



# S A W P A

SANTA ANA WATERSHED PROJECT AUTHORITY

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

## REGULAR COMMISSION MEETING TUESDAY, MAY 21, 2019 – 9:30 A.M.

### REVISED 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 16, 2019 .....7

**Recommendation:** Approve as posted.

B. TREASURER’S REPORT – APRIL 2019 .....11

**Recommendation:** Approve as posted.

5. NEW BUSINESS

A. UPDATED RESERVE POLICY (CM#2019.45) .....17

**Presenter:** Karen Williams

**Recommendation:** Approve the updated Reserve Policy adding the Rate Stabilization Reserve and authorize staff to transfer \$1 million from the Brine Line Operating Reserve to the Rate Stabilization Reserve.

B. INLAND EMPIRE BRINE LINE RATE RESOLUTION (CM#2019.48) .....41

**Presenter:** Carlos Quintero

**Recommendation:** Adopt Resolution No. 2019-05 establishing the new Inland Empire Brine Line rates to be effective July 1, 2019 (Fiscal Year 2020).

C.	<u><a href="#">MIDDLE SANTA ANA RIVER BACTERIA TMDL SYNOPTIC STUDY – GEI CONSULTANTS (CM#2019.46)</a></u> .....	55
	<b>Presenter:</b> Rick Whetsel	
	<b>Recommendation:</b> Approve an Agreement for Services and Task Order GEI384-01 with GEI Consultants for not-to-exceed amount of \$200,000 to conduct the MSAR Bacteria TMDL Synoptic Study in support of the Middle Santa Ana River Bacteria TMDLs.	
D.	<u><a href="#">SAWPA BUILDING IMPROVEMENTS (CM#2019.49)</a></u> .....	85
	<b>Presenter:</b> Carlos Quintero	
	<b>Recommendation:</b> Provide direction to staff regarding the Board Room improvements and authorize the use of \$178,000 from the Building Reserve Fund to make various improvements to the SAWPA Building.	
E.	<u><a href="#">AGREEMENT WITH ORANGE COUNTY STAKEHOLDERS (OCWD, OCSD, OC PUBLIC WORKS) ON INTEGRATED REGIONAL WATER MANAGEMENT FUNDING (CM#2019.50)</a></u> .....	93
	<b>Presenter:</b> Rich Haller	
	<b>Recommendation:</b> Receive a status update on negotiations to complete the subject agreement, review the latest draft agreement, approve the draft agreement or provide direction to staff as necessary.	
F.	<u><a href="#">OWOW STEERING COMMITTEE APPOINTMENTS (CM#2019.51)</a></u> .....	105
	<b>Presenter:</b> Rich Haller	
	<b>Recommendation:</b> Appoint one Commissioner to serve on the OWOW Steering Committee for the May 23, 2019 meeting.	
G.	<u><a href="#">PROPOSED PROJECT AGREEMENT 24, INLAND EMPIRE BRINE LINE (CM#2019.52)</a></u> .....	109
	<b>Presenter:</b> Rich Haller	
	<b>Recommendation:</b> Approve Project Agreement 24 for the Inland Empire Brine Line.	
H.	<u><a href="#">REQUEST FOR QUALIFICATIONS (RFQ) FOR LEGAL SERVICES; CREATE DIRECTOR OF LEGISLATIVE AFFAIRS AND COMMUNICATIONS POSITION (CM#2019.47)</a></u> .....	131
	<b>Presenter:</b> Rich Haller	
	<b>Recommendation:</b> Authorize release of a Request for Qualifications (RFQ) for Legal Services; and, direct staff to prepare documents to create a new position titled Director of Legislative Affairs and Communications.	
6.	<b><u>INFORMATIONAL REPORTS</u></b>	
	<b>Recommendation:</b> Receive for information.	
A.	<u><a href="#">CASH TRANSACTIONS REPORT – MARCH 2019</a></u> .....	149
	<b>Presenter:</b> Karen Williams	
B.	<u><a href="#">INTER-FUND BORROWING – MARCH 2019 (CM#2019.43)</a></u> .....	157
	<b>Presenter:</b> Karen Williams	
C.	<u><a href="#">PERFORMANCE INDICATORS/FINANCIAL REPORTING – MARCH 2019 (CM#2019.44)</a></u> .....	163
	<b>Presenter:</b> Karen Williams	

- D. OWOW QUARTERLY STATUS REPORT: JANUARY 1, 2019 – MARCH 31, 2019 ..... 185  
**Presenter:** Mark Norton
- E. ROUNDTABLES QUARTERLY STATUS REPORT: JANUARY 1, 2019 – MARCH 31, 2019 ... 189  
**Presenter:** Mark Norton
- F. GENERAL MANAGER REPORT ..... 201
- G. STATE LEGISLATIVE REPORT ..... 211  
**Presenter:** Rich Haller
- H. SAWPA GENERAL MANAGERS MEETING NOTES ..... 219
  - May 14, 2019
- I. CHAIR’S COMMENTS/REPORT
- J. COMMISSIONERS’ COMMENTS
- K. COMMISSIONERS’ REQUEST FOR FUTURE AGENDA ITEMS

**7. CLOSED SESSION**

- A. PURSUANT TO GOVERNMENT CODE SECTION 54957.6 – CONFERENCE WITH LABOR NEGOTIATOR  
SAWPA Designated Representative: General Manager Richard E. Haller  
Non-Represented Employees: All SAWPA employees
- B. PURSUANT TO GOVERNMENT CODE SECTION 54957 – PUBLIC EMPLOYEE EVALUATION – GENERAL MANAGER

**8. ADJOURNMENT**

Americans with Disabilities Act: If you require any special disability related accommodations to participate in this meeting, call (951) 354-4230 or email [kberry@sawpa.org](mailto: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](http://www.sawpa.org), subject to staff’s ability to post documents prior to the meeting.

**Declaration of Posting**

I, Kelly Berry, Clerk of the Board of the Santa Ana Watershed Project Authority declare that on Thursday, May 16, 2019, a copy of this revised agenda has been uploaded to the SAWPA website at [www.sawpa.org](http://www.sawpa.org) and posted at the SAWPA office, 11615 Sterling Avenue, Riverside, California.

/s/

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Kelly Berry, CMC

**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.)

<b>January</b>	<b>February</b>
1/1/19 <del>Commission Workshop</del> [cancelled] 1/15/19 Regular Commission Meeting	2/5/19 Commission Workshop 2/19/19 Regular Commission Meeting
<b>March</b>	<b>April</b>
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
<b>May</b>	<b>June</b>
5/7/19 <del>Commission Workshop</del> [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
<b>July</b>	<b>August</b>
7/2/19 Commission Workshop 7/16/19 Regular Commission Meeting	8/6/19 Commission Workshop 8/20/19 Regular Commission Meeting
<b>September</b>	<b>October</b>
9/3/19 Commission Workshop 9/17/19 Regular Commission Meeting	10/1/19 Commission Workshop 10/15/19 Regular Commission Meeting
<b>November</b>	<b>December</b>
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:

<https://sawpa.org/sawpa-calendar/>

## MONTH OF: MAY 2019

DATE	TIME	MEETING DESCRIPTION	LOCATION
5/23/19	8:00 AM	PA 22 Committee Mtg	CANCELLED
5/23/19	11:00 AM	OWOW Steering Committee Mtg	SAWPA
5/29/19	9:00 AM	MSAR TMDL Task Force Mtg	SAWPA

## MONTH OF: JUNE 2019

DATE	TIME	MEETING DESCRIPTION	LOCATION
6/4/19	8:30 AM	PA 23 Committee Mtg	SAWPA
6/18/19	1:30 PM	Basin Monitoring Program Task Force Mtg	SAWPA
6/19/19	1:00 PM	Lake Elsinore/Canyon Lake TMDL Task Force Mtg	SAWPA
6/20/19	4:00 PM	LESJWA Board of Directors Mtg	CANCELLED
6/27/19	8:00 AM	PA 22 Committee Mtg	SAWPA
6/27/19	9:30 AM	OWOW Pillar Integration Mtg	CANCELLED

*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.

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**SAWPA COMMISSION  
REGULAR MEETING MINUTES  
APRIL 16, 2019**

**COMMISSIONERS PRESENT**

Ronald W. Sullivan, Chair, Eastern Municipal Water District  
Kati Parker, Vice Chair, Inland Empire Utilities Agency  
Denis R. Bilodeau, Secretary-Treasurer, Orange County Water District  
Brenda Dennstedt, Western Municipal Water District  
T. Milford Harrison, San Bernardino Valley Municipal Water District

**COMMISSIONERS ABSENT**

**ALTERNATE COMMISSIONERS  
PRESENT; NON-VOTING**

Jasmin A Hall, Alternate, Inland Empire Utilities Agency

**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 Chair Sullivan at the Santa Ana Watershed Project Authority, 11615 Sterling Avenue, Riverside, California.

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

**2. ROLL CALL**

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

**3. PUBLIC COMMENTS**

There were no public comments.

**4. CONSENT CALENDAR**

**A. APPROVAL OF MEETING MINUTES: APRIL 2, 2019**

Recommendation: Approve as posted.

**B. TREASURER'S REPORT – MARCH 2019**

Recommendation: Approve as posted.

**MOVED**, approve the Consent Calendar.

Result: **Adopted (Unanimously)**

Motion/Second: Dennstedt/Harrison

Ayes: Bilodeau, Dennstedt, Harrison, Parker, Sullivan

Nays: None

Abstentions: None

Absent: None

**5. NEW BUSINESS**

**A. ACKNOWLEDGE OCWD ACTION | SECRETARY-TREASURER APPOINTMENT | OWOW STEERING COMMITTEE APPOINTMENT (CM#2019.40)**

On January 15, 2019, the SAWPA Commission acted to elect Commissioner Bruce Whitaker as Secretary-Treasurer of the Commission and, as such, appointed Commissioner Whitaker to the OWOW Steering Committee for the next two years. Subsequent to that action, Bruce Whitaker was not re-appointed to the OCWD Board.

On April 3, 2019, the OCWD Board elected Denis R. Bilodeau as their SAWPA Commissioner and Dina L. Nguyen as their Alternate SAWPA Commissioner. Accordingly, staff recommended the SAWPA Commission acknowledge the action taken by the OCWD Board, appoint Commissioner Bilodeau as SAWPA Commission Secretary-Treasurer, and affirm the appointment of Commissioner Bilodeau to the OWOW Steering Committee for the next two years.

**MOVED,** (1) Acknowledge action taken by 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.

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

**B. INLAND EMPIRE BRINE LINE RATE RESOLUTION (CM#2019.41)**

Carlos Quintero provided a PowerPoint presentation on FYE 2019-2020 Brine Line Rates. Due to recent information received from the Orange County Sanitation District (OCSD) after the posting of the agenda for this meeting, staff recommended deferring adoption of Resolution No. 2019-5 until the May 21, 2019 meeting.

Inland Empire Brine Line rates are comprised of three components: (1) Flow (charged on a per-million gallon basis – MGD); (2) BOD (biochemical oxygen demand – charged on a per 1,000 pound basis); and (3) TSS (total suspended solids – charged on a per 1,000 pound basis). BOD and TSS are pass-through charges from OCSD. Below is a table outlining rates based on information provided by OCSD in April of 2018 for FYE 2018-2019 and FYE 2019-2020, as well as proposed rate increases based on information provided by OCSD in April of 2019:

Inland Empire Brine Line Rates				
FYE 2018-2019 OCSD Increases		FYE 2019-2020 Proposed OCSD Increases		
	April 2018		As of April 2018	As of April 2019
BOD	2.5%	BOD	5.8%	12.2%
TSS	5.5%	TSS	5.6%	15.0%
Flow	6.5%	Flow	6.0%	18.0%



Staff will meet with OCSD staff in order to determine the basis for these increases. Staff will also discuss the possibility of phasing in the increases over a certain period of time. Chair Sullivan requested staff determine if cities within OCSD would also be charged the same proposed increases and suggested staff obtain copies of their Proposition 218 notices. Haller noted that the brine line rate is published separately by resolution as requested by SAWPA; typical property owner rates and brine line rates are calculated using different formulas since we do not pay property taxes.

The brine line rates normally include a slight buffer over the OCSD charges due to uncertainty and to ensure all costs are covered; a discussion ensued, and staff was encouraged to clearly note the percentage of OCSD charges separate and apart from any proposed buffer over those charges. Chair Sullivan requested a relative comparison showing how much of their rate is paid by property taxes, how much is based on flow, BOD, TSS, so we have a relative comparison on the rates. EMWD does this as a comparison with other water districts; we should be doing the same at SAWPA to ensure we are in the same ballpark. Commissioner Bilodeau requested staff include definitive numbers during the next presentation; break out what OCSD is charging and then include a separate line with SAWPA's costs to maintain and operate the brine line.

No action taken on Agenda Item No. 5.B.

**C. ASSET TAGGING POLICY UPDATE (CM#2019.42)**

The current Asset Tagging Policy, in effect since the 1980's, requires all items with a value over \$50 to be tagged and kept in inventory. 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. A discussion ensued regarding the classification of assets in terms of value and type. Rich Haller noted that all assets will continue to be tracked; this policy will not change that practice but would increase the dollar amount from \$50 to \$500 for inventory tagged and managed by the Commission.

**MOVED**, adopt Asset Tagging Policy 2019-01.

Result:	<b>Adopted (Unanimously)</b>
Motion/Second:	Bilodeau/Dennstedt
Ayes	Bilodeau, Dennstedt, Harrison, Parker, Sullivan
Nays:	None
Abstentions:	None
Absent:	None

**D. UPDATE ON DISCUSSIONS WITH ORANGE COUNTY STAKEHOLDERS**

Rich Haller provided an update on discussions with the Orange County Stakeholders. It had been anticipated that the MOU would be brought before the Commission on April 16 for consideration. A proposed contract has been reviewed and comments provided; final details include some differences. Staff will bring the matter back before the Commission at the May 21 meeting. Mike Markus, OCWD General Manager, suggested the longer the process takes the more difficult it will become, particularly with the state, and encouraged the parties remain engaged and committed to the process.

**6. INFORMATIONAL REPORTS**

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

- A. **CASH TRANSACTIONS REPORT – FEBRUARY 2019**
- B. **INTER-FUND BORROWING – FEBRUARY 2019 (CM#2019.37)**
- C. **PERFORMANCE INDICATORS/FINANCIAL REPORTING – FEBRUARY 2019 (CM#2019.38)**
- D. **GENERAL MANAGER REPORT**  
General Manager Haller reviewed his report.
- E. **STATE LEGISLATIVE REPORT**
- F. **SAWPA GENERAL MANAGERS MEETING NOTES**
  - April 9, 2019
- G. **CHAIR’S COMMENTS/REPORT**  
The OWOW 2019 conference at Cal State University Fullerton was very successful; all panels were very well received. Chair Sullivan thanked Rich Haller, Water Education Foundation and SAWPA staff for the efforts.
- H. **COMMISSIONERS’ COMMENTS**  
There were no Commissioner comments.
- I. **COMMISSIONERS’ REQUEST FOR FUTURE AGENDA ITEMS**

**7. CLOSED SESSION**

There was no Closed Session.

**8. ADJOURNMENT**

There being no further business for review, Chair Sullivan adjourned the meeting at 10:01 a.m.

**Approved at a Regular Meeting of the Santa Ana Watershed Project Authority Commission on Tuesday, May 21, 2019.**

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Ronald W. Sullivan, Chair

Attest:

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Kelly Berry, CMC  
Clerk of the Board

*Santa Ana Watershed  
Project Authority*



**Finance Department**

Santa Ana Watershed Project Authority  
**TREASURER'S REPORT**

**April 2019**

During the month of April 2019, the Agency's actively managed temporary idle cash earned a return of 1.754%, representing interest earnings of \$17,875. Additionally, the Agency's position in overnight funds L.A.I.F. generated \$82,558 in interest, resulting in \$100,433 of interest income from all sources. Please note that this data represents monthly earnings only, and does not indicate actual interest received. There were zero (0) investment positions purchased, zero (0) positions sold, zero (0) 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.

May 6, 2019

Prepared and  
Submitted by:

A handwritten signature in black ink, appearing to read "Karen L. Williams".

*Karen L. Williams, Chief Financial Officer*

*Santa Ana Watershed Project Authority*  
**INVESTMENT PORTFOLIO - MARKED TO MARKET - UNREALIZED GAINS & LOSSES**  
*April 30, 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	3137EAEC9	WMS	09-16-16	08-12-21	No Call	\$ 1,000,000.00	1.335%	\$ 990,060.00	\$ 973,727.00	\$ (16,333)	1.125%	\$ 1,097.22
Agency	FHLMC	3137EADB2	WMS	04-17-17	01-13-22	No Call	\$ 500,000.00	2.375%	\$ 512,767.00	\$ 500,377.00	\$ (12,390)	2.375%	\$ 976.03
Agency	FHLB	313379EE5	WMS	05-26-15	06-14-19	No Call	\$ 500,000.00	1.420%	\$ 504,015.00	\$ 499,513.50	\$ (4,502)	1.625%	\$ 583.65
Agency	FHLB	313383HU8	WMS	06-16-16	06-12-20	No Call	\$ 1,000,000.00	1.080%	\$ 1,026,088.00	\$ 992,814.00	\$ (33,274)	1.750%	\$ 887.69
Agency	FHLB	313379Q69	WMS	12-14-17	06-10-22	No Call	\$ 1,000,000.00	2.150%	\$ 998,930.00	\$ 993,462.00	\$ (5,468)	2.125%	\$ 1,767.21
Agency	FNMA	3135G0H55	WMS	12-28-15	12-28-20	No Call	\$ 1,000,000.00	1.830%	\$ 1,002,140.00	\$ 992,410.00	\$ (9,730)	1.875%	\$ 1,504.12
Agency	FNMA	3135G0F73	WMS	06-16-16	11-30-20	No Call	\$ 1,000,000.00	1.150%	\$ 1,015,157.00	\$ 986,662.00	\$ (28,495)	1.500%	\$ 945.21
Agency	USTN	912828WC	WMS	11-17-15	10-31-20	No Call	\$ 1,000,000.00	1.638%	\$ 1,005,312.50	\$ 991,602.00	\$ (13,711)	1.750%	\$ 1,346.17
Agency	USTN	912828G61	WMS	11-17-15	11-30-19	No Call	\$ 1,000,000.00	1.469%	\$ 1,001,210.94	\$ 994,453.00	\$ (6,758)	1.500%	\$ 1,207.35
Agency	USTN	912828L32	WMS	06-17-16	08-31-20	No Call	\$ 500,000.00	1.030%	\$ 507,070.31	\$ 493,574.00	\$ (13,496)	1.375%	\$ 423.42
Agency	USTN	912828L65	WMS	06-16-16	09-30-20	No Call	\$ 500,000.00	1.041%	\$ 506,992.19	\$ 493,359.50	\$ (13,633)	1.375%	\$ 427.69
Agency	USTN	912828L99	WMS	06-16-16	10-31-20	No Call	\$ 500,000.00	1.051%	\$ 506,914.06	\$ 493,066.50	\$ (13,848)	1.375%	\$ 431.71
Agency	USTN	912828S76	WMS	12-14-17	07-31-21	No Call	\$ 1,000,000.00	2.013%	\$ 969,062.50	\$ 975,273.00	\$ 6,211	1.125%	\$ 1,654.36
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%	\$ 1,380.83
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%	\$ 1,458.90
CD	Ally Bank	02006L2F9	WMS	01-13-15	04-20-20	No Call	\$ 248,000.00	1.800%	\$ 248,000.00	\$ 246,790.37	\$ (1,210)	1.800%	\$ 366.90
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%	\$ 458.63
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%	\$ 448.44
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%	\$ 509.59
<b>Total Actively Invested Funds</b>							<b>\$ 12,492,000.00</b>		<b>\$ 12,515,365.50</b>	<b>\$ 12,368,957.87</b>	<b>\$ (146,408)</b>	<b>1.754%</b>	<b>\$ 17,875.12</b>
<b>Total Local Agency Investment Fund</b>									\$ 41,082,167.69			2.445%	\$ 82,558.27
<b>Total Invested Cash</b>							<b>\$ 12,492,000.00</b>		<b>\$ 53,597,533.19</b>			<b>2.284%</b>	<b>\$ 100,433.39</b>

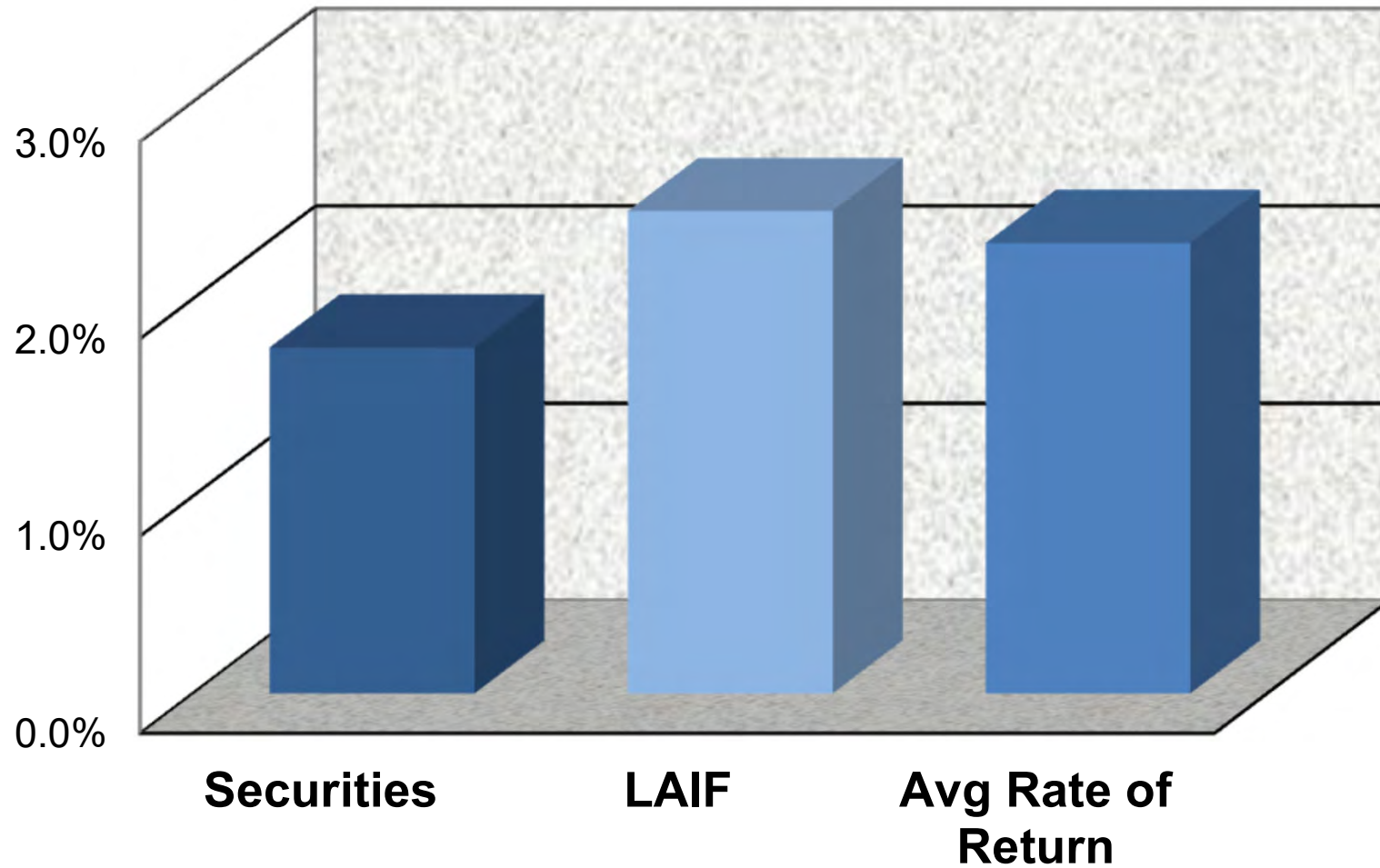
**Key to Security Type:**

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:**

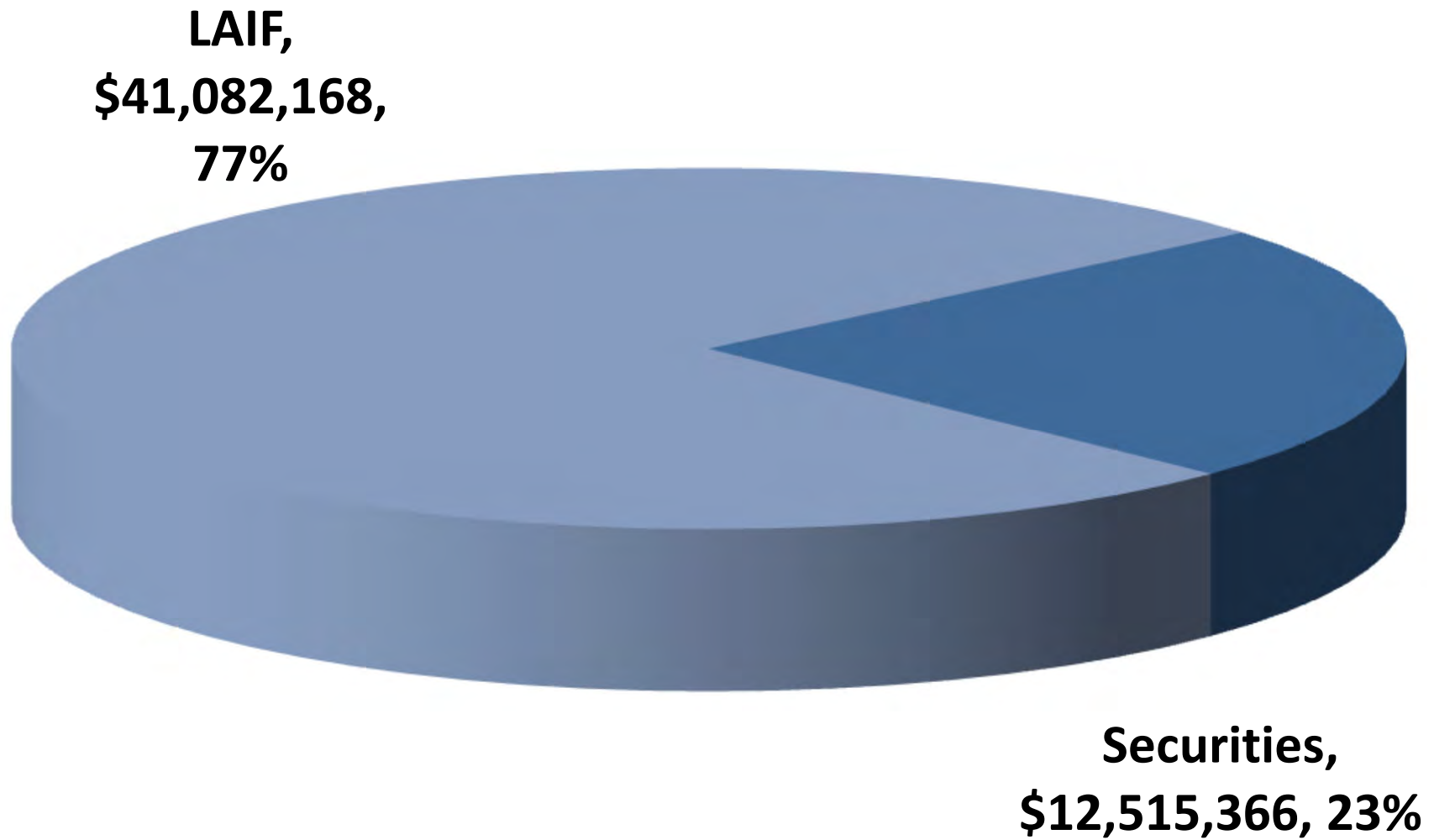
FCS	= FinaCorp Securities
MBS	= Multi-Bank Securities
MS	= Mutual Securities
RCB	= RBC Dain Rauscher
SA	= Securities America
TVI	= Time Value Investments
WMS	= Wedbush Morgan Securities

## Interest Rate Analysis

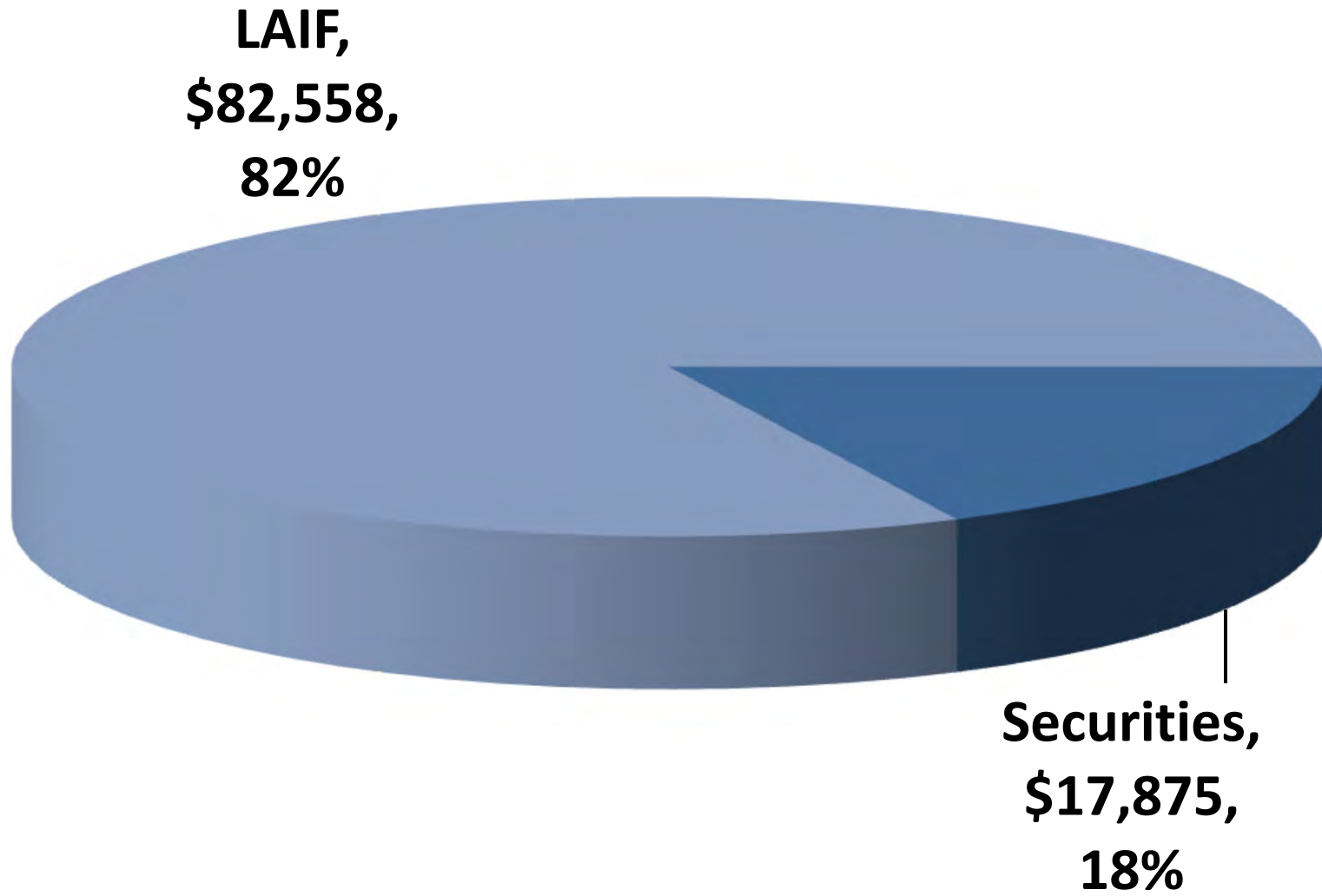


# Investments

**\$53,597,533**



**Interest  
\$100,433**



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## COMMISSION MEMORANDUM NO. 2019.45

**DATE:** May 21, 2019  
**TO:** SAWPA Commission  
**SUBJECT:** Updated Reserve Policy  
**PREPARED BY:** Karen Williams, Chief Financial Officer

### RECOMMENDATION

It is recommended that the Commission approve the updated Reserve Policy adding the Rate Stabilization Reserve and authorize staff to transfer \$1 million from the Brine Line Operating Reserve to the Rate Stabilization Reserve.

### DISCUSSION

On October 19, 2010, the Commission approved a contract with Fieldman, Rolapp & Associates to provide financial advisory services for the Brine Line Capital Improvement Program. As part of their service, they reviewed our cash management policies and goals and updated our Reserve Policy which was approved on June 21, 2011. At the time, they did not feel we needed a Rate Stabilization Reserve.

In reviewing the Reserve Policy, staff feels we need to add a Rate Stabilization Reserve. A Rate Stabilization Reserve will mitigate the effects of occasional shortfalls in revenue and will help reduce the impact of large rate increases to our customers. The updated Reserve Policy adds a Rate Stabilization Reserve and changes all references of an annual budget to a bi-annual budget.

At the April 16, 2019 Commission Meeting, staff informed the commission that the Orange County Sanitation District (OCS D) had increased their FYE 2020 rates over and above the projections they had given us earlier in the year. Those projections were used in determining SAWPA's Brine Line rates which were included in the FYE 2020 Budget. Instead of passing on the increases to our Brine Line customers the Rate Stabilization Reserve can be used to absorb the increased costs. The Rate Stabilization Reserve will mitigate the year to year variability in the rates, will provide flexibility when informed late in the fiscal year of rate changes, and will enable the use of rates and projected rates developed in the bi-annual budget giving customers rate predictability for two years.

To fund the Rate Stabilization Reserve, staff request that the Commission approve a transfer of \$1 million be made from the Brine Line Operating Reserve to the Rate Stabilization Reserve. As of March 31, 2019, the Operating Reserve has a balance of \$3,836,117. With the transfer, the Operating Reserve will still have a balance of over 25% of Brine Line Enterprise total annual operating expenditures as required in the Reserve Policy.

### RESOURCE IMPACTS

Any revenue shortfall from increased OCS D rates will be funded from the Rate Stabilization Reserve and will not impact the FYE 2020 Budget. The estimated revenue shortfall for FYE 2020 is \$227,850.

#### Attachments:

1. Reserve Policy (clean)
2. Reserve Policy (markup with changes)


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1

Policy Update

- Current policy was approved in 2011
- Update needed to add a Rate Stabilization Fund and update references of an annual budget to a bi-annual budget



2

## Background

- Staff receives estimates of rate increases from OCSD
- Based on those estimates staff sets Brine Line Rates
- Many times, OCSD estimates have been far different from the rates they approve
- Estimated revenue shortfall for FYE 2020 is \$227,850



3

## Objective

- Having a Rate Stabilization Reserve will allow SAWPA the ability to absorb unplanned rate increases
- Will mitigate the year to year variability in the rates
- Will provide flexibility when informed of rate changes from OCSD
- Give customers rate predictability



4

## Rate Stabilization Reserve

- Reserve will mitigate the effects of occasional shortfalls in revenue from:
  - **Unplanned or unexpectedly large rate increases**
  - **Weather factors (wet weather or drought events and natural disasters)**
  - **Increased water conservation**
  - **Poor regional economic conditions.**
- No minimum balance for this reserve
- Utilized to pay revenue shortfalls that result from the conditions above



5

## Funding the Reserve

- Transfer \$1 million from the Brine Line Operating Reserve
- Operating Reserve has a balance of \$3,836,117 as of March 31, 2019
- Operating Reserve minimum amount should be equal to 90 days of total operating expenditures (less OCSD costs)
- Current reserve levels exceeds that minimum after the transfer



6

## Recommendation

- Approve the updated Reserve Policy adding the Rate Stabilization Reserve
- Authorize staff to transfer \$1 million from the Operating Reserve to the Rate Stabilization Reserve



7



8

## SANTA ANA WATERSHED PROJECT AUTHORITY

# RESERVE FUNDS POLICY

### POLICY STATEMENT

A key element of prudent financial planning is to ensure that sufficient funding is available for current operating, capital, and debt service needs. Additionally, fiscal responsibility requires anticipating the likelihood of, and preparing for, unforeseen events. The Santa Ana Watershed Project Authority (“SAWPA”) desires to identify and provide a calculation methodology and/or maintained level of all existing and future needs of the agency where reserve funds are required and/or necessary. The SAWPA Commission realizes the importance of reserves in providing reliable service to its member agencies, financing long-term capital projects, and the funding of emergencies, should they arise. In this context, SAWPA will at all times strive to have sufficient funding available to meet its operating, capital, and debt service obligations. Funds will be accumulated and maintained to allow SAWPA to fund expenditures in a manner consistent with SAWPA’s long range financial plan and the Capital Improvement Plan (“CIP”) and avoid significant rate fluctuations due to changes in cash flow requirements.

The Commission may designate specific fund accounts and maintain minimum fund balances consistent with statutory obligations that it has determined to be in the best interest of SAWPA. The Policy directives outlined in this document are intended to ensure SAWPA has sufficient funds to meet current and future needs. The Commission will annually review the level of reserve funds. Considerations to continue or the establishment of a new reserve fund will be determined based on the following criteria:

- ◆ Reason for the reserve.
- ◆ Availability and source of funds to continue, replenish or establish the reserve.
- ◆ Operating expenditure levels approved within the annual budget process.
- ◆ Future capital expenditure and debt service requirements of the agency.
- ◆ Commission approval of the reserve policy.

SAWPA recognizes the importance of operating an agency or company with a sound business plan in place that provides for unanticipated/emergency costs should they arise within a budgeted fiscal year. In keeping SAWPA’s member agencies’ best interest in mind, these costs would be set aside to avoid, once a bi-annual budget has been approved, a request for additional funding from member agencies within a fiscal year.

It is staff’s intent through this policy to describe how and why specific reserves are established and maintained at SAWPA and to provide SAWPA’s member agencies with assurance that reserve balances will be maintained at prudent and fiscally responsible levels.

## DEFINITIONS

This policy describes the reserve funds to be maintained in connection with: i) the Inland Empire Brine Line and ii) the General Fund. In general, there are two types of reserve fund classifications:

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

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

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

- ◆ *Restricted and Designated Reserves* – Reserve funds that are designated for a particular purpose and whose use is restricted to only that purpose. The Restricted and Designated Reserves consist of the Debt Retirement Reserve.
- ◆ *Board Designated Reserves* – Reserve funds earmarked for the purpose of funding items such as new capital facilities, repair or replacement of existing facilities, and general operating reserves designated for a specific purpose and use by the Commission. The Board Designated Reserves are comprised of the following reserve accounts: Brine Line Operating Reserves, Pipeline Replacement Reserve, OCS D Rehabilitation Reserve, Debt Retirement Reserve, OCS D Future Capacity Reserve, Self Insurance Reserve, Capacity Management Reserve, Flow Imbalance Reserve, General Fund Operating Reserve, and General Fund Building Reserve.
- ◆ *Board Restricted (Obligated) Reserves* – Reserves set aside to meet financial commitments for services not yet fulfilled and purchases that will take place in the future. These reserves consist of the Capital Improvement Construction Reserve.
- ◆ *Contractually Restricted Reserves* – Funds held to satisfy limitations set by external requirements established by creditors, grant agencies or contributors, or law. Examples include stipulated bond covenants, capital improvement fees, and service deposits. At present SAWPA does not hold any contractually restricted reserve funds.



## **GENERAL PROVISIONS**

SAWPA will maintain its operating and capital funds in designated accounts in a manner that ensures its financial soundness and provides transparency to its member agencies. The fund balances are considered the minimum necessary to maintain SAWPA's fiscal strength and flexibility and adequately provide for:

- ◆ Compliance with applicable statutory requirements.
- ◆ Financing of future capital projects and repair and replacement of existing assets.
- ◆ Cash flow requirements.
- ◆ Economic uncertainties, local disasters, and other financial hardships or downturns in the local or national economy.
- ◆ Contingencies or unforeseen operating or capital needs.

In the context of funding future capital projects and maintaining and replacing existing assets, in each instance, SAWPA will analyze the benefits and tradeoffs of utilizing pay-as-you-go and/or debt financing and determine the optimal funding strategy or combination of funding strategies. The analysis should consider SAWPA's current and projected operating and capital positions, as well as the impact of inflation, depreciation, the cost of service, and other factors on the operations of SAWPA and its capital improvement program.

Through a variety of policy documents and plans, including SAWPA's Capital Improvement Plan, the long range financial plan, and the Inland Empire Brine Line (Brine Line), Financial Study and Rate Model, the Commission has set forth a number of long-term goals for SAWPA. A fundamental purpose of SAWPA's policy documents and plans is to link what must be accomplished with the necessary resources to successfully do so.

SAWPA has established and will maintain the reserve funds outlined in the following sections. A principal tenet of SAWPA's Reserve Fund Policy shall be the crediting of interest income to specific funds. Unless otherwise stated in this Reserve Fund Policy, interest derived from reserve balances will be credited to the reserve account from which it was earned. Fund balances will be reviewed by the Chief Financial Officer ("CFO") on a monthly basis, as well as annually during the budget review process in order to determine how reserve fund balances compare with the budgeted projections and how they measure against the goals outlined in this Policy.

The minimum established for each reserve fund represents the baseline financial condition that is acceptable to SAWPA from risk and long-range financial planning perspectives. Maintaining reserve funds at appropriate levels is a prudent, ongoing business process that consists of an iterative, dynamic assessment and application of various funding alternatives. These alternatives (either alone or in combination with each other) include, but are not limited to; rates, loans and grants, debt financing, investment of funds, and levels of capital expenditures.

The Commission shall approve any reallocation of funds or any transfers among reserve funds.

## **SPECIFIC PROVISIONS**

SAWPA will maintain the following reserve funds and respective target levels:

- 1.) Brine Line Operating Reserve: The Brine Line Operating Reserve is established to cover temporary cash flow deficiencies that occur as a result of timing differences between the receipt of operating revenue and expenditure requirements. The reserve is utilized as needed to pay outstanding Brine Line Enterprise expenditures prior to the receipt of anticipated operating revenues.

Target Level – Funding shall be targeted at a minimum amount equal to 90 days (i.e. 25%) of SAWPA’s Brine Line Enterprise total annual operating expenditures. If SAWPA elects to issue variable rate debt, the minimum required balance in this reserve might need to be higher.

Events and Conditions Prompting the Use of the Reserve – This reserve is utilized as needed to pay outstanding Brine Line Enterprise expenditures prior to the receipt of anticipated operating revenues.

Periodic Review Dates for Balances – Reviewed and recalibrated through the normal bi-annual budget and annual rate-setting process.

- 2.) Rate Stabilization Reserve: Established to mitigate the effects of occasional shortfalls in revenue. Revenue shortfalls result from a number of events such as weather factors (wet weather or drought events and natural disasters), increased water conservation, poor regional economic conditions, and unplanned or unexpectedly large rate adjustments/increases.

Target Level – There is no minimum balance for this reserve. When revenues exceed expenses within a fiscal year, a portion of the Net Gain will be used to fund this reserve.

Events and Conditions Prompting the Use of the Reserve – This reserve is utilized as needed to pay revenue shortfalls that result from the conditions described above.

Periodic Review Dates for Balances – Reviewed as part of the bi-annual budget process.

- 3.) Pipeline Replacement Reserve: Established to provide capital replacement funding as the Brine Line system’s infrastructure (pipe) deteriorates over its expected useful life. Based on recent core sampling of the pipeline, the pipe’s useful life was adjusted from an original 50 year life expectancy to an expected useful life of 75 – 100 years. Maintaining this reserve serves two major purposes: i) provides a means of tracking funds designated for capital investment (such as capital revenues, depreciation funding, grants, etc.) and ensuring that they are used for their intended purpose and facilitating compliance with any applicable requirements, and ii) provides protection against the risk of cost overruns related to its capital improvement program.

Target Level – To help protect against risk associated with capital project cost overruns and emergency reserves, the most recent Brine Line Financial Study and Rate Model have identified a minimum target balance of \$10.0 million for this reserve. Any revenues designated for capital projects and not strictly earmarked for another fund should be deposited into this fund. To provide annual cash flow for capital projects, SAWPA

should consider depositing on an annual basis a system reinvestment contribution into this fund, equivalent to the inflation-adjusted annual depreciation.

Events and Conditions Prompting the Use of the Reserve – Through the bi-annual budget process, staff shall recommend anticipated asset replacement projects. The Commission shall take action to approve recommended project appropriations from this reserve. Should emergency replacement be necessary during any fiscal year, the Commission may take action to amend the budget and appropriate needed funds as required by such emergency. In addition, in certain circumstances SAWPA may elect to fund one-time operating expenditures related to specific projects through the use of this reserve rather than rate increases.

Periodic Review Dates for Balances – Reserve balances and projected replacement projects will be reviewed by staff and the Commission during the preparation and approval of the bi-annual budget and on an as-needed basis in the case of emergencies.

- 4.) OCSD Rehabilitation Reserve – This reserve was established to fund SAWPA’s share of capital costs associated with its proportionate share of capacity right ownership in the Santa Ana Regional Interceptor (SARI) Line maintained by OCSD. Since these costs are expected to vary significantly in timing and size, an approach has been developed to normalize these expenditures into equal annual payments. The objective is for SAWPA to make equal annual contributions (adjusted for inflation) into this interest earning reserve fund, and then make withdrawals from this fund when payments to OCSD for the SARI Line come due. According to the Brine Line Financial Study, this approach will mitigate significant capital cost spikes for SAWPA.

Target Level – The most recent Brine Line Financial Study has identified a minimum target level of \$1.75 million annually (adjusted for inflation). If the SARI Line capital costs are adjusted downward by OCSD, SAWPA will review the balance in this reserve and adjust its annual contributions accordingly.

Events and Conditions Prompting the Use of the Reserve – This reserve is utilized as needed to pay when due SAWPA’s share of OCSD SARI Line capital costs.

Periodic Review Dates for Balances – Reviewed and recalibrated through the normal bi-annual budget and if OCSD revises its SARI Line capital costs.

- 5.) Debt Retirement Reserve – This reserve was initially established with funds received from SAWPA’s member agencies for the purchase of pipeline capacity (30 MGD) in the Brine Line system to provide future funding on debt service payments for SRF loans required to build the Brine Line system. Treasury-strips (“T-Strips”) were purchased with maturities to match annual principal and interest payments due on the long-term debt associated with the State loans. This reserve will be maintained and/or adjusted at levels set forth in future “bond covenants” or other debt obligation instruments as approved by the SAWPA Commission.

Target Level – The minimum balance in this reserve should be sufficient to cover anticipated debt service payments as they become due. The balance in this reserve should

reflect debt service obligations for which existing or projected revenues are insufficient to cover scheduled principal and interest payments.

Events and Conditions Prompting the Use of the Reserve – This reserve is utilized as needed to pay when due debt service payments on SAWPA’s obligations. The Commission shall take action to approve annual debt service obligations of the Agency as presented in the bi-annual budget. Any other use (debt obligations approved and entered into following adoption of the bi-annual budget) shall require prior Commission approval before the expense of funds from this reserve.

Periodic Review Dates for Balances – Reviewed by staff on a semi-annual basis (i.e., every interest and/or principal payment date) and as part of the bi-annual budget process.

- 6.) OCSD Future Capacity Reserve – This reserve is established to provide future funding as it becomes necessary for SAWPA to acquire (purchase) additional treatment capacity (minimum of 1 MGD increments) in the OCSD treatment plant facility. As incremental treatment plant capacity purchases are made at an agreed upon rate set by SAWPA resolution, funds would be deposited into this reserve account which can then be used to purchase treatment capacity from OCSD.

Target Level – There is no minimum balance for this reserve. Its level will depend on the rate of growth and capacity sales. As capacity purchases are made, funds will be deposited in this reserve so that its balance will be sufficient to cover anticipated additional treatment plant capacity purchases as and when they come due.

Events and Conditions Prompting the Use of the Reserve – This reserve may only be utilized to purchase additional treatment capacity in the OCSD plant as approved by the SAWPA Commission. Any other use of this reserve shall not occur without prior authorization from the SAWPA Commission.

Periodic Review Dates for Balances – Reviewed as part of the bi-annual budget process.

- 7.) Self Insurance Reserve – This reserve was originally established to provide insurance protection to the Brine Line system and the JPA for losses arising from property, general liability, and worker’s compensation claims. The reserve level, combined with SAWPA’s existing insurance policies, should adequately protect SAWPA and its member agencies in the event of a loss or claim.

Target Level – The minimum balance in this reserve should be determined with SAWPA’s currently existing insurance policies and coverages in mind, along with the deductibles thereon, and should be maintained at a level that would adequately protect SAWPA and its member agencies. Based on FEMA guidelines, the funding in this reserve should be targeted at a minimum of two (2%) percent of SAWPA’s depreciable capital assets, plus the total amount of SAWPA’s existing insurance deductibles.

