



SAWPA

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

PURSUANT TO THE PROVISIONS OF AB 361, THIS MEETING WILL BE CONDUCTED VIRTUALLY WITH THE OPPORTUNITY FOR PUBLIC COMMENT. 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/85138719436 	<ul style="list-style-type: none"> • 1 (669) 900-6833
<ul style="list-style-type: none"> • Meeting ID: 851 3871 9436 	<ul style="list-style-type: none"> • Meeting ID: 851 3871 9436
* Participation in the meeting via the Zoom app (a free download) is strongly encouraged.	

REGULAR COMMISSION MEETING TUESDAY, DECEMBER 20, 2022 – 9:30 A.M.

AGENDA

1. CALL TO ORDER/PLEDGE OF ALLEGIANCE (Marco Tule, 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: DECEMBER 6, 20227
Recommendation: Approve as posted.
6. WORKSHOP DISCUSSION AGENDA
 - A. LEGISLATIVE REPORT
Presenter: Michael Boccadoro and Beth Olhasso, West Coast Advisors
Recommendation: Receive and file.
7. NEW BUSINESS
 - A. SAWPA RESERVE POLICY(CM#2022.77).....13
Presenter: David Ruhl
Recommendation: Approve the updated SAWPA Reserve Policy.

B.	<u>FISCAL YEAR 2021-2022 REPORT ON AUDIT (CM#2022.78)</u>39 Presenter: Karen Williams Recommendation: Receive and review the Annual Comprehensive Financial Report (ACFR) for the Fiscal Year ending June 30, 2022, which includes the Report on Audit prepared by Fedak & Brown LLP, then: 1. Accept the ACFR, including the Report on Audit as prepared by Fedak & Brown LLP. 2. Direct staff to file the Report with the respective government agencies as required by law; and, 3. Direct staff to submit the ACFR, with any necessary changes, for the Certificate of Achievement for Excellence in Financial Reporting Award.
C.	<u>AMBIENT WATER QUALITY UPDATE PILOT STUDY – CONSULTANT SUPPORT (CM#2022.79)</u>183 Presenter: Mark Norton Recommendation: To authorize the General Manager to execute Task Order WEST374-02 for an amount not-to-exceed \$339,960.00 with West Yost to conduct work to assist the Basin Monitoring Program Task Force to implement the Ambient Water Quality Pilot Study for TDS and Nitrogen.
D.	<u>SAWPA BUILDING – LOBBY SECURITY IMPROVEMENTS (CM#2022.80)</u>219 Presenter: David Ruhl Recommendation: To direct the General Manager to prepare bid documents for the SAWPA Building Lobby Security Improvements project, including improvements to provide equal access to persons with disabilities as required by the Americans with Disabilities Act (ADA).
8.	<u>INFORMATIONAL REPORTS</u> Recommendation: Receive for information.
A.	<u>CASH TRANSACTIONS REPORT – SEPTEMBER 2022</u>351 Presenter: Karen Williams
B.	<u>CASH TRANSACTIONS REPORT – OCTOBER 2022</u>357 Presenter: Karen Williams
C.	<u>INTER-FUND BORROWING – SEPTEMBER 2022 (CM#2022.81)</u>363 Presenter: Karen Williams
D.	<u>INTER-FUND BORROWING – OCTOBER 2022 (CM#2022.82)</u>369 Presenter: Karen Williams
E.	<u>PERFORMANCE INDICATORS/FINANCIAL REPORTING – SEPTEMBER 2022 (CM#2022.83)</u>375 Presenter: Karen Williams
F.	<u>PERFORMANCE INDICATORS/FINANCIAL REPORTING – OCTOBER 2022 (CM#2022.84)</u>397 Presenter: Karen Williams
G.	<u>PROJECT AGREEMENT 25 – OWOW FUND – FINANCIAL REPORT, SEPTEMBER 2022</u>419 Presenter: Karen Williams

H.	<u>PROJECT AGREEMENT 26 – ROUNDTABLE FUND – FINANCIAL REPORT, SEPTEMBER 2022</u>	423
	Presenter: Karen Williams	
I.	<u>FIRST QUARTER FYE 2023 EXPENSE REPORT</u>	427
	<ul style="list-style-type: none"> • General Manager • Staff Presenter: Karen Williams	
J.	<u>BUDGET VS ACTUAL VARIANCE REPORT – FYE 2023 FIRST QUARTER – SEPTEMBER 30, 2022 (CM#2022.85)</u>	429
	Presenter: Karen Williams	
K.	<u>FINANCIAL REPORT FOR THE FIRST QUARTER ENDING SEPTEMBER 30, 2022</u>	437
	Presenter: Karen Williams	
L.	<u>GENERAL MANAGER REPORT</u>	447
	Presenter: Jeff Mosher	
M.	<u>STATE LEGISLATIVE REPORT OCTOBER 2022 NOVEMBER 2022</u>	449
	Presenter: Jeff Mosher	
N.	<u>CHAIR’S COMMENTS/REPORT</u>	
O.	<u>COMMISSIONERS’ COMMENTS</u>	
P.	<u>COMMISSIONERS’ REQUEST FOR FUTURE AGENDA ITEMS</u>	

9. CLOSED SESSION

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

10. 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, Clerk of the Board of the Santa Ana Watershed Project Authority declare that on December 15, 2022, a copy of this agenda has been uploaded to the SAWPA website at www.sawpa.org and posted at SAWPA’s office at 11615 Sterling Avenue, Riverside, California.

2023 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.)

January 1/3/23 Commission Workshop 1/17/23 Regular Commission Meeting	February 2/7/23 Commission Workshop 2/21/23 Regular Commission Meeting
March 3/7/23 Commission Workshop 3/21/23 Regular Commission Meeting	April 4/4/23 Commission Workshop 4/18/23 Regular Commission Meeting
May 5/2/23 Commission Workshop 5/16/23 Regular Commission Meeting 5/9 – 5/11/23 ACWA Spring Conference, Monterey, CA	June 6/6/23 Commission Workshop 6/20/23 Regular Commission Meeting
July 7/4/23 Commission Workshop 7/18/23 Regular Commission Meeting	August 8/1/23 Commission Workshop 8/15/23 Regular Commission Meeting
September 9/5/23 Commission Workshop 9/19/23 Regular Commission Meeting	October 10/3/23 Commission Workshop 10/17/23 Regular Commission Meeting
November 11/7/23 Commission Workshop 11/21/23 Regular Commission Meeting 11/28 – 11/30/23 ACWA Fall Conference, Indian Wells, CA	December 12/5/23 Commission Workshop 12/19/23 Regular Commission Meeting

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/>

January 2023

DATE	TIME	MEETING DESCRIPTION	LOCATION
01/03/23	10:00AM	PA 24 Committee Mtg	VIRTUAL/TELECONFERENCE
01/09/23	1:00PM	MSAR TMDL Task Force Mtg	VIRTUAL/TELECONFERENCE
01/10/23	9:30AM	LE/CL TMDL Task Force Mtg	VIRTUAL/TELECONFERENCE
01/24/23	9:30AM	Basin Monitoring Program Task Force Mtg	VIRTUAL/TELECONFERENCE
01/26/23	11:00AM	OWOW Steering Committee Mtg	VIRTUAL/TELECONFERENCE
01/30/23	2:30PM	Emerging Constituents Program Task Force Mtg	VIRTUAL/TELECONFERENCE

February 2023

DATE	TIME	MEETING DESCRIPTION	LOCATION
02/07/23	8:30AM	PA 24 Committee Mtg	VIRTUAL/TELECONFERENCE
02/07/23	10:00AM	PA 23 Committee Mtg	VIRTUAL/TELECONFERENCE
02/16/23	4:00PM	LESJWA Board of Directors Meeting	VIRTUAL/TELECONFERENCE

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.

Page Intentionally Blank



**SAWPA COMMISSION
REGULAR MEETING MINUTES
DECEMBER 6, 2022**

COMMISSIONERS PRESENT

Marco Tule, Chair, Inland Empire Utilities Agency
Bruce Whitaker, Vice Chair, Orange County Water District
June D. Hayes, San Bernardino Valley Municipal Water District
David J. Slawson, Eastern Municipal Water District
Brenda Dennstedt, Alternate, Western Municipal Water District

COMMISSIONERS ABSENT

Mike Gardner, Western Municipal Water District

**ALTERNATE COMMISSIONERS
PRESENT; NON-VOTING**

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

STAFF PRESENT

Jeff Mosher, Karen Williams, Mark Norton, Edina Goode, Rick Whetsel, Ian Achimore; Marie Jauregui, Sara Villa, Zyanya Ramirez, Dean Unger, Pete Vitt; John Leete, Alison Lewis

OTHERS PRESENT

Andrew Turner, Lagerlof, LLP; Joe Mouawad, Eastern Municipal Water District; Nick Kanetis, Eastern Municipal Water District; Shivaji Deshmukh, Inland Empire Utilities Agency; Ruben Valdez, Inland Empire Utilities Agency; Kevin O'Toole, Orange County Water District; Robert Enis, Orange County Water District; Adeenle Ojo, San Bernardino Valley Municipal Water District; Ryan Shaw, Western Municipal Water District; Mallory Gandara, Western Municipal Water District; Michael Markus, Western Municipal Water District; Wayne Miller, Yorba Linda Water District; Jonathan Barger, Accent Computer Solutions

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

1. CALL TO ORDER

Pursuant to the provisions of AB 361, 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

Jeff Mosher requested Agenda Item No. 7.B be removed from the agenda and deferring it a future meeting due to staff being out ill.

MOVED, to remove Agenda Item No. 7.B from the Agenda.

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

5. CONSENT CALENDAR

A. APPROVAL OF MEETING MINUTES: OCTOBER 18, 2022

Recommendation: Approve as posted.

B. TREASURER'S REPORT: SEPTEMBER 2022

Recommendation: Approve as posted.

C. TREASURER'S REPORT: OCTOBER 2022

Recommendation: Approve as posted.

D. RESOLUTION ON CONTINUATION OF REMOTE COMMISSION AND COMMITTEE MEETINGS (CM#2022.74)

Recommendation: Adopt Resolution No. 2022-18 Proclaiming A State of Emergency Persists, Re-Ratifying the Proclamation of a State of Emergency by Governor Gavin Newsom, and Re-Authorizing Remote Teleconference Meetings of all Commission and Committee meetings of the Santa Ana Watershed Project Authority for the period of December 6, 2022, to January 5, 2023, pursuant to Brown Act Provisions.

E. PROPOSITION 1 ROUND 2 INTEGRATED REGIONAL WATER MANAGEMENT RESOLUTION 2022-17 (CM#2022.75)

Presenter: Ian Achimore

Recommendation: To adopt SAWPA Resolution 2022-17 to Submit the Final Grant Application to the Department of Water Resources.

MOVED, to approve the Consent Calendar as posted.

Result:	Adopted by Roll Call Vote
Motion/Second:	Slawson/Hayes
Ayes:	Dennstedt, Hayes, Slawson, Tule, Whitaker
Nays:	None
Abstentions:	Dennstedt (Abstained Agenda Item 5.A.)
Absent:	None

6. SPECIAL COMMENDATIONS

A. RECOGNITION OF YEARS OF SERVICE

Jeff Mosher commended SAWPA's Senior GIS Project Manager, Pete Vitt and recognized his 25 years of service, and SAWPA's Senior Watershed Manager, Rick Whetsel for 20 years. Commissioner Dennstedt congratulated both Mr. Vitt and Mr. Whetsel on their years of success and loyalty to SAWPA.

7. NEW BUSINESS

A. INFORMATION TECHNOLOGY SERVICES CONSULTANT (CM#2022.76)

Dean Unger provided a presentation on the Information Technology (IT) Services Proposal Selection, contained in the agenda packet on pages 47-56. On October 18, 2022, SAWPA staff issued a Request for Proposals (RFP) for the Information Technology Services. Six (6) proposals were received on November 21, 2022, thru PlanetBids from the following firms:

- Accent Computer Solutions
- Acorn Technology Services
- Apex Technology Services
- Tech Masters Computer Services
- Technijian
- Trinus Corporation

Two (2) of the six (6) proposals received were disqualified due to no costs included. A selection committee consisting of retired IT Director from Western Municipal Water District,

and SAWPA staff reviewed the proposals and interviewed the top three (3) proposing firms on November 28, 2022. The firms were scored on criteria (project understanding, technical approach, relevant qualifications, experience, level of effort, costs, and references).

Based on the RFP criteria, Accent Computer Solutions received the highest total score and unanimous consensus from the selection committee as the most qualified firm to perform the work. During the interview process, each firm was asked for their annual percentage increase over the four-year term. The fee proposals are as follows:

Firm	Monthly Fee Proposal
Accent Computer Solutions	\$5,892.50
Acorn Technology Services	\$8,592.00
Apex Technology Services	\$8,750.00

Commissioner Hayes asked if SAWPA has done any external mock fishing attempts. Mr. Unger noted that mock fishing was included in the RFP. There will be penetration tests done to determine if there are any vulnerability in the system. Commissioner Dennstedt referred to page 55 of the agenda packet and asked what the line item was for "Support for 1 Board Member". Mr. Unger noted that it is a fallback position if on an occasion a PC is lend out to a commissioner and any issues come up and needs fixing. Jonathan Barger of Accent Computer Solutions thanked the Commission and SAWPA staff and noted they are happy to continue their services with SAWPA. Commissioner Dennstedt thanked Mr. Barger for their continued service to SAWPA and providing a competitive bid.

MOVED, to authorize the General Manager to execute General Services Agreement and Task Order No. ACS100-26 with Accent Computer Solutions, Inc. for an amount not to exceed \$288,000.00 for a 48-month period (1/1/2023-12/31/2026) to provide Information Technology Services, with an option to add a 12-month extension to the end of this agreement.

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

B. SAWPA RESERVE POLICY (CM#2022.77)

Agenda Item No. 7.B was removed by staff from the agenda.

8. INFORMATIONAL REPORTS

Recommendation: Receive for Information.

A. ASSEMBLY BILL 2449 (BLANCA RUBIO)

Andrew D. Turner, Lagerlof referenced the memorandum contained in the agenda packet on pages 141-144. Mr. Turner noted that there are important things to discuss, the first item is Board Members can participate remotely without complying with the traditional and still existing Brown Act requirements with respect to remote participation under very specific circumstances. AB 2449 does not repeal AB 361. AB 361 is not repealed until January 1, 2024, unless the Governor or the County Health officials determine that no health emergency exists. AB 2449 is intended to apply in certain limited circumstances to allow local agencies to conduct teleconference meetings without having to comply with the existing Brown Act requirements when some directors are not able to participate in person for permissible reasons as set forth in the new law. Thus, in those settings, a local agency will not have to post agendas at all teleconference locations, will not be obligated to

identify all teleconference locations in the meeting agendas, and will not need to make each teleconference location open to the public. Board members are individually tasked with observing certain requirements before they can participate in a Board meeting remotely under AB 2449. It is incumbent upon the individual board members to follow the requirements laid out in the bill. Except for a few overlapping obligations, those requirements differ based on whether the member’s remote participation is arising out of a “just cause” or “emergency circumstances,” as shown in the table below:

“Just Cause”	“Emergency Circumstances”
<p>✓ The member notifies the legislative body at the earliest opportunity possible (including at the start of a regular meeting) of their need to participate remotely for “just cause,” including a general description (typically not exceeding 20 words) of the circumstances relating to their need to appear remotely at the given meeting.</p> <p>Remote participation for “just cause” reasons cannot be utilized by any Board member for more than two meetings per calendar year.</p> <p>“Just cause” means any of the following:</p> <p>A childcare or caregiving need of a child, parent, grandparent, grandchild, sibling, spouse, or domestic partner that requires them to participate remotely</p> <ul style="list-style-type: none"> • A contagious illness that prevents a member from attending in person • A need related to a physical or mental disability not otherwise accommodated • Travel while on official business of the legislative body or another state or local agency 	<p>✓ The member requests the legislative body to allow them to participate in the meeting remotely due to “emergency circumstances” and the legislative body takes action to approve the request. The member must make this request to participate remotely at a meeting as soon as possible. The legislative body must request a general description (typically not exceeding 20 words) of the circumstances relating to the requesting member’s need to appear remotely at the given meeting.</p> <p>✓ The member must make a separate request for each meeting in which they seek to participate remotely.</p> <p>The general description of the circumstances does not require the member to disclose any medical diagnosis or disability, or any personal medical information that is already exempt under existing law, such as the Confidentiality of Medical Information Act.</p> <p>The legislative body may take action on a request to participate remotely at the earliest opportunity. If the request does not allow sufficient time to place proposed action on such a request on the posted agenda for the meeting for which the request is made, the legislative body may take action at the beginning of the meeting in accordance with <u>existing law</u>.</p> <p>“Emergency circumstances” means a physical or family medical emergency that prevents a member from attending in person.</p>
<p>✓ The member must publicly disclose at the meeting, before any action is taken, whether any other individuals 18 years of age or older are present in the room at the remote location with the member, and the general nature of the member’s relationship with any such individual(s).</p> <p>✓ The member must participate through <i>both</i> audio and visual technology (thus, the member’s camera must be on!).</p> <p>Under neither case (“just cause”/“emergency circumstances”) do AB 2449’s provisions permit any member of a legislative body to participate in meetings of the legislative body solely by teleconference from a remote location for a period of:</p> <ul style="list-style-type: none"> • more than three consecutive months or 20 percent of the regular meetings for the local agency within a calendar year, <i>or</i> • more than two meetings <i>if the legislative body regularly meets fewer than 10 times per calendar year</i> 	

Commissioner Dennstedt asked what the maximum number of meetings that you are allowed to participate remotely under AB 2449 with the camera requirement. Mr. Turner said two (2) if you meet less than 10 times a year, 10 or less otherwise it is up to 20% of the times you meet. Commissioner Hayes noted that there are several ways to participate in meetings; we can all be in-person and meet, we can continue to participate remotely with AB 361 until the "State of Emergency" is lifted, and under the old Brown Act if there is an instance of a board member going away on vacation, the Agenda has to be posted 72 hours for the public at the specific vacation location.

B. CHAIR'S COMMENTS/REPORT

There were no Chair comments.

C. COMMISSIONERS' COMMENTS

There were no Commissioners' comments.

D. COMMISSIONERS' REQUEST FOR FUTURE AGENDA ITEMS

There were no requests for future agenda items.

9. CLOSED SESSION

There was no closed session.

10. ADJOURNMENT

There being no further business for review, Chair Marco Tule adjourned the meeting at 10:06 a.m.

Approved at a Regular Meeting of the Santa Ana Watershed Project Authority Commission on Tuesday, December 20, 2022.

Marco Tule, Chair

Attest:

Sara Villa, Clerk of the Board

Page Intentionally Blank

COMMISSION MEMORANDUM NO. 2022.77

DATE: December 20, 2022
TO: SAWPA Commission
SUBJECT: SAWPA Reserve Policy
PREPARED BY: David Ruhl, Executive Manager of Engineering and Operations

RECOMMENDATION

It is recommended that the Commission approve the updated SAWPA Reserve Policy.

DISCUSSION

SAWPA's Reserve Policy was established to ensure that sufficient funding is available for current operating, capital, and debt service needs. The Reserve Policy describes how and why specific reserves are established and maintained to provide SAWPA's member agencies with assurance that reserve balances will be maintained at prudent and fiscally responsible levels. SAWPA currently maintains nine (9) distinct reserves that pertain to the Inland Empire Brine Line and two (2) reserves that pertain to the SAWPA General Fund.

In November 2021, the PA 24 Committee approved a contract with Raftelis to perform a review of the SAWPA Reserve Policy, specifically the reserves and policies that pertain to the Brine Line. The work included a review of the reserve policies and recommendations for changes to reserve targets, setting minimum and maximum levels, combining reserves as needed and recommended changes to the Reserve Policy.

Raftelis and SAWPA staff worked with the member agency CFO's through several workshops to review the data and documentation and refine the preliminary findings to present to the GM's and PA 24 for discussion and approval. In addition to updates to the Brine Line reserves, the draft updated Reserve Policy includes two reserves specific to the SAWPA General Fund. The General Fund Operating Reserve (R-10) and the General Fund Building Reserve (R-11). The language for both these reserves was edited to maintain consistency with the edits to the Brine Line reserves. Due to SAWPA's reserve policy including both Brine Line reserves and General Fund reserves the Reserve Policy requires approval of both PA 24 and the SAWPA Commission.

The draft updated Reserve Policy was presented to the GM's at their October 11, 2022 meeting. Overall, the GM's were supportive of the work performed by Raftelis, Member Agency CFOs, and SAWPA staff and recommended the draft Reserve Policy be presented to PA 24. The PA 24 Committee approved the draft Reserve Policy and recommended approval by the SAWPA Commission and to maintain a maximum level in the reserve policy. Based on the comments received from PA 24 the SAWPA Reserve Policy was edited to maintain a maximum level as the target level. A copy of the updated Draft Reserve Policy is attached for your information. A general description of the recommendations and changes are described below.

Summary of recommendations and changes to the Reserve Policy

1. Update the purpose of each reserve and eliminate outdated language.

2. Add language identifying the funding source for each reserve.
3. Add language describing the minimum and target reserve levels.
4. Add language describing the maximum level funding are the target levels.
5. Add language describing funding above the target level will be approved by
6. Add language to involve the member agencies in the review of the following:
 - a. Annual funding amounts for each reserve
 - b. Time for each reserve to achieve its target levels
 - c. Funding above the target level for each reserve, if applicable

Summary of recommendations and changes to the Reserve Policy (Brine Line Reserves)

1. Maintain six (6) reserves, rename four (4) of the six (6) remaining reserves to provide greater clarity on their purpose and add a reserve number for ease of tracking and historical references as follows:
 - Brine Line Operating (R-01)
 - Debt Retirement (R-02)
 - Pipeline Capacity Management (R-04), formerly Capacity Management
 - OC San Future Treatment and Disposal Capacity (R-05), formerly OCSD Future Capacity
 - OC San Pipeline Rehabilitation (R-06), formerly OCSD Rehabilitation
 - Pipeline Replacement and Capital Investment (R-07), formerly Pipeline Replacement
2. Eliminate three (3) of the nine (9) reserves that were either duplicative or low-risk and covered by other reserves as follows:
 - Rate Stabilization (R-03)
 - Flow Imbalance (R-08)
 - Self-Insurance (R-09)
3. Combine the functions of the three (3) eliminated reserves (R-03, R-08, and R-09) with other reserves (R-01 and R-07) and transfer the reserve funds to the Pipeline Replacement and Capital Investment Reserve (R-07).
4. Establish methodology for setting reserve levels.
5. Include a minimum level, target and maximum for each reserve.
6. Add language to include PA 24 as the authority to amend and revise the Reserve Policy for reserves pertaining to the Brine Line.

RESOURCE IMPACTS

Funds to cover the Reserve Policy Review are budgeted under the Fiscal Year (FY) 2022 and FY 2023 Budget Fund 240.

Attachments:

1. PowerPoint Presentation
2. Draft Updated SAWPA Reserve Policy



SAWPA Reserve Policy

David Ruhl, Executive Manager of Engineering and Operations

December 20, 2022 | Item No. 7.A

SAWPA Reserve Policy

Recommendation:

That the Commission approve the updated SAWPA Reserve Policy.

SAWPA General Fund Reserve Categories

NO.	RESERVE	PURPOSE
R-10	General Fund Operating Reserve	Established to provide cash flow for unbudgeted and/or unexpected expenditures and to mitigate potential delays between the time with expenditures are incurred and the time when revenues are received.
R-11	General Building Fund Reserve	Established to cover major repair/maintenance work on SAWPA's Headquarters Office.

Brine Line Current Reserve Categories (1 of 2)

NO.	RESERVE	PURPOSE
R-08	Flow Imbalance Reserve	Established to set aside funds in the event that a meter error occurs, and the discharger is over-billed.
R-09	Self-Insurance Reserve	Used to cover out-of-pocket insurance losses arising from property, general liability, and worker's compensation claims
R-01	Brine Line Operating Reserve	Established to cover temporary cash flow deficiencies as a result of timing differences between receipt of operating revenues and expenditure requirements
R-02	Debt Retirement Reserve	Used for debt service payments for State Revolving Fund loans required to build and rehabilitate the Brine Line
R-03	Rate Stabilization Reserve	Established to mitigate the effects of occasional shortfalls in revenue from such events as weather, water conservation, poor economic conditions, and unplanned rate adjustments/increases

Brine Line Current Reserve Categories (2 of 2)

NO.	RESERVE	PURPOSE
R-04	Capacity Management Reserve	Established to set aside 100% of the funding derived from pipeline capacity sales to provide funds for future capacity needs within the Brine Line.
R-05	OC San Future Capacity Reserve	Used to purchase additional OC San wastewater treatment plant and outfall disposal capacity rights
R-06	OC San Rehabilitation Reserve	Established to fund SAWPA's share of capital costs associated with its proportionate share of capacity in the OC San SARI
R-07	Pipeline Replacement Reserve	Established to provide capital replacement funding as the Brine Line System's infrastructure deteriorates over its expected useful life. Manages risk associated with emergency reserves as well.

Reserve Policy Scope of Work

Brine Line Reserves

Contracted with Raftelis to review Reserve Policy and Brine Line Reserves (Nov 2021):

- Review reserve policies and fund balance requirements for each reserve
- Recommend minimum, maximum, and target reserve levels
- Recommend methodology to determine reserve levels and provide basis for recommendation



Member Agency Coordination

Date	Stakeholders	Topics
1-25-2022	CFOs	Overview of Reserves and Recommendations
2-8-22	GMs	Overview of Reserves and Recommendations
3-1-2022	CFOs	Eliminate, Combine, or Keep each of the various reserves. Who manages OC San Rehabilitation reserve. Review of OC San Agreements
3-31-2022	CFOs	Suggested funding levels: Pipeline Replacement, Operating, Debt, Capacity Management
5-2-2022	CFOs	Brine Line Rate Setting Process
5-12-2022	CFOs	OC San Rehabilitation, Pipeline Replacement
7-11-2022	CFOs	OC San Rehabilitation, Pipeline, OC San Future Capacity, Capacity Management
9-1-2022	CFOs	Review Draft Memo with Recommendations
10-11-2022	GMs	Review Draft Memo and Reserve Policy with Recommendations
11-1-2022	PA-24	Present Draft Memo and Reserve Policy Update
11-1-2022	PA-24	Approve Reserve Policy
11-15-2022	Commission	Approve Reserve Policy

Summary of Recommendations

Brine Line and General Fund Reserves

- Update the purpose and eliminate outdated language
- Add additional language
 - Identifying the funding source for each reserve
 - Describing minimum, target and maximum reserve levels
- Add additional language to involve member agencies in the review
 - Annual funding amounts for each reserve
 - Timing for each reserve to achieve its target levels
 - Funding above the target level for each reserve, if applicable

Summary of Recommendations (1 of 2)

Brine Line Reserves

- Maintain 6 reserves, rename 4 to provide greater clarity, and add ID numbers
 - Brine Line Operating (R-01)
 - Debt Retirement (R-02)
 - Pipeline Capacity Management (R-04), formerly Capacity Management
 - OC San Future Treatment and Disposal Capacity (R-05), formerly OCSD Future Capacity
 - OC San Pipeline Rehabilitation (R-06), formerly OCSD Rehabilitation
 - Pipeline Replacement and Capital Investment (R-07), formerly Pipeline Replacement
- Establish minimum, target and maximum levels for each reserve
 - Establish methodology for setting reserve levels

Summary of Recommendations (2 of 2)

Brine Line Reserves

- Eliminate 3 reserves that were either duplicative or low-risk and can be covered by other reserves
 - Rate Stabilization (R-03)
 - Flow Imbalance (R-08)
 - Self-Insurance (R-09)
- Combine the functions of the 3 eliminated reserves with other reserves and transfer the reserve funds to Pipeline Replacement and Capital Investment Reserve (R-07)
- Add language to include PA 24 as the authority to amend and revise the Reserve Policy for reserves pertaining to the Brine Line

SAWPA Reserve Policy

Recommendation:

That the Commission approve the updated SAWPA Reserve Policy.

Questions?

SANTA ANA WATERSHED PROJECT AUTHORITY

RESERVE FUNDS POLICY

POLICY STATEMENT

A key element of prudent financial planning is to ensure that sufficient funding is available for current operating, capital, and debt service needs. Additionally, fiscal responsibility requires anticipating the likelihood of, and preparing for, unforeseen events. The Santa Ana Watershed Project Authority (“SAWPA”) desires to identify and provide a calculation methodology and/or maintained level of all existing and future needs of the agency where reserve funds are required and/or necessary. The SAWPA Commission and the Project Agreement 24 Committee (PA 24) realizes the importance of reserves in providing reliable service to its member agencies, financing long-term capital projects, and the funding of emergencies, should they arise. In this context, SAWPA will at all times strive to have sufficient funding available to meet its operating, capital, and debt service obligations. Funds will be accumulated and maintained to allow SAWPA to fund expenditures in a manner consistent with SAWPA’s long range financial plan and the Capital Improvement Plan (“CIP”), and avoid significant rate fluctuations due to changes in cash flow requirements.

The Commission and PA 24 may designate specific reserve fund accounts and maintain minimum reserve fund balances consistent with statutory obligations that it has determined to be in the best interest of SAWPA. The Policy directives outlined in this document are intended to ensure SAWPA has sufficient funds to meet current and future needs. The Commission and PA 24 will annually review the level of reserve funding funds. Considerations to continue or the establishment of a new reserve fund will be determined based on the following criteria:

- ◆ Reason for the reserve.
- ◆ Availability and source of funds to continue, replenish or establish the reserve.
- ◆ Operating expenditure levels approved within the biennial budget process.
- ◆ Future capital expenditure and debt service requirements of the agency.
- ◆ Commission and PA 24 approval of the reserve policy.

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

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

DEFINITIONS

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

- I. **RESTRICTED FUNDS:** Restrictions on the use of these funds are imposed by an outside source such as creditors, grantors, contributors, laws, or regulations governing use. These funds are specifically governed by a written contract with SAWPA or outlined within the debt covenants of a debt financing.
- II. **UNRESTRICTED FUNDS:** These funds have no externally imposed use restrictions. The use of Unrestricted Funds is at the discretion of the SAWPA Commission **and PA 24**. Unrestricted Funds are designated for a specific purpose, which is determined by the Commission **and PA 24**. The Commission **and PA 24** also have the authority to redirect the use of these funds as the needs of SAWPA change.

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

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

- ◆ *Restricted and Designated Reserves* – Reserves **funds** that are designated for a particular purpose and whose use is restricted to only that purpose. The Restricted and Designated Reserves consist of the Debt Retirement Reserve (**R-02**).
- ◆ *Board Designated Reserves* – Reserves **funds** earmarked for the purpose of funding items such as new capital facilities, repair or replacement of existing facilities, and general operating reserves designated for a specific purpose and use by the Commission **and PA 24**. The Board Designated Reserves are comprised of the following reserve accounts: Brine Line Operating Reserves (**R-01**), ~~Rate Stabilization Reserve, Self Insurance Reserve, Flow Imbalance Reserve,~~ Debt Retirement Reserve (**R-02**), Pipeline Capacity Management Reserve (**R-04**), OC San Future **Treatment and Disposal** Capacity Reserve (**R-05**), OC San Pipeline Rehabilitation Reserve (**R-06**) Pipeline Replacement **and Capital Investment** Reserve (**R-07**), General Fund Operating Reserve (**R-10**), and General Fund Building Reserve (**R-11**).
- ◆ *Board Restricted (Obligated) Reserves* – Reserves set aside to meet financial commitments for services not yet fulfilled and purchases that will take place in the future. These reserves consist of the Capital Improvement Construction Reserve (**R-12**).
- ◆ *Contractually Restricted Reserves* – Funds held to satisfy limitations set by external requirements established by creditors, grant agencies or contributors, or law. Examples include stipulated bond covenants, capital improvement fees, and service

deposits. These reserves consist of the Debt Retirement Reserve (R-02). ~~At present SAWPA does not hold any contractually restricted reserve funds.~~

GENERAL PROVISIONS

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

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

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

Through a variety of policy documents and plans, including ~~the Brine Line SAWPA's~~ CIP, the long-range financial plan, and the ~~Inland Empire Brine Line~~ Brine Line Financial Study and Rate Model, the Commission ~~and PA 24~~ have set forth a number of long-term goals for SAWPA. A fundamental purpose of SAWPA's policy documents and plans is to link what must be accomplished with the necessary resources to successfully do so.

SAWPA has established and will maintain the reserves ~~funds~~ outlined in the following sections. A principal tenet of SAWPA's Reserve ~~Fund~~ Policy shall be the crediting of interest income to specific funds. Unless otherwise stated in this Reserve ~~Fund~~ Policy, interest derived from reserve balances will be credited to the reserve account from which it was earned. ~~Reserve Fund~~ balances will be reviewed by the Chief Financial Officer ("CFO") on a monthly basis, as well as biennially during the budget review process in order to determine how reserve ~~fund~~ balances compare with the budgeted projections and how they measure against the goals outlined in this Policy. ~~The CFO will involve member agencies in reviewing SAWPA's long range financial plan during the biennial budget process to determine if the current annual funding amounts for each reserve, if applicable, should be raised, lowered, or maintained.~~

The minimum ~~level~~ established for each reserve ~~fund~~ represents the baseline financial condition that is acceptable to SAWPA from risk and long-range financial planning perspectives. ~~The target level established represents the goal amount to be held in each reserve fund at any time. The maximum level funding for the reserves are these target levels. The target level may at times be above the target level due to the accumulation of funds to meet SAWPA's operating, capital and debt service obligations. Funding above the target level in the reserve will be discussed and~~

approved with the Commission and PA24 annually and during the biennial budget adoption process. SAWPA will involve member agencies in reviewing the timing for each reserve to achieve its target. Maintaining reserve funding at appropriate levels is a prudent, ongoing business process that consists of an iterative, dynamic assessment and application of various funding alternatives. These alternatives (either alone or in combination with each other) include, but are not limited to: rates, loans and grants, debt financing, investment of funds, and levels of capital expenditures.

The Commission or PA 24 shall approve any reallocation of funds or any transfers among reserve funding funds.

SPECIFIC PROVISIONS

SAWPA will maintain the following reserves at or above the respective minimum levels, with a goal of achieving the respective target levels (if applicable) funds and respective target levels:

- 1.) Brine Line Operating Reserve (R-01): The Brine Line Operating Reserve is established to cover temporary cash flow deficiencies that occur as a result of timing differences between the receipt of operating revenue and expenditure requirements. The reserve is utilized as needed to pay outstanding Brine Line Enterprise expenditures prior to the receipt of anticipated operating revenues. The reserve is also intended to mitigate the effects of occasional shortfalls in revenue due to a number of events such as weather factors (wet weather or drought events and natural disasters), increased water conservation, poor regional economic conditions, and unplanned or unexpectedly large rate adjustments/increases. This reserve may also be utilized in the event that a meter error occurs and the discharger is over-billed.

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

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

Events and Conditions Prompting the Use of the Reserve – This reserve is utilized as needed to pay outstanding Brine Line Enterprise expenditures prior to the receipt of anticipated operating revenues, to mitigate the effects of occasional revenue shortfalls, and to refund dischargers in the event that a meter error occurs and the discharger is over-billed.

Funding Source – Primary source of funding is through Brine Line Rates. Funding may be provided through reallocation of funds or any transfers among reserves as approved by PA 24.

Periodic Review Dates for Balances – Reviewed and recalibrated through the normal biennial budget and annual rate-setting process. Funding above the target level in the reserve will be discussed with PA 24 during the biennial budget adoption process.

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

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

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

~~Periodic Review Dates for Balances – Reviewed as part of the biennial budget process.~~

2.) Debt Retirement Reserve (R-02) – This reserve was initially established with funds received from SAWPA’s member agencies for the purchase of pipeline capacity (30 MGD) in the Brine Line system to provide future funding on debt service payments for SRF loans required to build the Brine Line system. Treasury-strips (“T-Strips”) were purchased with maturities to match annual principal and interest payments due on the long-term debt associated with the State loans. This reserve will be maintained and/or adjusted at levels set forth in future “bond covenants” or other debt obligation instruments as approved by PA 24 the SAWPA Commission.

Minimum Level – Funding shall at a minimum equal the amount stipulated in any formal loan agreements and/or bond covenants. Additionally, SAWPA shall meet or exceed all required debt service coverage ratios as stipulated in any formal loan agreements and/or bond covenants.

Target Level – Same as minimum level. ~~The minimum balance in this reserve should be sufficient to cover anticipated debt service payments as they become due. The balance in this reserve should reflect debt service obligations for which existing or projected revenues are insufficient to cover scheduled principal and interest payments.~~

Additionally, SAWPA shall target a debt service coverage ratio equal to the higher of:

- ◆ 1.5 times the highest annual debt service; or
- ◆ The highest annual debt service times the sum of the minimum debt service coverage ratio plus 0.25

Events and Conditions Prompting the Use of the Reserve – This reserve is utilized as needed to pay when due debt service payments on SAWPA’s obligations. The PA 24 Commission shall take action to approve annual debt service obligations of the Agency as presented in the biennial budget. Any other use (debt obligations approved and entered

into following adoption of the biennial budget) shall require prior ~~PA 24 Commission~~ approval before the expense of funds from this reserve.

Funding Source – Primary source of funding is through Brine Line Rates. Funding may be provided through reallocation of funds or any transfers among reserves as approved by PA 24.

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

- 3.) Pipeline Capacity Management Reserve (R-04) – This reserve was established to set aside 100% of the funding derived from pipeline capacity sales to provide funds for future pipeline capacity needs within the Brine Line. As the pipeline reaches capacity, other alternatives will be needed to ensure the ability to discharge and achieve salt balance within the Santa Ana Watershed. All of the funding derived from pipeline capacity sales will be deposited and maintained in this reserve.

Minimum Level – Funding shall at a minimum equal 25% of annual average CIP project costs associated with managing pipeline capacity. These projects may involve Brine Line flow concentration, flow reduction, or other alternative solutions to ensure sufficient capacity.

Target Level – The target funding level shall equal 2.5 times the minimum level. ~~Given the nature of this reserve, there is no required minimum or maximum level. 100% of the funding derived from pipeline capacity sales should be deposited and maintained in this reserve.~~

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

Funding Source – Funding derived from pipeline capacity sales and through Brine Line Rates. Funding may be provided through reallocation of funds or any transfers among reserves as approved by PA 24.

Periodic Review Dates for Balances – Reviewed as part of the biennial budget process. Funding above the target level in the reserve will be discussed with PA 24 during the biennial budget adoption process.

- 4.) OC San Future Treatment and Disposal Capacity Reserve (R-05) – This reserve is established to provide future funding as it becomes necessary for SAWPA to acquire (purchase) additional treatment and disposal capacity (minimum of 1 MGD increments) in the OC San treatment plant facility. As incremental treatment plant capacity is purchased by member agencies from SAWPA ~~purchases are made~~ at an agreed upon rate set by SAWPA resolution, funds would be deposited into this reserve account which can then be used by SAWPA to purchase treatment and disposal capacity from OC San.

~~Target Level~~ – ~~There is no minimum balance for this reserve. Its~~ Reserve levels will depend on the rate of growth and capacity sales. As capacity purchases are made by member agencies, funds will be deposited in this reserve so that its balance will be sufficient to cover anticipated additional treatment and disposal ~~plant~~ capacity purchases as and when they come due. Capacity lease revenue may also be deposited in this reserve to provide funding for future purchases of treatment and disposal capacity from OC San required to serve Brine Line lessees.

Minimum Level – Funding shall at a minimum equal the sum of past reserve contributions from member agencies not yet spent by SAWPA to purchase additional treatment and disposal capacity from OC San.

Target Level – Same as minimum level.

Events and Conditions Prompting the Use of the Reserve – This reserve may only be utilized to purchase additional treatment capacity in the OC San plant as approved by PA 24 ~~the SAWPA Commission~~. Any other use of this reserve shall not occur without prior authorization from PA 24 ~~the SAWPA Commission~~.

Funding Source – Funding derived from treatment and disposal capacity sales, capacity lease revenues and Brine Line Rates. Funding may be provided through reallocation of funds or any transfers among reserves as approved by PA 24.

Periodic Review Dates for Balances – Reviewed as part of the biennial budget process. Funding above the target level in the reserve will be discussed with PA 24 during the biennial budget adoption process.

- 5.) OC San Pipeline Rehabilitation Reserve (R-06) – This reserve was established to fund SAWPA’s share of capital costs associated with its proportionate share of capacity right ownership in the Santa Ana Regional Interceptor (SARI) Line maintained by OC San. Since these costs are expected to vary significantly in timing and size, an approach has been developed to normalize these expenditures into equal annual payments. The objective is for SAWPA to make equal annual contributions (adjusted for inflation) into this interest earning reserve fund, and then make withdrawals from this fund when payments to OC San for the SARI Line come due. According to the Brine Line Financial Study, this approach will mitigate significant capital cost spikes for SAWPA.

Minimum Level – Funding shall at a minimum equal 2% of SAWPA’s estimated share of SARI Line asset value.

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

- ◆ The minimum level

- ◆ $[\% \text{ certainty of OC San's project costs}] \times [\text{SAWPA share in project}] \times [\% \text{ of project cost to be cash financed}]$

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

Funding Source – Primary source of funding is through Brine Line Rates. Funding may be provided through reallocation of funds or any transfers among reserves as approved by PA 24.

Periodic Review Dates for Balances – Reviewed and recalibrated through the normal biennial budget and if OC San revises its SARI Line capital costs. Funding above the target level in the reserve will be discussed with PA 24 during the biennial budget adoption process.

- 6.) Pipeline Replacement and Capital Investment Reserve (R-07): This reserve was established to provide capital replacement funding as the Brine Line system’s infrastructure (pipe) deteriorates over its expected useful life. This reserve is also intended to provide cash on hand for planned capital projects and emergency repairs. ~~Based on recent core sampling of the pipeline, the pipe’s useful life was adjusted from an original 50-year life expectancy to an expected useful life of 75–100 years.~~ Maintaining this reserve serves two major purposes: i) provides a means of tracking funds designated for capital investment (such as capital revenues, depreciation funding, grants, etc.) and ensuring that they are used for their intended purpose and facilitating compliance with any applicable requirements, and ii) provides protection against the risk of cost overruns related to its capital improvement program.

Minimum Level – Funding shall at a minimum equal the sum of the following three components:

- ◆ Resiliency Component: Asset value times the lowest non-zero percentage of high and very high probability of failure (PoF) and consequence of failure (CoF) per SAWPA’s most recent Brine Line Criticality Assessment
- ◆ CIP Component: Annual average cash financed project costs in the 10-year inflated CIP
- ◆ Renewal & Replacement (R&R) Component: The sum of the following formula calculated individually for each pipeline reach:
 $[\% \text{ equity financing}] \times [\text{asset value}] \div [75\text{-year replacement period}] \times [\text{age of reach in years}]$

Target Level – The target funding level shall equal the sum of the following three components:

- ◆ Resiliency Component: The minimum of:
 - 1) Asset value times half of the highest percentage of high and very high PoF and CoF per SAWPA’s most recent Brine Line Criticality Assessment
 - 2) \$5 million

- ◆ CIP Component: 2.5 times the annual average cash financed projects in the 10-year inflated CIP
- ◆ Renewal & Replacement Component: The sum of the following formula calculated individually for each pipeline reach:

$$[25\% \text{ equity financing}] \times [\text{asset value}] \div [75\text{-year replacement period}] \times [\text{age of reach in years}]$$

~~To help protect against risk associated with capital project cost overruns and emergency reserves, the most recent Brine Line Financial Study and Rate Model have identified a minimum target balance of \$10.0 million for this reserve. Any revenues designated for capital projects and not strictly earmarked for another fund should be deposited into this fund. To provide annual cash flow for capital projects, SAWPA should consider depositing on an annual basis a system reinvestment contribution into this fund, equivalent to the inflation-adjusted annual depreciation.~~

Events and Conditions Prompting the Use of the Reserve – Through the biennial budget process, staff shall recommend anticipated asset replacement projects. The ~~PA 24 Commission~~ shall take action to approve recommended project appropriations from this reserve. This reserve shall be utilized to cover out of pocket insurance losses experienced by SAWPA. Any reimbursement received by SAWPA from the insurance company as a result of a submitted claim shall be deposited back into the reserve as replenishment for the loss. Should emergency replacement be necessary during any fiscal year, ~~PA 24 the Commission~~ may take action to amend the budget and appropriate needed funds as required by such emergency. In addition, in certain circumstances SAWPA may elect to fund one-time operating expenditures related to specific projects through the use of this reserve rather than rate increases.

Funding Source – Primary source of funding is through Brine Line Rates. Funding may be provided through reallocation of funds or any transfers among reserves as approved by PA 24.

Periodic Review Dates for Balances – Reserve balances and projected replacement projects will be reviewed by staff and ~~PA 24 the Commission~~ during the preparation and approval of the biennial budget and on an as-needed basis in the case of emergencies. Funding above the target level in the reserve will be discussed with PA 24 during the biennial budget adoption process.

- Z.) General Fund Operating Reserve (R-10) – Established to provide cash flow for unbudgeted and/or unexpected expenditures and to mitigate potential delays between the time when expenditures are incurred and the time when revenues are received. ~~This reserve also holds accrued employee vacation and sick time funds owed to SAWPA employees.~~

Minimum Level – None.

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

Events and Conditions Prompting the Use of the Reserve – This reserve is designated to maintain working capital for current operations and to meet routine cash flow needs. Upon Commission approval, this reserve may be routinely utilized by staff to cover temporary cash flow deficiencies caused by timing differences between revenues and expenditures and extraordinary decreases in revenues and unexpected increases in expenditures. **This reserve is also used to pay accrued employee vacation and sick time per the SAWPA Employee Manual.**

Funding Source – Primary source of funding is from member agency contributions.

Periodic Review Dates for Balances – Reviewed during the preparation and approval of the biennial budget process. **Funding above the target level in the reserve will be discussed with the Commission during the biennial budget adoption process.**

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

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

Target Level – None.

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

Funding Source – Primary source of funding is from member agency contributions.

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

- 9.) Capital Improvement Construction Reserve (R-12) – This is a restricted reserve established to set aside 100% of the funding derived from the construction fund money proceeds of a bond issue required to support specific capital projects identified and approved by PA 24 ~~the Commission~~ in SAWPA's CIP. The use of these proceeds is restricted by conditions set in the respective legal bond documents.

Minimum Target Level – **None.** The balance in this reserve will be determined based on the amount of construction fund moneys generated as part of the bond proceeds and the spend-down requirements for the particular CIP project being financed.

Target Level – Same as minimum level.

Events and Conditions Prompting the Use of the Reserve – The use of this reserve is for the sole purpose of paying for those capital expenditures identified within the SAWPA

Commission approved CIP Program budget. Specific construction fund proceeds will be spent on applicable projects. The reserve will be depleted as the approved capital projects are completed. In the event that SAWPA has more than one bond issue outstanding, separate sub-funds will be created within this reserve with bond proceeds from each debt issue deposited in that issue's respective sub-account. Sub-accounts will be kept segregated at all times.

Funding Source – Proceeds from bond issuance. Funding may also be provided through reallocation of funds or any transfers among reserves as approved by PA 24.

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

~~10.) Self Insurance Reserve – This reserve was originally established to provide insurance protection to the Brine Line system and the JPA for losses arising from property, general liability, and worker's compensation claims. The reserve level, combined with SAWPA's existing insurance policies, should adequately protect SAWPA and its member agencies in the event of a loss or claim.~~

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

~~Events and Conditions Prompting the Use of the Reserve – This reserve shall be utilized to cover out-of-pocket insurance losses experienced by SAWPA. Any reimbursement received by SAWPA from the insurance company as a result of submitted claim shall be deposited back into the reserve as replenishment for the loss.~~

~~Periodic Review Dates for Balances – Reviewed as part of the biennial budget process.~~

~~11.) Flow Imbalance Reserve – This reserve is established to set aside funds in the event that a meter error occurs and the discharger is over-billed. Each month, meter readings are read for each discharger and the total for all dischargers is compared to the total at meter S-01. When the total for all discharges exceeds the total at meter S-01, the difference will be calculated at the current flow rate and contributed to the reserve account.~~

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

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

~~Periodic Review Dates for Balances – Reviewed as part of the biennial budget process.~~

INVESTMENT GUIDELINES

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

DELEGATION OF AUTHORITY

The Commission and PA 24 have sole authority to amend or revise this Reserve Fund Policy. Through approval of this Policy, the Commission and PA 24 have established written procedures and guidelines for staff to follow in the management of SAWPA's Reserves.

COMMISSION MEMORANDUM NO. 2022.78

DATE: December 20, 2022
TO: SAWPA Commission
SUBJECT: Fiscal Year 2021-2022 Report on Audit
PREPARED BY: Karen Williams, DGM/CFO

RECOMMENDATION

It is recommended that the Commission receive and review the Annual Comprehensive Financial Report (ACFR) for the Fiscal Year Ended June 30, 2022, which includes the Report on Audit prepared by Fedak & Brown LLP, then:

1. Accept the ACFR, including the Report on Audit as prepared by Fedak & Brown LLP;
2. Direct staff to file the Report with the respective government agencies as required by law; and,
3. Direct staff to submit the ACFR, with any necessary changes, for the Certificate of Achievement for Excellence in Financial Reporting Award.

DISCUSSION

As required by the State of California Government Code, all government agencies and/or special districts must contract for an independent financial audit. In addition, because SAWPA has received State Water Board grant funding, the independent audit must include additional work and reporting by the auditors, and testing of SAWPA's internal control procedures for receipt of grant funding to ensure compliance with respective State and Federal laws and regulations.

SAWPA has received the Government Finance Officers Associations (GFOA) Certificate of Achievement for Excellence in Financial Reporting for the past eleven years. Staff will submit this ACFR for the award as well. The ACFR was prepared following the guidelines recommended by the Governmental Accounting Standards Board (GASB) and generally accepted accounting principles (GAAP). It includes three sections:

1. The Introductory Section, which provides an overview of the Agency, its background, organization, recent activities and accomplishments over the past fiscal year, local and economic conditions and forecasts, service efforts and accomplishments, and future plans.
2. The Financial Section, which includes the independent auditor's report, management's discussion and analysis, and all basic financial statements and notes to the basic financial statements.
3. The Statistical Section, which includes a number of unaudited tables and schedules that present historical trends for the past ten years, as well as demographic and other information about the Agency that is deemed relevant.

SAWPA is pleased to report that the financial statements presented herein, contain no qualifications or reportable conditions. This indicates that SAWPA's financial reporting meets

generally accepted GAAP, it is compliant with applicable State and Federal laws and regulations, and internal controls are sufficient to safeguard against material errors or fraud.

Christopher Brown (Audit Partner) will be available to answer questions regarding SAWPA's FY 2021-22 Report on Audit (financial statements).

RESOURCE IMPACTS

The FY 2021-22 Audit contains no financial deficiencies to report.

Attachments:

1. FYE 2022 ACFR
2. Report on Internal Controls and Compliance
3. SAWPA Management Report June 30, 2022



Santa Ana Watershed
Project Authority

ANNUAL COMPREHENSIVE FINANCIAL REPORT

Fiscal Year Ended
June 30, 2022 and 2021

11615 Sterling Avenue ▪ Riverside ▪ California ▪ 92503
www.sawpa.org ▪ (951) 354-4220

Santa Ana Watershed Project Authority
Riverside, CA

Annual Comprehensive Financial Report

For the Fiscal Year
Ended June 30, 2022

Prepared by the
Finance Department

11615 Sterling Avenue, Riverside California 92503

951.354.4220 www.sawpa.org

Table of Contents

INTRODUCTORY SECTION

Transmittal Letter	i
Authority Service Area Map.....	xiv
Certificate of Achievement for Excellence in Financial Reporting	xv
Authority Officials	xvi
Organizational Chart	xvii

FINANCIAL SECTION

Independent Auditor's Report.....	1
Management's Discussion and Analysis	5

Basic Financial Statements:

Statements of Net Position – Proprietary Fund	18
Statements of Revenues, Expenses, and Changes in Net Position - Proprietary Fund	20
Statements of Cash Flows – Proprietary Fund	21
Statements of Fiduciary Net Position - Fiduciary Fund	23
Statements of Changes in Fiduciary Net Position – Fiduciary Fund	24
Notes to the Basic Financial Statements	25

Required Supplementary Information

Schedules of Changes in the Net OPEB Liability and Related Ratios.....	78
Schedules of OPEB Plan Contributions	79
Schedules of Proportionate Share of the Net Pension Liability.....	80
Schedules of Pension Plan Contributions	81

Supplementary Information

Combining Schedule of Net Position – Enterprise Funds	84
Combining Schedule of Revenues, Expenses, and Changes in Net Position – Enterprise Funds	86

Combining Schedule of Net Position – Capital Projects Activities	87
Combining Schedule of Revenues, Expenses, and Changes in Net Position – Capital Projects Activities	91

STATISTICAL SECTION

Table I – Net Position by Component	95
Table II – Changes in Net Position	96
Table III – Revenues by Source	97
Table IV – Expenses by Function	98
Chart I – Combined Expenses and Revenues	99
Table V – Wastewater Discharge by Type	100
Table VI – Summary of Wastewater Treatment Rates	101
Table VII – Principal Sewer Customers	102
Table VIII – Debt Coverage Ratio	103
Table IX – Debt Service Payment Schedule	104
Chart II – Debt Service Payment Schedule	105
Table X – Ratio of Outstanding Debt by Type	106
Chart III – Outstanding Debt Per Capita	106
Chart IV – Capital Spending	107
Chart V – Total Debt to Assets	107
Table XI – Demographic and Economic Statistics	108
Table XII – Principal Employers	108
Table XIII – Number of Employees	109
Chart VI – Total Employees	109
Table XIV – Operating and Capital Indicators	110



STATISTICAL SECTION



Santa Ana Watershed Project Authority

OVER 50 YEARS OF INNOVATION, VISION, AND WATERSHED LEADERSHIP

December 20, 2022

To the Chair of the Board of Commissioners, Members of the Commission, and Member Agencies of the Santa Ana Watershed Project Authority (SAWPA):

We are pleased to present the Santa Ana Watershed Project Authority's (hereinafter referred to as "the Authority") Annual Comprehensive Financial Report for the fiscal year ended June 30, 2022.

The report was prepared by the Authority's Finance Department following the guidelines recommended by the Governmental Accounting Standards Board (GASB) and generally accepted accounting principles (GAAP). Responsibility for both the accuracy of the data presented, and the completeness and fairness of the presentation, including disclosures, rests with the Authority's management. We believe the data, as presented, is accurate in all material respects, and that it is presented in a manner that provides a fair representation of the financial position and results of operation of the Authority. Included are all disclosures we believe necessary to enhance your understanding of the financial condition of the Authority.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). The letter transmittal is designed to complement the MD&A and should be read in conjunction with it. The Authority's MD&A can be found immediately following the Independent Auditors' Report.

The Authority's financial statements have been audited by Fedak & Brown LLP, a firm of licensed certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the Authority for the fiscal year ended June 30, 2022, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the Authority's financial statements for the fiscal year ended June 30, 2022, are fairly presented in conformity with GAAP. The Independent Auditor's Report is presented as the first component of the financial section of this report.

Marco Tule
Chair
Inland Empire
Utilities Agency

Bruce Whitaker
Vice Chair
Orange County
Water District

Mike Gardner
Secretary-Treasurer
Western Municipal
Water District

June D. Hayes
Commissioner
San Bernardino Valley
Municipal Water District

David J. Slawson
Commissioner
Eastern Municipal
Water District

Jeffrey J. Mosher
General Manager

Reporting Entity and Its Services

Governmental Structure

The Authority was first formed in 1968 as a planning agency, and reformed in 1972, with a mission to plan and build facilities to protect the water quality of the Santa Ana River Watershed (hereinafter referred to as “the Watershed”). The Authority is a Joint Powers Authority (JPA), comprised of the five largest water agencies in the Watershed: Eastern Municipal Water District (EMWD), Inland Empire Utilities Agency (IEUA), Orange County Water District (OCWD), San Bernardino Valley Municipal Water District (SBVMWD), and Western Municipal Water District (WMWD).

Service Area

The Watershed spans approximately 2,840 square miles and includes the western portion of San Bernardino and Riverside Counties, the northern portion of Orange County, as well as a small eastern sliver of Los Angeles County. It is home to over 6 million people. The Watershed, and the State as a whole, is facing many challenges in guaranteeing sufficient, high-quality water for the ever-growing population of the region. The Authority works with planners, scientists, water experts, design and construction engineers, and other government agencies to identify issues and develop innovative solutions to resolve many water-related problems.

Vision

The Authority’s vision is a sustainable Santa Ana River Watershed that provides clean and reliable water resources for a vibrant economy and high quality of life for all, while maintaining healthy ecosystems and open space opportunities.

A successful Authority provides value to its member agencies and to the Watershed as a whole, by facilitating collaboration across boundaries to address common goals and tackle problems that are larger than any individual entity.

Mission

The Authority strives to make the Santa Ana River Watershed sustainable through fact-based planning and informed decision-making; regional and multi-jurisdictional coordination; and the innovative development of policies, programs, and projects. Our mission is accomplished through a number of specific functions:

- Maintaining peace in the Watershed;
- Facilitating conflict resolution through collaborative processes;
- Preparing an integrated watershed-wide water management plan that provides a unified vision for the Watershed;
- Operating the Inland Empire Brine Line to convey salt out of the Watershed and support economic development;
- Developing water-related initiatives, particularly those that require the participation of several entities;
- Identifying, pursuing, securing, and administering supplemental funds for the Watershed; and
- Influencing legislation for the benefit of the Watershed.

Our Values

Our strategy and day-to-day operations are guided by values strongly held by our member agencies, management, and staff:

Leadership in the development and advancement of a vision and plan for a sustainable Watershed, and in the incorporation of new paradigms for water and watershed planning.

Collaboration and cooperation among member agencies and other stakeholders in the Watershed toward the formulation and implementation of solutions to watershed-wide, multi-jurisdictional problems.

Creativity in the pursuit of new approaches to watershed planning, the use of new technologies, and the enhancement of a new water ethic in the Watershed.

Fact-based decision-making to identify neutral and transparent solutions that maximize the benefit to the entire Watershed.

Respect for all voices and perspectives in the Watershed to develop sound solutions and maximize consensus building.

Transparency, integrity and professionalism to maintain the respect and trust of our partners, and to attract and retain talented and committed individuals to our organization.

The Authority uses a three-pronged approach to accomplish our mission with the services it offers, which are listed below.

Inland Empire Brine Line

The Authority's enterprise includes ownership and operation of the Inland Empire Brine Line (Brine Line). The 73-mile long regional brine line is designed to convey 30 million gallons per day of non-reclaimable wastewater from the upper Santa Ana River Basin to the Pacific Ocean for disposal, after treatment. The Brine Line is currently used for: 1) the disposal of high Total Dissolved Solids (TDS) brine from brackish groundwater desalter operations and power plants within the region; 2) the disposal of industrial wastewater that is unacceptable for discharge into local wastewater treatment facilities, usually because of high concentrations of TDS from commercial and industrial facilities; and 3) the disposal of domestic or industrial wastewater that is managed by public agencies and which meets standards of local treatment facilities. Some users of the Brine Line have temporary or emergency needs and connect to the system for a fixed term. The Brine Line protects the water quality of the Santa Ana River, a major water source for Orange County groundwater basins.

This 51-year old utility was built as the fundamental method of salt export for the region. Historic import of water for agricultural purposes has increased the salinity of many groundwater basins within the Watershed. Removing salt by means of the Brine Line allows the Watershed to work towards achieving salt balance – a key Watershed goal and indicator of sustainability. Salt is removed from brackish groundwater by reverse osmosis desalters, which discharge the concentrated brine into the Brine Line. The treated water from the desalters is delivered for consumption as potable water. Brine disposal will be essential to support water recycling efforts and economic growth within the Watershed.

Integrated Regional Watershed Planning (IRWP)

SAWPA has been involved in watershed and integrated water resource planning since its formation. The latest plan adopted in February 2019 is the Santa Ana Watershed Integrated Regional Water Management Plan (IRWMP) called the One Water One Watershed (OWOW) Plan Update 2018. The plan reflects a decentralized stakeholder involvement process that includes the participation of multiple agency and non-profit staff, local experts and interested volunteers from a broad range of fields and locations across the Watershed. This regional plan serves as a milestone of extraordinary collaboration and vision that will be used to address water challenges over the next two decades. The plan addresses climate change; water supply reliability; water and land use; water quality improvement; flood control and stormwater runoff; water use efficiency; water recycling; parks, recreation and open space; environmental justice; and environment and habitat. Through this integration of water resource management strategies along with workgroups (or pillars) designated for each strategy, scarce resources will be leveraged, and cost-effective solutions will be developed to address a multiplicity of water challenges using an integrated multi-beneficial approach.

Roundtables

The Authority has taken the lead role in establishing effective regional partnerships with the Regional Water Quality Control Board and other stakeholders in the Watershed to solve water quality problems, as well as water and natural resource problems. The Authority serves as the administrator/facilitator and creates a neutral venue for a number of efforts bringing together many agencies and organizations to address and solve a multiplicity of problems through integration and innovation.

Economic Conditions and Outlook

Local Economy

Prior to the COVID-19 induced recession of 2020, the Inland Empire's economy was strong. The pandemic-linked closures caused major damage to the economy. Consumer spending cratered in March 2020, at a pace never experienced before and unemployment numbers rose from 50-year lows to 80-year highs in a matter of weeks. Fortunately, the economy seems to be on the path to recovery. Because of the Inland Empire's economic structure and composition of jobs across different sectors of the local economy, its recovery will outpace California and the entire nation. In 2021 and 2022, jobs were added, businesses reopened or have started for the first time, and households and workers continue recovering from the COVID-19 recession. Economic activity from housing sales, durable goods orders, consumer spending, and payroll employment, have started to bounce back. Economists predict a strong recovery during the latter part of 2022, with near full recovery by mid-2023.

Sound Financial Policies

The Authority continues to manage funds to ensure financial stability and demonstrate responsible stewardship by sustaining reasonable rates for customers, containing costs through careful planning, preserving investments, safeguarding reserves, and active debt management.

Financial Planning

The Commission approves a biennial operating budget as a management tool. The budget is developed with input from the various departments within the organization and adopted prior to the start of each fiscal year. Monthly comparison reports of budget to actual are prepared, and quarterly budget to actual results by fund type are provided to and discussed with the Commission, along with financial position and other key performance information.

Reserves Policy

The Authority adopted a reserve policy, which states the purpose, source, and funding limits for each of its designated reserves. The reserves are essential for maintaining liquidity in the marketplace, which enables the Authority to access the lowest cost-of-capital borrowing opportunities.

Investment Policy

The Authority invests its funds in instruments permitted by California Government Code sections 53601 et seq., and in accordance with its investment policy. The investment objectives of the Authority are to first preserve capital, followed by maintaining liquidity, and finally, maximizing the rate of return without compromising the first two objectives.

Debt Administration

The Authority actively manages its debt portfolio, seeking to minimize its total debt costs. This goal is met by the use of state revolving fund (SRF) loans to fund part of its capital projects. Reserves will also be used to fund capital projects.

Major Initiatives and Accomplishments

Fiscal year 2022 was an eventful year to say the least. While the Authority administered the day-to-day operations of the JPA, operated the Brine Line Enterprise and Capital Improvement Program, administered the OWOW Program, including several grant programs, served as the Lake Elsinore & San Jacinto Watersheds Authority administrator, conducted regional planning activities, and facilitated many stakeholder task force work groups all while dealing with a global pandemic.

In March 2020, due to an ongoing COVID-19 pandemic, the California Governor and the Riverside County Public Health Officer issued orders mandating a stay-at-home policy and temporarily modifying Brown Act meeting requirements. SAWPA prepared and implemented a COVID-19 response plan which implemented employee protection and safety practices. Most employees began working from home using remote computer access. SAWPA's Information Technology Department quickly acquired the necessary computer hardware and software for a rapid and nearly seamless transition. As of June 30, 2022, public meetings are still being conducted through Zoom and staff continue to work from home a few days per week. Some of the major initiatives and accomplishments for fiscal year 2022 are listed on the following pages.

Brine Line Enterprise

Engineering

- Prepared a Request for Proposal (RFP) for the Brine Line Reserve Policy to review reserve targets, including setting minimum and target levels and combining reserves as needed. Conducted several workshops with Member Agency staff to review preliminary findings and recommendations.
- Commenced work on modifying 14 maintenance access structures (MAS) within Prado Basin to be watertight. Completed the modification of 9 of the 14 MAS.
- Responded to the Reach V Brine Line Spill in the City of Lake Elsinore. Completed clean-up and repair of the Brine Line, biological assessment and completed and submitted a Spill Report Technical Memorandum to the Regional Water Quality Control Board.
- Prepared a cost sharing agreement between Valley District, Rialto Bioenergy Facility, and SAWPA for the Aqua Mansa Lateral in the City of Rialto.
- Prepared the Capacity Lease Agreement with EMWD to provide treatment and disposal capacity for the new Perris II Desalter.
- Worked with the City of Chino and to prepare preliminary design plans for the relocation of the Brine Line on Reach IV-A Upper due to the proposed Caltrans improvements to Route 71.
- Prepared scope of work for the Brine Line Master Plan.
- Continued to implement the Pretreatment Program (PTP). Performed 50 on-site discharger inspections, 170 monitoring (or sampling) events at discharger locations, 57 monitoring (or sampling) events at the Santa Ana Regional Interceptor (SARI) Metering Station, issued 1 new permit, and reissued 26 existing permits.
- Submitted and updated Draft 4 of Ordinance No. 9 to Orange County Sanitation District along with an Emergency Discharge Plan.
- Completed the Semi-Annual Brine Line Audit. Prepared individual agency audit reports with no major findings.
- Continued to coordinate efforts that represent SAWPA's interests with Orange County Sanitation District through the Joint Policy Committee and the Joint Operations Committee.

