



SAWPA

Santa Ana Watershed Project Authority

Fiscal Years Ending 2012 and Amended 2013 Budget

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July 1, 2009

President

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the SANTA ANA WATERSHED PROJECT AUTHORITY for its Biennium Budget beginning July 1, 2009. In order to receive this award, a government unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communication device. We believe our current budget continues to conform to program requirements, and we are submitting it to the GFOA to determine its eligibility for another award.

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Section 1

Budget Message/ Executive Summary



Budget Message/Executive Summary

May 17, 2011

The Honorable Board of Commissioners
Santa Ana Watershed Project Authority

Honorable Board of Commissioners:

I am pleased to present the Santa Ana Watershed Project Authority (SAWPA) Fiscal Years Ending (FYE) 2012 and 2013 operating and capital improvement budget. The development of this budget document is the result of the dedication and commitment of the SAWPA Board of Commissioners and staff. The budget provides a framework for Agency activities to meet specific challenges that we will face over the next two years. This two-year budget, which totals more than \$63 million, will implement the Agency's Strategic Plan.

During late 2010 and early 2011, SAWPA engaged in the preparation of a Strategic Plan for the organization with the participation and guidance of the Commission members and the General Managers of the Member Agencies. The objectives of the Strategic Plan are to:

- Articulate SAWPA's mandate, vision, and mission;
- Establish specific goals that would allow SAWPA to meet its mandate and mission;
- Identify key strategic issues that need to be addressed to accomplish the goals; and
- Formulate strategies and specific actions to meet the goals.

Our Agency faces many challenges in the coming years. Our Strategic Plan sets out the goals and specific actions necessary to address those challenges.

Challenges Facing the Brine Line

SAWPA will assure the long-term future viability and sustainability of the Inland Empire Brine Line (Brine Line) by addressing the maintenance, capital improvements, protection/relocation, strategic relationships, and planning for future capacity needs in an economically sound manner. Preservation of this \$150 million system requires on-going operations and maintenance (O&M) (\$9 million annual budget) and implementation of a capital improvement program currently valued at over \$60 million.

Brine Line Specific Near-Term Objectives

- Develop a new long-term vision and plan for the Brine Line.
- Implement the Salt Management Program.
- Continued implementation of compliance with the Sanitary Sewer Management Plan.
- Implement the Brine Line Marketing Plan.
- Support Orange County Flood Control District (OCFCD) relocation of a four-mile segment of the Brine Line, which will place the pipe in a position suitable for future dam operations.
- Manage maintenance of physical facilities and conduct pipeline inspections, clean pipelines, update the CIP, and implement an asset management program.

This budget addresses these near-term objectives as well as looks at the long-term goals of funding the CIP, establishing salt balance in the Watershed, and providing for the future needs using new technologies and innovation.

Challenges Facing the Watershed

The Santa Ana River Watershed is facing threats to water supply and quality because of climate change, growing demands on the Colorado River, the Sacramento-San Joaquin Delta vulnerability, and the global fiscal crisis. Through the collaboration and development of regional partnerships, we'll respond to these challenges and create a sustainable Santa Ana River Watershed. Our vision is a drought-proofed, salt balanced Watershed that will support economic and environmental viability by the year 2030.


Our region is rich in agricultural history and still contains concentrations of citrus, dairy, and other agricultural areas that demand significant quantities of water. The area has a large industrial/commercial base, and the rapidly expanding population demands a large supply of water. In 2000, the Watershed required 1.6 million acre-feet of water (521 billion gallons) to meet demand; in 2030, it is projected that the Watershed will require significantly more water to meet demands. Our commitment to water use efficiency in landscape design and irrigation improvements will help us accommodate much of our population growth without additional water.

Our regional leadership has provided a model of collaboration and cooperation utilizing integrated solutions and has been recognized by Harvard's Kennedy School of Government as one of the Top 25 Innovative Projects in the United States. SAWPA's integrated approach has been used as a template by the State of California. Our innovation has become California's new standard. When voters passed Propositions 84 and 1E, billions were allocated for Watersheds throughout California to use this integrated approach to meet the water challenges of the 21st Century.

To continue to address these challenges, SAWPA will be embarking upon the next phase of the integrated regional water management planning described as OWOW 2.0 (One Water One Watershed). Under this plan phase, emphasis will be placed on moving into an implementation focus including feasibility analyses of system-wide regional projects and programs that address water resource needs for the future. As under the original OWOW Plan, this new plan will address integrated solutions to climate change impacts; water supply reliability; water and land use coordination; water quality improvement; flood risk management; water use efficiency; water recycling; stormwater capture; environmental justice; and natural resource stewardship. Through this integration, scarce resources will be leveraged and cost effective solutions will be developed in addressing a multiplicity of water challenges. The OWOW 2.0, anticipated to be completed by July 2012, will be used to secure future implementation funding for the Watershed. Concurrent with these watershed planning activities, SAWPA will prepare for the next State IRWM funding phase, develop new partnerships and agreements needed for integrated planning, provide tools to measure performance and facilitate the development of a new water ethic within the watershed.

We are looking forward to a year full of exciting opportunities for SAWPA and our region as a whole. This should be one of the most challenging and rewarding times the Agency has faced in its history. I look forward to leading the Agency into the next era of integrated regional water management.

Respectfully submitted,



Celeste Cantú
General Manager

Using the Agency's Strategic Plan as a guide, this two-year budget provides the resources necessary in successful implementation of the goals and strategies outlined in the plan. The Strategic Plan provides the Agency a strategic basis on which it can focus and work towards the future.

SAWPA's vision and mission will be advanced by the following 8 goals:

1. Achieve optimal use of local water supplies and reduce reliance on imported water.
2. Achieve optimal use of local water supplies and reduce reliance on imported water.
3. Achieve salt balance and ensure continued cost-effective and reliable operation of the Brine Line.
4. Balance water supply needs with natural habitat protection.
5. Build public understanding and support for Watershed sustainability.
6. Facilitate incorporation of water resources management in land use planning.
7. Be a resource for compliance with AB32 (greenhouse gas regulations) and reducing its impact on member agencies.
8. Secure external funding for the Watershed to support accomplishing Watershed goals.

The major priorities shaping the FYE 2012 and 2013 budget are as follows:

- ◆ Implementation of new SARI rates, effective July 1, 2011.
- ◆ Develop a new long-term vision and plan for the Brine Line.
- ◆ Implement the Salt Management Program for the Brine Line.
- ◆ Implement the Brine Line Marketing Plan.
- ◆ Comply with the Sanitary Sewer Management Plan for the Brine Line.
- ◆ Continue Brine Line cleaning program.
- ◆ Support UCI research and development of the "Next generation SCADA".
- ◆ Implement budgeted CIP projects.
- ◆ Update Brine Line CIP based on CCTV pipeline inspection and analysis.
- ◆ Continue process to collect appropriate SARI system O&M data, automate storage and facilitate better analysis of activities and system performance.
- ◆ Development and implementation of the next phase of the "One Water One Watershed" Plan (OWOW 2.0).
- ◆ Continue roundtable efforts.
- ◆ Provide a neutral venue at where complex water resource related issues can be resolved with the benefit of science and collaboration.
- ◆ Secure State Proposition 84, 1E and 1C funding support.
- ◆ Continue other watershed planning functions.
- ◆ Continue legislative coordination and support.
- ◆ Achieve greater accountability through more measurable and specific performance indicators.
- ◆ Submit Budget and Comprehensive Annual Financial Report (CAFR) for the GFOA award program.
- ◆ Maintain stable benefit and G&A allocation rates.

Budget Summary and Overview

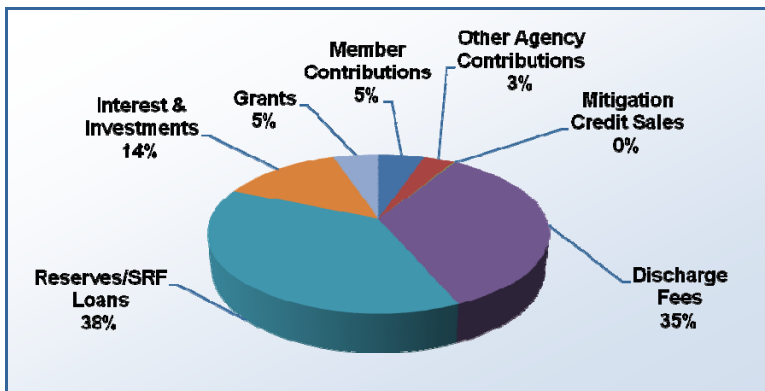
FYEs 2012 and 2013 will prove to be very productive years for the Agency. This is the Agency's third biennial budget, and will help to continue the long-range planning effort for all Agency operations. The total combined budget for both years is \$63.1 million, which consists of \$27.8 million or 45% for operating expense, \$9.0 million or 14% for debt service, \$6.4 million or 10% for reserve contributions and \$19.9 million or 31% in Capital Program expenses. Available to cover those expenses are revenues of \$62.0 million and \$1.1 million from prior year fund balances.

Sources of Funds

The Agency's major revenue source is discharge fees from the Brine Line Enterprise. Other funding sources include grants and contracts, interest and investments, capacity sales, use of reserves/SRF loans, member and other agency contributions, and mitigation credit sales.

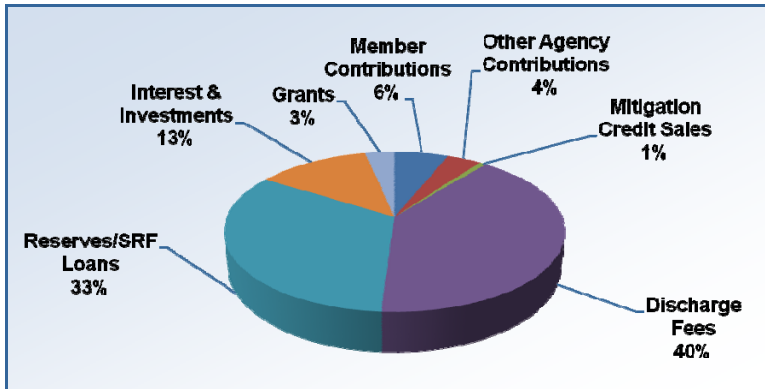
The FYE 2012 receipts of \$32.8 million include \$11.4 million in discharge fees, \$12.4 million in reserves/SRF loans, \$4.4 million in interest and investments, \$2.9 in member and other agency contributions, \$1.7 million in grants and contracts, and \$0.045 million in mitigation credit sales, which reflects a 21% decrease over FYE 2011. The majority of the decreased revenues can be attributed to the use of reserves for the Capital Improvement Program (CIP). In FYE 2011 it was estimated that we would spend \$19.9 million of reserves to fund the CIP. The project did not begin until late FYE 2011. Total revenues included in the FYE 2012 budget are adequate to cover all projected expenses.

**Source of Funds
FYE 2012**



The FYE 2013 receipts of \$29.2 million include \$11.9 million in discharge fees, \$9.5 million in reserves/SRF loans, \$3.8 million in interest and investments, \$2.7 in member and other agency contributions, \$1 million in grants and contracts, and \$0.2 million in mitigation credit sales, which reflects a 11% decrease over FYE 2012. The majority of the decreased revenues can be attributed to a decrease of \$2.9 million in use of reserves/SRF loans, as well as various minor decreases in other agency contributions, grant/contracts, and interest and investments. Total revenues included in the FYE 2013 budget are adequate to cover all projected expenses.

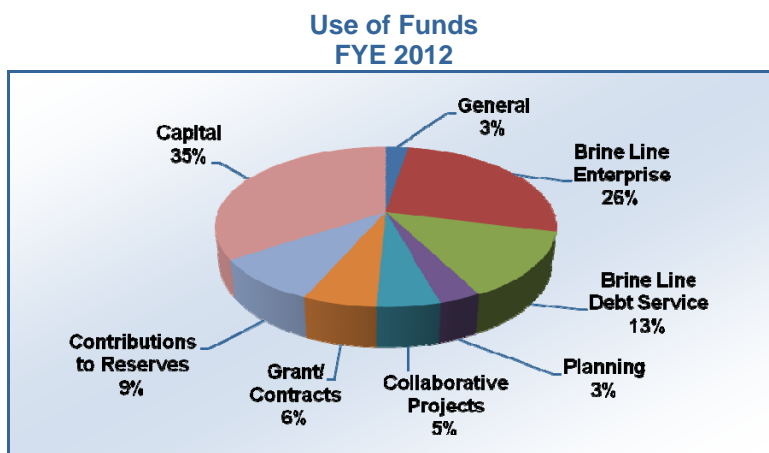
**Source of Funds
FYE 2013**



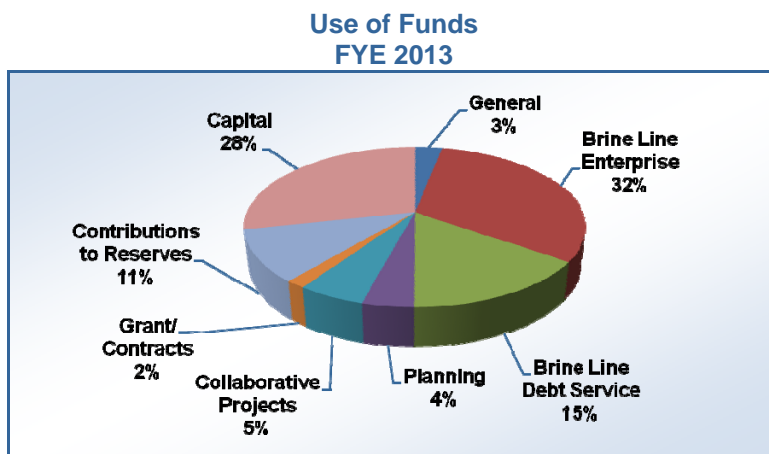
Uses of Funds

The total FYE 2012 expenses are projected to be \$33.8 million, which includes \$0.9 million for Joint Powers Authority (JPA) operations, \$8.9 million for Brine Line Enterprise operations, \$11.7 million for capital projects, \$4.5 million for debt service, \$1.7 for collaborative projects, \$1.1 million for planning

projects, \$2 million for grants/contracts, and \$3 million in contributions to reserves. Capital programs are primarily funded by reserves and SRF loans in accordance with the long range financial plan. Debt service, operation, and administration expenses are supported by discharge fees, interest and investments, and member contributions. The decrease in expenses from the prior year is due to decreases in the capital improvements program.



The total FYE 2013 expenses are projected to be \$29.2 million, which includes \$0.8 million for JPA operations, \$9.5 million for Brine Line Enterprise operations, \$8.2 million for capital projects, \$4.5 million for debt service, \$1.3 for collaborative projects, \$1.2 million for planning projects, \$0.5 million for grants/contracts, and \$3.2 million in contributions to reserves. Capital programs are primarily funded by reserves and SRF loans in accordance with the long range financial plan. Debt service, operation and administration expenses are supported by discharge fees, interest and investments and member contributions. The decrease in expenses from the prior year is due to decreases in the capital improvements program and grant/contracts funds.

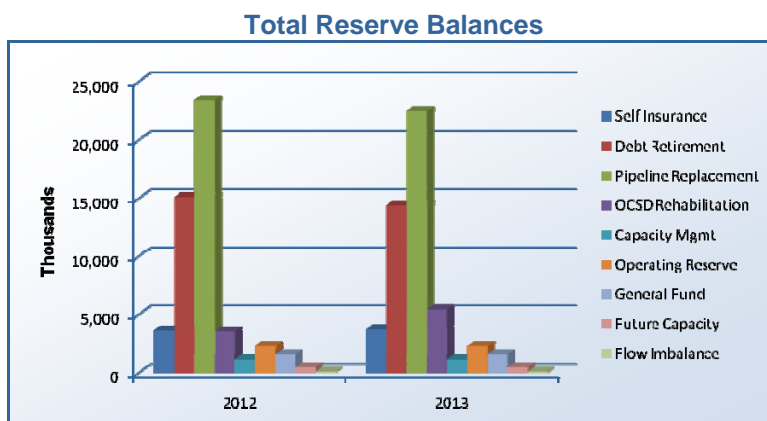


Debt Service

The outstanding debt in FYE 2012 is projected at \$24.3 million and will decrease to \$16.6 million in FYE 2013. Debt service payments are completely funded by Treasury-Strip (T-Strip) maturities, capacity loan receipts, and interest earned on the debt service fund balance. Total debt service payments to be made in FYE 2012 and 2013 are projected to be \$4.5 million for each year.

Reserves

In FYE 2012, the operating fund has total budgeted reserve contributions of \$3 million and \$3.2 million in FYE 2013. Total reserves are projected to be \$51.1 million for FYE 2012 and \$51.3 million for FYE 2013. The decrease of \$0.20 million is from use of reserves to fund the CIP. The following chart shows the projected reserve balances for FYE 2012 and 2013.



Personnel

The Agency has added three full time equivalents (FTEs) to the previous staffing level of 19 FTEs. The current staffing level is at 22 FTEs. Total employment costs, which include wages and benefits, will be \$3.7 million for FYE 2012 and \$3.8 million for FYE 2013, representing 11% and 13.1% of the Agency's total budget for each year. Overall, employment expenses have increased by 13.2% (\$435,798) over the FYE 2011 budget and have increased 2.1% (\$78,960) for FYE 2013. The increases are based on three added positions, a 6% merit/COLA increase for each of the budget years and increasing medical insurance costs. In FYE 2013, one position was eliminated from the budget.

Fund Budgets

The Agency has several funds that make up the FYE 2012 and 2013 Budget - general, enterprise, planning, collaborative projects, grants/contracts and capital projects. Each fund is shown below with its total revenues, expenses and fund balance, if applicable.

FYE 2012 Budget							
	General Fund	Enterprise Fund	Planning Fund	Collaborative Project Fund	Grants/Contract Fund	Capital Project Fund	Total
Revenues	\$ 847,744	\$ 16,523,806	\$ 1,173,270	\$ 1,369,192	\$ 1,257,466	\$ 11,667,276	\$ 32,838,754
Expenses	(847,744)	(16,523,806)	(1,141,429)	(1,702,934)	(1,985,874)	(11,667,276)	(33,869,063)
Net Income (Loss)	—	—	31,841	(333,742)	(728,408)	—	(1,030,309)
Beg. Fund Balance	—	—	69,472	1,451,647	728,408	—	2,249,527
End. Fund Balance	\$ —	\$ —	\$ 101,313	\$ 1,117,905	\$ —	\$ —	\$ 1,219,218

FYE 2013 Budget

	<i>General Fund</i>	<i>Enterprise Fund</i>	<i>Planning Fund</i>	<i>Collaborative Project Fund</i>	<i>Grants/ Contract Fund</i>	<i>Capital Project Fund</i>	<i>Total</i>
Revenues	\$ 923,520	\$ 17,022,205	\$ 1,205,637	\$ 1,518,266	\$ 467,388	\$ 8,416,729	\$ 29,553,745
Expenses	(923,520)	(17,022,205)	(1,215,383)	(1,601,465)	(467,388)	(8,416,729)	(29,646,690)
Net Income (Loss)	–	–	(9,746)	(83,199)	–	–	(92,945)
Beg. Fund Balance	–	–	101,313	1,117,905	–	–	1,219,218
End. Fund Balance	\$ –	\$ –	\$ 91,567	\$ 1,034,706	\$ –	\$ –	\$ 1,126,273

Fund Balances

The fund balance is the difference between fund assets and liabilities. For many planning and collaborative projects, revenues may be collected in one year and the expenses may occur in another. The fund balance is a timing difference between when cash is received versus when it is spent and may be used to balance the budget from year to year.

Departments

To help achieve SAWPA's vision, each department created a staff plan in support of the Agency's overall goals and objectives. Each department developed an individual mission statement identifying key objectives to be addressed within the next two fiscal years, group goals, and measurable performance objectives. The staffing plans provide a roadmap as to how each department will contribute to achieving the Agency's goals, objectives, and ultimately, its vision.

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Section 2

Budget Foward



Reader's Guide to the Budget

Reader's Guide to the Budget

This guide is intended to help the reader understand what information is available in the budget and how it is organized. This budget document is broken down into 11 sections which are listed below. The Finance Department invites suggestions on ways to make the budget document more understandable.

The following is an explanation of the major sections of this budget:

Budget Message/Executive Summary

This section contains the General Manager's budget message and the executive summary which highlights critical issues and financial information regarding the Agency's FYEs 2012 and 2013 Budget.

Budget Forward

This section includes the categories listed below:

- **About the Agency** – This section provides an overview of the Agency and its role within the Watershed.
- **Vision, Mission and Goals** – This section sets forth the Agency vision and mission as well as the goals and strategies necessary to obtain that vision.
- **Budget and Financial Overview** – This section provides an overview of the budget development process and the accounting structure used within the Agency.

Budget Summary

This section is a high-level consolidated summary of the FYEs 2012 and 2013 Budgets.

Combined Schedules

This section is a comprehensive overview of the FYEs 2012 and 2013 combined budget. The combined budget consolidates all of the Agency's funds. Listed below is a description of the schedules contained in this section:

- **Combined Summary** – Combines all sources and uses of funds for all Agency funds.
- **Revenue and Expenses** – Summarizes, by fund, total budgeted revenues and expenses.
- **Sources and Uses of Funds** – Summarizes total expenses for each fund and the source of funds used to meet expenses.
- **Line Item Detail** – Summarizes line item detail expense totals for each fund type.
- **Cash Flow** – Summarizes cash flow and changes in fund balance for each fund type.
- **Benefit and G&A Allocation** – Summarizes the calculation of the Benefit and G&A Allocation rates using total general fund and benefit costs. Detailed schedules for each are included.
- **Member Contribution** – Summarizes the member contributions for each fund for FYEs 2011 through 2013.

Revenues

This section details the total revenue by source for each fund and describes, in detail, each revenue source available for operating and capital expenses.

Debt Service

This section describes the Agency's debt service obligation including a listing of the outstanding debt issues; a description of the purpose of each issue; a debt service retirement schedule; and debt service requirements, including principal and interest, over the life of the outstanding debt issues.

Reserves

This section details the Agency's general reserve policy, categorizes and defines each reserve account, and lists the contributions budgeted in FYEs 2012 and 2013 for each reserve account.

Personnel

This section details total staffing and employment related costs, and includes a historical detailed schedule of authorized positions and full-time equivalent employees by department.

Fund Budgets

This section describes the Agency's fund structure and includes a narrative description of each fund's initiatives, activities, and budget. The budget includes both consolidated and individual fund sources and uses statement as well as projected changes in fund balance.

Departments

This section contains staffing plans for each of the Agency's departments which includes an organizational chart, mission statements, accomplishments from the prior year, objectives for current year, core activities, and group goals for each.

Glossaries

- **Financial Policies** – Contains all current Agency policies incorporated in this budget.
- **Statistical and Other Information** – Useful information about the Agency's service area and operations.
- **General Terms** – Helps translate budget terminology into language that makes it easier to understand.
- **Acronyms and Abbreviations** – A listing of the acronyms and abbreviations used throughout the budget document.

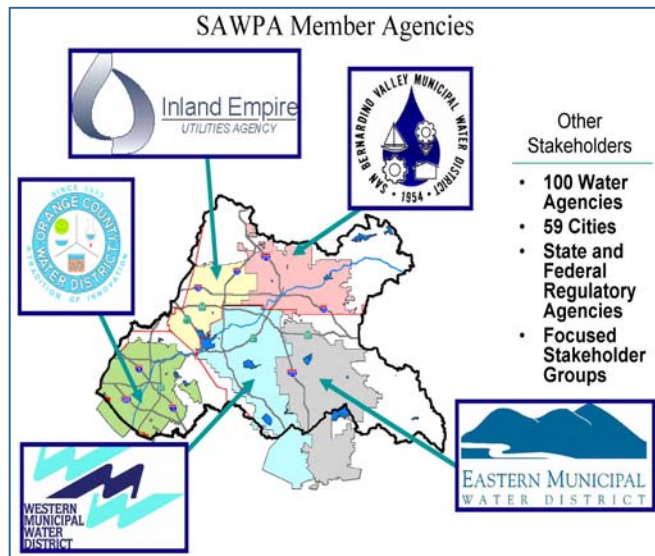
About the Agency

What is SAWPA?

SAWPA is a Joint Powers Authority (JPA) that focuses on water supply and water quality. Its stated mission is to develop and maintain regional plans, programs and projects that will protect the Santa Ana River (SAR) Basin water resources to maximize beneficial uses within the Santa Ana River Watershed (Watershed) in an economically and environmentally responsible manner. First formed in 1968 as a planning agency, SAWPA was re-formed in 1972 with a mission to plan and build facilities to protect the water quality of the Watershed. The JPA is comprised of the five largest water agencies in the Watershed: Eastern Municipal Water District (EMWD), Inland Empire Utilities Agency (IEUA), Orange County Water District (OCWD), San Bernardino Valley Municipal Water District (SBVMWD), and Western Municipal Water District (WMWD).

The Watershed spans approximately 2,650 square miles, and covers San Bernardino, Riverside, and Orange Counties as well as a small portion of Los Angeles County. It is home to over 6 million people.

The Watershed, and the State as a whole, is facing many challenges in guaranteeing sufficient, high-quality water for the ever-growing population of the region. SAWPA works with planners, water experts, design and construction engineers, and other government agencies to identify issues and develop innovative solutions to resolve many water-related problems.

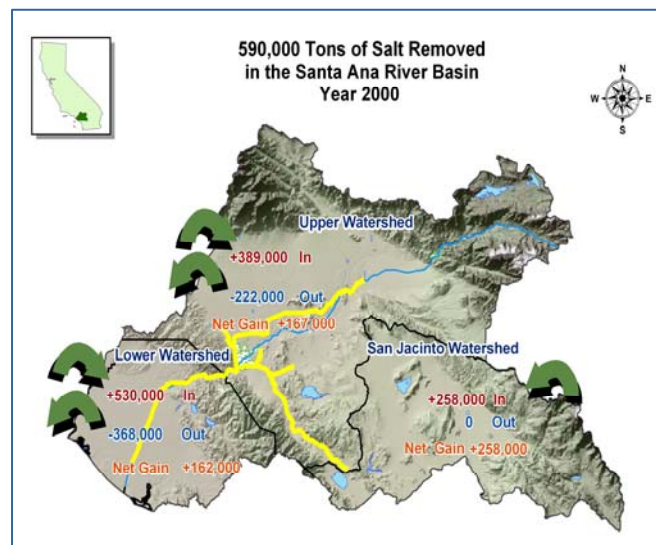


SAWPA's Regional Vision

SAWPA's vision is a sustainable Watershed that provides clean and reliable water resources for a vibrant economy and high quality of life for all, while maintaining healthy ecosystems and open-space opportunities. A successful SAWPA provides value to its member agencies and to the Watershed as a whole by facilitating collaboration across boundaries to address common goals and tackle problems that are larger than any individual entity.

Inland Empire Brine Line

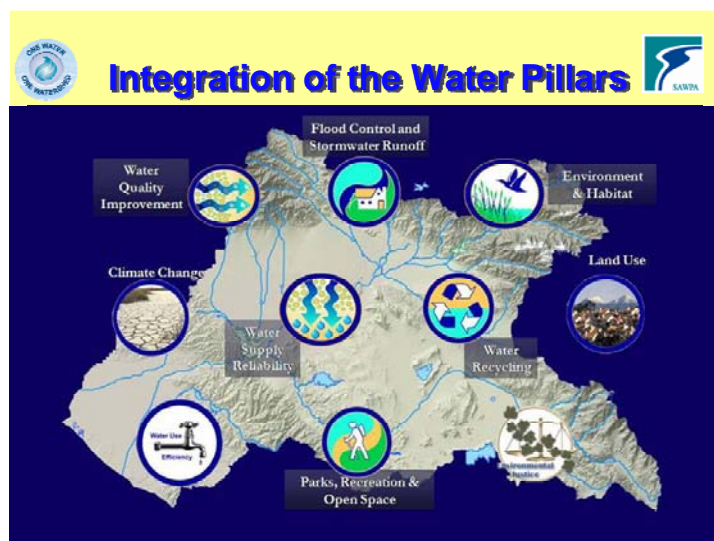
SAWPA's enterprise includes ownership and operation of the Inland Empire Brine Line (Brine Line), formerly known as the Santa Ana Regional Interceptor (SARI). The 73 mile-long regional brine line is designed to convey 30 million gallons per day (MGD) of non-reclaimable wastewater from the upper Santa Ana River Basin to the Pacific Ocean for disposal, after treatment. This 25-year old utility was built as the fundamental method of salt export for the region. Historic import of water for agricultural purposes has increased the salinity of many groundwater basins within the Watershed. Removing salt by means of the Brine Line allows the Watershed to work towards achieving salt balance – a key Watershed goal and indicator of sustainability.



Salt is removed from brackish groundwater by reverse osmosis desalters, which discharge the concentrated brine into the Brine Line. The treated water is delivered for consumption as potable water.

Integrated Regional Planning

SAWPA has been involved in watershed and integrated water resource planning since its formation. The latest plan adopted in November 2010 is the Santa Ana Watershed Integrated Regional Water Management Plan (IRWMP) called the OWOW Plan. Using a decentralized stakeholder involvement process as well as involving experts from all fields and areas within the Watershed, an extraordinarily collaborative and visionary plan was prepared to address water challenges over the next two decades. The plan addresses climate change; water supply reliability; water and land use; water quality improvement; flood control and stormwater runoff; water use efficiency; water recycling; parks, recreation and open space; environmental justice; and environment and habitat. Through this integration of water resource categories or pillars, scarce resources will be leveraged and cost effective solutions will be developed to address a multiplicity of water challenges using an integrated multi-beneficial approach. In 2011, SAWPA kicked off its next integrated plan called OWOW 2.0 that will identify system-wide implementation actions that will assure watershed needs are met for the future.



Stakeholder Partnering

SAWPA plays an important regional role in administering a number of water quality and water supply stakeholder initiatives. These initiatives often address problems that involve other public agencies. The SAWPA Commission enjoys a rewarding position of helping people solve real problems. Since its formation, SAWPA has taken a lead role in establishing effective regional partnerships with the Regional Water Quality Control Board (RWQCB) and other stakeholders in the Watershed to address water quality and water resource issues. The following task forces and workgroups are examples of Watershed partnerships that SAWPA currently administers.

Imported Water Recharge Workgroup

On January 18, 2008, a cooperative agreement for imported water recharge entitled "Cooperative Agreement to Protect Water Quality and Encourage the Conjunctive Uses of Imported Water in the Santa Ana River Basin" was approved by the RWQCB and nine imported water recharging agencies in the Watershed. In accordance with the cooperative agreement, the recharging parties are required to complete a summary of the amount and quality of imported water recharged over a three-year period as well as a projection at six-year intervals of the ambient water quality in each groundwater management zone that is being recharged with imported water.

Basin Monitoring Program Task Force

The Basin Monitoring Program Task Force is a collaborative effort of public and private sector agencies and interests to conduct water quality evaluations in the Watershed. The task force was formed as a spinoff of the Total Inorganic Nitrogen/Total Dissolved Solids (TIN/TDS) Task Force in 2003 with the mission of implementing the monitoring requirements required as part of the original TIN/TDS Task Force effort. These monitoring requirements include a triennial update of the ambient groundwater quality, Nitrogen and TDS, throughout all the groundwater basins in the Watershed, and an annual report on the Nitrogen and TDS in the Santa Ana River for Reaches 2, 4, and 5.



Santa Ana River Fish Conservation Task Force

The Santa Ana Sucker Conservation Team is a multi-agency task force formed by SAWPA, established to coordinate applied research, and direct efforts toward the recovery and delisting of the Santa Ana Sucker fish species. Work under this activity allows program participants to continue routine maintenance activities with a Regional Programmatic Section 7 consultation. The task force has completed a draft Conservation Program for federally threatened fish, which has been submitted to the United States Fish and Wildlife Service (USFWS). This program enumerates activities that may be undertaken by organizations within the Watershed to minimize effects on the Santa Ana sucker fish species.

Chino Basin (Middle Santa Ana River) TMDL Task Force

The Middle SAR TMDL (Total Maximum Daily Load) Task Force is a collaborative effort of public and private sector agencies and interests focused on the development of pathogen TMDLs for SAR Reach 3, its tributaries, and other water bodies in the Chino Basin area. Formed in 2007, the task force has been working on several pathogen-related activities and studies for the Chino Basin. The objectives of this task force are to implement a number of tasks identified by the RWQCB in their 2005 Amendment to the Basin Plan. The task force is working with the RWQCB in the formulation of pathogen TMDL allocation and implementation strategies.



Stormwater Quality Standards Task Force

The Stormwater Quality Standards Task Force is a collaborative effort of public and private sector agencies and interests. The task force was formed in 2005 to assist the RWQCB in providing additional data and science in the evaluation of the REC-1 beneficial use designation and associated water quality objectives for the river.

Municipal stormwater entities as well as other regulated business, industrial, and development groups are interested in providing the best available information to update the water quality objectives. Task Force members will develop a basin-wide assessment of existing conditions of receiving waters and existing beneficial uses supported by those waters, and identify data gaps and other areas

where further assessment is needed. The work of this task force has resulted in one of the most detailed photographic data collection efforts of tributaries' beneficial use in the country. It also has provided new pathogen water quality standards based on the best available data and science.

Emerging Constituents Program Task Force

Based on an April 2008 agreement between the RWQCB and nine local imported water recharge agencies, the signatories to the agreement agreed to develop a plan to investigate "emerging constituents" in water that is intentionally recharged to local aquifers. In general, the phrase "emerging constituents" refers to a relatively large group of man-made chemical compounds for which the Environmental Protection Agency (EPA) and the State of California have not enacted a numeric water quality objective or a numeric translator for relevant narrative objectives, nor has the California Department of Public Health adopted a maximum Contaminant Level. To prepare this sampling program, an Emerging Constituents Program Task Force was formed among the signatories and interested parties, such as publicly owned treatment works (POTW), to design and implement a voluntary annual sampling program of emerging constituents within the source waters of the Watershed.

Big Bear TMDL Task Force

To address lake quality problems at Big Bear Lake, a new multi-agency task force was formed in 2008. This task force serves an important role in assisting local stakeholders with addressing the RWQCB's TMDL implementation tasks to address impairments to water quality defined for the Big Bear Lake.



SAWPA is committed to its regional vision of a sustainable Watershed that supports economic and environmental vitality, while maintaining quality of life. The Agency will continue its role as the leader in creating innovative solutions to the challenges facing our Watershed.

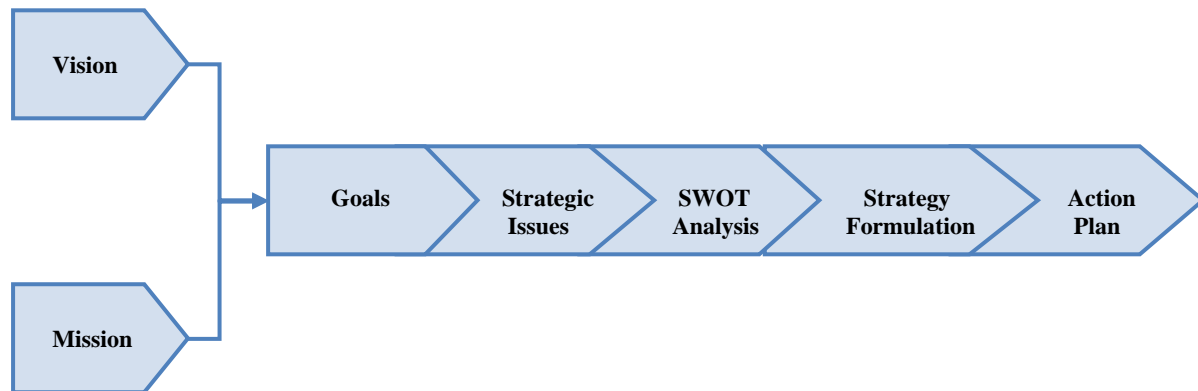
Vision, Mission and Goals

Strategic Planning

During late 2010 and early 2011, SAWPA engaged in the preparation of a Strategic Plan for the organization with the participation and guidance of the Commission members and the General Managers of the Member Agencies. The objectives of the Strategic Plan are to:

- Articulate SAWPA's mandate, vision, and mission;
- Establish specific goals that would allow SAWPA to meet its mandate and mission;
- Identify key strategic issues that need to be addressed to accomplish the goals; and
- Formulate strategies and specific actions to meet the goals.

The strategic planning process is illustrated below.



Between December 2010 and April 2011, four workshops with the Commission were conducted to review progress and receive input and guidance. These workshops were open to the public and public comments were considered. In addition to formal workshops, a number of individual interviews were held with Commissioners to discuss details. The General Managers' input was received during two of their standing regular meetings as well as individual discussions. Finally, five staff workshops were conducted to draft vision and mission statements, draft goals, identify strategic issues, and formulate draft strategies.

The following details our vision, mission, and goals as well as the strategies developed to help attain our mission and ultimately, our vision.

Our Vision

SAWPA's vision is a sustainable Santa Ana River Watershed that provides clean and reliable water resources for a vibrant economy and high quality of life for all, while maintaining healthy ecosystems and open space opportunities. A successful SAWPA provides value to its member agencies and to the Watershed as a whole by facilitating collaboration across boundaries to address common goals and tackle problems that are larger than any individual entity.

Our Mission

SAWPA strives to make the Santa Ana River Watershed sustainable through fact-based planning and informed decision-making; regional and multijurisdictional coordination; and the innovative development of policies, programs and projects. Our mission is accomplished through a number of specific functions:

- Maintaining peace in the Watershed.

- Facilitating conflict resolution through collaborative processes.
- Preparing an integrated watershed-wide water management plan that provides a unified vision for the Watershed.
- Operating the Inland Empire Brine Line to convey salt out of the Watershed and support economic development.
- Developing water-related initiatives, particularly those that require the participation of several entities.
- Identifying, pursuing, securing, and administering supplemental funds for the Watershed.
- Influencing legislation for the benefit of the Watershed.

Our Values

Our strategy and day-to-day operations are guided by values strongly held by our member agencies, management and staff:

Leadership in the development and advancement of a vision and plan for a sustainable Watershed, and in the incorporation of new paradigms for water and watershed planning.

Collaboration and cooperation among member agencies and other stakeholders in the Watershed toward the formulation and implementation of solutions to watershed-wide, multi-jurisdictional problems.

Creativity in the pursuit of new approaches to watershed planning, the use of new technologies, and the enhancement of a new water ethic in the Watershed.

Fact-based decision-making to identify neutral and transparent solutions that maximize the benefit to the entire Watershed.

Respect for all voices and perspectives in the Watershed to develop sound solutions and maximize consensus building.

Transparency, integrity and professionalism to maintain the respect and trust of our partners, and to attract and retain talented and committed individuals to our organization.

Using the Agency's Vision and Mission Statement as a guide, the FYEs 2012 and 2013 Budget provides the resources necessary for successful implementation of the goals and strategies listed below.

Each department created a staffing plan in support of the Agency's overall goals and strategies. Each department developed an individual mission statement, identified the objectives to be addressed within the next two fiscal years, group goals, and measurable performance objectives. The staffing plans provide a roadmap as to how each department will contribute to achieving the Agency's goals and objectives, and ultimately, its vision.

Our Goals

SAWPA's vision and mission will be advanced by the following eight goals:

1. Achieve optimal use of local water supplies and reduce reliance on imported water.
2. Improve water quality.
3. Achieve salt balance and ensure continued cost-effective and reliable operation of the Brine Line.
4. Balance water supply needs with natural habitat protection.
5. Build public understanding and support for Watershed sustainability.
6. Facilitate incorporation of water resources management in land use planning.
7. Be a resource for compliance with AB32 (greenhouse gas regulations) and reducing its impact on member agencies.
8. Secure external funding for the Watershed to support accomplishing Watershed goals.

Strategies to accomplish our goals

The following section outlines the strategies that will be pursued to achieve each goal. For each of these strategies, a series of actions is identified.

1. Achieve optimal use of local water supplies and reduce reliance on imported water

A. Advance and coordinate regional projects to achieve OWOW goals for desalination, water reuse, water use efficiency, groundwater recharge, and stormwater capture and recharge

- Update OWOW in a way that proactively promotes more multi-regional and multi-benefit projects.
- Support OWOW Pillar groups to create forums for the identification and implementation of multi-beneficial regional projects and programs.

B. Develop watershed-wide strategies and plans for conjunctive use and groundwater recharge, water use efficiency, stormwater capture and recharge, and desalination in coordination with member agencies and other suppliers

- Explore regional conjunctive use/recharge opportunities or expand existing ones in coordination with relevant parties.
- Support OWOW Pillar groups in exploring opportunities to implement regional plans and programs.
- Create forum for coordination with land use agencies on water issues.
- Update OWOW in a way that promotes “new paradigm” integrated projects.

C. Support and coordinate multi-agency initiatives that enhance the flexibility and reliability of water supply systems

- Create forum to identify and advance specific multi-beneficial regional projects and programs to address systems reliability and flexibility.

2. Improve water quality

A. Administer and support regional approaches to conform with TMDLs and Basin Plan requirements

- Prioritize upcoming TMDLs, regulatory implementation and water quality issues to anticipate future task force needs, including the creation of new task forces.
- Support efforts to implement corrective projects and programs to meet TMDLs and requirements.

B. Coordinate watershed-wide monitoring program aimed at reducing compliance costs

- Explore feasibility with relevant regulatory agencies and interested permittees.
- Prepare business case for regional monitoring.
- Develop implementation strategy.

C. Develop strategy and market basis for water quality trading

- Explore feasibility with relevant regulatory agencies.
- Prepare case studies from other regions or arenas.
- If supported by participants, develop strategy and accounting system, including identification of resources needed.

D. Promote establishing stormwater quality standards and pathogen indicators to allocate resources more efficiently

- Prepare business case for initiative.
- Prepare case studies from successful changes.
- If program seems feasible, develop strategy, including resources needed.

E. Support emerging constituents (ECs) sampling program and explore public outreach program for ECs and other constituents of public concern

- Explore feasibility with interested agencies in conjunction with RWQCB.
- Identify priority constituents.
- Develop strategy, including internal resources needed.

3. Achieve salt balance and ensure continued cost-effective and reliable operation of the Brine Line

A. Support salinity management efforts and coordinate watershed-wide salt management activities

- Conduct more detailed study of salinity management plan components to better project recommended actions.
- Update OWOW in a way that promotes more additional multi-beneficial, multi-jurisdictional salt removal projects.
- Create forum to advance specific salt management projects identified in OWOW Plan.

B. Investigate alternatives for conveying future brine flows, including brine concentration and alternative discharge points

- Evaluate feasibility of future conveyance alternatives such as Brine-to-Salton Sea option.
- Promote participation among member agencies and others in the investigation of brine management activities, including brine concentration.

C. Address Brine Line rehabilitation and relocation needs

- Update Brine Line master plan.
- Rehabilitate Reaches IV-A and IV-B.
- Continue inspection and repair of pipe and access structures.
- Support Brine Line relocation efforts in Orange County (on-going OCFCD project).

D. Market the Brine Line to maximize flows from industry and other users

- Prepare business plan for the incorporation of new users (e.g. costs vs. rates and revenues).
- Refine and continue implementing marketing plan.

E. Develop solutions to minimize O&M costs of Brine Line due to solids formation and scaling

- Confirm mechanisms of scale and solids formation, identify methods to control, and consider merits of implementation.
- Make adjustments as in-line chemistry changes.
- Work to minimize O&M line cleaning efforts and overall costs to Brine Line and customer.

F. Revise financial strategies and ownership of capacity to eliminate idle capacity

- Develop Capacity Management Plan, a strategy to make capacity available to new customers while ensuring capacity is available to all investors when needed.

4. Balance water supply needs with natural habitat protection

A. Develop mechanism to provide mitigation opportunities for on-going operational activities and new construction projects in areas occupied by endangered or threatened species, or in other sensitive areas

- Develop regional permits where beneficial.
- Promote development and use of mitigation banking and regional multi-species conservation plans.
- Become regional education resource for alternatives to project-by-project mitigation programs focusing on new models developed nationally.

B. Facilitate opportunities for regional management of species and habitat

- Develop toolkit for streamlining project development process by incorporating mitigation.
- Advocate for outcome-based regulatory structures.

C. Support removal of invasive plant species by indentifying and prioritizing target species, and by securing funding for removal and habitat maintenance efforts

- Market removal of invasive species and habitat restoration opportunities as effective means for developing local water supply.
- Develop metrics for equating invasive species removal and habitat restoration to surface and groundwater supply.
- Support on-going invasive plant removal program by the Santa Ana Watershed Association (SAWA) and others.

D. Promote solutions to manage waterways to protect all beneficial uses, including management of sediment and soft-bottom channels

- Coordinate with stakeholders on on-going efforts, Watershed objectives and possible benefits of additional regional coordination.

5. Build public understanding and support for Watershed sustainability

A. Coordinate legislative and advocacy efforts on key Watershed issues

- Expand on success of current collaborative advocacy process.
- Reach out to legislators and staff in connection with the OWOW Conference.
- Coordinate with more stakeholder groups.

B. Develop consistent messages in water issues for use by agencies in the Watershed

- Work with member agency Public Information Officers (PIO) and Legislative Directors to identify common themes and messages.

C. Publish information demonstrating the economic value to the Watershed of sustainable water resources practices and regional collaboration

- Identify and collaborate with local resources, such as Council of Governments (COG), business and trade advocacy groups, economic development agencies, and the Urban Land Institute in developing this information.

D. Establish a repository of information on water quality to assist agencies in analysis and decision-making

- Use GIS to develop Internet portal to make water resources information easily accessible to agencies and the public.

E. Help foster and brand a unique Santa Ana River Watershed identity

- Work with member agency PIOs and Legislative Directors to identify common themes and messages.

6. Facilitate incorporation of water resources management in land use planning

A. Highlight to land use agencies the inter-relationship between land use planning and water resources, and provide information to support decision-making

- Create forum for communication between water and land use agencies.
- Prepare materials emphasizing the case for incorporation of water resources considerations in general plans.
- Develop GIS tools that account for recharge and water production areas, functional floodplains, and opportunity sites for aquatic habitat and recreation.

B. Promote regional approach to stormwater permit compliance that effectively integrates water supply and integrated regional water management (IRWM) opportunities

- Develop business case and strategies for collaboration.
- Initiate conversations with regulators to develop basis for regional approach.
- Develop policies and technical basis for accounting for water efficient design in a development's water supply assessment.

C. Coordinate with land use agencies to resolve issues and avoid disputes associated with water management activities

- Create forum for communication between water and land use agencies.
- Identify potential strategies and develop framework for collaboration.
- Develop policies and technical basis for accounting for water efficient design in a development's water supply assessment.

7. Be a resource for compliance with AB32 (greenhouse gas regulations) and reducing its impact on member agencies

A. Coordinate the development of a climate action plan that addresses greenhouse gas (GHG) mitigation and adaptation to climate change providing compliance on a regular scale

- Develop understanding of how regional approach will benefit the Watershed and increase local control.
- Create forum to discuss need for the plan and eventually agree on its objectives.
- Develop participation, resource pooling, and governance for regional plan.

B. Identify opportunities for multi-agency cooperation in the development and implementation of GHG mitigation and adaptation actions

- Create forum to identify regional opportunities for mitigation and adaptation.
- Develop participation, resource pooling, and governance for the development of specific projects to meet regulatory GHG reductions.
- Develop regional resources for GHG audits and reporting templates.

8. Secure external funding for the Watershed to support accomplishing Watershed goals

A. Leverage OWOW Plan and future updates to increase the clout of the region in securing funding

- Update OWOW Plan every two years to reassess watershed needs and pursue funding.
- Identify opportunities for funding of OWOW Plan updates and project implementation beyond Proposition 84.
- Determine if regional local funding from other stakeholders, such as stormwater entities, who benefit from OWOW planning and project implementation is supported.

B. Influence state and federal legislation to increase funding for the region

- Encourage joint legislative outreach for State and Federal bills that provide additional funding for IRWM planning and project implementation.
- Provide active support to 2012 Water Bond to support water infrastructure in the Watershed.
- Obtain Board consensus on fee-based funding for 21st century water management, and move forward to advocate if supported.

C. Explore new funding opportunities, such as private sector and foundations

- Identify and explore new potential sources of funding.
- Expand Brine Line marketing opportunities to support further O&M activities.

Budget and Financial Overview



Budget Process

The Agency's annual budget preparation process begins in December of each year and concludes in June upon its adoption. However, the entire budget process extends beyond one year and overlaps with the preceding budget and the subsequent budget. This is the third year the Agency has adopted a biennial budget. Each individual year of the budget will follow this process. As shown in the diagram above, the budget process consists of four major stages. These stages occur throughout the year as follows:

- Preparation/Planning – takes place December through March.
- Integration – runs from March through May.
- Adoption – adoption of the budget usually occurs in June of each year.
- Execution/Feedback – starts from the first day of the budget year, July 1, through the entire budget year.

Preparation/Planning

The budget preparation process begins in December with the Budget Kickoff Meeting. At this meeting, management discusses the proposed budget schedule, major budget assumptions, procedures, requirements, and changes from the prior year's budget. The budget manual and forms for each fund are distributed to Department Managers to review and update goals, objectives, and performance measures; and to provide a detailed list of the prior year's accomplishments.

Integration

During the integration stage, the Finance Department consolidates all the gathered information and analyzes the budget requests as a whole. The budgets for each fund are then reviewed by the General Manager along with the Department Managers. The information is presented to the member agencies' Chief Financial Officer's (CFOs) and at the SAWPA Commission Workshop for review and comment before being presented to the SAWPA Commission for adoption.

Adoption

After incorporating changes from the Commission Workshop's review of the budget, the final draft budget is presented to the Commission for adoption at the first scheduled meeting in June. Once the Commission has adopted the budget, each member agency must take the Adopted Budget to their Board for approval.

Execution/Feedback

During the fiscal year, budget-to-actual expense/capital reports are distributed to all levels of management. The SAWPA CFO is required to prepare and submit a budget variance analysis quarterly, in accordance with budget variance guidelines. Subsequently, staff presents the Agency's quarterly budget-to-actual variance to the Commission. The on-going budget review process is essential in monitoring current year operation costs. It further acts as an early warning mechanism for Department Managers when actual spending differs from amounts budgeted.

Budget Calendar

As part of the initial annual budget process, budgetary staff prepares a schedule for the development of the budget for that year. The schedule is then distributed to the Commission and management staff for their reference in submitting their data for review, approval and incorporation into the final budget.

The budget schedule for this fiscal year follows:

Fiscal 2011 – 2012 and 2012 – 2013 Budget Schedule

Date	Description	Responsibility
December 20, 2010	Budget Kick-off Meeting	CFO/GM
January 24, 2011	Budget Goals & Objectives Due	Department Managers
January 31, 2011	Labor Hour Distributions Due	Department Managers
February 7, 2011	Budget Assumptions & Goals Due	Department Managers
March 15, 2011	Commission Overview of Budget Goals & Objectives	CFO, GM
March 24, 2011	Budget Workshop – First Draft	CFO, Member Agency Finance Staff
April 5, 2011	Commission Budget Workshop – First Draft	GM, CFO, Department Managers
April 25, 2011	Brine Line Rate Model Workshop	CFO, Manager of Operations & Engineering, Member Agency Staff
May 17, 2011	Commission Budget Presentation (Adoption by Commission)	CFO, GM, Commissioners
June 30, 2011	Budget Ratification by Member Agencies	Member Agency Boards

Level of Control and Budget Amendments

Budgetary controls are maintained to ensure compliance with the provisions embodied in the annual approved budget. The budgetary level of control, the level at which operating expenses cannot exceed the budgeted amount, is exercised at the individual department level. Administrative policies provide guidelines on budget transfers and the authorization necessary to implement transfers. Generally, there are two types of budget transfers:

Budget Adjustment

This is a transfer which does not change the total budgeted amount and does not require Commission action. Depending on the budget category affected by the transfer, approval may be granted at the General Manager or Department Manager level as follows:

Department Managers have the discretion to reapportion funds between certain line items within a budgeted fund, but may not exceed total budgeted amounts for each fund.

Budget Amendment

A budget amendment is an adjustment to the total budgeted amount, which was not included in the original budget. These supplemental adjustments require formal action by the Commission.

Balanced Budget

The Agency maintains zero-based fund accounting, whereby all the revenues in excess of expenditures are transferred into reserves within the fund and all expenditures in excess of revenues are transferred from reserves within the same fund.

The Agency's budget is prepared with itemized budgets for each project within a fund. The budget is balanced with current revenues equal to or greater than current expenses. Prior year fund balances will be used when current expenses exceed current revenues.

Accounting Structure

The Agency is operated as an enterprise fund, which is an accounting entity with a self-balancing set of accounts established to record the financial position and results that pertain to a specific governmental activity. The activities of enterprise funds closely resemble those of businesses in which the purpose is to conserve and add basic resources while meeting operating expenses from current revenues. Enterprise funds account for operations that provide services on a continuous basis and are substantially financed by revenues derived from user charges.

Basis of Accounting

Basis of accounting refers to the point at which revenues and expenses are recognized in the accounts and reported in the financial statements. In an enterprise fund, revenues are recognized when earned and expenses are recognized when incurred, regardless of the timing of related cash flows.

Budget Basis

The operating budget for the Enterprise Fund is adopted on a basis consistent with generally accepted accounting principles (GAAP). Except as noted in the paragraph below, the basis of accounting and the budgetary basis of accounting are the same.

Under the GAAP basis of accounting, receipt of the principal portion of notes receivable; and the receipt of long-term debt proceeds, capital outlay, debt service principal payments, and investment maturities are not reported in operations but have been included in the Agency's budget. The GAAP basis of accounting also includes allocation for depreciation and amortization expenses and changes in the fair value of investments, but those items are not included in the Agency's budget.

