



REGULAR MEETING 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): (877) 309-2073**  
**Access Code: 927-458-245**

*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. May 18. 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**

**2. ROLL CALL**

**3. APPROVAL OF MINUTES - May 5, 2020**

**STUART**

**4. GENERAL MANAGER'S REPORT**

**KRAUSE**

**5. COMMITTEE REPORTS –**  
A. Executive – May 14, 2020  
B. Finance – May 14, 2020

**STUART**  
**BLOOMER**

**6. SECRETARY-TREASURER'S REPORT (APRIL 2020)**

**EWING**

**7. 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.

**8. ACTION ITEMS**

- A. Draft 2020/2021 Groundwater Replenishments Engineer's Reports
- B. Recommend Award of Contract for Construction of 2019/2020 Replacement Pipelines (Avenida Caballeros 30" – Vista Chino to Tachevah Drive)

**KRAUSE**  
**JOHNSON**

**9. DISCUSSION ITEMS**

- A. April Water Use Reduction Figures
- B. 60-day COVID-19 Financial Impact Update
- C. COVID-19 Update (Verbal)
- D. Upcoming PFAS Monitoring Order

**METZGER**  
**SAENZ**  
**KRAUSE**  
**JOHNSON**

**10. DIRECTORS COMMENTS AND REQUESTS**

**11. 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. 510-020-050  
Agency Negotiators: Mark S. Krause, General Manager and Steve Johnson, Asst. General Manager  
Negotiating Parties: Desert Water Agency and Los Angeles SMSA Limited Partnership d/b/a Verizon Wireless  
Under Negotiation: Possible land lease agreement

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

**13. ADJOURN**

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

3

**May 5, 2020**

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

DWA Staff via Mark S. Krause, General Manager )  
Teleconference: 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. )

Consultants via Michael T. Riddell, Best Best & Krieger )  
Teleconference:

Public via Randy Duncan, Mission Springs Water District )  
Teleconference: David Freedman, Palm Springs Resident )

18742. President Stuart opened the meeting at 8:00 a.m. and asked everyone to join him in the Pledge of Allegiance. **Pledge of Allegiance**

18743. President Stuart called upon Assistant Secretary of the Board Baca to conduct the roll call: **Roll Call**

Present: Cioffi, Oygard, Ewing, Bloomer, Stuart

18744. President Stuart called for approval of the April 21, 2020 Regular Board Meeting Minutes. **Approval of 04/21/20 Regular Board Mtg. Minutes**

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

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

18745. 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 President Stuart, Mr. Krause confirmed the amount on the letter to the BLM, page 4 regarding DWA's alternative to Direct Import of SWP water is 1.6 billion.

18746. President Stuart noted the minutes for the April 30, 2020 Executive Committee meeting were provided in the Board's packet.

Executive 04/30/20

18747. 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.

18748. President Stuart called upon General Manager Krause to present staff's Request for Approval for Extension of COVID-19 Financial Relief to Customers.

**Items for Action:**  
Request Approval for  
Extension of COVID-  
19 Financial Relief to  
Customers

Mr. Krause reported the COVID-19 public health emergency has changed the way the Agency conducts business. It has also heavily impacted the financial wellbeing of many local residents and businesses. On April 23, the City of Palm Springs declared a financial state of emergency. He noted DWA's Board of Directors acted promptly at the onset of this crisis and halted both water shutoffs for nonpayment and the collection of late fees. The Board also directed the Agency to absorb credit card processing fees. These measures were put in place for a sixty day period, March 17 through May 16, which is before the next board meeting. Mr. Krause noted that on April 2, Governor Gavin Newsom issued Executive Order N-42-20 which prohibits the water shutoff for any resident or critical business. There is no termination date in the Executive Order, so the timing for it to be discontinued by the Governor is unknown. He reported that DWA's prohibition on shutoffs is more comprehensive than that of the Governor because it is inclusive of all customer types. Additionally, water agencies are not required to halt late fees or assume processing fees as DWA's Board elected to do.

Mr. Krause pointed out that if the Board takes no action, the Agency would default into following Executive Order N-42-20. Shutoffs would still be halted until the Governor determines otherwise, late fees will be collected and the Agency will not cover the cost of processing charges for phone or credit card payments. He reported that late fee prohibition results in lost revenue of about \$37,800 a month and absorbing processing fees costs the Agency about \$2,100 per month. Reconnection fees are a lost revenue of about \$4,000 a month – though no staff time has been expended to reconnect

service since no one has been shut off. Though the Agency suspended turnoffs, customers will still be liable for the amount due for water service and monthly charges. He then explained that guidance issued by the State Water Board pursuant to Executive Order N-42-20 also suggests that agencies consider waiving late fees and offer payment plans that extend repayment over 12 months or more. The Agency already commonly offers payment plans. To date, we have not seen a spike in payment plan requests, but expect to see an increase when shutoffs are reinstated. Staff recommends that the Board of Directors extend financial relief for customers for an additional period of sixty days, May 16 through July 15.

**Items for Action:**

(Cont.)

Request Approval for  
Extension of COVID-  
19 Financial Relief to  
Customers

Director Oygar moved to approve staff's request. After a second by Secretary-Treasurer Ewing, the motion carried by the following roll call vote:

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

18749. President Stuart called upon Agency Counsel Riddell to provide a report on the April 16, 2020 Board of Directors of the State Water Contractors meeting.

**Discussion Items:**

04/16/20 SWC Mtg.

Mr. Riddell provided a report on the following items; 1) Kathy Cortner, Interim General Manager for Mojave Water Agency was elected to fill the vacant seat on the SWC Board of Directors, 2) The SWC Board approved expenditures of more than \$900,000 in consulting contracts related to the Delta smelt and Longfin smelt issues, 3) Precipitation in the SWC watershed continues to be significantly below average, 4) The legislative report indicated that the return of the Legislature scheduled for May 4 might be pushed back further due to the COVID-19 emergency and the State agencies are being asked to keep their costs down this year, 5) One bill to note is SB1188 (Henry Stern) to modernize the California Water Plan to better integrate water planning within watersheds, and 6) The incidental take permit issued by the State under the California Endangered Species Act, utilizing the State's biological opinion, eliminates all the water supply increased provided by the Federal biological opinion. The result is a 200,000 AF increase in supplies to the Central Valley Project (the Federal project), but no increase in supplies for the SWP, and yet the SWP is burdened with additional mitigation requirements that should be shared by the CVP. The differing permit conditions will make coordinated operations between the State and Federal projects a real challenge. The SWP has sued the State challenging its permit.

18750. President Stuart noted that Board packets included Outreach & Conservation reports for April 2020.

**Outreach & Conservation – April 2020**

Outreach & Conservation Manager Metzger reported on the following; 1) DWA’s first webinar “Go Water Wise and Save” was a success and has plans for additional webinars, 2) She will be presenting at an NWRRA webinar on May 7, 3) She is setting up guidelines regarding Executive Order N-42-20, 4) DWA staff is joining “Story time” with United Way of the Desert on Facebook live on Tuesday evenings, 5) United Way credits are averaging one per day (additional promotion is planned) and 6) AB2095 allows public water systems to reduce water charges on customers impacted by COVID-19 as long as it doesn’t increase water charges on another rate payer. DWA is in-line with AB2095 with its Help to Others program.

Secretary-Treasurer Ewing and President Stuart thanked Mrs. Metzger and her staff for pivoting quickly on virtual meetings and presentations on social media.

18751. Secretary-Treasurer Ewing mentioned he may be absent for the June 16 Board meeting.

**Director’s Comments/Requests**

18752. At 9:06 a.m., President Stuart convened into a Teleconference 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 (2 cases); (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) Existing 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; (G) 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 Negotiators, 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, Assistant General Manager, Negotiating Parties: Desert Water Agency and Marcus Wynne Hughes, Under Negotiation: Price and Terms, and (I) Conference with Real Property Negotiators, Pursuant to Government Code Section 54956.8, Property: APN No. 680-180-034, Agency Negotiators: Mark S. Krause, General Manager and Steve Johnson, Assistant General Manager, Negotiating Parties: Desert Water Agency and Wildcat I Energy Storage, LLC, Under Negotiation: Possible amendment of terms and lease agreement.

**Closed Session:**

A. Existing Litigation – ACBCI vs. CVWD, et al. (2 cases)  
 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. Existing Litigation – 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  
 (H) Conference with Real Property Negotiators, Property: APN No’s. 516-272-009, 516-051-001 and 516-051-006  
 (I) Conference with Real Property Negotiators, Property: APN No. 680-180-034

**Reconvene – No  
Reportable Action**

18753. At 11:04 a.m., Assistant General Manager Johnson reconvened the meeting into open session and announced there was no reportable action taken.

18754. In the absence of any further business, Assistant General Manager Johnson adjourned the meeting at 11:05 a.m. **Adjournment**

---

Sylvia Baca  
Assistant Secretary of the Board

DRAFT

## **GENERAL MANAGER'S REPORT**

### **MAY 19, 2020**

#### Claim Settlement (Spaeth) – Faulty Fire Hydrant

In October 2019 one of our fire hydrants located at 298 N. Burton Way was found detached from its riser piping with water flowing that caused damage to the property at the same location. A claim was filed by the resident. The claim has now been processed by ACWA JPIA settled for \$30,121.31. As part of said processing an investigation was conducted to determine the cause. It was determined that the bolts attaching the hydrant to the riser piping had become corroded and failed. Agency personnel inspected all of the hydrants in the area for corrosion and found none needing replacement. The Agency has now instituted bolt inspection as part of routine hydrant maintenance.

#### Incidental Take Permit (ITP) for the SWP - Bureau of Reclamation & DOI's Reaction

Attached for your information are letters from the Bureau of Reclamation's and the U.S. Department of Interior's regarding the State of California's ITP. The letters point out that the states actions have introduced uncertainty in the water supplies and urge the state to rely on science in making management decisions.





THE SECRETARY OF THE INTERIOR  
WASHINGTON

APR 28 2020

The Honorable Dianne Feinstein  
United States Senate  
Washington, DC 20510

Dear Senator Feinstein:

I have reviewed your letters dated April 15, 2020, addressed to me and Governor Newsom regarding California water management.