Operations

- Prepared RFP for On-call Line Cleaning services for critical locations on the Brine Line, siphons and to respond to emergencies.
- Conducted an internal audit of the Sewer System Management Plan. Prepared Audit Report summarizing the findings and recommendations. Began implementation of the recommendations.
- Received 3,050 USA Dig Alert tickets. Of those, 130 tickets were marked in the field. The remaining tickets were "no conflict" and did not require field markings.
- Installed 5 new ring and cover assemblies on Reach IV-D.
- Rehabilitated 3 MAS on Reach 4A Upper to address corrosion issues.
- Installed bridges in Prado Basin to allow right-of-way maintenance and MAS inspection.
- Inspected 35 MAS on Reach 4B.
- Inspected 42 MAS on Reach 4A Upper.
- Inspected 10 MAS on Reach 4A Lower.

- Inspected 10 MAS on Reach 4D.
- Maintained Brine Line Operations Center (BLOC).
- Overhauled a total of 54 air release and vacuum valves.
- Completed inspection of 13,000 linear feet on Reach IV-A.
- Completed line cleaning of 16,000 linear feet on Reach IV-A.

OWOW Program

Project Agreement (PA) 22 Committee – Water Use Efficiency

- Completed the aerial flights for the upper Santa Ana River Watershed. This is the first component of the Proposition 1 Round 1 Integrated Regional Watershed Management (IRWM) grant funded project known as the Santa Ana River Watershed-wide Water Budget Decision Support tool.
- Completed processing of the Orange County and upper watershed imagery data creating orthophotographs to be used in the landscape analysis by the US Bureau of Reclamation.
- Initiated efforts to analyze imagery to identify and measure irrigated and irrigable outdoor landscape as part of an enhanced landscape measurement tool through the US Bureau of Reclamation.

Disadvantaged Community Involvement (DACI) Grant Program

- Completed all work associated with the 2016 Proposition 1 IRWM funded DACI grant program.
- Received approval from the Department of Water Resources (DWR) for the Final Grant Completion Report and paid all remaining grant retention.
- Received an award of \$5 million in grant funding from DWR through the 2021 Urban and Multi-benefit Drought Relief Grant Program. The grant will be used to help in the implementation of projects to support the Disadvantaged Community Involvement Program.

Santa Ana River Conservation and Conjunctive Use Program (SARCCUP)

- Executed new task order with Woodard & Curran for continued programmatic support of SARCCUP.
- Held PA 23 Committee meetings throughout the fiscal year, as well as bi-weekly staff-level SARCCUP planning meetings. Began discussions with the Committee in April 2022 that the SARCCUP project would need additional time beyond the deadline of September 2023.
- Recommended to the PA 23 Committee that the grant agreement be extended to July 2025 in order to complete various components of SARCCUP that were experiencing delays. This time extension was approved by both the PA 23 Committee and by the DWR.

OWOW and IRWM Support

- Held a series of workshops to educate stakeholders who might submit project applications through the Call for Projects for Proposition 1 Round 2 IRWM funding. Developed rating and ranking criteria for the Call for Projects which was adopted by the OWOW Steering Committee and SAWPA Commission.
- Held the first of four participatory budgeting workshops for the Call for Projects for Proposition 1 Round 2 IRWM grant funding.

- Managed Roundtable of Regions contract with JM Consultants and served on the Roundtable of Regions Steering Committee. Successfully managed this project by ensuring the 12 funding partners are kept apprised of the contract and ensuring JM Consultants completed tasks on time and within budget.
- Developed an RFP with the funding parties to solicit proposals from interested consultants as JM Consultants retired at the end of the fiscal year June 30, 2022. Two proposals were received, and a contract was executed with WSC, Inc.
- Engaged with DWR to influence future grant solicitation under Proposition 1 IRWM Implementation to best serve the OWOW Program and the watershed wide stakeholders.

Proposition 1 IRWM Implementation Grants

Santa Ana River Watershed Weather Modification (Cloud Seeding) Pilot Project

- Received Commission authorization to hire consultant, North American Weather Consultants, to conduct the setup and operations of the four-year weather modification pilot project for the Santa Ana River Watershed. The seeding operations were rescheduled to start on November 15, 2023, due to challenges in executing 10 seeding site agreements with local agencies and private parties.
- Received proposals from four independent research firms to conduct validation support for the four-year pilot project to ensure the annual results are confirmed. Proposals were reviewed by SAWPA and its member agencies with contracting of preferred validation firm in the next fiscal year.
- Completed SAWPA grant application to secure 50% funding for the four-year pilot project. The project will be included among 12 other projects that will be submitted to DWR for grant funding under Proposition 1 Round 2 IRWM Implementation grant program.

Stakeholder Partnering (Roundtables)

Santa Ana Fish Conservation Team

- Held successful Riverwalk in October 2021 with approximately 40 volunteers, the longest running voluntary annual habitat assessment conducted in Southern California for an aquatic species.
- Compiled and tabulated all historical Riverwalk data including an analysis of the past years data sets. Worked on updating the Riverwalk ranking methodology that is used to score each of the Riverwalk data points' habitat quality.
- Worked with OCWD, SBVMWD, Riverside County Parks, and other stakeholders on applying for the 2021 Urban and Multi-benefit Drought Relief Grant for the Sunnyslope Creek Native Fish Drought Response Project. The SAWPA Commission approved the application in November 2021. It was unfortunately not funded by DWR through their grant program.
- Worked with Santa Ana Watershed Association (SAWA) to replant/manage 0.3 acres of vegetation as part of the mitigation for the habitat project constructed by the team near the Van Buren Boulevard Bridge.

Water Energy Community Action Network (WECAN)

- Finalized the WECAN Phase 3 Turf Removal and Replacement Project Agreement with the City of Riverside to implement the removal and replacement of 100,000 sq. ft. of turf grass from the Eastside Climate Collaborative project area located with the City of Riverside.

This work is funded through a grant awarded to the City of Riverside from the California Strategic Growth Council (SGC) for the development and implementation of neighborhood-level climate sustainability plans through the Transformative Climate Communities (TCC) Program.

- Finalized an agreement with Riverside Public Utilities to provide an additional dollar per square feet of turf removed for up to \$100,000 for the project.

Basin Monitoring Program Task Force

- Completed Regional Board Basin Plan Amendment reflecting Santa Ana River Wasteload Allocation Model results and modifications to the recycled water permits to reflect longer averaging periods to POTWs discharge permitting under drought cycles. Amendment was approved by the Santa Ana Regional Board in December 2021 and by the State Water Resources Control Board (SWRCB) in June 2022.
- Commenced work on the planning priorities for the development of a revised approach to the Triennial Ambient Water Quality Update and Annual Santa Ana River Water Quality Reports to be in conformance with the new Salt & Nutrient Management Plans under the 2018 SWRCB Recycled Water Policy Amendment. This work was based on a competitive RFP and work commenced under a contract with West Yost Consulting.
- Prepared and submitted the 2021 Annual Report of Santa Ana River Water Quality to stakeholders and Regional Board staff.

Southern California Salinity Coalition (SCSC)

- Provided funding support to OCWD and the Los Angeles County Sanitation District for research projects on more efficient reverse osmosis technologies and brine management studies respectively.
- Commenced planning for a future Southern California Salinity Summit scheduled for October 26, 2022.
- Awarded fellowship grants for continued research on salinity management technologies as part of the SCSC student fellowship grant of \$10,000 per year.

Lake Elsinore and San Jacinto Watersheds Authority (LESJWA)

- Prepared and submitted the 2020-2021 Lake Elsinore & Canyon Lakes (LE & CL) Total Maximum Daily Load (TMDL) Compliance Assessment Report to the Regional Board.
- Prepared and submitted the 2020-2021 Annual LE & CL TMDL Water Quality Monitoring Report to the Regional Board in November 2021.
- Implemented successful alum application to Canyon Lake in October 2021 to reduce the phosphorus content, reduce algae, and help meet the TMDL targets for the lake.
- Prepared and approved the fiscal year 2022-2023 Budget for the Lake Elsinore & Canyon Lake TMDL Task Force in February 2022.
- Supported the City of Lake Elsinore in multiple grant applications to provide funding to support algae removal and harvesting.

Middle Santa Ana River (MSAR) TMDL Task Force

- Prepared and approved the fiscal year 2021-2022 Budget for the MSAR TMDL Task Force.
- Completed the fiscal year 2021-2022 MSAR TMDL Compliance Monitoring and submitted a final report to Regional Board in June 2022.

- Initiated effort to prepare the 2023 MSAR Triennial Report which is due to the Regional Board in February 2023.

Regional WQ Monitoring Task Force

- Completed the dry weather monitoring component of the 2020 Santa Ana River Bacteria Water Quality Monitoring Program in November 2021.
- Prepared and submitted the 2021 Final Santa Ana River Bacteria Water Quality Monitoring Program to the Regional Board in June 2022.

Emerging Constituents Program Task Force

- Assembled and evaluated the 2021 emerging constituent water quality data from local publicly owned treatment works (POTW) and in-stream sources to construct data tables for the 2021 annual report.
- Produced final Emerging Constituents Program: Compilation of Santa Ana River Watershed Surface Water Per and Poly Fluoroalkyl (PFAS) Data for the Watershed and submitted it to the Regional Board in April 2022.
- Supported continued public outreach and articles on the safety of public drinking water through consultant, DeGrave Communications.

Forest First

- Conferred with the US Forest Service hydrologist about a planned feasibility study to investigate weather augmentation of water supply through cloud seeding.
- Coordinated with SBVMWD on a partnership with the agency regarding the Headwaters Resiliency Partnership Task Force. SAWPA worked with SBVMWD to draft programmatic goals and long-term objectives for the task force. The letter agreement will define SAWPA's role in the partnership.
- Worked with the Cleveland and San Bernardino National Forests to resign the Forest First Memorandum of Understanding (MOU).

Arundo Removal and Habitat Management

- Coordinated with the Riverside County Regional Park and Open-Space District on exploring options to certify the Santa Ana River Mitigation Bank under the new California mitigation banking rules.
- Began coordinating with the Inland Empire Resource Conservation District on a \$150,000 five-year project to treat and remove Arundo Donax from various waterways in the upper Santa Ana River Watershed, is known as the Headwaters Project. The project will use the contact list and new outreach material and will cover removal of approximately 300 acres in the upper watershed in order to control Arundo seedlings before they wash down to the lower watershed.

PFAS Regional Analysis Phase I

- Prepared an RFP for consultant support to conduct a PFAS Regional Analysis Phase I for the Upper Santa Ana River Watershed. Proposal was developed with the SAWPA member agencies and Orange County Sanitation District. Based on review of proposals, a proposal was recommended and a contract for Phase I was approved by the SAWPA Commission with CDM Smith.

- Work will include data collection and data gap analysis, predictive PFAS modeling evaluation and scoping for future phases of work.

Technology

- Installed new multi-factor authentication to support secure remote work environment.
- Improved SAWPA websites by upgrading to most current versions of software to increase security and editing abilities.
- Improved network security by penetration tests and internal phishing campaigns.
- Continued improvements in OnBase workflow by adding additional documents to support office efficiency.
- Provided Planning with maps and data to support the various task groups and projects.
- Supported Finance through updates to Great Plains (GP) financial accounting system and Journyx, the timekeeping system.
- Updated geographic information system (GIS) server software.
- Rewrote Dig-Alert app with new scripting language.
- Updated structured query language (SQL) server software using a new version to increase support and security.
- Investigated drone usage for Engineering and Planning projects.
- Provided OWOW support for new commercial and industrial meter area project.

Administration

- Began implementation of Greenshades human resources information system (HRIS) software to replace manual human resources and payroll/accounting processes for employee onboarding, benefit administration, employee data and file management, and documentation workflow.
- Implemented PlanetBids to expand outreach on construction bids and requests for proposals to better manage the bidding and insurance certification process.
- Replaced the manual employment application with an online application for job applicants.

Accounting System

The Finance Department is responsible for providing financial services for the Authority, including financial accounting and reporting, payroll, accounts payable and receivable, custody and investment of funds, billing and collection of wastewater charges, and other revenues. The Authority accounts for its activities as an enterprise fund and prepares its financial statements on the accrual basis of accounting, under which revenues are recognized when earned and expenses are recorded when incurred. It is the intent of the Board of Commissioners to manage the Authority's operations as a business, thus matching revenues against the cost of providing services.

Internal Controls

The Authority operates within a system of internal accounting controls established and continually reviewed by management to provide reasonable assurance that assets are adequately safeguarded, and transactions are recorded in accordance with Authority policies

and procedures. When establishing and reviewing controls, management must consider the cost of the control and the value of the benefit derived from its utilization. Management normally maintains or implements only those controls for which its value adequately exceeds its cost. Recent audits have not noted any weaknesses in internal controls.

Audit and Financial Reporting

State Law requires the Agency to obtain an annual audit of its financial statements by an independent certified public accountant. The accounting firm, Fedak & Brown LLP, has conducted the audit of the Authority's financial statements. Their unmodified (clean) Independent Auditor's Report appears in the Financial Section.

Awards

The Government Finance Officers Association of the United States and Canada ("GFOA") awarded a Certificate of Achievement for Excellence in Financial Reporting to the Authority for its annual comprehensive financial report for the fiscal year ended June 30, 2021. This was the thirteenth year that the Authority has achieved this prestigious award. To be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both GAAP and applicable legal requirements. A Certificate of Achievement is valid for a period of only one year.

We believe that our current annual comprehensive financial report continues to meet the programs requirements and will submit our current June 30, 2022, report to the GFOA to determine its eligibility for a certificate.

The GFOA presented a Distinguished Budget Presentation Award to the Authority for the two-year budget beginning July 1, 2021. In order to receive this award, a government unit must publish a budget document that meets program criteria as a policy document, as an operating guide, as a financial plan, and as a communication device.

Acknowledgements

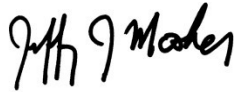
The preparation of this report could not have been accomplished without the efficient and dedicated services of the entire staff of the Authority's Finance Department. We also would like to express our appreciation to the other Authority Departments for their cooperation, assistance, and support.

We further acknowledge the thorough and professional manner in which our auditors, Fedak & Brown LLP, conducted the audit.

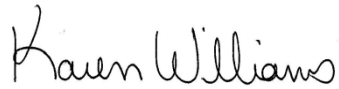
Additionally, we would like to acknowledge the Board of Commissioners for their continued support of the Authority's goal of sound accountable financial management, and for

maintaining the highest standards of professionalism in the management of the Authority's finances. We truly appreciate their unfailing interest and support.

Respectfully submitted,



Jeffrey Mosher
General Manager



Karen Williams
Deputy General Manager/Chief Financial Officer



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Santa Ana Watershed Project Authority
California**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

Christopher P. Morill

Executive Director/CEO

Santa Ana Watershed Project Authority

Authority Officials

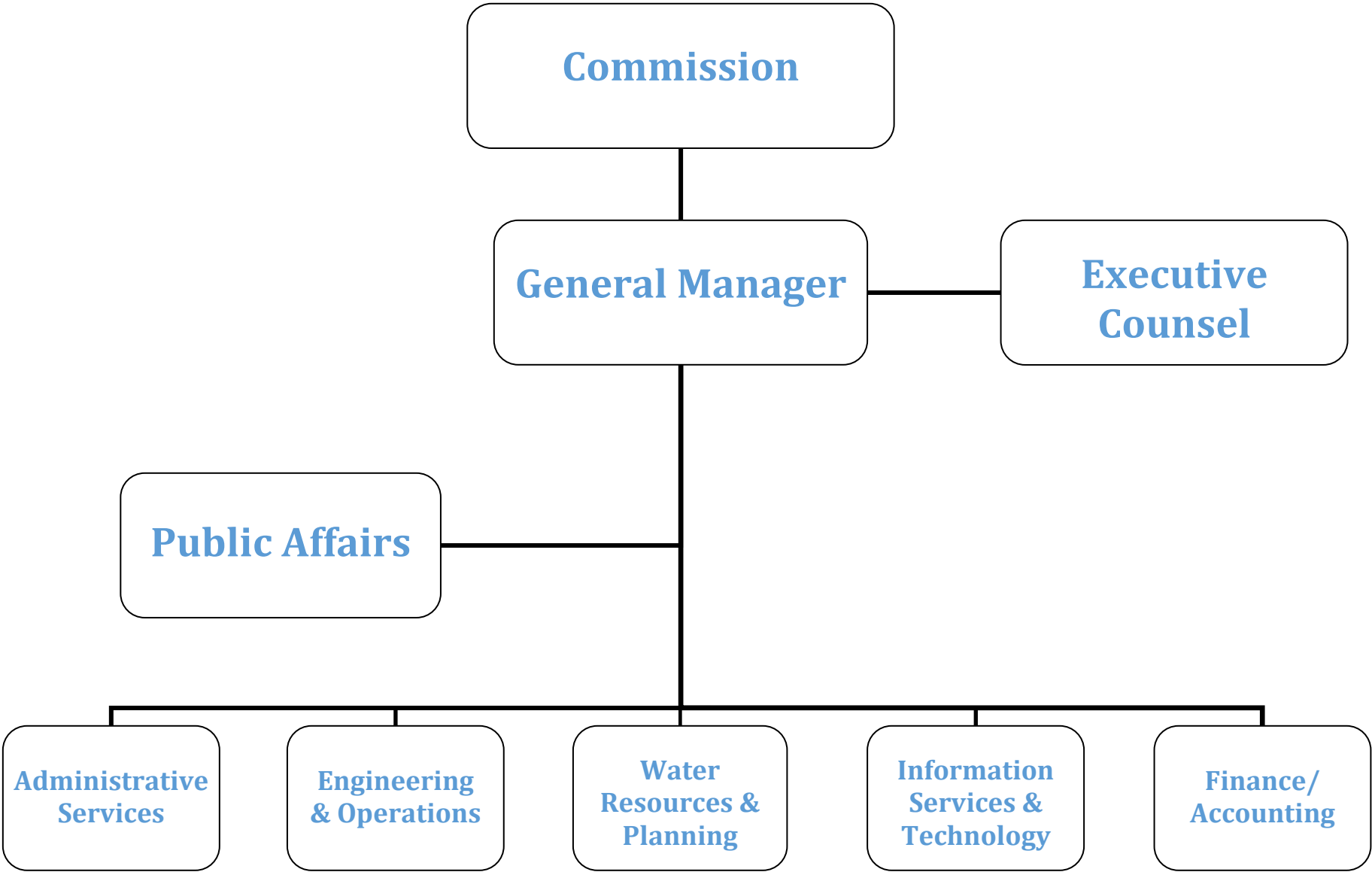
Board of Commissioners

Marco Tule	Chair	IEUA
Bruce Whitaker	Vice Chair	OCWD
Mike Gardner	Secretary/Treasurer	WMWD
David J. Slawson	Commission Member	EMWD
June D. Hayes	Commission Member	SBVMWD

Management Staff

Jeffrey Mosher	General Manager
Karen Williams	Deputy General Manager/Chief Financial Officer
David Ruhl	Executive Manager of Engineering & Operations
Mark Norton	Water Resources and Planning Manager
Edina Goode	Administrative Services Manager
Dean Unger	IS and Technology Manager
Lagerlof LLP	Executive Counsel

Santa Ana Watershed Project Authority
Organizational Chart



[This page intentionally left blank]



FINANCIAL SECTION



Christopher J. Brown, CPA, CGMA
Jonathan Abadesco, CPA
Andy Beck, CPA

Fedak & Brown LLP

Certified Public Accountants

Cypress Office:
10805 Holder Street
Suite 150
Cypress, California 90630
(657) 214-2307
FAX (714) 527-9154

Riverside Office:
1945 Chicago Avenue, Suite C-1
Riverside, California 92507
(951) 783-9149

Independent Auditor's Report

Board of Commissioners
Santa Ana Watershed Project Authority
Riverside, California

Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of the Santa Ana Watershed Project Authority (Authority) as of and for the year ended June 30, 2022, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Santa Ana Watershed Project Authority as of June 30, 2022, and the changes in net position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audit contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the State Controller's Minimum Audit Requirements for California Special District's. Those standards require that we plan and perform our audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Independent Auditor's Report, continued

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Independent Auditor's Report, continued

Emphasis of Matter

As discussed in Note 1.C to the financial statements, in June 30, 2022, the Authority adopted new accounting guidance *Governmental Accounting Standards Board Statement No. 87*.

As part of our audit of the June 30, 2022, financial statements, we audited the adjustments described in Note 11 to the financial statements. Adjustments were recognized for the Authority's lessee agreements. As a result of the implementation for the Authority's lessee agreements, the Authority recorded right to use assets included as part of capital assets, lease payables, recorded amortization expense, reclassified a portion of its equipment lease expense to interest expense, and has recorded prior period adjustments to restate net position as of July 1, 2021. Please see Note 11 for further information. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquires, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The introductory section, the supplementary information of combining schedules, and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary information of combining schedules is the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Independent Auditor's Report, continued

Supplementary Information, continued

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated December 20, 2022, on our consideration of the Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance. This report can be found at the end of this report.

Fedak & Brown LLP

Fedak & Brown LLP
Cypress, California
December 20, 2022

The intent of the Management Discussion and Analysis is to provide highlights of the financial activities for the fiscal year ended June 30, 2022, of the Santa Ana Watershed Project Authority (the "Authority"). Readers are encouraged to read this section in conjunction with the transmittal letter and the accompanying basic financial statements.

The Authority

The Authority was formed in 1972 pursuant to the provisions of Article 1, Chapter 5, Division 7, Title 1 of the Government Code of the State of California relating to the joint exercise powers common to public agencies. The Authority was formed for the purpose of undertaking projects for water quality control and protection as well as pollution abatement in the Santa Ana River Watershed.

The Authority's five member agencies are Eastern Municipal Water District (EMWD), Inland Empire Utilities Agency (IEUA), Orange County Water District (OCWD), San Bernardino Valley Municipal Water District (SBVMWD), and Western Municipal Water District (WMWD).

Overview of the Financial Statements

The Authority is a special purpose government (special district) engaged only in activities that support themselves through user charges and member contributions. Accordingly, the accompanying financial statements are presented in the format prescribed for proprietary funds by the Governmental Accounting Standards Board (GASB).

These financial statements consist of three interrelated statements designed to provide the reader with relevant, understandable data about the Authority's financial condition and operating results. They are the (1) Statement of Net Position; (2) Statement of Revenues, Expenses, and Changes in Net Position; and (3) Statement of Cash Flows.

The Statement of Net Position presents information on all the Authority's assets, deferred inflow of resources, liabilities, and deferred outflow of resources, with the differences between the four reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating.

The Statement of Revenues, Expenses, and Changes in Net Position presents information showing how the Authority's net position changed during the year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flow in future fiscal periods.

The Statement of Cash Flows conveys to financial statement users how the Authority managed cash resources during the year. This statement converts the change in net position presented on the Statement of Revenues, Expenses, and Changes in Net Position into actual cash provided by and used for operations. The Statement of Cash Flows also details how the Authority obtains cash through financing and investing activities, and how cash is spent for these purposes.

Summary Financial Information and Analysis

While fiscal year 2022 continued to be challenging with the global pandemic COVID-19, the Authority's financial operations remained sound. The Statement of Net Position remains strong, providing a foundation for continued growth within the Authority's service area. As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Authority, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$78.4 million at June 30, 2022, by \$73.3 million at June 30, 2021, and by \$73.3 million at June 30, 2020.

Statements of Net Position

For the Fiscal Years Ended June 30, 2022, 2021, and 2020

	Fiscal Year End June 30,				
	2022	As Restated 2021	Increase/ (Decrease)	As Restated 2020	Increase/ (Decrease)
Assets					
Current	\$82,300,170	\$74,685,030	\$7,615,140	\$72,721,514	\$1,963,516
Non-current	1,293,019	-	1,293,019	-	-
Capital	96,912,667	102,321,074	(5,408,407)	107,566,415	(5,245,341)
Total Assets	180,505,856	177,006,104	3,499,752	180,287,929	(3,281,825)
Deferred Outflows	2,592,450	2,600,028	(7,578)	4,124,487	(1,524,459)
Liabilities					
Current	20,660,188	15,769,785	4,890,403	14,829,082	940,703
Non-current	82,891,595	88,892,726	(6,001,131)	95,779,906	(6,887,180)
Total Liabilities	103,551,783	104,662,511	(1,110,728)	110,608,988	(5,946,477)
Deferred Inflows	1,153,595	1,618,116	(464,521)	477,719	1,140,397
Net Position					
Net investment in capital assets	73,427,321	76,739,960	(3,312,639)	79,824,095	(3,084,135)
Restricted	2,960,560	2,960,560	-	2,960,560	-
Unrestricted (Deficit)	2,005,047	(6,375,015)	8,380,062	(9,458,946)	3,083,931
Total Net Position	\$78,392,928	\$73,325,505	\$5,067,423	\$73,325,708	(\$203)

The following denotes explanations on some of the changes between fiscal years 2022 and 2021, as compared in the table above.

- The \$7.6 million increase in Current Assets is primarily due to increases in cash and cash equivalents and accounts receivable grants. Increase in cash is primarily due to the increase in net position of \$5.1 million in 2022. The grant agreement for Proposition 1 Round I projects, which included eight projects, was signed at the end of fiscal year 2021. By fiscal year 2022 many of the projects were well under way and project proponents started invoicing for project costs.
- The \$1.3 million increase in Non-current Assets is due to current year changes in the pension and other post-employment benefit related to balances.
- The \$5.4 million decrease in Capital Assets is due to an offset of depreciation and amortization to property, plant, and equipment during fiscal year 2022.
- The \$4.9 million increase in Current Liabilities is due to program implementation of Proposition 1 Round I projects. With the grant agreement being signed at the end of fiscal year 2021, many of the eight new projects began construction and started billing those costs.
- The \$6.0 million decrease in Non-current Liabilities is due primarily to the amortization of pipeline and wastewater treatment rights combined with a decrease in long-term debt from scheduled debt service payments.

The following denotes explanations on some of the changes between fiscal years 2021 and 2020, as compared in the table above.

- The \$2.0 million increase in Current Assets is due to an increase in Accounts Receivable for Proposition 1 grant funds for capital projects. The grant agreement for Proposition 1 Round I projects was signed in fiscal year 2021 and project proponents started invoicing for project costs.
- The \$5.2 million decrease in Capital Assets is due to an offset of depreciation and amortization to property, plant, and equipment.
- The \$0.9 million increase in Current Liabilities is due to final invoices for the Proposition 1 Disadvantaged Communities grant being received. This grant was completed in this fiscal year, with only staff costs to complete the final invoice to the Department of Water Resources (DWR) remaining.
- The \$6.9 million decrease in Non-current Liabilities is due primarily to the amortization of pipeline and wastewater treatment rights combined with a decrease in long-term debt from scheduled debt service payments.

Category of Net Position

The Authority is required to present its net position in three categories: (1) Net Investment in Capital Assets; (2) Restricted; and (3) Unrestricted.

Net Investment in Capital Assets

At June 30, 2022, 2021, and 2020, Net Investment in Capital Assets consisted of the following:

Net Investment in Capital Assets (In Millions)

	2022	As Restated 2021	As Restated 2020
Property, Plant & Equipment	\$159.7	\$159.7	\$159.6
Accumulated Depreciation	(84.6)	(81.0)	(77.1)
Wastewater Treatment & Disposal Rights	55.6	55.6	55.6
Accumulated Amortization	(34.2)	(32.4)	(30.9)
Construction in Process	0.4	0.4	0.4
Related Payables and Loans, Net of Discounts	(23.5)	(25.6)	(27.6)
Total	\$73.4	\$76.7	\$79.8

Restricted

At June 30, 2022, Restricted Net Position of \$3.0 million is legally restricted by contract to fund additional Arundo Management and Habitat Restoration projects within the Santa Ana River Watershed and by the State Water Resources Control Board (SWRCB) for the State Revolving Fund (SRF) reserve requirement. Please see Note 10 of the Notes to Financial Statements for further information.

Unrestricted

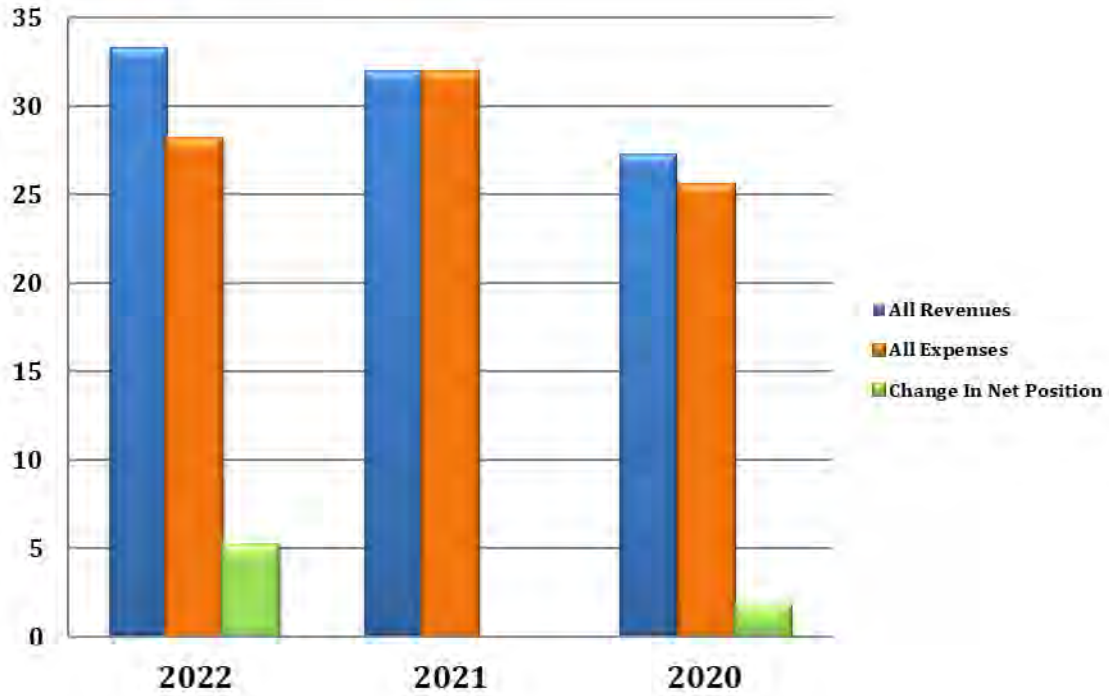
At June 30, 2022, the Authority had an unrestricted net position of \$2.0 million. The Authority possesses \$62.7 million in unearned revenues being realized over a 50-year period of approximately \$2.5 million per year.

Change in Net Position

In fiscal year ended June 30, 2022, net position increase by \$5.1 million primarily due to an increase of \$4.0 million in current year adjustments to the net pension and other post-employment benefit liabilities and related deferrals due to the realization of investment gains by the CalPERS pension fund, a decrease of \$2.4 million in studies and planning costs, and a decrease in operating, which were offset by decreases of \$0.4 million in wastewater treatment and disposal revenue, \$0.4 million in member contributions, \$1.1 million in

intergovernmental revenue, offset by an increase of \$0.8 million in investment fair value year end adjustments and a decrease of \$0.9 million in grant program expenses as compared to the prior year.

Change in Net Position (in millions)



Statements of Revenues, Expenses, and Changes in Net Position
For the Fiscal Years Ended June 30, 2022, 2021, and 2020

	Fiscal Year End June 30,				
	2022	As Restated 2021	Increase/ (Decrease)	As Restated 2020	Increase/ (Decrease)
Operating Revenues:					
WWT & Disposal	\$12,040,521	\$12,476,856	(\$436,335)	\$11,547,220	\$929,636
WWT & Disposal Capacity Rights	2,510,154	2,510,154	-	2,510,154	-
Program Administration	191,841	201,354	(9,513)	193,692	7,662
Other Operating Revenues	5,716	3,832	1,884	-	3,832
Total Operating Revenues	14,748,232	15,192,196	(443,964)	14,251,066	941,130
Non-operating Revenues:					
Member Contributions	1,581,845	1,993,632	(411,787)	2,105,955	(112,323)
Intergovernmental	13,673,784	14,765,698	(1,091,914)	9,466,587	5,299,111
Pension Income - GASB 68	3,816,733	-	3,816,733	-	-
OPEB Income - GASB 75	204,395	-	204,395	-	-
Investment Income/(expense), net of fair value	(724,549)	73,038	(797,587)	1,496,354	(1,423,316)
Total Non-operating Revenues	18,552,208	16,832,368	1,719,840	13,068,896	3,763,472
Total Revenues	33,300,440	32,024,564	1,275,876	27,319,962	4,704,602
Operating Expenses:					
WWT and Disposal	6,863,027	7,055,339	(192,312)	6,670,902	384,437
General, Admin, and Overhead	523,272	762,713	(239,441)	989,568	(226,855)
Studies and Planning Costs	2,578,723	5,020,667	(2,441,944)	4,396,714	623,953
Depreciation	3,693,764	3,840,251	(146,487)	3,770,450	69,801
Amortization of WWT and Disposal Rights	1,714,643	1,556,010	158,633	1,400,918	155,092
Total Operating Expenses	15,373,429	18,234,980	(2,861,551)	17,228,552	1,006,428
Non-operating Expenses:					
Interest Expense	537,720	588,663	(50,943)	644,339	(55,676)
Loss On Disposal of Assets	-	-	-	3,640	(3,640)
Grant Program Expenses	12,321,868	13,201,124	(879,256)	7,677,198	5,523,926
Total Non-operating Expenses	12,859,588	13,789,787	(930,199)	8,325,177	5,464,610
Total Expenses	28,233,017	32,024,767	(3,791,750)	25,553,729	6,471,038
Change in Net Positions	5,067,423	(203)	5,067,626	1,766,233	(1,766,436)
Beginning Net Position	73,325,505	73,325,708	(203)	71,559,476	1,766,232)
Ending Net Position	\$78,392,928	\$73,325,505	\$5,067,423	\$73,325,708	(\$203)

Revenues

Combined revenues for the fiscal year 2022 totaled \$33.3 million, an increase of \$1.3 million, or 3.9%, more than the prior fiscal year. The following denotes explanations on some of the changes between fiscal years 2022 and 2021.

- The \$0.4 million decrease in Waste Water Treatment and Disposal is due to lower biochemical oxygen demand (BOD) and total suspended solids (TSS) concentrations which resulted in lower costs from the prior year.
- The \$1.1 million decrease in Intergovernmental is due to the Proposition 1 DACI grant and Proposition 84 Round II grant projects being completed in fiscal year 2021.
- The \$3.8 million increase in Pension Income – GASB 68 is due to realized investment gains in the CalPERS pension fund cost-sharing pools which were allocated proportionally across the agencies in the Pool.
- The \$0.8 million decrease in Investment Income is due a decrease in the current unrealized market value of investments.

Combined revenues for the fiscal year 2021 totaled \$32 million, an increase of \$4.7 million, or 17.2%, more than the prior fiscal year. The following denotes explanations on some of the changes between fiscal years 2021 and 2020.

- The \$0.9 million increase in Waste Water Treatment and Disposal is due to increases in flow, truck discharge, and biochemical oxygen demand (BOD) and total suspended solids (TSS) concentrations from the prior year as well as slight rate increases for each.
- The \$5.3 million increase in Intergovernmental is due to an increase in the Proposition 1 Capital Projects and Proposition 84 Round II and Final Round Projects. Proposition 1 Capital Projects grant began in fiscal year 2021. Proposition 84 Round II and Final Round projects are completing construction and invoicing for final costs.
- The \$1.4 million decrease in Investment Income is due to the final Treasury Strip maturities being received in fiscal year 2020 along with steep decreases in interest rates brought on by the COVID-19 induced recession.

Expenses

Combined expenses for the fiscal year 2022 totaled \$28.2 million, a decrease of \$3.8 million, or 11.8% less than the prior fiscal year. The following denotes explanations on some of the changes between fiscal years 2022 and 2021.

MANAGEMENT'S DISCUSSION & ANALYSIS (CONTINUED)

- The \$2.4 million decrease in Studies and Planning Costs is due to the completion of the Rock Removal Project completed by Orange County Sanitation District in fiscal year 2021 and the completion of the Proposition DACI grant. Capital project costs for the Brine Line in fiscal year 2022 were minimal resulting in the difference between the two years.
- The \$0.9 million decrease in Grant Program Expenses is due to the Proposition 1 DACI Grant and Proposition 84 Round II grant projects being completed in fiscal year 2021.

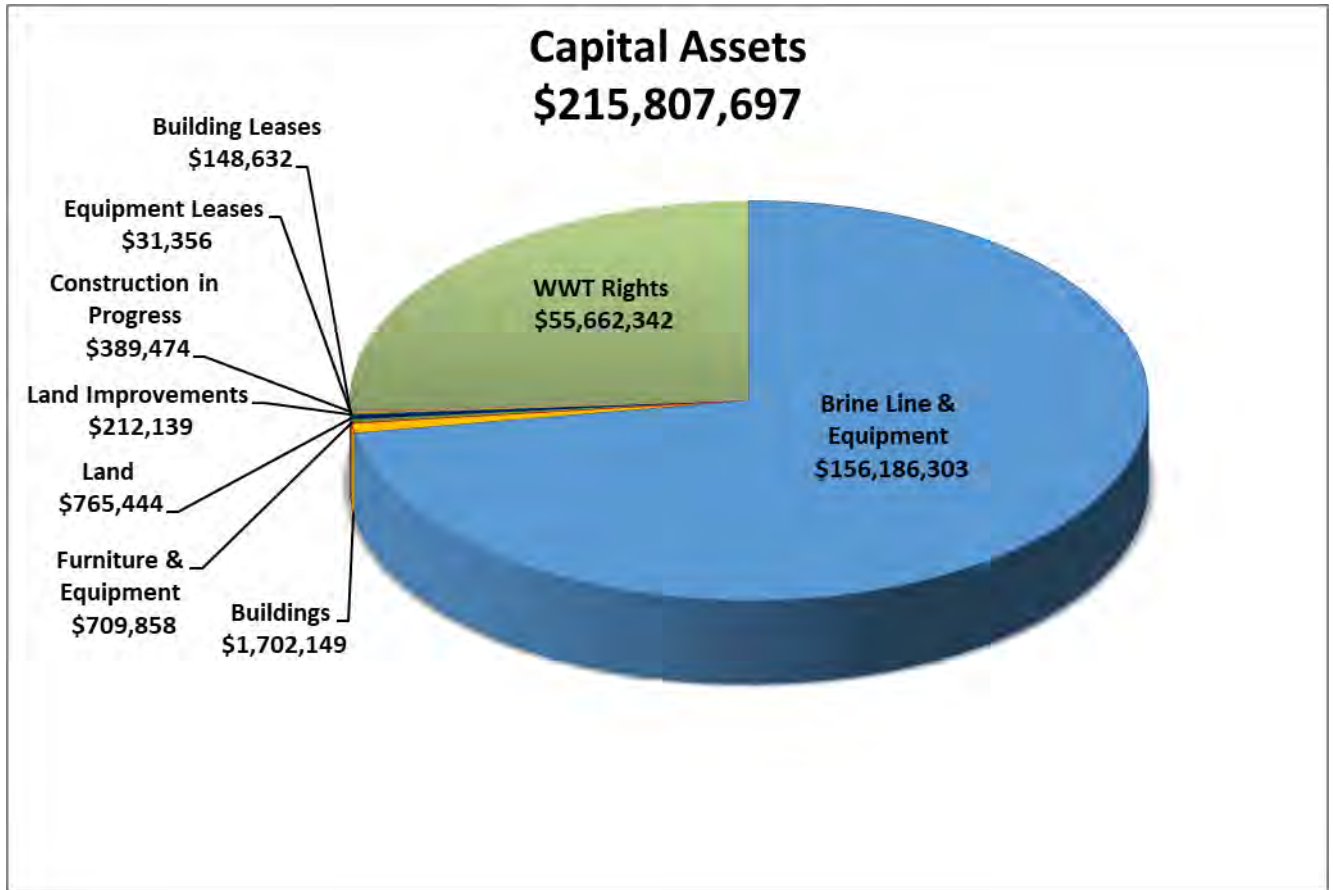
Combined expenses for the fiscal year 2021 totaled \$32 million, a decrease of \$6.5 million, or 25.3% less than the prior fiscal year. The following denotes explanations on some of the changes between fiscal years 2021 and 2020.

- The \$0.4 million increase in Waste Water Treatment and Disposal Costs is due to increases in biochemical oxygen demand (BOD) and total suspended solids (TSS) concentrations from the prior year.
- The \$0.6 million increase in Studies and Planning Costs is due to the Rock Removal Project completed by Orange County Sanitation District. This project was completed in fiscal year 2020 with invoices being received in fiscal year 2021.
- The \$5.5 million increase in Grant Program Expenses is due to the Proposition 1 Grant, Round I Capital Projects and Proposition 84 Round II and Final Round Projects. Most of the DACI grant program tasks were completed in fiscal year 2020.

Capital Assets

Existing Capital Assets

The following chart is the composition of the Authority's total capital assets, not including depreciation and amortization, as of June 30, 2022; additional information can be found in Note 4 of the Notes to Financial Statements.



A comparison of the changes by major category between the current and prior fiscal years is provided in the Category of Net Position section on page 7 of this report.

Future Capital Improvements

The capital improvements program (CIP) includes annual capital repairs to correct pipeline and MAS defects identified during closed circuit television (CCTV) and direct visual inspection. The repairs include items such as sealing pipe joints with major groundwater infiltration, repairing MAS and pipe corrosion protection (plastic "T-Lok" type liner), and completing repairs where structure corrosion has occurred.

As part of the U.S. Army Corps of Engineers (Corps) Santa Ana River Mainstem Project to increase the flood control storage behind Prado Dam. The Corps anticipates raising Prado Dam spillway by approximately 20 feet. All Brine Line Maintenance Access Structures (MAS) will need to be watertight up to the flood storage elevation of 566 feet. There are 14 MAS that need to be modified and watertight. Modification of the MAS commenced in 2022 and will be completed 2023.

The Brine Line Reach 4D was constructed in the early 1990's and runs from the intersection with Reach 4A in the City of Chino approximately 21 miles East to the intersection with Reach 4E in the City of Rialto. About seven miles of the Brine Line Reach 4D consists of T-Lok Lined 42-inch reinforced concrete pipe (RCP). The T-Lok lining is a polyvinyl chloride (PVC) lining on the interior circumference of the pipe that provides a protective corrosion barrier between the flow and concrete pipe. The T-Lok lining on this portion of the Brine Line was installed on the upper 270 degrees of the pipeline leaving the invert or bottom 90 degrees of the pipe unlined. Low flows during the initial years of operation placed the flow line below the termination of the T-Lok liner and exposed the concrete to corrosion and uplifting of the T-Lok liner. A consultant was hired in March 2018 to conduct a pipeline condition assessment, evaluate the condition and remaining useful life of this portion of the Reach 4D pipeline, and prepare the Reach 4D Work Plan. The pipeline field investigation work was completed in May 2018. The Work Plan completed in mid-2019 includes an evaluation of potential repair methods, near, mid- and long-term recommended actions to monitor the condition of the Brine Line and provide repairs as necessary in the future, and a schedule and cost estimate for the proposed recommendations. The near term recommended field investigation work was completed in May 2019. The Near-Term Recommended Inspections Data Analysis and Summary Report was completed in fiscal year 2020. The Near-Term Actions Summary Report concluded that the findings presented in the Reach 4D Work Plan remain valid and the recommendations provided remain unchanged. The mid-term recommended field investigation work is planned for fiscal year 2023 with the long-term solution to begin around fiscal year 2027 through 2030.

Reach IV was constructed in 1975 and is the oldest part of the system. A condition assessment is necessary to understand the reliability and performance of Reach IV. An assessment can identify potential issues and actions needed to extend the remaining useful life of the system. The condition assessment is planned for fiscal year 2023.

A portion of Reach IV-B was constructed with 36" cement-mortar lined ductile iron pipe (DIP) in the late 1990s and is over 20 years old. A condition assessment is necessary to understand the reliability and performance of Reach IV-B. Corrosion (both external and internal) is the main factor that can affect the structural integrity of the pipe. Over time defects in the lining system can develop due to excessive wear, scaling, water chemistry, and various cleaning methods. An assessment of the condition of the lining system and pipe can identify potential issues and actions needed to extend the remaining useful life of the system. The condition assessment is planned for fiscal year 2023.

Long-Term Debt

The Authority's long-term debt consists of four loans from the SWRCB for construction of Reach V of the Brine Line, a loan from the SWRCB for repairs of Reach IV-A and IV-B, a loan from the SWRCB for the Reach V Capital Repairs project, and leases payable. In 2018, the loan from a member agency for the repurchase of wastewater capacity and treatment/disposal rights and the contractual obligation due to a related joint powers authority were paid in full.

During the fiscal years ended June 30, 2022, 2021, and 2020, the Authority made all of the scheduled principal payments on these debts as follows:

Debt Service	2022	As Restated 2021	As Restated 2020
SWRCB TVRI Line	\$875,862	\$1,074,263	\$1,046,108
SWRCB Reach IV-A & IV-B	767,442	747,995	729,040
SWRCB Reach V Capital Repairs	400,176	392,714	385,392
Leases Payable	52,288	43,631	28,197

These payments decreased the outstanding balance in long-term debt by \$2.1 million. For more detailed information refer to Note 6 of the Notes to Financial Statements.

Fiscal Year 2022-2023 Budget

Economic and Financial Factors

As the Inland Empire moves past the economic pressures brought on by the COVID-19 downturn, forecasts show that we are poised for steady economic growth in the coming years. As one of California's fastest growing population and economic centers before the pandemic, the strength, resilience, and diversity of the regional economy helped avoid a far more serious recession. While there are still significant challenges ahead, there are also many opportunities. The strength of the logistics sector has and will continue to provide a competitive advantage, with the surge in e-commerce and goods movement generally since the start of the pandemic. The sector continues to add thousands of jobs each year. Other sectors such as hospitality and tourism have not fared as well. With pandemic-related closures and staffing shortages these sectors have seen a much slower recovery. Overall, the region should regain all pre-pandemic employment losses by mid-2023.

As we begin the biennial budget process for fiscal year 2024 and 2025, we realize that many of our member agencies have suffered during the recession of 2020. With that in mind, staff will look for ways to reduce our budget while remaining effective and efficient.

By optimizing operational processes and implementing a number of cost-cutting measures, we hope to reduce costs and pass those savings on to our member agencies through reduced fees and member contributions.

The Authority is faced with a \$60.0 million Capital Improvement Program over the next 25 years. To ensure that there will be funds available to implement the program, the Authority conducted a long-term financial plan and rate model for the Brine Line. This model has served as a financial planning tool to ensure sufficient revenues are collected for operating needs, capital needs, and the funding of a long-term capital repair and replacement reserve.

Management is unaware of any other conditions that could have a significant past, present, or future impact on the Authority's current financial position, net position, or operating results.

Contacting the Authority's Financial Management

This financial report is designed to provide a general overview of the Authority's finances for the Board of Commissioners, customers, investors, creditors, and other interested parties. Questions concerning any information provided in the report or requests for additional information should be addressed to the Authority's Finance Department, 11615 Sterling Avenue, Riverside, CA 92503.

Basic Financial Statements

Santa Ana Watershed Project Authority
Statement of Net Position – Proprietary Funds
June 30, 2022

	Business-type Activities <u>Enterprise Fund</u> <u>2022</u>
Current assets:	
Cash and cash equivalents (note 2)	\$ 53,398,185
Cash and cash equivalents – held for mitigation (note 2)	856,186
Investments (note 2)	6,450,116
Interest receivable	96,874
Accounts receivable	2,206,951
Accounts receivable – grants	16,921,886
Notes receivable	9,469
Prepaid expenses and other assets	449,943
Mitigation credits (note 3)	<u>1,910,560</u>
Total current assets	<u>82,300,170</u>
Non-current assets:	
Capital assets not being depreciated (note 4)	1,154,918
Depreciable capital assets, net (note 4)	95,757,749
Net OPEB asset (note 7)	187,301
Net pension asset (note 8)	<u>1,105,718</u>
Total non-current assets	<u>98,205,686</u>
Total assets	<u>180,505,856</u>
Deferred outflows of resources:	
Deferred OPEB outflows of resources (note 7)	283,933
Deferred pension outflows of resources (note 8)	<u>2,308,517</u>
	<u>\$ 2,592,450</u>

Continued on next page

See accompanying notes to the basic financial statements

Santa Ana Watershed Project Authority
Statement of Net Position – Proprietary Funds, continued
June 30, 2022

	Business-type Activities Enterprise Fund
	2022
Current liabilities:	
Accounts payable and accrued expenses	\$ 18,817,339
Accrued salaries and wages	195,397
Accrued interest payable	192,970
Customer deposits	15,628
Long-term liabilities – due within one year:	
Compensated absences (note 5)	200,307
Leases payable (note 6)	43,372
Loans payable (note 6)	1,195,175
Total current liabilities	20,660,188
Non-current liabilities:	
Unearned revenue (note 9)	60,177,414
Long-term liabilities due in more than one year:	
Compensated absences (note 5)	467,382
Leases payable (note 6)	13,485
Loans payable (note 6)	22,233,314
Total non-current liabilities	82,891,595
Total liabilities	103,551,783
Deferred inflows of resources:	
Deferred OPEB inflows of resources (note 7)	535,497
Deferred pension inflows of resources (note 8)	618,098
	1,153,595
Net position: (note 10)	
Net Investment in capital assets	73,427,321
Restricted for:	
SRF Reach IV-A & IV-B reserve requirement	1,050,000
Mitigation	1,910,560
Unrestricted	2,005,047
Total net position	\$ 78,392,928

See accompanying notes to the basic financial statements

Santa Ana Watershed Project Authority
Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Funds
For the Fiscal Year Ended June 30, 2022

	Business-Type Activities Enterprise Fund
	2022
Operating revenues:	
Wastewater treatment and disposal	\$ 12,040,521
Wastewater treatment and disposal – capacity rights	2,510,154
Program administration	191,841
Other	5,716
	14,748,232
Operating expenses:	
Wastewater treatment and disposal	6,863,027
General and administrative	523,272
Studies and planning costs	2,578,723
	9,965,022
Total operating expenses:	9,965,022
Operating income before depreciation and amortization	4,783,210
Depreciation and amortization expense	(3,693,764)
Amortization of disposal rights	(1,714,643)
	(5,408,407)
Total depreciation and amortization	(5,408,407)
Operating income (loss)	(625,197)
Non-operating revenues (expenses):	
Member contributions	1,581,845
Intergovernmental	13,673,784
Pension income – GASB 68 (note 7)	3,816,733
OPEB income – GASB 75 (note 8)	204,395
Investment (expense) earnings, net of fair value	(724,549)
Grant program expenses	(12,321,868)
Interest expense	(537,720)
	5,692,620
Total non-operating revenues, net	5,692,620
Change in net position	5,067,423
Net position – beginning of year, as restated – (note 11)	73,325,505
Net position – end of year	\$ 78,392,928

See accompanying notes to the basic financial statements

Santa Ana Watershed Project Authority
Statement of Cash Flows – Proprietary Funds
For the Fiscal Year Ended June 30, 2022

	Business-type Activities Enterprise Fund <u>2022</u>
Cash flows from operating activities:	
Cash received from customers	\$ 12,231,113
Cash payments to employees	(3,407,764)
Cash payments to suppliers	<u>(4,900,643)</u>
Cash provided by operating activities	<u>3,922,706</u>
Cash flows from non-capital financing activities:	
Member contributions	1,581,845
Other governments	9,667,254
Grant program expenses	<u>(12,321,868)</u>
Cash (used in) provided by non-capital financing activities	<u>(1,072,769)</u>
Cash flows from capital and related financing activities:	
Principal payments on long-term debt	(2,095,768)
Interest paid on long-term debt	<u>(566,601)</u>
Cash used in capital and related financing activities	<u>(2,662,369)</u>
Cash flows from investing activities:	
Purchase of investments	(2,226,857)
Proceeds from sale of investments	7,069,116
Interest received	<u>288,362</u>
Cash provided by investing activities	<u>5,130,621</u>
Net increase in cash and cash equivalents	5,318,189
Cash and cash equivalent – beginning of year	<u>48,936,182</u>
Cash and cash equivalent – end of year	<u>\$ 54,254,371</u>
Reconciliation of cash and cash equivalents to the Statements of Net Position	
Cash and cash equivalents	53,398,185
Cash and cash equivalents – restricted	<u>856,186</u>
Total cash and cash equivalents	<u>\$ 54,254,371</u>

Continued on next page

See accompanying notes to the basic financial statements

Santa Ana Watershed Project Authority
Statement of Cash Flows – Proprietary Funds, continued
For the Fiscal Year Ended June 30, 2022

	Business-type Activities <u>Enterprise Fund</u> <u>2022</u>
Reconciliation of operating loss to net cash provided by operating activities:	
Operating loss	\$ (625,197)
Adjustments to reconcile operating income(loss) to net cash provided by operating activities	
Depreciation and amortization	3,693,764
Amortization of disposal rights	1,714,643
Changes in assets and liabilities:	
(Increase) decrease in assets	
Accounts receivable	(25,193)
Notes receivable	2,600
Prepaid expenses and other assets	(101,870)
Net OPEB asset	(187,301)
Net pension asset	(1,105,718)
(Increase) decrease in deferred OPEB outflows	1,555
(Increase) decrease in deferred pension outflows	6,023
Increase (decrease) in liabilities	
Accounts payable and accrued expenses	5,728,775
Accrued salaries and wages	24,072
Customer deposits	15,628
Compensated absences	26,766
Unearned revenue	(2,510,154)
Net OPEB liability	(400,332)
Net pension liability	(1,870,834)
Increase (decrease) in deferred OPEB inflows	381,683
Increase (decrease) in deferred pension inflows	<u>(846,204)</u>
Cash provided by operating activities	\$ <u>3,922,706</u>
Non-cash investing, capital, and financing transactions:	
Change in fair value of investments	\$ <u>1,071,944</u>

See accompanying notes to the basic financial statements

**Santa Ana Watershed Project Authority
Statement of Fiduciary Net Position
Fiduciary Fund
For the Fiscal Year Ended June 30, 2022**

	Custodial Fund
	Legal Defense Fund
	2022
Assets:	
Cash and cash equivalents	\$ 467,289
Interest receivable	312
Total assets	467,601
Liabilities:	
Other liabilities	-
Total liabilities	-
Net position:	
Restricted for:	
Legal defense	467,601
Total net position	\$ 467,601

See accompanying notes to the basic financial statements

Santa Ana Watershed Project Authority
Statement of Changes in Fiduciary Net Position
Fiduciary Fund
For the Fiscal Year Ended June 30, 2022

		<u>Custodial Fund</u>	<u>Legal Defense Fund</u>
		<u>2022</u>	
Additions:			
Investment earnings	\$	529	
Total additions	\$	<u>529</u>	
Deductions:			
Administrative expenses		<u>-</u>	
Total deductions		<u>-</u>	
Net increase in fiduciary net position		529	
Net position - beginning of year		<u>467,072</u>	
Net position - end of year	\$	<u><u>467,601</u></u>	

See accompanying notes to the basic financial statements

Santa Ana Watershed Project Authority
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2022

(1) Reporting Entity and Summary of Significant Accounting Policies

A. Organization and Operations of the Reporting Entity

The Santa Ana Watershed Project Authority (Authority) was formed in 1972 pursuant to the provisions of Article 1, Chapter 5, Division 7, Title 1 of the Government Code of the State of California relating to the joint exercise of powers common to public agencies, for the purpose of undertaking projects for water quality control and protection and pollution abatement in the Santa Ana River Watershed. The five member agencies are the Orange County Water District, Inland Empire Utilities Agency (formerly Chino Basin Municipal Water District), Eastern Municipal Water District, San Bernardino Valley Municipal Water District, and Western Municipal Water District. The Board of Commissioners is the governing body of the Authority. Each member of the Authority appoints, by Resolution of its governing body, one member of its governing body to act as its Commissioner on the Board.

Accounting principles generally accepted in the United States of America require that the reporting entity include (1) the primary government, (2) organizations for which the primary government is financially accountable, and (3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The criteria provided in Government Accounting Standard Board (GASB) Statements have been considered and there are no agencies or entities which should be presented with the Authority.

The Authority's operations are accounted for on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenue, and expenses. Authority resources are allocated to and accounted for in individual funds based on the purposes for which they are to be spent and the means by which spending activities are controlled. The Authority's various funds are grouped as follows:

Capital Project Activities – Record the activity of the various capital improvement projects undertaken by the Authority.

Internal Administration – Reflect the grouping of general and administration expenses and department overhead costs. Reported amounts are net of allocations made in support of capital project and enterprise activities.

Enterprise Activities – Reflect operations of the Inland Empire Brine Line System (Brine Line) pipelines.

The Authority also has the following Fiduciary Funds:

Custodial Funds – Custodial funds are utilized to record monies held on behalf of others in a fiduciary capacity. The Authority has one custodial fund:

The Legal Defense Agency Fund – This fund was established in conjunction with the Environmental Protection Agency in connection with potential third-party lawsuits arising from the discharge of effluent which originates from the Stringfellow Hazardous Waste Site, while the facility is operated by the Environmental Protection Agency or its agents under the use permit.

Santa Ana Watershed Project Authority
Notes to the Financial Statements, continued
For the Fiscal Year Ended June 30, 2022

(1) Reporting Entity and Summary of Significant Accounting Policies continued

B. Basis of Accounting and Measurement Focus

The Authority reports its activities as an enterprise fund, which is a proprietary type fund used to account for operations that are financed and operated in a manner similar to a private business enterprise, where the intent of the Authority is that the cost of providing services on a continuing basis be financed or recovered primarily through user charges, capital grants, and similar funding. Revenues and expenses are recognized on the full accrual basis of accounting. Revenues are recognized in the accounting period in which they are earned and expenses are recognized in the period incurred, regardless of when the related cash flows take place.

C. Financial Reporting

Operating revenues and expenses, such as wastewater treatment and wastewater disposal, capacity rights, and contractual services, result from exchange transactions associated with the principal activity of the Authority. Exchange transactions are those in which each party receives and gives up essentially equal values. Management, administration, and depreciation expenses are also considered operating expenses. Other revenues and expenses not included in the above categories are reported as non-operating revenues and expenses. Non-operating revenues and expenses, such as grant funding, investment income, and interest expense, result from non-exchange transactions, in which, the Authority gives (receives) value without directly receiving (giving) value in exchange.

The Authority's basic financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP), as applied to enterprise funds. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Authority solely operates as a special-purpose government which means it is only engaged in business-type activities; accordingly, activities are reported in the Authority's proprietary fund.

The Authority has adopted the following GASB pronouncements in the current year:

In June 2017, the GASB issued Statement No. 87 – *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

The requirements of this Statement were effective for reporting periods beginning after December 15, 2019; however, in light of the COVID-19 pandemic, the effective date has been postponed by 18 months. Earlier application is encouraged.

Santa Ana Watershed Project Authority
Notes to the Financial Statements, continued
For the Fiscal Year Ended June 30, 2022

(1) Reporting Entity and Summary of Significant Accounting Policies continued

C. Financial Reporting

In June 2018, the GASB issued Statement No. 89 – *Accounting for Interest Cost incurred Before the End of a Construction Period*. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period.

This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5–22 of Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, which are superseded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund.

This Statement also reiterates that in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles.

The requirements of this Statement were effective for reporting periods beginning after December 15, 2019; however, in light of the COVID-19 pandemic, the effective date has been postponed by one year. Earlier application is encouraged. The requirements of this Statement should be applied prospectively.

In October 2021, the GASB issued Statement No. 98 – *The Annual Comprehensive Financial Report*. This Statement establishes the term annual comprehensive financial report and its acronym ACFR. That new term and acronym replace instances of Annual Comprehensive Financial Report and its acronym in generally accepted accounting principles for state and local governments.

This Statement was developed in response to concerns raised by stakeholders that the common pronunciation of the acronym for Annual Comprehensive Financial Report sounds like a profoundly objectionable racial slur. This Statement’s introduction of the new term is founded on a commitment to promoting inclusiveness.

Santa Ana Watershed Project Authority
Notes to the Financial Statements, continued
For the Fiscal Year Ended June 30, 2022

(1) Reporting Entity and Summary of Significant Accounting Policies continued

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position

1. Use of Estimates

The preparation of the basic financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, deferred inflows of resources, and disclosures of contingent assets and liabilities at the date of the financial statements and the reported changes in net position during the reporting period. Actual results could differ from those estimates.

2. Cash and Cash Equivalents

Substantially all of the Authority's cash is invested in interest-bearing accounts. The Authority considers all highly liquid investments with a maturity of three months or less to be cash equivalents.

3. Investments and Investment Policy

The Authority has adopted an investment policy directing the Authority's Chief Financial Officer to deposit funds in financial institutions.

Changes in fair value that occur during a fiscal year are recognized as investment income reported for that fiscal year. Investment income includes interest earnings, changes in fair value, and any gains or losses realized upon the liquidation or sale of investments.

4. Fair Value Measurements

The Authority categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles.

The hierarchy is based on valuation inputs used to measure the fair value of the asset, as follows:

- **Level 1** – Valuation is based on quoted prices in active markets for identical assets.
- **Level 2** – Valuation is based on directly observable and indirectly observable inputs. These inputs are derived principally from or corroborated by observable market data through correlation or market-corroborated inputs. The concept of market-corroborated inputs incorporates observable market data such as interest rates and yield curves that are observable at commonly quoted intervals.
- **Level 3** – Valuation is based on unobservable inputs where assumptions are made based on factors such as prepayment rates, probability of defaults, loss severity, and other assumptions that are internally generated and cannot be observed in the market.

5. Restricted Assets

Restricted assets are financial resources generated for a specific purpose such as capital projects or debt service. These assets are for the benefit of a specified purpose and, as such, are legally or contractually restricted by an external third-party agreement.

Santa Ana Watershed Project Authority
Notes to the Financial Statements, continued
For the Fiscal Year Ended June 30, 2022

(1) Reporting Entity and Summary of Significant Accounting Policies continued

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position continued

6. Accounts Receivable

The Authority extends credit in the normal course of operations. Management deems all accounts receivable as collectible at year-end. Accordingly, an allowance for doubtful accounts has not been recorded.

7. Prepaid Expenses

Certain payments to vendors reflect costs or deposits applicable to future accounting periods and are recorded as prepaid items in the basic financial statements.

8. Mitigation Credits

Mitigation credits are purchased and used by those agencies or businesses needing habitat mitigation within the Watershed for specific development projects.

9. Capital Assets

Capital assets acquired and/or constructed are capitalized at historical cost. Authority policy has set the capitalization threshold for capitalizing equipment purchases at \$5,000. Donated assets are recorded at estimated cost at the date of donation. Upon retirement or other disposition of capital assets, the cost and related accumulated depreciation are removed from the respective balances and any gains or losses are recognized.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

- Building and improvements 40 years
- Land improvements 15 – 20 years
- Furniture and office equipment 3 years
- Brine Line and equipment 25 years

The Authority capitalizes a portion of general and administration expenses and interest expense relating to certain long-term projects.

Wastewater treatment and disposal rights are included as capital assets and are capitalized at cost. Amortization is computed using the straight-line method over the remaining life of the Authority's contract with the Orange County Sanitation District for the acquisition of the rights at the time the right was acquired. The current contract expires April 26, 2046.

Leased building and equipment right-to-use assets are amortized on straight-line basis over the life of the lease term.

10. Deferred Outflows of Resources

The statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents an acquisition of net assets applicable to future periods and, therefore, will *not* be recognized as an outflow of resources (expenditure) until that time.

Santa Ana Watershed Project Authority
Notes to the Financial Statements, continued
For the Fiscal Year Ended June 30, 2022

(1) Reporting Entity and Summary of Significant Accounting Policies continued

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position continued

10. Deferred Outflows of Resources continued

The Authority has the following items that qualify for reporting in this category:

Post-Employment Benefits Other Than Pensions (OPEB)

- Deferred outflow which is equal to the employer contributions made after the measurement date of the net OPEB liability. This amount will be amortized-in-full against the net OPEB liability in the next fiscal year.
- Deferred outflow for the net differences between the actual and expected experience which will be amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with post-employment benefits.

Pensions

- Deferred outflow which is equal to the employer contributions made after the measurement date of the net pension liability. This amount will be amortized-in-full against the net pension liability in the next fiscal year.
- Deferred outflow for the net difference between the projected and actual earnings on investments of the pension plan's fiduciary net position. This amount is amortized over a five-year period.
- Deferred outflow for the net difference between actual contributions and the proportionate share of employer contribution which will be amortized over a closed period equal to the expected average remaining service lives of all employees that are provided with pension.

