



S A W P A

SANTA ANA WATERSHED PROJECT AUTHORITY

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

REGULAR COMMISSION MEETING TUESDAY, SEPTEMBER 18, 2018 – 9:30 A.M.

AGENDA

1. CALL TO ORDER/PLEDGE OF ALLEGIANCE (Mark Bulot, 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: SEPTEMBER 4, 2018..... 5

Recommendation: Approve as posted.

B. TREASURER’S REPORT – AUGUST 2018..... 11

Recommendation: Approve as posted.

5. NEW BUSINESS

A. APPLICATION FOR CERTIFICATE OF CONSENT TO SELF-INSURE AS A PUBLIC AGENCY EMPLOYER SELF-INSURER (WORKERS COMPENSATION INSURANCE) (CM#2018.97)..... 17

Presenter: Karen Williams

Recommendation: Approve Resolution No. 2018-10, authorizing application to the Director of Industrial Relations, State of California for a Certificate of Consent to Self-Insure Workers’ Compensation Liabilities; and authorize staff to complete the application.

B. PAYING RETENTION ON CONTRACTS FOR GRANT-FUNDED PROJECTS (CM#2018.98)..... 57

Presenter: Mark Norton

Recommendation: Adopt the proposed policy authorizing the General Manager to release and pay retention up to \$50,000 for completed work on grant-funded projects in advance of State reimbursement.

6. INFORMATIONAL REPORTS

Recommendation: Receive for information.

A.	<u>CASH TRANSACTIONS REPORT – JULY 2018</u>	63
	Presenter: Karen Williams	
B.	<u>INTER-FUND BORROWING – JULY 2018 (CM#2018.93)</u>	69
	Presenter: Karen Williams	
C.	<u>PERFORMANCE INDICATORS/FINANCIAL REPORTING – JULY 2018 (CM#2018.94)</u>	73
	Presenter: Karen Williams	
D.	<u>BUDGET VS ACTUAL VARIANCE REPORT – FYE 2018 FOURTH QUARTER - ENDING JUNE 30, 2018 (CM#2018.95)</u>	95
	Presenter: Karen Williams	
E.	<u>FINANCIAL REPORT FOR THE FOURTH QUARTER ENDING JUNE 30, 2018</u>	103
	<ul style="list-style-type: none">• Inland Empire Brine Line• SAWPA Presenter: Karen Williams	
F.	<u>FOURTH QUARTER FYE 2018 EXPENSE REPORTS</u>	123
	<ul style="list-style-type: none">• General Manager• Staff Presenter: Karen Williams	
G.	<u>INLAND EMPIRE BRINE LINE REACH V TEMESCAL CANYON ROAD WIDENING PROJECT (CM#2018.96)</u>	127
	Presenter: David Ruhl	
H.	<u>GENERAL MANAGER REPORT</u>	129
I.	<u>SAWPA GENERAL MANAGERS MEETING NOTES</u>	137
	<ul style="list-style-type: none">• September 11, 2018	
J.	<u>STATE LEGISLATIVE REPORT</u>	139
	<ul style="list-style-type: none">• 2017-2018 Legislative Session• September 2018 Status Report Presenter: Rich Haller	
K.	<u>CHAIR’S COMMENTS/REPORT</u>	
L.	<u>COMMISSIONERS’ COMMENTS</u>	
M.	<u>COMMISSIONERS’ REQUEST FOR FUTURE AGENDA ITEMS</u>	

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)

B. PUBLIC EMPLOYEE ANNUAL PERFORMANCE EVALUATION – PURSUANT TO GOVERNMENT CODE SECTION 54957

Title: General Manager

8. ADJOURNMENT

Americans with Disabilities Act: If you require any special disability related accommodations to participate in this meeting, call (951) 354-4230 or email kberry@sawpa.org. 48-hour notification 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, 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 Thursday, September 13, 2018, a copy of this agenda has been uploaded to the SAWPA website at www.sawpa.org and posted at the SAWPA office, 11615 Sterling Avenue, Riverside, California.

/s/

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.)

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

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: SEPTEMBER

DATE	TIME	MEETING DESCRIPTION	LOCATION
9/12/18	10:00 AM	Climate Risk/Response Pillar Mtg	CANCELLED
9/18/18	1:00 PM	Basin Monitoring Program Task Force Mtg	SAWPA
9/19/18	1:00 PM	Lake Elsinore/Canyon Lake TMDL Mtg	SAWPA
9/24/18	2:00 PM	OWOW Disadvantaged & Tribal Communities Pillar Mtg	CANCELLED
9/27/18	8:00 AM	PA 22 Committee Mtg	CANCELLED
9/27/18	11:00 AM	OWOW Steering Committee Mtg	SAWPA

MONTH OF: OCTOBER

DATE	TIME	MEETING DESCRIPTION	LOCATION
10/2/18	8:30 AM	PA 23 Committee Mtg	SAWPA
10/10/18	10:00 AM	Climate Risk/Response Pillar Mtg	CANCELLED
10/22/18	2:00 PM	OWOW Disadvantaged & Tribal Communities Pillar Mtg	CANCELLED
10/25/18	8:00 AM	PA 22 Committee Mtg	SAWPA
10/25/18	9:30 AM	OWOW Pillar Integration Mtg	SAWPA
10/31/18	1:00 PM	MSAR TMDL Task Force Mtg	SAWPA

Please Note: We strive to ensure the list of Compensable Meetings set forth above is accurate and up-to-date; the list is compiled based on input from SAWPA staff and Department Managers regarding meeting purpose and content.



**SAWPA COMMISSION
REGULAR MEETING MINUTES
SEPTEMBER 4, 2018**

COMMISSIONERS PRESENT

Mark Bulot, Chair, San Bernardino Valley Municipal Water District
Ronald W. Sullivan, Vice Chair, Eastern Municipal Water District
Kati Parker, Alternate, Inland Empire Utilities Agency
Bruce Whitaker, Orange County Water District
Thomas P. Evans, Western Municipal Water District

COMMISSIONERS ABSENT

Jasmin A. Hall, Secretary-Treasurer, Inland Empire Utilities Agency

**ALTERNATE COMMISSIONERS
PRESENT; NON-VOTING**

Brenda Dennstedt, Alternate, Western Municipal Water District (9:41 a.m.)

STAFF PRESENT

Rich Haller, Larry McKenney, Karen Williams, Mark Norton, Dean Unger, David Ruhl, Carlos Quintero, Mark Antos, Kelly Berry

The Regular Commission Meeting of the Santa Ana Watershed Project Authority was called to order at 9:30 a.m. by Chair Bulot 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: AUGUST 21, 2018

Recommendation: Approve as posted.

MOVED, approve the August 21, 2018 meeting minutes.

Result:	Adopted (Unanimously)
Motion/Second:	Whitaker/Sullivan
Ayes:	Bulot, Evans, Parker, Sullivan, Whitaker
Nays:	None
Abstentions:	None
Absent:	None

5. NEW BUSINESS

A. OWOW GOVERNANCE (CM#2018.90)

Larry McKenney reviewed materials from agenda packet. Chair Bulot noted the OWOW process has become much more complex since his original involvement in 2009; even though some process changes are the result of state mandates, perhaps there is a way to streamline this process in the future

which was his intent in bringing this before the Commission. McKenney noted the original governance document was adopted in 2009 and amended in 2013; he provided a brief review of the process evolution to become more inclusive of a broader group of stakeholders with interests not limited to the SAWPA member agencies.

Rich Haller noted that the process undergoes a lessons-learned evaluation at the conclusion of each funding round; the same will be the case at the conclusion of the Proposition 1 process. Two key goals were transparency and inclusion of a broader group of stakeholders. Chair Bulot shared his concern that the current process requires a tremendous amount of effort and overhead, and insulates the responsible entity, the SAWPA Commission.

Commissioner Sullivan noted this is an evolving process to address the overall health of the watershed and how we move that forward; through Integrated Regional Water Management (IRWM), we consider what is in the best interest of the entire watershed utilizing a competitive grant program. The process will never be perfect; but we still need to examine the process from the aspect of what is in the best interest of the watershed. Commissioner Sullivan agreed that the process is much more complicated than previous rounds; now there are so many avenues of input that we have lost perspective of who is in charge and ultimately approves the projects and funding. The Commission was limited in its involvement during the last funding round regarding what was presented to the OWOW Steering Committee; the Commission should be part of the process in determining what goes before that body for its review and input. Commissioner Sullivan recommended the Commission revisit the OWOW governance process.

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

B. ORANGE COUNTY STAKEHOLDERS – (OWOW) | OC PLAN PRESENTATION (CM#2018.89)

Larry McKenney referred to the agenda packet materials and introduced Amanda Carr, OC Public Works, Deputy Director of Environmental Resources, who provided a PowerPoint presentation, copies of which were provided to the Commission, staff and the public. Also present was Jenna Voss, Senior Environmental Resource Specialist with the County of Orange who is the South Orange County IRWM manager.

Commissioner Sullivan expressed difficulty with a guaranteed 38%, no matter what; this doesn't take into consideration where most of the water comes from in making its way to Orange County – the upper watershed. Adoption of the July 13, 2018 letter would incorporate into the OWOW Plan Update 2018 38% of total available future grant funds allocated to priority projects identified in The OC Plan; this removes the competitive process and doesn't necessarily reflect what is the value to the overall health of the watershed. Commissioner Sullivan voiced his support of a fair, competitive process. Amanda Carr noted their proposal is based on how the San Diego region allocates its funding and is how Proposition 84 funding was allocated statewide; the population size of Orange County has determined the amount of funding directed toward the Santa Ana region. Orange County has several unique water quality and water supply issues that are not fully reflected in the OWOW Plan, which is why OC developed its own IRWM plan. While the Santa Ana River does cross boundaries into Orange County, it is not necessarily hydrologically connected due to Prado Dam; this is an attempt to address those differing needs. It is difficult for a project addressing issues in Newport Bay to compete on equal footing with a project in the upper watershed.

Commissioner Evans encouraged Orange County provide an example to the OWOW Steering Committee of what has been or would be done which would provide a greater benefit than might not have otherwise been the case. Commissioner Evans suggested Orange County explain how they would

envision taking a regional approach within the Santa Ana watershed region.

Commissioner Sullivan noted we would continue to seek a balance, but a guaranteed percentage does not represent a regional approach. Chair Bulot expressed supporting the concept of the most water for the least dollar amount.

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

C. REQUEST FOR PROPOSALS (RFP) FOR STATE ADVOCACY AND LOBBYING SERVICES (CM#2018.91)

Larry McKenney provided an oral presentation on the materials contained in the agenda packet, noting that staff was seeking approval of the recommendation as set forth in the Commission memo contained on page 23 of the agenda packet, which is for a two-year term with an option for two additional years. The Commission concurred with this revised recommendation, and Commissioner Evans moved the item.

MOVED, authorize the issuance of a Request for Proposals (RFP) for advocacy and lobbying services in Sacramento for the next two (2) years with an option for an additional two (2) years.

Result: **Adopted (Unanimously)**
Motion/Second: Evans/Sullivan
Ayes: Bulot, Evans, Parker, Sullivan, Whitaker
Nays: None
Abstentions: None
Absent: None

D. PROPOSED JPA AMENDMENTS AND NEW PROJECT AGREEMENT 24 (CM#2018.92)

Rich Haller provided the PowerPoint presentation contained in the agenda packet (pages 41-59) and information on the proposed Joint Powers Authority (JPA) Amendments, the Project Agreement 24, with comments from the recent Western Municipal Water District (WMWD) Board workshop, as well as a status update on staff preparation of two additional Project Agreements concerning OWOW and Task Forces. PA 24 Agreement as presented will expand/redefine the description of an operating decision and allow for the provision of exceeding the budget by unanimous vote of the committee; this is a change from what has occurred historically and what is currently written in the JPA, which requires unanimous approval of the agencies.

Larry McKenney noted that the JPA as it is currently written does not require a unanimous vote of this Commission or of any member agency board when considering the budget; it requires approval of this Commission, by majority vote, and approval of every member agency board, by majority vote. This proposed change both within the PA 24 Agreement and the proposed amendment to Section 18 of the JPA would require a unanimous vote of the PA 24 Committee for budget and operating decisions of the committee, not consent of the member agencies. Also, the PA 24 Agreement would require a unanimous vote of the PA 24 Committee on adopting the budget before it goes to the members agencies for consideration. Those are new requirements.

Commissioner Evans stated the WMWD Board unanimously believes that a Joint Powers Authority is created by elected officials for a specific purpose; the Commission is comprised of elected officials. Because the Brine Line is a utility, the WMWD Board believes that only elected officials should be responsible for governing a public utility and therefore the governing body should be comprised exclusively of elected officials – Commissioners or Alternate Commissioners of the member agencies. There should be a linkage between the voter and the people who are governing. Regarding the requirement of unanimous decisions relating to Brine Line operations, the WMWD Board views this as potentially trouble-making. The process currently in place requires all member agencies to approve the

budget. There may be a situation when there is no unanimous agreement regarding Brine Line operations within the budget; under the proposed PA 24, one vote can essentially veto a decision. There should be no trouble-making provisions; WMWD does not believe that is an appropriate provision for the PA 24 or any future project agreements. Finally, regarding the other two proposed project agreements, OWOW and Task Forces, once those are in place they will have effectively transferred governance from the Commission to the committees created by those agreements. It appears to be an additional layer of bureaucracy which will provide no value in terms of the outcome.

Commissioner Sullivan noted the Commissioners may not always have a similar level of technical expertise, and there are times when it is best for someone with technical knowledge of Brine Line operations to sit on the committee. Commissioner Sullivan voiced his support of expanding committee membership beyond just the Commissioners and Alternate Commissioners, noting if EMWD wanted to appoint a technically qualified person or the General Manager, it should be able to do so. Regarding the unanimous vote provision, generally you can find a way to come to an agreement; he stated if there is an impasse in the future it should be dealt with at that time.

Alternate Commissioner Parker expressed concern regarding the unanimous vote provision in that it could prohibit decision making; given this, she was not supportive of putting the Brine Line into a project committee. Commissioner Evans noted we already have a Technical Committee, General Managers meet monthly with the SAWPA General Manager and staff, and we have a professional staff – that is where the technical decisions need to be made. The Commission should make policy decisions; there needs to be a connection between the voter and the policy maker, and only elected officials should be in that category.

Chair Bulot noted that in light of this discussion, perhaps everyone is not yet ready to consider the Project Agreement 24; he noted that while this has been considered by the member agency General Managers, each Board has not yet reviewed this in detail. Chair Bulot suggested the next step would be the presentation of this to each Board, receive comments, then bring them back to this Commission for future deliberation.

General Manager Paul Jones, EMWD, noted that presently when a project committee establishes a budget it has to go back to the respective member agencies for unanimous consent. Haller clarified that all the project committee budgets are rolled up into a single SAWPA budget which goes to the individual member agencies for unanimous consent of the members. Jones continued the only difference is that this would allow the project committee members to actually vote on behalf of their agencies.

Larry McKenney noted that currently there is a strong emphasis on all five member agencies approving the SAWPA budget, or all committee members approving a project committee budget, and the JPA states specifically that within-budget decisions are made by majority vote of the governing body – either the Commission or the committee.

A discussion ensued as to the meaning of unanimous consent of the members are set forth in the JPA. Larry McKenney stated that unanimous consent of the members of the project committee or of the agency means all member agencies unanimously approve; the JPA doesn't dictate how the member agencies approve it – unanimously or by majority vote. That is for the individual member agencies to determine if a unanimous or majority vote would be required. The JPA requires the member agencies to approve the budget; the JPA states that expenditures that are within the budget are by majority vote. Commissioner Sullivan disagreed stating the literal interpretation of the JPA has been unanimous consent of all member agencies, not a majority vote of all member agencies. When the respective member agencies consider the SAWPA (or committee) budget, every Board member has to agree on

the budget – it cannot be a majority vote of a member agency body but must be unanimous.

McKenney noted that the proposed change here is that the project committee budget would have to be approved by unanimous vote of the project committee. In his opinion, this is appropriate and not a significant issue. What is also proposed is to clarify the definition and scope of operating decisions. Section 18 of the JPA contains a statement that budget and operating decisions require unanimous consent of the members. The term “operating decisions” is not defined in the JPA. When drafting PA 24 we had to decide if we should try to define operating decisions so we could have some direction of what requires unanimous vote/unanimous consent of the members, or it could be removed entirely. Regarding budget decisions, how those proceed now is clear. The concern or trouble-making aspect that has been mentioned is when do operating decisions require unanimous vote or unanimous approval of the member agencies. PA 24 tries to address this in Section 5 by describing what operating decisions are for the Brine Line; it’s the budget and operating decisions aspect which creates the difficulty.

Rich Haller noted this discussion has been helpful and emphasized the importance of everyone understanding what is proposed. He will pursue holding individual workshops with each member agency board so everyone clearly understands what is being proposed and the impact to operating decisions. This will impact customers of each member agency and we take very seriously the need and importance of coordinating with the member agencies regarding coordination of high-level Brine Line operations. The intent of the proposed language is that the high-level Brine Line operating decisions would be brought to the PA 24 committee for approval.

Commissioner Sullivan encouraged Rich Haller seek input from OCWD relative to Brine Line rates, even though OCWD is not a member of PA 24. Haller noted he would work with each member agency to schedule a workshop during October, then come back before the Commission in November.

No action was taken on Agenda Item No. 5.D.

6. INFORMATIONAL REPORTS

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

A. CHAIR’S COMMENTS/REPORT

There were no further Chair comments or reports.

B. COMMISSIONERS’ COMMENTS

There were no further Commissioners’ comments.

C. COMMISSIONERS’ REQUEST FOR FUTURE AGENDA ITEMS

There were no further requests for future agenda items.

7. CLOSED SESSION

Chair Bulot recessed the meeting to Closed Session at 10:56 a.m. Designated personnel essential to the discussion of Agenda Item No. 7.A. were present during 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)

Chair Bulot resumed Open Session at 11:43 a.m. There was no reportable action.

8. ADJOURNMENT

There being no further business for review, Chair Bulot adjourned the meeting at 11:43 a.m.

Approved at a Regular Meeting of the Santa Ana Watershed Project Authority Commission on Tuesday, September 18, 2018.

Mark Bulot, Chair

Attest:

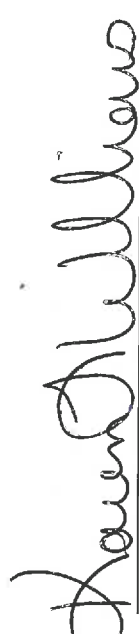
Kelly Berry, CMC
Clerk of the Board

August 2018

During the month of August 2018, the Agency's actively managed temporary idle cash earned a return of 1.702%, representing interest earnings of \$19,048. Additionally, the Agency's position in overnight funds L.A.I.F. and CaTRUST generated \$60,186 and \$1,012 in interest, resulting in \$80,245 of interest income from all sources. Please note that this data represents monthly earnings only, and does not indicate actual interest received. There were zero (0) investment positions purchased, zero (0) positions sold, zero (0) positions matured, and zero (0) positions were called.

This Treasurer's Report is in compliance with SAWPA's Statement of Investment Policy. Based upon the liquidity of the Agency's investments, this report demonstrates the ability to meet customary expenditures during the next six months.

September 13, 2018

Prepared and
Submitted by: 
Karen L. Williams, Chief Financial Officer



Santa Ana Watershed Project Authority
INVESTMENT PORTFOLIO - MARKED TO MARKET - UNREALIZED GAINS & LOSSES
August 31, 2018

SAWPA primarily maintains a "Buy and Hold" investment philosophy, with all investments held by the Citizens Business Bank via a third-party safekeeping contract.

Investment Type	Security Type	CUSIP	Dealer	Purchase Date	Maturity Date	Call Date (if appl)	Par Value	Yield To Maturity	Investment Cost	Market Value Current Month	Unrealized Gain / (Loss)	Coupon Rate	Interest Earned
Agency	FHLMC	3137EACA5	WMS	03-27-14	03-27-19	No Call	\$ 500,000.00	1.790%	\$ 546,650.00	\$ 504,068.50	\$ (42,582)	3.750%	\$ 760.14
Agency	FHLMC	3137EAEC9	WMS	09-16-16	08-12-21	No Call	\$ 1,000,000.00	1.335%	\$ 990,060.00	\$ 954,409.00	\$ (35,651)	1.125%	\$ 1,133.79
Agency	FHLMC	3137EADB2	WMS	04-17-17	01-13-22	No Call	\$ 500,000.00	2.375%	\$ 512,767.00	\$ 493,308.50	\$ (19,459)	2.375%	\$ 1,008.56
Agency	FHLB	313379EE5	WMS	05-26-15	06-14-19	No Call	\$ 500,000.00	1.420%	\$ 504,015.00	\$ 496,920.00	\$ (7,095)	1.625%	\$ 603.10
Agency	FHLB	313383HU8	WMS	06-16-16	06-12-20	No Call	\$ 1,000,000.00	1.080%	\$ 1,026,088.00	\$ 983,485.00	\$ (42,603)	1.750%	\$ 917.27
Agency	FHLB	313379Q69	WMS	12-14-17	06-10-22	No Call	\$ 1,000,000.00	2.150%	\$ 998,930.00	\$ 975,184.00	\$ (23,746)	2.125%	\$ 1,826.12
Agency	FNMA	3135GOZA4	WMS	03-27-14	02-19-19	No Call	\$ 500,000.00	1.800%	\$ 501,975.00	\$ 499,139.00	\$ (2,836)	1.875%	\$ 764.38
Agency	FNMA	3135G0H55	WMS	12-28-15	12-28-20	No Call	\$ 1,000,000.00	1.830%	\$ 1,002,140.00	\$ 981,270.00	\$ (20,870)	1.875%	\$ 1,554.26
Agency	FNMA	3135G0F73	WMS	06-16-16	11-30-20	No Call	\$ 1,000,000.00	1.150%	\$ 1,015,157.00	\$ 973,871.00	\$ (41,286)	1.500%	\$ 976.72
Agency	USTN	912828A34	WMS	11-17-15	11-30-18	No Call	\$ 1,000,000.00	1.166%	\$ 1,002,500.00	\$ 997,832.00	\$ (4,668)	1.250%	\$ 990.21
Agency	USTN	912828WC	WMS	11-17-15	10-31-20	No Call	\$ 1,000,000.00	1.638%	\$ 1,005,312.50	\$ 980,547.00	\$ (24,766)	1.750%	\$ 1,391.04
Agency	USTN	912828G61	WMS	11-17-15	11-30-19	No Call	\$ 1,000,000.00	1.469%	\$ 1,001,210.94	\$ 987,266.00	\$ (13,945)	1.500%	\$ 1,247.59
Agency	USTN	912828L32	WMS	06-17-16	08-31-20	No Call	\$ 500,000.00	1.030%	\$ 507,070.31	\$ 487,519.50	\$ (19,551)	1.375%	\$ 437.53
Agency	USTN	912828L65	WMS	06-16-16	09-30-20	No Call	\$ 500,000.00	1.041%	\$ 506,992.19	\$ 486,992.00	\$ (20,000)	1.375%	\$ 441.95
Agency	USTN	912828L99	WMS	06-16-16	10-31-20	No Call	\$ 500,000.00	1.051%	\$ 506,914.06	\$ 486,386.50	\$ (20,528)	1.375%	\$ 446.10
Agency	USTN	912828S76	WMS	12-14-17	07-31-21	No Call	\$ 1,000,000.00	2.013%	\$ 969,062.50	\$ 955,469.00	\$ (13,594)	1.125%	\$ 1,709.51
CD	Ally Bank	02006L2F9	WMS	01-13-15	04-20-20	No Call	\$ 248,000.00	1.800%	\$ 248,000.00	\$ 248,000.00	\$ -	1.800%	\$ 379.13
CD	American Express	02587DP85	WMS	04-19-17	04-19-21	No Call	\$ 248,000.00	2.250%	\$ 248,000.00	\$ 248,000.00	\$ -	2.250%	\$ 473.92
CD	American Express BK FSB	AN4199708	WMS	05-10-17	05-10-21	No Call	\$ 248,000.00	2.200%	\$ 248,000.00	\$ 248,000.00	\$ -	2.200%	\$ 463.39
CD	Capital One NA	14042RAG6	WMS	09-30-15	10-01-18	No Call	\$ 248,000.00	1.650%	\$ 248,000.00	\$ 247,956.93	\$ (43)	1.650%	\$ 347.54
CD	Capital One Bank USA NA	140420VZ0	WMS	09-30-15	10-01-18	No Call	\$ 248,000.00	1.650%	\$ 248,000.00	\$ 247,956.93	\$ (43)	1.650%	\$ 347.54
CD	Wells Fargo Bank NA	9497482W6	WMS	12-02-15	12-03-18	No Call	\$ 245,000.00	1.450%	\$ 245,000.00	\$ 244,602.64	\$ (397)	1.450%	\$ 301.72
CD	Goldman Sachs Bank USA	38148PUV7	WMS	12-20-17	12-20-22	No Call	\$ 248,000.00	2.500%	\$ 248,000.00	\$ 248,000.00	\$ -	2.500%	\$ 526.58
Total Actively Invested Funds							\$ 14,233,000.00		\$ 14,329,844.50	\$ 13,976,183.50	\$ (353,661)	1.702%	\$ 19,048.09
Total Local Agency Investment Fund									\$ 35,467,714.90			1.998%	\$ 60,186.28
Total CalTRUST Investment Fund									\$ -			2.640%	\$ 1,010.99
Total Invested Cash							\$ 14,233,000.00		\$ 49,797,559.40			1.913%	\$ 80,245.37

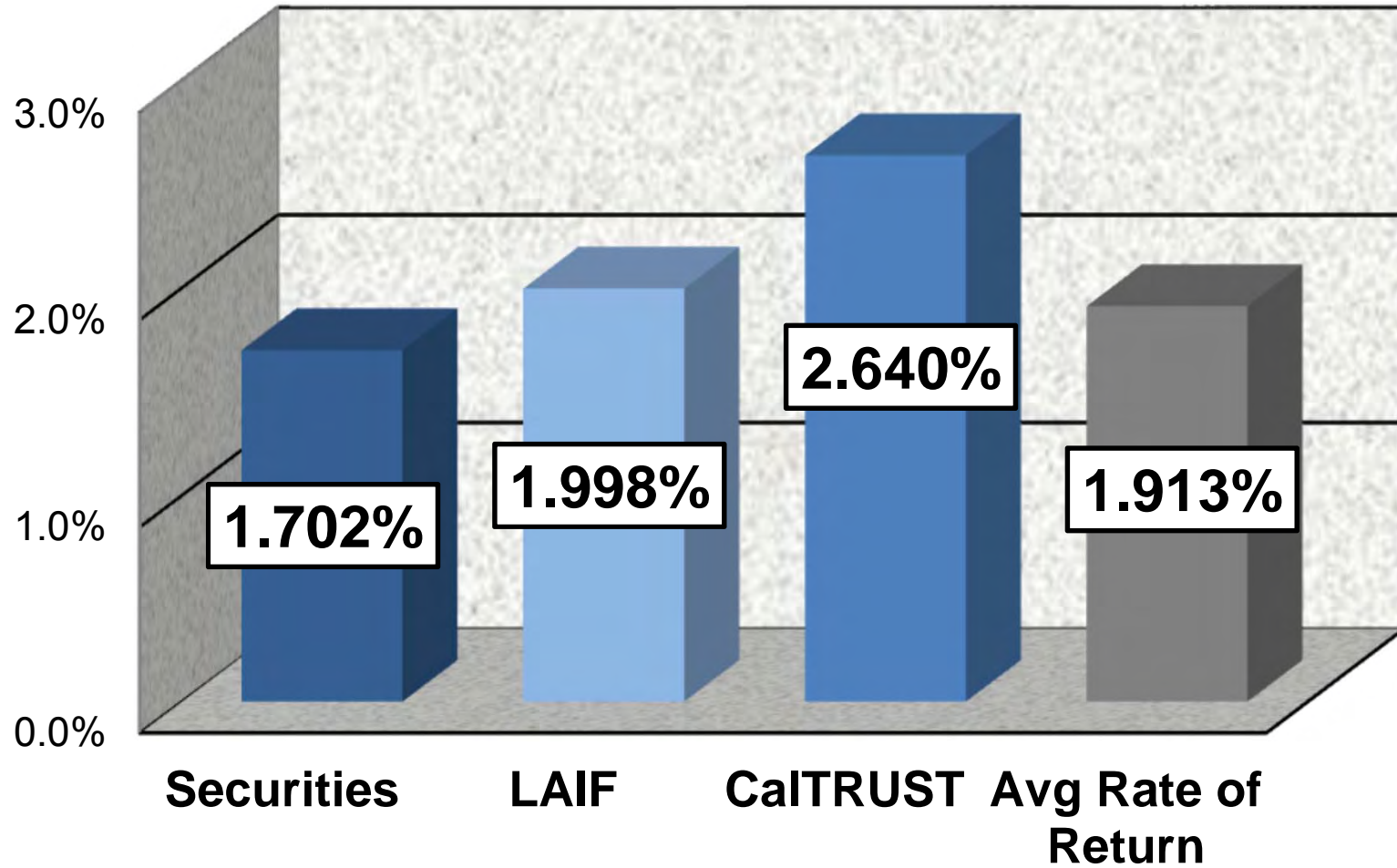
Key to Security Type:

FHLB	= Federal Home Loan Bank
FHLMC	= Federal Home Loan Mortgage Corporation
FNMA	= Federal National Mortgage Association
USTN	= US Treasury Note
CORP	= Corporate Note
CD	= Certificate of Deposit
GDB	= Goldman Sachs Bank
AEC	= American Express Centurion

Key to Dealers:

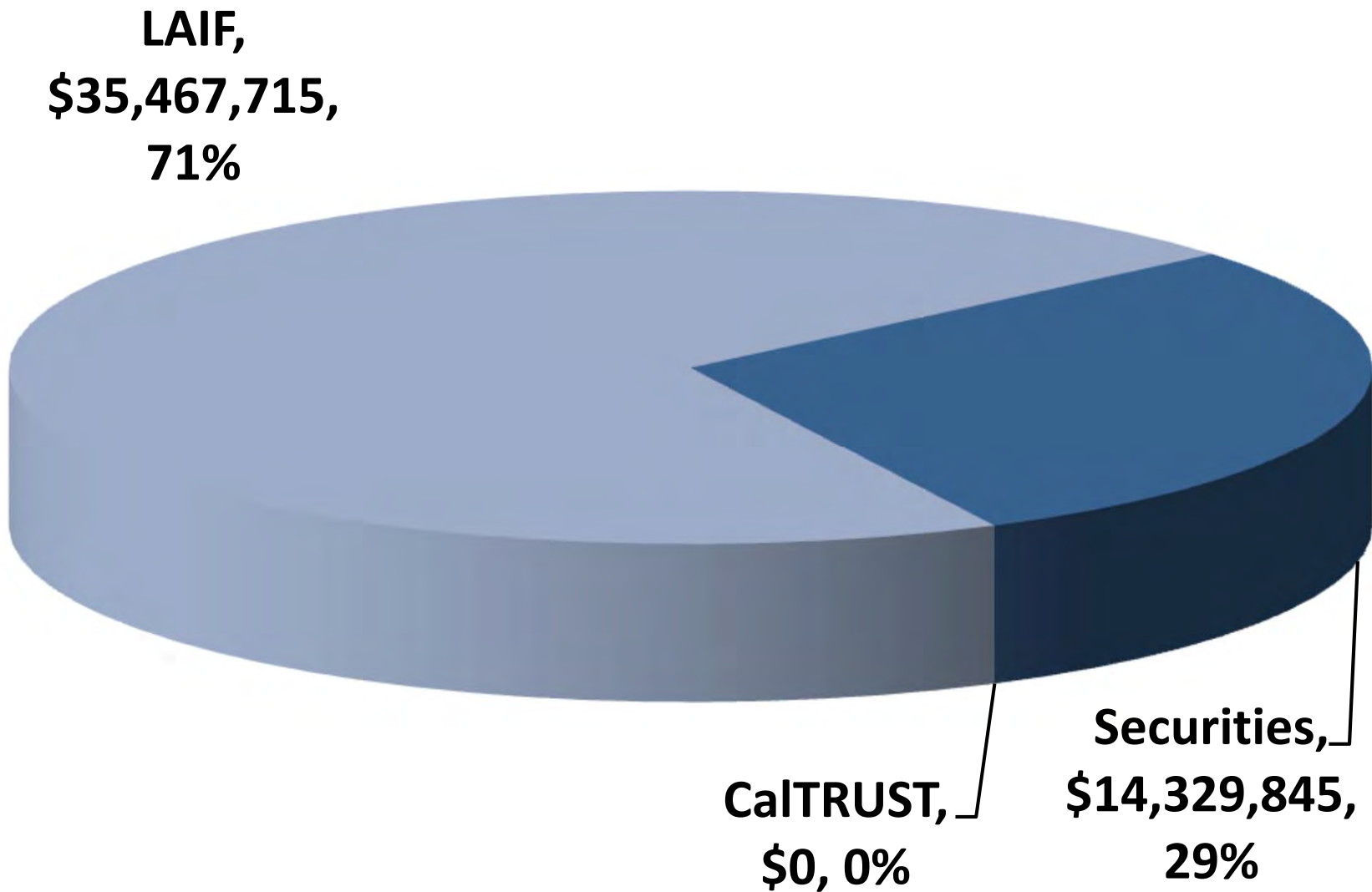
FCS	= FinaCorp Securities
MBS	= Multi-Bank Securities
MS	= Mutual Securities
RCB	= RBC Dain Rauscher
SA	= Securities America
TVI	= Time Value Investments
WMS	= Wedbush Morgan Securities

Interest Rate Analysis

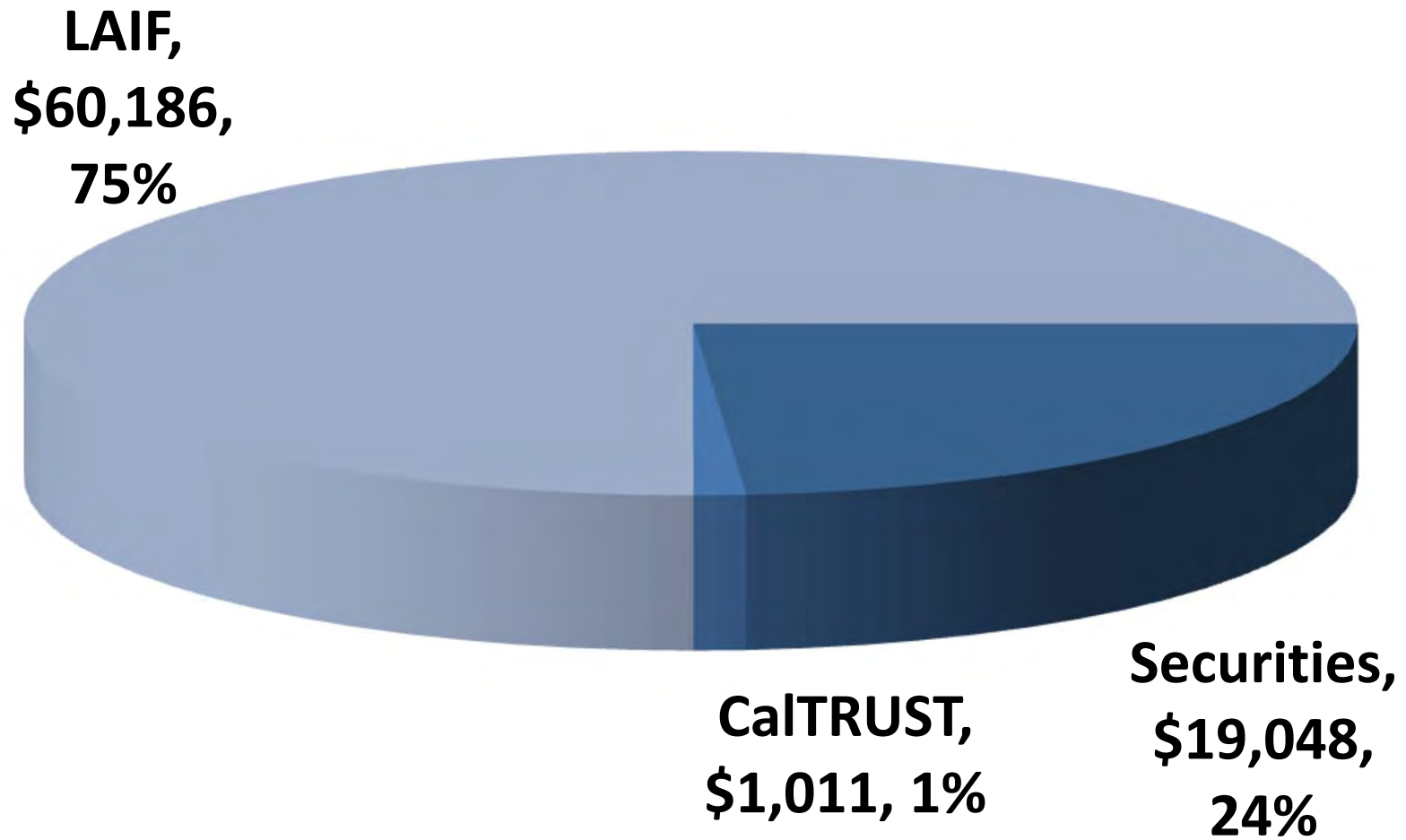


Investments

\$49,797,559



Interest \$80,245



Page Intentionally Blank

COMMISSION MEMORANDUM NO. 2018.97

DATE: September 18, 2018
TO: SAWPA Commission
SUBJECT: Application for Certificate of Consent to Self-Insure as a Public Agency Employer Self-Insurer (Workers Compensation Insurance)
PREPARED BY: Karen Williams, Chief Financial Officer

RECOMMENDATION

It is recommended that the Commission approve Resolution No. 2018-10, authorizing application to the Director of Industrial Relations, State of California for a Certificate of Consent to Self-Insure Workers' Compensation Liabilities; and authorize staff to complete the application.