Rest assured that the Department of the Interior (Department) is continuing coordinated operations between the Central Valley Project (CVP) and State Water Project (SWP) on a minute, hourly, daily, and weekly basis with the State of California (State). Though it may seem strange, given the contentious circumstances in which we have found ourselves, we are nonetheless pleased that the State continues to participate with implementing actions associated with our 2019 biological opinions. You have the Department's full commitment that we will continue these meetings to implement the 2019 biological opinions.

I agree with your long-held view of the need to improve California water supply reliability through enhanced Central Valley Project-State Water Project (CVP-SWP) operations. It is my belief that a commitment to updated science employed in the proposed operational changes and biological opinions will lead to improved water supply reliability to millions of Californians, promote agricultural and industrial prosperity, and protect wildlife and other aquatic resources. That has been the Department's goal. Obviously, the State has chosen to move in a different direction.

In your December 19th letter to Governor Newsom and me, you urged "There is only one way to avoid this potential crisis, and that is for the federal government and California to work together." Governor Newsom responded to your call by

- filing a lawsuit on February 20th against the Department for supposed violations related to the 2019 biological opinions;
- proceeding to have the State issue its own incidental take permit (ITP) on March 30th creating separate operating rules for the SWP, a document that is in direct conflict with the Federal permits; and
- filing, by the State through Attorney General Xavier Becerra, a motion for a preliminary injunction and other pleadings on April 21st regarding the CVP.

Given the extensive collaboration between the Federal and State agencies in the development of the biological opinions, and the fact that these opinions are strongly grounded in the best available science, I believe the State's recent actions and litigation are ill-founded and potentially unlawful.

Earlier this month, the Metropolitan Water District of Southern California Board (Metropolitan) voted to initiate a lawsuit against the State regarding the ITP for long-term operation of the SWP in the Sacramento-San Joaquin Delta. In a recent letter to the California Department of Fish and Wildlife (DFW) and the California Department of Water Resources (DWR), Metropolitan stated that "[t]he permit issued by DFW does not replace or eliminate the SWP obligation to comply with federal ESA and the 2019 Biological Opinions."

I agree with this statement; there can be no "stand alone permit" apart from the Federal process to protect species under the Endangered Species Act. I also agree with Metropolitan that there is no technical or scientific justification for concluding that the State's ITP is better or more protective than the Federal biological opinions simply because it does not seek to increase SWP exports. I believe that the proposal of such limitations on water supply without legal or scientific basis is contrary to our obligation to the people and environment.

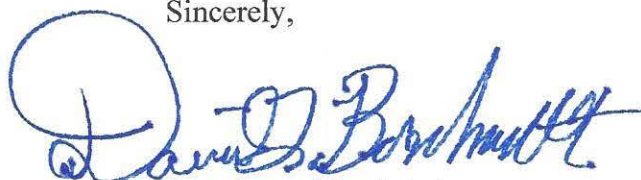
I have always appreciated your thoughtful recognition that prudent and science-based management of California's water, particularly the operations of the CVP and SWP, is critically important for the State's economy, communities, and natural environment.

Using over a decade of new scientific understanding and operational experience, the 2019 biological opinions approved new management actions. These new actions provide for the protection of endangered and threatened fish species and their habitat, as well as better management of cold-water supplies for the survival of winter-run Chinook salmon. The new actions allow for more reliable delivery of water to California farmers, families, and communities, while serving as a model for collaboration between water project operators and fisheries experts in years to come.

As the California-initiated operations and litigation proceeds, I anticipate that the State and the Department will face significant administrative and operational challenges regarding the intertwined operations of these two water projects, some of which have not been seriously contemplated for decades. The result of this, and any litigation related to this matter, will be further uncertainty for the water supplies of over 35 million people, including numerous economically disadvantaged communities, farms, groundwater sustainability and ecosystems dependent on these water sources.

I appreciate your continued communication as we move forward to better ensure water supply reliability for the benefit of the State's working families, local communities, and environment. A similar reply is being sent to the cosigners of your letter.

Sincerely,

A handwritten signature in blue ink, appearing to read "David D. Bonham". The signature is fluid and cursive, with a large initial "D" and a long, sweeping underline.

Secretary of the Interior





# United States Department of the Interior

BUREAU OF RECLAMATION  
Washington, DC 20240



**MAY 06 2020**

IN REPLY REFER TO:

91-00000  
1.2.11

The Honorable Dianne Feinstein  
United States Senate  
Washington, DC 20510

Dear Senator Feinstein:

I am writing to provide a further response to Secretary of the Interior David Bernhardt's April 28, 2020 letter to you and Representatives Costa, Garamendi, Harder, and Cox. In his letter, Secretary Bernhardt wrote about his commitment to delivering reliable water supplies to California's hard-working families and farming communities.

The Department of the Interior (Department) is working hard to support more water development and delivery in the State of California through infrastructure investment, better operations planning, and implementation of science-based actions. With the State and the public water agencies, together we have invested billions of dollars in the last ten years on habitat and science-based actions to better understand the needs of listed species in California and how changes in Central Valley Project (CVP) and State Water Project (SWP) operations interact with land use policies, degraded habitats, invasive species, and fishing policies to create the environment experienced by listed species. We have learned a lot.

To put this new knowledge to use, both the Federal and State teams decided in 2016 to reinitiate consultation on the long-term operations of the CVP and SWP under the Endangered Species Act. Throughout this consultation, CVP and SWP staff worked side-by-side, often on a daily basis, with the U.S. Fish and Wildlife Service and the National Marine Fisheries Service to craft new, more efficient operations and actions for both projects that allow more flexible water operations while at the same time providing substantive protections for listed species.

This consultation resulted in new biological opinions in October of 2019. After a comprehensive analysis under the National Environmental Policy Act (NEPA), including participation by the Department of Water Resources as a cooperating agency<sup>1</sup>, the Bureau of Reclamation signed a

---

<sup>1</sup> Both the California Department of Fish and Wildlife and the State Water Resources Control Board declined to participate as cooperating agencies.

Record of Decision on February 18, 2020, and immediately began implementing the new biological opinions.

A review of the State's recent actions offers a significant contrast. After participating as partners throughout the consultation and NEPA processes, the State changed course in late 2019, repudiating the very science they invested in and the very analyses they helped develop. Instead, the State charted a course that calls coordinated operations into doubt and filed a lawsuit that challenges their own federal ESA compliance for the SWP. On March 30, it released, for the first time, a new State Incidental Take Permit (ITP) for SWP operations, developed unilaterally with no coordination with the federal water project, no independent peer review, no consultation with the Federal regulatory agencies, and no opportunity for public participation. The new ITP recklessly ignored new scientific understanding and reduced the water supplies available to hundreds of farms and rural communities and over 27 million people that receive water from the SWP. It also specifically included provisions to limit the sharing of facilities and to reduce the coordinated operation with the CVP.

Despite these facts, Secretary Bernhardt has made clear that the Department is continuing coordinated operations between the CVP and the SWP – and with the State of California – on a minute, hourly, daily, and weekly basis, in order to ensure a safe and reliable water supply for all. Just since February 18, 2020, CVP and SWP staff and federal and State fish agencies have held over 100 meetings (Enclosure). The CVP and SWP staff continue to participate in the ongoing process of implementing actions associated with the 2019 biological opinions related to CVP and SWP operations.

These efforts are all the more important given the hurdles and likely delays that the recent actions Governor Newsom and the State have taken.

The President has charged us with the monumental task of making water in the west more reliable. For the first time in recent memory, we are on the brink of a significant and positive change in the way California water is managed. Until very recently, Governor Newsom and the State agencies have said they want to be willing partners in a new and meaningful approach, described by the Governor himself as “putting the old binaries aside; getting off our high horse; recognizing that we need each other.” (January 29, 2020 Governor Newsom at the Public Policy Institute of California.)

Instead, however, the State has now chosen to embrace the tactics of litigious interest groups at the expense of families, farms, communities, and wildlife that the vast water system supports. It is unclear whether the State fully comprehends the consequences of severing the CVP and SWP. Ultimately, this will only harm the future reliability of California's water supply, and it will do nothing to modernize a system that is badly in need of real change.

But there is another choice. Secretary Bernhardt and the Department have chosen to move forward with concrete actions that will yield positive results.

At the Department, we are continuing to work with our active partners in the State – farmers, water contractors at both the federal and State projects, and others – to work toward implementing new biological opinions based on the best science available to modernize CVP operations. Our partners have made it clear that they support this positive, sustainable way forward. They have not given up on doing better for both the environment and for water supply.

You have the Department's full commitment that we will continue these coordinated efforts to implement the 2019 biological opinions and to ensure a safe and reliable water supply in the State. We will continue working to make sure families, farms, communities, and wildlife have the water they need to thrive.

We hope you will join us in our efforts.

Sincerely,

A handwritten signature in blue ink, appearing to be 'D. Bernhardt', written over a horizontal line.

Commissioner  
Bureau of Reclamation

Enclosure

cc: The Honorable Kamala Harris  
United State Senate

DWA Comment Letter on Westlands Subbasin Groundwater Sustainability Plan

Attached is a comment letter submitted by DWA essentially mirroring comments submitted by Metropolitan Water District pertaining to the Westside's Subbasin Groundwater Sustainability Plan. The plan currently would allow for 305,000 af to be pumped out of the basin annually when the safe yield of the basin has been estimated to be 200,000 af per year. This subbasin has suffered from substantial subsidence and this has greatly affected the efficiency of the State Water Project aqueduct and resulted in expense.



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



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

May 15, 2020

Mr. Craig Altare  
Supervising Engineering Geologist  
California Department of Water Resources  
901 P Street, Room 231  
Sacramento, CA 94236  
Email: [Craig.Altare@water.ca.gov](mailto:Craig.Altare@water.ca.gov)  
Portal Submission: <https://sgma.water.ca.gov/portal#gsp>

Ms. Kiti Campbell  
Westlands Water District  
3130 North Fresno St  
P.O. Box 6056  
Fresno, CA 93703  
Email: [sgma@westlandswater.org](mailto:sgma@westlandswater.org)

Dear Mr. Altare and Ms. Campbell:

Desert Water Agency (DWA) appreciates the opportunity to review and comment on the Westside Subbasin Groundwater Sustainability Plan (GSP) submitted by the Westlands Water District Groundwater Sustainability Agency (GSA) and prepared to comply with the Sustainable Groundwater Management Act (SGMA).

