



SAWPA

SANTA ANA WATERSHED PROJECT AUTHORITY
11615 Sterling Avenue, Riverside, California 92503 • (951) 354-4220

PURSUANT TO THE PROVISIONS OF EXECUTIVE ORDER N-29-20, THIS MEETING WILL BE CONDUCTED VIRTUALLY. ALL VOTES TAKEN WILL BE CONDUCTED BY ORAL ROLL CALL.

This meeting will be accessible as follows:

Meeting Access Via Computer (Zoom)*:	Meeting Access Via Telephone*:
<ul style="list-style-type: none"> https://sawpa.zoom.us/j/95813658053 	<ul style="list-style-type: none"> 1 (669) 900-6833
<ul style="list-style-type: none"> Meeting ID: 958 1365 8053 	<ul style="list-style-type: none"> Meeting ID: 958 1365 8053
* Participation in the meeting via the Zoom app (a free download) is strongly encouraged	

REGULAR COMMISSION MEETING TUESDAY, JUNE 1, 2021 – 9:30 A.M.

AGENDA

1. CALL TO ORDER/PLEDGE OF ALLEGIANCE (Jasmin A. Hall, 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. ITEMS TO BE ADDED OR DELETED
5. CONSENT CALENDAR
All matters listed on the Consent Calendar are considered routine and non-controversial and will be acted upon by the Commission by one motion as listed below.
 - A. APPROVAL OF MEETING MINUTES: MAY 18, 20217
Recommendation: Approve as posted.
 - B. TREASURER’S REPORT – APRIL 202111
Recommendation: Approve as posted.
6. SPECIAL COMMENDATIONS
 - A. SERVICE PIN PRESENTATIONS
 - 30-Year Pin: Mark Norton
7. WORKSHOP DISCUSSION AGENDA
 - A. LEGISLATIVE REPORT
Presenter: Michael Boccadoro, President, West Coast Advisors
Recommendation: Receive and file.

8. NEW BUSINESS

- A. STATEMENT OF INVESTMENT POLICY (CM#2021.40).....17**
Presenter: Karen Williams
Recommendation: Adopt Resolution No. 2021-5, approving the Statement of Investment Policy and delegate authority to the Chief Financial Officer to invest or reinvest funds consistent with the Statement of Investment Policy.
- B. INLAND EMPIRE BRINE LINE RATE RESOLUTION (CM#2021.41).....41**
Presenter: Carlos Quintero
Recommendation: Adopt Resolution No. 2021-4 establishing the new Inland Empire Brine Line rates to be effective July 1, 2021 (FY2021-22).
- C. REGULATORY SUPPORT FOR BASIN MONITORING PROGRAM TASK FORCE, MIDDLE SANTA ANA RIVER PATHOGEN TMDL TASK FORCE AND EMERGING CONSTITUENTS PROGRAM TASK FORCE (CM#2021.42).....63**
This item is subject to the provisions of Project Agreement 26
Presenter: Mark Norton
Recommendation: Authorize the General Manager to execute the following:
1. Task Order KSC374-02 with Kahn Soares & Conway in the amount not to exceed \$116,000.00 (\$50,000.00 for FY2021-22 and \$66,000.00 for FY2022-23), to provide strategic and regulatory support for the Basin Monitoring Program Task Force.
2. Task Order KSC384-02 with Kahn Soares & Conway in the amount not to exceed \$149,750.00 (\$74,375.00 for FY2021-22 and \$75,375.00 for FY2022-23), to provide strategic and regulatory support for the Middle Santa Ana River Pathogen TMDL Task Force.
3. Task Order KSC392-02 with Kahn Soares & Conway in the amount not to exceed \$46,500.00 (\$23,000.00 for FY2021-22 and \$23,500.00 for FY22-23), to provide strategic and regulatory support for the Emerging Constituents Program Task Force.
- D. DISADVANTAGED COMMUNITY INVOLVEMENT (DCI) PROGRAM STATUS (CM#2021.43)91**
This item is subject to the provisions of Project Agreement 25
Presenter: Rick Whetsel
Recommendation: Receive and file informational report about the status of the Disadvantaged Communities Involvement (DCI) Program.

9. INFORMATIONAL REPORTS

Recommendation: Receive for information.

- A. CHAIR’S COMMENTS/REPORT**
- B. COMMISSIONERS’ COMMENTS**
- C. COMMISSIONERS’ REQUEST FOR FUTURE AGENDA ITEMS**

10. CLOSED SESSION

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

11. ADJOURNMENT

PLEASE NOTE:

Americans with Disabilities Act: If you require any special disability related accommodations to participate in this meeting, call (951) 354-4220 or email svilla@sawpa.org. 48-hour notification prior to the meeting will enable staff to make reasonable arrangements to ensure accessibility for this meeting. Requests should specify the nature of the disability and the type of accommodation requested.

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

Declaration of Posting

I, Sara Villa, Acting Clerk of the Board of the Santa Ana Watershed Project Authority declare that on May 27, 2021, a copy of this agenda has been uploaded to the SAWPA website at www.sawpa.org and posted at SAWPA's office, 11615 Sterling Avenue, Riverside, California.

2021 SAWPA Commission Meetings/Events

First and Third Tuesday of the Month

(NOTE: All meetings begin at 9:30 a.m., unless otherwise noticed, and are held at SAWPA.)

<p>January</p> <p>1/5/21 Commission Workshop [cancelled] 1/5/21 Special Commission Meeting 1/8/21 Special Commission Meeting 1/12/21 Special Commission Meeting 1/19/21 Regular Commission Meeting</p>	<p>February</p> <p>2/2/21 Commission Workshop 2/16/21 Regular Commission Meeting</p>
<p>March</p> <p>3/2/21 Commission Workshop 3/16/21 Regular Commission Meeting</p>	<p>April</p> <p>4/6/21 Commission Workshop 4/20/21 Regular Commission Meeting</p>
<p>May</p> <p>5/4/21 Commission Workshop 5/18/21 Regular Commission Meeting 5/12 – 5/13/21 ACWA Spring Virtual Conference & Exhibition</p>	<p>June</p> <p>6/1/21 Commission Workshop 6/15/21 Regular Commission Meeting</p>
<p>July</p> <p>7/6/21 Commission Workshop 7/20/21 Regular Commission Meeting</p>	<p>August</p> <p>8/3/21 Commission Workshop 8/17/21 Regular Commission Meeting</p>
<p>September</p> <p>9/7/21 Commission Workshop 9/21/21 Regular Commission Meeting</p>	<p>October</p> <p>10/5/21 Commission Workshop 10/19/21 Regular Commission Meeting</p>
<p>November</p> <p>11/2/21 Commission Workshop 11/16/21 Regular Commission Meeting</p>	<p>December</p> <p>12/7/21 Commission Workshop 12/21/21 Regular Commission Meeting 11/30 – 12/3/21 ACWA Fall Conference, Pasadena</p>

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SAWPA COMPENSABLE MEETINGS

IMPORTANT NOTE: Due to the spread of COVID-19, and until further notice, the Santa Ana Watershed Project Authority will be holding all upcoming meetings by teleconferencing. Participation information will be included on each posted agenda or meeting notice.

In addition to Commission 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: June 2021

DATE	TIME	MEETING DESCRIPTION	LOCATION
6/1/21	8:30 AM	PA 23 Committee Mtg	VIRTUAL/TELEPHONICALLY
6/1/21	10:00 AM	PA 24 Committee Mtg	VIRTUAL/TELEPHONICALLY
6/8/21	8:30 AM	PA 22 Committee Mtg	VIRTUAL/TELEPHONICALLY
6/17/21	4:00 PM	LESJWA Board of Directors Mtg	VIRTUAL/TELEPHONICALLY
6/21/21	1:30 PM	MSAR TMDL/Regional WQ Monitoring Task Force Mtg	VIRTUAL/TELEPHONICALLY
6/23/21	1:30 PM	Lake Elsinore/Canyon Lake TMDL Task Force Mtg	VIRTUAL/TELEPHONICALLY
6/24/21	10:00 AM	OWOW Stakeholder Mtg	VIRTUAL/TELEPHONICALLY
6/29/21	1:30 PM	Basin Monitoring Program Task Force Mtg	VIRTUAL/TELEPHONICALLY

MONTH OF: July 2021

DATE	TIME	MEETING DESCRIPTION	LOCATION
7/6/21	10:00 AM	PA 24 Committee Mtg	VIRTUAL/TELEPHONICALLY
7/13/21	8:30 AM	PA 22 Committee Mtg	VIRTUAL/TELEPHONICALLY
7/22/21	11:00 AM	OWOW Steering Committee Mtg	VIRTUAL/TELEPHONICALLY

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
MAY 18, 2021**

COMMISSIONERS PRESENT

Jasmin A. Hall, Chair, Inland Empire Utilities Agency
Bruce Whitaker, Vice Chair, Orange County Water District
Brenda Dennstedt, Secretary-Treasurer, Western Municipal Water District
David J. Slawson, Eastern Municipal Water District
June D. Hayes, San Bernardino Valley Municipal Water District

COMMISSIONERS ABSENT

None

ALTERNATE COMMISSIONERS PRESENT; NON-VOTING

T. Milford Harrison, Alternate, San Bernardino Valley Municipal Water District
Kelly E. Rowe, Alternate, Orange County Water District

STAFF PRESENT

Jeff Mosher, Karen Williams, Mark Norton, Dean Unger, David Ruhl, Carlos Quintero, Marie Jauregui, Rick Whetsel, Sara Villa, Pete Vitt

OTHERS PRESENT

Andrew D. Turner, Lagerlof, LLP; Nick Kanetis, Eastern Municipal Water District; Cathy Pieroni, Inland Empire Utilities Agency; Ken Tam, Inland Empire Utilities Agency; Shivaji Deshmukh, Inland Empire Utilities Agency; Nelida Mendoza, Orange County Water District; Craig Miller, Western Municipal Water District; Mallory Gandara, Western Municipal Water District; Brooke Jones, Yorba Linda Water District

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

1. CALL TO ORDER

Pursuant to the provisions of Executive Order N-29-20, this meeting was conducted virtually, and all votes were taken by oral roll call.

2. ROLL CALL

An oral roll call was duly noted and recorded by the Clerk of the Board.

3. PUBLIC COMMENTS

There were no public comments; there were no public comments received via email.

4. ITEMS TO BE ADDED OR DELETED

There were no added or deleted items.

5. CONSENT CALENDAR

A. APPROVAL OF MEETING MINUTES: MAY 4, 2021

Recommendation: Approve as posted.

MOVED, approve the Consent Calendar.

Result:	Adopted by Roll Call Vote (Unanimously)
Motion/Second:	Dennstedt/Hayes
Ayes:	Dennstedt, Hall, Hayes, Slawson, Whitaker
Nays:	None
Abstentions:	None
Absent:	None

6. NEW BUSINESS

A. SOUTHERN CALIFORNIA SALINITY COALITION STATUS REPORT (CM#2021.36)

Mark Norton provided a presentation on the Southern California Salinity Coalition (SCSC) Status Report contained in the agenda packet on pages 15–30. The SCSC was formed in 2002 to address the critical needs and methods to remove salts and reserve valuable resources. The impacts of salinity are that it limits use of groundwater basins, increases cost of recycled water, damages household appliances/fixtures, reduces agricultural crop yields, and imparts unpleasant taste in drinking water. The SCSC provides funding for research projects that address the needs to control salinity in water resources and reduce salinity in potable water, wastewater, and recycled water. Mr. Norton noted that a proposal was received by Orange County Water District for a pilot research project, this would evaluate the flow-reversal reverse osmosis for municipal potable reuse. The SCSC offers a graduate fellowship program for about \$10,000 per year; the fellowships are offered to a graduate student to conduct research to address salinity issues. It is anticipated that the SCSC will hold a Virtual Salinity Summit in fall of 2021 to provide information to agencies, discuss recent legislation, and recruit new members. The members of the SCSC contribution of annual dues are \$10,000/year, and the value is to promote the collaboration on common salinity management issues, implementing multi-year research programs, and communicate compelling information regarding salinity management to the public.

Commissioner T. Milford Harrison questioned when the last summit was held and why is it scheduled to be virtual; Mr. Norton noted the last summit was held about three (3) years ago at the Metropolitan Water District, and it is being virtual due to the uncertainty about whether large gatherings of in person type of events are still going to be possible or feasible. Commissioner Hayes referred to the Salinity in Imported Supplies slide (page 18 in the agenda packet) and questioned why there is a consistent cyclical pattern to the TDS in Lake Matthews; Jeff Mosher noted that it is due to how Lake Powell and Lake Mead are operated and due to the wet and dry seasons. Commissioner Hayes asked about the annual dues of \$10,000/year; Mr. Norton noted that the annual dues have been the same since 2002 and there is an annual budget that SCSC goes through and tracks the needs to operate the organization and to support needed projects. Chair Hall asked about the cost of the Summit and if fellowships can apply at any time; Mr. Norton noted that there is no fee to attend the summit, and there is typically a window every other year for a fellowship to apply.

This item was for informational and discussion purposes; no action was taken on Agenda Item No. 6.A.

B. DISADVANTAGED COMMUNITIES WATER SYSTEM GRANT SUPPORT WORKSHOP (CM#2021.37)

Rick Whetsel provided a presentation on the Disadvantaged Communities Water System Grant Support Workshop contained in the agenda packet on pages 33–38. SAWPA staff is proposing a workshop on May 25 for SAWPA member agency staff to discuss a concept for a new regional fund assistance program. The purpose of the fund would be to provide technical assistance support to small water systems who lack the staffing and technical expertise to apply for and manage government grants. The SAWPA Member Agency General Managers recommended that SAWPA conduct a workshop to determine the need for ongoing outreach to water systems supporting disadvantaged and Tribal communities and to learn more about the California Rural Water Association support services available. Commissioner Hayes questioned if there is a way to ensure that the small water agencies keep up with what SAWPA helps them do and not let the system deteriorate afterward. Mr. Whetsel noted that within the grant there is criteria that the programs and projects would be maintained and upkeep for a certain amount of time. Commissioner Dennstedt asked about what staff level is intended for the workshop; Mr. Whetsel noted that the workshop is planned for member agency staff to gather information from the member agencies on their efforts. Jeff Mosher noted there is a timing element due to \$4 million that is going to be in Proposition 1 Round 2 for disadvantaged communities, and part of the proposals that would be developed would be under this proposed program. This program will be brought back to the Commission for consideration if that is what is from the outcome of the workshop to ensure that there will be time to develop proposals. Chair Hall noted she is interested in learning more about how many small agencies need our assistance and how they are identified and would like to participate in the workshop.

This item was for informational and discussion purposes; no action was taken on Agenda Item No. 6.B.

7. INFORMATIONAL REPORTS

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

A. CASH TRANSACTIONS REPORT – MARCH 2021

B. INTER-FUND BORROWING – MARCH 2021 (CM#2021.38)

C. PERFORMANCE INDICATORS/FINANCIAL REPORTING – MARCH 2021 (CM#2021.39)

D. PROJECT AGREEMENT 25 – OWOW FUND – FINANCIAL REPORT, FEBRUARY 2021

E. PROJECT AGREEMENT 26 – ROUNDTABLE FUND – FINANCIAL REPORT, FEBRUARY 2021

F. GENERAL MANAGER REPORT

Jeff Mosher informed the Commission of the passing of our SAWPA employee, Jerry Oldenburg. Commissioner Hayes recommended sending a sympathy letter to the family on behalf of the SAWPA Commission and staff.

G. STATE LEGISLATIVE REPORT

Jeff Mosher noted that previously the Commission approved a support letter for the bond efforts, which is still being processed, though things have shifted to provide a support letter on behalf of SAWPA and other IRWM Regions to support Inclusion of Integrated Regional Water Management funding in Drought Relief and Resiliency Package.

H. CHAIR'S COMMENTS/REPORT

There were no comments/reports from the Chair.

I. COMMISSIONERS' COMMENTS

Commissioner Slawson noted that with regards to the disadvantaged communities; a lot of the smaller water companies are private mutual water companies, so there is stock ownership and value to that. This grant program allowed giving grants to private companies where under State law, individual water districts should not be giving something of value to a small mutual or private company, and as a water agency we need to be careful.

J. COMMISSIONERS' REQUEST FOR FUTURE AGENDA ITEMS

Commissioner Dennstedt requested a future discussion agenda item on updating the Strategic Plan for SAWPA. The last Strategic Plan done was in 2011 with a review in 2016, and it is time to go over the short-term and long-term goals and focus on the mission, vision, and the future direction for SAWPA. Commissioner Dennstedt also noted that SAWPA is moving into the next phase of renovating the lobby and she was asked to continue to be involved in the process. All Commissioners expressed their full support with Commissioner Dennstedt involvement with the renovation of the SAWPA lobby; and concurred in having the Strategic Plan as a future agenda item for discussion.

8. CLOSED SESSION

There was no closed session.

9. ADJOURNMENT

There being no further business for review, Chair Hall adjourned the meeting at 10:26 a.m. in memory of Jerry Oldenburg and his contributions to SAWPA over the years.

Approved at a Regular Meeting of the Santa Ana Watershed Project Authority Commission on Tuesday, June 1, 2021.

Jasmin A. Hall, Chair

Attest:

Sara Villa, Acting Clerk of the Board

*Santa Ana Watershed
Project Authority*



Finance Department

Santa Ana Watershed Project Authority
TREASURER'S REPORT

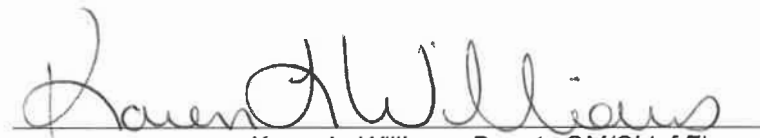
April 2021

During the month of April 2021, the Agency's actively managed temporary idle cash earned a return of 1.712%, representing interest earnings of \$12,249. Additionally, the Agency's position in overnight funds L.A.I.F. generated \$13,045 in interest, resulting in \$25,294 of interest income from all sources. Please note that this data represents monthly earnings only, and does not indicate actual interest received. There was one (1) investment position purchased, zero (0) positions sold, one (1) position matured, and zero (0) positions were called.

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

May 11, 2021

Prepared and Submitted by:


Karen L. Williams, Deputy GM/Chief Financial
Officer

Santa Ana Watershed Project Authority

INVESTMENT PORTFOLIO - MARKED TO MARKET - UNREALIZED GAINS & LOSSES

April 30, 2021

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

Investment	Security		Purchase	Maturity	Call Date		Yield To	Investment	Market Value	Unrealized	Coupon	Interest	
Type	Type	CUSIP	Dealer	Date	Date	(if appl)	Par Value	Maturity	Cost	Current Month	Gain / (Loss)	Rate	Earned
Agency	FHLMC	3137EAEC9	WMS	09-16-16	08-12-21	No Call	\$ 1,000,000.00	1.335%	\$ 990,060.00	\$ 1,003,099.00	\$ 13,039	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	\$ 507,979.50	\$ (4,788)	2.375%	\$ 976.03
Agency	FHLB	313379Q69	WMS	12-14-17	06-10-22	No Call	\$ 1,000,000.00	2.150%	\$ 998,930.00	\$ 1,022,392.00	\$ 23,462	2.125%	\$ 1,767.21
Agency	FHLB	3130A3GE8	MBS	02-04-20	12-13-24	No Call	\$ 500,000.00	1.414%	\$ 531,250.00	\$ 539,502.50	\$ 8,253	2.750%	\$ 581.14
Agency	FNMA	3135G0X24	MBS	02-04-20	01-07-25	No Call	\$ 500,000.00	1.398%	\$ 505,380.00	\$ 519,140.50	\$ 13,761	1.625%	\$ 574.56
Agency	FNMA	3135G05X7	WMS	10-30-20	08-25-25	No Call	\$ 1,000,000.00	0.460%	\$ 995,952.00	\$ 985,616.00	\$ (10,336)	0.375%	\$ 378.08
Agency	USTN	912828S76	WMS	12-14-17	07-31-21	No Call	\$ 1,000,000.00	2.013%	\$ 969,062.50	\$ 1,002,642.00	\$ 33,580	1.125%	\$ 1,654.36
Agency	USTN	91282CAZ4	WMS	04-19-21	11-30-25	No Call	\$ 1,000,000.00	0.761%	\$ 982,500.00	\$ 981,992.00	\$ (508)	0.375%	\$ 229.24
CORP	Apple Inc	037833AK6	WMS	10-15-18	05-03-23	No Call	\$ 500,000.00	3.360%	\$ 479,898.50	\$ 520,782.50	\$ 40,884	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	\$ 535,854.50	\$ 38,107	3.450%	\$ 1,458.90
CD	American Express	02587DP85	WMS	04-19-17	04-19-21	No Call	\$ -	2.250%	\$ -	\$ -	\$ -	2.250%	\$ 290.47
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	Sallie Mae BK SLT Lake City	7954503Q6	MBS	07-01-19	06-27-22	No Call	\$ 247,000.00	2.250%	\$ 247,000.00	\$ 247,000.00	\$ -	2.250%	\$ 456.78
CD	Morgan Stanley Bank NA	6169OUHP8	MBS	07-05-19	07-05-22	No Call	\$ 247,000.00	2.200%	\$ 247,000.00	\$ 247,000.00	\$ -	2.200%	\$ 446.63
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
Total Actively Invested Funds							\$ 8,490,000.00		\$ 8,453,547.50	\$ 8,609,000.50	\$ 155,453	1.712%	\$ 12,249.48
Total Local Agency Investment Fund									\$46,817,061.53			0.339%	\$ 13,044.64
Total Invested Cash							\$ 8,490,000.00		\$55,270,609.03			0.536%	\$ 25,294.12