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Section 3

Budget Summary



Santa Ana Watershed Project Authority
Budget Summary
FYE 2012 and 2013

	<i>FYE 2012 Budget</i>	<i>FYE 2013 Budget</i>
Source of Funds:		
Discharge Fees	\$ 11,405,024	\$ 11,930,470
Financing Proceeds	\$ 10,380,922	\$ 6,959,060
Grant Proceeds	\$ 1,381,501	\$ 745,315
Contributions	\$ 2,855,206	\$ 2,717,600
Other Income	\$ 2,362,300	\$ 3,056,665
Interest & Investments	\$ 4,453,801	\$ 3,769,197
Total Source of Funds	\$ 32,838,754	\$ 29,178,308
Staffing:		
Hours Allocated	49,600	47,520
FTE (based on 2080)	23.8	22.8
Use of Funds:		
Labor	\$ 2,597,740	\$ 2,647,658
Benefits	\$ 1,139,795	\$ 1,168,837
G&A Costs	\$ –	\$ –
Education & Training	\$ 36,050	\$ 34,800
Consulting & Professional Services	\$ 3,746,410	\$ 2,865,410
Operating Costs	\$ 5,244,350	\$ 5,703,740
Repair & Maintenance	\$ 1,042,440	\$ 1,058,390
Phone & Utilities	\$ 71,500	\$ 73,500
Equipment & Computers	\$ 215,130	\$ 277,480
Meeting & Travel	\$ 82,800	\$ 83,650
Other Administrative Costs	\$ 232,419	\$ 224,802
Other Expenses	\$ 275,203	\$ 228,389
Construction	\$ 11,400,000	\$ 7,145,000
Debt Service	\$ 4,535,440	\$ 4,535,440
Total Use of Funds from Operations	\$ 30,619,277	\$ 26,047,097
Contribution To/(From) Reserves:		
Pipeline Repair/Replacement Reserve	\$ 1,138,367	\$ 1,144,198
OCSD Rehabilitation Reserve	\$ 1,802,500	\$ 1,742,354
Self Insurance Reserve	\$ 100,000	\$ 100,000
Flow Imbalance Reserve	\$ –	\$ –
Retiree Medical Reserve	\$ 158,919	\$ 146,087
Building Repair/Replacement Reserve	\$ 50,000	\$ 50,000
Capacity Management Reserve	\$ –	\$ –
Operating Reserve	\$ –	\$ –
Total Contributions to Reserves	\$ 3,249,786	\$ 3,182,639
Total Use of Funds	\$ 33,869,063	\$ 29,229,736
Net Gain (Loss)	\$ (1,030,309)	\$ (51,428)
<i>Project Reimbursement (Prop 50 – Capital)</i>	<i>\$ 10,049,684</i>	<i>\$ 3,010,380</i>

Santa Ana Watershed Project Authority
Budget Summary
FYE 2007 through 2013

	<i>FYE 2007 Actuals</i>	<i>FYE 2008 Actuals</i>	<i>FYE 2009 Actuals</i>	<i>FYE 2010 Actuals</i>
Source of Funds:				
Discharge Fees	\$ 8,658,339	\$ 9,247,855	\$ 9,738,140	\$ 12,391,354
Financing Proceeds	\$ 226,522	\$ 227,787	\$ 223,749	\$ 256,486
Grant Proceeds	\$ 519,053	\$ 748,915	\$ 844,841	\$ 820,358
Contributions	\$ 3,050,161	\$ 4,219,453	\$ 3,054,608	\$ 2,704,249
Other Income	\$ 2,595,065	\$ 4,704,408	\$ 1,483,080	\$ 606,518
Interest & Investments	\$ 6,024,525	\$ 6,238,662	\$ 5,350,797	\$ 5,182,164
Total Source of Funds	\$ 21,073,665	\$ 25,387,080	\$ 20,695,215	\$ 21,961,129
Staffing:				
Hours Allocated	35,752	38,057	41,280	38,332
FTE (based on 2080)	17.2	18.3	19.8	18.4
Use of Funds:				
Labor	\$ 1,473,875	\$ 1,723,207	\$ 1,804,810	\$ 1,860,814
Benefits	\$ 638,363	\$ 747,873	\$ 772,484	\$ 798,289
G&A Costs	\$ (39,347)	\$ (64,928)	\$ (56,406)	\$ (28,127)
Education & Training	\$ 11,808	\$ 21,127	\$ 12,201	\$ 10,501
Consulting & Professional Services	\$ 3,772,506	\$ 3,907,655	\$ 2,258,967	\$ 2,701,604
Operating Costs	\$ 5,250,295	\$ 4,758,256	\$ 4,681,359	\$ 7,077,566
Repair & Maintenance	\$ 211,650	\$ 432,560	\$ 738,015	\$ 750,004
Phone & Utilities	\$ 56,245	\$ 59,293	\$ 61,558	\$ 59,992
Equipment & Computers	\$ 145,714	\$ 155,237	\$ 204,552	\$ 184,515
Meeting & Travel	\$ 44,803	\$ 39,653	\$ 46,089	\$ 37,847
Other Administrative Costs	\$ 132,971	\$ 120,806	\$ 203,380	\$ 166,952
Other Expenses	\$ 2,832,147	\$ 1,861,137	\$ 394,600	\$ 234,518
Construction	\$ 611,017	\$ 1,369,414	\$ 1,731,674	\$ 617,793
Debt Service	\$ 4,535,441	\$ 4,535,441	\$ 4,535,441	\$ 4,535,441
Total Use of Funds from Operations	\$ 19,677,488	\$ 19,666,731	\$ 17,388,724	\$ 19,007,708
Contribution To/(From) Reserves:				
Pipeline Repair/Replacement Reserve	\$ –	\$ 3,881,757	\$ 2,618,067	\$ 2,899,730
OCSD Rehabilitation Reserve	\$ –	\$ –	\$ –	\$ –
OCSD Future Capacity Reserve	\$ –	\$ –	\$ –	\$ –
Self Insurance Reserve	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000
Flow Imbalance Reserve	\$ –	\$ –	\$ –	\$ 56,854
Retiree Medical Reserve	\$ 50,000	\$ 126,265	\$ 138,608	\$ 147,849
Building Repair/Replacement Reserve	\$ 100,000	\$ 100,000	\$ 49,423	\$ 45,514
Operating Reserve	\$ 166,790	\$ –	\$ 141,311	\$ –
Total Contributions to Reserves	\$ 416,790	\$ 4,208,022	\$ 3,047,409	\$ 3,249,947
Total Use of Funds	\$ 20,094,278	\$ 23,874,753	\$ 20,436,133	\$ 22,257,655
Net Gain (Loss)	\$ 979,387	\$ 1,512,327	\$ 259,082	\$ (296,526)
Project Reimbursement (Prop 50 – Capital)	\$ 947,519	\$ (330)	\$ 2,711,851	\$ 2,444,202

Santa Ana Watershed Project Authority
Budget Summary
FYE 2007 through 2013

	<i>FYE 2011 Budget</i>	<i>FYE 2011 Projected</i>	<i>FYE 2012 Budget</i>	<i>FYE 2013 Budget</i>
Source of Funds:				
Discharge Fees	\$ 11,005,730	\$ 11,949,806	\$ 11,405,024	\$ 11,923,121
Financing Proceeds	\$ 362,690	\$ 275,611	\$ 10,380,922	\$ 7,066,508
Grant Proceeds	\$ 427,844	\$ 52,430	\$ 1,381,501	\$ 740,352
Contributions	\$ 4,053,556	\$ 3,017,618	\$ 2,855,206	\$ 2,932,423
Other Income	\$ 20,567,120	\$ 3,826,823	\$ 2,362,300	\$ 3,122,144
Interest & Investments	\$ 5,262,866	\$ 4,950,716	\$ 4,453,801	\$ 3,769,197
Total Source of Funds	\$ 41,679,806	\$ 24,073,004	\$ 32,838,754	\$ 29,553,745
Staffing:				
Hours Allocated	45,696	40,190	49,600	49,600
FTE (based on 2080)	22.0	19.3	23.8	23.8
Use of Funds:				
Labor	\$ 2,313,432	\$ 2,012,404	\$ 2,597,740	\$ 2,753,031
Benefits	\$ 977,833	\$ 851,320	\$ 1,139,795	\$ 1,226,381
G&A Costs	\$ –	\$ 10,755	\$ –	\$ –
Education & Training	\$ 28,750	\$ 22,350	\$ 36,050	\$ 34,800
Consulting & Professional Services	\$ 3,704,875	\$ 3,329,714	\$ 3,746,410	\$ 3,040,410
Operating Costs	\$ 5,115,800	\$ 5,313,199	\$ 5,244,350	\$ 5,703,740
Repair & Maintenance	\$ 704,050	\$ 566,050	\$ 1,042,440	\$ 1,058,390
Phone & Utilities	\$ 69,224	\$ 65,324	\$ 71,500	\$ 73,500
Equipment & Computers	\$ 212,040	\$ 215,404	\$ 215,130	\$ 221,480
Meeting & Travel	\$ 58,050	\$ 56,278	\$ 82,800	\$ 83,750
Other Administrative Costs	\$ 200,596	\$ 226,456	\$ 232,419	\$ 224,802
Other Expenses	\$ 284,654	\$ 248,500	\$ 275,203	\$ 228,389
Construction	\$ 19,280,000	\$ 3,061,921	\$ 11,400,000	\$ 7,145,000
Debt Service	\$ 4,535,441	\$ 4,535,441	\$ 4,535,440	\$ 4,535,440
Total Use of Funds from Operations	\$ 37,484,745	\$ 20,515,116	\$ 30,619,277	\$ 26,329,113
Contribution To/(From) Reserves:				
Pipeline Repair/Replacement Reserve	\$ 3,746,886	\$ 3,746,886	\$ 1,138,367	\$ 1,144,198
OCSD Rehabilitation Reserve	\$ –	\$ –	\$ 1,802,500	\$ 1,856,575
OCSD Future Capacity Reserve	\$ –	\$ 338,083	\$ –	\$ –
Self Insurance Reserve	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000
Flow Imbalance Reserve	\$ 45,000	\$ 45,201	\$ –	\$ –
Retiree Medical Reserve	\$ 151,060	\$ 151,060	\$ 158,919	\$ 166,804
Building Repair/Replacement Reserve	\$ –	\$ –	\$ 50,000	\$ 50,000
Operating Reserve	\$ –	\$ –	\$ –	\$ –
Total Contributions to Reserves	\$ 4,042,946	\$ 4,381,230	\$ 3,249,786	\$ 3,317,577
Total Use of Funds	\$ 41,527,691	\$ 24,896,346	\$ 33,869,063	\$ 29,646,690
Net Gain (Loss)	\$ 152,115	\$ (823,342)	\$ (1,030,309)	\$ (92,945)
Project Reimbursement (Prop 50 – Capital)	\$ 16,093,326	\$ 3,471,802	\$ 10,049,684	\$ 3,010,380

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Section 4

Combined Schedules



**Santa Ana Watershed Project Authority
Combined Summary**

Source of Funds:	Budget FYE 2012	Budget FYE 2013
Member Agency Contributions	\$ 1,697,193	\$ 1,802,594
Other Agency Contributions	\$ 1,158,013	\$ 915,006
Mitigation Credit Sales	\$ 45,000	\$ 225,000
Discharge Fees (Brine Line)	\$ 11,405,024	\$ 11,930,470
Grant/Contracts	\$ 1,683,863	\$ 998,923
Interest & Investments	\$ 4,453,801	\$ 3,769,197
Reserves/SRF Loan Proceeds (Brine Line Capital Only)	\$ 12,395,860	\$ 9,537,118
Total Revenues (Not Including Pass-Through)	\$ 32,838,754	\$ 29,178,308
Prop 50 – Capital Projects (Pass-Through)	\$ 10,049,684	\$ 3,010,380
Total Revenues/Others	\$ 42,888,438	\$ 32,188,688
Use of Funds:	Budget FYE 2012	Budget FYE 2013
General Fund	\$ 847,744	\$ 802,085
Brine Line Enterprise	\$ 8,947,499	\$ 9,507,743
Debt Service	\$ 4,535,440	\$ 4,535,440
Planning	\$ 1,141,429	\$ 1,190,147
Collaborative Projects	\$ 1,702,934	\$ 1,345,710
Capital Brine Line	\$ 11,667,276	\$ 8,192,700
Grant/Contracts	\$ 1,985,874	\$ 473,273
Contribution to Reserves	\$ 3,040,867	\$ 3,182,639
Total Appropriations (Not Including Pass-Through)	\$ 33,869,063	\$ 29,229,736
Prop 50 – Capital Projects (Pass-Through)	\$ 10,049,684	\$ 3,010,380
Total Appropriations	\$ 43,918,747	\$ 32,240,116
Contribution to/(Use of) Fund Balance	\$ (1,030,309)	\$ (51,428)

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BUDGET REVENUE

Summary

Fund		Adopted FYE 2011	Budget FYE 2012	Budget FYE 2013
100	General Fund	\$ 889,724	\$ 847,744	\$ 998,170
125	Prop 50 Program Management	\$ 98,889	\$ 34,133	\$ 38,219
130	Prop 84 Program Management	\$ 273,062	\$ 191,382	\$ 171,446
240	Brine Line Enterprise	\$ 16,217,374	\$ 16,440,464	\$ 16,965,910
320	Brine Line Protection Project	\$ 1,772,610	\$ 1,588,717	\$ 1,487,248
323	Reach IV-A and IV-B Repairs	\$ 18,149,511	\$ 10,078,559	\$ 6,705,452
370	Basin Planning General	\$ 256,353	\$ 289,778	\$ 320,080
370	USBR Partnership Studies	\$ 19,431	\$ 73,636	\$ 52,779
372	Imported Water Recharge	\$ 1,823	\$ -	\$ -
373	Watershed Mgmt Plan (OWOW)	\$ 254,557	\$ 809,856	\$ 807,510
374	Basin Monitoring Program TF	\$ 437,654	\$ 213,895	\$ 177,273
380	Rainwater Recharge Mgmt	\$ 205	\$ -	\$ -
381	SAR Fish Conservation TF	\$ 172,664	\$ 100,000	\$ 120,000
384	Chino TMDL Task Force	\$ 242,768	\$ 230,000	\$ 235,000
386	Stormwater Quality Standards TF	\$ 461,210	\$ 350,750	\$ 350,750
387	Arundo Mgmt & Habitat Restoration	\$ 682,346	\$ 45,000	\$ 225,000
391	GIS Initiative	\$ 647,122	\$ -	\$ -
392	Emerging Constituents TF	\$ 85,921	\$ 149,404	\$ 149,404
393	Trail Marketing Support	\$ 50,000	\$ 80,143	\$ 46,634
394	Big Bear TMDL Task Force	\$ 538,000	\$ 200,000	\$ -
395	Brine Line UCI Research Grant	\$ 55,894	\$ 83,342	\$ 63,825
477	LESJWA Administration	\$ 372,690	\$ 312,363	\$ 263,608
500	Prop 13 – Brine Line Sediment Trap	\$ -	\$ 719,588	\$ -
Total		\$ 41,679,808	\$ 32,838,754	\$ 29,178,308
503	Prop 50 Capital Projects	\$ 16,093,326	\$ 10,049,684	\$ 3,010,380

BUDGET EXPENSES

Summary

	Fund	Adopted FYE 2011	Budget FYE 2012	Budget FYE 2013
100	General Fund	\$ 688,664	\$ 638,825	\$ 802,085
125	Prop 50 Program Management	\$ 98,889	\$ 34,133	\$ 38,219
130	Prop 84 Program management	\$ 273,062	\$ 191,382	\$ 171,446
240	Brine Line Enterprise	\$ 12,325,488	\$ 13,399,597	\$ 13,979,358
320	Brine Line Protection Project	\$ 1,772,610	\$ 1,588,717	\$ 1,487,248
323	Reach IV-A and IV-B Repairs	\$ 18,149,511	\$ 10,078,559	\$ 6,705,452
370	Basin Planning General	\$ 256,353	\$ 289,778	\$ 320,080
370	USBR Partnership Studies	\$ 19,431	\$ 73,636	\$ 52,779
372	Imported Water Recharge	\$ 20,994	\$ 9,199	\$ 9,778
373	Watershed Mgmt Plan (OWOW)	\$ 254,557	\$ 768,816	\$ 807,510
374	Basin Monitoring Program TF	\$ 438,723	\$ 84,807	\$ 68,321
381	SAR Fish Conservation TF	\$ 146,204	\$ 267,579	\$ 170,283
384	Chino TMDL Task Force	\$ 248,517	\$ 276,517	\$ 274,052
386	Stormwater Quality Standards TF	\$ 473,905	\$ 349,952	\$ 349,442
387	Arundo Mgmt & Habitat Restoration	\$ 543,209	\$ 282,526	\$ 287,673
391	GIS Initiative	\$ 647,122	\$ -	\$ -
392	Emerging Constituents TF	\$ 67,568	\$ 149,635	\$ 149,305
393	Trail Marketing Support	\$ 50,000	\$ 80,143	\$ 46,634
394	Big Bear TMDL Task Force	\$ 531,354	\$ 211,775	\$ -
395	Brine Line UCI Research Grant	\$ 55,894	\$ 83,342	\$ 63,825
477	LESJWA Administration	\$ 372,690	\$ 312,363	\$ 263,608
500	Prop 13 – Brine Line Sediment Trap	\$ -	\$ 1,447,996	\$ -
	Total	\$ 37,434,745	\$ 30,619,277	\$ 26,047,097
	<i>Contributions to Reserve</i>	<i>\$ 4,092,946</i>	<i>\$ 3,249,786</i>	<i>\$ 3,182,639</i>
	Total	\$ 41,527,691	\$ 33,869,063	\$ 29,229,736
503	Prop 50 Capital Projects	\$ 16,093,326	\$ 10,049,684	\$ 3,010,380

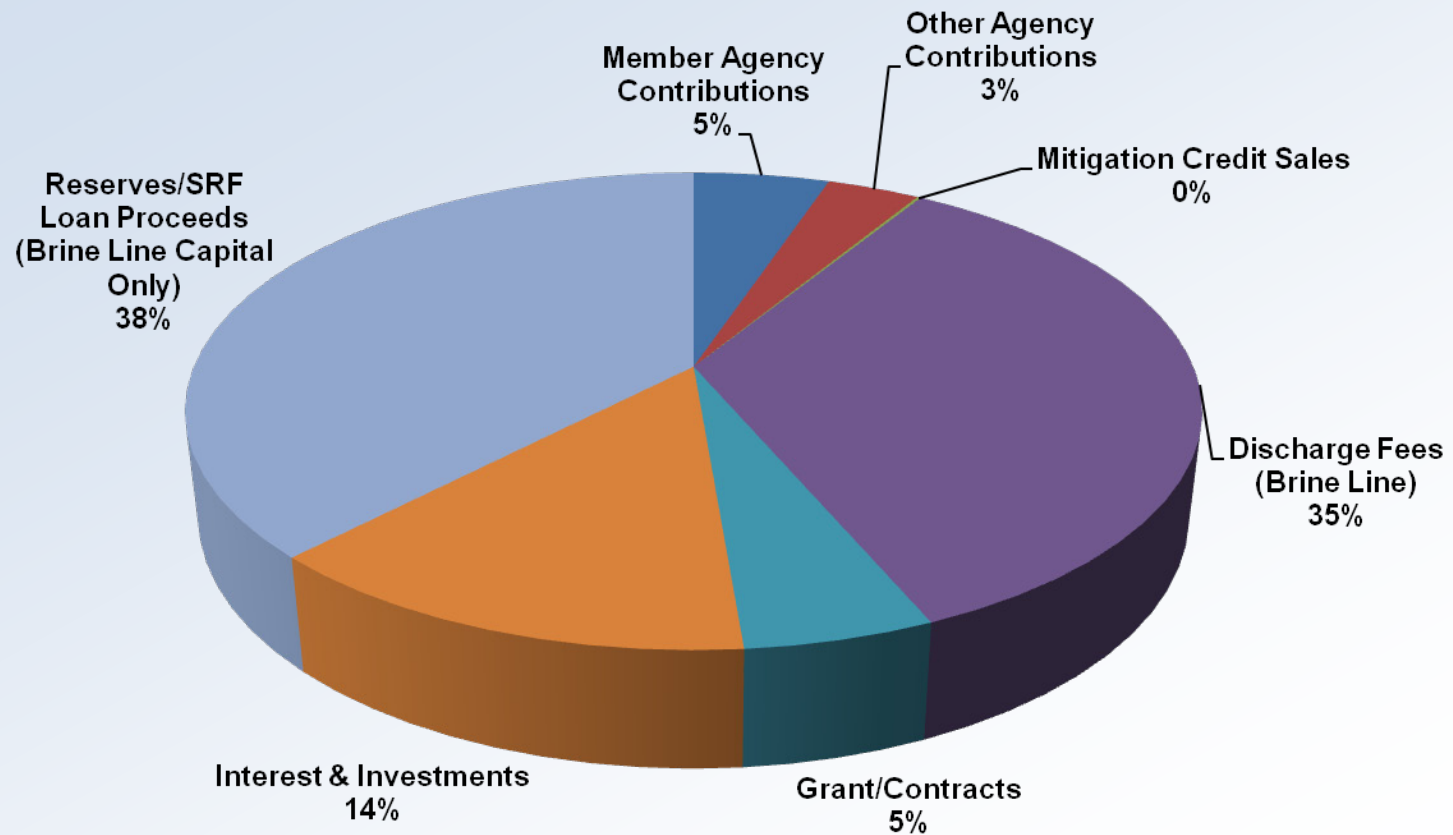
Sources and Uses of Funds FYE 2012

EXPENSES			REVENUES							
		Total	Member Contributions	Other Agency Contributions	Mitigation Credit Sales	Discharge Fees	Reserves/ SRF Loans	Interest & Investments	Grant/ Contracts	Total
100	General Fund	\$ 847,744	\$ 847,744	–	–	–	–	–	–	\$ 847,744
125	Prop 50 Program Management	\$ 34,133	–	–	–	–	–	–	\$ 34,133	\$ 34,133
130	Prop 84 Program Management	\$ 191,382	–	–	–	–	–	–	\$ 191,382	\$ 191,382
240	Brine Line Enterprise	\$ 16,440,464	–	–	–	\$ 11,405,024	\$ 581,639	\$ 4,453,801	–	\$ 16,440,464
395	Brine Line UCI Research Grant	\$ 83,342	–	–	–	–	\$ 38,366	–	\$ 44,976	\$ 83,342
320	Brine Line Protection Project	\$ 1,588,717	–	–	–	–	\$ 1,588,717	–	–	\$ 1,588,717
323	Reach IV-A & IV-B Repairs	\$ 10,078,559	–	–	–	–	\$ 10,078,559	–	–	\$ 10,078,559
370	Basin Planning General	\$ 289,778	\$ 289,778	–	–	–	–	–	–	\$ 289,778
370	USBR Partnership Studies	\$ 73,636	\$ 73,636	–	–	–	–	–	–	\$ 73,636
372	Imported Water Recharge Workgroup	\$ 9,199	–	–	–	–	–	–	–	\$ –
373	Watershed Management Plan (OWOW)	\$ 768,816	\$ 309,856	–	–	–	–	–	\$ 500,000	\$ 809,856
374	Basin Monitoring Program Task Force	\$ 84,807	\$ 41,979	\$ 171,916	–	–	–	–	–	\$ 213,895
381	SAR Fish Conservation Task Force	\$ 267,579	\$ 10,000	\$ 90,000	–	–	–	–	–	\$ 100,000
384	Chino TMDL Task Force	\$ 276,517	–	\$ 230,000	–	–	–	–	–	\$ 230,000
386	Stormwater Quality Standards Task Force	\$ 349,952	\$ 50,000	\$ 300,750	–	–	–	–	–	\$ 350,750
387	Arundo Management & Habitat Restoration	\$ 282,526	–	–	\$ 45,000	–	–	–	–	\$ 45,000
392	Emerging Constituents Task Force	\$ 149,635	\$ 64,200	\$ 85,204	–	–	–	–	–	\$ 149,404
393	Trail Marketing Support	\$ 80,143	–	\$ 80,143	–	–	–	–	–	\$ 80,143
394	Big Bear TMDL Task Force	\$ 211,775	–	\$ 200,000	–	–	–	–	–	\$ 200,000
477	LESJWA Administration	\$ 312,363	\$ 10,000	–	–	–	–	–	\$ 302,363	\$ 312,363
502	Prop 13 – Brine Line Sediment Trap	\$ 1,447,996	–	–	–	–	\$ 108,578	–	\$ 611,010	\$ 719,588
		\$ 33,869,063	\$ 1,697,193	\$ 1,158,013	\$ 45,000	\$ 11,045,024	\$ 12,395,860	\$ 4,453,801	\$ 1,683,863	\$ 32,838,754

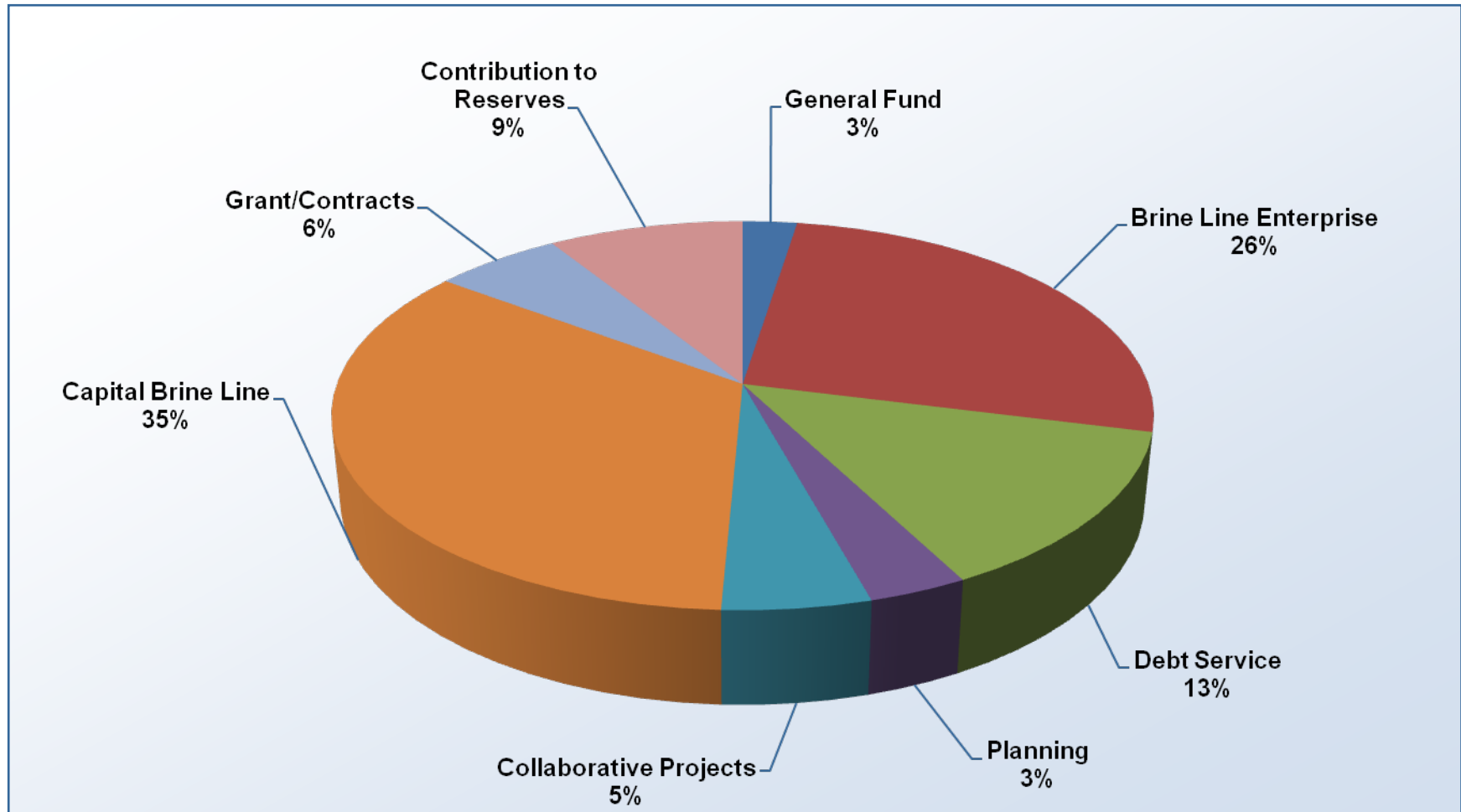
PASS-THROUGH										
503	Prop 50 Capital Projects	\$ 10,049,684	–	–	–	–	–	–	\$ 10,049,684	\$ 10,049,684
	Total	\$ 43,918,747								\$ 42,888,438

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Source of Funds FYE 2012 \$32,838,754



Use of Funds FYE 2012 \$33,869,063



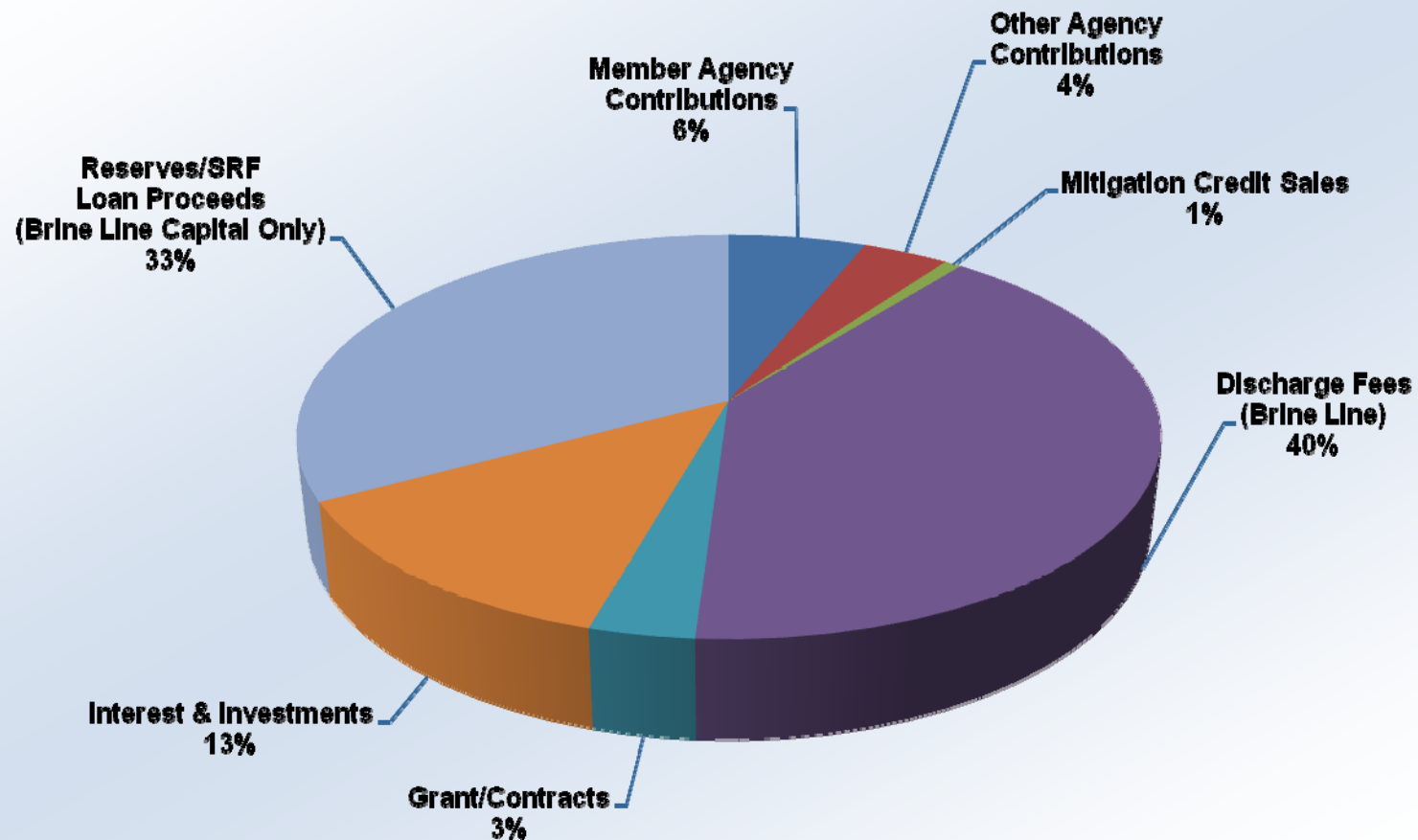
Sources and Uses of Funds FYE 2013

EXPENSES			REVENUES							
		Total	Member Contributions	Other Agency Contributions	Mitigation Credit Sales	Discharge Fees	Reserves/ SRF Loans	Interest & Investments	Grant/ Contracts	Total
100	General Fund	\$ 998,170	\$ 948,170	–	–	–	\$ 50,000	–	–	\$ 998,170
125	Prop 50 Program Management	\$ 38,219	–	–	–	–	–	–	\$ 38,219	\$ 38,219
130	Prop 84 Program Management	\$ 171,446	–	–	–	–	–	–	\$ 171,446	\$ 171,446
240	Brine Line Enterprise	\$ 16,965,910	–	–	–	\$ 11,930,470	\$ 1,266,243	\$ 3,769,197	–	\$ 16,965,910
395	Brine Line UCI Research Grant	\$ 63,825	–	–	–	–	\$ 28,175	–	\$ 35,650	\$ 63,825
320	Brine Line Protection Project	\$ 1,487,248	–	–	–	–	\$ 1,487,248	–	–	\$ 1,487,248
323	Reach IV-A & IV-B Repairs	\$ 6,705,452	–	–	–	–	\$ 6,705,452	–	–	\$ 6,705,452
370	Basin Planning General	\$ 320,080	\$ 320,080	–	–	–	–	–	–	\$ 320,080
370	USBR Partnership Studies	\$ 52,779	\$ 52,779	–	–	–	–	–	–	\$ 52,779
372	Imported Water Recharge Workgroup	\$ 9,778	–	–	–	–	–	–	–	\$ –
373	Watershed Management Plan (OWOW)	\$ 807,510	\$ 307,510	–	–	–	–	–	\$ 500,000	\$ 807,510
374	Basin Monitoring Program Task Force	\$ 68,321	\$ 39,855	\$ 137,418	–	–	–	–	–	\$ 177,273
381	SAR Fish Conservation Task Force	\$ 170,283	\$ 10,000	\$ 110,000	–	–	–	–	–	\$ 120,000
384	Chino TMDL Task Force	\$ 274,052	–	\$ 235,000	–	–	–	–	–	\$ 235,000
386	Stormwater Quality Standards Task Force	\$ 349,442	\$ 50,000	\$ 300,750	–	–	–	–	–	\$ 350,750
387	Arundo Management & Habitat Restoration	\$ 287,673	–	–	\$ 225,000	–	–	–	–	\$ 225,000
392	Emerging Constituents Task Force	\$ 149,305	\$ 64,200	\$ 85,204	–	–	–	–	–	\$ 149,404
393	Trail Marketing Support	\$ 46,634	–	\$ 46,634	–	–	–	–	–	\$ 46,634
394	Big Bear TMDL Task Force	\$ –	–	\$ –	–	–	–	–	–	\$ –
477	LESJWA Administration	\$ 263,608	\$ 10,000	–	–	–	–	–	\$ 253,608	\$ 263,608
502	Prop 13 – Brine Line Sediment Trap	\$ –	–	–	–	–	–	–	–	\$ –
		\$ 29,229,736	\$ 1,802,594	\$ 915,006	\$ 225,000	\$ 11,930,470	\$ 9,537,118	\$ 3,769,197	\$ 998,923	\$29,178,308

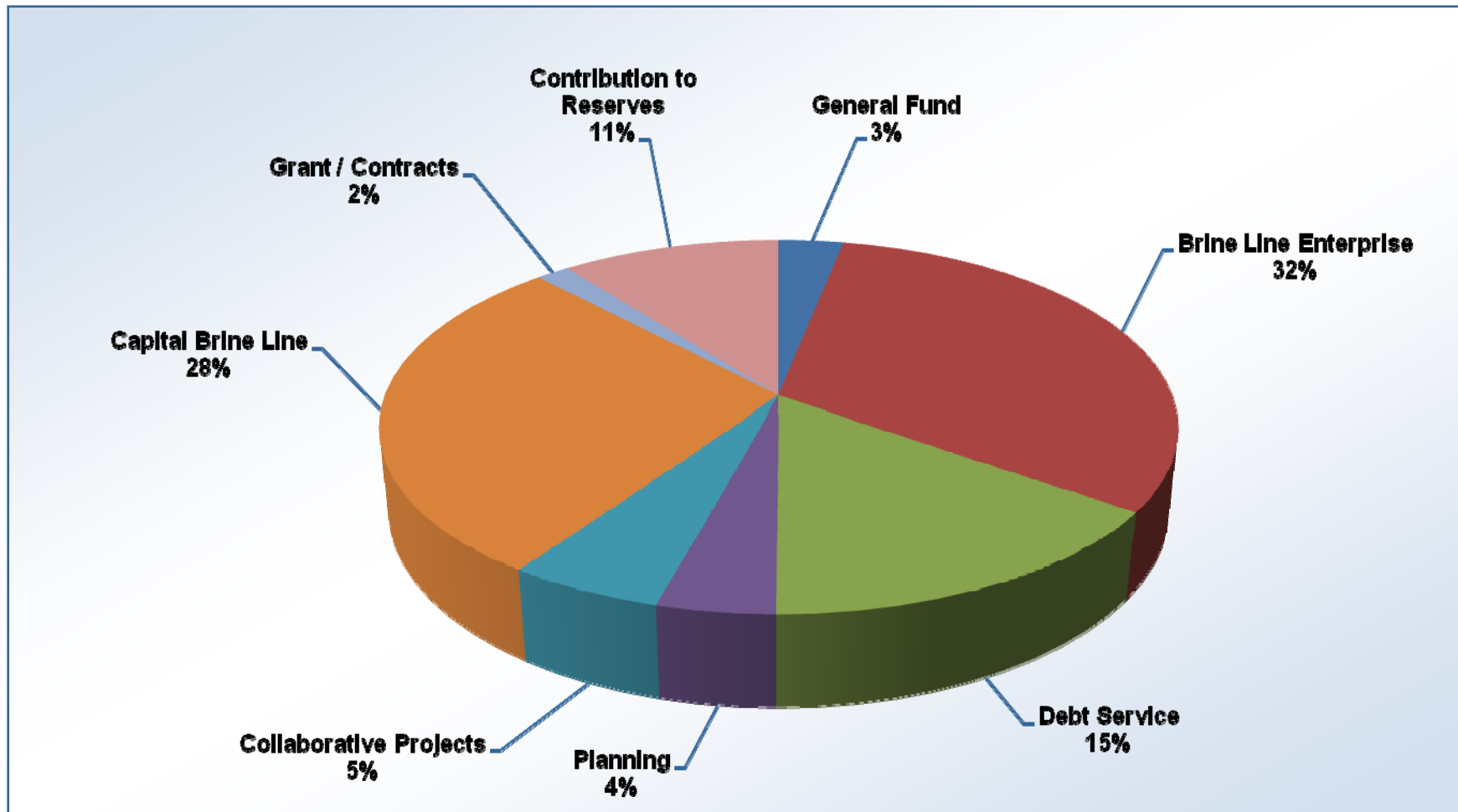
PASS-THROUGH										
503	Prop 50 Capital Projects	\$ 3,010,380	–	–	–	–	–	–	\$ 3,010,380	\$ 3,010,380
	Total	\$ 32,240,116								
										\$32,188,688

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Source of Funds FYE 2013 \$29,178,308



Use of Funds FYE 2013 \$29,229,736



Line Item Detail by Fund Type
FYE 2012

EXPENSES								
Line Item Detail		Agency Wide Total	General Funds	Brine Line Enterprise Fund	Planning Funds	Collaborative Project Funds	Grant/Contract Funds	Capital Project Funds
51000	Salaries - Regular	\$ 2,597,740	\$ 1,290,939	\$ 514,914	\$ 238,630	\$ 152,316	\$ 203,598	\$ 197,343
52000	Benefits	\$ 1,139,795	\$ 566,418	\$ 225,926	\$ 104,703	\$ 66,830	\$ 89,331	\$ 86,587
53000	G&A Allocation	\$ —	\$ (2,068,346)	\$ 814,981	\$ 377,696	\$ 241,078	\$ 322,245	\$ 312,346
60111	Tuition Reimbursement	\$ 2,800	\$ 2,800	—	—	—	—	—
60112	Training	\$ 13,000	\$ 8,000	\$ 5,000	—	—	—	—
60113	Education	\$ 10,250	\$ 10,250	—	—	—	—	—
60114	Other Training & Education	\$ 10,000	\$ 10,000	—	—	—	—	—
60120	Audit Fees	\$ 45,000	\$ 45,000	—	—	—	—	—
60121	Consulting	\$ 1,663,910	\$ 176,500	\$ 320,000	\$ 50,000	\$ 937,410	\$ 20,000	\$ 160,000
60122	Cost of Funds	\$ —	—	—	—	—	—	—
60123	Public Outreach	\$ —	—	—	—	—	—	—
60124	Information - Stakeholder	\$ —	—	—	—	—	—	—
60125	CEQA	\$ —	—	—	—	—	—	—
60126	Temporary Services	\$ 5,000	\$ 5,000	—	—	—	—	—
60127	Studies	\$ 20,000	—	—	—	\$ 20,000	—	—
60128	Other Professional Services	\$ 380,000	—	\$ 5,000	\$ 345,000	\$ 30,000	—	—
60129	Other Contract Services	\$ —	—	—	—	—	—	—
60130	Legal Fees	\$ 550,000	—	\$ 550,000	—	—	—	—
60132	Project Management Services	\$ 765,000	—	—	—	—	\$ 180,000	\$ 585,000
60133	Employment Recruitment	\$ 2,500	\$ 2,500	—	—	—	—	—
60140	Treatment Costs	\$ 3,802,500	—	\$ 3,802,500	—	—	—	—
60141	Volumetric Costs	\$ 676,200	—	\$ 676,200	—	—	—	—
60143	Lab Costs	\$ 25,000	—	\$ 25,000	—	—	—	—
60144	Treatment Cost Other	\$ —	—	—	—	—	—	—
60145	Permit Fees	\$ 12,000	—	\$ 12,000	—	—	—	—
60148	Brine Line Operating Costs	\$ 550,000	—	\$ 550,000	—	—	—	—

Line Item Detail by Fund Type
FYE 2012

EXPENSES								
Line Item Detail		Agency Wide Total	General Funds	Brine Line Enterprise Fund	Planning Funds	Collaborative Project Funds	Grant/Contract Funds	Capital Project Funds
60149	Permitting/Pre-Treatment Activities	\$ 60,000	–	\$ 60,000	–	–	–	–
60150	Facility Rent	\$ –	–	–	–	–	–	–
60151	Operations Labor	\$ –	–	–	–	–	–	–
60152	Maintenance Labor	\$ 75,000	–	\$ 75,000	–	–	–	–
60153	Materials & Supplies	\$ 33,850	\$ 750	\$ 33,000	–	\$ 100	–	–
60154	Safety	\$ 9,800	\$ 3,300	\$ 6,500	–	–	–	–
60165	Uniforms	\$ –	–	–	–	–	–	–
60155	Security	\$ 5,000	\$ 5,000	–	–	–	–	–
60156	Custodial Contract Services	\$ 27,040	\$ 27,040	–	–	–	–	–
60157	Landscaping Maintenance	\$ 18,500	\$ 18,500	–	–	–	–	–
60158	HVAC	\$ 7,700	\$ 7,700	–	–	–	–	–
60159	Facility Repair & Maintenance	\$ 984,200	\$ 14,200	\$ 970,000	–	–	–	–
60160	Telephone	\$ 15,000	\$ 15,000	–	–	–	–	–
60161	Cellular/Paging Services	\$ 17,500	\$ 17,000	\$ 500	–	–	–	–
60163	Electricity	\$ 36,500	\$ 33,000	\$ 3,500	–	–	–	–
60164	Water Services	\$ 2,500	\$ 2,500	–	–	–	–	–
60170	Equipment Expensed	\$ 6,500	\$ 3,500	\$ 3,000	–	–	–	–
60171	Equipment Rented	\$ 43,540	\$ 33,540	\$ 10,000	–	–	–	–
60172	Equipment Repair/Maintenance	\$ 4,000	\$ 3,000	\$ 1,000	–	–	–	–
60180	Computer Hardware	\$ 26,040	\$ 12,540	\$ 12,000	–	\$ 1,500	–	–
60181	Software	\$ 98,000	\$ 92,500	\$ 3,500	–	\$ 2,000	–	–
60182	Internet Services	\$ 23,100	\$ 15,600	–	\$ 7,500	–	–	–
60183	Computer Supplies	\$ 10,200	\$ 9,200	\$ 1,000	–	–	–	–
60184	Computer Repair/Maintenance	\$ 3,750	\$ 3,750	–	–	–	–	–
60190	Offsite Meeting/Travel Expense	\$ 31,050	\$ 22,500	\$ 3,100	\$ 3,550	\$ 1,400	\$ 500	–
60191	In House Meetings	\$ 5,950	\$ 5,200	\$ 500	\$ 50	\$ 200	–	–

Line Item Detail by Fund Type
FYE 2012

EXPENSES								
Line Item Detail		Agency Wide Total	General Funds	Brine Line Enterprise Fund	Planning Funds	Collaborative Project Funds	Grant/Contract Funds	Capital Project Funds
60192	Conference Expense	\$ 45,800	\$ 41,600	\$ 2,000	\$ 2,200	–	–	–
60193	Car, Repair, Maintenance	\$ 28,000	–	\$ 28,000	–	–	–	–
60200	Dues	\$ 52,050	\$ 42,050	–	–	–	\$ 10,000	–
60201	JPA Membership Dues	\$ –	–	–	–	–	–	–
60202	Subscriptions	\$ 18,375	\$ 18,000	\$ 175	\$ 200	–	–	–
60203	Contributions	\$ 16,000	\$ 5,000	–	\$ 11,000	–	–	–
60210	Bank Charges	\$ –	–	–	–	–	–	–
60211	Shipping/Postage	\$ 6,800	\$ 5,250	\$ 1,000	\$ 400	\$ 100	\$ 50	–
60212	Office Supplies	\$ 16,250	\$ 15,000	\$ 1,000	\$ 200	–	\$ 50	–
60213	Offsite Storage	\$ 5,400	\$ 5,400	–	–	–	–	–
60220	Commission Fees	\$ 42,240	\$ 42,240	–	–	–	–	–
60221	Commission Mileage Reimbursement	\$ 5,404	\$ 5,404	–	–	–	–	–
60222	Other Commission Expense	\$ 5,000	\$ 5,000	–	–	–	–	–
60230	Other Expense	\$ 36,900	\$ 5,500	\$ 10,000	\$ 300	–	\$ 10,100	\$ 11,000
60300	Contingency	\$ –	–	–	–	–	–	–
6210	Engineering	\$ 315,000	–	–	–	–	–	\$ 315,000
6212	Environmental	\$ –	–	–	–	–	–	–
6310	Construction	\$ 11,400,000	–	–	–	\$ 250,000	\$ 1,150,000	\$ 10,000,000
13005	Fixed Assets	\$ 62,000	\$ 12,000	\$ 50,000	–	–	–	–
80000	Building Repair/Replacement Reserve	\$ 50,000	\$ 50,000	–	–	–	–	–
80000	Retiree Medical Reserve	\$ 158,919	\$ 158,919	–	–	–	–	–
80001	Insurance Expense	\$ 213,203	\$ 42,000	\$ 171,203	–	–	–	–
81006	Pipeline Repair / Replacement	\$ 1,138,367	–	\$ 1,138,367	–	–	–	–
80000	OCS D Rehabilitation Reserve	\$ 1,802,500	–	\$ 1,802,500	–	–	–	–
80000	Imbalance Reserve	\$ –	–	–	–	–	–	–
80000	Self-Insurance Fund	\$ 100,000	–	\$ 100,000	–	–	–	–

Line Item Detail by Fund Type FYE 2012

EXPENSES								
Line Item Detail		Agency Wide Total	General Funds	Brine Line Enterprise Fund	Planning Funds	Collaborative Project Funds	Grant/Contract Funds	Capital Project Funds
80000	Capacity Management Reserve	\$ -	-	-	-	-	-	-
80000	Debt Service	\$ -	-	-	-	-	-	-
80000	Operating Reserve	\$ -	-	-	-	-	-	-
82002	Interest Expense	\$ -	-	-	-	-	-	-
20721	Debt Service	\$ 4,535,440	-	\$ 4,535,440	-	-	-	-
	Environmental Cleanup	\$ -	-	-	-	-	-	-
91000	Operating Transfers	\$ -	-	-	-	-	-	-
93000	Gain/Loss on Sale of Asset	\$ -	-	-	-	-	-	-
Sub-total		\$ 33,869,063	\$ 847,744	\$ 16,523,806	\$ 1,141,429	\$ 1,702,934	\$ 1,985,874	\$ 11,667,276

PASS-THROUGH

503	Prop 50 Capital Projects	\$ 10,049,684						
	Total	\$ 43,918,747						

Line Item Detail by Fund Type
FYE 2013

EXPENSES								
Line Item Detail		Agency Wide Total	General Funds	Brine Line Enterprise Fund	Planning Funds	Collaborative Project Funds	Grant/Contract Funds	Capital Project Funds
51000	Salaries - Regular	\$ 2,647,658	\$ 1,351,689	\$ 579,252	\$ 268,805	\$ 134,642	\$ 152,696	\$ 160,574
52000	Benefits	\$ 1,168,840	\$ 596,719	\$ 255,717	\$ 118,666	\$ 59,439	\$ 67,410	\$ 70,887
53000	G&A Allocation	\$ —	\$ (2,059,995)	\$ 920,745	\$ 427,276	\$ 214,019	\$ 242,717	\$ 255,239
60111	Tuition Reimbursement	\$ 2,800	\$ 2,800	—	—	—	—	—
60112	Training	\$ 11,750	\$ 6,500	\$ 5,250	—	—	—	—
60113	Education	\$ 10,250	\$ 10,250	—	—	—	—	—
60114	Other Training & Education	\$ 10,000	\$ 10,000	—	—	—	—	—
60120	Audit Fees	\$ 50,000	\$ 50,000	—	—	—	—	—
60121	Consulting	\$ 1,282,410	\$ 165,000	\$ 280,000	\$ 25,000	\$ 662,410	—	\$ 150,000
60122	Cost of Funds	\$ —	—	—	—	—	—	—
60123	Public Outreach	\$ —	—	—	—	—	—	—
60124	Information - Stakeholder	\$ —	—	—	—	—	—	—
60125	CEQA	\$ —	—	—	—	—	—	—
60126	Temporary Services	\$ 5,000	\$ 5,000	—	—	—	—	—
60127	Studies	\$ 20,000	—	—	—	\$ 20,000	—	—
60128	Other Professional Services	\$ 330,000	—	\$ 5,000	\$ 325,000	—	—	—
60129	Other Contract Services	\$ —	—	—	—	—	—	—
60130	Legal Fees	\$ 525,000	—	\$ 525,000	—	—	—	—
60132	Project Management Services	\$ 390,000	—	—	—	—	—	\$ 390,000
60133	Employment Recruitment	\$ 3,000	\$ 3,000	—	—	—	—	—
60140	Treatment Costs	\$ 4,189,000	—	\$ 4,189,000	—	—	—	—
60141	Volumetric Costs	\$ 717,340	—	\$ 717,340	—	—	—	—
60143	Lab Costs	\$ 25,000	—	\$ 25,000	—	—	—	—
60144	Treatment Cost Other	\$ —	—	—	—	—	—	—
60145	Permit Fees	\$ 12,500	—	\$ 12,500	—	—	—	—
60148	Brine Line Operating Costs	\$ 575,000	—	\$ 575,000	—	—	—	—

Line Item Detail by Fund Type
FYE 2013

EXPENSES								
Line Item Detail		Agency Wide Total	General Funds	Brine Line Enterprise Fund	Planning Funds	Collaborative Project Funds	Grant/Contract Funds	Capital Project Funds
60149	Permitting/Pre-Treatment Activities	\$ 65,000	–	\$ 65,000	–	–	–	–
60150	Facility Rent	\$ –	–	–	–	–	–	–
60151	Operations Labor	\$ –	–	–	–	–	–	–
60152	Maintenance Labor	\$ 75,000	–	\$ 75,000	–	–	–	–
60153	Materials & Supplies	\$ 33,600	\$ 1,000	\$ 32,500	–	\$ 100	–	–
60154	Safety	\$ 11,300	\$ 3,800	\$ 7,500	–	–	–	–
60165	Uniforms	\$ –	–	–	–	–	–	–
60155	Security	\$ 5,250	\$ 5,250	–	–	–	–	–
60156	Custodial Contract Services	\$ 28,090	\$ 28,090	–	–	–	–	–
60157	Landscaping Maintenance	\$ 21,000	\$ 21,000	–	–	–	–	–
60158	HVAC	\$ 8,500	\$ 8,500	–	–	–	–	–
60159	Facility Repair & Maintenance	\$ 995,550	\$ 15,550	\$ 980,000	–	–	–	–
60160	Telephone	\$ 15,000	\$ 15,000	–	–	–	–	–
60161	Cellular/Paging Services	\$ 17,500	\$ 17,000	\$ 500	–	–	–	–
60163	Electricity	\$ 38,250	\$ 34,500	\$ 3,750	–	–	–	–
60164	Water Services	\$ 2,750	\$ 2,750	–	–	–	–	–
60170	Equipment Expensed	\$ 6,500	\$ 3,500	\$ 3,000	–	–	–	–
60171	Equipment Rented	\$ 43,540	\$ 33,540	\$ 10,000	–	–	–	–
60172	Equipment Repair/Maintenance	\$ 4,000	\$ 3,000	\$ 1,000	–	–	–	–
60180	Computer Hardware	\$ 28,140	\$ 16,640	\$ 10,000	–	\$ 1,500	–	–
60181	Software	\$ 157,250	\$ 153,000	\$ 2,250	–	\$ 2,000	–	–
60182	Internet Services	\$ 23,100	\$ 15,600	–	\$ 7,500	–	–	–
60183	Computer Supplies	\$ 11,200	\$ 10,200	\$ 1,000	–	–	–	–
60184	Computer Repair/Maintenance	\$ 3,750	\$ 3,750	–	–	–	–	–
60190	Offsite Meeting/Travel Expense	\$ 30,950	\$ 22,500	\$ 3,350	\$ 3,550	\$ 1,300	\$ 250	–
60191	In House Meetings	\$ 6,450	\$ 5,700	\$ 500	\$ 50	\$ 200	–	–

Line Item Detail by Fund Type FYE 2013

EXPENSES								
Line Item Detail		Agency Wide Total	General Funds	Brine Line Enterprise Fund	Planning Funds	Collaborative Project Funds	Grant/Contract Funds	Capital Project Funds
60192	Conference Expense	\$ 46,250	\$ 41,800	\$ 2,250	\$ 2,200	–	–	–
60193	Car, Repair, Maintenance	\$ 28,250	–	\$ 28,250	–	–	–	–
60200	Dues	\$ 51,050	\$ 41,050	–	–	–	\$ 10,000	–
60201	JPA Membership Dues	\$ –	–	–	–	–	–	–
60202	Subscriptions	\$ 18,400	\$ 18,000	\$ 200	\$ 200	–	–	–
60203	Contributions	\$ 16,000	\$ 5,000	–	\$ 11,000	–	–	–
60210	Bank Charges	\$ –	–	–	–	–	–	–
60211	Shipping/Postage	\$ 6,800	\$ 5,250	\$ 1,000	\$ 400	\$ 100	\$ 50	–
60212	Office Supplies	\$ 16,250	\$ 15,000	\$ 1,000	\$ 200	–	\$ 50	–
60213	Offsite Storage	\$ 5,400	\$ 5,400	–	–	–	–	–
60220	Commission Fees	\$ 44,640	\$ 44,640	–	–	–	–	–
60221	Commission Mileage Reimbursement	\$ 5,612	\$ 5,612	–	–	–	–	–
60222	Other Commission Expense	\$ 5,000	\$ 5,000	–	–	–	–	–
60230	Other Expense	\$ 27,400	\$ 5,500	\$ 10,500	\$ 300	–	\$ 100	\$ 11,000
60300	Contingency	\$ –	–	–	–	–	–	–
6210	Engineering	\$ 260,000	–	–	–	–	–	\$ 260,000
6212	Environmental	\$ –	–	–	–	–	–	–
6310	Construction	\$ 7,145,000	–	–	–	\$ 250,000	–	\$ 6,895,000
13005	Fixed Assets	\$ 6,000	\$ 6,000	–	–	–	–	–
80000	Building Repair/Replacement Reserve	\$ 50,000	\$ 50,000	–	–	–	–	–
80000	Retiree Medical Reserve	\$ 146,087	\$ 146,087	–	–	–	–	–
80001	Insurance Expense	\$ 222,389	\$ 43,000	\$ 179,389	–	–	–	–
81006	Pipeline Repair / Replacement	\$ 1,144,198	–	\$ 1,144,198	–	–	–	–
80000	OCS D Rehabilitation Reserve	\$ 1,742,354	–	\$ 1,742,354	–	–	–	–
80000	Imbalance Reserve	\$ –	–	–	–	–	–	–
80000	Self-Insurance Fund	\$ 100,000	–	\$ 100,000	–	–	–	–

Line Item Detail by Fund Type FYE 2013

EXPENSES								
Line Item Detail		Agency Wide Total	General Funds	Brine Line Enterprise Fund	Planning Funds	Collaborative Project Funds	Grant/Contract Funds	Capital Project Funds
80000	Capacity Management Reserve	\$ -	-	-	-	-	-	-
80000	Debt Service	\$ -	-	-	-	-	-	-
80000	Operating Reserve	\$ -	-	-	-	-	-	-
82002	Interest Expense	\$ -	-	-	-	-	-	-
20721	Debt Service	\$ 4,535,440	-	\$ 4,535,440	-	-	-	-
	Environmental Cleanup	\$ -	-	-	-	-	-	-
91000	Operating Transfers	\$ -	-	-	-	-	-	-
93000	Gain/Loss on Sale of Asset	\$ -	-	-	-	-	-	-
Sub-total		\$ 29,229,736	\$ 998,170	\$ 17,029,735	\$ 1,190,147	\$ 1,345,710	\$ 473,273	\$ 8,192,700

PASS-THROUGH

503	Prop 50 Capital Projects	\$ 3,010,380						
Total		\$ 32,240,116						

Cash Flow 2012

	BALANCE @ June 2011	Fiscal Year 2011-12				BALANCE @ June 2012
		Revenues	Interest	Expenses	Debt Service	
General Fund	\$ 1,545,803	\$ 847,744	\$ —	\$ 847,744	\$ —	\$ 1,545,803
Planning	\$ 69,472	\$ 1,173,270	\$ —	\$ 1,141,429	\$ —	\$ 101,313
Collaborative Projects	\$ 1,451,647	\$ 1,369,192	\$ —	\$ 1,702,934	\$ —	\$ 1,117,905
Grant Retention	\$ 44,760	\$ —	\$ —	\$ —	\$ —	\$ 44,760
Brine Line Enterprise						
Self Insurance Reserve	\$ 3,524,032	\$ 100,000	\$ —	\$ —	\$ —	\$ 3,624,032
Debt Retirement Reserve	\$ 15,179,705	\$ 4,078,038	\$ 375,763	\$ —	\$ 4,535,440	\$ 15,098,066
Pipeline Repair/Replacement	\$ 24,500,325	\$ 1,138,367	\$ —	\$ 2,235,661	\$ —	\$ 23,403,031
OCSD Rehabilitation Reserve	\$ 1,754,000	\$ 1,802,500	\$ —	\$ —	\$ —	\$ 3,556,500
OCSD Future Capacity Reserve	\$ 453,207	\$ —	\$ —	\$ —	\$ —	\$ 453,207
Capacity Management Reserve	\$ 1,104,423	\$ —	\$ —	\$ —	\$ —	\$ 1,104,423
Flow Imbalance Reserve	\$ 80,495	\$ —	\$ —	\$ —	\$ —	\$ 80,495
Capital Improvements Constr	\$ —	\$ 10,078,559	\$ —	\$ 10,078,559	\$ —	\$ —
Brine Line Operating Reserve	\$ 2,270,849	\$ 11,405,024	\$ —	\$ 11,405,024	\$ —	\$ 2,270,849
Brine Line Enterprise	\$ 48,867,036	\$ 28,602,488	\$ 375,763	\$ 23,719,244	\$ 4,535,440	\$ 49,590,603
Legal Defense Fund	\$ 435,990	\$ —	\$ —	\$ —	\$ —	\$ 435,990
TOTALS	\$ 52,414,708	\$ 31,992,694	\$ 375,763	\$ 27,411,351	\$ 4,535,440	\$ 52,836,374

Cash Flow 2012

Investments & Cash:		
	Projected 6/30/11	Projected 6/30/12
T-Strips	\$12,288,108	\$9,388,108
LAIF Balance	31,545,850	34,367,516
Securities - (Incl Disc/Prem)	8,000,000	8,500,000
Savings Account - EPA Legal	435,990	435,990
CBB - Investments	50,000	50,000
Grant Retention	44,760	44,760
Checking Accounts	50,000	50,000
	\$ 52,414,708	\$ 52,836,374

Cash Flow 2013

	BALANCE @ June 2012	Fiscal Year 2012-13				BALANCE @ June 2013
		Revenues	Interest	Expenses	Debt Service	
General Fund	\$ 1,545,803	\$ 998,170	\$ —	\$ 998,170	\$ —	\$ 1,545,803
Planning	\$ 101,313	\$ 1,180,369	\$ —	\$ 1,190,147	\$ —	\$ 91,535
Collaborative Projects	\$ 1,117,905	\$ 1,304,061	\$ —	\$ 1,345,710	\$ —	\$ 1,076,256
Grant Retention	\$ 44,760	\$ —	\$ —	\$ —	\$ —	\$ 44,760
Brine Line Enterprise						
Self Insurance Reserve	\$ 3,624,032	\$ 100,000	\$ —	\$ —	\$ —	\$ 3,724,032
Debt Retirement Reserve	\$ 15,098,066	\$ 3,403,122	\$ 366,075	\$ —	\$ 4,535,440	\$ 14,331,823
Pipeline Repair/Replacement	\$ 23,403,031	\$ 1,144,198	\$ —	\$ 2,015,422	\$ —	\$ 22,531,807
OCSD Rehabilitation Reserve	\$ 3,556,500	\$ 1,742,354	\$ —	\$ —	\$ —	\$ 5,298,854
OCSD Future Capacity Reserve	\$ 453,207	\$ —	\$ —	\$ —	\$ —	\$ 453,207
Capacity Management Reserve	\$ 1,104,423	\$ —	\$ —	\$ —	\$ —	\$ 1,104,423
Flow Imbalance Reserve	\$ 80,495	\$ —	\$ —	\$ —	\$ —	\$ 80,495
Capital Improvements Constr	\$ —	\$ 6,705,452	\$ —	\$ 6,705,452	\$ —	\$ —
Brine Line Operating Cash	\$ 2,270,849	\$ 11,930,470	\$ —	\$ 11,930,470	\$ —	\$ 2,270,849
Brine Line Enterprise	\$ 49,590,603	\$ 25,025,596	\$ 366,075	\$ 20,651,344	\$ 4,535,440	\$ 49,795,490
Legal Defense Fund	\$ 435,990	\$ —	\$ —	\$ —	\$ —	\$ 435,990
TOTALS	\$ 52,836,374	\$ 28,508,196	\$ 366,075	\$ 24,185,371	\$ 4,535,440	\$ 52,989,834