DWA is one of 29 State Water Contractors receiving water from the State Water Project (SWP) contributing financially to the SWP operation, maintenance, and construction budget. In addition, DWA is a retail water provider for the City of Palm Springs including portions of Cathedral City and unincorporated Riverside County areas serving 325 square miles and 90 thousand people. The SWP is the DWA's only source of imported water and is vital to its water supply sustainability. A large portion of SWP infrastructure runs through the GSA service area and may be impacted by continued subsidence. Hence, DWA has an interest in any proposal that may impact SWP water supplies, operations or increased costs due to damaged infrastructure.

Published reports indicate that the safe yield for the Westside Subbasin is approximately 200,000 AF per year. (P. 16 on Westlands, 2016; Section 4.10 p. 50 on Westlands, 2018). The GSP proposes allowable groundwater pumping of 305,000 AF, while showing that historically from 1989 to 2015, the groundwater pumping was on average 324,000 AF.





crosses the GSA's area from northwest to southeast. (Section 2.2.2.3.2 page 2-43 and Figure 2.57, Westlands, 2020).

During the SLC construction, significant costs were incurred to build additional freeboard (for a total of 10 feet of freeboard in some sections) in anticipation of continued subsidence during and shortly after construction (Section 4.3 Table 4-5 DWR, 2017). The latest DWR report on subsidence stated that during normal to wet years, subsidence was 0.1 inches per year, indicating that this was the residual "normal" subsidence rate during periods when groundwater extractions approximate sustainable groundwater pumping levels. (Section 5.4 Table 5-2 and Section 6.3, DWR 2019). During dry to critical years, the subsidence rate rose to 1.2 inches per year, 10 times the residual rate, due to the increased groundwater withdrawals to replace imported surface water. (Section 5.4 Table 5-2 and Section 6.3, DWR 2019). During the extreme drought of 2014-2017, some areas experienced a rate of 7.2 inches per year, and in certain areas, over 2 feet of subsidence is non-recoverable. (Section 5.4 Table 5-2 and Section 6.3 DWR, 2019).

The most impacted areas of the California Aqueduct are in the SLC within the area of the GSA. Subsidence not only causes infrastructure damage that must be repaired at significant capital cost, but also impedes water delivery operations and downstream water agencies incur an additional \$25 million annually in operation, maintenance, and power costs. (Section 7.2.1 and 7.2.2 DWR, 2017). In some locations, the California Aqueduct has lost 20 percent of its capacity, compromising the deliveries south of Pool 20.

DWR has proposed several rehabilitation projects for the SLC to be completed in the next few years which will cost approximately \$200 million. Longer term costs to repair subsidence-related damage are estimated to range between \$1 and 2 billion. DWA would be asked to pay a share of costs for these rehabilitation projects. This investment in rehabilitation projects will be wasted if subsidence continues to occur at the rate proposed by your GSP. As stated above, a residual subsidence rate should be on the order of 0.1 inches per year and not 0.1 feet per year. For example, the residual subsidence rate of 0.1 feet per year coincides with the long-term average between 1967 and 2017 (Table 6-1 DWR 2019), which includes the most recent extreme drought. If the GSA allows groundwater pumping at a rate that causes subsidence at the rate of 0.1 feet per year, in 50 years or sooner, even having invested in exhaustive repairs, we will be at the same place we are today – SLC with insufficient freeboard, continued impacts to delivery capacity, increased power costs and another expensive repair needed to ensure a reliable water delivery facility. (Section 3.2.3.1 Table 3-4 Westlands, 2020).



DWA agrees with the statement in the plan that voluntary fallowing would be used to meet SGMA's goals. (Table 3-1 Westlands, 2020). However, it is also true that crop patterns are shifting heavily to permanent crops, reducing the ability to rely on fallowing to reduce water demand (Figure 2-13 and 2-14, DWR 2019 and analyses of the annual crop reports, Westlands, 2020a). In order to comply with SGMA, and to prevent damage to critical infrastructure, DWA recommends that the GSP should:

- 1) keep groundwater extraction to safe yield levels to avoid irrecoverable subsidence near the SLC;
- 2) work with DWR subsidence program to incorporate monitoring and regular reporting of land surface elevations near critical water delivery facilities;
- 3) limit subsidence near critical infrastructure to the order of magnitude of the residual subsidence level of 0.1 inches per year to protect the SLC, and;
- 4) accelerate timeframe for milestones related to subsidence to avoid damages to the soon-to-be renovated SLC.

DWA appreciates the opportunity to provide comments on the Westside Subbasin Groundwater Sustainability Plan and looks forward to reviewing your plan to address the subsidence issue and related impacts to critical water infrastructure needed to ensure a robust economy and the needs of millions of California residents.

Sincerely,

Mark S. Krause  
General Manager-Chief Engineer

Enclosures (Literature Cited)



## Literature Cited

California Natural Resources Agency Department of Water Resources (DWR). 2017. California Aqueduct Subsidence Study. Available from: [https://water.ca.gov/-/media/DWR-Website/Web-Pages/Programs/Engineering-And-Construction/Files/Subsidence/Aqueduct Subsidence Study-Accessibility Compatibility.pdf?la=en&hash=8B822EF535EACA58D36F2E65624AD5CF393E0BE7](https://water.ca.gov/-/media/DWR-Website/Web-Pages/Programs/Engineering-And-Construction/Files/Subsidence/Aqueduct%20Subsidence%20Study-Accessibility%20Compatibility.pdf?la=en&hash=8B822EF535EACA58D36F2E65624AD5CF393E0BE7)

California Natural Resources Agency Department of Water Resources (DWR). 2019. California Aqueduct Subsidence Study: Supplemental Report. Available from: <https://water.ca.gov/Programs/Engineering-And-Construction/Subsidence>

Deep Groundwater Conditions Report – December 2015 (Westlands). 2016. Westlands Water District. Available from: <https://wwd.ca.gov/wp-content/uploads/2016/05/2015-deep-groundwater-conditions-report.pdf>

Hydrogeologic Conceptualization Report – Westside Subbasin (Westlands). 2018. Westlands Water District. Available from: <https://sgma.water.ca.gov/portal/gsp/preview/8> under “Supporting Information”

Westside Subbasin Groundwater Sustainability Plan (Westlands). 2020. Prepared by Luhdorff & Scalmanini. Available from: <https://sgma.water.ca.gov/portal/gsp/preview/8>

Westlands Water District Crop Report (Westlands). 2020a. Available online: <https://wwd.ca.gov/news-and-reports/crop-acreage-reports/>

## State Water Board White Paper on Hexavalent Chromium MCL Economic Feasibility

In 2014, the California Department of Public Health issued a Maximum Contaminant Level (MCL) of 10 parts per billion for hexavalent chromium (Cr6). There was no federal MCL for Cr6 specifically, though total chromium is regulated at the state (50 ppb) and federal (100 ppb) level. This new Cr6 MCL affected every public water agency in the Coachella Valley except for Desert Water Agency. Our Cr6 levels were slightly below the MCL.

Neighboring agencies invested millions in planning and design -- some even built facilities to comply. In 2017, a State Court invalidated the Cr6 MCL on the basis that it did not comply with the Safe Drinking Water Act because it “failed to properly consider the economic feasibility of complying with the MCL.” Since 2017, there has not been a Cr6 MCL in place. The State Water Resource Control Board (which took over for the California Department of Public Health) is in the process of reissuing an MCL for Cr6. They anticipate stakeholder involvement and recently released a [white paper on the economic feasibility of a new Cr6 MCL](#). DWA submitted the following comment letter on the white paper to the State Water Board on May 15.

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



Mark S. Krause, General Manager  
Best, Best & Krieger, General Counsel  
Krieger & Stewart, Consulting Engineers

Ms. Jeanine Townsend

May 15, 2020

Clerk to the Board  
STATE WATER RESOURCES CONTROL BOARD  
P. O. Box 100  
Sacramento, California 95812-2000  
Via: [commentletters@waterboards.ca.gov](mailto:commentletters@waterboards.ca.gov)

**Re: COMMENTS – White Paper on Economic Feasibility Analysis in Consideration of a Hexavalent Chromium MCL**

Ms. Townsend,

Desert Water Agency appreciates the opportunity to comment on the State Water Resources Control Board's *White Paper on Economic Feasibility Analysis in Consideration of a Hexavalent Chromium MCL*. DWA serves about 90,000 people in the Palm Springs area with the majority of our service area considered disadvantaged or severely disadvantaged. The White Paper's conclusions, and the State Water Board's eventual policy for evaluating economic feasibility, affect all water systems, especially ones like ours located in an area with naturally occurring Chromium 6. Our primary comment is that the SWRCB should rely on a methodology for cost-benefit analysis.

Limitations on Cost-Benefit Analysis

The White Paper asserts that a Cost-Benefit Analysis is limited in informing Economic Feasibility Guidelines because such analysis does not adequately account for benefits. One key step the SWRCB could take to better account for benefits is coordinating the MCL process with an updated risk assessment. The White Paper fails to address that there are also costs not accounted for – like the health and socioeconomic impacts that come with less affordable water. The State Water Resources Control Board thoroughly addressed the health challenges of not having access to water and the needs and challenges facing the most economically vulnerable residents in the State in its *Recommendations for a State Low Income Water Rate Assistance Program*, but these insights and recommendations are absent from the White Paper. We strongly recommend that they be considered and incorporated in the final draft.

Small System Economic Feasibility Dilemma

The State Water Board suggests that to eliminate the impact small system impacts have on statewide standards, small systems should either be disregarded or compliance costs aggregated and assessed on a weighted average. Discounting all systems with less than 200 connections is not an appropriate approach because it ignores the poorest and most vulnerable (typically rural) communities in our state. A weighted average underestimates economic impacts for any system with less than 10,000 connections, which serve about 20% of the state's population – or nearly 8 million people.

### Consideration of Incremental Cost in Establishing an MCL

As an Agency that draws water with Chromium 6 just below the previous MCL of 10 ppb, DWA would oppose any approach that suppresses the MCL below what is truly economically feasible.