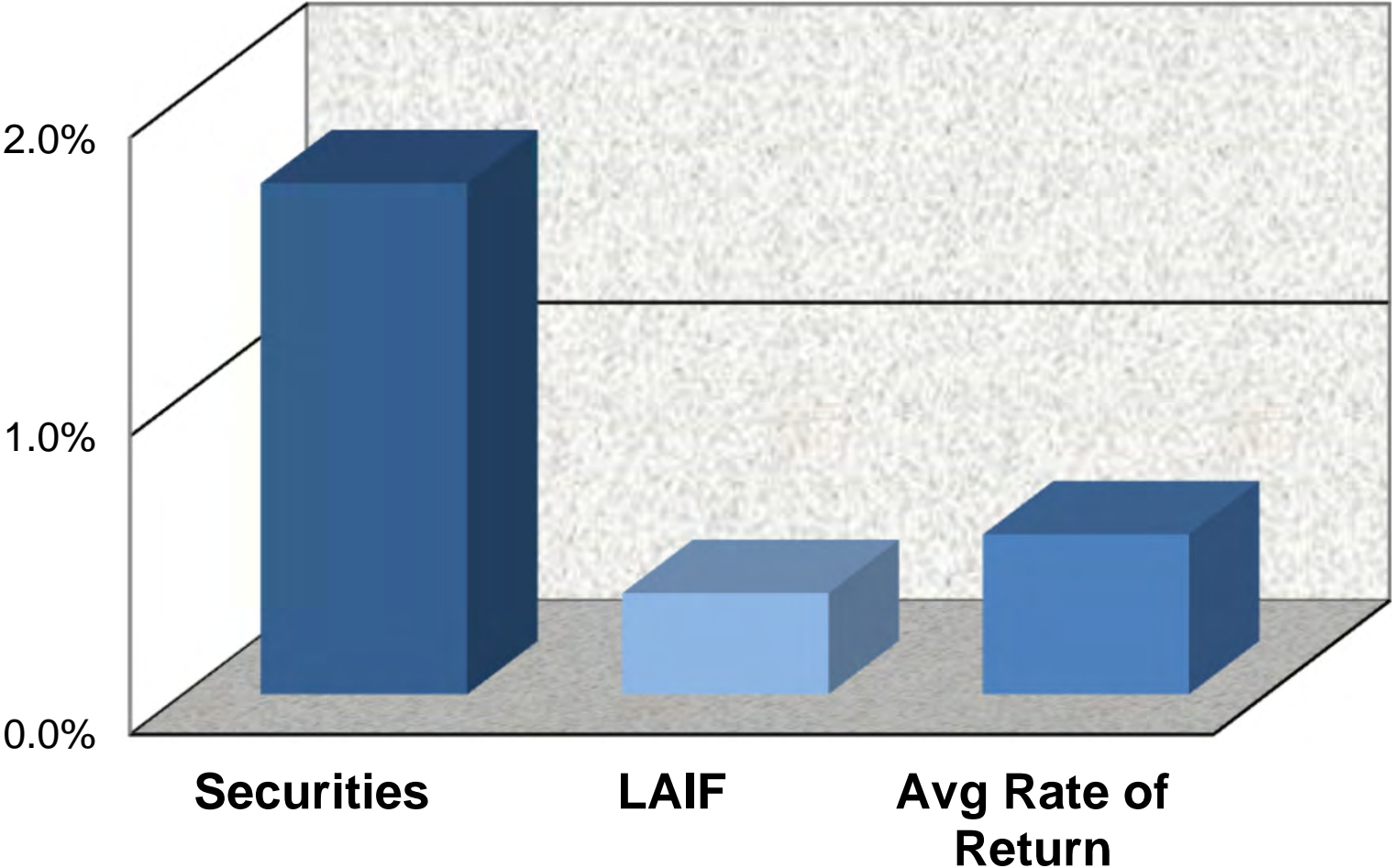
Key to Security Type:

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

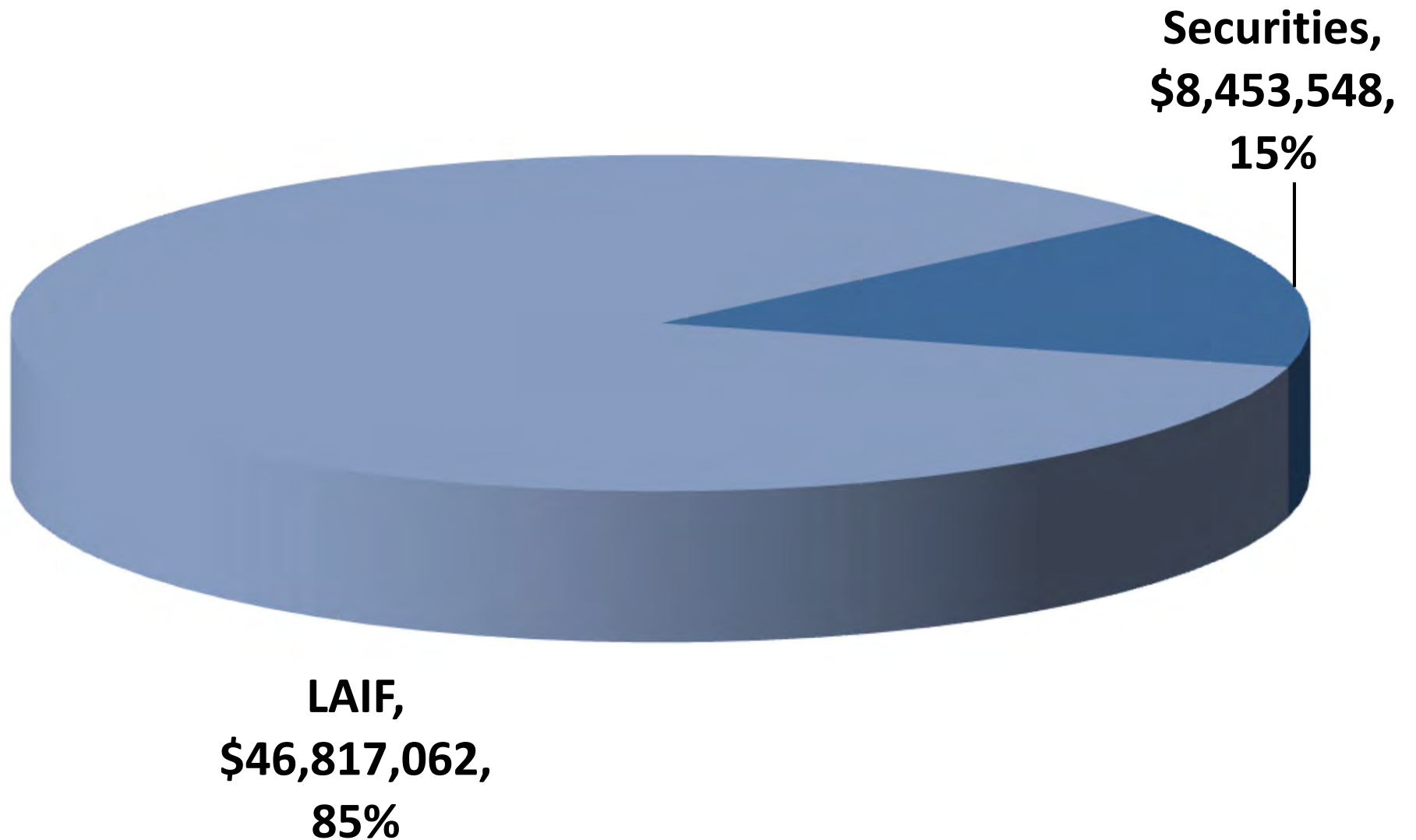
Interest Rate Analysis

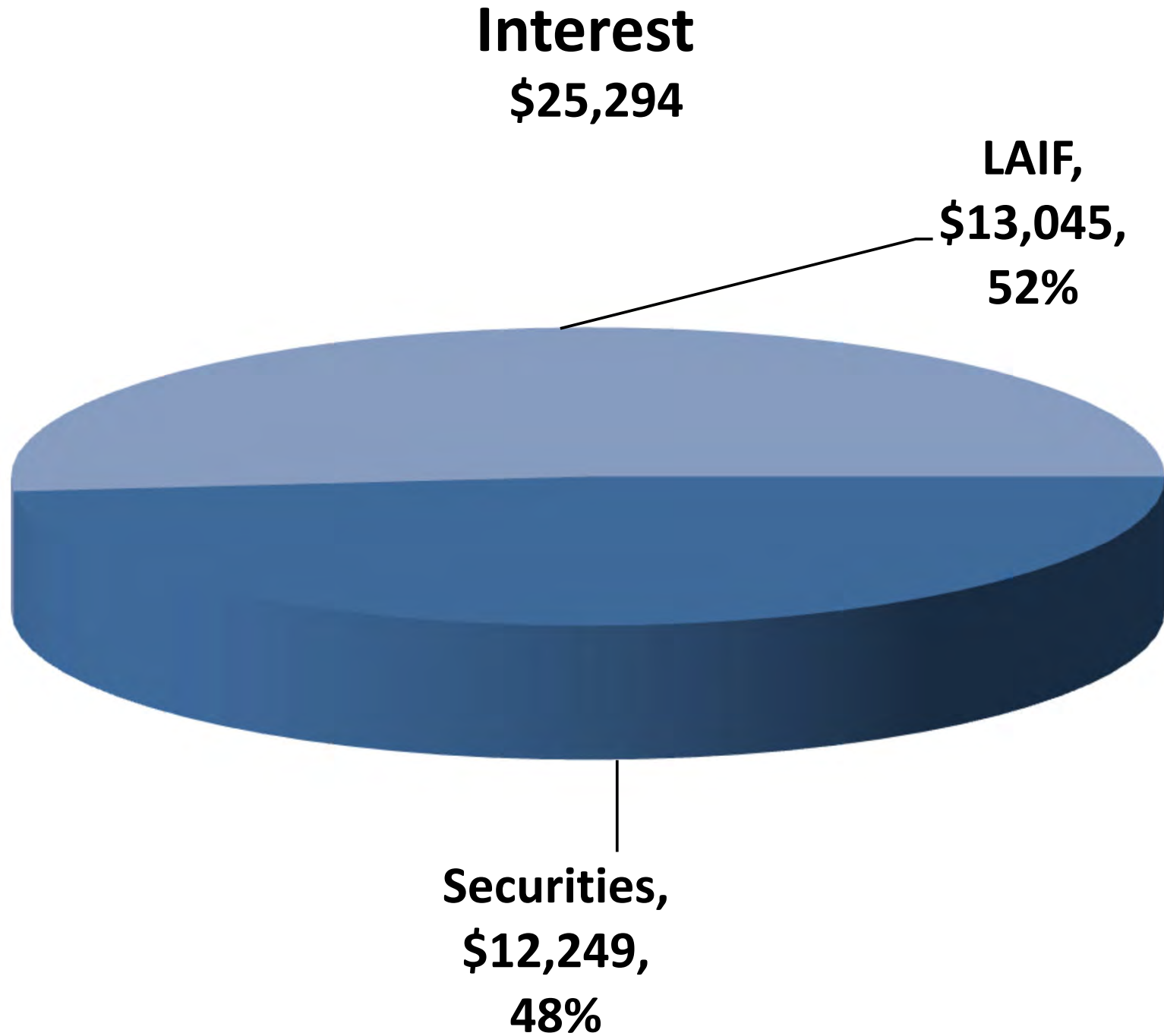


April-2021

Investments

\$55,270,609





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COMMISSION MEMORANDUM NO. 2021.40

DATE: June 1, 2021

TO: SAWPA Commission

SUBJECT: Statement of Investment Policy

PREPARED BY: Karen Williams, Chief Financial Officer

RECOMMENDATION

It is recommended that the Commission adopt Resolution No. 2021-5, approving the Statement of Investment Policy and delegate authority to the Chief Financial Officer to invest or reinvest funds consistent with the Statement of Investment Policy.

DISCUSSION

Investment policies and practices of SAWPA are based upon Federal and State laws and prudent money management. California law requires that the Commission annually adopt a Statement of Investment Policy. California law permits the Commission to delegate to the Chief Financial Officer, if it so desires, the authority to invest or reinvest SAWPA's funds, or to sell or exchange securities for a period of one year. Upon such delegation, the Chief Financial Officer assumes full responsibility for those transactions, and shall make monthly reports of those transactions to the Commission. All such investments made by the Chief Financial Officer shall strictly comply with the Statement of Investment Policy as annually adopted by the Commission.

In 2019, the Statement of Investment Policy was completely revised and was developed under the guidelines of the California Municipal Treasurers Association (CMTA) Investment Policy Certification Program. This program developed by the CMTA with support from the California Debt and Investment Advisory Commission (CDIAC), provides professional guidance and assistance in improving existing investment policies in California's public sector agencies and districts. The policy was submitted to the CMTA and it received certification.

The attached Statement of Investment Policy has been reviewed by staff, and it was determined that no significant changes were needed from the policy that was approved by the Commission last year.

RESOURCE IMPACTS

No additional staff or costs are anticipated at this time.

Attachments:

1. Resolution No. 2021-5
2. Statement of Investment Policy 2021

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RESOLUTION NO. 2021-5

A RESOLUTION OF THE COMMISSION OF THE SANTA ANA WATERSHED PROJECT AUTHORITY ANNUALLY APPROVING A STATEMENT OF INVESTMENT POLICY AND DELEGATING AUTHORITY TO THE CHIEF FINANCIAL OFFICER TO INVEST OR REINVEST FUNDS CONSISTENT WITH THE STATEMENT OF INVESTMENT POLICY

WHEREAS, the Legislature of the State of California has declared that the deposit and investment of public funds by local officials and local agencies is an issue of statewide concern (Government Code, Section 53600.6 and 53630.1);

WHEREAS, the Commission of the Santa Ana Watershed Project Authority ("SAWPA") may invest surplus monies not required for the immediate necessities of SAWPA in accordance with the provisions of Government Code, Sections 53600 et seq.;

WHEREAS, the Chief Fiscal Officer, hereby identified as the Chief Financial Officer, is required to annually prepare and submit a Statement of Investment Policy, and any changes thereto, which shall be reviewed and approved by the Commission (Government Code, Section 53646(a));

WHEREAS, Section 6505.6 of the Government Code permits a joint powers authority to delegate the duties and responsibilities of a treasurer to another SAWPA position;

WHEREAS, the Chief Financial Officer is the employee that has been designated by SAWPA to comply with the duties and responsibilities of the treasurer's office as set forth in Sections 6505 and 6505.5 of the Government Code;

WHEREAS, Section 53607 of the Government Code permits the Commission to delegate its authority to invest or reinvest SAWPA's funds to the Chief Financial Officer; and

WHEREAS, all such investments, whether authorized by the Commission or delegated to the Chief Financial Officer, must comply with the requirements of SAWPA's Statement of Investment Policy.

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

1. The attached Statement of Investment Policy is hereby approved and shall govern the investment of SAWPA's funds.
2. The Chief Financial Officer shall comply with the duties and responsibilities of the office of the treasurer as set forth in Sections 6505 and 6505.5 of the Government Code.
3. As permitted under Section 53607 of the Government Code, the authority of the Commission to invest or reinvest SAWPA's funds, or to sell or exchange securities so purchased, is hereby delegated for a period of one year by the Commission to SAWPA's Chief Financial Officer who shall assume full responsibility for those transactions until the delegation of authority, and shall make a monthly report of those transactions to the Commission. Subject to review, the Commission may renew the delegation of authority each year pursuant to Section 53607 of the Government Code.

4. All such investments made by the Chief Financial Officer shall strictly comply with SAWPA's Statement of Investment Policy adopted annually pursuant to Section 53646 of the Government Code.

ADOPTED this 1st day of June, 2021.

SANTA ANA WATERSHED PROJECT AUTHORITY

By:

Jasmin Hall, Chair

Attest:

Sara Villa, Acting Clerk of the Board

Attachment: Statement of Investment Policy

SANTA ANA WATERSHED PROJECT AUTHORITY STATEMENT OF INVESTMENT POLICY

1.0 POLICY

The purpose of this Investment Policy (“Policy”) is to provide guidelines for the prudent investment of the Santa Ana Watershed Project Authority (“Authority”) funds in conformance with California Government Code (CGC) requirements governing the investment of public funds. Funds will be managed to provide for daily cash flow requirements and to meet the objectives of this Policy.

2.0 SCOPE

This Policy applies to all operating funds of the Authority, which are under the control of the General Manager and/or the Chief Financial Officer. These funds are accounted for in the Authority’s Comprehensive Annual Financial Report (CAFR).

This Policy, however, specifically excludes the employees’ retirement and deferred compensation funds and the retiree health benefit trust. Additionally, funds held by a trustee or fiscal agent pledged to the payment or security of bonds or other indebtedness, shall comply with CGC Section 53601 (L).

Except for cash in certain restricted and special funds, the Authority will consolidate cash and reserve balances from all funds to maximize investment earnings and to increase efficiencies with regard to investment pricing, safekeeping and administration. Investment income will be allocated to the various funds based on their respective participation and in accordance with generally accepted accounting principles.

3.0 PRUDENCE

The standard of prudence to be used by designated representative shall be the “prudent investor” standard (CGC Section 53600.3) and shall be applied in the context of managing an overall portfolio. Persons authorized to make investment decisions on behalf of local agencies investing public funds are trustees and therefore fiduciaries subject to the prudent investor standard which states, “When investing, reinvesting, purchasing, acquiring, exchanging, selling and managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency.”

4.0 OBJECTIVES

As specified in CGC Section 53600.5, when investing, reinvesting, purchasing, acquiring, exchanging, selling, and managing public funds; the primary objectives, in priority order, of the investment activities shall be:

- A. *Safety*: Safety of principal is the Authority’s foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. To attain this objective, the Authority will diversify its investments by investing funds among independent financial institutions offering a variety of securities with independent returns. Investments shall be made

with the aim of avoiding capital losses due to issuer default, broker-dealer default, or market value erosion.

- B. *Liquidity*: The investment portfolio will remain sufficiently liquid to enable the Authority to meet all operating requirements which might be reasonably anticipated.
- C. *Return on Investment (Yield)*: The Authority's investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, as long as it does not diminish the objectives of Safety and Liquidity.

5.0 DELEGATION OF AUTHORITY

The authority of the Santa Ana Watershed Project Authority's Board of Commissioners (Commission) to invest or reinvest funds of the Authority is delegated by Resolution in conjunction with the annual investment policy review. Management responsibility for the investment program is hereby delegated to the Chief Financial Officer who shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials, and their procedures in the absence of the Chief Financial Officer. The Chief Financial Officer shall establish procedures for the management of investment activities, including the activities of staff consistent with this Policy.

The Chief Financial Officer may retain the services of an outside investment advisor or manager as approved by the Commission to assist with the Authority's investment program. Qualified outside managers will be either Securities and Exchange Commission (SEC) Registered Investment Advisors or Bank Money Managers. The investment advisor shall make all investment decisions and transactions in strict accordance with State and Federal law, this Policy and such other written instruction as are provided. The performance and service levels of investment advisors and managers shall be reviewed annually.

6.0 ETHICS AND CONFLICTS OF INTEREST

Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions. Employees and investment officials shall disclose to the Authority's General Manager any material financial interest in the financial institutions that conduct business with the Authority, and they shall further disclose any large personal financial/investment positions that could be related to the performance of the Authority.

7.0 AUTHORIZED FINANCIAL INSTITUTIONS AND DEALERS

The Authority will maintain a list of authorized broker/dealers and financial institutions that are approved for investment purposes. Broker/dealers will be selected for credit worthiness and must be authorized to provide investment services in the State of California. These may include "primary" dealers or regional dealers that qualify under the SEC Rule 15(C)3-1 (uniform net capital rule). No public deposit will be made by the broker/dealer except in a qualified public depository as established by the established state laws. Before a financial institution or broker/dealer is used, they are subject to investigation and approval by the Chief Financial Officer or his/her designated representative, and must submit the following:

- A. Certification of having read and understood this investment policy and agreeing to comply with the Authority's investment policy;
- B. Proof of Financial Industry Regulatory Authority (FINRA) certification;
- C. Proof of State of California registration;
- D. Audited financial statements for the institution's three most recent fiscal years;
- E. Completed broker/dealer questionnaire; and
- F. Evidence of adequate insurance coverage.

If the Authority has contracted with an investment advisor to provide investment services, the investment advisor may use their own list of approved issuers, broker/dealers, and financial institutions to conduct transactions on the Authority's behalf.

8.0 AUTHORIZED AND SUITABLE INVESTMENTS

The Authority's investments are governed by the California Government Code (CGC). Within the investments permitted by the CGC, the Authority seeks to further restrict eligible investments to the investments listed below. In the event an apparent discrepancy is found between this Policy and the CGC, the more restrictive parameters will take precedence. Percentage holding limits listed in this section apply at the date an investment is purchased. Credit ratings, as shown, specify the minimum credit rating category required at purchase without regard to +/- or 1, 2, 3 modifiers, if any. In the event a security held by the Authority is subject to a credit rating change that brings it below the minimum credit ratings specified in the Policy, the Chief Financial Officer should notify the Commission of the change. The course of action to be followed will then be decided on a case-by-case basis, considering such factors as the reason for the change, prognosis for recovery or further rate drops, and the market price of the security.

