



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

Pursuant to the Governor's Executive Order N-29-20, there will be no public location for attending in person. Members of the public who wish to participate may do so by calling in at:

**Toll Free: (866) 899-4679
Access Code: 470-287-333**

Members of the public who wish to comment on any item within the jurisdiction of the Agency or any item on the agenda, may submit comments by emailing sbaca@dwa.org before 5:00 p.m. June 1. Comments will become part of the Board meeting record. Board members and staff will be participating in this meeting via teleconference.

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

1. **CALL TO ORDER/PLEDGE OF ALLEGIANCE** **STUART**
2. **ROLL CALL** **BACA**
3. **GENERAL MANAGER'S REPORT** **KRAUSE**
4. **COMMITTEE REPORTS –**
 - A. Conservation & Public Affairs – May 14, 2020 **STUART**
 - B. Executive – May 28, 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. **ACTION ITEM**
 - Public Hearing Items (A-B):**
 - 2020/2021 Groundwater Replenishment Assessments**
 - A. West Whitewater River Subbasin **KRAUSE**
 - 1). Request Adoption of Resolution No. 1234 Making Findings in Fact Pursuant to Section 15.4 of DWA Law for the West Whitewater River Subbasin Replenishment Assessment
 - 2). Request Adoption of Resolution No. 1235 Levying a Replenishment Assessment FY 2020-2021
 - B. Mission Creek Subbasin
 - 1). Request Adoption of Resolution No. 1236 Making Findings in Fact Pursuant to Section 15.4 of DWA Law for the Mission Creek Subbasin Replenishment Assessment
 - 2). Request Adoption of Resolution No. 1237 Levying a Replenishment Assessment for 2020/2021
 - C. Approval of July 1, 2020 Cost of Living Salary Increase for DWA Employees and Contract Amendment for General Manager **HOPPING**
7. **DISCUSSION ITEM**
 - A. Director's Report/Conference Attendance (Virtual CSDA Special District Legislative Days) **BLOOMER**
 - B. 2020/2021 Operating, General and Wastewater Budgets (DRAFT) **SAENZ**
 - C. State Water Contractor's Meeting – May 20, 2020 **RIDDELL**
 - D. Blaze Cast Mass Notification System Update **JOHNSON**
8. **OUTREACH & CONSERVATION** **METZGER**
 - A. Activities & Events
9. **DIRECTORS COMMENTS/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
(2 cases)
- B. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION
Pursuant to Government Code Section 54956.9 (d) (1)
Name of Case: Mission Springs Water District vs. Desert Water Agency
- C. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION
Pursuant to Government Code Section 54956.9 (d) (1)
Name of Case: 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 – EXISTING LITIGATION
Pursuant to Government Code Section 54956.9 (d) (1)
Alan Neil Freiman, et al vs. Safari Park, Inc.
- F. CONFERENCE WITH LEGAL COUNSEL – PENDING LITIGATION
Pursuant to Government Code Section 54956.9 (d) (2)
Possible Intervention in Case: AT&T vs. County of Riverside
- G. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION
Pursuant to Government Code Section 54956.9 (d) (1)
Bonnie Kessner, et al vs. Desert Water Agency, et al
- H. CONFERENCE WITH REAL PROPERTY NEGOTIATIONS
Pursuant to Government Code Section 54956.8
Property: APN No's. 514-272-009, 516-051-001 and 516-051-006
Agency Negotiators: Mark S. Krause, General Manager and Steve Johnson, Asst. General Manager
Negotiating Parties: Desert Water Agency and Marcus Wynne Hughes
Under Negotiation: Price and terms
- I. CONFERENCE WITH REAL PROPERTY NEGOTIATORS
Pursuant to Government Code Section 54956.8
Property: APN No. 501-441-012
Agency Negotiators: Mark S. Krause, General Manager and Steve Johnson, Asst. General Manager
Negotiating Parties: Desert Water Agency and Caltrans
Under Negotiation: Temporary Construction Easement and Permanent Highway Easement
Over Agency Owned Parcel

11. RECONVENE INTO OPEN SESSION – REPORT FROM CLOSED SESSION

12. ADJOURN

GENERAL MANAGER'S REPORT

JUNE 2, 2020

SWC's Joint Statement in Support of S.3811, the Restoration of Essential Conveyance Act

S.3811, the Restoration of Essential Conveyance Act was introduced by Sen. Dianne Feinstein and is a welcome step towards restoring critically important water supplies to 27 million Californians, and 3 million acres of farmland and hundreds of thousands of acres of wildlife habitat and the restoration of the San Joaquin River. The bill authorized \$600 million in funding for three major projects to repair California's water delivery system. It provides \$200 million for the Friant-Kern Canal, \$200 million for the Delta-Mendota Canal, and \$200 million in funding for restoration of the San Joaquin River (Joint statement attached).



Release: Immediate
May 22, 2020

Contact: Scott Petersen
San Luis & Delta-Mendota Water Authority
(209) 597-0232 (Cell)

Contact: Alexandra Biering
Friant Water Authority
(916) 628-0431 (Cell)

Contact: Jennifer Pierre
State Water Contractors
(916) 447-7357 (Office)

Joint Statement by the San Luis & Delta-Mendota Water Authority, Friant Water Authority, and the State Water Contractors, in Support of S.3811, the Restoration of Essential Conveyance Act

The introduction of the S.3811, the Restoration of Essential Conveyance Act by Sen. Dianne Feinstein is a welcome step toward restoring critically-important water supplies to 27 million Californians, 3 million acres of the nation's most productive farmland, hundreds of thousands of acres of wildlife habitat and restoration of the San Joaquin River.

This legislation helps to address the impacts of groundwater subsidence on major portions of California's water delivery system - infrastructure millions of people depend on for water supply, flood control, and environmental protection.

The bill authorizes \$600 million in federal funding for three major projects to repair California's water delivery system, which has reduced conveyance capacity as a result of subsidence along the canals. The bill provides \$200 million for the Friant-Kern Canal, \$200 million for the Delta-Mendota Canal, and \$200 million for the California Aqueduct. Additionally, the bill provides an additional \$200 million in funding for restoration of the San Joaquin River, including environmentally protective infrastructure such as fish screens, fish bypass projects, and control structures necessary to successfully implement the San Joaquin River Restoration Settlement.

"The Restoration of Essential Conveyance Act increases federal investments to restore California's backbone water conveyance infrastructure, which is the foundation on which California's success is built," said Federico Barajas, executive director of the San Luis & Delta-Mendota Water Authority. "Access to reliable water is vital for California's people, its environment and its economy. This is about investing in the repair and long-term reliability of California's water infrastructure that serves millions of people, farmland vital to the nation's food supply, and the preservation and restoration of California's environment."

"By helping to address the conveyance pinch on the Friant-Kern Canal - which has reduced its carrying

capacity by as much as 60% in some locations - this bill assists with one of the most critical and desperate needs to achieve long-term sustainability in the San Joaquin Valley. The bill also makes significant investments in implementing the San Joaquin River Restoration Settlement, in acknowledgement of the shared future between the Friant Division contractors and the San Joaquin River," said Jason Phillips, executive director of the Friant Water Authority.

"Successful implementation of the state's Sustainable Groundwater Management Act requires that public water agencies have access to the full capacity of the State Water Project's existing canals. Senator Feinstein's bill helps restore capacity in existing canals that are used to move water into storage in wet years so it is available in dry years. Restoring canal capacity also supports implementation of water storage projects that produce environmental benefits funded by Proposition 1," said Jennifer Pierre of the State Water Contractors.

The Restoration of Essential Conveyance Act complements legislation by Rep. Jim Costa (CA-16), the author of H.R. 5752, the Conveyance Capacity Correction Act, and H.R. 5316 by Rep. T.J. Cox (CA-21), the Move Water Now Act. Together, the Senate and House bills, if enacted, will provide significant funding necessary to repair these essential conveyance projects.

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DWR Notice to State Water Project Contractors

On May 22, DWR increased the allocation of 2020 SWP water for long-term contractors from 15% to 20% (653,434 acre-feet to 843,696 acre-feet (see attached DWR notification). This change increased DWA's 2020 water delivery from 8,362.5 acre-feet to 11,150 acre-feet, an incremental increase of 2,787.5 acre-feet (8,531 AF to WWRF and 2,619 to MCRB).

State of California

DEPARTMENT OF WATER RESOURCES
CALIFORNIA STATE WATER PROJECT

California Natural Resources Agency

NOTICE TO STATE WATER PROJECT CONTRACTORS**Date:** MAY 22, 2020**Number:** 20-05**Subject:** 2020 State Water Project Allocation Increase from 15 to 20 Percent**From:**

A handwritten signature in blue ink that reads "Ted Craddock".

Ted Craddock**Deputy Director, State Water Project**

Department of Water Resources

The Department of Water Resources (DWR) is increasing the allocation of 2020 State Water Project (SWP) water for long-term contractors from 635,434 acre-feet to 843,696 acre-feet. Based on the recent precipitation, runoff, and current water supply conditions, SWP supplies are projected to be 20 percent of most SWP contractors' 2020 requested Table A amounts, which totals 4,172,786 AF. Attached is the revised 2020 SWP 20 percent allocation table.

This allocation increase is made consistent with the long-term water supply contracts and public policy. DWR's approval considered several factors including existing storage in SWP conservation reservoirs, SWP operational constraints such as the conditions of the Biological Opinions for Delta Smelt and Salmonids, the Longfin Smelt Incidental Take Permit, and the 2020 contractor demands. DWR may revise this and any subsequent allocations if warranted by the year's developing hydrologic and water supply conditions.

To develop the new 20 percent schedule, DWR will scale up the current long-term SWP contractors' 10 percent schedules that were submitted in October 2019 (as part of their initial request), unless contractors submit updated schedules. DWR will send the approved monthly water delivery schedules to the long-term SWP contractors.

If you have any questions or need additional information, please contact Pedro Villalobos, Chief, State Water Project Analysis Office, at (916) 653-4313.

Attachment

**2020 STATE WATER PROJECT ALLOCATION
(ACRE-FEET)**

| SWP CONTRACTORS | TABLE A | INITIAL REQUEST | APPROVED ALLOCATION | PERCENT INITIAL REQUEST APPROVED (3)/(2) (4) |
|-----------------------------------|------------------|----------------------------|--------------------------------|---|
| | (1) | (2) | (3) | (4) |
| <u>FEATHER RIVER</u> | | | | |
| County of Butte | 27,500 | 27,500 | 6,000 | 22% |
| Plumas County FC&WCD | 2,700 | 2,700 | 540 | 20% |
| City of Yuba City | 9,600 | 9,600 | 2,880 | 30% |
| Subtotal | 39,800 | 39,800 | 9,420 | |
| <u>NORTH BAY</u> | | | | |
| Napa County FC&WCD | 29,025 | 29,025 | 8,708 | 30% |
| Solano County WA | 47,756 | 47,756 | 14,327 | 30% |
| Subtotal | 76,781 | 76,781 | 23,035 | |
| <u>SOUTH BAY</u> | | | | |
| Alameda County FC&WCD, Zone 7 | 80,619 | 80,619 | 16,124 | 20% |
| Alameda County WD | 42,000 | 42,000 | 8,400 | 20% |
| Santa Clara Valley WD | 100,000 | 100,000 | 20,000 | 20% |
| Subtotal | 222,619 | 222,619 | 44,524 | |
| <u>SAN JOAQUIN VALLEY</u> | | | | |
| Oak Flat WD | 5,700 | 5,700 | 1,140 | 20% |
| County of Kings | 9,305 | 9,305 | 1,861 | 20% |
| Dudley Ridge WD | 41,350 | 41,350 | 8,270 | 20% |
| Empire West Side ID | 3,000 | 3,000 | 600 | 20% |
| Kern County WA | 982,730 | 982,730 | 196,546 | 20% |
| Tulare Lake Basin WSD | 87,471 | 87,471 | 17,494 | 20% |
| Subtotal | 1,129,556 | 1,129,556 | 225,911 | |
| <u>CENTRAL COASTAL</u> | | | | |
| San Luis Obispo County FC&WCD | 25,000 | 25,000 | 5,000 | 20% |
| Santa Barbara County FC&WCD | 45,486 | 45,486 | 9,097 | 20% |
| Subtotal | 70,486 | 70,486 | 14,097 | |
| <u>SOUTHERN CALIFORNIA</u> | | | | |
| Antelope Valley-East Kern WA | 144,844 | 144,844 | 28,969 | 20% |
| Santa Clarita Valley WA | 95,200 | 95,200 | 19,040 | 20% |
| Coachella Valley WD | 138,350 | 138,350 | 27,670 | 20% |
| Crestline-Lake Arrowhead WA | 5,800 | 5,800 | 1,160 | 20% |
| Desert WA | 55,750 | 55,750 | 11,150 | 20% |
| Littlerock Creek ID | 2,300 | 2,300 | 460 | 20% |
| Metropolitan WDSC | 1,911,500 | 1,911,500 | 382,300 | 20% |
| Mojave WA | 89,800 | 89,800 | 17,960 | 20% |
| Palmdale WD | 21,300 | 21,300 | 4,260 | 20% |
| San Bernardino Valley MWD | 102,600 | 102,600 | 20,520 | 20% |
| San Gabriel Valley MWD | 28,800 | 28,800 | 5,760 | 20% |
| San Geronio Pass WA | 17,300 | 17,300 | 3,460 | 20% |
| Ventura County WPD | 20,000 | 20,000 | 4,000 | 20% |
| Subtotal | 2,633,544 | 2,633,544 | 526,709 | |
| TOTAL | 4,172,786 | 4,172,786 | 843,696 | |

SWPAO
5/22/2020

Well Site 40 – Verizon Tower Land Lease Agreement

DWA has entered into an agreement with Los Angeles SMSA Limited Partnership dba Verizon Wireless executed on May 22, 2020. Annual lease payments will begin at an amount of \$34,800 increasing at an annual estimated inflation rate of 4%. The initial term of the contract is a five year period to be automatically extended for 4 additional 5 year periods ending in a combined 25 year period. Over the next 25 years DWA will potentially collect \$1,449,277.61.

Snow Creek Village Surface Water Filtration Project – SWRCB Time Extension

On May 26, 2020, we received our annual surface water filtration avoidance inspection report. In said report the State Board granted our request for a time extension extending the deadline for filtration treatment until September 12, 2020. The Snow Creek Village Filtration Plant is currently estimated to be operational by July 6, 2020.

Support Infrastructure Investment and Accelerate California's Economic Recovery

The SWC's sent a joint letter to Nancy Pelosi on May, 27, 2020 urging her to support the inclusion of a significant investment in infrastructure in the next stimulus package (see attached letter).



California Small Business Association



California-Nevada Conference of Operating Engineers



May 27, 2020

The Honorable Nancy Pelosi
1236 Longworth House Office Building
Washington, DC 20515-0512

The Honorable Kevin McCarthy
2468 Rayburn House Office Building
Washington, DC 20515-0523

RE: Support Infrastructure Investment and Accelerate California's Economic Recovery

Dear Speaker Pelosi and Leader McCarthy:

The spread of COVID-19 has wreaked havoc on the state's economy. To date, over four million Californians have filed for unemployment because of the resulting economic destruction.

You and your colleagues in Congress are to be commended for taking bold and timely steps to help families, businesses and the vulnerable during this crisis by passing multiple phases of Federal response legislation. But more is needed to rebuild our economy and help the millions of unemployed across the nation.

We are writing to urge you to support the inclusion of a significant Federal investment in infrastructure in the next stimulus package to accelerate our economic recovery and get Californians back to work.

A major infrastructure spending package will inject trillions of dollars into our flailing economy, help stop project cuts resulting from declining state and local transportation budgets and put millions of Americans and Californians to work – all while helping repair and fix long-neglected infrastructure that is crumbling and failing.

Investing in infrastructure will create tens of thousands of solid middle-class jobs both in the transportation construction sector and across the entire economy. According to Georgetown University's Center on Education and the Workforce, a \$1 trillion investment in the nation's infrastructure "creates more than 11 million jobs."

California's infrastructure suffers from decades of neglect and this current economic crisis offers us the opportunity to jumpstart critical projects that will transform the condition of our national infrastructure. In 2019, the American Society of Civil Engineers Infrastructure Report card gave America's infrastructure a D+ and California



an overall grade of C-. Even before this crisis the infrastructure supporting California's roads, bridges, highways, water storage, stormwater containment, flood control levees, and transit networks was in need of hundreds of billions of additional dollars for repairs and maintenance.

The time to act is now. Investing in transportation and other infrastructure today eases the financial burden on Californians now and in the future, accelerates our economic recovery by creating thousands of good-paying jobs while building a stronger future for all Californians.

Sincerely,

Michael Quigley, Executive Director
California Alliance for Jobs

Kiana Valentine, Executive Director
Transportation California

Michael Pimentel, Deputy Executive
Director
California Transit Association

Graham Knaus, Executive Director
California State Association of Counties

Dave Eggerton, Executive Director
Association of California Water Agencies

Jose Mejia, Director
California State Council of Laborers

Tim Cremins, Director
**California-Nevada Conference of
Operating Engineers**

John Hakel, Executive Director
Southern California Partnership for Jobs

Maria S. Salinas, President & CEO
Los Angeles Area Chamber of Commerce

Brad Diede, Executive Director
**American Council of Engineering
Companies – California**

Jennifer Pierre, General Manager
State Water Contractors of California

Robbie Hunter, President
**State Building & Construction Trades
Council**

Melanie Perron, Deputy Executive Director
of Advocacy & Public Affairs
League of California Cities

Dan Dunmoyer, President & CEO
California Building Industry Association

Peter Tateishi, CEO
**Associated General Contractors of
California**

Betty Jo Toccoli, President
California Small Business Association

Emily Cohen, Executive Vice President
United Contractors

Shawn Yadon, CEO
California Trucking Association

Kwame Agyare, Chair, Region 9 Board of
Governors
**American Society of Civil Engineers
Region IX**

Paul Smith, Vice President of Governmental
Affairs
Rural County Representatives of California

Craig Nielsen, President
**California Chapter of the American Traffic
Safety Services Association**



Jacklyn Montgomery, Executive Director
California Association for Coordinated Transportation

Robert Loya, President
Harbor Trucking Association

Pat Fong Kushida, President & CEO
CalAsian Chamber of Commerce

Russell W. Snyder, Executive Director
California Asphalt Pavement Association

Lucy Dunn, President & CEO
Orange County Business Council

Gary W. Hambly, President & CEO
California Construction & Industrial Materials Association

Matt Regan, Executive Vice President
Bay Area Council

Charley Wilson, Executive Director
Southern California Water Coalition

Victor Lindenheim, Executive Director
Golden State Gateway Coalition

Stuart Waldman, President
Valley Industry & Commerce Association

Denny Zane, Executive Director
Move LA

Bart Reed, Executive Director
The Transit Coalition

William R. Manis, President & CEO
San Gabriel Valley Economic Partnership

Cynthia Murray, President & CEO
North Bay Leadership Council

John J. Doherty, Business Manager & Financial Secretary
IBEW Local 6

Lisa Ann Rapp, California Advocacy Committee Chair
California Chapters of American Public Works Association

Julian Canete, President & CEO
California Hispanic Chambers of Commerce

Daniel Langford, Executive Secretary-Treasurer
Southwest Regional Council of Carpenters

Dan Reding, Business Manager
Operating Engineers Local 3

Jason Baker, Vice President of Transportation, Housing, & Community Development
Silicon Valley Leadership Group

Denise Cooper, President
Southern California Contractors Association

Cesar A. Lara, President
Western Regional Association of Pavement Preservation

Colin Parent, Executive Director & General Counsel
Circulate San Diego

Ian Griffiths, Policy Director
Seamless Bay Area

Tom Lemmon, Business Manager
San Diego Building & Construction Trades Council

Tracy Hernandez, Founding CEO
Los Angeles County Business Federation

Rob Stoker, Political & Public Relations Director
S.M.A.R.T. California Sheet Metal Workers' Local Union No. 104



Joe Mello, President
Professional Engineers in California Government

Brad Barnum, Executive Vice President
Associated General Contractors – San Diego Chapter

Yvonne Williams, President & Business Agent
Amalgamated Transit Union, Local 192

Anthony Duarte, CEO
Regional Chamber of Commerce – San Gabriel Valley

Donna Duperron, President & CEO
Torrance Area Chamber of Commerce

CC:

The Honorable Doug LaMalfa
The Honorable Jared Huffman
The Honorable John Garamendi
The Honorable Tom McClintock
The Honorable Mike Thompson
The Honorable Doris Matsui
The Honorable Ami Bera
The Honorable Paul Cook
The Honorable Jerry McNerney
The Honorable Josh Harder
The Honorable Mark DeSaulnier
The Honorable Barbara Lee
The Honorable Jackie Speier
The Honorable Eric Swalwell
The Honorable Jim Costa
The Honorable Ro Khanna
The Honorable Anna Eshoo
The Honorable Zoe Lofgren
The Honorable Jimmy Panetta
The Honorable T. J. Cox
The Honorable Devin Nunes
The Honorable Salud Carbajal
The Honorable Mike Garcia
The Honorable Julia Brownley
The Honorable Judy Chu
The Honorable Adam Schiff

Hilary Norton, Executive Director
Fixing Angelenos Stuck in Traffic

Hilary Norton, Executive Director
FASTLinkDTLA

Nathan Ahle, President & CEO
Fresno Chamber of Commerce

Nancy Lindholm, President & CEO
Oxnard Chamber of Commerce

Anthony Mirles, Business Manager
Laborers Local 585

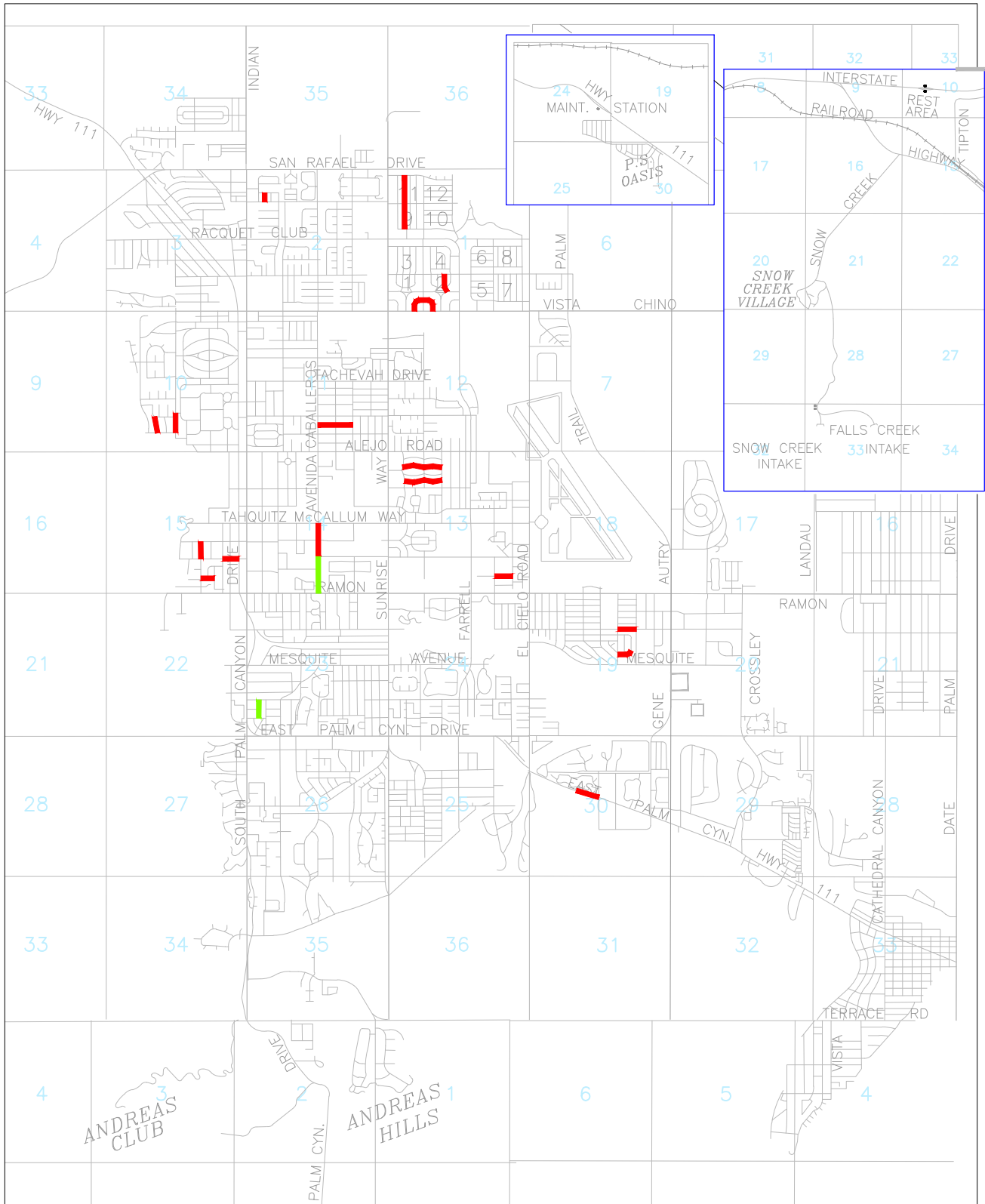
The Honorable Tony Cárdenas
The Honorable Brad Sherman
The Honorable Pete Aguilar
The Honorable Grace Napolitano
The Honorable Ted Lieu
The Honorable Jimmy Gomez
The Honorable Norma Torres
The Honorable Raul Ruiz
The Honorable Karen Bass
The Honorable Linda Sánchez
The Honorable Gil Cisneros
The Honorable Lucille Roybal-Allard
The Honorable Mark Takano
The Honorable Ken Calvert
The Honorable Maxine Waters
The Honorable Nanette Barragan
The Honorable Katie Porter
The Honorable Lou Correa
The Honorable Alan Lowenthal
The Honorable Harley Rouda
The Honorable Mike Levin
The Honorable Juan Vargas
The Honorable Scott Peters
The Honorable Susan Davis

| SYSTEM LEAK DATA | | | | | |
|---|-----------------|------------------------|----------------|---------------|-------------------|
| (PERIOD BEGINNING MAY 12, 2020 THRU MAY 25, 2020) | | | | | |
| STREET NAME | NUMBER OF LEAKS | PIPE DIAMETER (INCHES) | YEAR INSTALLED | PIPE MATERIAL | PIPE CONSTRUCTION |
| AVENIDA CABALLEROS | 2 | 14 | 1953 | STEEL | BARE/UNLINED |
| E PALM CANYON DR | 2 | 6 | 1955 | STEEL | BARE/UNLINED |
| SANTA ROSA DR | 2 | 4 | 1936 | STEEL | BARE/UNLINED |
| VICTORIA RD | 2 | 4 | 1955 | STEEL | BARE/UNLINED |
| VIA MONTE VISTA | 1 | 8 | 1953 | STEEL | BARE/UNLINED |
| SUNNY DUNES RD | 1 | 6 | 1946 | STEEL | BARE/UNLINED |
| CALLE SAN ANTONIO | 1 | 6 | 1958 | STEEL | BARE/UNLINED |
| BARISTO RD | 1 | 4 | 1936 | STEEL | BARE/UNLINED |
| McMANUS DR | 1 | 4 | 1946 | STEEL | BARE/UNLINED |
| PARK DR | 1 | 4 | 1946 | STEEL | BARE/UNLINED |
| HIGH RD | 1 | 4 | 1953 | STEEL | BARE/UNLINED |
| VIA ALTAMIRA | 1 | 4 | 1954 | STEEL | BARE/UNLINED |
| PATENCIO RD | 1 | 4 | 1954 | STEEL | BARE/UNLINED |
| VIA SOLEDAD | 1 | 4 | 1955 | STEEL | BARE/UNLINED |
| SAHARA RD | 1 | 4 | 1955 | STEEL | BARE/UNLINED |
| BAHADA RD | 1 | 4 | 1957 | STEEL | BARE/UNLINED |
| WYMAN DR | 1 | 4 | 1957 | STEEL | BARE/UNLINED |
| VIA VAQUERO | 1 | 4 | 1958 | STEEL | BARE/UNLINED |
| TOTAL LEAKS IN SYSTEM: | | 22 | | | |

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

Streets highlighted in blue are being proposed as part of the
2020/2021 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 70 YEARS (LINEAR FEET): | 128,186 |
| TOTAL LENGTH OF UNLINED PIPE SYSTEMWIDE (LINEAR FEET): | 297,672 |
| *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 70 YEARS: | 9 YEARS |
| YEAR AGENCY TRANSITIONED TO CEMENT LINED STEEL PIPE: | 1960 |
| <p>*PLEASE NOTE THIS FIGURE REPRESENTS THE AVERAGE LINEAR FOOTAGE OF PIPELINE REPLACED ANNUALLY GIVEN AN AVERAGE ANNUAL BUDGET OF \$3 MILLION.</p> | |



SYSTEM LEAKS

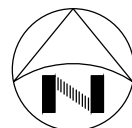
(Period beginning May 12, 2020 thru
May 25, 2020)

DESERT WATER AGENCY
PALM SPRINGS, CALIFORNIA

LEGEND

- LEAK(S) RECORDED
- LEAK(S) RECORDED;
TO BE REPLACED WITH
2019/2020 PIPELINES
- LEAK(S) RECORDED;
TO BE REPLACED WITH
2020/2021 PIPELINES

DWG. BY
SR



DATE
05/20

SCALE
NTS

EXHIBIT
"A"

General Manager's Meetings and Activities

Meetings:

| | | |
|----------|---|-----------|
| 05/19/20 | DWA Bi-Monthly Board Mtg. | Conf Call |
| 05/19/20 | WWRF BLM R/W Grant Cooperators Mtg. | Conf Call |
| 05/19/20 | Mission Creek Sub-basin Mgmt Cmte Coord Mtg. | Conf Call |
| 05/20/20 | SWC Monthly Delta Cmte Mtg. | Conf Call |
| 05/21/20 | SWC Monthly Board Mtg. | Conf Call |
| 05/21/20 | Sites Monthly Reservoir Cmte Mtg. | Conf Call |
| 05/21/20 | SWP Delta Conveyance Finance Authority Board Mtg. | Conf Call |
| 05/22/20 | Meeting with DWA DC Lobbyist | Conf Call |
| 05/26/20 | DWA Weekly Staff Mtgs. | Conf Call |
| 05/26/20 | Mission Crk Sub-basin Qtly GM Mtg. | Conf Call |
| 05/27/20 | WWRF BLM R/W All Team Monthly Mtg. | Conf Call |
| 05/28/20 | DWA Exec Cmte Mtg. | Conf Call |
| 06/01/20 | DWA Weekly Staff Meetings | Conf Call |
| 06/02/20 | DWA Bi-Monthly Board Mtg. | Conf Call |

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
Conservation & Public Affairs Committee Meeting
May 15, 2020

Directors Present: Joe Stuart, Jim Cioffi

Staff Present: Mark Krause, Ashley Metzger

1. Discussion Items

- A. Budget Review – Staff noted budget reductions in each category. The Committee reviewed the budgets for outreach, conservation and grass removal.
- B. Upcoming Outreach – The Committee reviewed the upcoming outreach opportunities and discussed strategies.
- C. Conservation Programs – The Committee discussed existing programs and the possibility of expanding commercial conservation rebates for pre-rinse spray valves, cooling towers and other water-using devices. The committee directed staff to explore return on investment for various commercial devices.