11. Compensated Absences

The Authority's policy is to pay out sick leave time accrued upon retirement, death or termination on a variable scale of 15% to 60% based on years of service. Each full-time employee accrues 96 hours of sick time per year. The liability for this benefit has been accrued in these financial statements.

Employees of the Authority are entitled to paid vacation depending on length of service. Vacation is accrued for full-time employees beginning on the first day of full-time employment, and ranges from 12 to 22 days per year based on longevity with the Authority. Part-time employees accrue vacation on a pro-rated basis based on the actual number of hours worked.

Authority policy requires employees to pass a probationary period prior to payment for accrued vacation hours. Employees cannot accrue more than 36 vacation days (324 hours) total.

Santa Ana Watershed Project Authority
Notes to the Financial Statements, continued
For the Fiscal Year Ended June 30, 2022

(1) Reporting Entity and Summary of Significant Accounting Policies continued

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position continued

12. Postemployment Benefits Other than Pensions (OPEB)

For purposes of measuring the net OPEB liability and deferred outflows/inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Authority's OPEB plan (Plan) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the Plan recognizes benefit payments when due and payable in accordance with the benefit terms.

GASB 75 requires that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

- Valuation date: June 30, 2021
- Measurement date: June 30, 2021
- Measurement period: July 1, 2020 to June 30, 2021

13. Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pension, and pension expense, information about the fiduciary net position of the Authority's California Public Employees' Retirement System (CalPERS) plans (Plans) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

GASB 68 requires that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

- Valuation date: June 30, 2020
- Measurement date: June 30, 2021
- Measurement period: July 1, 2020 to June 30, 2021

14. Unearned Revenue

Unearned revenue represents wastewater treatment and disposal capacity rights sold, which are being recognized as revenue as the services are provided.

15. Leases Payable

Leases payable are measured at the present value of payments expected to be paid during the lease term.

16. Deferred Inflows of Resources

The statement of net position will sometimes report a separate section for deferred inflows of resources. This financial statement element, *deferred inflows of resources*, represents an acquisition of net assets applicable to future periods and, therefore, will *not* be recognized as an inflow of resources (revenue) until that time.

Santa Ana Watershed Project Authority
Notes to the Financial Statements, continued
For the Fiscal Year Ended June 30, 2022

(1) Reporting Entity and Summary of Significant Accounting Policies continued

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position continued

16. Deferred Inflows of Resources, continued

The Authority has the following items that qualify for reporting in this category:

Post-Employment Benefits Other Than Pensions (OPEB)

- Deferred inflow for the net change in assumptions which will be amortized over a closed period equal to the expected average remaining service lives of all employees that are provided with post-employment benefits.
- Deferred inflow for the net difference between the projected and actual earnings on investments of the other post-employment benefits plan's fiduciary net position. This amount is amortized over a five-year period.

Pensions

- Deferred inflow for the net difference between the actual and expected experience which will be amortized over a closed period equal to the expected average remaining service lives of all employees that are provided with pension.
- Deferred inflow as a result of the net change in proportions of the net pension liability which will be amortized over a closed period equal to the expected average remaining service lives of all employees that are provided with pension.

17. Capital Contributions

Capital contributions consist of grants awarded and contributions received for the acquisition and/or construction of capital assets. Contributions received for studies, planning, administration, and other non-capital assets are considered non-operating revenue.

18. Capital and Operating Grants

When a grant agreement is approved and eligible expenditures are incurred, the amount is recorded as a capital or operating grant receivable on the statement of net position and as capital grant contribution or operating grant revenue, as appropriate, on the Statement of Revenues, Expenses, and Changes in Net Position.

19. Budgetary Policies

The Authority adopts a biennial non-appropriated budget for planning, control, and evaluation purposes. Budgetary control and evaluation are affected by comparison of actual revenue and expense with planned revenue and expense for the period.

Santa Ana Watershed Project Authority
Notes to the Financial Statements, continued
For the Fiscal Year Ended June 30, 2022

(1) Reporting Entity and Summary of Significant Accounting Policies continued

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position continued

20. Net Position

The financial statements utilize a net position presentation. Net position is categorized as follows:

- **Net Investment in Capital Assets** – This component of net position consists of capital assets, net of accumulated depreciation and reduced by any outstanding debt against the acquisition, construction, or improvement of those assets.
- **Restricted Net Position** – This component of net position consists of constraints placed on net position use imposed by creditors, grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.
- **Unrestricted Net Position** – This component of net position consists of net position that do not meet the definition of *restricted* or *net investment in capital assets*.

21. Reclassifications

Certain reclassifications have been made to the prior year information to conform to the current year presentation.

(2) Cash and Investments

Cash and investments as of June 30 are classified in the Statement of Net Position as follows:

	2022
Statement of Net Position:	
Cash and cash equivalents	\$ 53,398,185
Cash and investments – restricted	856,186
Investments	6,450,116
Total cash and investments	\$ 60,704,487
Statement of Fiduciary Net Position:	
Cash and investments	467,289
Total cash and investments	\$ 61,171,776

Cash and investments as of June 30 consist of the following:

	2022
Cash on hand	\$ 500
Deposits with financial institutions	3,656,761
Investments	57,514,515
Total cash and investments	\$ 61,171,776

Santa Ana Watershed Project Authority
Notes to the Financial Statements, continued
For the Fiscal Year Ended June 30, 2022

(2) Cash and Investments, continued

Investments Authorized by the California Government Code and the Authority's Investment Policy

The table below identifies the investment types that are authorized by the Authority in accordance with the California Government Code (or the Authority's investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the Authority's investment policy, where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
United States Treasury Bills, Notes, and Bonds	5 years	None	N/A
U.S. Government Sponsored Agency Securities	5 years	None	None
Mutual Funds	90 days	15%	None
Municipal Bonds	5 years	None	None
Banker's Acceptances	180 days	40%	30%
Commercial Paper	270 days	15%	*
Negotiable Certificates of Deposit	5 years	30%	\$250,000
Repurchase Agreements	1 year	None	None
Medium-Term Corporate Notes	5 years	30%	None
Local Agency Investment Fund (LAIF)	N/A	None	N/A
Collateralized Bank Deposits	5 years	25%	None

N/A - Not applicable

* 10% of outstanding paper of an issuing corporation.

Investment in State Investment Pool

The Authority is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The fair value of the Authority's investment in this pool is reported in the accompanying financial statements at amounts based upon the Authority's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

The pool portfolio is invested in a manner that meets the maturity, quality, diversification, and liquidity requirements set forth by GASB 79 for external investments pools that elect to measure, for financial reporting purposes, investments at amortized cost. LAIF does not have any legally binding guarantees of share values. LAIF does not impose liquidity fees or redemption gates on participant withdrawals.

Santa Ana Watershed Project Authority
Notes to the Financial Statements, continued
For the Fiscal Year Ended June 30, 2022

(2) Cash and Investments, continued

Custodial Credit Risk

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits, or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools (such as LAIF).

The California Government Code and the Authority's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit), and, the Authority's investment policy that requires no more than two-thirds of the Authority's deposits in a depository shall be collateralized by mortgage-backed securities, with the remainder to be secured by non-mortgage-backed securities.

The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure Authority deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. Of the Authority's bank balances, up to \$250,000 is federally insured and the remaining balance is collateralized in accordance with the Code; however, the collateralized securities are not held in the Authority's name.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. The longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the Authority manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio matures, or comes close to maturity evenly over time, as necessary to provide requirements for cash flow and liquidity needed for operations.

The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure Authority deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. Of the bank balances, up to \$250,000 is federally insured and the remaining balance is collateralized in accordance with the Code; however, the collateralized securities are not held in the Authority's name.

Information about the sensitivity of the fair values of the Authority's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the Authority's investments by maturity date:

Santa Ana Watershed Project Authority
Notes to the Financial Statements, continued
For the Fiscal Year Ended June 30, 2022

(2) Cash and Investments, continued

Investment maturities as of June 30, 2022, were as follows:

Investment Types	Total	Remaining Maturity (in Months)		
		12 Months or Less	13 to 24 Months	25-60 Months
U.S. Treasury Notes	\$ 1,829,571	-	-	1,829,571
U.S. Government Sponsored Agency Securities	2,884,103	-	992,026	1,892,077
LAIF	51,064,399	51,064,399	-	-
Medium-Term Corporate Notes	997,552	497,037	500,515	-
Negotiable Certificates of Deposit	738,890	495,549	-	243,341
	<u>\$ 57,514,515</u>	<u>52,056,985</u>	<u>1,492,541</u>	<u>3,964,989</u>

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization.

Per the Authority's investment policy, credit risk is mitigated by investing in safe securities, and diversifying the investment portfolio so the failure of one issuer would not materially affect the Authority's cash flow. Presented below is the minimum rating required by (where applicable) the California Government Code, the Authority's investment policy, or debt agreements, and the actual rating as of year-end for each investment type.

Credit ratings of investments as of June 30, 2022, were as follows:

Investment Types	Total	Minimum Legal Rating	Rating as of Year End			Not Rated
			AAA	AA+	A+	
U.S. Treasury Notes	\$ 1,829,571	N/A	-	-	-	1,829,571
U.S. Government Sponsored Agency Securities	2,884,103	N/A	2,884,103	-	-	-
LAIF	51,064,399	N/A	-	-	-	51,064,399
Medium-Term Corporate Notes	997,552	N/A	-	497,037	500,515	-
Negotiable Certificates of Deposit	738,890	AAA	-	-	-	738,890
	<u>\$ 57,514,515</u>		<u>2,884,103</u>	<u>497,037</u>	<u>500,515</u>	<u>53,632,860</u>

Concentration of Credit Risk

The Authority's investment policy contains various limitations on the amounts that can be invested in any one governmental agency or non-governmental issuer as stipulated by the California Government Code. The Authority's deposit portfolio with governmental agencies, LAIF, is 89% as of June 30, 2022, of the Authority's total depository and investment portfolio.

Santa Ana Watershed Project Authority
Notes to the Financial Statements, continued
For the Fiscal Year Ended June 30, 2022

(2) Cash and Investments, continued

Fair Value Measurements

The Authority categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

Investments measured at fair value on a recurring and non-recurring basis, are as follows:

Investment Types	Total	Fair Value Measurement at Reporting Date Using:		
		Quoted Prices in Active Markets for Identical Assets	Significant Other Observable Inputs	Significant Unobservable Inputs
		Level 1	Level 2	Level 3
U.S. Treasury Notes	\$ 1,829,571	1,829,571	-	-
U.S. Government Sponsored Agency Securities	2,884,103	-	2,884,103	-
Medium-Term Corporate Notes	997,552	-	997,552	-
Negotiable Certificates of Deposit	738,890	-	738,890	-
	6,450,116	1,829,571	4,620,545	-
Investments not subject to fair value hierarchy:				
Local Agency Investment Fund	51,064,399			
Total	\$ 57,514,515			

The Authority has the following recurring fair value measurements as of June 30, 2022:

- U.S. treasury note securities of \$1,829,571 are valued using quoted market prices (Level 1 inputs).
- U.S. governmental sponsored agency securities of \$2,884,103 are valued using a matrix pricing model (Level 2 inputs).
- Medium-term corporate note obligations of \$997,552 are valued using a matrix pricing model (Level 2 inputs).
- Negotiable certificates-of-deposit of \$738,890 are valued using a matrix pricing model (Level 2 inputs).
- Local agency investment funds of \$51,064,399 are valued at amortized cost and are not subject to fair value hierarchy.

Santa Ana Watershed Project Authority
Notes to the Financial Statements, continued
For the Fiscal Year Ended June 30, 2022

(3) Mitigation Credits

On March 17, 2000, the State of California voted to approve, Proposition 13, the Costa-Machado Water Act of 2000 containing the Southern California Integrated Watershed Program (SCIWP), providing \$235 million for local grant assistance. The State Legislature appropriated the funds to the State Water Resource Control Board (SWRCB) to be allocated to the Authority for projects to rehabilitate and improve the Santa Ana River Watershed.

On April 23, 2003, as part of the SCIWP, the Authority purchased 100 acres of mitigation credits from the Riverside County Regional Park and Open Space District. These credits are purchased and used by those needing habitat mitigation within the Watershed for specific development projects.

The changes to mitigation credits at June 30 were as follows:

	Balance 2021	Additions	Deletions	Balance 2022
\$	1,910,560	-	-	1,910,560

(4) Capital Assets

Changes in capital assets for 2022 were as follows:

	As Restated 2021	Additions	Disposals	2022
Capital assets not being depreciated:				
Land	\$ 765,444	-	-	765,444
Construction-in-progress	389,474	-	-	389,474
Total capital assets not being depreciated	1,154,918	-	-	1,154,918
Capital assets being depreciated and amortized:				
Land improvements	212,139	-	-	212,139
Buildings	1,702,149	-	-	1,702,149
Furniture and equipment	709,858	-	-	709,858
Brine Line and equipment	156,186,303	-	-	156,186,303
Wastewater treatment and disposal rights	55,662,342	-	-	55,662,342
Building leases	148,632	-	-	148,632
Equipment leases	31,356	-	-	31,356
Total capital assets being depreciated and amortized	214,652,779	-	-	214,652,779
Less accumulated depreciation and amortization:				
Land improvements	(111,116)	(15,130)	-	(126,246)
Buildings	(1,070,155)	(53,283)	-	(1,123,438)
Furniture and equipment	(364,845)	(66,590)	-	(431,435)
Brine Line and equipment	(79,380,308)	(3,507,150)	-	(82,887,458)
Wastewater treatment and disposal rights amort.	(32,486,272)	(1,714,643)	-	(34,200,915)
Building leases	(71,967)	(43,772)	-	(115,739)
Equipment leases	(1,960)	(7,839)	-	(9,799)
Total accumulated depreciation and amortization	(113,486,623)	(5,408,407)	-	(118,895,030)
Depreciable capital assets, net	101,166,156	(5,408,407)	-	95,757,749
Total capital assets, net	\$ 102,321,074	(5,408,407)	-	96,912,667

There were no major non-depreciable or depreciable / amortizable capital asset additions or deletions during the fiscal year ended 2022, respectively.

Santa Ana Watershed Project Authority
Notes to the Financial Statements, continued
For the Fiscal Year Ended June 30, 2022

(5) Compensated Absences

Compensated absences comprise unpaid vacation and sick leave which is accrued as earned.

The changes to compensated absences balances at June 30 were as follows:

<u>Balance</u> <u>2021</u>	<u>Earned</u>	<u>Taken</u>	<u>Balance</u> <u>2022</u>	<u>Current</u> <u>Portion</u>	<u>Long-term</u> <u>Portion</u>
\$ 640,923	452,232	(425,466)	667,689	200,307	467,382

(6) Long-term Debt

Changes in long-term debt for the year ended June 30, were as follows:

	<u>As Restated</u> <u>2021</u>	<u>Additions</u>	<u>Principal Pmts</u> <u>Amortization</u>	<u>2022</u>	<u>Current</u> <u>Portion</u>	<u>Long-Term</u> <u>Portion</u>
SWRCB Brine Line Reach V Loans:						
Loan I	\$ 329,048	-	(329,048)	-	-	-
Loan II & III	264,710	-	(264,710)	-	-	-
Loan V	282,104	-	(282,104)	-	-	-
Total SWRCB Brine Line Reach V Loans	875,862	-	(875,862)	-	-	-
State Revolving Fund Loan:						
Reach IV-A & IV-B	10,647,337	-	(767,442)	9,879,895	787,396	9,092,499
SWRCB Inland Empire Brine Line:						
Reach V Loans:						
Loan I	13,948,770	-	(400,176)	13,548,594	407,779	13,140,815
Total loans payable	25,471,969	-	(2,043,480)	23,428,489	1,195,175	22,233,314
Leases payable:						
Konica Minolta	28,939	-	(7,654)	21,285	7,800	13,485
Building 1	45,736	-	(22,002)	23,734	23,734	-
Building 2	34,470	-	(22,632)	11,838	11,838	-
Total leases payable	109,145	-	(52,288)	56,857	43,372	13,485
Total long-term debt	\$ 25,581,114	-	(2,095,768)	23,485,346	1,238,547	22,246,799

State Water Resources Control Board - Brine Line Reach V Loan No. I

This loan, in the amount of \$5,089,798, was for the construction of Reach V of the Brine Line Pipeline. Annual principal and interest payments of \$338,065, at the rate of 2.70%, commenced on October 5, 2002, and matured on October 5, 2021. The loan was paid in full as of the end of the fiscal year.

State Water Resources Control Board - Brine Line Reach V Loan No. II and III

This loan, in the amount of \$4,187,933, was for the construction of Reach V of the Brine Line Pipeline. Annual principal and interest payments of \$271,592, at the rate of 2.60%, commenced on October 5, 2002, and matured on October 5, 2021. As of June 30, 2021, the loan was paid in full.

Santa Ana Watershed Project Authority
Notes to the Financial Statements, continued
For the Fiscal Year Ended June 30, 2022

(6) Long-term Debt, continued

State Water Resources Control Board - Brine Line Reach V Loan No. IV

This loan, in the amount of \$3,373,815, was for the construction of Reach V of the Brine Line Pipeline. Annual principal and interest payments of \$227,181, at the rate of 2.90%, commenced on September 11, 2001, and matured on September 11, 2020. The loan was paid in full

State Water Resources Control Board - Brine Line Reach V Loan No. V

This loan, in the amount of \$4,455,792, was for the construction of Reach V of the Brine Line Pipeline. Annual principal and interest payments of \$289,439, at the rate of 2.90%, commenced on October 5, 2004, and matured on October 5, 2021. The loan was paid in full as of the end of the fiscal year.

State Revolving Fund Loan - Reach IV-A and IV-B

On April 13, 2011, the Authority entered into a loan agreement to receive up to \$16,850,337 from the California State Water Resources Control Board to repair the existing brine disposal pipeline to extend its useful life of the Inland Empire Brine Line upstream of Prado Dam. Terms of the loan call for annual principal and interest payments of \$1,044,273 based on the net loan amount of \$16,850,337, at the rate of 2.60%, commenced on December 29, 2013, and will mature on December 29, 2032.

Future principal and interest obligations on the loan as of June 30, are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 787,396	256,877	1,044,273
2024	807,868	236,405	1,044,273
2025	828,873	215,400	1,044,273
2026	850,424	193,850	1,044,274
2027	872,535	171,739	1,044,274
2028-2032	4,714,990	506,376	5,221,366
2033	<u>1,017,809</u>	<u>26,463</u>	<u>1,044,272</u>
Total	9,879,895	<u>1,607,110</u>	<u>11,487,005</u>
Less current portion	<u>(787,396)</u>		
Total non-current \$	<u>9,092,499</u>		

SWRCB Inland Empire Brine Line Reach V Loans - Loan 1

On May 14, 2014, the Authority entered into a loan agreement to receive up to \$15,000,000 from the California State Water Resources Control Board to repair the existing brine disposal pipeline to extend the useful life of the Inland Empire Brine Line. Terms of the loan call for annual principal and interest payments of \$665,202 commenced on March 31, 2019, at the rate of 1.90%, and maturing March 31, 2048.

Santa Ana Watershed Project Authority
Notes to the Financial Statements, continued
For the Fiscal Year Ended June 30, 2022

(6) Long-term Debt, continued

SWRCB Inland Empire Brine Line Reach V Loans - Loan 1, continued

Future principal and interest obligations on the loan as of June 30, are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 407,779	257,423	665,202
2024	415,527	249,675	665,202
2025	423,422	241,780	665,202
2026	431,467	233,735	665,202
2027	439,665	225,538	665,203
2028-2032	2,326,849	999,163	3,326,012
2033-2037	2,556,461	769,552	3,326,013
2038-2042	2,808,730	517,282	3,326,012
2043-2047	3,085,894	240,119	3,326,013
2048	652,800	12,403	665,203
Total	13,548,594	<u>3,746,670</u>	<u>17,295,264</u>
Less current portion	<u>(407,779)</u>		
Total non-current	<u>\$ 13,140,815</u>		

Konica Minolta Lease

In January 2021, the Authority entered into an agreement with Konica Minolta, to lease copier equipment for use in the Authority's administrative office. Terms of the agreement commenced on January 1, 2021, for a period of 48 months, with rent due monthly at \$678 per month for the entire lease term.

Following the guidelines set forth by GASB Statement No. 87, the Authority has recorded a right-to-use asset and a lease payable at present value with an implicit rate of 1.90%. The right-to-use asset is amortized on a straight-line basis over the term of the lease.

Annual lease principal and interest obligations on the lease as of June 30, are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 7,800	337	8,137
2024	7,950	187	8,137
2025	5,535	41	5,576
Total	21,285	<u>565</u>	<u>21,850</u>
Less current portion	<u>(7,800)</u>		
Total non-current	<u>\$ 13,485</u>		

Santa Ana Watershed Project Authority
Notes to the Financial Statements, continued
For the Fiscal Year Ended June 30, 2022

(6) Long-term Debt, continued

Building 1 Lease

In July 2020, the Authority renewed an agreement with Biltmore Riverside I, LLC to rent building space for the purpose of providing a headquarters building for Authority operations. Terms of the agreement commenced on July 1, 2020, for a period of 36 months, with base rent due monthly at \$1,782 per month, for months 1-12, \$1,890 per month, for months 13-24, and \$1,998 for months 25-36.

Following the guidelines set forth by GASB Statement No. 87, the Authority has recorded a right-to-use asset and a lease payable at present value with an implicit rate of 1.90%. The right-to-use asset is amortized on a straight-line basis over the term of the lease.

Annual lease principal and interest obligations on the lease as of June 30, are as follows:

Fiscal Year	Principal	Interest	Total
2023	\$ 23,734	245	23,979
Total	23,734	245	23,979
Less current portion	(23,734)		
Total non-current	\$ -		

Building 2 Lease

In July 2020, the Authority renewed an agreement with Biltmore Riverside I, LLC to rent building space for the purpose of providing a separate operations building. Terms of the agreement commenced on January 1, 2020, for a period of 36 months, with base rent due monthly at \$1,746 per month, for months 1-12, \$1,865 per month, for months 13-24, and \$1,984 for months 25-36.

Following the guidelines set forth by GASB Statement No. 87, the Authority has recorded a right-to-use asset and a lease payable at present value with an implicit rate of 1.90%. The right-to-use asset is amortized on a straight-line basis over the term of the lease.

Annual lease principal and interest obligations on the lease as of June 30, are as follows:

Fiscal Year	Principal	Interest	Total
2023	\$ 11,838	66	11,904
Total	11,838	66	11,904
Less current portion	(11,838)		
Total non-current	\$ -		

Santa Ana Watershed Project Authority
Notes to the Financial Statements, continued
For the Fiscal Year Ended June 30, 2022

(7) Other Post-Employment Benefits (OPEB) Plan

Plan Description

The Authority defined benefit post-employment healthcare plan, SAWPA Post Employment Healthcare Plan (SPHP), provides medical benefits to eligible retired Authority employees and spouses. SHPHP is part the Public Agency portion of the California Employers' Retiree Trust Fund (CERBT), an agent multiple-employer plan administered by California Public Employees' Retirement System.

CalPERS acts as a common investment and administrative agent for participating public employers within the State of California. A menu of benefit provisions as well as other requirements is established by State statute within the Public Employees' Retirement Law. SPHP selects optional benefit provisions from the benefit menu by contract with CalPERS and adopts those benefits through Authority resolution. CalPERS issues an Annual Comprehensive Financial Report (ACFR). The ACFR is issued in aggregate and includes the sum of all CalPERS plans. Copies of the CalPERS ACFR may be obtained from the CalPERS Executive Office, 400 P Street, Sacramento, California 95814.

Benefits Provided

The Authority's employees hired prior to July 1, 2005, who retire at age 58 or older with a minimum of ten years of service with the Authority are eligible for lifetime medical benefits. Benefits are also provided to spouses. Employees hired on or after July 1, 2005, are not eligible to receive employer subsidized post-employment medical benefits. The Authority contributes the entire premium cost up to a predetermined cap. The cap is defined as the Kaiser Family premium rate.

Funding Policy

The contribution requirements of plan members and the Authority are established and may be amended by the Authority. The Authority contributes the entire premium cost up to a predetermined cap. The 2022 monthly cap per retiree amounted to \$1,944. Employees hired on or after July 1, 2005, are not eligible to receive employer subsidized postemployment medical benefits.

Employees Covered by Benefit Terms

Membership in the OPEB plan consisted of the following members as of June 30:

	2022
Inactive employees or beneficiaries	
currently receiving benefit payments	7
Inactive employees entitled to but	
not yet receiving benefit payments	-
Active employees	7
Total plan membership	14

Santa Ana Watershed Project Authority
Notes to the Financial Statements, continued
For the Fiscal Year Ended June 30, 2022

(7) Other Post-Employment Benefits (OPEB) Plan, continued

Contributions

The annual contribution is based on the actuarially determined contribution. For the fiscal years ended June 30, 2022 and 2021, the Authority's cash contributions were \$46,871 and \$54,138, respectively in payments to the trust.

As of the fiscal year ended June 30, the contributions were as follows:

		<u>2022</u>
Contributions to trust by – employer	\$	<u>46,871</u>
Total employer paid contributions	\$	<u>46,871</u>

Actuarial Assumptions and Other Inputs

The net OPEB liability in the June 30, 2021, actuarial valuation, which was measured at June 30, 2020, was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.39 percent
Salary increases	3.25 percent, average, including inflation
Discount rate	6.73 percent
Mortality Rate ⁽¹⁾	Derived using CalPERS Membership Data for all funds
Pre-Retirement Turnover ⁽²⁾	Derived using CalPERS Membership Data for all funds
Healthcare cost trend rates	5.00% Medicare and 7.75% Non-Medicare

Notes:

⁽¹⁾ Pre-retirement mortality information was derived from data collected during 1997 to 2011 CalPERS Experience Study dated January 2014 and post-retirement mortality information was derived from the 2007 to 2011 CalPERS Experience Study. The Experience Study Reports may be accessed on the CalPERS website www.calpers.ca.gov under Forms and Publications.

⁽²⁾ The pre-retirement turnover information was developed based on CalPERS specific data. For more details, please refer to the 2007 to 2011 Experience Study Report. The Experience Study Report may be accessed on the CalPERS website www.calpers.ca.gov under Forms and Publications.

Santa Ana Watershed Project Authority
Notes to the Financial Statements, continued
For the Fiscal Year Ended June 30, 2022

(7) Other Post-Employment Benefits (OPEB) Plan, continued

Actuarial Assumptions and Other Inputs, continued

The long-term expected rate of return on OPEB plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the OPEB plan's target asset are summarized in the following table for measurement period June 30, 2021:

Asset class	Target Allocation	Long-term Expected Real Rate of Return
Equity	43.00%	5.43%
Fixed income	49.00%	1.63%
REITS	8.00%	5.06%
Total	100.00%	

Discount Rate

As of June 30, 2022, the discount rate used to measure the net OPEB liability was 6.73 percent. The projection of cash flows used to determine the discount rate assumed that Authority contributions will be made at rates equal to the actuarially determined contribution rates.

Changes in the Net OPEB Liability

Changes in the net OPEB liability for the year ended June 30, were as follows:

	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balance at June 30, 2021	\$ 2,090,421	1,690,089	400,332
Changes for the year:			
Service cost	20,942	-	20,942
Interest	138,454	-	138,454
Differences between expected and actual experience	176,449	-	176,449
Changes in assumptions or other inputs	(424,697)	-	(424,697)
Employer contributions	-	164,101	(164,101)
Net investment income	-	335,301	(335,301)
Benefit payments	(109,963)	(109,963)	-
Administrative expenses	-	(621)	621
Net change	(198,815)	388,818	(587,633)
Balance at June 30, 2022	\$ 1,891,606	2,078,907	(187,301)

Santa Ana Watershed Project Authority
Notes to the Financial Statements, continued
For the Fiscal Year Ended June 30, 2022

(7) Other Post-Employment Benefits (OPEB) Plan, continued

Sensitivity of the net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability of the Authority, as well as what the Authority's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

As of June 30, 2022, the discount rate comparison was the following:

	Discount Rate 1% Lower	Valuation Discount Rate	Discount Rate 1% Higher
Net OPEB liability	\$ 38,955	(187,301)	(376,192)

Sensitivity of the net OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the net OPEB liability of the Authority, as well as what the Authority's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

As of June 30, 2022, the healthcare cost trend rate comparison was the following:

	Trend 1% Lower	Valuation Trend	Trend 1% Higher
Net OPEB liability	\$ (387,898)	(187,301)	54,155

For the year ended June 30, 2022, the Authority recognized OPEB income of \$157,524. The Authority records OPEB expense (income) adjustments within the general and administrative portion of operating expense following *GASB Statement No. 75* guidance. In 2022, due to the significance of the amount, an OPEB credit of \$204,395 was recorded as non-operating revenue.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

As of June 30, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB contributions subsequent to the measurement date	\$ 46,871	-
Change of assumptions	-	(371,565)
Difference between expected and actual experience	237,062	-
Net difference between projected and actual earnings on investments	-	(163,932)
Total	\$ 283,933	(535,497)

Santa Ana Watershed Project Authority
Notes to the Financial Statements, continued
For the Fiscal Year Ended June 30, 2022

(7) Other Post-Employment Benefits (OPEB) Plan, continued

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB, continued

As of June 30, 2022, employer OPEB contributions reported as deferred outflows of resources related to contributions subsequent to the measurement date of \$46,871 will be recognized as a reduction of the net OPEB liability in the fiscal year ended June 30, 2023.

As of June 30, 2022, there were amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB which are required to be recognized in OPEB expense over future periods, respectively. OPEB related amounts will be recognized as pension expense as follows.

Fiscal Year Ending June 30,	Deferred Net Outflows(Inflows) of Resources
2023	\$ (95,223)
2024	(119,004)
2025	(40,249)
2026	(43,959)
2027	-
Thereafter	-

See the Required Supplementary Information section for the Required Supplementary Schedules.

(8) Defined Benefit Pension Plan

Plan Description

All qualified permanent and probationary employees are eligible to participate in the Authority's separate Miscellaneous Employee Pension Plans, cost-sharing multiple employer defined benefit pension plans administered by the California Public Employees' Retirement System (CalPERS). Benefit provisions under the Plan is established by State statute and Local Government resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website or may be obtained from their executive office: 400 P Street, Sacramento, CA, 95814.

Santa Ana Watershed Project Authority
Notes to the Financial Statements, continued
For the Fiscal Year Ended June 30, 2022

(8) Defined Benefit Pension Plan, continued

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost-of-living adjustments for each plan are applied as specified by the Public Employees' Retirement Law. Classic Plan members are eligible for one-year final compensation and a 3.0% cost of living adjustment.

On September 12, 2012, the California Governor signed the California Public Employees' Pension Reform Act of 2013 (PEPRA) into law. PEPRA took effect January 1, 2013. The new legislation closed the Authority's CalPERS 2.0% at 55 Risk Pool Retirement Plan to new employee entrants effective December 31, 2013. All employees hired after January 1, 2013, are eligible for the Authority's CalPERS 2.0% at 62 Retirement Plan under PEPRA.

The Plans' provision and benefits in effect at June 30, 2022, are summarized as follows:

	Miscellaneous	
	Classic	PEPRA
	Prior to January 1, 2013	On or after January 1, 2013
Hire date		
Benefit formula	2.0% @ 55	2.0% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50 - 63	52 - 67
Monthly benefits, as a % of eligible compensation	1.4% to 2.0%	1.0% to 2.0%
Required employee contribution rates	6.91%	7.25%
Required employer contribution rates	11.66%	7.70%

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on the July 1, following notice of a change in the rate. Funding contributions for the Plan are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The Authority is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

Santa Ana Watershed Project Authority
Notes to the Financial Statements, continued
For the Fiscal Year Ended June 30, 2022

(8) Defined Benefit Pension Plan, continued

Contributions, continued

For the fiscal years ended June 30, the contributions were as follows:

	2022
Contributions – employer	\$ 567,850

Net Pension Liability

As of the fiscal year ended June 30, the Authority reported net pension liabilities for its proportionate share of the net pension liability of the Plan were as follows:

	2022
Proportionate share of net pension (asset)	\$ (1,105,718)

The Authority’s net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2021, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2020, rolled forward to June 30, 2021, using standard update procedures. The Authority’s proportion of the net pension liability was based on a projection of the Authority’s long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

The Authority’s change in the proportionate share of the pension liability for the Plan as of the fiscal year end June 30, was as follows:

	Proportionate Share
Proportion – June 30, 2021	0.01719 %
Change in proportion	(0.03763)
Proportion – June 30, 2022	(0.02044) %

As a result of the adjustment for the GASB 68 pronouncement at June 30, 2022, the Authority recognized pension income of \$3,248,883. The Authority records pension expense (income) adjustments within the general and administrative portion of operating expense following *GASB Statement No. 68* guidance. In 2022, due to the significance of the amount, a pension credit of \$3,816.733 was recorded as non-operating revenue.

Santa Ana Watershed Project Authority
Notes to the Financial Statements, continued
For the Fiscal Year Ended June 30, 2022

(8) Defined Benefit Pension Plan, continued

Deferred Pension Outflows (Inflows) of Resources

At June 30, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	June 30, 2022	
Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date at June 30	\$ 567,850	-
Net, differences between actual and expected experience	-	(123,995)
Net, changes in assumptions	-	-
Net, differences between projected and actual earnings on plan investments	965,233	-
Net, differences between actual contributions and proportionate share of contributions	775,434	-
Net, change due to differences in proportion of net pension liability	-	(494,103)
Total	\$ 2,308,517	(618,098)

As of June 30, 2022, employer pension contributions reported as deferred outflows of resources related to contributions subsequent to the measurement date of \$567,850 will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2023.

As a result of the implementation of the GASB 68 at June 30, 2022, the Authority recognized other amounts reported by the Plan actuarial as deferred outflows of resources and deferred inflows of resources related to the pension liability. Pension related amounts will be recognized as pension expense as follows.

Fiscal Year Ending June 30,	Deferred Net Outflows(Inflows) of Resources
2023	\$ 323,629
2024	308,912
2025	259,143
2026	230,885
2027	-
Thereafter	-

Santa Ana Watershed Project Authority
Notes to the Financial Statements, continued
For the Fiscal Year Ended June 30, 2022

(8) Defined Benefit Pension Plan, continued

Actuarial Assumptions

The total pension liabilities were determined as of June 30, 2020, which were rolled forward to June 30, 2021, using the following actuarial assumptions:

Actuarial assumptions:

Discount rate	7.15%
Inflation	2021 – 2.50%
Salary increase	Varies by Entry Age and Service
Investment Rate of Return	7.15 % Net of Pension Plan Investment and Administrative Expenses; includes inflation
Mortality Rate Table*	Derived using CalPERS' Membership Data for all Funds
Period upon which actuarial Experience Survey assumptions were based	2021 – 1997–2015 2017 – 1997–2011
Post Retirement Benefit	2021 – Contract COLA up to 2.50% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.50% thereafter

* The mortality table used was developed based on CalPERS' specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB. For more details on this table, please refer to the 2014 Experience Study report. Further details of the Experience Study can be found on the CalPERS website.

Discount Rate

The discount rate used to measure the total pension liability was 7.15% for the Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for the Plan, the amortization and smoothing periods recently adopted by CalPERS were utilized. The crossover test was performed for a miscellaneous agent plan and a safety agent plan selected as being more at risk of failing the crossover test and resulting in a discount rate that would be different from the long-term expected rate of return on pension investments.

Based on the testing of the plans, the tests revealed the assets would not run out. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability for the Plan.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

Santa Ana Watershed Project Authority
Notes to the Financial Statements, continued
For the Fiscal Year Ended June 30, 2022

(8) Defined Benefit Pension Plan, continued

Discount Rate, continued

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation.

As of June 30, 2022, the target allocation and the long-term expected real rate of return by asset class were as follows:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Real Return Years 1-10</u>	<u>Real Return Years 11+</u>
Global Equity	50.00 %	4.80 %	5.38 %
Global Fixed Income	28.00	1.00	2.62
Private Equity	8.00	6.30	7.23
Real Asset	13.00	3.75	4.93
Liquidity	1.00	0.00	(0.92)
Total	<u>100.00 %</u>		

Sensitivity of the Proportionate Share of Net Pension Liability to Changes in the Discount Rate

The following tables presents the Authority's proportionate share of the net position liability for the Plan, calculated using the discount rate, as well as what the Authority's proportional share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate.

Santa Ana Watershed Project Authority
Notes to the Financial Statements, continued
For the Fiscal Year Ended June 30, 2022

(8) Defined Benefit Pension Plan, continued

Sensitivity of the Proportionate Share of Net Pension Liability to Changes in the Discount Rate

As of June 30, 2022, the discount rate comparison was the following:

	Discount Rate - 1%	Current Discount Rate	Discount Rate + 1%
	6.15%	7.15%	8.15%
Authority's net pension liability	\$ <u>1,958,829</u>	<u>(1,105,718)</u>	<u>(3,639,136)</u>

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in separately issued CalPERS financial reports. See the Required Supplementary Information section for the Required Supplementary Schedules.

Payable to the Pension Plan

As of June 30, 2022 and 2021, the Authority reported no payables for the outstanding amount of contribution to the pension plan, respectively.

(9) Unearned Revenue

The changes to deferred revenue at June 30 were as follows:

	Balance 2021	Additions	Deletions	Balance 2022
\$	<u>62,687,568</u>	<u>-</u>	<u>(2,510,154)</u>	<u>60,177,414</u>

Santa Ana Watershed Project Authority
Notes to the Financial Statements, continued
For the Fiscal Year Ended June 30, 2022

(10) Net Position

Calculation of net position as of June 30 was as follows:

	2022
Net investment in capital assets:	
Capital assets – not being depreciated	\$ 1,154,918
Depreciable capital assets, net	95,757,749
State Revolving Fund Reach IV-A & IV-B loan payable	(9,879,895)
SWRCB Brine Line Reach V Loans Payable	(13,548,594)
Konica Minolta	(21,285)
Building 1	(23,734)
Building 2	(11,838)
Total net investment in capital assets	73,427,321
Restricted net position:	
SRF Reach IV-A & IV-B Reserve Requirement	1,050,000
Mitigation	1,910,560
Total net investment in capital assets	2,960,560
Unrestricted net position:	2,005,047
Total net position	\$ 78,392,928

(11) Adjustments to Net Position

In fiscal year 2022, the Authority implemented GASB Statement No. 87 to recognize its lessee arrangements. The Authority did not have any lessor arrangements which required restatement. As a result of the implementation, the Authority recognized the lease assets, lease payables, amortization expense, interest expense, and recorded prior period adjustments, an increase and decrease to net position, of \$602 and \$2,097 at July 1, 2020 and July 1, 2021, respectively.

Santa Ana Watershed Project Authority
Notes to the Financial Statements, continued
For the Fiscal Year Ended June 30, 2022

(11) Adjustments to Net Position, continued

The adjustments to net position are as follows:

	<u>Total</u>			<u>Total</u>
	<u>Capital Project</u>	<u>Internal</u>	<u>Brine Line</u>	<u>Enterprise</u>
	<u>Funds</u>	<u>Administration</u>	<u>Enterprise</u>	<u>Activities</u>
Net position at July 1, 2020	\$ 5,235,964	2,537,207	65,551,935	73,325,106
Effect of adjustment to establish right-to-use asset and lease payables as a result of GASB 87	-	-	602	602
Net position at July 1, 2020, as adjusted	<u>5,235,964</u>	<u>2,537,207</u>	<u>65,552,537</u>	<u>73,325,708</u>
Change in net position at June 30, 2021	990,282	(199,267)	(789,119)	1,896
Net position at July 1, 2021, as adjusted	<u>6,226,246</u>	<u>2,337,940</u>	<u>64,763,418</u>	<u>73,327,604</u>
Effect of adjustment for 2021 to remove previously recorded lease expense as a result of GASB 87	-	7,908	37,822	45,730
Effect of adjustment for 2021 to record interest expense – leases as a result of GASB 87	-	(414)	(1,683)	(2,097)
Effect of adjustment for 2021 to record lease amortization expense – leases as a result of GASB 87	-	(7,464)	(38,268)	(45,732)
Subtotal adjustments	<u>-</u>	<u>30</u>	<u>(2,129)</u>	<u>(2,099)</u>
Net position at June 30, 2021, as restated	<u>\$ 6,226,246</u>	<u>2,337,970</u>	<u>64,761,289</u>	<u>73,325,505</u>

(12) Joint Ventures

Lake Elsinore & San Jacinto Watersheds Authority (LESJWA)

The Authority is a member of LESJWA, a Joint Powers Authority created on March 8, 2000, for the purpose of implementing projects and programs to improve the two watersheds in order to preserve agricultural land, protect wildlife habitat, protect and enhance recreational resources, and improve lake water quality, for the benefit of the general public. Other members include the City of Canyon Lake, the City of Lake Elsinore, Elsinore Valley Municipal Water District, and the County of Riverside. Each member agency appoints one Director and one alternate to serve on the Board, with both also on the member’s agency’s board. Each member agency has agreed to make contributions for construction and operations, if necessary.

Upon dissolution of LESJWA, each member agency will receive its proportionate or otherwise defined share of the assets, and each member agency will contribute its proportionate or otherwise defined share of any enforceable liabilities incurred.

The Authority conducts the administrative function of LESJWA, which reimburses the Authority based on invoices for administrative services provided. During the years ended June 30, 2022, administrative services provided to LESJWA totaled \$191,841 which are included in operating revenue.

The financial statements for LESJWA are available at the Authority.

	<u>2022</u>
Total assets	\$ <u>307,760</u>
Total liabilities	\$ <u>171,182</u>
Total net position	\$ <u>136,578</u>

Santa Ana Watershed Project Authority
Notes to the Financial Statements, continued
For the Fiscal Year Ended June 30, 2022

(13) Risk Management

The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Authority purchases commercial insurance policies from independent third parties. Settled claims have been immaterial and have not exceeded insurance coverage for the past three years.

On February 22, 1986, the Authority became self-insured with respect to its comprehensive liability coverage for toxic waste handling as allowed under California Government Code, Section 990. Coverage includes occurrences and incidents resulting in liability to the Authority, its Commissioners, officers, employees and agents. There are no outstanding claims pending.

(14) Commitments and Contingencies

Grant Awards

Grant funds received by the Authority are subject to audit by the grantor agencies. Such audits could lead to requests for reimbursements to the grantor agencies for expenditures disallowed under terms of the grant. Management of the Authority believes that such disallowances, if any, would not be significant.

Litigation

In the ordinary course of operations, the Authority is subject to claims and litigation from outside parties. After consultation with legal counsel, the Authority believes the ultimate outcome of such matters, if any, will not materially affect its financial condition.

Other Commitments and Contingencies

The Authority is contractually obligated to pay a pro-rata share of capital costs associated with the Santa Ana Regional Interceptor (SARI) Pipeline owned by Orange County Sanitation District. Within the SARI pipeline, the Authority's portion is referred to as the Inland Empire Brine Line. The percentage varies with each Reach of the SARI.

(15) Subsequent Events

Events occurring after June 30, 2022 have been evaluated for possible adjustment to the financial statements or disclosure as of December 20, 2022, which is the date the financial statements were available to be issued.

Required Supplementary Information

< Page Intentionally Left Blank >

Santa Ana Watershed Project Authority
Schedules of Changes in the Net OPEB Liability and Related Ratios
As of June 30, 2022
Last Ten Years*

	Measurement Dates				
	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>
Total OPEB liability					
Service cost	\$ 20,942	19,944	28,540	27,181	26,828
Interest	138,454	135,129	127,527	122,126	108,355
Employer contributions	-	-	-	-	-
Changes of benefit terms	-	-	-	-	-
Difference between expected and actual experience	176,449	(4,080)	298,861	(4,383)	22,281
Changes of assumptions or other inputs	(424,697)	-	(248,125)	-	103,114
Benefit payments	<u>(109,963)</u>	<u>(95,452)</u>	<u>(75,336)</u>	<u>(57,035)</u>	<u>(55,611)</u>
Net change in total OPEB liability	(198,815)	55,541	131,467	87,889	204,967
Total OPEB liability – beginning	<u>2,090,421</u>	<u>2,034,880</u>	<u>1,903,413</u>	<u>1,815,524</u>	<u>1,610,557</u>
Total OPEB liability – ending	<u>1,891,606</u>	<u>2,090,421</u>	<u>2,034,880</u>	<u>1,903,413</u>	<u>1,815,524</u>
Plan fiduciary net position					
Contribution – employer	164,101	169,930	149,059	129,352	121,424
Net investment income	335,301	84,799	100,148	73,974	79,164
Benefit payments	(109,963)	(95,452)	(75,336)	(57,035)	(55,611)
Administrative expense	<u>(621)</u>	<u>(759)</u>	<u>(298)</u>	<u>(643)</u>	<u>(572)</u>
Net change in plan fiduciary net position	388,818	158,518	173,573	145,648	144,405
Plan fiduciary net position – beginning	<u>1,690,089</u>	<u>1,531,571</u>	<u>1,357,998</u>	<u>1,212,350</u>	<u>1,067,945</u>
Plan fiduciary net position – ending	<u>2,078,907</u>	<u>1,690,089</u>	<u>1,531,571</u>	<u>1,357,998</u>	<u>1,212,350</u>
Net OPEB (asset) liability	\$ <u>(187,301)</u>	<u>400,332</u>	<u>503,309</u>	<u>545,415</u>	<u>603,174</u>
Covered payroll	\$ <u>1,182,249</u>	<u>1,379,767</u>	<u>1,336,336</u>	<u>1,238,555</u>	<u>1,156,128</u>
Total OPEB liability as a percentage of covered payroll	<u>-15.84%</u>	<u>29.01%</u>	<u>37.66%</u>	<u>44.04%</u>	<u>52.17%</u>

Notes to Schedule

Valuation dates June 30, 2021 June 30, 2021 June 30, 2019 June 30, 2017 June 30, 2017

Methods and assumptions used to determine contribution rates:

	Entry age normal (1)	Entry age normal (1)	Entry age normal (1)	Entry age normal (1)	Entry age normal (1)
Single and agent employers					
Amortization method	Market value	Market value	Market value	Market value	Market value
Asset valuation method					
Inflation	2.39%	2.39%	2.26%	2.26%	2.25%
Salary increases	3.25%	3.25%	3.25%	3.25%	3.25%
Investment rate of return	6.73%	6.73%	6.73%	6.73%	6.73%
Mortality, retirement, disability					
Termination	(3)	(3)	(3)	(2)	(2)
Other information	(4)	(4)	(4)	(4)	(4)

(1) Level percentage of payroll, closed 30 year period.

(2) Pre-retirement mortality based on CalPERS 2014 Employee Mortality Tables, Post-retirement mortality rates based on CalPERS 2014 Employee Mortality Tables.

(3) Pre-retirement mortality probability based on 2017 CalPERS Experience Study covering CalPERS participants.

Post-retirement mortality probability based on CalPERS Experience Study 2007-2011 covering participants in CalPERS.

(4) N/A

*The Authority has presented information for those years for which information is available until a full 10-year trend is compiled.

**Santa Ana Watershed Project Authority
Schedules of OPEB Plan Contributions
As of June 30, 2022
Last Ten Years***

Description	Fiscal Years Ended				
	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>
Actuarially determined contribution	\$ 99,262	60,264	73,723	72,317	65,813
Contributions in relation to the actuarially determined contribution	<u>(109,963)</u>	<u>(169,930)</u>	<u>(149,059)</u>	<u>(129,352)</u>	<u>(121,424)</u>
Contribution deficiency(excess)	\$ <u>(10,701)</u>	<u>(109,666)</u>	<u>(75,336)</u>	<u>(57,035)</u>	<u>(55,611)</u>
District's covered payroll	\$ <u>1,217,716</u>	<u>1,182,249</u>	<u>1,379,767</u>	<u>1,336,336</u>	<u>1,238,555</u>
Contribution's as a percentage of covered payroll	<u>9.03%</u>	<u>14.37%</u>	<u>10.80%</u>	<u>9.68%</u>	<u>9.80%</u>

*The Authority has presented information for those years for which information is available until a full 10-year trend is compiled.

Santa Ana Watershed Project Authority
Schedules of Proportionate Share of the Net Pension Liability
As of June 30, 2022
Last Ten Years*

Description	Measurement Dates							
	June 30, 2021	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Authority's proportion of the net pension liability	-0.02044%	0.01719%	0.03983%	0.03788%	0.03755%	0.03588%	0.03274%	0.03487%
Authority's proportionate share of the net pension liability	\$ (1,105,718)	1,870,834	4,081,229	3,649,848	3,724,430	3,104,742	2,247,501	2,169,716
Authority's covered payroll	\$ 3,244,053	3,277,860	3,166,203	3,065,932	3,098,371	2,795,885	2,560,510	2,294,398
Authority's proportionate share of the net pension liability as a percentage of its covered payroll	-34.08%	57.07%	128.90%	119.05%	120.21%	111.05%	87.78%	94.57%
Plan's fiduciary net position as a percentage of the total pension liability	104.76%	77.71%	77.73%	75.26%	73.31%	74.06%	78.40%	79.82%

Notes to schedule:

There were no changes in benefits.

Changes in assumptions:

From fiscal year June 30, 2015 to June 30, 2016:

GASB 68, paragraph 68 states that the long-term expected rate of return should be determined net of pension plan investment expense but without reduction for pension plan administrative expense. The discount rate of 7.50% used for the June 30, 2014 measurement date was net of administrative expenses.

The discount rate of 7.65% used for the June 30, 2015 measurement date is without reduction of pension plan administrative expense.

From fiscal year June 30, 2016 to June 30, 2017:

There were no changes in assumptions.

From fiscal year June 30, 2017 to June 30, 2018:

The discount rate was reduced from 7.65% to 7.15%.

From fiscal year June 30, 2018 to June 30, 2019:

The inflation rate was reduced from 2.75% to 2.50%.

From fiscal year June 30, 2019 to June 30, 2020:

There were no changes in assumptions.

From fiscal year June 30, 2020 to June 30, 2021:

There were no changes in assumptions.

From fiscal year June 30, 2021 to June 30, 2022:

There were no changes in assumptions.

* The Authority has presented information for those years for which information is available until a full 10-year trend is compiled.

Santa Ana Watershed Project Authority
Schedules of Pension Plan Contributions
As of June 30, 2022
Last Ten Years*

Description	Fiscal Years Ended							
	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Actuarially determined contribution	\$ 486,186	618,033	552,495	485,329	422,430	388,896	339,020	273,547
Contributions in relation to the actuarially determined contribution	(486,186)	(618,033)	(3,104,168)	(485,329)	(422,430)	(388,896)	(339,020)	(273,547)
Contribution deficiency(excess)	\$ -	-	(2,551,673)	-	-	-	-	-
Authority's covered payroll	\$ 3,177,937	3,244,053	3,277,860	3,166,203	3,065,932	3,098,371	2,795,885	2,560,510
Contribution's as a percentage of covered payroll	15.30%	19.05%	94.70%	15.33%	13.78%	12.55%	12.13%	10.68%
Notes to schedule:								
Valuation date	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
Methods and assumptions used to determine contribution rates:								
Actuarial cost method	Entry Age	Entry Age	Entry Age	Entry Age	Entry Age	Entry Age	Entry Age	Entry Age
Amortization method	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Asset valuation method	Market Value	Market Value	Market Value	Market Value	Market Value	Market Value	Market Value	15 year Smoothed Market Method
Inflation	2.50%	2.50%	2.50%	2.75%	2.75%	2.75%	2.75%	2.75%
Salary increases	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)
Investment rate of return	7.15% (3)	7.00% (3)	7.25% (3)	7.375% (3)	7.50% (3)	7.50% (3)	7.50% (3)	7.50% (3)
Retirement age	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)
Mortality	(5)	(5)	(5)	(5)	(5)	(5)	(5)	(5)

(1) Level of percentage payroll, closed.

(2) Depending on age, service, and type of employment.

(3) Net of pension plan investment expense, including inflation.

(4) 50 for all plans with exception of 52 for Miscellaneous 2% @ 62.

(5) Mortality assumptions are based on mortality rates resulting from the most recent CalPERS Experience Study adopted by the CalPERS Board.

* The Authority has presented information for those years for which information is available until a full 10-year trend is compiled.

Supplemental Information

< Page Intentionally Left Blank >

Santa Ana Watershed Project Authority
Combining Schedule of Net Position
Enterprise Funds
June 30, 2022

	<u>Capital Project Activities</u>	<u>Internal Administration</u>	<u>Enterprise Activities</u>	<u>Total 2022</u>
Current assets:				
Cash and cash equivalents	\$ 4,938,503	2,446,176	46,013,506	53,398,185
Cash and cash equivalents – restricted	856,186	-	-	856,186
Investments	-	-	6,450,116	6,450,116
Interest receivable	5,765	10,026	81,083	96,874
Accounts receivable	-	3,661	2,203,290	2,206,951
Accounts receivable – grants	16,259,113	662,773	-	16,921,886
Notes receivable – current portion	9,469	-	-	9,469
Prepaid expenses and other assets	-	197,765	252,178	449,943
Mitigation credits	1,910,560	-	-	1,910,560
Due from other funds	-	12,072	-	12,072
Total current assets	<u>23,979,596</u>	<u>3,332,473</u>	<u>55,000,173</u>	<u>82,312,242</u>
Non-current assets:				
Capital assets not being depreciated	389,474	445,436	320,008	1,154,918
Depreciable capital assets, net	-	906,179	94,851,570	95,757,749
Net OPEB asset	-	187,301	-	187,301
Net pension asset	-	1,105,718	-	1,105,718
Total non-current assets	<u>389,474</u>	<u>2,644,634</u>	<u>95,171,578</u>	<u>98,205,686</u>
Total assets	<u>24,369,070</u>	<u>5,977,107</u>	<u>150,171,751</u>	<u>180,517,928</u>
Deferred outflows of resources:				
Deferred OPEB outflows of resources	-	283,933	-	283,933
Deferred pension outflows of resources	-	2,308,517	-	2,308,517
	<u>\$ -</u>	<u>2,592,450</u>	<u>-</u>	<u>2,592,450</u>

Continued on next page.

See accompanying notes to the basic financial statements

Santa Ana Watershed Project Authority
Combining Schedule of Net Position - Continued
Enterprise Funds
June 30, 2022

	<u>Capital Project Activities</u>	<u>Internal Administration</u>	<u>Enterprise Activities</u>	<u>Total 2022</u>
Current liabilities:				
Accounts payable and accrued expenses	\$ 18,110,618	93,783	612,938	18,817,339
Accrued salaries and wages	-	195,397	-	195,397
Accrued interest payable	-	-	192,970	192,970
Customer deposits	-	-	15,628	15,628
Due to other funds	12,072	-	-	12,072
Long-term liabilities – due within one year:				
Compensated absences	-	200,307	-	200,307
Leases payable	-	13,736	29,636	43,372
Loans payable	-	-	1,195,175	1,195,175
Total current liabilities	<u>18,122,690</u>	<u>503,223</u>	<u>2,046,347</u>	<u>20,672,260</u>
Non-current liabilities:				
Unearned revenue	-	-	60,177,414	60,177,414
Long-term liabilities due in more than one year:				
Compensated absences	-	467,382	-	467,382
Leases payable	-	13,485	-	13,485
Loans payable	-	-	22,233,314	22,233,314
Total non-current liabilities	<u>-</u>	<u>480,867</u>	<u>82,410,728</u>	<u>82,891,595</u>
Deferred inflows of resources:				
Deferred OPEB inflows of resources	-	535,497	-	535,497
Deferred pension inflows of resources	-	618,098	-	618,098
	<u>-</u>	<u>1,153,595</u>	<u>-</u>	<u>1,153,595</u>
Net position:				
Net investment in capital assets	389,474	1,324,394	71,713,453	73,427,321
Restricted for:				
SRF Reach IV-A & IV-B reserve requirement	-	-	1,050,000	1,050,000
Mitigation	1,910,560	-	-	1,910,560
Unrestricted	<u>3,946,346</u>	<u>5,107,478</u>	<u>(7,048,777)</u>	<u>2,005,047</u>
Total net position	\$ <u>6,246,380</u>	<u>6,431,872</u>	<u>65,714,676</u>	<u>78,392,928</u>

See accompanying notes to the basic financial statements

Santa Ana Watershed Project Authority
Combining Schedule of Revenues, Expenses, and Changes in Net Position
Enterprise Funds
For the Year Ended June 30, 2022

	Capital Project Activities	Internal Administration	Enterprise Activities	Total 2022
Operating revenues:				
Wastewater treatment and disposal	\$ -	-	12,040,521	12,040,521
Wastewater treatment and disposal - capacity rights	-	-	2,510,154	2,510,154
Program administration	191,841	-	-	191,841
Other	-	5,716	-	5,716
Total operating revenues	191,841	5,716	14,550,675	14,748,232
Operating expenses:				
Wastewater treatment and disposal	-	-	6,863,027	6,863,027
General and administrative and overhead	-	523,272	-	523,272
Studies and planning costs	2,578,723	-	-	2,578,723
Total operating expenses:	2,578,723	523,272	6,863,027	9,965,022
Operating (loss) income before depreciation and amortization	(2,386,882)	(517,556)	7,687,648	4,783,210
Depreciation and amortization	-	(150,320)	(3,543,444)	(3,693,764)
Amortization – disposal rights	-	-	(1,714,643)	(1,714,643)
Net (loss) income	(2,386,882)	(667,876)	2,429,561	(625,197)
Non-operating revenues (expenses):				
Member contributions	865,000	716,845	-	1,581,845
Intergovernmental	13,087,951	585,833	-	13,673,784
Pension income – GASB 68	-	3,816,733	-	3,816,733
OPEB income – GASB 75	-	204,395	-	204,395
Investment earnings (expense), net of fair value	18,463	24,565	(767,577)	(724,549)
Grant program expenditures	(11,736,023)	(585,845)	-	(12,321,868)
Interest expense	-	(653)	(537,067)	(537,720)
Other	-	-	-	-
Total non-operating revenues, net	2,235,391	4,761,873	(1,304,644)	5,692,620
Total (loss) income before transfers	(151,491)	4,093,997	1,124,917	5,067,423
Transfers	171,625	(95)	(171,530)	-
Change in net position	20,134	4,093,902	953,387	5,067,423
Net position – beginning of year, as restated – (note 11)	6,226,246	2,337,970	64,761,289	73,325,505
Net position – end of year, as restated	\$ 6,246,380	6,431,872	65,714,676	78,392,928

See accompanying notes to the basic financial statements

Santa Ana Watershed Project Authority
Combining Schedule of Net Position
Capital Projects Activities
June 30, 2022

	<u>Brine Line Protection Project</u>	<u>Reach IV-D Corrosion Repair</u>	<u>Basin Planning</u>
Current assets:			
Cash and cash equivalents	\$ -	-	203,524
Cash and cash equivalents – restricted	-	-	-
Interest receivable	-	-	546
Accounts receivable – grants	-	-	-
Accounts receivable – other	-	-	-
Mitigation credits	-	-	-
Total current assets	<u>-</u>	<u>-</u>	<u>204,070</u>
Non-current assets:			
Capital assets not being depreciated	-	389,474	-
Total assets	<u>-</u>	<u>389,474</u>	<u>204,070</u>
Current liabilities:			
Accounts payable	-	-	13,759
Accrued interest payable	-	-	-
Due to other funds	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>13,759</u>
Net position:			
Net investment in capital assets	-	389,474	-
Restricted	-	-	-
Unrestricted	-	-	190,311
Total net position	<u>\$ -</u>	<u>389,474</u>	<u>190,311</u>

Continued on next page.

See accompanying notes to the basic financial statements

<u>Watershed Management Plan</u>	<u>Basin Monitoring Program Task Force</u>	<u>PFAS Study</u>	<u>Weather Modification</u>	<u>Santa Ana River Fish Conservation</u>	<u>MSAR TMDL Task Force</u>
362,121	427,355	-	-	109,611	377,555
-	-	-	-	-	-
911	950	-	-	233	809
4,022	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>367,054</u>	<u>428,305</u>	<u>-</u>	<u>-</u>	<u>109,844</u>	<u>378,364</u>
-	-	-	-	-	-
<u>367,054</u>	<u>428,305</u>	<u>-</u>	<u>-</u>	<u>109,844</u>	<u>378,364</u>
31,568	99,648	-	-	863	4,243
-	-	-	-	-	-
-	-	111	295	-	-
<u>31,568</u>	<u>99,648</u>	<u>111</u>	<u>295</u>	<u>863</u>	<u>4,243</u>
-	-	-	-	-	-
-	-	-	-	-	-
<u>335,486</u>	<u>328,657</u>	<u>(111)</u>	<u>(295)</u>	<u>108,981</u>	<u>374,121</u>
<u>335,486</u>	<u>328,657</u>	<u>(111)</u>	<u>(295)</u>	<u>108,981</u>	<u>374,121</u>

Continued on next page.

See accompanying notes to the basic financial statements

Santa Ana Watershed Project Authority
Combining Schedule of Net Position - Continued
Capital Project Activities
June 30, 2022

	Regional Water Quality Monitoring Task Force	Arundo Management & Habitat Restoration	Emerging Constituents Task Force
Current assets:			
Cash and cash equivalents	\$ 74,517	-	86,595
Cash and cash equivalents – restricted	-	856,186	-
Interest receivable	322	1,794	200
Accounts receivable – grants	-	-	-
Accounts receivable – other	-	-	-
Mitigation credits	-	1,910,560	-
Total current assets	<u>74,839</u>	<u>2,768,540</u>	<u>86,795</u>
Non-current assets:			
Capital assets not being depreciated	-	-	-
Total assets	<u>74,839</u>	<u>2,768,540</u>	<u>86,795</u>
Current liabilities:			
Accounts payable	43,174	-	2,917
Accrued interest payable	-	-	-
Due to other funds	-	-	-
Total liabilities	<u>43,174</u>	<u>-</u>	<u>2,917</u>
Net position:			
Net investment in capital assets	-	-	-
Restricted	-	1,910,560	-
Unrestricted	<u>31,665</u>	<u>857,980</u>	<u>83,878</u>
Total net position	<u>\$ 31,665</u>	<u>2,768,540</u>	<u>83,878</u>

Continued on next page.

See accompanying notes to the basic financial statements

<u>Energy Water DAC Grant Project</u>	<u>Prop 1 DACI Grant</u>	<u>Lake Elsinore Management</u>	<u>Prop 84 Grant Projects</u>	<u>Prop 1 Grant Projects</u>	<u>Total 2022</u>
-	-	-	3,143,793	153,432	4,938,503
-	-	-	-	-	856,186
-	-	-	-	-	5,765
3,553	-	-	11,841,030	4,410,508	16,259,113
-	-	9,469	-	-	9,469
-	-	-	-	-	1,910,560
<u>3,553</u>	<u>-</u>	<u>9,469</u>	<u>14,984,823</u>	<u>4,563,940</u>	<u>23,979,596</u>
-	-	-	-	-	389,474
<u>3,553</u>	<u>-</u>	<u>9,469</u>	<u>14,984,823</u>	<u>4,563,940</u>	<u>24,369,070</u>
-	-	25	13,456,813	4,457,608	18,110,618
-	-	-	-	-	-
<u>3,553</u>	<u>-</u>	<u>8,113</u>	<u>-</u>	<u>-</u>	<u>12,072</u>
<u>3,553</u>	<u>-</u>	<u>8,138</u>	<u>13,456,813</u>	<u>4,457,608</u>	<u>18,122,690</u>
-	-	-	-	-	389,474
-	-	-	-	-	1,910,560
-	-	1,331	1,528,010	106,332	3,946,346
<u>-</u>	<u>-</u>	<u>1,331</u>	<u>1,528,010</u>	<u>106,332</u>	<u>6,246,380</u>

See accompanying notes to the basic financial statements

Santa Ana Watershed Project Authority
Combining Schedule of Revenues, Expenses, and Changes in Net Position
Capital Project Activities
For the Fiscal Year Ended June 30, 2022

	<u>Brine Line Protection Project</u>	<u>Reach IV-D Corrosion Repair</u>	<u>Basin Planning</u>
Operating revenues:			
Other	-	-	-
Total operating revenues	<u>-</u>	<u>-</u>	<u>-</u>
Operating expenses:			
Studies and planning costs	171,530	-	430,431
Total operating expenses	<u>171,530</u>	<u>-</u>	<u>430,431</u>
Net income (loss)	<u>(171,530)</u>	<u>-</u>	<u>(430,431)</u>
Non-operating revenues (expenses):			
Member contributions	-	-	420,000
Intergovernmental	-	-	-
Investment earnings, net of fair value	-	-	2,185
Grant program expenditures	-	-	-
Total non-operating revenues (expense)	<u>-</u>	<u>-</u>	<u>422,185</u>
Total income (loss) before transfers	(171,530)	-	(8,246)
Transfers	<u>171,530</u>	<u>-</u>	<u>-</u>
Changes in net position	-	-	(8,246)
Net position – beginning of year	<u>-</u>	<u>389,474</u>	<u>198,557</u>
Net position – end of year	<u>\$ -</u>	<u>389,474</u>	<u>190,311</u>

Continued on next page.

