Committee Members, selecting an Executive Director, setting agendas, designating meeting times and places and other general matters related to the basic functions of the Finance Authority.

(g) **Super Majority Voting Provisions.** Any of the following matters shall require a vote of not less than all of the Directors:

(i) The addition of any Public Water Agency as a new Member under Section 14 of this Agreement;

(ii) The termination of this Agreement; and

(iii) Any action, the taking of which would cause the Finance Authority to breach its obligations under the contractual arrangements among the Members relating to the issuance of Bonds and the Conveyance Projects.

(h) **Other Voting Arrangements.** No provision of this Agreement shall in any way restrict the ability of the Finance Authority to make and enter into from time to time contracts providing for representation on management or other committees with respect to the Conveyance Projects and/or voting by the parties to such contracts on matters related thereto, on the terms provided therein.

SECTION 12. OFFICERS.

(a) At its first meeting in each calendar year, the Board of Directors shall elect, from the Board, a President, Vice President and Secretary, and appoint or reappoint a Treasurer/Controller who may, but need not, be selected from among the Directors. In the event that the President, Vice President, Secretary or Treasurer/Controller so elected or appointed ceases (in the case of the President or the Vice President) to be a Director, resigns from such office or is otherwise unable to perform the duties of such office, the resulting vacancy shall be filled at the next regular meeting of the Board of Directors held after such vacancy occurs. In the absence or inability of the President to act, the Vice President shall act as President. The President, or in his absence the Vice President, shall preside at and conduct all meetings of the Board of Directors.

(b) The Treasurer/Controller is designated as the treasurer and the controller of the Finance Authority and as such (1) shall be the depository of the Finance Authority to have custody of all the money of the Finance Authority, from whatever source, (2) shall draw warrants to pay demands against the Finance Authority when the demands have been approved by the President, Vice President, or Executive Director of the Finance Authority, and (3) shall have the other powers, duties and responsibilities of such officers as specified in Section 6505.5 of the Government Code of the State of California, as amended, except insofar as such powers, duties and responsibilities are assigned to a trustee appointed, as is provided for and authorized by Section 6558 of the Government Code of the State of California, as amended, pursuant to any resolution, indenture or other instrument providing for the issuance of bonds or notes of the Finance Authority pursuant to Section 5 of this Agreement.

(c) The President, the Vice President and (to the extent such officer's duties and responsibilities pursuant to the Joint Powers Act require) the Treasurer/Controller are designated as the public officers or persons who have charge of, handle, or have access to any property of the Finance Authority, and each such officer shall file an official bond with the Secretary of the Finance Authority in the amount of \$100,000.

(d) In addition to the powers, duties and responsibilities provided herein or by law, the President, the Vice President and the Secretary shall have such powers, duties and responsibilities as are provided in the by-laws of the Finance Authority. The Treasurer/Controller shall have such powers, duties and responsibilities as are provided herein or by law.

(e) The Board of Directors shall have the power to appoint an Executive Director, who shall have such powers, duties and responsibilities as may be provided in the by-laws of the Finance Authority and as specified in section 10(g) of this Agreement.

(f) The Board of Directors shall have the power to appoint a General Counsel. The General Counsel will report to the Board of Directors.

(g) The Board of Directors shall have the power to appoint such other officers and employees as it may deem necessary, any of whom may be employees of a Member, and who shall have such powers, duties and responsibilities as are determined by the Board of Directors.

SECTION 13. CONTRIBUTIONS; PAYMENTS; ADVANCES.

In accordance with Section 6504 of the Government Code of the State of California, as amended, the Members shall make such contributions, payments and advances to the Finance Authority as are approved from time to time by the Board of Directors, provided that only Members who vote to approve such contribution, payment and advance by a Member shall be obligated to make any such contribution, payment or advance. The Finance Authority may make such arrangements relative to the repayment or return to the Members of such contributions, payments and advances as are approved from time to time by the Board of Directors. Notwithstanding this section, any administrative action taken under section 11(f) that would require the Finance Authority to incur costs will be allocated equally amongst the Members. Costs of non-administrative matters, which include, but are not limited to, costs related to financing such as costs of bond counsel, financial advisors, underwriting costs, custodian costs, rating agency costs, and arbitrage consultant costs, shall be apportioned based on the Members' Financial Commitment Amount.

Any Member which fails to make or pay when due any required contribution, payment or advance to the Finance Authority, may have its rights under this Agreement terminated and may be excluded from participation in the Authority as provided in Section 15 of this Agreement.

SECTION 14. ADDITIONAL MEMBERS.