3. Adjourn

Minutes
Executive Committee Meeting
May 28, 2020

Directors Present: Joseph Stuart, Kristin Bloomer

Staff Present: Mark Krause, Steve Johnson, Esther Saenz, Sylvia Baca

1. Discussion Items

A. Review Agenda for June 2, 2020 Regular Board Meeting

The proposed agenda for the June 2, 2020 meeting was reviewed.

2. Other – None

3. Adjourn

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

JUNE 2, 2020

**RE: GROUNDWATER REPLENISHMENT ASSESSMENT
WEST WHITEWATER RIVER SUBBASIN AND MISSION CREEK
SUBBASIN SUBBASIN (PUBLIC HEARING)**

Following presentation of the Engineer's Report on the Groundwater Replenishment and Assessment Program for 2020/2021 during the Board's May 19, 2020 meeting, a determination was made that funds should be raised by a replenishment assessment, and the Board set the time and place for a public hearing on the matter.

As indicated in the Replenishment Reports, the proposed West Whitewater and Mission Creek Groundwater Replenishment Assessment will be set at \$165 per acre-foot.

A copy of the Notice of today's Public Hearing was sent to all pumpers on May 5, 2020 advising them of the scheduled public hearing, as well as the recommended replenishment assessment to be considered. The Notice of Public Hearing, setting the hearing date for today, was published in The Public Record on May 5, 2020.

On May 19, 2020 the Agency held a meeting on the proposed West Whitewater and Mission Creek Groundwater Replenishment Assessments.

A comparison of historic and proposed groundwater replenishment rates for Desert Water Agency (DWA) and Coachella Valley Water District (CVWD) is shown in Exhibit 8 of the Engineer's report (see attached).

Staff recommends adoption of:

1. West Whitewater River Subbasin - Resolution No. 1234, Making findings of fact relevant and material to levying the replenishment assessment within the West Whitewater River Subbasin.
2. West Whitewater River Subbasin – Resolution No. 1235, Levying the 2020/2021 West Whitewater River Groundwater Replenishment Assessment in the amount of \$165.00 per acre-foot.
3. Mission Creek Subbasin – Resolution No. 1236, Making findings of fact relevant and material to levying the replenishment assessment within the Mission Creek Subbasin.
4. Mission Creek Subbasin – Resolution No. 1237, Levying the 2020/2021 Mission Creek Groundwater Replenishment Assessment in the amount of \$165.00 per acre-foot.

EXHIBIT 8
DESERT WATER AGENCY AND COACHELLA VALLEY WATER DISTRICT
COMPARISON OF HISTORIC AND PROPOSED GROUNDWATER REPLENISHMENT
ASSESSMENT RATE FOR THE WEST WHITEWATER RIVER AND MISSION CREEK SUBBASIN AOBs

| YEAR | DWA | | CVWD WEST WHITEWATER | | CVWD MISSION CREEK | |
|-------|------------|------------|----------------------|------------|--------------------|------------|
| | \$/AF | % INCREASE | \$/AF | % INCREASE | \$/AF | % INCREASE |
| 78/79 | \$6.81 | --- | No Assessment | --- | No Assessment | --- |
| 79/80 | \$9.00 | 32% | No Assessment | --- | No Assessment | --- |
| 80/81 | \$9.50 | 6% | \$5.66 | --- | No Assessment | --- |
| 81/82 | \$10.50 | 11% | \$7.43 | 31% | No Assessment | --- |
| 82/83 | \$21.00 | 100% | \$19.82 | 167% | No Assessment | --- |
| 83/84 | \$36.50 | 74% | \$33.23 | 68% | No Assessment | --- |
| 84/85 | \$37.50 | 3% | \$34.24 | 3% | No Assessment | --- |
| 85/86 | \$31.00 | -17% | \$21.81 | -36% | No Assessment | --- |
| 86/87 | \$21.00 | -32% | \$19.02 | -13% | No Assessment | --- |
| 87/88 | \$22.50 | 7% | \$19.55 | 3% | No Assessment | --- |
| 88/89 | \$20.00 | -11% | \$15.96 | -18% | No Assessment | --- |
| 89/90 | \$23.50 | 18% | \$19.66 | 23% | No Assessment | --- |
| 90/91 | \$26.00 | 11% | \$23.64 | 20% | No Assessment | --- |
| 91/92 | \$31.75 | 22% | \$25.66 | 9% | No Assessment | --- |
| 92/93 | \$31.75 | 0% | \$28.23 | 10% | No Assessment | --- |
| 93/94 | \$31.75 | 0% | \$31.05 | 10% | No Assessment | --- |
| 94/95 | \$31.75 | 0% | \$34.16 | 10% | No Assessment | --- |
| 95/96 | \$31.75 | 0% | \$37.58 | 10% | No Assessment | --- |
| 96/97 | \$31.75 | 0% | \$37.58 | 0% | No Assessment | --- |
| 97/98 | \$31.75 | 0% | \$42.09 | 12% | No Assessment | --- |
| 98/99 | \$31.75 | 0% | \$47.14 | 12% | No Assessment | --- |
| 99/00 | \$31.75 | 0% | \$52.80 | 12% | No Assessment | --- |
| 00/01 | \$33.00 | 4% | \$59.14 | 12% | No Assessment | --- |
| 01/02 | \$33.00 | 0% | \$66.24 | 12% | No Assessment | --- |
| 02/03 | \$35.00 | 6% | \$72.86 | 10% | \$59.80 | --- |
| 03/04 | \$35.00 | 0% | \$72.86 | 0% | \$59.80 | 0% |
| 04/05 | \$45.00 | 29% | \$78.86 | 8% | \$59.80 | 0% |
| 05/06 | \$50.00 | 11% | \$78.86 | 0% | \$59.80 | 0% |
| 06/07 | \$63.00 | 26% | \$83.34 | 6% | \$65.78 | 10% |
| 07/08 | \$63.00 | 0% | \$91.67 | 10% | \$72.36 | 10% |
| 08/09 | \$72.00 | 14% | \$93.78 | 2% | \$76.60 | 6% |
| 09/10 | \$72.00 | 0% | \$102.45 | 9% | \$87.56 | 14% |
| 10/11 | \$82.00 | 14% | \$102.45 | 0% | \$89.75 | 3% |
| 11/12 | \$82.00 | 0% | \$107.57 | 5% | \$98.73 | 10% |
| 12/13 | \$92.00 | 12% | \$110.26 | 3% | \$98.73 | 0% |
| 13/14 | \$92.00 | 0% | \$110.26 | 0% | \$98.73 | 0% |
| 14/15 | \$102.00 | 11% | \$110.26 | 0% | \$98.73 | 0% |
| 15/16 | \$102.00 | 0% | \$112.00 | 2% | \$112.00 | 13% |
| 16/17 | \$102.00 | 0% | \$128.80 | 15% | \$123.20 | 10% |
| 17/18 | \$120.00 | 18% | \$143.80 | 12% | \$135.52 | 10% |
| 18/19 | \$140.00 | 17% | \$143.80 | 0% | \$135.52 | 0% |
| 19/20 | \$155.00 | 11% | \$143.80 | 0% | \$135.52 | 0% |
| 20/21 | \$165.00 * | 6% | \$165.80 * | 15% | \$135.52 * | 0% |

* Proposed replenishment assessment rate

RESOLUTION NO. 1234

RESOLUTION OF THE BOARD OF DIRECTORS OF DESERT WATER AGENCY MAKING FINDINGS OF FACT RELEVANT AND MATERIAL TO THE LEVY OF A REPLENISHMENT ASSESSMENT PURSUANT TO DESERT WATER AGENCY LAW

WEST WHITEWATER RIVER SUBBASIN

WHEREAS, this Board has called and conducted a public hearing pursuant to statute in regard to the levy of a replenishment assessment within a portion of the Desert Water Agency for the 2020-2021 fiscal year; and

WHEREAS, it appears to this Board that such an assessment should be levied based upon the following findings material and relevant to such levy;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of Desert Water Agency that this Board finds:

1. Cumulative overdraft conditions exist within that portion of the West Whitewater River Subbasin of the Upper Coachella Valley lying within the boundaries of the Desert Water Agency; therefore, there is need for groundwater replenishment to arrest or reduce cumulative groundwater overdraft.

2. There is need to levy a replenishment assessment (charge) for fiscal year 2020-2021 upon groundwater extractions within the aforementioned portion of the West Whitewater River Subbasin or surface water diversions from streams which would naturally replenish such portion of the West Whitewater River Subbasin to defray the costs of groundwater replenishment.

3. Such groundwater replenishment assessment (charge) shall apply to all water production, both groundwater extractions and surface water diversions within the Area of Benefit, at a uniform rate in dollars per acre foot.

4. Pursuant to statute, the Area of Benefit is hereby delineated as that portion of the West Whitewater River Subbasin of the Upper Coachella Valley lying within the boundaries

of the Desert Water Agency (See Figure 2 in "***Engineer's Report on Groundwater Replenishment and Assessment Program for the West Whitewater River and Mission Creek Subbasins – Desert Water Agency 2020-2021***"), and those areas within the Agency from which diversions are made from streamflow which would replenish naturally such portion of the West Whitewater River Subbasin. The reason for delineation of this Area of Benefit is that all producers therein, benefit from the groundwater replenishment program now being carried on by the Agency.

5. Extractions of groundwater of 10 acre feet or less per year are excluded from this process, and are exempted from the levy of any replenishment assessment pursuant to Section 15.4(g) of the Desert Water Agency Law. Diversions which do not diminish streamflow in excess of 10 acre feet per year shall also be excluded.

6. This Agency plans to take its 2020-2021 Table A Water Allocation under its State Water Project Contract and to exchange such water for other imported water to be used for replenishment purposes.

7. Pursuant to Section 15.4(f) of the Desert Water Agency Law, the maximum permissible replenishment assessment rate for State Water Project water for the 2020-2021 fiscal year, based on the Agency's estimated applicable State Water Project charges of \$10,682,423 and estimated assessable production within all the West Whitewater River and Mission Creek Subbasins of 40,830 acre feet, is approximately \$260 per acre foot.

8. Pursuant to the provisions of the 2014 Water Management Agreement between the Agency and the Coachella Valley Water District, the effective replenishment assessment rate for State Water Project water for the 2020-2021 fiscal year, based on the Agency's estimated allocated State Water Project charges for its Table A Water Allocation of \$9,911,647 and estimated assessable production within the West Whitewater River and Mission Creek Subbasins of 40,830 acre feet is approximately \$243 per acre foot.

9. Pursuant to Sections 15.4(b) and 15.4(f) of the Desert Water Agency Law, the replenishment assessment in any given year may include costs of purchasing, transporting, and spreading the exchange water to be used for replenishment. The 2020-2021 replenishment assessment rate includes a credit of \$78 per acre foot for discretionary reductions for the West Whitewater River Subbasin.

10. Pursuant to the above provisions, the 2020-2021 replenishment assessment rate is \$165 per acre foot.

ADOPTED this 2nd day of June, 2020.

Joseph K. Stuart, President

ATTEST:

Craig Ewing, Secretary-Treasurer

RESOLUTION NO. 1235

RESOLUTION OF THE BOARD OF DIRECTORS OF DESERT WATER AGENCY LEVYING A WATER REPLENISHMENT ASSESSMENT FOR THE FISCAL YEAR 2020-2021 FOR THE PURPOSE OF REPLENISHING GROUNDWATER SUPPLIES WEST WHITEWATER RIVER SUBBASIN

WHEREAS, Section 15.4 of the Desert Water Agency Law provides for the levy of water replenishment assessment (charge) upon the extraction of groundwater, or the diversion of surface supplies which would naturally replenish groundwater supplies; and

WHEREAS, the Board has followed and completed the statutory procedures required for the levy of such water replenishment assessment, including the adoption by resolution of specific findings of fact on all matters relevant and material to the purpose for which a water replenishment assessment may be levied.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Desert Water Agency as follows:

1. The Board does hereby levy a water replenishment assessment upon all water produced during the 2020-2021 fiscal year from within the area of benefit as hereinafter determined.

2. The area of benefit is hereby determined to be that portion of the West Whitewater River Subbasin lying within the boundaries of the Desert Water Agency (See Figure 2 in "**Engineer's Report on Groundwater Replenishment and Assessment Program for the West Whitewater River and Mission Creek Subbasins - Desert Water Agency, 2020-2021**"), and those areas within the Agency from which diversions are made from streamflow which would replenish naturally such portion of the West Whitewater River Subbasin. Water production shall include both groundwater extractions and surface water diversions.

3. The water replenishment assessment in such area of benefit shall be at the rate of \$165.00 per acre foot. The water replenishment assessment shall be due and payable on a quarterly basis, and shall be paid within 30 days after the end of each quarter ending September 30, December 31, March 31, and June 30.

4. The General Manager of the Agency shall give notice of the levy of this water replenishment assessment, and shall provide the necessary forms for production statements, as required by Sections 15.4(h) and 15.4(i) of the Desert Water Agency Law.

5. Minimal production, either groundwater extractions of 10 acre feet or less per year, or streamflow diversions which do not diminish the flow in excess of 10 acre feet per year, shall be exempt from any water replenishment assessment.

ADOPTED this 2nd day of June, 2020.

Joseph K. Stuart, President

ATTEST:

Craig Ewing, Secretary-Treasurer

RESOLUTION NO. 1236

A RESOLUTION OF THE BOARD OF DIRECTORS OF DESERT WATER AGENCY MAKING FINDINGS OF FACT RELEVANT AND MATERIAL TO THE LEVY OF A REPLENISHMENT ASSESSMENT PURSUANT TO DESERT WATER AGENCY LAW

MISSION CREEK SUBBASIN

WHEREAS, this Board has called and conducted a public hearing pursuant to statute in regard to the levy of a replenishment assessment within a portion of the Desert Water Agency for the 2020-2021 fiscal year; and

WHEREAS, it appears to this Board that such an assessment should be levied based upon the following findings material and relevant to such levy;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of Desert Water Agency that this Board finds:

1. Cumulative overdraft conditions exist within that portion of the Mission Creek River Subbasin of the Upper Coachella Valley lying within the boundaries of the Desert Water Agency; therefore, there is need for groundwater replenishment to arrest or reduce cumulative groundwater overdraft.

2. There is need to levy a replenishment assessment (charge) for fiscal year 2020-2021 upon groundwater extractions within the aforementioned portion of the Mission Creek Subbasin or surface water diversions from streams which would naturally replenish such portion of the Mission Creek Subbasin to defray the costs of groundwater replenishment.

3. Such groundwater replenishment assessment (charge) shall apply to all water production, both groundwater extractions and surface water diversions within the Area of Benefit, at a uniform rate in dollars per acre-foot.

4. Pursuant to statute, the Area of Benefit is hereby delineated as that portion of the Mission Creek Subbasin of the Upper Coachella Valley lying within the boundaries

of the Desert Water Agency (See Figure 2 in "***Engineer's Report on Groundwater Replenishment and Assessment Program for the West Whitewater River and Mission Creek Subbasins – Desert Water Agency 2020-2021***"), and those areas within the Agency from which diversions are made from streamflow which would replenish naturally such portion of the Mission Creek Subbasin. The reason for delineation of this Area of Benefit is that all producers therein, benefit from the groundwater replenishment program now being carried on by the Agency.

5. Extractions of groundwater of 10 acre feet or less per year are excluded from this process, and are exempted from the levy of any replenishment assessment pursuant to Section 15.4(g) of the Desert Water Agency Law. Diversions which do not diminish streamflow in excess of 10 acre feet per year shall also be excluded.

6. This Agency plans to take its 2020-2021 Table A Water Allocation under its State Water Project Contract and to exchange such water for other imported water to be used for replenishment purposes.

7. Pursuant to Section 15.4(f) of the Desert Water Agency Law, the maximum permissible replenishment assessment rate for State Water Project water for the 2020-2021 fiscal year, based on the Agency's estimated applicable State Water Project charges of \$10,682,423 and estimated assessable production within all the West Whitewater River and Mission Creek Subbasins of 40,830 acre feet, is approximately \$260 per acre foot.

8. Pursuant to the provisions of the 2014 Water Management Agreement between the Agency and the Coachella Valley Water District, the effective replenishment assessment rate for State Water Project water for the 2020-2021 fiscal year, based on the Agency's estimated allocated State Water Project charges for its Table A Water Allocation of \$9,911,647 and estimated assessable production within the West Whitewater River and Mission Creek Subbasins of 40,830 acre feet is approximately \$243 per acre foot.

9. Pursuant to Sections 15.4(b) and 15.4(f) of the Desert Water Agency Law, the replenishment assessment in any given year may include costs of purchasing, transporting, and spreading the exchange water to be used for replenishment. The 2020-2021 replenishment assessment rate includes a credit of \$78 per acre foot for discretionary reductions for the Mission Creek Subbasin.

10. Pursuant to the above provisions, the 2020-2021 replenishment assessment rate is \$165 per acre foot.

ADOPTED this 2nd day of June, 2020.

Joseph K. Stuart, President

ATTEST:

Craig Ewing, Secretary-Treasurer

RESOLUTION NO. 1237

**RESOLUTION OF THE BOARD OF DIRECTORS
OF DESERT WATER AGENCY LEVYING A
WATER REPLENISHMENT ASSESSMENT FOR THE
FISCAL YEAR 2020-2021 FOR THE PURPOSE OF
REPLENISHING GROUNDWATER SUPPLIES
MISSION CREEK SUBBASIN**

WHEREAS, Section 15.4 of the Desert Water Agency Law provides for the levy of water replenishment assessment (charge) upon the extraction of groundwater, or the diversion of surface supplies which would naturally replenish groundwater supplies; and

WHEREAS, the Board has followed and completed the statutory procedures required for the levy of such water replenishment assessment, including the adoption by resolution of specific findings of fact on all matters relevant and material to the purpose for which a water replenishment assessment may be levied.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Desert Water Agency as follows:

1. The Board does hereby levy a water replenishment assessment upon all water produced during the 2020-2021 fiscal year from within the area of benefit as hereinafter determined.

2. The area of benefit is hereby determined to be that portion of the Mission Creek Subbasin lying within the boundaries of the Desert Water Agency (See Figure 2 in "**Engineer's Report on Groundwater Replenishment and Assessment Program for the West Whitewater River and Mission Creek Subbasins - Desert Water Agency, 2020-2021**"), and those areas within the Agency from which diversions are made from streamflow which would replenish naturally such portion of the Mission Creek Subbasin. Water production shall include both groundwater extractions and surface water diversions.

3. The water replenishment assessment in such area of benefit shall be at the rate of \$165.00 per acre foot. The water replenishment assessment shall be due and payable on a quarterly basis, and shall be paid within 30 days after the end of each quarter ending September 30, December 31, March 31, and June 30.

4. The General Manager of the Agency shall give notice of the levy of this water replenishment assessment, and shall provide the necessary forms for production statements, as required by Sections 15.4(h) and 15.4(i) of the Desert Water Agency Law.

5. Minimal production, either groundwater extractions of 10 acre feet or less per year, or streamflow diversions which do not diminish the flow in excess of 10 acre feet per year, shall be exempt from any water replenishment assessment.

ADOPTED this 2nd day of June, 2020.

Joseph K. Stuart, President

ATTEST:

Craig Ewing, Secretary-Treasurer

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

JUNE 2, 2020

**RE: APPROVAL OF JULY 1, 2020 COST-OF-LIVING SALARY INCREASE FOR
DWA EMPLOYEES AND CONTRACT AMENDMENT FOR GENERAL
MANAGER**

The 2018-2021 Memorandum of Understanding between the Desert Water Agency (DWA) and the Desert Water Agency Employees' Association (DWAEA) calls for a cost of living salary increase effective July 1st of each year (see Attachment #1). The increase is equal to the percentage change for the year ending each March, with the percentage derived from the Bureau of Labor Statistics. For March 2020, the CPI percentage was 2.5% (see Attachment #2).

The General Manager has an Employment Agreement that provides for a cost-of-living adjustment to the base salary of the same percentage as provided to all Agency employees (see Attachment #3). Upon approval by the Board, the General Manager's Employment Agreement will be amended to reflect a 2.5% base salary increase (see Attachment #4).

Staff has updated the Desert Water Agency's Monthly Salary Schedule to reflect a 2.5% increase for all salary ranges effective the pay periods including July 1, 2020 (see Attachment #5).

Fiscal Impact

The total fiscal impact has been included in the 2020-2021 year budget.

Staff is requesting the Board of Directors:

1. Approve a 2.5% Cost of Living Increase to DWA Employees and the General Manager with an effective date of the pay periods including July 1, 2020.
2. Approve the July 1, 2020 DWA Monthly Salary Schedule reflecting a 2.5% increase.
3. Approve Sixth amendment to the General Manager's Employment Agreement to reflect a 2.5% cost-of-living increase to the base salary. This agreement also includes the bonus that was approved by the Board of Directors at their meeting on February 4, 2020.

Attachments

Attachment #1 – 2018-2021 DWAEA Memorandum of Understanding

Attachment #2 – March 2020 Consumer Price Index

Attachment #3 – General Manager's Employment Agreement

Attachment #4 – Sixth Amendment to General Manager Employment Agreement

Attachment #5 – Minutes from February 4, 2020 Board Meeting

Attachment #6 – Combined Salary Schedule

James Cioffi, President
Joseph K. Stuart, Vice President
Kristin Bloomer, Secretary-Treasurer
Patricia G. Oygur, Director
Craig A. Ewing, Director



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

May 23, 2018

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

RE: Employee Salaries and Fringe Benefits through June 30, 2021

Ladies and Gentlemen of the DWA Employees' Association:

Pursuant to the meet-and-confer process under state law, the following salary and fringe benefit package was negotiated between the Desert Water Agency Employees' Association and the General Manager. This negotiated package extends to June 30, 2021, and I have received your written notice that the proposal was initially accepted by the DWA Employees' Association by a majority vote on May 15, 2018, and I was informed by Secretary CarolAnn Perez that the final negotiated terms of the MOU (as outlined below) were subsequently approved by a majority vote of the DWAEA on May 23, 2018.

This proposal has been approved by the Desert Water Agency Board of Directors at their regular meeting on June 5, 2018, and has a commencement date of July 1, 2018.

The specific terms negotiated and agreed upon are as follows:

1. The negotiated package would include the following:
 - a. The Agency contracts with CalPERS for the 2.5% @ 55 retirement plan for Classic Members. Employees who are considered "classic members" with CalPERS will pay the full eight percent (8%) of the CalPERS Employee Contribution rate on a pretax basis.
 - b. New members to CalPERS will pay a portion of the normal cost for the CalPERS 2% @ 62 plan. Employees currently pay 6.5% of the CalPERS Employee Contribution rate on a pretax basis. The employee share of the normal cost is subject change by CalPERS. The normal cost will be determined on an annual basis by a CalPERS Actuarial.
2. Commencing July 1, 2018, each Agency employee will receive a cost of living increase of 3.9% which is equal to the percent change for the year ending March 2018, with the percentage derived from the Bureau of Labor Statistics "Consumer Price Indexes - Pacific Cities and U.S. City Average", "Urban Wage Earners and Clerical Workers" for Los Angeles-Riverside-Orange County Index.

3. Commencing July 1, 2019, each Agency employee will receive a cost of living increase equal to the percent change for the year ending March 2019, with the percentage derived from the Bureau of Labor Statistics "Consumer Price Indexes - Pacific Cities and U.S. City Average", "Urban Wage Earners and Clerical Workers" for Los Angeles-Riverside-Orange County Index. The minimum will not be lower than 0% (in the event the actual index goes below 0%); the maximum will be 5%.
4. Commencing July 1, 2020, each Agency employee will receive a cost of living increase equal to the percent change for the year ending March 2020, with the percentage derived from the Bureau of Labor Statistics "Consumer Price Indexes- Pacific Cities and U.S. City Average", "Urban Wage Earners and Clerical Workers" for Los Angeles-Riverside-Orange County Index. The minimum will not be lower than 0% (in the event the actual index goes below 0%); the maximum will be 5%.
5. Effective July 1, 2018, the Agency monthly contribution to deferred compensation account for employees with two or more years of service hired after May 1, 2007 is increased to \$135 per month.

Effective July 1, 2019, the Agency monthly contribution to deferred compensation account for employees with two or more years of service hired after May 1, 2007 is increased to \$140 per month.

Effective July 1, 2020, the Agency monthly contribution to deferred compensation account for employees with two or more years of service hired after May 1, 2007 is increased to \$145 per month.

