



# S A W P A

SANTA ANA WATERSHED PROJECT AUTHORITY

11615 Sterling Avenue, Riverside, California 92503 • (951) 354-4220

## REGULAR COMMISSION MEETING TUESDAY, MAY 15, 2018 – 9:30 A.M.

### AGENDA

1. **CALL TO ORDER/PLEDGE OF ALLEGIANCE** (Susan Lien Longville, Chair)
2. **ROLL CALL**
3. **PUBLIC COMMENTS**  
Members of the public may address the Commission on items within the jurisdiction of the Commission; however, no action may be taken on an item not appearing on the agenda unless the action is otherwise authorized by Government Code §54954.2(b).
4. **CONSENT CALENDAR**  
All matters listed on the Consent Calendar are considered routine and non-controversial and will be acted upon by the Commission by one motion as listed below.
  - A. **APPROVAL OF MEETING MINUTES: MAY 1, 2018**..... 5  
**Recommendation:** Approve as posted.
5. **NEW BUSINESS**
  - A. **AUDIT SERVICES FYE 2018, 2019 AND 2020 (CM#2018.47)**..... 9  
**Presenter:** Karen Williams  
**Recommendation:** Approve award of contract for Audit Services for FYE 2018, 2019 and 2020 to Teaman, Ramirez & Smith, Inc.
  - B. **REQUEST FOR PROPOSALS (RFP) FOR INFORMATION TECHNOLOGY (IT) SERVICES (CM#2018.48)**..... 45  
**Presenter:** Dean Unger  
**Recommendation:** Authorize the issuance of a Request for Proposals (RFP) for Information Technology (IT) services commencing in fiscal year 2018-2019.
  - C. **BRINE LINE REACH 4 PROTECTION PROJECT (CM#2018.54)**..... 69  
**Presenter:** Carlos Quintero  
**Recommendation:** Adopt Resolution No. 2018-04 approving Form Cal OES 130 designating the General Manager as the SAWPA authorized representative to accept Disaster Recovery funds under Public Law 93-228.

- D. [INLAND EMPIRE BRINE LINE RATE RESOLUTION \(CM#2018.53\)](#) ..... 73  
**Presenter:** Carlos Quintero  
**Recommendation:** Adopt Resolution No. 2018-05 establishing the new Inland Empire Brine Line rates to be effective July 1, 2018 (Fiscal Year 2019).
- E. [SANTA ANA SUCKER HABITAT PROTECTION AND BENEFICIAL USE ENHANCEMENT PROJECT -- NOTICE INVITING BIDS \(CM#2018.50\)](#)..... 115  
**Presenter:** Ian Achimore  
**Recommendation:** Authorize the General Manager to issue a Notice Inviting Bids for the Santa Ana Sucker Habitat Protection and Beneficial Use Enhancement Project.
- F. [MEMORANDUM OF UNDERSTANDING \(MOU\) WITH THE HOUSING AUTHORITY OF THE CITY OF RIVERSIDE \(CM#2018.49\)](#) ..... 121  
**Presenter:** Mark Norton  
**Recommendation:** Consider approval of a Memorandum of Understanding (MOU) between SAWPA and the Housing Authority of the City of Riverside.

6. **INFORMATIONAL REPORTS**

**Recommendation:** Receive for information.

- A. [CASH TRANSACTIONS REPORT – MARCH 2018](#) ..... 133  
**Presenter:** Karen Williams
- B. [INTER-FUND BORROWING – MARCH 2018 \(CM#2018.51\)](#) ..... 141  
**Presenter:** Karen Williams
- C. [PERFORMANCE INDICATORS/FINANCIAL REPORTING – MARCH 2018 \(CM#2018.52\)](#)..... 145  
**Presenter:** Karen Williams
- D. [GENERAL MANAGER REPORT](#)..... 169
- E. [SAWPA GENERAL MANAGERS MEETING NOTES](#) ..... 175  
  - May 1, 2018
- F. [STATE LEGISLATIVE REPORT](#) ..... 177  
**Presenter:** Rich Haller
- G. **CHAIR’S COMMENTS/REPORT**
- H. **COMMISSIONERS’ COMMENTS**
- I. **COMMISSIONERS’ REQUEST FOR FUTURE AGENDA ITEMS**

7. **CLOSED SESSION**

- A. **CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION PURSUANT TO GOVERNMENT CODE SECTION 54956.9(d)(1)**  
 Name of Case: Spiniello Companies v. Charles King Company, Inc., Santa Ana Watershed Project Authority, The Ohio Casualty Insurance Company (Superior Court of Los Angeles BC616589)

8. **ADJOURNMENT**

Americans with Disabilities Act: If you require any special disability related accommodations to participate in this meeting, please call (951) 354-4230 or email [kberry@sawpa.org](mailto:kberry@sawpa.org). Notification at least 48 hours prior to the meeting will enable staff to make reasonable arrangements to ensure accessibility for this meeting. Requests should specify the nature of the disability and the type of accommodation requested.

Materials related to an item on this agenda submitted to the Commission after distribution of the agenda packet are available for public inspection during normal business hours at the SAWPA office, 11615 Sterling Avenue, Riverside, and available at [www.sawpa.org](http://www.sawpa.org), subject to staff's ability to post documents prior to the meeting.

**Declaration of Posting**

I, Kelly Berry, Clerk of the Board of the Santa Ana Watershed Project Authority declare that on Wednesday, May 9, 2018, a copy of this agenda has been uploaded to the SAWPA website at [www.sawpa.org](http://www.sawpa.org) and posted at the SAWPA office, 11615 Sterling Avenue, Riverside, California.

/s/

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Kelly Berry, CMC

**2018 SAWPA Commission Meetings/Events**

First and Third Tuesday of the Month

(NOTE: Unless otherwise noticed, all Commission Workshops/Meetings begin at **9:30 a.m.**, and are held at SAWPA.)

<b>January</b> 1/2/18 <del>Commission Workshop</del> [cancelled] 1/16/18 Regular Commission Meeting	<b>February</b> 2/6/18 Commission Workshop 2/20/18 Regular Commission Meeting
<b>March</b> 3/6/18 Commission Workshop 3/20/18 Regular Commission Meeting	<b>April</b> 4/3/18 Commission Workshop 4/17/18 Regular Commission Meeting
<b>May</b> 5/1/18 Commission Workshop 5/8 – 5/11/18 ACWA Spring Conference, Sacramento 5/15/18 Regular Commission Meeting	<b>June</b> 6/5/18 Commission Workshop 6/19/18 Regular Commission Meeting
<b>July</b> 7/3/18 Commission Workshop 7/17/18 Regular Commission Meeting	<b>August</b> 8/7/18 Commission Workshop 8/21/18 Regular Commission Meeting
<b>September</b> 9/4/18 Commission Workshop 9/18/18 Regular Commission Meeting	<b>October</b> 10/2/18 Commission Workshop 10/16/18 Regular Commission Meeting
<b>November</b> 11/6/18 Commission Workshop 11/20/18 Regular Commission Meeting 11/27 – 11/30/18 ACWA Fall Conference, San Diego	<b>December</b> 12/4/18 Commission Workshop 12/18/18 Regular Commission Meeting

# SAWPA COMPENSABLE MEETINGS

Commissioners and Alternate Commissioners will receive compensation for attending the meetings listed below, pursuant to the Commission Compensation, Expense Reimbursement, and Ethics Training Policy.

**IMPORTANT NOTE:** These meetings are subject to change. Prior to attending any meetings listed below, please confirm meeting details by viewing the website calendar using the following link:

<http://www.sawpa.org/sawpa-events/>

## MONTH OF: MAY

DATE	TIME	MEETING DESCRIPTION	LOCATION
5/9/18	10:00 AM	Climate Risk/Response Pillar Mtg	CANCELLED
5/23/18	9:30 AM	Lake Elsinore/Canyon Lake TMDL Mtg	SAWPA
5/23/18	1:30 PM	Basin Monitoring Program Task Force Mtg	SAWPA
5/24/18	8:00 AM	PA 22 Committee Mtg	SAWPA
5/24/18	11:00 AM	OWOW Steering Committee Mtg	SAWPA
5/28/18	2:00 PM	OWOW Disadvantaged & Tribal	CANCELLED

## MONTH OF: JUNE

DATE	TIME	MEETING DESCRIPTION	LOCATION
6/5/18	8:30 AM	PA 23 Committee Mtg	SAWPA
6/13/18	10:00 AM	Climate Risk/Response Pillar Mtg	SAWPA
6/19/18	1:30 PM	MSAR TMDL Task Force Mtg	SAWPA
6/20/18	1:30 PM	Basin Monitoring Program Task Force Mtg	SAWPA
6/21/18	4:00 PM	LESJWA Board of Directors Mtg	Elsinore Valley MWD 31315 Chaney Street Lake Elsinore, CA
6/25/18	2:00 PM	OWOW Disadvantaged & Tribal	SAWPA
6/28/18	8:00 AM	PA 22 Committee Mtg	SAWPA
6/28/18	9:30 AM	OWOW Pillar Integration Mtg	SAWPA



**SAWPA COMMISSION  
REGULAR MEETING MINUTES  
MAY 1, 2018**

**COMMISSIONERS PRESENT**

Susan Lien Longville, Chair, San Bernardino Valley Municipal Water District  
Ronald W. Sullivan, Vice Chair, Eastern Municipal Water District  
Jasmin A. Hall, Secretary-Treasurer, Inland Empire Utilities Agency  
Bruce Whitaker, Alternate, Orange County Water District  
Thomas P. Evans, Western Municipal Water District [via conference call]

**COMMISSIONERS ABSENT**

Philip L. Anthony, Orange County Water District

**ALTERNATE COMMISSIONERS  
PRESENT; NON-VOTING**

Steve Copelan, Alternate, San Bernardino Valley Municipal Water District

**STAFF PRESENT**

Rich Haller, Larry McKenney, Karen Williams, Mark Norton, David Ruhl,  
Carlos Quintero, Jerry Oldenburg, Ian Achimore, Kelly Berry

The Regular Commission Meeting of the Santa Ana Watershed Project Authority was called to order at 9:30 a.m. by Chair Longville at the Santa Ana Watershed Project Authority, 11615 Sterling Avenue, Riverside, California.

**1. CALL TO ORDER/PLEDGE OF ALLEGIANCE**

**2. ROLL CALL**

Roll call was duly noted and recorded by the Clerk of the Board.

**3. PUBLIC COMMENTS**

There were no public comments.

**4. CONSENT CALENDAR**

**A. APPROVAL OF MEETING MINUTES: APRIL 17, 2018**

Recommendation: Approve as posted.

**MOVED**, approve the April 17, 2018 meeting minutes.

Result:	<b>Adopted</b>
Motion/Second:	Whitaker/Hall
Ayes:	Evans, Hall, Longville, Sullivan, Whitaker
Nays:	None
Abstentions:	None
Absent:	None

**5. NEW BUSINESS**

**A. STATUS REPORT – AB 2050 (CABALLERO)**

General Manager Paul D. Jones, Eastern Municipal Water District, provided a Power Point presentation updating the Commission on AB 2050, proposed legislation EMWD and the California Municipal Utilities Association have sponsored to address small, failing water systems within

disadvantaged communities throughout the state. Paul Jones and EMWD staff were commended for their time and leadership in providing a workable solution to a state-wide problem.

This item was for informational purposes; no action was taken on Agenda Item No. 5.A.

**B. INLAND EMPIRE BRINE LINE ON-CALL SERVICE CONTRACTS (CM#2018.46)**

Carlos Quintero provided a PowerPoint presentation regarding the proposed on-call service contracts for the Inland Empire Brine Line.

**MOVED**, authorize the General Manager to issue the following Work Orders and Task Orders and extend the expiration date for the existing General Services Agreements with Houston & Harris, Innerline Engineering, and HazMat Trans:

1. Work Order 2019-04 to E.S. Babcock Laboratories in the amount of \$86,454 for sample collection and analysis services;
2. Work Order 2019-01 to Western Municipal Water District in the amount of \$80,000 for sample collection support;
3. Task order HOU240-04 to Houston & Harris in the amount of \$96,448 for On-Call CCTV Services;
4. Task Order INN240-03 to Interline Engineering in the amount of \$151,020 for On-Call Pipeline Cleaning Services; and,
5. Task Order HAZ240-09 to HazMat Trans in the amount of \$96,665 for line draining and emergency response services.

Result:	<b>Adopted (Unanimously)</b>
Motion/Second:	Evans/Sullivan
Ayes:	Evans, Hall, Longville, Slawson, Whitaker
Nays:	None
Abstentions:	None
Absent:	None

**6. INFORMATIONAL REPORTS**

The following oral/written reports/updates were received and filed.

**A. MEETING ATTENDANCE REPORTS – COMMISSIONERS AND ALTERNATES**

Commissioners and Alternate Commissioners provided an oral report relating to meetings attended during the month of April, 2018.

**B. OWOW QUARTERLY STATUS REPORT: JANUARY 1, 2018 – MARCH 31, 2018**

**C. ROUNDTABLES QUARTERLY STATUS REPORT: JANUARY 1, 2018 – MARCH 31, 2018**

**D. CHAIR’S COMMENTS/REPORT**

Chair Longville welcomed Board Member Steve Copelan as the recently appointed Alternate Commissioner representing SBVMWD.

**E. COMMISSIONERS’ COMMENTS**

Commissioner Evans noted he has attended OWOW Steering Committee meetings in the past due to calendar conflicts, and asked about attendance at the May 24, 2018 meeting. Commissioner Hall noted she is unable to attend the May 24 meeting. Alternate Commissioner Bruce Whitaker advised he could attend the May 24, 2018 Committee meeting; accordingly, it was the concurrence of the Commission that OWOW Steering Committee representatives for the May 24, 2018 meeting will be Commissioner Sullivan and Alternate Commissioner Whitaker.

Commissioner Sullivan commented regarding duplicative testing and voiced his desire for increased collaboration and coordination.

Three brochures were provided to the Commission and members of the public regarding SAWPA's upcoming sign search competition, the OWOW Call for Projects, and Reach 4D pipeline inspection activities.

**F. COMMISSIONERS' REQUEST FOR FUTURE AGENDA ITEMS**

There were no additional requests for future agenda items.

**7. CLOSED SESSION**

There was no Closed Session.

**8. ADJOURNMENT**

There being no further business for review, Chair Longville adjourned the meeting at 10:15 a.m.

**Approved at a Regular Meeting of the Santa Ana Watershed Project Authority Commission on Tuesday, May 15, 2018.**

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Susan Lien Longville, Chair

Attest:

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Kelly Berry, CMC  
Clerk of the Board

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**COMMISSION MEMORANDUM NO. 2018.47**

**DATE:** May 15, 2018  
**TO:** SAWPA Commission  
**SUBJECT:** Audit Services FYE 2018, 2019, and 2020  
**PREPARED BY:** Karen Williams, Chief Financial Officer

**RECOMMENDATION**

It is recommended that the Commission award the contract for Audit Services for FYE 2018, 2019, and 2020, to Teaman, Ramirez & Smith, Inc.

**DISCUSSION**

On February 20, 2018, the Commission authorized the issuance of a RFP for audit services commencing with the fiscal year ending June 30, 2018. Of the 15 firms that were sent the RFP, 9 proposals for audit services were received. A summary of proposals for audit services is attached for your review.

In the current proposed budget, staff has included \$36,500 for audit services. Of the bids received, all firms have proposed fees that are within the budgeted amount. All of the firms that submitted proposals have the experience and ability to provide adequate audit services to the Agency. After reviewing all proposals that were received staff is recommending that Teaman, Ramirez & Smith, Inc. be awarded the contract. Teaman, Ramirez & Smith, Inc. received the highest score based on the proposal requirements bid amount. This firm served as the Agency's auditor in FYE 2006 through 2010.

**RESOURCE IMPACTS**

Amount included in the budget for Audit Services for FYE 2019 is \$36,500.

Attachments:

1. List of Audit Firms - RFPs
2. Teamon Ramirez & Smith, Inc. Proposal

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## Request for Proposals on Audit Services

		<u>FYE 2018</u>	<u>FYE 2019</u>	<u>FYE 2020</u>
Rogers, Anderson, Malody & Scott 735 E, Carnegie Dr Suite 100 San Bernardino, CA 92401	Hours	0	0	0
	SAWPA	\$ 29,800	\$ 29,800	\$ 31,000
	Controller's Report	\$ 1,000	\$ 1,000	\$ 1,000
	Single Audit	\$ 3,000	\$ 3,000	\$ 3,100
	LESJWA	\$ 7,650	\$ 7,650	\$ 8,050
	Total Fees	<u>\$ 41,450</u>	<u>\$ 41,450</u>	<u>\$ 43,150</u>
	Hourly Rate	#DIV/0!	#DIV/0!	#DIV/0!
White Nelson Diehl Evans LLP 2875 Michelle Drive, Suite 300 Irvine, CA 92606	Hours	257	257	257
	SAWPA	\$ 24,925	\$ 25,675	\$ 26,445
	Controller's Report	\$ 790	\$ 815	\$ 840
	Single Audit	\$ 3,105	\$ 3,200	\$ 3,295
	LESJWA	\$ 5,470	\$ 5,635	\$ 5,805
	Total Fees	<u>\$ 34,290</u>	<u>\$ 35,325</u>	<u>\$ 36,385</u>
	Hourly Rate	\$ 133.42	\$ 137.45	\$ 141.58
Fedak & Brown LLP 6081 Orange Avenue Cypress, CA 90630	Hours	279	279	279
	SAWPA	\$ 20,000	\$ 20,626	\$ 21,276
	Controller's Report	\$ 660	\$ 684	\$ 702
	Single Audit	\$ 6,000	\$ 6,150	\$ 6,300
	LESJWA	\$ 5,790	\$ 5,970	\$ 6,157
	Total Fees	<u>\$ 32,450</u>	<u>\$ 33,430</u>	<u>\$ 34,435</u>
	Hourly Rate	\$ 116.31	\$ 119.82	\$ 123.42
Teaman, Ramirez & Smith 4201 Brockton Avenue Suite 100 Riverside, CA 92501	Hours	0	0	0
	SAWPA	\$ 22,750	\$ 22,750	\$ 22,750
	Controller's Report	Included	Included	Included
	Single Audit	\$ 3,750	\$ 3,750	\$ 3,750
	LESJWA	\$ 5,000	\$ 5,000	\$ 5,000
	Total Fees	<u>\$ 31,500</u>	<u>\$ 31,500</u>	<u>\$ 31,500</u>
	Hourly Rate	#DIV/0!	#DIV/0!	#DIV/0!
Lance, Soll & Lunghard, LLP 203 N. Brea Blvd., Suite 203 Brea, CA 92821	Hours	0	0	0
	SAWPA	\$ 24,960	\$ 24,960	\$ 24,960
	Controller's Report	\$ 770	\$ 770	\$ 770
	Single Audit	\$ 2,950	\$ 2,950	\$ 2,950
	LESJWA	\$ 5,760	\$ 5,760	\$ 5,760
	Total Fees	<u>\$ 34,440</u>	<u>\$ 34,440</u>	<u>\$ 34,440</u>
	Hourly Rate	#DIV/0!	#DIV/0!	#DIV/0!

## Request for Proposals on Audit Services

The Pun Group 200 East Sandpointe Ave., Ste 600 Santa Ana, CA 92707	Hours	0	0	0
	SAWPA	\$ 24,000	\$ 24,480	\$ 24,970
	Controller's Report	\$ 3,000	\$ 3,060	\$ 3,121
	Single Audit	\$ 3,000	\$ 3,060	\$ 3,121
	LESJWA	\$ 5,500	\$ 5,610	\$ 5,722
	Total Fees	<u>\$ 35,500</u>	<u>\$ 36,210</u>	<u>\$ 36,934</u>
	Hourly Rate	#DIV/0!	#DIV/0!	#DIV/0!
Eadie & Payne 3880 Lemon St., Suite 300 Riverside, CA 92501	Hours	0	0	0
	SAWPA	\$ 23,850	\$ 24,600	\$ 25,350
	Controller's Report	\$ 650	\$ 675	\$ 700
	Single Audit	\$ 5,000	\$ 5,150	\$ 5,300
	LESJWA	\$ 5,500	\$ 5,650	\$ 5,800
	Total Fees	<u>\$ 35,000</u>	<u>\$ 36,075</u>	<u>\$ 37,150</u>
	Hourly Rate	#DIV/0!	#DIV/0!	#DIV/0!
Vant Lant & Fankhanel, LLP 25901 Kellogg Street Loma Linda, CA 92354	Hours	0	0	0
	SAWPA	\$ 29,500	\$ 29,500	\$ 30,500
	Controller's Report	Included	Included	Included
	Single Audit	\$ 2,900	\$ 2,900	\$ 3,000
	LESJWA	\$ 5,000	\$ 5,000	\$ 5,000
	Total Fees	<u>\$ 37,400</u>	<u>\$ 37,400</u>	<u>\$ 38,500</u>
	Hourly Rate	#DIV/0!	#DIV/0!	#DIV/0!
Brown Armstrong CPA 4200 Truxtun Ave, Suite 300 Bakersfield CA 93309	Hours	252	252	252
	SAWPA	\$ 19,200	\$ 19,200	\$ 19,200
	Controller's Report	\$ 800	\$ 800	\$ 800
	Single Audit	\$ 4,000	\$ 4,000	\$ 4,000
	LESJWA	\$ 5,000	\$ 5,000	\$ 5,000
	Total Fees	<u>\$ 29,000</u>	<u>\$ 29,000</u>	<u>\$ 29,000</u>
	Hourly Rate	\$ 115.08	\$ 115.08	\$ 115.08



PROPOSAL TO PERFORM THE AUDITS FOR THE  
**SANTA ANA WATERSHED  
PROJECT AUTHORITY**

MARCH 22, 2018



**CONTACT: JOSHUA CALHOUN, CPA**  
ALTERNANTE CONTACT: RICHARD TEAMAN  
4201 BROCKTON AVENUE, SUITE 100  
RIVERSIDE, CALIFORNIA 92501  
TELEPHONE: (951) 274-9500  
EMAIL: JCALHOUN@TRSCPAS.COM

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Teaman, Ramirez & Smith, Inc., founded in 1929, has specialized in auditing governmental agencies in excess of eighty years. The firm’s audit partners have over 50 years of combined experience auditing California governments, making us one of the leading firms in the Riverside, California area. By combining our expertise, experience and the team mentality of our staff, we assure that every client receives the close analysis and attention they deserve.



## 1. Executive Summary

Board of Commissioners  
Santa Ana Watershed Project Authority  
11615 Sterling Avenue  
Riverside, CA 92503

Teaman, Ramirez & Smith, Inc. is pleased to respond to your request for proposal to perform professional services for the Santa Ana Watershed Project Authority (the “Authority”). We hope this proposal conveys our strong desire and qualifications to fulfill your requirements. We understand this proposal is to audit the Authority’s financial statements for the fiscal years ending June 30, 2018 through 2020.

Teaman, Ramirez & Smith, Inc. is well qualified to provide these services for the following major reasons:

- Commitment to deliver quality audit reports on time so requirements of the Authority can be met in a timely manner.
- Ability to provide experienced personnel to ensure year-to-year continuity.
- Local CPA firm responsiveness and attentiveness. We are proactive in helping clients achieve a high level of financial reporting, including the implementation of new accounting pronouncements.
- Thorough understanding of the reporting requirements of the Authority. We have assisted many governments in achieving the GFOA and/or CSMFO financial statement awards for financial reporting.
- The engagement partner is a working partner and will be actively involved throughout the audit process.

Teaman, Ramirez & Smith, Inc. will take a proactive role in providing professional services to the Santa Ana Watershed Project Authority. Not only will we respond to specific requests and needs in a timely manner, we also will take the initiative to assist you in planning and seeking out opportunities to improve overall efficiency and control. This will enable Authority staff to deliver the best and most cost effective service to its customers.

The scope of our services for the year ending June 30, 2018 would be as follows:

- A financial audit of the Authority in accordance with auditing standards generally accepted in the United States of America and Governmental Auditing Standards issued by the Comptroller General of the United States, to be included in the Comprehensive Annual Financial Report (CAFR)
- A Single Audit of Federal Grants to be performed to meet the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirement for Federal Awards* (Uniform Guidance), when required.
- A management letter containing any comments or recommendations resulting from our review of the systems of internal controls in connection with the financial audits.
- A report communicating information related to the audit of those in charge of governance at the conclusion of the audits.

We will provide an audit team to perform the audit at the Authority with a strong background in governmental accounting and auditing. Our audit team will be readily available all year to serve the Authority. Also, our proposed team will be committed to providing excellent service and quality reports within the time frame necessary for the Authority to meet its requirements.

In addition to our audit team's work, a municipal audit manager independent of the audit team and a municipal audit partner will review all work papers and reports upon completion of the audit to ensure the quality of the audit.

Quality communication is an integral part of our approach to the services we provide, as is committing to meet your deadlines. During the engagement we will remain in contact with the Authority's designated representatives to keep the Authority informed of the status of the engagement. To ensure we are meeting the Authority's needs, we will ask you, after each engagement, to evaluate our services. It will be our utmost priority to meet the Authority's needs and goals in the performance of these audits.

We certify that Joshua Calhoun is entitled to represent the firm, empowered to submit this bid and authorized to sign a contract with the Santa Ana Watershed Project Authority. Should you have any questions regarding our proposal or desire additional information, please call Joshua Calhoun, Partner at (951) 274-9500.

Respectfully submitted,

**TEAMAN, RAMIREZ & SMITH, INC.**



Joshua J. Calhoun  
Certified Public Accountant



## **2. Statement of Independence**

Our firm is independent of the Santa Ana Watershed Project Authority and its component units in accordance with generally accepted auditing standards as promulgated by Rule 101 (Code Citation 1.200) of the American Institute of Certified Public Accountants Code of Professional Conduct, generally accepted government auditing standards promulgated by the U.S. General Accounting Office (GAO), and the rules of the California State Board of Accountancy and Accounting Oversight Board.

As part of the firm's quality control system, the firm maintains a library which contains the authoritative rules on independence. All professional employees are required to review the firm's client list and sign a representation letter annually that acknowledges their familiarity and compliance with the firm's independence, integrity and objectivity policies and procedures. New clients are announced periodically as they are obtained.

## **3. License to Practice in California**

Our firm, all partners and key professional staff are licensed by the California State Board of Accountancy to practice in the State of California.

## **4. Firm Qualifications and Experience**

The Firm has specialized in auditing governmental agencies in excess of eighty years. The firm's audit partners have over 50 years of combined experience auditing California governments. The firm is a local firm based in Riverside, California and totals thirty people, including 5 partners. The government audit staff consists of eight members who devote approximately 80% of their time to government audits. Our goal is to maintain continuity of staff throughout the audit contract.

We have a reputation of performing thorough audits, and producing high-quality and timely reports. We normally plan for a significant level of Audit Partner involvement throughout the audit process, including fieldwork. While other firms have highly experienced partners, it is unlikely they will be as involved during the audit process. Based on our experience, efficient and effective audits can only be attained through significant Partner and Manager level involvement.

The audit for the Authority will be conducted by the following full-time audit staff:

- 1 - Municipal Audit Partner
- 1 - Municipal Audit Manager
- 1 - Municipal Staff Accountant

The firm's range of activities, besides municipal audits, includes commercial/non-profit audits, reviews, compilations, fraud examinations, financial services, all types of tax returns and tax planning, accounting systems assistance, and management advisory services. In addition, over the years, our firm has advised local governments on various issues including real estate transactions, self-insurance reserves, bond issues, implementation of new accounting pronouncements, along with a variety of other services summarized below:

- Special agreed upon procedures engagements relating to investments and other activities.
- Assistance with recording activities resulting from the issuance of bonds.
- Preparation of street reports, and various State Controller's Reports.
- Internal Control evaluations and recommendations, assistance with fraud prevention programs.

Our firm is a member of the American Institute of Certified Public Accountants (AICPA) as are all of our CPAs who are also members of the California Society of CPAs (CalCPA). CPAs working on governmental engagements are also members of the Inland Empire Chapter of the CalCPA's Governmental Accounting and Auditing Committee, the Government Finance Officers Association (GFOA), and the California Society of Municipal Finance Officers (CSMFO).

## **5. Partner, Supervisory, and Staff Qualifications and Experience**

We plan to provide continuity of audit staff from year to year, which is in the best interest of the Authority and is most efficient from our firm's perspective.

The audit staff represent highly trained government auditors. While staff training is a continual process, because of our high level of audit supervision, we avoid putting our clients in a position of having to "train" the auditors. All audit staff are required to complete at least 80 hours of continuing education every 2 years, with a majority of these hours relating specifically to government accounting and auditing subjects. Continuing education requirements are met through classes put on by professional organizations, such as the CalCPA, GFOA, the AICPA, Thomson Reuters, along with an intensive in-house training program devoted to government accounting and auditing subjects.

We have extensive knowledge of Uniform Guidance (formally OMB Circular A-133). We monitor changes in a variety of topics related to governments as published by the American Institute of Certified Public Accountants (AICPA), Government Accounting Standards Board (GASB), General Accounting Office (GAO) pronouncements and other federal regulations. Our participation in internal and external continuing professional education courses ensures all members of the engagement team stay informed of Uniform Guidance topics. Resumes for the key individuals serving the Authority are included at **Appendix B**.

## 6. Similar Engagements with Other Government Entities

The Authority understandably desires that its auditors have proven experience, in-depth knowledge and technical expertise in dealing with the unique issues facing governmental entities. Our practice has been active in the audit of governmental entities for over 80 years, including audits within the Counties of Riverside, Orange, Los Angeles, San Diego, San Bernardino, Ventura, Santa Barbara, and others.

The following are five audit client references for which similar services have been provided:



**Client:**

City of Perris

**Total Hours:**

Approx. 1,135/year

**Annual Budget:**

\$123,063,608

**Contact:**

Jennifer Erwin, Finance Director

City of Perris

(951) 943-2906

101 North D Street

Perris, California 92570

Website: <http://www.cityofperris.org>

### Description of Agency and Services:

The City of Perris incorporated in 1911 as a General Law City and provides the following services: general administrative services, public safety (police and fire), highways and streets, culture-recreation, community development (planning, building, zoning), water, sewer and sanitation. Our firm conducted the annual audit of the City of Perris for the years ended June 30, 1998 through 2017 (including Single Audit in each of those years except 2005, 2006 & 2007), and provided assistance with the State Controller's Report preparation, Street Report preparation, implementation of GASB 34, conversion to a full CAFR format, assistance in obtaining the GFOA and CSMFO awards of excellence in financial reporting and other areas as requested by the City.

We have audited the Perris Public Financing Authority, Perris Joint Powers Authority, Perris Housing Authority, and Perris Utility Authority, and Successor Agency. Our services included preparation of the Annual Report of Financial Transactions to the State Controller (State Controller's Report), as applicable.



**Client:**  
Otay Water District

**Total Hours:**  
Approx. 400/year

**Annual Budget (Exp):**  
\$82,910,700

**Contact:**  
Kevin Keoppen, Accounting Manager  
Otay Water District  
(619) 670-2222  
2554 Sweetwater Springs Blvd  
Spring Valley, CA 91978  
Website: <http://www.otaywater.gov>

### Description of Agency and Services:

The Otay Water District was established in 1956 for the purpose of providing water and sewer services to the properties in the San Diego County area, serving approximately 50,000 customers. Our firm conducted the annual audit of the District for the years ended June 30, 2004 to 2008, and returning for fiscal years ended June 30, 2014 and June 30, 2017. Our services also included assisting in preparing the State Controller's report and agreed-upon procedures engagement related to their investments policy.



**Client:**  
Carpinteria Sanitary  
District

**Total Hours:**  
Approx. 115/year

**Annual Budget (Rev):**  
\$6.3 million

**Contact:**  
Hamid Hosseini, Finance Director  
Carpinteria Sanitary District  
(805) 684-7214  
5300 Sixth Street  
Carpinteria, CA 93013  
Website: <http://www.carpsan.com>

### Description of Agency and Services:

The Carpinteria Sanitary District was formed in April 1928, for the purpose of operation and maintenance of sewer collection, transmission and treatment facilities serving the southern part of Santa Barbara County. Our firm conducted the annual audit for the District for the years ended June 30, 2006 through June 30, 2017. Our services included assistance in preparing the State Controller's report, assistance in obtaining the GFOA award of excellence in financial reporting and an appropriations review report.



**Client:**  
Channel Islands Beach  
Community Services  
District

**Total Hours:**  
Approx. 400/year

**Annual Budget:**  
\$4.0 million  
(revenues)

**Contact:**  
CJ Dillon, Office Manager  
City of Shafter  
(805) 985-6021  
353 Santa Monica Drive  
Oxnard, CA 93035  
Website:  
<http://www.channelislandsbeachcsd.com>

**Description of Agency and Services:**

The Channel Islands Beach Community Services District was formed in 1982. The District’s major utility operations include the provision of water, sewer and trash utility services to the Channel Islands/Oxnard service area, serving more than 5,000 customers. Our firm conducted the annual audit for the District for the years ended June 30, 2001 through June 30, 2017.

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**7. Specific Audit Approach**

The engagement partner is a working partner and will be involved in much of the audit. He will assume overall responsibility for services provided to the Authority. He will also serve as a technical consultant to the Finance Department. He will provide overall guidance to the audit staff. The engagement partner will be responsible for the primary portion of the field audit, including preparation of all audit reports. He will supervise staff assigned to the engagement. The manager and staff accountants will perform audit field work under the supervision of the engagement partner. Our budgeted hours include higher partner involvement than what you may have experienced previously.

Our past experience, relating to our approach to the audits, has indicated that the most important service that can be rendered to clients is to be available at all times during the year. This approach allows the clients the opportunity to consult with the auditors about technical problems and alternative approaches to accounting issues that arise during the year.

### Risk Assessment & Internal Controls

We take a customized approach to each and every audit. We will apply the recently adopted “Risk Assessment” audit standards to your audits. An overriding objective throughout the planning process is the identification of risks that should be assessed as to whether they could result in material misstatement of the financial statements. We perform risk assessment procedures to provide a satisfactory basis for the assessment of risks at the financial statement and relevant assertion levels.

Obtaining an in-depth understanding of the entity and its environment, including its internal control, is an essential aspect of the consideration of risk. We use a variety of risk assessment procedures when obtaining this understanding, including observation and inspection (walkthroughs), inquiries of management and others, discussions amongst the engagement team, and preliminary analytical procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to prevent and detect misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to Government Auditing Standards. Some aspects of the risk assessment procedures can only be determined after information is gathered about the entity and its environment; and therefore, we tailor our procedures in response to the information gathered. The results of our risk assessment determine of the nature, timing, and extent of further audit procedures to be performed in response to those risks.

As required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirement for Federal Awards* (Uniform Guidance), we will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major federal award program. However, our tests will be less in scope that would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control pursuant to the Uniform Guidance.

Our sampling methods are designed to provide the most coverage possible without expending excess time where it is impractical. We also concentrate efforts towards those areas known to be susceptible to error. Sample sizes will depend upon our preliminary assessment of control risk and the extent of our planned substantive tests and analytical procedures.

### Fieldwork

Shortly after our appointment as auditors, we will schedule a preaudit planning meeting during which we will discuss any special concerns, needs and the timing of the audit with appropriate members of the Authority's staff. We will also schedule audit progress meetings and an exit conference with the appropriate Authority staff during our engagement to discuss any findings and issues we encountered during the audit. All of our recommendations will be discussed with appropriate personnel in a timely manner. Drafts of all financial reports and management letters will be submitted prior to the issuance of final reports.

We are aware of the amount of additional work and inconvenience the annual audit brings to the Authority's staff. However, we feel our service approach and the experience level of the Partner and staff assigned to your audit will eliminate many of the common problems experienced during an audit, such as, recommendations made without a thorough understanding of the feasibility of the recommendation, "year-end surprises;" new and inexperienced audit staff each year, without adequate supervision.

The fieldwork will normally be coordinated with Authority staff and begin as soon as the Authority's books and records are in auditable form. This normally takes place in two stages. Each year we will update our knowledge of your major internal accounting control systems and test such systems (risk assessment). At the same time, Authority staff will be interviewed in order to assist in resolving any shortcomings before performing the field work portion of the audit. This generally is completed prior to year-end and often leads to worthwhile suggestions for improving internal controls as well as the efficiency and effectiveness of accounting operations and procedures. All of our recommendations will be discussed with appropriate Authority personnel in a timely manner, and if appropriate, in a formal written management letter at the conclusion of the audit. In addition, we will complete as much of the single audit compliance, if applicable, in this stage of the audit. We will review the minutes of the Board of Directors meetings throughout the audit process.

Our audit will include consideration of the Authority's internal controls and therefore, as part of our financial and compliance audit, we will also issue a report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statement Performed in Accordance with Government Auditing Standards. This letter will include significant deficiencies and material weaknesses identified during our audit procedures, if any. We will either include in the Single Audit Report or issued separately.

We use models based on statistical sampling theories to help determine sample sizes using nonstatistical sampling methods as necessary for our substantive tests of balances and transactions, tests of controls and tests of compliance. The objective of tests of compliance is to determine whether an organization has complied with laws and regulations that may have a material effect on each major program.

Analytical procedures will be performed in the planning stage of the audit (risk assessment process) and in our substantive testing, based on the results of our risk assessment. These procedures will include comparing account balances to the prior year and to the current period's budget, and consideration of expected relationships among the accounts and periods. Analytical procedures will also be performed in the overall review stage of the audit.

Our audit approach recognizes the importance of laws and regulations in planning the audit of a local governmental entity. As a part of the audit, our firm obtains an understanding of those laws and regulations that have a direct and material effect on the determination of financial statement amounts.

Our firm uses a governmental audit program which will be modified to the Authority's operations to accommodate specific client circumstances. Our audit programs are organized by financial statement approach and other general audit procedures. The requirements by the Standards for assessing risk are utilized to modify the audit programs to focus on the higher risk areas of the financial statements.

We then design the audit to provide reasonable assurance of detecting material instances of noncompliance. We obtain our understanding of applicable laws and regulations by becoming familiar with the following:

- The terms and provisions of grant agreements and contracts.
- State and federal restrictions affecting funding received by the Authority.
- The Municipal Code of the Authority.
- State laws regarding authorized investments, spending limits, debt limits, etc.
- Authority policies regarding investments, purchasing, budgets, and the establishment of funds.
- Bond covenants of outstanding issues.
- Personnel Policies adopted by the Authority.
- Other laws and regulations as appropriate in the circumstances.

Our review of the internal control will be by questionnaire and procedural write-up of your accounting system. Each of the approaches requires inquiry and observation of Authority personnel and operations. We will also utilize the Authority's budget, organizational charts, financial reports, policies and procedures, and other applicable documents. Comments and recommendations relating to the accounting system will be discussed with appropriate Authority personnel and where appropriate they may be included in our reports. Our recommendations will be directed at safeguarding Authority assets, improving the effectiveness of Authority procedures, and improving the reporting of financial information, as applicable.



The second stage of the audit is primarily concerned with auditing the final numbers and disclosures that will appear in the Authority's financial statements and will begin as soon as the Authority's books and records are ready for audit. Drafts of all financial reports and management letters will be submitted prior to the issuance of final reports. We have a proven track record of delivering reports on time. Each year we will initiate an exit conference to discuss any suggestions, which either of us may have for improving the conduct of the annual audit process, management letters, or any other matters of interest. Throughout the year we are always available for meetings or discussions in order to meet your needs. Findings and reports shall be kept confidential and reported only to the Authority.

In the event that any irregularity in records indicates the Authority may have suffered or will suffer a monetary loss, we will report such loss to the appropriate Authority personnel immediately upon discovery in the form of a written report.

Responses to Authority notifications will be prompt and all reports will be remitted in a timely manner to meet your needs. We make it a practice to be proactive in providing guidance and assistance to our audit clients throughout each fiscal year to ensure proper and timely implementation of new and significant accounting pronouncements, and also with laws and regulations.

Generally accepted accounting principles provides for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A) to accompany the Authority's basic financial statements. As part of our engagement, we will apply certain limited procedures to the Authority's RSI consisting principally of inquiries of management regarding the methods of measurement and presentation.

Supplementary information other than RSI, also accompanies the Authority's basic financial statements. We will subject certain supplementary information to auditing procedures applied in our audit, which we will provide an opinion in relation to the basic financial statements. The CAFR will also include introductory and statistical sections prepared by the Authority that will not be subject to the auditing procedures applied in our audit, and for which our auditor's report will disclaim an opinion.

We take a proactive approach in helping our clients understand GASB activities from exposure drafts to implementation of new standards. We accomplish this through our collaborations with GASB, GFOA, AICPA Government Audit Quality Center, and more importantly by taking the time to communicate with our clients and discuss and plan for the impact of new GASB standards.

### Single Audits (in accordance with Uniform Guidance)

As indicated in the above list of clients, our firm performs single audits in accordance with OMB Circular A-133 and Uniform Guidance for several clients each year. In addition to the above list, our firm has performed single audits for numerous other clients, involving many different federal programs. The Partners of the firm have combined experience with the Authority’s audits has 30 years of experience performing single audits.

### Scope of Services

The scope of our services will be to perform audits of the Authority and any applicable component units in accordance with generally accepted auditing standards; the A.I.C.P.A. industry audit guide, Audits of State and Local Governmental Units, as amended; the Government Finance Officers Publication, Governmental Accounting, Auditing and Financial Reporting, as amended; the standards for financial audits contained in the U.S. General Accounting Office publication Government Auditing Standards, the Single Audit Act, as amended, and the Office of Management and Budget provisions of Uniform Guidance (previously under Circular A-133) for Single Audits, applicable State Audit Guides, as applicable to the issuance of the reports listed in the RFP.

In addition, we will advise you in the preparation of the CAFR to support you in receiving the Government Finance Officers’ Association’s (GFOA) Certificate of Achievement of Excellence in Financial Reporting.

### 8. Cost Proposal

The total all-inclusive maximum prices for the audit services to be provided to the Authority and LESJWA (optional service) for the fiscal years ending June 30, 2018, 2019, and 2020 as detailed in our proposal are as follows:

Fiscal Year Ending	SAWPA Audit Fees	Out-of-Pocket Expenses	All-Inclusive Maximum Audit Fees
June 30, 2018	\$ 22,750	\$ 0	\$ 22,750
June 30, 2019	\$ 22,750	\$ 0	\$ 22,750
June 30, 2020	\$ 22,750	\$ 0	\$ 22,750

Fiscal Year Ending	LESJWA Audit Fees	Out-of-Pocket Expenses	All-Inclusive Maximum Audit Fees
June 30, 2018	\$ 5,000	\$ 0	\$ 5,000
June 30, 2019	\$ 5,000	\$ 0	\$ 5,000
June 30, 2020	\$ 5,000	\$ 0	\$ 5,000

The above fees include preparation of the State Controller's Report for each agency. The above fees are based on the assumption that a single audit will not be required. If a single audit is required, \$3,750 will be added on to the above fees for each major federal program required to be audited.

This proposal is based on the current audit scope, and is made with the assumption that the Authority's books and records will be in a reasonably balanced condition and reconciled at the start of the audit and that the representations made to us during this proposal process will remain effective throughout our engagement.

We agree the Authority may broaden the scope of our engagement and we agree to hold ourselves available to perform such additional work as the Authority may desire. Progress billings will be submitted. A final billing will be submitted upon delivery of all required reports. No billings will be made for out-of-pocket expenses or any other expenses such as typing, clerical, printing or travel costs.

## **9. External Quality Control Review Report**

Our firm underwent peer reviews by the American Institute of Certified Public Accountants in July 1990, August 1993, June 1996, July 1999, June 2002, June 2005, August 2008, November 2011, November 2014, October 2017, and the State Controller's Office in August 1990 and received unqualified opinions on each review, which included reviews of specific government (yellow-book) engagements. There have been no disciplinary or regulatory actions taken against our firm. A copy of our most recent peer review report is included in **Appendix A**.

## **10. Professional Insurance**

A copy of our most recent certificate of insurance is attached at **Appendix C**.

## **11. Optional Service – Audit of LESJWA**

As described in the above Cost Proposal Section, our proposal for audit services includes the optional annual audit of the Lake Elsinore & San Jacinto Watersheds Authority, in accordance with the same standards as the SAWPA audit. Our services will include preparation of the annual State Controller's Report.

# APPENDIX A: PEER REVIEW REPORT



2511 Garden Road  
Suite A180  
Monterey, CA 93904  
831-373-3337  
Fax 831-373-3437

379 West Market Street  
Salinas, CA 93901  
831-424-2737  
Fax 831-424-7936

3478 Buskirk Avenue  
Suite A1000  
Pleasant Hill, CA 94523  
831-373-3337  
Fax 831-373-3437

## Report on the Firm's System of Quality Control

October 16, 2017

To the Partners of Teaman, Ramirez & Smith, Inc.  
and the Peer Review Committee of the California Society of Certified Public Accountants

We have reviewed the system of quality control for the accounting and auditing practice of Teaman, Ramirez & Smith, Inc. (the firm) in effect for the year ended May 31, 2017. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at [www.aicpa.org/prsummary](http://www.aicpa.org/prsummary). The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

### Firm's Responsibility

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

### Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review.

### Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including a compliance audit under the Single Audit Act.

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

### **Opinion**

In our opinion, the system of quality control for the accounting and auditing practice of Teaman, Ramirez & Smith, Inc. in effect for the year ended May 31, 2017, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Teaman, Ramirez & Smith, Inc. has received a peer review rating of *pass*.

A handwritten signature in black ink that reads "McGilloway, Ray, Brown & Kaufman". The signature is written in a cursive, flowing style.

McGilloway, Ray, Brown & Kaufman

# APPENDIX B: AUDIT TEAM RESUMES





**JOSHUA J. CALHOUN, CPA**  
ENGAGEMENT PARTNER

### Achievements

Joshua Calhoun has over eight years of experience auditing governments in California. He is a member of the American Institute of Certified Public Accountants, the California Society of Certified Public Accountants (CalCPA), and the California Society of Municipal Finance Officers (CSMFO). Mr. Calhoun is also an instructor for our in-house continuing education programs.

### License and Education

Mr. Calhoun received his Bachelor of Science Degree in Business Administration with a concentration in Accounting and minor in Finance from California State University, San Bernardino. He is currently licensed to practice as a Certified Public Accountant (CPA) in California.

Mr. Calhoun has for the calendar year ending, as of December 31, 2017, 115 hours of CPE with over 30 hours in governmental training. Included in this training were the GFOA Annual Governmental GAAP Update, Accounting and Auditing, Audit Risk Assessment Standards, and American Institute of Certified Public Accountant courses. As of December 31, 2016, 112 hours of CPE with 60 hours in governmental training, and as of December 31, 2015, 70 hours of CPE with 18 hours in governmental training.

### Experience

Mr. Calhoun’s governmental auditing experience includes the following cities, redevelopment agencies and special districts:

#### Governmental Clients

- |  |  |
|--|--|
| City of Blythe*                                  | Jacqueline Cochrane Regional Airport Auth. |
| Blythe Public Financing Authority                | City of Eastvale                           |
| Blythe Redevelopment Agency                      | Fern Valley Water District                 |
| Carpinteria Sanitary District                    | City of Lake Elsinore*                     |
| Channel Islands Beach Community Service District | Lake Elsinore Public Financing Authority   |
| Citrus Pest Control District No. 2               | Lake Elsinore Recreation Authority         |
|  | March Joint Powers Authority               |

## Governmental Clients

March Joint Powers Redevelopment Agency	Shafter Joint Powers Financing Authority
March Joint Powers Utility Authority	Shafter TDA
March Inland Port Airport Authority*	Southern Coachella Valley Community Services District
Mammoth Community Water District	City of Twentynine Palms
Otay Water District	Twentynine Palms Redevelopment Agency
City of Perris*	Water Facilities Authority
Perris Valley Cemetery District	City of Wildomar
Perris Redevelopment Agency	Wildomar Cemetery District
Perris Public Financing Authority	Wildomar Measure Z
Perris Utility Authority	Yuima Municipal Water District
Riverside County Redevelopment Agency	
City of Shafter*	
Shafter Community Dev. Agency	

## Nonprofit Agencies

California Council on Science and Technology#	Nuevo Water Company#
Fair Housing Council of Riverside Co, Inc.*	Salem Christian Homes Inc.#
Fox Riverside Theater Foundation#	SmartRiverside#
HomeAid Inland Empire#	

\* = Single Audit Procedures performed

More detailed information can be provided upon request.



**RICHARD A. TEAMAN, CPA, CGFM, CGMA**  
AUDIT PARTNER

## Achievements

Rich Teaman has thirty-three years' experience auditing California organizations. He is a member of the American Institute of Certified Public Accountants, the Association of Government Accountants, the California Society of Municipal Finance Officers, the California Society of Certified Public Accountants (CSCPA), California Special Districts Association, the Government Finance Officers Association, the Association of Certified Fraud Examiners and was the chairman of the Governmental Accounting and Auditing Committee of the Citrus Belt Chapter (now the Inland Empire Chapter) of the California Society of Certified Public Accountants from 1991 to April 1997. He was the chairman of the Governmental Accounting and Auditing committee of the California Society of Certified Public Accountants at the state level from 2004 to 2006. He was the Co-Chairman of the California Committee on Municipal Accounting (a joint committee of representatives of the League of California Cities and the California Society of Certified Public Accountants) from 2006 to 2009. He was part of a five-person final review board that evaluated financial statements under the California Award Program of the Professional and Technical Standards Committee of CSMFO and, as such, was responsible for the revision of the reviewer's checklist from 1993 to 1996. He was also the President for the Citrus Belt Chapter of the California Society of Certified Public Accountant for the 1999-00 fiscal year, Vice President during the 1997-98 and 1998-99 fiscal years, Treasurer during the 1996-97 fiscal year and Board Member during the 1995-96 fiscal year. Mr. Teaman is also an instructor for our in-house continuing education program and has been an instructor for the California Society of Certified Public Accountants.

## License and Education

Mr. Teaman received his Bachelor of Science Degree in Business Administration with a concentration in Accounting from California State University, San Bernardino. He is currently licensed to practice as a CPA in California.