- A. **United States Treasury Issues.** United States Treasury notes, bonds, bills, or certificates of indebtedness, or those for which the full faith and credit of the United States are pledged for the payment of principal and interest. There is no limitation on the percentage of the portfolio that may be invested in this category.
- B. **United States Agency Obligations.** Federal agency or United States government-sponsored enterprise senior debt obligations, participations, mortgaged-backed securities, or other instruments, including those issued by or fully guaranteed as to principal and interest by Federal agencies or United States government-sponsored enterprises. Examples of these securities include the Government National Mortgage Association, the Federal National Mortgage Association, the Federal Farm Credit Bank, the Federal Home Loan Mortgage Corporation, and the Federal Home Loan Bank. There is no limitation on the percentage of the portfolio that may be invested in this category.
- C. **Municipal Debt.** Registered treasury notes or bonds of this state or any of the other 49 United States, including bonds payable solely out of revenues from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of this state or any of the other 49 United States.

Bonds, notes, warrants, or other evidence of indebtedness of any local agency, including the Authority's own bonds, within this state, including bonds payable solely out of revenues from a revenue-producing property owned, controlled, or operated by the local agency, or by a department, board, agency, or authority of the local agency.

Purchases are limited to securities that have a long-term debt rating of at least "A", or its equivalent, by a Nationally Recognized Statistical Rating Organization (NRSRO); and/or have a short-term debt rating of at least "A-1", or its equivalent by a NRSRO. A maximum of 30 percent of the portfolio may be invested in this category.

- D. **Medium-Term Notes.** Medium-term notes are defined as all corporate and depository institution debt securities with a maximum remaining maturity of five years or less, issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States. Purchases are limited to securities that have a long-term debt rating of at least "A", or its equivalent, by a NRSRO. A maximum of 30 percent of the portfolio may be invested in this category.
- E. **Negotiable Certificates of Deposit.** Negotiable certificates of deposits (NCDs) issued by a nationally or state-chartered bank, a savings association or a federal association (as defined by Section 5102 of the Financial Code), a state or federal credit union, or by a federally licensed or state-licensed branch of a foreign bank. Purchases are limited to institutions that have a long-term debt rating of at least "A", or its equivalent, by a NRSRO; and/or have a short-term debt rating of at least "A-1", or its equivalent, by a NRSRO. NCDs for which the full amount of the principal and interest that may be accrued during the maximum term of each certificate is insured by federal deposit insurance are exempt from the rating requirements. All purchases shall not exceed the Federal Deposit Insurance Corporation (FDIC) insured limit. The current FDIC Negotiable CD insured limit is \$250,000 (principal and interest). In combination with placement service CDs, a maximum of 30 percent of the portfolio may be invested in this category.
- F. **Placement Service Certificates of Deposit.** Certificates of deposits placed through a deposit placement service shall meet the requirements under CGC Section 53601.8. The full amount of the principal and the interest that may be accrued during the maximum term of each certificate of deposit shall, at all times, be insured by federal deposit insurance. In combination with negotiable certificates of deposit, a maximum of 30 percent of the portfolio may be invested in this category.
- G. **Bank Deposits.** FDIC insured or fully collateralized bank deposits, including, but not limited to, demand deposit accounts, savings accounts, market rate accounts, time deposits, and certificates of deposits in financial institutions located in California. Bank deposits are required to be collateralized as specified under CGC Section 53630 et. seq. Agreements allowing for the waiver of the collateral requirement for that amount of deposit covered by the FDIC may be implemented provided the remainder of the deposit is secured by collateral as required by the CGC. The Authority shall have a signed agreement with any depository accepting Authority funds per CGC Section 53649. The maturity of time deposits (TCDs) may not exceed one year. There is no

limit on the percentage of the portfolio that may be invested in bank deposits. However, a maximum of 20 percent of the portfolio may be invested in TCDs.

- H. **Commercial Paper.** Commercial paper of “prime” quality of the highest ranking or the highest letter and number rating as provided for by a NRSRO. The entity that issues the commercial paper shall meet all of the following conditions: (i) is organized and operating in the United States as a general corporation, (ii) has total assets in excess of five hundred million dollars (\$500,000,000), and (iii) has debt other than commercial paper, if any, that is rated at least “A”, or its equivalent, by a NRSRO.

Eligible commercial paper shall have a maximum maturity of 270 days or less and not represent more than 10 percent of the outstanding paper of an issuing corporation. A maximum of 15 percent of the portfolio may be invested in this category.

- I. **Bankers’ Acceptances.** Bankers’ acceptances, otherwise known as bills of exchange or time drafts, that are drawn on and accepted by a commercial bank. Purchases are limited to bankers’ acceptances issued by domestic banks, which are eligible for purchase by the Federal Reserve System. Purchases of bankers’ acceptances may not exceed 180 days maturity. Eligible bankers’ acceptances are restricted to issuing financial institutions with a short-term debt rating of at least “A-1”, or its equivalent, by a NRSRO. A maximum of 30 percent of the portfolio may be invested in this category.

- J. **State of California Local Agency Investment Fund (LAIF).** The LAIF is a special fund in the California State Treasury and an investment alternative for California’s local governments and special districts created and governed pursuant to CGC 16429.1 et seq. and managed by the State Treasurer’s Office. There is no limitation on the percentage of the portfolio that may be invested in this category. However, the amount invested may not exceed the current maximum allowed by LAIF.

- K. **Local Government Investment Pools (LGIP).** Shares of beneficial interest issued by a joint powers authority organized pursuant to CGC Section 6509.37. To be eligible for purchase, the pool shall meet all of the following conditions: (i) must meet the requirements of CGC Section 53601(p), (ii) the pool must seek to maintain a stable Net Asset Value (“NAV”), and (iii) the pool must be rated at least “AAm”, or its equivalent, by a NRSRO. A maximum of 30 percent of the portfolio may be invested in this category.

Whenever the Authority has any funds invested in a Local Government Investment Pool, the Chief Financial Officer shall maintain on file a copy of the pool’s current information statement. In addition, the Chief Financial Officer should review the pool’s summary portfolio holdings on a quarterly basis.

- L. **Money Market Funds.** Shares of beneficial interest issued by diversified management companies that are money market funds registered with the SEC.

The company shall have met either of the following criteria: (i) attained the highest ranking or the highest letter and numerical rating provided by not less than two NRSROs and (ii) retained an investment adviser registered or exempt from registration with the SEC with not less than five years of experience managing money market

mutual funds with assets under management in excess of five hundred million (\$500,000,000). A maximum of 15 percent of the portfolio may be invested in this category.

If the Authority has funds invested in a money market fund, a copy of the fund's information statement shall be maintained on file. In addition, the Chief Financial Officer should review the fund's summary holdings on a quarterly basis.

- M. Repurchase Agreements.** Repurchase agreements are to be used as short-term investments not to exceed 90 days. Repurchase agreements shall only be made with counterparties that are primary dealers of the Federal Reserve Bank of New York or a nationally or state-chartered bank that has had a significant banking relationship with the Authority. Furthermore, the counterparty shall have the following qualifications: (i) a long-term debt rating of at least "A", or its equivalent, by a NRSRO; (ii) a short-term credit rating of at least "A-1", or its equivalent, by a NRSRO; (iii) minimum assets and capital size of \$25 billion in assets and \$350 million in capital; (iv) five years acceptable audited financial results; and (v) a strong reputation among market participants.

The Authority shall have a properly executed master repurchase agreement with each counterparty. Collateral of at least 102 percent of market value of principal and accrued interest is required. For any repurchase agreement with a term of more than one day, the value of the underlying securities must be reviewed on an on-going basis according to market conditions. Market value must be calculated each time there is a substitution of collateral. Collateral is limited to obligations of the United States government and its agencies. Collateral must be delivered to the Authority's custodian bank or handled under a properly executed master repurchase agreement. The Authority, or its trustee, shall have a perfected first security interest in all collateral. A maximum of 10 percent of the portfolio may be invested in this category.

- N. Prohibited Investments.** Section 53601.6 of the CGC lists the investments that are prohibited. Prohibited investments shall include, but are not limited to, equity securities, inverse floaters, range notes, interest-only strips that are derived from a pool of mortgages, or any investment that could result in zero interest earned if held to maturity.

9.0 REVIEW OF INVESTMENT PORTFOLIO

This Policy is intended to conform to all applicable statutes at the time of adoption. The Policy shall be reviewed and approved annually by the Commission at a public meeting to ensure consistency with the overall objectives of the preservation of capital, liquidity, and return of the portfolio. The Policy also shall be reviewed to ensure its compliance and relevance to the current law, financial and economic trends, and to meet the cash flow requirements of the Authority. Investment operations are reviewed monthly during the reconciliation process of investment transactions to the third-party statements, and by the Finance Department in the proof of cash process.

10.0 INVESTMENT POOLS/ MUTUAL FUNDS

A thorough investigation of any investment pool or mutual fund is required prior to investing, and on a continual basis. The investigation will, at a minimum, obtain the following information:

- A. A description of eligible investment securities, and a written statement of investment policy and objectives;
- B. A description of interest calculations and how it is distributed, as well as how gains and losses are treated;
- C. A description of how the securities are safeguarded (including the settlement processes), and how often the securities are priced and the program audited;
- D. A description of who may invest in the program, how often, and what size deposit and withdrawals are allowed;
- E. A schedule for receiving statements and portfolio listings;
- F. Whether reserves, retained earnings, etc. are utilized by the pool/fund;
- G. A fee schedule along with when and how they are assessed; and
- H. Whether the pool/fund is eligible for bond proceeds and/or whether it accept such proceeds.

11.0 COLLATERALIZATION

Collateralization is required for investments of public deposits in Certificates of Deposits (in excess of the FDIC insured amount) and all Repurchase Agreements. In order to anticipate market changes and provide a level of security for all funds, the collateralization level will be 110 percent of market value for Certificates of Deposit and 102 percent for repurchase agreements of principal and accrued interest.

In order to conform with provisions of the Federal Bankruptcy Code, which provides for the liquidation of securities held as collateral for Repurchase Agreements, the only securities acceptable as collateral shall be eligible Negotiable Certificates of Deposit, eligible Banker's Acceptances, or securities that are fully guaranteed as to principal and interest by the United States or by any agency of the United States government. All securities held as collateral shall have a maximum maturity of five years.

12.0 SAFEKEEPING AND CUSTODY

To protect against potential losses by collapse of individual securities dealers, all trades will be executed on a delivered versus payment basis with the securities to be held in safekeeping by a third-party custodian, acting as agent for the Authority under terms of a custody agreement or a Master Repurchase Agreement. The only exception to the foregoing shall be depository accounts and securities purchases made with: (i) LAIF and local government investment pools (LGIPs); (ii) placement certificates of deposit, and, (iii) money market mutual funds, since the purchased securities are not deliverable. Evidence of each of these investments will be held by the Chief Financial Officer.

No outside broker/dealer or advisor may have access to the Authority's funds, accounts, or investments. Any transfer of funds handled through a broker/dealer must be approved by persons identified in the "Delegation of Authority" section of this Policy.

13.0 DIVERSIFICATION AND MAXIMUM MATURITIES

The Authority will diversify its investments by security type and institution. With the exception of U.S. Treasuries, U.S. Agency Securities, FDIC Insured Certificates of Deposit, and authorized pools, no more than 30% of the Authority's total investment portfolio will be invested in a single security type or with a single financial institution.

To the extent possible, the Authority will attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow and approved in advance by the Board of Commissioners, the Authority will not directly invest in securities maturing more than five years from the date of purchase.

14.0 INTERNAL CONTROLS

The Chief Financial Officer shall establish a system of internal controls designed to prevent losses due to fraud, employee error, misrepresentation by third parties, unanticipated market changes, and/or imprudent actions by employees of the Authority. The internal control structure shall be designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that (i) the cost of a control should not exceed the benefits likely to be derived, and (ii) the valuation of costs and benefits require estimates and judgements by management. Compliance with this Policy and internal controls shall be reviewed annually by the Authority's independent, external auditor.

15.0 PERFORMANCE STANDARDS

The investment portfolio will be designed with the objective of obtaining a rate of return throughout budgetary and economic cycles, commensurate with the investment risk constraints, and the cash flow needs.

The Authority's investment strategy is passive. The performance of the Authority's investment portfolio will be evaluated and compared to an appropriate benchmark in order to assess the success of the investment portfolio relative to the Authority's Safety, Liquidity, and Return on Investments objectives. The review will be conducted annually by the Chief Financial Officer.

16.0 REPORTING

Under provision of Section 53646 of the CGC, the Chief Financial Officer shall render a monthly report to the Commission, providing the type of investment, financial institution from which the investment was purchased, the date of maturity, the date upon which the investment becomes subject to redemption provisions, amount (to include both par and book value) of the investment, and the current market value of all investments. The report also shall include the source of the market value. Additionally, the report shall include the rate of interest, accrued interest earned, the amortized portion of the investment purchased at a premium or discount, and other data so required by the Commission or by amendment to the above section of CGC and its successors. The report shall include a statement denoting the Authority's ability to meet its expenditure requirements for the following six-month period, or an explanation as to why sufficient funding will not be available. Additionally, the Chief Financial Officer shall state whether the agency is in compliance with its investment policy by signature required on the Treasurers' Report.

17.0 INVESTMENT POLICY ADOPTION

The Authority's Investment Policy shall be adopted by Resolution of the Board of Commissioners. The Policy shall be reviewed on an annual basis and modifications, if any, must be approved by the Commission.

Karen L Williams
Chief Financial Officer
Santa Ana Watershed Project Authority

Date

GLOSSARY OF INVESTMENT TERMS

AGENCY SECURITIES: Securities issued by any of several U. S. government-sponsored entity (GSE) and federally related institutions. Agencies including, but not limited to the Federal Home Loan Bank (FHLB), the Federal Farm Credit Bank (FFCB), and the Federal National Mortgage Association (FNMA or “Fannie Mae”).

ASKED PRICE: The price at which securities are offered for sale; also known as offering price.

BANKERS' ACCEPTANCE (BA): A draft or bill of exchange accepted by a bank or trust company. The accepting institution guarantees payment of the bill, as well as the issuer.

BENCHMARK: A comparative base for measuring the performance or risk tolerance of the investment portfolio. A benchmark should represent a close correlation to the level of risk and the average duration of the portfolio's investments.

BASIS POINT: One-hundredth of one percent (i.e., 0.01%).

BID PRICE: The price offered for securities.

BOND PROCEEDS: The money paid to the issuer by the purchaser or underwriter of a new issue of municipal securities. These funds are used to finance the project or purpose for which the securities were issued and to pay certain costs of issuance as may be provided in the bond contract.

BOOK VALUE: The value at which a debt security is shown on the holder's balance sheet. Book value is often acquisition cost plus/minus amortization and accretion, which may differ significantly from the security's current value in the market.

BROKER: A broker brings buyers and sellers together for a commission paid by the initiator of the transaction or by both sides.

CALLABLE BOND: A bond issue in which all or part of its outstanding principal amount may be redeemed before maturity by the issuer under specific conditions.

CERTIFICATE OF DEPOSIT (CD): A time deposit with a specific maturity evidenced by a certificate. Certificate of Deposit may be issued in either negotiable or nonnegotiable form. Nonnegotiable certificates cannot be resold on the secondary market and may face penalties for early redemption whereas a negotiable CD may be resold.

COLLATERAL: Securities, evidence of deposit or other property, which a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public funds.

COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR): The official annual report of the Santa Ana Watershed Project Authority. It includes financial statements for each individual fund prepared in conformity with GAAP. It also includes supporting schedules necessary to demonstrate compliance with finance-related legal and contractual provision, extensive introductory material, and a detailed Statistical Section.

COMMERCIAL PAPER: Short-term, unsecured, negotiable promissory note with a fixed maturity of no more than 270 days. By statute, these issues are exempt from registration with the U.S. Securities and Exchange Commission.

COUPON: (a) The annual rate of interest that a bond's issuer promises to pay the bondholder on the bond's face value. (b) A certificate attached to a bond evidencing interest due on a payment date.

CREDIT RISK: The risk to an investor that an issuer will default in the payment of interest and/or principal on a security and a loss will result.

CUSTODIAN: A bank or other financial institution that keeps custody of stock certificates and other assets.

DEALER: A dealer, as opposed to a broker, acts as a principal in all transactions, buying and selling for his own account.

DEBENTURE: A bond secured only by the general credit of the issuer.

DELIVERY OF SECURITIES: There are two methods of delivery of securities; *Delivery versus Payment* and *Delivery versus Receipt*. Delivery versus payment is delivery of securities with an exchange of money for the securities. Delivery versus receipt is delivery of securities with an exchange of signed receipt for the securities.

DERIVATIVES: (1) Financial instruments whose return profile is linked to, or derived from, the movement of one or more underlying index or security, and may include a leveraging factor, or (2) financial contracts based upon notional amounts whose values is derived from an underlying index or security (interest rates, foreign exchange rates, equities or commodities).

DISCOUNT: The difference between the cost price of a security and its maturity when quoted at lower than face value. A security selling below original offering price shortly after sale also is considered to be at a discount.

DISCOUNT SECURITIES: Non-interest-bearing money market instruments that are issued at a discount and redeemed at maturity for full face value, e.g., U.S. Treasury bills.

DIVERSIFICATION: Dividing investment funds among a variety of securities offering independent returns with the goal of spreading risk throughout the portfolio holdings.

DURATION: A measure of the sensitivity of the price (the value of principal) of a fixed-income investment to a change in interest rates. Duration is expressed as a number of years. Rising interest rates mean falling bond prices, while declining interest rates mean rising bond prices.

FACE VALUE: The principal amount owed on a debt instrument. It is the amount on which interest is computed and represents the amount that the issuer promises to pay at maturity.

FAIR VALUE: The amount at which a security could be exchanged between willing parties, other than in a forced liquidation sale. If a market price is available, the fair value is equal to the market value.

FEDERAL CREDIT AGENCIES: Agencies of the Federal government set up to supply credit to various classes of institutions and individuals, e.g., S & L's, small business firms, students, farmers, farm cooperatives, and exporters.

FEDERAL DEPOSIT INSURANCE CORPORATION (FDIC): A federal agency that insures bank deposits.

FEDERAL FARM CREDIT BANK (FFCB): Government-sponsored institution that consolidates the financing activities of the Federal Land Banks, the Federal Intermediate Credit Banks, and the Banks for Cooperatives. Its securities do not carry direct U.S. Government guarantees.

FEDERAL FUNDS RATE: The rate of interest at which Federal funds are traded. This rate is considered to be the most sensitive indicator of the direction of interest rates, as it is currently pegged by the Federal Reserve through open-market operations.

FEDERAL HOME LOAN BANKS (FHLB): The institutions that regulate and lend to savings and loan associations. The Federal Home Loan Banks play a role analogous to that played by the Federal Reserve Banks vis-à-vis member commercial banks. Although the banks operate under federal charter with government supervision, the securities are not guaranteed by the U.S. Government.

FEDERAL HOME LOAN MORTGAGE CORPORATION (FHLMC or Freddie Mac): Established in 1970 to help maintain the availability of mortgage credit for residential housing. FHLMC finances these operations by marketing guaranteed mortgage certificates and mortgage participation certificates. Its discount notes and bonds do not carry direct U.S. Government guarantees.

FEDERAL NATIONAL MORTGAGE ASSOCIATION (FNMA or Fannie Mae): FNMA was chartered under the Federal National Mortgage Association Act of 1938. FNMA is a Federal corporation working under the auspices of the Department of Housing and Urban Development (HUD). It is the largest single provider of residential mortgage funds in the United States. FNMA is a private stockholder-owned corporation. The corporation's purchases include a variety of adjustable mortgages and second loans, in addition to fixed-rate mortgages. FNMA's securities also are highly liquid and are widely accepted. FNMA securities do not carry direct U.S. Government guarantees.

FEDERAL OPEN MARKET COMMITTEE (FOMC): Consists of seven members of the Federal Reserve Board and five of the 12 Federal Reserve Bank Presidents. The President of the New York Federal Reserve Bank is a permanent member, while the other Presidents serve on a rotating basis. The Committee periodically meets to set Federal Reserve guidelines regarding purchases and sales of Government Securities in the open market as a means of influencing the volume of bank credit and money.

FEDERAL RESERVE SYSTEM: The central bank of the United States created by Congress and consisting of a seven-member Board of Governors in Washington, D.C., 12 regional Banks and about 5,700 commercial banks that are members of the system.

FINANCIAL INDUSTRY REGULATORY AUTHORITY (FINRA): The Financial Industry Regulatory Authority (FINRA) is the largest independent regulator for all securities firms doing business in the United States. All told, FINRA oversees nearly 4,750 brokerage

firms, about 167,000 branch offices, and approximately 634,000 registered securities representatives.

GOVERNMENT NATIONAL MORTGAGE ASSOCIATION (GNMA or Ginnie Mae):

Securities guaranteed by GNMA and issued by mortgage bankers, commercial banks, savings and loan associations, and other institutions. Security holder is protected by full faith and credit of the U.S. Government. Ginnie Mae securities are backed by FHA, VA, or FMHM mortgages.

INTEREST ONLY STRIPS: The interest portion of a Treasury note or bond that has been stripped of its principal component through the commercial book-entry system.

INTEREST RATE RISK: The risk of gain or loss in market values of securities due to changes in interest-rate levels. For example, rising interest rates will cause the market value of a portfolio's securities to decline.

INVERSE FLOATER: Fixed income instrument whose coupon or interest rate is periodically reset according to a short-term rate index such as LIBOR, or prime rate. Unlike the traditional floating rate instrument, however, the inverse floater's rate is set equal to a fixed rate minus the short-term rate index.

INVESTMENT POLICY: A clear and concise statement of the objectives and parameters formulated by an investor or investment manager for a portfolio of investment securities.