### A Look at Affordability and Economic Feasibility

The White Paper recommends that we differentiate “affordability” (ability of individual household to pay their water bill) from “economic feasibility” (ability of the overall state population served by public water systems to pay for compliance to a drinking water standard).

Even for medium and large agencies that can spread the impact across more customers, the poorest and most vulnerable customers will struggle with additional financial burden. The cost of compliance in the Coachella Valley was in the billions of dollars and it would either necessitate significant increases or leave agencies with the difficult decision to hold critical infrastructure projects in order to maintain affordability.

DWA urges the SWRCB to go beyond Median Household Income of the affected communities. In determining affordability, the median is not an appropriate guide. DWA was glad to hear that the SWRCB acknowledge the other challenges, like funding infrastructure, that agencies must address in addition to water quality regulations.

The White Paper asserts that there are a range of strategies and funding sources available to achieve compliance and to offset costs of new regulations (grants, low or no-interest loans, point of use or point of entry treatment, variances, exemptions, and consolidations). Many water systems have limited staff resources and must resort to hiring costly experts to navigate the grant application process. When assessing affordability, the state should not rely on the possibility of uncertain financing options.

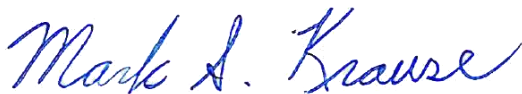
### Compliance Period

Desert Water Agency urges the SWRCB to allow for an adequate compliance period for systems to design and build the infrastructure needed to comply with any new regulation. Without a proper compliance period, the costs incurred will inherently be higher than what has been analyzed in the cost-benefit analysis.

### In Closing

The White Paper was drafted to address the gap identified in the May 31, 2017 Superior Court of Sacramento County judgment invalidating the MCL that CDPH had not properly considered the economic feasibility of complying with the MCL. To meet that burden, **we strongly urge that the State Water Board adopt formal, well-defined guidance and policy to determine economic feasibility in the adoption of safe drinking water standards.** The White Paper simply does not provide enough information regarding the process.

Sincerely,



Mark S. Krause  
General Manager



## Snow Creek Village Surface Water Filtration Plant

The Snow Creek/Falls Creek Surface Water Filtration Avoidance Permit expires on June 12, 2020. Cora Constructors, Inc. was awarded the contract on July 16, 2019 and given 296 days to complete the project. Due to inclement weather, the contractor has been given 7 additional calendar days to complete the project.

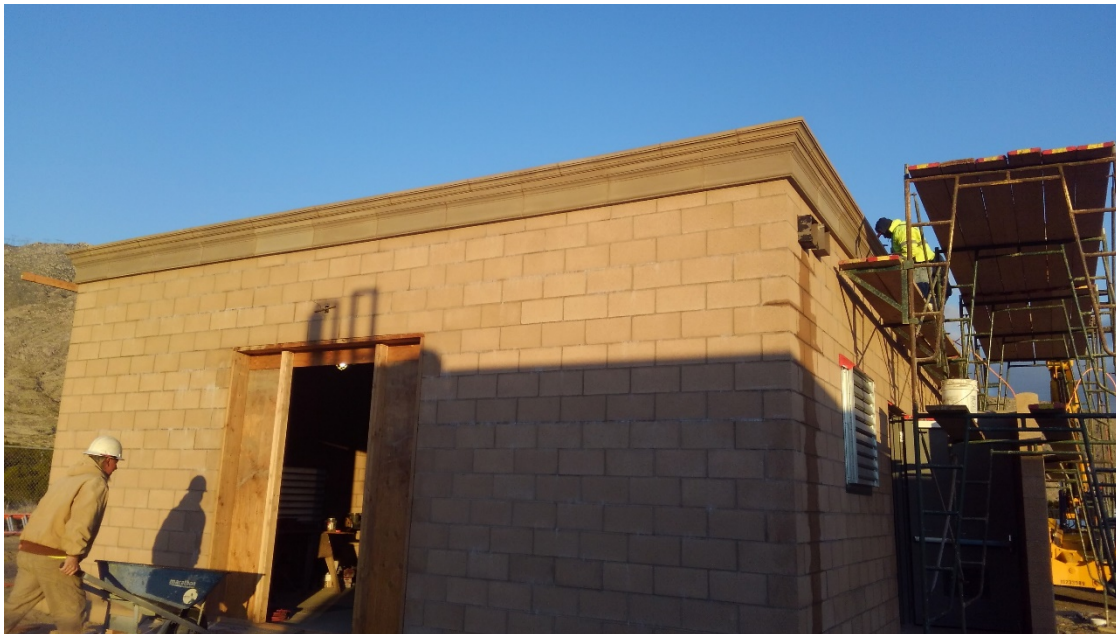
Construction of the filtration plant is 95% complete and plant start-up is tentatively scheduled for the week of May 18. Due to COVID-19, the construction has been slowed, but construction never stopped. The Agency has requested that the Division of Drinking Water provide an extension to the filtration permit expiration date due to the slowdown of construction caused by COVID-19.



**Photo 1: The contractor setting the I-beams in the building.**



**Photo 3: The I-beams and a section of the metal roofing.**



**Photo 2: The outside elevation of the filtration plant building.**





**Photo 4: The control room panels. See photo 5 for the sub-grade photo of the conduit, prior to concrete being placed.**



**Photo 5: The sub-grade beneath the control room. An array of conduit are installed to connect the various components together to operate the plant and filters.**





**Photo 6: The filters installed in the filtration plant.**



**Photo 7: The exterior of the filtration plant.**





**Photo 8: The backwash and rinse water clarifier. Note: Per the plans, the final grade will be raised.**

## Human Resource's Meetings and Activities

### Meetings:

04/21/20	DWA Board Meeting	Virtual Meeting
04/22/20	United Way Meeting	Virtual Meeting
04/27/20	Weekly Staff Meeting	Virtual Meeting
05/04/20	Weekly Staff Meeting	Virtual Meeting
05/05/20	DWA Board Meeting	Virtual Meeting
05/06/20	United Way Executive Board Meeting	Virtual Meeting
05/11/20	Weekly Staff Meeting	Virtual Meeting
05/18/20	Weekly Staff Meeting	Virtual Meeting

### Activities:

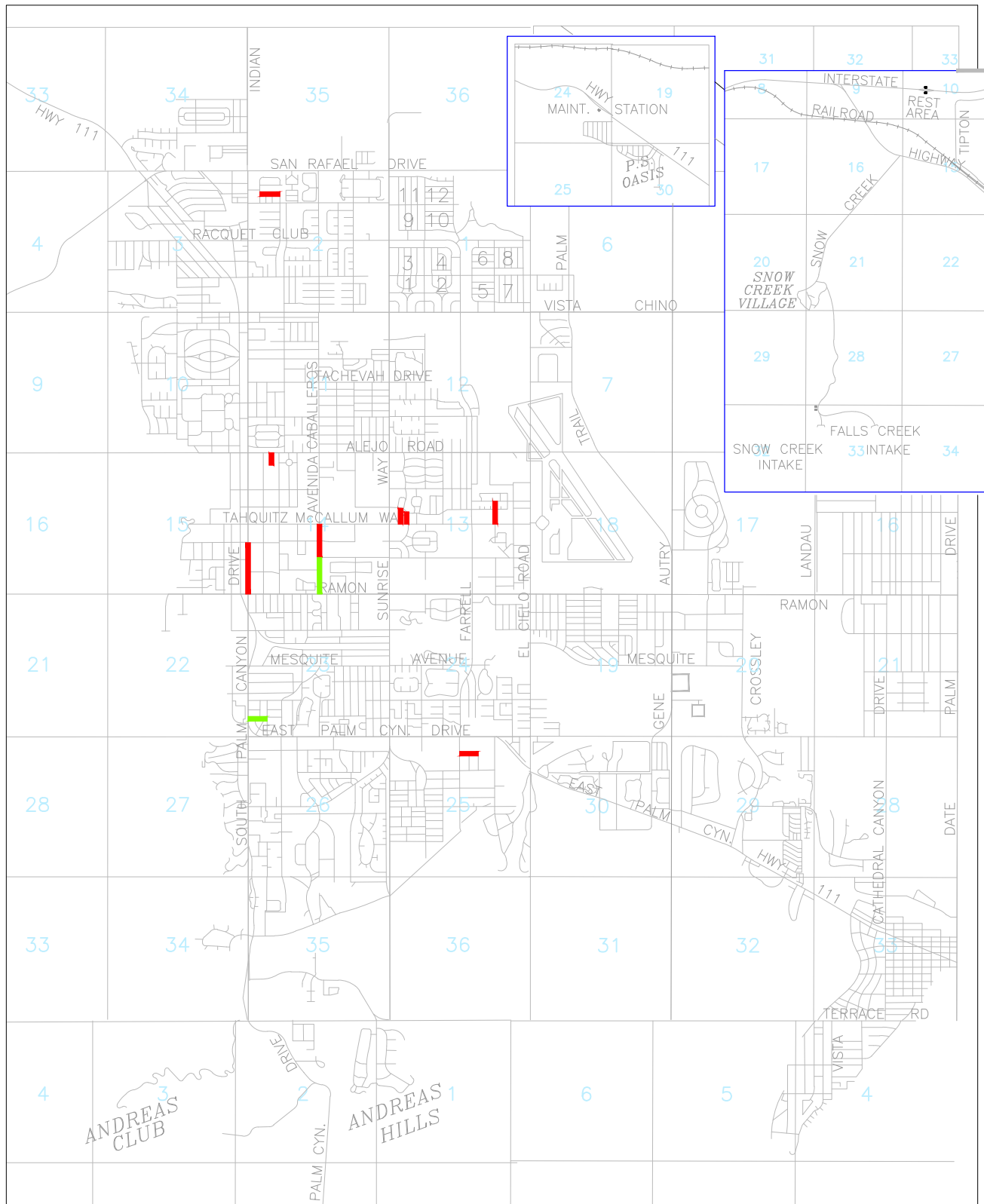
04/21/20	Sexual Harassment Prevention Training
04/28/20	Bedtime Story Reader for United Way of the Desert
04/29/20	DWA Webinar: Go Water Wise and Save
04/30/20	Webinar: Taking Care of HR in Turbulent Times
05/04/20	Webinar: LifeStream Blood Drive Coordinator
05/04/20	Webinar: Leading Through Crisis
05/04/20	Webinar: Returning to Work After COVID-19
05/12/20	Webinar: Using BambooHR for Onboarding Employees
05/12/20	DOT Random Driver Testing
05/13/20	Webinar: SHRM/CDC May 2020 COVID Update: Where We Stand Now
05/15/20	Webinar: COVID-19 Deep Dive Series: Accommodating "Vulnerable Employees" and others in the COVID-19 Workplace