See accompanying notes to the basic financial statements

<u>Watershed Management Plan</u>	<u>Basin Monitoring Program Task Force</u>	<u>PFAS Study</u>	<u>Weather Modification</u>	<u>Santa Ana River Fish Conservation</u>	<u>MSAR TMDL Task Force</u>
-	-	-	-	-	-
-	-	-	-	-	-
<u>540,723</u>	<u>424,013</u>	<u>111</u>	<u>295</u>	<u>27,612</u>	<u>74,609</u>
<u>540,723</u>	<u>424,013</u>	<u>111</u>	<u>295</u>	<u>27,612</u>	<u>74,609</u>
<u>(540,723)</u>	<u>(424,013)</u>	<u>(111)</u>	<u>(295)</u>	<u>(27,612)</u>	<u>(74,609)</u>
425,000	-	-	-	10,000	-
67,900	474,067	-	-	19,000	266,079
3,297	2,831	-	-	641	2,157
-	-	-	-	-	-
<u>496,197</u>	<u>476,898</u>	<u>-</u>	<u>-</u>	<u>29,641</u>	<u>268,236</u>
(44,526)	52,885	(111)	(295)	2,029	193,627
-	-	-	-	-	(114,625)
(44,526)	52,885	(111)	(295)	2,029	79,002
<u>380,012</u>	<u>275,772</u>	<u>-</u>	<u>-</u>	<u>106,952</u>	<u>295,119</u>
<u>335,486</u>	<u>328,657</u>	<u>(111)</u>	<u>(295)</u>	<u>108,981</u>	<u>374,121</u>

Continued on next page.

See accompanying notes to the basic financial statements

Santa Ana Watershed Project Authority
Combining Schedule of Revenues, Expenses, and Changes in Net Position - Continued
Capital Project Activities
For the Fiscal Year Ended June 30, 2022

	Regional Water Quality Monitoring Task Force	Arundo Management & Habitat Restoration	Emerging Constituents Task Force
Operating revenues:			
Other	\$ -	-	-
Total operating revenues	<u>-</u>	<u>-</u>	<u>-</u>
Operating expenses:			
Studies and planning costs	507,407	58,870	95,295
Total operating expenses	<u>507,407</u>	<u>58,870</u>	<u>95,295</u>
Net income (loss)	<u>(507,407)</u>	<u>(58,870)</u>	<u>(95,295)</u>
Non-operating revenues (expenses):			
Member contributions	-	-	-
Intergovernmental	192,220	-	113,009
Investment earnings, net of fair value	1,649	5,074	629
Grant program expenditures	-	-	-
Total non-operating revenues (expense)	<u>193,869</u>	<u>5,074</u>	<u>113,638</u>
Total income (loss) before transfers	(313,538)	(53,796)	18,343
Transfers	<u>114,625</u>	<u>-</u>	<u>-</u>
Changes in net position	<u>(198,913)</u>	<u>(53,796)</u>	<u>18,343</u>
Net position - beginning of year	<u>230,578</u>	<u>2,822,336</u>	<u>65,535</u>
Net position - end of year	<u>\$ 31,665</u>	<u>2,768,540</u>	<u>83,878</u>

Continued on next page.

See accompanying notes to the basic financial statements

<u>Energy Water DAC Grant Project</u>	<u>Prop 1 DACI Grant</u>	<u>Lake Elsinore Management</u>	<u>Prop 84 Grant Projects</u>	<u>Prop 1 Grant Projects</u>	<u>Total 2022</u>
-	-	191,841	-	-	191,841
-	-	191,841	-	-	191,841
12,739	33,246	201,842	-	-	2,578,723
12,739	33,246	201,842	-	-	2,578,723
(12,739)	(33,246)	(10,001)	-	-	(2,386,882)
-	-	10,000	-	-	865,000
12,739	33,428	-	8,157,164	3,752,345	13,087,951
-	-	-	-	-	18,463
-	-	-	(7,811,116)	(3,924,907)	(11,736,023)
12,739	33,428	10,000	346,048	(172,562)	2,235,391
-	182	(1)	346,048	(172,562)	(151,491)
-	197	-	(102)	-	171,625
-	379	(1)	345,946	(172,562)	20,134
-	(379)	1,332	1,182,064	278,894	6,226,246
-	-	1,331	1,528,010	106,332	6,246,380

See accompanying notes to the basic financial statements

< Page Intentionally Left Blank



INTRODUCTORY SECTION

Statistical Section

This part of the Authority’s annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Authority’s overall financial health.

Contents

Page No.

Financial Trends

These schedules contain information to help the reader understand how the Authority’s financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the factors affecting the Authority’s ability to generate revenues.

Debt Capacity

These schedules present information to help the reader assess the affordability of the Authority’s current levels of outstanding debt and the Authority’s ability to issue additional debt in the future.

Demographic and Economic Information

This schedule offers demographic and economic indicators to help the reader understand the environment within which the Authority’s financial activities take place.

Operating Information

This schedule contains service and infrastructure data to help the reader understand how the information in the Authority’s financial report relates to the service the Authority provides.

**Table I – Net Position by Component
Last Ten Fiscal Years**

	2022	2021 ⁽¹⁾	2020 ⁽¹⁾	2019	2018	2017	2016	2015	2014	2013
Net Investment in Capital Assets	\$73,427,321	\$76,739,960	\$79,824,095	\$82,216,012	\$85,226,499	\$90,622,870	\$84,798,833	\$82,709,425	\$80,456,568	\$81,274,020
Restricted	2,960,560	2,960,560	2,960,560	2,960,560	2,960,560	3,921,155	3,923,403	3,969,074	4,167,861	4,232,102
Unrestricted	2,005,047	(6,375,015)	(9,458,946)	(13,617,096)	(19,510,100)	(24,155,787)	(21,554,491)	(21,643,941)	(20,734,190)	(17,845,678)
Total Net Position	\$78,392,928	\$73,325,505	\$73,325,708	\$71,559,476	\$68,676,959	\$70,388,238	\$67,167,745	\$65,034,558	\$63,890,239	\$67,660,444

(1) As restated for GASB Statement No. 87 Leases.

Source: Santa Ana Watershed Project Authority

**Table II – Changes in Net Position
Last Ten Fiscal Years**

Fiscal Year	Operating Revenue ⁽²⁾	Operating Expense ⁽³⁾	Operating Income/(Loss)	Total Non-Operating Revenue/(Expense)	Income/(Loss) Before Capital Contributions	Special Items ⁽⁴⁾⁽⁵⁾	Change in Net Position
2022	\$14,748,232	\$15,373,429	(\$625,197)	\$1,671,492	\$1,046,295	\$4,021,128	\$5,067,423
2021 ⁽¹⁾	15,192,196	18,234,980	(3,042,784)	3,042,581	(203)	-	(203)
2020 ⁽¹⁾	14,251,066	17,228,552	(2,977,486)	4,743,719	1,766,233	-	1,766,233
2019	15,050,312	17,097,853	(2,047,541)	4,930,058	2,882,517	-	2,882,517
2018	13,665,500	19,212,739	(5,547,239)	4,763,383	(783,856)	(927,423)	(1,711,279)
2017	13,997,461	14,881,490	(884,029)	4,104,522	3,220,493	-	3,220,493
2016	12,049,027	12,762,714	(713,687)	2,846,874	2,133,187	-	2,133,187
2015	11,731,196	13,057,424	(1,326,228)	2,470,547	1,144,319	-	1,144,319
2014	11,243,430	14,527,075	(3,283,645)	2,219,169	(1,064,476)	(2,705,729)	(3,770,205)
2013	11,900,861	14,312,673	(2,411,812)	3,013,092	601,280	-	601,280

(1) As restated for GASB Statement No. 87 Leases.

(2) See Table III for details of revenues.

(3) See Table IV for details of expenses.

(4) Reduction of net position from implementation of GASB 68 and GASB 75.

(5) Pension and Other Post-Employment Benefits related adjustments sourcing from current year valuations prepared by CalPERS and the Authority's OPEB actuaries and are due to CalPERS realized gains on investments and actuarial determined changes which affected the pension cost share pool and CERBT OPEB trust participants.

Source: Santa Ana Watershed Project Authority

**Table III – Revenues by Source
(Excluding Capital Contributions and Special Items)
Last Ten Fiscal Years**

Fiscal Year	Operating Revenues				Non-Operating Revenues						
	WWT & Disposal	WWT & Disposal Capacity Rights	Other Operating	Total Operating Revenue	Member Contributions	Inter Governmental	Pension/OPEB Income	Investment Income/Expense, net of fair value	Gain on Disposal of Asset	Total Non-Operating Income	Combined Revenue
2022	\$12,040,521	\$2,510,154	\$197,557	\$14,748,232	\$1,581,845	\$13,673,784	\$4,021,128	(\$724,549)	\$-	\$18,552,208	\$33,300,440
2021 ⁽¹⁾	12,476,856	2,510,154	205,186	15,192,196	1,993,632	14,765,698	-	73,038	-	16,832,368	32,024,564
2020 ⁽¹⁾	11,547,220	2,510,154	193,692	14,251,066	2,105,955	9,466,587	-	1,496,354	-	13,068,896	27,319,962
2019 ⁽²⁾	12,334,346	2,510,154	205,812	15,050,312	1,909,415	29,011,794	-	1,660,061	-	32,581,270	47,631,582
2018	10,935,848	2,510,154	219,498	13,665,500	2,303,325	3,413,408	-	326,487	-	6,043,220	19,708,720
2017	11,273,024	2,519,533	204,904	13,997,461	2,307,624	4,795,478	-	193,157	-	7,296,259	21,293,720
2016	9,323,505	2,519,748	205,774	12,049,027	1,730,491	2,765,270	-	567,709	1,123	5,064,593	17,113,620
2015	8,958,914	2,510,154	262,128	11,731,196	1,806,745	1,257,581	-	432,179	1,123	3,497,628	15,228,824
2014	8,575,085	2,510,154	158,191	11,243,430	1,771,587	843,283	-	457,867	13,021	3,085,758	14,329,188
2013	9,170,287	2,510,154	220,420	11,980,861	1,829,845	1,432,832	-	343,591	-	3,606,268	15,507,129

(1) As Restated for GASB Statement No. 87 Leases.

(2) GASB Statement No. 84 implemented in FYE 2021. FYE 2020 and 2019 were restated, however, prior years were not restated as the information was not readily available.

Source: Santa Ana Watershed Project Authority

**Table IV – Expenses by Function
Last Ten Fiscal Years**

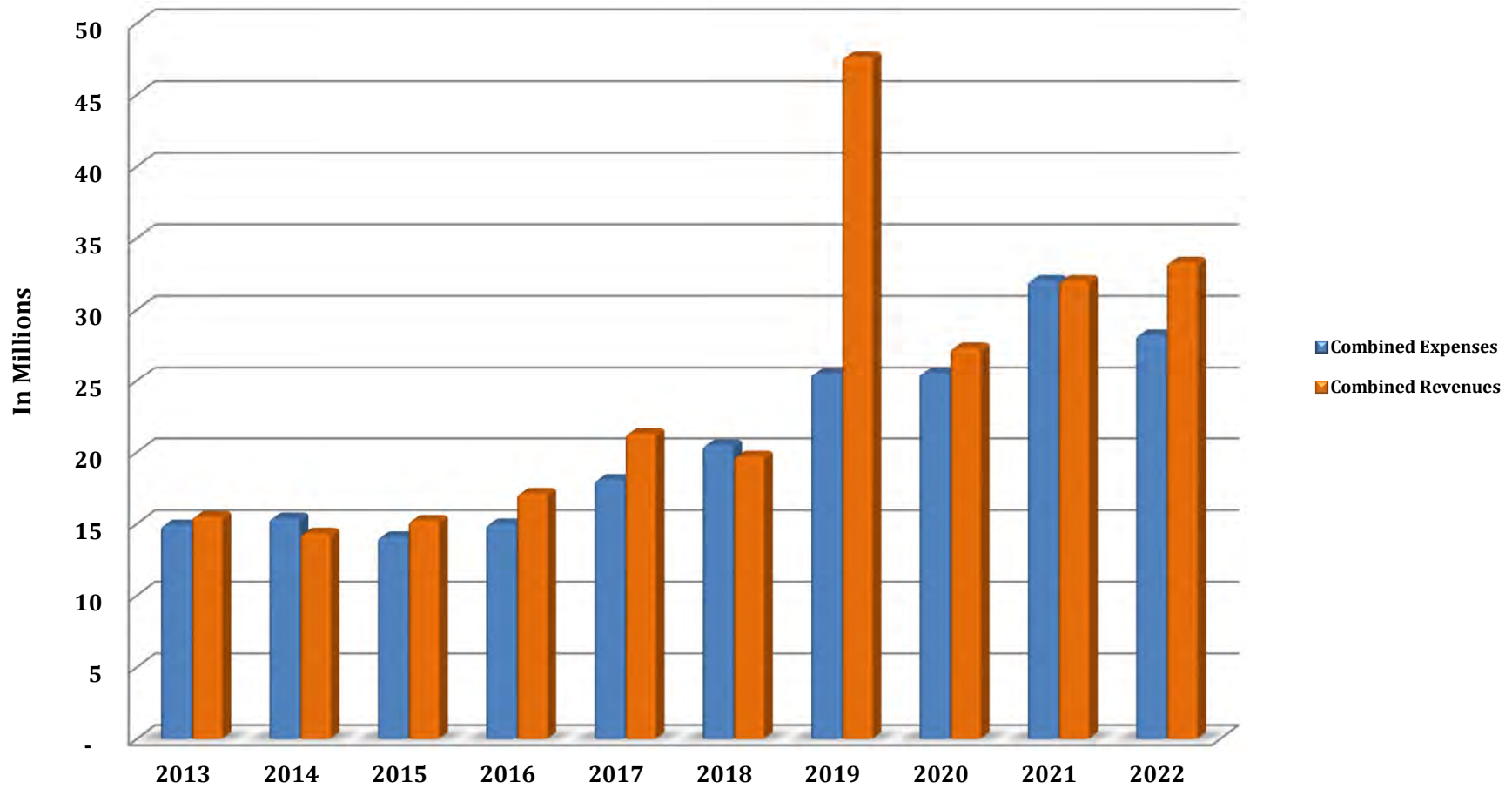
Operating Expenses								
Fiscal Year	WWT & Disposal	General & Admin	Studies & Planning Costs	Depreciation	Amortization of WWT Rights	Total Operating Expenses	Total Non-Operating Expenses	Combined Expenses
2022	\$6,863,027	\$523,272	\$2,578,723	\$3,693,764	\$1,714,643	\$15,373,429	\$12,859,588	\$28,233,017
2021 ⁽¹⁾⁽²⁾	7,055,339	762,713	5,020,667	3,840,251	1,556,010	18,234,980	13,789,787	32,024,767
2020 ⁽¹⁾⁽²⁾	6,670,902	989,568	4,396,714	3,770,450	1,400,918	17,228,552	8,325,177	25,553,729
2019 ⁽²⁾	6,545,654	1,326,428	4,082,052	3,742,801	1,400,918	17,097,853	8,423,326	25,521,179
2018	5,841,074	1,429,043	7,186,572	3,355,132	1,400,918	19,212,739	1,279,837	20,492,576
2017	6,421,150	591,686	3,293,487	3,174,253	1,400,914	14,881,490	3,191,737	18,073,227
2016	6,434,652	270,613	1,485,977	3,170,554	1,400,918	12,762,714	2,217,719	14,980,433
2015	6,222,868	678,992	1,604,703	3,149,943	1,400,918	13,057,424	1,027,081	14,084,505
2014	6,864,435	487,308	2,636,556	3,137,858	1,400,918	14,527,075	866,589	15,393,664
2013	6,686,530	588,883	2,501,681	3,134,661	1,400,918	14,312,673	593,176	14,905,849

(1) As restated for GASB Statement No. 87 Leases.

(2) GASB Statement No. 84 implemented in FYE 2021. FYE 2020 and 2019 were restated, however, prior years were not restated as the information was not readily available.

Source: Santa Ana Watershed Project Authority

Chart I - Combined Expenses and Revenues
Last Ten Fiscal Years



**Table V - Wastewater Discharge by Type
Last Ten Fiscal Years**

Discharge Type	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Industrial *	222.0080	187.3816	181.3119	146.2297	142.6609	182.3629	176.0173	149.1266	149.7733	153.7463
Domestic *	459.4311	372.6175	345.2252	365.5703	571.6977	605.6648	539.1186	686.9780	817.2502	854.2526
Power Plant *	136.2439	159.5573	174.6108	182.3315	168.1869	211.0939	203.7717	255.9079	238.1875	285.4555
Water Supply/Desalter *	3,169.4397	3,206.6906	3,286.5031	2,977.7296	2,862.8002	2,832.6086	2,789.4969	2,894.5452	2,698.2170	2,728.7335
Temp/Emergency *	1.5160	2.4556	5.4886	13.8265	0.0000	12.9104	4.7210	6.9285	10.6266	7.9366
Truck Discharge *	46.6620	40.6385	31.8486	32.1043	36.2431	29.9249	34.3066	27.2869	23.3557	30.6147
Total	4,035.3007	3,969.3411	4,024.9882	3,717.7919	3,781.5888	3,874.5655	3,747.4321	4,020.7731	3,937.4103	4,060.7392

* MGD = million gallons per day

Source: Santa Ana Watershed Project Authority

**Table VI - Summary of Wastewater Treatment Rates
Last Ten Fiscal Years**

Fiscal Year	Flow per MGD*	BOD Charge (1,000 lbs)	TSS Charge (1,000 lbs)	Minimum Flow Charge	Monthly Fixed Pipeline Charge	Monthly Fixed Treatment Charge	Truck – Non-Brine (per gallon)	Truck – Tier 1 (per gallon)	Truck – Tier 2 (per gallon)	Truck – Tier 3 (per gallon)	Truck – Brine (per gallon)
2022	\$1,018	\$329	\$460	\$150	\$6,654	\$13,505	(1)	n/a	n/a	n/a	\$0.016
2021 ⁽²⁾	1,018	329	460	150	6,654	13,505	(4)	n/a	n/a	n/a	\$0.016
2021 ⁽³⁾	979	316	442	150	6,398	12,985	(5)	n/a	n/a	n/a	0.015
2020	979	316	442	150	6,398	12,985	(6)	n/a	n/a	n/a	0.015
2019	946	307	429	150	6,217	12,607	(6)	n/a	n/a	n/a	0.015
2018	901	307	429	150	5,921	12,007	(7)	0.017	0.035	(8)	0.012
2017	858	307	429	150	5,639	11,433	(7)	0.016	0.033	(9)	0.011
2016	817	301	420	150	5,370	10,888	(7)	0.015	0.032	(10)	0.010
2015	777	295	411	150	5,114	10,369	(7)	0.015	0.031	(11)	0.010
2014	736	266	395	150	4,870	9,875	(7)	0.015	0.031	(12)	0.010
2013	794	253	376	150	4,083	8,749	(7)	0.015	0.030	(13)	0.010

* MGD – million gallons per day

- 1) Fiscal year 2022 rates from July 1, 2021 through June 30, 2022. Non-brine truck rate dischargers will be charged based on actual BOD and TSS concentrations over 100 mg/l using the following components: \$0.016 per gallon, \$0.78/pound of BOD, and \$0.745/pound of TSS.
- 2) Fiscal year 2021 rates from January 1, 2021 through June 30, 2021.
- 3) Fiscal year 2021 rates from July 1, 2020 through December 31, 2020.
- 4) Fiscal year 2021 January 1, 2021 through June 30, 2021. - Non-brine truck rate dischargers will be charged based on actual BOD and TSS concentrations over 100 mg/l using the following components: \$0.016 per gallon, \$0.78/pound of BOD, and \$0.745/pound of TSS.
- 5) Fiscal year 2021 July 1, 2020 through December 31, 2020. - Non-brine truck rate dischargers will be charged based on actual BOD and TSS concentrations over 100 mg/l using the following components: \$0.015 per gallon, \$0.75/pound of BOD, and \$0.716/pound of TSS.
- 6) Fiscal year 2019 and fiscal year 2020 - Non-brine truck rate dischargers will be charged based on actual BOD and TSS concentrations over 100 mg/l using the following components: \$0.015 per gallon, \$0.75/pound of BOD, and \$0.716/pound of TSS.
- 7) Non-brine truck rate was divided into three tiers based on BOD and TSS Concentrations. Tier 1 = 100 to 999 mg/l, Tier 2 = 1,000 to 2,499 mg/l, and Tier 3 = 2,500 mg/l and higher.
- 8) Fiscal year 2018 – Tier 3 dischargers will be charged based on actual concentrations of the waste discharged using the following components: \$0.0029/gallon, \$0.729/pound of BOD, and \$0.695/pound of TSS.
- 9) Fiscal year 2017 – Tier 3 dischargers will be charged based on actual concentrations of the waste discharged using the following components: \$0.0027/gallon, \$0.695/pound of BOD, and \$0.662/pound of TSS.
- 10) Fiscal year 2016 – Tier 3 dischargers will be charged based on actual concentrations of the waste discharged using the following components: \$0.0026/gallon, \$0.694/pound of BOD, and \$0.661/pound of TSS.
- 11) Fiscal year 2015 – Tier 3 dischargers will be charged based on actual concentrations of the waste discharged using the following components: \$0.0026/gallon, \$0.687/pound of BOD, and \$0.652/pound of TSS.
- 12) Fiscal year 2014 – Tier 3 dischargers will be charged based on actual concentrations of the waste discharged using the following components: \$0.0026/gallon, \$0.658/pound of BOD, and \$0.636/pound of TSS.
- 13) Fiscal year 2013 - Tier 3 dischargers will be charged based on the actual concentration of the waste discharged using the following components: \$0.0026/gallon, \$0.645/pound of BOD, and \$0.617/pound of TSS.

Source: Santa Ana Watershed Project Authority

**Table VII - Principal Sewer Customers
Current Fiscal Year and Nine Years Prior**

Fiscal Year 2021-22

Customer Name	Discharge in MG ⁽¹⁾	Percentage of Total Discharge
Chino Desalter I	812.0654	20.1%
Temescal Desalter	631.0573	15.6%
Perris Desalter	512.3942	12.7%
Chino Desalter II	422.1133	10.5%
Menifee Desalter	301.4627	7.5%
JCSD – Etiwanda ⁽²⁾	289.9486	7.2%
Yucaipa Valley Water District	205.8787	5.1%
Arlington Desalter	188.4891	4.7%
Mountainview Power Plant	130.7877	3.2%
JCSD – Wineville ⁽²⁾	70.1543	1.7%
Total Principal Customers	3,564.3513	87.3%
Other Customers	470.9494	12.7%
Total Discharge	4,035.3007	100.0%

Fiscal Year 2012-13

Customer Name	Discharge in MG ⁽¹⁾	Percentage of Total Discharge
Chino Desalter I	738.6391	18.2%
Temescal Desalter	601.7590	14.8%
Chino Desalter II	438.6995	10.8%
Arlington Desalter	347.3243	8.6%
Menifee Desalter	301.4954	7.4%
Perris Desalter	284.2546	7.0%
JCSD – Etiwanda ⁽²⁾	271.1948	6.7%
California Rehabilitation Center	175.6489	4.3%
Chino Institute for Women	158.8173	3.9%
Mountainview Power Plant	152.3468	3.8%
Total Principal Customers	3,470.1797	85.5%
Other Customers	590.5595	14.5%
Total Discharge	4,060.7392	100.00%

(1) MG – million gallons

(2) Jurupa Community Services District (JCSD) connections.

Source: Santa Ana Watershed Project Authority

**Table VIII - Debt Coverage Ratio
Last Ten Fiscal Years**

Fiscal Year	Debt Service Requirements					Debt to Expense Ratio
	Combined Expenses	SRF Loans ⁽³⁾	Member Loans ⁽⁴⁾	Leases Payable ⁽¹⁾	Total Debt	
2022	\$28,233,017	\$2,608,439	\$-	\$53,234	\$2,661,673	9.4%
2021 ⁽¹⁾⁽²⁾	32,024,767	2,835,753	-	53,601	2,889,354	9.0%
2020 ⁽¹⁾⁽²⁾	25,553,729	2,835,753	-	28,957	2,864,710	11.2%
2019 ⁽¹⁾	25,521,179	2,835,753	-	-	2,835,753	11.1%
2018	20,492,576	2,704,270	356,250	-	3,060,520	14.9%
2017	18,073,226	2,704,475	356,250	-	3,060,725	16.9%
2016	14,980,433	3,618,242	356,250	-	3,974,492	26.5%
2015	14,084,505	4,152,560	356,250	-	4,508,810	32.0%
2014	15,393,664	4,222,260	356,250	-	4,578,510	29.7%
2013	14,905,849	4,179,190	356,250	-	4,535,440	30.4%

The Authority does not receive property tax. All revenues are collected through rates and fees or agency contributions.

The Authority does not have any outstanding Revenue Bonds. The only debt of the Authority is SRF and member agency loans.

Notes:

(1) As restated for GASB Statement No. 87 Leases.

(2) GASB Statement No. 84 implemented in FYE 2021. FYE 2020 and 2019 were restated, however, prior years were not restated as the information was not readily available.

Combined Expenses includes Proposition 1 and 84 pass throughs for those years.

(3) State Revolving Fund (SRF) Loans for construction of the Brine Line.

(4) Repurchase of Pipeline Capacity from Orange County Water District.

Source: Santa Ana Watershed Project Authority

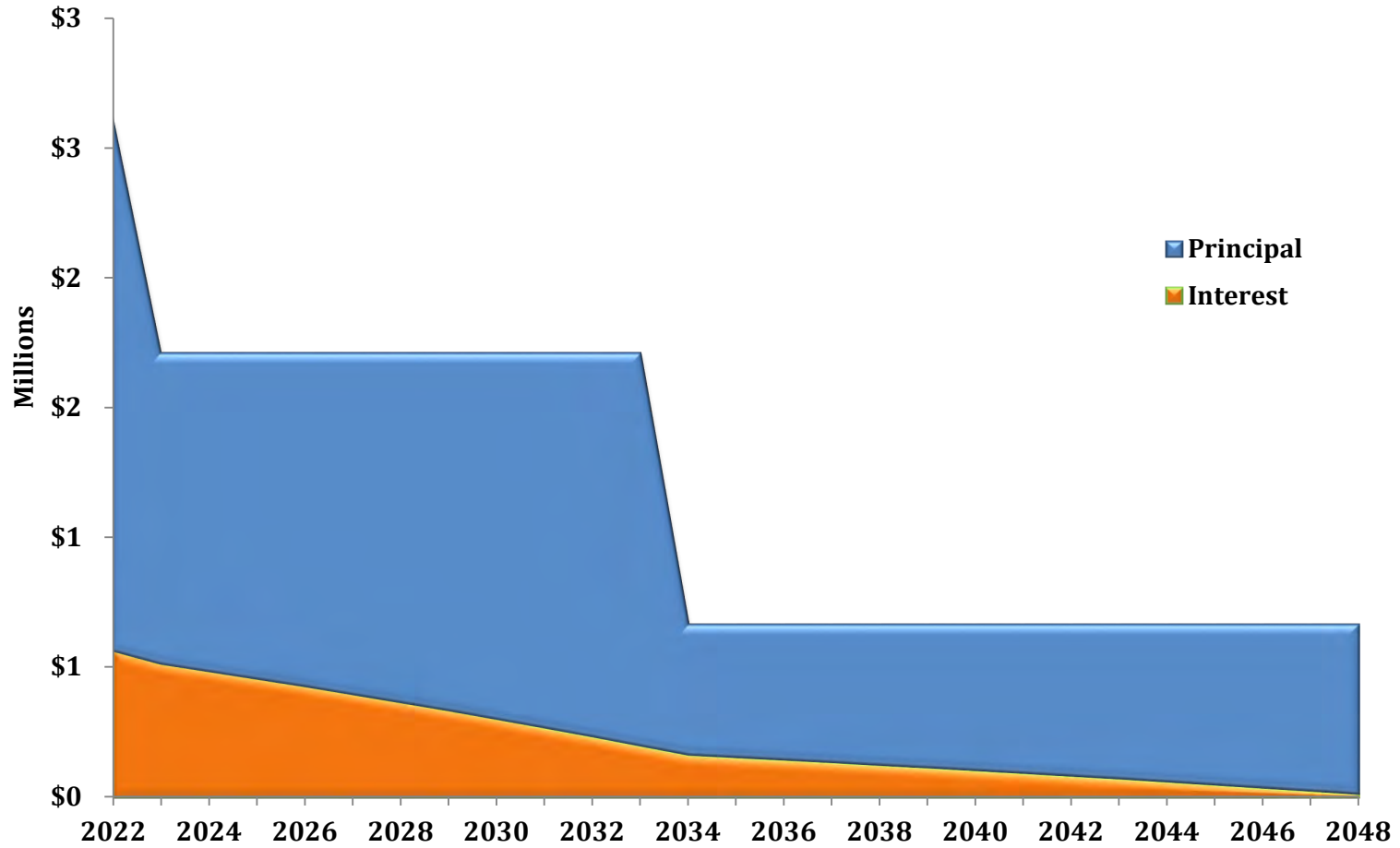
**Table IX - Debt Service Payment Schedule
Fiscal Years 2022- 2048**

Fiscal Year	Interest	Principal	Total Payment	Remaining Principal
2022	\$564,959	\$2,043,480	\$2,608,439	\$23,428,489
2023	514,301	1,195,175	1,709,476	22,233,314
2024	486,080	1,223,395	1,709,476	21,009,919
2025	457,181	1,252,295	1,709,476	19,757,624
2026	427,585	1,281,891	1,709,476	18,475,734
2027	397,276	1,312,199	1,709,476	17,163,534
2028	366,237	1,343,239	1,709,476	15,820,295
2029	334,449	1,375,027	1,709,476	14,445,268
2030	301,894	1,407,582	1,709,476	13,037,686
2031	268,553	1,440,923	1,709,476	11,596,763
2032	234,407	1,475,068	1,709,476	10,121,695
2033	199,437	1,510,039	1,709,476	8,611,656
2034	163,621	501,581	665,203	8,110,075
2035	154,091	511,111	665,203	7,598,964
2036	144,380	520,822	665,203	7,078,142
2037	134,485	530,718	665,203	6,547,424
2038	124,401	540,801	665,203	6,006,622
2039	114,126	551,077	665,203	5,455,546
2040	103,655	561,547	665,203	4,893,999
2041	92,986	572,217	665,203	4,321,782
2042	82,114	583,089	665,203	3,738,693
2043	71,035	594,167	665,203	3,144,526
2044	59,746	605,457	665,203	2,539,069
2045	48,242	616,960	665,203	1,922,109
2046	36,520	628,682	665,203	1,293,427
2047	24,575	640,627	665,203	652,799
2048	12,403	652,799	665,203	0

Does not include future lease payments.

Source: Santa Ana Watershed Project Authority

Chart II - Debt Service Payment Schedule
Fiscal Years 2022 - 2048



Source: Santa Ana Watershed Project Authority

**Table X – Ratio of Outstanding Debt by Type
Last Ten Fiscal Years**

Fiscal Year	SRF Loans	Member Loans	Leases Payable ⁽¹⁾	Total Debt	Percentage of Personal Income ⁽²⁾	Debt Per Capita ⁽³⁾
2022	\$23,428,489	\$-	\$56,857	\$23,485,346	0.38%	\$9.64
2021 ⁽¹⁾	25,471,969	-	109,145	25,581,114	0.42%	10.42
2020 ⁽¹⁾	27,686,941	-	55,379	27,742,320	0.47%	11.36
2019	29,847,481	-	-	29,847,481	0.52%	12.23
2018	31,849,863	-	-	31,849,863	0.57%	13.18
2017	26,087,852	855,267	-	26,943,119	0.50%	11.30
2016	24,184,502	1,677,567	-	25,862,069	0.50%	11.02
2015	22,740,274	2,468,160	-	25,208,434	0.49%	10.92
2014	25,629,872	3,228,436	-	28,858,308	0.58%	12.66
2013	28,574,379	3,959,716	-	32,534,095	0.67%	14.43

(1) As restated for GASB Statement No. 87 Leases.

(2) Based upon Riverside County personal income amounts.

See the personal income amounts on the Demographics and Economic Statistics schedule. Amounts for prior years are updated with the most recent available information.

(3) Based upon approximate population of Riverside County. See the Demographics and Economic Statistics schedule for amounts.

**Chart III – Outstanding Debt Per Capita
Last Ten Fiscal Years**

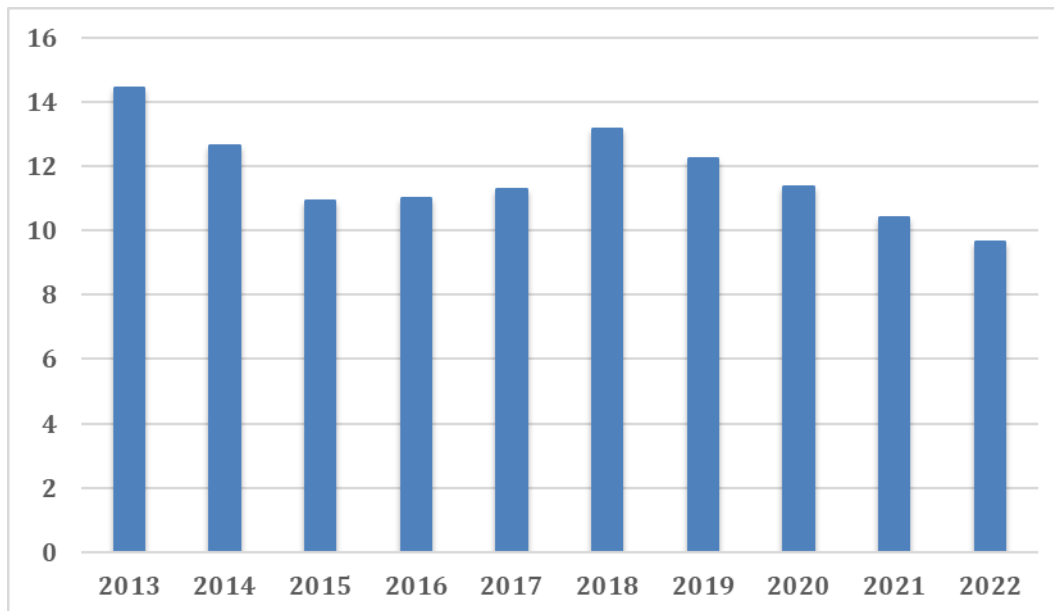


Chart IV – Capital Spending Last Ten Fiscal Years

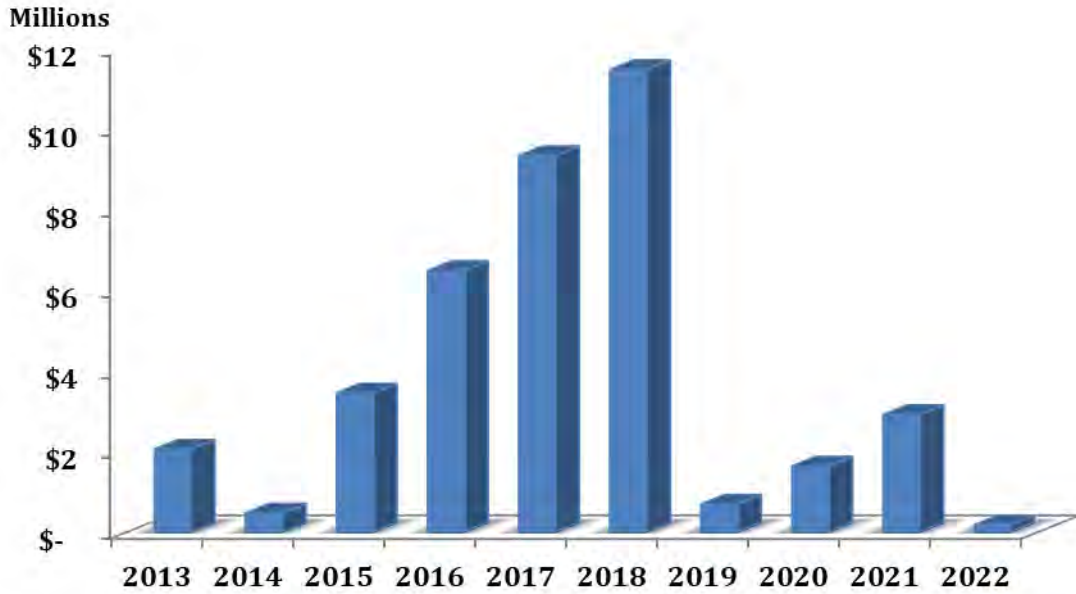
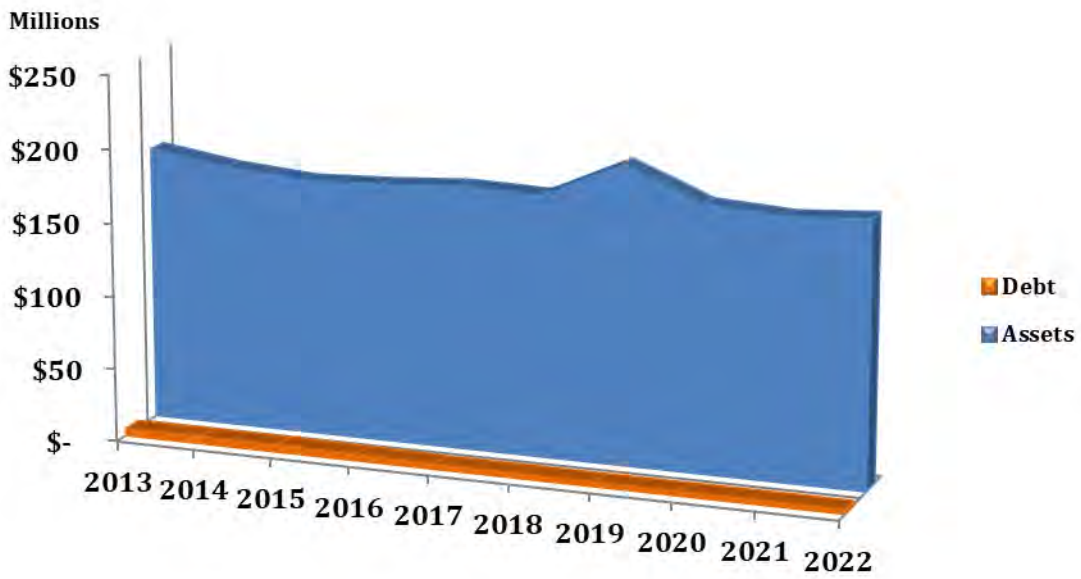


Chart V – Total Debt to Assets Last Ten Fiscal Years



Source: Santa Ana Watershed Project Authority

**Table XI - Demographic and Economic Statistics
Last Ten Calendar Years**

Fiscal Year	Population County (3)	Personal Income (1)	County Per Capita Personal Income	Unemployment Rate (June) ⁴	
				County	State
2022	2,435,525	\$6,224,569,480	\$39,850 (2)	4.0%	4.0%
2021	2,454,453	6,089,509,285	38,822 (5)	7.9%	8.0%
2020	2,442,304	5,905,881,400	37,951 (5)	14.8% (6)	15.1% (6)
2019	2,440,124	5,693,835,260	37,074 (5)	3.6%	4.1%
2018	2,415,955	5,547,654,496	36,149 (5)	4.8%	4.5%
2017	2,384,783	5,363,874,000	35,286 (5)	5.7%	4.7%
2016	2,347,828	5,203,504,800	34,506 (5)	6.7%	5.4%
2015	2,308,441	5,122,926,900	34,359 (5)	6.6%	6.3%
2014	2,279,967	4,994,193,600	33,836 (5)	8.4%	7.4%
2013	2,255,059	4,868,571,400	33,278 (5)	9.2%	8.5%

- (1) Projected personal income based on Riverside County Per Capita Personal Income.
 (2) Projected based on a ten-year average.
 (3) Source: January Revised Estimates, State Department of Finance.
 (4) Source: CA Employment Development Department and US Dept. of Labor. County data as of June 2022.
 (5) Source: County of Riverside Comprehensive Annual Financial Report.
 (6) Unemployment rate spiked during fiscal year 2020 due to the economic impact of COVID-19.

**Table XII - Principal Employers
Last Ten Fiscal Years**

June 30, 2021 (1)			June 30, 2012 (1)		
Employer	No of Employees	% of Total Labor Force	Employer	No of Employees	% of Total Labor Force
County of Riverside	22,952	2.2%	County of Riverside	19,150	2.3%
Amazon	10,500	1.0%	March Air Reserve Base	9,000	1.1%
March Air Reserve Base	9,600	0.9%	Stater Brothers Markets	6,900	0.8%
University of California, Riverside	8,909	0.9%	University of California, Riverside	5,790	0.7%
Stater Brothers Markets	8,304	0.8%	Wal-Mart	5,360	0.7%
Moreno Valley Unified School District	6,250	0.6%	Corona-Norco Unified School District	4,686	0.6%
Kaiser Permanente	5,780	0.6%	Pechanga Resort & Casino	4,000	0.5%
Corona-Norco Unified School District	5,478	0.5%	Kaiser Permanente	4,000	0.5%
Hemet Unified School District	4,460	0.4%	Riverside Unified School District	3,796	0.5%
Ross Dress for Less	4,313	0.4%	Moreno Valley Unified School District	3,500	0.4%
Total	86,546	8.3%	Total	66,182	8.1%

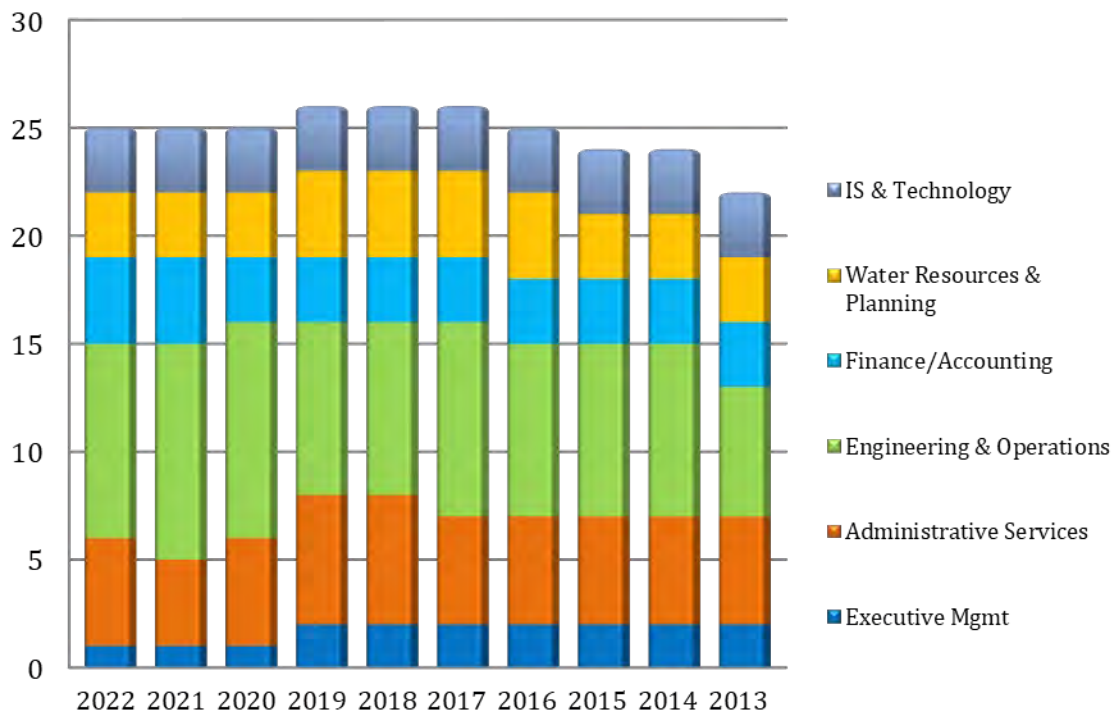
Sources: (1) County of Riverside Annual Consolidated Financial Report. Data presented is the most current available at the time of preparation of this report.

Table XIII - Number of Employees
Last Ten Fiscal Years

Department	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Executive Management	1	1	1	2	2	2	2	2	2	2
Administrative Services	5	4	5	6	6	5	5	5	5	5
Engineering & Operations	9	10	10	8	8	9	8	8	8	6
Finance/Accounting	4	4	3	3	3	3	3	3	3	3
Water Resources & Planning	3	3	3	4	4	4	4	3	3	3
Information Systems & Technology	3	3	3	3	3	3	3	3	3	3
Total	25	25	25	26	26	26	25	24	24	22

Notes: All managers are included with their divisions. Temporary and Interns are not included.

Chart VI – Total Employees
Last Ten Fiscal Years



Source: Santa Ana Watershed Project Authority

**Table XIV - Operating and Capital Indicators
Last Ten Fiscal Years**

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Total Meter Connections	43	43	43	40	41	51	48	48	50	50
Number of Air Release Valves	63	63	63	63	63	63	65	65	65	65
Miles of Sewer Lines	73	73	73	73	73	73	73	73	73	73
Total Flows for Fiscal Years (MG)	4,035.30	3,969.34	4,024.99	3,717.79	3,781.59	3,874.56	3,747.43	4,020.77	3,937.41	4,060.74
Owned Treatment Capacity (MGs)	17	17	17	17	17	17	17	17	17	17

Miscellaneous Statistics

Year of Formation: 1972
 Governing Body: 5-Member Board of Commissioners (1 from each Member Agency elected Board of Directors)
 Form of Government: Joint Powers Authority
 Staff: 25 full-time equivalent employees
 Authority: Section 6500 et. Seq. Government Code
 Service: Waste Disposal, Watershed Planning, Task Force Facilitation
 Service Area (square miles): 2,840
 Total Population Served: Approximately 6 million

Source: Santa Ana Watershed Project Authority



Santa Ana Watershed
Project Authority

SANTA ANA WATERSHED PROJECT AUTHORITY

11615 Sterling Avenue ▪ Riverside ▪ California ▪ 92503
www.sawpa.org ▪ (951) 354-4220

Report on Internal Controls and Compliance



Fedak & Brown LLP
Certified Public Accountants

Cypress Office:
10805 Holder Street
Suite 150
Cypress, California 90630
(657) 214-2307
FAX (714) 527-9154

Riverside Office:
1945 Chicago Avenue, Suite C-1
Riverside, California 92507
(951) 783-9149

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

Board of Commissioners
Santa Ana Watershed Project Authority
Riverside, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Santa Ana Watershed Project Authority (Authority) as of and for the fiscal year ended June 30, 2022, and the related notes to the financial statements, which collectively comprises the Authority's basic financial statements, and have issued our report thereon dated December 20, 2022.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

**Independent Auditor's Report on Internal Control over Financial Reporting
and on Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards*, continued**

Purpose of this Report

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

Fedak & Brown LLP

Fedak & Brown, LLP
Cypress, California
December 20, 2022

Santa Ana Watershed Project Authority

Management Report

June 30, 2022



Fedak & Brown LLP
Certified Public Accountants

Santa Ana Watershed Project Authority

Management Report

Table of Contents

<u>Item</u>	<u>Page No.</u>
General Introduction	1
Status of Current Year Comment and Recommendation	1-2
Appendix:	
Audit/Finance Committee Letter	1-5
Schedule of Audit Adjusting Journal Entries	6-10



Christopher J. Brown, CPA, CGMA
Jonathan Abadesoo, CPA
Andy Beck, CPA

Fedak & Brown LLP

Certified Public Accountants

Cypress Office:
10805 Holder Street
Suite 150
Cypress, California 90630
(657) 214-2307
FAX (714) 527-9154

Riverside Office:
1945 Chicago Avenue, Suite C-1
Riverside, California 92507
(951) 783-9149

Board of Commissioners
Santa Ana Watershed Project Authority
Riverside, California

Dear Members of the Board:

In planning and performing our audit of the financial statements of the Santa Ana Watershed Project Authority (Authority) as of and for the year ended June 30, 2022, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, we considered the Authority 's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority 's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A reasonable possibility exists when the likelihood of an event occurring is either reasonably possible or probable as defined as follows:

- Reasonably possible. The chance of the future event or events occurring is more than remote but less than likely.
- Probable. The future event or events are likely to occur.

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

Current Year Comment and Recommendation

Disclosure of Audit Adjustments and Reclassifications

As your external auditor, we assume that the books and records of the Authority are properly adjusted before the start of the audit. In many cases, however, audit adjustments and reclassifications are made in the normal course of the audit process to present the Authority 's financial statements in conformity with accounting principles generally accepted in the United States of America. For the Board of Commissioners to gain a full and complete understanding and appreciation of the scope and extent of the audit process we have presented these audit adjustments and reclassifications as an attachment to this letter. There can be very reasonable explanations for situations of having numerous adjustments as well as having no adjustments at all. However, the issue is simply disclosure of the adjustments and reclassifications that were made and to provide the Board.

Current Year Comment and Recommendation, continued

Management's Response

We have reviewed and approved all of the audit adjustment and reclassification entries provided by the auditor and have entered those entries into the Authority's accounting system to close-out the Authority's year-end trial balance as of June 30, 2022.

This communication is intended solely for the information and use of management, the Board of Commissioners, and others within the Authority, and is not intended to be, and should not be, used by anyone other than these specified parties. This restriction is not intended to limit the distribution of this letter, which is a matter of public record.

We appreciate the courtesy and cooperation extended to us during our examination. We would be pleased to discuss the contents of this letter with you at your convenience. Please do not hesitate to contact us.



Fedak & Brown LLP
Cypress, California
December 20, 2022

APPENDIX

Santa Ana Watershed Project Authority

Finance Committee Letter

June 30, 2022



Christopher J. Brown, CPA, CGMA
Jonathan Abadesco, CPA
Andy Beck, CPA

Fedak & Brown LLP

Certified Public Accountants

Cypress Office:
10805 Holder Street
Suite 150
Cypress, California 90630
(657) 214-2307
FAX (714) 527-9154

Riverside Office:
1945 Chicago Avenue, Suite C-1
Riverside, California 92507
(951) 783-9149

Board of Commissioners
Santa Ana Watershed Project Authority
Riverside, California

We have audited the financial statements of the business-type activities of the Santa Ana Watershed Project Authority (Authority) for the year ended June 30, 2022, and have issued our report thereon dated December 20, 2022. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated June 1, 2022, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of the Authority solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

If any, we have provided our findings regarding significant control deficiencies over financial reporting and material noncompliance, and other matters noted during our audit in a separate letter to you dated December 20, 2022.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, our firm, and our network firms have complied with all relevant ethical requirements regarding independence.

An auditor that is not involved in the engagement performed an independent review of the financial statements that was prepared by us based on the information provided by management. This safeguard reduces the threat of self-review risk to an acceptable level.

Required Risk Assessment Procedures per Auditing Standards:

As auditors of the Authority, we are required per AU-C Section 240, "Consideration of Fraud in a Financial Statement Audit", to "ordinarily" presume and consider the following risks in designing our audit procedures:

- Management override of controls
- Revenue recognition

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the Authority is included in Note 1 to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during 2022. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments. The most sensitive accounting estimates affecting the financial statements are as follows:

Management's estimate of the fair value of investments is based on information provided by financial institutions. We evaluated the key factors and assumptions used to develop the fair value of cash and investments in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of capital assets depreciation is based on historical estimates of each capitalized item's useful life expectancy or cost recovery period. We evaluated the key factors and assumptions used to develop the capital asset depreciation calculations in determining that they are reasonable in relation to the financial statements taken as a whole.

Management's estimate of the other post-employment benefit plan's deferred outflows of resources, net OPEB liability, and deferred inflows of resources are based on an actuarial evaluation of these amounts which was conducted by a third-party actuary. We evaluated the basis, actuarial methods and assumptions used by the actuary to calculate these amounts for the Authority to determine that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of the defined benefit pension plan's deferred outflows of resources, net pension liability, and deferred inflows of resources are based on an actuarial evaluation of these amounts which was conducted by a third-party actuary. We evaluated the basis, actuarial methods and assumptions used by the actuary to calculate these amounts for the Authority to determine that it is reasonable in relation to the financial statements taken as a whole.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the Authority's financial statements relate to:

The disclosure of fair value of cash and investments in Note 2 to the financial statements represents amounts susceptible to market fluctuations.

The disclosure of capital assets, net in Note 4 to the financial statements is based on historical information which could differ from actual useful lives of each capitalized item.

The disclosure of the Authority's other post-employment benefit plan in Note 7 to the financial statements is based on actuarial assumptions which could differ from actual costs.

The disclosure of the Authority's defined benefit pension plan in Note 8 to the financial statements is based on actuarial assumptions which could differ from actual costs.

Significant Unusual Transactions

For purposes of this communication, professional standards require us to communicate to you significant unusual transactions identified during our audit. No significant unusual transactions were identified as a result of our audit procedures that were brought to the attention of management:

Identified or Suspected Fraud

We have not identified or have not obtained information that indicates that fraud may have occurred.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards also require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit. There were no uncorrected misstatements whose effects in the current and prior periods, as determined by management, are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. The attached schedule on pages 6 through 10 discloses all material misstatements that we identified as a result of our audit procedures that were brought to the attention of, and corrected by, management.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the Authority's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Circumstances that Affect the Form and Content of the Auditor's Report

For purposes of this letter, professional standards require that we communicate any circumstances that affect the form and content of our auditor's report. There were no circumstances that affect the form and content of the auditor's report.

Representations Requested from Management

We have requested certain written representations from management, which are included in the attached letter dated December 20, 2022.

Other Information Included in Annual Reports

Pursuant to professional standards, our responsibility as auditors for other information, whether financial or nonfinancial, included in the Authority's annual reports, does not extend beyond the information identified in the audit report, and we are not required to perform any procedures to corroborate such other information. However, in accordance with such standards, we have read the information and considered whether such information, or the manner of its presentation, was materially inconsistent with its presentation in the financial statements.

Our responsibility also includes communicating to you any information which we believe is a material misstatement of fact. Nothing came to our attention that caused us to believe that such information, or its manner of presentation, is materially inconsistent with the information, or manner of its presentation, appearing in the financial statements.

We applied certain limited procedures to the management discussion and analysis, schedules of changes in the Authority's net OPEB liability and related ratios, schedules of the Authority's proportionate share of net pension liability, and the schedule of pension plan contributions, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on combining schedules, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on the introductory and statistical information sections, which accompany the financial statements but are not RSI. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Conclusion

We appreciate the cooperation extended to us by Jeff Mosher, General Manager, Karen Williams, Deputy General Manager and Chief Financial Officer, and the rest of the Authority staff in the performance of our audit testwork. We will be pleased to respond to any questions you have about the foregoing. We appreciate the opportunity to continue to be of service to the Authority.

This report is intended solely for the information and use of the Board of Commissioners and management of the Authority and is not intended to be and should not be used by anyone other than the specified parties. This restriction is not intended to limit the distribution of this letter, which is a matter of public record.

Fedak & Brown LLP

Fedak & Brown LLP
Cypress, California
December 20, 2022

Santa Ana Watershed Project Authority
Schedule of Audit Adjusting Journal Entries
June 30, 2022

Account	Description	Debit	Credit
Adjusting Journal Entries			
Adjusting Journal Entries JE # 1			
GASB 68 Entry #0 - To reclassify beginning balances to Option C at June 30, 2022.			
100-00-99000-00	Deferred Inflows of Resources - Actuarial	214,705.00	
100-00-98000-00	Deferred Outflows of Resources - Actuarial		214,705.00
Total		<u>214,705.00</u>	<u>214,705.00</u>
Adjusting Journal Entries JE # 2			
GASB 68 Entry #1 - To reclassify 2021 contributions to NPL at June 30, 2022.			
100-00-20700-00	Net Pension Liability	618,033.00	
100-00-98000-00	Deferred Outflows of Resources - Actuarial		618,033.00
Total		<u>618,033.00</u>	<u>618,033.00</u>
Adjusting Journal Entries JE # 3			
GASB 68 Entry #2 - To reclassify 2022 contributions to Deferred Outflows of Resources at June 30, 2022.			
100-00-98000-00	Deferred Outflows of Resources - Actuarial	567,850.00	
100-00-70106-01	Contra PERS Pension Plan		567,850.00
Total		<u>567,850.00</u>	<u>567,850.00</u>
Adjusting Journal Entries JE # 4			
GASB 68 Entry #3 - To record changes in pension liability during FY20/21 at June 30, 2022.			
100-00-20700-00	Net Pension Liability	2,358,519.00	
100-00-98000-00	Deferred Outflows of Resources - Actuarial	1,154,440.00	
100-00-99000-00	Deferred Inflows of Resources - Actuarial	11,755.00	
100-00-99000-00	Deferred Inflows of Resources - Actuarial	96,410.00	
100-00-99000-00	Deferred Inflows of Resources - Actuarial	657,359.00	
100-00-70106-01	Contra PERS Pension Plan		3,588,847.00
100-00-98000-00	Deferred Outflows of Resources - Actuarial		96,410.00
100-00-98000-00	Deferred Outflows of Resources - Actuarial		338,375.00
100-00-99000-00	Deferred Inflows of Resources - Actuarial		254,851.00
Total		<u>4,278,483.00</u>	<u>4,278,483.00</u>
Adjusting Journal Entries JE # 5			
GASB 68 Entry #4 - To record changes in the deferred outflows and deferred inflows (amortization) during FY20/21 at June 30, 2022.			
100-00-70106-01	Contra PERS Pension Plan	339,964.00	
100-00-99000-00	Deferred Inflows of Resources - Actuarial	1,589.00	
100-00-99000-00	Deferred Inflows of Resources - Actuarial	34,447.00	
100-00-99000-00	Deferred Inflows of Resources - Actuarial	299,494.00	
100-00-98000-00	Deferred Outflows of Resources - Actuarial		430,712.00
100-00-98000-00	Deferred Outflows of Resources - Actuarial		244,782.00
Total		<u>675,494.00</u>	<u>675,494.00</u>
Adjusting Journal Entries JE # 6			
GASB 75 Entry #0 - To reclassify beginning balances to Option C at June 30, 2022.			
100-00-99100-00	Deferred Inflows of Resources - OPEB	5,287.00	
100-00-98100-00	Deferred Outflows of Resources - OPEB		5,287.00
Total		<u>5,287.00</u>	<u>5,287.00</u>

Santa Ana Watershed Project Authority
Schedule of Audit Adjusting Journal Entries
June 30, 2022

Account	Description	Debit	Credit
Adjusting Journal Entries JE # 7			
GASB 75 Entry #1 - To reclassify 2021 contributions made during the measurement period as of June 30, 2022 to Net OPEB Liability.			
100-00-20705-00	Net OPEB Liability	54,138.00	
100-00-98100-00	Deferred Outflows of Resources - OPEB		54,138.00
Total		<u>54,138.00</u>	<u>54,138.00</u>
Adjusting Journal Entries JE # 8			
GASB 75 Entry #2 - To defer the FY 2022 OPEB contributions to Deferred Outflows of Resources at June 30, 2022 (NOTE: These OPEB Contributions will be used to reduce Net OPEB Liability at June 30, 2023).			
100-00-98100-00	Deferred Outflows of Resources - OPEB	46,871.00	
100-00-81010-00	Retiree Medical Expense		46,871.00
Total		<u>46,871.00</u>	<u>46,871.00</u>
Adjusting Journal Entries JE # 9			
GASB 75 Entry #3 - To record changes in OPEB liability during FY20/21 at June 30,			
100-00-20705-00	Net OPEB Liability	533,495.00	
100-00-98100-00	Deferred Outflows of Resources - OPEB	176,449.00	
100-00-99100-00	Deferred Inflows of Resources - OPEB	15,746.00	
100-00-81010-00	Retiree Medical Expense		65,460.00
100-00-98100-00	Deferred Outflows of Resources - OPEB		15,746.00
100-00-99100-00	Deferred Inflows of Resources - OPEB		219,787.00
100-00-99100-00	Deferred Inflows of Resources - OPEB		424,697.00
Total		<u>725,690.00</u>	<u>725,690.00</u>
Adjusting Journal Entries JE # 10			
GASB 75 Entry #4 - To record changes in the deferred outflows and deferred inflows (amortization) during FY20/21 at June 30, 2022.			
100-00-99100-00	Deferred Inflows of Resources - OPEB	206,946.00	
100-00-99100-00	Deferred Inflows of Resources - OPEB	40,109.00	
100-00-81010-00	Retiree Medical Expense		92,064.00
100-00-98100-00	Deferred Outflows of Resources - OPEB		154,991.00
Total		<u>247,055.00</u>	<u>247,055.00</u>
Adjusting Journal Entries JE # 11			
PPA - GASB 87 Entry #1 - Record initial asset and liability (Konica Minolta Lease).			
100-00-13009-00	Leased Assets - Konica Minolta	31,356.00	
100-00-20740-01	Lease Liability - Konica Minolta		31,356.00
Total		<u>31,356.00</u>	<u>31,356.00</u>
Adjusting Journal Entries JE # 12			
PPA - GASB 87 Entry #2 - Record asset amortization and lease payments for 2021 (Konica Minolta Lease).			
100-00-20740-01	Lease Liability - Konica Minolta	2,417.20	
100-00-81050-00	Prior Period Expense - Leases	144.28	
100-00-81050-00	Prior Period Expense - Leases	1,959.75	
100-00-15002-00	Accumulated Amortization - Leases Assets		1,959.75
100-00-81050-00	Prior Period Expense - Leases		2,561.48
Total		<u>4,521.23</u>	<u>4,521.23</u>

Santa Ana Watershed Project Authority
Schedule of Audit Adjusting Journal Entries
June 30, 2022

Account	Description	Debit	Credit
Adjusting Journal Entries JE # 13			
AJE - GASB 87 Entry #3 - Record asset amortization and lease payments for 2022 (Konica Minolta Lease).			
100-00-20740-01	Lease Liability - Konica Minolta	7,653.42	
100-00-82003-00	Interest Expense – Leased Assets	483.42	
100-00-84100-00	Amortization Expense – Leases	7,839.00	
100-00-15002-00	Accumulated Amortization – Leases Assets		7,839.00
100-00-60171-01	Equipment Rented - Copiers		8,136.84
Total		<u>15,975.84</u>	<u>15,975.84</u>
Adjusting Journal Entries JE # 14			
PPA - GASB 87 Entry #4 - Record initial asset and liability (Building 1 Lease 2019).			
100-00-13010-00	Leased Assets – Building 1	8,659.00	
100-00-20740-02	Lease Liability – Building 1		8,659.00
Total		<u>8,659.00</u>	<u>8,659.00</u>
Adjusting Journal Entries JE # 15			
PPA - GASB 87 Entry #5 - Record asset amortization and lease payments for 2020 (Building 1 Lease 2019).			
100-00-20740-02	Lease Liability – Building 1	8,659.00	
100-00-81050-00	Prior Period Expense - Leases	89.38	
100-00-81050-00	Prior Period Expense - Leases	8,659.00	
100-00-15002-00	Accumulated Amortization – Leases Assets		8,659.00
100-00-81050-00	Prior Period Expense - Leases		8,748.38
Total		<u>17,407.38</u>	<u>17,407.38</u>
Adjusting Journal Entries JE # 16			
PPA - GASB 87 Entry #6 - Record initial asset and liability (Building 1 Lease 2019).			
240-00-13010-00	Leased Assets – Building 1	8,659.00	
240-00-20740-02	Lease Liability – Building 1		8,659.00
Total		<u>8,659.00</u>	<u>8,659.00</u>
Adjusting Journal Entries JE # 17			
PPA - GASB 87 Entry #7 - Record asset amortization and lease payments for 2020 (Building 1 Lease 2019).			
240-00-20740-02	Lease Liability – Building 1	8,659.00	
240-00-81050-00	Prior Period Expense - Leases	89.38	
240-00-81050-00	Prior Period Expense - Leases	8,659.00	
240-00-15002-00	Accumulated Amortization – Leases Assets		8,659.00
240-00-81050-00	Prior Period Expense - Leases		8,748.38
Total		<u>17,407.38</u>	<u>17,407.38</u>
Adjusting Journal Entries JE # 18			
PPA - GASB 87 Entry #8 - Record initial asset and liability (Building 1 Lease 2021).			
100-00-13010-00	Leased Assets – Building 1	16,511.00	
100-00-20740-02	Lease Liability – Building 1		16,511.00
Total		<u>16,511.00</u>	<u>16,511.00</u>

Santa Ana Watershed Project Authority
Schedule of Audit Adjusting Journal Entries
June 30, 2022

Account	Description	Debit	Credit
Adjusting Journal Entries JE # 19			
PPA - GASB 87 Entry #9 - Record asset amortization and lease payments for 2021 (Building Lease 1 2021).			
100-00-20740-02	Lease Liability – Building 1	5,076.35	
100-00-81050-00	Prior Period Expense - Leases	269.65	
100-00-81050-00	Prior Period Expense - Leases	5,503.67	
100-00-15002-00	Accumulated Amortization – Leases Assets		5,503.67
100-00-81050-00	Prior Period Expense - Leases		5,346.00
Total		<u>10,849.67</u>	<u>10,849.67</u>
Adjusting Journal Entries JE # 20			
AJE - GASB 87 Entry #10 - Record asset amortization and lease payments for 2022 (Building Lease 1 2021).			
100-00-20740-02	Lease Liability – Building 1	5,500.48	
100-00-82003-00	Interest Expense – Leased Assets	169.52	
100-00-84100-00	Amortization Expense – Leases	5,503.67	
100-00-15002-00	Accumulated Amortization – Leases Assets		5,503.67
100-00-60240-00	Building Lease		5,670.00
Total		<u>11,173.67</u>	<u>11,173.67</u>
Adjusting Journal Entries JE # 21			
PPA - GASB 87 Entry #11 - Record initial asset and liability (Building 1 Lease 2021).			
240-00-13010-00	Leased Assets – Building 1	49,530.00	
240-00-20740-02	Lease Liability – Building 1		49,530.00
Total		<u>49,530.00</u>	<u>49,530.00</u>
Adjusting Journal Entries JE # 22			
PPA - GASB 87 Entry #12 - Record asset amortization and lease payments for 2021 (Building Lease 1 2021).			
240-00-20740-02	Lease Liability – Building 1	15,229.10	
240-00-81050-00	Prior Period Expense - Leases	808.90	
240-00-81050-00	Prior Period Expense - Leases	16,510.00	
240-00-15002-00	Accumulated Amortization – Leases Assets		16,510.00
240-00-81050-00	Prior Period Expense - Leases		16,038.00
Total		<u>32,548.00</u>	<u>32,548.00</u>
Adjusting Journal Entries JE # 23			
AJE - GASB 87 Entry #13 - Record asset amortization and lease payments for 2022 (Building Lease 1 2021).			
240-00-20740-02	Lease Liability – Building 1	16,501.49	
240-00-82003-00	Interest Expense – Leased Assets	508.51	
240-00-84100-00	Amortization Expense – Leases	16,510.00	
240-00-15002-00	Accumulated Amortization – Leases Assets		16,510.00
240-00-60240-00	Building Lease		17,010.00
Total		<u>33,520.00</u>	<u>33,520.00</u>
Adjusting Journal Entries JE # 24			
PPA - GASB 87 Entry #14 - Record initial asset and liability (Building 2 Lease).			
240-00-12500-00	Building Lease - Deposit	1,587.20	
240-00-13011-00	Leased Assets – Building 2	65,273.00	
240-00-20740-03	Lease Liability – Building 2		65,273.00
240-00-81050-00	Prior Period Expense - Leases		1,587.20
Total		<u>66,860.20</u>	<u>66,860.20</u>

**Santa Ana Watershed Project Authority
 Schedule of Audit Adjusting Journal Entries
 June 30, 2022**

Account	Description	Debit	Credit
Adjusting Journal Entries JE # 25			
PPA - GASB 87 Entry #15 - Record asset amortization and lease payments for 2020 (Building 2 Lease).			
240-00-20740-03	Lease Liability – Building 2	9,894.52	
240-00-81050-00	Prior Period Expense - Leases	581.00	
240-00-81050-00	Prior Period Expense - Leases	10,878.83	
240-00-15002-00	Accumulated Amortization – Leases Assets		10,878.83
240-00-81050-00	Prior Period Expense - Leases		10,475.52
Total		<u>21,354.35</u>	<u>21,354.35</u>
Adjusting Journal Entries JE # 26			
PPA - GASB 87 Entry #16 - Record asset amortization and lease payments for 2021 (Building 2 Lease).			
240-00-20740-03	Lease Liability – Building 2	20,910.30	
240-00-81050-00	Prior Period Expense - Leases	874.02	
240-00-81050-00	Prior Period Expense - Leases	21,757.67	
240-00-15002-00	Accumulated Amortization – Leases Assets		21,757.67
240-00-81050-00	Prior Period Expense - Leases		21,784.32
Total		<u>43,541.99</u>	<u>43,541.99</u>
Adjusting Journal Entries JE # 27			
AJE - GASB 87 Entry #17 - Record asset amortization and lease payments for 2022 (Building 2 Lease).			
240-00-20740-03	Lease Liability – Building 2	22,631.89	
240-00-82003-00	Interest Expense – Leased Assets	461.87	
240-00-84100-00	Amortization Expense – Leases	21,757.67	
240-00-15002-00	Accumulated Amortization – Leases Assets		21,757.67
240-00-60240-00	Building Lease		23,093.76
Total		<u>44,851.43</u>	<u>44,851.43</u>
Total Adjusting Journal Entries		<u>7,868,332.14</u>	<u>7,868,332.14</u>
Total All Journal Entries		<u>7,868,332.14</u>	<u>7,868,332.14</u>

Legend:

GASB 68 Entry	GASB 68 Pension Related Adjusting Journal Entry
GASB 75 Entry	GASB 75 Pension Related Adjusting Journal Entry
GASB 87 Entry	GASB 87 Pension Related Adjusting Journal Entry
PPA	Prior Period Adjusting Journal Entry (GASB 87 Related)

Page Intentionally Blank

COMMISSION MEMORANDUM NO. 2022.79

DATE: December 20, 2022
TO: SAWPA Commission
SUBJECT: Ambient Water Quality Update Pilot Study – Consultant Support
PREPARED BY: Mark Norton, Special Projects Manager

RECOMMENDATION

It is recommended that the Commission authorize the General Manager to execute Task Order WEST374-02 for an amount not-to-exceed \$339,960.00 with West Yost to conduct work to assist the Basin Monitoring Program Task Force to implement the Ambient Water Quality Pilot Study for TDS and Nitrogen.