Any Public Water Agency may become a Member as follows:

Any Public Water Agency may execute this Agreement and become a Member if the governing body of the Public Water Agency adopts a resolution (at or before the time of its execution of this Agreement) which, (1) authorizes such Public Water Agency to commit to financially supporting any Bonds issued by the Finance Authority or which expresses an intention to do so at later date, and (2) approves the execution by such Public Water Agency of this Agreement, subject to the unanimous approval requirement of the member agencies set forth above in Section 11 (g) (i).

SECTION 15. WITHDRAWAL OR EXCLUSION OF MEMBER.

(a) Any Member may withdraw from the Finance Authority upon the following conditions: (1) the Member shall have filed with the Board of Directors a certified copy of a resolution of its governing body expressing its desire to so withdraw and (2) if the Finance Authority, prior to the filing of such resolution, shall have incurred any obligation payable from contributions, payments or advances in accordance with Section 13 hereof which obligation matures after the date of such filing, the withdrawing Member shall have paid, or made arrangements satisfactory to the Board of Directors to pay, to the Finance Authority its pro rata portion of such obligation.

(b) Upon compliance with the conditions specified in subsection (a) of this Section 15, the withdrawing Member shall no longer be considered a Member for any reason or purpose under this Agreement and its rights and obligations under this Agreement shall terminate. The withdrawal of a Member shall not affect any obligations of such Member under any contract between the withdrawing Member and the Finance Authority.

SECTION 16. ACCOUNTS AND REPORTS.

There shall be strict accountability of all funds and reporting of all receipts and disbursements of the Finance Authority. The Finance Authority shall establish and maintain such funds and accounts as may be required by good accounting practice or by any provision of any resolution, indenture or other instrument of the Finance Authority securing its bonds or notes, except insofar as such powers, duties and responsibilities are assigned to a trustee appointed pursuant to such resolution, indenture or other instrument. The books and records of the Finance Authority shall be open to inspection at all reasonable times to each Member and its representatives. The Finance Authority, within 180 days after the close of each Fiscal Year, shall give a complete written report of all financial activities for such Fiscal Year to the Members.

The Board of Directors shall cause an annual independent audit of the accounts and records of the Finance Authority to be made by a certified public accountant or public accountant, all in accordance with, and at the time or times required by law.

All the books, records, accounts and files referred to in this Section 16 shall be open to the inspection of holders of bonds or notes of the Finance Authority to the extent and in the manner provided in the resolution, indenture or other instrument providing for the issuance of such bonds or notes.

SECTION 17. BREACH.

If default shall be made by any Member in any undertaking contained in this Agreement, such default shall not excuse such Member or any other Member from fulfilling its obligations under this Agreement and each Member shall continue to be liable for the payment of contributions, payments and advances pursuant to Section 13 hereof and the performance of all conditions herein contained. Each Member hereby declares that this Agreement is entered into for the benefit of the Finance Authority created

hereby and each Member hereby grants to the Finance Authority the right to enforce by whatever lawful means the Finance Authority deems appropriate all of the obligations of each of the Members hereunder. Each and all of the remedies given to the Finance Authority hereunder or by any law now or hereafter enacted are cumulative and the exercise of one right or remedy shall not impair the right of the Finance Authority to any or all other remedies.

SECTION 18. INDEMNITY

(a) Indemnity by Finance Authority for Litigation Expenses of Officer, Director or Employee. To the extent permitted by law, the Board of Directors may authorize indemnification by the Finance Authority of any person who is or was a member of the Board of Directors, or an officer, employee or other agent of the Finance Authority, and who was or is a party or is threatened to be made a party to a proceeding by reason of the fact that such person is or was such a member of the Board, or officer employee or other agent of the Authority, against expenses, judgments, fines, settlements and other amounts actually and reasonably incurred in connection with such proceedings

(b) Indemnity by Finance Authority for Litigation Expenses of a Member. To the full extent permitted by law, the Board of Directors may authorize indemnification by the Finance Authority of a Member who was or is a party or is threatened to be made a party to a proceeding by reason of the fact that such entity is or was a Member of the Finance Authority against expenses, judgments, fines settlements and other amounts and reasonably incurred in connection with such proceedings. Any obligations pursuant to this Section shall be borne by the Finance Authority and shall be a charge against any unencumbered funds of the Finance Authority available for the purpose.

SECTION 19. SEVERABILITY.

In the event that any term, covenant or condition of this Agreement or the application of such term, covenant or condition, shall be held invalid as to any person or circumstance by any court having jurisdiction in the premises, all other terms, covenants or conditions of this Agreement and their application shall not be affected thereby, but shall remain in force and effect unless a court holds that the provisions are not separable from all other provisions of this Agreement.

SECTION 20. SUCCESSORS AND ASSIGNS; AMENDMENTS.