6. Effective July 1, 2018, the Agency will pay 80% towards dependent medical, dental, and vision premiums for employees hired after May 1, 2007. Employees will pay 20% for dependent medical, dental, and vision coverage. The Agency will continue to pay 100% of the medical, dental, and vision premiums for employee only coverage.
7. A salary survey for benchmarked job classifications will be performed toward the end of 2019 and, with Board approval of any changes, have an implementation date of January 1, 2020.
8. A benefit survey will be performed during the month of March 2021.
9. Commencing in April 2021, a new Salary and Fringe Benefits Memorandum of Understanding will be negotiated between the DWA Employees' Association and the General Manager/ Chief Engineer, and will be implemented (with the Board's approval) on July 1, 2021.

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

Sincerely,



Mark Krause
General Manager

We agree to the above.

DESERT WATER AGENCY EMPLOYEES ASSOCIATION

5/31/18

Date

5/31/18

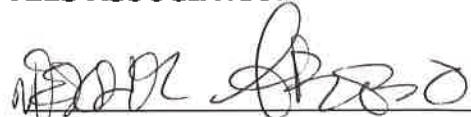
Date

5/31/18

Date

5/31/18


Date



Chairman – Melchor Abubo



Vice-Chairman – Heather Marcks



Secretary – Carol Ann Perez



Treasurer – Jonathan Arredondo

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

MARCH 2020

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

| MONTHLY DATA | All Urban Consumers (CPI-U) | | | | | | Urban Wage Earners and Clerical Workers (CPI-W) | | | | | |
|---|-----------------------------|----------|----------|----------------|----------|-----------------|---|----------|----------|----------------|----------|-----------------|
| | Indexes | | | Percent Change | | | Indexes | | | Percent Change | | |
| | | | | Year ending | | 1 Month ending | | | | Year ending | | 1 Month ending |
| | Mar 2019 | Feb 2020 | Mar 2020 | Feb 2020 | Mar 2020 | Mar 2020 | Mar 2019 | Feb 2020 | Mar 2020 | Feb 2020 | Mar 2020 | Mar 2020 |
| U. S. City Average..... | 254.202 | 258.678 | 258.115 | 2.3 | 1.5 | -0.2 | 247.768 | 251.935 | 251.375 | 2.3 | 1.5 | -0.2 |
| West..... | 267.370 | 274.412 | 273.995 | 3.1 | 2.5 | -0.2 | 258.617 | 265.531 | 265.211 | 3.1 | 2.5 | -0.1 |
| West – Size Class A ¹ | 276.187 | 283.592 | 282.880 | 3.2 | 2.4 | -0.3 | 265.774 | 273.365 | 272.547 | 3.4 | 2.5 | -0.3 |
| West – Size Class B/C ² | 155.178 | 159.183 | 159.129 | 2.9 | 2.5 | 0.0 | 154.618 | 158.459 | 158.553 | 2.8 | 2.5 | 0.1 |
| Mountain ³ | 103.339 | 106.753 | 106.621 | 4.0 | 3.2 | -0.1 | 103.508 | 106.717 | 106.715 | 3.7 | 3.1 | 0.0 |
| Pacific ³ | 104.100 | 106.583 | 106.411 | 2.8 | 2.2 | -0.2 | 103.972 | 106.545 | 106.376 | 2.9 | 2.3 | -0.2 |
| Los Angeles-Long Beach-Anaheim, CA..... | 271.311 | 278.657 | 276.589 | 3.4 | 1.9 | -0.7 | 261.278 | 268.938 | 266.964 | 3.5 | 2.2 | -0.7 |
| BI-MONTHLY DATA (Published for odd months) | Indexes | | | Percent Change | | | Indexes | | | Percent Change | | |
| | | | | Year ending | | 2 Months ending | | | | Year ending | | 2 Months ending |
| | Mar 2019 | Jan 2020 | Mar 2020 | Jan 2020 | Mar 2020 | Mar 2020 | Mar 2019 | Jan 2020 | Mar 2020 | Jan 2020 | Mar 2020 | Mar 2020 |
| | Mar 2019 | Jan 2020 | Mar 2020 | Jan 2020 | Mar 2020 | Mar 2020 | Mar 2019 | Jan 2020 | Mar 2020 | Jan 2020 | Mar 2020 | Mar 2020 |
| Riverside-San Bernardino-Ontario, CA ³ | 104.749 | 107.143 | 107.162 | 3.0 | 2.3 | 0.0 | 104.769 | 107.580 | 107.425 | 3.4 | 2.5 | -0.1 |
| San Diego-Carlsbad, CA..... | 297.226 | 302.564 | 302.589 | 2.3 | 1.8 | 0.0 | 279.093 | 284.272 | 285.543 | 2.3 | 2.3 | 0.4 |
| Urban Hawaii..... | 280.263 | 283.683 | 285.321 | 1.7 | 1.8 | 0.6 | 276.462 | 280.946 | 282.885 | 2.2 | 2.3 | 0.7 |
| BI-MONTHLY DATA (Published for even months) | Indexes | | | Percent Change | | | Indexes | | | Percent Change | | |
| | | | | Year ending | | 2 Months ending | | | | Year ending | | 2 Months ending |
| | Feb 2019 | Dec 2019 | Feb 2020 | Dec 2019 | Feb 2020 | Feb 2020 | Feb 2019 | Dec 2019 | Feb 2020 | Dec 2019 | Feb 2020 | Feb 2020 |
| | Feb 2019 | Dec 2019 | Feb 2020 | Dec 2019 | Feb 2020 | Feb 2020 | Feb 2019 | Dec 2019 | Feb 2020 | Dec 2019 | Feb 2020 | Feb 2020 |
| Phoenix-Mesa-Scottsdale, AZ ⁴ | 139.660 | 144.910 | 145.746 | 3.4 | 4.4 | 0.6 | 137.722 | 143.285 | 144.346 | 3.7 | 4.8 | 0.7 |
| San Francisco-Oakland-Hayward, CA..... | 291.227 | 297.007 | 299.690 | 2.5 | 2.9 | 0.9 | 284.758 | 289.456 | 292.010 | 2.2 | 2.5 | 0.9 |
| Seattle-Tacoma-Bellevue, WA..... | 275.304 | 279.421 | 282.115 | 2.2 | 2.5 | 1.0 | 271.039 | 274.954 | 278.081 | 2.0 | 2.6 | 1.1 |
| Urban Alaska..... | 227.183 | 226.527 | 226.510 | 0.0 | -0.3 | 0.0 | 223.971 | 224.251 | 224.731 | 0.1 | 0.3 | 0.2 |

¹ Population over 2,500,000 ² Population 2,500,000 and under, Dec 1996 = 100 ³ Dec 2017=100 ⁴ Dec 2001=100 Dash (-) = Not available

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

1967=100 base year indexes and historical tables including semiannual and annual average data are available at: www.bls.gov/regions/west/data/cpi_tables.pdf

Release date April 10, 2020. The next release date is scheduled for May 12, 2020. For questions, please contact us at BLSinfoSF@bls.gov or (415) 625-2270.

EMPLOYMENT AGREEMENT BETWEEN DESERT WATER AGENCY AND MARK S. KRAUSE

This EMPLOYMENT AGREEMENT ("Agreement") is made by and between MARK S. KRAUSE ("General Manager – Chief Engineer") and the Board of Directors of the DESERT WATER AGENCY, a local governmental entity ("Agency"), hereinafter also referred to as "Board of Directors." The Parties hereto agree as follows:

Section 1. Employment.

1.1 The Board of Directors agrees to employ said MARK S. KRAUSE as General Manager – Chief Engineer ("GM – CE" or "Krause"), and he agrees and does accept employment as GM-CE upon the terms and conditions set forth herein.

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

Section 2. Term of the Agreement.

2.1 This Agreement shall be for an initial term of five (5) years, beginning January 30, 2016 and ending January 29, 2021. Subject to the Agency's right to terminate this Agreement and GM-CE's employment at any time pursuant to Section 3 of this Agreement, this Agreement shall automatically be renewed for subsequent three (3) year periods unless the Agency provides written notice to the GM-CE no less than eighteen (18) months prior to the expiration of the current term or an extended term that the Agreement will be terminated. Unless otherwise provided for by a subsequent written agreement between the Parties, the terms and conditions of this Agreement shall apply to any extended term of this Agreement.

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

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

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

Section 3. Termination and Severance Pay.

3.1 GM-CE serves at the will and pleasure of the Board of Directors and may be terminated with or without cause at any time. Consequently, nothing in this Agreement shall in any way affect the Board of Director's right to terminate the employment of GM-CE and this Agreement on an at-will basis, with or without cause, at any time, as provided herein. The Parties agree that the GM-CE is at will and shall not have appeal or so-called *Skelly* rights related to his employment.

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

3.3 In the event that GM-CE and this Agreement are terminated without cause, Agency agrees to provide GM-CE with severance pay in a lump sum cash payment equal to eighteen (18) months base salary, less wage and employment deductions required by law, (2) final pay cashing out the value of unused attendance bonus plan, vacation, and floating holidays, and (3) continuation of health benefits for nine months or until the GM-CE finds other employment that provides health benefits, whichever occurs first. These terms are subject to reduction as required by Government Code sections 53260, *et seq.* Thus, notwithstanding the above, in no event shall the total cash value of the severance pay exceed the value of the base salary for the remaining unexpired effective term of this Agreement, nor may the continuation of health benefits exceed the remaining unexpired effective term of this Agreement.

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

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

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

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

3.7 Nothing in this Agreement shall prevent, limit or otherwise interfere with the right of GM-CE to resign at any time from his position with Agency, subject only to the provisions set forth in this Agreement. In the event the GM-CE resigns from his position with the Agency, then the GM-CE shall provide the Board of Directors ten (10) days notice in advance, unless the Parties agree otherwise. In the event the GM-CE resigns, he shall not be entitled to any severance pay, but the Board of Directors shall pay the GM-CE for accrued vacation and attendance bonus plan benefits.

Section 4. Salary and Expenses.

4.1 Board of Directors agrees to pay the GM-CE for his services rendered a base salary of Nineteen Thousand, Four Hundred and Sixty-Three Dollars (\$19,463.00) per month in installments at the same time as other employees of the Agency are paid, commencing January 30, 2016. The base salary will be adjusted annually by the same percentage adjustment provided to all Agency employees for changes in the cost of living, if any.

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

4.2 Except for the use of his vehicle for the performance of his duties, for which a vehicle is provided under Section 5.8 of this Agreement, Agency shall reimburse GM-CE, within its budget and upon approval of the Board of Directors, for all actual and necessary expenses incurred in connection with the performance of his official duties. GM-CE agrees to maintain and submit accurate records of all expenses for which reimbursement is claimed.

Section 5. Benefits.

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

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

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

5.4 Retiree Medical. The Agency agrees to provide GM-CE with medical, dental, and vision coverage upon his retirement. Such coverage shall extend to the GM-CE's dependants who are eligible during the time of coverage.

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

5.6 Disability, Health, and Life Insurance. The Agency agrees to keep in force and to make required premium payments for the GM-CE for insurance policies covering the GM-CE and his dependents the same as are provided to all regular employees of the Agency. The Agency agrees to purchase and to pay the required premium on a term life insurance policy in an amount equal to one (1) times the GM-CE's annual salary. The Agency also agrees to purchase and to pay the required premium on short-term and long-term disability insurance the same as are provided to all regular employees of the Agency. If required by the insurance provider, the GM-CE agrees to submit once per calendar year to a complete physical examination by a qualified physician of his choice, the cost of which shall be paid by the Agency. The Agency agrees to maintain the GM-CE's medical records in confidence.

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

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

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

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

Section 6. Performance Evaluation.

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

In addition, the Board of Directors will meet with the GM-CE on or around each anniversary date of this Agreement to discuss and create goals and other metrics that can provide the basis for the Board of Directors determining the subsequent year's performance incentive.

Section 7. Bonding.

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

Section 8. General Provisions.

8.1 Integration. This Agreement integrates all of the terms and conditions mentioned herein, or incidental hereto, and this Agreement supersedes all negotiations and previous agreements between the parties with respect to all or any part of the subject matter hereof. This Agreement wholly supersedes and replaces the terms of any prior agreements, and any rights contained in such agreement.

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

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

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

8.5 Binding Effect. This Agreement shall be binding upon and inure to the benefit of the heirs at law and executors of Employee, but nothing herein shall be construed as an authorization or right of any party to assign his/its rights or obligations hereunder. Any

assignment of the rights or obligations of Employee hereunder without the express written approval of Agency shall be void.

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

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

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

By: Mark S. Krause
MARK S. KRAUSE

DESERT WATER AGENCY

By: Craig A. Ewing
Craig A. Ewing, President
Board of Directors

APPROVED AS TO FORM:

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

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

This Sixth Amendment to Employment Agreement (this "Sixth Amendment") between the DESERT WATER AGENCY (the "Agency") and MARK S. KRAUSE ("General Manager – Chief Engineer") is entered into this 2nd day of June 2020.

Except as modified in this Sixth Amendment and the preceding First through Fifth Amendments, the underlying Employment Agreement originally dated December 2015 ("Agreement") between the Agency and the General Manager – Chief Engineer shall remain in full force and effect.

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

Section 4.1 entitled "Salary and Expenses" is hereby amended to reflect the 2020 annual bonus:

"Section 4. Salary and Expenses.

4.1 Effective June 26, 2020, the Board of Directors agrees to pay the GM-CE for his services rendered a base salary of Twenty Three Thousand, Three Hundred and Twenty-Three Dollars and No Cents (\$23,906.08) per month in installments at the same time as other employees of the Agency are paid. The base salary will be adjusted annually by the same percentage adjustment provided to all Agency employees for changes in the cost of living, if any.

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

The Board approved a 2020 bonus of five percent (5%) of salary plus an additional \$2,000.00. Thus, a bonus of Sixteen Thousand, Three Hundred and Forty Three Dollars and Sixty Five Cents \$16,343.65) is payable to the GM-CE for his service from 2019 through 2020.

...

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

DESERT WATER AGENCY

MARK S. KRAUSE

By: _____
President, Board of Directors

By: _____

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

February 4, 2020

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

Desert Water Agency
Position Classification and Monthly Salary Schedule
Effective 12/20/19 for Pay Period 1 Employees. Effective 12/27/19 for Pay Period 2 Employees.

| DEPARTMENT | POSITION TITLE | RANGE | STEP 1 | STEP 2 | STEP 3 | STEP 4 | STEP 5 |
|---|---------------------------------------|-------|----------|----------|----------|----------|----------|
| ACCOUNTING | Account Clerk I | 24 | \$3,832 | \$4,028 | \$4,223 | \$4,445 | \$4,664 |
| | Account Clerk II | 31 | \$4,553 | \$4,787 | \$5,029 | \$5,287 | \$5,549 |
| | Account Clerk III | 33 | \$4,787 | \$5,029 | \$5,287 | \$5,549 | \$5,830 |
| | Account Clerk/Telephone Operator | 20 | \$3,473 | \$3,648 | \$3,832 | \$4,028 | \$4,223 |
| | Accounting Supervisor | 53 | \$7,843 | \$8,231 | \$8,644 | \$9,073 | \$9,533 |
| | Controller | 66 | \$10,774 | \$11,312 | \$11,886 | \$12,496 | \$13,126 |
| | Senior Account Clerk | 40 | \$5,685 | \$5,978 | \$6,277 | \$6,588 | \$6,932 |
| ADMINISTRATIVE | Administrative Assistant I | 33 | \$4,787 | \$5,029 | \$5,287 | \$5,549 | \$5,830 |
| | Administrative Assistant II | 38 | \$5,413 | \$5,685 | \$5,978 | \$6,277 | \$6,588 |
| | Administrative Assistant III | 40 | \$5,685 | \$5,978 | \$6,277 | \$6,588 | \$6,932 |
| | Executive Secretary/Assistant | | | | | | |
| | Secretary to the Board | 53 | \$7,843 | \$8,231 | \$8,644 | \$9,073 | \$9,533 |
| | Senior Administrative Assistant | 46 | \$6,588 | \$6,932 | \$7,282 | \$7,647 | \$8,037 |
| CONSTRUCTION - FLEET MAINTENANCE | | | | | | | |
| Construction | Assistant Construction Superintendent | 53 | \$7,843 | \$8,231 | \$8,644 | \$9,073 | \$9,533 |
| | Construction Superintendent | 65 | \$10,515 | \$11,041 | \$11,602 | \$12,189 | \$12,808 |
| | Equipment Operator | 36 | \$5,151 | \$5,413 | \$5,685 | \$5,978 | \$6,277 |
| | Water Service Foreman | 46 | \$6,588 | \$6,932 | \$7,282 | \$7,647 | \$8,037 |
| | Water Service Worker I | 28 | \$4,223 | \$4,445 | \$4,664 | \$4,905 | \$5,151 |
| | Water Service Worker II | 33 | \$4,787 | \$5,029 | \$5,287 | \$5,549 | \$5,830 |
| | Water Service Worker III | 37 | \$5,287 | \$5,549 | \$5,830 | \$6,124 | \$6,434 |
| Fleet Maintenance | Fleet Mechanic Foreman | 43 | \$6,124 | \$6,434 | \$6,759 | \$7,102 | \$7,462 |
| | Fleet Mechanic I | 31 | \$4,553 | \$4,787 | \$5,029 | \$5,287 | \$5,549 |
| | Fleet Mechanic II | 36 | \$5,151 | \$5,413 | \$5,685 | \$5,978 | \$6,277 |

Desert Water Agency
Position Classification and Monthly Salary Schedule
Effective 12/20/19 for Pay Period 1 Employees. Effective 12/27/19 for Pay Period 2 Employees.

| DEPARTMENT | POSITION TITLE | RANGE | STEP 1 | STEP 2 | STEP 3 | STEP 4 | STEP 5 |
|--|------------------------------------|-------|----------|----------|----------|----------|----------|
| CUSTOMER SERVICE | Customer Service Representative I | 34 | \$4,905 | \$5,151 | \$5,413 | \$5,685 | \$5,978 |
| | Customer Service Representative II | 37 | \$5,287 | \$5,549 | \$5,830 | \$6,124 | \$6,434 |
| | Customer Service Supervisor | 53 | \$7,843 | \$8,231 | \$8,644 | \$9,073 | \$9,533 |
| | Meter Reader I | 27 | \$4,131 | \$4,338 | \$4,553 | \$4,787 | \$5,029 |
| | Meter Reader II | 30 | \$4,445 | \$4,664 | \$4,905 | \$5,151 | \$5,413 |
| | Meter Reader III | 37 | \$5,287 | \$5,549 | \$5,830 | \$6,124 | \$6,434 |
| ENGINEERING - OPERATIONS | | | | | | | |
| Engineering | Associate Engineer | 56 | \$8,441 | \$8,861 | \$9,309 | \$9,770 | \$10,263 |
| | Engineering Technician I | 34 | \$4,905 | \$5,151 | \$5,413 | \$5,685 | \$5,978 |
| | Engineering Technician II | 39 | \$5,549 | \$5,830 | \$6,124 | \$6,434 | \$6,759 |
| | Engineering Technician III | 43 | \$6,124 | \$6,434 | \$6,759 | \$7,102 | \$7,462 |
| | Laboratory Director | 53 | \$7,843 | \$8,231 | \$8,644 | \$9,073 | \$9,533 |
| | Operations and Engineering Manager | 72 | \$12,496 | \$13,126 | \$13,788 | \$14,473 | \$15,200 |
| | Senior Engineer | 64 | \$10,263 | \$10,774 | \$11,312 | \$11,886 | \$12,496 |
| | Senior Engineering Technician | 45 | \$6,434 | \$6,759 | \$7,102 | \$7,462 | \$7,843 |
| Operations | Staff Engineer | 51 | \$7,462 | \$7,843 | \$8,231 | \$8,644 | \$9,073 |
| | Operations Technician Foreman | 51 | \$7,462 | \$7,843 | \$8,231 | \$8,644 | \$9,073 |
| | Operations Technician I | 37 | \$5,287 | \$5,549 | \$5,830 | \$6,124 | \$6,434 |
| | Operations Technician II | 41 | \$5,830 | \$6,124 | \$6,434 | \$6,759 | \$7,102 |
| | Operations Technician III | 46 | \$6,588 | \$6,932 | \$7,282 | \$7,647 | \$8,037 |
| | Operations Technician in Training | 30 | \$4,445 | \$4,664 | \$4,905 | \$5,151 | \$5,413 |
| | System Operator I | 35 | \$5,029 | \$5,287 | \$5,549 | \$5,830 | \$6,124 |
| | System Operator II | 38 | \$5,413 | \$5,685 | \$5,978 | \$6,277 | \$6,588 |
| | System Operator III | 41 | \$5,830 | \$6,124 | \$6,434 | \$6,759 | \$7,102 |
| | System Operator in Training | 30 | \$4,445 | \$4,664 | \$4,905 | \$5,151 | \$5,413 |
| | Water Operations Supervisor | 60 | \$9,309 | \$9,770 | \$10,263 | \$10,774 | \$11,312 |
| FACILITIES MAINTENANCE AND SAFETY | | | | | | | |
| FACILITIES MAINTENANCE AND SAFETY | Facilities and Safety Officer | 54 | \$8,037 | \$8,441 | \$8,861 | \$9,309 | \$9,770 |

Desert Water Agency
Position Classification and Monthly Salary Schedule
Effective 12/20/19 for Pay Period 1 Employees. Effective 12/27/19 for Pay Period 2 Employees.

| DEPARTMENT | POSITION TITLE | RANGE | STEP 1 | STEP 2 | STEP 3 | STEP 4 | STEP 5 |
|----------------------------------|-------------------------------------|----------|----------|----------|----------|----------|----------|
| INFORMATION SYSTEMS | Information Systems Manager | 65 | \$10,515 | \$11,041 | \$11,602 | \$12,189 | \$12,808 |
| | Computer Operator I | 31 | \$4,553 | \$4,787 | \$5,029 | \$5,287 | \$5,549 |
| | Computer Operator II | 40 | \$5,685 | \$5,978 | \$6,277 | \$6,588 | \$6,932 |
| | PC Support Technician I | 37 | \$5,287 | \$5,549 | \$5,830 | \$6,124 | \$6,434 |
| | PC Support Technician II | 43 | \$6,124 | \$6,434 | \$6,759 | \$7,102 | \$7,462 |
| | Senior PC Support Technician | 51 | \$7,462 | \$7,843 | \$8,231 | \$8,644 | \$9,073 |
| | Programmer I | 50 | \$7,282 | \$7,647 | \$8,037 | \$8,441 | \$8,861 |
| | Programmer II | 54 | \$8,037 | \$8,441 | \$8,861 | \$9,309 | \$9,770 |
| MANAGEMENT | General Manager | Contract | n/a | n/a | n/a | n/a | \$23,323 |
| | Assistant General Manager | 83 | \$16,357 | \$17,173 | \$18,031 | \$18,937 | \$19,882 |
| | Finance Director | 81 | \$15,581 | \$16,357 | \$17,173 | \$18,031 | \$18,937 |
| | Human Resources Director | 66 | \$10,774 | \$11,312 | \$11,886 | \$12,496 | \$13,126 |
| OUTREACH AND CONSERVATION | Outreach and Conservation Associate | 45 | \$6,434 | \$6,759 | \$7,102 | \$7,462 | \$7,843 |
| | Outreach and Conservation Manager | 55 | \$8,231 | \$8,644 | \$9,073 | \$9,533 | \$10,012 |
| | Outreach Specialist I | 41 | \$5,830 | \$6,124 | \$6,434 | \$6,759 | \$7,102 |
| | Outreach Specialist II | 45 | \$6,434 | \$6,759 | \$7,102 | \$7,462 | \$7,843 |
| SNOW CREEK SECURITY | Snow Creek Security | 17 | \$2,456 | \$2,579 | \$2,708 | \$2,842 | \$2,984 |

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

JUNE 2, 2020

**RE: FISCAL 2020/2021 OPERATING, GENERAL AND WASTEWATER
BUDGETS**

Attached for your review is a draft of the proposed Operating, General and Wastewater Fund Budgets for Fiscal Year 2020/2021.

The Finance Committee has met and reviewed the budgets.

Staff is available to answer any questions the Board may have with regard to the budgets for the 2020/2021 Fiscal Year.