Cash Flow 2013

Investments & Cash:		
	Projected 6/30/12	Projected 6/30/13
T-Strips	\$9,388,108	\$6,488,108
LAIF Balance	34,367,516	36,920,976
Securities - (Incl Disc/Prem)	8,500,000	9,000,000
Savings Account - EPA Legal	435,990	435,990
CBB - Investments	50,000	50,000
Grant Retention	44,760	44,760
Checking Accounts	50,000	50,000
	\$ 52,836,374	\$ 52,989,834

SUMMARY OF LABOR MULTIPLIERS

		FYE 2012	FYE 2013
		Benefits Rate	Benefits Rate
Total Employee Benefits	\$	1,139,795	0.439
Total Payroll		2,597,740	2,647,658
Gross G&A Costs		2,668,346	5,749,995
<i>Less: Member Contributions</i>		<i>(600,000)</i>	<i>(690,000)</i>
G&A Costs for Distribution	\$	2,068,346	2,059,995
		G&A Rate	G&A Rate
Direct Labor Charged		1,306,801	1,295,970
G&A Costs		2,068,346	2,059,995
Budgeted Labor Multiplier		2.022	2.031

	Actual	Budgeted
FY 2010-11 Labor Multiplier	2.045	2.057
FY 2009-10 Labor Multiplier	1.996	2.029
FY 2008-09 Labor Multiplier	2.000	2.069

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**FYE 2012
GENERAL FUND COSTS
(to be Distributed)**

G/L Acct.	Description	Budget	G/L Acct.	Description	Budget
51000	Salaries - Regular	\$ 1,210,423	60171	Equipment Rented	\$ 33,540
52000	Benefits	\$ 531,090	60172	Equipment Repair/Maintenance	\$ 3,000
60111	Tuition Reimbursement	\$ 2,800	60180	Computer Hardware	\$ 12,540
60112	Training	\$ 8,000	60181	Software/Updates/Licensing	\$ 92,500
60113	Education	\$ 10,250	60182	Internet Services	\$ 15,600
60114	Other Training & Education	\$ 10,000	60183	Computer Supplies	\$ 9,200
60120	Audit Fees	\$ 45,000	60184	Computer Repair/Maintenance	\$ 3,750
60121	Consulting - IT	\$ 60,000	60190	Offsite Meeting/Travel Expense	\$ 11,000
60126	Temporary Services	\$ 5,000	60191	In House Meetings	\$ 5,050
60128	Other Professional Services	\$ —	60192	Conference Expense	\$ 38,600
60129	Other Contract Services	\$ —	60200	Dues	\$ 42,050
60130	Legal Fees	\$ —	60202	Subscriptions	\$ 17,500
60133	Employment Recruitment	\$ 2,500	60203	Contributions	\$ 5,000
60153	Materials & Supplies	\$ 750	60210	Bank Charges	\$ —
60154	Safety	\$ 3,300	60211	Shipping/Postage	\$ 5,000
60155	Security	\$ 5,000	60212	Office Supplies	\$ 15,000
60156	Custodial Contract Services	\$ 27,040	60213	Offsite Storage	\$ 5,400
60157	Landscaping Maintenance	\$ 18,500	60220	Commission Fees	\$ 42,240
60158	HVAC	\$ 7,700	60221	Commission Mileage Reimb.	\$ 5,404
60159	Facility Repair & Maintenance	\$ 14,200	60222	Other Commission Expense	\$ 5,000
60160	Telephone	\$ 15,000	60230	Other Expense	\$ 5,500
60161	Cellular / Paging Services	\$ 17,000	80000	Post Retirement Benefit Reserve	\$ 158,919
60163	Electricity	\$ 33,000	80001	Insurance Expense	\$ 42,000
60164	Water Services	\$ 2,500	80000	Building Repair/Replacement Reserve	\$ 50,000
60170	Equipment Expensed	\$ 3,500	13005	Fixed Assets	\$ 12,000
<i>(Continued – next column)</i>					

<i>Total General Fund Costs</i>	\$ 2,668,346
<i>Less Interest</i>	\$ —
<i>Net General Fund Costs</i>	<u>\$ 2,668,346</u>

**FYE 2013
GENERAL FUND COSTS
(to be Distributed)**

G/L Acct.	Description	Budget	G/L Acct.	Description	Budget
51000	Salaries - Regular	\$ 1,264,437	60171	Equipment Rented	\$ 33,540
52000	Benefits	\$ 558,199	60172	Equipment Repair/Maintenance	\$ 3,000
60111	Tuition Reimbursement	\$ 2,800	60180	Computer Hardware	\$ 16,640
60112	Training	\$ 6,500	60181	Software/Updates/Licensing	\$ 153,000
60113	Education	\$ 10,250	60182	Internet Services	\$ 15,600
60114	Other Training & Education	\$ 10,000	60183	Computer Supplies	\$ 10,200
60120	Audit Fees	\$ 50,000	60184	Computer Repair/Maintenance	\$ 3,750
60121	Consulting - IT	\$ 48,000	60190	Offsite Meeting/Travel Expense	\$ 11,000
60126	Temporary Services	\$ 5,000	60191	In House Meetings	\$ 5,550
60128	Other Professional Services	\$ –	60192	Conference Expense	\$ 38,800
60129	Other Contract Services	\$ –	60200	Dues	\$ 41,050
60130	Legal Fees	\$ –	60202	Subscriptions	\$ 17,500
60133	Employment Recruitment	\$ 3,000	60203	Contributions	\$ 5,000
60153	Materials & Supplies	\$ 1,000	60210	Bank Charges	\$ –
60154	Safety	\$ 3,800	60211	Shipping/Postage	\$ 5,000
60155	Security	\$ 5,250	60212	Office Supplies	\$ 15,000
60156	Custodial Contract Services	\$ 28,090	60213	Offsite Storage	\$ 5,400
60157	Landscaping Maintenance	\$ 21,000	60220	Commission Fees	\$ 44,640
60158	HVAC	\$ 8,500	60221	Commission Mileage Reimb.	\$ 5,612
60159	Facility Repair & Maintenance	\$ 15,550	60222	Other Commission Expense	\$ 5,000
60160	Telephone	\$ 15,000	60230	Other Expense	\$ 5,500
60161	Cellular / Paging Services	\$ 17,000	80000	Retiree Medical Reserve	\$ 146,087
60163	Electricity	\$ 34,500	80001	Insurance Expense	\$ 43,000
60164	Water Services	\$ 2,750	80000	Building Repair/Replacement Reserve	\$ 50,000
60170	Equipment Expensed	\$ 3,500	13005	Fixed Assets	\$ 6,000
<i>(Continued – next column)</i>					

<i>Total General Fund Costs</i>	<i>\$ 2,799,995</i>
<i>Less Reserves Used</i>	<i>\$ (50,000)</i>
<i>Net General Fund Costs</i>	<i><u>\$ 2,749,995</u></i>

BENEFITS SUMMARY

(Distributed based on Actual Labor)

G/L Acct.	Description	Adopted FYE 2011	Budgeted FYE 2012	Budgeted FYE 2013
70101	FICA	\$ 116,139	\$ 131,283	\$ 126,414
70102	Medicare	\$ 33,980	\$ 38,103	\$ 38,826
70103	State Unemployment Insurance	\$ 6,601	\$ 6,734	\$ 6,751
70104	Worker's Compensation Insurance	\$ 19,819	\$ 23,108	\$ 50,459
70105	State Disability Insurance	\$ 17,792	\$ 22,226	\$ 22,520
70106	PERS Pension Plan - Employer	\$ 279,419	\$ 342,344	\$ 360,822
70106	PERS Pension Plan - Employee **	\$ 158,311	\$ 178,209	\$ 181,708
70111	Medical Insurance	\$ 249,217	\$ 292,604	\$ 271,756
70112	Dental Insurance	\$ 21,657	\$ 25,935	\$ 26,910
70113	Vision Insurance	\$ 4,767	\$ 5,565	\$ 6,000
70114	Life Insurance	\$ 13,887	\$ 14,205	\$ 15,492
70115	Long Term Disability Insurance	\$ 23,747	\$ 26,729	\$ 28,554
70116	Wellness Program	\$ 2,500	\$ 2,750	\$ 2,625
70120	Car Allowance	\$ 30,000	\$ 30,000	\$ 30,000
Total Benefits		\$ 977,836	\$ 1,139,795	\$ 1,168,837
Total Payroll		\$ 2,313,432	\$ 2,597,740	\$ 2,647,658
Benefits Rate		42.3%	43.9%	44.1%

**** Benefit Paid by SAWPA**

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MEMBER CONTRIBUTION

Summary Schedule

Member Agency Contributions		Adopted FYE 2011	Budget FYE 2012	Budget FYE 2013
Exempt from G&A Costs	Funds			
General Fund	100-00	\$ 682,000	\$ 600,000	\$ 690,000
State Lobbying	100-03	\$ 170,880	\$ 213,738	\$ 219,908
Federal Lobbying	100-04	\$ 36,844	\$ 34,006	\$ 38,262
		\$ 889,724	\$ 847,744	\$ 948,170
Planning Projects				
Basin Planning General	370-01	\$ 256,000	\$ 289,778	\$ 320,080
USBR Partnership Studies	370-02	\$ 19,281	\$ 73,636	\$ 52,779
Watershed Management Plan	373	\$ 252,000	\$ 309,856	\$ 307,510
SAR Fish Conservation TF	381	\$ 10,000	\$ 10,000	\$ 10,000
Stormwater Quality Standards TF	386	\$ 50,000	\$ 50,000	\$ 50,000
LESJWA Administration	477	\$ 10,000	\$ 10,000	\$ 10,000
		\$ 597,281	\$ 743,270	\$ 750,369
Total Member Agency Contributions		\$ 1,487,005	\$ 1,591,014	\$ 1,698,539
Per Member Agency		\$ 297,401	\$ 318,203	\$ 339,708

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MEMBER CONTRIBUTION

by Agency

FYE 2012

ACTIVITY	TOTAL	IEUA	EMWD	OCWD	SBVMWD	WMWD
370 Basin Planning General	\$289,778	\$57,956	\$57,956	\$57,956	\$57,956	\$57,956
370 USBR Partnership Studies	73,636	14,727	14,727	14,727	14,727	14,727
373 Watershed Management Plan	309,856	61,971	61,971	61,971	61,971	61,971
381 SAR Fish Conservation TF	10,000	2,000	2,000	2,000	2,000	2,000
386 Stormwater Quality Standards TF	50,000	10,000	10,000	10,000	10,000	10,000
477 LESJWA Administration	10,000	2,000	2,000	2,000	2,000	2,000
<i>Subtotal (Planning)</i>	<i>743,270</i>	<i>148,654</i>	<i>148,654</i>	<i>148,654</i>	<i>148,654</i>	<i>148,654</i>

State/Federal Lobbying	247,744	49,549	49,549	49,549	49,549	49,549
Commission/General Fund	600,000	120,000	120,000	120,000	120,000	120,000
<i>Subtotal (Administration)</i>	<i>847,744</i>	<i>169,549</i>	<i>169,549</i>	<i>169,549</i>	<i>169,549</i>	<i>169,549</i>

<i>Member Agency Contributions</i>	<i>\$1,591,014</i>	<i>\$318,203</i>	<i>\$318,203</i>	<i>\$318,203</i>	<i>\$318,203</i>	<i>\$318,203</i>
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MEMBER CONTRIBUTION

by Agency

FYE 2013

ACTIVITY	TOTAL	IEUA	EMWD	OCWD	SBVMWD	WMWD
370 Basin Planning General	\$320,080	\$64,016	\$64,016	\$64,016	\$64,016	\$64,016
370 USBR Partnership Studies	52,779	10,556	10,556	10,556	10,556	10,556
373 Watershed Management Plan	307,510	61,502	61,502	61,502	61,502	61,502
381 SAR Fish Conservation TF	10,000	2,000	2,000	2,000	2,000	2,000
386 Stormwater Quality Standards TF	50,000	10,000	10,000	10,000	10,000	10,000
477 LESJWA Administration	10,000	2,000	2,000	2,000	2,000	2,000
<i>Subtotal (Planning)</i>	<i>750,369</i>	<i>150,074</i>	<i>150,074</i>	<i>150,074</i>	<i>150,074</i>	<i>150,074</i>

State/Federal Lobbying	258,170	51,634	51,634	51,634	51,634	51,634
Commission/General Fund	690,000	138,000	138,000	138,000	138,000	138,000
<i>Subtotal (Administration)</i>	<i>948,170</i>	<i>189,634</i>	<i>189,634</i>	<i>189,634</i>	<i>189,634</i>	<i>189,634</i>

<i>Member Agency Contributions</i>	<i>\$1,698,539</i>	<i>\$339,708</i>	<i>\$339,708</i>	<i>\$339,708</i>	<i>\$339,708</i>	<i>\$339,708</i>
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Section 5

Revenues



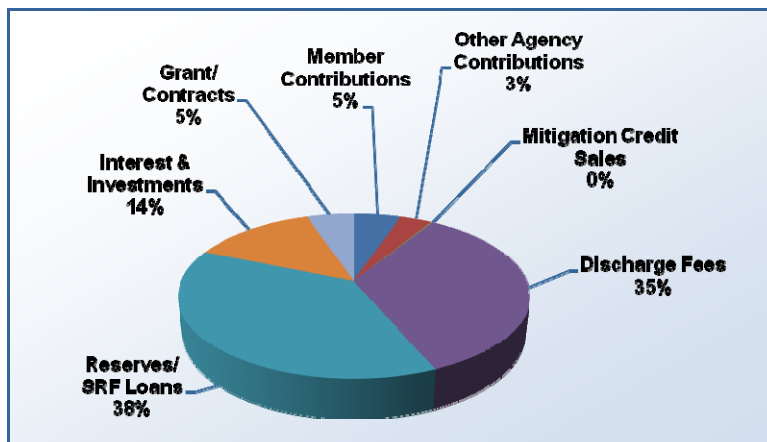
Revenues

The Agency has a variety of revenue sources available to cover operating and capital expenses. The major revenue sources are as follows:

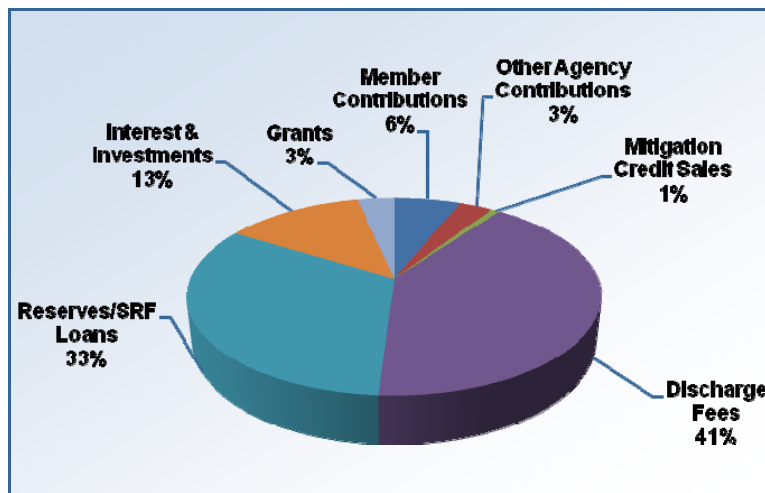
- Discharge Fees
- Reserves/State Revolving Fund (SRF) Loans
- Interest & Investments
- Grant/Contract Proceeds
- Contributions
- Mitigation Credit Sales

The Agency's projected revenue for FYE 2012 totals \$32.8 million, not including \$10 million in Proposition 50 project pass-throughs, and \$29.2 million, not including \$3 million in Proposition 50 project pass-throughs, for FYE 2013. Total revenue reflects the revenue sources listed above and each source is described in detail below.

**Total Revenues by Source
FYE 2012**



**Total Revenues by Source
FYE 2013**



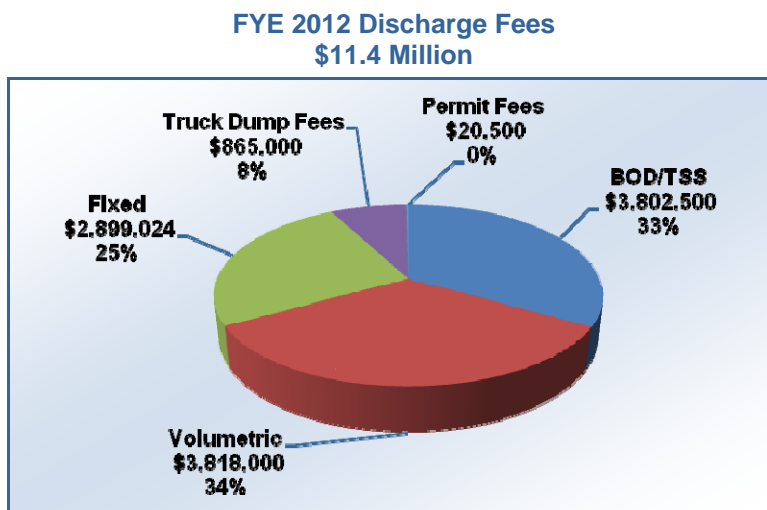
Agency-wide revenues are projected to increase by \$8 million in FYE 2012, over the previous year's budget and decrease by \$3.7 million in FYE 2013.

In FYE 2012, a decrease in Reserves/SRF Loans is the main contributor to the decrease in Agency revenues. The Reach IV-A and IV-B repair project was expected to begin in FYE 2011, but had been delayed until FYE 2012. For FYE 2013, revenues decreased slightly in Reserves/SRF Loans and in Grants/Contracts due to the completion of the Reach IV-A and IV-B repairs project and Proposition 50 projects being close to completion.

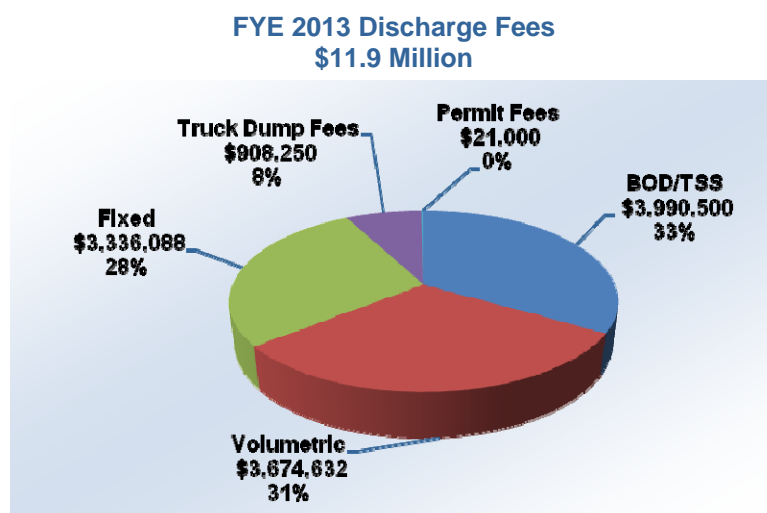
Discharge Fees

The Brine Line is a non-reclaimable wastewater pipeline that provides for the export of domestic wastewater, high-salinity industrial wastewater, and desalter brine generated within the Watershed. The Brine Line carries the waste to a treatment plant operated by the Orange County Sanitation District (OCSD). After treatment, the treated effluent is discharged to the Pacific Ocean.

In FYE 2012, discharge fees are projected to be \$11.4 million, or approximately 35% of the Agency's total revenues.



In FYE 2013, discharge fees are projected to be \$11.9 million, or approximately 41% of the Agency's total revenues.



Agency discharge fees are comprised of revenues from the Brine Line. Several components to the discharge fees include volumetric, Biochemical Oxygen Demand (BOD)/Total Suspended Solids (TSS), fixed charges, truck discharge, emergency discharges, and permit fees.

In 2010, a rate model and long-term financial study was developed for the Brine Line. The rate structure is designed to provide sufficient revenues to cover on-going operational costs, provide funding for capital efforts, and funding for the long-term capital repair and replacement reserve program; thus, providing for the long-term financial needs of the Brine Line.

Each year, the rate model is updated and any rate changes are included in the budget. The following table represents the adopted rates through FYE 2013.

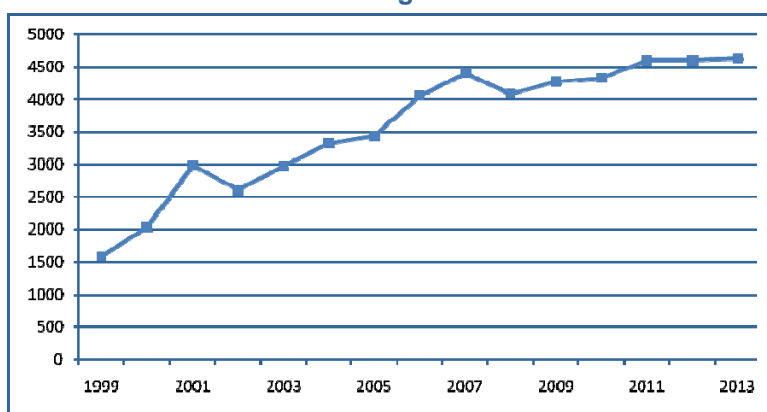
Brine Line Rates

<i>FYE</i>	<i>Flow/MG</i>	<i>BOD/1,000 lbs</i>	<i>TSS/1,000 lbs</i>	<i>Fixed Treatment</i>	<i>Fixed Pipeline</i>
2011	\$891	\$312	\$462	\$2,710	\$6,775
2012	\$830	\$225	\$335	\$3,430	\$7,868
2013	\$794	\$253	\$376	\$4,083	\$8,749

Volumetric Charges

Volumetric charges are based on million gallons (MG) of discharge into the system. Total discharge into the system is projected to be 4,600 MG for FYE 2012 and 4,628 MG for FYE 2013. In FYE 2012, revenues from volumetric charges are projected to be \$3.8 million, or approximately 34% of the \$11.4 million projected for total discharge fees. In FYE 2013, revenues from volumetric charges are projected to be \$3.7 million, or approximately 31% of the \$11.9 million projected for total discharge fees. The decrease is based on the new allocation of costs developed during the long-term financial study. All costs were categorized as variable, fixed, or a combination of both. Since this was a significant change from the past, the allocation will be phased in over a three year period starting in FYE 2012. This change in cost allocation will result in volumetric costs decreasing while fixed pipeline and treatment costs will be increasing.

Total Annual Discharge in Million Gallons



BOD/TSS Charges

BOD and TSS charges are based on the pounds of each in the discharge flow (per 1,000 lbs.). Concentration is determined by sampling conducted at each flow meter location.

In FYE 2012, BOD/TSS charges are projected to be \$3.8 million, or approximately 33% of the \$11.4 million projected for total discharge fees. In FYE 2013, BOD/TSS charges are projected to be \$4 million, or approximately 33% of the \$11.9 million projected for total discharge fees.

Fixed Charges

Fixed charges cover the portion of annual operating expenses that are fixed. Regardless of flow amount, these costs would still occur. The fixed charge is based on total owned pipeline capacity and total owned treatment and disposal capacity rights. Each month, dischargers are charged a fee based on the total pipeline and the total treatment capacity they own in the system. Total treatment and disposal capacity rights sold and leased in the system is 17 MGD. Total purchased pipeline capacity is 32.568 MGD.

In FYE 2012, fixed charges are projected to be \$2.9 million, or approximately 25% of the \$11.4 million projected for total discharge fees. In FYE 2013, fixed charges are projected to be \$3.3 million, or approximately 28% of the \$11.9 million projected for total discharge fees.

Truck Discharge Fees

EMWD, IEUA, SBVMWD, and WMWD each operate a truck discharge station. Truck dischargers are indirect dischargers. Truck discharges are projected at 5 MGD per month for both FYEs 2012 and 2013. The rates for truck discharge fees are shown in the table below:

<i>Waste Strength</i>	<i>BOD or TSS Concentration</i>	<i>FYE 2012</i>	<i>FYE 2013</i>
Brine	Less than 100 mg/L	\$0.010	\$0.010
Non Brine Tier 1	100 to 999 mg/L	\$0.014	\$0.015
Non Brine Tier 2	1,000 to 2,499 mg/L	\$0.029	\$0.031
Non Brine Tier 3	2,500 and higher	*	*

* Concentrations over 2,500 mg/L will be charged based on the actual concentration of the waste discharged using the following cost components: \$0.0026/gallon, \$0.645/pound of BOD, and \$0.617/pound of TSS.

In FYE 2012, truck discharge fees are projected to be \$865,000, or approximately 8% of the \$11.4 million projected for total discharge fees. In FYE 2013, truck discharge fees are projected to be \$908,250, or approximately 8% of the \$11.9 million projected for total discharge fees.

Emergency Discharge Fees

From time to time there may be emergency discharges into the system from a variety of sources. Because emergency discharges cannot be projected, they are not included as revenue in the budget.

Permit Fees

Direct dischargers are charged a \$500 permit fee for each meter in the system. Currently 45 permitted meters are in the system. In FYEs 2012 and 2013, permit fees are projected to be \$20,500 and \$21,000, or approximately 0.18% of the \$11.4 million and \$11.9 million projected for total discharge fees.

Capacity Sales

This revenue source is from the sale of pipeline or treatment capacity rights in the Brine Line system. No planned capacity sales revenues are projected for FYEs 2012 and 2013.

Reserves/SRF Loans

SAWPA's CIP assumes pay-as-you-go funding using reserves and excess operating cash. In FYE 2012, use of Reserves/SRF Loans is projected to be \$12.4 million, or approximately 38% of the Agency's total revenues. In FYE 2013, use of Reserves/SRF Loans is projected to be \$9.5 million, or approximately 33% of the Agency's total revenues.

SAWPA has secured a SRF Loan for the Reach IV-A and IV-B repairs project. Of the \$12.4 million in revenue in this category, \$10 million is from SRF Loans for FYE 2012 and \$6.7 million for FYE 2013.

Interest and Investments

In FYE 2012, interest and investment revenues are projected to be \$4.5 million, or approximately 14% of the Agency's total revenues. In FYE 2013, interest and investment revenues are projected to be \$3.8 million, or approximately 13% of the Agency's total revenues.

The Agency invests its funds in accordance with the Investment Policy as approved by the Commission on an annual basis. Temporary idle cash is invested in either Local Agency Investment Fund (LAIF), CalTRUST, or securities.

Interest

The Agency receives interest on funds invested in LAIF, CalTRUST, and Securities. The average return on those investments for FYE 2012 is projected to be 1.5%, and 2% for FYE 2013.

Total interest for FYE 2012 is projected to be \$375,763, or approximately 8% of total projected interest and investment revenue of \$4.5 million. Total interest for FYE 2013 is projected to be \$366,075, or approximately 10% of total projected interest and investment revenue of \$3.8 million.

T-Strip Maturities

Treasury Strips (T-Strips) were purchased to provide a source of revenue to pay the SRF loan payments as they come due. Total T-Strip maturities for FYEs 2012 and 2013 are projected to be \$2.02 million, or approximately 45% and 54% of total projected interest and investment revenue for each year.

Notes Receivable

SAWPA has sold capacity rights in the Brine Line under installment agreements with EMWD, IEUA, SBVMWD and WMWD. The installment payments are used to repay the SRF loans. The following is a summary of future payments receivable for all installment notes:

<i>FYE</i>	<i>Interest</i>		<i>Principal</i>		<i>Total</i>
2012	\$	398,802	\$	1,660,236	\$ 2,059,038
2013	\$	415,265	\$	968,857	\$ 1,384,122
2014	\$	223,482	\$	572,289	\$ 795,771
2015	\$	189,145	\$	606,627	\$ 795,771
2016 – 2019	\$	370,104	\$	2,612,348	\$ 2,982,452
	\$	1,596,798	\$	6,420,357	\$ 8,017,154

In FYEs 2012 and 2013, total notes receivable revenue is projected to be \$2.1 million and \$1.4 million, or approximately 46% and 37% of total projected interest and investment revenue for both years.

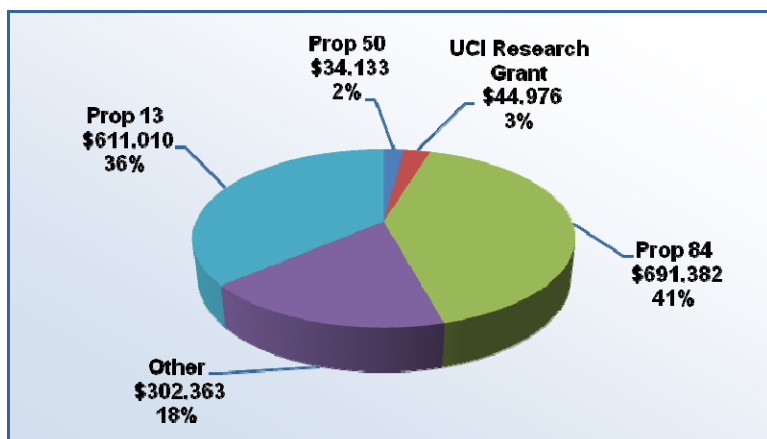
Grant/Contracts

The Agency continues to seek grants that can be obtained for work done in the Watershed. SAWPA has applied for a variety of Federal, State, and local grants.

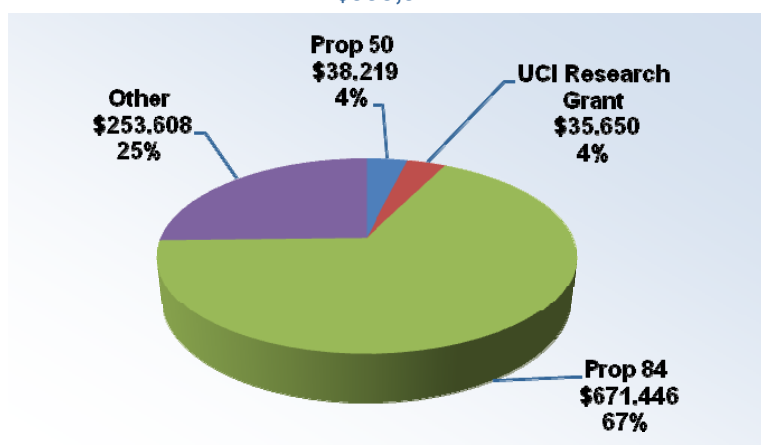
In FYE 2012, grant revenues are expected to be \$1.7 million, or approximately 5% of the Agency's total revenue. In FYE 2013, grant revenues are expected to be \$998,923, or approximately 3% of the Agency's total revenue.

Grant projections are based on the total expenses for eligible projects and any other programs that are eligible for grant funding. SAWPA has received several grants which are included in the FYE 2012 and 2013 budget.

**Grant Revenues
FYE 2012
\$1.7 Million**



**Grant Revenues
FYE 2013
\$998,922**



Proposition 50

In 2003, Proposition 50 was approved by the voters. SAWPA prepared an application for grant funding from Chapter 8 of the IRWM Program for implementation of projects within the Watershed. SAWPA was successful in attaining an award of \$25 million. Funding is scheduled to continue through March 2014.

Proposition 84

In 2006, Propositions 84, 1E and 1C were approved by the voters. Under Chapter 2 of Proposition 84, \$114 million has been allocated to the Watershed subject to an adopted Integrated Regional Water Management Plan (IRWMP). Through the OWOW effort, an IRWMP has been crafted and was instrumental in securing funds for the region. SAWPA has secured \$12.7 million in funding for Phase I implementation, which will be available in August 2011. Phase II funding is expected in 2012, and Phase III in 2013. SAWPA is expected to receive funding in each Phase.

Brine Line UCI Research Grant

SAWPA has received a grant from the National Institute of Standards and Technology (NIST) Technology Innovation Program. The grant was awarded to the University of California, Irvine (UCI). SAWPA is a

Joint Venture Partner with UCI. The grant will be used to develop a novel monitoring and inspection system for pipes and pipe networks in water and wastewater infrastructure systems using wireless sensor nodes incorporated in an advanced Supervisory Control and Data Acquisition (SCADA) system.

Other

SAWPA provides administrative services for the Lake Elsinore & San Jacinto Watersheds Authority (LESJWA) JPA. Other funding proceeds are revenues received for reimbursement of those services. These funds are reimbursed from funds received by LESJWA.

Member Contributions

Contributions from member agencies are used to offset the cost of operating the Agency. Contributions are used to fund planning efforts, cover SAWPA labor costs in some agency operations and collaborative projects, and fund State and Federal lobbying efforts. In addition to the annual contribution, member agencies may decide to contribute to collaborative projects that directly affect their service areas.

In FYE 2012, member contribution revenues are projected to be \$1.7 million, or approximately 5% of the Agency's total revenues. In FYE 2013, member contribution revenues are projected to be \$1.8 million, or approximately 6% of the Agency's total revenues.

Other Agency Contributions

Other agency contributions are a source of revenue in collaborative projects and planning efforts. SAWPA administers and facilitates several stakeholder efforts. Those agencies that wish to participate in the effort contribute funds to pay for the programs.

In FYE 2012, other agency contribution revenues are projected to be \$1.2 million, or approximately 3% of the Agency's total revenues. In FYE 2013, other agency contribution revenues are projected to be \$0.9 million, or approximately 3% of the Agency's total revenues.

Mitigation Credit Sales

As part of the Proposition 13 Southern California Integrated Watershed Program (SCIWP), SAWPA purchased 100 mitigation bank units (1 unit = 1 acre) from the Riverside County Parks and Open-Space District for \$4.0 million. These units are sold to those needing riparian mitigation for projects within the region. Funds generated by the sale of units are used to support the on-going maintenance of habitat created from the SCIWP Arundo Program and for other habitat creation projects within the Watershed.

In FYE 2012, mitigation credit sales are projected to be \$45,000, or approximately 0.14% of the Agency's total revenues. In FYE 2013, mitigation credit sales are projected to be \$225,000, or approximately 1% of the Agency's total revenues.

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REVENUES FYE 2012

		<i>Member Contributions</i>	<i>Other Agency Contributions</i>	<i>Mitigation Credit Sales</i>	<i>Discharge Fees</i>	<i>Reserves/ SRF Loans</i>	<i>Interest & Investments</i>	<i>Grant/ Contracts</i>	<i>Total FYE 2012</i>	<i>Projected Actuals FYE 2011</i>	<i>Inc (Dcr) from Prior Year</i>	<i>% Change</i>
100	General Fund	\$ 847,744	–	–	–	–	–	–	\$ 847,744	\$ 904,850	\$ (57,106)	-6.3%
125	Prop 50 Program Management	–	–	–	–	–	–	\$ 34,133	\$ 34,133	\$ 32,404	\$ 1,729	5.3%
130	Prop 84 Program Management	–	–	–	–	–	–	\$ 191,382	\$ 191,382	–	\$ 191,382	100.0%
240	Brine Line Enterprise	–	–	–	\$ 11,405,024	\$ 581,639	\$ 4,453,801	–	\$ 16,440,464	\$ 16,875,610	\$ (435,146)	-2.6%
395	Brine Line UCI Research Grant	–	–	–	–	\$ 38,366	–	\$ 44,976	\$ 83,342	\$ 121,605	\$ (38,263)	-31.5%
320	Brine Line Protection Project	–	–	–	–	\$ 1,588,717	–	–	\$ 1,588,717	\$ 1,662,448	\$ (73,731)	-4.4%
323	Reach IV-A & IV-B Repairs	–	–	–	–	\$ 10,078,559	–	–	\$ 10,078,559	\$ 1,838,966	\$ 8,239,593	448.1%
370	Basin Planning General	\$ 289,778	–	–	–	–	–	–	\$ 289,778	\$ 256,800	\$ 32,978	12.8%
370	USBR Partnership Studies	\$ 73,636	–	–	–	–	–	–	\$ 73,636	\$ 19,330	\$ 54,306	280.9%
372	Imported Water Recharge	–	–	–	–	–	–	–	\$ –	\$ 500	\$ (500)	-100.0%
373	Watershed Mgmt Plan (OWOW)	\$ 309,856	–	–	–	–	–	\$ 500,000	\$ 809,856	\$ 281,416	\$ 528,440	187.8%
374	Basin Monitoring Program TF	\$ 41,979	\$ 171,916	–	–	–	–	–	\$ 213,895	\$ 441,288	\$ (227,393)	-51.5%
381	SAR Fish Conservation TF	\$ 10,000	\$ 90,000	–	–	–	–	–	\$ 100,000	\$ 170,800	\$ (70,800)	-41.5%
384	Chino TMDL Task Force	–	\$ 230,000	–	–	–	–	–	\$ 230,000	\$ 367,549	\$ (137,549)	-37.4%
386	Stormwater Quality Standards TF	\$ 50,000	\$ 300,750	–	–	–	–	–	\$ 350,750	\$ 460,150	\$ (109,400)	-23.8%
387	Arundo Mgmt & Habitat Restoration	–	–	\$ 45,000	–	–	–	–	\$ 45,000	\$ 10,000	\$ 35,000	350.0%
392	Emerging Constituents TF	\$ 64,200	\$ 85,204	–	–	–	–	–	\$ 149,404	\$ 85,050	\$ 64,354	75.7%
393	Trail Marketing Support	–	\$ 80,143	–	–	–	–	–	\$ 80,143	\$ 65,877	\$ 14,266	21.7%
394	Big Bear TMDL Task Force	–	\$ 200,000	–	–	–	–	–	\$ 200,000	\$ 2,700	\$ 197,300	7,307.4%
477	LESJWA Administration	\$ 10,000	–	–	–	–	–	\$ 302,363	\$ 312,363	\$ 285,611	\$ 26,752	9.4%
500	Prop 13 – Brine Line Sediment Trap	–	–	–	–	\$ 108,578	–	\$ 611,010	\$ 719,588	\$ 190,000	\$ 529,588	278.7%
		\$ 1,697,193	\$ 1,158,013	\$ 45,000	\$ 11,405,024	\$ 12,395,860	\$ 4,453,801	\$ 1,683,863	\$ 32,838,754	\$ 24,072,954	\$ 8,765,800	32.0%

PASS THROUGH

503	Prop 50 Capital Projects	–	–	–	–	–	–	\$ 10,049,684	\$ 10,049,684			
	Total								\$ 42,888,438			

REVENUES FYE 2013

		<i>Member Contributions</i>	<i>Other Agency Contributions</i>	<i>Mitigation Credit Sales</i>	<i>Discharge Fees</i>	<i>Reserves/ SRF Loans</i>	<i>Interest & Investments</i>	<i>Grant/ Contracts</i>	<i>Total FYE 2013</i>	<i>Projected Actuals FYE 2012</i>	<i>Inc (Dcr) from Prior Year</i>	<i>% Change</i>
100	General Fund	\$ 948,170	–	–	–	\$ 50,000	–	–	\$ 998,170	\$ 847,744	\$ 50,426	5.9%
125	Prop 50 Program Management	–	–	–	–	–	–	\$ 38,219	\$ 38,219	\$ 34,133	\$ 4,086	11.9%
130	Prop 84 Program Management	–	–	–	–	–	–	\$ 171,446	\$ 171,446	\$ 191,382	\$ (19,936)	-10.4%
240	Brine Line Enterprise	–	–	–	\$ 11,930,470	\$ 1,266,243	\$ 3,769,197	–	\$ 16,965,910	\$ 16,440,464	\$ 525,446	3.2%
395	Brine Line UCI Research Grant	–	–	–	–	\$ 28,175	–	\$ 35,650	\$ 63,825	\$ 83,342	\$ (19,517)	-23.4%
320	Brine Line Protection Project	–	–	–	–	\$ 1,487,248	–	–	\$ 1,487,248	\$ 1,588,717	\$ (101,469)	-6.4%
323	Reach IV-A & IV-B Repairs	–	–	–	–	\$ 6,705,452	–	–	\$ 6,705,452	\$ 10,078,559	\$ (3,373,107)	-33.5%
370	Basin Planning General	\$ 320,080	–	–	–	–	–	–	\$ 320,080	\$ 289,778	\$ 30,302	10.5%
370	USBR Partnership Studies	\$ 52,779	–	–	–	–	–	–	\$ 52,779	\$ 73,636	\$ (20,857)	-28.3%
372	Imported Water Recharge	–	–	–	–	–	–	–	\$ –	\$ –	\$ –	0.0%
373	Watershed Mgmt Plan (OWOW)	\$ 307,510	–	–	–	–	–	\$ 500,000	\$ 807,510	\$ 809,856	\$ (2,346)	0.3%
374	Basin Monitoring Program TF	\$ 39,855	\$ 137,418	–	–	–	–	–	\$ 177,273	\$ 213,895	\$ (36,622)	-17.1%
381	SAR Fish Conservation TF	\$ 10,000	\$ 110,000	–	–	–	–	–	\$ 120,000	\$ 100,000	\$ 20,000	20.0%
384	Chino TMDL Task Force	–	\$ 235,000	–	–	–	–	–	\$ 235,000	\$ 230,000	\$ 5,000	2.2%
386	Stormwater Quality Standards TF	\$ 50,000	\$ 300,750	–	–	–	–	–	\$ 350,750	\$ 350,750	\$ –	0.0%
387	Arundo Mgmt & Habitat Restoration	–	–	\$ 225,000	–	–	–	–	\$ 225,000	\$ 45,000	\$ 180,000	400.0%
392	Emerging Constituents TF	\$ 64,200	\$ 85,204	–	–	–	–	–	\$ 149,404	\$ 149,404	\$ –	0.0%
393	Trail Marketing Support	–	\$ 46,634	–	–	–	–	–	\$ 46,634	\$ 80,143	\$ (33,509)	-41.8%
394	Big Bear TMDL Task Force	–	–	–	–	–	–	–	–	\$ 200,000	\$ (200,000)	-100.0%
477	LESJWA Administration	\$ 10,000	–	–	–	–	–	\$ 253,608	\$ 263,608	\$ 312,363	\$ (48,755)	-15.6%
500	Prop 13 – Brine Line Sediment Trap	–	–	–	–	–	–	–	\$ –	\$ 719,588	\$ (719,588)	-100.0%
		\$ 1,802,594	\$ 915,006	\$ 225,000	\$ 11,930,470	\$ 9,537,118	\$ 3,769,197	\$ 998,923	\$ 29,178,308	\$ 32,838,754	\$ (3,660,446)	-11.1%

PASS THROUGH

503 Prop 50 Capital Projects

–	–	–	–	–	–	–	\$ 3,010,380	\$ 3,010,380
Total								\$ 32,188,688

Section 6

Debt Service



Debt Service

The Agency's outstanding debt at the beginning of FYE 2012 will total \$24.3 million. Of the total outstanding debt, 12 SRF loans are for construction of pipelines/facilities and one note payable to OCWD for the repurchase of 2 MGD of pipeline capacity.

Impact on proposed budget

The total debt service obligations (interest and principal) included in the budget for the FYEs 2012 and 2013 amounts to \$4.5 million for each year or 13% and 15% of the total budgeted expenses.

Debt Policy

The Agency has a formal debt policy that outlines the use of debt instruments and provides guidelines for the use of debt for financing SAWPA's infrastructure needs. In the past, debt financing has been used to construct the Brine Line. The Agency will limit long-term borrowing to capital improvements or projects that cannot be financed from current revenues, upon approval by the SAWPA Commission. The Agency has no legal debt limits as imposed by State or local legislation.

Future Debt Financing

In 2006, the SAWPA Commission approved, for planning purposes, a Capital Improvement Program (CIP) totaling over \$60 million. At the beginning of FYE 2007, \$10 million of excess debt service funds were transferred to the Pipeline Repair/Replacement Reserve account to help fund the CIP. With interest rates spiraling downward over the last few years, \$1.5 million will need to be transferred back into the debt service reserve from Pipeline Repair/Replacement Reserve in FYE 2012. The CIP will be funded by a combination of rate increases, use of reserves, pay-as-you-go, and debt financing. It is anticipated that SAWPA will receive SRF Loan funds for FYEs 2012 and 2013.

Funding

The Agency has established debt reserves to cover its debt service obligations in the amount of \$15.2 million at the beginning of FYE 2012. Of those reserves, 81%, or \$12.3 million, is held in T-Strips as restricted assets to cover debt service, and 19%, or \$2.9 million, is held in cash or short-term investments.

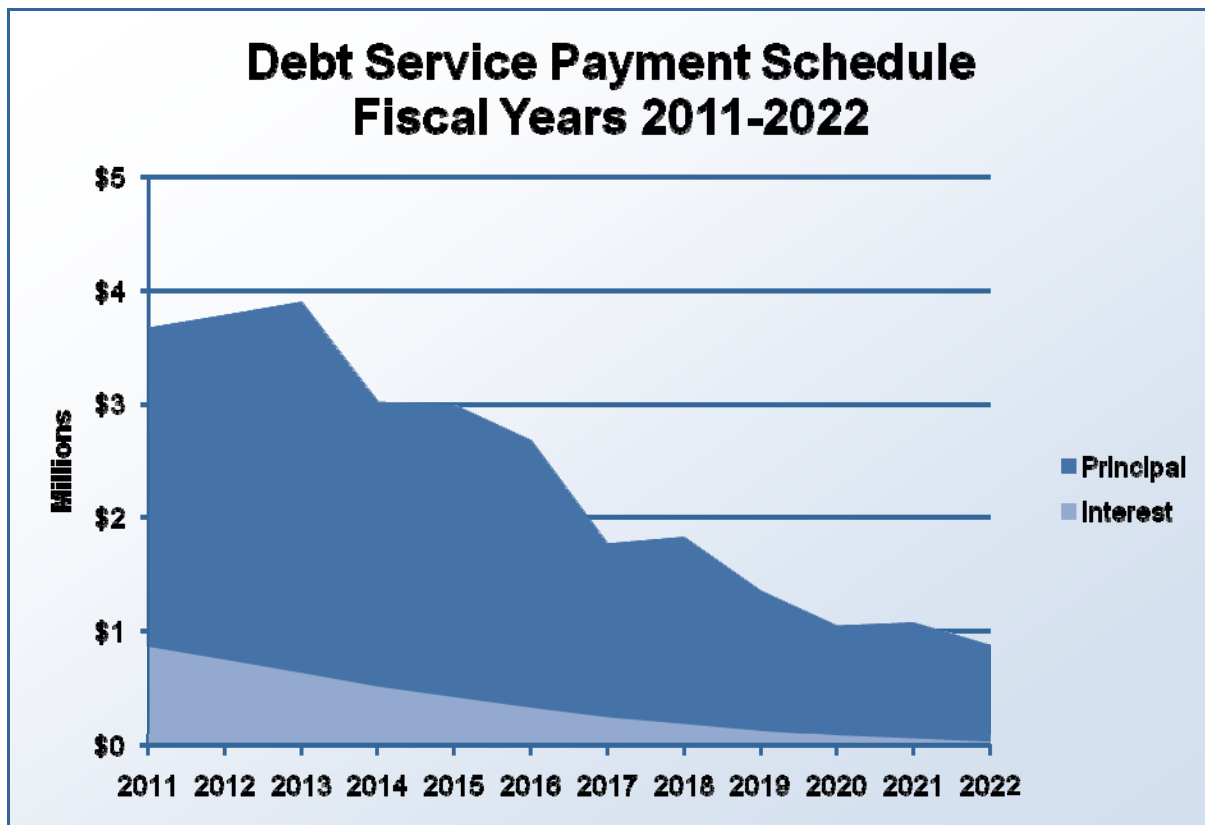
Debt Service Fund Analysis

FYE	T-Strip Maturities	Capacity Loan Receipts	Loan Payments	Interest Earned *	Excess/(Use) Of Cash	Ending Cash Reserve Balance
	Beg. Balance					\$ 5,936,743
2012	\$ 2,019,000	\$ 2,184,232	\$ (4,535,441)	\$ 118,735	\$ (213,474)	5,723,269
2013	2,019,000	1,252,022	(4,535,441)	114,465	(1,149,954)	4,573,315
2014	2,449,000	795,772	(3,534,238)	91,466	(198,000)	4,375,315
2015	2,349,000	795,772	(3,414,537)	87,506	(182,259)	4,193,056
2016	1,824,000	795,772	(3,011,067)	83,861	(307,434)	3,885,622
2017	949,000	795,772	(2,016,452)	77,713	(193,967)	3,691,655
2018	949,000	795,772	(2,016,452)	73,833	(197,847)	3,493,808
2019	395,000	528,582	(1,482,528)	69,876	(489,070)	3,004,738
2020	395,000	-	(1,126,278)	60,094	(671,184)	2,333,554
2021	-	-	(1,126,278)	46,671	(1,079,607)	1,253,947
2022	-	-	(898,963)	25,079	(873,884)	380,063
Totals	\$ 13,348,000	\$ 7,943,696	\$(27,697,675)	\$ 849,299	\$ (5,556,679)	

* Interest earned is based on a conservative estimate of 2%

Total Debt Schedule and Graph

FYE	Interest	Principal	Total Payment	Remaining Principal
2011	\$ 861,512	\$ 3,673,929	\$ 4,535,441	\$ 24,331,241
2012	749,413	3,786,028	4,535,441	20,545,213
2013	633,690	3,901,751	4,535,441	16,643,462
2014	514,213	3,020,025	3,534,238	13,623,437
2015	421,883	2,992,654	3,414,537	10,630,783
2016	330,081	2,680,986	3,011,067	7,949,797
2017	246,102	1,770,350	2,016,452	6,179,447
2018	188,013	1,828,439	2,016,452	4,351,008
2019	127,751	1,354,777	1,482,528	2,996,231
2020	80,170	1,046,108	1,126,278	1,950,123
2021	52,016	1,074,262	1,126,278	875,861
2022	23,102	875,861	898,963	—



SRF Loan

The Brine Line construction was primarily funded by SRF loans issued by the State Water Resources Control Board (SWRCB). The Agency has 12 SRF loans. Five loans funded construction of Reach IV of the Brine Line, four loans funded construction for Reach V of the Brine Line (Temescal Valley Regional Interceptor Reach (TVRI)), and three loans funded the construction of the Western Riverside County Regional Wastewater Treatment Plant.

Brine Line Construction

Reach IV

In 1995, the Brine Line upstream extension (Reach IV) to the City of San Bernardino Wastewater Treatment Plant was completed. Five SRF loans were obtained by the Agency to help construct the over \$37 million project.

SRF Loans

Repayment Began	Loan Amount	Interest Rate	Term	Annual Payment
12/22/93	\$ 14,758,590	3.10%	20 Years	\$ 1,001,203
09/01/94	1,775,843	3.00%	20 Years	119,701
10/04/95	6,127,405	2.70%	20 Years	403,470
11/30/96	6,828,963	3.00%	20 Years	468,372
01/10/97	7,814,181	2.80%	20 Years	526,243
Total	\$ 37,304,982			\$ 2,518,989

Debt Service Funding

To fund construction and provide a source of income to meet the debt service payments, pipeline and treatment capacity were sold to member agencies through installment loans. Payments received from the loans are used to make the debt service payments on the SRF loans.

Capacity Notes Receivable

Purchase Date	Agency	Loan Amount	Term	Annual Payment
12/08/82	EMWD	\$ 7,300,000	20 Years	\$ 365,000
12/08/82	WMWD	3,650,000	20 Years	182,500
06/22/93	SBVMWD *	9,377,368	20 Years	840,960
Total		\$ 20,327,368		\$ 1,388,460

* Total purchase of \$21,381,700, balance of \$12,004,332 paid in cash for T-Strip purchase

In 1993, the Agency purchased T-Strips for \$8,051,810 with a face value of \$17,000,000. The T-Strips began maturing in 1996 and will continue through 2012. In 1995, additional purchases were made for \$8,480,296.65, with a face value of \$13,135,000. These T-Strips began maturing in 1997 and will continue through 2015. The T-Strip maturities are used as a source of income to make the debt service payments on the SRF loans. Funds from this debt service account will be transferred to the TVRI debt service fund to help cover the \$1,681,000 short fall.

The following table displays the debt service funding analysis for the Brine Line portion of the debt service reserve account.

Debt Service Fund Analysis

FYE	T-Strip Maturities	Capacity Loan Receipts	Loan Payments	Interest Earned*	Ending Reserve Cash Balance
	Beg. Balance				\$ 1,372,522
2012	\$ 1,070,000	\$ 1,388,460	\$ (2,518,989)	\$ 27,450	1,339,443
2013	1,070,000	456,250	(2,518,989)	26,789	373,493
2014	1,500,000	—	(1,517,786)	7,470	363,177
2015	1,400,000	—	(1,398,085)	7,264	372,356
2016	875,000	—	(994,615)	7,447	260,188
2017	—	—	—	5,204	265,392
2018	—	—	—	5,308	270,700
2019	—	—	—	5,414	276,114
2020	—	—	—	5,522	281,636
2021	—	—	—	5,633	287,269
2022	—	—	—	5,745	293,014
Totals	\$ 5,915,000	\$ 1,844,710	\$ (8,948,464)	\$ 109,246	

* Interest earned is based on a conservative estimate of 2%

Reach V

In 1992, construction of Brine Line Reach V, or the TVRI which connects EMWD's service area to the main branch of the Brine Line, was completed. Four SRF loans in the amount of \$17,107,338 were obtained to fund construction of the line.

SRF Loans

Repayment Began	Loan Amount	Interest Rate	Term	Annual Payment
09/11/01	\$ 3,373,815	2.90%	20 Years	\$ 227,182
10/05/02	5,089,798	2.70%	20 Years	338,065
10/05/02	4,187,933	2.60%	20 Years	271,592
10/05/02	4,455,792	2.60%	20 Years	289,439
Total	\$ 17,107,338			\$ 1,126,278

Debt Service Funding

To fund construction and provide a source of income to meet the debt service payments, pipeline and treatment capacity were sold to member agencies through installment loans. Payments received from the loans are used to make the debt service payments on the SRF loans.

Capacity Notes Receivable

Purchase Date	Agency	Loan Amount	Term	Annual Payment
06/19/98	IEUA	\$ 5,625,000	20 Years	\$ 267,188
01/12/99	EMWD	8,917,500	20 Years	—*
01/12/99	WMWD	5,625,000	20 Years	439,521
01/12/99	WMWD	1,875,000	20 Years	89,063
07/01/99	IEUA	3,750,000	20 Years	—**
Total		\$ 25,792,500		\$ 795,772

* Paid loan balance of \$3,207,477 in July 2003, funds invested in securities

** Paid loan balance of \$3,129,106 in June 2003, funds invested in securities

In July 2000, EMWD made a payment of \$4,250,000 on their installment loan. Receipts were used to purchase T-Strips for \$4,210,739 with a face value of \$7,900,000. The T-Strips began maturing in 2001 and will continue through 2020, yielding \$395,000 annually. The T-Strip maturities are used as a source of income to make the debt service payments on the SRF loans. Funds from Brine Line debt service will be transferred to this fund to cover the short fall of \$3,198,358.

The following table displays the debt service funding analysis for the TVRI portion of the debt service reserve account. It includes the note payable to OCWD as part of the loan payments.

Debt Service Fund Analysis

FYE	T-Strip Maturities	Capacity Loan Receipts	Loan Payments	Interest Earned*	Ending Reserve Cash Balance
Beg. Balance					\$ 3,272,176
2012	\$ 395,000	\$ 795,772	\$ (1,482,528)	\$ 65,444	3,045,864
2013	395,000	795,772	(1,482,528)	60,917	2,815,025
2014	395,000	795,772	(1,482,528)	56,300	2,579,569
2015	395,000	795,772	(1,482,528)	51,591	2,339,404
2016	395,000	795,772	(1,482,528)	46,788	2,094,436
2017	395,000	795,772	(1,482,528)	41,889	1,844,569
2018	395,000	795,772	(1,482,528)	36,891	1,589,704
2019	395,000	528,582	(1,482,528)	31,794	1,062,552
2020	395,000	—	(1,126,278)	21,251	352,525
2021	—	—	(1,126,278)	7,050	(766,703)
2022	—	—	(898,963)	(15,334)	(1,681,000)
Totals	\$ 3,555,000	\$ 6,098,986	\$ (15,011,743)	\$ 404,581	

* Interest earned is based on a conservative estimate of 2%

West Riverside Construction

In 1997, construction began on the Western Riverside County Regional Wastewater Treatment Plant. Three SRF loans in the amount of \$11,187,267 were obtained to fund construction of the plant. To provide a cash flow for the debt service payments, T-Strips were purchased in 1999 for \$2,431,101 with a

face value of \$4,180,000. Each year, through 2018, T-Strip maturities of \$554,000 will be received to cover the debt service payments.

In 1999, SAWPA transferred ownership of the plant to the Western Riverside County Regional Wastewater Authority (WRCRWA). Because SAWPA retained ownership of the T-Strips, the Agency will continue to make a portion of the payments (\$533,924) on each of the loans through 2018. The difference between the T-Strip maturities and the debt service payments of \$20,076 per year, plus any interest earned, will remain in the debt service fund and will be transferred to the TVRI debt service fund to help cover the \$1,681,000 short fall.

West Riverside SRF Loans

Repayment Began	Loan Amount	SAWPA's Portion %	Interest Rate	Term	SAWPA Payment Amount
02/13/99	\$ 4,750,124	100%	2.80%	20 Years	\$ 316,730
06/01/99	4,583,644	49.99%	2.80%	20 Years	153,356
06/01/99	1,853,499	51.90%	2.80%	20 Years	63,838
Total	\$ 11,187,267				\$ 533,924

The following table displays the debt service funding analysis for the West Riverside debt service reserve account.

