



S A W P A

SANTA ANA WATERSHED PROJECT AUTHORITY

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

REGULAR COMMISSION MEETING TUESDAY, APRIL 16, 2019 – 9:30 A.M.

AGENDA

1. **CALL TO ORDER/PLEDGE OF ALLEGIANCE** (Ronald W. Sullivan, 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: APRIL 2, 2019**5
Recommendation: Approve as posted.
- B. **TREASURER’S REPORT – MARCH 2019**9
Recommendation: Approve as posted.

5. **NEW BUSINESS**

- A. **ACKNOWLEDGE OCWD ACTION | SECRETARY-TREASURER APPOINTMENT | OWOW STEERING COMMITTEE APPOINTMENT (CM#2019.40)**15
Presenter: Rich Haller
Recommendation: (1) Acknowledge action of the Orange County Water District (OCWD) Board electing Denis R. Bilodeau as the SAWPA Commissioner and Dina L. Nguyen as the Alternate SAWPA Commissioner; (2) Appoint Denis R. Bilodeau as SAWPA Commission Secretary-Treasurer; and, (3) Affirm the appointment of Denis R. Bilodeau as a SAWPA representative to the One Water One Watershed (OWOW) Steering Committee as set forth in Resolution No. 2018-1.

- B. [INLAND EMPIRE BRINE LINE RATE RESOLUTION \(CM#2019.41\)](#)19
Presenter: Carlos Quintero
Recommendation: Adopt Resolution No. 2019-5 establishing the new Inland Empire Brine Line rates to be effective July 1, 2019 (Fiscal Year 2020).
- C. [ASSET TAGGING POLICY UPDATE \(CM#2019.42\)](#)27
Presenter: Carlos Quintero
Recommendation: Adopt Asset Tagging Policy 2019-01.
- D. [UPDATE ON DISCUSSIONS WITH ORANGE COUNTY STAKEHOLDERS](#)
Presenter: Rich Haller
Recommendation: Receive and file an informational report on discussions with Orange County Stakeholders.

6. **INFORMATIONAL REPORTS**

Recommendation: Receive for information.

- A. [CASH TRANSACTIONS REPORT – FEBRUARY 2019](#)29
Presenter: Karen Williams
- B. [INTER-FUND BORROWING – FEBRUARY 2019 \(CM#2019.37\)](#)35
Presenter: Karen Williams
- C. [PERFORMANCE INDICATORS/FINANCIAL REPORTING – FEBRUARY 2019 \(CM#2019.38\)](#)41
Presenter: Karen Williams
- D. [SINGLE AUDIT REPORT ON FEDERAL AWARDS PROGRAM \(CM#2019.39\)](#)63
Presenter: Karen Williams
- E. [GENERAL MANAGER REPORT](#)85
- F. [STATE LEGISLATIVE REPORT](#)89
Presenter: Rich Haller
- G. [SAWPA GENERAL MANAGERS MEETING NOTES](#)95
 - April 9, 2019
- H. [CHAIR’S COMMENTS/REPORT](#)
- I. [COMMISSIONERS’ COMMENTS](#)
- J. [COMMISSIONERS’ REQUEST FOR FUTURE AGENDA ITEMS](#)

7. **CLOSED SESSION**

There were no Closed Session items anticipated at the time of the posting of this agenda.

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 Wednesday, April 10, 2019, 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

2019 SAWPA Commission Meetings|Events|Important Dates

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
1/1/19 Commission Workshop [cancelled] 1/15/19 Regular Commission Meeting	2/5/19 Commission Workshop 2/19/19 Regular Commission Meeting
March	April
3/5/19 Commission Workshop 3/19/19 Regular Commission Meeting 3/29/19 OWOW Conference 2019, Cal State Fullerton	4/2/19 Commission Workshop 4/16/19 Regular Commission Meeting
May	June
5/7/19 Commission Workshop [cancelled] 5/7 – 5/10/19 ACWA Spring Conference, Monterey 5/21/19 Regular Commission Meeting	6/4/19 Commission Workshop 6/18/19 Regular Commission Meeting
July	August
7/2/19 Commission Workshop 7/16/19 Regular Commission Meeting	8/6/19 Commission Workshop 8/20/19 Regular Commission Meeting
September	October
9/3/19 Commission Workshop 9/17/19 Regular Commission Meeting	10/1/19 Commission Workshop 10/15/19 Regular Commission Meeting
November	December
11/5/19 Commission Workshop 11/19/19 Regular Commission Meeting	12/3/19 Commission Workshop 12/17/19 Regular Commission Meeting 12/3 – 12/6/19 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: APRIL 2019

DATE	TIME	MEETING DESCRIPTION	LOCATION
4/2/19	8:30 AM	PA 23 Committee Mtg	SAWPA
4/3/19	9:00 AM	Prop 1 OWOW Workshop - Rating and Ranking	SAWPA
4/18/19	4:00 PM	LESJWA Board of Directors Mtg	Elsinore Valley MWD 31315 Chaney Street Lake Elsinore, CA 92530
4/23/19	9:00 AM	MSAR TMDL/Regional WQ Monitoring Task Force Mtg	SAWPA
4/24/19	9:00 AM	Basin Monitoring Program Task Force Mtg	SAWPA
4/24/19	1:00 PM	Lake Elsinore/Canyon Lake TMDL Task Force Mtg	SAWPA
4/25/19	8:00 AM	PA 22 Committee Mtg	SAWPA
4/25/19	9:30 AM	OWOW Pillar Integration Mtg	CANCELLED
4/25/19	1:30 PM	Prop 1 OWOW Workshop - Ranking and Funding	SAWPA

MONTH OF: MAY 2019

DATE	TIME	MEETING DESCRIPTION	LOCATION
5/3/19	9:00 AM	Regional Board Public Workshop - LE/CL TMDL Revision	City of Loma Linda Council Chambers 25541 Barton Street Loma Linda, CA 92354
5/14/19	1:30 PM	Basin Monitoring Program Task Force Mtg	SAWPA
5/23/19	8:00 AM	PA 22 Committee Mtg	SAWPA
5/23/19	11:00 AM	OWOW Steering Committee 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
APRIL 2, 2019**

COMMISSIONERS PRESENT

Kati Parker, Vice Chair, Inland Empire Utilities Agency
Brenda Dennstedt, Western Municipal Water District
T. Milford Harrison, San Bernardino Valley Municipal Water District
Dina L. Nguyen, Alternate, Orange County Water District

COMMISSIONERS ABSENT

Ronald W. Sullivan, Chair, Eastern Municipal Water District
Denis R. Bilodeau, Orange County Water District

**ALTERNATE COMMISSIONERS
PRESENT; NON-VOTING**

Jasmin A. Hall, Alternate, Inland Empire Utilities Agency
June D. Hayes, Alternate, San Bernardino Valley Municipal Water District

STAFF PRESENT

Rich Haller, Larry McKenney, Karen Williams, Mark Norton, Dean Unger,
David Ruhl, Ian Achimore, Matt Howard, Kelly Berry

The Regular Commission Meeting of the Santa Ana Watershed Project Authority was called to order at 9:31 a.m. by Vice Chair Parker at the Santa Ana Watershed Project Authority, 11615 Sterling Avenue, Riverside, California.

1. CALL TO ORDER/PLEDGE OF ALLEGIANCE

Dina L. Nguyen, Alternate Commissioner, Orange County Water District, took the Oath of Office.

2. ROLL CALL

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

3. PUBLIC COMMENTS

4. CONSENT CALENDAR

A. APPROVAL OF MEETING MINUTES: MARCH 19, 2019

Recommendation: Approve as posted.

MOVED, approve the March 19, 2019 meeting minutes.

Result:	Adopted (Passed)
Motion/Second:	Harrison/Dennstedt
Ayes:	Dennstedt, Harrison, Parker
Nays:	None
Abstentions:	Nguyen
Absent:	Sullivan

5. NEW BUSINESS

A. SANTA ANA RIVER CONSERVANCY ADVISORY GROUP | NOMINATION OF SAWPA COMMISSIONER (CM#2019.34)

Ian Achimore provided a PowerPoint presentation regarding the Santa Ana River Conservancy Advisory Group, which meets quarterly on the third Thursday of the month; the next meeting will be June 20, 2019. The two remaining incomplete portions of the Santa Ana River trail are within Riverside and San Bernardino counties. Commissioner Harrison expressed an interest in serving on the committee, having worked on the Santa Ana River trail for many years in the past.

MOVED, nominate T. Milford Harrison to serve as the SAWPA representative on the Santa Ana River Conservancy Advisory Group for a period of five years.

Result: **Adopted (Unanimously)**
Motion/Second: Dennstedt/Nguyen
Ayes: Dennstedt, Harrison, Nguyen, Parker
Nays: None
Abstentions: None
Absent: Sullivan

B. BASIN MONITORING PROGRAM TASK FORCE | CONSULTANT SUPPORT (CM#2019.35)

Mark Norton provided the PowerPoint presentation included in the agenda packet on pages 17 through 20. Norton reminded the Commission roundtables are funded by the members. These types of actions are subject to approval by the roundtable member agencies. There was no further discussion.

MOVED, approve a General Services Agreement, as modified, and Task Order WSC374-01 with Water Systems Consulting for the amount not-to-exceed \$373,973 to prepare the Triennial Ambient Water Quality Recomputation for the Santa Ana River Watershed for the Period 1999-2018.

Result: **Adopted (Unanimously)**
Motion/Second: Dennstedt/Harrison
Ayes: Dennstedt, Harrison, Nguyen, Parker
Nays: None
Abstentions: None
Absent: Sullivan

C. FYE 2020 AND 2021 BUDGET (CM#2019.36)

Karen Williams provided the PowerPoint presentation included in the agenda packet on pages 47 through 78. Commissioner Harrison voiced concern that Chair Sullivan was not present to provide input on the budget prior to approval. Nick Kanetis, EMWD Deputy General Manager, noted their staff have reviewed the FYE 2020 and 2021 budget and there were no concerns. Mike Markus, OWCD General Manager affirmed their staff have also reviewed and there were no concerns.

MOVED, review and discuss the draft FYE 2020 and 2021 Budget and consider adoption.

Result: **Adopted (Unanimously)**
Motion/Second: Harrison/Nguyen
Ayes: Dennstedt, Harrison, Nguyen, Parker
Nays: None
Abstentions: None
Absent: Sullivan

D. OWOW CONFERENCE | MARCH 29, 2019

Rich Haller provided an oral report on the 2019 Santa Ana River Watershed Conference, which was well attended with over 200 attendees.

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

E. COMMISSION MEETING SCHEDULE | MAY 2019

The ACWA Spring Conference will be held May 7-10 in Monterey, California. Accordingly, the Commission considered whether to cancel the May 7, 2019 regular meeting of the Commission.

MOVED, cancel the May 7, 2019 regular meeting of the Commission.

Result:	Adopted (Unanimously)
Motion/Second:	Dennstedt/Harrison
Ayes:	Dennstedt, Harrison, Nguyen, Parker
Nays:	None
Abstentions:	None
Absent:	None

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 report.

B. COMMISSIONERS' COMMENTS

There were no Commissioners comments.

C. COMMISSIONERS' REQUEST FOR FUTURE AGENDA ITEMS

7. CLOSED SESSION

There was no Closed Session.

8. ADJOURNMENT

There being no further business for review, Vice Chair Parker adjourned the meeting at 10:18 a.m.

Approved at a Regular Meeting of the Santa Ana Watershed Project Authority Commission on Tuesday, April 16, 2019.

Ronald W. Sullivan, Chair

Attest:

Kelly Berry, CMC
Clerk of the Board

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*Santa Ana Watershed
Project Authority*



Finance Department

Santa Ana Watershed Project Authority
TREASURER'S REPORT

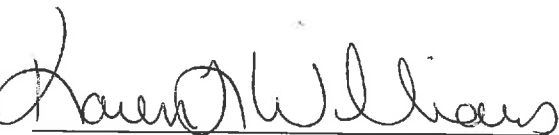
March 2019

During the month of March 2019, the Agency's actively managed temporary idle cash earned a return of 1.754%, representing interest earnings of \$19,133. Additionally, the Agency's position in overnight funds L.A.I.F. generated \$84,730 in interest, resulting in \$103,863 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, one (1) position 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.

April 10, 2019

Prepared and
Submitted by:



Karen L. Williams, Chief Financial Officer

Santa Ana Watershed Project Authority

INVESTMENT PORTFOLIO - MARKED TO MARKET - UNREALIZED GAINS & LOSSES

March 31, 2019

SAWPA primarily maintains a "Buy and Hold" investment philosophy, with all investments held by US 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	\$ -	1.790%	\$ -	\$ -	\$ -	3.750%	\$ 662.05
Agency	FHLMC	3137EAEC9	WMS	09-16-16	08-12-21	No Call	\$ 1,000,000.00	1.335%	\$ 990,060.00	\$ 973,340.00	\$ (16,720)	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	\$ 501,906.50	\$ (10,861)	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	\$ 499,119.00	\$ (4,896)	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	\$ 992,759.00	\$ (33,329)	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	\$ 995,963.00	\$ (2,967)	2.125%	\$ 1,826.12
Agency	FNMA	3135G0H55	WMS	12-28-15	12-28-20	No Call	\$ 1,000,000.00	1.830%	\$ 1,002,140.00	\$ 992,203.00	\$ (9,937)	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	\$ 986,321.00	\$ (28,836)	1.500%	\$ 976.72
Agency	USTN	912828WC	WMS	11-17-15	10-31-20	No Call	\$ 1,000,000.00	1.638%	\$ 1,005,312.50	\$ 990,625.00	\$ (14,688)	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	\$ 993,789.00	\$ (7,422)	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	\$ 492,969.00	\$ (14,101)	1.375%	\$ 437.53
Agency	USTN	912828L65	WMS	06-16-16	09-30-20	No Call	\$ 500,000.00	1.041%	\$ 506,992.19	\$ 492,734.50	\$ (14,258)	1.375%	\$ 441.95
Agency	USTN	912828L99	WMS	06-16-16	10-31-20	No Call	\$ 500,000.00	1.051%	\$ 506,914.06	\$ 492,441.50	\$ (14,473)	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	\$ 974,180.00	\$ 5,118	1.125%	\$ 1,709.51
CORP	Apple Inc	037833AK6	WMS	10-15-18	05-03-23	No Call	\$ 500,000.00	3.360%	\$ 479,898.50	\$ 490,988.00	\$ 11,090	2.400%	\$ 1,426.86
CORP	Toyota Motor Corp Credit	89236TFNO	WMS	10-15-18	09-20-23	No Call	\$ 500,000.00	3.550%	\$ 497,747.50	\$ 506,886.00	\$ 9,139	3.450%	\$ 1,507.53
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	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							\$ 12,492,000.00		\$ 12,515,365.50	\$ 12,368,224.50	\$ (147,141)	1.754%	\$ 19,133.00
Total Local Agency Investment Fund									\$ 40,953,713.83			2.436%	\$ 84,730.43
Total Invested Cash							\$ 12,492,000.00		\$ 53,469,079.33			2.277%	\$ 103,863.43

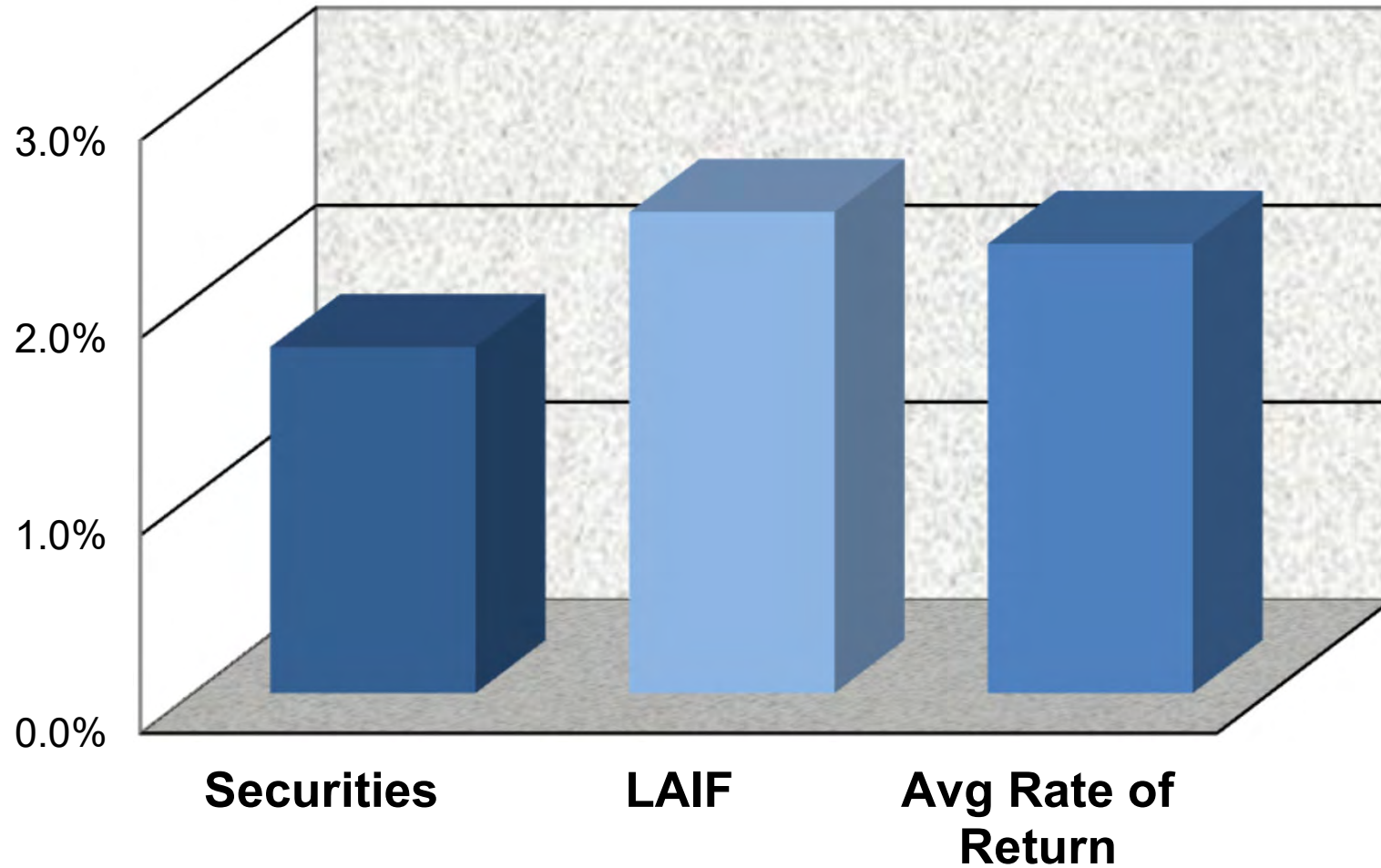
Key to Security Type:

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:

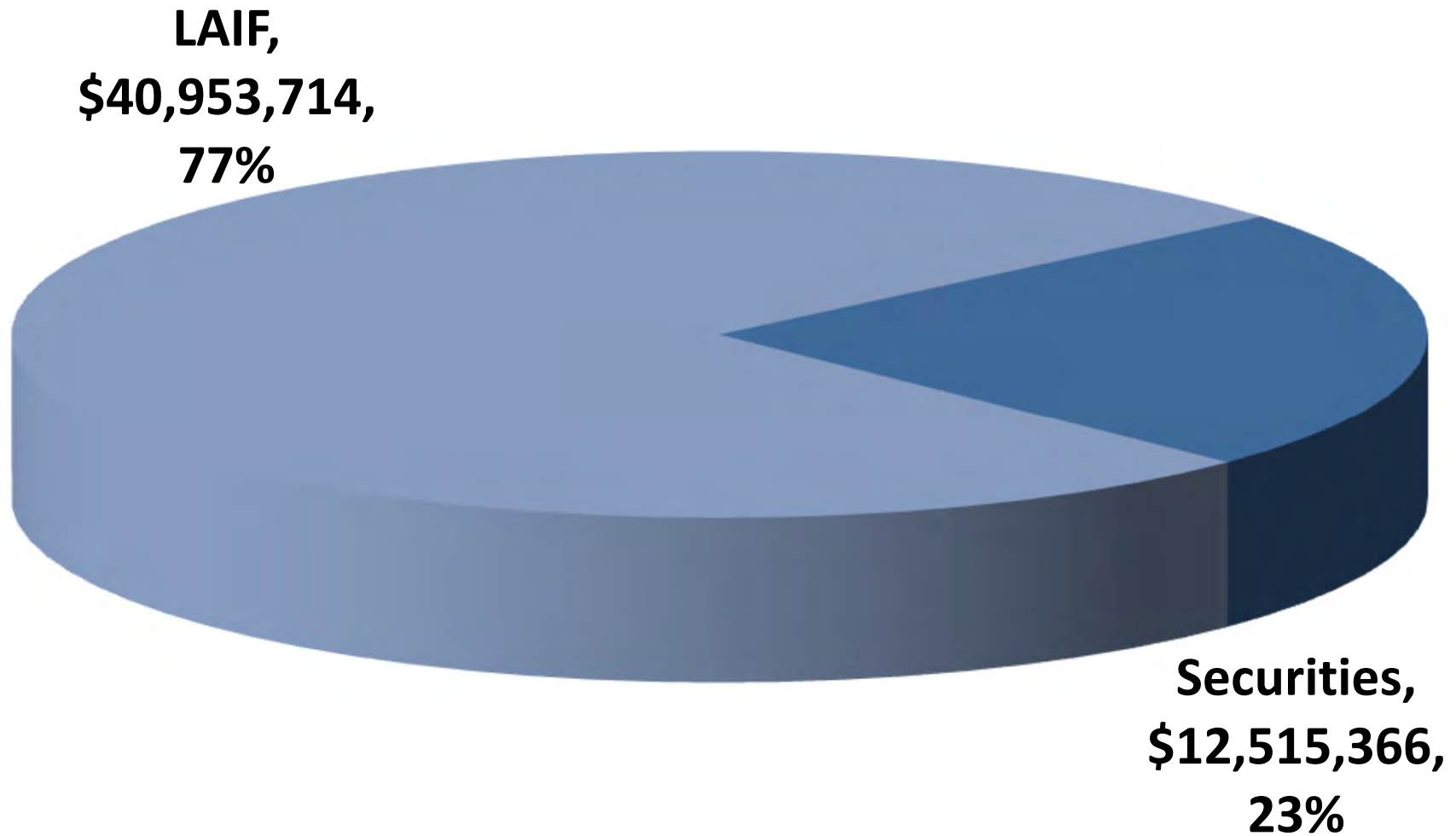
FCS	= FinaCorp Securities
MBS	= Multi-Bank Securities
MS	= Mutual Securities
RCB	= RBC Dain Rauscher
SA	= Securities America
TVI	= Time Value Investments
WMS	= Wedbush Morgan Securities