2020 / 2021

BUDGET

Operating Fund
General Fund
Wastewater Fund

DRAFT

DESERT WATER AGENCY

Fiscal Year 2020 / 2021

BUDGETS

OPERATING FUND

GENERAL FUND

WASTEWATER FUND

DRAFT

DESERT WATER AGENCY
OPERATING FUND BUDGET
2020 / 2021

**DESERT WATER AGENCY
OPERATING FUND
2020-2021 BUDGET WITH PRIOR YEAR COMPARISON**

| | ACTUAL 2018-2019 | ACTUAL TO 3/31/2020 | BUDGET 2019-2020 | OVER OR UNDER | BUDGET 2020-2021 |
|----------------------------------|---------------------|------------------------|---------------------|------------------|---------------------|
| <u>OPERATING REVENUES</u> | | | | | |
| Water Sales | \$31,197,698 | \$26,254,959 | \$37,466,400 | (\$11,211,441) | \$35,237,500 |
| Power Sales | \$26,946 | \$33,619 | \$19,800 | \$13,819 | \$33,000 |
| Reclamation Sales | \$1,457,178 | \$1,263,604 | \$1,499,000 | (\$235,396) | \$1,479,000 |
| TOTAL OPER REVENUES | \$32,681,821 | \$27,552,182 | \$38,985,200 | (\$11,433,018) | \$36,749,500 |
| <u>WATER SERVICES</u> | | | | | |
| Fire Protection | \$311,693 | \$277,226 | \$371,400 | (\$94,174) | \$376,200 |
| Back-up Facility Charge | \$954,159 | \$1,076,202 | \$900,000 | \$176,202 | \$900,000 |
| Service Charges | \$914,274 | \$582,423 | \$801,600 | (\$219,177) | \$641,700 |
| Charge for Inst of Serv & Mtr | \$148,768 | \$180,519 | \$145,200 | \$35,319 | \$166,800 |
| TOTAL WATER SERVICE | \$2,328,894 | \$2,116,370 | \$2,218,200 | (\$101,830) | \$2,084,700 |
| TOTAL OPER REVENUES | \$35,010,715 | \$29,668,552 | \$41,203,400 | (\$11,534,848) | \$38,834,200 |
| <u>OPERATING EXPENSES</u> | | | | | |
| <u>SOURCE OF SUPPLY</u> | | | | | |
| Supervision & Engineering | \$58,764 | \$46,290 | \$55,800 | (\$9,510) | \$58,800 |
| Operating Labor & Expense | \$52,489 | \$38,536 | \$49,500 | (\$10,964) | \$145,800 |
| Misc Source of Supply | \$19,033 | \$16,563 | \$15,000 | \$1,563 | \$55,200 |
| Maintenance of Struct & Improv | \$73,025 | \$46,686 | \$89,700 | (\$43,014) | \$95,700 |
| Maint, Rds, Coll, Impo, Res | \$24,023 | \$88,648 | \$170,700 | (\$82,052) | \$168,000 |
| Maintenance of Intakes | \$21,980 | \$155,795 | \$219,600 | (\$63,805) | \$219,600 |
| Maintenance of Wells | \$204,569 | \$2,847 | \$9,900 | (\$7,053) | \$10,200 |
| Groundwater Replenishment | \$4,335,198 | \$3,466,246 | \$5,136,700 | (\$1,670,454) | \$4,997,850 |
| TOTAL SOURCE OF SUPPLY | \$4,789,080 | \$3,861,611 | \$5,746,900 | (\$1,885,289) | \$5,751,150 |
| <u>PUMPING</u> | | | | | |
| Supervision & Engineering | \$90,514 | \$76,147 | \$118,500 | (\$42,353) | \$110,400 |
| Pumping Labor Expense | \$153,238 | \$116,926 | \$189,900 | (\$72,974) | \$64,800 |
| Misc Exp & Care of Grounds | \$114,103 | \$92,097 | \$123,600 | (\$31,503) | \$124,200 |
| Maintenance of Structures | \$59,842 | \$81,654 | \$49,500 | \$32,154 | \$65,400 |
| Maint of Pumping Equipment | \$304,406 | \$61,526 | \$324,900 | (\$263,374) | \$325,200 |
| Power Purchases | \$2,422,775 | \$1,562,610 | \$2,500,000 | (\$937,390) | \$2,650,000 |
| TOTAL PUMPING | \$3,144,878 | \$1,990,959 | \$3,306,400 | (\$1,315,441) | \$3,340,000 |

**DESERT WATER AGENCY
OPERATING FUND
2020-2021 BUDGET WITH PRIOR YEAR COMPARISON**

| | ACTUAL 2018-2019 | ACTUAL TO 3/31/2020 | BUDGET 2019-2020 | OVER OR UNDER | BUDGET 2020-2021 |
|---|---------------------|------------------------|---------------------|------------------|---------------------|
| <u>REGULATORY WATER TREATMENT</u> | | | | | |
| Supervision & Engineering | \$91,475 | \$75,561 | \$126,000 | (\$50,439) | \$111,600 |
| Operating Labor Expense | \$105,717 | \$112,009 | \$114,000 | (\$1,991) | \$144,000 |
| Water Analysis/Health Dept. | \$179,690 | \$84,735 | \$192,000 | (\$107,265) | \$192,000 |
| Chem & Filtering Material | \$103,967 | \$86,098 | \$93,000 | (\$6,902) | \$117,600 |
| Maint of Structures | \$98 | \$3,695 | \$300 | \$3,395 | \$4,200 |
| Maint of Water Treat Equipment | \$45,755 | \$54,756 | \$42,000 | \$12,756 | \$75,000 |
| TOTAL WATER TREATMENT | \$526,702 | \$416,854 | \$567,300 | (\$150,446) | \$644,400 |
| <u>TRANSMISSION & DISTRIBUTION</u> | | | | | |
| Supervision & Engineering | \$582,086 | \$362,038 | \$548,100 | (\$186,062) | \$532,800 |
| Storage Facilities Expense | \$135,300 | \$87,519 | \$148,200 | (\$60,681) | \$141,000 |
| Trans & Distr Lines Expense | \$128,820 | \$82,086 | \$144,300 | (\$62,214) | \$155,100 |
| Meter Expense | \$93,096 | \$66,773 | \$102,000 | (\$35,227) | \$102,300 |
| Customer Install Expense | \$143,557 | \$124,405 | \$177,600 | (\$53,195) | \$160,800 |
| Cross Connect Expense | \$116,120 | \$89,006 | \$129,900 | (\$40,894) | \$138,300 |
| Misc Supply Expense | \$46,946 | \$33,916 | \$36,000 | (\$2,084) | \$40,200 |
| Maintenance of Struct & Impv | \$100 | \$404 | \$2,400 | (\$1,996) | \$2,700 |
| Maintenance of Reservoirs | \$999,203 | \$64,366 | \$1,354,800 | (\$1,290,434) | \$725,400 |
| Maintenance of Mains | \$1,348,733 | \$798,182 | \$1,299,000 | (\$500,818) | \$1,200,000 |
| Maintenance of Whitewater MWC | \$67,554 | \$22,490 | \$416,100 | (\$393,610) | \$421,800 |
| Maintenance of Fire Services | \$46,776 | \$51,578 | \$99,900 | (\$48,322) | \$95,400 |
| Maintenance of Services | \$243,188 | \$167,220 | \$250,200 | (\$82,980) | \$250,200 |
| Maintenance of Meters | \$88,739 | \$54,833 | \$99,000 | (\$44,167) | \$102,000 |
| Maintenance of Hydrants | \$75,623 | \$67,653 | \$100,200 | (\$32,547) | \$120,000 |
| TOTAL TRANS & DIST | \$4,115,839 | \$2,072,470 | \$4,907,700 | (\$2,835,230) | \$4,188,000 |
| <u>CUSTOMER ACCOUNT EXPENSE</u> | | | | | |
| Supervision & Engineering | \$154,594 | \$114,660 | \$149,100 | (\$34,440) | \$156,600 |
| Meter Reading Expense | \$120,488 | \$87,543 | \$117,000 | (\$29,457) | \$132,000 |
| Customer Rec & Coll Exp | \$676,467 | \$512,353 | \$742,500 | (\$230,147) | \$771,000 |
| Information Systems Supplies | \$4,004 | \$0 | \$3,600 | (\$3,600) | \$3,600 |
| Uncollectible Accounts | \$20,631 | \$22,476 | \$33,900 | (\$11,424) | \$74,400 |
| TOTAL CUST ACCT EXPENSE | \$976,184 | \$737,032 | \$1,046,100 | (\$309,068) | \$1,137,600 |

**DESERT WATER AGENCY
OPERATING FUND
2020-2021 BUDGET WITH PRIOR YEAR COMPARISON**

| | ACTUAL 2018-2019 | ACTUAL TO 3/31/2020 | BUDGET 2019-2020 | OVER OR UNDER | BUDGET 2020-2021 |
|--|---------------------|------------------------|---------------------|----------------------|---------------------|
| <u>ADMINISTRATIVE & GEN EXPENSE</u> | | | | | |
| Administrative & Gen Salaries | \$801,993 | \$607,765 | \$864,600 | (\$256,835) | \$895,200 |
| Office Supplies & Expense | \$273,982 | \$204,837 | \$279,600 | (\$74,763) | \$298,320 |
| Legal | \$68,734 | \$73,120 | \$60,000 | \$13,120 | \$92,400 |
| Engineering | \$16,281 | \$63,775 | \$75,000 | (\$11,225) | \$135,000 |
| Auditing | \$38,307 | \$37,765 | \$42,000 | (\$4,235) | \$42,000 |
| Appraisals & Consultants | \$62,354 | \$163,603 | \$145,500 | \$18,103 | \$302,400 |
| Insurance & Claims | \$173,172 | \$140,950 | \$185,100 | (\$44,150) | \$204,000 |
| Injuries & Safety | \$349,057 | \$293,349 | \$301,800 | (\$8,451) | \$511,200 |
| Pension | \$2,323,839 | \$2,632,457 | \$2,803,500 | (\$171,043) | \$2,952,400 |
| Health Care Benefits | \$764,649 | \$1,396,787 | \$1,620,300 | (\$223,513) | \$1,705,200 |
| OPEB Benefits | \$0 | \$0 | \$141,550 | (\$141,550) | \$0 |
| Other Employee Benefits | \$494,908 | \$417,725 | \$611,000 | (\$193,275) | \$530,500 |
| Payroll Taxes - FICA | \$509,553 | \$401,057 | \$536,400 | (\$135,343) | \$585,000 |
| Unemployment Insurance | \$420 | \$2,425 | \$0 | \$2,425 | \$3,000 |
| Vacation Pay | \$885,114 | \$723,408 | \$907,400 | (\$183,992) | \$917,300 |
| Maintenance - Oper Center | \$248,608 | \$167,850 | \$253,800 | (\$85,950) | \$270,600 |
| Maintenance - Solar Facilities | \$2,410 | \$3,882 | \$3,900 | (\$18) | \$5,100 |
| Information Systems | \$379,152 | \$276,434 | \$357,900 | (\$81,466) | \$340,200 |
| Maint - Office Equip | \$58,930 | \$36,972 | \$58,500 | (\$21,528) | \$56,700 |
| Maint - Info. Systems Equip | \$101,409 | \$142,647 | \$130,200 | \$12,447 | \$157,800 |
| Maint - Telemetry Equip | \$30,532 | \$5,774 | \$31,500 | (\$25,726) | \$30,000 |
| Maint - Comm Equip | \$11,107 | \$4,729 | \$9,000 | (\$4,271) | \$8,100 |
| Supervision & Engineering | \$200,197 | \$138,191 | \$204,300 | (\$66,109) | \$201,600 |
| Storeroom Expense | \$74,330 | \$55,166 | \$69,900 | (\$14,734) | \$80,100 |
| Transportation | \$352,016 | \$262,778 | \$360,000 | (\$97,222) | \$375,000 |
| Tools & Work Equipment | \$98,786 | \$76,109 | \$139,800 | (\$63,691) | \$140,400 |
| Heavy Equipment Maint | \$4,420 | \$4,383 | \$19,800 | (\$15,417) | \$20,400 |
| Director's Fees | \$43,457 | \$18,903 | \$45,000 | (\$26,097) | \$46,500 |
| Public Information | \$140,755 | \$82,384 | \$243,000 | (\$160,616) | \$202,800 |
| Water Conservation | \$65,557 | \$80,117 | \$224,100 | (\$143,983) | \$175,200 |
| Water Conservation - Turf Buy Back | \$83,213 | \$173,438 | \$424,500 | (\$251,062) | \$380,400 |
| TOTAL ADMIN & GEN EXP | \$8,657,242 | \$8,688,780 | \$11,148,950 | (\$2,460,170) | \$11,664,820 |
| <u>REGULATORY EXPENSES</u> | | | | | |
| Certificates/Training/School | \$149,400 | \$96,524 | \$125,700 | (\$29,176) | \$125,400 |
| Health Department / Services | \$16,195 | \$11,456 | \$17,100 | (\$5,644) | \$18,000 |
| State - Regulatory | \$102,441 | \$125,206 | \$162,000 | (\$36,794) | \$168,000 |
| Federal - Regulatory | \$12,766 | \$4,414 | \$48,000 | (\$43,586) | \$25,200 |
| Reclamation - Regulatory | \$38,012 | \$42,147 | \$75,000 | (\$32,853) | \$75,000 |
| AQMD Compliance | \$2,050 | \$806 | \$1,200 | (\$394) | \$1,200 |
| RMP/OSHA/Misc. | \$42,853 | \$25,954 | \$47,400 | (\$21,446) | \$40,200 |
| Legal | \$0 | \$0 | \$0 | \$0 | \$0 |
| TOTAL REGULATORY EXPENSES | \$363,717 | \$306,509 | \$476,400 | (\$169,891) | \$453,000 |

**DESERT WATER AGENCY
OPERATING FUND
2020-2021 BUDGET WITH PRIOR YEAR COMPARISON**

| | ACTUAL 2018-2019 | ACTUAL TO 3/31/2020 | BUDGET 2019-2020 | OVER OR UNDER | BUDGET 2020-2021 |
|---|---------------------|------------------------|---------------------|------------------|---------------------|
| <u>SNOW CREEK HYDRO EXPENSE</u> | | | | | |
| Snow Creek Hydro | \$18,041 | \$24,656 | \$36,000 | (\$11,344) | \$36,600 |
| TOTAL SNOW CREEK HYDRO | \$18,041 | \$24,656 | \$36,000 | (\$11,344) | \$36,600 |
| <u>RECLAMATION PLANT EXPENSE</u> | | | | | |
| Pumping Expense | \$409,458 | \$229,755 | \$335,400 | (\$105,645) | \$363,000 |
| Treatment Expense | \$599,185 | \$395,048 | \$1,004,100 | (\$609,052) | \$572,700 |
| Transportation/Distribution | \$55,655 | \$56,825 | \$61,200 | (\$4,375) | \$1,388,400 |
| Administrative & General | \$124,558 | \$124,887 | \$152,100 | (\$27,213) | \$189,900 |
| TOTAL RECL PLANT EXP | \$1,188,855 | \$806,516 | \$1,552,800 | (\$746,284) | \$2,514,000 |
| <u>OTHER OPERATING EXPENSE</u> | | | | | |
| Depreciation (Inc Recl) | \$5,908,033 | \$4,534,840 | \$6,102,600 | (\$1,567,760) | \$6,222,600 |
| Services Rendered Cust | \$167,886 | \$97,897 | \$180,000 | (\$82,103) | \$165,000 |
| Dir Costs App to W.O.'s | \$592,957 | (\$421,768) | \$610,000 | (\$1,031,768) | \$446,400 |
| Indir Adm & Gen Exp Cap | (\$1,496,183) | (\$1,334,726) | (\$1,608,000) | \$273,274 | (\$1,735,200) |
| TOTAL OTHER OPER EXP | \$5,172,694 | \$2,876,243 | \$5,284,600 | (\$2,408,357) | \$5,098,800 |
| TOTAL OPERATING EXPENSES | \$28,953,231 | \$21,781,629 | \$34,073,150 | (\$12,291,521) | \$34,828,370 |
| NET INCOME FROM OPER | \$6,057,484 | \$7,886,923 | \$7,130,250 | \$756,673 | \$4,005,830 |
| <u>NON-OPERATING REVENUES</u> | | | | | |
| Revenue from Leases | \$72,917 | \$158,915 | \$73,200 | \$85,715 | \$171,100 |
| Interest | \$494,958 | \$423,982 | \$480,000 | (\$56,018) | \$180,000 |
| Gains/Loss Investments | \$0 | \$0 | \$0 | \$0 | \$0 |
| Other Income | \$77,717 | \$10,342 | \$0 | \$10,342 | \$0 |
| DWA Front Footage Chgs | \$33,250 | \$0 | \$0 | \$0 | \$0 |
| Gains on Retirements | \$44,669 | \$0 | \$20,000 | (\$20,000) | \$24,800 |
| Discounts | \$980 | \$214 | \$1,200 | (\$986) | \$600 |
| Revenue - Contributed | \$1,363,262 | \$0 | \$1,100,000 | (\$1,100,000) | \$315,000 |
| TOTAL NON-OPER REV | \$2,087,752 | \$593,453 | \$1,674,400 | (\$1,080,947) | \$691,500 |
| <u>NON OPERATING EXPENSES</u> | | | | | |
| OPEB Interest | \$1,076,226 | \$0 | \$947,400 | (\$947,400) | \$1,110,000 |
| Exp App to Prior Years | (\$83,559) | (\$292) | \$0 | (\$292) | \$0 |
| Services to Others | \$0 | \$0 | \$0 | \$0 | \$0 |
| Customer Assistance Program | \$0 | \$20,000 | \$20,000 | \$0 | \$60,000 |
| Losses on Retirements | \$219,352 | \$24,949 | \$49,200 | (\$24,251) | \$54,000 |
| TOTAL NON-OPER EXP | \$1,212,018 | \$44,657 | \$1,016,600 | (\$971,943) | \$1,224,000 |
| TOTAL NET INCOME | \$6,933,219 | \$8,435,719 | \$7,788,050 | \$647,669 | \$3,473,330 |

**DESERT WATER AGENCY
OPERATING FUND
2020-2021 BUDGET WITH PRIOR YEAR COMPARISON**

| | ACTUAL 2018-2019 | ACTUAL TO 3/31/2020 | BUDGET 2019-2020 | OVER OR UNDER | BUDGET 2020-2021 |
|--|------------------------|--------------------------|------------------------|------------------------|---------------------|
| <u>APPLICATION OF COMMIT FUNDS</u> | | | | | |
| Capital Loan to Wastewater Fund | \$0 | \$0 | \$0 | \$0 | \$0 |
| Other Post Emp. Benefits (GASB 75) | (\$1,596,599) | \$0 | \$725,000 | (\$725,000) | \$725,000 |
| TOTAL COMMIT FUNDS | (\$1,596,599) | \$0 | \$725,000 | (\$725,000) | \$725,000 |
| BALANCE REMAINING | \$8,529,818 | \$8,435,719 | \$7,063,050 | \$1,372,669 | \$2,748,330 |
| Add Back Depreciation (Plant/Equip) | \$5,908,033 | \$4,534,840 | \$0 | \$4,534,840 | \$6,222,600 |
| Funds Avail For Capital Additions | \$14,437,851 | \$12,970,559 | \$7,063,050 | \$5,907,509 | \$8,970,930 |
| Less Capital Additions: | | | | | |
| Routine Improvements | \$7,761,607 | \$5,770,883 | \$8,263,700 | (\$2,492,817) | \$9,519,600 |
| General Plan Improvements | \$0 | \$0 | \$100,000 | (\$100,000) | \$100,000 |
| BALANCE | \$6,676,244 | \$7,199,676 | \$859,550 | \$6,340,126 | (\$648,670) |
| TOTAL BUDGET | | | \$43,303,950 | | \$46,396,970 |
| | 2019-2020 BEGIN BAL | 2019-2020 ADJUSTMENTS | 2020-2021 ADDITIONS | 2020-2021 DELETIONS | BALANCE |
| Estimated Reserve Fund Balance 6/30/20 | | | | | \$28,600,000 |
| Inter-Fund Loan/LC - General Fund | | | | | \$0 |
| Reserves: | | | | | |
| Reserve for Operations | \$11,320,000 | \$0 | \$576,000 | \$0 | |
| Reserve for Replacements | \$2,760,000 | \$0 | \$0 | \$0 | |
| Reserve for Disaster Response | \$2,000,000 | \$0 | \$0 | \$0 | |
| Reserve for Land Acquisition | \$675,000 | \$0 | \$0 | \$0 | |
| Reserve for Regulatory Compliance | \$0 | \$0 | \$0 | \$0 | |
| Reserve for Retirement Benefits | \$5,000,000 | \$0 | \$0 | \$0 | |
| Total Reserves - 6/30/20 | \$21,755,000 | \$0 | \$576,000 | \$0 | (\$22,331,000) |
| Required for 2019-20 Carryover Capital Items | | | | | (\$5,619,560) |
| 2020-2021 Budget Balance | | | | | (\$648,670) |
| Unappropriated Fund Balance 6/30/21 | | | | | \$770 |

BUDGET AMOUNT SUMMARY:

| | |
|--------------------------------|---------------------|
| Total Operating Expenses | \$34,828,370 |
| Non-Operating Expenses | \$1,224,000 |
| Application of Committed Funds | \$725,000 |
| Capital Additions | \$9,619,600 |
| TOTAL BUDGET | \$46,396,970 |

**DESERT WATER AGENCY - OPERATING FUND
2020-2021 BUDGET
CAPITAL IMPROVEMENTS**

| W.O. No. | DESCRIPTION | ACCOUNT NO. | ESTIMATED COST |
|---------------------------------------|--|----------------|--------------------|
| <u>ROUTINE</u> | | | |
| PIPELINES | | | |
| _____ | 36" Avenida Caballeros Pipeline Replacement | 11171 | \$1,845,000 |
| _____ | Palm Highlands Tract & Araby Dr Pipeline Replacement | 11171 | \$2,550,000 |
| 20-399 | Contingency - Mains | 11171 | \$200,000 |
| TOTAL PIPELINES | | | \$4,595,000 |
| WELLS | | | |
| _____ | Well #33 - Switchgear | 11141 | \$35,200 |
| _____ | Well #36 - MCC | 11141 | \$71,200 |
| _____ | Well #33 - MCC | 11141 | \$71,200 |
| _____ | Well #36 - Cla-val | 11141 | \$32,800 |
| _____ | Well #41 - Cla-val | 11141 | \$32,800 |
| TOTAL WELLS | | | \$243,200 |
| RECLAMATION PLANT | | | |
| _____ | PLC Replacement | 11130 | \$181,000 |
| _____ | CL2 Sample Station Relocation | 11130 | \$20,700 |
| TOTAL RECLAMATION PLANT | | | \$201,700 |
| TRANSPORTATION EQUIPMENT | | | |
| _____ | 1 - 262D3 Skid Steer Loader (Replace Unit #5) | 11183 | \$121,100 |
| _____ | 1 - 430 F2 Backhoe Loader (Replace Unit #1) | 11183 | \$167,100 |
| _____ | 1 - Ford Ranger XL Supercab (Replace Unit #8) | 11183 | \$31,700 |
| _____ | 1 - Ford Ranger XL Supercab (Replace Unit #29) | 11183 | \$31,700 |
| _____ | 1 - Ford Ranger XL Supercab (Replace Unit #30) | 11183 | \$31,700 |
| TOTAL TRANSPORTATION EQUIPMENT | | | \$383,300 |

**DESERT WATER AGENCY - OPERATING FUND
2020-2021 BUDGET
CAPITAL IMPROVEMENTS**

| W.O. No. | DESCRIPTION | ACCOUNT NO. | ESTIMATED COST |
|----------------------------|---|------------------------|---------------------------|
| METERS | | | |
| 20-202-E-01 | Electronic Meter Purchases | 11173 | \$450,000 |
| 20-202-M-01 | 1" Meter Purchases | 11173 | \$91,000 |
| 20-202-M-02 | 2" Meter Purchases | 11173 | \$46,000 |
| 20-202-M-03 | 3" Meter Purchases | 11173 | \$5,000 |
| 20-202-M-06 | 6" Meter Purchases | 11173 | \$6,000 |
| 20-202-M-15 | 1 1/2" Meter Purchases | 11173 | \$54,000 |
| 20-202-M-75 | 3/4" Meter Purchases | 11173 | \$121,000 |
| TOTAL METERS | | | \$773,000 |
| SERVICES | | | |
| 20-100-S-01 | 1" Service Replacements | 11172 | \$1,107,000 |
| 20-100-S-02 | 2" Service Replacements | 11172 | \$438,000 |
| 20-201-S-01 | 1" Invoiced Services | 11172 | \$75,000 |
| 20-201-S-02 | 2" Invoiced Services | 11172 | \$35,000 |
| TOTAL SERVICES | | | \$1,655,000 |
| MISCELLANEOUS | | | |
| _____ | Operations/Engineering Manager Office Remodel | 11181 | \$11,000 |
| _____ | 4 - Hurco SD400 Valve Turners | 11186 | \$46,400 |
| 18-179-M | I-Series Modernization - Augment | 11188 | \$620,000 |
| _____ | Accounting Software/ERP System | 11188 | \$795,000 |
| _____ | Veeam Backup Software | 11188 | \$46,000 |
| 20-499 | Contingency - Other | VARIOUS | \$150,000 |
| TOTAL MISCELLANEOUS | | | \$1,668,400 |
| TOTAL ROUTINE | | | \$9,519,600 |

**DESERT WATER AGENCY - OPERATING FUND
2020-2021 BUDGET
CAPITAL IMPROVEMENTS**

| W.O. No. | DESCRIPTION | ACCOUNT NO. | ESTIMATED COST |
|---|--------------------|------------------------|---------------------------|
| <u>GENERAL PLAN</u> | | | |
| PIPELINES | | | |
| 20-699 | Main Oversizing | 11171 | <u>\$100,000</u> |
| TOTAL PIPELINES | | | \$100,000 |
| TOTAL GENERAL PLAN | | | \$100,000 |
| TOTAL CAPITAL IMPROVEMENTS 2020-2021 | | | \$9,619,600 |

Reserve Policy Analysis
2020/2021 Budget

OPERATING FUND

In June 2018, the Board of Directors established a policy for Agency Reserves (Resolution No. 1187). Per section 5 of the policy, an annual review of the reserves will be presented during the annual budget presentation. Presented below is the reserve analysis:

Reserve for Operations

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

| | | | |
|--------------------|--|-----------|--------------------|
| 2020 / 2021 | Cost of Operations | \$ | 34,828,370 |
| | <i>Minimum Reserve Requirement</i> | \$ | 17,414,185 |
| | <i>Maximum Allowable Reserve Balance</i> | \$ | 34,828,370 |
| 2019 / 2020 | Current Reserve Balance | \$ | 11,320,000 |
| 2020 / 2021 | Reserve Adjustment * | \$ | 576,000 |
| 2020 / 2021 | Reserve Balance | \$ | 11,896,000 |
| 2020 / 2021 | Minimum Target Reserve Shortfall | \$ | (5,518,185) |

* Proposed \$576,000 addition to the Reserve for Operations in Fiscal Year 2020/2021

| | | | |
|--------------------|-------------------------------|-----------|-------------------|
| 2020 / 2021 | RESERVE FOR OPERATIONS | \$ | 11,896,000 |
|--------------------|-------------------------------|-----------|-------------------|

Reserve for Replacements

Reserve should be equal to the accumulated depreciation of assets

| | | | |
|--------------------|-------------------------------------|-----------|----------------------|
| | Accumulated Depreciation at 4/30/20 | \$ | 132,059,869 |
| | <i>Maximum Reserve Balance</i> | \$ | 132,059,869 |
| 2019 / 2020 | Current Reserve Balance | \$ | 2,760,000 |
| 2020 / 2021 | Reserve Adjustment * | \$ | - |
| 2020 / 2021 | Reserve Balance | \$ | 2,760,000 |
| 2020 / 2021 | Reserve Shortfall | \$ | (129,299,869) |

* There are no excess funds available to add to the Reserve for Replacements in Fiscal Year 2020/2021

| | | | |
|--------------------|---------------------------------|-----------|------------------|
| 2020 / 2021 | RESERVE FOR REPLACEMENTS | \$ | 2,760,000 |
|--------------------|---------------------------------|-----------|------------------|

Reserve for Disaster Response

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

| | | |
|--|-----------|---------------------|
| System Value at 4/30/20 | \$ | 257,634,087 |
| 15% of System Value | \$ | 38,645,100 |
| <i>Maximum Reserve Balance</i> | \$ | 38,645,100 |
| 2019 / 2020 Current Reserve Balance | \$ | 2,000,000 |
| 2020 / 2021 Reserve Adjustment * | \$ | - |
| 2020 / 2021 Reserve Balance | \$ | 2,000,000 |
| 2020 / 2021 Reserve Shortfall | \$ | (36,645,100) |

* There are no excess funds available to add to the Reserve for Disaster Response in Fiscal Year 2020/2021

| | | | |
|--------------------|--------------------------------------|-----------|------------------|
| 2020 / 2021 | RESERVE FOR DISASTER RESPONSE | \$ | 2,000,000 |
|--------------------|--------------------------------------|-----------|------------------|

Reserve for Land Acquisitions

Reserve shall not exceed \$5,000,000

| | | |
|--|-----------|--------------------|
| <i>Maximum Reserve Balance</i> | \$ | 5,000,000 |
| 2019 / 2020 Current Reserve Balance | \$ | 675,000 |
| 2020 / 2021 Reserve Adjustment * | \$ | - |
| 2020 / 2021 Reserve Balance | \$ | 675,000 |
| 2020 / 2021 Reserve Shortfall | \$ | (4,325,000) |

* There are no excess funds available to add to the Reserve for Land Acquisition in Fiscal Year 2020/2021

| | | | |
|--------------------|--------------------------------------|-----------|----------------|
| 2020 / 2021 | RESERVE FOR LAND ACQUISITIONS | \$ | 675,000 |
|--------------------|--------------------------------------|-----------|----------------|

Reserve for Regulatory Compliance

Reserve shall not exceed \$10,000,000

| | | | |
|--------------------------------|-------------------------|-----------|---------------------|
| <i>Maximum Reserve Balance</i> | | \$ | 10,000,000 |
| 2019 / 2020 | Current Reserve Balance | \$ | - |
| 2020 / 2021 | Reserve Adjustment * | \$ | - |
| 2020 / 2021 | Reserve Balance | \$ | - |
| 2020 / 2021 | Reserve Shortfall | \$ | (10,000,000) |

* There are no excess funds available to add to the Reserve for Regulatory Compliance in Fiscal Year 2020/2021

| | | | |
|--------------------|--|-----------|----------|
| 2020 / 2021 | RESERVE FOR REGULATORY COMPLIANCE | \$ | - |
|--------------------|--|-----------|----------|

Reserve for Retirement Benefits

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

| | | | |
|--|----------------------------------|-----------|--------------------|
| Annual OPEB Costs - Actuarial study (2018) | | \$ | 1,738,427 |
| Annual CalPERS UAL Payment | | \$ | 1,303,334 |
| <i>Minimum Reserve Requirement</i> | | \$ | 6,083,522 |
| <i>Maximum Allowable Reserve Balance</i> | | \$ | 12,167,044 |
| 2019 / 2020 | Current Reserve Balance | \$ | 5,000,000 |
| 2020 / 2021 | Reserve Adjustment * | \$ | - |
| 2020 / 2021 | Reserve Balance | \$ | 5,000,000 |
| 2020 / 2021 | Minimum Target Reserve Shortfall | \$ | (7,167,044) |