Events and Conditions Prompting the Use of the Reserve – This reserve shall be utilized to cover out-of-pocket insurance losses experienced by SAWPA. Any reimbursement

received by SAWPA from the insurance company as a result of submitted claim shall be deposited back into the reserve as replenishment for the loss.

Periodic Review Dates for Balances – Reviewed as part of the bi-annual budget process.

- 8.) Capacity Management Reserve – This reserve is established to set aside 100% of the funding derived from pipeline capacity sales to provide funds for future capacity needs within the Brine Line. As the pipeline reaches capacity, other alternatives will be needed to ensure the ability to discharge and achieve salt balance within the Santa Ana Watershed.

Target Level – Given the nature of this reserve, there is no required minimum or maximum level. 100% of the funding derived from pipeline capacity sales should be deposited and maintained in this reserve.

Events and Conditions Prompting the Use of the Reserve – This reserve is to be utilized to cover costs required to manage capacity within the pipeline, including the cost to further concentrate Brine Line flows, reduction of flows to meet capacity needs, additional pipeline capacity, additional CIP, and other changes as appropriate.

Periodic Review Dates for Balances – Reviewed as part of the bi-annual budget process.

- 9.) Flow Imbalance Reserve – This reserve is established to set aside funds in the event that a meter error occurs and the discharger is over-billed. Each month, meter readings are read for each discharger and the total for all dischargers is compared to the total at meter S-01. When the total for all discharges exceeds the total at meter S-01, the difference will be calculated at the current flow rate and contributed to the reserve account.

Target Level – Based on SAWPA’s practice, a minimum of \$50,000 should be maintained in this reserve.

Events and Conditions Prompting the Use of the Reserve – This reserve is utilized to refund dischargers in the event that a meter error occurs and the discharger is over-billed.

Periodic Review Dates for Balances – Reviewed as part of the bi-annual budget process.

- 10.) General Fund Operating Reserve – Established to provide cash flow for unbudgeted and/or unexpected expenditures and to mitigate potential delays between the time when expenditures are incurred and the time when revenues are received.

Target Level – There is no required minimum for this reserve, although a prudent target level will be equal to 180 days of SAWPA’s General Fund total budgeted operating expenditures. This reserve will be funded only based on realized efficiencies in the General Fund resulting in actual year-end expenditures being under budget.

Events and Conditions Prompting the Use of the Reserve – This reserve is designated to maintain working capital for current operations and to meet routine cash flow needs. Upon Commission approval, this reserve may be routinely utilized by staff to cover temporary cash flow deficiencies caused by timing differences between revenues and

expenditures and extraordinary decreases in revenues and unexpected increases in expenditures.

Periodic Review Dates for Balances – Reviewed during the preparation and approval of the bi-annual budget process.

- 11.) *General Fund Building Reserve* - Established to provide for the accumulation of funds towards a building reserve set aside to cover major repair/maintenance work on SAWPA's Headquarters Office unless directed otherwise by Commission action during the annual budget process.

Target Level – Funding shall be targeted at a minimum amount equal to \$300,000 at all times.

Events and Conditions Prompting the Use of the Reserve – This reserve is designated to maintain a building repair and replacement reserve. Upon Commission approval, this reserve may be routinely utilized by staff for building-related purposes.

Periodic Review Dates for Balances – Reviewed during the preparation and approval of the bi-annual budget process.

- 12.) *Capital Improvement Construction Reserve* – This is a restricted reserve established to set aside 100% of the funding derived from the construction fund money proceeds of a bond issue required to support specific capital projects identified and approved by the Commission in SAWPA's CIP. The use of these proceeds is restricted by conditions set in the respective legal bond documents.

Target Level – The balance in this reserve will be determined based on the amount of construction fund moneys generated as part of the bond proceeds and the spend-down requirements for the particular CIP project being financed.

Events and Conditions Prompting the Use of the Reserve – The use of this reserve is for the sole purpose of paying for those capital expenditures identified within the SAWPA Commission approved CIP Program budget. Specific construction fund proceeds will be spent on applicable projects. The reserve will be depleted as the approved capital projects are completed. In the event that SAWPA has more than one bond issue outstanding, separate sub-funds will be created within this reserve with bond proceeds from each debt issue deposited in that issue's respective sub-account. Sub-accounts will be kept segregated at all times.

Periodic Review Dates for Balances – Reviewed by staff on semi-annual basis whenever SAWPA has issued bonds and this reserve has a balance.

## **INVESTMENT GUIDELINES**

It has been SAWPA's practice to rely primarily on a pay-as-you-go (pay-go) strategy and some use of SRF loans to fund capital improvements and replacement of existing assets. Maintaining a

balance between debt and pay-go sources may provide an added benefit to SAWPA in terms of allowing for a more optimal investment strategy. In the context of these policies and in circumstances where such balance is present, the investment portfolio can be separated into short and long portfolios to maximize investment returns. The balance in the Liquidity (Operating) Funds should be kept in short-term investments. Moneys in the Capital Funds, however, may be invested for a longer horizon as the funds are needed in the later years.

### **DELEGATION OF AUTHORITY**

The Commission has sole authority to amend or revise this Reserve Fund Policy. Through approval of this Policy, the Commission has established written procedures and guidelines for staff to follow in the management of SAWPA's Reserves.

# SANTA ANA WATERSHED PROJECT AUTHORITY

## RESERVE FUNDS POLICY

### POLICY STATEMENT

A key element of prudent financial planning is to ensure that sufficient funding is available for current operating, capital, and debt service needs. Additionally, fiscal responsibility requires anticipating the likelihood of, and preparing for, unforeseen events. The Santa Ana Watershed Project Authority (“SAWPA”) desires to identify and provide a calculation methodology and/or maintained level of all existing and future needs of the agency where reserve funds are required and/or necessary. The SAWPA Commission realizes the importance of reserves in providing reliable service to its member agencies, financing long-term capital projects, and the funding of emergencies, should they arise. In this context, SAWPA will at all times strive to have sufficient funding available to meet its operating, capital, and debt service obligations. Funds will be accumulated and maintained to allow SAWPA to fund expenditures in a manner consistent with SAWPA’s long range financial plan and the Capital Improvement Plan (“CIP”), and avoid significant rate fluctuations due to changes in cash flow requirements.

The Commission may designate specific fund accounts and maintain minimum fund balances consistent with statutory obligations that it has determined to be in the best interest of SAWPA. The Policy directives outlined in this document are intended to ensure SAWPA has sufficient funds to meet current and future needs. The Commission will annually review the level of reserve funds. Considerations to continue or the establishment of a new reserve fund will be determined based on the following criteria:

- ◆ Reason for the reserve.
- ◆ Availability and source of funds to continue, replenish or establish the reserve.
- ◆ Operating expenditure levels approved within the annual budget process.
- ◆ Future capital expenditure and debt service requirements of the agency.
- ◆ Commission approval of the reserve policy.

SAWPA recognizes the importance of operating an agency or company with a sound business plan in place that provides for unanticipated/emergency costs should they arise within a budgeted fiscal year. In keeping SAWPA’s member agencies’ best interest in mind, these costs would be set aside to avoid, once a ~~bi~~-annual budget has been approved, a request for additional funding from member agencies within a fiscal year.

It is staff’s intent through this policy to describe how and why specific reserves are established and maintained at SAWPA and to provide SAWPA’s member agencies with assurance that reserve balances will be maintained at prudent and fiscally responsible levels.



## **DEFINITIONS**

This policy describes the reserve funds to be maintained in connection with: i) the Inland Empire Brine Line and ii) the General Fund. In general, there are two types of reserve fund classifications:

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

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

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

- ◆ *Restricted and Designated Reserves* – Reserve funds that are designated for a particular purpose and whose use is restricted to only that purpose. The Restricted and Designated Reserves consist of the Debt Retirement Reserve.
- ◆ *Board Designated Reserves* – Reserve funds earmarked for the purpose of funding items such as new capital facilities, repair or replacement of existing facilities, and general operating reserves designated for a specific purpose and use by the Commission. The Board Designated Reserves are comprised of the following reserve accounts: Brine Line Operating Reserves, Pipeline Replacement Reserve, OCS D Rehabilitation Reserve, Debt Retirement Reserve, OCS D Future Capacity Reserve, Self Insurance Reserve, Capacity Management Reserve, Flow Imbalance Reserve, General Fund Operating Reserve, and General Fund Building Reserve.
- ◆ *Board Restricted (Obligated) Reserves* – Reserves set aside to meet financial commitments for services not yet fulfilled and purchases that will take place in the future. These reserves consist of the Capital Improvement Construction Reserve.
- ◆ *Contractually Restricted Reserves* – Funds held to satisfy limitations set by external requirements established by creditors, grant agencies or contributors, or law. Examples include stipulated bond covenants, capital improvement fees, and service deposits. At present SAWPA does not hold any contractually restricted reserve funds.

## **GENERAL PROVISIONS**

SAWPA will maintain its operating and capital funds in designated accounts in a manner that ensures its financial soundness and provides transparency to its member agencies. The fund balances are considered the minimum necessary to maintain SAWPA's fiscal strength and flexibility and adequately provide for:

- ◆ Compliance with applicable statutory requirements.
- ◆ Financing of future capital projects and repair and replacement of existing assets.
- ◆ Cash flow requirements.
- ◆ Economic uncertainties, local disasters, and other financial hardships or downturns in the local or national economy.
- ◆ Contingencies or unforeseen operating or capital needs.

In the context of funding future capital projects and maintaining and replacing existing assets, in each instance, SAWPA will analyze the benefits and tradeoffs of utilizing pay-as-you-go and/or debt financing and determine the optimal funding strategy or combination of funding strategies. The analysis should consider SAWPA's current and projected operating and capital positions, as well as the impact of inflation, depreciation, the cost of service, and other factors on the operations of SAWPA and its capital improvement program.

Through a variety of policy documents and plans, including SAWPA's Capital Improvement Plan, the long range financial plan, and the Inland Empire Brine Line (Brine Line), Financial Study and Rate Model, the Commission has set forth a number of long-term goals for SAWPA. A fundamental purpose of SAWPA's policy documents and plans is to link what must be accomplished with the necessary resources to successfully do so.

SAWPA has established and will maintain the reserve funds outlined in the following sections. A principal tenet of SAWPA's Reserve Fund Policy shall be the crediting of interest income to specific funds. Unless otherwise stated in this Reserve Fund Policy, interest derived from reserve balances will be credited to the reserve account from which it was earned. Fund balances will be reviewed by the Chief Financial Officer ("CFO") on a monthly basis, as well as annually during the budget review process in order to determine how reserve fund balances compare with the budgeted projections and how they measure against the goals outlined in this Policy.

The minimum established for each reserve fund represents the baseline financial condition that is acceptable to SAWPA from risk and long-range financial planning perspectives. Maintaining reserve funds at appropriate levels is a prudent, ongoing business process that consists of an iterative, dynamic assessment and application of various funding alternatives. These alternatives (either alone or in combination with each other) include, but are not limited to: rates, loans and grants, debt financing, investment of funds, and levels of capital expenditures.

The Commission shall approve any reallocation of funds or any transfers among reserve funds.

## **SPECIFIC PROVISIONS**

SAWPA will maintain the following reserve funds and respective target levels:

- 1.) Brine Line Operating Reserve: The Brine Line Operating Reserve is established to cover temporary cash flow deficiencies that occur as a result of timing differences between the receipt of operating revenue and expenditure requirements. The reserve is utilized as needed to pay outstanding Brine Line Enterprise expenditures prior to the receipt of anticipated operating revenues.

Target Level – Funding shall be targeted at a minimum amount equal to 90 days (i.e. 25%) of SAWPA’s Brine Line Enterprise total annual operating expenditures. If SAWPA elects to issue variable rate debt, the minimum required balance in this reserve might need to be higher.

Events and Conditions Prompting the Use of the Reserve – This reserve is utilized as needed to pay outstanding Brine Line Enterprise expenditures prior to the receipt of anticipated operating revenues.

Periodic Review Dates for Balances – Reviewed and recalibrated through the normal bi-annual budget and annual rate-setting process.

- 2.) Rate Stabilization Reserve: Established to mitigate the effects of occasional shortfalls in revenue. Revenue shortfalls result from a number of events such as weather factors (wet weather or drought events and natural disasters), increased water conservation, poor regional economic conditions, and unplanned or unexpectedly large rate adjustments/increases.

Target Level – There is no minimum balance for this reserve. When revenues exceed expenses within a fiscal year, a portion of the Net Gain will be used to fund this reserve.

Events and Conditions Prompting the Use of the Reserve – This reserve is utilized as needed to pay revenue shortfalls that result from the conditions described above.

Periodic Review Dates for Balances – Reviewed as part of the bi-annual budget process.

- 3.) Pipeline Replacement Reserve: Established to provide capital replacement funding as the Brine Line system’s infrastructure (pipe) deteriorates over its expected useful life. Based on recent core sampling of the pipeline, the pipe’s useful life was adjusted from an original 50 year life expectancy to an expected useful life of 75 – 100 years. Maintaining this reserve serves two major purposes: i) provides a means of tracking funds designated for capital investment (such as capital revenues, depreciation funding, grants, etc.) and ensuring that they are used for their intended purpose and facilitating compliance with any applicable requirements, and ii) provides protection against the risk of cost overruns related to its capital improvement program.

Target Level – To help protect against risk associated with capital project cost overruns and emergency reserves, the most recent Brine Line Financial Study and Rate Model have identified a minimum target balance of \$10.0 million for this reserve. Any revenues designated for capital projects and not strictly earmarked for another fund should be deposited into this fund. To provide annual cash flow for capital projects, SAWPA

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should consider depositing on an annual basis a system reinvestment contribution into this fund, equivalent to the inflation-adjusted annual depreciation.

Events and Conditions Prompting the Use of the Reserve – Through the bi-annual budget process, staff shall recommend anticipated asset replacement projects. The Commission shall take action to approve recommended project appropriations from this reserve. Should emergency replacement be necessary during any fiscal year, the Commission may take action to amend the budget and appropriate needed funds as required by such emergency. In addition, in certain circumstances SAWPA may elect to fund one-time operating expenditures related to specific projects through the use of this reserve rather than rate increases.

Periodic Review Dates for Balances – Reserve balances and projected replacement projects will be reviewed by staff and the Commission during the preparation and approval of the bi-annual budget and on an as-needed basis in the case of emergencies.

3)4.) OCS D Rehabilitation Reserve – This reserve was established to fund SAWPA’s share of capital costs associated with its proportionate share of capacity right ownership in the Santa Ana Regional Interceptor (SARI) Line maintained by OCS D. Since these costs are expected to vary significantly in timing and size, an approach has been developed to normalize these expenditures into equal annual payments. The objective is for SAWPA to make equal annual contributions (adjusted for inflation) into this interest earning reserve fund, and then make withdrawals from this fund when payments to OCS D for the SARI Line come due. According to the Brine Line Financial Study, this approach will mitigate significant capital cost spikes for SAWPA.

Target Level – The most recent Brine Line Financial Study has identified a minimum target level of \$1.75 million annually (adjusted for inflation). If the SARI Line capital costs are adjusted downward by OCS D, SAWPA will review the balance in this reserve and adjust its annual contributions accordingly.

Events and Conditions Prompting the Use of the Reserve – This reserve is utilized as needed to pay when due SAWPA’s share of OCS D SARI Line capital costs.

Periodic Review Dates for Balances – Reviewed and recalibrated through the normal bi-annual budget and if OCS D revises its SARI Line capital costs.

4)5.) Debt Retirement Reserve – This reserve was initially established with funds received from SAWPA’s member agencies for the purchase of pipeline capacity (30 MGD) in the Brine Line system to provide future funding on debt service payments for SRF loans required to build the Brine Line system. Treasury-strips (“T-Strips”) were purchased with maturities to match annual principal and interest payments due on the long-term debt associated with the State loans. This reserve will be maintained and/or adjusted at levels set forth in future “bond covenants” or other debt obligation instruments as approved by the SAWPA Commission.

Target Level – The minimum balance in this reserve should be sufficient to cover anticipated debt service payments as they become due. The balance in this reserve should

reflect debt service obligations for which existing or projected revenues are insufficient to cover scheduled principal and interest payments.

Events and Conditions Prompting the Use of the Reserve – This reserve is utilized as needed to pay when due debt service payments on SAWPA’s obligations. The Commission shall take action to approve annual debt service obligations of the Agency as presented in the bi-annual budget. Any other use (debt obligations approved and entered into following adoption of the bi-annual budget) shall require prior Commission approval before the expense of funds from this reserve.

Periodic Review Dates for Balances – Reviewed by staff on a semi-annual basis (i.e., every interest and/or principal payment date) and as part of the bi-annual budget process.

~~5.7.6.)~~ OCS D Future Capacity Reserve – This reserve is established to provide future funding as it becomes necessary for SAWPA to acquire (purchase) additional treatment capacity (minimum of 1 MGD increments) in the OCS D treatment plant facility. As incremental treatment plant capacity purchases are made at an agreed upon rate set by SAWPA resolution, funds would be deposited into this reserve account which can then be used to purchase treatment capacity from OCS D.

Target Level – There is no minimum balance for this reserve. Its level will depend on the rate of growth and capacity sales. As capacity purchases are made, funds will be deposited in this reserve so that its balance will be sufficient to cover anticipated additional treatment plant capacity purchases as and when they come due.

Events and Conditions Prompting the Use of the Reserve – This reserve may only be utilized to purchase additional treatment capacity in the OCS D plant as approved by the SAWPA Commission. Any other use of this reserve shall not occur without prior authorization from the SAWPA Commission.

Periodic Review Dates for Balances – Reviewed ~~annually~~ as part of the bi-annual budget process.

~~6.7.)~~ Self Insurance Reserve – This reserve was originally established to provide insurance protection to the Brine Line system and the JPA for losses arising from property, general liability, and worker’s compensation claims. The reserve level, combined with SAWPA’s existing insurance policies, should adequately protect SAWPA and its member agencies in the event of a loss or claim.

Target Level – The minimum balance in this reserve should be determined with SAWPA’s currently existing insurance policies and coverages in mind, along with the deductibles thereon, and should be maintained at a level that would adequately protect SAWPA and its member agencies. Based on FEMA guidelines, the funding in this reserve should be targeted at a minimum of two (2%) percent of SAWPA’s depreciable capital assets, plus the total amount of SAWPA’s existing insurance deductibles.

Events and Conditions Prompting the Use of the Reserve – This reserve shall be utilized to cover out-of-pocket insurance losses experienced by SAWPA. Any reimbursement

received by SAWPA from the insurance company as a result of submitted claim shall be deposited back into the reserve as replenishment for the loss.

Periodic Review Dates for Balances – Reviewed ~~annually~~ as part of the bi-annual budget process.

~~7.)~~ 8.) Capacity Management Reserve – This reserve is established to set aside 100% of the funding derived from pipeline capacity sales to provide funds for future capacity needs within the Brine Line. As the pipeline reaches capacity, other alternatives will be needed to ensure the ability to discharge and achieve salt balance within the Santa Ana Watershed.

Target Level – Given the nature of this reserve, there is no required minimum or maximum level. 100% of the funding derived from pipeline capacity sales should be deposited and maintained in this reserve.

Events and Conditions Prompting the Use of the Reserve – This reserve is to be utilized to cover costs required to manage capacity within the pipeline, including the cost to further concentrate Brine Line flows, reduction of flows to meet capacity needs, additional pipeline capacity, additional CIP, and other changes as appropriate.

Periodic Review Dates for Balances – Reviewed ~~annually~~ as part of the bi-annual budget process.

~~8.)~~ 9.) Flow Imbalance Reserve – This reserve is established to set aside funds in the event that a meter error occurs and the discharger is over-billed. Each month, meter readings are read for each discharger and the total for all dischargers is compared to the total at meter S-01. When the total for all discharges exceeds the total at meter S-01, the difference will be calculated at the current flow rate and contributed to the reserve account.

Target Level – Based on SAWPA’s practice, a minimum of \$50,000 should be maintained in this reserve.

Events and Conditions Prompting the Use of the Reserve – This reserve is utilized to refund dischargers in the event that a meter error occurs and the discharger is over-billed.

Periodic Review Dates for Balances – Reviewed ~~annually~~ as part of the bi-annual budget process.

~~9.)~~ 10.) General Fund Operating Reserve – Established to provide cash flow for unbudgeted and/or unexpected expenditures and to mitigate potential delays between the time when expenditures are incurred and the time when revenues are received.

Target Level – There is no required minimum for this reserve, although a prudent target level will be equal to 180 days of SAWPA’s General Fund total budgeted operating expenditures. This reserve will be funded only based on realized efficiencies in the General Fund resulting in actual year-end expenditures being under budget.

Events and Conditions Prompting the Use of the Reserve – This reserve is designated to maintain working capital for current operations and to meet routine cash flow needs. Upon Commission approval, this reserve may be routinely utilized by staff to cover temporary cash flow deficiencies caused by timing differences between revenues and expenditures and extraordinary decreases in revenues and unexpected increases in expenditures.

Periodic Review Dates for Balances – Reviewed **annually** during the preparation and approval of the **bi**-annual budget process.

~~40,11.)~~ General Fund Building Reserve - Established to provide for the accumulation of funds towards a building reserve set aside to cover major repair/maintenance work on SAWPA's Headquarters Office unless directed otherwise by Commission action during the annual budget process.

Target Level – Funding shall be targeted at a minimum amount equal to \$300,000 at all times.

Events and Conditions Prompting the Use of the Reserve – This reserve is designated to maintain a building repair and replacement reserve. Upon Commission approval, this reserve may be routinely utilized by staff for building-related purposes.

Periodic Review Dates for Balances – Reviewed **annually** during the preparation and approval of the **bi**-annual budget process.

~~44,12.)~~ Capital Improvement Construction Reserve – This is a restricted reserve established to set aside 100% of the funding derived from the construction fund money proceeds of a bond issue required to support specific capital projects identified and approved by the Commission in SAWPA's CIP. The use of these proceeds is restricted by conditions set in the respective legal bond documents.

Target Level – The balance in this reserve will be determined based on the amount of construction fund moneys generated as part of the bond proceeds and the spend-down requirements for the particular CIP project being financed.

Events and Conditions Prompting the Use of the Reserve – The use of this reserve is for the sole purpose of paying for those capital expenditures identified within the SAWPA Commission approved CIP Program budget. Specific construction fund proceeds will be spent on applicable projects. The reserve will be depleted as the approved capital projects are completed. In the event that SAWPA has more than one bond issue outstanding, separate sub-funds will be created within this reserve with bond proceeds from each debt issue deposited in that issue's respective sub-account. Sub-accounts will be kept segregated at all times.

Periodic Review Dates for Balances – Reviewed by staff on semi-annual basis whenever SAWPA has issued bonds and this reserve has a balance.

### **INVESTMENT GUIDELINES**

It has been SAWPA's practice to rely primarily on a pay-as-you-go (pay-go) strategy and some use of SRF loans to fund capital improvements and replacement of existing assets. Maintaining a balance between debt and pay-go sources may provide an added benefit to SAWPA in terms of allowing for a more optimal investment strategy. In the context of these policies and in circumstances where such balance is present, the investment portfolio can be separated into short and long portfolios to maximize investment returns. The balance in the Liquidity (Operating) Funds should be kept in short-term investments. Moneys in the Capital Funds, however, may be invested for a longer horizon as the funds are needed in the later years.

### **DELEGATION OF AUTHORITY**

The Commission has sole authority to amend or revise this Reserve Fund Policy. Through approval of this Policy, the Commission has established written procedures and guidelines for staff to follow in the management of SAWPA's Reserves.



## COMMISSION MEMORANDUM NO. 2019.48

**DATE:** May 21, 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 FY19-20 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 mirror, to the extent possible, 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 will be increased approximately 3%, as projected a year ago.

On April 15<sup>th</sup>, OCSD notified SAWPA that the projected increase for FY19-20 would be substantially higher than previously budgeted, as shown in the table below.

	FY19-20 (Budgeted)	FY19-20 (Actual)
Flow (MG)	\$196	\$221
BOD (per 1,000 lbs)	\$316	\$320
TSS (per 1,000 lbs)	\$442	\$472

To fully recover the unexpected OCSD cost increase, the Brine Line rates would need to be increased by the following percentages compared to the current fiscal year (FY18-19) to meet the FY19-20 budget objectives: flow (3.6%), BOD (6%), and TSS (9%). In an effort to reduce variability in the rate increase from FY18-19, an increase is proposed as shown one year ago: flow (3.5%), BOD (2.9%), and TSS (3%); which would result in an estimated budget shortfall of \$227,850. This budget shortfall would be covered by the Rate Stabilization Reserve Fund, pending approval from the SAWPA Commission.

A summary of the OCSD rates since 2013 is shown below. The increase from the previous year is included for each rate component.

OCSD Rate Summary. FY19-20 is proposed.

OCSD RATES	FY13-14	FY14-15	FY15-16	FY16-17	FY17-18	FY18-19	FY19-20
Flow (\$/MG)	162.6	182.74	178.94	175.17	175.68	187	221
Increase from previous FY	-	12.4%	-2%	-2.1%	0.3%	6.44%	18.2%
BOD (\$/1000 lbs)	249.4	290.16	284.12	278.14	278.96	285	320
Increase from previous FY	-	16.3%	-2%	-2.1%	0.3%	2.2%	12.3%
TSS (\$/1000 lbs)	370.19	404.6	396.19	387.85	388.99	410	472
Increase from previous FY	-	9.3%	-2%	-2.1%	0.3%	5.4%	15.1%

A summary of the SAWPA rates since 2013 is shown below. The percent increase from the previous year is shown.

SAWPA Rate Summary. FY19-20 is proposed.

SAWPA RATES	FY13-14	FY14-15	FY15-16	FY16-17	FY17-18	FY18-19	<b>FY19-20</b>
Flow (\$/MG)	736	777	817	858	901	946	<b>979</b>
Increase from previous FY	-	5.6%	5.1%	5%	5%	5%	<b>3.5%</b>
BOD (\$/1000 lbs)	266	295	301	307	307	307	<b>316</b>
Increase from previous FY	-	10.9%	2%	0%	0%	0%	<b>2.9%</b>
TSS (\$/1000 lbs)	395	411	420	429	429	429	<b>442</b>
Increase from previous FY	-	4%	2.1%	0%	0%	0%	<b>3%</b>

The projected rates for FY20-21 (for planning purposes) are based on a proposed 6% increase from the FY19-20 rates.

The SAWPA rate model reflects payment for two capital projects: (1) OCSD's 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 (2) mid-term corrosion repairs for Reach 4D, (exact timing is TBD based on found field conditions). 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. The rate stabilization budget for FY19-20 includes the impact from the truck disposal activity; no additional changes are recommended to the truck rates as a result of higher than projected OCSD rates.

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	\$1,038	\$335	\$469	\$6,782	\$13,764

("Fixed Pipeline" and "Fixed Treatment" are per MGD/month)

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

<b>Hauled Waste</b>	<b>Current FY 2019</b>	<b>Planning FY 2020</b>	<b>Planning FY 2021</b>
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	\$0.80/lb BOD
TSS Charges	\$0.716/lb TSS	\$0.716/lb TSS	\$0.76/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. It is expected that \$227,850 will be required from the Rate Stabilization Reserve Fund for FY 2019-2020.

Attachments:

1. Resolution No. 2019-05
2. PowerPoint Presentation

**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  
AND RESCINDING RESOLUTION NO. 2018-13 AS STATED**

**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 (f)	\$1,038	\$335	\$469	\$6,782	\$13,764

- (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.

<b>Waste Strength</b>	<b>BOD or TSS Concentration</b>	<b>FY 2019-20</b>	<b>FY 2020-21 (a)</b>
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 percent (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 21<sup>st</sup> day of May 2019.

**SANTA ANA WATERSHED PROJECT AUTHORITY**

By: \_\_\_\_\_  
Ronald W. Sullivan, Chair

Attest:

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

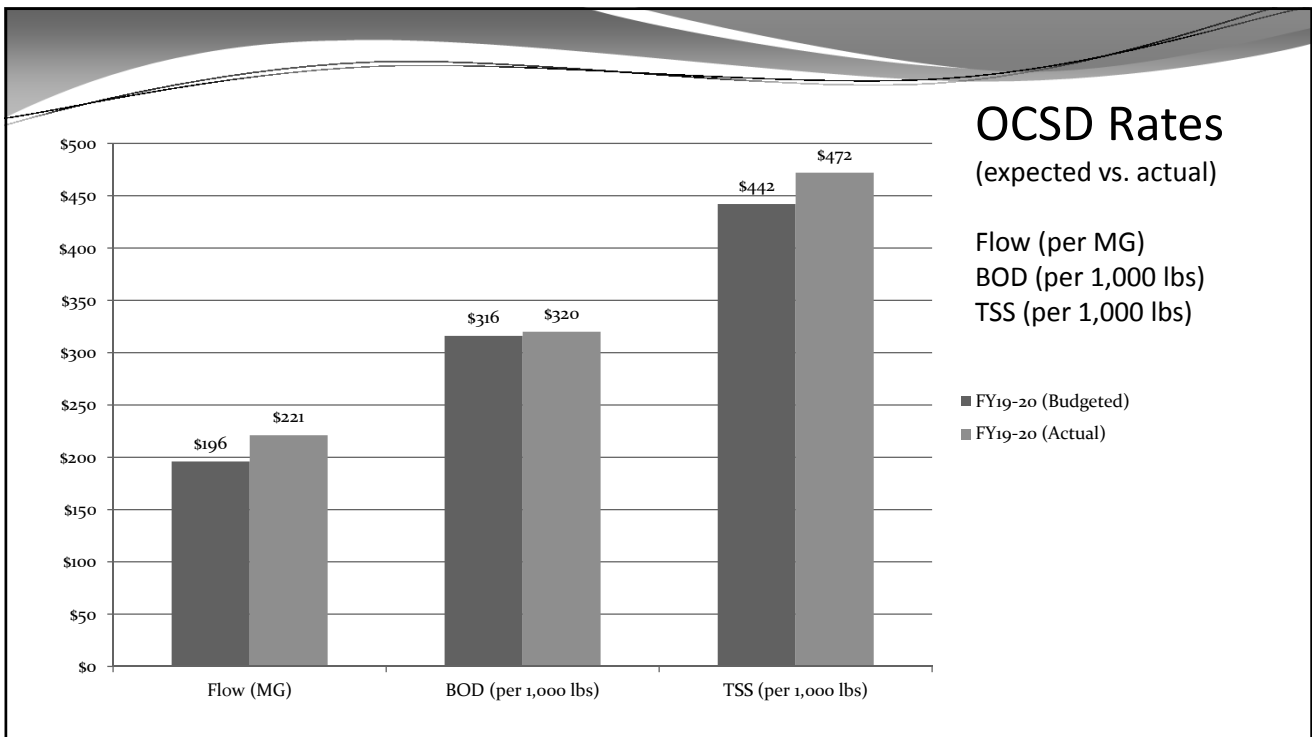
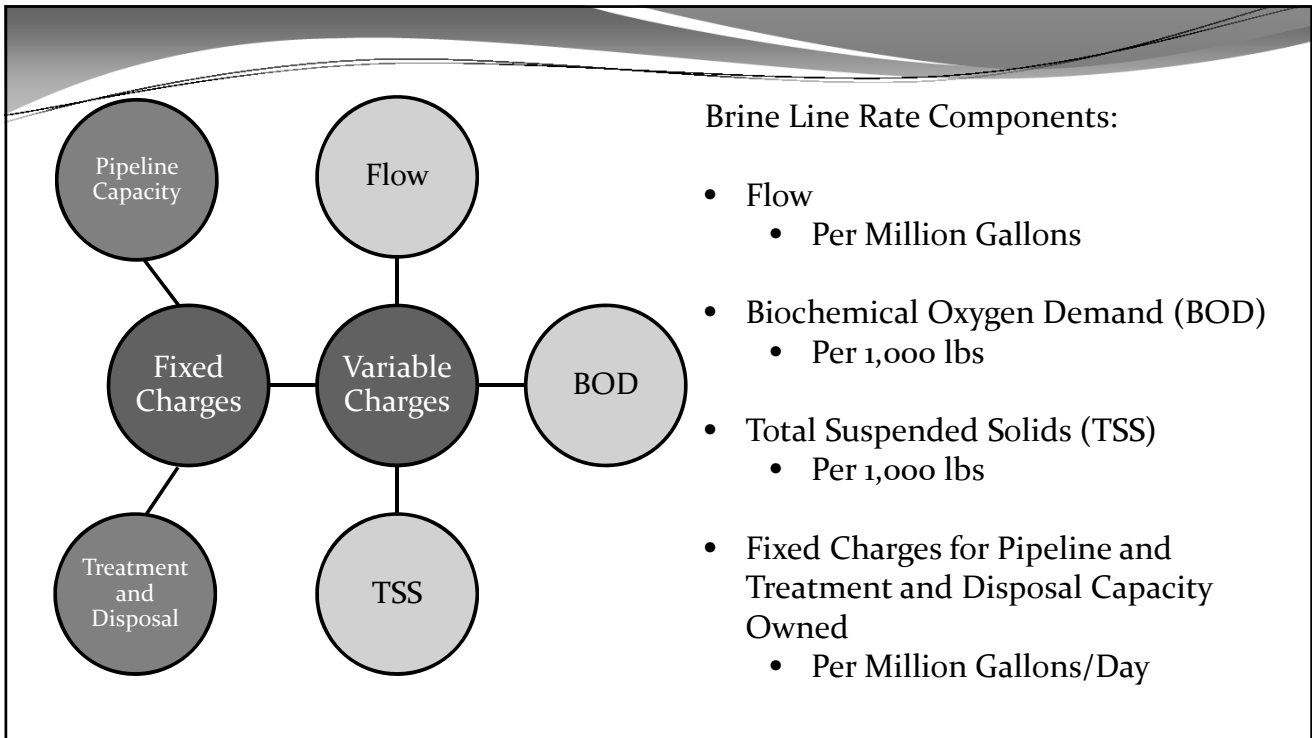


# Inland Empire Brine Line

Item 5.B.  
FY19-20 Brine Line Rate Resolution  
May 21, 2019

## Recommendation

- Adopt Resolution 2019-05 establishing the new Inland Empire Brine Line rates to be effective July 1, 2019 (Fiscal Year 2020).



# Budget shortfall

Based on budgeted MG, BOD lbs. and TSS lbs.

Rate component	Budget shortfall
Flow	\$91,250
BOD	\$4,600
TSS	\$132,000
<b>TOTAL</b>	<b>\$227,850</b>

# Brine Line Expenses

OCSD Treatment and Disposal	OCSD SARI Line O&M	SSMP Implementation
Pre-treatment Program	Capital Improvements	Water Quality Sampling
Billing	Engineering	Management

## Direct Dischargers Proposed Rates FY19-20

FY	Flow/MGD	BOD/1000 lbs	TSS/1000 lbs	Fixed Pipe (MGD)	Fixed T&D (MGD)
18-19	\$946	\$307	\$429	\$6,217	\$12,607
<b>19-20</b>	<b>\$979</b>	<b>\$316</b>	<b>\$442</b>	<b>\$6,398</b>	<b>\$12,985</b>
20-21*	\$1,038	\$335	\$469	\$6,782	\$13,764

\*Rate for planning purposes only

## Indirect Dischargers

- Currently using a 2 tier system:
  - Brine ( < 100 mg/L)
  - Non-Brine ( ≥ 100 mg/L)
  - Charges based on a per gallon base for brine tier and a per gallon base plus pounds of BOD and pounds of TSS for non-brine tier.

# Indirect Dischargers

## Proposed Rates FY19-20

### RATES FOR INDIRECT DISCHARGERS

Strength	Current	FY19-20 (per gal)	FY20-21 (per gal)
Brine (< 100 mg/L)	\$0.015	\$0.015	\$0.016
Non Brine (≥ 100 mg/L)	\$0.015 + BOD, TSS lbs	\$0.015 + BOD, TSS lbs	\$0.016 + BOD, TSS lbs
BOD	\$0.75 / lb	\$0.75 / lb	\$0.77 / lb
TSS	\$0.716 / lb	\$0.716 / lb	\$0.737 / lb

# Capacity Pool Lease

## Proposed Rates FY19-20

- Flow: 0.00253 per gallon (\$2,530 per MG)
  - Includes BOD concentration = 250 mg/L
  - Includes TSS concentration = 250 mg/L
  - Each MG of flow includes 2,085 lbs of BOD/TSS.
- Additional BOD/TSS pounds charged at:
  - BOD = \$0.3923 per pound
  - TSS = \$0.2405 per pound
- These charges are for the 'lease' component only, other variable charges for flow, BOD, and TSS per Resolution 2019-05 Section 1 would apply.

## Proposed Permit Fees

Type of Permit	FY18-19 Fee	Proposed FY19-20 Fee
Direct Discharger	\$600	\$600
Indirect Discharger	\$300	\$300
Emergency Permits	\$1,100	\$1,100
Liquid Waste Hauler	\$250	\$250

## Recommendation

- Adopt Resolution 2019-05 establishing the new Inland Empire Brine Line rates to be effective July 1, 2019 (Fiscal Year 2020).

## COMMISSION MEMORANDUM NO. 2018. 46

**DATE:** May 21, 2019

**TO:** SAWPA Commission

**SUBJECT:** Middle Santa Ana River Bacteria TMDL Synoptic Study –GEI Consultants

**PREPARED BY:** Rick Whetsel, Senior Watershed Manager

### RECOMMENDATION

Staff and the Middle Santa Ana River (MSAR) Bacteria TMDL Task Force recommend that the SAWPA Commission approve an Agreement for Services and Task Order GEI384-01 with GEI Consultants for the not-to-exceed amount of \$200,000 to conduct the MSAR Bacteria TMDL Synoptic Study in support of the Middle Santa Ana River Bacteria TMDLs.

### DISCUSSION

On January 16, 2019, stakeholders of the MSAR Bacteria TMDL Task Force submitted a request to Regional Board staff to defer the TMDL Triennial Report from February 15th of this year (2019) to February 15th of next year (2020). This request was based upon a significant effort by stakeholders in 2018 to respond to a detailed compliance audit initiated by Regional Board staff, which the Triennial report would largely repeat.

In lieu of the 2019 triennial report, the Task Force recommended a new synoptic water quality survey similar to the comprehensive studies performed as part of the Urban Source Evaluation Program in 2007-8 and 2012-13 by the MSAR TMDL Task Force. Findings from the Synoptic Study are intended to evaluate the effectiveness of the Comprehensive Bacteria Reduction Plans (CBRPs) implemented by Municipal Separate Storm Sewer (MS4) programs and guide resource allocation for future bacterial mitigation projects and support planned revisions to the MSAR Bacteria TMDL.

Due to severe time constraints resulting from a significant delay in Regional Board staff formally approving the recommendation for the Synoptic Study, as well as the need for a comprehensive understanding of the project needs, the MSAR TMDL Task Force recommended a sole source approach using the team of GEI Consultants and CDM Smith to complete the Synoptic Study.

The Synoptic Study is intended to build upon and update many years of previous water quality monitoring work previously prepared by the Task Force. This includes the original watershed-wide characterization, the Urban Source Evaluation Program, the Tier 1 and Tier 2 Source Investigations, the Comprehensive Bacteria Reduction Programs, the triennial TMDL Progress Reports, and the more recent Regional Bacteria Monitoring Program. All of these previous and on-going studies have been performed by a team of contractors from GEI Consultants and CDM-Smith, Inc. The proposed project implementation schedule can only be met because this team of contractors already has a deep understanding of the prior work and the several thousand pages of detailed supporting documentation that they authored. In addition, CDM-Smith is currently responsible for implementing the watershed-wide Regional Bacteria Monitoring Program on which the Synoptic Study will be piggy-backed in order to achieve certain cost-efficiencies.

The Synoptic Study is critically important to demonstrating compliance with the CBRP; therefore, it is essential that this new effort be performed using an approach that is consistent with all of the previous water quality assessments conducted as part of the TMDL implementation program. The Task Force

strongly believes that only the GEI Consultants team has the site-specific program knowledge to assure successful completion of this project on-time and within the available budget

The attached Task Order with GEI Consultants outlines support services to conduct the Middle Santa Ana River Bacteria TMDL Synoptic Study. Included with this Task Order is a scope of work and budget providing a detailed description of work tasks to be performed by the consultant, GEI Consultants, through FYs 2019-20 as highlighted below:

- Task 1: Prepare a Study Plan with sample locations, water quality parameters to be analyzed, a sampling schedule and an estimate of the cost to implement Task 3 (sample collection).
- Task 2: Prepare a Quality Assurance Project Plan (QAPP) based to the maximum extent practicable on the approved QAPP prepared for the ongoing Regional Bacteria Monitoring Program (RBMP).
- Task 3: Collect samples to perform the analyses described in the Study Plan.
- Task 4: Prepare a Study Report that addresses the objectives of the study (see Attachment A), provide all laboratory reports and the related water quality database to SAWPA, and upload qualified data to CEDEN, as directed.
- Task 5: Attend up to eight Task Force meetings to provide progress reports, accept comments on various draft work products and receive further project direction.

Project deliverables, including draft technical report to Regional Board are scheduled to be complete by February 2020.

## **BACKGROUND**

In August of 2005, the Regional Water Quality Control Board adopted a TMDL for pathogen indicator bacteria in Reach 3 of the Santa Ana River, Mill Creek (in the Prado area), Reach 1 of Cucamonga Creek, Reaches 1 and 2 of Chino Creek, and the Prado Park Lakes. Over the following 12 months, dischargers named in the TMDL began organizing a Task Force to implement the various regulatory requirements in the TMDL. The TMDL became effective upon EPA approval in May of 2007 and the Regional Board approved the Task Force's proposed water quality monitoring plan in June of 2007.

One of the key elements in the water quality monitoring plan was to identify the most significant sources of bacterial contamination to the impaired waterbodies. This Urban Source Evaluation Program (USEP) was implemented in 2007-8 and the final report was issued in early 2009.<sup>3</sup> A number of additional investigations focused on the high priority stream segments were performed in 2010-11 and the final reports for these follow-up studies can be downloaded from the Task Force's website.

Data collected during the USEP studies was used to develop a risk-based scoring system to help prioritize project implementation and measure progress improving water quality. That risk-based approach formed the foundation for the Comprehensive Bacteria Reduction Plans (CBRP) developed by all of the stakeholders named in the TMDL. Following approval by the Regional Board, county and municipal stormwater agencies are now required to implement the CBRPs in accordance with their NPDES permit.

The TMDL requires stakeholders to submit written progress reports every three years. To date, three such reports have been prepared and delivered. Copies of the triennial reports for 2010, 2013 and 2016 are available on the Task Force's website. Normally, the next triennial report would be due in 2019. However, because the Regional Board just completed a detailed audit of the CBRPs at the end of 2018, it was determined that the next triennial report should be deferred for one year in order to provide time to undertake a new Synoptic Study of bacterial sources and loads in the watershed.



### **CRITICAL SUCCESS FACTORS**

- SAWPA has a strong reputation as a watershed-wide, knowledgeable, neutral and trusted facilitator, leader, and administrator of contracted activities.
- Goals, scope, costs, resources, timelines, and the contract term are approved by the Commission before executing an agreement to participate in a roundtable group.
- Clear upfront criteria and terms for completing or transitioning efforts that have been successfully established or completed.
- Adequate professional staff and resources to effectively provide facilitation, management, administrative and technical support to collaborative work efforts.

### **RESOURCE IMPACTS**

Sufficient funds are available to administer “Middle Santa Ana River Bacteria TMDL Task Force” defined in the SAWPA FY 2019-20 Budget. All funding would be provided by the Middle Santa Ana River Watershed TMDL Task Force members to conduct the proposed work.

#### Attachments:

1. PowerPoint Presentation
2. GEI Consultants Agreement for Services
3. GEI Consultants Task Order No. 1

# Middle Santa Ana River Watershed Bacteria TMDL Task Force

## Update / Synoptic Watershed Study

Rick Whetsel  
SAWPA Commission  
May 21, 2019



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## Recommendation

- Staff and the Middle Santa Ana River Bacteria TMDL Task Force recommend that the SAWPA Commission approve an Agreement for Services and Task Order GEI384-01 with GEI Consultants for the amount not-to-exceed \$200,000 to conduct the MSAR Bacteria TMDL Synoptic Study in support of the Middle Santa Ana River Bacteria TMDLs.

**Synoptic** - Data obtained simultaneously over a wide area, for presenting a comprehensive and nearly instantaneous picture of its current state



2

# MSAR TMDL

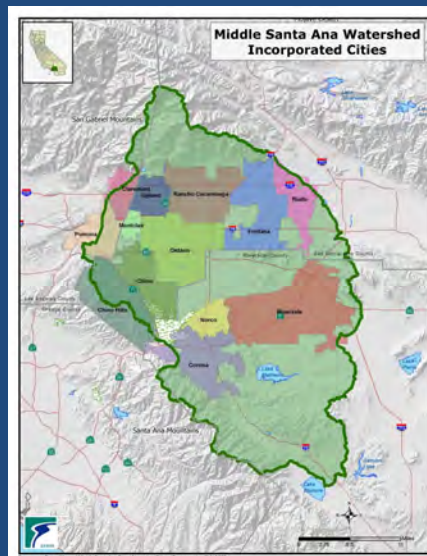
- February 2005, Basin Plan amended to include Bacterial Indicator Total Maximum Daily Loads (TMDLs) for Middle Santa Ana River Waterbodies .
  - Santa Ana River, Reach 3
  - Chino Creek, Reaches 1 and 2
  - Cucamonga Creek, Reach 1
  - Mill Creek (Prado Area)
  - Prado Park Lake
- Key Compliance Dates
  - December 31, 2015 - compliance with Dry Season TMDLs, wasteload allocations and load allocations
  - December 31, 2025 - compliance with Wet Season TMDLs, wasteload allocations and load allocations



3

# TMDL Task Force

- August 2005, Task Force formed
- Stakeholders :
  - County of San Bernardino
  - County of Riverside
  - Cities of Chino, Chino Hills, Claremont, Corona, Eastvale, Fontana, Jurupa Valley, Montclair, Norco, Ontario, Pomona, Rancho Cucamonga, Rialto, Riverside, and Upland
  - Agricultural Operators represented by Chino Basin Watermaster Agricultural Pool



4

# Conduct TMDL Compliance Monitoring Program

- Watershed-Wide Monitoring Program to measure compliance with numeric TMDL targets
- Five comprehensive monitoring sites (priority 2)
- Dry and Wet season monitoring
- Protect REC-1 beneficial use
- Conducted as part of the SAR Bacteria Monitoring program



5

# Support Implementation of Comprehensive Bacteria Reduction Plans

- February 2012 Regional Board adopted Comprehensive Bacteria Reduction Plans (CBRP) for Riverside and San Bernardino Counties
- Plans designed to achieve compliance with dry weather wasteload allocations for bacterial indicators established by the TMDL.
- Requires dischargers source evaluation of and implementation of BMPs



6

# Proposed Synoptic Study

- Purpose:

Evaluate the effectiveness of the Comprehensive Bacteria Reduction Plans (CBRPs) implemented by MS4 programs and guide resource allocation for future bacterial mitigation projects and support planned revisions to the MSAR Bacteria TMDL.



7

# Synoptic Study

- Key tasks

- Task 1: Prepare a Study Plan.
- Task 2: Prepare a Quality Assurance Project Plan (QAPP)
- Task 3: Conduct Sample Collection/Laboratory Analysis
  - WQ Constituents
  - Locations
  - Frequency
- Task 4: Prepare the Synoptic Study Report Water Quality program



8

## SAWPA's Role

- SAWPA staff serves as administrator and is reimbursed for its time expended by Task Force participants.
  - Organizing and facilitating Task Force meetings
  - Clerical, and administrative services
  - Oversee Task Force Agreement
  - Prepare annual budgets, invoices
  - Manage and report on stakeholder funds
  - Act as contracting party and contract administrator
  - Explore grant funding opportunities
  - Coordinate with other agencies
  - Communicate with Regional Board



9

## Recommendation

- Staff and the Middle Santa Ana River Bacteria TMDL Task Force recommend that the SAWPA Commission approve an Agreement for Services and Task Order GEI384-01 with GEI Consultants for the amount not-to-exceed \$200,000 to conduct the MSAR Bacteria TMDL Synoptic Study in support of the Middle Santa Ana River Bacteria TMDLs.



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

This Agreement is made this 21<sup>st</sup> day of May, 2019 by and between the Santa Ana Watershed Project Authority ("SAWPA") located at 11615 Sterling Avenue, Riverside, CA, 92503 and **GEI Consultants, Inc.** ("Consultant") whose address is 4601 DTC Boulevard, Suite 900, Denver, CO 80237.

**RECITALS**

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

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

**AGREEMENT**

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

**ARTICLE I**

**TERM OF AGREEMENT**

**1.01** This agreement shall become effective on the date first above written and shall continue until **June 30, 2020** unless extended or sooner terminated as provided for herein.