West Riverside Debt Service Fund Analysis

FYE	T-Strip Maturities	Loan Payments	Interest Earned*	Ending Reserve Cash Balance
	Beginning Balance			\$ 1,292,045
2012	\$ 554,000	\$ (533,924)	\$ 25,841	1,337,962
2013	554,000	(533,924)	26,759	1,384,797
2014	554,000	(533,924)	27,696	1,432,569
2015	554,000	(533,924)	28,651	1,481,296
2016	554,000	(533,924)	29,626	1,530,998
2017	554,000	(533,924)	30,620	1,581,694
2018	554,000	(533,924)	31,634	1,633,404
2019	–	–	32,668	1,666,072
2020	–	–	33,321	1,699,393
2021	–	–	33,988	1,733,381
2022	–	–	34,668	1,768,049
Totals	\$ 3,878,000	\$ (3,737,468)	\$ 335,472	

* Interest earned is based on a conservative estimate of 2%

OCWD Note Payable

In 1999, the Agency repurchased 2 MGD of pipeline capacity from OCWD for \$7,500,000 in an installment note. The capacity was repurchased and then sold to EMWD. Capacity purchase installment loans are used to repay the debt service.

Note Payable

Repayment Began	Loan Amount	Interest Rate	Term	Annual Payment
01/12/99	\$ 7,500,000	6.00%	20 Years	\$ 356,250

* Original loan was for zero interest. Auditors imputed an interest rate of 6% to comply with GAAP.

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Section 7

Reserves



Reserves

General Policy

Maintaining adequate cash reserves is an essential part of sound financial management. The SAWPA Commission realizes the importance of reserves in providing reliable service to its member agencies, financing long-term capital projects, and the funding of emergencies should they arise. Interest derived from reserve balances is credited to the reserve account from which it was earned. The establishment of any new reserve account will be determined based on the following criteria:

- ◆ Purpose and need for the reserve fund;
- ◆ Availability and source of funds to maintain, replenish, or initially establish the reserve;
- ◆ Operating expenditure levels approved within the annual budget process;
- ◆ Future capital expenditure and debt service requirements of the Agency; and
- ◆ Commission approval of the reserve policy.

There are two types of reserve fund classifications:

- I. **Restricted Funds:** Restrictions on the use of these funds are imposed by an outside source such as creditors, grantors, contributors, laws, or regulations governing use. These funds are specifically governed by a written contract with SAWPA or outlined within the debt covenants of a debt financing.
- II. **Unrestricted Funds:** These funds have no externally imposed use restrictions. The use of Unrestricted Funds is at the discretion of the SAWPA Commission. Unrestricted Funds are designated for a specific purpose, which is determined by the Commission. The Commission also has the authority to redirect the use of these funds as the needs of SAWPA change.

The restricted and unrestricted funds can further be subdivided into Capital Funds and Liquidity (Operating) Funds. The Capital Funds are designated for specific purposes and utilized primarily to fund capital and asset replacement costs. The Liquidity Funds are established to safeguard SAWPA's financial viability and stability, and are funded from accumulated revenues.

Categories

For internal control purposes, SAWPA accumulates, maintains, and segregates its reserve funds into the following categories:

- ◆ Restricted and Designated Reserves;
- ◆ Board Designated Reserves;
- ◆ Board Restricted (Obligated) Reserves; and
- ◆ Contractually Restricted Reserves.

Restricted and Designated Reserves

These are reserve funds that are designated for a particular purpose and whose use is restricted to only that purpose. The Restricted and Designated Reserves consist of the Debt Retirement Reserve.

Debt Retirement Reserve

- ◆ **Definition and Purpose** – Initially established with funds received from member agencies for the purchase of pipeline capacity (30 MGD) in the Brine Line system to provide future funding on debt service payments for SRF loans required to build the Brine Line system. T-Strips were purchased with maturities to match annual principal and interest payments due on the long-term debt associated with the State loans.
- ◆ **Target Level** – The minimum balance in this reserve should be sufficient to cover anticipated debt service payments as they become due. The balance in this reserve should reflect debt service obligations for which existing or projected revenues are insufficient to cover scheduled principal and interest payments.

- ◆ **Events or Conditions Prompting the Use of the Reserves** – This reserve is utilized as needed to pay when due debt service payments on SAWPA's obligations. The Commission shall take action to approve annual debt service obligations of the Agency as presented in the annual budget. Any other use (debt obligations approved and entered into following adoption of the annual budget) shall require prior Commission approval before the expense of funds from this reserve.
- ◆ **Contribution for FYEs 2012 and 2013** – No contributions are projected to be made to this reserve for FYEs 2012 and 2013. It is projected that \$581,639 and \$1,266,243 will be used from reserves to help pay debt service for FYEs 2012 and 2013, respectively.

Board Designated Reserves

These are reserve funds earmarked for the purpose of funding items such as new capital facilities, repair or replacement of existing facilities, and general operating reserves designated for a specific purpose and use by the Commission. The Board Designated Reserves are comprised of the following reserve accounts: Brine Line Operating Reserves, Pipeline Repair/Replacement Reserve, OCSD Rehabilitation Reserve, OCSD Future Capacity Reserve, Self Insurance Reserve, Capacity Management Reserve, Flow Imbalance Reserve, General Fund Operating Reserve, and the General Fund Building Reserve.

Brine Line Operating Reserves

- ◆ **Definition and Purpose** – Established to cover temporary cash flow deficiencies that occur as a result of timing differences between the receipt of operating revenue and expenditure requirements.
- ◆ **Target Levels** – Funding shall be targeted at a minimum amount equal to 90 days (i.e. 25%) of SAWPA's Brine Line Enterprise total annual operating expenditures. If SAWPA elects to issue variable rate debt, the minimum required balance in this reserve might need to be higher.
- ◆ **Events of Conditions Prompting the Use of the Reserve** – This reserve is utilized as needed to pay outstanding Brine Line Enterprise expenditures prior to the receipt of anticipated operating revenues.
- ◆ **Contribution for FYEs 2012 and FYE 2013** – No contributions are projected to be made to this reserve for FYEs 2012 and 2013. Total funds in this account exceed 25% of operating expenses for both years.

Pipeline Repair/Replacement Reserve

- ◆ **Definition and Purpose** – Established to provide capital replacement funding as the Brine Line system's infrastructure (pipe) deteriorates over its expected useful life. Based on recent core sampling of the pipeline, the pipe's useful life was adjusted from an original 50 year life expectancy to an expected useful life of 75 – 100 years.
- ◆ **Target Level** – To help protect against risk associated with capital project cost overruns and emergency reserves, the most recent Brine Line Financial Study and Rate Model have identified a minimum target balance of \$10.0 million for this reserve. Any revenues designated for capital projects and not strictly earmarked for another fund should be deposited into this fund. To provide annual cash flow for capital projects, SAWPA should consider depositing on an annual basis a system reinvestment contribution into this fund, equivalent to the inflation-adjusted annual depreciation.
- ◆ **Events or Conditions Prompting the Use of the Reserve** – Through the annual budget process, staff shall recommend anticipated asset replacement projects. The Commission shall take action to approve recommended project appropriations from the replacement reserve fund. Should emergency replacement be necessary during any fiscal year, the Commission may take action to amend the budget and appropriate needed funds as required by such emergency. Expected use of reserves for Capital Projects in FYEs 2012 and 2013 are projected to be \$2,235,661 and \$2,015,422. The Agency has applied for SRF loans to fund most of the project costs for the Brine Line Reach IV-A and IV-B pipe relining. If the loans are received, the reserve funds will not be used.
- ◆ **Contribution for FYEs 2012 and 2013** – Contributions projected to be made to this reserve are \$1,138,367 and \$1,144,198.

OCSD Rehabilitation Reserve

- ◆ **Definition and Purpose** – Established to provide funds for SAWPA's share of capital costs associated with its proportionate share of capacity rights ownership in the Santa Ana Regional Interceptor (SARI) Line maintained by OCSD. Since these costs are expected to vary significantly in timing and size, an approach has been developed to normalize these expenditures into equal annual payments. The objective is for SAWPA to make equal annual contributions (adjusted for inflation) into this interest earning reserve fund, and then make withdrawals from this fund when payments to OCSD for the SARI Line come due. According to the Brine Line Financial Study, this approach will mitigate significant capital spikes for SAWPA.
- ◆ **Target Level** – The most recent Brine Line Financial Study has identified a minimum target level of \$1.75 million annually (adjusted for inflation). If the SARI Line capital costs are adjusted downward by OCSD, SAWPA will review the balance in this reserve and adjust its annual contribution accordingly.
- ◆ **Events or Conditions Prompting the Use of the Reserve** – This reserve is utilized as needed to pay when due SAWPA's share of OCSD SARI Line capital costs.
- ◆ **Contribution for FYEs 2012 and 2013** – Contributions projected to be made to this reserve are \$1,802,500 and \$1,742,354.

OCSD Future Capacity Reserve

- ◆ **Definition and Purpose** – Established to provide future funding as it becomes necessary for SAWPA to acquire (purchase) additional treatment capacity (minimum of 1 MGD increments) in the OCSD treatment plant facility. As incremental treatment capacity purchases are made at an agreed upon rate set by SAWPA resolution, funds would be deposited into this reserve account which can then be used to purchase treatment capacity from OCSD.
- ◆ **Target Level** – There is no minimum balance for this reserve. Its level will depend on the rate of growth and capacity sales. As capacity purchases are made, funds will be deposited in this reserve so that its balance will be sufficient to cover anticipated additional treatment plant capacity purchases as and when they come due.
- ◆ **Events or Conditions Prompting the Use of the Reserves** – This reserve may only be utilized to purchase additional treatment capacity in the OCSD plant as approved by the SAWPA Commission. Any other use of this reserve shall not occur without prior authorization from the SAWPA Commission.
- ◆ **Contribution for FYEs 2012 and 2013** – No contributions are projected to be made to this reserve for FYEs 2012 and 2013.

Self Insurance Reserve

- ◆ **Definition and Purpose** – Established to provide insurance protection to the Brine Line system and JPA for losses arising from property, general liability, and worker's compensation claims. The reserve level, combined with SAWPA's existing insurance policies, should adequately protect SAWPA and its member agencies in the event of a loss or claim.
- ◆ **Target Level** – The minimum balance in this reserve should be determined with SAWPA's current existing insurance policies and coverages in mind, along with the deductibles thereon, and should be maintained at a level that would adequately protect SAWPA and its member agencies. Based on FEMA guidelines, the funding in this reserve should be targeted at a minimum of two percent (2%) of SAWPA's depreciable capital assets, plus the total amount of SAWPA's existing insurance deductibles.
- ◆ **Events or Conditions Prompting the Use of the Reserve** – This reserve shall be utilized to cover out-of-pocket insurance losses experienced by the Agency. Any reimbursement received by the Agency from the insurance company as the result of a submitted claim shall be deposited back into the reserve as replenishment for the loss.
- ◆ **Contribution for FYEs 2012 and 2013** – Contributions projected to be made to this reserve are \$100,000 for both FYEs 2012 and 2013.

Capacity Management Reserve

- ◆ **Definition and Purpose** – Established to set aside 100% of the funding derived from pipeline capacity sales to provide funds for future capacity needs within the Brine Line. As the pipeline reaches capacity, other alternatives will be needed to ensure the ability to discharge and achieve salt balance within the Watershed.
- ◆ **Target Level** – Given the nature of this reserve, there is no required minimum or maximum level. 100% of the funding derived from pipeline capacity sales should be deposited and maintained in this reserve.
- ◆ **Events or Conditions Prompting the Use of the Reserve** – This reserve shall be utilized to cover costs required to manage capacity within the pipeline, including the cost to further concentrate Brine Line flows, reduction of flows to meet capacity needs, additional pipeline capacity, additional CIP, and other changes as appropriate.
- ◆ **Contribution for FYEs 2012 and 2013** – No contributions are projected to be made to this reserve for FYEs 2012 and 2013.

Flow Imbalance Reserve

- ◆ **Definition and Purpose** – Established to set aside funds in the event that a meter error occurs and the discharger is over-billed. Each month, meter readings are read for each discharger and the total for all dischargers is compared to the total at meter S-01. When the total for all discharges exceeds the total at meter S-01, the difference will be calculated at the current flow rate and contributed to the reserve account.
- ◆ **Target Level** – Based on SAWPA's practice, a minimum of \$50,000 should be maintained in this reserve.
- ◆ **Events or Conditions Prompting the Use of the Reserve** – This reserve shall be utilized to refund dischargers in the event that a meter error occurs and the discharger is over-billed.
- ◆ **Contribution for FYEs 2012 and 2013** – No contributions are projected to be made to this reserve for FYEs 2012 and 2013.

General Fund Operating Reserve (Fund 100)

- ◆ **Definition and Purpose** – Established to provide cash flow for unbudgeted and/or unexpected expenditures and to mitigate potential delays between the time when expenditures are incurred and the time when revenues are received.
- ◆ **Target Level** – There is no minimum balance required for this reserve, although a prudent target level will be equal to 180 days of SAWPA's General Fund total budgeted operating expenditures.
- ◆ **Events or Conditions Prompting the Use of the Reserves** – This reserve is designated to maintain working capital for current operations and to meet routine cash flow needs. Upon Commission approval, this reserve may be routinely utilized by staff to cover temporary cash flow deficiencies caused by timing differences between revenues and expenditures, and extraordinary decreases in revenues and unexpected increases in expenditures.
- ◆ **Contribution for FYEs 2012 and 2013** – This reserve will be funded only based on realized efficiencies in the General Fund resulting in actual year-end expenditures being under budget.

General Fund Building Reserve (Fund 100)

- ◆ **Definition and Purpose** – Established to provide for the accumulation of funds towards a building reserve set aside to cover major repair/maintenance work on SAWPA's Headquarters Office unless directed otherwise by Commission action during the annual budget process.
- ◆ **Target Level** – The minimum target level for this reserve will be \$300,000 at all times.
- ◆ **Events or Conditions Prompting the Use of the Reserves** – This reserve is designated to maintain a building repair and replacement reserve. Upon Commission approval, this reserve may be routinely utilized by staff for building-related purposes.
- ◆ **Contribution for FYEs 2012 and 2013** – Contributions projected to be made to this reserve are \$50,000 for both FYEs 2012 and 2013.

Board Restricted (Obligated) Reserves

These are reserves set aside to meet financial commitments for services not yet fulfilled and purchases that will take place in the future. These reserves consist of the Capital Improvement Construction Reserve.

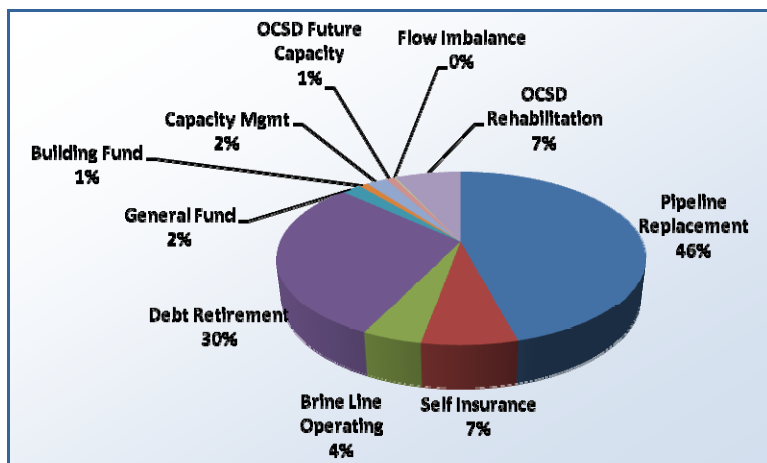
Capital Improvement Construction Reserve

- ◆ **Definition and Purpose** – Established to set aside 100% of the funding derived from bond proceeds required to support specific capital projects identified and approved by the Commission in the Agency's CIP. Through the Brine Line Rate Model, it was recommended that this reserve fund be established and maintained to guarantee cash flow availability to complete the Commission approved projects.
- ◆ **Target Level** – To be determined by the Commission.
- ◆ **Events of Conditions Prompting the Use of the Reserve** – Use of this reserve is for the sole purpose of paying for those capital expenditures identified within the Commission approved CIP Program budget. The reserve will be depleted as the approved capital projects are completed.
- ◆ **Contributions and Uses for FYEs 2012 and 2013** – Contributions and uses projected to be made to this reserve are \$10,078,559 for FYE 2012 and \$6,705,452 for FYE 2013. Funding is expected through SRF loan proceeds.

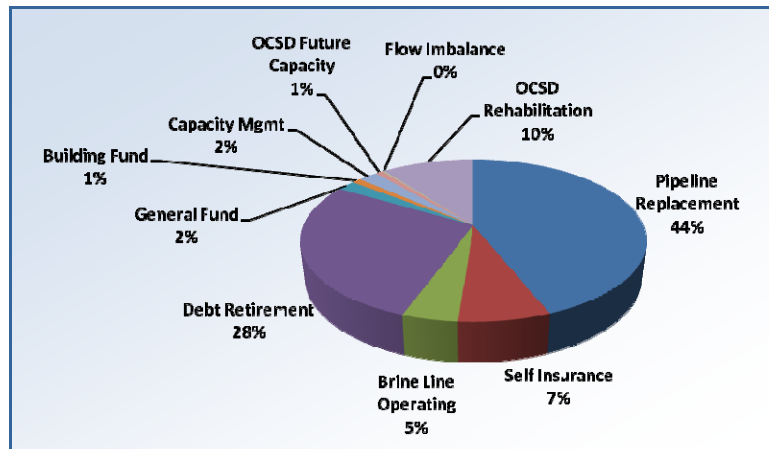
Contractually Restricted Reserves

These are funds held to satisfy limitations set by external requirements established by creditors, grant agencies or contributors, or law. Examples include stipulated bond covenants, capital improvement fees, and service deposits. There are no restricted reserve funds held at this time.

**Total Reserves/Funds
FYE 2012
\$51.1 Million**



**Total Reserves/Funds
FYE 2013
\$51.3 Million**



Section 8

Personnel



Personnel

Staffing and related employment costs are one of the primary operating expenses for the Agency. For FYE 2012, these costs will represent \$3.7 million, or approximately 11% of the Agency's total budget of \$33.9 million. For FYE 2013, staffing and related employment costs will represent \$3.8 million, or approximately 13.1% of the Agency's total budget of \$29.2 million. Benefit costs for FYE 2012 have increased 15% over FYE 2011 and 2.5% for FYE 2013. Overall, employment expenses have increased by 13.2% (\$435,798) over the FYE 2011 budgeted expenses and have increased by 2.1% (\$78,960) for FYE 2013. The following increases are reflected in the total employment expenses:

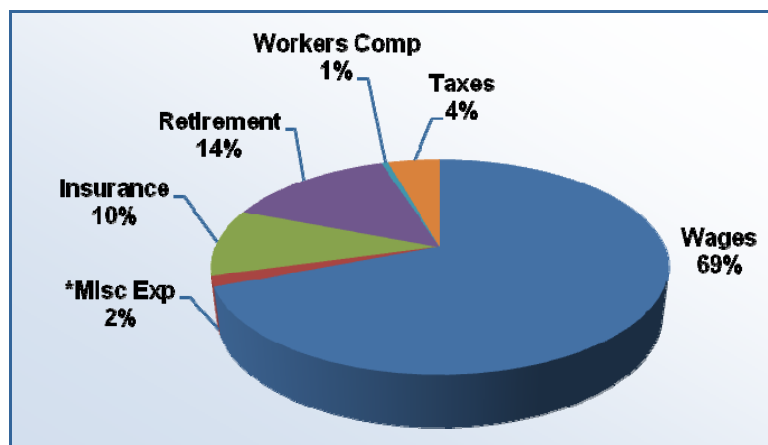
FYE 2012

- ◆ Projected increases in both insurance and taxes account for a slight increase.
- ◆ Increase in the Agency contribution rate to the employee's retirement plan (CalPERS) from 12.355% in FYE 2011 to 13.447% in FYE 2012 for an estimated increase of \$62,925.
- ◆ An overall six percent (6%) increase for cost of living adjustment and merit pool has been budgeted, but not approved, that may go into effect on July 1, 2011, for an estimated cost of \$146,369.
- ◆ The budget includes three additional positions: Executive Counsel, Operations Superintendent, and Assistant Operations Superintendent, for an estimated cost of \$500,291. By hiring these positions, we will have offsetting decreases in Agency Legal Counsel costs and Brine Line operation and maintenance costs.
- ◆ Funds are available in the budget for the General Manager's discretion in promoting and reclassification of budgeted positions.

FYE 2013

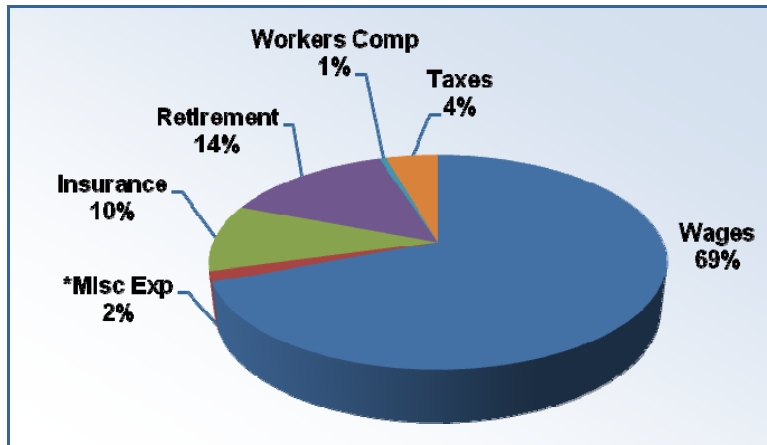
- ◆ Projected increases in both insurance and taxes account for a slight increase.
- ◆ Increase in the Agency contribution rate to the employee's retirement plan (CalPERS) from 13.447% in FYE 2012 to 13.9% in FYE 2013 for an estimated increase of \$21,976.
- ◆ An overall six percent (6%) increase for cost of living adjustment and merit pool has been budgeted, but not approved, that may go into effect on July 1, 2012, for all staff for an estimated cost of \$155,293.
- ◆ Reduction of the Project Manager position. Existing staff will be utilized to fill this position.

**Employment Expenses
FYE 2012
\$3.7 million**



* Miscellaneous Expense of 2% includes State Unemployment taxes, State Disability Insurance (SDI), car allowance, and other benefits

**Employment Expenses
FYE 2013
\$3.9 million**



* Miscellaneous Expense of 2% includes State Unemployment taxes, State Disability Insurance (SDI), car allowance, and other benefits

The Agency provides a comprehensive benefit package to all permanent full-time employees, which includes: insurance (health, dental, vision, short- and long-term disability, and workers' compensation), sick and vacation leave, deferred compensation, and retirement benefits in the form of participation in the California Public Employees Retirement System (CalPERS). In FYEs 2012 and 2013, these benefits are budgeted at \$1,139,795 and \$1,168,837, or approximately 30% of employment expenses.

The following table displays total labor costs for FYE 2012 and 2013 by department.

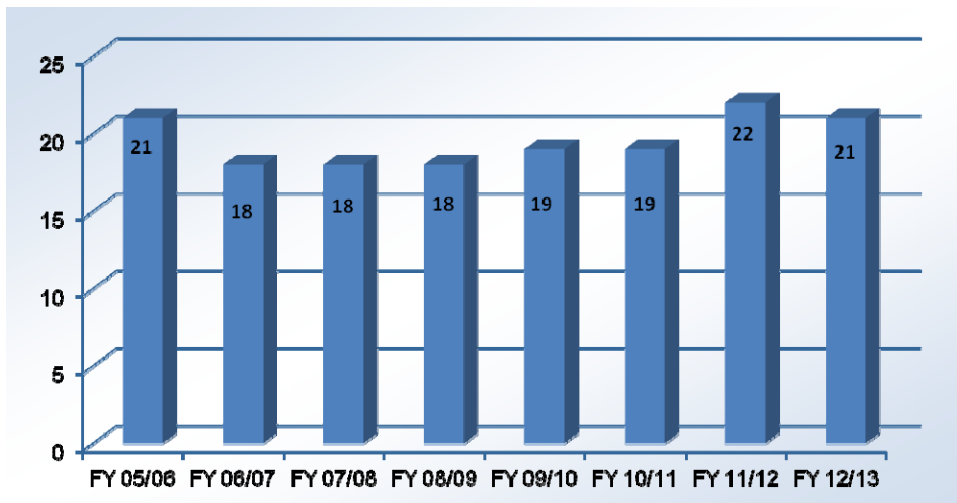
Labor Costs by Fund 2012

<i>Department</i>	<i>General</i>	<i>Brine Line</i>	<i>Planning</i>	<i>Collab. Projects</i>	<i>Capital Projects</i>	<i>Grant/Contract</i>	<i>Total</i>
<i>Executive Mgmt</i>	\$ 357,130	\$ 37,740	\$ 35,690	\$ 18,825	\$ 8,918	\$ 5,391	\$ 463,694
<i>Admin Services</i>	268,866	45,604	20,490	21,713	11,152	16,206	384,031
<i>Finance</i>	149,557	81,804	21,269	13,624	6,748	24,617	297,619
<i>Info and Technology</i>	305,501	11,055	4,594	15,607	2,080	11,769	350,606
<i>Engineering</i>	106,148	319,677	23,557	8,595	163,915	74,099	695,991
<i>Wtr Resources & Plan</i>	103,737	19,034	133,030	73,952	4,530	71,486	405,769
Total	\$ 1,290,939	\$ 514,914	\$ 238,630	\$ 152,316	\$ 197,343	\$ 203,568	\$ 2,597,710

Labor Costs by Fund 2013

Department	General	Brine Line	Planning	Collab. Projects	Capital Projects	Grant/Contract	Total
Executive Mgmt	\$ 370,322	\$ 37,131	\$ 46,315	\$ 20,060	\$ 19,878	\$ 5,207	\$ 491,961
Admin Services	279,980	48,649	31,689	22,129	9,692	15,330	407,470
Finance	161,055	69,822	20,394	12,111	7,160	44,477	315,018
Info and Technology	328,389	10,615	5,595	11,160	2,206	13,232	371,198
Engineering	99,046	394,382	4,221	0	127,035	7,598	632,281
Wtr Resources & Plan	112,897	18,653	160,591	69,363	1,373	66,852	429,730
Total	\$ 1,351,689	\$ 579,252	\$ 268,805	\$ 134,642	\$ 160,574	\$ 152,696	\$2,647,658

Budgeted Staffing Levels FY 05/06 – FY 12/13 (Does not include interns)



Staffing Plan

The FYEs 2012 and 2013 staffing plan includes the addition of three positions - Executive Counsel, Operations Superintendent, and Assistant Operations Superintendent. All positions are currently filled with the exception of the Assistant Operations Superintendent and the Project Manager positions. The Project Manager position was taken out of the FYE 2013 budget and will be filled utilizing existing staff. The following table is a summary of the Agency's budgeted positions.

Total Budgeted Position Count by Year

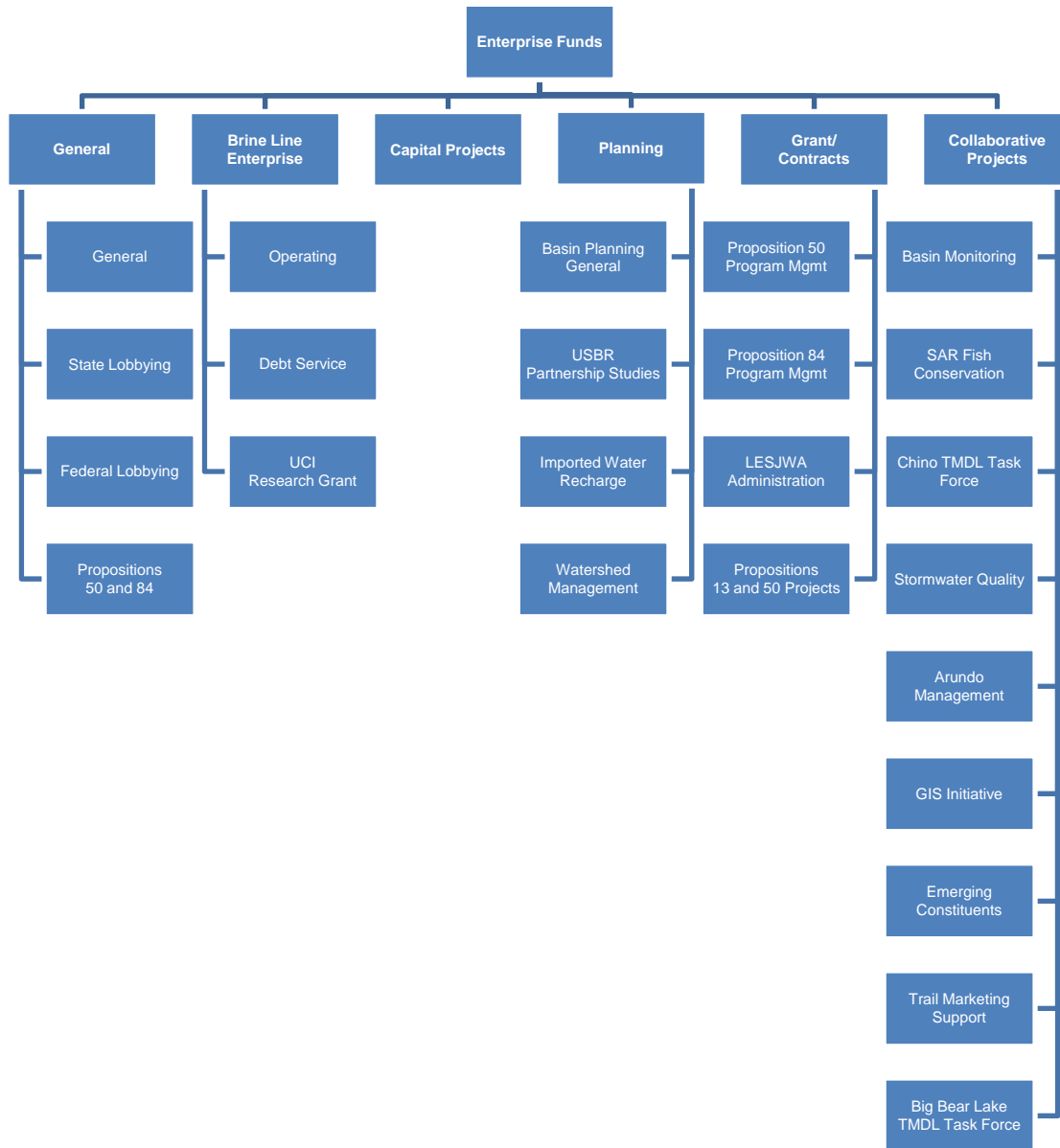
<i>Position</i>	<i>FYE 2009</i>	<i>FYE 2010</i>	<i>FYE 2011</i>	<i>FYE 2012</i>	<i>FYE 2013</i>	<i>Department</i>
<i>General Manager</i>	1	1	1	1	1	Executive Management
<i>Executive Counsel</i>	0	0	0	1	1	Executive Management
<i>Administrative Services Mgr</i>	1	1	1	1	1	Administrative Services
<i>Senior Administrative Assistant</i>	1	2	2	2	2	Administrative Services
<i>Administrative Assistant II</i>	2	1	1	1	1	Administrative Services
<i>Administrative Assistant I</i>	1	1	1	1	1	Administrative Services
<i>Chief Financial Officer</i>	1	1	1	1	1	Finance
<i>Senior Accounting Technician</i>	2	2	2	2	2	Finance
<i>IS and Technology Mgr</i>	1	1	1	1	1	IS and Technology
<i>GIS Project Manager</i>	0	1	1	1	1	IS and Technology
<i>GIS Analyst II</i>	2	1	1	1	1	IS and Technology
<i>Engineering & Operations Mgr</i>	1	1	1	1	1	Engineering & Operations
<i>Program Manager</i>	1	1	1	1	1	Engineering & Operations
<i>Senior Project Manager</i>	0	0	0	0	0	Engineering & Operations
<i>Project Manager</i>	0	2	2	2	1	Engineering & Operations
<i>Operations Superintendent</i>	0	0	0	1	1	Engineering & Operations
<i>Asst Operations Superintendent</i>	0	0	0	1	1	Engineering & Operations
<i>Water Res. & Planning Mgr</i>	1	1	1	1	1	Water Resources & Planning
<i>Program Manager</i>	0	1	1	1	1	Water Resources & Planning
<i>Senior Environmental Proj. Mgr</i>	1	0	0	0	0	Water Resources & Planning
<i>Watershed Planner</i>	1	0	0	0	0	Water Resources & Planning
<i>Senior Watershed Planner</i>	0	1	1	1	1	Water Resources & Planning
Total	18	19	19	22	21	

Section 9

Fund Budgets



Fund Structure



The Agency's budget is organized on the basis of funds, each of which is considered a separate budgetary and accounting entity. Financial resources are allocated to, and accounted for, in individual funds based upon the purposes for which they are to be utilized.

The Agency develops its sources and uses of fund estimates for the annual budget in a manner that follows GAAP. Activities and projects are accounted for in Enterprise Funds. These funds are included in the Agency's financial statements and are grouped in the following fund types based on their activities: General, Brine Line Enterprise, Capital Projects, Planning, Grant/Contracts, and Collaborative Projects. All of the entities' funds are subject to appropriation and are included in this budget.

Details on each program fund's initiatives, activities, and budget are provided in the individual project budgets that follow.

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SAWPA Fund Summary - Combined	General Funds		Brine Line Enterprise		Planning Funds		Collaborative Project Funds	
Source of Funds:	FYE 2012	FYE 2013	FYE 2012	FYE 2013	FYE 2012	FYE 2013	FYE 2012	FYE 2013
Discharge Fees	\$ -	\$ -	\$ 11,405,024	\$ 11,930,470	\$ -	\$ -	\$ -	\$ -
Financing Proceeds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grant Proceeds	\$ -	\$ -	\$ 44,976	\$ 35,650	\$ 500,000	\$ 500,000	\$ -	\$ -
Contributions	\$ 847,744	\$ 948,170	\$ -	\$ -	\$ 673,270	\$ 680,369	\$ 1,324,192	\$ 1,079,061
Other Income	\$ -	\$ 50,000	\$ 620,005	\$ 1,294,418	\$ -	\$ -	\$ 45,000	\$ 225,000
Interest & Investments	\$ -	\$ -	\$ 4,453,801	\$ 3,769,197	\$ -	\$ -	\$ -	\$ -
Total Source of Funds	\$ 847,744	\$ 998,170	\$ 16,523,806	\$ 17,029,735	\$ 1,173,270	\$ 1,180,369	\$ 1,369,192	\$ 1,304,061
Staffing:								
Hours Allocated	23,912	23,435	10,045	10,750	4,654	4,959	3,310	2,764
FTE (based on 2080)	11.5	11.3	4.8	5.2	2.2	2.4	1.6	1.2
Use of Funds:								
Labor	\$ 1,290,939	\$ 1,351,689	\$ 514,914	\$ 579,252	\$ 238,630	\$ 268,805	\$ 152,316	\$ 134,642
Benefits	\$ 566,418	\$ 596,719	\$ 225,926	\$ 255,717	\$ 104,703	\$ 118,666	\$ 66,830	\$ 59,439
G&A Costs	\$ (2,068,346)	\$ (2,059,995)	\$ 814,981	\$ 920,745	\$ 377,696	\$ 427,276	\$ 241,078	\$ 214,019
Education & Training	\$ 31,050	\$ 29,550	\$ 5,000	\$ 5,250	\$ -	\$ -	\$ -	\$ -
Consulting & Professional Services	\$ 229,000	\$ 223,000	\$ 875,000	\$ 810,000	\$ 395,000	\$ 350,000	\$ 987,410	\$ 682,410
Operating Costs	\$ 4,050	\$ 4,800	\$ 5,240,200	\$ 5,698,840	\$ -	\$ -	\$ 100	\$ 100
Repair & Maintenance	\$ 72,440	\$ 78,390	\$ 970,000	\$ 980,000	\$ -	\$ -	\$ -	\$ -
Phone & Utilities	\$ 67,500	\$ 69,250	\$ 4,000	\$ 4,250	\$ -	\$ -	\$ -	\$ -
Equipment & Computer	\$ 173,630	\$ 233,230	\$ 30,500	\$ 27,250	\$ 7,500	\$ 7,500	\$ 3,500	\$ 3,500
Meeting & Travel	\$ 69,300	\$ 70,000	\$ 5,600	\$ 6,100	\$ 5,800	\$ 5,800	\$ 1,600	\$ 1,500
Other Administrative Costs	\$ 148,844	\$ 150,452	\$ 40,175	\$ 40,950	\$ 12,100	\$ 12,100	\$ 100	\$ 100
Other Expenses	\$ 54,000	\$ 49,000	\$ 221,203	\$ 179,389	\$ -	\$ -	\$ -	\$ -
Construction	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 250,000	\$ 250,000
Debt Service	\$ -	\$ -	\$ 4,535,440	\$ 4,535,440	\$ -	\$ -	\$ -	\$ -
Total Use of Funds from Operations	\$ 638,825	\$ 802,085	\$ 13,482,939	\$ 14,043,183	\$ 1,141,429	\$ 1,190,147	\$ 1,702,934	\$ 1,345,710
Contribution To/(From) Reserves:								
Pipeline Repair/Replacement Reserve	\$ -	\$ -	\$ 1,138,367	\$ 1,144,198	\$ -	\$ -	\$ -	\$ -
OCSD Rehabilitation Reserve	\$ -	\$ -	\$ 1,802,500	\$ 1,742,354	\$ -	\$ -	\$ -	\$ -
Self Insurance Reserve	\$ -	\$ -	\$ 100,000	\$ 100,000	\$ -	\$ -	\$ -	\$ -
Retiree Medical Reserve	\$ 158,919	\$ 146,087	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Building Repair/Replacement Reserve	\$ 50,000	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Contributions to Reserves	\$ 208,919	\$ 196,087	\$ 3,040,867	\$ 2,986,552	\$ -	\$ -	\$ -	\$ -
Total Use of Funds	\$ 847,744	\$ 998,170	\$ 16,523,806	\$ 17,029,735	\$ 1,141,429	\$ 1,190,147	\$ 1,702,934	\$ 1,345,710
Net Gain (Loss)	\$ -	\$ -	\$ -	\$ -	\$ 31,841	\$ (9,778)	\$ (333,742)	\$ (41,649)
Beginning Fund Balance	\$ -	\$ -	\$ -	\$ -	\$ 69,472	\$ 101,313	\$ 1,451,647	\$ 1,088,457
Ending Fund Balance	\$ -	\$ -	\$ -	\$ -	\$ 101,313	\$ 91,535	\$ 1,117,905	\$ 1,046,808
<i>Project Reimb (Prop 50 –Capital)</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

SAWPA Fund Summary - Combined	Grant/Contract Fund		Capital Project Funds		Totals		
Source of Funds:	FYE 2012	FYE 2013	FYE 2012	FYE 2013	FYE 2012	FYE 2013	2-Yr Budget
Discharge Fees	\$ –	\$ –	\$ –	\$ –	\$ 11,405,024	\$ 11,930,470	\$ 23,335,494
Financing Proceeds	\$ 302,363	\$ 253,608	\$ 10,078,559	\$ 6,705,452	\$ 10,380,922	\$ 6,959,060	\$ 17,339,982
Grant Proceeds	\$ 836,525	\$ 209,665	\$ –	\$ –	\$ 1,381,501	\$ 745,315	\$ 2,126,816
Contributions	\$ 10,000	\$ 10,000	\$ –	\$ –	\$ 2,855,206	\$ 2,717,600	\$ 5,572,806
Other Income	\$ 108,578	\$ –	\$ 1,588,717	\$ 1,487,248	\$ 2,362,300	\$ 3,056,665	\$ 5,418,965
Interest & Investments	\$ –	\$ –	\$ –	\$ –	\$ 4,453,801	\$ 3,769,197	\$ 8,222,998
Total Source of Funds	\$ 1,257,466	\$ 473,273	\$ 11,667,276	\$ 8,192,700	\$ 32,838,754	\$ 29,178,308	\$ 62,017,061
Staffing:							
Hours Allocated	4,139	3,074	3,540	2,538	49,600	47,520	97,120
FTE (based on 2080)	2.0	1.5	1.7	1.2	23.8	22.8	46.6
Use of Funds:							
Labor	\$ 203,598	\$ 152,696	\$ 197,343	\$ 160,574	\$ 2,597,740	\$ 2,647,658	\$ 5,245,398
Benefits	\$ 89,331	\$ 67,410	\$ 86,587	\$ 70,887	\$ 1,139,795	\$ 1,168,837	\$ 2,308,632
G&A Costs	\$ 322,245	\$ 242,717	\$ 312,346	\$ 255,239	\$ –	\$ –	\$ –
Education & Training	\$ –	\$ –	\$ –	\$ –	\$ 36,050	\$ 34,800	\$ 70,850
Consulting & Professional Services	\$ 200,000	\$ –	\$ 1,060,000	\$ 800,000	\$ 3,746,410	\$ 2,865,410	\$ 6,611,820
Operating Costs	\$ –	\$ –	\$ –	\$ –	\$ 5,244,350	\$ 5,703,740	\$ 10,948,090
Repair & Maintenance	\$ –	\$ –	\$ –	\$ –	\$ 1,042,440	\$ 1,058,390	\$ 2,100,830
Phone & Utilities	\$ –	\$ –	\$ –	\$ –	\$ 71,500	\$ 73,500	\$ 145,000
Equipment & Computer	\$ –	\$ –	\$ –	\$ –	\$ 215,130	\$ 277,480	\$ 492,610
Meeting & Travel	\$ 500	\$ 250	\$ –	\$ –	\$ 82,800	\$ 83,650	\$ 166,550
Other Administrative Costs	\$ 20,200	\$ 10,200	\$ 11,000	\$ 11,000	\$ 232,419	\$ 224,802	\$ 457,221
Other Expenses	\$ –	\$ –	\$ –	\$ –	\$ 275,203	\$ 228,389	\$ 503,592
Construction	\$ 1,150,000	\$ –	\$ 10,000,000	\$ 6,895,000	\$ 11,400,000	\$ 7,145,000	\$ 18,545,000
Debt Service	\$ –	\$ –	\$ –	\$ –	\$ 4,535,440	\$ 4,535,440	\$ 9,070,880
Total Use of Funds from Operations	\$ 1,985,874	\$ 473,273	\$ 11,667,276	\$ 8,192,700	\$ 30,619,277	\$ 26,047,097	\$ 56,666,374
Contribution To/(From) Reserves:							
Pipeline Repair/Replacement Reserve	\$ –	\$ –	\$ –	\$ –	\$ 1,138,367	\$ 1,144,198	\$ 2,282,565
OCSD Rehabilitation Reserve	\$ –	\$ –	\$ –	\$ –	\$ 1,802,500	\$ 1,742,354	\$ 3,544,854
Self Insurance Reserve	\$ –	\$ –	\$ –	\$ –	\$ 100,000	\$ 100,000	\$ 200,000
Retiree Medical Reserve	\$ –	\$ –	\$ –	\$ –	\$ 158,919	\$ 146,087	\$ 305,006
Building Repair/Replacement Reserve	\$ –	\$ –	\$ –	\$ –	\$ 50,000	\$ 50,000	\$ 100,000
Total Contributions to Reserves	\$ –	\$ –	\$ –	\$ –	\$ 3,249,786	\$ 3,182,639	\$ 6,432,425
Total Use of Funds	\$ 1,985,874	\$ 473,273	\$ 11,667,276	\$ 8,192,700	\$ 33,869,063	\$ 29,229,736	\$ 63,098,799
Net Gain (Loss)	\$ (728,408)	\$ –	\$ –	\$ –	\$ (1,030,309)	\$ (51,428)	\$ (1,081,737)
Beginning Fund Balance	\$ 728,408	\$ –	\$ –	\$ –	\$ 2,249,527	\$ 1,189,770	\$ 2,220,080
Ending Fund Balance	\$ –	\$ –	\$ –	\$ –	\$ 1,219,218	\$ 1,138,343	\$ 1,138,343
<i>Project Reimb (Prop 50 –Capital)</i>	\$ 10,049,684	\$ 3,010,380	\$ –	\$ –	\$ 10,049,684	\$ 3,010,380	\$ 13,060,064

SAWPA Fund Summary FYE 2012	General Funds	Brine Line Enterprise	Planning Funds	Collaborative Project Funds	Grant/ Contract Funds	Capital Project Funds	Total
Source of Funds:							
Discharge Fees	\$ -	\$ 11,405,024	\$ -	\$ -	\$ -	\$ -	\$ 11,405,024
Financing Proceeds	\$ -	\$ -	\$ -	\$ -	\$ 302,363	\$ 10,078,559	\$ 10,380,922
Grant Proceeds	\$ -	\$ 44,976	\$ 500,000	\$ -	\$ 836,525	\$ -	\$ 1,381,501
Contributions	\$ 847,744	\$ -	\$ 673,270	\$ 1,324,192	\$ 10,000	\$ -	\$ 2,855,206
Other Income	\$ -	\$ 620,005	\$ -	\$ 45,000	\$ 108,578	\$ 1,588,717	\$ 2,362,300
Interest & Investments	\$ -	\$ 4,453,801	\$ -	\$ -	\$ -	\$ -	\$ 4,453,801
Total Source of Funds	\$ 847,744	\$ 16,523,806	\$ 1,173,270	\$ 1,369,192	\$ 1,257,466	\$ 11,667,276	\$ 32,838,754
Staffing:							
Hours Allocated	23,912	10,045	4,654	3,310	4,139	3,540	49,600
FTE (based on 2080)	11.5	4.8	2.2	1.6	2.0	1.7	23.8
Use of Funds:							
Labor	\$ 1,290,939	\$ 514,914	\$ 238,630	\$ 152,316	\$ 203,598	\$ 197,343	\$ 2,597,740
Benefits	\$ 566,418	\$ 225,926	\$ 104,703	\$ 66,830	\$ 89,331	\$ 86,587	\$ 1,139,795
G&A Costs	\$ (2,068,346)	\$ 814,981	\$ 377,696	\$ 241,078	\$ 322,245	\$ 312,346	\$ -
Education & Training	\$ 31,050	\$ 5,000	\$ -	\$ -	\$ -	\$ -	\$ 36,050
Consulting & Professional Services	\$ 229,000	\$ 875,000	\$ 395,000	\$ 987,410	\$ 200,000	\$ 1,060,000	\$ 3,746,410
Operating Costs	\$ 4,050	\$ 5,240,200	\$ -	\$ 100	\$ -	\$ -	\$ 5,244,350
Repair & Maintenance	\$ 72,440	\$ 970,000	\$ -	\$ -	\$ -	\$ -	\$ 1,042,440
Phone & Utilities	\$ 67,500	\$ 4,000	\$ -	\$ -	\$ -	\$ -	\$ 71,500
Equipment & Computer	\$ 173,630	\$ 30,500	\$ 7,500	\$ 3,500	\$ -	\$ -	\$ 215,130
Meeting & Travel	\$ 69,300	\$ 5,600	\$ 5,800	\$ 1,600	\$ 500	\$ -	\$ 82,800
Other Administrative Costs	\$ 148,844	\$ 40,175	\$ 12,100	\$ 100	\$ 20,200	\$ 11,000	\$ 232,419
Other Expenses	\$ 54,000	\$ 221,203	\$ -	\$ -	\$ -	\$ -	\$ 275,203
Construction	\$ -	\$ -	\$ -	\$ 250,000	\$ 1,150,000	\$ 10,000,000	\$ 11,400,000
Debt Service	\$ -	\$ 4,535,440	\$ -	\$ -	\$ -	\$ -	\$ 4,535,440
Total Use of Funds from Operations	\$ 638,825	\$ 13,482,939	\$ 1,141,429	\$ 1,702,934	\$ 1,985,874	\$ 11,667,276	\$ 30,619,277
Contribution To/(From) Reserves:							
Pipeline Repair/Replacement Reserve	\$ -	\$ 1,138,367	\$ -	\$ -	\$ -	\$ -	\$ 1,138,367
OCSD Rehabilitation Reserve	\$ -	\$ 1,802,500	\$ -	\$ -	\$ -	\$ -	\$ 1,802,500
Self Insurance Reserve	\$ -	\$ 100,000	\$ -	\$ -	\$ -	\$ -	\$ 100,000
Retiree Medical Reserve	\$ 158,919	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 158,919
Building Repair/Replacement Reserve	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50,000
Total Contributions to Reserves	\$ 208,919	\$ 3,040,867	\$ -	\$ -	\$ -	\$ -	\$ 3,249,786
Total Use of Funds	\$ 847,744	\$ 16,523,806	\$ 1,141,429	\$ 1,702,934	\$ 1,985,874	\$ 11,667,276	\$ 33,869,063
Net Gain (Loss)	\$ -	\$ -	\$ 31,841	\$ (333,742)	\$ (728,408)	\$ -	\$ (1,030,309)
Beginning Fund Balance	\$ -	\$ -	\$ 69,472	\$ 1,451,647	\$ 728,408	\$ -	\$ 2,249,527
Ending Fund Balance	\$ -	\$ -	\$ 101,313	\$ 1,117,905	\$ -	\$ -	\$ 1,219,218
<i>Project Reimb (Prop 50 Capital)</i>	\$ -	\$ -	\$ -	\$ -	\$ 10,049,684	\$ -	\$ 10,049,684
G&A Contribution	100.0%	39.40%	18.26%	11.66%	15.58%	15.10%	0.00%

SAWPA Fund Summary FYE 2013	General Funds	Brine Line Enterprise	Planning Funds	Collaborative Project Funds	Grant/ Contract Funds	Capital Project Funds	Total
Source of Funds:							
Discharge Fees	\$ -	\$ 11,923,121	\$ -	\$ -	\$ -	\$ -	\$ 11,923,121
Financing Proceeds	\$ -	\$ -	\$ -	\$ -	\$ 252,757	\$ 6,813,751	\$ 7,066,508
Grant Proceeds	\$ -	\$ 35,721	\$ 500,000	\$ -	\$ 204,631	\$ -	\$ 740,352
Contributions	\$ 923,520	\$ -	\$ 705,637	\$ 1,293,266	\$ 10,000	\$ -	\$ 2,932,423
Other Income	\$ -	\$ 1,294,166	\$ -	\$ 225,000	\$ -	\$ 1,602,978	\$ 3,122,144
Interest & Investments	\$ -	\$ 3,769,197	\$ -	\$ -	\$ -	\$ -	\$ 3,769,197
Total Source of Funds	\$ 923,520	\$ 17,022,205	\$ 1,205,637	\$ 1,518,266	\$ 467,388	\$ 8,416,729	\$ 29,553,745
Staffing:							
Hours Allocated	24,114	10,006	5,324	3,276	2,917	3,963	49,600
FTE (based on 2080)	11.6	4.8	2.6	1.5	1.4	1.9	23.8
Use of Funds:							
Labor	\$ 1,385,726	\$ 540,903	\$ 278,065	\$ 161,795	\$ 151,264	\$ 235,278	\$ 2,753,031
Benefits	\$ 617,293	\$ 240,953	\$ 123,869	\$ 72,075	\$ 67,383	\$ 104,808	\$ 1,226,381
G&A Costs	\$ (2,153,975)	\$ 852,107	\$ 438,049	\$ 254,885	\$ 238,291	\$ 370,643	\$ -
Education & Training	\$ 29,550	\$ 5,250	\$ -	\$ -	\$ -	\$ -	\$ 34,800
Consulting & Professional Services	\$ 223,000	\$ 810,000	\$ 350,000	\$ 857,410	\$ -	\$ 800,000	\$ 3,040,410
Operating Costs	\$ 4,800	\$ 5,698,840	\$ -	\$ 100	\$ -	\$ -	\$ 5,703,740
Repair & Maintenance	\$ 78,390	\$ 980,000	\$ -	\$ -	\$ -	\$ -	\$ 1,058,390
Phone & Utilities	\$ 69,250	\$ 4,250	\$ -	\$ -	\$ -	\$ -	\$ 73,500
Equipment & Computer	\$ 183,230	\$ 27,250	\$ 7,500	\$ 3,500	\$ -	\$ -	\$ 221,480
Meeting & Travel	\$ 70,000	\$ 6,100	\$ 5,800	\$ 1,600	\$ 250	\$ -	\$ 83,750
Other Administrative Costs	\$ 150,452	\$ 40,950	\$ 12,100	\$ 100	\$ 10,200	\$ 11,000	\$ 224,802
Other Expenses	\$ 49,000	\$ 179,389	\$ -	\$ -	\$ -	\$ -	\$ 228,389
Construction	\$ -	\$ -	\$ -	\$ 250,000	\$ -	\$ 6,895,000	\$ 7,145,000
Debt Service	\$ -	\$ 4,535,440	\$ -	\$ -	\$ -	\$ -	\$ 4,535,440
Total Use of Funds from Operations	\$ 706,716	\$ 13,921,432	\$ 1,215,383	\$ 1,601,465	\$ 467,388	\$ 8,416,729	\$ 26,329,113
Contribution To/(From) Reserves:							
Pipeline Repair/Replacement Reserve	\$ -	\$ 1,144,198	\$ -	\$ -	\$ -	\$ -	\$ 1,144,198
OCS&D Rehabilitation Reserve	\$ -	\$ 1,856,575	\$ -	\$ -	\$ -	\$ -	\$ 1,856,575
Self Insurance Reserve	\$ -	\$ 100,000	\$ -	\$ -	\$ -	\$ -	\$ 100,000
Retiree Medical Reserve	\$ 166,804	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 166,804
Building Repair/Replacement Reserve	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50,000
Total Contributions to Reserves	\$ 216,804	\$ 3,100,773	\$ -	\$ -	\$ -	\$ -	\$ 3,317,577
Total Use of Funds	\$ 923,520	\$ 17,022,205	\$ 1,215,383	\$ 1,601,465	\$ 467,388	\$ 8,416,729	\$ 29,646,690
Net Gain (Loss)	\$ -	\$ -	\$ (9,746)	\$ (83,199)	\$ -	\$ -	\$ (92,945)
Beginning Fund Balance	\$ -	\$ -	\$ 101,313	\$ 1,117,905	\$ -	\$ -	\$ 1,219,218
Ending Fund Balance	\$ -	\$ -	\$ 91,567	\$ 1,034,706	\$ -	\$ -	\$ 1,126,273
<i>Project Reimb (Prop 50 Capital)</i>	\$ -	\$ -	\$ -	\$ -	\$ 3,010,380	\$ -	\$ 3,010,380
G&A Contribution	100.0%	39.56%	20.34%	11.83%	11.06%	17.21%	0.00%

General Fund

The General Fund is the administrative cost center for labor, benefits, and other direct costs associated with SAWPA's efforts of operating the JPA, which are not directly allocable to the other funds. Other direct costs include operating costs, repair and maintenance of the building, technology and information systems, Commission and related expenses, and lobbying efforts. Through the G&A allocation process, costs are recovered as direct labor is charged to activities and projects within other fund groups.

To help achieve the goals and objectives within the Strategic Plan, staff will focus on several critical functions within the general fund. Those functions are communication and participation throughout the Watershed, financial management and planning, and legislative efforts.

Communication and Participation

To meet SAWPA's goals, various efforts related to the newsletter, stakeholder communication, and participation in various conferences and task forces are budgeted in Fund 100. Goals include efforts to obtain further funding for the IRWM Plan and the following:

- ◆ Keep Watershed needs in the public's, administration's, and legislators' views.
- ◆ Continue efforts to fund local/regional water projects.
- ◆ Work to improve Watershed opportunities for proposition funding.

Financial Management and Planning

- ◆ Develop a long-range financial plan.
- ◆ Initiate development of models for other areas of SAWPA.
- ◆ Integrate the models into a framework to guide decision-making.
- ◆ Utilize model to assist in strategic goal setting and evaluation.

Legislative Efforts

The Agency's main role in legislative efforts is to coordinate with the member agencies and Watershed stakeholders to advocate for common priorities and goals in Federal, State and local legislative areas, maximizing the voice and stature of the agencies and Watershed.

Revenue and Other Funding Sources

In FYE 2012, the general fund has total budgeted revenues of \$847,744, or approximately 2.6% of the total budgeted revenue of \$32.8 million. Revenues are made up of member agency contributions.

In FYE 2013, the general fund has total budgeted revenues of \$998,170, or approximately 3.4% of the total budgeted revenue of \$29.2 million. Revenues are made up of member agency contributions.

Expenses and Other Uses of Funds

For the past two budget years, staff had cut most line items in the General fund budget by an average of 10% in an effort to reduce overall costs for our member agencies. While staff continues to cut costs where practical, some line items will increase to pre-FYE 2010 budget levels.

In FYE 2012, the general fund has total budgeted expenses of \$2.9 million, or approximately 8.6% of the total budgeted expenses of \$33.9 million. General fund expenses are projected to increase approximately 6.3% or \$171,698 over the FYE 2011 budget.

In FYE 2013, the general fund has total budgeted expenses of \$3.1 million, or approximately 10.4% of the total budgeted expenses of \$29.2 million. General Fund expenses are projected to increase approximately 4.8% or \$142,075, over the FYE 2012 budget.

Of the total expenses for FYEs 2012 and 2013, \$2.1 million is charged out as G&A Allocation to the Brine Line Enterprise, Planning, Collaborative Projects, Grant/Contracts, and Capital Project Funds based on total labor dollars. After allocation of these costs, total expenses of \$847,744 (FYE 2012) and \$998,170 (FYE 2013) will be covered by member agency contributions and reserves.

FYE 2012 G&A Allocation by Fund Type

<i>Fund Type</i>	<i>G&A Allocation</i>	<i>% of Total</i>
Brine Line Enterprise	\$814,981	39.4%
Planning	377,696	18.2%
Collaborative Projects	241,078	11.7%
Grant/Contracts	322,245	15.6%
Capital Projects	312,346	15.1%
Total	\$2,068,346	100.00%

FYE 2013 G&A Allocation by Fund Type

<i>Fund Type</i>	<i>G&A Allocation</i>	<i>% of Total</i>
Brine Line Enterprise	\$920,745	44.7%
Planning	427,276	20.7%
Collaborative Projects	214,019	10.4%
Grant/Contracts	242,717	11.8%
Capital Projects	255,239	12.4%
Total	\$2,059,995	100.00%

Labor and Benefits

Total labor and benefits for FYE 2012 are projected to be \$1.9 million, or 50% of the Agency's total labor and benefits of \$3.7 million. This is an increase of 11% over last year's budget. Approximately 11.5 FTEs or 23,912 total hours will be required to perform work under this fund.