Interest Rate Analysis

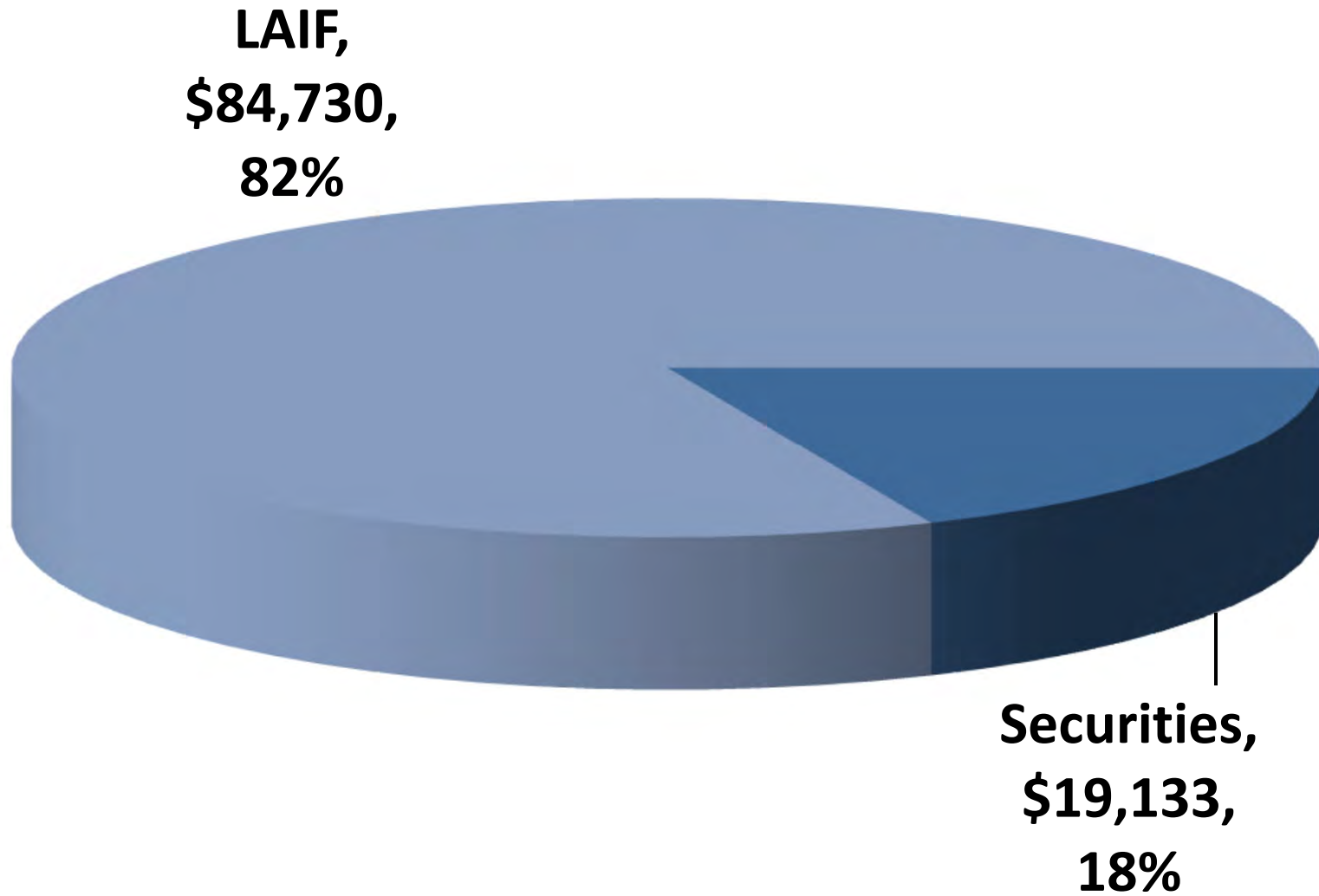


Investments

\$53,469,079



Interest
\$103,863



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COMMISSION MEMORANDUM NO. 2019.40

DATE: April 16, 2019

TO: SAWPA Commission

SUBJECT: Acknowledge OCWD Action | Secretary-Treasurer Appointment | OWOW Steering Committee Appointment

PREPARED BY: Rich Haller, P.E., General Manager

RECOMMENDATION

That the Commission:

1. Acknowledge action of the Orange County Water District (OCWD) Board electing Denis R. Bilodeau as the SAWPA Commissioner and Dina L. Nguyen as the Alternate SAWPA Commissioner;
2. Appoint Denis R. Bilodeau as SAWPA Commission Secretary-Treasurer; and,
3. Affirm the appointment of Denis R. Bilodeau as a SAWPA representative to the One Water One Watershed (OWOW) Steering Committee as set forth in Resolution No. 2018-1.

DISCUSSION

On April 3, 2019, the OCWD Board elected Denis R. Bilodeau as their SAWPA Commissioner and Dina L. Nguyen as their Alternate SAWPA Commissioner. Pursuant to the Commission’s practice for rotation of Commission officers, as described in Resolution 355, the OCWD Commissioner would become Secretary-Treasurer of the Commission for 2019 and 2020.

In accordance with attached Resolution 2018-1 regarding appointment of SAWPA representatives to the OWOW Steering Committee, the Secretary-Treasurer of the Commission would be appointed as one of SAWPA’s two representatives for the next two years.

RESOURCE IMPACTS

None.

Attachment:

1. Resolution No. 2018-1

RESOLUTION NO. 2018-1

**A RESOLUTION OF THE COMMISSIONERS OF THE
SANTA ANA WATERSHED PROJECT AUTHORITY ESTABLISHING
A ROTATION OF APPOINTMENTS TO THE ONE WATER, ONE WATERSHED
(OWOW) STEERING COMMITTEE
AND RESCINDING RESOLUTION NO. 2017-12**

WHEREAS, the SAWPA Commission established and convened the OWOW Steering Committee in 2008 to provide oversight for the development and implementation of the OWOW Plan through a regional stakeholder process;

WHEREAS, the SAWPA Commission approved an amended governance document defining the OWOW Steering Committee roles and membership in January 2013;

WHEREAS, the governance document provides OWOW Steering Committee members shall be appointed to serve terms of four (4) years with staggered end dates;

WHEREAS, the governance document provides for two members of the SAWPA Commission to be appointed to the OWOW Steering Committee by the SAWPA Commission;

WHEREAS, the SAWPA Commission has established a historical rotation of officers among the member agencies;

WHEREAS, the SAWPA Commission desires that SAWPA's participation in the OWOW Steering Committee be shared by Commissioners on the same rotational basis of member agencies as the historical rotation of officers; and

WHEREAS, the SAWPA Commission desires to provide direction should a Commissioner be unavailable to attend OWOW Steering Committee meetings.

NOW THEREFORE, the SAWPA Commission hereby resolves as follows:

1. The two SAWPA Commission representatives appointed to the OWOW Steering Committee will henceforth be the Commissioner from the member agencies whose board member has been appointed as Vice Chair and Secretary-Treasurer of the Commission.
3. The Vice Chair of the SAWPA Commission shall serve as the Convener of the OWOW Steering Committee.
4. Should either/both the Vice Chair and/or the Secretary-Treasurer of the Commission be unavailable to serve for all or a portion of said four (4) year term, the Commission shall appoint another SAWPA Commissioner to the OWOW Steering Committee in accordance with the established historical rotation of officers among the member agencies, specify the length of the term to be served or portion thereof, and when applicable designate who will serve as Convener.

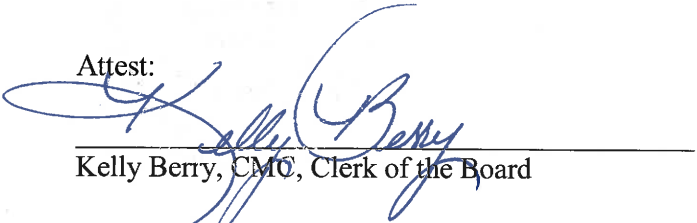
5. Resolution No. 2017-12 is hereby rescinded upon adoption of this Resolution No. 2018-1.

ADOPTED this 6th day of February, 2018.

SANTA ANA WATERSHED PROJECT AUTHORITY

By: 
Susan Lien Longville, Chair

Attest:


Kelly Berry, CMC, Clerk of the Board

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COMMISSION MEMORANDUM NO. 2019.41

DATE: April 16, 2019
TO: SAWPA Commission
SUBJECT: Inland Empire Brine Line Rate Resolution
PREPARED BY: Carlos Quintero, Operations Manager

RECOMMENDATION

It is recommended that the Commission adopt Resolution No. 2019-05 establishing the new Inland Empire Brine Line rates to be effective July 1, 2019 (Fiscal Year 2020).

DISCUSSION

Below is the proposed rate for Flow, BOD and TSS beginning July 1, 2019. The proposed rates have been calculated using the Financial Model prepared in 2018. The FY19 rates allocate recurring costs to the “variable” component (flow) and ‘fixed’ components based on owned pipeline and treatment and disposal capacity rights using a distribution of 40% flow, 30% pipeline, and 30% treatment. BOD and TSS rates pass through the costs charged by OCSD. The flow charge from OCSD is included in the SAWPA rate model as part of the “flow” calculation. The flow, fixed pipeline and fixed treatment unit costs are increasing approximately 3%, as projected a year ago.

The SAWPA rate model reflects the removal of rip-rap placed to protect the SARI in Orange County (\$4.2M at 76% of total) as a near term project, as well as mid-term repairs for Reach 4D, depending on further investigation. Annual SRF loan payments are included for the Reach 4A and 4B lining project completed in 2012 (\$15.85M SRF loan, 2.6%), and the recently completed Reach 5 Rehabilitation project.

The truck disposal rates will continue to be based on two (2) tiers: a Brine Tier and a Non-Brine Tier. These charges reflect the changes to the OCSD rates and the truck per gallon charge includes both variable and fixed costs. The FY21 truck rates are shown for planning purposes.

Proposed Brine Line rates are:

<u>Rate</u>	<u>Flow/MGD</u>	<u>BOD/1,000 lbs.</u>	<u>TSS/1,000 lbs.</u>	<u>Fixed Pipe</u>	<u>Fixed Treatment</u>
Current FY 2019	\$946	\$307	\$429	\$6,217	\$12,607
Proposed FY 2020	\$979	\$316	\$442	\$6,398	\$12,985
Planning FY 2021	\$1,018	\$329	\$460	\$6,654	\$13,505

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

The proposed FY20 truck rate is the same as the current rate (FY19):

Hauled Waste	Current FY 2019	Planning FY 2020	Planning FY 2021
Brine Tier (less than 100 mg/l BOD or TSS)	\$0.015/gallon	\$0.015/gallon	\$0.016/gallon
Non-Brine Tier (100 mg/l and above)	\$0.015/gallon plus charge per lb of BOD/TSS**	\$0.015/gallon plus charge per lb of BOD/TSS**	\$0.015/gallon plus charge per lb of BOD/TSS**
BOD Charges	\$0.75/lb BOD	\$0.75/lb BOD	\$0.77/lb BOD
TSS Charges	\$0.716/lb TSS	\$0.716/lb TSS	\$0.737/lb TSS

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

***Non-Brine Tier - Concentrations 100 mg/l and higher will be charged based on the actual concentration of the waste discharged using the cost components identified in the table above. For FY20, the following will apply: \$0.015/gallon, \$0.75/pound of BOD and \$0.716 per pound of TSS.*

CRITICAL SUCCESS FACTORS

3. Maintain sufficient funding and reserves for current and future Capital and O&M costs through a stable, predictable, and affordable rates and charges.

RESOURCE IMPACTS

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

Attachments:

1. Resolution No. 2019-05

RESOLUTION NO. 2019-05

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

WHEREAS, SAWPA and the Member Agencies established a Lease Capacity Pool Agreement to allow smaller dischargers to lease Pipeline and Treatment & Disposal Capacity Rights from SAWPA in lieu of purchasing capacity rights. Brine Line lease rates are derived from the same rate structure, and inclusion in this resolution provides clarity. Leasing capacity requires a lease agreement between SAWPA and the discharger, if lease capacity is available.

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

1. Effective July 1, 2019, the treatment and volumetric user charges paid to SAWPA for treatment and disposal of non-reclaimable and temporary domestic wastewater shall be as follows, with a minimum charge of \$150.00 for the flow component:

<u>Fiscal Year</u>	<u>Flow/MGD (a)</u>	<u>BOD/ 1,000 lbs. (b)</u>	<u>TSS/ 1,000 lbs. (c)</u>	<u>Fixed Pipe (d)</u>	<u>Fixed Treatment (e)</u>
2019-20	\$979	\$316	\$442	\$6,398	\$12,985
2020-21	\$1,018	\$329	\$460	\$6,654	\$13,505

- (a) This component shall be calculated and assessed per gallon (i.e., \$0.000979 in FY 2019-20) of discharge (flow) to the Brine Line each month. The flow charge is comprised of an OCSD “Pass-Through” flow charge as well as a SAWPA flow charge.

- (b) This component shall be calculated and assessed per pound (i.e., \$0.316 in FY 2019-20) of dry weight of BOD calculated from the average of sample results each month.
 - (c) This component shall be calculated and assessed per pound (i.e., \$0.442 in FY 2019-20) of dry weight of TSS calculated from the average of sample results each month.
 - (d) This component for fixed costs (also known as Readiness to Serve) shall be assessed per MGD of owned pipeline/connection capacity per month.
 - (e) This component for fixed costs shall be assessed per MGD of owned treatment and disposal capacity per month.
 - (f) Future rates are for planning purposes only. The Commission will separately evaluate and set the rates annually for each FY.
2. Total flow for each discharger will be adjusted if flows at meter S-01 are higher than the aggregate of all the discharger flows.
 3. Actual OCSD charges for Flow, BOD, and TSS shall be “passed through” to dischargers.
 4. A sampling surcharge shall be applied to all BOD and TSS dischargers to account for the actual cost of necessary sampling and shall be assessed to all dischargers. Increased sampling is defined as any and all costs in excess of one sample per month. Increased sampling shall be determined solely by SAWPA and billed monthly. High BOD, TSS, or high variability dischargers will be sampled more frequently as required, and low BOD/TSS or low variability dischargers will be sampled monthly or quarterly as required to obtain reliable data.
 5. SAWPA shall continue to measure BOD and TSS entering and exiting the system. Should a difference in BOD and TSS exist between the total of all dischargers and the SAWPA discharge to OCSD, the strength values for each discharger shall be adjusted to fully allocate the SAWPA discharge to OCSD. This adjusted strength shall be used for determining discharger invoice amounts.
 6. The annual permit fee for each directly connected discharger shall be not less than \$600. The annual permit fee for each indirect discharger shall be not less than \$300. The annual fee for emergency permits is \$1,100, additional permit fees may be charged for speculative or special permit work to cover actual costs and administration as determined by the SAWPA General Manager. The annual fee for a Liquid Waste Hauler permit shall be not less than \$250.
 7. Truck-delivered non-reclaimable wastewater discharges from sources within the Santa Ana River Watershed at SAWPA-authorized collection stations shall be charged based on the strength of the waste discharged. Waste shall be charged \$0.015 per gallon of waste discharged to the Brine Line for Brine discharges (less than 100 milligrams per liter (mg/l) average concentration for BOD and TSS), and a Non-Brine tier which shall be charged based on the measured strength for each load as defined by Note (b). Proposed and future estimated rates are shown below. All permitting, permit fees, monitoring, labor, and other costs are the responsibility of the member agency providing the service.

Waste Strength	BOD or TSS Concentration	FY 2019-20	FY 2020-21 (a)
Brine Tier	Less than 100 mg/l	\$0.015	\$0.016
Non Brine Tier	100 mg/l and higher	(b)	

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

8. If approved in the future by Orange County Sanitation District and the Commission, truck-delivered non-reclaimable wastewater discharges from outside the Santa Ana River Watershed at SAWPA-authorized collection stations, shall be charged a surcharge of 10% on waste discharged to the Brine Line. This surcharge shall be added to the rates indicated in paragraph 7 and represents the administrative costs associated with serving these customers. All permitting, monitoring, labor, and other costs are the responsibility of the Member Agency providing the service. Discharges from sources outside the watershed require specific Commission and Orange County Sanitation District approval.
9. An Emergency Rate shall be charged for standby discharges. The Emergency Rate shall be comprised of 110% of the surcharges in Paragraph 10, plus 110% of the Flow, BOD, and TSS charges in Paragraph 1. Surcharges shall be assessed for discharges in excess of the owned capacity, subject to General Manager’s approval.
10. A treatment and disposal surcharge shall be charged when contractually owned capacity for BOD, TSS, and/or Flow is exceeded in any given month. Rates shall be \$0.3923 per pound BOD, \$0.2405 per pound TSS, and \$0.0020 per gallon Flow. These charges are in addition to the charges for Flow, BOD, and TSS outlined in Paragraph 1.
11. Capacity Lease Rate. Rates shall be \$0.00253 per gallon up to 250 mg/l BOD and 250 mg/l TSS. This rate is in addition to the charges for Flow, BOD, and TSS outlined in Paragraph 1. Any discharge exceeding the 250 mg/l BOD and 250 mg/l TSS concentration shall be billed as a loading surcharge at a rate of \$0.3923 per pound BOD and \$0.2405 per pound TSS.
12. The provisions of SAWPA Ordinance No. 8 and any amendments or successors thereto, are hereby incorporated by this reference, as though set forth herein in full.
13. Payment of invoices not made within 45 days of the invoice date shall bear interest at a rate of one (1.0%) per month from the date of invoice.
14. The user’s charges and surcharges established by this Resolution are effective July 1, 2019, and Resolution No. 2018-13 is rescinded once this Resolution takes effect.

ADOPTED this 16th day of April, 2019.

SANTA ANA WATERSHED PROJECT AUTHORITY

By: _____
Ron Sullivan, Chair

Attest:

By: _____
Kelly Berry, CMC, Clerk of the Board

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COMMISSION MEMORANDUM NO. 2019.42

DATE: April 16, 2019
TO: SAWPA Commission
SUBJECT: Asset Tagging Policy Update
PREPARED BY: Carlos Quintero, Operations Manager

RECOMMENDATION

It is recommended that the Commission adopt Asset Tagging Policy 2019-01.

DISCUSSION

The current Asset Tagging policy requires all items with a value over \$50 to be tagged and kept in inventory. The current policy has been in effect since the 1980's. In an effort to streamline the inventory process, the proposed asset tagging policy increases the threshold value for items to be added to inventory to \$500. Other items costing less than \$500, such as computer monitors, portable hard drives with a capacity of 1 gigabyte or greater, or various tools for Brine Line operations would be added to inventory but would not require Commission approval when they become non-functional and need to be disposed.

In addition, SAWPA will begin using new software and hardware to keep track of SAWPA assets. The software is an off-the shelf database and the hardware includes a portable scanner. Stickers with an ID and a barcode will be used as part of the new asset tagging policy.

RESOURCE IMPACTS

Funds to purchase new asset tagging software and hardware are included under Fund 100 (General Fund)

Attachments:

1. Asset Tagging Policy 2019-01

Policy Name	Asset Tagging
Policy Number	2019-01
Date/Authorized	2/01/2019 NOT AUTHORIZED



Practice Name: Asset Tagging

Application: All SAWPA Employees, Consultants and Stakeholders

GENERAL POLICY:

Maintaining a positive identification of assets is SAWPA's primary purpose of tagging. Tagging is important to:

- Provide an accurate method of identifying individual assets,
- Aid in the taking of physical inventory,
- Control the location of all physical assets,
- Aid in maintenance of fixed assets, and
- Provide a common ground of communication for both the accounting department and the assets' users.

All capital assets over \$500.00 shall be tagged. Removing capital assets from inventory requires Commission approval. The tag number is to be entered in the inventory sheet located on SAWPA's common drive. Other items, costing less than \$500, such as computer monitors, external hard drives (with capacity greater than 1 Terabyte), or various tools for Brine Line operations can be kept in inventory for management purposes, but would not need Commission approval when they become non-functional and need to be removed from inventory. The \$500 threshold for capital assets does not include accessories.

Consistently place asset tags in the same location on each similar type asset. For example, personal computers should be tagged consistently on the left-hand side of the central processing unit (CPU). If possible, the tags should be accessible for viewing. Place the tag where the number can be seen easily and identified without disturbing the operation of the item. This aids in taking inventory.