**ARTICLE II**

**SERVICES TO BE PERFORMED**

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

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

**ARTICLE III**

**COMPENSATION**

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

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

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

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

#### **ARTICLE IV**

#### **CONSULTANT OBLIGATIONS**

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

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

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

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

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

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

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

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



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

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

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

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

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

## **ARTICLE V**

### **SAWPA OBLIGATIONS**

**5.01** SAWPA shall:

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

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

## ARTICLE VI

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

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

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

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

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

## ARTICLE VII

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

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

## ARTICLE VIII

### **TERMINATION OF AGREEMENT**

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

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

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

## ARTICLE IX

### **CONSULTANT STATUS**

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

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

## **ARTICLE X**

### **AUDIT AND OWNERSHIP OF DOCUMENTS**

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

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

## **ARTICLE XI**

### **MISCELLANEOUS PROVISIONS**

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

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

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

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

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

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

**11.07** Any dispute which may arise by and between SAWPA and the Consultant, including the Consultants, its employees, agents and subcontractors, shall be submitted to binding arbitration. Arbitration shall be





**V. COMPENSATION**

For the services rendered by Consultant pursuant to the Task Order, Consultant shall receive a total not-to-exceed sum of **\$172,216.00** per the Cost Proposal (Attachment A). In addition, this Task Order includes optional tasks of **\$27,784.00**, which is available to the Consultant only with explicit written authorization from the SAWPA Project Manager for work/services included in the Final Project Study Plan that exceed what is described in the attached Cost Proposal.

GEI Consultants, Inc. Task Order:	\$172,216.00
Optional Tasks:	<u>\$27,784.00</u>
Total Available Project Funding:	\$200,000.00

**VI. CONTRACT DOCUMENTS PRECEDENCE**

In the event of a conflict in terms between and among the contract documents herein, the document item highest in precedence shall control. The precedence shall be:

- a. The Agreement for Services by Independent Consultant/Contractor.
- b. The Task Order or Orders issued pursuant to the Agreement, in numerical order.
- c. Exhibits attached to each Task Order, which may describe, among other things, the Scope of Work and compensation therefore.
- d. Specifications incorporated by reference.
- e. Drawings incorporated by reference.

**In witness whereof**, the parties have executed this Task Order on the date indicated below.

**SANTA ANA WATERSHED PROJECT AUTHORITY**

_____	_____
Richard E. Haller, General Manager	Date

**GEI CONSULTANTS, INC.**

_____	_____	_____
(Signature)	Date	Print/Type Name and Title

April 30, 2019

Consulting  
Engineers and  
Scientists

Rick Whetsel, Senior Watershed Manager  
Santa Ana Watershed Project Authority  
11615 Sterling Avenue  
Riverside, CA 92503

**Re: Middle Santa Ana River (MSAR) Bacteria TMDL Synoptic Study Cost Proposal**

Dear Mr. Whetsel,

The purpose of this letter is to present GEI Consultant's (GEI) proposal to develop and implement the MSAR Bacteria TMDL Synoptic Study on behalf of the Santa Ana Watershed Project Authority (SAWPA) and the MSAR Bacteria TMDL Task Force ("Task Force"). This proposal, which was developed collaboratively with our team members, is based on the *Scope of Work for: Synoptic Study of Bacteria in the Middle Santa Ana River Watershed* ("Synoptic Study"), prepared by Risk Sciences and discussed at the April 23, 2019 Task Force meeting (see **Attachment A**). The purpose of the of the Synoptic Study is to evaluate the effectiveness of the Comprehensive Bacteria Reduction Plans (CBRPs) implemented by MS4 programs and to improve those programs where necessary. Findings from the Synoptic Study are intended to guide resource allocation for future bacterial mitigation projects and support planned revisions to the MSAR Bacteria TMDL. The Synoptic Study includes five tasks, summarized as follows:

- Task 1: Prepare a Study Plan with sample locations, water quality parameters to be analyzed, a sampling schedule and an estimate of the cost to implement Task 3 (sample collection).
- Task 2: Prepare a Quality Assurance Project Plan (QAPP) based to the maximum extent practicable on the approved QAPP prepared for the ongoing Regional Bacteria Monitoring Program (RBMP).
- Task 3: Collect samples to perform the analyses described in the Study Plan.
- Task 4: Prepare a Study Report that addresses the objectives of the study (see **Attachment A**), provide all laboratory reports and the related water quality database to SAWPA, and upload qualified data to CEDEN, as directed.
- Task 5: Attend up to eight Task Force meetings to provide progress reports, accept comments on various draft work products and receive further project direction.

Following is a description of key personnel for this project, our cost proposal to complete the above tasks and the proposed project schedule.

### **Project Team**

GEI and CDM Smith will work collaboratively with Dr. Menu Leddy of Essential Environmental Engineering Systems (EEES) to execute this project. Dr Richard Meyerhoff (GEI) will serve as the Project Manager. He has worked on the MSAR Bacteria TMDL since its 2007 effective date, either working directly with the Task Force or with the Riverside and San Bernardino County MS4

Programs through the development and implementation of the CBRPs. Dr. Meyerhoff will work closely with the project team to complete the tasks on schedule within the approved budget. Our team includes the following key personnel:

- Mr. Steven Wolosoff (CDM Smith) will work with the project team and Task Force to develop the Study Plan and direct the technical analyses to be completed to support preparation of the Study Report. Mr. Wolosoff has been supporting the Task Force and MS4 Programs since TMDL implementation began in 2007.
- Dr. Menu Leddy (EEES) brings her substantial expertise in the use of microbial source tracking methods and interpretation of microbial data to this project. Previously with Orange County Water District, Dr. Leddy has supported Task Force and MS4 Program efforts to collect, analyze and evaluate microbial source data in the MSAR watershed since the original synoptic study was conducted in 2007-2008.

### **Cost Proposal**

The estimated cost to complete the five tasks summarized above is \$236,371 (**Attachment B, Table B-1**). This estimate assumes that the Task Force will rely on contractor support for all project tasks, including data collection conducted under Task 3. The following sections provide a summary regarding the basis for the costs estimated for each task. Attachment C provides cost schedules for GEI and CDM Smith. EEES will bill services provided by Dr. Menu Leddy at \$150/hour.

#### *Task 1: Prepare Study Plan*

The project team will prepare a Study Plan that (a) identifies sample locations; (b) water quality samples to be collected; (c) field and laboratory parameters to be analyzed; (d) sample collection frequency; and (e) sample collection schedule. This task includes staff time to visit potential sample locations to verify, where needed, our team's understanding of the current hydrologic connectivity between proposed sample locations and downstream impaired waters. A Draft Study Plan will be submitted to the Task Force for review and comment. The Draft Study Plan will include updates to the cost estimates provided in this cost proposal for the collection and delivery of samples to the appropriate laboratory. A Final Study Plan, based on comments received on the draft, will be submitted to the Task Force.

#### *Task 2: Prepare QAPP*

The project team will prepare a QAPP to support the Synoptic Study. To ensure close alignment between the Synoptic Study and RBMP, this QAPP will be developed using the RBMP QAPP as the baseline document. Modifications to the RBMP QAPP will be made only where necessary, e.g., elements related to project description and sampling design. Some sections will require substantial changes to reflect the purposes of this study, other sections may require only minor or no changes, e.g., sampling methods, sample handling/custody, analytical methods and quality control. A Draft QAPP will be submitted to the Task Force for review and comment. A Final QAPP, based on comments received on the draft, will be submitted to the Task Force.

#### *Task 3: Sample Collection/Laboratory Analysis*

This task focuses on the implementation of the approved Study Plan. To prepare this cost proposal, we developed a set of preliminary assumptions regarding expected labor and laboratory costs to



implement a robust program to collect field data and analyze water quality samples. These assumptions and expected costs will be refined as needed as part of the development of the Study Plan under Task 1. Following is description of the basis for this cost proposal:

- Water Quality Constituents: Routine water quality field measurements (e.g., dissolved oxygen, conductivity, pH, temperature and turbidity) will be collected at each sample location during each sample event. Water samples will be collected for laboratory analysis of the fecal indicator bacteria *Escherichia coli* (*E. coli*) and the HF183 genetic marker for human source bacteria.
- Sample Locations – Collection of water quality and flow data is proposed at the following types of sites to obtain the data necessary to do a relatively robust mass balance analysis for both *E. coli* and the human genetic marker HF183:
  - Tier 1 and Tier 2 - To be successful, the synoptic survey must collect samples at all MS4 outfalls to waters listed as impaired; however, many do not contribute dry weather flow and have been previously identified as hydrologically disconnected. Based on the results of previous studies (e.g., Urban Source Evaluation Plan implementation and Tier 1 site inspections). This cost proposal is based on the collection of samples from 24 sites during each of 7 sample events. **Table 1** provides a preliminary list of 21 sample locations assumed at this time to have measurable dry weather flow for sample collection (Note: This is for preliminary planning purposes; these assumptions will be field verified during preparation of the Study Plan). In addition to the 21 Tier 1 sites listed in Table 1, three Tier 2 sites are planned for sampling: (a) two sites downstream of the Arlington greenbelt (upstream inflow to the City of Riverside MS4); and (b) one site at the connection from the City of Claremont to City of Pomona near Interstate 10.
  - Watershed Compliance Sites - To the maximum extent possible, sampling for *E. coli* will occur concurrently at downstream sites through the RBMP. In addition, this cost proposal recommends that sampling for HF183 also occur concurrently at the following four TMDL compliance monitoring sites: WW-S1, WW-S4, WW-M6, and WW-C7. While the water quality samples will be collected at these sites as part of the RBMP, the additional laboratory cost for the HF183 marker analysis are included in this proposal.
  - Wastewater Effluent Discharge Sites – This proposal includes costs for the collection of water quality data at or near the point of discharge of effluent from the Rialto, RIX, and Riverside wastewater treatment facilities.
- Sample Frequency - Findings from the synoptic survey are most scientifically defensible if they are repeated in multiple events. Given the temporal variability in dry weather flows and associated bacteria loads from MS4s, multiple sample events are recommended to characterize bacteria and dry weather flow. For this cost proposal, it is assumed that up to seven weekly sample events will be conducted at each of the sample locations over seven consecutive weeks during the 2019 August/September time period. This number of events will be further evaluated during Study Plan development as the number of events has significant impact on Task 3 implementation costs.

**Table 1. Preliminary List of Sample Locations**

Subwatershed	Primary MS4	Tier 1 Site Code	Site Name
Chino Creek	Chino	SACH	Chino Storm Drain to San Antonio Channel
		PPLN	Pipeline Avenue 84" RCB outlet under bridge
		YRBA	Yorba Avenue extension to Chino Creek
		CYP	Cypress Channel
	Chino Hills	BRSC	Boys Republic South Channel
		CCCH	Carbon Canyon Creek Channel
		LLSC	Lake Los Serranos Channel
Pomona	CHINOCRK	Chino Creek upstream of San Antonio Channel	
Mill-Cucamonga Creek	Eastvale	EVLA	Eastvale Line A
		EVLB	Eastvale Line B
	Ontario	SR60	Cucamonga Creek above SR60
		CHRIS	Chris Basin Outflow
Santa Ana River Reach 3	Eastvale	EVLD	Eastvale Line D
		EVLE	Eastvale Line E
		SSCH	San Sevaine Channel
		DAY	Day Creek
	Riverside	ANZA	Anza Drain
		BXSP	Box Springs Channel
		PHNX	Phoenix Storm Drain
		SNCH	Sunnyslope Channel
		MCSO	Magnolia Center Storm Drain

- Flow Measurements - Because MS4 flow contributions to downstream impaired waters can have low flow rates but high concentrations relative to the receiving waters, the rate of flow used in the planned mass balance analysis can be a highly sensitive parameter. Therefore, it is recommended that this study include more rigorous methods for flow measurements than used in previous studies to increase the accuracy of flow estimates at each sample location. This cost proposal includes a detailed flow measurement at each site using a Marsh-McBirney meter. Other flow measurement alternatives that rely on flow sensor equipment will be explored during Study Plan development, but costs for any potential alternatives have not been included in this proposal.

This cost proposal, which is based on the assumptions above, will be further evaluated and refined during preparation of the Study Plan. Table B-1 summarizes the estimated costs for field sampling and laboratory analysis as follows:

- The “Data Collection Estimate” column in Table B-1 provides an estimate of the cost for field staff to collect the samples over the time period and number of sites described above. CWE, which is currently responsible for sample collection under the RBMP, provided the cost estimate. Table B-1 includes all labor to collect and deliver samples to laboratories (2 CWE staff for 3 days during each sample event) and expenses associated with sample collection (travel and equipment).

- The “Laboratory Estimate” column in Table B-1 provides the estimated laboratory costs to analyze water samples for total coliform and *Escherichia coli* (*E. coli*) and the PCR human marker HF183. These cost estimates are based on preliminary quotes provided by Babcock Laboratories, Inc. (total coliform/*E. coli*) and Orange County Public Health Laboratory (HF183). Project team costs are included for management of the field teams and laboratories, data QA/QC and data compilation.

#### *Task 4 – Study Report*

The project team will prepare a Study Report that addresses the eleven Synoptic Study objectives (see **Attachment A**). Included in these objectives is work to (a) update understanding of dry weather flows and hydrologic connectivity throughout the watershed; (b) identify and compile data being collected by other agencies or organizations working in the watershed; and (c) update various data analyses previously completed to support TMDL implementation in the watershed. The resulting Study Report will serve as the next Triennial Report for the ongoing TMDL implementation program and provide data to support future revision of the TMDL and anticipated updates to existing TMDL implementation plans in the watershed. A Draft Study Report will be submitted to the Task Force for review and comment. A Final Study Report, based on comments received on the draft, will be submitted to the Task Force. The final submittal will include electronic copies of field data sheets, laboratory reports and the project water quality database. As directed by the Task Force, we will upload qualified data to the California Environmental Data Exchange Network (CEDEN).

#### *Task 5 – Task Force Meetings*

At least one of the key personnel from GEI or CDM Smith will attend Task Force meetings during implementation of the Synoptic Study to provide progress reports, accept comments on work products or receive further Task Force direction. EEES will attend where appropriate to discuss microbial source tracking related findings. Preparation and participation in up to eight meetings (labor and expenses) are included in the budget.

### **Cost Proposal Alternative**

An alternative to having a contractor complete the data collection elements of the Synoptic Study is to have field staff employed by stakeholders collect the data, e.g., Riverside and San Bernardino County MS4 Program staff. The estimated project cost under this alternative is \$172,216 (**Attachment B, Table B-2**). The cost difference assumes that stakeholders provide the staff, equipment and transportation to collect all field/water quality data and deliver samples to the appropriate laboratories. Our project team would still manage the overall data collection effort, including laboratory coordination, data QA/QC and data compilation.

### **Project Schedule**

The project team is committed to meeting the project schedule as outlined in Attachment A. **Table 2** summarizes this schedule, based on a Notice to Proceed by May 10, 2019.

**Table 2. Proposed Project Schedule**

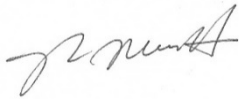
Task	Complete By
Draft Study Plan, QAPP and Final Cost Estimates	June 15, 2019
Final Study Plan, QAPP and Final Cost Estimates	July 15, 2019
Data Collection	August & September, 2019
Progress Report with Presentation to Task Force	October 15, 2019
Draft Study Report	November 15, 2019
Final Study Report	January 15, 2020
Submit Final Report to Santa Ana Water Board	February 15, 2020
Participate in Task Force meetings	As scheduled

**Closing**

We appreciate having the opportunity to work with SAWPA and the Task Force on this critical project. Should you have any questions or need further information regarding this proposal, please contact Richard Meyerhoff at 303-345-3083 (cell).

Sincerely,

GEI CONSULTANTS, INC.



Richard Meyerhoff, PhD.  
 Water Quality Specialist



Lee Bergstedt  
 Branch Office Manager

**Scope-of-Work for:**  
**Synoptic Study of Bacteria in the Middle Santa Ana River Watershed**

**Project Background**

In August of 2005, the Regional Water Quality Control Board adopted a Total Maximum Daily Load (TMDL) for pathogen indicator bacteria in Reach 3 of the Santa Ana River, Mill Creek (in the Prado area), Reach 1 of Cucamonga Creek, Reaches 1 and 2 of Chino Creek, and the Prado Park Lakes.<sup>1</sup> Over the following 12 months, dischargers named in the TMDL began organizing a Task Force to implement the various regulatory requirements in the TMDL. The TMDL became effective upon EPA approval in May of 2007 and the Regional Board approved the Task Force's proposed water quality monitoring plan in June of 2007.<sup>2</sup>

One of the key elements in the water quality monitoring plan was to identify the most significant sources of bacterial contamination to the impaired waterbodies. This Urban Source Evaluation Program (USEP) was implemented in 2007-8 and the final report was issued in early 2009.<sup>3</sup> A number of additional investigations focused on the high priority stream segments were performed in 2010-11 and the final reports for these follow-up studies can be downloaded from the Task Force's website.<sup>4</sup>

Data collected during the USEP studies was used to develop a risk-based scoring system to help prioritize project implementation and measure progress improving water quality. That risk-based approach formed the foundation for the Comprehensive Bacteria Reduction Plans (CBRP) developed by all of the stakeholders named in the TMDL. Following approval by the Regional Board, county and municipal stormwater agencies are now required to implement the CBRPs in accordance with their NPDES permit.<sup>5</sup>

The TMDL requires stakeholders to submit written progress reports every three years. To date, three such reports have been prepared and delivered. Copies of the triennial reports for [2010](#), [2013](#) and [2016](#) are available on the Task Force's website. Normally, the next triennial report would be due in 2019. However, because the Regional Board just completed a detailed audit of the CBRPs at the end of 2018, it was determined that the next triennial report should be deferred for one year in order to provide time to undertake a new Synoptic Study of bacterial sources and loads in the watershed.

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<sup>1</sup> Res. No. R8-2005-0001 (Aug. 26, 2005); became effective with U.S. EPA approval on May 16, 2007.

<sup>2</sup> Res. No. R8-2007-0046 (June 29, 2007).

<sup>3</sup> CDM. Middle Santa Ana River Bacterial TMDL Data Analysis Report. March 19, 2009.

<sup>4</sup> <http://www.sawpa.org/task-forces/middle-santa-ana-river-watershed-tmdl-taskforce/#resourcesb8a6-4b67>

<sup>5</sup> Res. No. R8-2012-0015 & Res. No. R8-2012-0016 (Feb. 10, 2012); Res. No. r8-2014-0030 (March 14, 2014).

## **Project Objectives**

The synoptic study is intended to mirror and build-upon similar efforts performed as part of the original USEP in 2008 and the Tier 1 and Tier 2 Source Investigations completed in 2011-3. Results from the Synoptic Study will be used to evaluate the effectiveness of the CBRP implementation programs and to improve those programs where necessary. In particular, conclusions and recommendations from the Synoptic Study will guide resource allocation for future bacterial mitigation projects. Therefore, the sampling and analysis plan for the Synoptic Study should be designed to accomplish the following objectives:

- 1) Characterize the current concentration of fecal indicator bacteria, including the associated variability, in the waterbodies named in the TMDL. This water quality monitoring effort should be coordinated, to the maximum extent practicable, with the existing [Regional Bacteria Monitoring Program](#) and to avoid duplication of effort and minimize redundant costs.
- 2) Characterize the flows and concentrations of fecal indicator bacteria being discharged into the waterbodies named in the TMDL from all major tributaries and discharges to those waterbodies.
- 3) Identify additional sources of data from similar fecal indicator bacteria monitoring programs conducted by other agencies or organizations (e.g. Inland Waterkeeper, USGS, OCWD, DDW (formerly DPH), county health departments, water supply agencies, etc.) and obtain copies if possible. Add all data collected during the study to SAWPA's existing water quality database and upload qualified data to CEDEN when directed to do so by the Task Force.
- 4) Characterize any significant changes in the concentration and mass of bacteria that have occurred during the period of TMDL implementation. Determine if there is any discernable trend in the receiving water and discharge data for both *E. coli* and bacteroides (or other human DNA marker selected for the study).
- 5) Use appropriate Microbial Source Tracking techniques to determine the extent to which human sources may or may not be contributing to elevated fecal indicator bacteria concentrations in the samples collected.

## Attachment A

- 6) Update the Risk-Based Prioritization Score, reflected in Table 3-6 and Figure 3-8 in the 2013 TMDL Triennial Report,<sup>6</sup> for all sites evaluated as part of the new Synoptic Study and summarize how these scores have changed since the previous ranking was prepared in 2013.<sup>7</sup>
- 7) Evaluate and quantify the degree to which dry weather urban flows have declined in the time since the TMDL was approved in 2005.<sup>8</sup> Estimate the net change in bacterial mass loads associated with the reduction in dry weather flows discharged from the stormwater conveyance system.
- 8) Confirm what specific areas of the MSAR watershed have been hydrologically-disconnected from the receiving streams identified in the TMDL, during dry weather conditions, and update the GIS maps accordingly.<sup>9</sup>
- 9) Update and revise the bacteria mass balance analyses shown in Figures 4-9, 4-10 and 4-11 of the 2016 TMDL Triennial Report.<sup>10</sup>
- 10) Determine whether the estimated bacterial load reductions described in Tables 3-2, 3-3 and 3-4 of [Riverside County's CBRP](#) and [San Bernardino County's CBRP](#) have been achieved and evaluate the net effect of the actual reductions achieved on receiving water quality at the primary instream compliance stations. Update the estimated load reductions required to achieve compliance with the E. coli targets identified in the 2005 TMDL and with the [new E. coli objectives](#) adopted by the State Water Resources Control Board in 2018.<sup>11</sup>
- 11) Perform appropriate statistical analyses to determine whether average E. coli concentrations in Cucamonga Creek-Reach 1 are exceeding the antidegradation targets established by the Regional Board in 2012. Re-calculate an appropriate antidegradation target for Cucamonga Creek-Reach 1 using the 90<sup>th</sup> percentile of valid, dry weather data and determine whether current water quality in the stream is exceeding that threshold using the methods and procedures described in the State of California's 303(d) [Listing Policy](#).<sup>12</sup>

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<sup>6</sup> CDM. Middle Santa Ana River Bacterial Indicator TMDL Implementation Report; February, 2013.

<sup>7</sup> CDM-Smith. Middle Santa Ana River Bacteria TMDL Implementation Report. Feb., 2013; see §3.4 and Figure 3-8.

<sup>8</sup> See, for example, CDM-Smith. Middle Santa Ana River Bacteria TMDL Implementation Report. June, 2017; §4.1.3.2, Figures 4-6 & 4-7.

<sup>9</sup> CDM-Smith. Middle Santa Ana River Bacteria TMDL Implementation Report. June, 2017; see Fig. 4-2.

<sup>10</sup> CDM-Smith. Middle Santa Ana River Bacterial Indicator TMDL Implementation Final Report; June, 2017

<sup>11</sup> Res. No. 2018-0038 (August 7, 2018).

<sup>12</sup> State Water Resources Control Board. Water Quality Control Policy for Developing California's Clean Water Act Section 303(d) List. Res. No. 2015-0005 (February 3, 2015).

**Project Tasks**

Task 1: Prepare a draft study plan that identifies the locations to be sampled, the water quality (chemical and physical) parameters to be analyzed, and the sampling schedule. Estimate the cost to implement the draft study plan based on two options: one where the contractor is responsible for all sample collection and another where the stakeholders are responsible for collecting and shipping their own samples. Revise and finalize the study plan and cost estimates based on comments and direction received from the Regional Board and members of the Task Force.

Task 2: Prepare a draft Quality Assurance Project Plan (QAPP) to support the Synoptic Study project. The QAPP should mirror, to the maximum extent practicable, the QAPP previously prepared for the Regional Bacteria Monitoring Program and recently approved by the Regional Board. Revise and finalize the study plan based on comment received from the Regional Board and the Task Force.

Task 3: Collect the samples and perform the analyses described in the final Synoptic Study plan in accordance with the project budget approved by the Task Force.

Task 4: Prepare a draft report summarizing the results of the Synoptic Study with particular emphasis on addressing each of the study objectives identified above. Revise and finalize the study report based on comments received from the Regional Board and members of the Task Force. Provide electronic copies of all laboratory reports and the related water quality database in a format specified by SAWPA. Upload qualified data to CEDEN as directed by Task Force.

Task 5: Attend up to eight meetings of the MSAR TMDL Task Force to provide progress reports, accept comments on various draft work products and receive further project direction.

**Project Schedule**

<b>Description</b>	<b>Due Date</b>
Draft Study Plan, QAPP and Cost Estimates	June 15, 2019
Final Study Plan, QAPP and Cost Estimate	July 15, 2019
Synoptic Study Sampling	August & September, 2019
Progress Report (Powerpoint Presentation)	October, 2019
Draft Study Report	November 15, 2019
Final Study Report	January 15, 2019
Submit Final Report to Reg. Board	February 15, 2019



**Attachment B, Table B-1 – Contractor Completes All Tasks**

Personnel	Project Manager/Director (GEI)	Senior Technical Lead (CDM Smith)	Technical Support (GEI/CDM Smith)	Microbial Expertise (EEES)	GEI, CDM Smith, EEES Team			Data Collection Estimate <sup>1</sup>	Laboratory Estimate <sup>2</sup>	Total Cost Estimate
	Rate/hour	\$250	\$200	\$150	\$150	Hours	Labor			
<b>Task 1 - Study Plan</b>	32	28	16	12	88	\$ 17,800	\$ 250	\$ -	\$ -	\$ 18,050
Field Assessment	0	0	16	0	16	\$ 2,400	\$ 250	\$ -	\$ -	\$ 2,650
Draft Study Plan	24	20	0	8	52	\$ 11,200	\$ -	\$ -	\$ -	\$ 11,200
Final Study Plan	8	8	0	4	20	\$ 4,200	\$ -	\$ -	\$ -	\$ 4,200
<b>Task 2 - QAPP</b>	3	5	20	0	28	\$ 4,750	\$ -	\$ -	\$ -	\$ 4,750
Draft QAPP	2	4	10	0	16	\$ 2,800	\$ -	\$ -	\$ -	\$ 2,800
Final QAPP	1	1	10	0	12	\$ 1,950	\$ -	\$ -	\$ -	\$ 1,950
<b>Task 3 - Data Collection</b>	8	0	64	16	88	\$ 14,000	\$ -	\$ 61,100	\$ 27,500	\$ 102,600
Field Team/Laboratory Management	8	0	24	4	36	\$ 6,200	\$ -	\$ -	\$ -	\$ 6,200
Data Collection Activities	0	0	0	0	0	\$ -	\$ -	\$ 61,100	\$ 27,500	\$ 88,600
Data QA/QC	0	0	16	12	28	\$ 4,200	\$ -	\$ -	\$ -	\$ 4,200
Data Compilation	0	0	24	0	24	\$ 3,600	\$ -	\$ -	\$ -	\$ 3,600
<b>Task 4 - Study Report</b>	105	205	45	20	375	\$ 77,000	\$ -	\$ -	\$ -	\$ 77,000
Draft Report	75	170	20	16	281	\$ 58,150	\$ -	\$ -	\$ -	\$ 58,150
Final Report	30	35	10	4	79	\$ 16,600	\$ -	\$ -	\$ -	\$ 16,600
CE DEN Upload	0	0	15	0	15	\$ 2,250	\$ -	\$ -	\$ -	\$ 2,250
<b>Task 5 - Task Force Meetings</b>	32	32	16	12	92	\$ 18,600	\$ 7,000	\$ -	\$ -	\$ 25,600
Meeting Prep/Participation	32	32	16	12	92	\$ 18,600	\$ 7,000	\$ -	\$ -	\$ 25,600
	0	0	0	0	0	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Totals</b>	<b>180</b>	<b>270</b>	<b>161</b>	<b>60</b>	<b>671</b>	<b>\$ 132,150</b>	<b>\$ 7,250</b>	<b>\$ 61,100</b>	<b>\$ 27,500</b>	<b>\$ 228,000</b>
<sup>1</sup> - Estimate based on 24 Tier 1/2 sites and 3 wastewater effluent sites; collected 7 consecutive weeks by two person team (includes all labor, expenses, travel)									<b>Markup</b>	<b>\$ 8,371</b>
<sup>2</sup> - Based on: (a) total coliform/ <i>E. coli</i> (Method 9223) - 189 samples at \$48/sample (w/ dilutions); (b) Digital PCR for human marker HF183 - 217 samples at \$85/sample									<b>Total</b>	<b>\$ 236,371</b>

**Attachment B, Table B-2 – Sample Collection Under Task 3 Completed by Stakeholders**

Personnel Rate/hour	Project Manager/Director (GEI)	Senior Technical Lead (CDM Smith)	Technical Support (GEI/CDM Smith)	Microbial Expertise (EEES)	GEI, CDM Smith, EEES Team			Data Collection Estimate <sup>1</sup>	Laboratory Estimate <sup>2</sup>	Total Cost Estimate
	\$250	\$200	\$150	\$150	Hours	Labor	Expenses			
<b>Task 1 - Study Plan</b>	32	28	16	12	88	\$ 17,800	\$ 250	\$ -	\$ -	\$ 18,050
Field Assessment	0	0	16	0	16	\$ 2,400	\$ 250	\$ -	\$ -	\$ 2,650
Draft Study Plan	24	20	0	8	52	\$ 11,200	\$ -	\$ -	\$ -	\$ 11,200
Final Study Plan	8	8	0	4	20	\$ 4,200	\$ -	\$ -	\$ -	\$ 4,200
<b>Task 2 - QAPP</b>	3	5	20	0	28	\$ 4,750	\$ -	\$ -	\$ -	\$ 4,750
Draft QAPP	2	4	10	0	16	\$ 2,800	\$ -	\$ -	\$ -	\$ 2,800
Final QAPP	1	1	10	0	12	\$ 1,950	\$ -	\$ -	\$ -	\$ 1,950
<b>Task 3 - Data Collection</b>	8	0	64	16	88	\$ 14,000	\$ -	\$ -	\$ 27,500	\$ 41,500
Field Team/Laboratory Management	8	0	24	4	36	\$ 6,200	\$ -	\$ -	\$ -	\$ 6,200
Data Collection Activities	0	0	0	0	0	\$ -	\$ -	\$ -	\$ 27,500	\$ 27,500
Data QA/QC	0	0	16	12	28	\$ 4,200	\$ -	\$ -	\$ -	\$ 4,200
Data Compilation	0	0	24	0	24	\$ 3,600	\$ -	\$ -	\$ -	\$ 3,600
<b>Task 4 - Study Report</b>	105	205	45	20	375	\$ 77,000	\$ -	\$ -	\$ -	\$ 77,000
Draft Report	75	170	20	16	281	\$ 58,150	\$ -	\$ -	\$ -	\$ 58,150
Final Report	30	35	10	4	79	\$ 16,600	\$ -	\$ -	\$ -	\$ 16,600
CEDEX Upload	0	0	15	0	15	\$ 2,250	\$ -	\$ -	\$ -	\$ 2,250
<b>Task 5 - Task Force Meetings</b>	32	32	16	12	92	\$ 18,600	\$ 7,000	\$ -	\$ -	\$ 25,600
Meeting Prep/Participation	32	32	16	12	92	\$ 18,600	\$ 7,000	\$ -	\$ -	\$ 25,600
	0	0	0	0	0	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Totals</b>	<b>180</b>	<b>270</b>	<b>161</b>	<b>60</b>	<b>671</b>	<b>\$ 132,150</b>	<b>\$ 7,250</b>	<b>\$ -</b>	<b>\$ 27,500</b>	<b>\$ 166,900</b>
<sup>1</sup> - Stakeholder staffs responsible for all data collection (including expenses and delivery to laboratories)									<b>Markup</b>	<b>\$ 5,316</b>
<sup>2</sup> - Based on: (a) total coliform/ <i>E. coli</i> (Method 9223) - 189 samples at \$48/sample (w/ dilutions); (b) Digital PCR for human marker HF183 - 217 samples at \$85/sample									<b>Total</b>	<b>\$ 172,216</b>

**ATTACHMENT C-1: GEI SAWPA 2019 LIFE SCIENCES FEE SCHEDULE AND PAYMENT TERMS**

**FEE SCHEDULE**

<u>Personnel Category</u>	<u>Hourly Billing Rate \$ per hour</u>
Staff Professional – Grade 1	\$ 91
Staff Professional – Grade 2	\$ 104
Project Professional – Grade 3	\$ 110
Project Professional – Grade 4	\$ 125
Senior Professional – Grade 5	\$ 148
Senior Professional – Grade 6	\$ 180
Senior Professional – Grade 7	\$ 220
Senior Consultant – Grade 8	\$ 250
Senior Consultant – Grade 9	\$ 280
Senior Principal – Grade 10	\$ 280
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Senior CADD Drafter / Designer / GIS	\$ 124
CADD Drafter / Designer	\$ 110
Field Professional	\$ 106
Technician 1	\$ 75
Technician 2	\$ 80
Technician 3	\$ 87
Technician 4	\$ 99
Word Processor, Administrative Staff	\$ 80
Office Aide	\$ 75

These rates are billed for both regular and overtime hours in all categories. Rates will increase up to 5% annually, at GEI’s option, for all contracts that extend beyond twelve (12) months after the date of the contract. Rates for Deposition and Testimony are increased 1.5 times.

**OTHER PROJECT COSTS**

**Third Party Project Charges** – All third party project charges will be billed at cost plus a 5% service charge. Examples of such charges include chemical laboratory charges; rented or leased equipment; printing and communication costs; shipping and mailing costs; sample disposal costs; transportation costs, project permits, and licenses.

**Field Equipment Charges** – GEI-owned field equipment will be billed at the following rates:

Backpack and shoreline electro-fishers	\$ 175/day	Invertebrate equipment package	\$ 60/day
Boat electro-fisher	\$ 450/day	Flow meter	\$ 90/day
Boat only	\$ 280/day	Multi-probe	\$ 170/day
IFIM equipment package	\$ 90/day		

**Transportation Charges** - Automobile expenses for GEI or employee owned cars will be charged at the rate per mile set by the Internal Revenue Service for tax purposes plus tolls and parking charges or at a rate negotiated for each project. When required for a project, four-wheel drive vehicles owned by GEI or the employees will be billed at \$25/day plus mileage. Travel costs including airfare, rental vehicles, taxis, parking, tolls, and other transportation charges will be billed at cost plus 5% service charge.

**Subsistence** – Lodging and meal costs at job sites, and in transit to and from job sites, will be billed at cost plus 5% service charge.

**PAYMENT TERMS**

Invoices will be submitted monthly or upon completion of a specified scope of service, as described in the accompanying contract (proposal, project, or agreement document that is signed and dated by GEI and CLIENT). Payment is due upon receipt of the invoice. Interest will accrue at the rate of 1% of the invoice amount per month, for amounts that remain unpaid more than 30 days after the invoice date. All payments will be made by either check or electronic transfer to the address specified by GEI and will include reference to GEI’s invoice number.



**CDM SMITH RATES**

<b>Categories</b>	<b>Hourly Rate</b>
Engineers/Scientists/Planners:	
Grade 1 .....	\$118
Grade 2 .....	\$134
Grade 3 .....	\$155
Grade 4 .....	\$165
Grade 5 .....	\$175
Grade 6 .....	\$185
Grade 7 .....	\$201
Associate .....	\$247
Vice President .....	\$268
Sr. Vice President .....	\$288
Support Service:	
Administrative Manager .....	\$124
Administrative Assistant/Word Processor .....	\$108
Office Clerk .....	\$88
Financial Manager .....	\$134
Contract Administrator .....	\$118
Financial Assistant .....	\$93
Miscellaneous Expense:	
Auto Mileage .....	Current IRS Rate
Outside Services .....	No markup
Materials and Other .....	No markup

## COMMISSION MEMORANDUM NO. 2019.49

**DATE:** May 21, 2019  
**TO:** SAWPA Commission  
**SUBJECT:** SAWPA Building Improvements  
**PREPARED BY:** Carlos Quintero, Operations Manager

### RECOMMENDATION

That the Commission provide direction to staff regarding the Board Room improvements and authorize the use of \$178,000 from the Building Reserve Fund to make various improvements to the SAWPA Building.

### DISCUSSION

On January 15, 2019, the SAWPA Commission approved transfer of \$148,000 from reserves for various improvements. The January 15, 2019 Staff report is included as an attachment. Due to additional effort in rehabilitation the Board Room, there is a need to increase the budget. Staff is also proposing improvements to the existing library, the existing downstairs lunchroom, and additional improvements to the OWOW room.

An additional \$178,000 are required to complete the restoration of the Board Room, including, painting, replacement of the Board Room table and chairs, electrical work, and furniture, as well as the following items:

1. Replace the carpet throughout the common areas in the SAWPA building
2. Replace the front door with an automatic door (sliding)
3. Convert the existing library into a multi-purpose room (replace table, add workstations, add projection monitor, remove existing shelves, paint, replace carpet with laminate floor).
4. Improvements to the downstairs lunchroom, and
5. Various upgrades to the OWOW Room (blinds replacement, painting, new projection screen, new table and chairs).

	<b>Previously Authorized</b>	<b>Budget Adjustment</b>	<b>Notes</b>
<i>Board Room/OWOW Electrical Outlets</i>	\$10,000	-	Pending Board Room renovation
<i>Board Room Monitors/Stands</i>	\$20,000	-	Complete
<i>Window re-sealing</i>	\$8,500	-	Complete
<i>Door Handle Replacement</i>	\$4,000	-	Complete
<i>Emergency Generators</i>	\$5,000	-	Pending
<i>Carpet</i>	\$20,000	\$15,000	Cost is for carpet for common areas
<i>Board Room Table/Furniture</i>	\$8,800	\$12,200	Original estimate assumed table restoration
<i>Restroom renovations</i>	\$42,000	\$8,000	Requires new partitions
<i>Parking Lot</i>	\$30,000	Pending	Pending bidding process
<i>Paint</i>	-	\$31,000	Assumes painting over wallpaper. \$32,800 including wallpaper removal
<i>Chairs</i>	-	\$21,800	Assumes re-upholster audience chairs
<i>Front Door</i>	-	\$10,000	Estimated cost
<i>Electrical work</i>	-	\$10,000	Estimated cost
<i>Library Improvements</i>	-	\$30,000	Estimated cost
<i>Lunch Room Improvements</i>	-	\$20,000	Estimated cost
<i>OWOW Room Improvements</i>	-	\$30,000	Estimated cost
<b>TOTAL</b>	<b>\$148,300</b>	<b>\$178,000</b>	

**CRITICAL SUCCESS FACTORS**

N/A

**RESOURCE IMPACTS**

Funds are available under Building Reserve Fund.

Attachments:

1. Commission Memo 2019.3 – January 15, 2019
2. PowerPoint Presentation

## COMMISSION MEMORANDUM NO. 2019.3

**DATE:** January 15, 2019  
**TO:** SAWPA Commission  
**SUBJECT:** SAWPA Building Improvements  
**PREPARED BY:** Carlos Quintero, Operations Manager

### **RECOMMENDATION**

That the Commission authorize the use of \$148,000 from the Building Reserve Fund to make various improvements to the SAWPA Building.

### **DISCUSSION**

The SAWPA building was constructed in 1992. Due to normal wear and tear, several improvements are required:

#### ***Carpet***

The existing carpet was installed in 2002. The current carpet is worn out and starting to ripple at various locations, creating tripping hazards. Staff is recommending replacing with new carpet at all common use areas (approximately 4,300 ft<sup>2</sup> not including offices) and replacing the base board. The estimated cost for the replacement, including labor and materials, is estimated at \$20,000.

#### ***Restrooms***

The downstairs restrooms have water damaged countertops, old plumbing fixtures, and the original wallpaper. Staff is recommending replacing the wallpaper, floor tile, countertops, plumbing fixtures, and adding an extra urinal in the men's restroom and converting the existing shower to a toilet stall in the downstairs restrooms. Also, high powered air hand dryers are proposed for all building restrooms and replacing countertops and plumbing fixtures in both upstairs restrooms. The estimated cost for these activities, including labor and materials, is estimated at \$42,500.

#### ***Board Room Table Restoration***

The Board Room table requires resurfacing due to normal wear and tear. The preferred option, where a vendor restores the table in the Board room, is estimated at \$3,800.

#### ***Door handles***

Some of the door handles have been failing due to normal use. Most of the door handles have been in place since the building was constructed. The cost to replace 27 door handles and resetting the keys for a master lock is \$4,100.

#### ***Building windows***

The seal on the building windows has suffered weather damage which results in occasional leaks during rain events. Staff is recommending removing all the worn out seal around each one of the 209 windows and replacing it with new material. The cost for this activity is \$8,500.

***Board Room Projector Screen and Display***

The currently used project and screen in the Board Room lack adequate resolution and brightness. Staff is proposing to replace the projection screen with a larger monitor and project directly from a computer rather than using the overhead projector. Additionally, SAWPA would like to replace the existing wall display with an interactive digital display to showcase activities performed at SAWPA as well as add an electrical outlet adjacent to the Board Room table to reduce tripping hazards. The existing Board Room smaller tables and cabinets would be replaced with furniture better suited for current uses. The estimated cost is \$29,000 (\$14,000 for digital screen, \$5,000 for digital display, \$5,000 for electrical outlet, and \$5,000 for furniture replacement).

***OWOW Room Improvements***

The OWOW Room would benefit from having an electrical outlet adjacent to the table to reduce tripping hazards due to wires crossing travel paths. The estimated cost is \$5,000.

***Parking lot improvements***

Staff is recommending adding 3 parking stalls to accommodate vehicles during large events. Additional improvements include relocating the handicap stalls to the north side of the building (adjacent to the electric vehicle charging stations) and creation of a path to the main entrance through the existing landscaped area. These improvements would be performed using a combination of a contractor (asphalt work) and SAWPA staff (path from handicap parking spots to main entrance). The estimated cost is \$30,000.

***Emergency generators***

Staff is recommending purchasing four portable generators to use during emergencies to power equipment in the server room and a second connection in the board room to allow skeleton staff to use computers/printers. A quick connection would be established in the server room and in the Board Room. The estimated cost of the four generators is \$5,000.

**CRITICAL SUCCESS FACTORS**

N/A

**RESOURCE IMPACTS**

Funds are available under Building Reserve Fund.

Attachments:

1. None



# SAWPA Building Improvements

Item 5.D.  
May 21, 2019

## Recommendation

- That the Commission provide direction to staff regarding the Board Room improvements and authorize the use of \$178,000 from the Building Reserve Fund to make various improvements to the SAWPA Building.

	Authorized	Adjustment	Notes
Board Room/OWOW Electrical Outlets	\$10,000	-	Pending
Board Room Monitors/Stand	\$20,000	-	Complete
Window re-sealing	\$8,500	-	Complete
Door Handle Replacement	\$4,000	-	Complete
Emergency Generators	\$5,000	-	Pending
Carpet	\$20,000	\$15,000	Cost is for carpet for common areas
Board Room Table/Furniture	\$8,800	\$12,200	Original estimate assumed table restoration; several options for Table
Restroom renovations	\$42,000	\$8,000	Requires new partitions
Parking Lot	\$30,000	Pending	Pending bidding process.
Paint	-	\$31,000	Assumes painting over wallpaper. \$32,800 including wallpaper removal.
Chairs	-	\$21,800	Assumes re-upholster audience chairs
Front Door	-	\$10,000	Estimated cost
Electrical work	-	\$10,000	Estimated cost
Library Improvements	-	\$30,000	Estimated cost
Lunch Room Improvements	-	\$20,000	Estimated cost
OWOW Room Improvements	-	\$30,000	Estimated cost
<b>TOTAL</b>	<b>\$148,300</b>	<b>\$178,000</b>	

# Proposed Work Schedule

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
	JULY 1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31	AUGUST 1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

- July 16 – Commission Meeting
- July 25 – OWOW Steering Committee Meeting

## Recommendation

- That the Commission provide direction to staff regarding the Board Room improvements and authorize the use of \$178,000 from the Building Reserve Fund to make various improvements to the SAWPA Building.

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**COMMISSION MEMORANDUM NO. 2019.50**

**SUPPLEMENTAL**

**DATE:** May 21, 2019

**TO:** SAWPA Commission

**SUBJECT:** Agreement with the Orange County Stakeholders (OCWD, OCSD, OC Public Works) on Integrated Regional Water Management Funding

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

**RECOMMENDATION**

Receive a status update on negotiations to complete the subject agreement, review the latest draft agreement, approve the draft agreement or provide direction to staff as necessary.

**DISCUSSION**

Draft agreements have been exchanged and a second meeting held on April 29<sup>th</sup>. Substantial progress has been made. The County Counsel has reviewed and edited the latest draft sent by SAWPA. These edits were received May 14<sup>th</sup> and are being evaluated by SAWPA. The latest details will be provided during an oral presentation at the Commission meeting.

The following are the details of the proposed agreement between SAWPA and the OC Stakeholders:

1. Pre-allocation of grant funds to OC equal to 30% of the available funds in Proposition 1, Round 1 for projects directly benefitting OC. Projects to be selected using OC's method for rating and ranking.
2. 10% of grant funds reserved for watershed wide projects. Projects to be rated and ranked and selected using the OWOW rating and ranking system.
3. 60% of funds to be used for projects in San Bernardino and Riverside Counties selected using the OWOW project rating and ranking system.
4. The OC Stakeholders to withdraw its application to become a separate funding management region.
5. The OC Plan to be incorporated by reference in an Appendix within the OWOW Plan Update 2018.

**CRITICAL SUCCESS FACTORS**

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

**RESOURCE IMPACTS**

The cooperative agreement will pre-allocate grant funds to the OC Stakeholders.

Attachment:

1. Latest Draft Agreement ([Dated May 16, 2019](#))

## COOPERATIVE AGREEMENT FOR INTEGRATED REGIONAL WATER MANAGEMENT FUNDING IN THE SANTA ANA FUNDING AREA

This Cooperative Agreement (Agreement), which shall have an effective date as of the date fully executed by all parties hereto, is between the County of Orange, Orange County Sanitation District, Orange County Water District (collectively referred to as Orange County Parties), and the Santa Ana Watershed Project Authority (SAWPA), a joint powers authority. SAWPA and the Orange County Parties are collectively referred to as the “Parties.”

**WHEREAS** SAWPA is the Regional Water Management Group for the Santa Ana Funding Area, for purposes of Integrated Regional Water Management (IRWM) project identification, prioritization, proposal, and grant funding allocation with respect to the One Water One Watershed (OWOW) Plan and any subsequent updates;

**WHEREAS** integrated planning at a regional scale is an important aspect of water resources management that is valuable in identifying opportunities for actions that create multiple, regional benefits and resolve or avoid conflicts in the watershed, and such integrated planning is valuable in promoting and improving collaboration across jurisdictions and functions at both the watershed scale and within significant parts of the watershed;

**WHEREAS** North Orange County comprises a significant part of the Santa Ana Funding Area, including the San Gabriel River-Coyote Creek, Anaheim Bay Huntington Harbour, Newport Bay, and Newport Coastal Streams sub-watersheds, where water management issues and priorities, such as surface and coastal water quality, differ from those in the upper Santa Ana River watershed;

**WHEREAS** the Orange County Parties, pursuant to an agreement amongst themselves, to wit, the Memorandum of Understanding for Integrated Regional Water Management in North and Central Orange County Watershed Management Areas, are a Regional Water Management Group for purposes of development and implementation of an IRWM Plan;

**WHEREAS** the Orange County Parties have, with the collaboration of other North Orange County stakeholders from the San Gabriel River-Coyote Creek, Anaheim Bay Huntington Harbour, lower Santa Ana River, Newport Bay, and Newport Coastal Streams hydrologic units, developed and adopted an IRWM Plan for North and Central Orange County, referred to as “the OC Plan,” which was developed and written to comply with State IRWM standards;

**WHEREAS** the hydrologic units represented in the OC Plan are currently part of the Santa Ana Funding Area covered by the OWOW Plan;

**WHEREAS** prior to entering into this Agreement, the County of Orange submitted an application to the California Department of Water Resources (DWR), to be recognized as a separate region in the Santa Ana Funding Area, to operate independently of SAWPA for purposes of project identification, prioritization, proposal, and grant funding allocation, with respect to projects in the OC Plan;

**WHEREAS** this Agreement serves to memorialize an agreement between the Parties whereby, in exchange for the Orange County Parties agreeing to forego efforts to form a separate region in the Santa Ana Funding Area for the OC Plan, and, instead, remain a part of the Santa Ana Funding Area covered by the OWOW Plan, SAWPA agrees to abide by the terms and conditions stated herein, in all rounds of grant funding administered by the State of California under Proposition 1 and any subsequent IRWM grant programs.