DISCUSSION

On January 22, 2004, the Santa Ana Regional Water Quality Control Board (Regional Board) approved the Basin Plan Amendment for TIN and TDS. The Basin Plan Amendment defined specific agencies throughout the watershed responsible for several monitoring and analyses programs for TIN and TDS. Some of the programs are conducted on an annual basis and some on a triennial basis. SAWPA serves as the administrator to conduct these monitoring and analyses programs and has served in the role of manager of the Basin Monitoring Program Task Force (BMP TF) since its formation. A task force agreement was developed and approved by the SAWPA Commission in June 2004. Since its formation, all five SAWPA member agencies are members of the task force and are financial funding parties to the task force in addition to 15 other water and wastewater agencies.

SAWPA serves in this role as the task force manager and administrator based on SAWPA approval through its approval and signature of the BMP TF agreement. SAWPA staff, working with the BMP TF, prepares a task force scope, budget and schedule each year which is included in the annual SAWPA Budget.

In 2020 and 2021, a Basin Plan Amendment was prepared by the Basin Monitoring Program Task Force and the Regional Board which included suggested revisions to the annual Santa Ana River Water Quality Monitoring Report methodology and the Triennial Ambient Water Quality Update methodology to ensure they followed the 2019 State Board Recycled Water Policy - Salt Nutrient Management Plan requirements. The Basin Plan Amendment was formally adopted by the Santa Ana Regional Board in Dec. 2021 and the SWRCB in June 2022. The State Office of Administrative Law is still conducting final review.

In March 2022, West Yost was hired to conduct the work to develop the new methodology for the Santa Ana River Water Quality Monitoring and the Ambient Water Quality Update. As part of the recommendations on the Ambient Water Quality Update, a pilot approach to conducting this work was suggested by the Regional Board and the Basin Monitoring Program Task Force. This pilot study for ambient water quality for Nitrogen and TDS will ensure the requirements for an ambient water quality update are still met by the next deliverable due date of Oct. 2023. Due to the limited time to conduct the update work now and the specialized and unique understanding necessary to conduct this work, a Scoping Committee of the Basin Monitoring Program Task Force recommended a sole source contract be awarded to West Yost with their contract to

include subconsultants of Water Systems Consulting (WSC) and key staff from Daniel B Stephens Inc. (DBS) who have conducted ambient water quality updates in the past and have specialized expertise and understanding in this area.

Consequently, the SAWPA Basin Monitoring Program Task Force and SAWPA staff recommends approval of a new task order with West Yost Inc. to implement the ambient water quality pilot study. The draft study report is scheduled to be completed by October 2023 with final report including all task order work to be completed by Dec. 31, 2023.

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

Most of this task order work funding has been included in the approved Basin Monitoring Program Task Force BY22-23 Budget. Some portion will also be included in the SAWPA FYE 2023-2024 Budget for the Basin Monitoring Program Task Force.

Attachments:

1. West Yost Task Order WEST374-02
2. Justification for Sole Source Award
3. PowerPoint Presentation



**SANTA ANA WATERSHED PROJECT AUTHORITY
TASK ORDER NO. WEST374-02**

CONSULTANT: West Yost **VENDOR NO.:** 2293
 23692 Birtcher Drive
 Lake Forest, CA 92630

COST: **\$339,960.00**

PAYMENT: Upon Receipt of Proper Invoice

REQUESTED BY: Mark Norton, Special Projects Manager December 20, 2022

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: December 20, 2022; CM#2022.

This Task Order is issued upon approval and acceptance by the Santa Ana Watershed Project Authority (SAWPA) and West Yost (Consultant) pursuant to the General Services Agreement between SAWPA and Consultant, entered into on June 15, 2021, expiring December 31, 2024.

I. PROJECT NAME OR DESCRIPTION

Ambient Water Quality Pilot Study for Nitrogen and TDS

II. SCOPE OF WORK / TASKS TO BE PERFORMED

Consultant shall provide all labor, materials, and equipment for the services to support the Basin Monitoring Program Task Force in preparing an Ambient Water Quality Update Pilot Study for Nitrogen and TDS, as described in the proposal attached.

III. PERFORMANCE TIME FRAME

Consultant shall begin work December 20, 2022 and shall complete performance of such services by **December 31, 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 **\$339,960.00**. 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.



23692 Birtcher Drive
Lake Forest CA 92630

949.420.3030 phone
530.756.5991 fax
westyost.com

December 2, 2022

SENT VIA: EMAIL

Santa Ana Watershed Project Authority
Mark Norton
11615 Sterling Avenue
Riverside, CA 92503

SUBJECT: Proposal to Prepare the 2021 Ambient Water Quality Pilot Study

Dear Mr. Norton:

Thank you for the opportunity to submit this letter proposal to the Basin Monitoring Program Task Force (Task Force), which is administered by Santa Ana Watershed Project Authority (SAWPA), for technical services and regulatory support to prepare the 2021 Ambient Water Quality (AWQ) Pilot Study. The purpose of this letter proposal is to provide the Task Force with a proposed Scope of Services, Budget, and Schedule to complete the 2021 AWQ Pilot Study. The Scope of Services will be performed by West Yost, Water Systems Consulting (WSC), and Daniel B. Stephens and Associates (DBS&A). West Yost will serve as the contract manager.

BACKGROUND

In December 2021, the Santa Ana Regional Water Quality Control Board (Santa Ana Water Board) amended the Water Quality Control Plan for the Santa Ana River Basin (Basin Plan) to update its salt and nutrient monitoring program (SNMP) implementation plan. The 2021 Basin Plan amendment required, in part, that the Task Force prepare an updated Groundwater Monitoring Program plan (2022 GMP). The purpose of the 2022 GMP was to (i) document the existing groundwater monitoring program that is implemented by the Task Force to comply with the Basin Plan SNMP, (ii) define the scope of work to perform the 2021 assessment of AWQ and assimilative capacity due in October of 2023, and (ii) provide the framework for the Task Force's ongoing work to implement the Basin Plan SNMP through 2029. The Task Force prepared and submitted the draft 2022 Groundwater Monitoring Program (2022 GMP) on October 28, 2022. The 2022 GMP report documents the groundwater monitoring networks of the 35 groundwater management zones (GMZs) in the SAR Watershed and the scope of work to perform the 2021 AWQ Pilot Study, the objective of which is to explore improved and/or alternative methods to periodically recompute AWQ and determine the assimilative capacity of the 35 GMZs.

This proposal documents the objectives and scope of services to perform the 2021 AWQ Pilot Study.

2021 AWQ PILOT STUDY OBJECTIVE

In accordance with the 2021 Basin Plan amendment, the determination of AWQ may be accomplished as follows:

The determination of current ambient quality can be accomplished using methodology consistent with that employed by the Nitrogen/TDS Task Force (20-year running averages) to develop the TDS and nitrogen water quality objectives included in this Basin Plan, or an alternative method approved by the Executive Officer of the Santa Ana Water Board.

The objectives and intended outcomes of the 2021 AWQ Pilot Study are to:

- Update the Task Force’s database by collecting the TDS and nitrate data for all wells in the 35 GMZs defined in the 2022 GMP monitoring program for the years 2019, 2020, and 2021
- Pilot alternative methods to compute AWQ and assimilative capacity in 11 GMZs as described in the 2022 GMP, including:
 - A simplified method based on an analysis of historical trends, AWQ statistics, and spatial distribution of TDS and nitrate in four GMZs
 - The four GMZs are: Bunker-Hill B, Perris-South, Riverside-A, and Temescal. These four GMZs were selected to represent a range of conditions, including GMZs with and without assimilative capacity for TDS or nitrate.
 - A modified version of the standard methodology employed by the Task Force in prior AWQ recomputations for the seven GMZs with Maximum Benefit SNMPs
 - The seven GMZs are: Beaumont, Chino-North, Cucamonga, Elsinore, San Jacinto Upper Pressure, San Timoteo, and Yucaipa
- Pilot the process to update the aquifer storage model in one GMZ (Yucaipa GMZ)
 - This includes computing the AWQ for 2021 with the new and old storage models, and the AWQ for the objective setting period of 1954 to 1973 with the new storage model
 - The results will be used to help the Santa Ana Water Board (1) understand the potential regulatory impacts that a revised model could produce and (2) define the actions that should follow any update to the GMZ aquifer storage models
- Pilot the process to map land use, recycled water, recharge facilities, and other relevant groundwater management activities to support the interpretation of data trends in one GMZ (select one of the 11 GMZs included in the Pilot Study)
- Define the recommended technical methodology for future AWQ and assimilative capacity assessments
- Refine the schedule and scope of work that needs to be performed by the Task force from Fiscal Year 2023/24 through Fiscal Year 2028/29 to comply with the Basin Plan SNMP, which could include a recommended schedule to:
 - Perform annual data collection and management
 - Compute AWQ and assimilative capacity based on findings of the Pilot Study
 - Update the remaining GMZ aquifer storage models (if needed)

- Complete the five-year update of the AWQ and assimilative capacity assessment due to the Santa Ana Water Board on October 1, 2028
- Perform other work to support the Santa Ana Water Board’s five-year assessment of the Basin Plan SNMP that is due April 2029, which will include, at a minimum, reassessing new data gaps in the monitoring network
- Submit the 2021 AWQ Pilot Study Report to the Santa Ana Water Board on October 1, 2023.

The final 2021 AWQ Pilot Study Report will include the following sections:

Section 1 – Introduction. This introductory section will describe the purpose of the Pilot Study, the regulatory setting that establishes the requirement for computing AWQ, the project approach, and an overview of the organization of the report.

Section 2 – Data Collection and Review. This section will describe the data collection and data quality assurance/quality control (QA/QC) protocols that were performed to support the project.

Section 3 – Ambient Water Quality: TDS/N Concentrations, Trends, and Statistics. This section will describe the first of two methods piloted to compute AWQ in selected GMZs. It will document the technical methodology and present the results and key findings.

Section 4 – Ambient Water Quality: Volume-weighted TDS/N Concentrations. This section will describe the second of two methods piloted to compute AWQ in selected GMZs. It will document the technical methodology and present the results and key findings.

Section 5 – Recommended Technical Methodology to Compute Ambient Water and Assimilative Capacity. This section will describe the recommended technical methodology to be used in future AWQ and assimilative capacity assessments. The methodology will be documented in sufficient detail to enable easy development of scope of work specifications to support engagement of technical consultants to perform the work.

Section 6 – Task Force SNMP Implementation Plan. This section will describe the schedule of work that will need to be performed by the Task Force from Fiscal Year 2023/24 through Fiscal Year 2028/29 to comply with the Basin Plan SNMP, through the completion of the next five-year update of AWQ.

SCOPE OF SERVICES

Pursuant to the 2022 GMP, the 2021 AWQ Pilot Study Report the following are the tasks necessary to perform the proposed Scope of Services, each further described below:

- Task 1 – Data Collection and Review
- Task 2 – Pilot Assessment of Ambient Water Quality in Select GMZs
- Task 3 – Develop Technical Approach and SNMP Implementation Plan
- Task 4 – Prepare Final Report
- Task 5 – Task Force Workshops and Project Management

Task 1. Data Collection and Review

The objective of this task is to collect updated total dissolved solids (TDS) and nitrate as nitrogen (nitrate) data¹ for the wells in the groundwater monitoring networks of all 35 GMZs defined in the Appendix A of the 2022 GMP. Although not all 35 GMZs will be analyzed in the Pilot Study, the Regional Board requested that the Task Force provide a complete database of TDS and Nitrate data for the SAR Watershed. The data will be collected for the period from January 1, 2019, through December 31, 2021. Any data that may have been missed in the 2018 AWQ project will also be collected.

There are three subtasks:

Task 1.1 Collect, Process, and Store Data in Project Database and Directory

Task 1.2 Review Data and Perform QA/QC Checks

Task 1.3 Document Data Collection

The steps to complete the subtasks include:

- Prepare data request letters and send the letters to all responsible parties defined in the in the Appendix A of the 2022 GMP
- Collect TDS and nitrate data and process data into standardized formats for database upload
- Append data to 2018 ambient water quality database
- Perform QA/QC of data by reviewing TDS and nitrate time history charts
- Collect shapefiles of groundwater level elevations for GMZs with Maximum Benefit SNMPs²
- Prepare draft Section 2 of the 2021 AWQ Pilot Study report, including recommended scope of work to improve data management and implement annual data collection

Task 1 Assumptions

- West Yost will lead this task, with support from WSC
- The Task Force Agencies will timely respond to data requests
- The Task Force Agencies will provide data in electronic formats
- To expedite the completion of the Pilot Study, the data collection from the 11 GMZs that are part of the pilot study will be prioritized and fast tracked.

Task 1 Deliverables

- Database file of TDS and nitrate results for 2002 through 2021
- TDS and nitrate time history charts of TDS and nitrate, by well
- Two PowerPoint presentations of the data collection process/status to review at a Task Force workshop
- Draft Section 2 of 2021 AWQ Pilot Study report

¹ Per discussions with the Santa Ana Water Board staff, the Task Force may focus its efforts exclusively on TDS and nitrate data.

² All GMZs have been reported to have water level contours available from a recent year. Water level data will be collected only if the contours are not available.

Task 2. Pilot Assessment of Ambient Water Quality in Select GMZs

The objective of this task is to pilot alternative methods to compute and produce findings of AWQ and assimilative capacity in 11 GMZs, as documented in the draft 2022 GMP. The alternative methods include:

- A simplified method based on an analysis of historical trends, current statistics, and spatial distribution of TDS and nitrate in four GMZs including: Bunker-Hill B, Perris-South, Riverside-A, and Temescal.
- A modified version of the standard methodology employed by the Task Force in prior AWQ recomputations for the seven GMZs with Maximum Benefit SNMPs including: Beaumont, Chino-North, Cucamonga, Elsinore, San Jacinto Upper Pressure, San Timoteo, and Yucaipa

This task will also include piloting a process to update the aquifer storage model in Yucaipa GMZ and process to update land use, recycled water, recharge facilities, and other relevant groundwater management activities to support the interpretation of data trends in one GMZ (select one of the 11 GMZs described above).

There are four subtasks:

Task 2.1 Analyze Water Quality Statistics and Trends for wells in the 11 GMZs Being Analyzed

Task 2.2 Determine 2021 AWQ for 4 GMZs Using Simplified Methods

Task 2.3 Perform Standard Ambient Water Quality Methodology for 7 GMZs

Task 2.4 Document Ambient Water Quality Analysis

The steps to complete the subtasks include:

- Prepare TDS and nitrate summary statistics for wells in all 11 GMZs
- Perform Mann Kendall trend analysis for wells in all 11 GMZs
- Compute 20-year AWQ statistic for wells in all 11 GMZs
- Perform simplified AWQ approach in four GMZs, including preparing an integrated explanatory graphic to illustrate the current AWQ and assimilative capacity finding
- Update storage model for the Yucaipa GMZ, this includes:
 - Compute AWQ for the 2021 period using the new and old storage models
 - Recompute AWQ for the objective setting period of 1954-1973
- Perform modified standard approach for seven GMZs, including pilot of:
 - Use of readily available water level contours to compute storage
 - GIS-supported procedure to contour TDS and N concentrations in at least one GMZ
 - Limit contouring and map displays to the extent of the saturated portion of aquifer within the GMZ boundary

For each pilot approach, the work will be performed in one GMZ and will be reviewed with the Task Force prior to proceeding to complete the analysis for the remaining GMZs. modified standard approach for seven GMZs

Task 2 Assumptions

- West Yost will lead the subtasks to prepare statistics and perform the simplified AWQ approach in four GMZs, with support from WSC and DBS&A
- WSC will lead the subtasks to update the storage model for the Yucaipa GMZ and perform modified standard approach for seven GMZs, with support from West Yost

Task 2 Deliverables

- Tables summarizing statistics (summary statistics, Mann Kendall, and AWQ statistic)
- Exhibits and maps displaying the AWQ and assimilative capacity results for the 11 GMZs analyzed
- Up to four PowerPoint presentations for review at a Task Force workshop
- Draft Sections 3 and 4 of the 2021 AWQ Pilot Study report
- GIS shapefiles of relevant work products (TDS contours/rasters, storage grids, etc.)

Task 3. Develop Technical Approach and SNMP Implementation Plan

The objective of this task is to (1) determine if the piloted methods can be done successfully (e.g. provide AWQ analyses that are suitable for compliance with the Basin Plan and the State Board's SNMP requirements), (2) determine whether the piloted methods provide benefit to the Task Force and Regional Board, (3) define the recommended technical methodology for future AWQ and assimilative capacity assessments based on the analysis and results of work performed for Task 2, and (4) prepare a refined schedule and scope of work that needs to be performed by the Task Force from Fiscal Year 2023/24 through Fiscal Year 2028/29 to comply with the Basin Plan SNMP.

The effectiveness of the simplified method will be assessed by comparing the results for the 4 GMZs to past AWQ determinations and data/trends. Note that the decision to adopt a new AWQ methodology is not required and this task will provide for an adequate comparison and justification for changes necessary to comply with the SNMP and inform the Task Force and the Regional Board in their final decision making.

There is one subtask:

Task 3.1 Develop and Document Recommendations for Ongoing Methods and Implementation

The steps to complete the task include:

- Prepare draft methodology and implementation plan, documented in PPT
- Prepare refined methodology and implementation plan based on Task Force feedback

Task 3 Assumptions

- West Yost and WSC will jointly lead the development of the recommended methodology

Task 3 Deliverables

- Two PowerPoint presentations for review at a Task Force workshop
- Draft Sections 5 and 6 of the 2021 AWQ Pilot Study report

Task 4. Prepare Final Report

The objective of this task is to prepare a complete draft and final report that documents the work performed for the 2021 AWQ Pilot Study. The draft report will be the compilation of all prior report sections produced in Tasks 1 through 3 and will have addressed any comments received on the draft sections. Following a review period by the Task Force, a final report will be prepared, including a response to comments appendix. The report will be the deliverable submitted to the Santa Ana Water Board to comply with the Basin Plan requirement to complete the AWQ update by October 2023.

There are two subtasks:

Task 4.1 Prepare Draft Report of 2021 AWQ and Recommendation for Ongoing Methods

Task 4.2 Prepare Final Report of 2021 AWQ and Recommendation for Ongoing Methods

Task 4 Assumptions

- West Yost will lead the effort to compile the final report, with support from WSC

Task 4 Deliverables

- One PowerPoint presentation for review at a Task Force workshop
- Draft 2021 AWQ Pilot Study report
- Response to comments on Draft 2021 AWQ Pilot Study report
- Final 2021 AWQ Pilot Study report

Task 5. Task Force Workshops and Project Management

The objective of this task is to (1) attend up to ten Task Force workshops to present the work of the 2021 AWQ Pilot Study and (2) perform project management tasks to keep the SAWPA project manager informed of progress toward completion of the project, on budget, and schedule.

Task 5 Assumptions

- 4 workshops will be attended in person at SAWPA, 6 workshops will be attended virtually
- A representative from West Yost and WSC will attend each meeting
- DBS&A will attend up to two meetings

PROJECT BUDGET

West Yost, WSC, and DBS&A will perform the Scope of Services described above on a time-and-expenses basis, at the billing rates set forth in billing rate Schedules included in Attachment A. The proposed level of labor effort and labor cost for each firm and the total cost for each task and total project are shown in detail in *Appendix B - Work Breakdown Structure and Fee Estimate to Perform the 2021 Ambient Water Quality Pilot Study*.

Table 1 summarizes the labor hours and cost estimate to complete each task and the totals for the project. The not-to-exceed budget is \$339,960. Any additional services not included in this Scope of

Services will be performed only after receiving written authorization and a corresponding budget augmentation.

Task	Labor Hours West Yost	Labor Hours WSC	Labor Hours DBSA	Cost Estimate, dollars
Task 1. Data Collection and Review	314	21	0	\$71,614
Task 2. Perform Pilot Ambient Water Quality Analysis	249	333	28	\$138,125
Task 3. Develop AWQ Technical Approach and AWQ Work Plan	90	56	0	\$40,059
Task 4. Prepare Final Report	109	48	0	\$37,388
Task 5. Task Force Workshops and Project Management	109	77	11	\$52,775
Total	869	478	39	\$339,960

SCHEDULE

Table 2 shows the schedule to complete the 2021 AWQ Pilot Study from January 2023 through November 2023.

Task and Subtask	2023 Task Duration										
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov
Task 1. Data Collection and Review (Prioritize 11 GMZs first, complete rest after)											
Task 2. Pilot Assessment of Ambient Water Quality in Select GMZs											
Task 3. Develop Technical Approach and SNMP Implementation Plan											
Task 4. Prepare Final Report								D	F		
Task 5. Task Force Workshops and Project Management	W	W	W	W	W	W	W	W	W	W	*
Notes: D = Draft Report, F = Final Report, W = Task Force Workshop, * = Project management only											

STAFFING

Samantha Adams will serve as the Contract manager, Principal-in-Charge, and Technical Reviewer for the Project. Veva Weamer will serve as the West Yost project manager and will be supported by various West Yost geologists, scientists, and engineers, including Sodavy Ou who will lead the data collection tasks. Michael Cruikshank, PG, CHG will serve as the WSC project manager and will be supported by other WSC geologists. Hannah Erbele, PG will serve as the DBS&A project manager. Technical QA/QC of all work products will be performed by a West Yost licensed Geologist or Engineer.

Thank you for providing West Yost the opportunity to be of continued service to the Task Force. We look forward to working with you on this important project. Please call if you have any questions or require additional information.

Sincerely,
WEST YOST



Samantha Adams
Principal-In-Charge, West Yost

Attachment(s):

Attachment A. West Yost and Subconsultant Billing Rates
Attachment B. Work Breakdown Structure and Fee Estimate to Perform the 2021 Ambient Water Quality Pilot Study

West Yost and Subconsultant Billing Rates

Subconsultant Rates		
Subconsultant	Staff Name, Title	Billing Rate \$/hr
Water Systems Consulting	Michael Cruikshank, PG, CHG Principal Hydrogeologist	\$295
Water Systems Consulting	C. Springer; E. Fregoso Staff Geologist	\$165
Water Systems Consulting	K. Meriill Administrative	\$170
Daniel B. Stephens & Associates	Hannah Erbele, PG Environmental Scientist	\$220

Work Breakdown Structure and Fee Estimate to Perform
the 2021 Ambient Water Quality Pilot Study

West Yost and Subconsultant Billing Rates

2023 Billing Rate Schedule

(Effective January 1, 2023 through December 31, 2023)*



POSITIONS	LABOR CHARGES (DOLLARS PER HOUR)
ENGINEERING	
Principal/Vice President	\$338
Engineer/Scientist/Geologist Manager I / II	\$319 / \$334
Principal Engineer/Scientist/Geologist I / II	\$288 / \$307
Senior Engineer/Scientist/Geologist I / II	\$259 / \$272
Associate Engineer/Scientist/Geologist I / II	\$215 / \$231
Engineer/Scientist/Geologist I / II	\$173 / \$201
Engineering Aide	\$101
Field Monitoring Services	\$125
Administrative I / II / III / IV	\$92 / \$115 / \$138 / \$152
ENGINEERING TECHNOLOGY	
Engineering Tech Manager I / II	\$332 / \$334
Principal Tech Specialist I / II	\$305 / \$315
Senior Tech Specialist I / II	\$279 / \$291
Senior GIS Analyst	\$252
GIS Analyst	\$239
Technical Specialist I / II / III / IV	\$178 / \$203 / \$228 / \$254
Technical Analyst I / II	\$128 / \$152
Technical Analyst Intern	\$103
Cross-Connection Control Specialist I / II / III / IV	\$133 / \$144 / \$162 / \$180
CAD Manager	\$201
CAD Designer I / II	\$156 / \$176
CONSTRUCTION MANAGEMENT	
Senior Construction Manager	\$322
Construction Manager I / II / III / IV	\$197 / \$211 / \$224 / \$283
Resident Inspector (Prevailing Wage Groups 4 / 3 / 2 / 1)	\$172 / \$191 / \$213 / \$221
Apprentice Inspector	\$156
CM Administrative I / II	\$83 / \$112
Field Services	\$221

- Hourly rates include Technology and Communication charges such as general and CAD computer, software, telephone, routine in-house copies/prints, postage, miscellaneous supplies, and other incidental project expenses.
- Outside Services such as vendor reproductions, prints, shipping, and major West Yost reproduction efforts, as well as Engineering Supplies, etc. will be billed at actual cost plus 15%.
- The Federal Mileage Rate will be used for mileage charges and will be based on the Federal Mileage Rate applicable to when the mileage costs were incurred. Travel other than mileage will be billed at cost.
- Subconsultants will be billed at actual cost plus 10%.
- Expert witness, research, technical review, analysis, preparation and meetings billed at 150% of standard hourly rates. Expert witness testimony and depositions billed at 200% of standard hourly rates.
- A Finance Charge of 1.5% per month (an Annual Rate of 18%) on the unpaid balance will be added to invoice amounts if not paid within 45 days from the date of the invoice.

2023 Billing Rate Schedule

(Effective January 1, 2023 through December 31, 2023)*



Equipment Charges

EQUIPMENT	BILLING RATES
2" Purge Pump & Control Box	\$300 / day
Aquacalc / Pygmy or AA Flow Meter	\$28 / day
Emergency SCADA System	\$35 / day
Field Vehicles (Groundwater)	\$1 / mile
Gas Detector	\$80 / day
Generator	\$60 / day
Hydrant Pressure Gauge	\$10 / day
Hydrant Pressure Recorder, Impulse (Transient)	\$55 / day
Hydrant Pressure Recorder, Standard	\$40 / day
Low Flow Pump Back Pack	\$135 / day
Low Flow Pump Controller	\$200 / day
Powers Water Level Meter	\$32 / day
Precision Water Level Meter 300ft	\$30 / day
Precision Water Level Meter 500ft	\$40 / day
Precision Water Level Meter 700ft	\$45 / day
QED Sample Pro Bladder Pump	\$65 / day
Stainless Steel Wire per foot	\$0 / day
Storage Tank	\$20 / day
Sump Pump	\$24 / day
Transducer Components (per installation)	\$23 / day
Trimble GPS – Geo 7x	\$220 / day
Tube Length Counter	\$22 / day
Turbidity Meter	\$30 / day
Vehicle (Construction Management)	\$10 / hour
Water Flow Probe Meter	\$20 / day
Water Quality Meter	\$50 / day
Water Quality Multimeter	\$185 / day
Well Sounder	\$30 / day

* This schedule is updated annually

Subconsultant Rates		
Subconsultant	Staff Name, Title	Billing Rate \$/hr
Water Systems Consulting	Michael Cruikshank, PG, CHG Principal Hydrogeologist	\$295
Water Systems Consulting	C. Springer; E. Fregoso Staff Geologist	\$165
Water Systems Consulting	K. Meriill Administrative	\$170
Daniel B. Stephens & Associates	Hannah Erbele, PG Environmental Scientist	\$220

Work Breakdown Structure and Fee Estimate to Perform
the 2021 Ambient Water Quality Pilot Study

Appendix B. Work Breakdown Structure and Fee Estimate to Perform the 2021 Ambient Water Quality Pilot Study

Task and Subtask Descriptions	West Yost Labor Hours and Labor									WSC Labor Hours and Cost					DBS&A Labor Hours and Cost		Reimbursable Expenses				Total Project Costs										
	Engineering Manager /PIC (Adams)	Principal Scientist II (Chiang)	Principal Scientist I/PM (Weamer)	Associate Geologist /II (Salberg/Cadaret)	Associate Scientist I (Ou)	Scientist /II (Various)	Administrative III	Task Repetition Multiplier	Estimated Person Hours	Labor Cost		M. Cruikshank, Principal Hydrogeologist	C. Springer/E. Fregoso, Staff Geologist	K. Merrill, Administrative	Task Repetition Multiplier	Estimated Person Hours	Labor Cost		H. Erbele	Labor Cost		Travel	Reproduction	Total		Sub-Task	Task and ProJet				
										Sub-Task	Task						Sub-Task	Task		Sub-Task	Task			Sub-Task	Task						
Task 3 - Develop Technical Approach and SNMP Implementation Plan																															
Task 3.1 Develop and Document Recommendations for Ongoing Methods and Implementation										\$25,359							\$14,700		\$0		\$0		\$40,059								
Prepare draft methodology and implementation plan	12.00	1.00	6.00	2.00	2.00		1	23	\$6,739		12.00	4.00	1	16	\$4,200						\$0				\$0		\$10,939				
Prepare PPT workshop	4.00		1.00		2.00		1	7	\$1,994		4.00	2.00	1	6	\$1,510						\$0				\$0		\$3,504				
Prepare refined methodology and implementation plan based on feedback	4.00		2.00	4.00	2.00		1	12	\$3,174		4.00	2.00	1	6	\$1,510						\$0				\$0		\$4,684				
Prepare PPT workshop	3.00		1.00		1.00		1	5	\$1,460		4.00	2.00	1	6	\$1,510						\$0				\$0		\$2,970				
Draft Sections 5 and 6 - Recommendations for Future Ambient Water Quality Assessments and SNMP Implementation Work Plan	16.00		18.00		6.00		3.00	1	43	\$11,992	18.00	4.00	1	22	\$5,970						\$0				\$0		\$17,962				
Task 3 Subtotals										39	1	28	6	13	0	3	90	\$25,359	42	14	0	56	\$14,700	0.00	\$0	\$0	\$500	\$500	\$40,059		
Task 4 - Prepare Final Report																															
Task 4.1 Prepare Draft Report of 2021 AWQ and Recommendation for Ongoing Methods										\$15,991							\$7,073		\$0		\$0		\$23,063								
Prepare Report Outline	0.50		2.00				2.00	1	5	\$1,012				1	1	\$295					\$0				\$0		\$1,307				
Draft Section 1 - Introduction	1.00		6.00					1	7	\$2,047				1	2	\$443					\$0				\$0		\$2,490				
Draft Section 2 - Data Collection , based on comments on draft section prepared in Task 1.3	0.50		2.00		6.00	2.00		1	11	\$2,400				1	2	\$590					\$0				\$0		\$2,990				
Draft Section 3 - Ambient Water Quality: TDS/Concentrations, Trends, and Statistics , based on comments on draft section prepared in Task 2.3	1.00		2.00		6.00	4.00		1	13	\$2,933				1	0	\$0					\$0				\$0		\$2,933				
Draft Section 4 - Ambient Water Quality: Volume-weighted TDS/N in Selected GMZs , based on comments on draft section prepared in Task 2.3	1.00		2.00					1	3	\$895	4.00	6.00	1	10	\$2,170						\$0				\$0		\$3,065				
Draft Section 5 - Recommendations for Future Ambient Water Quality Assessments , based on comments on draft section prepared in Task 3	1.00		2.00					1	3	\$895	2.00	1.00	1	3	\$755						\$0				\$0		\$1,650				
Draft Section 6 - Task Force SNMP Implementation Work and Schedule , based on comments on draft section prepared in Task 3	1.00		2.00		4.00	4.00		1	11	\$2,503	4.00	1.00	1	5	\$1,345						\$0				\$0		\$3,848				
Compile draft report, perform internal technical review, finalize and submit to Task Force	1.00		2.00		4.00		8.00	1	15	\$2,859	4.00		1	4	\$1,180						\$0				\$0		\$4,039				
Prepare status presentations for 1 Task Force Meeting	0.50		1.00					1	2	\$448	1.00		1	1	\$295						\$0				\$0		\$743				
Task 4.2 Prepare Final Report of 2021 AWQ and Recommendation for Ongoing Methods										\$9,465							\$4,860		\$0		\$0		\$14,325								
Prepare Response to comments for review with Task Force	4.00		6.00		6.00		2.00	1	18	\$4,570	8.00	2.00	1	10	\$2,690						\$0				\$0		\$7,260				
Prepare final report	1.00		2.00		6.00		3.00	1	12	\$2,599	3.00	2.00	1	5	\$1,215						\$0				\$0		\$3,814				
Prepare electronic deliverables/appendices			2.00		8.00			1	10	\$2,296	1.00	4.00	1	5	\$955						\$0				\$0		\$3,251				
Task 4 Subtotals										13	0	31	0	40	10	15	109	\$25,456	32	16	0	48	\$11,933	0	\$0	\$0	\$0	\$0	\$0	\$37,388	
Task 5 - Meetings and Project Management																															
Task 5.1 Meetings										\$24,183							\$13,673		\$2,310		\$840		\$41,005								
Kick-off meeting with project team and Task Force representatives	1.00		1.00		1.50			1	4	\$930	1.00	1.00	1	2	\$460			1.00	\$220						\$0		\$1,610				
Attend in-person Task Force meetings (4)	2.50		5.00		2.50			4	40	\$11,100	5.00	2.50	4	30	\$7,550			6.00	\$1,320		\$840		\$840		\$840		\$20,810				
Attend virtual Task Force meetings (6)	1.25		2.50		1.25			6	30	\$8,325	2.50	1.25	6	23	\$5,663			3.50	\$770						\$0		\$14,758				
Attend SAWPA Commission meeting (1)	6.00							1	6	\$1,914				1	0	\$0					\$0				\$0		\$1,914				
Attend Water Board meeting (1)	6.00							1	6	\$1,914				1	0	\$0					\$0				\$0		\$1,914				
Task 5.2 Project Management										\$5,967							\$5,803		\$0		\$0		\$11,770								
Monthly project management tasks	0.13		1.50				0.50	11	23	\$5,967	1.50		0.50	11	22	\$5,803					\$0				\$0		\$11,770				
Task 5 Subtotals										32	0	53	0	19	0	6	109	\$30,150	53	19	6	77	\$19,475	11	\$2,310	\$840	\$0	\$840	\$0	\$840	\$11,770
Project Totals																															
	117	42	184	67	259	168	35	869	\$209,465	251	277	6	478	\$120,685	39	\$8,470	\$840	\$500	\$1,340	\$339,960											

Page Intentionally Blank



Memorandum

To: File
From: Mark Norton, P.E. Special Projects Manager
Date: December 20, 2022
Re: Sole Source Justification – West Yost with subconsultants, WSC and DBS

In accordance with SAWPA Procurement Policy and Purchasing Authority, all single or sole source procurements of services shall be accompanied by documentation justifying the selection. The consultant, West Yost, is being recommended for the work for the SAWPA Basin Monitoring Program Task Force work to conduct an Ambient Water Quality Update Pilot Study for the Task Order WESXXX under the existing SAWPA General Services Agreement with West Yost based on the following reasons:

1. On October 11, 2022, a Scoping Committee under the Basin Monitoring Program (BMP) Task Force reviewed the consultant support needs to undertake the proposed Ambient Water Quality (AWQ) Update Pilot as currently described in the West Yost 2022 Groundwater Management Plan completed in September 2022. Discussion was held to determine whether there was sufficient time to conduct a Request for Proposals in light of the upcoming deadline for the pilot study report to the Regional Board and the specialized and unique consulting services needed to perform this work. The Regional Board staff was also included in the discussions with the Scoping Committee. Since all past ambient water quality updates for TDS and Nitrogen in the Santa Ana River Watershed were all conducted by just three firms, it was deemed fair to encourage a joint proposal from the three consulting firms who have conducted this specialized work in the past. These firms include Wildermuth Environmental Inc.(now West Yost), Water Systems Consulting (WSC) and Daniel B. Stephens (DBS).
2. In discussions with the Basin Monitoring Program Task Force held on October 31, 2022, the Basin Monitoring Program Task Force shared concerns that might arise with contracting with all three consultants on one project and suggested that West Yost instead serve as the contracting party with SAWPA and that the other two consultants, WSC and DBS, serve as subconsultants to West Yost. In later discussions, all three of the consultants were in agreement with this approach. A

proposal for the Ambient Water Quality Update Pilot study that included the scope of work with details on work to be conducted by each consulting firm, a detailed budget and schedule was requested. West Yost agreed to serve as the lead and had indicated such an approach was acceptable to WSC and DBS. This approach will ensure fairness among the firms with the expertise and skills to conduct this work in a timely manner.

3. In a previous RFP for the services the previous year, West Yost had been selected among three other proposals as the most qualified and experienced in conducting ambient water quality updates for TDS and Nitrogen. West Yost developed the original scope of work for the Ambient Water Quality Update Pilot which was reviewed by the BMP Task Force, the Regional Board staff and SAWPA staff. After reflecting some minor comments, all those involved felt the Ambient Water Quality Update Pilot was effective and an appropriate approach to investigated ambient water quality and may serve as a template for future ambient water quality updates to be conducted every five years for submittal to the Regional Board.

In summary, the Basin Monitoring Program Task Force which includes the Regional Board are supportive of a sole source contract with West Yost with supporting subconsultants, WSC and DBS, based on saving money, saving time, to assure successful implementation, increasing accountability and control, and being responsive to concerns.

Ambient Water Quality Update Pilot Study - Consultant Support

Mark Norton, Special Projects Manager

SAWPA Commission | December 20, 2022

Item No. 7.C



Recommendation

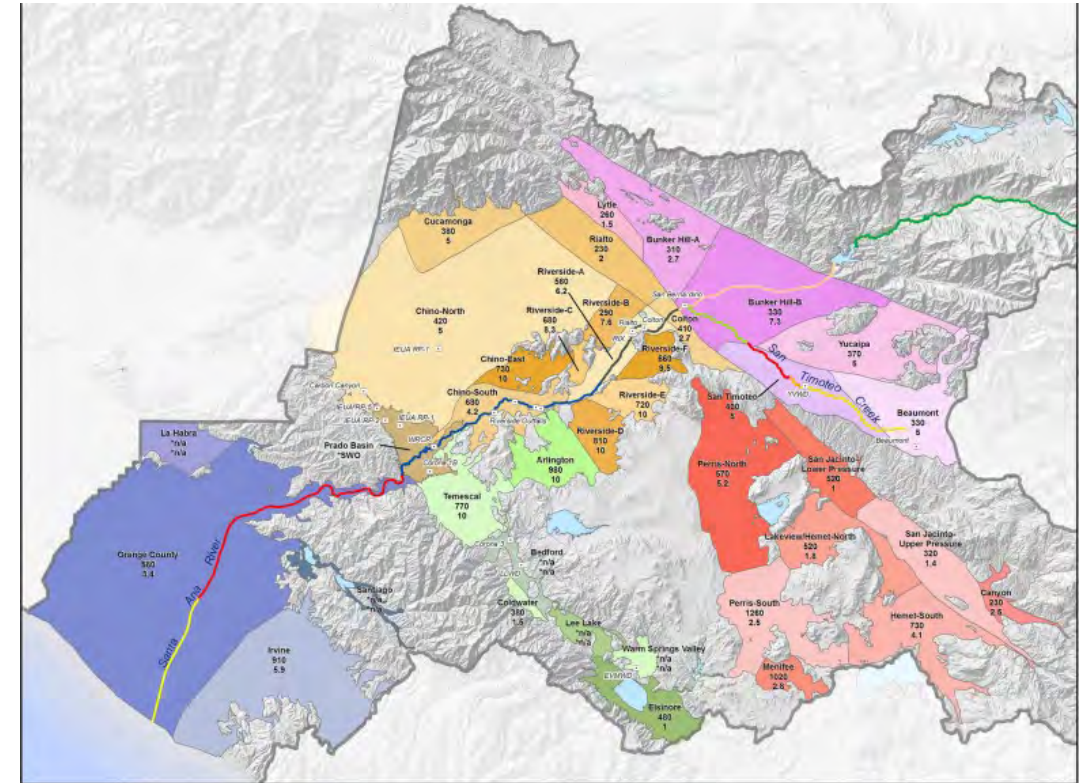
- That the Commission authorize the General Manager to execute Task Order WEST374-02 for an amount not-to-exceed \$339,960 with West Yost to conduct work to assist the Basin Monitoring Program Task Force to implement the Ambient Water Quality Pilot Study for TDS and Nitrogen.

Basin Monitoring Program Task Force

SAWPA authorized agreement in 2004

Description

- Conducts analysis of TDS and nitrate in watershed groundwater every three years to identify trends
- Annual Santa Ana River (SAR) water quality report
- SAR Wasteload Allocation to confirm compliance of river discharges with ground water quality objectives
- Salt and nitrogen investigations as necessary



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

- Completed Santa Ana River (SAR) Wasteload Allocation – June 2019
- Basin Plan Amendment and Supplemental Environmental Document prepared for SAR Wasteload Allocation - Sept. 2019
- Basin Plan Amendment approved by Regional Board in Dec. 2021, SWRCB in Jun 2022
- Drought Policy based on So Cal Salinity Coalition technical work incorporated in Basin Plan Amendment
- Existing WWTP permits were extended to meet new SAR Wasteload Allocation



Task Force Planning Priorities

- West Yost was hired in June 2021 through a competitive selection process to assist Task Force in scoping planning priorities for the coming four years
- Focus of work sought to ensure compliance with State Board 2019 Recycled Water Policy for Salt Nutrient Management Plans
 - Annual Santa Ana River Water Quality Report
 - Triennial Ambient Water Quality Update
 - Santa Ana River TDS Exceedances Investigation at Prado Dam



Scoping and Sole Source Selection

- As part of agreement with Regional Board, Task Force agreed to conduct Ambient Water Quality Update Pilot by the due date of next AWQ Update deliverable, October 2023
- Scoping Committee consisting of task force agencies agreed that contracting with a team of consultants with expertise in conducting ambient water quality updates for SAWPA was preferred in light of tight schedule
- West Yost agreed to reach out to two past firms that had conducted ambient water quality updates to develop proposal for pilot. The firms included the following:
 - **Water Systems Consulting Inc. (WSC)**
 - **Daniel B. Stephens, Inc. (DBS)**
- Task Force preferred to have one firm in lead role with other two firms, WSC and DBS, as subconsultants
- Proposal was reviewed and updated by Task Force
- Task Force is unanimous in their recommendation to select West Yost Inc. with WSC and DBS as subconsultants, to SAWPA for authorization



Objectives and Intended Outcomes

- Update the Task Force’s database by collecting the TDS and nitrate data for all wells in the 35 Groundwater Management Zones (GMZ) for the last three years
- Pilot alternative methods to compute Ambient Water Quality (AWQ) and assimilative capacity in 11 GMZs
- Pilot the process to update the aquifer storage model, map land use, recycled water, recharge facilities, and other relevant GMZ activities for data interpretation
- Define the recommended technical methodology for future AWQ and assimilative capacity assessments
- Refine the schedule and scope of work that needs to be performed every five years through FY 2028/29 to comply with the Basin Plan Salt & Nutrient Mgt (SNMP) Plan
- Complete the five-year update of the AWQ and assimilative capacity assessment due to the Santa Ana Water Board on October 1, 2028
- Perform other work to five-year assessment of the Basin Plan SNMP due April 2029, including reassessing new data gaps in the monitoring network



Recommendation

- That the Commission authorize the General Manager to execute Task Order WEST374-02 for an amount not-to-exceed \$339,960 with West Yost to conduct work to assist the Basin Monitoring Program Task Force to implement the Ambient Water Quality Pilot Study for TDS and Nitrogen.

Page Intentionally Blank

COMMISSION MEMORANDUM NO. 2022.80

DATE: December 20, 2022
TO: SAWPA Commission
SUBJECT: SAWPA Building – Lobby Security Improvements
PREPARED BY: David Ruhl, Executive Manager of Engineering and Operations

RECOMMENDATION

Direct the General Manager to prepare bid documents for the SAWPA Building Lobby Security Improvements project, including improvements to provide equal access to persons with disabilities as required by the Americans with Disabilities Act (ADA).

DISCUSSION

SAWPA issued a Task Order to Gillis + Panichapan Architects (Architect) to provide an architectural and engineering assessment of the existing SAWPA building and develop conceptual design drawings for the lobby to improve security, including associated ADA projects.

The Architect prepared conceptual design drawings for the lobby security improvements (Attachment 2). The project size and scope triggered compliance with ADA requirements, as enforced by the City of Riverside's permitting process. To meet these requirements, SAWPA worked with the Architect to engage an ADA consultant for a site analysis (Attachment 3), an engineering survey team and civil engineer to redesign the exterior entrance and add a path of travel from the parking lot (Attachment 4), and to generate a conceptual design of the first-floor restrooms (Attachment 5).

In September 2021, the SAWPA Commission approved a recommendation to prepare bid documents for the SAWPA Building Lobby Improvements project at an estimated cost of \$260,000, exclusive of ADA improvements. There were some staffing changes that delayed the project implementation and since that time the ADA improvements were identified. The architect's updated estimate for the lobby improvements only, has increased to \$290,000. The cost estimate for the ADA improvements inside the building is \$54,000 and the cost estimate for the ADA improvements outside the building is \$90,000. The estimated range for the total project cost is \$430,000 - \$490,000. This estimate is based on conceptual design. A revised cost estimate will be prepared based on completion of design.

If approved by the SAWPA Commission, a proposal would be requested from the Architect to prepare plans and specifications (bid documents).

As of August 31, 2022, the Building Reserve Fund has \$807,019 available.

RESOURCE IMPACTS

Sufficient funds are available in the building reserve fund.

Attachments:

1. PowerPoint Presentation
2. Conceptual Design for Lobby Security Improvements
3. ADA Report
4. Conceptual Design for ADA Path of Travel and Redesign of Exterior Entrance
5. Conceptual Design of the First-floor Restrooms and Drinking Fountain

Page Intentionally Blank

SAWPA Building Phase 3 - Lobby Security Improvements

December 20, 2022



Recommendation

Direct the General Manager to prepare bid documents for the SAWPA Lobby Security Improvements project including associated ADA improvements

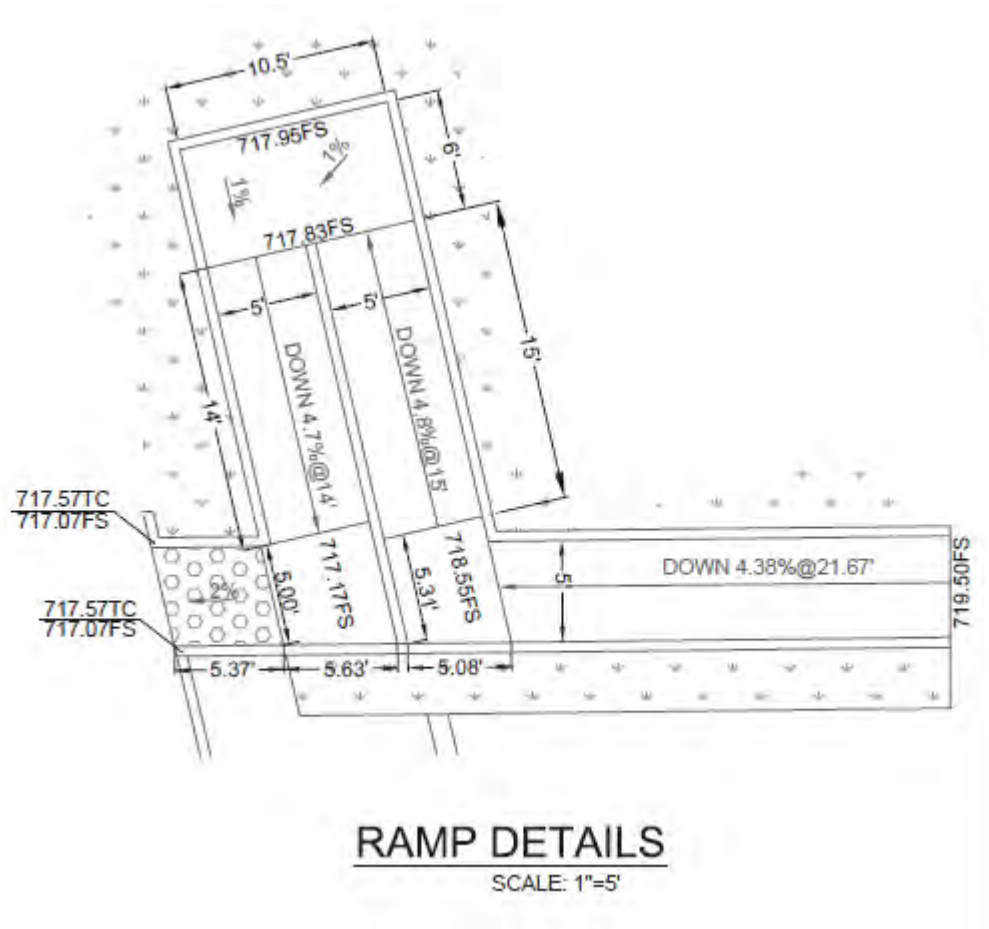
Project Drivers

- Harden the entrance to add a layer of security
- Maintain open lobby during business hours
- Improve functionality and appearance of reception work area
- Improvements consistent with prior Phase 1 and 2

Process

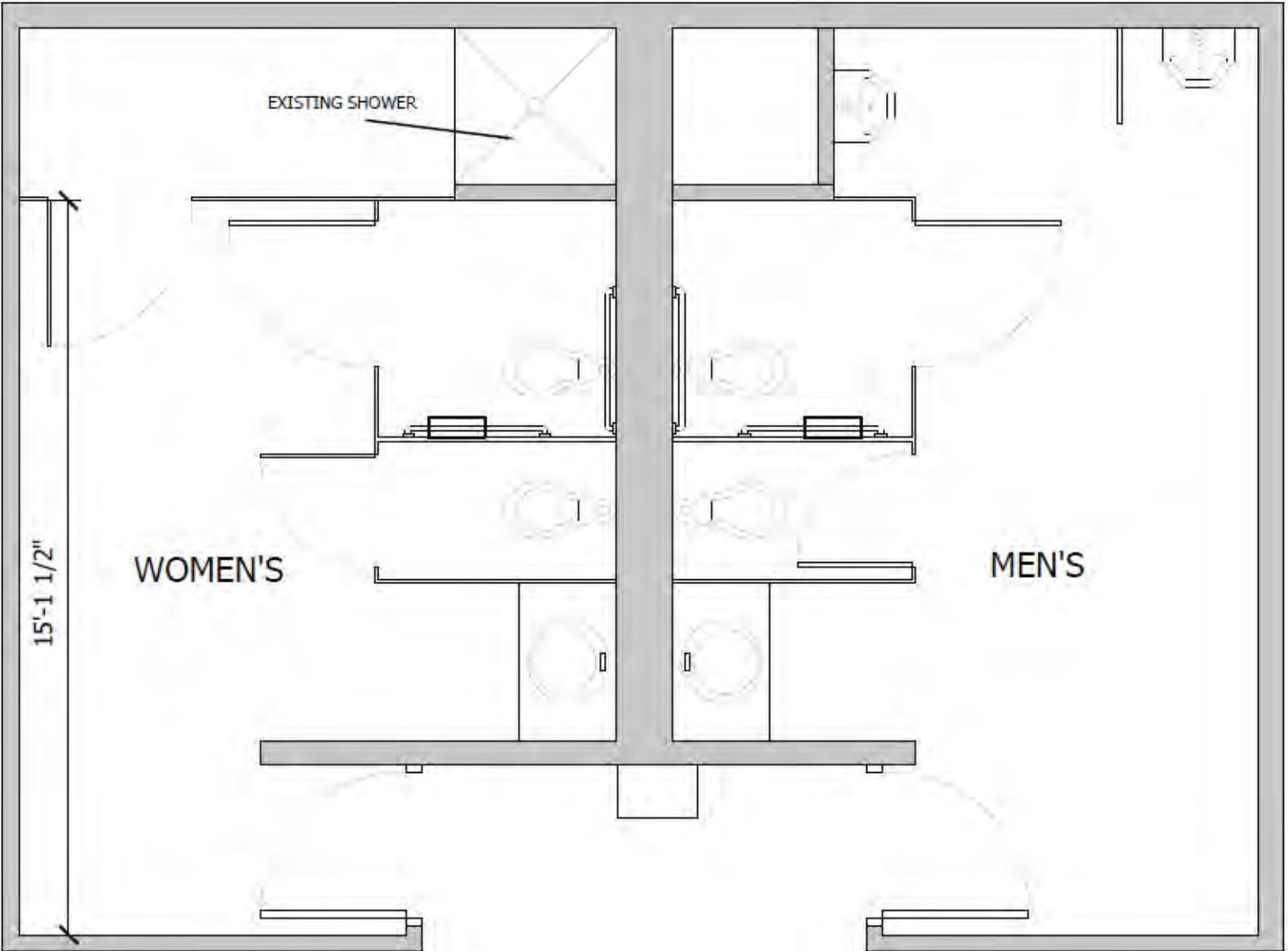
- Issued a Task Order to Gillis + Panichapan Architects
- Initiated Accessibility Compliance Report
- Identified ADA improvements: exterior entrance and first-floor restrooms
- Engaged survey team and civil engineer to design exterior entrance improvements
- Worked with Gillis + Panichapan on restrooms redesign

Exterior Entrance Redesign

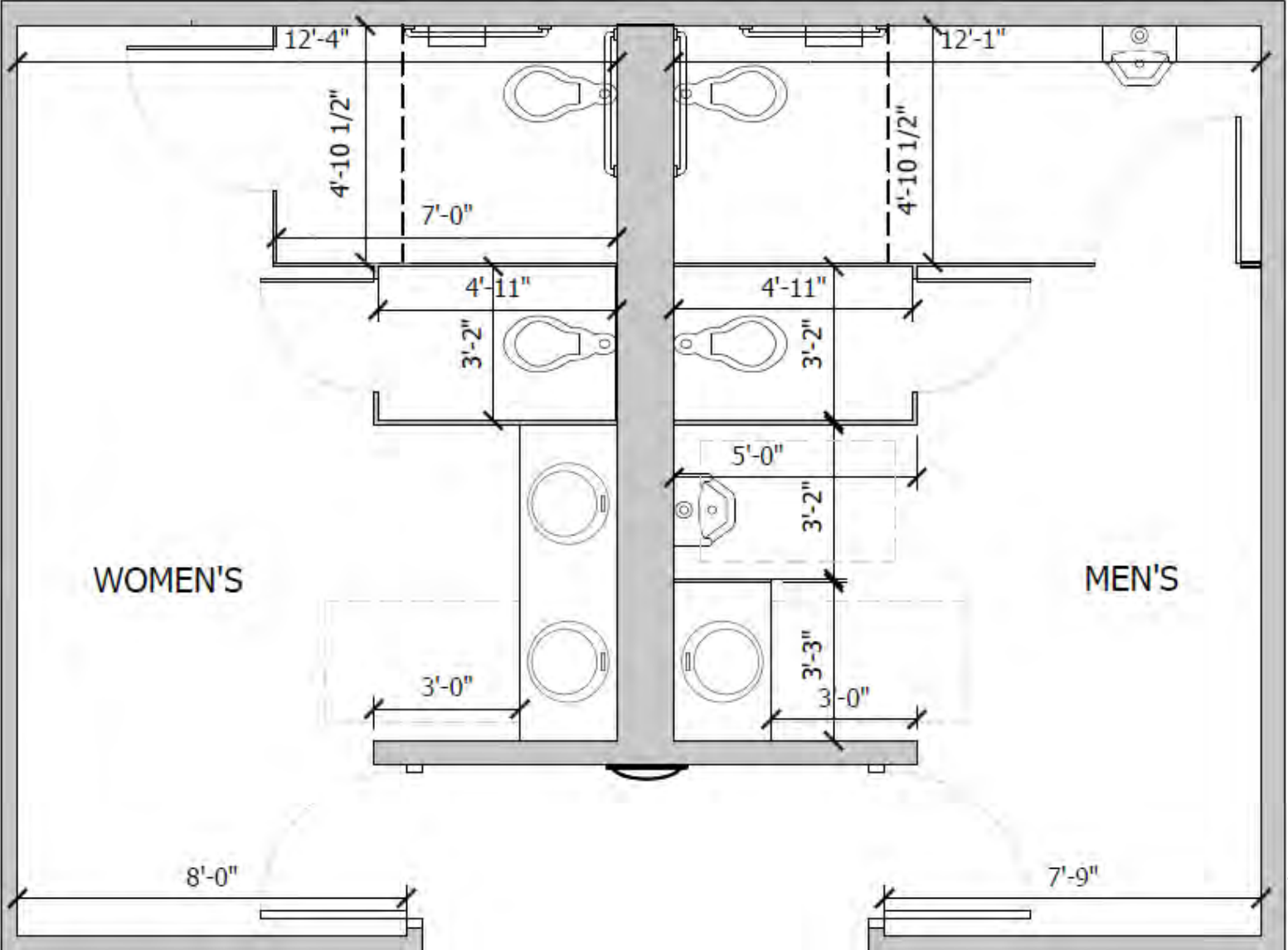


- Provides path of travel
- Adds a ramp from the ADA parking
- Preserves 2/3 of the exterior concrete area
- Includes aesthetic features

Restroom: Existing

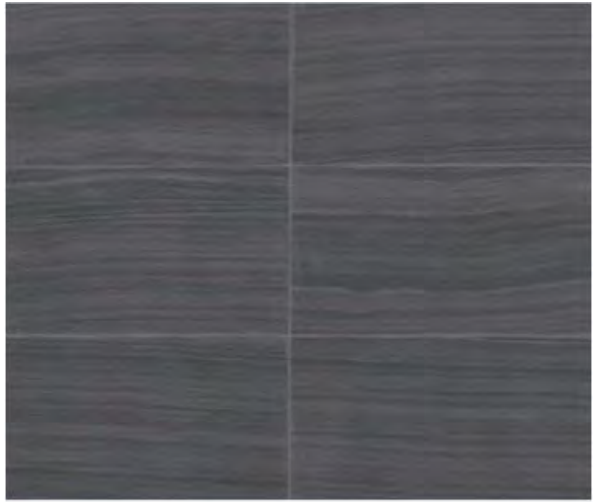


Restroom: Proposed

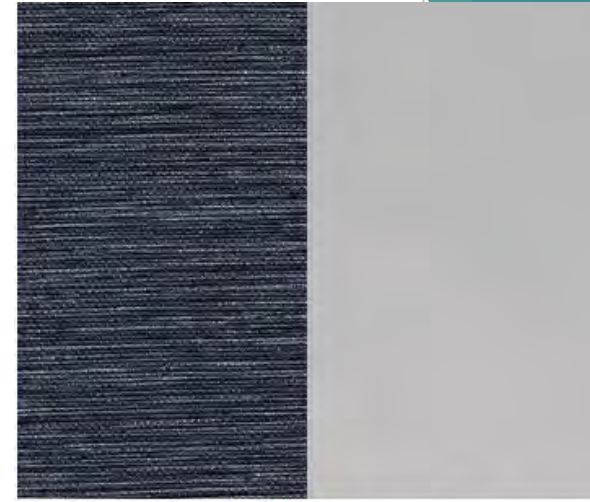




Proposed Lobby



03 DAL TILE - TILE FLOORING
REVOTILE STONE LOOK
GRAPHITE RV61



01 KOROSEAL -
WALLCOVERINGS
INTERLOOM PRUSSIAN -
NM21-19

02 CLEAR ADONIZED
STOREFRONT SYSTEM



04 DAL TILE -
ENGINEERED STONE
OQ34 - ROCKY MOUNTAIN

05 WILSONART -
PLASTIC LAMINATE
WALNUT HEIGHTS - 7965

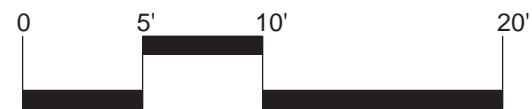
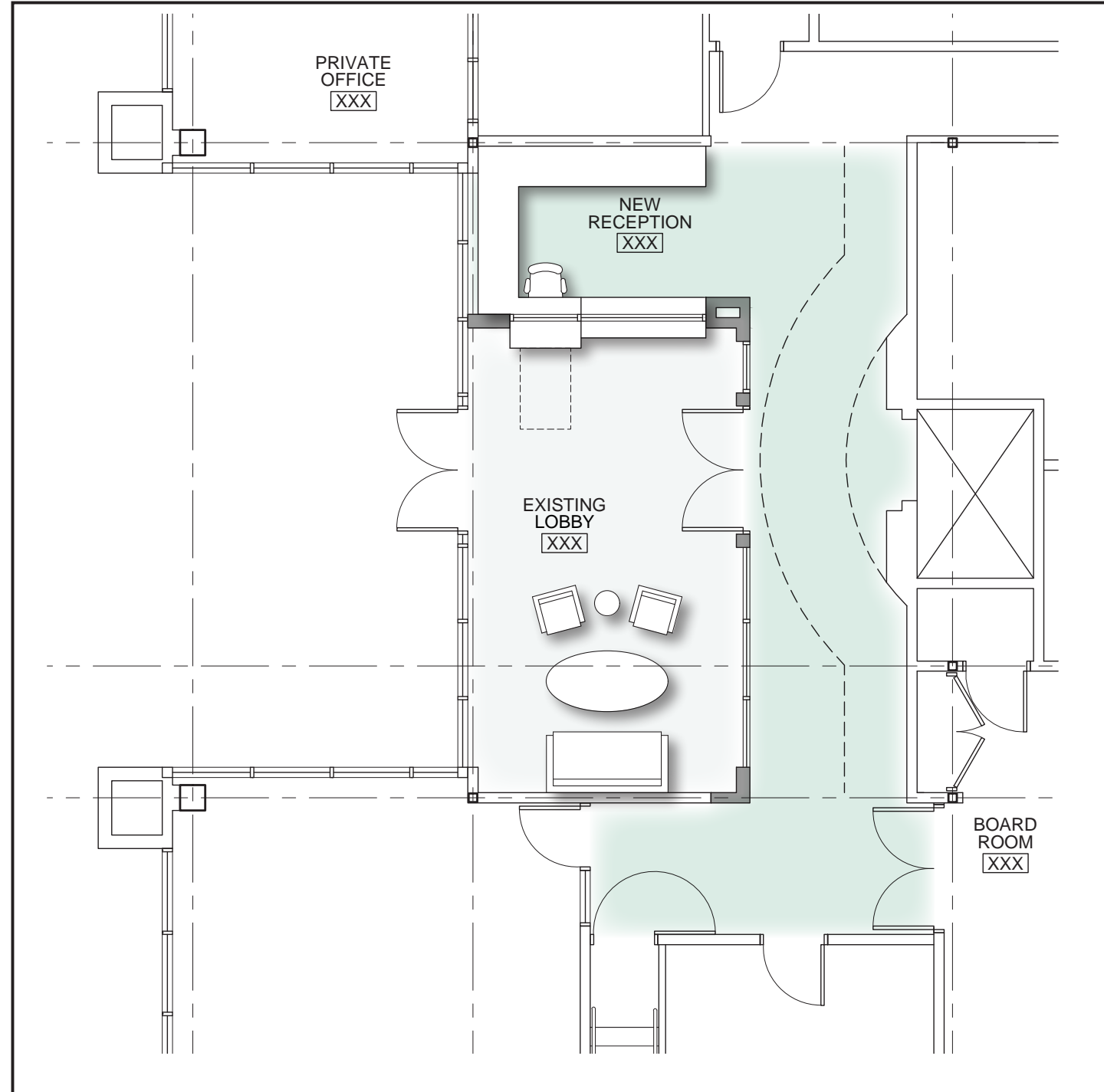
Estimated Project Cost

- Estimated cost in September 2021, excluding ADA projects
 - \$260,000
- Updated estimate, excluding ADA projects
 - \$XXX
- Estimated cost of ADA projects
 - \$XXX

Recommendation

Direct the General Manager to prepare bid documents for the SAWPA Lobby Security Improvements project including associated ADA improvements

Page Intentionally Blank



PROPOSED LOBBY - CONCEPT





Prepared by
Gillis + Panichapan Architects,
Inc.