* There are no excess funds available to add to the Reserve for Retirement Benefits in Fiscal Year 2020/2021

| | | | |
|--------------------|--|-----------|------------------|
| 2020 / 2021 | RESERVE FOR RETIREMENT BENEFITS | \$ | 5,000,000 |
|--------------------|--|-----------|------------------|

Reserve Policy Summary

| | | | | |
|--------------------|-------------------------------------|-----------|----------------------|---|
| ** 2020 / 2021 | Minimum Reserve Requirement | \$ | 209,202,676 | * |
| ** 2020 / 2021 | Maximum Reserve Requirement | \$ | 232,700,383 | |
| 2020 / 2021 | Projected Total Reserves | \$ | 22,331,000 | |
| 2020 / 2021 | Projected Minimum Reserve Shortfall | \$ | (186,871,676) | |

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

** Reserve Policy and Reserve Requirements (Resolution No. 1187) Based on established ACWA and AWWA Policy Principles and Guidelines

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DESERT WATER AGENCY
GENERAL FUND BUDGET
2020 / 2021

**DESERT WATER AGENCY
GENERAL FUND BUDGET
2020-2021 BUDGET WITH PRIOR YEAR COMPARISON**

| | ACTUAL 2018-2019 | ACTUAL TO 3/31/2020 | BUDGET 2019-2020 | OVER (UNDER) BUDGET | BUDGET 2020-2021 |
|---|---------------------|---------------------------|---------------------|---------------------------|---------------------|
| <u>OPERATING REVENUES</u> | | | | | |
| Groundwater Replenishment Assessment | \$5,885,509 | \$4,689,766 | \$6,749,600 | (\$2,059,834) | \$6,590,000 |
| Power Sales - Whitewater Hydro | \$137,926 | \$112,027 | \$209,000 | (\$96,973) | \$148,800 |
| TOTAL OPERATING REVENUES | \$6,023,434 | \$4,801,793 | \$6,958,600 | (\$2,156,807) | \$6,738,800 |
| <u>OPERATING EXPENSES</u> | | | | | |
| <u>SOURCE OF SUPPLY</u> | | | | | |
| Watershed Management - West Fork | \$0 | \$0 | \$0 | \$0 | \$0 |
| Whitewater Mutual Water Co | \$93 | \$0 | \$12,000 | (\$12,000) | \$12,000 |
| Whitewater Basin Management | \$231,663 | \$122,512 | \$200,000 | (\$77,488) | \$200,000 |
| Mission Creek Basin Management | \$23,708 | \$17,033 | \$69,000 | (\$51,967) | \$69,000 |
| Mission Creek - Garnett Hill Mgmt Plan | \$0 | \$0 | \$3,000 | (\$3,000) | \$3,000 |
| Indio Subbasin Management | \$19,378 | \$0 | \$33,000 | (\$33,000) | \$33,000 |
| Groundwater Monitoring Wells | \$0 | \$0 | \$900 | (\$900) | \$900 |
| U.S.G.S. Water Quality Monitoring System | \$13,096 | \$9,700 | \$12,800 | (\$3,100) | \$13,600 |
| U.S.G.S. Stream Gauging Study | \$73,471 | \$56,586 | \$77,200 | (\$20,614) | \$76,800 |
| Monitoring Wells #2 & #6 | \$10,499 | \$0 | \$6,000 | (\$6,000) | \$6,000 |
| Urban Water Management Plan | \$0 | (\$8,972) | \$50,000 | (\$58,972) | \$30,000 |
| Salt Nutrient Plan | \$0 | \$0 | \$0 | \$0 | \$200,000 |
| Groundwater Rights DWA/CVWD | \$268,983 | \$262,339 | \$350,000 | (\$87,661) | \$408,000 |
| SGMA | \$30,036 | \$17,166 | \$50,400 | (\$33,234) | \$609,600 |
| USDOJ Federal Rule Litigation | \$195,249 | \$3,671 | \$250,000 | (\$246,329) | \$120,000 |
| TOTAL SOURCE OF SUPPLY | \$866,176 | \$480,036 | \$1,114,300 | (\$634,264) | \$1,781,900 |
| <u>STATE WATER PROJECT EXPENSE</u> | | | | | |
| Delta O.M.P. & R. | \$2,579,346 | \$1,949,202 | \$2,758,200 | (\$808,998) | \$2,695,000 |
| Transportation O.M.P. & R. | \$4,003,470 | \$3,258,135 | \$4,686,000 | (\$1,427,865) | \$5,680,000 |
| Variable | \$2,292,507 | \$2,225,623 | \$5,453,700 | (\$3,228,077) | \$5,686,500 |
| Off-Aqueduct Power Facilities | \$113,286 | \$53,435 | \$101,700 | (\$48,265) | \$210,000 |
| East Branch Enlargement | \$394,522 | \$377,799 | \$493,800 | (\$116,001) | \$488,000 |
| Replacement Component | \$0 | \$0 | \$0 | \$0 | \$0 |
| Delta Conveyance (formerly CWF) | \$36,364 | \$50,000 | \$300,000 | (\$250,000) | \$300,000 |
| Water Purchases | \$39,887 | \$0 | \$2,475,000 | (\$2,475,000) | \$2,475,000 |
| Lake Perris Seepage Recovery Project | \$0 | \$0 | \$250,000 | (\$250,000) | \$0 |
| CVWD Reimb (Delta, Var, OAP) | (\$325,865) | (\$304,089) | (\$741,600) | \$437,511 | (\$1,123,800) |
| MWD Reimb (Delta, Trans, Var, OAP) | \$0 | \$0 | \$0 | \$0 | \$0 |
| TOTAL STATE WTR PROJ. EXPENSE | \$9,133,516 | \$7,610,105 | \$15,776,800 | (\$8,166,695) | \$16,410,700 |
| <u>WHITewater HYDRO EXPENSE</u> | | | | | |
| Supervision & Labor | \$9,815 | \$7,609 | \$15,000 | (\$7,391) | \$15,000 |
| Miscellaneous/SCE | \$8,480 | \$3,965 | \$12,000 | (\$8,035) | \$12,000 |
| Tools & Work Equipment | \$0 | \$0 | \$2,100 | (\$2,100) | \$2,100 |
| Maint Structures & Improvements | \$321 | \$0 | \$6,000 | (\$6,000) | \$1,200 |
| Maint of Equipment | \$11,653 | \$739 | \$60,000 | (\$59,261) | \$60,000 |
| Whitewater Hydro Contract Management | \$14,438 | \$13,443 | \$36,600 | (\$23,157) | \$24,000 |
| TOTAL WHITEWTR HYDRO EXPENSE | \$44,707 | \$25,756 | \$131,700 | (\$105,944) | \$114,300 |
| <u>ADMIN & GENERAL EXPENSE</u> | | | | | |
| Salaries | \$339,250 | \$227,170 | \$482,000 | (\$254,830) | \$492,814 |
| Office Supplies & Expenses | \$10,769 | \$4,498 | \$14,400 | (\$9,902) | \$14,700 |
| Legal | \$864,541 | \$152,576 | \$500,000 | (\$347,424) | \$504,000 |
| State Water - Audit Fees | \$17,127 | \$17,631 | \$21,000 | (\$3,369) | \$28,000 |

**DESERT WATER AGENCY
GENERAL FUND BUDGET
2020-2021 BUDGET WITH PRIOR YEAR COMPARISON**

| | ACTUAL 2018-2019 | ACTUAL TO 3/31/2020 | BUDGET 2019-2020 | OVER (UNDER) BUDGET | BUDGET 2020-2021 |
|--|-----------------------|---------------------------|-----------------------|---------------------------|-----------------------|
| <u>ADMIN & GENERAL EXPENSE (cont)</u> | | | | | |
| Engineering | \$58,111 | \$49,707 | \$230,000 | (\$180,293) | \$80,000 |
| Appraisals & Consultants | \$99,224 | \$114,859 | \$156,000 | (\$41,141) | \$160,000 |
| Auditing | \$7,800 | \$10,257 | \$12,600 | (\$2,343) | \$14,000 |
| Conferences & Seminars | \$73,678 | \$38,482 | \$72,000 | (\$33,518) | \$74,000 |
| Membership Dues & Subscriptions | \$81,366 | \$94,634 | \$99,700 | (\$5,066) | \$169,500 |
| Bay-Delta Hearings | \$61,609 | \$64,779 | \$74,000 | (\$9,221) | \$68,000 |
| SWC-Energy Fund | \$8,587 | \$11,771 | \$9,100 | \$2,671 | \$13,000 |
| Utilities | \$24,878 | \$21,091 | \$27,000 | (\$5,909) | \$32,000 |
| Property & Liability Insurance | \$44,140 | \$34,669 | \$48,000 | (\$13,331) | \$51,000 |
| Other Employee Benefits | \$399,941 | \$365,246 | \$461,000 | (\$95,754) | \$472,200 |
| Payroll Taxes | \$48,302 | \$31,616 | \$45,000 | (\$13,384) | \$46,200 |
| Uncollectible Accounts | \$0 | \$0 | \$0 | \$0 | \$0 |
| LAFCO Expenses | \$11,631 | \$13,216 | \$12,900 | \$316 | \$15,000 |
| Integrated Regional Water Mgmt Plan (IRWMP) | \$12,988 | \$31,390 | \$36,000 | (\$4,610) | \$35,000 |
| IRWMP Conservation Program | \$116 | \$897 | \$0 | \$897 | \$0 |
| Operations Center Security | \$8,079 | \$2,184 | \$7,500 | (\$5,316) | \$7,500 |
| Operations Center Maintenance | \$101,151 | \$66,610 | \$96,000 | (\$29,390) | \$109,200 |
| Directors' Fees | \$55,343 | \$39,129 | \$45,000 | (\$5,871) | \$46,500 |
| Public Information | \$132,367 | \$36,373 | \$243,000 | (\$206,627) | \$187,800 |
| Water Conservation | \$84,351 | \$190,740 | \$216,600 | (\$25,860) | \$539,575 |
| Election Expense | \$98,080 | \$504 | \$155,000 | (\$154,496) | \$155,000 |
| TOTAL ADMIN & GENERAL EXPENSE | \$2,643,429 | \$1,620,029 | \$3,063,800 | (\$1,443,771) | \$3,314,989 |
| <u>OTHER OPERATING EXPENSES</u> | | | | | |
| Depreciation | \$5,905,858 | \$0 | \$6,640,000 | (\$6,640,000) | \$6,330,000 |
| Direct/Indirect Costs | (\$77,422) | (\$45,265) | (\$234,000) | \$188,735 | (\$120,000) |
| TOTAL OTHER OPERATING EXPENSES | \$5,828,436 | (\$45,265) | \$6,406,000 | (\$6,451,265) | \$6,210,000 |
| TOTAL OPERATING EXPENSES | \$18,516,263 | \$9,690,661 | \$26,492,600 | (\$16,801,939) | \$27,831,889 |
| NET OPERATING INCOME (loss) | (\$12,492,829) | (\$4,888,868) | (\$19,534,000) | \$14,645,132 | (\$21,093,089) |
| <u>NON-OPERATING REVENUES</u> | | | | | |
| Property Taxes | \$29,901,394 | \$17,567,883 | \$29,694,000 | (\$12,126,117) | \$29,690,000 |
| Interest - Invested Reserves | \$2,691,556 | \$2,233,906 | \$2,880,000 | (\$646,094) | \$1,443,600 |
| Interest - Wastewater Fund | \$1,201 | \$0 | \$0 | \$0 | \$0 |
| Supplemental Imported Water Fees | \$402,728 | \$375,730 | \$336,000 | \$39,730 | \$330,000 |
| Gains/Loss Investments | \$1,175,330 | \$0 | \$0 | \$0 | \$0 |
| Other | \$112,536 | \$19,562 | \$0 | \$19,562 | \$0 |
| TOTAL NON-OPERATING REVENUES | \$34,284,746 | \$20,197,081 | \$32,910,000 | (\$12,712,919) | \$31,463,600 |

**DESERT WATER AGENCY
GENERAL FUND BUDGET
2020-2021 BUDGET WITH PRIOR YEAR COMPARISON**

| | ACTUAL 2018-2019 | ACTUAL TO 3/31/2020 | BUDGET 2019-2020 | OVER (UNDER) BUDGET | BUDGET 2020-2021 |
|--|---------------------|---------------------------|----------------------|---------------------------|-----------------------|
| <u>NON-OPERATING EXPENSES</u> | | | | | |
| Prior Year - State Water Project | \$240,763 | \$0 | \$0 | \$0 | \$0 |
| Prior Year Expenses | \$158,739 | \$0 | \$0 | \$0 | \$0 |
| TOTAL NON-OPERATING EXPENSES | \$399,502 | \$0 | \$0 | \$0 | \$0 |
| TOTAL NET INCOME | \$21,392,415 | \$15,308,213 | \$13,376,000 | \$1,932,213 | \$10,370,511 |
| <u>APPLICATION OF COMMIT FUNDS</u> | | | | | |
| Bond Service - Principle/Interest | \$1,345,800 | \$325,275 | \$1,345,550 | (\$1,020,275) | \$1,345,300 |
| TOTAL COMMIT FUNDS | \$1,345,800 | \$325,275 | \$1,345,550 | (\$1,020,275) | \$1,345,300 |
| BALANCE REMAINING | \$20,046,615 | \$14,982,938 | \$12,030,450 | \$2,952,488 | \$9,025,211 |
| Add Back Depreciation | \$5,905,858 | \$0 | \$6,640,000 | (\$6,640,000) | \$6,330,000 |
| Funds Avail For Capital Additions | \$25,952,473 | \$14,982,938 | \$18,670,450 | (\$3,687,512) | \$15,355,211 |
| <u>CAPITAL ADDITIONS</u> | | | | | |
| Delta | \$1,164,265 | \$1,462,092 | \$1,454,000 | \$8,092 | \$1,498,800 |
| Transportation | \$2,015,064 | \$2,565,560 | \$2,801,400 | (\$235,840) | \$2,450,000 |
| Revenue Bond Surcharge | \$613,546 | \$1,011,293 | \$1,261,400 | (\$250,107) | \$1,095,000 |
| East Branch Enlargement | \$771,596 | \$762,697 | \$1,431,100 | (\$668,403) | \$1,617,000 |
| Tehachapi | (\$336) | \$75,756 | \$98,600 | (\$22,844) | \$76,000 |
| Delta Conveyance | \$0 | \$0 | \$4,513,800 | (\$4,513,800) | \$19,215,000 |
| Lake Perris Seepage Recovery Project | \$0 | \$0 | \$0 | \$0 | \$400,000 |
| Sites Reservoir Project | \$0 | \$0 | \$4,269,900 | (\$4,269,900) | \$650,000 |
| Whitewater Hydro - Battery Replacement | \$0 | \$0 | \$0 | \$0 | \$0 |
| Op. Cntr - Blaze Security Alarm System | \$0 | \$0 | \$0 | \$0 | \$0 |
| Whitewater Hydro - Bypass Pipeline | \$0 | \$0 | \$0 | \$0 | \$0 |
| Snow Creek Village - Treatment Facility | \$454,212 | \$1,604,285 | \$1,000,000 | \$604,285 | \$0 |
| Op. Cntr - Wireless Gate Control System | \$0 | \$0 | \$0 | \$0 | \$0 |
| Palm Oasis Surface Water Filtration Plant (Design) | \$0 | \$0 | \$1,600,000 | (\$1,600,000) | \$0 |
| Op. Cntr - Information System | \$0 | \$2,032 | \$3,000 | (\$968) | \$0 |
| Op. Cntr - Board Room Video Wall Matrix | \$0 | \$0 | \$11,000 | (\$11,000) | \$0 |
| Op. Cntr - Security Cameras | \$0 | \$0 | \$11,400 | (\$11,400) | \$0 |
| Op. Cntr - Alarm Upgrades | \$0 | \$0 | \$12,400 | (\$12,400) | \$0 |
| Op. Cntr - Board Room Security Window Film | \$0 | \$0 | \$1,500 | (\$1,500) | \$0 |
| Whitewater Hydro PLC Modernization | \$0 | \$0 | \$140,000 | (\$140,000) | \$0 |
| Milestone Softwater (Security) | \$0 | \$0 | \$10,000 | (\$10,000) | \$0 |
| Chino West Canyon Treatment Facility | \$0 | \$0 | \$450,000 | (\$450,000) | \$0 |
| Palm Oasis Area Land Purchase | \$0 | \$782,419 | \$785,000 | (\$2,582) | \$0 |
| Whitewater Area Land Purchase | \$0 | \$0 | \$0 | \$0 | \$179,000 |
| Operations/Engineering Office Remodel | \$0 | \$0 | \$0 | \$0 | \$5,500 |
| Contingency | \$0 | \$0 | \$150,000 | (\$150,000) | \$150,000 |
| TOTAL CAPITAL ADDITIONS | \$5,018,347 | \$8,266,134 | \$20,004,500 | (\$11,738,366) | \$27,336,300 |
| BALANCE | \$20,934,126 | \$6,716,804 | (\$1,334,050) | \$8,050,854 | (\$11,981,089) |
| TOTAL BUDGET | | | \$47,842,650 | | \$56,513,489 |

**DESERT WATER AGENCY
GENERAL FUND BUDGET
2020-2021 BUDGET WITH PRIOR YEAR COMPARISON**

| | <u>2019-2020 BEGIN BAL</u> | <u>2019-2020 ADJUSTMENTS</u> | <u>2020-2021 ADDITIONS</u> | <u>2020-2021 DELETIONS</u> | <u>BALANCE</u> |
|---------------------------------------|--------------------------------|----------------------------------|--------------------------------|--------------------------------|-----------------------|
| Reserve Fund Balance-6/30/19 | | | | | \$156,243,000 |
| Restricted & Unrestricted Reserves: | | | | | |
| State Water Contract Fund | \$58,469,000 | | \$4,180,000 | | |
| Reserve For Additional Water | \$23,782,000 | | | | |
| Reserve for Delta Conveyance | \$19,238,000 | | | | |
| Reserve For Operations | \$10,571,800 | | | | |
| Reserve For Replacements | \$8,892,800 | | | | |
| Regulatory Compliance Reserve | \$7,765,000 | | | | |
| Land Acquisition Reserve | <u>\$5,000,000</u> | | | | |
| Total Reserves - 6/30/21 | \$133,718,600 | \$0 | \$4,180,000 | \$0 | (\$137,898,600) |
| Required for 2019/20 Carryover Items | | | | | (\$6,362,950) |
| 2020-2021 Budget Balance | | | | | <u>(\$11,981,089)</u> |
| Unappropriated Fund Balance - 6/30/21 | | | | | \$361 |

BUDGET AMOUNT SUMMARY

| | |
|--------------------------------|---------------------|
| Total Operating Expense | \$27,831,889 |
| Non-Operating Expense | \$0 |
| Application of Committed Funds | \$1,345,300 |
| Capital Additions | <u>\$27,336,300</u> |
| TOTAL BUDGET | \$56,513,489 |

**DESERT WATER AGENCY
GENERAL FUND BUDGET
2020 - 2021**

**SUMMARY OF ASSESSED VALUATIONS
AND RESULTING TAX RATES**

| | | |
|---|------------------|-------------------------|
| Assessed Valuations | | |
| Secured | \$14,753,263,013 | |
| Unsecured | \$581,239,531 | |
| Total Estimated Assessed Valuations* | | \$15,334,502,544 |
| Tax Rate | 2019-2020 | 2020-2021 |
| Secured | \$0.10 | \$0.10 |
| Unsecured | \$0.10 | \$0.10 |
| Estimated Revenue from Property Taxes | | |
| Secured | \$14,753,400 | |
| Unsecured | \$581,400 | |
| SBE Unitary | \$11,887,800 | |
| RPTTF | \$1,160,000 | |
| County 1% General Purpose Allocation | \$1,307,400 | |
| TOTAL ESTIMATED PROPERTY TAXES | | \$29,690,000 |

* Assessed values reflect a combined 12.20% delinquency and value adjustment factor for secured and unsecured valuations

**DESERT WATER AGENCY
GENERAL FUND BUDGET
FISCAL 2020 - 2021**

ESTIMATED STATE WATER PAYMENTS

| | CAPITAL | | | | | | | O.M.P. & R. | | | | | |
|-----------|--------------|-------------|--------------|-----------|----------------|-----------|-------------|-------------|----------------|-------------|--------------|-------------|--------------|
| | Revenue Bond | | Delta | Sites | | | East Branch | | | | Off-Aqueduct | East Branch | |
| 2020 | Surcharge | Delta | Conveyance | Reservoir | Transportation | Tehachapi | Enlargement | Delta | Transportation | Variable | Power | Enlargement | Total |
| | | | | | | | | | | | Facilities | | |
| July | \$555,285 | \$869,500 | \$1,601,250 | --- | \$1,262,000 | --- | --- | \$224,550 | \$488,000 | \$470,650 | \$15,950 | \$41,800 | \$5,528,985 |
| August | --- | --- | \$1,601,250 | --- | --- | --- | --- | \$224,550 | \$488,000 | \$470,650 | \$15,950 | \$41,800 | \$2,842,200 |
| September | --- | --- | \$1,601,250 | \$390,000 | --- | \$37,200 | \$657,000 | \$224,550 | \$488,000 | \$470,650 | \$15,950 | \$41,800 | \$3,926,400 |
| October | --- | --- | \$1,601,250 | --- | --- | --- | --- | \$224,550 | \$488,000 | \$470,650 | \$15,950 | \$41,800 | \$2,842,200 |
| November | --- | --- | \$1,601,250 | --- | --- | --- | --- | \$224,550 | \$488,000 | \$470,650 | \$15,950 | \$41,800 | \$2,842,200 |
| December | --- | --- | \$1,601,250 | --- | --- | --- | --- | \$224,550 | \$488,000 | \$470,650 | \$15,950 | \$41,800 | \$2,842,200 |
| 2021 | | | | | | | | | | | | | |
| January | \$539,715 | \$869,500 | \$1,601,250 | --- | \$1,188,000 | --- | --- | \$224,600 | \$458,700 | \$477,100 | \$19,050 | \$39,500 | \$5,417,415 |
| February | --- | --- | \$1,601,250 | \$260,000 | --- | --- | --- | \$224,600 | \$458,700 | \$477,100 | \$19,050 | \$39,500 | \$3,080,200 |
| March | --- | --- | \$1,601,250 | --- | --- | \$38,800 | \$960,000 | \$224,600 | \$458,650 | \$477,100 | \$19,050 | \$39,550 | \$3,819,000 |
| April | --- | --- | \$1,601,250 | --- | --- | --- | --- | \$224,600 | \$458,650 | \$477,100 | \$19,050 | \$39,550 | \$2,820,200 |
| May | --- | --- | \$1,601,250 | --- | --- | --- | --- | \$224,600 | \$458,650 | \$477,100 | \$19,050 | \$39,550 | \$2,820,200 |
| June | --- | --- | \$1,601,250 | --- | --- | --- | --- | \$224,700 | \$458,650 | \$477,100 | \$19,050 | \$39,550 | \$2,820,300 |
| | \$1,095,000 | \$1,739,000 | \$19,215,000 | \$650,000 | \$2,450,000 | \$76,000 | \$1,617,000 | \$2,695,000 | \$5,680,000 | \$5,686,500 | \$210,000 | \$488,000 | \$41,601,500 |

Based on calendar year costs being shared 24.82% DWA and 75.18% CVWD on Variable, Delta Water and Off Aqueduct Charges:

| | <u>2020</u> | <u>Variable</u> | <u>Delta Charge</u> | <u>Off Aqueduct</u> | <u>Total</u> | <u>DWA-24.82%</u> | <u>CVWD-75.18%</u> |
|-------------|-------------|-----------------|---------------------|---------------------|--------------|-------------------|--------------------|
| DWA | 55,750 AF | \$5,647,700 | \$4,433,000 | \$191,000 | \$10,271,700 | \$2,549,436 | \$7,722,264 |
| CVWD | 128,450 AF | \$14,015,300 | \$11,219,200 | \$221,500 | \$25,456,000 | \$6,318,179 | \$19,137,821 |
| | | | | | \$35,727,700 | \$8,867,615 | \$26,860,085 |
| 2021 | | | | | | | |
| DWA | 55,750 AF | \$5,725,300 | \$4,549,400 | \$228,500 | \$10,503,200 | \$2,606,894 | \$7,896,306 |
| CVWD | 128,450 AF | \$14,208,000 | \$11,290,000 | \$566,900 | \$26,064,900 | \$6,469,308 | \$19,595,592 |
| | | | | | \$36,568,100 | \$9,076,202 | \$27,491,898 |

STATE WATER PROJECT TABLE A ALLOTMENTS:

| | | | |
|-----------------------------------|--------------|--------------|----------------|
| TOTALS | \$72,295,800 | \$17,943,818 | \$54,351,982 |
| Less Amount Billed Direct to CVWD | | | (\$51,520,900) |
| Amount Due To DWA | | | \$2,831,082 |
| ONE-HALF FOR FISCAL YEAR | | | \$1,415,541 |

DWA - 38,100 A.F. + MWD Transfer 11,900 A.F. = 50,000 A.F.
CVWD - 23,100 A.F. + MWD Transfer 88,100 A.F. + Tulare Transfer 9,000 A.F. = 121,100 A.F.
Beginning January 1, 2010 : Berrenda-Mesa 16,000 A.F. Transfer = DWA 4,000 A.F. / CVWD 12,000 A.F.
Beginning January 1, 2010 : Westlake Farms 7,000 A.F. Transfer = DWA 1,750 A.F. / CVWD 5,250 A.F.

Calendar years 2020 & 2021 = DWA 55,750 A.F. / CVWD 128,450 A.F.