Total labor and benefits for FYE 2013 are projected to be \$1.9 million, or 51% of the Agency's total labor and benefits of \$3.8 million. This is an increase of 4.9% over the FYE 2012 budget. Approximately 11.3 FTEs or 23,435 total hours will be required to perform work under this fund.

Education and Training

Total education and training costs are projected to be \$31,050 and \$29,550 for FYEs 2012 and 2013. This is an increase of 31% over last year's budget and a decrease of 4.8% over the FYE 2012 budget.

Consulting and Other Professional Services

Total consulting and other professional services are projected to be \$229,000 for FYE 2012 and \$223,000 for FYE 2013. This is a decrease of 22.4% over last year's budget and a decrease of 2.6% over the FYE 2012 budget. The decrease is due to retaining legal counsel as a staff member instead of using an outside firm. Planned consulting costs include network/security support, internal security audit, document imaging support, website re-design, and long-term financial plan consulting. Other professional services include temporary staffing, employment recruitment, audit, and legal services.

Operating Costs

Total operating costs are projected to be \$4,050 for FYE 2012 and \$4,800 for FYE 2013. This is an increase of 62% over FYE 2011 and an increase of 18.5% over the FYE 2012 budget. Costs in this category include materials, supplies, and safety. The increase mainly is due to increases associated with safety compliance.

Repair and Maintenance

Total repair and maintenance costs are projected to be \$72,440 for FYE 2012 and \$78,390 for FYE 2013. This is a decrease of 20% over last year's budget and an increase of 8.2% over the FYE 2012 budget. This reduction is a result of taking major repairs out of the budget and using the Building Repair/Replacement Reserve account to fund the repairs. Costs in this category include security, custodial services, landscape maintenance, HVAC, and facility repair and maintenance.

Phone and Utilities

Total phone and utilities are projected to be \$67,500 for FYE 2012 and \$69,250 for FYE 2013. This is an increase of 4.6% over last year's budget and an increase of 2.6% over the FYE 2012 budget. Costs in this category include electricity, water, telephone, and cell phone services.

Equipment and Computers

Total equipment and computer expenses are projected to be \$173,630 for FYE 2012 and \$233,230 for FYE 2013. This is a decrease of 14.3% over last year's budget and an increase of 34.3% over the FYE 2012 budget. The initial 14.3% decrease is the result of bundling Microsoft software licenses and purchasing them in advance. Costs in this category include equipment expenses, repair/maintenance, equipment rented, and computer hardware and software. The increase for FYE 2013 is based on the purchase of new accounting reporting software.

Meeting and Travel

Total meeting and travel expenses are projected to be \$69,300 for FYE 2012 and \$70,000 for FYE 2013. This is an increase of 63% over last year's budget and a slight increase over the FYE 2012 budget. The increase is from changing how conference contributions were treated in prior years. Costs in this category include offsite meeting and travel, in-house meetings, and conference expenses.

Other Administrative Costs

Total other administrative costs are projected to be \$148,844 for FYE 2012 and \$150,452 for FYE 2013. This is an increase of 4.6% over last year's budget and a slight increase over the FYE 2012 budget. Costs in this category include dues and subscriptions, contributions, bank fees, shipping and postage, office supplies, offsite storage costs, Commission fees, mileage, and other expenses.

Other Expenses

Total other expenses are projected to be \$54,000 for FYE 2012 and \$49,000 for FYE 2013. This is a slight increase over last year's budget and a decrease of 9.3% over the FYE 2012 budget. Costs in this category include insurance and fixed asset purchases. Details for fixed asset purchases are listed in the schedules below.

◆ Fixed Assets

All capital purchases (defined by the policy as purchased items greater than \$5,000) for furniture, vehicles, computers and office equipment are capitalized and depreciated as fixed assets. In FYEs 2012 and 2013, the following items have been budgeted for purchase.

FYE 2012 Fixed Asset Purchases

<i>Purchase</i>	<i>Cost</i>
Office Furniture – 3 offices	\$12,000
Total	\$12,000

FYE 2013 Fixed Asset Purchases

<i>Purchase</i>	<i>Cost</i>
Office Furniture – Consultant's Room	\$6,000
Total	\$6,000

Reserve Contributions

Included in the FYEs 2012 and 2013 budget, are reserve contributions of \$208,919 and \$196,087. For FYE 2012, \$158,919 is the Annual Required Contribution (ARC) for the Retiree Medical Trust and \$50,000 is for the Building Repair/Replacement. For FYE 2013, \$146,087 is the ARC for the Retiree Medical Trust and \$50,000 is for the Building Repair/Replacement.

FYE 2012 Reserve Balance

<i>Reserve</i>	<i>FYE 2011 Balance</i>	<i>Contribution</i>	<i>Interest</i>	<i>Expenses</i>	<i>FYE 2012 Balance</i>
Building Repair	\$420,997	\$50,000	\$—	\$—	\$470,997
Total	\$420,997	\$50,000	\$—	\$—	\$470,997

FYE 2013 Reserve Balance

<i>Reserve</i>	<i>FYE 2012 Balance</i>	<i>Contribution</i>	<i>Interest</i>	<i>Expenses</i>	<i>FYE 2013 Balance</i>
Building Repair	\$470,997	\$50,000	\$—	\$—	\$520,997
Total	\$470,997	\$50,000	\$—	\$—	\$520,997

In June 2004, the GASB issued Statement No. 45 (GASB 45), *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. This new reporting standard will have a significant impact on the Agency. In FYE 2009, the Agency completed an actuarial valuation to determine the annual cost of the outstanding obligations and commitments of the retiree medical benefit SAWPA offers its employees. The Agency joined the CalPERS Trust Fund and will contribute the ARC each year.

General Fund Budget FYE 2012	General Fund Fund 100-00	State Lobbying Fund 100-03	Federal Lobbying Fund 100-04	Propositions 50 & 84 Fund 100-05	Total
Source of Funds:					
Contributions	\$ 600,000	\$ 213,738	\$ 34,006	\$ –	\$ 847,744
Total Source of Funds	\$ 600,000	\$ 213,738	\$ 34,006	\$ –	\$ 847,744
Staffing:					
Hours Allocated	22,062	600	240	1,010	23,912
FTE (based on 2080)	10.6	0.3	0.1	0.5	11.5
Use of Funds:					
Labor	\$ 1,160,740	\$ 58,757	\$ 21,759	\$ 49,683	\$ 1,290,939
Benefits	\$ 509,291	\$ 25,781	\$ 9,547	\$ 21,799	\$ 566,418
G&A Costs Applied	\$ (2,068,346)	\$ –	\$ –	\$ –	\$ (2,068,346)
Education & Training	\$ 31,050	\$ –	\$ –	\$ –	\$ 31,050
Consulting & Professional Services	\$ 111,500	\$ 116,500	\$ –	\$ 1,000	\$ 229,000
Operating Costs	\$ 4,050	\$ –	\$ –	\$ –	\$ 4,050
Repair & Maintenance	\$ 72,440	\$ –	\$ –	\$ –	\$ 72,440
Phone & Utilities	\$ 67,500	\$ –	\$ –	\$ –	\$ 67,500
Equipment & Computers	\$ 173,630	\$ –	\$ –	\$ –	\$ 173,630
Meeting & Travel	\$ 53,600	\$ 12,000	\$ 2,650	\$ 1,050	\$ 69,300
Other Administrative Costs	\$ 147,594	\$ 700	\$ 50	\$ 500	\$ 148,844
Other Expenses	\$ 54,000	\$ –	\$ –	\$ –	\$ 54,000
Total Use of Funds from Operations	\$ 317,049	\$ 213,738	\$ 34,006	\$ 74,032	\$ 638,825
Contribution To/(From) Reserves:					
Retiree Medical Reserve	\$ 158,919	\$ –	\$ –	\$ –	\$ 158,919
Building Repair/Replacement Reserve	\$ 50,000	\$ –	\$ –	\$ –	\$ 50,000
Total Contributions To Reserves	\$ 208,919	\$ –	\$ –	\$ –	\$ 208,919
Total Use of Funds	\$ 525,968	\$ 213,738	\$ 34,006	\$ 74,032	\$ 847,744
Net Gain (Loss)	\$ 74,032	\$ –	\$ –	\$ (74,032)	\$ –

General Fund Budget FYE 2013	General Fund Fund 100-00	State Lobbying Fund 100-03	Federal Lobbying Fund 100-04	Propositions 50 & 84 Fund 100-05	Total
Source of Funds:					
Contributions	\$ 690,000	\$ 219,908	\$ 38,262	\$ –	\$ 948,170
Other Income	\$ 50,000	\$ –	\$ –	\$ –	\$ 50,000
Total Source of Funds	\$ 740,000	\$ 219,908	\$ 38,262	\$ –	\$ 998,170
Staffing:					
Hours Allocated	21,660	577	253	945	23,435
FTE (based on 2080)	10.4	0.3	0.1	0.5	11.3
Use of Funds:					
Labor	\$ 1,211,799	\$ 62,581	\$ 24,671	\$ 52,638	\$ 1,351,689
Benefits	\$ 534,963	\$ 27,627	\$ 10,891	\$ 23,238	\$ 596,719
G&A Costs Applied	\$ (2,059,995)	\$ –	\$ –	\$ –	\$ (2,059,995)
Education & Training	\$ 29,550	\$ –	\$ –	\$ –	\$ 29,550
Consulting & Professional Services	\$ 105,000	\$ 117,000	\$ –	\$ 1,000	\$ 223,000
Operating Costs	\$ 4,800	\$ –	\$ –	\$ –	\$ 4,800
Repair & Maintenance	\$ 78,390	\$ –	\$ –	\$ –	\$ 78,390
Phone & Utilities	\$ 69,250	\$ –	\$ –	\$ –	\$ 69,250
Equipment & Computers	\$ 239,230	\$ –	\$ –	\$ –	\$ 239,230
Meeting & Travel	\$ 54,300	\$ 12,000	\$ 2,650	\$ 1,050	\$ 70,000
Other Administrative Costs	\$ 149,202	\$ 700	\$ 50	\$ 500	\$ 150,452
Other Expenses	\$ 49,000	\$ –	\$ –	\$ –	\$ 49,000
Total Use of Funds from Operations	\$ 465,489	\$ 219,908	\$ 38,262	\$ 78,426	\$ 802,085
Contribution To/(From) Reserves:					
Retiree Medical Reserve	\$ 146,087	\$ –	\$ –	\$ –	\$ 146,087
Building Repair/Replacement Reserve	\$ 50,000	\$ –	\$ –	\$ –	\$ 50,000
Total Contributions To Reserves	\$ 196,087	\$ –	\$ –	\$ –	\$ 196,087
Total Use of Funds	\$ 661,574	\$ 219,908	\$ 38,262	\$ 78,426	\$ 998,170
Net Gain (Loss)	\$ 78,426	\$ –	\$ –	\$ (78,426)	\$ –

General Funds FYE 2007 - 2013	FYE 2007 Actual	FYE 2008 Actual	FYE 2009 Actual	FYE 2010 Actual	FYE 2011 Budget	FYE 2011 Projected	FYE 2012 Budget	FYE 2013 Budget
Source of Funds:								
Contributions	\$ 812,060	\$ 832,810	\$ 926,175	\$ 885,770	\$ 889,725	\$ 889,724	\$ 847,744	\$ 948,170
Other Income	\$ 175,723	\$ 179	\$ 1,214	\$ –	\$ –	\$ 5,264	\$ –	\$ 50,000
Interest & Investments	\$ 56,874	\$ 76,322	\$ 918	\$ 19,239	\$ –	\$ 9,862	\$ –	\$ –
Total Source of Funds	\$ 1,044,657	\$ 909,311	\$ 928,307	\$ 905,009	\$ 889,725	\$ 904,850	\$ 847,744	\$ 998,170
Use of Funds:								
Labor	\$ 728,624	\$ 888,602	\$ 963,958	\$ 989,859	\$ 1,178,111	\$ 1,141,767	\$ 1,290,939	\$ 1,351,689
Benefits	\$ 315,494	\$ 385,653	\$ 411,610	\$ 424,650	\$ 497,961	\$ 482,967	\$ 566,418	\$ 596,719
G&A Costs	\$ (1,259,220)	\$ (1,421,165)	\$ (1,435,257)	\$ (1,421,654)	\$ (1,854,667)	\$ (1,411,441)	\$ (2,068,346)	\$ (2,059,995)
Education & Training	\$ 11,729	\$ 19,873	\$ 12,180	\$ 10,501	\$ 23,750	\$ 17,350	\$ 31,050	\$ 29,550
Consulting & Professional Services	\$ 399,206	\$ 213,536	\$ 218,449	\$ 213,016	\$ 295,100	\$ 254,300	\$ 229,000	\$ 223,000
Operating Costs	\$ 916	\$ 1,898	\$ 11,119	\$ 4,817	\$ 2,500	\$ 2,500	\$ 4,050	\$ 4,800
Repair & Maintenance	\$ 71,918	\$ 66,987	\$ 71,603	\$ 41,169	\$ 90,550	\$ 78,550	\$ 72,440	\$ 78,390
Phone & Utilities	\$ 53,932	\$ 57,191	\$ 59,199	\$ 57,301	\$ 64,524	\$ 60,624	\$ 67,500	\$ 69,250
Equipment & Computer	\$ 138,625	\$ 140,561	\$ 197,387	\$ 161,512	\$ 202,590	\$ 197,590	\$ 173,630	\$ 239,230
Meeting & Travel	\$ 37,550	\$ 28,541	\$ 32,308	\$ 29,591	\$ 42,500	\$ 43,000	\$ 69,300	\$ 70,000
Other Administrative Costs	\$ 85,783	\$ 78,726	\$ 147,061	\$ 92,775	\$ 142,246	\$ 130,506	\$ 148,844	\$ 150,452
Other Expenses	\$ 71,655	\$ 59,919	\$ 90,562	\$ 63,470	\$ 53,500	\$ 53,500	\$ 54,000	\$ 49,000
Total Use of Funds from Operations	\$ 656,212	\$ 520,322	\$ 780,179	\$ 667,007	\$ 738,665	\$ 1,051,213	\$ 638,825	\$ 802,085
Contributions To/(From) Reserves:								
Retiree Medical Reserve	\$ 50,000	\$ 126,265	\$ 138,608	\$ 147,849	\$ 151,060	\$ 151,060	\$ 158,919	\$ 146,087
Building Repair/Replacement Reserve	\$ 100,000	\$ 100,000	\$ 49,423	\$ 45,514	\$ –	\$ –	\$ 50,000	\$ 50,000
Total Contributions To Reserves	\$ 150,000	\$ 226,265	\$ 188,031	\$ 193,363	\$ 151,060	\$ 151,060	\$ 208,919	\$ 196,087
Total Use of Funds	\$ 806,212	\$ 746,587	\$ 968,210	\$ 860,370	\$ 889,725	\$ 1,202,273	\$ 847,744	\$ 998,170
Net Gain (Loss)	\$ 238,445	\$ 162,724	\$ (39,903)	\$ 44,639	\$ –	\$ (297,423)	\$ –	\$ –

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Enterprise Fund

The Agency's Enterprise Fund is made up of Brine Line operations and debt service, and is funded through user fees, grants, use of reserves, and interest and investments.

Brine Line Enterprise

The Brine Line is a regional brine line designed to convey 30 MGD of non-reclaimable wastewater from the upper Santa Ana River Basin to the ocean for disposal, after treatment. The non-reclaimable wastewater consists of desalter concentrate, other brine wastes, and industrial wastewater. Domestic wastewater also is received on a temporary basis. To date, over 73 miles of the Brine Line have been completed.

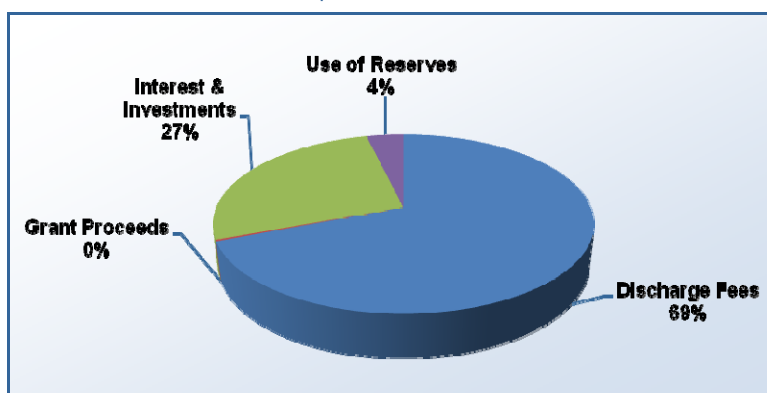
SAWPA has received a grant from the NIST Technology Innovation Program. The grant was awarded to UCI. SAWPA is a Joint Venture Partner with UCI. The grant will be used to develop a novel monitoring and inspection system for pipes and pipe networks in water and wastewater infrastructure systems using wireless sensor nodes incorporated in an advanced SCADA system. Costs associated with this project will be charged to Fund 395 – Brine Line UCI Research Grant.

Revenue and Other Funding Sources

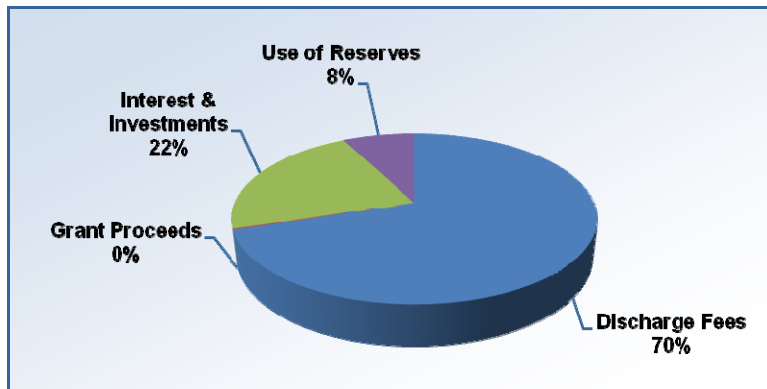
In FYE 2012, the Brine Line Enterprise has total budgeted revenues of \$16.5 million, or approximately 50.3% of the total budgeted revenue of \$32.8 million. Revenues are made up of \$11.4 million from discharge fees, \$4.5 million from interest and investments, \$620,005 from reserves, and \$44,976 from grant proceeds.

In FYE 2013, the Brine Line Enterprise has total budgeted revenues of \$17 million, or approximately 58.4% of the total budgeted revenue of \$29.2 million. Revenues are made up of \$11.9 million from discharge fees, \$3.8 million from interest and investments, \$1.3 million from reserves, and \$35,650 from grant proceeds.

**FYE 2012 Revenues
\$16.5 Million**



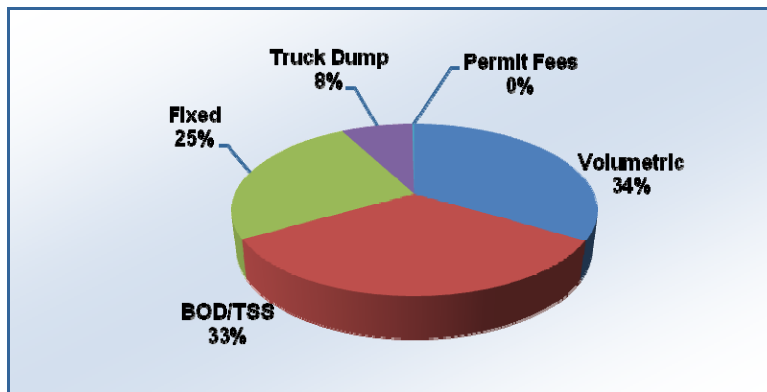
**FYE 2013 Revenues
\$17.0 Million**



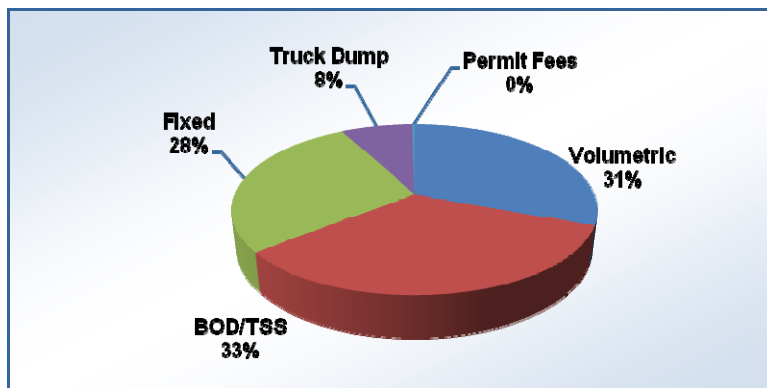
Brine Line Operating Revenues

Brine Line operating revenue includes discharge fees, use of reserves, grant proceeds, and interest and investments. Total discharge fees for FYEs 2012 and 2013 are projected to be \$11.4 million and \$11.9 million. Total interest and investments for FYEs 2012 and 2013 are projected to be \$4.5 million and \$3.8 million. Total Use of Reserves for FYEs 2012 and 2013 are projected to be \$620,005 and \$1.3 million. Total grant proceeds for FYEs 2012 and 2013 are projected to be \$44,976 and \$35,650.

**FYE 2012 Discharge Fees
\$11.4 Million**



**FYE 2013 Discharge Fees
\$11.9 Million**



Several components make up the discharge fees: volumetric, BOD/TSS, fixed charges, truck discharge, emergency discharges, permit fees, and sampling surcharges.

A detailed narrative on each revenue source can be found in the “Revenues” section of this budget.

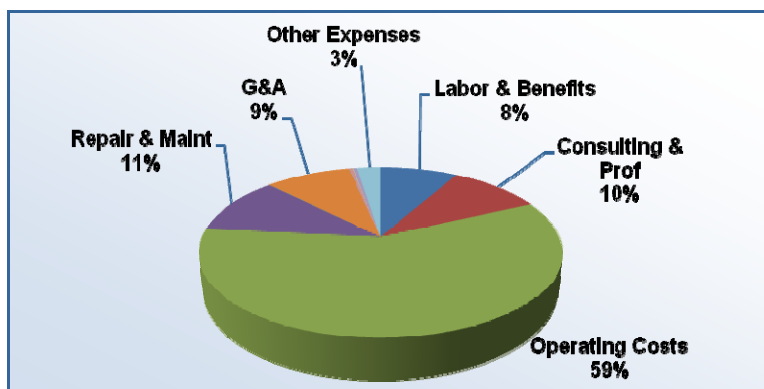
Brine Line Operating Expenses and Other Uses of Funds

In FYE 2012, the Brine Line operating fund has total budgeted expenses of \$11.9 million, or approximately 35.4% of total operating expenses of \$33.9 million.

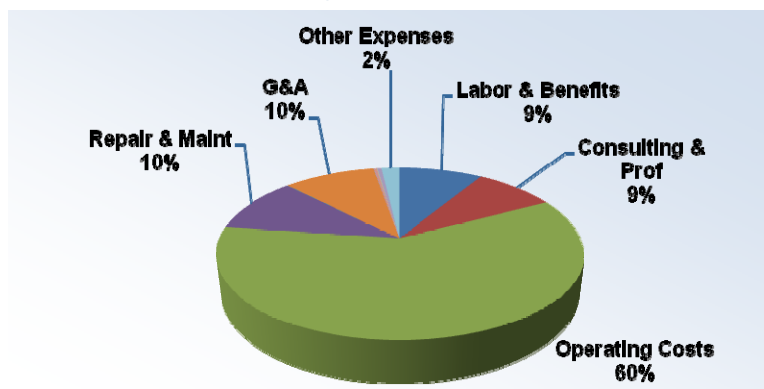
In FYE 2013, the Brine Line operating fund has total budgeted expenses of \$12.4 million, or approximately 42.5% of total operating expenses of \$29.2 million.

Brine Line Enterprise expenses are projected to increase by a small amount over the FYE 2011 budget. This is due to an increase in projected BOD and TSS loadings while OCSD rates have decreased and an increase in line cleaning expenses.

**FYE 2012 Total Operating Expenses
\$11.9 Million**



**FYE 2013 Total Operating Expenses
\$9.5 Million**



Labor and Benefits

In FYE 2012, total labor and benefits are projected to be \$740,840, or approximately 19.8% of the Agency's total labor and benefits of \$3.7 million. This is an increase of 18.8% over last year's budget. Approximately 4.8 FTE, or 10,045 hours will be required to perform work under this fund.

In FYE 2013, total labor and benefits are projected to be \$834,969, or approximately 21.9% of the Agency's total labor and benefits of \$3.8 million. This is a minor increase over last year's budget. Approximately 5.2 FTE, or 10,750 hours will be required to perform work under this fund.

G&A Allocation

The G&A allocation is an allocation of general fund expenses based on the percentage of direct labor charged to the enterprise. In FYE 2012, approximately 39.4%, or \$814,981, of general fund expenses will be paid by the Brine Line Enterprise. In FYE 2013, approximately 44.7%, or \$920,745, of general fund expenses will be paid by the Brine Line Enterprise.

Training Costs

Training costs are projected to be \$5,000 for FYE 2012 and \$5,250 for FYE 2013. Expected training requirements are attributed to EPA and OSHA training and hydraulic modeling software training.

Consulting and Professional Services

Consulting and professional services are projected to be \$875,000 for FYE 2012, an increase of 69.9% over FYE 2011. In FYE 2012 and 2013 the increase in consulting and professional services is due to an additional \$500,000 which has been budgeted for legal fees to support negotiation efforts with OCSD. These fees will be paid out of reserve funds. Consulting and professional services for FYE 2013 are projected to be \$810,000, a decrease of 7.4% over FYE 2012.

The following table shows the type of work that will be completed by consultants for the FYEs 2012 and 2013.

FYE 2012 Consulting & Professional Services

<i>Work Performed</i>	<i>FYE 2012</i>
Salinity Management Plan follow-on activities	\$ 100,000
Engineering Support	\$ 50,000
Developer Coordination – Construction Support	\$ 35,000
Implementation of Maintenance Mgmt System	\$ 25,000
Update SSMP as required including ERP	\$ 25,000
Update OCSD ERP for Brine Line	\$ 85,000
UCI NIST Grant Audit	\$ 5,000
Legal Fees	\$ 550,000
Total Consulting & Professional Services	\$ 875,000

FYE 2013 Consulting & Professional Services

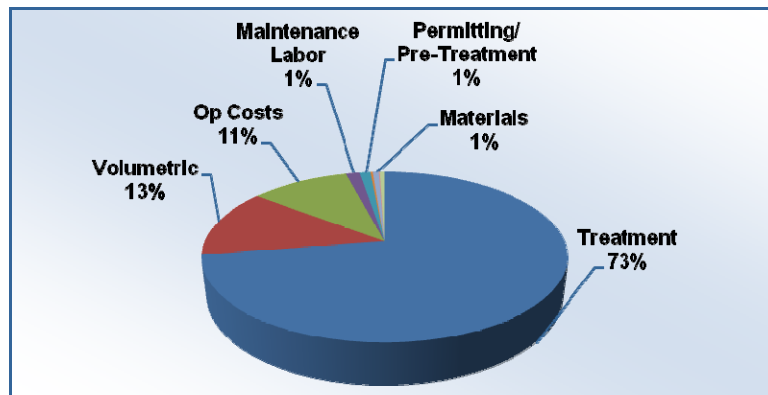
<i>Work Performed</i>	<i>FYE 2013</i>
Salinity Management Plan follow-on activities	\$ 75,000
Engineering Support	\$ 100,000
Developer Coordination – Construction Support	\$ 25,000
Implementation of Maintenance Mgmt System	\$ 10,000
Update SSMP as required including ERP	\$ 10,000
Update OCSD ERP for Brine Line	\$ 60,000
UCI NIST Grant Audit	\$ 5,000
Legal Fees	\$ 525,000
Total Consulting & Professional Services	\$ 810,000

Operating Costs

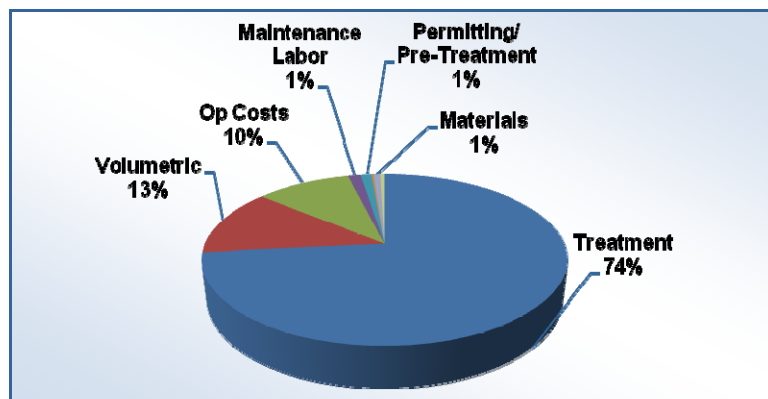
Operating costs include treatment and volumetric costs paid to OCSD, permitting and pre-treatment activities, member agency operating labor, maintenance, materials, and safety costs.

In FYE 2012, total budgeted operating costs are \$5.2 million, or approximately 43.7% of total Brine Line operating expenses. In FYE 2013, total budgeted operating costs are \$5.7 million, or approximately 45.6% of total Brine Line operating expenses.

FYE 2012 Operating Costs
\$5.2 Million



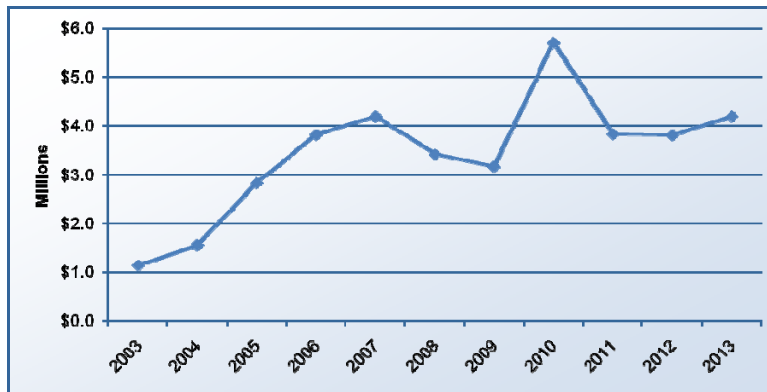
FYE 2013 Operating Costs
\$5.7 Million



◆ Treatment Costs

Treatment costs are the fees OCSD charges for BOD and TSS loadings based on samples taken at Meter S-01. Total treatment costs are projected to be \$3.8 million for FYE 2012 and \$4.2 million for FYE 2013. Treatment costs are passed through to the dischargers.

Historical Treatment Costs

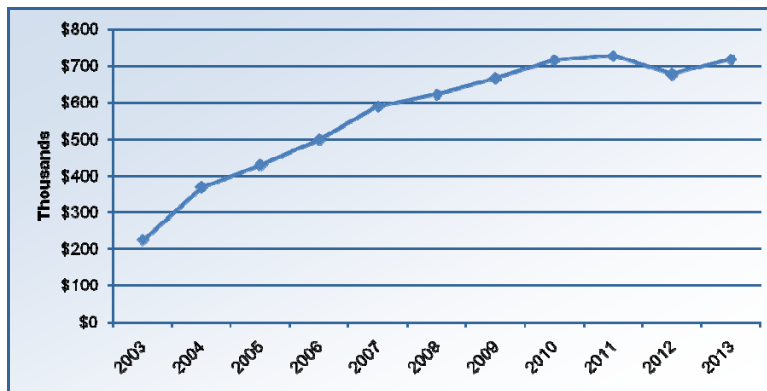


◆ Volumetric Costs

Volumetric costs are the fees OCSD charges for volume of flow at Meter S-01. Total volumetric costs are projected to be \$676,200 for FYE 2012 and \$717,340 for FYE 2013. This is a decrease of 26% over last year's budget and an increase of 6% over the FYE 2012 budget.

Last year's (FYE 2011) projected total flow was 12.6 MGD; whereas this year's projected total flow is 12.6 MGD and 12.628 MGD for FYE 2013.

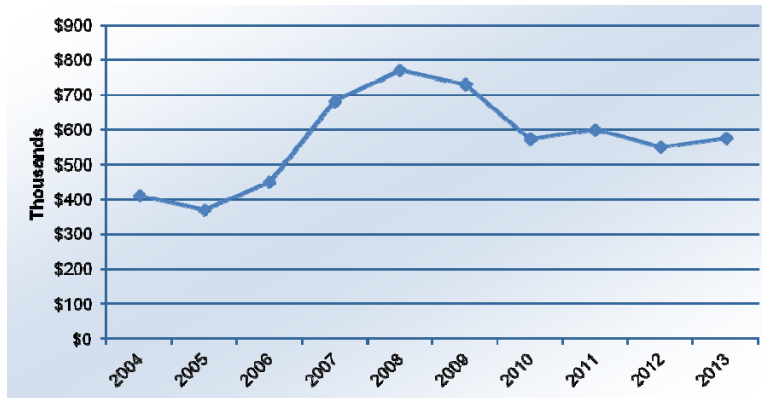
Historical Volumetric Costs



◆ Brine Line Operating Labor

Brine Line operating labor is the cost of WMWD staff for patrolling, meter readings and inspections, meter maintenance; sample collection and analysis; pipeline cleaning; CCTV work; and right-of-way, maintenance access structure, valve, and pipeline maintenance. Total Brine Line operating labor costs are projected to be \$550,000 for FYE 2012 and \$575,000 for FYE 2013. This is a decrease of 37% over last year's budget. SAWPA has added two operations positions and will slowly be taking on some of the work in this line item to increase operations efficiency. The decrease in operating labor is offset by an increase in labor and benefit costs.

Historical Brine Line Operating Labor (WMWD)



◆ Permitting/Pre-Treatment Activities

Permitting/pre-treatment activities are the costs related to permit processing, inspections, reporting, enforcement, and the update to SAWPA Ordinance No. 5. Currently this activity is being done by a consultant. Total permitting/pre-treatment activities costs are projected to be \$60,000 for FYE 2012 and \$65,000 for FYE 2013. There is no change over last year's budget and an 8.3% increase over the FYE 2012 budget.

◆ Maintenance Labor

Maintenance labor is the cost associated with OCSD maintenance of Stringfellow sampling and inspections as well as maintenance done by IEUA for the portion of the Brine Line within their service territory. Total maintenance labor costs are projected to be \$75,000 for both FYE 2012 and FYE 2013. This is an increase of 90% over last year's budget. The increase is based on possible contracting with EMWD for maintenance costs on their line (Reach V) connecting in Lake Elsinore.

◆ Materials and Supplies

Materials and supplies costs are projected to be \$33,000 for FYE 2012 and \$32,500 for FYE 2013. This is an increase of 35% over last year's budget and a slight decrease for FYE 2013.

◆ Safety and Permit Fees

Safety costs are projected to be \$6,500 for FYE 2012 and \$7,500 for FYE 2013. Permit fees are projected to be \$12,000 for FYE 2012 and \$12,500 for FYE 2013.

Repair and Maintenance

Total repair and maintenance costs are projected to be \$970,000 for FYE 2012 and \$980,000 for FYE 2013. This is an increase of 58.1% over last year's budget and a slight increase for FYE 2013. An increase in the pipeline cleaning program accounts for the increase in this cost category.

Phone and Utilities

Total phone and utilities are projected to be \$4,000 for FYE 2012 and \$4,250 for FYE 2013. This is a decrease of 14.9% over last year's budget. Costs in this category include electricity and cell phone services.

Equipment and Computers

Total equipment and computer expenses are projected to be \$30,500 for FYE 2012 and \$27,250 for FYE 2013. This is an increase of 281.3% over the FYE 2011 budget and a decrease of 10.7% over the FYE 2012 budget. The increase is based on the rental of small equipment and the purchase of flow level sensors.

Meeting and Travel

Total meeting and travel expenses are projected to be \$5,600 for FYE 2012 and \$6,100 for FYE 2013. This is a slight decrease over last year's budget with a minimal increase for FYE 2013. Costs in this category include offsite meeting and travel, in-house meetings, and conference expenses.

Other Administrative Costs

Total other administrative costs are projected to be \$40,175 for FYE 2012 and \$40,950 for FYE 2013. This is an increase of 277.2% over last year's budget, with a slight increase for FYE 2013. Costs in this category include car repair/maintenance, dues and subscriptions, contributions, shipping and postage, office supplies, and other expenses. The increase is based on fuel costs for two field vehicles. With SAWPA hiring two new operations positions, fuel costs for two vehicles will be an added expense.

Other Expenses

Total other expenses are projected to be \$221,203 for FYE 2012 and \$179,389 for FYE 2013. This is a slight decrease over last year's budget and an 18.9% decrease for FYE 2013. Costs in this category include insurance and fixed asset purchases. In FYE 2012, the Agency will purchase a new vehicle and equipment for \$50,000. Details for fixed asset purchases are listed in the schedules below.

◆ Fixed Assets

All capital purchases (defined by the policy as purchased items greater than \$5,000) for furniture, vehicles, computers, and office equipment are capitalized and depreciated as fixed assets. In FYE 2012, the following items have been budgeted for purchase. There are no planned fixed asset purchases for FYE 2013.

FYE 2012 Fixed Asset Purchases

<i>Purchase</i>	<i>Cost</i>
Vehicle	\$45,000
Vehicle Equipment	5,000
Total	\$50,000

Reserve Contributions

Included in the FYE 2012 budget are reserve contributions of \$3,040,867; \$1,138,367 for Pipeline Repair/Replacement, \$1,802,500 for OCSD Rehabilitation, and \$100,000 for the Self Insurance Reserve. For FYE 2013 reserve contributions will be \$2,986,552; \$1,144,198 for Pipeline Repair/Replacement, \$1,742,354 for OCSD Rehabilitation, and \$100,000 for the Self Insurance Reserve.

FYE 2012 Reserve Contribution and Balance

<i>Reserve</i>	<i>FYE 2011 Balance</i>	<i>Contribution</i>	<i>Expense</i>	<i>FYE2012 Balance</i>
Self Insurance Reserve	\$ 3,524,032	\$ 100,000	\$ –	\$ 3,624,032
Pipeline Repair/Replacement Reserve	\$ 24,500,325	\$ 1,138,367	\$ 2,235,661	\$23,403,031
OCSD Rehabilitation Reserve	\$ 1,754,000	\$ 1,802,500	\$ –	\$ 3,556,500
OCSD Future Capacity Reserve	\$ 453,207	\$ –	\$ –	\$ 453,207
Capacity Mgmt Reserve	\$ 1,104,423	\$ –	\$ –	\$ 1,104,423
Flow Imbalance Reserve	\$ 80,495	\$ –	\$ –	\$ 80,495
Operating Reserve	\$ 2,270,849	\$ 11,405,024	\$11,405,024	\$ 2,270,849
Capital Improvements Const Reserve	\$ –	\$ 10,078,559	\$10,078,559	\$ –
Debt Retirement Reserve	\$ 15,179,705	\$ 4,453,801	\$ 4,535,440	\$15,098,066
Total	\$ 48,867,036	\$ 28,978,251	\$28,254,684	\$49,590,603

FYE 2013 Reserve Contribution and Balance

<i>Reserve</i>	<i>FYE 2012 Balance</i>	<i>Contribution</i>	<i>Expense</i>	<i>FYE 2013 Balance</i>
Self Insurance Reserve	\$ 3,624,032	\$ 100,000	\$ –	\$ 3,724,032
Pipeline Repair/Replacement Reserve	\$ 23,403,031	\$ 1,144,198	\$ 2,015,422	\$ 22,531,807
OCSD Rehabilitation Reserve	\$ 3,556,500	\$ 1,742,354	\$ –	\$ 5,298,854
OCSD Future Capacity Reserve	\$ 453,207	\$ –	\$ –	\$ 453,207
Capacity Mgmt Reserve	\$ 1,104,423	\$ –	\$ –	\$ 1,104,423
Flow Imbalance Reserve	\$ 80,495	\$ –	\$ –	\$ 80,495
Operating Reserve	\$ 2,270,849	\$ 11,930,470	\$ 11,930,470	\$ 2,270,849
Capital Improvements Const Reserve	\$ –	\$ 6,705,452	\$ 6,705,452	\$ –
Debt Retirement Reserve	\$ 15,098,066	\$ 3,769,197	\$ 4,535,440	\$ 14,331,823
Total	\$ 49,590,603	\$ 25,391,671	\$ 25,186,784	\$ 49,795,490

The Pipeline Repair/Replacement Reserve will fund the CIP. Total reserves needed are projected to be \$2.2 million for FYE 2012 and \$2.0 million for FYE 2013. Staff is applying for SRF loans to fund approximately \$17 million in capital repairs.

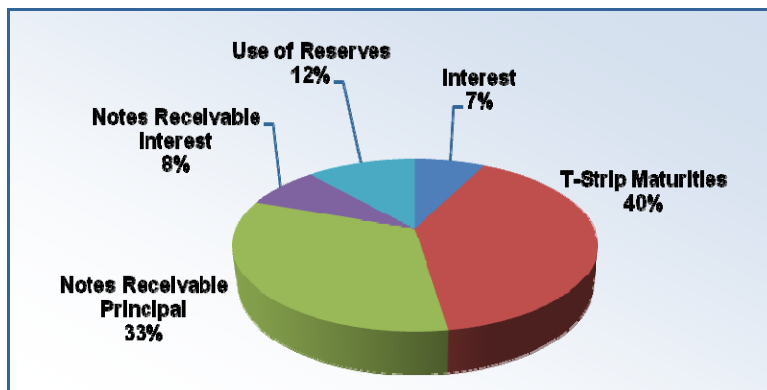
The Operating Reserve is based on 25% of total operating expenses (less OCSD volumetric and treatment costs). There are no further contributions needed to this fund due to it being fully funded.

A detailed narrative on reserve account contributions and balances can be found in the “Reserve” section of this budget.

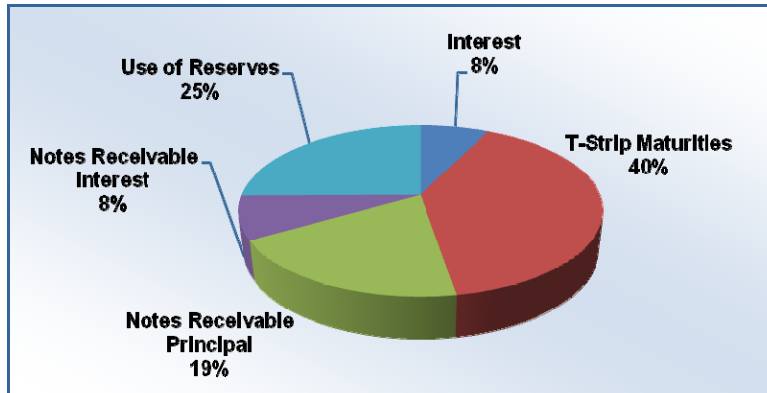
Brine Line Debt Service Revenues

Brine Line debt service revenue includes interest, T-Strip maturities, and notes receivable principal and interest. Total debt service revenues for both FYE 2012 and FYE 2013 are projected to be \$4.5 million.

**FYE 2012 Debt Service Revenue
\$4.5 Million**



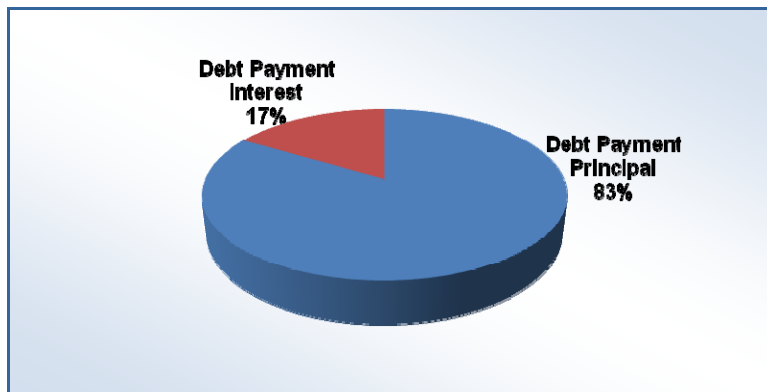
**FYE 2013 Debt Service Revenue
\$4.5 Million**



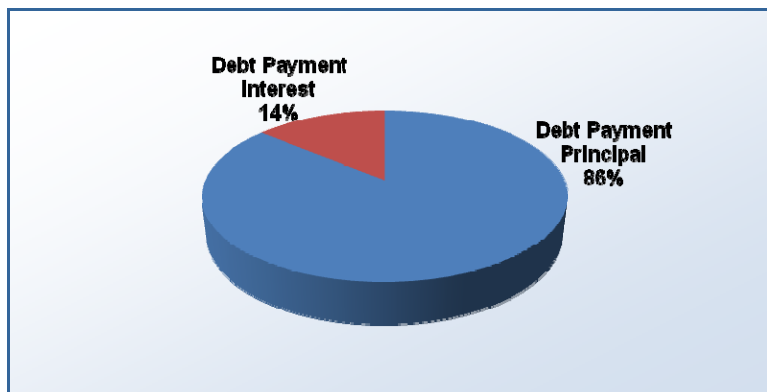
Brine Line Debt Service Expense

Brine Line debt service expenses include debt service principal and interest payments. Total debt service payments for both FYE 2012 and FYE 2013 are projected to be \$4.5 million.

**FYE 2012 Debt Service Expense
\$4.5 Million**



**FYE 2013 Debt Service Expense
\$4.5 Million**



A detailed narrative of debt service can be found in the "Debt Service" section of this budget.

Enterprise Fund Budget FYE 2012	Brine Line Operating Fund 240	Brine Line UCI Research Grant Fund 395	Brine Line Debt Service	Total
Source of Funds:				
Discharge Fees	\$ 11,405,024	\$ –	\$ –	\$ 11,405,024
Grant Proceeds	\$ –	\$ 44,976	\$ –	\$ 44,976
Other Income	\$ 500,000	\$ 38,366	\$ 81,639	\$ 620,005
Interest & Investments	\$ –	\$ –	\$ 4,453,801	\$ 4,453,801
Total Source of Funds	\$ 11,905,024	\$ 83,342	\$ 4,535,440	\$ 16,523,806
Staffing:				
Hours Allocated	9,580	465	–	10,045
FTE (based on 2080)	4.6	0.2	–	4.8
Use of Funds:				
Labor	\$ 490,674	\$ 24,240	\$ –	\$ 514,914
Benefits	\$ 215,290	\$ 10,636	\$ –	\$ 225,926
G&A Costs	\$ 776,615	\$ 38,366	\$ –	\$ 814,981
Education & Training	\$ 5,000	\$ –	\$ –	\$ 5,000
Consulting & Professional Services	\$ 870,000	\$ 5,000	\$ –	\$ 875,000
Operating Costs	\$ 5,240,200	\$ –	\$ –	\$ 5,240,200
Repair & Maintenance	\$ 970,000	\$ –	\$ –	\$ 970,000
Phone & Utilities	\$ 4,000	\$ –	\$ –	\$ 4,000
Equipment & Computer	\$ 30,500	\$ –	\$ –	\$ 30,500
Meeting & Travel	\$ 5,500	\$ 100	\$ –	\$ 5,600
Other Administrative Costs	\$ 35,175	\$ 5,000	\$ –	\$ 40,175
Other Expenses	\$ 221,203	\$ –	\$ –	\$ 221,203
Debt Service Payments	\$ –	\$ –	\$ 4,535,440	\$ 4,535,440
Total Use of Funds from Operations	\$ 8,864,157	\$ 83,342	\$ 4,535,440	\$ 13,482,939
Contribution To/(From) Reserves:				
Pipeline Repair / Replacement Reserve	\$ 1,138,367	\$ –	\$ –	\$ 1,138,367
OCSD Rehabilitation Reserve	\$ 1,802,500	\$ –	\$ –	\$ 1,802,500
Self Insurance Reserve	\$ 100,000	\$ –	\$ –	\$ 100,000
Total Contributions to Reserves	\$ 3,040,867	\$ –	\$ –	\$ 3,040,867
Total Use of Funds	\$ 11,905,024	\$ 83,342	\$ 4,535,440	\$ 16,523,806
Net Gain (Loss)	\$ –	\$ –	\$ –	\$ –
G&A Contribution	37.55%	1.85%	0.00%	39.40%

Enterprise Fund Budget FYE 2013	Brine Line Operating Fund 240	Brine Line UCI Research Grant Fund 395	Brine Line Debt Service	Total
Source of Funds:				
Discharge Fees	\$ 11,930,470	\$ –	\$ –	\$ 11,930,470
Grant Proceeds	\$ –	\$ 35,650	\$ –	\$ 35,650
Other Income	\$ 500,000	\$ 28,175	\$ 766,243	\$ 1,294,418
Interest & Investments	\$ –	\$ –	\$ 3,769,197	\$ 3,769,197
Total Source of Funds	\$ 12,430,470	\$ 63,825	\$ 4,535,440	\$ 17,029,735
Staffing:				
Hours Allocated	10,445	305	–	10,750
FTE (based on 2080)	5.0	0.1	–	5.2
Use of Funds:				
Labor	\$ 561,527	\$ 17,725	\$ –	\$ 579,252
Benefits	\$ 247,892	\$ 7,825	\$ –	\$ 255,717
G&A Costs	\$ 892,570	\$ 28,175	\$ –	\$ 920,745
Education & Training	\$ 5,250	\$ –	\$ –	\$ 5,250
Consulting & Professional Services	\$ 805,000	\$ 5,000	\$ –	\$ 810,000
Operating Costs	\$ 5,698,840	\$ –	\$ –	\$ 5,698,840
Repair & Maintenance	\$ 980,000	\$ –	\$ –	\$ 980,000
Phone & Utilities	\$ 4,250	\$ –	\$ –	\$ 4,250
Equipment & Computer	\$ 27,250	\$ –	\$ –	\$ 27,250
Meeting & Travel	\$ 6,000	\$ 100	\$ –	\$ 6,100
Other Administrative Costs	\$ 35,950	\$ 5,000	\$ –	\$ 40,950
Other Expenses	\$ 179,389	\$ –	\$ –	\$ 179,389
Debt Service Payments	\$ –	\$ –	\$ 4,535,440	\$ 4,535,440
Total Use of Funds from Operations	\$ 9,443,918	\$ 63,825	\$ 4,535,440	\$ 14,043,183
Contribution To/(From) Reserves:				
Pipeline Repair / Replacement Reserve	\$ 1,144,198	\$ –	\$ –	\$ 1,144,198
OCSD Rehabilitation Reserve	\$ 1,742,354	\$ –	\$ –	\$ 1,742,354
Self Insurance Reserve	\$ 100,000	\$ –	\$ –	\$ 100,000
Total Contributions to Reserves	\$ 2,986,552	\$ –	\$ –	\$ 2,986,552
Total Use of Funds	\$ 12,430,470	\$ 63,825	\$ 4,535,440	\$ 17,029,735
Net Gain (Loss)	\$ –	\$ –	\$ –	\$ –
G&A Contribution	43.33%	1.37%	0.00%	44.70%

Enterprise Fund FYE 2007 - 2013	FYE 2007 Actual	FYE 2008 Actual	FYE 2009 Actual	FYE 2010 Actual	FYE 2011 Budget	FYE 2011 Projected	FYE 2012 Budget	FYE 2013 Budget
Source of Funds:								
Discharge Fees	\$ 8,658,339	\$ 9,247,855	\$ 9,738,140	\$ 12,391,354	\$ 11,005,730	\$ 11,949,806	\$ 11,405,024	\$ 11,930,470
Financing Proceeds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grant Proceeds	\$ -	\$ -	\$ -	\$ 19,453	\$ 55,894	\$ 20,076	\$ 44,976	\$ 35,650
Contributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Income	\$ 52,902	\$ 2,566,401	\$ -	\$ 12,716	\$ -	\$ 101,529	\$ 620,005	\$ 1,294,418
Interest & Investments	\$ 5,845,517	\$ 6,017,605	\$ 5,272,235	\$ 5,134,009	\$ 5,211,644	\$ 4,925,804	\$ 4,453,801	\$ 3,769,197
Total Source of Funds	\$ 14,556,758	\$ 17,831,861	\$ 15,010,375	\$ 17,557,532	\$ 16,273,268	\$ 16,997,215	\$ 16,523,806	\$ 17,029,735
Use of Funds:								
Labor	\$ 305,593	\$ 318,849	\$ 319,836	\$ 419,048	\$ 438,158	\$ 449,348	\$ 514,914	\$ 579,252
Benefits	\$ 132,322	\$ 138,380	\$ 136,570	\$ 179,771	\$ 185,200	\$ 190,074	\$ 225,926	\$ 255,717
G&A Costs	\$ 499,951	\$ 518,129	\$ 525,171	\$ 670,476	\$ 715,779	\$ 734,235	\$ 814,981	\$ 920,745
Education & Training	\$ 79	\$ 1,254	\$ 21	\$ -	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,250
Consulting & Professional Services	\$ 256,544	\$ 582,124	\$ 277,528	\$ 559,828	\$ 515,000	\$ 633,000	\$ 875,000	\$ 810,000
Operating Costs	\$ 5,249,365	\$ 4,753,523	\$ 4,659,605	\$ 7,070,632	\$ 5,112,800	\$ 5,309,575	\$ 5,240,200	\$ 5,698,840
Repair & Maintenance	\$ 139,732	\$ 365,573	\$ 666,412	\$ 708,835	\$ 613,500	\$ 487,500	\$ 970,000	\$ 980,000
Phone & Utilities	\$ 2,313	\$ 2,102	\$ 2,359	\$ 2,691	\$ 4,700	\$ 4,700	\$ 4,000	\$ 4,250
Equipment & Computer	\$ 7,089	\$ 8,947	\$ 1,579	\$ 8,939	\$ 8,000	\$ 12,264	\$ 30,500	\$ 27,250
Meeting & Travel	\$ 1,466	\$ 1,734	\$ 1,929	\$ 1,863	\$ 6,000	\$ 6,000	\$ 5,600	\$ 6,100
Other Administrative Costs	\$ 2,099	\$ 3,905	\$ 2,327	\$ 44,776	\$ 10,650	\$ 13,177	\$ 40,175	\$ 40,950
Other Expenses	\$ 2,790,012	\$ 1,801,218	\$ 300,546	\$ 170,946	\$ 231,154	\$ 195,000	\$ 221,203	\$ 179,389
Construction	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 81,921	\$ -	\$ -
Debt Service	\$ 4,535,441	\$ 4,535,441	\$ 4,535,441	\$ 4,535,441	\$ 4,535,441	\$ 4,535,441	\$ 4,535,440	\$ 4,535,440
Total Use of Funds from Operations	\$ 13,922,006	\$ 13,031,179	\$ 11,429,324	\$ 14,373,246	\$ 12,381,382	\$ 12,657,235	\$ 13,482,939	\$ 14,043,183
Contribution To/(From) Reserves:								
Pipeline Repair / Replacement Reserve	\$ -	\$ 3,881,757	\$ 2,618,067	\$ 2,899,730	\$ 3,746,886	\$ 3,746,886	\$ 1,138,367	\$ 1,144,198
OCSD Rehabilitation Reserve	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,802,500	\$ 1,742,354
OCSD Future Capacity Reserve	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 338,083	\$ -	\$ -
Self Insurance Reserve	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000
Flow Imbalance Reserve	\$ -	\$ -	\$ 18,899	\$ 56,854	\$ 45,000	\$ 45,201	\$ -	\$ -
Operating Reserve	\$ 166,790	\$ -	\$ 141,311	\$ -	\$ -	\$ -	\$ -	\$ -
Total Contributions to Reserves	\$ 266,790	\$ 3,981,757	\$ 2,878,277	\$ 3,056,584	\$ 3,891,886	\$ 4,230,170	\$ 3,040,867	\$ 2,986,552
Total Use of Funds	\$ 14,188,796	\$ 17,012,936	\$ 14,307,601	\$ 17,429,830	\$ 16,273,268	\$ 16,887,405	\$ 16,523,806	\$ 17,029,735
Net Gain (Loss)	\$ 367,962	\$ 818,925	\$ 702,774	\$ 127,702	\$ -	\$ 109,810	\$ -	\$ -

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Planning Funds

Within the Planning Fund, the primary focuses are to continue watershed-wide planning tasks of value to the member agencies and stakeholders, increase understanding and value of information on a watershed-wide basis, increase SAWPA's awareness of regional and inter-regional issues to improve planning and provide collaborative opportunities, and commence the update to the Santa Ana River Watershed IRWM Plan called "One Water One Watershed" (OWOW) 2.0. Currently, the fund is made up of the four activities/projects listed and described below.

<i>Fund</i>	<i>Project</i>
370-01	Basin Planning General
370-02	USBR Partnership Studies
372	Imported Water Recharge Workgroup
373	Watershed Management Plan (OWOW)

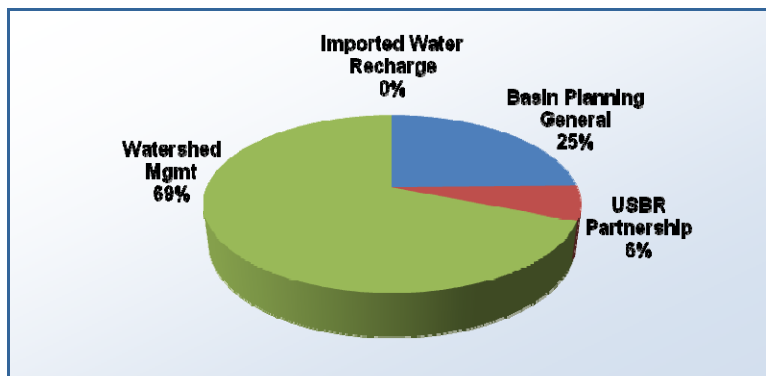
Revenue and Other Funding Sources

In FYE 2012, the planning fund has total budgeted revenues of \$1.2 million, or approximately 3.6% of the total budgeted revenue of \$32.8 million. This represents a 120%, or \$641,106, increase in revenues over the FYE 2011 budget. The increase is due to the anticipated receipt of a planning grant from the Department of Water and Power (DWR) for Watershed Management Plan activities.

