



Santa Ana Watershed Project Authority

Fiscal Years Ending

2014 and 2015 Budget

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Santa Ana Watershed Project Authority

Authority Officials

Board of Commissioners

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Don Galleano	Vice Chair	WMWD
Ron Sullivan	Secretary/Treasurer	EMWD
Mark Bulot	Commission Member	SBVMWD
Terry Catlin	Commission Member	IEUA

Management Staff

Celeste Cantú	General Manager
Patti Bonawitz	Administrative Services Manager/Clerk of the Board
Karen Williams	Chief Financial Officer
Dean Unger	IS and Technology Manager
Richard Haller	Executive Manager of Engineering and Operations
Mark Norton	Water Resources and Planning Manager
Larry McKenney	Executive Counsel



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California**

For the Biennium Beginning

July 1, 2011

Linda C. Danison Jeffrey R. Egan

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, 2011. 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 21, 2013

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) 2014 and 2015 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 \$45 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) (\$14 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 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.
- Revamp the Permitting and Pretreatment Program and implement a revised 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.

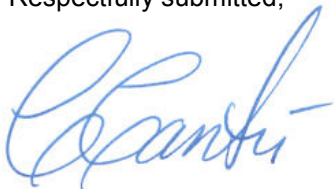
Our region is rich in agricultural history and still contains concentrations of citrus, dairy, and other agricultural areas that demand significant quantities of water. The area has a large industrial/commercial base, and the rapidly expanding population demands a large supply of water. In 2000, the 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, its member agencies, and watershed stakeholders have undertaken 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 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 Plan is expected to be adopted in December 2013 and will be used to assist planning future implementation funding for the Watershed. Concurrent with these watershed planning activities, SAWPA will explore and support future water bond funding through IRWM in a State Water Bond currently considered for the electorate ballot in the fall of 2014, 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. 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.

The major priorities shaping the FYE 2014 and 2015 budget are as follows:

- ◆ Develop a new long-term vision and prepare a new business plan for the Brine Line Enterprise.
- ◆ 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.
- ◆ Implement an effective and efficient Permitting and Pretreatment Program.
- ◆ Continue Brine Line cleaning program.
- ◆ Implement budgeted CIP projects.
- ◆ Update Brine Line CIP based on CCTV pipeline inspection and analysis.
- ◆ Continue process to collect appropriate Brine Line system O&M data, automate data storage and facilitate analysis of activities and system performance.
- ◆ Complete implementation of the next phase of the "One Water One Watershed" Plan (OWOW 2.0 Plan).
- ◆ 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

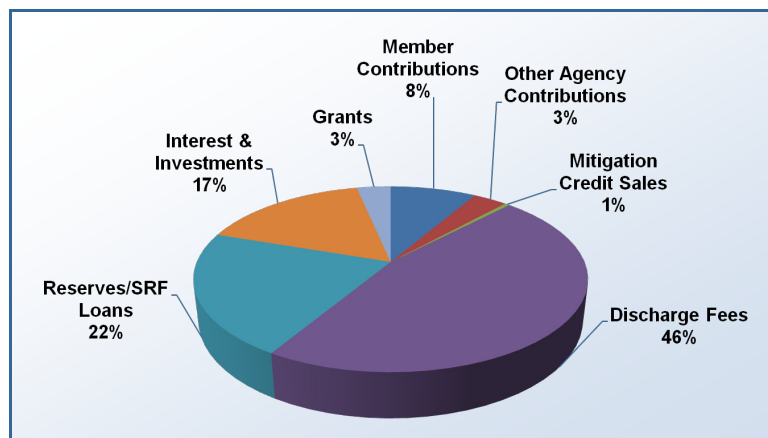
FYEs 2014 and 2015 will prove to be very productive years for the Agency. This is the Agency's fourth biennial budget, and will help to continue the long-range planning effort for all Agency operations. The total combined budget for both years is \$45.1 million, which consists of \$22.9 million or 51% for operating expense, \$9.0 million or 20% for debt service, \$4.1 million or 9% for reserve contributions and \$9.1 million or 20% in Capital Program expenses. Available to cover those expenses are revenues of \$44.8 million and \$.40 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.

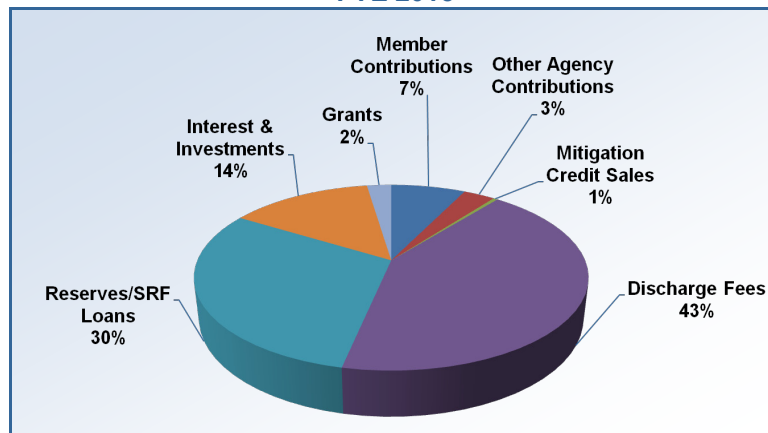
The FYE 2014 receipts of \$20.8 million include \$9.6 million in discharge fees, \$4.5 million in reserves/SRF loans, \$3.4 million in interest and investments, \$2.4 in member and other agency contributions, \$0.5 million in grants and contracts, and \$0.1 million in mitigation credit sales, which reflects a 29% decrease over FYE 2013. The majority of the decreased revenues can be attributed to a reduction in discharge fees because of lower BOD and TSS concentrations. Total revenues included in the FYE 2014 budget are adequate to cover all projected expenses.

**Source of Funds
FYE 2014**



The FYE 2015 receipts of \$23.9 million include \$10.2 million in discharge fees, \$7.4 million in reserves/SRF loans, \$3.3 million in interest and investments, \$2.5 in member and other agency contributions, \$0.3 million in grants and contracts, and \$0.1 million in mitigation credit sales, which reflects a 15% increase over FYE 2014. The majority of the increase can be attributed to an increase of \$2.7 million in use of reserves/SRF loans, as well as various minor increases and decreases in other agency contributions, grant/contracts, and interest and investments. Total revenues included in the FYE 2015 budget are adequate to cover all projected expenses.

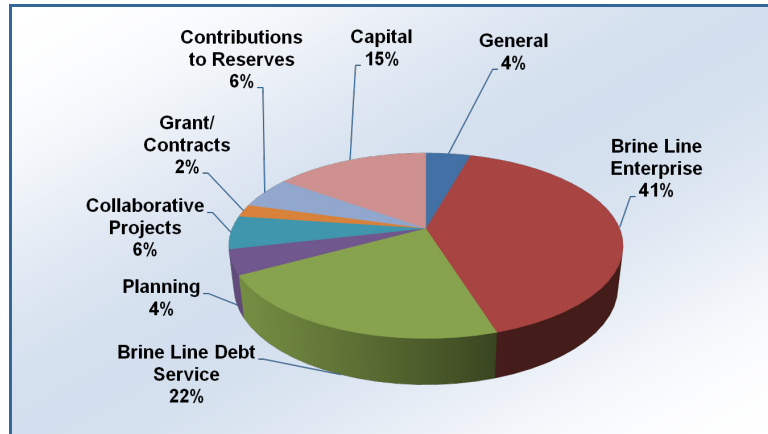
**Source of Funds
FYE 2015**



Uses of Funds

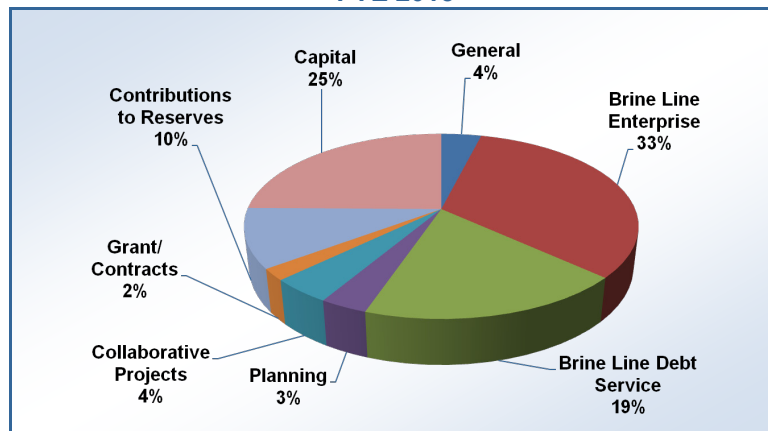
The total FYE 2014 expenses are projected to be \$21.1 million, which includes \$0.9 million for Joint Powers Authority (JPA) operations, \$8.6 million for Brine Line Enterprise operations, \$3.2 million for capital projects, \$4.5 million for debt service, \$1.2 for collaborative projects, \$0.9 million for planning projects, \$0.5 million for grants/contracts, and \$1.4 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.

**Use of Funds
FYE 2014**



The total FYE 2015 expenses are projected to be \$24.1 million, which includes \$0.9 million for JPA operations, \$7.9 million for Brine Line Enterprise operations, \$5.9 million for capital projects, \$4.4 million for debt service, \$1 million for collaborative projects, \$0.8 million for planning projects, \$0.5 million for grants/contracts, and \$2.7 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.

**Use of Funds
FYE 2015**

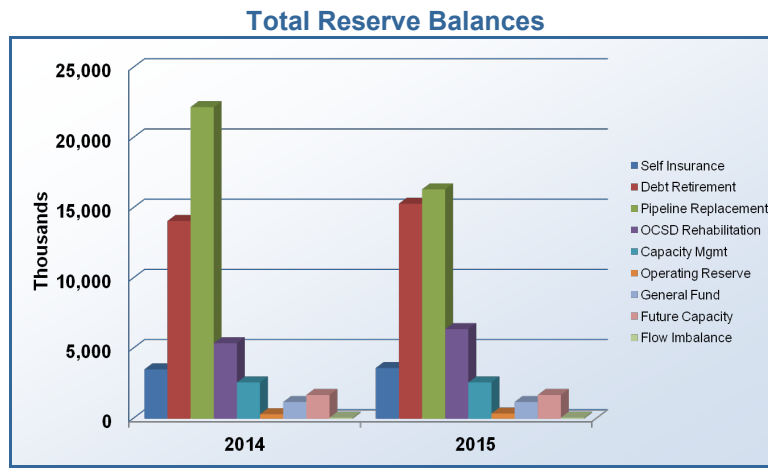


Debt Service

The outstanding debt in FYE 2014 is projected at \$32.6 million and will decrease to \$25.3 million in FYE 2015. 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 2014 and 2015 are projected to be \$4.5 and \$4.4 million.

Reserves

In FYE 2014, the operating fund has total budgeted reserve contributions of \$1.4 million and \$2.7 million in FYE 2015. Total reserves are projected to be \$51 million for FYE 2014 and \$47.6 million for FYE 2015. The decrease of \$3.4 million is from use of reserves to fund the CIP. The following chart shows the projected reserve balances for FYE 2014 and 2015.



Personnel

The Agency has added two full time equivalents (FTEs) to the previous staffing level of 21 FTEs. The current staffing level is at 23 FTEs. Total employment costs, which include wages and benefits, will be \$3.9 million for FYE 2014 and \$4.2 million for FYE 2015, representing 19% and 17.6% of the Agency's total budget for each year. Overall, employment expenses have increased by 13.6% (\$478,008) over the FYE 2013 budget and have increased 6.2% (\$248,015) for FYE 2015. The increases are based on two added positions, a 5% merit/COLA increase for each of the budget years and increasing medical insurance costs.

Fund Budgets

The Agency has several funds that make up the FYE 2014 and 2015 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 2014 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	\$ 923,832	\$ 14,359,123	\$ 894,089	\$ 946,318	\$ 464,087	\$ 3,189,353	\$ 20,776,802
Expenses	(923,832)	(14,359,123)	(914,510)	(1,216,255)	(464,087)	(3,189,353)	(21,067,160)
Net Income (Loss)	—	—	(20,421)	(269,937)	—	—	(290,358)
Beg. Fund Balance	—	—	88,971	1,847,613	—	—	1,936,584
End. Fund Balance	\$ —	\$ —	\$ 68,550	\$ 1,577,676	\$ —	\$ —	\$ 1,646,226

FYE 2015 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	\$ 942,950	\$ 14,849,027	\$ 779,579	\$ 955,515	\$ 484,311	\$ 5,968,663	\$ 23,980,045
Expenses	(942,950)	(14,849,027)	(796,815)	(1,029,500)	(484,311)	(5,968,663)	(24,071,266)
Net Income (Loss)	—	—	(17,236)	(73,985)	—	—	(91,221)
Beg. Fund Balance	—	—	68,550	1,577,676	—	—	1,646,226
End. Fund Balance	\$ —	\$ —	\$ 51,314	\$ 1,503,691	\$ —	\$ —	\$ 1,555,005

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 Forward



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 2014 and 2015 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 2014 and 2015 Budgets.

Combined Schedules

This section is a comprehensive overview of the FYEs 2014 and 2015 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 2013 through 2015.

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 2014 and 2015 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.

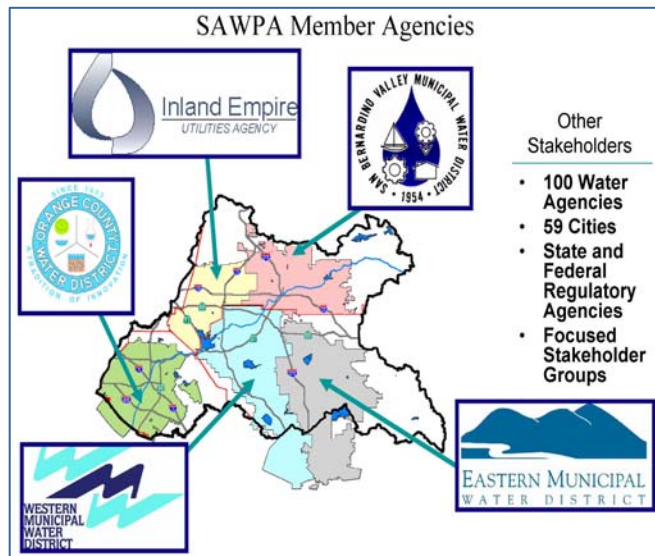
About the Agency

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.

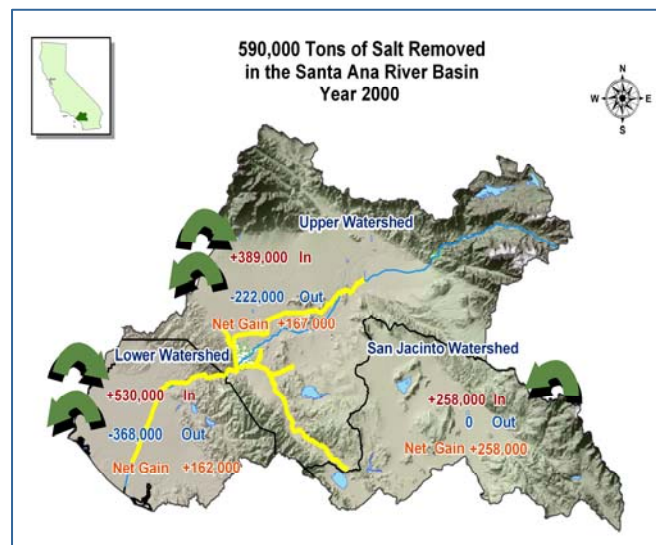


SAWPA's Regional Vision

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 Water Management 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 One Water One Watershed (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 management strategies along with workgroups (or pillars) designated for each strategy, 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. The OWOW 2.0 Plan is anticipated to be adopted in late 2013.



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. Work is also underway on updating the Santa Ana River Watershed Wasteload Allocation for the Santa Ana River defining the limits of nitrogen and TDS that can be discharged by wastewater treatment plants that assure beneficial use protection.



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. The Task Force has conducted three annual sampling reports and will be moving into a triennial sampling report schedule for the future.



Forest First

Under a 2011 MOU between SAWPA and the US Forest Service called the "Forest First" program, efforts are underway to work with downstream groundwater management agencies, flood control and water conservation districts, water supply agencies, resource agencies, and the forest service to find amicable projects that can be executed in specific areas within the forest that will have a direct effect in preserving the quality and quantity of water resources from the source or headwaters, contributing to the overall health of the Watershed. Early quantitative cost/benefit analysis studies appear to validate investment in projects such as fuels reduction, meadow restoration, chaparral type conversion and forest road retrofitting that when implemented will help the national forest service to keep the forest healthy which will in turn promote a gain in

both the quantity and quality of available water resources. A new task force among the Forest Service and downstream agencies is under development.

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.

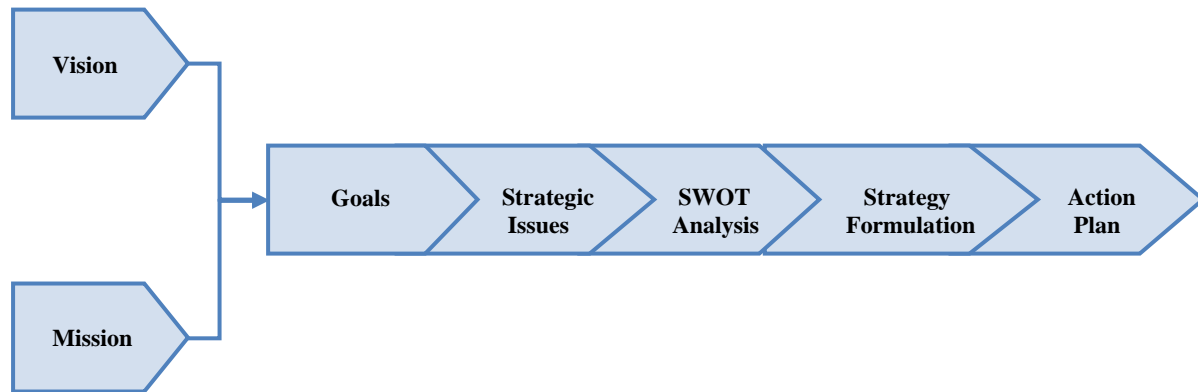
Vision, Mission and Goals

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 multi-jurisdictional 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 2014 and 2015 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 graphical information systems (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 future Water Bonds 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 fourth time 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 January 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 (CFO) 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 2013 – 2014 and 2014 – 2015 Budget Schedule

Date	Description	Responsibility
January 21, 2013	Budget Kick-off Meeting	CFO/GM
February 8, 2013	Budget Goals & Objectives Due	Department Managers
February 8, 2013	Labor Hour Distributions Due	Department Managers
February 14, 2013	Budget Assumptions & Goals Due	Department Managers
March 19, 2013	Commission Overview of Budget Goals & Objectives	CFO, GM
March 28, 2013	Budget Workshop – First Draft	CFO, Member Agency Finance Staff
April 16, 2013	Commission Budget Workshop – First Draft	GM, CFO, Department Managers
May 21, 2013	Commission Budget Presentation (Adoption by Commission)	CFO, GM, Commissioners
June 30, 2013	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. Revenues and expenses are recognized on the full accrual basis of accounting. In an enterprise fund, revenues are recognized in the accounting period in which they are earned and expenses are recognized in the period incurred, regardless of when the related cash flows take place.

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 2014 and 2015

	<i>FYE 2014 Budget</i>	<i>FYE 2015 Budget</i>
Source of Funds:		
Discharge Fees	\$ 9,648,366	\$ 10,201,784
Financing Proceeds	\$ 208,189	\$ 228,376
Grant Proceeds	\$ 481,552	\$ 342,628
Contributions	\$ 2,437,350	\$ 2,490,165
Other Income	\$ 4,576,490	\$ 7,372,285
Interest & Investments	\$ 3,424,855	\$ 3,344,807
Total Source of Funds	\$ 20,776,802	\$ 23,980,045
Staffing:		
Hours Allocated	53,760	53,760
FTE (based on 2080)	25.8	25.8
Use of Funds:		
Labor	\$ 2,764,682	\$ 2,908,720
Benefits	\$ 1,229,823	\$ 1,333,800
G&A Costs	\$ –	\$ –
Education & Training	\$ 58,800	\$ 57,800
Consulting & Professional Services	\$ 3,134,795	\$ 2,351,749
Operating Costs	\$ 3,480,460	\$ 3,507,080
Repair & Maintenance	\$ 1,070,520	\$ 875,520
Phone & Utilities	\$ 77,400	\$ 79,650
Equipment & Computers	\$ 273,040	\$ 234,295
Meeting & Travel	\$ 91,600	\$ 91,800
Other Administrative Costs	\$ 259,663	\$ 271,253
Other Expenses	\$ 494,681	\$ 247,131
Construction	\$ 2,200,000	\$ 4,950,000
Debt Service	\$ 4,531,908	\$ 4,448,394
Total Use of Funds from Operations	\$ 19,667,372	\$ 21,357,192
Contribution To/(From) Reserves:		
Pipeline Repair/Replacement Reserve	\$ –	\$ 361,659
OCSD Rehabilitation Reserve	\$ 55,701	\$ 1,000,000
Self Insurance Reserve	\$ 100,000	\$ 100,000
Flow Imbalance Reserve	\$ –	\$ –
Debt Service Reserve	\$ 998,000	\$ 1,034,000
Retiree Medical Reserve	\$ 146,087	\$ 153,415
Building Repair/Replacement Reserve	\$ 100,000	\$ 65,000
Capacity Management Reserve	\$ –	\$ –
Operating Reserve	\$ –	\$ –
Total Contributions to Reserves	\$ 1,399,788	\$ 2,714,074
Total Use of Funds	\$ 21,067,160	\$ 24,071,266
Net Gain (Loss)	\$ (290,358)	\$ (91,221)
<i>Project Reimbursement (Prop 50 & 84 – Capital)</i>	<i>\$ 5,401,197</i>	<i>\$ 2,532,750</i>

Santa Ana Watershed Project Authority
Budget Summary
FYE 2009 through 2015

	<i>FYE 2009 Actuals</i>	<i>FYE 2010 Actuals</i>	<i>FYE 2011 Actuals</i>	<i>FYE 2012 Actuals</i>
Source of Funds:				
Discharge Fees	\$ 9,738,140	\$ 12,391,354	\$ 10,989,257	\$ 10,053,124
Financing Proceeds	\$ 223,749	\$ 256,486	\$ 365,226	\$ 8,673,560
Grant Proceeds	\$ 844,841	\$ 820,358	\$ 550,392	\$ 1,959,279
Contributions	\$ 3,054,608	\$ 2,704,249	\$ 2,630,940	\$ 2,181,683
Other Income	\$ 1,483,080	\$ 606,518	\$ 2,841,871	\$ 1,372,052
Interest & Investments	\$ 5,350,797	\$ 5,182,164	\$ 5,155,565	\$ 4,274,359
Total Source of Funds	\$ 20,695,215	\$ 21,961,129	\$ 22,533,251	\$ 28,514,057
Staffing:				
Hours Allocated	41,280	38,332	42,698	46,883
FTE (based on 2080)	19.8	18.4	20.5	22.5
Use of Funds:				
Labor	\$ 1,804,810	\$ 1,860,814	\$ 2,071,585	\$ 2,351,936
Benefits	\$ 772,484	\$ 798,289	\$ 876,278	\$ 1,031,335
G&A Costs	\$ (56,406)	\$ (28,127)	\$ (2)	\$ (2)
Education & Training	\$ 12,201	\$ 10,501	\$ 8,761	\$ 10,977
Consulting & Professional Services	\$ 2,258,967	\$ 2,701,604	\$ 3,185,783	\$ 2,451,624
Operating Costs	\$ 4,681,359	\$ 7,077,566	\$ 5,197,768	\$ 3,864,813
Repair & Maintenance	\$ 738,015	\$ 750,004	\$ 399,334	\$ 1,130,494
Phone & Utilities	\$ 61,558	\$ 59,992	\$ 60,491	\$ 70,397
Equipment & Computers	\$ 204,552	\$ 184,515	\$ 152,547	\$ 203,076
Meeting & Travel	\$ 46,089	\$ 37,847	\$ 39,727	\$ 39,742
Other Administrative Costs	\$ 203,380	\$ 166,952	\$ 140,070	\$ 139,061
Other Expenses	\$ 394,600	\$ 234,518	\$ 397,938	\$ 254,289
Construction	\$ 1,731,674	\$ 617,793	\$ 1,612,068	\$ 15,433,326
Debt Service	\$ 4,535,441	\$ 4,535,441	\$ 4,535,441	\$ 4,535,440
Total Use of Funds from Operations	\$ 17,388,724	\$ 19,007,709	\$ 18,677,789	\$ 31,516,508
Contribution To/(From) Reserves:				
Pipeline Repair/Replacement Reserve	\$ 2,618,067	\$ 2,899,730	\$ 3,746,886	\$ 3,746,886
OCSD Rehabilitation Reserve	\$ –	\$ –	\$ –	\$ –
OCSD Future Capacity Reserve	\$ –	\$ –	\$ –	\$ –
Self Insurance Reserve	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000
Flow Imbalance Reserve	\$ –	\$ 56,854	\$ 45,000	\$ –
Debt Service Reserve	\$ –	\$ –	\$ –	\$ –
Retiree Medical Reserve	\$ 138,608	\$ 147,849	\$ 152,241	\$ 153,596
Building Repair/Replacement Reserve	\$ 49,423	\$ 45,514	\$ –	\$ 50,000
Operating Reserve	\$ 141,311	\$ –	\$ –	\$ –
Total Contributions to Reserves	\$ 3,047,409	\$ 3,249,947	\$ 4,044,127	\$ 4,050,482
Total Use of Funds	\$ 20,436,133	\$ 22,257,656	\$ 22,721,916	\$ 35,566,990
Net Gain (Loss)	\$ 259,082	\$ (296,527)	\$ (188,665)	\$ (7,052,933)
<i>Project Reimbursement (Prop 50 and 84 – Capital)</i>	<i>\$ 2,711,851</i>	<i>\$ 2,444,202</i>	<i>\$ 16,093,326</i>	<i>\$ 3,471,802</i>

Santa Ana Watershed Project Authority
Budget Summary
FYE 2009 through 2015

	<i>FYE 2013 Budget</i>	<i>FYE 2013 Projected</i>	<i>FYE 2014 Budget</i>	<i>FYE 2015 Budget</i>
Source of Funds:				
Discharge Fees	\$ 11,930,470	\$ 9,170,287	\$ 9,648,366	\$ 10,201,784
Financing Proceeds	\$ 6,959,060	\$ 1,775,956	\$ 208,189	\$ 228,376
Grant Proceeds	\$ 745,315	\$ 662,083	\$ 481,552	\$ 342,628
Contributions	\$ 2,717,600	\$ 2,269,861	\$ 2,437,350	\$ 2,490,165
Other Income	\$ 3,055,666	\$ 2,338,547	\$ 4,576,490	\$ 7,372,285
Interest & Investments	\$ 3,769,197	\$ 3,634,438	\$ 3,424,855	\$ 3,344,807
Total Source of Funds	\$ 29,177,308	\$ 19,851,172	\$ 20,776,802	\$ 23,980,045
Staffing:				
Hours Allocated	47,520	49,486	53,760	53,760
FTE (based on 2080)	22.8	23.8	25.8	25.8
Use of Funds:				
Labor	\$ 2,347,658	\$ 2,536,505	\$ 2,764,682	\$ 2,908,720
Benefits	\$ 1,168,839	\$ 986,496	\$ 1,229,823	\$ 1,333,800
G&A Costs	\$ 1	\$ 44,091	\$ –	\$ –
Education & Training	\$ 34,800	\$ 10,324	\$ 58,800	\$ 57,800
Consulting & Professional Services	\$ 3,115,410	\$ 2,053,618	\$ 3,134,795	\$ 2,351,749
Operating Costs	\$ 5,708,990	\$ 2,809,523	\$ 3,480,460	\$ 3,507,080
Repair & Maintenance	\$ 1,053,140	\$ 717,286	\$ 1,070,520	\$ 875,520
Phone & Utilities	\$ 73,500	\$ 72,561	\$ 77,400	\$ 79,650
Equipment & Computers	\$ 275,480	\$ 189,047	\$ 273,040	\$ 234,295
Meeting & Travel	\$ 85,650	\$ 45,686	\$ 91,600	\$ 91,800
Other Administrative Costs	\$ 197,902	\$ 130,518	\$ 259,663	\$ 271,253
Other Expenses	\$ 254,289	\$ 360,012	\$ 494,681	\$ 247,131
Construction	\$ 6,895,000	\$ 1,697,488	\$ 2,200,000	\$ 4,950,000
Debt Service	\$ 4,535,440	\$ 4,535,440	\$ 4,531,908	\$ 4,448,394
Total Use of Funds from Operations	\$ 25,046,099	\$ 16,188,595	\$ 19,667,372	\$ 21,357,192
Contribution To/(From) Reserves:				
Pipeline Repair/Replacement Reserve	\$ 1,144,198	\$ 1,144,198	\$ –	\$ 361,659
OCSD Rehabilitation Reserve	\$ 1,742,354	\$ 1,742,354	\$ 55,701	\$ 1,000,000
OCSD Future Capacity Reserve	\$ –	\$ –	\$ 100,000	\$ 100,000
Self Insurance Reserve	\$ 100,000	\$ 100,000	\$ –	\$ –
Flow Imbalance Reserve	\$ –	\$ –	\$ –	\$ 1,034,000
Debt Service Reserve	\$ –	\$ –	\$ 998,000	\$ –
Retiree Medical Reserve	\$ 146,087	\$ 140,948	\$ 146,087	\$ 153,415
Building Repair/Replacement Reserve	\$ 50,000	\$ 50,000	\$ 100,000	\$ 65,000
Operating Reserve	\$ –	\$ –	\$ –	\$ –
Total Contributions to Reserves	\$ 3,182,639	\$ 3,177,500	\$ 1,399,788	\$ 2,714,074
Total Use of Funds	\$ 28,928,738	\$ 19,366,095	\$ 21,067,160	\$ 24,071,266
Net Gain (Loss)	\$ 248,570	\$ 485,077	\$ (290,358)	\$ (91,221)
<i>Project Reimbursement (Prop 50 and 84 – Capital)</i>	<i>\$ 3,010,380</i>	<i>\$ 6,860,120</i>	<i>\$ 5,401,197</i>	<i>\$ 2,532,750</i>

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Section 4

Combined Schedules



**Santa Ana Watershed Project Authority
Combined Summary**

Source of Funds:	Budget FYE 2014	Budget FYE 2015
Member Agency Contributions	\$ 1,750,983	\$ 1,749,905
Other Agency Contributions	\$ 686,367	\$ 740,260
Mitigation Credit Sales	\$ 100,000	\$ 100,000
Discharge Fees (Brine Line)	\$ 9,648,366	\$ 10,201,784
Grant/Contracts	\$ 689,741	\$ 571,004
Interest & Investments	\$ 3,424,855	\$ 3,344,807
Operating Transfers	\$ 1,287,137	\$ 1,303,622
Reserves/SRF Loan Proceeds (Brine Line Capital Only)	\$ 3,189,353	\$ 5,968,663
Total Revenues (Not Including Pass-Through)	\$ 20,776,802	\$ 23,980,045
Prop 50 and 84 – Capital Projects (Pass-Through)	\$ 5,401,197	\$ 2,532,750
Total Revenues/Others	\$ 26,177,999	\$ 26,512,795
Use of Funds:	Budget FYE 2014	Budget FYE 2015
General Fund	\$ 923,832	\$ 942,950
Brine Line Enterprise	\$ 8,583,514	\$ 7,904,974
Debt Service	\$ 4,621,908	\$ 4,448,394
Planning	\$ 914,510	\$ 796,815
Collaborative Projects	\$ 1,216,255	\$ 1,029,500
Capital Brine Line	\$ 3,189,353	\$ 5,968,663
Grant/Contracts	\$ 464,087	\$ 484,311
Contribution to Reserves (Brine Line)	\$ 1,153,701	\$ 2,495,659
Total Appropriations (Not Including Pass-Through)	\$ 21,067,160	\$ 24,071,266
Prop 50 and 84 – Capital Projects (Pass-Through)	\$ 5,401,197	\$ 2,532,750
Total Appropriations	\$ 26,468,357	\$ 26,604,016
Contribution to/(Use of) Fund Balance	\$ (290,358)	\$ (91,221)

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BUDGET REVENUE *Summary*

Fund		Adopted FYE 2013	Budget FYE 2014	Budget FYE 2015
100	General Fund	\$ 998,170	\$ 923,832	\$ 942,950
125	Prop 50 Program Management	\$ 38,219	\$ 59,965	\$ 51,348
130	Prop 84 Program Management	\$ 171,446	\$ 185,933	\$ 194,587
240	Brine Line Enterprise	\$ 16,965,910	\$ 14,359,125	\$ 14,849,027
320	Brine Line Protection Project	\$ 1,487,248	\$ 1,376,067	\$ 1,020,892
323	Reach IV-A and IV-B Repairs	\$ 6,705,452	\$ -	\$ -
326	Reach V Repairs	\$ -	\$ 1,813,286	\$ 4,947,771
370	Basin Planning General	\$ 320,080	\$ 333,385	\$ 357,836
370	USBR Partnership Studies	\$ 52,779	\$ 20,050	\$ 20,050
372	Imported Water Recharge	\$ -	\$ -	\$ -
373	Watershed Mgmt Plan (OWOW)	\$ 807,510	\$ 540,654	\$ 401,693
374	Basin Monitoring Program TF	\$ 177,273	\$ 231,523	\$ 201,651
381	SAR Fish Conservation TF	\$ 120,000	\$ 61,800	\$ 61,800
384	Chino TMDL Task Force	\$ 235,000	\$ 339,460	\$ 350,000
386	Stormwater Quality Standards TF	\$ 350,750	\$ 101,000	\$ 101,000
387	Arundo Mgmt & Habitat Restoration	\$ 225,000	\$ 100,000	\$ 100,000
392	Emerging Constituents TF	\$ 149,404	\$ 112,535	\$ 62,050
393	Trail Marketing Support	\$ 46,634	\$ -	\$ -
395	Brine Line UCI Research Grant	\$ 63,825	\$ -	\$ -
396	Forest First	\$ -	\$ -	\$ 79,014
477	LESJWA Administration	\$ 263,608	\$ 218,189	\$ 238,376
Total		\$ 29,178,308	\$ 20,776,804	\$ 23,980,045
503	Prop 50/84 Capital Projects	\$ 3,010,380	\$ 5,401,197	\$ 2,532,750

BUDGET EXPENSES

Summary

Fund		Adopted FYE 2013	Budget FYE 2014	Budget FYE 2015
100	General Fund	\$ 802,085	\$ 677,745	\$ 724,535
125	Prop 50 Program Management	\$ 38,219	\$ 59,965	\$ 51,348
130	Prop 84 Program Management	\$ 171,446	\$ 185,933	\$ 194,587
240	Brine Line Enterprise	\$ 13,979,358	\$ 13,205,422	\$ 12,353,368
320	Brine Line Protection Project	\$ 1,487,248	\$ 1,376,067	\$ 1,020,892
323	Reach IV-A and IV-B Repairs	\$ 6,705,452	\$ -	\$ -
326	Reach V Repairs	\$ -	\$ 1,813,286	\$ 4,947,771
370	Basin Planning General	\$ 320,080	\$ 333,385	\$ 357,836
370	USBR Partnership Studies	\$ 52,779	\$ 25,860	\$ 22,758
372	Imported Water Recharge	\$ 9,778	\$ 14,611	\$ 14,667
373	Watershed Mgmt Plan (OWOW)	\$ 807,510	\$ 540,654	\$ 401,554
374	Basin Monitoring Program TF	\$ 68,321	\$ 426,187	\$ 122,001
381	SAR Fish Conservation TF	\$ 170,283	\$ 69,130	\$ 80,738
384	Chino TMDL Task Force	\$ 274,052	\$ 334,938	\$ 355,706
386	Stormwater Quality Standards TF	\$ 349,442	\$ 102,776	\$ 104,359
387	Arundo Mgmt & Habitat Restoration	\$ 287,673	\$ 141,601	\$ 165,545
392	Emerging Constituents TF	\$ 149,305	\$ 141,623	\$ 122,137
393	Trail Marketing Support	\$ 46,634	\$ -	\$ -
395	Brine Line UCI Research Grant	\$ 63,825	\$ -	\$ -
396	Forest First	\$ -	\$ -	\$ 79,014
477	LESJWA Administration	\$ 263,608	\$ 218,189	\$ 238,376
Total		\$ 26,047,097	\$ 19,667,372	\$ 21,357,192
<i>Contributions to Reserve</i>		<i>\$ 3,182,639</i>	<i>\$ 1,399,788</i>	<i>\$ 2,714,074</i>
Total		\$ 29,229,736	\$ 21,067,160	\$ 24,071,266

503	Prop 50/84 Capital Projects	\$ 3,010,380	\$ 5,401,197	\$ 2,532,750
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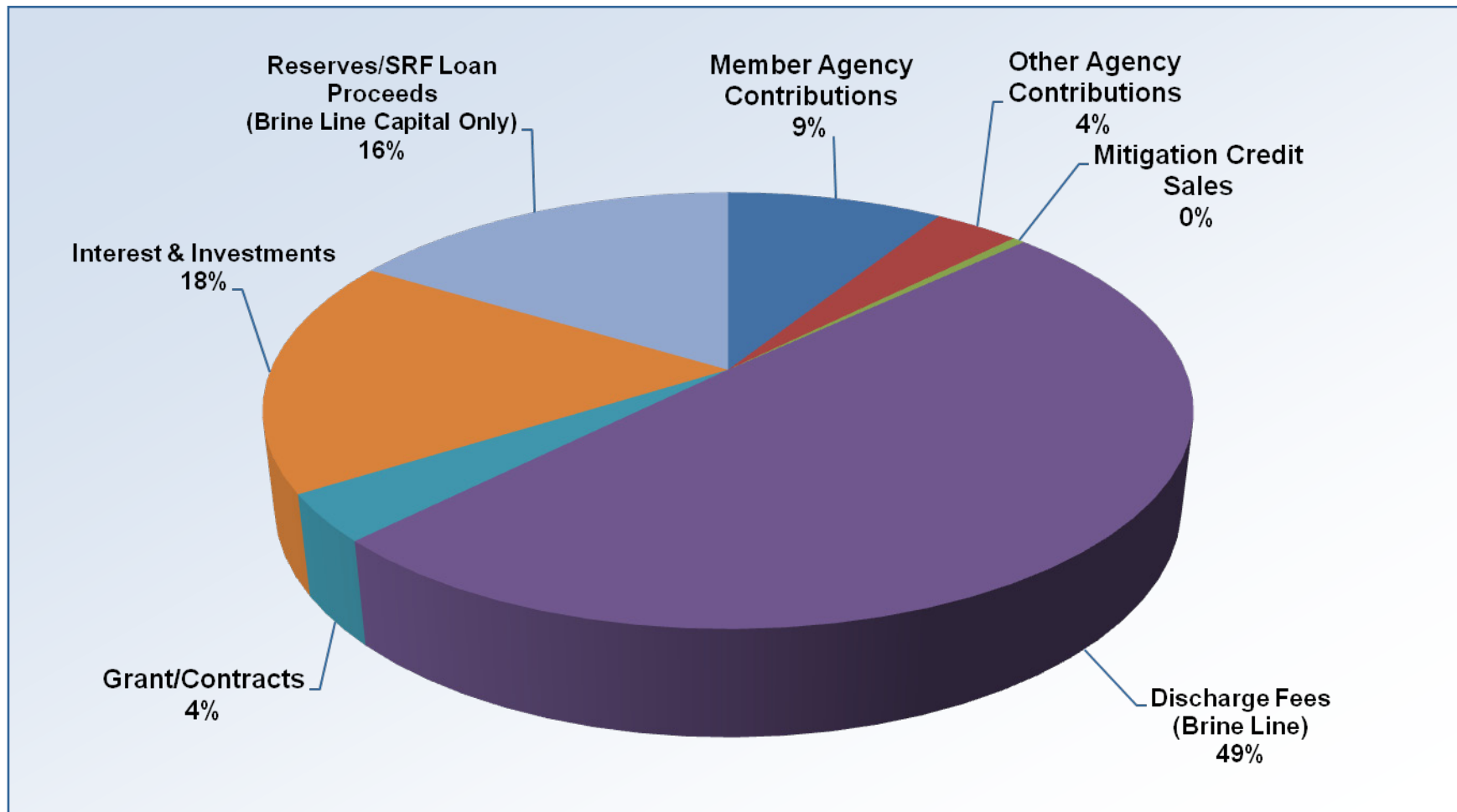
Sources and Uses of Funds FYE 2014

EXPENSES			REVENUES							
		Total	Member Contributions	Other Agency Contributions	Mitigation Credit Sales	Discharge Fees	Reserves/ SRF Loans	Interest & Investments	Grant/ Contracts	Total
100	General Fund	\$ 923,832	\$ 923,832	–	–	–	–	–	–	\$ 923,832
125	Prop 50 Program Management	\$ 59,965	–	–	–	–	–	–	\$ 59,965	\$ 59,965
130	Prop 84 Program Management	\$ 185,933	–	–	–	–	–	–	\$ 185,933	\$ 185,933
240	Brine Line Enterprise	\$ 14,359,123	–	–	–	\$ 9,648,366	\$ 1,287,137	\$ 3,423,620	–	\$ 14,359,123
320	Brine Line Protection Project	\$ 1,376,067	–	–	–	–	\$ 1,376,067	–	–	\$ 1,376,067
326	Reach V Repairs	\$ 1,813,286	–	–	–	–	\$ 1,813,286	–	–	\$ 1,813,286
370	Basin Planning General	\$ 333,385	\$ 333,000	–	–	–	–	\$ 385	–	\$ 333,385
370	USBR Partnership Studies	\$ 25,860	\$ 20,000	–	–	–	–	\$ 50	–	\$ 20,050
372	Imported Water Recharge Workgroup	\$ 14,611	–	–	–	–	–	–	–	\$ –
373	Watershed Management Plan (OWOW)	\$ 540,654	\$ 305,000	–	–	–	–	–	\$ 235,654	\$ 540,654
374	Basin Monitoring Program Task Force	\$ 426,187	\$ 39,855	\$ 191,168	–	–	–	\$ 500	–	\$ 231,523
381	SAR Fish Conservation Task Force	\$ 69,130	\$ 10,000	\$ 51,500	–	–	–	\$ 300	–	\$ 61,800
384	Chino TMDL Task Force	\$ 334,938	–	\$ 339,460	–	–	–	–	–	\$ 339,460
386	Stormwater Quality Standards Task Force	\$ 102,776	\$ 50,000	\$ 51,000	–	–	–	–	–	\$ 101,000
387	Arundo Management & Habitat Restoration	\$ 141,601	–	–	\$ 100,000	–	–	–	–	\$ 100,000
392	Emerging Constituents Task Force	\$ 141,623	\$ 59,296	\$ 53,239	–	–	–	–	–	\$ 112,535
396	Forest First	\$ –	–	–	–	–	–	–	–	\$ –
477	LESJWA Administration	\$ 218,189	\$ 10,000	–	–	–	–	–	\$ 208,189	\$ 218,189
		\$ 21,067,160	\$ 1,750,983	\$ 686,367	\$ 100,000	\$ 9,648,366	\$ 4,476,490	\$ 3,424,855	\$ 689,741	\$ 20,776,802

