



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

*This Board meeting location is where members of the public may observe and provide public comment. Members of the public may listen and provide public comment telephonically by calling the following number and access code:
(669) 224-3412 Access Code: 329-136-109 *Please mute your phone when you are not speaking*

1. PLEDGE OF ALLEGIANCE
2. APPROVAL OF MINUTES - March 3, 2020 STUART
3. GENERAL MANAGER'S REPORT KRAUSE
4. COMMITTEE REPORTS – A. Executive – March 12, 2020 STUART
5. PUBLIC COMMENT: Members of the public may comment on any item not listed on the agenda, but within the jurisdiction of the Agency. In addition, members of the public may speak on any item listed on the agenda as that item comes up for consideration. Speakers are requested to keep their comments to no more than three (3) minutes. As provided in the Brown Act, the Board is prohibited from acting on items not listed on the agenda.
6. SECRETARY-TREASURER'S REPORT (FEBRUARY 2020) EWING
7. DISCUSSION ITEMS METZGER
 - A. February Water Use Reduction Figures
 - B. Concerns Regarding COVID-19 KRAUSE
8. DIRECTORS COMMENTS AND REQUESTS
9. CLOSED SESSION
 - A. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION
Pursuant to Government Code Section 54956.9 (d) (1)
Name of Case: Agua Caliente Band of Cahuilla Indians vs. Coachella Valley Water District, et al
 - B. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION
Pursuant to Government Code Section 54956.9 (d) (1)
Name of Case: Mission Springs Water District vs. Desert Water Agency
 - C. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION
Pursuant to Government Code Section 54956.9 (d) (1)
Name of Case: Albrecht et al vs. County of Riverside
 - D. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION
Pursuant to Government Code Section 54956.9 (d) (1)
Name of Case: Abbey et al vs. County of Riverside
 - E. CONFERENCE WITH LEGAL COUNSEL – 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
10. RECONVENE INTO OPEN SESSION – REPORT FROM CLOSED SESSION
11. ADJOURN

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

March 3, 2020

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

Absent: Kristin Bloomer, Vice President)

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)
Bob Reeb, Reeb Government Relations, LLC)

Public: Karen Tabbah, Sundial HOA Board Member)
David Freedman, Palm Springs Resident)
Tom Riccio, Palm Springs Resident)

18686. 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**

18687. President Stuart called for approval of the February 18, 2020 Regular Board Meeting Minutes. **Approval of 02/18/20 Regular Board Mtg. Minutes**

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

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

18688. 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.

18689. President Stuart noted the minutes for the February 27, 2020 Executive Committee meeting were provided in the Board's packet. **Committee Reports – Executive 02/27/20**

18690. President Stuart opened the meeting for public comment. **Public Comment**

Karen Tabbah of Sundial HOA noted there is DWA owned land between Sundial HOA and the new Vibe development which are walled in and she would like to complete the wall around DWA's property and to share the cost. **Karen Tabbah, Sundial HOA**

Mr. Freedman reported he has advanced to the interview round of Citizen's for Redistricting Commission and he along with two others will be going to Sacramento to represent the area, he then thanked Mr. Krause, Mrs. Metzger and the Board for their support in his application. **David Freedman, Palm Springs Resident**

Mr. Riccio asked if he could have his billing cycle changed. His information was given to Finance Director Saenz for follow-up. **Tom Riccio, Palm Springs Resident**

18691. President Stuart called upon General Manager Krause to present staff's Request for Adoption of the Legislative Committee's Bill Position Recommendation. **Items for Action: Request Adoption of the Legislative Committee's Bill Position Recommendation**

Mr. Krause noted Mr. Reeb was in attendance and asked him to present his report. Mr. Reeb gave an update and addressed 15 Assembly and Senate Bills and recommendations. Staff reviewed and changed position on SB 865 from Favor to Watch. Staff requests adoption of the Legislative Committee's recommended position as the Agency's position with regard to each bill presented.

Secretary-Treasurer Ewing made a motion to approve staff's request including the change in position for SB 865. After a second by Director Oygur, the motion carried with the change by the following vote:

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

18692. President Stuart called upon Assistant General Manager Johnson to present staff's Request for the General Manager to Sign a Grant of Easement to SCE Over a Portion of the DWA Whitewater Irrigation Pipeline Right-of-Way.

Items for Action:

(Cont.)
Request Authorization for the General Manager to Sign a Grant of Easement to SCE over a Portion of the DWA Whitewater Irrigation Pipeline Right-of-Way

Mr. Johnson explained that in November 2018, the Agency entered into an agreement to sell a portion of the DWA Whitewater Irrigation pipeline Right-of-Way (ROW) to a land developer. The developer is now requesting that the Agency grant SCE an easement for a power service line to their property. Staff recommends the Board authorize the General Manager to sign a grant of easement to SCE over a portion of the DWA Whitewater Irrigation pipeline right-of-way.

Director Cioffi made a motion to approve staff's request. After a second by Secretary-Treasurer Ewing, the motion carried by the following vote:

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

18693. President Stuart called upon Assistant General Manager Johnson to present staff's Request for Acceptance of the 2018/2019 Replacement Pipeline Project.

Request Acceptance of the 2018/2019 Replacement Pipelines Project

Mr. Johnson reported Borden Excavating has completed their work on the 2018/2019 Replacement Pipelines Project, Work Order Nos. 18-160 and 19-111. Staff recommends the Board accept said work in the amount of \$3,090,079.00. Subsequent to Board acceptance, a Notice of Completion will be filed and the Agency will make final payment to Borden Excavating, Inc. Thereafter, following the lien period, the Agency will release retained funds to Borden Excavating, Inc. Staff requests Acceptance of the 2018/2019 Replacement Pipeline Project.

Director Oyar made a motion to approve staff's request. After a second by Director Cioffi, the motion carried by the following vote:

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

18694. President Stuart called upon Agency Counsel Riddell to provide a report on the February 20, 2020 Board of Directors of the State Water Contractors meeting.

Discussion Items:
02/20/20 SWC Mtg.

Mr. Riddell provided a report on the following items: 1) The SWC Board approved a request by the Yolo Basin Foundation to contribute \$7,000 to the cost of replacing a damaged sign identifying a wildlife area in the Yobo Basin, 2) DWR reported that precipitation this year is far below average, 3) Discussion of objectives for FY 2020/21, and 4) Bills that have been introduced as proposed legislation.

Secretary Treasurer Ewing noted his attendance at the ACWA D.C. Conference and noting points of interest; 1) He met with staff from DWA's lobbyist firm Water Strategies, 2) He met with staff from local Senator's and Congress offices, and 3) He noted several workshops he attended.

Report on ACWA D.C.
Conference Attendance
Ewing

18695. President Stuart noted that Board packets included Outreach & Conservation reports for February 2020.

**Outreach &
Conservation –
February 2020**

Outreach & Conservation Manager Metzger noted approximately 124 toilets for Motel 6 were approved for rebates and she noted additional upcoming events; March 4, Rainbird Presentation; March 5 she and General Manager Krause will be attending the Big Heart Awards in Desert Hot Springs; March 7, Trial run with the new hydration station for smaller events; March 18, Hosting an Incentive Workshop; March 21, Attending the One PS Picnic; March 22, Hosting the Butterfly Block Party at the Agency; March 28, the Tahquitz Golf Neighborhood Group will be hosting their neighborhood meeting in the DWA Board Room and, March 31 is the DWA Facilities Tour.

18696. In response to Secretary-Treasurer Ewing, Assistant General Manager Johnson indicated a slurry was scheduled to cover the different color edging on the pavement on Indian Canyon Drive when the Agency received a notice from PENTA (the project manager for the Agua Caliente Band of Cahuilla Indians) that they needed fire hydrants installed near that part of Indian Canyon Drive. Once the fire hydrants are installed and the work completed, the Agency will then slurry Indian Canyon Drive.

**Director's
Comments/Requests**

18697. At 9:28 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.

Closed Session:
A. Existing Litigation of
ACBCI vs. CVWD, et
al.
B. Existing Litigation of
MSWD vs. DWA
C. Existing Litigation of
Albrecht et al vs.
Riverside County

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) (1), Alan Neil Freiman et al vs. Safari Park, Inc., (F) Pending Litigation, Pursuant to Government Code Section 5456.9 (d) (2), Possible Intervention in Case: AT&T vs. County of Riverside; and, (G) Existing Litigation, pursuant to Government Code Section 54956.9 (d) (1) Bonnie Kessner, et al vs. Desert Water Agency, et al.

18698. At 11:26 a.m., President Stuart reconvened the meeting into open session and announced there was no reportable action taken.

18699. In the absence of any further business, President Stuart adjourned the meeting at 11:27 a.m.

Joseph K. Stuart, President

ATTEST:

Craig Ewing, Secretary-Treasurer

Closed Session:

(Cont.)

D. Existing Litigation of
Abbey et al vs.

Riverside County

E. Exposure to

Litigation of Alan Neil

Freiman, et al vs.

Safari Park, Inc.

F. Pending Litigation -

Possible Intervention in
Case: AT&T vs.