INVESTMENT PORTFOLIO: A collection of securities held by a bank, individual, institution, or government agency for investment purposes.

LIQUIDITY: A liquid asset is one that can be converted easily and rapidly into cash without a substantial loss of value.

LOCAL AGENCY INVESTMENT FUND (LAIF): A voluntary program created by state statute as an investment alternative for California's local governments and Special Districts under the administration of the California State Treasurer's Office. All securities are purchased under the authority of the Government Code Section 16430 and 16480.4.

LOCAL GOVERNMENT INVESTMENT POOL (LGIP): A state or local government pool offered to public entities for the investment of public funds.

MARKET RISK: Systematic risk of a security that is common to all securities of the same general class (stocks, bonds, notes, money market instruments) and cannot be eliminated by diversification (which may be used to eliminate non-systematic risk).

MARKET VALUE: The price at which a security is trading and could presumably be purchased or sold.

MASTER REPURCHASE AGREEMENT: A written contract covering all future transactions between the parties that establishes each party's rights in the transaction. A master agreement will often specify, among other things, the right of the buyer-lender to liquidate the underlying securities in the event of default by the seller borrower.

MATURITY: The date upon which the principal or stated value of an investment becomes due and payable.

MONEY MARKET: The market in which short-term debt instruments (bills, commercial paper, bankers' acceptances, etc.) are issued and traded.

MEDIUM-TERM NOTES (MTNs): Corporate notes, having any or all of the features of corporate bonds and ranging in maturity from nine months out to 30 years. The difference between corporate bonds and MTNs is that corporate bonds are underwritten.

MUNICIPAL BONDS: Offered by state and local governments, these bonds are primarily issued to finance infrastructure improvements, such as highways or sewers.

NATIONAL RECOGNIZED STATISTICAL RATING ORGANIZATION (NRSRO): A credit rating agency that provides credit ratings that are used by the U.S. Government and investors as benchmarks. Examples include Moody's, Standard & Poor's, and Fitch Ratings.

NEGOTIABLE CERTIFICATE OF DEPOSIT: Large denomination certificates of deposit with a fixed maturity date, which can be sold in the money market. They are not collateralized.

OFFER: The price asked by a seller of securities.

OPEN MARKET OPERATIONS: Purchases and sales of government and certain other securities in the open market by the New York Federal Reserve Bank as directed by the FOMC in order to influence the volume of money and credit in the economy. Purchases inject reserves into the bank system and stimulate growth of money and credit; sales have the opposite effect. Open market operations are Federal Reserve's most important and most flexible monetary policy tool.

PAR VALUE: The amount of principal that must be paid at maturity. Also referred to as the face amount of a bond, normally quoted in increments of \$1,000 per bond.

PORTFOLIO: The collection of securities held by an individual or institution.

PRIMARY DEALER: A group of government securities dealers that submit daily reports of market activity and positions and monthly financial statements to the Federal Reserve Bank of New York and are subject to its informal oversight. Primary dealers include Securities and Exchange Commission (SEC) registered securities broker-dealers, banks, and a few regulated firms.

PRINCIPAL: The face or par value of a debt instrument or the amount of capital invested in a given security.

PRUDENT PERSON RULE: An investment standard. The way a prudent person of discretion and intelligence would be expected to manage the investment program in seeking a reasonable income and preservation of capital.

QUALIFIED PUBLIC DEPOSITORIES: A financial institution which does not claim exemption from the payment of any sales or compensating use or ad valorem taxes under the laws of this state, which has segregated for the benefit of the commission eligible collateral having a value of not less than its maximum liability and which has been approved by the Public Deposit Protection Commission to hold public deposits.

RATE OF RETURN: The yield obtainable on a security based on its purchase price or its current market price. This may be the amortized yield to maturity on a bond or the current income return.

REPURCHASE AGREEMENT (REPO): A holder of securities sells these securities to an investor with an agreement to repurchase them at a fixed price on a fixed date. The security “buyer” in effect lends the “seller” money for the period of the agreement, and the terms of the agreement are structured to compensate the buyer for this.

REVERSE REPURCHASE AGREEMENT (REVERSE REPO): A reverse-repurchase agreement (reverse repo) involves an investor borrowing cash from a financial institution in exchange for securities. The investor agrees to repurchase the securities at a specified date for the same cash value plus an agreed upon interest rate. Although the transaction is similar to a repo, the purpose of entering into a reverse repo is quite different. While a repo is a straightforward investment of public funds, the reverse repo is a borrowing.

SAFEKEEPING: A service to customers rendered by banks for a fee whereby securities and valuables of all types and descriptions are held in the bank's vaults for protection.

SECONDARY MARKET: A market made for the purchase and sale of outstanding issues following the initial distribution.

SECURITIES: Investment instruments such as notes, bonds, stocks, money market instruments, and other instruments of indebtedness of equity.

SECURITIES & EXCHANGE COMMISSION (SEC): Agency created by Congress to protect investors in securities transactions by administering securities legislation.

SEC RULE 15(C)3-1: See Uniform Net Capital Rule.

SPREAD: The difference between two figures or percentages. It may be the difference between the bid (price at which a prospective buyer offers to pay) and asked (price at which an owner offers to sell) prices of a quote, or between the amount paid when bought and the amount received when sold.

SWAP: An agreement between two parties (known as counterparties) where one stream of future interest payments is exchanged for another based on a specified principal amount.

TREASURY BILLS: A non-interest-bearing discount security issued by the U.S. Treasury to finance the national debt. Most bills are issued to mature in three months, six months, or one year.

TREASURY BONDS: Long-term coupon-bearing U.S. Treasury securities issued as direct obligations of the U.S. Government and having initial maturities of more than ten years.

TREASURY NOTES: Medium-term coupon-bearing U.S. Treasury securities issued as direct obligations of the U.S. Government and having initial maturities from two to ten years.

UNDERWRITER: A dealer that purchased a new issue of municipal securities for resale.

UNIFORM NET CAPITAL RULE: Securities and Exchange Commission requirement that member firms as well as nonmember broker-dealers in securities maintain a maximum ratio of indebtedness to liquid capital of 15 to 1; also called net capital rule and net capital ratio. Indebtedness covers all money owed to a firm, including margin loans and commitments to purchase securities, one reason new public issues are spread among members of underwriting syndicates. Liquid capital includes cash and assets easily converted into cash.

U. S. TREASURY OBLIGATIONS: Debt obligations of the U.S. Government sold by the Treasury Department in the form of bills, notes, and bonds. Bills are short-term obligations that mature in one year or less and are sold at a discount. Notes are obligation that mature between two and ten years. Bonds are long-term debt that generally mature in ten years or more.

YIELD: The annual rate of return on an investment expressed as a percentage of the investment. Income yield is obtained by dividing the current dollar income by the current market price for the security.

YIELD CURVE: Yield calculations of various maturities of instruments of the same quality at a given time to observe spread differences.

ZERO-INTEREST BOND: A bond on which interest is not payable until maturity (or early redemption), but compounds periodically to accumulate to a stated maturity amount. Zero-interest bonds are typically issued at a discount and repaid at par upon maturity.

CERTIFICATION OF UNDERSTANDING

I hereby certify that I have personally read the Santa Ana Watershed Project Authority's (the Authority) Investment Policy and the California Government Code pertaining to the investments of the Authority.

I will disclose to the Authority any potential risks or conflicts with the Investment Policy that might arise out of business transactions between my firm and the Authority.

I will undertake reasonable efforts to prevent imprudent transactions involving funds of the Authority and will endeavor to keep familiar with the Authority's investment objectives and constraints, as they exist from time to time.

I will only offer investments for the Authority's consideration that are in conformity to the Authority's Investment Policy.

I attest to the accuracy of the responses to the Authority's questionnaire.

NOTE: Completion of the attached questionnaire is only part of the Santa Ana Watershed Project Authority's certification process and DOES NOT guarantee that your financial institution will be guaranteed any portion of the investment business with the Santa Ana Watershed Project Authority.

FIRM NAME _____

SIGNED _____

DATE _____

9. What is the date of your fiscal year-end? _____

10. Is your firm owned by a holding company? If so, what is its name and net capitalization?

11. Please provide your wiring and delivery instructions. _____

12. Which of the following instruments are offered regularly by your local desk?

T- Bills Treasury Notes/Bonds Discount Notes NCD's

Agencies (specify) _____

13. Which of the above does your firm specialize in marketing? _____

14. Please identify your most directly comparable Local Agency Clients in our geographical area:

Entity	Contact Person	Telephone	Client Since
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_____	_____	_____	_____
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_____	_____	_____	_____
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_____	_____	_____	_____
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15. What reports, transactions, confirmations, and paper trail would we receive?

16. Please include samples of research reports or market information that your firm regularly provides to local agency clients.

17. What precautions are taken by your Firm to protect the interest of the public when dealing with government agencies as investors? _____

18. Have you or your Firm been censored or punished by a regulatory State or Federal agency for improper or fraudulent activities, related to the sale of securities? Yes

No

19. If yes, explain. _____
-
20. Attach certified documentation of your capital adequacy and financial solvency. In addition, an audited financial statement must be provided within 120 days of your fiscal year-end. (Copy of a Published Financial Statement)
21. Attach proof of Financial Industry Regulatory Authority (FINRA) certification.
22. Attach proof of California Department of Securities Registration.
23. Attach proof of Securities and Exchange Commission registration.
24. Attach proof of adequate insurance coverage.
25. Are you listed under GFOA Yield Advantage? Yes No

COMMISSION MEMORANDUM NO. 2021.41

DATE: June 1, 2021
TO: SAWPA Commission
SUBJECT: Inland Empire Brine Line Rate Resolution
PREPARED BY: Carlos Quintero, Operations Manager

RECOMMENDATION

That the SAWPA Commission adopt Resolution No. 2021-4 establishing the new Inland Empire Brine Line rates to be effective July 1, 2021 (FY2021-22).

DISCUSSION

On May 4, 2021, Project Agreement 24 (Brine Line) Committee voted 4-0 to recommend maintaining the current Inland Empire Brine Line Rates through June 30, 2022.

Below are the proposed rates for Flow, BOD and TSS for the periods between July 1, 2021 through June 30, 2022. 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.

Table 1. Summary of FY20-21 (Current) vs. FY21-22) Proposed Rates

	FY20-21 (Actual)	FY21-22 (Proposed)
Flow (MG)	\$1,018	\$1,018
BOD (per 1,000 lbs)	\$329	\$329
TSS (per 1,000 lbs)	\$460	\$460

A summary of the SAWPA rates since 2014 is shown below. The percent increase from the previous year is shown.

Table 2. SAWPA Direct Discharger Rate Summary (increase by year). FY21-22 is proposed.

SAWPA RATES	FY15-16	FY16-17	FY17-18	FY18-19	FY19-20	FY20-21	FY21-22
Flow (\$/MG)	\$817	\$858	\$901	\$946	\$979	\$1,018	\$1,018
Increase from previous FY	5.1%	5%	5%	5%	3.5%	4%	0%
BOD (\$/1000 lbs)	\$301	\$307	\$307	\$307	\$316	\$329	\$329
Increase from previous FY	2%	0%	0%	0%	2.9%	4.1%	0%
TSS (\$/1000 lbs)	\$420	\$429	\$429	\$429	\$442	\$460	\$460
Increase from previous FY	2.1%	0%	0%	0%	3%	4.1%	0%

The projected rates for FY22-23 (for planning purposes) are based on a proposed 3% increase from the FY21-22 rates for BOD, TSS, and Flow. No increase is planned for fixed pipeline and fixed treatment and disposal capacity. A recommendation for approval of the FY22-23 rates will be made prior to July 1, 2022.

The truck disposal rates will remain unchanged and 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. No increase is anticipated for the FY22-23 truck rates are shown for planning purposes.

Proposed Brine Line rates are:

Table 3. Current, Proposed, Projected Brine Line Rates

<i>Rate</i>	<i>Flow/MGD</i>	<i>BOD/1,000 lbs.</i>	<i>TSS/1,000 lbs.</i>	<i>Fixed Pipe*</i>	<i>Fixed Treatment*</i>
Current FY20-21	\$1,018	\$329	\$460	\$6,654	\$13,505
Proposed FY21-22	\$1,018	\$329	\$460	\$6,654	\$13,505
Planning FY22-23	\$1,049	\$339	\$474	\$6,654	\$13,505

*Fixed Pipeline and Fixed Treatment charges are per MGD/month

The current (FY20-21), proposed (FY21-22) and projected (FY22-23, for planning purposes only) truck rates are summarized below:

Table 4. Indirect Discharger Rates

Waste Strength (a)	Current FY20- 21	Proposed FY21-22	Projected FY 2022-23 (b)
Brine Tier	\$0.016	\$0.016	\$0.016
Non-Brine Tier*		(c)	(c)

(a) Waste Strength is defined as follows: Brine Tier has a concentration of less than 100 mg/L for both BOD and TSS; Non-Brine Tier has a concentration of 100 mg/L or higher for either BOD or TSS.

(b) Future rate for planning purposes only. The Commission will separately evaluate and set the rates annually for each FY. Planned FY22-23 charges are: \$0.016 per gallon, \$0.78/pound of BOD, and \$0.745/pound of TSS.

(c) If either BOD or TSS exceeds the concentration of 100 mg/l, the full discharge will be charged using the following cost component: \$0.016 per gallon, \$0.78/pound of BOD, and \$0.745/pound of TSS.

The proposed permit fees for FY21-22 are the same as for FY20-21.

Table 5. Permit Fees

<i>Permit Type</i>	<i>Proposed Fee FY20-21 (Annual)</i>
Direct Discharger	\$600
Indirect Discharger	\$300
Liquid Waste Hauler permit (trucking companies)	\$250
Connection Authorization Rate	\$1,100

The proposed Capacity Lease rates for FY2021-22 (for discharges not exceeding 250 mg/L of BOD and 250 mg/L of TSS) are as follows:

Table 6. Capacity Lease Rates

<i>Capacity Lease Rate</i>	<i>FY20-21 (Current)</i>	<i>FY21-22 (Proposed)</i>
Flow (per gallon)	\$0.00263	\$0.00263
BOD (per pound)	\$0.40800	\$0.40800
TSS (per pound)	\$0.25010	\$0.25010

All dischargers leasing capacity will be charged the rates in Table 6, in addition to the Brine Line rates identified in Table 3.

The proposed Treatment and Disposal surcharge rates as shown in Table 7. Treatment and Disposal surcharge rates are charged when the contractually owned capacity for Flow, BOD, and/or TSS is exceeded in any given month.

Table 7. Treatment and Disposal (T&D) Surcharge Rates

<i>T&D Surcharge Rates</i>	<i>FY20-21 (Current)</i>	<i>FY21-22 (Proposed)</i>
Flow (per gallon)	\$0.0021	\$0.0021
BOD (per pound)	\$0.4080	\$0.4080
TSS (per pound)	\$0.2501	\$0.2501

CRITICAL SUCCESS FACTORS

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

RESOURCE IMPACTS

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

Attachments:

1. Resolution 2021-4
2. PowerPoint Presentation

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RESOLUTION NO. 2021-4

**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. 2020-06 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 BOD and TSS from the Orange County Sanitation District (“OC San”);

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, OC San 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, Connection Authorizations will be issued upon adoption of Ordinance No. 9 and a Letter to Discharge will be issued authorizing an infrequent discharge to 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 Connection Authorization 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, "Rate Period" means the period of time from July 1, 2021 through June 30, 2022.

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, a rate stabilization fund has been established to mitigate the impact of unanticipated 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:

- For the Rate Periods identified below, 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>Rate Period</u>	<u>Flow/MGD</u> <u>(a)</u>	<u>BOD/</u> <u>1,000 lbs.</u> <u>(b)</u>	<u>TSS/</u> <u>1,000 lbs.</u> <u>(c)</u>	<u>Fixed</u> <u>Pipe</u> <u>(d)</u>	<u>Fixed</u> <u>Treatment</u> <u>(e)</u>
7/1/2021 – 06/30/2022	\$1,018	\$329	\$460	\$6,654	\$13,505
7/1/2022 – 6/30/2023 (f)	\$1,049	\$339	\$474	\$6,654	\$13,505

- This component shall be calculated and assessed per gallon (i.e., \$0.001018) 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.
 - This component shall be calculated and assessed per pound (i.e., \$0.329) of dry weight of BOD calculated from the average of sample results each month.
 - This component shall be calculated and assessed per pound (i.e., \$0.460) of dry weight of TSS calculated from the average of sample results each month.
 - This component for fixed costs (also known as Readiness to Serve) shall be assessed per MGD of owned pipeline/connection capacity per month.
 - This component for fixed costs shall be assessed per MGD of owned treatment and disposal capacity per month for the corresponding rate period.
 - Future rates are for planning purposes only. The Commission will separately evaluate and set the rates annually for each FY.
- Total flow for each discharger will be adjusted if flows at meter S-01 are higher than the aggregate of all the discharger flows.
 - Actual OC San charges for BOD and TSS shall be “passed through” to dischargers.
 - 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.
 - 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 OC San, the strength values for each discharger shall be adjusted to fully allocate the SAWPA discharge to OC San. 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 Connection Authorizations 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 at \$0.016 per gallon for Brine discharges (less than 100 milligrams per liter (mg/l) average concentration for BOD and TSS), and a Non-Brine tier which shall be charged based on the measured strength for each load as defined by Note (b). Proposed and future estimated rates are shown below. All permitting, permit fees, monitoring, labor, and other costs are the responsibility of the member agency providing the service.

Waste Strength	BOD or TSS Concentration	7/1/2021 – 6/30/2022	FY 2022-23 (a)
Brine Tier	Less than 100 mg/l	\$0.016	\$0.016
Non Brine Tier	100 mg/l and higher	(b)	(b)

- (a) *Future rate for planning purposes only. The Commission will separately evaluate and set the rates annually for each FY. Planned FY22-23 charges are: \$0.016 per gallon, \$0.78/pound of BOD, and \$0.745/pound of TSS.*
- (b) *If either BOD or TSS exceeds the concentration of 100 mg/l, the full discharge will be charged using the following cost component: \$0.016 per gallon, \$0.78/pound of BOD, and \$0.745/pound of TSS.*

8. If approved in the future by OC San 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 OC San approval.
9. A Connection Authorization Rate shall be charged for discharges approved by a Letter to Discharge. The Connection Authorization 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 from July 1, 2021 through June 30, 2022 shall be \$0.4080 per pound BOD, \$0.2501 per pound TSS, and \$0.0021 per gallon Flow. These charges are in addition to the charges for Flow, BOD, and TSS outlined in Paragraph 1.
11. Capacity Lease Rate. Capacity Lease Rates for Pipeline Capacity Right and Treatment and Disposal Capacity Right from July 1, 2021 through June 30, 2022 shall be \$0.00263 per gallon up to 250 mg/l BOD and 250 mg/l TSS. Capacity Lease Rates for Treatment and Disposal Capacity Right Only from July 1, 2021 through June 30, 2022 shall be \$0.00117 per gallon up to

250 mg/l BOD and 250 mg/l TSS. These rates are 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 for the period corresponding from July 1, 2021 through June 30, 2022 at a rate of \$0.4080 per pound of BOD and \$0.2501 per pound of 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, 2021, and Resolution No. 2020-06 is rescinded once this Resolution takes effect.

ADOPTED this 1st day of June 2021.

SANTA ANA WATERSHED PROJECT AUTHORITY

By: _____
Jasmine A. Hall, Chair

Attest:

By: _____
Sara Villa, Acting Clerk of the Board

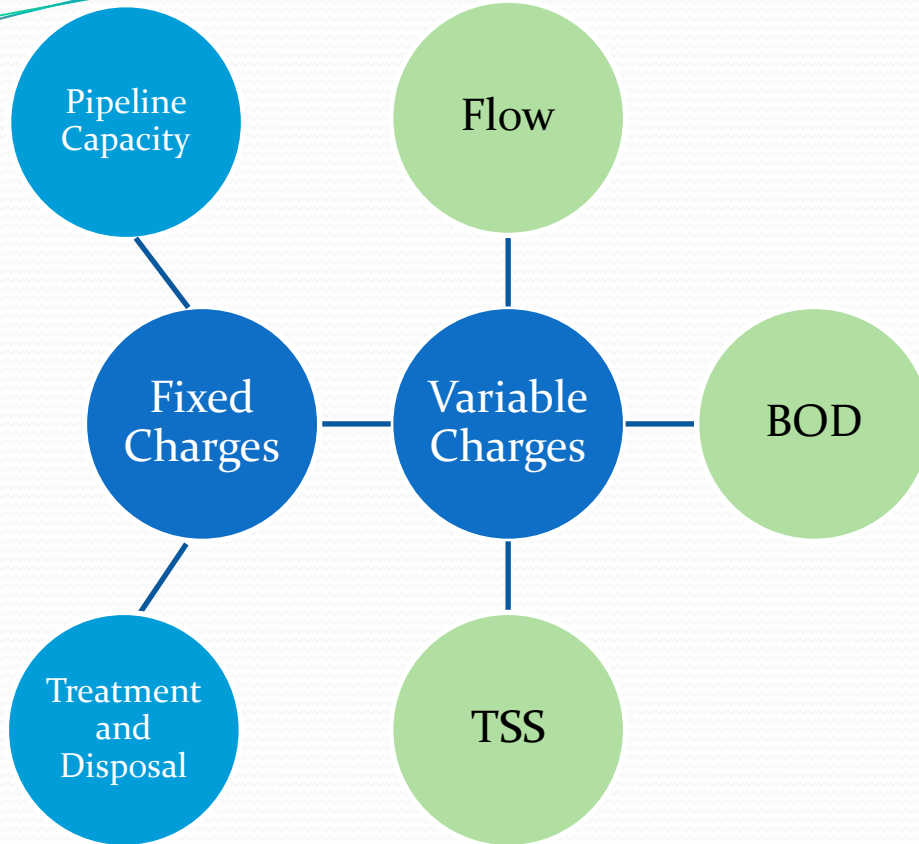
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Inland Empire Brine Line Rate Resolution 2021-4

Carlos Quintero, Operations Manager
SAWPA Commission | June 1, 2021
Item 8.B.