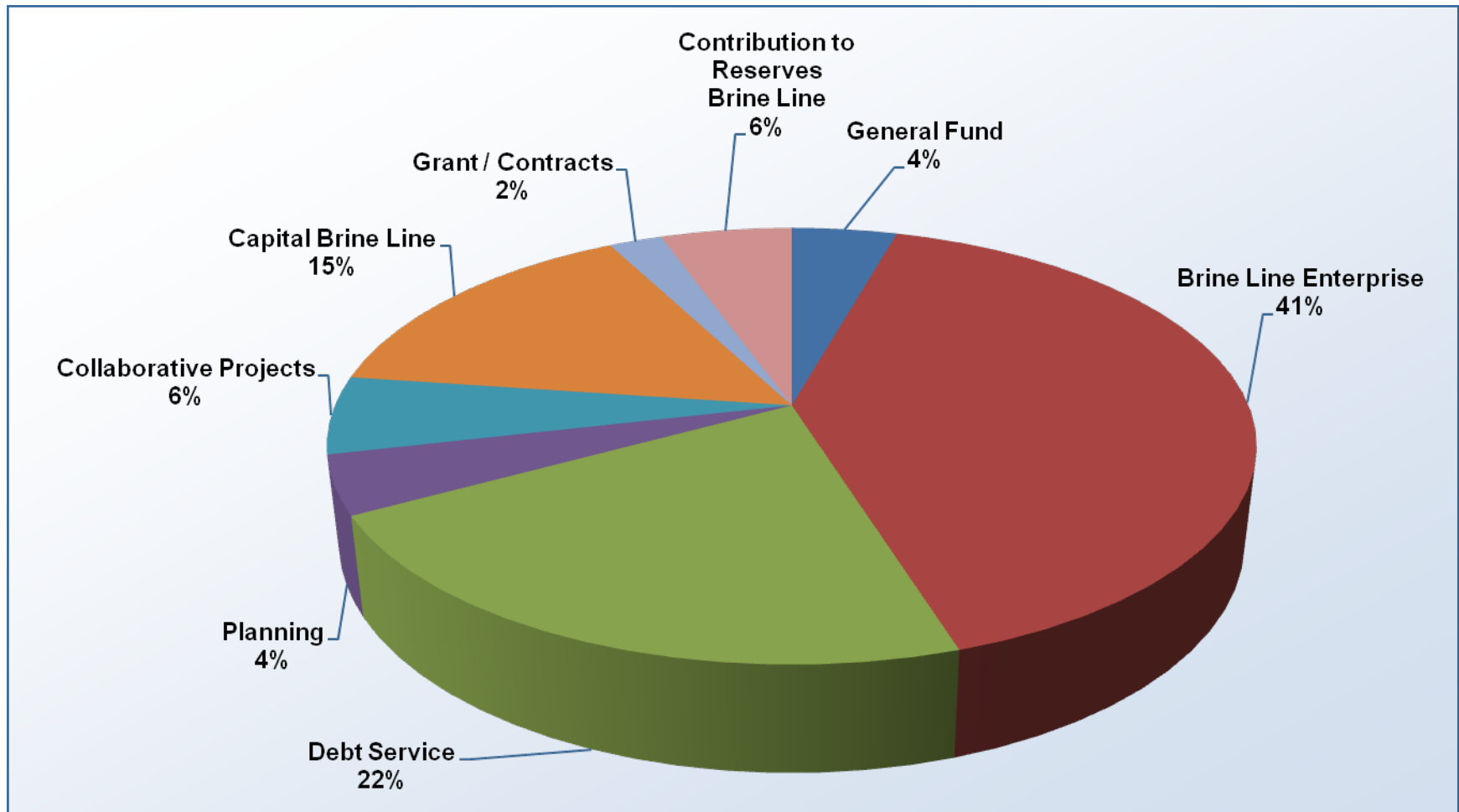
PASS-THROUGH										
503	Prop 50/84 Capital Projects	\$ 5,401,197	–	–	–	–	–	–	\$ 5,401,197	\$ 5,401,197
	Total	\$ 26,468,357								\$ 26,177,999

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Source of Funds FYE 2014 \$20,776,802



Use of Funds FYE 2014 \$21,067,160



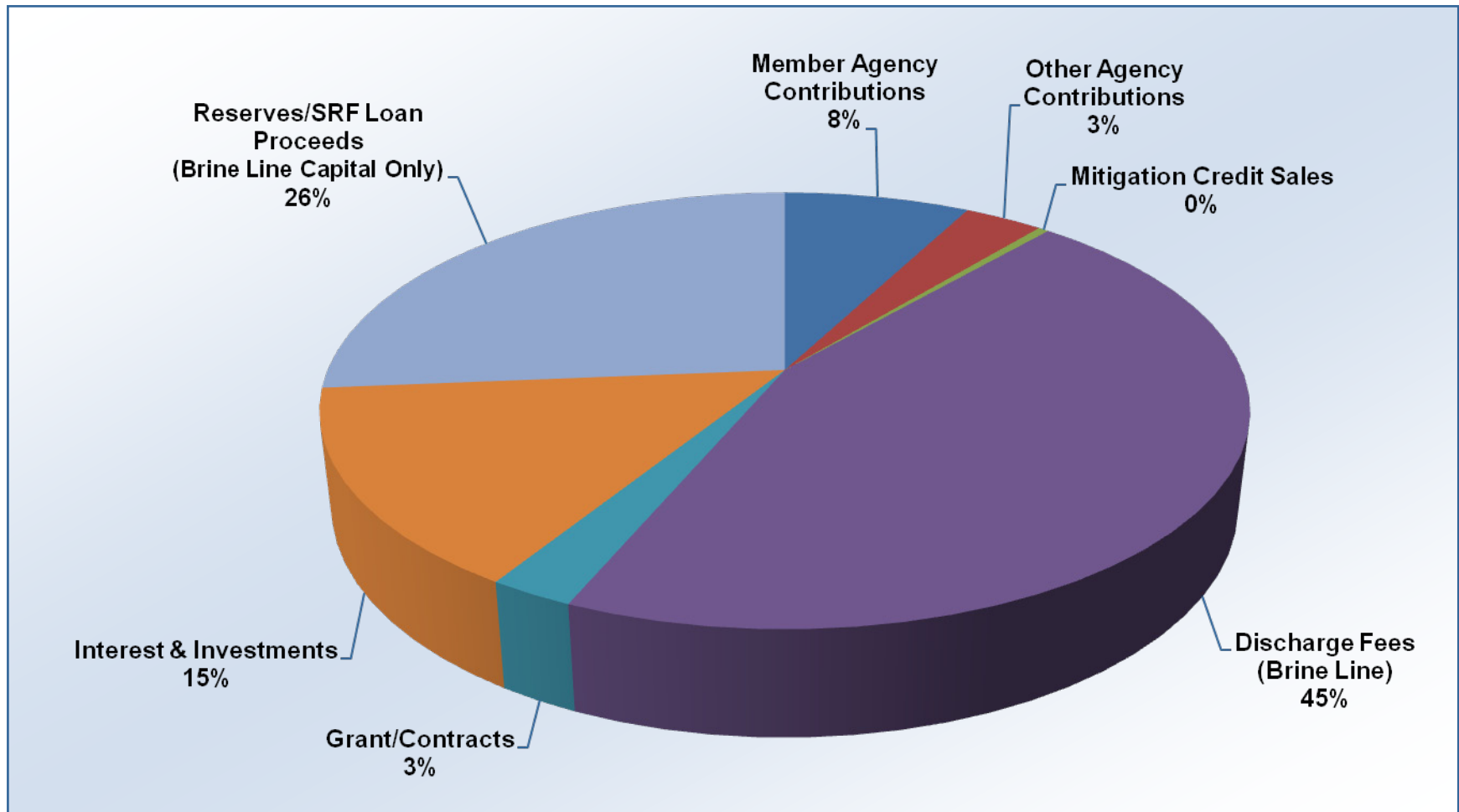
Sources and Uses of Funds FYE 2015

EXPENSES			REVENUES							
		Total	Member Contributions	Other Agency Contributions	Mitigation Credit Sales	Discharge Fees	Reserves/ SRF Loans	Interest & Investments	Grant/ Contracts	Total
100	General Fund	\$ 942,950	\$ 942,950	–	–	–	–	–	–	\$ 942,950
125	Prop 50 Program Management	\$ 51,348	–	–	–	–	–	–	\$ 51,348	\$ 51,348
130	Prop 84 Program Management	\$ 194,587	–	–	–	–	–	–	\$ 194,587	\$ 194,587
240	Brine Line Enterprise	\$ 14,849,027	–	–	–	\$ 10,201,784	\$ 1,303,622	\$ 3,343,621	–	\$ 14,849,027
320	Brine Line Protection Project	\$ 1,020,892	–	–	–	–	\$ 1,020,892	–	–	\$ 1,020,892
326	Reach V Repairs	\$ 4,947,771	–	–	–	–	\$ 4,947,771	–	–	\$ 4,947,771
370	Basin Planning General	\$ 357,836	\$ 357,500	–	–	–	–	\$ 336	–	\$ 357,836
370	USBR Partnership Studies	\$ 22,758	\$ 20,000	–	–	–	–	\$ 50	–	\$ 20,050
372	Imported Water Recharge Workgroup	\$ 14,667	–	–	–	–	–	–	–	\$ –
373	Watershed Management Plan (OWOW)	\$ 401,554	\$ 305,000	–	–	–	–	–	\$ 96,693	\$ 401,693
374	Basin Monitoring Program Task Force	\$ 122,001	\$ 39,855	\$ 161,296	–	–	–	\$ 500	–	\$ 201,651
381	SAR Fish Conservation Task Force	\$ 80,738	\$ 10,000	\$ 51,500	–	–	–	\$ 300	–	\$ 61,800
384	Chino TMDL Task Force	\$ 355,706	–	\$ 350,00	–	–	–	–	–	\$ 350,000
386	Stormwater Quality Standards Task Force	\$ 104,359	\$ 50,000	\$ 51,000	–	–	–	–	–	\$ 101,000
387	Arundo Management & Habitat Restoration	\$ 165,545	–	–	\$ 100,000	–	–	–	–	\$ 100,000
392	Emerging Constituents Task Force	\$ 122,137	\$ 14,600	\$ 47,450	–	–	–	–	–	\$ 62,050
396	Forest First	\$ 79,014	–	\$ 79,014	–	–	–	–	–	\$ 79,014
477	LESJWA Administration	\$ 238,376	\$ 10,000	–	–	–	–	–	\$ 228,376	\$ 238,376
		\$ 24,071,266	\$ 1,749,905	\$ 740,260	\$ 100,000	\$ 10,201,784	\$ 7,272,285	\$ 3,344,807	\$ 571,004	\$ 23,980,045

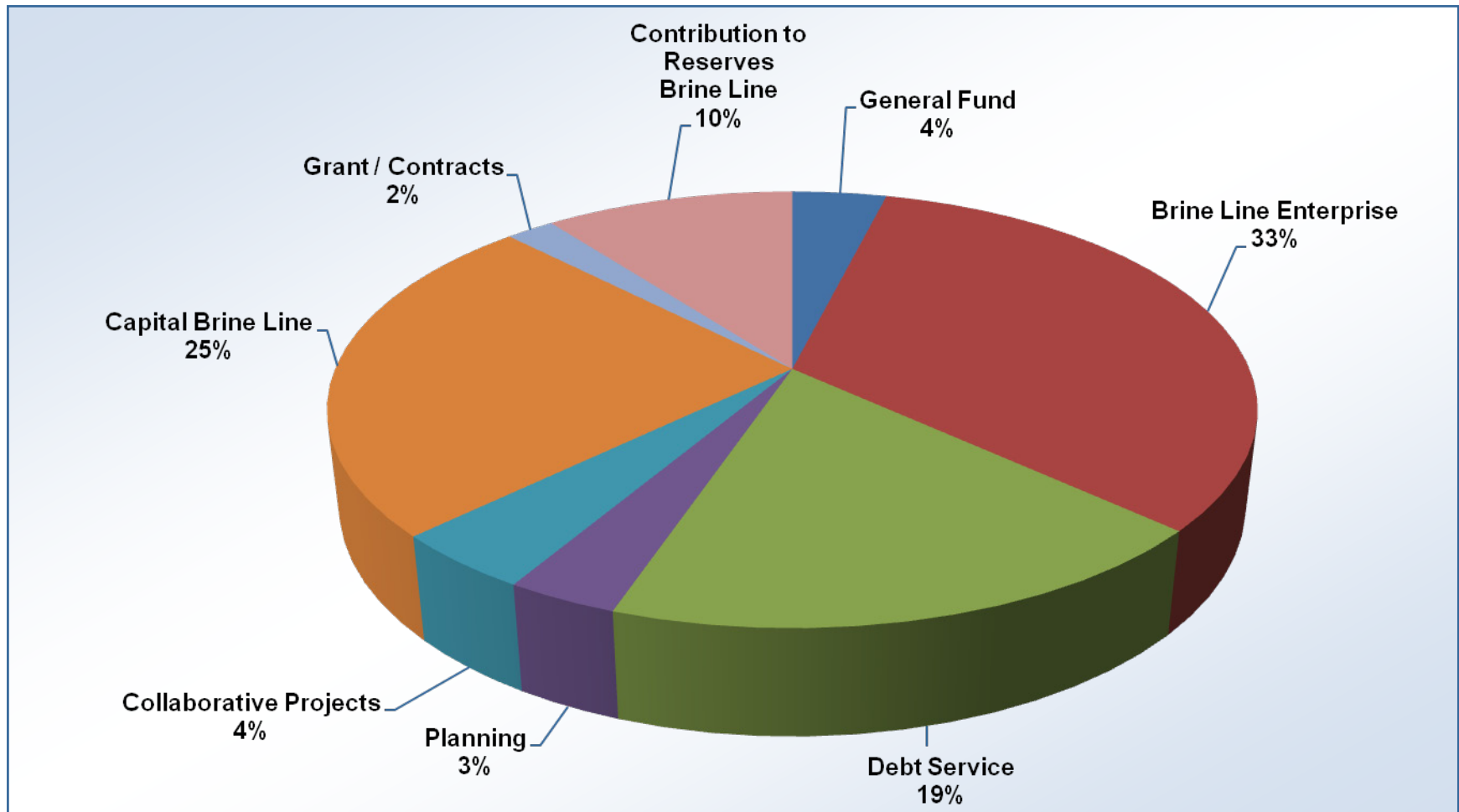
PASS-THROUGH										
503	Prop 50/84 Capital Projects	\$ 2,532,750	–	–	–	–	–	–	\$ 2,532,750	\$ 2,532,750
	Total	\$ 26,604,016								\$ 26,512,795

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Source of Funds FYE 2015 \$23,980,045



Use of Funds FYE 2015 \$24,071,266



Line Item Detail by Fund Type
FYE 2014

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	\$ 2,764,682	\$ 1,290,213	\$ 860,498	\$ 280,411	\$ 100,499	\$ 148,893	\$ 84,168
52000	Benefits	\$ 1,229,823	\$ 573,929	\$ 382,780	\$ 124,735	\$ 44,706	\$ 66,233	\$ 37,440
53000	G&A Allocation	\$ —	\$ (2,334,220)	\$ 1,362,245	\$ 443,914	\$ 159,105	\$ 235,711	\$ 133,245
60111	Tuition Reimbursement	\$ 2,800	\$ 2,800	—	—	—	—	—
60112	Training	\$ 21,000	\$ 13,000	\$ 8,000	—	—	—	—
60113	Education	\$ 10,000	\$ 10,000	—	—	—	—	—
60114	Other Training & Education	\$ 25,000	\$ 25,000	—	—	—	—	—
60120	Audit Fees	\$ 40,800	\$ 40,800	—	—	—	—	—
60121	Consulting	\$ 2,055,995	\$ 185,000	\$ 445,000	\$ 20,000	\$ 790,995	—	\$ 615,000
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	\$ —	—	—	—	—	—	—
60129	Other Contract Services	\$ —	—	—	—	—	—	—
60130	Legal Fees	\$ 800,000	—	\$ 800,000	—	—	—	—
60132	Project Management Services	\$ 100,000	—	—	—	—	—	\$ 100,000
60133	Employment Recruitment	\$ 3,000	\$ 3,000	—	—	—	—	—
60140	Treatment Costs	\$ 1,821,000	—	\$ 1,821,000	—	—	—	—
60141	Volumetric Costs	\$ 807,360	—	\$ 807,360	—	—	—	—
60143	Lab Costs	\$ 75,000	—	\$ 75,000	—	—	—	—
60144	Treatment Cost Other	\$ —	—	—	—	—	—	—
60145	Permit Fees	\$ 15,000	—	\$ 15,000	—	—	—	—
60148	Brine Line Operating Costs	\$ 400,000	—	\$ 400,000	—	—	—	—

Line Item Detail by Fund Type
FYE 2014

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	\$ 250,000	–	\$ 250,000	–	–	–	–
60150	Facility Rent	\$ –	–	–	–	–	–	–
60151	Operations Labor	\$ –	–	–	–	–	–	–
60152	Maintenance Labor	\$ 70,000	–	\$ 70,000	–	–	–	–
60153	Materials & Supplies	\$ 35,100	\$ 1,500	\$ 33,500	–	\$ 100	–	–
60154	Safety	\$ 7,000	\$ 3,000	\$ 4,000	–	–	–	–
60165	Uniforms	\$ –	–	–	–	–	–	–
60155	Security	\$ 4,500	\$ 4,500	–	–	–	–	–
60156	Custodial Contract Services	\$ 30,920	\$ 30,920	–	–	–	–	–
60157	Landscaping Maintenance	\$ 23,000	\$ 23,000	–	–	–	–	–
60158	HVAC	\$ 8,000	\$ 8,000	–	–	–	–	–
60159	Facility Repair & Maintenance	\$ 1,004,100	\$ 49,100	\$ 955,000	–	–	–	–
60160	Telephone	\$ 18,000	\$ 18,000	–	–	–	–	–
60161	Cellular/Paging Services	\$ 20,900	\$ 18,900	\$ 2,000	–	–	–	–
60163	Electricity	\$ 33,500	\$ 30,000	\$ 3,500	–	–	–	–
60164	Water Services	\$ 5,000	\$ 5,000	–	–	–	–	–
60170	Equipment Expensed	\$ 30,000	\$ 3,500	\$ 26,500	–	–	–	–
60171	Equipment Rented	\$ 54,000	\$ 44,000	\$ 10,000	–	–	–	–
60172	Equipment Repair/Maintenance	\$ 4,500	\$ 3,000	\$ 1,500	–	–	–	–
60180	Computer Hardware	\$ 55,490	\$ 35,490	\$ 20,000	–	–	–	–
60181	Software	\$ 75,750	\$ 74,000	\$ 1,750	–	–	–	–
60182	Internet Services	\$ 44,000	\$ 24,000	–	\$ 20,000	–	–	–
60183	Computer Supplies	\$ 6,300	\$ 5,300	\$ 1,000	–	–	–	–
60184	Computer Repair/Maintenance	\$ 3,000	\$ 3,000	–	–	–	–	–
60190	Offsite Meeting/Travel Expense	\$ 30,600	\$ 22,500	\$ 2,500	\$ 2,000	\$ 850	\$ 2,750	–
60191	In House Meetings	\$ 6,200	\$ 5,150	\$ 1,000	\$ 50	–	–	–

Line Item Detail by Fund Type
FYE 2014

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	\$ 54,800	\$ 46,300	\$ 2,000	\$ 6,500	–	–	–
60193	Car, Repair, Maintenance	\$ 37,500	–	\$ 37,500	–	–	–	–
60200	Dues	\$ 69,050	\$ 59,050	–	–	–	\$ 10,000	–
60201	JPA Membership Dues	\$ –	–	–	–	–	–	–
60202	Subscriptions	\$ 22,900	\$ 22,500	\$ 200	\$ 200	–	–	–
60203	Contributions	\$ 17,000	\$ 6,000	–	\$ 11,000	–	–	–
60210	Bank Charges	\$ –	–	–	–	–	–	–
60211	Shipping/Postage	\$ 4,500	\$ 3,250	\$ 500	\$ 400	–	\$ 350	–
60212	Office Supplies	\$ 16,250	\$ 15,000	\$ 1,000	\$ 200	–	\$ 50	–
60213	Offsite Storage	\$ 7,000	\$ 7,000	–	–	–	–	–
60220	Commission Fees	\$ 44,140	\$ 44,140	–	–	–	–	–
60221	Commission Mileage Reimbursement	\$ 10,123	\$ 10,123	–	–	–	–	–
60222	Other Commission Expense	\$ 5,000	\$ 5,000	–	–	–	–	–
60230	Other Expense	\$ 26,200	\$ 10,000	\$ 1,500	\$ 5,100	–	\$ 100	\$ 9,500
60300	Contingency	\$ 160,000	160,000	–	–	–	–	–
6210	Engineering	\$ 110,000	–	–	–	–	–	\$ 110,000
6212	Environmental	\$ –	–	–	–	–	–	–
6310	Construction	\$ 2,200,000	–	–	–	\$ 100,000	–	\$ 2,100,000
13005	Fixed Assets	\$ 107,000	\$ 17,000	\$ 90,000	–	–	–	–
80000	Building Repair/Replacement Reserve	\$ 100,000	\$ 100,000	–	–	–	–	–
80000	Retiree Medical Reserve	\$ 146,087	\$ 146,087	–	–	–	–	–
80001	Insurance Expense	\$ 227,681	\$ 46,000	\$ 181,681	–	–	–	–
81006	Pipeline Repair / Replacement	\$ –	–	–	–	–	–	–
80000	OCSD Rehabilitation Reserve	\$ 55,701	–	\$ 55,701	–	–	–	–
80000	Imbalance Reserve	\$ –	–	–	–	–	–	–
80000	Self-Insurance Fund	\$ 100,000	–	\$ 100,000	–	–	–	–

Line Item Detail by Fund Type FYE 2014

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 Reserve	\$ 998,000	-	\$ 998,000	-	-	-	-
80000	Operating Reserve	\$ -	-	-	-	-	-	-
82002	Interest Expense	\$ -	-	-	-	-	-	-
20721	Debt Service	\$ 4,531,908	-	\$ 4,531,908	-	-	-	-
	Environmental Cleanup	\$ -	-	-	-	-	-	-
91000	Operating Transfers	\$ -	-	-	-	-	-	-
93000	Gain/Loss on Sale of Asset	\$ -	-	-	-	-	-	-
Sub-total		\$ 21,067,160	\$ 923,832	\$ 14,359,123	\$ 914,510	\$ 1,216,255	\$ 464,087	\$ 3,189,353

PASS-THROUGH

503	Prop 50/84 Capital Projects	\$ 5,401,197						
	Total	\$ 26,468,357						

Line Item Detail by Fund Type FYE 2015

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	\$ 2,908,720	\$ 1,425,534	\$ 897,644	\$ 229,039	\$ 121,564	\$ 155,606	\$ 79,333
52000	Benefits	\$ 1,333,800	\$ 653,682	\$ 411,617	\$ 105,027	\$ 55,741	\$ 71,354	\$ 36,379
53000	G&A Allocation	\$ —	\$ (2,326,699)	1,408,152	\$ 359,299	\$ 190,696	\$ 244,101	\$ 124,451
60111	Tuition Reimbursement	\$ 2,800	\$ 2,800	—	—	—	—	—
60112	Training	\$ 20,000	\$ 13,000	\$ 7,000	—	—	—	—
60113	Education	\$ 10,000	\$ 10,000	—	—	—	—	—
60114	Other Training & Education	\$ 25,000	\$ 25,000	—	—	—	—	—
60120	Audit Fees	\$ 42,800	\$ 42,800	—	—	—	—	—
60121	Consulting	\$ 1,290,449	\$ 185,000	\$ 315,000	\$ 75,000	\$ 540,449	—	\$ 175,000
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	\$ —	—	—	—	—	—	—
60129	Other Contract Services	\$ —	—	—	—	—	—	—
60130	Legal Fees	\$ 700,000	—	\$ 500,000	—	—	—	\$ 200,000
60132	Project Management Services	\$ 400,000	—	—	—	—	—	\$ 400,000
60133	Employment Recruitment	\$ 3,000	\$ 3,000	—	—	—	—	—
60140	Treatment Costs	\$ 1,914,000	—	\$ 1,914,000	—	—	—	—
60141	Volumetric Costs	\$ 834,480	—	\$ 834,480	—	—	—	—
60143	Lab Costs	\$ 41,500	—	\$ 41,500	—	—	—	—
60144	Treatment Cost Other	\$ —	—	—	—	—	—	—
60145	Permit Fees	\$ 15,000	—	\$ 15,000	—	—	—	—
60148	Brine Line Operating Costs	\$ 415,000	—	\$ 415,000	—	—	—	—

Line Item Detail by Fund Type
FYE 2015

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	\$ 175,000	–	\$ 175,000	–	–	–	–
60150	Facility Rent	\$ –	–	–	–	–	–	–
60151	Operations Labor	\$ –	–	–	–	–	–	–
60152	Maintenance Labor	\$ 70,000	–	\$ 70,000	–	–	–	–
60153	Materials & Supplies	\$ 35,100	\$ 1,500	\$ 33,500	–	\$ 100	–	–
60154	Safety	\$ 7,000	\$ 3,000	\$ 4,000	–	–	–	–
60165	Uniforms	\$ –	–	–	–	–	–	–
60155	Security	\$ 4,500	\$ 4,500	–	–	–	–	–
60156	Custodial Contract Services	\$ 33,220	\$ 33,220	–	–	–	–	–
60157	Landscaping Maintenance	\$ 20,000	\$ 20,000	–	–	–	–	–
60158	HVAC	\$ 8,000	\$ 8,000	–	–	–	–	–
60159	Facility Repair & Maintenance	\$ 809,800	\$ 34,800	\$ 775,000	–	–	–	–
60160	Telephone	\$ 18,000	\$ 18,000	–	–	–	–	–
60161	Cellular/Paging Services	\$ 20,900	\$ 18,900	\$ 2,000	–	–	–	–
60163	Electricity	\$ 35,750	\$ 32,000	\$ 3,750	–	–	–	–
60164	Water Services	\$ 5,000	\$ 5,000	–	–	–	–	–
60170	Equipment Expensed	\$ 20,000	\$ 3,500	\$ 16,500	–	–	–	–
60171	Equipment Rented	\$ 54,000	\$ 44,000	\$ 10,000	–	–	–	–
60172	Equipment Repair/Maintenance	\$ 4,500	\$ 3,000	\$ 1,500	–	–	–	–
60180	Computer Hardware	\$ 29,245	\$ 14,245	\$ 15,000	–	–	–	–
60181	Software	\$ 88,250	\$ 86,500	\$ 1,750	–	–	–	–
60182	Internet Services	\$ 29,000	\$ 24,000	–	\$ 5,000	–	–	–
60183	Computer Supplies	\$ 6,300	\$ 5,300	\$ 1,000	–	–	–	–
60184	Computer Repair/Maintenance	\$ 3,000	\$ 3,000	–	–	–	–	–
60190	Offsite Meeting/Travel Expense	\$ 30,700	\$ 22,500	\$ 2,500	\$ 2,000	\$ 950	\$ 2,750	–
60191	In House Meetings	\$ 6,200	\$ 5,150	\$ 1,000	\$ 50	–	–	–

Line Item Detail by Fund Type
FYE 2015

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	\$ 54,900	\$ 46,400	\$ 2,000	\$ 6,500	–	–	–
60193	Car, Repair, Maintenance	\$ 40,500	–	\$ 40,500	–	–	–	–
60200	Dues	\$ 74,050	\$ 64,050	–	–	–	\$ 10,000	–
60201	JPA Membership Dues	\$ –	–	–	–	–	–	–
60202	Subscriptions	\$ 22,400	\$ 22,000	\$ 200	\$ 200	–	–	–
60203	Contributions	\$ 17,000	\$ 6,000	–	\$ 11,000	–	–	–
60210	Bank Charges	\$ –	–	–	–	–	–	–
60211	Shipping/Postage	\$ 4,500	\$ 3,250	\$ 500	\$ 400	–	\$ 350	–
60212	Office Supplies	\$ 16,250	\$ 15,000	\$ 1,000	\$ 200	–	\$ 50	–
60213	Offsite Storage	\$ 7,000	\$ 7,000	–	–	–	–	–
60220	Commission Fees	\$ 46,346	\$ 46,346	–	–	–	–	–
60221	Commission Mileage Reimbursement	\$ 10,256	\$ 10,256	–	–	–	–	–
60222	Other Commission Expense	\$ 5,000	\$ 5,000	–	–	–	–	–
60230	Other Expense	\$ 27,950	\$ 10,000	\$ 1,750	\$ 3,100	–	\$ 100	\$ 13,000
60300	Contingency	\$ –	–	–	–	–	–	–
6210	Engineering	\$ 90,500	–	–	–	–	–	\$ 90,500
6212	Environmental	\$ –	–	–	–	–	–	–
6310	Construction	\$ 4,950,000	–	–	–	\$ 100,000	–	\$ 4,850,000
13005	Fixed Assets	\$ 12,000	\$ 12,000	–	–	–	–	–
80000	Building Repair/Replacement Reserve	\$ 65,000	\$ 65,000	–	–	–	–	–
80000	Retiree Medical Reserve	\$ 153,415	\$ 153,415	–	–	–	–	–
80001	Insurance Expense	\$ 235,131	\$ 48,000	\$ 187,131	–	–	–	–
81006	Pipeline Repair / Replacement	\$ 361,659	–	\$ 361,659	–	–	–	–
80000	OCS D Rehabilitation Reserve	\$ 1,000,000	–	\$ 1,000,000	–	–	–	–
80000	Imbalance Reserve	\$ –	–	–	–	–	–	–
80000	Self-Insurance Fund	\$ 100,000	–	\$ 100,000	–	–	–	–

Line Item Detail by Fund Type FYE 2015

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	\$ 1,034,000	-	\$ 1,034,000	-	-	-	-
80000	Operating Reserve	\$ -	-	-	-	-	-	-
82002	Interest Expense	\$ -	-	-	-	-	-	-
20721	Debt Service Reserve	\$ 4,448,394	-	\$ 4,448,394	-	-	-	-
	Environmental Cleanup	\$ -	-	-	-	-	-	-
91000	Operating Transfers	\$ -	-	-	-	-	-	-
93000	Gain/Loss on Sale of Asset	\$ -	-	-	-	-	-	-
Sub-total		\$ 24,071,266	\$ 942,950	\$ 14,849,027	\$ 796,815	\$ 1,029,500	\$ 484,311	\$ 5,968,663

PASS-THROUGH

503	Prop 50/84 Capital Projects	\$ 2,532,750						
Total		\$ 26,604,016						

Cash Flow 2014

		Fiscal Year 2013-14						
	BALANCE @ June 2013	Revenues	Interest	Expenses	Reserves	Debt Service	BALANCE @ June 2014	
General Fund	\$ 1,186,167	\$ 923,832	\$ —	\$ 923,832	\$ —	\$ —	\$ 1,186,167	
Planning	\$ 88,971	\$ 893,654	\$ 435	\$ 914,510	\$ —	\$ —	\$ 68,550	
Collaborative Projects	\$ 1,847,613	\$ 945,518	\$ 800	\$ 1,216,255	\$ —	\$ —	\$ 1,577,676	
Grant Retention	\$ 44,760	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 44,760	
Brine Line Enterprise								
Self Insurance Reserve	\$ 3,412,845	\$ 100,000	\$ —	\$ —	\$ —	\$ —	\$ 3,512,845	
Debt Retirement Reserve	\$ 12,906,128	\$ 5,529,906	\$ 178,849	\$ —	\$ —	\$ 4,531,908	\$ 14,082,975	
Pipeline Repair/Replacement	\$ 25,881,583	\$ —	\$ —	\$ 3,689,353	\$ —	\$ —	\$ 22,192,230	
OCSD Rehabilitation Reserve	\$ 5,327,229	\$ 55,701	\$ —	\$ —	\$ —	\$ —	\$ 5,382,930	
OCSD Future Capacity Reserve	\$ 1,690,750	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 1,690,750	
Capacity Management Reserve	\$ 2,584,499	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 2,584,499	
Flow Imbalance Reserve	\$ 79,245	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 79,245	
Brine Line Operating Reserve	\$ —	\$ 9,648,366	\$ —	\$ 8,173,515	\$ 1,153,701	\$ —	\$ 321,150	
Brine Line Enterprise	\$ 51,882,279	\$ 15,333,973	\$ 178,849	\$ 11,862,868	\$ 1,153,701	\$ 4,531,908	\$ 49,846,624	
Legal Defense Fund	\$ 442,137	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 442,137	
TOTALS	\$ 55,491,927	\$ 18,096,977	\$ 180,084	\$ 14,917,465	\$ 1,153,701	\$ 4,531,908	\$ 53,165,914	

Cash Flow 2014

Investments & Cash:		
	Actual 6/30/13	Projected 6/30/14
T-Strips	\$9,092,947	\$6,643,947
LAIF Balance	36,670,812	37,035,070
Securities - (Incl Disc/Prem)	3,498,280	5,000,000
Certificates of Deposit	1,737,877	1,750,000
Savings Account - EPA Legal	442,137	442,137
CalTRUST Investments	2,099,606	2,150,000
CBB - Investments	20,463	50,000
Grant Retention	44,760	44,760
Checking Accounts	1,885,045	50,000
	\$ 55,491,927	\$ 53,165,914

Cash Flow 2015

		Fiscal Year 2014-15						
	BALANCE @ June 2014	Revenues	Interest	Expenses	Reserves	Debt Service	BALANCE @ June 2015	
General Fund	\$ 1,186,167	\$ 942,950	\$ —	\$ 942,950	\$ —	\$ —	\$ 1,186,167	
Planning	\$ 68,550	\$ 779,193	\$ 386	\$ 796,815	\$ —	\$ —	\$ 51,314	
Collaborative Projects	\$ 1,577,676	\$ 954,715	\$ 800	\$ 1,029,500	\$ —	\$ —	\$ 1,503,691	
Grant Retention	\$ 44,760	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 44,760	
Brine Line Enterprise								
Self Insurance Reserve	\$ 3,512,845	\$ 100,000	\$ —	\$ —	\$ —	\$ —	\$ 3,612,845	
Debt Retirement Reserve	\$ 14,082,975	\$ 5,482,394	\$ 198,849	\$ —	\$ —	\$ 4,448,394	\$ 15,315,824	
Pipeline Repair/Replacement	\$ 22,192,230	\$ 361,659	\$ —	\$ 6,218,663	\$ —	\$ —	\$ 16,335,226	
OCSD Rehabilitation Reserve	\$ 5,382,930	\$ 1,000,000	\$ —	\$ —	\$ —	\$ —	\$ 6,382,930	
OCSD Future Capacity Reserve	\$ 1,690,750	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 1,690,750	
Capacity Management Reserve	\$ 2,584,499	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 2,584,499	
Flow Imbalance Reserve	\$ 79,245	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 79,245	
Brine Line Operating Cash	\$ 321,150	\$ 10,201,784	\$ —	\$ 7,654,974	\$ 2,495,659	\$ —	\$ 372,301	
Brine Line Enterprise	\$ 49,846,624	\$ 17,145,837	\$ 198,849	\$ 13,873,637	\$ 2,495,659	\$ 4,448,394	\$ 46,373,620	
Legal Defense Fund	\$ 442,137	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 442,137	
TOTALS	\$ 53,165,914	\$ 19,822,695	\$ 200,035	\$ 16,642,902	\$ 2,495,659	\$ 4,448,394	\$ 49,601,689	

Cash Flow 2015

Investments & Cash:		
	Projected 6/30/14	Projected 6/30/15
T-Strips	\$6,643,947	\$4,294,947
LAIF Balance	37,035,070	30,819,845
Securities - (Incl Disc/Prem)	5,000,000	5,000,000
Certificates of Deposit	1,750,000	1,750,000
Savings Account - EPA Legal	442,137	442,137
CalTRUST Investments	2,150,000	2,150,000
CBB - Investments	50,000	50,000
Grant Retention	44,760	44,760
Checking Accounts	50,000	50,000
	\$ 53,165,914	\$ 44,601,689

SUMMARY OF LABOR MULTIPLIERS

		FYE 2014	FYE 2015
		Benefits Rate	Benefits Rate
Total Employee Benefits	\$	1,229,823	\$ 1,333,800
Total Payroll		2,764,682	2,908,720
		0.445	0.459
Gross G&A Costs		2,994,220	3,006,699
<i>Less: Member Contributions</i>		<i>(660,000)</i>	<i>(680,000)</i>
G&A Costs for Distribution	\$	2,334,220	\$ 2,326,699
		G&A Rate	G&A Rate
Direct Labor Charged		1,474,474	1,483,186
G&A Costs		2,334,220	2,326,699
		1.583	1.569
Budgeted Labor Multiplier		2.028	2.028

	Actual	Budgeted
FY 2012-13 Labor Multiplier	2.085	2.031
FY 2011-12 Labor Multiplier	2.045	2.022
FY 2010-11 Labor Multiplier	1.992	2.057

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**FYE 2014
GENERAL FUND COSTS
(to be Distributed)**

G/L Acct.	Description	Budget	G/L Acct.	Description	Budget
51000	Salaries - Regular	\$ 1,201,668	60171	Equipment Rented	\$ 44,000
52000	Benefits	\$ 534,543	60172	Equipment Repair/Maintenance	\$ 3,000
60111	Tuition Reimbursement	\$ 2,800	60180	Computer Hardware	\$ 35,490
60112	Training	\$ 13,000	60181	Software/Updates/Licensing	\$ 74,000
60113	Education	\$ 10,000	60182	Internet Services	\$ 24,000
60114	Other Training & Education	\$ 25,000	60183	Computer Supplies	\$ 5,300
60120	Audit Fees	\$ 40,800	60184	Computer Repair/Maintenance	\$ 3,000
60121	Consulting - IT	\$ 70,000	60190	Offsite Meeting/Travel Expense	\$ 10,000
60126	Temporary Services	\$ 5,000	60191	In House Meetings	\$ 5,000
60128	Other Professional Services	\$ —	60192	Conference Expense	\$ 38,800
60129	Other Contract Services	\$ —	60200	Dues	\$ 59,050
60130	Legal Fees	\$ —	60202	Subscriptions	\$ 22,000
60133	Employment Recruitment	\$ 3,000	60203	Contributions	\$ 6,000
60153	Materials & Supplies	\$ 1,500	60211	Shipping/Postage	\$ 3,000
60154	Safety	\$ 3,000	60212	Office Supplies	\$ 15,000
60155	Security	\$ 4,500	60213	Offsite Storage	\$ 7,000
60156	Custodial Contract Services	\$ 30,920	60220	Commission Fees	\$ 44,140
60157	Landscaping Maintenance	\$ 23,000	60221	Commission Mileage Reimb.	\$ 10,123
60158	HVAC	\$ 8,000	60222	Other Commission Expense	\$ 5,000
60159	Facility Repair & Maintenance	\$ 49,100	60230	Other Expense	\$ 10,000
60160	Telephone	\$ 18,000	80000	Post Retirement Benefit	\$ 146,087
60161	Cellular / Paging Services	\$ 18,900	80001	Insurance Expense	\$ 46,000
60163	Electricity	\$ 30,000	80000	Building Repair/Replacement Reserve	\$ 100,000
60164	Water Services	\$ 5,000	13005	Fixed Assets	\$ 17,000
60170	Equipment Expensed	\$ 3,500	80000	Reserves/Contingency	\$ 160,000
<i>(Continued – next column)</i>					

<i>Total General Fund Costs</i>	\$ 2,994,220
<i>Less Interest</i>	\$ —
<i>Net General Fund Costs</i>	<u>\$ 2,994,220</u>

**FYE 2015
GENERAL FUND COSTS
(to be Distributed)**

G/L Acct.	Description	Budget	G/L Acct.	Description	Budget
51000	Salaries - Regular	\$ 1,338,427	60171	Equipment Rented	\$ 44,000
52000	Benefits	\$ 613,739	60172	Equipment Repair/Maintenance	\$ 3,000
60111	Tuition Reimbursement	\$ 2,800	60180	Computer Hardware	\$ 14,245
60112	Training	\$ 13,000	60181	Software/Updates/Licensing	\$ 86,500
60113	Education	\$ 10,000	60182	Internet Services	\$ 24,000
60114	Other Training & Education	\$ 25,000	60183	Computer Supplies	\$ 5,300
60120	Audit Fees	\$ 42,800	60184	Computer Repair/Maintenance	\$ 3,000
60121	Consulting - IT	\$ 70,000	60190	Offsite Meeting/Travel Expense	\$ 10,000
60126	Temporary Services	\$ 5,000	60191	In House Meetings	\$ 5,000
60128	Other Professional Services	\$ —	60192	Conference Expense	\$ 38,900
60129	Other Contract Services	\$ —	60200	Dues	\$ 64,050
60130	Legal Fees	\$ —	60202	Subscriptions	\$ 21,500
60133	Employment Recruitment	\$ 3,000	60203	Contributions	\$ 6,000
60153	Materials & Supplies	\$ 1,500	60211	Shipping/Postage	\$ 3,000
60154	Safety	\$ 3,000	60212	Office Supplies	\$ 15,000
60155	Security	\$ 4,500	60213	Offsite Storage	\$ 7,000
60156	Custodial Contract Services	\$ 33,220	60220	Commission Fees	\$ 46,346
60157	Landscaping Maintenance	\$ 20,000	60221	Commission Mileage Reimb.	\$ 10,256
60158	HVAC	\$ 8,000	60222	Other Commission Expense	\$ 5,000
60159	Facility Repair & Maintenance	\$ 34,800	60230	Other Expense	\$ 10,000
60160	Telephone	\$ 18,000	80000	Post Retirement Benefits	\$ 153,415
60161	Cellular / Paging Services	\$ 18,900	80001	Insurance Expense	\$ 48,000
60163	Electricity	\$ 32,000	80000	Building Repair/Replacement Reserve	\$ 65,000
60164	Water Services	\$ 5,000	13005	Fixed Assets	\$ 12,000
60170	Equipment Expensed	\$ 3,500	8000	Reserves/Contingency	\$ —
<i>(Continued – next column)</i>					