County of Riverside

G. Existing Litigation-

Bonnie Kessner, et al

vs. Desert Water

Agency et al

**Reconvene – No
Reportable Action**

Adjournment

GENERAL MANAGER'S REPORT

MARCH 17, 2020

Stolen Fire Hydrant (Palm Oasis)

On March 5 at approximately 7:00 a.m., Construction responded to a report of a stolen fire hydrant on Parkmead Drive in the Palm Oasis area. No apparent water loss, due to the fact that the thieves turned the valve off. Staff chlorinated the hydrant, flushed and took a bac-t. It was replaced on March 12. A police report was filed.

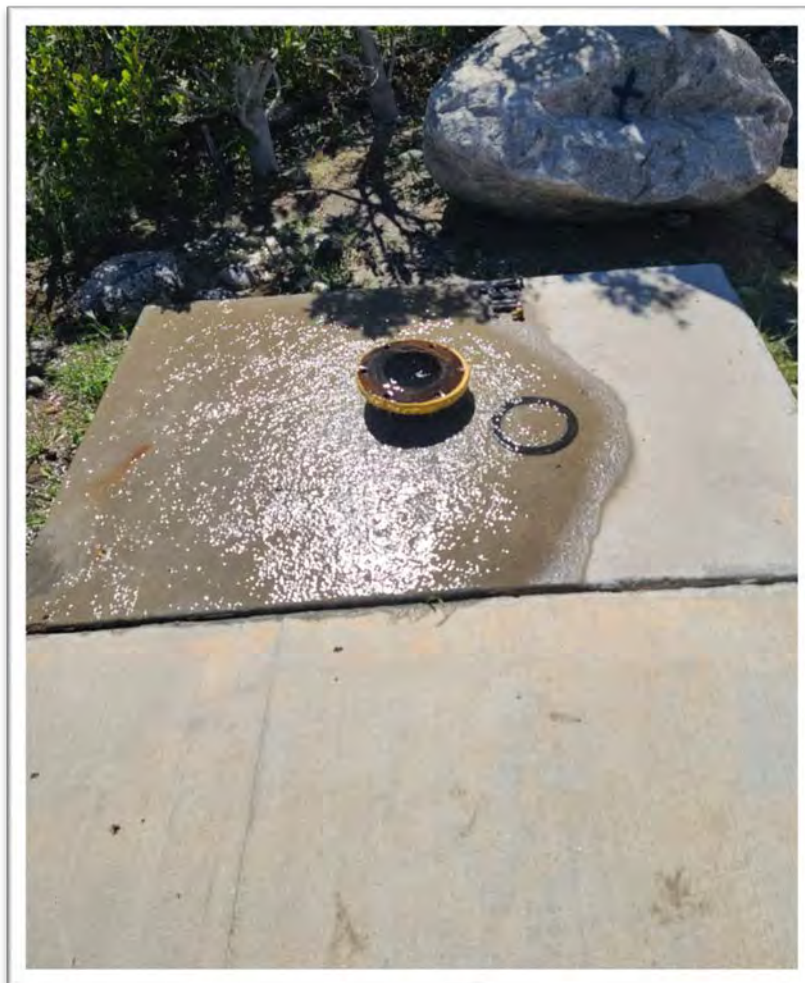
Well #10 Wall Damage

On March 6, a vehicle owned by Western Regional Security crashed through the southeast corner of the perimeter wall at Well #10, located on Vista Chino across from the Stater Brothers shopping center. Staff will be contacting Western Regional Security to begin the claim process for damages. Staff is working on getting a quote for repairs from a local construction contractor. A police report was filed.



Stolen Fire Hydrant (Vista Chino/Via Monte Vista)

On March 11 at approximately 12:00 p.m., Construction responded to a report of a stolen fire hydrant on Vista Chino and Via Monte Vista near the west end of Vista Chino. Staff replaced the hydrant and placed it back in service. There was no water loss due to the thieves turning off the valve. A police report was filed.



Sites Letter on Resilience Portfolio & Progress Report

The Sites letter calls for accelerated Permitting of Smart Storage Projects (attached). Sites was included as an action plan to expand smart surface water storage where it can benefit water supply and the environment as part of the Resilience Portfolio.

Also attached is a condensed 2019 Sites Reservoir progress report. The year closed with the project set up for key decisions in 2020, most notably those related to permitting and operations. Consultations with resource agencies were a key focus of the second half of the year. Participating agencies along with local, state and federal agencies also worked to “rightsize” the reservoir to provide resiliency and reliability to statewide water supplies and the environment.

For Immediate Release:

January 15, 2020

Contact:

Keith Dunn

keithdunn@me.com

(916) 290-2900

State's Water Resilience Portfolio Calls for Accelerated Permitting of Smart Storage Projects

Highlights Need to Advance Sites Reservoir to Enhance Environment & Water Reliability

Sacramento, Calif. – In a suite of recommended actions to help California cope with more extreme droughts and floods, rising temperatures, declining fish populations, aging infrastructure and other challenges, California state agencies called for accelerated permitting and approvals for project selected under Proposition 1, including Sites Reservoir. The California Natural Resources Agency, California Environmental Protection Agency and Department of Food and Agriculture released its draft Water Resilience Portfolio in response to Governor Newsom's April 29, 2019, executive order directing the agencies to develop a portfolio of actionable steps to ensure long-term water supply reliability and ecosystem health. Sites Reservoir was included as an action to expand smart surface water storage where it can benefit water supply and the environment.

"A great deal of time and energy went into development of the Resilience Portfolio, and we thank the agencies behind this important effort," said Fritz Durst, chairman of the Sites Project Authority. "In many ways, California's water future is a great big puzzle, and these actionable steps go a long way towards fitting the many pieces together."

Located 10 miles west of the town of Maxwell in rural Glenn and Colusa counties, Sites Reservoir would be an off-stream storage facility that captures and stores stormwater flows in the Sacramento River—after all other water rights and regulatory requirements are met—for release in dry and critical years for environmental use and for California communities, farms and businesses when it is so desperately needed.

"Sites Reservoir offers a unique opportunity to expand water storage in California while providing much-needed environmental benefits," added Durst. "Sites will provide off-stream storage and add new water into the system, particularly during dry years, easing the strain of drought on people, farms and the environment."

Sites Reservoir will provide federal and state resource agencies with a dedicated and reliable supply of water they can manage to provide environmental benefits, especially during drier years. Up to half of the project's annual water supplies will be provided for environmental flows, which will help to improve conditions for Delta smelt; help preserve cold-water pools in Shasta later into the summer months to support salmon development, spawning and rearing; and improve the Pacific Flyway habitat for migratory birds and other native species.

"Sites Reservoir stands to play a crucial role in California's water future, and we look forward to continuing our work with state and federal agencies to secure the permits needed to start construction," added Durst.

###

Sites is an off-river reservoir proposed north of the Sacramento-San Joaquin Delta, where it would provide unique water supply and environmental benefits during dry and critical water years, and especially during extended drought periods. Additional information can be found at:

<https://www.sitesproject.org>. Follow the Sites Project on social media @SitesProject.



2019 Progress Report

From strengthening project support throughout California, to securing additional federal funding for the project, 2019 was a successful year for the Sites Reservoir Project.

The year closed with the project set up for key decisions in 2020, most notably those related to permitting and operations. Consultations with resource agencies were a key focus of the second half of the year. Participating agencies along with local, state and federal agencies also started work to “rightsize” the reservoir to provide resiliency and reliability to statewide water supplies and the environment.

Located 10 miles west of the town of Maxwell in rural Glenn and Colusa counties, Sites Reservoir would be an off-stream storage facility that captures and stores stormwater flows in the Sacramento River for release in dry and critical years for environmental use and for California communities, farms and businesses when it is so desperately needed.

Fast Facts



Provide water for **millions of people** each year



Increases Sacramento Valley **water storage capacity**



Creates **reliable supplies** for environmental, agricultural, and municipal uses



Adds **hundreds of thousands of acre-feet** annually, on average, to California's water system and even more in drier periods



29 participating agencies representing communities across California

JANUARY

The consultant teams selected for Program Integration, Controls, Communications, Real Estate, Environmental, Permitting, Operations Simulation Modeling, and Geology and Geotechnical Engineering launch Sites Reservoir Phase 2 efforts.

FEBRUARY

Rep. John Garamendi introduces Sites Reservoir Project Act (H.R.1453) to provide federal support for the construction of Sites Reservoir and related water infrastructure in Colusa and Glenn Counties.

MARCH

Sites Project Authority heads to Washington, D.C. to meet with lawmakers about the benefits of Sites Reservoir and importance of federal participation.

APRIL

Governor Newsom issues Executive Order calling for state agencies to develop actionable steps to create a more resilient water supply future and environment.



MAY

Sites Reservoir meets with water leaders in Monterey at the ACWA Spring Conference and at the OC Water Summit.



JUNE

Alicia Forsythe joins the Sites Project Authority as Environmental Planning and Permitting Manager. In her role, Alicia oversees environmental planning and compliance, and permitting for Sites Reservoir.

JULY

Sites Reservoir featured in CalMatters in op-ed ["California needs Sites Reservoir. Here's why."](#)



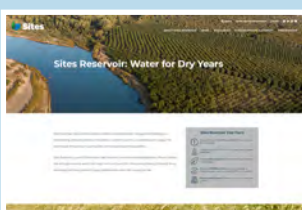
AUGUST

Local landowner meeting held to update community members in Maxwell on Sites Reservoir and answer questions.