Recommendation

- That the SAWPA Commission adopt Resolution No. 2021-4 establishing the new Inland Empire Brine Line rates to be effective July 1, 2021 (FY21-22).



Brine Line Rate Components:

- Flow
 - Per Million Gallons
- Biochemical Oxygen Demand (BOD)
 - Per 1,000 lbs
- Total Suspended Solids (TSS)
 - Per 1,000 lbs
- Fixed Charges for Pipeline and Treatment and Disposal Capacity Owned
 - Per Million Gallons/Day

Brine Line Rates Direct Dischargers (FY21-22)

Options	Effective date	Flow (MG)	BOD - 1,000 lbs	TSS - 1,000 lbs	Fixed Pipe	Fixed T&D
Current rates FY20-21	-	1,018	329	460	6,654	13,505
Proposed Rates FY21-22	7/1/2021	1,018	329	460	6,654	13,505

Indirect Dischargers

- Currently using a 2-tier system:
 - Brine (< 100 mg/L of both BOD or TSS)
 - Non-Brine (≥ 100 mg/L of either BOD or TSS)
 - 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 Discharger Rates

Option	Brine ^(a) Tier (< 100 mg/L) / gallon	Non-Brine ^(b) Tier* (≥ 100 mg/L) / gallon	BOD/lb	TSS/lb
Current (FY19-20)	\$0.016	\$0.016	\$0.78	\$0.745
Proposed (FY21-22)	\$0.016	\$0.016	\$0.78	\$0.745

**Non-brine tier charges the flow component plus any pounds of BOD and TSS.*

(a) Brine Tier if both BOD and TSS concentrations are less than 100 mg/L

(b) Non-Brine Tier if any of the BOD or TSS concentrations are 100 mg/L or greater.

Capacity Pool Lease Rates

Option	Flow (per gallon)	Additional BOD (per lb)	Additional TSS (per lb)
Current (FY20-21) [250 mg/L BOD/TSS]	\$0.00263	\$0.4080	\$0.2501
Proposed (FY21-22)	\$0.00263	\$0.4080	\$0.2501
Treatment and Disposal Only	\$0.00117	\$0.4080	\$0.2501

Treatment & Disposal Surcharge Rates

Option	Flow (per gallon)	BOD (per lb)	TSS (per lb)
Current (FY20-21)	\$0.0021	\$0.4080	\$0.2501
Proposed (FY21-22)	\$0.0021	\$0.4080	\$0.2501

These rates apply to dischargers that exceed their contractually owned capacity in any given month.

Proposed Permit Fees

Type of Permit	FY20-21 Fee	Proposed FY21-22 Fee
Direct Discharger	\$600	\$600
Indirect Discharger	\$300	\$300
Connection Authorization	\$1,100	\$1,100
Liquid Waste Hauler	\$250	\$250

Brine Line Approved Budgeted Expenses

Category	FY20-21	FY21-22*	Change (%)	Change (\$)
TOTAL	11,617,205	11,588,491	-0.25%	-28,714

*Draft Budget

Recommendation

- That the SAWPA Commission adopt Resolution No. 2021-4 establishing the new Inland Empire Brine Line rates to be effective July 1, 2021 (FY21-22).



Questions??

COMMISSION MEMORANDUM NO. 2021.42

DATE: June 1, 2021

TO: SAWPA Commission

SUBJECT: Regulatory Support for Basin Monitoring Program Task Force, Middle Santa Ana River Pathogen TMDL Task Force and Emerging Constituents Program Task Force

PREPARED BY: Mark Norton, Water Resources & Planning Manager

RECOMMENDATION

It is recommended that the Commission authorize the General Manager to execute the following:

1. Task Order KSC374-02 with Kahn Soares & Conway in the amount not to exceed \$116,000.00 (\$50,000.00 for FY2021-22 and \$66,000.00 for FY 2022-23), to provide strategic and regulatory support for the Basin Monitoring Program Task Force.
2. Task Order KSC384-02 with Kahn Soares & Conway in the amount not to exceed \$149,750.00 (\$74,375.00 for FY 2021-22 and \$75,375.00 for FY 2022-23), to provide strategic and regulatory support for the Middle Santa Ana River Pathogen TMDL Task Force.
3. Task Order KSC392-02 with Kahn Soares & Conway in the amount not to exceed \$46,500.00 (\$23,000.00 for FY 2021-22 and \$23,500.00 for FY 2022-23), to provide strategic and regulatory support for the Emerging Constituents Program Task Force.

DISCUSSION

Since August 14, 2019, Tess Dunham of Kahn Soares & Conway has provided support for the Basin Monitoring Program Task Force, Middle Santa Ana River Pathogen TMDL Task Force and the Emerging Constituents Program Task Force as the regulatory advisor. Ms. Dunham was originally selected through a competitive RFP process and was unanimously supported and recommended by the Task Forces for FY2019-20 and FY2021-22. Ms. Dunham replaced Tim Moore of Risk Sciences who retired.

In discussions with the Task Forces, all three task forces supported continuing the unique and specialized regulatory services provided by Tess Dunham of Kahn Soares & Conway for the next two fiscal years. Since the services are very specialized, a sole source task order is proposed in accordance with SAWPA Policy Procurement Policy, similar to sole source justifications provided for Risk Sciences in the past. New task orders with Tess Dunham with Kahn Soares & Conway, have been prepared for the SAWPA Commission's consideration and approval. A two-year task order for each is proposed to minimize administrative costs for Ms. Dunham's contracts.

BACKGROUND

In March 2019, Tim Moore of Risk Sciences announced to SAWPA and the SAWPA task forces that he would be retiring on July 1, 2020. He suggested that the most qualified consultant to replace him and support the SAWPA task forces might be Theresa (Tess) Dunham of Kahn Soares & Conway. Mr. Moore has worked extensively with Ms. Dunham in the Central Valley Salts management program and other forums. Upon review of this recommendation, the task forces agreed that it would be best to prepare a Request for Qualifications for Risk Sciences replacement to ensure an open, competitive and fair evaluation of all potential succeeding firms. It was suggested by Mr. Moore that for FY 19-20 a consultant be brought on to work part time supporting Mr. Moore in his efforts and to allow Mr. Moore to pass on institutional knowledge about each task force to the incoming firm before entering the regulatory strategist and facilitator role full time in FY 20-21. The task forces agreed that approach made the most sense.

In May 2019 an RFQ was issued by SAWPA and four firms responded. The four firms were interviewed on June 25, 2019 by a panel composed of representatives from three task forces, SAWPA staff as well as the Regional Board upper management. Based on the recommendations of the interview panels and support of the respective task forces, the SAWPA Commission approved a new agreement and task orders spanning two years on August 12, 2019.

Based on the excellent support and services provided by Tess Dunham, all three task forces have fully recommended continuing the support of Ms. Dunham for the next two fiscal years in support of their respective task forces.

The Lake Elsinore and San Jacinto Watersheds Authority also approved an Agreement for Services and task order with Ms. Dunham spanning the past two years and will also be considering another two-year task order at its June 17th LESWJA Board meeting.

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.
- Report and use results of roundtable's work, leverage information and involvement for the benefit of SAWPA, its members, and other stakeholders.
- Adequate professional staff and resources to effectively provide facilitation, management, administrative and technical support to collaborative work efforts.

RESOURCE IMPACTS

Sufficient funding has been budgeted by the Basin Monitoring Program Task Force, Middle Santa Ana River TMDL Task Force and Emerging Constituents Program Task Force. This work is also included in the SAWPA FYE 2022-2023 Budget for the Basin Monitoring Program Task Force, Middle Santa Ana River TMDL Task Force and Emerging Constituents Program Task Force.

Attachments:

1. PowerPoint Presentation
2. Task Order KSC374-02 with KSC, LLP
3. Task Order KSC384-02 with KSC, LLP
4. Task Order KSC392-02 with KSC, LLP

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SAWPA TASK FORCES REGULATORY SUPPORT

**Presented by Mark Norton P.E.,
Water Resources & Planning Manager**

**SAWPA Commission | June 1, 2021
Item No. 8.C.**

Basin Monitoring Program Task Force

Eastern Municipal Water District	Chino Basin Watermaster
Inland Empire Utilities Agency	Yucaipa Valley Water District
Orange County Water District	City of Beaumont
City of Riverside	City of Corona
Lee Lake Water District	City of Redlands
Elsinore Valley Municipal Water District	City of Rialto
Irvine Ranch Water District	Jurupa Community Services District
Colton/San Bernardino Regional Tertiary Treatment and Wastewater Reclamation	Western Riverside Co Regional Wastewater Authority/WMWD
*San Bernardino Valley Municipal Water District	*City of Banning
* San Gorgonio Pass Water Agency	* Beaumont Cherry Valley Water District

- Four new agencies added in 2015
- Santa Ana Regional Board also a non-funding task force agency

Recent and Future Deliverables – BMP TF

- Last triennial ambient groundwater quality update by WSC was adopted by Regional Board on Dec. 2020
- Basin Plan Amendment reflecting Santa Ana River Wasteload Allocation is complete and awaiting Regional Board notification period and Board approval in July/Aug 2021
- Existing WWTP permits were extended to meet new SAR Wasteload Allocation
- RFP prepared and released for consultant services to review Annual Water Quality Report and Ambient Water Quality Update approach to comply with State Board 2018 Recycled Water Policy Updates

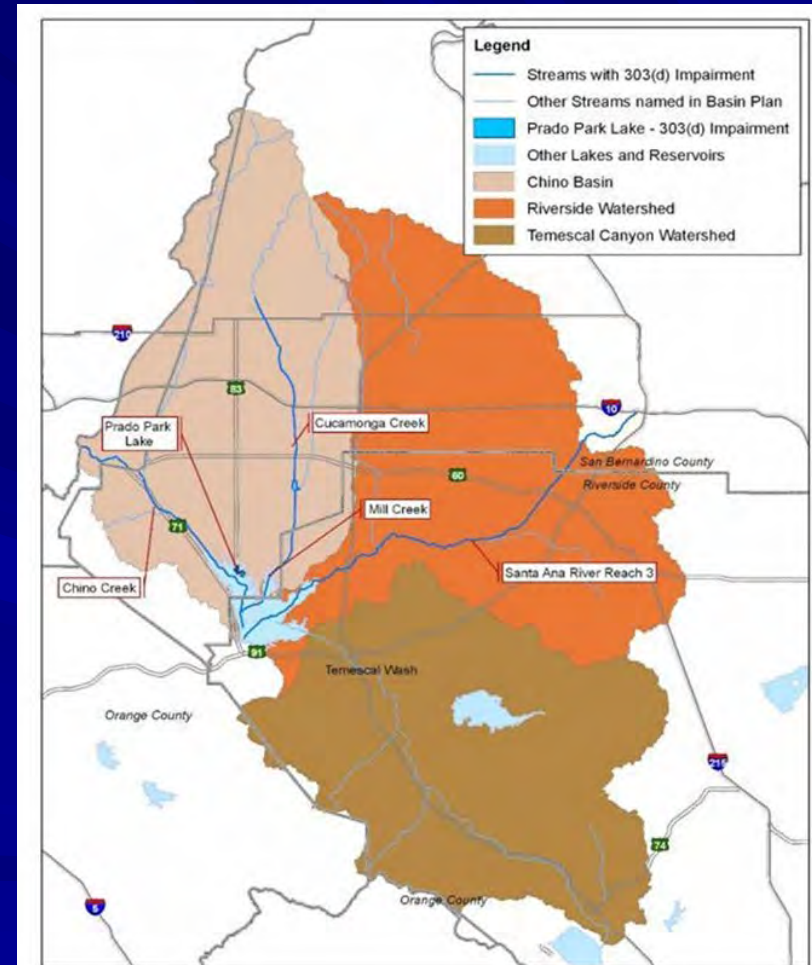


Middle Santa Ana River Pathogen TMDL Task Force

SAWPA authorized TF agreement - 2007

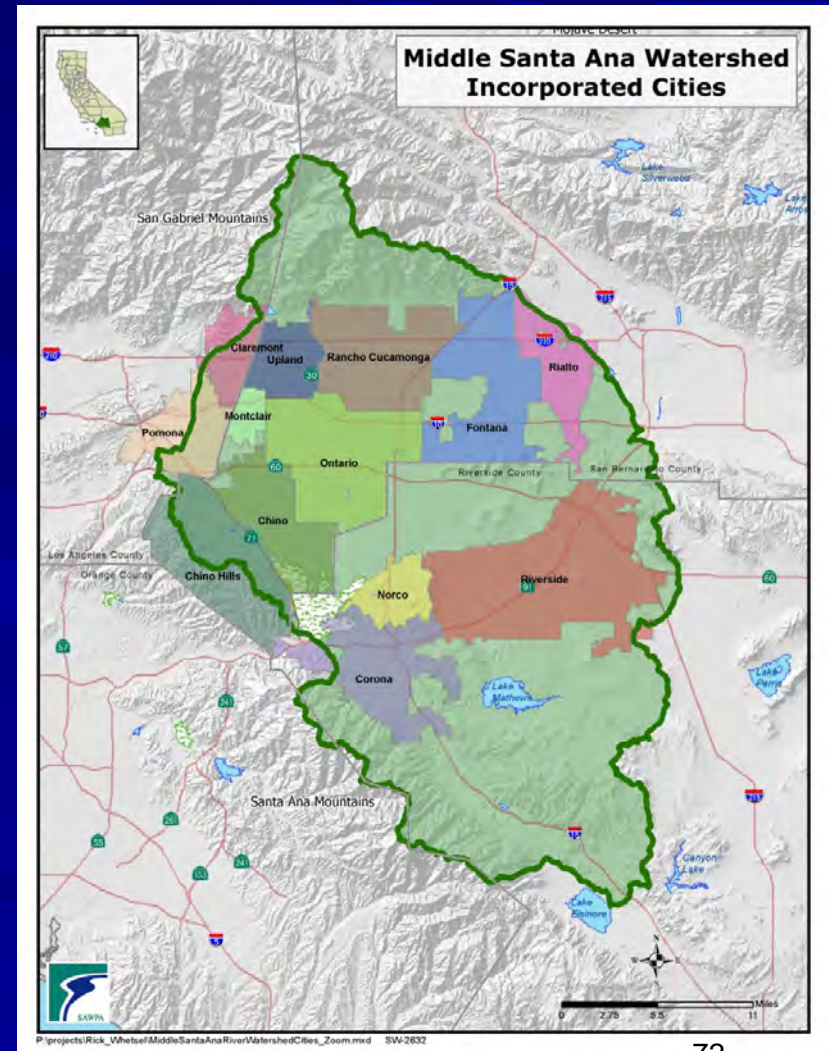
- February 2005, Regional Board established Bacterial Indicator Total Maximum Daily Loads (TMDLs) for Middle Santa Ana River Waterbodies
 - Santa Ana River, Reach 3
 - Chino Creek, Reaches 1 and 2
 - Cucamonga Creek, Reach 1
 - Mill Creek (Prado Area)
 - Prado Park Lake

- 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



Middle Santa Ana River Pathogen TMDL Task Force

- Task Force Agencies :
 - 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



Recent and Future Deliverables – MSAR TMDL TF

- Prepared and submitted Draft 2020 Annual SAR Regional Bacteria Monitoring Report in April 2021.
- Began 2021 warm season monitoring in May 2021.
- Continue discussion with Regional Board of the next steps to be taken regarding the process to update the MSAR TMDLs.
- Prepare 2021-22 stakeholder invoices to be sent out in July 2021
- Continue serving as the contracting party for both counties to implement specific studies and projects as defined under each County's Comprehensive Bacteria Reduction Plan implementation activities.



Emerging Constituents (EC) Program Task Force

SAWPA authorized TF agreement - 2012


Description

- Complied with Regional Board Resolution under Cooperative Agreement for Imported Water Recharge
- Completed 2010-2013, 2019 Voluntary Annual Sampling reports for emerging constituents
- Implements safe tap water public outreach program based on SAWPA commission direction to respond to Environmental Working Group misinformation


Benefits

- Assisted state and federal agencies in determining most effective measuring and detection practices
- Avoided need to conduct long term EC monitoring costs on 100s of other ECs
- Watershed evaluation of ECs helped frame discussion on ECs at State level to our benefit
- Corrects misinformed media exposure through outreach
- Provided perspective of PFAs compounds in waterways of watershed

2013 Sampling Report
for Emerging Constituents
in the Santa Ana Region



Santa Ana Watershed Project Authority



SAWPA
April, 2014

Emerging Constituents Program Task Force – 21 Water & Wastewater Agencies and Regional Board Signed Agreement to Sample ECs

Who participates:

- Water Wholesalers
- Water Retailers
- Wastewater Treatment Operators
- Regional Board Staff
- DDW Staff
- USGS Staff
- Analytical Lab Staff
- NWRI Staff
- Environmental NGOs



Recent and Future Deliverables – EC Program TF

- EC Program Task Force August 2019 Sampling Report was completed and presented to Regional Board in Feb. 2021
- Updates on changing regulations for ECs and PFAS are shared with Task Force at quarterly meetings
- Will meet at least quarterly with regulatory advisor updates
- Need for 2021-2022 ECs and PFAS annual sampling report still being considered



Task Force – Regulatory Support

- Since August 2019 Tess Dunham of Kahn Soares & Conway (KSC) has served in a specialized role as the regulatory advisor and strategist for the following SAWPA task forces:
 - Basin Monitoring Program Task Force
 - Middle Santa Ana River Pathogen TMDL Task Force
 - Emerging Constituents Program Task Force
- Based on feedback from all three task forces, continuing these special support services by Tess Dunham of KSC for each of them has been recommended and budgeted.



Recommendation

That the Commission authorize the General Manager to execute the following:

- Task Order KSC374-02 with Kahn Soares & Conway in the amount not to exceed \$116,000, \$50,000 for FY21-22 and \$66,000 for FY 22-23, to provide strategic and regulatory support for the Basin Monitoring Program Task Force; and,
- Task Order KSC384-02 with Kahn Soares & Conway in the amount not to exceed \$149,750, \$74,375 for FY 21-22 and \$75,375 for FY 22-23, to provide strategic and regulatory support for the Middle Santa Ana River Pathogen TMDL Task Force.
- Task Order KSC392-02 with Kahn Soares & Conway in the amount not to exceed \$46,500, \$23,000 for FY 21-22 and \$23,500 for FY22-23, to provide strategic and regulatory support for the Emerging Constituents Program Task Force.



**SANTA ANA WATERSHED PROJECT AUTHORITY
TASK ORDER NO. KSC374-02**

CONSULTANT: Kahn, Soares & Conway, LLP **VENDOR NO.:** 2266
 1415 L Street, Suite 400
 Sacramento, CA 95814

COST:

FY 2021-22	\$50,000.00
FY 2022-23	\$66,000.00
Total	\$116,000.00

PAYMENT: Upon Proper Invoice

REQUESTED BY: Mark Norton, Water Resources & Planning Manager June 1, 2021

FINANCE: _____
 Karen Williams, Deputy GM/CFO Date

FINANCING SOURCE: Acct. Coding 374BASIN-6113-01
 Acct. Description General Consulting

COMMISSION AUTHORIZATION REQUIRED FOR THIS TASK ORDER: YES (X) NO ()
 Authorization: June 1, 2021; CM#2021.42

This Task Order is issued upon approval and acceptance by the Santa Ana Watershed Project Authority (SAWPA) and Kahn, Soares & Conway, LLP (Consultant) pursuant to the General Services Agreement between SAWPA and Consultant, entered into on April 7, 2020, expiring December 31, 2023.

I. PROJECT NAME OR DESCRIPTION

Basin Monitoring Program Task Force Regulatory Support

II. SCOPE OF WORK / TASKS TO BE PERFORMED

Consultant shall provide all labor, materials, and equipment for the services to provide regulatory strategist and facilitator support for the Basin Monitoring Program Task Force for the following: FY 2021-22 for \$50,000.00, and FY 2022-23 for \$66,000.00, as described in the attached scope of work and cost estimate. Consultant will designate Theresa (Tess) Dunham to provide all services described in this Task Order.

III. PERFORMANCE TIME FRAME

Consultant shall begin work July 1, 2021 and shall complete performance of such services by **June 30, 2023.**

IV. SAWPA LIAISON

Mark Norton shall serve as liaison between SAWPA and Consultant.

V. COMPENSATION

For all services rendered by Consultant pursuant to this Task Order, Consultant shall receive a total not-to-exceed sum of **\$116,000.00**. Payment for such services shall be made monthly upon receipt of timely and proper invoices from Consultant, as required by the above-mentioned Agreement. Each such invoice shall be provided to SAWPA by Consultant within 15 days after the end of the month in which the services were performed.