<i>Total General Fund Costs</i>	\$ 3,006,699
<i>Less Interest</i>	\$ —
<i>Net General Fund Costs</i>	<u>\$ 3,006,699</u>

BENEFITS SUMMARY

(Distributed based on Actual Labor)

G/L Acct.	Description	Adopted FYE 2013	Budgeted FYE 2014	Budgeted FYE 2015
70101	FICA	\$ 126,414	\$ 153,117	\$ 156,735
70102	Medicare	\$ 38,826	\$ 40,524	\$ 42,607
70103	State Unemployment Insurance	\$ 6,751	\$ 5,880	\$ 6,860
70104	Worker's Compensation Insurance	\$ 50,459	\$ 61,002	\$ 67,425
70105	State Disability Insurance	\$ 22,520	\$ 20,957	\$ 26,907
70106	PERS Pension Plan - Employer	\$ 360,822	\$ 317,647	\$ 368,538
70106	PERS Pension Plan - Employee **	\$ 181,708	\$ 189,897	\$ 199,983
70111	Medical Insurance	\$ 271,756	\$ 334,876	\$ 353,616
70112	Dental Insurance	\$ 26,910	\$ 29,819	\$ 31,746
70113	Vision Insurance	\$ 6,000	\$ 6,187	\$ 6,348
70114	Life Insurance	\$ 15,492	\$ 14,129	\$ 15,754
70115	Long Term Disability Insurance	\$ 28,554	\$ 22,788	\$ 24,281
70116	Wellness Program	\$ 2,625	\$ 3,000	\$ 3,000
70120	Car Allowance	\$ 30,000	\$ 30,000	\$ 30,000
Total Benefits		\$ 1,168,837	\$ 1,229,823	\$ 1,333,800
Total Payroll		\$ 2,647,658	\$ 2,764,682	\$ 2,908,720
Benefits Rate		44.1%	44.5%	45.9%

**** Benefit Paid by SAWPA**

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MEMBER CONTRIBUTION

Summary Schedule

Member Agency Contributions		Adopted FYE 2013	Budget FYE 2014	Budget FYE 2015
Exempt from G&A Costs	Funds			
General Fund	100-00	\$ 690,000	\$ 660,000	\$ 680,000
State Lobbying	100-03	\$ 219,908	\$ 236,470	\$ 235,768
Federal Lobbying	100-04	\$ 38,262	\$ 27,362	\$ 27,182
		\$ 948,170	\$ 923,832	\$ 942,950
Planning Projects				
Basin Planning General	370-01	\$ 320,080	\$ 333,000	\$ 357,500
USBR Partnership Studies	370-02	\$ 52,779	\$ 20,000	\$ 20,000
Watershed Management Plan	373	\$ 307,510	\$ 305,000	\$ 305,000
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
		\$ 750,369	\$ 728,000	\$ 752,500
Total Member Agency Contributions		\$ 1,698,539	\$ 1,651,832	\$ 1,695,450
Per Member Agency		\$ 339,708	\$ 330,367	\$ 339,090

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MEMBER CONTRIBUTION

by Agency

FYE 2014

ACTIVITY	TOTAL	IEUA	EMWD	OCWD	SBVMWD	WMWD
370 Basin Planning General	\$333,000	\$66,600	\$66,600	\$66,600	\$66,600	\$66,600
370 USBR Partnership Studies	20,000	4,000	4,000	4,000	4,000	4,000
373 Watershed Management Plan	305,000	61,000	61,000	61,000	61,000	61,000
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>728,000</i>	<i>145,600</i>	<i>145,600</i>	<i>145,600</i>	<i>145,600</i>	<i>145,600</i>

State/Federal Lobbying	263,832	52,767	52,767	52,767	52,767	52,767
Commission/General Fund	660,000	132,000	132,000	132,000	132,000	132,000
<i>Subtotal (Administration)</i>	<i>923,832</i>	<i>184,767</i>	<i>184,767</i>	<i>184,767</i>	<i>184,767</i>	<i>184,767</i>

<i>Member Agency Contributions</i>	<i>\$1,651,832</i>	<i>\$330,367</i>	<i>\$330,367</i>	<i>\$330,367</i>	<i>\$330,367</i>	<i>\$330,367</i>
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MEMBER CONTRIBUTION by Agency FYE 2015

ACTIVITY	TOTAL	IEUA	EMWD	OCWD	SBVMWD	WMWD
370 Basin Planning General	\$357,500	\$71,500	\$71,500	\$71,500	\$71,500	\$71,500
370 USBR Partnership Studies	20,000	4,000	4,000	4,000	4,000	4,000
373 Watershed Management Plan	305,000	61,000	61,000	61,000	61,000	61,000
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>752,500</i>	<i>150,500</i>	<i>150,500</i>	<i>150,500</i>	<i>150,500</i>	<i>150,500</i>

State/Federal Lobbying	262,950	52,590	52,590	52,590	52,590	52,590
Commission/General Fund	680,000	136,000	136,000	136,000	136,000	136,000
<i>Subtotal (Administration)</i>	<i>942,950</i>	<i>188,590</i>	<i>188,590</i>	<i>188,590</i>	<i>188,590</i>	<i>188,590</i>

Member Agency Contributions	\$1,695,450	\$339,090	\$339,090	\$339,090	\$339,090	\$339,090
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Section 5

Revenues



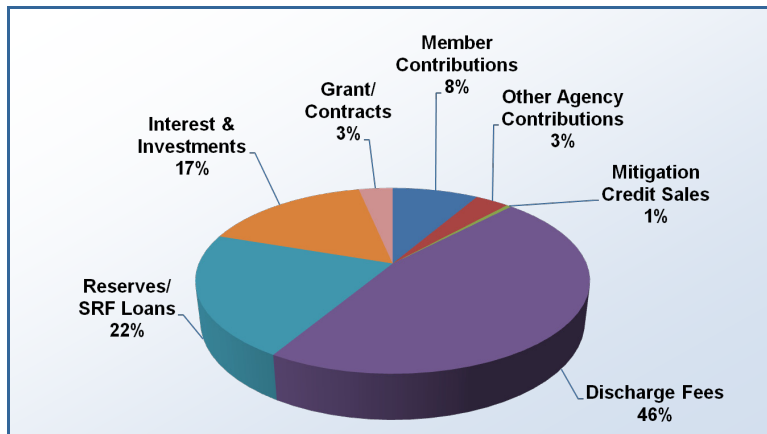
Revenues

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

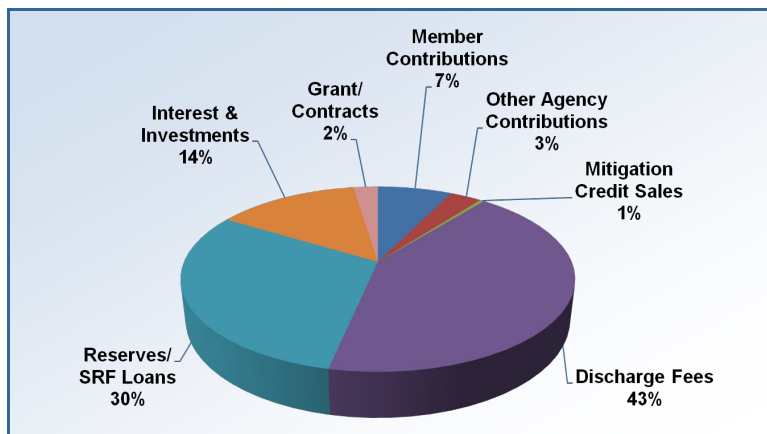
- Discharge Fees
- Reserves/State Revolving Fund (SRF) Loans
- Interest & Investments
- Grant/Contract Proceeds
- Contributions
- Mitigation Credit Sales

The Agency's projected revenue for FYE 2014 totals \$20.8 million, not including \$5.4 million in Proposition 50 and 84 project pass-throughs, and \$23.9 million, not including \$2.5 million in Proposition 50 and 84 project pass-throughs, for FYE 2015. Total revenue reflects the revenue sources listed above and each source is described in detail below.

**Total Revenues by Source
FYE 2014**



**Total Revenues by Source
FYE 2015**



Agency-wide revenues are projected to decrease by \$8.4 million in FYE 2014, over the previous year's budget and increase by \$3.2 million in FYE 2015.

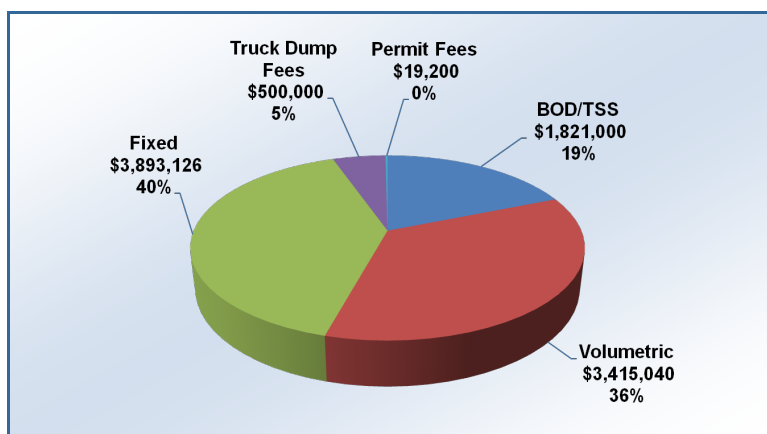
In FYE 2014, a decrease in Reserves/SRF Loans is the main contributor to the decrease in Agency revenues. The Reach IV-A and IV-B repair project was completed in FYE 2013. There was also a decrease in discharge fees for FYE 2014 because of lower BOD and TSS concentrations than in FYE 2013.

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.

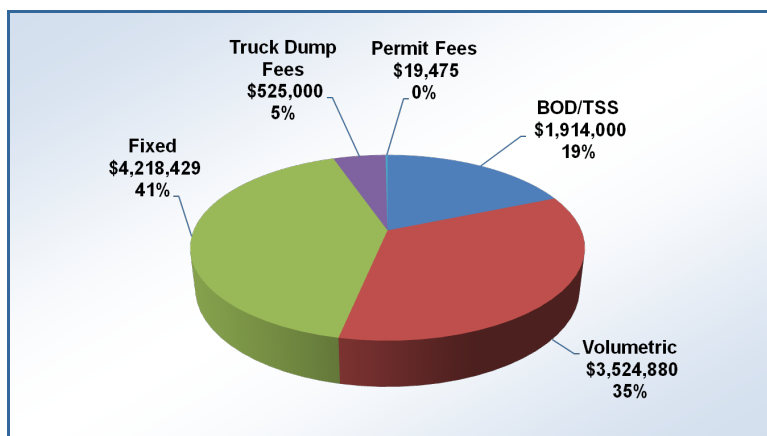
In FYE 2014, discharge fees are projected to be \$9.6 million, or approximately 46% of the Agency's total revenues.

**FYE 2014 Discharge Fees
\$9.6 Million**



In FYE 2015, discharge fees are projected to be \$10.2 million, or approximately 43% of the Agency's total revenues.

**FYE 2015 Discharge Fees
\$10.2 Million**



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 discharges, 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 2015.

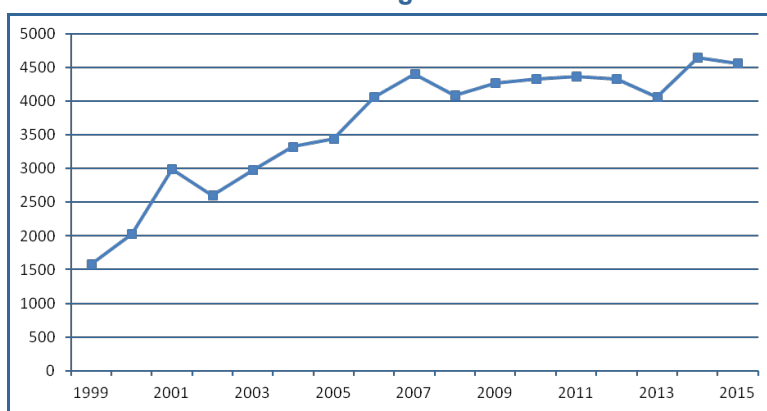
Brine Line Rates

<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>
2013	\$794	\$253	\$376	\$4,083	\$8,749
2014	\$736	\$266	\$395	\$4,870	\$9,875
2015	\$777	\$280	\$415	\$5,114	\$10,369

Volumetric Charges

Volumetric charges are based on million gallons (MG) of discharge into the system. Total discharge into the system is projected to be 4,640 MG for FYE 2014 and 4,560 MG for FYE 2015. In FYE 2014 revenues from volumetric charges are projected to be \$3.4 million, or approximately 35% of the \$9.6 million projected for total discharge fees. In FYE 2015, revenues from volumetric charges are projected to be \$3.5 million, or approximately 35% of the \$10.2 million projected for total discharge fees.

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 2014, BOD/TSS charges are projected to be \$1.8 million, or approximately 19% of the \$9.6 million projected for total discharge fees. In FYE 2015, BOD/TSS charges are projected to be \$1.9 million, or approximately 19% of the \$10.2 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 2014, fixed charges are projected to be \$3.9 million, or approximately 40% of the \$9.6 million projected for total discharge fees. In FYE 2015, fixed charges are projected to be \$4.2 million, or approximately 41% of the \$10.2 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 2014 and 2015. The rates for truck discharge fees are shown in the table below:

<i>Waste Strength</i>	<i>BOD or TSS Concentration</i>	<i>FYE 2014</i>	<i>FYE 2015</i>
Brine	Less than 100 mg/L	\$0.010	\$0.010
Non Brine Tier 1	100 to 999 mg/L	\$0.015	\$0.015
Non Brine Tier 2	1,000 to 2,499 mg/L	\$0.031	\$0.032
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, \$0.658/pound of BOD, and \$0.636/pound of TSS.

In FYE 2014, truck discharge fees are projected to be \$500,000 or approximately 5% of the \$9.6 million projected for total discharge fees. In FYE 2015, truck discharge fees are projected to be \$525,000, or approximately 5% of the \$10.2 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 and liquid waste haulers are charged \$200. There are currently 34 direct connections and 11 liquid waste haulers in the system. In FYEs 2014 and 2015, permit fees are projected to be \$19,200 and \$19,475, or approximately 0.19% of the \$9.6 million and \$10.2 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 2014 and 2015.

Reserves/SRF Loans

SAWPA's Capital Improvement Program (CIP) assumes pay-as-you-go funding using reserves and excess operating cash. In FYE 2014, use of Reserves/SRF Loans is projected to be \$4.5 million, or approximately 22% of the Agency's total revenues. In FYE 2015, use of Reserves/SRF Loans is projected to be \$7.3 million, or approximately 30% of the Agency's total revenues.

Interest and Investments

In FYE 2014, interest and investment revenues are projected to be \$3.4 million, or approximately 16% of the Agency's total revenues. In FYE 2015, interest and investment revenues are projected to be \$3.3 million, or approximately 14% 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 2014 is projected to be 0.40%, and 0.45% for FYE 2015.

Total interest for FYE 2014 is projected to be \$180,084, or approximately 5.3% of total projected interest and investment revenue of \$3.4 million. Total interest for FYE 2015 is projected to be \$200,036, or approximately 5.9% of total projected interest and investment revenue of \$3.3 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 2014 and 2015 are projected to be \$2.4 and \$2.3 million, or approximately 71.5% and 70.2% 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 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>
2014	\$ 223,482	\$ 572,289	\$ 795,771
2015	\$ 189,145	\$ 606,627	\$ 795,771
2016	\$ 148,515	\$ 647,256	\$ 795,771
2017	\$ 114,166	\$ 681,605	\$ 795,771
2018 – 2019	\$ 132,582	\$ 1,191,772	\$ 1,324,354
	\$ 807,890	\$ 3,699,549	\$ 4,507,439

In FYEs 2014 and 2015, total notes receivable revenue is projected to be \$795,771, or approximately 23% and 24% of total projected interest and investment revenue for both years.

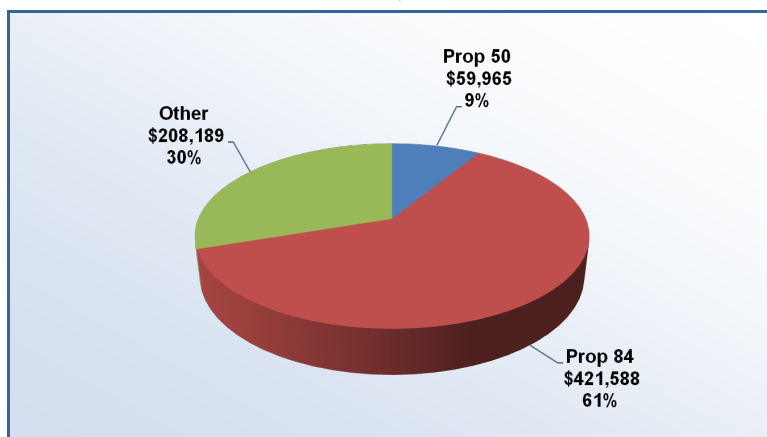
Grant/Contracts

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.

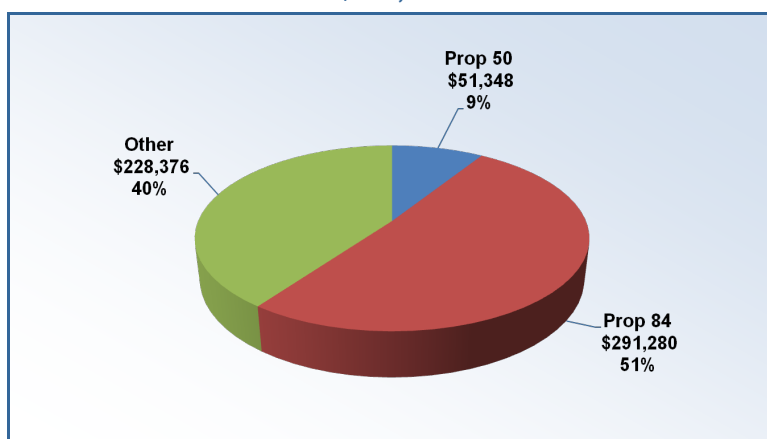
In FYE 2014, grant revenues are expected to be \$689,741, or approximately 3% of the Agency's total revenue. In FYE 2015, grant revenues are expected to be \$571,004, or approximately 2% of the Agency's total revenue.

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 2014 and 2015 budget.

**Grant Revenues
FYE 2014
\$689,741**



**Grant Revenues
FYE 2015
\$571,004**



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 Round I implementation, which became available in August 2011. Round II funding of \$16.7 million is anticipated to be available in late 2013. Round III funding of \$70.0 million is anticipated to be available in mid 2015. SAWPA is expected to receive funding in each Round.

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 2014, member contribution revenues are projected to be \$1.8 million, or approximately 8% of the Agency's total revenues. In FYE 2015, member contribution revenues are projected to be \$1.7 million, or approximately 7% 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 2014, other agency contribution revenues are projected to be \$686,367, or approximately 3% of the Agency's total revenues. In FYE 2015, other agency contribution revenues are projected to be \$740,260, 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 2014, mitigation credit sales are projected to be \$100,000, or approximately 0.48% of the Agency's total revenues. In FYE 2015, mitigation credit sales are projected to be \$100,000, or approximately 0.41% of the Agency's total revenues.

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REVENUES FYE 2014

		Member Contributions	Other Agency Contributions	Mitigation Credit Sales	Discharge Fees	Reserves/ SRF Loans	Interest & Investments	Grant/ Contracts	Total FYE 2014	Projected Actuals FYE 2013	Inc (Dcr) from Prior Year	% Change
100	General Fund	\$ 923,832	–	–	–	–	–	–	\$ 923,832	\$ 955,694	\$ (31,862)	-3.3%
125	Prop 50 Program Management	–	–	–	–	–	–	\$ 59,965	\$ 59,965	\$ 21,197	\$ 38,768	182.9%
130	Prop 84 Program Management	–	–	–	–	–	–	\$ 185,933	\$ 185,933	\$ 50,759	\$ 135,174	266.3%
240	Brine Line Enterprise	–	–	–	\$ 9,648,366	\$ 1,287,137	\$ 3,423,620	–	\$ 14,359,123	\$ 14,383,449	\$ (24,326)	-0.2%
320	Brine Line Protection Project	–	–	–	–	\$ 1,376,067	–	–	\$ 1,376,067	\$ 418,038	\$ 958,029	229.2%
323	Reach IV-A & IV-B Repairs	–	–	–	–	–	–	–	\$ –	\$ 1,695,481	\$ (1,695,481)	-100.0%
326	Reach V Repairs	–	–	–	–	\$ 1,813,286	–	–	\$ 1,813,286	\$ 211,769	\$ 1,601,517	756.3%
370	Basin Planning General	\$ 333,000	–	–	–	–	\$ 385	–	\$ 333,385	\$ 320,761	\$ 12,624	3.9%
370	USBR Partnership Studies	\$ 20,000	–	–	–	–	\$ 50	–	\$ 20,050	\$ 52,906	\$ (32,856)	-62.1%
372	Imported Water Recharge	–	–	–	–	–	–	–	\$ –	\$ 162	\$ (162)	-100.0%
373	Watershed Mgmt Plan (OWOW)	\$ 305,000	–	–	–	–	–	\$ 235,654	\$ 540,654	\$ 859,334	\$ (318,680)	-37.1%
374	Basin Monitoring Program TF	\$ 39,855	\$ 191,168	–	–	–	\$ 500	–	\$ 231,523	\$ 202,075	\$ 29,448	14.6%
381	SAR Fish Conservation TF	\$ 10,000	\$ 51,500	–	–	–	\$ 300	–	\$ 61,800	\$ 38,240	\$ 23,560	61.6%
384	Chino TMDL Task Force	–	\$ 339,460	–	–	–	–	–	\$ 339,460	\$ 203,258	\$ 136,202	67.0%
386	Stormwater Quality Standards TF	\$ 50,000	\$ 51,000	–	–	–	–	–	\$ 101,000	\$ 50,661	\$ 50,339	99.4%
387	Arundo Mgmt & Habitat Restoration	–	–	\$ 100,000	–	–	–	–	\$ 100,000	\$ 3,693	\$ 96,307	2607.8%
392	Emerging Constituents TF	\$ 59,296	\$ 53,239	–	–	–	–	–	\$ 112,535	\$ 140,031	\$ (27,496)	-19.6%
396	Forest First	–	–	–	–	–	–	–	\$ –	\$ –	\$ –	0.0%
477	LESJWA Administration	\$ 10,000	–	–	–	–	–	\$ 208,189	\$ 218,189	\$ 201,466	\$ 16,723	8.3%
		\$ 1,750,983	\$ 686,367	\$ 100,000	\$ 9,648,366	\$ 4,476,490	\$ 3,424,855	\$ 689,741	\$ 20,776,802	\$ 19,808,974	\$ 967,828	4.9%

PASS THROUGH

503 Prop 50/84 Capital Projects

–	–	–	–	–	–	–	\$ 5,401,197	\$ 5,401,197
Total								\$ 26,177,999

REVENUES FYE 2015

		<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 2015</i>	<i>Total FYE 2014</i>	<i>Inc (Dcr) from Prior Year</i>	<i>% Change</i>
100	General Fund	\$ 942,950	–	–	–	–	–	–	\$ 942,950	\$ 923,832	\$ 19,118	2.1%
125	Prop 50 Program Management	–	–	–	–	–	–	\$ 51,348	\$ 51,348	\$ 59,965	\$ (8,617)	-14.4%
130	Prop 84 Program Management	–	–	–	–	–	–	\$ 194,587	\$ 194,587	\$ 185,933	\$ 8,653	4.7%
240	Brine Line Enterprise	–	–	–	\$ 10,201,784	\$ 1,303,622	\$ 3,343,621	–	\$ 14,849,027	\$ 14,359,123	\$ 489,904	3.4%
320	Brine Line Protection Project	–	–	–	–	\$ 1,020,892	–	–	\$ 1,020,892	\$ 1,376,067	\$ (355,175)	-25.8%
323	Reach IV-A & IV-B Repairs	–	–	–	–	–	–	–	\$ –	\$ –	\$ –	0.0%
326	Reach V Repairs	–	–	–	–	\$ 4,947,771	–	–	\$ 4,947,771	\$ 1,813,286	\$ 3,134,485	172.9%
370	Basin Planning General	\$ 357,500	–	–	–	–	\$ 336	–	\$ 357,836	\$ 333,385	\$ 24,451	7.3%
370	USBR Partnership Studies	\$ 20,000	–	–	–	–	\$ 50	–	\$ 20,050	\$ 20,050	\$ –	0.0%
372	Imported Water Recharge	–	–	–	–	–	–	–	\$ –	\$ –	\$ –	0.0%
373	Watershed Mgmt Plan (OWOW)	\$ 305,000	–	–	–	–	–	\$ 96,693	\$ 401,693	\$ 540,654	\$ (138,961)	-25.7%
374	Basin Monitoring Program TF	\$ 39,855	\$ 161,296	–	–	–	\$ 500	–	\$ 201,651	\$ 231,523	\$ (29,872)	-12.9%
381	SAR Fish Conservation TF	\$ 10,000	\$ 51,500	–	–	–	\$ 300	–	\$ 61,800	\$ 61,800	\$ –	0.0%
384	Chino TMDL Task Force	–	\$ 350,000	–	–	–	–	–	\$ 350,000	\$ 339,460	\$ 10,540	3.1%
386	Stormwater Quality Standards TF	\$ 50,000	\$ 51,000	–	–	–	–	–	\$ 101,000	\$ 101,000	\$ –	0.0%
387	Arundo Mgmt & Habitat Restoration	–	–	\$ 100,000	–	–	–	–	\$ 100,000	\$ 100,000	\$ –	0.0%
392	Emerging Constituents TF	\$ 14,600	\$ 47,450	–	–	–	–	–	\$ 62,050	\$ 112,535	\$ (50,485)	-44.9%
396	Forest First	–	\$ 79,014	–	–	–	–	–	\$ 79,014	\$ –	\$ 79,014	100.0%
477	LESJWA Administration	\$ 10,000	–	–	–	–	–	\$ 228,376	\$ 238,376	\$ 218,189	\$ 20,187	9.3%
		\$ 1,749,905	\$ 740,260	\$ 100,000	\$ 10,201,784	\$ 7,272,285	\$ 3,344,807	\$ 571,004	\$ 23,980,045	\$ 20,776,802	\$ 3,203,243	15.4%

PASS THROUGH

503	Prop 50/84 Capital Projects	–	–	–	–	–	–	\$ 2,532,750	\$ 2,532,750			
	<i>Total</i>								\$ 26,512,795			

Section 6

Debt Service



Debt Service

The Agency's outstanding debt at the beginning of FYE 2014 will total \$32.6 million. Of the total outstanding debt, 13 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 2014 and 2015 amounts to \$4.5 and \$4.4 million for each year or 22% and 18% 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 CIP totaling over \$60 million. The CIP will be funded by a combination of rate increases, use of reserves, pay-as-you-go, and debt financing. SAWPA received an SRF Loan totaling \$16 million in FYE 2012 and 2013 with repayment beginning in FYE 2014. SAWPA is also in the design phase of the Reach V Capital Repair Project and has started the process to apply for SRF loan funding.

Funding

The Agency has established debt reserves to cover its debt service obligations in the amount of \$12.9 million at the beginning of FYE 2014. Of those reserves, 70%, or \$9.1 million, is held in T-Strips as restricted assets to cover debt service, and 30%, or \$3.8 million, is held in cash or short-term investments.

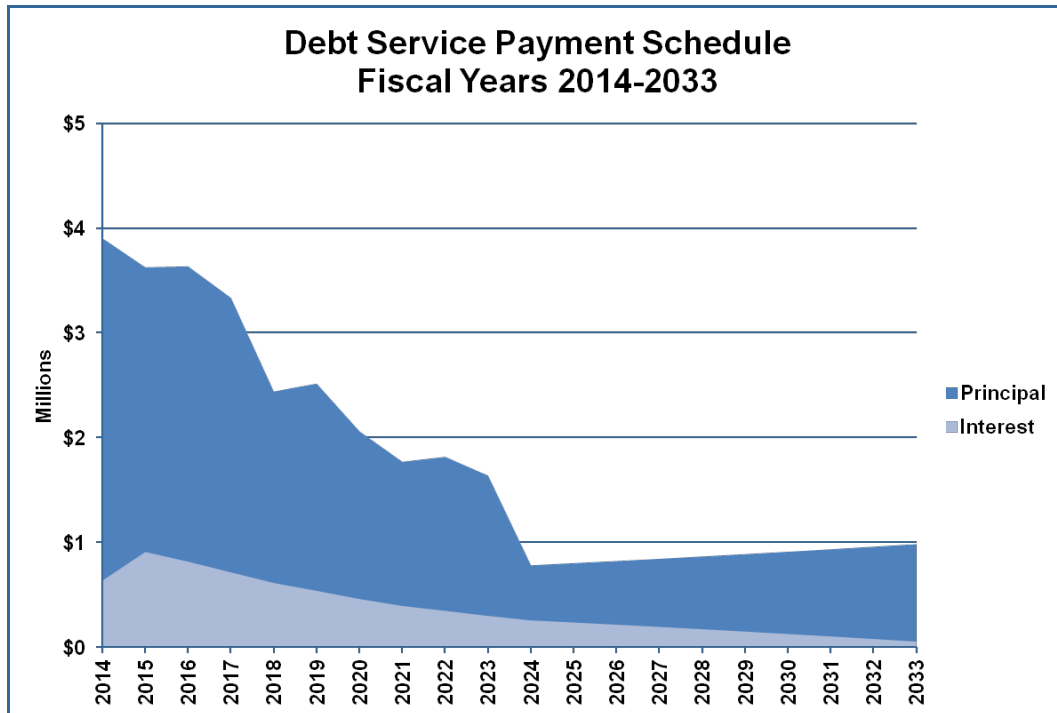
Debt Service Fund Analysis

FYE	T-Strip Maturities	Capacity Loan Receipts	From Rates	Loan Payments	Interest Earned *	Excess/(Use) Of Cash	Ending Cash Reserve Balance
	Beg. Balance						\$ 3,813,182
2014	2,449,000	795,772	998,000	(4,531,907)	76,264	(212,872)	3,600,311
2015	2,349,000	795,772	1,034,000	(4,448,384)	72,006	(197,606)	3,402,705
2016	1,824,000	795,772	1,034,000	(4,044,914)	68,054	(323,089)	3,079,617
2017	949,000	795,772	1,034,000	(3,050,299)	58,179	(213,348)	2,866,269
2018	949,000	795,772	1,034,000	(3,050,299)	57,325	(214,202)	2,652,067
2019	395,000	528,582	1,034,000	(2,516,375)	21,870	(536,923)	2,115,144
2020	395,000	-	1,034,000	(2,160,125)	42,303	(688,822)	1,426,322
2021	395,000	-	1,034,000	(2,160,125)	28,526	(702,599)	723,723
2022	395,000	-	1,034,000	(1,932,810)	24,635	(479,175)	244,548
2023	-	-	1,034,000	(1,033,847)	4,891	5,043	249,592
2024	-	-	1,034,000	(1,033,847)	4,992	5,144	254,737
2025	-	-	1,034,000	(1,033,847)	5,095	5,247	259,985
2026	-	-	1,034,000	(1,033,847)	5,200	5,352	265,338
2027	-	-	1,034,000	(1,033,847)	5,307	5,459	270,798
2028	-	-	1,034,000	(1,033,847)	5,416	5,568	276,367
2029	-	-	1,034,000	(1,033,847)	5,527	5,680	282,047
2030	-	-	1,034,000	(1,033,847)	5,641	5,793	287,841
2031	-	-	1,034,000	(1,033,847)	5,757	5,909	293,751
2032	-	-	1,034,000	(1,033,847)	5,875	6,027	299,779
2033	-	-	1,034,000	(1,033,847)	5,995	6,148	305,927
Totals	\$ 10,100,000	\$ 4,507,442	\$ 20,644,000	\$(39,267,555)	\$ 508,858	\$ (3,507,266)	\$ 305,927

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

Total Debt Schedule and Graph

FYE	Interest	Principal	Total Payment	Remaining Principal
2014	907,578	3,624,329	4,531,907	28,975,998
2015	815,213	3,633,171	4,448,384	25,342,827
2016	712,594	3,332,320	4,044,914	22,010,507
2017	611,679	2,438,619	3,050,298	19,571,888
2018	536,216	2,514,083	3,050,299	17,057,805
2019	458,127	2,058,248	2,516,375	14,999,557
2020	392,256	1,767,869	2,160,125	13,231,688
2021	345,336	1,814,789	2,160,125	11,416,899
2022	297,168	1,635,642	1,932,810	9,781,257
2023	254,313	779,535	1,033,848	9,001,722
2024	234,045	799,803	1,033,848	8,201,919
2025	213,250	820,598	1,033,848	7,381,321
2026	191,914	841,933	1,033,847	6,539,388
2027	170,024	863,823	1,033,847	5,675,565
2028	147,565	886,283	1,033,848	4,789,282
2029	124,521	909,326	1,033,847	3,879,956
2030	100,879	932,969	1,033,848	2,946,987
2031	76,622	957,226	1,033,848	1,989,761
2032	51,734	982,114	1,033,848	1,007,647
2033	26,199	1,007,649	1,033,848	—



SRF Loan

The Brine Line construction was primarily funded by SRF loans issued by the State Water Resources Control Board (SWRCB). The Agency has 13 SRF loans. Five loans funded construction of Reach IV of the Brine Line, one loan funded Reach IV-A and IV-B Repairs, four loans funded construction for Reach V of the Brine Line (Temescal Valley Regional Interceptor (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 continued 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 of \$170,645 will be transferred to the TVRI debt service fund to help cover the projected 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	Transfers	Loan Payments	Interest Earned*	Ending Reserve Cash Balance
	Beg. Balance					\$ 289,116
2014	\$ 1,500,000	\$ —	\$ —	\$ (1,517,786)	\$ 5,782	277,112
2015	1,400,000	—	—	(1,398,085)	5,542	284,569
2016	875,000	—	—	(994,615)	5,691	170,645
2017	—	—	(170,645)	—	—	—
Totals	\$ 3,775,000	\$ —	\$ (170,645)	\$ (3,910,486)	\$ 17,015	

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

Reach IV-A and IV-B Repairs

After inspection of the unlined reinforced concrete pipe used in the construction of portions of Reach IV-A and IV-B constructed in the early 1980's, it was found that the structural integrity of those portions could be at risk. In 2012, repairs on Reach IV-A and IV-B began. Over 32,504 linear feet of pipeline along Reach IV-A and IV-B were slip lined to protect the integrity of the pipeline and another 25,023 linear feet were rehabilitated using cured-in-place pipe (CIPP). An SRF loan in the amount of \$15,956,864 was obtained to fund construction of the pipeline repairs.

SRF Loans

Repayment Began	Loan Amount	Interest Rate	Term	Annual Payment
12/29/13	\$ 15,956,864	2.60%	20 Years	\$ 1,034,847
Total	\$ 15,956,864			\$ 1,034,847

Debt Service Funding

To fund repayment of the SRF loan, rates will be increased to cover the entire loan payment each year.

The following table displays the debt service funding analysis for the Reach IV-A and IV-B Repairs SRF loan payments.

Debt Service Fund Analysis

FYE	Rate increases	Transfers	Loan Payments	Interest Earned*	Ending Reserve Cash Balance
	Beg. Balance				\$ 1,050,000
2014	\$ 998,000	\$ –	\$ (997,670)	\$ 21,000	\$ 1,071,330
2015	1,034,000	–	(1,033,847)	21,427	1,092,909
2016	1,034,000	–	(1,033,847)	21,858	1,114,920
2017	1,034,000	–	(1,033,847)	22,298	1,137,371
2018	1,034,000	–	(1,033,847)	22,747	1,160,271
2019	1,034,000	–	(1,033,847)	23,205	1,183,629
2020	1,034,000	–	(1,033,847)	23,673	1,207,454
2021	1,034,000	–	(1,033,847)	24,149	1,231,755
2022	1,034,000	(1,011,998)	(1,033,847)	24,635	244,545
2023	1,034,000	–	(1,033,847)	4,891	249,588
2024	1,034,000	–	(1,033,847)	4,992	254,733
2025	1,034,000	–	(1,033,847)	5,095	259,980
2026	1,034,000	–	(1,033,847)	5,200	265,332
2027	1,034,000	–	(1,033,847)	5,307	270,791
2028	1,034,000	–	(1,033,847)	5,416	276,360
2029	1,034,000	–	(1,033,847)	5,527	282,039
2030	1,034,000	–	(1,033,847)	5,641	287,833
2031	1,034,000	–	(1,033,847)	5,757	593,742
2032	1,034,000	–	(1,033,847)	5,875	299,769
2033	1,034,000	–	(1,033,847)	5,995	305,917
Totals	\$ 20,644,000	\$ (1,011,998)	\$ (20,640,772)	\$ 264,688	

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

Reach V Construction

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 the other debt service accounts will be transferred to this fund to cover the projected short fall.

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	Transfers	Loan Payments	Interest Earned*	Ending Reserve Cash Balance
	Beg. Balance					\$ 1,157,044
2014	\$ 395,000	\$ 795,772	–	\$ (1,482,528)	\$ 23,141	888,429
2015	395,000	795,772	–	(1,482,528)	17,769	614,442
2016	395,000	795,772	–	(1,482,528)	12,289	334,975
2017	395,000	795,772	170,645	(1,482,528)	6,699	220,563
2018	395,000	795,772	–	(1,482,528)	4,411	(66,782)
2019	395,000	528,582	1,558,576	(1,482,528)	(1,336)	931,512
2020	395,000	–	–	(1,126,278)	18,630	218,864
2021	395,000	–	–	(1,126,278)	4,377	(508,035)
2022	395,000	–	1,011,998	(898,963)	–	–
Totals	\$ 3,555,000	\$ 4,507,442	\$ 2,741,219	\$ (12,046,687)	\$ 85,980	

* 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 projected 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	Transfers	Loan Payments	Interest Earned*	Ending Reserve Cash Balance
	Beginning Balance				\$ 1,317,022
2014	\$ 554,000	\$ –	\$ (533,924)	\$ 26,340	1,363,438
2015	554,000	–	(533,924)	27,269	1,410,783
2016	554,000	–	(533,924)	28,216	1,459,075
2017	554,000	–	(533,924)	29,182	1,508,333
2018	554,000	–	(533,924)	30,167	1,558,576
2019	–	(1,558,576)	–	–	–
Totals	\$ 2,770,000	\$ (1,558,576)	\$ (2,669,620)	\$ 141,174	

* 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 2014 and 2015** – Contributions projected to be made to this reserve are \$998,000 for FYE 2014 and \$1,034,000 for FYE 2015 to cover the Reach IV-A and Reach IV-B repairs annual debt service payment. It is projected that \$1,287,135 and \$1,303,622 will be used from reserves to help pay debt service for FYEs 2014 and 2015, 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 2014 and FYE 2015** – No contributions are projected to be made to this reserve for FYEs 2014 and 2015. 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 2014 and 2015 are projected to be \$3,189,353 and \$5,968,663. The Agency will apply for SRF loans to fund most of the project costs for the Reach V Capital Repairs Project. If the loan is received, the reserve funds will not be used.

- ◆ **Contribution for FYEs 2014 and 2015** – No contributions are projected to be made to this reserve for FYE 2014. Contributions projected to be made to this reserve for FYE 2015 are \$361,659.

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 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 2014 and 2015** – Contributions projected to be made to this reserve are \$55,701 and \$1,000,000.

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 2014 and 2015** – No contributions are projected to be made to this reserve for FYEs 2014 and 2015.

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 workers' 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 2014 and 2015** – Contributions projected to be made to this reserve are \$100,000 for both FYEs 2014 and 2015.

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 2014 and 2015** – No contributions are projected to be made to this reserve for FYEs 2014 and 2015.

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 2014 and 2015** – No contributions are projected to be made to this reserve for FYEs 2014 and 2015.

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 2014 and 2015** – 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 2014 and 2015** – Contributions projected to be made to this reserve are \$100,000 for FYE 2014 and \$65,000 for FYE 2015.

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.

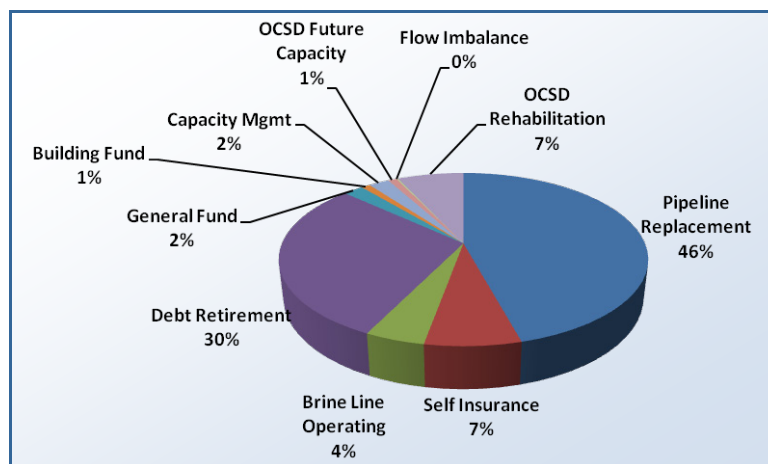
Capital Improvement Construction Reserve

- ◆ **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.
- ◆ **Contribution for FYEs 2014 and 2015** – No contributions are projected to be made to this reserve for FYEs 2014 and 2015.