In the case where Brine Line Operations tools are added to inventory and there is no reasonable space to attach a tag (due to space limitations or safety), the tag identification number shall be engraved, if possible, or an alternative method shall be used as approved by the Department Head.

When an asset has been approved by the Commission for surplus, the asset tag number should be removed from the inventory sheet.

As of the adoption of this policy, all information for new inventory items shall be maintained in a dedicated database, with the use of barcode inventory system. Each record shall include the following information: storage location, model and/or serial number, date of purchase, cost, and comments.

Santa Ana Watershed Project Authority
Cash Transaction Report
Month of February 2019

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	\$	2,608,286.66
Net Investment Transfers		513,750.00
Cash Disbursements		<u>(1,698,013.87)</u>
Net Change for Month	\$	1,424,022.79
Balance at Beginning of Month		<u>2,002,397.42</u>
Balance at End of Month per General Ledger	\$	<u><u>3,426,420.21</u></u>
Collected Balance per Bank Statement	\$	3,538,207.07

ACCOUNTS PAYABLE RECONCILIATION

Accounts Payable Balance @ 01/31/19	\$	4,150,636.56
Invoices Received for February 2019		982,186.01
Invoices Paid by check/wire during February 2019 (see attached register)		<u>(1,368,271.73)</u>
Accounts Payable Balance @ 02/28/19	\$	<u><u>3,764,550.84</u></u>

CASH RECEIPTS

Brine Line Operating Revenues	\$ 1,030,208.25
Other Grant Funds (WECAN Grant)	359,101.05
Participant Fees	4,000.00
LESJWA Admin Reimbursement	17,423.86
Grant Proceeds - Prop 84	206,522.74
Grant Proceeds - Prop 84 Pass-throughs	789,909.61
Grant Proceeds - Prop 1	200,636.77
Other	<u>484.38</u>
Total Receipts and Deposits	\$ 2,608,286.66

INVESTMENT TRANSFERS

Transfer of Funds:	
From (to) LAIF	\$ -
From (to) Legal Defense Fund	-
From (to) LESJWA	-
From (to) Investments	<u>513,750.00</u>
Total Investment Transfers	\$ 513,750.00

CASH DISBURSEMENTS

By Check:	
Payroll	\$ -
Operations	<u>1,368,271.73</u>
Total Checks Drawn	\$ 1,368,271.73
By Cash Transfer:	
Payroll	\$ 240,900.21
Payroll Taxes	84,714.74
Take Care (AFLAC)	<u>4,127.19</u>
Total Cash Transfers	\$ 329,742.14
Total Cash Disbursements	<u><u>\$ 1,698,013.87</u></u>

Santa Ana Watershed Project Authority
Check Detail
Feb-19

Category	Check #	Check Date	Type	Vendor	Check Amount
Auto Expenses	3548	2/7/2019	CHK	County of Riverside/Transportation	\$ 327.46
Auto Expenses	3568	2/21/2019	CHK	Riverside Transmission Center	\$ 1,768.27
Auto Expenses Total					\$ 2,095.73
Benefits	3530	2/1/2019	CHK	Cal PERS Long Term Care Program	\$ 102.04
Benefits	3538	2/7/2019	CHK	ACWA/JPIA	\$ 50,575.71
Benefits	3546	2/7/2019	CHK	Mutual Of Omaha	\$ 3,002.23
Benefits	3547	2/7/2019	CHK	CalPERS - CERBT	\$ 73,723.00
Benefits	3552	2/15/2019	CHK	AFLAC	\$ 612.79
Benefits	3554	2/15/2019	CHK	Cal PERS Long Term Care Program	\$ 102.04
Benefits	3567	2/21/2019	CHK	WageWorks	\$ 134.00
Benefits	EFT02442	2/1/2019	CHK	Vantagepoint Transfer Agents	\$ 2,657.88
Benefits	EFT02446	2/1/2019	CHK	Vantagepoint Transfer Agents	\$ 374.88
Benefits	EFT02463	2/15/2019	CHK	Vantagepoint Transfer Agents	\$ 2,657.88
Benefits	EFT02470	2/15/2019	CHK	Vantagepoint Transfer Agents	\$ 374.88
Benefits	P035531	2/1/2019	WDL	Public Employees' Retirement	\$ 20,130.19
Benefits	P035532	2/1/2019	WDL	CalPERS Supplemental Income	\$ 6,015.50
Benefits	P035646	2/15/2019	WDL	Public Employees' Retirement	\$ 20,302.07
Benefits	P035647	2/15/2019	WDL	CalPERS Supplemental Income	\$ 6,015.50
Benefits	WDL000004741	2/4/2019	WDL	Takecare	\$ 330.00
Benefits	WDL000004747	2/5/2019	WDL	Takecare	\$ 725.68
Benefits	WDL000004749	2/7/2019	WDL	Takecare	\$ 312.82
Benefits	WDL000004750	2/8/2019	WDL	Takecare	\$ 30.00
Benefits	WDL000004754	2/13/2019	WDL	Takecare	\$ 370.00
Benefits	WDL000004758	2/20/2019	WDL	Takecare	\$ 192.30
Benefits	WDL000004763	2/25/2019	WDL	Takecare	\$ 674.80
Benefits	WDL000004765	2/26/2019	WDL	Takecare	\$ 1,370.99
Benefits	WDL000004774	2/21/2019	WDL	Takecare	\$ 120.60
Benefits Total					\$ 190,907.78
Computer Hardware	EFT02497	2/21/2019	CHK	Criterion Industrial	\$ 3,328.90
Computer Hardware Total					\$ 3,328.90
Computer Software	3553	2/15/2019	CHK	Konica Minolta Business Solutions	\$ 18,994.29
Computer Software Total					\$ 18,994.29
Consulting	3534	2/1/2019	CHK	Scheevel Engineering	\$ 4,706.25
Consulting	3553	2/15/2019	CHK	Konica Minolta Business Solutions	\$ 10,500.00
Consulting	* 3570	2/21/2019	VOID	Miller Spatial Services Inc	\$ -
Consulting	3572	2/21/2019	CHK	Miller Spatial Services Inc	\$ 14,793.07
Consulting	EFT02447	2/1/2019	CHK	Integrated Systems Solutions	\$ 437.50
Consulting	EFT02455	2/7/2019	CHK	CDM Smith, Inc.	\$ 36,491.14
Consulting	EFT02456	2/7/2019	CHK	Integrated Systems Solutions	\$ 140.00
Consulting	EFT02457	2/7/2019	CHK	Woodard & Curran Inc.	\$ 13,126.90
Consulting	EFT02459	2/7/2019	CHK	DeGrave Communications	\$ 4,142.00
Consulting	EFT02461	2/7/2019	CHK	Sol Media	\$ 1,790.00
Consulting	EFT02478	2/15/2019	CHK	GeoScience Support Services	\$ 285.00
Consulting	EFT02483	2/15/2019	CHK	Blais & Associates	\$ 975.00
Consulting	EFT02493	2/21/2019	CHK	CV Strategies	\$ 4,738.50
Consulting	EFT02494	2/21/2019	CHK	Trussell Technologies, Inc.	\$ 3,730.50
Consulting	EFT02495	2/21/2019	CHK	Woodard & Curran Inc.	\$ 12,509.25
Consulting Total					\$ 108,365.11
Credit Cards	P035806	2/11/2019	WDL	US Bank	\$ 7,134.08
Credit Cards Total					\$ 7,134.08
Director Costs	EFT02462	2/15/2019	CHK	Eastern Municipal Water District	\$ 777.84
Director Costs	EFT02466	2/15/2019	CHK	Western Municipal Water District	\$ 250.60
Director Costs	EFT02472	2/15/2019	CHK	Jasmin Hall	\$ 142.68
Director Costs	EFT02479	2/15/2019	CHK	Kati Parker	\$ 31.32
Director Costs	EFT02481	2/15/2019	CHK	Bruce Whitaker	\$ 139.20
Director Costs	EFT02485	2/15/2019	CHK	June Hayes	\$ 25.52
Director Costs	EFT02486	2/15/2019	CHK	T. Milford Harrison	\$ 63.80
Director Costs Total					\$ 1,430.96
Dues	3537	2/1/2019	CHK	California Association of Sanitation	\$ 475.00
Dues	3556	2/15/2019	CHK	Southern California Water Committee	\$ 5,000.00
Dues	3558	2/15/2019	CHK	So Cal Alliance of Publicly Owned Treatment	\$ 538.00
Dues	3560	2/15/2019	CHK	California Association of Mutual Water	\$ 500.00

Santa Ana Watershed Project Authority
Check Detail
Feb-19

Category	Check #	Check Date	Type	Vendor	Check Amount
Dues Total					\$ 6,513.00
Employee Reimbursement	EFT02465	2/15/2019	CHK	Regina Patterson	\$ 8.76
Employee Reimbursement	EFT02471	2/15/2019	CHK	Ian Achimore	\$ 80.42
Employee Reimbursement	EFT02475	2/15/2019	CHK	Mike Antos	\$ 208.63
Employee Reimbursement	EFT02476	2/15/2019	CHK	Alison L Lewis	\$ 22.62
Employee Reimbursement Total					\$ 320.43
Equipment Leased	3564	2/21/2019	CHK	Konica Minolta Business Solutions	\$ 764.77
Equipment Leased Total					\$ 764.77
Facility Repair & Maintenance	3533	2/1/2019	CHK	K&H Metals and Supplies	\$ 699.91
Facility Repair & Maintenance	3542	2/7/2019	CHK	West Coast Cable, Inc	\$ 1,201.16
Facility Repair & Maintenance	3545	2/7/2019	CHK	TNT Elevator Inc	\$ 240.00
Facility Repair & Maintenance	3550	2/7/2019	CHK	Dib's Safe & Lock Service	\$ 4,020.58
Facility Repair & Maintenance	3557	2/15/2019	CHK	TNT Elevator Inc	\$ 240.00
Facility Repair & Maintenance	EFT02449	2/1/2019	CHK	Hamm's Tree Service	\$ 2,975.00
Facility Repair & Maintenance	EFT02453	2/7/2019	CHK	Green Meadows Landscape	\$ 625.00
Facility Repair & Maintenance	EFT02454	2/7/2019	CHK	Golden State Fire Protection	\$ 650.00
Facility Repair & Maintenance	EFT02458	2/7/2019	CHK	Douglas Environmental Group	\$ 140.00
Facility Repair & Maintenance	EFT02473	2/15/2019	CHK	Douglas Environmental Group	\$ 6,121.06
Facility Repair & Maintenance	EFT02484	2/15/2019	CHK	Riverside Cleaning	\$ 1,300.00
Facility Repair & Maintenance	EFT02490	2/21/2019	CHK	Western Exterminator Co.	\$ 116.50
Facility Repair & Maintenance	EFT02496	2/21/2019	CHK	Douglas Environmental Group	\$ 5,256.16
Facility Repair & Maintenance Total					\$ 23,585.37
Lab Costs	EFT02444	2/1/2019	CHK	E. S. Babcock & Sons, Inc.	\$ 486.00
Lab Costs	EFT02452	2/7/2019	CHK	E. S. Babcock & Sons, Inc.	\$ 1,413.00
Lab Costs	EFT02469	2/15/2019	CHK	E. S. Babcock & Sons, Inc.	\$ 560.00
Lab Costs	EFT02491	2/21/2019	CHK	E. S. Babcock & Sons, Inc.	\$ 1,141.00
Lab Costs Total					\$ 3,600.00
Legal Costs	EFT02460	2/7/2019	CHK	Hunt Ortmann Palffy Nieves Dahl	\$ 2,134.00
Legal Costs Total					\$ 2,134.00
Materials & Supplies	EFT02448	2/1/2019	CHK	Airgas USA LLC	\$ 129.83
Materials & Supplies Total					\$ 129.83
Office Expense	3526	2/1/2019	CHK	Aramark Corporation Refreshment	\$ 202.16
Office Expense	3532	2/1/2019	CHK	Staples Business Advantage	\$ 133.06
Office Expense	3561	2/21/2019	CHK	Aramark Corporation Refreshment	\$ 224.67
Office Expense	3571	2/21/2019	CHK	Konica Minolta Business Solutions	\$ 795.16
Office Expense	EFT02492	2/21/2019	CHK	Iron Mountain	\$ 162.60
Office Expense Total					\$ 1,517.65
Other Contract Services	EFT02443	2/1/2019	CHK	Western Municipal Water District	\$ 7,603.09
Other Contract Services	EFT02445	2/1/2019	CHK	Orange County Coastkeeper	\$ 37,157.35
Other Contract Services	EFT02450	2/7/2019	CHK	Orange County Sanitation District	\$ 18,677.30
Other Contract Services	EFT02467	2/15/2019	CHK	Water Education Foundation	\$ 469.56
Other Contract Services	EFT02474	2/15/2019	CHK	EcoTech Services Inc	\$ 14,291.55
Other Contract Services	EFT02477	2/15/2019	CHK	Local Government Commission	\$ 4,343.07
Other Contract Services	EFT02480	2/15/2019	CHK	California Rural Water Assoc	\$ 6,251.43
Other Contract Services	EFT02482	2/15/2019	CHK	UC Irvine	\$ 74,865.84
Other Contract Services Total					\$ 163,659.19
Other Expense	3555	2/15/2019	CHK	California Newspaper Service	\$ 417.50
Other Expense	3565	2/21/2019	CHK	California Newspaper Service	\$ 306.00
Other Expense Total					\$ 723.50
Payroll	WDL000004734	2/1/2019	WDL	Direct Deposit 2/1/2019	\$ 77,886.47
Payroll	WDL000004735	2/1/2019	WDL	PR Tax - Federal	\$ 32,187.35
Payroll	WDL000004736	2/1/2019	WDL	PR Tax - State	\$ 7,079.68
Payroll	WDL000004742	2/7/2019	WDL	Direct Deposit 2/7/2019	\$ 7,553.74
Payroll	WDL000004743	2/7/2019	WDL	PR Tax - Federal	\$ 4,120.10
Payroll	WDL000004744	2/7/2019	WDL	PR Tax - State	\$ 1,204.62
Payroll	WDL000004748	2/15/2019	WDL	Direct Deposit 2/15/2019	\$ 80,146.64
Payroll	WDL000004751	2/15/2019	WDL	PR Tax - Federal	\$ 32,936.35
Payroll	WDL000004752	2/15/2019	WDL	PR Tax - State	\$ 7,186.64
Payroll	WDL000004760	2/26/2019	WDL	Direct Deposit 2/26/2019	\$ 75,313.36
Payroll Total					\$ 325,614.95

Santa Ana Watershed Project Authority
Check Detail
Feb-19

Category	Check #	Check Date	Type	Vendor	Check Amount
Prop84	3549	2/7/2019	CHK	InfoGroup	\$ 21,000.00
Prop84	3566	2/21/2019	CHK	City of Chino	\$ 21,480.37
Prop84	3569	2/21/2019	CHK	City of Hemet	\$ 23,393.31
Prop84	EFT02441	2/1/2019	CHK	ESRI Inc.	\$ 10,668.99
Prop84	EFT02464	2/15/2019	CHK	Orange County Water District	\$ 99,909.05
Prop84	EFT02487	2/15/2019	CHK	Western Municipal Water District	\$ 600,468.95
Prop84	EFT02488	2/21/2019	CHK	ESRI Inc.	\$ 4,441.66
Prop84	EFT02489	2/21/2019	CHK	Western Municipal Water District	\$ 16,890.30
Prop84	EFT02498	2/21/2019	CHK	City of Chino Hills	\$ 27,767.63
Prop84 Total					\$ 826,020.26
Safety	EFT02451	2/7/2019	CHK	Underground Service Alert	\$ 247.60
Safety	EFT02468	2/15/2019	CHK	Underground Service Alert	\$ 151.59
Safety Total					\$ 399.19
Shipping/Postage	3563	2/21/2019	CHK	Federal Express	\$ 132.43
Shipping/Postage Total					\$ 132.43
Temporary Services	3527	2/1/2019	CHK	AppleOne Employment Services	\$ 792.99
Temporary Services	3539	2/7/2019	CHK	AppleOne Employment Services	\$ 1,042.64
Temporary Services	3551	2/15/2019	CHK	AppleOne Employment Services	\$ 1,306.97
Temporary Services	3562	2/21/2019	CHK	AppleOne Employment Services	\$ 1,042.64
Temporary Services Total					\$ 4,185.24
Use Tax	3559	2/15/2019	CHK	California Department of Tax	\$ 562.00
Use Tax Total					\$ 562.00
Utilities	3528	2/1/2019	CHK	AT&T	\$ 1,018.26
Utilities	3529	2/1/2019	CHK	AT&T	\$ 785.98
Utilities	3531	2/1/2019	CHK	Southern California Edison	\$ 30.39
Utilities	3535	2/1/2019	CHK	Verizon Wireless	\$ 266.80
Utilities	3536	2/1/2019	CHK	Verizon Wireless	\$ 1,303.45
Utilities	3540	2/7/2019	CHK	Riverside, City of	\$ 2,085.47
Utilities	3541	2/7/2019	CHK	Riverside, City of	\$ 97.18
Utilities	3543	2/7/2019	CHK	Southern California Edison	\$ 226.24
Utilities	3544	2/7/2019	CHK	Burrtec Waste Industries Inc	\$ 81.44
Utilities Total					\$ 5,895.21
Grand Total					\$ 1,698,013.87

Accounts Payable

Checks	\$ 1,308,674.39
Wire Transfers	\$ 59,597.34
	<u>\$ 1,368,271.73</u>

Bank Fees

Take Care	\$ 4,127.19
Other	
Payroll	<u>\$ 325,614.95</u>

Total Disbursements for February 2019

\$ 1,698,013.87

Santa Ana Watershed Project Authority
 Consulting
 February 2019

Check #	Check Date	Task #	Task Description	Vendor Name	Total Contract	Check Amount	Remaining Contract Amount	Notes/Comments
EFT02483	2/15/2019	BLAIS370-02	Grant Needs Assessment and Grant Monitoring	Blais & Associates	\$ 24,700.00	\$ 975.00	\$ 6,215.00	
EFT02455	2/7/2019	CDM386-13	SAR Bacteria Monitoring Program	CDM Smith, Inc.	\$ 324,914.00	\$ 36,491.14	\$ 162,569.00	
EFT02493	2/21/2019	CVS504-301-01	FAQ on conservation based rates	CV Strategies	\$ 40,750.00	\$ 4,738.50	\$ 10,795.00	
EFT02459	2/7/2019	DEGR398-01	Social Media Support	DeGrave Communicaitons	\$ 78,434.00	\$ 4,142.00	\$ 31,686.70	
EFT02478	2/15/2019	GEOS374-01	SAR WLA Model Update	GeoScience Support Services	\$ 314,956.00	\$ 285.00	\$ 2,727.25	
EFT02447	2/1/2019	INSOL-11	Great Plains Annual Service and Support	Integrated Systems Solutions	\$ 3,000.00	\$ 437.50	\$ 620.50	
EFT02456	2/7/2019	INSOL-11	Great Plains Annual Service and Support	Integrated Systems Solutions	\$ 3,000.00	\$ 140.00	\$ 620.50	
3553	2/15/2019	KON100-06	OnBase workflow	Konica Minolta Business Solutions	\$ 10,500.00	\$ 10,500.00	\$ -	
3572	2/21/2019	MS504-301-01	Geocoding and Business Type Classification	Miller Spatial Services	\$ 300,000.00	\$ 14,793.07	\$ 129,677.70	
3534	2/1/2019	SCH-381-01	SA Sucker Protection and Beneficial Use	Scheevel Engineering	\$ 96,725.00	\$ 4,706.25	\$ 10,396.00	
EFT02461	2/7/2019	SOL100-01	Website Support and Hosting	Sol Media	\$ 6,680.00	\$ 1,790.00	\$ 890.00	
EFT02494	2/21/2019	TRU240-21	BL Water Quality Monitoring Assessment	Trussell Technologies Inc	\$ 41,590.00	\$ 2,363.00	\$ 2,676.50	
EFT02494	2/21/2019	TRU240-23	2019 BL Annual Review	Trussell Technologies Inc	\$ 49,899.00	\$ 1,367.50	\$ 40,522.45	
EFT02457	2/7/2019	RMC504-401-04	SARCCUP Program Mgmt Services	Woodard & Curran Inc.	\$ 224,485.00	\$ 12,581.90	\$ 151,031.07	
EFT02457	2/7/2019	W&C327-01	4D Rehabilitation - Engineering Services	Woodard & Curran Inc.	\$ 226,649.00	\$ 545.00	\$ 20,545.64	
EFT02495	2/21/2019	RMC504-401-05	Technical Writing and Outreach Support	Woodard & Curran Inc.	\$ 37,411.00	\$ 12,509.25	\$ 24,901.75	
					<u>\$ 108,365.11</u>			

COMMISSION MEMORANDUM NO. 2019.37

DATE: April 16, 2019
TO: SAWPA Commission
SUBJECT: Inter-Fund Borrowing – February 2019
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 February 2019. 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	01/31/19 Balance	Loan Receipts	New Charges	02/28/19 Balance
130	Proposition 84 Admin	\$97,210.46	(\$29,898.22)	\$5,055.51	\$72,367.75
135	Proposition 84 Admin R2	98,592.03	(0.00)	7,911.20	106,503.23
140	Proposition 84 Admin R3	80,168.01	(43,407.78)	12,529.18	49,289.41
145	Proposition 84 Admin R4	105,432.50	(34,738.18)	48,383.61	119,077.93
398	Proposition 1 – DACI Grant	123,282.90	(123,162.70)	105,140.92	105,261.12
477	LESJWA Administration	16,061.92	(17,423.86)	17,967.80	16,605.86
504	Prop 84 - Drought Projects	299,715.72	(133,216.74)	69,237.54	235,736.52
	Total Funds Borrowed	\$820,463.54	(\$381,847.48)	\$266,225.76	\$704,841.82
	General Fund Reserves Balance		\$3,130,575.58		
	Less Amount Borrowed		<u>704,841.82</u>		
	Balance of General Fund Reserves		\$2,425,733.76		

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.