["Sites Reservoir needed for reliable future"](#) published in San Francisco Chronicle by Andrew Meredith of the State Building & Construction Trades Council of California.

SEPTEMBER

New mobile and user-friendly website launched for Sites Reservoir showcasing new materials, news and updates for the project.



OCTOBER

Sites Reservoir team presents to the Southern California Water Coalition Board Meeting and meets with water leaders from throughout the state at the organization's Annual Dinner in Long Beach, CA.

NOVEMBER

Leadership from Zone 7 Water Agency and Metropolitan Water District of Southern California tour the Sites Reservoir location.

DECEMBER

Congress passes and President Trump signs federal spending bills including \$6 million dedicated to Sites Reservoir.

Sites Project Authority launches recruitment for new leadership position as it begins search for Executive Director.

2020 Colorado River Aqueduct (CRA) Shutdown Update

On Friday, February 28, a successful CRA maintenance and inspection shutdown was concluded. A 2-pump flow was initiated at 460 cubic feet per second (206,540 gpm). On Saturday, February 29, the CRA transitioned to a 4-pump flow of 928 cubic feet per second (416,720 gpm). No deliveries to the Coachella Valley are expected until the last quarter of 2020.



Blind flange installation at Iron

shutdown work

Iron Mountain Pumping Plant

- Contractor completed installing manway blind flanges on Delivery Lines #2 and #3
- Contractor completed 2020 shutdown work

Eagle Mountain Pumping Plant

- Contractor completed installing manway blind flanges on Delivery Lines #2 and #3
- Contractor completed 2020

Hinds Pumping Plant

- Contractor completed lining mortar epoxy patching on Delivery Lines #1, #2 and #3
- Contractor began installation of manway blind flanges on Delivery Lines #1, #2 and #3
- Contractor began grouting concrete pipe supports on Delivery Line #1, #2 and #3

Iron Mountain Pumping Plant

- Staff performing zero flow maintenance activities
- Staff began Unit #3 Exciter wiring replacement
- Staff continued Unit #4 annual preventative maintenance work
- Staff continued cleaning oil sumps on Unit #3

2020 Colorado River Aqueduct (CRA) Shutdown Update (Cont'd.)



Completed C/W piping at Hinds

Eagle Mountain Pumping Plant

- Staff performing zero flow maintenance activities
- Staff began installing D.V. bypass valves on Units #7 - #9
- Staff supporting SCE with 230kV breaker trip testing
- Staff performing Unit #1 - #5 annual preventative maintenance work

Hinds Pumping Plant

- Staff performed 230kV switching to return Banks #1 and #2 to service
- Staff completed replacing C/W piping for Unit #6 motor air coolers
- Staff performing zero flow maintenance activities and monthly preventative maintenance work

Aqueduct

- Staff completed Canal Liner Repairs at MM 28.28 and MM 33.56
- Staff completed small Canal Liner Repairs at various locations along CRA
- Tunnel Cleaning Machine performed tunnel cleaning from MM53.48 to MM55.79



Slurry structure at MM192.75

Eastern Region Unit

- Nothing to report

Environmental

- Conducted Desert Tortoise survey and any other environmental issues at various locations, Little Morongo Creek access Rd and Long Canyon access Rd. No tortoises were found
- Slurry structure at MM 192.75 severely eroded

Security

- Nothing to report

Safety

- Nothing to report

DWA – SGMA Annual Report: Indio Sub-basin

Regarding the annual report, it was completed by the consultant (Wood) on February 27th. The report is due to DWR by April 1 annually. CVWD will be uploading the report to DWR as the final step in its publication on March 4. Wood will provide 20 copies to the participating GSA's (DWA, CVWD, IWA & CWA).

Regional Water Quality Control Board Public Comment on Whitewater Replenishment Right-of-Way Grant

On March 4, 2020, the RWQCB submitted written comments on the Environmental Impact Report (EIR) for the Proposed Whitewater River Groundwater Replenishment Project (Project). The RWQCB had comments regarding what it described as significant environmental issues resulting from the Project activities, alternatives, and mitigation measures. Several alternatives were suggested along with several mitigation measures. (Letter attached)

MWD General Manager Announces Intent to Step Down

In a letter to member agency managers and all metropolitan employees, Jeffrey Kightlinger announced his intent to step down as General Manager at the end of this year. (Letter attached)

Colorado River Basin Regional Water Quality Control Board

March 4, 2020

Coachella Valley Water District
Attn: William Patterson
75-515 Hovley Lane East
Palm Desert, CA 92211
wpatterson@cvwd.org

**SUBJECT: NOTICE OF PREPARATION AND PUBLIC SCOPING MEETING
DRAFT ENVIRONMENTAL IMPACT REPORT**

**SITE: WHITEWATER RIVER GROUNDWATER REPLENISHMENT PROJECT
SCH# 2020020004**

The California Regional Water Quality Control Board, Colorado River Basin Region (Regional Water Board) appreciates the opportunity to comment on the Notice of Preparation (NOP) to prepare an Environmental Impact Report (EIR) for the proposed Whitewater River Groundwater Replenishment Project (Project). The NOP provided a summary of the Project description, location, and the expected scope of environmental analysis in the EIR.

Coachella Valley Water District (CVWD) is requesting a right-of-way (ROW) grant from the Bureau of Land Management (BLM) for continued operation and maintenance of CVWD's existing Whitewater River Groundwater Replenishment Facility (Facility), located north of Palm Springs in the Whitewater River Channel. In the early 1900's, CVWD engineered holding ponds in the vicinity of the Facility to capture natural flow and snow melt, and in 1973 began diverting imported Colorado River water from the Colorado River Aqueduct to the Facility. The proposed ROW grant would allow CVWD to continue groundwater replenishment of up to 511,000 acre-feet (AF) of imported Colorado River water per year to the Facility. The NOP states that the EIR will evaluate the potential environmental effects associated with the proposed ROW grant including hydrology, water quality and other topics identified during scoping.

Regional Water Board Comments

As the principal agency with primary responsibility for the coordination and control of water quality in the region, the Regional Water Board provides the following comments regarding significant environmental issues resulting from the Project activities, alternatives, and mitigation measures.

NANCY WRIGHT, CHAIR | PAULA RASMUSSEN, EXECUTIVE OFFICER

73-720 Fred Waring Drive, Suite 100, Palm Desert, CA 92260 | www.waterboards.ca.gov/coloradoriver

Significant Environmental Issues

Imported Colorado River water used for groundwater replenishment at the Facility has higher total dissolved solid (TDS) concentrations, a measure of the salt content, than most native groundwater in the Coachella Valley. Prior to recharging with Colorado River water, concentrations of TDS in groundwater at the Facility were approximately 210 milligrams per liter (mg/L). In 1992¹, United States Geological Survey (USGS) evaluated the quality of groundwater in the vicinity and downgradient of the Facility and determined that after recharging the aquifer with approximately 960,000 AF of Colorado River water, TDS concentrations in groundwater near the Facility had increased to greater than 500 mg/L. TDS concentrations in groundwater near the Facility had more than doubled after just 14 years of recharging the groundwater with Colorado River water.

The Project description states up to 511,000 AF per year of Colorado River water will be recharged at the Facility. The 1992 USGS report established that the effect of recharging just 960,000 AF of Colorado River water over 14 years (an average of 68,000 AF per year) substantially increased the TDS concentration in groundwater, with the effect extending at least 4.5 miles downgradient of the Facility. The effect on groundwater quality of adding 511,000 AF per year of Colorado River water with an estimated salt mass of over 500,000 tons² is expected to be substantial. The Regional Water Board does not believe the aquifer has the assimilative capacity to accommodate this substantial salt loading in such a short period of time.

The EIR must assess changes in water quality resulting from the groundwater recharge activities. This must include detailed evaluation of historic (before groundwater recharge activities) and current groundwater analytical data for TDS, electric conductivity, chloride, sulfate, and other 'general mineral' constituents from prior to 1973 to present, and include predictions of how the proposed continued recharge activities will impact groundwater quality for a range of recharge scenarios.

Reasonable Alternatives

The 2002 Coachella Valley Water Management Plan and the 2010 Update³ state that importing water into the Coachella Valley is an integral part of the water management plan, but also recognize that recharging the local groundwater with Colorado River water has a significant impact on groundwater quality. Even while recognizing importation of water for groundwater replenishment as the most important activity to sustain the valleys water sources, CVWD only proposed two alternatives in these documents to mitigate the significant and irreversible effects to the environment from the recharge activities. Neither alternative was found to be environmentally or economically feasible at that time; CVWD

¹ Evaluation of a Ground-Water Flow and Transport Model of the Upper Coachella Valley, California. Eric G. Reichard and J. Kevin Meadows. U.S. GEOLOGICAL SURVEY, Water-Resources Investigations Report 91-4142. 1992.

² Draft Coachella Valley Salt and Nutrient Management Plan. MWH, In Association with GEI Consultants, Inc., Krieger & Stewart, Inc., and Michael Welch Consulting Engineer. June 2015.

³ Coachella Valley Water Management Plan 2010 Update. Administrative Draft-Subsequent Program Environmental Impact Report. SCH No. 2007091099. Coachella Valley Water District with Assistance from MWH Americas, Inc. and Water Consult, Inc. July 2011.

therefore adopted a Statement of Overriding Considerations for the water quality impact. No new alternatives have been proposed for consideration since 2002, and each subsequent environmental evaluation has relied on the same Statement of Overriding Considerations.