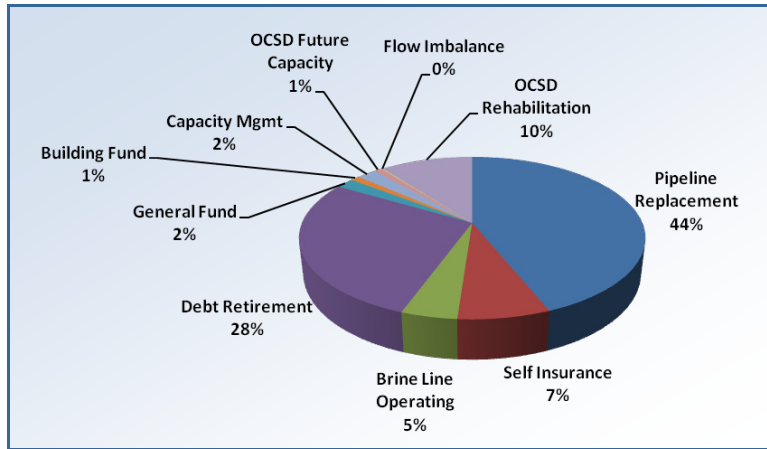
Contractually Restricted Reserves

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 2014
\$51.1 Million**



**Total Reserves/Funds
FYE 2015
\$51.3 Million**



Section 8

Personnel



Personnel

Staffing and related employment costs are one of the primary operating expenses for the Agency. For FYE 2014, these costs will represent \$3.9 million, or approximately 18.9% of the Agency's total budget of \$21.1 million. For FYE 2015, staffing and related employment costs will represent \$4.2 million, or approximately 17.6% of the Agency's total budget of \$24.1 million. Benefit costs for FYE 2014 have increased 5.2% over FYE 2013 and 8.5% for FYE 2015. Overall, employment expenses have increased by 4.7% (\$178,012) over the FYE 2013 budgeted expenses and have increased by 6.2% (\$248,015) for FYE 2015. The following increases are reflected in the total employment expenses:

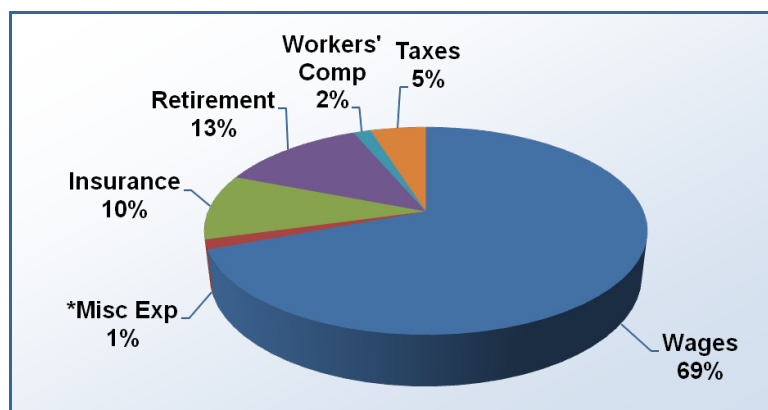
FYE 2014

- ◆ Projected increases in both insurance and taxes account for a slight increase.
- ◆ Decrease in the Agency contribution rate to the employee's retirement plan (CalPERS) from 13.90% in FYE 2013 to 11.709% in FYE 2014 due to paying off the agency's side-fund.
- ◆ An overall five percent (5%) increase for cost of living adjustment (COLA) and merit pool has been budgeted, but not approved, that may go into effect on July 1, 2013, for an estimated cost of \$122,221.
- ◆ The budget includes three additional positions: Communications, Manager of Permitting and Pretreatment, and the Brine Line Pipeline Operator, for an estimated cost of \$356,749. By hiring these positions, we will have offsetting decreases in 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 2015

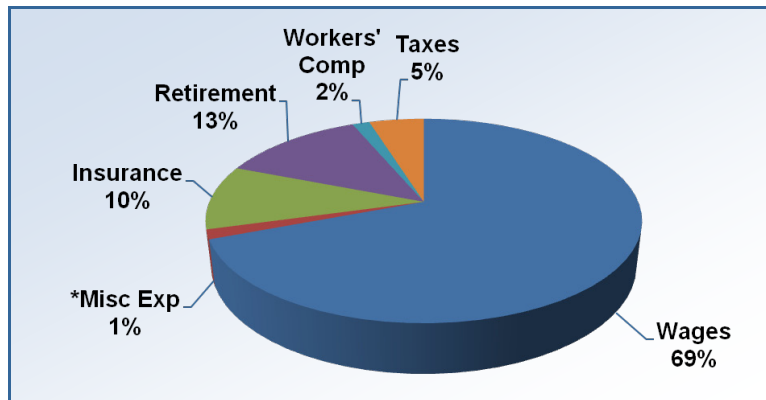
- ◆ Projected increases in both insurance and taxes account for a slight increase.
- ◆ Increase in the Agency contribution rate to the employee's retirement plan (CalPERS) from 11.709% in FYE 2014 to 12.9% in FYE 2015 for an estimated increase of \$50,891.
- ◆ An overall five percent (5%) increase for COLA and merit pool has been budgeted, but not approved, that may go into effect on July 1, 2014, for all staff for an estimated cost of \$125,466.
- ◆ Funds are available in the budget for the General Manager's discretion in promoting and reclassification of budgeted positions.

**Employment Expenses
FYE 2014
\$3.9 million**



* Miscellaneous Expense of 1% includes State Unemployment taxes, State Disability Insurance (SDI), car allowance, and other benefits

**Employment Expenses
FYE 2015
\$4.2 million**



* Miscellaneous Expense of 1% 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 2014 and 2015, these benefits are budgeted at \$1,229,823 and \$1,333,800, or approximately 31% of employment expenses.

The following table displays total labor costs for FYE 2014 and 2015 by department.

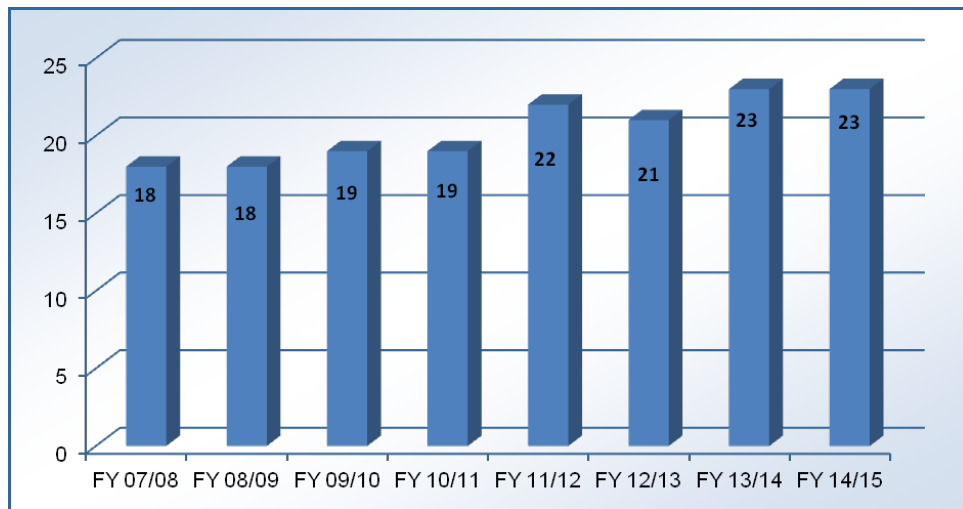
Labor Costs by Fund 2014

<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>	\$ 320,507	\$ 99,864	\$ 45,726	\$ 15,066	\$ 6,661	\$ 6,051	\$ 493,875
<i>Admin Services</i>	232,042	78,740	23,137	17,549	5,732	28,536	385,736
<i>Finance</i>	182,147	71,578	17,180	9,659	7,725	36,609	324,898
<i>Info and Technology</i>	300,948	19,352	14,057	3,154	2,368	14,910	354,789
<i>Engineering</i>	130,343	573,173	10,158	0	60,372	11,925	785,971
<i>Wtr Resources & Plan</i>	124,226	17,791	170,153	55,071	1,310	50,862	419,413
Total	\$ 1,290,213	\$ 860,498	\$ 280,411	\$ 100,499	\$ 84,168	\$ 148,893	\$ 2,764,682

Labor Costs by Fund 2015

Department	General	Brine Line	Planning	Collab. Projects	Capital Projects	Grant/Contract	Total
Executive Mgmt	\$ 349,126	\$ 99,820	\$ 28,935	\$ 14,848	\$ 6,847	\$ 8,256	\$ 507,832
Admin Services	272,671	83,051	20,150	17,911	3,846	14,003	411,632
Finance	204,613	75,071	11,168	11,577	6,545	36,973	345,947
Info and Technology	331,208	13,554	7,112	2,857	1,716	15,646	372,093
Engineering	142,262	610,898	4,269	0	60,379	13,424	831,232
Wtr Resources & Plan	125,654	15,250	157,405	74,371	0	67,304	439,984
Total	\$ 1,425,534	\$ 897,644	\$ 229,039	\$ 121,564	\$ 79,333	\$ 155,606	\$2,908,720

Budgeted Staffing Levels FY 07/08 – FY 14/15 (Does not include interns)



Staffing Plan

The FYEs 2014 and 2015 staffing plan includes the addition of three positions – Communications, Manager of Permitting and Pretreatment, and the Brine Line Pipeline Operator. The Communications position is budgeted but not an authorized position. The following table is a summary of the Agency's budgeted positions.

Total Budgeted Position Count by Year

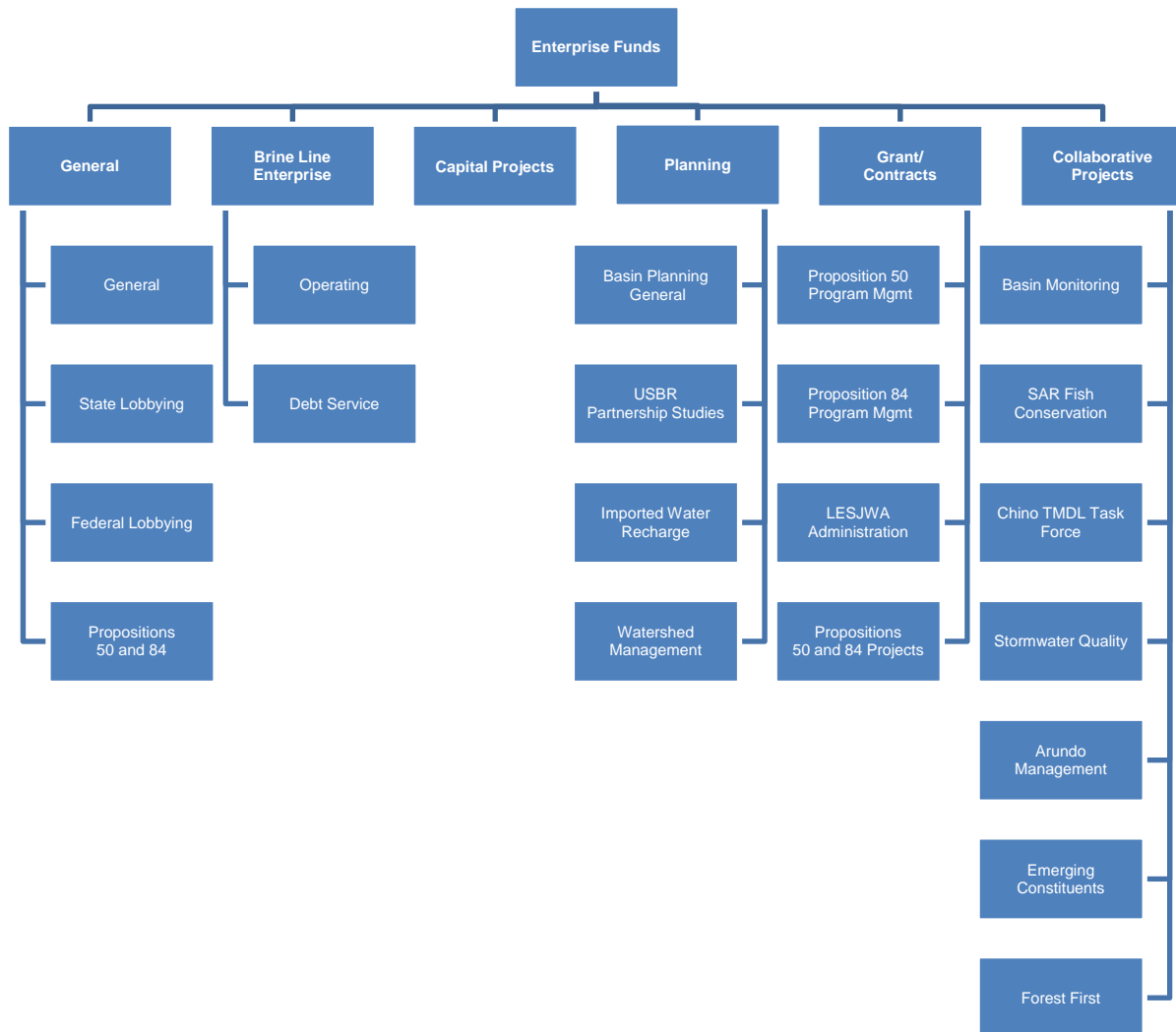
<i>Position</i>	<i>FYE 2011</i>	<i>FYE 2012</i>	<i>FYE 2013</i>	<i>FYE 2014</i>	<i>FYE 2015</i>	<i>Department</i>
<i>General Manager</i>	1	1	1	1	1	<i>Executive Management</i>
<i>Executive Counsel</i>	0	1	1	1	1	<i>Executive Management</i>
<i>Administrative Services Mgr</i>	1	1	1	1	1	<i>Administrative Services</i>
<i>Senior Administrative Assistant</i>	2	2	2	3	3	<i>Administrative Services</i>
<i>Administrative Assistant II</i>	1	1	1	0	0	<i>Administrative Services</i>
<i>Administrative Assistant I</i>	1	1	1	1	1	<i>Administrative Services</i>
<i>Chief Financial Officer</i>	1	1	1	1	1	<i>Finance</i>
<i>Accountant/Project Mgr</i>	0	0	0	1	1	<i>Finance</i>
<i>Senior Accounting Technician</i>	2	2	2	1	1	<i>Finance</i>
<i>IS and Technology Mgr</i>	1	1	1	1	1	<i>IS and Technology</i>
<i>GIS Project Manager</i>	1	1	1	1	1	<i>IS and Technology</i>
<i>GIS Analyst II</i>	1	1	1	1	1	<i>IS and Technology</i>
<i>Engineering & Operations Mgr</i>	1	1	1	1	1	<i>Engineering & Operations</i>
<i>Program Manager</i>	1	1	1	1	1	<i>Engineering & Operations</i>
<i>Project Manager</i>	2	2	1	1	1	<i>Engineering & Operations</i>
<i>Mgr Permitting & Pretreatment</i>	0	0	0	1	1	<i>Engineering & Operations</i>
<i>Operations Superintendent</i>	0	1	1	1	1	<i>Engineering & Operations</i>
<i>Asst Operations Superintendent</i>	0	1	1	1	1	<i>Engineering & Operations</i>
<i>Brine Line Pipeline Operator</i>	0	0	0	1	1	<i>Engineering & Operations</i>
<i>Water Res. & Planning Mgr</i>	1	1	1	1	1	<i>Water Resources & Planning</i>
<i>Program Manager</i>	1	1	1	0	0	<i>Water Resources & Planning</i>
<i>Senior Watershed Manager</i>	0	0	0	1	1	<i>Water Resources & Planning</i>
<i>Senior Watershed Planner</i>	1	1	1	1	1	<i>Water Resources & Planning</i>
Total	19	22	21	23	23	

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 2014	FYE 2015	FYE 2014	FYE 2015	FYE 2014	FYE 2015	FYE 2014	FYE 2015
Discharge Fees	\$ -	\$ -	\$ 9,648,366	\$ 10,201,784	\$ -	\$ -	\$ -	\$ -
Financing Proceeds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grant Proceeds	\$ -	\$ -	\$ -	\$ -	\$ 235,654	\$ 96,693	\$ -	\$ -
Contributions	\$ 923,832	\$ 942,950	\$ -	\$ -	\$ 658,000	\$ 682,500	\$ 845,518	\$ 854,715
Other Income	\$ -	\$ -	\$ 1,287,137	\$ 1,303,622	\$ -	\$ -	\$ 100,000	\$ 100,000
Interest & Investments	\$ -	\$ -	\$ 43,423,620	\$ 3,343,621	\$ 435	\$ 386	\$ 800	\$ 800
Total Source of Funds	\$ 923,832	\$ 942,950	\$ 14,359,123	\$ 14,849,027	\$ 894,089	\$ 779,579	\$ 946,318	\$ 955,515
Staffing:								
Hours Allocated	23,984	25,572	17,493	17,288	5,315	4,385	2,293	2,518
FTE (based on 2080)	11.5	12.3	8.4	8.3	2.6	2.1	1.1	1.2
Use of Funds:								
Labor	\$ 1,290,213	\$ 1,425,534	\$ 860,498	\$ 897,644	\$ 280,411	\$ 229,039	\$ 100,499	\$ 121,564
Benefits	\$ 573,929	\$ 653,682	\$ 382,780	\$ 411,617	\$ 124,735	\$ 105,027	\$ 44,706	\$ 55,741
G&A Costs	\$ (2,334,220)	\$ (2,326,699)	\$ 1,362,245	\$ 1,408,152	\$ 443,914	\$ 359,299	\$ 159,105	\$ 190,696
Education & Training	\$ 50,800	\$ 50,800	\$ 8,000	\$ 7,000	\$ -	\$ -	\$ -	\$ -
Consulting & Professional Services	\$ 233,800	\$ 235,800	\$ 1,245,000	\$ 615,000	\$ 20,000	\$ 75,000	\$ 810,995	\$ 560,449
Operating Costs	\$ 4,500	\$ 4,500	\$ 3,475,860	\$ 3,502,480	\$ -	\$ -	\$ 100	\$ 100
Repair & Maintenance	\$ 115,520	\$ 100,520	\$ 955,000	\$ 775,000	\$ -	\$ -	\$ -	\$ -
Phone & Utilities	\$ 71,900	\$ 73,900	\$ 5,500	\$ 5,750	\$ -	\$ -	\$ -	\$ -
Equipment & Computer	\$ 192,290	\$ 183,545	\$ 60,750	\$ 45,750	\$ 20,000	\$ 5,000	\$ -	\$ -
Meeting & Travel	\$ 73,950	\$ 74,050	\$ 5,500	\$ 5,500	\$ 8,550	\$ 8,550	\$ 850	\$ 950
Other Administrative Costs	\$ 182,063	\$ 188,903	\$ 40,700	\$ 43,950	\$ 16,900	\$ 14,900	\$ -	\$ -
Other Expenses	\$ 223,000	\$ 60,000	\$ 271,681	\$ 187,131	\$ -	\$ -	\$ -	\$ -
Construction	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 100,000	\$ 100,000
Debt Service	\$ -	\$ -	\$ 4,531,908	\$ 4,448,394	\$ -	\$ -	\$ -	\$ -
Total Use of Funds from Operations	\$ 677,745	\$ 724,535	\$ 13,205,422	\$ 12,353,368	\$ 914,510	\$ 796,815	\$ 1,216,255	\$ 1,029,500
Contribution To/(From) Reserves:								
Pipeline Repair/Replacement Reserve	\$ -	\$ -	\$ -	\$ 361,659	\$ -	\$ -	\$ -	\$ -
OCSD Rehabilitation Reserve	\$ -	\$ -	\$ 55,701	\$ 1,000,000	\$ -	\$ -	\$ -	\$ -
Self Insurance Reserve	\$ -	\$ -	\$ 100,000	\$ 100,000	\$ -	\$ -	\$ -	\$ -
Debt Service Reserve	\$ -	\$ -	\$ 998,000	\$ 1,034,000	\$ -	\$ -	\$ -	\$ -
Retiree Medical Reserve	\$ 146,087	\$ 153,415	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Building Repair/Replacement Reserve	\$ 100,000	\$ 65,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Contributions to Reserves	\$ 246,087	\$ 218,415	\$ 1,153,701	\$ 2,495,659	\$ -	\$ -	\$ -	\$ -
Total Use of Funds	\$ 923,832	\$ 942,950	\$ 14,359,123	\$ 14,849,027	\$ 914,510	\$ 796,815	\$ 1,216,255	\$ 1,029,500
Net Gain (Loss)	\$ -	\$ -	\$ -	\$ -	\$ (20,421)	\$ (17,236)	\$ (269,937)	\$ (73,985)
Beginning Fund Balance	\$ -	\$ -	\$ -	\$ -	\$ 88,971	\$ 68,550	\$ 1,847,613	\$ 1,577,676
Ending Fund Balance	\$ -	\$ -	\$ -	\$ -	\$ 68,550	\$ 51,314	\$ 1,577,676	\$ 1,503,691

SAWPA Fund Summary - Combined	Grant/Contract Fund		Capital Project Funds		Totals		
Source of Funds:	FYE 2014	FYE 2015	FYE 2014	FYE 2015	FYE 2014	FYE 2015	2-Yr Budget
Discharge Fees	\$ -	\$ -	\$ -	\$ -	\$ 9,648,366	\$ 10,201,784	\$ 19,850,150
Financing Proceeds	\$ 208,189	\$ 228,376	\$ -	\$ -	\$ 208,189	\$ 228,376	\$ 436,565
Grant Proceeds	\$ 245,898	\$ 245,935	\$ -	\$ -	\$ 481,552	\$ 342,628	\$ 824,180
Contributions	\$ 10,000	\$ 10,000	\$ -	\$ -	\$ 2,437,350	\$ 2,490,165	\$ 4,927,515
Other Income	\$ -	\$ -	\$ 3,189,353	\$ 5,968,663	\$ 4,576,490	\$ 7,372,285	\$ 11,948,775
Interest & Investments	\$ -	\$ -	\$ -	\$ -	\$ 3,424,855	\$ 3,344,807	\$ 6,769,662
Total Source of Funds	\$ 464,087	\$ 484,311	\$ 3,189,353	\$ 5,968,663	\$ 20,776,802	\$ 23,980,045	\$ 44,756,847
Staffing:							
Hours Allocated	3,225	2,702	1,450	1,295	53,760	53,760	107,520
FTE (based on 2080)	1.5	1.3	0.7	0.6	25.8	25.8	51.6
Use of Funds:							
Labor	\$ 148,893	\$ 155,606	\$ 84,168	\$ 79,333	\$ 2,764,682	\$ 2,908,720	\$ 5,673,402
Benefits	\$ 66,233	\$ 71,354	\$ 37,440	\$ 36,379	\$ 1,229,823	\$ 1,333,800	\$ 2,563,623
G&A Costs	\$ 235,711	\$ 244,101	\$ 133,245	\$ 124,451	\$ -	\$ -	\$ -
Education & Training	\$ -	\$ -	\$ -	\$ -	\$ 58,800	\$ 57,800	\$ 116,600
Consulting & Professional Services	\$ -	\$ -	\$ 825,000	\$ 865,500	\$ 3,134,795	\$ 2,351,749	\$ 5,486,544
Operating Costs	\$ -	\$ -	\$ -	\$ -	\$ 3,480,460	\$ 3,507,080	\$ 6,987,540
Repair & Maintenance	\$ -	\$ -	\$ -	\$ -	\$ 1,070,520	\$ 875,520	\$ 1,946,040
Phone & Utilities	\$ -	\$ -	\$ -	\$ -	\$ 77,400	\$ 79,650	\$ 157,050
Equipment & Computer	\$ -	\$ -	\$ -	\$ -	\$ 273,040	\$ 234,295	\$ 507,335
Meeting & Travel	\$ 2,750	\$ 2,750	\$ -	\$ -	\$ 91,600	\$ 91,800	\$ 183,400
Other Administrative Costs	\$ 10,500	\$ 10,500	\$ 9,500	\$ 13,000	\$ 259,663	\$ 271,253	\$ 530,916
Other Expenses	\$ -	\$ -	\$ -	\$ -	\$ 494,681	\$ 247,131	\$ 741,812
Construction	\$ -	\$ -	\$ 2,100,000	\$ 4,850,000	\$ 2,200,000	\$ 4,950,000	\$ 7,150,000
Debt Service	\$ -	\$ -	\$ -	\$ -	\$ 4,531,908	\$ 4,448,394	\$ 8,980,302
Total Use of Funds from Operations	\$ 464,087	\$ 484,311	\$ 3,189,353	\$ 5,968,663	\$ 19,667,372	\$ 21,357,192	\$ 41,024,564
Contribution To/(From) Reserves:							
Pipeline Repair/Replacement Reserve	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 361,659	\$ 361,659
OCSD Rehabilitation Reserve	\$ -	\$ -	\$ -	\$ -	\$ 55,701	\$ 1,000,000	\$ 1,055,701
Self Insurance Reserve	\$ -	\$ -	\$ -	\$ -	\$ 100,000	\$ 100,000	\$ 200,000
Debt Service Reserve	\$ -	\$ -	\$ -	\$ -	\$ 998,000	\$ 1,034,000	\$ 2,032,000
Retiree Medical Reserve	\$ -	\$ -	\$ -	\$ -	\$ 146,087	\$ 153,415	\$ 299,502
Building Repair/Replacement Reserve	\$ -	\$ -	\$ -	\$ -	\$ 100,000	\$ 65,000	\$ 165,000
Total Contributions to Reserves	\$ -	\$ -	\$ -	\$ -	\$ 1,399,788	\$ 2,714,074	\$ 4,113,862
Total Use of Funds	\$ 464,087	\$ 484,311	\$ 3,189,353	\$ 5,968,663	\$ 21,067,160	\$ 24,071,266	\$ 45,138,426
Net Gain (Loss)	\$ -	\$ -	\$ -	\$ -	\$ (290,358)	\$ (91,221)	\$ (381,579)
Beginning Fund Balance	\$ -	\$ -	\$ -	\$ -	\$ 1,936,584	\$ 1,646,226	\$ 1,936,584
Ending Fund Balance	\$ -	\$ -	\$ -	\$ -	\$ 1,646,226	\$ 1,555,005	\$ 1,555,005

SAWPA Fund Summary FYE 2014	General Fund	Brine Line Enterprise	Planning Funds	Collaborative Funds	Grant/Contract Funds	Capital Project Funds	Total
Source of Funds:							
Discharge Fees	\$ -	\$ 9,648,366	\$ -	\$ -	\$ -	\$ -	\$ 9,648,366
Financing Proceeds	\$ -	\$ -	\$ -	\$ -	\$ 208,189	\$ -	\$ 208,189
Grant Proceeds	\$ -	\$ -	\$ 235,654	\$ -	\$ 245,898	\$ -	\$ 481,552
Contributions	\$ 923,832	\$ -	\$ 658,000	\$ 845,518	\$ 10,000	\$ -	\$ 2,437,350
Other Income	\$ -	\$ 1,287,137	\$ -	\$ 100,000	\$ -	\$ 3,189,353	\$ 4,576,490
Interest & Investments	\$ -	\$ 3,423,620	\$ 435	\$ 800	\$ -	\$ -	\$ 3,424,855
Total Source of Funds	\$ 923,832	\$ 14,359,123	\$ 894,089	\$ 946,318	\$ 464,087	\$ 3,189,353	\$ 20,776,802
Staffing:							
Hours Allocated	23,984	17,493	5,315	2,293	3,225	1,450	53,760
FTE (based on 2080)	11.5	8.4	2.6	1.1	1.5	0.7	25.8
Use of Funds:							
Labor	\$ 1,290,213	\$ 860,498	\$ 280,411	\$ 100,499	\$ 148,893	\$ 84,168	\$ 2,764,682
Benefits	\$ 573,929	\$ 382,780	\$ 124,735	\$ 44,706	\$ 66,233	\$ 37,440	\$ 1,229,823
G&A Costs	\$ (2,334,220)	\$ 1,362,245	\$ 443,914	\$ 159,105	\$ 235,711	\$ 133,245	\$ -
Education & Training	\$ 50,800	\$ 8,000	\$ -	\$ -	\$ -	\$ -	\$ 58,800
Consulting & Professional Services	\$ 233,800	\$ 1,245,000	\$ 20,000	\$ 810,995	\$ -	\$ 825,000	\$ 3,134,795
Operating Costs	\$ 4,500	\$ 3,475,860	\$ -	\$ 100	\$ -	\$ -	\$ 3,480,460
Repair & Maintenance	\$ 115,520	\$ 955,000	\$ -	\$ -	\$ -	\$ -	\$ 1,070,520
Phone & Utilities	\$ 71,900	\$ 5,500	\$ -	\$ -	\$ -	\$ -	\$ 77,400
Equipment & Computers	\$ 192,290	\$ 60,750	\$ 20,000	\$ -	\$ -	\$ -	\$ 273,040
Meeting & Travel	\$ 73,950	\$ 5,500	\$ 8,550	\$ 850	\$ 2,750	\$ -	\$ 91,600
Other Administrative Costs	\$ 182,063	\$ 40,700	\$ 16,900	\$ -	\$ 10,500	\$ 9,500	\$ 259,663
Other Expenses	\$ 223,000	\$ 271,681	\$ -	\$ -	\$ -	\$ -	\$ 494,681
Construction	\$ -	\$ -	\$ -	\$ 100,000	\$ -	\$ 2,100,000	\$ 2,200,000
Debt Service	\$ -	\$ 4,531,908	\$ -	\$ -	\$ -	\$ -	\$ 4,531,908
Total Use of Funds from Operations	\$ 677,745	\$ 13,205,422	\$ 914,510	\$ 1,216,255	\$ 464,087	\$ 3,189,353	\$ 19,667,372
Contribution To/(From) Reserves:							
Pipeline Repair/Replacement Reserve	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
OCS&D Rehabilitation Reserve	\$ -	\$ 55,701	\$ -	\$ -	\$ -	\$ -	\$ 55,701
Self Insurance Reserve	\$ -	\$ 100,000	\$ -	\$ -	\$ -	\$ -	\$ 100,000
Debt Service Reserve	\$ -	\$ 998,000	\$ -	\$ -	\$ -	\$ -	\$ 998,000
Retiree Medical Reserve	\$ 146,087	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 146,087
Building Repair/Replacement Reserve	\$ 100,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 100,000
Total Contributions to Reserves	\$ 246,087	\$ 1,153,701	\$ -	\$ -	\$ -	\$ -	\$ 1,399,788
Total Use of Funds	\$ 923,832	\$ 14,359,123	\$ 914,510	\$ 1,216,255	\$ 464,087	\$ 3,189,353	\$ 21,067,160
Net Gain (Loss)	\$ -	\$ -	\$ (20,421)	\$ (269,937)	\$ -	\$ -	\$ (290,358)
Beginning Fund Balance	\$ -	\$ -	\$ 88,971	\$ 1,847,613	\$ -	\$ -	\$ 1,936,584
Ending Fund Balance	\$ -	\$ -	\$ 68,550	\$ 1,577,676	\$ -	\$ -	\$ 1,646,226
<i>Project Reimb (Prop 50 Capital)</i>	\$ -	\$ -	\$ -	\$ -	\$ 5,401,197	\$ -	\$ 5,401,197
G&A Contribution	100.0%	58.36%	19.00%	6.83%	10.10%	5.71%	

SAWPA Fund Summary FYE 2015	General Fund	Brine Line Enterprise	Planning Funds	Collaborative Project Funds	Grant/Contract Funds	Capital Project Funds	Total
Source of Funds:							
Discharge Fees	\$ -	\$ 10,201,784	\$ -	\$ -	\$ -	\$ -	\$ 10,201,784
Financing Proceeds	\$ -	\$ -	\$ -	\$ -	\$ 228,376	\$ -	\$ 228,376
Grant Proceeds	\$ -	\$ -	\$ 96,693	\$ -	\$ 245,935	\$ -	\$ 342,628
Contributions	\$ 942,950	\$ -	\$ 682,500	\$ 854,715	\$ 10,000	\$ -	\$ 2,490,165
Other Income	\$ -	\$ 1,303,622	\$ -	\$ 100,000	\$ -	\$ 5,968,663	\$ 7,372,285
Interest & Investments	\$ -	\$ 3,343,621	\$ 386	\$ 800	\$ -	\$ -	\$ 3,344,807
Total Source of Funds	\$ 942,950	\$ 14,849,027	\$ 779,579	\$ 955,515	\$ 484,311	\$ 5,968,663	\$ 23,980,045
Staffing:							
Hours Allocated	25,572	17,288	4,385	2,518	2,702	1,295	53,760
FTE (based on 2080)	12.3	8.3	2.1	1.2	1.3	0.6	25.8
Use of Funds:							
Labor	\$ 1,425,534	\$ 897,644	\$ 229,039	\$ 121,564	\$ 155,606	\$ 79,333	\$ 2,908,720
Benefits	\$ 653,682	\$ 411,617	\$ 105,027	\$ 55,741	\$ 71,354	\$ 36,379	\$ 1,333,800
G&A Costs	\$ (2,326,699)	\$ 1,408,152	\$ 359,299	\$ 190,696	\$ 244,101	\$ 124,451	\$ -
Education & Training	\$ 50,800	\$ 7,000	\$ -	\$ -	\$ -	\$ -	\$ 57,800
Consulting & Professional Services	\$ 235,800	\$ 615,000	\$ 75,000	\$ 560,449	\$ -	\$ 865,500	\$ 2,351,749
Operating Costs	\$ 4,500	\$ 3,502,480	\$ -	\$ 100	\$ -	\$ -	\$ 3,507,080
Repair & Maintenance	\$ 100,520	\$ 775,000	\$ -	\$ -	\$ -	\$ -	\$ 875,520
Phone & Utilities	\$ 73,900	\$ 5,750	\$ -	\$ -	\$ -	\$ -	\$ 79,650
Equipment & Computer	\$ 183,545	\$ 45,750	\$ 5,000	\$ -	\$ -	\$ -	\$ 234,295
Meeting & Travel	\$ 74,050	\$ 5,500	\$ 8,550	\$ 950	\$ 2,750	\$ -	\$ 91,800
Other Administrative Costs	\$ 188,903	\$ 43,950	\$ 14,900	\$ -	\$ 10,500	\$ 13,000	\$ 271,253
Other Expenses	\$ 60,000	\$ 187,131	\$ -	\$ -	\$ -	\$ -	\$ 247,131
Construction	\$ -	\$ -	\$ -	\$ 100,000	\$ -	\$ 4,850,000	\$ 4,950,000
Debt Service	\$ -	\$ 4,448,394	\$ -	\$ -	\$ -	\$ -	\$ 4,448,394
Total Use of Funds from Operations	\$ 724,535	\$ 12,353,368	\$ 796,815	\$ 1,029,500	\$ 484,311	\$ 5,968,663	\$ 21,357,192
Contribution To/(From) Reserves:							
Pipeline Repair/Replacement Reserve	\$ -	\$ 361,659	\$ -	\$ -	\$ -	\$ -	\$ 361,659
OCS&D Rehabilitation Reserve	\$ -	\$ 1,000,000	\$ -	\$ -	\$ -	\$ -	\$ 1,000,000
Self Insurance Reserve	\$ -	\$ 100,000	\$ -	\$ -	\$ -	\$ -	\$ 100,000
Debt Service Reserve	\$ -	\$ 1,034,000	\$ -	\$ -	\$ -	\$ -	\$ 1,034,000
Retiree Medical Reserve	\$ 153,415	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 153,415
Building Repair/Replacement Reserve	\$ 65,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 65,000
Total Contributions to Reserves	\$ 218,415	\$ 2,495,659	\$ -	\$ -	\$ -	\$ -	\$ 2,714,074
Total Use of Funds	\$ 942,950	\$ 14,849,027	\$ 796,815	\$ 1,029,500	\$ 484,311	\$ 5,968,663	\$ 24,071,266
Net Gain (Loss)	\$ -	\$ -	\$ (17,236)	\$ (73,985)	\$ -	\$ -	\$ (91,221)
Beginning Fund Balance	\$ -	\$ -	\$ 68,550	\$ 1,577,676	\$ -	\$ -	\$ 1,646,226
Ending Fund Balance	\$ -	\$ -	\$ 51,314	\$ 1,503,691	\$ -	\$ -	\$ 1,555,005
<i>Project Reimb (Prop 50 Capital)</i>	\$ -	\$ -	\$ -	\$ -	\$ 2,532,750	\$ -	\$ 2,532,750
G&A Contribution	100.0%	60.52%	15.44%	8.19%	10.50%	5.35%	

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 general and administrative (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, administrations', 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 2014, the general fund has total budgeted revenues of \$923,832, or approximately 4.4% of the total budgeted revenue of \$20.8 million. Revenues are made up of member agency contributions.

In FYE 2015, the general fund has total budgeted revenues of \$942,950, or approximately 3.9% of the total budgeted revenue of \$23.9 million. Revenues are made up of member agency contributions.

Expenses and Other Uses of Funds

Staff continues to cut costs throughout the budget where possible. We have been able to implement a number of efficiencies throughout the Agency that help in reducing overall operating costs.

In FYE 2014, the general fund has total budgeted expenses of \$3.3 million, or approximately 15.5% of the total budgeted expenses of \$21.1 million. General fund expenses are projected to increase approximately 6.5% or \$199,887 over the FYE 2013 budget.

In FYE 2015, the general fund has total budgeted expenses of \$3.3 million, or approximately 13.6% of the total budgeted expenses of \$24.1 million. General Fund expenses are projected to increase approximately 0.4% or \$11,597, over the FYE 2014 budget.

Of the total expenses for FYEs 2014 and 2015, \$2.3 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 \$923,832 (FYE 2014) and \$942,950 (FYE 2015) will be covered by member agency contributions and reserves.

FYE 2014 G&A Allocation by Fund Type

<i>Fund Type</i>	<i>G&A Allocation</i>	<i>% of Total</i>
Brine Line Enterprise	\$1,362,245	58.36%
Planning	443,914	19.00%
Collaborative Projects	159,105	6.83%
Grant/Contracts	235,711	10.10%
Capital Projects	133,245	5.71%
Total	\$2,334,220	100.00%

FYE 2015 G&A Allocation by Fund Type

<i>Fund Type</i>	<i>G&A Allocation</i>	<i>% of Total</i>
Brine Line Enterprise	\$1,408,152	60.52%
Planning	359,299	15.44%
Collaborative Projects	190,696	8.19%
Grant/Contracts	244,101	10.50%
Capital Projects	124,451	5.35%
Total	\$2,326,699	100.00%

Labor and Benefits

Total labor and benefits for FYE 2014 are projected to be \$1.9 million, or 47% of the Agency's total labor and benefits of \$3.9 million. This is a decrease of 4% over last year's budget. Approximately 11.5 full-time equivalents (FTE) or 23,984 total hours will be required to perform work under this fund.

Total labor and benefits for FYE 2015 are projected to be \$2.1 million, or 49% of the Agency's total labor and benefits of \$4.2 million. This is an increase of 11.5% over the FYE 2014 budget. Approximately 12.3 FTEs or 25,572 total hours will be required to perform work under this fund.

Education and Training

Total education and training costs are projected to be \$50,800 for FYEs 2014 and 2015. This is an increase of 72% over last year's budget.

Consulting and Other Professional Services

Total consulting and other professional services are projected to be \$233,800 for FYE 2014 and \$235,800 for FYE 2015. This is an increase of 4.8% over last year's budget and an increase of 0.9% over the FYE 2014 budget. 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 \$4,500 for FYE 2014 and FYE 2015. This is a decrease of 6.3% over FYE 2013. 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 \$115,520 for FYE 2014 and \$100,520 for FYE 2015. This is an increase of 47% over last year's budget and a decrease of 12.9% over the FYE 2014 budget. This increase is the result of having delayed major repairs in the last few years in an effort to decrease costs. 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 \$71,900 for FYE 2014 and \$73,900 for FYE 2015. This is an increase of 3.8% over last year's budget and an increase of 2.8% over the FYE 2014 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 \$192,290 for FYE 2014 and \$183,545 for FYE 2015. This is a decrease of 19.6% over last year's budget and a decrease of 4.5% over the FYE 2014 budget. The initial 19.6% 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.

Meeting and Travel

Total meeting and travel expenses are projected to be \$73,950 for FYE 2014 and \$74,050 for FYE 2015. This is an increase of 5.6% over last year's budget and a slight increase over the FYE 2014 budget. 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 \$182,063 for FYE 2014 and \$188,903 for FYE 2015. This is an increase of 21% over last year's budget and a 3.5% increase over the FYE 2014 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 \$223,000 for FYE 2014 and \$60,000 for FYE 2015. This is a 355% increase over last year's budget and a decrease of 73% over the FYE 2014 budget. Contingency costs of \$160,000 were included in the FYE 2014 budget to help cover any unexpected costs that may be incurred. This is the first year we were able to include contingency costs in the 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 2014 and 2015, the following items have been budgeted for purchase.

FYE 2014 Fixed Asset Purchases

<i>Purchase</i>	<i>Cost</i>
Office Furniture – 2 offices	\$12,000
Transform Library to meeting room	\$5,000
Total	\$17,000

FYE 2015 Fixed Asset Purchases

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

Reserve Contributions

Included in the FYEs 2014 and 2015 budget, are reserve contributions of \$246,087 and \$218,415. For FYE 2014, \$146,087 is the Annual Required Contribution (ARC) for the Retiree Medical Trust and \$100,000 is for the Building Repair/Replacement. For FYE 2015, \$153,415 is the ARC for the Retiree Medical Trust and \$65,000 is for the Building Repair/Replacement.