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 General Services Agreement 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

Jeffrey J. Mosher, General Manager

Date

KAHN, SOARES & CONWAY, LLP

(Signature)

Date

Print/Type Name and Title

**Basin Monitoring Task Force
Regulatory Facilitation Cost Estimates
Fiscal Years 2021-22 & 2022-23**

Activity	Fiscal Year 21-22	Fiscal year 22-23
Task Force Meeting Preparation and Participation	5 hours per meeting 10 meetings per year 2 in-person meetings (\$500 per meeting) (Jan-June 2022) Rate \$375 per hour 50 hours - \$18,750 Travel - \$1,000 Estimate \$20,000	5 hours per meeting 10 meetings per year 4 in-person meetings [\$500 per meeting] Rate \$375 per hour 50 hours - \$18,750 Travel - \$2,000 Estimate \$ 21,000
Updated Monitoring Program Reviews	Work with Consultants & Review Draft Documents 20 hours - \$7,500	Work with Regional Board staff re: process for approval of updated monitoring programs 10 hours - \$3,750
Basin Plan Amendment Special Studies	Work with Consultants & Review Draft Documents 20 hours - \$7,500	Continue to work with consultants & Review Draft Documents 20 hours - \$7,500
Other Policies (e.g., 2024 Integrated Report)	Monitoring Policies, provide Task Force Updates, prepare draft comment letters 20 hours - \$7,500	Monitoring Policies, provide Task Force Updates, prepare draft comment letters 20 hours - \$7,500
Recycled Water Policy Alignment Efforts	Work with Consultants & Review Draft Documents; Draft portions of compliance assessments 20 hours - \$7,500	Work with Consultants & Review Draft Documents; Draft portions of compliance assessments 30 hours - \$11,250
Basin Plan Amendment Development		Prepare Draft Basin Plan Amendment language; work with consultants on draft antidegradation analysis; work with consultants on draft SED analysis. 40 hours - \$15,000
Total Estimate for Regulatory Facilitation	\$50,000 for FY 2021-22	\$66,000 for FY 2022-23

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**SANTA ANA WATERSHED PROJECT AUTHORITY
TASK ORDER NO. KSC384-02**

CONSULTANT: Kahn, Soares & Conway, LLP **VENDOR NO.:** 2266
 1415 L Street, Suite 400
 Sacramento, CA 95814

COST:

FY 2021-22	\$74,375.00
FY 2022-23	\$75,375.00
Total	\$149,750.00

PAYMENT: Upon Proper Invoice

REQUESTED BY: Mark Norton, Water Resources & Planning Manager June 1, 2021

FINANCE: _____
 Karen Williams, Deputy GM/CFO Date

FINANCING SOURCE: Acct. Coding 384CHINO-6113-01
 Acct. Description General Consulting

COMMISSION AUTHORIZATION REQUIRED FOR THIS TASK ORDER: YES (X) NO ()
 Authorization: June 1, 2021; CM#2021.42

This Task Order is issued upon approval and acceptance by the Santa Ana Watershed Project Authority (SAWPA) and Kahn, Soares & Conway, LLP (Consultant) pursuant to the General Services Agreement between SAWPA and Consultant, entered into on April 7, 2020, expiring December 31, 2023.

I. PROJECT NAME OR DESCRIPTION

Middle Santa Ana River Pathogen TMDL Task Force Regulatory Support

II. SCOPE OF WORK / TASKS TO BE PERFORMED

Consultant shall provide all labor, materials, and equipment for the services to provide regulatory strategist and facilitator support for the Middle Santa Ana River Pathogen TMDL Task Force for the following: FY 2021-22 for \$74,375.00, and FY 2022-23 for \$75,375.00, as described in the attached scope of work and cost estimate. Consultant will designate Theresa (Tess) Dunham to provide all services described in this Task Order.

III. PERFORMANCE TIME FRAME

Consultant shall begin work July 1, 2021 and shall complete performance of such services by **June 30, 2023**.

IV. SAWPA LIAISON

Mark Norton/Rick Whetsel shall serve as liaison between SAWPA and Consultant.

V. COMPENSATION

For all services rendered by Consultant pursuant to this Task Order, Consultant shall receive a total not-to-exceed sum of **\$149,750.00**. Payment for such services shall be made monthly upon receipt of timely and proper invoices from Consultant, as required by the above-mentioned Agreement. Each such invoice shall be provided to SAWPA by Consultant within 15 days after the end of the month in which the services were performed.

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- 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

Jeffrey J. Mosher, General Manager	Date

KAHN, SOARES & CONWAY, LLP

(Signature)	Date	Print/Type Name and Title

**MSAR TMDL Task Force
Regulatory Facilitation Cost Estimates
Fiscal Years 2021-22 and 2022-23**

Activity	Fiscal Year 21-22	Fiscal Year 22-23
Task Force Meeting Preparation and Participation	5 hours per meeting 10 meetings per year 2 in-person meetings (\$500 per meeting) (Jan-June 2022) Rate \$375 per hour 50 hours - \$18,750 Travel - \$1,000 Estimate \$20,000	5 hours per meeting 10 meetings per year 4 in-person meetings (\$500 per meeting) (Jan-June 2022) Rate \$375 per hour 50 hours - \$18,750 Travel - \$1,000 Estimate \$21,000
FY 21-22 - Develop Basin Plan Amendment Options and/or Permitting Options for Task Force Stakeholders FY 22-23 – Develop Basin Plan Amendment; coordinate with Regional Board staff	35 hours - \$13,125 Estimate - \$13,125	35 hours - \$13,125 Estimate - \$13,125
Other Misc. Activities (review monitoring reports, review, coordinate with Regional Board staff, coordinate with Task Force members, coordinate with SAWPA staff, monitor Statewide Policies, MS4 permits, etc.)	30 hours - \$11,250 Estimate - \$11,250	30 hours - \$11,250 Estimate - \$11,250
TMDL Technical Assistance (Sub-consultants, CDM & GEI)	\$15,000 per consultant team Estimate - \$30,000	\$15,000 per consultant team Estimate - \$30,000
Total Estimate	FY – 2021-22 \$74,375	FY – 2022-23 \$75,375

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**SANTA ANA WATERSHED PROJECT AUTHORITY
TASK ORDER NO. KSC392-02**

CONSULTANT: Kahn, Soares & Conway, LLP
1415 L Street, Suite 400
Sacramento, CA 95814

VENDOR NO.: 2266

COST:	FY 2021-22	\$23,000.00
	FY 2022-23	\$23,500.00
	Total	\$46,500.00

PAYMENT: Upon Proper Invoice

REQUESTED BY: Mark Norton, Water Resources & Planning Manager June 1, 2021

FINANCE: _____
Karen Williams, Deputy GM/CFO Date

FINANCING SOURCE:	Acct. Coding	392EMERG-6113-01
	Acct. Description	General Consulting

COMMISSION AUTHORIZATION REQUIRED FOR THIS TASK ORDER: YES (X) NO ()
Authorization: June 1, 2021; CM#2021.42

This Task Order is issued upon approval and acceptance by the Santa Ana Watershed Project Authority (SAWPA) and Kahn, Soares & Conway, LLP (Consultant) pursuant to the General Services Agreement between SAWPA and Consultant, entered into on April 7, 2020, expiring December 31, 2023.

I. PROJECT NAME OR DESCRIPTION

Emerging Constituents Program Task Force Regulatory Support

II. SCOPE OF WORK / TASKS TO BE PERFORMED

Consultant shall provide all labor, materials, and equipment for the services to provide regulatory strategist and facilitator support for the Emerging Constituents Program Task Force for the following: FY 2021-22 for \$23,000.00, and FY 2022-23 for \$23,500.00, as described in the attached scope of work and cost estimate. Consultant will designate Theresa (Tess) Dunham to provide all services described in this Task Order.

III. PERFORMANCE TIME FRAME

Consultant shall begin work July 1, 2021 and shall complete performance of such services by **June 30, 2023**.

IV. SAWPA LIAISON

Mark Norton/Rick Whetsel shall serve as liaison between SAWPA and Consultant.

V. COMPENSATION

For all services rendered by Consultant pursuant to this Task Order, Consultant shall receive a total not-to-exceed sum of **\$46,500.00**. Payment for such services shall be made monthly upon receipt of timely and proper invoices from Consultant, as required by the above-mentioned Agreement. Each such invoice shall be provided to SAWPA by Consultant within 15 days after the end of the month in which the services were performed.

VI. CONTRACT DOCUMENTS PRECEDENCE

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- 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

_____ Jeffrey J. Mosher, General Manager _____ Date

KAHN, SOARES & CONWAY, LLP

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

**Emerging Constituents Task Force
Regulatory Facilitation Cost Estimates
Fiscal Years 2021-22 & 2022-23**

The cost estimate reflects an estimate for regulatory support for FY 2021-22 & 2022-23.

Travel costs for the Emerging Constituents TMDL Task Force meetings will be shared with other Task Forces to the extent that other Task Force meetings are scheduled concurrently with the Emerging Constituents Task Force meetings. If there are no other meetings scheduled concurrently, Ms. Dunham intends to fly down and back on the same day to avoid hotel and overnight costs.

Activity	FY 2021-2022	FY 2022-2023
Prepare for & Participate in Task Force Meetings <ul style="list-style-type: none"> • Review and edit materials • Coordinate with other consultants, as necessary • Coordinate with SAWPA staff 	5 hours per meeting – (assumes 4 meetings per year) \$375 x 20 hours = \$7,500	5 hours per meeting – (assumes 4 meetings per year) \$375 x 20 hours = \$7,500
Prepare Materials Related to State Water Board Activities for Task Force Review & Monitoring Agency Actions <ul style="list-style-type: none"> • Draft comment letters • Review and edit comments based on Task Force comments • Monitor State Water Board activities related to Emerging Constituents • Monitor U.S. EPA activities related to Emerging Constituents 	40 hours \$375 x 40 hours = \$15,000	40 hours \$375 x 40 hours = \$15,000
Travel Costs	Estimate of \$500.00 per meeting – 1 meeting for FY 2021-2022	Estimate of \$500.00 per meeting – 2 meetings for FY 2022-2023 (\$1,000)
TOTAL ESTIMATED COSTS	\$23,000	\$23,500

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COMMISSION MEMORANDUM NO. 2021.43

DATE: June 1, 2021

TO: SAWPA Commission

SUBJECT: Disadvantaged Community Involvement (DCI) Program Status

PREPARED BY: Rick Whetsel, Senior Watershed Manager
(This item is subject to the provisions of Project Agreement 25)

RECOMMENDATION

It is recommended that the SAWPA Commission receive and file this informational report about the status of the Disadvantaged Communities Involvement (DCI) Program.

DISCUSSION

The Disadvantaged Communities Involvement Program (DCI Program) for the Santa Ana River Watershed has three main Program Elements, within which are twenty separate activities. Those three Program Elements consist of 1) Strengths and Needs Assessment, 2) Engagement and Education, 3) Project Development. A fourth element contains grant administration tasks assigned to SAWPA.

The attached presentation provides a summary overview of SAWPA's DCI Program, its many program activities and its accomplishments.

BACKGROUND

The Disadvantaged Communities Involvement Program is a Prop 1 funded effort within the Integrated Regional Water Management Program to ensure the involvement of disadvantaged communities, economically distressed areas, and underrepresented communities in integrated regional water management planning. As the Santa Ana River Watershed approved Regional Water Management Group, SAWPA was awarded a \$6.3 million grant in June 2017.

In January 2020, an amendment to this agreement was approved to modify the Work Plan and Schedule to reflect current project conditions, as well as, to extend the term of the agreement from April 30, 2020 to July 31, 2021.

SAWPA manages the program with five program partners: California State University, Local Government Commission (a 501c3 nonprofit), the California Rural Water Association (a 501c3 nonprofit), the Water Education Foundation (a 501c3 nonprofit), and the University of California Irvine. Each partner organization has a defined scope of work, and together is responsible for project management and reporting.

The California State University is a project partner within the DCI Program. In accordance with their mission to help achieve a long-term, sustainable water supply for California through education, research and policy development while balancing the needs of urban, agricultural and environmental concerns have completed their efforts to support the SAWPA DCI Program. The Local Government Commission is a project partner within the DCI Program. In accordance with their mission to work to build thriving communities that integrate civic engagement with

environmental, social, and economic priorities have completed their efforts to support the SAWPA DCI Program have completed their efforts to support the SAWPA DCI Program.

The California Rural Water Association is a project partner within the DCI Program. In accordance with their mission to provide training, technical assistance, resources and information to assist water and wastewater utilities in achieving high standards of service is currently supporting SAWPA on DCI Program Activity 18: Technical Assistance for Community Needs.

The Water Education Foundation is a project partner within the DCI Program. In accordance with their mission to inspire understanding of water and catalyze critical conversations to build bridges and inform collaborative decision-making have completed their efforts to support the SAWPA DCI Program have completed their efforts to support the SAWPA DCI Program.

The University of California Irvine is a project partner within the DCI Program. In accordance with their mission to discover and disseminate knowledge through research, teaching and creative expression in acclaimed academic programs have completed their efforts to support the SAWPA DCI Program.

The Newkirk Center for Science and Society is a project partner within the DCI Program. In accordance with their mission to focus on the interaction between science and society, including the role of society in the production of scientific knowledge and technological systems and artifacts and the effects of scientific knowledge on society have completed their efforts to support the SAWPA DCI Program.

CRITICAL SUCCESS FACTORS

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

OWOW CSF 4. OWOW criteria and values are transparent to watershed-wide stakeholders.

OWOW CSF 5. A strong reputation and sufficient capacity within SAWPA staff for strategic facilitation, planning, communication, leadership and community engagement.

RESOURCE IMPACTS

Work described in this informational report will be funded entirely by SAWPA's Disadvantaged Community Involvement Grant (398 account) from DWR.

Attachments:

1. PowerPoint Presentation

Disadvantaged Communities Involvement Program

Summary Report

Rick Whetsel, Senior Watershed Manager
SAWPA Commission | June 1, 2021
Item No. 8.D



Disadvantaged Communities Involvement Program (DCI) Program

DWR established the Disadvantaged Community Involvement Grant Program to support the following objectives:

- 1) Work collaboratively to involve DACs, community-based organizations, and stakeholders in IRWM Planning efforts
- 2) Increase the understanding, and identify the water management needs of disadvantaged communities
- 3) Develop strategies and long-term solutions that appropriately address the identified DAC water management needs
- 4) Support technical assistance for planning of future construction projects including feasibility, design, CEQA, etc. - Not construction at this stage.



Program Partners

Leveraging Resources for Biggest Impact

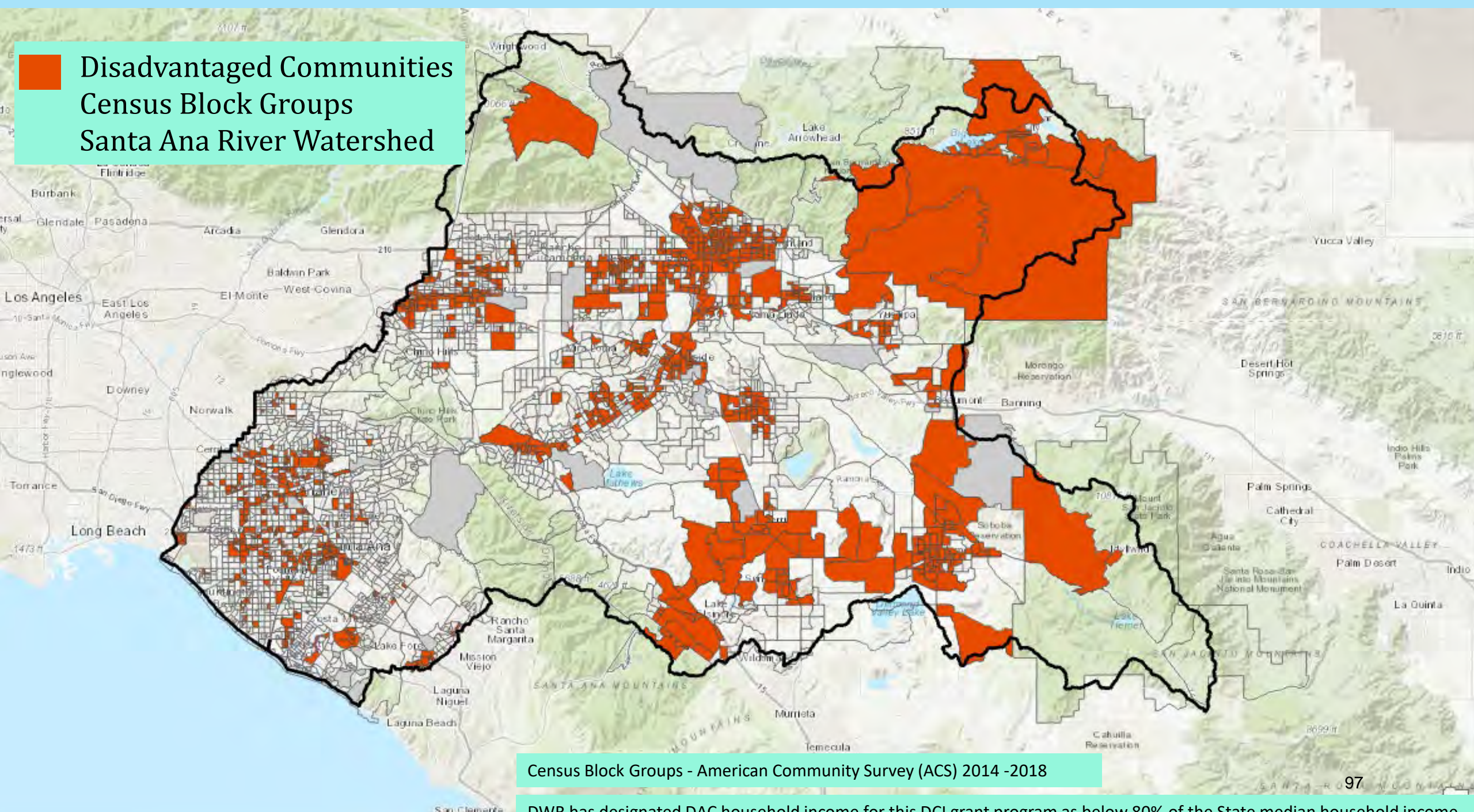


CivicSpark Water Fellows Program

- SAWPA hosted two CivicSpark Water Action Fellows each year of the program to support program implementation.
- CivicSpark was launched in 2014 as Governor Brown's Initiative AmeriCorps program (managed by Local Government Commission).
- Water Action Fellowship is a Governor's Initiative AmeriCorps program, building on success of CivicSpark.
- Water Action Fellows serve on research, planning, and/or implementation projects to fill immediate gaps and build long-term capacity within their beneficiary agencies to address critical water resource challenges.



 Disadvantaged Communities
Census Block Groups
Santa Ana River Watershed

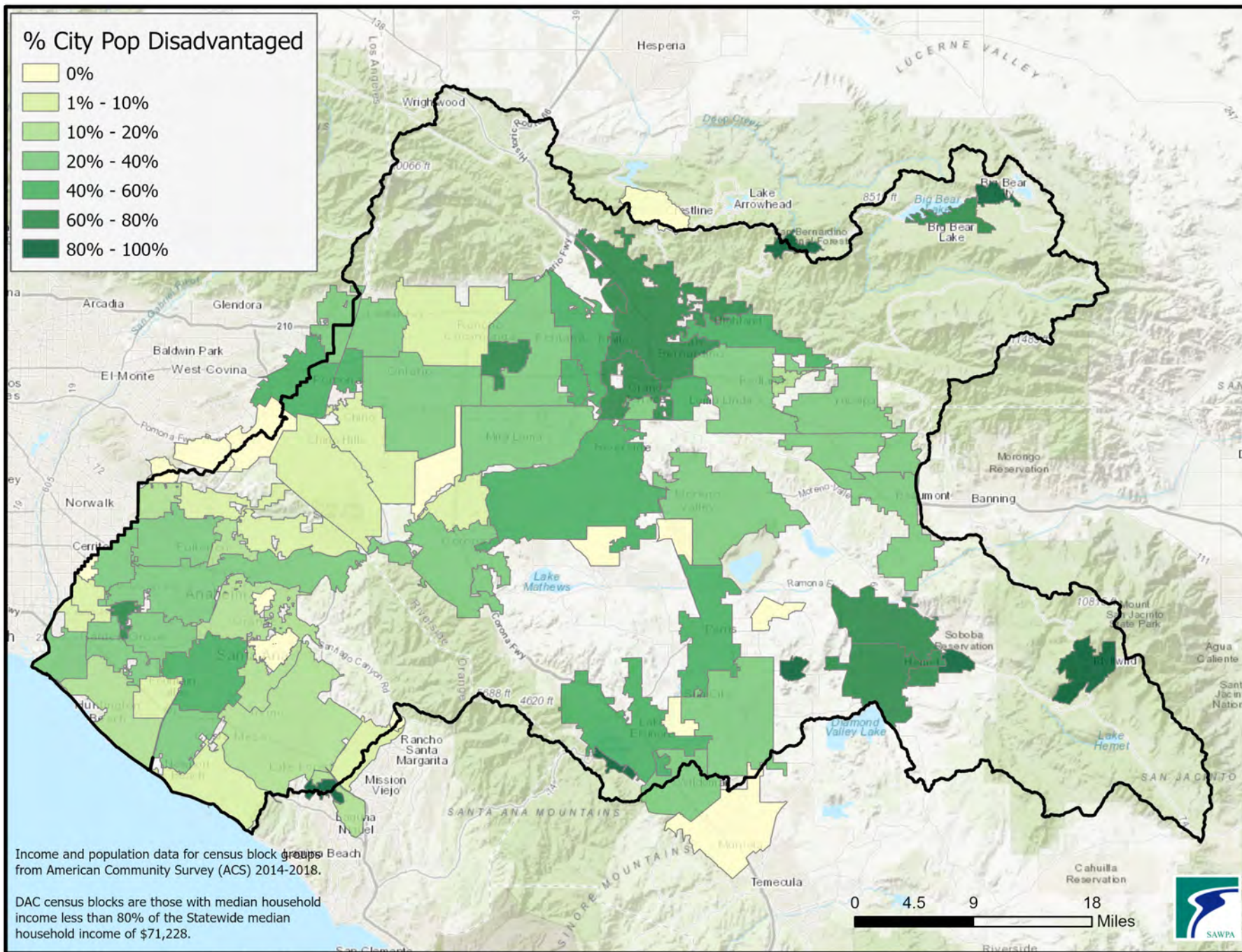


Census Block Groups - American Community Survey (ACS) 2014 -2018

DWR has designated DAC household income for this DCI grant program as below 80% of the State median household income