Maintaining the quality of the valley's only drinking water source warrants a vigorous evaluation of numerous importation, mitigation, and conservation alternatives that reduce the need for groundwater recharge with imported Colorado River water. Alternatives that should be considered include:

1. Reducing groundwater consumption through improved water conservation;
2. Reducing groundwater extraction and the need for subsequent recharge by blending imported Colorado River water with groundwater for direct use;
3. Increase the volume of Colorado River water used for non-potable purposes, thereby reducing the need for and use of Colorado River water for groundwater recharge;
4. Use of Colorado River water for groundwater recharge in areas of the basin where the receiving water has a higher TDS content, and therefore has less of an impact on water quality; and
5. Importing low TDS water from the California State Water Project for groundwater recharge at the Whitewater Facility.

Any use of the statement of overriding considerations must be supported by substantial evidence in the record. To claim that nothing can be done to mitigate and/or avoid the adverse impacts of added salts is not acceptable.

Mitigation Measures

The lack of adequate management practices to mitigate the effects of recharging the aquifer with ever-increasing volumes of imported Colorado River water at the Facility is not sustainable. To ensure that impacts to water quality from salt loading to the closed Indio Groundwater Subbasin via imported Colorado River water are addressed, a feasible mitigation plan must be included in the EIR. Project mitigation measures could include:

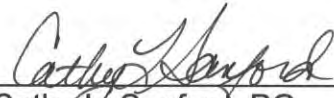
1. Reducing the salt content of the Colorado River water prior to infiltration using a desalination system;
2. Using imported Colorado River water to recharge areas of the basin with higher naturally occurring TDS concentrations;
3. Maximize storm water capture for groundwater recharge to decrease the need for imported Colorado River water;
4. Establish groundwater monitoring programs to ensure beneficial uses of the groundwater are being protected; and
5. Develop and implement a salt management and disposal plan that addresses all of the salt sources throughout the Coachella Valley, including importation of Colorado River water, and lays out a framework for maintaining high quality groundwater for decades to come.

March 4, 2020

The project mitigation plan should include a description of activities, time schedule for implementation of the activities, and a groundwater monitoring work plan to assure compliance with water quality objectives.

We appreciate the opportunity to review this NOP for the Facility draft EIR and are available to discuss our comments. When the draft EIR is prepared for this action and released for public review, please send a copy to cathy.sanford@waterboards.ca.gov. If you have questions regarding this matter, please contact me at (760) 776-8934 or cathy.sanford@waterboards.ca.gov.

Sincerely,



Cathy L. Sanford, PG
Engineering Geologist
Colorado River Basin
Regional Water Quality Control Board

cc: State Clearing House, Office of Planning & Research
state.clearinghouse@opr.ca.gov

Date: March 10, 2020

To: Board of Directors
Member Agency Managers
All Metropolitan Employees

From: Jeffrey Kightlinger, General Manager

Subject: Succession Plan

March 2006, 14 years ago, was my first Metropolitan Board meeting as General Manager. It was one of the most important and special days of my life. Today, with more than a little sadness, I would like to announce my intent to step down as General Manager at the end of this year.

I have discussed my plans with Chairwoman Gray and we agree that it is important to the district to ensure a smooth succession. Accordingly, I am announcing my plans at this time to provide the Board with sufficient time to run a thorough recruitment and interview process.

I look forward to working closely with Chairwoman Gray and the Board on a successful transition to new leadership over the remainder of this year. Generally, it has taken about six months to recruit someone for the General Manager position. Assuming a new General Manager is brought on by late fall, I will make myself available to assist her or him in the transition process through the end of the year.

It has been an honor and a privilege to serve as Metropolitan's General Manager. Metropolitan is the premier public sector water utility with an outstanding work force that is second to none. People always tell me how impressed they are with Metropolitan's staff. I consider myself so fortunate to have had the opportunity to work with such a talented workforce.

I want to thank Chairwoman Gray for her strong leadership and personal support for me. She is the right leader at the right time for Metropolitan. I would like to thank the Board for always putting Metropolitan first in its thinking and for making the sound decisions that will ensure water supply reliability for Southern California for generations to come. I want to thank the member agencies and my water colleagues for their friendship and guidance. And most of all, I want to thank all of the employees at Metropolitan for making these past years so richly rewarding on both a personal and professional level. It has been my pleasure to work with each and every one of you.

We have quite a lot to accomplish the rest of this year with regards to Delta conveyance, the State Board's Water Quality Control Plan update, our Integrated Resource Plan 2020 revision, a review of our rate structure and critical decisions on our Regional Recycled Water Project. And I intend to work hard with everyone to make progress on all of these issues and more in the coming year. Thank you.

Human Resources Meetings and Activities

Meetings:

02/18/20	DWA Board Meeting	DWA
02/19/20	United Way Board meeting and strategic planning session	UWD Offices
02/24/20	Weekly Staff Meeting	DWA
02/26/20	Meeting with ACWA JPIA	DWA
03/03/20	DWA Board Meeting	DWA
03/09/20	Weekly Staff Meeting	DWA
03/11/20	United Way Executive Board Meeting	UWD Offices
03/16/20	Weekly Staff Meeting	DWA

Activities:

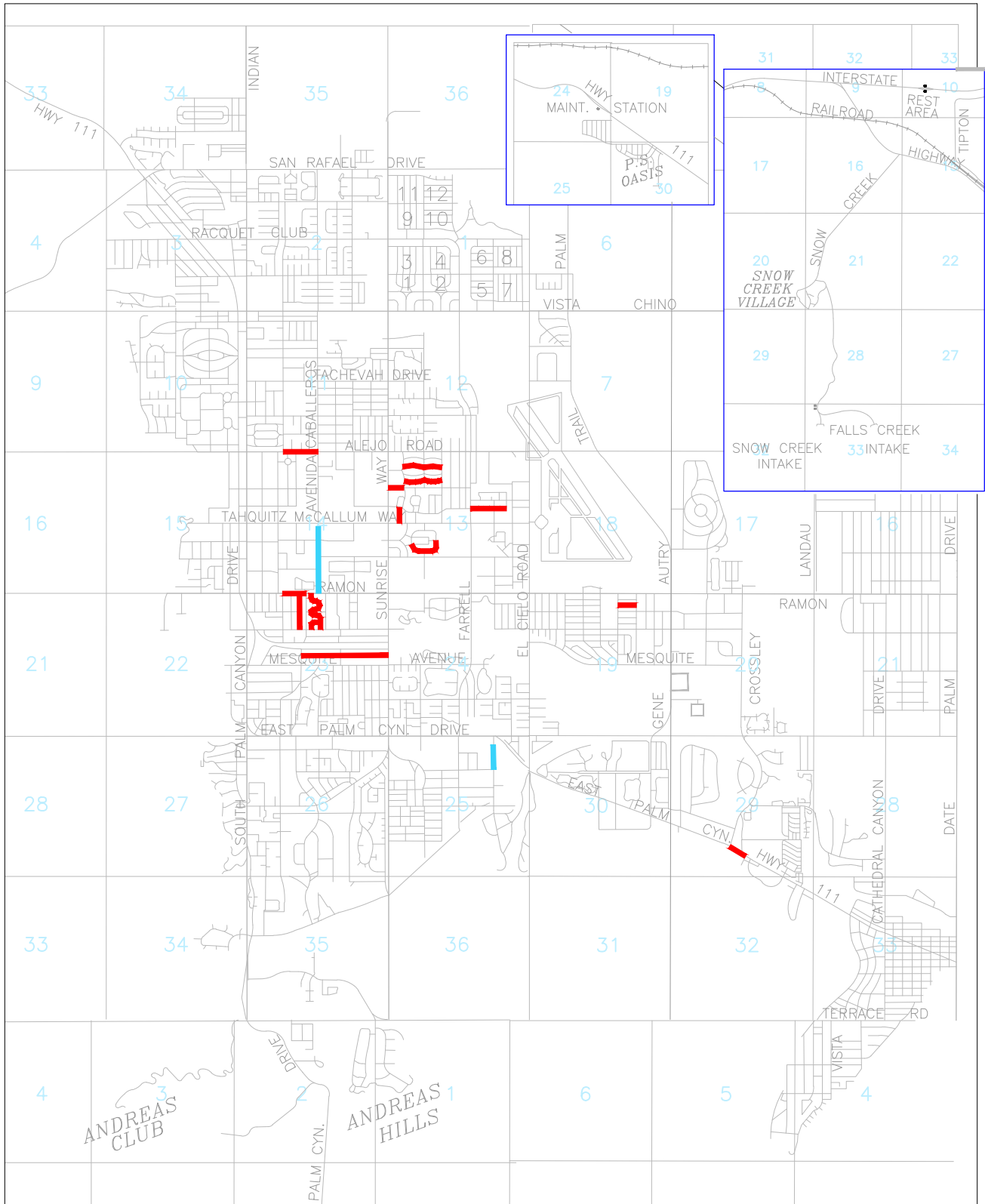
02/19/20	Conference call with Energage
02/20/20	Reasonable Suspicion Supervisor Training on site
02/25/20	Water Service Worker I Interviews
02/26/20	ACWA JPIA Visit and Site Inspection
02/26/20	Conference call with Energage
02/27/20	Supervisor Training on Delegation and Accountability
02/28/20	Watched Webinar on ESRI
03/04/20	Attended United Way Town Hall Meeting