FYE 2014 Reserve Balance

<i>Reserve</i>	<i>FYE 2013 Balance</i>	<i>Contribution</i>	<i>Interest</i>	<i>Expenses</i>	<i>FYE 2014 Balance</i>
Building Repair	\$511,902	\$100,000	\$–	\$–	\$611,902
Total	\$511,902	\$100,000	\$–	\$–	\$611,902

FYE 2015 Reserve Balance

<i>Reserve</i>	<i>FYE 2014 Balance</i>	<i>Contribution</i>	<i>Interest</i>	<i>Expenses</i>	<i>FYE 2015 Balance</i>
Building Repair	\$611,902	\$65,000	\$–	\$–	\$676,902
Total	\$611,902	\$65,000	\$–	\$–	\$676,902

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 2011, 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 2014	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	\$ 660,000	\$ 236,470	\$ 27,362	\$ –	\$ 923,832
Total Source of Funds	\$ 660,000	\$ 236,470	\$ 27,362	\$ –	\$ 923,832
Staffing:					
Hours Allocated	22,464	680	170	670	23,984
FTE (based on 2080)	10.8	0.3	0.1	0.3	11.5
Use of Funds:					
Labor	\$ 1,160,280	\$ 73,206	\$ 15,339	\$ 41,388	\$ 1,290,213
Benefits	\$ 516,131	\$ 32,564	\$ 6,823	\$ 18,411	\$ 573,929
G&A Costs Applied	\$ (2,334,220)	\$ –	\$ –	\$ –	\$ (2,334,220)
Education & Training	\$ 50,800	\$ –	\$ –	\$ –	\$ 50,800
Consulting & Professional Services	\$ 118,800	\$ 115,000	\$ –	\$ –	\$ 233,800
Operating Costs	\$ 4,500	\$ –	\$ –	\$ –	\$ 4,500
Repair & Maintenance	\$ 115,520	\$ –	\$ –	\$ –	\$ 115,520
Phone & Utilities	\$ 71,900	\$ –	\$ –	\$ –	\$ 71,900
Equipment & Computers	\$ 192,290	\$ –	\$ –	\$ –	\$ 192,290
Meeting & Travel	\$ 53,800	\$ 15,000	\$ 5,150	\$ –	\$ 73,950
Other Administrative Costs	\$ 181,313	\$ 700	\$ 50	\$ –	\$ 182,063
Other Expenses	\$ 223,000	\$ –	\$ –	\$ –	\$ 223,000
Total Use of Funds from Operations	\$ 354,114	\$ 236,470	\$ 27,362	\$ 59,799	\$ 677,745
Contribution To/(From) Reserves:					
Retiree Medical Reserve	\$ 146,087	\$ –	\$ –	\$ –	\$ 146,087
Building Repair/Replacement Reserve	\$ 100,000	\$ –	\$ –	\$ –	\$ 100,000
Total Contributions To Reserves	\$ 246,087	\$ –	\$ –	\$ –	\$ 246,087
Total Use of Funds	\$ 600,201	\$ 236,470	\$ 27,362	\$ 59,799	\$ 923,832
Net Gain (Loss)	\$ 59,799	\$ –	\$ –	\$ (59,799)	\$ –

General Fund Budget FYE 2015	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	\$ 680,000	\$ 235,768	\$ 27,182	\$ –	\$ 942,950
Total Source of Funds	\$ 680,000	\$ 235,768	\$ 27,182	\$ –	\$ 942,950
Staffing:					
Hours Allocated	24,247	630	150	545	25,572
FTE (based on 2080)	11.7	0.3	0.1	0.2	12.3
Use of Funds:					
Labor	\$ 1,303,709	\$ 72,036	\$ 15,071	\$ 34,718	\$ 1,425,534
Benefits	\$ 597,819	\$ 33,032	\$ 6,911	\$ 15,920	\$ 653,682
G&A Costs Applied	\$ (2,326,699)	\$ –	\$ –	\$ –	\$ (2,326,699)
Education & Training	\$ 50,800	\$ –	\$ –	\$ –	\$ 50,800
Consulting & Professional Services	\$ 120,800	\$ 115,000	\$ –	\$ –	\$ 235,800
Operating Costs	\$ 4,500	\$ –	\$ –	\$ –	\$ 4,500
Repair & Maintenance	\$ 100,520	\$ –	\$ –	\$ –	\$ 100,520
Phone & Utilities	\$ 73,900	\$ –	\$ –	\$ –	\$ 73,900
Equipment & Computers	\$ 183,545	\$ –	\$ –	\$ –	\$ 183,545
Meeting & Travel	\$ 53,900	\$ 15,000	\$ 5,150	\$ –	\$ 74,050
Other Administrative Costs	\$ 188,153	\$ 700	\$ 50	\$ –	\$ 188,903
Other Expenses	\$ 60,000	\$ –	\$ –	\$ –	\$ 60,000
Total Use of Funds from Operations	\$ 410,947	\$ 235,768	\$ 27,182	\$ 50,638	\$ 724,535
Contribution To/(From) Reserves:					
Retiree Medical Reserve	\$ 153,415	\$ –	\$ –	\$ –	\$ 153,415
Building Repair/Replacement Reserve	\$ 65,000	\$ –	\$ –	\$ –	\$ 65,000
Total Contributions To Reserves	\$ 218,415	\$ –	\$ –	\$ –	\$ 218,415
Total Use of Funds	\$ 629,362	\$ 235,768	\$ 27,182	\$ 50,638	\$ 942,950
Net Gain (Loss)	\$ 50,638	\$ –	\$ –	\$ (50,638)	\$ –

General Funds FYE 2009 - 2015	FYE 2009 Actual	FYE 2010 Actual	FYE 2011 Actual	FYE 2012 Actual	FYE 2013 Budget	FYE 2013 Projected	FYE 2014 Budget	FYE 2015 Budget
Source of Funds:								
Contributions	\$ 926,175	\$ 885,770	\$ 889,725	\$ 847,745	\$ 948,170	\$ 948,170	\$ 923,832	\$ 942,950
Other Income	\$ 1,214	\$ –	\$ 2,651	\$ –	\$ 50,000	\$ 301	\$ –	\$ –
Interest & Investments	\$ 918	\$ 19,239	\$ 14,262	\$ 19,239	\$ –	\$ 7,223	\$ –	\$ –
Total Source of Funds	\$ 928,307	\$ 905,009	\$ 906,638	\$ 866,984	\$ 998,170	\$ 955,694	\$ 923,832	\$ 942,950
Use of Funds:								
Labor	\$ 963,958	\$ 989,859	\$ 1,116,245	\$ 1,226,631	\$ 1,351,689	\$ 1,285,008	\$ 1,290,213	\$ 1,425,534
Benefits	\$ 411,610	\$ 424,650	\$ 472,172	\$ 537,324	\$ 596,719	\$ 434,586	\$ 573,929	\$ 653,682
G&A Costs	\$ (1,435,257)	\$ (1,421,654)	\$ (1,561,024)	\$ (1,781,358)	\$ (2,059,995)	\$ (1,945,792)	\$ (2,334,220)	\$ (2,326,699)
Education & Training	\$ 12,180	\$ 10,501	\$ 8,441	\$ 10,583	\$ 29,550	\$ 9,102	\$ 50,800	\$ 50,800
Consulting & Professional Services	\$ 218,449	\$ 213,016	\$ 232,089	\$ 215,179	\$ 223,000	\$ 191,315	\$ 233,800	\$ 235,800
Operating Costs	\$ 11,119	\$ 4,817	\$ 4,854	\$ 5,558	\$ 4,800	\$ 37,717	\$ 4,500	\$ 4,500
Repair & Maintenance	\$ 71,603	\$ 41,169	\$ 42,757	\$ 60,048	\$ 78,390	\$ 15,333	\$ 115,520	\$ 100,520
Phone & Utilities	\$ 59,199	\$ 57,301	\$ 57,600	\$ 66,611	\$ 69,250	\$ 66,542	\$ 71,900	\$ 73,900
Equipment & Computer	\$ 197,387	\$ 161,512	\$ 136,313	\$ 173,186	\$ 239,230	\$ 167,019	\$ 192,290	\$ 183,545
Meeting & Travel	\$ 32,308	\$ 29,591	\$ 28,844	\$ 28,094	\$ 70,000	\$ 28,088	\$ 73,950	\$ 74,050
Other Administrative Costs	\$ 147,061	\$ 92,775	\$ 100,296	\$ 96,608	\$ 150,452	\$ 82,620	\$ 182,063	\$ 188,903
Other Expenses	\$ 90,562	\$ 63,470	\$ 60,616	\$ 62,965	\$ 49,000	\$ 66,662	\$ 223,000	\$ 60,000
Total Use of Funds from Operations	\$ 780,179	\$ 667,007	\$ 699,203	\$ 701,429	\$ 802,085	\$ 438,200	\$ 677,745	\$ 724,535
Contributions To/(From) Reserves:								
Retiree Medical Reserve	\$ 138,608	\$ 147,849	\$ 152,251	\$ 153,596	\$ 146,087	\$ 140,948	\$ 146,087	\$ 153,415
Building Repair/Replacement Reserve	\$ 49,423	\$ 45,514	\$ –	\$ 50,000	\$ 50,000	\$ 50,000	\$ 100,000	\$ 65,000
Total Contributions To Reserves	\$ 188,031	\$ 193,363	\$ 152,251	\$ 203,596	\$ 196,087	\$ 190,948	\$ 246,087	\$ 218,415
Total Use of Funds	\$ 968,210	\$ 860,370	\$ 851,454	\$ 905,025	\$ 998,170	\$ 629,148	\$ 923,832	\$ 942,950
Net Gain (Loss)	\$ (39,903)	\$ 44,639	\$ 55,184	\$ (38,041)	\$ –	\$ 326,546	\$ –	\$ –

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Enterprise Funds

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

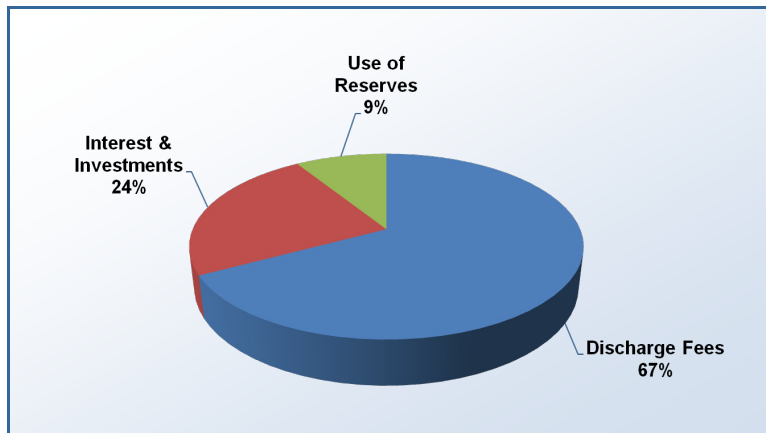
The Brine Line is a regional brine line designed to convey 30 MGD of non-reclaimable wastewater from the upper Santa Ana River Basin to the ocean for disposal, after treatment. The non-reclaimable wastewater consists of desalter concentrate, other brine wastes, and industrial wastewater. Domestic wastewater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

Revenue and Other Funding Sources

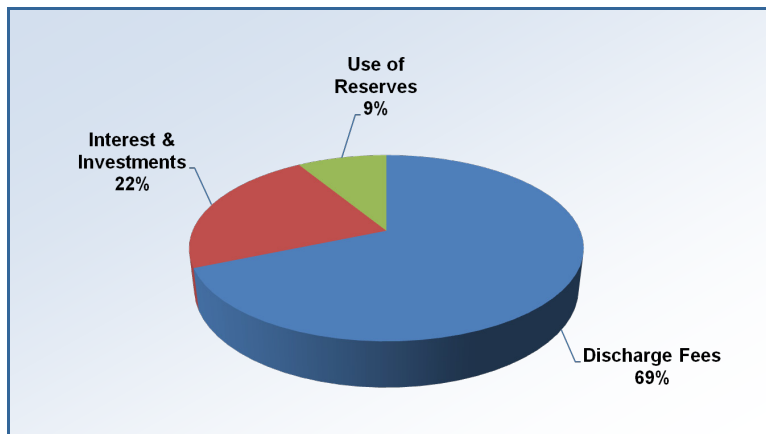
In FYE 2014, the Brine Line Enterprise has total budgeted revenues of \$14.4 million, or approximately 69.1% of the total budgeted revenue of \$20.8 million. Revenues are made up of \$9.6 million from discharge fees, \$3.4 million from interest and investments, and \$1.3 million from reserves.

In FYE 2015, the Brine Line Enterprise has total budgeted revenues of \$14.8 million, or approximately 61.9% of the total budgeted revenue of \$23.9 million. Revenues are made up of \$10.2 million from discharge fees, \$3.3 million from interest and investments, and \$1.3 million from reserves.

FYE 2014 Revenues
\$14.4 Million



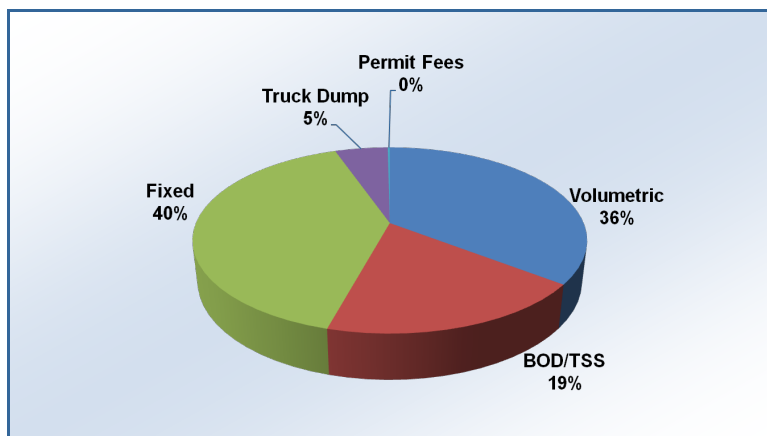
FYE 2015 Revenues
\$14.8 Million



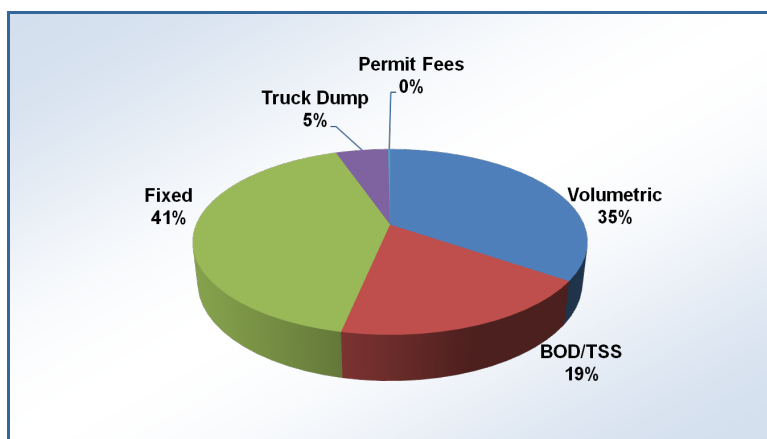
Brine Line Operating Revenues

Brine Line operating revenue includes discharge fees, use of reserves, grant proceeds, and interest and investments. Total discharge fees for FYEs 2014 and 2015 are projected to be \$9.6 million and \$10.2 million. Total interest and investments for FYEs 2014 and 2015 are projected to be \$3.4 million and \$3.3 million. Total Use of Reserves for FYEs 2014 and 2015 are projected to be \$1.3 million.

**FYE 2014 Discharge Fees
\$9.6 Million**



**FYE 2015 Discharge Fees
\$10.2 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.

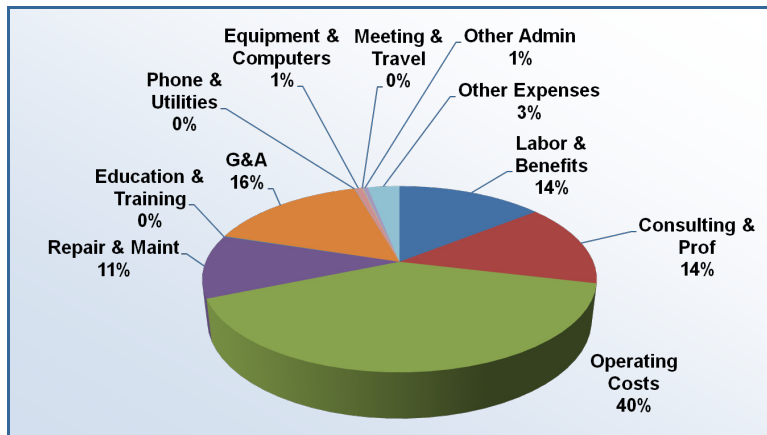
Brine Line Operating Expenses and Other Uses of Funds

In FYE 2014, the Brine Line operating fund has total budgeted expenses of \$8.7 million, or approximately 43.6% of total operating expenses of \$19.9 million.

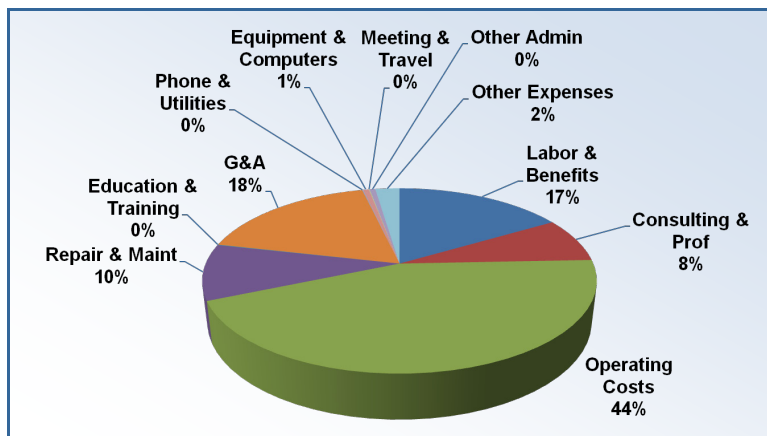
In FYE 2015, the Brine Line operating fund has total budgeted expenses of \$7.9 million, or approximately 36.6% of total operating expenses of \$21.6 million.

Brine Line Enterprise expenses are projected to decrease by \$0.8 million over the FYE 2013 budget. This is due to a decrease in projected BOD and TSS loadings and an increase in other operating costs.

FYE 2014 Total Operating Expenses \$8.7 Million



FYE 2015 Total Operating Expenses \$7.9 Million



Labor and Benefits

In FYE 2014, total labor and benefits are projected to be \$1.2 million, or approximately 31.1% of the Agency's total labor and benefits of \$3.9 million. This is an increase of 48.9% over last year's budget. The increase is based on the addition of two positions for brine line operations and the addition of a Manager of Permitting and Pretreatment. Approximately 8.4 FTE, or 17,493 hours will be required to perform work under this fund.

In FYE 2015, total labor and benefits are projected to be \$1.3 million, or approximately 30.9% of the Agency's total labor and benefits of \$4.2 million. This is a minor increase over last year's budget. Approximately 8.3 FTE, or 17,288 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 2014, approximately 58.4%, or \$1.3 million of general fund expenses will be paid by the Brine Line Enterprise. In FYE 2015, approximately 60.5%, or \$1.4 million, of general fund expenses will be paid by the Brine Line Enterprise.

Training Costs

Training costs are projected to be \$8,000 for FYE 2014 and \$7,000 for FYE 2015. Expected training requirements are attributed to EPA and OSHA training and collection system operator testing and training.

Consulting and Professional Services

Consulting and professional services are projected to be \$1.2 million for FYE 2014, a small increase over FYE 2013. In FYE 2012 and 2013 the increase in consulting and professional services was due to a planned financial model update, a BOR Salton Sea study follow-up, and the OCSD rock removal study. Consulting and professional services for FYE 2015 are projected to be \$615,000, a decrease of 51% over FYE 2014. The decrease is from legal fees. It is expected that legal issues with OCSD will be completed in FYE 2015. Legal fees for the OCSD legal issues will be paid out of reserve funds.

The following table shows the type of work that will be completed by consultants for the FYEs 2014 and 2015.

FYE 2014 Consulting & Professional Services

<i>Work Performed</i>	<i>FYE 2014</i>
BOR Salton Sea study follow-on activities	\$ 75,000
Engineering Support	\$ 50,000
Financial Model Update	\$ 45,000
Developer Coordination – Construction Support	\$ 40,000
Scale evaluation, solids control, operations support	\$ 100,000
OCSD rock removal study	\$ 50,000
Update SSMP	\$ 40,000
Implement audit recommendations	\$ 10,000
Traffic engineering	\$ 35,000
Legal fees	\$ 800,000
Total Consulting & Professional Services	\$ 1,245,000

FYE 2015 Consulting & Professional Services

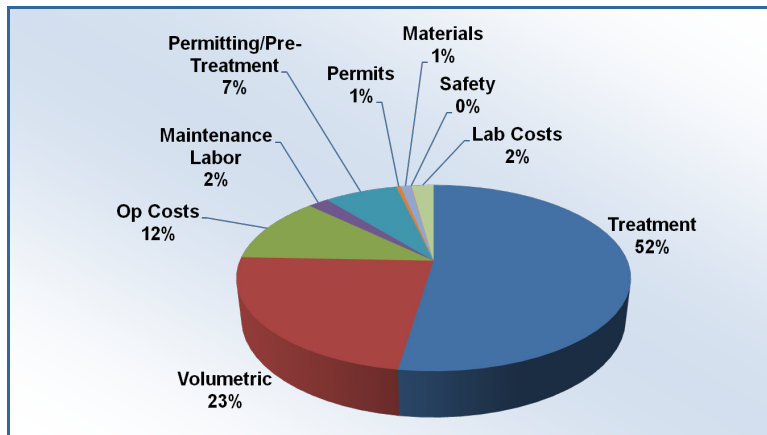
<i>Work Performed</i>	<i>FYE 2015</i>
BOR Salton Sea study follow-on activities	\$ 50,000
Engineering Support	\$ 75,000
Developer Coordination – Construction Support	\$ 40,000
Scale evaluation, solids control, operations support	\$ 105,000
Implement audit recommendations	\$ 10,000
Traffic engineering	\$ 35,000
Legal Fees	\$ 300,000
Total Consulting & Professional Services	\$ 615,000

Operating Costs

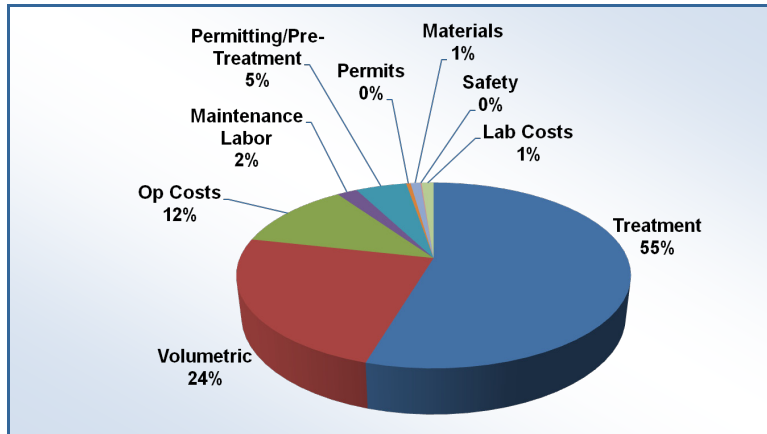
Operating costs include treatment and volumetric costs paid to OCSD, permitting and pre-treatment activities, member agency operating labor, maintenance, materials, and safety costs.

In FYE 2014, total budgeted operating costs are \$3.5 million, or approximately 40.1% of total Brine Line operating expenses. In FYE 2015, total budgeted operating costs are \$3.5 million, or approximately 44.3% of total Brine Line operating expenses.

FYE 2014 Operating Costs \$3.5 Million



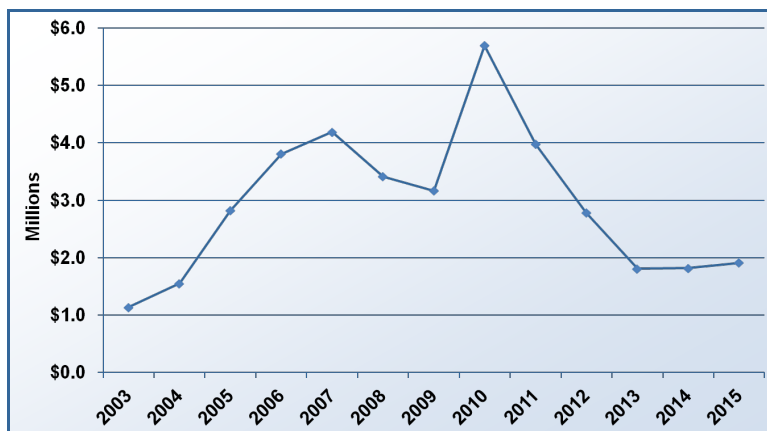
FYE 2015 Operating Costs \$3.5 Million



◆ Treatment Costs

Treatment costs are the fees OCSD charges for BOD and TSS loadings based on samples taken at the meter facility located near the Orange County line. Total treatment costs are projected to be \$1.8 million for FYE 2014 and \$1.9 million for FYE 2015. Treatment costs are passed through to the dischargers.

Historical Treatment Costs

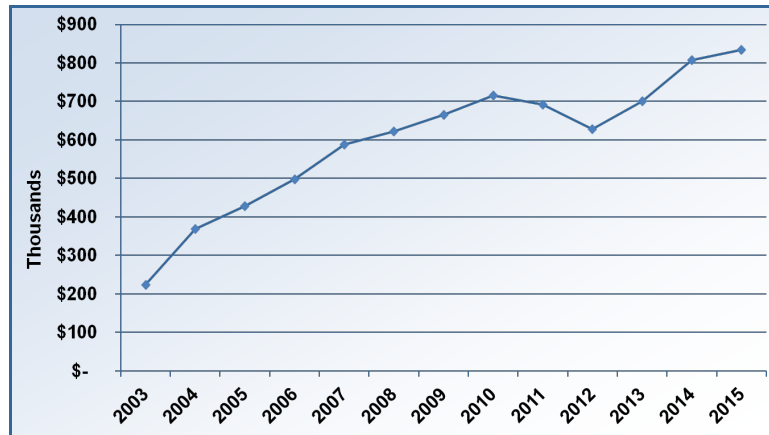


◆ Volumetric Costs

Volumetric costs are the fees OCSD charges for volume of flow at Meter S-01. Total volumetric costs are projected to be \$807,360 for FYE 2014 and \$834,480 for FYE 2015. This is a increase of 12.5% over last year's budget and an increase of 3.4% over the FYE 2014 budget.

Last year's (FYE 2013) projected total flow was 12.628 MGD; whereas this year's projected total flow is 12.0 MGD and 11.8 MGD for FYE 2015.

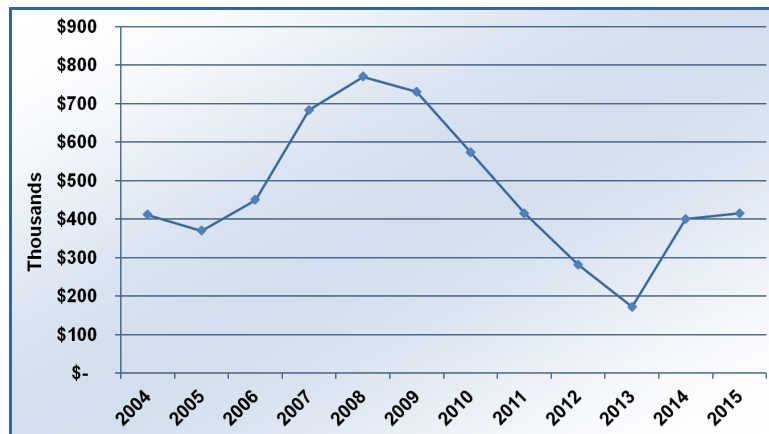
Historical Volumetric Costs



◆ 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 \$400,000 for FYE 2014 and \$415,000 for FYE 2015. This is a decrease of 30.4% over last year's budget. SAWPA has added two operations positions and has taken 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. 7. Total permitting/pre-treatment activities costs are projected to be \$250,000 for FYE 2014 and \$175,000 for FYE 2015. There is a 285% increase over last year's budget and a 30% decrease over the FYE 2014 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 \$70,000 for both FYE 2014 and FYE 2015. This is a decrease of 7% over last year's budget.

◆ Materials and Supplies

Materials and supplies costs are projected to be \$33,500 for both FYE 2014 and FYE 2015. This is an increase of 3% over last year's budget.

◆ Safety and Permit Fees

Safety costs are projected to be \$4,000 for both FYE 2014 and FYE 2015. Permit fees are projected to be \$15,000 for both FYE 2014 and FYE 2015.

Repair and Maintenance

Total repair and maintenance costs are projected to be \$955,000 for FYE 2014 and \$775,000 for FYE 2015. This is a decrease of 2.6% over last year's budget and an 18.8% decrease for FYE 2015. A decrease in the pipeline maintenance in Orange County accounts for the decrease in this cost category. Four miles of the pipeline is being relocated and construction should be completed in 2014. The new pipe should require less maintenance than the older existing pipe.

Phone and Utilities

Total phone and utilities are projected to be \$5,500 for FYE 2014 and \$5,750 for FYE 2015. This is an increase of 29.4% 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 \$60,750 for FYE 2014 and \$45,750 for FYE 2015. This is an increase of 122.9% over the FYE 2013 budget and a decrease of 24.7% 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 \$5,500 for both FYE 2014 and FYE 2015. This is a slight decrease over last year's budget. 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 \$40,700 for FYE 2014 and \$43,950 for FYE 2015. This is an increase of 33.7% over last year's budget, with a slight increase for FYE 2015. 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 additional vehicles will be an added expense.

Other Expenses

Total other expenses are projected to be \$271,681 for FYE 2014 and \$187,131 for FYE 2015. This is a 43% increase over last year's budget and a 31% decrease for FYE 2015. Costs in this category include insurance and fixed asset purchases. In FYE 2014, the Agency will purchase a new vehicle and equipment for \$90,000. 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

2014, the following items have been budgeted for purchase. There are no planned fixed asset purchases for FYE 2015.

FYE 2014 Fixed Asset Purchases

<i>Purchase</i>	<i>Cost</i>
Vehicle	\$85,000
Vehicle Equipment	5,000
Total	\$90,000

Reserve Contributions

Included in the FYE 2014 budget are reserve contributions of \$1,153,701; \$55,701 for OCSD Rehabilitation; \$100,000 for the Self Insurance Reserve, and \$998,000 for Debt Service. For FYE 2015 reserve contributions will be \$2,495,659; \$361,659 for Pipeline Repair/Replacement, \$1,000,000 for OCSD Rehabilitation; \$100,000 for the Self Insurance Reserve, and \$1,034,000 for Debt Service.

FYE 2014 Reserve Contribution and Balance

<i>Reserve</i>	<i>FYE 2013 Balance</i>	<i>Contribution</i>	<i>Expense</i>	<i>FYE2014 Balance</i>
Self Insurance Reserve	\$ 3,412,845	\$ 100,000	\$ –	\$ 3,512,845
Pipeline Repair/Replacement Reserve	\$ 25,881,583	\$ –	\$ 3,689,353	\$22,192,230
OCSD Rehabilitation Reserve	\$ 5,327,229	\$ 55,701	\$ –	\$ 5,382,930
OCSD Future Capacity Reserve	\$ 1,690,750	\$ –	\$ –	\$ 1,690,750
Capacity Mgmt Reserve	\$ 2,584,499	\$ –	\$ –	\$ 2,584,499
Flow Imbalance Reserve	\$ 79,245	\$ –	\$ –	\$ 79,245
Operating Reserve	\$ –	\$ 9,648,366	\$ 9,327,216	\$ 321,150
Debt Retirement Reserve	\$ 12,906,128	\$ 5,708,755	\$ 4,531,908	\$14,082,975
Total	\$ 51,882,279	\$ 15,512,822	\$17,548,477	\$49,846,624

FYE 2015 Reserve Contribution and Balance

<i>Reserve</i>	<i>FYE 2014 Balance</i>	<i>Contribution</i>	<i>Expense</i>	<i>FYE 2015 Balance</i>
Self Insurance Reserve	\$ 3,512,845	\$ 100,000	\$ –	\$ 3,612,845
Pipeline Repair/Replacement Reserve	\$22,192,230	\$ 361,659	\$ 6,218,663	\$ 16,335,226
OCSD Rehabilitation Reserve	\$ 5,382,930	\$ 1,000,000	\$ –	\$ 6,382,930
OCSD Future Capacity Reserve	\$ 1,690,750	\$ –	\$ –	\$ 1,690,750
Capacity Mgmt Reserve	\$ 2,584,499	\$ –	\$ –	\$ 2,584,499
Flow Imbalance Reserve	\$ 79,245	\$ –	\$ –	\$ 79,245
Operating Reserve	\$ 321,150	\$ 10,201,784	\$ 10,150,633	\$ 372,301
Debt Retirement Reserve	\$14,082,975	\$ 5,681,243	\$ 4,448,394	\$ 15,315,824
Total	\$49,846,624	\$ 17,344,686	\$ 20,817,690	\$ 46,373,620

The Pipeline Repair/Replacement Reserve will fund the CIP. Total reserves needed are projected to be \$3.7 million for FYE 2014 and \$6.2 million for FYE 2015. Staff is applying for SRF loans to fund approximately \$19 million in capital repairs.

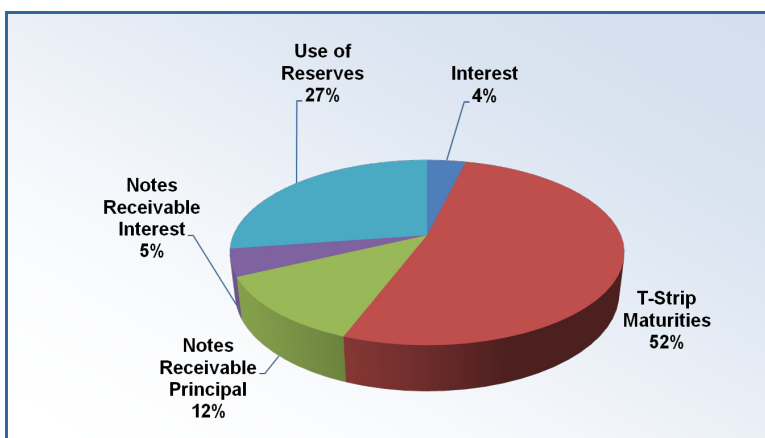
The Operating Reserve is based on 25% of total operating expenses (less OCSD volumetric and treatment costs). There are no further contributions needed to this fund due to it being fully funded.

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

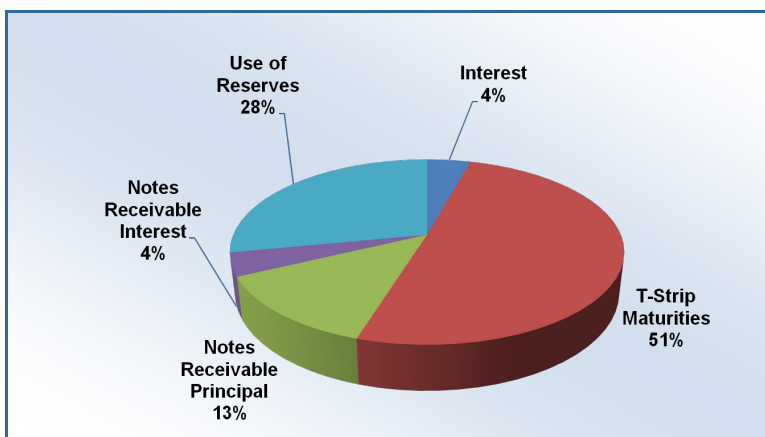
Brine Line Debt Service Revenues

Brine Line debt service revenue includes interest, T-Strip maturities, and notes receivable principal and interest. Total debt service revenues for both FYE 2014 and FYE 2015 are projected to be \$4.5 and \$4.4 million.

**FYE 2014 Debt Service Revenue
\$4.5 Million**



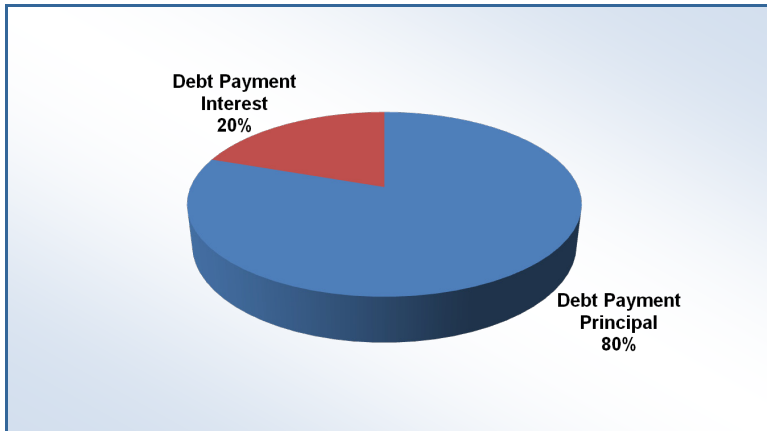
**FYE 2015 Debt Service Revenue
\$4.4 Million**



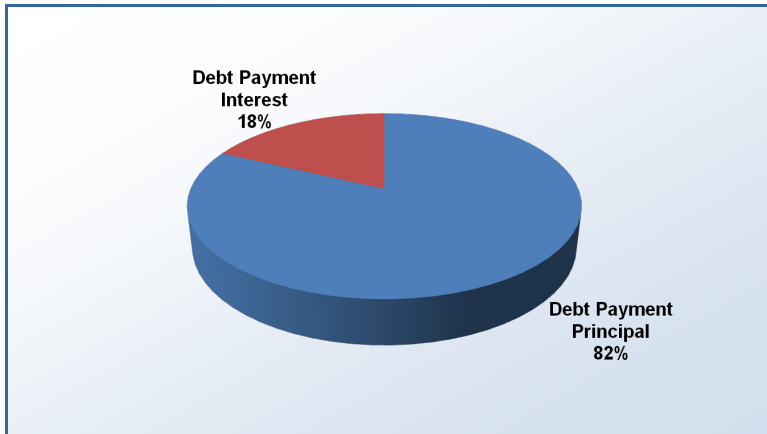
Brine Line Debt Service Expense

Brine Line debt service expenses include debt service principal and interest payments. Total debt service payments for both FYE 2014 and FYE 2015 are projected to be \$4.5 and \$4.4 million.