**DESERT WATER AGENCY - GENERAL FUND
2020-2021 BUDGET
CAPITAL IMPROVEMENTS**

| W.O. No. | DESCRIPTION | ACCOUNT NO. | ESTIMATED COST |
|---|---|------------------------|---------------------------|
| <u>ROUTINE</u> | | | |
| MISCELLANEOUS | | | |
| _____ | Whitewater Land Purchase - 3 Parcels | 11157 | \$179,000 |
| _____ | Operations/Engineering Manager Office Remodel | 11185 | \$5,500 |
| 20-499 | Contingency - Other | VARIOUS | \$150,000 |
| TOTAL MISCELLANEOUS | | | \$334,500 |
| TOTAL CAPITAL IMPROVEMENTS 2020-2021 | | | \$334,500 |

Reserve Policy Analysis
2020/2021 Budget

GENERAL FUND

In June 2018, the Board of Directors established a policy for Agency Reserves (Resolution No. 1187). Per section 5 of the policy, an annual review of the reserves will be presented during the annual budget presentation. Presented below is the reserve analysis:

State Water Contract Fund Reserve

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

2020 DWR Statement of Charges

| | |
|--|----------------------|
| Delta Capital | \$ 1,738,598 |
| Delta OMP&R | \$ 2,694,355 |
| Transportation Capital | \$ 2,502,827 |
| Transportation M&O | \$ 5,856,285 |
| Variable Entitlement | \$ 5,665,860 |
| Water System Revenue Bond | \$ 1,110,574 |
| Off Aqueduct | \$ 177,301 |
| Conservation Replacement | \$ - |
| East Branch Enlargement Capital | \$ 1,726,672 |
| East Branch Enlargement M&O | \$ 501,248 |
| Tehachapi Second Afterbay | \$ 74,212 |
| 2020 SOC Sites Reservoir | \$ 650,000 |
| Total 2020 Statement of Charges | \$ 22,697,932 |

| | |
|--|----------------|
| <i>Minimum Reserve Requirement</i> | \$ 56,744,830 |
| <i>Maximum Allowable Reserve Balance</i> | \$ 136,187,592 |

| | | |
|--------------------|----------------------------------|----------------------|
| 2019 / 2020 | Current Reserve Balance | \$ 58,469,000 |
| 2020 / 2021 | Reserve Adjustment * | \$ 4,180,000 |
| 2020 / 2021 | Reserve Balance | \$ 62,649,000 |
| 2020 / 2021 | Minimum Target Reserve Shortfall | \$ - |
| 2020 / 2021 | Maximum Reserve Shortfall | \$ (73,538,592) |

* Proposed \$4,180,000 addition to the State Water Contract Fund Reserve in Fiscal Year 2020/2021

| | | |
|--------------------|-------------------------------------|----------------------|
| 2020 / 2021 | STATE WATER CONTRACT RESERVE | \$ 62,649,000 |
|--------------------|-------------------------------------|----------------------|

Reserve for Delta Conveyance Facilities

Minimum reserve requirement is two and one half times annual charges, not to exceed six times the total of such charges

| | | |
|--|-----------|--------------------|
| 10 Year DWR Cost projection | \$ | 43,424,000 |
| Average Annual Charge | \$ | 4,342,400 |
| <i>Minimum Reserve Requirement</i> | \$ | 10,856,000 |
| <i>Maximum Allowable Reserve Balance</i> | \$ | 26,054,400 |
| 2019 / 2020 Current Reserve Balance | \$ | 19,238,000 |
| 2020 / 2021 Reserve Adjustment * | \$ | - |
| 2020 / 2021 Reserve Balance | \$ | 19,238,000 |
| 2020 / 2021 Minimum Target Reserve Shortfall | \$ | - |
| 2020 / 2021 Maximum Reserve Shortfall | \$ | (6,816,400) |

* There are no excess funds available to add to the Reserve for Delta Conveyance Facilities in Fiscal Year 2020/2021

| | | | |
|--------------------|-------------------------------------|-----------|-------------------|
| 2020 / 2021 | RESERVE FOR DELTA CONVEYANCE | \$ | 19,238,000 |
|--------------------|-------------------------------------|-----------|-------------------|

Reserve for Additional Water

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

2020 DWR Statement of Charges

| | | |
|--|-----------|-------------------|
| Delta Capital | \$ | 1,738,598 |
| Delta OMP&R | \$ | 2,694,355 |
| Transportation Capital | \$ | 2,502,827 |
| Transportation M&O | \$ | 5,856,285 |
| Variable Entitlement | \$ | 5,665,860 |
| Water System Revenue Bond | \$ | 1,110,574 |
| Off Aqueduct | \$ | 177,301 |
| Conservation Replacement | \$ | - |
| East Branch Enlargement Capital | \$ | 1,726,672 |
| East Branch Enlargement M&O | \$ | 501,248 |
| Tehachapi Second Afterbay | \$ | 74,212 |
| 2020 SOC Sites Reservoir | \$ | 650,000 |
| Total 2020 Statement of Charges | \$ | 22,697,932 |

Minimum Reserve Requirement \$ 22,697,932

Maximum Allowable Reserve Balance \$ 113,489,660

| | | | |
|--------------------|----------------------------------|-----------|---------------------|
| 2019 / 2020 | Current Reserve Balance | \$ | 23,782,000 |
| 2020 / 2021 | Reserve Adjustment * | \$ | - |
| 2020 / 2021 | Reserve Balance | \$ | 23,782,000 |
| 2020 / 2021 | Minimum Target Reserve Shortfall | \$ | - |
| 2020 / 2021 | Maximum Reserve Shortfall | \$ | (89,707,660) |

* There are no excess funds available to add to the Reserve for Additional Water in Fiscal Year 2020/2021

2020 / 2021 RESERVE FOR ADDITIONAL WATER \$ 23,782,000

Reserve for Operations

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

| | | | |
|--------------------|--|-----------|-------------------|
| 2020 / 2021 | Cost of Operations | \$ | 27,831,889 |
| Less: 2020 / 2021 | State Water Project M&O | \$ | (16,410,700) |
| | Net Cost of Operations | \$ | 11,421,189 |
| | <i>Minimum Reserve Requirement</i> | \$ | 5,710,595 |
| | <i>Maximum Allowable Reserve Balance</i> | \$ | 11,421,189 |
| 2019 / 2020 | Current Reserve Balance | \$ | 10,571,800 |
| 2020 / 2021 | Reserve Adjustment * | \$ | - |
| 2020 / 2021 | Reserve Balance | \$ | 10,571,800 |
| 2020 / 2021 | Minimum Target Reserve Shortfall | \$ | - |
| 2020 / 2021 | Maximum Reserve Shortfall | \$ | (849,389) |

* There are no excess funds available to add to the Reserve for Operations in Fiscal Year 2020/2021

| | | | |
|--------------------|-------------------------------|-----------|-------------------|
| 2020 / 2021 | RESERVE FOR OPERATIONS | \$ | 10,571,800 |
|--------------------|-------------------------------|-----------|-------------------|

Reserve for Replacements

Reserve should be equal to the accumulated depreciation of assets (excluding State Water Project Capital)

| | | | |
|--------------------|-------------------------------------|-----------|------------------|
| 6/30/2019 | Audited Accumulated Depreciation | \$ | 107,802,889 |
| | Less: SWP - Transportation | \$ | (64,191,136) |
| | SWP - Delta | \$ | (14,510,192) |
| | SWP - East Branch Enlargement | \$ | (14,589,213) |
| | SWP - Water System Rev Bond | \$ | (5,095,407) |
| | SWP - Advance Water Deliveries | \$ | (69,273) |
| | SWP - Tehachapi Second Afterbay | \$ | (10,467) |
| | Net Accumulated Depreciation | \$ | 9,337,201 |
| | <i>Maximum Reserve Balance</i> | \$ | 9,337,201 |
| 2019 / 2020 | Current Reserve Balance | \$ | 8,892,800 |
| 2020 / 2021 | Reserve Adjustment * | \$ | - |
| 2020 / 2021 | Reserve Balance | \$ | 8,892,800 |
| 2020 / 2021 | Reserve Shortfall | \$ | (444,401) |

* There are no excess funds available to add to the Reserve for Replacements in Fiscal Year 2020/2021

| | | | |
|--------------------|---------------------------------|-----------|------------------|
| 2020 / 2021 | RESERVE FOR REPLACEMENTS | \$ | 8,892,800 |
|--------------------|---------------------------------|-----------|------------------|

Reserve for Regulatory Compliance

Reserve shall not exceed \$10,000,000

| | | | |
|--------------------|----------------------------------|-----------|--------------------|
| | <i>Maximum Reserve Balance</i> | \$ | 10,000,000 |
| 2019 / 2020 | Current Reserve Balance | \$ | 7,765,000 |
| 2020 / 2021 | Reserve Adjustment * | \$ | - |
| 2020 / 2021 | Reserve Balance | \$ | 7,765,000 |
| 2020 / 2021 | Minimum Target Reserve Shortfall | \$ | (2,235,000) |

* There are no excess funds available to add to the Reserve for Regulatory Compliance in Fiscal Year 2020/2021

| | | | |
|--------------------|--|-----------|------------------|
| 2020 / 2021 | RESERVE FOR REGULATORY COMPLIANCE | \$ | 7,765,000 |
|--------------------|--|-----------|------------------|

Reserve for Land Acquisitions

Reserve shall not exceed \$5,000,000

| | | | |
|--------------------|----------------------------------|-----------|------------------|
| | <i>Maximum Reserve Balance</i> | \$ | 5,000,000 |
| 2019 / 2020 | Current Reserve Balance | \$ | 5,000,000 |
| 2020 / 2021 | Reserve Adjustment * | \$ | - |
| 2020 / 2021 | Reserve Balance | \$ | 5,000,000 |
| 2020 / 2021 | Minimum Target Reserve Shortfall | \$ | - |

* There are no excess funds available to add to the Reserve for Land Acquisitions in Fiscal Year 2020/2021

| | | | |
|--------------------|--------------------------------------|-----------|------------------|
| 2020 / 2021 | RESERVE FOR LAND ACQUISITIONS | \$ | 5,000,000 |
|--------------------|--------------------------------------|-----------|------------------|

Reserve Policy Summary

| | | | | | |
|----|--------------------|-------------------------------------|-----------|----------------------|---|
| ** | 2020 / 2021 | Minimum Reserve Requirement | \$ | 120,346,558 | * |
| ** | 2020 / 2021 | Maximum Reserve Requirement | \$ | 311,490,042 | |
| | 2020 / 2021 | Projected Total Reserves | \$ | 137,898,600 | |
| | 2020 / 2021 | Projected Minimum Reserve Shortfall | \$ | - | |
| | 2020 / 2021 | Projected Maximum Reserve Shortfall | \$ | (173,591,442) | |

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

** Reserve Policy and Reserve Requirements (Resolution No. 1187) Based on established ACWA and AWWA Policy Principles and Guidelines

DRAFT

DESERT WATER AGENCY
WASTEWATER FUND BUDGET
2020 / 2021

**DESERT WATER AGENCY
WASTEWATER FUND
2020-2021 BUDGET WITH PRIOR YEAR COMPARISON**

| | ACTUAL 2018-2019 | ACTUAL TO 3/31/2020 | BUDGET 2019-2020 | OVER OR UNDER | BUDGET 2020-2021 |
|--------------------------------------|---------------------|------------------------|---------------------|--------------------|---------------------|
| <u>OPERATING REVENUES:</u> | | | | | |
| Capacity Charges | \$45,150 | \$38,850 | \$31,500 | \$7,350 | \$21,000 |
| Wastewater Service | \$1,101,344 | \$753,309 | \$1,108,500 | (\$355,191) | \$1,139,400 |
| Plan Check Fees/Inspection/Svc | \$560 | \$4,228 | \$4,200 | \$28 | \$2,800 |
| TOTAL REVENUES | \$1,147,054 | \$796,387 | \$1,144,200 | (\$347,813) | \$1,163,200 |
| <u>OPERATING EXPENSES:</u> | | | | | |
| C.V.W.D. Wastewater Service | \$710,518 | \$484,602 | \$715,200 | (\$230,598) | \$733,200 |
| City of P.S. - Wastewater Service | \$120,704 | \$84,317 | \$126,600 | (\$42,283) | \$132,000 |
| Office Supplies & Expense | \$1,911 | \$200 | \$2,100 | (\$1,900) | \$2,100 |
| Meetings and Seminars | \$0 | \$0 | \$0 | \$0 | \$0 |
| Legal | \$222 | \$74 | \$900 | (\$826) | \$900 |
| Engineering | \$1,140 | \$0 | \$3,900 | (\$3,900) | \$3,000 |
| Auditing | \$2,000 | \$2,635 | \$2,700 | (\$65) | \$2,700 |
| Programming | \$213 | \$1,172 | \$600 | \$572 | \$2,100 |
| Utilities | \$7,601 | \$4,897 | \$7,800 | (\$2,903) | \$7,800 |
| Insurance | \$1,842 | \$3,729 | \$2,400 | \$1,329 | \$3,900 |
| Maintenance of Pumps | \$3,938 | \$641 | \$1,200 | (\$559) | \$1,200 |
| Maintenance of Laterals | \$2,643 | \$691 | \$3,900 | (\$3,210) | \$3,900 |
| Maintenance of Lift Stations | \$34,014 | \$31,941 | \$36,000 | (\$4,059) | \$38,400 |
| Maintenance of Mains | \$165,300 | \$18,217 | \$78,000 | (\$59,783) | \$75,000 |
| Tools & Work Equipment | \$0 | \$0 | \$200 | (\$200) | \$200 |
| Transportation Expense | \$22,475 | \$1,176 | \$9,900 | (\$8,724) | \$11,700 |
| Regulatory Expense | \$0 | \$0 | \$0 | \$0 | \$100,000 |
| Uncollectible Accounts | \$21,369 | \$0 | \$0 | \$0 | \$0 |
| Depreciation | \$563,209 | \$0 | \$568,000 | (\$568,000) | \$568,000 |
| TOTAL OPERATING EXPENSE | \$1,659,099 | \$634,292 | \$1,559,400 | (\$925,108) | \$1,686,100 |
| NET INCOME FROM OPER. | (\$512,045) | \$162,095 | (\$415,200) | \$577,295 | (\$522,900) |
| <u>NON-OPERATING REVENUES</u> | | | | | |
| Interest Short Term | \$36,471 | \$23,466 | \$34,800 | (\$11,334) | \$9,000 |
| Contributed Revenue - Customer | \$16,925 | \$0 | \$0 | \$0 | \$0 |
| Other Income | \$2,397 | \$0 | \$0 | \$0 | \$0 |
| TOTAL NON-OPR. REV. | \$55,793 | \$23,466 | \$34,800 | (\$11,334) | \$9,000 |

**DESERT WATER AGENCY
WASTEWATER FUND
2020-2021 BUDGET WITH PRIOR YEAR COMPARISON**

| | ACTUAL 2018-2019 | ACTUAL TO 3/31/2020 | BUDGET 2019-2020 | OVER OR UNDER | BUDGET 2020-2021 |
|---|---------------------|------------------------|---------------------|------------------|---------------------|
| <u>NON-OPERATING EXPENSES</u> | | | | | |
| Interest - General Fund Loan | \$1,201 | \$0 | \$0 | \$0 | \$0 |
| Sewer Assessment Fees | \$797 | \$796 | \$850 | (\$54) | \$850 |
| Loss on Retirement | \$0 | \$0 | \$0 | \$0 | \$0 |
| Prior Year Expenses | \$0 | \$0 | \$0 | \$0 | \$0 |
| TOTAL NON-OPR. EXP. | \$1,998 | \$796 | \$850 | (\$54) | \$850 |
| TOTAL NET INCOME | (\$458,250) | \$184,765 | (\$381,250) | \$566,015 | (\$514,750) |
| <u>APPLICATION OF COMMIT. FUNDS</u> | | | | | |
| Principal - General Fund Loan | \$24,026 | \$0 | \$0 | \$0 | \$0 |
| Principal - Operating Fund Loan | \$0 | \$0 | \$0 | \$0 | \$0 |
| TOTAL COMM. FUNDS | \$24,026 | \$0 | \$0 | \$0 | \$0 |
| Balance Remaining | (\$482,276) | \$184,765 | (\$381,250) | \$566,015 | (\$514,750) |
| Add Back Depreciation Exp. | \$563,209 | \$0 | \$568,000 | (\$568,000) | \$568,000 |
| Funds Avail. Capital Add. | \$80,933 | \$184,765 | \$186,750 | (\$1,985) | \$53,250 |
| <u>LESS CAPITAL ADDITIONS:</u> | | | | | |
| Lift Station - Generator Enclosure | \$0 | \$0 | \$0 | \$0 | \$0 |
| Date Palm Lift Station Odor Scrubber | \$0 | \$0 | \$16,100 | (\$16,100) | \$0 |
| Contingency | \$0 | \$0 | \$15,000 | (\$15,000) | \$15,000 |
| TOTAL CAPITAL ADDITIONS | \$0 | \$0 | \$31,100 | (\$31,100) | \$15,000 |
| <u>BALANCE</u> | \$80,933 | \$184,765 | \$155,650 | \$29,115 | \$38,250 |
| <u>TOTAL BUDGET</u> | | | \$1,591,350 | | \$1,701,950 |
| <u>ESTIMATED RESERVE FUND BALANCE:</u> | | | | | |
| Estimated Reserve Fund Balance 6/30/20 | | | \$1,495,000 | | |
| 2020-2021 Budget Balance | | | \$38,250 | | |
| Required for 2019/20 Carryover Items | | | (\$91,500) | | |
| Estimated Reserve Fund Balance 6/30/21 | | | \$1,441,750 | | |
| <u>BUDGET AMOUNT SUMMARY:</u> | | | | | |
| Total Operating Expenses | | | \$1,686,100 | | |
| Total Non-operating Expenses | | | \$850 | | |
| Application of Committed Funds | | | \$0 | | |
| Capital Additions | | | \$15,000 | | |
| TOTAL BUDGET: | | | \$1,701,950 | | |

**DESERT WATER AGENCY - WASTEWATER FUND
2020-2021 BUDGET
CAPITAL IMPROVEMENTS**

| W.O. No. | DESCRIPTION | ACCOUNT NO. | ESTIMATED COST |
|---|---------------------|------------------------|---------------------------|
| <u>ROUTINE</u> | | | |
| MISCELLANEOUS | | | |
| 20-499 | Contingency - Other | VARIOUS | \$15,000 |
| TOTAL MISCELLANEOUS | | | \$15,000 |
| TOTAL CAPITAL IMPROVEMENTS 2020-2021 | | | \$15,000 |

May 20, 2020 Annual SWC Membership Meeting And Monthly Board Meeting

- At the annual SWC membership meeting, Robert Cheng from Coachella Valley Water District and Kathy Cortner from Mojave Water Agency were elected by the Class 8 (East Branch) Contractors as their two representatives on the SWC Board of Directors. There was also a lengthy report on SWC accomplishments in Fiscal Year 2019-2020, a copy of which is attached.
- Following conclusion of the SWC annual membership meeting, the SWC Board meeting was convened. Among other action items, the Board took action to accept \$1,689,431 in Proposition 1 grant funds from the California Department of Fish and Wildlife to fund an agreement with Cramer Fish Sciences for the Interior Delta Export Effect Study.
- Precipitation in the SWP watershed increased a bit in May, although total precipitation for the year remained well below average. (See attached graphs.) The day after the Board meeting, on May 21, DWR announced an increase in the allocation from 15% to 20% of State Water Contract Table A Amounts.

STATE WATER CONTRACTORS FY 2019-20 ACCOMPLISHMENTS

BUSINESS PROCESS

Budget - Monitor and promote DWR's development and management of a SWP budget to minimize annual variances and optimize reasonable revenue requirements

- SWC staff worked with contractors to develop the concepts for the Process of Affordability presented to DWR during the July 2019 SWC-DWR Workshop on the SWP Infrastructure and Affordability. SWC staff and contractors continued to work with a small DWR workgroup to develop requested budget reports, regional cost projections and the beginning formulation of a Flux Analysis Reports. Using the Process of Affordability concepts, DWR held the 2020 Financial Management Conference to review the B132-20 budget and cost projections for the 2021 Statement of Charges.

Financial Projections - Monitor and promote DWR's analysis, development and management of SWP's cost trends to maximize operational readiness at an optimal cost level ensuring long-term affordability

- SWC staff continues to develop financial modeling to assist Contractors in decisions regarding Delta Conveyance participation, Delta Conveyance side-agreements and the future SWP energy costs including the implementation of renewable energy.
- SWC staff developed a SWP Carbon Footprint Model to assist contractors in determining the carbon contained in their SWP water supply delivered to their service area.
- SWC staff provided support to contractors in their budget planning processes by calculating estimated charges.

Financial Resources, Revenue Requirements, and Investments - Monitor and assess DWR's State Water Project financial performance with regard to operational goals, budgets, financial targets, and forecasts to maximize use of available revenues and optimize determination of revenue requirement

- SWC staff continues to work with the legal team to draft contract language based on the June 2018 Agreement in Principle concerning Objective 1, Water Management Tools.
- SWC staff provides support to the legal team as they begin the process for resolving the Article 13(b) liability issue between DWR and the contractors.
- SWC staff continues to provide support to the contractors and the technical workgroups as they develop the concepts and principles for a contract amendment for the Delta Conveyance Facilities.

SWRDS Capital Development and Investment in Capital Infrastructure - Monitor and assess DWR's State Water Project capital infrastructure goals, budgets, financial targets, and forecasts to maximize debt financing and investment ensuring stable and level capital revenue requirements

- SWC staff continues to provide materials related to the Financing Plan required under Article 50(g). SWC staff and contractors continued to work with a small DWR workgroup to develop a SWP 20-year capital expenditure plan based on DWR's Asset Management System, the capital financing plan, financing options and addressing financing policy decisions such as the 2035 cost compression issue and delays in the Contract Extension Billing Transition Date.
- SWC staff worked with contractors to develop materials on the Role of a Chief Financial Manager (CFM) to promote discussions between DWR staff and the contractors and to establish an understanding of the contractors' vision, key functions, work plan integration with SWP financial processes and to start the discussions regarding contractors' critical financial concerns.

Business Process Control Activities and Environment - Monitor and promote DWR's internal control directives, activities and environment to minimize financial risk, ensure financial integrity and maintain reporting reliability

- SWC staff worked with the Contractors' SWP Reporting Strategy Workgroup to develop business requirements for a reporting dashboard for the SWP.
- SWC staff continues to work with DWR State Water Project Analysis Office (SWPAO) to implement a comprehensive solution to the Revenue Bond Springing Amendment. SWC staff will continue to work with SWPAO and their consultants to develop analysis and materials to assist Contractors in solution decisions.
- SWC Staff continues to work with DWR State Water Project Analysis Office (SWPAO) to complete the Capital Cost Reconciliation Project for the WSRB Surcharge audit finding including working with contractors to finalize the cost allocation methodology for the East Branch Extension.
- SWC staff continues to work with DWR State Water Project Analysis Office (SWPAO) to develop a comprehensive list of outstanding critical financial projects including criteria for prioritizing list for future development of a financial work plan and balancing of critical personnel resources.
- SWC staff has continued to work with DWR's Protest Resolution staff with a goal to provide closure on protest items, which includes either resolution or determining the necessity of filing a claim against DWR. To date, 223 of the 387 identified items have been resolved and removed from the protest item list. Another 34 are complete pending review by the Contractors. In total, 29 items were resolved in FY 2020.
- SWC staff developed a white paper on the outstanding audit findings and the impact to the SWRDS Financial Statements.
- SWC staff continues to work with the Contractors' auditors. SWC has proposed standardized auditing categories to assist with the Contractors' development of a proposal to DWR addressing the prevention of errors or irregularities, identification of accounting problems, and ensuring that corrective action is taken.

Cash-flow - Monitor and promote DWR's development and management of a SWP cash-flow statement(s) and business process to ensure short-term and long-term SWP cash availability regardless of project purpose

- SWC staff continues to review and monitor DWR's quarterly cash-flow reports.

ENERGY OPERATIONS

Develop SWC Strategic Plan for Energy Supply and Transmission - Build from energy vision document to identify and implement specific actions to address threats and opportunities to SWP operations and economics under Post-2020 Energy Policy

- Arranged the first meeting of the updated Risk Oversight Committee (two new SWC reps and a new SWP Deputy Director) on April 9, 2020 which resulted in the launch of a joint DWR-SWC collaboration to develop a long-term SWP Energy Roadmap. A sub-group of the Energy Committee was formed to oversee the actual development process.

Near-term Risk Management - Align SWP renewable procurement, hedging transactions and transmission management with Objective #1 Strategic Plan

- SWC staff continued to create agendas and lead discussions within the Energy Committee to track the ever-changing energy regulatory requirements and political initiatives to move the state to a cleaner energy portfolio by either utilizing the SWP or subjecting it to new fees/penalties, requirements/mandates.
- SWC staff and consultants worked directly with DWR in the first ever value engineering review of a potential new energy transportation project (San Luis Transmission Project).

Complete FERC Relicensing for SWP - Advance solutions for new license at Oroville complex consistent with Settlement Agreement. Monitor relicensing activities associated with the So Cal facilities

- SWC has monitored SoCal facilities relicensing and is beginning discussions on how to support Oroville license issuance.

INFRASTRUCTURE

SWP Infrastructure Reliability - Work with DWR as they develop/document/implement an asset management system and capital improvement program including assessing vulnerabilities, the required risk mitigation strategies and management policy and objectives. Advocate for appropriate priorities and affordability. Provide open and consistent communication on this objective with member agencies and engage SWP policy representatives when needed/requested.

- SWC staff continued to create agendas and lead discussions within the OME Committee and directly with DWR management/executives to emphasize member agencies' interest in the reliability of SWP infrastructure and track the myriad of on-going projects resulting from condition assessments or forced outages,
- Track and report on progress of DWR's developing asset management program, condition assessments and schedule refurbishments of the SWP's units, electrical appurtenant equipment, and communications & control systems.
- SWC staff monitors and distributes information on the SWP's service factors/performance and participates in weekly updates on SWP operations, outages, incidents that could affect the daily and/or long-term deliveries throughout the year.
- Using Board reports/presentations, white papers, and Committee meeting handouts and notes, SWC staff provided regular consolidated updates on major issues and projects that pertain to the SWP's continue reliability.

SWP Capacity Retention - Work with DWR in determining impacts to both delivery capacity and storage within SWP reservoirs due to such items as subsidence in the San Joaquin Valley, machine outages, regulatory requirements, weeds/debris, and water quality. Advocate for projects, repairs, procedures, studies to assure that capacity is restored or preserved to assure long-term operational capacity that meets realistic needs under the current demands and export restrictions. Provide open and consistent communication on this objective with member agencies and engage SWP policy representatives when needed/requested

- SWC staff continued to create agendas, lead discussions, and represent the interest of member agencies within the OME Committee and directly with DWR management/executives to emphasize the importance of maintaining the capacity of the SWP.
- SWC staff have performed extensive coordination with DWR and members related to subsidence of the California Aqueduct which is the single largest/most expensive long-term capacity threat to the SWP. SWC staff represent member agencies' interest in DWR's value planning study workshop on the rehabilitation of the damaged check 17 gate structure due to subsidence
- SWC routinely tracks short-term capacity issues related to weeds, water quality, incidents/damage to the SWP delivery infrastructure.
- SWC represents the member agencies in DWR's annual maintenance planning workshop.
- SWC staff have elevated focus and coordination on the specific capacity retention concerns presented by the SBA Contractors.
- Using Board reports/presentations, white papers, and Committee meeting handouts and notes, SWC staff provided regular consolidated updates on major issues and projects that pertain to SWP's capacity threats and solutions.

SWP Infrastructure Safety — Work with DWR and member agencies on studies to assess the seismic vulnerability of the SWP and begin planning/preparing for realistic response and recovery. Work with DWR on the newly expanded focus and regulatory requirements on dam safety to assure timely remediation. Provide open and consistent communication on this objective with member agencies and engage SWP policy representatives when needed/requested

- SWC staff continued to create agendas, lead discussions and represent the interest of member agencies within the OME Committee and directly with DWR management/executives to track projects, policy and expenditures related to physical/cyber security of the SWP and infrastructure safety as it relates to the public and DWR employees.
- As a result of the heightened focus on dam safety following the Oroville spillway incident, the SWC expanded the coverage of the OME Committee by added a separate Dam Safety workgroup as a forum with DWR for the SWC and member agencies to obtain more in-depth updates on DWR's expanding dam safety program and specific details on the recently elevated inspections/evaluation, engineering assessments, and modernizations of all SWP dams.
- SWC staff represent the member agencies on important forums such as the Oroville comprehensive needs assessment effort, value engineering studies, and consultant review board meetings with USBR and DWR related to the Sisk Dam seismic remediation modification.
- SWC staff tracks the development/execution of the extensive SWP Fire Modernization/life safety improvement program which resulted from the Thermalito plant fire.
- SWC keeps members and the Board apprised of these items with bimonthly SWC Board summaries provided on OME Committee activity, detailed Committee meeting notes, and issue specific policy discussions/policy briefing papers when necessary.

SWP Infrastructure Affordability - Work with DWR, member agencies, and SWC staff on the affordability process development as well as the annual B-132 budget development to assure proper alignment with the aforementioned objectives. Track and report changes to established budgets of the Divisions of O&M and Engineering to explain/control expenditure increases that eventually effect the Statement of Charges. Provide open and consistent communication on this objective with member agencies and engage SWP policy representatives when needed/requested.

- SWC staff continued to create agendas, lead discussions and represent the interest of member agencies within the OME Committee and directly with DWR management/executives to emphasize the importance of SWP infrastructure affordability. This was approached by performing routine annual reviews of the budgets and prioritization of all O&M extraordinary and capital SWP-related projects; the bimonthly review/discussion on the individual project charters, which includes cost magnitude, changes, cause and effects of changes in scope/timeline, cost categorization, and CVP-cost sharing where applicable); quarterly reviews of O&M and Engineering Division plan vs. actual budget tracking; and review of DWR's budget changes proposals.
- SWC staff engaged with DWR on their affordability workshop and in discussions to address the finance compression issue cause by the lack of a contract extension.
- In addition to cost monitoring/control efforts, SWC staff continued to work closely with DWR and SWC member agencies to seek opportunities to obtain funding to help legitimately offset/compensate SWP expenses. Examples include the Oroville spillway response/recovery, future subsidence remediation expenses, and Sisk Dam seismic stability.
- SWC keeps members and the Board apprised of these items with bimonthly SWC Board summaries provided on OME Committee activity, detailed Committee meeting notes, and issue specific policy discussions/policy briefing papers when necessary.