SYSTEM LEAK DATA					
(PERIOD BEGINNING FEBRUARY 26, 2020 THRU MARCH 10, 2020)					
STREET NAME	NUMBER OF LEAKS	PIPE DIAMETER (INCHES)	YEAR INSTALLED	PIPE MATERIAL	PIPE CONSTRUCTION
AVENIDA CABALLEROS	3	14	1953	STEEL	BARE/UNLINED
PASEO GRACIA	2	4	1946	STEEL	BARE/UNLINED
PARK DR	2	4	1946	STEEL	BARE/UNLINED
ALEJO RD	1	8	1958	STEEL	BARE/UNLINED
AMADO RD	1	6	1946	STEEL	BARE/UNLINED
ARABY DR	1	6	1947	STEEL	BARE/UNLINED
RAMON RD	1	6	1955	STEEL	BARE/UNLINED
E PALM CANYON DR	1	6	1955	STEEL	BARE/UNLINED
ANDREAS RD	1	6	1958	STEEL	BARE/UNLINED
McMANUS DR	1	4	1946	STEEL	BARE/UNLINED
WARM SANDS PL	1	4	1946	STEEL	BARE/UNLINED
WARM SANDS DR	1	4	1946	STEEL	BARE/UNLINED
CALLE DE CARLOS	1	4	1946	STEEL	BARE/UNLINED
SAN LORENZO RD	1	4	1948	STEEL	BARE/UNLINED
LURING DR	1	4	1957	STEEL	BARE/UNLINED
VISTA ORO	1	4	1958	STEEL	BARE/UNLINED
TOTAL LEAKS IN SYSTEM:		20			

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



SYSTEM LEAKS

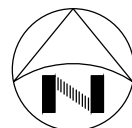
(Period beginning February 26, 2020
thru March 10, 2020)

DESERT WATER AGENCY
PALM SPRINGS, CALIFORNIA

LEGEND

- LEAK(S) RECORDED
- LEAK(S) RECORDED;
INCLUDED IN PROPOSED
LIST OF STREETS FOR
2020/2021
REPLACEMENT PIPELINES

DWG. BY
SR



DATE
03/20

SCALE
NTS

EXHIBIT
"A"

General Manager's Meetings and Activities

Meetings:

03/03/20	DWA Bi-Monthly Board Meeting	DWA
03/04/20	SWC DCF Caucus Meeting	Conf Call
03/04/20	CVWD/DWA/IWA Salt Nutrient Management Plan	Conf Call
03/09/20	DWA Weekly Staff Meetings	DWA
03/09/20	DWA Emergency Preparedness Ad Hoc Committee	DWA
03/10/20	Meeting with Assemblyman Garcia and Staff	Conf Call
03/11/20	WW Recharge Facility BLM Right of Way Grant	Conf Call
03/11/20	SWC DCF Caucus Meeting	Conf Call
03/11/20	CVWD/DWA/IWA Salt Nutrient Management Plan	RWRCB
03/12/20	Executive Committee Meeting	DWA

Activities:

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

Minutes
Executive Committee Meeting
March 12, 2020

Directors Present: Joseph Stuart, Kristin Bloomer

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

1. Discussion Items

A. Review Agenda for March 17, 2020 Regular Board Meeting

The proposed agenda for the March 17, 2020 meeting was reviewed.

2. Other – None

3. Adjourn

DESERT WATER AGENCY
STATEMENT OF CASH RECEIPTS AND EXPENDITURES

OPERATING ACCOUNT

FEBRUARY 2020

INVESTED
RESERVE FUNDS
\$28,971,332.99

BALANCE	FEBRUARY 1, 2020	(\$156,628.03)	
WATER SALES		\$2,122,630.29	
RECLAMATION SALES		78,216.62	
WASTEWATER RECEIPTS		85,874.60	
POWER SALES		1,049.60	
METERS, SERVICES, ETC.		297,252.00	
REIMBURSEMENT – GENERAL FUND		227,218.97	
REIMBURSEMENT – WASTEWATER FUND		20,817.56	
ACCOUNTS RECEIVABLE – OTHER		8,223.43	
CUSTOMER DEPOSITS – SURETY		10,410.00	
CUSTOMER DEPOSITS – CONST.		0.00	
LEASE REVENUE		55,179.89	
INTEREST RECEIVED ON INV. FDS.		10,250.00	
FRONT FOOTAGE FEES		0.00	
BOND SERVICE & RESERVE FUND INT		0.00	
MISCELLANEOUS		<u>49,290.76</u>	
TOTAL RECEIPTS		\$2,966,413.72	
PAYMENTS			
PAYROLL CHECKS		\$380,577.40	
PAYROLL TAXES		175,839.13	
ELECTRONIC TRANSFERS		140,257.11	
CHECKS UNDER \$10,000.00		231,250.31	
CHECKS OVER \$10,000.00 – SCH. #1		2,914,331.55	
CANCELLED CHECKS AND FEES		<u>17,342.31</u>	
TOTAL PAYMENTS		<u>\$3,859,597.81</u>	
NET INCOME		(\$893,184.09)	
BOND SERVICE ACCOUNT			
MONTHLY WATER SALES		\$0.00	
EXCESS RETURNED BY B/A		<u>\$0.00</u>	
BOND SERVICE FUND			\$0.00
INVESTED RESERVE FUNDS			
FUNDS MATURED		\$3,672,000.00	
FUNDS INVESTED – SCH. #3		<u>2,879,000.00</u>	
NET TRANSFER		\$793,000.00	(\$793,000.00)
BALANCE	FEBRUARY 29, 2020	(\$256,812.12)	\$28,178,332.99

FEBRUARY 2020

DESERT WATER AGENCY

OPERATING ACCOUNT

SCHEDULE #1-CHECKS OVER \$10,000

CHECK #	NAME	DESCRIPTION	AMOUNT
124786	BORDEN EXCAVATING INC	PAYMENT #3 CONSTRUCTION OF 2018/2019 REPLACEMENT PIPELINES (W/O # 18-160)	\$563,007.63
124789	G&M CONSTRUCTION	SNOWCREEK ROAD REPAIR - PROGRESS PAYMENT #2	\$112,251.52
125006	Z&L PAVING, INC	PAVING	\$11,754.00
124793	INLAND WATER WORKS SUPPLY CO	WATER SERVICE SUPPLIES	\$196,494.96
124834	SOUTHERN CALIFORNIA EDISON	POWER	\$133,127.95
124857	DESERT WATER AGENCY - GENERAL FUND	2ND QTR 2019-20 GROUND WATER BILLING	\$1,107,327.74
124868	WESSMAN DEVELOPMENT	REFUND CONSTRUCTION DEPOSIT	\$103,450.41
124879	DESERT WATER AGENCY - WASTEWATER	WASTEWATER REVENUE BILLING - JANUARY 2020	\$94,188.07
124911	ACWA/JPIA	HEALTH, DENTAL & VISION INSURANCE PREMIUMS - FEBRUARY 2020	\$207,242.96
124933	DLT SOLUTIONS LLC	MAINTENANCE OF PC'S & PRINTERS	\$10,971.10
124937	DOWN TO EARTH LANDSCAPING	LANDSCAPE MAINTENANCE	\$32,959.21
124946	FERGUSON WATERWORKS	WATER SERVICE SUPPLIES	\$23,712.15
124947	FIESTA FORD LINCOLN CORP	VEHICLE PURCHASE - UNIT #18 (W/O #19-115-M)	\$47,773.08
124950	FRONTIER / TCI	BLAZECAST MASS NOTIFICATION SYSTEM EQUIPMENT (W/O # 19-148-M)	\$52,027.99
124957	INLAND WATER WORKS SUPPLY CO	WATER SERVICE SUPPLIES	\$52,498.97
124962	KRIEGER & STEWART INC.	ENGINEERING	\$62,826.51
124973	PACIFICA CONSULTING INC	I.T. CONSULTING SERVICES	\$10,157.50
124999	UNITED WATER WORKS	WATER SERVICE SUPPLIES	\$21,249.80
125008	SHAUL MEZRAHI	TURF BUY BACK REBATE	\$34,600.00
125014	VILLAS DE LAS FLORES ASSOC	TURF BUY BACK REBATE	\$36,710.00

** TOTAL

\$2,914,331.55

DESERT WATER AGENCY
OPERATING FUND - LISTING OF INVESTMENTS
February 29, 2020

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

Local Agency Investment Fund

06-30-83	State of California	LAIF		Open	\$ 23,677,622.99	\$ 23,677,622.99	\$ 23,677,622.99	1.860%	-
----------	---------------------	------	--	------	------------------	------------------	------------------	--------	---

Certificates of Deposit

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

Commercial Paper

10-04-19	Union Bank	Wells Fargo	09-09-21	09-09-22	\$ 1,000,710.00	\$ 1,000,000.00	\$ 1,007,430.00	2.044%	1 Time
Total Commerical Paper					\$ 1,000,710.00	\$ 1,000,000.00	\$ 1,007,430.00		