**FYE 2014 Debt Service Expense
\$4.5 Million**



**FYE 2015 Debt Service Expense
\$4.4 Million**



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

Enterprise Fund Budget FYE 2014	Brine Line Operating Fund 240	Brine Line Debt Service	Total
Source of Funds:			
Discharge Fees	\$ 9,648,366	\$ –	\$ 9,648,366
Other Income	\$ –	\$ 1,287,137	\$ 1,287,137
Interest & Investments	\$ 178,849	\$ 3,244,771	\$ 3,423,620
Total Source of Funds	\$ 9,827,215	\$ 4,531,908	\$ 14,359,123
Staffing:			
Hours Allocated	17,493	–	17,493
FTE (based on 2080)	8.4	–	8.4
Use of Funds:			
Labor	\$ 860,498	\$ –	\$ 860,498
Benefits	\$ 382,780	\$ –	\$ 382,780
G&A Costs	\$ 1,362,245	\$ –	\$ 1,362,245
Education & Training	\$ 8,000	\$ –	\$ 8,000
Consulting & Professional Services	\$ 1,245,000	\$ –	\$ 1,245,000
Operating Costs	\$ 3,475,860	\$ –	\$ 3,475,860
Repair & Maintenance	\$ 955,000	\$ –	\$ 955,000
Phone & Utilities	\$ 5,500	\$ –	\$ 5,500
Equipment & Computer	\$ 60,750	\$ –	\$ 60,750
Meeting & Travel	\$ 5,500	\$ –	\$ 5,500
Other Administrative Costs	\$ 40,700	\$ –	\$ 40,700
Other Expenses	\$ 271,681	\$ –	\$ 271,681
Debt Service Payments	\$ -	\$ 4,531,908	\$ 4,531,908
Total Use of Funds from Operations	\$ 8,673,514	\$ 4,531,908	\$ 13,205,422
Contribution To/(From) Reserves:			
Pipeline Repair / Replacement Reserve	\$ –	\$ –	\$ –
OCSD Rehabilitation Reserve	\$ 55,701	\$ –	\$ 55,701
Self Insurance Reserve	\$ 100,000	\$ –	\$ 100,000
Debt Service	\$ 998,000	\$ –	\$ 998,000
Total Contributions to Reserves	\$ 1,153,701	\$ –	\$ 1,153,701
Total Use of Funds	\$ 9,827,215	\$ 4,531,908	\$ 14,359,123
Net Gain (Loss)	\$ –	\$ –	\$ –
G&A Contribution	58.36%	0.00%	58.36%

Enterprise Fund Budget FYE 2015	Brine Line Operating Fund 240	Brine Line Debt Service	Total
Source of Funds:			
Discharge Fees	\$ 10,201,784	\$ –	\$ 10,201,784
Other Income	\$ –	\$ 1,303,622	\$ 1,303,622
Interest & Investments	\$ 198,849	\$ 3,144,772	\$ 3,343,621
Total Source of Funds	\$ 10,400,633	\$ 4,448,394	\$ 14,849,027
Staffing:			
Hours Allocated	17,288	–	17,288
FTE (based on 2080)	8.3	–	8.3
Use of Funds:			
Labor	\$ 897,644	\$ –	\$ 897,644
Benefits	\$ 411,617	\$ –	\$ 411,617
G&A Costs	\$ 1,408,152	\$ –	\$ 1,408,152
Education & Training	\$ 7,000	\$ –	\$ 7,000
Consulting & Professional Services	\$ 615,000	\$ –	\$ 615,000
Operating Costs	\$ 3,502,480	\$ –	\$ 3,502,480
Repair & Maintenance	\$ 775,000	\$ –	\$ 775,000
Phone & Utilities	\$ 5,750	\$ –	\$ 5,750
Equipment & Computer	\$ 45,750	\$ –	\$ 45,750
Meeting & Travel	\$ 5,500	\$ –	\$ 5,500
Other Administrative Costs	\$ 43,950	\$ –	\$ 43,950
Other Expenses	\$ 187,131	\$ –	\$ 187,131
Debt Service Payments	\$ -	\$ 4,448,394	\$ 4,448,394
Total Use of Funds from Operations	\$ 7,904,974	\$ 4,448,394	\$ 12,353,368
Contribution To/(From) Reserves:			
Pipeline Repair / Replacement Reserve	\$ 361,659	\$ –	\$ 361,659
OCSD Rehabilitation Reserve	\$ 1,000,000	\$ –	\$ 1,000,000
Self Insurance Reserve	\$ 100,000	\$ –	\$ 100,000
Debt Service	\$ 1,034,000	\$ –	\$ 1,034,000
Total Contributions to Reserves	\$ 2,495,659	\$ –	\$ 2,495,659
Total Use of Funds	\$ 10,400,633	\$ 4,448,394	\$ 14,849,027
Net Gain (Loss)	\$ –	\$ –	\$ –
G&A Contribution	60.52%	0.00%	60.52%

Enterprise Fund FYE 2009 - 2015	FYE 2009 Actual	FYE 2010 Actual	FYE 2011 Actual	FYE 2012 Actual	FYE 2013 Budget	FYE 2013 Projected	FYE 2014 Budget	FYE 2015 Budget
Source of Funds:								
Discharge Fees	\$ 9,738,140	\$ 12,391,354	\$ 10,989,257	\$ 10,053,124	\$ 11,930,470	\$ 9,170,287	\$ 9,648,366	\$ 10,201,784
Financing Proceeds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grant Proceeds	\$ -	\$ 19,453	\$ 23,204	\$ 7,110	\$ 35,650	\$ 12,566	\$ -	\$ -
Contributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Income	\$ -	\$ 12,716	\$ 155,429	\$ 710,422	\$ 1,294,418	\$ 1,580,986	\$ 1,287,137	\$ 1,303,622
Interest & Investments	\$ 5,272,235	\$ 5,134,009	\$ 5,123,499	\$ 4,253,447	\$ 3,769,197	\$ 3,619,609	\$ 3,423,620	\$ 3,343,621
Total Source of Funds	\$ 15,010,375	\$ 17,557,532	\$ 16,291,389	\$ 15,024,103	\$ 17,029,735	\$ 14,383,448	\$ 14,359,123	\$ 14,849,027
Use of Funds:								
Labor	\$ 319,836	\$ 419,048	\$ 475,230	\$ 586,492	\$ 579,252	\$ 699,234	\$ 860,498	\$ 897,644
Benefits	\$ 136,570	\$ 179,771	\$ 201,022	\$ 257,470	\$ 255,717	\$ 308,362	\$ 382,780	\$ 411,617
G&A Costs	\$ 525,171	\$ 670,476	\$ 776,526	\$ 928,416	\$ 920,745	\$ 1,111,782	\$ 1,362,245	\$ 1,408,152
Education & Training	\$ 21	\$ -	\$ 320	\$ 394	\$ 5,250	\$ 1,222	\$ 8,000	\$ 7,000
Consulting & Professional Services	\$ 277,528	\$ 559,828	\$ 342,550	\$ 448,806	\$ 810,000	\$ 769,534	\$ 1,245,000	\$ 615,000
Operating Costs	\$ 4,659,605	\$ 7,070,632	\$ 5,192,912	\$ 3,859,255	\$ 5,698,840	\$ 2,771,806	\$ 3,475,860	\$ 3,502,480
Repair & Maintenance	\$ 666,412	\$ 708,835	\$ 356,577	\$ 1,070,446	\$ 980,000	\$ 701,953	\$ 955,000	\$ 775,000
Phone & Utilities	\$ 2,359	\$ 2,691	\$ 2,891	\$ 3,786	\$ 4,250	\$ 6,019	\$ 5,500	\$ 5,750
Equipment & Computer	\$ 1,579	\$ 8,939	\$ 13,679	\$ 28,504	\$ 27,250	\$ 21,584	\$ 60,750	\$ 45,750
Meeting & Travel	\$ 1,929	\$ 1,863	\$ 2,632	\$ 1,575	\$ 6,100	\$ 5,908	\$ 5,500	\$ 5,500
Other Administrative Costs	\$ 2,327	\$ 44,776	\$ 7,676	\$ 19,895	\$ 30,450	\$ 26,170	\$ 40,700	\$ 43,950
Other Expenses	\$ 300,546	\$ 170,946	\$ 351,398	\$ 211,729	\$ 189,889	\$ 289,297	\$ 271,681	\$ 187,131
Construction	\$ -	\$ -	\$ 80,268	\$ -	\$ -	\$ -	\$ -	\$ -
Debt Service	\$ 4,535,441	\$ 4,535,441	\$ 4,535,441	\$ 4,535,440	\$ 4,535,440	\$ 4,535,440	\$ 4,531,908	\$ 4,448,394
Total Use of Funds from Operations	\$ 11,429,324	\$ 14,373,246	\$ 12,339,122	\$ 11,952,208	\$ 14,043,183	\$ 11,248,311	\$ 13,205,422	\$ 12,353,368
Contribution To/(From) Reserves:								
Pipeline Repair / Replacement Reserve	\$ 2,618,067	\$ 2,899,730	\$ 3,746,886	\$ 1,138,367	\$ 1,144,198	\$ 1,144,198	\$ -	\$ 361,659
OCSD Rehabilitation Reserve	\$ -	\$ -	\$ -	\$ 1,802,500	\$ 1,742,354	\$ 1,742,354	\$ 55,701	\$ 1,000,000
OCSD Future Capacity Reserve	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
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	\$ -	\$ -	\$ -	\$ -	\$ -
Operating Reserve	\$ 141,311	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Debt Service Reserve	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 998,000	\$ 1,034,000
Total Contributions to Reserves	\$ 2,878,277	\$ 3,056,584	\$ 3,891,886	\$ 3,040,867	\$ 2,986,552	\$ 2,986,552	\$ 1,153,701	\$ 2,495,659
Total Use of Funds	\$ 14,307,601	\$ 17,429,830	\$ 16,231,008	\$ 14,993,075	\$ 17,029,735	\$ 14,234,863	\$ 14,359,123	\$ 14,849,027
Net Gain (Loss)	\$ 702,774	\$ 127,702	\$ 60,381	\$ 31,028	\$ -	\$ 148,585	\$ -	\$ -

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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)

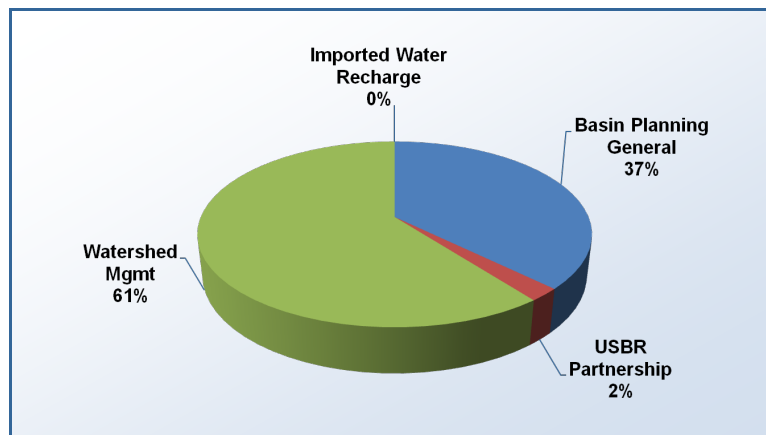
Revenue and Other Funding Sources

In FYE 2014, the planning fund has total budgeted revenues of \$0.9 million, or approximately 4.3% of the total budgeted revenue of \$20.8 million. This represents a 75%, or \$286,280, decrease in revenues over the FYE 2013 budget. The decrease is due to the completion of work that was funded through the planning grant from the Department of Water and Power (DWR) for Watershed Management Plan activities.

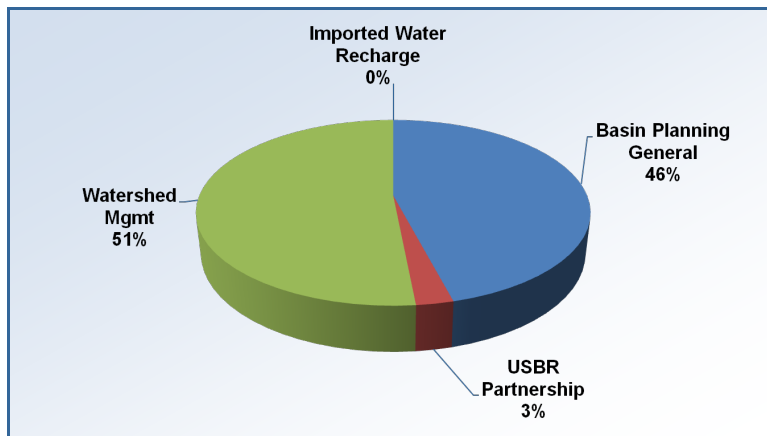
In FYE 2015, the planning fund has total budgeted revenues of \$0.8 million, or approximately 3.3% of the total budgeted revenue of \$23.9 million. This represents a 12.8%, or \$114,510, decrease in revenues over the FYE 2014 budget.

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 2014 Revenue by Fund
\$0.9 Million



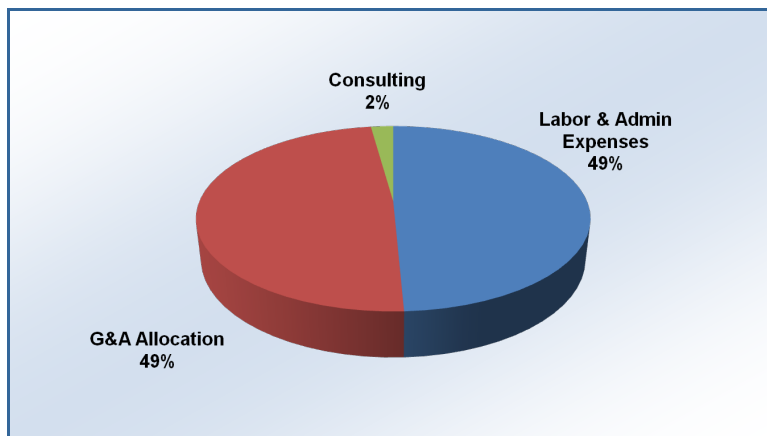
**FYE 2015 Revenue by Fund
\$0.8 Million**



Expenses and Other Uses of Funds

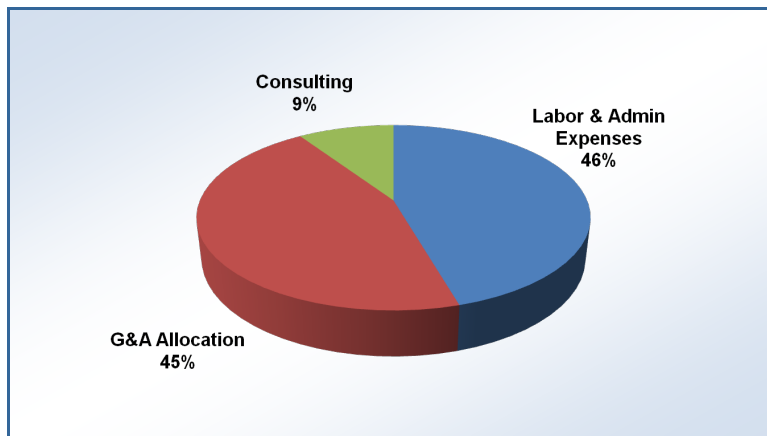
Total expenses for FYE 2014 are \$0.9 million, or approximately 4.6% of total operating expenses. This represents a 23.2%, or \$275,637, decrease in expenses over the FYE 2013 budget. The decrease is due to the completion of work which was funded by the planning grant from DWR for Watershed Management Plan activities.

**FYE 2014 Total Expenses
\$0.9 Million**



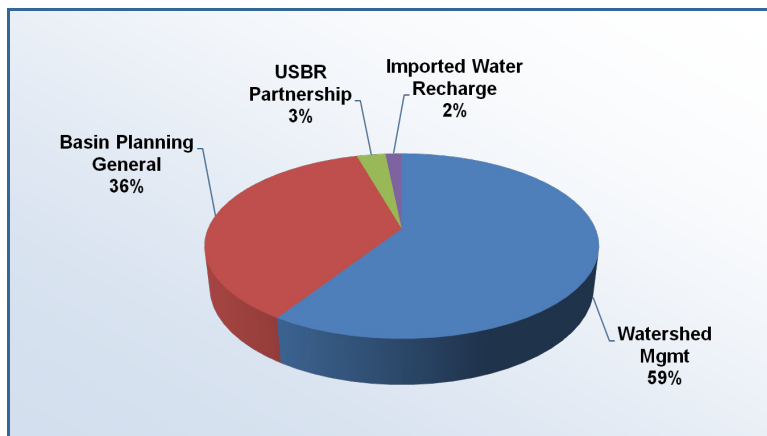
Total expenses for FYE 2015 are \$0.8 million, or approximately 3.7% of total operating expenses. This represents a 12.9%, or \$117,695, decrease in expenses over the FYE 2014 budget. The decrease is due to completion of work which was funded by the planning grant from DWR for Watershed Management plan activities.

**FYE 2015 Total Expenses
\$0.8 Million**

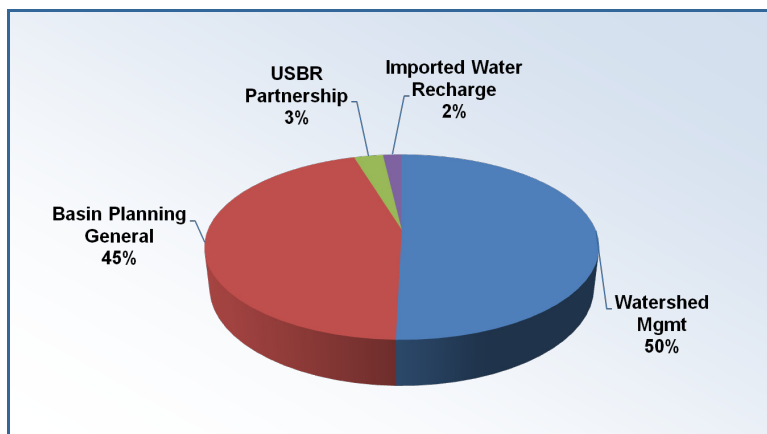


Participating in planning programs allows some of the Agency's general fund expenses to be allocated to these funds. In FYE 2014, approximately 19%, or \$443,914, of general fund expenses will be paid through this fund group. In FYE 2015, approximately 15.44%, or \$359,299, of general fund expenses will be paid through this fund group.

**Expenses by Fund
FYE 2014**



**Expenses by Fund
FYE 2015**



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 2014 Fund Balance

<i>Fund</i>	<i>Fund Balance at 06/30/13</i>	<i>Revenues</i>	<i>Expenses</i>	<i>Fund Balance at 06/30/14</i>
370-01	\$ 66,719	\$ 333,385	\$ 333,385	\$ 66,719
370-02	\$ 12,916	\$ 20,050	\$ 25,860	\$ 7,106
372	\$ 41,226	\$ –	\$ 14,611	\$ 26,615
373	\$ (31,890)	\$ 540,654	\$ 540,654	\$ (31,890)
Total	\$ 88,971	\$ 894,089	\$ 914,510	\$ 68,550

FYE 2015 Fund Balance

<i>Fund</i>	<i>Fund Balance at 06/30/14</i>	<i>Revenues</i>	<i>Expenses</i>	<i>Fund Balance at 06/30/15</i>
370-01	\$ 66,719	\$ 357,836	\$ 357,836	\$ 66,719
370-02	\$ 7,106	\$ 20,050	\$ 22,758	\$ 4,398
372	\$ 26,615	\$ –	\$ 14,667	\$ 11,948
373	\$ (31,890)	\$ 401,693	\$ 401,554	\$ (31,751)
Total	\$ 68,550	\$ 779,579	\$ 796,815	\$ 51,314

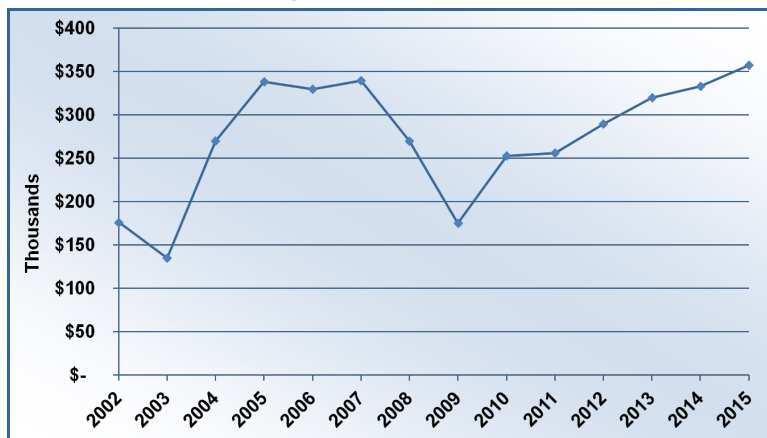
The fund balance is expected to increase by 22.9% for FYE 2014 and decrease by 25.1% for FYE 2015. Staff has decided to utilize the existing fund balance for some projects to balance the budget each year instead of increasing member contributions to cover total expenses.

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 2014, total revenues are projected to be \$333,385 and \$357,836 for FYE 2015. The majority of funding for this project is from member agency contributions. The following chart shows the history of member contributions for this fund.

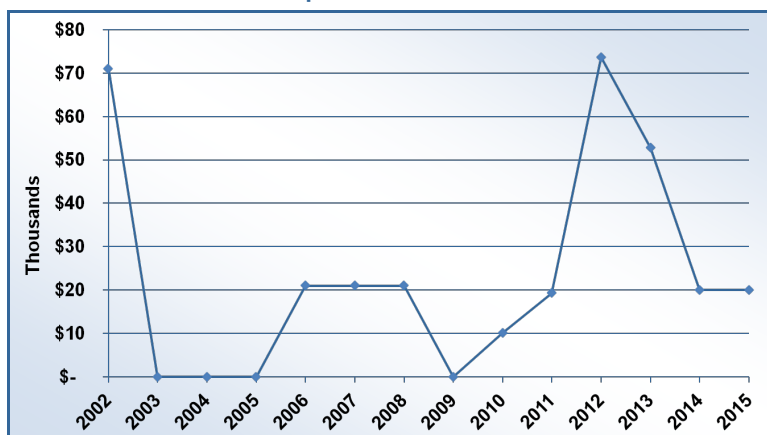
Basin Planning General Member Contributions



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 FYEs 2014 and 2015, total revenues are projected to be \$20,050. 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 (MOU) 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 2014 and 2015.

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 2014 and 2015, a new OWOW 2.0 Plan is underway involving SAWPA member agencies and stakeholders throughout the Watershed and is anticipated to be adopted in late 2013. Work thereafter will focus on outreach for the OWOW Call for Projects, rating, ranking, and selection of projects for Proposition 84 IRWM Implementation Round 3 grant funding due to DWR in early 2015.

In FYE 2014, total revenues are projected to be \$540,654 and \$401,693 in FYE 2015. Funding for this project is from grant proceeds and member agency contributions. The chart below shows the history of member contributions for this fund.



Planning Fund Budget FYE 2014	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	\$	–	\$	–	\$	–	\$	235,654	\$ 235,654
Contributions	\$	333,000	\$	20,000	\$	–	\$	305,000	\$ 658,000
Interest & Investments	\$	385	\$	50	\$	–	\$	–	\$ 435
Total Source of Funds	\$	333,385	\$	20,050	\$	–	\$	540,654	\$ 894,089
Staffing:									
Hours Allocated		1,925		125		130		3,135	5,315
FTE (based on 2080)		0.9		0.1		0.1		1.5	2.6
Use of Funds:									
Labor	\$	105,348	\$	8,541	\$	4,776	\$	161,746	\$ 280,411
Benefits	\$	46,862	\$	3,799	\$	2,124	\$	71,950	\$ 124,735
G&A Costs	\$	166,775	\$	13,520	\$	7,561	\$	256,058	\$ 443,914
Consulting & Professional Services	\$	–	\$	–	\$	–	\$	20,000	\$ 20,000
Equipment & Computers	\$	–	\$	–	\$	–	\$	20,000	\$ 20,000
Meeting & Travel	\$	3,000	\$	–	\$	50	\$	5,500	\$ 8,550
Other Administrative Costs	\$	11,400	\$	–	\$	100	\$	5,400	\$ 16,900
Total Use of Funds from Operations	\$	333,385	\$	25,860	\$	14,611	\$	540,654	\$ 914,510
Net Gain (Loss)	\$	–	\$	(5,810)	\$	(14,611)	\$	–	\$ (20,421)
Beginning Fund Balance	\$	66,719	\$	12,916	\$	41,226	\$	(31,890)	\$ 88,971
Ending Fund Balance	\$	66,719	\$	7,106	\$	26,615	\$	(31,890)	\$ 68,550
G&A Contribution		7.14%		0.58%		0.31%		10.97%	19.00%

Planning Fund Budget FYE 2015	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	\$ –	\$ –	\$ –	\$ 96,693	\$ 96,693
Contributions	\$ 357,500	\$ 20,000	\$ –	\$ 305,000	\$ 682,500
Interest & Investments	\$ 336	\$ 50	\$ –	\$ –	\$ 386
Total Source of Funds	\$ 357,836	\$ 20,050	\$ –	\$ 401,693	\$ 779,579
Staffing:					
Hours Allocated	1,990	105	130	2,160	4,385
FTE (based on 2080)	0.9	0.1	0.1	1.0	2.1
Use of Funds:					
Labor	\$ 113,447	\$ 7,518	\$ 4,795	\$ 103,279	\$ 229,039
Benefits	\$ 52,022	\$ 3,447	\$ 2,199	\$ 47,359	\$ 105,027
G&A Costs	\$ 177,967	\$ 11,793	\$ 7,523	\$ 162,016	\$ 359,299
Consulting & Professional Services	\$ –	\$ –	\$ –	\$ 75,000	\$ 75,000
Equipment & Computers	\$ –	\$ –	\$ –	\$ 5,000	\$ 5,000
Meeting & Travel	\$ 3,000	\$ –	\$ 50	\$ 5,500	\$ 8,550
Other Administrative Costs	\$ 11,400	\$ –	\$ 100	\$ 3,400	\$ 14,900
Total Use of Funds from Operations	\$ 357,836	\$ 22,758	\$ 14,667	\$ 401,554	\$ 796,815
Net Gain (Loss)	\$ –	\$ (2,708)	\$ (14,667)	\$ 139	\$ (17,236)
Beginning Fund Balance	\$ 66,719	\$ 7,106	\$ 26,615	\$ (31,890)	\$ 68,550
Ending Fund Balance	\$ 66,719	\$ 4,398	\$ 11,948	\$ (31,751)	\$ 51,314
G&A Contribution	7.65%	0.51%	0.32%	6.96%	15.44%

Planning Funds FYE 2009 - 2015	FYE 2009 Actual	FYE 2010 Actual	FYE 2011 Actual	FYE 2012 Actual	FYE 2013 Budget	FYE 2013 Projected	FYE 2014 Budget	FYE 2015 Budget
Source of Funds:								
Grant Proceeds	\$ 235,654	\$ –	\$ –	\$ 279,314	\$ 500,000	\$ 551,824	\$ 235,654	\$ 96,693
Contributions	\$ 619,900	\$ 483,110	\$ 527,280	\$ 673,270	\$ 680,369	\$ 680,370	\$ 658,000	\$ 682,500
Other Income	\$ –	\$ 14,251	\$ 43,674	\$ 14,789	\$ –	\$ –	\$ –	\$ –
Interest & Investments	\$ 11,096	\$ 3,114	\$ 1,859	\$ 1,302	\$ –	\$ 969	\$ 435	\$ 386
Total Source of Funds	\$ 866,650	\$ 500,475	\$ 572,813	\$ 968,675	\$ 1,180,369	\$ 1,233,163	\$ 894,089	\$ 779,579
Use of Funds:								
Labor	\$ 205,439	\$ 149,831	\$ 174,008	\$ 235,151	\$ 268,805	\$ 327,700	\$ 280,411	\$ 229,039
Benefits	\$ 87,722	\$ 64,278	\$ 73,605	\$ 103,231	\$ 118,666	\$ 144,515	\$ 124,735	\$ 105,027
G&A Costs	\$ 337,331	\$ 239,730	\$ 284,328	\$ 372,244	\$ 427,276	\$ 521,042	\$ 443,914	\$ 359,299
Consulting & Professional Services	\$ 98,633	\$ 73,641	\$ 112,698	\$ 170,774	\$ 350,000	\$ 235,940	\$ 20,000	\$ 75,000
Operating Costs	\$ 5,940	\$ –	\$ 2	\$ –	\$ –	\$ –	\$ –	\$ –
Equipment & Computer	\$ 5,586	\$ 5,988	\$ 1,633	\$ –	\$ 7,500	\$ 444	\$ 20,000	\$ 5,000
Meeting & Travel	\$ 6,902	\$ 3,212	\$ 6,111	\$ 8,229	\$ 5,800	\$ 9,621	\$ 8,550	\$ 8,550
Other Administrative Costs	\$ 20,088	\$ 6,466	\$ 11,851	\$ 10,848	\$ 11,800	\$ 10,846	\$ 16,900	\$ 14,900
Other Expense	\$ 3,493	\$ –	\$ 3,937	\$ 3,092	\$ 300	\$ 1,552	\$ –	\$ –
Total Use of Funds from Operations	\$ 771,134	\$ 543,146	\$ 668,173	\$ 903,569	\$ 1,190,147	\$ 1,251,660	\$ 914,510	\$ 796,815
Net Gain (Loss)	\$ 95,516	\$ (42,671)	\$ (95,360)	\$ 65,106	\$ (9,778)	\$ (18,497)	\$ (20,421)	\$ (17,236)

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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 seven 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
392	Emerging Constituents Program Task Force
396	Forest First

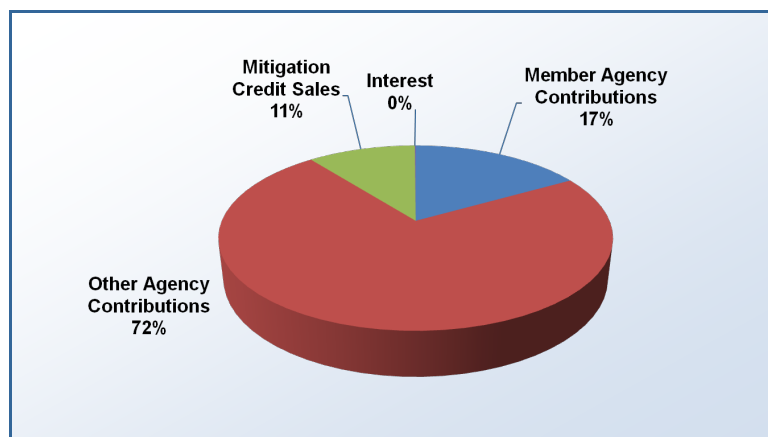
Revenue and Other Funding Sources

In FYE 2014, the collaborative project fund has total budgeted revenues of \$0.9 million, or approximately 4.6% of the total budgeted revenue of \$20.8 million. This represents a 27.4%, or \$0.36 million, decrease in revenues over the FYE 2013 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.

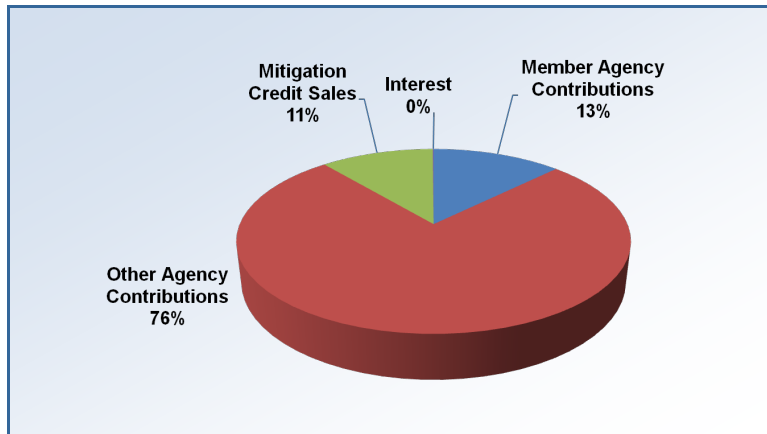
In FYE 2015, the collaborative project fund has total budgeted revenues of \$1.0 million, or approximately 4% of the total budgeted revenue of \$23.9 million. This represents a 1%, or \$9,197, decrease in revenues over the FYE 2014 budget.

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

FYE 2014 Revenues
\$0.9 Million

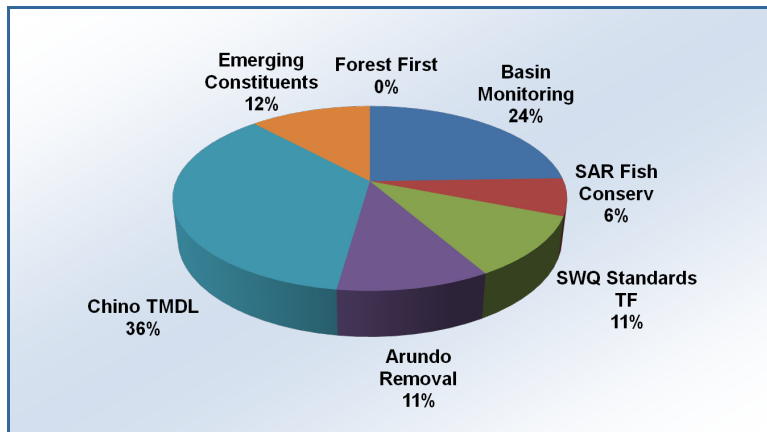


FYE 2015 Revenues \$1.0 Million

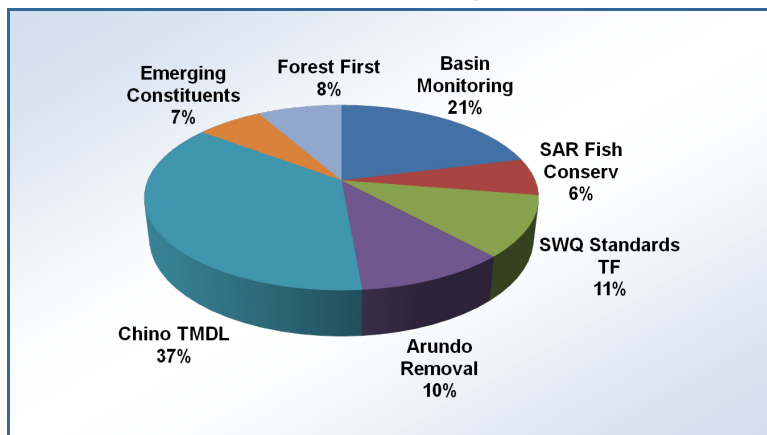


The total revenues by fund type are shown in the pie charts below.

FYE 2014 Revenue by Fund



FYE 2015 Revenue by Fund

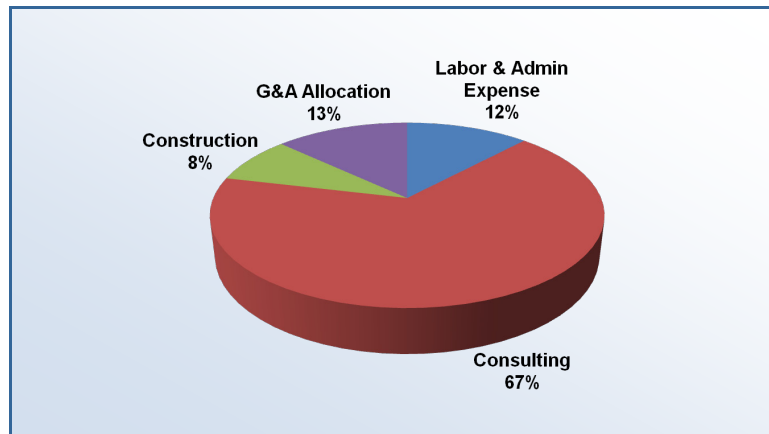


Expenses and Other Uses of Funds

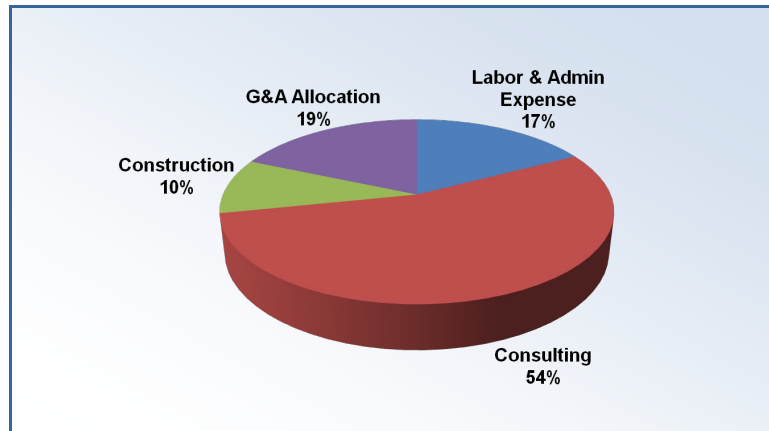
Total expenses for FYE 2014 are \$1.2 million, or approximately 6.1% of total operating expenses. This represents a 9.6%, or \$129,455, decrease in expenses over the FYE 2013 budget. The decrease is due mainly to a decrease in Arundo Management & Habitat Restoration.

Total expenses for FYE 2015 are \$1.0 million, or approximately 4.8% of total operating expenses. This represents a 15.4%, or \$186,755, decrease in expenses over the FYE 2014 budget.

**FYE 2014 Total Expenses
\$1.2 Million**

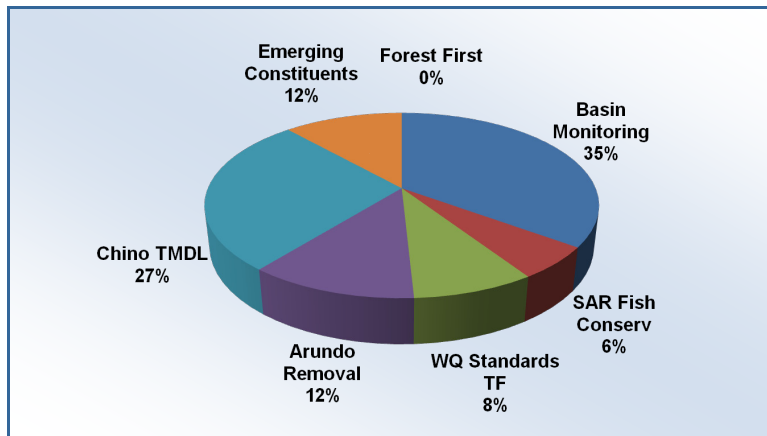


**FYE 2015 Total Expenses
\$1.0 Million**

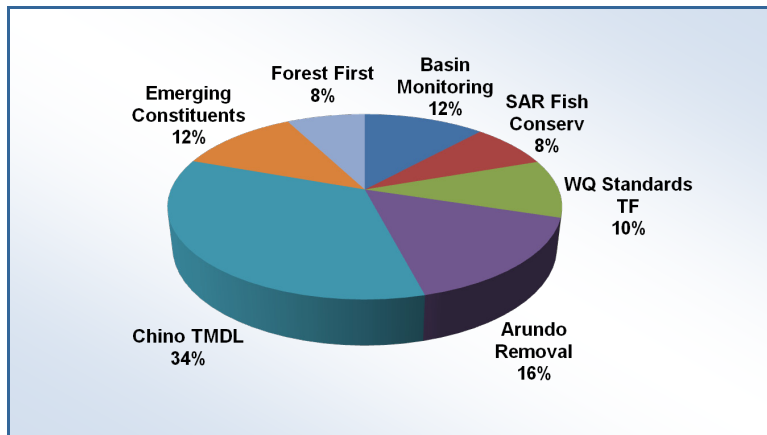


Participating in collaborative projects allows some of the Agency's general fund expenses to be allocated to these funds. In FYE 2014, approximately 6.83%, or \$159,105, of general fund expenses will be paid through this fund group. In FYE 2015, approximately 8.19%, or \$190,696, of general fund expenses will be paid through this fund group.

FYE 2014 Expenses by Fund



FYE 2015 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 2014 Fund Balance

<i>Fund</i>	<i>Fund Balance at 06/30/13</i>	<i>Revenues</i>	<i>Expenses</i>	<i>Fund Balance at 06/30/14</i>
374	\$ 302,491	\$ 231,523	\$ 426,187	\$ 107,827
381	\$ 68,160	\$ 61,800	\$ 69,130	\$ 60,830
384	\$ 92,320	\$ 339,460	\$ 334,938	\$ 96,842
386	\$ 131,795	\$ 101,000	\$ 102,776	\$ 130,019
387	\$ 1,135,542	\$ 100,000	\$ 141,601	\$ 1,093,941
392	\$ 117,305	\$ 112,535	\$ 141,623	\$ 88,217
396	\$ -	\$ -	\$ -	\$ -
Total	\$ 1,847,613	\$ 946,318	\$ 1,216,255	\$ 1,577,676

FYE 2015 Fund Balance

<i>Fund</i>	<i>Fund Balance at 06/30/14</i>	<i>Revenues</i>	<i>Expenses</i>	<i>Fund Balance at 06/30/15</i>
374	\$ 107,827	\$ 201,651	\$ 122,001	\$ 187,477
381	\$ 60,830	\$ 61,800	\$ 80,738	\$ 41,892
384	\$ 96,842	\$ 350,000	\$ 355,706	\$ 91,136
386	\$ 130,019	\$ 101,000	\$ 104,359	\$ 126,660
387	\$ 1,093,941	\$ 100,000	\$ 165,545	\$ 1,028,396
392	\$ 88,217	\$ 62,050	\$ 122,137	\$ 28,130
396	\$ –	\$ 79,014	\$ 79,014	\$ –
Total	\$ 1,577,676	\$ 955,515	\$ 1,029,500	\$ 1,503,691

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.

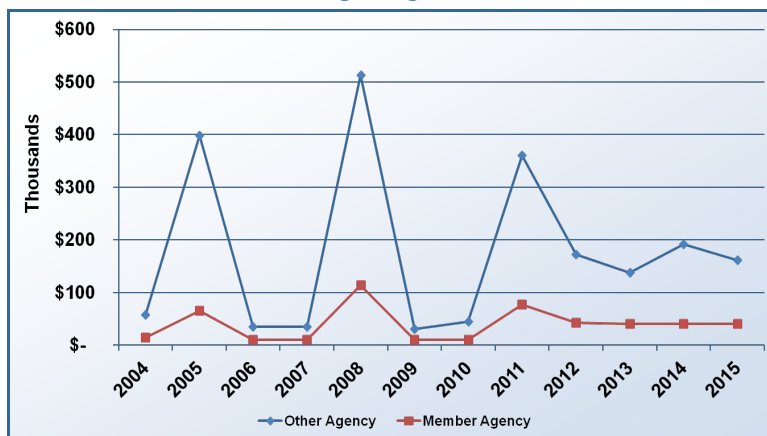
A multi-agency task force was formed and three of SAWPA's member agencies (EMWD, IEUA, and OCWD) are part of the task force. SAWPA serves as the administrator for Basin Monitoring Program Task Force.

Work planned for FYEs 2014 and 2015 will consist of staff work on the annual SAR monitoring report, conducting the Triennial Ambient Water Quality Update, updating the SAR Wasteload Allocation for incorporation into a new RWQCB Basin Plan Amendment, and facilitation of the task force.

In FYE 2014, total revenues are projected to be \$231,523, 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.

In FYE 2015, total revenues are projected to be \$201,651, 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.

Basin Monitoring Program Contributions



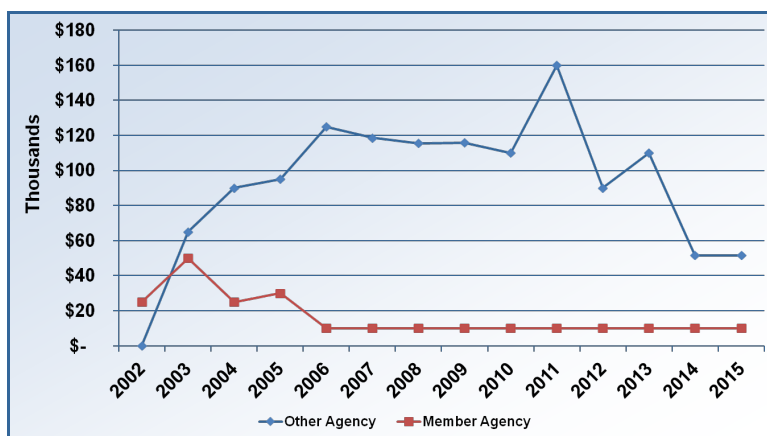
Fund 381 – SAR Fish Conservation Task Force

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 biological consultants for biological monitoring and restoration study. Member agency contributions cover the cost of SAWPA staff to manage the task force. Contributors to the fund are OCWD, City of Riverside, and OCS.

In FYEs 2014 and 2015, total revenues are projected to be \$61,800 each year, of which \$51,500 is from other agency contributions, \$10,000 is from member agency contributions, and \$300 is from interest.

SAR Fish Conservation Contributions



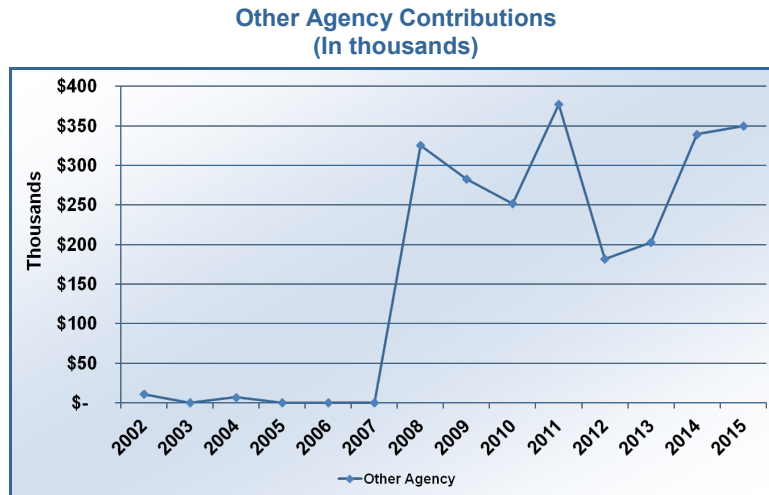
Fund 384-01 – Chino TMDL Task Force

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. 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 2014, total revenues are projected to be \$339,460, which is from other agency contributions.

In FYE 2015, total revenues are projected to be \$350,000, which is from other agency contributions.

The chart below shows the history of other agency contributions for this fund.



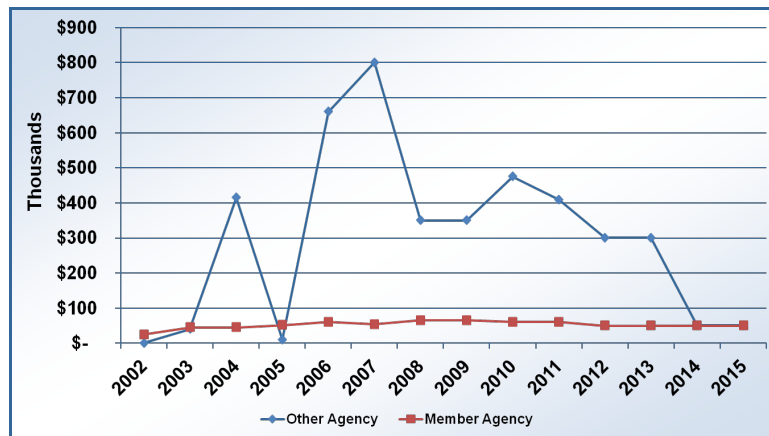
Fund 386 – Stormwater Quality Standards Task Force

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 SWRCB and EPA Region 9 approval of the adopted Santa Ana Regional Board Basin Plan Amendment that incorporates the study results, development of a Use Attainability Analysis to reclassify certain flood control segments, a high flow event waiver, and new pathogen and recreation beneficial use standards.