Santa Ana Watershed Cities

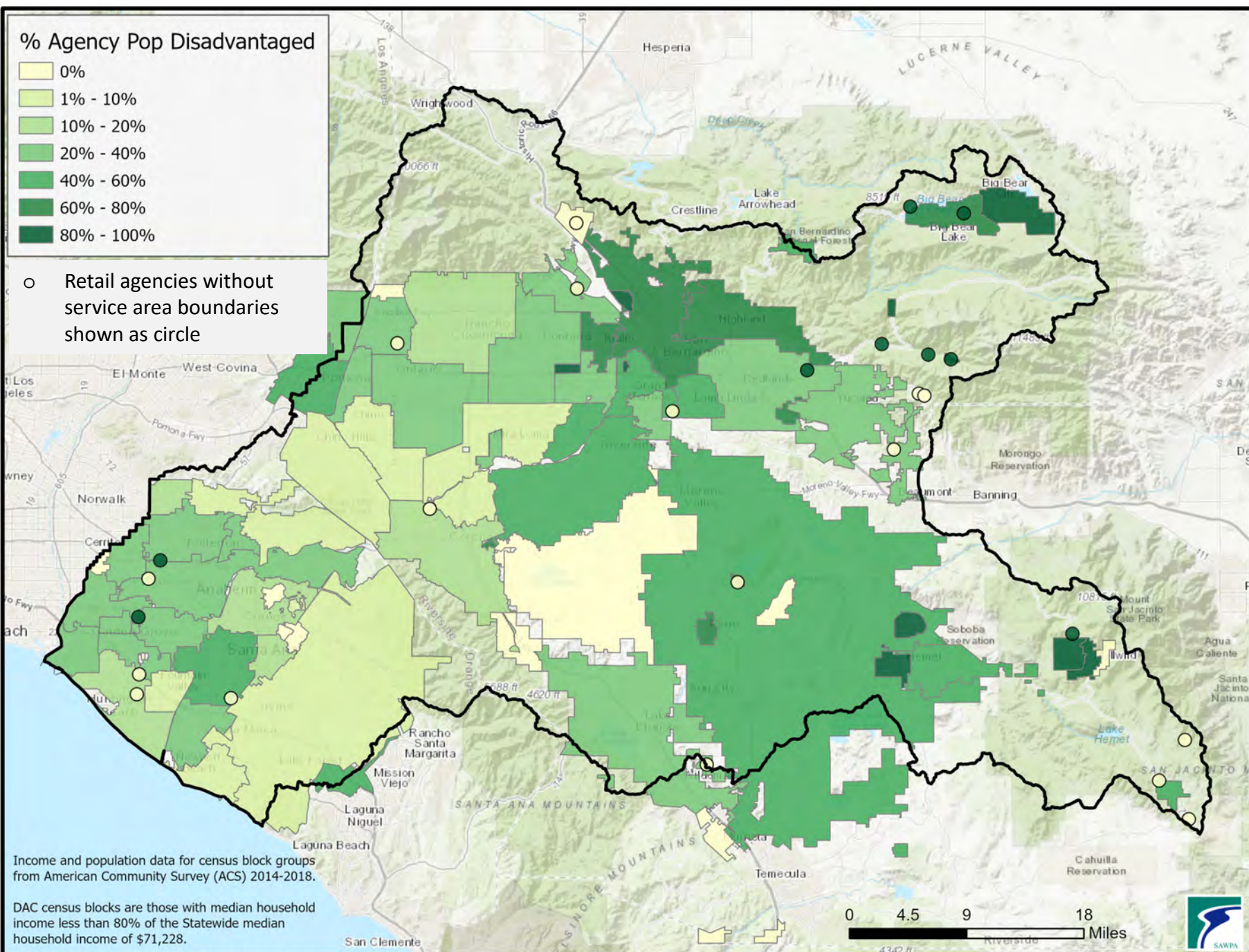
Percent Disadvantaged Community Population



% Agency Pop Disadvantaged



○ Retail agencies without service area boundaries shown as circle



Income and population data for census block groups from American Community Survey (ACS) 2014-2018.

DAC census blocks are those with median household income less than 80% of the Statewide median household income of \$71,228.

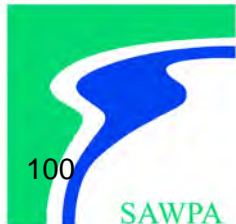
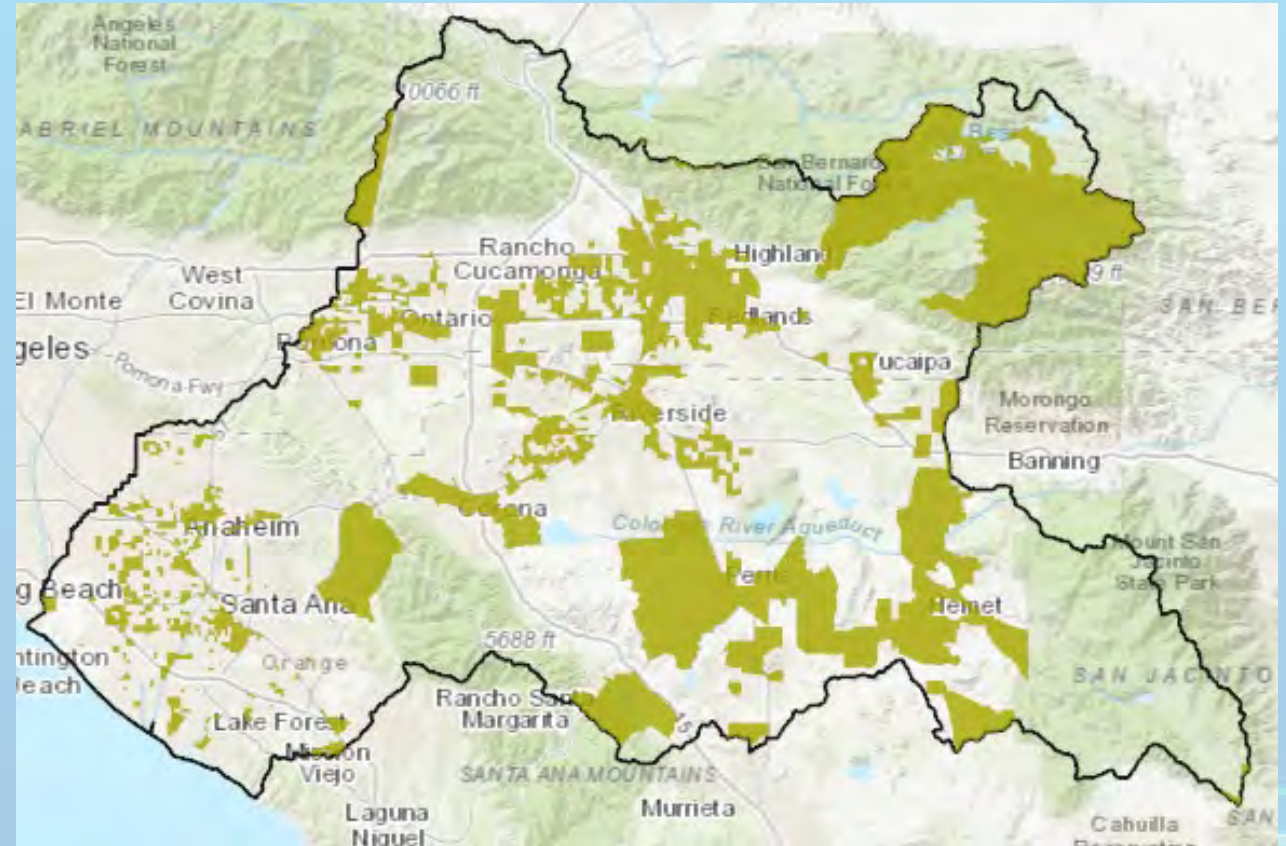
Santa Ana Watershed Water Retailers

Percent Disadvantaged Community Population



DCI Program Elements

1. Strengths and Needs Assessment
2. Education and Engagement
3. Project Development
4. Administration



Program Budget

Program Element	Budget Allocation
1. Strength & Needs Assessment	\$898,644
2. Engagement & Education	\$1,853,068
3. Project Development	\$3,233,288
4. Grant Management/ Administration	\$315,000
Total:	\$6,300,000



SAWPA DCI Program implementation schedule		2017			2018				2019				2020				2021		
Element / Activity		Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
PE 1	Strengths & Needs Assessment																		
1	DACI Technical Advisory Committee																		
2	DAC / Tribal Pillar																		
3	Engage Local Elected Leaders																		
4	Engage Mutual Water Companies																		
5	Engage Water Agencies																		
6	Community Listening Sessions																		
7	Community Water Ethnography																		
8	Homelessness & Water Convening																		
PE 2	Engagement / Education																		
9	Tribal Consultation																		
10	Trust the Tap Campaign																		
11	Translation Services																		
12	Engagement Best Practices Publications																		
13	State of the Watershed Conferences																		
14	Community Water Education																		
15	Water Agency Engagement Training																		
16	Local Elected Leader Training																		
17	Community Engagement Interns Program																		
PE 3	Project Development																		
18	Technical Assistance / Project Implementation																		
19	OWOW Plan Update 2018																		
20	CivicSpark Water Fellows																		

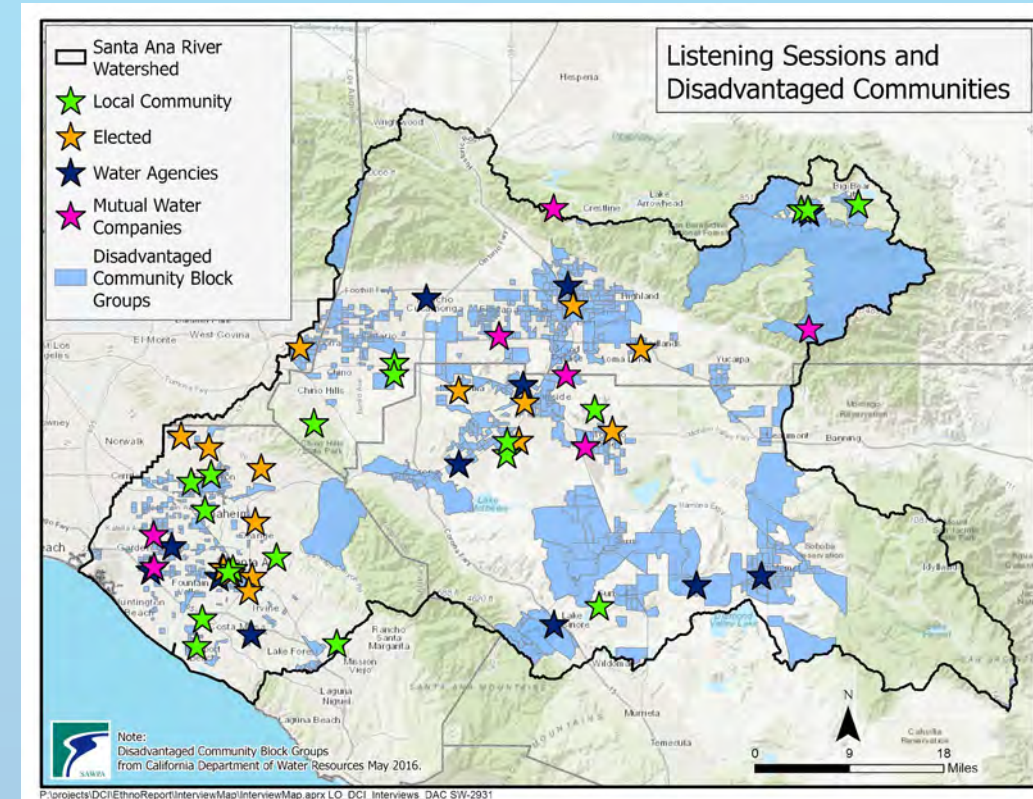
Program Element 1 - Strengths and Needs Assessment

Objectives:

Acknowledge and document strengths of overburdened and underrepresented communities.

- Interview and/or survey local elected leaders.
- Engage with mutual water companies.
- Conduct community workshops throughout the watershed

Create new networks of familiarity between local elected or community leaders and water management leaders



Ethnographic Approach

- Ethnography is a qualitative method that produces holistic analyses of social experiences.
- Conducted over a two-year period
- Four Key activities:
 - engagement,
 - listening,
 - analysis
 - community conversation report-backs.
- Engaged five social groups
 - Native communities,
 - other diverse local communities,
 - elected officials,
 - water agencies,
 - mutual water companies.

Core Tenants of Community Engagement

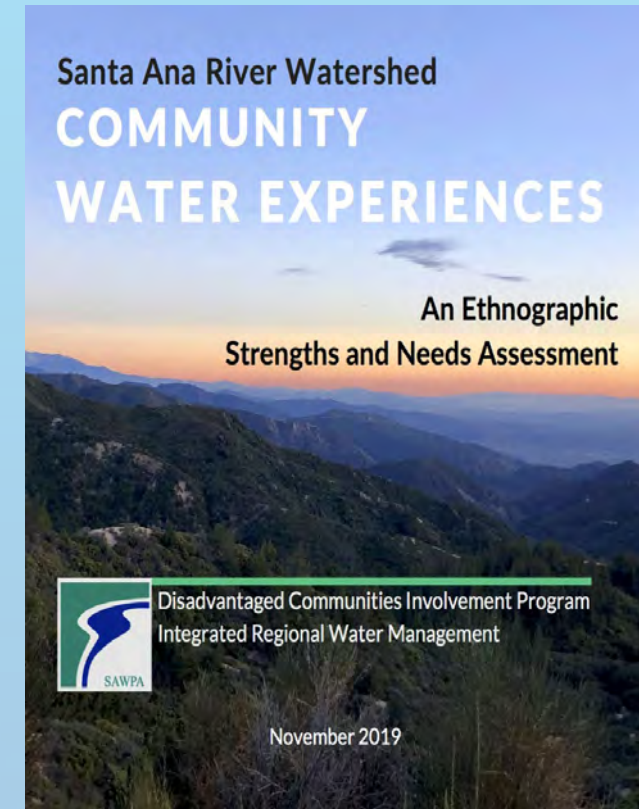
 Listen	Respectful listening fosters community "inreach" and knowledge sharing as opposed to uni-directional "outreach"
 Value Local Expertise	People are experts on their own communities and experience(s)
 Understand Belonging	Each person is a member of multiple communities. These communities are defined shared experiences, values, and perspectives, not simply by geographic boundaries



Ethnographic Strengths and Needs Assessment

Objective: Strengths and needs assessment designed by SAWPA and its partner agencies to take the next step in integrated and inclusive watershed planning.

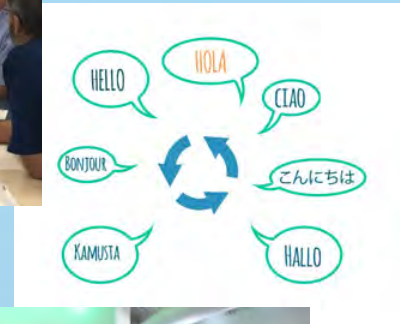
- SAWPA partnered with the University of California, Irvine's Department of Anthropology and California State University, San Bernardino Water Resources and Policy Initiatives.
- Initial phase 1 Report available on SAWPA DCI webpage



Program Element 2 - Education and Engagement

Objectives of this program element included activities intended to accomplish multiple long-term outcomes for the region:

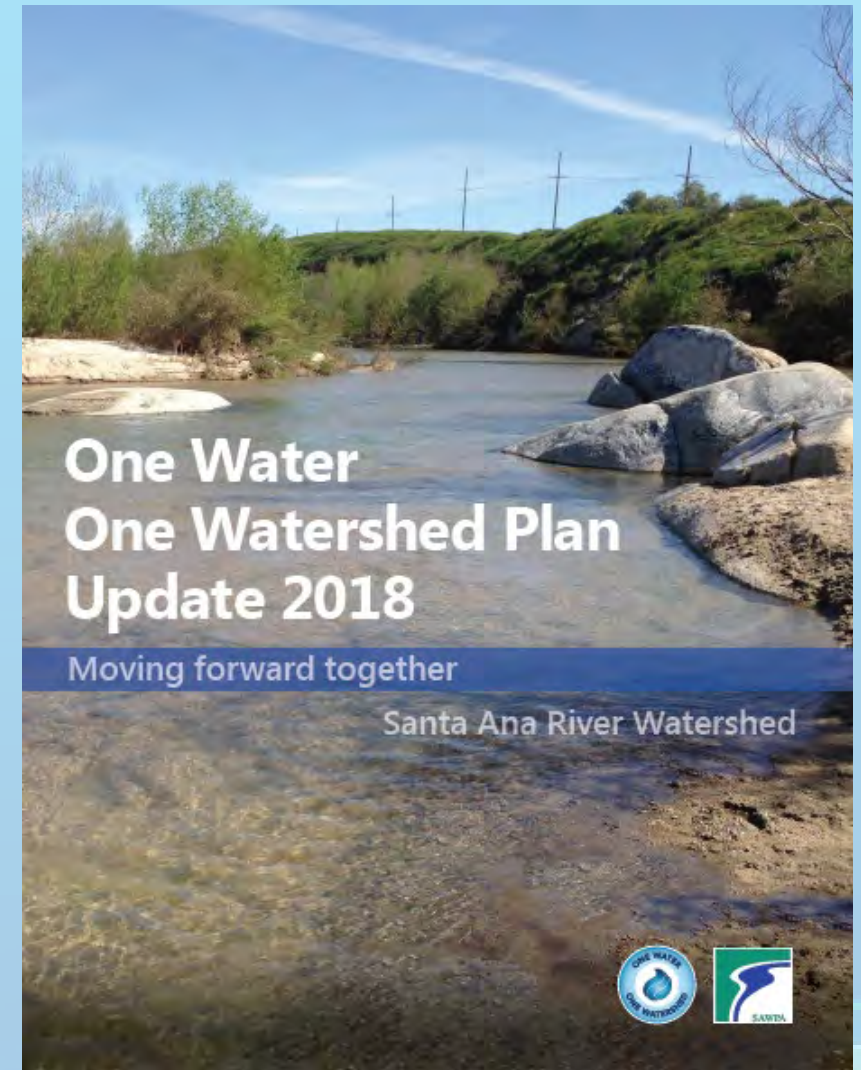
- Provide community members better understanding of water management.
- Strengthen participation in the OWOW process.
- Engage and educate elected representatives.



OWOW Plan Update 2018

Objective: incorporate findings from the Disadvantaged Community Involvement program into the 2018 OWOW Plan update.