DISCUSSION

Earlier this year SAWPA joined the CalMutuals Joint Powers Risk and Insurance Management Authority (JPRIMA) for our general liability and casualty insurance policy coverages. At that time, staff had said we would be getting a quotation for our Workers Compensation Insurance at the next renewal period beginning September 1, 2018.

Staff received a quote from both the State Compensation Fund and the JPRIMA coverage through Zenith Insurance.

	State Compensation Insurance Fund	The Zenith Company CalMutuals JPRIMA
Worker Compensation Coverage	\$67,633	\$39,425

The Cal Mutuals JPRIMA is the certificate holder of the policy and the Zenith Insurance Company is the administrator of the policy. JPRIMA insureds are also required to obtain *certification to self-insure* due to the JPRIMA's Insurance Pool structure. As an insured SAWPA must complete the Application for Certificate of Consent to Self-Insure as a Public Agency Employer Self-Insurer. As part of the application the attached Resolution must be signed by the Commission Chair.

RESOURCE IMPACTS

Amount included in the budget for Workers Compensation for FYE 2019 is \$102,821.

Attachments:

1. Application for Certification of Consent to Self-Insure as a Public Agency Employer Self-Insurer
2. Resolution 2018-10
3. JPRIMA Coverage Checklist
4. CalMutuals JPRIMA Workers Compensation Quote
5. State Compensation Insurance Fund Quotation



State of California
Department of Industrial Relations
OFFICE OF SELF-INSURANCE PLANS

**APPLICATION FOR CERTIFICATE OF CONSENT
TO SELF-INSURE AS A PUBLIC AGENCY EMPLOYER SELF-INSURER**
All questions must be answered. If not applicable, enter "N/A".

To the Director of the Department of Industrial Relations: The public agency employer identified below submits the following information to obtain a Certificate of Consent to Self-Insure the payment of workers' compensation under California Labor Code Section 3700.

LEGAL NAME OF APPLICANT (Show exactly as on Charter or other official documents):

Santa Ana Watershed Project Authority

Address: 11615 Sterling Avenue

City: Riverside State: CA Zip + 4: 92503 - _____

Federal Tax ID # of Group: 95-2899964

CONTACT - Who Should Correspondence Regarding This Applicant Be Addressed To:

Name: Jim Byerrum/Myra Malner Title: President/Assistant Secretary

Company Name: California Association of Mutual Water Companies Joint Powers Risk and Insurance Management Authority

Address: 15505 Whittier Blvd.

City: Whittier State: CA Zip + 4: 90603 - _____

Phone: (562) 947-3811 E-Mail: _____

TYPE OF PUBLIC ENTITY (Check one):

- City and/or County
- School District
- Police and/or Fire District
- Hospital District
- Joint Powers Authority
- Other (describe): _____

TYPE OF APPLICATION (Check one):

- New Application
- Reapplication (Merger/Unification)
- Reapplication (Name Change)
- Other (describe): _____

Date Self-Insurance Program will begin: September 1, 2018

CURRENT WORKERS' COMPENSATION PROGRAM

Currently Insured with State Fund Policy # 1974795 Expiration Date: August 31, 2018

Currently Self Insured, Certificate # _____

Other (describe): _____

CLAIMS ADMINISTRATION

Who will be administering your agency's workers' compensation claims? (Check one)

JPA will administer

Third Party Administrator, TPA Certificate # _____

Public entity will self-administer

Insurance Carrier will administer

Name of Third Party Administrator:

Name: Louise Levine Title: _____

Company Name: Zenith Insurance Company

Address: 21255 Califa Street

City: Woodland Hills State: CA Zip + 4: 91367 - 5005

Phone: (818) 713-1000 E-Mail: _____

of claims reporting locations to be used to handle Agency's claims: 1

Does applicant currently have a California Certificate of Consent to Self-Insure? Yes No

If yes, what is the current Certificate Number: _____

Total Number of Affiliate's California employees to be covered by Group: _____

AGENCY EMPLOYER

Current # of Agency Employees: Full time-26; Part time-9 # of Public Safety Employees (police//fire): 0

If school District, # of certificated employees: 0

Will all Agency employees be covered by this self-insurance plan? Yes No

If 'No', explain who is not covered and how workers' compensation coverage will be provided to the excluded employees:

JOINT POWERS AUTHORITY

Will applicant be a member of a JPA for workers' compensation ?

Yes No (If 'yes', complete the following)

Effective date of JPA Membership: September 1, 2018 JPA Certificate # 5820

Name of JPA: California Association of Mutual Water Companies Joint Powers Risk and Insurance Management Authority

AGENCY SAFETY PROGRAM

Does the Agency have a written Injury and Illness Prevention Program (IIPP)? Yes No

Individual responsible for Agency workplace safety and IIPP program:

Name: Carlos Quintero Title: Manager of Operations

Company Name: Santa Ana Watershed Project Authority

Address: 11615 Sterling Avenue

City: Riverside State: CA Zip + 4: 92503 - _____

Phone: 951-354-4234 E-Mail: cquintero@sawpa.org

SUPPLEMENTAL COVERAGE

1.) Will your program be supplemented by any insurance or pooled coverage under a **STANDARD** workers' compensation insurance policy? Yes No (If 'Yes', complete the following):

Name of Excess Pool/Carrier: N/A

Policy #: N/A Effective Date of Coverage: _____

2.) Will your program be supplemented by any insurance or pooled coverage under a **SPECIFIC EXCESS** workers' compensation insurance policy? Yes No (If 'Yes', complete the following):

Name of Excess Pool/Carrier: N/A

Policy #: N/A Effective Date of Coverage: _____

Retention Limits: _____

3.) Will your program be supplemented by any insurance or pooled coverage under an **AGGREGATE EXCESS** (stop loss) specific excess workers' compensation insurance policy? Yes No (If 'Yes', complete the following):

Name of Excess Pool/Carrier: N/A

Policy #: N/A Effective Date of Coverage: _____

Retention Limits: _____

RESOLUTION FROM GOVERNING BOARD

Attach a properly executed Governing Board Resolution. See attached sample resolution on page 5.

CERTIFICATION

The undersigned on behalf of the applicant hereby applies for a Certificate of Consent to Self-Insure the payment of workers' compensation liabilities pursuant to Labor Code Section 3700. The above information is submitted for the purpose of procuring said Certificate from the Director of Industrial Relations, State of California. If the Certificate is issued, the applicant agrees to comply with applicable California statutes and regulations pertaining to the payment of compensation that may become due to the applicant's employees covered by the Certificate.

X _____ DATE: September 18, 2018
SIGNED: Authorized Official / Representative

Richard Haller
Printed Name

General Manager
Title

Santa Ana Watershed Project Authority
Agency Name

RESOLUTION NO.: _____ DATED: September 18, 2018

**A RESOLUTION AUTHORIZING APPLICATION
TO THE DIRECTOR OF INDUSTRIAL RELATIONS, STATE OF CALIFORNIA
FOR A CERTIFICATE OF CONSENT TO SELF-INSURE
WORKERS' COMPENSATION LIABILITIES**

At a meeting of the Board of Commissioners
(Enter Name of the Board)

of the Santa Ana Watershed Project Authority
(Enter Name of Public Agency, District, Etc.)

a Joint Powers Authority
(Enter Type of Agency, i.e., County, City, School District, etc.) organized and existing under the

laws of the State of California, held on the 18th day of September, 2018,

the following resolution was adopted:

RESOLVED, that the above named public agency is authorized and empowered to make application to the Director of Industrial Relations, State of California, for a Certificate of Consent to Self-Insure workers' compensation liabilities and representatives of Agency are authorized to execute any and all documents required for such application.

IN WITNESS WHEREOF: I HAVE SIGNED AND AFFIXED THE AGENCY SEAL.

X _____ DATE: September 18, 2018

SIGNED: Board Secretary or Chair

Mark Bulot

Printed Name

Chairman of the Commission

Title

Santa Ana Watershed Project Authority

Agency Name

Affix Seal Here

RESOLUTION NO. 2018-10

**A RESOLUTION OF THE COMMISSION OF THE
SANTA ANA WATERSHED PROJECT AUTHORITY
APPROVING APPLICATION FOR A
CERTIFICATE OF CONSENT TO SELF-INSURE**

WHEREAS, the Santa Ana Watershed Project Authority (SAWPA) is a public agency Joint Powers Authority organized and existing under the laws of the State of California; and

WHEREAS, the Santa Ana Watershed Project Authority (SAWPA) has joined the CalMutuals Joint Powers Risk and Insurance Management Authority (JPRIMA) for general liability and casualty insurance policy coverages; and

WHEREAS, the Santa Ana Watershed Project Authority (SAWPA) desires to obtain workers' compensation insurance through the CalMutuals JPRIMA and its policy administrator, currently Zenith Insurance Company; and

WHEREAS, JPRIMA insureds are required to obtain Certificate of Consent to Self-Insure by application to the State of California Department of Industrial Relations.

NOW, THEREFORE, BE IT RESOLVED, that the Santa Ana Watershed Project Authority is authorized and empowered to make application to the Director of Industrial Relations, State of California, for a Certificate of Consent to Self-Insure workers' compensation liabilities, and the General Manager of SAWPA is authorized to execute any and all documents required for such application.

ADOPTED this 18th day of September, 2018.

SANTA ANA WATERSHED PROJECT AUTHORITY

By: _____
Mark Bulot, Chair

Attest:

Kelly Berry, CMC
Clerk of the Board



COVERAGE CHECKLIST

CAL MUTUALS IS DEDICATED TO MUTUAL WATER COMPANIES. OUR COVERAGES ARE CUSTOMIZED AND PRICING AFFORDABLE FOR SMALL PUBLIC WATER SYSTEMS.



CAL MUTUALS	THEM	COVERAGE CHECKLIST
		Does your Property policy include Blanket protection without a coinsurance penalty for all your scheduled locations and separate Blanket protection for key coverages such as business income and extra expense?
		Does your Property policy include special extensions such as Unintentional Errors, Off Premises Utility Services, SCADA Upgrades (above replacement cost), Property in Transit, Contract Penalties, Rental Reimbursement – Mobile Equipment, and Water Contamination Notification Expense?
		Does your Property policy include Contamination for \$100,000 (not limited to just ammonia), Pollution Remediation Expense for either \$250,000 (Specified Cause of Loss)* or \$100,000 (Covered Cause of Loss), Outdoor Property (w/ windstorm) for \$100,000, and \$50,000 for Fungus, Wet Rot or Dry Rot?
		Does your Crime policy provide minimum limits of \$100,000 for Employee Dishonesty, Theft of Money & Securities, Computer Fraud, Funds Transfer Fraud, and Money orders?
		Does your General Liability policy include aggregate limits of \$10,000,000 as well as special coverage for Water & Wastewater Testing E&O, Waterborne Asbestos, Lead, Fungi & Bacteria, Product Recall, and Impaired Property?
		Does your General Liability policy include Failure to Supply Water and Dam Failure Liability as well as Pollution for your potable water, treatment chemicals, natural gas, hostile fire, smoke drift, sewer or wastewater backup/line breaks, and any pollution event that is sudden & accidental?
		Does your Public Officials & Management Liability policy include aggregate limits of \$10,000,000 for Wrongful Acts, Employment Practices, and Employee Benefit Plans as well as inverse condemnation and outside directorship?
		Does your Automobile policy include \$100,000 Hired Physical Damage, \$75 per Day Rental Reimbursement/Towing, and Fleet Automatic?
		Does your Excess Liability insurance policy follow the coverages in your underlying policies?
		Does your Cyber Liability policy include Credit Monitoring Costs for \$1,000,000 without a deductible or retention?

*180 day reporting period required



POOL CHECKLIST



CAL MUTUALS IS DEDICATED TO MUTUAL WATER COMPANIES. WE ESTABLISHED THE FIRST POOL IN THE NATION FOR MUTUAL WATER COMPANIES AND SPONSORED THE LEGISLATION.

CAL MUTUALS	THEM	CHECKLIST
		Did your pool's association partner sponsor the legislation allowing mutual water companies the right to participate in a joint powers authority like other special districts? Did they provide any support via letters or testimonials?
		Does your pool's association partner exclusively serve as a legislative advocate and technical solutions provider for mutual water companies?
		Does your pool have an independent board of directors comprised of fellow mutual water companies? How many mutual water companies are on the board? Do the members own your pool and control its future?
		Does your pool offer workers' compensation and property & liability on a fully reinsured, non risk to member basis?
		Does your pool offer a dividend plan on the workers' compensation coverage?
		Did your pool remove all minimum premiums for their property & liability coverages?
		Does your pool permit members to exit without penalty if rate increases exceed 15% in any one calendar year?
		Will your pool be working with other stakeholders, including regulatory agencies, in support of grants and project advancements for mutual water companies?
		Has your pool partnered with California's largest insurance specialist in public water systems and a network of supportive, knowledgeable and local insurance brokers?
		Has your pool's Insurance Administrator grown their California portfolio of water accounts to almost 1,000 public water systems in the past four years?
		Has your pool's Insurance Administrator <u>never</u> doubled minimum premiums for small mutual water companies in the past?
		Has your pool engaged a third party consultant to submit a formal coverage and rate analysis to ensure its products are exceptionally competitive and meaningful for its mutual water company members?
		Does your pool have the same coverages referenced in the preceding checklist?

ABOUT CAL MUTUALS

OUR MISSION

The mission of the California Association of Mutual Water Companies (CAMWC) is to bring together California's mutual water companies, facilitate the exchange of quality information, offer valuable resources, and represent its members through grassroots activities and statewide lobbying.

CAMWC is a non-profit trade association under Internal Revenue Code Section 501 (c)(6) organized under the non-profit mutual benefit corporation law (Federal Tax ID: 46-3976195). The specific purpose of this corporation is to act as a statewide association for mutual water companies and to pursue issues of common interest among mutual water companies throughout California.

CAMWC was founded in 2013 by 14 mutual water companies. These *Charter Members* recognized the need to bring together leaders of the industry and to give a voice to small water systems that serve residential, small business, farms, municipalities and disadvantaged communities throughout the state.

CAMWC retains a staff and governmental relations team who operate under the direction of the Board of Directors. The Board of Directors currently meets on a monthly basis and is supported by Legislative, Executive and Membership committees.

CAMWC provides its members compliance seminars, training opportunities, technical knowledge and resources, people-to-people networking, conferences, government relations support, and statewide lobbying.

CAMWC established the California Association of Mutual Water Companies Joint Powers Risk and Insurance Management Authority (JPRIMA) as a result of California's legislature passing AB 656 in September 2015.

This legislation, which allows mutual water companies to participate in a joint powers authority for purposes of insurance and supporting services, was initiated by Cal Mutuals and supported by Valley **(Central) Ag Water Coalition, California Firefighters' Association, and scores of mutual water companies** as well as independent insurance agencies.

Technical resources and augmented advisory assistance are a critical component of this legislation and our JPRIMA. As a public agency, we are committed to providing quality insurance products that blend competitive rates with meaningful value-added services and impeccable financial security.

What's Ahead for CAMWC

We started 2015 with more than 100 members and are adding new members on a regular basis. It was the support of our members and the Board of Directors last year that enabled the incorporation of mutual water companies as eligible applicants in the water bond – Proposition 1 – approved by voters last November, and preserved duplication of service protections once threatened by AB 2443 (Rendon). We also increased our visibility among California's state agencies and, most importantly, the State Water Resources Control Board, which is now seeking Cal Mutuals assistance in providing statewide training on the NPDES potable water system permit, along with cutting edge data exchange and technical assistance programs.

CAL MUTUALS JPRIMA BOARD & STAFF

Board:

Jim Byerrum, President & Chairman of the Board (California Domestic Water Company)

Dave Michalko, Vice President (Valencia Heights Water Company)

Ken Bradbury, Secretary (Montebello Land and Water Company)

Lisa Yamashita-Lopez, Director (Rubio Cañon Land and Water Company)

Doug Nunneley, Director (Oildale Mutual Water Company)

Dave Armstrong, Director (South Mesa Water Company)

Ken Tchong, Director (Sunny Slope Water Company)

Staff:

Jim Byerrum, Executive Officer

Adan Ortega, Executive Director

Jim Ciampa, General Counsel

Denise Peralta Gailey, Managing Director



"A pool dedicated to mutual water companies and supported by a committed network of local independent insurance agencies."

California Association of Mutual Water Companies

Joint Powers Risk and Insurance Management Authority (JPRIMA)

www.calmutuals.org

www.waterinsuranceauthority.com



Insurance Administrator:

Allied Public Risk, LLC

CA DBA: Allied Community Insurance Services, LLC

Attn: Mia Garza, JPRIMA P&C/WC Manager

mgarza@alliedpublicrisk.com

T: 830 837 4369

CA License No. 0L01269

NPN 17536322

What is a JPRIMA?

A JPRIMA (aka Joint Powers Risk and Insurance Management Authority) is a public agency formed to benefit its participating members. For more than thirty (30) years, California public entities have enrolled in JPRIMAs for their property & casualty and workers' compensation insurance needs. JPRIMAs are authorized under Government Code Section 6500. Approximately one hundred fifty (150) JPRIMAs have been formed since the late 1970s. AB 656, which was initiated and sponsored by Cal Mutuals, allows mutual water companies and public agencies to participate in JPRIMAs for purposes of insurance and supporting services.

Why is a JPRIMA structure being used?

JPRIMAs are largely removed from the regulatory restrictions under which insurers operate. This flexibility allows our JPRIMA to customize rates and coverages for the unique characteristics of mutual water companies and other water-related entities. Claims management and loss control services are similarly tailored by our water industry specialists. Lower operating costs are realized by utilizing this model. JPRIMAs have been successful at stabilizing and reducing costs, while delivering superior coverage and service to their members.

How does participation in our JPRIMA work?

After accepting our proposal, you will be required to join Cal Mutuals and execute the member agreement. This agreement sets forth the governing structure and operating principles of our JPRIMA. Your initial participation commitment is three (3) years, but you will have the right to exit without penalty if we ever increase your rates (year-over-year) by more than 15%. As part of the initial three (3) year commitment, you will be asked to give a six (6) month advance notice of withdrawal if you ever choose to purchase insurance from another provider. These provisions provide the necessary stability to secure long-term and favorable reinsurance rates, which equate to lower costs to our members. After enrollment begins, the day-to-day servicing aspects will work similar to insurance. Plus, you have the benefit of your local broker who will serve as your advocate and counselor. The JPRIMA Board, which is comprised of mutual water company representatives, meets periodically to confirm quality services are being provided and ensuring member claims are fairly and promptly resolved.

Where do the expected cost savings come from?

- ▶ Economies of Scale - group buying power to cover similar risks.
- ▶ Operational Efficiencies – less regulatory requirements and no premium taxes.
- ▶ Three (3) Year Commitment – expanded term augments member negotiating strength.
- ▶ Loss Prevention & Claims Services – customized knowledge of water business practices keep loss costs to a minimum.

Are there risks associated with joining our JPRIMA?

There is risk with any business agreement, but our JPRIMA has no joint and several liability as well as no assessments or risk sharing for our members. There is 100% reinsurance supporting every JPRIMA insurance product. Our reinsurer partners are some of the most financially secure insurance/reinsurance companies in the world. The property & casualty reinsurer is the insurance provider for Alteris' WaterPlus program, which represents nearly 3,000 water-related entities throughout the United States. The workers' compensation reinsurer is one of California's oldest and largest carriers for this line of coverage.

Memorandum of Coverage

The JPRIMA offers a broad portfolio of coverages including:

- ▶ Property (including Equipment Breakdown)
- ▶ Mobile Equipment
- ▶ Crime
- ▶ General Liability
- ▶ Public Officials & Management Liability (including Wrongful Acts, Employment Practices Liability and Employee Benefit Plans)
- ▶ Auto
- ▶ Excess Liability
- ▶ Privacy Liability & Network Risk (cyber)
- ▶ Workers' Compensation (separate reinsurance product)

Alteris Insurance Services, Inc. (Alteris) will be performing the underwriting, risk control, and claims services on behalf of the property & casualty reinsurer. Alteris is the largest program manager for water-related entities in California and has more than twenty (20) years experience with mutual water companies as well as an onsite D2 and T1 water operator. Zenith Insurance Company, the workers' compensation reinsurer, will be performing similar services for this line of coverage.



MEMORANDUM

To: Board of Directors

From: James D. Ciampa

Re: Explanation of California Association of Mutual Water Companies
Joint Powers Risk and Insurance Management Authority

Date: March 1, 2016

To assist mutual water companies throughout California, the California Association of Mutual Water Companies (CalMutuals) sponsored legislation, AB 656, to authorize mutual water companies, together with at least one public agency, to form a joint powers agency for insurance purposes. CalMutuals has been informed that such a joint powers agency could offer insurance policies to mutual water companies at reduced prices, and savings from insurance taxes the insurers would avoid paying would be available to fund additional services (such as training programs and grant writing) for CalMutuals' members. AB 656 was signed by Governor Brown on September 3, 2015, and took effect on January 1, 2016.

Our office, in its capacity as CalMutuals' general counsel, drafted the Joint Powers Agreement that will govern the new joint powers insurance authority, to be named the California Association of Mutual Water Companies Joint Powers Risk and Insurance Management Authority (CAMWC-JPRIMA). The Joint Powers Agreement, as amended, sets forth the rights and responsibilities of CAMWC-JPRIMA, its governing board and its members. This memorandum summarizes various particularly relevant provisions of the Amended Joint Powers Agreement.

1. Entity Status of CAMWC-JPRIMA: Under California law, joint powers agencies are public agencies. Thus, CAMWC-JPRIMA will be considered to be a public agency and is required to abide by the provisions of the Joint Exercise of Powers Act (Government Code sections 6500 et seq.), and other laws applicable to public agencies, including the Brown Act regarding open meetings, the Public Records Act and the Political Reform Act.

2. Membership: Membership in CAMWC-JPRIMA is open to any CalMutuals member, including Regular Members (mutual water companies), Affiliate Members (other, non-mutual water company water-related entities) or Associate Members (any other person or entity who desires to join CalMutuals, including the required public agency/ies members of JPRIMA). New members can be admitted to the CAMWC-JPRIMA upon approval of the CAMWC-JPRIMA Board of Directors and execution of the Amended Joint Powers Agreement.

3. Governance: CAMWC-JPRIMA will be governed by an eight member Board of Directors. The initial directors have been appointed by JPRIMA's founding members for an initial term of approximately one year, and then at the expiration of that initial term, the directors will be elected by the members. In addition to the Board of Directors, an advisory committee of insurance professionals will be established to advise the Board on insurance-related issues.

4. Staffing: CAMWC-JPRIMA will have a Chief Executive Officer to oversee its operations, especially with respect to the services to be provided the members, and, after a competitive bidding process, has engaged as Alteris Insurance Services, Inc. as its Insurance Program Administrator to administer JPRIMA's insurance-related functions.

5. Separateness of CAMWC-JPRIMA: Under the Joint Exercise of Powers Act, CAMWC-JPRIMA will be a separate entity from its members. Thus, its debts and liabilities are its own, and its members are not responsible or liable for those debts or liabilities. In addition, the CAMWC-JPRIMA will indemnify its members against those debts or liabilities.

6. Purposes of CAMWC-JPRIMA: The purposes of CAMWC-JPRIMA are to provide a wide range of insurance products to its members at reduced cost and to provide a broad array of services to its members to enhance their technical, managerial and financial capacity. Those services will be particularly important for small water systems that do not currently have access to such services.

7. Funding of Services: The funding for CAMWC-JPRIMA's services, as discussed above, will be provided by contributions from the insurance companies who provide the insurance policies. Those contributions will be derived from savings the insurers will achieve from not having to pay insurance taxes on the policies sold because, technically, such policies are not considered insurance because they are provided in accordance with specific Government Code exemptions that apply to a joint powers agency that furnishes insurance coverage.

8. Financial Transparency: Because CAMWC-JPRIMA is a public agency, it must meet certain requirements with respect to its finances. Those requirements include having to adopt an annual operating budget, periodic financial reporting to the State of California and preparation of annual audit. In addition, the JPRIMA's Treasurer and Auditor/Controller must be bonded.

9. Membership Commitment: To ensure the viability of CAMWC-JPRIMA during its important startup phase, a membership commitment of at least three years is required. There are certain exceptions to that three year commitment, which are set forth in the Amended Joint Powers Agreement, including allowing a member to withdraw if premiums increase by more than 15% from the prior year, or if the JPRIMA ceases doing business with a member's insurer.

The foregoing summarizes important provisions of the Amended Joint Powers Agreement for CAMWC-JPRIMA. We are happy to provide you with the full Agreement at your request and we certainly recommend that you have your company's legal counsel review that Agreement to ensure they are comfortable with your company's participation in the JPRIMA. Also, we are available to answer any questions you may have with respect to this exciting new venture.



I N S U R A N C E A D M I N I S T R A T O R

Allied Public Risk, LLC is a specialty program manager that provides a broad spectrum of products and services to select brokers and clients throughout the United States. Our water practice comprises various water-related entities such as public water systems, investor-owned utilities, irrigation districts, sewer districts, reclamation districts, conservation districts, and special service districts. National enrollment is approaching three thousand (3,000) entities, including several regional water authorities and hundreds of mutual water companies. Our experience with California water-related entities exceeds 20 years, the longest of any specialty program manager.

The California Association of Mutual Water Companies (Cal Mutuals) Joint Powers Risk and Insurance Management Authority (JPRIMA) is fully reinsured by an AM Best "A XV" rated carrier and distributed through independent insurance brokers. Marketplace differential is maintained via consequential non-insurance benefits such as technical support, advisory assistance, and regulatory compliance. There is no financial risk to members.

For more information, please contact your broker or visit us at www.alliedpublicrisk.com.

Insurance Administrator:
Allied Public Risk, LLC

CA DBA: Allied Community Insurance Services, LLC
Attn: Mia Garza, JPRIMA P&C/WC Manager
mgarza@alliedpublicrisk.com, T: 830-837-4369
CA License No. 0L01269 NPN 17536322



California Association of Mutual Water Companies
Joint Powers Risk and Insurance Management Authority

JPRIMA
PRODUCT GUIDE





C U S T O M C O V E R A G E • C O M P E T I T I V E R A T E S • L O C A L B R O K E R S

PROPERTY

- Proprietary Policy Form
- Property, Equipment Breakdown & Mobile Equipment
- No Coinsurance Penalty
- Blanket Policy Limit
- Real Property
- Business Personal Property
- Blanket Coverage Extension Limit
- A separate limit applies to the following:
 - Business Income
 - Extended Business Income
 - Civil Authority
 - Commandeered Property
 - Extra Expense
 - Tenant Leasehold Interest
 - Electronic Data
 - Preservation of Property
 - Coverages Specific to Water Related Entities
- Property in Transit
- Mobile Equipment
- Pollution Remediation Expenses
- Fungus, Wet Rot or Dry Rot
- SCADA Upgrades
- Contamination
- Additional Coverages
- Accounts Receivable
- Arson Reward
- Backup/Overflow of Water from Sewer, Drain, Sump
- Water Contamination Notification Expenses
- Lock and Key Replacement

- Rental Reimbursement - Mobile Equipment
- Business Personal Property at New Locations
- Collapse
- Contract Penalties
- Debris Removal
- Indoor & Outdoor Signs (unscheduled)
- New Locations or Newly Constructed Property
- Ordinance or Law Provision
- Outdoor Property (unscheduled)
- Patterns, Dies, Molds, Forms
- Personal Effects & Property of Others
- Tools & Equipment Owned by Your Employees
- Trees, Shrubs & Plants
- Unintentional Errors & Omissions
- Utility Services
- Valuable Papers & Records

CRIME

- Proprietary Policy Form
- Faithful Performance
- Employee Benefit Plans
- Available Coverage for Designated Agents
- Coverages
- Employee Theft
- Forgery or Alteration
- Inside The Premise - Theft of Money & Securities
- Inside The Premise - Robbery or Safe Burglary
- Outside The Premise

- Computer Fraud
- Funds Transfer of Fraud
- Money Orders & Counterfeit Paper Currency

GENERAL LIABILITY

- Proprietary Policy Form
- Duty to Defend
- Nonauditable
- Broad Definition of Insured
- Blanket Additional Insured
- \$10M Aggregate Limit
- Coverage Extensions
- Failure to Supply Water (no sublimit)
- Water & Wastewater Testing E&O
- Medical Payments
- Sewage from Backups & Breaks (no sublimit)
- Fire Damage Legal Liability
- Pollution Liability
- Contractual Liability-Railroads
- Dam, Levee & Dike Structural Failure & Existence Hazard
- Lead from Potable Water
- Product Recall Exceptions
- Impaired Property Exceptions
- Waterborne Asbestos from Potable Water
- Watercraft
- Nonowned Aircraft

BUSINESS AUTO

- Coverages
- Combined Single Limit
- Uninsured Motorists

- Hired & Non Owned Auto Liability
- Medical Payments/ Personal Injury Protection
- Hired Physical Damage
- Comprehensive & Collision
- Fleet Automatic
- Towing & Rental Car Reimbursement

PUBLIC OFFICIALS & MANAGEMENT LIABILITY

- Proprietary Policy Form
- Duty to Defend
- Nonauditable
- Broad Definition of Insured
- \$10M Aggregate Limit
- Coverages
- Wrongful Acts
- Employment Practices
- Employee Benefit Plans
- Coverage Extensions
- Inverse Condemnation
- Outside Directorship
- Third Party Discrimination

PRIVACY LIABILITY & NETWORK RISK

- Coverages
- \$1M Privacy & Network Security
- \$1M Notification & Credit Monitoring Costs
- \$100K Data Forensic & Public Relations

EXCESS LIABILITY

- Proprietary Policy Form
- Following Form
- \$10 Million Capacity





JPRIMA and Zenith Insurance Company
...a partnership of service, alignment, and member advocacy.

The California Association of Mutual Water Companies (Cal Mutuals) Joint Powers Risk and Insurance Management Authority (JPRIMA) was established as a result of California's legislature passing AB 656 in September 2015. This legislation was initiated by Cal Mutuals and supported by Valley (Central) Ag Water Coalition, California Firefighters' Association, and scores of mutual water companies. It allows mutual water companies to participate alongside water-related special districts in a joint powers authority for purposes of insurance and supporting services. Technical resources and augmented advisory assistance are a critical component of this legislation and our JPRIMA. As a public agency, we are committed to providing quality insurance products that blend competitive rates with meaningful value-added services and impeccable financial security.

Our reinsurance partner, which bears all the risk, is Zenith Insurance Company. They are an indirect, wholly-owned subsidiary of Fairfax Financial Holdings Limited and a specialist in workers' compensation. Zenith's reputation as an industry leader is built upon providing its customers superior services and consistently achieving results that outperform the industry. These attributes have created one of the largest, oldest and most stable workers' compensation carriers in California. Zenith is committed to workplace safety and health, quality medical care, managing claim costs, returning employees to work, and fighting fraud and abuse. Zenith proudly distributes its products through its network of appointed insurance agents and brokers.

Insurance Administrator:
 Allied Public Risk, LLC

CA DBA: Allied Community Insurance Services, LLC
 Attn: Mia Garza, JPRIMA P&C/WC Manager
mgarza@alliedpublicrisk.com, T: 830-837-4369

CA License No. 0L01269 NPN 17536322

TheZenith®
 A FAIRFAX Company



JPRIMA and Zenith Insurance Company
 California Association of Mutual Water Companies
 Joint Powers Risk and Insurance Management Authority

JPRIMA
WORKERS' COMPENSATION
 PRODUCT GUIDE



ELIGIBILITY

- Mutual Water Companies
- Public Water / Sewer Districts
- Irrigation / Drainage Districts
- Reclamation / Levee Districts
- Community Services Districts
- Other Special Districts

HIGHLIGHTS

- Workers Compensation
 - ▶ Statutory Benefits for the State of CA
- Employers' Liability
 - ▶ \$1M Policy Limit
 - ▶ Per Accident / Per Disease
- Twelve Month Policy (*unless pro-rated*)
 - ▶ Auditable
- Rates per \$100 of payroll
 - ▶ Adjustments based on:
 - ▶ Experience Modification Factor
 - ▶ Premium Size Credit
 - ▶ Scheduled Credits & Debit
 - ▶ Territorial Factor
- Flexible Payment Plans (*annual to monthly*)
 - ▶ Direct Bill & EFT Options
 - ▶ \$750 Minimum Premium

SPECIAL FEATURE

- Dividend Plan
 - ▶ 100% Proceeds to JPRIMA / Members

VALUE ADDED SERVICES

- Zenith Claims Handling & Loss Prevention
- In House Examiners & Nurses
- In House Safety & Health Engineers
- 24 / 7 Concierge Service
- Website Portal
- Video & Online Training Library
- Onsite Visits
- Specialized Services

PRIMARY CLASSIFICATION CODES

CODE	CLASSIFICATION	DESCRIPTION
0251	Irrigation, Drainage, or Reclamation Works Operation	This classification is applicable to all work incidental to maintenance and operation of irrigation or drainage systems, pumps, valves, and control gates. This classification does not contemplate the construction of these systems. The cleaning of mains, ditches, lateral flow lines, and the spreading or spraying of oil performed in connection with mosquito control is included in this classification. Examples of operations are water districts and other public agencies.
7520	Waterworks	This classification applies to the operations of publicly or privately operated water companies that supply potable water to communities. This classification includes but is not limited to the construction of water mains and lateral lines, the treatment of water, the operation and maintenance of pumping stations and the installation and repair of water meters. Repair, maintenance and installation of water mains, taps, meters and fire hydrants are included in this classification.
7580	Sanitary or Sanitation Districts Operations	This classification shall apply to all work incidental to the maintenance and operation of sewer systems or sewage disposal plants. Additions to, alterations or construction of sewer lines or sewage disposal plants shall be separately classified.
8742	Salespersons	Outside salespersons are defined as those employees (1) who are engaged exclusively in sales or collection work away from the premises of the employer or (2) who are engaged in such work for any portion of their time and devote the balance of their time to clerical office duties. The statement of payroll shall include the entire remuneration of all outside salespersons, including those whose duties take them outside the State of California. When salespersons are required to pay their own traveling expenses out of their remuneration, not less than two-thirds of such remuneration shall be included as payroll.
8810	Clerical Office Employees	Clerical office employees are those employees engaged exclusively in bookkeeping, in record keeping, in correspondence, or in other office work where books and other records are kept or correspondence is conducted. This classification applies only to employees who work in areas physically separated from other operations by structural partitions and in which work of clerical office employees as defined in this rule is performed exclusively. If such an employee has any other duty, the total payroll of that employee shall be assigned to the highest rated classification of operations to which the employee is exposed.