NOW THEREFORE, for good and valuable consideration, the sufficiency of which is acknowledged by all Parties, and in light of the foregoing recitals, the Parties hereby agree as follows:

**1. INTEGRATION OF THE OC PLAN AND OWOW:**

- a. SAWPA has incorporated the OC Plan by reference in an appendix of the OWOW Plan. SAWPA has made other revisions to the OWOW Plan before its adoption reflecting the existence of the OC Plan and its interaction with the OWOW Plan. SAWPA will make other amendments to the OWOW Plan in future updates or as required by DWR.
- b. This Agreement determines how State grant funds for IRWM will be allocated for projects in the OWOW Plan, which includes the OC Plan. Projects allocated funds pursuant to Section 2a and 2b.i. below will not be rated/ranked by the OWOW Steering Committee and will be reviewed by the Committee only for compliance with the requirements of the applicable DWR project solicitation.

**2. PROJECT IDENTIFICATION, RATING/RANKING, SELECTION, GRANT FUNDS ALLOCATION AND ADMINISTRATION:**

- a. Projects in North and Central Orange County proposed for general implementation IRWM grant funding will be rated, ranked and selected for funding by the processes in the OC Plan and not by those in the OWOW Plan.
- b. IRWM grant funds for the Santa Ana Funding Area will be distributed as follows:
  - i. Thirty percent (30%) of the IRWM general implementation grant funds will be allocated to projects in the OC Plan selected pursuant to Section 2.a. In the event that a portion of an allocation is not expended in one funding round of a multi-round process, any unexpended funds shall be rolled over and added to the thirty percent allocation for the next round.

- ii. Ten percent (10%) of the general implementation grant funds will be allocated for projects that benefit both the upper and the lower watersheds in the Santa Ana Funding Area and selected by the process in the OWOW Plan. In the event that selected projects that benefit both the upper and the lower watersheds in the Santa Ana Funding Area do not expend any portion of the 10% allocation, any unexpended funds shall be allocated as follows: thirty-four percent (34%) of any unexpended funds will be allocated to projects selected through the OC Plan as determined under Section 2.a. above, and sixty-six percent (66%) to projects selected through the OWOW for the upper watershed (area in San Bernardino County or Riverside County).
  - iii. Sixty percent (60%) of the general implementation grant funds will be allocated to projects in the upper watershed selected by the process in the OWOW Plan. The Parties agree that projects so selected will not be challenged for funding under this agreement on the basis that the project will increase recycling or groundwater recharge in the upper watershed. In the event that a portion of an allocation is not expended in one funding round of a multi-round process, any unexpended funds shall be rolled over and added to the sixty percent allocation for the next round.
  - iv. Disadvantaged Community (DAC) implementation funds, as defined by DWR, shall be treated separately and will be allocated by the process in the OWOW Plan to projects based on their direct and entire benefit to disadvantaged communities. DAC-supported projects from North and Central Orange County submitted to OWOW seeking DAC implementation funds will be eligible for this grant funding subject to the selection process in the OWOW Plan and will not count as part of the thirty percent (30%) OC Plan funding allocation as required under 2.b.i.
- c. As agreed upon by the OWOW Steering Committee and SAWPA Commission, ten percent (10%) of the total general implementation grant funding allocated to projects that benefit the Santa Ana Funding Area under 2.b.ii, projects in the upper watershed under 2.b.iii, and DAC projects under 2.b.iv will be allocated to small budget projects that requested grant funding less than or equal to \$500,000.
- d. SAWPA will administer the OWOW program and project grant contracting with DWR and the funded projects' lead agencies.
  - i. In selecting and submitting projects per Section 2.a above, the Orange County Parties will comply with a mutually agreed upon schedule and information requirements for submittals to be included in State-led processes related to IRWM funding such as grant applications, workshops and site visits.
  - ii. Five percent (5%) of DWR Proposition 1 IRWM grant funds assigned to the Santa Ana Funding Area will be used for SAWPA's administration of IRWM funding.



- iii. The Parties recognize that the overall number of projects funded under each round of Proposition 1 will need to be limited to ensure SAWPA grant administration is effective and efficient. The number of individual projects in the OC Plan which are funded under the allocation required in section 2.b.i is limited to four (4) for Round 1 of Proposition 1, unless SAWPA determines that additional projects can be supported.
  - iv. SAWPA will be responsible for executing a funding agreement with the lead agency and or project proponent for each project selected for IRWM grant funds.
  - v. Agreement of the Parties will be required for any request for DWR to modify or consolidate the funding rounds of Proposition 1.
3. **WITHDRAWAL OF APPLICATION FOR SEPARATE REGION IN SANTA ANA FUNDING AREA:** Upon execution of this Agreement by all Parties, the Orange County Parties agree to withdraw its application to DWR for recognition as a region in the Santa Ana Funding Area, and agree not to seek such approval so long as SAWPA is not in breach of any of its obligations under this Agreement, or until such time as the Agreement is terminated.
4. **GOVERNANCE:** The OWOW Steering Committee (SC) will continue to function as the advisory body to the SAWPA Commission as defined in the January 15, 2013 Santa Ana IRWMP OWOW Governance document, but shall, in its recommendations, adhere to the terms of Section 1 and 2 of this Agreement.
5. **MODIFICATION:** The terms of this Agreement may be amended only in writing executed by all of the Parties. This Agreement may not be modified in effect by changes in policies of any of the Parties without amending this Agreement per this section. The Parties shall review this Agreement after completion of Proposition 1 Round 1 project selection and grant funds allocation, and at least once every three years from the effective date, and the Parties shall revise if necessary.
6. **AUTHORITY:** The individuals executing this Agreement each represent and warrant that they have the legal power, right and actual authority to bind their respective entities to the terms and conditions hereof and thereof.
7. **COUNTERPARTS:** This Agreement may be executed in counterparts, each of which shall be deemed to be an original, and such counterparts shall constitute one and the same instrument. Four (4) duplicate originals of this Agreement shall be executed each of which shall be deemed to be an original.

8. **GOVERNING LAW AND JURISDICTION:** The existence, validity, construction, operation and effect of this Agreement and all of its terms and provisions shall be determined in accordance with the laws of the State of California.
9. **TERM and TERMINATION:** This Agreement shall have an initial term of ten years from the effective date. After the initial term, the Agreement shall automatically renew for successive terms of ten years each, unless, prior to expiration of the current term, one Party provides notice to the other Parties of its intent not to renew the Agreement. Provision of notice in this manner shall terminate the Agreement as of the expiration of the current term. In addition to expiration of the Agreement, this Agreement may be terminated by any Party in the event of a material breach by any other Party, or at any time by mutual written agreement of all of the Parties.
10. **THIRD PARTY BENEFICIARIES:** OC Plan-project proponents whose proposals are selected for Prop 1 funding pursuant to this Agreement are intended by the Parties as third-party beneficiaries of this Agreement. The Parties therefore agree that the Orange County Parties and the OC Plan-project proponents whose proposals are selected for Prop 1 funding may enforce the provisions of this Agreement as if they were parties hereto in the event of breach by SAWPA. However, nothing herein shall require the Orange County Parties to initiate or take any action on behalf of OC Plan-project proponents.
11. **NOTICE:** Except as otherwise provided herein, all notices and other communications required or permitted hereunder shall be in writing, and shall be delivered in person, via e-mail, or sent by registered mail or certified mail, return receipt requested, and shall be deemed received upon actual receipt or 72 hours after deposit in the mail of the United States Postal Service, postage prepaid and addressed as follows:

To SAWPA:  
Santa Ana Watershed Project Authority (SAWPA)  
Attention: General Manager  
11615 Sterling Ave.  
Riverside, CA 92503  
(951) 354-4220, (951) 785-7076 (fax)

To County of Orange:  
County of Orange  
Attention: Deputy Director, OC Environmental Resources  
2301 N. Glassell Street  
Orange, CA 92865  
(714) 955-0600,

To OCSD  
Orange County Sanitation District  
Attention: General Manager  
10844 Ellis Avenue  
Fountain Valley, CA 92708  
(714) 962-2411

To OCWD  
Orange County Water District  
Attention: General Manager  
18700 Ward Street, Fountain Valley, CA 92708  
(714) 378-3305, (714) 378-3373 (fax)

In witness whereof, the Parties hereto have executed this Agreement as of the date of the last signatory:

DRAFT

[Revise signature page as needed]

SAWPA

By: \_\_\_\_\_

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

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

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

DRAFT

COUNTY OF ORANGE

A political subdivision of the State of California

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

By \_\_\_\_\_  
Chair of the Board of Supervisors

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

By \_\_\_\_\_  
Robin Stieler  
Clerk of the Board of Supervisors of  
Orange County, California

APPROVED AS TO FORM  
COUNTY COUNSEL

By \_\_\_\_\_  
Deputy

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

[Revise signature page as needed]  
Orange County Sanitation District

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

DRAFT

[Revise signature page as needed]

Orange County Water District

By: \_\_\_\_\_

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

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

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

DRAFT

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## **COMMISSION MEMORANDUM NO. 2019.51**

**DATE:** May 23, 2019  
**TO:** SAWPA Commission  
**SUBJECT:** OWOW Steering Committee Appointment  
**PREPARED BY:** Rich Haller, General Manager

### **RECOMMENDATION**

It is recommended that the Commission appoint one Commissioner to serve on the OWOW Steering Committee for the May 23, 2019 meeting.

### **DISCUSSION**

The SAWPA Commission appointees to the OWOW Steering Committee are the Commission Vice Chair, Commissioner Kati Parker, and Commission Secretary-Treasurer, Commissioner Denis R. Bilodeau. Commissioner Bilodeau has advised he is unable to attend the May 23, 2019 meeting of the Committee. Staff is seeking one Commissioner appointment to serve on the Committee for the May 23, 2019 meeting.

On January 16, 2018, the Commission adopted Resolution No. 2018-1 which notes that should either/both the Vice Chair and/or the Secretary-Treasurer of the Commission be unable to serve, the Commission can appoint another Commissioner or Alternate Commissioner and specify the length of the term to be served, which in this case will be for one meeting.

### **CRITICAL SUCCESS FACTORS**

There is no critical success applicable to this action.

### **RESOURCE IMPACTS**

No resource impacts.

#### Attachments:

1. Resolution No. 2018-1

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**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:

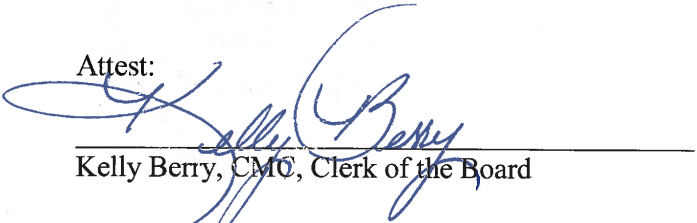
1. The two SAWPA Commission representatives appointed to the OWOW Steering Committee will henceforth be the Commissioner from the member agencies whose board member has been appointed as Vice Chair and Secretary-Treasurer of the Commission.
3. The Vice Chair of the SAWPA Commission shall serve as the 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 6<sup>th</sup> day of February, 2018.

**SANTA ANA WATERSHED PROJECT AUTHORITY**

By:   
Susan Lien Longville, Chair

Attest:  
  
Kelly Berry, CMC, Clerk of the Board

## **COMMISSION MEMORANDUM NO. 2019.52**

**DATE:** May 21, 2019  
**TO:** SAWPA Commission  
**SUBJECT:** Proposed Project Agreement 24, Inland Empire Brine Line  
**PREPARED BY:** Rich Haller, General Manager

### **RECOMMENDATION**

Approve Project Agreement 24 for the Inland Empire Brine Line.

### **DISCUSSION**

Over the last several months SAWPA has been working with Western MWD to address concerns with the draft agreement. WMWD expressed a desire for elected officials representing the member agencies (Commissioners or other Board members) to approve the Brine Line rates. As PA24 participants can be Commissioners, other Board members or member agency General Managers, approval of rates by the Commission is desired. The revised language addresses this desire.

### **BACKGROUND**

Over a number of meetings, the Commission discussed the use of and need for project agreements per Section 18 of the JPA that formed SAWPA. The Commission directed staff to draft new project agreements covering significant activities of SAWPA and to coordinate with the member agency general managers regarding the draft agreements. The attached draft Project Agreement 24 (PA24) is the first of the new agreements, and would address all aspects of owning and operating the Inland Empire Brine Line (Brine Line).

The draft agreement has been shared among the general managers in several draft versions. The proposed PA24 if approved, would then have to be approved by the four participating member agencies.

The proposed project agreement is between SAWPA and all member agencies except Orange County Water District. The project that the agreement addresses is to establish policy and provide oversight to Brine Line operations, maintenance, planning, administration, implementation, and improvements, including rate setting, and permit issuance and enforcement. The agreement would form a project committee, per Section 18 of the JPA, with representatives of the participating member agencies to be appointed by the members as provided in that JPA provision. The agreement includes SAWPA's standard provisions about the project committee having autonomous decision making authority over the project and the participating members accepting financial responsibility for the project, since not all SAWPA member agencies are participating.

The PA24 project committee would have control of the Brine Line enterprise funds. Use of funds for Brine Line purposes would be described in a project budget adopted unanimously by the project committee and approved by the participating member agencies per the JPA. The proposed agreement specifically addresses the responsibility of participating members to fund their respective shares of the costs of administration of the Brine Line and of capital improvements for which SAWPA has already contracted in the event of the failure of approval of a new project budget.

### **CRITICAL SUCCESS FACTORS**

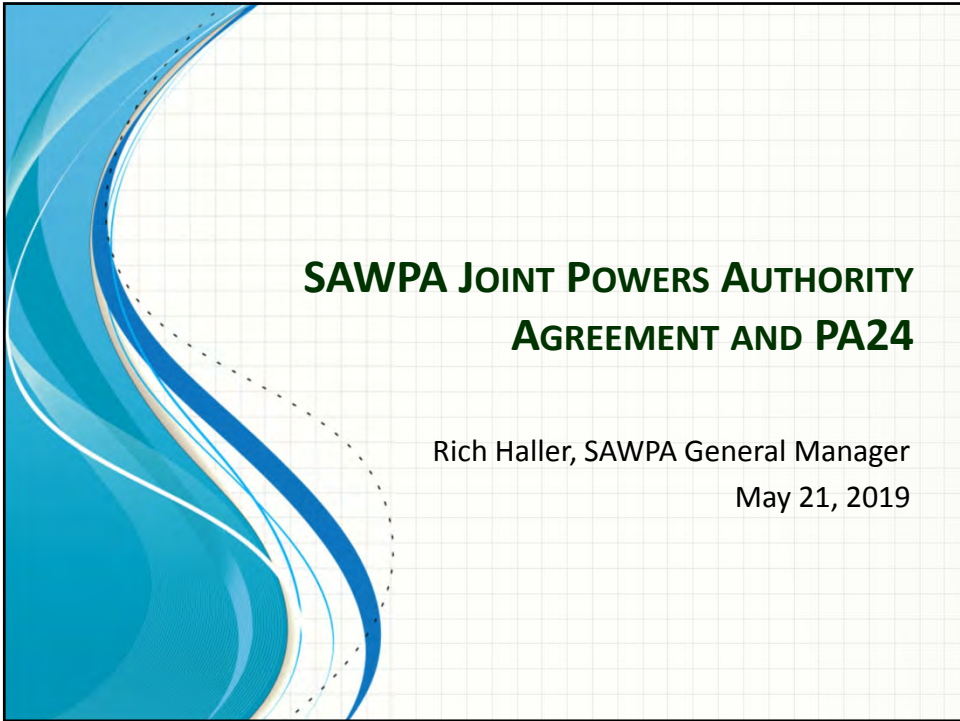
None identified for the governance function.

**RESOURCE IMPACTS**

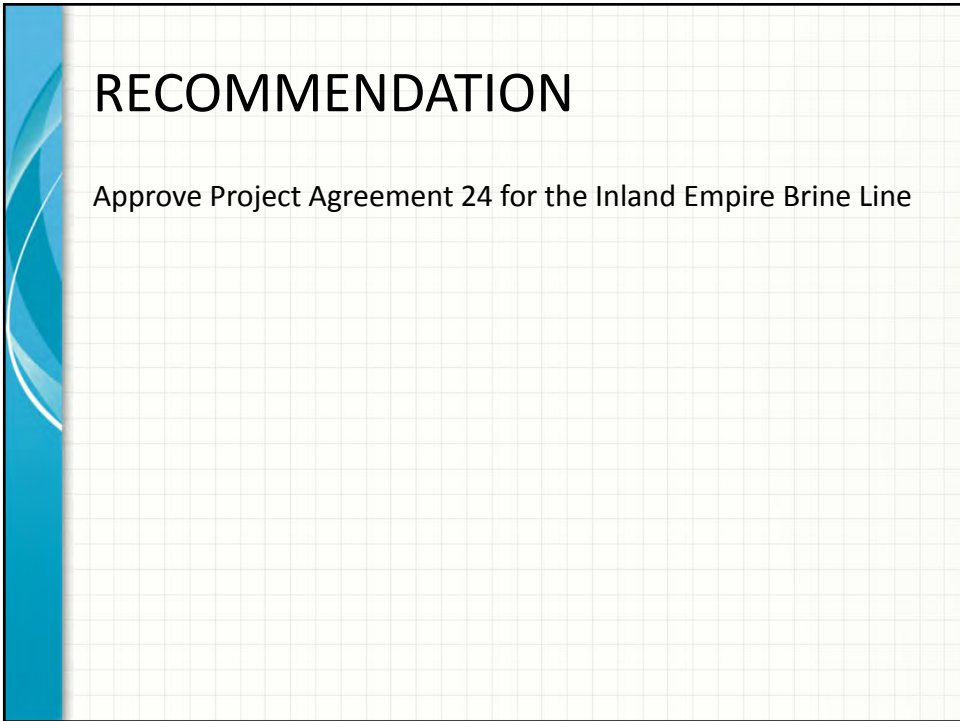
None

Attachments:

1. PowerPoint Presentation
2. Commission Actions Taken Regarding Inland Empire Brine Line (January 2015 – May 2018)
3. Draft Project Agreement 24



1



2

## JPA

- Agreement – (1975) IEUA, OCWD, Valley, WMWD
- Amendment No. 1 – (1984) EMWD joins
- Amendment No. 2 – (1991) SAWPA has power of eminent domain
- Amendment No. 3 – (1997) established officers – Chair, Vice Chair, Treasurer, Secretary
- Amendment No.4 – (2002)
  - Commissioner, Primary Alt Comm, Secondary Alt. Comm established
    - Appointed by Board - elected Board members
    - Agency GM must be one of positions
    - One vote per agency
  - Revised Section 18, Specific Projects – any member of Board or GM can be on Project Committees. Unanimous consent of members or Commission
  - Technical Committee of GMs established as standing Committee
- Amendment No. 5 – (2007) Commissioners (Prim and Alt) are elected representatives only, Technical Comm of GMs eliminated.
- Amendment No. 6 – (2017) revised Section 15 Compensation

3

## JPA

- Role of Commission
  - Governing body
  - Exercises powers and functions of SAWPA
  - Prior approval of budget items that impose financial liability
  - Commissioner and Alternate appointed by agency are elected Board Members
  - General budget approved by majority of Commissioners and each member agency Board

4



## JPA

- Project Agreements – for activities except general admin, prelim studies
  - All or less member agencies
  - Unanimous consent of the members of the Project Committee or the Agency on budget and operating decisions
  - Commission can serve without a Project Committee when all 5 agencies participating

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## Project Agreements

- PA 1 SARI from OCSD plant to Prado Dam – construction and operation (1975) (IEUA, OCWD, SBVMWD, WMWD)
- PA 2 SARI Reach IV-A (1978) (IEUA, OCWD)
- PA 3, 4, 5 Not Used
- PA 6 SARI Reach IV-B (1981) (OCWD, WMWD)
- PA 7 SARI Reaches IV-A Upper and Lower (1981) (IEUA, WMWD)
- PA 8 SARI Reaches IV-D and IV-E (1982) (OCWD, SBVMWD, WMWD)
- PA 9 SARI Groundwater Salt Disposal System (1983) (OCWD, WMWD)
- PA 10 Santa Ana Basin Water Quality Studies (1984) (all member agencies)
  - PA 10A Basin Planning
  - PA 10B Bureau of Reclamation Studies
- PA 11 Regional WW Program – RIX Project (1986) (SBVMWD, WMWD)
- PA 12 LESJWA (1987) (all member agencies)
- PA 13 Water Resource Management Studies in the Chino Basin (1990) (IEUA, WMWD)

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## Project Agreements

- PA 14 Chino Desalters (1991), Chino 1 Desalter Amendment No. 1, Chino 2 Desalter; Amendment No. 2 2001) (IEUA, OCWD, WMWD)
- PA 15 Brine Line Reach V – (1996, 1998) (EMWD, OCWD, WMWD)
- PA 16 Water Resources Management Program for the Colton-Riverside Basins (1992) (EMWD, OCWD, SBVMWD, WMWD)
- PA 17 Bunker Hill Groundwater Basin Cooperative Studies (1994) (all member agencies)
- PA 18 IRP (now OWOW) (1994) (all member agencies)
- PA 19 TIN/TDS (1995) (OCWD, SBVMWD, WMWD)
- PA 20 Basin Monitoring Program Task Force (2004) (EMWD, IEUA, OCWD)
- PA 20 Temescal Desalter (1997) (EMWD, OCWD, WMWD)
- PA 21 OCSD/SAWPA Issues (2010) (EMWD, IEUA, SBVMWD, WMWD)
- PA 22 Water Use Efficiency (Prop 84 Drought Round and Portions of SARCCUP) (2014) (all member agencies)
- PA 23 SARCCUP (2016) (all member agencies)

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## Proposed PA 24 Brine Line

- EMWD, IEUA, Valley, WMWD
- Agency rep can be Commissioner, Alt Commissioner, or GM
- Project Committee to be formed to provide policy direction and oversight
- Project budget adoption by unanimous vote of committee
- “Consistent with Section 29 of the SAWPA Joint Powers Agreement, any expenditure or contractual commitment which exceeds the PA24 budget must be approved by a unanimous vote of the PA24 Committee.”
- “Budget and operating decisions” require unanimous consent of the PA24 Committee Members

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**Commission Actions -- Inland Empire Brine Line  
January 2015 - May 2018**

Date	Action Taken	Monitary Amount
1/20/15	Authorize the General Manager to (1) Execute an agreement with Riverside County Flood Control and Water Conservation District for the construction, ownership and operation and maintenance of the Santa Ana Canyon – Below Prado, Inland Empire Brine Line Sheet Pile Protection Project; and Execute an agreement and Grant of Easement with the State of California, Department of Parks and Recreation for the Inland Empire Brine Line Sheet Pile Protection Project.	
2/3/15	Approve Amendment No. 4 to the “SARI System Treatment and Disposal Capacity and Pipeline Capacity Agreements” between SAWPA and the IEUA, extending the end date for the Chino Preserve Development temporary domestic connection from March 2015 to March 2017 (2 years).	
3/17/15	Direct staff to issue Request for Proposals (RFPs) for the Inland Empire Brine Line service contracts.	
4/21/15	Direct staff to prepare a draft agreement relating to Inland Empire Brine Line lease and loan capacity pools for Commission/Member Agency consideration.	
	Adopt Resolution No. 2015-03, establishing the new Inland Empire Brine Line rates to be effective July 1, 2015	
6/16/15	Direct staff to file a claim against the California Department of Transportation (Caltrans) for an amount to be determined, relating to damage to MAS 4B-0850.	
	Approve (1) a General Services Agreement and Task Order with Houston Harris Inc. for an amount not to exceed \$318,120; (2) a General Services Agreement and Task Order with Haz Mat Trans Inc. for an amount not to exceed \$98,215; and, (3) a General Services Agreement Task Order with E. S. Babcock Laboratories for an amount not to exceed \$62,346.	478,681.00
8/4/15	Authorize the General Manager to execute Change Order No. 1 with Charles King Company in an amount not to exceed \$5,381.74 for the Inland Empire Brine Line Reach V Rehabilitation and Improvement Project – Phase 1.	5,381.74
8/18/15	Authorize transfer of no more than \$60,000 from Brine Line Reserves for the purchase of a trailer mounted vacuum excavator unit.	60,000.00
10/20/15	Authorize the General Manager to approve Change Order 1 to Task Order VALI326-02 with Vali Cooper and Associates for additional Construction Management and Inspection services for the Inland Empire Brine Line Reach 5 Rehabilitation and Improvement Project for an amount not-to-exceed \$64,255.	64,255.00

**Commission Actions -- Inland Empire Brine Line  
January 2015 - May 2018**

<b>Date</b>	<b>Action Taken</b>	<b>Monitary Amount</b>
11/17/15	Defer a revised monthly target TSS formation (TSSf) in the Inland Empire Brine Line TSS Formation Billing Formula until July 1, 2016, and authorize funding of additional TSS treatment costs from SAWPA reserves between now and June 30, 2016.	
	Approve Resolution No. 2015-09 authorizing ownership of pipeline and treatment and disposal capacity rights by an indirect discharger utilizing a Collection Station as a point of discharge into the Brine Line.	
	Authorize the General Manager to issue a Notice Inviting Bids for the Inland Empire Brine Line Reach V Rehabilitation and Improvement Project – Phase 2.	
12/15/15	Quitclaim an easement on Assessor’s Parcel Numbers 0260-221-02 and 0260-221-03 to AMB Holdco, LLC, located in the City of Colton, County of San Bernardino. [Note: related to construction of RIX facilities and is no longer needed.]	
1/19/16	Authorize the General Manager to approve: 1. Change Order 2 to Task Order VALI326-02 with Vali Cooper and Associates for additional Construction Management and Inspection services for the Inland Empire Brine Line Reach 5 Rehabilitation and Improvement Project for an amount not to exceed \$562,344; 2. Change Order 1 to Task Order DUDK326-02 with Dudek for additional Engineering Services during Construction for the Inland Empire Brine Line Reach 5 Rehabilitation and Improvement Project for an amount not to exceed \$64,420; and, 3. Change Order No. 2 to Work Order No. 2016-16 with Ramtech Laboratories for additional CIPP Laboratory testing for the Inland Empire Brine Line Reach 5 Rehabilitation and improvement Project for an amount not to exceed \$53,428.	680,192.00

**Commission Actions -- Inland Empire Brine Line  
January 2015 - May 2018**

Date	Action Taken	Monitary Amount
2/16/16	Authorize the General Manager to approve: <ol style="list-style-type: none"> <li>1. Award a contract for public works construction to the lowest, responsive, responsible bidder (Schedule A), Weka Inc., for the Inland Empire Brine Line Reach V Rehabilitation and Improvement Project – Phase 2, in an amount not to exceed \$1,941,967, and waive the minor irregularities;</li> <li>2. Execute Task Order No. VALI326-03 in an amount not-to-exceed \$196,380 with Vali Cooper &amp; Associates, Inc. to provide Construction Management Services for the Inland Empire Brine Line Reach V Rehabilitation and Improvement Project – Phase 2; and,</li> <li>3. Execute Task Order No. DUDK326-04 in an amount not-to-exceed \$64,300 with Dudek, to provide Engineering Services during Construction for the Inland Empire Brine Line Reach V Rehabilitation and Improvement Project – Phase 2.</li> </ol>	2,202,647.00
3/15/16	Authorize the expenditure of up to \$250,000 for the law firm of Hunt Ortmann Palffy Nieves Darling & Mah, Inc. to provide legal services in connection with the Reach V Rehabilitation and Improvement Project construction contracts.	250,000.00
4/19/16	Adopt Resolution No. 2016-01, establishing the new Inland Empire Brine Line rates to be effective July 1, 2016 (Fiscal Year 2017).	
6/21/16	Approve Work Orders with E.S. Babcock Laboratories in the amount of \$87,000 for water quality sampling and analysis services and Western Municipal Water District in the amount of \$117,000 for Brine Line maintenance and operations activities; and approve the budget for Year Two of the existing Task Order with Houston Harris PCS, Inc. in the amount of \$225,000 for pipeline cleaning.	429,000.00
7/19/16	Approve use of the new TSS Formation Billing Formula and approve a revised monthly target TSS formation (TSSf) amount of 196,000 lbs/month in the Inland Empire Brine Line TSS Formation Billing Formula, effective with the August 2016 invoices.	
	Deny the June 10, 2016 Charles King Company, Inc., claim in its entirety; and, approve an increase in spending authority for legal fees for Hunt Ortmann of \$500,000, to a total authorization of \$750,000.	500,000.00

**Commission Actions -- Inland Empire Brine Line**

**January 2015 - May 2018**

<b>Date</b>	<b>Action Taken</b>	<b>Monitary Amount</b>
8/16/16	Find that the unfinished condition of the Reach V Rehabilitation and Improvement Project (the Project) after the termination for cause of the Project contractor continues to be an emergency that requires immediate action per the Commission's prior action on August 2, 2016.	
9/6/16	Find that the unfinished condition of the Reach V Rehabilitation and Improvement Project (the Project) after the termination for cause of the Project contractor continues to be an emergency that requires immediate action per the Commission's prior action on August 2, 2016.	
9/20/16	Find that the unfinished condition of the Reach V Rehabilitation and Improvement Project (the Project) after the termination for cause of the Project contractor continues to be an emergency that requires immediate action per the Commission's prior action on August 2, 2016.	
	Authorize the General Manager to accept the Weka Inc., work as complete and direct staff to file a Notice of Completion with the Riverside County Clerk upon the following: (a) Contractor has delivered all documents required by the Contract Documents; (b) Notice from Engineer accepting the work; (c) Receipt of Final Application for Payment from the Contractor; and (d) Notice from Construction Manager recommending final payment.	
10/4/16	Find that the unfinished condition of the Reach V Rehabilitation and Improvement Project (the Project) after the termination for cause of the Project contractor continues to be an emergency that requires immediate action per the Commission's prior action on August 2, 2016.	
10/18/16	Find that the unfinished condition of the Reach V Rehabilitation and Improvement Project (the Project) after the termination for cause of the Project contractor continues to be an emergency that requires immediate action per the Commission's prior action on August 2, 2016.	
	Authorize the General Manager to approve Change Order 2 to Task Order DUDK326-02 with Dudek for additional Engineering Services during Construction of the Inland Empire Brine Line Reach 5 Rehabilitation and Improvement Project – Phase 1 Task 1 and 2 for an amount not to exceed \$57,790.	57,790.00
11/1/16	Find that the unfinished condition of the Reach V Rehabilitation and Improvement Project (the Project) after the termination for cause of the Project contractor continues to be an emergency that requires immediate action per the Commission's prior action on August 2, 2016.	

**Commission Actions -- Inland Empire Brine Line**

**January 2015 - May 2018**

Date	Action Taken	Monetary Amount
11/15/16	Find that the unfinished condition of the Reach V Rehabilitation and Improvement Project (the Project) after the termination for cause of the Project contractor continues to be an emergency that requires immediate action per the Commission's prior action on August 2, 2016.	
	Approve year two of the existing Task Order INN-240-02 with Innerline engineering, Inc., in the amount of \$50,000 for pipeline cleaning and inspection.	50,000.00
12/6/16	Find that the unfinished condition of the Reach V Rehabilitation and Improvement Project (the Project) after the termination for cause of the Project contractor continues to be an emergency that requires immediate action per the Commission's prior action on August 2, 2016.	
12/20/16	Find that the unfinished condition of the Reach V Rehabilitation and Improvement Project (the Project) after the termination for cause of the Project contractor continues to be an emergency that requires immediate action per the Commission's prior action on August 2, 2016.	
1/3/17	Find that the unfinished condition of the Reach V Rehabilitation and Improvement Project (the Project) after the termination for cause of the Project contractor continues to be an emergency that requires immediate action per the Commission's prior action on August 2, 2016.	
1/10/17	authorize the General Manager to: <ol style="list-style-type: none"> <li>1. Award a contract on the Inland Empire Brine Line Reach V Rehabilitation and Improvement Project – Phase 1 to Weka Inc. for an amount not to exceed \$12,950,113;</li> <li>2. Execute Task Order No. VALI326-04 in an amount not to exceed \$1,252,400 with Vali Cooper &amp; Associates, Inc. to provide Construction Management Services for the Inland Empire Brine Line Reach V Rehabilitation and Improvement Project – Phase 1; and,</li> <li>3. Execute Task Order No. DUDK326-06 in an amount not to exceed \$134,900 with Dudek to provide Engineering Services during Construction for the Inland Empire Brine Line Reach V Rehabilitation and Improvement Project – Phase 1.</li> </ol>	14,337,413.00
1/17/17	Approve Amendment No. 5 to the "SARI System Treatment and Disposal Capacity and Pipeline Capacity Agreements" between SAWPA and the IEUA, extending the end date for the Chino Preserve Development temporary domestic connection from March 2017 to March 2020 (3 years).	

**Commission Actions -- Inland Empire Brine Line  
January 2015 - May 2018**

Date	Action Taken	Monitary Amount
2/21/17	Endorse the City of Beaumont's request to connect to the Brine Line, and direct staff to request approval from OCSD in accordance with the 1996 Agreement.	
3/7/17	Direct the General Manager to file a CEQA Notice of Exemption with the Riverside County Clerk's Office for the Brine Line Protection project as a result of recent storm caused erosion.	
	Direct staff to provide the Commission with a financing report, including cash flow projections, on construction of the Inland Empire Brine Line Reach V Rehabilitation Project, at the next Commission meeting.	
3/21/17	Approve Change Order No. 3 with Hammons Strategies in an amount not to exceed \$22,500, increasing the total contract amount to \$67,500 and extending the current Agreement for an additional six (6) months through September 2017	90,000.00
	Authorize the General Manager to sign a three-year lease agreement with Wilson Properties Inc. for a 1,800 square foot warehouse unit located at 11671 Sterling Avenue, Riverside, California.	
	Increase the spending authorization for Hunt Ortmann by \$750,000 to a total of \$1.5 million.	750,000.00
4/4/17	(1) receive and file a report on the Brine Line Reach 4 protection project, (2) adopt Resolution No. 2017-06 approving Form Cal OES 130 designating the General Manager as the SAWPA authorized representative to execute an application for federal financial assistance under Public Law 93-228; and (3) direct the General Manager to submit a request for public assistance to seek reimbursement for a portion of the costs associated with the Reach 4 protection project.	
4/18/17	Adopt Resolution No. 2017-07, establishing the purchase price for the Inland Empire Brine Line Treatment and Disposal Capacity.	
5/16/17	Adopt the FYE 2018 and FYE 2019 Budget as presented, approve the hiring of the new Brine Line Pipeline Operator II position that is included in the budget, and direct each member agency to: (1) Notice the consideration of the FYE 2018 and 2019 SAWPA Budget on their next Board of Directors Meeting Agenda; (2) Approve by Board Resolution (pursuant to the Joint Powers Authority Agreement) the FYE 2018/19 SAWPA Budget; and, (3) Provide SAWPA with a certified copy of the signed Board Resolution.	
	Adopt Resolution No. 2017.8 establishing the new Inland Empire Brine Line rates to be effective July 1, 2017 (Fiscal Year 2018).	



**Commission Actions -- Inland Empire Brine Line  
January 2015 - May 2018**

Date	Action Taken	Monetary Amount
6/6/17	Approve Work Order 2018-05 with E.S. Babcock Laboratories in the amount of \$87,578 for water quality sampling and analysis services and Work Order 2018-01 with Western Municipal Water District in the amount of \$90,000 for Brine Line water quality sample collection.	177,578.00
8/1/17	Direct staff to release, for public review and comment, draft Ordinance No. 8 and the draft Resolution Establishing Local Limits and Best Management Practices Requirements, establishing regulations for the use of the Inland Empire Brine Line and establish a Public Hearing date of September 19, 2017; direct staff to provide the adoption timetable to Commissioners and Alternates.	
	Authorize the Interim General Manager to execute Change Order No. 5 with Weka Inc. in an amount not to exceed \$71,605.33 for the Inland Empire Brine Line Reach V Rehabilitation and Improvement Project – Phase 1.	71,605.33
9/19/17	Approve Change Order No. 4 with Hammons Strategies in an amount not to exceed \$11,250, increasing the total contract amount to \$78,750 and extending the current Agreement for an additional three (3) months through December 2017.	90,000.00
	Issue a Request for Proposals (RFP) for professional services to prepare a Brine Line rate model.	
	Adopt Ordinance No. 8 and Resolution No. 2017-11 establishing local limits and best management practices requirements for the Inland Empire Brine Line.	
10/3/17	Change the methodology to calculate the monthly TSS formation amount to a 12-month rolling average effective September 1, 2017.	
10/17/17	Increase the authorized expenditure for legal fees to Hunt Ortman by \$1,000,000, bringing the total authorized expenditure to \$2.5 million.	1,000,000.00
11/7/17	Authorize the General Manager to issue a General Services Agreement and Task Order to Raftelis Financial Consultants, Inc., in an amount not to exceed \$79,517 to prepare the Inland Empire Brine Line Rate Model.	
12/19/17	Direct staff to release a Request for Proposes (RFP) for engineering services for the Inland Empire Brine Line Reach 4D Rehabilitation Work Plan.	

**Commission Actions -- Inland Empire Brine Line**

**January 2015 - May 2018**

<b>Date</b>	<b>Action Taken</b>	<b>Monitary Amount</b>
	Authorize the General Manager to accept the Weka, Inc. work as complete and direct staff to file a Notice of Completion with the Riverside County Clerk upon the following: 1) Contractor has delivered all documents required by the Contract Documents; 2) Notice from Engineer accepting the work; 3) Receipt of Final Application for Payment from the Contractor; and, 4) Notice from Construction Manager recommending final payment	
	Approve creation of a Business Analyst position at Classification 33, with a salary range of \$66,679 - \$81,049; approve the job description; and authorize the immediate and filling of the position.	
1/16/18	1. Authorize staff to execute Task Order No. RMC504-401-03 with Woodard & Curran in the amount of \$34,992 to provide technical writing services in support of the SAWPA Roundtables and Prop 84 project support;... 3. Authorize transfer of \$111,842 from labor and \$40,570 from benefits budgeted for a full time staff position for FYE 2018 to technical/grant writing consultant support for the following funds: 100, 370-01, 370-02, 373, 374, 384-01, 386, 387, 392.	
	Authorize the execution of Amendment No. 2 to the Waste Water Interceptor Capacity Agreement.	
	Authorize staff to file a Notice of Exemption with the Riverside County Clerk's Office for the proposed Reach 4B Upper Relocation project to comply with the California Environmental Quality Act (CEQA) requirements.	
3/6/18	Authorize staff to issue Requests for Proposals (RFPs for the Inland empire Brine Line service contracts.	
	Authorize the General Manager to execute a General Services Agreement and Task Order No. W&C327-01 with Woodard & Curran in an amount not to exceed \$237,981 to provide engineering design services for the Inland Empire Brine Line Reach 4D Rehabilitation Work Plan, including a 5% contingency for field investigation related changes (\$11,332).	237,981.00

**Commission Actions -- Inland Empire Brine Line  
January 2015 - May 2018**

Date	Action Taken	Monitary Amount
5/1/18	Authorize the General Manager to issue the following Work Orders and Task Orders and extend the expiration date for the existing General Services Agreements with Houston & Harris, Innerline Engineering, and HazMat Trans: <ol style="list-style-type: none"> <li>1. Work Order 2019-04 to E.S. Babcock Laboratories in the amount of \$86,454 for sample collection and analysis services;</li> <li>2. Work Order 2019-01 to Western Municipal Water District in the amount of \$80,000 for sample collection support;</li> <li>3. Task order HOU240-04 to Houston &amp; Harris in the amount of \$96,448 for On-Call CCTV Services;</li> <li>4. Task Order INN240-03 to Interline Engineering in the amount of \$151,020 for On-Call Pipeline Cleaning Services; and,</li> <li>5. Task Order HAZ240-09 to HazMat Trans in the amount of \$96,665 for line draining and emergency response services.</li> </ol>	510,587.00
5/15/18	Adopt Resolution No. 2018-04 approving Form Cal OES 130 designating the General Manager as the SAWPA authorized representative to accept Disaster Recovery funds under Public Law 93-228.	
	Adopt Resolution No. 2018-05 establishing the new Inland Empire Brine Line rates to be effective July 1, 2018 (Fiscal Year 2019).	
	Total Funding	\$ 22,043,111.07

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## SANTA ANA WATERSHED PROJECT AUTHORITY

### PROJECT AGREEMENT 24

#### INLAND EMPIRE BRINE LINE

THIS AGREEMENT is made on \_\_\_\_\_, ~~2019~~8, by and between the **SANTA ANA WATERSHED PROJECT AUTHORITY (“SAWPA”)**, a joint powers agency created pursuant to Government Code Section 6500 et seq., and the following Member Agencies of SAWPA, referred to hereinafter as Project Agreement 24 (“PA24”) Committee Members: **EASTERN MUNICIPAL WATER DISTRICT (“EASTERN”); INLAND EMPIRE UTILITIES AGENCY (“IEUA”); SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT (“VALLEY”);** and **WESTERN MUNICIPAL WATER DISTRICT (“WESTERN”)**. The PA24 Committee members and SAWPA are jointly referred to herein as the “Parties.”

#### RECITALS

- A. The PA24 Committee Members are all special districts with broad authority over water resources, including powers to develop, protect, and enhance water supply and reliability within the region and to protect and preserve the quality of the surface and subsurface water supplies within their respective boundaries.
- B. The SAWPA Joint Powers Agreement, as amended, provides for SAWPA’s exercise of the shared powers of the Member Agencies, and recognizes SAWPA shall function through the identification and implementation of specific projects. The JPA establishes that such specific projects will be administered through individual project agreements and by project committees (“Project Committees”) when less than all of the SAWPA member agencies are participating.
- C. SAWPA owns and operates the Inland Empire Brine Line (“BRINE LINE”). The BRINE LINE is a wastewater pipeline conveyance system and was constructed for the transmission of non-reclaimable wastewater. The pipeline extends from its connection to the Orange County Sanitation District’s (“OCSD”) Santa Ana River Interceptor (“SARI”) at the Riverside County-Orange County boundary into the upper Santa Ana River watershed. As of the date of this Agreement SAWPA owns a 30-million gallons per day capacity right in the SARI that is subject to certain payment obligations and other terms and conditions including a Waste Water Interceptor Capacity Agreement with OCSD dated April 12, 1972 and subsequently amended.
- D. SAWPA member agencies formed a number of separate project agreements pursuant to Section 18 of the SAWPA Joint Powers Agreement for the study, design, or construction of parts of the BRINE LINE. Some of those project agreements also purported to address maintenance. In practice, SAWPA has operated the BRINE LINE as one infrastructure system as components were completed and added on, and currently none of the earlier project agreements or project committees related to BRINE LINE development remain active.

- E. As of the date of this Agreement SAWPA also owns a treatment and disposal capacity right of 17 million gallons per day, with a right to purchase additional capacity, in certain wastewater treatment and disposal facilities owned by OCSD. This treatment and disposal right is subject to certain payment obligations and other terms and conditions including a Treatment and Disposal Capacity Agreement with OCSD dated July 24, 1996.
- F. Since the early 1980s, SAWPA has entered into various written agreements with EASTERN, IEUA, VALLEY, WESTERN, and Orange County Water District ([OCWD](#)) regarding purchase and sale of pipeline capacity rights and treatment and disposal rights in the SARI and BRINE LINE.
- G. BRINE LINE policies are established by Ordinances and Resolutions that have been adopted by the SAWPA Commission, including Ordinance No. 8: "An Ordinance of the Santa Ana Watershed Project Authority Establishing Regulations for the Use of the Inland Empire Brine Line." Current Resolutions establish local limits on discharges, establish the purchase price for treatment and disposal capacity rights, and establish rates. SAWPA implements a comprehensive pretreatment program and issues or directly oversees issuance of permits to all dischargers. SAWPA complies with its agreements with OCSD through implementation of a 1991 MOU, which clarified roles and responsibilities in that relationship. In terms of water quality compliance, SAWPA's program documents clearly recognize OCSD as the Control Authority for discharges to the BRINE LINE, and SAWPA as the Delegated Control Authority. SAWPA and OCSD formed a Joint Policy Committee in 2013 to provide a regular forum to discuss and coordinate policy positions and avoid or manage conflicts. Two SAWPA Commissioners are appointed by SAWPA to serve on the Joint Policy Committee.
- H. SAWPA complies with the State Water Resources Control Board Order No. 2006-0003, a General Waste Discharge Requirement for all publicly owned sanitary sewer collection systems in California with more than one mile of sewer pipe. One component of Order No. 2006-0003 is the development and implementation of a Sewer System Management Plan ("SSMP") that defines provisions for management of the system to limit Sanitary Sewer Overflows. SAWPA adopted its SSMP in April 2009 and has been implementing its provisions since then.
- I. SAWPA maintains insurance policies covering BRINE LINE operations, including risks of wastewater spills and property damage.
- J. Operating the BRINE LINE is complex, requiring short- and long-term planning regarding future use and flows, capital improvements, financial modeling, recurring and nonrecurring operations and maintenance, regulatory compliance, relations with OCSD, marketing and community relations, and other evolving issues. Consistent with the requirements of the SAWPA Joint Powers Agreement, a Project Committee is required to oversee the administration and implementation of these and other project-related activities for the BRINE LINE.

- K. By this Agreement, the Parties wish to supersede and replace Project Agreement 21, originally executed on December 21, 2010, per Section 18 of the SAWPA Joint Powers Agreement. The Parties hereto desire to create Project Committee 24 to provide policy direction and oversight of the BRINE LINE.

### COVENANTS

Based on the foregoing facts, and in consideration of the mutual covenants of the PA24 Committee Members and SAWPA, it is agreed that:

1. The PA24 Committee is hereby established for the purpose of establishing policy and providing oversight of the BRINE LINE operations, maintenance, planning, administration, implementation, and improvement of the BRINE LINE, including but not limited to rate-setting and revenue collection, permit issuance and enforcement, and usage of the Brine Line Enterprise Fund. In accordance with Section 18 of the SAWPA Joint Powers Agreement, a PA24 Committee Member may appoint at its sole discretion any member of its governing board or its general manager as its representative and/or alternate to the PA 24 Committee. The PA24 Committee will appoint SAWPA's two Commissioners to the Joint Policy Committee with OCSD.
2. Facilities constructed for the purposes of this Project Agreement will be owned by SAWPA for the benefit of the PA24 Committee. The PA24 Committee shall approve any necessary agreements that specify how existing BRINE LINE infrastructure and all future facility improvements will be financed, designed, constructed, operated, and maintained.
3. The PA24 Committee will be operated as a distinct account within SAWPA's accounting system for the administration by SAWPA of Brine Line Enterprise Funds and for any other funds that may be made available to the PA24 Committee for actions within the Committee's purpose.
4. The PA24 Committee will constitute the executive authority through which SAWPA shall act for purposes of this Project Agreement.
5. All budget and operating decisions of the PA24 Committee will be made by unanimous consent of the PA24 Committee Members. The Parties agree that "operating decisions" are those that involve significant, system-wide decisions about how the BRINE LINE will function, including decisions concerning: physical repairs or alterations that could result in an impairment of use of the BRINE LINE. "Operating decisions" are not intended to include those involving day-to-day functioning, implementing the provisions of the SSMP, ~~implementing the provisions of the SSMP~~, or matters mandated by law, regulation, or permits, or in response to emergencies. Authority is hereby delegated to the SAWPA General Manager, up to the expenditure authority provided by SAWPA's Procurement Policy, to take such actions.
6. The PA24 Committee will have, without further ratification by the PA24 Committee Members or SAWPA, such authority as may be necessary to implement the provisions of this Project Agreement so long as expenditures are within the PA24 budget. Consistent with Section 26 of the SAWPA Joint Powers Agreement, any expenditure or contractual commitment which exceeds the PA24 budget must be approved by unanimous consent of the PA 24 Committee Members. Any expenditures or contractual commitments within the designations and

limitations of the approved PA24 budget shall be made on the authorization of a majority of the PA24 Committee. This section does not limit the authority the SAWPA General Manager has to respond to emergencies.