Mr. Teaman has for the licensing period (licenses are renewed every two years) beginning September 1, 2016, 206 hours of continuing professional education (CPE) with 52 hours in government training. Included in this training were, the GFOA's 21<sup>st</sup> and 22<sup>nd</sup> Annual GAAP Update, AICPA Classes titled; 2017 Government Audit Quality Center Update and Single Audits; New Insights on Factors Driving Quality, Thomson Reuters classes titled: A Close Look at GASB Statements No. 69 and 70, Advanced

Topics in Financial Statement Preparation, Auditor's Reports Audit Quality, Internal Controls for Nonprofits and Single Audit Sampling Considerations, and California Society of Certified Public Accountants classes, Accounting and Auditing Update, SSARS 21: Newly Effective Preparation, Compilation and Review Standards, Other Comprehensive Basis of Accounting Fundamentals, Fraud: Practical Approaches to Prevention and Detection, Governmental and Nonprofit Annual Update, Frequent Frauds Found in Governments and Nonprofits, Documentation Requirements, Design and Reviewing Techniques of Workpapers and Avoiding Problems in Conducting Single Audits.

Mr. Teaman had for the licensing period beginning September 1, 2014, 225 hours of continuing professional education (CPE) with 60 hours in government training. Included in this training were, the GFOA's 19th and 20th Annual Governmental GAAP Update, GOFA'S 109th Annual Conference in Philadelphia, the AICPA's Governmental Accounting and Auditing Update Conference, and California Society of Certified Public Accountants classes, Accounting and Auditing Update, Audits of 401K Plans, Key Ratio Analysis, FASB and AICPA Update, Disclosure: The Key to Financial Statements, Financial Statement, Tax and Government Fraud, the new Group Audit Standard, Governmental Accounting and Auditing Conference and GAAP Update.

## Experience

Mr. Teaman's governmental auditing experience includes the following cities, redevelopment agencies and special districts:

### Governmental Clients

City of Adelanto	City of Needles*
Adelanto Public Utility Authority	Needles Public Financing Authority
City of Banning*	Needles Redevelopment Agency
Banning Redevelopment Agency	City of Ontario*
City of Big Bear Lake*	Ontario Redevelopment Agency
Big Bear Lake Fire Protection District	Ontario Redevelopment Financing Authority
Big Bear Lake Improvement Agency	Otay Water District
City of Blythe	City of Palm Desert*
Blythe Public Finance Authority	Palm Desert Redevelopment Agency
Blythe Redevelopment Agency	Palm Springs Civic Center Authority
Carpinteria Sanitary District	Palo Verde Cemetery District
Channel Islands Beach Community Services District	Palos Verdes Peninsula Transit Authority
Citrus Pest Control District	City of Perris*
City of Coachella*	Perris Community Economic Development Corporation
Coachella Fire Protection District	Perris Housing Authority
Coachella Redevelopment Agency	Perris Joint Powers Authority
Coachella Sanitary District	Perris Public Financing Authority
Coachella Water Authority	

## Governmental Clients

Coachella Valley Association of Governments	Perris Redevelopment Agency
Coachella Valley Joint Powers Insurance Authority	Perris Utility Authority
Coachella Valley Mosquito Abatement District	Perris Valley Cemetery District
Coachella Valley Mosquito and Vector Control District	Pine Cove Water District
Coachella Valley Public Cemetery District	City of Rancho Mirage*
Coachella Valley Recreation and Park District*	Rancho Mirage Parkview Villas
City of Colton*	Rancho Mirage Redevelopment Agency
Colton Redevelopment Agency	Retired Senior Volunteer Program
City of Corona*	City of Riverside*
Corona Redevelopment Agency	Riverside Civic Center Authority
City of Dana Point	Riverside County Desert Judicial District
Desert Resorts Regional Airport Authority	Riverside County Flood Control & Water Conservation District
City of Diamond Bar	Riverside County Redevelopment Agency
City of Eastvale	Riverside County Judicial District
East Valley Resource Conservation District	Riverside County Redevelopment Agency
City of El Sugundo	Riverside County Judicial District
Elsinore Valley Municipal Water District	Riverside County Regional Park & Open Space District
City of Escondido	Riverside County Transportation Commission
Escondido Community Development Commission	Riverside Parking Authority
Fern Valley Water District	Riverside-San Bernardino Housing & Finance Agency
City of Galt	Riverside Transit Agency*
Galt Redevelopment Agency	City of San Bernardino*
Goleta Sanitary District	San Bernardino County Chino Civic Center Authority
City of Grand Terrace	San Bernardino Associated Governments
Grand Terrace Redevelopment Agency	City of San Jacinto*
City of Hemet*	San Jacinto Redevelopment Agency
Hemet Redevelopment Agency	San Jacinto Mountain Area Water Study Agency*
Home Gardens Sanitary District	City of Santee
Idyllwild Water District	Santee Public Financing Authority
City of Indian Wells	City of Shafter
Indian Wells Redevelopment Agency	Shafter Joint Powers Financing Authority
City of Indio	Shafter TDA
Indio Civic Center Authority	City of Solvang
Indio Redevelopment Agency	Southern Coachella Valley Community Services District
	Successor Agency to Riverside County Redevelopment Agency

## Governmental Clients

Jacqueline Cochran Regional Airport Authority	Sunline Transit Agency *
City of Lake Elsinore*	Twentynine Palms Water District
Lake Elsinore Redevelopment Agency	Valley Sanitary District
Lake Elsinore Public Financing Authority	Ventura Regional Sanitation District
Lake Elsinore Recreation Authority	Victor Valley Wastewater Reclamation Authority
City of Loma Linda*	Water Facilities Authority
Loma Linda Redevelopment	Western Municipal Water District
Mammoth Community Water District	City of Wildomar
March Inland Port Airport Authority	Wildomar Cemetery District
March Joint Powers Authority	Wildomar Measure Z Fund
March Joint Powers – Caretaker	Town of Yucca Valley
March Joint Powers – RDA	Yucca Valley Community Center Authority
March Joint Powers Utility Authority	Yucca Valley Financing Authority

\* = Single Audit Procedures performed

More detailed information can be provided upon request.



**RICHARD A. GALLO, JR.**  
MANAGER

### Achievements

Mr. Gallo has sixteen years of experience auditing California governmental agencies. Mr. Gallo also serves as an instructor for our in-house continuing education program.

### Education

Mr. Gallo received his Bachelor of Science Degree in Business Administration, with a concentration in accounting, from the University of California, Riverside.

Mr. Gallo has for the calendar year ending, as of December 31, 2016, 51 hours of CPE with 12 hours in governmental training, as of December 31, 2016, 60 hours of CPE with 18.5 hours in governmental training, and as of December 31, 2015, 20 hours of CPE with 12 hours in governmental training.

### Experience

Mr. Gallo’s governmental auditing experience includes the following cities, redevelopment agencies and special districts:

#### Governmental Clients

- |   |   |
|---|---|
| City of Adelanto                          | Lake Elsinore Public Financing Authority          |
| Adelanto Public Utility Authority         | Lake Elsinore Recreation Authority                |
| Apple Valley, Town of*                    | Lake Elsinore RDA                                 |
| City of Blythe*                           | Mammoth Community Water District                  |
| Blythe Public Financing Authority         | March Joint Powers Authority*                     |
| Blythe Redevelopment Agency               | March Inland Port Airport Authority               |
| Channel Islands Beach                     | March Joint Powers Caretaker                      |
| Community Services District               | March Joint Powers RDA                            |
| Chino Civic Center Authority              | March Joint Powers Utility Authority              |
| Citrus Pest Control District No. 2        | Otay Water District*                              |
| Coachella Valley Public Cemetery District | Palo Verde Cemetery District                      |
| City of Eastvale                          | City of Perris*                                   |
| Elsinore Valley Municipal Water District  | Perris Community Economic Development Corporation |
| Fern Valley Water District                | Perris Housing Authority                          |
| Goleta Sanitary District                  |   |

## Governmental Clients

City of Lake Elsinore*	Perris Joint Powers Authority
Perris Redevelopment Agency	Santee Public Financing Authority
Perris Public Financing Authority	City of Shafter*
Perris Utility Authority	Shafter Community Development Agency
Perris Valley Cemetery District	Shafter Joint Powers Financing Authority
Pine Cove Water District	City of Solvang
Riverside Civic Center Authority	Southern Coachella Valley
Riverside City Hall Authority	Community Services District
Riverside County Economic	Successor Agency to the Riverside
Development Agency	County Redevelopment Agency
Riverside County Flood &	City of Twentynine Palms*
Water Conservation District	Twentynine Palms Redevelopment
Riverside County Open Space	Agency
and Park District	Twentynine Palms Water District
San Bernardino County Library	Valley Sanitary District
San Jacinto Mountain Area	City of Wildomar
Water Study Agency	Yuima Municipal Water District
City of Santee	

\* = Single Audit Procedures performed

More detailed information can be provided upon request.





**DANIEL RIVERA**  
SENIOR ACCOUNTANT

### Achievements

Mr. Daniel Rivera has over three years of experience auditing California governmental agencies. He is a member of the American Institute of Certified Public Accountants and the California Society of Certified Public Accountants (CalCPA).

### Education

Mr. Rivera received his Bachelor of Arts Degree from California State University, San Bernardino, California. He is actively pursuing the CPA exam.

Mr. Rivera has for the calendar year ending, as of December 31, 2017, 41 hours of CPE with over 17 hours in governmental training. Included in this training were the GFOA Annual Governmental GAAP Update, Accounting and Auditing, Audit Risk Assessment Standards, and American Institute of Certified Public Accountant courses. As of December 31, 2016, Mr. Rivera had 56 hours of CPE with 15 hours in governmental training. As of December 31, 2015, Mr. Rivera had 45 hours of CPE with 28 hours in governmental training.

### Experience

Mr. Rivera’s governmental auditing experience includes several cities and special districts:

#### Governmental Clients

- |  |   |
|--|---|
| City of Blythe*                                | March Joint Powers Utility Authority                  |
| Blythe Public Financing Authority              | March Inland Port Airport Authority*                  |
| Carpinteria Sanitary District No. 2            | Mammoth Community Water District                      |
| Citrus Pest Control District                   | Otay Water District                                   |
| Jacqueline Cochrane Regional Airport Authority | Perris Valley Cemetery District                       |
| City of Eastvale                               | City of Shafter*                                      |
| Fern Valley Water District                     | Shafter Joint Powers Financing Authority              |
| City of Lake Elsinore*                         | Shafter TDA   |
| Lake Elsinore Public Financing Authority       | Southern Coachella Valley Community Services District |
| Lake Elsinore Recreation Authority             |   |

### Governmental Clients

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March Joint Powers Authority*	Water Facilities Authority
City of Wildomar	
Wildomar Cemetery District	
Wildomar Measure Z Fund	

### Nonprofit Agencies

---

California Council on Science and Technology#	Nuevo Water Company#
Fair Housing Council of Riverside Co, Inc.*	Salem Christian Homes Inc.#
Fox Riverside Theater Foundation#	SmartRiverside#
HomeAid Inland Empire#	

\* = Single Audit Procedures performed

More detailed information can be provided upon request.

# APPENDIX C: PROFESSIONAL INSURANCE



**CERTIFICATE OF LIABILITY INSURANCE**

TEAMRAM-01 KADCOCK  
DATE (MM/DD/YYYY)  
12/29/2017

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

**IMPORTANT:** If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER License # DC36861 Inland Empire-Alliant Insurance Services, Inc. 735 Carnegie Dr Ste 200 San Bernardino, CA 92408	CONTACT NAME: Karen M Adcock PHONE (A/C, No, Ext): (909) 886-9861 E-MAIL ADDRESS: KAdcock@alliant.com FAX (A/C, No): (909) 886-2013
INSURED:  Teaman, Ramirez & Smith, Inc. 4201 Brockton Ave 100 Riverside, CA 92501	INSURER(S) AFFORDING COVERAGE INSURER A: Travelers Property Casualty Company of America 25674 INSURER B: Oak River Insurance Company 34630 INSURER C: Navigators Insurance Company 42307 INSURER D: INSURER E: INSURER F:

COVERAGES CERTIFICATE NUMBER: REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADOL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:			680-1393X06A-18-42	01/10/2018	01/10/2019	EACH OCCURRENCE \$ 2,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 300,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 2,000,000 GENERAL AGGREGATE \$ 4,000,000 PRODUCTS - COMP/OP AGG \$ 4,000,000 COMBINED SINGLE LIMIT (Ea accident) \$ 2,000,000
A	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS			680-1393X06A-18-42	01/10/2018	01/10/2019	BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
A	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED RETENTION \$			CUP-1530X948-18-42	01/10/2018	01/10/2019	EACH OCCURRENCE \$ 1,000,000 AGGREGATE \$ 1,000,000 Prod/CO Agg \$ 1,000,000
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below		Y/N N/A	TEWC809277	04/01/2017	04/01/2018	PER STATUTE OTHER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000
C	Professional Liab			CH18APL0A3Y28NV	01/01/2018	01/01/2019	Each Claim 5,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)  
 Proof of insurance.

CERTIFICATE HOLDER	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.
	AUTHORIZED REPRESENTATIVE

## COMMISSION MEMORANDUM NO. 2018.48

**DATE:** May 15, 2018  
**TO:** SAWPA Commission  
**SUBJECT:** Request for Proposals (RFP) for Information Technology (IT) Services  
**PREPARED BY:** Dean Unger, Information Systems and Technology Manager

### RECOMMENDATION

It is recommended that the Commission authorize the issuance of a Request for Proposals (RFP) for Information Technology (IT) services commencing in fiscal year 2018-2019.

### DISCUSSION

A contract for IT services typically covers a period of two years with a possible 2 year extension. In keeping with good business practices, the contract should be reviewed for cost and services being evaluated by the agency following contract expiration. The current IT relationship with Accent Computing Solutions has been in force without interruption since the 2009 and Accent was reselected following its selection from a SAWPA issued RFP in 2016. While the relationship has met the Agency's Information Technology requirement, it is in our best interest to issue an RFP in order to evaluate current costs being assessed, and overall IT services being rendered at this time. Services that will be evaluated will include but not limited to:

- 24 x 7 Support including Desktop support during SAWPA business hours
- Network and Server Infrastructure
- Security
- Office 365
- Server management
- Onsite and Offsite Backups
- WordPress Expertise and Support
- Hardware Acquisition Experience using State Procurement Contracts such as NASPO

### RESOURCE IMPACTS

Anticipated costs for IT services are included in the FY 2017-18 and FY 2018-19 budgets.

Attachments:

1. Request for Proposals (RFP)

# **Santa Ana Watershed Project Authority**



## **REQUEST FOR PROPOSALS INFORMATION TECHNOLOGY SERVICES**

**PROPOSALS DUE BY  
MONDAY, May 28<sup>th</sup>, 2018**

**BY 4:00 P.M.**

May 15<sup>th</sup>, 2018

The Santa Ana Watershed Project Authority (SAWPA) is inviting responses to this Request for Proposals (RFP) for Information Technology Consulting and Support Services. A detailed Request for Proposals outlining the submittal requirements and scope of services is attached for your reference and information.

Three (3) hard copies and one (1) electronic copy of Proposals must be submitted no later than 4:00 p.m. on Monday, May 28<sup>th</sup>, 2018, to Dean Unger, Information Services and Technology Manager, SAWPA, 11615 Sterling Avenue, Riverside CA 92503. Electronic copies should be submitted to [dunger@sawpa.org](mailto:dunger@sawpa.org).

In addition, the proposer shall submit three (3) hard copies of a Sealed Dollar Cost Proposal in a separate sealed envelope marked as follows:

SEALED DOLLAR COST PROPOSAL  
For  
Santa Ana Watershed Project Authority  
For  
IT CONSULTING AND SUPPORT SERVICES  
May 28, 2018

Any questions regarding this Request for Proposals should be directed to Dean Unger, Information Services and Technology Services, at (951) 354-4224.

Thank you for your interest, and I look forward to receiving your submittal.

Dean Unger,  
Information Services and Technology Manager

**SAWPA  
REQUEST FOR  
PROPOSALS  
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# **REQUEST FOR PROPOSALS SAWPA IT CONSULTING AND SUPPORT SERVICES**

## **GENERAL INFORMATION**

SAWPA was first formed in 1968 as a planning agency, and reformed in 1972 with a mission to plan and build facilities to protect the water quality of the Santa Ana River Watershed. SAWPA is a Joint Powers Authority, classified as a Special District (government agency) in which it carries out functions useful to its member agencies. The agreement formalizing the current agency was signed in 1974 and went into effect in 1975.

SAWPA is located in Riverside, California, approximately in the geographic center of the watershed. The population in the Santa Ana River Watershed is one of the fastest-growing regions in the State. Since its formation, SAWPA has grown in capability to become one of California's leading regional water agencies. The watershed, and the State as a whole, are facing many challenges in ensuring that there is 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 solutions, and then uses innovation to resolve many water-related problems.

SAWPA works with legislators to ensure there are useful laws regarding water resources, with funding sources to ensure the completion of necessary projects; with planners to ensure adequate water supply in the future; with regulators to ensure safe, clean water; and, with all other stakeholders, including the concerned public, to build collaborative, regional solutions to meet the area's water needs.

SAWPA is interested in contracting with an experienced information technology services firm for various systems support and maintenance, as well as ad hoc IT projects and execution. The required services and performance conditions are described in the Scope of Services.

## **BACKGROUND**

SAWPA is technologically advanced and focused on utilizing efficient and cost-effective means to provide support and information to its staff and the watershed agencies. These efforts are supported from two locations, the main location at 11615 Sterling Avenue, Riverside California and a ¼ mile down the street at 11671 Sterling Avenue, Unit I, Riverside, California (BLOC). The Department of Information Systems and Technology is responsible for managing the Information Technology (IT) services at SAWPA as well as IT strategic planning and coordination between various departments. SAWPA's entire "hands-on" IT staffing consists of a network Analyst, GIS Manager, and a IS manager.

The systems infrastructure at SAWPA consists of 1 physical servers running Windows Server 2003, and 1 physical servers running Windows server 2008 and 4 physical

servers that host 10 virtual servers and the VMware Horizon View VDI environment. A majority of the users are on Lenovo Desktop PC with Windows 7. Approximately four Lenovo laptops are shared and kept updated in anticipation of checking out for offsite meetings. The number of total users supported is approximately 24 and may grow during the length of the contract term.

Users at SAWPA have roaming profiles, are set up with static images in the virtual desktop environment, organized into groups based on software needs. All users are on Windows 7 and utilize multiple applications vital to ongoing operations. Many applications are server based with client access via the network. Essential applications include Microsoft Dynamics Great Plains financial software, Adobe products, OnBase, for document archiving, ESRI GIS software, Microsoft Office 365, and iPACS for Engineering.

SAWPA's network infrastructure connects the aforementioned systems internally via two switches and to the internet through a firewall. SAWPA has seven printers accessible throughout the network that are primarily Konica Minolta and HP. Three machines are multi-function printer/scanner/copiers, two desktop printers, and three others are localized desktop printers for departmental usage. In addition, an APC unit that provides battery backup and surge protection is also included in the network.

Other services required to be performed by SAWPA's IT service provider include domain services, backup services, security, VPN management and remote access setup. All software and applications provided by a third-party vendor (OnBase, Microsoft Dynamics Great Plains, ) include a maintenance and support agreement; however, SAWPA's IT service provider will be required to support these vendors during occasional upgrades, migrations, integration and management projects.

## **DEADLINES FOR PROPOSALS**

Proposals will be accepted by the SAWPA until Monday, May 28, 2018 at 4:00 p.m. (Deadline). Proposals shall be addressed to:

Dean Unger  
Information Services and Technology Services  
SAWPA  
11165 Sterling Avenue  
Riverside, California 92503

Proposals delivered or received after the D, regardless of postmark or delivery date, will be rejected.

Technical questions regarding this Request for Proposals are to be directed to: Dean Unger, [dunger@sawpa.org](mailto:dunger@sawpa.org) or (951) 354-4224. Emails shall contain the wording "RFP-IT Services Technical Question" in the subject line.

SAWPA will review all proposals to determine which best suits the needs of SAWPA. SAWPA reserves the right to reject all proposals for any reason. SAWPA also reserves the right to negotiate with the selected vendor to clarify details and achieve the best overall services for SAWPA.

## **SUBMITTAL REQUIREMENTS**

Hard Copies and Electronic Copies:

1. Hard Copies: Three (3) hard copies of Proposals, as outlined below, shall be submitted no later than the Deadline.
2. Electronic Copies: One (1) electronic copy of all Proposals, as outlined below, shall be submitted no later than the Deadline to [dunger@sawpa.org](mailto:dunger@sawpa.org), with wording "RFP-IT Services Proposal" in the subject line.

**Format:** Proposals shall be 8-1/2" x 11" and organized in sections following the order specified under contents.

### **Contents:**

- Proposals shall contain the following information:
  - A letter of transmittal signed by an individual authorized to bind the proposing entity.
  - A table of contents listing the material by section and by page number.
  - A list of current California clients, including their names and addresses in the State of California, for IT consulting and support services of approximately the same size and scope as SAWPA and performed within the last three (3) years.
  - General information about the proposing firm (i.e., location of office(s) directly supporting SAWPA, years in business, organization chart, number and position titles of staff, and any certifications or degrees).
  - Completed Summary Sheet providing the name, title, experience and qualifications of the personnel who will be assigned to the project. (Exhibit "A")
  - Detail your firm's experience with supporting a VMware and the qualifications of the personnel that will be assigned to SAWPA to support this environment.
  - Completed Certification of Proposals to the SAWPA. (Exhibit "B")
  - Provide a conceptual plan for services to SAWPA that you believe is appropriate for SAWPA. Indicate how the resources of your firm (e.g., number and type of personnel allocated by hours) will be allocated for this project.
  - Submittal of a project schedule for starting/installing support
  - Complete acknowledgement of compliance for insurance requirements as stipulated in the attached General Services Agreement and attach a copy of a valid insurance certificate for the firm's general liability, professional liability, and automobile insurance, and proof of adequate worker's compensation coverage for employees. (Exhibit "C").
  - Declaration of Political Contributions, signed under penalty of perjury, regarding disclosure of political contributions to SAWPA officials. (Exhibit "D")
  - Completed Table of Services and Costs. (Exhibit "E")
  - Amount of work, if any, that is to be subcontracted.
- Dollar Cost Proposal shall be submitted as follows and include the information set forth below:
  - Three (3) hard copies of the Dollar Cost Proposal, sealed in a separate envelope, shall be submitted with the Proposal.
  - One (1) electronic copy of the Dollar Cost Proposal shall be submitted along with the electronically submitted Proposal.

Dollar Cost Proposal shall include the following information:

- Identify supported locations separately (Main Building and the BLOC).
- Provide an orientation/onboarding plan and identify anticipated time/cost.
- Compensation schedule should reflect the title/position and hourly rate of each employee proposed to work at SAWPA.

## **SCOPE OF SERVICES**

### **GENERAL CONDITIONS**

The scope of services, as may be modified through negotiation and/or by written addendum issued by SAWPA, will be included in the Agreement. The term of the Agreement is expected to be a three-year term. SAWPA shall have the unilateral option, at its sole discretion, to renew this Agreement automatically for no more than two (2) additional one-year terms.

Consultant will provide oversight of SAWPA's Information Technology (IT) environment encompassing the following:

- Systems infrastructure
  - Physical and Virtual Servers
  - VMWare Horizon View VDI Environment
  - Workstations
  - Devices
  - Applications
- Network infrastructure
  - Switches and Firewalls
  - Internet and Wi-Fi
- Other Infrastructure Services
  - Domain services
  - Email services
  - Backup and Replication services
  - Security
  - Remote access
  - WordPress services
  - Third party software and application support

Consultant will support SAWPA's systems infrastructure, network infrastructure, and other services at the primary location as well as at secondary location. The separate secondary location at the BLOC consisting of one printer and three laptops.

Proposals shall include, but not be limited to, the following services and materials:

- On-site support for an average of eight (8) hours, twice a week, or more as necessary (main location only).
- Unlimited Telephone and Email technical support during normal business hours (7:30 a.m. to 5:30 p.m., local time, Monday through Friday).

- After-hours support, including weekends for critical system upgrades that may conflict with operations during normal business hours.
- Process and system to report and track service requests.
- Provide an initial network security assessment with security recommendations
- Provide an initial systems analysis and recommendation report
- On-call support with response times according to the following schedule:
  - P1 Emergency 1 hour
    - *An emergency situation with a severe overall impact; defined as a loss of network, server, or email function.*
  - P2 High 2 hours
    - *A high priority incident has a moderate business impact or high personal impact such as a critical application not working or workstation hardware failure.*
  - P3 Medium 8 hours
    - *A medium priority incident has a lower business impact or moderate individual impact such as failing backups, printing issues or application instability. Incident may represent a service disruption or data loss if not addressed within service time frame.*
  - P4 Low 48-72 hours or at a time scheduled/agreed upon by SAWPA
    - *The incident has a low business or individual impact such as minor printer problems, application installations, or other tasks that can be scheduled for the most convenient time without creating a disruption.*
  - P5 Very Low 5 business days or at a time scheduled/requested by SAWPA
    - *Incident has no productivity or service level impact, however, the issues should be corrected. The incident may require information from the user, client, or hardware from a vendor.*

The duties listed below are intended only as illustrations of the various types of work that may be required. The omission of specific statements of duties does not exclude them from the scope if the work is similar, related to, or a logical assignment to the class.

### **PRIMARY SERVICES**

Scope of Work includes systems administration functions for SAWPA's virtualized environment, including three physical servers, seven hosted virtual servers, approximately 30 static images hosted on the virtual desktop environment and desktops outside of the virtual environment. Other systems administration functions include system-level security procedures and protocols; establishment and maintenance of user accounts and the assignment of file permissions; installation, upgrades, configuring, testing, maintenance and support of operating system software in the current environment; review of performance logs and monitoring of system performance; troubleshooting and resolving system hardware, software and communications problems; performing configurations and adjustments to enhance database file capacity; performing automated and manual backup and restore processes.

All system files will be replicated and backed up on a daily basis. Backups are located in the cloud as well as a local drive. Consultant shall ensure that all backup processes are scheduled and performed successfully and that backup media is accessible and files can be restored.

Consultant should have the knowledge and ability to install, configure and upgrade vCenter Server and VMware, configure vSphere Networking and vSphere Storage, and administer VMs and vApps. Perform basic troubleshooting and alarm management for VMware hosts and VMs. Consultant will be required to plan, implement, manage and maintain complex vSphere deployments; configure, manage and analyze vSphere log files; execute VMware cmdlets and customize scripts using PowerCLI.

Consultant will provide workstation and applications support including installing thin clients, PC's, laptops, printers, peripherals, scanners, copiers, and office automation software; diagnosing and correcting desktop application problems; configuring static images and user profiles; and identifying and correcting end user hardware and software problems. On-site troubleshooting and support will be required for workstations and users as needed. Consultant, in conjunction with Financial Services, will also administer SAWPA's software licensing and hardware warranties.

Network administration functions include the maintenance of network functionality and the installation, upgrade, configuration, integration and troubleshooting of network devices and software; internet and intranet support; optimization of available hardware and software for peak network performance and functionality; firewall administration (Cisco) and network security including virus protection and spam filtering (Office 365). Consultant will also maintain SAWPA's wireless internet configurations.

Consultant will provide strategic planning and oversight of SAWPA's IT services and contribute to the development and implementation of long-term plans, goals and objectives to achieve SAWPA's technology priorities. Consultant will also recommend new or revised IT policies, procedures and standards given expertise and industry standards. Consultant will research and recommend solutions for technology needs, compatible with SAWPA's IT architecture, infrastructure and resource constraints, and solicit quotes for recommended products and vendors.

Consultant will evaluate SAWPA's hardware and software needs on a regular basis and recommend replacement of equipment and software as identified. Consultant will deploy, maintain and repair or coordinate the repair of hardware and devices.

Consultant will review the current power supply system and provide recommendations to ensure servers and data are protected against power surges and/or unscheduled power shut downs.

Consultant, in conjunction with Information Systems and Technology staff, will maintain the technology inventory database and ensure all new computer equipment is initialized and tagged.

Consultant will perform an annual Technology Audit and provide documentation to SAWPA IT staff. The Technology Audit document should include the current environment infrastructure, completed projects, and prioritized recommendations for subsequent periods. Consultant will provide a system to record and track service requests, generate historical reports and grant SAWPA access for review.

### **ADVISORY SERVICES**

The following services should also be provided to SAWPA in addition to the primary services identified above.

Conduct a business process review to identify and evaluate current systems including operating systems and/or network software, hardware, methods and techniques to improve systems/network reliability and performance.

Review and recommend backup solutions to ensure reliability of data in the event of an emergency or other data loss.

Conduct quarterly governance meetings with identified SAWPA staff, compare recent trends and developments in the computing environment; and review networking and multiplatform communication technologies to improve user productivity.

Install, configure and test software packages; provide user support, conduct or coordinate user software training and provide instructions for hardware usage. Work with SAWPA IT staff to formulate technology solutions and ensure the effective safeguarding and sharing of enterprise data.

Plan and coordinate the migration to new technologies, if endorsed.

Provide back-end support and training for custom report generation using crystal reports software or an equivalent software.

### **DESIRED MINIMUM QUALIFICATIONS**

#### **Knowledge of and experience with:**

- Virtual desktop environments, including characteristics, architecture, implementation, maintenance, and administration.
- VMWare deployments, VMWare Networking, VMWare Storage and analysis of vSphere log files..
- Standard operating systems architectures, characteristics, commands and components applicable to environments used in SAWPA.



- Network architectures similar to the structure used in SAWPA, including theory and principles of design, integration, administration, topologies and protocols.
- Principles, practices and methods of systems/network administration and maintenance, including configuration, performance tuning and security.
- Principles, methods and techniques for layout, installation, configuration, integration and operation of network systems, equipment and devices.
- Internet/intranet technologies, including firewall configuration and applicable database programming languages.
- Principles and practices of systems analysis and design.
- Methods and techniques for performing connectivity testing, network analysis and troubleshooting, including use of diagnostic tools and equipment.
- Computer programming principles, techniques and procedures for business and technical system applications.
- Basic project planning, prioritization and scheduling techniques.
- WordPress Skills such as site conversion to HTTPS, site security and performance, SEO experience.
- Standard business and office software packages, including Windows 7, Windows 10, Windows 2007 Active Directory, Office 365, Office 2010 components, Office 2016, database applications, and Adobe products.

## **LICENSES/CERTIFICATES/SPECIAL REQUIREMENTS**

A valid Class C California driver's license.

Certifications held should include VCP, VCAP, Microsoft, Cisco or equivalent. Support staff should include personnel certified as a Network or Systems Engineer and/or Network or Systems Administrator.

## **COMPENSATION**

SAWPA's payment terms are net thirty days from the date invoices are received by SAWPA.

**Exhibit "A"**

**Firm Summary Sheet**

Firm Name:  
Firm Parent or Ownership:  
Firm Address:  
Firm Telephone Number: Firm Fax Number:  
Firm Website:  
Number of years in existence:

Management Contact (person responsible for direct contact with the SAWPA and services required for this Request for Proposals):

Name:  
Title:  
Telephone Number:  
Fax:  
Email:

Project Manager (Person responsible for day-to-day servicing of the account):

Name:  
Title:  
Telephone Number:  
Fax:  
Email:

Types of services provided by the firm:

**Exhibit "B"**

**SAWPA**

**CERTIFICATION OF PROPOSALS**

1. The undersigned hereby submits its proposal and, by doing so, agrees to furnish services to SAWPA in accordance with the Request for Proposals (RFP), dated May 28, 2018, and to be bound by the terms and conditions of the RFP.
2. This firm has carefully reviewed its proposal and understands and agrees that SAWPA is not responsible for any errors or omissions on the part of the proposer and that the proposer is responsible for them.
3. It is understood and agreed that SAWPA reserves the right to accept or reject any or all proposals and to waive any informality or irregularity in any proposal received by SAWPA.
4. The proposal includes all of the commentary, figures and data required by the Request for Proposals, dated May 28, 2018.
5. The proposal shall be valid for 90 days from May 28, 2018.

Name of Firm:

By:  
(Authorized Signature)

Print Name:

Title:

Date:

Exhibit "C"

**SAWPA**

**CONTRACTOR'S ACKNOWLEDGEMENT OF COMPLIANCE  
WITH INSURANCE REQUIREMENTS FOR INFORMATION TECHNOLOGY  
CONSULTING AND SUPPORT SERVICES REQUEST FOR PROPOSALS**

Contractor agrees, acknowledges and is fully aware of the insurance requirements as specified in **Insurance Requirements** of the Request for Proposals for Information Technology Consulting and Support Services, and accepts all conditions and requirements as contained therein.

Name of Firm: \_\_\_\_\_

By: \_\_\_\_\_  
(Authorized Signature)

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**This executed form must be submitted with the Certification of Proposals.**



**Exhibit "D"**

**SAWPA**

**DECLARATION OF POLITICAL CONTRIBUTIONS**

Using the space provided below, please list any political contributions of money, in-kind services, or loans made to any member of SAWPA Council within the last twelve (12) months by the applicant and all of applicants, employees, including any employee(s) that applicant intends to assign to perform the work or services described in Agreement dated \_\_\_\_\_. If none, please state so:

To the best of my knowledge, I declare under penalty of perjury that the foregoing is true and was executed at:

City: \_\_\_\_\_

State: \_\_\_\_\_

Date: \_\_\_\_\_

Name of Business Print Name: \_\_\_\_\_

Signature: \_\_\_\_\_

DRAFT

Exhibit “E”

**Services and Costs**

Services	In-House Capable	Sub Contracted	Costs (Hourly)	Description	Additional Info
Network Administration / Server Maintenance and Notification / Scheduled Onsite Maintenance / 24 x 7 IT Tech Support / VMWare Support					
WordPress / Website Support					
OnBase Support					
Microsoft Dynamics Support					
Multi Media Tech Support					
Additional Services					
On Site Staff (16 Hours per Week Dedicated)					
Projects					
Network Security Audit					
Hardware / Software Audit					



## APPENDIX A

### **SANTA ANA WATERSHED PROJECT AUTHORITY** **AGREEMENT FOR SERVICES BY INDEPENDENT CONSULTANT**

This Agreement is made this \_\_\_ day of \_\_\_\_\_, **2018** by and between the Santa Ana Watershed Project Authority ("SAWPA") located at 11615 Sterling Ave., Riverside, CA, 92503 and \_\_\_\_\_ ("**Consultant**") whose address is \_\_\_\_\_.

#### **RECITALS**

This Agreement is entered into on the basis of the following facts, understandings, and intentions of the parties to this Agreement:

- SAWPA desires to engage the professional services of Consultant to perform such professional consulting services as may be assigned, from time to time, by SAWPA in writing;
- Consultant agrees to provide such services pursuant to, and in accordance with, the terms and conditions of this Agreement and has represented and warrants to SAWPA that Consultant possesses the necessary skills, qualifications, personnel, and equipment to provide such services; and
- The services to be performed by Consultant shall be specifically described in one or more written Task Orders issued by SAWPA to Consultant pursuant to this Agreement.

#### **AGREEMENT**

Now, therefore, in consideration of the foregoing Recitals and mutual covenants contained herein, SAWPA and Consultant agree to the following:

#### **ARTICLE I**

##### **TERM OF AGREEMENT**

**1.01** This agreement shall become effective on the date first above written and shall continue until **December 31, 20\_\_** unless extended or sooner terminated as provided for herein.

#### **ARTICLE II**

##### **SERVICES TO BE PERFORMED**

**2.01** Consultant agrees to provide such professional consulting services as may be assigned, from time to time, in writing by the Commission and the General Manager of SAWPA. Each assignment shall be made in the form of a written Task Order. Each such Task Order shall include, but shall not be limited to, a description of the nature and scope of the services to be performed by Consultant, the amount of compensation to be paid, and the expected time of completion.

**2.02** Consultant may at Consultant's sole cost and expense, employ such competent and qualified independent professional associates, subcontractors, and consultants as Consultant deems necessary to perform each assignment; provided that Consultant shall not subcontract any work to be performed without the prior written consent of SAWPA.

#### **ARTICLE III**

##### **COMPENSATION**

**3.01** In consideration for the services to be performed by Consultant, SAWPA agrees to pay Consultant as provided for in each Task Order.

**3.02** Each Task Order shall specify a total not-to-exceed sum of money and shall be based upon the regular hourly rates customarily charged by Consultant to its clients.

**3.03** Consultant shall not be compensated for any services rendered nor reimbursed for any expenses incurred in excess of those authorized in any Task Order unless approved in advance by the Commission and General Manager of SAWPA, in writing.

**3.04** Unless otherwise provided for in any Task Order issued pursuant to this Agreement, payment of compensation earned shall be made in monthly installments after receipt from Consultant of a timely, detailed, corrected, written invoice by SAWPA's Project Manager, describing, without limitation, the services performed, when such services were performed, the time spent performing such services, the hourly rate charged therefore, and the identity of individuals performing such services for the benefit of SAWPA. Such invoices shall also include a detailed itemization of expenses incurred. Upon approval by an authorized SAWPA employee, SAWPA will pay within 30 days after receipt of a valid invoice from Consultant.

## **ARTICLE IV**

### **CONSULTANT OBLIGATIONS**

**4.01** Consultant agrees to perform all assigned services in accordance with the terms and conditions of this Agreement including those specified in each Task Order. In performing the services required by this Agreement and any related Task Order Consultant shall comply with all local, state and federal laws, rules and regulations. Consultant shall also obtain and pay for any permits required for the services it performs under this Agreement and any related Task Order.

**4.02** Except as otherwise provided for in each Task Order, Consultant will supply all personnel and equipment required to perform the assigned services.

**4.03** Consultant shall be solely responsible for the health and safety of its employees, agents and subcontractors in performing the services assigned by SAWPA. Consultant hereby covenants and agrees to:

**4.03a** Obtain a Commercial General Liability and an Automobile Liability insurance policy, including contractual coverage, with limits for bodily injury and property damage in an amount of not less than \$2,000,000.00 per occurrence for each such policy. Such policy shall name SAWPA, its officers, employees, agents and volunteers, as an additional insured, with any right to subrogation waived as to SAWPA, its officers, employees, agents and volunteers. If Commercial General Liability Insurance or other form with an aggregate limit is used, either the general aggregate limit shall apply separately to the work assigned by SAWPA under this Agreement or the general aggregate limit shall be at least twice the required occurrence limit. The coverage shall be at least as broad as Insurance Services Office Commercial General Liability Coverage (occurrence Form CG 00 01) and Insurance Services Office Form CA 00 01 covering Automobile Liability, Code 1 (any auto). The Commercial Liability Insurance shall include operations, products and completed operations, as applicable;

**4.03b** Obtain a policy of Professional Liability (errors and omissions) insurance appropriate to the Consultant's profession in a minimum amount of \$2,000,000.00 per claim or occurrence to cover any negligent acts or omissions or willful misconduct committed by Consultant, its employees, agents and subcontractors in the performance of any services for SAWPA. Architects' and engineers' coverage shall include contractual liability;

**4.03c** Obtain a policy of Employer's Liability insurance in a minimum amount of \$1,000,000.00 per accident for bodily injury and property damage.

**4.03d** Provide worker's compensation insurance or a California Department of Insurance-approved self-insurance program in an amount and form required by the State of California and the Employer's Liability Insurance that meets all applicable Labor Code requirements, covering all persons or entities providing services on behalf of the Consultant and all risks to such persons or entities;

**4.03e** Consultant shall require any subcontractor that Consultant uses for work performed for SAWPA under this Agreement or related Task Order to obtain the insurance coverages specified above.



**4.03f** Consultant hereby agrees to waive subrogation which any insurer of Consultant may seek to require from Consultant by virtue of the payment of any loss. Consultant shall obtain an endorsement that may be necessary to give effect to this waiver of subrogation. In addition, the Workers Compensation policy shall be endorsed with a waiver of subrogation in favor of SAWPA for all work performed by Consultant, and its employees, agents and subcontractors.

All such insurance policy or policies shall be issued by a responsible insurance company with a minimum A. M. Best Rating of "A-" Financial Category "X", and authorized and admitted to do business in, and regulated by, the State of California. If the insurance company is not admitted in the State of California, it must be on the List of Eligible Surplus Line Insurers (LESLI), shall have a minimum A.M. Best Rating of "A", Financial Category "X", and shall be domiciled in the United States, unless otherwise approved by SAWPA in writing. Each such policy of insurance shall expressly provide that it shall be primary and noncontributory with any policies carried by SAWPA and, to the extent obtainable, such coverage shall be payable notwithstanding any act of negligence of SAWPA that might otherwise result in forfeiture of coverage. Evidence of all insurance coverage shall be provided to SAWPA prior to issuance of the first Task Order. Such policies shall provide that they shall not be canceled or amended without 30 day prior written notice to SAWPA. Consultant acknowledges and agrees that such insurance is in addition to Consultant's obligation to fully indemnify and hold SAWPA free and harmless from and against any and all claims arising out of an injury or damage to property or persons caused by the negligence, recklessness, or willful misconduct of Consultant in performing services assigned by SAWPA.

**4.04** Consultant hereby covenants and agrees that SAWPA, its officers, employees, and agents shall not be liable for any claims, liabilities, penalties, fines or any damage to property, whether real or personal, nor for any personal injury or death caused by, or resulting from, or claimed to have been caused by or resulting from, any negligence, recklessness, or willful misconduct of Consultant. Consultant shall hold harmless, defend and indemnify SAWPA and its officers, employees, agents and volunteers from and against any and all liability, loss, damage, fines, penalties, expense and costs, including, without limitation, attorneys' fees and litigation expenses and costs, of every nature arising out of or related to Consultant's negligence, recklessness, or willful misconduct related to or arising from the performance of the work required under this Agreement and any related Task Order or Consultant's failure to comply with any of its obligations contained in this Agreement and any related Task Order, except as to such loss or damage which was caused by the active negligence or willful misconduct of SAWPA.

**4.05** In the event that SAWPA requests that specific employees or agents of Consultant supervise or otherwise perform the services specified in each Task Order, Consultant shall ensure that such individual(s) shall be appointed and assigned the responsibility of performing the services.

**4.06** In the event Consultant is required to prepare plans, drawings, specifications and/or estimates, the same shall be furnished with a registered professional engineer's number and shall conform to local, state and federal laws, rules and regulations. Consultant shall obtain all necessary permits and approvals in connection with this Agreement, any Task Order or Change Order. However, in the event SAWPA is required to obtain such an approval or permit from another governmental entity, Consultant shall provide all necessary supporting documents to be filed with such entity, and shall facilitate the acquisition of such approval or permit.

## **ARTICLE V**

### **SAWPA OBLIGATIONS**

**5.01** SAWPA shall:

**5.01a** Furnish all existing studies, reports and other available data pertinent to each Task Order that are in SAWPA's possession;

**5.01b** Designate a person to act as liaison between Consultant and the General Manager and Commission of SAWPA.

## **ARTICLE VI**

### **ADDITIONAL SERVICES, CHANGES AND DELETIONS**

**6.01** During the term of this Agreement, the Commission of SAWPA may, from time to time and without affecting the validity of this Agreement or any Task Order issued pursuant thereto, order changes, deletions, and additional services by the issuance of written Change Orders authorized and approved by the Commission of SAWPA.

**6.02** In the event Consultant performs additional or different services than those described in any Task Order or authorized Change Order without the prior written approval of the Commission of SAWPA, Consultant shall not be compensated for such services.

**6.03** Consultant shall promptly advise SAWPA as soon as reasonably practicable upon gaining knowledge of a condition, event, or accumulation of events, which may affect the scope and/or cost of services to be provided pursuant to this Agreement. All proposed changes, modifications, deletions, and/or requests for additional services shall be reduced to writing for review and approval or rejection by the Commission of SAWPA.

**6.04** In the event that SAWPA orders services deleted or reduced, compensation shall be deleted or reduced by a comparable amount as determined by SAWPA and Consultant shall only be compensated for services actually performed. In the event additional services are properly authorized, payment for the same shall be made as provided in Article III above.

## **ARTICLE VII**

### **CONSTRUCTION PROJECTS: CONSULTANT CHANGE ORDERS**

**7.01** In the event SAWPA authorizes Consultant to perform construction management services for SAWPA, Consultant may determine, in the course of providing such services, that a Change Order should be issued to the construction contractor, or Consultant may receive a request for a Change Order from the construction contractor. Consultant shall, upon receipt of any requested Change Order or upon gaining knowledge of any condition, event, or accumulation of events, which may necessitate issuing a Change Order to the construction contractor, promptly consult with the liaison, General Manager and Commission of SAWPA. No Change Order shall be issued or executed without the prior approval of the Commission of SAWPA.

## **ARTICLE VIII**

### **TERMINATION OF AGREEMENT**

**8.01** In the event the time specified for completion of an assigned task in a Task Order exceeds the term of this Agreement, the term of this Agreement shall be automatically extended for such additional time as is necessary to complete such Task Order and thereupon this Agreement shall automatically terminate without further notice.

**8.02** Notwithstanding any other provision of this Agreement, SAWPA, at its sole option, may terminate this Agreement at any time by giving a 10-day written notice to Consultant, whether or not a Task Order has been issued to Consultant.

**8.03** In the event of termination, the payment of monies due Consultant for work performed prior to the effective date of such termination shall be paid after receipt of an invoice as provided in this Agreement.

## **ARTICLE IX**

### **CONSULTANT STATUS**

**9.01** Consultant shall perform the services assigned by SAWPA in Consultant's own way as an independent contractor, in pursuit of Consultant's independent calling and not as an employee of SAWPA. Consultant shall be under the control of SAWPA only as to the result to be accomplished and the personnel assigned to perform services. However, Consultant shall regularly confer with SAWPA's liaison, General Manager, and Commission as provided for in this Agreement.

**9.02** Consultant hereby specifically represents and warrants to SAWPA that the services to be rendered pursuant to this Agreement shall be performed in accordance with the standards customarily applicable to an experienced and competent professional consulting organization rendering the same or similar services. Furthermore, Consultant represents and warrants that the individual signing this Agreement on behalf of Consultant has the full authority to bind Consultant to this Agreement.

**ARTICLE X**  
**AUDIT AND OWNERSHIP OF DOCUMENTS**

**10.01** All draft and final reports, plans, drawings, specifications, data, notes, and all other documents of any kind or nature prepared or developed by Consultant in connection with the performance of services assigned to it by SAWPA are the sole property of SAWPA, and Consultant shall promptly deliver all such materials to SAWPA. Consultant may retain copies of the original documents, at its option and expense. Use of such documents by SAWPA for project(s) not the subject of this Agreement shall be at SAWPA's sole risk without legal liability or exposure to Consultant. SAWPA agrees to not release any software "code" without prior written approval from the Consultant.

**10.02** Consultant shall retain and maintain, for a period not less than four years following termination of this Agreement, all time records, accounting records, and vouchers and all other records with respect to all matters concerning services performed, compensation paid and expenses reimbursed. At any time during normal business hours and as often as SAWPA may deem necessary, Consultant shall make available to SAWPA's agents for examination of all such records and will permit SAWPA's agents to audit, examine and reproduce such records.

**ARTICLE XI**  
**MISCELLANEOUS PROVISIONS**

**11.01** This Agreement supersedes all previous agreements, either oral or written, between the parties hereto with respect to the rendering of services by Consultant for SAWPA and contains all of the covenants and agreements between the parties with respect to the rendering of such services in any manner whatsoever. Any modification of this Agreement will be effective only if it is in writing signed by both parties.

**11.02** Consultant shall not assign or otherwise transfer any rights or interest in this Agreement without the prior written consent of SAWPA. Unless specifically stated to the contrary in any written consent to an assignment, no assignment will release or discharge the assignor from any duty or responsibility under this Agreement.

**11.03** In the event Consultant is an individual person and dies prior to completion of this Agreement or any Task Order issued hereunder, any monies earned that may be due Consultant from SAWPA as of the date of death will be paid to Consultant's estate.

**11.04** Time is of the essence in the performance of services required hereunder. Extensions of time within which to perform services may be granted by SAWPA if requested by Consultant and agreed to in writing by SAWPA. All such requests must be documented and substantiated and will only be granted as the result of unforeseeable and unavoidable delays not caused by the lack of foresight on the part of Consultant.

**11.05** Consultant shall comply with all local, state and federal laws, rules and regulations including those regarding nondiscrimination and the payment of prevailing wages.

**11.06** SAWPA expects that Consultant will devote its full energies, interest, abilities and productive time to the performance of its duties and obligations under this Agreement, and shall not engage in any other consulting activity that would interfere with the performance of Consultant's duties under this Agreement or create any conflicts of interest. If required by law, Consultant shall file a Conflict of Interest Statement with SAWPA.



## **COMMISSION MEMORANDUM NO. 2018.54**

**DATE:** May 15, 2018  
**TO:** SAWPA Commission  
**SUBJECT:** Brine Line Reach 4 Protection Project  
**PREPARED BY:** Carlos Quintero, Operations Manager

### **RECOMMENDATION**

That the Commission adopt Resolution No. 2018-04 approving Form Cal OES 130 designating the General Manager as the SAWPA authorized representative to accept Disaster Recovery funds under Public Law 93-228.

### **DISCUSSION**

As a result of the storm events in late-January 2017, a portion of the Brine Line Reach 4 access road was washed out. The appropriate repairs were started on March 7 and concluded on March 14, 2017. SAWPA holds an easement from State Parks through this area. A Regional General Permit 63 was issued by the U.S. Army Corps of Engineers on March 5, 2017 allowing protection of the Brine Line and repair of the washed out road as an emergency.

On March 16, 2017, FEMA issued a notice of major disaster declaration (4305-DR-CA) as a result of the January 18 – 23, 2017 winter storms. This declaration authorizes a Public Grant Assistance Grant Program for several counties in California, including Riverside County. This Public Grant Assistance Grant Program allows FEMA to reimburse impacted jurisdictions, including special districts, up to 75 percent of any expenditures related to restoration of facilities to their pre-disaster conditions. The State of California reimburses 18.75 percent, and the local match required is 6.25 percent. An application to FEMA was submitted on April 5, 2017. SAWPA worked in close coordination with FEMA to submit all required information related to the reimbursement request.