DATE: 9/20/2022

SAWPA

SANTA ANA WATERSHED
PROJECT AUTHORITY

LOBBY RENOVATION

11615 STERLING AVE,
RIVERSIDE, CA 92503

DRAFT

CONCEPTUAL PERSPECTIVES

SCHEME 1





SCHEME 1: MATERIALS BOARD- PROPOSED



01 KOROSEAL - WALLCOVERINGS INTERLOOM PRUSSIAN - NM21-19

02 CLEAR ADONIZED STOREFRONT SYSTEM

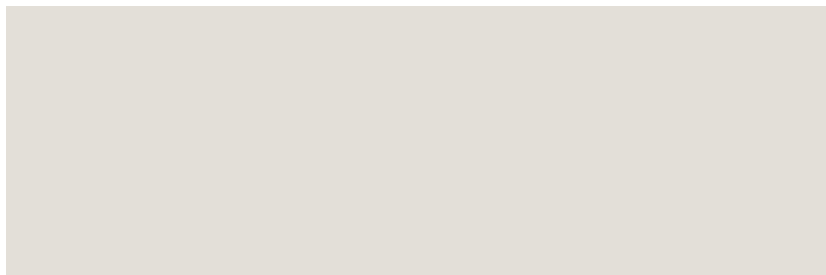


03 DAL TILE - TILE FLOORING REVOTILE STONE LOOK GRAPHITE RV61

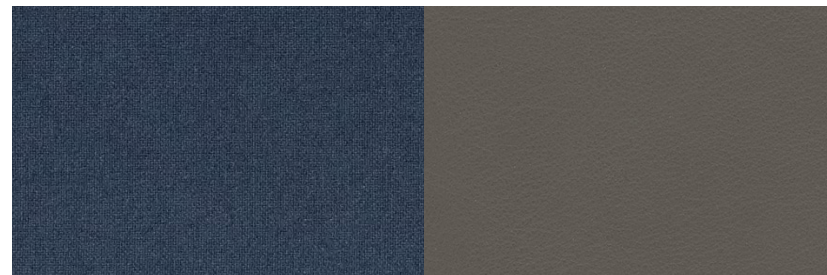


04 DAL TILE - ENGINEERED STONE OQ34 - ROCKY MOUNTAIN

05 WILSONART - PLASTIC LAMINATE WALNUT HEIGHTS - 7965



06 SHERWIN WILLIAMS - PAINT EIDER WHITE SW 7014



09 NATIONAL FABRIC- HARBOR: ENTWINE

10 NATIONAL FABRIC- SMOKE: DAVENPORT



13 WINDOW SHADE FABRIC- DOVE GREY 1605

14 WINDOW SHADE FABRIC- CORNSILK 1102



07 ROPPE - RUBBER BASE 193 BLACK BROWN

08 SHERWIN WILLIAMS - ACCENT PAINT LAZY GRAY SW 6254



11 NATIONAL FABRIC- DEEP SEA: ENTWINE

12 NATIONAL FABRIC- ATLANTIS: DAVENPORT

15 HARDWOOD CAP TO MATCH PROPOSED PLASTIC LAMINATE FINISH













Prepared by
Gillis + Panichapan Architects,
Inc.

DATE: 9/20/2022

SAWPA

SANTA ANA WATERSHED
PROJECT AUTHORITY

LOBBY RENOVATION

11615 STERLING AVE,
RIVERSIDE, CA 92503

DRAFT

CONCEPTUAL PERSPECTIVES

SCHEME 2





SCHEME 2: MATERIALS BOARD- PROPOSED



01 KOROSEAL - WALLCOVERINGS INTERLOOM COBALT

02 CLEAR ADONIZED STOREFRONT SYSTEM

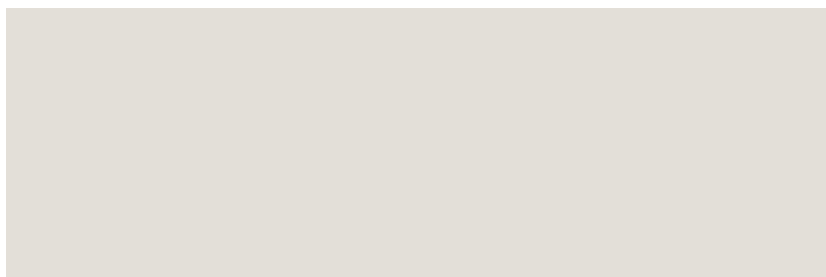


03 DAL TILE - TILE FLOORING REVOTILE STONE LOOK SAND DOLLAR

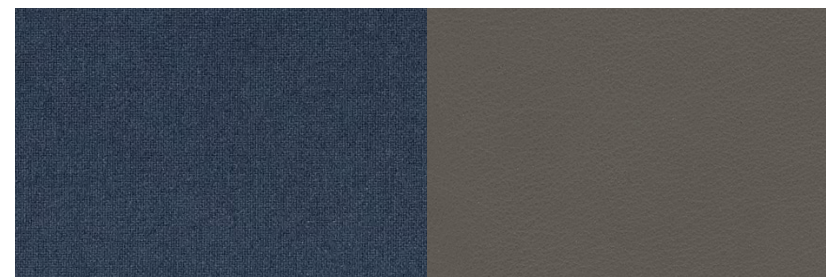


04 DAL TILE - ENGINEERED STONE OQ34 - ROCKY MOUNTAIN

05 WILSONART - PLASTIC LAMINATE WALNUT HEIGHTS - 7965



06 SHERWIN WILLIAMS - PAINT EIDER WHITE SW 7014



09 NATIONAL FABRIC- HARBOR: ENTWINE

10 NATIONAL FABRIC- SMOKE: DAVENPORT



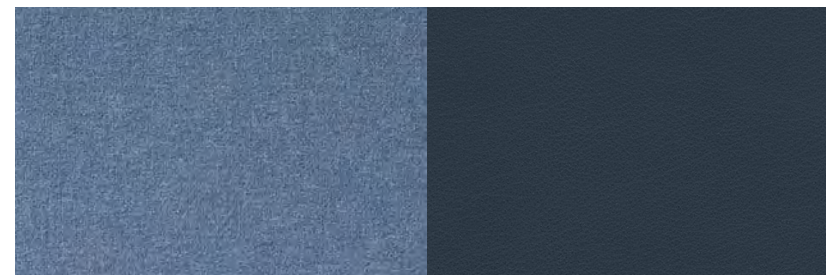
13 WINDOW SHADE FABRIC- DOVE GREY 1605

14 WINDOW SHADE FABRIC- CORNSILK 1102



07 ROPPE - RUBBER BASE 193 BLACK BROWN

08 SHERWIN WILLIAMS - ACCENT PAINT LAZY GRAY SW 6254



11 NATIONAL FABRIC- DEEP SEA: ENTWINE

12 NATIONAL FABRIC- ATLANTIS: DAVENPORT

15 HARDWOOD CAP TO MATCH PROPOSED PLASTIC LAMINATE FINISH











Page Intentionally Blank



Casper Development Resources

5360 Jackson Drive, Suite 114 | La Mesa, California | 91942

ACCESSIBILITY COMPLIANCE REPORT

**Based on the application of the Americans with Disabilities Act of 1990
and the California Building Code**

Report Type - Consulting



Facility Inspected:

SAWPA
11615 Sterling Avenue
Riverside, CA

Report Date:

March 31, 2022

I. INTRODUCTION

Gillis + Panichipan Architects, Inc. ("Architect"), on behalf of Santa Ana Watershed project Authority ("SAWPA" or "Client"), has retained Casper Development Resources, Inc. ("CDR" or "Consultant") as experts in the requirements of the Americans with Disabilities Act and California's accessibility laws as they apply to the facility described below.

The Americans with Disabilities Act ("ADA") prohibits discrimination on the basis of disability by public entities and requires facilities constructed or altered by, on behalf of, or for the use of a public entity to be designed, constructed and altered in compliance with the accessibility standards established by the regulation enacting the ADA.

The California Building Code ("CBC") requires sites, facilities and buildings newly constructed or altered be made accessible to persons with disabilities pursuant to the requirements of Chapter 11B of the CBC.

II. DESCRIPTION OF FACILITY

The facility is a two-story office building with an off-street parking lot. The building is the headquarters of SAWPA.

Property Location: SAWPA
11615 Sterling Avenue
Riverside, CA
("Facility")



III. ASSIGNMENT

SAWPA has retained Architect to prepare plans to renovate the lobby of the first floor of the building. Architect has asked CDR to visit the Facility and to:

1. Inspect the “path of travel” areas serving the lobby at the Facility for compliance with the 2010 ADA Standards and the 2019 California Building Code as they apply to facilities undergoing an alteration of a primary function area.
2. Prepare a report describing any elements within the inspected areas that do not comply with the 2010 ADA Standards and the 2019 California Building Code as they apply to facilities undergoing an alteration of a primary function area.

IV. ADA’S ALTERATION REQUIREMENTS

The regulation implementing the ADA’s requirements of public entities is found in 28 C.F.R. Part 35. The regulation requires that each facility, or part of a facility, that is altered after January 26, 1991, by, or on behalf of, a public entity be altered in such a manner that to the maximum extent feasible, the altered portion of the facility is readily accessible to and usable by individuals with disabilities. Alterations commenced after March 15, 2012, must comply with the 2010 ADA Standards. (28 C.F.R. §35.151(b)(1) and §35.151(c))

Path of Travel

In addition, an alteration that affects or could affect the usability of or access to an area of a facility that contains a primary function area must be made so as to ensure that, to the maximum extent feasible, the path of travel to the altered area and the restrooms, telephones and drinking fountains serving the altered area are readily accessible to and usable by individuals with disabilities , including individuals who use wheelchairs, unless the scope of such alterations is disproportionate to the cost of the overall alteration. (28 C.F.R. §35.150(b)(4))

The path of travel requirements do not apply to alterations made solely for the purposes of complying with the program accessibility requirements of 28 C.F.R. §35.150. (28 C.F.R. §35.151(b)(2))

A primary function is defined as “a major activity for which the facility is intended. Areas that contain a primary function include, but are not limited to, the dining area of a cafeteria, the meeting rooms in a conference center, as well as offices and other work areas in which the activities of the public entity using the facility are carried out.” (28 C.F.R. §35.151(b)(4)(i))

A path of travel is defined as “a continuous, unobstructed way of pedestrian passage by means of which the altered area may be approached, entered, and exited, and which connects the altered area with an exterior approach (including sidewalks, streets, and parking areas), an entrance to the facility, and other parts of the facility. (A) An accessible path of travel may consist of walks and sidewalks, curb ramps and other interior or exterior pedestrian ramps; clear floor paths through lobbies, corridors, rooms, and other improved areas; parking access aisles; elevators and lifts; or a combination of these elements. (B) For the purposes of this section, the term “path of travel” also includes the restrooms, telephones, and drinking fountains serving the altered area. (28 C.F.R. §35.151(b)(4)(ii))

The path of travel requirements include a Safe Harbor provision. “If a public entity has constructed or altered required elements of a path of travel in accordance with the specifications in either the 1991 Standards or the Uniform Federal Accessibility Standards before March 15, 2012, the public entity is not required to retrofit such elements to reflect incremental changes in the 2010 Standards solely because of an alteration to a primary function area served by that path of travel.” (28 C.F.R. §35.151(b)(4)(ii)(C))

Alterations to provide an accessible path of travel to an area of alteration are deemed disproportionate to the overall alteration when they exceed 20% of the cost of the alteration to the primary function area. (28 C.F.R. §35.151(b)(4)(iii))

When the cost of providing an accessible path of travel is disproportionate to the overall alteration, the regulations require the path of travel be made accessible to the extent that it can be made accessible without incurring disproportionate costs. (28 C.F.R. §35.151(b)(4)(iv))

V. CALIFORNIA’S ALTERATION REQUIREMENTS

California Government Code §4450 requires that at all buildings, structures, sidewalks, curbs, and related facilities, constructed in this state by the use of state, county, or municipal funds, or the funds of any political subdivision of the state shall be accessible to and usable by persons with disabilities.

It authorizes the State Architect to develop and the Building Standards Commission to adopt the California Building Code (“CBC”) which is codified in the California Code of Regulations Title 24 (24 C.C.R.). It requires the CBC be used to establish the minimum requirements to ensure that buildings, structures and related facilities are accessible to and usable by persons with disabilities.

The CBC applies to buildings and facilities when they are newly constructed or altered. It requires that newly constructed building or facilities and portions of existing buildings or

facilities which are being altered, comply with the regulations in effect at the time the building permit application is made. (CBC §1.1.9 and §11B-201.1)

Path of Travel Requirements in Alterations

The CBC requires that when alterations or additions are made to existing buildings or facilities, an accessible path of travel to the area of alteration or addition be provided. The CBC defines the path of travel as an identifiable accessible route within an existing site, building or facility by means of which a particular area may be approached, entered and exited, and which connects a particular area with an exterior approach (including sidewalks, streets and parking areas), an entrance to the facility, and other parts of the facility. The term “path of travel” also includes the toilet and bathing facilities, telephones, drinking fountains and signs serving the area of work. (CBC §202 & 11B-202.4)

The CBC contains a provision that when elements of a path of travel comply with the immediately preceding edition of the CBC, it is not required to upgrade those elements to reflect the incremental changes of the CBC in effect at the time of alteration. (CBC §202.4 Exception 2)

The CBC also contains provisions to address situations when the cost of full compliance with the path of travel requirements is disproportionate to the cost of the alteration project. (CBC 11B-202.4 Exception 8)

The Disproportionate Cost Provisions are:

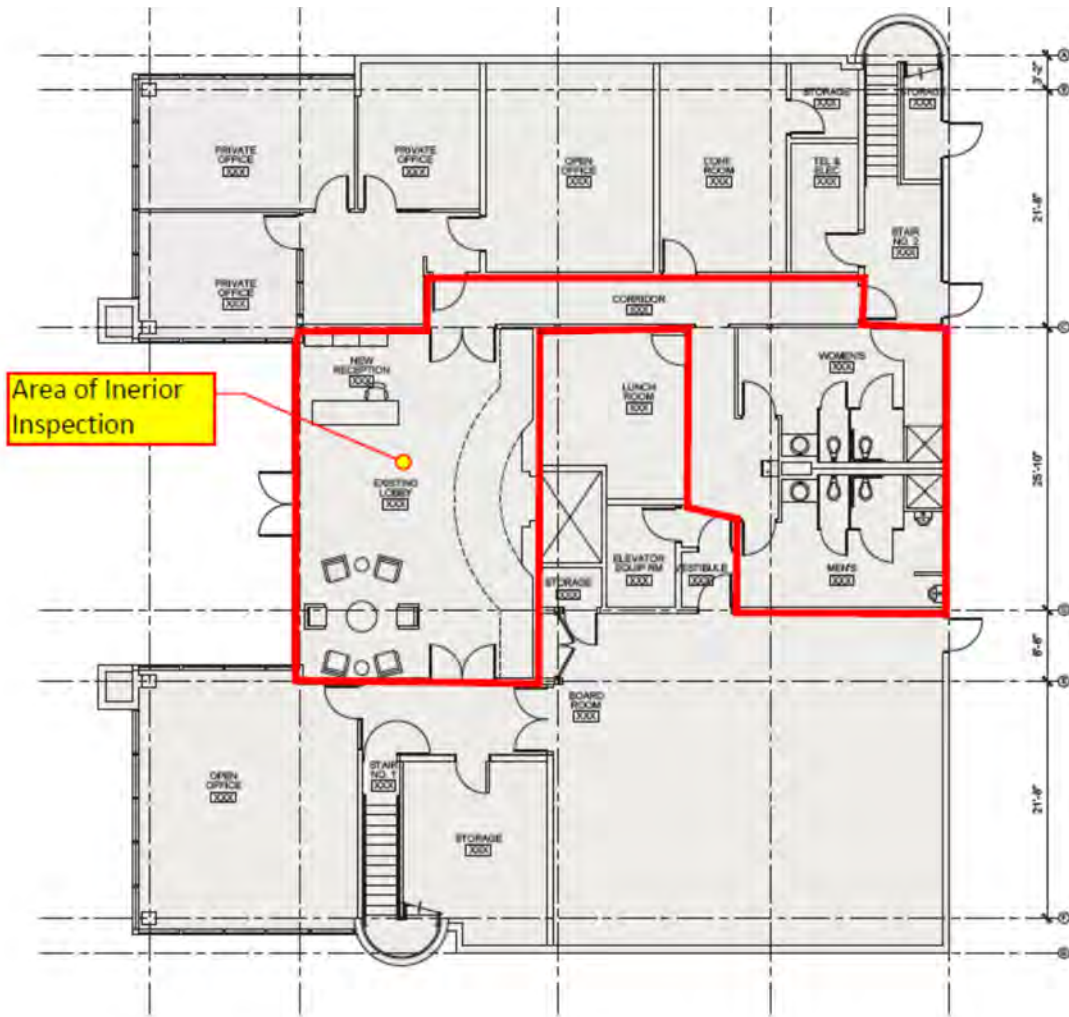
1. In projects where the value of the alteration or addition is UNDER a defined and published cost valuation (\$186,172.00 in 2022), the cost of compliance with the path of travel requirements is limited to 20% of the cost of the alteration or addition. When the costs would exceed 20%, compliance shall be provided to the extent possible without exceeding 20%.
2. In projects where the value of the alteration or addition is OVER a defined and published cost valuation (\$186,172.00 in 2022), AND the enforcing agency determines the cost of compliance is an “unreasonable hardship” the full compliance with the path of travel requirements is not required. Compliance shall be provided to the greatest extent feasible without creating an unreasonable hardship, but in no case shall the cost of compliance be less than 20% of the cost of the alteration or addition.

VI. INSPECTION OF FACILITY

This report is based on an inspection of the Facility made by Neal Casper (CAsp-020) on March 29, 2022. The following area were included in the inspection:

1. Accessible Parking
2. Exterior accessible route between the city sidewalk, accessible parking and the building entrance.
3. Building Entrance.
4. Interior accessible route between the lobby and the toilet rooms serving the lobby.
5. Toilet Rooms serving the lobby
6. Drinking Fountains serving the lobby.
7. Signs serving the lobby.





EXISTING FLOOR PLAN- FIRST FLOOR
SCALE: N.T.S



VII. APPLICABLE STANDARDS

The 2010 ADA Standards and the 2019 CBC were used to evaluate the Facility.

VIII. FINDINGS

The following pages detail the inspected elements within the Facility which failed to meet the requirements of the applicable standards and which will be required to be corrected as part of the planned alteration.

Finding 1: Accessible Route Between the Building and the City Street

There is currently no accessible pedestrian route between the city street and the building.

Citation(s):

CBC 11B-206.2.1

At least one accessible route shall be provided within the site from accessible parking spaces and accessible passenger loading zones; public streets and sidewalks; and public transportation stops to the accessible building or facility entrance they serve. Where more than one route is provided, all routes must be accessible.

Exception: An accessible route shall not be required between accessible buildings, accessible facilities, accessible elements, and accessible spaces if the only means of access between them is a vehicular way not providing pedestrian access.

ADAS 206.2.1

At least one accessible route shall be provided within the site from accessible parking spaces and accessible passenger loading zones; public streets and sidewalks; and public transportation stops to the accessible building or facility entrance they serve.

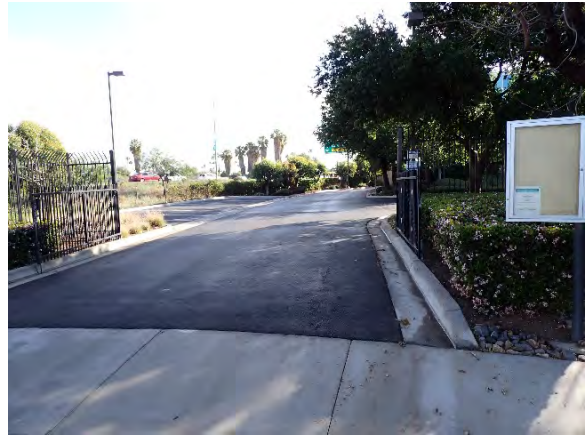
Exception: An accessible route shall not be required between accessible buildings, accessible facilities, accessible elements, and accessible spaces if the only means of access between them is a vehicular way not providing pedestrian access.

Corrective Measure(s) Suggested:

Evaluate whether "pedestrian" access is provided between the building and the city street. The ADA and CBC do not require an accessible route when a site does not provide pedestrian access from the city street. The US DOJ provided the following guidance in Appendix B to the 2010 ADA Standards: "If it can be reasonably anticipated that the route between the site arrival point and the accessible facilities will be used by pedestrians, regardless of whether a pedestrian route is provided, then this exception will not apply. It will apply only in the relatively rare situations where the route between the site arrival point and the accessible facility dictates vehicular access"

If it can be expected that pedestrians will access the building from the city street then the a new accessible pedestrian route (and gate) will be needed.

Photograph(s):







Finding 2: Accessible Parking

The rear 2" to 4" of the parking area slopes down to the swale. The markings of the parking area were striped to the edge of the swale (longer than needed / 18'-4" vs 18' min).

Citation(s):

CBC 11B-502.4

Floor or Ground Surfaces. Parking spaces and access aisles serving them shall comply with Section 11B-302. Access aisles shall be at the same level as the parking spaces they serve. Changes in level, slopes exceeding 1:48, and detectable warnings shall not be permitted. EXCEPTION: Reserved.

ADAS 502.4

Floor or Ground Surfaces. Parking spaces and access aisles serving them shall comply with 302. Access aisles shall be at the same level as the parking spaces they serve. Changes in level are not permitted. EXCEPTION: Slopes not steeper than 1:48 shall be permitted.

Corrective Measure(s) Suggested:

Shorten the markings to 18'.

Photograph(s):





Finding 3: Accessible Parking

The asphalt at the rear of the right accessible parking space has a slope of 2.8% to 3% within the painted ISA (max 2.08% allowed).

Citation(s):

CBC 11B-502.4

Floor or Ground Surfaces. Parking spaces and access aisles serving them shall comply with Section 11B-302. Access aisles shall be at the same level as the parking spaces they serve. Changes in level, slopes exceeding 1:48, and detectable warnings shall not be permitted. EXCEPTION: Reserved.

ADAS 502.4

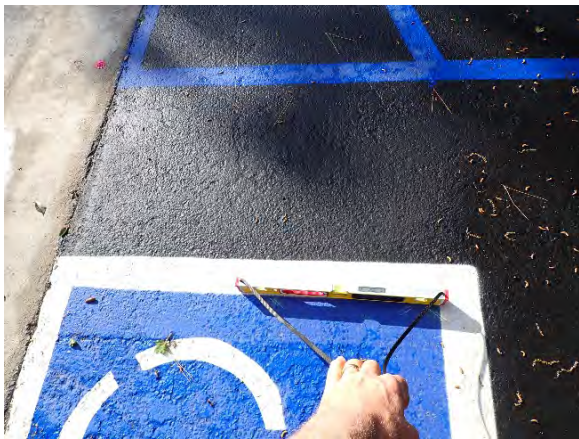
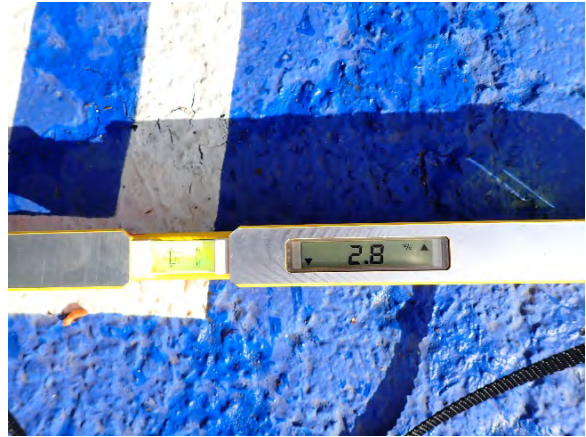
Floor or Ground Surfaces. Parking spaces and access aisles serving them shall comply with 302. Access aisles shall be at the same level as the parking spaces they serve. Changes in level are not permitted. EXCEPTION: Slopes not steeper than 1:48 shall be permitted.

Corrective Measure(s) Suggested:

Resurface the asphalt in this area reducing the slope of 2% or less in all directions.

Photograph(s):







Finding 4: Accessible Parking

The tree branches which overhang the parking area obstruct the 98" vertical clearance required over the parking spaces and access aisle.

Citation(s):

CBC 11B-502.5

Vertical clearance. Parking spaces, access aisles and vehicular routes serving them shall provide a vertical clearance of 98 inches (2489 mm) minimum.

ADAS 502.5

Vertical Clearance. Parking spaces for vans and access aisles and vehicular routes serving them shall provide a vertical clearance of 98 inches (2490 mm) minimum.

Corrective Measure(s) Suggested:

Cut back the tree branches to provide 98" high vertical clearance.

Photograph(s):





Finding 5: Drive Aisle Between Accessible Parking and SAWPA Entrance

The swale at the rear of the access aisle has varying slopes with portions of the swale having sloped sides of 5.5% to 6.7% (max 5% allowed) There is a 48" section that has slopes of 5% or less on each side of the swale.

Citation(s):

CBC 11B-403.3

Slope. The running slope of walking surfaces shall not be steeper than 1:20. The cross slope of walking surfaces shall not be steeper than 1:48.

ADAS 403.3

Slope. The running slope of walking surfaces shall not be steeper than 1:20. The cross slope of walking surfaces shall not be steeper than 1:48.

Corrective Measure(s) Suggested:

Recommend "marking" the accessible route with a crosswalk. CDR found a minimum 48" wide section of the swale with complaint slopes beginning 36" to the south of the expansion joint shown in the photographs below.

Photograph(s):







Finding 6: Drive Aisle Between Accessible Parking and SAWPA Entrance

The asphalt surface of the drive aisle slopes 5.6% within 20" of the swale (max 5% allowed). The remaining portion of the drive aisle slopes 1% to 4.3%.

Citation(s):

CBC 11B-403.3

Slope. The running slope of walking surfaces shall not be steeper than 1:20. The cross slope of walking surfaces shall not be steeper than 1:48.

ADAS 403.3

Slope. The running slope of walking surfaces shall not be steeper than 1:20. The cross slope of walking surfaces shall not be steeper than 1:48.

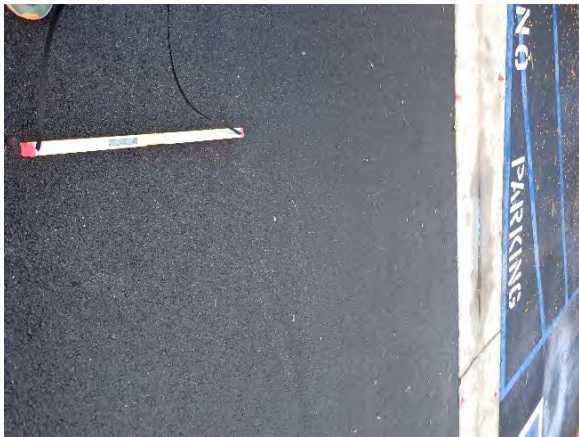
Corrective Measure(s) Suggested:

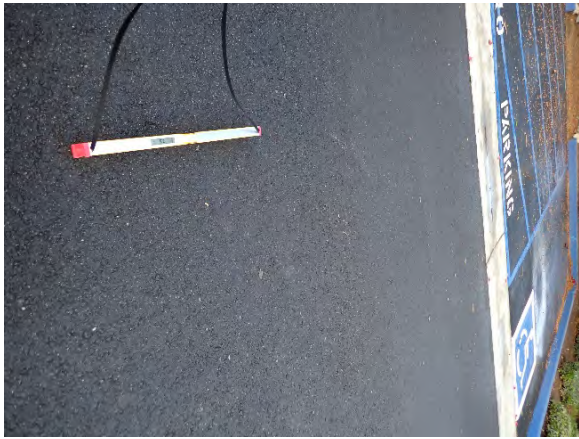
Evaluate for tolerance as a .5% deviation over 20" is likely de minimis (accuracy of the tool is +/- .3%).

Otherwise, if tolerances are not to be used then resurface the asphalt evening out the slope to 5% or less.

Photograph(s):







Finding 7: Concrete Walk in Front of Entrance

The walk between the drive aisle and the building entrance is too steep having running slopes over 5% in three areas:

1. A panel near the bottom of the walk has a 5.7% running slope.
2. A panel in the middle of the walk near the bollard lights has a 6.2% running slope
1. Near the door the walk has a 6.7% to 7.8% running slope.

In addition, the walk does not provide a level landing at the door that extends out at least 48" from the door with a slope no steeper than 2.08% in compliance with CBC 11B-404.2.4 and ADAS 404.2.4. The landing slopes up to 3%.

Citation(s):

CBC 11B-403.3

Slope. The running slope of walking surfaces shall not be steeper than 1:20. The cross slope of walking surfaces shall not be steeper than 1:48.

ADAS 403.3

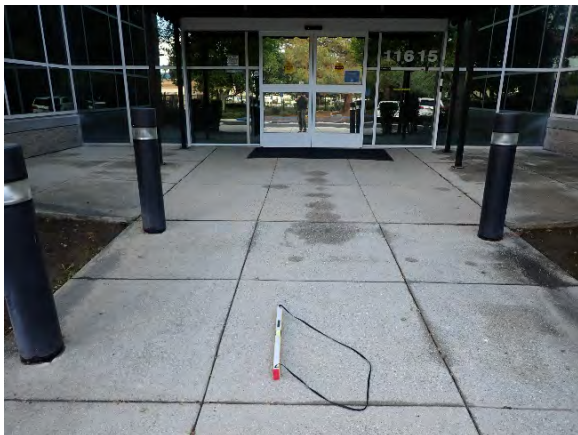
Slope. The running slope of walking surfaces shall not be steeper than 1:20. The cross slope of walking surfaces shall not be steeper than 1:48.

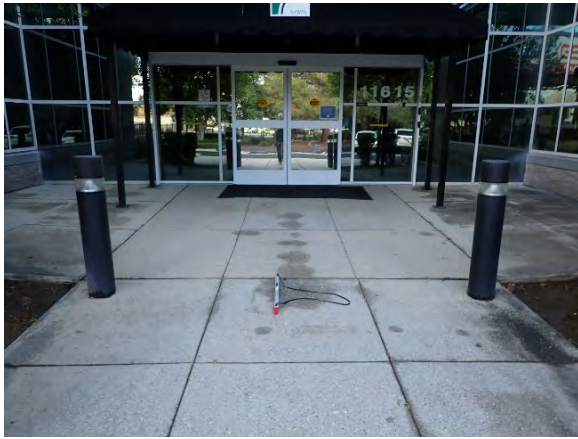
Corrective Measure(s) Suggested:

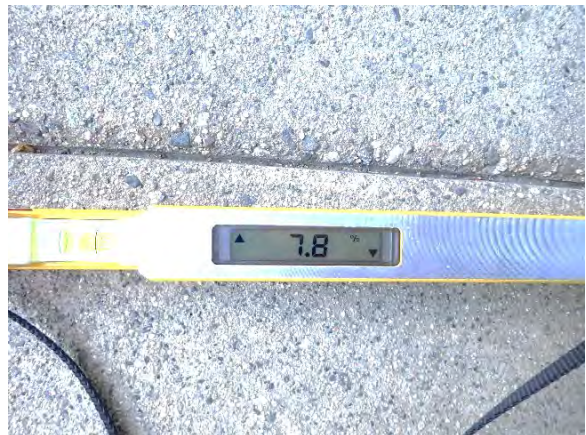
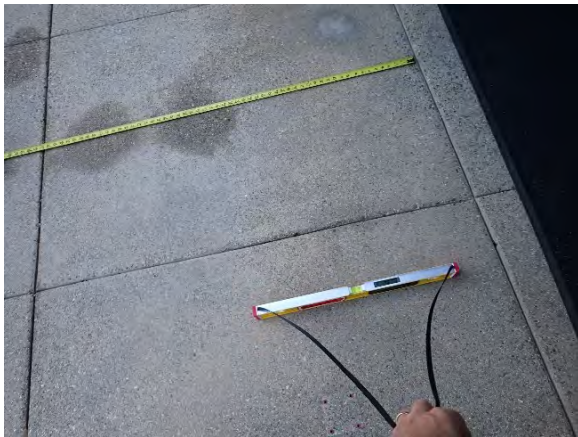
Work with a civil engineer to survey the approach and to redesign the approach to provide a minimum 48" deep level landing in front of the door and an accessible walk or ramp from the parking lot.

Photograph(s):











Finding 8: Concrete Walk in Front of Entrance

The blended transition at the bottom and side of the concrete walk lacks detectable warnings.

Citation(s):

CBC 11B-406.5.12

Curb ramps and blended transitions shall have detectable warnings complying with Section 11B-705.

Corrective Measure(s) Suggested:

Provide 36" deep, yellow detectable warnings in conformance with CBC 11B-705 along the entire blended transition.

Photograph(s):



Finding 9: Tow Away Signs

The parking lot lacks the required "additional sign" that provides information that you will be towed if you park in the accessible space without the required permit or placard.

Citation(s):

CBC 11B-502.8

Additional Signs. An additional sign shall be posted either 1) in a conspicuous place at each entrance to an off-street parking facility or 2) immediately adjacent to on-site accessible parking and visible from each parking space. The additional sign shall not be less than 17 inches (432 mm) wide by 22 inches (559mm) high. The additional sign shall clearly state in letters with a minimum height of 1 inch (25 mm) the following:

"Unauthorized vehicles parked in designated accessible parking spaces not displaying distinguishing placards or special license plates issued for persons with disabilities will be towed away at the owner's expense. Towed vehicles may be reclaimed at: _____ or by telephoning _____."

Blank spaces shall be filled in with appropriate information as a permanent part of the sign.



Corrective Measure(s) Suggested:

Install sign CA MUTCD R100B at the driveway entrance and fill in the information blanks in 1" or taller lettering with the appropriate information.

Photograph(s):



Finding 10: Main Entrance (Automatic Door)

The change in level at the automatic door is 1" between the exterior landing and the interior tile.

Citation(s):

CBC 11B-404.3.3 & CBC 11B-404.2.5

Thresholds. Thresholds, if provided at doorways, shall be 1/2 inch (12.7 mm) high maximum. Raised thresholds and changes in level at doorways shall comply with Sections 11B-302 and 11B-303. Exception: Reserved.

ADAS 404.3.3 & ADAS 404.2.5

Thresholds. Thresholds, if provided at doorways, shall be 1/2 inch (13 mm) high maximum. Raised thresholds and changes in level at doorways shall comply with 302 and 303. EXCEPTION: Existing or altered thresholds 3/4 inch (19 mm) high maximum that have a beveled edge on each side with a slope not steeper than 1:2 shall not be required to comply with 404.2.5.

Corrective Measure(s) Suggested:

Modify the tile and the threshold so the total change in level at the doorway does not exceed 1/2".

Photograph(s):



Finding 11: Main Entrance (Automatic Door)

The door bell to the side of the automatic door is too high requiring reaches of 58" (48" max allowed).

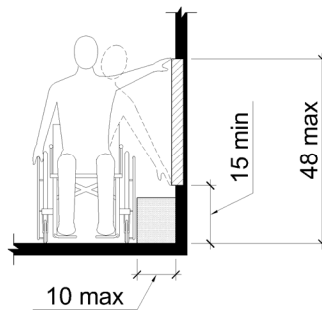
Citation(s):

CBC 11B-308.3.1

Side Reach - Unobstructed. Where a clear floor or ground space allows a parallel approach to an element and the side reach is unobstructed, the high side reach shall be 48 inches (1219 mm) maximum and the low side reach shall be 15 inches (381 mm) minimum above the finish floor or ground.

ADAS 308.3.1

Side Reach - Unobstructed. Where a clear floor or ground space allows a parallel approach to an element and the side reach is unobstructed, the high side reach shall be 48 inches (1220 mm) maximum and the low side reach shall be 15 inches (380 mm) minimum above the finish floor or ground.



Corrective Measure(s) Suggested:

Lower the door bell.

Photograph(s):



Finding 12: Door - Lobby to Hallway

The threshold is over 1/2" high at the doorway (measured at +/- .75").

Citation(s):

CBC 11B-404.2.5

Thresholds. Thresholds, if provided at doorways, shall be 1/2 inch (12.7 mm) high maximum. Raised thresholds and changes in level at doorways shall comply with Sections 11B-302 and 11B-303. Exception: Reserved.

ADAS 404.2.5

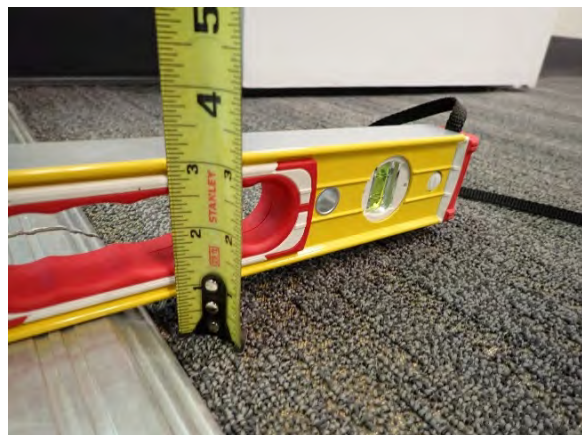
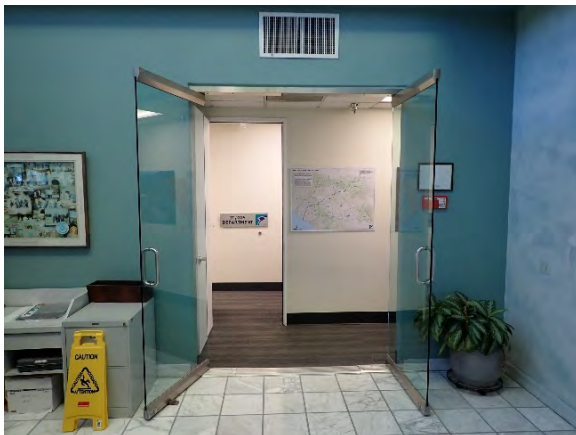
Thresholds. Thresholds, if provided at doorways, shall be 1/2 inch (13 mm) high maximum. Raised thresholds and changes in level at doorways shall comply with 302 and 303.

EXCEPTION: Existing or altered thresholds 3/4 inch (19 mm) high maximum that have a beveled edge on each side with a slope not steeper than 1:2 shall not be required to comply with 404.2.5.

Corrective Measure(s) Suggested:

Replace the threshold.

Photograph(s):



Finding 13: Door - Lobby to Hallway

The doors were not operational so the opening force and closing speed could not be tested.

Citation(s):

CBC 11B-404.2

Manual doors and doorways and manual gates intended for user passage shall comply with Section 11B-404.2.

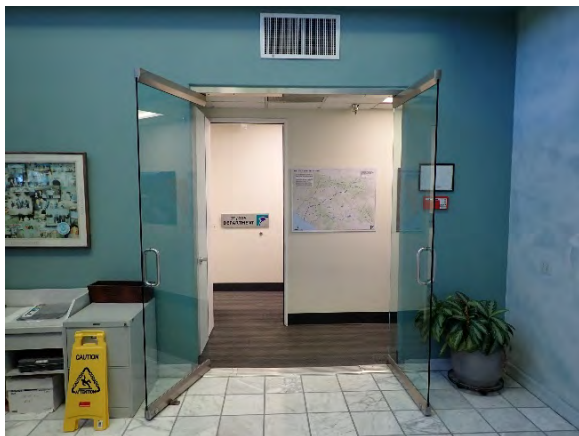
ADAS 404.2

Manual Doors, Doorways, and Manual Gates. Manual doors and doorways and manual gates intended for user passage shall comply with 404.2.

Corrective Measure(s) Suggested:

Test and replace/adjust the door closers as necessary to ensure the doors are operable with 5lbs or less of force and they provide a minimum of 5 seconds for the door to close from 90 degrees to 12 degrees from the latch.

Photograph(s):



Finding 14: Tactile Exit Signs

The exit discharge doors and the interior doors with visual exit signs lack tactile exit signs.

Citation(s):

CBC 1013.4

Raised character and braille exit signs. Tactile exit signs shall be required at the following locations:

1. *Each grade-level exterior exit door that is required to comply with Section 1013.1, shall be identified by a tactile exit sign with the word, "EXIT".*
2. *Each exit door that is required to comply with Section 1013.1, and that leads directly to a grade-level exterior exit by means of a stairway or ramp shall be identified by a tactile exit sign with the following words as appropriate:*
 - 2.1. *"EXIT STAIR DOWN"*
 - 2.2. *"EXIT RAMP DOWN"*
 - 2.3. *"EXIT STAIR UP"*
 - 2.4. *"EXIT RAMP UP"*
3. *Each exit door that is required to comply with Section 1013.1, and that leads directly to a grade-level exterior exit by means of an exit enclosure or an exit passageway shall be identified by a tactile exit sign with the words, "EXIT ROUTE."*
4. *Each exit access door from an interior room or area to a corridor or hallway that is required to comply with Section 1013.1, shall be identified by a tactile exit sign with the words "EXIT ROUTE."*
5. *Each exit door through a horizontal exit that is required to comply with Section 1013.1, shall be identified by a sign with the words, "TO EXIT."*

ADAS 216.4.1 & 2015 IBC 1013.4

A sign stating EXIT in visual characters, raised characters and braille complying with ICC A117.1 shall be provided adjacent to each door to an area of refuge, an exterior area for assisted rescue, an exit stairway or ramp, an exit passageway and the exit discharge.



Corrective Measure(s) Suggested:

Provide the appropriate tactile and braille exit sign at each exit discharge door and at each interior door that has an overhead illuminated exit sign.

Photograph(s):



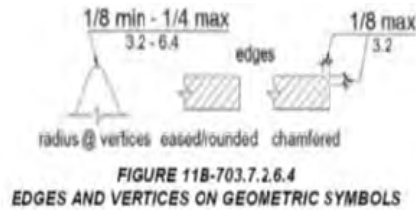
Finding 15: Men's Toilet Room

The geometric symbol on the toilet room door lacks the required radius at the vertices.

Citation(s):

CBC 11B-703.7.2.6.4

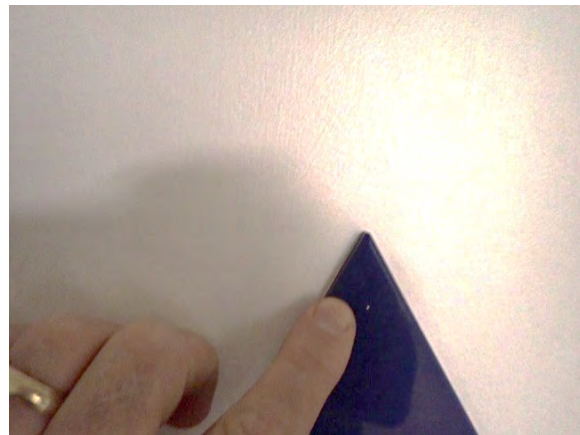
Edges and vertices on geometric symbols. Edges shall be eased or rounded at 1/16 inch (1.59 mm) minimum, or chamfered at 1/8 inch (3.2 mm) maximum. Vertices shall be radiused between 1/8 inch (3.2 mm) minimum and 1/4 inch (6.4 mm) maximum.



Corrective Measure(s) Suggested:

Replace the symbol.

Photograph(s):



Finding 16: Men's Toilet Room

The tactile and braille toilet room sign says "accessible" rather than "men". The sign is also incorrectly installed on the door rather than the wall adjacent the door.

Citation(s):

CBC 11B-216.2

Designations. Interior and exterior signs identifying permanent rooms and spaces shall comply with Sections 11B-703.1, 11B-703.2, 11B-703.3 and 11B-703.5. Where pictograms are provided as designations of permanent rooms and spaces, the pictograms shall comply with Section 11B-703.6 and shall have text descriptors complying with Sections 11B-703.2 and 11B-703.5.

ADAS 216.2

Designations. Interior and exterior signs identifying permanent rooms and spaces shall comply with 703.1, 703.2, and 703.5. Where pictograms are provided as designations of permanent interior rooms and spaces, the pictograms shall comply with 703.6 and shall have text descriptors complying with 703.2 and 703.5.



Corrective Measure(s) Suggested:

Install a tactile and braille men's restroom sign on the return wall to the latch side of the door. Center the sign 9" or more from adjacent walls and obstructions. Install the sign 48" to 60" high.

Photograph(s):



Finding 17: Men's Toilet Room

The drinking fountain obstructs the maneuvering space on the approach side of the toilet room door narrowing it to 35" (44" minimum width required).

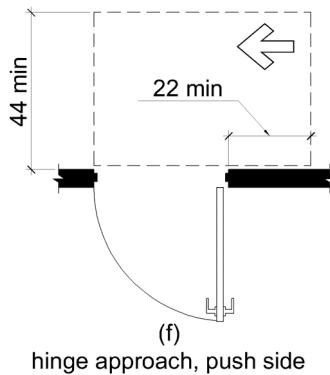
Citation(s):

CBC 11B-404.2.4.1

Minimum maneuvering clearances at doors and gates shall comply with Section 11B-404.2.4. Maneuvering clearances shall extend the full width of the doorway and the required latch.

ADAS 404.2.4.1

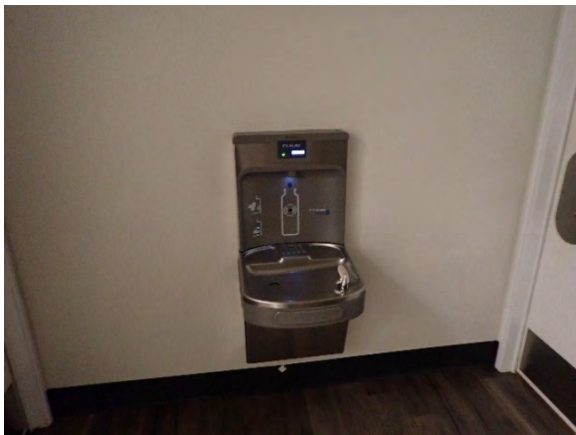
Maneuvering Clearances. Minimum maneuvering clearances at doors and gates shall comply with 404.2.4. Maneuvering clearances shall extend the full width of the doorway and the required latch side or hinge side clearance.



Corrective Measure(s) Suggested:

Relocate the drinking fountain.

Photograph(s):





Finding 18: Men's Toilet Room

The toilet room door lacks 18" of clearance beyond the latch edge (3" provided).

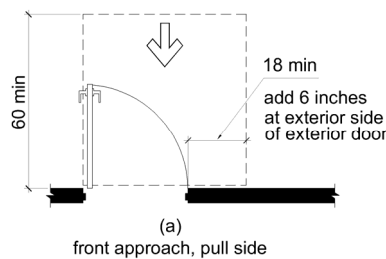
Citation(s):

CBC 11B-404.2.4.1

Minimum maneuvering clearances at doors and gates shall comply with Section 11B-404.2.4. Maneuvering clearances shall extend the full width of the doorway and the required latch.

ADAS 404.2.4.1

Maneuvering Clearances. Minimum maneuvering clearances at doors and gates shall comply with 404.2.4. Maneuvering clearances shall extend the full width of the doorway and the required latch side or hinge side clearance.



Corrective Measure(s) Suggested:

Cut back the privacy wall to within 8" of the face of the door.

Photograph(s):





Finding 19: Men's Toilet Room

The toilet room door requires 9lbs of force to open (5lbs maximum allowed).

Citation(s):

CBC 11B-404.2.9

Door and gate opening force. The force for pushing or pulling open a door or gate shall be as follows: 1. Interior hinged doors and gates: 5 pounds (22.2 N) maximum. These forces do not apply to the force required to retract latch bolts or disengage other devices that hold the door or gate in a closed position.

ADAS 404.2.9

Door and Gate Opening Force. Fire doors shall have a minimum opening force allowable by the appropriate administrative authority. The force for pushing or pulling open a door or gate other than fire doors shall be as follows. 1. Interior hinged doors and gates: 5 pounds (22.2 N) maximum. These forces do not apply to the force required to retract latch bolts or disengage other devices that hold the door or gate in a closed position.

Corrective Measure(s) Suggested:

Adjust or replace the door closer so it requires no more than 5lbs of force to open.

Photograph(s):



Finding 20: Men's Toilet Room

The toilet room door closes too fast (must take at least 5 seconds to close from 90 degrees to 12 degrees from the latch).

Citation(s):

CBC 11B-404.2.8.1

Door closers and gate closers. Door closers and gate closers shall be adjusted so that from an open position of 90 degrees, the time required to move the door to a position of 12 degrees from the latch is 5 seconds minimum.

ADAS 404.2.8.1

Door closers and gate closers. Door closers and gate closers shall be adjusted so that from an open position of 90 degrees, the time required to move the door to a position of 12 degrees from the latch is 5 seconds minimum.

Corrective Measure(s) Suggested:

Adjust or replace the door closer so it provides a minimum of 5 seconds to close from 90 degrees to 12 degrees from the latch.

Photograph(s):



Finding 21: Men's Toilet Room

The door has a non-compliant latch (barrel-bolt style). The latch requires grasping and pinching to operate and is installed too high.

Citation(s):

CBC 11B-404.2.7

Door and gate hardware. Handles, pulls, shall comply with Section 11B-309.4. Operable parts of such hardware shall be 34 inches (864 mm) minimum and 44 inches (1118 mm) maximum above the finish floor or ground.

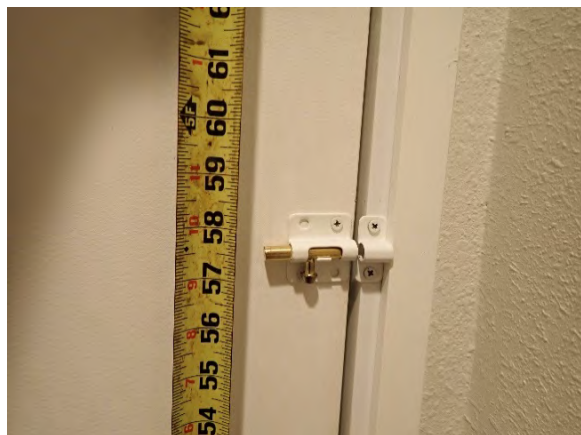
ADAS 404.2.7

Door and Gate Hardware. Handles, pulls, latches, locks, and other operable parts on doors and gates shall comply with 309.4. Operable parts of such hardware shall be 34 inches (865 mm) minimum and 48 inches (1220 mm) maximum above the finish floor or ground.

Corrective Measure(s) Suggested:

Remove the latch. If a latch is desired, then install an accessible sliding or flip latch 34" to 44" high.

Photograph(s):



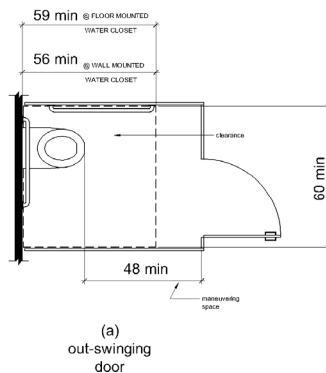
Finding 22: Men's Toilet Room

The accessible toilet compartment does not provide a 48" deep maneuvering clearance in front of the toilet (approximately 31" deep clearance provided).

Citation(s):

CBC 11B-604.8.1.1.3

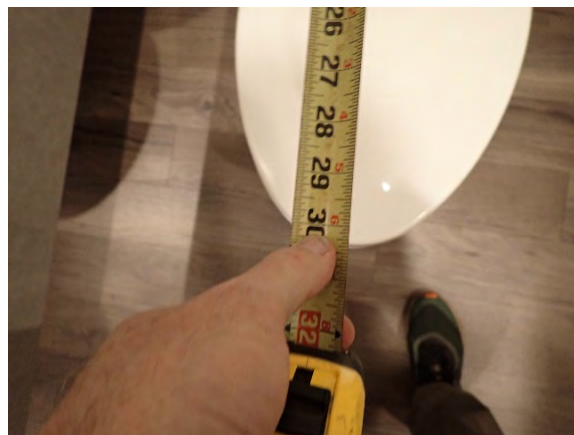
Maneuvering space with end-opening door. In a wheelchair accessible compartment with a door located in the front wall or partition (facing the water closet), either in-swinging or out-swinging, a minimum 60 inches (1524 mm) wide and 48 inches (1219 mm) deep maneuvering space shall be provided in front of the water closet. See Figure 11B-604.8.1.1.3.



Corrective Measure(s) Suggested:

Move out the front wall of the stall to provide 48" deep clearance in front of the toilet. Maintain 60" of clearance outside the toilet compartment and ensure the door is hinged no further than 4" from the side partition furthest from the toilet.

Photograph(s):





Finding 23: Men's Toilet Room

The door to the accessible toilet compartment is not self-closing.

Citation(s):

CBC 11B-604.8.1.2

The door shall be self-closing.

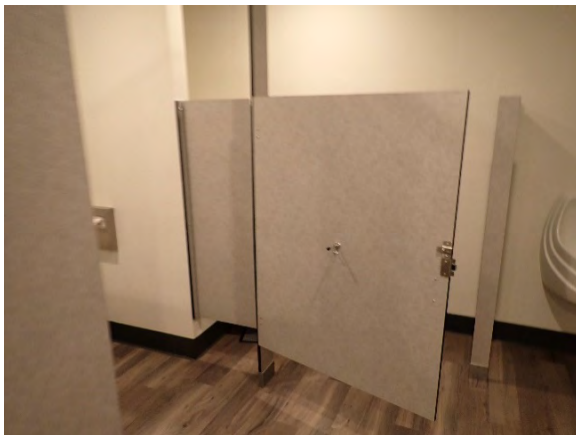
ADAS 604.8.1.2

The door shall be self-closing.

Corrective Measure(s) Suggested:

Provide the required hardware to make the door self closing.

Photograph(s):



Finding 24: Men's Toilet Room

The door to the accessible toilet compartment lacks a door pull on the interior side.

Citation(s):

CBC 11B-604.8.1.2 & CBC 11B-404.2.7

A door pull complying with Section 11B-404.2.7 shall be placed on both sides of the door near the latch.

Door and gate hardware. Handles, pulls, shall comply with Section 11B-309.4. Operable parts of such hardware shall be 34 inches (864 mm) minimum and 44 inches (1118 mm) maximum above the finish floor or ground.

ADAS 604.8.1.2 & ADAS 404.2.7

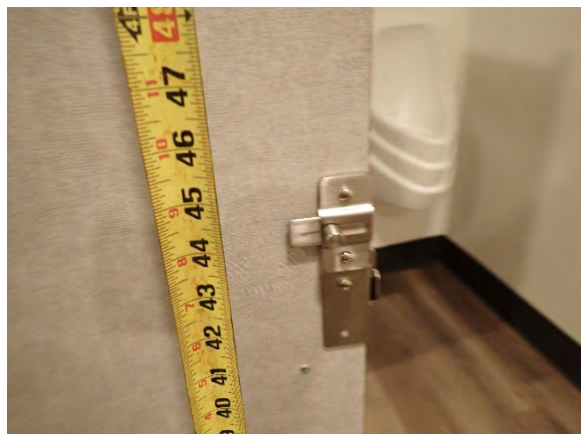
A door pull complying with 404.2.7 shall be placed on both sides of the door near the latch.

Door and Gate Hardware. Handles, pulls, latches, locks, and other operable parts on doors and gates shall comply with 309.4. Operable parts of such hardware shall be 34 inches (865 mm) minimum and 48 inches (1220 mm) maximum above the finish floor or ground.

Corrective Measure(s) Suggested:

Install an additional door pull 34" to 44" high.

Photograph(s):



Finding 25: Men's Toilet Room

The toilet in the accessible toilet compartment is centered 20"-21" from the side wall (17" to 18" allowed).

Citation(s):

CBC 11B-604.2

Location. The water closet shall be positioned with a wall or partition to the rear and to one side. The centerline of the water closet shall be 17 inches (432 mm) minimum to 18 inches (457 mm) maximum from the side wall or partition.

ADAS 604.2

Location. The water closet shall be positioned with a wall or partition to the rear and to one side. The centerline of the water closet shall be 16 inches (405 mm) minimum to 18 inches (455 mm) maximum from the side wall or partition.

Corrective Measure(s) Suggested:

Adjust the toilet so it's centerline is 17.5" from the side wall at both the front and rear of the fixture.

Photograph(s):



Finding 26: Men's Toilet Room

The flush control of the toilet in the accessible toilet compartment is on the wrong side of the toilet.

Citation(s):

CBC 11B-604.6

Flush controls. Flush controls shall be hand operated or automatic. Hand operated flush controls shall comply with Section 11B-309 except they shall be located 44 inches (1118 mm) maximum above the floor. Flush controls shall be located on the open side of the water closet.

ADAS 604.6

Flush Controls. Flush controls shall be hand operated or automatic. Hand operated flush controls shall comply with 309. Flush controls shall be located on the open side of the water closet.

Corrective Measure(s) Suggested:

Replace the toilet.

Photograph(s):



Finding 27: Men's Toilet Room

The one piece grab bar does not extend far enough along the rear wall from the center of the toilet towards the far side wall.

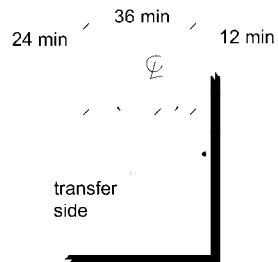
Citation(s):

CBC 11B-604.5.2

Rear wall. The rear wall grab bar shall be 36 inches (914 mm) long minimum and extend from the centerline of the water closet 12 inches (305 mm) minimum on one side and 24 inches (610 mm) minimum on the other side.

ADAS 604.5.2

Rear Wall. The rear wall grab bar shall be 36 inches (915 mm) long minimum and extend from the centerline of the water closet 12 inches (305 mm) minimum on one side and 24 inches (610 mm) minimum on the other side.



Corrective Measure(s) Suggested:

Replace the one piece grab bar with a 48" long side bar and a 42" long rear bar installed per CBC 11B-604.5.

Photograph(s):



Finding 28: Men's Toilet Room

The one piece grab bar is installed too high with the top of the gripping surface 37" AFF (33" min to 36" max allowed).

Citation(s):

CBC 11B-609.4

Position of grab bars. Grab bars shall be installed in a horizontal position, 33 inches (838 mm) minimum and 36 inches (914 mm) maximum above the finish floor measured to the top of the gripping surface.

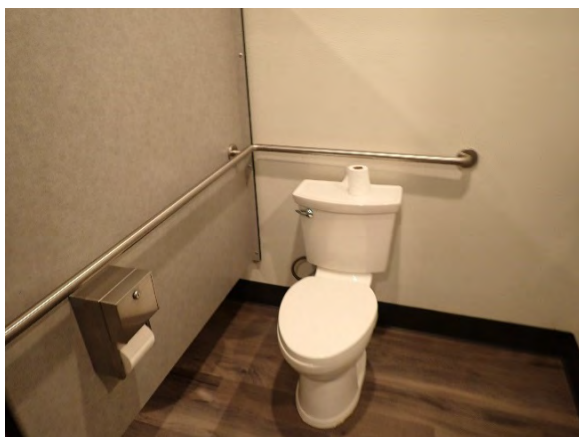
ADAS 609.4

Position of grab bars. Grab bars shall be installed in a horizontal position, 33 inches (840 mm) minimum and 36 inches (915 mm) maximum above the finish floor measured to the top of the gripping surface.

Corrective Measure(s) Suggested:

Replace the one piece grab bar with a 48" long side bar and a 42" long rear bar installed per CBC 11B-604.5. Adjust dispenser to maintain 1.5" clearance below the grab bar.

Photograph(s):



Finding 29: Men's Toilet Room

The toilet paper dispenser is not centered properly in regards to the front edge of the toilet (centerline must be 7" min to 9" max in front of the toilet).

Citation(s):

CBC 11B-604.7.1

Dispensers. Toilet paper dispensers shall comply with Section 11B-309.4 and shall be 7 inches (178 mm) minimum and 9 inches (229 mm) maximum in front of the water closet measured to the centerline of the dispenser. The outlet of the dispenser shall be below the grab bar, 19 inches (483 mm) minimum above the finish floor and shall not be located behind grab bars. Dispensers shall not be of a type that controls the delivery or that does not allow continuous paper flow.

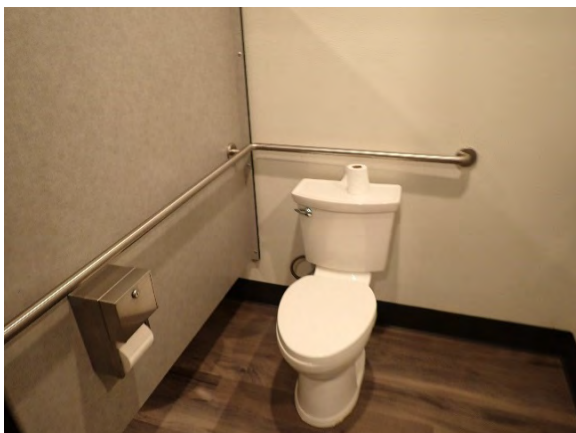
ADAS 604.7

Dispensers. Toilet paper dispensers shall comply with 309.4 and shall be 7 inches (180 mm) minimum and 9 inches (230 mm) maximum in front of the water closet measured to the centerline of the dispenser. The outlet of the dispenser shall be 15 inches (380 mm) minimum and 48 inches (1220 mm) maximum above the finish floor and shall not be located behind grab bars. Dispensers shall not be of a type that controls delivery or that does not allow continuous paper flow.

Corrective Measure(s) Suggested:

Install the dispenser below the side grab bar centered 8" in front of the toilet with its paper outlet at least 19" AFF. Maintain a minimum gap of 1.5" between the top of the dispenser and the underside of the grab bar.

Photograph(s):





Finding 30: Men's Toilet Room

The seat cover dispenser is installed too high.

Citation(s):

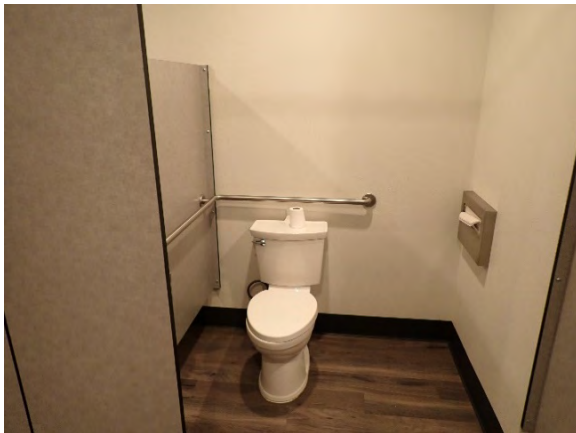
CBC 11B-603.5

Accessories. Where towel or sanitary napkin dispensers, waste receptacles, or other accessories are provided in toilet facilities, at least one of each type shall be located on an accessible route. All operable parts, including coin slots, shall be 40 inches (1016 mm) maximum above the finish floor.