7. SAWPA ~~has funded funds~~ all aspects of BRINE LINE operations, maintenance, planning, administration, and improvements through rates set ~~by the Commission~~ as described herein that are paid by the Parties and other contractual dischargers as a fee for service. SAWPA has used debt financing for some BRINE LINE improvements that is guaranteed by a pledge of rate revenue for repayment. Rates that are established by the PA24 Committee and approved by a majority of SAWPA commissioners representing PA24 members, take effect upon approval and are not dependent on the approval of the PA24 budget. OCWD is not a member of PA24 and will not vote on Brine Line rates at the Commission. With four members voting, a split vote such as 2-2 of two members in favor and two members in opposition is insufficient for approval as it does not represent a majority. Under such circumstances the proposed rates will be returned to the PA24 Committee for additional study and development of a revised rate recommendation. Approval of the proposed rates shall not be unreasonably withheld by the SAWPA commissioners representing PA24 members. Should rates not be approved by a majority of SAWPA commissioners representing PA24 members, the most recently approved rates shall stay in effect.
8. In conjunction with each SAWPA budget, SAWPA shall prepare a budget for the PA24 BRINE LINE project (PA24 budget) that shall address the sources and uses of funds and the respective financial obligations and functions of the PA24 Committee Members, including the matching funds included in any grant agreements. The budget shall include costs for SAWPA support of the PA24 Committee. If any PA24 Committee Member fails or refuses to approve any PA24 budget, said budget shall be returned to the PA24 Committee for restudy and revision. In the event a budget acceptable to all of the PA24 Committee members is not obtained prior to the start of the fiscal year, SAWPA shall continue to operate the BRINE LINE at the level of total expenditure authorized by the last approved PA24 budget for administrative, operations and maintenance activities, and shall continue with the construction of contractually authorized capital improvement projects included in the last approved PA24 budget. The PA24 Committee Members shall be obligated to fund such administrative, operations and maintenance activities to the same extent as in the previously approved budget, and to fund capital improvement projects under contract at previously authorized expenditure and contracting limits. For administrative convenience, the PA24 budget shall be included with the SAWPA budget for approval by the PA 24 Committee Members' governing boards per the SAWPA Joint Powers Agreement. Approval of the proposed PA24 budget shall not be unreasonably withheld by the SAWPA PA 24 Committee Members. SAWPA shall provide a quarterly report to the PA24 Committee of actual expenses relative to the approved budget.
9. The PA24 Committee Members shall be solely financially responsible for all liabilities and expenses, including administrative, consultant and legal expenses incurred in connection with PA24 activities, and to the extent necessary shall reimburse SAWPA for any and all such costs and expenses that are incurred on behalf of the PA24 Committee to the extent not otherwise covered by PA24 revenues or funds, or SAWPA's liability insurance. Unless otherwise specified by unanimous Committee action, PA24 Committee Members shall have an equal share in such financial obligation.



- 10. The PA24 Committee Members will indemnify and hold harmless SAWPA and any SAWPA member agency not then participating as a member of the PA24 Committee from any and all financial liability, including claims or disputes, arising from or in connection with the operation, maintenance, or repair of the BRINE LINE and other PA24 facilities, and any project-related contracts or actions, to the extent such liability is not fully covered by budgeted PA24 revenues or funds, or SAWPA’s insurance.
- 11. PA24 Committee Members may withdraw from this Project Agreement at any time upon not less than 60 days written notice to the other members. Obligations of the withdrawing agency, including any liabilities related to any grant agreement or other financing commitment associated with PA24, will be determined according to the PA24 budget then in effect or by the PA24 Committee. Pursuant to Section 8 of the SAWPA Joint Powers Agreement, no withdrawal shall relieve the withdrawing agency from financial obligations theretofore incurred by it under this Agreement.
- 12. No right, duty, or obligation of whatever kind or nature created herein will be assigned by any party to this Project Agreement without the prior written consent of SAWPA.
- 13. This Project Agreement shall inure to the benefit of and bind the successors and assigns of the parties hereto.
- 14. Each signatory hereto warrants that the execution of this Project Agreement represents the approval of that Agency’s board of directors of this Agreement.
- 15. This Project Agreement may be executed in counterparts.
- 16. The Recitals are incorporated herein and made an operative part of this Agreement.
- 17. Except as otherwise specifically provided for in this Agreement, the provisions of the SAWPA Joint Powers Agreement, as amended, shall be controlling in regard to the performance of this Agreement.

**IN WITNESS WHEREOF**, the signatories hereto have executed this Project Agreement to be effective as of the day and year first written above.

SANTA ANA WATERSHED PROJECT AUTHORITY

By \_\_\_\_\_

Its \_\_\_\_\_

EASTERN MUNICIPAL WATER DISTRICT

By \_\_\_\_\_

Its \_\_\_\_\_

INLAND EMPIRE UTILITIES AGENCY

By \_\_\_\_\_

Its \_\_\_\_\_

SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT

By \_\_\_\_\_

Its \_\_\_\_\_

WESTERN MUNICIPAL WATER DISTRICT

By \_\_\_\_\_

Its \_\_\_\_\_

**COMMISSION MEMORANDUM NO. 2019.47**

**DATE:** May 21, 2019

**TO:** SAWPA Commission

**SUBJECT:** Request for Qualifications (RFQ) for Legal Services; Create Director of Legislative Affairs and Communications Position

**PREPARED BY:** Rich Haller, General Manager

**RECOMMENDATION**

That the Commission authorize release of a Request for Qualifications (RFQ) for Legal Services; and, direct staff to prepare documents to create a new position titled Director of Legislative Affairs and Communications.

**DISCUSSION**

It is proposed to issue a Request for Qualifications to local firms providing legal services. It is proposed to create a new full-time position titled Director of Legislative Affairs and Communications. This position will be responsible for analyzing proposed legislation of interest to SAWPA, coordinating with member agencies and other stakeholders, conducting legislative related activities, coordinating the efforts of SAWPA’s contract lobbyist. Further, the position will represent SAWPA in the organizations SAWPA is a member of including:

- ACWA
- California Association of Mutual Water Companies
- California Association of Sanitation Agencies
- Corona Chamber of Commerce
- East Valley Water District (ERNIE)
- So Cal Alliance of Publicly Owned Treatment Works
- Southern California Salinity Coalition
- Southern California Water Committee
- Westcas

Active participation in these organizations will ensure SAWPA receives the full value of membership. Additionally, the position will be active in brine line marketing and public relations, preparing periodic press releases, Tweets, Facebook posts, etc. A detailed work plan will be planned, followed and reported on for the FY. A salary survey will be performed.

If the Director of Legislative Affairs and Communications position is filled, the Executive Legal Counsel position will be eliminated (no increase in the number of funded positions).

**RESOURCE IMPACTS**

The FY 2020 and 2021 budgets include line items for consultant legal services.

Attachments:

1. Request for Qualifications (RFQ)
2. Legal Services - Firms



**REQUEST FOR QUALIFICATIONS (RFQ)**  
For  
**AS NEEDED LEGAL SERVICES**

**May 2019**

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**SAWPA  
REQUEST FOR QUALIFICATIONS (RFQ)  
For  
AS NEEDED LEGAL SERVICES**

**NOTICE TO SUBMITTING FIRMS**

1. Qualification Submittals for the RFQ as described herein, will be submitted to Karen Williams at: (kwilliams@sawpa.org) electronically, as a single Adobe Acrobat (PDF) file, with search capability to ensure readability and compatibility, not more than 20 pages long (not including cover letter, exhibits and resumes), and not more than 10 megabytes in size.
2. All qualification submittals must be received by **4:00 p.m. on Friday, June 7, 2019**.
3. Responding firms may submit qualifications for all or some of the legal services described.
4. If additional information is needed, contact Karen Williams at (951) 354-4220 or kwilliams@sawpa.org.
5. Any changes to this RFQ are invalid unless specifically modified by SAWPA and issued as a separate addendum document. Should there be any question as to changes to the content of this document, SAWPA's copy shall prevail. It is the submitting firm's sole responsibility to ensure that their qualification submittal, inclusive of any or all addenda, is received at the proper place at the proper time. SAWPA will not accept submittals after the due date/time listed above.

## **Section I – PROJECT INTRODUCTION AND OVERVIEW**

### **A. GENERAL OVERVIEW**

The Santa Ana Watershed Project Authority (SAWPA) is a Joint Powers Authority with five member agencies: Eastern Municipal Water District, Inland Empire Utilities Agency, Orange County Water District, San Bernardino Valley Municipal Water District, and Western Municipal Water District.

Formed in 1968, SAWPA is governed by the Commission comprised of one appointed Board member from each member agency. There is also Project Agreement committees which operate as autonomous entities and include one to five of the member agencies. SAWPA's FYE 2019 budget is \$30,766,852 with 27 funded positions.

As an integrated regional watershed manager SAWPA has three major activities that it performs: One Water One Watershed (OWOW), Roundtables and the Inland Empire Brine Line.

**OWOW:** SAWPA conducts the One Water One Watershed Program, an integrated regional water management program envisioning a sustainable Santa Ana River Watershed that is drought resilient, salt-balanced and supportive of social, economic, and environmental vitality by 2035. Over the past 10 years, SAWPA has worked collaboratively to secure water bonds and IRWM grant funding totaling over \$250 million within the watershed.

**Inland Empire Brine Line:** SAWPA owns and operates the Inland Empire Brine Line utility, a 73-mile brine collection system responsible for the daily removal of over 500,000 pounds of salt, ensuring the highest and best use of groundwater resources and an expanded ability to reclaim water, providing economic benefit and retaining numerous local jobs.

**Roundtables:** SAWPA facilitates Roundtables, collaborative forums addressing the region's water resource challenges including implementing TMDLs, water/energy program and other regional partnerships.

The Santa Ana River Watershed, with over 6 million people, spans approximately 2,840 square miles and covers portions of San Bernardino, Riverside, Orange, and a small area of Los Angeles Counties. SAWPA has led the creation of a framework to select the best multi-benefit projects resulting in the completion of 50 projects valued at over \$860 Million throughout the watershed, providing 342,000 acre-feet of new water annually. The Santa Ana River Watershed has, perhaps, the most comprehensive water quality protection program of any watershed in the country due to the ongoing interest and participation of SAWPA, its member agencies, and the Regional Water Quality Control Board. The basin plans for water quality protection that have now become the standard for California were developed in the 1970s with the assistance of SAWPA. Since its inception, SAWPA has partnered with the Regional Board on numerous collaborative efforts.

SAWPA is well suited to address complex issues in the Santa Ana River Watershed due to its 51-year history in leading and governing numerous collaborative efforts working closely with Federal, State, and local agencies to obtain positive results relating to a variety of complex, sometimes controversial, water resource projects and programs. Utilizing the capable skills of SAWPA's staff, multi-agency agreements, consultant contracts, and facilitated discussions, SAWPA's successful programs and projects represent the best in collaboration, information, and data management.

Typical legal activities:

1. Brown Act: Responding to Brown Act questions related to public meetings including agenda content, posting of agenda, special meetings, etc., and serve as agency counsel during public meetings and public hearings.
2. Public records requests. Advising staff on response requirements.
3. Public Works Bidding and Contracts. Ensuring bid documents, bid notice publications, bid process, and contract award are in compliance with requirements.
4. Right-of-Way documents. Easements, license agreements, encroachments permits, etc. Responding to questions related to existing documents, protecting the rights conveyed, and assisting staff on access issues. Preparing new documents when required due to relocation of the pipeline, dedication of right of way to another public entity, etc.
5. Agreements. Preparing agreements when directed by SAWPA and assist in reviewing existing agreements to ensure compliance.
6. Agency Ordinances, Resolutions, Policies and Procedures. Reviewing updates to SAWPA Ordinance No. 8 (Inland Empire Brine Line), Enforcement Response Plan and other industrial pretreatment program documents, resolutions such as the Brine Line rate resolution, policies such as the procurement policy, and other documents that may be required from time to time.
7. Industrial Pretreatment Program. Review documents such as the permit application, permit templates for Collection Stations, Liquid Waste Haulers, Industrial Users, Significant Industrial Users, Categorical Industrial Users, and letters to discharge. Assist staff in implementing the program including interpreting the ERP applied to real world situations. Review letters, orders, etc. prepared by staff.
8. Human Resources. Prepare an Employee Handbook update for review by SAWPA. Prepare associated documents such as new hire forms, termination forms, etc. Alert SAWPA regarding new laws and provide applicable direction. Provide periodic training such as training related to AB 1234, AB 1825 and SB 1300. Assist staff in understanding and applying state law to SAWPA policies and procedures. Provide recommendations for evaluating and possibly implementing a four day per week, 10-hour work day (current policy is 9-80).
9. Construction and Operations Claims. Assist staff in responding to claims received, including but not limited to construction and operational claims. Assist staff in reviewing SAWPA claims submitted to other parties including, but not limited, for damage to Brine Line facilities.
10. Review of templates including standard Terms and Conditions for Work Orders, General Service Agreement/Task Orders, and Construction Agreement. Provide assistance during implementation to ensure compliance with agreements including prevailing wage and insurance requirements.
11. Review Injury and Illness Prevention Plan and ensure that the program elements are consistent with OSHA requirements.
12. Miscellaneous.

## **B. PURPOSE OF REQUEST FOR QUALIFICATIONS**

SAWPA is issuing this Request for Qualifications (RFQ) to select a qualified firm to provide the requested legal services which from time to time are required. Quality of documents prepared and legal advice, as well as efficiency of delivery are paramount. Services provided by a single firm is preferred but not

required. The firm’s legal representative should reside in a local office located within the watershed. Note SAWPA will not pay for travel time.

SAWPA is contemplating transitioning from in-house legal counsel to partial to full consultant provided legal services.

These efforts include interaction with, but not limited to, SAWPA staff, member agencies, stakeholders, and funding agencies. Work will be directed by SAWPA General Manager Rich Haller.

### **C. HOW THE SELECTED CONSULTANT WILL BE UTILIZED**

The selected firm shall execute a General Services Agreement. A Task Order will be executed for each Fiscal Year at a minimum. Work shall be performed on an hourly basis. Special tasks will require an estimate of the hours and budget required to complete when requested by SAWPA. Selected firm(s) will perform the services stated herein in accordance with the highest legal, ethical, and professional standards.

The terms and conditions contained herein constitute the full and complete understanding of the parties. However, should you or your firm request additional contractual terms and conditions for consideration, such requests must be clearly identified on **Exhibit E** and submitted at the time of qualification submittals. No additional terms and conditions will be accepted following receipt of qualification submittals, and SAWPA will consider such additional contractual terms and conditions as part of its evaluation process.

Project /Task Assignment: Recurring tasks: consultant will be requested in writing to perform certain activities on a recurring basis. Work will be performed by the consultant on an hourly basis. Non-recurring Tasks: As project or task assignments arise, SAWPA will issue a written request for a Scope of Work, Budget and Schedule to the consultant. A separate Task Order will be issued documenting the work to be completed, the negotiated fee and completion date.

### **D. PROJECT SPECIFIC DATES**

The following table identifies the estimated dates/time frame for receipt, evaluation, and award of this RFQ. Please note the following key dates when preparing your response to this RFQ.

<b>Description</b>	<b>Date</b>
Release of RFQ	May 21, 2019
Deadline for Written Questions Regarding RFQ	May 29, 2019
Responses to Written Questions Regarding RFQ	May 31, 2019
Qualification Submittal Due Date 4:00 p.m.	June 7, 2019
Qualification Submittal Review and Short List	June 14, 2019
Interviews (if required)	TBD
Selection Recommendation to Commission	July 2, 2019
Possible Agreement Approval	July 2, 2019
Finalize Agreement, Start Work	July 8, 2019

### **E. SELECTION CRITERIA**

The criteria for vendor selection shall be based on, but not limited to, the following:

1. Qualifications and Experience (Firm and Personnel) - Consultant and consultant’s primary representative(s) shall have a minimum of five (5) years demonstrated experience, by the references provided in **Exhibit A**, and resumes of key people to address experience and qualifications, educational background, and skills.



2. References
3. Local Office
4. Price & Payment Terms – **Exhibit C**
5. Exceptions Taken to RFQ – **Exhibit E**
6. Quality of Qualification Submittal (Firm provided all information requested in the qualification submittal, qualification submittal is well-organized and clear).

#### **F. EVALUATION AND SELECTION PROCESS**

1. Submittal Review: SAWPA will review and evaluate each submittal to determine if it meets the requirements for the service defined herein. Consultant shall identify any services it will not perform. Failure to meet the requirements will be cause for eliminating the applicant from further consideration.
2. Selection: Based on SAWPA's evaluation, the firms will be ranked. It is anticipated that a contract will be awarded with the highest-ranking firm(s) being selected. However, SAWPA reserves the right to consider the overall distribution of contracts and may award agreements as it deems necessary, regardless of the assigned rank.

## **Section II – SUBMITTAL REQUIREMENTS**

- A. The submittal must emphasize responding to the requirements set forth herein. Firms must demonstrate their capabilities, background, and expertise, in order for SAWPA to effectively evaluate the submittals, and select the firm(s) that provide the best value to SAWPA based on the selection criteria in Section 1. The Qualification Submittal should include, at a minimum, the following information:
1. Cover Letter
  2. Executive Summary –including a brief summary of the firm’s origin, background, and size of the company, an organizational chart, the overall capabilities of the organization, appropriate licenses and certifications (if applicable), and proximity of company’s resources to SAWPA’s offices and facilities. Further, describe any services requested by the RFQ which will not be performed.
  3. Statement of Qualifications
    - a. Qualifications and Experience (Firm and Personnel) – a description of the firm’s expertise related to services requested and a full discussion of the firm’s recent experience directly related to providing legal services for a public agency. Include resume(s) of key staff to address experience and qualifications, educational background, and skills.
      - i. Must have at least five years of experience in legal services related to public Agencies and to the water industry.
      - ii. Have represented the interests and needs of California agencies and direct experience working on California resources (such as potable water supply, recycled water, wastewater, environmental, etc.) and special district issues.
      - iii. Be willing to provide a client list to demonstrate that no other clients could negatively impact SAWPA.
    - b. References (**Exhibit A**) – list three (3) former municipal (preferred) or private clients for whom comparable services have been performed within the last five years. Include the name, mailing address, telephone number and e-mail address of each client’s principal representative.
    - c. List of Subcontractors (**Exhibit B**) – a description of any subcontract arrangements that would be utilized for this discipline of work. Include a full description of the subcontractor’s experience and personnel.
    - d. Fee Schedule – (**Exhibit C**) a schedule of hourly rates; rates for all sub-consultants and percentage markup of reimbursable expenses, if any shall be included. The rates shall be valid for the term of the contract. Note SAWPA will not pay for travel time.
  4. Consultant Business Information (**Exhibit D**)
  5. Additions, Deletions and/or Exceptions (**Exhibit E**) – compliance with SAWPA’s contractual terms and/or RFQ requirements. The firm shall note any additions, deletions and/or exceptions to the contractual terms and/or SOQ requirements. If there are no exceptions taken, note in writing that there are none.
- B. SAWPA reserves the right to withhold award of contract for a period of one hundred and twenty (120) days following RFQ opening. All submittals received are considered firm for that 120-day period.

- C. A General Services Agreement (GSA) (**Attachment A**) incorporating the terms and conditions contained herein will be sent to the successful firm(s). Any additional terms and conditions requested by firm must be submitted at the time of your response as part of **Exhibit E** (Additions, Deletions and/or Exceptions) and will be considered as part of the selection/negotiation process.
- D. SAWPA may make such investigations as it deems necessary to determine the ability of the firm to provide the goods and/or service as specified, and the firm shall furnish to SAWPA, as is commercially reasonable, all such information and data for this purpose. SAWPA may discuss or negotiate with one or more firms prior to award and reserves the right to reject any submittal.
- E. Any questions as to the meaning of the scope of work and/or technical specifications or other pre-qualifications submittal documents must be submitted in writing and shall be directed to Karen Williams of SAWPA at (951) 354-4231 or (kwilliams@sawpa.org) who will provide instructions for submitting requests. To be given consideration, requests must be received by May 29, 2019. Any and all such interpretations and any supplemental instructions will be sent to all prospective firms not later than May 31, 2019. All addenda so issued shall become part of the contract documents. Under no circumstances may the firm contact any other department for clarification or interpretation of any requirements herein.
- F. SAWPA reserves the right to reject any or all qualification submittals, either separately or as a whole and to waive any informality in a qualification submittal or to accept any qualification submittal presented which it deems best suited to the interest of SAWPA, and is not to be bound to accept the lowest price.
- G. The cost for developing the qualifications submittal is the sole responsibility of the firm. All submittals shall become the property of SAWPA.
- H. Be advised that all information contained in qualification submittal in response to this solicitation may be subject to the California Public Records Act (Government Code Section 6250 et seq.), and information's use and disclosure are governed by this Act.

## Section III – SCOPE OF WORK

### Legal Services

#### **A. OBJECTIVE**

SAWPA is seeking a consultant to provide a wide variety of legal services.

#### **FOCUS**

Delivery of high quality legal support in an efficient manner.

#### **B. EXAMPLE TASKS**

The following tasks are examples of the kinds of tasks that may be assigned.

##### Recurring

1. Respond to Brown Act questions related to public meetings including agenda content, posting of agenda, special meetings, etc., and serve as agency counsel during public meetings and public hearings.
2. Public records requests.

Non-Recurring – generally larger levels of effort required. Prior to beginning work scope/expected results, level of effort and schedule to be discussed and documented.

1. Brown Act: review agency procedures for posting agendas for regular, special and emergency meetings.
2. Public records. Review records retention policy.
3. Public Works Bidding and Contracts. Review agreement template and Division 00 (Construction Specifications Institute, typical front end) documents.
4. Right-of-Way documents. Assist staff when site access is restricted inconsistent with established easements, issues with encroachment permits such as prior rights determination, etc. Prepare legal documents required for new easements for pipe realignments, and for license agreement changes.
5. Agreements. Prepare or review agreements such as grant agreements, project agreements, Brine Line agreements, etc.
6. Agency Ordinances, Resolutions, Policies and Procedures. Review new documents prepared by SAWPA staff.
7. Industrial Pretreatment Program. Review existing Ordinance No. 8, Enforcement Response Plan, Policies and Procedures Manual, discharge permit templates, draft discharge permits, and other draft documents.
8. Human Resources. Prepare an Employee Handbook update for review by SAWPA. Prepare associated documents such as new hire forms, termination forms, etc. Alert SAWPA regarding new laws and provide applicable direction. Provide periodic training such as training related to AB 1234, AB 1825 and SB 1300. Assist staff in applying state law and SAWPA policies. Provide recommendations for evaluating and possibly implementing a four day per week, 10-hour work day (current policy is 9-80).

9. Claims. Assist staff in responding to claims received, including but not limited to construction and operational claims. Assist staff in reviewing SAWPA claims submitted to other parties including, but not limited, for damage to Brine Line facilities
10. Work Orders, and General Services Agreement/Task Orders. Prepare updated templates including standard Terms and Conditions.
11. Injury and Illness Prevention Plan. Review for compliance with state laws and regulations.
12. Miscellaneous.

**EXHIBIT A**

**REFERENCES**

Proposer shall provide a **minimum of three (3)** Customer References for whom comparable services have been performed within the last five (5) years. Local and similar size contract references are preferred.

**REFERENCE #1**

NAME OF FIRM	
ADDRESS	
CITY, STATE, ZIP CODE	
TELEPHONE #	(    )
E-MAIL ADDRESS	
CONTACT	
PROJECT NAME	
COMPLETION DATE	
APPROX. COST	

**REFERENCE #2**

NAME OF FIRM	
ADDRESS	
CITY, STATE, ZIP CODE	
TELEPHONE #	(    )
E-MAIL ADDRESS	
CONTACT	
PROJECT NAME	
COMPLETION DATE	
APPROX. COST	

**REFERENCE #3**

NAME OF FIRM	
ADDRESS	
CITY, STATE, ZIP CODE	
TELEPHONE #	(    )
E-MAIL ADDRESS	
CONTACT	
PROJECT NAME	
COMPLETION DATE	
APPROX. COST	



**EXHIBIT C**  
**SANTA ANA WATERSHED PROJECT AUTHORITY**  
**PRICE FORM**

Item	Title (Description)	Hourly Rates
1		\$ _____
2		\$ _____
3		\$ _____
4		\$ _____
5		\$ _____

The Project shall begin immediately upon receipt of order or notice to proceed.

Price(s) shall include **all** labor, equipment, materials, transportation, overhead, travel, profit, insurance, sales and other taxes, licenses, incidentals, and all other related costs necessary to meet the work requirements. Note SAWPA will not pay for travel time.

SAWPA encourages a discount for early payment and will include such offers in the evaluation criteria. If a discount is offered, terms are: 5% discount if paid in full within 15\_days.

**PROPOSERS:**

Your signature on this document, should you be awarded a contract as defined in this RFQ, signifies that you have fully read and understood this proposal and will comply with all specifications, conditions, unit prices, terms, and delivery of the proposal unless otherwise noted in the "exceptions" portion of the proposal.

Name of Firm:		Title:	
Authorized Signature:		Date:	
Printed/Typed Name:		Mailing Address:	
Phone:		City, State, Zip	
Fax:		E-Mail Address:	



**EXHIBIT D**

**PROPOSER'S BUSINESS INFORMATION**

All proposers shall submit the information as requested below.

1. Length of time your firm has been in business: \_\_\_\_\_

2. Length of time at current location: \_\_\_\_\_

3. List types and business license number(s): \_\_\_\_\_

\_\_\_\_\_

4. California State Contractor's License number: \_\_\_\_\_

5. Names and titles of all officers of the firm: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

6. Is your firm a sole proprietorship doing business under a different name?  
YES  or NO

7. If yes, please indicate sole proprietorship name and the name you are  
doing business under: \_\_\_\_\_

\_\_\_\_\_

8. Please indicate your Federal Tax Number: \_\_\_\_\_

9. Is your firm incorporated? YES  or NO

10. Name and remittance address that will appear on invoices: \_\_\_\_\_

\_\_\_\_\_

11. Physical Address: \_\_\_\_\_

\_\_\_\_\_

**EXHIBIT E**

**ADDITIONS, DELETIONS AND/OR EXCEPTIONS**

Please state any and all Additions, Deletions and Exceptions that you are taking to any portion of this proposal and General Services Agreement (GSA) and Task Order (Attachment A). If not addressed below, then Santa Ana Watershed Project Authority assumes that the vendor will adhere to all terms and conditions listed.

SAWPA will issue an Agreement in its standard form to the successful firm(s) for the services contemplated herein; a copy of which is attached hereto, and incorporated herein. Any deletion, exception, or modification taken to District contract terms and conditions will be evaluated, in addition to the specified criteria; and may, itself, result in non-acceptance by the District. Any request for deletion, exception, or modification, if so taken, must be submitted at the time of proposal.

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Legal Services – Firms

FIRM	ADDRESS	PHONE
Aleshire & Wynder LLP	3880 Lemon Street, Suite 520, Riverside, CA 92501	(951) 241--7338
Best Best & Krieger	3390 University Ave., 5th Floor, Riverside, CA 92502-1028	925-977-3300
Kidman Law Group	2030 Main Street, Suite 1300, Irvine, CA 92614	714-755-3100
Brownstein Hyatt Farber & Schreck	1020 State Street, Santa Barbara, CA 93101	805-963-7000
Burke Williams & Sorensen	1770 Iowa Avenue,, Suite 240, Riverside, CA 92507	(951) 788-0100
Lagerlof Senecal Gosney & Kruse	301 N. Lake Avenue, 10th Floor, Pasadena, CA 91101-5123	626-793-9400
Law Offices of Jimmy Gutierrez	12616 Central Avenue, Chino, CA 91710	909-591-6336
Ellison Schneider Harris & Donlan	2600 Capitol Ave., Suite 400, Sacramento, CA 9516	916-447-2166
Egoscue Law Group	3777 Long Beach Blvd., Suite 280, Long Beach, CA 90807	562-988-5978
Nossaman Gunther Knox & Elliot	445 S. Figueroa St., 31st Floor, Los Angeles, CA 90071-1672	213-612-7800
Loeb & Loeb	10100 Santa Monica Blvd, Suite 2200, Los Angeles, CA 90067	310-282-2112
Downey Brand LLP	621 Capitol Mall, 18th Floor, Sacramento, CA 95814	916-520-5226
JC Law Firm	5871 Pine Avenue, Suite 200, Chino Hills, CA 91709	909-941-3382
Richards Watson & Gershon	Brea Cultural Center, 1 Civic Center Circle, 2nd Floor, Brea, CA 92821	714-990-0901
John J. Schatz, Attorney at Law	PO Box 775, Laguna Niguel, CA 92607-7775	949-459-6602
Rutan & Tucker	611 Anton Blvd., 14th Floor, Costa Mesa, CA 92626-1931	714-963-5661
Hensley Law Group	2600 W. Olive Ave., Suite 500, Burbank, CA 91505	818-333-5120
Jackson DeMarco Tidus & Peckinpaugh	2030 Main Street, Suite 1200, Irvine, CA 92614	949-851-7409
Harper & Burns	<a href="mailto:jrharper@harperburns.com">jrharper@harperburns.com</a>	
Somach Simmons & Dunn	500 Capitol Mall, Suite 1000, Sacramento, CA 95814	916-446-7979
Sheppard Mullin	650 Town Center Drive, 4th Floor, Costa Mesa, CA 92626-1993	714-513-5100
Brunick McElhaney & Kennedy	1839 Commercecenter West, San Bernardino, CA 92408	909-889-8301

Thomas H. McPeters, ESQ	700 E. Redlands Blvd, Suite U-297, Redlands, CA 92373	909-792- 8919
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Santa Ana Watershed Project Authority  
Cash Transaction Report  
Month of March 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	\$ 1,562,910.08
Net Investment Transfers	518,000.00
Cash Disbursements	<u>(2,696,880.24)</u>
Net Change for Month	\$ (615,970.16)
Balance at Beginning of Month	<u>3,426,420.21</u>
Balance at End of Month per General Ledger	<u>\$ 2,810,450.05</u>
Collected Balance per Bank Statement	\$ 3,041,885.38

**ACCOUNTS PAYABLE RECONCILIATION**

Accounts Payable Balance @ 02/28/19	\$ 3,764,550.84
Invoices Received for March 2019	619,904.80
Invoices Paid by check/wire during March 2019 (see attached register)	<u>(2,422,168.54)</u>
Accounts Payable Balance @ 03/31/19	<u>\$ 1,962,287.10</u>

### CASH RECEIPTS

Brine Line Operating Revenues	\$ 1,012,164.50
Other Grant Funds (WECAN Grant)	25,792.08
Participant Fees	11,632.78
LESJWA Admin Reimbursement	17,967.80
Grant Proceeds - Prop 84	217,040.58
Grant Proceeds - Prop 84 Pass-throughs	247,113.77
Grant Proceeds - Prop 1	30,978.97
Other	<u>219.60</u>
Total Receipts and Deposits	\$ 1,562,910.08

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### INVESTMENT TRANSFERS

Transfer of Funds:	
From (to) LAIF	\$ -
From (to) Legal Defense Fund	-
From (to) LESJWA	-
From (to) Investments	<u>518,000.00</u>
Total Investment Transfers	\$ 518,000.00

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### CASH DISBURSEMENTS

By Check:	
Payroll	\$ 361.88
Operations	<u>2,422,168.54</u>
Total Checks Drawn	\$ 2,422,530.42
By Cash Transfer:	
Payroll	\$ 152,091.22
Payroll Taxes	119,497.73
Take Care (AFLAC)	<u>2,760.87</u>
Total Cash Transfers	\$ 274,349.82
Total Cash Disbursements	<u><u>\$ 2,696,880.24</u></u>

Santa Ana Watershed Project Authority  
Check Detail  
Mar-19

Category	Check #	Check Date	Type	Vendor	Check Amount
Accrued Volumetric Costs	EFT02511	3/7/2019	CHK	Orange County Sanitation District	\$ 602,771.05
<b>Accrued Volumetric Costs Total</b>					<b>\$ 602,771.05</b>
Auto Expenses	3577	3/1/2019	CHK	County of Riverside	\$ 1,589.76
Auto Expenses	3581	3/1/2019	CHK	Riverside Transmission Center	\$ 284.23
Auto Expenses	3609	3/15/2019	CHK	County of Riverside/Transportation	\$ 292.51
<b>Auto Expenses Total</b>					<b>\$ 2,166.50</b>
Benefits	3575	3/1/2019	CHK	Cal PERS Long Term Care Program	\$ 102.04
Benefits	3580	3/1/2019	CHK	Mutual Of Omaha	\$ 2,897.25
Benefits	3589	3/7/2019	CHK	ACWA/JPIA	\$ 45,236.49
Benefits	3602	3/15/2019	CHK	AFLAC	\$ 162.79
Benefits	3604	3/15/2019	CHK	Cal PERS Long Term Care Program	\$ 102.04
Benefits	3619	3/21/2019	CHK	WageWorks	\$ 134.00
Benefits	3626	3/28/2019	CHK	Cal PERS Long Term Care Program	\$ 102.04
Benefits	3628	3/28/2019	CHK	Mutual Of Omaha	\$ 2,887.75
Benefits	* 3633	3/28/2019	VOID	VOID	\$ -
Benefits	EFT02499	3/1/2019	CHK	Vantagepoint Transfer Agents	\$ 2,657.88
Benefits	EFT02503	3/1/2019	CHK	Vantagepoint Transfer Agents	\$ 374.88
Benefits	EFT02520	3/15/2019	CHK	Vantagepoint Transfer Agents	\$ 2,657.88
Benefits	EFT02526	3/15/2019	CHK	Vantagepoint Transfer Agents	\$ 374.88
Benefits	EFT02551	3/28/2019	CHK	Vantagepoint Transfer Agents	\$ 2,753.41
Benefits	EFT02556	3/28/2019	CHK	Vantagepoint Transfer Agents	\$ 374.88
Benefits	P035755	3/1/2019	WDL	Public Employees' Retirement	\$ 19,609.14
Benefits	P035756	3/1/2019	WDL	CalPERS Supplemental Income	\$ 5,615.50
Benefits	P035847	3/15/2019	WDL	CalPERS Supplemental Income	\$ 5,715.50
Benefits	P035848	3/15/2019	WDL	Public Employees' Retirement	\$ 18,933.98
Benefits	P035933	3/28/2019	WDL	Public Employees' Retirement	\$ 19,590.37
Benefits	P035934	3/28/2019	WDL	CalPERS Supplemental Income	\$ 5,715.50
Benefits	WDL000004769	3/5/2019	WDL	Takecare	\$ 1,346.10
Benefits	WDL000004770	3/6/2019	WDL	Takecare	\$ 258.17
Benefits	WDL000004775	3/18/2019	WDL	Takecare	\$ 484.30
Benefits	WDL000004776	3/19/2019	WDL	Takecare	\$ 192.30
Benefits	WDL000004778	3/21/2019	WDL	Takecare	\$ 110.00
Benefits	WDL000004781	3/26/2019	WDL	Takecare	\$ 370.00
<b>Benefits Total</b>					<b>\$ 139,209.07</b>
Building Lease	3585	3/1/2019	CHK	Wilson Property Services, Inc	\$ 1,458.00
Building Lease	3630	3/28/2019	CHK	Wilson Property Services, Inc	\$ 1,458.00
<b>Building Lease Total</b>					<b>\$ 2,916.00</b>
Consulting	3578	3/1/2019	CHK	Stantec	\$ 3,695.00
Consulting	3584	3/1/2019	CHK	The Technology Depot	\$ 135.00
Consulting	3616	3/21/2019	CHK	RBI Traffic	\$ 5,800.00
Consulting	EFT02500	3/1/2019	CHK	Risk Sciences	\$ 11,983.19
Consulting	EFT02501	3/1/2019	CHK	West Coast Advisors	\$ 9,750.00
Consulting	EFT02504	3/1/2019	CHK	Integrated Systems Solutions	\$ 828.50
Consulting	EFT02505	3/1/2019	CHK	Accent Computer Solutions Inc	\$ 3,896.07
Consulting	EFT02507	3/1/2019	CHK	DeGrave Communications	\$ 10,502.43
Consulting	EFT02510	3/1/2019	CHK	GeoScience Support Services	\$ 5,051.25
Consulting	EFT02514	3/7/2019	CHK	Accent Computer Solutions Inc	\$ 1,387.50
Consulting	EFT02515	3/7/2019	CHK	Dudek	\$ 9,388.75
Consulting	EFT02516	3/7/2019	CHK	Woodard & Curran Inc.	\$ 5,187.67
Consulting	EFT02528	3/15/2019	CHK	Integrated Systems Solutions	\$ 4.00
Consulting	EFT02529	3/15/2019	CHK	Dudek	\$ 10,237.50
Consulting	EFT02541	3/21/2019	CHK	West Coast Advisors	\$ 9,750.00
Consulting	EFT02544	3/21/2019	CHK	CDM Smith, Inc.	\$ 41,677.85
Consulting	EFT02546	3/21/2019	CHK	Trussell Technologies, Inc.	\$ 2,039.05
Consulting	EFT02547	3/21/2019	CHK	Woodard & Curran Inc.	\$ 3,292.34
Consulting	EFT02550	3/21/2019	CHK	Blais & Associates	\$ 1,435.41
Consulting	EFT02552	3/28/2019	CHK	Risk Sciences	\$ 16,612.32
Consulting	EFT02557	3/28/2019	CHK	Accent Computer Solutions Inc	\$ 3,692.48
Consulting	EFT02559	3/28/2019	CHK	DeGrave Communications	\$ 5,179.46
<b>Consulting Total</b>					<b>\$ 161,525.77</b>
Credit Cards	P035977	3/12/2019	WDL	US Bank	\$ 7,351.06
<b>Credit Cards Total</b>					<b>\$ 7,351.06</b>

**Santa Ana Watershed Project Authority**  
**Check Detail**  
**Mar-19**

Category	Check #	Check Date	Type	Vendor	Check Amount
Debt Service	3613	3/21/2019	CHK	State Water Resources Control Board	\$ 665,202.51
<b>Debt Service Total</b>					<b>\$ 665,202.51</b>
Director Costs	EFT02519	3/15/2019	CHK	Eastern Municipal Water District	\$ 758.76
Director Costs	EFT02521	3/15/2019	CHK	Western Municipal Water District	\$ 508.16
Director Costs	EFT02530	3/15/2019	CHK	Jasmin Hall	\$ 30.16
Director Costs	EFT02532	3/15/2019	CHK	Kati Parker	\$ 62.64
Director Costs	EFT02533	3/15/2019	CHK	Bruce Whitaker	\$ 174.00
Director Costs	EFT02535	3/15/2019	CHK	June Hayes	\$ 51.04
Director Costs	EFT02536	3/15/2019	CHK	T. Milford Harrison	\$ 26.10
<b>Director Costs Total</b>					<b>\$ 1,610.86</b>
Dues	3627	3/28/2019	CHK	Westcas	\$ 1,650.00
<b>Dues Total</b>					<b>\$ 1,650.00</b>
Employee Reimbursement	EFT02525	3/15/2019	CHK	Sara Villa	\$ 48.14
Employee Reimbursement	EFT02527	3/15/2019	CHK	Karen Williams	\$ 14.98
Employee Reimbursement	EFT02531	3/15/2019	CHK	Kelly Berry	\$ 96.05
Employee Reimbursement	EFT02548	3/21/2019	CHK	Ian Achimore	\$ 40.83
Employee Reimbursement	EFT02549	3/21/2019	CHK	Kelly Berry	\$ 430.00
Employee Reimbursement	EFT02558	3/28/2019	CHK	Michael Plasencia	\$ 290.00
<b>Employee Reimbursement Total</b>					<b>\$ 920.00</b>
Equipment Leased	3582	3/1/2019	CHK	GreatAmerica Financial Services	\$ 1,452.56
Equipment Leased	3593	3/7/2019	CHK	Konica Minolta Business Solutions	\$ 764.77
Equipment Leased	3612	3/21/2019	CHK	Pitney Bowes Global Financial	\$ 345.78
Equipment Leased	3629	3/28/2019	CHK	GreatAmerica Financial Services	\$ 1,452.56
<b>Equipment Leased Total</b>					<b>\$ 4,015.67</b>
Equipment Repair	3620	3/21/2019	CHK	Pres-Tech Manufacturer's Rep	\$ 575.81
<b>Equipment Repair Total</b>					<b>\$ 575.81</b>
Facility Repair & Maintenance	3583	3/1/2019	CHK	K&H Metals and Supplies	\$ 143.55
Facility Repair & Maintenance	3600	3/7/2019	CHK	RivCo Mechanical Services	\$ 1,457.00
Facility Repair & Maintenance	3608	3/15/2019	CHK	TNT Elevator Inc	\$ 1,490.00
Facility Repair & Maintenance	3615	3/21/2019	CHK	Innerline Engineering	\$ 2,247.75
Facility Repair & Maintenance	3621	3/21/2019	CHK	Sims Tree Health Specialists	\$ 483.00
Facility Repair & Maintenance	3623	3/21/2019	CHK	CR&R Incorporated	\$ 1,474.77
Facility Repair & Maintenance	EFT02506	3/1/2019	CHK	Douglas Environmental Group	\$ 1,730.00
Facility Repair & Maintenance	EFT02523	3/15/2019	CHK	Haz Mat Trans, Inc.	\$ 2,400.00
Facility Repair & Maintenance	EFT02534	3/15/2019	CHK	Riverside Cleaning	\$ 1,300.00
Facility Repair & Maintenance	EFT02540	3/21/2019	CHK	Western Exterminator Co.	\$ 116.50
Facility Repair & Maintenance	EFT02555	3/28/2019	CHK	Green Meadows Landscape	\$ 625.00
<b>Facility Repair &amp; Maintenance Total</b>					<b>\$ 13,467.57</b>
Insurance Expense	3607	3/15/2019	CHK	Alliant Insurance Services	\$ 142,451.00
<b>Insurance Expense Total</b>					<b>\$ 142,451.00</b>
Lab Costs	EFT02502	3/1/2019	CHK	E. S. Babcock & Sons, Inc.	\$ 1,052.00
Lab Costs	EFT02513	3/7/2019	CHK	E. S. Babcock & Sons, Inc.	\$ 349.00
Lab Costs	EFT02524	3/15/2019	CHK	E. S. Babcock & Sons, Inc.	\$ 994.00
Lab Costs	EFT02554	3/28/2019	CHK	E. S. Babcock & Sons, Inc.	\$ 715.00
<b>Lab Costs Total</b>					<b>\$ 3,110.00</b>
Legal Costs	EFT02517	3/7/2019	CHK	Hunt Ortmann Palffy Nieves Dahl	\$ 2,641.34
<b>Legal Costs Total</b>					<b>\$ 2,641.34</b>
Office Expense	3579	3/1/2019	CHK	Printing Connection, Inc.	\$ 43.50
Office Expense	3597	3/7/2019	CHK	Staples Business Advantage	\$ 678.65
Office Expense	3598	3/7/2019	CHK	Cintas Corporation	\$ 114.45
Office Expense	3601	3/15/2019	CHK	Aramark Corporation Refreshments	\$ 199.65
Office Expense	3603	3/15/2019	CHK	Konica Minolta Business Solutions	\$ 1,365.47
Office Expense	3617	3/21/2019	CHK	Printing Connection, Inc.	\$ 43.50
Office Expense	EFT02543	3/21/2019	CHK	Iron Mountain	\$ 162.60
<b>Office Expense Total</b>					<b>\$ 2,607.82</b>



Santa Ana Watershed Project Authority  
Check Detail  
Mar-19

Category	Check #	Check Date	Type	Vendor	Check Amount
Other Contract Services	EFT02508	3/1/2019	CHK	Green Media Creations	\$ 1,083.37
Other Contract Services	EFT02509	3/1/2019	CHK	Community Action Partnership	\$ 321,454.53
Other Contract Services	EFT02512	3/7/2019	CHK	Western Municipal Water District	\$ 8,465.92
Other Contract Services	EFT02518	3/7/2019	CHK	Local Government Commission	\$ 12,545.46
Other Contract Services	EFT02542	3/21/2019	CHK	Orange County Coastkeeper	\$ 26,993.65
<b>Other Contract Services Total</b>					<b>\$ 370,542.93</b>
Other Expense	3599	3/7/2019	CHK	California Newspaper Service	\$ 736.00
Other Expense	3618	3/21/2019	CHK	4IMPRINT	\$ 4,321.26
Other Expense	3635	3/28/2019	CHK	Crestline	\$ 2,119.85
<b>Other Expense Total</b>					<b>\$ 7,177.11</b>
Payroll	WDL000004761	3/1/2019	WDL	PR Tax - Federal	\$ 31,414.53
Payroll	WDL000004762	3/1/2019	WDL	PR Tax - State	\$ 6,792.07
Payroll	WDL000004764	3/1/2019	WDL	Direct Deposit 3/1/2019	\$ 361.88
Payroll	WDL000004766	3/1/2019	WDL	PR Tax - Federal	\$ 60.62
Payroll	WDL000004767	3/1/2019	WDL	PR Tax - State	\$ 3.96
Payroll	WDL000004771	3/15/2019	WDL	Direct Deposit 3/15/2019	\$ 76,643.34
Payroll	WDL000004772	3/15/2019	WDL	PR Tax - Federal	\$ 32,202.83
Payroll	WDL000004773	3/15/2019	WDL	PR Tax - State	\$ 7,035.22
Payroll	WDL000004780	3/29/2019	WDL	Direct Deposit 3/29/2019	\$ 75,447.88
Payroll	WDL000004782	3/29/2019	WDL	PR Tax - Federal	\$ 31,574.02
Payroll	WDL000004783	3/29/2019	WDL	PR Tax - State	\$ 6,929.69
Payroll	WDL000004787	3/28/2019	WDL	PR Tax - State	\$ 3,484.79
<b>Payroll Total</b>					<b>\$ 271,950.83</b>
Petty Cash	3576	3/1/2019	CHK	Karen Williams, Custodian of Petty Cash	\$ 344.45
<b>Petty Cash Total</b>					<b>\$ 344.45</b>
Prop84	3610	3/21/2019	CHK	San Bernardino Valley Municipal Water	\$ 43,837.42
Prop84	3614	3/21/2019	CHK	San Bernardino Valley Water	\$ 2,091.86
Prop84	3622	3/21/2019	CHK	US Forest Service	\$ 7,664.60
Prop84	3624	3/21/2019	CHK	Miller Spatial Services Inc	\$ 15,237.00
Prop84	EFT02537	3/21/2019	CHK	Inland Empire Utilities Agency	\$ 11,082.44
Prop84	EFT02538	3/21/2019	CHK	ESRI Inc.	\$ 4,441.66
Prop84	EFT02539	3/21/2019	CHK	Western Municipal Water District	\$ 35,113.96
Prop84	EFT02545	3/21/2019	CHK	CV Strategies	\$ 5,581.13
Prop84	EFT02553	3/28/2019	CHK	Western Municipal Water District	\$ 156,250.05
<b>Prop84 Total</b>					<b>\$ 281,300.12</b>
Safety	EFT02522	3/15/2019	CHK	Underground Service Alert	\$ 348.04
<b>Safety Total</b>					<b>\$ 348.04</b>
Shipping/Postage	3611	3/21/2019	CHK	Federal Express	\$ 75.94
<b>Shipping/Postage Total</b>					<b>\$ 75.94</b>
Temporary Services	3573	3/1/2019	CHK	AppleOne Employment Services	\$ 1,915.37
Temporary Services	3590	3/7/2019	CHK	AppleOne Employment Services	\$ 778.31
<b>Temporary Services Total</b>					<b>\$ 2,693.68</b>
Utilities	3574	3/1/2019	CHK	AT&T	\$ 294.55
Utilities	3586	3/1/2019	CHK	Verizon Wireless	\$ 266.80
Utilities	3587	3/1/2019	CHK	Verizon Wireless	\$ 1,313.06
Utilities	3588	3/1/2019	CHK	DIRECTV	\$ 66.99
Utilities	3591	3/7/2019	CHK	Riverside, City of	\$ 2,165.17
Utilities	3592	3/7/2019	CHK	Riverside, City of	\$ 145.34
Utilities	3594	3/7/2019	CHK	AT&T	\$ 785.98
Utilities	3595	3/7/2019	CHK	AT&T	\$ 1,018.26
Utilities	3596	3/7/2019	CHK	Southern California Edison	\$ 31.21
Utilities	3605	3/15/2019	CHK	Southern California Edison	\$ 225.55
Utilities	3606	3/15/2019	CHK	Burrtec Waste Industries Inc	\$ 81.44
Utilities	3625	3/28/2019	CHK	AT&T	\$ 294.55
Utilities	3631	3/28/2019	CHK	Verizon Wireless	\$ 135.44
Utilities	3632	3/28/2019	CHK	Verizon Wireless	\$ 1,363.78
Utilities	3634	3/28/2019	CHK	DIRECTV	\$ 66.99
<b>Utilities Total</b>					<b>\$ 8,255.11</b>
<b>Grand Total</b>					<b>\$ 2,696,880.24</b>

Santa Ana Watershed Project Authority  
 Check Detail  
 Mar-19

Category	Check #	Check Date	Type	Vendor	Check Amount
			Accounts Payable		
			Checks		\$ 2,339,637.49
			Wire Transfer		\$ 82,531.05
					<u>\$ 2,422,168.54</u>
			Bank Fees		
			Take Care		\$ 2,760.87
			Other		
			Payroll		\$ 271,950.83
Total Disbursements for March 2019					<u><u>\$ 2,696,880.24</u></u>