The SAWPA Commission adopted Resolution 2017-06 on April 4, 2017 naming Celeste Cantú as the authorized representative. CalOES is requesting that any close-out documents related to the approved reimbursement be approved by the authorized representative; therefore an updated Form 130 is required (Attachment 1).

CalOES has approved a reimbursement of \$20,991 to offset the costs incurred by SAWPA as a result of the winter 2017 storms.

### **CRITICAL SUCCESS FACTORS**

5. Protect and preserve the useful life of Brine Line assets through strategic maintenance, repair, and capital improvements.

**RESOURCE IMPACTS**

SAWPA's local share for the Reach 4 Protection project costs are budgeted under Fund 240 (Brine Line Enterprise).

Attachments:

1. Resolution No. 2018-04, approving OES Form 130

**RESOLUTION NO. 2018-04**

**A RESOLUTION OF THE COMMISSION OF THE  
SANTA ANA WATERSHED PROJECT AUTHORITY  
APPROVING A DESIGNATION OF APPLICANT'S AGENT RESOLUTION  
FOR NON-STATE AGENCIES (Cal OES 130)**

**WHEREAS**, as a result of the storm events in January 2017, a portion of the Brine Line Reach 4 access road was washed out;

**WHEREAS**, SAWPA staff obtained a Regional General Permit 63, issued by the U.S. Army Corps of Engineers on March 5, 2017, allowing protection of the Brine Line and repair of the washed out road – work commenced on the Reach 4 Protection Project March 7 and concluded March 14, 2017;

**WHEREAS**, on March 16, 2017, FEMA issued a notice of major disaster declaration (4305-DR-CA) as a result of the January 18 – 23, 2017 winter storms, which authorizes a Public Grant Assistance Grant Program (Program) for several counties in California, including Riverside County;

**WHEREAS**, in order to be eligible for reimbursement under the Program, submission of Form Cal OES 130 is required in order to designate the General Manager as SAWPA's agent to execute an application to receive federal financial assistance under Public Law 93-288 as amended by the Robert T. Stafford Disaster Relief and Emergency Assistance Act of 1988;

**WHEREAS**, the SAWPA Commission adopted Resolution 2017-06 on April 4, 2017 to designate the previous General Manager as the authorized representative for and on behalf of SAWPA.

**WHEREAS**, the California Office of Emergency Services has reimbursed SAWPA a total of \$20,991 for the repairs conducted in March 2017.

**NOW, THEREFORE**, the SAWPA Commission hereby resolves as follows:

1. The attached Cal OES 130, designating the General Manager as the SAWPA authorized representative to execute an application for federal financial assistance under Public Law 93-228, is hereby approved.
2. The General Manager is hereby directed to submit any required close-out documents related to the Cal OES reimbursement for the costs associated with the Reach 4 Protection Project.

**ADOPTED** this 15<sup>th</sup> day May, 2018.

**SANTA ANA WATERSHED PROJECT AUTHORITY**

By: \_\_\_\_\_  
Susan Lien Longville, Chair

Attest:

\_\_\_\_\_  
Kelly Berry, CMC  
Clerk of the Board

**DESIGNATION OF APPLICANT'S AGENT RESOLUTION  
FOR NON-STATE AGENCIES**

BE IT RESOLVED BY THE governing board of Santa Ana Watershed Project Authority,

THAT the **SAWPA General Manager**, is hereby authorized to execute for and on behalf of the Santa Ana Watershed Project Authority, a public entity established under the laws of the State of California, this application and to file it with the California Governor's Office of Emergency Services for the purpose of obtaining certain federal financial assistance under Public Law 93-288 as amended by the Robert T. Stafford Disaster Relief and Emergency Assistance Act of 1988, and/or state financial assistance under the California Disaster Assistance Act.

THAT the Santa Ana Watershed Project Authority, a public entity established under the laws of the State of California, hereby authorizes its agent to provide to the Governor's Office of Emergency Services for all matters pertaining to such state disaster assistance the assurances and agreements required.

**Please check the appropriate box below:**

This is a universal resolution and is effective for all open and future disasters up to three (3) years following the date of approval below.

This is a disaster specific resolution and is effective for only disaster number(s) \_\_\_\_\_

Passed and approved this 15<sup>th</sup> day of May, 2018

\_\_\_\_\_  
Susan Lien Longville, Chair

\_\_\_\_\_  
Ronald W. Sullivan, Vice Chair

\_\_\_\_\_  
Jasmin A. Hall, Secretary/Treasurer

**CERTIFICATION**

I, Kelly Berry, Clerk of the Board of the Santa Ana Watershed Project Authority, do hereby certify that the foregoing is a true and correct copy a of Resolution No. 2018-04 passed and approved by the Governing Board of the Santa Ana Watershed Project Authority on the 15<sup>th</sup> day of May, 2018.

\_\_\_\_\_  
Kelly Berry, Clerk of the Board



## COMMISSION MEMORANDUM NO. 2018-53

**DATE:** May 15, 2018  
**TO:** SAWPA Commission  
**SUBJECT:** Inland Empire Brine Line Rate Resolution  
**PREPARED BY:** Carlos Quintero, Operations Manager

### RECOMMENDATION

It is recommended that the Commission adopt Resolution No. 2018-05 establishing the new Inland Empire Brine Line rates to be effective July 1, 2018 (Fiscal Year 2019).

### DISCUSSION

Below is the proposed rate for Flow, BOD and TSS beginning July 1, 2018. The proposed rates have been calculated using a Financial Model updated for 2018/19. The FY18 rates allocate recurring costs to the “variable” component (flow) and ‘fixed’ components based on owned pipeline and treatment and disposal capacity rights using a distribution of 40% flow, 30% pipeline, and 30% treatment. BOD and TSS rates pass through the costs charged by OCSD. OCSD is using a rate model as well; they are estimating a cost increase of 2% and 5.5%, respectively for FY18-19. However, SAWPA’s rate is currently slightly more than OCSD’s; therefore, it is proposed to not increase BOD and TSS charges at this time. The OCSD planned rate increases for BOD and TSS in FY19-20 are expected to be 6% and 5.5%, respectively. The flow charge from OCSD is included in the SAWPA rate model as part of the “flow” calculation. The flow, fixed pipeline and fixed treatment unit costs are increasing 3% as projected a year ago.

The SAWPA rate model reflects two near term capital projects Reach IV-D Corrosion Repair (\$5M) and the removal of rip-rap placed to protect the SARI in Orange County (\$4.2M at 76% of total). Repair of Reach IV-D corrosion will be conducted in FY 19 and FY20. The exact repair method and project cost is to be determined with \$5.0M included in the current budget. Further, annual SRF loan payments are included for the Reach 4A and 4B lining project completed in 2012 (\$15.85M SRF loan, 2.6%), and the recently completed Reach 5 Rehabilitation project.

In an effort to simplify billing for indirect dischargers, the proposed truck disposal rates will be based on two (2) tiers: a Brine Tier and a Non-Brine Tier. These charges reflect the changes to the OCSD rates and the truck per gallon charge includes both variable and fixed costs. The FY2020 truck rates are shown for planning purposes.

Proposed Brine Line rates are:

<b><u>Rate</u></b>	<b><u>Flow/MGD</u></b>	<b><u>BOD/1,000 lbs.</u></b>	<b><u>TSS/1,000 lbs.</u></b>	<b><u>Fixed Pipe</u></b>	<b><u>Fixed Treatment</u></b>
Current FY 2018	\$901	\$307	\$429	\$5,921	\$12,007
Proposed FY 2019	\$946	\$307	\$429	\$6,217	\$12,607
Planning FY 2020	\$979	\$316	\$442	\$6,398	\$12,985

(“Fixed Pipeline” and “Fixed Treatment” are per MGD/month)

The proposed FY18 truck rate is:

Hauled Waste	Current FY 2018	Proposed FY 2019	Planning FY 2020
Brine Tier (less than 100 mg/l BOD or TSS)	\$0.012/gallon	\$0.015/gallon	\$0.015/gallon
Non-Brine Tier (100 mg/l and above)	-	\$0.015/gallon plus charge per lb of BOD/TSS**	\$0.015/gallon plus charge per lb of BOD/TSS**
<i>Non-Brine Tier 1 (100 to 999 mg/l)</i>	<i>\$0.017/gallon</i>	*	*
<i>Non Brine Tier 2 (1,000 to 2,499 mg/l)</i>	<i>\$0.035/gallon</i>	*	*
<i>Non-Brine Tier 3 (2,500 mg/l and higher)</i>	<i>\$0.0029/gallon</i>	*	*
BOD Charges	\$0.729/lb BOD	\$0.75/lb BOD	\$0.75/lb BOD
TSS Charges	\$0.695/lb TSS	\$0.716/lb TSS	\$0.716/lb TSS

*\*Previous 4 tier system will be restructured to include only 2 tiers (Brine and Non-Brine tiers)*

*\*\*Non-Brine Tier - Concentrations 100 mg/l and higher will be charged based on the actual concentration of the waste discharged using the following costs components: \$0.015/gallon, \$0.75/pound of BOD and \$0.716 per pound of TSS.*

**RESOURCE IMPACTS**

The proposed Brine Line rates will provide the revenue to pay expected costs for brine treatment, pipeline operations, maintenance and repair including SAWPA’s share of costs in Orange County, capital repair costs including SAWPA’s share of costs in Orange County, and repayment of outstanding debts.

Attachments:

1. Resolution No. 2018-05
2. Draft Inland Empire Brine Line Rate Model Report

**RESOLUTION NO. 2018-05**

**A RESOLUTION OF THE COMMISSION OF THE  
SANTA ANA WATERSHED PROJECT AUTHORITY  
ESTABLISHING THE RATES (FOR THE TREATMENT AND DISPOSAL OF  
NON-RECLAIMABLE WASTEWATER, TEMPORARY DOMESTIC WASTEWATER,  
COLLECTION STATION DISCHARGES, AND CHARGES FOR SUSPENDED SOLIDS  
AND BIOCHEMICAL OXYGEN DEMAND) IN THE  
INLAND EMPIRE BRINE LINE**

**WHEREAS**, the Santa Ana Watershed Project Authority (hereafter “SAWPA”) has constructed the Inland Empire Brine Line (Brine Line, also known as the Santa Ana Regional Interceptor) for the treatment and disposal of non-reclaimable wastewater, temporary domestic wastewater, and collection station discharges;

**WHEREAS**, the best and highest use of the Brine Line is the export of salt with the ultimate goal of achieving watershed “salt balance” and requires maximum utilization of the Brine Line;

**WHEREAS**, SAWPA’s vision is to maintain and operate the Brine Line as efficiently as possible, collect charges from SAWPA’s Member Agencies (“dischargers”) for the treatment and disposal of non-reclaimable wastewater, temporary domestic wastewater, and collection station discharges, including charges for the discharge of total suspended solids (“TSS”) and biochemical oxygen demand (“BOD”);

**WHEREAS**, it is the policy of the Commission to accurately and equitably allocate costs to those who generate the costs;

**WHEREAS**, SAWPA has implemented a rate structure using a characteristics-based rate that results in a “pass-through” of charges for Flow, BOD, and TSS from the Orange County Sanitation District (“OCSD”);

**WHEREAS**, SAWPA will make an adjustment to the flow measured at each discharge site if the total flow at meter S-01, located at the Orange County line, is higher than the aggregate of all dischargers;

**WHEREAS**, OCSD charges and other factors affecting the rate are outside SAWPA’s control, and it is the intention of the Commission that staff review the rates, propose modifications as necessary, and seek approval of any modifications prior to the beginning of each fiscal year;

**WHEREAS**, the sampling and monitoring fee policy allows recovery of all SAWPA costs related to sampling and monitoring of discharges;

**WHEREAS**, SAWPA is implementing a planned 20-year capital improvement program for the long-term repair and replacement of the Brine Line and is funding a 25% operating reserve for the Brine Line, all of which are intended to ensure the long-term reliability of the Brine Line;

**WHEREAS**, long-term system reliability is beneficial to the Brine Line, SAWPA has included debt repayment, long-term replacement, and operating reserve components in the rate structure;

**WHEREAS**, the collection station discharge rates, permit fees, and lease rates are derived from the same rate structure, and inclusion in this resolution provides clarity;

**WHEREAS**, a Peaking or Emergency Rate and two fixed charge components are included, consistent with the adoption of Resolution No. 461 establishing SAWPA’s fee for service business model;

**WHEREAS**, some dischargers may from time-to-time fall below economical billing levels, a minimum charge is included;

**WHEREAS**, “Fiscal Year” means the period beginning July 1 of each year and ending June 30 of the following year for purposes of initiating a new rate period;

**WHEREAS**, SAWPA conducted a solids formation study to accurately measure and allocate TSS formed within the pipeline and has used a formula since July 1, 2007 to distribute the additional load created. The total TSS load is measured at the Orange County line and allocated to dischargers based on the individual discharger’s direct and indirect contribution to the total load; the TSS allocation is based on a twelve (12) month rolling average. Any required adjustment will be approved by the Commission by separate action.

**WHEREAS**, SAWPA has completed and continues to update closed-circuit television (CCTV) inspection of the gravity flow portion of the system and found significant accumulation of material throughout most of the pipeline. Pipeline cleaning in these areas is required on a recurring basis. The cost for pipeline cleaning is included in the Flow charge;

**WHEREAS**, a surcharge for Flow, BOD, and TSS treatment and disposal capacity is applicable when discharge quantities exceed owned capacity; and

**WHEREAS**, establishment of a rate stabilization fund will be considered in the future to mitigate the impact of larger cost increases.

**WHEREAS**, establishment of a Lease Capacity Pool may be considered during FY19, requiring approval of an agreement(s) between SAWPA and the Member Agencies, a modification to the Brine Line Ordinance, and modification of this Resolution to establish an initial lease rate. The Pool will allow smaller dischargers to lease Pipeline and Treatment & Disposal Capacity Rights from SAWPA in lieu of purchasing capacity rights.

**NOW, THEREFORE, BE IT RESOLVED** that the Commission of the Santa Ana Watershed Project Authority hereby resolves that:

1. Effective July 1, 2018, the treatment and volumetric user charges paid to SAWPA for treatment and disposal of non-reclaimable and temporary domestic wastewater shall be as follows, with a minimum charge of \$150.00 for the flow component:

<u>Fiscal Year</u>	<u>Flow/MGD</u> <u>(a)</u>	<u>BOD/</u> <u>1,000 lbs.</u> <u>(b)</u>	<u>TSS/</u> <u>1,000 lbs.</u> <u>(c)</u>	<u>Fixed</u> <u>Pipe</u> <u>(d)</u>	<u>Fixed</u> <u>Treatment</u> <u>(e)</u>
2018-19	\$946	\$307	\$429	\$6,217	\$12,607
2019-20	\$979	\$316	\$442	\$6,398	\$12,985

- (a) This component shall be calculated and assessed per gallon (i.e., \$0.000946 in FY 2018-19) of discharge (flow) to the Brine Line each month. The flow charge is comprised of an OCSD “Pass-Through” flow charge as well as a SAWPA flow charge.
  - (b) This component shall be calculated and assessed per pound (i.e., \$0.307 in FY 2018-19) of dry weight of BOD calculated from the average of sample results each month.
  - (c) This component shall be calculated and assessed per pound (i.e., \$0.429 in FY 2018-19) of dry weight of TSS calculated from the average of sample results each month.
  - (d) This component for fixed costs (also known as Readiness to Serve) shall be assessed per MGD of owned pipeline/connection capacity per month.
  - (e) This component for fixed costs shall be assessed per MGD of owned treatment and disposal capacity per month.
  - (f) Future rates are for planning purposes only. The Commission will separately evaluate and set the rates annually for each FY.
2. Total flow for each discharger will be adjusted if flows at meter S-01 are higher than the aggregate of all the discharger flows.
3. Actual OCSD charges for Flow, BOD, and TSS shall be “passed through” to dischargers.
4. A sampling surcharge shall be applied to all BOD and TSS dischargers to account for the actual cost of necessary sampling and shall be assessed to all dischargers. Increased sampling is defined as any and all costs in excess of one sample per month. Increased sampling shall be determined solely by SAWPA and billed monthly. High BOD, TSS, or high variability dischargers will be sampled weekly or more frequently as required, and low BOD/TSS or low variability dischargers will be sampled monthly or quarterly as required to obtain reliable data.
5. SAWPA shall continue to measure BOD and TSS entering and exiting the system. Should a difference in BOD and TSS exist between the total of all dischargers and the SAWPA discharge to OCSD, the strength values for each discharger shall be adjusted to fully allocate the SAWPA discharge to OCSD. This adjusted strength shall be used for determining discharger invoice amounts.
6. The annual permit fee for each directly connected discharger shall be not less than \$600. The annual permit fee for each indirect discharger shall be not less than \$300. The annual fee for emergency permits is \$1,100, additional permit fees may be charged for speculative or special permit work to cover actual costs and administration as determined by the SAWPA General Manager. The annual fee for a Liquid Waste Hauler permit shall be not less than \$250.
7. Truck-delivered non-reclaimable wastewater discharges from sources within the Santa Ana River Watershed at SAWPA-authorized collection stations shall be charged based on the strength of the waste discharged. Waste shall be charged \$0.015 per gallon of waste discharged to the Brine Line for Brine discharges (less than 100 milligrams per liter (mg/l) average concentration for BOD and TSS), and a Non-Brine tier which shall be charged based on the measured strength for each load as defined by Note (b). Proposed and future estimated rates are shown below. All permitting, permit fees, monitoring, labor, and other costs are the responsibility of the member agency providing the service.

<b>Waste Strength</b>	<b>BOD or TSS Concentration</b>	<b>FY 2018-19</b>	<b>FY 2019-20 (a)</b>
Brine Tier	Less than 100 mg/l	\$0.015	\$0.015
Non Brine Tier	100 mg/l and higher	(b)	

- (a) Future rate for planning purposes only. The Commission will separately evaluate and set the rates annually for each FY.
- (b) Concentrations over 100 mg/l will be charged using the following cost component: \$0.015 per gallon, \$0.75/pound of BOD, and \$0.716/pound of TSS.

8. If approved in the future by Orange County Sanitation District and the Commission, truck-delivered non-reclaimable wastewater discharges from outside the Santa Ana River Watershed at SAWPA-authorized collection stations, shall be charged a surcharge of 10% on waste discharged to the Brine Line. This surcharge shall be added to the rates indicated in paragraph 7 and represents the administrative costs associated with serving these customers. All permitting, monitoring, labor, and other costs are the responsibility of the Member Agency providing the service. Discharges from sources outside the watershed require specific Commission and Orange County Sanitation District approval.
9. An Emergency Rate shall be charged for standby discharges. The Emergency Rate shall be comprised of 110% of the surcharges in Paragraph 10, plus 110% of the Flow, BOD, and TSS charges in Paragraph 1. Surcharges shall be assessed for discharges in excess of the owned capacity, subject to General Manager’s approval.
10. A treatment and disposal surcharge shall be charged when contractually owned capacity for BOD, TSS, and/or Flow is exceeded in any given month. Rates shall be \$0.3923 per pound BOD, \$0.2405 per pound TSS, and \$0.0020 per gallon Flow. These charges are in addition to the charges for Flow, BOD, and TSS outlined in Paragraph 1.
11. Reserved for Capacity Lease Rate: Approval pending.
12. The provisions of SAWPA Ordinance No. 8 and any amendments or successors thereto, are hereby incorporated by this reference, as though set forth herein in full.
13. Payment of invoices not made within 45 days of the invoice date shall bear interest at a rate of one (1.0%) per month from the date of invoice.
14. The user’s charges and surcharges established by this Resolution are effective July 1, 2018, and Resolution No. 2017.8 is rescinded once this Resolution takes effect.

**ADOPTED this 15st day of May, 2018.**

**SANTA ANA WATERSHED PROJECT AUTHORITY**

By: \_\_\_\_\_  
 Susan Lien Longville, Chair

Attest:

By: \_\_\_\_\_  
 Kelly Berry, CMC, Clerk of the Board

# SANTA ANA WATERSHED PROJECT AUTHORITY

## Inland Empire Brine Line Rate Model

Draft Report / May 9, 2018









May 9, 2018

Ms. Karen Williams  
Chief Financial Officer  
Santa Ana Watershed Project Authority  
11615 Sterling Avenue  
Riverside, CA 92503

**Subject: Inland Empire Brine Line Rate Model Report**

Dear Ms. Williams,

Raftelis Financial Consultants, Inc. (Raftelis) is pleased to provide this Inland Empire Brine Line Rate Model Report (Report) for the Santa Ana Watershed Project Authority (SAWPA). The primary purpose of the report is to describe the model development process, and to provide a summary of the functionality and capabilities of the Inland Empire Brine Line Rate Model (Model).

The major objectives of the project include the following:

- » Review SAWPA's reserve policies and recommend changes to reserve targets as needed in order to ensure sound and sufficient reserve policies.
- » Develop a ten-year financial plan for the Brine Line Enterprise Fund to assess the financial health of the Brine Line Enterprise Fund.
- » Perform a multi-year Cost of Service analysis to ensure that rates are calculated in a fair and equitable manner.
- » Develop a rate model that can be used to calculate fair and equitable rates for the Brine Line.
- » Recommend a methodology to be used in the potential development of long-term capacity lease rates and rental capacity charges.

The Report summarizes the development process and functionality of the Model, and includes a detailed discussion pertaining to each objective outlined above. It has been a pleasure working with you, and we thank you and Carlos Quintero for the support provided during the course of this project.

Sincerely,

**RAFTELIS FINANCIAL CONSULTANTS, INC.**

**Sanjay Gaur**  
Vice President

**Khanh Phan**  
Senior Consultant

**Charles Diamond**  
Associate Consultant

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## APPENDIX A: SAMPLE PROFORMA

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# 1. INTRODUCTION

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## 1.1 BACKGROUND

The Santa Ana Watershed Project Authority (SAWPA) is a Joint Powers Authority (JPA) consisting of five member agencies:

- » Eastern Municipal Water District
- » Inland Empire Utilities Agency
- » Orange County Water District
- » San Bernardino Valley Municipal District
- » Western Municipal Water District

SAWPA was originally established in 1968 to protect water quality in the Santa Ana Watershed and to supply water to the region. The Inland Empire Brine Line (Brine Line) was built to enhance watershed protection by diverting non-reclaimable wastewater discharge of high brine content from the upper Santa Ana River Basin to Orange County Sanitation District (OCSD) treatment facilities for eventual post-treatment disposal to the Pacific Ocean.

Customers that have direct pipeline connections to the Brine Line are classified as direct dischargers. Direct dischargers must own pipeline capacity as well as treatment/disposal capacity in the system in order to discharge to the Brine Line. Direct dischargers are assessed two monthly fixed charges based on ownership of pipeline and treatment/disposal capacity, as well as three variable charges based on flow, biological oxygen demand (BOD), and total suspended solids (TSS). The flow charge is based on costs incurred by SAWPA as well as the pass-through of OCSD volumetric costs. The BOD and TSS charges are based solely on the pass-through of OCSD treatment costs.

The Brine Line also serves customers classified as indirect dischargers, also referred to as truck dischargers. Indirect dischargers do not have direct pipeline connections to the Brine Line, and do not buy or rent pipeline or treatment/disposal capacity. Indirect dischargers contract with truck haulers to have their wastewater transported to four collection stations. Indirect dischargers are subject to a four-tiered rate structure based on wastewater strength (BOD and/or TSS concentration). Indirect dischargers subject to the three lowest-strength tiers (Brine, Non Brine Tier 1, and Non Brine Tier 2) are assessed a single flow-based variable charge. In addition to SAWPA's flow-related costs, this single variable charge incorporates OCSD pass-through costs, fixed pipeline and treatment/disposal costs, and additional lease components for use of the Brine Line. High-strength customers subject to Non Brine Tier 3 are assessed three variable charges based on flow, BOD, and TSS. Please note that the three charges assessed to Non Brine Tier 3 customers collectively include the same cost components as the three other indirect discharger tiers. Non Brine Tier 3 simply includes separate BOD and TSS charges so that indirect dischargers of very high strength are assessed rates that more proportionally recover treatment costs. A proposal is being considered to simplify the indirect discharger rate structure to two tiers (Brine and Non Brine). The Brine tier will remain unchanged, and will continue to be charged a per gallon rate. The proposed Non Brine tier will consolidate current Non Brine Tiers 1-3, and will be charged per gallon, per pound of BOD, and per pound of TSS, which is the current assessment basis for Non Brine Tier 3.

SAWPA's most recent rate study for the Brine Line was conducted in 2010 by FCS Group. This effort included the development of SAWPA's current rate model for the Brine Line. In November 2017, SAWPA engaged Raftelis Financial Consultants, Inc. (Raftelis) to develop an updated Inland Empire Brine Line Rate Model (Model). The Model, based in Microsoft Excel, is to be used by SAWPA staff to calculate required rates charged to member agencies and indirect dischargers. The functionality and capabilities of the Model are outlined in this Inland Empire Brine Line Rate Model Report (Report).

## 1.2 OBJECTIVES

The major objectives of the project include the following:

- » Review SAWPA's reserve policies and recommend changes to reserve targets as needed in order to ensure sound and sufficient reserve policies.
- » Develop a ten-year financial plan for the Brine Line Enterprise Fund to ensure financial sufficiency, meet operation and maintenance (O&M) costs, ensure sufficient funding for capital needs, and improve the financial health of the Brine Line Enterprise Fund.
- » Perform a multi-year Cost of Service analysis to ensure that rates are calculated in a fair and equitable manner.
- » Review the existing methodology used to calculate rates for indirect dischargers
- » Develop a rate model that can be used to calculate fair and equitable rates.
- » Assess and recommend methodologies to be used in the development of long-term capacity lease rates for direct dischargers and rental capacity charges for indirect dischargers.

## 2. FINANCIAL POLICIES

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### 2.1 SAWPA FUND STRUCTURE

SAWPA's fund group structure is comprised of four primary fund groups:

1. The **General Fund** pertains to SAWPA's labor and benefits costs, as well as other costs not directly allocated to the following three funds.
2. The **Brine Line Enterprise Fund** pertains to operation of the Brine Line, and is subdivided into operating and capital funds.
3. The **One Water One Watershed (OWOW) Fund** pertains to watershed-wide planning activities and grant administration.
4. The **Roundtable Fund** pertains to activities relating to task forces, working groups, and stakeholder involvement.

The remainder of the Report focuses almost exclusively on the Brine Line Enterprise Fund. In the section that follows, only reserves related to the Brine Line Enterprise Fund are discussed.

### 2.2 RESERVES

SAWPA's fund structure includes eleven distinct reserves. The General Fund Operating Reserve and General Fund Building Reserve are excluded from discussion in this subsection, as neither pertains to the Brine Line Enterprise Fund. Below is a brief description of the remaining nine reserves.

- » **Brine Line Operating Reserve:** Used to cover temporary Brine Line Enterprise cash flow deficiencies.
- » **Pipeline Replacement Reserve:** Used to provide capital replacement funding for pipeline infrastructure.
- » **OCSD Rehabilitation Reserve:** Used to fund share of capital costs for portion of the Brine Line maintained by OCSD.
- » **Debt Retirement Reserve:** Used for debt service payments for State Revolving Fund (SRF) loans required to build the Brine Line system.
- » **OCSD Future Capacity Reserve:** Used to purchase additional OCSD treatment capacity as approved by the SAWPA Commission.
- » **Self Insurance Reserve:** Used to cover out-of-pocket insurance losses.
- » **Capacity Management Reserve:** Used to fund future capacity needs within the Brine Line.
- » **Flow Imbalance Reserve:** Used to refund Brine Line dischargers in the event of a meter error resulting in over-billing.
- » **Capital Improvement Construction Reserve:** Used solely for capital expenditures identified within the SAWPA Commission-approved CIP Program budget.

Table 2-1 below shows current minimum reserve levels. The OCSD Future Capacity Reserve, Capacity Management Reserve, and Capital Improvement Construction Reserve do not currently have reserve minimums, and are therefore excluded from Table 2-1.

**Table 2-1: Current Minimum Reserve Levels**

Reserve	Current Minimum
<b>Brine Line Operating Reserve</b>	25% of annual operating expenses
<b>Pipeline Replacement Reserve</b>	\$10 million
<b>OCSD Rehabilitation Reserve</b>	\$1.75 million
<b>Debt Retirement Reserve</b>	100% of annual debt service
<b>Self Insurance Reserve</b>	2% of depreciable capital assets plus the total amount of SAWPA's existing insurance deductibles
<b>Flow Imbalance Reserve</b>	\$50,000

Raftelis closely reviewed current minimum reserve levels, and discussed reserve policy considerations with SAWPA staff. Raftelis only recommends that SAWPA make changes to its Pipeline Replacement Reserve policy. The current minimum for the Pipeline Replacement Reserve is \$10 million. This reserve was established to provide capital replacement funding for the Brine Line system as its pipeline infrastructure deteriorates over time. Therefore, Raftelis recommends that the Pipeline Replacement Reserve minimum be tied to a fixed percentage of pipeline asset value rather than a fixed dollar amount.

Based on current asset listings provided to Raftelis, the replacement cost of SAWPA's pipeline assets is \$254.9 million (in 2017 dollars). Raftelis recommends converting the \$10 million current reserve minimum into a fixed percentage of pipeline replacement costs, which results in a revised minimum of 3.9% of pipeline replacement costs. Raftelis also recommends that SAWPA institute a Pipeline Replacement Reserve target. Based on industry norms as well as discussion with SAWPA staff, Raftelis recommends a reserve target of 10% of pipeline replacement cost, which is equal to approximately \$25.5 million in FY 2018. The recommended Pipeline Replacement Reserve policies are subject to future revision as further asset analysis is conducted by SAWPA. Raftelis' recommendations for additional asset analyses are discussed in Section 7. Table 2-2 shows minimum and target levels for each reserve in FY 2018 based on Model calculations. Note that minimum and target levels only differ for the Pipeline Replacement Reserve.

**Table 2-2: Recommended Reserve Minimum and Target Levels (FY 2018)**

Reserve	Recommended Minimum	Recommended Target
<b>Brine Line Operating Reserve</b>	\$1,283,663	\$1,283,663
<b>Pipeline Replacement Reserve</b>	\$10,000,000	\$25,494,196
<b>OCSD Rehabilitation Reserve</b>	\$1,750,000	\$1,750,000
<b>Debt Retirement Reserve</b>	\$3,060,725	\$3,060,725
<b>Self Insurance Reserve</b>	\$5,108,955	\$5,108,955
<b>Flow Imbalance Reserve</b>	\$50,000	\$50,000
<b>Combined Total</b>	<b>\$21,253,343</b>	<b>\$36,747,539</b>



### 3. FINANCIAL PLAN

This section describes the portion of the Model referred to herein as the Financial Plan. The Financial Plan provides ten-year financial projections for the Brine Line Enterprise Fund based on projected revenues, operations & maintenance (O&M) expenses, capital improvement plan (CIP) funding, and debt service payments. The primary results of the Financial Plan include a cashflow summary and rate revenue requirement, which is the key factor driving rate development. The following subsections describe the functionality of various Financial Plan components. Please note that any values presented herein are for illustrative purposes, and are based on current Model inputs. Values are subject to change as SAWPA staff updates key Model inputs with new data. The ten-year Financial Plan timeframe currently spans from fiscal year (FY) 2018 through FY 2027. However, the Financial Plan start year is an adjustable input within the Model.

#### 3.1 FINANCIAL PLAN ASSUMPTIONS

Key assumptions in the Financial Plan can be adjusted in the “Assumptions” tab of the Model. These key assumptions include inflation factors used to escalate expenses and non-rate revenues, as well as the level of wastewater flow discharged to the Brine Line. The following assumptions outlined below in Table 3-1 and Table 3-2 are currently incorporated into the Model, but are subject to revision by SAWPA staff.

Table 3-1 shows annual inflation factors used to escalate O&M expenses, CIP expenses, and non-rate revenues. Although the current annual inflation factors used in the Model do not change from year to year, the Model has the capability to incorporate unique inflation factor values for each fiscal year.

**Table 3-1: Inflationary Assumptions**

Inflation Factor Category	Inflation Factor Value	Used to Escalate
<b>General</b>	3%	O&M Expenses
<b>Salary</b>	3%	O&M Expenses
<b>Benefits</b>	6%	O&M Expenses
<b>Utilities</b>	5%	O&M Expenses
<b>OCSD Treatment</b>	3%	OCSD Treatment Expenses
<b>OCSD Volumetric</b>	3%	OCSD Volumetric Expenses
<b>Capital</b>	3%	CIP Expenses
<b>Miscellaneous Revenues</b>	2%	Non-Rate Revenues

Table 3-2 shows assumed annual levels of wastewater in millions of gallons per day (MGD) discharged to the Brine Line by SAWPA’s member agencies and indirect dischargers over the Financial Plan timeframe (FY 2018-FY 2027). The assumed Brine Line flows currently used in the Model remain relatively stable, and constitute conservative estimates provided by SAWPA staff. Use of conservative flow estimates reduce the risk of over-projecting flow-based rate revenues. Please note that Brine Line flow estimates are subject to change.

**Table 3-2: Brine Line Flow Assumptions**

<b>Fiscal Year</b>	<b>Total Annual Discharge to Brine Line</b>
<b>FY 2018</b>	7.94 MGD
<b>FY 2019</b>	7.92 MGD
<b>FY 2020</b>	7.91 MGD
<b>FY 2021</b>	7.87 MGD
<b>FY 2022</b>	7.88 MGD
<b>FY 2023</b>	7.83 MGD
<b>FY 2024</b>	7.86 MGD
<b>FY 2025</b>	7.87 MGD
<b>FY 2026</b>	7.94 MGD
<b>FY 2027</b>	7.95 MGD

### **3.2 REVENUES UNDER CURRENT RATES**

Total revenues under current rates are projected in the Model over the ten-year Financial Plan timeframe. Additional revenues resulting from proposed rate adjustments are incorporated into the Financial Plan’s Proforma and Dashboard, which are discussed in subsequent Financial Plan subsections. Rate revenue for direct dischargers is calculated based on current Brine Line rates, assumed wastewater flow, wastewater strength data, and owned capacity. Rate revenue for indirect dischargers is calculated based on current Brine Line truck discharger rates, as well as wastewater flow and strength data for each of the four collection stations. Adjustments for OCSD treatment costs incurred by SAWPA are incorporated into the rate revenue calculation for direct and indirect dischargers. This ensures that the revenues from BOD and TSS charges fully recover OCSD treatment costs incurred by SAWPA. Current monthly Brine Line rates used in the Model were adopted by SAWPA for FY 2018, and are shown in Table 3-3 below.

**Table 3-3: Current Brine Line Rates (FY 2018)**

Charge by Customer Type	FY 2018 Rate
<b>Direct Discharger Monthly Rates</b>	
Flow (\$/ MG)	\$901
BOD (\$/lb. of BOD)	\$0.307
TSS (\$/lb. of TSS)	\$0.429
Fixed Pipeline (\$/MGD of owned pipeline/connection capacity)	\$5,921
Fixed Treatment (\$/MGD of owned treatment and disposal capacity)	\$12,007
<b>Indirect Discharger Monthly Rates (\$/gallon)</b>	
Brine [BOD or TSS less than 100 mg/L]	\$0.012
Non Brine Tier 1 [BOD or TSS between 100-999 mg/L]	\$0.017
Non Brine Tier 2 [BOD or TSS between 1,000-2,499 mg/L]	\$0.035
Non Brine Tier 3 [BOD or TSS greater than 2,500 mg/L] <sup>1</sup>	
Flow (\$/gallon)	\$0.003
BOD (\$/lb. of BOD)	\$0.729
TSS (\$/lb. of TSS)	\$0.695

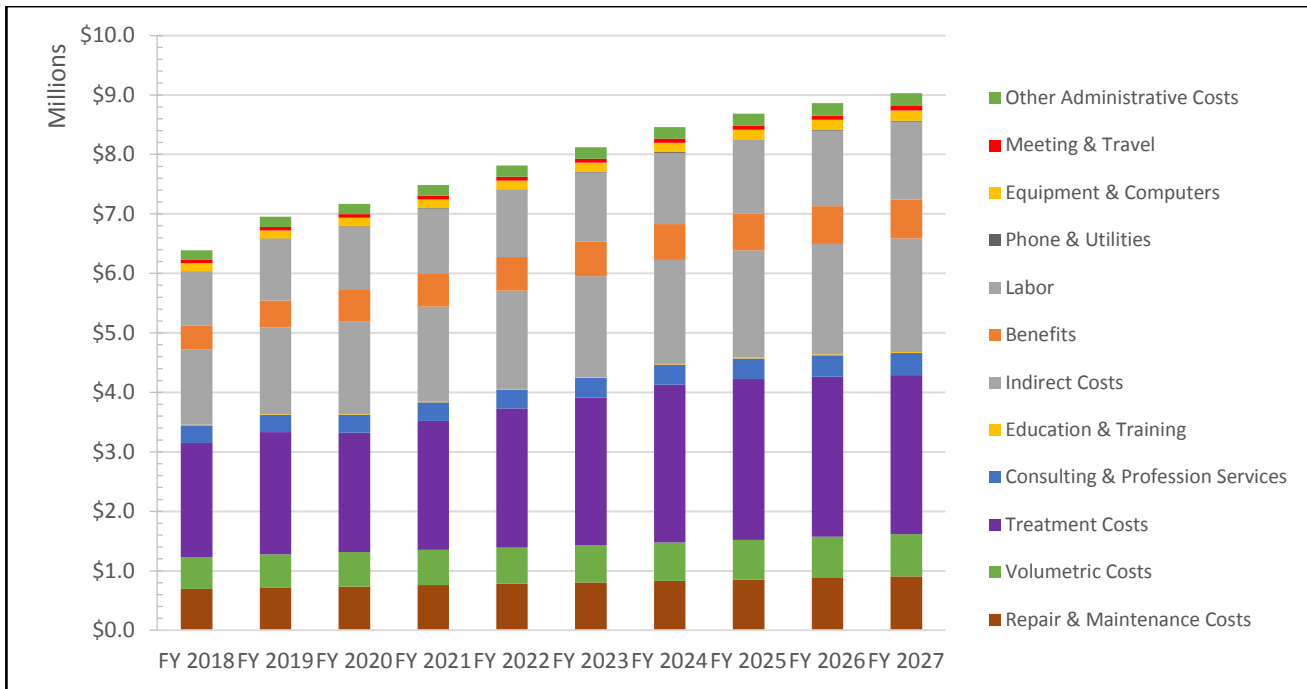
In addition to revenue from rates, interest income and miscellaneous revenues are projected over the ten-year Financial Plan timeframe. Interest income is calculated assuming a 1% reserve interest rate (subject to change by SAWPA staff), and is dependent upon calculated reserve balances (to be discussed later in the Proforma subsection). Other revenues (including permit fees) were provided for FY 2018 and FY 2019 by SAWPA staff, and are thereafter escalated annually by the “Miscellaneous Revenues” inflation factor previously shown in Table 3-1. Change in assumed wastewater flow, the “Miscellaneous Revenues” inflation factor, or projected reserves balance (thus interest income) will result in changes to total projected revenues under current rates.

### 3.3 OPERATIONS AND MAINTENANCE (O&M) EXPENSES

Budgeted O&M expenses for FY 2018 and FY 2019 were provided to Raftelis by SAWPA staff. For FY 2018 and FY 2019, the Model directly incorporates these budgeted O&M expenses, excluding OCSD treatment and volumetric expenses, which are manually calculated based on projected wastewater flow and strength for all years within the Financial Plan timeframe. All non-OCSD expenses are manually assigned to an inflation factor category (see Table 3-1 above) in the Model, and are escalated each year beyond FY 2019 by the assigned inflation factor. The Model ultimately generates total annual O&M expenses over the Financial Plan timeframe, shown in Figure 3-1. Note that changes to budget inputs, inflationary assumptions, and wastewater flow and strength will result in changes to projected O&M expenses in the Model.

<sup>1</sup> Non Brine Tier 3 includes separate charges for BOD and TSS. Although Non Brine Tier 3 has a unique rate structure, the charges are developed based on the same cost components used for the three other indirect discharger tiers.

Figure 3-1: Projected O&M Expenses



### 3.4 CAPITAL IMPROVEMENT PLAN (CIP)

Budgeted CIP expenditures for FY 2018 and FY 2019 were provided to Raftelis by SAWPA staff and incorporated into the Model. For CIP expenditures beyond FY 2019, the Model provides four scenarios with varying levels of CIP beginning in FY 2020. The Model allows for manual determination of future annual CIP expenditures within each scenario. Future annual CIP is input in current dollars, and escalated in the Model based on the “Capital” inflation factor from Table 3-1.

Given the uncertain nature of future CIP expenditures, Raftelis determined that including CIP scenarios would best provide the Model user flexibility in projecting capital expenses over the Financial Plan timeframe. Additionally, the Model user is capable of quickly adding in new CIP expenditures at the project level as new data becomes available. The four CIP scenarios currently input in the Model are shown in Figure 3-2 below. Figure 3-2 displays the CIP scenarios as they currently appear in the Model. Note that while Figure 3-2 only shows CIP expenditures over a five-year timeframe (for display purposes), the Model projects CIP over the entire ten-year Financial Plan timeframe. Total CIP expenditures in each year include project costs as well as expenses related to salaries, benefits, and indirect costs.

Scenario 1 (Budget CIP) only includes CIP expenditures for FY 2018 and FY 2019 provided by SAWPA staff. Scenarios 2 (Low), 3 (Medium), and 4 (High) show increasing levels of CIP expenditures beyond FY 2019. SAWPA staff indicated that CIP expenditures beyond FY 2019 are expected to decrease compared to expenditures in FY 2018 or FY 2019. Based on discussion with SAWPA staff, Raftelis determined that Scenario 2 (Low) most closely reflects expected CIP expenditures, and is therefore utilized as the selected CIP scenario in this Report. The specific amount of annual CIP funding provided by grant funding, debt financing, and rate revenue (PAYGO) is calculated in the Model Proforma (see Section 3.6). Please note that CIP scenarios may be redefined or adjusted as future CIP project information becomes available.

**Figure 3-2: CIP Scenarios**

#	CIP Scenario Name	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
1	Budget CIP	\$15,714,532	\$7,986,032	\$0	\$0	\$0
2	Low	\$15,714,532	\$7,986,032	\$1,748,677	\$1,801,138	\$1,855,172
3	Medium	\$15,714,532	\$7,986,032	\$2,778,677	\$2,862,038	\$2,947,899
4	High	\$15,714,532	\$7,986,032	\$4,838,677	\$4,983,838	\$5,133,353
2	<b>Selected: Low</b>	<b>\$15,714,532</b>	<b>\$7,986,032</b>	<b>\$1,748,677</b>	<b>\$1,801,138</b>	<b>\$1,855,172</b>

### 3.5 DEBT SERVICE

Total existing debt service payments for outstanding State Revolving Fund (SRF) loans were provided to Raftelis by SAWPA staff, and are shown annually over the current Financial Plan timeframe in Table 3-4 below. The aggregate debt coverage requirement is 110 percent. The existing SRF debt issue is assumed to provide \$7.5 million in loan proceeds in FY 2018, and is accounted for in the Model Proforma (to be discussed in Section 3.6).

**Table 3-4: Existing Debt Service**

Fiscal Year	Total Existing Annual Debt Service
FY 2018	\$3,060,725
FY 2019	\$3,191,277
FY 2020	\$2,835,027
FY 2021	\$2,835,027
FY 2022	\$2,607,713
FY 2023	\$1,708,750
FY 2024	\$1,708,750
FY 2025	\$1,708,750
FY 2026	\$1,708,750
FY 2027	\$1,708,750

The Model user also has the capability of incorporating future proposed debt issues into the Model. The functional process of adding new proposed debt issues to the Model is described in Section 3.7. All future debt issues for Brine Line capital financing are assumed to consist of SRF loans. The assumptions currently used in the model to calculate debt service payments for future proposed debt are provided in Table 3-5. No future proposed debt is currently included in the Model, but may be added by SAWPA staff as necessary in the future.

**Table 3-5: Proposed Debt Assumptions**

Proposed Debt Assumption	Value
Term (Years)	20
Interest Rate	2%
Issuance Costs	0%

### 3.6 BRINE LINE ENTERPRISE FUND PROFORMA

The Brine Line Enterprise Fund Proforma coalesces information from each of the Financial Plan components described above. The key results calculated for each year within the Proforma include ending fund balances, determination of CIP funding by source, debt coverage calculations, and transfers to and from reserves. The Proforma results for the Brine Line Enterprise Fund are dependent on a few key inputs in the Model Dashboard that will be discussed in greater detail in Section 3.7. These inputs include annual revenue adjustments, grant funding available for CIP, future SRF loans to fund CIP, and manual transfers from the Brine Line Operating Reserve to other reserves within the Brine Line Enterprise Fund.

The Model Proforma consists of financial summaries over the Financial Plan timeframe for each individual reserve within the Brine Line Enterprise Fund, as well as an overall combined summary for the entire Brine Line Enterprise Fund. The combined Brine Line Enterprise Fund Proforma includes total revenues (including rate revenue adjustments), O&M expenses, debt service, CIP funding by source, and debt coverage calculations. The Proforma provides a financial overview of the Brine Line Enterprise Fund in spreadsheet format. It feeds directly into the Model Dashboard, which serves as a graphical representation of the financial information generated in the Proforma. A sample Model Proforma is displayed in Appendix A. Please note the Proforma results shown in Appendix A are based on current Model inputs and assumptions, and are for illustrative purposes only.

### 3.7 MODEL DASHBOARD

The Dashboard functions as the hub of the Model, allowing for adjustment of key Model inputs while displaying summary financial information from the Proforma in graphical format. This provides the opportunity for real-time scenario analysis, in which key inputs can be conveniently adjusted while displaying financial impacts concisely in the Model Dashboard’s charts. A snapshot of key Dashboard inputs is shown in Figure 3-3 below. Although only five years are shown in Figure 3-3 for display purposes, the Dashboard inputs in the Model extend throughout the entire ten-year Financial Plan timeframe. Please note that all values displayed are for illustrative purposes only, as Dashboard inputs are subject to adjustment by SAWPA staff.

**Figure 3-3: Key Inputs in Dashboard**

	Zero Selected Value	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
		Effective Months	Jul	Jul	Jul	Jul
Rev Adjustments		0.0%	5.0%	5.0%	3.0%	3.0%
Total CIP	Low	\$15,714,532	\$7,986,032	\$1,748,677	\$1,801,138	\$1,855,172
Grant Funding for CIP		\$0	\$0	\$0	\$0	\$0
Existing SRF Loan Proceeds for CIP		\$7,500,000	\$0	\$0	\$0	\$0
New SRF Loan for CIP						\$0
Repayment Start Month / Year	Oct	FY 2021	FY 2021	FY 2022	FY 2022	FY 2023

Note that all input values in the Model are in blue text. Numerical values in black text are calculated in Model. In Figure 3-3 above, the “Effective Months” refers to the month in which new rates are implemented. “Rev Adjustments” refer to annual revenue adjustments required above projected revenues under current rates. The “Total CIP” line provides for the selection of the desired CIP scenario, and then displays annual CIP expenditures based upon the selected scenario. “Grant Funding” for CIP provides for input of available grant

funds in each year to fund CIP projects. “Existing SRF Loan Proceeds” refers to loan proceeds from existing debt issues. The “New SRF Loan for CIP” input provides for the issuance of proposed future debt. Repayment start month and year can be adjusted in the following line for each new SRF debt issuance.

Financial policies, including reserve targets and debt coverage requirements, can also be adjusted in the Model Dashboard. Figure 3-4 shows a snapshot of the Model Dashboard subsection that provides for the adjustment of financial policies if deemed necessary in the future.

**Figure 3-4: Financial Policy Inputs in Dashboard**

<b>Financial Policy</b>	<b>Min</b>	<b>Max</b>	
Brine Line Operating Reserve	25%	25%	% of Operating Exp (excludes OCSD)
Pipeline Replacement Reserve	3.9%	10%	% of RC Pipeline Asset Values
OCSD Rehab Reserves	\$1,750,000	\$1,750,000	Target Level Based on Reserve Policy
OCSD Future Capacity	0%	0%	No Target
Capacity Management Reserve	0%	0%	No Target
Flow Imbalance Reserve	\$50,000	\$50,000	Target Level Based on Reserve Policy
Self Insurance Reserve	2%	2%	% of RC Depreciable Asset Values
Debt Retirement Reserve	100%	100%	% of Annual Debt Service
<b>Required / Target Debt Coverage</b>	120%		Senior
	110%		Aggregate

The Model Dashboard’s graphical display consists of four primary charts that summarize key financial information calculated in the Proforma. Please note that all graphical results shown in Figure 3-5 through Figure 3-8 below are based on current assumptions, and are for illustrative purposes only. Financial Plan outputs in the Model are subject to change as inputs are updated and assumptions are refined.

Figure 3-5 below displays revenue adjustments in orange bars on the left axis. Revenue adjustments of 5 percent are shown for FY 2019 and FY 2020. All subsequent years through FY 2027 show 3 percent revenue adjustments. On the right axis, calculated debt coverage (green line) and required debt coverage (red line) are shown. Alert coverage notifications (red diamonds) are shown in years in which calculated debt coverage does not meet required debt coverage. Note that required debt coverage is met in all years in Figure 3-5 below. Therefore, no alert coverage notifications are currently visible.