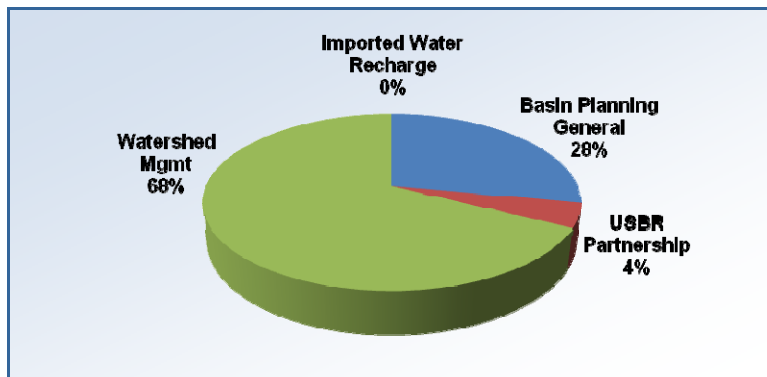
In FYE 2013, the planning fund has total budgeted revenues of \$1.2 million, or approximately 4.0% of the total budgeted revenue of \$29.2 million. This represents a 0.6%, or \$7,099, increase in revenues over the FYE 2012 budget.

Revenues by fund are shown in the pie charts below. The revenue source for this fund is derived from member agency contributions and interest.

FYE 2012 Revenue by Fund
\$1.2 Million



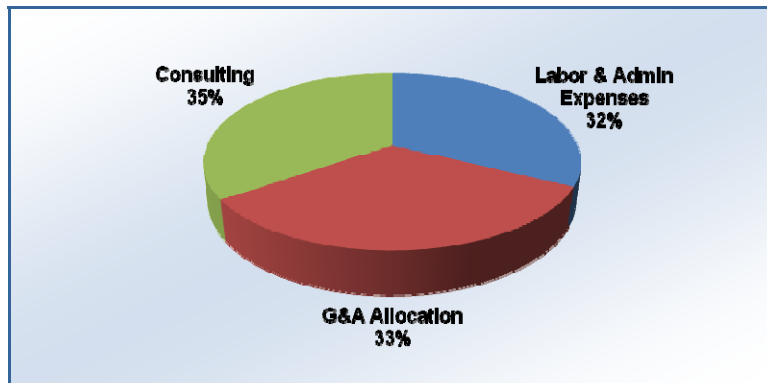
FYE 2013 Revenue by Fund
\$1.2 Million



Expenses and Other Uses of Funds

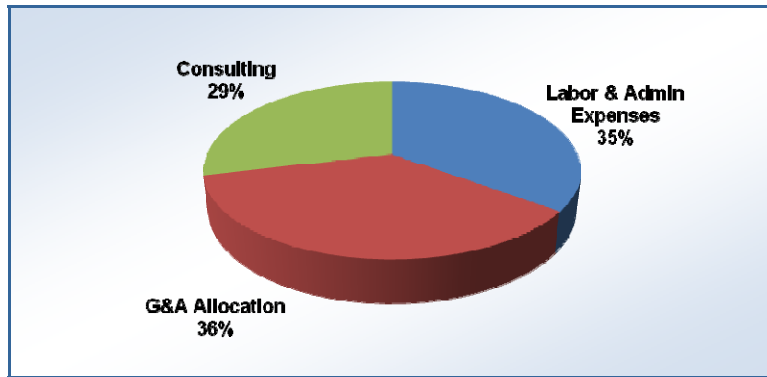
Total expenses for FYE 2012 are \$1.1 million, or approximately 3.3% of total operating expenses. This represents a 107%, or \$590,094, increase in expenses over the FYE 2011 budget. The increase is due to the anticipated receipt of a \$1 million planning grant from DWR for Watershed Management Plan activities.

FYE 2012 Total Expenses
\$1.1 Million



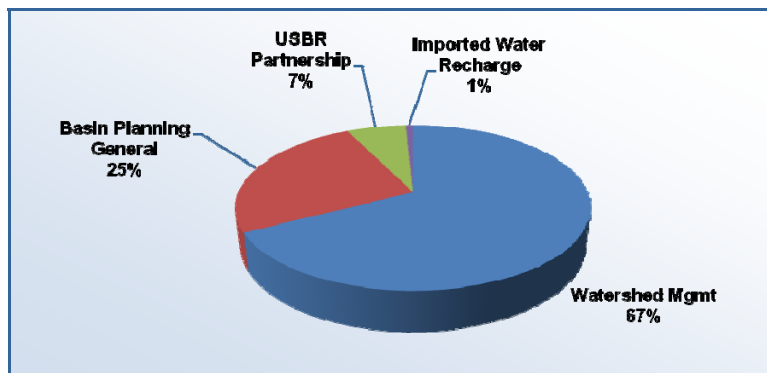
Total expenses for FYE 2013 are \$1.2 million, or approximately 4.1% of total operating expenses. This represents a 4.3%, or \$48,718, increase in expenses over the FYE 2012 budget. The increase is due to a slight increase in Basin Planning General activities.

FYE 2013 Total Expenses
\$1.2 Million

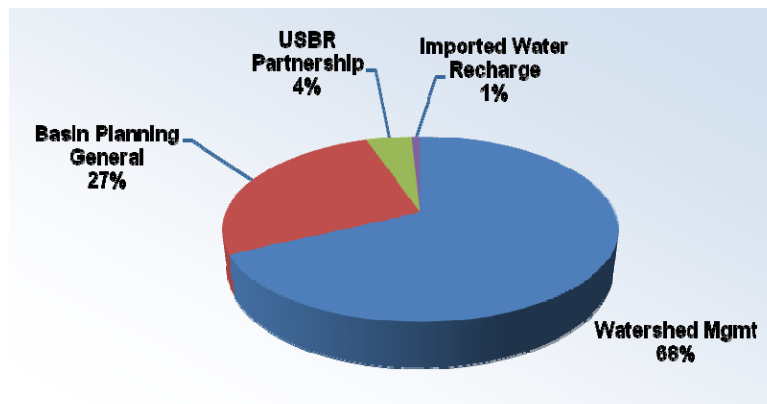


Participating in planning programs allows some of the Agency's general fund expenses to be allocated to these funds. In FYE 2012, approximately 18.3%, or \$377,696, of general fund expenses will be paid through this fund group. In FYE 2013, approximately 20.7%, or \$427,276, of general fund expenses will be paid through this fund group.

**Expenses by Fund
FYE 2012**



**Expenses by Fund
FYE 2013**



Fund Balance

The fund balance is the difference between fund assets and liabilities. For many planning projects, revenues may be collected in one year and the expenses occur in another. The fund balance is a timing difference between when cash is received versus when it is spent. The table below shows the fund balance for each planning fund.

FYE 2012 Fund Balance

<i>Fund</i>	<i>Fund Balance at 06/30/11</i>	<i>Revenues</i>	<i>Expenses</i>	<i>Fund Balance at 06/30/12</i>
370-01	\$ 28,481	\$ 289,778	\$ 289,778	\$ 28,481
370-02	\$ 1,308	\$ 73,636	\$ 73,636	\$ 1,308
372	\$ 80,723	\$ –	\$ 9,199	\$ 71,524
373	\$ (41,040)	\$ 809,856	\$ 768,816	\$ –
Total	\$ 69,472	\$ 1,173,270	\$ 1,141,429	\$ 101,313

FYE 2013 Fund Balance

<i>Fund</i>	<i>Fund Balance at 06/30/12</i>	<i>Revenues</i>	<i>Expenses</i>	<i>Fund Balance at 06/30/13</i>
370-01	\$ 28,481	\$ 320,080	\$ 320,080	\$ 28,481
370-02	\$ 1,308	\$ 52,779	\$ 52,779	\$ 1,308
372	\$ 71,524	\$ –	\$ 9,778	\$ 61,747
373	\$ –	\$ 807,510	\$ 807,510	\$ –
Total	\$ 101,313	\$ 1,180,369	\$ 1,190,147	\$ 91,535

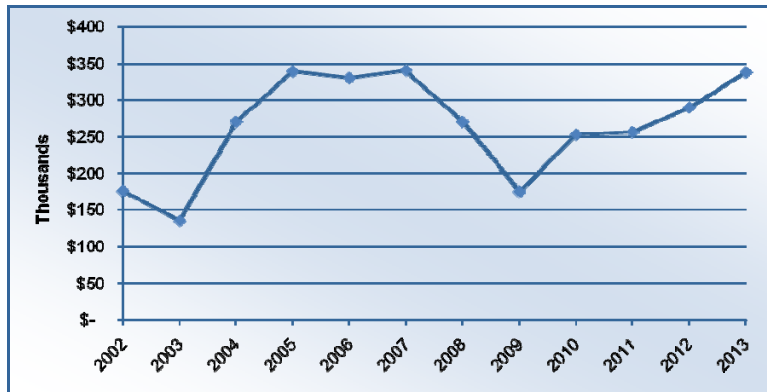
The fund balance is expected to increase by 45.8% for FYE 2012 and decrease by 9.6% for FYE 2013. Staff has decided to utilize the existing fund balance for some projects to balance the budget each year instead of increasing member contributions to cover total expenses.

Fund 370-01 Basin Planning General

This activity consolidates planning activities that focus on inter-agency coordination and cooperation, both within the member agencies and external organizations. The project includes staff effort directed toward coordinating programs and issues with other organizations. Work under this activity continues to expand as watershed-wide activities increase. All new grant applications with the exception of Propositions 84, 1E, and 1C are prepared under this fund. This activity permits staff to remain current and knowledgeable about regulations and local agency issues and actions. This activity also funds the support of the San Jacinto River Watershed Council and the Southern California Salinity Coalition.

In FYE 2012, total revenues are projected to be \$289,778 and \$320,080 for FYE 2013. The majority of funding for this project is from member agency contributions. The following chart shows the history of member contributions for this fund.

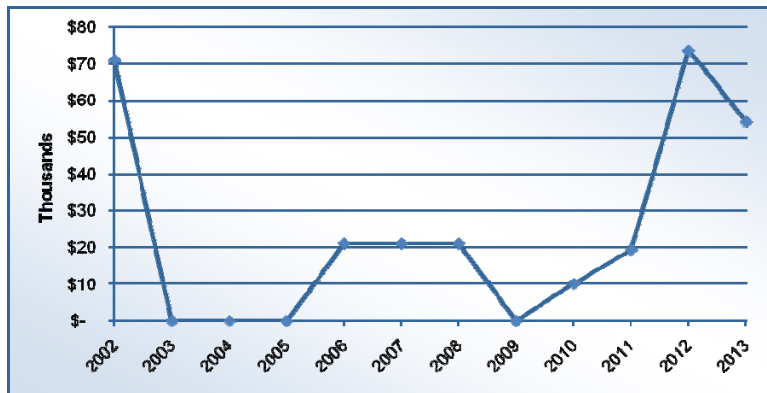
Basin Planning General Member Contributions



Fund 370-02 USBR Partnership Studies

This activity covers the development of a funding partnership with the U.S. Bureau of Reclamation for the Basin Studies program in which Reclamation resources will assist with OWOW 2.0. OWOW 2.0 officially commenced on May 1, 2011, and will be conducted over a two year time frame. The Reclamation federal funding of \$1 million over two years will be matched 50%-50% with the SAWPA local funding and Proposition 84 planning grant funds. Reclamation funds, however, are not grant funds and will be controlled and expended by Reclamation staff and its contractors in support of the SAWPA OWOW 2.0 scope. SAWPA staff will represent the interests of SAWPA member agencies and the Watershed in planning study review and coordination. In FYE 2012, total revenues are projected to be \$73,636 and \$52,779 in FYE 2013. The majority of funding for this project is from member agency contributions. The chart below shows the history of member contributions for this fund.

USBR Partnership Studies Member Contributions



Fund 372 Imported Water Recharge Workgroup

As a result of a new tentative wastewater discharge requirements (WDR) for imported water recharge proposed by the RWQCB, a workgroup was formed to develop a regulatory alternative to the regulation. A cooperative agreement concerning nitrogen and TDS among the imported water rechargers was completed in March 2007, with provisions to implement various modeling projections for nitrogen and TDS for imported water recharge. The tentative WDR also included requirements to monitor emerging constituents, such as pharmaceuticals and personal care products, in imported water so a separate workgroup was formed to specifically address this issue.

In FYE 2009, the Imported Water Recharge workgroup developed a memorandum of understanding on the implementation of the cooperative agreement and compiled groundwater modeling reports for submittal to the RWQCB in July 2009. With the Agreement in place, it is anticipated that the group will

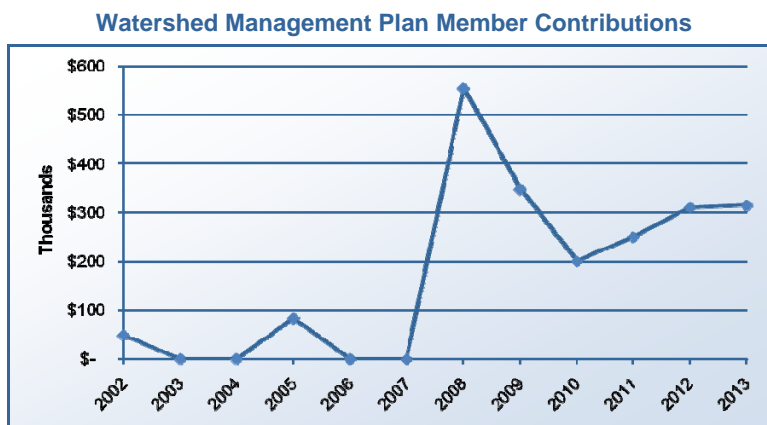
meet two to three times each year in a coordination role on behalf of the signers of the cooperative agreement. There will be very limited activity for this project in the next few years.

Fund balance will be used to fund the majority of the efforts for FYEs 2012 and 2013.

Fund 373 Watershed Management Plan

This project was formed to conduct the SAWPA IRWMP OWOW Plan. The first SAWPA IRWMP report was completed in June 2002. The report was updated in June 2005 as part of the grant application for the Proposition 50, Chapter 8, of the Integrated Water Resource Management Program. In FYE 2009, a new expanded SAWPA IRWMP called the “One Water One Watershed” Plan was developed through collaboration among member agencies, sub-agencies, and other organizations under a decentralized approach. The final document, adopted in November 2010, will help the region seek at least \$200 million in grant funding provided by various State water bonds passed by the voters in November 2006. For FYEs 2012 and 2013, a new OWOW 2.0 will be developed involving SAWPA member agencies and stakeholders throughout the Watershed.

In FYE 2012, total revenues are projected to be \$809,856 and \$807,510 in FYE 2013. Funding for this project is from grant proceeds and member agency contributions. The chart below shows the history of member contributions for this fund.



<i>Planning Fund Budget FYE 2012</i>	<i>Basin Planning General Fund 370-01</i>		<i>USBR Partnership Studies Fund 370-02</i>		<i>Imported Water Recharge Workgroup Fund 372</i>		<i>Watershed Management Plan Fund 373</i>		<i>Total</i>
Source of Funds:									
Grant Proceeds	\$	–	\$	–	\$	–	\$	500,000	\$ 500,000
Contributions	\$	289,778	\$	73,636	\$	–	\$	309,856	\$ 673,270
Total Source of Funds	\$	289,778	\$	73,636	\$	–	\$	809,856	\$ 1,173,270
Staffing:									
Hours Allocated		1,730		117		57		2,750	4,654
FTE (based on 2080)		0.8		0.1		0.0		1.3	2.2
Use of Funds:									
Labor	\$	91,403	\$	7,822	\$	2,978	\$	136,427	\$ 238,630
Benefits	\$	40,105	\$	3,432	\$	1,307	\$	59,859	\$ 104,703
G&A Costs	\$	144,670	\$	12,382	\$	4,714	\$	215,930	\$ 377,696
Consulting & Professional Services	\$	–	\$	50,000	\$	–	\$	345,000	\$ 395,000
Equipment & Computers	\$	–	\$	–	\$	–	\$	7,500	\$ 7,500
Meeting & Travel	\$	2,200	\$	–	\$	100	\$	3,500	\$ 5,800
Other Administrative Costs	\$	11,400	\$	–	\$	100	\$	600	\$ 12,100
Total Use of Funds from Operations	\$	289,778	\$	73,636	\$	9,199	\$	768,816	\$ 1,141,429
Net Gain (Loss)	\$	–	\$	–	\$	(9,199)	\$	41,040	\$ 31,841
Beginning Fund Balance	\$	28,481	\$	1,308	\$	80,723	\$	(41,040)	\$ 69,472
Ending Fund Balance	\$	28,481	\$	1,308	\$	71,524	\$	–	\$ 101,313
G&A Contribution		6.99%		0.60%		0.23%		10.44%	18.26%

Planning Fund Budget FYE 2013	Basin Planning General Fund 370-01	USBR Partnership Studies Fund 370-02	Imported Water Recharge Workgroup Fund 372	Watershed Management Plan Fund 373	Total
Source of Funds:					
Grant Proceeds	\$ -	\$ -	\$ -	\$ 500,000	\$ 500,000
Contributions	\$ 320,080	\$ 52,779	\$ -	\$ 307,510	\$ 680,369
Total Source of Funds	\$ 320,080	\$ 52,779	\$ -	\$ 807,510	\$ 1,180,369
Staffing:					
Hours Allocated	1,775	127	57	3,000	4,959
FTE (based on 2080)	0.9	0.1	0.0	1.4	2.4
Use of Funds:					
Labor	\$ 101,115	\$ 9,165	\$ 3,160	\$ 155,365	\$ 268,805
Benefits	\$ 44,638	\$ 4,046	\$ 1,395	\$ 68,587	\$ 118,666
G&A Costs	\$ 160,727	\$ 14,568	\$ 5,023	\$ 246,958	\$ 427,276
Consulting & Professional Services	\$ -	\$ 25,000	\$ -	\$ 325,000	\$ 350,000
Equipment & Computers	\$ -	\$ -	\$ -	\$ 7,500	\$ 7,500
Meeting & Travel	\$ 2,200	\$ -	\$ 100	\$ 3,500	\$ 5,800
Other Administrative Costs	\$ 11,400	\$ -	\$ 100	\$ 600	\$ 12,100
Total Use of Funds from Operations	\$ 320,080	\$ 52,779	\$ 9,778	\$ 807,510	\$ 1,190,147
Net Gain (Loss)	\$ -	\$ -	\$ (9,778)	\$ -	\$ (9,778)
Beginning Fund Balance	\$ 28,481	\$ 1,308	\$ 71,524	\$ -	\$ 101,313
Ending Fund Balance	\$ 28,481	\$ 1,308	\$ 61,747	\$ -	\$ 91,535
G&A Contribution	7.80%	0.71%	0.24%	11.99%	20.74%

Planning Funds FYE 2007 - 2013	FYE 2007 Actual	FYE 2008 Actual	FYE 2009 Actual	FYE 2010 Actual	FYE 2011 Budget	FYE 2011 Projected	FYE 2012 Budget	FYE 2013 Budget
Source of Funds:								
Grant Proceeds	\$ -	\$ -	\$ 500,000	\$ -	\$ -	\$ -	\$ 500,000	\$ 500,000
Contributions	\$ 486,400	\$ 943,000	\$ 619,900	\$ 483,110	\$ 527,281	\$ 527,280	\$ 673,270	\$ 680,369
Other Income	\$ 76,626	\$ 22,502	\$ -	\$ 14,251	\$ -	\$ 28,616	\$ -	\$ -
Interest & Investments	\$ 15,593	\$ 500	\$ 11,096	\$ 3,114	\$ 4,883	\$ 2,150	\$ -	\$ -
Total Source of Funds	\$ 578,619	\$ 966,002	\$ 1,130,996	\$ 500,475	\$ 532,164	\$ 558,046	\$ 1,173,270	\$ 1,180,369
Use of Funds:								
Labor	\$ 191,848	\$ 206,170	\$ 205,439	\$ 149,831	\$ 139,332	\$ 135,782	\$ 238,630	\$ 268,805
Benefits	\$ 83,071	\$ 89,478	\$ 87,722	\$ 64,278	\$ 58,891	\$ 57,436	\$ 104,703	\$ 118,666
G&A Costs	\$ 313,865	\$ 335,027	\$ 337,331	\$ 239,730	\$ 227,612	\$ 221,869	\$ 377,696	\$ 427,276
Consulting & Professional Services	\$ 64,591	\$ 74,368	\$ 98,633	\$ 73,641	\$ 100,800	\$ 125,532	\$ 395,000	\$ 350,000
Operating Costs	\$ -	\$ 17	\$ 5,940	\$ -	\$ -	\$ -	\$ -	\$ -
Equipment & Computer	\$ -	\$ 5,729	\$ 5,586	\$ 5,988	\$ -	\$ 3,500	\$ 7,500	\$ 7,500
Meeting & Travel	\$ 2,640	\$ 6,138	\$ 6,902	\$ 3,212	\$ 3,700	\$ 5,270	\$ 5,800	\$ 5,800
Other Administrative Costs	\$ 33,839	\$ 25,852	\$ 20,088	\$ 6,466	\$ 21,000	\$ 26,250	\$ 12,100	\$ 12,100
Other Expense	\$ (29,520)	\$ -	\$ 3,493	\$ -	\$ -	\$ -	\$ -	\$ -
Total Use of Funds from Operations	\$ 660,334	\$ 742,779	\$ 771,134	\$ 543,146	\$ 551,335	\$ 575,639	\$ 1,141,429	\$ 1,190,147
Net Gain (Loss)	\$ (81,715)	\$ 223,223	\$ 359,862	\$ (42,671)	\$ (19,171)	\$ (17,593)	\$ 31,841	\$ (9,778)

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Collaborative Project Funds

The Collaborative Project Fund group is comprised of funds that are administered or facilitated by SAWPA on behalf of outside agencies, cities, counties, and our member agencies. The majority of funding for the collaborative project funds comes from the participants of each program in the form of other agency contributions. Member agency contributions may be required when individual member agencies wish to participate in a project, or when the Commission has approved covering the cost of administering the project. Currently, the fund is made up of the nine activities/projects listed and described below.

<i>Fund</i>	<i>Project</i>
374	Basin Monitoring Program Task Force
381	Santa Ana River (SAR) Fish Conservation Task Force
384-01	Chino TMDL Task Force
386	Stormwater Quality Standards Task Force
387	Arundo Management & Habitat Restoration
391	GIS Initiative
392	Emerging Constituents Program Task Force
393	Trail Marketing Support
394	Big Bear TMDL Task Force

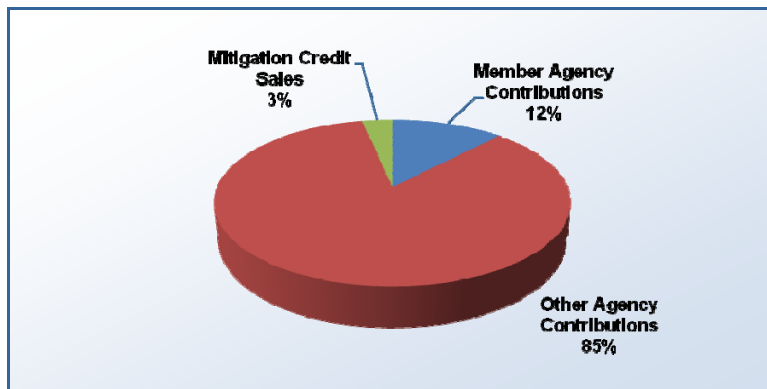
Revenue and Other Funding Sources

In FYE 2012, the collaborative project fund has total budgeted revenues of \$1.4 million, or approximately 4.2% of the total budgeted revenue of \$32.8 million. This represents a 58.7%, or \$1.9 million, decrease in revenues over the FYE 2011 budget. The decrease is a result of a decrease in Arundo Management & Habitat Restoration efforts. With the economic downturn, development in the Inland Empire has come to a halt and demand for mitigation credits has decreased.

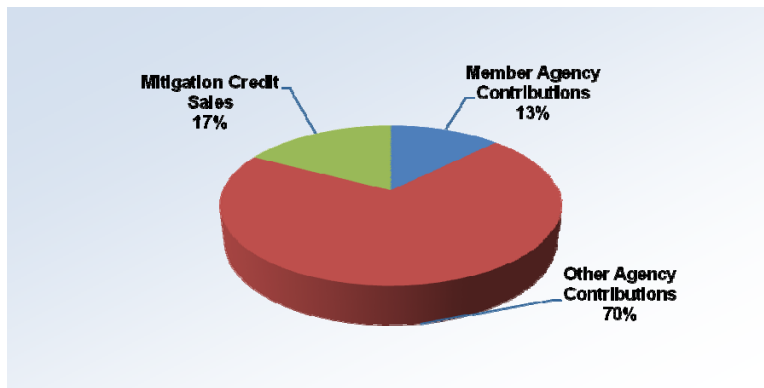
In FYE 2013, the collaborative project fund has total budgeted revenues of \$1.3 million, or approximately 4% of the total budgeted revenue of \$29.2 million. This represents a 4.8%, or \$65,131, decrease in revenues over the FYE 2012 budget. The decrease is due to the discontinuation of the Big Bear TMDL Task Force.

Revenues are made up of the categories and amounts in the following pie charts.

FYE 2012 Revenues
\$1.4 Million

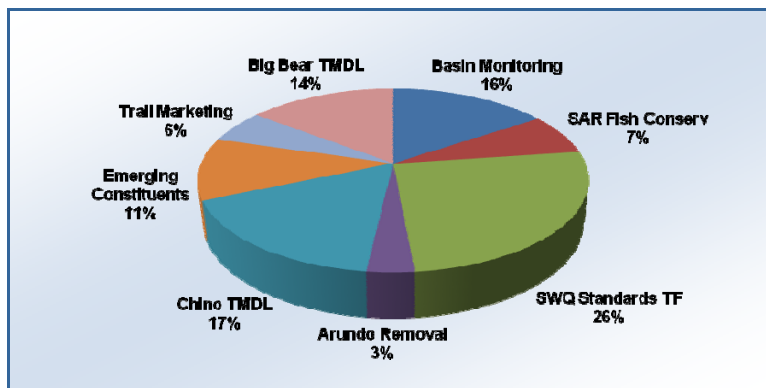


FYE 2013 Revenues \$1.3 Million

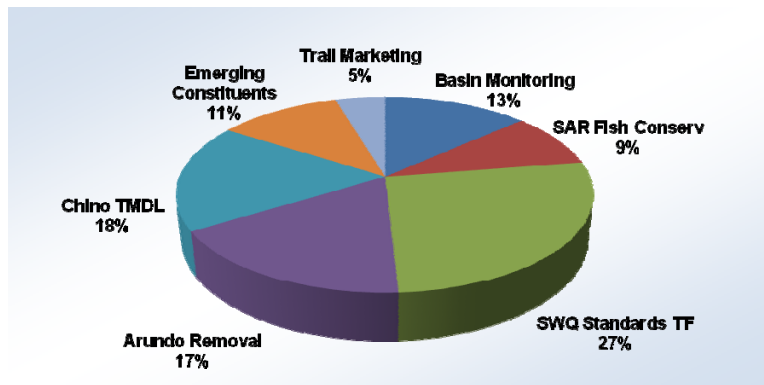


The total revenues by fund type are shown in the pie charts below.

FYE 2012 Revenue by Fund



FYE 2013 Revenue by Fund

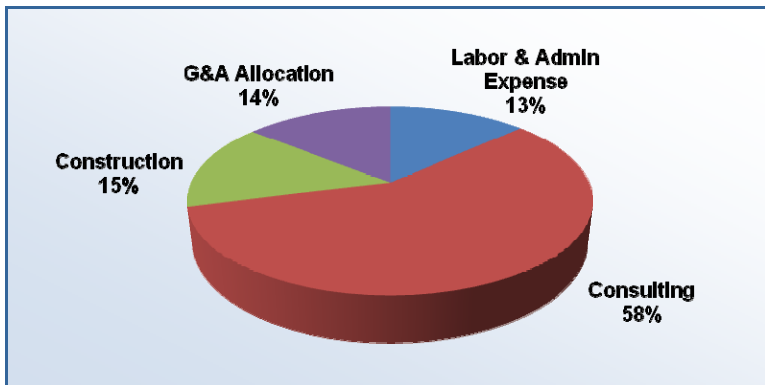


Expenses and Other Uses of Funds

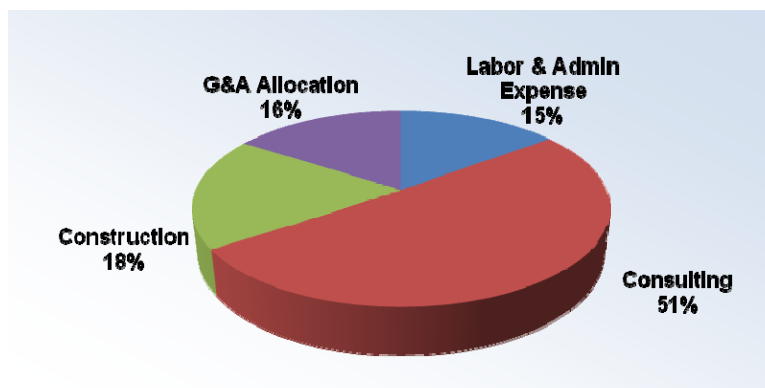
Total expenses for FYE 2012 are \$1.7 million, or approximately 5% of total operating expenses. This represents a 45.9%, or \$1.4 million, decrease in expenses over the FYE 2011 budget. The decrease is due mainly to a decrease in Arundo Management & Habitat Restoration and no GIS Initiative efforts as listed above.

Total expenses for FYE 2013 are \$1.3 million, or approximately 4.6% of total operating expenses. This represents a 20.9%, or \$357,224, decrease in expenses over the FYE 2012 budget. The decrease is due mainly to the discontinuation of the Big Bear TMDL Task Force.

FYE 2012 Total Expenses
\$1.7 Million

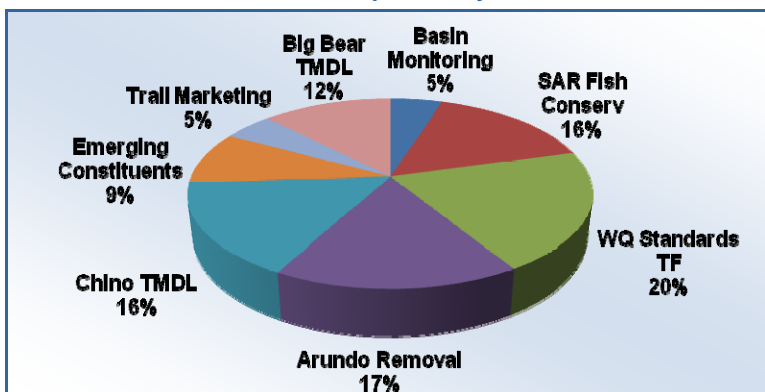


FYE 2013 Total Expenses
\$1.3 Million

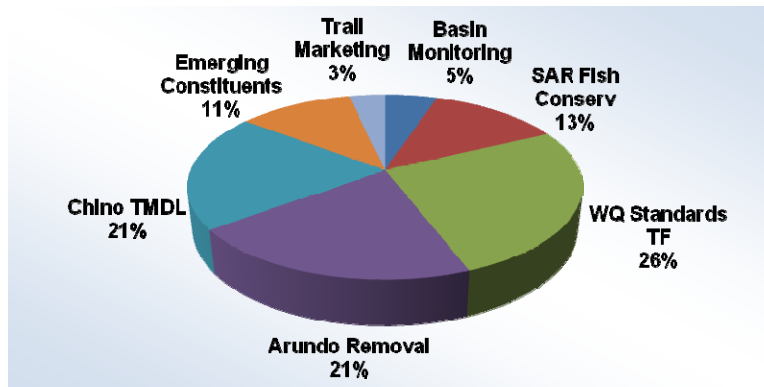


Participating in collaborative projects allows some of the Agency's general fund expenses to be allocated to these funds. In FYE 2012, approximately 12%, or \$241,078, of general fund expenses will be paid through this fund group. In FYE 2013, approximately 10%, or \$214,019, of general fund expenses will be paid through this fund group.

FYE 2012 Expenses by Fund



FYE 2013 Expenses by Fund



Fund Balance

The fund balance is the difference between fund assets and liabilities. For many collaborative projects, revenues may be collected in one year and the expenses occur in another. The fund balance is a timing difference between when cash is received versus when it is spent. The following table shows the fund balance for each planning fund.

FYE 2012 Fund Balance

<i>Fund</i>	<i>Fund Balance at 06/30/11</i>	<i>Revenues</i>	<i>Expenses</i>	<i>Fund Balance at 06/30/12</i>
374	\$ (4,075)	\$ 213,895	\$ 84,807	\$ 125,013
381	\$ 229,310	\$ 100,000	\$ 267,579	\$ 61,731
384	\$ 130,363	\$ 230,000	\$ 276,517	\$ 83,846
386	\$ 14,471	\$ 350,750	\$ 349,952	\$ 15,269
387	\$ 1,019,643	\$ 45,000	\$ 282,526	\$ 782,117
392	\$ 20,712	\$ 149,404	\$ 149,635	\$ 20,481
393	\$ -	\$ 80,143	\$ 80,143	\$ -
394	\$ 41,223	\$ 200,000	\$ 211,775	\$ 29,448
Total	\$ 1,451,647	\$ 1,369,192	\$ 1,702,934	\$ 1,117,905

FYE 2013 Fund Balance

<i>Fund</i>	<i>Fund Balance at 06/30/12</i>	<i>Revenues</i>	<i>Expenses</i>	<i>Fund Balance at 06/30/13</i>
374	\$ 125,013	\$ 177,273	\$ 68,321	\$ 233,965
381	\$ 61,731	\$ 120,000	\$ 170,283	\$ 11,448
384	\$ 83,846	\$ 235,000	\$ 274,052	\$ 44,794
386	\$ 15,269	\$ 350,750	\$ 349,442	\$ 16,577
387	\$ 782,117	\$ 225,000	\$ 287,673	\$ 719,444
392	\$ 20,481	\$ 149,404	\$ 149,305	\$ 20,580
393	\$ -	\$ 46,634	\$ 46,634	\$ -
394	\$ -	\$ -	\$ -	\$ -
Total	\$ 1,088,457	\$ 1,304,061	\$ 1,345,710	\$ 1,046,808

Fund 374 – Basin Monitoring Program Task Force

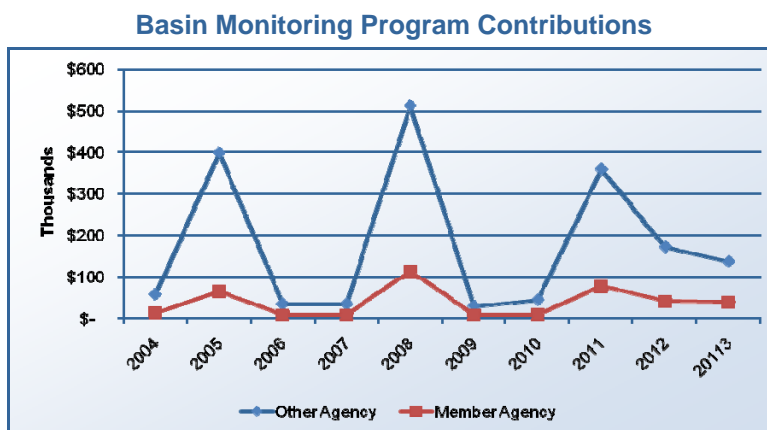
As part of the Nitrogen TDS Basin Plan Amendment approved by the RWQCB in January 2004, water quality monitoring requirements were required from the majority of the TIN/TDS Task Force agencies. These monitoring requirements included an update of the ambient groundwater quality throughout all the groundwater basins in the Watershed every three years and an annual report on the Nitrogen and TDS in the SAR for Reaches 2, 4, and 5. The agencies specified in the Basin Plan Amendment have elected to combine their funding and provide watershed-wide monitoring reports rather than providing separate reports for each of their separate jurisdictions.

A multi-agency task force was formed and three of SAWPA's member agencies (EMWD, IEUA, and OCWD) are part of the task force. SAWPA serves as the administrator for Basin Monitoring Program Task Force.

Work planned for FYEs 2012 and 2013 will consist of staff work on the annual SAR monitoring report, administration of the task force, and incorporation of the new RWQCB Basin Plan Amendment for the SAR Wasteload Allocation.

In FYE 2012, total revenues are projected to be \$213,895, of which \$41,979 is being requested from member agency contributions to cover the cost of administering the program. The revenues reflect a decision by the task force to collect funding for the triennial ambient groundwater quality update annually rather than triennially.

In FYE 2013, total revenues are projected to be \$177,273, of which \$39,855 is being requested from member agency contributions to cover the cost of administering the program. The revenues reflect a decision by the task force to collect funding for the triennial ambient groundwater quality update annually rather than triennially.



Fund 381 – SAR Fish Conservation Task Force

This multi-agency task force administered by SAWPA staff conducts applied research and efforts directed toward the recovery and delisting of the Santa Ana Sucker. This activity of the fish conservation team focuses on interagency coordination and cooperation, fish habitat analysis and restoration, and federal and state permit development within member agencies and external organizations. Work under this activity will allow program participants to continue routine maintenance activities along the river without additional USFWS Section 7 consultations.

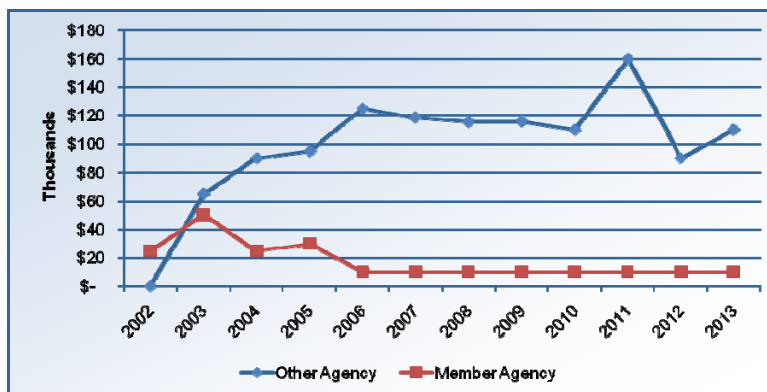
The Agency administers the effort with the use of two consultants, Van Haun Consulting and San Marino Consulting. Van Haun Consulting is working with the USFWS to develop appropriate permits, while San Marino Consulting provides biological monitoring and works to develop improved protection methods. Member agency contributions cover the cost of SAWPA staff to administer the project. Contributors to the fund are OCWD; San Bernardino, Riverside, and Orange Counties; City of Riverside; City of San Bernardino; and OCSD.

A multi-year program, which began in FYE 2007 and will continue through FYE 2013, allows the stakeholders to work with the U.S. Army Corps of Engineers (ACOE) in developing and administering the requirements of the permit. At the end of the permit term, the stakeholders will re-evaluate the program and decide whether or not to continue their efforts.

In FYE 2012, total revenues are projected to be \$100,000, of which \$90,000 is from other agency contributions and \$10,000 is from member agency contributions.

In FYE 2013, total revenues are projected to be \$120,000, of which \$110,000 is from other agency contributions and \$10,000 is from member agency contributions.

SAR Fish Conservation Contributions



Fund 384-01 – Chino TMDL Task Force

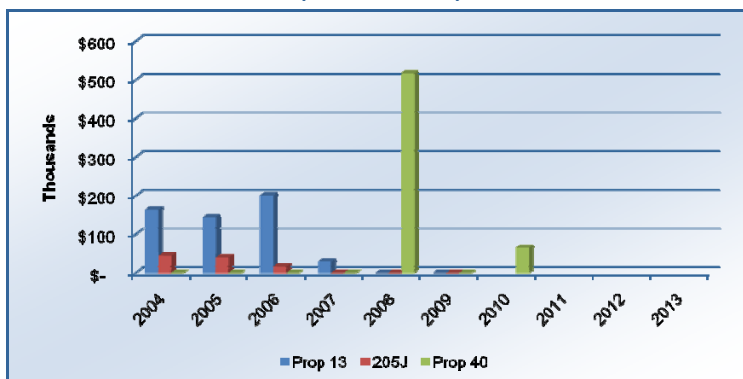
This activity is intended to support SAWPA's member agencies and sub-agencies in the Chino Basin and Middle Santa Ana River with reducing compliance costs associated with the pathogen TMDL for water bodies in this area by conducting joint work efforts in a multi-agency task force format. SAWPA was successful in obtaining a State grant to assist in monitoring costs and the development of pilot Best Management Practices (BMP). The activities by staff cover administration of a multi-agency task force and contract administration of consultant services and SWRCB contracts. All costs for this work will be funded by the local agencies and future grant proceeds. No SAWPA member agency contributions are used for this effort.

In FYE 2012, total revenues are projected to be \$230,000, which is from other agency contributions.

In FYE 2013, total revenues are projected to be \$235,000, which is from other agency contributions.

The chart below shows the history of grant proceeds for this fund. There is currently no grant funding budgeted for the next two years.

**Total Grant Proceeds
(In thousands)**



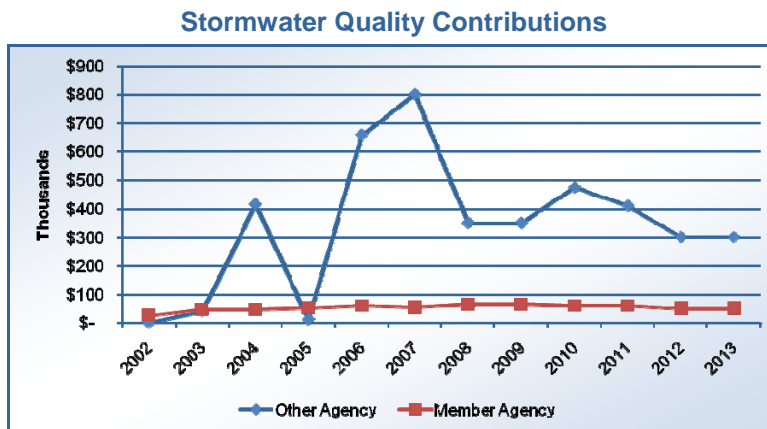
Fund 386 – Stormwater Quality Standards Task Force

This effort brings a task force of stakeholders together in the Watershed in working with the RWQCB to update REC-1 and REC-2 beneficial use designations, utilize more effective pathogen indicators, and consider exemptions to regulatory compliance during storm events and for flood control segments that clearly have no recreational use or potential for future recreational use. The work of the task force will assist in providing additional data and science in the evaluation of the REC-1 beneficial use designation and associated water quality objectives for the SAR. As beneficial use designations and water quality objectives determine the allowable discharges into receiving waters, and these receiving waters are regulated by the Santa Ana RWQCB, municipal stormwater entities as well as other regulated business, industrial, and development groups are interested in providing the best available information to update the water quality objectives and designated beneficial uses of the receiving waters. Work is proceeding on a Basin Plan Amendment to incorporate study results, development of a Use Attainability Analysis to reclassify certain flood control segments, and development of strategic regional pathogen monitoring locations.

The task force is developing the documentation needed to support the suggested basin plan changes and will continue into FYE 2013. The task force funding partners are made up of San Bernardino, Riverside, and Orange Counties and OCSD. The stakeholders fund the efforts of the task force, and member agency contributions cover SAWPA staff costs to administer the task force. Consultants are used to facilitate the group, develop the basin plan, negotiate with the regulatory agencies, and provide technical support.

In FYE 2012, total revenues are projected to be \$350,750, of which \$300,750 is from other agency contributions and \$50,000 is from member agency contributions.

In FYE 2013, total revenues are projected to be \$350,750, of which \$300,750 is from other agency contributions and \$50,000 is from member agency contributions.



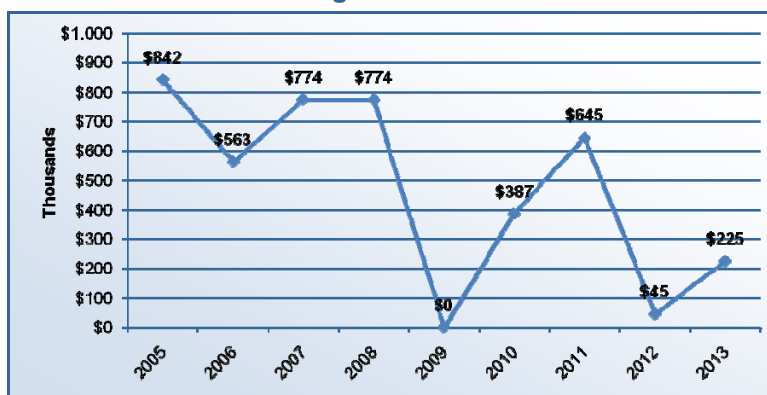
Fund 387 – Arundo Management & Habitat Restoration

This project was initiated to provide funding for Arundo removal and maintenance within the Watershed. The fund also will provide small grants for habitat restoration projects within the Watershed. Funding for this project is generated from the sale of Arundo mitigation bank credits which were purchased as part of the Proposition 13, SCIWP program. A total of 100 units were purchased for \$40,000 each, for a total of \$4 million.

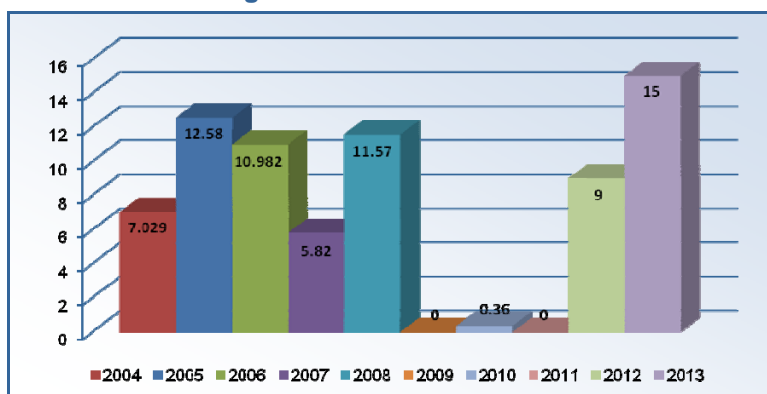
Funding should allow this project to continue through FYE 2015. Funds will be given to the original participants of the Arundo removal program and other habitat restoration projects that are approved by the SAWPA Commission.

In FYEs 2012 and 2013, mitigation credit sales are projected to be \$45,000 and \$225,000, respectively. Total units sold through FYE 2011 are 48.341, leaving 51.659 units available for sale. No mitigation credits have been sold in FYE 2010. Development in the Inland Empire has come to a standstill with the economic downturn. Without development moving forward, developers do not need to purchase mitigation credits. It is hoped that as the economy turns around, mitigation credit sales will pick up again.

Total Mitigation Credit Sales



Mitigation Credit Sales in Units



Fund 391 – GIS Initiative

In September 2006, SAWPA entered into an agreement with the Southeastern California GIS Council (formed in 2000) to serve as administrator of an initiative to provide high-quality imagery for GIS analysis to stakeholders throughout the region, including local governments, regional agencies, and special districts. Purchasing imagery as a group will provide better quality imagery at a lower cost for stakeholders in the region.

This is not a SAWPA funded activity. All costs, including SAWPA staff costs, will be paid by the GIS Council stakeholders and the consultant level of effort will not exceed available funds. This project has been put on hold.

Fund 392 – Emerging Constituents Program Task Force

Based on a Santa Ana RWQCB resolution accompanying the Cooperative Agreement for Imported Water Recharge signed by the RWQCB and nine imported water recharging agencies in January 2008, the signatories to the agreement agreed to develop a plan to investigate "emerging constituents" in water that is intentionally recharged to local aquifers. As follow up to the resolution and agreement, a new Emerging Constituents Program Task Force was formed among the signatories and interested parties administered by SAWPA to design and implement the proposed study of emerging constituents.

The initial investigation was divided into two phases. Phase 1 consisted of a survey of current water quality monitoring programs, regulatory issues, stakeholder concerns, analytical methods, and the state-of-the-science with respect to potential public health and environmental impacts. In December 2008, a draft report was submitted to the RWQCB and the final summary report was submitted in April 2009, characterizing the task force's preliminary findings. The next phase of work, initiated in April 2009, focused on developing an Emerging Constituents Monitoring/Evaluation Plan for the RWQCB's approval. The Phase II Monitoring/Evaluation Plan was submitted to the RWQCB on December 31, 2009. An annual monitoring program for emerging constituents will be implemented thereafter as required by the Regional Board and will be based on the Phase II plan.

In FYE 2012, total revenues are projected to be \$149,404, of which \$85,204 is from other agency contributions and \$64,200 is from member agency contributions.

In FYE 2013, total revenues are projected to be \$149,404, of which \$85,204 is from other agency contributions and \$64,200 is from member agency contributions.

Fund 393 – Trail Marketing Support

This project will develop signage and marketing tools for the SAR Trail and Parkway. SAWPA staff, working with the Park Departments of Orange, Riverside and San Bernardino Counties, will develop a uniform trail website, signage templates, maps and marketing materials. The two-year project is funded by Proposition 84 Trail and Parkway funds, and is directed by the Santa Ana River Trail Partnership Policy Advisory Group, consisting of Mayors and County Supervisors from each of the counties.

In FYE 2012, total revenues are projected to be \$80,143, all of which is from other agency contributions.

In FYE 2013, total revenues are projected to be \$60,839, all of which is from other agency contributions.

Fund 394 – Big Bear TMDL Task Force

In September 2007, at the request of Big Bear Lake stakeholders, the SAWPA Commission authorized SAWPA staff support for the development of a Big Bear Lake TMDL Task Force Agreement and its administrative role for the new task force. Similar to two other TMDL task force efforts in the Watershed, SAWPA, as administrator for the Big Bear Task Force, assists local stakeholders in addressing the RWQCB TMDL implementation tasks as described in the Big Bear Lake TMDL Task Force Agreement. All SAWPA costs for administering the task force are paid by the TMDL responsible parties. In the role of administrator for the task force, SAWPA provides all TMDL task force meeting organization and facilitation; secretarial, clerical and administrative services; management of task force funds; annual reports of task force assets and expenditures; and hiring of task force authorized consultants. SAWPA staff, working with stakeholders of the Big Bear Lake TMDL Task Force, is working to implement a number of tasks prescribed in the *2006 Basin Plan Amendment to Incorporate a Nutrient Total Maximum Daily Load (TMDL) for Dry Hydrological Conditions for Big Bear Lake*. These include implementing a watershed-wide nutrient compliance monitoring program, developing an in-lake sediment nutrient reduction plan for Big Bear Lake, and working with stakeholders and the RWQCB to investigate a potential mercury (Hg) TMDL for Big Bear Lake.

In FYE 2012, total revenues are projected to be \$200,000, all of which is from other agency contributions. This Task Force was discontinued in FYE 2012.

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Collaborative Project Funds Budget FYE 2012	Basin Monitoring Program TF Fund 374	SAR Fish Conservation Task Force Fund 381	Chino TMDL Task Force Fund 384-01	SWQ Standards Task Force Fund 386	Arundo Mgmt & Habitat Restoration Fund 387	Emerging Constituents Task Force Fund 392	Trail Marketing Support Fund 393	Big Bear TMDL Task Force Fund 394	Total
Source of Funds:									
Contributions	\$ 213,895	\$ 100,000	\$ 230,000	\$ 350,750	\$ –	\$ 149,404	\$ 80,143	\$ 200,000	\$ 1,324,192
Other Income	\$ –	\$ –	\$ –	\$ –	\$ 45,000	\$ –	\$ –	\$ –	\$ 45,000
Total Source of Funds	\$ 213,895	\$ 100,000	\$ 230,000	\$ 350,750	\$ 45,000	\$ 149,404	\$ 80,143	\$ 200,000	\$ 1,369,192
Staffing:									
Hours Allocated	545	369	787	290	195	448	407	269	3,310
FTE (based on 2080)	0.3	0.2	0.4	0.1	0.1	0.2	0.2	0.1	1.6
Use of Funds:									
Labor	\$ 28,018	\$ 18,990	\$ 31,778	\$ 16,284	\$ 10,765	\$ 18,906	\$ 15,437	\$ 12,138	\$ 152,316
Benefits	\$ 12,293	\$ 8,332	\$ 13,943	\$ 7,145	\$ 4,723	\$ 8,295	\$ 6,773	\$ 5,326	\$ 66,830
G&A Costs	\$ 44,346	\$ 30,057	\$ 50,296	\$ 25,773	\$ 17,038	\$ 29,924	\$ 24,433	\$ 19,211	\$ 241,078
Consulting & Professional Services	\$ –	\$ 210,000	\$ 180,000	\$ 300,000	\$ –	\$ 92,410	\$ 30,000	\$ 175,000	\$ 987,410
Operating Costs	\$ 100	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –	\$ 100
Equipment & Computer	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –	\$ 3,500	\$ –	\$ 3,500
Meeting & Travel	\$ 50	\$ 200	\$ 400	\$ 750	\$ –	\$ 100	\$ –	\$ 100	\$ 1,600
Other Administrative Costs	\$ –	\$ –	\$ 100	\$ –	\$ –	\$ –	\$ –	\$ –	\$ 100
Construction	\$ –	\$ –	\$ –	\$ –	\$ 250,000	\$ –	\$ –	\$ –	\$ 250,000
Total Use of Funds from Operations	\$ 84,807	\$ 267,579	\$ 276,517	\$ 349,952	\$ 282,526	\$ 149,635	\$ 80,143	\$ 211,775	\$ 1,702,934
Net Gain (Loss)	\$ 129,088	\$ (167,579)	\$ (46,517)	\$ 798	\$ (237,526)	\$ (231)	\$ –	\$ (11,775)	\$ (333,742)
Beginning Fund Balance	\$ (4,075)	\$ 229,310	\$ 130,363	\$ 14,471	\$ 1,019,643	\$ 20,712	\$ –	\$ 41,223	\$ 1,451,647
Ending Fund Balance	\$ 125,013	\$ 61,731	\$ 83,846	\$ 15,269	\$ 782,117	\$ 20,481	\$ –	\$ 29,448	\$ 1,117,905
G&A Contribution	2.14%	1.45%	2.43%	1.25%	0.82%	1.45%	1.18%	0.93%	11.66%

Collaborative Project Funds Budget FYE 2013	Basin Monitoring Program TF Fund 374	SAR Fish Conservation Task Force Fund 381	Chino TMDL Task Force Fund 384-01	SWQ Standards Task Force Fund 386	Arundo Mgmt & Habitat Restoration Fund 387	Emerging Constituents Task Force Fund 392	Trail Marketing Support Fund 393	Big Bear TMDL Task Force Fund 394	Total
Source of Funds:									
Contributions	\$ 177,273	\$ 120,000	\$ 235,000	\$ 350,750	\$ –	\$ 149,404	\$ 46,634	\$ –	\$ 1,079,061
Other Income	\$ –	\$ –	\$ –	\$ –	\$ 225,000	\$ –	\$ –	\$ –	\$ 225,000
Total Source of Funds	\$ 177,273	\$ 120,000	\$ 235,000	\$ 350,750	\$ 225,000	\$ 149,404	\$ 46,634	\$ –	\$ 1,304,061
Staffing:									
Hours Allocated	520	357	610	260	230	425	362	0	2,764
FTE (based on 2080)	0.3	0.2	0.3	0.1	0.1	0.2	0.2	0	1.2
Use of Funds:									
Labor	\$ 22,491	\$ 19,823	\$ 30,865	\$ 16,065	\$ 12,429	\$ 18,738	\$ 14,231	\$ –	\$ 134,642
Benefits	\$ 9,929	\$ 8,751	\$ 13,626	\$ 7,092	\$ 5,487	\$ 8,272	\$ 6,282	\$ –	\$ 59,439
G&A Costs	\$ 35,751	\$ 31,509	\$ 49,061	\$ 25,535	\$ 19,757	\$ 29,785	\$ 22,621	\$ –	\$ 214,019
Consulting & Professional Services	\$ –	\$ 110,000	\$ 180,000	\$ 300,000	\$ –	\$ 92,410	\$ –	\$ –	\$ 682,410
Operating Costs	\$ 100	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –	\$ 100
Equipment & Computer	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –	\$ 3,500	\$ –	\$ 3,500
Meeting & Travel	\$ 50	\$ 200	\$ 400	\$ 750	\$ –	\$ 100	\$ –	\$ –	\$ 1,500
Other Administrative Costs	\$ –	\$ –	\$ 100	\$ –	\$ –	\$ –	\$ –	\$ –	\$ 100
Construction	\$ –	\$ –	\$ –	\$ –	\$ 250,000	\$ –	\$ –	\$ –	\$ 250,000
Total Use of Funds from Operations	\$ 68,321	\$ 170,283	\$ 274,052	\$ 349,442	\$ 287,673	\$ 149,305	\$ 46,634	\$ –	\$ 1,345,710
Net Gain (Loss)	\$ 108,952	\$ (50,283)	\$ (39,052)	\$ 1,308	\$ (62,673)	\$ 99	\$ –	\$ –	\$ (41,649)
Beginning Fund Balance	\$ 125,013	\$ 61,731	\$ 83,846	\$ 15,269	\$ 782,117	\$ 20,481	\$ –	\$ –	\$ 1,088,457
Ending Fund Balance	\$ 233,965	\$ 11,448	\$ 44,794	\$ 16,577	\$ 719,444	\$ 20,580	\$ –	\$ –	\$ 1,046,808
G&A Contribution	1.74%	1.53%	2.38%	1.24%	0.96%	1.45%	1.10%	0.00%	10.39%

Collaborative Project Funds FYE 2007 - 2013	FYE 2007 Actual	FYE 2008 Actual	FYE 2009 Actual	FYE 2010 Actual	FYE 2011 Budget	FYE 2011 Projected	FYE 2012 Budget	FYE 2013 Budget
Source of Funds:								
Grant Proceeds	\$ 93,734	\$ 396,111	\$ 130,552	\$ 21,045	\$ –	\$ –	\$ –	\$ –
Contributions	\$ 1,746,701	\$ 2,433,643	\$ 1,498,533	\$ 1,325,369	\$ 2,626,551	\$ 1,590,614	\$ 1,324,192	\$ 1,079,061
Other Income	\$ 288,452	\$ 514,750	\$ 14,700	\$ 16,016	\$ 645,000	\$ –	\$ 45,000	\$ 225,000
Interest & Investments	\$ 106,541	\$ 144,235	\$ 66,548	\$ 25,802	\$ 46,339	\$ 12,900	\$ –	\$ –
Total Source of Funds	\$ 2,235,428	\$ 3,488,739	\$ 1,710,333	\$ 1,388,232	\$ 3,317,890	\$ 1,603,514	\$ 1,369,192	\$ 1,304,061
Use of Funds:								
Labor	\$ 97,505	\$ 112,170	\$ 126,582	\$ 122,365	\$ 166,618	\$ 98,954	\$ 152,316	\$ 134,642
Benefits	\$ 42,221	\$ 48,683	\$ 54,051	\$ 52,494	\$ 70,423	\$ 41,932	\$ 66,830	\$ 59,439
G&A Costs	\$ 159,519	\$ 182,279	\$ 207,848	\$ 195,784	\$ 272,186	\$ 161,265	\$ 241,078	\$ 214,019
Consulting & Professional Services	\$ 1,204,553	\$ 2,645,290	\$ 1,148,228	\$ 1,190,806	\$ 2,129,975	\$ 1,435,319	\$ 987,410	\$ 682,410
Operating Costs	\$ 14	\$ 2,818	\$ –	\$ –	\$ 500	\$ 100	\$ 100	\$ 100
Equipment & Computer	\$ –	\$ –	\$ –	\$ 8,076	\$ 1,450	\$ 2,050	\$ 3,500	\$ 3,500
Meeting & Travel	\$ 1,947	\$ 1,218	\$ 3,404	\$ 1,488	\$ 5,350	\$ 1,308	\$ 1,600	\$ 1,500
Other Administrative Costs	\$ 151	\$ 146	\$ 14,231	\$ 9,502	\$ 100	\$ 30,091	\$ 100	\$ 100
Other Expense	\$ –	\$ –	\$ –	\$ 102	\$ –	\$ –	\$ –	\$ –
Construction	\$ 269,823	\$ 188,680	\$ 64,160	\$ 287,810	\$ 500,000	\$ 500,000	\$ 250,000	\$ 250,000
Total Use of Funds from Operations	\$ 1,775,733	\$ 3,181,284	\$ 1,618,504	\$ 1,868,427	\$ 3,146,602	\$ 2,271,019	\$ 1,702,934	\$ 1,345,710
Net Gain (Loss)	\$ 459,695	\$ 307,455	\$ 91,829	\$ (480,195)	\$ 171,288	\$ (667,505)	\$ (333,742)	\$ (41,649)

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Grant/Contract Funds

The Grant/Contract Fund group is comprised of funds that receive State, Federal or local grants. Projects in this fund are generally funded through grant and other proceeds. Currently, the fund is made up of the five activities/projects listed and described below.