Santa Ana Watershed Project Authority  
 Consulting  
 March 2019

Check #	Check Date	Task #	Task Description	Vendor Name	Total Contract	Check Amount	Remaining Contract Amount	Notes/Comments
EFT02505	3/1/2019	ACS100-11	IT Support	Accent Computer Solutions	\$ 186,800.00	3896.07		
EFT02514	3/7/2019	ACS100-11	IT Support	Accent Computer Solutions	\$ 186,800.00	1387.5		
EFT02557	3/28/2019	ACS100-11	IT Support	Accent Computer Solutions	\$ 186,800.00	3692.48		
EFT02550	3/21/2019	BLAIS370-02	Grant Needs Assessment and Grant Monitoring	Blais & Associates	\$ 24,700.00	\$ 1,435.41		
EFT02544	3/21/2019	CDM386-13	SAR Bacteria Monitoring Program	CDM Smith, Inc.	\$ 324,914.00	\$ 41,677.85		
EFT02507	3/1/2019	DEGR398-01	Social Media Support	DeGrave Communicaitons	\$ 78,434.00	\$ 126.28		
EFT02507	3/1/2019	DEGR398-01	Social Media Support	DeGrave Communicaitons	\$ 78,434.00	\$ 7,956.50		
EFT02507	3/1/2019	DEGR392-04	Social Media Support	DeGrave Communicaitons	\$ 30,000.00	\$ 2,419.65		
EFT02559	3/28/2019	DEGR392-04	Social Media Support	DeGrave Communicaitons	\$ 30,000.00	\$ 2,191.88		
EFT02559	3/28/2019	DEGR398-01	Social Media Support	DeGrave Communicaitons	\$ 78,434.00	\$ 2,987.58		
EFT02515	3/7/2019	DUDK373-05	OWOW Plan Update 2018	Dudek	\$ 27,000.00	9388.75		
EFT02529	3/15/2019	DUDK326-06	Reach V Rehab, Phase 1, Tasks 3-4	Dudek	\$ 134,900.00	7687.5		
EFT02529	3/15/2019	DUDK326-06	Reach V Rehab, Phase 1, Tasks 3-4	Dudek	\$ 134,900.00	2550		
EFT02510	3/1/2019	GEOS374-01	SAR WLA Model Update	GeoScience Support Services	\$ 314,956.00	\$ 5,051.25		
EFT02504	3/1/2019	INSOL-11	Great Plains Annual Service and Support	Integrated Systems Solutions	\$ 3,000.00	\$ 828.50		
EFT02528	3/15/2019	INSOL-11	Great Plains Annual Service and Support	Integrated Systems Solutions	\$ 3,000.00	\$ 4.00		
3616	3/21/2019	RBI240-03	Traffic Control Plans	RBI Traffic	\$ 5,800.00	\$ 5,800.00		
EFT02500	3/1/2019	RISK384-09	MSAR TMDL Task Force	Risk Sciences	\$ 49,340.00	\$ 3,917.43		
EFT02500	3/1/2019	RISK374-07	Basin Monitoring Task Force	Risk Sciences	\$ 73,150.00	\$ 6,710.38		
EFT02500	3/1/2019	RISK386-09	Compliance Expert - RWQM Task Force	Risk Sciences	\$ 46,820.00	\$ 1,355.38		
EFT02552	3/28/2019	RISK384-09	MSAR TMDL Task Force	Risk Sciences	\$ 49,340.00	\$ 6,626.68		
EFT02552	3/28/2019	RISK374-07	Basin Monitoring Task Force	Risk Sciences	\$ 73,150.00	\$ 4,491.60		
EFT02552	3/28/2019	RISK392-05	Emerging Constituents Sampling Program 2019	Risk Sciences	\$ 28,250.00	\$ 5,494.04		
3578	3/1/2019	STAN320-01	Alcoa Dike - BL Protection	Stantec	\$ 17,279.00	\$ 3,695.00		
3584	3/1/2019	TTD100-04	Phone System Support	The Technology Depot	\$ 5,000.00	\$ 135.00		
EFT02546	3/21/2019	TRU240-22	Monthly County Line Solids Analysis	Trussell Technologies Inc	\$ 9,664.00	\$ 1,505.00		
EFT02546	3/21/2019	TRU240-23	2019 BL Annual Review	Trussell Technologies Inc	\$ 49,899.00	\$ 534.05		
EFT02501	3/1/2019	WCA100-03-02	State Legislative Consulting Services FY19-20	West Coast Advisors	\$ 235,000.00	\$ 9,750.00		
EFT02541	3/21/2019	WCA100-03-02	State Legislative Consulting Services FY19-20	West Coast Advisors	\$ 235,000.00	\$ 9,750.00		

*Santa Ana Watershed Project Authority*  
*Consulting*  
*March 2019*

Check #	Check Date	Task #	Task Description	Vendor Name	Total Contract	Check Amount	Remaining Contract Amount	Notes/Comments
EFT02516	3/7/2019	RMC504-401-04	SARCCUP Program Mgmt Services	Woodard & Curran Inc.	\$ 224,485.00	\$ 4,873.67		
EFT02516	3/7/2019	W&C327-01	4D Rehabilitation - Engineering Services	Woodard & Curran Inc.	\$ 226,649.00	\$ 314.00		
EFT02547	3/21/2019	RMC504-401-04	SARCCUP Program Mgmt Services	Woodard & Curran Inc.	\$ 224,485.00	\$ 3,292.34		
					<b>\$ 161,525.77</b>			

**COMMISSION MEMORANDUM NO. 2019.43**

**DATE:** May 21, 2019  
**TO:** SAWPA Commission  
**SUBJECT:** Inter-Fund Borrowing – March 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 March 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	02/28/19 Balance	Loan Receipts	New Charges	03/31/19 Balance
130	Proposition 84 Admin	\$72,367.75	(\$17,324.51)	\$10,260.17	\$65,303.41
135	Proposition 84 Admin R2	106,503.23	(36,177.42)	6,030.75	76,356.56
140	Proposition 84 Admin R3	49,289.41	(8,315.02)	2,706.80	43,681.19
145	Proposition 84 Admin R4	119,077.93	(28,777.81)	15,562.05	105,862.17
398	Proposition 1 – DACI Grant	105,261.12	(0.00)	39,530.46	144,791.58
477	LESJWA Administration	16,605.86	(17,967.80)	12,958.94	11,597.00
504	Prop 84 - Drought Projects	235,736.52	(96,646.88)	43,620.99	182,710.63
	<b>Total Funds Borrowed</b>	<b>\$704,841.82</b>	<b>(\$205,209.44)</b>	<b>\$130,670.16</b>	<b>\$630,302.54</b>
	General Fund Reserves Balance		\$3,029,660.02		
	Less Amount Borrowed		<u>630,302.54</u>		
	Balance of General Fund Reserves		\$2,399,357.48		

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

**NEGATIVE CASH-FLOW FUNDS**

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

**Fund 130**

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

**Fund 135**

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

**Fund 140**

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

**Fund 145**

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

**Fund 398**

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

**Fund 477**

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

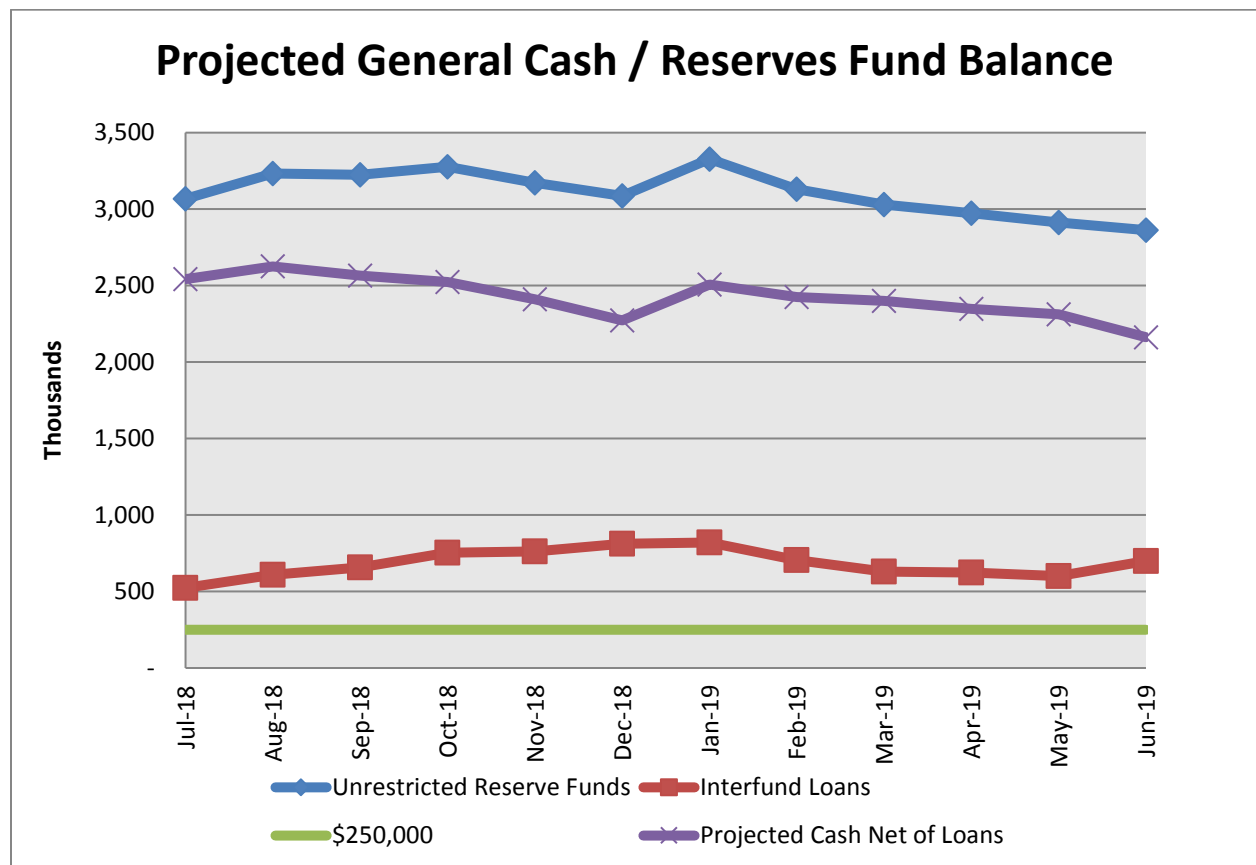
**Fund 504**

This fund is for the implementation of drought related projects and SARCCUP projects which are administered through 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 03/31/19	Remaining Grant Budget
130	Proposition 84 Admin R1	\$660,004	(\$543,816)	\$116,188
135	Proposition 84 Admin R2	627,405	(469,004)	158,401
140	Proposition 84 Admin R3	887,860	(632,920)	254,940
145	Proposition 84 Admin R4	3,213,384	(599,796)	2,613,588
373	OWOW Planning Grant	250,000	(242,230)	7,770
397	Energy Water DAC Grant (WECAN)	2,339,824	(2,339,824)	0
398	Proposition 1 – DACI Grant	6,300,000	(1,070,123)	5,229,877
504	Prop 84 - Drought Projects	5,547,816	(3,225,529)	2,322,287
504	Prop 84 – 2015 Round (SARCCUP)	1,543,810	(496,472)	1,047,338
Totals		\$21,370,103	(\$9,619,714)	\$11,750,389

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 30<sup>th</sup> 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. 2019.44

**DATE:** May 21, 2019  
**TO:** SAWPA Commission  
**SUBJECT:** Performance Indicators and Financial Reporting – March 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 Eight Months Ending Thursday, February 28, 2019

	General Fund	Brine Line Enterprise	Capital Projects	OWOW Projects	Roundtable Projects	Fund Totals
<b>Assets</b>						
<b>Current Assets</b>						
Cash and Investments	\$4,007,679.38	\$50,878,051.72	(\$374,486.62)	\$1,147,871.35	\$2,549,455.39	\$58,208,571.22
Accounts Receivable	0.00	1,954,405.21	0.00	2,613,061.06	31,679.80	4,599,146.07
Interest Receivable	0.00	5,042.00	0.00	0.00	0.00	5,042.00
Prepays and Deposits	24,503.06	38,001.18	0.00	0.00	0.00	62,504.24
<b>Total Current Assets</b>	<b>4,032,182.44</b>	<b>52,875,500.11</b>	<b>(374,486.62)</b>	<b>3,760,932.41</b>	<b>2,581,135.19</b>	<b>62,875,263.53</b>
<b>Fixed Assets</b>						
Property, Plant & Equipment less accum depreciation	1,152,819.72	85,624,316.73	0.00	0.00	0.00	86,777,136.45
Work In Process	0.00	0.00	318,768.17	0.00	0.00	318,768.17
<b>Total fixed assets</b>	<b>1,152,819.72</b>	<b>85,624,316.73</b>	<b>318,768.17</b>	<b>0.00</b>	<b>0.00</b>	<b>87,095,904.62</b>
<b>Other Assets</b>						
Wastewater treatment/disposal rights, net of amortization	0.00	26,599,971.07	0.00	0.00	0.00	26,599,971.07
Inventory - Mitigation Credits	0.00	0.00	0.00	0.00	1,910,560.00	1,910,560.00
<b>Total Other Assets</b>	<b>0.00</b>	<b>26,599,971.07</b>	<b>0.00</b>	<b>0.00</b>	<b>1,910,560.00</b>	<b>28,510,531.07</b>
<b>Total Assets</b>	<b>\$5,185,002.16</b>	<b>\$165,099,787.91</b>	<b>(\$55,718.45)</b>	<b>\$3,760,932.41</b>	<b>\$4,491,695.19</b>	<b>\$178,481,699.22</b>
<b>Liabilities and Fund Equity</b>						
<b>Current Liabilities</b>						
Accounts Payable/Accrued Expenses	\$680,094.76	\$1,990,532.87	\$80,870.40	\$2,308,689.86	\$115,488.08	\$5,175,675.97
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
<b>Noncurrent Liabilities</b>						
Long-term Debt	4,327,604.00	29,847,479.91	0.00	0.00	0.00	34,175,083.91
Deferred Revenue	0.00	70,209,133.50	0.00	0.00	0.00	70,209,133.50
<b>Total Liabilities</b>	<b>5,017,698.76</b>	<b>102,304,679.34</b>	<b>80,870.40</b>	<b>2,308,689.86</b>	<b>566,763.79</b>	<b>110,278,702.15</b>
<b>Fund Equity</b>						
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	(1,163,462.65)	544,477.75	(497,179.52)	466,276.11	347,959.40	(301,928.91)
<b>Total Fund Equity</b>	<b>167,303.40</b>	<b>62,795,108.57</b>	<b>(136,588.85)</b>	<b>1,452,242.55</b>	<b>3,924,931.40</b>	<b>68,202,997.07</b>
<b>Total Liabilities &amp; Fund Equity</b>	<b>\$5,185,002.16</b>	<b>\$165,099,787.91</b>	<b>(\$55,718.45)</b>	<b>\$3,760,932.41</b>	<b>\$4,491,695.19</b>	<b>\$178,481,699.22</b>

**Santa Ana Watershed Project Authority**  
**Revenue & Expenses by Fund Type**  
**For the Eight Months Ending Thursday, February 28, 2019**

	General Fund	Brine Line Enterprise	Capital Projects	OWOW Projects	Roundtable Projects	Fund Totals
<b>Operating Revenue</b>						
Discharge Fees	\$0.00	\$7,324,038.07	\$0.00	\$0.00	\$0.00	\$7,324,038.07
Grant Proceeds	0.00	0.00	0.00	2,632,388.07	0.00	2,632,388.07
Financing Proceeds	0.00	0.00	0.00	0.00	130,631.01	130,631.01
Total Operating Revenue	0.00	7,324,038.07	0.00	2,632,388.07	130,631.01	10,087,057.15
<b>Operating Expenses</b>						
Labor	1,095,432.33	671,459.43	15,513.52	376,176.10	106,905.84	2,265,487.22
Benefits	364,637.48	293,427.79	6,779.40	164,388.95	46,717.87	875,951.49
Indirect Costs	0.00	947,429.24	21,889.56	530,784.45	150,844.14	1,650,947.39
Education & Training	5,757.88	185.00	0.00	0.00	0.00	5,942.88
Consulting & Professional Services	230,172.94	100,550.93	452,989.99	972,194.01	373,185.60	2,129,093.47
Operating Costs	1,174.31	2,012,963.62	0.00	0.00	218.55	2,014,356.48
Repair & Maintenance	40,278.45	133,076.01	0.00	0.00	0.00	173,354.46
Phone & Utilities	38,292.64	5,584.86	0.00	0.00	0.00	43,877.50
Equipment & Computers	168,604.12	40,042.71	0.00	0.00	0.00	208,646.83
Meeting & Travel	13,177.95	1,222.39	7.05	11,707.77	701.63	26,816.79
Other Administrative Costs	93,096.36	36,075.89	0.00	17,535.22	10,652.03	157,359.50
Benefits Applied	82,384.93	0.00	0.00	0.00	0.00	82,384.93
Indirect Costs Applied	(1,658,248.46)	0.00	0.00	0.00	0.00	(1,658,248.46)
Other Expenses	33,511.10	74,544.24	0.00	0.00	10,647.06	118,702.40
Construction	0.00	0.00	0.00	1,341,113.28	0.00	1,341,113.28
Total Operating Expenses	508,272.03	4,316,562.11	497,179.52	3,413,899.78	699,872.72	9,435,786.16
Operating Income (Loss)	(508,272.03)	3,007,475.96	(497,179.52)	(781,511.71)	(569,241.71)	651,270.99
<b>Nonoperating Income (Expense)</b>						
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	497,291.82	0.00	9,067.82	20,605.11	569,738.01
Interest Expense - Debt Service	0.00	(668,435.92)	0.00	0.00	0.00	(668,435.92)
Other Income	1,279.46	1,086,271.89	0.00	0.00	0.00	1,087,551.35
Use of Reserves	(121,295.23)	0.00	0.00	0.00	0.00	(121,295.23)
Total Nonoperating Income (Expense)	527,452.49	915,127.79	0.00	1,247,787.82	917,201.11	3,607,569.21
Excess Rev over (under) Exp	\$19,180.46	\$3,922,603.75	(\$497,179.52)	\$466,276.11	\$347,959.40	\$4,258,840.20

Aging Report  
Santa Ana Watershed Project Authority  
Receivables as of March 31, 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	154,012.07	175,638.63	154,012.07	
Department of Water Resources	Prop 84, WECAN	2,291,138.83	199,004.49	27,571.67	2,064,562.67
Eastern Municipal Water District	Brine Line	160,820.99	171,570.90	160,820.99	
Inland Empire Utilities Agency	Brine Line, Emerging Constituents	279,641.12	100,617.78	279,641.12	
Lake Elsinore & San Jacinto Watersheds Authority	LESJWA Administration	12,958.94		12,958.94	
San Bernardino Valley Municipal Water District	Brine Line	93,318.63	89,386.45	93,318.63	
Western Municipal Water District	Brine Line	354,943.70	372,148.92	354,943.70	
Total Accounts Receivable		3,360,546.28	1,108,367.17	1,083,267.12	2,078,274.67

Santa Ana Watershed Project Authority  
Open Task Orders Schedule  
Mar-19  
(Reflects Invoices Received as of 4/12/19)

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	\$ 63,712.61	\$ 123,087.39	Dean Unger	
HAMM100-240-01	100/240	Hammons Strategies	Technical Writing - SAWPA/BL	07/01/2018	06/30/2019	\$ 10,000.00	\$ -	\$ 10,000.00	\$ 9,900.00	\$ 100.00	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	
SOL100-01	100-00	Sol Media	Website Support and Hosting	10/29/2018	10/31/2019	\$ 6,680.00	\$ 1,960.00	\$ 8,640.00	\$ 7,750.00	\$ 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	\$ 26,569.00	\$ 52,931.00	Karen Williams	
TTD100-04	100-00	The Technology Depot	Phone Support	08/17/2018	06/30/2019	\$ 5,000.00	\$ -	\$ 5,000.00	\$ 2,209.81	\$ 2,790.19	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	\$ 39,000.00	\$ 196,000.00	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	\$ 16,046.06	\$ 9,573.94	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	\$ 48,086.00	\$ 38,368.00	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	\$ 4,720.00	\$ 30,080.00	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	\$ 1,102.50	\$ 95,345.50	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	\$ 41,590.00	\$ -	Carlos Quintero	
TRU240-22	240	Trussell Technologies	Monthly County Line Solids Analysis	10/16/2018	06/30/2019	\$ 9,664.00	\$ -	\$ 9,664.00	\$ 6,612.39	\$ 3,051.61	Carlos Quintero	
TRU240-23	240	Trussell Technologies	2019 BL Annual Review	10/15/2018	10/31/2019	\$ 49,899.00	\$ -	\$ 49,899.00	\$ 10,461.55	\$ 39,437.45	Carlos Quintero	
WO2019-01	240	WMWD	Sample Collection & Analysis	07/01/2018	06/30/2019	\$ 80,000.00	\$ -	\$ 80,000.00	58,878.96	\$ 21,121.04	David Ruhl	
WO2019-02	240	WMWD	Brine Line Operations & Maintenance	07/01/2018	06/30/2019	\$ 25,000.00	\$ -	\$ 25,000.00	7,735.60	\$ 17,264.40	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	17,005.81	\$ 273.19	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	
BLAIS370-02	370-01	Blais & Associates	Grant Needs Assessment & Grant Monitoring	10/01/2018	12/31/2019	\$ 24,700.00	\$ -	\$ 24,700.00	\$ 8,668.47	\$ 16,031.53	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	168



Santa Ana Watershed Project Authority  
Open Task Orders Schedule  
Mar-19  
(Reflects Invoices Received as of 4/12/19)

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
SWWG373-01	373	Sierra Water Workgroup	Roundtable of Regions network coordinator	04/01/2019	06/30/2020	\$ 84,454.00	\$ -	\$ 84,454.00	\$ -	\$ 84,454.00	Ian Achimore	
GEOS374-01	374	GeoScience Support Service	SAR WLA Model Update	02/01/2017	06/30/2019	\$ 249,800.00	\$ 94,436.00	\$ 344,236.00	\$ 318,997.50	\$ 25,238.50	Mark Norton	
RISK374-07	374	Risk Sciences	Basin Monitoring TF	11/06/2017	06/30/2019	\$ 73,150.00	\$ -	\$ 73,150.00	\$ 72,840.14	\$ 309.86	Mark Norton	
RISK374-08	374	Risk Sciences	Basin Monitory TF Regulatory Support	03/21/2019	06/30/2020	\$ 74,400.00	\$ -	\$ 74,400.00	\$ -	\$ 74,400.00	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	
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	\$ 220,845.90	\$ 132,902.10	Rick Whetsel	
CDM386-14	386	CDM Smith	SAR Bactgeria Monitoring Program	02/27/2019	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	\$ 21,378.68	\$ 8,621.32	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	
ECOT397-02	397	Ecotech Services	WECAN Landscaping Services	04/04/2017	09/30/2019	\$ 612,000.00	\$ -	\$ 612,000.00	\$ 582,125.00	\$ 29,875.00	Ian Achimore	
PO3466	398	California Rural Water Association	Disadvantaged Communities Grant	07/19/2017	04/30/2020	\$ 240,000.00	\$ -	\$ 240,000.00	\$ 128,092.79	\$ 111,907.21	Rick Whetsel	
DEGR398-01	398	Degrave Communications	Social Meida Support	03/20/2018	06/30/2019	\$ 78,434.00	\$ -	\$ 78,434.00	\$ 74,159.22	\$ 4,274.78	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	\$ 223,492.85	\$ 158,507.15	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	
PO3464	398	Water Education Foundation	Disadvantaged Communities Grant	07/19/2017	04/30/2020	\$ 150,000.00	\$ -	\$ 150,000.00	\$ 51,678.36	\$ 98,321.64	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	169

Santa Ana Watershed Project Authority  
 Open Task Orders Schedule  
 Mar-19  
 (Reflects Invoices Received as of 4/12/19)

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
RMC504-401-04	504-04	Woodard & Curran	SARCCUP Program Mgmt Services	07/01/2018	06/30/2019	\$ 224,485.00	\$ -	\$ 224,485.00	\$ 87,228.61	\$ 137,256.39	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	\$ 13,697.75	\$ 23,713.25	Mark Norton	
										<u>\$ 3,970,621.52</u>		

## LIST OF SAWPA FUNDS

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

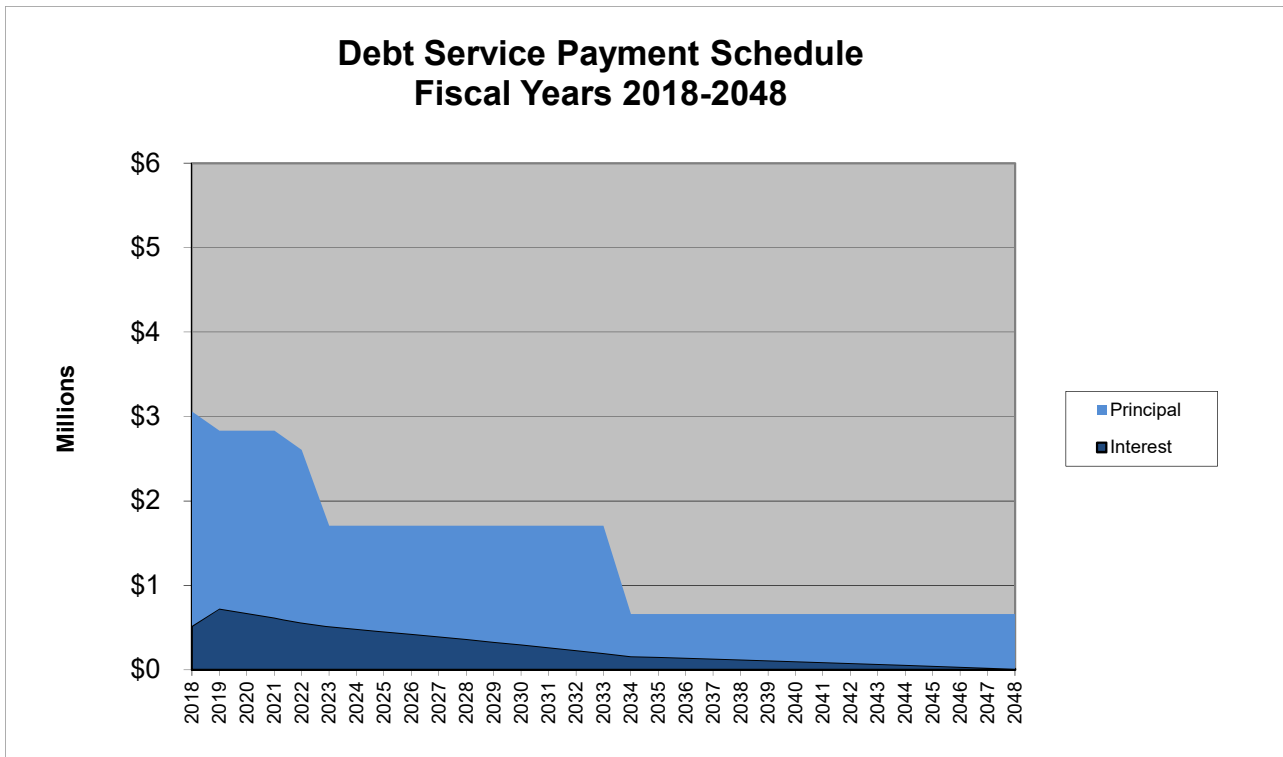
Santa Ana Watershed Project Authority  
 Brine Line Debt Service Funding Analysis  
 March 31, 2019

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)	-

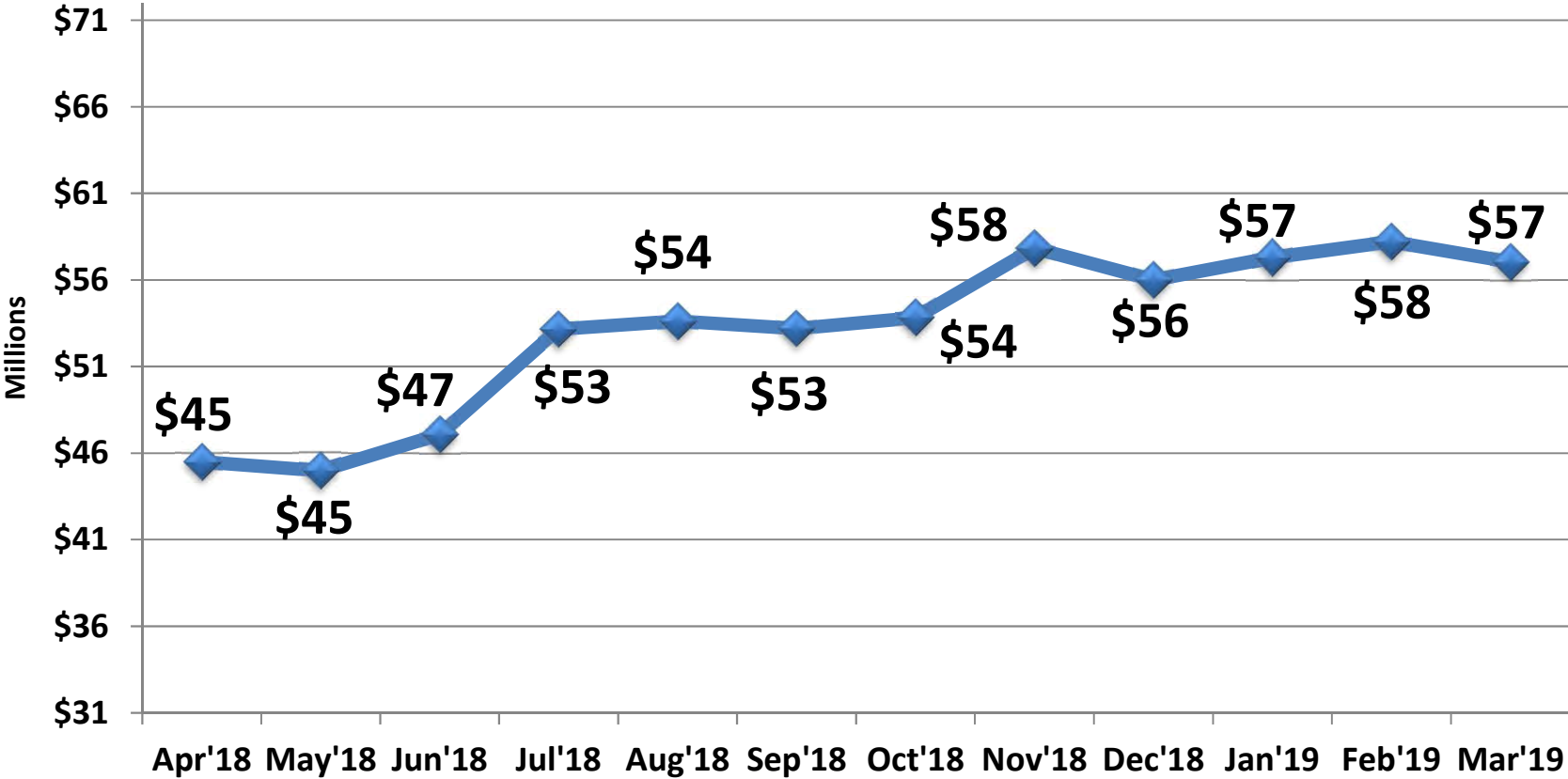
\*Interest earned is based on a conservative 2.00% average return over the period

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





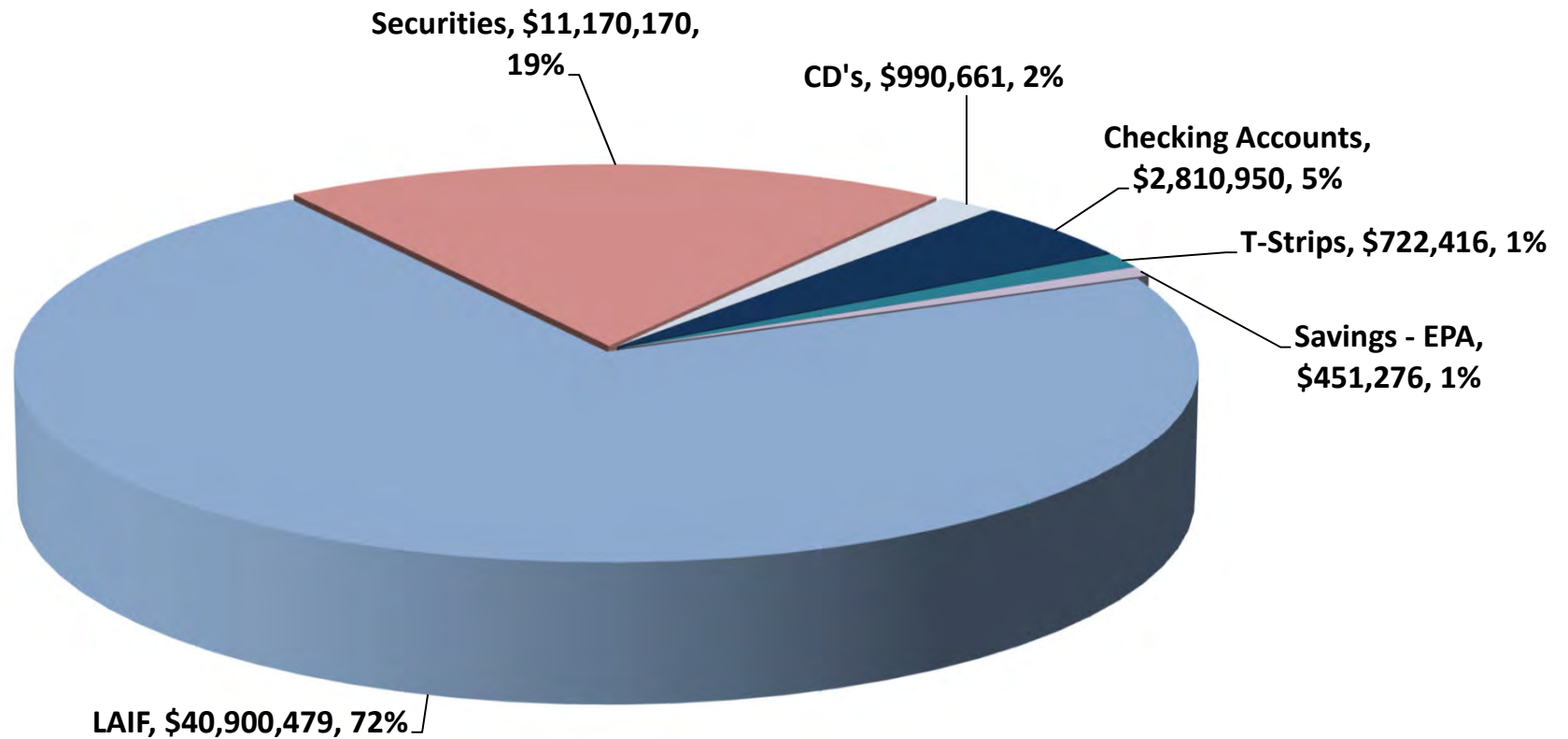
# CASH BALANCE & SOURCE OF FUNDS

March 31, 2019

Reserve Accounts		Cash and Investments							
	Total	Checking (Cash)	LAIF Account	Savings EPA	Investment Securities	Certificates of Deposit	Treasury Strips	Total	
100	General Fund	\$ 2,399,357	2,399,357	-	-	-	-	\$ 2,399,357	
100	Building Reserve	\$ 877,104	-	877,104	-	-	-	\$ 877,104	
370	Basin Planning General	\$ 227,651	-	227,651	-	-	-	\$ 227,651	
370	USBR Partnership Studies	\$ 52,506	-	52,506	-	-	-	\$ 52,506	
373	Watershed Management Plan	\$ 292,359	-	292,359	-	-	-	\$ 292,359	
240	Self Insurance Reserve	\$ 4,123,066	-	4,123,066	-	-	-	\$ 4,123,066	
240	Brine Line Debt Retirement	\$ 4,254,145	-	3,531,729	-	-	722,416	\$ 4,254,145	
240	Brine Line - Pipeline Replacement	\$ 20,567,851	411,593	7,995,427	-	11,170,170	990,661	\$ 20,567,851	
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	\$ 3,836,117	-	3,836,117	-	-	-	\$ 3,836,117	
401	Legal Defense Fund	\$ 451,276	-	-	451,276	-	-	\$ 451,276	
374	Basin Monitoring Program TF	\$ 395,645	-	395,645	-	-	-	\$ 395,645	
381	SAR Fish Conservation	\$ 125,954	-	125,954	-	-	-	\$ 125,954	
384	Middle SAR TMDL TF	\$ 147,643	-	147,643	-	-	-	\$ 147,643	
386	RWQ Monitoring TF	\$ 315,904	-	315,904	-	-	-	\$ 315,904	
387	Mitigation Bank Credits	\$ 947,400	-	947,400	-	-	-	\$ 947,400	
392	Emerging Constituents TF	\$ 87,018	-	87,018	-	-	-	\$ 87,018	
397	Energy - Water DAC Grant	\$ 214,043	-	214,043	-	-	-	\$ 214,043	
504	Prop 84 - SARCCUP Projects	\$ 691,341	-	691,341	-	-	-	\$ 691,341	
		\$ 57,045,952	\$ 2,810,950	\$ 40,900,479	\$ 451,276	\$ 11,170,170	\$ 990,661	\$ 722,416	\$ 57,045,952

## Cash & Investments - March 2019

**\$57,045,952**

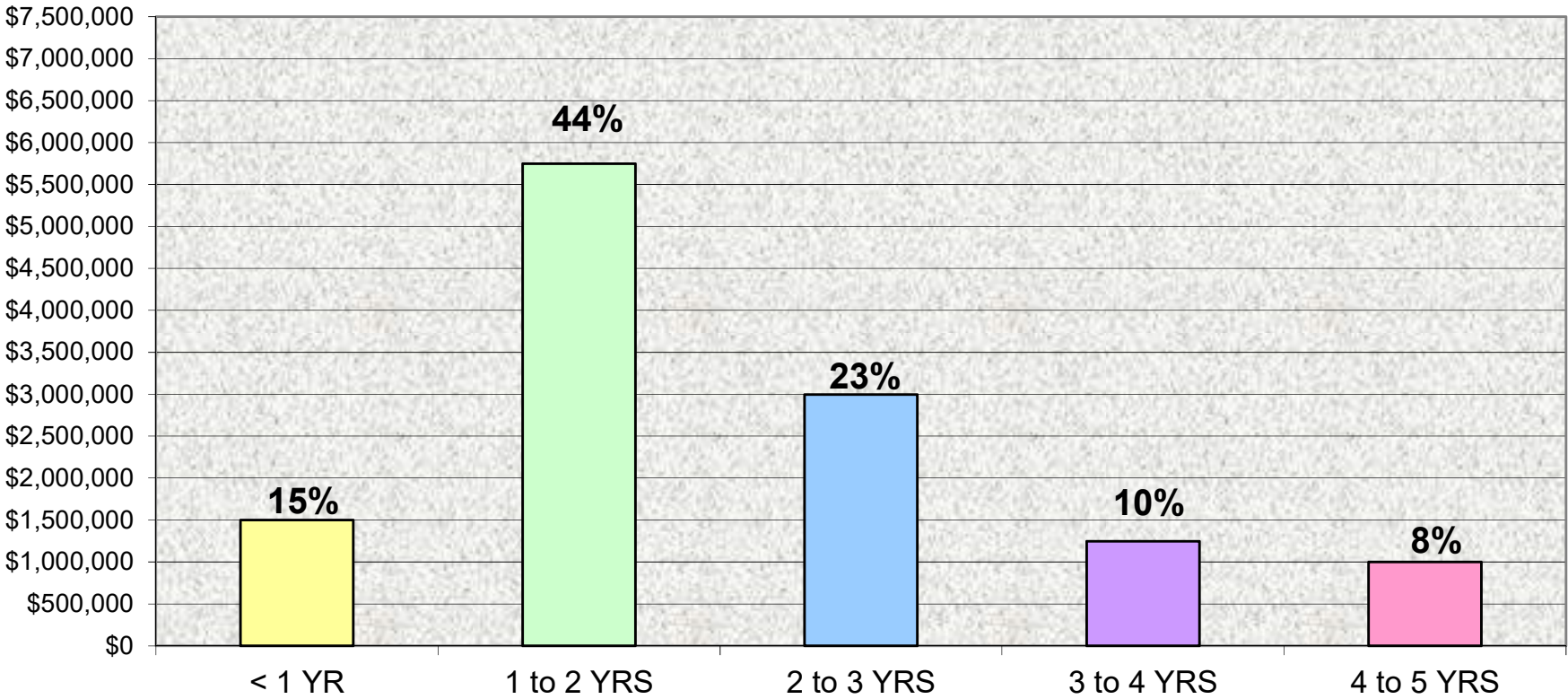




Santa Ana Watershed Project Authority  
Reserve Account Analysis  
March 31, 2019

Reserve Account	Balance @ 6/30/2018	Interest Earned	Fund Contributions	Loan/T-Strip Receipts	Debt Service Payments	Inter-Fund Loans	Fund Expenses	Balance @ 3/31/2019	Estimated Fund Changes	Balance @ 6/30/2019
Brine Line Operating Reserve	2,585,699	49,802	9,039,259				(7,838,643)	3,836,117	-	3,836,117
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	9,417,347				(383,282)	20,567,851	(1,312,844)	19,255,007
OCSD Rehabilitation	3,559,605	53,265						3,612,870	-	3,612,870
Debt Retirement	5,157,252	68,070	1,409,358	89,053	(3,192,003)			3,531,729	1,185,993	4,717,722
Self Insurance	3,988,170	59,896	75,000					4,123,066	25,000	4,148,066
General Fund	2,636,095	44,653	655,135			(630,303)	(306,223)	2,399,357	-	2,399,357
Building Reserve	910,526	14,577	100,000				(148,000)	877,104	-	877,104
	43,338,039	759,471	20,696,099	89,053	(3,192,003)	(630,303)	(8,685,563)	52,374,794	(101,851)	52,272,943

# Twelve Month Maturity Schedule Securities



**SAWPA**  
**TREASURER'S REPORT**  
As of March 31, 2019

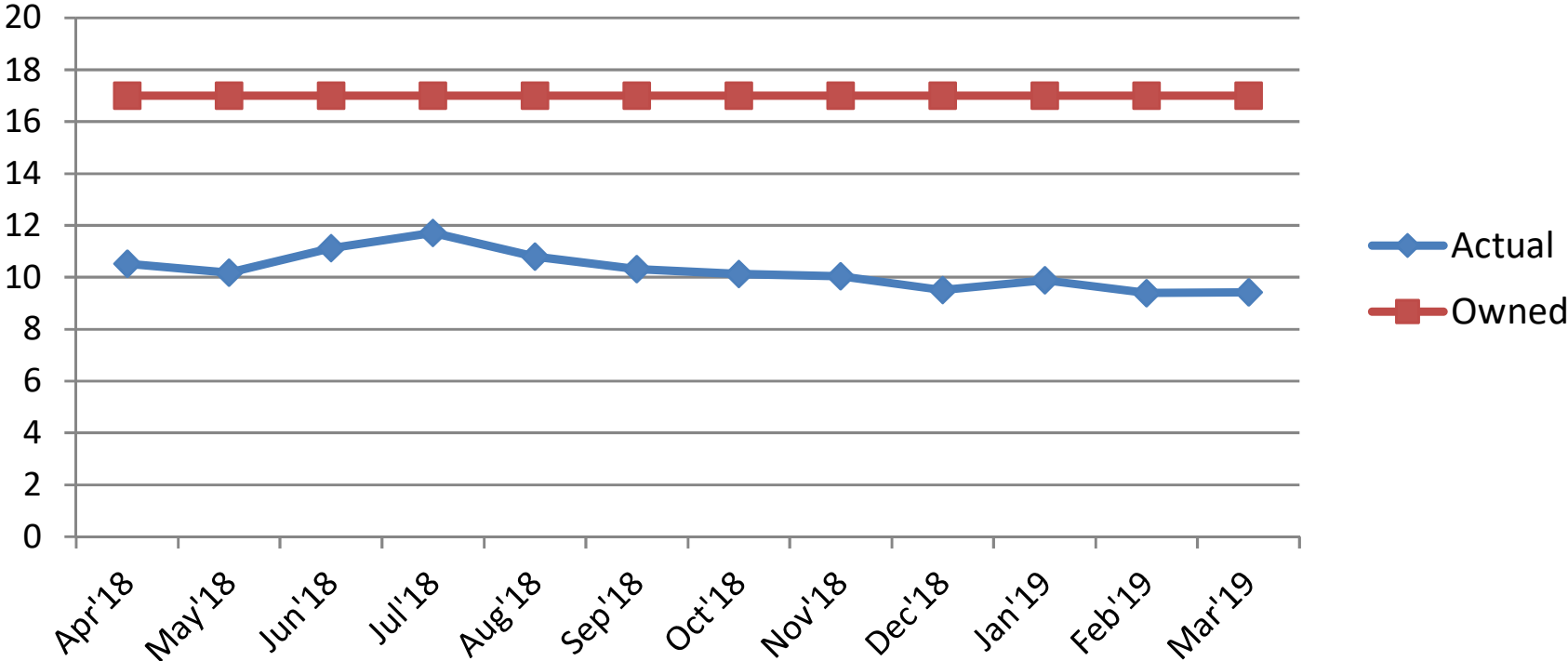
Investment T-Strips  
Safekeeping US Bank

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	9/16/2016	8/12/2021	100.00	\$ 990,060.00	\$ 1,000,000.00	\$ 1,000,000.00	973,340.00	1.125%
Agency	FHLMC	4/17/2017	1/13/2022	102.55	\$ 512,767.00	\$ 500,000.00	\$ 500,000.00	501,906.50	2.375%
Agency	FHLB	5/26/2015	6/14/2019	100.80	\$ 504,015.00	\$ 500,000.00	\$ 500,000.00	499,119.00	1.625%
Agency	FHLB	6/16/2016	6/12/2020	102.61	\$ 1,026,088.00	\$ 1,000,000.00	\$ 1,000,000.00	992,759.00	1.750%
Agency	FHLB	12/14/2017	6/10/2022	99.89	\$ 998,930.00	\$ 1,000,000.00	\$ 1,000,000.00	995,963.00	2.125%
Agency	FNMA	12/28/2015	12/28/2020	100.21	\$ 1,002,140.00	\$ 1,000,000.00	\$ 1,000,000.00	992,203.00	1.875%
Agency	FNMA	6/16/2016	11/30/2020	101.52	\$ 1,015,157.00	\$ 1,000,000.00	\$ 1,000,000.00	986,321.00	1.500%
Agency	USTN	11/17/2015	10/31/2020	100.00	\$ 1,005,312.50	\$ 1,000,000.00	\$ 1,000,000.00	990,625.00	1.750%
Agency	USTN	11/17/2015	11/30/2019	100.00	\$ 1,001,210.94	\$ 1,000,000.00	\$ 1,000,000.00	993,789.00	1.500%
Agency	USTN	6/17/2016	8/31/2020	101.13	\$ 507,070.31	\$ 500,000.00	\$ 500,000.00	492,969.00	1.375%
Agency	USTN	6/16/2016	9/30/2020	101.12	\$ 506,992.19	\$ 500,000.00	\$ 500,000.00	492,734.50	1.375%
Agency	USTN	6/16/2016	10/31/2020	101.12	\$ 506,914.06	\$ 500,000.00	\$ 500,000.00	492,441.50	1.375%
Agency	USTN	12/14/2017	7/31/2021	96.91	\$ 969,062.50	\$ 1,000,000.00	\$ 1,000,000.00	974,180.00	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%
					\$12,515,365.50	\$ 12,492,000.00	\$ 12,492,000.00	12,368,224.50	1.867%

# Average Daily Flow by Month





## SUMMARY OF LABOR MULTIPLIERS

		Benefit Rate
Total Employee Benefits	1,039,806	0.399
Total Payroll	2,608,155	
Gross Indirect Costs	2,429,202	
Less: Member Contributions & Other Revenue	(337,500)	
Indirect Costs for Distribution	2,091,702	
Direct Labor	1,408,066	1.486
Indirect Costs	2,091,702	

<b>FY 2018-19 Labor multiplier - thru 03/31/19</b>	<b>1.884</b>
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 3/31/19</u>
51000	Salaries - Regular	\$ 1,200,089
52000	Benefits	\$ 397,212
60111	Tuition Reimbursement	\$ -
60112	Training	\$ (330)
60113	Education	\$ 710
60114	Other Training & Education	\$ 5,049
60120	Audit Fees	\$ 22,819
60121	Consulting	\$ 175,491
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	\$ 11,153
60157	Landscaping Maintenance	\$ 9,563
60158	HVAC	\$ 5,445
60159	Facility Repair & Maintenance	\$ 14,033
60160	Telephone	\$ 11,117
60161	Cellular / Paging Services	\$ 8,267
60163	Electricity	\$ 14,740
60164	Water Services	\$ 5,323
60170	Equipment Expensed	\$ 4,622