**Figure 3-5: Dashboard Chart – Revenue Adjustments and Debt Coverage**

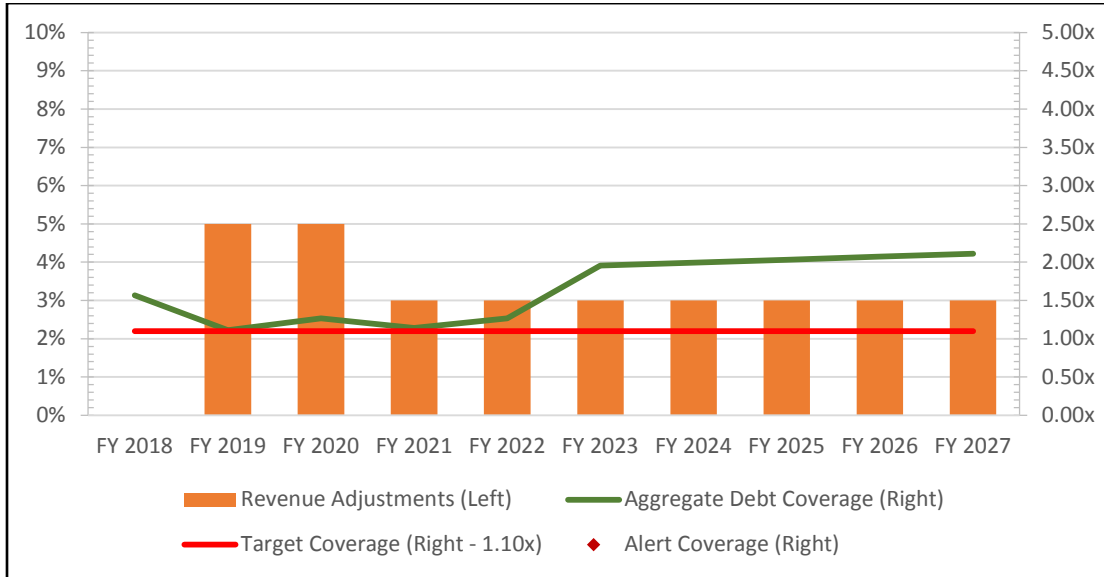


Figure 3-6 shows combined ending balances for all reserves within the Brine Line Enterprise Fund in blue bars for each year. The red line displays the combined reserves minimum. The green line represents the combined reserves target. The combined reserves minimum and target levels are determined as previously shown in Table 2-2.

**Figure 3-6: Dashboard Chart – Reserves Balances**

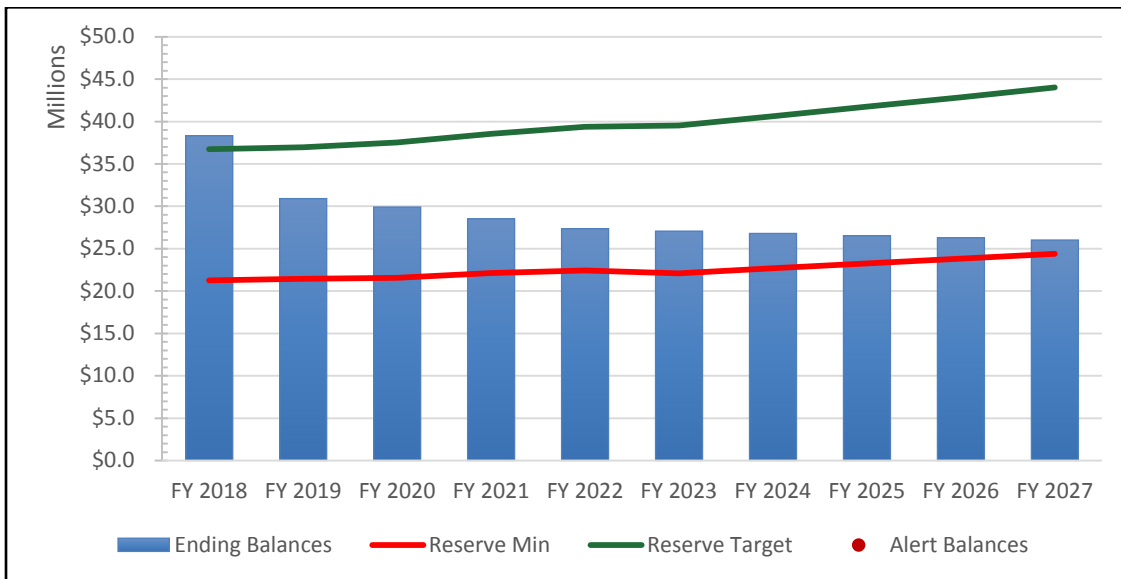


Figure 3-7 displays the Brine Line Enterprise Fund operating financial plan. Proposed revenue (includes proposed revenue adjustments) is represented by the green line. Current revenue (excludes proposed revenue adjustments) is represented by the red line. The multiple stacked bars represent various revenue requirements, which include OCSO charges, personnel expenses, other O&M expenses, debt service payments, and reserve funding. Figure 3-7 demonstrates that current revenues are insufficient to meet



revenue requirements under current Model assumptions. Please also note that both proposed and current revenues decrease between FY 2018 and FY 2019 as the result of an expected reduction in interest income from Treasury STRIPS.

**Figure 3-7: Dashboard Chart – Operating Financial Plan**

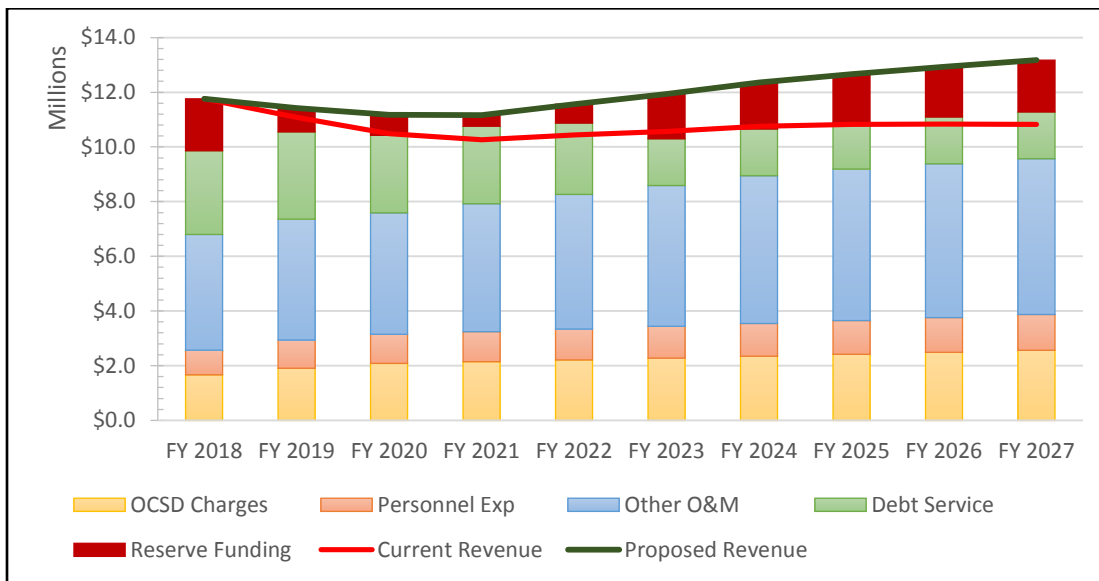
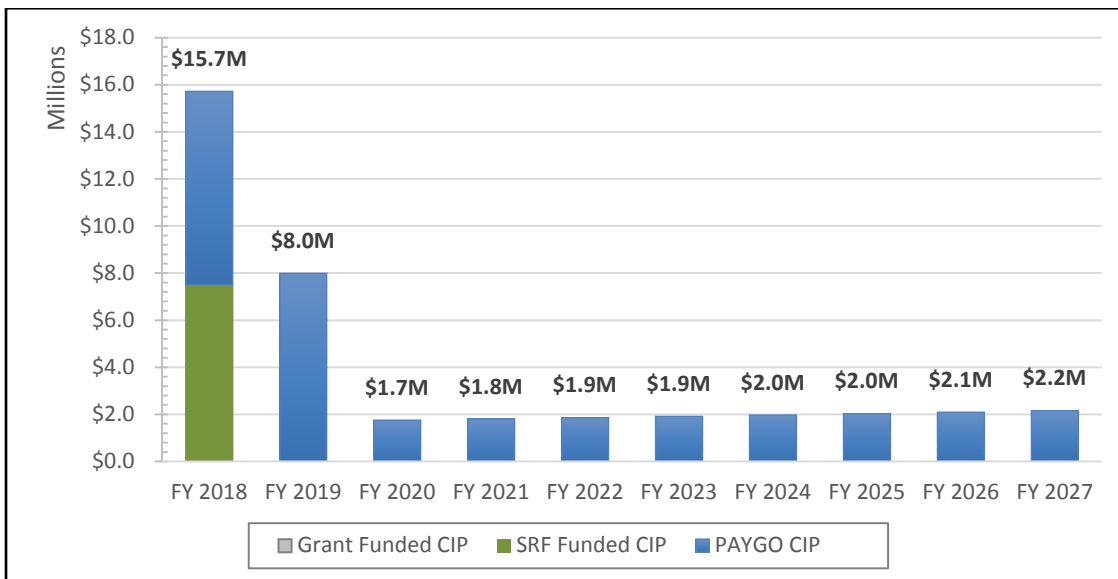


Figure 3-8 shows the capital financing plan for each year. The stacked bars collectively represent total CIP expenditures in each year. Rate-funded (or PAYGO) CIP projects are represented by the blue bars. CIP projects funded with SRF loan proceeds are shown in dark green bars. Grant-funded CIP (if any grant funding is available) is shown in grey bars. Note that Figure 3-8 does not include any grant-funded CIP.

**Figure 3-8: Dashboard Chart – Capital Financing Plan**



### 3.8 SAMPLE FINANCIAL PLAN SCENARIOS

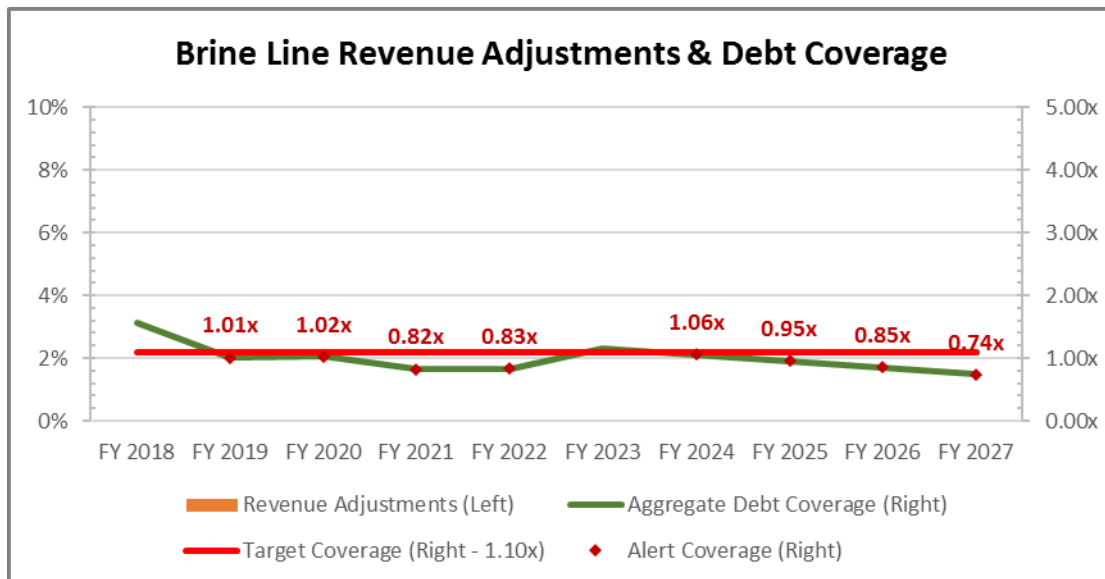
Three Financial Plan scenarios are presented below to provide a general financial overview of the Brine Line Enterprise Fund, and to evaluate the need for revenue adjustments through FY 2027. The only inputs that vary between scenarios are the annual revenue adjustments through FY 2027. All three scenarios otherwise incorporate identical Model assumptions and inputs. The capital financing plan for each scenario is identical to what is displayed previously in

Figure 3-8, and is therefore not shown for each scenario below. Please note that the Financial Plan results shown in each scenario are based on current Model inputs and assumptions, and are therefore subject to change. The Financial Plan scenarios are included to provide a broad financial overview of the Brine Line Enterprise Fund.

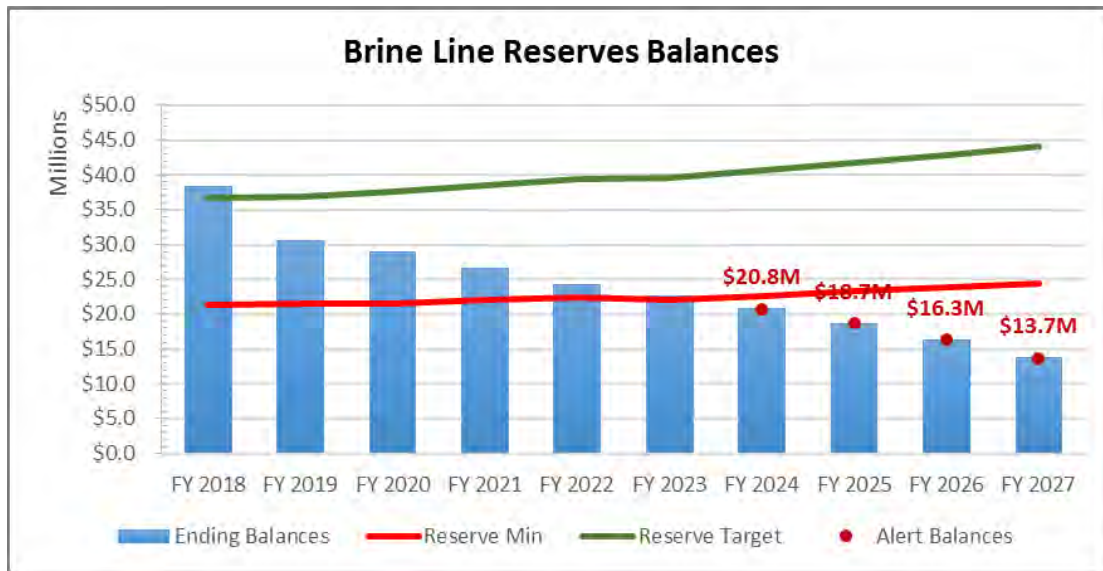
#### Financial Plan Scenario 1: Status Quo

Scenario 1 assumes no revenue adjustments, and therefore provides a financial picture of the Brine Line Enterprise if current Brine Line rates are retained through FY 2027. Figure 3-9 and Figure 3-10 provide a graphical summary of Scenario 1. The debt coverage requirement is not met in eight of ten years, while the minimum reserves target is not met beyond FY 2023. Scenario 1 demonstrates the need for revenue adjustments over the Financial Plan timeframe.

**Figure 3-9: Financial Plan Scenario 1 – Revenue Adjustments & Debt Coverage**



**Figure 3-10: Financial Plan Scenario 1 – Reserves Balances**



### Financial Plan Scenario 2: Minimal Revenue Adjustments

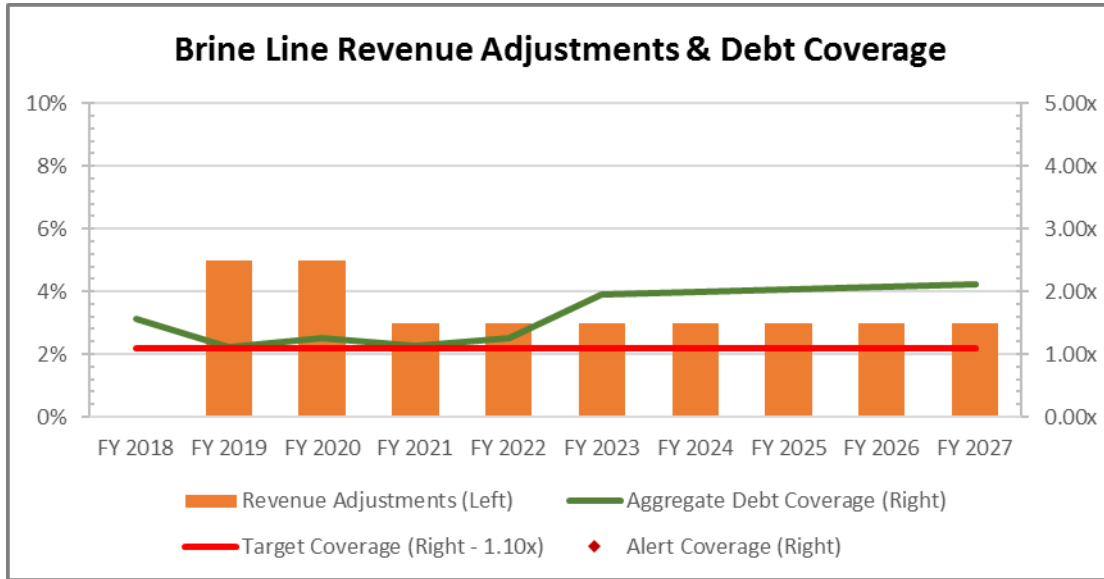
Financial Plan Scenario 2 incorporates minimal revenue adjustments needed to satisfy the debt coverage requirement and meet the minimum combined reserve target throughout the Financial Plan timeframe. Scenario 2 assumes the following revenue adjustments at the beginning of each fiscal year, shown in Table 3-6.

**Table 3-6: Revenue Adjustments - Financial Plan Scenario 2**

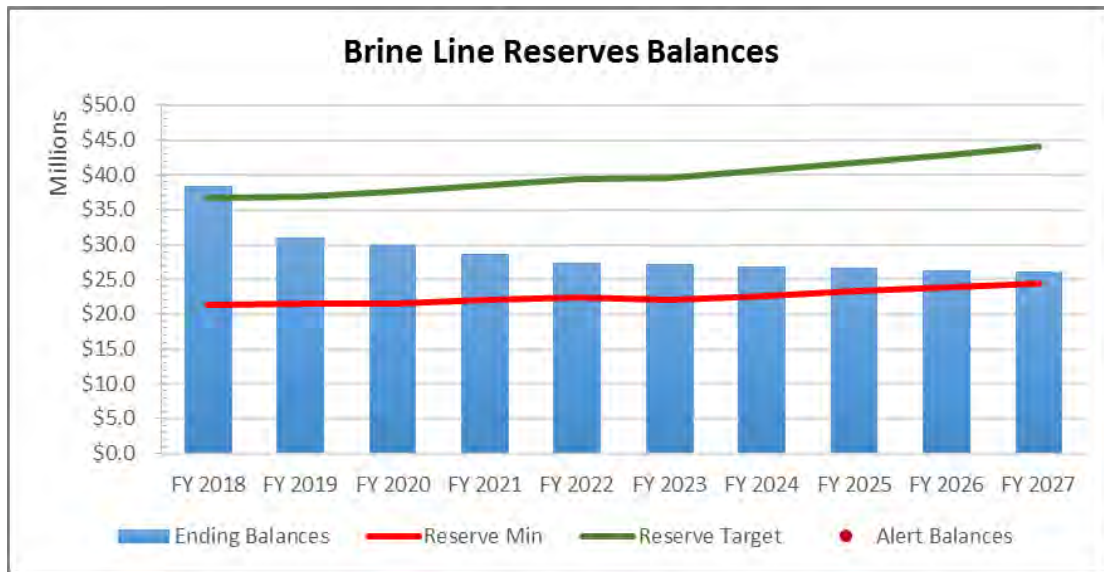
Fiscal Year	Revenue Adjustment
FY 2019	5%
FY 2020	5%
FY 2021	3%
FY 2022	3%
FY 2023	3%
FY 2024	3%
FY 2025	3%
FY 2026	3%
FY 2027	3%

Figure 3-11 and Figure 3-12 provide a graphical summary of Financial Plan Scenario 2. The debt coverage requirement and minimum combined reserves target is met in each year. Note however that reserves do steadily diminish through FY 2027 to levels slightly above the minimum target. Scenario 2 illustrates the implementation of minimal revenue adjustments needed to satisfy minimum financial requirements.

**Figure 3-11: Financial Plan Scenario 2 – Revenue Adjustments & Debt Coverage**



**Figure 3-12: Financial Plan Scenario 2 – Reserves Balances**



### Financial Plan Scenario 3: Rate-Funded Reserves Contributions

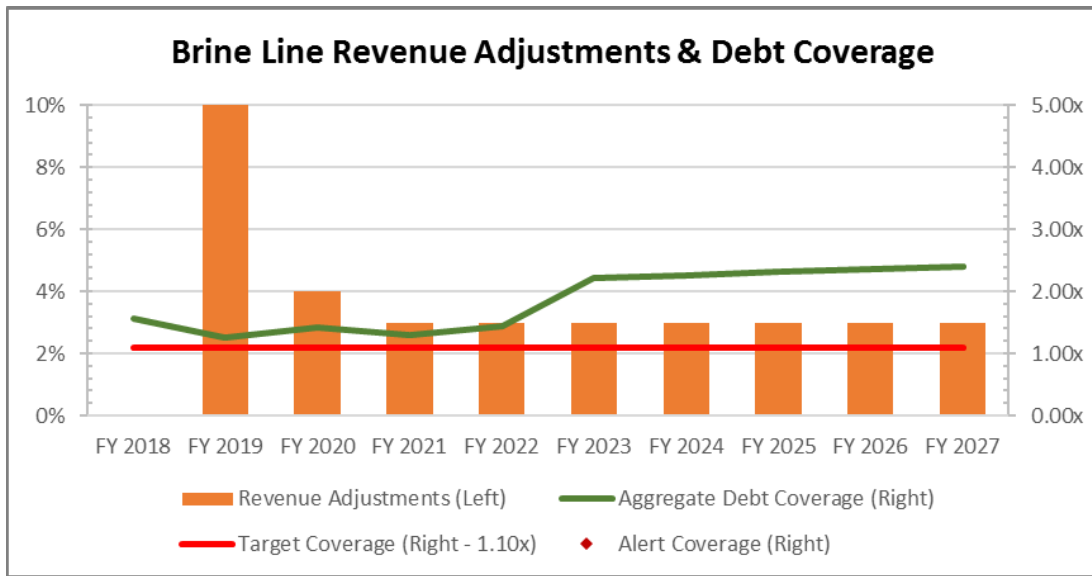
Financial Plan Scenario 3 incorporates revenue adjustments that satisfy the debt coverage requirement, meet the minimum combined reserve target, and annually fund approximately \$3.3 million of contributions to reserves with rate revenue in each year. The level of annual reserves contributions was provided by SAWPA staff, and represents the preferred amount of rate-funded reserves contributions in each year. Note that significant revenue adjustments, shown in Table 3-7, are needed earlier in the study period to provide the preferred level of reserves contributions.

Figure 3-13 and Figure 3-14 provide a graphical summary of Financial Plan Scenario 3. The debt coverage requirement and minimum combined reserves target is met in each year. Note that combined ending reserves balances are higher than in Scenario 2, and remain relatively stable beyond FY 2020.

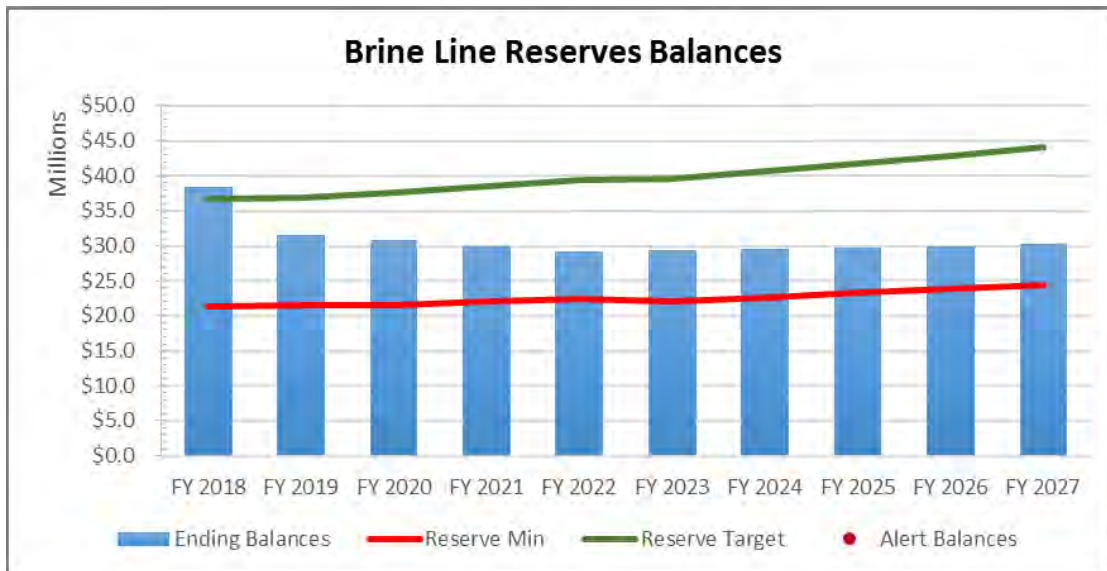
**Table 3-7: Revenue Adjustments - Financial Plan Scenario 3**

Fiscal Year	Revenue Adjustment
FY 2019	12%
FY 2020	4%
FY 2021	3%
FY 2022	3%
FY 2023	3%
FY 2024	3%
FY 2025	3%
FY 2026	3%
FY 2027	3%

**Figure 3-13: Financial Plan Scenario 3 – Revenue Adjustments & Debt Coverage**



**Figure 3-14: Financial Plan Scenario 3 – Reserves Balances**



## 4. COST OF SERVICE

Based on discussion with SAWPA staff, Raftelis determined that the existing cost allocation methodology utilized in the previous rate study conducted by FCS Group in 2010 be retained in the Model. Currently, SAWPA’s member agencies are subject to three internal Brine Line charges:

1. **Flow Charge:** Based on actual wastewater flow discharged to the Brine Line (per gallon).
2. **Fixed Pipeline Charge:** Based on pipeline capacity ownership (assessed monthly per MGD of owned pipeline capacity).
3. **Fixed Treatment Charge:** Based on OCSD treatment and disposal capacity ownership (assessed monthly per MGD of owned OCSD treatment and disposal capacity).

Note that BOD and TSS charges are direct pass-throughs of OCSD treatment costs incurred by SAWPA, and are therefore excluded from the numbered list above. OCSD volumetric costs incurred by SAWPA are passed through as well, and allocated fully to SAWPA’s Flow Charge.

SAWPA’s revenue requirements are allocated among each of the three charges outlined above. The charges effectively function as cost allocation categories, and will be herein referred to as such. O&M expenses were allocated on a line item basis by SAWPA staff among the three cost allocation categories (Flow, Fixed Pipeline, and Fixed Treatment). Table 4-1 shows a snapshot of the distribution of O&M expenses to cost allocation categories within the Model’s Cost of Service worksheet. Allocation percentages for each line item can be manually adjusted as Model inputs. Please note that Table 4-1 only includes a small number O&M line item expenses for illustrative purposes, and is not a comprehensive list of all O&M cost allocations. Cost allocations are also subject to revision by SAWPA staff as needed.

**Table 4-1: O&M Cost Allocations**

BRINE LINE ENTERPRISE	Variable		Fixed
	Flow	Treatment	Pipeline
Operating Expenses			
Salaries - Regular	38.0%	36.0%	26.0%
Benefits	38.0%	36.0%	26.0%
Indirect Costs	38.0%	36.0%	26.0%
Training	38.0%	36.0%	26.0%
Other Training & Education	38.0%	36.0%	26.0%
Consulting	38.0%	36.0%	26.0%
Other Professional Services	38.0%	36.0%	26.0%

Debt service is allocated among the cost allocation categories in an identical manner to O&M expenses. Non-rate revenues function as rate revenue requirement offsets, and are also allocated manually between the three cost allocation categories. Rate-funded capital expenditures are allocated between Fixed Treatment and Fixed Pipeline based on the proportional value of Brine Line assets classified respectively as treatment and pipeline related. The primary output of the Cost of Service analysis is the breakdown of the total revenue requirement in each year into Flow, Fixed Pipeline, and Fixed Treatment components. This provides the

basis for the unit cost derivation of Flow, Fixed Pipeline, and Fixed Treatment charges to be described in the following section.

## 5. CALCULATION OF RATES

This section describes the process of calculating Brine Line rates for direct dischargers and indirect (truck) dischargers, as well as the treatment and disposal surcharge for direct dischargers that exceed contractually owned capacity during any billing period. The rate calculation methodologies utilized in this section are retained from the previous rate study in 2010 by FCS Group. Please note that discussion of the Brine Line emergency rate is excluded from this section, as SAWPA staff is in the process of further evaluating this specific charge. Brine Line permit fees are also excluded from this section, but are later discussed in Section 7.

### 5.1 DIRECT DISCHARGER RATES

With the revenue requirement allocated among the Flow, Fixed Pipeline, and Fixed Treatment components, unit costs can then be developed to provide the basis for direct discharger rates. The calculation of the three unit costs are described in Table 5-1:

**Table 5-1: Unit Costs for Development of Direct Discharger Rates**

Component	Revenue Requirement [A]	Units of Service [B]	Unit Cost [C = A / B]
<b>Flow</b>	Allocated annual Flow costs from COS	Total annual expected wastewater discharged to Brine Line in millions of gallons (MG)	\$ / MG
<b>Fixed Pipeline</b>	Allocated monthly Fixed Pipeline costs from COS	Total owned pipeline capacity (MGD)	\$ / MGD of owned capacity per month
<b>Fixed Treatment</b>	Allocated monthly Fixed Treatment costs from COS	Total owned OCSD treatment & disposal capacity (MGD)	\$ / MGD of owned capacity per month

Unit costs through FY 2019 for OCSD volumetric, BOD, and TSS charges incurred by SAWPA were provided to Raftelis. Beyond FY 2019, the OCSD volumetric unit cost is escalated annually by the “OCSD Volumetric” inflation factor previously shown in Table 3-1. Unit costs for BOD and TSS charges are escalated beyond FY 2019 by the “OCSD Treatment” inflation factor from Table 3-1. The per MG OCSD volumetric unit cost is then directly added to the Flow unit charge shown in Table 5-1. BOD and TSS unit charges are separately assessed to direct dischargers. This results in the development of five individual charges assessed to direct dischargers:

- Flow (\$/MG):** Includes flow unit cost from Table 5-1 and passed through OCSD volumetric cost.
- BOD (\$/1,000 lbs. of BOD):** Includes passed through OCSD BOD treatment cost.
- TSS (\$/1,000 lbs. of TSS):** Includes passed through OCSD TSS treatment cost.
- Fixed Pipeline (\$/MGD of owned pipeline capacity per month):** Includes Fixed Pipeline unit cost from Table 5-1.
- Fixed Treatment (\$/MGD of owned OCSD treatment and disposal capacity per month):** Includes Fixed Treatment unit cost from Table 5-1.

## 5.2 INDIRECT DISCHARGER (TRUCK) RATES

Brine Line rates for indirect dischargers incorporate all charges assessed to direct chargers. Indirect discharger rates also include additional lease components to account for the fact that truck dischargers do not own pipeline or treatment/disposal capacity in the Brine Line system. Because indirect dischargers do not own capacity in the Brine Line system, it is appropriate for SAWPA to charge these customers the carrying cost (interest) on the value of the system's assets. Additionally, SAWPA is exposed to additional risk by allowing access to indirect dischargers who can cease using the Brine Line system at any time. The existing methodology to develop lease components was reviewed and validated by Raftelis. The previous rate study utilized a 5 percent interest rate to calculate leasing costs for indirect dischargers. This interest rate is based upon both the carrying cost plus the added risk premium previously discussed. The Model maintains the same 5 percent interest rate, which is subject to revision in the future.

Indirect discharger rates incorporate four specific lease components described below:

1. **Pipeline Capacity Lease (per gallon):** The replacement cost of the Brine Line system is multiplied by the 5 percent interest rate discussed above. This value is converted into a \$/gallon unit lease cost based on pipeline capacity.
2. **OCSD Treatment/Disposal Capacity Lease (flow component):** The most recent purchase cost of 1 MGD of OCSD treatment/disposal capacity is multiplied by the 5 percent interest rate discussed above. This value is converted into a \$/gallon unit lease cost.
3. **OCSD Treatment/Disposal Capacity Lease (BOD component):** The most recent purchase cost of 1 lb. of BOD per day of OCSD treatment/disposal capacity is multiplied by the 5 percent interest rate discussed above. This value is converted into a \$/lb. of BOD unit lease cost.
4. **OCSD Treatment/Disposal Capacity Lease (TSS component):** The most recent purchase cost of 1 lb. of TSS per day of OCSD treatment/disposal capacity is multiplied by the 5 percent interest rate discussed above. This value is converted into a \$/lb. of TSS unit lease cost.

SAWPA staff directed Raftelis to consolidate the indirect discharger rate structure from four tiers (Brine, Non Brine Tier 1, Non Brine Tier 2, and Non Brine Tier 3) to two tiers (Brine and Non Brine). Table 5-2 defines the proposed tiers for indirect dischargers. The proposed rate structure does not redefine the Brine tier, which applies to truck discharges with a BOD or TSS concentration less than 100 mg/L. The proposed Non Brine tier applies to truck discharges with a BOD or TSS concentration greater than 100 mg/L, representing a consolidation of former Non Brine Tiers 1 through 3. Note that the Non Brine tier includes charges to be assessed per pound of BOD and TSS. This rate structure ensures that indirect dischargers with wastewater strength greater than that of typical brine discharges pay an equitable amount based on proportionate treatment costs. The Model includes an indirect discharger rate calculator to determine specific rates for each tier.



**Table 5-2: Proposed Rate Structure for Indirect Dischargers**

<b>Tier</b>	<b>BOD or TSS Concentration</b>	<b>Assessment Basis</b>
<b>Brine</b>	Less than 100 mg/L	Tier-specific \$/gallon charge
<b>Non Brine</b>	100 mg/L and higher	Three charges: \$/gallon, \$/ lb. of BOD, and \$/ lb. of TSS

### **5.3 TREATMENT AND DISPOSAL SURCHARGE**

A treatment and disposal surcharge is assessed to any direct discharger when contractually owned pipeline and/or treatment capacity is exceeded within a given billing period. Surcharges are assessed per gallon of flow, per pound of BOD, and per pound of TSS, and are assessed in addition to the five direct discharger charges discussed in Section 5.1. Treatment and disposal surcharges are solely based upon the four lease components outlined in Section 5.2 above. The same rationale used to justify the assessment of lease costs on indirect dischargers is applicable to direct dischargers when owned capacity is exceeded.

The flow surcharge consists of the per gallon unit lease costs associated with the pipeline capacity lease and the flow component of the OCSD treatment/disposal capacity lease. The BOD and TSS surcharges respectively consist of unit lease costs associated with the BOD and TSS components of the OCSD treatment/disposal capacity lease. The Model thusly calculates surcharges per gallon, per pound of BOD, and per pound of TSS in excess of owned capacity. It should be emphasized that the methodology used in the Model to calculate the treatment and disposal surcharges remains unchanged since the last rate study.

## 6. PROPOSED LEASE RATE METHODOLOGY

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At the time of project initiation, SAWPA staff expressed interest in potentially developing long-term lease rates for direct dischargers as well as capacity rental charges for indirect dischargers. Currently, direct dischargers that would like to increase wastewater discharges beyond owned capacity must purchase additional capacity or incur treatment and disposal surcharges. A long-term lease option for direct dischargers would provide the opportunity for member agencies with unused capacity to lease capacity to direct dischargers seeking additional capacity. Additionally, the development of rental capacity charges (with shorter terms than long-term leases) for indirect dischargers may provide a more cost-effective option for frequent indirect dischargers, while enhancing flow reliability within the Brine Line system. Increased flow reliability has the potential to benefit SAWPA by reducing the volatility of flow-related rate revenue.

Based on discussions with SAWPA staff, Raftelis researched and evaluated methodologies to be used in the potential development of long-term lease rates for direct dischargers and capacity rental charges for indirect dischargers. Raftelis recommends that the current methodology used to develop lease components for indirect discharger rates and treatment and disposal surcharges be used to develop long-term capacity leases and capacity rental charges. This methodology was outlined previously in Section 5. Long-term lease rates and capacity rental charges would consist of the same lease components described in Section 5.2, which are repeated below:

1. **Pipeline Capacity Lease**
2. **OCS D Treatment/Disposal Capacity Lease (flow component)**
3. **OCS D Treatment/Disposal Capacity Lease (BOD component)**
4. **OCS D Treatment/Disposal Capacity Lease (TSS component)**

The interest rate used to calculate the lease components would simply be adjusted based on the term of the lease in order to adequately reflect risk associated with the agreement. As described in Section 5.2, the interest rate used to calculate lease components is a function of the carrying cost of capital on the asset plus an added risk premium. The level of risk exposure to the Brine Line system is greater for uncertain discharges. Thus, longer term capacity leases/rentals result in reduced risk, which should be reflected by a lower interest rate used to calculate the lease components. Longer-term capacity leases would therefore result in lower lease rates.

The primary benefits of using the methodology proposed above for lease/rental rates include consistency with SAWPA's current rate methodologies, as well as the ability to conveniently and defensibly adjust lease/rental rates based on term length. Please note that this section simply recommends a conceptual basis to be used in the future development of long-term capacity lease rates and capacity rental charges. This Report does not include further details relating to the specific calculation of lease/rental rates.

## 7. RECOMMENDATIONS

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Raftelis recommends that additional analyses be conducted by SAWPA in order to provide a better understanding of risk exposure relating to pipeline assets, as well as recovery of costs associated with the issuance of permits to Brine Line dischargers. These individual recommendations are summarized below.

- » **Assess the replacement cost of the Brine Line:** An improved understanding of the true replacement cost of the Brine Line's pipeline infrastructure would enhance opportunities for responsible financial planning. The Model estimates the replacement cost of the Brine Line by first taking the original cost of each pipeline asset and then escalating each asset to its current year value using the ENR's 20-City Average Construction Cost Index (CCI). More in-depth asset valuation methods commonly used today are likely to result in a higher asset valuation than is currently calculated in the Model. Such an assessment is beyond the scope of this project. Therefore, Raftelis recommends that SAWPA staff periodically conduct a detailed assessment of the Brine Line's replacement cost. An improved understanding of the Brine Line's replacement cost will aid in the determination of appropriate reserve target levels and enhance the rate-setting process.
- » **Conduct an asset criticality assessment:** Raftelis recommends that SAWPA conduct an asset criticality assessment to better understand the risk of failure of the Brine Line's pipeline infrastructure. The Brine Line has previously experienced pipeline failure resulting in significant expenditures to replace the failed assets. An improved understanding of the risk of failure of pipeline assets will allow SAWPA staff to better evaluate the appropriateness of minimum and target reserve levels for the Pipeline Replacement Reserve. Future refinement of Pipeline Replacement Reserve targets based on improved understanding of the risk of asset failure will allow SAWPA to better position itself to absorb the financial impacts of future pipeline asset failure.
- » **Evaluate costs associated with issuing permit fees:** SAWPA requires that all direct and indirect dischargers to the Brine Line pay an annual permit fee. Direct dischargers are currently charged a minimum of \$550 for an annual permit. Indirect dischargers are charged a minimum of \$250 for an annual permit. Additional permit fees may be assessed based on any additional administrative work relating to permitting as determined by SAWPA's General Manager. Increases in current permit fees may be necessary to fully recover SAWPA's administrative and labor costs associated with issuance of permits. Raftelis recommends that SAWPA conduct a detailed evaluation of the administrative and labor costs associated with issuing permits. This is a necessary first step so that permit fees can be updated to provide improved recovery of permitting-related costs incurred by SAWPA.



**APPENDIX A:**

**SAMPLE PROFORMA**  
**(FOR ILLUSTRATIVE PURPOSES ONLY)**



Brine Line Enterprise Fund Proforma	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Estimated WW Flows (MG)	2,898 MG	2,892 MG	2,886 MG	2,874 MG	2,875 MG	2,857 MG	2,868 MG	2,874 MG	2,898 MG	2,902 MG
Proposed Rev Adjustments	0%	5%	5%	3%	3%	3%	3%	3%	3%	3%
Effective Month for New Rev	Jul	Jul	Jul	Jul	Jul	Jul	Jul	Jul	Jul	Jul
<b>REVENUES</b>										
Revenues from Current Rates	\$6,771,841	\$6,737,767	\$6,716,134	\$6,689,919	\$6,672,267	\$6,641,360	\$6,628,953	\$6,613,193	\$6,608,565	\$6,589,970
Revenue Adjustments	\$0	\$336,888	\$688,404	\$906,986	\$1,131,898	\$1,359,696	\$1,596,739	\$1,839,127	\$2,091,232	\$2,345,607
<b>Revenues from Sewer Rates</b>	<b>\$6,771,841</b>	<b>\$7,074,655</b>	<b>\$7,404,538</b>	<b>\$7,596,905</b>	<b>\$7,804,165</b>	<b>\$8,001,056</b>	<b>\$8,225,692</b>	<b>\$8,452,319</b>	<b>\$8,699,796</b>	<b>\$8,935,578</b>
<b>Other Operating Revenues</b>	<b>\$2,994,687</b>	<b>\$3,170,153</b>	<b>\$3,147,754</b>	<b>\$3,337,797</b>	<b>\$3,533,190</b>	<b>\$3,706,423</b>	<b>\$3,908,254</b>	<b>\$3,991,464</b>	<b>\$4,018,257</b>	<b>\$4,032,093</b>
BOD/TSS Fees	\$1,920,551	\$2,058,108	\$2,009,067	\$2,173,041	\$2,339,017	\$2,486,121	\$2,655,008	\$2,705,250	\$2,693,910	\$2,673,299
OCSO Volumetric Fees	\$533,311	\$561,048	\$576,670	\$591,499	\$609,450	\$623,885	\$644,901	\$665,702	\$691,425	\$713,213
Truck Dump Fees	\$508,575	\$518,747	\$529,122	\$539,704	\$550,498	\$561,508	\$572,738	\$584,193	\$595,877	\$607,795
Permit Fees	\$32,250	\$32,250	\$32,895	\$33,553	\$34,224	\$34,908	\$35,607	\$36,319	\$37,045	\$37,786
<b>Non-Operating Revenues</b>	<b>\$1,994,772</b>	<b>\$1,173,582</b>	<b>\$626,932</b>	<b>\$230,175</b>	<b>\$227,883</b>	<b>\$225,040</b>	<b>\$221,629</b>	<b>\$217,633</b>	<b>\$213,035</b>	<b>\$207,817</b>
Interest Income	\$1,994,772	\$1,173,582	\$626,932	\$230,175	\$227,883	\$225,040	\$221,629	\$217,633	\$213,035	\$207,817
<b>TOTAL REVENUES</b>	<b>\$11,761,300</b>	<b>\$11,418,390</b>	<b>\$11,179,224</b>	<b>\$11,164,877</b>	<b>\$11,565,238</b>	<b>\$11,932,519</b>	<b>\$12,355,576</b>	<b>\$12,661,416</b>	<b>\$12,931,089</b>	<b>\$13,175,488</b>
<b>O&amp;M EXPENSES</b>										
Labor	\$902,886	\$1,033,117	\$1,064,111	\$1,096,034	\$1,128,915	\$1,162,782	\$1,197,666	\$1,233,596	\$1,270,604	\$1,308,722
Benefits	\$394,411	\$451,427	\$532,055	\$548,017	\$564,457	\$581,391	\$598,833	\$616,798	\$635,302	\$654,361
Indirect Costs	\$1,273,798	\$1,457,293	\$1,554,666	\$1,601,305	\$1,649,345	\$1,698,825	\$1,749,790	\$1,802,283	\$1,856,352	\$1,912,043
Education & Training	\$10,000	\$10,500	\$11,130	\$11,798	\$12,506	\$13,256	\$14,051	\$14,894	\$15,788	\$16,735
Consulting & Profession Services	\$295,000	\$290,000	\$298,700	\$307,661	\$316,891	\$326,398	\$336,189	\$346,275	\$356,663	\$367,363
Treatment Costs	\$1,920,551	\$2,058,108	\$2,009,067	\$2,173,041	\$2,339,017	\$2,486,121	\$2,655,008	\$2,705,250	\$2,693,910	\$2,673,299
Volumetric Costs	\$533,311	\$561,048	\$576,670	\$591,499	\$609,450	\$623,885	\$644,901	\$665,702	\$691,425	\$713,213
Operating Costs	\$414,000	\$409,500	\$424,285	\$439,639	\$455,584	\$472,146	\$489,349	\$507,220	\$525,787	\$545,078
Repair & Maintenance Costs	\$695,000	\$715,000	\$736,450	\$758,544	\$781,300	\$804,739	\$828,881	\$853,747	\$879,360	\$905,741
Phone & Utilities	\$9,750	\$10,000	\$10,380	\$10,775	\$11,187	\$11,615	\$12,061	\$12,525	\$13,008	\$13,510
Equipment & Computers	\$137,500	\$137,500	\$141,625	\$145,874	\$150,250	\$154,757	\$159,400	\$164,182	\$169,108	\$174,181
Meeting & Travel	\$52,750	\$58,500	\$60,255	\$62,063	\$63,925	\$65,842	\$67,818	\$69,852	\$71,948	\$74,106
Other Administrative Costs	\$163,903	\$169,146	\$174,220	\$179,447	\$184,830	\$190,375	\$196,087	\$201,969	\$208,028	\$214,269
<b>TOTAL O&amp;M EXPENSES</b>	<b>\$6,802,861</b>	<b>\$7,361,139</b>	<b>\$7,593,614</b>	<b>\$7,925,696</b>	<b>\$8,267,657</b>	<b>\$8,592,133</b>	<b>\$8,950,034</b>	<b>\$9,194,294</b>	<b>\$9,387,282</b>	<b>\$9,572,622</b>
<b>NET REVENUES</b>	<b>\$4,958,439</b>	<b>\$4,057,251</b>	<b>\$3,585,610</b>	<b>\$3,239,181</b>	<b>\$3,297,581</b>	<b>\$3,340,386</b>	<b>\$3,405,542</b>	<b>\$3,467,122</b>	<b>\$3,543,807</b>	<b>\$3,602,866</b>

Brine Line Enterprise Fund Proforma (cont.)	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
<b>DEBT SERVICE</b>		9.04%	5.61%	3.06%	3.06%	3.06%	3.06%	3.07%	3.07%	3.07%
<b>Current Debt Service</b>										
Reach Repairs	\$1,044,273	\$1,044,273	\$1,044,273	\$1,044,273	\$1,044,273	\$1,044,273	\$1,044,273	\$1,044,273	\$1,044,273	\$1,044,273
TVRI	\$1,482,528	\$1,482,528	\$1,126,278	\$1,126,278	\$898,963	\$0	\$0	\$0	\$0	\$0
WR	\$533,924	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Reach V	\$0	\$664,476	\$664,476	\$664,476	\$664,476	\$664,476	\$664,476	\$664,476	\$664,476	\$664,476
<b>Total Current Debt Service</b>	<b>\$3,060,725</b>	<b>\$3,191,277</b>	<b>\$2,835,027</b>	<b>\$2,835,027</b>	<b>\$2,607,713</b>	<b>\$1,708,750</b>	<b>\$1,708,750</b>	<b>\$1,708,750</b>	<b>\$1,708,750</b>	<b>\$1,708,750</b>
<b>Proposed Debt Service</b>										
Proposed SRF Loan	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>TOTAL DEBT SERVICE</b>	<b>\$3,060,725</b>	<b>\$3,191,277</b>	<b>\$2,835,027</b>	<b>\$2,835,027</b>	<b>\$2,607,713</b>	<b>\$1,708,750</b>	<b>\$1,708,750</b>	<b>\$1,708,750</b>	<b>\$1,708,750</b>	<b>\$1,708,750</b>
<b>SRF LOAN</b>										
Existing SRF Loan Proceeds for CIP	\$7,500,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>TOTAL PROCEEDS FROM SRF LOAN</b>	<b>\$7,500,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>CAPITAL EXPENDITURES</b>										
Existing SRF Funded CIP	\$7,500,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Rate Funded CIP	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000
Reserve Funded CIP	\$6,714,532	\$6,486,032	\$248,677	\$301,138	\$355,172	\$410,827	\$468,152	\$527,196	\$588,012	\$650,653
<b>TOTAL CAPITAL EXPENDITURES</b>	<b>\$15,714,532</b>	<b>\$7,986,032</b>	<b>\$1,748,677</b>	<b>\$1,801,138</b>	<b>\$1,855,172</b>	<b>\$1,910,827</b>	<b>\$1,968,152</b>	<b>\$2,027,196</b>	<b>\$2,088,012</b>	<b>\$2,150,653</b>
<b>NET CASH CHANGES</b>	<b>(\$6,316,818)</b>	<b>(\$7,120,058)</b>	<b>(\$998,095)</b>	<b>(\$1,396,984)</b>	<b>(\$1,165,303)</b>	<b>(\$279,191)</b>	<b>(\$271,359)</b>	<b>(\$268,824)</b>	<b>(\$252,955)</b>	<b>(\$256,536)</b>
<b>Beginning Brine Line Enterprise Fund Balances</b>	<b>\$44,621,991</b>	<b>\$38,011,737</b>	<b>\$30,891,679</b>	<b>\$29,893,584</b>	<b>\$28,496,601</b>	<b>\$27,331,297</b>	<b>\$27,052,107</b>	<b>\$26,780,748</b>	<b>\$26,511,924</b>	<b>\$26,258,969</b>
<b>Ending Brine Line Enterprise Fund Balances</b>	<b>\$38,305,174</b>	<b>\$30,891,679</b>	<b>\$29,893,584</b>	<b>\$28,496,601</b>	<b>\$27,331,297</b>	<b>\$27,052,107</b>	<b>\$26,780,748</b>	<b>\$26,511,924</b>	<b>\$26,258,969</b>	<b>\$26,002,433</b>
<b>Min Reserve Balances</b>	<b>\$21,253,343</b>	<b>\$21,463,337</b>	<b>\$21,573,974</b>	<b>\$22,108,211</b>	<b>\$22,431,139</b>	<b>\$22,091,991</b>	<b>\$22,674,522</b>	<b>\$23,243,435</b>	<b>\$23,814,766</b>	<b>\$24,399,876</b>
Brine Line Operating Reserve	\$1,283,663	\$1,363,105	\$1,376,723	\$1,444,093	\$1,513,464	\$1,577,979	\$1,650,353	\$1,693,803	\$1,723,907	\$1,751,555
Pipeline Replacement Reserve	\$10,000,000	\$10,000,000	\$10,300,000	\$10,609,000	\$10,927,270	\$11,255,088	\$11,592,741	\$11,940,523	\$12,298,739	\$12,667,701
OCDSD Rehab Reserves	\$1,750,000	\$1,750,000	\$1,750,000	\$1,750,000	\$1,750,000	\$1,750,000	\$1,750,000	\$1,750,000	\$1,750,000	\$1,750,000
Flow Imbalance Reserve	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
Self Insurance Reserve	\$5,108,955	\$5,108,955	\$5,262,224	\$5,420,090	\$5,582,693	\$5,750,174	\$5,922,679	\$6,100,360	\$6,283,370	\$6,471,871
Debt Retirement Reserve	\$3,060,725	\$3,191,277	\$2,835,027	\$2,835,027	\$2,607,713	\$1,708,750	\$1,708,750	\$1,708,750	\$1,708,750	\$1,708,750
<b>Target Reserve Balances</b>	<b>\$36,747,539</b>	<b>\$36,957,533</b>	<b>\$37,532,996</b>	<b>\$38,546,004</b>	<b>\$39,362,066</b>	<b>\$39,530,845</b>	<b>\$40,636,542</b>	<b>\$41,744,316</b>	<b>\$42,870,673</b>	<b>\$44,027,461</b>
Brine Line Operating Reserve	\$1,283,663	\$1,363,105	\$1,376,723	\$1,444,093	\$1,513,464	\$1,577,979	\$1,650,353	\$1,693,803	\$1,723,907	\$1,751,555
Pipeline Replacement Reserve	\$25,494,196	\$25,494,196	\$26,259,022	\$27,046,793	\$27,858,197	\$28,693,942	\$29,554,761	\$30,441,404	\$31,354,646	\$32,295,285
OCDSD Rehab Reserves	\$1,750,000	\$1,750,000	\$1,750,000	\$1,750,000	\$1,750,000	\$1,750,000	\$1,750,000	\$1,750,000	\$1,750,000	\$1,750,000
Flow Imbalance Reserve	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
Self Insurance Reserve	\$5,108,955	\$5,108,955	\$5,262,224	\$5,420,090	\$5,582,693	\$5,750,174	\$5,922,679	\$6,100,360	\$6,283,370	\$6,471,871
Debt Retirement Reserve	\$3,060,725	\$3,191,277	\$2,835,027	\$2,835,027	\$2,607,713	\$1,708,750	\$1,708,750	\$1,708,750	\$1,708,750	\$1,708,750



Brine Line Enterprise Fund Proforma (cont.)	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
<b>Debt Coverage Calculations</b>										
Net Revenues	\$4,790,528	\$3,548,598	\$3,585,610	\$3,239,181	\$3,297,581	\$3,340,386	\$3,405,542	\$3,467,122	\$3,543,807	\$3,602,866
Debt Service	\$3,060,725	\$3,191,277	\$2,835,027	\$2,835,027	\$2,607,713	\$1,708,750	\$1,708,750	\$1,708,750	\$1,708,750	\$1,708,750
Projected Aggregate Debt Coverage	1.57x	1.11x	1.26x	1.14x	1.26x	1.95x	1.99x	2.03x	2.07x	2.11x
Target Debt Coverage	1.10x	1.10x	1.10x	1.10x	1.10x	1.10x	1.10x	1.10x	1.10x	1.10x

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## COMMISSION MEMORANDUM NO. 2018.50

**DATE:** May 15, 2018

**TO:** SAWPA Commission

**SUBJECT:** Santa Ana Sucker Habitat Protection and Beneficial Use Enhancement Project – Notice Inviting Bids

**PREPARED BY:** Ian Achimore, Senior Watershed Manager

### RECOMMENDATION

It is recommended that the Commission authorize the General Manager to issue a Notice Inviting Bids for the Santa Ana Sucker Habitat Protection and Beneficial Use Enhancement Project.