SCIENCE

OCAP and Regulatory Compliance - Collaborate with DWR to improve Delta Compliance Committee to facilitate planning and implementation of required habitat and other non-operational RPAs under OCAP Biological Opinions

- SWC and Member Agency staff reengaged the Delta Compliance Committee (now known as the Environmental Coordination Committee, or ECC).
- Staff held monthly Bay Delta Work Group meetings.
- Staff attended meetings with DWR to discuss projects and costs and attended the annual Financial Conference.

Collaborative Adaptive Management Team - Participate in Collaborative Adaptive Management Team through membership on CAMT, identification and formulation of study projects and involvement in work efforts of scoping teams; define and fund key scientific investments in collaboration.

- Staff participated in preparatory meetings for CAMT and the CSAMP Policy Group, and briefed Policy Group members on agendas.
- Staff attended CAMT and CSAMP Policy Group meetings.
- Funded efforts totaling \$137,000:
 - facilitation and science support of CAMT and CSAMP Policy Group meetings at a cost of \$126,000; and
 - support for a fisheries biologist Phase II of the Delta Smelt SDM study by Compass at a cost of \$50,000.

Municipal Water Quality Investigations Team - Participate in Municipal Water Quality Investigations Team meetings and define area of alignment with SWC Science Program objectives; identify potential scientific investments to fund that help achieve SWC Science Program objectives for non-operational stressor reduction while enhancing efforts to provide safe municipal water supply.

- Executed agreements transferring the MWQI program from SWPCA to the SWC, and for MWQI facilitation and technical support.
- Staff coordinated with MWQI on science projects and monitoring, and oversaw all administrative functions of the consultant contracts.
- Staff attended the MWQI annual meeting.

Entrainment Effects - Define and fund key scientific investments in factors that lead to entrainment and entrainment effects that will improve management of ESA fish species; routing probabilities of fish into South Delta and SWP/CVP facilities, fish detection and identification; and non-operational stressor reduction.

- Evaluated the manuscripts by RMA, Ecometric, and ICF on factors affecting Delta Smelt entrainment (through CAMT). These studies have resulted in discussions at CAMT about moving away from entrainment as a priority for Delta Smelt studies.

Non-operational stressor reduction - Identify areas of scientific investigation on non-operational stressors, identify gaps in understanding and define needs for the SWC Science Program, and fund studies to reduce uncertainties related to SWC needs.

- Funded studies totaling \$434,000:
 - Co-funded with MWD spring toxicity testing as a comparison to Fall Outflow monitoring at a cost of \$173,000;
 - Funded Operation Baseline phytoplankton studies at a cost of \$261,000.
-

Management tools - Identify and fund development of tools to investigate effects of management actions (such as operations or habitat restoration) on population dynamics (e.g. Winter-Run Life Cycle Model, adaptive management processes).

- Funded studies totaling \$1,388,430:
 - Co-funded with MWD the development of the Constituent Tracker to track the Delta turbidity field at a cost of \$132,000;
 - Funded Phase II of the Probabilistic Length at Date analysis at a cost of \$225,000;
 - Funded Fremont Weir Design studies at a cost of \$688,770;
 - Funded Winter-run Chinook Salmon habitat mapping at a cost of \$20,718;
 - Funded publication of the Salmon Entrainment Model (aka Shiny App) at a cost of \$16,500; and
 - Funded Longfin Smelt modeling at a cost of \$305,442.
-

Habitat - Investigate benefits of habitat restoration to fish populations and implement studies on potential habitat restoration projects to support California EcoRestore and other restoration efforts.

- Funded studies totaling \$228,000:
 - Funded support for habitat permitting for the Biological Opinions at a cost of \$100,000; and
 - Co-funded with MWD a second year of Longfin Smelt coastal tributary monitoring at a cost of \$128,000.
-

Outflow - Identify and promote effective monitoring and synthesis of ecosystem responses to outflow.

- Funded additional tracking and analysis of the Winter-run Chinook Salmon life cycle model at a cost of \$31,550.
-

Science Development - Support and identify collaborative scientific efforts for the protection and management of ESA species and enhancement of ecosystem habitats including supporting scientific studies, attending meetings, conducting workshops, pursuing grant funding opportunities, etc.

- Hosted the first SWC science symposium on Longfin Smelt science.
- Discussed funding priorities with Member Agency staff. Identified how science program objectives interface with funding priorities.
- Developed templates used for contracting. These include templates for proposals, quarterly reports, invoices, and project fact sheets.
- Held ongoing meetings of SWC science communications group, and a broader PWA science communications group. Hosted science brown bags on topics of interest for Member Agency staff.
- Worked with staff from Fiona Hutton & Associates to communicate science funding and findings.
- Funded studies totaling \$506,811:
 - Funded facilitation of environmental permitting at a cost of \$9,000;

- Funded the Longfin Smelt and Delta Outflow Symposiums at a cost of \$35,000;
- Funded an external review for IEP monitoring surveys at a cost of \$18,000;
- Funded two Sea Grant Delta Science Fellows at a cost of \$384,811; and
- Funded tracking and evaluation of science proposals and the Delta Smelt life cycle model at a cost of \$10,000.

SWC MANAGEMENT

Accounting - Oversee all financial and accounting operations. Establish financial policies, procedures, controls and reporting systems to ensure accuracy and integrity of financial data.

- Maintained internal financial records and provided regular reports to management and the Board of Directors.
- Prepared draft investment policy to establish guidelines for investment options and monitoring and evaluating investment performance.

Budgeting - Develop and manage the annual budget to maintain affordability and ensure SWC is able to respond to organizational threats, as needed.

- Worked with the SWC Budget Committee to develop the annual budget.
- Prepared historical legal expenditure analyses and provided legal cost projections.
- Provided regular expenditure reports to management and the Board of Directors.
- Ensured prudent use of the approved budget.

Contract Management - Works with researchers and outside consultants to draft research/consultant agreements that comply with SWC contracting terms and budgeting guidelines. Ensure timely receipt of project deliverables

- During the 2019/20 fiscal year, SWC issued over 40 contracts to research institutes, consultants, and other entities. In addition, during this fiscal year SWC was awarded two Prop 1 agreements: One agreement is under the Delta Stewardship Council and involves work being guided by Anchor QEA to Evaluate Juvenile Salmonid Behavioral Responses to Hydrodynamic Conditions in the Sacramento-San Joaquin Delta; and the second agreement is with the California Department of Fish and Wildlife and involves work being undertaken by ICF, USGS, and UC Berkeley to evaluate the influence of tidal marsh restoration on energy flow and prey availability for native fishes. Both agreements span a 3-year period and will require SWC to provide quarterly reporting and invoicing to the sponsors (DSC and CDFW).
- As part of the contract management process, during the 2019/20 fiscal year, SWC executed cost sharing agreements with various SWC member agencies to assist in funding research projects in the Delta.

Human Resources - Ensure policies and procedures are in compliance with existing laws and regulations and maintain all human resources records. Acts as staff Benefit Officer.

- Maintained employee personnel files and managed medical benefits, retirement benefits and deferred compensation programs.
- Investigated health retirement investment accounts for the retiree medical reimbursement program.
- Ensured compliance with applicable federal and California laws.

Information Technology - Ensure the ongoing reliability and security for SWC's IT infrastructure to safeguard data assets.

- During FY2019/20, SWC's IT infrastructure was upgraded. Over a period of a couple of weeks, the new server was brought online, SWC Staff were migrated from an email exchange environment to a cloud environment, accounting software was updated and reinstalled on the required systems, new spam filters were installed, cloud back up services were upgraded, 2-step authentication for SWC staff was implemented, and printers were reinstalled. All of this was completed with minimal loss of staff productivity.
- SWC's IT infrastructure continues to be stable and secure. The daily backups are safely stored in the cloud and are easily accessible if data needs to be restored.

WATER SUPPLY

California WaterFix - Support JPAs with implementation activities, monitor permitting activities including SWRCB Change Petition and DSC consistency determination, and engage on various lawsuits

- In May 2019, the State withdrew their CWF applications, permits, EIR and other associated documents, but SWC staff remained supportive of activities associated with a single-tunnel project (Delta Conveyance Facility; DCF). SWC staff assisted with the development and operations of the 2 DCF JPAs; supported negotiations to develop an Agreement in Principle (AIP) outlining the allocation of costs and benefits related to construction and operation of a Delta Conveyance Facility; and participated in planning activities associated with CEQA and other environmental permits.

Water Management Contract Amendment - Coordinate SWP Contractors involvement in Contract Amendment discussions on California WaterFix Cost Allocation and Water Management Activities

- SWC staff have been working with DWR to complete CEQA and contract language for the WMT contract amendment, which should be done by the end of the fiscal year.

Long-term Operations Reconsultation - Participate in the CVP/SWP Long-term Operations reconsultation process for development of near-term project operations and associated biological opinions and CESA permits

- SWC and member agency staff engaged in the federal Biological Opinion Reconsultation efforts to support development and implementation of the 2020 BiOps.
- SWC successfully intervened in litigation challenging the 2019 FWS and NMFS BiOps and have been participating in various hearings to protect SWC issues.
- Until December 2019, SWC and member agency staff worked with DWR and DFW on the development of the California Endangered Species Act (CESA) Incidental Take Permit (ITP) project description and analysis.
- CDFW issued an ITP on March 31, 2020. SWC filed a lawsuit against DWR and CDFW challenging the ITP in order to protect SWC interests.

State Water Resources Control Board Activities - Present testimony and participate in hearings on updating the Bay-Delta Water Quality Control Plan and related activities; and participate in Voluntary Agreement development and discussions

- SWC continued to collaborate with DWR, Reclamation, and other water users to develop a proposed Voluntary Agreement outlining flow and habitat actions for use by the State Water Resource Control Board in the water Quality Control Plan update.

- SWC continued to lead water user efforts to define the actions and develop a project description for the Voluntary Agreements, including work on the governance workgroup and in the policy workgroup.

Delta Plan - Coordinate with DSC staff and board to ensure revisions to the Delta Plan are consistent with SWC planning and operations

- SWC staff and representatives provided comments on the project description for the ecosystem amendment for Chapter 4 of the Delta Plan and have continued to work with the Delta Stewardship Council to develop an appropriate Reduced Reliance compliance approach.

Facilitate Water Transfers - Work with DWR and potential sellers in the Sacramento Valley to implement dry year transfers when conditions warrant. Work with DWR to improve flexibility of Table A water transfers

- SWC staff worked with member agencies and DWR to develop a 2020 dry-year transfer program. The final agreements are still under development.

Water Supply and Operations Improvements - Identify and implement Delta and/or upstream operations strategies to minimize reductions to near term exports and increase water supply reliability using existing facilities or with additional features (e.g., winter turbidity management). Identify water supply operations and actions to address existing and potential regulatory obligations (e.g., potential WIIN Act operational actions, upstream water supply augmentation).

- SWC staff engaged with DWR, Reclamation, and the fishery agencies to plan and implement a potential modification to the Fall X2 action in 2019, which is not implemented.
- SWC increased efforts to forecast San Joaquin River operations and hydrology to better inform SWP operations.

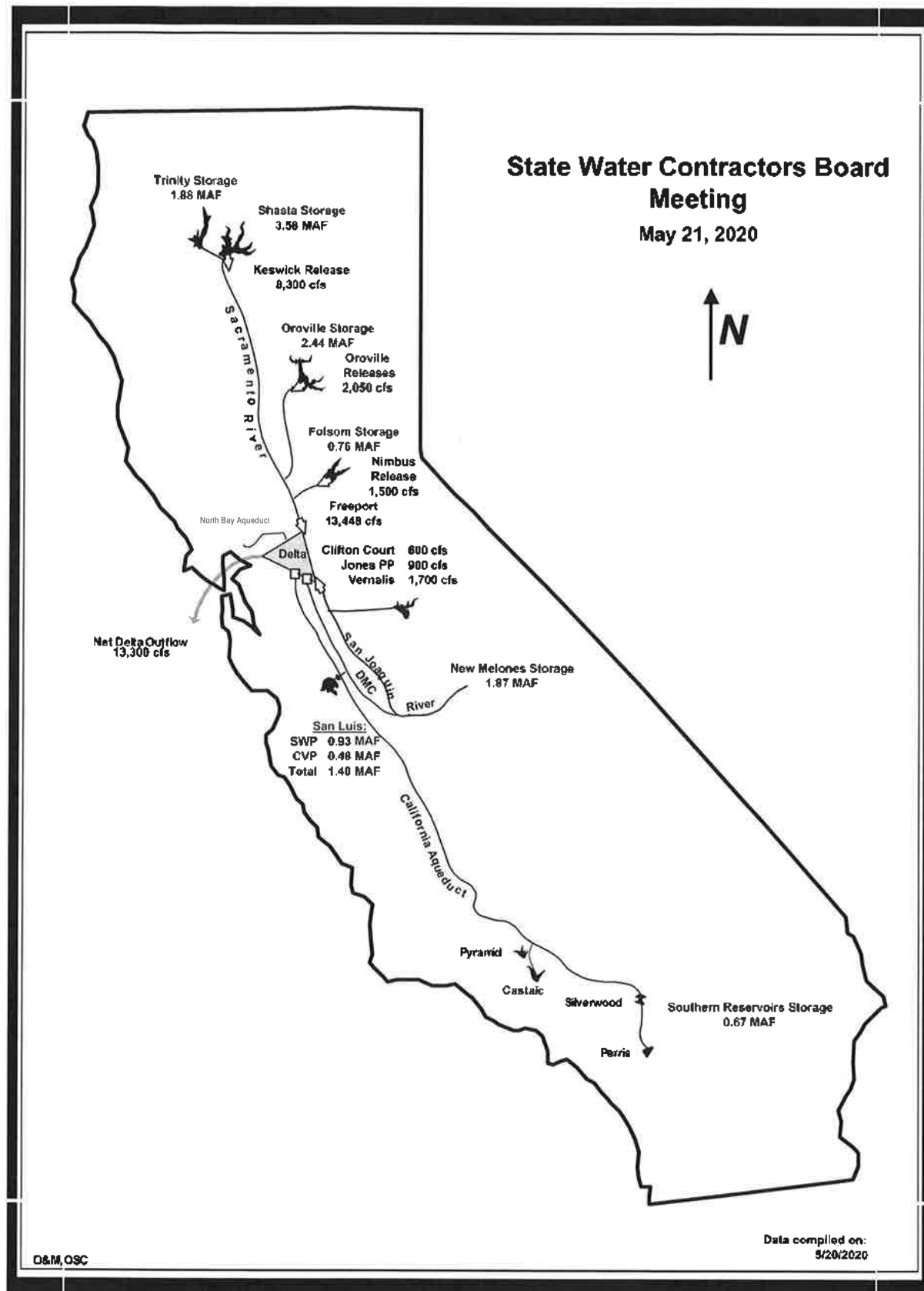
Water Operations Evaluation - Facilitate discussion and information exchange between SWC members and DWR on current and forecasted SWP water supply operations, included water supply allocations and Oroville and San Luis Reservoir operations. Promote integrated decision making with DWR on issues affecting near-term and long-term SWP water supply operations. Develop documentation for ongoing Delta water supply operations including supply changes from regulatory actions. Develop analysis tool to evaluate SWP water supply and predict water supply allocations during the runoff season

- SWC staff developed and provided monthly presentations on current and projected SWP water operations. The presentations included estimates of water losses due to implementation of the OCAP Biological Opinions and estimates of potential water supply with implementation of a Delta Conveyance Facility
- SWC coordinated with member agency staff and DWR to provide a Fall Water Operations Workshop for DWR and member agency staff.
- SWC developed an operations dashboard report for use by member agencies to review weekly updates on SWP water supply operations

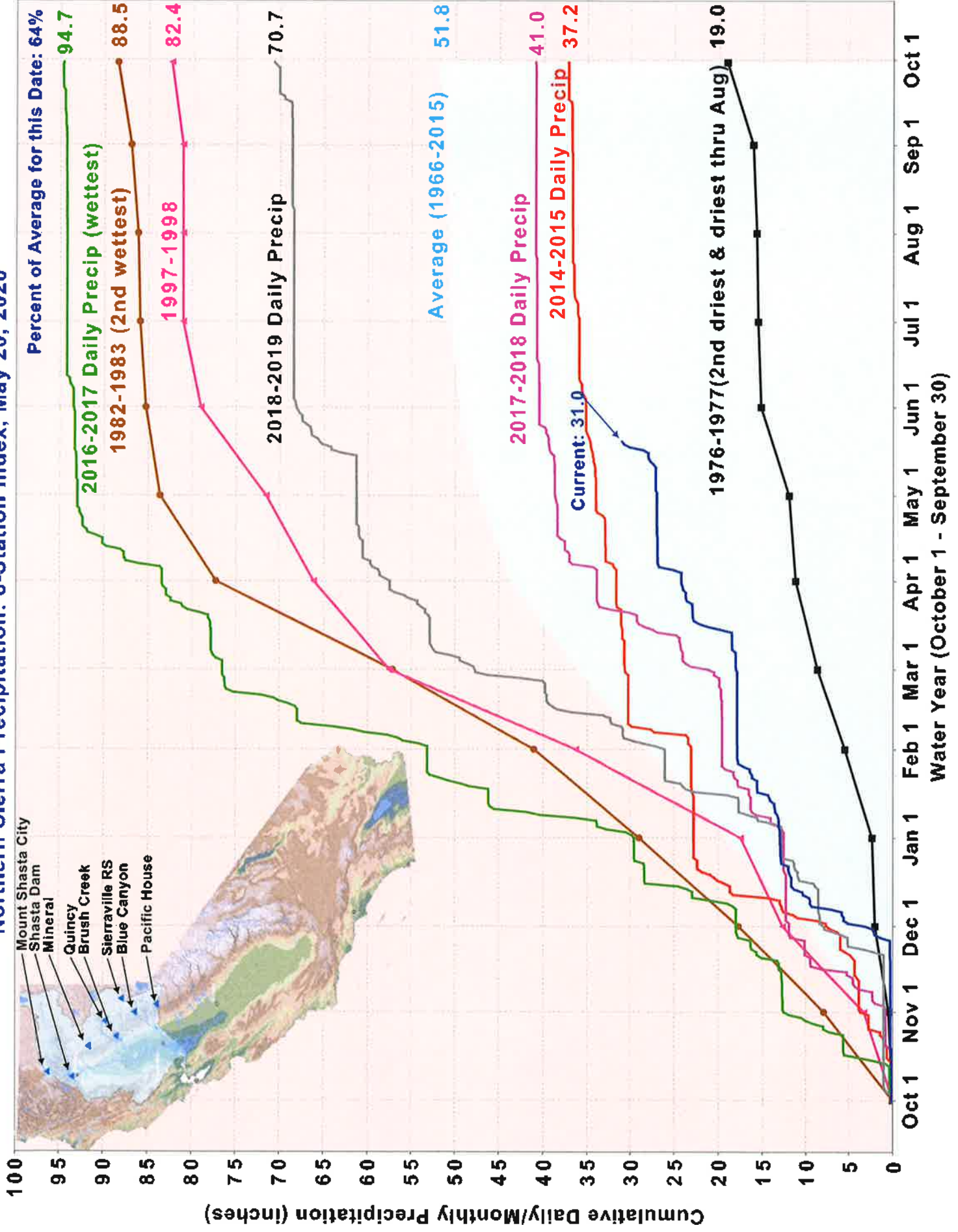
Wastewater Discharge and Water Quality Issues - Participate in development and review of discharge standards for Delta Watershed dischargers. Participate in processes related to methylmercury regulations affecting the SWP.

- SWC, in coordination with several other water users, agreed to an extension of the agreement to operate Stockton Deepwater Ship Channel Oxygen Aeration Facility. This facility has proven

successful in increasing dissolved oxygen levels in the Stockton Deepwater Ship Channel, improving water quality and fisheries conditions, consistent with the Regional Water Quality Control Board Total Daily Maximum Load (TMDL) requirements.