Government Agency

09-29-17	Union Bank	FHLMC	03-29-20	09-29-20	\$ 500,000.00	\$ 500,000.00	\$ 500,185.00	1.700%	Quarterly
09-13-19	Union Bank	FHLB	03-13-20	03-13-24	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,220.00	2.100%	Quarterly
09-13-19	Union Bank	FHLMC	03-13-20	09-13-24	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,320.00	2.200%	Quarterly
02-10-22	Union Bank	FHLMC	08-10-20	08-10-22	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,002,260.00	1.650%	Quarterly
Total Government Agency					\$ 3,500,000.00	\$ 3,500,000.00	\$ 3,502,985.00		

Weighted Mean YTM 1.896%

TOTAL INVESTED @ 02/29/20	\$ 28,178,332.99	\$ 28,177,622.99	\$ 28,188,037.99
BALANCE @ 06/30/19	\$ 23,936,118.14		
INCREASE (DECREASE)	\$4,242,214.85		

DESERT WATER AGENCY
STATEMENT OF CASH RECEIPTS AND EXPENDITURES

GENERAL ACCOUNT

FEBRUARY 2020

INVESTED
RESERVE FUNDS
\$152,088,257.76

BALANCE	FEBRUARY 1, 2020	(\$2,438,013.81)
---------	------------------	------------------

* TAXES - RIVERSIDE COUNTY	317,506.37
* INTEREST EARNED - INV. FUNDS	118,812.96
GROUNDWATER REPLEN. ASSESSMENT	1,433,778.88
REIMBURSEMENT - OPERATING FUND	0.00
REIMBURSEMENT - CVWD MGMT	3,026.75
STATE WATER PROJECT REFUNDS	0.00
REIMB - CVWD - WHITEWATER HYDRO	2,714.31
POWER SALES - WHITEWATER	7,328.87
MISCELLANEOUS	14,052.98

TOTAL RECEIPTS	\$1,897,221.12
----------------	----------------

PAYMENTS

CHECKS UNDER \$10,000.00	27,935.50
CHECKS OVER \$10,000.00 - SCH. #1	2,183,487.72
CANCELLED CHECKS AND FEES	720,468.50

TOTAL PAYMENTS	\$2,931,891.72
----------------	----------------

NET INCOME	(\$1,034,670.60)
------------	------------------

INVESTED RESERVE FUNDS

FUNDS MATURED	21,276,350.00
FUNDS INVESTED – SCH. #2	18,573,000.00

NET TRANSFER	\$2,703,350.00	(\$2,703,350.00)
--------------	----------------	------------------

BALANCE	FEBRUARY 29, 2020	(\$769,334.41)	\$149,384,907.76
---------	-------------------	----------------	------------------

* INCLUSIVE TO DATE

	TAXES	INTEREST
RECEIPTS IN FISCAL YEAR	\$12,185,821.36	\$2,038,962.52
RECEIPTS IN CALENDAR YEAR	\$5,346,035.14	\$536,441.70

FEBRUARY 2020

DESERT WATER AGENCY

GENERAL ACCOUNT

SCHEDULE #1-CHECKS OVER \$10,000

CHECK #	NAME	DESCRIPTION	AMOUNT
9348	STATE OF CA. DEPT. OF WATER RESOURCES	STATE WATER PROJECT - FEBRUARY 2020	\$981,817.00
9350	CORA CONSTRUCTORS INC.	SNOW CREEK VILLAGE - PAYMENT #3 & #4 (W/O # 18-101-M)	\$181,972.50
9352	DESERT WATER AGENCY - OPERATING	OPERATING FUND REIMBURSEMENT FOR JANUARY 2020	\$227,218.97
9355	US GEOLOGICAL SURVEY	JOINT FUNDING AGREEMENT QUARTERLY BILLING - (11/01/2019 - 01/31/2020)	\$22,241.25
9360	STATE OF CA. DEPT. OF WATER RESOURCES	STATE WATER PROJECT ENTITLEMENT - FEBRUARY 2020	\$770,238.00
** TOTAL			\$2,183,487.72

DESERT WATER AGENCY
GENERAL FUND - LISTING OF INVESTMENTS
February 29, 2020

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

Local Agency Investment Fund

06-30-83	State of California	LAIF	Bullet	Open	\$ 37,144,831.76	\$ 37,144,831.76	\$ 37,144,831.76	1.860%	-
----------	---------------------	------	--------	------	------------------	------------------	------------------	--------	---

Certificates of Deposit

06-14-17	RBC Wealth Mgmt	Capital One	Bullet	Bullet	06-15-20	\$ 250,000.00	\$ 250,000.00	\$ 250,397.50	1.900%	Bullet
06-14-17	RBC Wealth Mgmt	Capital One Bank USA	Bullet	Bullet	06-15-20	\$ 250,000.00	\$ 250,000.00	\$ 250,397.50	1.900%	Bullet
06-19-17	RBC Wealth Mgmt	First Priority Bank	Bullet	Bullet	06-19-20	\$ 250,000.00	\$ 250,000.00	\$ 250,297.50	1.750%	Bullet
05-29-19	Ladenburg Thalmann	Sallie Mae Bank	Bullet	Bullet	05-31-22	\$ 245,000.00	\$ 245,000.00	\$ 250,568.85	2.500%	Bullet
05-30-19	Ladenburg Thalmann	Ally bank	Bullet	Bullet	05-31-22	\$ 245,000.00	\$ 245,000.00	\$ 250,568.85	2.500%	Bullet
06-05-19	Ladenburg Thalmann	Goldman Sachs	Bullet	Bullet	06-06-22	\$ 245,000.00	\$ 245,000.00	\$ 250,600.70	2.500%	Bullet
06-06-19	Ladenburg Thalmann	Morgan Stanley Bank	Bullet	Bullet	06-06-22	\$ 245,000.00	\$ 245,000.00	\$ 250,875.10	2.550%	Bullet
06-06-19	Ladenburg Thalmann	Morgan Stanley Private Bank	Bullet	Bullet	06-06-22	\$ 245,000.00	\$ 245,000.00	\$ 250,875.10	2.550%	Bullet
06-07-19	Ladenburg Thalmann	Synchrony Bank (GE)	Bullet	Bullet	06-07-22	\$ 245,000.00	\$ 245,000.00	\$ 250,059.25	2.400%	Bullet
Total Certificates of Deposit					\$ 2,220,000.00	\$ 2,220,000.00	\$ 2,254,640.35			

Medium Term Notes

02-19-19	Alamo Capital	Toyota Motor Corp MTN	Bullet	07-13-22	\$ 1,399,076.00	\$1,400,000.00	\$ 1,451,366.00	2.800%	Bullet
03-04-19	Alamo Capital	Apple Inc. MTN	Bullet	05-11-20	\$ 991,160.00	\$1,000,000.00	\$ 1,000,350.00	2.560%	Bullet
04-04-19	Alamo Capital	Toyota Motor Corp MTN	Bullet	04-17-20	\$ 994,400.00	\$1,000,000.00	\$ 1,000,270.00	2.500%	Bullet
07-18-19	Alamo Capital	Toyota Motor Corp MTN	Bullet	09-08-22	\$ 1,000,000.00	\$1,000,000.00	\$ 1,023,880.00	2.150%	Bullet
09-16-19	Alamo Capital	Apple Inc. MTN	08-11-24	09-11-24	\$ 990,552.00	\$1,000,000.00	\$ 1,013,650.00	2.000%	1 Time
10-04-19	Union Bank	Wells Fargo Bank NA	09-09-21	09-09-22	\$ 2,001,420.00	\$2,000,000.00	\$ 2,014,860.00	2.044%	1 Time
10-21-19	Alamo Capital	Toyota Motor Corp MTN	Bullet	10-07-24	\$ 1,499,994.00	\$1,500,000.00	\$ 1,541,955.00	2.000%	Bullet
10-23-19	Alamo Capital	American Honda Finance	Bullet	09-10-24	\$ 3,011,474.00	\$3,000,000.00	\$ 3,065,910.00	2.000%	Bullet
11-22-19	Union Bank	Exxon Mobile Corp	01-01-23	03-01-23	\$ 2,055,180.00	\$2,000,000.00	\$ 2,072,160.00	1.809%	Continuous
12-20-19	Stifel	Microsoft	02-01-23	05-01-23	\$ 2,034,620.00	\$2,000,000.00	\$ 2,065,840.00	1.872%	Continuous
01-30-20	Stifel	VISA Inc	10-14-22	12-14-22	\$ 2,065,680.00	\$2,000,000.00	\$ 2,075,900.00	1.625%	1 Time
Total Commercial Paper					\$ 18,043,556.00	\$ 17,900,000.00	\$ 18,326,141.00		