### DISCUSSION

On behalf of the Santa Ana Sucker Conservation Team (Team), a SAWPA Roundtable, staff is tasked with implementing the Santa Ana Sucker Habitat Protection and Beneficial Use Enhancement Project (Project) which would create beneficial habitat for the Santa Ana sucker. The Santa Ana sucker is a threatened aquatic species listed under the federal Endangered Species Act. The Project design includes a partially sub-merged rock groin structure that would be anchored to the river bank and extended approximately 15 feet into the low-flow channel of the river. The Project would create useful habitat in Santa Ana River near the Van Buren Boulevard Bridge crossing and will provide useful information for agencies like the San Bernardino Valley Municipal Water District (SBVMWD) who are leading the construction of habitat projects per the Upper Santa Ana River Habitat Conservation Plan.

SAWPA's design engineer, Scheevel Engineering, estimates the Project's construction to cost approximately \$118,000. The construction cost estimate includes items such as the widening of an existing access road, removal of riparian vegetation to create equipment access, and placement of rock and large boulders to create the sub-merged rock groin. In December 2017, the Commission directed staff to file a Mitigated Negative Declaration to comply with the California Environmental Quality Act. Staff submitted permit applications to the California Department of Fish and Wildlife, the Santa Ana Regional Water Quality Control Board and the U.S. Army Corps of Engineers in January 2018 and has received no major comments from the regulatory agencies. A right of entry agreement was also executed in January 2018 with the landowner of the project area, Riverside County Regional Park and Open-Space District. Pending approval by the Commission, staff plans to issue a notice inviting bids in May 2018, receive bids in June 2018, make a recommendation of award to the Commission in July 2018 and begin construction of the Project in September 2018 after the end of the bird-nesting season.

### BACKGROUND

Field monitoring performed by Scheevel Engineering throughout the summer determined that the River's water depth changes frequently. As the structure would be slightly above grade at the riverbank and taper to the invert of the channel bottom, it could provide habitat benefit for aquatic species in a range of water depths. It is also designed to perform in flows that range from 30 to 2,500 cubic feet per second (cfs). Over the past seventeen years the flows in the Santa Ana River near the potential Project location have

exceeded 2,500 cfs eleven times over the last seventeen years so it is expected that the structure would survive most high flow events.

### **CRITICAL SUCCESS FACTORS**

Report and use results of Roundtable's work, leverage information and involvement for the benefit of SAWPA, its members, and other stakeholders.

### **RESOURCE IMPACTS**

Funding for the design and construction of the Project is provided by contributions from the Team members and SBVMWD, two Supplemental Environmental Project funding contracts with the Regional Water Quality Control Board and a grant with the U.S. Fish and Wildlife Service.

Attachment:

1. PowerPoint Presentation for May 15, 2018 Commission Meeting

# Santa Ana Sucker Habitat Project and Beneficial Use Enhancement Project

May 15, 2018

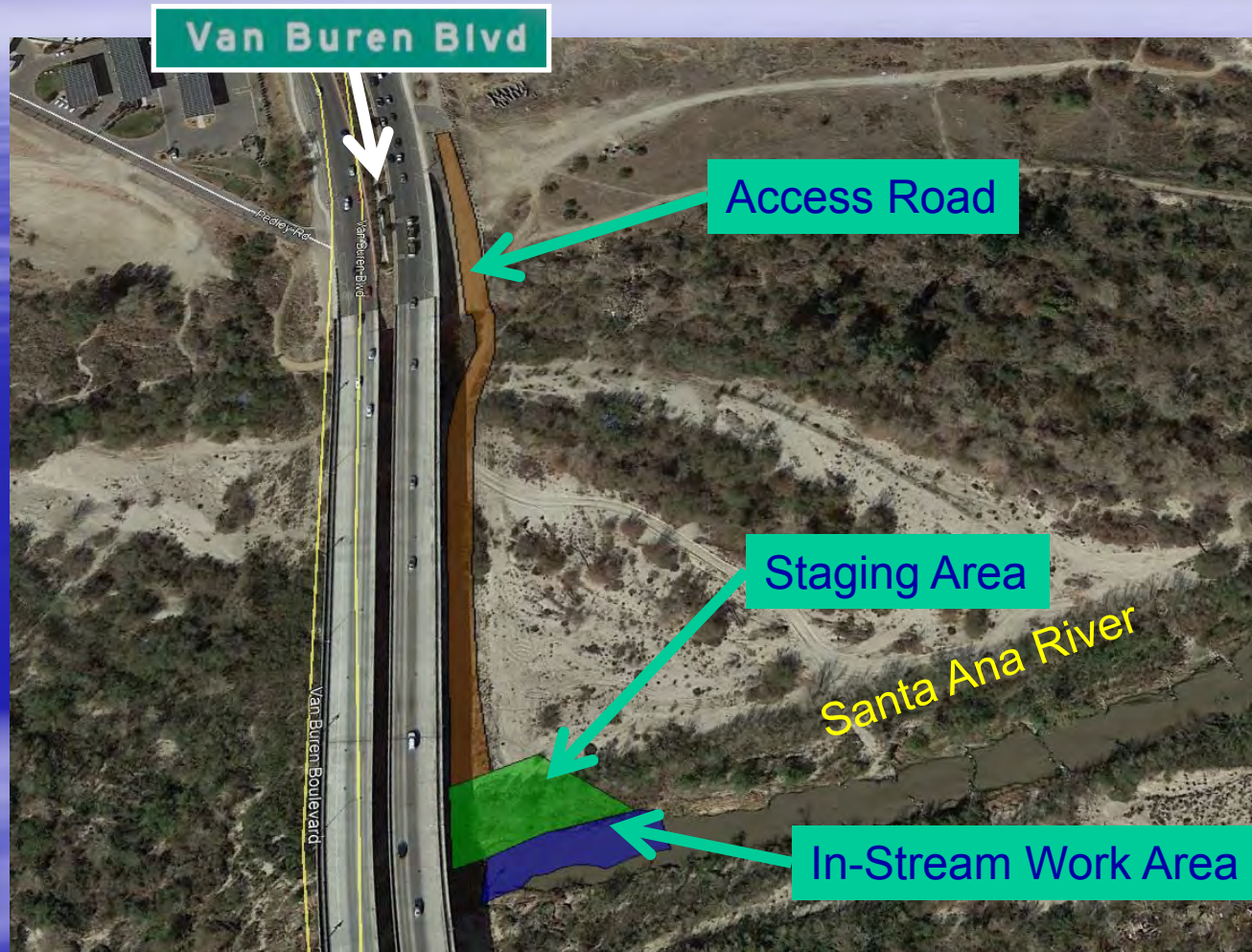
Notice Inviting Bids



Ian Achimore  
Senior Watershed Manager



# Project Location & Major Activities



## Construction Activities

- 15 foot groin
- Four large boulders
- Access road widening

# Schedule and Cost Estimate

- Schedule

- Notice Inviting Bids

May 2018

- Receive Bids

June 2018

- Recommendation to Award

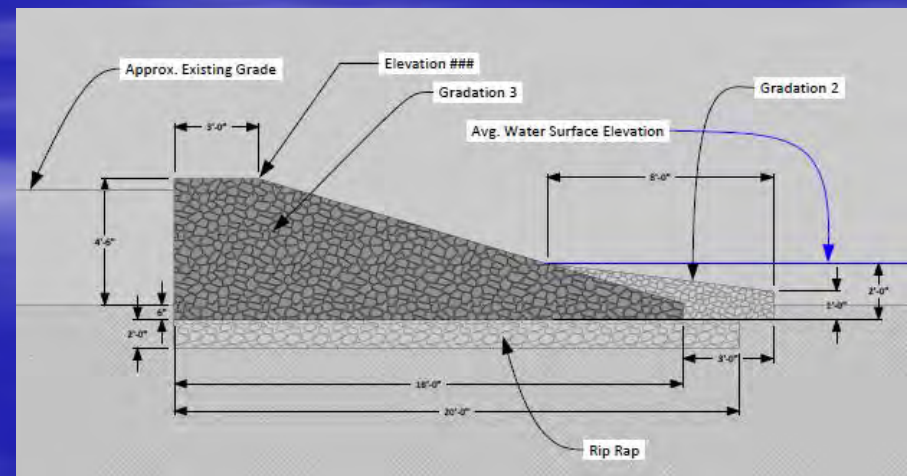
July 2018

- Construction Duration

Sep 2018; 20 days

- Engineer's Estimate

- \$118,000



# Recomendation

- Authorize the GM to issue a Notice Inviting Bids for the Project.



## **COMMISSION MEMORANDUM NO. 2018.49**

**DATE:** May 15, 2018

**TO:** SAWPA Commission

**SUBJECT:** Memorandum of Understanding (MOU) with the Housing Authority of the City of Riverside

**PREPARED BY:** Mark Norton, Water Resources and Planning Manager

### **RECOMMENDATION**

It is recommended that the Commission consider approval of a Memorandum of Understanding (MOU) between SAWPA and the Housing Authority of the City of Riverside.

### **DESCRIPTION**

On May 1, 2018 the SAWPA Commission reviewed the latest draft of a Memorandum of Understanding (MOU) between SAWPA and the Housing Authority of the City of Riverside. The Commission heard presentations by representatives from the City of Riverside and the Housing Authority. After discussion and review of the latest draft of the MOU, staff was directed to make some clarifying text revisions and edits. Additionally, concerns were expressed by SAWPA's OCWD Commissioner and he indicated that he would prefer to take the draft MOU to the OCWD Board for discussion.

On May 2<sup>nd</sup>, the OCWD Board met for their regularly scheduled Board meeting and included the SAWPA MOU with the City of Riverside as a discussion item and a request for direction. From the meeting, OCWD staff was directed to prepare a letter indicating their concerns with the proposed MOU and requesting confirmation of a nexus between homelessness and impacts to water quality. On May 7<sup>th</sup>, SAWPA received the OCWD letter describing their concerns. See attached.

On May 4<sup>th</sup>, EMWD transmitted a letter expressing their concerns with the proposed MOU with the City of Riverside. EMWD requested that negotiations between SAWPA and the Housing Authority on the MOU be suspended and instead work commence on a technical study of the water quality, habitat, flood control and other operational impacts of homeless encampments on the Santa Ana River.

SAWPA staff is seeking direction from the SAWPA Commission regarding the next steps for the proposed MOU.

### **BACKGROUND**

As a component of the Disadvantaged Communities Involvement Program, for the past year SAWPA has conducted research, meetings, and two symposia about the intersections between homelessness and water management. During this time homelessness has become a pressing public policy issue throughout the watershed, and California.

Following the first symposium in October 2017 leaders from the City of Riverside approached SAWPA commissioners and staff to discuss how the challenges of homelessness inside the City of Riverside, and

their 2018 Housing First Strategy (an excerpt of which is Attachment 2), overlap with watershed issues that are mission-critical to SAWPA, our member agencies, and the OWOW stakeholders. Since that initial meeting, SAWPA staff, member agency General Managers, and City of Riverside staff have collaborated to write an MOU between the Housing Authority of the City of Riverside and SAWPA.

A first draft of the proposed MOU was crafted by the City and shared with SAWPA staff at the end of October 2017 and began cycling for edits. Drafts were brought to the January 16 and February 6 SAWPA Commission meetings, as well as the January 9 and March 13 General Managers' meetings. A draft MOU resulting from General Manager edits and comments was provided to the Housing Authority staff on March 29, 2018. A letter was transmitted by the City to General Manager Haller but addressed to Commission Chair Longville on April 4, 2018.

At the May 2<sup>nd</sup> Commission meeting, a concern was expressed about the MOU's inclusion of permanent supportive housing for those living unsheltered in riparian corridors in the City. The City feels that the MOU must include reference to the Housing First Strategy they have adopted, as it is their mission to enact that strategy.

### **CRITICAL SUCCESS FACTORS**

OWOW CSF #2 - Active participation of a diverse group of stakeholders representing counties, cities, and water districts, as well as the private sector and the regulatory, environmental, and environmental justice communities who integrate the different interests in the watershed beyond political boundaries. Ensuring all perspectives are heard and valued.

### **RESOURCE IMPACTS**

Staff time associated with the MOU will be funded by Fund 398, the DCI Program Grant and Fund 370-01 General Basin Planning.

#### Attachment:

1. Letter dated May 4, 2018, from OCWD to the SAWPA Commission Chair regarding the MOU
2. Letter dated May 4, 2018, from EMWD to the SAWPA Commission Chair regarding the MOU
3. Latest draft of MOU between SAWPA and Housing Authority of the City of Riverside

DIRECTORS

PHILIP L. ANTHONY  
DENIS R. BILODEAU, P.E.  
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**ORANGE COUNTY WATER DISTRICT**  
ORANGE COUNTY'S GROUNDWATER AUTHORITY

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First Vice President  
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Second Vice President  
SHAWN DEWANE  
  
General Manager  
MICHAEL R. MARKUS, P.E., D.WRE

May 4, 2018

Ms. Susan Lien Longville  
Chair  
Santa Ana Watershed Project Authority  
11615 Sterling Avenue  
Riverside, CA 92503

Re: Proposed SAWPA/City of Riverside Housing Authority MOU

Dear Commissioner Longville:

On behalf of the OCWD Board of Directors, I am writing to express concerns regarding the scope and timing of the proposed Memorandum of Understanding (MOU) between SAWPA and the City of Riverside's Housing Authority. Various versions of a draft MOU have been reviewed by the SAWPA Commission. We understand the MOU proposes a partnership whereby both parties agree to support efforts to develop permanent supportive housing and address potential environmental damage to water quality, habitat, recreational, and flood protection due to homeless encampments along the Santa Ana River in the City of Riverside.

OCWD believes that signing the MOU at this time is premature. Potential water quality impacts due to homeless encampments should be evaluated and quantified prior to initiating this new program.

OCWD believes a water quality study should be conducted to quantify any significant negative water quality impacts from encampments adjacent to the Santa Ana River prior to additional expenditure of SAWPA funds or state grant funds related to addressing homelessness. Consideration of the MOU should be deferred until after the study is completed. If the study identifies significant impacts to water quality due to the encampments, OCWD wishes to participate with other watershed stakeholders in determining appropriate follow-up actions.

Ms. Susan Lien Longville  
May 4, 2018  
Page 2 of 2

Thank you for your consideration of these concerns.

Sincerely,

A handwritten signature in blue ink that reads "Denis Bilodeau". The signature is written in a cursive, flowing style.

Denis R. Bilodeau, P.E.  
President  
OCWD Board of Directors

cc: SAWPA Commissioners  
OCWD Board of Directors



May 4, 2018

Ms. Susan Lien-Longville  
Commission Chair  
Santa Ana Watershed Project Authority  
11615 Sterling Avenue  
Riverside, CA 92503

**Subject: Impacts of Homelessness on the Santa Ana River Watershed**

Dear Chair Lien-Longville:

Over the past several months, there has been much discussion at SAWPA regarding the problem of homelessness and the associated homeless encampments that exist within the Santa Ana River (SAR) watershed.

We believe it is fair to say that all of us on the SAWPA Commission recognize homelessness as a real social problem that warrants serious attention and the implementation of appropriate and effective programs. As we have previously expressed, for a variety of reasons Eastern Municipal Water District (EMWD) is unable to support the proposed Memorandum of Understanding (MOU) between SAWPA and the City of Riverside Housing Authority (Housing Authority). However, we would like to offer for the SAWPA Commission's consideration an alternative approach to the issue that we believe would be more in keeping with SAWPA's mission while providing an important tool for developing remediation strategies to address the impacts of homelessness on the Santa Ana River.

With respect to the proposed MOU with the Housing Authority, we certainly appreciate the spirit of the effort that you and the staff have put forth in attempting to develop the partnership with the Housing Authority. Notwithstanding this, EMWD does not favor entering into the MOU for two basic reasons.

First, given SAWPA's role of administering the OWOW (Prop 1 IRWM) grant program and the ultimate selection of projects for grant award, we believe the proposed MOU and partnership between SAWPA and the Housing Authority, with its stated intent to apply for grant funding, creates a built-in bias and potential conflict on the part of SAWPA for the consideration and approval of OWOW disadvantaged community grant funds. Given the fact that there are many proposed projects in disadvantaged communities throughout the watershed whose sponsors will be seeking funding through the same

Board of Directors

David J. Slavson, *President* | Ronald W. Sullivan, *Vice President* | Joseph J. Kuebler, CPA, *Treasurer* | Philip E. Paule | Randy A. Record

2270 Trumble Road • P.O. Box 8300 • Perris, CA 92572-8300

T 951.928.3777 • F 951.928.6177 | [www.emwd.org](http://www.emwd.org)

SAWPA-administered sources, having a project applicant with an MOU with SAWPA would appear to create a conflict of interest or perceived bias in the grant award process. As the overall administrator entrusted to equitably distribute Prop 1 and other IRWM funding, it is our position that SAWPA must avoid any real or perceived conflicts or bias.

Second, we believe SAWPA's role and mission does not support directly partnering with local entities to develop housing projects for the homeless as is being proposed by the Housing Authority. Rather, SAWPA's role is to facilitate the implementation of projects by entities throughout the watershed through the competitive administration of IRWM grant funds, or to implement projects directed by SAWPA member agencies through Project Committees. The most recent version of the MOU language appears to be inconsistent with this role.

A role for SAWPA that we believe is central to its mission is to develop credible scientific data and analyses to support and focus resources on watershed-wide projects and programs that improve water quality, habitat values and hydrologic function. SAWPA's mission statement in-part notes that:

*"SAWPA strives to make the Santa Ana River Watershed sustainable through fact-based planning and informed decision-making..."*

In this regard, we believe that an appropriate and important action for SAWPA to take relative to the issue of homelessness in the watershed is to develop a credible and comprehensive study that characterizes and quantifies the actual water quality, habitat, flood control and other operational impacts of homeless encampments on the Santa Ana River. Based upon our review of available literature and of the proceedings of the homelessness summits hosted by SAWPA, it appears that no such comprehensive technical analysis of the impacts of the homelessness has ever been completed; particularly for the Santa Ana River and its unique characteristics.

Such a study would provide the technical basis for potential project sponsors, such as the Riverside Housing Authority and others in the watershed, to submit grant applications to compete for Prop 1 IRWM and other future disadvantaged community grant funding. It would also provide a scientific and economic basis for comparing the benefits of homelessness mitigation projects to other disadvantaged community projects in the watershed such as septic to sewer conversion, source water contamination treatment and others.

We believe that conducting a comprehensive technical study of the water quality, habitat, flood control and other operational impacts of homeless encampments on the Santa Ana River is an ideal role for SAWPA that is fully supported by its mission and the OWOW plan. Such a study would demonstrate SAWPA's leadership role in the industry and would provide the basis for focusing limited grant funding resources to effectively address disadvantaged community issues throughout the entire watershed.

In this regard, we respectfully request that SAWPA suspend negotiations with the Housing Authority on the MOU and instead work with its member agencies to develop a scope, cost and funding plan based

upon available IRWM grant funds and potential member agency contributions to immediately implement the proposed study.

Thank you for your consideration of this matter and we look forward to discussing this important topic at a future Commission meeting.

Sincerely,



Ronald W. Sullivan  
SAWPA Commission Representative  
Board Vice President  
Eastern Municipal Water District



David J. Slawson  
SAWPA Commission Alternate  
Board President  
Eastern Municipal Water District

c: EMWD Board of Directors  
SAWPA Commissioners and Alternates  
Rich Haller, SAWPA General Manager  
SAWPA Member Agency Board Presidents and General Managers

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**MEMORANDUM OF UNDERSTANDING BY AND BETWEEN  
THE HOUSING AUTHORITY OF THE CITY OF RIVERSIDE  
AND  
THE SANTA ANA WATERSHED PROJECT AUTHORITY**

1. **PARTIES:** This Memorandum of Understanding (MOU) is entered into by and between the Housing Authority of the City of Riverside, a public body, corporate and politic (“Authority”) and the Santa Ana Watershed Project Authority, a California Joint Powers Authority (“SAPWA”), on this \_\_\_\_ day of \_\_\_\_\_, 2018.

2. **PURPOSE OF THIS MOU:** The purpose of this MOU is to support an intergovernmental partnership to confront the challenges of homelessness and its water resources impacts in the portions of the Santa Ana River watershed that encompass the City of Riverside and its region of interest. Efforts will include, but are not limited to, researching and evaluating programs that integrate the Authority’s goal of providing permanent supportive housing for those living unsheltered in riparian areas with SAWPA’s goal of restoring degraded water quality, native habitat and recreational areas. SAWPA and the Authority share a mutual interest in working together in efforts that support mutual objectives and solutions in these policy areas.

3. **ROLES AND RESPONSIBILITIES:** SAWPA’s role will be expressly limited to providing technical assistance as described in the Proposition 1 – Integrated Regional Water Management Disadvantaged Community Involvement Grant, Agreement #4600011889. Further roles and responsibilities of the parties are defined in Exhibit “A” attached hereto and incorporated herein by reference.

4. **TERM OF AGREEMENT:** This MOU is effective upon the signatures of the parties, for a period of five (5) years, and/or the exhaustion of applicable funding, whichever occurs first. The length of the term of the MOU may be modified at any time by the written consent of the parties.

5. **MUTUAL HOLD HARMLESS:** The parties hereto, and each of them, do hereby mutually agree to indemnify, defend, save and hold harmless each other, and their respective officers, elected officials, agents, servants and employees, of and from any and all liability, claims demands, debts, suits, actions and causes of action, including wrongful death and reasonable attorneys’ fees for the defense thereof, arising out of or in any manner connected with the performance of any act or deed under or pursuant to the terms and provisions of this Agreement by such indemnifying party, or its officers, agents, servants and employees.

6. **GOVERNING LAW AND JURISDICTION:** The existence, validity, construction, operation and effect of this MOU and all of its terms and provisions shall be determined in accordance with the laws of the State of California. Any action at law or in equity brought by either of the parties hereto for the purpose of enforcing a right or rights provided for by this MOU shall be tried in the superior court in the County of Riverside, State of California, and the parties hereby waive all provisions of law providing for a change of venue in such proceedings to any other county.

7. **TERMINATION:** This MOU may be terminated for any reason by the Authority or SAWPA at any time upon thirty (30) days notice in writing.

8. **ENTIRE AGREEMENT:** This MOU embodies the entire agreement between the parties hereto in relation to the subject matter hereof, and no other agreement or understanding, verbal or otherwise, relative to this subject matter exists between the parties at the time of execution of this MOU. This MOU may only be modified or amended by the mutual consent of the parties in writing.

9. **NOTICES:** Service of any notices, bills, invoices or other documents required or permitted under this MOU shall be sufficient if sent by one party to the other by United States mail, postage prepaid and addressed as follows:

Authority:	SAWPA
City of Riverside Housing Authority ATTN: Housing Authority Manager 3900 Main Street, 5 <sup>th</sup> Floor Riverside, CA 92522	Santa Ana Watershed Project Authority ATTN: Contracts Administration 11615 Sterling Avenue Riverside, CA 92503-4979

10. **SEVERABILITY:** Each provision, term, condition, covenant, and/or restriction, in whole and in part, in this MOU shall be considered severable. In the event any provision, term, condition, covenant, and/or restriction, in whole and/or in part, in this MOU is declared invalid, unconstitutional, or void for any reason, such provision or part thereof shall be severed from this MOU and shall not affect any other provision, term, condition, covenant, and/or restriction, of this MOU and the remainder of the MOU shall continue in full force and effect.

11. **PARAGRAPH TITLES:** The paragraph titles of this MOU are (i) inserted only for the convenience of the parties, (ii) are not intended to describe, define, limit, or otherwise affect the provisions in the portions of the MOU to which they pertain, and (iii) in no way describe, define, limit, or otherwise affect the scope or intent of this MOU or in any way affect the agreement of the parties set out in this MOU.

12. **AUTHORITY:** The individuals executing this MOU and the instruments referenced herein each represent and warrant that they have the legal power, right and actual authority to bind their respective parties to the terms and conditions hereof and thereof.

13. **COUNTERPARTS:** This MOU may be executed in counterparts, each of which shall be deemed to be an original, and such counterparts shall constitute one and the same instrument. Two (2) duplicate originals of this Agreement shall be executed each of which shall be deemed to be an original.

Signatures on following page.

IN WITNESS WHEREOF, Authority and SAWPA have caused this MOU to be duly executed the day and year first above written.

HOUSING AUTHORITY OF THE  
CITY OF RIVERSIDE

SANTA ANA WATERSHED PROJECT  
AUTHORITY

By: \_\_\_\_\_  
Executive Director

By: \_\_\_\_\_  
Richard E. Haller, P.E., ENV SP  
General Manager

ATTEST:

ATTEST:

By: \_\_\_\_\_  
Authority Secretary

By: \_\_\_\_\_  
SAWPA Clerk of the Board

Approved as to Form:

Approved as to Form:

By: \_\_\_\_\_  
Authority General Counsel

By: \_\_\_\_\_  
SAWPA Counsel

CA: 17-2032

## ATTACHMENT “A”

### PARTNERSHIP ROLES AND RESPONSIBILITIES

Santa Ana Watershed Project Authority (“SAWPA”) and the Housing Authority of the City of Riverside (“Authority”), with other potential partnering organizations and coalitions including but not limited to the Santa Ana Regional Water Quality Control Board, Upper Santa Ana River Habitat Conservation Plan Team, and Santa Ana River Trail and Parkway Partnership, shall work together to conduct research, plan, and coordinate feasible multi-benefit programs and projects that develop permanent supportive housing for individuals living unsheltered within riparian areas and provide improvements in the shared region of interest for water quality, riparian and aquatic habitat, recreational areas, and improved flood protection for all community members. Accomplishing these outcomes will include:

1. Supporting the City’s effort to build Housing First projects in appropriate locations for the co-benefit of removing disadvantaged people from homeless encampments along the Santa Ana River and tributaries and addressing the related environmental damage that homeless encampments cause along and within the Santa Ana River;
2. Applying jointly or actively supporting partner applications, where appropriate, for state and federal funding to address homelessness and its related environmental damage;
3. Developing broader policies that address homelessness as a human and environmental crisis that negatively impacts cities and the watershed, potentially resulting in a SAWPA roundtable task force, which can deliver shared implementation outcomes;
4. Engaging additional public agency partners, particularly those with environmental quality or flood risk management responsibilities, with interest in joining the MOU in pursuit of shared goals;
5. Evaluating how a housing first program, when focused on assisting individuals living in riparian areas, can provide multiple water and watershed improvements, including but not limited to better water quality and a reduced risk from flooding;
6. Sharing the lessons learned during implementation of this agreement broadly with the watershed, the state, and elsewhere as appropriate;
7. Meeting annually, or more often as deemed necessary, to ensure that collaborative efforts are optimal for achieving the desired outcomes.

Santa Ana Watershed Project Authority  
Cash Transaction Report  
Month of March 2018

Below is a summary of cash transactions completed during the month in the Authority's checking account with US Bank. Attached are summaries by major revenue and expense classifications.

Cash Receipts and Deposits to Account	\$	1,029,269.13
Net Investment Transfers		1,268,058.67
Cash Disbursements		<u>(3,060,678.63)</u>
Net Change for Month	\$	(763,350.83)
Balance at Beginning of Month		<u>3,175,562.56</u>
Balance at End of Month per General Ledger	\$	<u><u>2,412,211.73</u></u>
Collected Balance per Bank Statement	\$	2,495,278.60

**ACCOUNTS PAYABLE RECONCILIATION**

Accounts Payable Balance @ 02/28/18	\$	4,973,098.76
Invoices Received for March 2018		206,762.28
Invoices Paid by check/wire during March 2018 (see attached register)		<u>(2,708,742.60)</u>
Accounts Payable Balance @ 03/31/18	\$	<u><u>2,471,118.44</u></u>

**CASH RECEIPTS**

Brine Line Operating Revenues	\$ 863,075.76
Other Grant Funds (DAC Grant)	22,900.68
Participant Fees	6,421.00
LESJWA Admin Reimbursement	12,835.62
Grant Proceeds - Prop 84	95,797.33
Grant Proceeds - Prop 84 Pass-throughs	28,196.64
Other	<u>42.10</u>
Total Receipts and Deposits	\$ 1,029,269.13

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**INVESTMENT TRANSFERS**

Transfer of Funds:	
From (to) LAIF	\$ -
From (to) Grant Retention (USB)	-
From (to) CalTRUST (USB)	-
From (to) Legal Defense Fund	-
From (to) Investments	<u>1,268,058.67</u>
Total Investment Transfers	\$ 1,268,058.67

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**CASH DISBURSEMENTS**

By Check:	
Payroll	\$ 913.50
Operations	<u>2,708,742.60</u>
Total Checks Drawn	\$ 2,709,656.10
By Cash Transfer:	
Payroll	\$ 232,393.15
Payroll Taxes	114,890.82
Take Care (AFLAC)	<u>3,738.56</u>
Total Cash Transfers	\$ 351,022.53
Total Cash Disbursements	<u>\$ 3,060,678.63</u>

Santa Ana Watershed Project Authority  
Check Detail  
Mar-18

Category	Check #	Check Date	Type	Vendor	Check Amount
Accrued Volumetric Costs	EFT01822	3/8/2018	CHK	Orange County Sanitation District	\$ 645,110.16
<b>Accrued Volumetric Costs Total</b>					<b>\$ 645,110.16</b>
Benefits	2987	3/2/2018	CHK	ACWA/JPIA	\$ 48,090.56
Benefits	2992	3/2/2018	CHK	Mutual Of Omaha	\$ 2,796.92
Benefits	2998	3/8/2018	CHK	Cal PERS Long Term Care Program	\$ 102.04
Benefits	3000	3/8/2018	CHK	State Compensation Ins Fund	\$ 4,953.75
Benefits	3022	3/16/2018	CHK	AFLAC	\$ 560.55
Benefits	3031	3/22/2018	CHK	Cal PERS Long Term Care Program	\$ 102.04
Benefits	3033	3/22/2018	CHK	WageWorks	\$ 128.00
Benefits	3040	3/30/2018	CHK	Cal PERS Long Term Care Program	\$ 102.04
Benefits	3043	3/30/2018	CHK	Mutual Of Omaha	\$ 2,891.71
Benefits	EFT01808	3/2/2018	CHK	Vantagepoint Transfer Agents	\$ 6,140.56
Benefits	EFT01814	3/2/2018	CHK	Vantagepoint Transfer Agents	\$ 338.46
Benefits	EFT01838	3/16/2018	CHK	Vantagepoint Transfer Agents	\$ 6,290.56
Benefits	EFT01846	3/16/2018	CHK	Vantagepoint Transfer Agents	\$ 338.46
Benefits	EFT01864	3/30/2018	CHK	Vantagepoint Transfer Agents	\$ 6,290.56
Benefits	EFT01870	3/30/2018	CHK	Vantagepoint Transfer Agents	\$ 338.46
Benefits	P032932	3/2/2018	WDL	Public Employees' Retirement	\$ 18,305.25
Benefits	P033061	3/16/2018	WDL	Public Employees' Retirement	\$ 18,356.85
Benefits	P033143	3/30/2018	WDL	Public Employees' Retirement	\$ 18,538.51
Benefits	WDL000004396	3/1/2018	WDL	Takecare	\$ 453.69
Benefits	WDL000004397	3/2/2018	WDL	Takecare	\$ 525.40
Benefits	WDL000004400	3/6/2018	WDL	Takecare	\$ 766.62
Benefits	WDL000004408	3/15/2018	WDL	Takecare	\$ 1,017.43
Benefits	WDL000004409	3/20/2018	WDL	Takecare	\$ 203.74
Benefits	WDL000004414	3/27/2018	WDL	Takecare	\$ 578.68
Benefits	WDL000004418	3/28/2018	WDL	Takecare	\$ 193.00
<b>Benefits Total</b>					<b>\$ 138,403.84</b>
Building Lease	3047	3/30/2018	CHK	Wilson Property Services, Inc	\$ 1,386.00
<b>Building Lease Total</b>					<b>\$ 1,386.00</b>
Car, Repair, & Maintenance	2993	3/2/2018	CHK	Riverside Transmission Center	\$ 56.20
Car, Repair, & Maintenance	3009	3/8/2018	CHK	Riverside Transmission Center	\$ 187.79
Car, Repair, & Maintenance	3026	3/16/2018	CHK	County of Riverside/Transportation	\$ 339.10
Car, Repair, & Maintenance	3032	3/22/2018	CHK	County of Riverside	\$ 535.77
<b>Car, Repair, &amp; Maintenance Total</b>					<b>\$ 1,118.86</b>
Construction	EFT01848	3/16/2018	CHK	WEKA Inc	\$ 602,303.94
<b>Construction Total</b>					<b>\$ 602,303.94</b>
Consulting	3012	3/8/2018	CHK	Terra Verde Renewable Partners	\$ 650.00
Consulting	3034	3/22/2018	CHK	The Technology Depot	\$ 202.50
Consulting	3046	3/30/2018	CHK	Scheevel Engineering	\$ 5,656.25
Consulting	EFT01815	3/2/2018	CHK	Integrated Systems Solutions	\$ 165.00
Consulting	EFT01820	3/2/2018	CHK	GeoScience Support Services	\$ 5,693.75
Consulting	EFT01829	3/8/2018	CHK	Trussell Technologies, Inc.	\$ 688.00
Consulting	EFT01830	3/8/2018	CHK	Dudek	\$ 1,800.00
Consulting	EFT01831	3/8/2018	CHK	RMC Water and Environment	\$ 11,293.62
Consulting	EFT01834	3/8/2018	CHK	Vali Cooper & Associates, Inc	\$ 53,538.03
Consulting	EFT01850	3/16/2018	CHK	Vali Cooper & Associates, Inc	\$ 9,922.71
Consulting	EFT01854	3/16/2018	CHK	Raftelis Financial Consultants	\$ 16,047.19
Consulting	EFT01855	3/22/2018	CHK	Risk Sciences	\$ 9,926.82
Consulting	EFT01860	3/22/2018	CHK	Integrated Systems Solutions	\$ 495.00
Consulting	EFT01869	3/30/2018	CHK	CDM Smith, Inc.	\$ 4,775.00
Consulting	EFT01872	3/30/2018	CHK	Trussell Technologies, Inc.	\$ 835.50
Consulting	EFT01874	3/30/2018	CHK	DeGrave Communications	\$ 3,583.95
Consulting	EFT01876	3/30/2018	CHK	GeoScience Support Services	\$ 2,300.00
<b>Consulting Total</b>					<b>\$ 127,573.32</b>
Credit Card	P033186	3/13/2018	WDL	US Bank	\$ 11,682.29
<b>Credit Card Total</b>					<b>\$ 11,682.29</b>
Debt Service	EFT01841	3/16/2018	CHK	Western Riverside County Regional	\$ 316,729.88
<b>Debt Service Total</b>					<b>\$ 316,729.88</b>
Director Costs	3020	3/16/2018	CHK	Gil Navarro	\$ 913.50
Director Costs	3028	3/16/2018	CHK	Gil Navarro	\$ 115.54
Director Costs	EFT01837	3/16/2018	CHK	Eastern Municipal Water District	\$ 240.33
Director Costs	EFT01839	3/16/2018	CHK	Western Municipal Water District	\$ 1,439.64
Director Costs	EFT01849	3/16/2018	CHK	Jasmin Hall	\$ 56.68
Director Costs	EFT01852	3/16/2018	CHK	Susan Longville	\$ 148.24
Director Costs	EFT01853	3/16/2018	CHK	Kati Parker	\$ 88.29
Director Costs	EFT01863	3/22/2018	CHK	Bruce Whitaker	\$ 163.50
Director Costs	EFT01877	3/30/2018	CHK	Susan Longville	\$ 13.00
<b>Director Costs Total</b>					<b>\$ 3,178.72</b>

Santa Ana Watershed Project Authority  
Check Detail  
Mar-18

Category	Check #	Check Date	Type	Vendor	Check Amount
Employee Reimbursement	EFT01809	3/2/2018	CHK	Mark Norton	\$ 43.03
Employee Reimbursement	EFT01816	3/2/2018	CHK	Matt Stewart	\$ 125.00
Employee Reimbursement	EFT01818	3/2/2018	CHK	Alison L Lewis	\$ 67.58
Employee Reimbursement	EFT01823	3/8/2018	CHK	Regina Patterson	\$ 15.27
Employee Reimbursement	EFT01828	3/8/2018	CHK	Karen Williams	\$ 8.00
Employee Reimbursement	EFT01832	3/8/2018	CHK	Ian Achimore	\$ 66.06
Employee Reimbursement	EFT01836	3/16/2018	CHK	Richard Whetsel	\$ 100.55
Employee Reimbursement	EFT01851	3/16/2018	CHK	Kelly Berry	\$ 141.70
Employee Reimbursement	EFT01868	3/30/2018	CHK	David Ruhl	\$ 16.00
Employee Reimbursement	EFT01871	3/30/2018	CHK	Karen Williams	\$ 158.03
Employee Reimbursement	EFT01873	3/30/2018	CHK	Kelly Berry	\$ 505.79
<b>Employee Reimbursement Total</b>					<b>\$ 1,247.01</b>
Equipment Expensed	EFT01856	3/22/2018	CHK	Teledyne Isco, Inc.	\$ 2,525.72
<b>Equipment Expensed Total</b>					<b>\$ 2,525.72</b>
Equipment Rented	3023	3/16/2018	CHK	Konica Minolta Business Solutions	\$ 764.77
Equipment Rented	3039	3/30/2018	CHK	Pitney Bowes Global Financial	\$ 345.78
Equipment Rented	3044	3/30/2018	CHK	GreatAmerica Financial Services	\$ 1,452.56
<b>Equipment Rented Total</b>					<b>\$ 2,563.11</b>
Facility Repair & Maintenance	2991	3/2/2018	CHK	West Coast Cable, Inc	\$ 525.00
Facility Repair & Maintenance	3002	3/8/2018	CHK	Burrtec Waste Industries Inc	\$ 77.00
Facility Repair & Maintenance	3006	3/8/2018	CHK	TNT Elevator Inc	\$ 230.00
Facility Repair & Maintenance	3024	3/16/2018	CHK	Xylem Dewatering Solutions I	\$ 297.35
Facility Repair & Maintenance	3025	3/16/2018	CHK	Inland Water Works Supply Co	\$ 958.98
Facility Repair & Maintenance	3035	3/22/2018	CHK	CR&R Incorporated	\$ 781.64
Facility Repair & Maintenance	3042	3/30/2018	CHK	TKE Engineering & Planning Inc	\$ 750.00
Facility Repair & Maintenance	EFT01812	3/2/2018	CHK	Haz Mat Trans, Inc.	\$ 2,537.50
Facility Repair & Maintenance	EFT01824	3/8/2018	CHK	Yeier Janitorial	\$ 1,370.00
Facility Repair & Maintenance	EFT01827	3/8/2018	CHK	Green Meadows Landscape	\$ 2,000.00
Facility Repair & Maintenance	EFT01833	3/8/2018	CHK	Douglas Environmental Group	\$ 1,075.00
Facility Repair & Maintenance	EFT01840	3/16/2018	CHK	Western Exterminator Co.	\$ 109.50
Facility Repair & Maintenance	EFT01843	3/16/2018	CHK	Haz Mat Trans, Inc.	\$ 220.00
Facility Repair & Maintenance	EFT01857	3/22/2018	CHK	Haz Mat Trans, Inc.	\$ 280.00
<b>Facility Repair &amp; Maintenance Total</b>					<b>\$ 11,211.97</b>
Lab Costs	EFT01813	3/2/2018	CHK	E. S. Babcock & Sons, Inc.	\$ 1,992.00
Lab Costs	EFT01826	3/8/2018	CHK	E. S. Babcock & Sons, Inc.	\$ 949.00
Lab Costs	EFT01844	3/16/2018	CHK	E. S. Babcock & Sons, Inc.	\$ 1,055.00
Lab Costs	EFT01858	3/22/2018	CHK	E. S. Babcock & Sons, Inc.	\$ 514.00
Lab Costs	EFT01867	3/30/2018	CHK	E. S. Babcock & Sons, Inc.	\$ 1,138.00
<b>Lab Costs Total</b>					<b>\$ 5,648.00</b>
Landscape Maintenance	3027	3/16/2018	CHK	Sims Tree Health Specialists	\$ 480.00
<b>Landscape Maintenance Total</b>					<b>\$ 480.00</b>
Legal Costs	EFT01835	3/8/2018	CHK	Hunt Ortmann Palffy Nieves Dahl	\$ 110,175.41
<b>Legal Costs Total</b>					<b>\$ 110,175.41</b>
Materials & Supplies	3008	3/8/2018	CHK	Grainger	\$ 60.40
Materials & Supplies	3010	3/8/2018	CHK	K&H Metals and Supplies	\$ 34.50
Materials & Supplies	EFT01861	3/22/2018	CHK	Airgas USA LLC	\$ 58.94
<b>Materials &amp; Supplies Total</b>					<b>\$ 153.84</b>
Office Expense	2988	3/2/2018	CHK	Aramark Corporation Refreshments	\$ 231.19
Office Expense	2989	3/2/2018	CHK	Konica Minolta Business Solutions	\$ 23.33
Office Expense	3001	3/8/2018	CHK	Staples Business Advantage	\$ 560.52
Office Expense	3030	3/22/2018	CHK	Konica Minolta Business Solutions	\$ 595.27
Office Expense	3037	3/30/2018	CHK	Aramark Corporation Refreshments	\$ 229.37
<b>Office Expense Total</b>					<b>\$ 1,639.68</b>
Offsite Storage	EFT01845	3/16/2018	CHK	Iron Mountain	\$ 162.03
Offsite Storage	EFT01859	3/22/2018	CHK	Iron Mountain	\$ 164.78
<b>Offsite Storage Total</b>					<b>\$ 326.81</b>
Other Contract Services	3005	3/8/2018	CHK	Inland Empire Waterkeeper	\$ 13,914.09
Other Contract Services	EFT01817	3/2/2018	CHK	EcoTech Services Inc	\$ 103,876.50
Other Contract Services	EFT01862	3/22/2018	CHK	EcoTech Services Inc	\$ 111,707.90
<b>Other Contract Services Total</b>					<b>\$ 229,498.49</b>
Payroll	WDL000004392	3/2/2018	WDL	Direct Deposit 3/2/2018	\$ 74,974.29
Payroll	WDL000004393	3/2/2018	WDL	PR Tax - Federal	\$ 29,245.48
Payroll	WDL000004394	3/2/2018	WDL	PR Tax - State	\$ 6,367.09
Payroll	WDL000004403	3/16/2018	WDL	Direct Deposit 3/16/2018	\$ 79,890.16
Payroll	WDL000004404	3/16/2018	WDL	PR Tax - Federal	\$ 31,205.53
Payroll	WDL000004405	3/16/2018	WDL	PR Tax - State	\$ 6,776.96
Payroll	WDL000004411	3/30/2018	WDL	Direct Deposit 3/30/2018	\$ 77,528.70
Payroll	WDL000004412	3/30/2018	WDL	PR Tax - Federal	\$ 30,398.51
Payroll	WDL000004413	3/30/2018	WDL	PR Tax - State	\$ 10,897.25
<b>Payroll Total</b>					<b>\$ 347,283.97</b>



Santa Ana Watershed Project Authority  
Check Detail  
Mar-18

Category	Check #	Check Date	Type	Vendor	Check Amount
PR Deductions - Garnishments	3041	3/30/2018	CHK	Franchise Tax Board	\$ 300.00
<b>PR Deductions - Garnishments Total</b>					<b>\$ 300.00</b>
Prop84	3004	3/8/2018	CHK	City of Chino	\$ 18,559.44
Prop84	3007	3/8/2018	CHK	Cucamonga Valley Water District	\$ 102,139.25
Prop84	3011	3/8/2018	CHK	City of Rialto	\$ 6,772.79
Prop84	3021	3/16/2018	CHK	San Bernardino Valley Municipal Water District	\$ 5,980.25
Prop84	3045	3/30/2018	CHK	City of Rialto	\$ 1,122.98
Prop84	3048	3/30/2018	CHK	City of Hemet	\$ 7,395.30
Prop84	EFT01810	3/2/2018	CHK	Orange County Water District	\$ 37,158.30
Prop84	EFT01811	3/2/2018	CHK	Western Municipal Water District	\$ 6,783.38
Prop84	EFT01819	3/2/2018	CHK	City of Chino Hills	\$ 11,699.25
Prop84	EFT01821	3/2/2018	CHK	Western Municipal Water District	\$ 259,980.80
Prop84	EFT01865	3/30/2018	CHK	Orange County Water District	\$ 3,326.40
Prop84	EFT01866	3/30/2018	CHK	Western Municipal Water District	\$ 8,810.96
Prop84	EFT01875	3/30/2018	CHK	City of Chino Hills	\$ 2,218.50
<b>Prop84 Total</b>					<b>\$ 471,947.60</b>
Safety	3003	3/8/2018	CHK	Cintas Corporation	\$ 301.49
Safety	EFT01825	3/8/2018	CHK	Underground Service Alert	\$ 125.50
Safety	EFT01842	3/16/2018	CHK	Calolympic Safety	\$ 1,657.35
<b>Safety Total</b>					<b>\$ 2,084.34</b>
Software	2995	3/2/2018	CHK	Konica Minolta Business Solutions	\$ 10,500.00
Consulting	EFT01847	3/16/2018	CHK	Accent Computer Solutions Inc	\$ 1,545.20
Software	3036	3/22/2018	CHK	Konica Minolta Business Solutions	\$ 4,526.67
<b>Software Total</b>					<b>\$ 16,571.87</b>
Training	2994	3/2/2018	CHK	Coro Northern California	\$ 1,000.00
Training	3013	3/8/2018	CHK	Keith Fujimoto	\$ 875.00
<b>Training Total</b>					<b>\$ 1,875.00</b>
Utilities	2990	3/2/2018	CHK	AT&T	\$ 584.03
Utilities	2996	3/8/2018	CHK	Riverside, City of	\$ 1,996.46
Utilities	2997	3/8/2018	CHK	AT&T	\$ 772.12
Utilities	2999	3/8/2018	CHK	Southern California Edison	\$ 226.08
Utilities	3014	3/8/2018	CHK	Verizon Wireless	\$ 1,408.34
Utilities	3015	3/8/2018	CHK	Riverside, City of	\$ 63.41
Utilities	3016	3/8/2018	CHK	AT&T	\$ 1,079.70
Utilities	3017	3/8/2018	CHK	Southern California Edison	\$ 29.11
Utilities	* 3018	3/8/2018	VOID	Verizon Wireless	\$ -
Utilities	3019	3/8/2018	CHK	Verizon Wireless	\$ 449.96
Utilities	3029	3/16/2018	CHK	Verizon Wireless	\$ 14.16
Utilities	3038	3/30/2018	CHK	AT&T	\$ 586.11
Utilities	3049	3/30/2018	CHK	Verizon Wireless	\$ 449.32
<b>Utilities Total</b>					<b>\$ 7,658.80</b>
<b>Grand Total</b>					<b>\$ 3,060,678.63</b>

Accounts Payable

Checks	\$ 2,642,773.20
Wire Transfers	\$ 66,882.90
	<u>\$ 2,709,656.10</u>

Bank Fees

Take Care	\$ 3,738.56
Other	
Payroll	\$ 347,283.97
	<u>\$ 3,060,678.63</u>

**Total Disbursements for March 2018**

Santa Ana Watershed Project Authority  
 Consulting  
 March 2018

Check #	Check Date	Task #	Task Description	Vendor Name	Total Contract	Check Amount	Remaining Contract Amount	Notes/Comments
EFT01869	3/30/2018	CDM386-12	SAR Bacteria Monitoring Program	CDM Smith	\$ 317,046.00	\$ 4,775.00	\$ 100,587.75	
EFT01874	3/30/2018	DEGR392-03	Social Media Suport - EC TF	DeGrave Communications	\$ 30,000.00	\$ 3,583.95	\$ 10,374.53	
EFT01830	3/8/2018	DUDK326-06	Reach V Rehab, Phase I, Tasks 3-4	Dudek	\$ 134,900.00	\$ 1,125.00	\$ 49,486.87	
EFT01830	3/8/2018	DUDK326-05	Litigation Support	Dudek	\$ 50,000.00	\$ 675.00	\$ 14,435.00	
EFT01820	3/2/2018	GEOS374-01	SAR WLA Model Update	GeoScience Support Services	\$ 249,800.00	\$ 5,693.75	\$ 66,331.00	
EFT01820	3/30/2018	GEOS374-01	SAR WLA Model Update	GeoScience Support Services	\$ 249,800.00	\$ 2,300.00	\$ 66,331.00	
EFT01815	3/2/2018	INSOL100-10	Great Plains Annual Service and Support	Integrated Systems Solutions	\$ 4,000.00	\$ 165.00	\$ 1,591.00	
EFT01860	3/22/2018	INSOL100-10	Great Plains Annual Service and Support	Integrated Systems Solutions	\$ 4,000.00	\$ 495.00	\$ 1,591.00	
EFT01854	3/16/2018	RFT240-01	Rate Model	Raftelis Financial Consultant	\$ 79,517.00	\$ 16,047.19	\$ 40,880.68	
EFT01855	3/22/2018	RISK374-07	Basin Monitoring TF	Risk Sciences	\$ 73,150.00	\$ 3,073.01	\$ 49,106.03	
EFT01855	3/22/2018	RISK384-08	Basin Monitoring TF	Risk Sciences	\$ 87,300.00	\$ 6,853.81	\$ 9,425.69	
EFT01831	3/8/2018	RMC504-401-02	SARCCUP Program Management Services	RMC Water and Environment	\$ 260,515.00	\$ 11,293.62	\$ 171,766.76	
3046	3/30/2018	SCH-381-01	Santa ana Sucker Protection and Beneficial Use	Scheevel Engineering	\$ 96,725.00	\$ 5,656.25	\$ 25,333.50	
3012	3/8/2018	TVRP100-01	SAWPA Renewable energy	Terra Verde Renewable Partners	\$ 650.00	\$ 650.00	\$ -	
3034	3/22/2018	TTD100-03	Phone System Support	The Technology Depot	\$ 6,000.00	\$ 202.50	\$ -	
EFT01829	3/8/2018	TRU240-20	BL Water Quality Monitoring Analysis & Billing	Trussell Technologies	\$ 49,885.00	\$ 688.00	\$ 43,589.96	
EFT01872	3/30/2018	TRU240-20	BL Water Quality Monitoring Analysis & Billing	Trussell Technologies	\$ 49,885.00	\$ 835.50	\$ 43,589.96	
EFT01834	3/8/2018	VALI326-04	Reach V Rehabilitaion - Phase 1, Tasks 3&4	Vali Cooper & Associates	\$ 1,252,400.00	\$ 53,538.03	\$ 451,715.29	
EFT01850	3/16/2018	VALI326-04	Reach V Rehabilitaion - Phase 1, Tasks 3&4	Vali Cooper & Associates	\$ 1,252,400.00	\$ 9,922.71	\$ 451,715.29	

*Santa Ana Watershed Project Authority  
Consulting  
March 2018*

Check #	Check Date	Task #	Task Description	Vendor Name	Total Contract	Check Amount	Remaining Contract Amount	Notes/Comments
						<b><u>\$ 127,573.32</u></b>		

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**COMMISSION MEMORANDUM NO. 2018.51**

**DATE:** May 15, 2018  
**TO:** SAWPA Commission  
**SUBJECT:** Inter-Fund Borrowing – March 2018  
**PREPARED BY:** Karen Williams, Chief Financial Officer

**RECOMMENDATION**

It is recommended that the Commission receive and file the informational report on short-term, cash-flow inter-fund borrowing.