This Agreement shall be binding upon and shall inure to the benefit of the successors and assigns of the Members. No Member may assign its rights or obligations as a Member of the Finance Authority without the consent of all other Members. The immediately preceding sentence shall not affect, in any respect, any right of assignment under any contract between any Member and the Finance Authority. Subject to any requirements of law (including Section 6573 of the Government Code of the State of California, as amended), this Agreement may be amended at any time and from time to time by a writing or writings executed by each Member and approved by resolution of each Member's governing body.

SECTION 21. NOTICES.

(a) Any notice, demand or request provided for in this Agreement shall be in writing and shall be deemed properly served, given, or made if delivered in person or sent by registered or certified mail, postage prepaid, to the persons specified below:

If to the Finance Authority:

c/o Executive Director
1121 L Street, Suite 1045
Sacramento, Ca 95814

If to Alameda County Water District:	c/o General Manager 43885 S. Grimmer Blvd. Fremont, CA 94538
If to Alameda County Flood Control and Water Conservation District, Zone 7	c/o General Manager 100 N. Canyons Parkway Livermore, CA 94551
If to San Geronio Pass Water Agency:	c/o General Manager 1210 Beaumont Ave Beaumont, CA 92223
If to Metropolitan Water District of Southern California	c/o General Manager 700 N. Alameda Street Los Angeles, CA 90012-2944
If to Antelope Valley-East Kern Water Agency	c/o General Manager 6500 W. Ave N Palmdale, CA 93551
If to Coachella Valley Water District	c/o General Manager 51501 Tyler Street Coachella, CA 92236
If to Mojave Water Agency	c/o General Manager 13846 Conference Center Drive Apple Valley, CA 92307
If to Desert Water Agency	c/o General Manager 1200 S. Gene Autry Trail Palm Springs, CA 92264
If to Santa Clara Valley Water District	c/o General Manager 5750 Almaden Expy San Jose, CA 95118
If to Santa Clarita Valley Water Agency	c/o General Manager 26521 Summit Cir Santa Clarita, CA 91350
San Bernardino Valley Municipal Water District	c/o General Manager 380 E. Vanderbilt Way San Bernardino, CA 92408

(b) A Member may, at any time, by written notice to each other Member and the Finance Authority, designate different or additional persons or different addresses for giving of notices, demands or requests to it hereunder.

(c) The Finance Authority may, at any time, by written notice to each Member, designate a different or additional person or a different address for giving of notices, demands or requests to it hereunder.

SECTION 22. OTHER OBLIGATIONS.

The Members acknowledge that contractual arrangements outside of this Agreement, but not inconsistent to the terms of this Agreement, may be made among the Members relating to the assignment and disposition of any security or assignable interests in the Conveyance Projects and the study, planning, development, acquisition, construction, reconstruction, improvement, or betterment of the Conveyance Projects.

SECTION 23. EXECUTION OF COUNTERPARTS.

This Agreement may be executed in any number of counterparts. All such counterparts shall be deemed to be originals and shall together constitute but one and the same instrument.

IN WITNESS WHEREOF, the Members hereto have caused this Agreement to be executed and attested by their proper officers thereunto duly authorized, and their official seals to be hereto affixed, as of the day and year written.

_____ Date	_____ Alameda County Water District 43885 S Grimmer Blvd. Fremont, CA 94538
_____ Date	_____ Alameda County Flood Control and Water Conservation District, Zone 7 100 N. Canyons Parkway Livermore, CA 94551
_____ Date	_____ San Geronio Pass Water Agency 1210 Beaumont Ave. Beaumont, CA 92223
_____ Date	_____ Santa Clara Valley Water District 5750 Almaden Expressway San Jose, CA 95118
_____ Date	_____ Metropolitan Water District of Southern California 700 N. Alameda St. Los Angeles, CA 90012