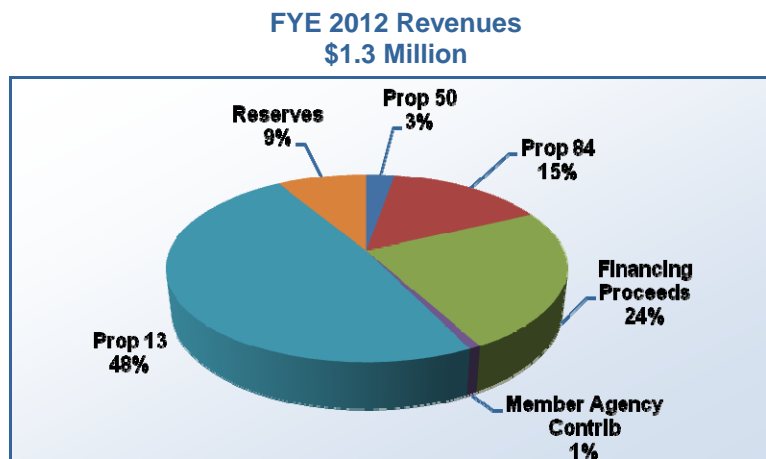
<i>Fund</i>	<i>Project</i>
125	Proposition 50 Program Mgmt
130	Proposition 84 Program Mgmt
477	LESJWA Administration
500	Proposition 13 Capital Projects
503	Proposition 50 Capital Projects

Revenue and Other Funding Sources

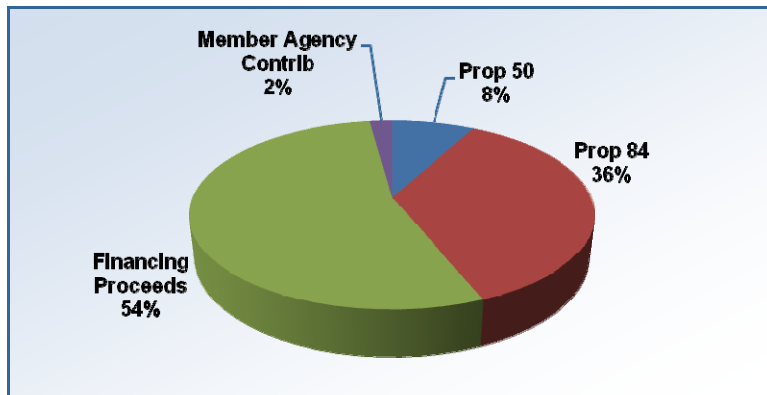
In FYE 2012, the grant/contract fund has total budgeted revenues of \$1.3 million, or approximately 3.8% of the total budgeted revenue of \$32.8 million. This represents a 68.9%, or \$512,826, increase in revenues over the FYE 2011 budget. The increase is due to the receipt of Proposition 13 funding for the Brine Line Sediment Trap project.

In FYE 2013, the grant/contract fund has total budgeted revenues of \$473,273, or approximately 1.6% of the total budgeted revenue of \$29.2 million. This represents a 62.8%, or \$784,193, decrease over the FYE 2012 budget. The decrease is due to completion of the Brine Line Sediment Trap project in FYE 2012.

Revenues are made up of the categories and amounts in the pie charts below.

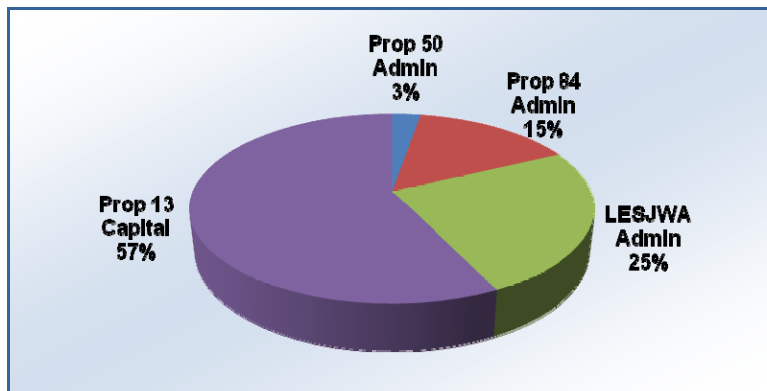


FYE 2013 Revenues \$473,273

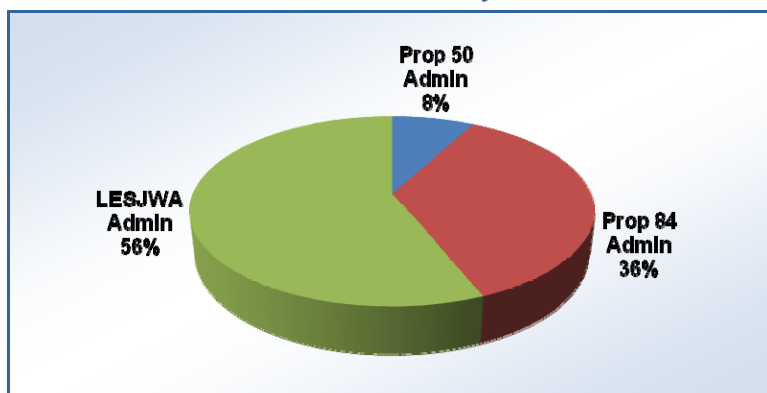


Total revenues by fund are shown in the pie charts below.

FYE 2012 Revenue by Fund



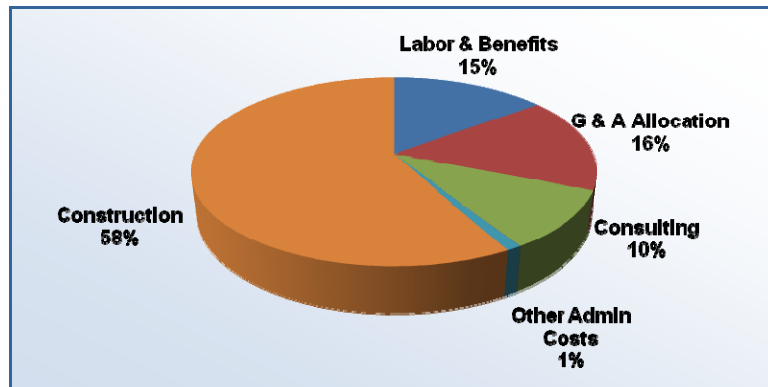
FYE 2013 Revenue by Fund



Expenses and Other Uses of Funds

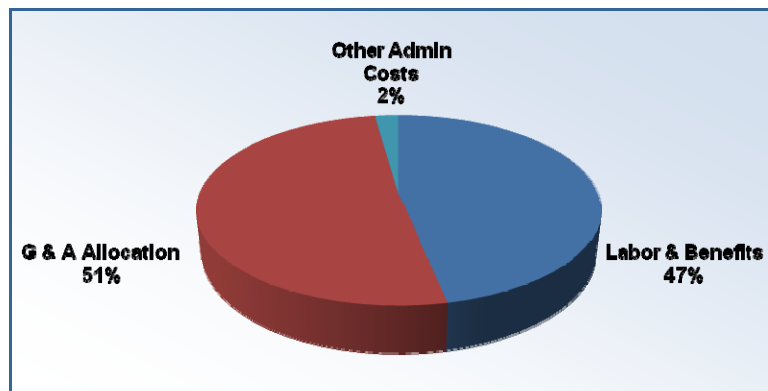
Total expenses for FYE 2012 are \$1.9 million, or approximately 5.9% of total operating expenses. This represents a 167%, or \$1.2 million, increase in expenses over the FYE 2011 budget. This increase is due to the Brine Line Sediment Trap project.

**FYE 2012 Expenses
\$1.9 Million**



Total expenses for FYE 2013 are \$473,273, or approximately 1.6% of total operating expenses. This represents a 76.2%, or \$1.5 million, decrease in expenses over the FYE 2012 budget. The decrease is due to the completion of the Brine Line Sediment Trap project.

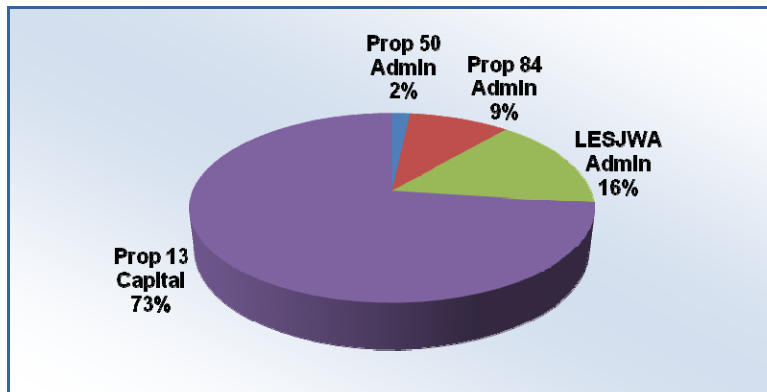
**FYE 2013 Expenses
\$467,388**



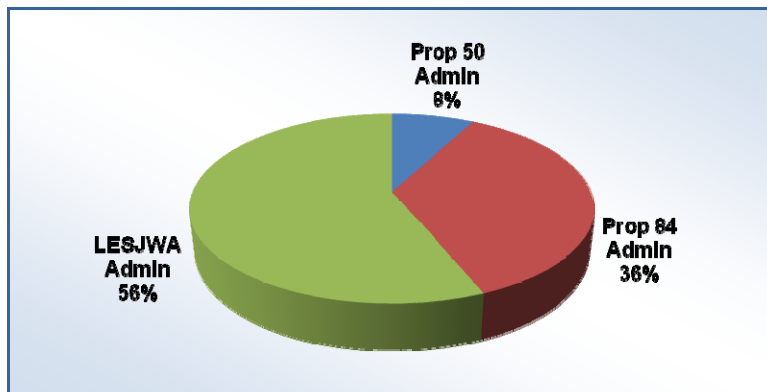
All budgeted fund expenses are eligible for reimbursement through grant funding. If the grant funding is not obtained, both revenue and expenses will be reduced in these areas.

Participating in grant/contract programs allows some of the Agency's general fund expenses to be allocated to these funds. In FYE 2012, approximately 16%, or \$322,245 of general fund expenses will be paid through this fund group. In FYE 2013, approximately 12%, or \$242,717 general fund expenses will be paid through this fund group. If any of the grant funding is not obtained, this offset to general and administrative costs would be reduced.

FYE 2012 Expenses by Fund



FYE 2013 Expenses by Fund



Fund 125 – Proposition 50 Program Management

In 2003, Proposition 50 was approved by the voters. SAWPA prepared an application for grant funding from Chapter 8, the IRWM Program for implementation of projects within the Watershed and has been awarded a \$25 million grant. The administration of the grant will be accounted for in this fund.

In FYE 2012, both total revenues and expenses are projected to be \$34,133. In FYE 2013, both total revenues and expenses are projected to be \$38,219. Only the cost of administering the grant contract, have been included in the budget.

Fund 130 – Proposition 84 Program Management

In 2006, voters passed Proposition 84, which provides over \$5 billion to support various water resource needs in the State. Chapter 2 of Proposition 84, authorized \$1 billion for the IRWM Program, with \$114 million called out specifically for the Watershed. Aside from the \$114 million, funds are available from other chapters in this bond. The region could see as much as \$200 million in grant funds.

In FYE 2012, both total revenues and expenses are projected to be \$191,382. In FYE 2013, both total revenues and expenses are projected to be \$171,446. Only the cost of administering the grant contract, have been included in the budget.

Fund 477 – LESJWA Administration

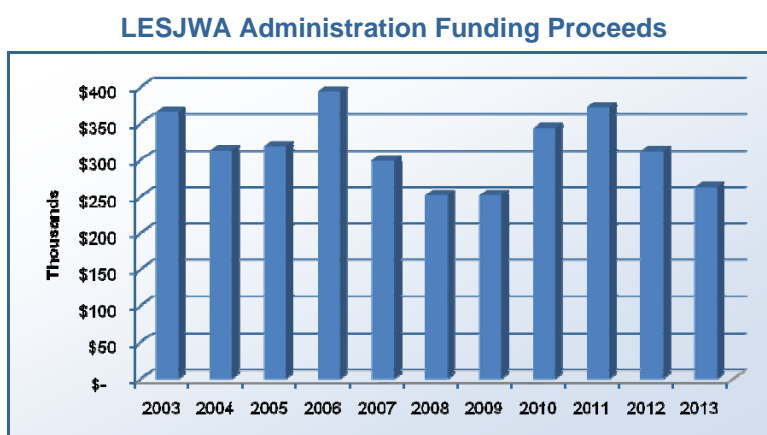
With the passage of State Proposition 13 Water Bond on March 7, 2000, \$15 million was allocated for the benefit of Lake Elsinore and San Jacinto Watersheds under the direction of a newly formed JPA called the Lake Elsinore and San Jacinto Watersheds Authority (LESJWA). SAWPA serves as the administrator for this JPA and is one of the five members, which represent the JPA Board. The Board consists of

Elsinore Valley Municipal Water District, the City of Lake Elsinore, the County of Riverside, the City of Canyon Lake, and SAWPA. In FYE 2008, all Proposition 13 Water Bond funding for LESJWA was fully expended. Additional State grant funds and local stakeholder funding from parties of the Lake Elsinore and Canyon Lake (LE/CL) TMDL Task Force will be used to continue the activities of the JPA and implement beneficial projects. Major activities include administering the LE/CL TMDL Task Force, developing BMPs, and continued improvement of lake quality.

In FYE 2012, total revenues and expenses are projected to be \$312,363. This is a 16.2%, or \$60,327, decrease over the FYE 2011 budget.

In FYE 2013, total revenues and expenses are projected to be \$263,608. This is a 15.6%, or \$48,755 decrease over the FYE 2012 budget.

Total funding proceeds for the administration of LESJWA are shown in the chart below.



Fund 500 – Proposition 13 – Capital Projects

In 2000, the California voters passed the Costa-Machado Water Act. SAWPA was named in the water bond and entered into a contract with the SWRCB to serve as program manager over the \$235 million allocated for 23 water supply and quality projects within the Santa Ana River Watershed. The Brine Line Sediment Trap project will be funded from remaining Proposition 13 administration funds.

In FYE 2012, total revenues are projected to be \$719,588, and total expenses are projected to be \$1.4 million. The Brine Line Sediment Trap project is expected to be completed in FYE 2012.

Fund 503 – Proposition 50 – Capital Projects

In 2003, Proposition 50 was approved by the voters. SAWPA prepared an application for grant funding from Chapter 8, the IRWM Program for implementation of projects within the Watershed and has been awarded a \$25 million grant. The Central Feeder contract, which was originally funded under Proposition 13, was extended and funded under Proposition 50.

“Pass through” project grants are not included in the Agency’s revenues. Approximately \$10 million in funds will pass through in FYE 2012 and \$3 million for FYE 2013. The projects are expected to be completed in FYE 2014.

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Grant/Contract Fund Budget FYE 2012	Prop 50 Program Mgmt Fund 125	Prop 84 Program Mgmt Fund 130	LESJWA Administration Fund 477	Prop 13 Capital Projects Fund 500	Prop 50 Capital Projects Fund 503	Total
Source of Funds:						
Financing Proceeds	\$ –	\$ –	\$ 302,363	\$ –	\$ –	\$ 302,363
Grant Proceeds	\$ 34,133	\$ 191,382	\$ –	\$ 611,010	\$ –	\$ 836,525
Contributions	\$ –	\$ –	\$ 10,000	\$ –	\$ –	\$ 10,000
Other Income	\$ –	\$ –	\$ –	\$ 108,578	\$ –	\$ 108,578
Total Source of Funds	\$ 34,133	\$ 191,382	\$ 312,363	\$ 719,588	\$ –	\$ 1,257,466
Staffing:						
Hours Allocated	223	1,259	2,075	582	–	4,139
FTE (based on 2080)	0.1	0.6	1.0	0.3	–	2.0
Use of Funds:						
Labor	\$ 11,214	\$ 63,340	\$ 99,921	\$ 29,123	\$ –	\$ 203,598
Benefits	\$ 4,920	\$ 27,791	\$ 43,842	\$ 12,778	\$ –	\$ 89,331
G&A Costs	\$ 17,749	\$ 100,251	\$ 158,150	\$ 46,095	\$ –	\$ 322,245
Consulting & Professional Services	\$ –	\$ –	\$ –	\$ 200,000	\$ –	\$ 200,000
Meeting & Travel	\$ 250	\$ –	\$ 250	\$ –	\$ –	\$ 500
Other Administrative Costs	\$ –	\$ –	\$ 10,200	\$ 10,000	\$ –	\$ 20,200
Construction	\$ –	\$ –	\$ –	\$ 1,150,000	\$ –	\$ 1,150,000
Total Use of Funds from Operations	\$ 34,133	\$ 191,382	\$ 312,363	\$ 1,447,996	\$ –	\$ 1,985,874
Net Gain (Loss)	\$ –	\$ –	\$ –	\$ (728,408)	\$ –	\$ (728,408)
Project Reimbursement (Prop 50 – Capital)	\$ –	\$ –	\$ –	\$ –	\$ 10,049,684	\$ 10,049,684
G&A Contribution	0.86%	4.85%	7.65%	2.23%	0.00%	15.58%

Grant/Contract Fund Budget FYE 2013	Prop 50 Program Mgmt Fund 125	Prop 84 Program Mgmt Fund 130	LESJWA Administration Fund 477	Prop 13 Capital Projects Fund 500	Prop 50 Capital Projects Fund 503	Total
Source of Funds:						
Financing Proceeds	\$ –	\$ –	\$ 253,608	\$ –	\$ –	\$ 253,608
Grant Proceeds	\$ 38,219	\$ 171,446	\$ –	\$ –	\$ –	\$ 209,665
Contributions	\$ –	\$ –	\$ 10,000	\$ –	\$ –	\$ 10,000
Total Source of Funds	\$ 38,219	\$ 171,446	\$ 263,608	\$ –	\$ –	\$ 473,273
Staffing:						
Hours Allocated	239	1,170	1,665	–	–	3,074
FTE (based on 2080)	0.1	0.6	0.8	–	–	1.5
Use of Funds:						
Labor	\$ 12,609	\$ 56,564	\$ 83,523	\$ –	\$ –	\$ 152,696
Benefits	\$ 5,567	\$ 24,971	\$ 36,872	\$ –	\$ –	\$ 67,410
G&A Costs	\$ 20,043	\$ 89,911	\$ 132,763	\$ –	\$ –	\$ 242,717
Meeting & Travel	\$ –	\$ –	\$ 250	\$ –	\$ –	\$ 250
Other Administrative Costs	\$ –	\$ –	\$ 10,200	\$ –	\$ –	\$ 10,200
Total Use of Funds from Operations	\$ 38,219	\$ 171,446	\$ 263,608	\$ –	\$ –	\$ 473,273
Net Gain (Loss)	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –
Project Reimbursement (Prop 50 – Capital)	\$ –	\$ –	\$ –	\$ –	\$ 3,010,380	\$ 3,010,380
G&A Contribution	0.97%	4.36%	6.44%	0.00%	0.00%	11.78%

Grant/Contract Funds FYE 2007 - 2013	FYE 2007 Actual	FYE 2008 Actual	FYE 2009 Actual	FYE 2010 Actual	FYE 2011 Budget	FYE 2011 Projected	FYE 2012 Budget	FYE 2013 Budget
Source of Funds:								
Financing Proceeds	\$ 226,522	\$ 227,787	\$ 223,749	\$ 256,486	\$ 362,690	\$ 275,611	\$ 302,363	\$ 253,608
Grant Proceeds	\$ 425,319	\$ 352,804	\$ 214,289	\$ 60,960	\$ 371,950	\$ 32,354	\$ 836,525	\$ 209,665
Contributions	\$ 5,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
Other Income	\$ –	\$ –	\$ 108,578	\$ –	\$ –	\$ 190,000	\$ 108,578	\$ –
Total Source of Funds	\$ 656,841	\$ 590,591	\$ 556,616	\$ 327,446	\$ 744,640	\$ 507,965	\$ 1,257,466	\$ 473,273
Use of Funds:								
Labor	\$ 134,360	\$ 135,809	\$ 128,693	\$ 103,053	\$ 240,010	\$ 106,784	\$ 203,598	\$ 152,696
Benefits	\$ 58,176	\$ 58,941	\$ 54,952	\$ 44,210	\$ 101,447	\$ 45,170	\$ 89,331	\$ 67,410
G&A Costs	\$ 219,809	\$ 220,690	\$ 211,313	\$ 164,885	\$ 392,084	\$ 174,486	\$ 322,245	\$ 242,717
Consulting & Professional Services	\$ 237,352	\$ 163,174	\$ 619	\$ –	\$ –	\$ 120,000	\$ 200,000	\$ –
Operating Costs	\$ –	\$ –	\$ –	\$ –	\$ –	\$ 1,024	\$ –	\$ –
Meeting & Travel	\$ 1,162	\$ 1,880	\$ 952	\$ 780	\$ 500	\$ 700	\$ 500	\$ 250
Other Administrative Costs	\$ 10,982	\$ 10,097	\$ 11,501	\$ 9,735	\$ 10,600	\$ 10,432	\$ 20,200	\$ 10,200
Construction	\$ –	\$ –	\$ 1,150,000	\$ –	\$ –	\$ –	\$ 1,150,000	\$ –
Total Use of Funds from Operations	\$ 661,841	\$ 590,591	\$ 1,558,030	\$ 322,663	\$ 744,640	\$ 458,596	\$ 1,985,874	\$ 473,273
Net Gain (Loss)	\$ (5,000)	\$ –	\$ (1,001,414)	\$ 4,783	\$ –	\$ 49,369	\$ (728,408)	\$ –

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Capital Project Funds

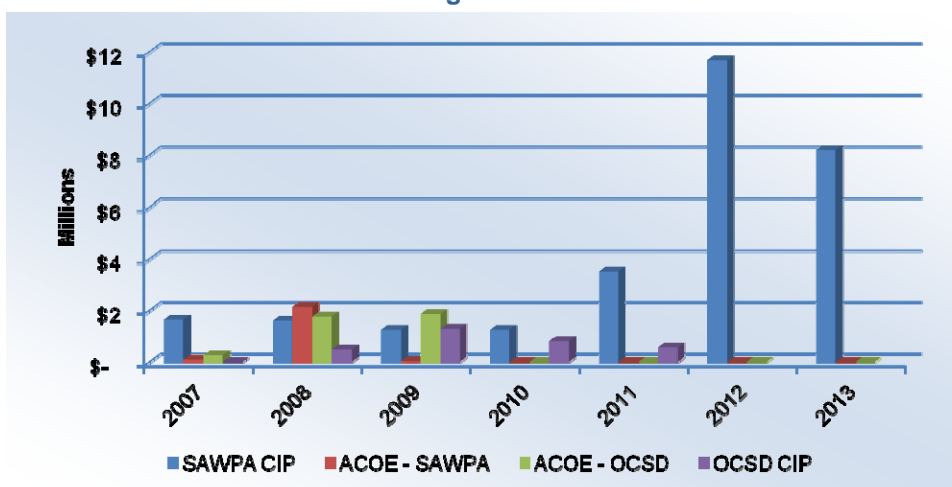
The Capital Project Fund includes projects related to the operation and maintenance of the Inland Empire Brine Line. The Brine Line is a non-reclaimable wastewater pipeline that provides for the export of domestic wastewater, high-salinity industrial wastewater, and desalter brine generated within the Watershed. The Brine Line carries the waste to a treatment plant operated by OCSD in Huntington Beach. After treatment, the treated effluent is discharged to the Pacific Ocean.

In March 2006, the SAWPA Commission approved a draft CIP for planning purposes. The CIP includes projects of over \$60 million that are planned for completion by FYE 2025. The main focus of the CIP is to assure the long-term viability and sustainability of the Brine Line system by addressing on-going maintenance, capital improvements, protection/relocation, and strategic relationships. In FYE 2010, a new long-term vision and plan was developed which includes an update to the CIP.

In FYE 2012, the Agency has budgeted approximately \$11.7 million, and \$8.2 million in FYE 2013 for Capital Projects, based on the draft CIP. The draft CIP consists of the following main elements:

1. SAWPA CIP Projects
 - a. Capital Repairs (annual).
 - b. Brine Line Reach IV-A and IV-B Repairs (relining of unlined reinforced concrete pipe) (complete by FYE 2013).
2. OCSD actions related to the raising of Prado Dam and Reach 9 improvements by the ACOE (complete by FYE 2011).
 - a. Interim capital repairs to the existing Brine Line within the floodplain (on-going through at least the next two years).
 - b. Staff and consultant costs to participate in EIR/EIS process, design, and construction (complete by FYE 2013).
 - c. Up to a \$12 million short-term loan based on 10% of the total project cost will be provided to Orange County Public Works to be used towards relocation costs. This loan is per an agreement between SAWPA and the Orange County Flood Control District (OCFCD).
3. OCSD Capital Improvement Program projects on the Brine Line through FYE 2060 (variable SAWPA cost share).

**Expected Capital Improvement Plan Expenditures
Through FYE 2013**



SAWPA Capital Improvements Plan (CIP) Projects

The Brine Line stretches over 93 miles through San Bernardino, Riverside, and Orange Counties of which 73 miles is owned by SAWPA. The Brine Line upstream of Prado Dam was constructed over a 20-year period, in sections. The pipe making up the line is of varying ages with the oldest section of the line being 35 years old, and the newest being less than ten years old. The pipeline is made of varying materials, chosen for both durability and cost.

To reduce long-term costs for maintenance and the chance of a line failure, SAWPA has instituted an on-going CCTV video inspection of the line to assess the condition of the pipeline. Inspection reports note any anomalies such as pipeline cracks, de-lamination of PVC liner, sags, root intrusion, and debris or material accumulation. This work also allows staff to better estimate infiltration and inflow, and plan future repair and replacement in the managed maintenance program. The CIP is updated in conjunction with the CCTV program.

CIP projects under this category include lining portions of Reaches IV-A and IV-B, which were constructed with un-lined RCP, and the repair of problems found in the CCTV inspection of the line.

ACOE Project

As a result of the ACOE Prado Dam Mainstem Project, SAWPA was required to move a portion of the Brine Line to avoid a conflict with the relocated low flow channel to the new outlet works. The Brine Line relocation was constructed in two parts during 2008. The first part installed a dual pipeline through the dam, within the old outlet. The second part connected the first part to the existing Brine Line downstream of the dam. This work has been completed. Additional work may be required as the ACOE designs flood dikes in Corona and Chino (Alcoa and Yorba Slaughter Dikes).

Protection/Relocation of the Line

OCSD owns, operates, and maintains the line west of the Orange/Riverside County line. SAWPA owns capacity rights in the line and has entered into a cost sharing agreement for the operation and maintenance of that portion of the line. Between the Orange/Riverside County line and SAVI Ranch, the Brine Line lies within the floodplain of the SAR. As part of the ACOE project, the design maximum controlled release from the dam will increase from 9,300 cubic feet per second (cfs) to 30,000 cfs. As part of the project, protection of the Brine Line downstream of Prado in Riverside and Orange Counties is required. OCSD has an on-going program to monitor the soil erosion and the remaining soil cover over the pipeline. Over the last few years, OCSD has performed several protection projects installing grade stabilizers and bank protection. This program will continue until a long-term solution to protect the pipeline is selected and implemented. A portion of the pipeline lies beneath the low flow channel of the SAR and may be subject to damage due to erosion.

Costs in this CIP category include SAWPA and OCSD costs relating to the protection/relocation of the portions of the Brine Line which lie in the flood plain.

OCSD CIP Projects

OCSD also has a CIP planned through FYE 2060 for their portion of the SARI line. Depending on which part of the pipeline a project is for, SAWPA, through the cost sharing agreement for the operation and maintenance of the line, is obligated to pay a portion of the costs for this CIP; the amount of obligation varies by section of the pipeline.

Impact of CIP on Operating Budget

For each of the capital projects listed above, the only impacts on the current operating budget are the staff costs involved in completing the project. Once the project is complete, there are no additional impacts to future operating budgets and there may even be a reduction to future operating and maintenance budgets.

CIP Funding

During the budget process, the rate model and CIP were updated to include FYEs 2012 and 2013 budget projections. The rate model establishes reserve contributions for FYEs 2012 and 2013 in the amount of \$3.0 million. Contributions to reserves and existing reserve balances will be used to fund the CIP.

In 2011, a new dynamic rate model was developed including an updated CIP for the next 25 years. Current funding options used in the rate model include pay-as-you-go, debt financing, or a combination of both. Based on the assumptions used in the model, use of reserves, rate increases, and borrowing provide the necessary funding for the long-term financial stability of the system. Over the last few years, the CIP has been funded using pay-as-you-go financing. CIP projects for FYEs 2012 and 2013 will be funded from an SRF Loan, Propositions 13 and 84 grants, and Agency Reserves.

Reserve Balances at FYE 2011

<i>Reserve Account</i>	<i>FYE 2011 Balance</i>
Pipeline Repair/Replacement Reserve	\$ 24,500,325
OCS D Rehabilitation Reserve	\$ 1,754,000
Capacity Management Reserve	\$ 453,207
Total Reserves Available for CIP	\$ 26,707,532

Reserves Available to Fund CIP through FYE 2013

<i>FYE Year</i>	<i>Beginning Reserve Balance</i>	<i>Contributions To Reserves</i>	<i>CIP Funding</i>	<i>Ending Reserve Balance</i>
2012	\$ 26,707,532	\$ 2,940,867	\$ (2,235,661)	\$ 27,412,738
2013	\$ 27,412,738	\$ 2,986,552	\$ (2,015,422)	\$ 28,383,868

A detailed description of each project included in the budget, is included on the pages to follow.

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Capital Project Fund Budget FYE 2012	Brine Line Protection Project Fund 320	Reach IV-A & IV-B Repairs Fund 323	Total
Source of Funds:			
Financing Proceeds	\$ –	\$ 10,078,559	\$ 10,078,559
Other Income	\$ 1,588,717	\$ –	\$ 1,588,717
Total Source of Funds	\$ 1,588,717	\$ 10,078,559	\$ 11,667,276
Staffing:			
Hours Allocated	335	3,205	3,540
FTE (based on 2080)	0.2	1.5	1.7
Use of Funds:			
Labor	\$ 20,757	\$ 176,586	\$ 197,343
Benefits	\$ 9,107	\$ 77,480	\$ 86,587
G&A Costs	\$ 32,853	\$ 279,493	\$ 312,346
Consulting & Professional Services	\$ 285,000	\$ 775,000	\$ 1,060,000
Other Administrative Costs	\$ 1,000	\$ 10,000	\$ 11,000
Construction	\$ 1,240,000	\$ 8,760,000	\$ 10,000,000
Total Use of Funds from Operations	\$ 1,588,717	\$ 10,078,559	\$ 11,667,276
Net Gain (Loss)	\$ –	\$ –	\$ –
G&A Contribution	1.59%	13.51%	15.10%

Capital Project Fund Budget FYE 2013	Brine Line Protection Project Fund 320	Reach IV-A & IV-B Repairs Fund 323	Total
Source of Funds:			
Financing Proceeds	\$ —	\$ 6,705,452	\$ 6,705,452
Other Income	\$ 1,487,248	\$ —	\$ 1,487,248
Total Source of Funds	\$ 1,487,248	\$ 6,705,452	\$ 8,192,700
Staffing:			
Hours Allocated	815	1,723	2,538
FTE (based on 2080)	0.4	0.8	1.2
Use of Funds:			
Labor	\$ 54,849	\$ 105,725	\$ 160,574
Benefits	\$ 24,214	\$ 46,673	\$ 70,887
G&A Costs	\$ 87,185	\$ 168,054	\$ 255,239
Consulting & Professional Services	\$ 275,000	\$ 525,000	\$ 800,000
Other Administrative Costs	\$ 1,000	\$ 10,000	\$ 11,000
Construction	\$ 1,045,000	\$ 5,850,000	\$ 6,895,000
Total Use of Funds from Operations	\$ 1,487,248	\$ 6,705,452	\$ 8,192,700
Net Gain (Loss)	\$ —	\$ —	\$ —
G&A Contribution	4.23%	8.16%	12.39%

Capital Project Funds	FYE 2007	FYE 2008	FYE 2009	FYE 2010	FYE 2011	FYE 2011	FYE 2012	FYE 2013
FYE 2007 – 2013	Actual	Actual	Actual	Actual	Budget	Projected	Budget	Budget
Source of Funds:								
Financing Proceeds	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –	\$ 10,078,559	\$ 6,705,4521
Grant Proceeds	\$ –	\$ –	\$ –	\$ 718,900	\$ –	\$ –	\$ –	\$ –
Other Income	\$ 2,001,362	\$ 1,600,576	\$ 1,358,588	\$ 563,535	\$ 19,922,120	\$ 3,501,414	\$ 1,588,717	\$ 1,487,248
Total Source of Funds	\$ 2,001,362	\$ 1,600,576	\$ 1,358,588	\$ 1,282,435	\$ 19,922,120	\$ 3,501,414	\$ 11,667,276	\$ 8,192,700
Use of Funds:								
Labor	\$ 15,945	\$ 61,607	\$ 60,303	\$ 76,658	\$ 151,203	\$ 79,769	\$ 197,343	\$ 160,574
Benefits	\$ 7,079	\$ 26,738	\$ 27,579	\$ 32,886	\$ 63,911	\$ 33,741	\$ 86,587	\$ 70,887
G&A Costs	\$ 26,729	\$ 100,112	\$ 97,188	\$ 122,652	\$ 247,007	\$ 130,341	\$ 312,346	\$ 255,239
Consulting & Professional Services	\$ 1,610,260	\$ 229,163	\$ 515,510	\$ 664,313	\$ 664,000	\$ 761,563	\$ 1,060,000	\$ 800,000
Operating Costs	\$ –	\$ –	\$ 4,695	\$ 2,117	\$ –	\$ –	\$ –	\$ –
Meeting & Travel	\$ 38	\$ 142	\$ 594	\$ 912	\$ –	\$ –	\$ –	\$ –
Other Administrative Costs	\$ 117	\$ 2,080	\$ 8,171	\$ 3,698	\$ 16,000	\$ 16,000	\$ 11,000	\$ 11,000
Construction	\$ 341,194	\$ 1,180,734	\$ 517,514	\$ 329,983	\$ 18,780,000	\$ 2,480,000	\$ 10,000,000	\$ 6,895,000
Total Use of Funds from Operations	\$ 2,001,362	\$ 1,600,576	\$ 1,231,554	\$ 1,233,219	\$ 19,922,120	\$ 3,501,414	\$ 11,667,276	\$ 8,192,700
Net Gain (Loss)	\$ –	\$ –	\$ 127,034	\$ 49,216	\$ –	\$ –	\$ –	\$ –

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Request for Capital Funding

Project #	320-01 OC
	320-04 RC

PROJECT or EQUIPMENT INFORMATION

NAME:	Priority:	High
Brine Line Protection/Relocation, D/S of Prado in Orange and Riverside Counties	External Fund Potential:	Yes
DESCRIPTION:	Current Stage:	Varies
Brine Line Protection/Relocation activities downstream (D/S) of Prado Dam in Orange and Riverside Counties. Includes near term capital budgets for repairs pending completion of long-term solution.	Expansion %:	0%
	Replacement %:	100%
	Req'd Ext Funding %:	0%
	LOCATION:	Expended to Date:
Existing Brine Line between Orange County line (Green River Golf Course) and SAVI Ranch (Orange County) and Prado Dam and Orange County line (Riverside County)	Future Costs:	\$1.0M
	Total Project Cost:	\$10.9M

DESCRIBE PROBLEMS, EXPENSES, ETC. AS JUSTIFICATION FOR REPLACEMENT:

Orange County Public Works and Riverside County Flood Control & Water Conservation District (RCFC&WCD) have committed to protect the Brine Line downstream of Prado Dam as part of the ACOE's Mainstem Project. Each agency will perform the work necessary to protect the pipeline. CEQA/NEPA and design are complete. Bids have been received in June 2011 and construction contracts are planned for award in the summer of 2011. SAWPA has agreed to loan 10% of the project costs for an amount up to \$12 million.

All OCSD costs represent 76% of the total.

ANNUAL IMPACTS ON OPERATIONS/MAINTENANCE:

No additional impact to future operating budgets, may see cost reduction to operations and maintenance costs.

Cost Estimate:	2009-10	2010-11	2011-12	2012-13	2013-14	TOTAL
SAWPA LABOR	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
BENEFITS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
G&A COSTS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
ENGINEERING, OCSD	\$ -	\$ 75,000	\$ 75,000	\$ 75,000	\$ -	\$ 225,000
CONSULTING	\$ 4,865	\$ 125,000	\$ 60,000	\$ 75,000	\$ -	\$ 264,865
OCSD CONSULTING	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
LEGAL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CAPITAL REPAIRS	\$ -	\$ 1,000,000	\$ 500,000	\$ 250,000	\$ -	\$ 1,750,000
OTHER/MISC	\$ -	\$ 6,000	\$ 1,000	\$ 1,000	\$ -	\$ 8,000
GRANTS (FEMA, NRCS)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTALS	\$ 4,865	\$ 1,206,000	\$ 636,000	\$ 401,000	\$ -	\$ 2,247,865

Request for Capital Funding

Project # 320-03

<i>PROJECT or EQUIPMENT INFORMATION</i>		
NAME:	Priority:	High
Capital Repair, Other Required Activities	External Fund Potential:	No
DESCRIPTION:	Current Stage:	Planning
Miscellaneous capital repairs that may have little advance planning, CCTV pipeline inspection performed to date reveals a number of capital repairs are required. As the system ages, additional repairs are anticipated to be needed annually.	Expansion %:	0%
	Replacement %:	100%
	Req'd Ext Funding %:	0%
LOCATION:	Expended to Date:	\$0.7M
System wide	Future Costs:	\$2.52M
	Total Project Cost:	\$3.2M

<i>DESCRIBE PROBLEMS, EXPENSES, ETC. AS JUSTIFICATION FOR REPLACEMENT:</i>
Repairs are necessary from time to time which are not known at the time annual budgets are prepared. These repairs cannot wait until a subsequent year. Such repairs include, but are not limited to:
1. Maintenance Access Structures (MAS) repair and adjustments.
2. Relocations where SAWPA does not have "prior rights".
3. Sinkhole repairs.
4. Repairs that result from CCTV pipeline inspections.

<i>ANNUAL IMPACTS ON OPERATIONS/MAINTENANCE:</i>
Failure of line or work done by others at higher cost. No additional impact to future operating budgets.

<i>Cost Estimate:</i>	2009-10	2010-11	2011-12	2012-13	2013-14	TOTAL
SAWPA LABOR	\$ 7,474	\$ 474	\$ 20,757	\$ 54,849	\$ 10,000	\$ 93,554
BENEFITS	\$ 3,207	\$ 200	\$ 9,107	\$ 24,214	\$ 4,300	\$ 41,028
G&A COSTS	\$ 11,959	\$ 774	\$ 32,853	\$ 87,185	\$ 15,900	\$ 148,671
ENGINEERING	\$ 45,916	\$ 75,000	\$ 150,000	\$ 125,000	\$ 75,000	\$ 470,916
LEGAL	\$ 1,559	\$ -	\$ -	\$ -	\$ -	\$ 1,559
CONSTRUCTION	\$ 168,493	\$ 380,000	\$ 740,000	\$ 795,000	\$ 410,000	\$ 2,493,493
TOTALS	\$ 238,608	\$ 456,448	\$ 952,717	\$ 1,086,248	\$ 515,200	\$ 3,249,221

Escalation Rate: 3%

<i>Assumptions</i>							
SAWPA LABOR							
BURDEN							
OVERHEAD							
ENGINEERING							
LEGAL							
CONSTRUCTION							
1. Manhole adjustments	\$ 40,000	\$ 45,000	\$ 250,000	\$ 275,000	\$ 50,000	\$ 660,000	
3. Sinkhole repairs	\$ 30,000	\$ 35,000	\$ 100,000	\$ 120,000	\$ 40,000	\$ 325,000	
4. Repairs from CCTV	\$ 98,493	\$ 300,000	\$ 390,000	\$ 400,000	\$ 320,000	\$ 1,508,493	
TOTALS	\$ 168,493	\$ 380,000	\$ 740,000	\$ 795,000	\$ 410,000	\$ 2,493,493	

Request for Capital Funding

Project # 323

PROJECT or EQUIPMENT INFORMATION

NAME: Inland Empire Brine Line repairs to unlined RCP Reaches IV-A and IV-B	Priority: High
Reach IV- & IV-B Repairs	External Fund Potential: Yes
DESCRIPTION:	Current Stage: Construction
The Brine Line Repairs to the Unlined RCP, Reaches IV-A and IV-B (Project) includes the cured in place pipe (CIPP) liner in the Upper Reach IV-A portion of the Brine Line, and a segmental slip-liner in the lower Reaches IV-A and IV-B portion of the Brine Line through Prado Basin. The purpose of the Project is to eliminate the effect of the on-going deterioration of the existing unlined RCP and extend the useful life of these portions of the Brine line an additional 50 years.	Expansion %: 0%
	Replacement %: 100%
	Req'd Ext Funding %: 0%
LOCATION:	Expended to Date: \$2.8M
Reach 4A & 4B at Prado Dam and upstream of Prado.	Future Costs: \$17.1M
	Total Project Cost: \$19.6M

DESCRIBE PROBLEMS, EXPENSES, ETC. AS JUSTIFICATION FOR REPLACEMENT:

Deterioration in approximately 11 miles of unlined reinforced concrete pipe was discovered during CCTV pipeline inspection. Coupon samples were taken during 2004 to determine the extent of damage to the interior of the pipeline. Preliminary engineering was completed by RBF Consulting in 2008. Construction documents were prepared in 2010. Construction contracts were awarded in April 2011.

ANNUAL IMPACTS ON OPERATIONS/MAINTENANCE:

Potential impacts would result from pipeline failure in an environmentally sensitive area. Impacts include shutdown of system, expensive emergency repairs, and the need to do the total project without satisfactory planning. Fines would be likely. No additional impacts to future operating budgets; may see cost reduction to operations and maintenance costs.

Cost Estimate:	2009-10	2010-11	2011-12	2012-13	2013-14	TOTAL
SAWPA LABOR	\$ 69,184	\$ 79,294	\$ 176,586	\$ 105,725	\$ –	\$ 430,789
BENEFITS	\$ 29,680	\$ 33,541	\$ 77,480	\$ 46,673	\$ –	\$ 187,374
G&A COSTS	\$ 110,694	\$ 129,567	\$ 279,493	\$ 168,054	\$ –	\$ 687,808
ENGINEERING	\$ 525,000	\$ 135,000	\$ 90,000	\$ 60,000	\$ –	\$ 810,000
LEGAL	\$ 3,534	\$ 1,563	\$ –	\$ –	\$ –	\$ 5,097
PROJECT MANAGEMENT	\$ 83,436	\$ 350,000	\$ 585,000	\$ 390,000	\$ –	\$ 1,408,436
CONSTRUCTION	\$ 164,120	\$ 1,100,000	\$ 8,730,000	\$ 5,820,000	\$ –	\$ 15,814,120
CEQA COMPLIANCE	\$ –	\$ –	\$ 130,000	\$ 105,000	\$ –	\$ 235,000
OTHER EXPENSES	\$ 4,099	\$ 10,000	\$ 10,000	\$ 10,000	\$ –	\$ 34,099
TOTALS	\$ 989,747	\$ 1,838,965	\$ 10,078,559	\$ 6,705,452	\$ –	\$ 19,612,723

Escalation Rate: 3%

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Section 10

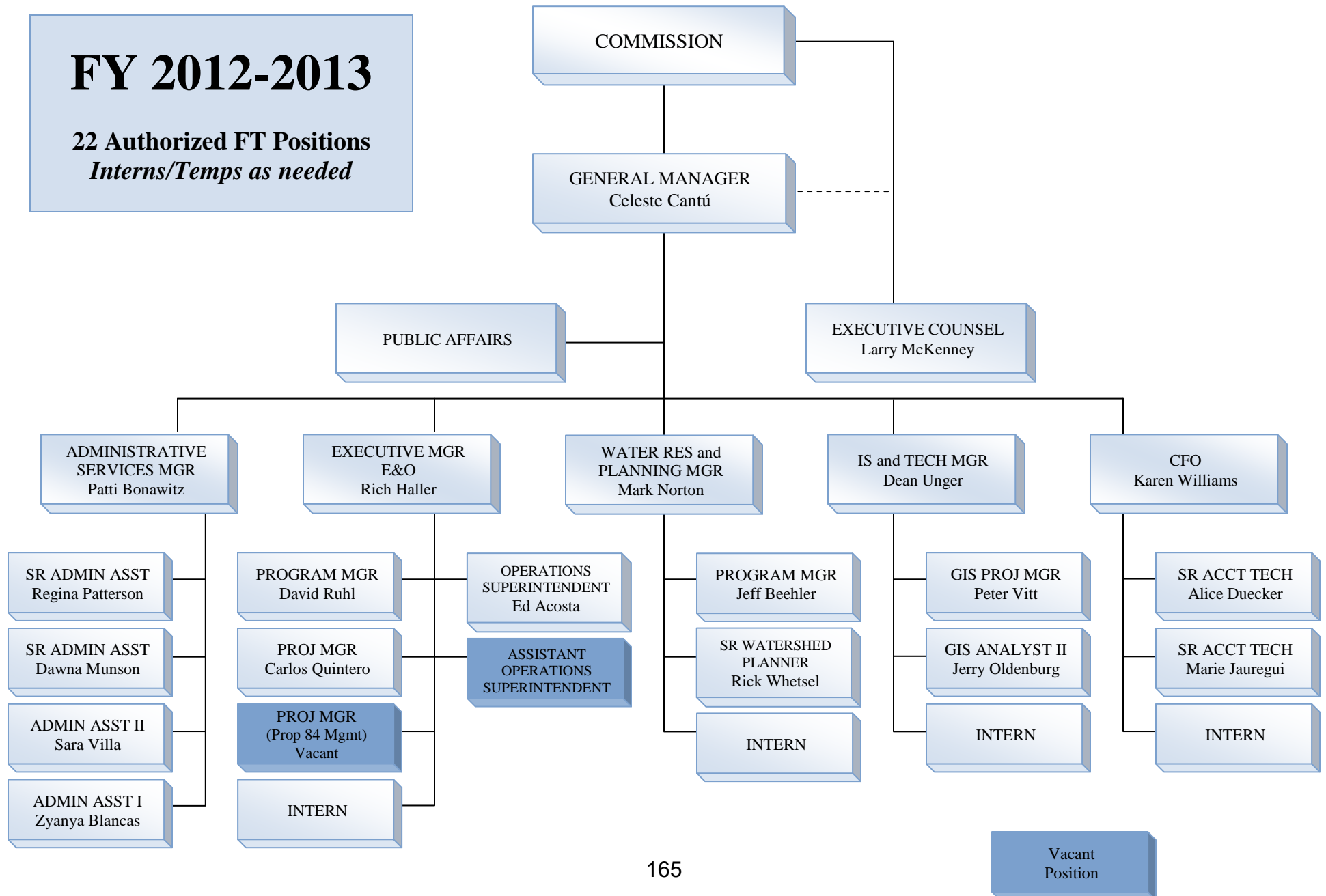
Departments



SAWPA ORGANIZATION CHART

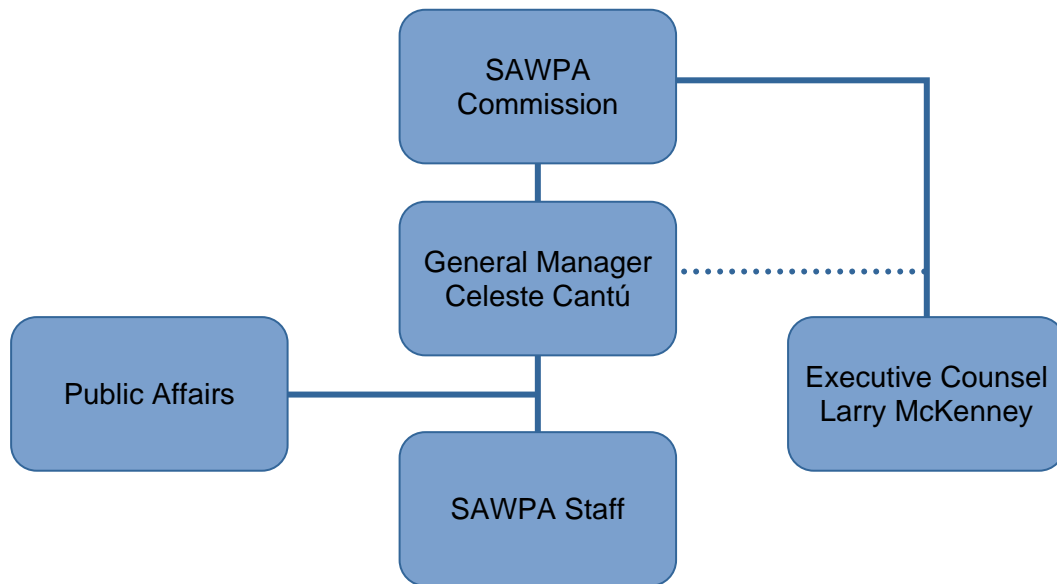
FY 2012-2013

22 Authorized FT Positions
Interns/Temps as needed



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Executive Management



Summary Information

Existing Staff – 1 FTE

- 1 – General Manager
- 1 – Executive Counsel

Mission

Lead Agency efforts and activities to implement the policies of the Commission.

Objectives for FYEs 2012 and 2013

- ◆ Achieve optimal use of local water supplies and reduce reliance on imported water.
- ◆ Improve water quality.
- ◆ Achieve salt balance and ensure continued cost-effective and reliable operation of the brine line.
- ◆ Balance water supply needs with natural habitat protection.
- ◆ Build public understanding and support for Watershed sustainability.
- ◆ Facilitate incorporation of water resources management in land use planning.
- ◆ Be a resource for compliance with AB32 (greenhouse gas regulations) and reducing its impact on member agencies.
- ◆ Secure external funding for the Watershed to support accomplishing Watershed goals.

Salary and Benefit Costs

Account Information	FYE 2011 Budget	FYE 2012 Budget	% Inc/ (Decr)	FYE 2013 Budget	% Inc/ (Decr)
Salaries and Benefits	\$350,998	\$606,160	72.7%	\$645,128	6.4%

Core Activities

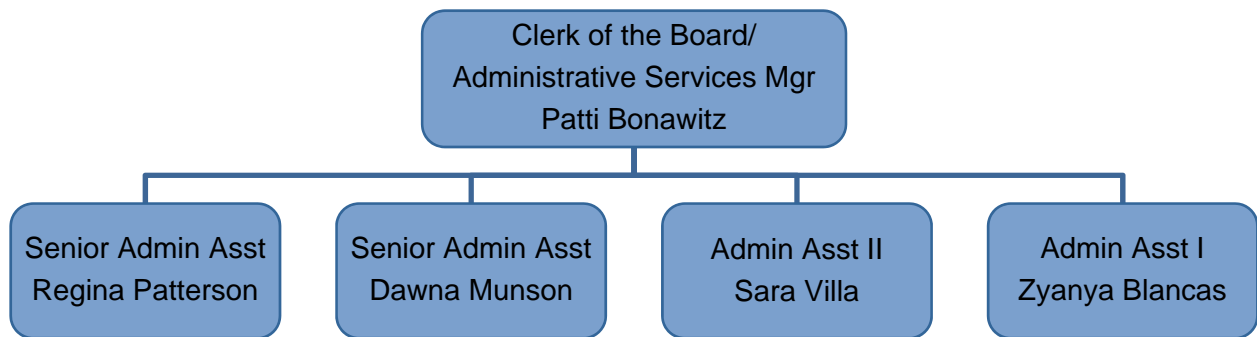
The General Manager's office is charged with directing the overall direction and activities of the SAWPA staff. The primary responsibilities relate to the Agency's overall direction and functions, as well as working with various external groups and agencies. The core activities of the office include:

- ◆ Implementing and communicating policies set by the Commission.
- ◆ Supporting Commission meetings and requests.
- ◆ Leading internal organizational efforts, administering personnel, and resolving employee issues.
- ◆ Communication with member agencies and outside organizations.
- ◆ Implementing efforts required to achieve the objectives of the strategic plan.
- ◆ Complying with requirement of contracts and grants.
- ◆ Coordinating legislative and information activities.
- ◆ Representing the Agency in legal business issues.

Staff Additions Needed for FYEs 2012 and 2013

In FYE 2011, an Executive Counsel position was added, which accounts for the 72.7% increase in salaries and benefits. Executive Counsel has replaced the services previously provided by our outside legal firm. No additions are requested for FYEs 2012 and 2013.

Administrative Services



Summary Information

Existing Staff – 4 FTE

- 1 – Clerk of the Board/Administrative Services Manager
- 1 – Senior Administrative Assistant: Engineering and Operations
- 1 – Senior Administrative Assistant: Contracts Administration/LESJWA Board Secretary
- 1 – Administrative Assistant II: Water Resources and Planning/Legal
- 1 – Administrative Assistant I: Receptionist/IS/Technology

Mission

To provide quality administrative support in an efficient and effective manner to the SAWPA Commission, the JPA, LESJWA, and other stakeholder efforts, as well as to Executive Management, Engineering and Operations, Water Resources and Planning/Legal, and IS/Technology Departments of SAWPA.

Accomplishments for FYE 2011

- ◆ Although short-handed until March 2011, Administration maintained consistent work flow:
 - Posted approximately 170 meeting notices;
 - Prepared approximately 120 agenda packets and minutes in support of those meetings;
 - Prepared/processed almost 200 contractual documents; and
 - Over 2,000 documents processed and electronically stored into the Liberty Document System.
- ◆ Proofed/coordinated the graphics for the OWOW Plan.
- ◆ A huge undertaking began during this year with the preparation of records for migration from Liberty Records Management System to the OnBase Management System.
- ◆ Working with IS and Planning Departments, established a newly formatted, web-friendlier e-newsletter.
- ◆ Maintained SAWPA's sustainable landscaping garden, refreshed garden in spring with replacement plant materials, and added garden art – the display of the “OWOW Horse” representing the “four horsemen”.
- ◆ Coordinated/hosted several successful events/tours throughout the year.

Objectives for FYEs 2012 and 2013

- ◆ Provide board administration support to the SAWPA Commission.
- ◆ Provide administrative support to the JPA and Agency departments.
- ◆ Provide board administration support to the LESJWA Board of Directors.
- ◆ Build and strengthen processes and procedures for increased efficiencies within the department.
- ◆ Provide project support for Brine Line and other projects.

- ◆ Prepare, process, and maintain records of all SAWPA/LESJWA contract administration (i.e., contracts, task orders, agreements, and official Agency documents).
- ◆ Provide legislative support.
- ◆ In coordination with the IS/Technology Department, management of all Agency/LESJWA records as well as off-site storage of historical and vital records.
- ◆ Provide other administrative services as required for facilities management, purchasing, human resources, and public information.