**DISCUSSION**

On December 13, 2005, the Commission approved Resolution No. 452, Inter-Fund and Inter-Project Loan Policy. Staff was directed to bring back an accounting of the loans each month for review when the total exceeded \$250,000 in aggregate.

The following projects, with negative cash flow, are listed below with the amounts borrowed from SAWPA General Fund Reserves in March 2018. The total amount borrowed is over the aggregate \$250,000 amount recommended in Resolution No. 452, Inter-Fund and Inter-Project Loan Policy. The Commission has requested that this item be brought back each month as an informational item when the loan amount is over the \$250,000 aggregate amount.

Fund	Fund Name	02/28/18 Balance	Loan Receipts	New Charges	03/31/18 Balance
130	Proposition 84 Admin	\$71,433.31	(\$24,671.38)	\$6,264.61	\$53,026.54
135	Proposition 84 Admin R2	83,888.21	(0.00)	8,738.88	92,627.09
140	Proposition 84 Admin R3	18,814.37	(6,011.76)	10,587.15	23,389.76
145	Proposition 84 Admin R4	111,034.88	(33,196.06)	12,387.71	90,226.53
398	Proposition 1 – DACI Grant	68,129.55	(0.00)	20,884.74	89,014.29
477	LESJWA Administration	11,473.68	(12,835.62)	14,470.52	13,108.58
504	Prop 84 - Drought Projects	0.00	(19,312.66)	145,621.90	126,309.24
	<b>Total Funds Borrowed</b>	<b>\$364,774.00</b>	<b>(\$96,027.48)</b>	<b>\$218,955.51</b>	<b>\$487,702.03</b>
	General Fund Reserves Balance		\$3,281,101.83		
	Less Amount Borrowed		<u>487,702.03</u>		
	Balance of General Fund Reserves		<u>\$2,793,399.80</u>		

The following table lists each fund that has a negative cash flow, the source of funding for the fund, how often the fund is billed, and the projected rate of payment for the fund.

**NEGATIVE CASH-FLOW FUNDS**

<b>Fund No.</b>	<b>Source of Funding</b>	<b>Billing Frequency</b>	<b>Projected Payment Time</b>
130,135,140, 145 – Proposition 84 Admin	DWR – Prop 84 Grant	Monthly/Quarterly	Up to 4 months
398 – Proposition 1 – DACI Grant	DWR – Prop 1 Grant	Monthly	Up to 4 months
477 – LESJWA Admin	Reimbursement from LESJWA	Monthly	2 to 4 weeks
504 - Proposition 84 Drought Projects	DWR – Prop 84 Grant	Monthly	Up to 4 months
504 – Proposition 84 SARCCUP Projects	DWR – Prop 84 Grant	Monthly/Quarterly	Up to 4 month

**Fund 130**

The outstanding balance of the funds due from DWR is the mandatory 10% retention from each invoice billed. Retention funds will not be released until the Proposition 84 Round I contract is completed in 2018.

**Fund 135**

This fund is for the administration of Proposition 84 Round II grant funds. These funds will be billed quarterly and 10% will be withheld for retention.

**Fund 140**

This fund is for the administration of Proposition 84 Drought Round grant funds. These funds will be billed monthly and 10% will be withheld for retention.

**Fund 145**

This fund is for the administration of Proposition 84 Round 2015 grant funds. These funds will be billed quarterly and 10% will be withheld for retention.

**Fund 398**

This fund is for the Proposition 1 DACI grant project. These funds will be billed monthly once the contracts with DWR have been signed.

**Fund 477**

Each month LESJWA is billed the cost for administering the JPA. Once the bill is received, LESJWA submits payment within two weeks.

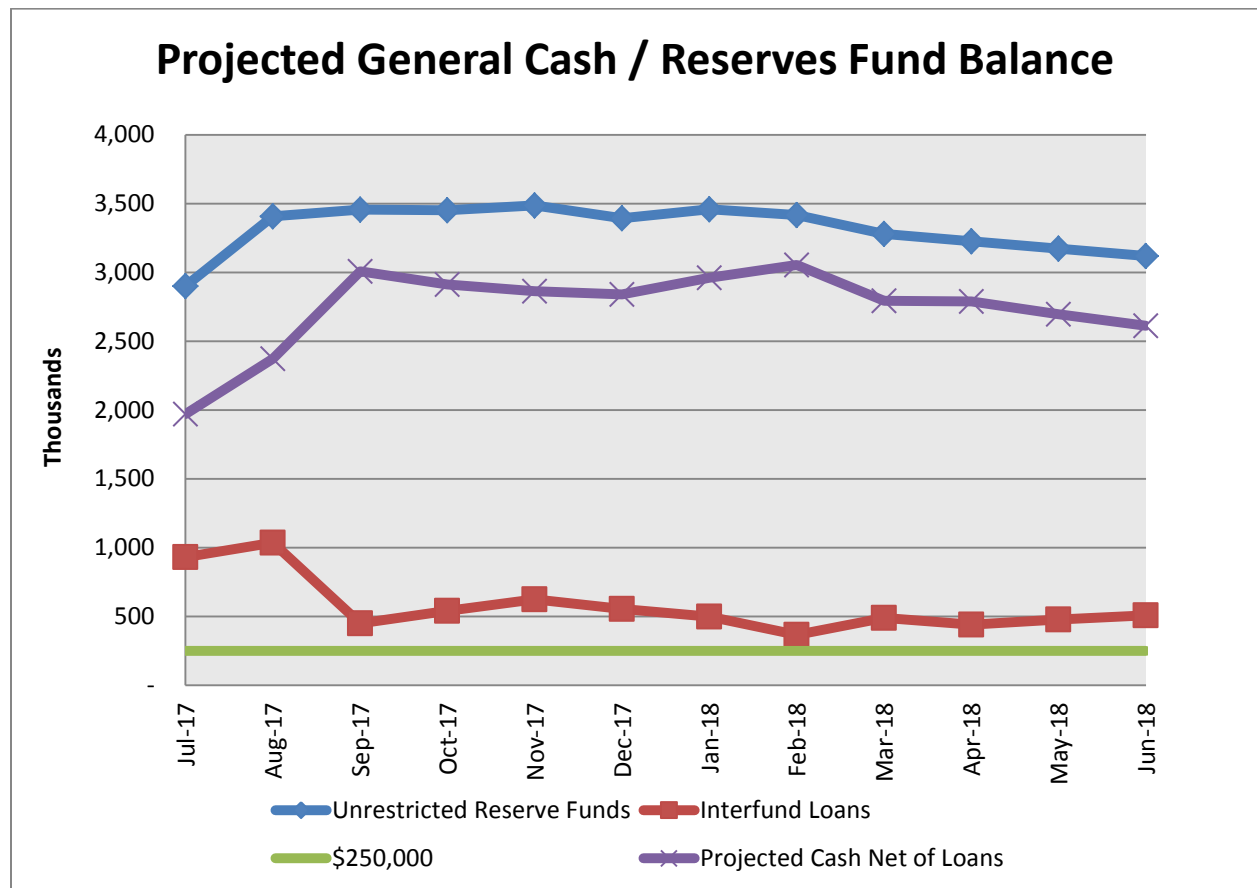
**Fund 504**

This fund is for the implementation of drought related projects and SARCCUP projects which are administered through PA-22 and PA23.

The following graph shows the total budget, total project costs to date, and the amount remaining on each grant.

Fund	Fund Name	Total Budget	Project Costs Through 03/31/18	Remaining Grant Budget
130	Proposition 84 Admin R1	\$660,004	(\$450,097)	\$209,907
135	Proposition 84 Admin R2	627,405	(363,463)	263,942
140	Proposition 84 Admin R3	625,000	(497,095)	127,905
145	Proposition 84 Admin R4	3,213,384	(456,777)	2,756,607
397	Energy Water DAC Grant (WECAN)	2,164,816	(1,390,157)	774,659
398	Proposition 1 – DACI Grant	1,362,741	(404,803)	957,938
504	Prop 84 - Drought Projects	6,962,610	(2,703,247)	4,259,363
504	Prop 84 – 2015 Round (SARCCUP)	1,000,000	(421,931)	578,069
Totals		\$16,615,960	(\$6,687,570)	\$9,928,390

The following graph shows projected inter-fund loan balances, total unrestricted General Fund Reserves available for loans, and projected cash net of loans through June 2018. The projected loan balance is expected to remain over the \$250,000 aggregate limit through June 2018 because of Proposition 1 and 84 grants, but can be covered by General Fund Reserves without a major impact on cash flow.



**RESOURCE IMPACTS**

The funds borrowed from the General Fund Reserves will be paid back with interest when the funding is received. Interfund loans for grants are not charged interest unless the grant contracts specifically states interest is eligible for reimbursement. There is sufficient cash available to cover proposed borrowings and to pay budgeted expenditures for the General Fund.



## COMMISSION MEMORANDUM NO. 2018.52

**DATE:** May 15, 2018  
**TO:** SAWPA Commission  
**SUBJECT:** Performance Indicators and Financial Reporting – March 2018  
**PREPARED BY:** Karen Williams, Chief Financial Officer

### RECOMMENDATION

It is recommended that the Commission receive and file staff's report.

### DISCUSSION

The attached reports have been developed to keep the Commission informed as to SAWPA's business and budget performance. These reports are categorized into the following groups: financial reporting, cash and investments, and performance indicators. They are explained in detail below. As new reports are developed, they will be added for the Commission's review.

#### Financial Reporting

Balance Sheet by Fund Type	Lists total assets, liabilities, and equity by fund type for a given period.
Revenue & Expense by Fund Type	Lists total revenue and expenses by fund type for a given period.
Receivables Management	Shows total outstanding accounts receivable by age.
Open Task Order Schedule	Shows SAWPA's total outstanding obligation for open task orders.
List of SAWPA Funds	Shows each SAWPA Fund with the fund description and fund group.
Debt Service Funding Analysis	Shows total annual income by source used to make debt service payments through debt maturity at FYE 2048.
Debt Service Payment Schedule	Shows total debt service interest and principal payments through debt maturity at FYE 2048.

#### Cash and Investments

Total Cash and Investments (chart)	Shows the changes in cash and investments balance for the last twelve months.
Cash Balance & Source of Funds	Shows total cash and investments for all SAWPA funds and the types of investments held for each fund.
Cash & Investments (pie chart)	Shows total cash and investments for all SAWPA funds and the percentage of each investment type.
Reserve Account Analysis	Shows changes to each reserve account for the year and projected ending balance for each.
Twelve Month Security Schedule (chart)	Shows the maturity dates for securities held and percentage of securities in each category.

Treasurer's Report	Shows book and market value for both Treasury strips and securities held by the Agency.
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**Performance Indicators**

Average Daily Flow by Month	Shows total flow in the Brine Line System by month compared to total treatment capacity owned. This is an indicator of the available capacity in the line. As we add yearly flows, it will show trends in flow throughout the year.
Summary of Labor Multipliers	Summarizes the information generated from the following two reports and compares the actual benefit and Indirect Cost Allocation rates to the total budgeted rates.
General Fund Costs	Lists total Fund No. 100 costs to date and the amount of those costs recovered through the Indirect Cost Allocation and member contributions.
Benefit Summary	Lists total employee benefit costs actual to budget and projects them through the end of the year. This report compares how the actual benefit rate compares to the budgeted rate.
Labor Hours Budget vs. Actual	Shows total budgeted hours for each project and compares them to the actual hours charged to each.

**RESOURCE IMPACTS**

Staff expects minimal impacts to SAWPA or its member agencies related to this effort.

Attachments:

- |                                       |   |
|---------------------------------------|---|
| 1. Balance Sheet by Fund Type         | 10. Reserve Account Analysis                    |
| 2. Revenue & Expense by Fund Type     | 11. Twelve-Month Maturity Schedule - Securities |
| 3. Accounts Receivable Aging Report   | 12. Treasurer's Report                          |
| 4. Open Task Order Schedule           | 13. Average Daily Flow by Month                 |
| 5. List of SAWPA Funds                | 14. Summary of Labor Multipliers                |
| 6. Debt Service Funding Analysis      | 15. General Fund Costs                          |
| 7. Debt Service Payment Schedule      | 16. Benefits                                    |
| 8. Total Cash and Investments (chart) | 17. Labor Hours Budgeted vs. Actual             |
| 9. Cash Balance & Source of Funds     |   |

Santa Ana Watershed Project Authority  
Balance Sheet by Fund Type  
For the Eight Months Ending Wednesday, February 28, 2018

	General Fund	Brine Line Enterprise	Capital Projects	OWOW Projects	Roundtable Projects	Fund Totals
<b>Assets</b>						
<b>Current Assets</b>						
Cash and Investments	\$4,334,893.85	\$47,174,314.50	(\$8,478,580.03)	\$1,568,926.18	\$1,849,997.57	\$46,449,552.07
Accounts Receivable	46,152.99	1,656,463.88	0.00	2,859,058.09	153,873.12	4,715,548.08
Installment Notes Receivable	0.00	3,448,437.13	0.00	0.00	0.00	3,448,437.13
Interest Receivable	0.00	68,771.49	0.00	0.00	0.00	68,771.49
Prepays and Deposits	532,548.76	92,909.47	0.00	0.00	0.00	625,458.23
Total Current Assets	<u>4,913,595.60</u>	<u>52,440,896.47</u>	<u>(8,478,580.03)</u>	<u>4,427,984.27</u>	<u>2,003,870.69</u>	<u>55,307,767.00</u>
<b>Fixed Assets</b>						
Property, Plant & Equipment						
less accum depreciation	1,114,217.47	61,675,377.89	0.00	0.00	0.00	62,789,595.36
Work In Process	0.00	0.00	30,200,766.59	0.00	0.00	30,200,766.59
Total fixed assets	<u>1,114,217.47</u>	<u>61,675,377.89</u>	<u>30,200,766.59</u>	<u>0.00</u>	<u>0.00</u>	<u>92,990,361.95</u>
<b>Other Assets</b>						
Wastewater treatment/disposal rights, net of amortization	9,500.00	28,117,631.79	0.00	0.00	0.00	28,127,131.79
Inventory - Mitigation Credits	0.00	0.00	0.00	0.00	1,910,560.00	1,910,560.00
Total Other Assets	<u>9,500.00</u>	<u>28,117,631.79</u>	<u>0.00</u>	<u>0.00</u>	<u>1,910,560.00</u>	<u>30,037,691.79</u>
<b>Total Assets</b>	<u><b>\$6,037,313.07</b></u>	<u><b>\$142,233,906.15</b></u>	<u><b>\$21,722,186.56</b></u>	<u><b>\$4,427,984.27</b></u>	<u><b>\$3,914,430.69</b></u>	<u><b>\$178,335,820.74</b></u>
<b>Liabilities and Fund Equity</b>						
<b>Current Liabilities</b>						
Accounts Payable/Accrued Expenses	\$713,709.01	\$1,241,446.32	\$1,099,510.35	\$3,092,594.36	\$44,512.07	\$6,191,772.11
Accrued Interest Payable	0.00	280,256.23	88,960.82	0.00	0.00	369,217.05
Customer Deposits	10,000.00	0.00	0.00	0.00	0.00	10,000.00
<b>Noncurrent Liabilities</b>						
Long-term Debt	3,104,742.00	17,397,024.96	7,404,008.00	0.00	0.00	27,905,774.96
Deferred Revenue	0.00	72,719,287.50	0.00	0.00	0.00	72,719,287.50
Total Liabilities	<u>3,828,451.01</u>	<u>91,638,015.01</u>	<u>8,592,479.17</u>	<u>3,092,594.36</u>	<u>44,512.07</u>	<u>107,196,051.62</u>
<b>Fund Equity</b>						
Contributed Capital	0.00	20,920,507.03	0.00	0.00	0.00	20,920,507.03
Retained Earnings	2,752,388.00	28,766,923.00	13,269,138.70	949,951.40	3,697,486.05	49,435,887.15
Revenue Over/Under Expenditures	(543,525.94)	908,461.11	(139,431.31)	385,438.51	172,432.57	783,374.94
Total Fund Equity	<u>2,208,862.06</u>	<u>50,595,891.14</u>	<u>13,129,707.39</u>	<u>1,335,389.91</u>	<u>3,869,918.62</u>	<u>71,139,769.12</u>
<b>Total Liabilities &amp; Fund Equity</b>	<u><b>\$6,037,313.07</b></u>	<u><b>\$142,233,906.15</b></u>	<u><b>\$21,722,186.56</b></u>	<u><b>\$4,427,984.27</b></u>	<u><b>\$3,914,430.69</b></u>	<u><b>\$178,335,820.74</b></u>

**Santa Ana Watershed Project Authority**  
**Revenue & Expenses by Fund Type**  
**For the Eight Months Ending Wednesday, February 28, 2018**

	General Fund	Brine Line Enterprise	Capital Projects	OWOW Projects	Roundtable Projects	Fund Totals
<b>Operating Revenue</b>						
Discharge Fees	\$0.00	\$7,438,304.96	\$0.00	\$0.00	\$0.00	\$7,438,304.96
Grant Proceeds	0.00	0.00	0.00	2,728,449.57	0.00	2,728,449.57
Financing Proceeds	0.00	0.00	0.00	0.00	133,907.79	133,907.79
Total Operating Revenue	0.00	7,438,304.96	0.00	2,728,449.57	133,907.79	10,300,662.32
<b>Operating Expenses</b>						
Labor	1,049,064.04	579,760.17	198.16	353,961.39	90,628.47	2,073,612.23
Benefits	355,810.29	253,355.21	86.60	154,681.16	39,604.56	803,537.82
Indirect Costs	0.00	818,041.56	279.60	499,439.52	127,876.79	1,445,637.47
Education & Training	10,051.44	1,249.28	0.00	125.00	0.00	11,425.72
Consulting & Professional Services	189,313.32	40,919.01	152,005.29	952,772.53	511,752.64	1,846,762.79
Operating Costs	2,352.35	1,705,608.98	0.00	0.00	87.60	1,708,048.93
Repair & Maintenance	44,741.70	124,995.18	0.00	0.00	0.00	169,736.88
Phone & Utilities	43,586.59	4,734.33	0.00	0.00	0.00	48,320.92
Equipment & Computers	126,313.15	44,145.98	0.00	149.32	0.00	170,608.45
Meeting & Travel	14,466.58	2,344.78	0.00	9,110.93	728.18	26,650.47
Other Administrative Costs	89,470.91	15,252.69	0.00	17,080.25	15,740.53	137,544.38
Benefits Applied	36,323.15	0.00	0.00	0.00	0.00	36,323.15
Indirect Costs Applied	(1,592,240.99)	0.00	0.00	0.00	0.00	(1,592,240.99)
Other Expenses	19,095.81	79,807.49	0.00	0.00	0.00	98,903.30
Construction	0.00	0.00	0.00	1,947,447.61	0.00	1,947,447.61
Total Operating Expenses	388,348.34	3,670,214.66	152,569.65	3,934,767.71	786,418.77	8,932,319.13
Operating Income (Loss)	(388,348.34)	3,768,090.30	(152,569.65)	(1,206,318.14)	(652,510.98)	1,368,343.19
<b>Nonoperating Income (Expense)</b>						
Member Contributions	646,115.00	0.00	0.00	776,000.00	20,000.00	1,442,115.00
Other Agency Contributions	0.00	0.00	0.00	793,610.00	793,125.00	1,586,735.00
Interest Income	27,185.20	250,738.72	0.00	8,454.29	11,818.55	298,196.76
Interest Expense - Debt Service	0.00	(469,700.70)	0.00	0.00	0.00	(469,700.70)
Other Income	2,232.61	(5,576.86)	13,138.34	13,692.36	0.00	23,486.45
Use of Reserves	(43,654.98)	0.00	0.00	0.00	0.00	(43,654.98)
Total Nonoperating Income (Expense)	631,877.83	(224,538.84)	13,138.34	1,591,756.65	824,943.55	2,837,177.53
Excess Rev over (under) Exp	<u>\$243,529.49</u>	<u>\$3,543,551.46</u>	<u>(\$139,431.31)</u>	<u>\$385,438.51</u>	<u>\$172,432.57</u>	<u>\$4,205,520.72</u>

Aging Report  
Santa Ana Watershed Project Authority  
Receivables as of March 31, 2018

Customer Name	Project	Total	Current	0-30 Days	31-60 Days	61 and Over
Anaheim, City of	WECAN	40,000.00			40,000.00	
Beaumont, City of	Basin Monitoring TF	14,019.00				14,019.00
Chino Basin Desalter Authority	Brine Line	282,268.57		150,748.13	131,520.44	
Department of Water Resources	Prop 84, WECAN	3,187,603.76			150,328.06	3,037,275.70
Eastern Municipal Water District	Brine Line	350,974.07		192,084.58	158,889.49	
Elsinore Valley Municipal Water District	Basin Monitoring TF	14,019.00				14,019.00
Inland Empire Utilities Agency	Brine Line	252,290.79		128,739.38	123,551.41	
Jurupa Community Services District	Basin Monitoring TF	14,019.00				14,019.00
Lake Elsinore & San Jacinto Watersheds Authority	LESJWA Administration	14,470.52		14,470.52		
Orange County Water District	Member Agency Contributions	46,000.00				46,000.00
Redlands, City of	Basin Monitoring TF	12,254.00				12,254.00
Rialto, City of	Basin Monitoring TF	14,019.00				14,019.00
Riverside, City of (Public Utilities)	Basin Monitoring TF	7,009.50				7,009.50
RIX Treatment	Basin Monitoring TF	14,019.00				14,019.00
San Bernardino Valley Municipal Water District	Brine Line	174,498.05		88,806.82	85,691.23	
Temescal Valley Water District	Basin Monitoring TF	11,387.00				11,387.00
Western Riverside County Regional Wastewater Authority	Basin Monitoring TF	14,019.00				14,019.00
Western Municipal Water District	Brine Line, SARCCUP Cost Share	718,705.42		334,198.49	293,784.93	90,722.00
Yucaipa Valley Water District	Basin Monitoring TF	14,019.00				14,019.00
Total Accounts Receivable		5,155,594.68	-	909,047.92	943,765.56	3,302,781.20

Santa Ana Watershed Project Authority  
Open Task Orders Schedule  
March 2018  
(Reflects Invoices Received as of 04/09/18)

Task Order No. Project Contracts	Fund No.	Vendor Name	Task Description	Begin Date	End Date	Original Contract	Change Orders	Total Contract	Billed To Date	Contract Balance	SAWPA Manager	Comments
ACS100-09	100-00	Accent Computer Solutions	IT Support	04/11/2017	06/30/2018	\$ 42,000.00	\$ 20,100.00	\$ 62,100.00	\$ 51,898.45	\$ 10,201.55	Dean Unger	
ACS100-10	100-00	Accent Computer Solutions	Office 365 Migration	05/01/2017	06/30/2018	\$ 17,500.00	\$ -	\$ 17,500.00	\$ 15,418.00	\$ 2,082.00	Dean Unger	
INSOL100-10	100-00	Integrated Systems Solutions	GP Software Annual Technical Support	07/01/2017	06/30/2018	\$ 4,000.00	\$ -	\$ 4,000.00	\$ 2,409.00	\$ 1,591.00	Dean Unger	
NICO100-05	100-00	Nicolay Consulting Group	GASB 45/75 Transisiton Plan	08/22/2017	06/30/2019	\$ 7,200.00	\$ -	\$ 7,200.00	\$ -	\$ 7,200.00	Karen Williams	
WCA100-03-02	100-03	West Coast Advisors	State Legislative Consulting FY16-18	11/24/2015	12/31/2018	\$ 345,000.00	\$ -	\$ 345,000.00	\$ 265,500.00	\$ 79,500.00	Rich Haller	
DOUG240-02	240	Douglas Environmental	Brine Line Meter Calibration	07/01/2017	06/30/2018	\$ 4,970.00	\$ 9,855.00	\$ 14,825.00	\$ 6,860.00	\$ 7,965.00	Carlos Quintero	On Call
WO2018-05	240	E S Babcock	Brine Line Sample Collection & Analysis	07/01/2017	06/30/2018	\$ 87,578.00	\$ -	\$ 87,578.00	\$ 43,509.00	\$ 44,069.00	Carols Quintero	
HAZ240-08	240	Haz Mat Trans Inc	Brine Line Facility Repair & Maintenance	07/01/2017	06/30/2018	\$ 35,000.00	\$ -	\$ 35,000.00	\$ 25,737.34	\$ 9,262.66	Carlos Quintero	On Call
HAZ240-07	240	Haz Mat Trans Inc	On Call Draining & Emergency Clean Up	06/29/2015	06/30/2018	\$ 98,215.00	\$ -	\$ 98,215.00	\$ 8,825.00	\$ 89,390.00	Carlos Quintero	On Call
HOU240-02	240	Houston Harris PCS Inc	Brine Line On Call Pipeline Cleaning	06/16/2015	06/30/2018	\$ 318,120.00	\$ 225,000.00	\$ 543,120.00	\$ 351,582.50	\$ 191,537.50	Carlos Quintero	On Call
HOU240-03	240	Houston Harris PCS Inc	Brine Line On Call Inspection Services	07/01/2017	06/30/2018	\$ 38,000.00	\$ -	\$ 38,000.00	\$ 8,046.65	\$ 29,953.35	Carlos Quintero	On Call
WO2018-10	240	IEUA	Reach IV-A Upper Support	07/01/2017	06/30/2018	\$ 10,000.00	\$ -	\$ 10,000.00	\$ 3,411.80	\$ 6,588.20	Carlos Quintero	
INN240-02	240	Innerline Engineering Inc	Brine Line On-Call Line Cleaning	06/29/2015	06/30/2018	\$ 46,900.00	\$ 50,000.00	\$ 96,900.00	\$ 59,191.34	\$ 37,708.66	Carlos Quintero	On Call
RFT240-01	240	Raftelis Financial	Rate Model	11/28/2017	06/30/2018	\$ 79,517.00	\$ -	\$ 79,517.00	\$ 38,636.32	\$ 40,880.68	Carlos Quintero	
SAWA323-01	240	SAWA	Habitat Mitigation in Prado Basin	01/29/2010	10/31/2017	\$ 245,000.00	\$ -	\$ 245,000.00	\$ 226,951.46	\$ 18,048.54	Carlos Quintero	
TKE240-02	240	TKE Engineering & Planning	Brine Line On-Call Land Surveying	06/26/2015	06/30/2018	\$ 30,300.00	\$ -	\$ 30,300.00	\$ 12,295.00	\$ 18,005.00	Carlos Quintero	On Call
TRU240-20	240	Trussell Technologies	BL Water Quality Analysis	09/07/2017	08/31/2018	\$ 49,885.00	\$ -	\$ 49,885.00	\$ 6,295.04	\$ 43,589.96	Carlos Quintero	
TRU240-21	240	Trussel Technologies	BL Monitoring Assesment	01/04/2018	09/30/2018	\$ 41,590.00	\$ -	\$ 41,590.00	\$ -	\$ 41,590.00	Carlos Quintero	
WO2018-01	240	WMWD	Sample Collection & Analysis	07/01/2017	06/30/2018	\$ 90,000.00	\$ -	\$ 90,000.00	59,620.62	\$ 30,379.38	David Ruhl	
WO2018-02	240	WMWD	Brine Line Operations & Maintenance	07/01/2017	06/30/2018	\$ 25,000.00	\$ -	\$ 25,000.00	7,132.47	\$ 17,867.53	David Ruhl	
DUDK326-05	326	Dudek	Litigation Support	11/28/2016	06/30/2018	\$ 25,000.00	\$ 25,000.00	\$ 50,000.00	\$ 35,565.00	\$ 14,435.00	David Ruhl	
DUDK326-06	326	Dudek	Reach V Rehabilitation - Ph I, Tasks 3-4	03/03/2017	06/30/2018	\$ 134,900.00	\$ -	\$ 134,900.00	\$ 85,413.13	\$ 49,486.87	David Ruhl	
HAMM326-01	326	Hammons Strategies	Strategic Communication Services	05/24/2016	12/31/2017	\$ 18,500.00	\$ 60,750.00	\$ 79,250.00	\$ 78,750.00	\$ 500.00	Rich Haller	150
WO2018-03	326	PSI Lab	CIPP Sampling	07/01/2017	06/30/2018	\$ 30,010.00	\$ -	\$ 30,010.00	\$ 24,920.00	\$ 5,090.00	David Ruhl	

Santa Ana Watershed Project Authority  
Open Task Orders Schedule  
March 2018  
(Reflects Invoices Received as of 04/09/18)

Task Order No. Project Contracts	Fund No.	Vendor Name	Task Description	Begin Date	End Date	Original Contract	Change Orders	Total Contract	Billed To Date	Contract Balance	SAWPA Manager	Comments
VALI326-04	326	Vali Cooper & Associates Inc	IEBL Reach V Rehabilitation	03/15/2017	06/30/2018	\$ 1,252,400.00	\$ -	\$ 1,252,400.00	\$ 800,684.71	\$ 451,715.29	David Ruhl	
PO3379 Const	326	WEKA	IEBL Reach V Rehab & Improvement	09/13/2016	01/16/2018	\$ 2,044,602.00	\$ 13,283,733.99	\$ 15,328,335.99	\$ 14,795,964.52	\$ 532,371.47	David Ruhl	
RMC504-401-03	370-01	RMC Water and Environment	Proposed Technical Writing	01/16/2018	06/30/2018	\$ 34,992.00	\$ -	\$ 34,992.00	\$ -	\$ 34,992.00	Mark Norton	
DUDK373-01	373	Dudek	Technical Writing - OWOW Plan Update 2018	12/19/2017	12/31/2018	\$ 25,600.00	\$ -	\$ 25,600.00	\$ 25,594.26	\$ 5.74	Mark Norton	
GEOS374-01	374	GeoScience Support Service	SAR WLA Model Update	02/01/2017	09/30/2018	\$ 249,800.00	\$ 23,966.00	\$ 273,766.00	\$ 207,435.00	\$ 66,331.00	Mark Norton	
RISK374-07	374	Risk Sciences	Basin Monitoring TF	11/06/2017	06/30/2018	\$ 73,150.00	\$ -	\$ 73,150.00	\$ 24,043.97	\$ 49,106.03	Mark Norton	
SCH381-01	381	Scheevel Engineering	S.A. Sucker - Beneficial Use Project	04/18/2017	12/31/2018	\$ 96,725.00	\$ -	\$ 96,725.00	\$ 71,391.50	\$ 25,333.50	Ian Achimore	
AMEC384-01	384-01	Amec Foster Wheeler	Tier 2 - Bacteria Source Investigation	07/18/2017	06/30/2018	\$ 49,960.00	\$ -	\$ 49,960.00	\$ 49,887.40	\$ 72.60	Rick Whetsel	
CDM384-17	384-01	CDM Smith	Audit Support of CBRP	01/02/2018	06/30/2018	\$ 44,870.00	\$ -	\$ 44,870.00	\$ 38,792.85	\$ 6,077.15	Rick Whetsel	
RISK384-08	384-01	Risk Sciences	MSAR TMDL Task Force	07/12/2015	06/30/2018	\$ 87,300.00	\$ -	\$ 87,300.00	\$ 77,874.31	\$ 9,425.69	Rick Whetsel	
CDM386-12	386	CDM Smith	Regional Bacteria Monitoring Program	04/18/2017	06/30/2018	\$ 317,046.00	\$ 13,625.00	\$ 330,671.00	\$ 230,083.25	\$ 100,587.75	Rick Whetsel	
DEGR392-03	392	DeGrave Communications	Social Media Support - EC TF	07/01/2017	06/30/2018	\$ 30,000.00	\$ -	\$ 30,000.00	\$ 19,625.47	\$ 10,374.53	Mark Norton	
PO3289	397	CAPOC	Green House Gas Contract - WECAN	06/27/2016	10/31/2018	\$ 16,628.00	\$ -	\$ 16,628.00	\$ 3,623.58	\$ 13,004.42	Mike Antos	
PO3377	397	CAPR	Green House Gas Contract - WECAN	10/31/2016	10/31/2018	\$ 85,000.00	\$ -	\$ 85,000.00	\$ 39,100.00	\$ 45,900.00	Mike Antos	
PO3285	397	CAPSB	Green House Gas Contract - WECAN	06/20/2016	10/31/2018	\$ 868,153.00	\$ -	\$ 868,153.00	\$ 315,029.30	\$ 553,123.70	Mike Antos	
ECOT397-01	397	Ecotech	WECAN Landscaping Project	05/26/2016	10/31/2018	\$ 1,300,000.00	\$ 2,000.00	\$ 1,302,000.00	\$ 1,047,086.90	\$ 254,913.10	Mike Antos	
ECOT397-02	397	Ecotech	WECAN Landscaping Project	04/04/2017	10/30/2018	\$ 612,000.00	\$ -	\$ 612,000.00	\$ 214,758.00	\$ 397,242.00	Mike Antos	
ECOT397-03	397	Ecotech	WECAN Landscaping Project	03/13/2018	09/30/2018	\$ 27,600.00	\$ -	\$ 27,600.00	\$ 1,000.00	\$ 26,600.00	Mike Antos	
GMC397-01	397	Green Media Creations	WECAN Outreach and Management	05/26/2016	10/31/2018	\$ 170,000.00	\$ -	\$ 170,000.00	\$ 165,577.15	\$ 4,422.85	Mike Antos	
GMC397-02	397	Green Media Creations	WVWD Turf Removal	04/11/2017	10/30/2018	\$ 80,000.00	\$ -	\$ 80,000.00	\$ 79,744.32	\$ 255.68	Mike Antos	
PO3466	398	California Rural Water Association	Disadvantaged Communities Grant	07/19/2017	04/30/2020	\$ 240,000.00	\$ -	\$ 240,000.00	\$ 38,217.28	\$ 201,782.72	Mike Antos	
DEGR398-01	398	Degrave Communications	Social Meida Support	03/20/2018	06/30/2019	\$ 78,434.00	\$ -	\$ 78,434.00	\$ -	\$ 78,434.00	Mark Norton	
IEW398-02	398	Inland Empire Waterkeeper	Disadvantaged Communities Grant	08/01/2017	12/22/2017	\$ 14,000.00	\$ -	\$ 14,000.00	\$ 13,914.09	\$ 85.91	Mike Antos	

Santa Ana Watershed Project Authority  
Open Task Orders Schedule  
March 2018  
(Reflects Invoices Received as of 04/09/18)

Task Order No. Project Contracts	Fund No.	Vendor Name	Task Description	Begin Date	End Date	Original Contract	Change Orders	Total Contract	Billed To Date	Contract Balance	SAWPA Manager	Comments
PO3463	398	Local Government Commission	Disadvantaged Communities Grant	07/19/2017	04/30/2020	\$ 442,000.00	\$ -	\$ 442,000.00	\$ 101,457.97	\$ 340,542.03	Mike Antos	
PO3551	398	UC Irvine	Disadvantaged Communities Grant	11/06/2017	04/30/2020	\$ 105,000.00	\$ -	\$ 105,000.00	\$ 27,738.75	\$ 77,261.25	Mike Antos	
PO3465	398	University Enterprises Corporation	Disadvantaged Communities Grant	07/19/2017	04/30/2020	\$ 1,290,500.00	\$ -	\$ 1,290,500.00	\$ 30,335.30	\$ 1,260,164.70	Mike Antos	
PO3464	398	Water Education Foundation	Disadvantaged Communities Grant	07/19/2017	04/30/2020	\$ 150,000.00	\$ -	\$ 150,000.00	\$ 3,519.01	\$ 146,480.99	Mike Antos	
CVS504-301-01	504-00	CV Strategies	FAQ on Conservation Based Rates	11/29/2016	08/31/2018	\$ 25,000.00	\$ 600.00	\$ 25,600.00	\$ 18,488.75	\$ 7,111.25	Ian Achimore	
MSS504-301-01	504-00	Miller Spatial Services	Geocoding & Business Type Classification	08/24/2017	12/31/2018	\$ 300,000.00	\$ -	\$ 300,000.00	\$ 20,886.11	\$ 279,113.89	Rick Whetsel	
OMNI504-301-01	504-00	OmniEarth Inc	Web Based Water Consumption Reporting	09/21/2015	12/31/2018	\$ 1,500,000.00	\$ -	\$ 1,500,000.00	\$ 858,679.20	\$ 641,320.80	Mark Norton	
RMC504-401-02	504-04	RMC Water and Environment	SARCCUP Program Mgmt Services	07/01/2017	06/30/2018	\$ 260,515.00	\$ -	\$ 260,515.00	\$ 88,748.24	\$ 171,766.76	Mark Norton	
										<u>\$ 6,582,840.68</u>		



## LIST OF SAWPA FUNDS

<b>Fund No.</b>	<b>Fund Description</b>	<b>Fund Group</b>
100-00	General Fund	General
100-03	State Lobbying	General
100-04	Federal Lobbying	General
100-05	Grant Applications	General
130	Proposition 84 – Program Management - Round 1	OWOW
135	Proposition 84 – Program Management – Round 2	OWOW
140	Proposition 84 – Program Management – Drought Round	OWOW
145	Proposition 84 – Program Management – 2015 Round	OWOW
240	Brine Line Enterprise	Brine Line
320-01	Brine Line Protection – Downstream Prado	Capital Projects
320-03	Brine Line Protection Above Prado	Capital Projects
320-04	Brine Line Protection D/S Prado in Riverside County	Capital Projects
326	Reach V Capital Repairs	Capital Projects
327	Reach IV-D Corrosion Repair	Capital Projects
370-01	Basin Planning General	OWOW
370-02	USBR Partnership Studies	OWOW
372	Imported Water Recharge Work Group	Roundtable
373	Watershed Management (OWOW)	OWOW
374	Basin Monitoring Program Task Force	Roundtable
381	Santa Ana River Fish Conservation	Roundtable
384-01	MSAR TMDL Task Force	Roundtable
386	Regional Water Quality Monitoring Task Force	Roundtable
387	Arundo Management & Habitat Restoration	Roundtable
392	Emerging Constituents Task Force	Roundtable
396	Forest First	Roundtable
397	Energy – Water DAC Grant Project	OWOW
398	Proposition 1 - DACI	OWOW
477	LESJWA Administration	Roundtable
504-01	Proposition 84 – Capital Projects Round 1 & 2	OWOW
504-00	Proposition 84 – Drought Capital Projects	OWOW
504-04	Proposition 84 – Final Round SARCCUP	OWOW

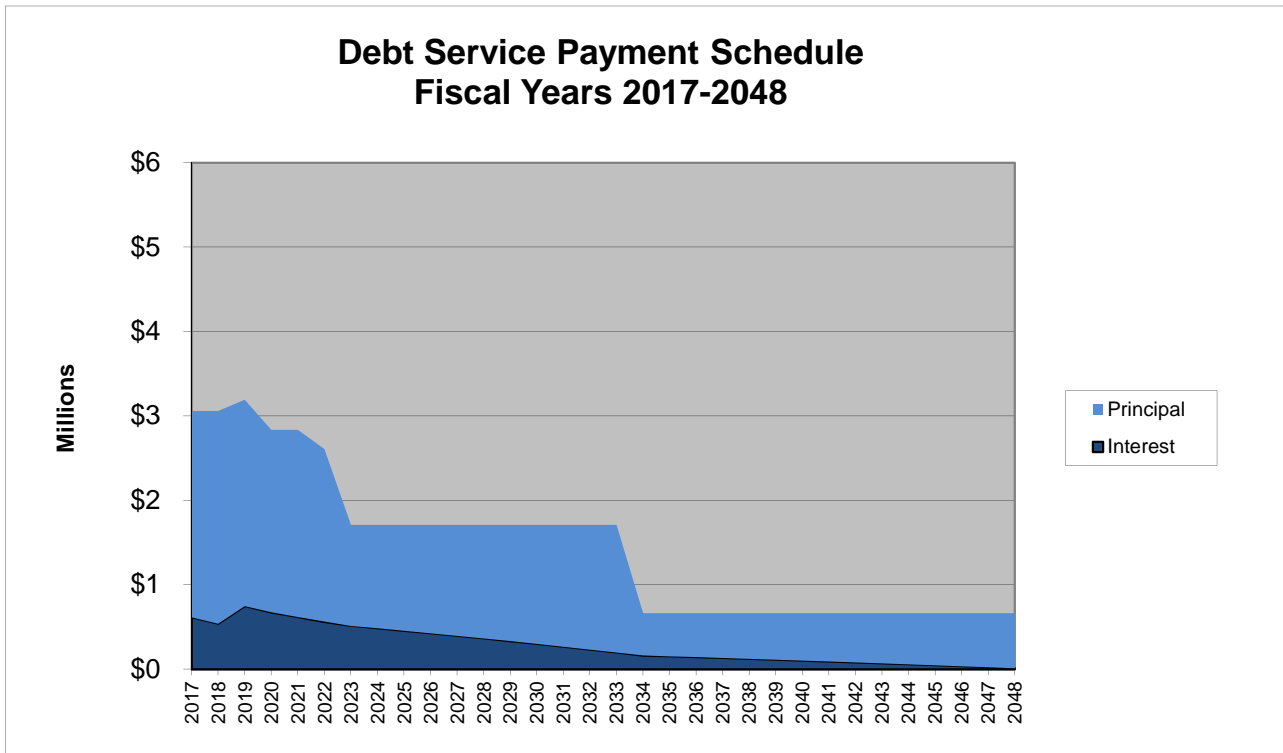
Santa Ana Watershed Project Authority  
 Brine Line Debt Service Funding Analysis  
 March 31, 2018

FYE	T-Strip Maturity	Capacity Loan Receipts	Rates	Loan Pymts	Interest Earned *	Excess Cash	Ending Cash Balance
	Beginning Balance						3,509,025
2017	949,000	356,251	1,552,521	(3,060,725)	27,407	(175,546)	3,333,479
2018	949,000	356,251	2,136,173	(3,060,725)	66,670	447,368	3,780,848
2019	395,000	89,053	1,708,750	(3,191,277)	26,392	(972,082)	2,808,766
2020	395,000	-	1,708,750	(2,835,027)	56,175	(675,102)	2,133,664
2021	-	-	1,708,750	(2,835,027)	42,673	(1,083,604)	1,050,060
2022	-	-	1,708,750	(2,607,713)	21,001	(877,961)	172,099
2023	-	-	1,708,750	(1,708,750)	3,442	3,442	175,541
2024	-	-	1,708,750	(1,708,750)	3,511	3,511	179,051
2025	-	-	1,708,750	(1,708,750)	3,581	3,581	182,632
2026	-	-	1,708,750	(1,708,750)	3,653	3,653	186,285
2027	-	-	1,708,750	(1,708,750)	3,726	3,726	190,010
2028	-	-	1,708,750	(1,708,750)	3,800	3,800	193,811
2029	-	-	1,708,750	(1,708,750)	3,876	3,876	197,687
2030	-	-	1,708,750	(1,708,750)	3,954	3,954	201,640
2031	-	-	1,708,750	(1,708,750)	4,033	4,033	205,673
2032	-	-	1,708,750	(1,708,750)	4,113	4,113	209,786
2033	-	-	1,708,749	(1,708,749)	4,196	4,196	213,982
2034	-	-	664,476	(664,476)	4,280	4,280	218,261
2035	-	-	664,476	(664,476)	4,365	4,365	222,628
2036	-	-	664,476	(664,476)	4,452	4,452	227,079
2037	-	-	664,476	(664,476)	4,541	4,541	231,621
2038	-	-	664,476	(664,476)	4,632	4,632	236,253
2039	-	-	664,476	(664,476)	4,725	4,725	240,978
2040	-	-	664,476	(664,476)	4,819	4,819	245,797
2041	-	-	664,476	(664,476)	4,916	4,916	250,713
2042	-	-	664,476	(664,476)	5,014	5,014	255,727
2043	-	-	664,476	(664,476)	5,114	5,114	260,841
2044	-	-	664,476	(664,476)	5,217	5,217	266,058
2045	-	-	664,476	(664,476)	5,321	5,321	271,379
2046	-	-	664,476	(664,476)	5,427	5,427	276,806
2047	-	-	664,476	(664,476)	5,536	5,536	282,342
2048	-	-	664,476	(664,476)	5,647	5,647	287,990
	2,688,000	801,554	39,287,083	(46,353,883)	356,209	(3,221,036)	-