Corrective Measure(s) Suggested:

Lower the dispenser so the top of the opening is no higher than 40" AFF.

Photograph(s):



Finding 31: Men's Toilet Room

The lavatory is located in an alcove but the width of the alcove is less than 36" along the floor and along the dispensers.

Citation(s):

CBC 11B-305.7

Where a clear floor or ground space is located in an alcove or otherwise confined on all or part of three sides, additional maneuvering clearance shall be provided in accordance with Sections 11B-305.7.1 and 11B-305.7.2.

11B-305.7.1 Forward approach. Alcoves shall be 36 inches (914 mm) wide minimum where the depth exceeds 24 inches (610 mm).

ADAS 305.4

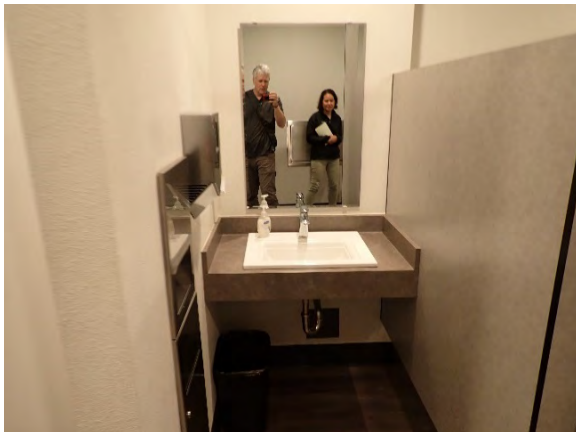
Where a clear floor or ground space is located in an alcove or otherwise confined on all or part of three sides, additional maneuvering clearance shall be provided in accordance with 305.7.1 and 305.7.2.

305.7.1 Forward Approach. Alcoves shall be 36 inches (915 mm) wide minimum where the depth exceeds 24 inches (610 mm).

Corrective Measure(s) Suggested:

Widen the alcove to maintain a 36" minimum clearance (although the alcove condition may be eliminated when the privacy wall is cut back adjacent the door).

Photograph(s):





Finding 32: Men's Toilet Room

The required knee and toe space below the lavatory is obstructed by a small plastic trash can.

Citation(s):

CBC 11B-606.2

Clear floor space. A clear floor space complying with Section 11B-305, positioned for a forward approach, and knee and toe clearance complying with Section 11B-306 shall be provided.

ADAS 606.2

Clear Floor Space. A clear floor space complying with 305, positioned for a forward approach, and knee and toe clearance complying with 306 shall be provided.

Corrective Measure(s) Suggested:

Remove the trash can.

Photograph(s):



Finding 33: Men's Toilet Room

The lavatory is too high with the rim of the fixture 34.5" AFF (34" max allowed).

Citation(s):

ADAS 606.3

Height. Lavatories and sinks shall be installed with the front of the higher of the rim or counter surface 34 inches (864 mm) maximum above the finish floor or ground.

ADAS 606.3

Height. Lavatories and sinks shall be installed with the front of the higher of the rim or counter surface 34 inches (865 mm) maximum above the finish floor or ground.

Corrective Measure(s) Suggested:

Replace the vanity and lavatory.

Photograph(s):



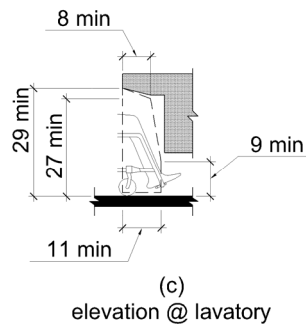
Finding 34: Men's Toilet Room

The lavatory does not provide a minimum 29" clearance at the front of the vanity.

Citation(s):

CBC 11B-306.3.3

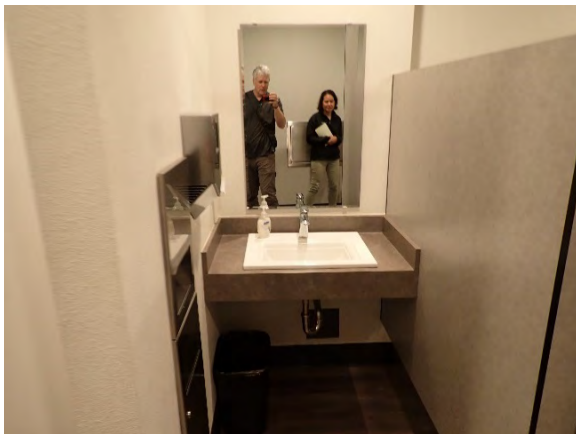
Minimum Required Depth: At lavatories required to be accessible by Section 11B-213.3.4, the knee clearance shall be 27 inches (686 mm) high minimum above the finish floor or ground at a depth of 8 inches (203 mm) minimum increasing to 29 inches (737 mm) high minimum above the finish floor or ground at the front edge of a counter with a built-in lavatory or at the front edge of a wall-mounted lavatory fixture.



Corrective Measure(s) Suggested:

Replace the vanity and lavatory.

Photograph(s):



Finding 35: Men's Toilet Room

The lavatory drain line is not insulated.

Citation(s):

CBC 11B-606.5

Exposed pipes and surfaces. Water supply and drain pipes under lavatories and sinks shall be insulated or otherwise configured to protect against contact. There shall be no sharp or abrasive surfaces under lavatories and sinks.

ADAS 606.5

Exposed Pipes and Surfaces. Water supply and drain pipes under lavatories and sinks shall be insulated or otherwise configured to protect against contact. There shall be no sharp or abrasive surfaces under lavatories and sinks.

Corrective Measure(s) Suggested:

Insulate the pipes.

Photograph(s):



Finding 36: Men's Toilet Room

The Dyson hand dryer is installed too high (max 40" to the motion activated control).

Citation(s):

CBC 11B-603.5

Accessories. Where towel or sanitary napkin dispensers, waste receptacles, or other accessories are provided in toilet facilities, at least one of each type shall be located on an accessible route. All operable parts, including coin slots, shall be 40 inches (1016 mm) maximum above the finish floor.

ADAS 205.1 & ADAS 309.3

Corrective Measure(s) Suggested:

Lower the dryer.

Photograph(s):



Finding 37: Men's Toilet Room

The baby diaper changing table will not open fully and is not 28" to 34" when open.

Citation(s):

CBC 11B-226.4 & CBC 11B-902

Height. The tops of dining surfaces and work surfaces shall be 28 inches (711 mm) minimum and 34 inches (864 mm) maximum above the finish floor or ground.

ADAS 902

Height. The tops of dining surfaces and work surfaces shall be 28 inches (710 mm) minimum and 34 inches (865 mm) maximum above the finish floor or ground.

Corrective Measure(s) Suggested:

Repair or replace the diaper changing table.

Photograph(s):



Finding 38: Women's Toilet Room

The tactile and braille toilet room sign says "accessible" rather than "women". The sign is also incorrectly installed on the door rather than the wall adjacent the door.

Citation(s):

CBC 11B-216.2

Designations. Interior and exterior signs identifying permanent rooms and spaces shall comply with Sections 11B-703.1, 11B-703.2, 11B-703.3 and 11B-703.5. Where pictograms are provided as designations of permanent rooms and spaces, the pictograms shall comply with Section 11B-703.6 and shall have text descriptors complying with Sections 11B-703.2 and 11B-703.5.

ADAS 216.2

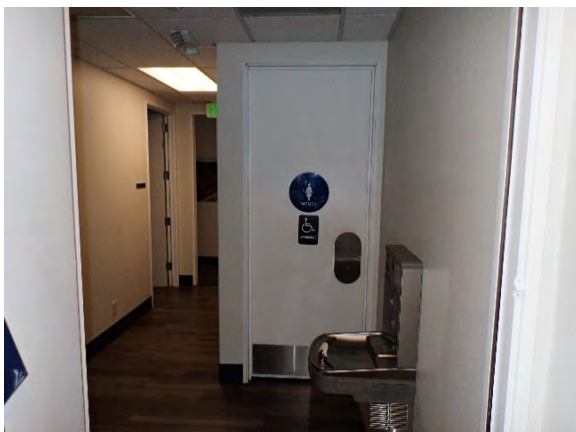
Designations. Interior and exterior signs identifying permanent rooms and spaces shall comply with 703.1, 703.2, and 703.5. Where pictograms are provided as designations of permanent interior rooms and spaces, the pictograms shall comply with 703.6 and shall have text descriptors complying with 703.2 and 703.5.



Corrective Measure(s) Suggested:

Install a tactile and braille men's restroom sign on the return wall to the latch side of the door. Center the sign 9" or more from adjacent walls and obstructions. Install the sign 48" to 60" high.

Photograph(s):



Finding 39: Women's Toilet Room

The drinking fountain obstructs the maneuvering space on the approach side of the toilet room door narrowing it to 35" (44" minimum width required).

Citation(s):

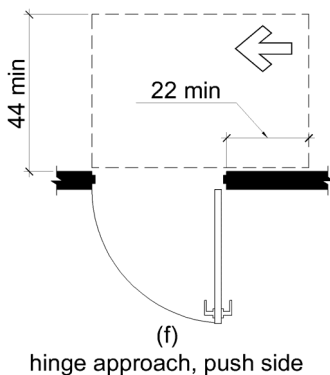
CBC 11B-404.2.4.1

Minimum maneuvering clearances at doors and gates shall comply with Section 11B-404.2.4. Maneuvering clearances shall extend the full width of the doorway and the required latch.

ADAS 404.2.4.1

Maneuvering Clearances. Minimum maneuvering clearances at doors and gates shall comply with 404.2.4.

Maneuvering clearances shall extend the full width of the doorway and the required latch side or hinge side clearance.



Corrective Measure(s) Suggested:

Relocate the drinking fountain.

Photograph(s):





Finding 40: Women's Toilet Room

The toilet room door lacks 18" of clearance beyond the latch edge (3" provided).

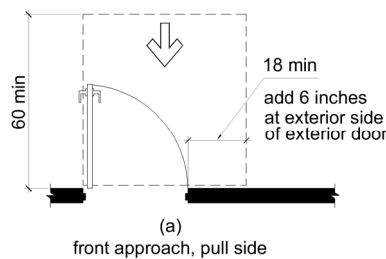
Citation(s):

CBC 11B-404.2.4.1

Minimum maneuvering clearances at doors and gates shall comply with Section 11B-404.2.4. Maneuvering clearances shall extend the full width of the doorway and the required latch.

ADAS 404.2.4.1

Maneuvering Clearances. Minimum maneuvering clearances at doors and gates shall comply with 404.2.4. Maneuvering clearances shall extend the full width of the doorway and the required latch side or hinge side clearance.



Corrective Measure(s) Suggested:

Cut back the privacy wall to within 8" of the face of the door.

Photograph(s):



Finding 41: Women's Toilet Room

The toilet room door requires 10lbs of force to open (5lbs maximum allowed).

Citation(s):

CBC 11B-404.2.9

Door and gate opening force. The force for pushing or pulling open a door or gate shall be as follows: 1. Interior hinged doors and gates: 5 pounds (22.2 N) maximum. These forces do not apply to the force required to retract latch bolts or disengage other devices that hold the door or gate in a closed position.

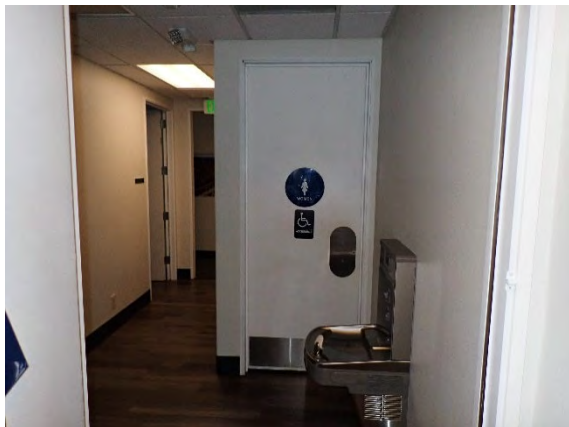
ADAS 404.2.9

Door and Gate Opening Force. Fire doors shall have a minimum opening force allowable by the appropriate administrative authority. The force for pushing or pulling open a door or gate other than fire doors shall be as follows. 1. Interior hinged doors and gates: 5 pounds (22.2 N) maximum. These forces do not apply to the force required to retract latch bolts or disengage other devices that hold the door or gate in a closed position.

Corrective Measure(s) Suggested:

Adjust or replace the door closer so it requires no more than 5lbs of force to open.

Photograph(s):



Finding 42: Women's Toilet Room

The toilet room door closes too fast (must take at least 5 seconds to close from 90 degrees to 12 degrees from the latch).

Citation(s):

CBC 11B-404.2.8.1

Door closers and gate closers. Door closers and gate closers shall be adjusted so that from an open position of 90 degrees, the time required to move the door to a position of 12 degrees from the latch is 5 seconds minimum.

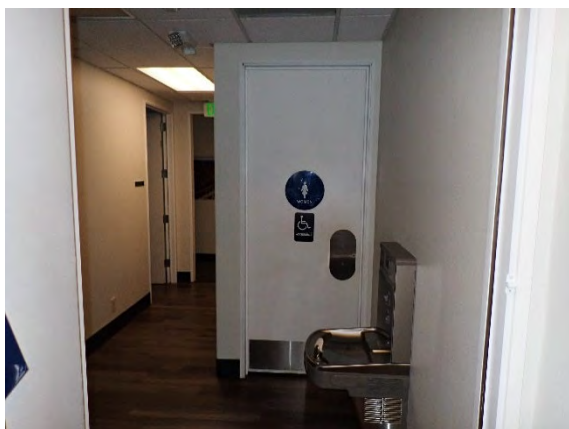
ADAS 404.2.8.1

Door closers and gate closers. Door closers and gate closers shall be adjusted so that from an open position of 90 degrees, the time required to move the door to a position of 12 degrees from the latch is 5 seconds minimum.

Corrective Measure(s) Suggested:

Adjust or replace the door closer so it provides a minimum of 5 seconds to close from 90 degrees to 12 degrees from the latch.

Photograph(s):



Finding 43: Women's Toilet Room

The door has a non-compliant latch (barrel-bolt style). The latch requires grasping and pinching to operate and is installed too high.

Citation(s):

CBC 11B-404.2.7

Door and gate hardware. Handles, pulls, shall comply with Section 11B-309.4. Operable parts of such hardware shall be 34 inches (864 mm) minimum and 44 inches (1118 mm) maximum above the finish floor or ground.

ADAS 404.2.7

Door and Gate Hardware. Handles, pulls, latches, locks, and other operable parts on doors and gates shall comply with 309.4. Operable parts of such hardware shall be 34 inches (865 mm) minimum and 48 inches (1220 mm) maximum above the finish floor or ground.

Corrective Measure(s) Suggested:

Remove the latch. If a latch is desired, then install an accessible sliding or flip latch 34" to 44" high.

Photograph(s):



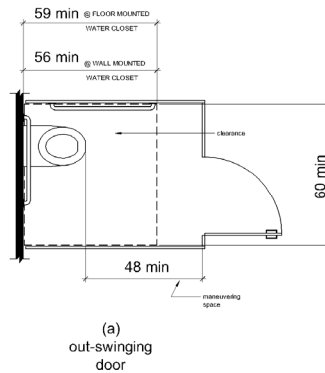
Finding 44: Women's Toilet Room

The accessible toilet compartment does not provide a 48" deep maneuvering clearance in front of the toilet (approximately 31" deep clearance provided).

Citation(s):

CBC 11B-604.8.1.1.3

Maneuvering space with end-opening door. In a wheelchair accessible compartment with a door located in the front wall or partition (facing the water closet), either in-swinging or out-swinging, a minimum 60 inches (1524 mm) wide and 48 inches (1219 mm) deep maneuvering space shall be provided in front of the water closet. See Figure 11B-604.8.1.1.3.



Corrective Measure(s) Suggested:

Move out the front wall of the stall to provide 48" deep clearance in front of the toilet. Maintain 60" of clearance outside the toilet compartment and ensure the door is hinged no further than 4" from the side partition furthest from the toilet.

Photograph(s):





Finding 45: Women's Toilet Room

The door to the accessible toilet compartment is not self-closing.

Citation(s):

CBC 11B-604.8.1.2

The door shall be self-closing.

ADAS 604.8.1.2

The door shall be self-closing.

Corrective Measure(s) Suggested:

Provide the required hardware to make the door self closing.

Photograph(s):



Finding 46: Women's Toilet Room

The door to the accessible toilet compartment lacks a door pull on the interior side.

Citation(s):

CBC 11B-604.8.1.2 & CBC 11B-404.2.7

A door pull complying with Section 11B-404.2.7 shall be placed on both sides of the door near the latch.

Door and gate hardware. Handles, pulls, shall comply with Section 11B-309.4. Operable parts of such hardware shall be 34 inches (864 mm) minimum and 44 inches (1118 mm) maximum above the finish floor or ground.

ADAS 604.8.1.2 & ADAS 404.2.7

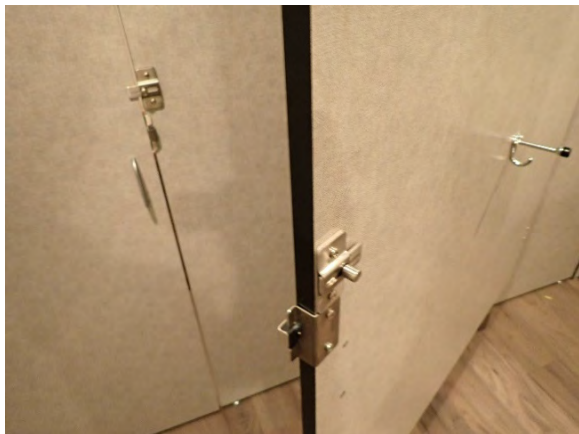
A door pull complying with 404.2.7 shall be placed on both sides of the door near the latch.

Door and Gate Hardware. Handles, pulls, latches, locks, and other operable parts on doors and gates shall comply with 309.4. Operable parts of such hardware shall be 34 inches (865 mm) minimum and 48 inches (1220 mm) maximum above the finish floor or ground.

Corrective Measure(s) Suggested:

Install an additional door pull 34" to 44" high.

Photograph(s):



Finding 47: Women's Toilet Room

The toilet in the accessible toilet compartment is centered 19"-20" from the side wall (17" to 18" allowed).

Citation(s):

CBC 11B-604.2

Location. The water closet shall be positioned with a wall or partition to the rear and to one side. The centerline of the water closet shall be 17 inches (432 mm) minimum to 18 inches (457 mm) maximum from the side wall or partition.

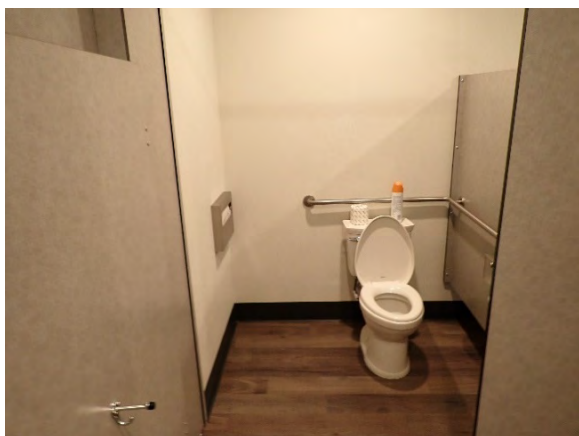
ADAS 604.2

Location. The water closet shall be positioned with a wall or partition to the rear and to one side. The centerline of the water closet shall be 16 inches (405 mm) minimum to 18 inches (455 mm) maximum from the side wall or partition.

Corrective Measure(s) Suggested:

Adjust the toilet so it's centerline is 17.5" from the side wall at both the front and rear of the fixture.

Photograph(s):



Finding 48: Women's Toilet Room

The one piece grab bar does not extend far enough along the rear wall from the center of the toilet towards the far side wall.

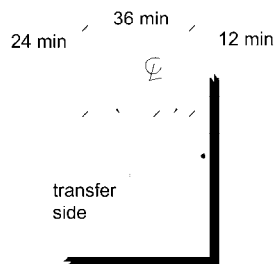
Citation(s):

CBC 11B-604.5.2

Rear wall. The rear wall grab bar shall be 36 inches (914 mm) long minimum and extend from the centerline of the water closet 12 inches (305 mm) minimum on one side and 24 inches (610 mm) minimum on the other side.

ADAS 604.5.2

Rear Wall. The rear wall grab bar shall be 36 inches (915 mm) long minimum and extend from the centerline of the water closet 12 inches (305 mm) minimum on one side and 24 inches (610 mm) minimum on the other side.



Corrective Measure(s) Suggested:

Replace the one piece grab bar with a 48" long side bar and a 42" long rear bar installed per CBC 11B-604.5.

Photograph(s):



Finding 49: Women's Toilet Room

The one piece grab bar is installed too high with the top of the gripping surface 36.5" AFF (33" min to 36" max allowed).

Citation(s):

CBC 11B-609.4

Position of grab bars. Grab bars shall be installed in a horizontal position, 33 inches (838 mm) minimum and 36 inches (914 mm) maximum above the finish floor measured to the top of the gripping surface.

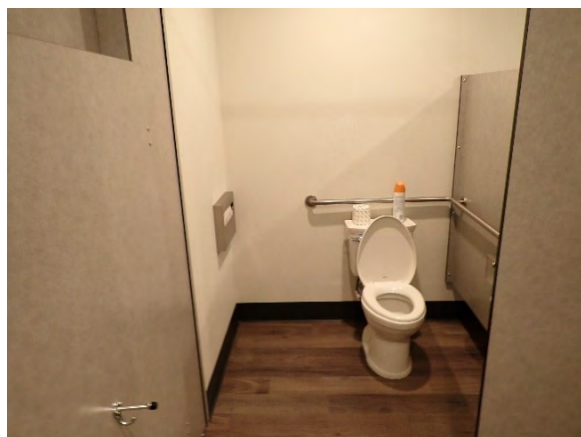
ADAS 609.4

Position of grab bars. Grab bars shall be installed in a horizontal position, 33 inches (840 mm) minimum and 36 inches (915 mm) maximum above the finish floor measured to the top of the gripping surface.

Corrective Measure(s) Suggested:

Replace the one piece grab bar with a 48" long side bar and a 42" long rear bar installed per CBC 11B-604.5. Adjust dispenser to maintain 1.5" clearance below the grab bar.

Photograph(s):



Finding 50: Women's Toilet Room

The sanitary napkin disposal unit is not installed in the proper location.

Citation(s):

CBC 11B-604.7.2

Disposal Units. Sanitary napkin disposal units, if provided, shall comply with 11B-309.4 and shall be wall mounted and located on the sidewall between the rear wall of the toilet and the toilet paper dispenser, adjacent to the toilet paper dispenser. The disposal unit shall be located below the grab bar with the opening of the disposal unit 19 inches minimum (483 mm) above the finish floor.

Corrective Measure(s) Suggested:

Relocate the disposal unit to the side wall below the grab bar and positioned between the back wall and the toilet paper dispenser with its operable parts at least 15" AFF.

Photograph(s):



Finding 51: Women's Toilet Room

The lavatory is located in an alcove but the width of the alcove is less than 36" (35" to 35.5" wide).

Citation(s):

CBC 11B-305.7

Where a clear floor or ground space is located in an alcove or otherwise confined on all or part of three sides, additional maneuvering clearance shall be provided in accordance with Sections 11B-305.7.1 and 11B-305.7.2.

11B-305.7.1 Forward approach. Alcoves shall be 36 inches (914 mm) wide minimum where the depth exceeds 24 inches (610 mm).

ADAS 305.4

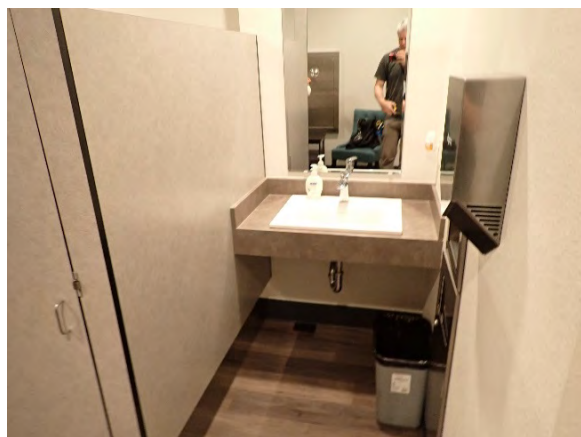
Where a clear floor or ground space is located in an alcove or otherwise confined on all or part of three sides, additional maneuvering clearance shall be provided in accordance with 305.7.1 and 305.7.2.

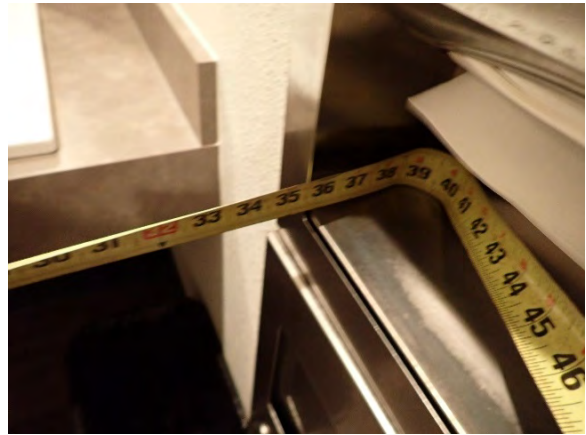
305.7.1 Forward Approach. Alcoves shall be 36 inches (915 mm) wide minimum where the depth exceeds 24 inches (610 mm).

Corrective Measure(s) Suggested:

Widen the alcove to maintain a 36" minimum clearance (although the alcove condition may be eliminated when the privacy wall is cut back adjacent the door).

Photograph(s):





Finding 52: Women's Toilet Room

The required knee and toe space below the lavatory is obstructed by a small plastic trash can.

Citation(s):

CBC 11B-606.2

Clear floor space. A clear floor space complying with Section 11B-305, positioned for a forward approach, and knee and toe clearance complying with Section 11B-306 shall be provided.

ADAS 606.2

Clear Floor Space. A clear floor space complying with 305, positioned for a forward approach, and knee and toe clearance complying with 306 shall be provided.

Corrective Measure(s) Suggested:

Remove the trash can.

Photograph(s):



Finding 53: Women's Toilet Room

The lavatory is too high with the rim of the fixture 34.5" AFF (34" max allowed).

Citation(s):

ADAS 606.3

Height. Lavatories and sinks shall be installed with the front of the higher of the rim or counter surface 34 inches (864 mm) maximum above the finish floor or ground.

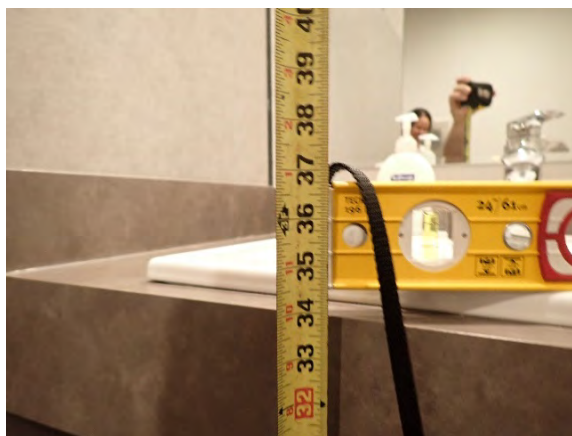
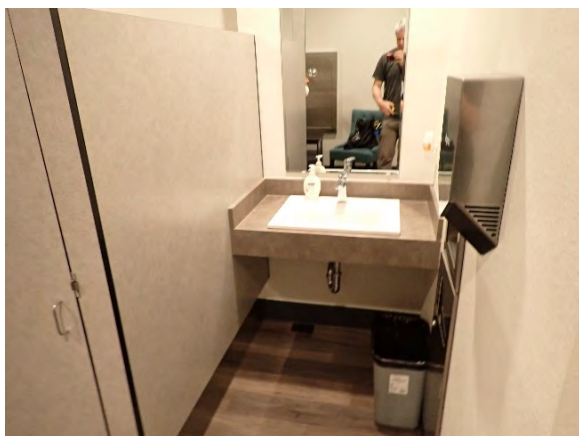
ADAS 606.3

Height. Lavatories and sinks shall be installed with the front of the higher of the rim or counter surface 34 inches (865 mm) maximum above the finish floor or ground.

Corrective Measure(s) Suggested:

Replace the vanity and lavatory.

Photograph(s):



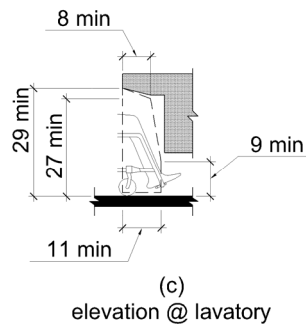
Finding 54: Women's Toilet Room

The lavatory does not provide a minimum 29" clearance at the front of the vanity.

Citation(s):

CBC 11B-306.3.3

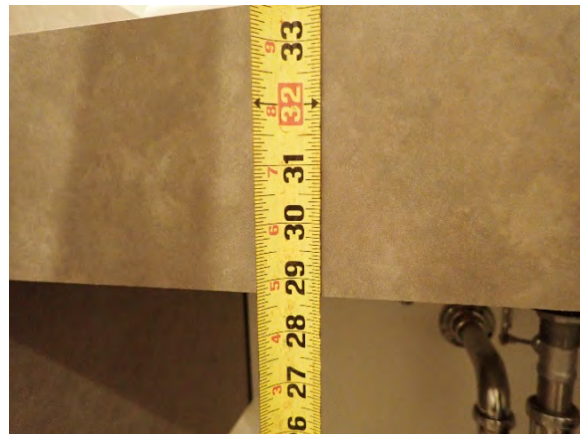
Minimum Required Depth: At lavatories required to be accessible by Section 11B-213.3.4, the knee clearance shall be 27 inches (686 mm) high minimum above the finish floor or ground at a depth of 8 inches (203 mm) minimum increasing to 29 inches (737 mm) high minimum above the finish floor or ground at the front edge of a counter with a built-in lavatory or at the front edge of a wall-mounted lavatory fixture.



Corrective Measure(s) Suggested:

Replace the vanity and lavatory.

Photograph(s):



Finding 55: Women's Toilet Room

The lavatory drain line is not insulated.

Citation(s):

CBC 11B-606.5

Exposed pipes and surfaces. Water supply and drain pipes under lavatories and sinks shall be insulated or otherwise configured to protect against contact. There shall be no sharp or abrasive surfaces under lavatories and sinks.

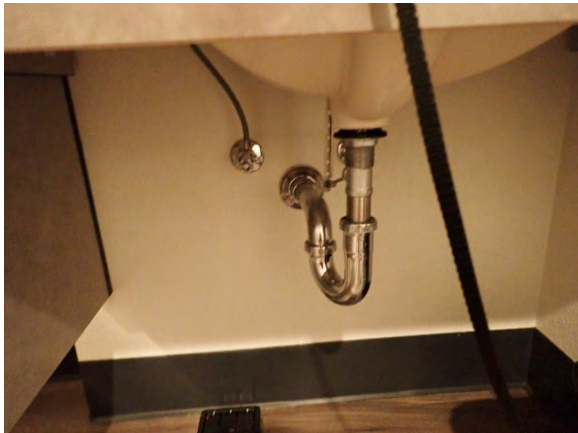
ADAS 606.5

Exposed Pipes and Surfaces. Water supply and drain pipes under lavatories and sinks shall be insulated or otherwise configured to protect against contact. There shall be no sharp or abrasive surfaces under lavatories and sinks.

Corrective Measure(s) Suggested:

Insulate the pipes.

Photograph(s):



Finding 56: Women's Toilet Room

The Dyson hand dryer is installed too high (max 40" to the motion activated control).

Citation(s):

CBC 11B-603.5

Accessories. Where towel or sanitary napkin dispensers, waste receptacles, or other accessories are provided in toilet facilities, at least one of each type shall be located on an accessible route. All operable parts, including coin slots, shall be 40 inches (1016 mm) maximum above the finish floor.

ADAS 205.1 & ADAS 309.3

Corrective Measure(s) Suggested:

Lower the dryer.

Photograph(s):



Finding 57: Women's Toilet Room

The baby diaper changing table is installed too high (vertical model vs a horizontal model).

Citation(s):

CBC 11B-226.4

Baby diaper changing tables. Baby diaper changing tables shall comply with Sections 11B-309 and 11B-902.

Baby diaper changing tables when deployed shall not obstruct the required width of an accessible route except as allowed by Section 11B-307.2.

Baby diaper changing tables shall not be located in toilet compartments complying with Section 11B-604.8 within a multiple accommodation toilet facility.

ADAS 226.1

Where work surfaces are provided for use by other than employees, at least 5 percent shall comply with 902.

Corrective Measure(s) Suggested:

Replace the baby diaper changing table. Ensure the table does not obstruct an accessible route when deployed.

Photograph(s):





Finding 58: Women's Toilet Room

The shower compartment is not accessible due to:

1. The shower room is too narrow having a width of 41.75". A minimum 60" width would be needed.
2. The shower is a 36"x36" transfer shower which is not permitted in office buildings. A 30"x60" roll-in shower would be required if a shower is provided.

Citation(s):

CBC 11B-213.3.6

Where bathtubs or showers are provided, at least one bathtub complying with Section 11B-607 or at least one shower complying with Section 11B-608 shall be provided. Where two or more accessible showers are provided within the same functional area, at least one shower shall be opposite hand from the other or others (that is, one left-hand controls versus right-hand controls). Transfer-type shower compartments shall be permitted in transient lodging guest rooms, multibedroom housing units in undergraduate student housing and residential dwelling units; and shall not be permitted at other locations to meet the requirements of Section 11B-213.3.6.

ADAS 213.3.6

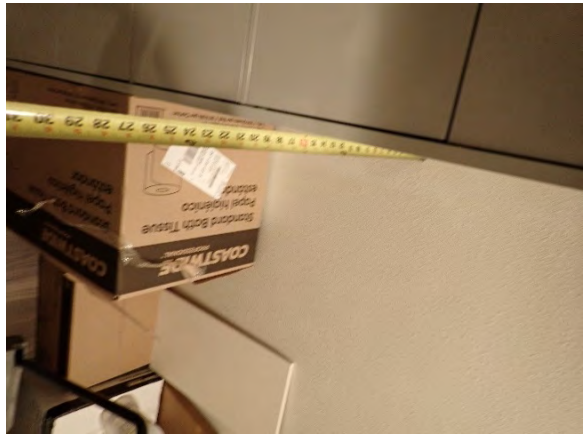
Where bathtubs or showers are provided, at least one bathtub complying with 607 or at least one shower complying with 608 shall be provided.

Corrective Measure(s) Suggested:

Either eliminate the shower or enlarge the shower compartment and provide a roll-in shower.

Photograph(s):





Finding 59: Drinking Fountain & Bottle Filling Station

Only one drinking fountain is provided on the first floor. When drinking fountains are provided, either two fountains must be provided on the floor or a high-low fountain must be provided.

Citation(s):

CBC 11B-211.2

Minimum number. No fewer than two drinking fountains shall be provided. When provided, one drinking fountain shall comply with Sections 11B-602.1 through 11B-602.6, 11B-602.8 and 11B-602.9 and one drinking fountain shall comply with Sections 11B-602.7 and 11B-602.9.

Exception: Where a single drinking fountain complies with Sections 11B-602.1 through 11B-602.9, it shall be permitted to be substituted for two separate drinking fountains.

ADAS 211.2

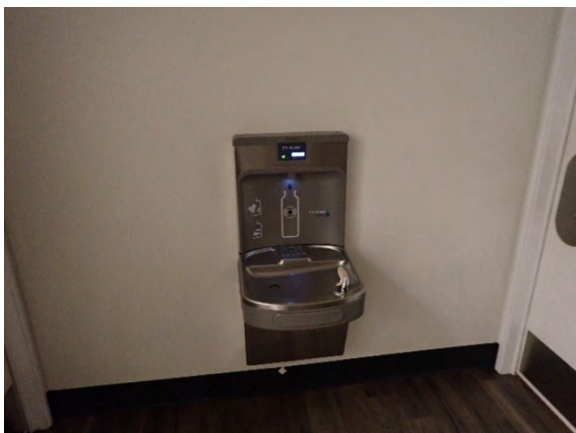
Minimum Number. No fewer than two drinking fountains shall be provided. One drinking fountain shall comply with 602.1 through 602.6 and one drinking fountain shall comply with 602.7.

EXCEPTION: Where a single drinking fountain complies with 602.1 through 602.6 and 602.7, it shall be permitted to be substituted for two separate drinking fountains.

Corrective Measure(s) Suggested:

If a drinking fountain is provided on the 1st floor (since the existing fountain needs to be moved) then provide both a high and a low fountain.

Photograph(s):



Finding 60: Drinking Fountain & Bottle Filling Station

The clearance below the fountain is only 26.75" high (27" minimum required from 0" to 8" under the fountain).

Citation(s):

CBC 11B-602.2 & CBC 11B-306.3

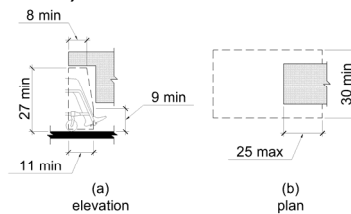
Minimum required depth. Where knee clearance is required under an element as part of a clear floor space, the knee clearance shall be 11 inches (279 mm) deep minimum at 9 inches (229 mm) above the finish floor or ground, and 8 inches (203 mm) deep minimum at 27 inches (686 mm) above the finish floor or ground.

Width. Knee clearance shall be 30 inches (762 mm) wide minimum.

ADAS 602.2 & CBC 11B-306.3

Where knee clearance is required under an element as part of a clear floor space, the knee clearance shall be 11 inches (280 mm) deep minimum at 9 inches (230 mm) above the finish floor or ground, and 8 inches (205 mm) deep minimum at 27 inches (685 mm) above the finish floor or ground.

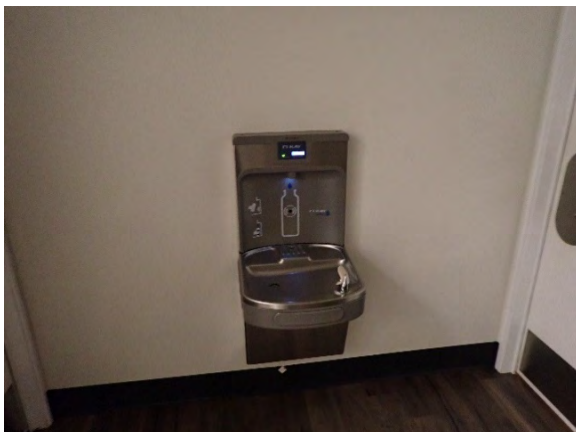
Width. Knee clearance shall be 30 inches (760 mm) wide minimum.



Corrective Measure(s) Suggested:

If the fountain is relocated (as discussed under the toilet room section), then install the fountain with 27" of clearance below the knee portion of the fountain.

Photograph(s):





IX. **CONCLUSION**

Thank you for allowing me to assist you in this matter. I can be reached at (619) 741-1080 or at ncasper@casperdevelopment.com.

Sincerely,

A handwritten signature in black ink that reads "Neal Casper". The signature is written in a cursive, slightly slanted style.

Neal Casper, President
CASPER DEVELOPMENT RESOURCES, INC
Certified Access Specialist (CASp-020)

Page Intentionally Blank

ABBREVIATIONS:

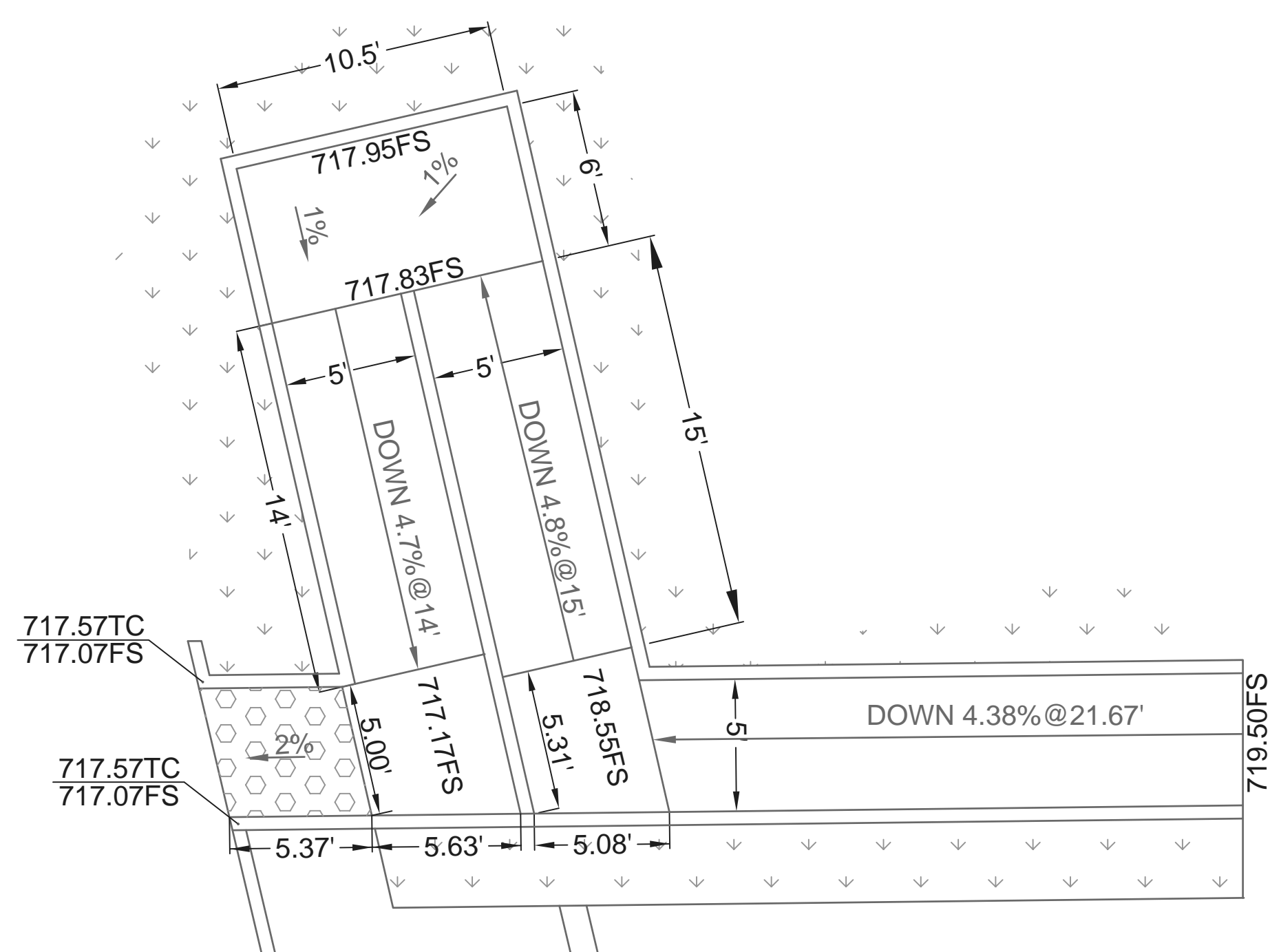
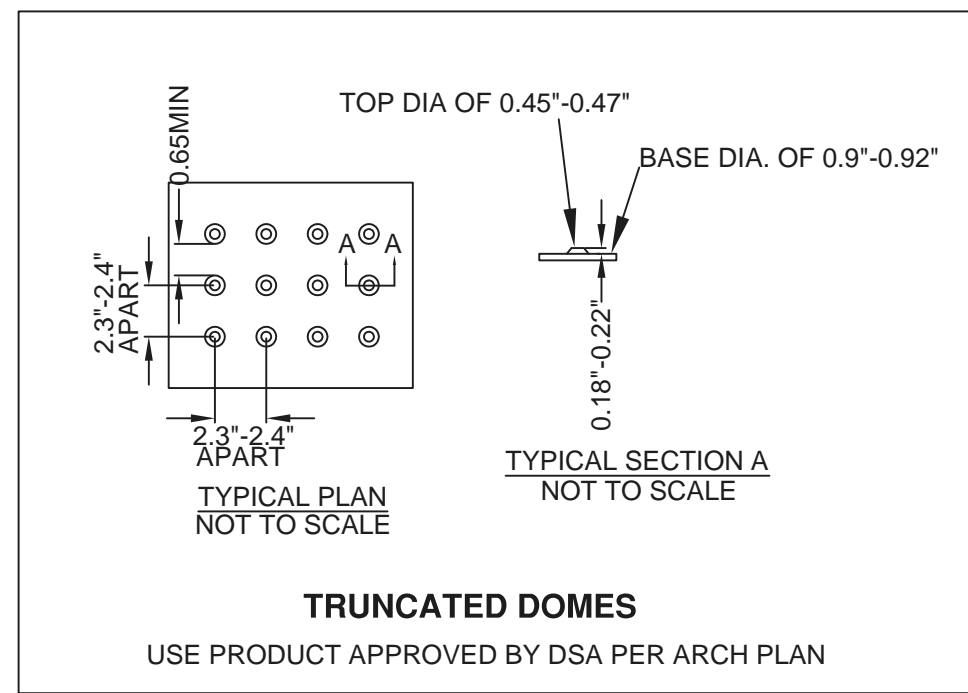
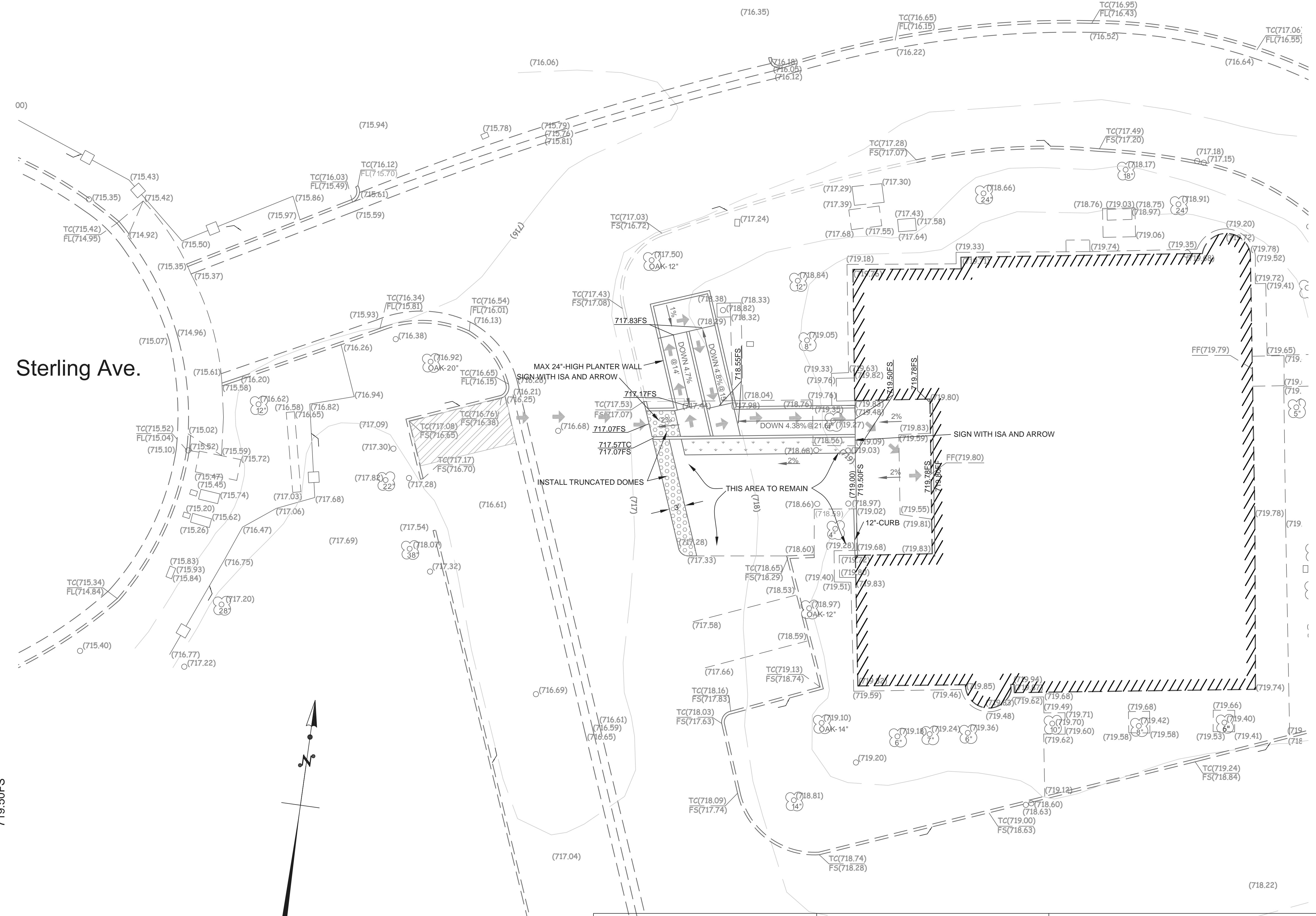
- AC Asphalt Concrete
- CB Catch Basin
- CBW Concrete Block Wall
- CL Center Line
- CLF Chain Link Fence
- CONC Concrete
- D/A Driveway Apron
- EP Edison Pole
- EX Existing
- FF Finished Floor Elevation
- FG Finished Grade
- FH Fire Hydrant
- FL Flow Line Elevation
- FS Finished Surface
- GV Gas Valve
- HP High Point
- INV Invert Elevation
- MIN Minimum
- NTS Not To Scale
- PCC Portland Cement Concrete
- P/L Property Boundary Line
- PM Parking Meter
- PVMT Pavement
- RW Retaining Wall
- SMH Sewer Manhole
- S/W Sidewalk
- STA Station
- STD Standard
- SHT Sheet
- TBR To Be Removed
- TC Top of Curb Elevation
- TG Top of Gate Elevation
- TW Top of Wall Elevation
- Hr Retaining Height
- Hv Height of Retaining Wall
- WF Wooden Fence
- WM Water Meter

LEGEND:

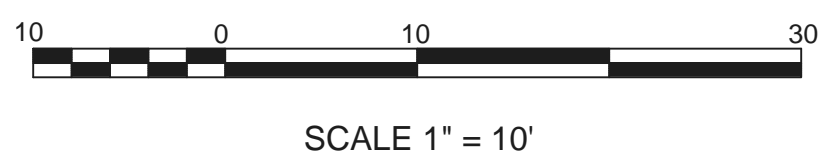
- (100.25) Existing Elevation
- 101 --- Ex. Ground Contour Line
- Chain Linked Fence
- Ex. Structure
- Street Light
- Sewer Line
- Water Line
- Ex. Tree, Diameter 10"
- Path of Travel

CONCEPTUAL GRADING PLAN

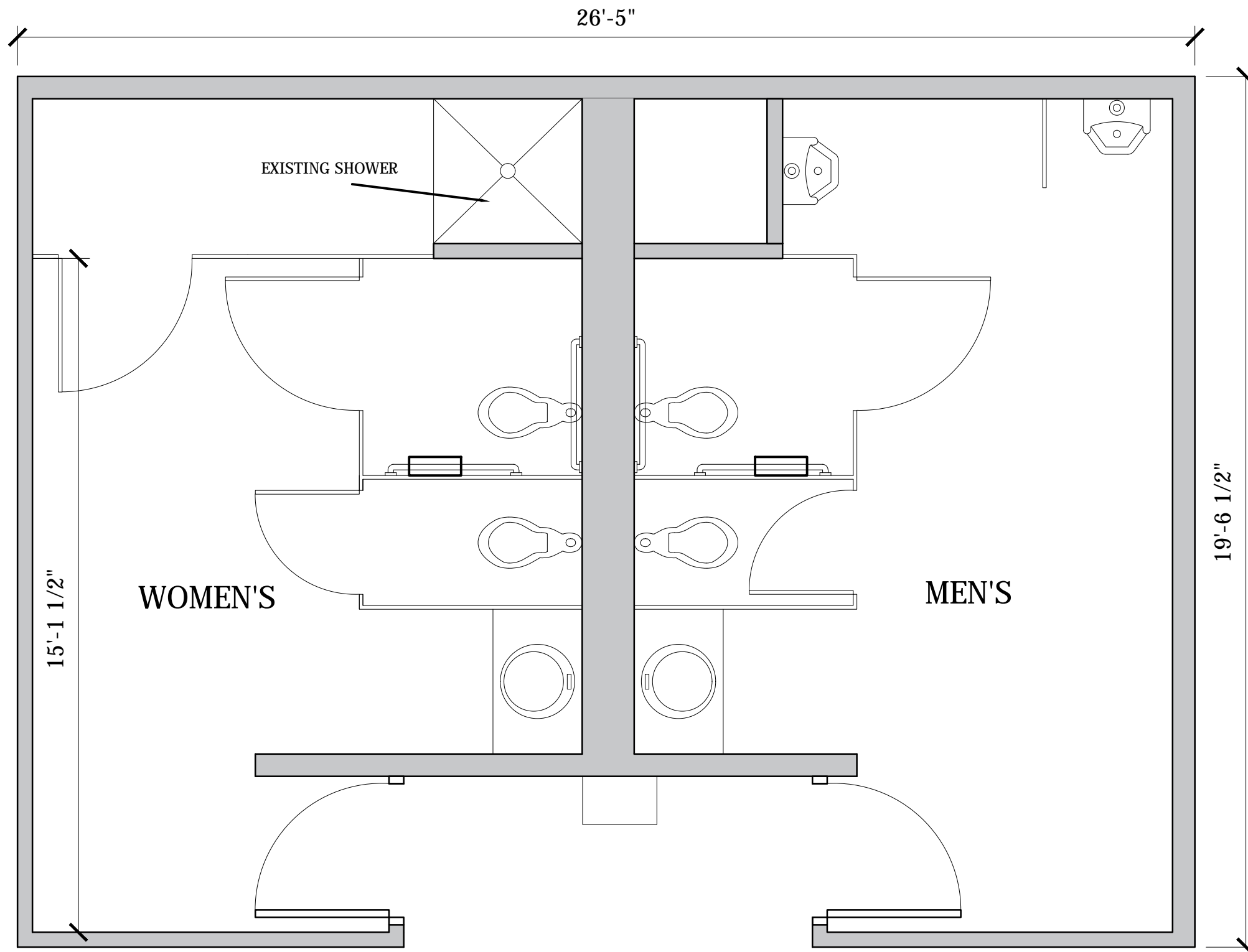
(ENTRANCE IMPROVEMENT PLAN)



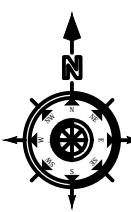
RAMP DETAILS
SCALE: 1"=5'



<p>BENCHMARK B.M. No. E2-J3 Elevation (ft) : (696.956) Location Description : P.K. Nail and City Engineer Tag in the Northwesterly curb return of Magnolia Av. and Pierce St.</p>		CONCEPTUAL GRADING PLAN (ENTRANCE IMPROVEMENT PLAN)	
		<p>SUBDIVISION LAND SURVEY CIVIL ENGINEERING & DESIGN</p> <p>135 N. SAN GABRIEL BLVD. SAN GABRIEL, CA 91775 TEL: (626) 570-1918 EMAIL: info@tritechengineer.com</p>	<p>SCALE: 1"=20' DATE: 09/27/2022</p> <p>APN# : 132-020-049 DRAWN BY: SMITH REVISED:</p> <p>11615 Sterling Ave. Riverside, CA 92503</p> <p>SHEET 1 OF 1</p>
		<p>JOB NO. 220612</p>	<p>347</p>



01 EXISTING FLOOR PLAN
 A-1.1 Scale : 3/8" = 1'-0"



A-1.1

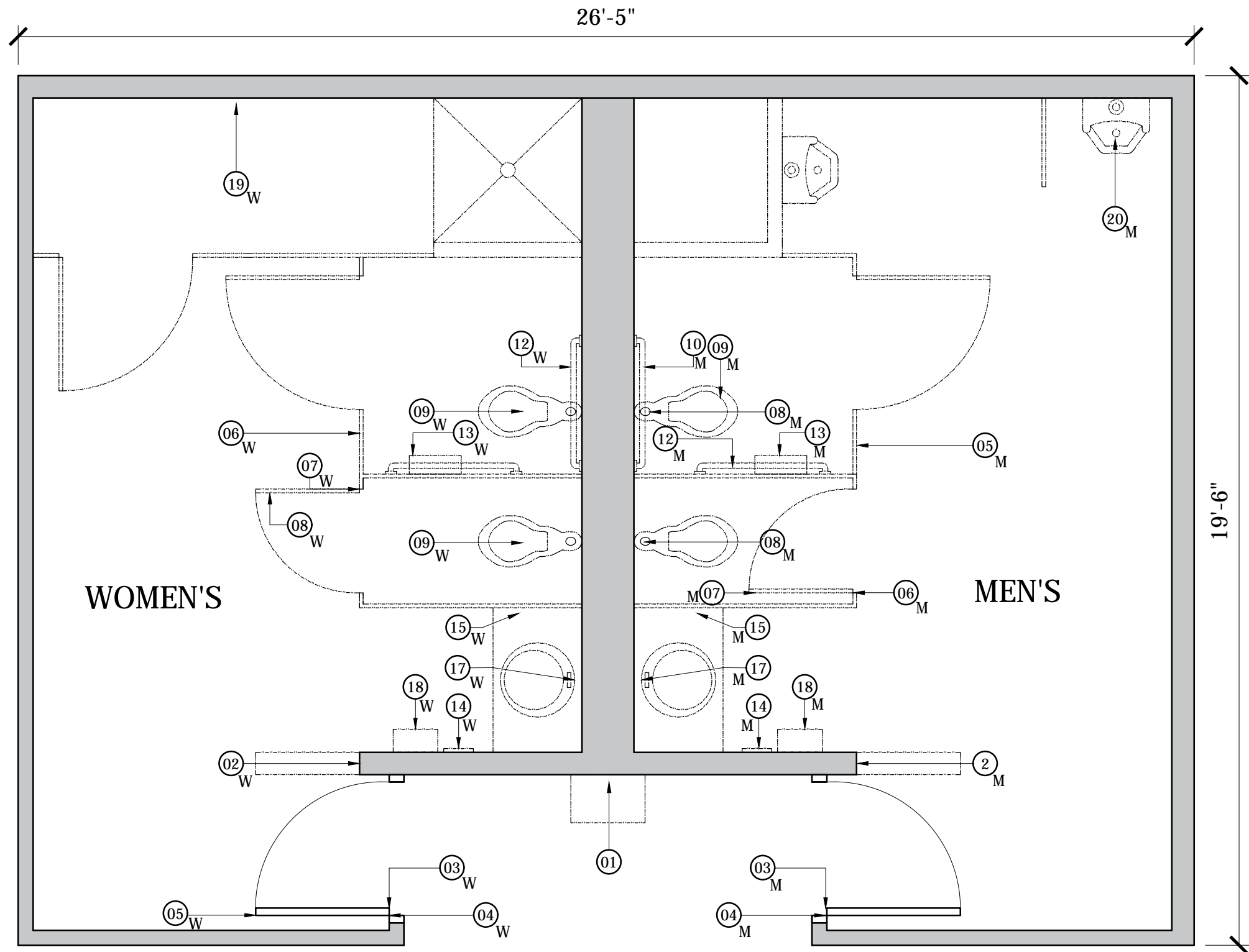
EXISTING PLAN

	DATE : 11/10/2022

CONCEPTUAL ADA
 RETROFIT PLANS



2900 BRISTOL STREET COSTA
 MESA CALIFORNIA 92626
 FAX (714) 668-4265 SUITE
 G-205 TEL (714) 668-4260



NOTES FROM ACCESSIBILITY REPORT

LEGEND (WOMEN'S): (XX)_W

- 01_W REPLACE DRINKING FOUNTAIN WITH A SURFACE MOUNTED BOTTLE FILLER.
- 02_W CUT BACK THE PRIVACY WALL TO WITHIN 8" OF THE FACE OF THE DOOR.
- 03_W ADJUST OR REPLACE THE DOOR CLOSER SO IT REQUIRES NO MORE THAN 5LBS OF FORCE TO OPEN.
- 04_W ADJUST OR REPLACE THE DOOR CLOSER SO IT PROVIDES A MINIMUM OF 5 SECONDS TO CLOSE FROM 90 DEGREES TO 12 DEGREES FROM THE LATCH.
- 05_W REMOVE THE LATCH. IF A LATCH IS DESIRED, THEN INSTALL AN ACCESSIBLE SLIDING OR FLIP LATCH 34" TO 44" HIGH.
- 06_W MOVE OUT THE FRONT WALL OF THE STALL TO PROVIDE 48" DEEP CLEARANCE IN FRONT OF THE TOILET. MAINTAIN 60" OF CLEARANCE OUTSIDE THE TOILET COMPARTMENT AND ENSURE THE DOOR IS HINGED NO FURTHER THAN 4" FROM THE SIDE PARTITION FURTHEST FROM THE TOILET.
- 07_W PROVIDE THE REQUIRED HARDWARE TO MAKE THE DOOR SELF CLOSING
- 08_W INSTALL AN ADDITIONAL DOOR PULL 34" TO 44" HIGH
- 09_W REPLACE THE TOILET SO IT'S CENTERLINE IS 17.5" FROM THE SIDE WALL AT BOTH THE FRONT AND REAR OF THE FIXTURE.
- 10_W REPLACE THE ONE PIECE GRAB BAR WITH A 48" LONG SIDE BAR AND A 42" LONG REAR BAR INSTALLED PER CBC 11B-604.5
- 12_W REPLACE THE ONE PIECE GRAB BAR WITH A 48" LONG SIDE BAR AND A 42" LONG REAR BAR INSTALLED PER CBC 11B-604.5. ADJUST DISPENSER TO MAINTAIN 1.5" CLEARANCE BELOW THE GRAB BAR.
- 13_W RELOCATE THE DISPOSAL UNIT TO THE SIDE WALL BELOW THE GRAB BAR AND POSITIONED BETWEEN THE BACK WALL AND THE TOILET PAPER DISPENSER WITH ITS OPERABLE PARTS AT LEAST 15" AFF
- 14_W WIDEN THE ALCOVE TO MAINTAIN A 36" MINIMUM CLEARANCE (ALTHOUGH THE ALCOVE CONDITION MA BE ELIMINATED WHEN THE PRIVACY WALL IS CUT BACK ADJACENT THE DOOR).
- 15_W REMOVE THE TRASH CAN.
- 16_W REPLACE THE VANITY AND LAVATORY.
- 17_W INSULATE THE PIPES
- 18_W LOWER THE DRYER
- 19_W REPLACE THE BABY DIAPER CHANGING TABLE. ENSURE THE TABLE DOES NOT OBSTRUCT AN ACCESSIBLE ROUTE WHEN DEPLOYED.