SYSTEM LEAK DATA					
(PERIOD BEGINNING APRIL 28, 2020 THRU MAY 11, 2020)					
STREET NAME	NUMBER OF LEAKS	PIPE DIAMETER (INCHES)	YEAR INSTALLED	PIPE MATERIAL	PIPE CONSTRUCTION
AVENIDA CABALLEROS	3	14	1953	STEEL	BARE/UNLINED
SATURMINO DR	2	4	1957	STEEL	BARE/UNLINED
AVENIDA CABALLEROS	1	14	1953	STEEL	BARE/UNLINED
INDIAN CANYON DR	1	6	1951	STEEL	BARE/UNLINED
SANDCLIFF RD	1	6	1954	STEEL	BARE/UNLINED
LOUELLA RD	1	6	1955	STEEL	BARE/UNLINED
LINDSEY DR	1	6	1957	STEEL	BARE/UNLINED
AVENIDA OLANCHA	1	4	1955	STEEL	BARE/UNLINED
LURING DR	1	4	1957	STEEL	BARE/UNLINED
CALLE SANTA ROSA	1	2	1937	STEEL	BARE/UNLINED
TOTAL LEAKS IN SYSTEM:		13			

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
<b>TOTAL LENGTH OF PIPE IN SYSTEM OLDER THAN 70 YEARS (LINEAR FEET):</b>	<b>128,186</b>
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
<b>PROJECTED TIME FRAME FOR 100% REPLACEMENT OF PIPE OLDER THAN 70 YEARS:</b>	<b>9 YEARS</b>
YEAR AGENCY TRANSITIONED TO CEMENT LINED STEEL PIPE:	1960
<p><b>*PLEASE NOTE THIS FIGURE REPRESENTS THE AVERAGE LINEAR FOOTAGE OF PIPELINE REPLACED ANNUALLY GIVEN AN AVERAGE ANNUAL BUDGET OF \$3 MILLION.</b></p>	



## SYSTEM LEAKS

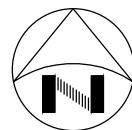
(Period beginning April 28, 2020 thru May 11, 2020)

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:

05/05/20	DWA Bi-Monthly Board Meeting	Conf Call
05/05/20	WWRF BLM R/W Grant Cooperators Meeting	Conf Call
05/05/20	Sites Reservoir Committee Workshop	Conf Call
05/06/20	CVWD Coordination Call	Conf Call
05/12/20	GSA Meeting Indio Subbasin	Conf Call
05/13/20	Class 8 SWC's Meeting	Conf Call
05/13/20	DWA Tax Rate Staff Meeting	Conf Call
05/13/20	Public Records Act Requests Staff Meeting	Conf Call
05/14/20	DWA Executive Committee Meeting	Conf Call
05/14/20	DWA Finance Committee Meeting	Conf Call
05/14/20	Emergency Preparedness Ad Hoc Committee Meeting	Conf Call
05/15/20	East Branch Enlargement Cost Allocation Meeting with DWR	Conf Call
05/15/20	DWA Conservation and Public Affairs Committee Meeting	Conf Call
05/18/20	DWA Weekly Staff Meetings	Conf Call
05/18/20	DWA/CVWD/MWD Water Mgmt Agrmt Coordination Mtg	Conf Call
05/19/20	DWA Bi-Monthly Board Meeting	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



Activities:

(Cont.)

- 24) UWMP Population Calculation Update/Valley-Wide UWMP
- 25) RWQCB Update to the SNMP
- 26) SGMA – San Geronio Pass Subbasin

**Minutes**  
**Executive Committee Meeting**  
May 14, 2020

---

**Directors Present:** Joseph Stuart, Kristin Bloomer

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

**1. Discussion Items**

A. Review Agenda for May 19, 2020 Regular Board Meeting

The proposed agenda for the May 19, 2020 meeting was reviewed.

**2. Other – None**

**3. Adjourn**

**Minutes**  
**Finance Committee Meeting**  
**May 14, 2020**

---

**Directors Present:** Kristin Bloomer, Craig Ewing

**Staff Present:** Mark Krause, Steve Johnson, Esther Saenz

**Discussion Items**

1. Proposed 2020/2021 Operating Fund Budget  
The Committee reviewed the estimated water and reclamation sales revenue, maintenance expenses and reserves. The Committee also discussed rate adjustments in response to COVID-19.
2. Proposed 2020/2021 General Fund Budget  
The Committee reviewed the replenishment rate adjustment and estimated revenue, property tax revenue projections and expense estimates. Also discussed were the State Water Project and Delta Conveyance costs and reserves.
3. Proposed 2020/2021 Wastewater Fund Budget  
The Committee reviewed and discussed the proposed Wastewater Fund revenue and expense projections. The Committee also discussed rate adjustments in response to COVID-19.
4. Revised 2020/2021 Capital Improvement Budget  
The Committee reviewed the revised Capital Improvement Budget.
5. Proposed 2020/2021 Tax Rate  
The Committee reviewed the proposed tax rate for 2020/2021 and potential impacts due to COVID-19.
6. 2020/2021 Employee COLA  
The Committee reviewed the 2020/2021 Employee COLA.
7. Board of Directors Compensation  
The Committee reviewed and discussed the Board of Directors compensation survey and per-diem rate.
8. Other  
None

Adjourn

DESERT WATER AGENCY  
STATEMENT OF CASH RECEIPTS AND EXPENDITURES

OPERATING ACCOUNT

APRIL 2020

INVESTED  
RESERVE FUNDS  
\$28,489,732.99

BALANCE	APRIL 1, 2020	\$54,914.08	
WATER SALES		\$2,133,215.48	
RECLAMATION SALES		66,158.47	
WASTEWATER RECEIPTS		59,602.81	
POWER SALES		2,937.63	
METERS, SERVICES, ETC.		92,610.00	
REIMBURSEMENT – GENERAL FUND		334,262.34	
REIMBURSEMENT – WASTEWATER FUND		3,901.04	
ACCOUNTS RECEIVABLE – OTHER		8,193.00	
CUSTOMER DEPOSITS – SURETY		6,452.80	
CUSTOMER DEPOSITS – CONST.		43,094.00	
LEASE REVENUE		5,871.09	
INTEREST RECEIVED ON INV. FDS.		117,664.90	
FRONT FOOTAGE FEES		0.00	
BOND SERVICE & RESERVE FUND INT		0.00	
MISCELLANEOUS		<u>11,609.29</u>	
TOTAL RECEIPTS		\$2,885,572.85	
PAYMENTS			
PAYROLL CHECKS		\$498,397.80	
PAYROLL TAXES		225,310.11	
ELECTRONIC TRANSFERS		171,638.83	
CHECKS UNDER \$10,000.00		270,666.82	
CHECKS OVER \$10,000.00 – SCH. #1		2,112,759.62	
CANCELLED CHECKS AND FEES		<u>(132,370.46)</u>	
TOTAL PAYMENTS		<u>\$3,146,402.72</u>	
NET INCOME		(\$260,829.87)	
BOND SERVICE ACCOUNT			
MONTHLY WATER SALES		\$0.00	
EXCESS RETURNED BY B/A		<u>\$0.00</u>	
BOND SERVICE FUND			\$0.00
INVESTED RESERVE FUNDS			
FUNDS MATURED		\$1,208,000.00	
FUNDS INVESTED – SCH. #3		<u>1,717,664.90</u>	
NET TRANSFER			(\$509,664.90) \$509,664.90
BALANCE	APRIL 30, 2020	(\$715,580.69)	\$28,999,397.89

APRIL 2020

DESERT WATER AGENCY

**OPERATING ACCOUNT**

SCHEDULE #1-CHECKS OVER \$10,000

CHECK #	NAME	DESCRIPTION	AMOUNT
125280	MOTEL 6 PALM SPRINGS	TOILET REBATE PROGRAM	\$12,600.00
125310	FERGUSON WATERWORKS	WATER SERVICE SUPPLIES	\$53,181.76
125311	FIESTA FORD LINCOLN CORP	VEHICLE PURCHASE - UNIT #4 (W/O #19-400-M-77)	\$25,870.06
125320	INLAND WATER WORKS SUPPLY CO	WATER SERVICE SUPPLIES	\$41,487.39
125326	OUTFLOW TECHNOLOGIES	PROGRAMMING FEBRUARY 2020 - MODERNIZATION PROJECT (W/O # 18-179-M)	\$39,205.00
125351	SOUTHERN CALIFORNIA EDISON	POWER	\$186,618.27
125358	WESTERN WATER WORKS SUPPLY CO	WATER SERVICE SUPPLIES	\$15,666.45
125392	DESERT WATER AGENCY - GENERAL	GROUND WATER BILLING / JANUARY - MARCH 2020	\$901,604.35
125408	DESERT WATER AGENCY - WASTEWATER	WASTEWATER REVENUE BILLING - MARCH 2020	\$94,767.69
125411	ACWA/JPIA	WORKERS COMPENSATION PREMIUM / JANUARY - MARCH 2020	\$59,122.71
125426	BACKFLOW APPARATUS & VALVE CO	WATER SERVICE SUPPLIES	\$11,340.16
125428	BADGER METER INC	WATER SERVICE SUPPLIES	\$10,934.78
125433	BORDEN EXCAVATING INC	RETENTION PAYMENT - 2018/2019 REPLACEMENT PIPELINES (W/O # 18-160)	\$154,503.95
125444	DOWN TO EARTH LANDSCAPING	LANDSCAPE MAINTENANCE	\$30,770.47
125449	FIESTA FORD LINCOLN CORP	VEHICLE PURCHASE - UNIT #13 (W/O #19-116-M-77)	\$57,110.33
125452	FRONTIER/TCI	VERIZON TOWER EQUIPMENT	\$22,444.25
125462	INLAND WATER WORKS SUPPLY CO	WATER SERVICE SUPPLIES	\$28,975.65
125464	J COLON COATINGS INC	RESERVOIR #18 & #30 MAINTENANCE	\$100,348.50
125468	KRIEGER & STEWART INC.	ENGINEERING	\$47,477.39
125481	OUTFLOW TECHNOLOGIES	PROGRAMMING MARCH 2020 - MODERNIZATION PROJECT (W/O # 18-179-M)	\$39,205.00
125482	PACIFICA CONSULTING INC	I.T. CONSULTING SERVICES	\$13,302.50
125493	R&B AUTOMATION INC	ACTUATOR REPLACEMENT & HARDWARE	\$19,882.61
125503	SULZER ELECTRO-MECHANICAL	MOTOR CONTROL CENTERWELL # 34 (W/O # 19-124-W-34)	\$117,390.75
125505	THATCHER COMPANY OF CALIFORNIA	WATER SERVICE SUPPLIES	\$15,881.60
125514	Z&L PAVING, INC	PAVING	\$13,068.00
		<b>** TOTAL</b>	<b>\$2,112,759.62</b>