Santa Ana Watershed Project Authority

Allied Public Risk
(California Association of Mutual Water Companies-
JPRIMA)

2018 – 2019

Workers Compensation Insurance Proposal

Presented on August 21, 2018 by:

Seth Cole, ARM
Senior Vice President

Alliant Insurance Services, Inc.
100 Pine Street, 11th Floor
San Francisco, CA 94111
O 415.403.1400
F 415.874.4813

CA License No. 0C36861

Your Service Team

Seth Cole, ARM

Senior Vice-President

scole@alliant.com

Phone: 415.403.1419

Cell:

Marilyn Schley, AU, CISR

Account Manager-Lead, Team Lead

mschley@alliant.com

Phone: 415.403.1432

Fax: 415.874-7813

Named Insured / Additional Named Insureds

Named Insured(s)

Santa Ana Watershed Project Authority

Additional Named Insured(s)

Additional named insured(s) here.

NAMED INSURED DISCLOSURE

- The first named insured is granted certain rights and responsibilities that do not apply to other policy named insureds and is designated to act on behalf of all insureds for making policy changes, receiving correspondence, distributing claim proceeds, and making premium payments.
- **Are ALL entities listed as named insureds?** Coverage is **not** automatically afforded to all entities unless specifically named. Confirm with your producer and service team that all entities to be protected are on the correct policy. Not all entities may be listed on all policies based on coverage line.
- Additional named insured is (1) A person or organization, other than the first named insured, identified as an insured in the policy declarations or an addendum to the policy declarations. (2) A person or organization added to a policy after the policy is written with the status of named insured. This entity would have the same rights and responsibilities as an entity named as an insured in the policy declarations (other than those rights and responsibilities reserved to the first named insured).
- Applies to Professional Liability, Pollution Liability, Directors & Officers Liability, Employment Practices Liability, Fiduciary Liability policies (this list not all inclusive). Check your Policy language for applicability. These policies provide protection to the Named Insured for claims made against it alleging a covered wrongful act. Coverage is not afforded to any other entities (unless specifically added by endorsement or if qualified as a "Subsidiary" pursuant to the policy wording) affiliated by common individual insured ownership or to which indemnification is otherwise contractually owed. If coverage is desired for affiliated entities or for contractual indemnities owed, please contact your Alliant Service Team with a full list of entities for which coverage is requested. With each request, include complete financials and ownership information for submission to the carrier. It should be noted, that the underwriter's acceptance of any proposed amendments to the policy, including expansion of the scope of "Insureds" under the policy could result in a potential diminution of the applicable limits of liability and/or an additional premium charge.

Changes and Developments

It is important that we be advised of any changes in your operations, which may have a bearing on the validity and/or adequacy of your insurance. The types of changes that concern us include, but are not limited to, those listed below:

- Changes in any operations such as expansion to another states, new products, or new applications of existing products.
- Travel to any state not previously disclosed.
- Mergers and/or acquisition of new companies and any change in business ownership, including percentages.
- Any newly assumed contractual liability, granting of indemnities or hold harmless agreements.
- Any changes in existing premises including vacancy, whether temporary or permanent, alterations, demolition, etc. Also, any new premises either purchased, constructed or occupied
- Circumstances which may require an increased liability insurance limit.
- Any changes in fire or theft protection such as the installation of or disconnection of sprinkler systems, burglar alarms, etc. This includes any alterations to the system.
- Immediate notification of any changes to a scheduled of equipment, property, vehicles, electronic data processing, etc.
- Property of yours that is in transit, unless previously discussed and/or currently insured.

Please keep your Alliant representative(s) informed so they can assist you in making the right decisions regarding your insurance needs.



CALIFORNIA ASSOCIATION OF MUTUAL WATER COMPANIES
JOINT POWERS RISK AND INSURANCE MANAGEMENT AUTHORITY (JPRIMA)

WORKERS' COMPENSATION QUOTATION

PROPOSAL : R07RO9A	BROKER CONTACT : Mia Garza
DATE PREPARED : 08/17/2018	PRODUCER CODE: 093482A 21.0
MEMBER : Santa Ana Watershed Project Authority 11615 Sterling Avenue Riverside, CA 92503	
REINSURER: Zenith Insurance Company 21255 Califa Street Woodland Hills, CA 91367 (100% Risk Bearer)	INSURANCE ADMINISTRATOR: ALLIED PUBLIC RISK, LLC 11452 EL CAMINO SUITE 250 SAN DIEGO, CA 92130 National Producer Number: 3537131

JPRIMA and Zenith Insurance Company ... a partnership of service, alignment and member advocacy...

The California Association of Mutual Water Companies Joint Powers Risk and Insurance Management Authority (JPRIMA) was established as a result of California's legislature passing AB 656 in September 2015. This legislation was initiated by CalMutuals, Valley (Central) Ag Water Coalition, California Firefighters' Association, and scores of mutual water companies as well as independent insurance agencies. It allows mutual water companies to participate alongside water-related special districts in a joint powers authority for purposes of insurance and supporting services. Technical resources and augmented advisory assistance are a critical component of this legislation and our JPRIMA. As a public agency, we are committed to providing quality insurance products that blend competitive rates with meaningful value-added services and impeccable financial security.

Our reinsurance partner, which bears all the risk, is Zenith Insurance Company. They are an indirect, wholly-owned subsidiary of Fairfax Financial Holdings Limited and have been a specialist in workers' compensation for over sixty years. Zenith has built a reputation as an industry leader through its superior customer service and continuous underwriting innovation. These attributes have created one of the largest, oldest, and most stable workers' compensation carriers in California. Zenith is committed to workplace safety and health, quality medical care, managing claim costs, returning employees to work, and fighting fraud and abuse. In June 2015, A.M. Best Company affirmed their financial strength rating of A (Excellent). For the latest rating, please access www.ambest.com. Zenith proudly distributes its products through its network of appointed insurance agents and brokers.

Issued By

Allied Public Risk, LLC
Insurance Administrator
Attn: Mia Garza, JPRIMA Supervisor
mgarza@alliedpublicrisk.com
Telephone: 830-837-4369



**CALIFORNIA ASSOCIATION OF MUTUAL WATER COMPANIES
JOINT POWERS RISK AND INSURANCE MANAGEMENT AUTHORITY (JPRIMA)**

This proposal is good until 09/01/2018 12:01 a.m. and is subject to the terms and conditions of the memorandum of coverage (MOC) for which this proposal is given, including any special conditions and/or exclusions that may apply. This proposal does not constitute an insurance policy, and is based on information given to us by your insurance agent or broker. Please verify the information contained in this proposal and read the Proposal Disclaimer carefully.

Policy Period:	09/01/2018 at 12:01 a.m. to 05/01/2019 at 12:01 a.m.
Group Membership:	JPRIMA

Estimated Manual Premium Calculation

Workers' compensation premium reflects the unique nature of a business. The price varies based on the amount of payroll a business has and the types of jobs its employees perform. Please review the following information carefully. Errors in classification and payroll estimates can lead to under-payments that can result in additional premium billings, or over-payments, which can affect a business' working capital.

COVERAGE							
State	From Through	Class Code	Description	Est. Payroll	No. of Employees FT/PT	Manual Rate	Est. Manual Premium
CA	09/01/18 05/01/19	7520-0	WATER COMPANIES--ALL EMPLOYEES--INCLUDING CONSTRUCTION OR EXTENSION OF LINES.	238,456	4/0	5.07	12,090
CA	09/01/18 05/01/19	8742-0	SALESPERSONS--OUTSIDE.	1,326,643	12/0	0.72	9,552
CA	09/01/18 05/01/19	8810-0	CLERICAL OFFICE EMPLOYEES--N.O.C.	719,239	10/9	0.57	4,100

Adjustments and Calculation Details

09/01/18 to 05/01/19		
State Manual Premium		\$25,742
Modified Premium	(111.00%)	\$2,832
Employers Liability Limits 1,000,000 Per Accident / 1,000,000 Per Disease / 1,000,000 Policy Limit	(.00%)	\$0
Risk Adjustment	(5.00%)	\$1,429



**CALIFORNIA ASSOCIATION OF MUTUAL WATER COMPANIES
JOINT POWERS RISK AND INSURANCE MANAGEMENT AUTHORITY (JPRIMA)**

Premium Discount	(-8.30%)	\$-2,490
Total Estimated Policy Premium		\$27,513

Selected Payment Plan

Selected Payment Option: Billing Type: Frequency: Deposit Premium: This remaining premium will be paid in 6 installments of \$3,898	Installment Plan Direct Bill Monthly \$4,126 / 15%
You will be billed directly by Zenith Insurance Company on behalf of JPRIMA.	

Comments

Classification reassignment is based on information provided and insured's website and if bound, is subject to a service audit for classification verification purposes with the insured within 60-days of inception.



**CALIFORNIA ASSOCIATION OF MUTUAL WATER COMPANIES
JOINT POWERS RISK AND INSURANCE MANAGEMENT AUTHORITY (JPRIMA)**

NOTICES AND DISCLAIMERS

PROPOSAL DISCLAIMER: This proposal is subject to the information provided by you and/or the insurance agent, verification of this information and the applicable rates and underwriting guidelines applicable at the time. All proposals are for illustration purposes only; the actual premiums and coverage will be based on certain underwriting criteria, manuals, rates, rating plans and classifications. We reserve the right to change our manuals and apply the changes to the policy if authorized by law or a governmental agency regulating this insurance. The premium calculation details shown are estimates. The final premium will be determined after the policy ends by using the actual, not the estimated, premium basis and the proper classifications and rates that lawfully apply to the business and work covered by the policy. If the final premium is more than the premium you paid to us, you must pay us the balance. If the final premium is less, we will refund the balance to you. The final premium will not be less than the highest minimum premium for the classifications covered by this policy. You may be subject to a cancellation penalty in the event you cancel the policy prior to the policy expiration date. In the event any provision of this proposal and any provision of the policy, including endorsements, if any, are inconsistent or conflicting, the inconsistent or conflicting provision of the policy shall control.

NOTICE OF MEDICAL PROVIDER NETWORK/PANEL: Our medical management team maintains a comprehensive medical provider network or panel depending on the region, that includes a full range of health care providers, primary, and specialty care physicians, as well as hospitals and associated services. The health care service providers in our network have been selected based on their geographic location, specialty and credentials. All workers' compensation medical treatment provided under the policy will be administered by appropriately credentialed providers according to nationally accepted evidence-based treatment guidelines.

IMPORTANT NOTICE

The Foreign Account Tax Compliance Act (FATCA) requires the notification of certain financial accounts to the United States Internal Revenue Service. Alliant does not provide tax advice so please contact your tax consultant for your obligation regarding FATCA.

The Non-Admitted and Reinsurance Reform Act (NRRA) went into effect on July 21, 2011. Accordingly, surplus lines tax rates and regulations are subject to change which could result in an increase or decrease of the total surplus lines taxes and/or fees owed on this placement. If a change is required, we will promptly notify you. Any additional taxes and/or fees must be promptly remitted to Alliant Insurance Services, Inc.

CLAIMS REPORTING NOTICE

Your policy will come with specific claim reporting requirements. Please make sure you understand these obligations. Contact your Alliant Service Team with any questions.

Premium Summary

Coverage	Offer through JPRIMA	
	Term- 9/01/2018– 5/01/2019**	
Workers' Compensation Insurance Coverage	\$	27,513.00
Total Annual Premium	\$	27,513.00

**** - The JPRIMA Memorandum of Coverage has a common anniversary date of May 1, 2019. This proposal is being pro-rated from your current effective date to May 1, 2019. The Annual Contribution/Premium would be approximately \$37,346**

Payment Terms

- Premium is due within 20 days of policy inception

Disclosures

This proposal of insurance is provided as a matter of convenience and information only. All information included in this proposal, including but not limited to personal and real property values, locations, operations, products, data, automobile schedules, financial data and loss experience, is based on facts and representations supplied to Alliant Insurance Services, Inc. by you. This proposal does not reflect any independent study or investigation by Alliant Insurance Services, Inc. or its agents and employees.

Please be advised that this proposal is also expressly conditioned on there being no material change in the risk between the date of this proposal and the inception date of the proposed policy (including the occurrence of any claim or notice of circumstances that may give rise to a claim under any policy which the policy being proposed is a renewal or replacement). In the event of such change of risk, the insurer may, at its sole discretion, modify, or withdraw this proposal whether or not this offer has already been accepted.

This proposal is not confirmation of insurance and does not add to, extend, amend, change, or alter any coverage in any actual policy of insurance you may have. All existing policy terms, conditions, exclusions, and limitations apply. For specific information regarding your insurance coverage, please refer to the policy itself. Alliant Insurance Services, Inc. will not be liable for any claims arising from or related to information included in or omitted from this proposal of insurance

Alliant embraces a policy of transparency with respect to its compensation from insurance transactions. Details on our compensation policy, including the types of income that Alliant may earn on a placement, are available on our website at www.alliant.com. For a copy of our policy or for any inquiries regarding compensation issues pertaining to your account you may also contact us at: Alliant Insurance Services, Inc., Attention: General Counsel, 701 B Street, 6th Floor, San Diego, CA 92101.

Analyzing insurers' over-all performance and financial strength is a task that requires specialized skills and in-depth technical understanding of all aspects of insurance company finances and operations. Insurance brokerages such as Alliant Insurance typically rely upon rating agencies for this type of market analysis. Both A.M. Best and Standard and Poor's have been industry leaders in this area for many decades, utilizing a combination of quantitative and qualitative analysis of the information available in formulating their ratings.

A.M. Best has an extensive database of nearly 6,000 Life/Health, Property Casualty and International companies. You can visit them at www.ambest.com. For additional information regarding insurer financial strength ratings visit Standard and Poor's website at www.standardandpoors.com.

Disclosures - Continued

Our goal is to procure insurance for you with underwriters possessing the financial strength to perform. Alliant does not, however, guarantee the solvency of any underwriters with which insurance or reinsurance is placed and maintains no responsibility for any loss or damage arising from the financial failure or insolvency of any insurer. We encourage you to review the publicly available information collected to enable you to make an informed decision to accept or reject a particular underwriter. To learn more about companies doing business in your state, visit the Department of Insurance website for that state.

NY REGULATION 194 DISCLOSURE

Alliant Insurance Services, Inc. is an insurance producer licensed by the State of New York. Insurance producers are authorized by their license to confer with insurance purchasers about the benefits, terms and conditions of insurance contracts; to offer advice concerning the substantive benefits of particular insurance contracts; to sell insurance; and to obtain insurance for purchasers. The role of the producer in any particular transaction typically involves one or more of these activities.

Compensation will be paid to the producer, based on the insurance contract the producer sells. Depending on the insurer(s) and insurance contract(s) the purchaser selects, compensation will be paid by the insurer(s) selling the insurance contract or by another third party. Such compensation may vary depending on a number of factors, including the insurance contract(s) and the insurer(s) the purchaser selects. In some cases, other factors such as the volume of business a producer provides to an insurer or the profitability of insurance contracts a producer provides to an insurer also may affect compensation.

The insurance purchaser may obtain information about compensation expected to be received by the producer based in whole or in part on the sale of insurance to the purchaser, and (if applicable) compensation expected to be received based in whole or in part on any alternative quotes presented to the purchaser by the producer, by requesting such information from the producer.

Certificates / Evidence of Insurance

A certificate is issued as a matter of information only and confers no rights upon the certificate holder. The certificate does not affirmatively or negatively amend, extend or alter the coverage afforded by a policy. Nor does it constitute a contract between the issuing insurer(s), authorized representative, producer or certificate holder.

You may have signed contracts, leases or other agreements requiring you to provide this evidence. In those agreements, you may assume obligations and/or liability for others (Indemnification, Hold Harmless) and some of the obligations that are not covered by insurance. We recommend that you and your legal counsel review these documents.

In addition to providing a certificate of insurance, you may be required to name your client or customer on your policy as an additional insured. This is only possible with permission of the insurance company, added by endorsement and, in some cases, an additional premium.

By naming the certificate holder as additional insured, there are consequences to your risks and insurance policy including:

- Your policy limits are now shared with other entities; their claims involvement may reduce or exhaust your aggregate limit.
- Your policy may provide higher limits than required by contract; your full limits can be exposed to the additional insured.
- There may be conflicts in defense when your insurer has to defend both you and the additional insured.

Shown above are the disclosures / disclaimers that are attached to all Property & Casualty insurance proposals. Please acknowledge receipt and review.

Signature

Date

Title

Printed / Typed Name

Optional Coverages

The following represents a list of insurance coverages that are not included in this proposal, but are optional and may be available with further underwriting information.

Note some of these coverages may be included with limitations or insured elsewhere. This is a partial listing as you may have additional risks not contemplated here or are unique to your organization.

- Crime / Fidelity Insurance
- Directors & Officers Liability
- Earthquake Insurance
- Employed Lawyers
- Employment Practices Liability
- Event Cancellation
- Fiduciary Liability
- Fireworks Liability
- Flood Insurance
- Foreign Insurance
- Garage Keepers Liability
- Kidnap & Ransom
- Law Enforcement Liability
- Media and Publishers Liability
- Medical Malpractice Liability
- Network Security / Privacy Liability and Internet Media Liability
- Pollution Liability
- Owned/Non-Owned Aircraft
- Owned Watercraft
- Special Events Liability
- Student Accident
- Volunteer Accidental Death & Dismemberment (AD&D)
- Workers' Compensation
- Workplace Violence

Glossary of Insurance Terms

Below are a couple of links to assist you in understanding the insurance terms you may find within your insurance coverages:

<http://insurancecommunityuniversity.com/UniversityResources/InsuranceGlossaryFREE.aspx>

<http://www.ambest.com/resource/glossary.html>

<http://www.irmi.com/online/insurance-glossary/default.aspx>

Binding Requirements Recap

Below is a recap by Line of Coverage. **All coverages require a written request to bind coverage from the client.**

Commercial Package Policy

- Alliant Disclosure & Disclaimer Form Signed (Page 9)
- Alliant Request to Bind Coverage Form – Signed (Page 12)

In order to complete the underwriting process, we require that you send us any additional information requested above. We are not required to bind coverage prior to our receipt and underwriting acceptance of the above information. However, if we do bind coverage prior to such acceptance, the terms and conditions as indicated above may be amended until such receipt and acceptance. Any agreement to bind coverage in connection with this proposal must be in writing from an authorized employee of the Insurer

Request to Bind Coverage

Santa Ana Watershed Project Authority

We have reviewed the proposal and agree to the terms and conditions of the coverages presented. We are requesting coverage to be bound as outlined by coverage line below:

Coverage	Effective Date
Workers' Compensation Insurance Policy	

Signature of Authorized Insurance Representative

Date

This proposal does not constitute a binder of insurance. Binding is subject to final carrier approval. *The actual terms and conditions of the policy will prevail.*



This document does not provide insurance

Applicant Copy

Quote ID: 801097441-1

THIS IS NOT A BILL

Quote Date: 7/26/2018

Applicant: SANTA ANA WATERSHED PROJECT AUTHORITY (JOINT POWERS AGREEMENT)
 11615 STERLING AVE
 RIVERSIDE, CA 92503

Phone: (951) 354-4248

Fax: (951) 688-8030

Contact: Marie Jauregui

WCIRB Number: 656243

Proposed Coverage period: 9/1/2018 - 9/1/2019

Employer's Liability Limit: \$1,000,000.00

Estimated Premium Summary

Base Premium	\$79,802.00
Experience Modification	111%
Estimated Standard Premium	\$88,580.00
Estimated Modified Premium	\$75,612.00
Total Estimated Annual Premium	\$67,633.00
Minimum Premium	\$1,730.00
Mandatory Surcharges	
WCA Surcharge	\$551.00
WCFA Surcharge	\$172.00
UEBT Surcharge	\$39.00
SIBT Surcharge	\$243.00
OSHF Surcharge	\$180.00
LEC Surcharge	\$145.00
CIGA Surcharge	\$1,353.00
Initial Premium Deposit	\$6,763.00
Total Deposit	\$9,446.00

State Fund Representative: Karen Mccrary
Phone: (714) 480-6069



This document does not provide insurance

Applicant Copy

THIS IS NOT A BILL

Quote ID: 801097441-1

Quote Date: 7/26/2018

Class Code and Rate Summary

Class Code & Rate Summary
Coverage Period
09/01/2018 - 09/01/2019

ClassCode	Base Rate	Interim Billing Rate**
8742-1	0.90	0.69
8810-1	0.70	0.53
9410-1	3.79	2.89
9420-1	15.07	11.51



This document does not provide insurance

Applicant Copy

THIS IS NOT A BILL

Quote ID: 801097441-1

Quote Date: 7/26/2018

Coverage Period: 09/01/2018-09/01/2019

Base Premium		\$79,802.00
Experience Modification		111%
Estimated Standard Premium		\$88,580.00
Rating Plan Modifier		0.85360
Estimated Modified Premium		\$75,612.00
Estimated Premium Discount Credit Factor*		0.89447
Interim Billing Factor **		0.76352

Mandatory Surcharges

WCA Surcharge	0.81460%	\$551.00
WCFA Surcharge	0.25500%	\$172.00
UEBT Surcharge	0.05730%	\$39.00
SIBT Surcharge	0.35990%	\$243.00
OSHF Surcharge	0.26550%	\$180.00
LEC Surcharge	0.21500%	\$145.00
CIGA Surcharge	2.00000%	\$1,353.00

*Premium Discount: Modified Premium is discounted according to the following schedule:

First \$5,000 - 0.0%

Above \$5,000 – 11.3%



This document does not provide insurance

Applicant Copy

Quote ID: 801097441-1

THIS IS NOT A BILL

Quote Date: 7/26/2018

This quote is based on information provided to State Fund. Your experience modification will apply to these interim-billing rates.

** Interim billing rates shown in this quote will be used on payroll reports. They take into account rating plan credits (or debits), which will apply at final billing and an estimate of your premium discount as detailed above. The actual discount applied at final billing will be based on the actual payroll reported on your policy and subject to audit.



This document does not provide insurance

Applicant Copy

THIS IS NOT A BILL

Quote ID: 801097441-1

Quote Date: 7/26/2018

Classification Exposure Detail

Location Number	Number of Employees	Class Code	Description	Base Rate	Estimated Payroll	Estimated Premium
-----------------	---------------------	------------	-------------	-----------	-------------------	-------------------

9420-1 MUNI/STATE-ALL OTHER-N.O.C.

Coverage Period: 09-01-2018 - 09-01-2019

1	12	8742-1	SALESPERSONS-OUTSIDE	0.90	\$2,000,928.00	\$18,008.00
1	19	8810-1	CLERICAL OFFICE EMPLOYEES	0.70	\$1,084,803.00	\$7,594.00
1	0	9410-1	MUNI/STATE-NOT MANUAL LABOR	3.79	\$0.00	\$0.00
1	4	9420-1	MUNI/STATE-ALL OTHER-N.O.C.	15.07	\$359,654.00	\$54,200.00

COMMISSION MEMORANDUM NO. 2018.98

DATE: September 18, 2018
TO: SAWPA Commission
SUBJECT: Paying Retention on Contracts for Grant-Funded Projects
PREPARED BY: Mark Norton, Water Resources & Planning Manager

RECOMMENDATION

It is recommended that the Commission adopt the proposed policy authorizing the General Manager to release and pay retention up to \$50,000 for completed work on grant-funded projects in advance of State reimbursement.

DISCUSSION

SAWPA enters into grant agreements with the State for a variety of types and sizes of projects. Some grant agreements involve many projects, and some a small number of projects. Standard terms in State grant agreements include retention by the State, typically 10% of grant reimbursement each project, until that project is complete.

As the administrator of grant funded projects, SAWPA sometimes engages consultants to support implementation of the contracted work with the State. SAWPA normally holds a 10% retention of payment for consultant work completed until the entire grant funded project is completed. In many cases, work by a consultant may be completed for a portion of the grant funded work but the payment of the 10% retention is not made to the consultant until the larger grant funded project is completed, which may result in significant time delays for a consultant in receiving final payment. This may be particularly burdensome for small businesses or non-profits organizations with limited cash flow resources.

This delay can be exacerbated by changes to the larger project or the grant agreement that extend the project's completion date, further delaying final payment to consultants who long since completed their deliverables. This phenomenon has become more common as SAWPA's OWOW strategy has succeeded in encouraging the development of grant-funded projects that are watershed-scale, multi-faceted programs with many component parts and sometimes long completion times.

For example, SAWPA currently has retained payment of \$11,498.50 to a small business owner, Richard Schulmann of Resources Strategies, who provided valuable consultant support services to SAWPA for the aerial survey evaluation under Fund 504 Prop 84 Integrated Regional Water Management Drought Grant Program. These funds will be reimbursed to SAWPA upon submittal of the final report for the Prop 84 Drought Grant program when the full 10% grant retention payment for all projects conducted under that program. This is anticipated to become available in late 2019. Schulmann's work under his contract was completed in 2016.

In discussions with the State regarding the potential early release to SAWPA of the 10% retention of grant funds for early contracts, the State was not receptive to releasing the retention funds until the complete scope of work defined in the contracts with SAWPA is completed. Further, the State was not receptive to revising their existing grant contract template to accommodate early release of the retention funds in certain cases.

As standard procedure, SAWPA does inform the consultant in writing that when a project is State grant funded, a 10% grant retention is held until the conclusion of the State contract. However, for small businesses or non-profit organizations, many are not fully aware of the implications of the retention payment delay, in some cases potentially exceeding five years, to their cash flow. This may result in undue financial burdens that may dissuade such organizations from proposing on future grant funded work with SAWPA. If they were fully aware of the risk, it could drive up SAWPA's costs because it could affect the prices offered by these service providers.

The proposed policy would authorize the General Manager to consider making final payment to consultants or contractors whose work is complete but reimbursement from the State may be some time in the future. Staff recommends that the Commission authorize the General Manager to pay retentions in advance of State reimbursement on a case-by-case basis up to \$50,000. This amount would mirror the General Manager's procurement and change order authority in SAWPA's Procurement Policy.

SAWPA would continue to include retention provisions in its contracts, and the General Manager could make a determination of whether to release retention before State reimbursement based on a review of factors including the dollar amount of the retention, the projected completion date of the project, expenditures on the project compared to budget, the likelihood of grant reimbursement for the particular cost, the degree of hardship to the consultant or contractor of holding the retention until State reimbursement, and the current balance of interfund borrowing per Resolution 452.

The General Manager may determine that payment of retention in advance of reimbursement by the State would be appropriate in circumstances that exceed the authority granted here, and may recommend to the Commission that it approve such payments.

CRITICAL SUCCESS FACTORS

The following OWOW critical success factors are addressed by this action:

1. Administration of the OWOW process and plan in a highly efficient and cost-effective manner.
2. Data and information needed for decision-making is available to all.

RESOURCE IMPACTS

In review of the most recent SAWPA projected inter-fund loan balances, payments that would be made pursuant to the proposed policy's authority would not have a significant impact on SAWPA's cash flow or General Fund Reserves. The proposed reporting requirements will allow the Commission to monitor the impacts of implementing the policy and reconsider or revise its authority if necessary. All released retention payments under the policy would be expected to be reimbursed from State grant revenue at some time.

Attachment:

1. Proposed Policy Number 2018-001
2. PowerPoint Presentation

Policy Name	Paying Retention on Contracts for Grant-Funded Projects
Policy Number	2018-001
Supersedes	
Date/Authorized	9/18/18; Commission Memo 2018.98



Policy Name: Paying Retention on Contracts for Grant-Funded Projects
History: New
Application: SAWPA General Manager

PURPOSE:

This policy establishes the authority of the General Manager to pay consultants and contractors for work performed on grant-funded projects, including retention up to \$50,000, when the consultant’s or contractor’s work is complete but when the granting agency may retain reimbursement to SAWPA until the completion of a project.

BACKGROUND:

SAWPA enters into grant agreements with the State for a variety of types and sizes of projects. Some grant agreements involve many projects, and some a small number of projects. Standard terms in State grant agreements include retention by the State, typically 10% of grant reimbursement for each project, by which a part of the agreed grant reimbursement to SAWPA is withheld until that project is complete.

As the administrator of grant funded projects, SAWPA sometimes engages consultants or contractors to support implementation of the contracted work with the State. Per its contracts for services, SAWPA normally holds a 10% retention of payment for work completed until the entire grant funded project is completed and SAWPA can be reimbursed by the State. In many cases, work by a consultant may be completed for a portion of the grant funded work long before the larger grant funded project is completed, which may result in significant time delays for a consultant in receiving final payment. This may be particularly burdensome for small businesses or non-profits organizations that do not have cash flow resources to wait on payment for years after their work is completed.

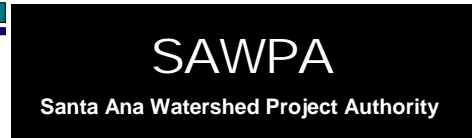
This delay can be exacerbated by changes to the larger project or the grant agreement that extend the Grant Agreement project’s completion date, further delaying final payment to consultants or contractors who long since completed their deliverables. This phenomenon has become more common as SAWPA’s OWOW strategy has succeeded in encouraging the development of grant-funded projects that are watershed-scale, multi-faceted programs with many component parts and sometimes long completion times.

The dollar amounts of these retained payments may be significant to some service providers, while not being as significant to SAWPA in proportion to an entire project budget. SAWPA is able to evaluate the eligibility of the cost for grant reimbursement and the likely timing of payment, as well as the actual expenditures on the project compared to the project budget. Under current SAWPA policies, the General Manager has authority to execute contracts and change orders up to \$50,000.

POLICY:

The General Manager may determine, on a case-by-case basis, to make final payment including any retention to consultants or contractors whose work on a grant-funded project is complete, even if the overall Grant Agreement project is not yet complete, up to \$50,000. The General Manager will consider, in making this determination, the dollar amount of the contractual retention, the projected completion date

Policy Name	Paying Retention on Contracts for Grant-Funded Projects
Policy Number	2018-001
Supersedes	
Date/Authorized	9/18/18; Commission Memo 2018.98



of the Grant Agreement project, expenditures on the project compared to budget, the likelihood of grant reimbursement for the particular cost, the degree of hardship to the consultant or contractor of holding the retention until State reimbursement, and the current balance of interfund borrowing per Resolution 452.

The General Manager may determine that payment of retention in advance of reimbursement by the State would be appropriate in circumstances that exceed the authority granted here, and may recommend to the Commission that it approve such payments.

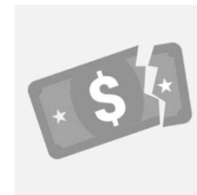
Paying Retention on Contracts for Grant-Funded Projects

10%

Mark R. Norton, PE, ENV SP, LEED AP
Water Resources & Planning Manager

Example: Resources Strategies

- ◆ Richard Schulmann of Resources Strategies Inc. completed task order work for SAWPA in Oct. 2016
- ◆ Aerial imagery analysis under DWR Prop 84 IRWM Drought Grant Program.
- ◆ Work was fully funded by DWR grant so 10% grant retention was held by SAWPA.
- ◆ Drought Grant Program was recently extended from Dec. 2018 to Dec. 2019 .