(Continued - next column)

<u>G/L Acct.</u>	<u>Description</u>	<u>Actual thru 3/31/19</u>
60171	Equipment Rented	\$ 28,328
60172	Equipment Repair / Maintenance	\$ 1,575
60180	Computer Hardware	\$ 26,090
60181	Software / Updates / Licensing	\$ 98,045
60182	Internet Services	\$ 8,657
60183	Computer Supplies	\$ 3,129
60184	Computer Repair / Maintenance	\$ -
60190	Offsite Meeting / Travel Expense	\$ 1,002
60191	In House Meetings	\$ 533
60192	Conference Expense	\$ 10,276
60193	Car, Repair, Maint	\$ -
60200	Dues	\$ 29,452
60202	Subscriptions	\$ 1,616
60203	Contributions	\$ 14,500
60210	Bank Charges	\$ -
60211	Shipping / Postage	\$ 1,702
60212	Office Supplies	\$ 7,783
60213	Offsite Storage	\$ 4,618
60220	Commission Fees	\$ 21,821
60221	Commission Mileage Reimb.	\$ 3,077
60222	Other Commission Expense	\$ 1,066
60230	Other Expense	\$ 2,339
80000	Retiree Medical Expense	\$ 84,750
80001	Insurance Expense	\$ 39,988
80000	Building Repair/Replacement Reserve	\$ 75,000
13005	Fixed Assets	\$ 36,774

**Total Costs**      \$ 2,429,202

Direct Costs Paid by Projects	\$ 1,859,631
Member Contribution Offset	\$ 337,500
	\$ 2,197,131

Over allocation %	-11.1%
Over (Under) Allocation of General Fund Costs	\$ (232,071)



## BENEFITS SUMMARY

*(Distributed based on Actual Labor)*

<u>G/L Acct</u>	<u>Description</u>	<u>Budget</u>	<u>Actual @ 3/31/19</u>	<u>Projected FYE 2019</u>
70101	FICA Expense	191,217 \$	123,246 \$	164,328
70102	Medicare Expense	56,479 \$	35,968 \$	47,957
70103	State Unemployment Insurance	5,824 \$	3,877 \$	6,300
70104	Worker's Compensation Insurance	102,821 \$	37,166 \$	68,288
70105	State Disability Insurance	25,551 \$	17,898 \$	23,864
70106	PERS Pension Plan	730,279 \$	402,110 \$	536,146
70111	Medical Expense	459,036 \$	333,466 \$	444,621
70112	Dental Expense	32,630 \$	20,387 \$	27,183
70113	Vision Insurance	8,255 \$	5,371 \$	7,161
70114	Life Insurance Expense	16,014 \$	10,965 \$	14,620
70115	Long Term Disability	18,657 \$	12,371 \$	16,495
70116	Wellness Program Expense	3,500 \$	981 \$	1,308
70117	401a Profit Sharing - Employers Contribution	-	-	-
70120	Car Allowance	36,000 \$	36,000 \$	48,000
	<b>Total Benefits</b>	1,686,263	1,039,806	1,406,271
	<b>Total Payroll</b>	3,859,112 \$	2,608,155 \$	3,477,540
	<b>Benefits Rate</b>	43.7%	39.9%	40.4%

Santa Ana Watershed Project Authority  
Labor Hours Budget vs Actual  
Month Ending March 31, 2019

Fund	Budget	Actual	%	
100	General & Administrative	24,625	20,103	81.64%
130	Prop 84 Round 1 Administration	815	375	46.01%
135	Prop 84 Round 2 Administration	830	427	51.42%
140	Prop 84 2014 Drought Administration	600	652	108.67%
145	Prop 84 Final Round Administration	1,735	502	28.90%
240	Brine Line Enterprise	18,250	13,226	72.47%
320	Brine Line Protection	245	86	35.10%
326	Reach V Capital Repairs	795	93	11.67%
327	Reach IV-D Corrosion Repairs	1,475	82	5.54%
370-01	General Basin Planning	2,365	1,089	46.06%
370-02	USBR Partnership Studies	110	9	8.18%
372	Imported Water Recharge	60	0	0.42%
373	Watershed Management Plan	2,775	1,712	61.70%
374	Basin Monitoring Program	419	376	89.68%
381	SAR Fish Conservation	190	424	223.03%
384-01	Chino TMDL Facilitation	165	107	64.55%
386MONIT	Storm Water Quality Standards TF	130	102	78.46%
387	Arundo Removal & Habitat Restoration	173	67	38.58%
392	Emerging Constituents	54	98	181.94%
396	Forest First	20	-	0.00%
397	Water-Energy Grant Administration	464	222	47.79%
397EXPAN	Water-Energy WVWD Administration	-	64	100.00%
398ADMIN	DACI Grant	2,435	604	24.79%
477-02	LESJWA - Administration	330	252	76.21%
477TMDL	LESJWA - TMDL Task Force	720	512	71.08%
504-301A	Prop 84 2014 Drought Implementation	765	132	17.29%
504-301C	Prop 84 2014 Drought Implementation	485	742	152.89%
504-4011	Prop 84 Final Round Implementation	90	100	110.83%
504-401PA23	Prop 84 Final Round Implementation	475	92	19.37%
504-401WUEAMDIN	Prop 84 Final Round Implementation	195	-	0.00%
504-402SMART	Prop 84 Final Round Implementation	290	55	18.97%
		62,080	42,301	68.14%

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





## SAWPA OWOW Status Report 1/1/19 thru 3/31/19



PROJECT	DESCRIPTION	STATUS	FUTURE TASKS/DEADLINES	FUTURE MEETING DATES
OWOW	Integrated Planning Process for the Santa Ana River Watershed	<ul style="list-style-type: none"> <li>• The OWOW Plan Update 2018 was adopted by the SAWPA Commission on Feb. 19, 2019</li> <li>• During the period further discussions were held with SAWPA Commissioners and representatives from the North/Central Orange County Water Management Area. There was tentative agreement to creating an allocation for the North/Central Orange County in the amount of 30% of the general Integrated Regional Water Management (IRWM) implementation that is designated for the OWOW funding region by the State.</li> <li>• The OWOW Call-for-Projects seeking Prop 1 IRWM grants closed on January 31. 30 projects were submitted. After a “Let’s Connect” Workshop was held, which encouraged similar projects to integrate, the list of projects was 28 as four projects chose to integrate.</li> <li>• Staff held a workshop on March 13 with the 28 project proponents in order for those seeking grants to discuss their assertions of the quantity of benefits, such as water supply created, in their Call-for-Projects applications. Another workshop was scheduled for April 2 to follow up on the discussions had.</li> <li>• SAWPA staff worked with the Water Education Foundation to execute the March 29, 2019 Santa Ana River Watershed Conference at CSU Fullerton which was attended by over 200 guests.</li> <li>• SAWPA reviewed request for proposal (RFP) results for the Roundtable of Regions Network Coordinator. A contract with the selected consultant, Sierra Water Workgroup, was brought to the Commission and approved. SAWPA subsequently worked with the Roundtable members and the consultant to launch the contract and begin work starting on April 1, 2019.</li> </ul>	<ul style="list-style-type: none"> <li>• Continue the effort to develop a project suite for Prop 1 Round 1 Implementation grants.</li> <li>• Finalize a MOU with North/Central Orange County Water Management Area in order to memorialize the 30% allocation tentatively agreed to.</li> <li>• Recommend a subset of the strongest projects from the Call-for-Projects to the OWOW Steering Committee and SAWPA Commission on May 23 and June 4.</li> </ul>	<p>4/2 and 4/25 OWOW Prop 1 Workshops</p> <p>5/23 OWOW Steering Committee</p> <p>6/4 SAWPA Commission</p>
	Disadvantaged Community Involvement (DCI) Program	<ul style="list-style-type: none"> <li>• Held all-team meeting at SAWPA, 1/18/19.</li> <li>• Supported DCI program visibility at the State of the Santa Ana Watershed Conference, 3/29/19.</li> <li>• Drew up contracts for on-call consultants for Translation Services.</li> <li>• Trust the Tap media kit available for water retailer use.</li> <li>• Twenty-one current interns and twelve past interns have been placed at water agencies and non-profits in the region to support community engagement efforts.</li> <li>• CivicSpark Water Fellows continue to support the DCI program.</li> </ul>	<ul style="list-style-type: none"> <li>• Draft Final Community Water Ethnography of the Santa Ana Watershed report.</li> <li>• Additional listening sessions conducted by UCI and CSU.</li> <li>• Criteria for Technical Assistance. Contracts with translation consultants to be finalized.</li> </ul>	<p>Late June all-team meeting to be scheduled</p>

## SAWPA OWOW Status Report 1/1/19 thru 3/31/19

		<ul style="list-style-type: none"> <li>The Technical Advisory Committee met monthly to consider how to prioritize Technical Assistance to Communities funding towards high-priority needs. Work continues with DeGrave Communications on the Trust the Tap campaign to encourage the use of public tap water vs. bottle water particularly by disadvantaged communities or immigrant communities who do not have a high level of trust in potable water safety from their countries of origin. Water agency reps were being contacted and invited to serve on DCI Technical Committee.</li> </ul>		
<b>Emergency Drought Grant Program Implementation</b>	Region-wide water demand reduction program for the Santa Ana River Watershed through the Project Agreement (PA) 22 Committee	<ul style="list-style-type: none"> <li>The PA22 Committee met in March 2019 and approved the submission of a letter of interest to the Bureau of Reclamation to implement the Enhancements to Watershed-wide Water Budget Decision Support Tool. The time frame to complete the tool is two years at an estimated total cost of approximately \$1,000,000. SAWPA has also submitted a Proposition 1 grant application for \$500,000 through the One Water One Watershed Call for Projects as well.</li> <li>The SAWPA consultant, Miller Spatial, is working to complete Retail Water Agency Meter Geocoding for 15 retail agencies with signed MOU's and Business Type Classification for all business types (excluding home businesses and kiosks) in the Santa Ana River Watershed. Miller Spatial is on schedule to complete this work by June 30, 2019.</li> <li>March 27, 2019, SAWPA staff presented to IEUA water managers on the ESRI Data Viewing Tool and Miller Spatial geocoding project.</li> <li>SAWPA is working with the remaining water agencies (Hemet, Chino and Chino Hills) on ensuring their invoices for their conservation-based water rate implementation efforts are submitted in time for the closeout of the Proposition 84 2014 Round Grant. The grant will expire on December 31, 2019.</li> </ul>	<ul style="list-style-type: none"> <li>Support the remaining three retail agencies who are studying conservation-based rates (Chino, Chino Hills and Hemet).</li> <li>Miller Spatial to complete work to update meter service points with retail water agencies.</li> <li>Miller Spatial to complete updates to NAICS business points for the Santa Ana River Watershed.</li> <li>Meetings to demonstrate the full capabilities of the Esri GIS web-application to retail water agencies staff.</li> <li>Receive approval by the PA 22 Committee for the Committee's Fiscal Years 2020 and 2021 budgets</li> </ul>	04-25-19 PA 22 Committee meeting
<b>Santa Ana River Conservation and Conjunctive Use Program (SARCCUP) Implementation</b>	Implementation of SARCCUP (which includes conjunctive use, fish habitat, invasive weed removal, and water use efficiency programs) through the PA 23 Committee.	<ul style="list-style-type: none"> <li>Staff worked with the SARCCUP agencies on preparing for the PA 23 Committee meetings that occurred in February and April 2019. An overview for new members of the PA 23 Committee was provided at the February meeting. At the meeting an update was provided on the major impediments to acquiring 36,000 AF of Chino Basin storage for use by IEUA for the conjunctive use portion of SARCCUP. It was explained that the SARCCUP project proponents will bring back a recommendation to the PA 23 Committee at the April meeting to amend the project scope after further analysis of new SARCCUP conjunctive use facility options that would help make up for the loss of benefits in the Chino Basin. Each option is being analyzed for their effect on the CEQA process, schedule</li> </ul>	<ul style="list-style-type: none"> <li>Work will continue on a new SARCCUP project description and costs of revised facilities in preparation of a future Amendment No. 2 for the DWR/SAWPA Agreement.</li> </ul>	Bi-weekly SARCCUP Planning Manager meetings.  April 2, 2019 PA 23 Meeting

**SAWPA OWOW Status Report  
1/1/19 thru 3/31/19**

		<p>and budget.</p> <ul style="list-style-type: none"> <li>Orange County Coastkeeper continued implementing the Smartscape Program with workshops and residential site visits focused on educating customers on drought tolerant landscape maintenance.</li> </ul>		
<b>Prop 84 IRWM Round 1</b>	Grant administration of Prop 84 IRWM Round 1	<ul style="list-style-type: none"> <li>Staff continues to work with the agencies implementing the 15 projects involved in the first round of Prop 84 IRWM program to undertake all labor associated with interaction with DWR staff; project invoices processing including review, verification and submittal to DWR; project reporting review, verification and submittal to DWR; all DWR agreements, SAWPA Sub-agreements and Amendments preparation, processing and execution; DWR payment processing; project implementation inspection and verification; assembling, reviewing and submittal of Financial Statements; coordination and review of all Labor compliance; review and verification of all certifications, permits, and CEQA; project deliverables review, verification and submittal to DWR; project benefit assessment; review and verification of project monitoring plan; review and verification of project signage; review, verification and preparation of all documentation for audit review; grant administration budget preparation, monitoring, projections and assessment; SAWPA management review, oversight and direction regarding these defined tasks.</li> </ul>	<ul style="list-style-type: none"> <li>All grant administration will continue until the final Round 1 project is implemented and continues with annual monitoring for 10 years after the completion of the projects.</li> </ul>	Quarterly Report to SAWPA Commission
<b>Prop 84 IRWM Round 2</b>	Grant administration of Prop 84 IRWM Round 2	<ul style="list-style-type: none"> <li>Staff continues to work with the agencies involved in the 19 projects under the second round of Prop 84 IRWM program to undertake all labor associated with interaction with DWR staff; project invoices processing including review, verification and submittal to DWR; project reporting review, verification and submittal to DWR; all DWR agreements, SAWPA Sub-agreements and Amendments preparation, processing and execution; DWR payment processing; project implementation inspection and verification; assembling, reviewing and submittal of Financial Statements; coordination and review of all Labor compliance; review and verification of all certifications, permits, and CEQA; project deliverables review, verification and submittal to DWR; project benefit assessment; review and verification of project monitoring plan; review and verification of project signage; review, verification and preparation of all documentation for audit review; grant administration budget preparation, monitoring, projections and assessment; SAWPA management review, oversight and direction regarding these defined tasks.</li> </ul>	<ul style="list-style-type: none"> <li>All grant administration will continue until the final Round 2 project is implemented and continues with annual monitoring for 10 years after the completion of the projects.</li> </ul>	Quarterly Report to SAWPA Commission
<b>Prop 84 IRWM Drought Round</b>	Grant administration of Prop 84 IRWM Drought Round	<ul style="list-style-type: none"> <li>Staff prepared three monthly progress report and invoices to the DWR during the reporting period. Staff reviewed turf removal projects submitted for invoicing before processing by DWR.</li> </ul>	Finalize three progress reports/invoices during the next quarter.	Upcoming Commission Meeting to provide

**SAWPA OWOW Status Report  
1/1/19 thru 3/31/19**

				update on Drought Grant
<b>Prop 84 IRWM 2015 Round</b>	Grant administration of Prop 84 IRWM 2015 Round	<ul style="list-style-type: none"> <li>• Staff prepared and reviewed the grant invoice and progress report for the fourth reporting period of 2018 that was due to DWR on March 31, 2019.</li> <li>• SAWPA staff worked with the SAWPA member agencies to begin discussions of preparing the scope and budget for the second amendment to the Grant Agreement that would be required per the major impediments to acquiring 36,000 AF of Chino Basin storage for use by IEUA for the conjunctive use portion of SARCCUP. Following the PA 23 Committee’s approval of replacement conjunctive use facilities, as described above, SAWPA staff will submit Amendment No. 2 to DWR. Staff worked with SBVMWD, EMWD, IEUA and OCWD on their Sub-Agreement adoption (for IEUA and OCWD) and Sub-Agreement amendment approval (for SBVMWD and EMWD).</li> </ul>	<ul style="list-style-type: none"> <li>• Work with the project proponents on finalizing their Sub-Grantee Agreement amendments so they reflect the DWR-SAWPA Grant Agreement amendment. The remaining SARCCUP agencies (OCWD and IEUA) are planning to bring their SAWPA sub-agreements to their boards by the second quarter of 2019.</li> <li>• Completing the 1st quarterly report/invoice of 2019 by May 28, 2019.</li> <li>• A status report about the DWR Agreement Amendment and the SAWPA/SARCCUP agencies Sub-agreements will be provided to the PA 23 Committee.</li> <li>• Submit CEQA documents to DWR.</li> </ul>	Bi-weekly SARCCUP Planning Manager meetings.



## SAWPA Roundtables Status Report

1/1/19 thru 3/31/19



PROJECT	DESCRIPTION	STATUS	FUTURE TASKS/DEADLINES	FUTURE MEETINGS
<b>Middle Santa Ana River (MSAR) Pathogen TMDL Task Force</b>	Implement TMDLs to address impairments to water quality relating to the fecal coliform objective established to protect the REC-1 use for waterbodies located within the Middle Santa Ana River Watershed.	<ul style="list-style-type: none"> <li>• Task Force Administration by SAWPA continues.</li> <li>• Management and review of consultant contracts, project invoices and annual Task Force budget by staff continues.</li> <li>• Staff continues to collect signature pages from stakeholders for the amendment to extend the MSAR Task Force agreement for an additional 5-year term.</li> <li>• Task Force consultant Tim Moore/Risk Sciences continues his effort to orchestrate the TMDL Implementation strategy for the MSAR TMDL Task Force.</li> <li>• Task Force submitted a comment letter requesting Regional Board to consider the following as priorities for the next triennial review cycle:               <ul style="list-style-type: none"> <li>• Revise the water quality objectives for pathogen indicator to be consistent with the State.</li> <li>• Update the REC2 antidegradation targets for freshwater waterbodies.</li> <li>• Update the Middle Santa Ana River Watershed TMDL for Bacterial Indicators.</li> </ul> </li> <li>• The Task Force continues their effort to support the implementation of the Riverside / San Bernardino Counties CBRP in coordination with the MSAR TMDL Task Force.</li> </ul>	<ul style="list-style-type: none"> <li>• Amendment to extend the Task Force agreement for an additional 5-year term. Outstanding signature pages: City of Claremont</li> <li>• Task Force to discuss a transition plan for Tim Moore Risk Sciences</li> </ul>	4-23-19 Task Force Meeting
	TMDL Task 3 Watershed Monitoring Program	<ul style="list-style-type: none"> <li>• MSAR TMDL Compliance monitoring is now conducted as a component of the Santa Ana River Bacteria monitoring program implemented through the Regional Water Quality Monitoring Task Force.</li> <li>• Consultant team led by CDM Smith completed monitoring activities for the 2018-19 Santa Ana River Watershed Bacteria Water Quality Monitoring Program.</li> </ul>	<ul style="list-style-type: none"> <li>• Draft 2018 Annual SAR Bacteria Monitoring Report due in April 2019.</li> </ul>	

## SAWPA Roundtables Status Report

1/1/19 thru 3/31/19

PROJECT	DESCRIPTION	STATUS	FUTURE TASKS/DEADLINES	FUTURE MEETINGS
	TMDL Task 4 Source Evaluation and Management	<ul style="list-style-type: none"> <li>• MSAR TMDL Task Force meetings continue to be used as a forum for stakeholders to update Regional Board staff on their CBRP implementation activities.</li> <li>• SAWPA acts as the contracting party for the benefit of Task Force agencies to implement specific studies and projects to support each County's Comprehensive Bacteria Reduction Plan implementation activities.</li> <li>• All current source evaluation work relating to the bacteria indicator TMDLs is being conducted through the individual Counties MS4 program to implement their respective Comprehensive Bacteria Reduction Plans.</li> <li>• The Task Force submitted a letter and received approval from Regional Board staff to defer the 2019 Triennial Progress Report until 2020 and in its place in 2019 conduct a synoptic watershed study to identify the next steps in the process to implement the TMDLs.</li> <li>• The Task Force authorized Risk Sciences to prepare a scope of work to implement a synoptic watershed study.</li> <li>• SAWPA staff updated the TMDL Task Force on effort to assess the impacts of homelessness on water quality and riparian and aquatic habitat. Any monitoring of the SAR to come out of this effort will be coordinated with the Task Force.</li> </ul>	<ul style="list-style-type: none"> <li>• All current deliverables related to the implementation of the Counties Comprehensive Bacteria Reduction Plans are currently being addressed by individual agencies.</li> <li>• Task Force to initiate Synoptic Study of the Watershed</li> <li>• SAWPA Staff to coordinate with the Task Force on SAWPA's project to examine the impacts of homelessness on water quality in the SAR.</li> </ul>	

## SAWPA Roundtables Status Report

1/1/19 thru 3/31/19

PROJECT	DESCRIPTION	STATUS	FUTURE TASKS/DEADLINES	FUTURE MEETINGS
<b>Lake Elsinore and Canyon Lake Nutrient TMDL Task Force</b>	Implement TMDLs to address water quality issues relating to excess nutrients in Lake Elsinore and Canyon Lake.	<ul style="list-style-type: none"> <li>• Task Force administration by LESJWA continues.</li> <li>• LESJWA staff continues to coordinate issues relating to stakeholder load/cost allocations, in-lake modeling, and the design on in-lake treatment projects with various consultants.</li> <li>• LESJWA staff continues management and review of consultant contracts, project invoices and annual Task Force budget.</li> <li>• LESJWA Staff continues to collect signatures from stakeholders for the amendment for extending the task force agreement an additional 5-year term.</li> <li>• LESJWA staff continues to work with the Task Force to finalize the FY 2019-20 budget.</li> <li>• Risk Sciences continues its role of working with stakeholders on a long-term plan to revise and update the Lake Elsinore and Canyon Lake nutrient TMDLs.</li> <li>• Jan. 16, 2019 LESJWA staff participated in the Regional Board’s CEQA Scoping meeting for the draft TMDL Revision draft</li> <li>• Regional Board initiated their process to amend the Basin Plan to update the Lake Elsinore and Canyon Lake nutrient TMDLs.</li> </ul>	<ul style="list-style-type: none"> <li>• Amendment to extend the Task Force agreement for an additional 5-year term. Outstanding signature pages: City of Menifee, CA Dept. of Fish &amp; Wildlife.</li> <li>• April 2019, approve FY 2019-20 LE&amp;CL TMDL Task Force budget.</li> <li>• May 3, 2019 Regional Board Public Workshop on amending the Lake Elsinore and Canyon Lake nutrient TMDLs.</li> </ul>	4-24-2019 Task Force Mtg.
	TMDL Task 4 Monitoring Program	<ul style="list-style-type: none"> <li>• Wood Environmental (formerly Amec Foster Wheeler) continues to implement the Phase 2 TMDL Compliance Monitoring Program.</li> <li>• Change Order request by Wood Environmental for additional funds to cover two extra watershed stormwater monitoring events in FY 2018-19 due to extremely wet 2018-2019 winter.</li> </ul>	<ul style="list-style-type: none"> <li>• 2018-19 Quarter 2 Report of LE&amp;CL TMDL Water Quality Monitoring due in April 2019.</li> </ul>	
	TMDL Task 9 Lake Elsinore TMDL Compliance Implementation Activities	<ul style="list-style-type: none"> <li>• Work relating to the implementation of Lake Elsinore In-Lake Sediment Nutrient Reduction Plan performed in conjunction with the RCFC&amp;WCD MS4 Comprehensive Nutrient Reduction Plan continues.</li> <li>• Risk Sciences is currently working with Dr.’s Alex Horne and Michael Anderson on a study of LEAMS Effectiveness.</li> <li>• Wood Environmental initiated work on the Lake Elsinore Fishery Management Program.</li> <li>• Regional Board assisted the City of Lake Elsinore in securing clean-up and abatement funds from the State to address an excessive amount of sediment and debris entering the lake, which has formed a delta downstream of the Holy fire burn area.</li> </ul>	<ul style="list-style-type: none"> <li>• LESJWA/SAWPA staff will continue coordination with LEAMS Operators on the availability and pricing of future LEAMS offset credits to Task Force stakeholders.</li> </ul>	

## SAWPA Roundtables Status Report

1/1/19 thru 3/31/19

PROJECT	DESCRIPTION	STATUS	FUTURE TASKS/DEADLINES	FUTURE MEETINGS
	TMDL Task 10 Canyon Lake TMDL Compliance Implementation Activities	<ul style="list-style-type: none"> <li>• Work relating to the implementation of Canyon Lake In-Lake Sediment Treatment Evaluation performed in conjunction with the RCFC&amp;WCD MS4 program Comprehensive Nutrient Reduction Plan continues.</li> <li>• LESJWA staff continues as the lead implementing agency for the Canyon Lake Hybrid System (Canyon Lake Alum dosing project).</li> <li>• The Alum Application planned for February 2019 has been rescheduled for April, due to the heavy rains filling Canyon Lake and the possibility of overflow of alum into Lake Elsinore.</li> </ul>	<ul style="list-style-type: none"> <li>• April 2019 Canyon Lake Alum Application</li> </ul>	
	TMDL Task 11 Model Update	<ul style="list-style-type: none"> <li>• All modeling complete.</li> </ul>	<ul style="list-style-type: none"> <li>• No additional modeling to support the TMDL is planned.</li> </ul>	
<b>Basin Monitoring Program Task Force</b>	Annual Monitoring Report	<ul style="list-style-type: none"> <li>• SAWPA staff is currently working on the 2018 Annual Report of Santa Ana River Water Quality.</li> </ul>	<ul style="list-style-type: none"> <li>• Draft 2018 Annual Report of Santa Ana River Water Quality due April 30, 2019</li> </ul>	
	Triennial Ambient Water Quality Update	<ul style="list-style-type: none"> <li>• On April 2, 2019, the SAWPA Commission approved a new task order and contract with Water Systems Consulting Inc. (WSC) to conduct the next Triennial Ambient Water Quality Update for the 1999-2018 computation period. WSC was selected from among three proposals which were reviewed by a Consultant Review Panel of the SAWPA Basin Monitoring Program Task Force. The panel was unanimous in recommending WSC. Another proposal by Wildermuth Environmental Inc. showed some merit for some future modifications to the update process but that proposal did not meet the requirements of the RFP. The WSC work is expected to be completed by July 2020.</li> </ul>	<ul style="list-style-type: none"> <li>• A draft TM is anticipated by Dec. 2019.</li> </ul>	Status of this work will be shared on a monthly basis at the Basin Monitoring Program Task Force.
	Santa Ana River Wasteload Allocation Update	<ul style="list-style-type: none"> <li>• Work continues on the Santa Ana River Wasteload Allocation under a contract with Geoscience Inc. The work includes using a new model. Work has now been completed on the model runs and a draft task memorandum documenting the results has been prepared and distributed for comments.</li> </ul>	<ul style="list-style-type: none"> <li>• All technical memos as well as the Draft Study Report are anticipated to be completed by the end of the next quarter.</li> </ul>	April 24 <sup>th</sup> Task Force Mtg.  May 14 <sup>th</sup> Task Force Mtg.



## SAWPA Roundtables Status Report

1/1/19 thru 3/31/19

PROJECT	DESCRIPTION	STATUS	FUTURE TASKS/DEADLINES	FUTURE MEETINGS
	Drought Policy	<ul style="list-style-type: none"> <li>• The Regional Board has defined the creation of a new drought policy as one of their triennial Basin Plan priorities.</li> <li>• Tim Moore of Risk Sciences worked with the BMP TF and the Southern California Salinity Coalition (SCSC) to develop an outline of the work necessary to justify a new Drought Policy.</li> <li>• The consultant for SCSC, CDM Smith, using their subconsultant, Daniel B. Stephens Inc., has now completed the final analysis report about the TDS trends due to the drought experienced by several So Cal agencies.</li> <li>• A draft outline for developing a new policy and suggested revisions to waste discharge permits has been prepared by Risk Sciences and was discussed in the Task Force meeting in May 2018.</li> <li>• Further discussion will commence upon completion of Santa Ana River Wasteload Allocation work.</li> </ul>	<ul style="list-style-type: none"> <li>• Work is continuing by Risk Sciences and a more detailed approach is being developed. More discussion will arise in Task Force meetings over the next quarter.</li> </ul>	<p>April 24<sup>th</sup> Task Force Mtg.</p> <p>May 14<sup>th</sup> Task Force Mtg.</p>
<b>Emerging Constituents Program Task Force</b>	Provide emerging constituents sampling report and watershed water quality outreach program	<ul style="list-style-type: none"> <li>• Work is continuing preparing the next EC sampling program this summer to examine a number of EC constituents as well as PFOA and PFOS constituents.</li> <li>• The EC Program Task Force met at SAWPA on Jan. 8<sup>th</sup> and Feb. 20<sup>th</sup> to discuss the future EC sampling program with support from Risk Sciences. Conclusions were reached on the list of constituents and the sampling process.</li> <li>• OCWD staff has agreed to prepare an updated Sampling and Laboratory Analysis Plan (SLAP) working with Risk Sciences. This SLAP will be distributed to the EC Program Task Force and will provide guidance to all POTWs about the additional sampling.</li> <li>• All costs for preparing the EC sampling report including Risk Sciences input are being covered by carryover funding. Local POTWs will bear the cost of the additional EC sampling and lab analysis.</li> </ul>	<ul style="list-style-type: none"> <li>• A new annual EC sampling is being developed and will be shared in the next quarter.</li> </ul>	<p>August 2019 EC Program Task Force meeting to share sampling results.</p>
	Watershed water quality outreach program	<ul style="list-style-type: none"> <li>• Work continues with the social media tools in support of drinking water quality for the general public. This work is funded by a subset of the EC Program Task Force called the EC Public Outreach Committee. Work is continuing by DeGrave Communications on the FY 18-19 task order with articles and videos.</li> <li>• Reports on all social media postings are shared with the Outreach Committee on a weekly basis.</li> <li>• Special outreach for PFOA and PFOS relying on OCWD recent outreach material will be set up through the Public Outreach Committee.</li> </ul>	<ul style="list-style-type: none"> <li>• Bi-annual reports about the EC Public Outreach efforts for the SAWPA Commission will continue.</li> </ul>	<p>EC Program TF Public Outreach Committee meeting may occur in next quarter.</p>

## SAWPA Roundtables Status Report

1/1/19 thru 3/31/19

PROJECT	DESCRIPTION	STATUS	FUTURE TASKS/DEADLINES	FUTURE MEETINGS
<b>Imported Water Recharge Workgroup</b>	Support imported recharge agencies in agreement deliverables	<ul style="list-style-type: none"> <li>• The last meeting with the signatory agencies to the Cooperative Agreement for Imported Water Recharge was held on Nov. 29, 2018. The signatories agreed to prepare and share a draft term sheet as the basis for the framework for a new amendment since its renewal term was 10 years and was originally signed in 2008.</li> <li>• SBMVWD prepared a draft term sheet and shared it among the cooperating agencies of the original agreement and the Regional Board staff. After revisions, the term sheet was shared with the Basin Monitoring Program Task Force in March. There were no major edits.</li> <li>• Work is now proceeding on an Amendment to the Cooperative Agreement for Imported Water Recharge which would fold the activities of the agreement under the Basin Monitoring Program Task Force. All work to be conducted under the Cooperative Agreement will still be funded by the cooperative agreement partners but where work can benefit the broader Basin Monitoring Program Task Force, cost efficiencies may result.</li> </ul>	<ul style="list-style-type: none"> <li>• The Basin Monitoring Program Task Force will review a Draft Amendment No. 1 to the Cooperative Agreement Amendment during the next quarter.</li> </ul>	<p>April 24<sup>th</sup> Task Force Mtg.</p> <p>May 14<sup>th</sup> Task Force Mtg</p>
<b>Reclamation So Cal Studies</b>	Support regional studies with Bureau of Reclamation	<ul style="list-style-type: none"> <li>• Reclamation grant opportunities continue to be reviewed and explored to support SAWPA’s mission. Partners in the effort include Pacific Institute, California Forward, and others.</li> <li>• Grant support for a joint organizational effort called the Sustainable Landscaping project in the Santa Ana Watershed was sought through the 2018 Bureau of Reclamation WaterSMART water use efficiency program. A grant for \$300,000 in Reclamation funds would have to be matched by \$300,000 in local funds from commercial firms who are interested in implementing sustainable landscaping.</li> <li>• SAWPA was notified that since a local match of funds could not be secured by its partner agencies when the application was submitted, the project was not awarded.</li> <li>• SAWPA has explored other funding opportunities to assist the Sustainable Landscaping project through Reclamation but has been unsuccessful due to a lack of committed local matching funds.</li> <li>• SAWPA did receive a letter from Reclamation regarding a new activity call the Water Management Options Pilots program for those entities in which Reclamation worked on a Basin Studies program. A letter of interest is due to Reclamation by April 15<sup>th</sup>. SAWPA staff believes this might be an opportunity to provide local match to the Prop 1 SAWPA proposed project to update the Watershed Wide Decision Support Tool for Water Budgets.</li> </ul>	<ul style="list-style-type: none"> <li>• April 15<sup>th</sup> Deadline set by Bureau of Reclamation for the Letter of Interest for their Water Management Options Pilot.</li> </ul>	<p>Work will continue after April 15<sup>th</sup> on a Pilot proposal to Reclamation.</p>

## SAWPA Roundtables Status Report

1/1/19 thru 3/31/19

PROJECT	DESCRIPTION	STATUS	FUTURE TASKS/DEADLINES	FUTURE MEETINGS
<b>Santa Ana River Fish Conservation Task Force</b>	Determine the reasons for the decline of the Santa Ana sucker fish ( <i>Catostomus santaanae</i> ) in the Santa Ana Watershed and implement projects that will benefit the species.	<ul style="list-style-type: none"> <li>• Staff monitored the Santa Ana Sucker Habitat Protection and Beneficial Use Enhancement Project (Project) in light of the high volume of water that was seen in the Santa Ana River due to the recent storms.</li> <li>• Staff coordinated the analysis of the 2018 Riverwalk data with the US Fish and Wildlife Service.</li> </ul>	<ul style="list-style-type: none"> <li>• Finalize the Project report for the US Fish and Wildlife Service who has provided \$37,000 for the Project.</li> <li>• Finalize the Riverwalk Atlas which presents the data collected.</li> </ul>	Task Force meeting at Project site second quarter 2019.
<b>Regional Water Quality Monitoring Task Force</b>	Implement a coordinated regional water quality monitoring program in the Santa Ana River watershed to meet the requirements of the amended Recreational Use Water Quality Standards and Implementation Plan requirements of the Santa Ana Basin Plan, and to assist Regional Board with future triennial reviews of the Basin Plan.	<ul style="list-style-type: none"> <li>• Task Force Administration by SAWPA continues.</li> <li>• Management and review of consultant contracts, project invoices and annual Task Force budget by staff continues.</li> <li>• Consultant team led by CDM Smith completed monitoring activities for the 2018-19 Santa Ana River Watershed Bacteria Water Quality Monitoring Program.</li> <li>• January 2019, SAWPA Commission approved a 2 yr. extension of the agreement with CDM Smith to conduct Annual SAR Bacteria Monitoring.</li> <li>• January 2019, a Change Order was approved for CDM Smith to update the Santa Ana River Watershed Bacteria Water Quality Monitoring Program monitoring plan and QAPP.</li> <li>• CDM Smith working to update current monitoring plan and QAPP to address the new statewide water quality objectives for bacteria.</li> </ul>	<ul style="list-style-type: none"> <li>• Draft 2018 Annual SAR Bacteria Monitoring Report due in April 2019.</li> <li>• Final Updated Santa Ana River Watershed Bacteria Water Quality Monitoring Program monitoring plan and QAPP due in April 2019.</li> </ul>	4-23-19 Task Force Meeting
<b>LESJWA</b>	Support lake quality improvement projects at Lake Elsinore and Canyon Lake	<ul style="list-style-type: none"> <li>• LESJWA Board met on February 21, 2019 and approved a new task order with Wood Environment to conduct the Lake Elsinore Fishery Management Survey, approved the FY 2017-2018 Audit and letters of support for the Canyon Lake East Bay Dredging Project and the Lake Elsinore Algae Skimming Project. Status reports were provided regarding work conducted on a policy for cost share agreements for outside funding, the Lake Elsinore and Canyon Lake TMDL Update and Revision going through the Basin Plan Amendment process and the Lake Elsinore quality impacted by the Holy First sediment runoff.</li> <li>• SAWPA staff continues to support LESJWA as administrator for the LESJWA JPA, LE/CL TMDL Task Force with task force meetings and various committee meetings held every 1-2 months.</li> </ul>	<ul style="list-style-type: none"> <li>• LESJWA staff will be bringing the Draft FY 19-20 LESJWA Budget, the Draft Policy for Cost Share Agreements with Outside Parties and a new Task Order for the FY 19-20 watershed and lake monitoring program with Wood Environment Inc. to the next LESJWA Board meeting.</li> </ul>	4-18-19 LESJWA Board

## SAWPA Roundtables Status Report

1/1/19 thru 3/31/19

PROJECT	DESCRIPTION	STATUS	FUTURE TASKS/DEADLINES	FUTURE MEETINGS
	Provide education and outreach	<ul style="list-style-type: none"> <li>• Liselle DeGrave of DeGrave Communications continues her support to LESJWA. Joint meetings with the consultant, LESJWA member agency PR staff and the SAWPA staff are held on a quarterly basis for coordination and are described as the LESJWA Education and Outreach Committee. The last meeting was held on Jan. 29, 2019. Topics covered included the DeGrave Communications support on outreach about the burn area runoff to Lake Elsinore, an updated video about the value of recycled water for Lake Elsinore, the quarterly activity report for the last quarter, and future LESJWA exhibit booths at outreach events.</li> </ul>	<ul style="list-style-type: none"> <li>• Prepare for the outreach associated the next Alum Application scheduled for April 2019.</li> </ul>	4-23-19 LESJWA Education & Outreach Meeting

## SAWPA Roundtables Status Report

1/1/19 thru 3/31/19

PROJECT	DESCRIPTION	STATUS	FUTURE TASKS/DEADLINES	FUTURE MEETINGS
<b>So Cal Salinity Coalition</b>	Support regional salt management and practices in Southern California	<ul style="list-style-type: none"> <li>• The SCSC held its last Board meeting on December 6, 2018. The meeting was held at SAWPA. Kevin Hardy of NWRI, serves as the administrator for SCSC.</li> <li>• For the Dec. 6<sup>th</sup> meeting, Mr. Hardy reviewed a SCSC FY 2018-19 Integrated Annual and Strategic Plans with the SCSC Board and comments and feedback by the Board to SCSC staff were provided.</li> <li>• The SCSC Board took formal action to amend the SCSC bylaws to clarify and improve the various officer positions, terms of office and definition of terms. Additionally, in accordance with the bylaws, a change was made to the officers and a new chair, Lesley Dobalian, SDCWA; new vice chair, Warren Teiz, MWDSC and a new secretary/treasurer, Greg Woodside, OCWD, were nominated and sustained in their new roles effective March 2019. Mark Norton of SAWPA was thanked for serving in the SCSC chair role since May 2010.</li> <li>• The SCSC staff received financial reports and recommended some additional format changes to improve clarity. The status of MWDSC water supply and salt levels, the activities of the Colorado River Salinity Control Forum and the Salt Management Study being conducted jointly by Reclamation, MWDSC and SCSC were also discussed.</li> <li>• The joint project among Reclamation-MWDSC-SCSC seeks to update the 1998 Salinity Management Plan for Southern California. Some delays were experienced last year due to difficulties in securing a firm to conduct the economic analysis and update the Reclamation economic model. A new firm has been selected by Reclamation and work on the salinity economic model will resume. MWDSC staff are also very much involved in this joint work effort. SCSC will review the role of its participation and tasks assigned.</li> <li>• Three support opportunities for salinity related research were discussed. Additional information was requested before making a decision.</li> <li>• Mark Norton, chair of the SCSC Board, also participated in the Multi-State Salinity Board meeting held in Denver on October 11 and 12 sharing the salinity issues of the watershed and supporting outreach efforts and the planning for the MSSC Salinity Summit scheduled for Feb. 28<sup>th</sup> – March 1<sup>st</sup> of 2019.</li> </ul>	<ul style="list-style-type: none"> <li>• Follow up work will continue on the budgeted joint studies and outreach particularly on the salinity management study among SCSC, Reclamation and MWDSC.</li> </ul>	3/7/19 SCSC Board Meeting

## SAWPA Roundtables Status Report

1/1/19 thru 3/31/19

PROJECT	DESCRIPTION	STATUS	FUTURE TASKS/DEADLINES	FUTURE MEETINGS
<b>Santa Ana River Parkway and Open Space Plan Technical Advisory Committee</b>	<ul style="list-style-type: none"> <li>• Help identify priorities and values for the Santa Ana River Parkway and Open Space Plan</li> <li>• Identify project selection criteria and projects for inclusion in the Parkway Plan</li> <li>• Provide input and feedback on the Plan throughout its development</li> </ul>	<ul style="list-style-type: none"> <li>• Staff attended a past trail construction meeting to discuss the closing of the BNSF railroad at-grade crossing near Green River Golf Course that SAWPA uses to access Reach IV of the Brine Line. Options and costs for increasing the vertical height of the nearby railroad undercrossing were discussed and engineering drawings were provided to the Army Corps of Engineers by the trail construction lead agency in Riverside County, Riverside County Regional Park and Open-Space District (Riverside Parks). The Army Corps is the project manager for the Santa Ana River Mainstem (flood control project) which is constructing flood control measures along the railroad undercrossing. The Army Corps is reviewing the request to change the Plans and increase the vertical height but will unlikely approve them without a major change order to their Santa Ana River Mainstem project.</li> </ul>	<ul style="list-style-type: none"> <li>• Army Corps and BNSF to review Riverside Parks' engineering plans to increase vertical height of railroad undercrossing at Green River Golf Course.</li> </ul>	
<b>Water Energy Community Action Network (WECAN)</b>	<p>Support water and energy efficiency on disadvantaged communities in the watershed.</p>	<ul style="list-style-type: none"> <li>• The final report for the WECAN Phase 1 project was prepared for submission to the Department of Water Resources by mid-April. All implementation activities such as installing drought tolerant landscaping and performing outreach to residents in disadvantaged communities has been completed.</li> <li>• Staff managed the contract with landscaping consultant EcoTech Services in order to finalize the WECAN Phase 2 project (which just involves retail agency partner West Valley Water District). As of the end of the quarter, there is 5,875 square feet out of the budgeted 120,000 square feet that is remaining to be implemented.</li> </ul>	<ul style="list-style-type: none"> <li>• Wrap up administrative tasks</li> <li>• Submit combined grant/project completion report for Phase 1</li> <li>• Request release of retention for Phase 1, finalize payments to contractors</li> <li>• Invoice partner West Valley Water District for Phase 2</li> </ul>	<p>Phase 1 expires March 2019 and the final report is due in April</p> <p>Phase 2 is expected to expire September 2019</p>
<b>Forest First</b>	<p>Support collaborative partnership among Forest Service and downstream stakeholders to develop methods to ensure the resiliency of the forests and headwaters within the Santa Ana River Watershed</p>	<ul style="list-style-type: none"> <li>• No major activities this quarter</li> </ul>	<ul style="list-style-type: none"> <li>• Utilize the final results from the Dr. Underwood research to evaluate the economic benefits of water supply/quality of forest projects in the watershed.</li> </ul>	

## SAWPA Roundtables Status Report

1/1/19 thru 3/31/19

PROJECT	DESCRIPTION	STATUS	FUTURE TASKS/DEADLINES	FUTURE MEETINGS
<b>Arundo Removal</b>	Remove non-native plant species, particularly arundo donax, using SAWPA's Arundo Removal mitigation bank credit funding	<ul style="list-style-type: none"> <li>• No major activities this quarter</li> </ul>	<ul style="list-style-type: none"> <li>• Submit outreach material to landowners for the headwaters project using the contact list and the outreach material.</li> </ul>	Attend a bi-monthly Santa Ana River Watershed Weed Management Area meeting to update them on the upper watershed project as well as the outreach material.

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# General Manager's Report

May 2019

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

## INSIDE THE MAY REPORT

- 1 Lake Elsinore and Canyon Lake TMDL Update - Regional Board Workshop
- 2 SARI Rock Removal Project
- 3 SWRCB Stakeholder Outreach Workshop - Proposed Statewide Sanitary Sewer System
- 4 SAWPA Pretreatment Program Update

## Lake Elsinore and Canyon Lake TMDL Update - Regional Board Workshop

On May 3, 2019, the Santa Ana Regional Water Quality Control Board held its first public workshop regarding the potential amendments to the Water Quality Control Plan for the Santa Ana River Basin. The amendments would revise the Total Maximum Daily Loads (TMDL) for nutrients in Lake Elsinore, Canyon Lake, and the San Jacinto Watershed. The Regional Board has stated there have been significant improvements in the water quality in both lakes. This is due to the implementation of nutrient load reduction and sediment nutrient flux reduction projects by watershed stakeholders since the adoption of the 2004 TMDLs. However, additional nutrient load reductions are needed to ensure the beneficial uses of the Lakes are protected, and excessive nutrient and algae concentrations are further reduced. A Draft TMDL Revision Technical Report, prepared by the watershed stakeholders and Regional Board staff, was shared with the Regional Board. This report contains all the required elements for revision of the 2004 TMDLs, including revised Numeric Targets for both Lakes to require further reductions of nutrients discharged to the Lakes and an updated Implementation Plan.



At the workshop, Brenda Dennstedt, LESJWA Chair, representing both LESJWA and the Lake Elsinore and Canyon Lake TMDL Task Force (overseen by LESJWA), shared her verbal comments of support for the revisions to the TMDLs and the cooperative watershed-based stakeholder approach to compliance, because it has been so successful. The Regional Board staff expressed their strong appreciation to LESJWA, the Task Force and SAWPA for its continued leadership in embracing a collaborative and watershed-based stakeholder approach to TMDL compliance.



At the workshop, Brenda Dennstedt, LESJWA Chair, representing both LESJWA and the Lake Elsinore and Canyon Lake TMDL Task Force (overseen by LESJWA), shared her verbal comments of support for the revisions to the TMDLs and the cooperative watershed-based stakeholder approach to compliance, because it has been so successful. The Regional Board staff expressed their strong appreciation to LESJWA, the Task Force and SAWPA for its continued leadership in embracing a collaborative and watershed-based stakeholder approach to TMDL compliance.

## SARI Rock Removal Project

The contractor, Griffith Company, is mobilizing to the site in anticipation of the Santa Ana River Interceptor Rock Removal Project. The contractor has delayed start of the project **due to the numerous rain days. Orange County Sanitation District's contract biological monitor** will be conducting bird surveys to determine locations of vireo nesting activity to clear the contractor for work. SAWPA staff will continue to represent SAWPA's interests during the implementation of the Rock Removal Project, which will continue through December 2019.



## SWRCB Stakeholder Outreach Workshop - Proposed Statewide Sanitary Sewer System

On April 23, 2019, staff attended the State Water Resources Control Board (SWRCB) Stakeholder Outreach Workshop hosted by the Inland Empire Utilities Agency. The purpose of the workshop was to gather public input on proposed changes to the SWRCB Waste Discharge Requirements (Order 2006-0003-DWQ). Current areas of focus for the SWRCB are regulation of large private systems, improving quality of data, and upgrade of Sewer System Management Plan requirements. A draft order is expected by the end of 2019 and adoption of a new order is expected in the year 2020.

## SAWPA Pretreatment Program Update

During the 3<sup>rd</sup> quarter (January through March 2019) SAWPA staff performed 17 on-site Discharger inspections, 10 monitoring (or sampling) events, and reissued 4 existing permits. SAWPA staff, in cooperation with Member and Contract Agency staff, completed several reports to Orange County Sanitation District (OCSD) as part of SAWPA's reporting requirements outlined in the 1991 MOU with OCSD including two (2) monthly reports, a quarterly report and the semi-annual report.