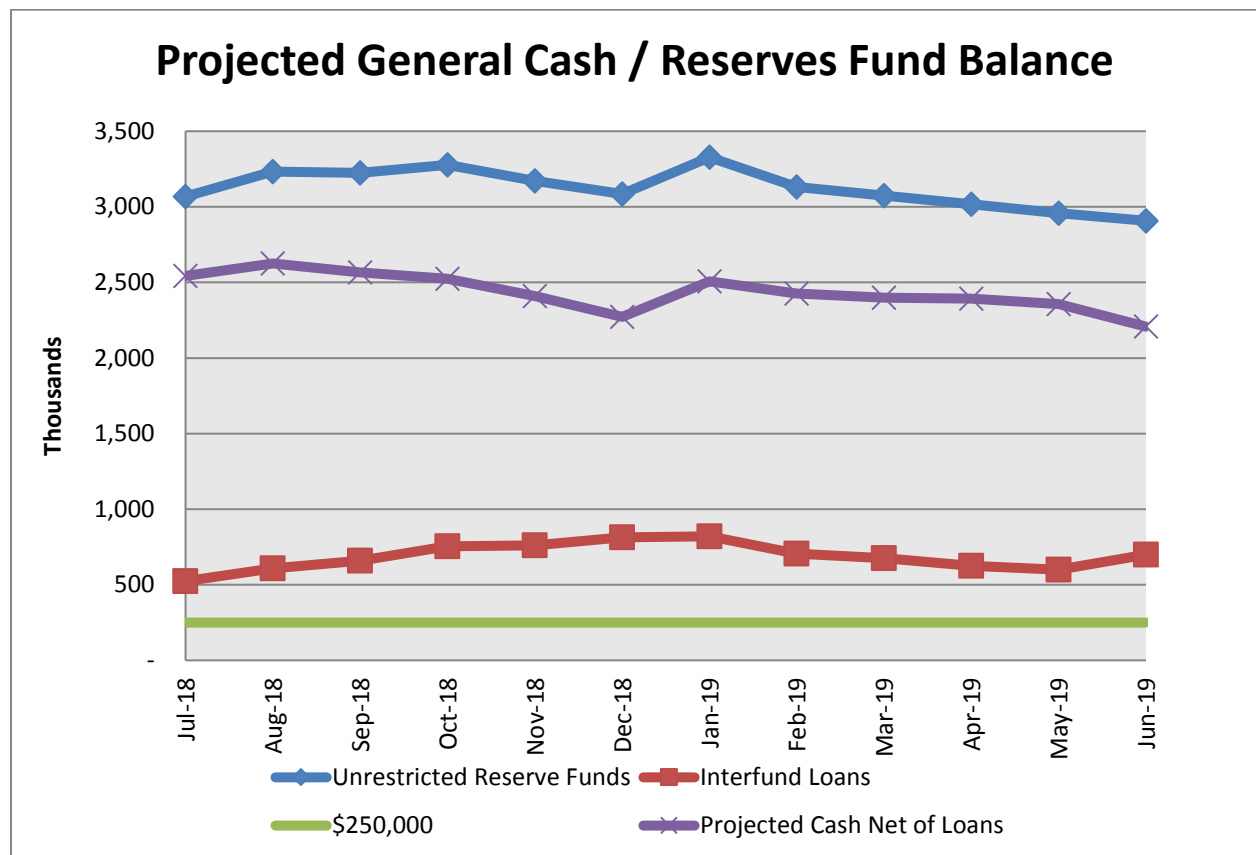
Fund 504

This fund is for the implementation of drought related projects and SARCCUP projects which are administered through PA22 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 02/28/19	Remaining Grant Budget
130	Proposition 84 Admin R1	\$660,004	(\$533,555)	\$126,449
135	Proposition 84 Admin R2	627,405	(462,973)	164,431
140	Proposition 84 Admin R3	887,860	(623,200)	264,660
145	Proposition 84 Admin R4	3,213,384	(584,233)	2,629,151
373	OWOW Planning Grant	250,000	(242,230)	7,770
397	Energy Water DAC Grant (WECAN)	2,339,824	(2,246,843)	92,980
398	Proposition 1 – DACI Grant	6,300,000	(1,047,109)	5,252,891
504	Prop 84 - Drought Projects	5,547,816	(3,214,182)	2,333,634
504	Prop 84 – 2015 Round (SARCCUP)	1,543,810	(488,290)	1,055,520
Totals		\$21,370,103	(\$9,442,614)	\$11,927,487

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.

Attachments:

1. Resolution No. 452 | Amending the Inter-Fund, Inter-Project and Inter-Agency Loan Policy

RESOLUTION NO. 452

A RESOLUTION OF THE COMMISSION OF THE SANTA ANA WATERSHED PROJECT AUTHORITY AMENDING THE INTER-FUND, INTER-PROJECT AND INTER-AGENCY LOAN POLICY

WHEREAS, the Commission of the Santa Ana Watershed Project Authority (hereafter "SAWPA") previously adopted, by minute action taken on August 3, 1996, an "Inter-Fund/Inter-Project Loan Policy" to regulate loans from one SAWPA Fund or Project to another SAWPA Fund or Project; and

WHEREAS, the Commission desires to amend the "Inter-Fund Fund/Project Loan Policy" by formally adopting such Policy, by way of this Resolution, regulating how and in what manner such inter-fund or inter-project loans are to take place and mandating that all such loans require Commission approval in advance as contemplated by the policy adopted on August 3, 1996.

NOW, THEREFORE, BE IT RESOLVED that the Commission of the Santa Ana Watershed Project Authority hereby amends the following Loan Policy for any loan from one SAWPA Fund or Project to another SAWPA Fund or Project:

1. Loans from any SAWPA Fund or Project to another SAWPA Fund, Project or another public agency shall be approved in advance by the SAWPA Commission. The approval shall be in written format and include documentation of the specifics of the transaction. The approval shall include a finding that the loan will not expose the lending SAWPA Fund or Project to significant financial or operational risk.
2. Unless otherwise provided for by the Commission, the borrowing Fund, Project or public agency shall be required to repay the loan within a specific period of time and at a rate of interest as determined by the Commission. For the purposes of this policy, SAWPA's calculated quarterly rate of return may be used as the basis for interest payable on the outstanding principal for any loan. The period for repayment of the loan shall be determined by the Commission, but shall be no longer than the life of the lending Fund or Project.
3. The borrowing Fund's, Project's or public agency's repayment source shall be identified and included in the approval action by the Commission and the "loan documentation". The "loan documentation" shall include a written agreement, resolution or other document approved by the Commission setting forth all of the foregoing terms and conditions.

4. Loans to reimbursable SAWPA grant contract projects and related efforts for short-term (i.e., current fiscal year) operating cash flow purposes may be borrowed from the SAWPA General Fund Reserve without prior Commission approval. But all such loans shall be reported to the Commission within 30 days of each such loan. Such loans shall be paid off on a continuous basis. The total funds loaned for all such grant contract projects and related efforts shall not exceed \$250,000.00 in the aggregate for each fiscal year, without prior written approval by the Commission. Payment of interest will be based on the actual interest that would have been earned by the SAWPA General Fund Reserve had those funds not been borrowed. Cash flow and receivables will be reported at least quarterly to forecast needs and demonstrate compliance.
5. Prior to June 30th of each year, staff shall provide to the Commission an annual written report of all such Inter-fund, Inter-project or Inter-agency loans, amounts repaid and any outstanding loan balances.

ADOPTED this 13th day of December 2005.

SANTA ANA WATERSHED PROJECT AUTHORITY

By: *Mark W. Bulot*
Mark Bulot, Chair



COMMISSION MEMORANDUM NO. 2019.38

DATE: April 16, 2019
TO: SAWPA Commission
SUBJECT: Performance Indicators and Financial Reporting – February 2019
PREPARED BY: Karen Williams, Chief Financial Officer

RECOMMENDATION

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

DISCUSSION

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

Financial Reporting

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

Cash and Investments

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

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

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

RESOURCE IMPACTS

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

Attachments:

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

Santa Ana Watershed Project Authority
Balance Sheet by Fund Type
For the Seven Months Ending Thursday, January 31, 2019

	General Fund	Brine Line Enterprise	Capital Projects	OWOW Projects	Roundtable Projects	Fund Totals
Assets						
Current Assets						
Cash and Investments	\$4,204,908.57	\$50,097,523.39	(\$354,168.49)	\$734,303.13	\$2,603,956.83	\$57,286,523.43
Accounts Receivable	0.00	1,936,164.96	0.00	4,141,659.56	35,135.86	6,112,960.38
Interest Receivable	0.00	5,042.00	0.00	0.00	0.00	5,042.00
Prepays and Deposits	26,548.28	47,319.21	0.00	0.00	0.00	73,867.49
Total Current Assets	4,231,456.85	52,086,049.56	(354,168.49)	4,875,962.69	2,639,092.69	63,478,393.30
Fixed Assets						
Property, Plant & Equipment less accum depreciation	1,159,110.40	85,929,822.70	0.00	0.00	0.00	87,088,933.10
Work In Process	0.00	0.00	318,741.99	0.00	0.00	318,741.99
Total fixed assets	1,159,110.40	85,929,822.70	318,741.99	0.00	0.00	87,407,675.09
Other Assets						
Wastewater treatment/disposal rights, net of amortization	0.00	26,716,714.18	0.00	0.00	0.00	26,716,714.18
Inventory - Mitigation Credits	0.00	0.00	0.00	0.00	1,910,560.00	1,910,560.00
Total Other Assets	0.00	26,716,714.18	0.00	0.00	1,910,560.00	28,627,274.18
Total Assets	\$5,390,567.25	\$164,732,586.44	(\$35,426.50)	\$4,875,962.69	\$4,549,652.69	\$179,513,342.57
Liabilities and Fund Equity						
Current Liabilities						
Accounts Payable/Accrued Expenses	\$852,859.21	\$909,579.73	\$23,231.30	\$3,299,242.68	\$102,692.34	\$5,187,605.26
Accrued Interest Payable	0.00	247,533.06	0.00	0.00	0.00	247,533.06
Customer Deposits	10,000.00	10,000.00	0.00	0.00	451,275.71	471,275.71
Noncurrent Liabilities						
Long-term Debt	4,327,604.00	30,280,499.01	0.00	0.00	0.00	34,608,103.01
Deferred Revenue	0.00	70,209,133.50	0.00	0.00	0.00	70,209,133.50
Total Liabilities	5,190,463.21	101,656,745.30	23,231.30	3,299,242.68	553,968.05	110,723,650.54
Fund Equity						
Contributed Capital	0.00	20,920,507.03	0.00	0.00	0.00	20,920,507.03
Retained Earnings	1,330,766.05	41,330,123.79	360,590.67	985,966.44	3,576,972.00	47,584,418.95
Revenue Over/Under Expenditures	(1,130,662.01)	825,210.32	(419,248.47)	590,753.57	418,712.64	284,766.05
Total Fund Equity	200,104.04	63,075,841.14	(58,657.80)	1,576,720.01	3,995,684.64	68,789,692.03
Total Liabilities & Fund Equity	\$5,390,567.25	\$164,732,586.44	(\$35,426.50)	\$4,875,962.69	\$4,549,652.69	\$179,513,342.57

Santa Ana Watershed Project Authority
Revenue & Expenses by Fund Type
For the Seven Months Ending Thursday, January 31, 2019

	General Fund	Brine Line Enterprise	Capital Projects	OWOW Projects	Roundtable Projects	Fund Totals
Operating Revenue						
Discharge Fees	\$0.00	\$6,281,301.56	\$0.00	\$0.00	\$0.00	\$6,281,301.56
Grant Proceeds	0.00	0.00	0.00	2,604,816.40	0.00	2,604,816.40
Financing Proceeds	0.00	0.00	0.00	0.00	112,663.21	112,663.21
Total Operating Revenue	0.00	6,281,301.56	0.00	2,604,816.40	112,663.21	8,998,781.17
Operating Expenses						
Labor	980,428.90	593,068.38	15,137.94	331,332.85	94,825.47	2,014,793.54
Benefits	327,767.02	259,170.90	6,615.27	144,792.46	41,438.74	779,784.39
Indirect Costs	0.00	836,819.47	21,359.62	467,510.62	133,798.74	1,459,488.45
Education & Training	5,290.03	185.00	0.00	0.00	0.00	5,475.03
Consulting & Professional Services	206,354.26	85,462.92	376,128.59	964,666.55	319,057.00	1,951,669.32
Operating Costs	1,059.86	1,589,777.60	0.00	0.00	218.55	1,591,056.01
Repair & Maintenance	32,318.04	129,969.05	0.00	0.00	0.00	162,287.09
Phone & Utilities	32,987.79	4,903.36	0.00	0.00	0.00	37,891.15
Equipment & Computers	161,693.17	35,444.05	0.00	0.00	0.00	197,137.22
Meeting & Travel	11,773.07	1,222.39	7.05	11,170.53	559.04	24,732.08
Other Administrative Costs	85,681.07	34,467.81	0.00	11,746.70	10,607.08	142,502.66
Benefits Applied	77,057.28	0.00	0.00	0.00	0.00	77,057.28
Indirect Costs Applied	(1,466,776.55)	0.00	0.00	0.00	0.00	(1,466,776.55)
Other Expenses	31,465.88	65,226.21	0.00	0.00	10,647.06	107,339.15
Construction	0.00	0.00	0.00	1,330,630.94	0.00	1,330,630.94
Total Operating Expenses	487,099.82	3,635,717.14	419,248.47	3,261,850.65	611,151.68	8,415,067.76
Operating Income (Loss)	(487,099.82)	2,645,584.42	(419,248.47)	(657,034.25)	(498,488.47)	583,713.41
Nonoperating Income (Expense)						
Member Contributions	604,695.00	0.00	0.00	801,000.00	66,000.00	1,471,695.00
Other Agency Contributions	0.00	0.00	0.00	437,720.00	830,596.00	1,268,316.00
Interest Income	42,773.26	485,516.82	0.00	9,067.82	20,605.11	557,963.01
Interest Expense - Debt Service	0.00	(436,252.51)	0.00	0.00	0.00	(436,252.51)
Other Income	884.78	1,086,238.51	0.00	0.00	0.00	1,087,123.29
Use of Reserves	(115,562.80)	0.00	0.00	0.00	0.00	(115,562.80)
Total Nonoperating Income (Expense)	532,790.24	1,135,502.82	0.00	1,247,787.82	917,201.11	3,833,281.99
Excess Rev over (under) Exp	\$45,690.42	\$3,781,087.24	(\$419,248.47)	\$590,753.57	\$418,712.64	\$4,416,995.40

Aging Report
Santa Ana Watershed Project Authority
Receivables as of February 28, 2019

Customer Name	Project	Total	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	165,500.35	154,012.07	165,500.35	
Department of Water Resources	Prop 84, WECAN	2,096,577.32	4,441.66	27,571.67	2,064,563.99
Eastern Municipal Water District	Brine Line	169,016.71	160,820.99	169,016.71	
Inland Empire Utilities Agency	Brine Line, Emerging Constituents	106,339.59	279,641.12	106,339.59	
Lake Elsinore & San Jacinto Watersheds Authority	LESJWA Administration	17,967.80		17,967.80	
San Bernardino Valley Municipal Water District	Brine Line	95,726.63	93,318.63	95,726.63	
Western Municipal Water District	Brine Line	375,085.42	354,943.70	375,085.42	
Total Accounts Receivable		3,039,925.82	1,047,178.17	957,208.17	2,078,275.99

Santa Ana Watershed Project Authority
Open Task Orders Schedule
Feb-19
(Reflects Invoices Received as of 3/13/19)

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	\$ 52,122.63	\$ 134,677.37	Dean Unger	
BLAIS100-01	100-00	Blais & Associates	Grant Writing Support	10/09/2018	11/30/2018	\$ 13,590.00	\$ -	\$ 13,590.00	\$ 7,375.00	\$ 6,215.00	Mark Norton	
HAMM100-240-01	100/240	Hammons Strategies	Technical Writing - SAWPA/BL	07/01/2018	06/30/2019	\$ 10,000.00	\$ -	\$ 10,000.00	\$ 2,530.00	\$ 7,470.00	Rich Haller	
INSOL100-11	100-00	Integrated Systems Solutions	Management of Info Systems & Technology	08/01/2018	06/30/2019	\$ 3,000.00	\$ -	\$ 3,000.00	\$ 2,379.50	\$ 620.50	Dean Unger	
NICO100-05	100-00	Nicolay Consulting Group	GASB 45/75 Transisiton Plan	08/22/2017	06/30/2019	\$ 7,200.00	\$ 900.00	\$ 8,100.00	\$ 5,700.00	\$ 2,400.00	Karen Williams	
SOL100-01	100-00	Sol Media		Website Support and Hosting	10/29/2018	10/31/2019	\$ 6,680.00	\$ -	\$ 6,680.00	\$ 5,790.00	\$ 890.00	Dean Unger
TEAM100-07	100-00	Teaman, Ramirez, & Smith	Auditing Services	06/05/2018	06/30/2021	\$ 79,500.00	\$ -	\$ 79,500.00	\$ 22,819.00	\$ 56,681.00	Karen Williams	
TTD100-04	100-00	The Technology Depot	Phone Support	08/17/2018	06/30/2019	\$ 5,000.00	\$ -	\$ 5,000.00	\$ 1,973.56	\$ 3,026.44	Dean Unger	
WCA100-03-03	100-03	West Coast Advisors	State Legislative Consulting FY19-20	01/01/2019	12/31/2020	\$ 235,000.00	\$ -	\$ 235,000.00	\$ 29,250.00	\$ 205,750.00	Larry McKenney	
CALV240-03	240	Calvada Surveying	BL On Call Land Surveying Services	06/05/2018	06/30/2020	\$ 28,970.00	\$ -	\$ 28,970.00	\$ -	\$ 28,970.00	Carlos Quintero	On Call
DOUG240-03	240	Douglas Environmental	Brine Line Meter Calibration	07/01/2018	06/30/2020	\$ 25,620.00		\$ 25,620.00	\$ 14,946.06	\$ 10,673.94	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	\$ 39,954.00	\$ 46,500.00	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	\$ 833.75	\$ 95,831.25	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	\$ 2,400.00	\$ 32,400.00	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
WO2019-03	240	Inland Empire Utilities Agency	Reach 4A Upper - BL Maintenance	07/01/2018	06/30/2019	\$ 10,000.00	\$ -	\$ 10,000.00	\$ -	\$ 10,000.00	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	\$ 11,571.75	\$ 139,448.25	Carlos Quintero	On Call
TRU240-21	240	Trussell Technologies	BL Monitoring Assesment	01/04/2018	06/30/2019	\$ 41,590.00	\$ -	\$ 41,590.00	\$ 38,913.50	\$ 2,676.50	Carlos Quintero	
TRU240-22	240	Trussell Technologies	Monthly County Line Solids Analysis	10/16/2018	06/30/2019	\$ 9,664.00	\$ -	\$ 9,664.00	\$ 6,483.38	\$ 3,180.62	Carlos Quintero	
TRU240-23	240	Trussell Technologies	2019 BL Annual Review	10/15/2018	10/31/2019	\$ 49,899.00	\$ -	\$ 49,899.00	\$ 9,376.55	\$ 40,522.45	Carlos Quintero	
WO2019-01	240	WMWD	Sample Collection & Analysis	07/01/2018	06/30/2019	\$ 80,000.00	\$ -	\$ 80,000.00	53,784.98	\$ 26,215.02	David Ruhl	
WO2019-02	240	WMWD	Brine Line Operations & Maintenance	07/01/2018	06/30/2019	\$ 25,000.00	\$ -	\$ 25,000.00	7,651.83	\$ 17,348.17	Carlos Quintero	
STAN320-01	320	Stantec	Alcoa Dike - BL Protection	05/30/2018	06/30/2019	\$ 13,584.00	\$ 3,695.00	\$ 17,279.00	16,679.57	\$ 599.43	David Ruhl	
W&C327-01	327	Woodard & Curran	4D Rehabilitation - Engineering Services	04/11/2018	12/31/2018	\$ 226,649.00	\$ -	\$ 226,649.00	\$ 206,103.36	\$ 20,545.64	David Ruhl	46

Santa Ana Watershed Project Authority
Open Task Orders Schedule
Feb-19
(Reflects Invoices Received as of 3/13/19)