**DESERT WATER AGENCY**  
**OPERATING FUND - LISTING OF INVESTMENTS**  
**April 30, 2020**

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

**Local Agency Investment Fund**

06-30-83	State of California	LAIF		Open	\$ 24,998,687.89	\$ 24,998,687.89	\$ 24,998,687.89	1.440%	-
----------	---------------------	------	--	------	------------------	------------------	------------------	--------	---

**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	\$ 1,008,570.00	2.044%	1 Time
Total Commerical Paper					\$ 1,000,710.00	\$ 1,000,000.00	\$ 1,008,570.00		

**Government Agency**

09-13-19	Union Bank	FHLMC	06-13-20	09-13-24	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,001,980.00	2.200%	Quarterly
02-10-22	Union Bank	FHLMC	08-10-20	08-10-22	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,003,320.00	1.650%	Quarterly
04-29-20	Union Bank	FFCB	04-29-21	04-29-24	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,110.00	0.740%	Continuous
Total Government Agency					\$ 3,000,000.00	\$ 3,000,000.00	\$ 3,005,410.00		

Weighted Mean YTM    1.489%

TOTAL INVESTED @ 04/30/20	\$	28,999,397.89	\$	28,998,687.89	\$	29,012,667.89
BALANCE @ 06/30/19	\$	23,936,118.14				
INCREASE (DECREASE)		\$5,063,279.75				

DESERT WATER AGENCY  
STATEMENT OF CASH RECEIPTS AND EXPENDITURES

GENERAL ACCOUNT

APRIL 2020

INVESTED  
RESERVE FUNDS  
\$150,122,327.76

BALANCE	APRIL 1, 2020	\$3,001,352.56	
* TAXES - RIVERSIDE COUNTY		1,772,481.54	
* INTEREST EARNED - INV. FUNDS		410,142.25	
GROUNDWATER REPLEN. ASSESSMENT		913,801.16	
REIMBURSEMENT - OPERATING FUND		0.00	
REIMBURSEMENT - CVWD MGMT AGRMT		0.00	
STATE WATER PROJECT REFUNDS		653,987.00	
REIMB - CVWD - WHITEWATER HYDRO		0.00	
POWER SALES - WHITEWATER		0.00	
MISCELLANEOUS		<u>225.98</u>	
TOTAL RECEIPTS		\$3,750,637.93	
PAYMENTS			
CHECKS UNDER \$10,000.00		18,111.42	
CHECKS OVER \$10,000.00 - SCH. #1		3,680,193.52	
ELECTRONIC TRANSFERS		1,020,260.18	
CANCELLED CHECKS AND FEES		<u>0.20</u>	
TOTAL PAYMENTS		<u>\$4,718,565.32</u>	
NET INCOME		(\$967,927.39)	
INVESTED RESERVE FUNDS			
FUNDS MATURED		27,005,150.00	
FUNDS INVESTED – SCH. #2		<u>27,790,412.91</u>	
NET TRANSFER		(\$785,262.91)	\$785,262.91
BALANCE	APRIL 30, 2020	\$1,248,162.26	\$150,907,590.67
* INCLUSIVE TO DATE		TAXES	INTEREST
RECEIPTS IN FISCAL YEAR		\$19,901,266.98	\$2,692,948.62
RECEIPTS IN CALENDAR YEAR		\$13,061,480.76	\$1,190,427.80

APRIL 2020

DESERT WATER AGENCY

**GENERAL ACCOUNT**

SCHEDULE #1-CHECKS OVER \$10,000

CHECK #	NAME	DESCRIPTION	AMOUNT
9375	STATE OF CA. DEPT. OF WATER RESOURCES	STATE WATER PROJECT - MARCH 2020	\$2,410,367.00
9376	STATE OF CA. DEPT. OF WATER RESOURCES	STATE WATER PROJECT ENTITLEMENT - APRIL 2020	\$770,238.00
9377	CORA CONSTRUCTORS INC.	SNOW CREEK VILLAGE - PROGRESS PAYMENT #6 (W/O # 18-101-M)	\$165,326.18
9380	DESERT WATER AGENCY - OPERATING	OPERATING FUND REIMBURSEMENT FOR MARCH 2020	\$334,262.34
** TOTAL			\$3,680,193.52



**DESERT WATER AGENCY**  
**GENERAL FUND - LISTING OF INVESTMENTS**  
**April 30, 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	\$ 37,524,669.68	\$ 37,524,699.68	\$ 37,524,699.68	1.440%	-
Certificates of Deposit									
06-14-17	RBC Wealth Mgmt	Capital One Bullet	Bullet	06-15-20	\$ 250,000.00	\$ 250,000.00	\$ 250,495.00	1.900%	Bullet
06-14-17	RBC Wealth Mgmt	Capital One Bank USA	Bullet	06-15-20	\$ 250,000.00	\$ 250,000.00	\$ 250,495.00	1.900%	Bullet
06-19-17	RBC Wealth Mgmt	First Priority Bank	Bullet	06-19-20	\$ 250,000.00	\$ 250,000.00	\$ 250,485.00	1.750%	Bullet
05-29-19	Ladenburg Thalmann	Sallie Mae Bank	Bullet	05-31-22	\$ 245,000.00	\$ 245,000.00	\$ 254,072.35	2.500%	Bullet
05-30-19	Ladenburg Thalmann	Ally bank	Bullet	05-31-22	\$ 245,000.00	\$ 245,000.00	\$ 254,072.35	2.500%	Bullet
06-05-19	Ladenburg Thalmann	Goldman Sachs	Bullet	06-06-22	\$ 245,000.00	\$ 245,000.00	\$ 254,136.05	2.500%	Bullet
06-06-19	Ladenburg Thalmann	Morgan Stanley Bank	Bullet	06-06-22	\$ 245,000.00	\$ 245,000.00	\$ 254,390.85	2.550%	Bullet
06-06-19	Ladenburg Thalmann	Morgan Stanley Private Bank	Bullet	06-06-22	\$ 245,000.00	\$ 245,000.00	\$ 254,390.85	2.550%	Bullet
06-07-19	Ladenburg Thalmann	Synchrony Bank (GE)	Bullet	06-07-22	\$ 245,000.00	\$ 245,000.00	\$ 253,636.25	2.400%	Bullet
Total Certificates of Deposit					\$ 2,220,000.00	\$ 2,220,000.00	\$ 2,276,173.70		
Medium Term Notes									
02-19-19	Alamo Capital	Toyota Motor Corp MTN	Bullet	07-13-22	\$ 1,399,076.00	\$1,400,000.00	\$ 1,449,126.00	2.800%	Bullet
03-04-19	Alamo Capital	Apple Inc. MTN	Bullet	05-11-20	\$ 991,160.00	\$1,000,000.00	\$ 1,000,340.00	2.560%	Bullet
07-18-19	Alamo Capital	Toyota Motor Corp MTN	Bullet	09-08-22	\$ 1,000,000.00	\$1,000,000.00	\$ 1,025,400.00	2.150%	Bullet
09-16-19	Alamo Capital	Apple Inc. MTN	08-11-24	09-11-24	\$ 990,552.00	\$1,000,000.00	\$ 1,036,870.00	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	\$ 2,017,140.00	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	\$ 1,535,415.00	2.000%	Bullet
10-23-19	Alamo Capital	American Honda Finance	Bullet	09-10-24	\$ 3,011,474.00	\$3,000,000.00	\$ 2,996,610.00	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	\$ 2,079,280.00	1.809%	Continuous
12-20-19	Stifel	Microsoft	02-01-23	05-01-23	\$ 2,034,620.00	\$2,000,000.00	\$ 2,092,840.00	1.872%	Continuous
01-30-20	Stifel	VISA Inc	10-14-22	12-14-22	\$ 2,065,680.00	\$2,000,000.00	\$ 2,106,000.00	1.625%	1 Time
03-17-20	Union Bank	Exxon Mobile Corp	Bullet	08-16-22	\$ 3,037,470.00	\$3,000,000.00	\$ 3,067,560.00	1.373%	Bullet
04-03-20	Alamo Capital	John Deere	Bullet	09-08-22	\$ 1,003,535.00	\$1,000,000.00	\$ 1,027,960.00	2.000%	Bullet
04-24-20	Stifel	United Parcel Service	08-01-24	08-01-24	\$ 2,083,740.00	\$2,000,000.00	\$ 2,068,380.00	1.209%	Continuous
Total Commercial Paper					\$ 23,173,901.00	\$ 22,900,000.00	\$ 23,502,921.00		
Government Agency									
08-10-16	Ladenburg Thalmann	FHLMC	05-10-20	08-10-20	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,350.00	1.450%	Qtrly
08-12-19	Union Bank	FFCB	08-12-20	08-12-24	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,003,030.00	2.120%	Continuous
09-06-19	Alamo Capital	FNMA	Bullet	09-06-22	\$ 996,520.00	\$ 1,000,000.00	\$ 1,025,870.00	1.494%	Bullet
09-11-19	Stifel	FFCB	09-11-20	09-11-23	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,002,790.00	1.900%	Continuous
09-13-19	Ladenburg Thalmann	FFCB	09-23-20	09-23-22	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,004,990.00	2.000%	Continuous
10-15-19	Stifel	FFCB	10-15-20	10-15-24	\$ 3,000,000.00	\$ 3,000,000.00	\$ 3,016,530.00	1.920%	Continuous
10-15-19	Piper Sandler	FHLMC	10-15-20	10-15-24	\$ 3,000,000.00	\$ 3,000,000.00	\$ 3,016,380.00	1.875%	Quarterly
10-16-19	Stifel	FHLB	10-16-20	10-16-24	\$ 3,000,000.00	\$ 3,000,000.00	\$ 3,019,110.00	2.000%	Annual
11-04-19	Ladenburg Thalmann	FHLB	11-04-21	11-04-24	\$ 3,000,000.00	\$ 3,000,000.00	\$ 3,053,850.00	1.875%	Continuous
11-25-19	Piper Sandler	FFCB	11-25-20	11-25-22	\$ 3,000,000.00	\$ 3,000,000.00	\$ 3,010,710.00	1.710%	Continuous
11-27-19	Stifel	FFCB	11-27-20	11-27-23	\$ 3,000,000.00	\$ 3,000,000.00	\$ 3,022,320.00	1.790%	Continuous
11-27-19	Alamo Capital	FHLMC	05-27-20	11-27-24	\$ 1,997,000.00	\$ 2,000,000.00	\$ 2,001,980.00	1.832%	Quarterly
12-11-19	Ladenburg Thalmann	FHLB	12-11-20	06-11-24	\$ 3,000,000.00	\$ 3,000,000.00	\$ 3,023,730.00	1.850%	Continuous
12-18-19	Ladenburg Thalmann	FHLMC	06-18-20	12-18-23	\$ 3,000,000.00	\$ 3,000,000.00	\$ 3,005,430.00	1.930%	Quarterly
12-18-19	Stifel	FHLMC	06-18-20	12-18-23	\$ 2,000,000.00	\$ 2,000,000.00	\$ 2,003,620.00	1.930%	Quarterly
12-19-19	Union Bank	FHLMC	06-19-20	06-19-23	\$ 3,000,000.00	\$ 3,000,000.00	\$ 3,005,100.00	1.875%	Quarterly
12-30-19	Union Bank	FHLMC	12-28-20	12-28-23	\$ 3,000,000.00	\$ 3,000,000.00	\$ 3,028,170.00	1.900%	Quarterly
12-30-19	Piper Sandler	FHLMC	12-28-20	12-28-23	\$ 3,000,000.00	\$ 3,000,000.00	\$ 3,028,020.00	1.850%	Annual
01-17-20	Union Bank	FNMA	07-17-20	01-17-23	\$ 3,000,000.00	\$ 3,000,000.00	\$ 3,007,620.00	1.800%	Quarterly