Example: Resources Strategies (cont)

- ♦ Strategic Resources is a small business owner
- ♦ Project extension not related to his work.
- ♦ 10% grant retention is \$11,498.50, a significant financial burden and cash flow issue for Strategic Resources.
- ♦ SAWPA will be reimbursed after Dec. 2019.
- ♦ Risk of not receiving payment from DWR is minimal .
- ♦ Staff recommends authorizing the General Manager to release and pay retention in these circumstances



Proposed Policy

- ♦ This situation is not unusual, and typically involves less than \$50,000
- ♦ GM would determine case-by-case
 - ♦ Nature of the work and reimbursement risk
 - ♦ Extent of delay
 - ♦ Significance of impact, especially to small businesses or non-profit organizations
- ♦ GM would report if use of the authority would exceed \$50,000 cumulatively within any grant-funded project



Santa Ana Watershed Project Authority
Cash Transaction Report
Month of July 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	\$	6,928,110.26
Net Investment Transfers		(4,484,270.51)
Cash Disbursements		<u>(975,342.57)</u>
Net Change for Month	\$	1,468,497.18
Balance at Beginning of Month		<u>882,070.91</u>
Balance at End of Month per General Ledger	\$	<u><u>2,350,568.09</u></u>
Collected Balance per Bank Statement	\$	2,365,256.99

ACCOUNTS PAYABLE RECONCILIATION

Accounts Payable Balance @ 06/30/18	\$	3,815,408.41
Invoices Received for July 2018		366,942.85
Invoices Paid by check/wire during July 2018 (see attached register)		<u>(681,304.11)</u>
Accounts Payable Balance @ 07/31/18	\$	<u><u>3,501,047.15</u></u>

CASH RECEIPTS

Brine Line Operating Revenues	\$ 757,944.27
Brine Line Capacity Loan Receipts	89,053.00
Member Agency Contributions	883,017.00
Participant Fees	213,715.00
LESJWA Admin Reimbursement	12,176.12
SRF Loan Proceeds	4,970,932.00
Other	<u>1,272.87</u>
Total Receipts and Deposits	\$ 6,928,110.26

INVESTMENT TRANSFERS

Transfer of Funds:	
From (to) LAIF	\$ (5,000,000.00)
From (to) Grant Retention (USB)	-
From (to) CalTRUST (USB)	-
From (to) Legal Defense Fund	-
From (to) Investments	<u>515,729.49</u>
Total Investment Transfers	\$ (4,484,270.51)

CASH DISBURSEMENTS

By Check:	
Payroll	\$ 668.87
Operations	<u>681,304.11</u>
Total Checks Drawn	\$ 681,972.98
By Cash Transfer:	
Payroll	\$ 203,389.43
Payroll Taxes	87,151.83
Take Care (AFLAC)	<u>2,828.33</u>
Total Cash Transfers	\$ 293,369.59
Total Cash Disbursements	<u>\$ 975,342.57</u>

Santa Ana Watershed Project Authority
Check Detail
Jul-18

Category	Check #	Check Date	Type	Vendor	Check Amount
Asset Clearing	3243	7/26/2018	CHK	Big Tex Trailers	\$5,235.75
Asset Clearing Total					\$5,235.75
Benefits	WDL000004520	7/10/2018	WDL	Takecare	\$785.83
Benefits	3198	7/12/2018	CHK	ACWA/JPIA	\$49,386.73
Benefits	3204	7/12/2018	CHK	Public Employees' Retirement	\$186,122.00
Benefits	3205	7/12/2018	CHK	Cal PERS Long Term Care Program	\$102.04
Benefits	3208	7/12/2018	CHK	State Compensation Ins Fund	\$4,953.75
Benefits	EFT02071	7/12/2018	CHK	Vantagepoint Transfer Agents	\$6,311.08
Benefits	EFT02077	7/12/2018	CHK	Vantagepoint Transfer Agents	\$338.46
Benefits	P033929	7/12/2018	WDL	Public Employees' Retirement	\$18,439.55
Benefits	P033986	7/18/2018	WDL	Public Employees' Retirement	\$20,195.76
Benefits	3222	7/20/2018	CHK	AFLAC	\$560.55
Benefits	3223	7/20/2018	CHK	Cal PERS Long Term Care Program	\$102.04
Benefits	3227	7/20/2018	CHK	WageWorks	\$140.00
Benefits	EFT02093	7/20/2018	CHK	Vantagepoint Transfer Agents	\$6,111.08
Benefits	EFT02103	7/20/2018	CHK	Vantagepoint Transfer Agents	\$338.46
Benefits	WDL000004532	7/24/2018	WDL	Takecare	\$370.36
Benefits	3237	7/26/2018	CHK	Mutual Of Omaha	\$2,973.05
Benefits	WDL000004533	7/26/2018	WDL	Takecare	\$1,672.14
Benefits Total					\$298,902.88
Building Lease	3240	7/26/2018	CHK	Wilson Property Services, Inc	\$1,458.00
Building Lease Total					\$1,458.00
Car, Repair, Maintenance - Gas	3225	7/20/2018	CHK	County of Riverside	\$1,148.79
Car, Repair, Maintenance - Gas Total					\$1,148.79
Computer Hardware	3213	7/12/2018	CHK	Imagine Systems Inc	\$34,334.55
Computer Hardware Total					\$34,334.55
Consulting	3210	7/12/2018	CHK	Nicolay Consulting Group	\$900.00
Consulting	3211	7/12/2018	CHK	RBI Traffic	\$1,000.00
Consulting	EFT02072	7/12/2018	CHK	Risk Sciences	\$3,780.00
Consulting	EFT02080	7/12/2018	CHK	Trussell Technologies, Inc.	\$5,668.00
Consulting	EFT02081	7/12/2018	CHK	Dudek	\$1,482.50
Consulting	EFT02082	7/12/2018	CHK	Woodard & Curran Inc.	\$119,782.18
Consulting	EFT02085	7/12/2018	CHK	Vali Cooper & Associates, Inc	\$3,255.93
Consulting	EFT02090	7/12/2018	CHK	Raftelis Financial Consultants	\$7,483.18
Consulting	EFT02105	7/20/2018	CHK	Integrated Systems Solutions	\$247.50
Consulting	EFT02112	7/20/2018	CHK	Imagine Systems Inc	\$1,000.00
Consulting	3231	7/26/2018	CHK	Konica Minolta Business Solutions	\$10,500.00
Consulting	3239	7/26/2018	CHK	Scheevel Engineering	\$1,718.75
Consulting	EFT02116	7/26/2018	CHK	Risk Sciences	\$9,608.13
Consulting	EFT02117	7/26/2018	CHK	West Coast Advisors	\$11,500.00
Consulting	EFT02120	7/26/2018	CHK	Accent Computer Solutions Inc	\$3,998.50
Consulting	EFT02121	7/26/2018	CHK	DeGrave Communications	\$2,554.68
Consulting Total					\$184,479.35
Credit Cards	P034030	7/9/2018	WDL	US Bank	\$5,181.14
Credit Cards Total					\$5,181.14
Director Costs	EFT02092	7/20/2018	CHK	Eastern Municipal Water District	\$240.33
Director Costs	EFT02108	7/20/2018	CHK	Jasmin Hall	\$56.68
Director Costs	EFT02110	7/20/2018	CHK	Susan Longville	\$65.40
Director Costs	EFT02111	7/20/2018	CHK	Bruce Whitaker	\$163.50
Director Costs	EFT02113	7/20/2018	CHK	Western Municipal Water District	\$441.97
Director Costs	EFT02124	7/26/2018	CHK	Susan Longville	\$77.87
Director Costs Total					\$1,045.75
Dues	3214	7/12/2018	CHK	California Association of Sanitation Agencies	\$2,500.00
Dues	3224	7/20/2018	CHK	Government Finance Officers	\$160.00
Dues Total					\$2,660.00
Employee Reimbursement	EFT02076	7/12/2018	CHK	Sara Villa	\$128.27
Employee Reimbursement	EFT02078	7/12/2018	CHK	Carlos Quintero	\$43.09
Employee Reimbursement	EFT02079	7/12/2018	CHK	Zyanya Ramirez	\$65.25
Employee Reimbursement	EFT02083	7/12/2018	CHK	Ian Achimore	\$225.06
Employee Reimbursement	EFT02084	7/12/2018	CHK	Lucas Gilbert	\$125.00
Employee Reimbursement	EFT02086	7/12/2018	CHK	Michael Plasencia	\$152.25
Employee Reimbursement	EFT02087	7/12/2018	CHK	Kelly Berry	\$125.00

Santa Ana Watershed Project Authority
Check Detail
Jul-18

Category	Check #	Check Date	Type	Vendor	Check Amount
Employee Reimbursement	EFT02088	7/12/2018	CHK	Mike Antos	\$142.06
Employee Reimbursement	EFT02089	7/12/2018	CHK	Brian Collier	\$125.00
Employee Reimbursement	EFT02091	7/12/2018	CHK	Sonya San Juan	\$125.00
Employee Reimbursement	EFT02094	7/20/2018	CHK	Peter Vitt	\$990.06
Employee Reimbursement	EFT02104	7/20/2018	CHK	Karen Williams	\$276.96
Employee Reimbursement	EFT02106	7/20/2018	CHK	Carlos Quintero	\$40.22
Employee Reimbursement	EFT02107	7/20/2018	CHK	Matt Stewart	\$165.00
Employee Reimbursement	EFT02123	7/26/2018	CHK	Alison L Lewis	\$30.00
Employee Reimbursement Total					\$2,758.22
Equipment Rented	3202	7/12/2018	CHK	Konica Minolta Business Solutions	\$764.77
Equipment Rented	3238	7/26/2018	CHK	GreatAmerica Financial Services	\$1,452.56
Equipment Rented Total					\$2,217.33
Facility Repair & Maintenance	3212	7/12/2018	CHK	Sims Tree Health Specialists	\$480.00
Facility Repair & Maintenance	EFT02073	7/12/2018	CHK	Yeier Janitorial	\$1,370.00
Facility Repair & Maintenance	3226	7/20/2018	CHK	TNT Elevator Inc	\$240.00
Facility Repair & Maintenance	3228	7/20/2018	CHK	National Lining Company	\$15,912.00
Facility Repair & Maintenance	EFT02096	7/20/2018	CHK	Western Exterminator Co.	\$116.50
Facility Repair & Maintenance	EFT02099	7/20/2018	CHK	Green Meadows Landscape	\$625.00
Facility Repair & Maintenance	EFT02100	7/20/2018	CHK	Golden State Fire Protection	\$650.00
Facility Repair & Maintenance	EFT02109	7/20/2018	CHK	Houston Harris PCS, Inc.	\$2,347.50
Facility Repair & Maintenance	3234	7/26/2018	CHK	O G Supply Inc.	\$206.07
Facility Repair & Maintenance	3241	7/26/2018	CHK	CR&R Incorporated	\$57.49
Facility Repair & Maintenance	3242	7/26/2018	CHK	Valley Cities/Gonzales Fence	\$8,900.00
Facility Repair & Maintenance	EFT02114	7/26/2018	CHK	Inland Empire Utilities Agency	\$2,221.29
Facility Repair & Maintenance	EFT02118	7/26/2018	CHK	Haz Mat Trans, Inc.	\$1,495.00
Facility Repair & Maintenance Total					\$34,620.85
Insurance Expense	3235	7/26/2018	CHK	Alliant Insurance Services	\$16,930.00
Insurance Expense Total					\$16,930.00
Lab Costs	EFT02074	7/12/2018	CHK	E. S. Babcock & Sons, Inc.	\$1,877.00
Lab Costs	EFT02098	7/20/2018	CHK	E. S. Babcock & Sons, Inc.	\$703.00
Lab Costs	EFT02101	7/20/2018	CHK	Camet Research	\$1,125.00
Lab Costs	EFT02119	7/26/2018	CHK	E. S. Babcock & Sons, Inc.	\$1,301.00
Lab Costs Total					\$5,006.00
Legal Fees	EFT02075	7/12/2018	CHK	Best Best & Krieger LLP	\$798.00
Legal Fees Total					\$798.00
Office Expense	3199	7/12/2018	CHK	Aramark Corporation Refreshments	\$206.21
Office Expense	3216	7/12/2018	CHK	Konica Minolta Business Solutions	\$583.91
Office Expense	3230	7/26/2018	CHK	Aramark Corporation Refreshments	\$191.96
Office Expense	3233	7/26/2018	CHK	Awards & Specialties	\$42.41
Office Expense	3236	7/26/2018	CHK	Printing Connection, Inc.	\$151.67
Office Expense Total					\$1,176.16
Offsite Storage	EFT02102	7/20/2018	CHK	Iron Mountain	\$121.66
Offsite Storage Total					\$121.66
Other Contract Services	EFT02095	7/20/2018	CHK	Western Municipal Water District	\$13,633.82
Other Contract Services	EFT02122	7/26/2018	CHK	EcoTech Services Inc	\$59,170.00
Other Contract Services Total					\$72,803.82
Other Expense	EFT02115	7/26/2018	CHK	ESRI Inc.	\$4,441.66
Other Expense Total					\$4,441.66
Payroll	WDL000004513	7/6/2018	WDL	Direct Deposit 7/6/2018	\$78,579.67
Payroll	WDL000004514	7/6/2018	WDL	Direct Deposit 7/6/2018	\$38,520.52
Payroll	WDL000004518	7/6/2018	WDL	PR Tax - Federal	\$38,117.86
Payroll	WDL000004519	7/6/2018	WDL	PR Tax - State	\$7,385.64
Payroll	3219	7/12/2018	CHK	Payroll Check	\$359.07
Payroll	3220	7/12/2018	CHK	Payroll Check	\$309.80
Payroll	WDL000004522	7/16/2018	WDL	PR Tax - Federal	\$128.84
Payroll	WDL000004523	7/16/2018	WDL	PR Tax - State	\$7.48
Payroll	WDL000004528	7/20/2018	WDL	Direct Deposit 7/20/2018	\$86,289.24
Payroll	WDL000004529	7/20/2018	WDL	PR Tax - Federal	\$33,921.24
Payroll	WDL000004530	7/20/2018	WDL	PR Tax - State	\$7,590.77
Payroll Total					\$291,210.13
Petty Cash	3206	7/12/2018	CHK	Karen Williams, Custodian of	\$167.85

Santa Ana Watershed Project Authority
Check Detail
Jul-18

Category	Check #	Check Date	Type	Vendor	Check Amount
Petty Cash Total					\$167.85
Safety	EFT02097	7/20/2018	CHK	Underground Service Alert	\$153.55
Safety Total					\$153.55
Temporary Services	3200	7/12/2018	CHK	AppleOne Employment Services	\$2,405.72
Temporary Services	3221	7/20/2018	CHK	AppleOne Employment Services	\$1,246.76
Temporary Services Total					\$3,652.48
Utilities	3201	7/12/2018	CHK	Riverside, City of	\$1,984.96
Utilities	3203	7/12/2018	CHK	AT&T	\$1,020.82
Utilities	3207	7/12/2018	CHK	Southern California Edison	\$221.75
Utilities	3209	7/12/2018	CHK	Burrtec Waste Industries Inc	\$77.00
Utilities	3215	7/12/2018	CHK	Riverside, City of	\$79.53
Utilities	3217	7/12/2018	CHK	AT&T	\$768.62
Utilities	3218	7/12/2018	CHK	Southern California Edison	\$31.88
Utilities	3229	7/20/2018	CHK	Verizon Wireless	\$14.36
Utilities	3232	7/26/2018	CHK	AT&T	\$639.73
Utilities Total					\$4,838.65
Grand Total					\$975,342.57

Accounts Payable

Checks	\$ 637,487.66
Wire Transfers	\$ 43,816.45
	<u>\$ 681,304.11</u>

Bank Fees

Take Care	\$ 2,828.33
Other	
Payroll	\$ 291,210.13
	<u>\$ 975,342.57</u>

Total Disbursements for July 2018

Santa Ana Watershed Project Authority
 Consulting
 July 2018

Check #	Check Date	Task #	Task Description	Vendor Name	Total Contract	Check Amount	Remaining Contract Amount	Notes/Comments
EFT02120	7/26/2018	ACS100-09	IT Support	Accent Computer Solutions	\$ 62,100.00	\$ 3,998.50	\$ 3,742.55	
EFT02121	7/26/2018	DEGR392-03	Social Media Suport - EC TF	DeGrave Communications	\$ 30,000.00	\$ 2,214.68	\$ -	
EFT02121	7/26/2018	DEGR398-01	Social Media Suport - EC TF	DeGrave Communications	\$ 78,434.00	\$ 340.00	\$ 74,869.00	
EFT02081	7/12/2018	DUDK373-01	OWOW Plan Update 2018	Dudek	\$ 34,325.00	\$ 1,257.50	\$ 5,789.49	
EFT02081	7/12/2018	DUDK326-06	Reach V Rehab, Phase I, Tasks 3-4	Dudek	\$ 134,900.00	\$ 225.00	\$ 44,469.37	
EFT02112	7/20/2018	IMAG100-01	Server Refresh Project Consulting	Imagine Systems	\$ 4,000.00	\$ 1,000.00	\$ 3,000.00	
EFT02105	7/20/2018	INSOL100-10	Great Plains Annual Service and Support	Integrated Systems Solutions	\$ 4,000.00	\$ 247.50	\$ 1,243.50	
3231	7/26/2018	KON100-05	OnBase Workflow Support	Konica Minolta Business Solutions	\$ 10,500.00	\$ 10,500.00	\$ -	
3210	7/12/2018	NICO100-05	GASB 45/75 Transition Plan	Nicolay Consulting Group	\$ 7,200.00	\$ 900.00	\$ 1,500.00	
EFT02090	7/12/2018	RFT240-01	Rate Model	Raftelis Financial Consultant	\$ 79,517.00	\$ 7,483.18	\$ -	
3211	7/12/2018	RBI240-02	Traffic Control Plans	RBI Traffic	\$ 1,000.00	\$ 1,000.00	\$ -	
EFT02072	7/12/2018	RISK384-08	MSAR TMDL Task Force	Risk Sciences	\$ 87,300.00	\$ 3,780.00	\$ 467.88	
EFT02116	7/26/2018	RISK374-07	Basin Monitoring Task Force	Risk Sciences	\$ 73,150.00	\$ 9,608.13	\$ 34,756.10	
3239	7/26/2018	SCH-381-01	Santa Ana Sucker Protection and Beneficial Use	Scheevel Engineering	\$ 96,725.00	\$ 1,718.75	\$ 16,458.50	
EFT02080	7/12/2018	TRU240-20	BL Water Quality Monitoring Analysis & Billing	Trussell Technologies, Inc.	\$ 49,885.00	\$ 5,410.00	\$ 32,944.60	
EFT02080	7/12/2018	TRU240-21	BL Water Quality Monitoring Assessment	Trussell Technologies, Inc.	\$ 41,590.00	\$ 258.00	\$ 39,084.00	
EFT02085	7/12/2018	VALI326-04	Reach V Rehabilitaion - Phase 1, Tasks 3&4	Vali Cooper & Associates	\$ 1,252,400.00	\$ 3,255.93	\$ 436,333.47	
EFT02117	7/26/2018	WCA100-03-02	State Legislative Consulting Services	West Coast Advisors	\$ 345,000.00	\$ 11,500.00	\$ 43,000.00	
EFT02082	7/12/2018	RMC504-401-02	SARCCUP Program Mgmt Services	Woodard & Curran Inc. (RMC)	\$ 260,515.00	\$ 12,684.10	\$ 130,985.05	
EFT02082	7/12/2018	W&C327-01	4D Rehabilitation - Engineering Services	Woodard & Curran Inc. (RMC)	\$ 226,649.00	\$ 107,098.08	\$ 116,144.92	
					\$ 184,479.35			

COMMISSION MEMORANDUM NO. 2018.93

DATE: September 118, 2018
TO: SAWPA Commission
SUBJECT: Inter-Fund Borrowing – July 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 July 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	06/30/18 Balance	Loan Receipts	New Charges	07/31/18 Balance
130	Proposition 84 Admin	\$48,761.23	(\$0.00)	\$11,190.28	\$59,951.51
135	Proposition 84 Admin R2	64,467.78	(0.00)	5,500.25	69,968.03
140	Proposition 84 Admin R3	38,640.70	(0.00)	9,767.07	48,407.77
145	Proposition 84 Admin R4	98,552.83	(0.00)	9,202.74	107,755.57
398	Proposition 1 – DACI Grant	71,140.45	(0.00)	8,653.20	79,793.65
477	LESJWA Administration	10,814.18	(12,176.12)	4,912.33	3,550.39
504	Prop 84 - Drought Projects	131,882.47	(0.00)	22,652.01	154,534.48
	Total Funds Borrowed	\$464,259.64	(\$12,176.12)	\$71,877.88	\$523,961.40
	General Fund Reserves Balance		\$3,067,083.43		
	Less Amount Borrowed		<u>523,961.40</u>		
	Balance of General Fund Reserves		\$2,543,122.03		

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

Fund No.	Source of Funding	Billing Frequency	Projected Payment Time
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.

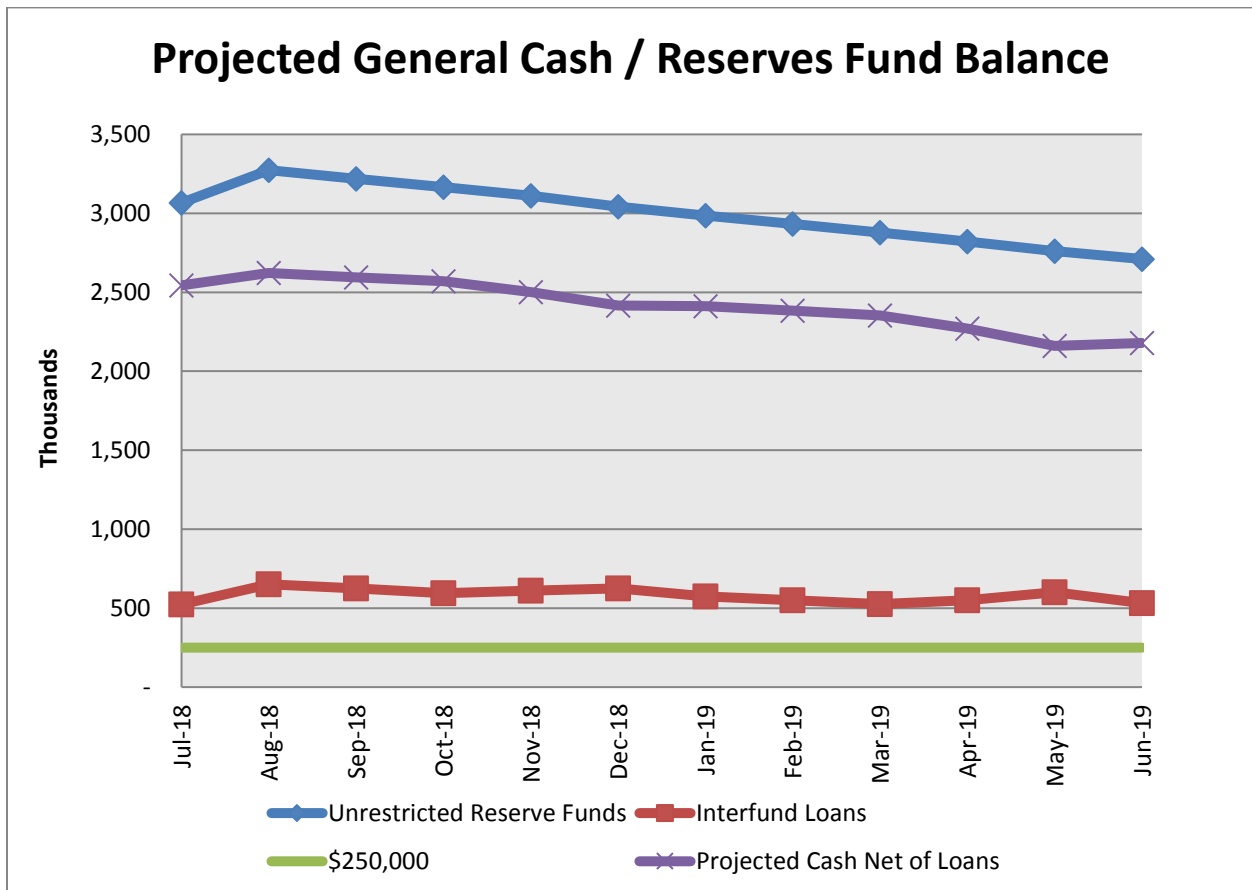
Fund 504

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 07/31/18	Remaining Grant Budget
130	Proposition 84 Admin R1	\$660,004	(\$483,449)	\$176,555
135	Proposition 84 Admin R2	627,405	(389,756)	237,649
140	Proposition 84 Admin R3	625,000	(544,781)	80,219
145	Proposition 84 Admin R4	3,213,384	(504,578)	2,708,806
373	OWOW Planning Grant	250,000	(121,726)	128,274
397	Energy Water DAC Grant (WECAN)	2,164,816	(1,760,716)	404,100
398	Proposition 1 – DACI Grant	1,362,741	(668,307)	694,434
504	Prop 84 - Drought Projects	6,962,610	(2,915,648)	4,046,962
504	Prop 84 – 2015 Round (SARCCUP)	1,000,000	(442,424)	557,576
	Totals	\$16,865,960	(\$7,831,385)	\$9,034,575

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 2019. The projected loan balance is expected to remain over the \$250,000 aggregate limit through June 2019 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. 2018.94

DATE: September 18, 2018
TO: SAWPA Commission
SUBJECT: Performance Indicators and Financial Reporting – July 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.
--------------------	---

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 Twelve Months Ending Saturday, June 30, 2018

	General Fund	Brine Line Enterprise	Capital Projects	OWOW Projects	Roundtable Projects	Fund Totals
Assets						
Current Assets						
Cash and Investments	\$4,010,881.17	\$40,513,833.56	\$0.00	\$388,980.39	\$1,684,807.22	\$46,598,502.34
Accounts Receivable	47,450.04	9,337,541.38	0.00	4,422,571.10	38,510.00	13,846,072.52
Installment Notes Receivable	0.00	84,011.00	0.00	0.00	0.00	84,011.00
Interest Receivable	18,323.47	155,346.78	0.00	3,723.67	8,132.25	185,526.17
Prepays and Deposits	107,544.26	144,487.27	0.00	0.00	0.00	252,031.53
Total Current Assets	<u>4,184,198.94</u>	<u>50,235,219.99</u>	<u>0.00</u>	<u>4,815,275.16</u>	<u>1,731,449.47</u>	<u>60,966,143.56</u>
Fixed Assets						
Property, Plant & Equipment						
less accum depreciation	1,176,084.14	88,043,981.03	0.00	0.00	0.00	89,220,065.17
Work In Process	0.00	0.00	238,336.89	0.00	0.00	238,336.89
Total fixed assets	<u>1,176,084.14</u>	<u>88,043,981.03</u>	<u>238,336.89</u>	<u>0.00</u>	<u>0.00</u>	<u>89,458,402.06</u>
Other Assets						
Wastewater treatment/disposal rights, net of amortization	0.00	27,533,915.95	0.00	0.00	0.00	27,533,915.95
Inventory - Mitigation Credits	0.00	0.00	0.00	0.00	1,910,560.00	1,910,560.00
Total Other Assets	<u>0.00</u>	<u>27,533,915.95</u>	<u>0.00</u>	<u>0.00</u>	<u>1,910,560.00</u>	<u>29,444,475.95</u>
Total Assets	<u>\$5,360,283.08</u>	<u>\$165,813,116.97</u>	<u>\$238,336.89</u>	<u>\$4,815,275.16</u>	<u>\$3,642,009.47</u>	<u>\$179,869,021.57</u>
Liabilities and Fund Equity						
Current Liabilities						
Accounts Payable/Accrued Expenses	\$825,502.32	\$677,653.97	\$250,135.07	\$4,183,372.31	\$64,980.95	\$6,001,644.62
Accrued Interest Payable	0.00	442,338.84	0.00	0.00	56.52	442,395.36
Customer Deposits	10,000.00	0.00	0.00	0.00	0.00	10,000.00
Noncurrent Liabilities						
Long-term Debt	4,327,604.00	31,849,861.14	0.00	0.00	0.00	36,177,465.14
Deferred Revenue	0.00	70,209,133.50	0.00	0.00	0.00	70,209,133.50
Total Liabilities	<u>5,163,106.32</u>	<u>103,178,987.45</u>	<u>250,135.07</u>	<u>4,183,372.31</u>	<u>65,037.47</u>	<u>112,840,638.62</u>
Fund Equity						
Contributed Capital	0.00	20,920,507.03	0.00	0.00	0.00	20,920,507.03
Retained Earnings	1,824,965.00	49,010,523.74	(6,974,462.04)	949,951.40	3,697,486.05	48,508,464.15
Revenue Over/Under Expenditures	(1,627,788.24)	(7,296,901.25)	6,962,663.86	(318,048.55)	(120,514.05)	(2,400,588.23)
Total Fund Equity	<u>197,176.76</u>	<u>62,634,129.52</u>	<u>(11,798.18)</u>	<u>631,902.85</u>	<u>3,576,972.00</u>	<u>67,028,382.95</u>
Total Liabilities & Fund Equity	<u>\$5,360,283.08</u>	<u>\$165,813,116.97</u>	<u>\$238,336.89</u>	<u>\$4,815,275.16</u>	<u>\$3,642,009.47</u>	<u>\$179,869,021.57</u>

Santa Ana Watershed Project Authority
Revenue & Expenses by Fund Type
For the Twelve Months Ending Saturday, June 30, 2018

	General Fund	Brine Line Enterprise	Capital Projects	OWOW Projects	Roundtable Projects	Fund Totals
Operating Revenue						
Discharge Fees	\$0.00	\$10,894,642.51	\$0.00	\$0.00	\$0.00	\$10,894,642.51
Grant Proceeds	0.00	0.00	0.00	6,612,331.20	0.00	6,612,331.20
Financing Proceeds	0.00	0.00	0.00	0.00	188,686.95	188,686.95
Total Operating Revenue	0.00	10,894,642.51	0.00	6,612,331.20	188,686.95	17,695,660.66
Operating Expenses						
Labor	1,572,070.89	874,889.57	129,494.19	526,972.66	134,194.44	3,237,621.75
Benefits	515,135.69	382,326.77	56,175.28	230,287.04	58,642.92	1,242,567.70
Indirect Costs	0.00	1,234,469.12	194,383.99	743,558.39	189,348.39	2,361,759.89
Education & Training	19,045.12	1,249.28	0.00	125.00	0.00	20,419.40
Consulting & Professional Services	284,124.41	126,614.66	2,628,267.52	2,112,578.15	789,568.45	5,941,153.19
Operating Costs	3,851.27	2,732,043.16	0.00	0.00	87.60	2,735,982.03
Repair & Maintenance	65,673.05	261,898.95	0.00	0.00	0.00	327,572.00
Phone & Utilities	61,470.92	7,359.81	0.00	0.00	0.00	68,830.73
Equipment & Computers	155,710.96	46,593.51	0.00	149.32	269.30	202,723.09
Meeting & Travel	18,516.91	3,191.62	0.00	13,161.41	989.30	35,859.24
Other Administrative Costs	126,814.90	24,220.38	0.00	18,099.93	17,153.53	186,288.74
Benefits Applied	339,982.10	0.00	0.00	0.00	0.00	339,982.10
Indirect Costs Applied	(2,366,930.47)	0.00	0.00	0.00	0.00	(2,366,930.47)
Other Expenses	32,579.04	136,812.84	0.00	0.00	0.00	169,391.88
Construction	0.00	0.00	0.00	4,952,359.21	0.00	4,952,359.21
Total Operating Expenses	828,044.79	5,831,669.67	3,008,320.98	8,597,291.11	1,190,253.93	19,455,580.48
Operating Income (Loss)	(828,044.79)	5,062,972.84	(3,008,320.98)	(1,984,959.91)	(1,001,566.98)	(1,759,919.82)
Nonoperating Income (Expense)						
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	861,210.00	835,415.00	1,696,625.00
Pipeline & Treatment Capacity Sales	0.00	2,510,154.00	0.00	0.00	0.00	2,510,154.00
Interest Income	58,483.49	215,601.67	0.00	16,009.00	25,622.93	315,717.09
Interest Expense - Debt Service	0.00	(487,974.63)	0.00	0.00	0.00	(487,974.63)
Other Income	4,156.59	61,881.87	13,138.34	13,692.36	15.00	92,884.16
Use of Reserves	(133,709.00)	0.00	0.00	0.00	0.00	(133,709.00)
Other Expense	(75.67)	0.00	0.00	0.00	0.00	(75.67)
Operating Transfers	0.00	(9,957,846.50)	9,957,846.50	0.00	0.00	0.00
Total Nonoperating Income (Expense)	574,970.41	(7,658,183.59)	9,970,984.84	1,666,911.36	881,052.93	5,435,735.95
Excess Rev over (under) Exp	(<u>\$253,074.38</u>)	(<u>\$2,595,210.75</u>)	(<u>\$6,962,663.86</u>)	(<u>\$318,048.55</u>)	(<u>\$120,514.05</u>)	(<u>\$3,675,816.13</u>)

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

Customer Name	Project	Total	Current	0-30 Days	31-60 Days	61 and Over
Beaumont Cherry Valley Water District	Basin Monitoring TF	13,712.00			13,712.00	
Chino Basin Desalter Authority	Brine Line	321,644.73		166,263.90	155,380.83	
Department of Water Resources	Prop 84, WECAN	3,106,755.69		87,278.82	337,946.31	2,681,530.56
Eastern Municipal Water District	Brine Line	347,043.97		174,987.98	172,055.99	
Elsinore Valley Municipal Water District	Emerging Constituents TF	3,077.00			3,077.00	
Inland Empire Utilities Agency	Brine Line, Member Agency Contributions	558,281.21		128,278.17	430,003.04	
K-VAC Environmental Services	Brine Line	250.00			250.00	
Lake Elsinore & San Jacinto Watersheds Authority	LESJWA Administration	10,912.33			10,912.33	
Orange County Water District	Member Agency Contributions, SA Sucker	355,339.00		15,000.00	294,339.00	46,000.00
Redlands, City of	Emerging Constituents TF	3,077.00			3,077.00	
Riverside, City of	SA Sucker	4,000.00		4,000.00		
San Bernardino Valley Municipal Water District	Brine Line, Member Agency Contributions	484,745.24		98,236.34	386,508.90	
Western Municipal Water District	Brine Line, SARCCUP Cost Share	794,683.18		352,088.27	351,872.91	90,722.00
Western Riverside County Regional Wastewater Authority	Emerging Constituents TF	3,077.00			3,077.00	
Total Accounts Receivable		6,006,598.35	-	1,026,133.48	2,162,212.31	2,818,252.56

Santa Ana Watershed Project Authority
Open Task Orders Schedule
July 2018
(Reflects Invoices Received as of 08/13/18)

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
ACS100-11	100-00	Accent Computer Solutions	IT Support	08/08/2018	06/30/2020	\$ 186,800.00	\$ -	\$ 186,800.00	\$ 4,228.94	\$ 182,571.06	Dean Unger	
BART100-03	100-00	Bartel & Associates	GASB 68 Actuarial Information	04/24/2018	12/31/2018	\$ 1,200.00	\$ -	\$ 1,200.00	\$ -	\$ 1,200.00	Karen Williams	
INSOL100-11	100-00	Integrated Systems Solutions	Management of Info Systems & Technology	08/01/2018	06/30/2019	\$ 3,000.00	\$ -	\$ 3,000.00		\$ 3,000.00	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	\$ 5,700.00	\$ 1,500.00	Karen Williams	
TEAM100-07	100-00	Teaman, Ramirez, & Smith	Auditing Services	06/05/2018	06/30/2021	\$ 79,500.00	\$ -	\$ 79,500.00	\$ 7,500.00	\$ 72,000.00	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	\$ 313,500.00	\$ 31,500.00	Rich Haller	
DOUG240-03	240	Douglas Environmental	Brine Line Meter Calibration	07/01/2018	06/30/2020	\$ 25,620.00		\$ 25,620.00		\$ 25,620.00	Carlos Quintero	On Call
WO2019-04	240	E S Babcock	Brine Line Sample Collection & Analysis	07/01/2018	06/30/2019	\$ 86,454.00	\$ -	\$ 86,454.00	\$ 2,851.00	\$ 83,603.00	Carols Quintero	
HAZ240-09	240	Haz Mat Trans Inc	On Call Draining & Emergency Clean Up	07/01/2018	06/30/2020	\$ 96,665.00	\$ -	\$ 96,665.00		\$ 96,665.00	Carlos Quintero	On Call
HAZ240-10	240	Haz Mat Trans Inc	BL Debris Hauling & Disposal services	07/01/2018	06/30/2020	\$ 34,800.00		\$ 34,800.00		\$ 34,800.00	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	\$ 370,910.00	\$ 172,210.00	Carlos Quintero	On Call
HOU240-04	240	Houston Harris PCS Inc	Brine Line On Call Inspection Services	07/01/2018	06/30/2020	\$ 96,448.00	\$ -	\$ 96,448.00		\$ 96,448.00	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	\$ 5,633.09	\$ 4,366.91	Carlos Quintero	
INN240-03	240	Innerline Engineering Inc	Brine Line On-Call Line Cleaning	07/01/2018	06/30/2020	\$ 151,020.00		\$ 151,020.00		\$ 151,020.00	Carlos Quintero	On Call
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	\$ 30,380.51	\$ 19,504.49	Carlos Quintero	
TRU240-21	240	Trussel Technologies	BL Monitoring Assesment	01/04/2018	09/30/2018	\$ 41,590.00	\$ -	\$ 41,590.00	\$ 9,982.00	\$ 31,608.00	Carlos Quintero	
WO2019-01	240	WMWD	Sample Collection & Analysis	07/01/2018	06/30/2019	\$ 80,000.00	\$ -	\$ 80,000.00		\$ 80,000.00	David Ruhl	
WO2019-02	240	WMWD	Brine Line Operations & Maintenance	07/01/2018	06/30/2019	\$ 25,000.00	\$ -	\$ 25,000.00		\$ 25,000.00	Carlos Quintero	
STAN320-01	320	Stantec	Alcoa Dike - BL Protection	05/30/2018	12/31/2018	\$ 13,584.00	\$ -	\$ 13,584.00	2,303.57	\$ 11,280.43	David Ruhl	
DUDK326-06	326	Dudek	Reach V Rehabilitation - Ph I, Tasks 3-4	03/03/2017	06/30/2019	\$ 134,900.00	\$ -	\$ 134,900.00	\$ 93,205.63	\$ 41,694.37	David Ruhl	
VALI326-04	326	Vali Cooper & Associates Inc	IEBL Reach V Rehabilitation	03/15/2017	06/30/2019	\$ 1,252,400.00	\$ -	\$ 1,252,400.00	\$ 816,066.53	\$ 436,333.47	David Ruhl	
W&C327-01	327	Woodard & Curran	4D Rehabilitation - Engineering Services	04/11/2018	12/31/2018	\$ 226,649.00	\$ -	\$ 226,649.00	\$ 166,853.73	\$ 59,795.27	David Ruhl	78
DUDK373-01	373	Dudek	Technical Writing - OWOW Plan Update 2018	12/19/2017	12/31/2018	\$ 25,600.00	\$ 8,725.00	\$ 34,325.00	\$ 28,535.51	\$ 5,789.49	Mark Norton	

Santa Ana Watershed Project Authority
Open Task Orders Schedule
July 2018
(Reflects Invoices Received as of 08/13/18)