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
BLAIS370-02	370-01	Blais & Associates	Grant Needs Assessment & Grant Monitoring	10/01/2018	12/31/2019	\$ 24,700.00	\$ -	\$ 24,700.00	\$ 8,310.41	\$ 16,389.59	Ian Achimore	
DUDK373-06	373	Dudek	Prop1 Round 1 Grant App	03/07/2019	12/31/2019	\$ 91,310.00	\$ -	\$ 91,310.00	\$ -	\$ 91,310.00	Ian Achimore	
GEOS374-01	374	GeoScience Support Service	SAR WLA Model Update	02/01/2017	06/30/2019	\$ 249,800.00	\$ 65,156.00	\$ 314,956.00	\$ 312,228.75	\$ 2,727.25	Mark Norton	
RISK374-07	374	Risk Sciences	Basin Monitoring TF	11/06/2017	06/30/2019	\$ 73,150.00	\$ -	\$ 73,150.00	\$ 63,719.57	\$ 9,430.43	Mark Norton	
SAWA381-01	381	Santa Ana Watershed Association	Van Buren Bridge Sucker Restoration	09/26/2018	12/31/2019	\$ 15,130.20	\$ -	\$ 15,130.20	\$ 5,833.31	\$ 9,296.89	Ian Achimore	
SCH381-01	381	Scheevel Engineering	S.A. Sucker - Beneficial Use Project	04/18/2017	06/30/2020	\$ 96,725.00	\$ 7,275.00	\$ 104,000.00	\$ 93,604.00	\$ 10,396.00	Ian Achimore	
SCH381-02	381	Scheevel Engineering	S.A. Sucker - Habitat Construction Management	09/17/2018	12/31/2019	\$ 12,300.00	\$ -	\$ 12,300.00	\$ 5,025.00	\$ 7,275.00	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	\$ 17,637.65	\$ 31,702.35	Rick Whetsel	
CDM386-13	386	CDM Smith	Regional Bacteria Monitoring Program	07/01/2018	06/30/2019	\$ 324,914.00	\$ 28,834.00	\$ 353,748.00	\$ 191,179.00	\$ 162,569.00	Rick Whetsel	
CDM386-14	386	CDM Smith	SAR Bacteria Monitoring Program		06/30/2020	\$ 362,865.00	\$ -	\$ 362,865.00	\$ -	\$ 362,865.00	Rick Whetsel	
RISK386-10	386	Risk Sciences	Compliance Expert - RWQM TF	07/01/2018	06/30/2019	\$ 46,820.00	\$ -	\$ 46,820.00	\$ 7,503.92	\$ 39,316.08	Rick Whetsel	
SAWA387-06	387	Santa Ana Watershed Association	Arundo Surveying	07/17/2018	08/31/2019	\$ 23,000.00	\$ -	\$ 23,000.00	\$ -	\$ 23,000.00	Ian Achimore	
DEGR392-04	392	DeGrave Communications	Social Media Support - EC TF	07/01/2018	06/30/2019	\$ 30,000.00	\$ -	\$ 30,000.00	\$ 18,268.35	\$ 11,731.65	Mark Norton	
RISK392-05	392	Risk Sciences	Emerging Constituents Sampling Progam 2019	02/20/2019	06/30/2020	\$ 28,250.00	\$ -	\$ 28,250.00	\$ 5,494.04	\$ 22,755.96	Mark Norton	
ECOT397-01	397	Ecotech	WECAN Landscaping Project	05/26/2016	12/31/2018	\$ 1,300,000.00	\$ 82,000.00	\$ 1,382,000.00	\$ 1,321,457.50	\$ 60,542.50	Ian Achimore	
ECOT397-02	397	Ecotech	WECAN Landscaping Project	04/04/2017	09/30/2019	\$ 612,000.00	\$ -	\$ 612,000.00	\$ 582,125.00	\$ 29,875.00	Ian Achimore	
GMC397-01	397	Green Media Creations	WECAN Outreach and Management	05/26/2016	12/31/2018	\$ 170,000.00	\$ 20,000.00	\$ 190,000.00	\$ 177,847.80	\$ 12,152.20	Ian Achimore	
PO3466	398	California Rural Water Association	Disadvantaged Communities Grant	07/19/2017	04/30/2020	\$ 240,000.00	\$ -	\$ 240,000.00	\$ 104,701.10	\$ 135,298.90	Rick Whetsel	
DEGR398-01	398	Degrave Communications	Social Meida Support	03/20/2018	06/30/2019	\$ 78,434.00	\$ -	\$ 78,434.00	\$ 46,747.30	\$ 31,686.70	Rick Whetsel	
IEW398-03	398	Inland Empire Waterkeeper	Disadvanged Communities Grant	09/03/2018	04/30/2021	\$ 7,200.00	\$ -	\$ 7,200.00	\$ -	\$ 7,200.00	Rick Whetsel	
PO3463	398	Local Government Commission	Disadvantaged Communities Grant	07/19/2017	04/30/2020	\$ 442,000.00	\$ -	\$ 442,000.00	\$ 217,763.94	\$ 224,236.06	Rick Whetsel	
PO3551	398	UC Irvine	Disadvantaged Communities Grant	11/06/2017	04/30/2020	\$ 105,000.00	\$ 277,000.00	\$ 382,000.00	\$ 165,132.31	\$ 216,867.69	Rick Whetsel	
PO3465	398	University Enterprises Corporation	Disadvantaged Communities Grant	07/19/2017	04/30/2020	\$ 1,290,500.00	\$ -	\$ 1,290,500.00	\$ 121,246.60	\$ 1,169,253.40	Rick Whetsel	47

Santa Ana Watershed Project Authority
Open Task Orders Schedule
Feb-19
(Reflects Invoices Received as of 3/13/19)

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
PO3464	398	Water Education Foundation	Disadvantaged Communities Grant	07/19/2017	04/30/2020	\$ 150,000.00	\$ -	\$ 150,000.00	\$ 34,970.31	\$ 115,029.69	Rick Whetsel	
CVS504-301-01	504-00	CV Strategies	FAQ on Conservation Based Rates	11/29/2016	03/31/2019	\$ 25,000.00	\$ 15,750.00	\$ 40,750.00	\$ 29,955.00	\$ 10,795.00	Ian Achimore	
MSS504-301-01	504-00	Miller Spatial Services	Geocoding & Business Type Classification	08/24/2017	06/30/2019	\$ 300,000.00	\$ -	\$ 300,000.00	\$ 170,322.30	\$ 129,677.70	Rick Whetsel	
RMC504-401-04	504-04	Woodard & Curran	SARCCUP Program Mgmt Services	07/01/2018	06/30/2019	\$ 224,485.00	\$ -	\$ 224,485.00	\$ 73,453.93	\$ 151,031.07	Ian Achimore	
RMC504-401-05	504-04	Woodard & Curran	Technical Writing & Outreach Support	10/24/2018	12/31/2018	\$ 37,411.00	\$ -	\$ 37,411.00	\$ 12,509.25	\$ 24,901.75	Mark Norton	
										<u>\$ 4,115,137.80</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

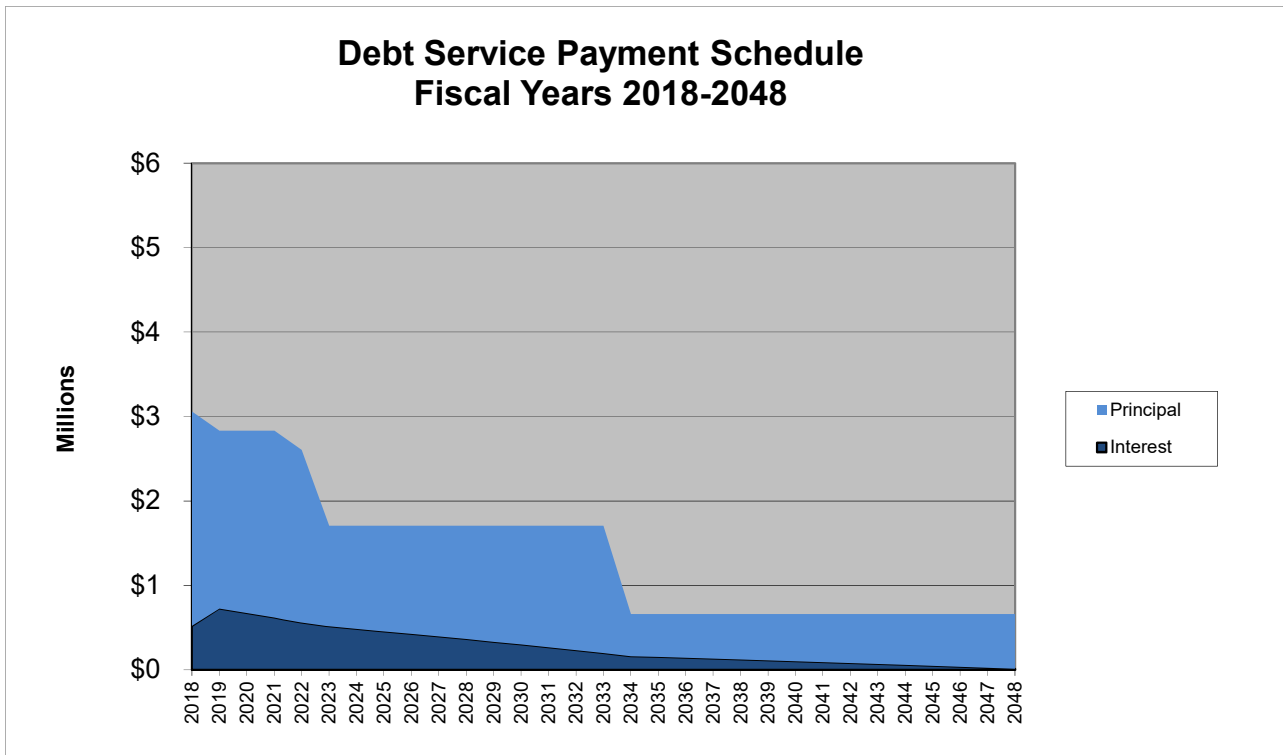
Santa Ana Watershed Project Authority
 Brine Line Debt Service Funding Analysis
 February 28, 2019

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)	-

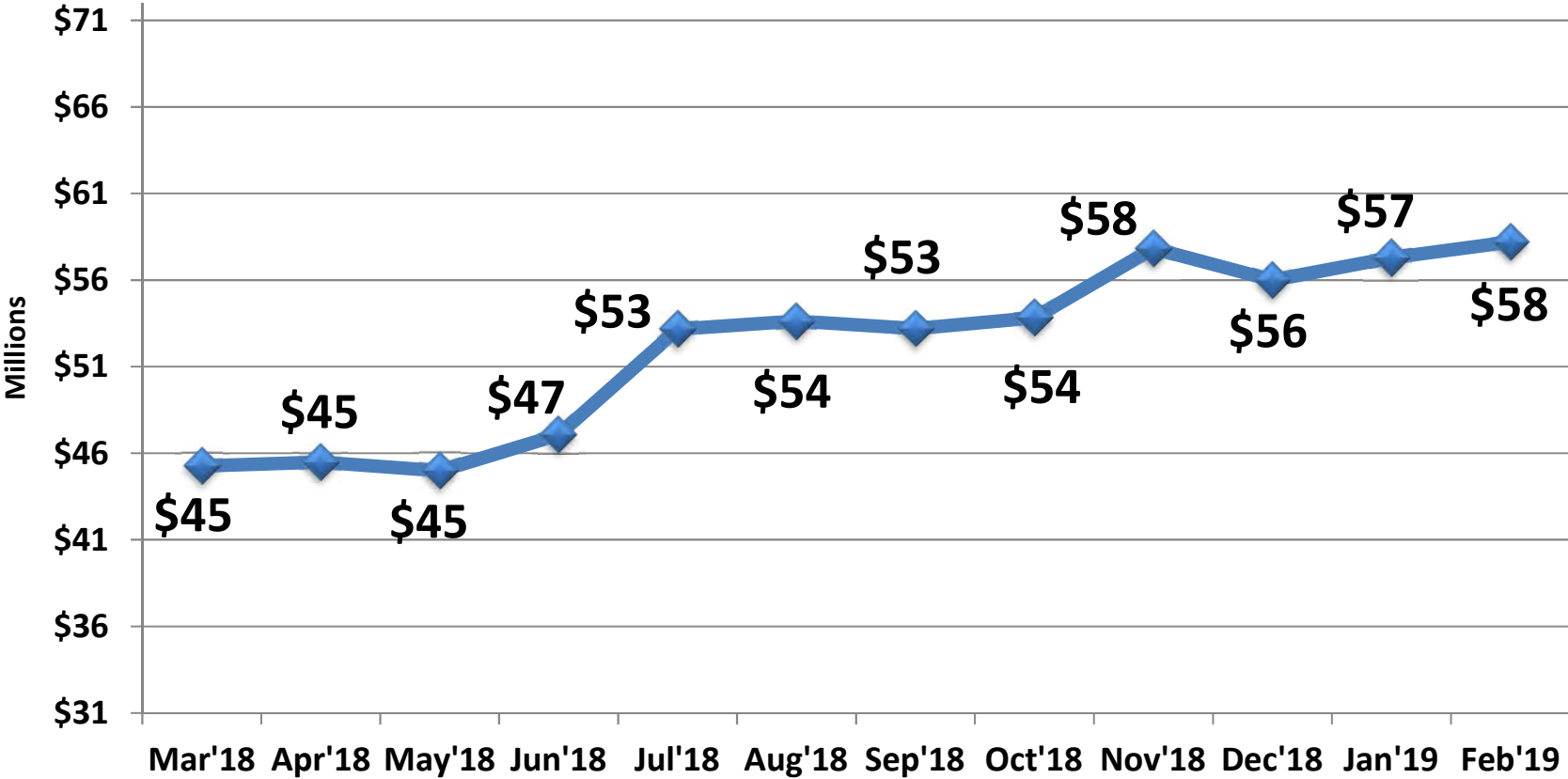
*Interest earned is based on a conservative 2.00% average return over the period

Santa Ana Watershed Project Authority
 Brine Line Debt Service Payment Schedule
 February 28, 2019

FYE	Interest	Principal	Total Payment	New SRF Loan	Remaining Principal
2018	520,699	2,539,821	3,060,520	15,088,592	31,938,455
2019	727,977	2,107,050	2,835,027	-	29,831,405
2020	674,909	2,160,119	2,835,027	-	27,671,286
2021	620,485	2,214,543	2,835,027	-	25,456,743
2022	564,670	2,043,043	2,607,713	-	23,413,700
2023	514,020	1,194,730	1,708,750	-	22,218,970
2024	485,808	1,222,942	1,708,750	-	20,996,029
2025	456,917	1,251,833	1,708,750	-	19,744,196
2026	427,330	1,281,420	1,708,750	-	18,462,777
2027	397,030	1,311,719	1,708,750	-	17,151,057
2028	366,000	1,342,750	1,708,750	-	15,808,307
2029	334,221	1,374,529	1,708,750	-	14,433,779
2030	301,675	1,407,074	1,708,750	-	13,026,704
2031	268,344	1,440,405	1,708,750	-	11,586,299
2032	234,208	1,474,541	1,708,750	-	10,111,758
2033	199,248	1,509,501	1,708,749	-	8,602,257
2034	163,443	501,033	664,476	-	8,101,223
2035	153,923	510,553	664,476	-	7,590,670
2036	144,223	520,254	664,476	-	7,070,416
2037	134,338	530,138	664,476	-	6,540,278
2038	124,265	540,211	664,476	-	6,000,067
2039	114,001	550,475	664,476	-	5,449,592
2040	103,542	560,934	664,476	-	4,888,658
2041	92,884	571,592	664,476	-	4,317,066
2042	82,024	582,452	664,476	-	3,734,614
2043	70,958	593,519	664,476	-	3,141,095
2044	59,681	604,796	664,476	-	2,536,299
2045	48,190	616,287	664,476	-	1,920,013
2046	36,480	627,996	664,476	-	1,292,017
2047	24,548	639,928	664,476	-	652,087
2048	12,390	652,087	664,477	-	-



Total Cash & Investments





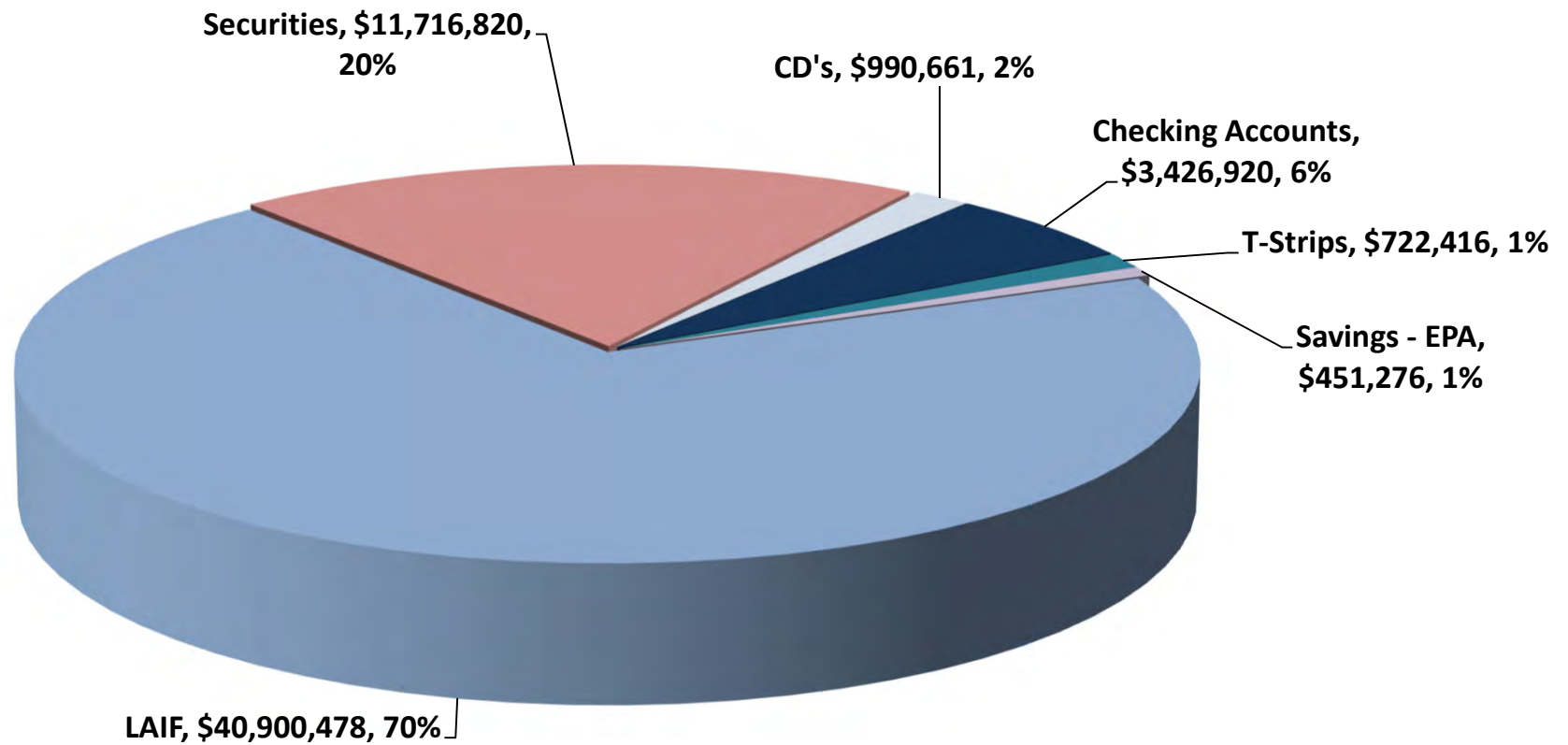
CASH BALANCE & SOURCE OF FUNDS

February 28, 2019

Reserve Accounts		Cash and Investments							
	Total	Checking (Cash)	LAIF Account	Savings EPA	Investment Securities	Certificates of Deposit	Treasury Strips	Total	
100	General Fund	\$ 2,425,734	2,425,734	-	-	-	-	\$ 2,425,734	
100	Building Reserve	\$ 877,104	-	877,104	-	-	-	\$ 877,104	
370	Basin Planning General	\$ 262,202	-	262,202	-	-	-	\$ 262,202	
370	USBR Partnership Studies	\$ 53,009	-	53,009	-	-	-	\$ 53,009	
373	Watershed Management Plan	\$ 303,289	-	303,289	-	-	-	\$ 303,289	
240	Self Insurance Reserve	\$ 4,114,733	-	4,114,733	-	-	-	\$ 4,114,733	
240	Brine Line Debt Retirement	\$ 4,762,753	-	4,040,337	-	-	722,416	\$ 4,762,753	
240	Brine Line - Pipeline Replacement	\$ 20,451,646	1,001,186	6,742,979	-	11,716,820	990,661	\$ 20,451,646	
240	Brine Line - OCSD Rehabilitation	\$ 3,612,870	-	3,612,870	-	-	-	\$ 3,612,870	
240	Brine Line - Capacity Management	\$ 11,569,724	-	11,569,724	-	-	-	\$ 11,569,724	
240	Brine Line - OCSD Future Capacity	\$ 1,771,363	-	1,771,363	-	-	-	\$ 1,771,363	
240	Brine Line - Flow Imbalance Reserve	\$ 85,613	-	85,613	-	-	-	\$ 85,613	
240	Brine Line - Operating Reserve	\$ 4,134,864	-	4,134,864	-	-	-	\$ 4,134,864	
401	Legal Defense Fund	\$ 451,276	-	-	451,276	-	-	\$ 451,276	
372	Imported Water Recharge	\$ (792)	-	(792)	-	-	-	\$ (792)	
374	Basin Monitoring Program TF	\$ 426,024	-	426,024	-	-	-	\$ 426,024	
381	SAR Fish Conservation	\$ 126,009	-	126,009	-	-	-	\$ 126,009	
384	Middle SAR TMDL TF	\$ 159,220	-	159,220	-	-	-	\$ 159,220	
386	RWQ Monitoring TF	\$ 359,086	-	359,086	-	-	-	\$ 359,086	
387	Mitigation Bank Credits	\$ 947,400	-	947,400	-	-	-	\$ 947,400	
392	Emerging Constituents TF	\$ 97,838	-	97,838	-	-	-	\$ 97,838	
397	Energy - Water DAC Grant	\$ 512,974	-	512,974	-	-	-	\$ 512,974	
504	Prop 84 - SARCCUP Projects	\$ 704,632	-	704,632	-	-	-	\$ 704,632	
		\$ 58,208,571	\$ 3,426,920	\$ 40,900,478	\$ 451,276	\$ 11,716,820	\$ 990,661	\$ 722,416	\$ 58,208,571