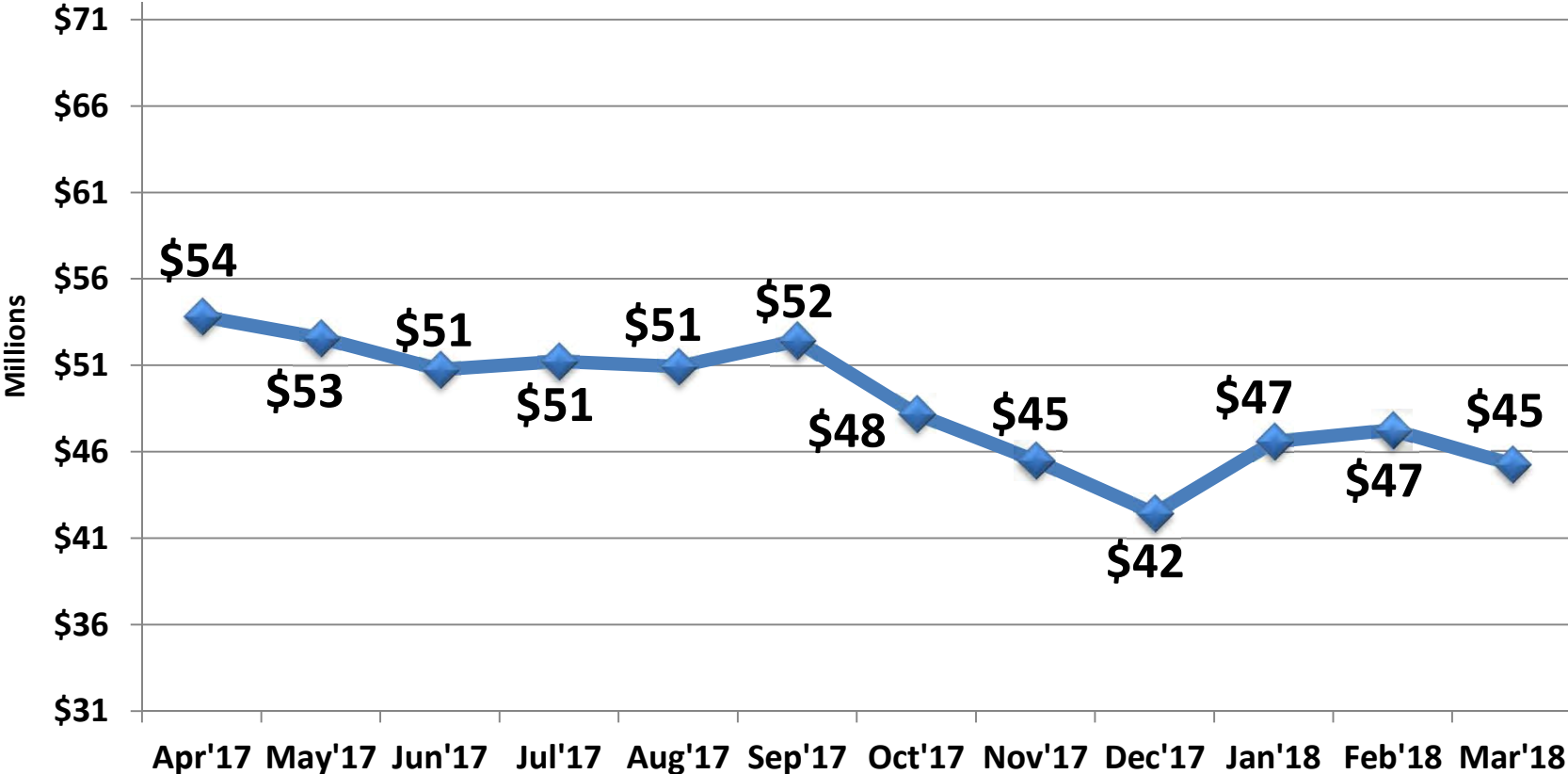
\*Interest earned is based on a conservative 2.00% average return over the period

Santa Ana Watershed Project Authority  
 Brine Line Debt Service Payment Schedule  
 March 31, 2018

FYE	Interest	Principal	Total Payment	New SRF Loan	Remaining Principal
2017	615,366	2,445,358	3,060,725	-	19,706,942
2018	539,727	2,520,997	3,060,725	15,088,592	32,274,537
2019	748,142	2,443,135	3,191,277	-	29,831,402
2020	674,909	2,160,119	2,835,027	-	27,671,283
2021	620,485	2,214,543	2,835,027	-	25,456,740
2022	564,670	2,043,043	2,607,713	-	23,413,697
2023	514,020	1,194,730	1,708,750	-	22,218,967
2024	485,808	1,222,942	1,708,750	-	20,996,026
2025	456,917	1,251,833	1,708,750	-	19,744,193
2026	427,330	1,281,420	1,708,750	-	18,462,774
2027	397,030	1,311,719	1,708,750	-	17,151,054
2028	366,000	1,342,750	1,708,750	-	15,808,304
2029	334,221	1,374,529	1,708,750	-	14,433,776
2030	301,675	1,407,074	1,708,750	-	13,026,701
2031	268,344	1,440,405	1,708,750	-	11,586,296
2032	234,208	1,474,541	1,708,750	-	10,111,755
2033	199,248	1,509,501	1,708,749	-	8,602,254
2034	163,443	501,033	664,476	-	8,101,220
2035	153,923	510,553	664,476	-	7,590,667
2036	144,223	520,254	664,476	-	7,070,413
2037	134,338	530,138	664,476	-	6,540,275
2038	124,265	540,211	664,476	-	6,000,064
2039	114,001	550,475	664,476	-	5,449,589
2040	103,542	560,934	664,476	-	4,888,655
2041	92,884	571,592	664,476	-	4,317,063
2042	82,024	582,452	664,476	-	3,734,611
2043	70,958	593,519	664,476	-	3,141,092
2044	59,681	604,796	664,476	-	2,536,297
2045	48,190	616,287	664,476	-	1,920,010
2046	36,480	627,996	664,476	-	1,292,014
2047	24,548	639,928	664,476	-	652,087
2048	12,390	652,087	664,477	-	(0)



# Total Cash & Investments





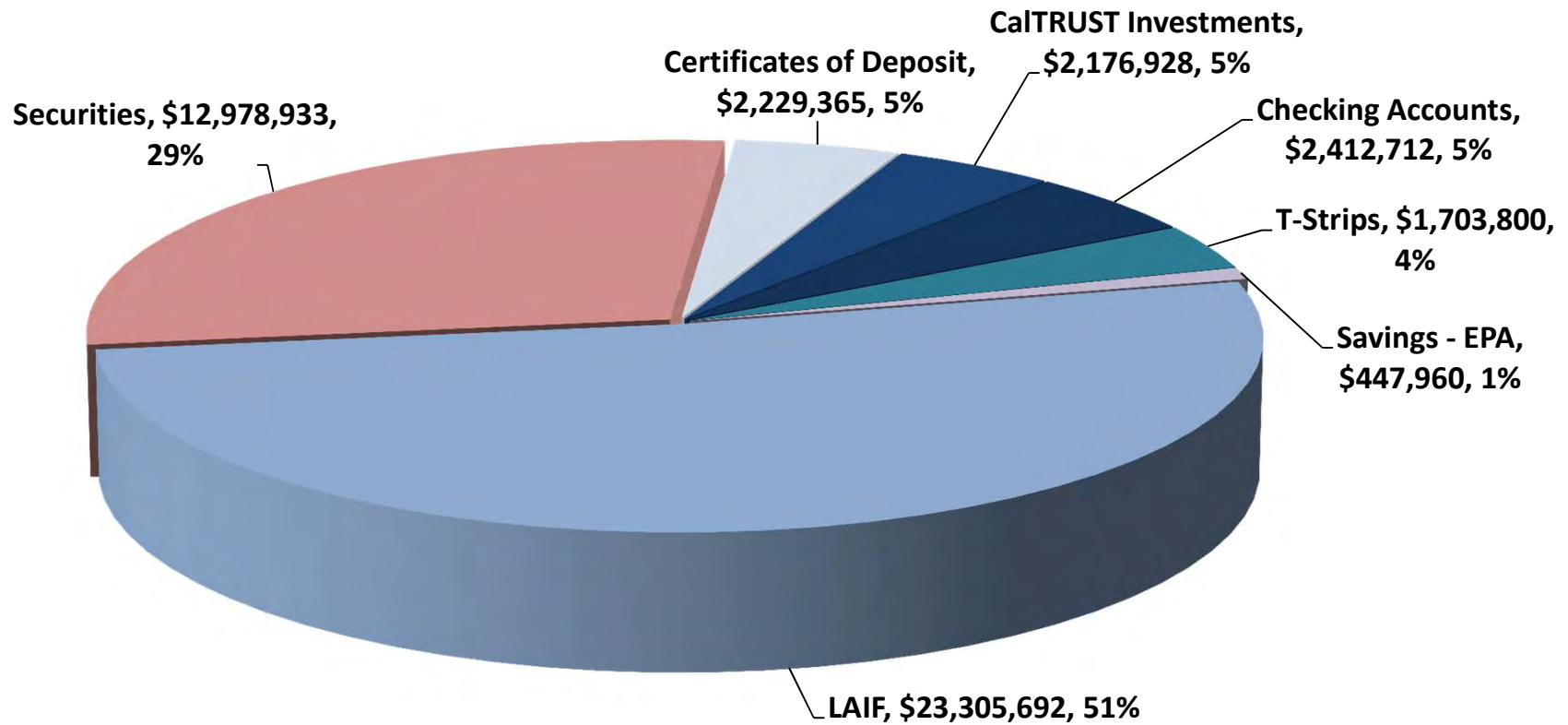
# CASH BALANCE & SOURCE OF FUNDS

March 31, 2018

Reserve Accounts		Cash and Investments							
	Total	Checking (Cash)	CalTRUST Investments	LAIF Account	Savings EPA	Investment Securities	Certificates of Deposit	Treasury Strips	Total
100 General Fund	\$ 2,793,400	2,412,712	-	380,688	-	-	-	-	\$ 2,793,400
100 Building Reserve	\$ 916,634	-	-	916,634	-	-	-	-	\$ 916,634
370 Basin Planning General	\$ 181,395	-	-	181,395	-	-	-	-	\$ 181,395
370 USBR Partnership Studies	\$ 38,050	-	-	38,050	-	-	-	-	\$ 38,050
373 Watershed Management Plan	\$ 172,716	-	-	172,716	-	-	-	-	\$ 172,716
240 Self Insurance Reserve	\$ 3,951,203	-	-	3,951,203	-	-	-	-	\$ 3,951,203
240 Brine Line Debt Retirement	\$ 5,916,287	-	-	-	-	4,212,487	-	1,703,800	\$ 5,916,287
240 Brine Line - Pipeline Replacement	\$ 11,555,763	-	-	559,952	-	8,766,446	2,229,365	-	\$ 11,555,763
240 Brine Line - OCS D Rehabilitation	\$ 3,548,823	-	2,176,928	1,371,895	-	-	-	-	\$ 3,548,823
240 Brine Line - Capacity Management	\$ 7,948,282	-	-	7,948,282	-	-	-	-	\$ 7,948,282
240 Brine Line - OCS D Future Capacity	\$ 1,739,961	-	-	1,739,961	-	-	-	-	\$ 1,739,961
240 Brine Line - Flow Imbalance Reserve	\$ 92,282	-	-	92,282	-	-	-	-	\$ 92,282
240 Brine Line - Operating Reserve	\$ 3,127,725	-	-	3,127,725	-	-	-	-	\$ 3,127,725
401 Legal Defense Fund	\$ 447,960	-	-	-	447,960	-	-	-	\$ 447,960
372 Imported Water Recharge	\$ 2,986	-	-	2,986	-	-	-	-	\$ 2,986
374 Basin Monitoring Program TF	\$ 184,816	-	-	184,816	-	-	-	-	\$ 184,816
381 SAR Fish Conservation	\$ 199,663	-	-	199,663	-	-	-	-	\$ 199,663
384 Middle SAR TMDL TF	\$ 163,106	-	-	163,106	-	-	-	-	\$ 163,106
386 RWQ Monitoring TF	\$ 226,377	-	-	226,377	-	-	-	-	\$ 226,377
387 Mitigation Bank Credits	\$ 951,982	-	-	951,982	-	-	-	-	\$ 951,982
392 Emerging Constituents TF	\$ 97,260	-	-	97,260	-	-	-	-	\$ 97,260
397 Energy - Water DAC Grant	\$ 605,532	-	-	605,532	-	-	-	-	\$ 605,532
504 Prop 84 - SARCCUP Projects	\$ 393,188	-	-	393,188	-	-	-	-	\$ 393,188
	\$ 45,255,391	\$ 2,412,712	\$ 2,176,928	\$ 23,305,692	\$ 447,960	\$ 12,978,933	\$ 2,229,365	\$ 1,703,800	\$ 45,255,391

## Cash & Investments - March 31, 2018

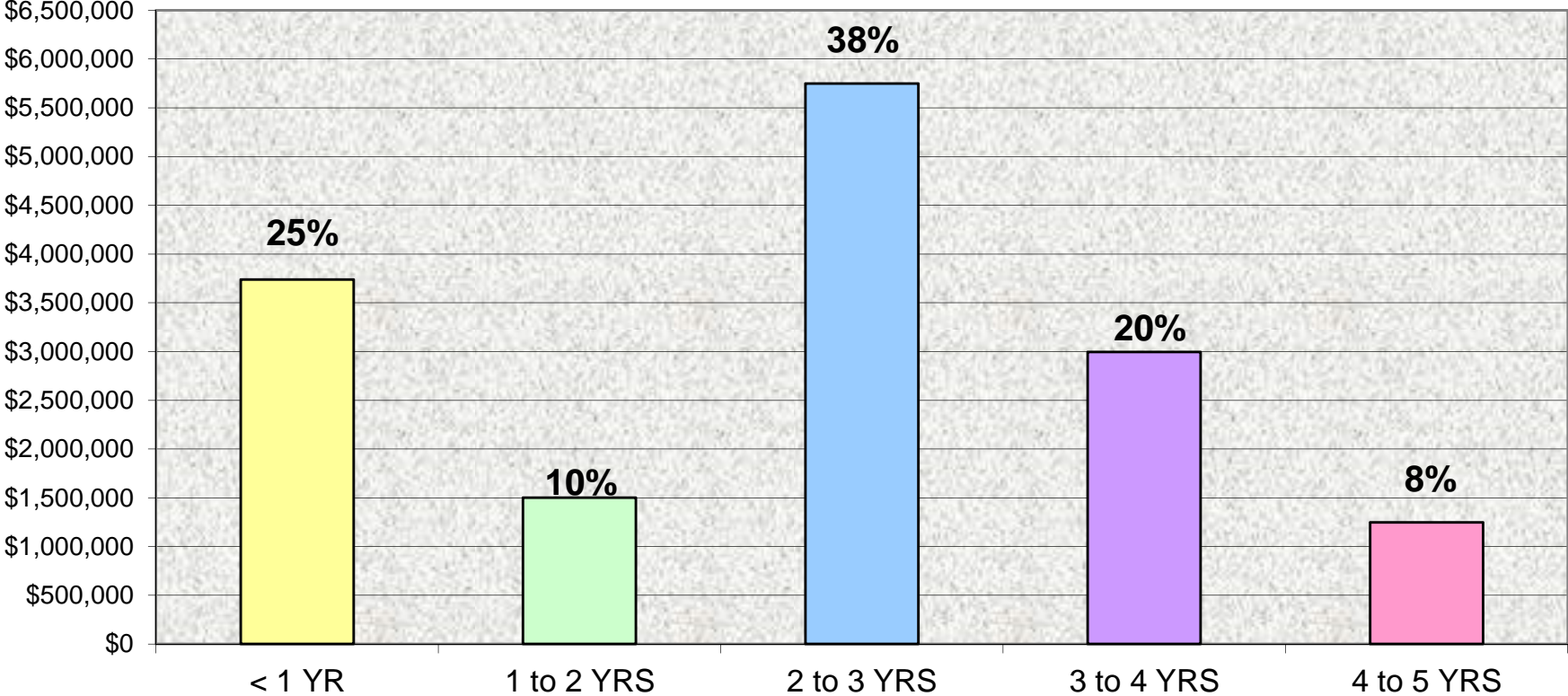
**\$45,255,391**



Santa Ana Watershed Project Authority  
Reserve Account Analysis  
March 31, 2018

Reserve Account	Balance @ 6/30/2017	Interest Earned	Fund Contributions	Loan/T-Strip Receipts	Debt Service Payments	Inter-Fund Loans	Fund Expenses	Balance @ 3/31/2018	Estimated Fund Changes	Balance @ 6/30/2018
Brine Line Operating Reserve	4,545,484	33,237	6,715,721				(8,166,717)	3,127,725	-	3,127,725
Flow Imbalance Reserve	84,608	728	6,946					92,282	-	92,282
OCSD Future Capacity	1,725,296	14,664						1,739,961	-	1,739,961
Capacity Management	7,851,194	48,983	48,105					7,948,282	-	7,948,282
Pipeline Replacement	13,807,175	82,109	6,968,450				(9,301,971)	11,555,763	(16,141,503)	(4,585,739)
OCSD Rehabilitation	7,506,389	42,434	(4,000,000)					3,548,823	-	3,548,823
Debt Retirement	3,333,479	29,635	2,646,403	690,251	(2,487,281)			4,212,487	1,286,800	5,499,287
Self Insurance	3,846,181	30,522	75,000				(500)	3,951,203	(25,000)	3,926,203
General Fund	3,263,214	28,585	675,550			(487,702)	(686,247)	2,793,400	-	2,793,400
Building Reserve	818,646	7,488	100,000				(9,500)	916,634	-	916,634
	46,325,606	318,385	13,236,175	690,251	(2,487,281)	(487,702)	(18,164,935)	39,886,559	(14,879,702)	25,006,856

# Twelve Month Maturity Schedule Securities





**SAWPA**  
**TREASURER'S REPORT**  
As of March 31, 2018

Investment T-Strips  
Safekeeping US Bank

T-STRIPS	Debt	Purchase Date	Maturity Date	PAR	Cost	Initial Discount	Current Discount	Book Value	Market Value	Interest Rate
USB	WEST RIV	07/12/1999	05/15/2018	220,000.00	67,632.00	152,367.60	7,151.22	212,848.78	219,561.76	6.36%
USB	TVRI	02/11/2000	05/15/2020	1,185,000.00	353,177.40	831,822.60	80,686.96	1,104,313.04	1,156,853.88	6.39%
				\$ 1,405,000.00	\$ 420,809.40	\$ 984,190.20	\$ 87,838.18	1,317,161.82	\$ 1,376,415.64	6.38%

Investment Commercial  
Safekeeping US Bank

Type	Security	Purchase Date	Maturity Date	Unit Cost	Cost	Principal	Current Value	Market Value	Interest Rate
Agency	FHLMC	3/27/2014	3/27/2019	109.33	\$ 546,650.00	\$ 500,000.00	\$ 500,000.00	507,535.00	3.75%
Agency	FHLMC	9/16/2016	8/12/2021	100.00	\$ 990,060.00	\$ 1,000,000.00	\$ 1,000,000.00	955,268.00	1.125%
Agency	FHLMC	4/17/2017	1/13/2022	102.55	\$ 512,767.00	\$ 500,000.00	\$ 500,000.00	496,445.00	2.375%
Agency	FHLB	5/26/2015	6/14/2019	100.80	\$ 504,015.00	\$ 500,000.00	\$ 500,000.00	496,707.50	1.63%
Agency	FHLB	6/16/2016	6/12/2020	102.61	\$ 1,026,088.00	\$ 1,000,000.00	\$ 1,000,000.00	985,624.00	1.75%
gency	FHLB	12/14/2017	6/10/2022	99.89	\$ 998,930.00	\$ 1,000,000.00	\$ 1,000,000.00	978,484.00	2.125%
Agency	FNMA	3/27/2014	2/19/2019	100.40	\$ 501,975.00	\$ 500,000.00	\$ 500,000.00	498,883.50	1.88%
Agency	FNMA	12/28/2015	12/28/2020	100.21	\$ 1,002,140.00	\$ 1,000,000.00	\$ 1,000,000.00	985,605.00	1.88%
Agency	FNMA	6/16/2016	11/30/2020	101.52	\$ 1,015,157.00	\$ 1,000,000.00	\$ 1,000,000.00	976,405.00	1.50%
Agency	USTN	11/17/2015	11/30/2018	100.00	\$ 1,002,500.00	\$ 1,000,000.00	\$ 1,000,000.00	994,961.00	1.25%
Agency	USTN	11/17/2015	10/31/2020	100.00	\$ 1,005,312.50	\$ 1,000,000.00	\$ 1,000,000.00	984,570.00	1.75%
Agency	USTN	11/17/2015	11/30/2019	100.00	\$ 1,001,210.94	\$ 1,000,000.00	\$ 1,000,000.00	987,695.00	1.50%
Agency	USTN	6/17/2016	8/31/2020	101.13	\$ 507,070.31	\$ 500,000.00	\$ 500,000.00	488,554.50	1.38%
Agency	USTN	6/16/2016	9/30/2020	101.12	\$ 506,992.19	\$ 500,000.00	\$ 500,000.00	488,066.50	1.38%
Agency	USTN	6/16/2016	10/31/2020	101.12	\$ 506,914.06	\$ 500,000.00	\$ 500,000.00	487,617.00	1.38%
Agency	USTN	12/14/2017	7/31/2021	96.91	\$ 969,062.50	\$ 1,000,000.00	\$ 1,000,000.00	957,852.00	1.125%
CORP	Toyota Motor Credit	9/15/2016	7/13/2018	100.00	\$ 504,057.50	\$ 500,000.00	\$ 500,000.00	499,137.50	1.55%
CD	Ally Bank	4/20/2017	4/20/2020	100.00	\$ 248,000.00	\$ 248,000.00	\$ 248,000.00	248,000.00	1.80%
CD	American Exp Centurion	4/19/2017	4/19/2021	100.00	\$ 248,000.00	\$ 248,000.00	\$ 248,000.00	248,000.00	2.25%
CD	American Express BK FSB	5/10/2017	5/10/2021	100.00	\$ 248,000.00	\$ 248,000.00	\$ 248,000.00	248,000.00	2.20%
CD	Capital Bank FL	5/27/2015	5/29/2018	100.00	\$ 248,000.00	\$ 248,000.00	\$ 248,000.00	247,611.28	1.10%
CD	Capital One Bank USA NA	9/30/2015	10/1/2018	100.00	\$ 248,000.00	\$ 248,000.00	\$ 248,000.00	247,319.77	1.65%
CD	Capital One NA	9/30/2015	10/1/2018	100.00	\$ 248,000.00	\$ 248,000.00	\$ 248,000.00	247,319.77	1.65%
CD	Wells Fargo Bank NA	12/2/2015	12/3/2018	100.00	\$ 245,000.00	\$ 245,000.00	\$ 245,000.00	243,766.63	1.45%
CD	Goldman Sachs Bank USA	12/20/2017	12/20/2022	100.00	\$ 248,000.00	\$ 248,000.00	\$ 248,000.00	248,000.00	2.50%
CD	National Bank of NY	6/18/2014	6/18/2018	100.00	\$ 248,000.00	\$ 248,000.00	\$ 248,000.00	247,602.12	1.30%
					\$ 15,329,902.00	\$ 15,229,000.00	\$ 15,229,000.00	14,995,030.07	1.74%

**Santa Ana Watershed Project Authority  
Treasurer's Report  
As of March 31, 2018**

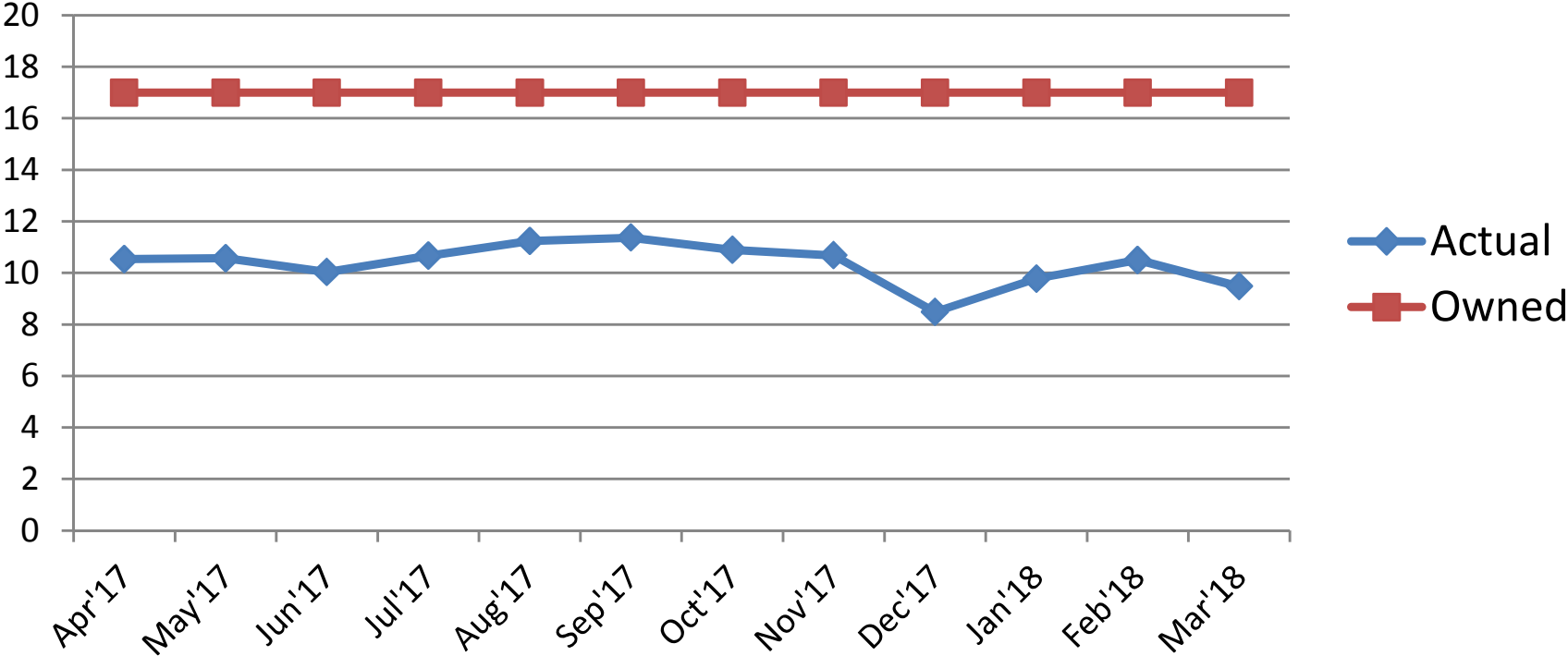
**Investment** T-Strips  
**Issuer** U.S.Gov't  
**Banker** USB  
**Source of MV** US Bank  
**Debt Service** WEST RIV.

<b>Purchase Date</b>	<b>Maturity Date</b>	<b>Months to Maturity</b>	<b>PAR</b>	<b>Cost</b>	<b>Initial Discount</b>	<b>Current Discount</b>	<b>Book Value</b>	<b>Market Value</b>	<b>Interest Rate</b>
07/12/1999	05/15/2018	5	220,000.00	67,632.00	152,367.60	7,151.22	212,848.78	219,561.76	6.36%
			<u>\$ 220,000.00</u>	<u>\$ 67,632.00</u>	<u>\$ 152,367.60</u>	<u>\$ 7,151.22</u>	<u>212,848.78</u>	<u>\$ 219,561.76</u>	6.36%

**Investment** T-Strips  
**Issuer** U.S.Gov't  
**Banker** USB  
**Source of MV** US Bank  
**Debt Service** TVRI

<b>Purchase Date</b>	<b>Maturity Date</b>	<b>Months to Maturity</b>	<b>PAR</b>	<b>Cost</b>	<b>Initial Discount</b>	<b>Current Discount</b>	<b>Book Value</b>	<b>Market Value</b>	<b>Interest Rate</b>
02/11/2001	05/15/2018	5	395,000.00	124,500.05	270,499.95	13,103.10	381,896.90	394,213.16	6.43%
02/11/2002	05/15/2019	17	395,000.00	117,646.80	277,353.20	27,131.95	367,868.05	385,948.18	6.39%
02/11/2000	05/15/2020	29	395,000.00	111,030.55	283,969.45	40,451.91	354,548.09	376,692.54	6.36%
			<u>\$ 1,185,000.00</u>	<u>\$ 353,177.40</u>	<u>\$ 831,822.60</u>	<u>\$ 80,686.96</u>	<u>\$ 1,104,313.04</u>	<u>\$ 1,156,853.88</u>	6.39%

# Average Daily Flow by Month





## SUMMARY OF LABOR MULTIPLIERS

		Benefit Rate
Total Employee Benefits	981,999	0.423
Total Payroll	2,322,222	
Gross Indirect Costs	2,277,292	
Less: Member Contributions & Other Revenue	(337,500)	
Indirect Costs for Distribution	1,939,792	
Direct Labor	1,170,467	1.657
Indirect Costs	1,939,792	

<b>FY 2017-18 Labor multiplier - thru 03/31/18</b>	<b>2.080</b>
FY 2016-17 Labor multiplier	<u>1.901</u>
FY 2015-16 Labor multiplier	<u>2.073</u>
FY 2014-15 Labor multiplier	<u>1.850</u>
FY 2013-14 Labor multiplier	<u>2.105</u>
FY 2012-13 Labor multiplier	<u>1.938</u>



## INDIRECT COSTS

*( to be Distributed )*

<u>G/L Acct.</u>	<u>Description</u>	<u>Actual thru 3/31/18</u>
51000	Salaries - Regular	\$ 1,151,756
52000	Benefits	\$ 387,945
60111	Tuition Reimbursement	\$ -
60112	Training	\$ 1,925
60113	Education	\$ 1,081
60114	Other Training & Education	\$ 6,076
60120	Audit Fees	\$ 24,270
60121	Consulting	\$ 160,154
60126	Temporary Services	\$ -
60128	Other Professional Services	\$ 700
60129	Other Contract Services	\$ -
60130	Legal Fees	\$ 14,679
60133	Employment Recruitment	\$ -
60153	Materials & Supplies	\$ 203
60154	Safety	\$ 2,213
60155	Security	\$ 2,364
60156	Custodial Contract Services	\$ 13,351
60157	Landscaping Maintenance	\$ 12,553
60158	HVAC	\$ 4,429
60159	Facility Repair & Maintenance	\$ 16,677
60160	Telephone	\$ 14,444
60161	Cellular / Paging Services	\$ 11,446
60163	Electricity	\$ 15,365
60164	Water Services	\$ 6,505
60170	Equipment Expensed	\$ 10,284

(Continued - next column)

<u>G/L Acct.</u>	<u>Description</u>	<u>Actual thru 3/31/18</u>
60171	Equipment Rented	\$ 27,525
60172	Equipment Repair / Maintenance	\$ 113
60180	Computer Hardware	\$ 5,479
60181	Software / Updates / Licensing	\$ 74,263
60182	Internet Services	\$ 7,902
60183	Computer Supplies	\$ 1,995
60184	Computer Repair / Maintenance	\$ -
60190	Offsite Meeting / Travel Expense	\$ 1,890
60191	In House Meetings	\$ 2,152
60192	Conference Expense	\$ 10,119
60193	Car, Repair, Maint	\$ -
60200	Dues	\$ 24,369
60202	Subscriptions	\$ 1,779
60203	Contributions	\$ 6,600
60210	Bank Charges	\$ -
60211	Shipping / Postage	\$ 1,341
60212	Office Supplies	\$ 8,456
60213	Offsite Storage	\$ 3,218
60220	Commission Fees	\$ 37,400
60221	Commission Mileage Reimb.	\$ 4,830
60222	Other Commission Expense	\$ 179
60230	Other Expense	\$ 866
80000	Retiree Medical Expense	\$ 84,750
80001	Insurance Expense	\$ 21,792
80000	Building Repair/Replacement Reserve	\$ 75,000
13005	Fixed Assets	\$ 16,856

**Total Costs**      \$ 2,277,292

Direct Costs Paid by Projects	\$ 1,788,784
Member Contribution Offset	\$ 337,500
	\$ 2,126,284

Over allocation %	-7.8%
Over (Under) Allocation of General Fund Costs	\$ (151,009)



## BENEFITS SUMMARY

*(Distributed based on Actual Labor)*

<u>G/L Acct</u>	<u>Description</u>	<u>Budget</u>	<u>Actual @ 3/31/18</u>	<u>Projected FYE 2018</u>
70101	FICA Expense	185,067 \$	120,626 \$	160,835
70102	Medicare Expense	52,612 \$	34,979 \$	46,639
70103	State Unemployment Insurance	5,712 \$	5,078 \$	6,300
70104	Worker's Compensation Insurance	80,165 \$	46,136 \$	68,288
70105	State Disability Insurance	24,702 \$	16,188 \$	21,584
70106	PERS Pension Plan	662,665 \$	372,924 \$	497,231
70111	Medical Expense	445,725 \$	306,341 \$	408,455
70112	Dental Expense	31,680 \$	20,466 \$	27,288
70113	Vision Insurance	8,014 \$	5,300 \$	7,067
70114	Life Insurance Expense	15,491 \$	10,833 \$	14,444
70115	Long Term Disability	17,956 \$	12,084 \$	16,112
70116	Wellness Program Expense	3,500 \$	1,044 \$	1,392
70117	401a Profit Sharing - Employers Contribution	-	-	-
70120	Car Allowance	36,000 \$	30,000 \$	40,000
	<b>Total Benefits</b>	1,569,289	981,999	1,315,634
	<b>Total Payroll</b>	3,592,414 \$	2,322,222 \$	3,096,296
	<b>Benefits Rate</b>	43.7%	42.3%	42.5%

Santa Ana Watershed Project Authority  
 Labor Hours Budget vs Actual  
 Month Ending March 31, 2018

	Fund	Budget	Actual	%
100	General & Administrative	23,953	19,497	81.40%
130	Prop 84 Round 1 Administration	925	523	56.54%
135	Prop 84 Round 2 Administration	865	456	52.66%
140	Prop 84 2014 Drought Administration	655	513	78.24%
145	Prop 84 Final Round Administration	1,750	589	33.64%
240	Brine Line Enterprise	17,550	12,282	69.98%
320	Brine Line Protection	250	10	4.10%
326	Reach V Capital Repairs	2,171	1,425	65.61%
327	Reach IV-D Corrosion Repairs	755	123	16.26%
370-01	General Basin Planning	2,480	1,357	54.73%
370-02	USBR Partnership Studies	115	17	14.57%
372	Imported Water Recharge	45	59	131.11%
373	Watershed Management Plan	2,895	1,600	55.26%
374	Basin Monitoring Program	435	330	75.92%
381	SAR Fish Conservation	200	190	95.13%
384-01	Chino TMDL Facilitation	150	140	93.33%
386MONIT	Storm Water Quality Standards TF	110	106	95.91%
386STORM	Storm Water Quality Standards TF	-	-	100.00%
387	Arundo Removal & Habitat Restoration	185	78	41.89%
392	Emerging Constituents	56	61	108.93%
396	Forest First	30	-	0.00%
397	Water-Energy Grant Administration	480	218	45.47%
397EXPAN	Water-Energy WWWD Administration	-	45	100.00%
398ADMIN	DACI Grant	2,395	586	24.47%
477TMDL	LESJWA - TMDL Task Force	760	538	70.82%
477-02	LESJWA - Administration	355	323	90.90%
504-301A	Prop 84 2014 Drought Implementation	995	250	25.13%
504-301C	Prop 84 2014 Drought Implementation	685	547	79.82%
504-4011	Prop 84 Final Round Implementation	140	51	36.25%
504-401PA23	Prop 84 Final Round Implementation	430	125	28.95%
504-402SMART	Prop 84 Final Round Implementation	265	37	13.77%
		62,080	42,073	67.77%

Note: Should be at 75% of budget for 9 months

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# General Manager's Report

May 2018

Santa Ana Watershed Project Authority | 11615 Sterling Avenue, Riverside, CA 92503 | www.sawpa.org

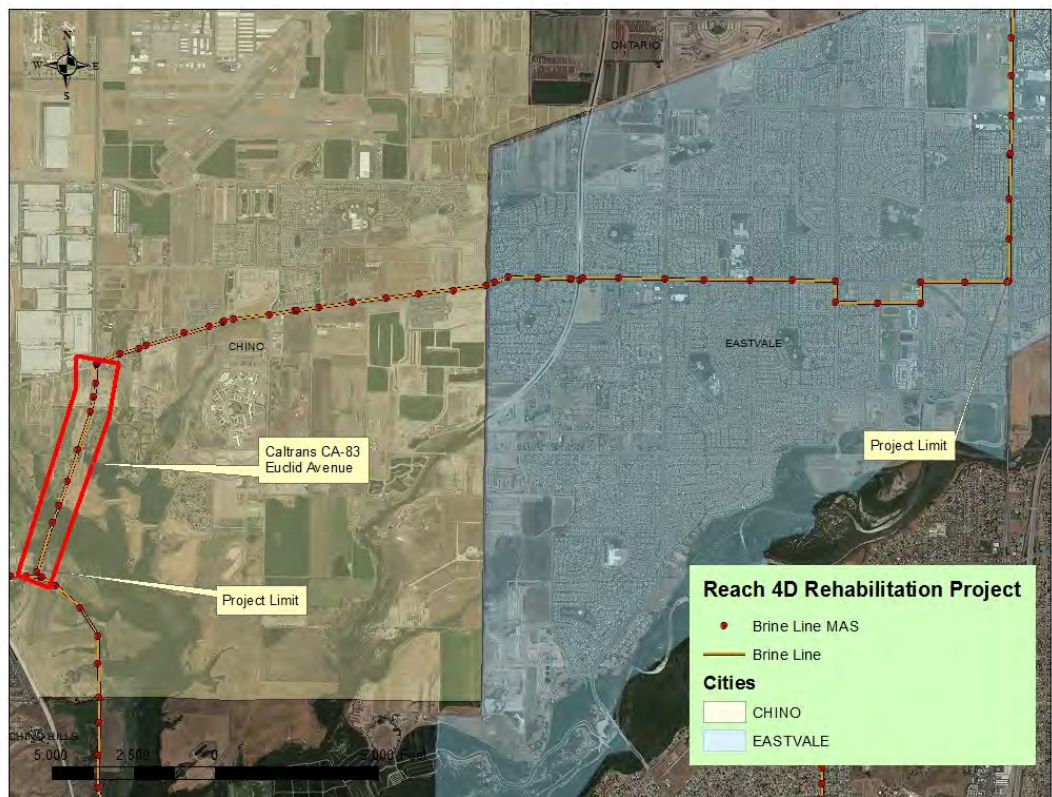
## INSIDE THE MAY REPORT

- 1 Reach 4D Rehabilitation Project
- 2 OCSD/SAWPA Joint Operations Committee
- 3 Sign Search and Selfies Competition
- 4 1st SAR Science Symposium
- 5 Earth Night in the Garden

## Reach 4D Rehabilitation Project

On May 6th and 7th, SAWPA staff coordinated a partial shutdown of the Brine Line to allow inspection of approximately 35,000 linear feet of the Reach 4D Brine Line in the Cities of Chino and Eastvale. The pipeline investigation work successfully obtained data needed to assist in the evaluation of a portion of the Reach 4D pipeline where corrosion of the concrete pipe has been observed. SAWPA's consultant, Woodard & Curran, is currently evaluating the data as part of their Rehabilitation Work Plan. The draft Work Plan is anticipated in August 2018.

Houston and Harris, under an on-call contract with SAWPA for pipeline inspection, provided four crews to inspect approximately 20,000 linear feet of pipeline. Prop-Pipe, under contract with V&A Consultants, inspected 15,000 linear feet of pipeline. V&A staff performed five physical entries to the pipe at various locations to assess the condition of the unlined portion of the concrete pipe (the pipe diameter is 42-inches and has a 270° T-lock liner). SAWPA staff had to obtain encroachment permits from Caltrans for work on Route 83 (Euclid Avenue), City of Chino, and City of Eastvale.





## OCSD/SAWPA Joint Operations Committee

The OCSD/SAWPA Joint Operations Committee met on April 26, 2018 at SAWPA. OCSD and SAWPA staff provided updates on several activities affecting OCSD and SAWPA, including the Rock Removal Project, OCSD Rates for FY 2019, OWOW Plan Update, OCSD Facilities Master Plan and SAWPA's Pretreatment Program. The tentative schedule for the next meeting of the Joint Operations Committee is September 6, 2018.

## Sign Search and Selfies Competition

Starting May 7, 2018, SAWPA is hosting a watershed-wide sign search competition to see who can locate the most of 63 educational signs, with a minimum of 6 different sign locations. The purpose of this competition is to increase public awareness of water resources in the watershed and the sign displays. To win, participants must submit the photos as JPEG files through the photo submission form by September 2, 2018: <http://www.sawpa.org/signsearch/>.



## 1st Annual SAR Science Symposium

SAWPA will participate in the 1st Annual Santa Ana River Science Symposium hosted by the San Bernardino Valley Municipal Water District on Thursday, June 7, 2018. The goal of the symposium is to educate the scientific community about all the diverse scientific research currently focused on the River and facilitate future partnerships.



## Earth Night in the Garden

SAWPA participated in WMWD's final Earth Night in the Garden on April 20, 2018. Handouts were provided to the public informing them of SAWPA and the rapidly disappearing Monarch Butterfly. Long lines filled the SAWPA booth where kids and adults were able to obtain various bug toys, candies, and SAWPA swag.




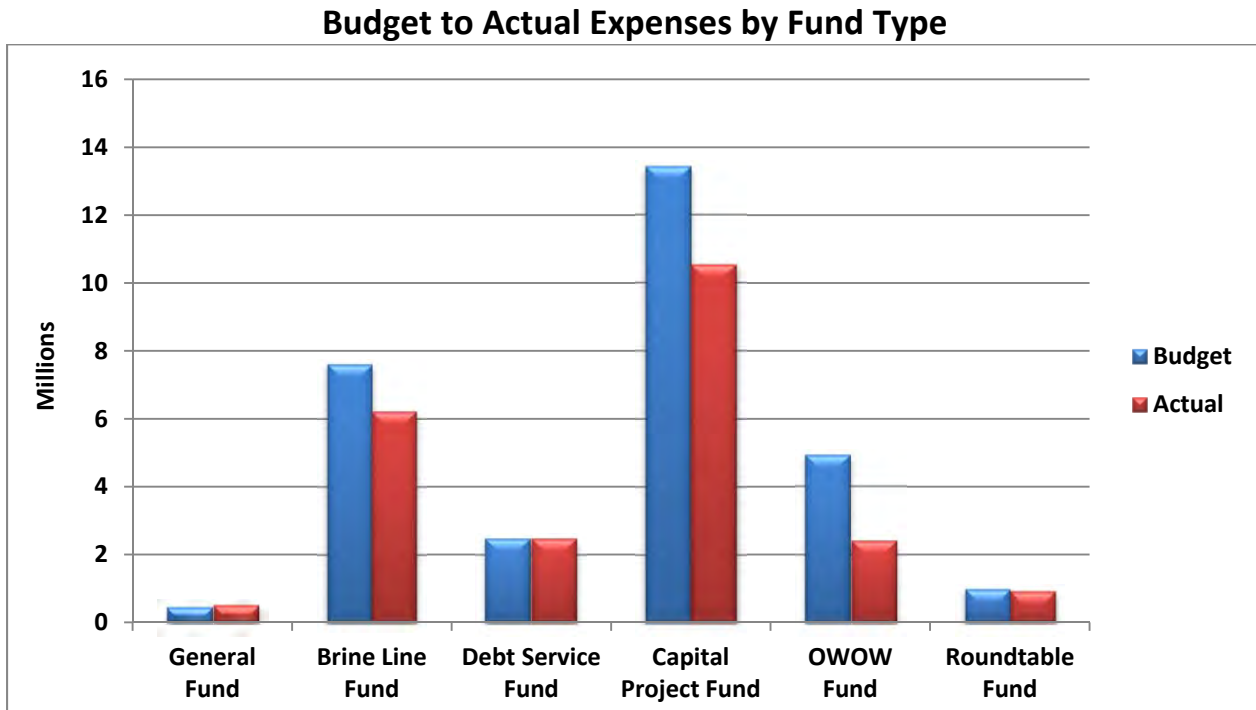
Santa Ana Watershed Project Authority  
11615 Sterling Avenue, Riverside, CA 92503 | [www.sawpa.org](http://www.sawpa.org)

**Santa Ana Watershed Project Authority  
Executive Financial Information Report  
February 2018**

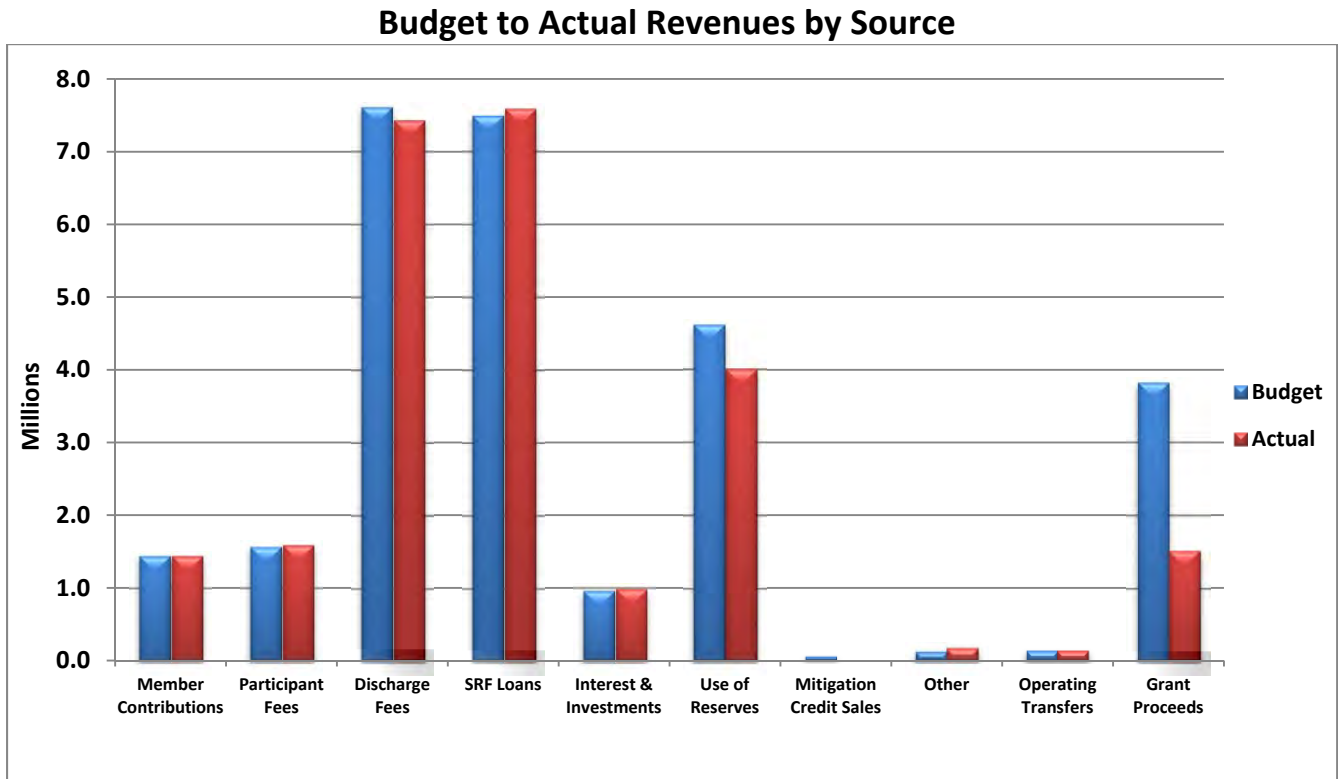
*Staff comments provided on the last page are an integral part of this report.*

<b>Overview</b>	This report highlights the agency's key financial indicators for the Fiscal Year-to-Date (FYTD) through February 2018 unless otherwise noted.
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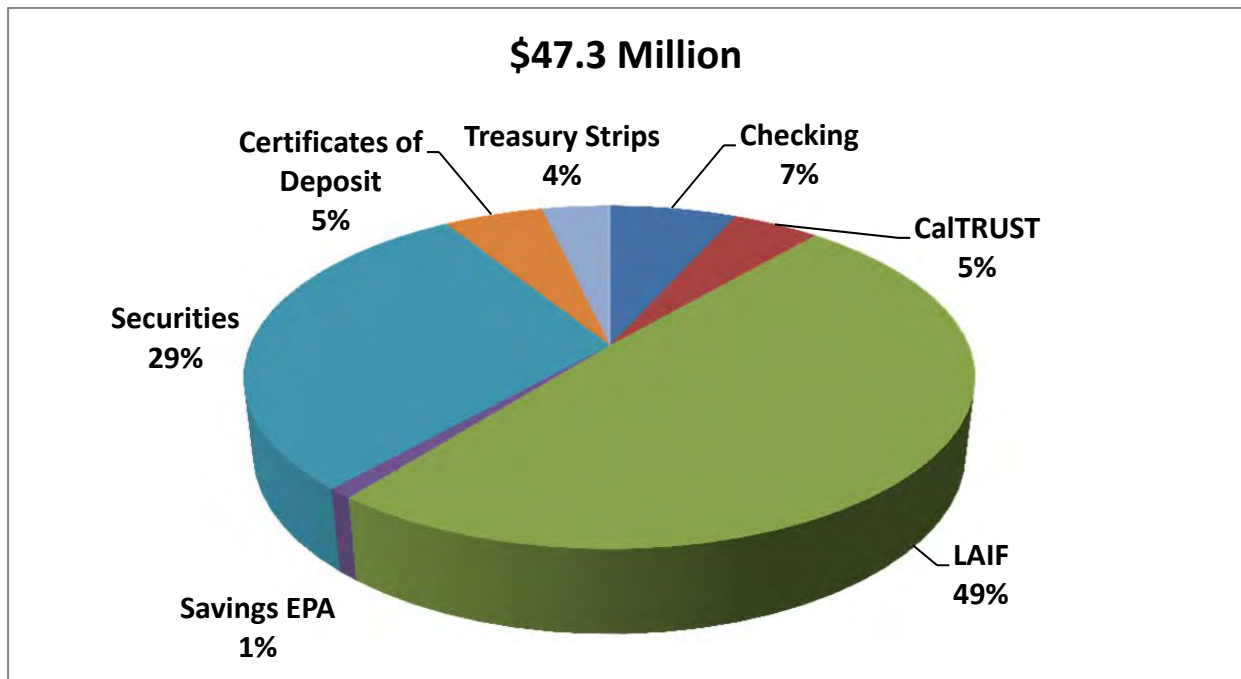
<b>Budget to Actual Expenses by Fund Type</b>				 <b>Favorable</b>
	<b>Annual Budget</b>	<b>FYTD Budget</b>	<b>FYTD Actual</b>	<b>Favorable (Unfavorable) Variance</b>
General Fund	\$646,118	\$462,565	\$527,084	(\$64,519)
Brine Line Enterprise	11,427,616	7,618,413	6,227,974	1,390,439
Debt Service Fund	3,060,719	2,487,281	2,487,281	-
Capital Project Fund	15,714,532	13,442,806	10,554,239	2,888,567
OWOW Fund	7,403,317	4,935,545	2,423,404	2,512,141
Roundtable Fund	1,419,206	994,221	930,671	63,550
<b>Total</b>	<b>\$39,671,508</b>	<b>\$29,940,831</b>	<b>\$23,150,653</b>	<b>\$6,790,178</b>



Budget to Actual Revenues by Source				✖	Concern
	Annual Budget	FYTD Budget	FYTD Actual	Favorable (Unfavorable) Variance	
Member Contributions	\$1,442,118	\$1,442,118	\$1,442,118	\$-	
Participant Fees	1,682,056	1,563,611	1,586,735	23,124	
Discharge Fees	11,427,616	7,618,411	7,438,305	(180,106)	
SRF Loans	7,500,000	7,500,000	7,595,992	95,992	
Interest & Investments	1,994,772	963,396	988,538	25,142	
Use of Reserves	9,280,479	4,618,426	4,011,056	(607,370)	
Mitigation Credit Sales	88,980	59,320	-	(59,320)	
Other	202,027	134,685	182,225	47,540	
Operating Transfers	144,252	144,252	144,252	-	
Grant Proceeds	5,741,297	3,827,531	1,520,854	(2,306,677)	
<b>Total</b>	<b>\$39,503,597</b>	<b>\$27,871,750</b>	<b>\$24,910,075</b>	<b>(\$2,961,675)</b>	



## Total Cash & Investments - February







## Reserve Fund Balance - February

	Amount
General Fund	\$3,371,007
Building Fund	916,634
Legal Defense Fund	447,960
OWOW Fund	1,636,610
Roundtable Fund	1,861,471
Self Insurance	3,942,870
Debt Retirement	6,055,002
Pipeline Replacement	12,254,154
OCSD Rehabilitation	3,548,823
Capacity Management	7,948,282
Future Capacity	1,739,961
Flow Imbalance	92,282
Brine Line Operating	3,448,295
<b>Total Reserves</b>	<b>\$47,263,352</b>

## Legend

### Compared to Budget

	Ahead or Favorable	Above +5% Favorable Revenue or Expense Variance
	On Track	+5% to -2% Variance
	Behind	-3% to -5% Variance
	Concern	Below -5% Variance

## Staff Comments

For this month's report, the item(s) explained below are either "behind", a "concern", or have changed significantly from the prior month.