Government Agency

03-23-16	Ladenburg Thalmann	FNMA	Bullet	03-23-20	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,240.00	1.500%	Qtrly
04-26-16	Ladenburg Thalmann	FHLB	Continuous	10-26-20	\$ 999,500.00	\$ 1,000,000.00	\$ 1,000,030.00	1.550%	Continuous
06-16-16	Stifel	FFCB	Continuous	03-16-20	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,020.00	1.400%	Continuous
07-27-16	Stifel	FNMA STEP	04-27-20	07-27-21	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,440.00	1.625%	Qtrly
08-10-16	Ladenburg Thalmann	FHLMC	05-10-20	08-10-20	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,420.00	1.450%	Qtrly
10-06-16	Ladenburg Thalmann	FHLMC	04-06-20	07-06-20	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,280.00	1.375%	Qtrly
10-17-16	Stifel	FNMA	Bullet	04-17-20	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,230.00	1.250%	1 Time
11-03-16	Ladenburg Thalmann	FFCB	Continuous	05-03-21	\$ 999,250.00	\$ 1,000,000.00	\$ 1,000,020.00	1.490%	Continuous
12-14-16	Ladenburg Thalmann	FHLMC	03-14-20	12-14-20	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,190.00	1.750%	Qtrly
04-20-17	Stifel	FHLMC STEP	Bullet	04-20-20	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,001,020.00	2.250%	Bullet
06-29-17	Ladenburg Thalmann	FHLMC	03-29-20	09-29-20	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,610.00	1.750%	Qtrly
09-29-17	Union Bank	FHLMC	03-29-20	09-29-20	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,370.00	1.700%	Qtrly
08-12-19	Union Bank	FFCB	08-12-20	08-12-24	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,001,740.00	2.120%	Continuous
09-09-19	Alamo Capital	FHLMC	03-09-20	03-09-23	\$ 2,000,000.00	\$ 2,000,000.00	\$ 2,000,220.00	1.950%	Qtrly
09-06-19	Alamo Capital	FNMA	Bullet	09-06-22	\$ 996,520.00	\$ 1,000,000.00	\$ 1,010,690.00	1.494%	Bullet
09-10-19	Stifel	FHLMC	03-10-20	09-10-24	\$ 2,000,000.00	\$ 2,000,000.00	\$ 2,000,420.00	2.100%	Qtrly
09-11-19	Stifel	FFCB	09-11-20	09-11-23	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,003,170.00	1.900%	Continuous
09-13-19	Ladenburg Thalmann	FFCB	09-23-20	09-23-22	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,003,580.00	2.000%	Continuous
09-27-19	Alamo Capital	FHLB	03-27-20	09-27-23	\$ 2,000,000.00	\$ 2,000,000.00	\$ 2,000,960.00	2.125%	Continuous

DESERT WATER AGENCY
GENERAL FUND - LISTING OF INVESTMENTS
February 29, 2020

PURCHASE DATE	NAME	DESCRIPTION	CALLABLE	MATURITY DATE	COST	PAR VALUE	MARKET VALUE	YIELD TO MATURITY	CALLABLE STATUS
10-15-19	Stifel	FFCB	10-15-20	10-15-24	\$ 3,000,000.00	\$ 3,000,000.00	\$ 3,011,250.00	1.920%	Continuous
10-15-19	Piper Jaffray	FHLMC	10-15-20	10-15-24	\$ 3,000,000.00	\$ 3,000,000.00	\$ 3,011,070.00	1.875%	Quarterly
10-16-19	Stifel	FHLB	10-16-20	10-16-24	\$ 3,000,000.00	\$ 3,000,000.00	\$ 3,014,610.00	2.000%	Annual
10-17-19	Ladenburg Thalmann	FFCB	04-17-20	04-17-23	\$ 3,000,000.00	\$ 3,000,000.00	\$ 3,002,130.00	1.980%	Quarterly
11-01-19	Alamo Capital	FHLB	04-30-20	10-30-24	\$ 1,993,000.00	\$ 2,000,000.00	\$ 2,002,040.00	1.874%	Quarterly
11-04-19	Ladenburg Thalmann	FHLB	11-04-21	11-04-24	\$ 3,000,000.00	\$ 3,000,000.00	\$ 3,029,910.00	1.875%	Continuous
11-25-19	Piper Jaffray	FFCB	11-25-20	11-25-22	\$ 3,000,000.00	\$ 3,000,000.00	\$ 3,008,310.00	1.710%	Continuous
11-27-19	Stifel	FFCB	11-27-20	11-27-23	\$ 3,000,000.00	\$ 3,000,000.00	\$ 3,014,100.00	1.790%	Continuous
11-27-19	Alamo Capital	FHLMC	05-27-20	11-27-24	\$ 1,997,000.00	\$ 2,000,000.00	\$ 2,003,340.00	1.832%	Quarterly
12-11-19	Ladenburg Thalmann	FHLB	12-11-20	06-11-24	\$ 3,000,000.00	\$ 3,000,000.00	\$ 3,016,080.00	1.850%	Continuous
12-17-19	Alamo Capital	FFCB	03-03-20	06-03-24	\$ 1,998,000.00	\$ 2,000,000.00	\$ 2,000,060.00	1.963%	Continuous
12-18-19	Ladenburg Thalmann	FHLMC	06-18-20	12-18-23	\$ 3,000,000.00	\$ 3,000,000.00	\$ 3,006,150.00	1.930%	Quarterly
12-18-19	Stifel	FHLMC	06-18-20	12-18-23	\$ 2,000,000.00	\$ 2,000,000.00	\$ 2,004,100.00	1.930%	Quarterly
12-19-19	Union Bank	FHLMC	06-19-20	06-19-23	\$ 3,000,000.00	\$ 3,000,000.00	\$ 3,005,280.00	1.875%	Quarterly
12-30-19	Union Bank	FHLMC	12-28-20	12-28-23	\$ 3,000,000.00	\$ 3,000,000.00	\$ 3,018,720.00	1.900%	Quarterly
12-30-19	Piper Jaffray	FHLMC	12-28-20	12-28-23	\$ 3,000,000.00	\$ 3,000,000.00	\$ 3,018,570.00	1.850%	Annual
01-16-20	Ladenburg Thalmann	FFCB	04-13-20	10-13-23	\$ 2,997,750.00	\$ 3,000,000.00	\$ 3,002,040.00	1.861%	Continuous
01-17-20	Union Bank	FNMA	07-17-20	01-17-23	\$ 3,000,000.00	\$ 3,000,000.00	\$ 3,007,170.00	1.800%	Quarterly
01-21-20	Alamo Capital	FHLMC	07-21-20	01-21-25	\$ 1,995,500.00	\$ 2,000,000.00	\$ 2,004,880.00	1.847%	Quarterly
01-23-20	Ladenburg Thalmann	FFCB	04-23-20	04-23-24	\$ 3,000,000.00	\$ 3,000,000.00	\$ 3,002,130.00	1.940%	Continuous
01-30-20	Alamo Capital	FHLMC	07-30-20	01-30-23	\$ 3,000,000.00	\$ 3,000,000.00	\$ 3,005,970.00	1.600%	Quarterly
02-10-20	Union Bank	FHLMC	08-10-20	08-10-22	\$ 3,000,000.00	\$ 3,000,000.00	\$ 3,006,780.00	1.650%	Quarterly
02-12-20	Union Bank	FHLMC	02-12-21	02-12-25	\$ 3,000,000.00	\$ 3,000,000.00	\$ 3,013,350.00	1.800%	Annual
02-18-20	Stifel	FHLMC	02-18-20	02-18-25	\$ 3,000,000.00	\$ 3,000,000.00	\$ 3,010,710.00	1.700%	1 Time
02-25-20	Piper Jaffray	FHLMC STEP	08-25-20	02-25-25	\$ 3,000,000.00	\$ 3,000,000.00	\$ 3,005,340.00	1.750%	Quarterly

Total Government Agency \$ 91,976,520.00 \$ 92,000,000.00 \$ 92,248,740.00

Weighted Mean YTM 1.882%

TOTAL INVESTED @ 02/29/20 \$ 149,384,907.76 \$ 149,264,831.76 \$ 149,974,353.11

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

INCREASE OR (DECREASE) \$ 6,113,404.50

BALANCE	FEBRUARY 29, 2020	\$2,658.95	\$1,445,359.54
---------	-------------------	------------	----------------

FEBRUARY 2020

DESERT WATER AGENCY

WASTEWATER ACCOUNT

SCHEDULE #1-CHECKS OVER \$10,000

CHECK #	NAME	DESCRIPTION	AMOUNT
3333	COACHELLA VALLEY WATER DISTRICT	WASTEWATER REVENUE BILLING FOR JANUARY 2020	\$60,643.54
3334	CITY OF PALM SPRINGS	WASTEWATER REVENUE BILLING FOR JANUARY 2020	\$10,565.14
3335	DESERT WATER AGENCY	OPERATING FUND REIMBURSEMENT - DECEMBER 2019	\$20,817.56
** TOTAL			\$92,026.24

DESERT WATER AGENCY
WASTEWATER FUND - LISTING OF INVESTMENTS
February 29, 2020

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

Local Agency Invstment Fund

06-30-83	State of California	LAIF	Open	\$ 1,445,359.54	\$ 1,445,359.54	\$ 1,445,359.54	1.860%
----------	---------------------	------	------	-----------------	-----------------	-----------------	--------

TOTAL INVESTED @ 02/29/20	\$ 1,445,359.54	\$ 1,445,359.54	\$ 1,445,359.54
BALANCE @ 06/30/19	<u>\$ 1,400,362.63</u>		
INCREASE OR (DECREASE)	\$ 44,996.91		