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
			(phase 1)									
DUDK373-04	373	Dudek	Technical Writing - OWOW Plan Update 2018	07/30/2018	12/31/2018	\$ 38,740.00	\$ -	\$ 38,740.00	\$ 9,962.50	\$ 28,777.50	Mike Antos	
			(phase 2)									
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	\$ 273,068.75	\$ 697.25	Mark Norton	
RISK374-07	374	Risk Sciences	Basin Monitoring TF	11/06/2017	12/31/2018	\$ 73,150.00	\$ -	\$ 73,150.00	\$ 38,393.90	\$ 34,756.10	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	\$ 80,266.50	\$ 16,458.50	Ian Achimore	
CDM384-15	384-01	CDM Smith	CBRP Implementation Support (Cucamonga)	02/08/2017	12/31/2018	\$ 12,135.00	\$ -	\$ 12,135.00	\$ 5,399.64	\$ 6,735.36	Mark Norton	
RISK384-09	384-01	Risk Sciences	MSAR TMDL Task Force	07/01/2018	06/30/2019	\$ 49,340.00	\$ -	\$ 49,340.00		\$ 49,340.00	Rick Whetsel	
CDM386-13	386	CDM Smith	Regional Bacteria Monitoring Program	07/01/2018	06/30/2019	\$ 324,914.00		\$ 324,914.00		\$ 324,914.00	Rick Whetsel	
RISK386-10	386	Risk Sciences	Compliance Expert - RWQM TF	07/01/2018	06/30/2019	\$ 46,820.00	\$ -	\$ 46,820.00	\$ -	\$ 46,820.00	Rick Whetsel	
DEGR392-04	392	DeGrave Communications	Social Media Support - EC TF	07/01/2018	06/30/2019	\$ 30,000.00	\$ -	\$ 30,000.00		\$ 30,000.00	Mark Norton	
PO3289	397	CAPOC	Green House Gas Contract - WECAN	06/27/2016	10/31/2018	\$ 16,628.00	\$ -	\$ 16,628.00	\$ 4,592.60	\$ 12,035.40	Mike Antos	
PO3377	397	CAPR	Green House Gas Contract - WECAN	10/31/2016	10/31/2018	\$ 85,000.00	\$ -	\$ 85,000.00	\$ 85,850.00	\$ (850.00)	Mike Antos	
PO3285	397	CAPSB	Green House Gas Contract - WECAN	06/20/2016	10/31/2018	\$ 868,153.00	\$ -	\$ 868,153.00	\$ 495,987.44	\$ 372,165.56	Mike Antos	
ECOT397-01	397	Ecotech	WECAN Landscaping Project	05/26/2016	10/31/2018	\$ 1,300,000.00	\$ 82,000.00	\$ 1,382,000.00	\$ 1,255,781.50	\$ 126,218.50	Mike Antos	
ECOT397-02	397	Ecotech	WECAN Landscaping Project	04/04/2017	10/30/2018	\$ 612,000.00	\$ -	\$ 612,000.00	\$ 516,909.00	\$ 95,091.00	Mike Antos	
ECOT397-03	397	Ecotech	WECAN Landscaping Project	03/13/2018	09/30/2018	\$ 27,600.00	\$ -	\$ 27,600.00	\$ 5,700.00	\$ 21,900.00	Mike Antos	
GMC397-01	397	Green Media Creations	WECAN Outreach and Management	05/26/2016	10/31/2018	\$ 170,000.00	\$ 20,000.00	\$ 190,000.00	\$ 174,292.80	\$ 15,707.20	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	\$ 90,517.07	\$ 149,482.93	Mike Antos	
DEGR398-01	398	Degrave Communications	Social Meida Support	03/20/2018	06/30/2019	\$ 78,434.00	\$ -	\$ 78,434.00	\$ 3,565.00	\$ 74,869.00	Mark Norton	
PO3463	398	Local Government Commission	Disadvantaged Communities Grant	07/19/2017	04/30/2020	\$ 442,000.00	\$ -	\$ 442,000.00	\$ 184,085.22	\$ 257,914.78	Mike Antos	
PO3551	398	UC Irvine	Disadvantaged Communities Grant	11/06/2017	04/30/2020	\$ 105,000.00	\$ 22,000.00	\$ 127,000.00	\$ 80,151.95	\$ 46,848.05	Mike Antos	
PO3465	398	University Enterprises Corporation	Disadvantaged Communities Grant	07/19/2017	04/30/2020	\$ 1,290,500.00	\$ -	\$ 1,290,500.00	\$ 117,650.45	\$ 1,172,849.55	Mike Antos	
PO3464	398	Water Education Foundation	Disadvantaged Communities Grant	07/19/2017	04/30/2020	\$ 150,000.00	\$ -	\$ 150,000.00	\$ 8,484.69	\$ 141,515.31	Mike Antos	

Santa Ana Watershed Project Authority
 Open Task Orders Schedule
 July 2018
 (Reflects Invoices Received as of 08/13/18)

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
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	\$ 136,955.55	\$ 163,044.45	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	
RMC504-401-04	504-04	Woodard & Curran	SARCCUP Program Mgmt Services	07/01/2018	06/30/2019	\$ 224,485.00	\$ -	\$ 224,485.00	\$ -	\$ 224,485.00	Ian Achimore	
										<u>\$ 5,745,977.66</u>		

LIST OF SAWPA FUNDS

Fund No.	Fund Description	Fund Group
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

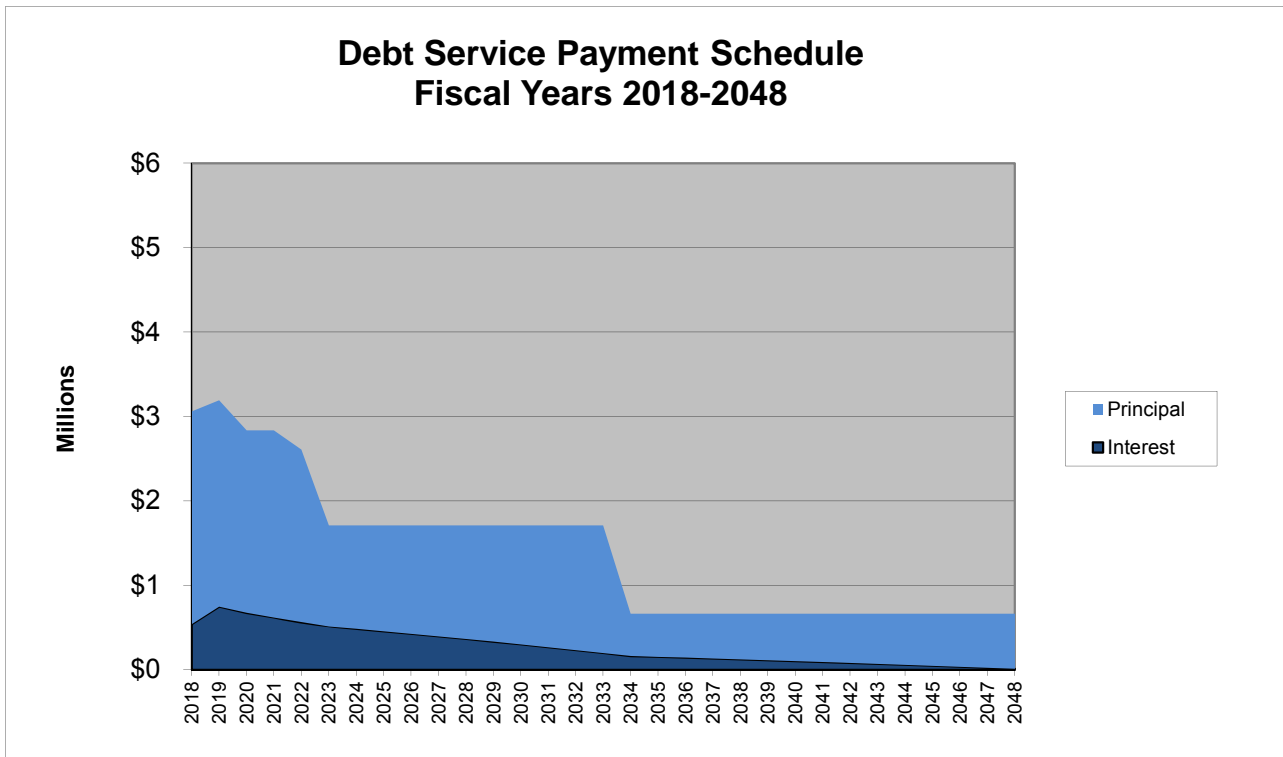
Santa Ana Watershed Project Authority
 Brine Line Debt Service Funding Analysis
 July 31, 2018

FYE	T-Strip Maturity	Capacity Loan Receipts	Rates	Loan Pymts	Interest Earned *	Excess Cash	Ending Cash Balance
	Beginning Balance						5,335,350
2019	395,000	89,053	1,708,750	(3,191,277)	26,392	(972,082)	4,363,268
2020	395,000	-	1,708,750	(2,835,027)	56,175	(675,102)	3,688,166
2021	-	-	1,708,750	(2,835,027)	42,673	(1,083,604)	2,604,562
2022	-	-	1,708,750	(2,607,713)	21,001	(877,961)	1,726,601
2023	-	-	1,708,750	(1,708,750)	3,442	3,442	1,730,043
2024	-	-	1,708,750	(1,708,750)	3,511	3,511	1,733,554
2025	-	-	1,708,750	(1,708,750)	3,581	3,581	1,737,135
2026	-	-	1,708,750	(1,708,750)	3,653	3,653	1,740,787
2027	-	-	1,708,750	(1,708,750)	3,726	3,726	1,744,513
2028	-	-	1,708,750	(1,708,750)	3,800	3,800	1,748,313
2029	-	-	1,708,750	(1,708,750)	3,876	3,876	1,752,189
2030	-	-	1,708,750	(1,708,750)	3,954	3,954	1,756,143
2031	-	-	1,708,750	(1,708,750)	4,033	4,033	1,760,175
2032	-	-	1,708,750	(1,708,750)	4,113	4,113	1,764,289
2033	-	-	1,708,749	(1,708,749)	4,196	4,196	1,768,484
2034	-	-	664,476	(664,476)	4,280	4,280	1,772,764
2035	-	-	664,476	(664,476)	4,365	4,365	1,777,130
2036	-	-	664,476	(664,476)	4,452	4,452	1,781,581
2037	-	-	664,476	(664,476)	4,541	4,541	1,786,124
2038	-	-	664,476	(664,476)	4,632	4,632	1,790,755
2039	-	-	664,476	(664,476)	4,725	4,725	1,795,480
2040	-	-	664,476	(664,476)	4,819	4,819	1,800,299
2041	-	-	664,476	(664,476)	4,916	4,916	1,805,215
2042	-	-	664,476	(664,476)	5,014	5,014	1,810,229
2043	-	-	664,476	(664,476)	5,114	5,114	1,815,344
2044	-	-	664,476	(664,476)	5,217	5,217	1,820,560
2045	-	-	664,476	(664,476)	5,321	5,321	1,825,881
2046	-	-	664,476	(664,476)	5,427	5,427	1,831,309
2047	-	-	664,476	(664,476)	5,536	5,536	1,836,844
2048	-	-	664,476	(664,476)	5,647	5,647	1,842,492
	790,000	89,053	35,598,389	(40,232,434)	262,132	(3,492,859)	-

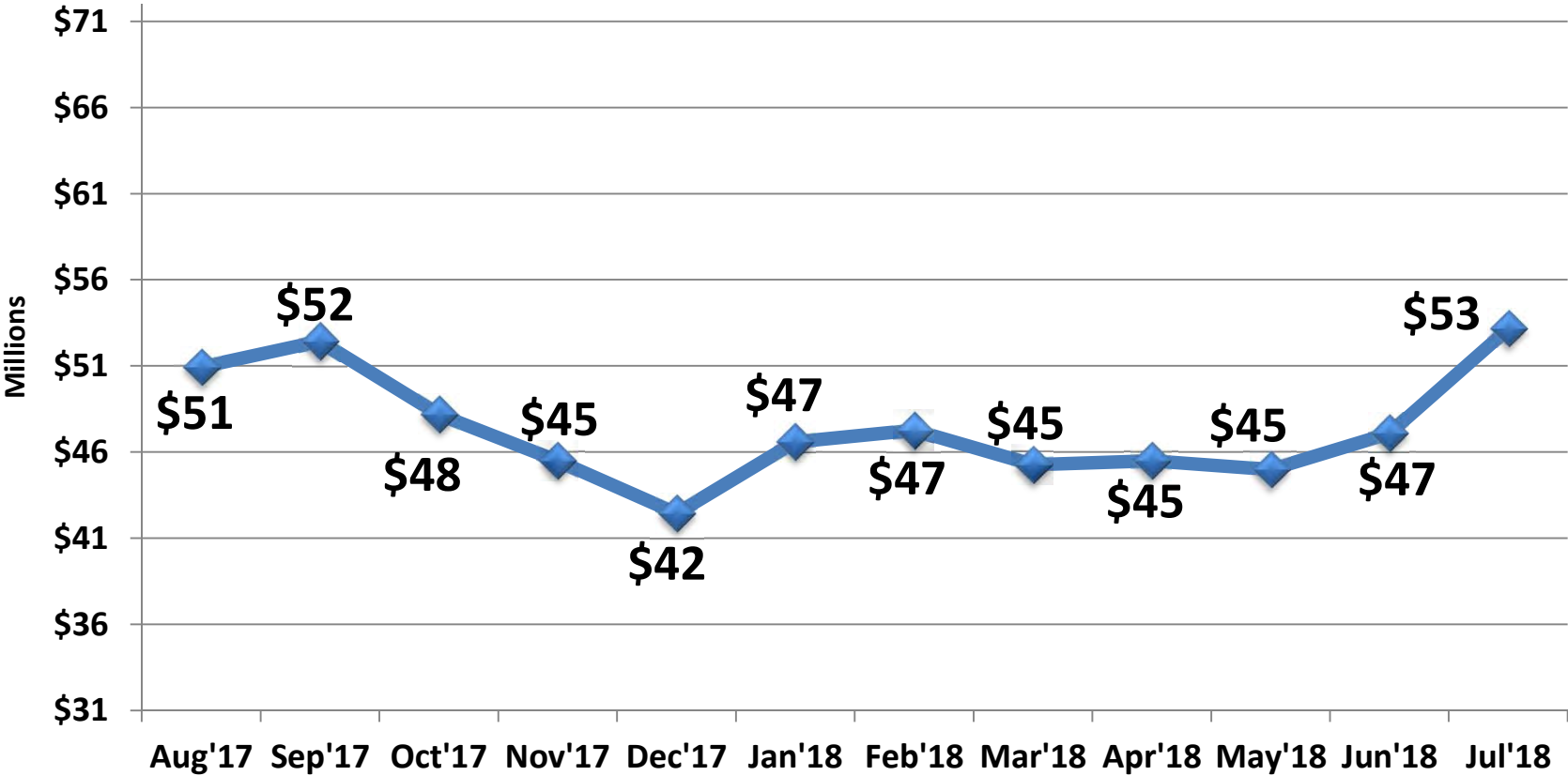
*Interest earned is based on a conservative 2.00% average return over the period

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

FYE	Interest	Principal	Total Payment	New SRF Loan	Remaining Principal
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





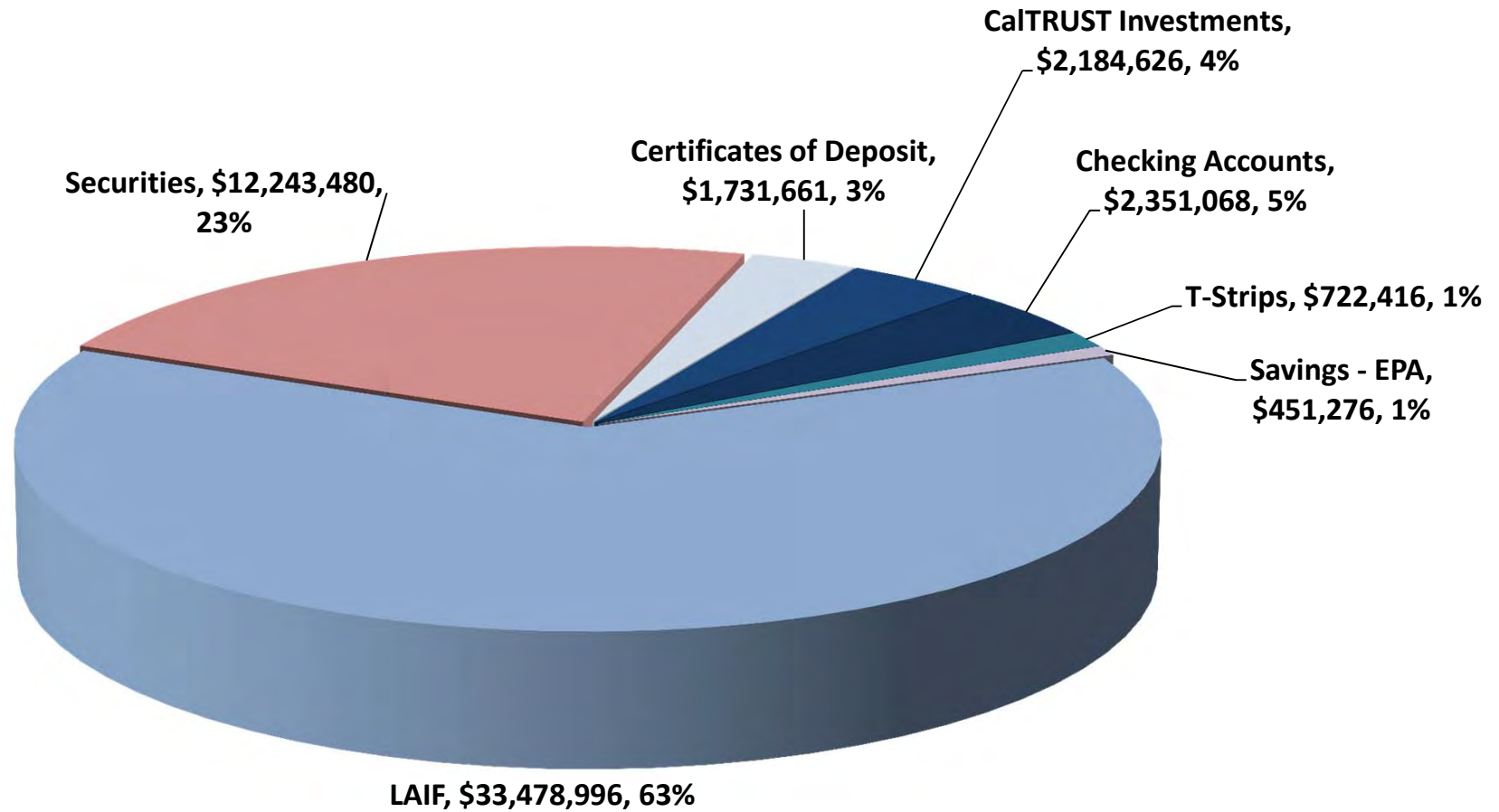
CASH BALANCE & SOURCE OF FUNDS

July 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	\$ 2,543,122	2,351,068	-	192,054	-	-	-	-	\$ 2,543,122	
100 Building Reserve	\$ 1,014,730	-	-	1,014,730	-	-	-	-	\$ 1,014,730	
370 Basin Planning General	\$ 307,882	-	-	307,882	-	-	-	-	\$ 307,882	
370 USBR Partnership Studies	\$ 46,958	-	-	46,958	-	-	-	-	\$ 46,958	
373 Watershed Management Plan	\$ 224,548	-	-	224,548	-	-	-	-	\$ 224,548	
240 Self Insurance Reserve	\$ 4,014,725	-	-	4,014,725	-	-	-	-	\$ 4,014,725	
240 Brine Line Debt Retirement	\$ 6,057,766	-	-	5,335,350	-	-	-	722,416	\$ 6,057,766	
240 Brine Line - Pipeline Replacement	\$ 16,323,794	-	2,184,626	164,027	-	12,243,480	1,731,661	-	\$ 16,323,794	
240 Brine Line - OCSO Rehabilitation	\$ 3,575,919	-	-	3,575,919	-	-	-	-	\$ 3,575,919	
240 Brine Line - Capacity Management	\$ 11,392,906	-	-	11,392,906	-	-	-	-	\$ 11,392,906	
240 Brine Line - OCSO Future Capacity	\$ 1,753,246	-	-	1,753,246	-	-	-	-	\$ 1,753,246	
240 Brine Line - Flow Imbalance Reserve	\$ 94,097	-	-	94,097	-	-	-	-	\$ 94,097	
240 Brine Line - Operating Reserve	\$ 2,811,587	-	-	2,811,587	-	-	-	-	\$ 2,811,587	
401 Legal Defense Fund	\$ 451,276	-	-	-	451,276	-	-	-	\$ 451,276	
372 Imported Water Recharge	\$ (721)	-	-	(721)	-	-	-	-	\$ (721)	
374 Basin Monitoring Program TF	\$ 419,399	-	-	419,399	-	-	-	-	\$ 419,399	
381 SAR Fish Conservation	\$ 167,016	-	-	167,016	-	-	-	-	\$ 167,016	
384 Middle SAR TMDL TF	\$ 86,743	-	-	86,743	-	-	-	-	\$ 86,743	
386 RWQ Monitoring TF	\$ 180,482	-	-	180,482	-	-	-	-	\$ 180,482	
387 Mitigation Bank Credits	\$ 951,104	-	-	951,104	-	-	-	-	\$ 951,104	
392 Emerging Constituents TF	\$ 86,273	-	-	86,273	-	-	-	-	\$ 86,273	
397 Energy - Water DAC Grant	\$ 341,607	-	-	341,607	-	-	-	-	\$ 341,607	
504 Prop 84 - SARCCUP Projects	\$ 319,062	-	-	319,062	-	-	-	-	\$ 319,062	
	\$ 53,163,523	\$ 2,351,068	\$ 2,184,626	\$ 33,478,996	\$ 451,276	\$ 12,243,480	\$ 1,731,661	\$ 722,416	\$ 53,163,523	

Cash & Investments - July 2018

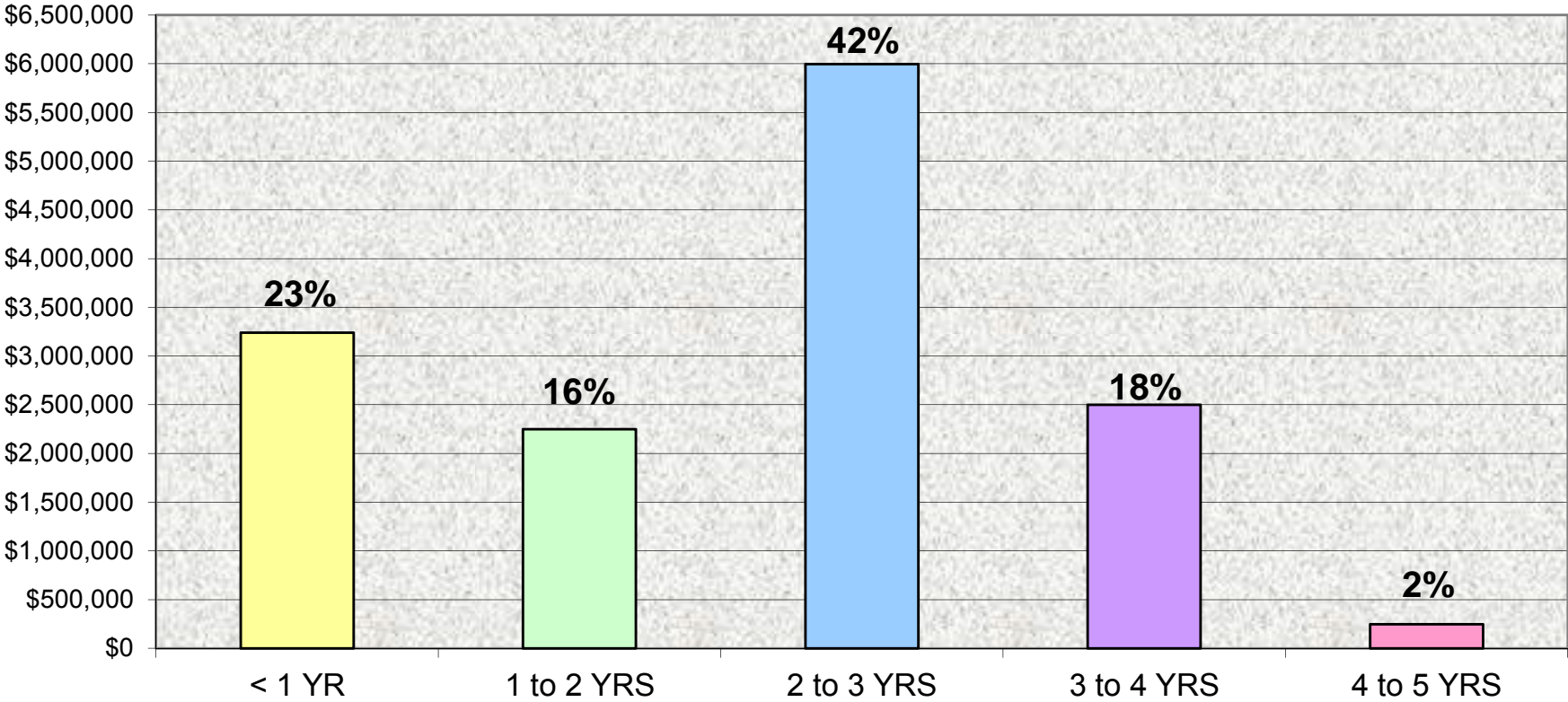
\$53,163,523



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

Reserve Account	Balance @ 6/30/2018	Interest Earned	Fund Contributions	Loan/T-Strip Receipts	Debt Service Payments	Inter-Fund Loans	Fund Expenses	Balance @ 7/31/2018	Estimated Fund Changes	Balance @ 6/30/2019
Brine Line Operating Reserve	2,585,699	14,527	757,944				(546,583)	2,811,587	-	2,811,587
Flow Imbalance Reserve	93,670	427						94,097	-	94,097
OCSD Future Capacity	1,745,247	7,999						1,753,246	-	1,753,246
Capacity Management	11,352,490	40,416						11,392,906	-	11,392,906
Pipeline Replacement	11,309,285	52,435	125,000			4,837,075		16,323,794	(852,115)	15,471,680
OCSD Rehabilitation	3,559,605	16,315						3,575,919	-	3,575,919
Debt Retirement	5,157,252	21,503	156,595					5,335,350	1,045,817	6,381,167
Self Insurance	3,988,170	18,222	8,333					4,014,725	91,667	4,106,392
General Fund	2,636,095	14,063				(523,961)		2,126,197	-	2,126,197
Building Reserve	910,526	4,204	100,000					1,014,730	-	1,014,730
	43,338,039	190,109	1,147,873	-	-	4,313,113	(546,583)	48,442,552	285,369	48,727,921

Twelve Month Maturity Schedule Securities



SAWPA
TREASURER'S REPORT
As of July 31, 2018

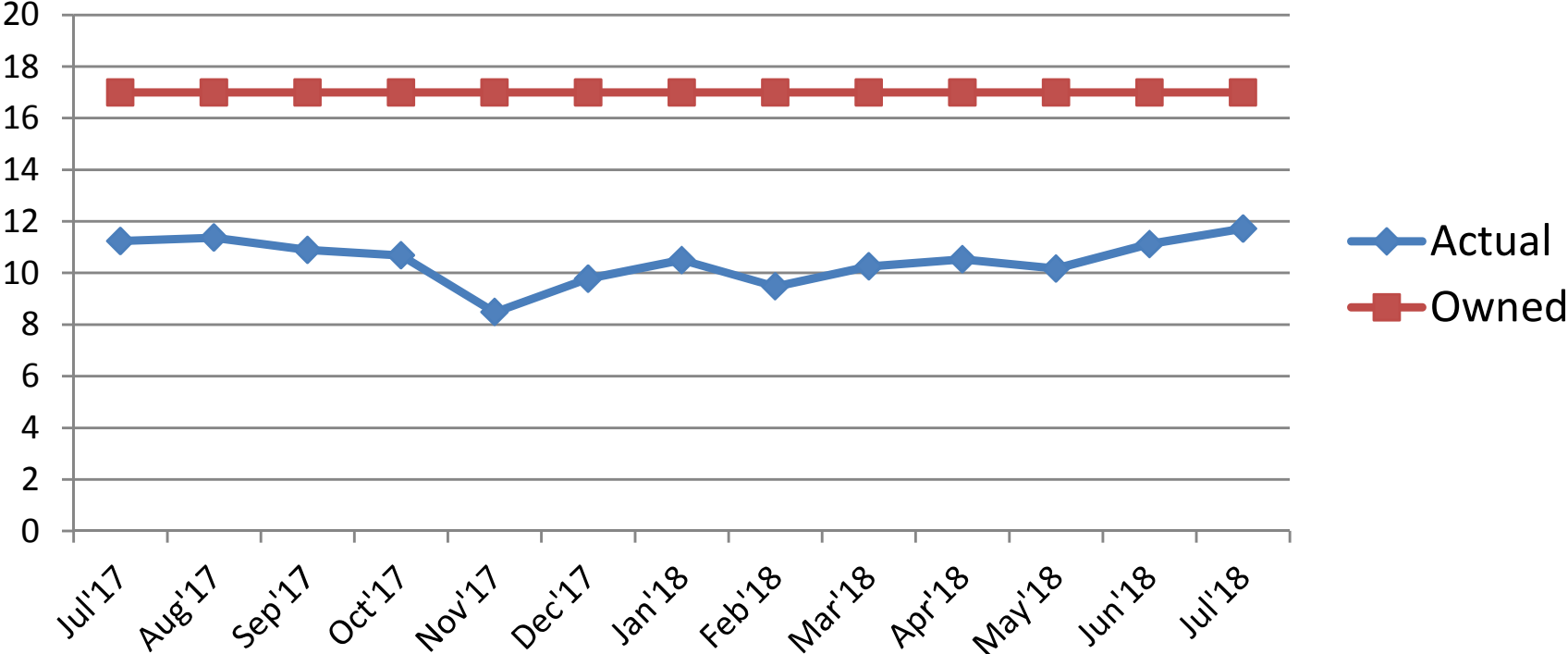
Investment T-Strips
Safekeeping US Bank

T-STRIPS	Debt	Purchase Date	Maturity Date	PAR	Cost	Initial Discount	Current Discount	Book Value	Market Value	Interest Rate
USB	TVRI	02/11/2000	05/15/2020	790,000.00	228,677.35	561,322.65	67,583.86	722,416.14	764,109.34	6.38%
				\$ 790,000.00	\$ 228,677.35	\$ 561,322.65	\$ 67,583.86	722,416.14	\$ 764,109.34	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	504,657.50	3.75%
Agency	FHLMC	9/16/2016	8/12/2021	100.00	\$ 990,060.00	\$ 1,000,000.00	\$ 1,000,000.00	951,174.00	1.125%
Agency	FHLMC	4/17/2017	1/13/2022	102.55	\$ 512,767.00	\$ 500,000.00	\$ 500,000.00	491,949.00	2.375%
Agency	FHLB	5/26/2015	6/14/2019	100.80	\$ 504,015.00	\$ 500,000.00	\$ 500,000.00	496,407.50	1.63%
Agency	FHLB	6/16/2016	6/12/2020	102.61	\$ 1,026,088.00	\$ 1,000,000.00	\$ 1,000,000.00	982,155.00	1.75%
gency	FHLB	12/14/2017	6/10/2022	99.89	\$ 998,930.00	\$ 1,000,000.00	\$ 1,000,000.00	974,251.00	2.125%
Agency	FNMA	3/27/2014	2/19/2019	100.40	\$ 501,975.00	\$ 500,000.00	\$ 500,000.00	498,983.00	1.88%
Agency	FNMA	12/28/2015	12/28/2020	100.21	\$ 1,002,140.00	\$ 1,000,000.00	\$ 1,000,000.00	978,925.00	1.88%
Agency	FNMA	6/16/2016	11/30/2020	101.52	\$ 1,015,157.00	\$ 1,000,000.00	\$ 1,000,000.00	971,543.00	1.50%
Agency	USTN	11/17/2015	11/30/2018	100.00	\$ 1,002,500.00	\$ 1,000,000.00	\$ 1,000,000.00	997,109.00	1.25%
Agency	USTN	11/17/2015	10/31/2020	100.00	\$ 1,005,312.50	\$ 1,000,000.00	\$ 1,000,000.00	978,906.00	1.75%
Agency	USTN	11/17/2015	11/30/2019	100.00	\$ 1,001,210.94	\$ 1,000,000.00	\$ 1,000,000.00	986,094.00	1.50%
Agency	USTN	6/17/2016	8/31/2020	101.13	\$ 507,070.31	\$ 500,000.00	\$ 500,000.00	486,699.00	1.38%
Agency	USTN	6/16/2016	9/30/2020	101.12	\$ 506,992.19	\$ 500,000.00	\$ 500,000.00	486,191.50	1.38%
Agency	USTN	6/16/2016	10/31/2020	101.12	\$ 506,914.06	\$ 500,000.00	\$ 500,000.00	485,410.00	1.38%
Agency	USTN	12/14/2017	7/31/2021	96.91	\$ 969,062.50	\$ 1,000,000.00	\$ 1,000,000.00	952,773.00	1.125%
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 One Bank USA NA	9/30/2015	10/1/2018	100.00	\$ 248,000.00	\$ 248,000.00	\$ 248,000.00	247,830.49	1.65%
CD	Capital One NA	9/30/2015	10/1/2018	100.00	\$ 248,000.00	\$ 248,000.00	\$ 248,000.00	247,830.49	1.65%
CD	Wells Fargo Bank NA	12/2/2015	12/3/2018	100.00	\$ 245,000.00	\$ 245,000.00	\$ 245,000.00	244,405.60	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%
					\$ 14,329,844.50	\$ 14,233,000.00	\$ 14,233,000.00	13,955,294.08	1.79%

Average Daily Flow by Month





SUMMARY OF LABOR MULTIPLIERS

		Benefit Rate
Total Employee Benefits	91,187	0.309
Total Payroll	295,395	
Gross Indirect Costs	361,339	
Less: Member Contributions & Other Revenue	(37,500)	
Indirect Costs for Distribution	323,839	
		Indirect Rate
Direct Labor	125,602	2.578
Indirect Costs	323,839	

FY 2017-18 Labor multiplier - thru 07/31/18	2.887
--	--------------

FY 2017-18 Labor multiplier	<u>1.990</u>
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>



INDIRECT COSTS

(to be Distributed)

<u>G/L Acct.</u>	<u>Description</u>	<u>Actual thru</u> <u>7/31/18</u>
51000	Salaries - Regular	\$ 169,793
52000	Benefits	\$ 60,824
60111	Tuition Reimbursement	\$ -
60112	Training	\$ -
60113	Education	\$ -
60114	Other Training & Education	\$ 979
60120	Audit Fees	\$ 7,500
60121	Consulting	\$ 15,499
60126	Temporary Services	\$ 5,264
60128	Other Professional Services	\$ -
60129	Other Contract Services	\$ -
60130	Legal Fees	\$ -
60133	Employment Recruitment	\$ -
60153	Materials & Supplies	\$ -
60154	Safety	\$ 354
60155	Security	\$ -
60156	Custodial Contract Services	\$ 1,653
60157	Landscaping Maintenance	\$ 625
60158	HVAC	\$ -
60159	Facility Repair & Maintenance	\$ 1,337
60160	Telephone	\$ 1,406
60161	Cellular / Paging Services	\$ 1,049
60163	Electricity	\$ 2,181
60164	Water Services	\$ 584
60170	Equipment Expensed	\$ 444

(Continued - next column)

<u>G/L Acct.</u>	<u>Description</u>	<u>Actual thru</u> <u>7/31/18</u>
60171	Equipment Rented	\$ 3,214
60172	Equipment Repair / Maintenance	\$ 444
60180	Computer Hardware	\$ 34,263
60181	Software / Updates / Licensing	\$ 1,046
60182	Internet Services	\$ 163
60183	Computer Supplies	\$ 646
60184	Computer Repair / Maintenance	\$ -
60190	Offsite Meeting / Travel Expense	\$ 4
60191	In House Meetings	\$ 65
60192	Conference Expense	\$ 1,269
60193	Car, Repair, Maint	\$ -
60200	Dues	\$ 160
60202	Subscriptions	\$ -
60203	Contributions	\$ -
60210	Bank Charges	\$ -
60211	Shipping / Postage	\$ -
60212	Office Supplies	\$ 2,851
60213	Offsite Storage	\$ 122
60220	Commission Fees	\$ 1,400
60221	Commission Mileage Reimb.	\$ 228
60222	Other Commission Expense	\$ 78
60230	Other Expense	\$ 49
80000	Retiree Medical Expense	\$ 9,417
80001	Insurance Expense	\$ 19,195
80000	Building Repair/Replacement Reserve	\$ 8,333
13005	Fixed Assets	\$ 8,900

Total Costs	\$ 361,339
Direct Costs Paid by Projects	\$ 180,103
Member Contribution Offset	\$ 37,500
	\$ 217,603
Over allocation %	-44.4%
Over (Under) Allocation of General Fund Costs	\$ (143,735)



BENEFITS SUMMARY

(Distributed based on Actual Labor)

<u>G/L Acct</u>	<u>Description</u>	<u>Budget</u>	<u>Actual @ 7/31/18</u>	<u>Projected FYE 2019</u>
70101	FICA Expense	191,217 \$	10,330 \$	123,960
70102	Medicare Expense	56,479 \$	2,500 \$	30,000
70103	State Unemployment Insurance	5,824 \$	-	6,300
70104	Worker's Compensation Insurance	102,821 \$	(15) \$	68,288
70105	State Disability Insurance	25,551 \$	1,474 \$	17,688
70106	PERS Pension Plan	730,279 \$	29,665 \$	355,982
70111	Medical Expense	459,036 \$	37,637 \$	451,644
70112	Dental Expense	32,630 \$	2,296 \$	27,552
70113	Vision Insurance	8,255 \$	615 \$	7,380
70114	Life Insurance Expense	16,014 \$	1,193 \$	14,316
70115	Long Term Disability	18,657 \$	1,327 \$	15,924
70116	Wellness Program Expense	3,500 \$	165 \$	1,980
70117	401a Profit Sharing - Employers Contribution	-	-	-
70120	Car Allowance	36,000 \$	4,000 \$	48,000
	Total Benefits	1,686,263	91,187	1,169,014
	Total Payroll	3,859,112 \$	295,395 \$	3,544,740
	Benefits Rate	43.7%	30.9%	33.0%

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

	Fund	Budget	Actual	%
100	General & Administrative	24,625	2,631	10.68%
130	Prop 84 Round 1 Administration	815	61	7.42%
135	Prop 84 Round 2 Administration	830	29	3.52%
140	Prop 84 2014 Drought Administration	600	65	10.75%
145	Prop 84 Final Round Administration	1,735	46	2.67%
240	Brine Line Enterprise	18,250	1,462	8.01%
320	Brine Line Protection	245	26	10.61%
326	Reach V Capital Repairs	795	43	5.44%
327	Reach IV-D Corrosion Repairs	1,475	31	2.12%
370-01	General Basin Planning	2,365	110	4.64%
370-02	USBR Partnership Studies	110	3	2.73%
372	Imported Water Recharge	60	-	0.00%
373	Watershed Management Plan	2,775	143	5.15%
374	Basin Monitoring Program	419	31	7.28%
381	SAR Fish Conservation	190	14	7.50%
384-01	Chino TMDL Facilitation	165	20	11.97%
386MONIT	Storm Water Quality Standards TF	130	5	3.65%
387	Arundo Removal & Habitat Restoration	173	12	6.79%
392	Emerging Constituents	54	8	13.89%
396	Forest First	20	-	0.00%
397	Water-Energy Grant Administration	464	29	6.14%
397EXPAN	Water-Energy WWWD Administration	-	20	100.00%
398ADMIN	DACI Grant	2,435	52	2.11%
477-02	LESJWA - Administration	330	15	4.62%
477TMDL	LESJWA - TMDL Task Force	720	45	6.28%
504-301A	Prop 84 2014 Drought Implementation	765	7	0.95%
504-301C	Prop 84 2014 Drought Implementation	485	92	18.87%
504-401I	Prop 84 Final Round Implementation	90	10	11.11%
504-401PA23	Prop 84 Final Round Implementation	475	8	1.68%
504-401WUEAMDIN	Prop 84 Final Round Implementation	195		0.00%
504-402SMART	Prop 84 Final Round Implementation	290	10	3.28%
		62,080	5,025	8.09%

Note: Should be at 8.33% of budget for 1 month

COMMISSION MEMORANDUM NO. 2018.95

DATE: September 18, 2018
TO: SAWPA Commission
SUBJECT: Budget vs. Actual Variance Report
FYE 2018 4th Quarter – June 30, 2018
PREPARED BY: Karen Williams, Chief Financial Officer

RECOMMENDATION

It is recommended that the Commission receive and file the informational report on FYE 2018 Fourth Quarter Budget vs. Actual Variance Report.