**DESERT WATER AGENCY**  
**GENERAL FUND - LISTING OF INVESTMENTS**  
**April 30, 2020**

PURCHASE DATE	NAME	DESCRIPTION	CALLABLE	MATURITY DATE	COST	PAR VALUE	MARKET VALUE	YIELD TO MATURITY	CALLABLE STATUS
01-21-20	Alamo Capital	FHLMC	07-21-20	01-21-25	\$ 1,995,500.00	\$ 2,000,000.00	\$ 2,005,560.00	1.847%	Quarterly
01-30-20	Alamo Capital	FHLMC	07-30-20	01-30-23	\$ 3,000,000.00	\$ 3,000,000.00	\$ 3,008,550.00	1.600%	Quarterly
02-10-20	Union Bank	FHLMC	08-10-20	08-10-22	\$ 3,000,000.00	\$ 3,000,000.00	\$ 3,009,960.00	1.650%	Quarterly
02-12-20	Union Bank	FHLMC	02-12-21	02-12-25	\$ 3,000,000.00	\$ 3,000,000.00	\$ 3,025,020.00	1.800%	Annual
02-18-20	Stifel	FHLMC	02-18-21	02-18-25	\$ 3,000,000.00	\$ 3,000,000.00	\$ 3,023,130.00	1.700%	1 Time
02-25-20	Piper Sandler	FHLMC STEP	08-25-20	02-25-25	\$ 3,000,000.00	\$ 3,000,000.00	\$ 3,009,240.00	1.750%	Quarterly
03-11-20	Alamo Capital	FHLB	06-11-20	09-11-24	\$ 3,000,000.00	\$ 3,000,000.00	\$ 3,001,440.00	1.300%	Continuous
03-24-20	Stifel	FFCB	03-24-21	03-24-23	\$ 3,000,000.00	\$ 3,000,000.00	\$ 3,002,370.00	1.000%	Continuous
03-25-20	Piper Sandler	FHLB	03-25-21	03-25-25	\$ 3,000,000.00	\$ 3,000,000.00	\$ 3,008,760.00	1.200%	Continuous
03-26-20	Ladenburg Thalmann	FHLB	03-26-21	09-26-24	\$ 3,000,000.00	\$ 3,000,000.00	\$ 3,001,110.00	1.350%	Continuous
04-06-20	Ladenburg Thalmann	FHLB	04-06-21	04-06-23	\$ 3,000,000.00	\$ 3,000,000.00	\$ 3,002,220.00	0.875%	Continuous
04-14-20	Alamo Capital	FHLMC	04-14-20	04-14-25	\$ 3,000,000.00	\$ 3,000,000.00	\$ 3,000,180.00	1.125%	Quarterly
04-17-20	Ladenburg Thalmann	FHLMC	04-17-20	01-19-24	\$ 3,000,000.00	\$ 3,000,000.00	\$ 2,996,280.00	1.000%	Quarterly
04-23-20	Ladenburg Thalmann	FFCB	04-22-21	04-22-24	\$ 3,000,000.00	\$ 3,000,000.00	\$ 3,000,270.00	0.800%	Quarterly
04-28-20	Alamo Capital	FFCB	07-28-20	04-28-25	\$ 2,000,000.00	\$ 2,000,000.00	\$ 1,997,060.00	1.010%	Continuous
Total Government Agency					\$ 87,989,020.00	\$ 88,000,000.00	\$ 88,370,750.00		

Weighted Mean YTM    1.642%

TOTAL INVESTED @ 04/30/20    \$ 150,907,590.68    \$ 150,644,699.68    \$ 151,674,544.38  
BALANCE @ 06/30/19    \$ 143,271,503.26  
INCREASE OR (DECREASE)    \$ 7,636,087.42



APRIL 2020

DESERT WATER AGENCY

**WASTEWATER ACCOUNT**

SCHEDULE #1-CHECKS OVER \$10,000

CHECK #		NAME	DESCRIPTION	AMOUNT
3341	COACHELLA VALLEY WATER DISTRICT		WASTEWATER REVENUE BILLING FOR MARCH 2020	\$60,837.86
3342	CITY OF PALM SPRINGS		WASTEWATER REVENUE BILLING FOR MARCH 2020	\$10,540.60
			<b>** TOTAL</b>	<b>\$71,378.46</b>

**DESERT WATER AGENCY**  
**WASTEWATER FUND - LISTING OF INVESTMENTS**  
**April 30, 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	\$ 1,536,534.11	\$ 1,536,534.11	\$ 1,536,534.11	1.440%
----------	---------------------	------	------	-----------------	-----------------	-----------------	--------

TOTAL INVESTED @ 04/30/20	\$ 1,536,534.11	\$ 1,536,534.11	\$ 1,536,534.11
BALANCE @ 06/30/19	<u>\$ 1,400,362.63</u>		
INCREASE OR (DECREASE)	\$ 136,171.48		



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

**MAY 19, 2020**

**RE: GROUNDWATER REPLENISHMENT ASSESSMENTS**

- (1) 2020/2021 MISSION CREEK GROUNDWATER  
REPLENISHMENT ASSESSMENT**
- (2) 2020/2021 WEST WHITEWATER RIVER GROUNDWATER  
REPLENISHMENT ASSESSMENT**

At its April 21, 2020 meeting, the Board discussed the draft Engineer's Report on Groundwater Replenishment Assessments for the Mission Creek and West Whitewater River Sub-basins. No substantive changes have been made to the draft. Today's meeting is intended to allow interested parties to come to the Board and provide their comments on the proposed assessments contained in the final Engineer's Reports. As indicated in the draft and final Replenishment Reports, the proposed Mission Creek and West Whitewater River Groundwater Replenishment Assessments will be set at \$165 per acre-foot.

Public hearing notices were published in The Public Record on May 5, 2020. Notices were also mailed out to all producers (over 10-acre feet production) who will be affected by the recommended assessment.

Staff requests a determination be 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 for June 2, 2020, to consider resolutions of findings of fact and levying replenishment assessments for the fiscal year 2020/2021.

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

**MAY 19, 2020**

**RE: RECOMMENDATION OF CONTRACT AWARD FOR  
CONSTRUCTION OF THE 2019/2020 REPLACEMENT PIPELINE  
AVENIDA CABALLEROS 30" PIPELINE (VISTA CHINO TO  
TACHEVAH DRIVE)**

On May 12, 2020, Desert Water Agency received seven bids for the project (see attached exhibits). The bid amounts and Engineer's Estimate are as follows:

<b><u>Contractor</u></b>	<b><u>Bid Amount</u></b>
Jones Bros Construction Co.	\$1,647,086.57
Weka, Inc.	\$1,766,128.00
T.E. Roberts, Inc.	\$1,767,445.00
Downing Construction, Inc.	\$1,887,500.00
Tri-Star Contracting II, Inc.	\$2,122,049.00
Borden Excavating, Inc.	\$2,222,306.00
The Van Dyke Corporation	\$2,301,100.00
ENGINEER'S ESTIMATE	\$1,750,000.00

Jones Bros Construction Co. submitted the lowest responsive bid for this project. Jones Bros Construction Co.'s low bid is approximately 7% lower than the second low bid from Weka, Inc. Jones Bros Construction Co. is considered a capable contractor with a current Class A Contractor's License, #406921.

The 2019/2020 Capital Improvement Budget includes Work Order No. 19-113--30 in the total amount of \$3,750,000 for project engineering, overheads, construction and inspection.

The budget was based on an original Engineer's construction cost estimate of \$2,950,000. Prior to advertising for the project, engineering staff re-evaluated costs as a result of recent bids seen by Krieger & Stewart from pipeline contractors. The revised Engineer's estimate of \$1,750,000 was a result of these new figures.