- 1) Grant Proceeds are 60% lower than budget. While this is a concern it is projected that these projects will be within the budget amount for FYE 2018. The variance is due to several issues. For Proposition 84 Drought projects, there has been an unanticipated delay by retail agencies in the implementation of conservation based rates. There were also unanticipated cost savings from several of the projects. Those funds will be reallocated to other projects within the Drought round. For Proposition 84 SARCCUP there has been a delay on the negotiation of the sub-grantee agreement for Smartscape and a lack of implementing legislation regarding the new water use efficiency standards which has slowed down the project.
- 2) Use of Reserves are 13% lower than budget. It was anticipated to begin work on the Reach IV-D Corrosion Repairs project once the Reach V Capital Repair project was complete. That project was completed and work on the design of Reach IV-D Corrosion Repairs has begun.

**Aside from Grant Proceeds and Use of Reserves, all other revenue sources and non-grant related expenses are on track.**

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# **GENERAL MANAGERS MEETING NOTES**

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TUESDAY, MAY 1, 2018

## **PARTICIPANTS PRESENT**

Nick Kanetis  
Paul Jones  
Steven O’Neill (Via-Conference Call)  
Michael Markus  
Doug Headrick (Via-Conference Call)  
Craig Miller  
Rich Haller  
Karen Williams  
Mark Norton  
Larry McKenney  
David Ruhl  
Sara Villa

## **REPRESENTING**

Eastern Municipal Water District  
Eastern Municipal Water District  
Eastern Municipal Water District  
Orange County Water District  
San Bernardino Valley Municipal Water District  
Western Municipal Water District  
Santa Ana Watershed Project Authority  
Santa Ana Watershed Project Authority  
Santa Ana Watershed Project Authority  
Santa Ana Watershed Project Authority  
Santa Ana Watershed Project Authority  
Santa Ana Watershed Project Authority

## **PARTICIPANTS ABSENT**

Halla Razak  
Inland Empire Utilities Agency

## **CALL TO ORDER**

The meeting was called to order at 8:33 a.m. at SAWPA, 11615 Sterling Avenue, Riverside, California.

## **Project Agreement 24 (PA24)**

Larry McKenney referenced the handouts that were provided; a red-lined version of the proposed JPA Amendment Sections 18, 26, and 29. McKenney noted that the current red lines are his edits from EMWD’s latest revision. McKenney referenced the red lines under Section 18 – Specific Projects is to reflect that each participant member agency shall appoint its Commissioner, Alternate Commissioner, or General Manager to the Project Committee of the Commission for purposes of administration and implementation of such project. The red lines under Section 29 – Expenditures within Approved Budgets is to keep in mind that the project budgets will apply to all sorts of Project Agreements not just PA 24. Discussion ensued regarding the last sentence of Section 18 “All budget and operating decisions with regard to any project shall require the unanimous consent of the Project Committee or the Commission, as the case may be”. It was indicated that the provision applied to the member agencies and the committee members should be clarified to unanimous consent of the committee members. McKenney noted he would clarify the language in Section 18 by using the language of Section 26, and Steven O’Neill concurred.

Larry McKenney referenced the handout that was provided; a red-lined version of the PA24 Agreement. He noted that the current red lines are from Jeff Ferre, WMWD Legal Counsel. He noted that the Covenant 17 tries to deconflict the Project Agreement from the JPA and his concern is that it implies that the Project Agreement can override the JPA. The question is whether the project committee members could agree to deviate from the JPA in a way that could potentially affect the non-participating members. McKenney noted he’ll work Steven O’Neill and Jeff Ferre to explore re-phrasing Covenant 17 language.

McKenney stated Covenants 16 and 11 are not a problem. Covenant 6 states that this section doesn’t impact the unanimous voting requirements for spending money within the budget. He pointed out that the current JPA does not require unanimous votes within the project committees, so this redline makes sense if the proposed amendment to Section 18 of the JPA is executed. Rich Haller suggested that Covenant 6 should be re-phrased to avoid limiting the authority of the SAWPA General Manager in responding to emergencies. After discussion, all concurred the current language allows emergency responses per the SAWPA Procurement Policy.

Discussion ensued regarding the requirement for unanimous consent within the voting members. McKenney said that the proposed project agreement and JPA amendments would require unanimous votes of the project committee on some questions, where the current JPA requires approval of all of the participating agencies’

boards. While he does not recommend for or against that change, he plans to point it out to the Commission as a policy change. Others in the meeting had different interpretations of the existing JPA language.

One kind of decision requiring unanimity of the project committee would be “operating decisions.” McKenney raised concerns about the red line change to Covenant 5. He noted that “operating decision” is not defined within the JPA, and this provision seeks to define the term for purposes of the Brine Line. Western’s proposed amendments are intended to provide more detail to the definition. McKenney stated the concern that attempting to further define the term actually raises more questions, and noted that he would prefer simply to delete the term “operating decisions” from the JPA. Significant discussion ensued about not requiring unanimous votes on day-to-day issues, how decisions regarding litigation might be handled, and the relationship between important decisions and the budget. Craig Miller noted he would talk to Jeff Ferre in regards to his red line comments. McKenney noted he will make revisions, and distribute to Steven O’Neill and Jeff Ferre for review. SAWPA staff plans to present PA24 and the JPA amendments to the SAWPA Commission on May 15, but it was suggested to wait until June, issues are still being worked out.

**SCHEDULING – NEXT GM MEETING**

The next General Managers meeting is scheduled for May 15, 2018, at 8:00 a.m. at SAWPA.

The meeting adjourned at 9:21 a.m.

**COMMISSION REVIEW:** May 15, 2018  
2018-5-1 GM Mtg Notes



# Legislative Status Report for SAWPA 5/7/2018

- [AB 18](#)** (**[Garcia, Eduardo D](#)**) **California Clean Water, Climate, Coastal Protection, and Outdoor Access For All Act of 2018.**  
**Current Text:** Amended: 8/30/2017 [html](#) [pdf](#)  
**Introduced:** 12/5/2016  
**Last Amend:** 8/30/2017  
**Status:** 9/1/2017-From committee: Do pass and re-refer to Com. on APPR. (Ayes 4. Noes 1.) (August 31). Re-referred to Com. on APPR.  
**Location:** 9/1/2017-S. APPR.  
**Summary:** Under current law, programs have been established pursuant to bond acts for, among other things, the development and enhancement of state and local parks and recreational facilities. This bill would enact the California Clean Water, Climate, Coastal Protection, and Outdoor Access For All Act of 2018, which, if approved by the voters, would authorize the issuance of bonds in an amount of \$3,470,000,000 pursuant to the State General Obligation Bond Law to finance a clean water, climate, coastal protection, and outdoor access for all program.
- [AB 196](#)** (**[Bigelow R](#)**) **Greenhouse Gas Reduction Fund: water supply and wastewater systems.**  
**Current Text:** Amended: 3/6/2017 [html](#) [pdf](#)  
**Introduced:** 1/19/2017  
**Last Amend:** 3/6/2017  
**Status:** 9/1/2017-Failed Deadline pursuant to Rule 61(a)(12). (Last location was APPR. SUSPENSE FILE on 7/17/2017)(May be acted upon Jan 2018)  
**Location:** 9/1/2017-S. 2 YEAR  
**Summary:** Current law requires moneys from the Greenhouse Gas Reduction Fund to be allocated for the purpose of reducing greenhouse gas emissions in this state and satisfying other purposes. Current law authorizes specified investments, including water use and supply, if the investment furthers the regulatory purposes of the California Global Warming Solutions Act of 2006 and is consistent with law. This bill would authorize the use of the moneys in the fund for electric pump efficiency, water and wastewater systems, pump and pump motor efficiency improvements, and drinking water transmission and distribution systems' water loss if the investment furthers the regulatory purposes of the act and is consistent with law.
- [AB 869](#)** (**[Rubio D](#)**) **Sustainable water use and demand reduction: recycled water.**  
**Current Text:** Amended: 8/24/2017 [html](#) [pdf](#)  
**Introduced:** 2/16/2017  
**Last Amend:** 8/24/2017  
**Status:** 9/1/2017-Failed Deadline pursuant to Rule 61(a)(12). (Last location was N.R. & W. on 8/24/2017)(May be acted upon Jan 2018)  
**Location:** 9/1/2017-S. 2 YEAR  
**Summary:** Current law imposes various water use reduction requirements that apply to urban retail water suppliers, including a requirement that the state achieve a 20% reduction in urban per capita water use by December 31, 2020. This bill would require long-term standards for urban water conservation and water use to include a credit for recycled water, as specified.
- [AB 1000](#)** (**[Friedman D](#)**) **Water conveyance: use of facility with unused capacity.**  
**Current Text:** Amended: 7/3/2017 [html](#) [pdf](#)  
**Introduced:** 2/16/2017  
**Last Amend:** 7/3/2017  
**Status:** 9/1/2017-Failed Deadline pursuant to Rule 61(a)(12). (Last location was APPR. SUSPENSE FILE on 8/28/2017)(May be acted upon Jan 2018)  
**Location:** 9/1/2017-S. 2 YEAR  
**Summary:** Current law prohibits the state or a regional or local public agency from denying a bona fide transferor of water from using a water conveyance facility that has unused capacity for the period of time for which that capacity is available, if fair compensation is paid for that use and other requirements are met. This bill would, notwithstanding that provision, prohibit a transferor of water from using a water conveyance facility that has unused capacity to transfer water from a groundwater basin underlying desert lands, as defined, that is in the vicinity of specified federal lands or state lands to outside of the groundwater basin unless the State Lands Commission, in consultation with the Department of Fish and Wildlife, finds that the transfer of the water will not adversely affect the natural or cultural resources of those federal and state lands.
- [AB 1323](#)** (**[Weber D](#)**) **Sustainable water use and demand reduction: stakeholder workgroup.**  
**Current Text:** Amended: 5/30/2017 [html](#) [pdf](#)  
**Introduced:** 2/17/2017

**Last Amend:** 5/30/2017

**Status:** 9/1/2017-Failed Deadline pursuant to Rule 61(a)(12). (Last location was APPR. SUSPENSE FILE on 8/21/2017)(May be acted upon Jan 2018)

**Location:** 9/1/2017-S. 2 YEAR

**Summary:** Would, with a specified exception, require the Department of Water Resources to convene a stakeholder workgroup with prescribed representatives invited to participate, including, among others, representatives of the department and the State Water Resources Control Board, no later than February 1, 2019. The bill would require the stakeholder workgroup to develop, evaluate, and recommend proposals for establishing new water use targets for urban water suppliers and to examine and report to the Governor and the Legislature by December 31, 2019, as specified.

**AB 1587 (Levine D) Invasive species: dreissenid mussels.**

**Current Text:** Amended: 6/29/2017 [html](#) [pdf](#)

**Introduced:** 2/17/2017

**Last Amend:** 6/29/2017

**Status:** 9/1/2017-Failed Deadline pursuant to Rule 61(a)(12). (Last location was APPR. SUSPENSE FILE on 8/21/2017)(May be acted upon Jan 2018)

**Location:** 9/1/2017-S. 2 YEAR

**Summary:** Current law, until January 1, 2020, generally prohibits a person from possessing, importing, shipping, or transporting in the state, or from placing, planting, or causing to be placed or planted in any water within the state, dreissenid mussels, and authorizes the Director of Fish and Wildlife or his or her designee to engage in various enforcement activities with regard to dreissenid mussels. Current law authorizes the director to conduct inspections of waters of the state and facilities located within waters of the state that may contain dreissenid mussels and, if those mussels are detected or may be present, order the closure of the waters or facilities to conveyances or otherwise restrict access to the waters or facilities, with the concurrence of the Secretary of the Natural Resources Agency. This bill would also authorize a peace officer to engage in certain of these enforcement activities, as prescribed, and would extend to January 1, 2023, the repeal date of those provisions.

**AB 1654 (Rubio D) Water conservation.**

**Current Text:** Amended: 7/12/2017 [html](#) [pdf](#)

**Introduced:** 2/17/2017

**Last Amend:** 7/12/2017

**Status:** 7/17/2017-Withdrawn from committee. Re-referred to Com. on RLS. (Set for hearing ) (1/23/2018 - Immune to Deadlines according to JR61(f). Deadlines do not apply to bills in a Rules committee.)

**Location:** 7/17/2017-S. RLS.

**Summary:** Would state the intent of the Legislature to enact legislation necessary to help make water conservation a California way of life.

**AB 1667 (Friedman D) Water management planning.**

**Current Text:** Amended: 7/3/2017 [html](#) [pdf](#)

**Introduced:** 2/17/2017

**Last Amend:** 7/3/2017

**Status:** 7/14/2017-Failed Deadline pursuant to Rule 61(a)(10). (Last location was N.R. & W. on 7/11/2017)(May be acted upon Jan 2018)

**Location:** 7/14/2017-S. 2 YEAR

**Summary:** Would require the State Water Resources Control Board, in consultation with the Department of Water Resources, to adopt long-term standards for urban water conservation and water use on or before May 20, 2021. The bill would also require the board, in consultation with the department, to adopt performance measures for commercial, industrial, and institutional water use on or before that date.

**AB 1668 (Friedman D) Water management planning.**

**Current Text:** Amended: 5/3/2018 [html](#) [pdf](#)

**Introduced:** 2/17/2017

**Last Amend:** 5/3/2018

**Status:** 5/3/2018-From committee chair, with author's amendments: Amend, and re-refer to committee. Read second time, amended, and re-referred to Com. on RLS.

**Location:** 9/15/2017-S. RLS.

**Summary:** Would require the State Water Resources Control Board, in coordination with the Department of Water Resources, to adopt long-term standards for the efficient use of water, as provided, and performance measures for commercial, industrial, and institutional water use on or before June 30, 2022. The bill would require the department, in coordination with the board, to conduct necessary studies and investigations and make recommendations, no later than October 1, 2021, for purposes of these standards and performance measures.

**[AB 2017](#) (Chiu D) Public employers: employee organizations.**

**Current Text:** Amended: 4/11/2018 [html](#) [pdf](#)

**Introduced:** 2/5/2018

**Last Amend:** 4/11/2018

**Status:** 5/3/2018-Referred to Com. on P.E. & R.

**Location:** 5/3/2018-S. P.E. & R.

**Summary:** Current law prohibits a public employer, as defined, from deterring or discouraging public employees from becoming or remaining members of an employee organization. Under current law, a public employer is defined, for these purposes, to include counties, cities, districts, the state, schools, transit districts, the University of California, and the California State University, among others. Existing law grants the Public Employment Relations Board jurisdiction over violations of these provisions. This bill would include in the definition of "public employer" under these provisions those employers of excluded supervisory employees and judicial council employees and would include in the definition of "public employee" those employees of a public transit agency with specified labor relation provisions.

**[AB 2042](#) (Steinorth R) Personal income tax credits: residential graywater reuse systems.**

**Current Text:** Amended: 5/1/2018 [html](#) [pdf](#)

**Introduced:** 2/6/2018

**Last Amend:** 5/1/2018

**Status:** 5/2/2018-Re-referred to Com. on APPR.

**Location:** 5/1/2018-A. APPR.

**Calendar:** 5/9/2018 9 a.m. - State Capitol, Room 4202 ASSEMBLY APPROPRIATIONS, GONZALEZ FLETCHER, Chair

**Summary:** The Personal Income Tax Law allows various credits against the taxes imposed by that law. Existing law requires any bill authorizing a new tax credit to contain, among other things, specific goals, purposes, and objectives that the tax credit will achieve, detailed performance indicators, and data collection requirements. This bill, for taxable years beginning on or after January 1, 2019, and before January 1, 2024, would allow as a credit against the net tax imposed by that law equal to 25% of the cost of installing a residential graywater reuse system during the taxable year in the taxpayer's residence located in this state.

**[AB 2050](#) (Caballero D) Small System Water Authority Act of 2018.**

**Current Text:** Amended: 4/17/2018 [html](#) [pdf](#)

**Introduced:** 2/6/2018

**Last Amend:** 4/17/2018

**Status:** 4/26/2018-From committee: Do pass and re-refer to Com. on APPR. (Ayes 6. Noes 1.) (April 25). Re-referred to Com. on APPR.

**Location:** 4/26/2018-A. APPR.

**Summary:** Would create the Small System Water Authority Act of 2018 and state legislative findings and declarations relating to authorizing the creation of small system water authorities that will have powers to absorb, improve, and competently operate noncompliant public water systems. The bill, no later than March 1, 2019, would require the state board to provide written notice to cure to all public agencies, private water companies, or mutual water companies that operate a public water system that has either less than 3,000 service connections or that serves less than 10,000 people, and are not in compliance with one or more state or federal primary drinking water standard maximum contaminant levels as of December 31, 2018, and for 4 consecutive quarters, as specified.

**[AB 2060](#) (Garcia, Eduardo D) Water: grants: advanced payments.**

**Current Text:** Amended: 4/12/2018 [html](#) [pdf](#)

**Introduced:** 2/6/2018

**Last Amend:** 4/12/2018

**Status:** 5/2/2018-In committee: Hearing postponed by committee.

**Location:** 4/12/2018-A. APPR.

**Calendar:** 5/9/2018 9 a.m. - State Capitol, Room 4202 ASSEMBLY APPROPRIATIONS, GONZALEZ FLETCHER, Chair

**Summary:** Current law requires a regional water management group, within 90 days of notice that a grant has been awarded, to provide the Department of Water Resources with a list of projects to be funded by the grant funds where the project proponent is a nonprofit organization or a disadvantaged community, or the project benefits a disadvantaged community. Current law requires the department, within 60 days of receiving the project information, to provide advanced payment of 50% of the grant award for those projects that satisfy specified criteria, including that the grant award for the project is less than \$1,000,000, and requires the advanced funds to be handled as prescribed. This bill would require the department to provide a project proponent that requests and demonstrates a need for advanced payment with advanced payment for those projects of \$500,000 or 50% of the grant award, whichever is less.

**[AB 2064](#) (Gloria D) Integrated regional water management plans: grants: advanced payment.**

**Current Text:** Amended: 4/2/2018 [html](#) [pdf](#)

**Introduced:** 2/7/2018

**Last Amend:** 4/2/2018

**Status:** 4/11/2018-In committee: Set, first hearing. Referred to APPR. suspense file.

**Location:** 4/11/2018-A. APPR. SUSPENSE FILE

**Summary:** Current law, until January 1, 2025, requires a regional water management group, within 90 days of notice that a grant has been awarded, to provide the Department of Water Resources with a list of projects to be funded by the grant funds if the project proponent is a nonprofit organization or a disadvantaged community or the project benefits a disadvantaged community. Current law requires the department, within 60 days of receiving this project information, to provide advanced payment of 50% of the grant award for those projects that satisfy specified criteria and require the advanced funds to be handled, including that the funds are required to be spent within 6 months of the date of receipt unless the department waives this requirement. The bill, until January 1, 2025, would require a project proponent, upon completion of the first one-half of a project receiving an above-described grant award, to provide a first one-half project accountability report to the department that reports the completion of objectives for the first one-half of the project and documents the expenditure and use of advanced grant funds.

**AB 2072 (Quirk D) State Water Resources Control Board: constituents of emerging concern.**

**Current Text:** Amended: 3/13/2018 [html](#) [pdf](#)

**Introduced:** 2/7/2018

**Last Amend:** 3/13/2018

**Status:** 4/4/2018-In committee: Set, first hearing. Referred to APPR. suspense file.

**Location:** 4/4/2018-A. APPR. SUSPENSE FILE

**Summary:** Would require the State Water Resources Control Board, to the extent that the state board determines funds are available, to establish and maintain a dedicated program to research the potential effects of constituents of emerging concern in water sources on human and ecosystem health, as prescribed.

**AB 2241 (Rubio D) The Open and Transparent Water Data Act.**

**Current Text:** Amended: 3/15/2018 [html](#) [pdf](#)

**Introduced:** 2/13/2018

**Last Amend:** 3/15/2018

**Status:** 4/24/2018-From committee: Do pass and re-refer to Com. on APPR. (Ayes 15. Noes 0.) (April 24). Re-referred to Com. on APPR.

**Location:** 4/24/2018-A. APPR.

**Calendar:** 5/9/2018 9 a.m. - State Capitol, Room 4202 ASSEMBLY APPROPRIATIONS, GONZALEZ FLETCHER, Chair

**Summary:** The Open and Transparent Water Data Act requires the Department of Water Resources, the State Water Resources Control Board, and the Department of Fish and Wildlife to coordinate and integrate existing water and ecological data from local, state, and federal agencies. This bill would require the Department of Water Resources, the board, and the Department of Fish and Wildlife to work to improve the open and transparent access to data by reducing the fractured or duplicative reporting of the same or similar data to multiple governmental agencies or departments, and by reducing the reporting burden on entities providing data to governmental agencies.

**AB 2242 (Rubio D) Urban water management planning.**

**Current Text:** Amended: 3/15/2018 [html](#) [pdf](#)

**Introduced:** 2/13/2018

**Last Amend:** 3/15/2018

**Status:** 4/25/2018-Read second time. Ordered to third reading.

**Location:** 4/25/2018-A. THIRD READING

**Calendar:** 5/7/2018 #35 ASSEMBLY THIRD READING FILE - ASSEMBLY BILLS

**Summary:** Would require an urban water supplier to include in its urban water management plan an assessment of the reliability of its water service, as specified, to its customers during normal, dry, and multiple dry years, including a repeat of the 5 consecutive historic driest years the urban water supplier has experienced.

**AB 2249 (Cooley D) Public contracts: local agencies: alternative procedure.**

**Current Text:** Introduced: 2/13/2018 [html](#) [pdf](#)

**Introduced:** 2/13/2018

**Status:** 5/3/2018-Referred to Com. on GOV. & F.

**Location:** 5/3/2018-S. GOV. & F.

**Summary:** Would authorize public projects of \$60,000 or less to be performed by the employees of a public agency, authorize public projects of \$200,000 or less to be let to contract by informal procedures, and require public projects of more than \$200,000 to be let to contract by formal bidding

procedures.

**[AB 2252](#) (Limón D) State grants: state grant administrator.**

**Current Text:** Amended: 4/3/2018 [html](#) [pdf](#)

**Introduced:** 2/13/2018

**Last Amend:** 4/3/2018

**Status:** 4/11/2018-In committee: Set, first hearing. Referred to APPR. suspense file.

**Location:** 4/11/2018-A. APPR. SUSPENSE FILE

**Summary:** Would establish, within the Government Operations Agency, a state grant administrator who is designated by the Governor to serve as the state's primary point of contact for information on grants provided by state agencies. The bill would authorize the state grant administrator, among other things, to support the establishment of a statewide network of individuals who serve as point of contact for state grant opportunities in state agencies.

**[AB 2278](#) (Berman D) Local Government Renewable Energy Self-Generation Program.**

**Current Text:** Amended: 4/25/2018 [html](#) [pdf](#)

**Introduced:** 2/13/2018

**Last Amend:** 4/25/2018

**Status:** 4/26/2018-Re-referred to Com. on APPR.

**Location:** 4/18/2018-A. APPR.

**Calendar:** 5/9/2018 9 a.m. - State Capitol, Room 4202 ASSEMBLY APPROPRIATIONS, GONZALEZ FLETCHER, Chair

**Summary:** Current law authorizes a local government to receive a bill credit, as specified, to be applied to a designated benefiting account for electricity exported to the electrical grid by an eligible renewable generating facility, as defined, and requires the commission to approve a rate tariff for the benefiting account. Current law provides specific rules for the calculation of these bill credits. Under existing law, an electrical corporation is obligated to provide a bill credit to a benefiting account designated by a local government only until the combined statewide cumulative rated generating capacity of all eligible renewable generating facilities within the service territories of the state's 3 largest electrical corporations reaches 250 megawatts. This bill would revise how the bill credit is calculated, as specified, and, for these purposes, would require the electrical corporation, until January 1, 2044, to use the time-of-use periods and seasonal definitions that were in effect on January 1, 2017.

**[AB 2283](#) (Holden D) Income taxes: exclusion: turf removal water conservation program.**

**Current Text:** Introduced: 2/13/2018 [html](#) [pdf](#)

**Introduced:** 2/13/2018

**Status:** 4/4/2018-In committee: Set, first hearing. Referred to APPR. suspense file.

**Location:** 4/4/2018-A. APPR. SUSPENSE FILE

**Summary:** The Personal Income Tax Law and the Corporation Tax Law, for taxable years beginning on or after January 1, 2014, and before January 1, 2019, provide an exclusion from gross income for any amount received as a rebate, voucher, or other financial incentive issued by a local water agency or supplier for participation in a turf removal water conservation program. This bill would extend the operation of those provisions to January 1, 2024.

**[AB 2334](#) (Thurmond D) Occupational injuries and illness: employer reporting requirements: electronic submission.**

**Current Text:** Amended: 3/15/2018 [html](#) [pdf](#)

**Introduced:** 2/13/2018

**Last Amend:** 3/15/2018

**Status:** 5/2/2018-In committee: Set, first hearing. Referred to APPR. suspense file.

**Location:** 5/2/2018-A. APPR. SUSPENSE FILE

**Summary:** Current law requires an employer to file a report of every occupational injury or occupational illness, as defined, of each employee that results in lost time beyond the date of the injury or illness, and that requires medical treatment beyond first aid, with the Department of Industrial Relations, or in the case of an insured employer, with the insurer, on a form prescribed by the department. Under current law, an employer who violates occupational safety and health provisions is guilty of a misdemeanor, except where another penalty is specifically provided. This bill would also require employers to file specified injury and illness forms electronically with the Division of Occupational Safety and Health within the department.

**[AB 2339](#) (Gipson D) Water utility service: sale of water utility property by a city.**

**Current Text:** Amended: 4/3/2018 [html](#) [pdf](#)

**Introduced:** 2/13/2018

**Last Amend:** 4/3/2018

**Status:** 4/25/2018-In committee: Set, first hearing. Referred to APPR. suspense file.

**Location:** 4/25/2018-A. APPR. SUSPENSE FILE

**Summary:** Would permit a city that owns and operates a public utility for furnishing water service to sell the public utility for the purpose of consolidating its public water system with another public water system pursuant to the specified procedures, only if the potentially subsumed water system is wholly within the boundaries of the city, if the city determines that it is uneconomical and not in the public interest to own and operate the public utility, and if certain requirements are met. The bill would prohibit the city from selling the public utility for one year if 50% of interested persons, as defined, protest the sale.

**AB 2371 (Carrillo D) Water use efficiency.**

**Current Text:** Amended: 4/23/2018 [html](#) [pdf](#)

**Introduced:** 2/14/2018

**Last Amend:** 4/23/2018

**Status:** 4/26/2018-Re-referred to Com. on APPR. pursuant to Assembly Rule 96.

**Location:** 4/26/2018-A. APPR.

**Summary:** Current law allows nursery stock on display for sale at retail to be labeled by a sign on any block of stock of the same kind and species and requires turf to be labeled by a sign showing the required correct name of the stock on display. Current law vests with the Secretary of Food and Agriculture and the county agricultural commissions of each county the responsibility of enforcing these provisions and makes a violation of these provisions a crime. This bill would also require nursery stock, for any taxa listed in the Water Use Classification of Landscape Species, published by the University of California Division of Agriculture and Natural Resources, to be labeled with the correct water use classification, as identified by that publication.

**AB 2501 (Chu D) Drinking water: consolidation and extension of service.**

**Current Text:** Amended: 4/17/2018 [html](#) [pdf](#)

**Introduced:** 2/14/2018

**Last Amend:** 4/17/2018

**Status:** 4/25/2018-From committee: Do pass and re-refer to Com. on APPR. (Ayes 7. Noes 0.) (April 24). Re-referred to Com. on APPR.

**Location:** 4/25/2018-A. APPR.

**Summary:** The California Safe Drinking Water Act authorizes the State Water Resources Control Board to order extension of service to an area within a disadvantaged community that does not have access to an adequate supply of safe drinking water so long as the extension of service is an interim extension of service in preparation of consolidation. The act defines "disadvantaged community" for these purposes to mean a disadvantaged community that is in an unincorporated area, is in a mobilehome park, or is served by a mutual water company or small public water system. This bill would redefine "disadvantaged community" for these purposes to also include a disadvantaged community that is served by a state small water system or domestic well.

**AB 2538 (Rubio D) Municipal separate storm sewer systems: financial capability analysis: pilot project.**

**Current Text:** Amended: 4/26/2018 [html](#) [pdf](#)

**Introduced:** 2/14/2018

**Last Amend:** 4/26/2018

**Status:** 4/30/2018-Re-referred to Com. on APPR.

**Location:** 4/26/2018-A. APPR.

**Calendar:** 5/9/2018 9 a.m. - State Capitol, Room 4202 ASSEMBLY APPROPRIATIONS, GONZALEZ FLETCHER, Chair

**Summary:** Would require the State Water Resources Control Board, by July 1, 2019, to establish financial capability assessment guidelines for municipal separate storm sewer system permittees that are adequate and consistent when considering the costs to local jurisdictions. The bill would require the California Regional Water Quality Control Board, Los Angeles region, within 60 days of completion of the state board's financial capability assessment guidelines, to use the guidelines in a pilot project conducted to assess if a financial capability analysis can be effectively used to help municipalities to implement a municipal separate storm sewer system permit.

**AB 2541 (Salas D) Safe Drinking Water State Revolving Fund: project financing: severely disadvantaged communities.**

**Current Text:** Amended: 3/15/2018 [html](#) [pdf](#)

**Introduced:** 2/14/2018

**Last Amend:** 3/15/2018

**Status:** 5/3/2018-Read third time. Passed. Ordered to the Senate. In Senate. Read first time. To Com. on RLS. for assignment.

**Location:** 5/3/2018-S. DESK

**Summary:** Current law authorizes the State Water Resources Control Board, to the extent permitted by federal law, to provide grant funding, and principal forgiveness and 0% financing on loans, from the Safe Drinking Water State Revolving Fund to a project for a water system with a service area that qualifies as a severely disadvantaged community if the water system demonstrates that repaying a

Safe Drinking Water State Revolving Fund loan with interest would result in unaffordable water rates, as defined. This bill would instead authorize the board, to the extent permitted by federal law, to provide up to 100% grant funding, and principal forgiveness and 0% financing on loans, from the Safe Drinking Water State Revolving Fund to a project for a water system that serves a severely disadvantaged community.

- [AB 2543](#) (Eggman D) State agencies: infrastructure project budget and schedule: Internet Web site information.**  
**Current Text:** Amended: 3/13/2018 [html](#) [pdf](#)  
**Introduced:** 2/15/2018  
**Last Amend:** 3/13/2018  
**Status:** 4/26/2018-Read third time. Passed. Ordered to the Senate. In Senate. Read first time. To Com. on RLS. for assignment.  
**Location:** 4/26/2018-S. DESK  
**Summary:** Would require each state agency or department authorized to undertake any infrastructure project costing \$100,000,000 or more to publicly post on its Internet Web site any change in the cost or schedule of the project that would result in the project exceeding its established budget by 10 percent or more or being delayed by 12 months or longer. The bill would require that the posted information describe how much the project is expected to exceed its established budget or delay its construction schedule.
- [AB 2654](#) (Quirk-Silva D) Design-build: Orange County.**  
**Current Text:** Amended: 4/10/2018 [html](#) [pdf](#)  
**Introduced:** 2/15/2018  
**Last Amend:** 4/10/2018  
**Status:** 5/3/2018-Read second time. Ordered to Consent Calendar.  
**Location:** 5/3/2018-A. CONSENT CALENDAR  
**Calendar:** 5/7/2018 #97 ASSEMBLY CONSENT CALENDAR 1ST DAY-ASSEMBLY BILLS  
**Summary:** Would authorize the County of Orange to use the design-build process for specified types of public works infrastructure projects, limited to no more than an average of 3 projects per year in excess of \$5,000,000. The bill would also authorize the Orange County Flood Control District to use the design-build process for flood protection improvements and would limit those to no more than an average of 3 projects per year in excess of \$5,000,000. By expanding design-build authority to include additional projects, the bill would expand the scope of the crime of perjury, thereby imposing a state-mandated local program.
- [AB 2937](#) (Nazarian D) The California Water Plan.**  
**Current Text:** Introduced: 2/16/2018 [html](#) [pdf](#)  
**Introduced:** 2/16/2018  
**Status:** 2/17/2018-From printer. May be heard in committee March 19.  
**Location:** 2/16/2018-A. PRINT  
**Summary:** Current law requires the Department of Water Resources to update every 5 years the plan for the orderly and coordinated control, protection, conservation, development, and use of the water resources of the state, which is known as The California Water Plan. This bill would make nonsubstantive changes to that requirement.
- [AB 2957](#) (Gallagher R) Water: University of California: California Institute for Water Innovation and Technology: corporate income taxes: credit: water technology.**  
**Current Text:** Amended: 5/1/2018 [html](#) [pdf](#)  
**Introduced:** 2/16/2018  
**Last Amend:** 5/1/2018  
**Status:** 5/2/2018-Re-referred to Com. on APPR.  
**Location:** 5/1/2018-A. APPR.  
**Summary:** Would request the Regents of the University of California to establish the California Institute for Water Innovation and Technology in order to achieve specified goals, including developing California's next generation of water professionals and technicians and growing the state's economy by creating new opportunities for jobs in water research, management, and technology. The bill would request the regents to locate the institute at a satellite campus within the City of Oroville, or in the County of Butte downstream of Lake Oroville.
- [AB 2975](#) (Friedman D) Wild and scenic rivers.**  
**Current Text:** Amended: 4/2/2018 [html](#) [pdf](#)  
**Introduced:** 2/16/2018  
**Last Amend:** 4/2/2018  
**Status:** 4/10/2018-From committee: Do pass and re-refer to Com. on APPR. (Ayes 6. Noes 3.) (April 9). Re-referred to Com. on APPR.  
**Location:** 4/10/2018-A. APPR.

**Calendar:** 5/9/2018 9 a.m. - State Capitol, Room 4202 ASSEMBLY APPROPRIATIONS, GONZALEZ FLETCHER, Chair

**Summary:** Would, if the federal government takes action to remove or delist any river or segment of a river in California that is included in the national wild and scenic rivers system and not in the state wild and scenic rivers system, or if the secretary determines that the federal government has exempted a river or segment of a river in California that is not in the state wild and scenic river system from the protection of certain federal provisions governing restrictions on water resources projects, require the secretary, after holding a public hearing on the issue, to take any necessary action to add the river or segment of a river to the state wild and scenic rivers system and to classify that river or segment of a river.

**AB 3035** (Rubio D) Water supply.

**Current Text:** Introduced: 2/16/2018 [html](#) [pdf](#)

**Introduced:** 2/16/2018

**Status:** 2/17/2018-From printer. May be heard in committee March 19.

**Location:** 2/16/2018-A. PRINT

**Summary:** Current law authorizes local and regional public agencies that are authorized by law to serve water to the persons or entities within the service area of the agency to sell, lease, exchange, or otherwise transfer water for use outside the agency, as specified. Current law makes findings and declarations relating to local or regional level water management decisions. This bill would make a nonsubstantive change in the latter provision.

**AB 3062** (Harper R) Recycled water: recycling criteria.

**Current Text:** Introduced: 2/16/2018 [html](#) [pdf](#)

**Introduced:** 2/16/2018

**Status:** 2/17/2018-From printer. May be heard in committee March 19.

**Location:** 2/16/2018-A. PRINT

**Summary:** Current law, the Porter-Cologne Water Quality Control Act, requires the State Water Resources Control Board to establish uniform statewide recycling criteria for each varying type of use of recycled water if the use involves the protection of public health. The act defines recycling criteria to mean the levels of constituents of recycled water, and the means for assurance of reliability under the design concept that will result in recycled water that is safe for the uses to be made. This bill would make nonsubstantive changes to that definition.

**AB 3214** (Fong R) Water appropriations: permits.

**Current Text:** Introduced: 2/16/2018 [html](#) [pdf](#)

**Introduced:** 2/16/2018

**Status:** 2/17/2018-From printer. May be heard in committee March 19.

**Location:** 2/16/2018-A. PRINT

**Summary:** Under current law, the State Water Resources Control Board administers a water rights program pursuant to which the state board grants permits and licenses to appropriate water. Current law requires the board to consider and act upon all applications for permits to appropriate water. This bill would make a nonsubstantive change to those provisions.

**SB 49** (De León D) California Environmental, Public Health, and Workers Defense Act of 2017.

**Current Text:** Amended: 9/12/2017 [html](#) [pdf](#)

**Introduced:** 12/5/2016

**Last Amend:** 9/12/2017

**Status:** 9/12/2017-From committee with author's amendments. Read second time and amended. Referred to Com. on RLS.

**Location:** 9/11/2017-A. RLS.

**Summary:** Would require specified agencies to take prescribed actions to maintain and enforce certain requirements and standards pertaining to air, water, and protected species. By imposing new duties on local agencies, this bill would impose a state-mandated local program. This bill contains other related provisions and other existing laws.

**SB 606** (Skinner D) Water management planning.

**Current Text:** Amended: 4/5/2018 [html](#) [pdf](#)

**Introduced:** 2/17/2017

**Last Amend:** 4/5/2018

**Status:** 4/5/2018-Read third time and amended. Ordered to third reading.

**Location:** 4/5/2018-A. THIRD READING

**Calendar:** 5/7/2018 #74 ASSEMBLY THIRD READING FILE - SENATE BILLS

**Summary:** Would require an urban retail Water supplier to calculate an urban water use objective no later than November 1, 2023, and by November 1 every year thereafter, and its actual urban water use by those same dates. The bill would require an urban retail water supplier to submit a report to



the department for these purposes by those dates. The bill would authorize the board to issue information orders, written notices, and conservation orders to an urban retail water supplier that does not meet its urban water use objective, as specified. The bill would authorize the board to waive these requirements for a period of up to 5 years, as specified.

**SB 623** **(Monning D) Water quality: Safe and Affordable Drinking Water Fund.**

**Current Text:** Amended: 8/21/2017 [html](#) [pdf](#)

**Introduced:** 2/17/2017

**Last Amend:** 8/21/2017

**Status:** 9/1/2017-From committee: Without recommendation. (Ayes 11. Noes 0.) (September 1) Re-referred to Com. on RLS.

**Location:** 9/1/2017-A. RLS.

**Summary:** Would establish the Safe and Affordable Drinking Water Fund in the State Treasury and would provide that moneys in the fund are continuously appropriated to the State Water Resources Control Board. The bill would require the board to administer the fund to secure access to safe drinking water for all Californians, while also ensuring the long-term sustainability of drinking water service and infrastructure. The bill would authorize the state board to provide for the deposit into the fund of federal contributions, voluntary contributions, gifts, grants, bequests, and settlements from parties responsible for contamination of drinking water supplies.

**SB 778** **(Hertzberg D) Water systems: consolidations: administrative and managerial services.**

**Current Text:** Amended: 7/13/2017 [html](#) [pdf](#)

**Introduced:** 2/17/2017

**Last Amend:** 7/13/2017

**Status:** 9/1/2017-Failed Deadline pursuant to Rule 61(a)(12). (Last location was APPR. on 8/23/2017) (May be acted upon Jan 2018)

**Location:** 9/1/2017-A. 2 YEAR

**Summary:** Would require, on or before March 1, 2018, and regularly thereafter, as specified, the State Water Resources Control Board to track and publish on its Internet Web site an analysis of all voluntary and ordered consolidations of water systems that have occurred on or after July 1, 2014. The bill would require the published information to include the resulting outcomes of the consolidations and whether the consolidations have succeeded or failed in providing an adequate supply of safe drinking water to the communities served by the consolidated water systems.

**SB 919** **(Dodd D) Water resources: stream gages.**

**Current Text:** Amended: 3/15/2018 [html](#) [pdf](#)

**Introduced:** 1/22/2018

**Last Amend:** 3/15/2018

**Status:** 4/16/2018-April 16 hearing: Placed on APPR. suspense file.

**Location:** 4/16/2018-S. APPR. SUSPENSE FILE

**Summary:** Would require the Department of Water Resources, upon appropriation by the Legislature, to develop a plan to deploy a network of stream gages that includes a determination of funding needs and opportunities for reactivating existing gages. The bill would require the department, in consultation with the board, the Department of Fish and Wildlife, the Central Valley Flood Protection Board, interested stakeholders, and, to the extent they wish to consult, local agencies, to develop the plan to address significant gaps in information necessary for water management.

**SB 952** **(Anderson R) Water conservation: local water supplies.**

**Current Text:** Introduced: 1/30/2018 [html](#) [pdf](#)

**Introduced:** 1/30/2018

**Status:** 2/8/2018-Referred to Com. on RLS.

**Location:** 1/30/2018-S. RLS.

**Summary:** Would state the intent of the Legislature to enact legislation that would require the State Water Resources Control Board to recognize local water agency investment in water supply and will ensure that local agencies receive sufficient credit for these investments in meeting any water conservation or efficiency mandates.

**SB 979** **(Cannella R) Water Quality, Supply, and Infrastructure Improvement Act of 2014.**

**Current Text:** Introduced: 2/1/2018 [html](#) [pdf](#)

**Introduced:** 2/1/2018

**Status:** 2/14/2018-Referred to Com. on RLS.

**Location:** 2/1/2018-S. RLS.

**Summary:** The Water Quality, Supply, and Infrastructure Improvement Act of 2014 provides that the sum of \$810,000,000 is to be available, upon appropriation by the Legislature, for expenditures on, and competitive grants and loans to, projects that are included in and implemented in an adopted integrated regional water management plan and respond to climate change and contribute to regional water security. The bond act requires \$200,000,000 of that amount to be available for grants for

multibenefit stormwater management projects. This bill would make a nonsubstantive change in those grant provisions.

**SB 998 (Dodd D) Discontinuation of residential water service: urban and community water systems.**

**Current Text:** Amended: 4/30/2018 [html](#) [pdf](#)

**Introduced:** 2/5/2018

**Last Amend:** 4/30/2018

**Status:** 4/30/2018-Read second time and amended. Re-referred to Com. on APPR.

**Location:** 4/30/2018-S. APPR.

**Calendar:** 5/14/2018 10 a.m. - John L. Burton Hearing Room (4203) SENATE APPROPRIATIONS, LARA, Chair

**Summary:** Would require an urban and community water system, defined as a public water system that supplies water to more than 200 service connections, to have a written policy on discontinuation of water service to certain types of residences for nonpayment available in prescribed languages. The bill would require the policy to include certain components, be available on the system's Internet Web site, and be provided to customers in writing, upon request. The bill would provide for enforcement of these provisions, including making a violation of these provisions punishable by a civil penalty issued by the board in an amount not to exceed \$1,000 for each day in which the violation occurs.

**SB 1140 (Berryhill R) State Water Resources Control Board.**

**Current Text:** Introduced: 2/13/2018 [html](#) [pdf](#)

**Introduced:** 2/13/2018

**Status:** 2/22/2018-Referred to Com. on RLS.

**Location:** 2/13/2018-S. RLS.

**Summary:** Current law declares that to provide for the orderly and efficient administration of the water resources in the state, it is necessary to establish the State Water Resources Control Board to exercise the adjudicatory and regulatory functions of the state in the field of water resources. Current law declares the intent of the Legislature to combine the water rights, water quality, and drinking water functions of the state government to provide for coordinated consideration of water rights, water quality, and safe and reliable drinking water. This bill would make nonsubstantive changes to these declarations.

**SB 1215 (Hertzberg D) Provision of sewer service: disadvantaged communities.**

**Current Text:** Amended: 4/30/2018 [html](#) [pdf](#)

**Introduced:** 2/15/2018

**Last Amend:** 4/30/2018

**Status:** 4/30/2018-Read second time and amended. Re-referred to Com. on APPR. (Corrected April 30).

**Location:** 4/30/2018-S. APPR.

**Calendar:** 5/14/2018 10 a.m. - John L. Burton Hearing Room (4203) SENATE APPROPRIATIONS, LARA, Chair

**Summary:** This bill would authorize the State Water Resources Control Board to order the provision of sewer service by a special district, city, or county to a disadvantaged community, as defined, under specified circumstances. By authorizing the state board to require a special district, city, or county to provide sewer service, this bill would impose a state-mandated local program.

**SB 1364 (Vidak R) Safe, Clean, Reliable Water Supply Act.**

**Current Text:** Introduced: 2/16/2018 [html](#) [pdf](#)

**Introduced:** 2/16/2018

**Status:** 3/8/2018-Referred to Com. on RLS.

**Location:** 2/16/2018-S. RLS.

**Summary:** Current law, the Safe, Clean, Reliable Water Supply Act, approved by the voters as Proposition 204 at the November 5, 1996, statewide general election, authorizes the issuance of general obligation bonds in the amount of \$995,000,000 for the purposes of financing a safe, clean, reliable water supply program. The bond act states various legislative findings and declarations. This bill would make a nonsubstantive change in those findings and declarations.

**SB 1422 (Portantino D) California Safe Drinking Water Act: microplastics.**

**Current Text:** Amended: 4/26/2018 [html](#) [pdf](#)

**Introduced:** 2/16/2018

**Last Amend:** 4/26/2018

**Status:** 4/26/2018-Read second time and amended. Re-referred to Com. on APPR.

**Location:** 4/26/2018-S. APPR.

**Calendar:** 5/14/2018 10 a.m. - John L. Burton Hearing Room (4203) SENATE APPROPRIATIONS, LARA, Chair

**Summary:** Would require the State Water Resources Control Board to adopt requirements for the annual testing and reporting of the amount of microplastics in drinking water, including public

disclosure of those results.

**SB 1469 (Skinner D) Land use: accessory dwelling units.**

**Current Text:** Amended: 5/1/2018 [html](#) [pdf](#)

**Introduced:** 2/16/2018

**Last Amend:** 5/1/2018

**Status:** 5/1/2018-Read second time and amended. Re-referred to Com. on APPR.

**Location:** 5/1/2018-S. APPR.

**Summary:** The Planning and Zoning Law authorizes a local agency to provide by ordinance for the creation of accessory dwelling units in single-family and multifamily residential zones, requires the ordinance to designate areas within the local jurisdiction where accessory dwelling units may be permitted, and sets forth standards the ordinance is required to impose, including, among others, maximum unit size, parking, lot coverage, and height standards. The State Housing Law requires, with an exception for building standards adopted, amended or repealed by the State Fire Marshal, the Department of Housing and Community Development to propose the adoption, amendment, or repeal of building standards to the California Building Standards Commission. This bill would revise and recast the above-described provisions regarding accessory dwelling units to authorize the ordinance adopted for the creation of accessory dwelling units to designate areas where accessory dwelling units are excluded for health and safety purposes based on clear findings supported by substantial evidence.

**SCA 4 (Hertzberg D) Water conservation.**

**Current Text:** Introduced: 2/2/2017 [html](#) [pdf](#)

**Introduced:** 2/2/2017

**Status:** 2/16/2017-Referred to Com. on RLS.

**Location:** 2/2/2017-S. RLS.

**Summary:** The California Constitution requires that the water resources of the state be put to beneficial use to the fullest extent of which they are capable and that the waste or unreasonable use or unreasonable method of use of water be prevented. This measure would declare the intent of the Legislature to amend the California Constitution to provide a program that would ensure that affordable water is available to all Californians and to ensure that water conservation is given a permanent role in California's future.

**SCA 10 (Moorlach R) Public employee retirement benefits.**

**Current Text:** Introduced: 2/17/2017 [html](#) [pdf](#)

**Introduced:** 2/17/2017

**Status:** 6/20/2017-June 26 set for first hearing canceled at the request of author.

**Location:** 3/2/2017-S. P.E. & R.

**Summary:** Would prohibit a government employer from providing public employees any retirement benefit increase until that increase is approved by a 2/3 vote of the electorate of the applicable jurisdiction and that vote is certified. The measure would define retirement benefit to mean any postemployment benefit and would define benefit increase as any change that increases the value of an employee's retirement benefit. The measure would define a government employer to include, among others, the state and any of its subdivisions, cities, counties, school districts, special districts, the Regents of the University of California, and the California State University.

**Total Measures: 50**

**Total Tracking Forms: 50**