DISCUSSION

Staff has developed a Budget vs. Actual Variance Report and presents this report on a quarterly basis. Attached is the FYE 2018 Budget vs. Actual Variance Report through June 30, 2018. The Agency's net revenue was \$698,637, which was \$866,548 more favorable than budgeted. Several significant items comprise the majority of this favorable variance:

Operating Revenue was \$532,973 less than budgeted. This unfavorable variance is due to lower concentrations of BOD and TSS and not reducing the prior year's imbalance amount until September.

Operating Expense was \$9,045,764 less than budgeted. This favorable variance is due to a slow start for Proposition 1 and 84 projects, a slow start to many of the projects for the Brine Line and the delayed start of the Reach IV-D Corrosion Repair project.

Non-Operating Revenue/Expense was \$7,646,238 less than budgeted. This unfavorable variance is due to the slow start of the Proposition 1 and 84 projects and the delayed start of the Reach IV-D Corrosion Repair project.

Favorable Revenue Variances

There were no favorable variances of \$250,000 or more for revenue categories this quarter.

Unfavorable Revenue Variances

Listed below are explanations of unfavorable variances of \$250,000 or more for individual revenue categories:

Discharge Fees – The 6% variance of \$532,973 is due to lower concentrations of BOD and TSS and not reducing the prior year's imbalance amount until September lower than budgeted BOD and TSS concentrations.

State Grant Proceeds – The 73% variance of \$3,116,188 is due to slower implementation of the Proposition 84 Drought and WECAN Projects. There has been an unanticipated delay by retail agencies in the implementation of conservation based rates and a delay in the negotiation of the sub-grantee agreements for the Smartscape project.

Use of Reserves – The 57% variance of \$4,457,594 is due to the delayed start of the Reach IV-D Corrosion Repair project which is funded by reserves.

Favorable Expense Variances

Listed below are explanations of favorable variances of \$250,000 or more for individual expense categories:

Labor – The 13% variance of \$345,419 is due to the restructuring of many positions and lower overall salary costs than what was budgeted.

Benefits – The 27% variance of \$321,093 is due to not hiring several vacant positions which lowered benefit costs.

Consulting & Professional Services – The 24% variance of \$1,328,108 is due to delays in projects for both the Drought and Final round of Proposition 84.

Operating Costs – The 36% variance of \$1,032,345 is due to the majority of the planned work in the Brine Line being done by in-house operations staff instead of Western Municipal Water District staff and lower concentrations of BOD and TSS than budgeted.

Repair & Maintenance – The 79% variance of \$474,140 is due to lower than projected costs for the line cleaning program.

Program Expenses – The 128% variance of \$1,963,364 is due to delays in projects for both the Drought and Final rounds of Proposition 84.

Construction – The 29% variance of \$3,312,463 is due to the delayed start of the Reach IV-D Corrosion Repair project and finishing the Reach V Capital Repairs project under budget.

Unfavorable Expense Variances

Listed below are explanations of unfavorable variances of \$250,000 or more for individual expense categories:

Indirect Costs – The 100% variance of \$339,982 is due to not filling several vacant positions. Those costs were not allocated out to projects because we hired consultants to do the work that was planned to be completed by staff.

RESOURCE IMPACTS

None.

Attachment:

1. Variance Report

Santa Ana Watershed Project Authority
 FYE 2018 Budget vs. Actual
 for the Period Ending June 30, 2018

Consolidated

	FYE 2018 Budget	YTD Actual	Favorable (Unfavorable) Variance	
Operating Revenue				
Discharge Fees	\$11,427,616	\$10,894,643	-\$532,973	-6.22%
Total Operating Revenue	11,427,616	10,894,643	-532,973	-6.22%
Operating Expenses				
Labor	3,592,414	3,246,995	345,419	12.82%
Benefits	1,569,289	1,248,196	321,093	27.28%
Education & Training	67,300	20,419	46,881	92.88%
Consulting & Professional Services	7,409,001	6,080,893	1,328,108	23.90%
Operating Costs	3,772,265	2,739,920	1,032,345	36.49%
Repair & Maintenance	798,270	324,130	474,140	79.19%
Phone & Utilities	77,950	68,831	9,119	15.60%
Equipment & Computers	416,400	202,454	213,946	68.51%
Meeting & Travel	115,200	36,347	78,853	91.27%
Other Administrative Costs	324,016	173,841	150,175	61.80%
Other Expense	309,760	199,920	109,840	47.28%
Program Expenses	2,040,501	77,137	1,963,364	128.29%
Construction	12,025,000	8,712,537	3,312,463	28.81%
Operating Transfers	144,252	144,252	0	0.00%
Indirect Costs	0	339,982	-339,982	-100.00%
Total Operating Expenses	32,661,616	23,615,854	9,045,764	33.49%
Net Operating Revenue / (Deficit)	-21,234,000	-12,721,211	-9,578,738	51.94%
Non-Operating Revenue (Expense)				
Member Agency Contributions	1,442,118	1,442,118	0	0.00%
Participant Fees	1,682,056	1,696,625	14,569	0.93%
State Grant Proceeds	5,691,297	2,575,109	-3,116,188	-72.93%
Federal Grant Proceeds	50,000	0	-50,000	-150.00%
SRF Loan Proceeds	7,500,000	7,595,992	95,992	1.28%
Mitigation Credit Sales	88,980	0	-88,980	-133.33%
Debt Service	-3,060,719	-3,060,520	199	-0.01%
T-Strip Maturities	949,000	949,000	0	0.00%
Interest & Investments	1,045,772	963,568	-82,204	-12.38%
Other Income	202,027	260,705	58,678	38.73%
Contributions to Reserves	-3,949,173	-3,969,882	-20,709	-0.69%
Operating Transfers	144,252	144,252	0	0.00%
Use of Reserves	9,280,479	4,822,885	-4,457,594	56.91%
Net Non-Operating Revenue / (Deficit)	21,066,089	13,419,848	-7,646,238	-41.26%
Net Revenue / (Deficit)	-\$167,911	\$698,637	\$866,548	

Santa Ana Watershed Project Authority
 FYE 2018 Budget vs. Actual
 for the Period Ending June 30, 2018
General Fund

	FYE 2018 Budget	YTD Actual	Favorable (Unfavorable) Variance	
Operating Revenue				
Total Operating Revenue	\$0	\$0	\$0	0.00%
Operating Expenses				
Labor	1,500,898	1,569,510	-68,612	-6.10%
Benefits	655,643	515,136	140,507	28.57%
Education & Training	57,300	19,045	38,255	89.02%
Consulting & Professional Services	261,000	284,124	-23,124	-11.81%
Operating Costs	5,820	6,566	-746	-17.09%
Repair & Maintenance	103,270	62,958	40,312	52.05%
Phone & Utilities	68,200	61,471	6,729	13.16%
Equipment & Computers	274,800	155,711	119,089	57.78%
Meeting & Travel	77,500	18,517	58,983	101.48%
Other Administrative Costs	221,456	122,895	98,561	59.34%
Other Expense	157,956	45,472	112,484	94.95%
Indirect Costs	-2,950,725	-2,026,948	-923,777	41.74%
Total Operating Expenses	433,118	834,457	-401,339	-123.55%
Net Operating Revenue / (Deficit)	-433,118	-834,457	401,339	-123.55%
Non-Operating Revenue (Expense)				
Member Agency Contributions	646,118	646,115	-3	0.00%
Interest & Investments	0	58,674	58,674	100.00%
Other Income	0	3,966	3,966	100.00%
Building Reserve	-100,000	-100,000	0	0.00%
Retiree Medical Reserve	-113,000	-133,709	-20,709	24.44%
Net Non-Operating Revenue / (Deficit)	433,118	475,046	41,928	9.09%
Net Revenue / (Deficit)	\$0	-\$359,411	-\$359,411	

Santa Ana Watershed Project Authority
 FYE 2018 Budget vs. Actual
 for the Period Ending June 30, 2018
Brine Line Enterprise Fund

	FYE 2018 Budget	YTD Actual	Favorable (Unfavorable) Variance	
Operating Revenue				
Discharge Fees	\$11,427,616	\$10,894,643	-\$532,973	-6.22%
Total Operating Revenue	11,427,616	10,894,643	-532,973	-6.22%
Operating Expenses				
Labor	902,886	874,890	27,996	4.13%
Benefits	394,411	382,327	12,084	4.09%
Education & Training	10,000	1,249	8,751	116.68%
Consulting & Professional Services	295,000	126,615	168,385	76.11%
Operating Costs	3,756,445	2,732,771	1,023,674	36.33%
Repair & Maintenance	695,000	261,171	433,829	83.23%
Phone & Utilities	9,750	7,360	2,390	32.69%
Equipment & Computers	137,500	46,594	90,906	88.15%
Meeting & Travel	7,750	3,192	4,558	78.42%
Other Administrative Costs	57,100	23,563	33,537	78.31%
Other Expense	151,803	145,891	5,912	5.19%
Indirect Costs	1,273,798	1,234,469	39,329	4.12%
Total Operating Expenses	7,691,444	5,840,091	1,851,352	32.09%
Net Operating Revenue / (Deficit)	3,736,172	5,054,552	-1,318,380	-47.05%
Non-Operating Revenue (Expense)				
Interest & Investments	1,045,772	863,262	-182,510	-27.49%
Other Income	0	41,206	41,206	100.00%
Debt Service	-3,060,719	-3,060,520	199	-0.01%
T-Strip Maturities	949,000	949,000	0	0.00%
Use of Reserves	1,065,947	1,065,947	0	0.00%
Contributions to Reserves	-3,736,173	-3,736,173	0	0.00%
Net Non-Operating Revenue / (Deficit)	-3,736,172	-3,877,278	-141,105	4.37%
Net Revenue / (Deficit)	\$0	\$1,177,274	\$1,177,274	

Santa Ana Watershed Project Authority
 FYE 2018 Budget vs. Actual
 for the Period Ending June 30, 2018
 OWOW Fund

	FYE 2018 Budget	YTD Actual	Favorable (Unfavorable) Variance	
Operating Revenue				
Total Operating Revenue	\$0	\$0	\$0	0.00%
Operating Expenses				
Labor	805,639	526,973	278,666	46.12%
Benefits	351,930	230,287	121,643	46.09%
Education & Training	0	125	-125	-100.00%
Consulting & Professional Services	3,024,037	2,631,241	392,796	17.32%
Equipment & Computers	4,100	149	3,951	128.48%
Meeting & Travel	22,800	13,161	9,639	56.37%
Other Administrative Costs	17,710	16,615	1,095	8.24%
Other Expense	0	1,485	-1,485	-100.00%
Program Expenses	2,040,501	77,137	1,963,364	128.29%
Indirect Costs	1,136,600	743,559	393,041	46.11%
Total Operating Expenses	7,403,317	4,240,732	3,162,585	56.96%
Net Operating Revenue / (Deficit)	-7,403,317	-4,240,732	-3,162,585	56.96%
Non-Operating Revenue (Expense)				
Member Agency Contributions	776,000	776,000	0	0.00%
Participant Fees	818,612	861,210	42,598	5.20%
State Grant Proceeds	5,691,297	2,575,109	-3,116,188	-72.93%
Federal Grant Proceeds	50,000	0	-50,000	-150.00%
Other Income	0	13,692	13,692	100.00%
Interest & Investments	0	16,009	16,009	100.00%
Net Non-Operating Revenue / (Deficit)	7,335,908	4,242,020	-3,093,889	-52.43%
Net Revenue / (Deficit)	-\$67,409	\$1,288	\$68,697	
Project Reimbursement (Prop 84 Capital)	\$21,080,225	\$4,662,730	\$16,417,495	

Santa Ana Watershed Project Authority
 FYE 2018 Budget vs. Actual
 for the Period Ending June 30, 2018
Roundtable Fund

	FYE 2018 Budget	YTD Actual	Favorable (Unfavorable) Variance	
Operating Revenue				
Total Operating Revenue	\$0	\$0	\$0	0.00%
Operating Expenses				
Labor	147,347	134,194	13,153	11.90%
Benefits	64,366	58,643	5,723	11.86%
Consulting & Professional Services	843,964	789,378	54,586	8.62%
Operating Costs	0	88	-88	-100.00%
Meeting & Travel	1,150	989	161	18.63%
Other Administrative Costs	10,250	10,541	-291	-3.79%
Other Expenses	0	7,072	-7,072	-100.00%
Operating Transfer	144,252	144,252	0	0.00%
Indirect Costs	207,877	189,348	18,529	11.88%
Total Operating Expenses	1,419,206	1,334,506	84,700	7.70%
Net Operating Revenue / (Deficit)	-1,419,206	-1,334,506	-84,700	7.70%
Non-Operating Revenue (Expense)				
Member Agency Contributions	20,000	20,000	0	0.00%
Participant Fees	863,445	835,415	-28,030	-3.76%
Mitigation Credit Sales	88,980	0	-88,980	-133.33%
Other Income	202,027	188,702	-13,325	-8.79%
Operating Transfer	144,252	144,252	0	0.00%
Interest & Investments	0	25,623	25,623	100.00%
Net Non-Operating Revenue / (Deficit)	1,318,704	1,213,992	-104,712	-9.29%
Net Revenue / (Deficit)	-\$100,502	-\$120,514	-\$20,012	

Santa Ana Watershed Project Authority
 FYE 2018 Budget vs. Actual
 for the Period Ending June 30, 2018
Capital Fund

	FYE 2018 Budget	YTD Actual	Favorable (Unfavorable) Variance	
Operating Revenue				
Total Operating Revenue	\$0	\$0	\$0	0.00%
Operating Expenses				
Labor	235,645	141,428	94,217	53.31%
Benefits	102,938	61,804	41,134	53.28%
Consulting & Professional Services	2,985,000	2,249,535	735,465	32.85%
Operating Costs	10,000	495	9,505	126.73%
Meeting & Travel	6,000	488	5,512	122.50%
Other Administrative Costs	17,500	227	17,273	131.61%
Construction	12,025,000	8,712,537	3,312,463	28.81%
Indirect Costs	332,450	199,555	132,895	53.30%
Total Operating Expenses	15,714,532	11,366,068	4,348,465	30.48%
Net Operating Revenue / (Deficit)	-15,714,532	-11,366,068	-4,348,465	30.48%
Non-Operating Revenue (Expense)				
SRF Loan Proceeds	7,500,000	7,595,992	-95,992	-1.28%
Other Income	0	13,138	-13,138	100.00%
Use of Reserves	8,214,532	3,756,938	4,457,594	65.88%
Net Non-Operating Revenue / (Deficit)	15,714,532	11,366,068	4,348,464	30.48%
Net Revenue / (Deficit)	\$0	\$0	\$0	

The background of the slide is a collage of financial documents and charts. It features a bar chart with blue bars, a line graph with a fluctuating line, and a pie chart. Text elements include 'WORLD MARKET SALES IN BILLIONS' and 'MAY JUN'.

Santa Ana Watershed Project Authority

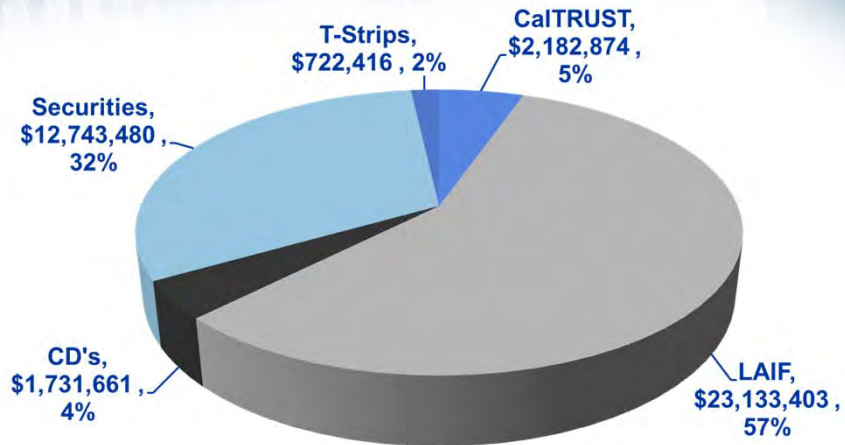
Financial Report for the Inland Empire Brine Line Enterprise/CIP for the 4th Quarter Ending June 30, 2018

Agenda

- Cash & Investments
- Reserve Account Balances
- Transfer, Uses & Contributions from/to Reserves
- Enterprise Revenues
- Enterprise Expenses
- Enterprise Performance
- Capital Improvement Program

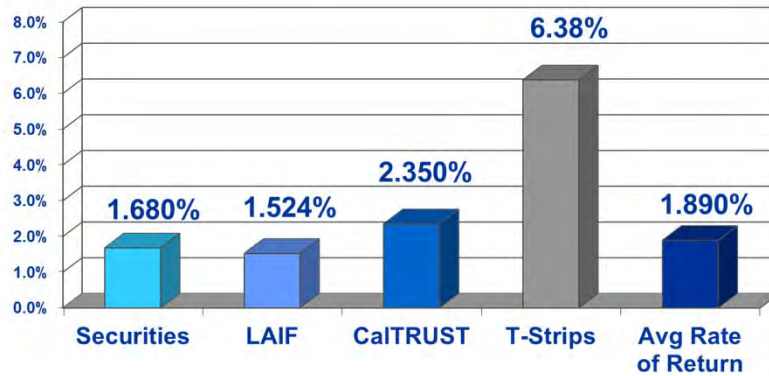
Cash & Investments

\$40,513,834



Cash & Investments

Interest Rate Analysis



Reserve Account Balances

Reserve Account	Balance
Self Insurance	\$3,988,170
Debt Retirement	5,879,668
Pipeline Replacement	11,309,285
OCSD Rehabilitation	3,559,605
Capacity Management	11,352,490
OCSD Future Capacity	1,745,247
Flow Imbalance Reserve	93,670
Operating Reserve	2,585,699
Total Reserves	\$40,513,834

Reserve Account Balances Trends

Reserve	Balance @ 09/30/17	Balance @ 12/31/17	Balance @ 03/31/18	Balance @ 06/30/18
Self Insurance	\$3,881,186	\$3,912,763	\$3,951,203	\$3,988,170
Debt Retirement	4,810,007	5,686,294	5,916,287	5,879,668
Pipeline Replacement	16,050,934	9,009,296	11,555,763	11,309,285
OCSD Rehabilitation	3,525,815	3,536,190	3,548,823	3,559,605
Capacity Mgmt	7,853,899	7,920,025	7,948,282	11,352,490
OCSD Future Capacity	1,729,799	1,733,766	1,739,961	1,745,247
Flow Imbalance Reserve	86,545	87,448	92,282	93,670
Operating Reserve	3,205,659	2,683,419	3,127,725	2,585,699
Total	\$41,143,844	\$34,569,201	\$37,880,326	\$40,513,834

Transfers, Use and Contributions To/From Reserves

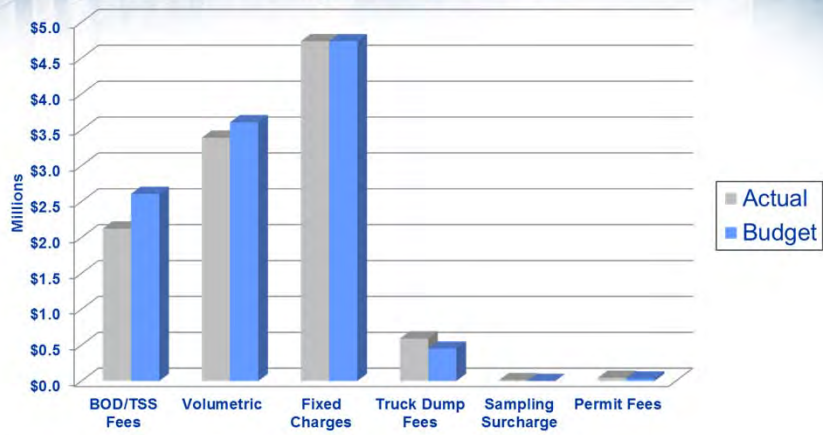
- **Pipeline Replacement Reserve**
 - Contribution of \$1,500,000
 - Transfer of \$1,843,450 from Operating Reserve
 - Transfer of \$4,000,000 from OCSD Rehabilitation
 - Use of \$11,352,930 for Capital Projects (\$7,595,992 reimbursable from SRF Loan)
- **Capacity Management Reserve**
 - Receipt of \$3,428,165 (Orange County Loan Payment) Paid in Full
- **Self Insurance Reserve**
 - Contribution of \$100,000
- **Debt Service Reserve**
 - Contribution of \$2,136,173
- **Flow Imbalance Reserve**
 - Contribution of \$8,060

Total Operating Revenues

Source	Actual	Budget	Variance Positive/(Negative)
BOD/TSS Fees	\$2,123,504	\$2,606,445	(\$482,941)
Volumetric Fees	3,388,928	3,604,000	(215,072)
Fixed Charges	4,734,921	4,734,921	0
Truck Discharge	591,375	450,000	141,375
Sampling Surcharge	11,039	0	11,039
Permit Fees	44,875	32,250	12,625
Total Operating Revenues	\$10,894,643	\$11,427,616	(\$532,973)

Operating Revenues vs. Budget

Budget vs. Actual

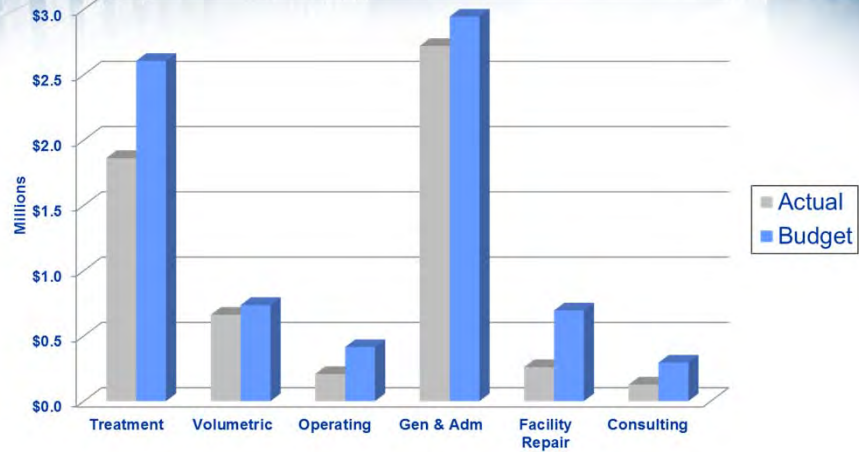


Total Operating Expenses

Source	Actual	Budget	Variance Positive/(Negative)
Treatment Costs	(\$1,862,215)	(\$2,606,445)	\$744,230
Volumetric Costs	(661,651)	(736,000)	74,349
Operating Costs	(208,905)	(414,000)	205,095
General & Administration	(2,719,535)	(2,944,998)	225,463
Facility Repair & Maintenance	(261,171)	(695,000)	433,829
Consulting & Prof. Services	(126,615)	(295,000)	168,385
Total Operating Expenses	(\$5,840,091)	(\$7,691,444)	\$1,851,352

Operating Expenses vs. Budget

Budget vs. Actual



Non Operating Revenues and Expenses

Source	Actual	Budget	Variance Positive/(Negative)
Use of Reserves (Debt Service)	\$1,065,947	\$1,065,947	\$0
Interest & Investments	1,812,262	1,994,772	(182,510)
Other Income	41,206	0	41,206
Debt Service Payments	(3,060,520)	(3,060,719)	199
Contributions to Reserves	(3,736,173)	(3,736,173)	0
Total Non Operating	(\$3,877,278)	(\$3,736,172)	(\$141,105)

Enterprise Performance

Flow, BOD, TSS Actual vs. OCSD Billing

	SAWPA Billed	OCSD Billing	Difference
Total Flow (MG)	3,774.572	3,766.230	8.342
Total BOD (1,000 lbs)	1,549.307	1,533.484	15.823
Total TSS (1,000 lbs)	3,664.454	3,687.587	(23.133)
BOD cost per 1,000 lbs	\$307.00	\$278.96	\$28.04
TSS cost per 1,000 lbs	\$429.00	\$388.99	\$40.01

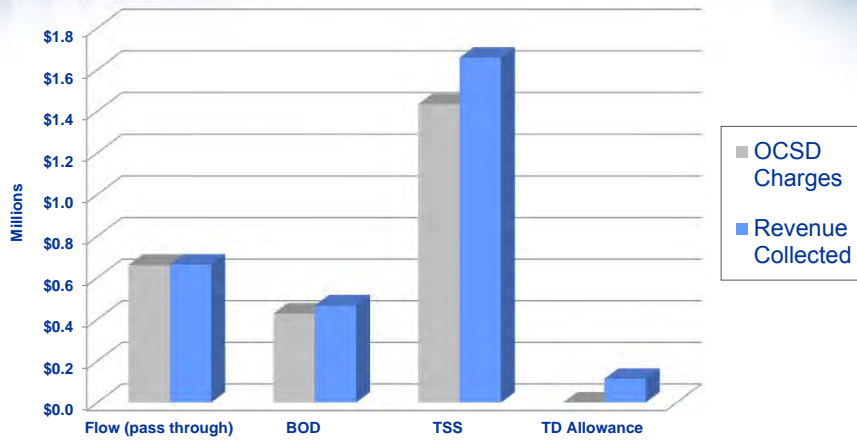
Enterprise Performance

OCSD Flow, BOD & TSS Charges vs. Revenue Billed

	Revenue Billed	OCSD Charges	Difference
Flow (pass through)	\$663,117	\$661,651	\$1,466
BOD	465,963	427,781	38,182
TSS	1,657,541	1,434,434	223,107
TD Allowance	113,893	0	113,893
Total	\$2,900,514	\$2,523,866	\$376,648

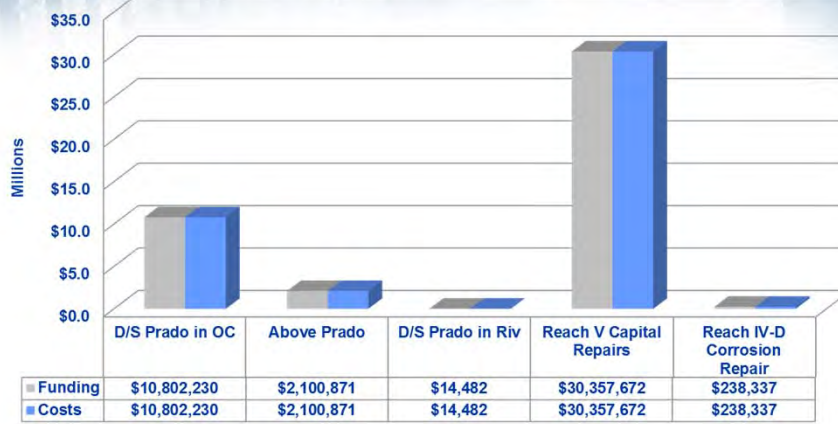
Enterprise Performance

OCSD Flow, BOD & TSS Charges vs. Revenue Collected



Capital Project Fund

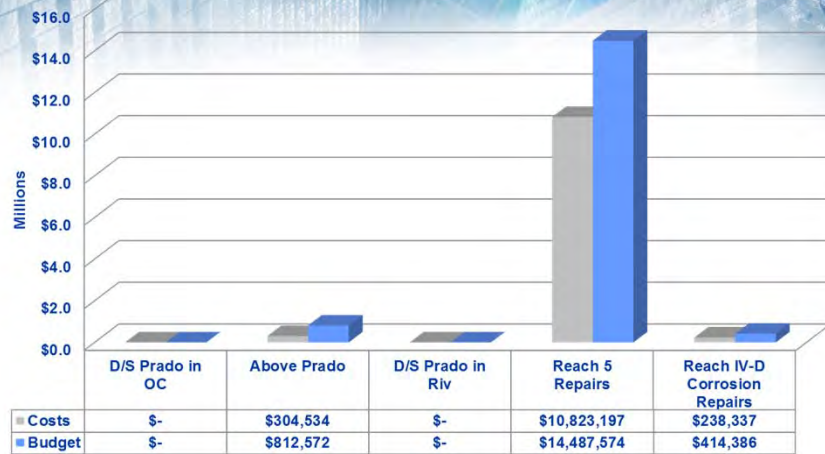
Costs (Project to Date) vs. Funding



Funding = Reserves and SRF Loans

Capital Project Fund

Costs vs. Budget



Capital Project Fund (320)

Brine Line Protection / Relocation Projects

- **D/S Prado in OC** – emergency protection work, pipeline relocation
- **Above Prado** - pipeline relocation and manhole lid adjustments – when required
- **D/S Prado in Riv County** – bank armoring



Questions ?



**Santa Ana Watershed
Project Authority**

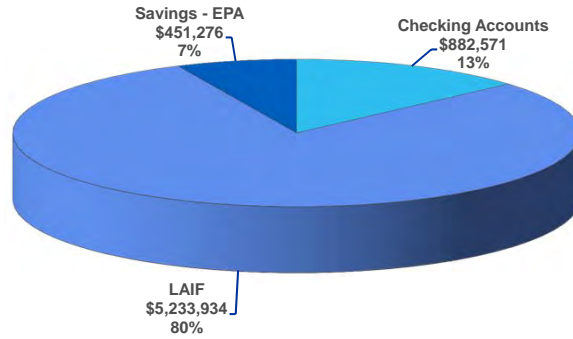
**Financial Report for the 4th Quarter
Ending June 30, 2018**

Agenda

- **Cash & Investments**
- **Fund Overview**
- **General Fund**
- **OWOW Funds**
- **Roundtable Funds**

Cash & Investments

\$6,567,781



Cash & Investments

Total by Fund

General Fund	\$3,546,621
OWOW Fund	874,263
Roundtable Fund	1,695,621
Fiduciary Fund	451,276
Total	\$6,567,781

Cash & Investments

General Funds

Fund	Checking (Cash)	LAIF Account	Total
General Fund	\$882,571	\$1,753,524	\$2,636,095
Building Reserve	0	910,526	910,526
Total	\$882,571	\$2,664,050	\$3,546,621

Cash & Investments

OWOW Funds

Fund	LAIF Account	Total
General Basin Planning	\$106,280	\$106,280
USBR Partnership Studies	35,544	35,544
Watershed Mgmt Plan	(7,784)	(7,784)
Water – Energy DAC Grant	403,285	403,285
Prop 84 SARCCUP Projects	336,938	336,938
Total	\$874,263	\$874,263

Cash & Investments

Roundtable Funds

Fund	LAIF Account	Total
Imported Water Recharge	(\$724)	(\$724)
Basin Monitoring	234,053	234,053
RWQ Monitoring TF	180,425	180,425
SAR Fish Conservation	164,610	164,610
Middle SAR TMDL TF	79,246	79,246
Emerging Constituents TF	89,009	89,009
Mitigation Banking	949,002	949,002
Total	\$1,695,621	\$1,695,621

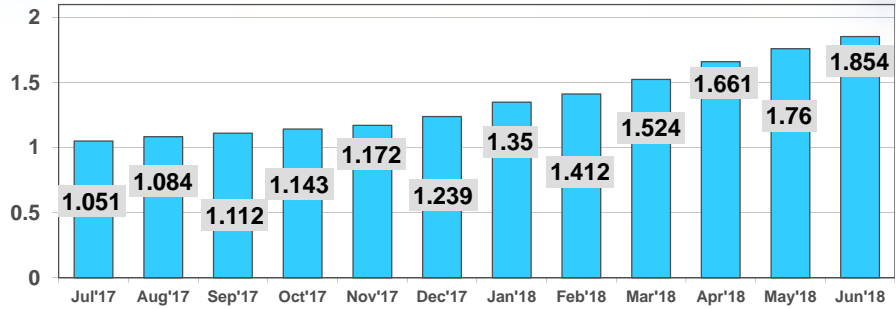
Cash & Investments

Fiduciary Funds

Fund	LAIF Account	Savings EPA	Total
Legal Defense Fund	\$0	\$451,276	\$451,276
Total	\$0	\$451,276	\$451,276

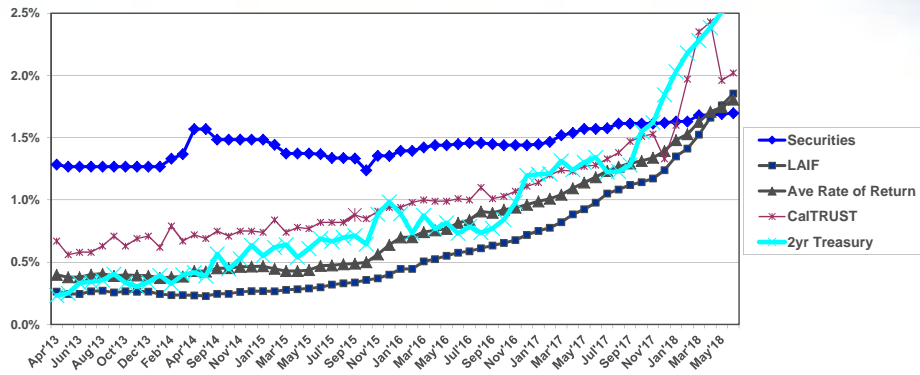
Cash & Investments

LAIF Interest Rates



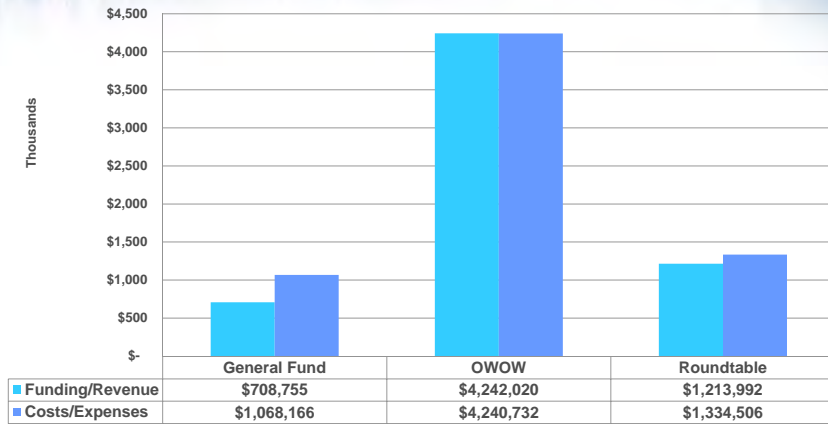
Cash & Investments

Interest Rate Comparison



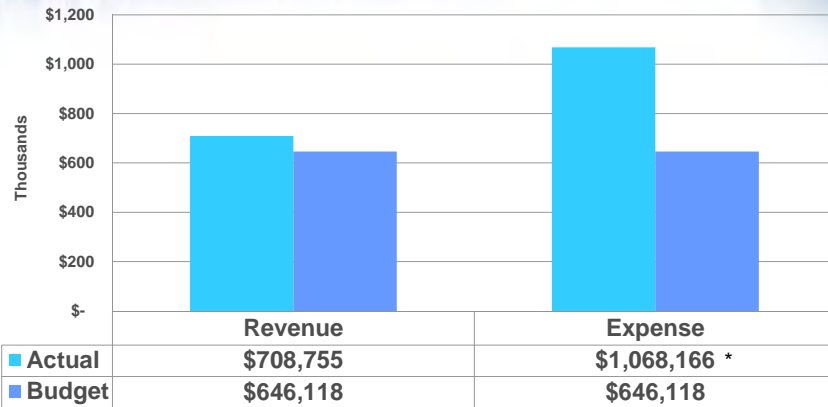
Analysis by Fund Type

Revenues and Expenses



General Fund

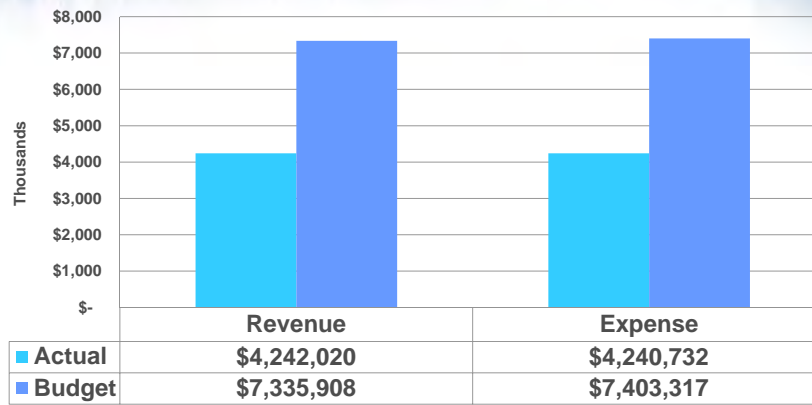
Budget vs. Actual



* Expense difference of \$422,048 includes the implementation of GASB 68 and 75 which are non-cash, unbudgeted items.