The task force has developed the documentation needed to obtain the Regional Board basin plan approval and is now seeking State Board and EPA approval of the basin plan changes for FYE 2014. The task force funding partners are made up of San Bernardino, Riverside, and Orange Counties and OCSB. 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 FYEs 2014 and 2015, total revenues are projected to be \$101,000 each year, of which \$51,000 is from other agency contributions and \$50,000 is from member agency contributions.

Stormwater Quality Contributions



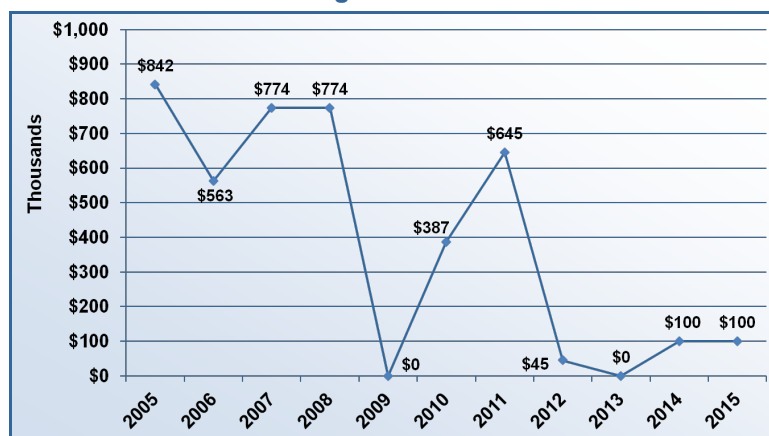
Fund 387 – Arundo Management & Habitat Restoration

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.

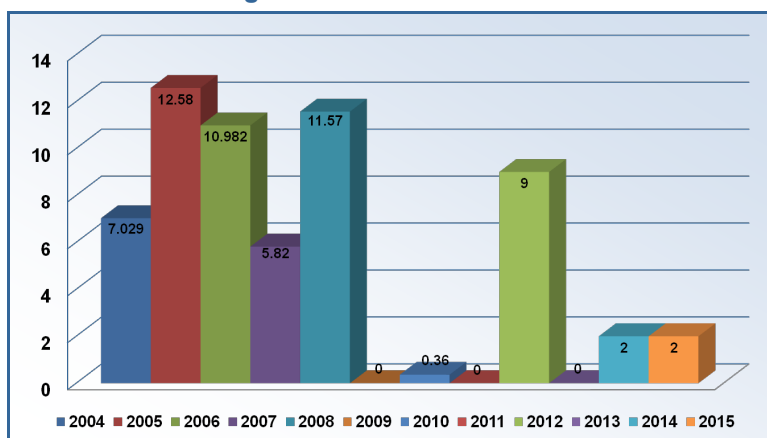
Funding should allow this project to continue through FYE 2015. Funds will be given to the original participants of the Arundo removal program and other habitat restoration projects that are approved by the SAWPA Commission.

In FYEs 2014 and 2015, mitigation credit sales are projected to be \$100,000 for each year. Total units sold through FYE 2013 are 48.836, leaving 51.164 units available for sale. No mitigation credits were sold in FYE 2013. 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 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 Sampling/Evaluation Plan for the RWQCB's approval. The Phase II Sampling/Evaluation Plan was submitted to the RWQCB on December 31, 2009. An annual sampling program for emerging constituents was completed and submitted to the Regional Board in 2010, 2011, 2012, and again in 2013. Thereafter the sampling program will be conducted triennially.

In FYE 2014, total revenues are projected to be \$112,535, all of which is from other agency contributions.

In FYE 2015, total revenues are projected to be \$62,050, all of which is from other agency contributions.

Fund 396 – Forest First

Under a 2011 MOU between SAWPA and the U.S. Forest Service called the "Forest First" program, efforts are underway to work with downstream groundwater management agencies, flood control and water conservation districts, water supply agencies, resource agencies, and the forest service to find amicable projects that can be executed in specific areas within the forest that will have a direct effect in preserving the quality and quantity of water resources from the source of headwaters, contributing to the overall health of the Watershed. Early quantitative cost/benefit analysis studies appear to validate investment in projects such as fuels reduction, meadow restoration, chaparral type conversion and forest road retrofitting that when implemented will help the national forest service keep the forest healthy which will in turn promote a gain in both the quantity and quality of available water resources. A new task force among the Forest Service and downstream agencies is under development and is scheduled to start in FYE 2015 based on other agency support.

In FYE 2015, total revenues are projected to be \$79,014, all of which is from other agency contributions.

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Collaborative Project Funds Budget FYE 2014	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	Forest First Task Force Fund 396	Total
Source of Funds:								
Contributions	\$ 231,023	\$ 61,500	\$ 339,460	\$ 101,000	\$ –	\$ 112,535	\$ –	\$ 845,518
Other Income	\$ –	\$ –	\$ –	\$ –	\$ 100,000	\$ –	\$ –	\$ 100,000
Interest & Investments	\$ 500	\$ 300	\$ –	\$ –	\$ –	\$ –	\$ –	\$ 800
Total Source of Funds	\$ 231,523	\$ 61,800	\$ 339,460	\$ 101,000	\$ 100,000	\$ 112,535	\$ –	\$ 946,318
Staffing:								
Hours Allocated	803	195	175	240	260	620	–	2,293
FTE (based on 2080)	0.4	0.1	0.1	0.1	0.1	0.3	–	1.1
Use of Funds:								
Labor	\$ 26,761	\$ 9,538	\$ 8,348	\$ 17,331	\$ 13,739	\$ 24,782	\$ –	\$ 100,499
Benefits	\$ 11,904	\$ 4,243	\$ 3,714	\$ 7,709	\$ 6,112	\$ 11,024	\$ –	\$ 44,706
G&A Costs	\$ 42,372	\$ 15,099	\$ 13,216	\$ 27,436	\$ 21,750	\$ 39,232	\$ –	\$ 159,105
Consulting & Professional Services	\$ 345,000	\$ 40,000	\$ 309,460	\$ 50,000	\$ –	\$ 66,535	\$ –	\$ 810,995
Operating Costs	\$ 100	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –	\$ 100
Equipment & Computer	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –
Meeting & Travel	\$ 50	\$ 250	\$ 200	\$ 300	\$ –	\$ 50	\$ –	\$ 850
Other Administrative Costs	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –
Construction	\$ –	\$ –	\$ –	\$ –	\$ 100,000	\$ –	\$ –	\$ 100,000
Total Use of Funds from Operations	\$ 426,187	\$ 69,130	\$ 334,938	\$ 102,776	\$ 141,601	\$ 141,623	\$ –	\$ 1,216,255
Net Gain (Loss)	\$ (194,664)	\$ (7,330)	\$ 4,522	\$ (1,776)	\$ (41,601)	\$ (29,088)	\$ –	\$ (269,937)
Beginning Fund Balance	\$ 302,491	\$ 68,160	\$ 92,320	\$ 131,795	\$ 1,135,542	\$ 117,305	\$ –	\$ 1,847,613
Ending Fund Balance	\$ 107,827	\$ 60,830	\$ 96,842	\$ 130,019	\$ 1,093,941	\$ 88,217	\$ –	\$ 1,577,676
G&A Contribution	1.82%	0.65%	0.57%	1.18%	0.93%	1.68%	0.00%	6.83%

Collaborative Project Funds Budget FYE 2015	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	Forest First Task Force Fund 396	Total
Source of Funds:								
Contributions	\$ 201,151	\$ 61,500	\$ 350,000	\$ 101,000	\$ –	\$ 62,050	\$ 79,014	\$ 854,715
Other Income	\$ –	\$ –	\$ –	\$ –	\$ 100,000	\$ –	\$ –	\$ 100,000
Interest & Investments	\$ 500	\$ 300	\$ –	\$ –	\$ –	\$ –	\$ –	\$ 800
Total Source of Funds	\$ 201,651	\$ 61,800	\$ 350,000	\$ 101,000	\$ 100,000	\$ 62,050	\$ 79,014	\$ 955,515
Staffing:								
Hours Allocated	753	195	200	230	365	595	180	2,518
FTE (based on 2080)	0.4	0.1	0.1	0.1	0.1	0.3	0.1	1.2
Use of Funds:								
Labor	\$ 25,901	\$ 10,071	\$ 10,077	\$ 17,857	\$ 21,652	\$ 26,455	\$ 9,551	\$ 121,564
Benefits	\$ 11,874	\$ 4,618	\$ 4,621	\$ 8,189	\$ 9,928	\$ 12,131	\$ 4,380	\$ 55,741
G&A Costs	\$ 40,627	\$ 15,799	\$ 15,808	\$ 28,013	\$ 33,965	\$ 41,501	\$ 14,983	\$ 190,696
Consulting & Professional Services	\$ 43,449	\$ 50,000	\$ 325,000	\$ 50,000	\$ –	\$ 42,000	\$ 50,000	\$ 560,449
Operating Costs	\$ 100	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –	\$ 100
Equipment & Computer	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –
Meeting & Travel	\$ 50	\$ 250	\$ 200	\$ 300	\$ –	\$ 50	\$ 100	\$ 950
Other Administrative Costs	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –
Construction	\$ –	\$ –	\$ –	\$ –	\$ 100,000	\$ –	\$ –	\$ 100,000
Total Use of Funds from Operations	\$ 122,001	\$ 80,738	\$ 355,706	\$ 104,359	\$ 165,545	\$ 122,137	\$ 79,014	\$ 1,029,500
Net Gain (Loss)	\$ 79,650	\$ (18,938)	\$ (5,706)	\$ (3,359)	\$ (65,545)	\$ (60,087)	\$ –	\$ (73,985)
Beginning Fund Balance	\$ 107,827	\$ 60,830	\$ 96,842	\$ 130,019	\$ 1,093,941	\$ 88,217	\$ –	\$ 1,577,676
Ending Fund Balance	\$ 187,477	\$ 41,892	\$ 91,136	\$ 126,660	\$ 1,028,396	\$ 28,130	\$ –	\$ 1,503,691
G&A Contribution	1.75%	0.68%	0.68%	1.20%	1.46%	1.78%	0.64%	8.19%

Collaborative Project Funds FYE 2009 - 2015	FYE 2009 Actual	FYE 2010 Actual	FYE 2011 Actual	FYE 2012 Actual	FYE 2013 Budget	FYE 2013 Projected	FYE 2014 Budget	FYE 2015 Budget
Source of Funds:								
Financing Proceeds	\$ -	\$ -	\$ -	\$ 120	\$ -	\$ -	\$ -	\$ -
Grant Proceeds	\$ 130,552	\$ 21,045	\$ 3,027	\$ 12,263	\$ -	\$ -	\$ -	\$ -
Contributions	\$ 1,498,533	\$ 1,325,369	\$ 1,203,935	\$ 650,668	\$ 1,079,061	\$ 631,321	\$ 845,518	\$ 854,715
Other Income	\$ 14,700	\$ 16,016	\$ -	\$ 22,023	\$ 225,000	\$ -	\$ 100,000	\$ 100,000
Interest & Investments	\$ 66,548	\$ 25,802	\$ 15,945	\$ 9,887	\$ -	\$ 6,637	\$ 800	\$ 800
Total Source of Funds	\$ 1,710,333	\$ 1,388,232	\$ 1,225,934	\$ 694,961	\$ 1,304,061	\$ 637,958	\$ 946,318	\$ 955,515
Use of Funds:								
Labor	\$ 126,582	\$ 122,365	\$ 112,211	\$ 92,127	\$ 134,642	\$ 62,225	\$ 100,499	\$ 121,564
Benefits	\$ 54,051	\$ 52,494	\$ 47,464	\$ 40,445	\$ 59,439	\$ 27,442	\$ 44,706	\$ 55,741
G&A Costs	\$ 207,848	\$ 195,784	\$ 183,352	\$ 145,837	\$ 214,019	\$ 98,939	\$ 159,105	\$ 190,696
Consulting & Professional Services	\$ 1,148,228	\$ 1,190,806	\$ 1,020,647	\$ 526,085	\$ 682,410	\$ 427,831	\$ 810,995	\$ 560,449
Operating Costs	\$ -	\$ -	\$ -	\$ -	\$ 100	\$ -	\$ 100	\$ 100
Equipment & Computer	\$ -	\$ 8,076	\$ 922	\$ 1,386	\$ 1,500	\$ -	\$ -	\$ -
Meeting & Travel	\$ 3,404	\$ 1,488	\$ 1,342	\$ 686	\$ 3,500	\$ 1,366	\$ 850	\$ 950
Other Administrative Costs	\$ 14,231	\$ 9,502	\$ 36	\$ 52	\$ 100	\$ -	\$ -	\$ -
Other Expense	\$ -	\$ 102	\$ (27,496)	\$ 5	\$ -	\$ -	\$ -	\$ -
Construction	\$ 64,160	\$ 287,810	\$ 198,752	\$ -	\$ 250,000	\$ -	\$ 100,000	\$ 100,000
Total Use of Funds from Operations	\$ 1,618,504	\$ 1,868,427	\$ 1,537,230	\$ 806,623	\$ 1,345,710	\$ 617,803	\$ 1,216,255	\$ 1,029,500
Net Gain (Loss)	\$ 91,829	\$ (480,195)	\$ (311,296)	\$ (111,662)	\$ (41,649)	\$ 20,155	\$ (269,937)	\$ (73,985)

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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
503	Proposition 50 Capital Projects
504	Proposition 84 Capital Projects

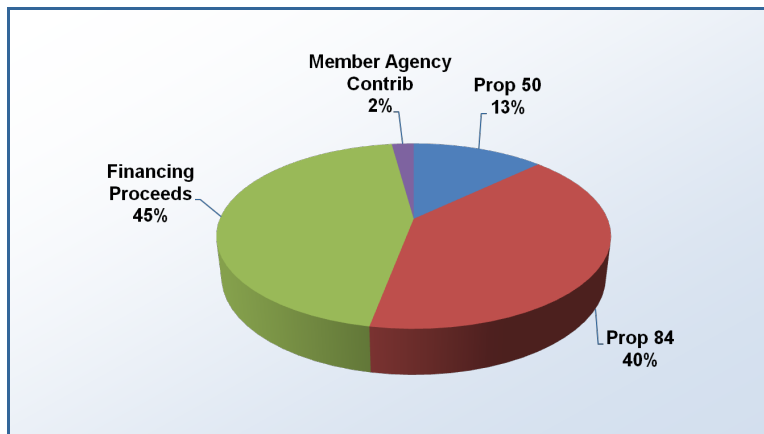
Revenue and Other Funding Sources

In FYE 2014, the grant/contract fund has total budgeted revenues of \$464,087, or approximately 2.2% of the total budgeted revenue of \$20.8 million. This represents a 1.9%, or \$9,186, increase in revenues over the FYE 2013 budget.

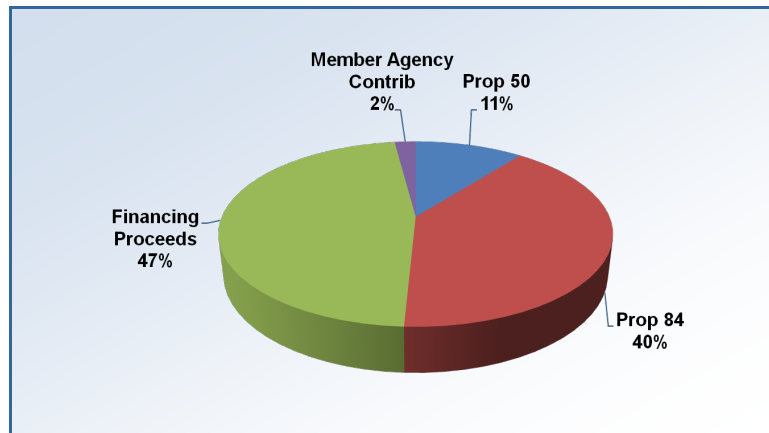
In FYE 2015, the grant/contract fund has total budgeted revenues of \$484,311, or approximately 2.0% of the total budgeted revenue of \$23.9 million. This represents a 4.4%, or \$20,224, increase over the FYE 2014 budget.

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

FYE 2014 Revenues
\$464,087

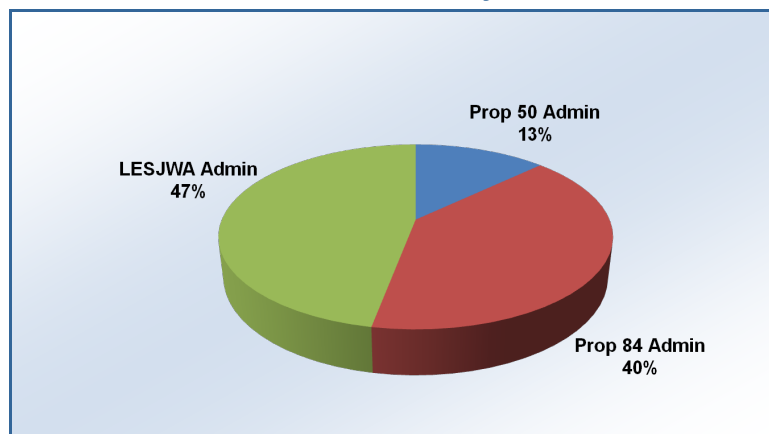


FYE 2015 Revenues \$484,311

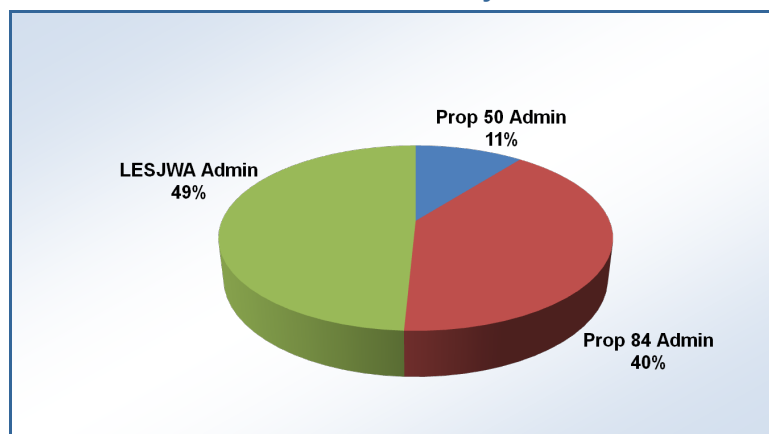


Total revenues by fund are shown in the pie charts below.

FYE 2014 Revenue by Fund



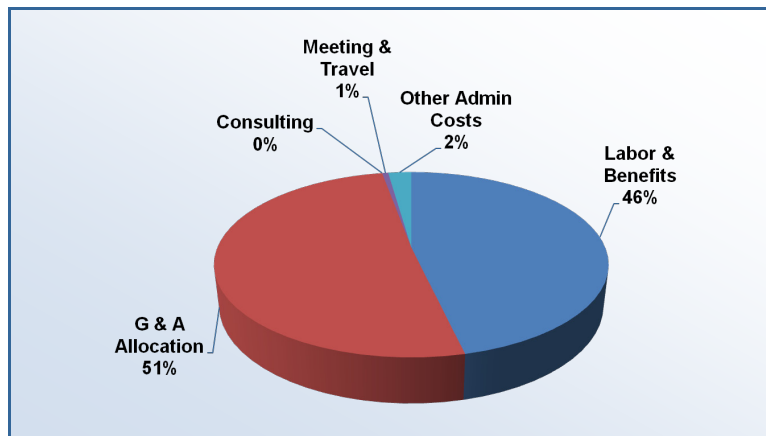
FYE 2015 Revenue by Fund



Expenses and Other Uses of Funds

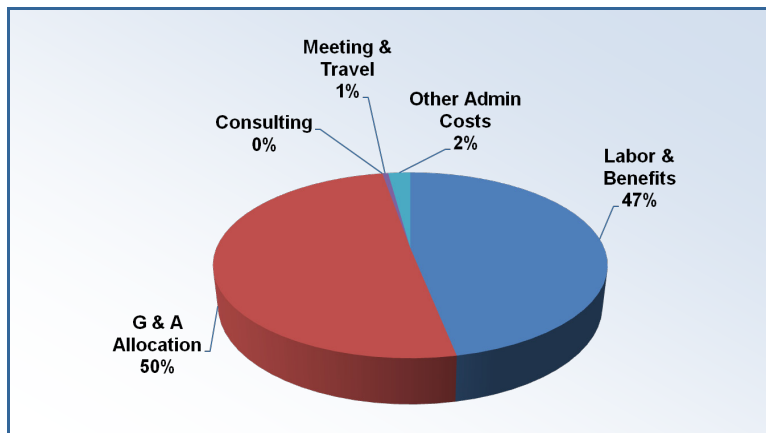
Total expenses for FYE 2014 are \$464,087, or approximately 2.3% of total operating expenses. This represents a 1.9%, or \$9,186, decrease in expenses over the FYE 2013 budget.

FYE 2014 Expenses
\$464,087



Total expenses for FYE 2015 are \$484,311, or approximately 2.2% of total operating expenses. This represents a 4.4%, or \$20,224, increase in expenses over the FYE 2014 budget.

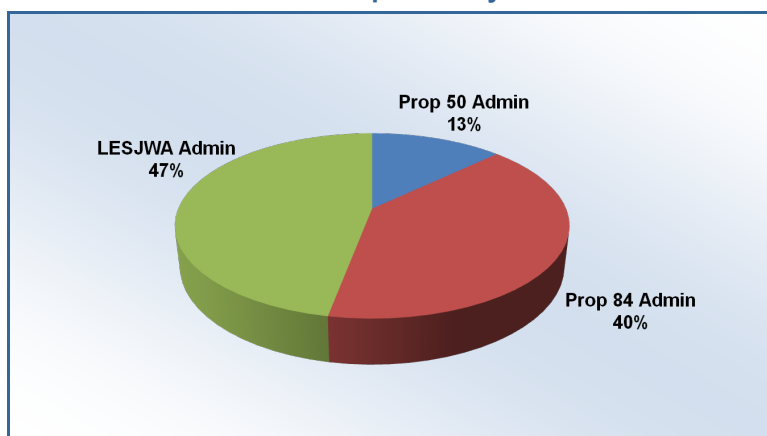
FYE 2015 Expenses
\$484,311



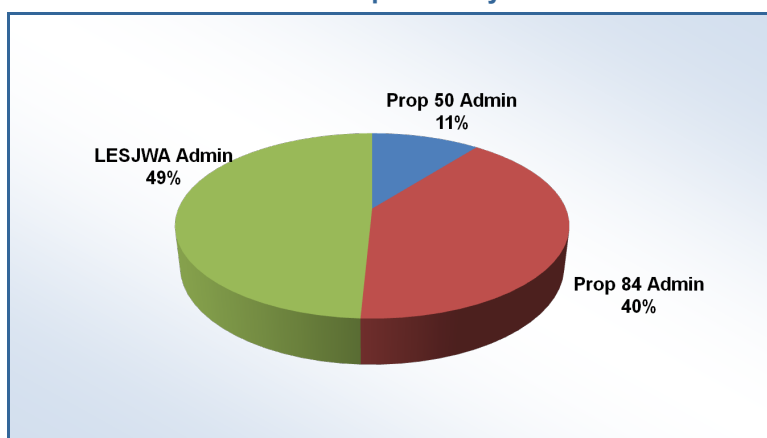
All budgeted fund expenses are eligible for reimbursement through grant funding. If the grant funding is not obtained, both revenue and expenses will be reduced in these areas.

Participating in grant/contract programs allows some of the Agency's general fund expenses to be allocated to these funds. In FYE 2014, approximately 10.1%, or \$235,711 of general fund expenses will be paid through this fund group. In FYE 2015, approximately 10.49%, or \$244,101 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 2014 Expenses by Fund



FYE 2015 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 2014, both total revenues and expenses are projected to be \$59,965. In FYE 2015, both total revenues and expenses are projected to be \$51,348. 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 administration of the grant will be accounted for in this fund.

In FYE 2014, both total revenues and expenses are projected to be \$185,933. In FYE 2015, both total revenues and expenses are projected to be \$194,587. Only the cost of administering the grant contract, have been included in the budget.

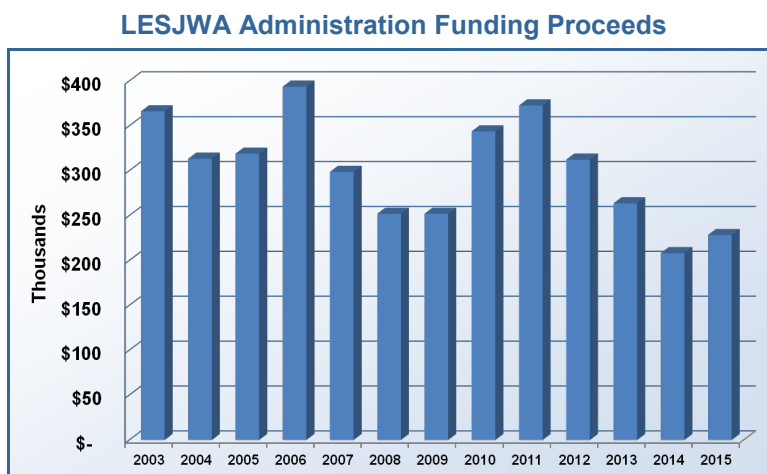
Fund 477 – LESJWA Administration

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 (EVMWD), 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 best management practices (BMP), and continued improvement of lake quality.

In FYE 2014, total revenues and expenses are projected to be \$218,189. This is a 17.2%, or \$45,419, decrease over the FYE 2013 budget.

In FYE 2015, total revenues and expenses are projected to be \$238,376. This is a 9.3%, or \$20,187 increase over the FYE 2014 budget.

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



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.

Fund 504 – Proposition 84 – Capital Projects

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.

Grant funding from the Department of Water Resources (DWR) will be provided to SAWPA under Proposition 84 Chapter 2 Round 1 - \$12.7 million, Round 2 - \$16.8 million, and Round 3 - \$70 million. DWR Round 1 agreements have been executed and work on 13 projects is underway. DWR Round 2 agreements are expected to commence in late 2013. DWR Round 3 agreements are expected to commence in late 2015.

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Grant/Contract Fund Budget FYE 2014	Prop 50 Program Mgmt Fund 125	Prop 84 Program Mgmt Fund 130	LESJWA Administration Fund 477	Prop 50 Capital Projects Fund 503	Prop 84 Capital Projects Fund 504	Total
Source of Funds:						
Financing Proceeds	\$ –	\$ –	\$ 208,189	\$ –	\$ –	\$ 208,189
Grant Proceeds	\$ 59,965	\$ 185,933	\$ –	\$ –	\$ –	\$ 245,898
Contributions	\$ –	\$ –	\$ 10,000	\$ –	\$ –	\$ 10,000
Total Source of Funds	\$ 59,965	\$ 185,933	\$ 218,189	\$ –	\$ –	\$ 464,087
Staffing:						
Hours Allocated	408	1,372	1,445	–	–	3,225
FTE (based on 2080)	0.2	0.6	0.7	–	–	1.5
Use of Funds:						
Labor	\$ 19,424	\$ 60,861	\$ 68,608	\$ –	\$ –	\$ 148,893
Benefits	\$ 8,641	\$ 27,073	\$ 30,519	\$ –	\$ –	\$ 66,233
G&A Costs	\$ 30,750	\$ 96,349	\$ 108,612	\$ –	\$ –	\$ 235,711
Meeting & Travel	\$ 1,000	\$ 1,500	\$ 250	\$ –	\$ –	\$ 2,750
Other Administrative Costs	\$ 150	\$ 150	\$ 10,200	\$ –	\$ –	\$ 10,500
Total Use of Funds from Operations	\$ 59,965	\$ 185,933	\$ 218,189	\$ –	\$ –	\$ 464,087
Net Gain (Loss)	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –
Project Reimbursement (Prop 50/84 – Capital)	\$ –	\$ –	\$ –	\$ 1,271,268	\$ 4,129,929	\$ 5,401,197
G&A Contribution	1.32%	4.13%	4.65%	0.00%	0.00%	10.10%

Grant/Contract Fund Budget FYE 2015	Prop 50 Program Mgmt Fund 125	Prop 84 Program Mgmt Fund 130	LESJWA Administration Fund 477	Prop 50 Capital Projects Fund 503	Prop 84 Capital Projects Fund 504	Total
Source of Funds:						
Financing Proceeds	\$ –	\$ –	\$ 228,376	\$ –	\$ –	\$ 228,376
Grant Proceeds	\$ 51,348	\$ 194,587	\$ –	\$ –	\$ –	\$ 245,935
Contributions	\$ –	\$ –	\$ 10,000	\$ –	\$ –	\$ 10,000
Total Source of Funds	\$ 51,348	\$ 194,587	\$ 238,376	\$ –	\$ –	\$ 484,311
Staffing:						
Hours Allocated	272	1,070	1,360	–	–	2,702
FTE (based on 2080)	0.1	0.5	0.7	–	–	1.3
Use of Funds:						
Labor	\$ 16,582	\$ 63,733	\$ 75,291	\$ –	\$ –	\$ 155,606
Benefits	\$ 7,604	\$ 29,225	\$ 34,525	\$ –	\$ –	\$ 71,354
G&A Costs	\$ 26,012	\$ 99,979	\$ 118,110	\$ –	\$ –	\$ 244,101
Meeting & Travel	\$ 1,000	\$ 1,500	\$ 250	\$ –	\$ –	\$ 2,750
Other Administrative Costs	\$ 150	\$ 150	\$ 10,200	\$ –	\$ –	\$ 10,500
Total Use of Funds from Operations	\$ 51,348	\$ 194,587	\$ 238,376	\$ –	\$ –	\$ 484,311
Net Gain (Loss)	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –
Project Reimbursement (Prop 50/84 – Capital)	\$ –	\$ –	\$ –	\$ –	\$ 2,532,750	\$ 2,532,750
G&A Contribution	1.12%	4.30%	5.08%	0.00%	0.00%	10.50%

Grant/Contract Funds FYE 2009 - 2015	FYE 2009 Actual	FYE 2010 Actual	FYE 2011 Actual	FYE 2012 Actual	FYE 2013 Budget	FYE 2013 Projected	FYE 2014 Budget	FYE 2015 Budget
Source of Funds:								
Financing Proceeds	\$ 223,749	\$ 256,486	\$ 262,199	\$ 190,455	\$ 253,608	\$ 169,466	\$ 208,189	\$ 228,376
Grant Proceeds	\$ 214,289	\$ 60,960	\$ 32,333	\$ 69,770	\$ 209,665	\$ 97,693	\$ 245,898	\$ 245,935
Contributions	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
Other Income	\$ –	\$ –	\$ –	\$ –	\$ –	\$ 38,462	\$ –	\$ –
Total Source of Funds	\$ 448,038	\$ 327,446	\$ 304,532	\$ 270,225	\$ 473,273	\$ 315,621	\$ 464,087	\$ 484,311
Use of Funds:								
Labor	\$ 128,693	\$ 103,053	\$ 95,186	\$ 85,417	\$ 152,696	\$ 90,021	\$ 148,893	\$ 155,606
Benefits	\$ 54,952	\$ 44,210	\$ 40,263	\$ 37,499	\$ 67,410	\$ 39,699	\$ 66,233	\$ 71,354
G&A Costs	\$ 211,313	\$ 164,885	\$ 155,534	\$ 135,215	\$ 242,717	\$ 143,135	\$ 235,711	\$ 244,101
Consulting & Professional Services	\$ 619	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –
Operating Costs	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –
Meeting & Travel	\$ 952	\$ 780	\$ 798	\$ 1,158	\$ 250	\$ 703	\$ 2,750	\$ 2,750
Other Administrative Costs	\$ 11,501	\$ 9,735	\$ 10,295	\$ 10,273	\$ 10,100	\$ 10,272	\$ 10,500	\$ 10,500
Other Expenses	\$ –	\$ –	\$ 41	\$ 33	\$ 100	\$ 32	\$ –	\$ –
Construction	\$ –	\$ –	\$ –	\$ –	\$ –	\$ 23,470	\$ –	\$ –
Total Use of Funds from Operations	\$ 408,030	\$ 322,663	\$ 302,117	\$ 269,595	\$ 473,273	\$ 307,332	\$ 464,087	\$ 484,311
Net Gain (Loss)	\$ 40,008	\$ 4,783	\$ 2,415	\$ 630	\$ –	\$ 8,289	\$ –	\$ –

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Capital Project Funds

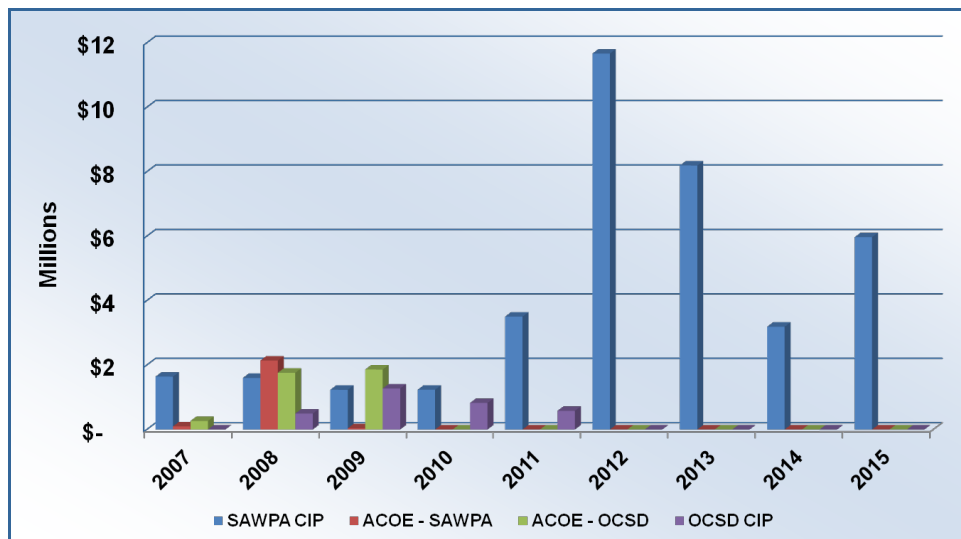
The Capital Project Fund includes projects related to the operation and maintenance of the Inland Empire Brine Line. The Brine Line is a non-reclaimable wastewater pipeline that provides for the export of domestic wastewater, high-salinity industrial wastewater, and desalter brine generated within the 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 2014, the Agency has budgeted approximately \$3.2 million, and \$5.9 million in FYE 2015 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 V Capital Repairs. (Begin construction in FYE 2014) Install structures to access the interior of the pipe and provide structural repairs in areas where the existing pipe is deformed.
2. OCSD actions related to the raising of Prado Dam and Reach 9 improvements by the U.S. Army Corps of Engineers (ACOE).
 - a. Interim capital repairs to the existing Brine Line within the floodplain.
 - b. Staff and consultant costs to participate in SARI relocation construction. (complete by FYE 2014).
 - 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). Estimated at \$1.8 million per year.

**Expected Capital Improvement Plan Expenditures
Through FYE 2015**



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 twelve 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 closed circuit television (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 polyvinyl chloride (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 Reach V to increase the strength of the pipeline. After the catastrophic failure of the pipeline, an investigation was completed which identified portions of the pipe being oval in shape. Projects also include repair of any problems found in the CCTV inspection of the line.

ACOE Project

Several projects have been completed 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. This work has been completed. Currently, the ACOE and the project sponsor, Orange County Public Works, are relocating and protecting a portion of the upper Reach IV-A Brine Line in the City of Chino. As part of the Yorba Slaughter Adobe Dike, a portion of the Brine Line will be relocated and a portion will be protected to avoid impacts from the project. Additional work may be required as the ACOE designs the Alcoa flood dike in Corona.

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 constructed using large rock. This program is anticipated to end once the SARI mainline relocation project is complete. The SARI Mainline Project will relocate and replace the existing SARI with a new 54-inch-diameter pipeline on the south side of the river just north of and adjacent to the Riverside (91) Freeway. Construction began in October 2011 and is anticipated to be completed in 2014. Upon completion of the project and as part of a ACOE permit condition, OCSD is required to remove the rock from the SARI floodplain. Rock removal is anticipated to begin in Fall 2014.

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 2014 and 2015 budget projections. The rate model establishes reserve contributions for FYEs 2014 and 2015 in the amount of \$0.055 and \$1.36 million respectively. 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 and SRF loans. CIP projects for FYEs 2014 and 2015 will be funded from an SRF Loan and Agency Reserves.

Reserve Balances at FYE 2013

<i>Reserve Account</i>	<i>FYE 2013 Balance</i>
Pipeline Repair/Replacement Reserve	\$ 25,881,583
OCSD Rehabilitation Reserve	\$ 5,327,229
Capacity Management Reserve	\$ 2,584,499
Total Reserves Available for CIP	\$ 33,793,311

Reserves Available to Fund CIP through FYE 2015

<i>FYE Year</i>	<i>Beginning Reserve Balance</i>	<i>Contributions To Reserves</i>	<i>CIP Funding</i>	<i>Ending Reserve Balance</i>
2014	\$ 33,793,311	\$ 55,701	\$ (3,689,353)	\$ 30,159,659
2015	\$ 30,159,659	\$ 1,361,659	\$ (6,218,663)	\$ 25,302,655

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 2014	Brine Line Protection Project Fund 320	Reach V Repairs Fund 326	Total
Source of Funds:			
Other Income	\$ 1,376,067	\$ 1,813,286	\$ 3,189,353
Total Source of Funds	\$ 1,376,067	\$ 1,813,286	\$ 3,189,353
Staffing:			
Hours Allocated	260	1,190	1,450
FTE (based on 2080)	0.1	0.6	0.7
Use of Funds:			
Labor	\$ 15,379	\$ 68,789	\$ 84,168
Benefits	\$ 6,841	\$ 30,599	\$ 37,440
G&A Costs	\$ 24,347	\$ 108,898	\$ 133,245
Consulting & Professional Services	\$ 225,000	\$ 600,000	\$ 825,000
Other Administrative Costs	\$ 4,500	\$ 5,000	\$ 9,500
Construction	\$ 1,100,000	\$ 1,000,000	\$ 2,100,000
Total Use of Funds from Operations	\$ 1,376,067	\$ 1,813,286	\$ 3,189,353
Net Gain (Loss)	\$ -	\$ -	\$ -
G&A Contribution	1.04%	4.67%	5.71%

Capital Project Fund Budget FYE 2015	Brine Line Protection Project Fund 320	Reach V Repairs Fund 326	Total
Source of Funds:			
Other Income	\$ 1,020,892	\$ 4,947,771	\$ 5,968,663
Total Source of Funds	\$ 1,020,892	\$ 4,947,771	\$ 5,968,663
Staffing:			
Hours Allocated	520	775	1,295
FTE (based on 2080)	0.2	0.4	0.6
Use of Funds:			
Labor	\$ 33,823	\$ 45,510	\$ 79,333
Benefits	\$ 15,510	\$ 20,869	\$ 36,379
G&A Costs	\$ 53,059	\$ 71,392	\$ 124,451
Consulting & Professional Services	\$ 365,500	\$ 500,000	\$ 865,500
Other Administrative Costs	\$ 3,000	\$ 10,000	\$ 13,000
Construction	\$ 550,000	\$ 4,300,000	\$ 4,850,000
Total Use of Funds from Operations	\$ 1,020,892	\$ 4,947,771	\$ 5,968,663
Net Gain (Loss)	\$ -	\$ -	\$ -
G&A Contribution	2.28%	3.07%	5.35%

Capital Project Funds	FYE 2009	FYE 2010	FYE 2011	FYE 2012	FYE 2013	FYE 2013	FYE 2014	FYE 2015
FYE 2009 – 2015	Actual	Actual	Actual	Actual	Budget	Projected	Budget	Budget
Source of Funds:								
Financing Proceeds	\$ –	\$ –	\$ –	\$ 8,482,985	\$ 6,705,452	\$ 1,606,490	\$ –	\$ –
Grant Proceeds	\$ –	\$ 718,900	\$ 491,828	\$ 1,590,822	\$ –	\$ –	\$ –	\$ –
Other Income	\$ 1,358,588	\$ 563,535	\$ 2,640,117	\$ 303,381	\$ 1,486,248	\$ 718,798	\$ 3,189,353	\$ 5,968,663
Total Source of Funds	\$ 1,358,588	\$ 1,282,435	\$ 3,131,945	\$ 10,377,188	\$ 8,191,700	\$ 2,325,288	\$ 3,189,353	\$ 5,968,663
Use of Funds:								
Labor	\$ 60,303	\$ 76,658	\$ 98,705	\$ 126,118	\$ 160,574	\$ 72,316	\$ 84,168	\$ 79,333
Benefits	\$ 27,579	\$ 32,886	\$ 41,752	\$ 55,366	\$ 70,887	\$ 31,892	\$ 37,440	\$ 36,379
G&A Costs	\$ 97,188	\$ 122,652	\$ 161,283	\$ 199,644	\$ 255,239	\$ 114,984	\$ 133,245	\$ 124,451
Consulting & Professional Services	\$ 515,510	\$ 664,313	\$ 1,477,799	\$ 1,090,780	\$ 800,000	\$ 428,998	\$ 825,000	\$ 865,500
Operating Costs	\$ 4,695	\$ 2,117	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –
Meeting & Travel	\$ 594	\$ 912	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –
Other Administrative Costs	\$ 8,171	\$ 3,698	\$ 9,916	\$ 1,385	\$ –	\$ 610	\$ 9,500	\$ 13,000
Other Expenses	\$ –	\$ –	\$ 9,442	\$ 176,021	\$ 10,000	\$ 2,469	\$ –	\$ –
Construction	\$ 517,514	\$ 329,983	\$ 1,333,048	\$ 15,433,326	\$ 6,895,000	\$ 1,674,018	\$ 2,100,000	\$ 4,850,000
Total Use of Funds from Operations	\$ 1,231,554	\$ 1,233,219	\$ 3,131,945	\$ 17,082,640	\$ 8,191,700	\$ 2,325,288	\$ 3,189,353	\$ 5,968,663
Net Gain (Loss)	\$ 127,034	\$ 49,216	\$ –	\$ (6,705,452)	\$ –	\$ –	\$ –	\$ –

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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:	\$2.77M
	Total Project Cost:	\$11.4M

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 were received in June 2011 and construction contracts were awarded in the summer of 2011. Project construction will be complete in 2014. 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:	2011-12	2012-13	2013-14	2014-15	2015-16	TOTAL
SAWPA LABOR	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
BENEFITS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
G&A COSTS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
ENGINEERING, OCSD	\$ 93,519	\$ 11,031	\$ 35,000	\$ 15,500	\$ 25,000	\$ 180,050
CONSULTING	\$ 1,081,510	\$ -	\$ 115,000	\$ 75,000	\$ 50,000	\$ 1,321,510
OCSD CONSULTING	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
LEGAL	\$ -	\$ -	\$ -	\$ 200,000	\$ 2,500	\$ 202,500
CAPITAL REPAIRS	\$ -	\$ -	\$ 550,000	\$ 50,000	\$ 60,000	\$ 660,000
OTHER/MISC	\$ -	\$ -	\$ 3,500	\$ 2,000	\$ 2,500	\$ 8,000
GRANTS (FEMA, NRCS)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTALS	\$ 1,175,029	\$ 11,031	\$ 703,500	\$ 342,500	\$ 140,000	\$ 2,372,060

Escalation Rate: 3%

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:	\$1.5M
System wide	Future Costs:	\$2.62M
	Total Project Cost:	\$2.92M

<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>	2011-12	2012-13	2013-14	2014-15	2015-16	TOTAL
SAWPA LABOR	\$ 578	\$ 5,876	\$ 15,379	\$ 33,823	\$ 33,800	\$ 89,456
BENEFITS	\$ 254	\$ 2,590	\$ 6,841	\$ 15,510	\$ 15,500	\$ 40,695
G&A COSTS	\$ 915	\$ 9,339	\$ 24,347	\$ 53,059	\$ 53,000	\$ 140,660
ENGINEERING	\$ —	\$ 11,483	\$ 75,000	\$ 75,000	\$ 75,000	\$ 236,483
OTHER	\$ 1,654	\$ 102	\$ 1,000	\$ 1,000	\$ 2,500	\$ 6,256
CONSTRUCTION	\$ 196,080	\$ 377,621	\$ 550,000	\$ 500,000	\$ 650,000	\$ 2,273,701
TOTALS	\$ 199,481	\$ 407,011	\$ 672,567	\$ 678,392	\$ 829,800	\$ 2,787,251

Escalation Rate: 3%

Request for Capital Funding

Project # 326

PROJECT or EQUIPMENT INFORMATION

NAME:	Priority:	High
Reach V Capital Repairs	External Fund Potential:	Yes
DESCRIPTION:	Current Stage:	Design
Repairs necessary due to catastrophic failure of Reach V pipeline on October 18, 2011. Repairs will reduce the likelihood of pipeline failure.	Expansion %:	0%
	Replacement %:	100%
	Req'd Ext Funding %:	0%
LOCATION:	Expended to Date:	\$0.2M
Reach V (Contracts 2,3, and 4).	Future Costs:	\$19.0M
	Total Project Cost:	\$19.0M

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

On October 18, 2011, a catastrophic failure and brine spill occurred on Reach V (Contract 2 and 3). Subsequent excavation and repair of the brine line in this location revealed the pipe is "out of round" or slightly oval. Extensive investigative work in the area of failure was performed to determine the quality of the original construction. Testing of the soil within the existing Brine Line trench zone and measuring the pipe ovality at several locations along Contract 2, 3 and 4, revealed poor compaction in the trench bedding and backfill below acceptable levels, pipe deflection exceeding design standards, large cobbles in the backfill and no sand in the pipe zone. In September 2012, SAWPA convened a panel of experts to evaluate the data and investigative work completed to date. The panel concluded the pipe failure was caused by a variety of factors that combined to develop an over deflection condition and ultimately a failure at the pipe joint. The expert panel developed a list of recommended actions including conducting a risk assessment to identify potential high risk areas and pipe rehabilitation and or replacement in over-deflected areas. In May 2013, RMC Water and Environmental completed a Condition Study of the Reach V (Contract 2, 3 and 4) Pipeline. The study included a condition assessment, risk assessment, surge analysis and cost estimate. The report concluded that replacement of the medium and high risk areas by the cured-in-place pipe rehabilitation method is necessary to restore the structural integrity of the pipeline, prevent the likelihood of a catastrophic failure.