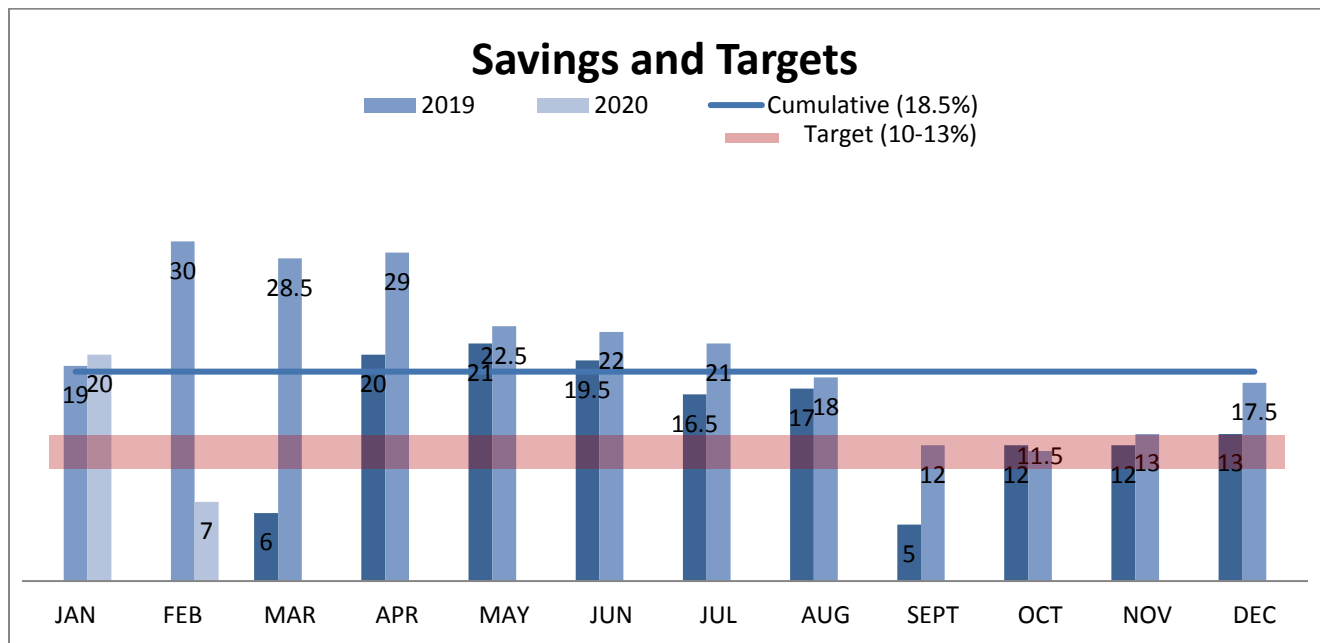
DESERT WATER AGENCY - OPERATING FUND COMPARATIVE EARNINGS STATEMENT								
MONTH 19-20 FEBRUARY	/-----THIS MONTH-----/ THIS YEAR	LAST YEAR	BUDGET	/-----FISCAL YEAR TO DATE-----/ THIS YEAR	LAST YEAR	BUDGET	/--VARIANCE--/ YTD	PCT
OPERATING REVENUES								
WATER SALES	2,400,270.99	1,783,386.77	2,245,400.00	23,885,188.85	21,423,177.60	25,287,600.00	1,402,411.15-	6-
RECLAMATION SALES	66,340.38	46,907.70	53,950.00	1,115,355.22	1,041,997.97	998,350.00	117,005.22	12
POWER SALES	.00	79.68	1,800.00	33,618.67	8,358.76	12,600.00	21,018.67	167
OTHER OPER REVENUE	310,761.37	189,573.59	184,850.00	1,933,877.41	1,346,574.65	1,478,800.00	455,077.41	31
TOTAL OPER REVENUES	2,777,372.74	2,019,947.74	2,486,000.00	26,968,040.15	23,820,108.98	27,777,350.00	809,309.85-	3-
OPERATING EXPENSES								
SOURCE OF SUPPLY EXP	147,540.29	17,186.90	50,850.00	2,926,610.26	2,788,922.98	3,185,800.00	259,189.74-	8-
PUMPING EXPENSE	130,427.16	187,670.55	163,200.00	1,797,425.98	2,183,477.87	2,286,600.00	489,174.02-	21-
REGULATORY WATER TREAT	36,683.23	32,142.68	47,275.00	371,187.34	344,031.85	378,200.00	7,012.66-	2-
TRANS & DIST EXPENSE	160,017.54	193,224.88	408,975.00	1,901,101.67	2,440,606.31	3,271,800.00	1,370,698.33-	42-
CUSTOMER ACT EXPENSE	79,960.96	79,047.82	88,125.00	645,940.53	606,058.35	691,800.00	45,859.47-	7-
ADMIN & GEN EXPENSE	648,362.68	609,558.03	721,525.00	7,980,645.75	6,879,849.18	8,185,050.00	204,404.25-	2-
REGULATORY EXPENSE	6,926.02	57,817.39	39,700.00	229,107.69	149,734.84	317,600.00	88,492.31-	28-
SNOW CREEK HYDRO EXP	2,528.71	3,528.39	3,000.00	21,113.34	11,075.12	24,000.00	2,886.66-	12-
RECLAMATION PLNT EXP	60,784.22	47,526.08	128,800.00	705,474.83	698,528.57	1,035,100.00	329,625.17-	32-
SUB-TOTAL	1,273,230.81	1,227,702.72	1,651,450.00	16,578,607.39	16,102,285.07	19,375,950.00	2,797,342.61-	14-
OTHER OPER EXPENSES								
DEPRECIATION	515,808.62	518,477.95	508,550.00	4,040,367.49	3,894,679.46	4,068,400.00	28,032.51-	1-
SERVICES RENDERED	13,630.88	20,295.51	15,000.00	87,637.06	104,690.30	120,000.00	32,362.94-	27-
DIR & INDIR CST FOR WO	161,706.33-	159,795.18-	183,200.00-	1,600,163.52-	1,435,947.36-	1,465,600.00-	134,563.52-	9
TOTAL OPER EXPENSES	1,640,963.98	1,606,681.00	1,991,800.00	19,106,448.42	18,665,707.47	22,098,750.00	2,992,301.58-	14-
NET INCOME FROM OPERATIONS	1,136,408.76	413,266.74	494,200.00	7,861,591.73	5,154,401.51	5,678,600.00	2,182,991.73	38
NON-OPERATING INCOME (NET)								
RENTS	55,179.89	3,454.77	6,100.00	155,135.24	59,098.14	48,800.00	106,335.24	218
INTEREST REVENUES	43,341.34	36,509.65	40,000.00	380,520.89	310,656.82	320,000.00	60,520.89	19
OTHER REVENUES	.00	420.00	.00	10,061.72	32,490.00	.00	10,061.72	0
GAINS ON RETIREMENT	.00	.00	2,000.00	.00	.00	12,000.00	12,000.00-	100-
DISCOUNTS	12.87	30.28	100.00	198.55	385.01	800.00	601.45-	75-
PR. YEAR EXPENSES	.00	.00	.00	292.11	15,816.25	.00	292.11	0
OTHER EXPENSES	.00	.00	1,650.00-	20,000.00-	.00	13,200.00-	6,800.00-	52
LOSS ON RETIREMENTS	.00	.00	4,100.00-	24,948.81-	34,656.97-	32,800.00-	7,851.19	24-
TOTAL NON-OPER INCOME	98,534.10	40,414.70	42,450.00	501,259.70	383,789.25	335,600.00	165,659.70	49
TOTAL NET INCOME	1,234,942.86	453,681.44	536,650.00	8,362,851.43	5,538,190.76	6,014,200.00	2,348,651.43	39

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

MARCH 17, 2020

RE: FEBRUARY 2020 WATER USE REDUCTION FIGURES

Desert Water Agency and its customers achieved a 7% reduction in potable water production during February 2020 compared to the same month in 2013 – the baseline year used by the State Water Resources Control Board (State Water Board) to measure statewide conservation achievements. DWA continues to report its production to the state on a monthly basis, despite mandatory conservation ending in 2017.



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

The cumulative savings over the last twelve-month period is 18.5%. The cumulative savings beginning in June of 2016 when we put our 10-13% target in place is 17.2%.

On the following page is additional information for this month.

February 2020 water production	1,771.12 AF
February 2013 water production	1,901.69 AF
Percent changed in this month per drought surcharge baseline (February 2020)	-23.97%
Quantity of potable water delivered for all commercial, industrial, and institutional users for the reporting month	626.58 AF
The percentage of the Total Monthly Potable Water Production going to residential use only for the reporting month	64.62%
Population (inclusive of seasonal residents)	89,232
Estimated R-GPCD	144.12
How many public complaints of water waste or violation of conservation rules were received during the reporting month?	9
How many contacts (written/ verbal) were made with customers for actual/ alleged water waste or for a violation of conservation rules?	4
How many formal warning actions (e.g.: written notifications, warning letters, door hangers) were issued for water waste or for a violation of conservation rules?	0
How many penalties were issued for water waste or for a violation of conservation rules?	0
<p>Comments: The Agency's service area is highly seasonal making population analysis a complex task. The State Water Board analyzes data on a per capita basis.</p> <p>We have updated our population figures per the Department of Water Resources' acceptance of our technical memo on seasonal population. This has increased our estimated R-GPCD. We anticipate another increase in our monthly reporting when the mandatory reporting regulations go into effect as we have historically reported consumption. We will be required to report production, which includes water losses (leaks).</p> <p>Since Desert Water Agency began recycling water, the agency has reclaimed 103,895 acre feet. If our recycled water production for this month was taken into consideration against our potable production, the conservation achieved would have been several percentage points higher.</p>	