Cash & Investments - February 2019

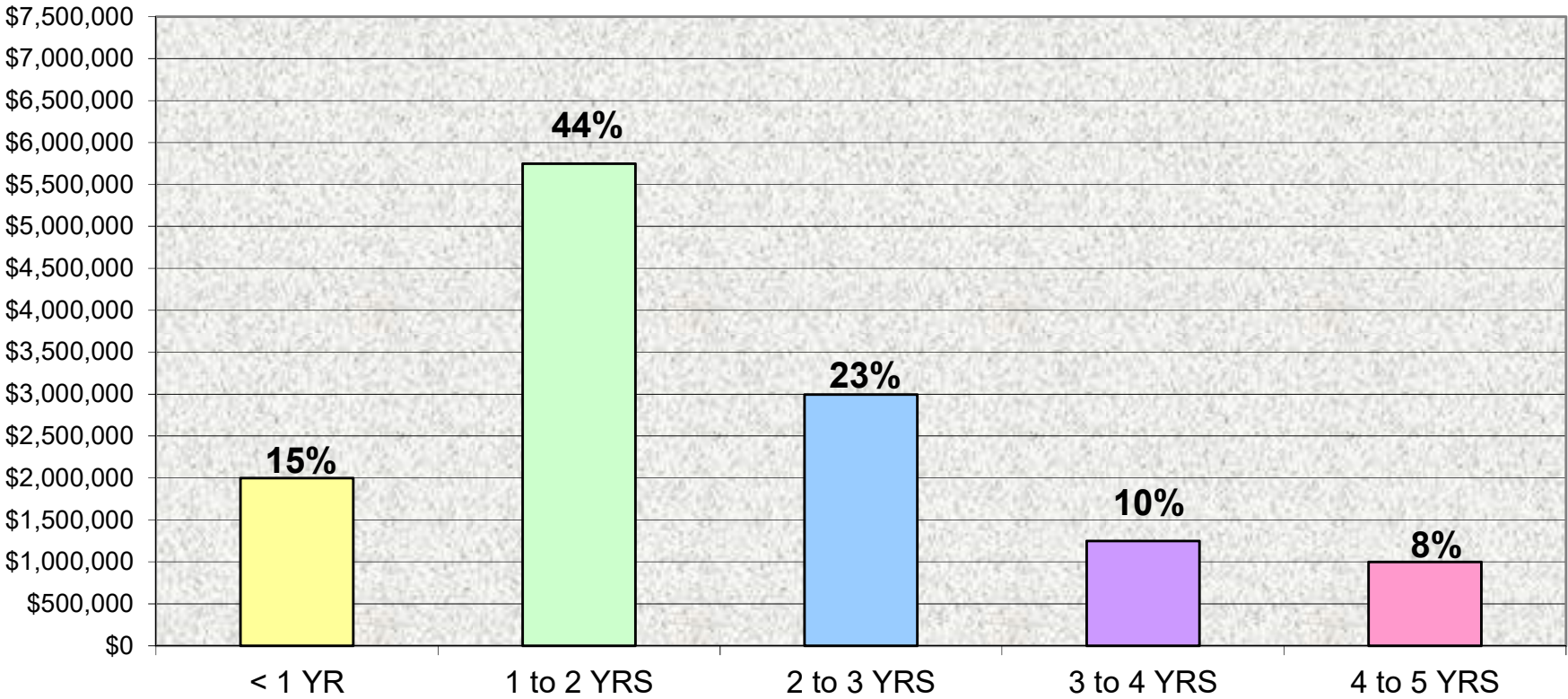
\$58,208,571



Santa Ana Watershed Project Authority
Reserve Account Analysis
February 28, 2019

Reserve Account	Balance @ 6/30/2018	Interest Earned	Fund Contributions	Loan/T-Strip Receipts	Debt Service Payments	Inter-Fund Loans	Fund Expenses	Balance @ 2/28/2019	Estimated Fund Changes	Balance @ 6/30/2019
Brine Line Operating Reserve	2,585,699	49,802	8,027,094				(6,527,732)	4,134,864	-	4,134,864
Flow Imbalance Reserve	93,670	1,358					(9,415)	85,613	-	85,613
OCSD Future Capacity	1,745,247	26,116						1,771,363	-	1,771,363
Capacity Management	11,352,490	217,234						11,569,724	-	11,569,724
Pipeline Replacement	11,309,285	224,500	9,292,347				(374,487)	20,451,646	(1,196,639)	19,255,007
OCSD Rehabilitation	3,559,605	53,265						3,612,870	-	3,612,870
Debt Retirement	5,157,252	68,070	1,252,763	89,053	(2,526,801)			4,040,337	185,844	4,226,181
Self Insurance	3,988,170	59,896	66,667					4,114,733	33,333	4,148,066
General Fund	2,636,095	44,653	654,915			(704,842)	(205,087)	2,425,734	-	2,425,734
Building Reserve	910,526	14,577	100,000				(148,000)	877,104	-	877,104
	43,338,039	759,471	19,393,786	89,053	(2,526,801)	(704,842)	(7,264,721)	53,083,987	(977,462)	52,106,525

Twelve Month Maturity Schedule Securities



SAWPA
TREASURER'S REPORT
As of February 28, 2019

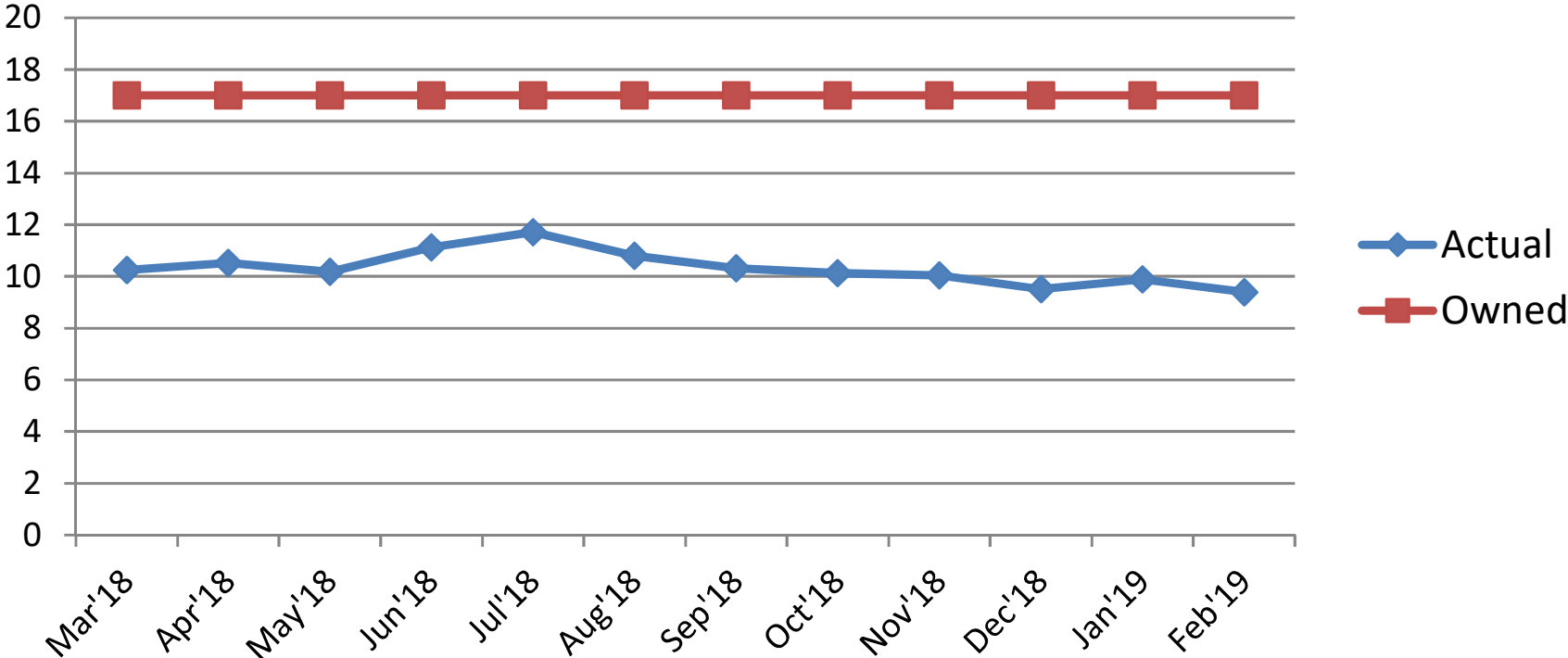
Investment T-Strips
Safekeeping US Bank

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	772,526.39	6.38%
				\$ 790,000.00	\$ 228,677.35	\$ 561,322.65	\$ 67,583.86	722,416.14	\$ 772,526.39	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	500,549.50	3.750%
Agency	FHLMC	9/16/2016	8/12/2021	100.00	\$ 990,060.00	\$ 1,000,000.00	\$ 1,000,000.00	967,653.00	1.125%
Agency	FHLMC	4/17/2017	1/13/2022	102.55	\$ 512,767.00	\$ 500,000.00	\$ 500,000.00	498,024.50	2.375%
Agency	FHLB	5/26/2015	6/14/2019	100.80	\$ 504,015.00	\$ 500,000.00	\$ 500,000.00	498,787.00	1.625%
Agency	FHLB	6/16/2016	6/12/2020	102.61	\$ 1,026,088.00	\$ 1,000,000.00	\$ 1,000,000.00	989,301.00	1.750%
Agency	FHLB	12/14/2017	6/10/2022	99.89	\$ 998,930.00	\$ 1,000,000.00	\$ 1,000,000.00	986,320.00	2.125%
Agency	FNMA	12/28/2015	12/28/2020	100.21	\$ 1,002,140.00	\$ 1,000,000.00	\$ 1,000,000.00	988,195.00	1.875%
Agency	FNMA	6/16/2016	11/30/2020	101.52	\$ 1,015,157.00	\$ 1,000,000.00	\$ 1,000,000.00	981,805.00	1.500%
Agency	USTN	11/17/2015	10/31/2020	100.00	\$ 1,005,312.50	\$ 1,000,000.00	\$ 1,000,000.00	986,875.00	1.750%
Agency	USTN	11/17/2015	11/30/2019	100.00	\$ 1,001,210.94	\$ 1,000,000.00	\$ 1,000,000.00	992,148.00	1.500%
Agency	USTN	6/17/2016	8/31/2020	101.13	\$ 507,070.31	\$ 500,000.00	\$ 500,000.00	491,406.00	1.375%
Agency	USTN	6/16/2016	9/30/2020	101.12	\$ 506,992.19	\$ 500,000.00	\$ 500,000.00	490,879.00	1.375%
Agency	USTN	6/16/2016	10/31/2020	101.12	\$ 506,914.06	\$ 500,000.00	\$ 500,000.00	490,410.00	1.375%
Agency	USTN	12/14/2017	7/31/2021	96.91	\$ 969,062.50	\$ 1,000,000.00	\$ 1,000,000.00	967,773.00	1.125%
CORP	Apple Inc.	10/15/2018	5/3/2023	95.98	\$ 479,898.50	\$ 500,000.00	\$ 500,000.00	490,988.00	2.400%
CORP	Toyota Motor Credit Corp.	10/15/2018	9/20/2023	99.55	\$ 497,747.50	\$ 500,000.00	\$ 500,000.00	506,886.00	3.450%
CD	Ally Bank	4/20/2017	4/20/2020	100.00	\$ 248,000.00	\$ 248,000.00	\$ 248,000.00	248,000.00	1.800%
CD	American Exp Centurion	4/19/2017	4/19/2021	100.00	\$ 248,000.00	\$ 248,000.00	\$ 248,000.00	248,000.00	2.250%
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	2.200%
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	2.500%
					\$13,062,015.50	\$ 12,992,000.00	\$ 12,992,000.00	12,820,000.00	1.961%

Average Daily Flow by Month





SUMMARY OF LABOR MULTIPLIERS

		Benefit Rate
Total Employee Benefits	898,472	0.379
Total Payroll	2,369,125	
Gross Indirect Costs	2,224,652	
Less: Member Contributions & Other Revenue	(300,000)	
Indirect Costs for Distribution	1,924,652	
Direct Labor	1,273,693	1.511
Indirect Costs	1,924,652	

FY 2018-19 Labor multiplier - thru 02/28/19	1.890
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 2/28/19</u>
51000	Salaries - Regular	\$ 1,095,432
52000	Benefits	\$ 364,637
60111	Tuition Reimbursement	\$ -
60112	Training	\$ (365)
60113	Education	\$ 710
60114	Other Training & Education	\$ 4,631
60120	Audit Fees	\$ 22,819
60121	Consulting	\$ 159,672
60126	Temporary Services	\$ 38,216
60128	Other Professional Services	\$ 700
60129	Other Contract Services	\$ -
60130	Legal Fees	\$ 413
60133	Employment Recruitment	\$ -
60153	Materials & Supplies	\$ 39
60154	Safety	\$ 1,136
60155	Security	\$ 1,273
60156	Custodial Contract Services	\$ 9,703
60157	Landscaping Maintenance	\$ 8,455
60158	HVAC	\$ 5,445
60159	Facility Repair & Maintenance	\$ 12,362
60160	Telephone	\$ 8,951
60161	Cellular / Paging Services	\$ 7,474
60163	Electricity	\$ 14,740
60164	Water Services	\$ 5,323
60170	Equipment Expensed	\$ 4,103

(Continued - next column)

<u>G/L Acct.</u>	<u>Description</u>	<u>Actual thru 2/28/19</u>
60171	Equipment Rented	\$ 24,399
60172	Equipment Repair / Maintenance	\$ 1,463
60180	Computer Hardware	\$ 25,322
60181	Software / Updates / Licensing	\$ 96,700
60182	Internet Services	\$ 8,015
60183	Computer Supplies	\$ 3,129
60184	Computer Repair / Maintenance	\$ -
60190	Offsite Meeting / Travel Expense	\$ 923
60191	In House Meetings	\$ 452
60192	Conference Expense	\$ 8,825
60193	Car, Repair, Maint	\$ -
60200	Dues	\$ 26,609
60202	Subscriptions	\$ 886
60203	Contributions	\$ 14,500
60210	Bank Charges	\$ -
60211	Shipping / Postage	\$ 1,672
60212	Office Supplies	\$ 7,512
60213	Offsite Storage	\$ 4,255
60220	Commission Fees	\$ 18,461
60221	Commission Mileage Reimb.	\$ 2,516
60222	Other Commission Expense	\$ 1,040
60230	Other Expense	\$ 1,864
80000	Retiree Medical Expense	\$ 75,333
80001	Insurance Expense	\$ 31,466
80000	Building Repair/Replacement Reserve	\$ 66,667
13005	Fixed Assets	\$ 36,774

Total Costs \$ 2,224,652

Direct Costs Paid by Projects	\$ 1,658,248
Member Contribution Offset	\$ 300,000
	\$ 1,958,248

Over allocation %	-13.8%
Over (Under) Allocation of General Fund Costs	\$ (266,403)



BENEFITS SUMMARY

(Distributed based on Actual Labor)

<u>G/L Acct</u>	<u>Description</u>	<u>Budget</u>	<u>Actual @ 2/28/19</u>	<u>Projected FYE 2019</u>
70101	FICA Expense	191,217 \$	100,949 \$	151,424
70102	Medicare Expense	56,479 \$	30,753 \$	46,130
70103	State Unemployment Insurance	5,824 \$	392 \$	6,300
70104	Worker's Compensation Insurance	102,821 \$	32,488 \$	68,288
70105	State Disability Insurance	25,551 \$	14,405 \$	21,608
70106	PERS Pension Plan	730,279 \$	345,305 \$	517,958
70111	Medical Expense	459,036 \$	297,437 \$	446,156
70112	Dental Expense	32,630 \$	18,190 \$	27,285
70113	Vision Insurance	8,255 \$	4,803 \$	7,205
70114	Life Insurance Expense	16,014 \$	9,709 \$	14,564
70115	Long Term Disability	18,657 \$	11,060 \$	16,590
70116	Wellness Program Expense	3,500 \$	981 \$	1,472
70117	401a Profit Sharing - Employers Contribution	-	-	-
70120	Car Allowance	36,000 \$	32,000 \$	48,000
	Total Benefits	1,686,263	898,472	1,372,977
	Total Payroll	3,859,112 \$	2,369,125 \$	3,553,687
	Benefits Rate	43.7%	37.9%	38.6%

Santa Ana Watershed Project Authority
Labor Hours Budget vs Actual
Month Ending February 28, 2019

Fund	Budget	Actual	%	
100	General & Administrative	24,625	18,495	75.11%
130	Prop 84 Round 1 Administration	815	314	38.56%
135	Prop 84 Round 2 Administration	830	400	48.16%
140	Prop 84 2014 Drought Administration	600	596	99.25%
145	Prop 84 Final Round Administration	1,735	428	24.64%
240	Brine Line Enterprise	18,250	11,836	64.86%
320	Brine Line Protection	245	84	34.29%
326	Reach V Capital Repairs	795	93	11.67%
327	Reach IV-D Corrosion Repairs	1,475	63	4.25%
370-01	General Basin Planning	2,365	1,015	42.91%
370-02	USBR Partnership Studies	110	7	6.36%
372	Imported Water Recharge	60	0	0.42%
373	Watershed Management Plan	2,775	1,411	50.85%
374	Basin Monitoring Program	419	270	64.32%
381	SAR Fish Conservation	190	424	223.03%
384-01	Chino TMDL Facilitation	165	101	61.36%
386MONIT	Storm Water Quality Standards TF	130	101	77.50%
387	Arundo Removal & Habitat Restoration	173	67	38.58%
392	Emerging Constituents	54	94	174.07%
396	Forest First	20	-	0.00%
397	Water-Energy Grant Administration	464	209	44.94%
397EXPAN	Water-Energy WVWD Administration	-	64	100.00%
398ADMIN	DACI Grant	2,435	517	21.21%
477-02	LESJWA - Administration	330	229	69.39%
477TMDL	LESJWA - TMDL Task Force	720	464	64.48%
504-301A	Prop 84 2014 Drought Implementation	765	117	15.33%
504-301C	Prop 84 2014 Drought Implementation	485	701	144.54%
504-4011	Prop 84 Final Round Implementation	90	88	98.06%
504-401PA23	Prop 84 Final Round Implementation	475	66	13.89%
504-401WUEAMDIN	Prop 84 Final Round Implementation	195	-	0.00%
504-402SMART	Prop 84 Final Round Implementation	290	55	18.97%
		62,080	38,307	61.71%

Note: Should be at 66.67% of budget for 8 months

COMMISSION MEMORANDUM NO. 2019.39

DATE: April 16, 2019
TO: SAWPA Commission
SUBJECT: Single Audit Report on Federal Awards Program
PREPARED BY: Karen Williams, Chief Financial Officer

RECOMMENDATION

It is recommended that the Commission receive and file the Single Audit Report on Federal Award Programs for the Fiscal Year Ended June 30, 2018, prepared by Teaman, Ramirez & Smith, Inc.

DISCUSSION

A Single Audit is required to be performed when a non-federal entity expends \$750,000 or more in federal funds in one year. The Single Audit is intended to provide assurance to the Federal Government that a non-federal entity has adequate internal controls.

As part of the funding for the Reach V Capital Repair Project, SAWPA received a \$15 million State Revolving Funds (SRF) loan. A portion of the funds received from the State (\$3,185,811) were from Federal sources. Since the amount received in one year was over the \$750,000 threshold, SAWPA was required to have a Single Audit performed. The audit was performed by Teaman, Ramirez & Smith. The Audit found that the Authority complied, in all material respects, with the types of compliance requirements described in the OMB Compliance Supplement, that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2018.

As part of the requirements of a Single Audit, the attached Single Audit has been submitted to the Federal Audit Clearinghouse.

RESOURCE IMPACTS

The FY 2017-18 Single Audit was included in the budget.

Attachments:

1. Single Audit Report on Federal Award Programs FYE 2018
2. 3-22-19 Management Representation Letter

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**SANTA ANA WATERSHED
PROJECT AUTHORITY**

**SINGLE AUDIT REPORT ON
FEDERAL AWARD PROGRAMS**

Year Ended June 30, 2018

SANTA ANA WATERSHED PROJECT AUTHORITY
SINGLE AUDIT REPORT ON FEDERAL AWARD PROGRAMS
Year Ended June 30, 2018

TABLE OF CONTENTS

	Page
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	1 - 2
Independent Auditors' Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance	3 - 5
Schedule of Expenditures of Federal Awards	6
Notes to the Schedule of Expenditures of Federal Awards	7
Schedule of Findings and Questioned Costs	8 - 9
Summary Schedule of Prior Audit Findings	10

**Independent Auditors' Report on Internal Control Over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards***

Board of Commissioners
Santa Ana Watershed Project Authority
Riverside, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the financial statements of the Santa Ana Watershed Project Authority (the "Authority"), as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated November 20, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Authority's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Seaman Ramirez & Smith, Inc.