ANNUAL IMPACTS ON OPERATIONS/MAINTENANCE:

Potential impacts would result from pipeline failure in close proximity to a surface water and environmentally sensitive area. Impact would include shutdown of system, disruption of businesses, residents, and commuters, expensive emergency repairs, and the need to do the total project without satisfactory planning. Fines would be likely.

Cost Estimate:	2011-12	2012-13	2013-14	2014-15	2015-16	TOTAL
SAWPA LABOR	\$ -	\$ 21,451	\$ 68,789	\$ 45,510	\$ 120,000	\$ 255,750
BENEFITS	\$ -	\$ 9,460	\$ 30,599	\$ 20,869	\$ 53,100	\$ 114,028
G&A COSTS	\$ -	\$ 34,107	\$ 108,898	\$ 71,392	\$ 189,900	\$ 404,297
ENGINEERING	\$ -	\$ 144,932	\$ 500,000	\$ 100,000	\$ -	\$ 744,932
LEGAL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
PROJECT MANAGEMENT	\$ -	\$ -	\$ 100,000	\$ 400,000	\$ -	\$ 500,000
CONSTRUCTION	\$ -	\$ -	\$ 1,000,000	\$ 4,300,000	\$ 11,660,000	\$ 16,960,000
CEQA COMPLIANCE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
OTHER EXPENSES	\$ -	\$ 1,819	\$ 5,000	\$ 10,000	\$ 4,174	\$ 20,993
TOTALS	\$ -	\$ 211,769	\$ 1,813,286	\$ 4,947,771	\$ 12,027,174	\$ 19,000,000

Escalation Rate: 3%

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Section 10

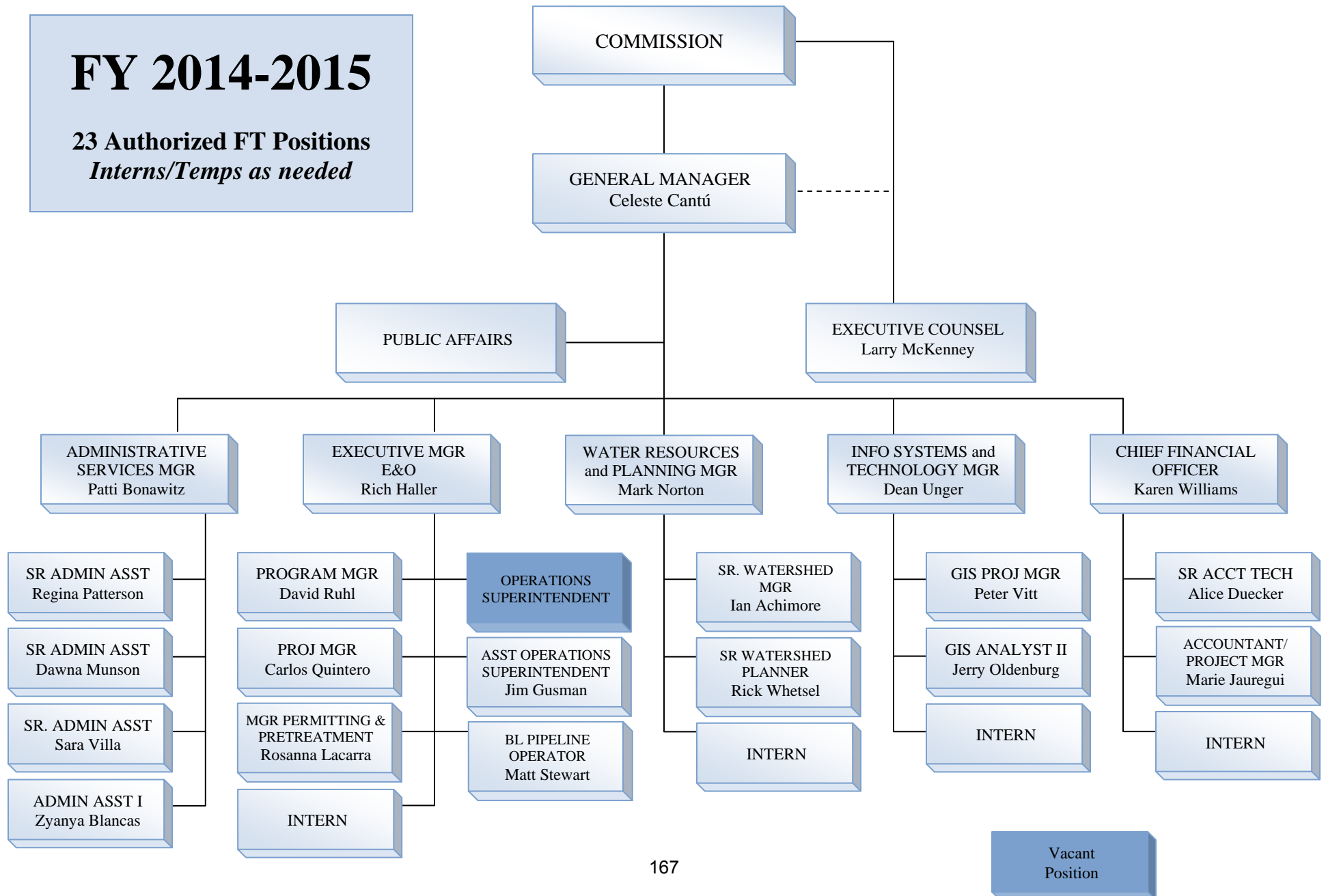
Departments



SAWPA ORGANIZATION CHART

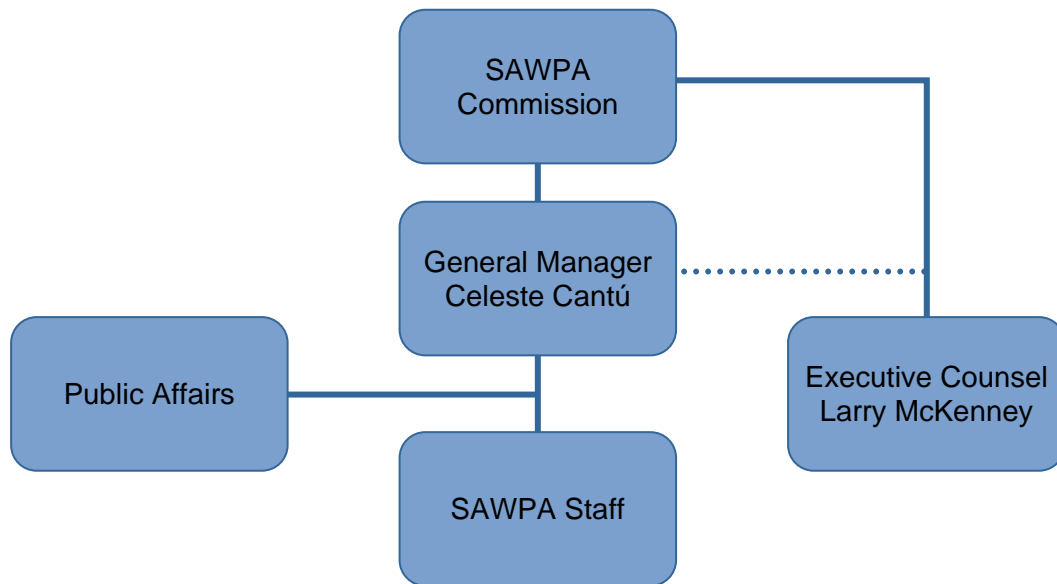
FY 2014-2015

23 Authorized FT Positions
Interns/Temps as needed



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Executive Management



Summary Information

Existing Staff – 2 FTE

- 1 – General Manager
- 1 – Executive Counsel
- 1 – Communications

Mission

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

Objectives for FYEs 2014 and 2015

- ◆ 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 2013 Budget	FYE 2014 Budget	% Inc/ (Decr)	FYE 2015 Budget	% Inc/ (Decr)
Salaries and Benefits	\$645,128	\$676,149	4.8%	\$702,696	3.9%

Core Activities

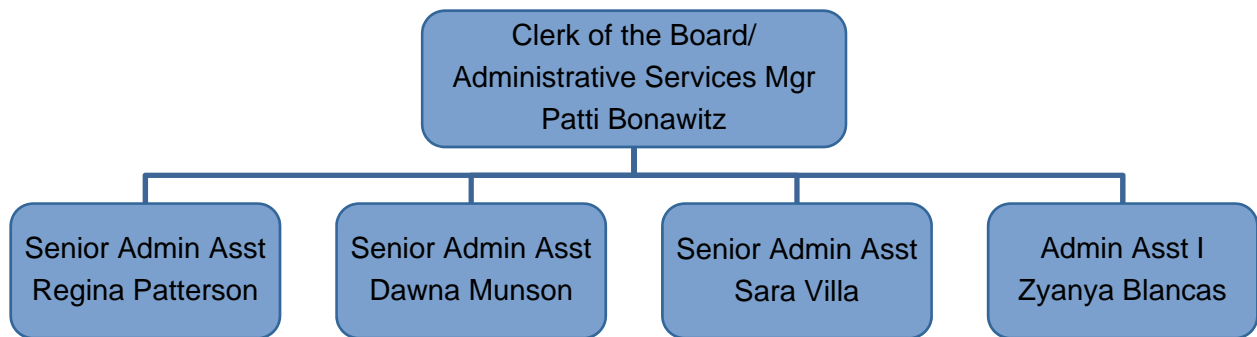
The General Manager's office is charged with directing the overall direction and activities of the SAWPA staff. The primary responsibilities relate to the Agency's overall direction and functions, as well as working with various external groups and agencies. The core activities of the office include:

- ◆ 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 2014 and 2015

In FYE 2014 a Communications position was included in the budget to help with marketing the Brine Line and provide communications and outreach for OWOW efforts. This position has not been authorized by the Commission and will need to be brought to the Commission for approval before the position can be filled.

Administrative Services



Summary Information

Existing Staff – 5 FTE

- 1 – Clerk of the Board/Administrative Services Manager
- 1 – Senior Administrative Assistant: Engineering and Operations/Pretreatment Program
- 1 – Senior Administrative Assistant: Contracts Administration/LESJWA Board Secretary
- 1 – Senior Administrative Assistant: Water Resources and Planning/Legal/Pretreatment Program
- 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, Pretreatment, Water Resources and Planning, Legal, and IS/Technology Departments of SAWPA.

Accomplishments for FYE 2013

- ◆ Administration maintained consistent work flow and:
 - Prepared and posted approximately 120 meeting agendas, packets, and minutes;
 - Prepared/processed over 185 contractual documents; and
 - Over 8,200 documents processed and electronically stored into the OnBase Document System.
- ◆ A huge undertaking began of administrative support tasks for the Pretreatment Program.
- ◆ Continued populating and migration of records from Liberty Records Management System to the OnBase Management System.
- ◆ Working with IS and Water Resources and Planning Departments, established a newly formatted, web-friendlier e-newsletter.
- ◆ Working with IS, populated, updated, and maintained the SAWPA website.
- ◆ Working with IT/OnBase Consultant, and SLG Consulting, co-developed and implemented the Liquid Waste Hauler Process into OnBase for the Pretreatment Program.
- ◆ Also provided support in the preparation and submittal of the Proposition 84, IRWM Round 2 Grant Program for OWOW's 20 project proposals.
- ◆ Maintained SAWPA's sustainable landscaping garden and refreshed garden exhibits in spring/fall with replacement plants.
- ◆ Coordinated/hosted several events and tours throughout the year and provided support in the planning and preparation efforts of the OWOW Annual Conference.
- ◆ Repurposed office space to meet growing Brine Line Operations Department (for 3 field employees).

Objectives for FYEs 2014 and 2015

- ◆ 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.
- ◆ Provide administrative support to Roundtable stakeholder task forces/workgroups.
- ◆ Build and strengthen processes and procedures for increased efficiencies within the department.
- ◆ Provide project support for Brine Line and other projects.
- ◆ Provide administrative task support for the Pretreatment Program.
- ◆ In coordination with IS/T Department, provide records management of all SAWPA/LESJWA records including off-site historical, vital, and archived documents.
- ◆ Provide legislative support.
- ◆ Enter the SAWPA garden into a landscaping contest with the City of Riverside's Keep Riverside Clean/Beautification Award Program.
- ◆ Add two new exhibits to the SAWPA Garden regarding the Inland Empire Brine Line, showcasing unique pipe segments from specific construction projects.
- ◆ Provide other administrative services as required for facilities management, purchasing, contract administration, and public information.
- ◆ Working with IT, implement an office master plan to accommodate staffing.

Salary and Benefit Costs

<i>Account Information</i>	<i>FYE 2013 Budget</i>	<i>FYE 2014 Budget</i>	<i>% Inc/ (Decr)</i>	<i>FYE 2015 Budget</i>	<i>% Inc/ (Decr)</i>
Salaries and Benefits	\$615,838	\$568,169	(7.7%)	\$613,381	8.0%

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;
 - Pretreatment Program;
 - 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;
 - Imported Water Recharge Technical Committee;
 - Middle Santa Ana River Watershed Pathogen TMDL Task Force;
 - Lake Elsinore and Canyon Lake TMDL Task Force;
 - Lake Elsinore and Canyon Lake Technical Advisory Committee;
 - SAR Fish Conservation Task Force;
 - 10 OWOW Pillars and Steering Committee;
 - Forest First Program; and
 - Sana 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, onsite/offsite archival records, and processing public information requests.
- ◆ Facilities maintenance (landscaping, building maintenance, etc.).
- ◆ Maintain SAWPA's Sustainable Landscaping Garden.
- ◆ Provide coordination/support for Public Information/Outreach efforts/events as appropriate.
- ◆ Purchasing.
- ◆ Contract Administration.
- ◆ Update and maintain SAWPA's Resources Library.
- ◆ Monitor and coordinate safety training.
- ◆ Maintain office inventory.

Group Goals for FYEs 2014 and 2015

- ◆ 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 migration and continue populating records into the OnBase Data Management System.
- ◆ Continue refining contract administration efficiencies.
- ◆ Working with Engineering and Operations Department, update safety plan.
- ◆ Continue refining/updating the SAWPA electronic Resources Library.
- ◆ Update public relations materials and packet/newsletter.
- ◆ Begin Phase 2 of the Sustainable Landscaping Garden.

Staff Additions Needed for FYEs 2014 and 2015

Staff Additions

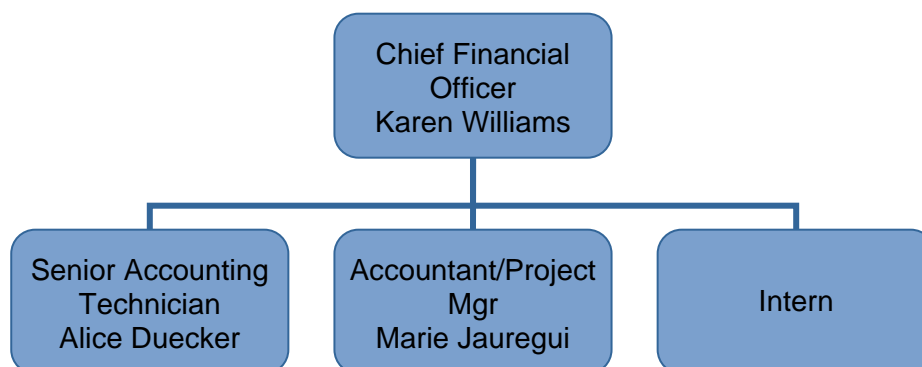
None.

Reclassification

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
- 1 – Accountant/Project Manager
- 1 – 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 2013

- ◆ Updated Brine Line Rate model.
- ◆ Submitted FYE 2012 Comprehensive Annual Financial Report to the GFOA and received the Certificate of Achievement for Excellence in Financial Reporting.
- ◆ Billed and received all SRF loan for the Brine Line Reach IV-A and IV-B repairs project.
- ◆ Completed RFP for Audit Services and contracted with White Nelson Diehl Evans LLP.
- ◆ Completed and submitted an Indirect Costs Proposal to the U.S. Department of Commerce for FYE 2012.
- ◆ Completed financial Audit and Project Specific audit for FYE 2012.
- ◆ Completion and approval of FYE 2014 and 2015 Budget.
- ◆ Updated Great Plains accounting software.
- ◆ Converted all accounting records to electronic format.

Objectives for FYEs 2014 and 2015

- ◆ 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 2013 Budget</i>	<i>FYE 2014 Budget</i>	<i>% Inc/ (Decr)</i>	<i>FYE 2015 Budget</i>	<i>% Inc/ (Decr)</i>
<i>Salaries and Benefits</i>	\$460,274	\$465,893	1.2%	\$500,246	7.4%

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 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 2014 and 2015

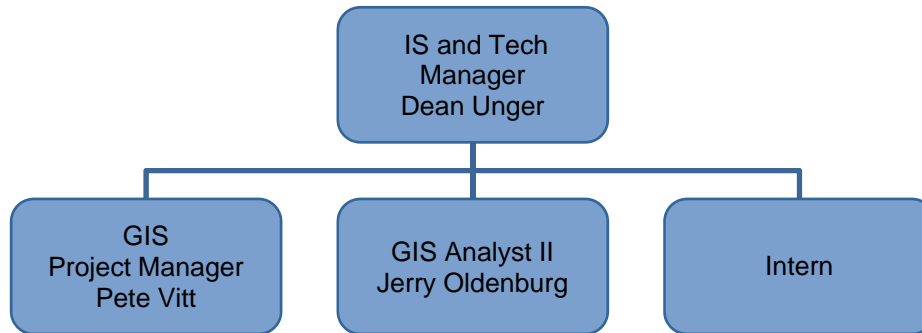
- ◆ Complete required actuarial evaluation for compliance with GASB 45 *Accounting and Financial Reporting by Employers for Post-employment Benefits Other Than Pensions*.
- ◆ Submit FYEs 2014 and 2015 Budget to the Government Finance Officers Association's (GFOA) Distinguished Budget Presentation Awards Program.
- ◆ Submit FYE 2013 FYE 2014 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 BI360 budget module.
- ◆ Update Great Plains accounting software to GP13.
- ◆ 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 SRF loan for Brine Line Reach V repairs project

Staff Additions Needed for FYEs 2014 and 2015

No additions are needed for FYEs 2014 and 2015.

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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 2013

- ◆ Upgraded Desktops to new PCs.
- ◆ Office 2007 rollout.
- ◆ 1 Laptop rollout.
- ◆ Upgraded internet connection.
- ◆ Finished OnBase implementation for all but Engineering.
- ◆ Upgraded Brine Line drawing GIS Apps / Service requests, maintenance request.
- ◆ Improved and supported 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 2014 and 2015

- ◆ Integrate Document Management System.
- ◆ Install new Pretreatment Hardware and Virtual Servers.
- ◆ 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.
- ◆ Deliver additional 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 2013 Budget</i>	<i>FYE 2014 Budget</i>	<i>% Inc/ (Decr)</i>	<i>FYE 2015 Budget</i>	<i>% Inc/ (Decr)</i>
<i>Salaries and Benefits</i>	\$536,577	\$508,823	(5.2%)	\$538,615	5.9%

FYEs 2014 and 2015 New Initiatives/Programs

- ◆ Integrate Document Management System (OnBase) into other systems.
- ◆ GIS and Web support for OWOW plan and report card.
- ◆ Setup and Support of New Pretreatment Application including hardware, software, and database.
- ◆ 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 2014 and 2015

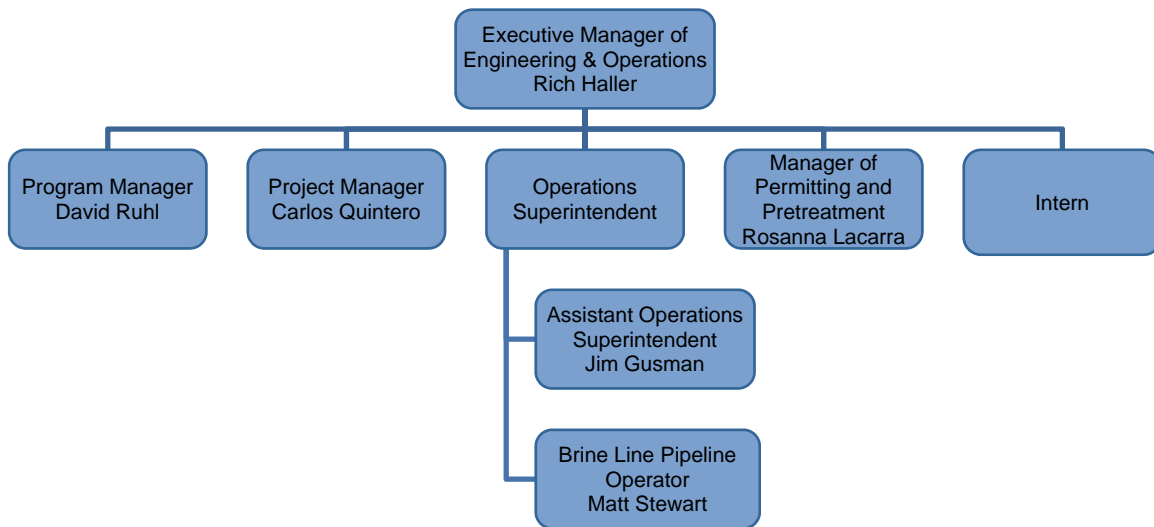
- ◆ Evaluate tools to improve Agency efficiency, including but not limited to: improve contact management systems for outreach to member agencies and the watershed community, systems to support Brine Line operations and business plans (e.g., Maintenance Management System), and develop methods to integrate 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 2014 and 2015

Although there is an increase in additional support for Pretreatment hardware and software, no additions are needed for FYEs 2014 and 2015.

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Engineering and Operations



Summary Information

Existing Staff – 7 FTE

- 1 – Executive Manager of Engineering and Operations
- 1 – Program Manager
- 1 – Project Manager
- 1 – Manager of Permitting and Pretreatment
- 1 – Operations Superintendent
- 1 – Assistant Operations Superintendent
- 1 – Brine Line Pipeline Operator
- 1 – Intern

Mission

Manage the operation of the Brine Line and the associated CIP. Implement the Proposition 50 program consisting of seven projects (two still on-going). Continue to implement the Proposition 84 program (Round 1 funded projects) and begin implementation of Round 2.

Accomplishments for FYE 2013

- ◆ Completed construction of three projects totaling approximately \$17 million to repair Reaches IV-A and IV-B through slip-lining and cured-in-place pipe repair methods.
- ◆ Completed construction of two sediment traps along Reach IV-D. Approximate cost \$1 million.
- ◆ Investigated the cause of a failure of the Reach V pipeline including convening an expert panel, completing test pits to determine the existing field conditions, and preparing a pipeline condition assessment.
- ◆ Prepared internet based software tool to manage and record operation and maintenance (O&M) activities and track the system status (such as valves being open/closed). Information is displayed on a system map.
- ◆ Installed additional access points to Reach IV-B Upper to facilitate line cleaning. Performed approximate semi-annual cleaning of Reach IV-B Upper.

- ◆ Implemented permitting process improvements to streamline use of secondary collection station facilities in the event the primary station is unavailable.
- ◆ Created and filled a new staff position. New Brine Line Operator is responsible for day-to-day system operations, and coordinating with contract service providers.
- ◆ Continued quarterly siphon cleaning program for system siphons.
- ◆ Audited compliance with Sewer System Management Plan (SSMP) as required by the SWRCB's statewide permit.
- ◆ Installed spray-on corrosion protection at the Pine Avenue siphon inlet/outlet structures.
- ◆ Monitored facilities during 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 2014 and 2015

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 Agreement 21 Committee and the Commission.
 - Prepare a new business plan.
- ◆ CIP Projects.
 - Reach V Repairs. Design and install access pits along contracts 2, 3, 4 and 5. Complete CCTV inspection. Begin design of pipeline repairs.
 - Miscellaneous capital repairs (repair of leaking joint in Mission tunnel, install/repair MAS corrosion protection, etc).
- ◆ 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, etc.).
- ◆ Revamp permitting and pretreatment program per OCSD requirements; complete corrective actions to address audit findings.
- ◆ 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, valve maintenance, support of line cleaning and routine system inspections.
- ◆ Brine Line Relocation in Orange County, Protection in Riverside County.
 - Support Orange County Public Works completion of construction.
 - Administer loan agreement per terms with OCFCD.
 - Support Riverside County Flood Control in the completion of final design, construction contract award and implementation, and turnover of the completed sheet-pile protective structure to SAWPA.
- ◆ 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.
- ◆ Continue annual pipeline cleaning and CCTV inspection program.
- ◆ Complete semi-annual cleaning of Reach IV-B Upper.
- ◆ 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 (Round 2).
- ◆ Implement program in accordance with the contract requirements.
- ◆ Request SWRCB or DWR 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 2013 Budget</i>	<i>FYE 2014 Budget</i>	<i>% Inc/ (Decr)</i>	<i>FYE 2015 Budget</i>	<i>% Inc/ (Decr)</i>
Salaries and Benefits	\$942,138	\$1,180,230	25.3%	\$1,257,851	6.6%

Core Activities

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

Brine Line

- ◆ Planning – quality, quantity projections, system finances (O&M, capital).
- ◆ Capital Improvement Program – design and construction.
- ◆ 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 permit.
- ◆ Maintain record data for system facilities – correct inaccurate information (blow-offs, airvacs, etc.).
- ◆ Coordinate activities of WMWD and IEUA O&M staff.
- ◆ Utility markings (Underground Service Alert).
- ◆ Right-of-way maintenance.
- ◆ Reading and maintaining the flow meters.
- ◆ Facility maintenance.
- ◆ Brine Line Protection/Relocation in Riverside and Orange Counties.
- ◆ Brine Line Protection/Relocation at Yorba Slaughter.
- ◆ Work Plan Items.

Grant Programs

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

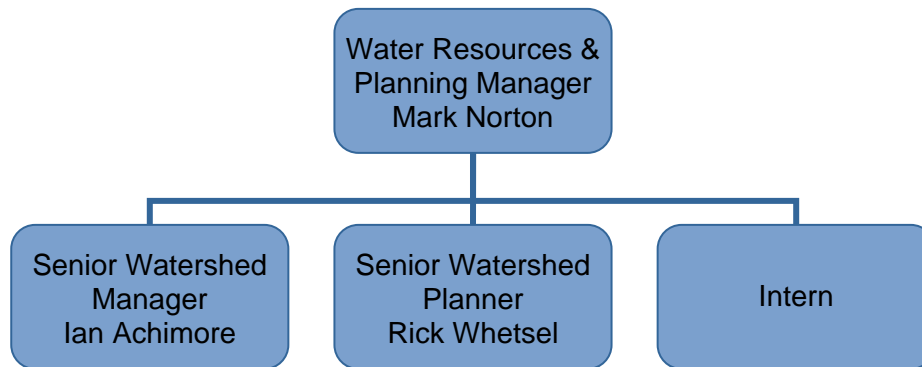
Group Goals for FYEs 2014 and 2015

- ◆ 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 2014 and 2015

A new Brine Line Pipeline Operator position was added during FYE 2013. This position assists other field staff in the completion of O&M activities performed directly by SAWPA staff. With three field staff, additional activities are able to be completed including confined space entry and more complex traffic control setups. A new Manager of Permitting and Pretreatment also was added during FYE 2013 to manage and oversee the Inland Empire Brine Line permitting and pretreatment program.

Water Resources and Planning



Summary Information

Existing Staff – 3 FTE

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

Mission

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

Accomplishments for FYE 2013

- ◆ Conducted a successful fifth annual OWOW Conference in Fountain Valley, CA with over 400 people in attendance.
- ◆ Commenced work on OWOW 2.0 Plan using funding from SAWPA member agencies, DWR IRWM Planning grant, and funding partnership with the BOR.
- ◆ Updated the online application form for Round 2 of Proposition 84 IRWM grant program. Updated the rating and ranking process to encourage submittal of competitive multi-benefit, multi-jurisdictional projects under OWOW. The top 20 projects were successfully selected for funding with support by the OWOW Steering Committee and SAWPA Commission under DWR's Proposition 84 IRWM Round 2 Implementation funding program in support of fulfilling the OWOW Plan goals.
- ◆ Successfully completed and submitted the CA DWR IRWM application to DWR, working closely with the 20 project proponents for \$16.7 million.
- ◆ Submitted the third annual watershed-wide emerging constituents program sampling report to the Regional Board reflecting no major health concerns resulting from ECs in drinking water sources as deemed by the Regional Board.

Objectives for FYEs 2014 and 2015

- ◆ Complete OWOW 2.0 Plan in FYE 2014 using the remaining \$1 million in Proposition 84 IRWM Planning Grant and federal funding match of \$1 million from USBR.
- ◆ Facilitate preparation of the next OWOW Call for Projects, rating and ranking of OWOW projects and selection of regional water resources projects under Round 3 of Proposition 84 IRWM Implementation program.

- ◆ 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.
- ◆ Support the Stormwater Quality Standards Task Force (SQSTF) composed of OC Public Works, RCFC&WCD, San Bernardino County Flood Control, and the RWQCB to re-evaluate the stormwater quality standards in the Santa Ana Basin.

Salary and Benefit Costs

<i>Account Information</i>	<i>FYE 2013 Budget</i>	<i>FYE 2014 Budget</i>	<i>% Inc/ (Decr)</i>	<i>FYE 2015 Budget</i>	<i>% Inc/ (Decr)</i>
<i>Salaries and Benefits</i>	\$616,543	\$595,240	(3.5%)	\$629,733	5.5%

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:

- ◆ Complete 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 to 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 2014 and 2015

- ◆ 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 2014 and 2015

The department has been at its historical core level of three full time employees for over 25 years. No additional staffing is being requested at this time. Staffing of the current three full time employees will be adequate to achieve the goals and objectives for FYEs 2014 and 2015. Additionally, the department will continue to rely on two temporary planning interns to support the department primarily in Roundtable and OWOW 2.0 Plan update activities envisioned for FYEs 2014 and 2015. The FYEs 2014 and 2015 budget has been prepared assuming three FTE staff 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, O&M, and capital projects.
- ◆ The fiscal year budget should be consistent with the 20-Year CIP, 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 (GFOA).
- ◆ 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 CIP will be reviewed and adjusted annually.
- ◆ All projects in the CIP 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.

Statistical and Other Information

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).....	23	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 2011)	3,071,933	2,065,016	2,244,399
Land Area (sq miles)	790.57	20,056.94	7,206.48
Median Family Income (2007-11)	\$75,762	\$55,853	\$58,365
Median Home Price (June 2013)	\$545,000	\$204,000	\$269,250
Building Permits Issued (2012)	6,044	1,837	4,042

Source: California Labor Market (www.labormarketinfo.edd.ca.gov); US Census Bureau (www.census.gov)

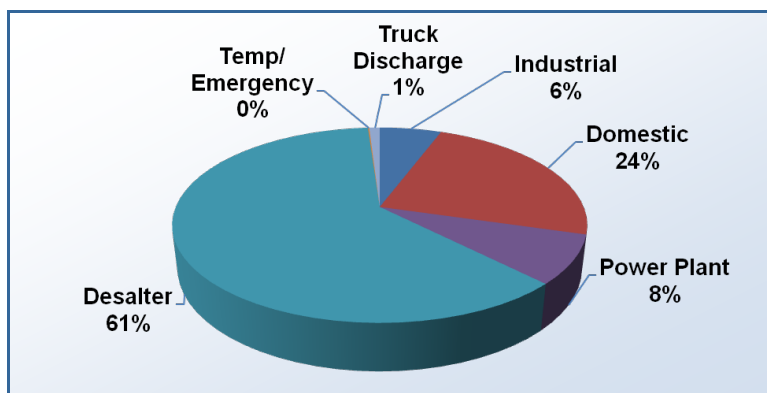
Treatment Information

Actual annual MGD of discharge by type:

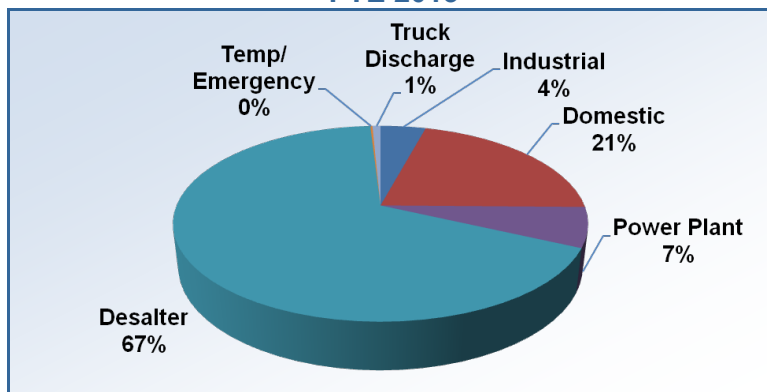
<i>Type of Discharge</i>	<i>FYE 2007</i>	<i>FYE 2008</i>	<i>FYE 2009</i>	<i>FYE 2010</i>	<i>FYE 2011</i>	<i>FYE 2012</i>	<i>FYE 2013</i>
Industrial	629.5509	331.7357	203.4214	203.3820	245.6435	249.2381	171.2630
Domestic	1477.2549	839.1495	852.0116	908.3414	1015.4773	1027.1307	854.2526
Dairy	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Power Plant	93.3591	104.4273	222.9578	268.2640	334.4011	348.7255	267.9388
Desalters	2345.3973	2507.0998	2923.6592	2877.3705	2702.2033	2657.6589	2728.7335
Temporary/Emergency	1.5201	0.00	7.3531	18.1715	20.1418	5.0106	7.9366
Truck Discharge	39.8682	64.0861	62.5716	53.3668	43.2777	42.3407	30.6147
Total	4586.9505	3846.4984	4271.9747	4328.8962	4361.1447	4330.1045	4060.7392

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.

**Discharge by Type
FYE 2012**



**Discharge by Type
FYE 2013**

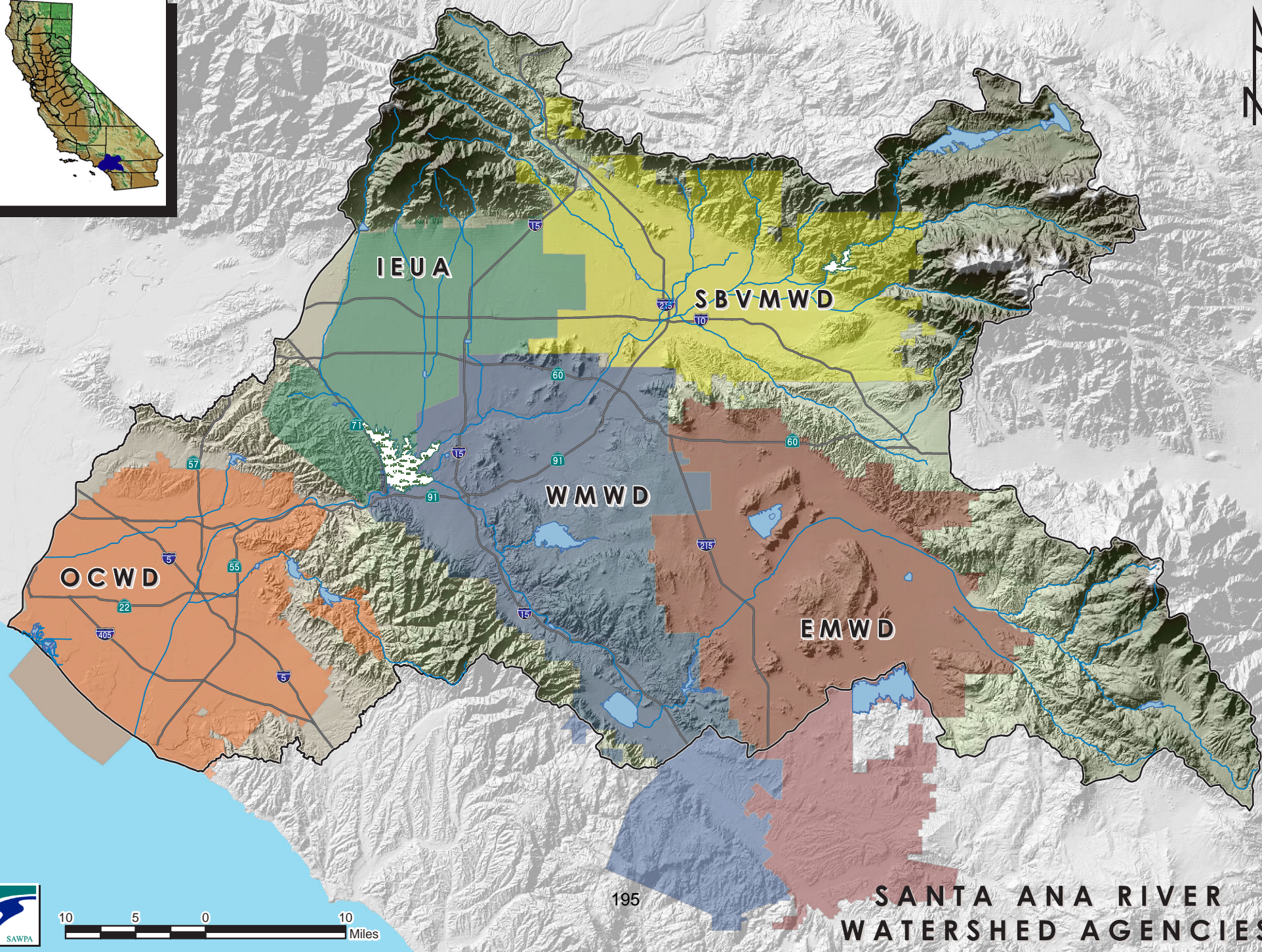
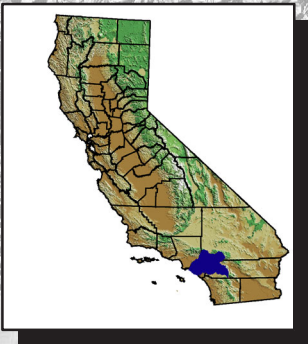


The table below shows the total pipeline and treatment & disposal capacity owned (in MGD's) by each of SAWPA's member agencies as of June 30, 2013.

<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	1.089
Western Municipal Water District **	11.634	6.763
SAWPA unassigned capacity	0.000	0.000
Total	32.568	17.000

* Includes Chino desalter I & II

** Includes Arlington desalter



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 Other Post Employment Benefits (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.

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.

Brine Line (formerly known as SARI Line)

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.

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.

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.

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.

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)

Post employment benefits other than pension benefits. OPEB include post employment healthcare benefits, regardless of the type of plan that provides them, and all post employment 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.

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.

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.

SARI

The portion of the Brine Line owned and operated by OCSD.

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.

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.

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.

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
CRC	California Rehabilitation Center
DFG	California Department of Fish and Game
DMS	Data Management System
D/S	Downstream
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&WCD	Riverside County Flood Control & Conservation District
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
SQSTF	Stormwater Quality Standards Task Force
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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