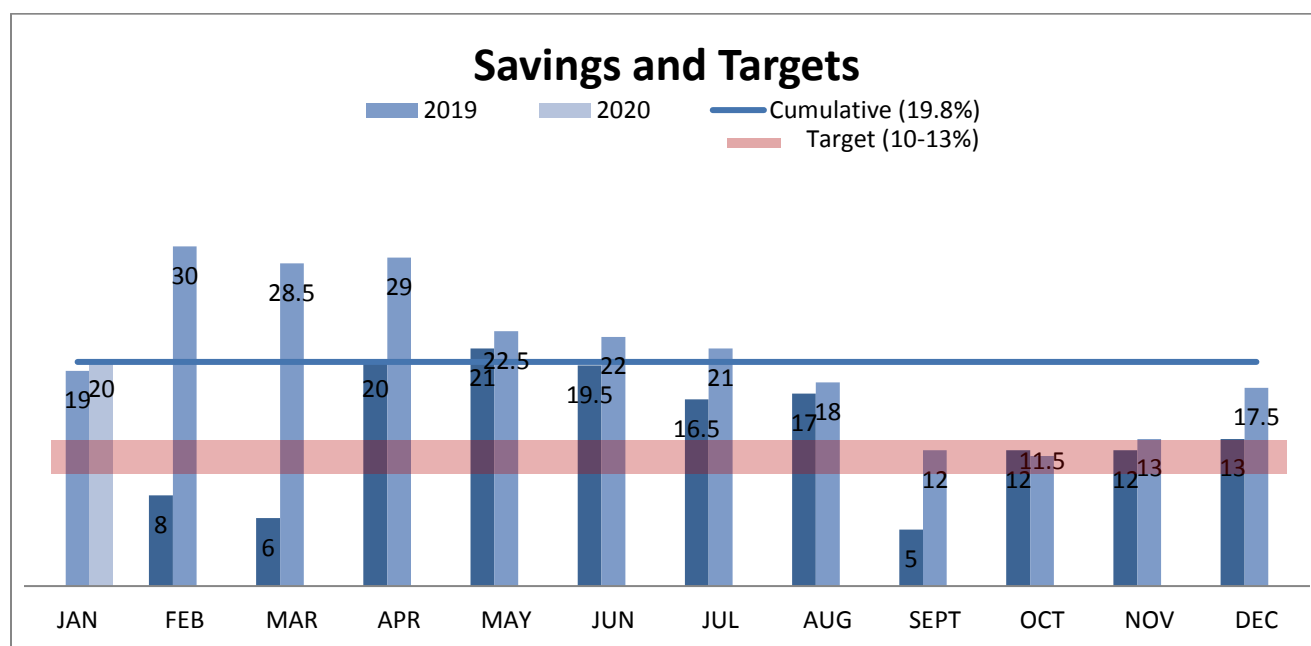
Date	Coachella Valley Water District PO Box 1058 Coachella, CA 92236
Date	Desert Water Agency 1200 S. Gene Autry Trail Palm Springs, CA 92264
Date	Mojave Water Agency 13846 Conference Center Drive Apple Valley, CA 92307
Date	Antelope Valley-East Kern 6500 W. Avenue N Palmdale, CA 93551
Date	Santa Clarita Valley Water Agency 26521 Summit Circle Santa Clarita, CA 91350
Date	San Bernardino Valley Municipal Water District 380 E. Vanderbilt Way San Bernardino, CA 92408

STAFF REPORT TO DESERT WATER AGENCY BOARD OF DIRECTORS

FEBRUARY 18, 2020

RE: JANUARY 2020 WATER USE REDUCTION FIGURES

Desert Water Agency and its customers achieved a 20% reduction in potable water production during January 2020 compared to the same month in 2013 – the baseline year used by the State Water Resources Control Board (State Water Board) to measure statewide conservation achievements. DWA continues to report its production to the state on a monthly basis, despite mandatory conservation ending in 2017.



DWA is asking its customers to save 10-13% compared to 2013 to help achieve long-term sustainability.

The cumulative savings over the last twelve-month period is 19.8%. The cumulative savings beginning in June of 2016 when we put our 10-13% target in place is 17.4%.

On the following page is additional information for this month.

January 2020 water production	1,632.52 AF
January 2020 water production	2,040.29 AF
Percent changed in this month per drought surcharge baseline (January 2020)	-0.06%
Quantity of potable water delivered for all commercial, industrial, and institutional users for the reporting month	596.72 AF
The percentage of the Total Monthly Potable Water Production going to residential use only for the reporting month	63.45%
Population (inclusive of seasonal residents)	108,197
Estimated R-GPCD	100.63
How many public complaints of water waste or violation of conservation rules were received during the reporting month?	17
How many contacts (written/ verbal) were made with customers for actual/ alleged water waste or for a violation of conservation rules?	7
How many formal warning actions (e.g.: written notifications, warning letters, door hangers) were issued for water waste or for a violation of conservation rules?	3
How many penalties were issued for water waste or for a violation of conservation rules?	2
<p>Comments: The Agency's service area is highly seasonal making population analysis a complex task. The State Water Board analyzes data on a per capita basis.</p> <p>Historically, DWA has submitted data based on the permanent population of the service area; however, that data does not accurately reflect water use in DWA's service area which has a highly seasonal population. We are currently submitting a calculation reviewed by the State Water Board. We plan to update our population figures once the Department of Water Resources accepts our technical memo on seasonal population.</p> <p>Since Desert Water Agency began recycling water, the agency has reclaimed 103,707 acre feet. If our recycled water production for this month was taken into consideration against our potable production, the conservation achieved would have been several percentage points higher.</p>	