Riverside, California

November 20, 2018

**Independent Auditors' Report on Compliance for Each Major Program and on
Internal Control Over Compliance Required by the Uniform Guidance**

Board of Commissioners
Santa Ana Watershed Project Authority
Riverside, California

Report on Compliance for Each Major Federal Program

We have audited the Santa Ana Watershed Project Authority's (the "Authority") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Authority's major federal programs for the year ended June 30, 2018. The Authority's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Authority's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administration Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Authority's compliance.

Opinion on Each Major Federal Program

In our opinion, the Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2018.

Report on Internal Control over Compliance

Management of the Authority is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Authority's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the Santa Ana Watershed Project Authority as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements. We issued our report thereon dated November 20, 2018, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and the other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Teaman Ramirez & Smith, Llc.

Riverside, California

March 20, 2019, except for the Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance to which the date is November 20, 2018

SANTA ANA WATERSHED PROJECT AUTHORITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2018

<u>Federal Grantor/Pass-Through Grantor Program Title</u>	<u>Federal CFDA Number</u>	<u>Grant/Contract Number</u>	<u>Expenditures</u>
<u>United States Environmental Protection Agency</u>			
Passed through State of California			
State Resources Control Board			
Capitalization Grants for Clean Water			
State Revolving Funds	66.458	C-06-7898-110	<u>\$ 3,185,811</u>
Total Expenditures of Federal Awards			<u><u>\$ 3,185,811</u></u>

SANTA ANA WATERSHED PROJECT AUTHORITY
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2018

1) SUMMARY OF SIGNIFICANT ACCOUNTING

a) Scope of Presentation

The accompanying schedule presents only the expenditures incurred (and related awards received) by the Authority that are reimbursable under programs of federal agencies providing financial assistance. For the purpose of this schedule, financial assistance includes both federal financial assistance received directly from a federal agency, as well as federal funds received indirectly by the Authority from a non-federal agency or other organization. Only the portion of the program expenditures reimbursable with such federal funds is reported in the accompanying schedule. Program expenditures in excess of the maximum federal reimbursement authorized or the portion of the program expenditures that were funded with state, local or other non-federal funds are excluded from the accompanying schedule.

b) Basis of Accounting

The expenditures included in the accompanying schedule were reported on the accrual basis of accounting. Under the accrual basis of accounting, expenditures are recognized in the period incurred. Expenditures reported include any property or equipment acquisitions incurred under the federal program.

c) Major Programs

The Authority had one major program for the year ended June 30, 2018, consisting of expenditures from the United States Environmental Protection Agency. The major program had disbursements of \$3,185,811. This amount calculates to 100% of the total disbursements from federal awards. The Authority did not meet the requirements to be a low risk auditee. Therefore, the Authority's major programs have to cover at least 40 percent of the total expenditures of federal awards.

d) Indirect Cost Rate

The Authority has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

e) Relationship to Basic Financial Statements

Federal award expenditures agree or can be reconciled with the amounts reported in the Authority's financial statements.

SANTA ANA WATERSHED PROJECT AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2018

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of Auditors' Report Issued:	Unmodified
Internal Control Over Financial Reporting:	
Material Weakness(es) Identified?	No
Significant Deficiency(ies) Identified not Considered to be Material Weaknesses?	No
Noncompliance Material to Financial Statements Noted?	No

Federal Awards

Internal Control Over Major Programs:	
Material Weakness(es) Identified?	No
Significant Deficiency(ies) Identified not Considered to be Material Weaknesses?	No
Type of Auditors' Report Issued on Compliance for Major Programs:	Unmodified
Any Audit Findings Disclosed that are Required to be Reported in Accordance with 2 CFR Section 200.516(a)	No

Identification of Major Programs:

CFDA Numbers	Name of Federal Program or Cluster
66.458	Capitalization Grants from Clean Water State Revolving Funds

Dollar Threshold used to Distinguish Between Type A and Type B Programs:	\$ <u>750,000</u>
Auditee Qualified as Low-Risk Auditee?	No

SANTA ANA WATERSHED PROJECT AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2018

SECTION II - FINANCIAL STATEMENT FINDINGS

There were no auditor's findings required to be reported in accordance with *Government Auditing Standards*.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There were no auditors' findings required to be reported in accordance with the Uniform Guidance.

SANTA ANA WATERSHED PROJECT AUTHORITY
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
Year Ended June 30, 2018

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

There were no auditor's findings in the prior year required to be reported in accordance with 2 CFR Section 200.516(a), or governmental auditing standards.



Santa Ana Watershed Project Authority

OVER 50 YEARS OF INNOVATION, VISION, AND WATERSHED LEADERSHIP

March 20, 2019

Teaman, Ramirez & Smith, Inc.
4201 Brockton Avenue, Suite 100
Riverside, CA 92501

This representation letter is provided in connection with your audit of the financial statements of the Santa Ana Watershed Project Authority (the "Authority"), which comprise the respective financial position of the business-type activities as of June 30, 2018, and the respective changes in financial position and, where applicable, cash flows for the year then ended, and the related notes to the financial statements, for the purpose of expressing opinions as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of March 20, 2019, the following representations made to you during your audit.

Financial Statements

- 1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated January 2, 2019, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP and for preparation of the supplementary information in accordance with the applicable criteria.
- 2) The financial statements referred to above are fairly presented in conformity with U.S. GAAP and include all properly classified funds and other financial information of the primary government and all component units required by generally accepted accounting principles to be included in the financial reporting entity.
- 3) We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
- 4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.

Ronald W. Sullivan
Chair
Eastern Municipal
Water District

Kati Parker
Vice Chair
Inland Empire
Utilities Agency

Bruce Whitaker
Secretary-Treasurer
Orange County
Water District

Brenda Dennstedt
Commissioner
Western Municipal
Water District

T. Milford Harrison
Commissioner
San Bernardino Valley
Municipal Water District

Richard E. Haller, P.E.
General Manager

March 20, 2019

Teaman, Ramirez & Smith, Inc.
4201 Brockton Avenue, Suite 100
Riverside, CA 92501

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- 4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- 5) Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.

- 6) Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with U.S. GAAP.
- 7) Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements or in the schedule of findings and questioned costs.
- 8) The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements as a whole for each opinion unit.
- 9) The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.
- 10) Guarantees, whether written or oral, under which the Authority is contingently liable, if any, have been properly recorded or disclosed.

Information Provided

- 11) We have provided you with:
 - a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters, and all audit or relevant monitoring reports, if any, received from funding sources.
 - b) Additional information that you have requested from us for the purpose of the audit.
 - c) Unrestricted access to persons within the Authority from whom you determined it necessary to obtain audit evidence.
 - d) Minutes of the meetings of the Board of Commissioners or summaries of actions of recent meetings for which minutes have not yet been prepared.
- 12) All material transactions have been recorded in the accounting records and are reflected in the financial statements and the schedule of expenditures of federal awards.
- 13) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- 14) We have no knowledge of any fraud or suspected fraud that affects the Authority and involves:
 - a) Management,
 - b) Employees who have significant roles in internal control, or
 - c) Others where the fraud could have a material effect on the financial statements.
- 15) We have no knowledge of any allegations of fraud or suspected fraud affecting the Authority's financial statements communicated by employees, former employees, regulators, or others.
- 16) We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse, whose effects should be considered when preparing financial statements.
- 17) We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.

18) We have disclosed to you the identity of the Authority's related parties and all the related party relationships and transactions of which we are aware.

Government—specific

19) There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.

20) We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.

21) The Authority has no plans or intentions that may materially affect the carrying value or classification of assets, deferred outflows of resources, liabilities, deferred inflows of resources and fund balance or net position.

22) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts, and legal and contractual provisions for reporting specific activities in separate funds.

23) We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of fraud and noncompliance with provisions of laws and regulations that we believe have a material effect on the financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance.

24) We have identified and disclosed to you all instances, which have occurred or are likely to have occurred, of noncompliance with provisions of contracts and grant agreements that we believe have a material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.

25) We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of abuse that could be quantitatively or qualitatively material to the financial statements or other financial data significant to the audit objectives.

26) There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.

- 27) As part of your audit, you assisted with preparation of the financial statements and related notes and schedule of expenditures of federal awards. We acknowledge our responsibility as it relates to those nonaudit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for those financial statements and related notes and schedule of expenditures of federal awards.
- 28) In regard to the preparation of the annual state controller's report, capital assets depreciation calculations; GASB 68 pension calculation and related journal entry; GASB 75 OPEB calculation and related journal entry services performed by you, we have –
 - a) Assumed all management responsibilities
 - b) Designated an individual (within senior management) with suitable skill, knowledge, or experience to oversee the services.
 - c) Evaluated the adequacy and results of the services performed.
 - d) Accepted responsibility for the results of the services.
- 29) The Authority has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- 30) The Authority has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
- 31) The financial statements include all component units as well as joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations.
- 32) The financial statements properly classify all funds and activities in accordance with GASB No. 34.
- 33) All funds that meet the quantitative criteria in GASBS Nos. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
- 34) Components of net position (net investment in capital assets; restricted; and unrestricted) and classifications of fund balance (nonspendable, restricted, committed, assigned, and unassigned) are properly classified and, if applicable, approved.
- 35) Investments, derivative instruments, and land and other real estate held by endowments are properly valued.
- 36) Provisions for uncollectible receivables have been properly identified and recorded.
- 37) Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
- 38) Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.

- 39) Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
- 40) Deposits and investment securities and derivative instruments are properly classified as to risk and are properly disclosed.
- 41) Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated.
- 42) We have appropriately disclosed the Authority's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.
- 43) We believe that the actuarial assumptions and methods used to measure pension and OPEB liabilities and costs for financial accounting purposes are appropriate in the circumstances.
- 44) We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.
- 45) With regard to the electronic dissemination of audited financial statements, including financial statements published electronically on your website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.
- 46) With respect to federal award programs:
 - a) We are responsible for understanding and complying with, and have complied with, the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), including requirements relating to preparation of the schedule of expenditures of federal awards.
 - b) We acknowledge our responsibility for preparing and presenting the schedule of expenditures of federal awards (SEFA) and related notes in accordance with the requirements of the Uniform Guidance, and we believe the SEFA, including its form and content, is fairly presented in accordance with the Uniform Guidance. The methods of measurement or presentation of the SEFA have not changed from those used in the prior period and we have disclosed to you any significant assumptions and interpretations underlying the measurement or presentation of the SEFA.
 - c) If the SEFA is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the SEFA no later than the date we issue the SEFA and the auditor's report thereon.
 - d) We have identified and disclosed to you all of our government programs and related activities subject to the Uniform Guidance compliance audit, and have included in the SEFA, expenditures made during the audit period for all awards provided by federal agencies in the form of federal awards, federal cost-reimbursement contracts, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other direct assistance.

- e) We are responsible for understanding and complying with, and have complied with, the requirements of federal statutes, regulations, and the terms and conditions of federal awards related to each of our federal programs and have identified and disclosed to you the requirements of federal statutes, regulations, and the terms and conditions of federal awards that are considered to have a direct and material effect on each major program.
- f) We are responsible for establishing and maintaining, and have established and maintained, effective internal control over compliance for federal programs that provides reasonable assurance that we are managing our federal awards in compliance with federal statutes, regulations, and the terms and conditions of federal awards that could have a material effect on our federal programs. We believe the internal control system is adequate and is functioning as intended.
- g) We have made available to you all federal awards (including amendments, if any) and any other correspondence with federal agencies or pass-through entities relevant to federal programs and related activities.
- h) We have received no requests from a federal agency to audit one or more specific programs as a major program.
- i) We have complied with the direct and material compliance requirements, including when applicable, those set forth in the *OMB Compliance Supplement*, relating to federal awards and confirm that there were no amounts questioned and no known noncompliance with the direct and material compliance requirements of federal awards.
- j) We have disclosed any communications from federal awarding agencies and pass-through entities concerning possible noncompliance with the direct and material compliance requirements, including communications received from the end of the period covered by the compliance audit to the date of the auditor's report.
- k) We have disclosed to you the findings received and related corrective actions taken for previous audits, attestation engagements, and internal or external monitoring that directly relate to the objectives of the compliance audit, including findings received and corrective actions taken from the end of the period covered by the compliance audit to the date of the auditor's report.
- l) Amounts claimed or used for matching were determined in accordance with relevant guidelines in OMB's Uniform Guidance (2 CFR part 200, subpart E).
- m) We have disclosed to you our interpretation of compliance requirements that may have varying interpretations.
- n) We have made available to you all documentation related to compliance with the direct and material compliance requirements, including information related to federal program financial reports and claims for advances and reimbursements.
- o) We have disclosed to you the nature of any subsequent events that provide additional evidence about conditions that existed at the end of the reporting period affecting noncompliance during the reporting period.
- p) There are no such known instances of noncompliance with direct and material compliance requirements that occurred subsequent to the period covered by the auditor's report.
- q) No changes have been made in internal control over compliance or other factors that might significantly affect internal control, including any corrective action we have taken regarding significant deficiencies or material weaknesses in internal control over compliance, subsequent to the period covered by the auditor's report.
- r) Federal program financial reports and claims for advances and reimbursements are supported by the books and records from which the financial statements have been prepared.

- s) The copies of federal program financial reports provided you are true copies of the reports submitted, or electronically transmitted, to the respective federal agency or pass-through entity, as applicable.
- t) We have charged costs to federal awards in accordance with applicable cost principles.
- u) We are responsible for and have accurately prepared the summary schedule of prior audit findings to include all findings required to be included by the Uniform Guidance, and we have provided you with all information on the status of the follow-up on prior audit findings by federal awarding agencies and pass-through entities, including all management decisions.
- v) We are responsible for and have ensured the reporting package does not contain protected personally identifiable information.
- w) We are responsible for and have accurately prepared the auditee section of the Data Collection Form as required by the Uniform Guidance.



Signature



Title



INSIDE THE APRIL REPORT

- 1 Proposition 84 Site Visits
- 2 SAWPA Task Force Regulatory Strategic Support
- 3 Reach 5 Temescal Canyon Road Widening Project
- 4 Partial Shutdown of Reach 4D Pipeline
- 5 2019 Santa Ana River Watershed Conference

Proposition 84 Site Visits

On March 28, 2019 SAWPA staff conducted two Prop 84 site visits with DWR representatives Carmel Brown (Chief Financial Assistance Branch) and Teji Sandhu (Water Resources Engineer). Project site visits included Western Municipal Water District's (WMWD) Sterling Pump Station and La Sierra Pipeline (SARCCUP Project Round 4) and Inland Empire Utilities Agency's (IEUA) San Sevaine Basin Improvement Project (Round 2). WMWD's project is progressing well and no issues of concern were reported. IEUA's project is complete and the final walk-thru/site visit was conducted with DWR and IEUA staff and no issues were reported or found.



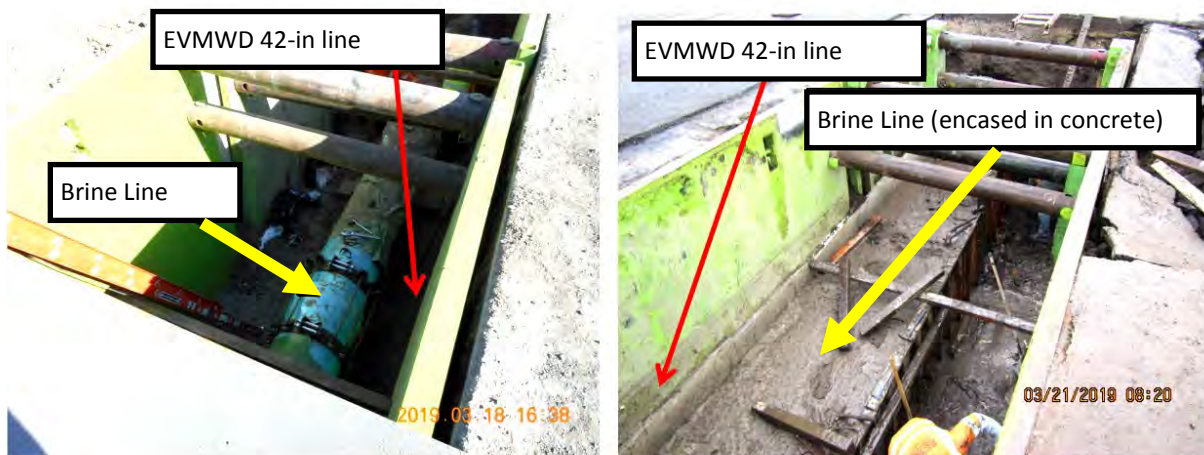
SAWPA Task Force Regulatory Strategic Support

Work is underway by staff to develop a Request for Qualifications for the support services currently provided by Tim Moore of Risk Sciences for several of the Roundtables/Task Forces administered by SAWPA and LESJWA. Tim has indicated that he will be retiring effective July 2020 so efforts are underway to find consultant support to shadow him for the coming year before transitioning into full time regulatory support. Tim was our outstanding luncheon keynote speaker for our recent 2019 Santa Ana River Watershed Conference held on March 29th. He has been an invaluable asset to SAWPA and will be hard to replace. We are pleased to be able to utilize his support services throughout the coming fiscal year.



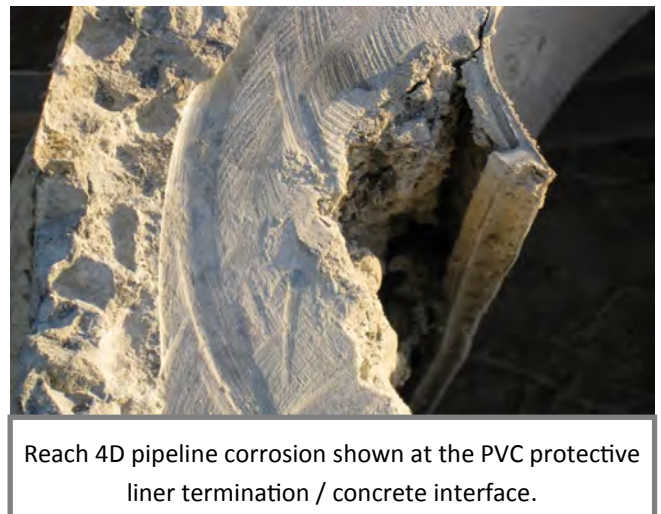
Reach 5 Temescal Canyon Road Widening Project

The County of Riverside Transportation Department has begun widening Temescal Canyon Road between Weirick Road and Dawson Canyon Road. As part of the improvement project, several storm drains have to be installed, which have resulted in impacts to existing utilities. As part of the project, the Elsinore Valley Municipal Water District 42-inch diameter pipe has to be relocated. This has resulted in potential impacts to the Brine Line due to the proximity of the pipes (both pipes were installed at the same time in the early 2000's). **SAWPA staff has been working with the County and their contractor (Beador Construction) to ensure that the Brine Line is protected during the utility relocation process.** Beador Construction exposed approximately 90-ft of the Brine Line (see photograph) and encased it in concrete to prevent any damage during construction.



Partial Shutdown of Reach 4D Pipeline

SAWPA staff has been working with several Brine Line dischargers and various jurisdictions for a partial shut-down of the Brine Line to allow pipeline cleaning and inspection of a portion of the Reach 4D pipeline. The work is based on the investigation and findings included in the Reach 4D Rehabilitation Work Plan presented to the Commission in October 2018. **SAWPA's consultant, Woodard & Curran** recommended additional pipeline inspection be conducted on three critical pipe segments to further document the current condition of the concrete pipeline. The data obtained during the inspection will be documented by the consultant and used to compare data from a future inspection (recommended to be conducted in four years) to characterize the rate of deterioration and further refine the remaining useful life. Work is tentatively scheduled for Sunday, May 12th and will continue through the morning of May 13th. Weekend and night work is required to reduce impacts to local traffic and allow for lower flows from domestic sources. The findings from the work will be presented to the Commission at a future meeting.



Reach 4D pipeline corrosion shown at the PVC protective liner termination / concrete interface.

2019 Santa Ana River Watershed Conference

Thank you to everyone who attended the 2019 Santa Ana River Watershed Conference. Another year of thought-provoking presentations and productive networking. We appreciate all of our speakers, sponsors, exhibitors, and attendees for participating. Link to the presentations is now available on SAWPA's website.



SAWPA Chair Ron Sullivan welcoming over 200 guests to the 2019 Santa Ana River Watershed Conference. Chair Sullivan also honored late SAWPA Commissioner Philip Anthony in a very moving tribute to his contributions in the watershed.



Keynote speaker Tim Moore, in a talk titled "Choosing Statesmanship over Brinkmanship. The Santa Ana Watershed's Culture of Collaboration," describing the value of creating win-win solutions rather than forcing changes on others.



- River Sponsors -



- Creek Sponsors -



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April 8, 2019

To: Santa Ana Watershed Project Authority

From: Michael Boccadoro
Beth Olhasso
Maddie Munson

RE: March Report

Overview:

California's 376 week-long drought is officially over! While former Governor Brown declared the drought over in 2017, hydrologically speaking, the state exited the drought in early March. The water supply picture continues to look fantastic going into the spring. The statewide snowpack is about 155 percent of normal and almost all major reservoirs are at or above historic levels for this time of year. State Water Project Allocations were recently increased to just 70 percent despite the significant precipitation and snowpack levels.

Contrary to earlier assertions from Southern California Edison (SCE) that their equipment was not to blame for starting the 2017 Thomas Fire, investigators from the CA Department of Forestry and Fire Protection say that the utility's equipment was responsible for both ignition points. This finding coupled with other wildfire liability could bring SCE's total responsibility to \$6.5 billion for the 2017-2018 wildfire season. The significant liability together with higher borrowing, hardening and insurance costs will likely cause significant rate increases in the SCE territory.