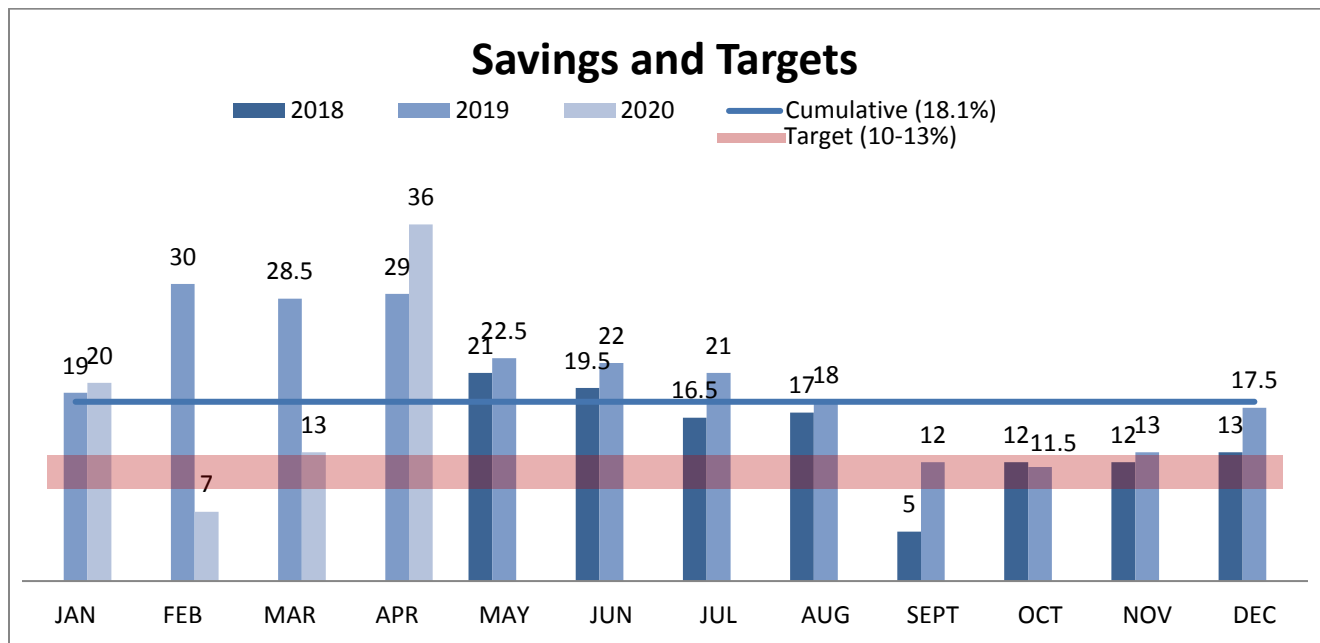
Staff recommends award of contract for subject work to Jones Bros Construction Co. in the amount of \$1,647,086.57. Based on bidding documents, the project is estimated to be completed by November 2020. Staff also anticipates having approximately \$1,100,000 remaining in the budget when the project is accepted and finalized. This additional money will be reallocated for future projects.

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

**MAY 19, 2020**

**RE: APRIL 2020 WATER USE REDUCTION FIGURES**

Desert Water Agency and its customers achieved a 36% reduction in potable water production during April 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 18.1%. The cumulative savings beginning in June of 2016 when we put our 10-13% target in place is 17.5%.

On the following page is additional information for this month.

April 2020 water production	1,670.74 AF
April 2013 water production	2,590.61 AF
Percent changed in this month per drought surcharge baseline (April 2015)	31.33%
Quantity of potable water delivered for all commercial, industrial, and institutional users for the reporting month	529.59 AF
The percentage of the Total Monthly Potable Water Production going to residential use only for the reporting month	68.30%
Population (inclusive of seasonal residents)	89,232
Estimated R-GPCD	138.91
Census population	50,548
Census R-GPCD	245.21
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?	2
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?	1
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>Population figures included are those accepted by the Department of Water Resources. 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 104,493 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>	



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

**MAY 19, 2020**

**RE: 60-DAY COVID-19 FINANCIAL IMPACT UPDATE**

On March 17, 2020, the Board took multiple actions in response to the COVID-19 pandemic. These actions included the suspension of Late Fees and water disconnections for non-payment, and absorption of Paymentus remote payment convenience fees for 60 days and granted General Manager Krause the ability to take action regarding on premise staffing levels in order to achieve appropriate social distancing. Additionally, on May 5, 2020, the Board took action to extend the financial relief for customers for an additional 60 days, through July 15, 2020.

The following figures are representative of the financial impact the Agency has experienced to date as a result of the above mentioned actions.

**Water Sales**

As a result of COVID-19, the Agency has experienced decreased water sales. When comparing water consumption with prior months, consumption has decreased slightly, however, as we approach warmer months, consumption historically begins to increase this time of year. As compared to historical consumption trends for March and April, the Agency has experienced approximately \$225,000 in decreased water revenues, primarily attributed to decreased commercial consumption.

**Late Fees**

For the measurement period of March 17<sup>th</sup> to May 12<sup>th</sup>, the Agency has not assessed 2,891 late fees. This equates to \$72,275 in lost revenues.

**Reconnection Fees**

The Agency has not discontinued water service for non-payment, which has resulted in decreased revenues of approximately \$7,600 over a two month period.

**Paymentus Fees**

For the measurement period of March 17<sup>th</sup> to May 12<sup>th</sup>, the Agency has absorbed \$4,042.50 in Paymentus fees (1,055 payments), allowing customers to make remote payments at no charge.

**Telecommuting Expenses**

In order to support social distancing efforts, the Agency has shifted to a remote working environment where possible. Agency laptops and telecommunication access to the Agency have been provided to staff, costing the agency \$12,030 to date. The Agency is pursuing an upgrade to the phone system and additional telecommuting software to allow for increased remote access capabilities. These additional capabilities will cost approximately \$28,000 and will be beneficial to the Agency beyond the immediate COVID-19 need.

**Safety Supplies & Disinfection**

To date, the Agency has purchased \$3,410 in safety supplies directly related to COVID-19. Items purchased include, masks/respirators and disinfecting supplies. The Agency has also increased its nightly cleaning services contract to include disinfection of the Operations Center at a cost of \$300 per weekday, totaling \$11,700 to date. There will be ongoing safety supply expenses to facilitate the return of staff to the operations center such as temperature monitoring supplies.

To date, the Agency has experienced lost revenues of \$305,000 and increased expenses of \$58,200 as a result of the COVID-19 pandemic, totaling a net impact of \$363,200. The Agency will continue to monitor the ongoing revenue losses and expenses related to COVID-19 and will provide ongoing updates to the Board.

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

**MAY 19, 2020**

**RE: UPDATE REGARDING PFAS SUBSTANCES MANDATORY  
TESTING BY STATE WATER RESOURCES CONTROL  
BOARD DIVISION OF DRINKING WATER**

On March 12, 2019, the Agency received an Order from the State Water Resources Control Board Division of Drinking Water to sample for Perfluorooctanoic Acid (PFOA)/Perfluorooctanesulfonic Acid (PFOS), otherwise known as PFAS substances. These compounds have become an increasing concern due to the tendency to accumulate in groundwater. During the Third Unregulated Contamination Monitoring Rule (UCMR III) sampling program that occurred from 2013 to 2015 more than 12,000 drinking water samples were collected for these constituents by large water systems (systems serving over 10,000 people).

A known source of PFOA/PFOS is aqueous film forming foams (AFFF) used for fire suppression at airports and Palm Springs airport is listed as an airport that has used these foams. For this reason, the Agency was ordered to sample for PFOA/PFOS. In June 2019, the Agency started sampling fourteen wells within its domestic water system. Each well was sampled once each quarter, with the last samples completed in February 2020.

In July 2018, the State Water Board established a notification level for PFOA at 0.000014 mg/L (14 ppt) and a level for PFOS at 0.000013 mg/L (13 ppt). All but one of the samples taken by the Agency were non-detect. For the one sample that did exceed the notification level, the Agency collected two additional confirmation samples from the well. Both of those samples were non-detect. As a result of the two non-detect samples, the initial positive sample was disregarded by the State.

On May 5, 2020, the Agency received notification from State Water Resources Control Board Division of Drinking Water (DDW) that Assembly Bill 756, which was passed in 2019, provided the State Water Board with specific and increased authority to require public water systems to monitor for PFAS substances and that the DDW will be issuing a new general order for the expanded PFAS investigation in the summer 2020. At this time, DDW anticipates sampling and testing to begin in the third quarter of 2020 and that Desert Water Agency has at least one source well that is identified as fitting the criteria of the expanded investigation.

In the first phase of sampling and testing, public water systems were ordered to sample water source wells near landfills and airports. Public Water Systems were also ordered to sample wells near any site where the contaminants have been previously found. The next phases of sampling and testing will look at water supply sources near industrial and wastewater treatment systems.

Upon receiving this notification letter, Agency staff contacted the Division of Drinking Water to determine what source well falls under the criteria of phase 2 sampling and testing requirements. On May 14 we received an email from a DDW representative in response to our inquiry. The email stated that the recent notification letter sent out by DDW was not based on the entire phase 1 sampling results and upon further review of all of the phase 1 results, DWA will not be required to participate in phase 2 sampling and testing for PFAS.

It should be noted that in August 2019, the notification and response levels for both PFOA and PFOS were lowered by the State Water Board. For PFOA, the notification level was reduced from 14 ppt to 5.1 ppt. For PFOS, the notification level was reduced from 13 ppt to 6.5 ppt. If a sample and resamples exceeded the notification level, the Board of Directors shall be notified of the results and may warrant further sampling and monitoring.

During the first phase of sampling and testing, the response level for PFOA and PFOS was a combined total concentration of 70 ppt. The August 2019 updates by the State Water Board mandate that the compounds have individual response levels. For PFOA, the response level is 10 ppt and for PFOS, the level is 40 ppt. Under AB 756, if a water system finds that a sample for PFOA or PFOS exceeds the response level, the water system shall either 1) take the source out of service; 2) provide treatment; or 3) provide public notification of the exceedance within 30 days. Additionally, the result shall be included in the annual consumer confidence report.