Salary and Benefit Costs

<i>Account Information</i>	<i>FYE 2011 Budget</i>	<i>FYE 2012 Budget</i>	<i>% Inc/ (Decr)</i>	<i>FYE 2013 Budget</i>	<i>% Inc/ (Decr)</i>
<i>Salaries and Benefits</i>	\$614,037	\$581,233	(5.3%)	\$615,838	5.9%

Core Activities

The Administrative Services Department is responsible for the entire Agency's administrative functions as well as coordination with the member agencies and other outside stakeholder groups, as supported by the SAWPA Commission. The core activities of this department include:

- ◆ Provide administrative/project support to the:
 - SAWPA Commission;
 - JPA;
 - Agency-wide departmental support;
 - LESJWA Board of Directors;
 - Legislative support;
 - OWOW/IRWM Plan;
 - Proposition 13 close-out administrative support;
 - Propositions 50, 84, and 1E administrative support;
 - Collaborative roundtable stakeholder efforts;
 - Stormwater Quality Standards Task Force;
 - Emerging Constituents Task Force;
 - Basin Monitoring Program Task Force;
 - Chino TMDL Task Force;
 - Lake Elsinore and Canyon Lake TMDL Task Force;
 - Big Bear TMDL Task Force;
 - SAR Fish Conservation Task Force;
 - *Arundo* Removal Program and other environmental projects; and
 - Santa Ana River Parkway Trail.
- ◆ SAWPA/LESJWA contract administration.
- ◆ Conflict of Interest Filing Official/Officer – SAWPA/LESJWA.
- ◆ Records Management, which includes recording, electronic/hard copy filing, indexing and maintaining of OnBase Records Management System and processing public information requests.
- ◆ Provide facilities maintenance (landscaping, building maintenance, etc.).
- ◆ Maintain SAWPA's Sustainable Landscaping Garden.
- ◆ Human Resources.
- ◆ Provide coordination/support for Public Information/Outreach efforts/events as appropriate.
- ◆ Purchasing.
- ◆ Update and maintain SAWPA's Resources Library.
- ◆ Maintain office inventory.

Group Goals for FYEs 2012 and 2013

- ◆ Provide continued quality and professional administrative support to the SAWPA Commission, JPA, Agency departments, and stakeholder outreach efforts.

- ◆ Continue cross-training of administrative staff to provide better flexibility in coverage and support of the other departments.
- ◆ Complete transition and continue populating records into the OnBase Data Management System.
- ◆ Improve contract administration efficiencies.
- ◆ Continue refining/updating the SAWPA electronic Resources Library.
- ◆ Update public relations materials and packet.
- ◆ Update Employee Handbook.
- ◆ Begin Phase 2 of the Sustainable Landscaping Garden.
- ◆ In conjunction with IS, prepare and implement a social media marketing plan.

Staff Additions Needed for FYEs 2012 and 2013

Staff Additions

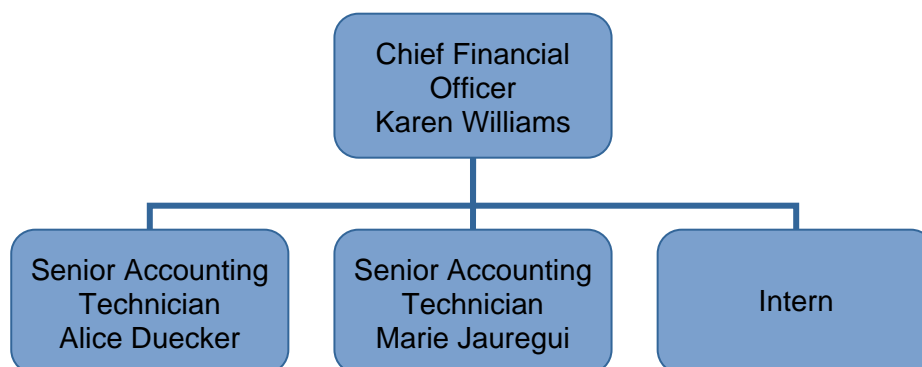
None.

Reclassification

In addition, the Administrative Services Department may request to re-classify (promote) a Senior Administrative Assistant (Engineering and Planning) to an Executive Administrative Assistant.

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Finance



Summary Information

Existing Staff – 3 FTE

- 1 – Chief Financial Officer
- 2 – Senior Accounting Technicians
- 1 – Intern

Mission

Perform the Agency's accounting and treasury functions, manage the Agency's debt and assets, and provide financial planning and accountability.

Accomplishments for FYE 2011

- ◆ Updated Brine Line Rate model.
- ◆ Completed RFP for Financial Advisory Services and contracted with Fieldman, Rolaap and Associates.
- ◆ Issued RFP for Bond Underwriting Services.
- ◆ Created a new Debt Policy.
- ◆ Updated the Reserve and Investment Policies.
- ◆ Submitted FYE 2010 Comprehensive Annual Financial Report to the GFOA and received the Certificate of Achievement for Excellence in Financial Reporting.
- ◆ Help secure State Revolving Loan funds for the Brine Line Reach IV-A and IV-B repairs project.
- ◆ Completed RFP for Audit Services and contracted with Charles Z. Fedak & Company.
- ◆ Completed and submitted an Indirect Costs Proposal to the U.S. Department of Commerce for FYE 2010.
- ◆ Completed financial Audit and Project Specific audit for FYE 2010.
- ◆ Completion and approval of FYE 2012 and 2013 Budget.
- ◆ Updated the Employee Handbook.

Objectives for FYEs 2012 and 2013

- ◆ Build and strengthen internal accounting controls in the Agency's processes and procedures.
- ◆ Assist with the Brine Line business plan and rate model update.
- ◆ Assist in the development of a long-term financial plan for SAWPA.
- ◆ Continue to update and refine the 5-Year Financial Model.
- ◆ Provide meaningful monthly financial reports for all levels of management including the Board of Commissioners.
- ◆ Streamline processes and procedures for increased efficiency and document all procedures.

- ◆ Increase investment earnings potential.

Salary and Benefit Costs

<i>Account Information</i>	<i>FYE 2011 Budget</i>	<i>FYE 2012 Budget</i>	<i>% Inc/ (Decr)</i>	<i>FYE 2013 Budget</i>	<i>% Inc/ (Decr)</i>
<i>Salaries and Benefits</i>	\$438,691	\$435,648	(.69%)	\$460,274	5.4%

Core Activities

The Finance Department is primarily responsible for all of the Agency's accounting and treasury functions as well as working with various internal and external groups and agencies. The core activities of the group are:

- ◆ Process the Agency's accounts payables and accounts receivables functions including the preparation of all vendor 1099s at year-end.
- ◆ Maintain and update the general ledger.
- ◆ Administer and process the Agency's payroll function, including the process and payment of related payroll tax payments, employee retirement and benefits payments, and any other employee-related costs administered through the payroll function. This also includes the preparation of the Agency's quarterly and year-end tax reporting and W-2s for all employees.
- ◆ Benefit Administration.
- ◆ Prepare quarterly reporting of the General Manager's and all employee's travel and expenses.
- ◆ Prepare monthly/quarterly reporting of consulting expenses.
- ◆ Monitor, track, execute, and complete all grant billings for Propositions 13, 40, 50, and 84; State; Federal; and other grant funding.
- ◆ Prepare all billings for member and other agency contributions.
- ◆ Prepare all Brine Line Enterprise billings and provide analysis on the operations to all levels of management.
- ◆ Provide budget versus actual variance reporting to all levels of management on a monthly basis for all project costs including labor.
- ◆ Report on a monthly basis Inter-Fund Loan transactions and balances, and annually summarize transactions for the year.
- ◆ Report on all open consulting contracts including contract amount, amount paid to date, and amount remaining for distribution to all levels of management including the Board of Commissioners.
- ◆ Monitoring and managing the Agency's cash and investments on a daily basis to meet Agency needs, including periodic review and update of the Agency's Investment Policy.
- ◆ Monitor, track, and manage all of the Agency's investments including T-Strips, LAIF, and securities to maximize earnings, at a reasonable risk, consistent with the Investment Policy.
- ◆ Monitor, track, and manage the Agency's debt service payments.
- ◆ Monitor, track, and manage the Agency's notes receivable for capacity purchases.
- ◆ Monitor, track, and maintain the Agency's reserve funds and update the Agency's reserve policy as necessary.
- ◆ Monitor, track, and execute all work orders, purchase orders, and task orders.
- ◆ Prepare Agency's fiscal year budget for review and approval by member agencies.
- ◆ Complete quarterly Fair Political Practices Commission (FPPC) reporting.
- ◆ Prepare all year-end schedules for the external independent auditor prior to the beginning of the audit work.
- ◆ Work with external independent auditors to complete the Agency's annual audit, single audit (as necessary), and to also work with outside agency auditors to fulfill any necessary audit requirements.
- ◆ Provide project accounting analysis for all of the Agency's capital projects, and work with all project managers to ensure that all project costs are properly accounted for and are within the project budget.
- ◆ Manage the Agency's fixed assets and verify proper accounting of depreciation and amortization.
- ◆ Provide accounting and administrative services for LESJWA.

- ◆ Maintain electronic filing system of accounting records in OnBase.
- ◆ Coordinate with member agencies' Chief Financial Officers.
- ◆ Insurance and Risk Management.

Group Goals for FYEs 2012 and 2013

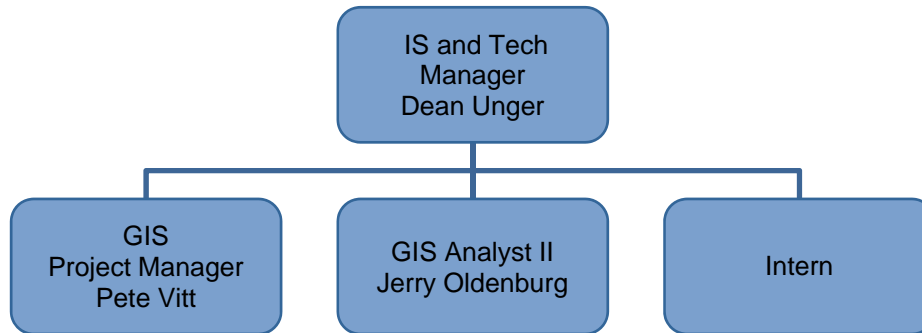
- ◆ Complete required actuarial evaluation for compliance with GASB 45 *Accounting and Financial Reporting by Employers for Post-employment Benefits Other Than Pensions*.
- ◆ Submit FYEs 2012 and 2013 Budget to the Government Finance Officers Association's (GFOA) Distinguished Budget Presentation Awards Program.
- ◆ Submit FYE 2011 and FYE 2012 Comprehensive Annual Financial Report to the Government Finance Officers Association's CAFR Award Program.
- ◆ Continue to cross-train staff in all accounting positions to provide better coverage, and to strengthen internal accounting controls with the ability to rotate staff in certain functions.
- ◆ Improve reporting and project accounting analysis for all of the Agency's capital projects, and work with all project managers to ensure that all project costs are properly accounted for and are within the project budget.
- ◆ Financial analysis and reporting – create meaningful monthly financial reports to all levels of management including the Board of Commissioners.
- ◆ Improve the quarterly reporting of budget versus actual variances to the Board of Commissioners.
- ◆ Improve the quarterly financial reporting format for the Commission Workshop.
- ◆ Continue improving the budget format used for the Agency's fiscal budget using the new XL Reporter budget module.
- ◆ Update the Brine Line Rate Model.
- ◆ Update the SAWPA 5-Year Financial Model.
- ◆ Implement the Brine Line rate changes and BOD/TSS allocation.
- ◆ Implement the Brine Line Long Range Financial Plan.
- ◆ Improve investment earnings through use of Asset Management firm.
- ◆ Administer State Revolving Fund (SRF) loan for Brine Line Reach IV-A and IV-B repairs project

Staff Additions Needed for FYEs 2012 and 2013

No additions are needed for FYEs 2012 and 2013.

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Information Systems and Technology



Summary Information

Existing Staff – 3 FTE

- 1 – IS and Tech Manager
- 1 – GIS Project Manager
- 1 – GIS Analyst II (Network Administrator)
- 1 – Intern

Mission

The mission of the Information Systems (IS) & Technology Department includes:

- ◆ Provide and maintain information that SAWPA Commissioners and staff will need in an efficient and reliable way.
- ◆ Provide and maintain systems that allow SAWPA Commissioners and staff to work as efficiently and effectively as possible.
- ◆ Provide and maintain technology that enhances internal and external communications (member agencies, other stakeholders, and the public).

Accomplishments for FYE 2011

- ◆ Virtualized 3 servers.
- ◆ Upgraded Desktops to new PCs.
- ◆ Office 2007 Rollout.
- ◆ 3 Laptop rollouts.
- ◆ Upgraded internet connection.
- ◆ Began Onbase implementation.
- ◆ Upgraded Backup solution to both internal and external digital systems.
- ◆ Installed new network switches.
- ◆ Upgraded Brine Line drawing GIS Apps / Service requests, maintenance request.
- ◆ Rolled out Dig Alert solution to Engineering.
- ◆ Demonstrated new monitoring GIS capabilities.
- ◆ Year round map and data support.
- ◆ Proposition 84 project application form and database (OWOW support).

Objectives for FYEs 2012 and 2013

- ◆ Migrate to New Document Management System.

- ◆ Install new Backup System.
- ◆ Negotiate and purchase a new color copier.
- ◆ Continuous improvements in Agency hardware, software, and systems to maximize staff efficiency.
- ◆ Assist with improvements in Brine Line operations and business plan implementation, including improved data management and analysis.
- ◆ Dig Alert System.
- ◆ Deliver New Web GIS capabilities.
- ◆ Support preparation of update to SAWPA IRWMP.
- ◆ Provide support for other Engineering & Operations and Planning Department projects.
- ◆ Proposition 50 and 84 project management.

Salary and Benefit Costs

<i>Account Information</i>	<i>FYE 2011 Budget</i>	<i>FYE 2012 Budget</i>	<i>% Inc/ (Decr)</i>	<i>FYE 2013 Budget</i>	<i>% Inc/ (Decr)</i>
<i>Salaries and Benefits</i>	\$517,644	\$508,914	(1.7%)	\$536,577	5.4%

FYEs 2012 and 2013 New Initiatives/Programs

- ◆ New Document Management System (OnBase).
- ◆ Continue to develop a website for Trail Marketing Support Program.
- ◆ The Department will support technology components of other Engineering & Operations Department initiatives such as:
 - Brine Line Dig Alert System;
 - Brine Line Maintenance Management System;
 - Pipeline cleaning mapping and data management;
 - Portable flow meter data management and analysis;
 - Continue CCTV results mapping and data management;
 - Streamlining Brine Line billing data input;
 - Development of Brine Line graphical reports;
 - Data retrieval/management of Brine Line discharge flow meter data loggers;
 - Support of hydraulic model and Capacity Management Plan analysis (updates as needed);
 - GPS support to locate Brine Line facilities; and
 - Updates to Brine Line record drawings.

Core Activities

The IS & Technology Department is responsible (either directly, or in support of other departments) for many of the Agency's day-to-day operations as well as providing the lead role or support on Agency projects. These responsibilities are summarized below.

Information Systems

- ◆ Computer network, servers, network communications, and hardware/software.
- ◆ Staff (end-user) workstations and laptops (hardware and software).
- ◆ Support computers (security, phone system, etc.).
- ◆ Printers, copiers, scanners, and associated peripherals.
- ◆ Purchase of new equipment and surplus/disposal of old equipment.
- ◆ Software purchasing/software maintenance agreements.
- ◆ Security as related to information systems.
- ◆ Backup and disaster recovery.
- ◆ Business resumption for Agency office facility.
- ◆ Planning new initiatives to support Agency needs.

Information Technology/Data Management

- ◆ Manage Agency GIS (software and data).
- ◆ Use/maintenance of SQL Server software for data management and applications support.

Cross-Department Interface

- ◆ Support of Brine Line technology needs.
- ◆ Support of other Agency projects with GIS, data management, and other technology needs.
- ◆ Support Finance Department with accounting software platform and needs.
- ◆ Work with other departments on all technology issues, activities, and solutions.
- ◆ Identify and provide technology solutions to improve efficiency and effectiveness.
- ◆ Use programming tools to provide and maintain new tools for Agency staff to perform their tasks better.
- ◆ Establish and maintain training systems for staff.

Communications

- ◆ Management of Agency phone system and teleconference bridge.
- ◆ Management of cell phones and mobile email systems.
- ◆ Management of internet connection.
- ◆ Management of email, scheduling, and related tasking.
- ◆ Coordination of technology efforts with member agency technology staff.

Records Management

- ◆ In coordination with the Administrative Services Department, develop and maintain Agency records information management (RIM) system.
- ◆ In coordination with the Administrative Services Department, develop and maintain an off-site storage process for original documents with historic or vital status in a controlled environment.
- ◆ Provide training to staff to support document upload and retrieval.
- ◆ Provide and maintain automated systems to support the electronic commission package process.

Public Information

- ◆ Management & maintenance of Agency web site. Update the site as needed, and provide new features/capabilities as necessary.

Other

- ◆ Provide non-technology staff support to other departments (e.g., data analysis, preparation of presentations, technical writing, document review, etc.) as needed.
- ◆ Perform other duties as required.

Group Goals for FYEs 2012 and 2013

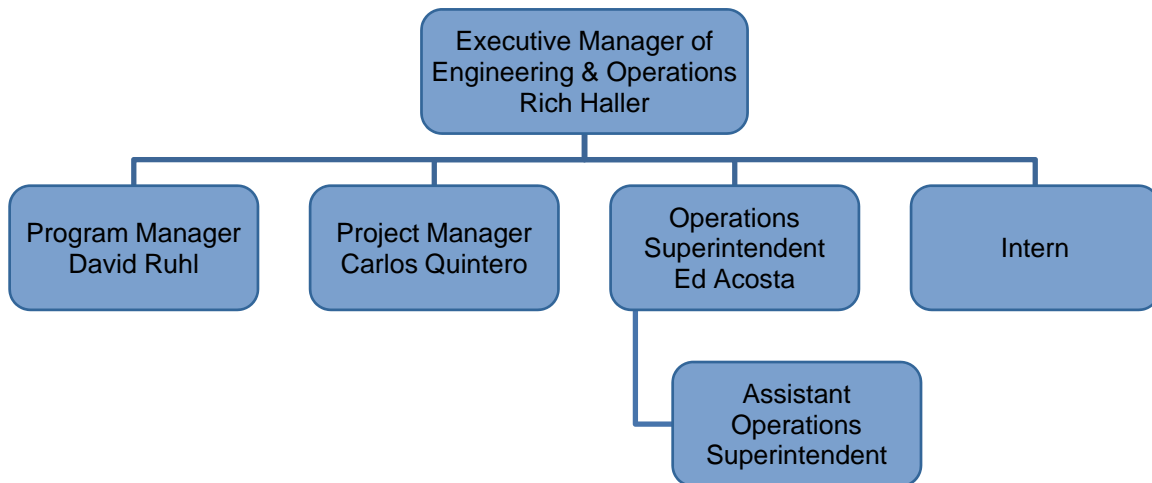
- ◆ Evaluate tools to improve Agency efficiency, including but not limited to: improved contact management systems for outreach to member agencies and the watershed community, systems to support Brine Line operations and business plans (e.g., Maintenance Management System), and developing methods to integrate operational and financial system data.
- ◆ Cross-training of individual staff in the department.
- ◆ Continued identification and implementation of ways to support the Commission and other departments in improving efficiency and effectiveness.

Staff Additions Needed for FYEs 2012 and 2013

No additions are needed for FYEs 2012 and 2013.

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Engineering and Operations



Summary Information

Existing Staff – 5 FTE

- 1 – Executive Manager of Engineering and Operations
- 1 – Program Manager
- 1 – Project Manager
- 1 – Operations Superintendent
- 1 – Assistant Operations Superintendent
- 1 – Intern

Mission

Manage the operation of the Brine Line and the associated CIP. Implement the Proposition 50 program consisting of seven projects (five still on-going). Prepare for and implement the Proposition 84 program (Round 1 funded projects, prepare for Round 2).

Accomplishments for FYE 2011

- ◆ Prepared a Brine Line marketing plan and began implementation.
- ◆ Implemented permitting process improvements to streamline permit application for truck disposal stations.
- ◆ Completed design, bid, and awarded three contracts totaling nearly \$14 million to repair Reaches IV-A and IV-B through slip-lining and cured-in-place pipe repair methods.
- ◆ Completed design, bid, and awarded a contract worth approximately \$1 million to install two sediment traps along Reach IV-D.
- ◆ Completed developer agreement for the relocation of approximately 1,000 feet of Reach IV-D. Reviewed developer prepared design and shop drawing submittals to complete design and begin construction.
- ◆ Installed additional access points to Reach IV-B Upper to facilitate line cleaning. Installed by-pass pumping, disassembled piping, and cleaned Temescal Siphon which was approximately 50% plugged with scale. Continued quarterly siphon cleaning program for remainder of system siphons.
- ◆ Created and filled a new staff position. New Operations Superintendent is responsible for day to day system operations, and coordinating with contract service provider.
- ◆ Audited compliance with Sewer System Management Plan (SSMP) as required by the SWRCB's statewide permit.

- ◆ Facilitated repair of two leaking joints upstream of Prado Dam by an ACOE contractor. Implemented capital repairs to maintenance access structures.
- ◆ Monitored facilities during December and January rainstorms. Performed minor repairs from erosion.
- ◆ Continued to locate facilities, particularly on Reach V, by “potholing” and updating “as-built” information. Confirmed locations of air release valves, blow-offs, isolation valves on Reach V.

Objectives for FYEs 2012 and 2013

Brine Line

- ◆ Planning
 - Refine 2010 Salinity Management Program which defined long-term salinity management vision and strategy, based upon recently completed documents and new information (OWOW plan, BOR Salinity Management Plan, marketing plan, SSMP, etc.).
 - Refine future flow projections and timing.
 - Continue to investigate direct ocean discharge, and Salton Sea disposal options, and any other options directed by Project 21 Committee and the Commission.
- ◆ CIP Projects
 - Reach IV-A and IV-B re-lining.
 - Sediment traps.
 - Capital repairs.
 - Complete design, permitting, financing and award construction contracts; manage construction contracts.
- ◆ Right-of-Way
 - Continue field location of pipeline through “potholing” and reviewing easement documents versus pipe as-built locations.
 - Identify potential right-of-way issues and implement corrective actions.
 - Update as-built information as required.
- ◆ Sanitary Sewer Management Plan
 - Implement action plan developed as part of the bi-annual audit report.
 - Operate system in accordance with the SSMP.
 - Work to minimize the risk of a sanitary sewer overflow from a variety of causes (system operations, actions of others working around pipe, natural disaster).
- ◆ Continue to refine operations and maintenance activities to improve system performance and efficiency.
- ◆ Perform additional O&M activities with SAWPA staff including utility markings, coordination with developers and public agencies working near the line, and routine system inspections.
- ◆ Continue to monitor/refine the water quality sampling program to obtain the best information possible.
- ◆ Brine Line Relocation in Orange County, Protection in Riverside County
 - Support Orange County Public Works award of construction contracts and completion of construction.
 - Provide loan per the loan agreement.
 - Support Riverside County Flood Control in the completion of preliminary design, CEQA, final design, and construction contract award and implementation.
- ◆ Evaluate agency/developer requests to relocate the Brine Line or construct utilities in close proximity (currently projects along Reaches V and IV-D). Review/approve relocation designs and agreements. Monitor construction.
- ◆ Alcoa Dike, Yorba Slaughter Dike Project
 - Coordinate with ACOE during design of flood protection dikes to minimize impact to Brine Line mainline and the California Rehabilitation Center (CRC) lateral (Butterfield Road, Aburndale Road).
 - Develop and implement strategy to install facilities to protect/strengthen pipe and MASs.
- ◆ Solids Control
 - Continue to evaluate methods to control the formation of scale and suspended solids in the pipe.
 - Implement the recommendations of the TSS Formation Expert Panel.
- ◆ Continue annual pipeline cleaning and CCTV inspection program.

- ◆ Complete special cleaning of Reach IV-E (inverted siphon under pressure) during brief system shutdown.
- ◆ Respond to urgent and emergency repair requirements identified by CCTV and MAS inspections.
- ◆ Maintenance Management Program
 - Continue to develop process to collect data, track requirements and evaluate effectiveness.
- ◆ Update CIP and other components of the SSMP based upon new information.
- ◆ Brine Line Rate
 - Using the financial model developed in 2010, evaluate and present a rate recommendation to the Commission for consideration and possible approval.
- ◆ Reach V Pressure Sustaining Station
 - Work with EMWD to implement changes at the station per the existing agreement between EMWD, WMWD, and SAWPA.
- ◆ Data Automation
 - Install several flow level and flow rate recorders with automated data feeds to begin transition to automated data collection and system monitoring.

Implementation of Grant Programs (Proposition 50 and 84)

- ◆ Develop new contracts for the Proposition 84 program.
- ◆ Implement program in accordance with the contract requirements.
- ◆ Request SWRCB approval of revised project scope of work requirements and timelines when necessary.
- ◆ Complete reports and other deliverables in accordance with the contract requirements. Request time extensions when required by the constructing agency.
- ◆ Provide information on behalf of the Watershed.

Salary and Benefit Costs

<i>Account Information</i>	<i>FYE 2011 Budget</i>	<i>FYE 2012 Budget</i>	<i>% Inc/ (Decr)</i>	<i>FYE 2013 Budget</i>	<i>% Inc/ (Decr)</i>
Salaries and Benefits	\$776,986	\$1,021,501	31.5%	\$942,138	(7.8%)

Core Activities

The Engineering and Operations Department is primarily responsible for the following:

Brine Line (SARI)

- ◆ Planning – quality, quantity projections, system finances (O&M, capital).
- ◆ Capital Improvement Program.
- ◆ Capital repairs (based upon MAS and CCTV pipe inspections, other).
- ◆ Rate model inputs.
- ◆ Hydraulic Model. Maintain currency (calibration) of computer model. Perform calculations to evaluate the system and impacts of non-routine discharges.
- ◆ Operations.
- ◆ Sampling program.
- ◆ Permitting and pretreatment.
- ◆ Data collection and analysis.
- ◆ Coordination/review of development plans (facility construction around Brine Line, especially Reach V).
- ◆ Temporary domestic connections.
- ◆ SSMP including Emergency Response Plan.
- ◆ Emergency discharges – coordinate with OCSD and issue temporary permit.
- ◆ Maintain record data – correct deficiencies (blow-offs, airvac, etc.).
- ◆ Coordinate activities of WMWD and IEUA O&M staff.
- ◆ Utility markings (Underground Service Alert).

- ◆ Right-of-way maintenance.
- ◆ Reading and maintaining the meters.
- ◆ Facility maintenance.
- ◆ Brine Line Protection/Relocation in Riverside and Orange Counties.
- ◆ Brine Line Relocation at Prado – closeout.
- ◆ Work Plan Items.

Grant Programs

- ◆ Invoicing.
- ◆ Completion of contract deliverables.
- ◆ Contract closeout.
- ◆ Department of Finance Audit.

Group Goals for FYEs 2012 and 2013

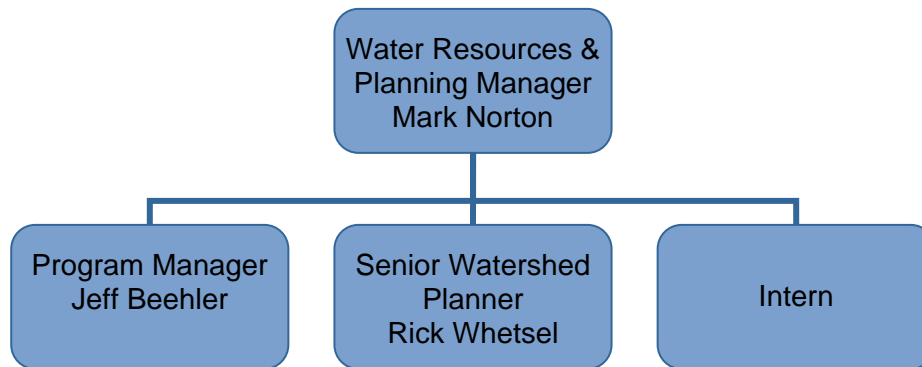
- ◆ Develop and implement a focused annual work plan to maximize efficiencies of department.
- ◆ Complete a broad range of activities. Be flexible to handle unknown tasks and changing timelines.
- ◆ Enhance department processes and increase efficiencies.

Staff Additions Needed for FYEs 2012 and 2013

A new Assistant Operations Superintendent has been added for FYE 2012 and FYE 2013. This position will be the primary person implementing new O&M activities performed directly by SAWPA staff.

For FYE 2013 the Proposition 84 Program Manager was taken out of the budget. This position will be filled utilizing existing staff.

Water Resources and Planning



Summary Information

Existing Staff – 3 FTE

- 1 – Water Resources & Planning Manager
- 1 – Program Manager
- 1 – Senior Watershed Planner
- 1 – Intern

Mission

Support SAWPA member agencies and watershed stakeholders in regional and watershed planning functions.

Accomplishments for FYE 2011

- ◆ Conducted a successful third annual One Water One Watershed (OWOW) Conference in Riverside, CA with over 350 people in attendance.
- ◆ Adopted the OWOW Plan in November 2010 after three years of development with broad based stakeholder support.
- ◆ Recognition of the OWOW Plan by the Ash Center Harvard Kennedy School, Ash Center for Democratic Governance and Innovation as one of the top 25 innovations in American government.
- ◆ Created a rating and ranking process to encourage submittal of competitive multi-benefit, multi-jurisdictional projects under OWOW. The top 13 projects were successfully selected for funding, totaling \$12.7 million, from DWR's Proposition 84 IRWM Implementation funding program in support of fulfilling the OWOW Plan goals.
- ◆ Secured a \$1 million federal funding study partnership with the USBR to support the development of the next phase of the Santa Ana River Watershed Integrated Regional Water Management Plan called OWOW 2.0 Plan.
- ◆ Secured a \$1 million planning grant with the CA Dept of Water Resources to support the development of the next phase of the OWOW 2.0 Plan.
- ◆ Established a task force agreement among the Santa Ana Sucker Conservation team to support ongoing river maintenance and restoration activities.
- ◆ Developed a business plan for the future operation of the Lake Elsinore and San Jacinto Watersheds Authority which SAWPA administers,
- ◆ Submitted a watershed wide emerging constituents program annual sampling report to the regional Board reflecting no major health concerns resulting from EC's in drinking water sources as deemed by the Regional Board.

Objectives for FYEs 2012 and 2013

- ◆ Prepare OWOW 2.0 Plan over the next two years using \$1 million in Proposition 84 IRWM Planning Grant and federal funding match of \$1 million from USBR.
- ◆ Prepare grant applications to secure the next round(s) of Proposition 84 IRWM Planning Grant funding in support of SAWPA member agencies and the region.
- ◆ Facilitate and administer existing and new multi-agency task forces to reduce costs and address regional impacts.
- ◆ Continue to provide administrative support to SAWPA collaborative roundtable groups and LESJWA to accomplish required tasks and provide necessary deliverables.
- ◆ Support planning efforts associated with the development of new regional water resource projects.
- ◆ Increase regional awareness by providing coordination support of water quality and water resources issues among SAWPA member agencies, Metropolitan Water District of Southern California (MWD), and other entities.
- ◆ Work with Regional Board, water/wastewater agencies and SAWPA IT staff on new Santa Ana River Regional Monitoring Program and GIS Management Tool.

Salary and Benefit Costs

<i>Account Information</i>	<i>FYE 2011 Budget</i>	<i>FYE 2012 Budget</i>	<i>% Inc/ (Decr)</i>	<i>FYE 2013 Budget</i>	<i>% Inc/ (Decr)</i>
<i>Salaries and Benefits</i>	\$592,910	\$584,075	(1.5%)	\$616,543	5.6%

Core Activities

The Water Resources and Planning Department is primarily responsible for the planning functions of SAWPA and administration functions of a separate JPA, LESJWA. The core activities of the department are:

- ◆ Develop the OWOW 2.0 Plan.
- ◆ Prepare all grant applications for SAWPA, and where appropriate, the SAR Region for new capital improvements and planning projects.
- ◆ Initiate, facilitate, and administer multi-agency workgroups and task forces including collection of all outside revenue, contract preparation, and administration of task force and consultant agreements.
- ◆ Review and provide support applicable environmental issues related to SAWPA projects and planning.
- ◆ Provide representation of SAWPA interests in regional planning projects and activities through Southern California Salinity Coalition, MWD coordination, ACOE and BOR studies, Regional Board, State Board DWR, and San Jacinto River Watershed Council.
- ◆ Administer *Arundo* removal mitigation bank and *Arundo* removal and habitat restoration contracts.
- ◆ Support SAWPA Operations and Engineering Department in Brine Line environmental reviews and planning.
- ◆ Continue administrative support for LESJWA including the following:
 - Prepare all Consultant and State Board Contracts, Task Orders and Amendments;
 - Prepare all Board meeting staff reports and attachments;
 - Prepare Committee and Board agendas;
 - Facilitate and administer Board meetings, Task Force meetings, Scoping Committee meetings, Technical Advisory Committee meetings, Public Relations Committee, and Consultant coordination meetings;
 - Review all invoices and assign account codes to each;
 - Prepare grant proposals for funding future LESJWA activities; and
 - Provide status report of LESJWA activities at Regional Board and LESJWA member agency governing board meetings periodically.

Group Goals for FYEs 2012 and 2013

- ◆ Obtain funding from State of California Proposition 84 IRWM program for implementation of projects.
- ◆ Expand collaboration and coordination opportunities with SAWPA member agency staff and other stakeholders.
- ◆ Provide continued service to SAWPA member agencies and its stakeholders.

Staff Additions Needed for FYEs 2012 and 2013

An additional watershed planner position is proposed to assist the department in accomplishing these goals and objectives particularly in light of additional funding resources made available from DWR Proposition 84 grants, USBR, and possible California Department of Conservation Watershed Coordinator position funding available over the next two to three years. The department has been at its historical core level of three full time employees for over 25 years. Need now exists to expand staffing resources to support the department goals. A SWOT analysis has been prepared that substantiates this need. It is proposed that due to the need by the SAWPA Engineering and Operations Department for a part time administrator for Proposition 50 and 84 projects, the balance of the new staff member could be used by the Planning Department, ½ FTE in FYE 2012 and ¾ FTE in FYE 2013.

Additionally, the department will continue to rely on two temporary planning interns to support the department primarily in Roundtable and OWOW Plan update activities envisioned for FYE 2012 and FYE 2013. The FYEs 2012 and 2013 budget has been prepared assuming three FTE staff, one shared FTE and one intern.

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Section 11

Glossaries



Financial Policies

The following practices and policies have been established to help in the development, implementation, and analysis of the Agency's operational objectives as defined in the Vision Statement. The section below outlines these policies.

Operating Budget Policies

- ◆ The budget will be based on the Vision Statement, its goals, and objectives.
- ◆ Budget should be adopted prior to the end of the fiscal year.
- ◆ Budget will consist of staffing plans, operating and maintenance costs, and capital projects.
- ◆ The fiscal year budget should be consistent with the 20-Year Capital Improvement Plan, the Brine Line Business Plan, and SAWPA's Long-Term Financial Plan.
- ◆ The Budget will be prepared based on the guidelines and rating criteria of the California Municipal Finance Officers and the Government Finance Officers Association of the United States and Canada.
- ◆ The rate structure is revised and adopted by the Commission in the form of a resolution.
- ◆ The Budget will be balanced using current revenues and/or prior year fund balances to meet current expenses.

Revenue Policies

- ◆ Revenue estimates will be updated annually and will be based on the most current wastewater flows and growth data provided by member agencies.
- ◆ The Brine Line Rate Model will be updated annually and rates will be revised, if necessary.
- ◆ Member contributions will be based on Agency needs each year.

Debt Management

- ◆ Debt will only be issued when necessary to meet the CIP costs which exceed pay-as-you-go funding.
- ◆ Debt will not be issued to cover operating needs.
- ◆ Debt reserves will only be used to cover debt service.
- ◆ Debt reserves will be established for any new debt incurred.

Audit, Accounting and Financial Reporting

- ◆ An independent audit firm will conduct an annual audit of all Agency financial records.
- ◆ All financial records will be maintained according to GAAP and the guidance issued by the GASB.
- ◆ A single audit will be conducted by an independent auditor in conformity with Federal requirements for all grant funded programs.
- ◆ All funds use the accrual basis of accounting for both revenues and expenses.

Capital Planning and Programming

- ◆ The 20-Year Capital Improvement Plan will be reviewed and adjusted annually.
- ◆ All projects in the Capital Improvement Plan will be brought to the Commission for approval prior to start of the project.

Reserves

- ◆ Reserves will be established pursuant to the Commission's adopted reserve policy.
- ◆ A reserve covering at least 25% of budgeted operating costs will be maintained at all times.
- ◆ Reserve contributions will be set within the Brine Line rate model.

Cash Management/Investment Policies

- ◆ The Agency will invest temporary idle funds in investments according to the Agency's adopted investment policy.
- ◆ The Agency will encourage receipt of funds by wire transfer.
- ◆ Cash disbursements to vendors, consultants, and member agencies will generally be completed within 30 days.
- ◆ Bank balances will be maintained at a level to meet operating expenditures.

Human Resources Management

- ◆ Staff will be maintained at an appropriate level to serve the Agency's strategic goals.
- ◆ Benefit assumptions will be brought for approval prior to beginning the budget process each year.
- ◆ The compensation package will be reviewed and adjusted at least every three years based on market surveys performed either with Agency staff or an outside consulting firm.

General Information

Year of Formation.....	1968	Service Area.....	2,650 sq. miles
Form of Government.....	Joint Powers Authority	Service Population	Approximately 6.0 million
Authority.....	Section 6500 et. seq.	Miles of Pipeline	73 miles
.....	Government Code	Pipeline Capacity	30 MGD
Authorized Staff (Full-Time Equivalent).....	22	Treatment Capacity Owned	17 MGD

<i>Member Agency</i>	<i>Counties Served</i>
Eastern Municipal Water District	Riverside
Inland Empire Utilities Agency	San Bernardino and a small portion of Los Angeles
Orange County Water District	Orange
San Bernardino Valley Municipal Water District	San Bernardino and a small portion of Riverside
Western Municipal Water District	Riverside

County Information

	<i>Orange County</i>	<i>San Bernardino County</i>	<i>Riverside County</i>
Total Population (as of 2009)	3,155,393	2,064,375	2,127,612
Land Area (sq miles)	798.30	20,052.50	7,207.37
Median Family Income (2009)	\$71,735	\$52,137	\$55,151
Median Home Price (Apr 2011)	\$530,140	\$128,900	\$199,230
Building Permits Issued (2009)	2,108	2,195	4,064

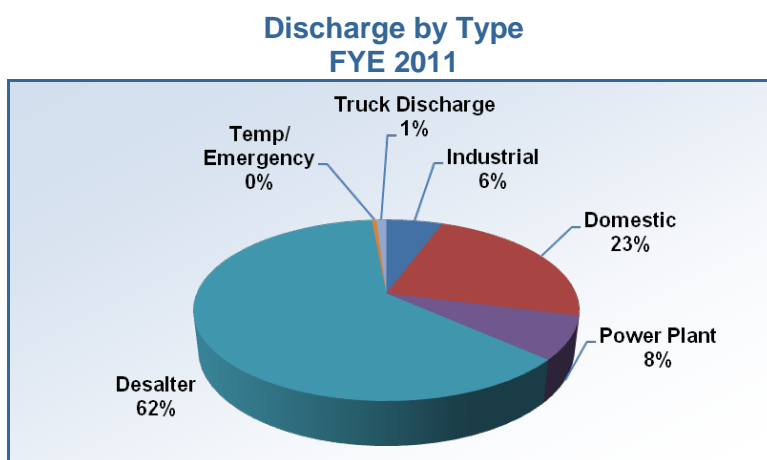
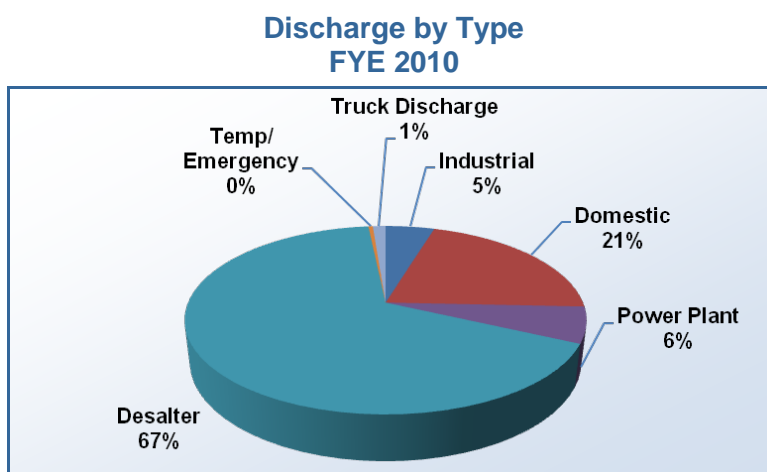
Source: California Labor Market (www.labormarketinfo.edd.ca.gov)

Treatment Information

Actual annual MGD of discharge by type:

<i>Type of Discharge</i>	<i>FYE 2005</i>	<i>FYE 2006</i>	<i>FYE 2007</i>	<i>FYE 2008</i>	<i>FYE 2009</i>	<i>FYE 2010</i>	<i>FYE 2011</i>
Industrial	785.4489	732.8943	629.5509	331.7357	203.4214	203.3820	245.6435
Domestic	1042.4779	1276.1790	1477.2549	839.1495	852.0116	908.3414	1015.4773
Dairy	27.2099	7.5359	0.00	0.00	0.00	0.00	0.00
Power Plant	1.5097	91.5996	93.3591	104.4273	222.9578	268.2640	334.4011
Desalters	1543.7098	1869.6717	2345.3973	2507.0998	2923.6592	2877.3705	2702.2033
Temporary/Emergency	0.8393	5.2351	1.5201	0.00	7.3531	18.1715	20.1418
Truck Discharge	39.9424	40.6802	39.8682	64.0861	62.5716	53.3668	43.2777
Total	3441.1379	4023.7958	4586.9505	3846.4984	4271.9747	4328.8962	4361.1447

The following pie charts show the trend toward increased desalter discharge into the system. Currently, there are six desalters in the Santa Ana River Watershed with a plan for several more within the next few years.

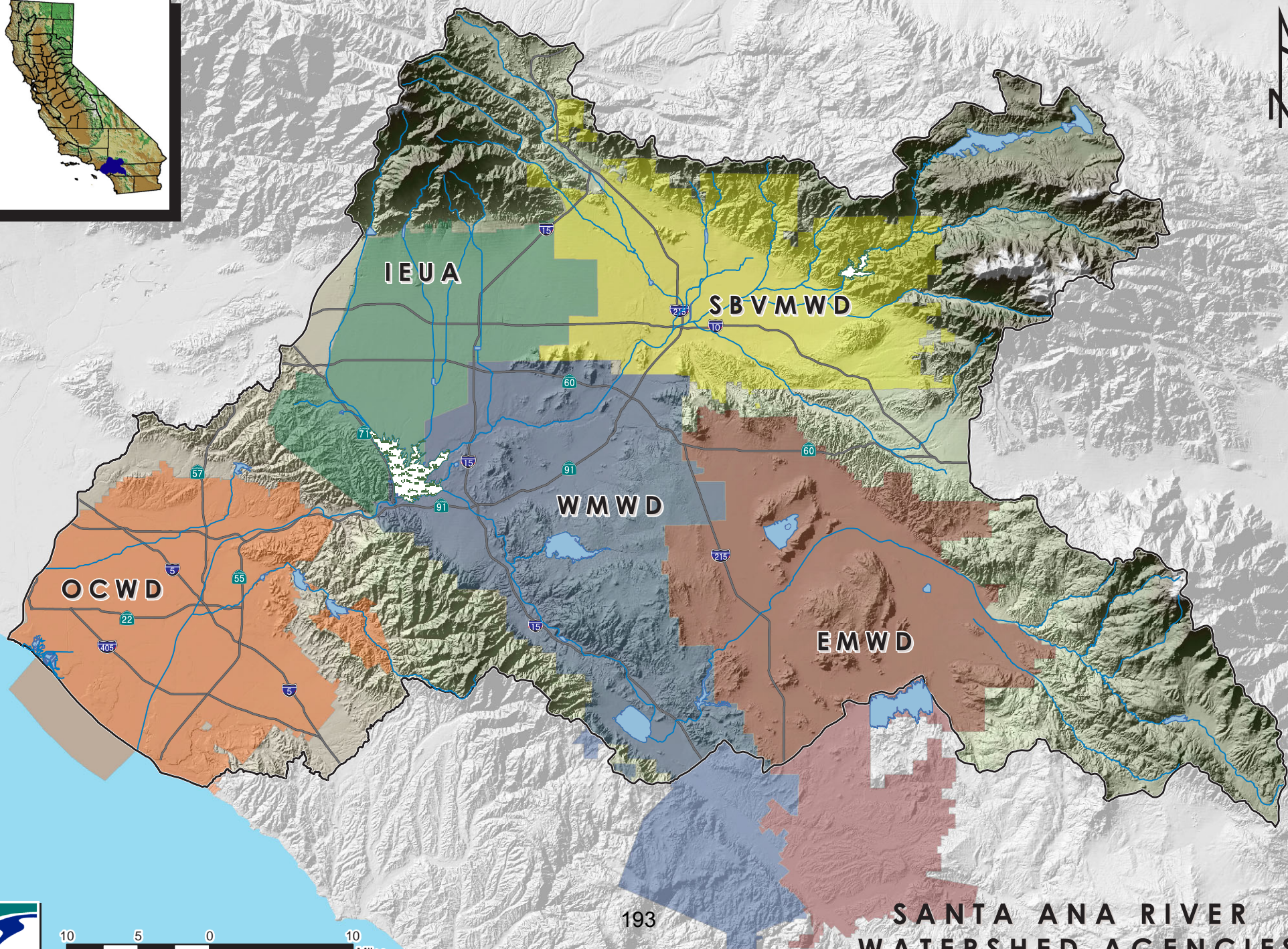
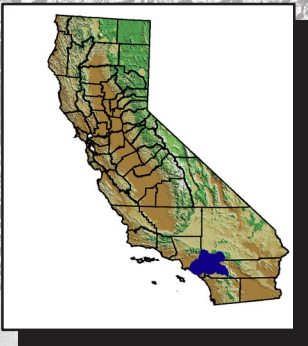


The table below shows the total pipeline and treatment & disposal capacity owned (in MGD's) by each of SAWPA's member agencies as of June 30, 2011.

<i>Agency</i>	<i>Pipeline Capacity</i>	<i>Treatment & Disposal Capacity</i>
Eastern Municipal Water District	5.946	3.548
Inland Empire Utilities Agency *	7.800	5.600
Orange County Water District	0.000	0.000
San Bernardino Valley MWD	7.188	0.794
Western Municipal Water District **	11.634	6.763
SAWPA unassigned capacity	0.000	0.295
Total	32.568	17.000

* Includes Chino desalter I & II

** Includes Arlington desalter



SANTA ANA RIVER
WATERSHED AGENCIES

193



10 5 0 10
Miles

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General Terms

Acre-Foot

A unit of measurement equivalent to 359,900 gallons of water, which meets the need of two average families in and around the home for one year.

Accrual Basis Accounting

A method of accounting in which revenues are recorded when measurable and earned, and expenses are recognized when a good or service is used.

Annual Required Contribution

The employer's periodic required contribution to a defined benefit OPEB plan, calculated in accordance with the parameters.

Appropriation

A legal authorization granted by a legislative body to make expenditures and to incur obligations for specific purposes.

Asset

A probable future economic benefit obtained or controlled by a particular entity as a result of past transactions or events.

Biennial Budget

A budget applicable to two individual fiscal years.

Bond

A written promise to pay a specific sum of money (called principal or face value), at a specific date or dates in the future (called maturity date(s)) along with periodic interest paid at a specified interest rate.

Brine Line (formerly known as SARI Line)

A regional brine line, designed to convey 30 million gallons per day (MGD) of non-reclaimable wastewater from the upper Santa Ana River basin to the ocean for disposal, after treatment.

Budget

A plan of financial operation including an estimate of proposed expenditures for a given period and the proposed means of financing them.

Budgetary Control

The control or management of a government in accordance with an approved budget to keep expenses within the limitations of available appropriations and available revenues.

Budget Calendar

The schedule of key dates which the Agency follows in the preparation and adoption of the budget.

Budget Document

The instrument used by the budget-making authority to present a comprehensive financial program to the appropriating governing body.

CalPERS

California Public Employees Retirement System. An autonomous instrumentality of the State established to oversee public employer and employee retirement contributions.

Capital Project

Major construction, acquisition, or renovation which increases the useful life of the asset or adds to the value of the assets.

Debt Service

The current year portion of interest costs and current year principal payments incurred on long-term debt issued by the Agency.

Defined Benefit OPEB Plan

An OPEB plan having terms that specify the benefits to be provided at or after separation from employment. The benefits may be specified in dollars (for example, a flat dollar payment or an annual amount based on one or more factors, such as age, years of service, and compensation), or as a type or level or coverage (for example, prescription drugs or a percentage of healthcare insurance premiums).

Enterprise Fund

A separate fund used to account for services supported primarily by service charges.

Expenses

Charges incurred, whether paid or unpaid, for operation, maintenance, interest, and other charges presumed to benefit the current fiscal period.

Fiscal Year

A twelve-month period to which the annual operating budget applies and at the end of which an entity determines its financial position and the results of its operations. SAWPA operates on a fiscal year from July 1 through June 30.

Full Time Equivalents (FTE)

The number of hours per year that a full-time employee is expected to work (2080).

Fund

A fiscal and accounting entity with a self-balancing set of accounts in which assets are recorded and segregated to carry on specific activities.

Fund Balance

The difference between fund assets and fund liabilities of governmental funds.

Fund Group

A group of funds that are similar to each other and accounted for in a single group. SAWPA has six fund groups: General Fund, Brine Line Enterprise Fund, Planning Fund, Collaborative Project Fund, Capital Project Fund, and Grant/Contract Fund.

Fund Transfer

Fund transfer required to maintain a given level of fund balance in accordance with Commission policies.

G&A Allocation

The distribution of general fund costs that are not directly allocated to a specific project. Costs are allocated based on a percentage of the total direct labor charged to the project.

General Fund

The general fund accounts for all activities not accounted for in other funds.

Goals and Objectives

Specific projects and programs to be undertaken utilizing allocated financial resources, and are designated to further the achievement of the Agency's vision.

Grants

Contribution or gifts of cash or other asset from another government agency to be expended for a specific purpose, activity, or facility.

Interest

Revenue derived from the investment of idle cash and/or reserves.

Interfund borrowing

A transfer of money from a fund that has a surplus to a fund that has a temporary revenue shortfall.

Liability

Probable future sacrifice of economic benefits, arising from present obligation of a particular entity to transfer asset or provide service to other entities in the future as a result of a past transaction or event.

Million Gallons per Day (MGD)

MGD is the term used to represent million gallons per day of sewage discharged to the Brine Line.

Non-Reclaimable Wastewater

Any wastewater and any water borne solid, liquid, or gaseous wastes resulting from any producing, manufacturing, or processing operations of whatever nature as defined by Federal, State, or regional agency authorized by law to prescribe quality standards for the discharge of sewage effluent and industrial waste effluent within the Watershed.

Operating Expenses

Proprietary fund expenses related directly to the fund's primary activities.

Orange County Sanitation District (OCSD)

A public agency located in Fountain Valley, providing wastewater treatment services for 21 cities and three sanitary districts in Orange County.

Ordinance

A law set forth by a governmental or legislative body.

Other Postemployment Benefits (OPEB)

Postemployment benefits other than pension benefits. Other postemployment benefits (OBEP) include postemployment healthcare benefits, regardless of the type of plan that provides them, and all postemployment benefits provided separately from a pension plan, except benefits defined as special termination benefits.

Pay-As-You-Go (Pay go)

The practice of funding construction expenditures from current operating revenue in lieu of using debt proceeds.

Public Employee Retirement System (PERS)

An autonomous instrumentality of the State established to oversee public employer and employee retirement contributions.

Program

Group activities, operations, or organizational units directed to attaining specific purposes or objectives.

Recycled Water

Effluent that goes through a process or method for altering its quality to standards superior to those prescribed for treatment.

Regional Water Quality Control Board (RWQCB)

An organization with the mission to preserve, enhance and restore the quality of California's water resources, and ensure their proper allocation and efficient use for the benefit of present and future generations.

Reserve

An account used to indicate that a portion of fund equity is restricted for a specific purpose, or not available for appropriation and subsequent spending.

Resolution

A special or temporary order of a legislative body requiring less formality than a statute or ordinance.

Revenue

Income generated by contributions, user chargers, fees, investment income, etc.

Santa Ana Regional Interceptor (SARI)

The portion of the Brine Line owned and operated by Orange County Sanitation District.

State Revolving Fund (SRF)

The Federal Clean Water Act amendments of 1897 authorized the use of federal money to create an SRF loan program to replace the Federal Clean Water Grant program. SRF loans are used for the construction and upgrade of publicly owned treatment works. SRF loan also can be used to support reclamation non-point source pollution, storm drainage, and estuary projects.

State Water Resources Control Board (SWRCB)

A joint authority of water allocation and water quality protection that provides comprehensive protection for California's waters, enforcing the many uses of water, including the needs of industry, agriculture, municipal districts, and the environment. The SWRCB also administers SRF loans and grants.

SWOT Analysis

A strategic planning method used to evaluate the **S**trengths, **W**eaknesses, **O**pportunities, and **T**hreats involved in a project or in a business venture. It involves specifying the objective of the business venture or project and identifying the internal and external factors that are favorable and unfavorable to achieve that objective.

Treasury Strips (T-Strips)

Treasury Strips (Separate Trading of Registered Interest and Principal of Securities) are treasury notes and bonds that allow investors to hold and trade the individual interest and principal components as separate securities. Treasury Strips also are called zero-coupon securities because the only time an investor receives a payment during the life of the Strip is when it matures. They are popular with investors who want to receive a known payment at a specific future date. Strips are obligations of the Treasury and are backed by the full faith and credit of the United States.

United States Bureau of Reclamation (BOR)

A public agency whose primary goal is to manage, develop, and protect water as well as related resources in an environmentally and economically sound manner in order to meet the increasing water demands of the Western States.

Zero-based Fund Accounting

All the revenues in excess of expenditures are transferred into reserves within the fund and all expenditures in excess of revenues are transferred from reserves within the same fund.

Acronyms and Abbreviations

ACOE	U.S. Army Corps of Engineers
ARC	Annual Required Contribution
BMP	Best Management Practices
BOD	Biochemical Oxygen Demand
BOR	U.S. Bureau of Reclamation
CBB	Citizens Business Bank
CCTV	Closed Circuit Television
CEQA	California Environmental Quality Act
CFO	Chief Financial Officer
CFS	Cubic Feet per Second
CIP	Capital Improvement Plan
CIPP	Cured in Place Pipe
COG	Counsel of Governments
COLA	Cost of Living Adjustment
DFG	California Department of Fish and Game
DMS	Data Management System
DWR	Department of Water Resources
EC	Emerging Constituents
EIR	Environmental Impact Report
EIS	Environmental Impact Statement
EMWD	Eastern Municipal Water District
EPA	Environmental Protection Agency
ERP	Enterprise Resource Planning
EVMWD	Elsinore Valley Municipal Water District
FEMA	Federal Emergency Management Agency
FICA	Federal Insurance Contributions Act
FPPC	Fair Political Practices Commission
FTE	Full Time Equivalents
FYE	Fiscal Year Ending
G&A	General and Administrative
GAAP	Generally Accepted Accounting Principles
GASB	Governmental Accounting Standards Board
GFOA	Government Finance Officers Association
GHG	Greenhouse Gas
GIS	Geographical Information System
GM	General Manager
GWRS	Groundwater Replenishment System
Hg	Mercury
HVAC	Heating, Ventilation, and Air Conditioning
IEUA	Inland Empire Utilities Agency
IRWMP	Integrated Regional Water Management Plan
IS/IT	Information Systems/Information Technology
IWP	Integrated Watershed Plan
JCSD	Jurupa Community Services District
JPA	Joint Powers Authority
LAIF	Local Agency Investment Fund

LE/CL	Lake Elsinore / Canyon Lakes
LESJWA	Lake Elsinore & San Jacinto Watersheds Authority
MAS	Manhole Access Structure
MG	Million Gallons
Mg/L	Milligrams per liter
MGD	Million Gallons per Day
MOU	Memorandum of Understanding
MWD	Metropolitan Water District of Southern California
NEPA	National Environmental Policy Act
NIST	National Institute of Statistics and Technology
NRCS	Natural Resources Conservation Service
O&M	Operations and Maintenance
OC PFRD	Orange County Public Facilities and Resources Department
OC RDMD	Orange County Resources and Development Management Department
OCFCD	Orange County Flood Control District
OCSD	Orange County Sanitation District
OCWD	Orange County Water District
OPEB	Other Post Employment Benefits
OSHA	Occupational Safety & Health Administration
OWOW	One Water One Watershed
PERS	Public Employee Retirement System
PIO	Public Information Officer
POTW	Publicly Owned Treatment Works
PVC	Polyvinyl Chloride
RCFC	Riverside County Flood Control
RCP	Reinforced Concrete Pipe
RIM	Records Information Management
RWQCB	Regional Water Quality Control Board
SAR	Santa Ana River
SARI	Santa Ana Regional Interceptor (OCSD portion)
SAW DMS	Santa Ana Watershed Data Management System
SAWPA	Santa Ana Watershed Project Authority
SBVMWD	San Bernardino Valley Municipal Water District
SCADA	Supervisory Control and Data Acquisition
SCIWP	Southern California Integrated Watershed Program
SRF	State Revolving Fund
SSMP	Sanitary Sewer Management Plan
STAG	State and Tribal Affairs Grant
SWRCB	State Water Resources Control Board
TDS	Total Dissolved Solids
TF	Task Force
TIN	Total Inorganic Nitrogen
TMDL	Total Maximum Daily Load
TSS	Total Suspended Solids
T-Strips	Treasury Strips
TVRI	Temescal Valley Regional Interceptor
UCI	University of California, Irvine
USBR	United States Bureau of Reclamation
USFWS	United States Fish and Wildlife Service
USGS	US Geological Survey

W/C	Workers' Compensation
WCD	Water Conservation District
WDR	Wastewater Discharge Requirement
WMWD	Western Municipal Water District
WRCRWA	Western Riverside County Regional Wastewater Authority

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