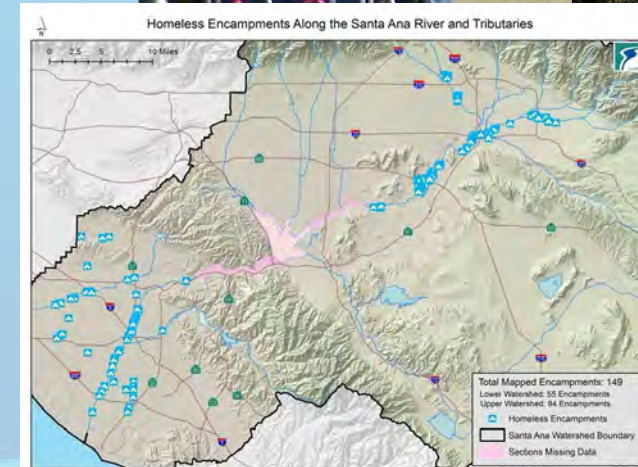
- Updated Subchapters of the OWOW Plan
 - 5.3 Tribal Communities
 - 5.5 Disadvantaged Communities
- Plan Adopted: February 2019
- Available on the SAWPA DCI Program webpage



Homelessness & Water Convening

Objective: reveal synergies and develop new partnerships between those seeking to manage homelessness and those engaged with water management

- SAWPA Hosted two events (2017)
- Identified linkages between water & homelessness
 - Homeless considered underrepresented community
 - Water quality degradation (trash, bacteria)
 - Hydromodification (damming, debris)
 - Riparian / Aquatic habitat (physical disturbance, fire)
 - Flood risk (unsheltered people)
 - Access to drinking water
 - Access to sanitation (sanitary sewer, hygiene)
 - Repurposing of multi-use recreation facilities



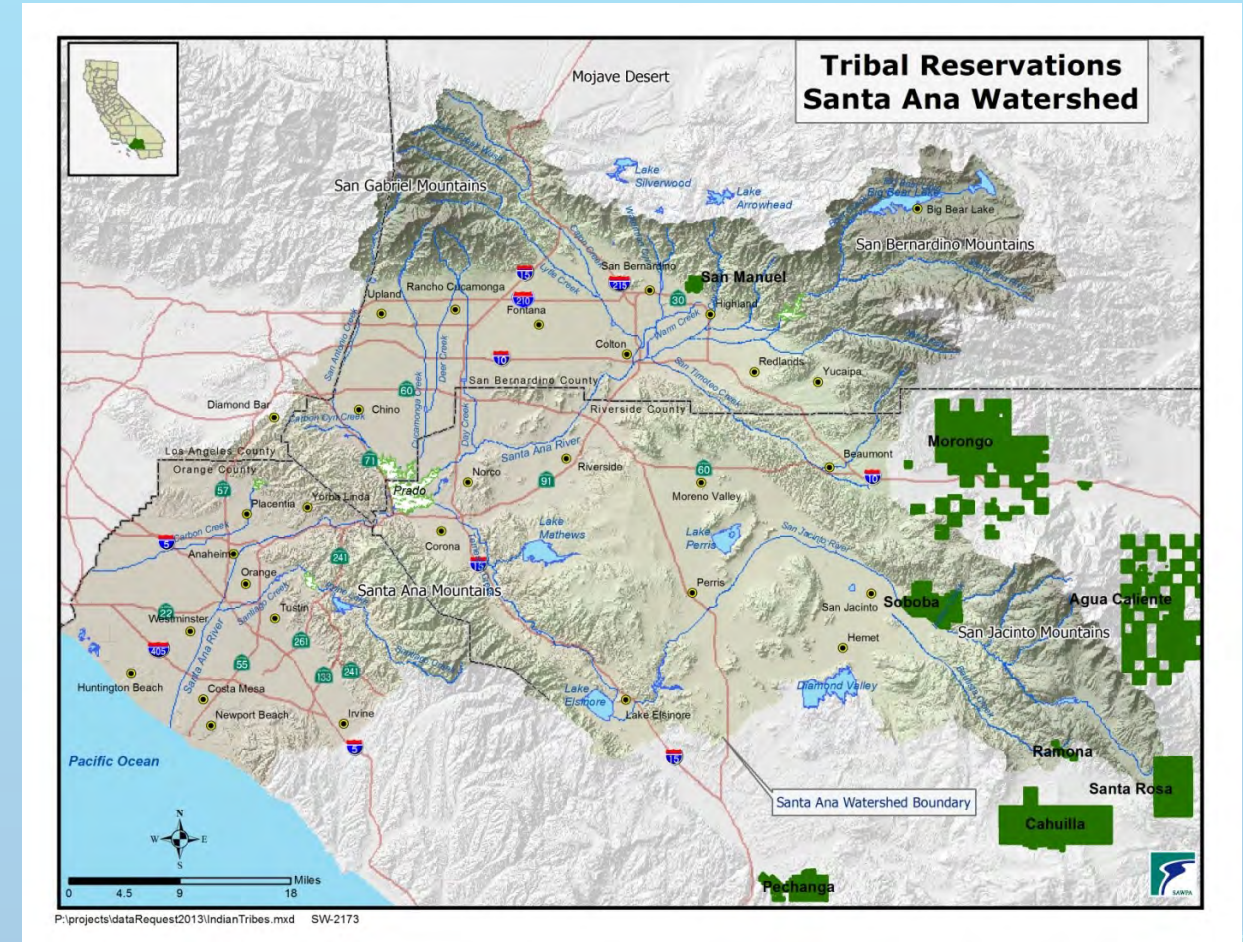
Note: Encampment data provided by the Orange County Department of Public Works, the Riverside County Sheriff's Department, and the San Bernardino County Sheriff's Department. Data for the Santa Ana River tributaries is incomplete or absent.



Tribal Consultation

Objective: Confer with the sovereign tribal communities within the Santa Ana Watershed and the adjacent areas not served by a Regional Water Management Group.

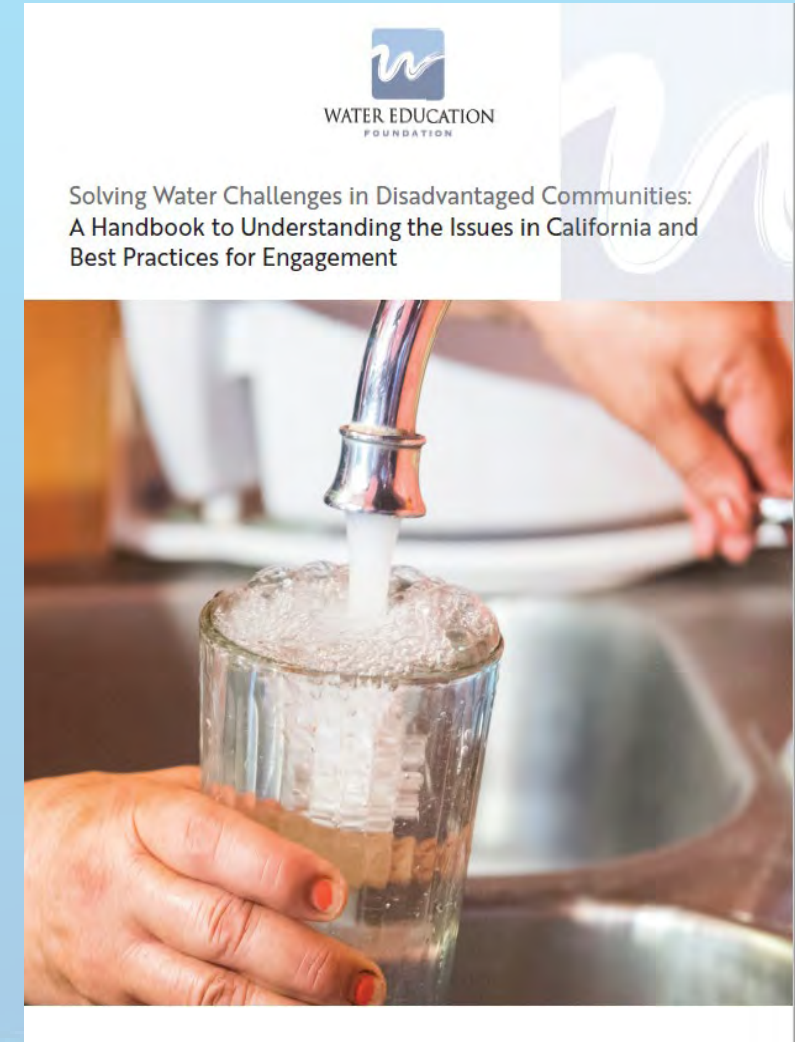
- Conducted outreach and held workshops
 - Invitations to all Tribal groups
 - Included non-federally recognized Native American Tribes.
- Activity Lead: SAWPA staff/ CRWA



Engagement Best Practices Publication

Objective: Produced publication to report on engagement of disadvantaged communities and water management

- Highlighted case studies from around the state, including the SAWPA region
- Activity Lead: Water Education Foundation
- Final Report: July 2020
 - Printed publication distributed Statewide
 - *SAWPA has a limited number of copies available!
 - Digital version available on the SAWPA DCI webpage



Water Agency Community Engagement Training

Objective: Conducted six virtual training events directed at agency staff of small Community Water Systems and Mutual Water Companies.

- Activity Lead: California Rural Water Agency
- Courses offered included:
 - Leak Detection & Water Loss Accountability
 - Rates & Rates Structure
 - Water Conservation/Water Shortage Management Plans
 - AB 54 Board Member Training
 - Emergency Preparedness/Response
 - Grant Funding & Infrastructure Planning
 - Well Diagnostics, Rehab, & Maintenance



Santa Ana Watershed Ambassador Program for Local Policymakers

Objective: Provided trainings for local elected leaders and their staff in the watershed.

- Relayed the findings of the Strengths & Needs Assessment
- Provide basic information on water management topics, and best practices
- **Workshop 1:** Getting to Know Your Watershed (September 2019)
- **Workshop 2:** Collaborative Planning in the Face of Uncertainty (January 2020)
- **Workshop 3:** Communicating the Value of Water to Your Constituents (July 2020)
- Spring 2021 - conducted condensed versions of the 2019-2020 Watershed Ambassador Certification Program.
 - Materials used to develop on-line mini-series to be hosted on SAWPA Watershed Ambassador website to continue the program
- Materials available on SAWPA DCI Program website



Santa Ana River Watershed Ambassador Program for Local Policymakers - Virtual Mini Series



How To Get Certified

- 1 WATCH THE RECORDINGS
- 2 COMPLETE THE ACTIVITY
- 3 COMPLETE THE EVALUATION
- 4 EMAIL AMBASSADOR@SAWPA.ORG
- 5 RECEIVE YOUR CERTIFICATE!

Workshop 1: Getting to Know Your Watershed

Workshop 2: Collaborating in the Face of Uncertainty

Workshop 3: Communicating the Value of Water



Statewide Disadvantaged Communities and Tribal Involvement Lessons Learned Virtual Summit

Focus: Disadvantaged Communities and Tribes
Lessons Learned through Prop 1 IRWM Program

- Highlighted SAWPA's DACI Program
- Findings from IRWM regions around the State
- Key Speakers:
 - Wade Crowfoot, California Natural Resources Agency
 - Laurel Firestone, State Water Resources Control Board
 - Yana Garcia, California Environmental Protection Agency
 - Carmel Brown and Anecita Agustinez, Department of Water Resources
- Conducted as three half day events
- Over 450 Attendees
- Summit Presentation materials available on the SAWPA DCI webpage



Wade Crowfoot
California Natural
Resources Agency



Laurel Firestone
State Water Resources
Control Board



Yana Garcia
California Environmental
Protection Agency



Community Engagement Interns Program

Objective: Program, administered by the CSU DACCC, sought applications from public agencies and environmental or social justice NGOs for the services of pairs of interns to assist with community engagement or public affairs work related to disadvantaged communities, economically distressed areas, or underrepresented communities.

- Provided internships for students from the CSU, UC and community college campuses of the watershed.
- Activity Lead: CSUSB / Civic Sparks
- Placement 60 Interns (complete)



Public Outreach Services

Trust the Tap

Objective: Trust the Tap is a multi-lingual informational campaign focused on spreading awareness about the values and safety of tap water within communities of the watershed that have historically mistrusted the safety of water from the tap..

- Materials available in Spanish, Vietnamese, and English.
- Tool Kit includes:
 - Bill stuffers
 - Informational videos
 - News releases
 - Social media posts
 - Posters
 - Trifold brochures
 - Outreach plan
- Available on the SAWPA webpage

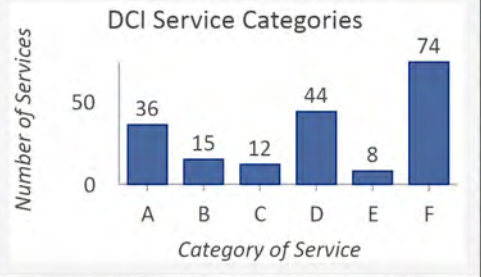
Translation Services

Objective: Translation services for documents and meetings.

- Multiple languages.
- Completed: 80 jobs at \$85 K



SAWPA Disadvantaged Community (DAC) Involvement Program - DAC Census Block Groups Benefited



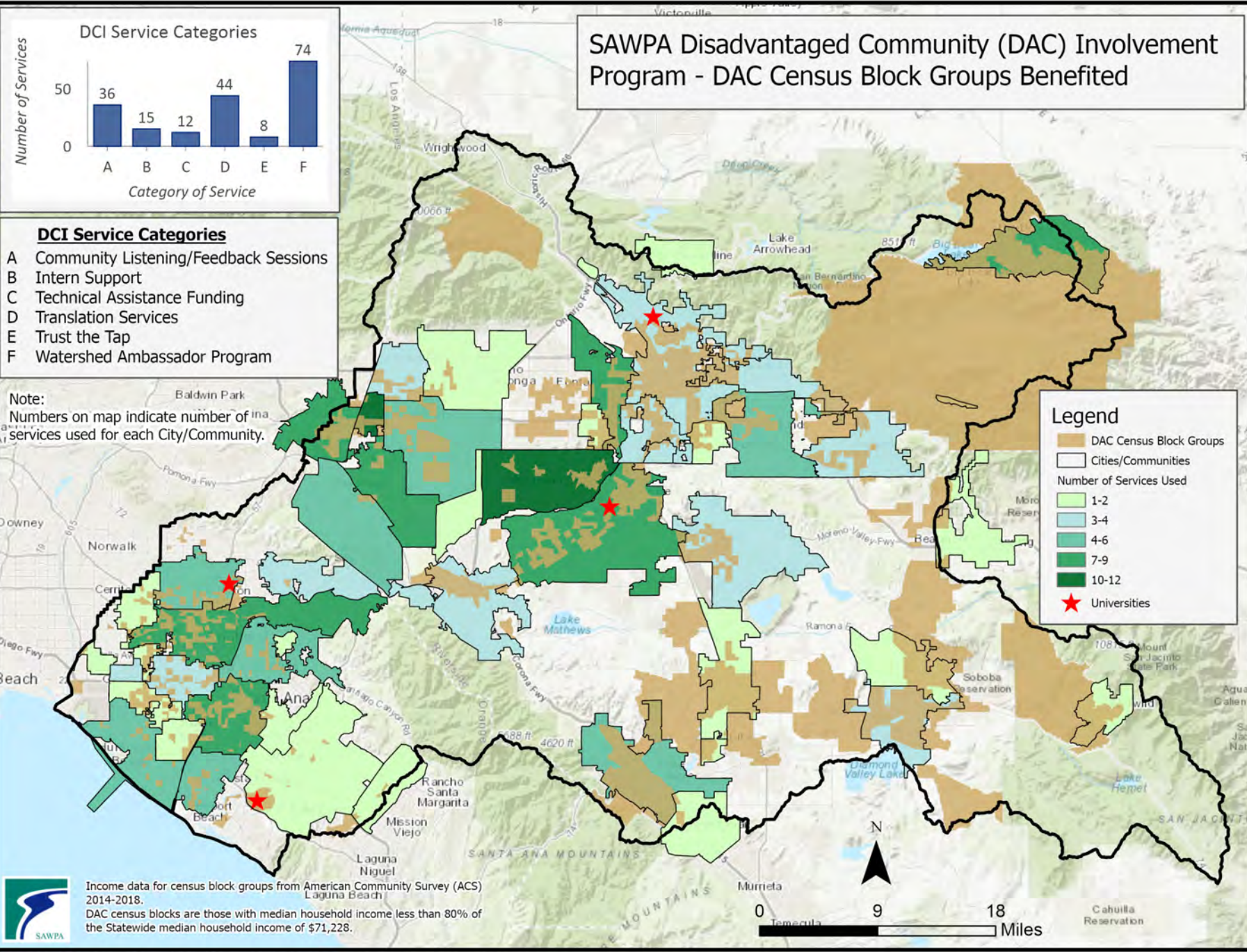
- DCI Service Categories**
- A Community Listening/Feedback Sessions
 - B Intern Support
 - C Technical Assistance Funding
 - D Translation Services
 - E Trust the Tap
 - F Watershed Ambassador Program

Note:
Numbers on map indicate number of services used for each City/Community.

Legend

- DAC Census Block Groups
- Cities/Communities
- Number of Services Used
- 1-2
- 3-4
- 4-6
- 7-9
- 10-12
- Universities

Income data for census block groups from American Community Survey (ACS) 2014-2018.
DAC census blocks are those with median household income less than 80% of the Statewide median household income of \$71,228.



Program Element 3 - Project Development

Technical Assistance for Community Need

Objectives:

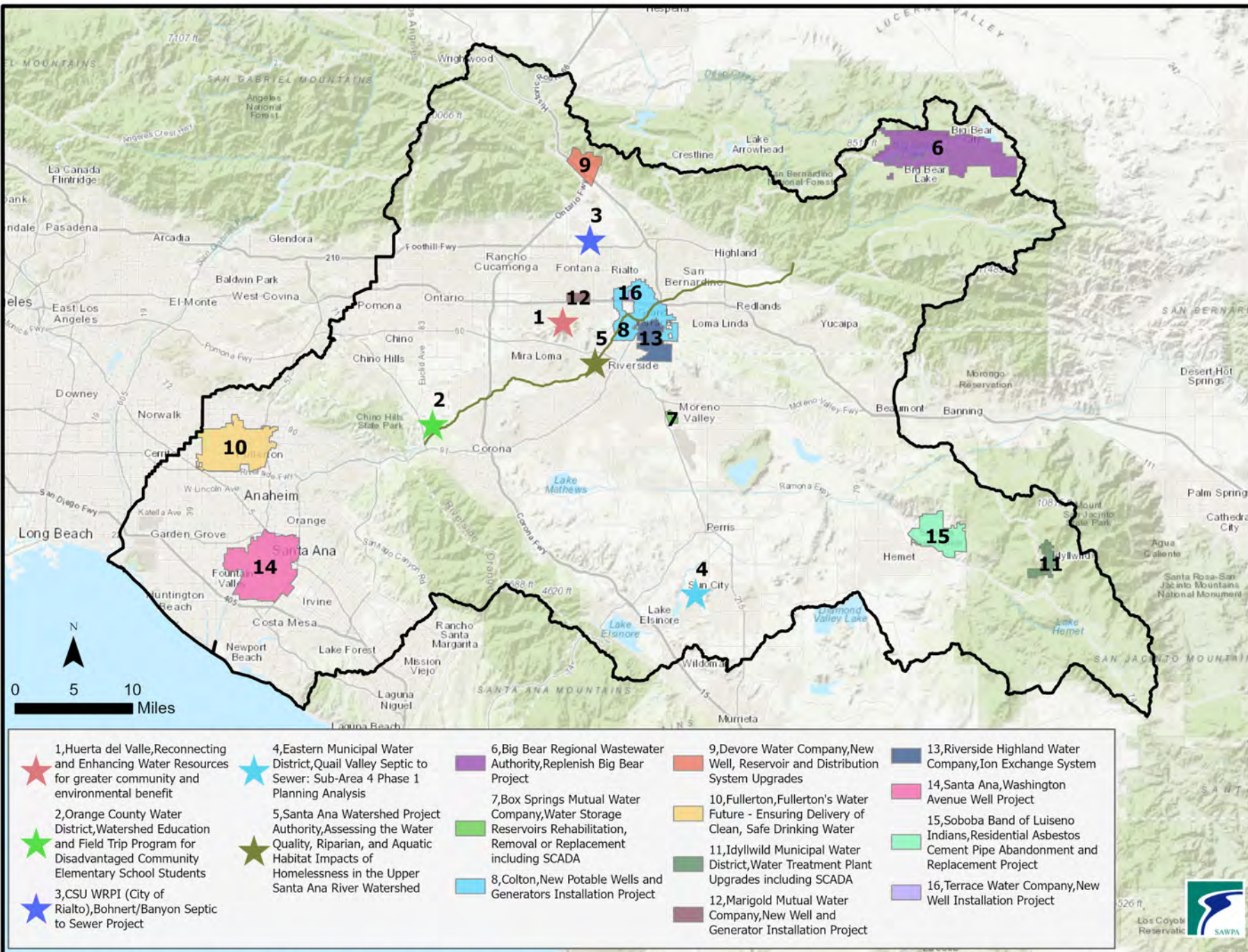
- Building upon what was learned through the outreach and engagement efforts to overburdened and underserved communities a suite of potential project and program types were identified as eligible to receive technical assistance funding.
- Develop evaluation criteria to rate, rank and score the potential projects, plans and programs.
- Allocated Technical Assistance funding.
- Allocated Funding \$2.9 M



DCI Program Technical Assistance Funding

TA Award	Project Sponsor:	Project Title:
\$25,000	CSU WRPI	Median Household Income Surveys
\$75,000	SAWPA	Assessing the Water Quality, Riparian, and Aquatic Habitat Impacts of Homelessness in the Upper Santa Ana River Watershed
\$350,000	Soboba Band of Luiseno Indians	Residential Asbestos Cement Pipe Abandonment and Replacement Project
\$500,000	Big Bear Area Regional Wastewater Agency	Replenish Big Bear
\$150,000	California Rural Water Association	Tribal Advisory Committee (Tribal AC)
\$175,000	Box Springs MWC	Rehabilitation, Removal or Replacement of Water Storage Reservoirs with SCADA
\$200,000	City of Colton	Two New Potable Wells with Generators
\$100,000	Devore WC	New Reservoir, Distribution System Upgrades and New Well
\$150,000	Idyllwild WD	Water Treatment Plant Upgrade with SCADA
\$100,000	Marygold MWC	New Well and Generator Project
\$25,000	Riverside Highland WC	Ion Exchange System
\$250,000	Terrace MWC	New Potable Well
\$200,000	Eastern Municipal WD	Quail Valley Sub-Area 4 Septic to Sewer, Phase 1 Planning Analysis
\$250,000	City of Rialto	Bohnert/Banyon Septic to Sewer Project
\$100,000	Orange County WD	Watershed Education and Field Trip Program for Disadvantaged Community Elementary School Students
\$100,000	City of Fullerton	Fullerton's Water Future - Ensuring Delivery of Clean, Safe Drinking Water
\$50,000	Huerta del Valle	Reconnecting and Enhancing Water Resources for greater community and environmental benefit.
\$100,000	City of Santa Ana	Washington Avenue Well Project

Technical Assistance Projects



Conclusions & Recommendations

- Core community concerns to be addressed:
 - Language Barriers
 - Communication
 - Tap Water Quality
- Recommendations to water decision-makers
 - Devote staff to maintaining long-term relationships with community-based that have relationships with underrepresented and overburdened communities.
 - Work directly with community-based organizations to hear and respond to the localized concerns that people have about tap water.
 - Design strong and inclusive working group structures that are able to connect the strengths and needs surfaced by communities to actionable projects and programs.
 - More regional involvement and support is needed for small water community systems/mutual water companies serving disadvantaged communities
 - Continue to fund disadvantaged community involvement programs.



SAWPA Disadvantaged Community Involvement Program Webpage

Direct links to the Disadvantaged Community Involvement Program resources and materials can be found at:

<https://sawpa.org/owow/dci-program/>



Questions