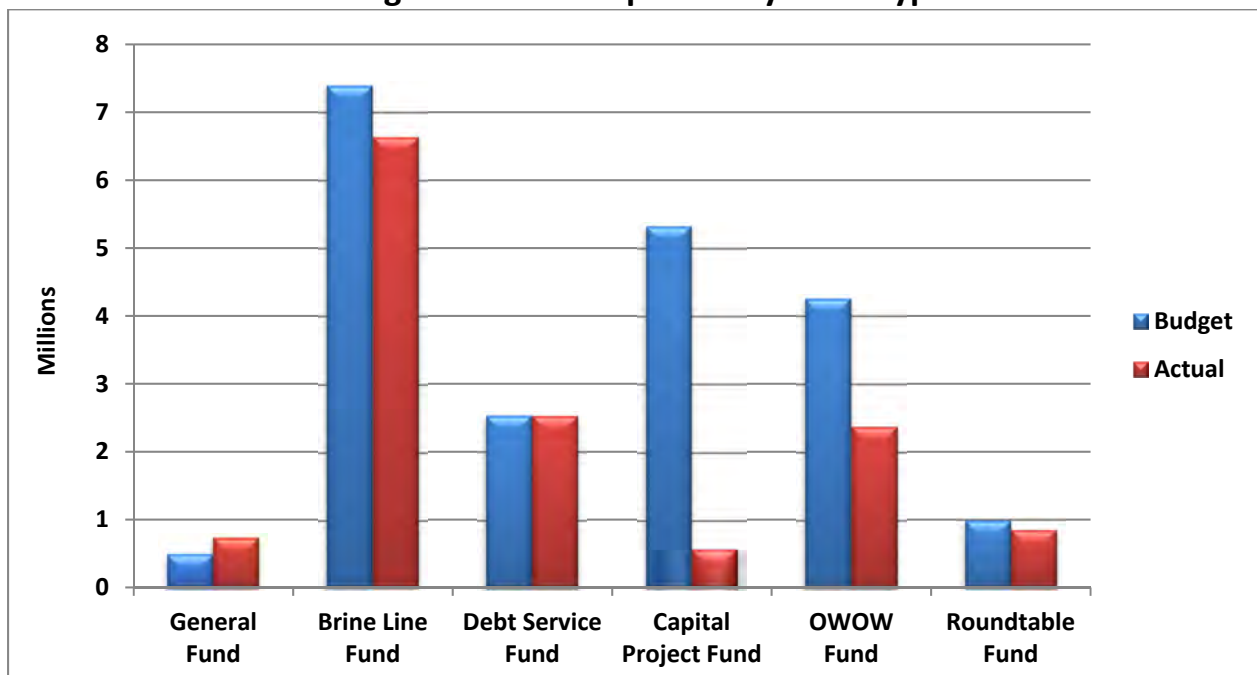
**Santa Ana Watershed Project Authority  
Executive Financial Information Report  
February 2019**

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

<b>Overview</b>	This report highlights the agency's key financial indicators for the Fiscal Year-to-Date (FYTD) through February 2019 unless otherwise noted.
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Budget to Actual Expenses by Fund Type	<span style="color: green; font-size: 2em;">✔</span> <b>Favorable</b>			
	Annual Budget	FYTD Budget	FYTD Actual	Favorable (Unfavorable) Variance
General Fund	\$650,695	\$491,704	\$729,567	(\$237,863)
Brine Line Enterprise	11,090,587	7,393,724	6,635,991	757,733
Debt Service Fund	3,183,451	2,527,100	2,526,801	299
Capital Project Fund	7,986,032	5,324,021	577,611	4,746,410
OWOW Fund	6,380,106	4,253,404	2,375,698	1,877,706
Roundtable Fund	1,475,981	983,987	844,125	139,862
<b>Total</b>	<b>\$30,766,852</b>	<b>\$20,973,940</b>	<b>\$13,689,793</b>	<b>\$7,284,147</b>

**Budget to Actual Expenses by Fund Type**



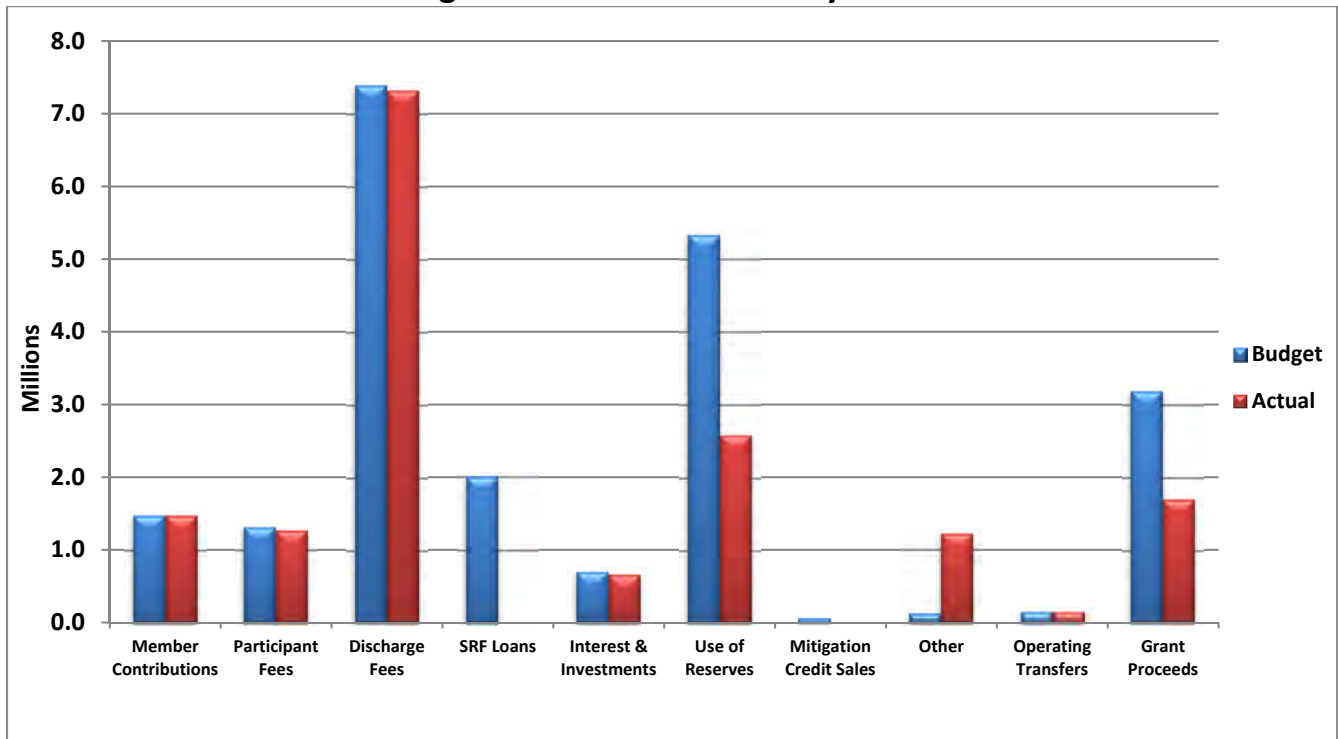
## Budget to Actual Revenues by Source



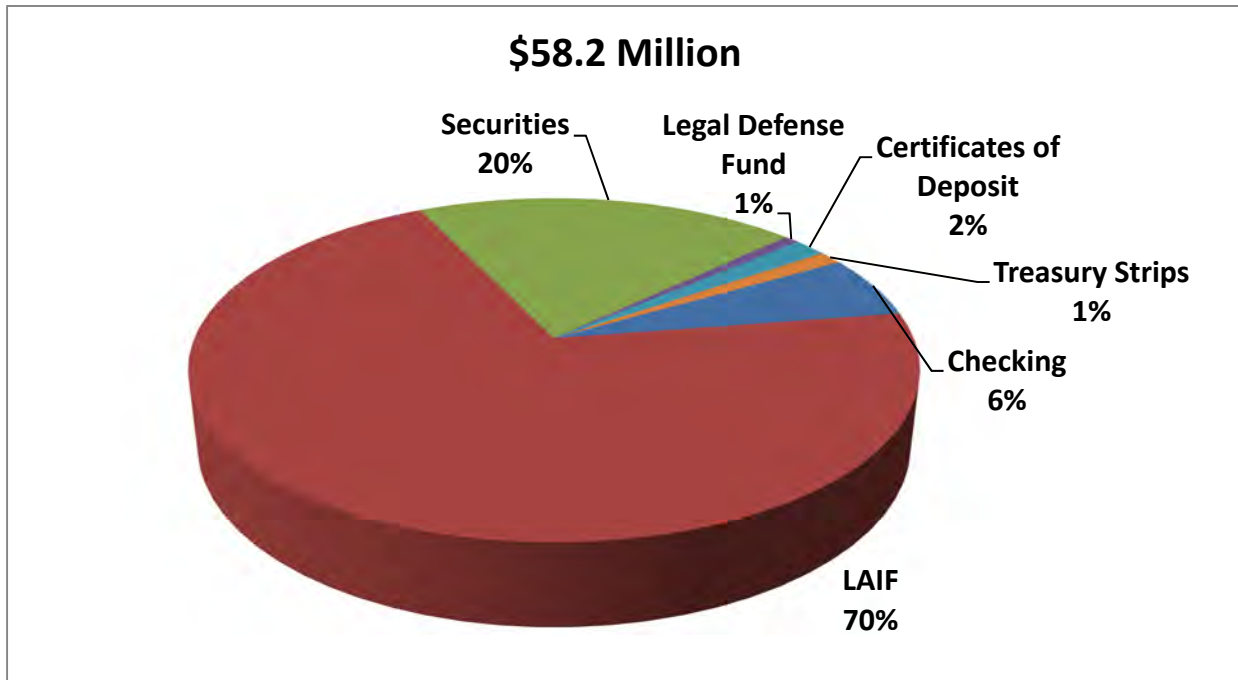
**Concern**

	Annual Budget	FYTD Budget	FYTD Actual	Favorable (Unfavorable) Variance
Member Contributions	\$1,471,695	\$1,471,695	\$1,471,695	\$-
Participant Fees	1,309,273	1,309,273	1,268,316	(40,957)
Discharge Fees	11,090,587	7,393,725	7,324,038	(69,687)
SRF Loans	3,000,000	2,000,000	-	(2,000,000)
Interest & Investments	1,173,582	695,249	658,945	(36,304)
Use of Reserves	6,995,901	5,333,890	2,587,480	(2,746,410)
Mitigation Credit Sales	88,980	59,320	-	(59,320)
Other	206,674	137,783	1,218,027	1,080,244
Operating Transfers	144,252	144,252	144,252	-
Grant Proceeds	4,777,256	3,184,837	1,702,299	(1,482,538)
<b>Total</b>	<b>\$30,258,200</b>	<b>\$21,730,024</b>	<b>\$16,375,052</b>	<b>(\$5,354,972)</b>

### Budget to Actual Revenues by Source



## Total Cash & Investments - February







## Reserve Fund Balance - February

	Amount
General Fund	\$2,425,734
Building Fund	877,104
Legal Defense Fund	451,276
OWOW Fund	1,835,314
Roundtable Fund	2,115,577
Self Insurance	4,114,733
Debt Retirement	4,762,753
Pipeline Replacement	20,451,646
OCSD Rehabilitation	3,612,870
Capacity Management	11,569,724
Future Capacity	1,771,363
Flow Imbalance	85,613
Brine Line Operating	4,134,864
<b>Total Reserves</b>	<b>\$58,208,571</b>

## Legend

### Compared to Budget

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

## Staff Comments


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

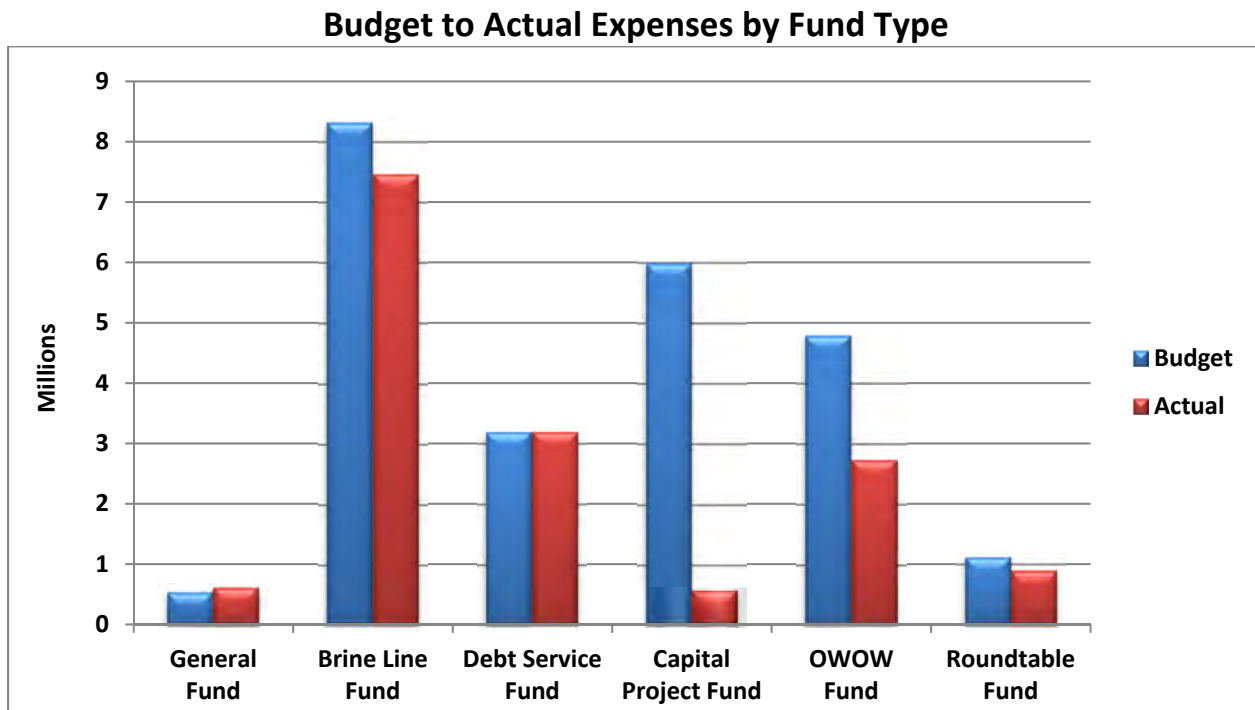
- 1) Total revenues are 25% below budget. The large variances are explained below.
  - a. Use of Reserves are 51% below budget. This variance is due to the Rock Removal project and the Reach IV-D Corrosion Repair project. The Rock Removal project which is being done by Orange County Sanitation District will not begin construction until early next year. After a condition assessment performed on Reach IV-D, the consultant has recommended that an additional field investigation be done in five years to characterize the rate of deterioration of the pipeline. Once the additional field work is performed the consultant will recommend any needed rehabilitation.
  - b. SRF Loans are 100% below budget. This variance is due to the delay of the Reach IV-D Corrosion Repair project. With the delay, SRF Loans will not be needed for at least another five years.
  - c. Grant Proceeds are 47% below budget. This variance of is due to slower implementation of the Proposition 84 Drought and Proposition 1 DACI projects. Although the Drought program's components such as budget-based rates and turf removal are on track for an end date of June 2019, we have not received invoices from the agencies. The agencies are compiling their invoices into one final package in order to streamline the DWR review process. We should receive those invoices within the next few months. For the Proposition 1 DACI project, the work of identifying technical assistance needs has taken longer than anticipated.
  - d. Other Revenues are 784% above budget. This variance is due to receipt of \$1,075,000 from the Reach V Settlement Agreement.

**Santa Ana Watershed Project Authority  
Executive Financial Information Report  
March 2019**

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

<b>Overview</b>	This report highlights the agency's key financial indicators for the Fiscal Year-to-Date (FYTD) through March 2019 unless otherwise noted.
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<b>Budget to Actual Expenses by Fund Type</b>				 <b>Favorable</b>
	<b>Annual Budget</b>	<b>FYTD Budget</b>	<b>FYTD Actual</b>	<b>Favorable (Unfavorable) Variance</b>
<b>General Fund</b>	\$650,695	\$531,452	\$608,669	(\$77,217)
<b>Brine Line Enterprise</b>	11,090,587	8,317,940	7,462,266	855,674
<b>Debt Service Fund</b>	3,183,451	3,183,451	3,192,003	(8,552)
<b>Capital Project Fund</b>	7,986,032	5,989,524	583,038	5,406,486
<b>OWOW Fund</b>	6,380,106	4,785,080	2,733,776	2,051,304
<b>Roundtable Fund</b>	1,475,981	1,106,986	892,057	214,929
<b>Total</b>	<b>\$30,766,852</b>	<b>\$23,914,433</b>	<b>\$15,471,809</b>	<b>\$8,442,624</b>



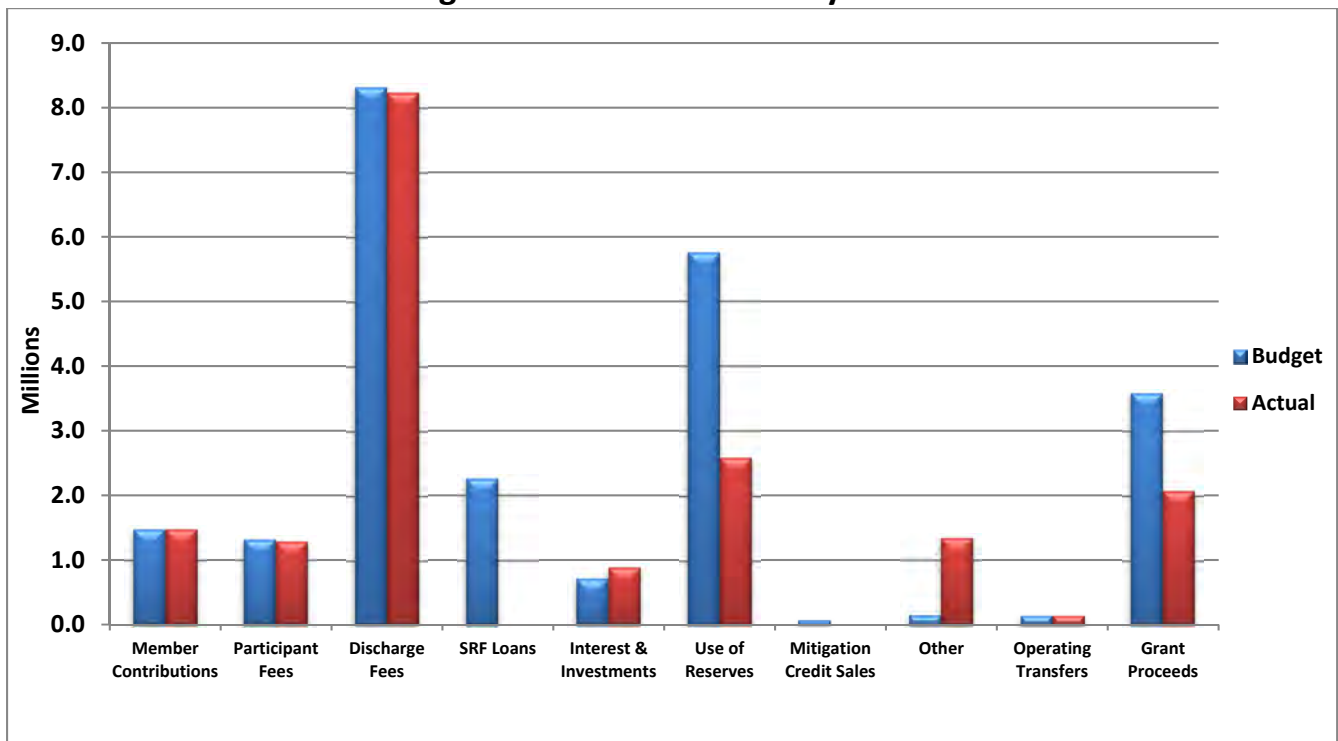
## Budget to Actual Revenues by Source



**Concern**

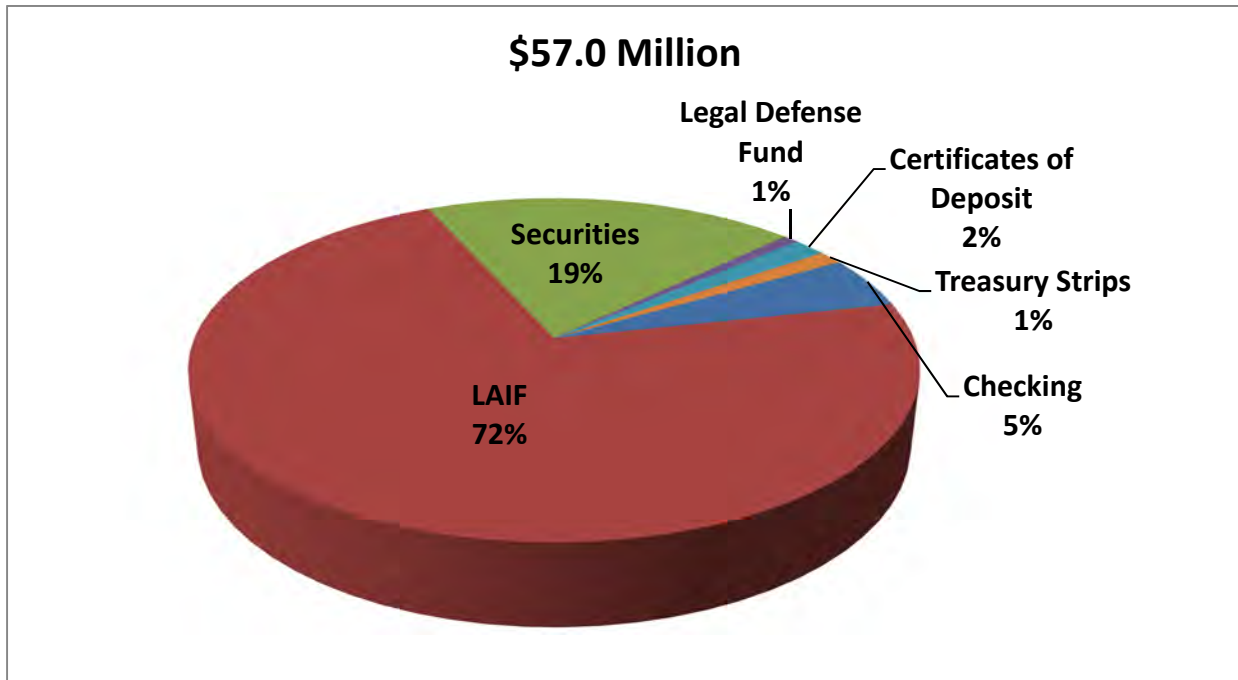
	Annual Budget	FYTD Budget	FYTD Actual	Favorable (Unfavorable) Variance
Member Contributions	\$1,471,695	\$1,471,695	\$1,471,695	\$-
Participant Fees	1,309,273	1,309,273	1,279,949	(29,324)
Discharge Fees	11,090,587	8,317,940	8,233,401	(84,539)
SRF Loans	3,000,000	2,250,000	-	(2,250,000)
Interest & Investments	1,173,582	716,082	887,203	171,121
Use of Reserves	6,995,901	5,749,393	2,592,907	(3,156,486)
Mitigation Credit Sales	88,980	66,735	-	(66,735)
Other	206,674	155,006	1,335,335	1,180,329
Operating Transfers	144,252	144,252	144,252	-
Grant Proceeds	4,777,256	3,582,942	2,073,973	(1,508,969)
<b>Total</b>	<b>\$30,258,200</b>	<b>\$23,763,318</b>	<b>\$18,018,715</b>	<b>(\$5,744,603)</b>

### Budget to Actual Revenues by Source





## Total Cash & Investments - March







## Reserve Fund Balance - March

	Amount
General Fund	\$2,399,357
Building Fund	877,104
Legal Defense Fund	451,276
OWOW Fund	1,477,900
Roundtable Fund	2,019,564
Self Insurance	4,123,066
Debt Retirement	4,254,145
Pipeline Replacement	20,567,851
OCSD Rehabilitation	3,612,870
Capacity Management	11,569,724
Future Capacity	1,771,363
Flow Imbalance	85,613
Brine Line Operating	3,836,117
<b>Total Reserves</b>	<b>\$57,045,952</b>

## Legend

### Compared to Budget

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

## Staff Comments

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

- 1) Total revenues are 24% below budget. The large variances are explained below.
  - a. Use of Reserves are 55% below budget. This variance is due to the Rock Removal project and the Reach IV-D Corrosion Repair project. The Rock Removal project which is being done by Orange County Sanitation District will not begin construction until early next year. After a condition assessment performed on Reach IV-D, the consultant has recommended that an additional field investigation be done in five years to characterize the rate of deterioration of the pipeline. Once the additional field work is performed the consultant will recommend any needed rehabilitation.
  - b. SRF Loans are 100% below budget. This variance is due to the delay of the Reach IV-D Corrosion Repair project. With the delay, SRF Loans will not be needed for at least another five years.
  - c. Grant Proceeds are 42% below budget. This variance of is due to slower implementation of the Proposition 84 Drought and Proposition 1 DACI projects. Although the Drought program's components such as budget-based rates and turf removal are on track for an end date of June 2019, we have not received invoices from the agencies. The agencies are compiling their invoices into one final package in order to streamline the DWR review process. We should receive those invoices within the next few months. For the Proposition 1 DACI project, the work of identifying technical assistance needs has taken longer than anticipated.
  - d. Other Revenues are 761% above budget. This variance is due to receipt of \$1,075,000 from the Reach V Settlement Agreement.



**May 13, 2019**

**To:** Santa Ana Watershed Project Authority

**From:** Michael Boccadoro  
Beth Olhasso  
Maddie Munson

**RE:** April Report

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Overview:

California continues to experience excellent water conditions. The Department of Water Resources (DWR) conducted the fifth and final Phillips Station snow survey of 2019 on May 1. The manual survey recorded 47 inches of snow depth and a snow water equivalent (SWE) of 27.5 inches, which is 188% of average for this location. Statewide, California's snowpack sits at 31 inches of SWE, which is 144% of average for this time of year. Snow water equivalent is the depth of water that theoretically would result if the entire snowpack melted instantaneously. Unfortunately, due to environmental restrictions, the State Water Project still is only at 70%.

The Public Policy Institute of California (PPIC) recently released a study highlighting the challenges some wastewater agencies are experiencing as a result of a changing climate and other regulatory factors. The report recognizes that water supply and demand conditions are being affected by population growth, technology and policy changes, drought (and associated conservation/efficiency mandates) and climate change, noting that drought poses the biggest challenge for the wastewater community. The report recommends policy and management changes to help build resilience through maintaining water quality in the face of changing water use, making smart recycled water investments, and balancing conflicting objectives within watersheds.

In late April, Governor Newsom issued an executive order directing his administration to develop a comprehensive strategy to build a climate-resilient water system. The order directs the Department of Water Resources, the State Water Resources Control Board and CA Department of Food and Agriculture to reassess priorities contained within the 2016 California Water Action Plan, update projected climate change impacts to the water system, identify key priorities for the administration's water portfolio, and identify how to improve integration across state agencies to implement these priorities.

The Department of Water Resources (DWR) has officially pulled the full, two-tunnel project from key permitting processes. The move comes after Governor Gavin Newsom indicated his preference for a one-tunnel Delta conveyance project in both his inaugural State of the State Address and his recent executive order. DWR Director, Karla Nemeth, estimated that it could take as long as three years to complete the necessary analysis, prepare the required environmental documents, and re-start the permitting process.

The Legislature spent April working to get bills out of committee ahead of the policy committee deadline. The conversation on safe and affordable drinking water will heat up in the coming weeks as the Governor's budget trailer bill moves through the budget committee process. Senator Hertzberg's SB 332 to virtually eliminate ocean discharge is moving through the process, but not without serious concern from some of his fellow Democratic members. Senator Dodd's SB 204 which attempts to slow

down WaterFix continues to be a top priority for the State Water Contractors and MWD as the author doesn't seem to be interested in negotiating with the opponents.

The Appropriations Suspense Files will be taken up likely on May 16 and the House of Origin deadline is May 31.

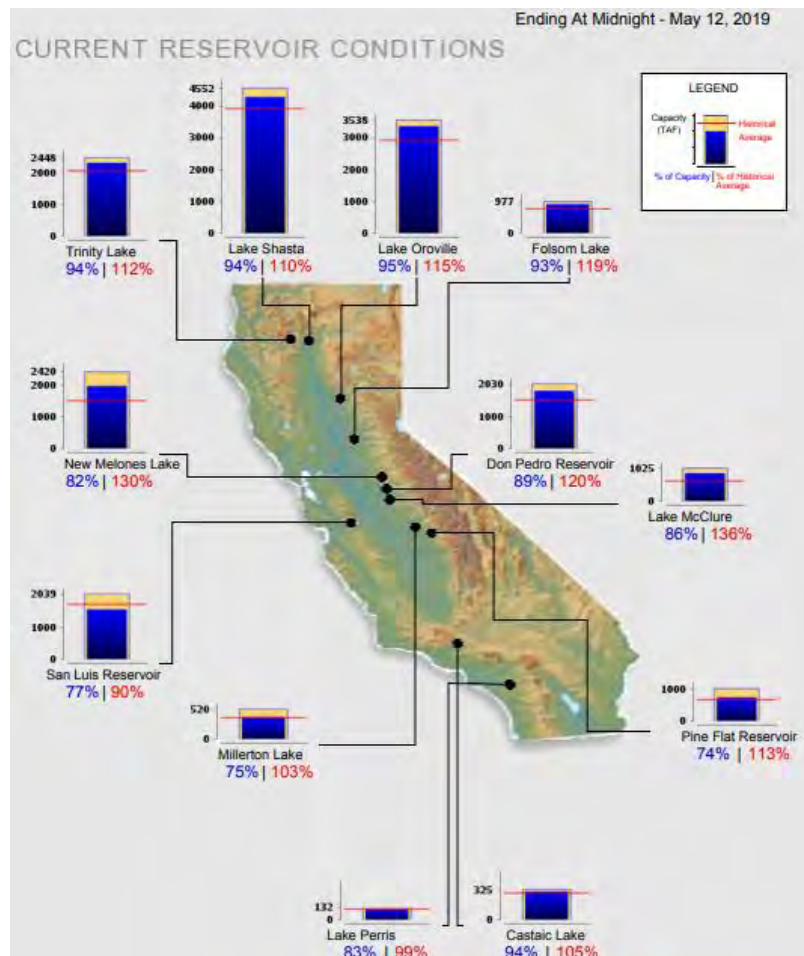
## Santa Ana Watershed Project Authority Status Report – April 2019

### *Water Supply Conditions*

California continues to experience excellent water conditions. The Department of Water Resources (DWR) conducted the fifth and final Phillips Station snow survey of 2019 on May 1. The manual survey recorded 47 inches of snow depth and a snow water equivalent (SWE) of 27.5 inches, which is 188% of average for this location. Statewide, California's snowpack sits at 31 inches of SWE, which is 144% of average for this time of year. Snow water equivalent is the depth of water that theoretically would result if the entire snowpack melted instantaneously.

The readings will help hydrologists forecast spring and summer snowmelt runoff into rivers and reservoirs. The melting snow supplies approximately one-third of the water used by Californians.

The State Water Project allocation still sits at 70 percent, despite reservoir levels sitting at, or above average.



***PPIC Report: “Managing Wastewater in a Changing Climate”***

The Public Policy Institute of California (PPIC) recently released a study highlighting the challenges some wastewater agencies are experiencing as a result of a changing climate and other regulatory factors. The report recognizes that water supply and demand conditions are being affected by population growth, technology and policy changes, drought (and associated conservation/efficiency mandates) and climate change, noting that drought poses the biggest challenge for the wastewater community. The report recommends policy and management changes to help build resilience in three broad areas:

- Maintaining water quality in the face of changing water use
  - Increase information exchange: Specifically, on demand management strategies.
  - Improve drought response: Timely and accurate information from urban water suppliers to wastewater managers on water conservation strategies can help wastewater managers anticipate where and when to expect short-term changes in influent.
  - Adapt to long-term indoor water use efficiency: Wastewater managers would benefit from knowing how water suppliers intend to achieve long-term water savings in response to the water use efficiency mandates contained in AB 1668 and SB 606 (Friedman, Hertzberg, 2018).
  - Plan for future droughts: Wastewater managers should be required to have drought response plans addressing changes in influent.
  - Improve understanding of wastewater system vulnerability: Wastewater agencies should study how their operations and infrastructure could be affected in future droughts.
  
- Making Smart Recycled Water Investments
  - Regional plans for recycled water investments are needed: Wastewater and water supply agencies should partner with cities and stakeholders to develop master plans for their regions.
  - Focus on flexible recycled water investments: Because recycled water demand changes seasonally and annually, recycled water investments should include storage components to accommodate for a combination of changing demand, new regulations and a range of climate pressures.
  
- Balancing Conflicting Objectives within Watersheds
  - Identify watersheds vulnerable to changes in wastewater management: Understanding and accounting for downstream and environmental uses of effluent is important in recycled water planning and coordination with the state and regional boards and stakeholders should occur to balance potential conflicts.
  - Develop science to support management of regulatory decisions: Tools are needed to help weigh the benefits of management decision against the cost to aquatic ecosystems and downstream water users.
  - Evaluate the interplay of state policies to identify tradeoffs: The SWRCB and DWR must evaluate the impacts of the new indoor water use efficiency standards on wastewater treatment and recycled water production and should be expanded to evaluate impacts to downstream users and the environment.

While there is no action that the PPIC can take to implement these recommendations, they are a well-respected institution that can influence policy in the legislature and at the regulatory agencies. Many officials take their recommendations seriously and incorporate PPIC thoughts into their mindset.

### ***Governor Newsom Directs State Agencies to Prepare Water Resilience Portfolio for CA***

In late April, Governor Newsom issued an executive order directing his administration to develop a comprehensive strategy to build a climate-resilient water system. The order directs the Department of Water Resources, the State Water Resources Control Board and CA Department of Food and Agriculture to reassess priorities contained within the 2016 California Water Action Plan, update projected climate change impacts to the water system, identify key priorities for the administration's water portfolio, and identify how to improve integration across state agencies to implement these priorities.

The order directs the agencies to first inventory and assess a number of existing actions and programs including, among others: work underway to complete voluntary settlement agreements for the Sacramento and San Joaquin rivers and a single-tunnel project through the Delta.

The order also outlines seven principles the agencies shall follow while establishing the water resilience portfolio:

- Prioritize multi-benefit approaches that meet multiple needs at once.
- Utilize natural infrastructure such as forests and floodplains.
- Embrace innovation and new technologies.
- Encourage regional approaches among water users sharing watersheds.
- Incorporate successful approaches from other parts of the world.
- Integrate investments, policies and programs across state government.
- Strengthen partnerships with local, federal and tribal governments, water agencies and irrigations districts, and other stakeholders.

Finally, the order directs the agencies to conduct extensive outreach while developing the plan. There should be significant opportunities to help shape the plan and thus the Governor's water priorities going forward.

### ***State Pulls Two-Tunnel WaterFix Project***

The Department of Water Resources (DWR) has officially pulled the full, two-tunnel project from key permitting processes. The move comes after Governor Gavin Newsom indicated his preference for a one-tunnel Delta conveyance project in both his inaugural State of the State Address and his recent executive order (see above).

DWR pulled their water rights petition at the State Water Resources Control Board (SWRCB) after years of contentious hearings between project proponents and opponents. The WaterFix project called for moving the State Water Project (SWP) intake from the north Delta to the south Delta in hopes of improving conditions for imperiled native fish populations. The U.S. Bureau of Reclamation would also need similar approval in order to operate the Central Valley Project (CVP) in tandem with the SWP but slowed progress on their half of the project after CVP contractors could not commit to the high price tag of the project. Reclamation has also officially withdrawn their applications and permits.

Newsom directed his administration to further study the one tunnel option. DWR Director, Karla Nemeth, estimated that it could take as long as three years to complete the necessary analysis, prepare the required environmental documents, and re-start the permitting process. Nemeth predicts the smaller project will save billions of dollars and hopes WaterFix opponents will see it as a compromise to their previous concerns. Estimates have indicated that the single tunnel would save around \$5 billion, bringing the project price tag to \$11 billion.

Natural Resources Defense Council has indicated that a smaller tunnel would be worth considering. However, representatives of the Central Delta Water Agency responded to the recent announcement

with continued opposition over prolonged disruption to the area during construction and potential increased water transfers out of the region.

Metropolitan Water District of Southern California, a key champion of the effort, reluctantly supports the Newsom Administrations recent moves on the project, though they still prefer the two-tunnel approach.

### ***Salmon Return to San Joaquin River After 65 Years and a Billion Dollars***

Sometime after the completion of the Friant Dam in the 1940s, spring-run Chinook salmon stopped returning to their native San Joaquin River. Sixty-five years later, the U.S. Bureau of Reclamation reports that at least five adult hatchery born spring-run Chinook salmon have returned to the San Joaquin River and will hopefully spawn this fall.

Spurred by an 18-year lawsuit from the Natural Resources Defense Council, federal and state officials have overseen the effort to restore native fish populations to “good condition.” The 2006 settlement requires between 250,000 and 360,000 acre-feet of water to be dedicated to habitat on the San Joaquin River. Much of the more than one billion dollars in funding comes from water users in the area.

Currently the returning fish have to be trucked around man made barriers to a cold-water pool below Friant. Fishery officials say that the long-term goal is to update the barriers so that the fish can swim through without assistance. The full project, including habitat and flow restoration, is estimated to be completed by 2030.

### ***Legislative Update***

April was a busy month with the Legislature working to act on bills before the April 26 policy committee deadline. May looks to be just as busy as April with the Appropriations Committees Suspense File considerations, a May 31 House of Origin Deadline, the Governor’s “May Revise,” a revised budget proposal after all 2018 tax revenue is known, and subsequent budget committee and sub committee hearings ahead of the June 15 deadline for the budget to pass the Legislature.

### **May Revise:**

The Governor’s May Revise focuses on a number of big-ticket items such as housing/homelessness; a new “Parents Agenda” that includes additional money for child care and full-day kindergarten programs; extended paid family leave for new parents; a tax exemption for menstrual products and diapers; and education, including enhanced funding on a permanent basis for special education and teacher training along with one-time cash infusions for universities and community colleges.

The Governor’s revised budget also would allocate \$15 billion to build budgetary resiliency and pay down the state's unfunded liabilities, which are \$1.4 billion higher than proposed in January. The May Revision also seeks to eliminate state budgetary debts and reverse funding deferrals. This marks the first time in over a decade that all budgetary debts are completely paid off. The May Revise made no changes to the safe and affordable drinking water trailer bill.

### **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 have all moved 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.

The options on the table are discussed below, however it is imperative to note that President Pro Tem Atkins (D-San Diego) has indicated that she does not want her members to have to vote on a 2/3 vote bill and that she will be offering a majority vote alternative. Language or even broad concepts have not been released, but if the legislature intends to meet the Governor's timeline, any plan would likely be released soon. It remains to be seen if Pro Tem Atkins is firmly committed to a majority vote option, or if she is just trying to leverage the new Governor on this or possibly other important issues.

*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 early in the budget season with both committees leaving the item open for further discussion. The Governor has indicated that he wants the issue taken care of as part of the budget's adoption in June. Both budget subcommittees will take the issue up again in the coming weeks.

*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 has passed both the Senate Environmental Quality and Governance and Finance Committees without a single "no" vote. Members did raise concerns over conflicting amounts of "seed" money that would be needed to generate the necessary revenue.

*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 was heard in the Water, Parks and Wildlife Committee on April 30 and failed by one vote. There was significant concern from members that this would take away from other budget priorities.

*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 has passed out of the Senate Natural Resources and Water and Environmental Quality Committees as a "work in progress." It seems that the Senator is setting this bill up to potentially be the vehicle to implement the fee that established by the Governor's Trailer Bill. Similarly, AB 134 (Bloom, D- Santa Monica) also establishes the fund and fee collecting mechanism at the SWRCB.

*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.



*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 passed out of the Senate Governance and Finance and Environmental Quality Committees and awaits action in the Senate Appropriations Committee.

#### 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 still developing amendments.

The bill has passed through with Republicans voting no and Democrats supporting. However, some of the Democratic support is a courtesy at this point. Several members indicated they had significant concerns with the bill and would carefully review the progress made if/when the bill reaches the Senate floor.

#### 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 originally sought amendments to limit the timelines set in the bill so there wouldn't be 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. Since the hearing, the Senator has not addressed MWD and SWC concerns and they have moved to a full oppose position. Several members noted that they would vote against the bill on the floor should the Senator not address the concerns of MWD and the SWC. The bill is in Senate Appropriations Committee.

#### Wastewater Treatment:

*AB 1672 (Bloom)* addressing flushable wipes is moving through the process, though not without difficulty. The bill, sponsored by CASA, establishes performance and labeling standards for flushable wipes and imposes civil penalties on parties failing to conform to those standards. The personal care product industry has been lobbying against the bill, though it has managed to successfully pass out of Environmental Safety and Toxic Materials and Judiciary Committee. Should the bill make it out of Appropriations, it will likely be a bit of a battle on the Assembly Floor or in the Senate.

# **GENERAL MANAGERS MEETING NOTES**

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TUESDAY, MAY 14, 2019

## **PARTICIPANTS PRESENT**

Paul Jones  
Shivaji Deshmukh  
Doug Headrick (Via-Conference Call)  
Michael Markus  
Craig Miller (Via-Conference Call)  
Lorenzo Tyner  
Rich Haller  
Karen Williams  
Larry McKenney (Via-Conference Call)  
Mark Norton  
David Ruhl  
Carlos Quintero  
Dean Unger  
Sara Villa

## **REPRESENTING**

Eastern Municipal Water District  
Inland Empire Utilities Agency  
San Bernardino Valley Municipal Water District  
Orange County Water District  
Western Municipal Water District  
Orange County Sanitation District  
Santa Ana Watershed Project Authority  
Santa Ana Watershed Project Authority  
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## **CALL TO ORDER**

Paul Jones called the meeting to order at 7:32 a.m. at SAWPA, 11615 Sterling Avenue, Riverside, California.

## **OCSD RATES**

Rich Haller informed the General Managers that SAWPA and OCSD have an agreement where OCSD will provide to SAWPA around the January/February timeframe every year with the preliminary rates based on preliminary budget numbers, with the understanding that it could change. The preliminary rates received last year for the projection this fiscal year was for a 3-4% rate increase. Once budget numbers came in, it turned out to be 18% for Flow, 12% for BOD and 15% for TSS, which is a lot higher than anticipated. Lorenzo Tyner provided an example of OCSD's process; OCSD goes to their Board with their general budget assumptions in January. There will be preliminary SAWPA rates based on those assumptions in January/February and the numbers are provided to SAWPA. OCSD then goes through their budget process and gets it approved in May/June, which then is provided to SAWPA as the final number. Every five (5) years OCSD will do a Rate Study and make rate adjustments. OCSD uses a consulting firm to look over all their operations and move the cost components to make sure they are appropriately distributing them to BOD, Flow and TSS. Because the methodology changes every five (5) years, rate spikes up or down can occur. It was questioned when the last Rate Study was published. Lorenzo Tyner noted December 2017 for the rate adjustment that went into effect in FY 2018. One of the main reasons there's a big increase is because the rates weren't fully increased based on the budget increase and rate study from last year. Over the last ten (10) years there has been an average 3% rate increase per year for SAWPA.

Shivaji Deshmukh questioned if when the five (5) year rate study is done and the three (3) constituents are re-allocated, do the changes get implemented right away or are they spread out throughout the five (5) years? Lorenzo Tyner noted that they're implemented right away. Paul Jones asked does the December 2017 Rate Study recognize the rate projections, and Lorenzo Tyner noted that there is an assumption that the flows will stay the same or increase. Rich Haller noted that SAWPA is proposing to create a rate stabilization fund by transferring \$ 1M from the operating reserve account to the rate stabilization account. Karen Williams noted there's \$ 3.8M in the operating reserves account and we only need to have \$ 1.7M (equal to 90 days of operating budget), therefore \$ 1M can be transferred. The shortfall caused by the larger than expected OCSD rate increase is \$227,000, which would be taken from the rate stabilization fund. The next OCSD Rate Study will be done in December 2022. Paul Jones requested Rich Haller to provide him a chart of OCSD's projected rates and the adopted actual rates for SAWPA for the past five (5) years.

## **FUTURE SAWPA COMMISSION AGENDA ITEMS**

Rich Haller reviewed the handout provided of the Agenda Planning Matrix (SAWPA Commission, OWOW Steering Committee, PA22, and PA23). Rich Haller noted there was a few corrections to the Commission Agenda Planning Matrix; the OWOW Conference Final Report is moved to June 4, as well as the SAWPA and WMWD

Parking Lot Restoration MOU. Paul Jones questioned the status on PA24? Craig Miller noted that he's been working with Commissioner Dennstedt to do one last final review and suggests moving it forward for discussion at the next SAWPA Commission meeting. Rich Haller noted he will bring PA24 forward for Commission discussion and approval on May 21. Craig Miller noted that PA24 is on the Agenda for their Ad Hoc Committee meeting scheduled for Thursday, May 16 at 3:30 p.m. Paul Jones suggested Rich Haller be reachable by telephone during that time if any questions arise. Craig Miller requested the latest draft of the PA24 be distributed to him with the red lines added to address Commissioner Dennstedt's concerns shown in redline/strikeout format prior to the Thursday meeting. Rich Haller suggested that the PA22 Committee meeting scheduled for Thursday, May 23 be cancelled. The General Managers present concurred.

### **OWOW UPDATE**

Mark Norton informed the General Managers that the OWOW Steering Committee is scheduled for May 23. A list of projects will be brought forward for consideration for the Proposition 1 Integrated Regional Water Management (IRWM) Grant Program. There are eight (8) projects that will be presented, not including Orange County projects. Orange County will be doing their own rating and ranking of projects and with the new Project Solicitation Package (PSP) released by DWR, Orange County has reopened their own "Call for Projects". Based on the MOU Agreement, Orange County can have the maximum of four (4) projects, so it is anticipated to have a total of twelve (12) projects to submit to DWR. It was questioned if the MOU Agreement has been executed? Mark Norton noted that SAWPA was still awaiting the latest version of the MOU from Orange County parties. It is anticipated to bring forward the list of projects for Commission approval on June 4. There is a Pre-Application Workshop with DWR scheduled for August 12.

### **ROUNDTABLES UPDATE**

Mark Norton provided a verbal update on the Basin Monitoring Program Task Force. The efforts to conclude the Wasteload Allocation is being done by Geoscience. The Ambient Water Quality Update is being worked on by Water Systems Consulting. 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. Orange County Water District is taking the lead in preparing the EC sampling and laboratory analysis plan. A joint Request for Qualifications (RFQ) between SAWPA and LESJWA has been developed for the regulatory strategist support services for the TMDL Task Forces. Risk Sciences/Tim Moore is anticipated to retire June 2020.

### **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 discharges to the Brine Line on March 6. Since then, Inland Bioenergy has submitted all information requested and paid all their fees. The Civil Penalty Order has been closed and the permit has been terminated. Member Agency and contract agency audits were conducted late last year, and the Audit response letters will be distributed this week.
- b. Reach IV-D Corrosion Investigation Work – Woodard and Curran conducted a two-day field investigation. Reach IV-D and IV-E of the Brine Line were shut down 5/12 – 5/13, and the JCSO service area dischargers were diverted to the WRCRWA plant. It is anticipated to have the report completed with results within thirty (30) days.
- c. OCSO Rock Removal – The contractor has mobilized to the OCSO Rock Removal site and were in the process of performing the bird survey. Fish and Wildlife has requested the survey be halted because their bird survey was just completed and they didn't want the birds to be disturbed twice. Fish and Wildlife stated they would provide the bird survey information to compare the work locations and start work or place sound walls.
- d. Beaumont Connection to Brine Line – Beaumont is constructing their wastewater treatment plant upgrades and are about 30 days behind schedule due to the rain. SAWPA is working with Beaumont on drafting a letter to reflect the status.

- e. Joint Policy Committee Meeting – The Joint Policy Committee met in April. The main items of discussion were on Beaumont and the OCS D Rates. It was suggested to meet twice a year.
- f. Aramark – There's interest in purchasing capacity through WMWD and connecting to the Brine Line.

### **OPERATIONS UPDATE**

Carlos Quintero provided updates on the following:

- a. Brine Line O&M Activities – Routine maintenance continues and the exercising valves in the Reach V area. There were five (5) “frozen” blow-off valves in need of replacement. Replacement will require close coordination with EMWD. Line cleaning is being worked on in Reach IV-E.
- b. Building Improvements – A list of items/options will be brought forward for SAWPA Commission approval on May 21. Recommendations to make improvements to the Lunchroom, Library, OWOW Room, and Restrooms will also be brought forward for Commission approval.
- c. Parking Lot Status – The SAWPA and WMWD MOU is being finalized and it is anticipated to be brought forward for Commission approval in June.

### **WEBSITE**

Dean Unger provided a brief presentation of the new SAWPA website that went into effect January 1, 2019. The new website reflects a more consistent design and a mobile phone compatibility in viewing the latest Agendas and Notices and being ADA compliant by having the options to make the fonts larger.

### **SCHEDULING – NEXT GM MEETING**

The next General Managers meeting is scheduled for June 11, 2019, at 7:30 a.m. at SAWPA. The meeting adjourned at 8:35 a.m.

**COMMISSION REVIEW:** May 21, 2019

2019-5-14 GM Mtg Notes