Governor Newsom's appointee for Secretary of CalEPA, Jared Blumenfeld, was before the Senate Rules Committee recently for his confirmation hearing. He highlighted safe drinking water and greenhouse gas emission reductions, specifically in the South Coast as top priorities for his agency in the coming years.

Any of the 2,500 bills introduced that want to make it to the finish line this year, must be out of policy committees by April 26. Policy committees have been hearing bills at a feverish pace as the policy deadline approaches. The handful of bills on clean, safe and affordable drinking water are starting to move through the process while the joint alternative proposal from the Association of California Water Agencies and the California Municipal Utilities Association, and a complementary proposal from Eastern Municipal Water District are scheduled for their first hearings in the coming weeks.

Senator Bob Hertzberg (D-Van Nuys) has revived his old "ocean discharge" bill and is proposing to eliminate 95 percent of ocean discharge from POTWs by 2040. Statewide agencies are taking positions on the measure, with WateReuse starting a process to propose significant amendments to the measure. Senator Dodd's attempt so slow down WaterFix hit a wall in the Senate Natural Resources and Water Committee recently and was only able to move out of the committee with his assurance that he will work with the opponents, including Metropolitan Water District of Southern California.

Santa Ana Watershed Project Authority Status Report – March 2019

Water Supply Conditions

A barrage of storms coming from an atmospheric river have pushed state snowpack and precipitation levels well over annual averages. While former Governor Brown declared the drought over in 2017, hydrologically, drought monitors officially indicated the state is officially drought-free after 376 consecutive weeks of drought.

As the state moves into the “spring runoff” season, reservoir managers are playing a delicate game of releasing just enough water to keep capacity for all the runoff while ensuring that reservoirs remain full going into the summer.

The State Water Project allocation was increased from 35 percent in February to 70 percent on March 20, which still seems low giving the abundant levels of snow and reservoir storage.

% of April 1 Average / % of Normal for This Date



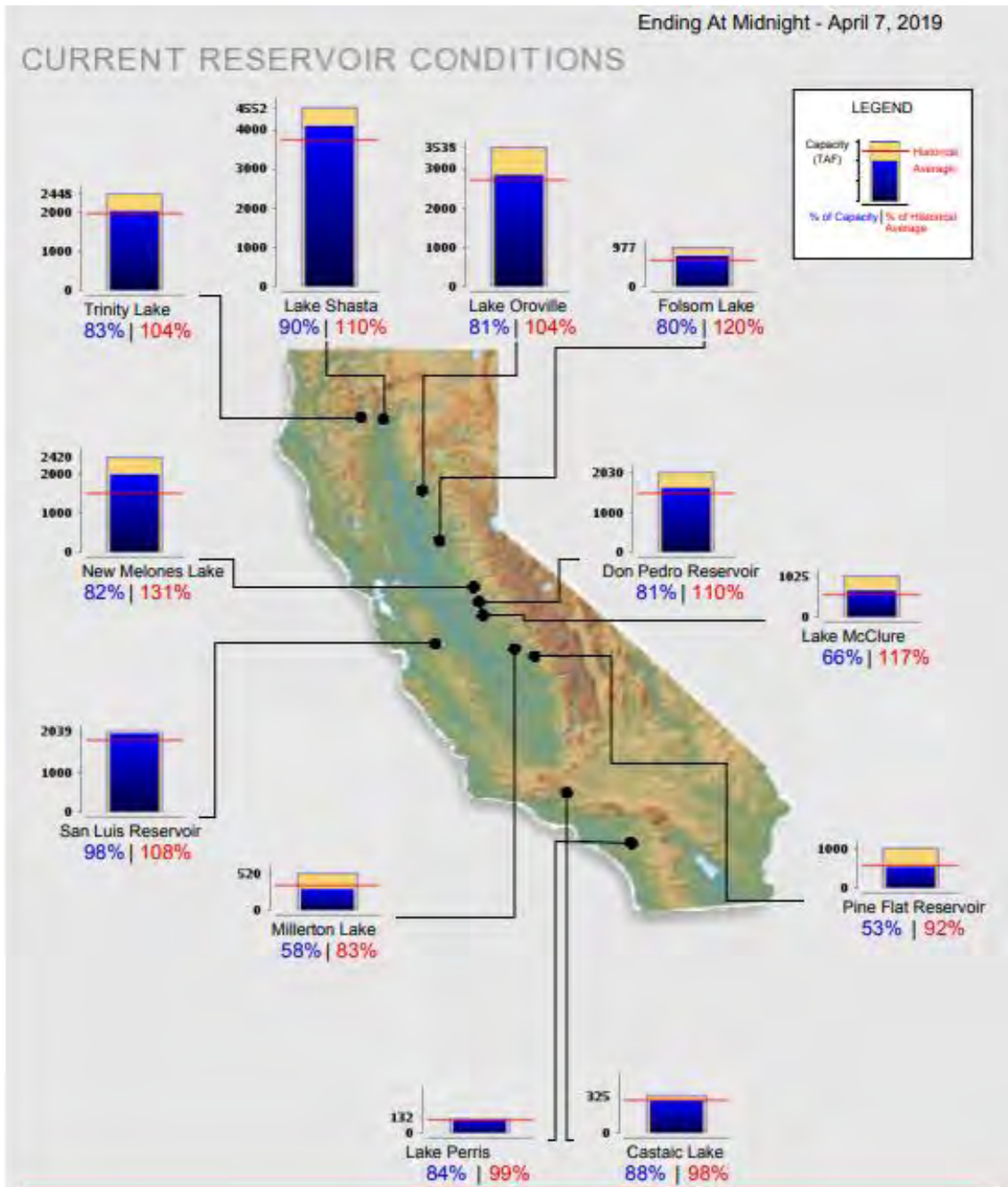
NORTH	
Data as of April 4, 2019	
Number of Stations Reporting	30
Average snow water equivalent (Inches)	47.4
Percent of April 1 Average (%)	162
Percent of normal for this date (%)	164

CENTRAL	
Data as of April 4, 2019	
Number of Stations Reporting	39
Average snow water equivalent (Inches)	47.8
Percent of April 1 Average (%)	165
Percent of normal for this date (%)	165

SOUTH	
Data as of April 4, 2019	
Number of Stations Reporting	28
Average snow water equivalent (Inches)	38.5
Percent of April 1 Average (%)	153
Percent of normal for this date (%)	153

STATE	
Data as of April 4, 2019	
Number of Stations Reporting	97
Average snow water equivalent (Inches)	45.0
Percent of April 1 Average (%)	161
Percent of normal for this date (%)	162

Statewide Average: 161% / 162%



Officials Say SCE Equipment Sparked Thomas Fire

Despite earlier assertions from Southern California Edison (SCE) that their equipment was not to blame for starting the 2017 Thomas Fire, investigators from the CA Department of Forestry and Fire Protection say that the utility’s equipment was responsible for both ignition points. This finding is significant because of the \$2.2 Billion in damages resulting from the fire that SCE will likely have to pay. In addition to the Thomas Fire, SCE could be also be held responsible for an additional \$4.3B in other 2017-2018 wildfire liability costs.

A separate proceeding at the California Public Utilities Commission is underway to create a process to determine how much of that \$2.2B, and potential \$6.5B total SCE shareholders will have to pay and how much the ratepayers will be on the hook for. SCE is trying shift as much of those costs to

ratepayers as possible, and if successful could result in significant increases to energy rates throughout the SCE service territory.

In recent weeks, SCE's bond rating has been downgraded, citing the large risk of catastrophic wildfires in 2019 and beyond. This results in the cost of borrowing money to increase, which is passed directly onto ratepayers.

CAL EPA Secretary Blumenfeld Outlines Priorities

Governor Newsom's appointee for Secretary of CalEPA, Jared Blumenfeld, was before the Senate Rules Committee recently for his confirmation hearing. At the hearing he outlined his priorities for the agency. His list included: achieving the human right to water; bringing down asthma rates; significantly reducing GHG emissions; ending plastic pollution; cleaning up the state's most toxic sites; and creating environmental justice for all.

He noted that while air quality nonattainment regions such as the South Coast, currently have very aggressive air pollution regulations on a variety of sources, officials must go further.

Legislative Update

Now that all bills have passed the "30 day in print" deadline, the legislature has been busy with policy committee hearings ahead of the April 26 policy committee deadline.

Clean, Safe and Affordable Drinking Water:

There continues to be a significant number of bills moving aimed at ensuring all Californian's have access to clean, safe and affordable drinking water. It is unclear which of these vehicles will ultimately make it to the finish line, but they will all likely move through the process as a larger discussion takes place among stakeholders, the administration and legislative leaders about how to achieve the goals outlined by the Governor for clean, safe and affordable drinking water.

Administration's Budget Trailer Bill: The Governor has released language for a budget trailer bill that closely mirrors the language from 2018's SB 623 (Monning) that would institute a \$.95 per month fee on residential water users and impose other fees on agricultural operations. ACWA and many water agencies strongly oppose this proposal as well as the use of a budget trailer bill to accomplish the fee. The trailer bill was discussed in both the Senate and Assembly Budget Subcommittees recently with both committees leaving the item open for further discussion. Opponents were out in full force, but it is clear that the legislature is waiting until later in the session to take action on the trailer bill. The Governor has indicated that he wants the issue taken care of as part of the budget's adoption in June.

SB 669 (Caballero): Safe Drinking Water Trust: Sponsored by ACWA and the California Municipal Utilities Association (CMUA), SB 669 would use a one-time infusion of general fund cash to establish a trust which revenue would be transferred to the Safe and Affordable Drinking Water Fund for administration by the State Water Resources Control Board. The bill will be heard in Senate Governance and Finance Committee on April 10.

ACA 3 (Mathis, E. Garcia): Minimum Funding Guarantee for Water: This Constitutional Amendment would require two percent of state revenues to be set aside for water. The named uses are not just for clean drinking water, but for all types of water conveyance, cleanup, recycling, groundwater cleanup, storage and others. As a Constitutional Amendment it requires a two-thirds vote and approval by voters. This bill has not been scheduled for a hearing.

SB 200 (Monning, D- San Mateo): Senator Monning’s vehicle is SB 200, which currently only establishes the trust account at the state board, but does not include any fees that were in SB 623 was heard in Senate Natural Resources and Water Committee as a “work in progress.” There was no opposition to the bill, as it still does not contain any fees, but the committee expressed concerns should a fee be added. The bill will continue to move through the process and remains a potential vehicle for the fee.

AB 271 (E. Garcia, D-Coachella): Chair of the Water, Parks and Wildlife Committee, Eduardo Garcia, recently amended AB 217 to be a “catch-all” for all of the ideas on clean, safe and affordable drinking water. The bill includes a \$.25 per customer fee/tax as well as a trust concept. The bill was heard in Assembly Environmental Safety and Toxic Materials Committee on March 26 where it passed out of the committee, but with serious discussion from members. As with the other safe and affordable drinking water bills, the members are asking a lot of questions and concerned about the impacts to ratepayers.

Other Bills: There are a number of other bills that have been introduced, mostly spot bills, that WCA will include in reports as they get substantive language and start moving forward.

SB 414 (Caballero): Small System Water Authority Act of 2019: SB 414 is Eastern Municipal Water District’s re-introduction of AB 2050 (Caballero) from 2018. The bill seeks to address the drinking water issue by enhancing long-term sustainable systems. SB 414 looks at how to manage districts with failing water systems and establish a new category of public water agency by way of merging formerly non-compliant drinking water systems in order to sustainably provide the technical, managerial, and financial capabilities necessary to ensure the consistent delivery of safe drinking water. A similar measure was vetoed in 2018. The bill was heard in Senate Governance and Finance Committee on March 28 where it easily passed and will be heard next in the Environmental Quality Committee in early April.

Ocean Discharge:

Senator Bob Hertzberg (D-Los Angeles) has introduced SB 322 which seeks to eliminate 95 percent of ocean discharges by 2040. This bill is similar to a “gut-and-amend” the Senator attempted in 2017, SB 163, which ultimately failed. As an inland agency, IEUA isn’t directly targeted in this legislation. However, there are significant concerns because the bill has no considerations for brine. SAWPA is responsible for six percent of Orange County Sanitation District’s discharges currently and is planning to increase that to 25-30 percent in coming years. With brine being a byproduct of recycling water, the bill is at odds with itself. WCA staff have met with the Senator’s staff and they are aware of the issue and claim they will work with stakeholders to address it. They did make it very clear they intentionally introduced this bill early to allow for a long stakeholder process.

The Senator and the sponsor of the bill, the Natural Resources Defense Council (NRDC), do have a little more regulatory backing on their side this year. As reported late last year, the State Water Resources Control Board updated its Recycled Water Policy which includes language to promote POTWs to reuse as much water as possible. While the goal is aspirational and not a mandate, it helps to further the Senator’s argument that eliminating ocean discharge is of significant importance to the state.

CASA is leading the opposition coalition on this legislation. WateReuse is “oppose unless amended” with their board developing significant amendments in the coming weeks.

State Water Project:

SB 204 (Dodd): SB 204 seeks to insert additional transparency and the sharing of information regarding future State Water Project Contract Amendments. If successful, this bill would significantly delay action on WaterFix and would be detrimental to any future SWP contract amendments. MWD and the State Water Contractors are seeking amendments to limit the timelines set in the bill so there isn't an open-ended window in which the contracts could be delayed. The bill had an initial hearing in the Senate Natural Resources and Water Committee where it faced serious pushback, mostly from Southern California members. After the pushback the Senator agreed to work with stakeholders, something he was reluctant to do before the hearing, as the bill moves through the process. Several members noted that they would vote against the bill on the floor should the Senator not address he concerns of MWD and the State Water Contractors.

Wastewater Treatment:

AB 1672 (Bloom) is a spot bill intending to address flushable wipes. While the language isn't yet available for this bill, this will be an important bill for the POTW community, as flushable wipes have been a significant issue for POTWs. WCA will work with CASA and others on this legislation.

There are two other wastewater treatment-related spot bills worth noting. AB 129 (Bloom) relates to microfibers and AB 223 (Stone) relates to microplastics. It will be important to monitor these bills which could attempt to make POTWs the "catch point" for these micro-wastes.

AB 1204 (B. Rubio, D-Baldwin Park): AB 1204 is an ACWA sponsored bill that would allow for a three-year compliance period on any new state MCL standard adopted by the SWRCB. Currently agencies must comply with any new MCL immediately. The bill has its first hearing in Environmental Safety and Toxic Materials Committee on April 9.

GENERAL MANAGERS MEETING NOTES

TUESDAY, APRIL 9, 2019

PARTICIPANTS PRESENT

Paul Jones
Shivaji Deshmukh
Doug Headrick (Via-Conference Call)
Rich Haller (Via-Conference Call)
Larry McKenney (Via-Conference Call)
Mark Norton
David Ruhl
Carlos Quintero
Sara Villa

REPRESENTING

Eastern Municipal Water District
Inland Empire Utilities Agency
San Bernardino Valley 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

Michael Markus
Craig Miller
Orange County Water District
Western Municipal Water District

CALL TO ORDER

Paul Jones called the meeting to order at 7:33 a.m. at SAWPA, 11615 Sterling Avenue, Riverside, California. Paul Jones welcomed Shivaji Deshmukh, General Manager of Inland Empire Utilities Agency.

FUTURE SAWPA COMMISSION AGENDA ITEMS

Rich Haller reviewed the handout provided of the Agenda Planning Matrix (SAWPA Commission, OWOW Steering Committee, PA22, and PA23). Paul Jones noted that it's anticipated to have a meeting with Metropolitan Water District to further discuss the SARCCUP Term Sheet before the PA23 June meeting.

OWOW CONFERENCE 2019

Rich Haller thanked the General Managers panel participation in the OWOW Conference. Results from the conference survey showed the General Managers as the No. 1 panel. Overall the conference went well with over 200 people in attendance. Paul Jones noted he liked the venue and the layout of the hall.

OWOW UPDATE

Mark Norton informed the General Managers that work is still proceeding in preparing for the next round of funding for Proposition (Prop) 1 Integrated Regional Water Management (IRWM) Grant Program. A "Call for Projects" was conducted and thirty (30) projects were submitted. SAWPA is currently going through an open process with stakeholders to evaluate the projects and agree to a ranking. Once the ranking is solidified, funding will be assigned to the projects. There is an MOU between SAWPA and OCWD being developed to discuss the 30% allocation of funding going towards North Orange County projects. The MOU is anticipated to be brought forward to Commission in May. Still awaiting to receive the Final Project Solicitation Package (PSP) from DWR, it was expected late March. The Disadvantaged Community involvement is moving along with the Trust the Tap Campaign to educate the public of the safety of using tap water versus bottled water. Paul Jones questioned when will the SAWPA and OCWD MOU be finalized? Norton noted that they've received the latest draft from OC this past weekend and staff is in the process of going over it and will be providing response comments soon. Jones requested that the other agencies see the MOU once it has been finalized prior to Commission meeting. Rich Haller confirmed that when both parties are comfortable with the MOU it can be distributed to the General Managers.

ROUNDTABLES UPDATE

Mark Norton provided a verbal update on the Basing Monitoring Program Task Force. The efforts to conclude the Wasteload Allocation is being done by Geoscience. Water Systems Consulting has started working on the Ambient Water Quality Update for the 1999-2018 time period. A Request for Qualifications (RFQ) is being developed for the regulatory strategist support services for the TMDL Task Forces. Risk Sciences/Tim Moore is anticipated to retire June 2020. The LE/CL TMDL Task Force is currently going through the process of a Basin Plan Amendment for the TMDL Update. The Regional Board and SAWPA will be conducting joint presentations and workshops in May. Under the Emerging Constituents Program Task Force, a new voluntary emerging constituent

of PFOA and PFOS sampling program will be conducted and analyzed late summer of 2019 with the results being available by August 2019.

PA24

Rich Haller provided a verbal update on the status of the Project Agreement 24 (PA24) and reviewed the handout provided. Haller noted that WMWD Board wanted to have an elected official approve the rates for the Brine Line, and compromise language was proposed to have the Commission approve the rates and PA24 Committee would approve everything else and recommend rates to the Commission. A meeting took place with Commissioner Dennstedt, Craig Miller, Paul Jones, and Rich Haller to discuss the language and clarification of OCWD not being a voting member on the “rates” during the Commission meetings. Paul Jones noted he had a few minor edits to the PA24 and will distribute to everyone for review. The PA24 is anticipated for Commission approval May 21.

BRINE LINE UPDATE

David Ruhl provided updates on the following:

- a. Pretreatment Program Update – Inland Bioenergy, LLC was issued a Cease and Desist, Compliance, and Civil Penalty Order for slug discharge to the Brine Line on March 6. Fines were issued with supplemental surcharges to pay for the pounds of BOD and TSS discharge to the Brine Line in January. A meeting was held with SAWPA staff and Inland Bioenergy and they requested that the charges be directed to IEUA. Subsequently, Inland Bioenergy failed to pay by their due date and more fines accrued, as well as the data for February, showing they had an additional twenty (20) days of slug discharge. Total fees are roughly \$200,000. Inland Bioenergy is cooperating and is working with SAWPA staff in resolving the Cease and Desist, Compliance, and Civil Penalty Order.
- b. Reach IV-D Corrosion Investigation Work – The Brine Line Reach IV-D runs seven (7) miles in IEUA and WMWD service area. A handout was provided of the location of Reach IV-D and a picture of the deteriorating pipe. Woodard and Curran did a corrosion study and provided a summary of workplan recommendation for a short, near, and long-term work. SAWPA is currently implementing the near-term recommendation to establish the baseline condition and go out to two (2) locations and clean the CCTV. The work is scheduled for May 12-13, associated with the work, a few dischargers will need to shut down. The results will be brought forward to the General Managers and the SAWPA Commission once received.
- c. OCSD Rock Removal – The Rock Removal is anticipated to start in May.
- d. Beaumont Connection to Brine Line – SAWPA and Beaumont staff meet regularly to work together in getting their conditions met and getting their permit to discharge. Beaumont’s proceeding with construction to the Brine Line and upgrades to their treatment plant. With the recent rains, they are a month behind schedule and might need to request extension from the Regional Board.
- e. Lease Capacity Pool Agreement – All Lease Capacity Pool Agreements have been signed by the member agencies. Once Rich Haller signs, a fully executed copy will be compiled and issued back to the member agencies.
- f. Joint Policy Committee Meeting – Scheduled for April 18, 2019.
- g. Rates – A handout of Resolution No. 2019-05 was provided to the General Managers. Carlos Quintero noted that the Resolution will be brought forward to Commission for approval on April 16.
- h. Aramark – Aramark is looking into purchasing capacity through WMWD and connecting to the Brine Line. More details to come.

OPERATIONS UPDATE

Carlos Quintero provided updates on the following:

- a. Brine Line O&M Activities – Maintenance is being done on the syphons on Warm Springs Creek which is located East of the I-215 and North of the I-10 Freeway due to a piece of liner being detached. SAWPA staff asked Mountainview and Yucaipa to shut down for inspection. Routine maintenance continues Reach V.
- b. Building Improvements – A task order was issued to a designer to help identify furniture and building improvements. It is anticipated to provide an update on the status for Commission in May.
- c. Parking Lot Status – A proposal was received for \$67,000 and WMWD and SAWPA need to figure out the percentage of allocation. There are additional fees for SAWPA to add three (3) parking spots, switching the handicap areas to the north side of the building, and building a path to the main door from the electric charging stations to meet ADA compliance.

SCHEDULING – NEXT GM MEETING

The next General Managers meeting is scheduled for May 14, 2019, at 7:30 a.m. at SAWPA. The meeting adjourned at 8:20 a.m.

COMMISSION REVIEW: April 16, 2019

2019-4-9 GM Mtg Notes