OWOW Funds

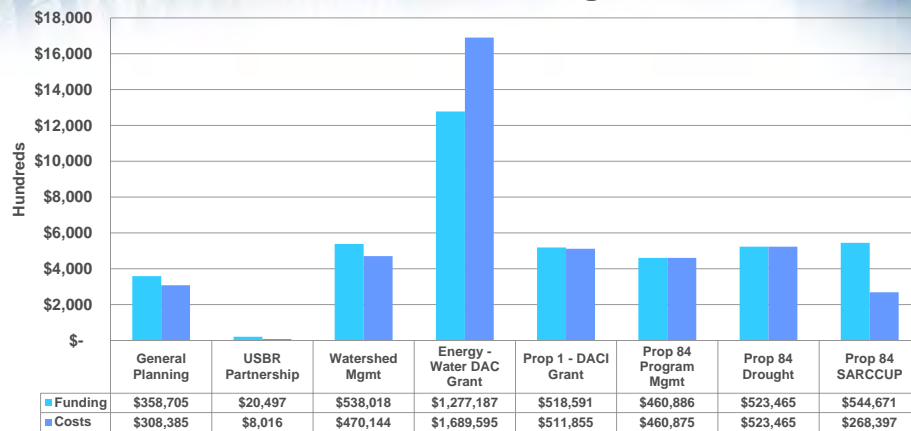
Budget vs. Actual



Project Reimbursement (Prop 84) \$4,662,730

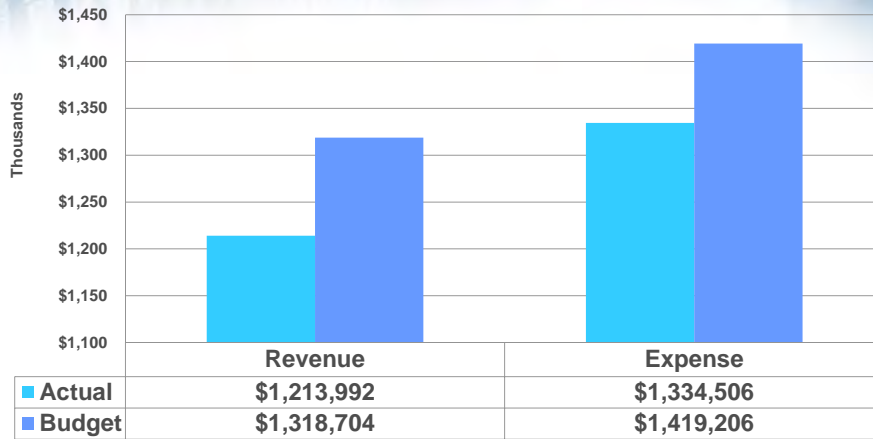
OWOW Funds

Costs vs. Funding



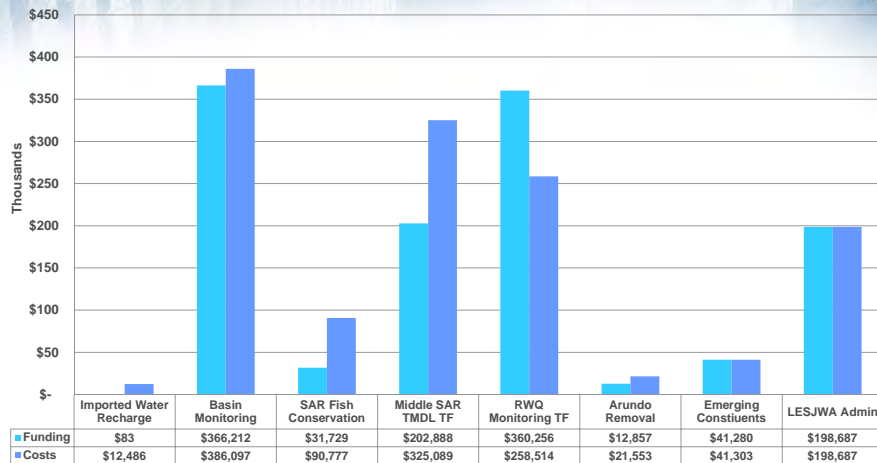
Roundtable Funds

Budget vs. Actual



Roundtable Funds

Costs vs. Funding





Page Intentionally Blank



Santa Ana Watershed Project Authority
 General Manager - Expense Report
 4th Quarter FYE 2018

Staff	Haller
-------	--------

Sum of Amount		Expn Type					Grand Total
Posting Date	Activity	Airfare	Hotel	Meals	Misc	Registration	Grand Total
04/30/2018	ACWA Conference	216.96					216.96
04/30/2018 Total		216.96					216.96
05/31/2018	ACWA Conference - Taxi				40.40		40.40
	CBWCD Event (Building Resilience for extremes)				10.00		10.00
	Lunch Meeting with UCR			47.33			47.33
	OC Water Summit					150.00	150.00
	Sacramento Meeting		472.72				472.72
	Sacramento Meeting - Taxi				38.00		38.00
05/31/2018 Total			472.72	47.33	88.40	150.00	758.45
Grand Total		216.96	472.72	47.33	88.40	150.00	975.41



Santa Ana Watershed Project Authority

Staff - Expense Report

4th Quarter FYE 2018

Sum of Amount			Expn Type							
Staff	Posting Date	Activity	Airfare	Hotel	Meals	Mileage	Misc	Parking	Registration	Grand Total
Achimore	04/30/2018	Cal Fire Meeting (Forest First)				12.54				12.54
		SA River Habitation Conservation meeting				20.71				20.71
	05/31/2018	Drought Resilience Symposium				7.63				7.63
		SA River Habitation Conservation meeting				20.71				20.71
		Sustainable Landscapes Meetings				73.58				73.58
	06/30/2018	SA River Science Symposium				20.71				20.71
SA Sucker Project Site Visit					9.27				9.27	
Sustainable Landscape Site Visit					19.08				19.08	
Achimore Total						184.23				184.23
Antos	04/30/2018	Assoc. San Bernardino Special Districts				14.72				14.72
		City of Riverside Housing Authority Meeting					4.85			4.85
		CSU Fullerton Homeless Symposium				34.88				34.88
		DCI Homelessness Brown Bag				81.75				81.75
		DCI MOU with Riverside				19.62				19.62
		MC4 Advisory Meeting				45.78		12.50		58.28
		MC4 Advisory Meeting, metro fare						6.00		6.00
		OWOW meetings				25.62				25.62
		Sustainable Water Symposium	189.96	319.42						509.38
		UC Irvine Colloquium				35.97				35.97
	UC Irvine Colloquium, metro fare						4.93		4.93	
	05/31/2018	Breakfast meeting with UCI				36.06				36.06
		CA Water Policy Conference	181.96							181.96
		EMWD DCI Interview				34.88				34.88
		Homelessness Symposium						8.00		8.00
		Pacific Institute Event				33.79		9.89		43.68
		Roundtable of Regions	119.96							119.96
		Sexual Harassment Avoidance Training				10.90				10.90
		Sustainable Water Resources Roundtable						5.00	33.00	38.00
	Sustainable Water Resources Roundtable (Rental Car)						180.44		180.44	
	06/30/2018	CSU Fullerton tour				6.00				6.00
		Guest Lecture at UCI				25.07				25.07
		OWOW Conference Site Visit						8.00		8.00
		Prop 1 Portfolio Meeting				16.90				16.90
Riverside City Council Meeting					11.45		1.00		12.45	
Roundtable of Regions								12.00	12.00	
Antos Total			491.88	319.42	36.06	397.33	206.26	79.35		1530.30
Jauergui	04/30/2018	Earth Night				31.61				31.61
	06/30/2018	CSMFO Conference Parking						8.00		8.00
Jauergui Total						31.61		8.00		39.61
Lewis	05/16/2018	CSMFO Chapter Meeting							30.00	30.00
	06/30/2018	CSMFO Chapter Meeting							30.00	30.00
Lewis Total								60.00		60.00

Norton	04/30/2018	Multi State Salinity Conference		176.60		176.60
	05/31/2018	Multi State Salinity Conference		198.69	39.00	237.69
		Multi State Salinity Conference (LYFT)			34.35	
06/30/2018	ASCE Awards Banquet			39.50		39.50
	CSUSB Meeting				6.00	6.00
Norton Total				375.29	73.85	494.14
Patterson	04/30/2018	Earth Night		29.43		29.43
		Earth Night Goods			2.16	2.16
		Earth Night Supplies			175.74	175.74
		PT meeting refreshments			47.14	47.14
	05/31/2018	Commission Meeting Refreshments			38.18	38.18
06/30/2018	Pre Treatment Meeting Goods			103.38	103.38	
Patterson Total				29.43	366.60	396.03
Plasencia	05/31/2018	City of Beaumont Meeting		40.33		40.33
	06/30/2018	JCSD Quarterly Inspections		27.25		27.25
Plasencia Total				67.58		67.58
Quintero	06/30/2018	RWCQB tour/meeting		237.80		237.80
Quintero Total				237.80		237.80
Ramirez	04/30/2018	Commission Meeting Refreshments			36.95	36.95
		Earth Night Supplies			245.52	245.52
	05/31/2018	Drop Off / Pick Up Mail		18.00		18.00
06/30/2018	Commission Meeting Refreshments			38.97	38.97	
Ramirez Total				18.00	321.44	339.44
Ruhl	04/30/2018	OCSD Pretreatment meeting (Toll Charge)			2.15	2.15
		PT Meeting with OCSD		88.70		88.70
	05/31/2018	OCSD / OC Public Works Meetings (Toll charges)			9.10	9.10
OCSD Pretreatment meeting (Toll Charge)				4.55	4.55	
Ruhl Total				88.70	15.80	104.50
Unger	06/30/2018	IT Interviews lunch		41.14		41.14
		Lunch meetings with Doug Mende		52.33		52.33
Unger Total				93.47		93.47
Villa	04/30/2018	BL Rate Model Workshop		172.17		172.17
		Cal/Osha Training			22.89	22.89
		Commission Meeting Refreshments			43.44	43.44
		GM Meeting Goods			34.98	34.98
		LESJWA Board Meeting			26.16	26.16
		LESJWA Water Summit			11.45	11.45
		Purchase meeting refreshments			4.36	4.36
		WMWD Earth Night			18.53	18.53
	05/31/2018	Commission Meeting Refreshments			26.26	26.26
		Drop Off Mail		3.27		3.27
		GM Meeting Goods			26.26	26.26
		OCSD JOC Meeting		354.55		354.55
		OWOW Steering Committee		238.07		238.07
	06/30/2018	Purchase meeting refreshments		2.18		2.18
		Commission Meeting Refreshments			36.45	36.45
		GM Meeting Goods			27.07	27.07
LESJWA Board Meeting				4.36	4.36	
06/30/2018	Purchase meeting refreshments			2.18	2.18	
Villa Total				764.79	95.38	1054.63
Whetsel	04/30/2018	B Tac Meeting		21.80		21.80
		CaDC Workshop		21.80		21.80
	05/31/2018	CaDC Workshop			43.60	43.60
		LEAMS operators meeting			29.98	29.98
		SWRCB Lake Elsinore tour			38.15	38.15

Whetsel Total			155.33					155.33		
Williams	05/10/2018	CSMFO Chapter Meeting					30.00	30.00		
	05/23/2018	GFOA Conference Hotel	501.03					501.03		
		GFOA Conference Meals		76.32				76.32		
		GFOA Conference Parking					40.00	40.00		
	GFOA Conference Rental Car/Gas				184.21		184.21			
06/30/2018	CSMFO Chapter Meeting					30.00	30.00			
Williams Total			501.03	76.32	184.21	40.00	60.00	861.56		
Grand Total			491.88	1195.74	1297.14	978.89	1362.62	172.35	120.00	5618.62

COMMISSION MEMORANDUM NO. 2018.96

DATE: September 18, 2018

TO: SAWPA Commission

SUBJECT: Inland Empire Brine Line Reach V
Temescal Canyon Road Widening Project

PREPARED BY: David Ruhl, Engineering Manager

RECOMMENDATION

Receive and File.

DISCUSSION

The Riverside County Transportation Department (RCTD) is widening Temescal Canyon Road and constructing storm drain improvements between Dos Lagos Road in the City of Corona and Dawson Canyon Road in Temescal Valley. Impacts to the Brine Line Reach V include the adjustment of nine (9) maintenance access structures (MAS) due to the proposed changes in the road elevation and the protection of the existing 24" inch brine line due to a shallow storm drain crossing.

RCTD staff and SAWPA staff have coordinated and resolved other potential impacts during the design and construction of the Reach V Rehabilitation Project. Impacts that could only be addressed during or after the road widening project were included in RCTD's construction documents for the widening of Temescal Canyon Road. RCTD staff included the adjustment of the MAS and the brine line protection as an alternative bid item. Bids for the RCTD project were received on August 29, 2018. The apparent low bidder is Beador Construction Company. The alternative bid item amount for the Brine Line work is \$36,975. The total cost for the work including a contingency for administration of the contract, inclusion of work in the County's bid documents, record keeping, labor compliance, inspection, traffic and jobsite safety procedures, survey staking, compaction and soils testing, construction contingency, design and as-built plans is anticipated to be within the General Manager's authority. SAWPA staff evaluated hiring a contractor to perform the work and determined there is less cost exposure and risk having the RCTD's contractor perform the work rather than two contractors scheduling work in the same work area. In order for RCTD's contractor to perform the work and SAWPA to reimburse RCTD for the work a funding agreement is needed. SAWPA staff and RCTD staff are working on preparing the funding agreement. RCTD anticipates award of the construction contract in November 2018.

CRITICAL SUCCESS FACTORS

1. Minimize disruptions to customers.
5. Protect and preserve the useful life of Brine Line assets through strategic maintenance, repair, and capital improvements.

8. Operate the Brine Line to: (1) protect the OCS D treatment plant and the environment from non-compliant dischargers, and (2) eliminate any uncontrolled pipeline releases.

RESOURCE IMPACTS

Funds to cover the costs are budgeted under the FY 2018 and 2019 Budget Fund No. 320-03.

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

INSIDE THE
SEPTEMBER
REPORT

- 1 Prop 84 Round 2 Site Visits
- 2 Water Use Efficiency Tools and Their Benefits
- 3 Brine Line Updates
- 4 Regional Board Presentation

Prop 84 Round 2 Site Visits

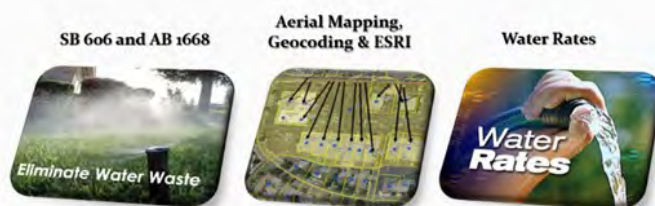
Staff conducted several Prop 84 Round 2 site visits in the month of August. The purpose of the site visits is to confirm and assess the work progress, consistency with the scope of work, and identify possible areas of concern. Project site visits included EMWD's Brackish Water Well 94 (Project 2), Quail Valley Subarea 9 Phase 1 Sewer System (Project 3), USFS Forest First (Project 4), SBVMWD's Plunge Creek Water Recharge and Habitat Improvement (Project 6), IEUA's San Sevaine Groundwater Recharge Basin (Project 8), City of Corona's Corona/Home Gardens

Multi-Jurisdictional Water Transmission Line (Project 9), SBVMWD's Enhanced Stormwater Capture and Recharge along the Santa Ana River (Project 10), and City of Riverside's Recycled Water Project, Phase 1 (Project 19). All projects visited are progressing well and no issues of concern were reported.



Water Use Efficiency Tools and Their Benefits

Recent demonstrations of new and additional water use efficiency and data tools developed by SAWPA were shared with the SAWPA Project Agreement 22 (PA 22) Committee. These tools will allow retail water agencies to more effectively create water budgets by parcel, connect local water meters to businesses through geocoding, and improve ready access of aerial survey data that was collected as part of the Prop 84 Emergency Drought Grant Program. The results of these tools and how they can be used to help retail water agencies comply with new water use efficiency legislation under SB 606 and AB 1668 was celebrated by the PA 22 Committee and staff was encouraged to conduct road shows of these tools in



coordination with member agencies across the watershed. A more in-depth presentation about the new tools and their benefits to the State and water agencies will be shared as part of the next ACWA Conference program.

Brine Line Updates

During the month of August 2018, the Operations Department continued inspecting Reach 4A Lower and making repairs as required. SAWPA developed an inspection tool using off-the-shelf items, including diver lighting, GoPro camera, and a pole. This tool prevents a confined space entry, which saves a significant amount of time.



Brine Line Inspection Tool

Additionally, an air release and vacuum valve (AV-0440) was damaged by a motorist on August 14, 2018. Operations staff repaired the damaged air release valve and reconstructed the concrete pad where the air release and vacuum valve is located.



AV-0440 after accident



AV-0440 Repair

Finally, with least Bell's vireo season winding down, staff is preparing to reestablish the access road on Reach 4B Lower and clear vegetation around each one of the maintenance access structures on Reaches 4A Lower and 4B Lower. This work is expected to begin on September 17 and conclude by September 28, 2018. A total of 3 bridges will need to be constructed to access the extent of Reach 4B Lower within Prado Basin.



Reach 4B Lower — Tree obstruction



Reach 4B Lower — Access Road



Regional Board Presentation

SAWPA is continuing its support of the Lake Elsinore and Canyon Lake TMDL Task Force through its participation as administrator for the Lake Elsinore and San Jacinto Watersheds Authority. On September 7th, SAWPA staff along with its consultant, Risk Sciences, provided a presentation to the Santa Ana Regional Water Quality Control Board about the LE/CL Total Maximum Daily Load Update that is nearing completion and will be formally submitted to the Regional Board later this month. The update reflects major changes in development and nutrient runoff in the San Jacinto Watershed, new lake modeling conducted by UCR, over a decade of additional lake and watershed sampling data, and new improvement plans to help both Canyon Lake and Lake Elsinore achieve TMDL targets. This is particularly important as recent reports show that despite significant reductions in nutrients, Lake Elsinore continues to be plagued by toxic algae blooms known as blue green algae or cyanotoxins, which have reached dangerous levels and have prevented body contact at the lake by the public. Though highly treated recycled water is regularly added to the lake, Lake Elsinore remains a lake that is still dependent on storm runoff of enough quantity to offset evaporation. Lake conditions are an **indicator of the region's continuing severe drought conditions.**

Lake Elsinore & San Jacinto Watersheds Authority



City of Lake Elsinore • City of Canyon Lake • County of Riverside
Elsinore Valley Municipal Water District • Santa Ana Watershed Project Authority




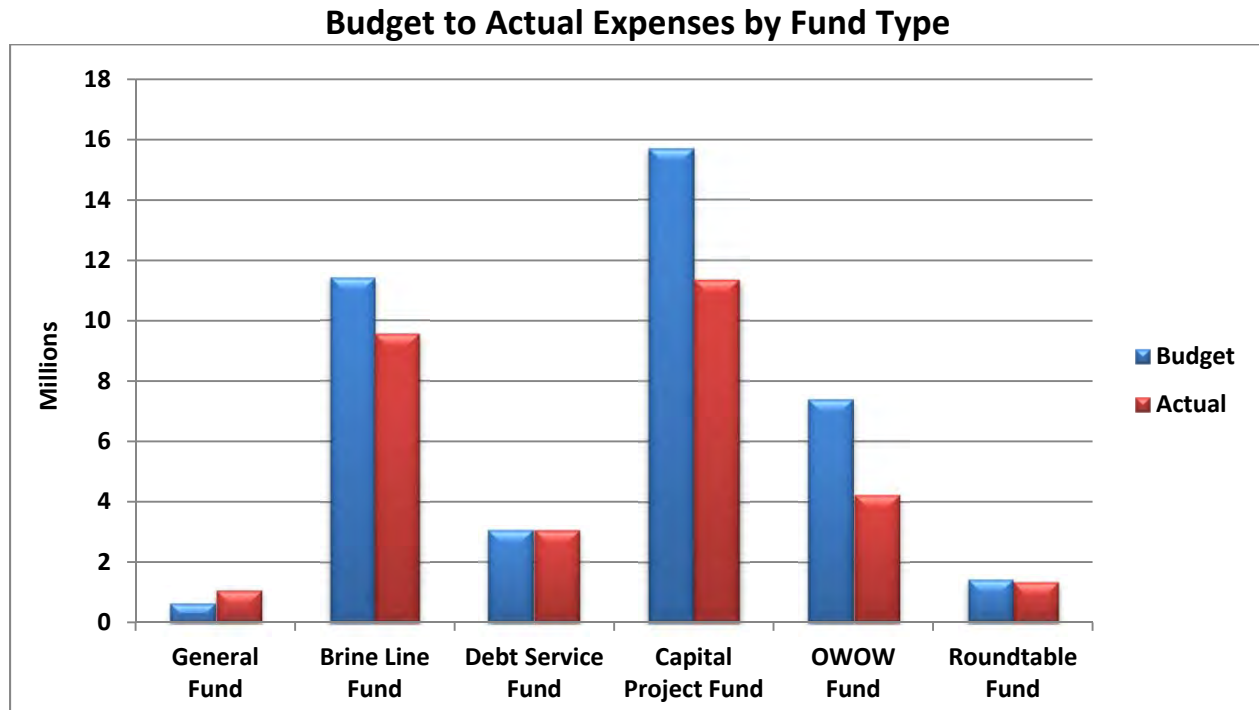
Page Intentionally Blank

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

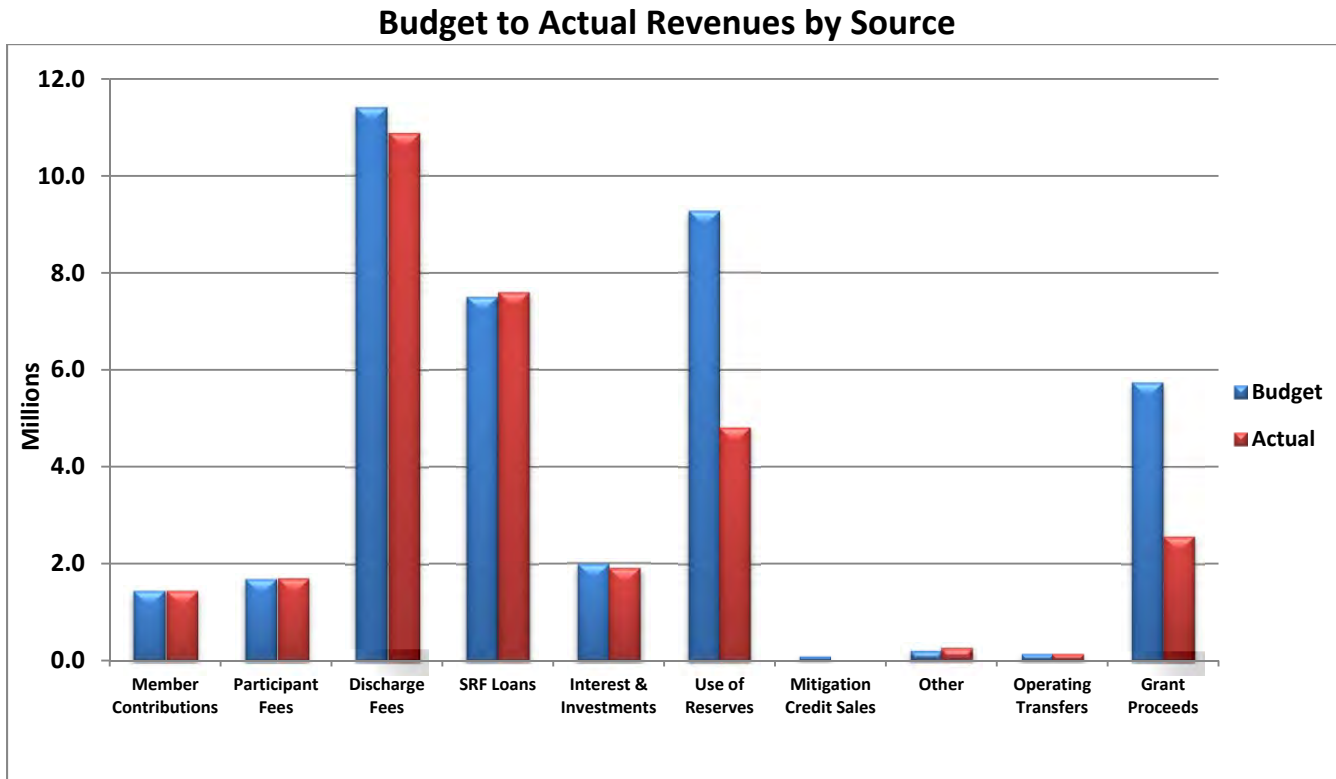
Staff comments provided on the last page are an integral part of this report.

Overview	This report highlights the agency's key financial indicators for the Fiscal Year-to-Date (FYTD) through June 2018 unless otherwise noted.
-----------------	---

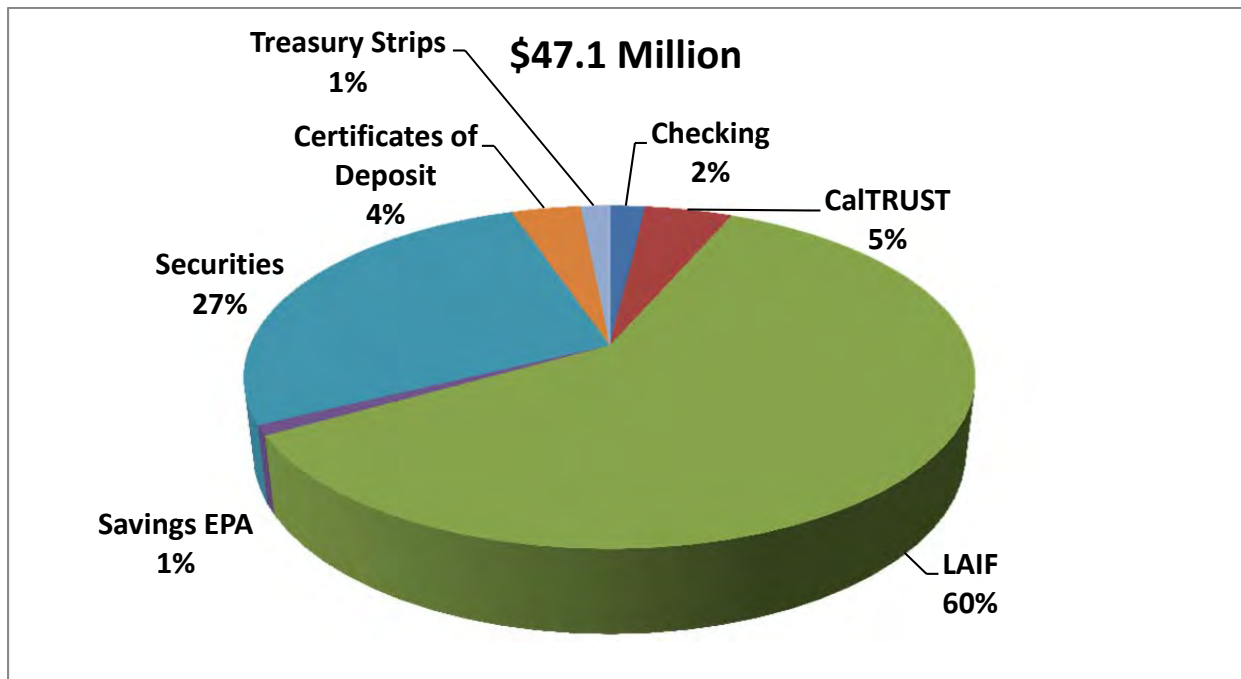
Budget to Actual Expenses by Fund Type				 Favorable
	Annual Budget	FYTD Budget	FYTD Actual	Favorable (Unfavorable) Variance
General Fund	\$646,118	\$646,118	\$1,068,166	(422,048)
Brine Line Enterprise	11,427,616	11,427,616	9,576,264	1,851,352
Debt Service Fund	3,060,719	3,060,719	3,060,520	199
Capital Project Fund	15,714,532	15,714,532	11,366,068	4,348,464
OWOW Fund	7,403,317	7,403,317	4,240,732	3,162,585
Roundtable Fund	1,419,206	1,419,206	1,334,506	84,700
Total	\$39,671,508	\$39,671,508	\$30,646,256	\$9,025,252



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	\$0	
Participant Fees	1,682,056	1,682,056	1,696,625	14,569	
Discharge Fees	11,427,616	11,427,616	10,894,643	(532,973)	
SRF Loans	7,500,000	7,500,000	7,595,992	95,992	
Interest & Investments	1,994,772	1,994,772	1,912,568	(82,204)	
Use of Reserves	9,280,479	9,280,479	4,822,885	(4,457,594)	
Mitigation Credit Sales	88,980	88,980	-	(88,980)	
Other	202,027	202,027	260,705	58,678	
Operating Transfers	144,252	144,252	144,252	-	
Grant Proceeds	5,741,297	5,741,297	2,575,109	(3,166,188)	
Total	\$39,503,596	\$39,503,596	\$31,344,897	(\$8,158,700)	



Total Cash & Investments - June







Reserve Fund Balance - June

	Amount
General Fund	\$2,636,095
Building Fund	910,526
Legal Defense Fund	451,276
OWOW Fund	874,263
Roundtable Fund	1,695,621
Self Insurance	3,988,170
Debt Retirement	5,879,668
Pipeline Replacement	11,309,285
OCSD Rehabilitation	3,559,605
Capacity Management	11,352,490
Future Capacity	1,745,247
Flow Imbalance	93,670
Brine Line Operating	2,585,699
Total Reserves	\$47,081,618

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 55% 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 48% lower than budget. Reach V construction was completed under the budgeted amount for FYE 2018, requiring less use of reserves. It was also 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 and construction 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.

GENERAL MANAGERS MEETING NOTES

TUESDAY, SEPTEMBER 11, 2018

PARTICIPANTS PRESENT

Nick Kanetis
Craig Miller
Rich Haller
Mark Norton
Karen Williams
Larry McKenney (Via-Conference Call)
David Ruhl
Sara Villa

REPRESENTING

Eastern 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

Paul Jones
Halla Razak
Michael Markus
Doug Headrick

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

CALL TO ORDER

The meeting was called to order at 7:30 a.m. at SAWPA, 11615 Sterling Avenue, Riverside, California.

FUTURE SAWPA COMMISSION AGENDA ITEMS

Rich Haller reviewed the handout provided of the Agenda Planning Matrix (SAWPA Commission, OWOW Steering Committee, PA22, PA23, and Outside Meetings).

ROUNDTABLES UPDATE

Mark Norton informed the General Managers that he attended the Regional Board's meeting last Friday and a detailed overview regarding the revision/update of the Lake Elsinore Canyon Lake TMDL Task Force was presented by SAWPA staff and Tim Moore of Risk Sciences. The presentation was well received and reflects the work of the task force over the past 2 ½ years to update the TMDL. On another Roundtable effort, the Basin Monitoring Program Task Force's consultant, Geoscience, is continuing its work on the Santa Ana River Wasteload Allocation and should have it finalized at the end of the year. The Cooperative Agreement for the Imported Water Recharge is also currently being looked over by the agreement signatory agencies including the SAWPA member agencies. Suggestions on modifying the agreement to streamline the required work involved and possibly combining this with the Basin Monitoring Program Task Force are being evaluated by staff of the signatory agencies. A draft terms sheet to be shared with the Regional Board is anticipated in about a month.

OWOW UPDATE

The OWOW Plan Update 2018 is moving along. The Pillars have submitted their chapters and the consultant is consolidating everything and making sure we are meeting all requirements. It is anticipated there will be a draft OWOW Plan Update 2018 available for public review by the end of the month (September).

PA24, PA25, PA26

Rich Haller noted that he will be coordinating with Doug Headrick to see if a workshop to further discuss PA24 is required. There were two issues that were brought up at WMWD workshop; 1) Who makes up the Committee? Should the Committee be elected officials and have an alternate appointed? 2) The language on the "Unanimous Voting" needs to be revised to clarify the meaning. Haller noted that they are looking for a compromise and once a consensus is reached they can bring it forward to the SAWPA Commission. Larry McKenney is working on the drafts of PA25 and PA26 and will bring it forward once PA24 is approved. Rich Haller noted he will be scheduling a conference call with the General Managers this Friday or the following Friday to further discuss.

OWOW CONFERENCE 2019 (MARCH 29, 2019 – CAL STATE FULLERTON)

Rich Haller informed the General Managers that the OWOW Conference is scheduled for March 29, 2019 at Cal State Fullerton. SAWPA staff is working with Water Education Foundation (WEF) to prepare the program and discuss the speakers for the event. A draft preliminary program will be ready at the end of the month.