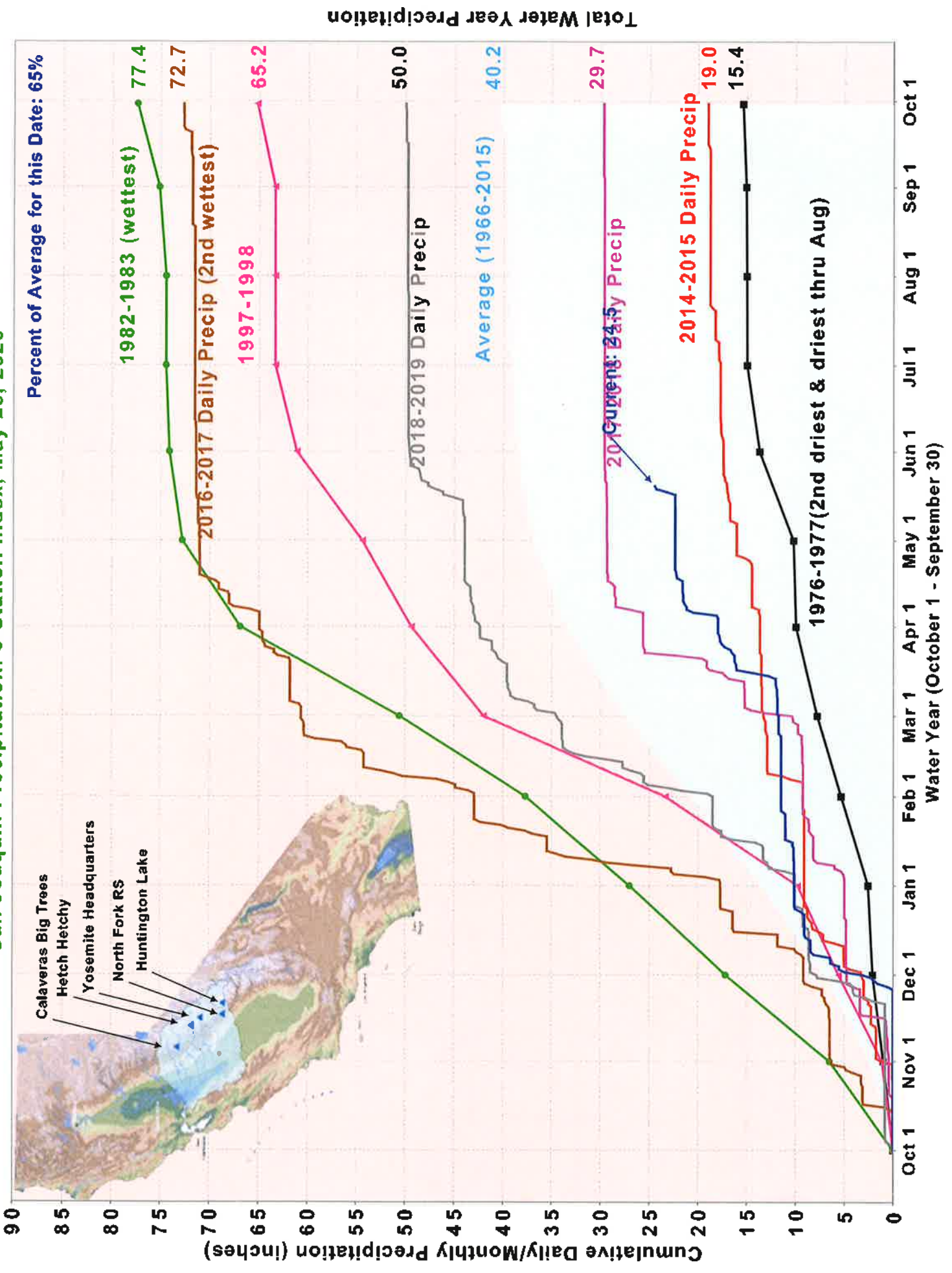


Northern Sierra Precipitation: 8-Station Index, May 20, 2020

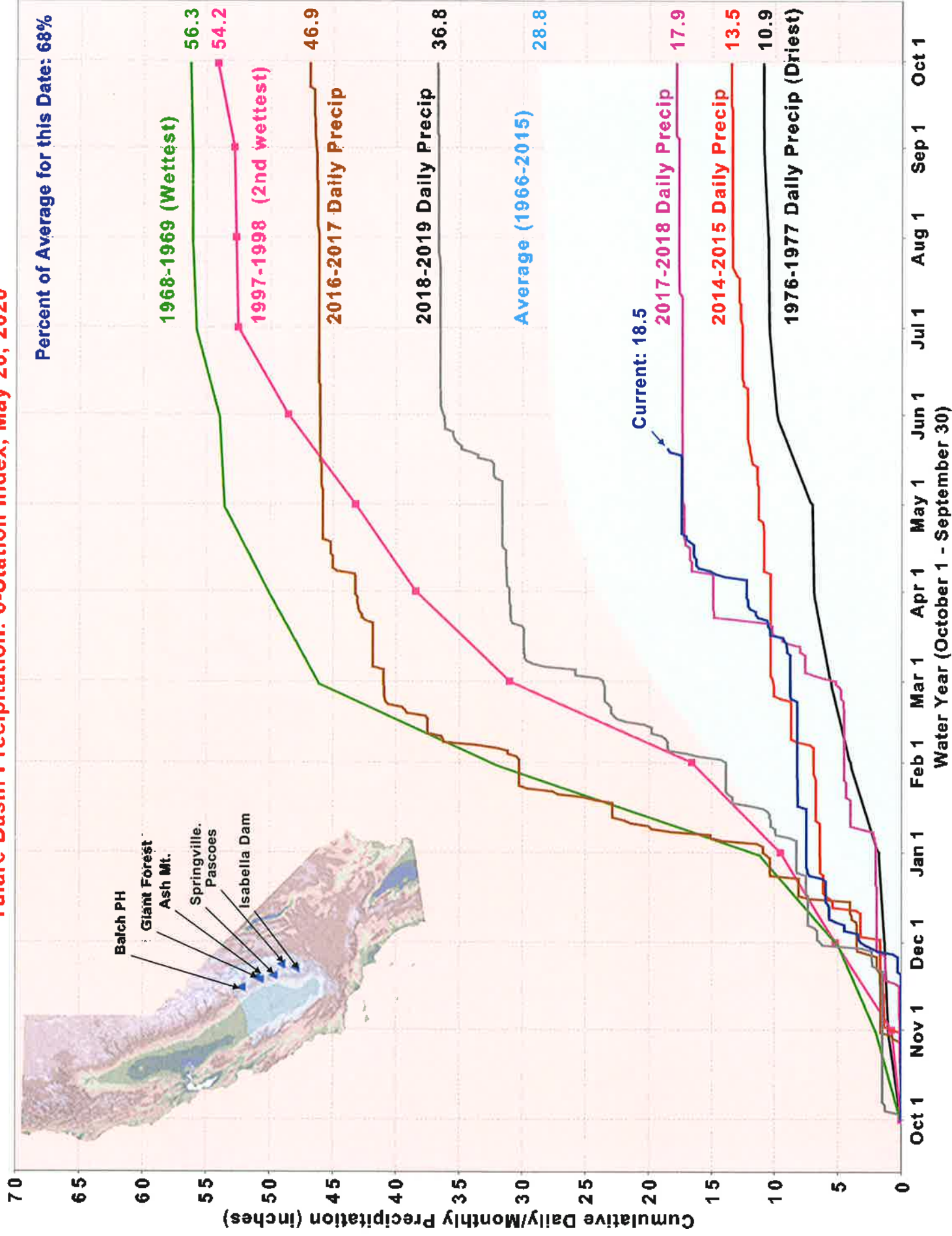


Total Water Year Precipitation

San Joaquin Precipitation: 5-Station Index, May 20, 2020

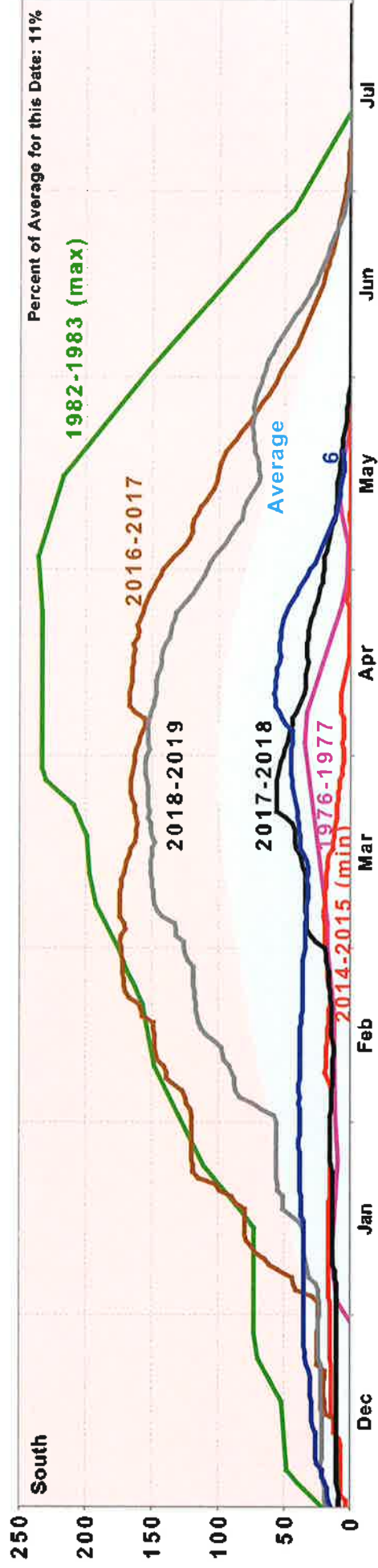
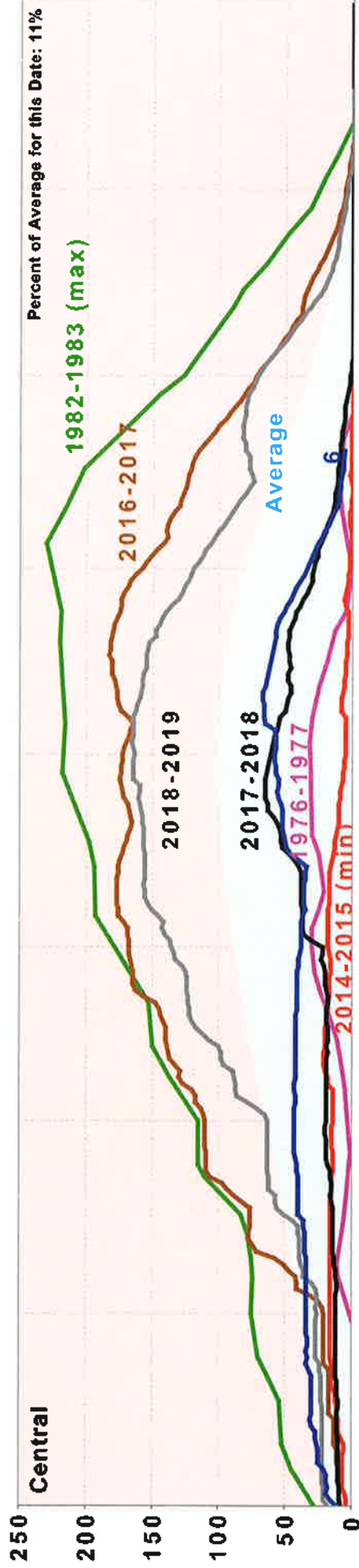
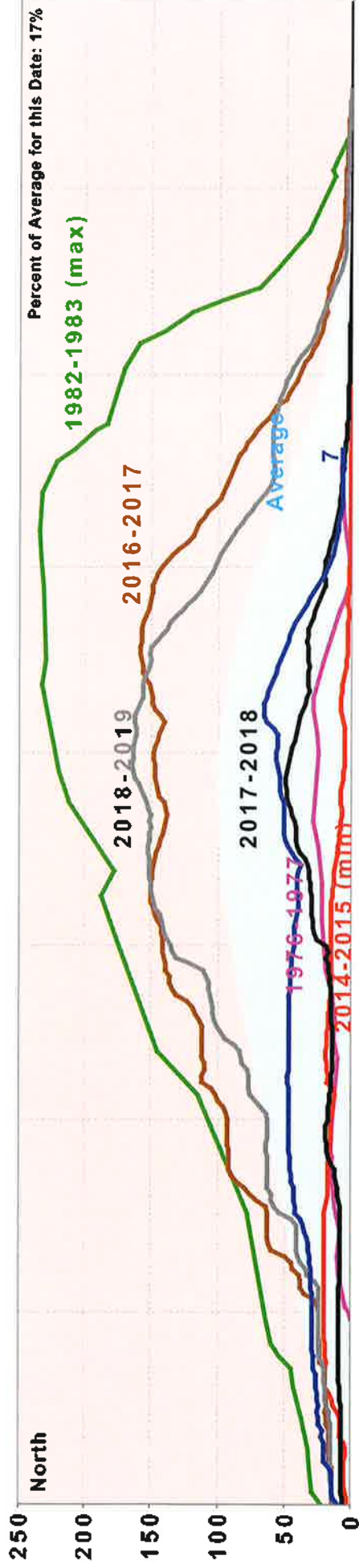


Tulare Basin Precipitation: 6-Station Index, May 20, 2020



Total Water Year Precipitation

California Snow Water Content, May 20, 2020, Percent of April 1 Average



Statewide Percent of April 1: 6%

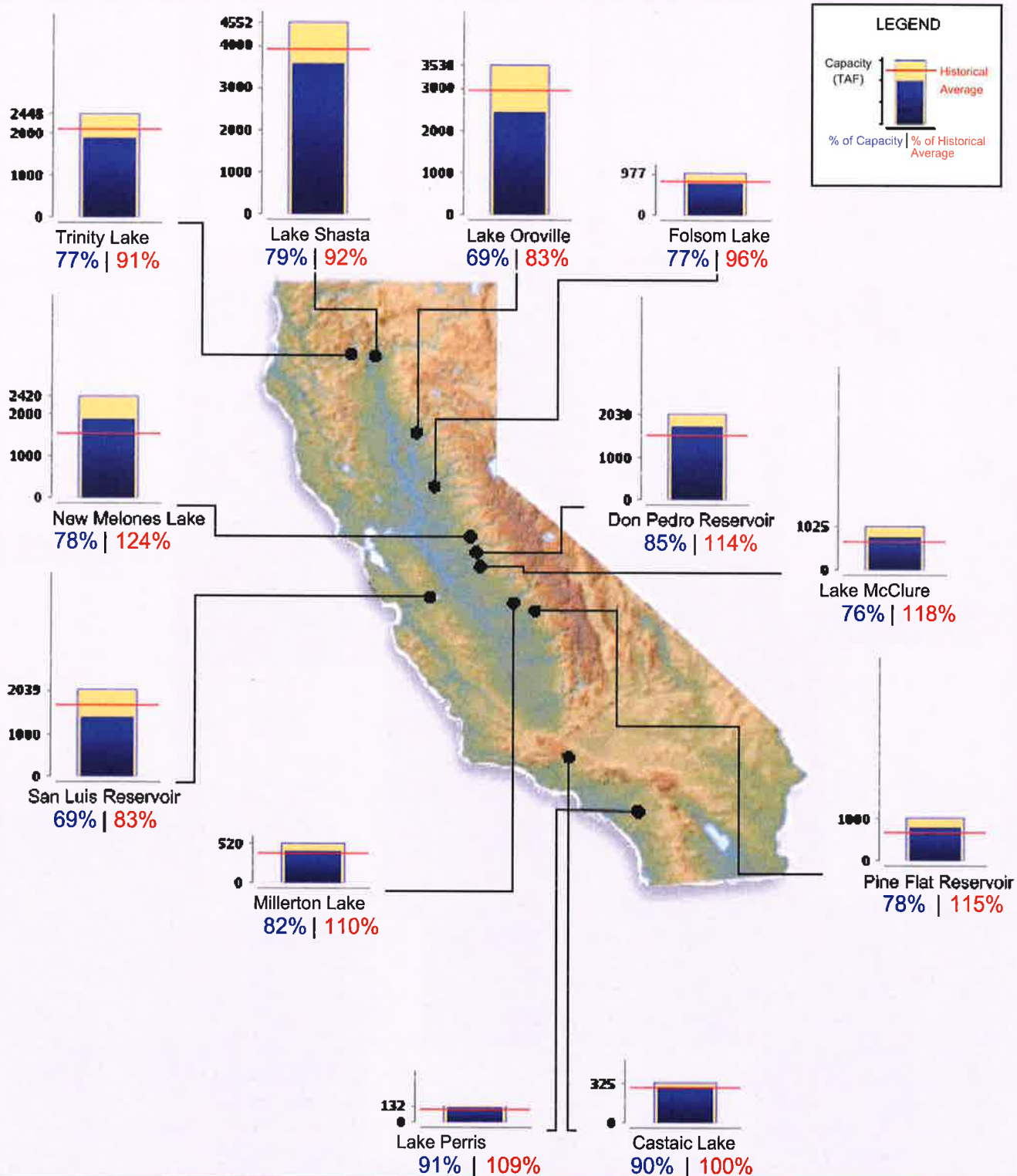
Statewide Percent of Average for Date: 12%



Reservoir Conditions

Ending At Midnight - May 19, 2020

CURRENT RESERVOIR CONDITIONS



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

JUNE 2, 2020

RE: BLAZE CAST MASS NOTIFICATION SYSTEM UPDATE

Blaze Cast is a Mass Notification System used to simultaneously transmit messages to multiple recipients on several media platforms, to include computer screens, text messages, voice mail, and email. The system can also activate programmed audio and visual aids, such as strobe lights, speakers, microphones, and sirens to respond to specific criteria. Blaze Cast is used by organizations such as educational institutions, school districts, airports, sporting arenas, police, fire and safety departments, city, county, state and federal offices of emergency services. In 2017, management decided to add this system at the Operation Center as an additional layer of security for agency staff.

The system broadcast and alarm system can be activated by any desktop telephone at the Operation Center, with 8 separate zones:

1. Lobby
2. Management Hallway
3. Employee Entrance Engineering
4. Operations
5. Construction Hallway
6. Warehouse 2
7. Reclamation Plant
8. Snow Creek

Blaze Cast is programmed to recognize telephone extension numbers within each zone. When the system is activated by a 9-1-1 call or by a predetermined Active Attack number combination, a specific message will be broadcast across programmed computer screens, text messages, email, and voice mail. In the case of an Active Attack trigger, over 80 strategically placed amber LED strobe lights throughout the Operation Center will be activated, along with the specific messaging.

The system was approved as part of the 2017/2018 capital improvement budget, and in April 2019, the Agency entered into a contract with Frontier Communications to install the Blaze Cast system. The project required an upgrade in the Agency's network, phone system, fiber optic communication lines, and also required new hardware and server software to support the need for redundancy in our communications infrastructure. All of these important upgrades have been completed and the system is in its final stages of programming. Staff is currently programming Blaze Cast with the appropriate contact information to be able to broadcast messages to the appropriate recipients. At this time, staff has not included the Board as part of the participating recipients and would like

feedback from the Board on being added to the list. Staff anticipates completing programming by the end of June 2020. Once completed, training for all participants will be implemented. The project's progress and completion has been a cooperative effort between Frontier Communications, Mitel Networks Communications, and with the Agency's I.S. and Facilities & Safety Departments and Management.

DESERT WATER AGENCY
OUTREACH & CONSERVATION
ACTIVITIES

MAY 2020

Activities:

- 5/05 Ashley Metzger participated in an online Palm Springs Town Hall meeting.
- 5/05 Ashley Metzger read “Hey, Water!” for United Way’s Bedtime Story series.
- 5/06 Ashley Metzger was interviewed by Gene Nichols of Alpha Media radio (aired May 7th & 10th)
- 5/06 Vicki Petek performed a turf removal inspection.
- 5/07 Ashley Metzger presented for an NWRRA webinar on Internal Communications.
- 5/13 Mark Krause read “Why Water’s Worth It” in United Way’s Bedtime Story series.
- 5/13 Ashley Metzger performed three turf removal inspections.
- 5/14 Ashley Metzger participated in a webinar on Working and Managing Remotely.
- 5/14 Ashley Metzger participated in an NWRRA webinar on Protecting Employees During COVID-19.
- 5/14 Ashley Metzger participated remotely in a Mission Springs Water District board meeting.
- 5/15 Ashley Metzger performed two turf removal inspections.
- 5/19 Ashley Metzger and Xochitl Peña participated in a phone conference with CV Water Counts.
- 5/19 Kris Hopping read “The Wonderful World of Water” in United Way’s Bedtime Story series.
- 5/20 DWA released Water Delivery Tour video.
- 5/20 Vicki Petek performed a turf removal inspection.
- 5/22 DWA hosted a virtual webinar: Veggies, shrubs, and artificial turf, oh my!
- 5/22 Vicki Petek performed a turf removal inspection.
- 5/26 Ashley Metzger read “Water” by Frank Asch in United Way’s Bedtime Story series.
- 5/27 Ashley Metzger performed a turf removal inspection.
- 5/28 Ashley Metzger performed a turf removal inspection.

Public Information Releases/eBlasts/Customer Notifications:

May 6: Customer relief extended through mid-July - Website

May 8: Businesses Urged to Flush Stagnant Water Upon Reopening - Website

May 14: Sunrise Villas – 5/22 construction – Nextdoor

May 15-16: Webinar: Veggies, shrubs & artificial turf, oh my! – Website, Email Blast

Upcoming Events

Outreach & Conservation is planning DWA's next webinar on water quality.

Conservation programs

10 turf removal inspections

3 turf removal projects pre-approved

2 turf removal projects given final approval

13 washing machines requested

11 washing machines approved

7 smart controllers requested

9 smart controllers approved

37 nozzles requested

39 nozzles approved

0 toilets requested (commercial only)

0 toilet rebates approved (commercial only)

0 toilets requested (commercial only)

0 toilet rebates approved (commercial only)

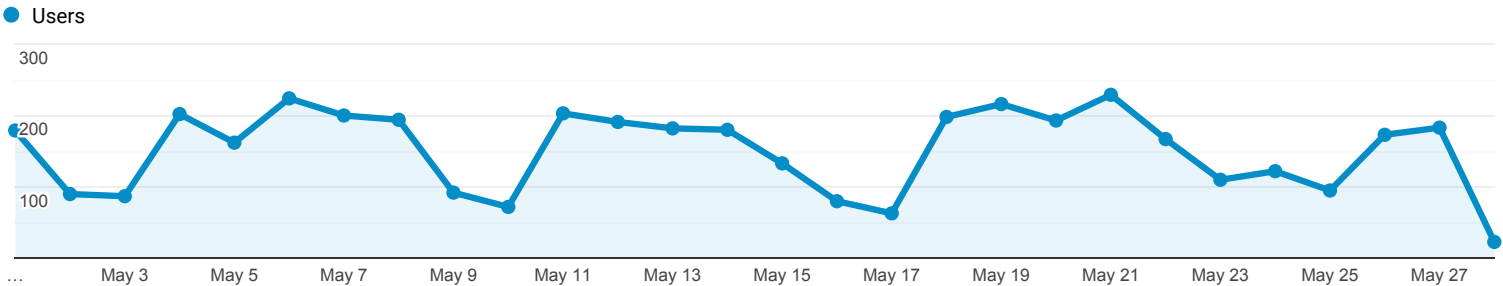


Audience Overview

All Users
100.00% Users

May 1, 2020 - May 28, 2020

Overview



Users

3,697

New Users

3,160

Sessions

4,556

Number of Sessions per User

1.23

Pageviews

10,622

Pages / Session

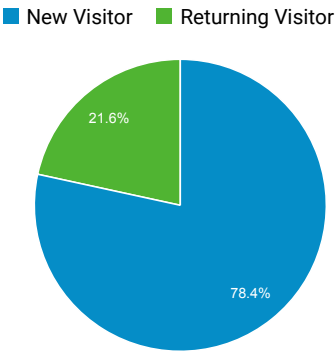
2.33

Avg. Session Duration

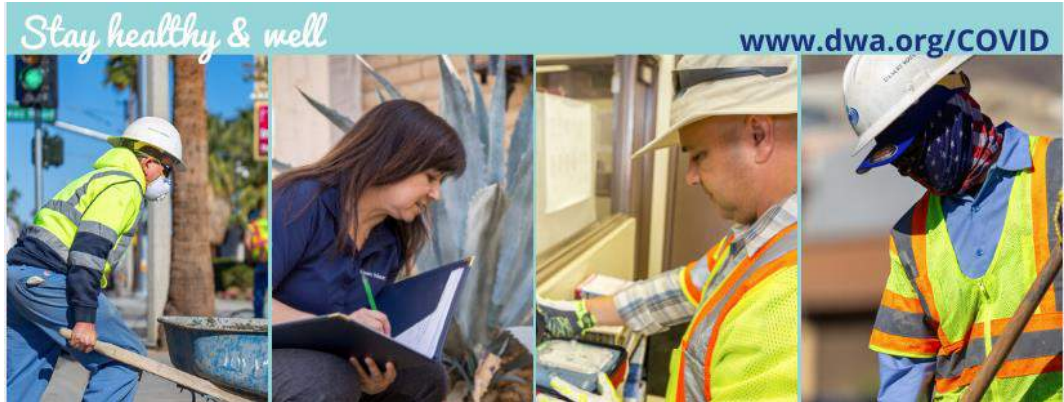
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Bounce Rate

42.34%



| Language | | Users | % Users |
|----------|--------|-------|---------|
| 1. | en-us | 2,949 | 79.53% |
| 2. | en | 614 | 16.56% |
| 3. | en-gb | 32 | 0.86% |
| 4. | en-ca | 26 | 0.70% |
| 5. | es-419 | 16 | 0.43% |
| 6. | es-us | 9 | 0.24% |
| 7. | zh-cn | 9 | 0.24% |
| 8. | es-xl | 8 | 0.22% |
| 9. | es-es | 5 | 0.13% |
| 10. | de-de | 3 | 0.08% |



Actions on Page

April 30 - May 27



We have insufficient data to show for the selected time period.

Page Views

April 30 - May 27

278

Total Page Views ▼18%



Page Previews

April 30 - May 27

16

Page Previews ▲129%



Page Likes

April 30 - May 27

12

Page Likes ▲100%



Post Reach

April 30 - May 27

11,975

People Reached ▲178%



Story Reach

April 30 - May 27

Get Story Insights

See stats on how your Page's recent stories have performed.

[Learn More](#)

Recommendations

April 30 - May 27



We have insufficient data to show for the selected time period.

Post Engagement

April 30 - May 27

1,537

Post Engagement ▲164%



Videos

April 30 - May 27

7,056

3-Second Video Views ▲1700%



Page Followers

April 30 - May 27

15

Page Followers ▲150%



Orders

April 30 - May 27





0

Number of Orders ▲0%

0

Earnings from Orders ▲0%

Facebook Analytics, May 2020

| Published | Post | Type | Targeting | Reach | Engagement | Promote |
|------------------------|--|---|---|-------|------------|--------------------------------|
| 05/28/2020 9:10 AM |  It's heating up out there. Don't forget to stay hydrated and drink |  |  | 0 | 0 | Boost Post |
| 05/26/2020 7:26 PM |  We're diving into "Water" by Frank Asch for United Way of the |  |  | 258 | 26 17 | Boost Post |
| 05/26/2020 1:30 PM |  Check out our Facebook page at 7:30 p.m. tonight for a live |  |  | 129 | 4 13 | Boost Post |
| 05/25/2020 9:10 PM |  Let's not forget all those who gave their lives for our country. |  |  | 83 | 2 5 | Boost Post |
| 05/23/2020 9:07 AM |  With temperatures rising it may be tempting to cool off in a |  |  | 113 | 4 6 | Boost Post |
| 05/22/2020 3:00 PM |  Congratulations to the local students graduating in 2020. |  |  | 68 | 3 4 | Boost Post |
| 05/22/2020 1:52 PM |  Earlier today we hosted a webinar on vegetable |  |  | 100 | 5 6 | Boost Post |
| 05/21/2020 10:01 AM |  Don't forget – TOMORROW at 10:30 a.m. is our webinar on |  |  | 71 | 7 5 | Boost Post |
| 05/20/2020 11:44 AM |  Feeling cooped up? Take a virtual tour of water delivery from |  |  | 7K | 524 125 | View Promotion |
| 05/19/2020 7:28 PM |  Desert Water Agency was live. |  |  | 312 | 31 16 | Boost Post |
| 05/19/2020 10:00 AM |  Join us on Facebook at 7:30 p.m. tonight for a bedtime story. |  |  | 230 | 14 15 | Boost Post |
| 05/15/2020 12:20 PM |  Join us on May 22 to learn about fun & appealing alternatives to |  |  | 747 | 23 24 | Boost Post |
| 05/13/2020 7:20 PM |  Desert Water Agency was live. |  |  | 950 | 144 80 | Boost Post |
| 05/13/2020 1:00 PM |  Great Job! Our customers used 36 percent less water last |  |  | 64 | 4 6 | Boost Post |
| 05/12/2020 10:32 AM |  Want some help getting your kids to bed tonight? Check out |  |  | 75 | 1 12 | Boost Post |
| 05/10/2020 12:00 PM |  Wishing all moms a wonderful day! |  |  | 83 | 1 9 | Boost Post |
| 05/08/2020 10:44 PM |  Attention local businesses: as you start to plan for reopening, |  |  | 85 | 10 6 | Boost Post |
| 05/07/2020 12:00 PM |  We work hard to make sure the drinking water we deliver is |  |  | 65 | 3 4 | Boost Post |
| 05/06/2020 10:50 AM |  DWA's Board of Directors extended customer relief |  |  | 86 | 4 6 | Boost Post |
| 05/04/2020 11:30 AM |  Need help keeping the kids busy at home? Check out our |  |  | 1.1K | 6 15 | Boost Post |
| 05/03/2020 12:00 PM |  It's Public Service Recognition Week. We're honored to serve |  |  | 188 | 18 16 | Boost Post |

Total Page Likes as of Today: 1,242

Create Post



BENCHMARK
Compare your average performance over time.

Total Page Likes

Page Likes

The number of organic Page likes, paid Page likes and unlikes.

Create Post



BENCHMARK
Compare your average performance over time.

Unlikes

Organic Likes

Paid Likes


WANT MORE LIKES?

Create an ad to get more people to like your Page.

Promote Page

Instagram May 2020

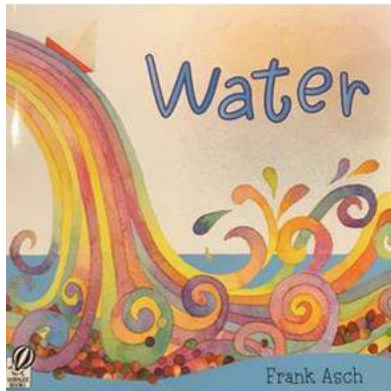




desertwateragency [Edit Profile](#)

577 posts 1,070 followers 197 following

Desert Water Agency
Desert Water Agency serves tap water in the Palm Springs area. We replenish the aquifer and offer incentives to help people save water.
bit.ly/2yjExNE



129 impressions



130 impressions



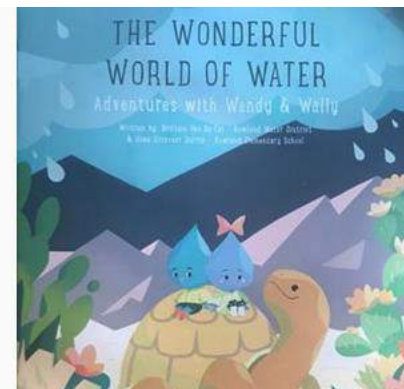
130 impressions



145 impressions



182 impressions



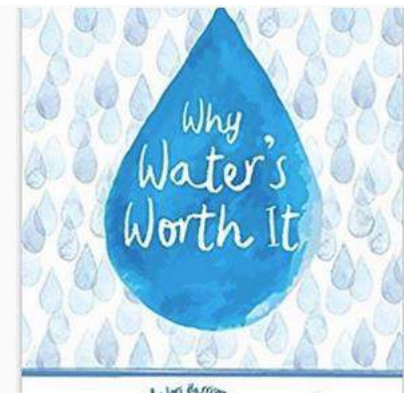
144 impressions



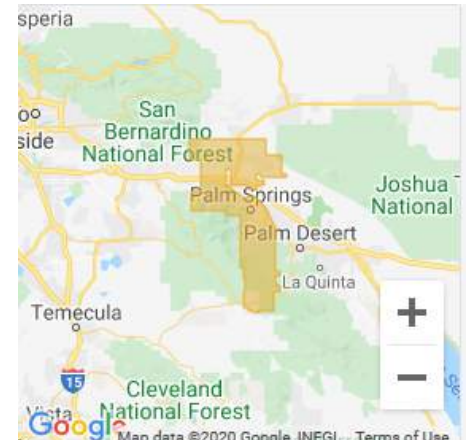
157 impressions



135 impressions



148 impressions



Desert Water Agency
26,741 members [Invite](#)

32% of 61,211 households

142 neighborhoods



Outreach & Conservation Manager Ashley Metzger, Desert Water Ag...

SUNRISE VILLAS - 5/22 construction

On Friday, May 22 from approximately 7 a.m. to 3 p.m., Desert Water Agency will be working on Green Turtle Way and may block access at times. While the access on Green Turtle Way in both directions will be limited, our crews will do our best to allow bikes, pedestrians and cars to get through. We would appreciate if you could See more...

DESERT WATER



14 May · Subscribers of Desert Water Agency in 1 neighborhood

 Thank

 Comment ▾

144 Impressions

Desert Water Agency Twitter Analytics May 2020



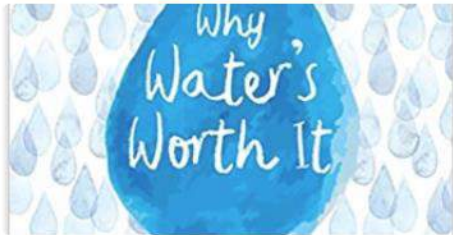
Tweets 2,252
Following 1,523
Followers 1,189

May 2020 • 27 days so far...

TWEET HIGHLIGHTS

Top Tweet earned 405 impressions

Want some help getting your kids to bed tonight? Check out our Facebook page at 7:30 p.m. for a live reading by our GM Mark Krause of the children's book "Why Water's Worth It". It's part of the Bedtime Stories series with @UWDesert. Tune in! pic.twitter.com/AKzSycwuFF



Retweets 1 Likes 7

[View Tweet activity](#)

[View all Tweet activity](#)

Top Follower followed by 4,731 people



Desert AIDS Project

@DesertAIDS [FOLLOWS YOU](#)

DAP proudly provides the #CoachellaValley w/primary care, #HIV, #AIDS & #HepC specialty care, mental health & social services, & STD testing & treatment.

Top mention earned 3 engagements



Lori Harrison

@labharrison · May 12

This is amazing! What a great idea @DWAwater! I'll be listening in with my kids ❤️ #WatersWorthIt twitter.com/DWAwater/status/1250000000000000000

Retweets 2

[View Tweet](#)

Top media Tweet earned 331 impressions

We couldn't host a sustainability tour today – but this video may be the next best thing. Happy Earth Day! #EarthDay2020 #50thAnniversary pic.twitter.com/Ky79m5dO9c



Retweets 1 Likes 2

[View Tweet activity](#)

[View all Tweet activity](#)

ADVERTISE ON TWITTER

Get your Tweets in front of more people

Promoted Tweets and content open up your reach on Twitter to more people.

[Get started](#)

MAY 2020 SUMMARY

| | | | |
|----------------|----|-------------------|-------|
| Tweets | 16 | Tweet impressions | 14.2K |
| Profile visits | 49 | Mentions | 3 |
| New followers | 1 | | |