BRINE LINE UPDATE

David Ruhl provided updates on the following:

- Pretreatment Program Update – SAWPA staff is working with the member agencies on the submittal of the Annual Report that is due to OCSD Friday, September 14. There is a new potential discharger named Saratoga Foods and staff is working on submitting the Permit to OCSD for approval.
- OCSD Rock Removal – OCSD received nine bids on August 1, the lowest bidder came in at \$2.8M, and OCSD will be taking the contract award to their Board for approval later this month.
- Reach 4D Corrosion Study – The recommendation consists of short, near and long term additional work. Proposed short term work in a couple locations to determine the baseline, near term come back five years later, and long term do a full-scale investigation and look at the effects 10 years out. About seven miles of Reach 4D may need to be rehabilitated in 7 – 10 years.
- Beaumont Request to Discharge to Brine Line – SAWPA submitted City of Beaumont's Request to Discharge to the Brine Line (800-page packet) to OCSD on August 31. There is a meeting scheduled following the Joint Operations Committee meeting on September 19.
- Lease Capacity Pool – David Ruhl referenced the handout that was provided of the draft Lease Capacity Pool Agreement. All comments have been incorporated except IEUA's; SAWPA is awaiting IEUA's comments. It is anticipated to have the Lease and Capacity Pool Agreement finalized in November time-frame.

OPERATIONS UPDATE

David Ruhl informed the General Managers that they are looking into clearing out the vegetation behind Prado. The Operations staff is also looking into doing the Santa Ana Sucker Habitat Restoration around October time-frame; and doing a relocation of the Brine Line on Reach 4B to move away from Southern CA Edison conduit. An AirVac was hit by a motorist and we submitted a claim to their insurance. The total cost is about \$10,000.

SCHEDULING – NEXT GM MEETING

The next General Managers meeting is scheduled for October 9, 2018, at 7:30 a.m. at SAWPA. The meeting adjourned at 8:25 a.m.

COMMISSION REVIEW: September 18, 2018
2018-9-11 GM Mtg Notes



Date: September 12, 2018
To: Santa Ana Watershed Project Authority
From: Michael Boccadoro
Beth Olhasso
RE: 2017-2018 Legislative Session Report

Overview:

The 2017-2018 Legislative Session officially came to a close at midnight on August 31. The Governor now has 30 days to act on the hundreds of bills that are on his desk. Notably, the Safe and Affordable Drinking Water Fee never made it to the floor for a vote, while SB 998 (Dodd) concerning policies and procedures for discontinuing residential water service passed and is awaiting action by the Governor. Eastern Municipal Water District's AB 2050 (Caballero) relating to consolidation of failing water districts sailed through the floor process and efforts continue to secure a signature from Governor Brown. SB 100 (de Leon) to establish a 100 percent clean energy goal passed and has already been signed by the Governor, while AB 813, Assembly Member Holden's measure to establish a Western regional power grid was not acted upon by the deadline. Finally, the Conference Committee established to discuss wildfire issues issued a measure that focuses on vegetation management and allows the CPUC to shift most of the cost of wildfire damages from utility shareholders to utility ratepayers. The Legislature passed the measure, strongly opposed by ratepayer advocates, late on the last night of session, as expected.

After several years of work and public meetings, the State Water Resources Control Board (SWRCB) held off voting on the proposed Bay-Delta Water Quality Control Plan Update in August. If adopted, the proposal would update water quality requirements for salinity in the southern Delta and water flows in major tributaries to the San Joaquin River, including the Stanislaus, Tuolumne, and Merced Rivers. The revised plan proposes to increase the required flows to be left in the rivers, referred to as unimpaired flows, to around 40 percent from February to June. After significant public outcry, Chair Marcus agreed to postpone the vote until November.

What should have been a fairly easy process turned political for the State Water Contractors and the Department of Water Resources (DWR). DWR and the Contractors have been in discussions for years hashing out the details of extending the current contract between DWR and the Contractors beyond 2035. The extension is necessary so that the bonds can be issued beyond 2035, ensuring more favorable rates. Opponents of WaterFix stirred up concern that the amendment would also authorize the contract amendment necessary for WaterFix.

The South Coast Air Quality Management District's Governing Board is getting a new member, giving Democrats a one seat advantage in the historically Republican-leaning board. Over the past two years, the board's leadership has been either deadlocked in terms of party representation or controlled by the GOP.

Santa Ana Watershed Project Authority
Status Report – September 2018

SWRCB Contemplates Final Draft of Phase One of Delta Water Quality Control Plan Update amid Controversy

After several years the State Water Resources Control Board (SWRCB) announced that it would begin to consider whether to adopt the proposed Bay-Delta Water Quality Control Plan Update – Phase 1 at their August hearing. The plan proposes updated water quality requirements for salinity in the southern Delta and water flows in major tributaries to the San Joaquin River, including the Stanislaus, Tuolumne, and Merced Rivers.

The revised plan proposes to increase the required flows to be left in the rivers, referred to as unimpaired flows, to around 40 percent from February to June. There aren't currently any unimpaired flow requirements for these rivers. Southern Delta salinity objectives would also be adjusted but have not faced controversy.

The plan would significantly impact agriculture and local communities, with a roughly 38 percent reduction in surface water supplies during critically dry years. The SWRCB's analysis shows for agricultural and municipal water users in the Central Valley, the proposal could result in an average increase in groundwater pumping of 105 thousand acre-feet per year (TAF/yr). Some parts of the region are already in overdraft situations, which will likely result in limited groundwater pumping resulting in agricultural and municipal water users having a water supply deficit.

The board put off a vote at the August hearing after great objection from nearly all affected water users from irrigation districts, to their growers, to urban water agencies including San Francisco Public Utilities Commission and Natural Resources Secretary John Laird. Adam Gray (D-Merced) organized a rally at the Capitol the day before the hearing that was attended by an estimated 1,000+ residents from the Sacramento and San Joaquin Valley who are strongly opposed to the proposal.

In the days following, the board deliberated, heard staff reports and public comment for more than 18 hours. At the conclusion of the hearing board members shared their opinions of the plan. Board member D'Adamo, a notable valley supporter, expressed very strong frustration with the process and staff reluctance to incorporate public comment and her own input into the final plan. Board members Moore and Doduc expressed support for an increased unimpaired flows standard, as proposed in the plan. Ultimately the board did not vote and has now scheduled a vote for the November hearing.

Phase II of the Delta Water Quality Control Plan update covers the Sacramento River and its tributaries. The preliminary Phase II documents include a range of 35-75 percent unimpaired flows for Sacramento River Delta inflow, among other proposed changes.

Phase III of the process will be water rights proceedings to align existing water rights permits with whatever the revised Water Quality Control Plan ends up being. This will undoubtedly be marked by years of litigation.

State Water Project Contracts

What should have been a fairly easy process turned political for the State Water Contractors and the Department of Water Resources (DWR). DWR and the Contractors have been in discussions for years hashing out the details of extending the contract between the two parties beyond 2035.

The extension is necessary so that bonds for normal operating expenses and projects can be issued beyond 2035, ensuring more favorable rates.

Senate Natural Resources and Water Committee held a hearing to discuss extending the contract between DWR and the State Water Contractors. Several weeks ago, DWR Director Karla Nemeth reiterated several times that this contract extension was not an authorization of WaterFix. Instead, bonds would be issued for system improvements not related to WaterFix or Oroville Dam repair. There is a separate contract amendment process already underway to deal with WaterFix. However, these assurances were not enough for WaterFix opponents.

The final step necessary for the contract to get approved, an informational hearing by the Joint Legislative Budget Committee, was scheduled for mid-August. The hearing was abruptly cancelled after the San Diego County Water Authority raised concerns with Pro Tem Atkins. They asserted that this extension would authorize the contract amendments needed for WaterFix. Despite assurances there is a completely separate process, the Pro Tem initially refused to reschedule the hearing.

To alleviate the concerns of SDCWA, AB 2649 (Bloom) was introduced three days before the end of session. The bill would have set out a process for how future contract amendments would be adopted.

With the introduction of AB 2649, the Pro Tem scheduled the hearing for August 30 which once again was abruptly cancelled. The Pro Tem scheduled the hearing for September 11.

The main controversy with the hearing and the extension has been the belief that the contract extension would somehow authorize Waterfix. Chair Mitchell started the hearing clearly stating that there is a separate process for WaterFix and this contract extension is about the every-day operation of the SWP. The Legislative Analyst's Office gave an overview of the SWP and the contract extension process, but noted that the LAO has been suggesting for years that the Legislature should have more oversight and control over the SWP.

Director Nemeth was extensively questioned by in-Delta interests about the contract and how it pertains to WaterFix. There was confusion because the contract extension will affect financing for all SWP capital improvements, which could include WaterFix, but as stated multiple times by Director Nemeth and Chari Mitchell, there is a separate process for the WaterFix contract amendment.

A number of legislators expressed concern about the transparency of the contract amendment process, specifically for WaterFix, going forward and those members seemed very interested in increased legislative oversight over the SWP. It is very likely that there will be attempts in the next legislative session for increased oversight over the SWP.

Democrats regain majority at South Coast Air Quality Management District

The South Coast Air Quality Management District's Governing Board is getting a new member, giving Democrats a one seat advantage in the historically Republican-leaning board. On Tuesday, Aug. 28, the Riverside County Board of Supervisors voted 5-0 to name Democrat Supervisor V. Manuel Perez to represent Riverside County, replacing Supervisor Marion Ashley, a Republican who is retiring. Perez will take over next month and is slated to hold the seat until January 2022.

The change comes more than two years after a GOP majority fired the district's executive officer and pursued policies that Republicans saw as more business-friendly. In March 2016, the Republican-controlled board voted on partisan lines to fire longtime Executive Officer Barry

Wallerstein, who faced criticism from business and environmental groups, but had a reputation for advocating tougher air-pollution rules in a region notorious for smog.

Public health advocates were upset by Wallerstein's ouster and then-state Senate President Pro Tem Kevin de León, D-Los Angeles, sponsored legislation to add three state-appointed "environmental justice" members representing low-income communities to the district board. That bill fell short in the Legislature.

Penny Newman, founder of the Jurupa Valley-based Center for Community Action and Environmental Justice, said she was impressed with Perez's appointment.

"I hope this is a signal that we're going to get over all this partisan bickering and start doing what its right for these communities" afflicted by air pollution, said Newman, who ran for supervisor earlier this year.

Legislative Update

The Legislature adjourned the 2017-2018 Legislative Session just minutes before the 11:59 PM August 31 deadline.

Clean Drinking Water Fund

As discussed throughout the year, SB 623 (Monning) as well as similar Trailer Bill language from the Governor's office, have been the focus of the discussion around implementing the Safe and Affordable Drinking Water Fund. The proposal would have levied a \$.95 per month fee on all residential drinking water customers, with the fee escalating as the pipe size increases for commercial and industrial customers. The proposal also included an assessment on fertilizer, and an assessment on milk production and livestock operations.

After significant opposition from the water community, a new proposal was released on August 22. The proposal was to make the residential fee voluntary by allowing residents to "opt out" of paying the fee every month. Additionally, it eliminates the low-income exemption that was included in SB 623. On the last day of session, Speaker Rendon announced that the measures were not going to move forward for the year, but that a workgroup would be formed over the fall to prepare for new legislation next year. It is their intent to build off SB 844 and SB 845. Assembly members Eduardo Garcia (D- Coachella Valley) and Heath Flora (R-Modesto) will lead the group.

SB 998 (Dodd)

The bill, passed by the Legislature, prohibits a water agency from shutting off water service to a residential customer, under certain conditions. Concerns among stakeholders remain on how the whole shutoff process would work including any Proposition 218 issues that would arise as other customers have to assume the cost of service to any residential property that does not pay their bill. Negotiations reached a stalemate with the author not willing to take amendments proposed by a coalition of water interests. ACWA, CMUA and others moved to a straight oppose position. The coalition is targeting the Governor for a veto.

SB 100 (deLeon): 100 Percent Clean Energy Standard and Governor's Executive Order on Carbon Neutrality

As originally introduced, this measure sought to increase the Renewable Portfolio Standard (RPS) to 100% renewable energy by 2045. As amended in the Assembly, the measure now requires all power generation come solely from clean or "carbon-free" energy sources. In the interim, the bill expedites the state's RPS requirements which is currently set at 50% by 2030. Additionally, the bill creates a goal for the state to meet all its retail electric supply with a mix of RPS-eligible and zero carbon resources by 2045.

At the SB 100 signing ceremony, Brown also announced an executive order directing California to achieve carbon neutrality, meaning it would remove as much carbon dioxide from the atmosphere as it emits, also by 2045. The state has previously committed to reducing greenhouse gas emissions to 80 percent below 1990 levels by 2050.

Utility Response to Catastrophic Wildfires

One of the most complicated and delicate issues this legislative session has been in response to last year's catastrophic utility caused wildfires. With a tangled web of interests including fire victims, utilities, insurance companies, trial attorneys, labor unions, and ratepayers, the legislature struggled to come to an agreement on how policies related to these types of natural disaster should be handled moving forward.

In the months since the fires, Cal Fire has released various investigative reports finding PG&E's transmission lines, other equipment, and less than satisfactory maintenance to be to blame for much of the damage. This has prompted PG&E to announce this month that claims will likely exceed \$2.5 billion. Some have speculated that the property damage alone could be as high as \$12 billion. PG&E's liability insurance would only cover up to \$840 million in damage. Damage estimates have not yet been released for the fires in the Southern California Edison (SCE) territory, but the issue of who is responsible for those costs, shareholders or ratepayers, will be a significant discussion.

Coming out of the legislative summer recess, a Conference Committee was formed to tackle the issue. They held several public meetings and released a bill just hours before the deadline for amendments. The bill focuses heavily on forest vegetation management. Additionally, the bill allows for the CPUC to shift most of the responsibility for covering cost of the wildfires to the ratepayers even when the utility has been found negligent.

The measure was passed with bi-partisan support despite strong opposition from ratepayer and business groups who labeled the plan a utility bailout. As Southern California Edison moves into the implementation stage, it will be crucial for water agencies to engage in the discussions over de-energization. There is significant concern that SCE could shut off power for prolonged periods of time during high wind events, which would have significant impacts on water and wastewater agency operations.

Page Intentionally Blank

Legislative Status Report for SAWPA 9/10/2018

[AB 313](#)

(Gray D) Water.

Current Text: Vetoed: 10/15/2017 [html](#) [pdf](#)

Introduced: 2/6/2017

Last Amend: 7/18/2017

Status: 1/12/2018-Stricken from file.

Location: 10/15/2017-A. VETOED

Summary: Current law authorizes the State Water Resources Control Board to adopt an order setting administrative civil liability based on the allegations set forth in the complaint without a hearing, unless a written request for a hearing signed by, or on behalf of, the party served with the complaint is delivered to or received by mail by the board within 20 days after receipt of the complaint. This bill, commencing July 1, 2018, would establish a Water Rights Division within the Office of Administrative Hearings, as prescribed.

[AB 339](#)

(Mathis R) State Water Pollution Cleanup and Abatement Account.

Current Text: Chaptered: 10/3/2017 [html](#) [pdf](#)

Introduced: 2/7/2017

Last Amend: 4/4/2017

Status: 10/3/2017-Approved by the Governor. Chaptered by Secretary of State - Chapter 439, Statutes of 2017.

Location: 10/3/2017-A. CHAPTERED

Summary: The Porter-Cologne Water Quality Control Act creates the State Water Pollution Cleanup and Abatement Account in the State Water Quality Control Fund and continuously appropriates moneys in the account to the state board for the purposes of cleaning up waste or abating its effects on state waters. Current law, until July 1, 2018, authorizes the state board to pay these moneys from the account to, among others, a community water system that services a disadvantaged community to be used to assist in addressing urgent drinking water need, among other purposes. This bill would limit the above-described payments to grants, and would delete the July 1, 2018, sunset date. By extending the term of an existing appropriation, this bill would make an appropriation.

[AB 355](#)

(Chu D) Water pollution: enforcement.

Current Text: Chaptered: 10/6/2017 [html](#) [pdf](#)

Introduced: 2/8/2017

Last Amend: 6/7/2017

Status: 10/6/2017-Approved by the Governor. Chaptered by Secretary of State - Chapter 524, Statutes of 2017.

Location: 10/6/2017-A. CHAPTERED

Summary: Current law permits the State Water Resources Control Board or regional board, in lieu of assessing all or a portion of the mandatory minimum penalties against a publicly owned treatment works serving a small community, as defined, to elect to require the publicly owned treatment works to spend an equivalent amount towards completion of a compliance project proposed by the publicly owned treatment works if the state board or regional board makes certain findings. Current law, for these purposes, defines "a publicly owned treatment works serving a small community." This bill, for purposes of the exception, would instead define publicly owned treatment works serving a small community as a publicly owned treatment works serving a population of 20,000 persons or fewer or a rural county, with a financial hardship.

[AB 474](#)

(Garcia, Eduardo D) Hazardous waste: spent brine solutions.

Current Text: Chaptered: 10/15/2017 [html](#) [pdf](#)

Introduced: 2/13/2017

Last Amend: 8/21/2017

Status: 10/15/2017-Approved by the Governor. Chaptered by Secretary of State - Chapter 840, Statutes of 2017.

Location: 10/15/2017-A. CHAPTERED

Summary: Current law exempts from certain requirements of the Hazardous Waste Control Law wastes from the extraction, beneficiation, or processing of ores and minerals that are not subject to regulation under the federal Resource Conservation and Recovery Act of 1976, including spent brine solutions used to produce geothermal energy that meet specified requirements. This bill would exempt spent brine solutions that are byproducts of the treatment of groundwater to meet California drinking water standards from those same requirements if certain conditions are met, including that the spent brine solutions are transferred for dewatering via a closed piping system to lined surface impoundments regulated by the California regional water quality control boards.

[AB 560](#)

(Salas D) Safe Drinking Water State Revolving Fund: project financing: severely disadvantaged

communities.

Current Text: Chaptered: 10/7/2017 [html](#) [pdf](#)

Introduced: 2/14/2017

Last Amend: 7/12/2017

Status: 10/7/2017-Approved by the Governor. Chaptered by Secretary of State - Chapter 552, Statutes of 2017.

Location: 10/7/2017-A. CHAPTERED

Summary: Would, to the extent permitted by federal law, authorize the State Water Resources Control Board 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.

[AB 574](#)

(Quirk D) Potable reuse.

Current Text: Chaptered: 10/6/2017 [html](#) [pdf](#)

Introduced: 2/14/2017

Last Amend: 9/1/2017

Status: 10/6/2017-Approved by the Governor. Chaptered by Secretary of State - Chapter 528, Statutes of 2017.

Location: 10/6/2017-A. CHAPTERED

Summary: Current law required the State Department of Public Health to, on or before December 31, 2013, adopt uniform water recycling criteria for indirect potable reuse for groundwater recharge. Current law also required the department to develop and adopt uniform water recycling criteria for surface water augmentation, as defined, by December 31, 2016, if a specified expert panel found that the criteria would adequately protect public health, and required the department to investigate the feasibility of developing uniform water recycling criteria for direct potable reuse and to provide a final report on that investigation to the Legislature by December 31, 2016. Current law defined the terms "direct potable reuse" and "surface water augmentation" for these purposes. This bill would specify that "direct potable reuse" includes "raw water augmentation" and "treated drinking water augmentation."

[AB 967](#)

(Gloria D) Human remains disposal: alkaline hydrolysis: licensure and regulation.

Current Text: Chaptered: 10/15/2017 [html](#) [pdf](#)

Introduced: 2/16/2017

Last Amend: 9/12/2017

Status: 10/15/2017-Approved by the Governor. Chaptered by Secretary of State - Chapter 846, Statutes of 2017.

Location: 10/15/2017-A. CHAPTERED

Summary: Would, commencing July 1, 2020, require the Cemetery and Funeral Bureau to license and regulate hydrolysis facilities, as defined, and hydrolysis facility managers, and would enact requirements applicable to hydrolysis facilities substantially similar to those applicable to crematoria. By expanding the definition of crimes relating to the disposition of human remains and creating new crimes, this bill would impose a state-mandated local program.

[AB 979](#)

(Lackey R) Local agency formation commissions: district representation.

Current Text: Chaptered: 9/1/2017 [html](#) [pdf](#)

Introduced: 2/16/2017

Last Amend: 5/15/2017

Status: 9/1/2017-Approved by the Governor. Chaptered by Secretary of State - Chapter 203, Statutes of 2017.

Location: 9/1/2017-A. CHAPTERED

Summary: The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 provides for the selection of representatives of independent special districts on each local agency formation commission by an independent special district selection committee pursuant to a nomination and election process. This bill would additionally require the executive officer to call and hold a meeting of the special district selection committee upon the adoption of a resolution of intention by the committee relating to proceedings for representation of independent special districts upon the commission pursuant to specified law.

[AB 1270](#)

(Gallagher R) Dams and reservoirs: inspections and reporting.

Current Text: Chaptered: 2/26/2018 [html](#) [pdf](#)

Introduced: 2/17/2017

Last Amend: 1/22/2018

Status: 2/26/2018-Approved by the Governor. Chaptered by Secretary of State - Chapter 3, Statutes of 2018.

Location: 2/26/2018-A. CHAPTERED

Summary: Current law requires the Department of Water Resources, from time to time, to make inspections of dams and reservoirs at state expense for the purpose of determining their safety. This bill would repeal those provisions and instead would require the department to inspect dams, reservoirs, and appurtenant structures once per fiscal year with the exception of low hazard potential dams which the bill would require to receive inspections at least every 2 fiscal years, as specified. The bill would require the owner of a dam to operate critical outlet and spillway control features on an annual basis and to demonstrate their full operability in the presence of the department every 3 years or as directed by the department.

[AB 1668](#) (Friedman D) Water management planning.

Current Text: Chaptered: 5/31/2018 [html](#) [pdf](#)

Introduced: 2/17/2017

Last Amend: 5/3/2018

Status: 5/31/2018-Approved by the Governor. Chaptered by Secretary of State - Chapter 15, Statutes of 2018.

Location: 5/31/2018-A. CHAPTERED

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

Current Text: Enrollment: 9/5/2018 [html](#) [pdf](#)

Introduced: 2/6/2018

Last Amend: 8/6/2018

Status: 9/5/2018-Enrolled and presented to the Governor at 3 p.m.

Location: 9/5/2018-A. ENROLLED

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, for 4 consecutive quarters, with one or more state or federal primary drinking water standard maximum contaminant levels as of December 31, 2018, as specified.

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

Current Text: Enrollment: 9/6/2018 [html](#) [pdf](#)

Introduced: 2/6/2018

Last Amend: 8/21/2018

Status: 9/6/2018-Enrolled and presented to the Governor at 3 p.m.

Location: 9/6/2018-A. ENROLLED

Summary: Would require the State Water Resources Control Board, within 60 days of awarding a grant from the grant fund, to provide a project proponent that requests an advanced payment and satisfies certain criteria with the requested advanced payment, up to a maximum of \$500,000 or 50% of the grant award, whichever is less, for projects in which the project proponent is a nonprofit organization or a disadvantaged community, or the project benefits a disadvantaged community. The bill would require the advanced funds to be handled as prescribed.

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

Current Text: Enrollment: 9/6/2018 [html](#) [pdf](#)

Introduced: 2/7/2018

Last Amend: 6/27/2018

Status: 9/6/2018-Enrolled and presented to the Governor at 3 p.m.

Location: 9/6/2018-A. ENROLLED

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. The bill, until January 1, 2025, would require the department to provide a project proponent that requests advanced payment and satisfies certain criteria with advanced payment for those projects of \$500,000 or 50% of the grant award, whichever is less.

- [AB 2249](#) (Cooley D) Public contracts: local agencies: alternative procedure.**
Current Text: Chaptered: 8/20/2018 [html](#) [pdf](#)
Introduced: 2/13/2018
Last Amend: 6/4/2018
Status: 8/20/2018-Approved by the Governor. Chaptered by Secretary of State - Chapter 169, Statutes of 2018.
Location: 8/20/2018-A. CHAPTERED
Summary: The Uniform Public Construction Cost Accounting Act permits the governing body of a public agency, in the event all bids received for the performance of that public project are in excess of \$175,000, to award the contract at \$187,500 or less to the lowest responsible bidder if it determines the cost estimate of the public agency was reasonable. This bill would instead 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: Chaptered: 9/10/2018 [html](#) [pdf](#)
Introduced: 2/13/2018
Last Amend: 8/17/2018
Status: 9/10/2018-Signed by the Governor
Location: 9/10/2018-A. CHAPTERED
Summary: Would enact the Grant Information Act of 2018. The bill would require the California State Library, on or before July 1, 2020, to create a funding opportunities Internet Web portal that provides a centralized location for grant seekers to find state grant opportunities. The bill would additionally require each state agency, on or before July 1, 2020, to register every grant the state agency administers with the California State Library prior to commencing a solicitation or award process for distribution of the grant, as specified. The bill would require each state agency, on or before July 1, 2020, to provide for the acceptance of electronic applications for any grant administered by the state agency, as appropriate.
- [AB 2339](#) (Gipson D) Water utility service: sale of water utility property by a city.**
Current Text: Enrollment: 9/6/2018 [html](#) [pdf](#)
Introduced: 2/13/2018
Last Amend: 8/15/2018
Status: 9/6/2018-Enrolled and presented to the Governor at 3 p.m.
Location: 9/6/2018-A. ENROLLED
Summary: Would authorize the City of El Monte, the City of Montebello, and the City of Willows, until January 1, 2022, to sell its public utility for furnishing water service 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: landscape irrigation.**
Current Text: Enrolled: 9/4/2018 [html](#) [pdf](#)
Introduced: 2/14/2018
Last Amend: 8/17/2018
Status: 8/29/2018-Senate amendments concurred in. To Engrossing and Enrolling.
Location: 8/29/2018-A. ENROLLMENT
Summary: The Contractors' State License Law provides for the licensing by written examination and regulation of contractors by the Contractors' State License Board in the Department of Consumer Affairs. Current law requires the Contractors' State License Board to periodically review and, if needed, revise the contents of qualifying examinations to ensure that the examination questions are timely and relevant to the business of contracting. This bill, before revision of the landscaping contractor examination, would require the Contractors' State License Board to confer with specified entities to determine whether any updates or revisions to the examination are needed to reflect new and emerging landscape irrigation efficiency practices, as specified.
- [AB 2447](#) (Reyes D) California Environmental Quality Act: land use: environmental justice.**
Current Text: Enrolled: 9/4/2018 [html](#) [pdf](#)
Introduced: 2/14/2018
Last Amend: 8/24/2018
Status: 8/30/2018-Senate amendments concurred in. To Engrossing and Enrolling.
Location: 8/30/2018-A. ENROLLMENT
Summary: Would, except as provided, require a lead agency that is preparing an EIR or a negative

declaration to provide certain notices required by CEQA to owners and occupants of property located within 1/2 mile of any parcel or parcels, and to any schools located within one mile of any parcel or parcels, on which is located a project involving an industrial or equivalent land use, as defined, within a disadvantaged community or within 1/2 mile of a disadvantaged community.

[AB 2501](#) (Chu D) Drinking water: state administrators: consolidation and extension of service.

Current Text: Enrolled: 9/5/2018 [html](#) [pdf](#)

Introduced: 2/14/2018

Last Amend: 8/24/2018

Status: 8/31/2018-Re-referred to Com. on E.S. & T.M. pursuant to Assembly Rule 77.2. Joint Rule 62(a), file notice suspended. From committee: That the Senate amendments be concurred in. (Ayes 6. Noes 1.) (August 31). Senate amendments concurred in. To Engrossing and Enrolling.

Location: 8/31/2018-A. ENROLLMENT

Summary: The California Safe Drinking Water Act requires the State Water Resources Control Board, before ordering consolidation or extension of service, to fulfill certain requirements, including, among other things, to hold a public meeting, and to establish a reasonable deadline, as prescribed, for a potentially receiving water system and a potentially subsumed water system to negotiate consolidation or another means of providing an adequate supply of affordable, safe drinking water. The act requires the state board to conduct a public hearing at the expiration of the reasonable deadline, as specified. This bill would revise and recast these provisions.

[AB 2538](#) (Rubio D) Municipal separate storm sewer systems: financial capability analysis.

Current Text: Enrolled: 9/4/2018 [html](#) [pdf](#)

Introduced: 2/14/2018

Last Amend: 8/24/2018

Status: 8/30/2018-Senate amendments concurred in. To Engrossing and Enrolling.

Location: 8/30/2018-A. ENROLLMENT

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.

[AB 2541](#) (Salas D) Safe Drinking Water State Revolving Fund: project financing: severely disadvantaged communities.

Current Text: Chaptered: 8/28/2018 [html](#) [pdf](#)

Introduced: 2/14/2018

Last Amend: 3/15/2018

Status: 8/27/2018-Approved by the Governor. Chaptered by Secretary of State - Chapter 217, Statutes of 2018.

Location: 8/28/2018-A. CHAPTERED

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: Enrollment: 8/27/2018 [html](#) [pdf](#)

Introduced: 2/15/2018

Last Amend: 3/13/2018

Status: 8/27/2018-Enrolled and presented to the Governor at 3 p.m.

Location: 8/27/2018-A. ENROLLED

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: Chaptered: 8/28/2018 [html](#) [pdf](#)

Introduced: 2/15/2018

Last Amend: 6/14/2018

Status: 8/28/2018-Approved by the Governor. Chaptered by Secretary of State - Chapter 239, Statutes of 2018.

Location: 8/28/2018-A. CHAPTERED

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 one project 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 12 projects in excess of \$5,000,000 prior to January 1, 2025.

AB 2975 **(Friedman D) Wild and scenic rivers.**

Current Text: Chaptered: 8/28/2018 [html](#) [pdf](#)

Introduced: 2/16/2018

Last Amend: 5/29/2018

Status: 8/27/2018-Approved by the Governor. Chaptered by Secretary of State - Chapter 221, Statutes of 2018.

Location: 8/28/2018-A. CHAPTERED

Summary: Would, if (1) the federal government takes action to enact a statute that, upon enactment, would require the removal or delisting of 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 (2) the secretary determines that the federal government by enactment of a statute or by executive order 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, based on the information obtained through the public hearing, to determine whether the provision of state protection for the river or segment of the river that has been removed, delisted, or exempted from the federal wild and scenic rivers system is in the best interest of the state and, if so, to take specified actions, until December 31, 2025, 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, as prescribed.

SB 5 **(De León D) California Drought, Water, Parks, Climate, Coastal Protection, and Outdoor Access For All Act of 2018.**

Current Text: Chaptered: 10/15/2017 [html](#) [pdf](#)

Introduced: 12/5/2016

Last Amend: 9/10/2017

Status: 10/15/2017-Approved by the Governor. Chaptered by Secretary of State. Chapter 852, Statutes of 2017.

Location: 10/15/2017-S. CHAPTERED

Summary: Would enact the California Drought, Water, Parks, 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 \$4,000,000,000 pursuant to the State General Obligation Bond Law to finance a drought, water, parks, climate, coastal protection, and outdoor access for all program. The bill, upon voter approval, would reallocate \$100,000,000 of the unissued bonds authorized for the purposes of Propositions 1, 40, and 84 to finance the purposes of a drought, water, parks, climate, coastal protection, and outdoor access for all program.

SB 80 **(Wieckowski D) California Environmental Quality Act: notices.**

Current Text: Vetoed: 10/16/2017 [html](#) [pdf](#)

Introduced: 1/11/2017

Last Amend: 6/21/2017

Status: 3/3/2018-Last day to consider Governor's veto pursuant to Joint Rule 58.5.

Location: 10/16/2017-S. VETOED

Summary: The California Environmental Quality Act requires the lead agency to mail certain notices to persons who have filed a written request for notices. The act provides that if the agency offers to provide the notices by email, upon filing a written request for notices, a person may request that the notices be provided to him or her by email. This bill would require the lead agency to post those notices on the agency's Internet Web site. The bill would require the agency to offer to provide those notices by email. Because this bill would increase the level of service provided by a local agency, this bill would impose a state-mandated local program.

SB 231 **(Hertzberg D) Local government: fees and charges.**

Current Text: Chaptered: 10/6/2017 [html](#) [pdf](#)

Introduced: 2/2/2017

Last Amend: 4/19/2017

Status: 10/6/2017-Approved by the Governor. Chaptered by Secretary of State. Chapter 536, Statutes of 2017.

Location: 10/6/2017-S. CHAPTERED

Summary: Articles XIIIC and XIID of the California Constitution generally require that assessments,

fees, and charges be submitted to property owners for approval or rejection after the provision of written notice and the holding of a public hearing. Current law, the Proposition 218 Omnibus Implementation Act, prescribes specific procedures and parameters for local jurisdictions to comply with Articles XIIIIC and XIID of the California Constitution and defines terms for these purposes. This bill would define the term "sewer" for these purposes. The bill would also make findings and declarations relating to the definition of the term "sewer" for these purposes.

[SB 564](#) (McGuire D) Joint powers authorities: Water Bill Savings Act.

Current Text: Chaptered: 10/2/2017 [html](#) [pdf](#)

Introduced: 2/17/2017

Last Amend: 8/31/2017

Status: 10/2/2017-Approved by the Governor. Chaptered by Secretary of State. Chapter 430, Statutes of 2017.

Location: 10/2/2017-S. CHAPTERED

Summary: Would enact the Water Bill Savings Act, which would authorize a joint powers authority to provide funding for a customer of a local agency in the Counties of Alameda, Contra Costa, Los Angeles, Marin, Napa, San Francisco, San Mateo, Santa Clara, Solano, and Sonoma or its publicly owned utility to acquire, install, or repair a water efficiency improvement on the customer's property served by the local agency or its publicly owned utility. The bill would require the customer to repay the authority through an efficiency charge on the customer's water bill to be established and collected by the local agency or its publicly owned utility on behalf of the authority pursuant to a servicing agreement.

[SB 606](#) (Hertzberg D) Water management planning.

Current Text: Chaptered: 5/31/2018 [html](#) [pdf](#)

Introduced: 2/17/2017

Last Amend: 5/7/2018

Status: 5/31/2018-Approved by the Governor. Chaptered by Secretary of State. Chapter 14, Statutes of 2018.

Location: 5/31/2018-S. CHAPTERED

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 State Water Resources Control 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 998](#) (Dodd D) Discontinuation of residential water service: urban and community water systems.

Current Text: Enrollment: 9/6/2018 [html](#) [pdf](#)

Introduced: 2/5/2018

Last Amend: 8/6/2018

Status: 9/6/2018-Enrolled and presented to the Governor at 4 p.m.

Location: 9/6/2018-S. ENROLLED

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.

[SB 1215](#) (Hertzberg D) Provision of sewer service: disadvantaged communities.

Current Text: Enrolled: 9/7/2018 [html](#) [pdf](#)

Introduced: 2/15/2018

Last Amend: 8/24/2018

Status: 8/31/2018-Assembly amendments concurred in. (Ayes 29. Noes 10.) Ordered to engrossing and enrolling.

Location: 8/31/2018-S. ENROLLMENT

Summary: The Porter-Cologne Water Quality Control Act requires each California regional water quality control board to adopt water quality control plans and to establish water quality objectives in those plans, considering certain factors, to ensure the reasonable protection of beneficial uses and the prevention of nuisance. This bill would, except as provided, authorize the regional 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 regional board to require a special district, city, or county to provide sewer service, this bill would impose a state-mandated local program.

[SB 1422](#) (Portantino D) California Safe Drinking Water Act: microplastics.

Current Text: Enrolled: 9/7/2018 [html](#) [pdf](#)

Introduced: 2/16/2018

Last Amend: 8/23/2018

Status: 8/31/2018-Assembly amendments concurred in. (Ayes 34. Noes 2.) Ordered to engrossing and enrolling.

Location: 8/31/2018-S. ENROLLMENT

Summary: Would require the State Water Resources Control Board, on or before July 1, 2020, to adopt a definition of microplastics in drinking water, and on or before July 1, 2021, to adopt a standard methodology to be used in the testing of drinking water for microplastics and requirements for 4 years of testing and reporting of microplastics in drinking water, including public disclosure of those results.

Total Measures: 32

Total Tracking Forms: 32