LEGEND (MEN'S): (XX)_M

- 01_M REPLACE DRINKING FOUNTAIN WITH A SURFACE MOUNTED BOTTLE FILLER.
- 02_M CUT BACK THE PRIVACY WALL TO WITHIN 8" OF THE FACE OF THE DOOR.
- 03_M ADJUST OR REPLACE THE DOOR CLOSER SO IT REQUIRES NO MORE THAN 5LBS OF FORCE TO OPEN.
- 04_M ADJUST OR REPLACE THE DOOR CLOSER SO IT PROVIDES A MINIMUM OF 5 SECONDS TO CLOSE FROM 90 DEGREES TO 12 DEGREES FROM THE LATCH.
- 05_M MOVE OUT THE FRONT WALL OF THE STALL TO PROVIDE 48" DEEP CLEARANCE IN FRONT OF THE TOILET. MAINTAIN 60" OF CLEARANCE OUTSIDE THE TOILET COMPARTMENT AND ENSURE THE DOOR IS HINGED NO FURTHER THAN 4" FROM THE SIDE PARTITION FURTHEST FROM THE TOILET.
- 06_M PROVIDE THE REQUIRED HARDWARE TO MAKE THE DOOR SELF CLOSING
- 07_M INSTALL AN ADDITIONAL DOOR PULL 34" TO 44" HIGH
- 08_M ADJUST THE TOILET SO IT'S CENTERLINE IS 17.5" FROM THE SIDE WALL AT BOTH THE FRONT AND REAR OF THE FIXTURE.
- 09_M REPLACE THE TOILET
- 10_M REPLACE THE ONE PIECE GRAB BAR WITH A 48" LONG SIDE BAR AND A 42" LONG REAR BAR INSTALLED PER CBC 11B-604.5
- 11_M REPLACE THE ONE PIECE GRAB BAR WITH A 48" LONG SIDE BAR AND A 42" LONG REAR BAR INSTALLED PER CBC 11B-604.5. ADJUST DISPENSER TO MAINTAIN 1.5" CLEARANCE BELOW THE GRAB BAR.
- 12_M INSTALL THE DISPENSER BELOW THE SIDE GRAB BAR CENTERED 8" IN FRONT OF THE TOILET WITH ITS PAPER OUTLET AT LEAST 19" AFF. MAINTAIN A MINIMUM GAP OF 1.5" BETWEEN THE TOP OF THE DISPENSER AND THE UNDERSIDE OF THE GRAB BAR
- 13_M LOWER THE DISPENSER SO THE TOP OF THE OPENING IS NO HIGHER THAN 40" AFF.
- 14_M WIDEN THE ALCOVE TO MAINTAIN A 36" MINIMUM CLEARANCE (ALTHOUGH THE ALCOVE CONDITION MA BE ELIMINATED WHEN THE PRIVACY WALL IS CUT BACK ADJACENT THE DOOR).
- 15_M REMOVE THE TRASH CAN.
- 16_M REPLACE THE VANITY AND LAVATORY.
- 17_M INSULATE THE PIPES
- 18_M LOWER THE DRYER
- 19_M REPAIR OR REPLACE THE DIAPER CHANGING TABLE.
- 20_M REMOVE URINAL

01 DEMOLITION FLOOR PLAN
A-1.2 Scale : 3/8" = 1'-0"



A-1.2

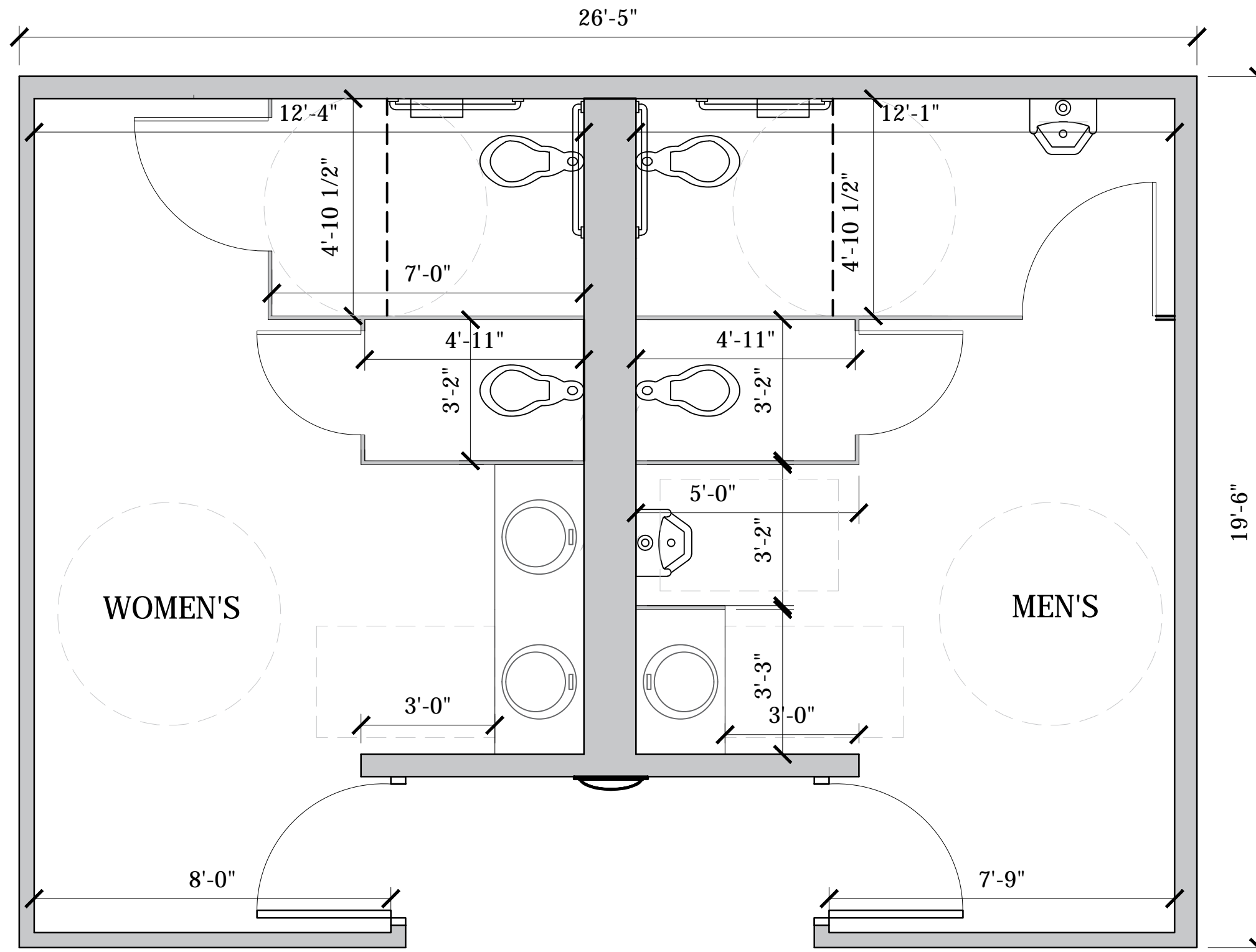
DEMOLITION PLAN

DATE : 11/10/2022

CONCEPTUAL ADA
RETROFIT PLANS



2900 BRISTOL STREET COSTA
MESA CALIFORNIA 92626
FAX (714) 668-4265 SUITE
G-205 TEL (714) 668-4260



01 **PROPOSED FLOOR PLAN**
 A-1.3 Scale : 3/8" = 1'-0"



A-1.3

PROPOSED PLAN

	DATE : 11/10/2022

CONCEPTUAL ADA
 RETROFIT PLANS



2900 BRISTOL STREET COSTA
 MESA CALIFORNIA 92626
 FAX (714) 668-4265 SUITE
 G-205 TEL (714) 668-4260

Santa Ana Watershed Project Authority
Cash Transaction Report
Month of September 2022

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

Cash Receipts and Deposits to Account	\$	1,578,347.59
Net Investment Transfers		8,625.00
Cash Disbursements		<u>(767,142.58)</u>
Net Change for Month	\$	819,830.01
Balance at Beginning of Month		<u>2,488,986.86</u>
Balance at End of Month per General Ledger	\$	<u>3,308,816.87</u>
Collected Balance per Bank Statement	\$	<u>3,332,662.71</u>

ACCOUNTS PAYABLE RECONCILIATION

Accounts Payable Balance @ 08/31/2022	\$	11,377,363.80
Invoices Received for September 2022		292,270.85
Invoices Paid by check/wire during September 2022 (see attached register)		<u>(499,445.50)</u>
Accounts Payable Balance @ 09/30/2022	\$	<u>11,170,189.15</u>

CASH RECEIPTS

Brine Line Operating Revenues	\$ 978,340.56
Member Agency Contributions	100,865.00
Participant Fees	464,769.50
LESJWA Admin Reimbursement	32,905.63
Other	<u>1,466.90</u>
Total Receipts and Deposits	\$ 1,578,347.59

INVESTMENT TRANSFERS

Transfer of Funds:	
From (to) US Bank	\$ -
From (to) LAIF	-
From (to) Legal Defense Fund	-
From (to) LESJWA	-
From (to) Investments	<u>8,625.00</u>
Total Investment Transfers	\$ 8,625.00

CASH DISBURSEMENTS

By Check:	
Payroll	\$ -
Operations	<u>499,445.50</u>
Total Checks Drawn	\$ 499,445.50
By Cash Transfer:	
Payroll	\$ 182,280.87
Payroll Taxes	85,031.61
Take Care (AFLAC)	<u>384.60</u>
Total Cash Transfers	\$ 267,697.08
Total Cash Disbursements	<u><u>\$ 767,142.58</u></u>

Santa Ana Watershed Project Authority
Check Detail
Sep-22

Category	Check #	Check Date	Type	Vendor	Check Amount
Asset Clearing	EFT04753	9/15/2022	CHK	Automated Gate Services, Inc	\$ 13,261.40
Asset Clearing Total					\$ 13,261.40
Auto Expense	5348	9/22/2022	CHK	County of Riverside	\$ 686.45
Auto Expense	EFT04767	9/22/2022	CHK	County of Riverside/Transportation	\$ 1,058.71
Auto Expense Total					\$ 1,745.16
Benefits	5338	9/8/2022	CHK	Cal PERS Long Term Care Program	\$ 231.11
Benefits	5345	9/22/2022	CHK	AFLAC	\$ 410.63
Benefits	5349	9/22/2022	CHK	Mutual Of Omaha	\$ 3,220.86
Benefits	5355	9/28/2022	CHK	Cal PERS Long Term Care Program	\$ 231.11
Benefits	EFT04735	9/8/2022	CHK	Vantagepoint Transfer Agents	\$ 3,663.55
Benefits	EFT04741	9/8/2022	CHK	Vantagepoint Transfer Agents	\$ 427.58
Benefits	EFT04754	9/22/2022	CHK	ACWA/JPIA	\$ 46,164.45
Benefits	EFT04758	9/22/2022	CHK	Vantagepoint Transfer Agents	\$ 3,663.55
Benefits	EFT04763	9/22/2022	CHK	Vantagepoint Transfer Agents	\$ 427.58
Benefits	EFT04765	9/22/2022	CHK	HealthEquity, Inc.	\$ 134.00
Benefits	P043437	9/8/2022	WDL	Public Employees' Retirement	\$ 21,586.38
Benefits	P043438	9/8/2022	WDL	CalPERS Supplemental Income	\$ 3,268.95
Benefits	P043517	9/22/2022	WDL	CalPERS Supplemental Income	\$ 3,268.95
Benefits	P043518	9/22/2022	WDL	Public Employees' Retirement	\$ 21,706.11
Benefits	WDL000005805	9/6/2022	WDL	Takecare	\$ 384.60
Benefits Total					\$ 108,789.41
Building Lease	5350	9/22/2022	CHK	Wilson Property Services, Inc	\$ 1,998.00
Building Lease	5351	9/22/2022	CHK	Wilson Property Services, Inc	\$ 1,984.00
Building Lease Total					\$ 3,982.00
Cloud Storage	EFT04764	9/22/2022	CHK	Accent Computer Solutions Inc	\$ 1,405.06
Cloud Storage Total					\$ 1,405.06
Computer Hardware	EFT04731	9/1/2022	CHK	Accent Computer Solutions Inc	\$ 548.17
Computer Hardware Total					\$ 548.17
Consulting	5342	9/15/2022	CHK	Bartel & Associates	\$ 1,500.00
Consulting	5357	9/28/2022	CHK	Nicolay Consulting Group	\$ 4,900.00
Consulting	EFT04728	9/1/2022	CHK	Santa Ana Watershed Association	\$ 288.93
Consulting	EFT04729	9/1/2022	CHK	CDM Smith, Inc.	\$ 35,624.70
Consulting	EFT04731	9/1/2022	CHK	Accent Computer Solutions Inc	\$ 151.83
Consulting	EFT04732	9/1/2022	CHK	West Yost & Associates, Inc.	\$ 46,345.28
Consulting	EFT04733	9/1/2022	CHK	Geosyntec Consultants	\$ 9,900.75
Consulting	EFT04743	9/8/2022	CHK	Woodard & Curran Inc.	\$ 3,082.50
Consulting	EFT04744	9/8/2022	CHK	Alliance Resource Consulting	\$ 7,125.00
Consulting	EFT04747	9/15/2022	CHK	CDM Smith, Inc.	\$ 32,000.59
Consulting	EFT04748	9/15/2022	CHK	Accent Computer Solutions Inc	\$ 125.94
Consulting	EFT04751	9/15/2022	CHK	Kahn Soares & Conway	\$ 11,437.50
Consulting	EFT04760	9/22/2022	CHK	West Coast Advisors	\$ 9,750.00
Consulting	EFT04762	9/22/2022	CHK	Santa Ana Watershed Association	\$ 943.61
Consulting	EFT04764	9/22/2022	CHK	Accent Computer Solutions Inc	\$ 2,825.56
Consulting	EFT04768	9/22/2022	CHK	Water Systems Consulting	\$ 2,310.00
Consulting	EFT04770	9/22/2022	CHK	Gillis & Panichapan Architects	\$ 17,170.00
Consulting	EFT04773	9/28/2022	CHK	CDM Smith, Inc.	\$ 76,394.86
Consulting	EFT04774	9/28/2022	CHK	Integrated Systems Solutions	\$ 333.00
Consulting	EFT04776	9/28/2022	CHK	Woodard & Curran Inc.	\$ 6,497.50
Consulting	EFT04780	9/28/2022	CHK	JPW Communications	\$ 2,916.65
Consulting Total					\$ 271,624.20
Contributions	5343	9/15/2022	CHK	Multi-State Salinity Coalition	\$ 1,000.00
Contributions	5352	9/22/2022	CHK	Water Research Foundation	\$ 5,000.00
Contributions Total					\$ 6,000.00
Credit Cards	P043547	9/8/2022	WDL	US Bank	\$ 9,279.85
Credit Cards Total					\$ 9,279.85
Director Costs	EFT04736	9/8/2022	CHK	Western Municipal Water District	\$ 503.88
Director Costs	EFT04745	9/15/2022	CHK	Western Municipal Water District	\$ 491.94
Director Costs	EFT04756	9/22/2022	CHK	Eastern Municipal Water District	\$ 960.00
Director Costs	EFT04759	9/22/2022	CHK	Western Municipal Water District	\$ 743.88
Director Costs Total					\$ 2,699.70
Dues	EFT04730	9/1/2022	CHK	Southern Calif Salinity Coalition	\$ 10,000.00
Dues	EFT04771	9/22/2022	CHK	Climate Resolve	\$ 1,000.00

Santa Ana Watershed Project Authority
Check Detail
Sep-22

Category	Check #	Check Date	Type	Vendor	Check Amount
Dues Total					\$ 11,000.00
Employee Reimbursement	EFT04766	9/22/2022	CHK	Lucas Gilbert	\$ 485.68
Employee Reimbursement Total					\$ 485.68
Equipment Rented	5337	9/8/2022	CHK	Pitney Bowes Global Financial Services	\$ 378.01
Equipment Rented	5358	9/28/2022	CHK	United Rentals	\$ 2,469.77
Equipment Rented	EFT04724	9/1/2022	CHK	Konica Minolta - Rental	\$ 678.07
Equipment Rented Total					\$ 3,525.85
Facility Repair & Maintenance	EFT04725	9/1/2022	CHK	Western Exterminator Co.	\$ 169.05
Facility Repair & Maintenance	EFT04742	9/8/2022	CHK	TNT Elevator Inc	\$ 280.00
Facility Repair & Maintenance	EFT04746	9/15/2022	CHK	Western Exterminator Co.	\$ 169.05
Facility Repair & Maintenance	EFT04749	9/15/2022	CHK	Riverside Cleaning	\$ 1,625.00
Facility Repair & Maintenance	EFT04775	9/28/2022	CHK	United Storm Water Inc.	\$ 18,212.08
Facility Repair & Maintenance Total					\$ 20,455.18
Insurance Expense	EFT04750	9/15/2022	CHK	Zenith Insurance Company	\$ 4,516.00
Insurance Expense Total					\$ 4,516.00
Lab Costs	EFT04726	9/1/2022	CHK	E. S. Babcock & Sons, Inc.	\$ 1,094.92
Lab Costs	EFT04739	9/8/2022	CHK	E. S. Babcock & Sons, Inc.	\$ 1,773.00
Lab Costs	EFT04761	9/22/2022	CHK	E. S. Babcock & Sons, Inc.	\$ 2,054.92
Lab Costs	EFT04772	9/28/2022	CHK	E. S. Babcock & Sons, Inc.	\$ 3,306.00
Lab Costs Total					\$ 8,228.84
Landscape Maintenance	EFT04740	9/8/2022	CHK	Green Meadows Landscape	\$ 777.00
Landscape Maintenance Total					\$ 777.00
Legal	EFT04769	9/22/2022	CHK	Lagerlof, LLP	\$ 1,809.00
Legal Total					\$ 1,809.00
Materials & Supplies - Tools	5344	9/15/2022	CHK	D&B Fabrication Plus	\$ 1,000.00
Materials & Supplies - Tools Total					\$ 1,000.00
Office Expense	5334	9/1/2022	CHK	Staples Business Advantage	\$ 64.70
Office Expense	EFT04734	9/1/2022	CHK	Konica Minolta Business Solutions	\$ 172.57
Office Expense	EFT04755	9/22/2022	CHK	Aramark Refreshment Services	\$ 93.81
Office Expense	EFT04781	9/28/2022	CHK	Konica Minolta Business Solutions	\$ 111.85
Office Expense Total					\$ 442.93
Payroll	WDL000005793	9/2/2022	WDL	Direct Deposit 9/2/2022	\$ 1,789.32
Payroll	WDL000005794	9/5/2022	WDL	Direct Deposit 9/5/2022	\$ 858.26
Payroll	WDL000005795	9/2/2022	WDL	PR Tax - Fedearl	\$ 618.11
Payroll	WDL000005796	9/2/2022	WDL	PR Tax - State	\$ 122.42
Payroll	WDL000005797	9/2/2022	WDL	PR Tax - Federal	\$ 219.18
Payroll	WDL000005798	9/2/2022	WDL	PR Tax - State	\$ 25.73
Payroll	WDL000005804	9/9/2022	WDL	Direct Deposit 9/9/2022	\$ 87,326.44
Payroll	WDL000005806	9/9/2022	WDL	PR Tax - Federal	\$ 32,924.15
Payroll	WDL000005807	9/9/2022	WDL	PR Tax - State	\$ 7,930.12
Payroll	WDL000005808	9/9/2022	WDL	PR Tax - State AZ	\$ 126.62
Payroll	WDL000005811	9/23/2022	WDL	Direct Deposit 9/23/2022	\$ 92,306.85
Payroll	WDL000005812	9/23/2022	WDL	PR Tax - Federal	\$ 34,563.38
Payroll	WDL000005813	9/23/2022	WDL	PR Tax - State	\$ 8,375.28
Payroll	WDL000005814	9/23/2022	WDL	PR Tax - State AZ	\$ 126.62
Payroll Total					\$ 267,312.48
Prop 1	EFT04738	9/8/2022	CHK	Municipal Water District of Orange County	\$ 12,659.25
Prop 1 Total					\$ 12,659.25
Safety	5347	9/22/2022	CHK	Cintas Corporation	\$ 398.96
Safety	EFT04737	9/8/2022	CHK	Underground Service Alert	\$ 233.45
Safety Total					\$ 632.41
Security	5341	9/15/2022	CHK	SafeT	\$ 464.40
Security Total					\$ 464.40
Shipping/Postage	EFT04757	9/22/2022	CHK	General Logistics Systems US	\$ 7.70
Shipping/Postage Total					\$ 7.70
Software	EFT04764	9/22/2022	CHK	Accent Computer Solutions Inc	\$ 1,875.80
Software Total					\$ 1,875.80

Santa Ana Watershed Project Authority
Check Detail
Sep-22

Category	Check #	Check Date	Type	Vendor	Check Amount
Software - Support	EFT04727	9/1/2022	CHK	Solver Inc.	\$ 4,904.45
Software - Support Total					\$ 4,904.45
Subscriptions	EFT04752	9/15/2022	CHK	Verizon Connect	\$ 104.70
Subscriptions Total					\$ 104.70
Utilities	5332	9/1/2022	CHK	AT&T	\$ 223.74
Utilities	5333	9/1/2022	CHK	Southern California Edison	\$ 25.86
Utilities	5335	9/8/2022	CHK	Riverside, City of	\$ 204.94
Utilities	5336	9/8/2022	CHK	Riverside, City of	\$ 2,298.64
Utilities	5339	9/8/2022	CHK	Southern California Edison	\$ 177.26
Utilities	5340	9/8/2022	CHK	Burrtec Waste Industries, Inc	\$ 196.37
Utilities	5346	9/22/2022	CHK	AT&T	\$ 967.97
Utilities	5353	9/28/2022	CHK	AT&T	\$ 1,007.38
Utilities	5354	9/28/2022	CHK	AT&T	\$ 860.65
Utilities	5356	9/28/2022	CHK	Southern California Edison	\$ 26.68
Utilities	EFT04777	9/28/2022	CHK	Verizon Wireless Services LLC	\$ 1,117.45
Utilities	EFT04778	9/28/2022	CHK	Verizon Wireless Services LLC	\$ 368.41
Utilities	EFT04779	9/28/2022	CHK	Verizon Wireless Services LLC	\$ 130.61
Utilities Total					\$ 7,605.96
Grand Total					\$ 767,142.58
		Accounts Payable			
		Checks	\$	440,335.26	
		Wire Transfers	\$	59,110.24	
			\$	499,445.50	
		Take Care	\$	384.60	
		Other	\$	-	
		Payroll	\$	267,312.48	
Total Disbursements for September 2022			\$	767,142.58	

Santa Ana Watershed Project Authority
Consulting
Sep-22

Check #	Check Date	Task #	Task Description	Vendor Name	Total Contract	Check Amount	Remaining Contract Amount	Notes/Comments
EFT04731	9/1/2022	ACS100-25	Firewall Refresh	Accent Computer Solutions	\$ 9,023.14	\$ 151.83	\$ 1.83	
EFT04748	9/15/2022	ACS100-24	MFA and Wireless Network Configuration	Accent Computer Solutions	\$ 8,225.00	\$ 125.94	\$ 715.37	
EFT04764	9/22/2022	ACS100-23	IT Services	Accent Computer Solutions	\$ 107,375.00	\$ 2,825.56	\$ 26,953.62	
EFT04744	9/8/2022	ARC100-01	Water Resources and Planning Manager Recruitment	Alliance Resource Consulting	\$ 28,500.00	\$ 7,125.00	\$ -	
5342	9/15/2022	BART100-07	2022 GASB 68 Actuarial Information for CalPERS	Bartel & Associates	\$ 1,500.00	\$ 1,500.00	\$ -	
EFT04729	9/1/2022	CDM386-16	Implementation of SAR Regional Bacteria Monitoring Program	CDM Smith	\$ 1,098,435.00	\$ 35,624.70	\$ 620,878.13	
EFT04747	9/15/2022	CDM377-01	2023 Triennial Report for MSAR Bacterial Indicator	CDM Smith	\$ 323,825.00	\$ 32,000.59	\$ 253,583.16	
EFT04773	9/28/2022	CDM377-01	2023 Triennial Report for MSAR Bacterial Indicator	CDM Smith	\$ 323,825.00	\$ 38,241.25	\$ 253,583.16	
EFT04773	9/28/2022	CDM386-15	Implementation of SAR Regional Bacteria Monitoring Program	CDM Smith	\$ 1,098,435.00	\$ 38,153.61	\$ 620,878.13	
EFT04733	9/1/2022	GECO370-01	2022 Stormwater Assessment Proposal	Geosyntec Consultants	\$ 22,200.00	\$ 9,900.75	\$ 359.75	
EFT04770	9/22/2022	GPA100-01	SAWPA Building Renovations	Gillis & Panichapan Architects	\$ 72,700.00	\$ 17,170.00	\$ 10,523.35	
EFT04774	9/28/2022	INSOL100-19	HRIS - Greenshades	Integrated Systems Solutions	\$ 23,437.36	\$ 333.00	\$ 6,031.00	
EFT04780	9/28/2022	JPW392-01	Emerging Constituents Program Social Media Support	JPW Communications	\$ 105,000.00	\$ 2,916.65	\$ 26,625.10	
EFT04751	9/15/2022	KSC374-02	Basin Monitoring Program TF Regulatory Support	Kahn, Soares, & Conway	\$ 116,000.00	\$ 7,500.00	\$ 58,035.00	
EFT04751	9/15/2022	KSC384-02	MSAR Pathogen TMDL TF Regulatory Support	Kahn, Soares, & Conway	\$ 149,750.00	\$ 3,937.50	\$ 102,043.50	
5357	9/28/2022	NICO100-08	GASB 75 Actuarial Valuation and Reports	Nicolay Consulting Group	\$ 4,900.00	\$ 4,900.00	\$ -	
EFT04728	9/1/2022	SAWA381-01	Van Buren Bridge Sucker Restoration	Santa Ana Watershed Association	\$ 28,976.67	\$ 288.93	\$ 2,808.60	
EFT04762	9/2/2022	SAWA381-01	Van Buren Bridge Sucker Restoration	Santa Ana Watershed Association	\$ 28,976.67	\$ 943.61	\$ 2,808.60	
EFT04768	9/22/2022	WSC373-01	FYE 2023 Roundtable of Regions Network Coordinator	Water Systems Consulting	\$ 72,900.00	\$ 2,310.00	\$ 64,305.00	
EFT04760	9/22/2022	WCA100-03-04	State Legislative Consulting Services	West Coast Advisors	\$ 240,000.00	\$ 9,750.00	\$ 25,500.00	
EFT04732	9/1/2022	WEST374-01	Workplan for Basin monitoring Program TF Planning Priorities	West Yost & Associates	\$ 350,905.00	\$ 46,345.28	\$ 47,239.22	
EFT04743	9/8/2022	RMC504-401-09	SARCCUP Program Mgmt Services	Woodard & Curran	\$ 84,030.00	\$ 3,082.50	\$ 72,517.50	
EFT04776	9/28/2022	RMC504-401-09	SARCCUP Program Mgmt Services	Woodard & Curran	\$ 84,030.00	\$ 6,497.50	\$ 72,517.50	
					\$ 271,624.20			

Santa Ana Watershed Project Authority
Cash Transaction Report
Month of October 2022

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

Cash Receipts and Deposits to Account	\$ 1,620,546.64
Net Investment Transfers	(998,910.00)
Cash Disbursements	<u>(1,005,402.47)</u>
Net Change for Month	\$ (383,765.83)
Balance at Beginning of Month	<u>3,308,816.87</u>
Balance at End of Month per General Ledger	<u>\$ 2,925,051.04</u>
Collected Balance per Bank Statement	<u><u>\$ 2,958,050.38</u></u>

ACCOUNTS PAYABLE RECONCILIATION

Accounts Payable Balance @ 09/30/2022	\$ 11,170,189.15
Invoices Received for October 2022	352,231.11
Invoices Paid by check/wire during October 2022 (see attached register)	<u>(731,532.58)</u>
Accounts Payable Balance @ 10/31/2022	<u><u>\$ 10,790,887.68</u></u>

CASH RECEIPTS

Brine Line Operating Revenues	\$ 978,023.18
Participant Fees	66,055.00
LESJWA Admin Reimbursement	13,282.24
Grant Proceeds - Prop 1	83,686.01
Grant Proceeds - Prop 1 Pass-throughs	478,770.36
Other	<u>729.85</u>
Total Receipts and Deposits	\$ 1,620,546.64

INVESTMENT TRANSFERS

Transfer of Funds:	
From (to) US Bank	\$ -
From (to) LAIF	-
From (to) Legal Defense Fund	-
From (to) LESJWA	-
From (to) Investments	<u>(998,910.00)</u>
Total Investment Transfers	\$ (998,910.00)

CASH DISBURSEMENTS

By Check:	
Payroll	\$ -
Operations	<u>731,532.58</u>
Total Checks Drawn	\$ 731,532.58
By Cash Transfer:	
Payroll	\$ 181,825.99
Payroll Taxes	82,829.46
Take Care (AFLAC)	<u>9,214.44</u>
Total Cash Transfers	\$ 273,869.89
Total Cash Disbursements	<u>\$ 1,005,402.47</u>

Santa Ana Watershed Project Authority
Check Detail
Oct-22

Category	Check #	Check Date	Type	Vendor	Check Amount
Auto Expense	* 5348	VOID	VOID	County of Riverside	\$ (686.45)
Auto Expense	5369	10/20/2022	CHK	County of Riverside	\$ 1,982.71
Auto Expense	EFT04824	10/27/2022	CHK	County of Riverside/Transportation	\$ 1,227.17
Auto Expense Total					\$ 2,523.43
Benefits	5361	10/6/2022	CHK	Cal PERS Long Term Care Program	\$ 231.11
Benefits	5366	10/20/2022	CHK	Aflac	\$ 410.63
Benefits	5367	10/20/2022	CHK	MissionSquare	\$ 3,763.55
Benefits	5370	10/20/2022	CHK	MissionSquare	\$ 427.58
Benefits	5374	10/27/2022	CHK	Cal PERS Long Term Care Program	\$ 231.11
Benefits	5376	10/27/2022	CHK	Mutual Of Omaha	\$ 3,083.36
Benefits	EFT04784	10/6/2022	CHK	Vantagepoint Transfer Agents	\$ 3,763.55
Benefits	EFT04788	10/6/2022	CHK	Vantagepoint Transfer Agents	\$ 427.58
Benefits	EFT04792	10/6/2022	CHK	HealthEquity, Inc.	\$ 134.00
Benefits	EFT04807	10/20/2022	CHK	ACWA/JPIA	\$ 44,566.53
Benefits	P043579	10/6/2022	WDL	Public Employees' Retirement	\$ 21,659.74
Benefits	P043580	10/6/2022	WDL	CalPERS Supplemental Income	\$ 3,368.95
Benefits	P043642	10/20/2022	WDL	CalPERS Supplemental Income	\$ 3,368.95
Benefits	P043643	10/20/2022	WDL	Public Employees' Retirement	\$ 21,673.50
Benefits	WDL000005830	10/18/2022	WDL	WageWorks	\$ 769.20
Benefits	WDL000005831	10/18/2022	WDL	WageWorks	\$ 1,342.10
Benefits	WDL000005832	10/18/2022	WDL	WageWorks	\$ 2,740.60
Benefits	WDL000005833	10/18/2022	WDL	WageWorks	\$ 468.05
Benefits	WDL000005834	10/18/2022	WDL	WageWorks	\$ 45.00
Benefits	WDL000005835	10/18/2022	WDL	WageWorks	\$ 45.94
Benefits	WDL000005836	10/18/2022	WDL	WageWorks	\$ 190.50
Benefits	WDL000005837	10/18/2022	WDL	WageWorks	\$ 231.96
Benefits	WDL000005838	10/18/2022	WDL	WageWorks	\$ 30.00
Benefits	WDL000005839	10/19/2022	WDL	WageWorks	\$ 5.00
Benefits	WDL000005840	10/21/2022	WDL	WageWorks	\$ 28.64
Benefits	WDL000005841	10/21/2022	WDL	WageWorks	\$ 1,507.50
Benefits	WDL000005842	10/21/2022	WDL	WageWorks	\$ 500.00
Benefits	WDL000005843	10/21/2022	WDL	WageWorks	\$ 77.17
Benefits	WDL000005844	10/21/2022	WDL	WageWorks	\$ 82.23
Benefits	WDL000005845	10/21/2022	WDL	WageWorks	\$ 5.00
Benefits	WDL000005846	10/21/2022	WDL	WageWorks	\$ 10.00
Benefits	WDL000005847	10/21/2022	WDL	WageWorks	\$ 265.00
Benefits	WDL000005848	10/24/2022	WDL	WageWorks	\$ 195.00
Benefits	WDL000005849	10/26/2022	WDL	WageWorks	\$ 215.49
Benefits	WDL000005853	10/27/2022	WDL	WageWorks	\$ 384.60
Benefits	WDL000005860	10/31/2022	WDL	WageWorks	\$ 75.44
Benefits Total					\$ 116,324.56
Building Lease	5377	10/27/2022	CHK	Wilson Property Services, Inc	\$ 1,984.00
Building Lease	5378	10/27/2022	CHK	Wilson Property Services, Inc	\$ 1,998.00
Building Lease Total					\$ 3,982.00
Cloud Storage	EFT04823	10/27/2022	CHK	Accent Computer Solutions Inc	\$ 1,411.87
Cloud Storage Total					\$ 1,411.87
Consulting	EFT04789	10/6/2022	CHK	Integrated Systems Solutions	\$ 92.50
Consulting	EFT04793	10/6/2022	CHK	Dudek	\$ 4,270.00
Consulting	EFT04796	10/6/2022	CHK	Raftelis Financial Consultants	\$ 4,650.00
Consulting	EFT04797	10/6/2022	CHK	Sol Media	\$ 5,960.00
Consulting	EFT04798	10/6/2022	CHK	West Yost & Associates, Inc.	\$ 15,087.50
Consulting	EFT04800	10/6/2022	CHK	Geosyntec Consultants	\$ 3,813.00
Consulting	EFT04804	10/13/2022	CHK	Kahn Soares & Conway	\$ 13,987.50
Consulting	EFT04805	10/13/2022	CHK	Gillis & Panichapan Architects	\$ 5,355.00
Consulting	EFT04806	10/13/2022	CHK	Alliance Resource Consulting	\$ 7,125.00
Consulting	EFT04813	10/20/2022	CHK	Accent Computer Solutions Inc	\$ 280.00

Santa Ana Watershed Project Authority
Check Detail
Oct-22

Category	Check #	Check Date	Type	Vendor	Check Amount
Consulting	EFT04817	10/27/2022	CHK	West Coast Advisors	\$ 9,750.00
Consulting	EFT04821	10/27/2022	CHK	CDM Smith, Inc.	\$ 8,680.00
Consulting	EFT04822	10/27/2022	CHK	Integrated Systems Solutions	\$ 536.50
Consulting	EFT04823	10/27/2022	CHK	Accent Computer Solutions Inc	\$ 4,419.56
Consulting	EFT04825	10/27/2022	CHK	California Rural Water Association	\$ 1,883.75
Consulting	EFT04829	10/27/2022	CHK	Water Systems Consulting	\$ 6,285.00
Consulting Total					\$ 92,175.31
Credit Cards	P043722	10/11/2022	WDL	US Bank	\$ 9,591.24
Credit Cards Total					\$ 9,591.24
Director Costs	EFT04808	10/20/2022	CHK	Eastern Municipal Water District	\$ 240.00
Director Costs	EFT04810	10/20/2022	CHK	Western Municipal Water District	\$ 491.94
Director Costs Total					\$ 731.94
Employee Reimbursement	EFT04791	10/6/2022	CHK	Jeffrey J. Mosher	\$ 42.00
Employee Reimbursement	EFT04794	10/6/2022	CHK	Ian Achimore	\$ 24.77
Employee Reimbursement	EFT04795	10/6/2022	CHK	Alison L Lewis	\$ 525.00
Employee Reimbursement Total					\$ 591.77
Equipment Rented	EFT04785	10/6/2022	CHK	Konica Minolta - Rental	\$ 678.07
Equipment Rented Total					\$ 678.07
Facility Repair & Maintenance	5365	10/13/2022	CHK	Heating Air Conditioning Services	\$ 2,130.90
Facility Repair & Maintenance	EFT04790	10/6/2022	CHK	TNT Elevator Inc	\$ 280.00
Facility Repair & Maintenance	EFT04801	10/13/2022	CHK	Golden State Fire Protection	\$ 650.00
Facility Repair & Maintenance	EFT04811	10/20/2022	CHK	Western Exterminator Co.	\$ 150.15
Facility Repair & Maintenance	EFT04814	10/20/2022	CHK	Riverside Cleaning Systems	\$ 1,625.00
Facility Repair & Maintenance	EFT04816	10/27/2022	CHK	Western Exterminator Co.	\$ 39.20
Facility Repair & Maintenance Total					\$ 4,875.25
Insurance Expense	EFT04802	10/13/2022	CHK	Zenith Insurance Company	\$ 4,516.00
Insurance Expense Total					\$ 4,516.00
Lab Costs	EFT04787	10/6/2022	CHK	E. S. Babcock & Sons, Inc.	\$ 1,773.00
Lab Costs	EFT04819	10/27/2022	CHK	E. S. Babcock & Sons, Inc.	\$ 2,573.21
Lab Costs Total					\$ 4,346.21
Landscape Maintenance	EFT04820	10/27/2022	CHK	Green Meadows Landscape	\$ 777.00
Landscape Maintenance Total					\$ 777.00
Legal	EFT04803	10/13/2022	CHK	Lagerlof, LLP	\$ 4,904.00
Legal Total					\$ 4,904.00
Office Expense	5375	10/27/2022	CHK	Printing Connection, Inc.	\$ 97.88
Office Expense	EFT04812	10/20/2022	CHK	Awards & Specialties	\$ 30.46
Office Expense	EFT04831	10/27/2022	CHK	Konica Minolta Business Solutions	\$ 229.54
Office Expense Total					\$ 357.88
Other Contract Services	EFT04782	10/6/2022	CHK	Orange County Sanitation District	\$ 3,443.48
Other Contract Services Total					\$ 3,443.48
Payroll	WDL000005819	10/7/2022	WDL	Direct Deposit 10/7/2022	\$ 87,659.40
Payroll	WDL000005821	10/7/2022	WDL	PR Tax - Federal	\$ 32,218.95
Payroll	WDL000005822	10/7/2022	WDL	PR Tax - State	\$ 7,922.44
Payroll	WDL000005823	10/7/2022	WDL	PR Tax - State AZ	\$ 126.62
Payroll	WDL000005825	10/19/2022	WDL	PR Tax - State	\$ 314.19
Payroll	WDL000005826	10/21/2022	WDL	Direct Deposit 10/21/2022	\$ 94,166.59
Payroll	WDL000005827	10/21/2022	WDL	PR Tax - Federal	\$ 33,864.06
Payroll	WDL000005828	10/21/2022	WDL	PR Tax - State	\$ 8,256.58
Payroll	WDL000005829	10/21/2022	WDL	PR Tax - State AZ	\$ 126.62
Payroll Total					\$ 264,655.45

Santa Ana Watershed Project Authority
Check Detail
Oct-22

Category	Check #	Check Date	Type	Vendor	Check Amount
Prop 1	5371	10/27/2022	CHK	Big Bear Area Regional Wastewater	\$ 98,515.66
Prop 1	5380	10/27/2022	CHK	City of Santa Ana	\$ 9,030.92
Prop 1	EFT04818	10/27/2022	CHK	Municipal Water District of Orange County	\$ 113,143.81
Prop 1	EFT04830	10/27/2022	CHK	Monte Vista Water District	\$ 258,079.97
Prop 1 Total					\$ 478,770.36
Safety	EFT04786	10/6/2022	CHK	Underground Service Alert	\$ 252.70
Safety Total					\$ 252.70
Shipping/Postage	EFT04783	10/6/2022	CHK	General Logistics Systems US	\$ 27.09
Shipping/Postage	EFT04809	10/20/2022	CHK	General Logistics Systems US	\$ 7.70
Shipping/Postage	EFT04815	10/27/2022	CHK	General Logistics Systems US	\$ 14.74
Shipping/Postage Total					\$ 49.53
Software	EFT04823	10/27/2022	CHK	Accent Computer Solutions Inc	\$ 1,875.80
Software Total					\$ 1,875.80
Software - Data	5379	10/27/2022	CHK	Sensaphone	\$ 299.40
Software - Data Total					\$ 299.40
Subscriptions	EFT04799	10/6/2022	CHK	Verizon Connect	\$ 104.70
Subscriptions Total					\$ 104.70
Utilities	5359	10/6/2022	CHK	Riverside, City of	\$ 232.75
Utilities	5360	10/6/2022	CHK	AT&T	\$ 216.17
Utilities	5362	10/6/2022	CHK	Southern California Edison	\$ 180.39
Utilities	5363	10/6/2022	CHK	Burrtec Waste Industries, Inc	\$ 196.37
Utilities	5364	10/13/2022	CHK	Riverside, City of	\$ 2,530.22
Utilities	5368	10/20/2022	CHK	AT&T	\$ 967.97
Utilities	5372	10/27/2022	CHK	AT&T	\$ 841.35
Utilities	5373	10/27/2022	CHK	AT&T	\$ 1,007.38
Utilities	EFT04826	10/27/2022	CHK	Verizon Wireless Services LLC	\$ 1,268.08
Utilities	EFT04827	10/27/2022	CHK	Verizon Wireless Services LLC	\$ 593.21
Utilities	EFT04828	10/27/2022	CHK	Verizon Wireless Services LLC	\$ 130.61
Utilities Total					\$ 8,164.50
Grand Total					\$ 1,005,402.45
			Accounts Payable		
	Checks	\$	671,870.20		
	Wire Transfers	\$	68,876.80		
		\$	740,747.00		
	Take Care	\$	-		
	Other	\$	-		
	Payroll	\$	264,655.45		
Total Disbursements for October 2022		\$	1,005,402.45		

Santa Ana Watershed Project Authority
Consulting
Oct-22

Check #	Check Date	Task #	Task Description	Vendor Name	Total Contract	Check Amount	Remaining Contract Amount	Notes/Comments	
EFT04813	10/20/2022	ACS100-24	MFA and Wireless Network Configuration IT Services	Accent Computer Solutions	\$ 8,225.00	\$ 280.00	\$ 715.37		
EFT04823	10/27/2022	ACS100-23		Accent Computer Solutions	\$ 107,375.00	\$ 4,419.56	\$ 20,616.48		
EFT04806	10/13/2022	ARC100-01	Water Resources and Planning Manager Recruitment	Alliance Resource Consulting	\$ 28,500.00	\$ 7,125.00	\$ -	Closed	
EFT04825	10/27/2022	CRWA2022-30	Grant Preparation	California Rural Water Association	\$ 23,086.25	\$ 1,883.75	\$ -	Closed	
EFT04821	10/27/2022	CDM384-18	2023 Triennial Report for MSAR Bacterial Indicator TMDL	CDM Smith	\$ 78,120.00	\$ 8,680.00	\$ 56,373.75		
EFT04793	10/6/2022	DUDK320-03-05	Agua Mansa Lateral Design	Dudek	\$ 87,440.00	\$ 4,270.00	\$ 62,315.00		
EFT04800	10/6/2022	GECO370-01	2022 Stormwater Assessment Proposal	Geosyntec Consultants	\$ 22,200.00	\$ 3,813.00	\$ 359.75		
EFT04805	10/13/2022	GPA100-01	SAWPA Building Renovations	Gillis & Panichapan Architects	\$ 72,700.00	\$ 5,355.00	\$ 9,648.35		
EFT04789	10/6/2022	INSOL100-20	Great Plains and Journyx Support HRIS - Greenshades	Integrated Systems Solutions	\$ 5,000.00	\$ 92.50	\$ 4,408.00		
EFT04822	10/27/2022	INSOL100-19		Integrated Systems Solutions	\$ 28,617.36	\$ 536.50	\$ 5,883.00		
EFT04804	10/13/2022	KSC374-02	Basin Monitoring Program TF Regulatory Support	Kahn, Soares, & Conway	\$ 116,000.00	\$ 11,550.00	\$ 55,410.00		
EFT04804	10/13/2022	KSC384-02	MSAR Pathogen TMDL TF Regulatory Support	Kahn, Soares, & Conway	\$ 149,750.00	\$ 2,250.00	\$ 100,768.50		
EFT04804	10/13/2022	KSC392-02	Emerging Constituents Program TF Regulatory Support	Kahn, Soares, & Conway	\$ 46,500.00	\$ 187.50	\$ 34,805.00		
EFT04796	10/6/2022	RFC240-02	Inland Empire Brine Line Reserve Policy	Raftelis Financial Consultants	\$ 69,495.00	\$ 4,650.00	\$ 9,337.50		
EFT04797	10/6/2022	SOL100-13	Website Hosting and Upgrades	Sol Media	\$ 12,340.00	\$ 2,480.00	\$ 7,360.00		
EFT04797	10/6/2022	SOL100-14	Website Related Changes - Project Specific	Sol Media	\$ 14,400.00	\$ 3,480.00	\$ 10,920.00		
EFT04829	10/27/2022	WSC373-01	FYE 2023 Roundtable of Regions Network Coordinator	Water Systems Consulting	\$ 72,900.00	\$ 6,285.00	\$ 57,660.00		
EFT04817	10/27/2022	WCA100-03-04	State Legislative Consulting Services	West Coast Advisors	\$ 240,000.00	\$ 9,750.00	\$ 15,750.00		
EFT04798	10/6/2022	WEST374-01	Workplan for Basin monitoring Program TF Planning Priorities	West Yost & Associates	\$ 350,905.00	\$ 15,087.50	\$ 31,781.97		
					\$ 92,175.31				

COMMISSION MEMORANDUM NO. 2022.81

DATE: December 20, 2022
TO: SAWPA Commission
SUBJECT: Inter-Fund Borrowing – September 2022
PREPARED BY: Karen Williams, DGM/CFO

RECOMMENDATION

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

DISCUSSION

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

The following projects, with negative cash flow, are listed below with the amounts borrowed from SAWPA General Fund Reserves in September 2022. The total amount borrowed is over the aggregate \$250,000 amount recommended in Resolution No. 452, Inter-Fund and Inter-Project Loan Policy. The Commission has requested that this item be brought back each month as an informational item when the loan amount is over the \$250,000 aggregate amount.

Fund	Fund Name	08/31/2022 Balance	Loan Receipts	New Charges	09/30/2022 Balance
135	Proposition 84 Admin R2	\$76,959.54	(\$0.00)	\$0.00	\$76,959.54
145	Proposition 84 Admin R4	447,191.78	(0.00)	36,873.28	484,065.06
150	Proposition 1 – Admin	99,239.82	(0.00)	14,317.32	113,557.14
397	Energy – Water DAC	3,537.26	(0.00)	1,592.82	5,130.08
477	LESJWA Administration	31,574.54	(32,905.63)	13,233.94	11,902.85
	Total Funds Borrowed	\$658,502.94	(\$32,905.63)	\$66,017.36	\$691,614.67
	General Fund Reserves Balance		\$2,696,470.94		
	Less Amount Borrowed		<u>691,614.67</u>		
	Balance of General Fund Reserves		<u>\$2,004,856.27</u>		

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

NEGATIVE CASH-FLOW FUNDS

Fund No.	Source of Funding	Billing Frequency	Projected Payment Time
135, 145,150 – Proposition 1 & 84 Admin	DWR – Prop 1 & 84 Grant	Monthly/Quarterly	Up to 4 months
397 – Energy – Water DAC	City of Riverside Grant	Quarterly	Up to 4 months
477 – LESJWA Admin	Reimbursement from LESJWA	Monthly	2 to 4 weeks
504 – Proposition 84 SARCCUP Projects	DWR – Prop 84 Grant	Monthly/Quarterly	Up to 4 months

Fund 135

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

Fund 145

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

Fund 150

This fund is for the administration of Proposition 1 grant funds. Once the contract has been signed by DWR these funds will be billed quarterly and 10% will be withheld for retention.

Fund 397

This fund is for the transformative climate communities grant provided by a sub-recipient agreement between SAWPA and the City of Riverside. These funds will be billed on a quarterly basis.

Fund 477

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

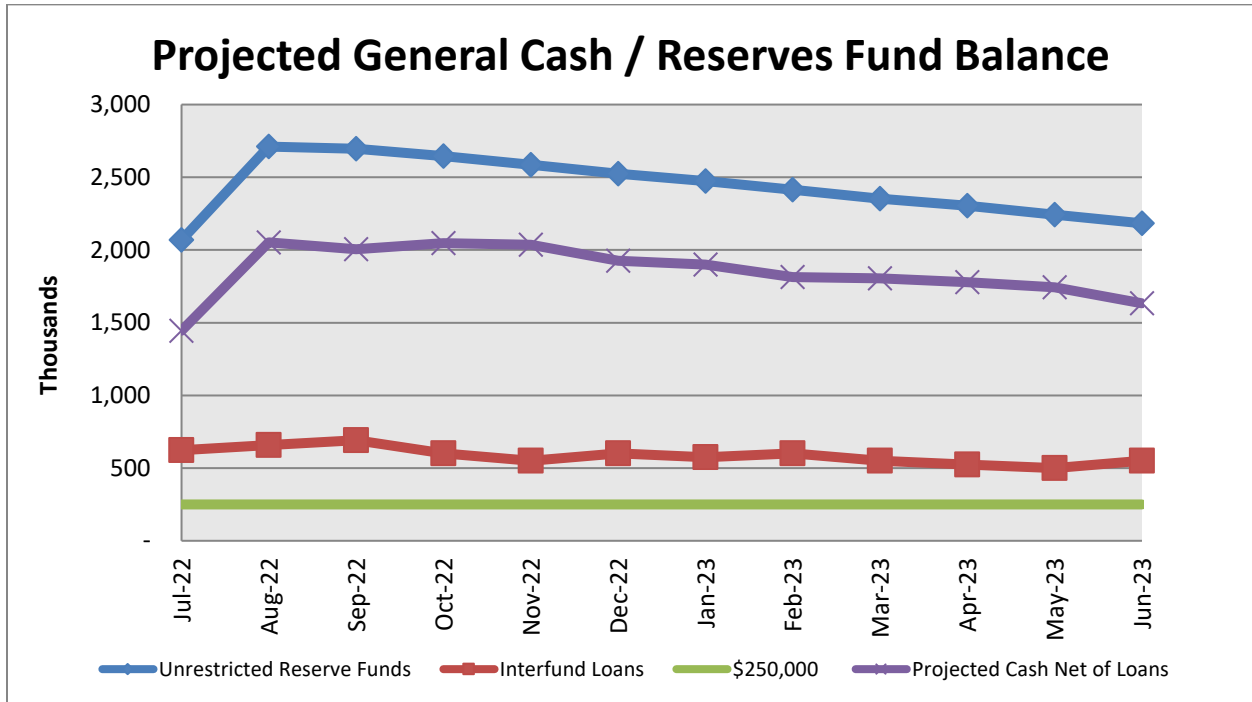
Fund 504

This fund is for the implementation of SARCCUP projects which are administered through PA22 and PA23.

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

Fund	Fund Name	Total Budget	Costs Through 09/30/2022	Remaining Grant Budget
145	Proposition 84 Admin R4	\$3,213,384	(\$1,503,287)	\$1,710,097
150	Proposition 1 Admin	1,157,000	(289,073)	867,928
397	WECAN – City of Riverside	592,417	(16,671)	575,746
504	Prop 84 – 2015 Round (SARCCUP)	1,543,810	(890,323)	653,487
505	Prop 1 – Round 1 Capital Projects	500,000	(316,076)	183,924
	Totals	\$7,006,611	(\$3,015,430)	\$3,991,181

The following graph shows projected inter-fund loan balances, total unrestricted General Fund Reserves available for loans, and projected cash net of loans through June 2023. The projected loan balance is expected to remain over the \$250,000 aggregate limit through June 2023 because of Proposition 1 and 84 grants but can be covered by General Fund Reserves without a major impact on cash flow.



RESOURCE IMPACTS

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

Attachments:

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

Page Intentionally Blank

RESOLUTION NO. 452

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

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

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

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

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

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

ADOPTED this 13th day of December 2005.

SANTA ANA WATERSHED PROJECT AUTHORITY

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



COMMISSION MEMORANDUM NO. 2022.82

DATE: December 20, 2022
TO: SAWPA Commission
SUBJECT: Inter-Fund Borrowing – October 2022
PREPARED BY: Karen Williams, DGM/CFO

RECOMMENDATION

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

DISCUSSION

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

The following projects, with negative cash flow, are listed below with the amounts borrowed from SAWPA General Fund Reserves in October 2022. The total amount borrowed is over the aggregate \$250,000 amount recommended in Resolution No. 452, Inter-Fund and Inter-Project Loan Policy. The Commission has requested that this item be brought back each month as an informational item when the loan amount is over the \$250,000 aggregate amount.

Fund	Fund Name	09/30/2022 Balance	Loan Receipts	New Charges	10/31/2022 Balance
135	Proposition 84 Admin R2	\$76,959.54	(\$0.00)	\$0.00	\$76,959.54
145	Proposition 84 Admin R4	484,065.06	(0.00)	37,119.16	521,184.22
150	Proposition 1 – Admin	113,557.14	(60,793.69)	17,586.56	70,350.01
397	Energy – Water DAC	5,130.08	(0.00)	2,074.91	7,204.99
477	LESJWA Administration	11,902.85	(13,282.24)	12,409.66	11,030.27
	Total Funds Borrowed	\$691,614.67	(\$74,075.93)	\$69,190.29	\$686,729.03
	General Fund Reserves Balance		\$2,675,706.90		
	Less Amount Borrowed		<u>686,729.03</u>		
	Balance of General Fund Reserves		\$1,988,977.87		

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

NEGATIVE CASH-FLOW FUNDS

Fund No.	Source of Funding	Billing Frequency	Projected Payment Time
135, 145,150 – Proposition 1 & 84 Admin	DWR – Prop 1 & 84 Grant	Monthly/Quarterly	Up to 4 months
397 – Energy – Water DAC	City of Riverside Grant	Quarterly	Up to 4 months
477 – LESJWA Admin	Reimbursement from LESJWA	Monthly	2 to 4 weeks
504 – Proposition 84 SARCCUP Projects	DWR – Prop 84 Grant	Monthly/Quarterly	Up to 4 months

Fund 135

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

Fund 145

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

Fund 150

This fund is for the administration of Proposition 1 grant funds. Once the contract has been signed by DWR these funds will be billed quarterly and 10% will be withheld for retention.

Fund 397

This fund is for the transformative climate communities grant provided by a sub-recipient agreement between SAWPA and the City of Riverside. These funds will be billed on a quarterly basis.

Fund 477

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

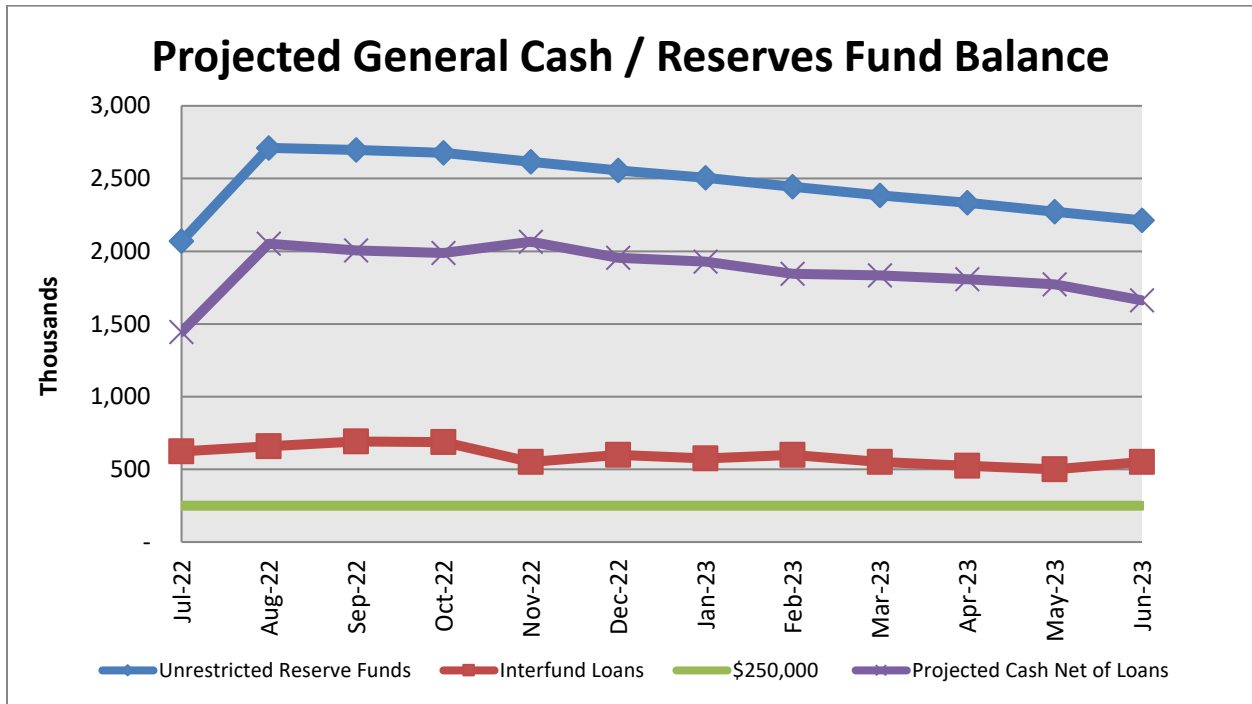
Fund 504

This fund is for the implementation of SARCCUP projects which are administered through PA22 and PA23.

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

Fund	Fund Name	Total Budget	Costs Through 10/31/2022	Remaining Grant Budget
145	Proposition 84 Admin R4	\$3,213,384	(\$1,540,438)	\$1,672,946
150	Proposition 1 Admin	1,157,000	(306,700)	850,300
397	WECAN – City of Riverside	592,417	(18,746)	573,671
504	Prop 84 – 2015 Round (SARCCUP)	1,543,810	(899,095)	644,715
505	Prop 1 – Round 1 Capital Projects	500,000	(331,137)	168,863
	Totals	\$7,006,611	(\$3,096,116)	\$3,910,495

The following graph shows projected inter-fund loan balances, total unrestricted General Fund Reserves available for loans, and projected cash net of loans through June 2023. The projected loan balance is expected to remain over the \$250,000 aggregate limit through June 2023 because of Proposition 1 and 84 grants but can be covered by General Fund Reserves without a major impact on cash flow.



RESOURCE IMPACTS

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

Attachments:

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

Page Intentionally Blank

RESOLUTION NO. 452

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

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

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


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

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

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

ADOPTED this 13th day of December 2005.

SANTA ANA WATERSHED PROJECT AUTHORITY

By: 
Mark Bulot, Chair



COMMISSION MEMORANDUM NO. 2022.83

DATE: December 20, 2022
TO: SAWPA Commission
SUBJECT: Performance Indicators and Financial Reporting – September 2022
PREPARED BY: Karen Williams, DGM/CFO

RECOMMENDATION

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

DISCUSSION

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

Financial Reporting

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

Cash and Investments

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

Twelve Month Security Schedule (chart)	Shows the maturity dates for securities held and percentage of securities in each category.
Treasurer's Report	Shows book and market value for both Treasury strips and securities held by the Agency.

Performance Indicators

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

RESOURCE IMPACTS

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

Attachments:

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

Santa Ana Watershed Project Authority
Balance Sheet by Fund Type
For the Two Months Ending Wednesday, August 31, 2022

	General Fund	Brine Line Enterprise	Capital Projects	OWOW Projects	Roundtable Projects	Fund Totals
Assets						
Current Assets						
Cash and Investments	\$3,517,824.41	\$54,488,705.66	(\$361.63)	\$2,254,060.59	\$2,462,729.78	\$62,722,958.81
Accounts Receivable	0.00	2,086,082.92	0.00	12,010,960.91	910,519.13	15,007,562.96
Prepays and Deposits	51,295.36	188,070.64	0.00	0.00	0.00	239,366.00
Total Current Assets	<u>3,569,119.77</u>	<u>56,762,859.22</u>	<u>(361.63)</u>	<u>14,265,021.50</u>	<u>3,373,248.91</u>	<u>77,969,887.77</u>
Fixed Assets						
Property, Plant & Equipment less accum depreciation	1,301,724.51	73,204,520.52	0.00	0.00	0.00	74,506,245.03
Work In Process	0.00	0.00	389,473.60	0.00	0.00	389,473.60
Total fixed assets	<u>1,301,724.51</u>	<u>73,204,520.52</u>	<u>389,473.60</u>	<u>0.00</u>	<u>0.00</u>	<u>74,895,718.63</u>
Other Assets						
Wastewater treatment/disposal rights, net of amortization	45,980.60	21,306,236.74	0.00	0.00	0.00	21,352,217.34
Inventory - Mitigation Credits	0.00	0.00	0.00	0.00	1,910,560.00	1,910,560.00
Total Other Assets	<u>45,980.60</u>	<u>21,306,236.74</u>	<u>0.00</u>	<u>0.00</u>	<u>1,910,560.00</u>	<u>23,262,777.34</u>
Total Assets	<u><u>\$4,916,824.88</u></u>	<u><u>\$151,273,616.48</u></u>	<u><u>\$389,111.97</u></u>	<u><u>\$14,265,021.50</u></u>	<u><u>\$5,283,808.91</u></u>	<u><u>\$176,128,383.74</u></u>
Liabilities and Fund Equity						
Current Liabilities						
Accounts Payable/Accrued Expenses	\$828,606.11	\$517,679.82	\$4,270.00	\$11,101,640.69	\$171,383.03	\$12,623,579.65
Accrued Interest Payable	0.00	192,970.03	0.00	0.00	0.00	192,970.03
Customer Deposits	0.00	276,059.84	0.00	0.00	0.00	276,059.84
Noncurrent Liabilities						
Long-term Debt	2,271,166.00	23,428,489.35	0.00	0.00	0.00	25,699,655.35
Deferred Revenue	0.00	60,159,620.62	0.00	0.00	0.00	60,159,620.62
Total Liabilities	<u>3,099,772.11</u>	<u>84,574,819.66</u>	<u>4,270.00</u>	<u>11,101,640.69</u>	<u>171,383.03</u>	<u>98,951,885.49</u>
Fund Equity						
Contributed Capital	0.00	20,920,507.03	0.00	0.00	0.00	20,920,507.03
Retained Earnings	2,410,805.36	44,794,828.82	389,473.60	2,159,833.33	4,164,775.99	53,919,717.10
Revenue Over/Under Expenditures	(593,752.59)	983,460.97	(4,631.63)	1,003,547.48	947,649.89	2,336,274.12
Total Fund Equity	<u>1,817,052.77</u>	<u>66,698,796.82</u>	<u>384,841.97</u>	<u>3,163,380.81</u>	<u>5,112,425.88</u>	<u>77,176,498.25</u>
Total Liabilities & Fund Equity	<u><u>\$4,916,824.88</u></u>	<u><u>\$151,273,616.48</u></u>	<u><u>\$389,111.97</u></u>	<u><u>\$14,265,021.50</u></u>	<u><u>\$5,283,808.91</u></u>	<u><u>\$176,128,383.74</u></u>

Santa Ana Watershed Project Authority
Revenue & Expenses by Fund Type
For the Two Months Ending Wednesday, August 31, 2022

	General Fund	Brine Line Enterprise	Capital Projects	OWOW Projects	Roundtable Projects	Fund Totals
Operating Revenue						
Discharge Fees	\$0.00	\$2,102,318.84	\$0.00	\$0.00	\$0.00	\$2,102,318.84
Financing Proceeds	0.00	0.00	0.00	0.00	48,196.75	48,196.75
Total Operating Revenue	0.00	2,102,318.84	0.00	0.00	48,196.75	2,150,515.59
Operating Expenses						
Labor	316,753.84	206,890.85	119.43	109,398.86	29,776.53	662,939.51
Benefits	89,809.60	86,894.18	50.16	45,947.54	12,506.14	235,207.62
Indirect Costs	0.00	332,680.47	192.04	175,913.38	47,880.65	556,666.54
Education & Training	2,399.42	0.00	0.00	0.00	0.00	2,399.42
Consulting & Professional Services	69,752.06	9,534.50	4,270.00	108,065.34	139,990.65	331,612.55
Operating Costs	569.78	459,158.98	0.00	0.00	0.00	459,728.76
Repair & Maintenance	12,599.93	47,436.05	0.00	0.00	0.00	60,035.98
Phone & Utilities	14,204.86	2,084.70	0.00	0.00	0.00	16,289.56
Equipment & Computers	82,934.25	35,188.48	0.00	0.00	0.00	118,122.73
Meeting & Travel	3,234.37	1,356.33	0.00	6.32	0.00	4,597.02
Other Administrative Costs	27,035.02	19,600.39	0.00	10,346.08	10,045.59	67,027.08
Indirect Costs Applied	(556,666.54)	0.00	0.00	0.00	0.00	(556,666.54)
Other Expenses	12,471.94	30,516.18	0.00	0.00	0.00	42,988.12
Total Operating Expenses	75,098.53	1,231,341.11	4,631.63	449,677.52	240,199.56	2,000,948.35
Operating Income (Loss)	(75,098.53)	870,977.73	(4,631.63)	(449,677.52)	(192,002.81)	149,567.24
Nonoperating Income (Expense)						
Member Contributions	725,435.00	0.00	0.00	1,324,325.00	20,000.00	2,069,760.00
Participant Fees	0.00	0.00	0.00	128,900.00	1,119,155.00	1,248,055.00
Interest Income	0.00	674,639.74	0.00	0.00	0.00	674,639.74
Other Income	593.82	100.14	0.00	0.00	0.00	693.96
Retiree Medical Benefits	(15,298.16)	0.00	0.00	0.00	0.00	(15,298.16)
Total Nonoperating Income (Expense)	710,730.66	674,739.88	0.00	1,453,225.00	1,139,155.00	3,977,850.54
Excess Rev over (under) Exp	<u>\$635,632.13</u>	<u>\$1,545,717.61</u>	<u>(\$4,631.63)</u>	<u>\$1,003,547.48</u>	<u>\$947,152.19</u>	<u>\$4,127,417.78</u>

Aging Report
Santa Ana Watershed Project Authority
Receivables as of September 30, 2022

Customer Name	Project	Total	0-30 Days	31-60 Days	61 and Over
Big Bear Community Services District	Weather Modification	3,000.00			3,000.00
Big Bear Lake DWP	Weather Modification	3,000.00			3,000.00
Chino Basin Desalter Authority	Brine Line	171,657.82	171,657.82		
Chino Basin Watermaster	Weather Modification	5,000.00			5,000.00
Corona, City of	Weather Modification	5,000.00			5,000.00
Department of Water Resources	Prop 84, Prop 1	11,255,701.33		189,224.76	11,066,476.57
Eastern Municipal Water District	Brine Line, Weather Modification	542,904.78	267,841.73	246,963.05	28,100.00
Eastvale, City of	MSAR TMDL	12,155.00			12,155.00
Greater Los Angeles County IRWM	Roundtable of Regions	10,300.00		10,300.00	
Inland Empire Utilities Agency	Brine Line	310,072.33	104,712.24	98,743.89	106,616.20
Irvine Ranch Water District	Basin Monitoring	21,458.00			21,458.00
Jurupa Community Services District	Basin Monitoring	21,458.00			21,458.00
Lake Elsinore & San Jacinto Watersheds Authority	Weather Modification, Admin	23,282.24		13,282.24	10,000.00
Rialto BioEnergy	Brine Line	8,896.88	8,896.88		
Riverside, City of	WECAN	1,197.97			1,197.97
Riverside County Flood Control	RWQ Monitoring	108,312.00			108,312.00
San Antonio Water Company	Weather Modification	5,000.00			5,000.00
San Bernardino County Flood Control District	MSAR TMDL, RWQ Monitoring	257,506.00			257,506.00
San Bernardino Valley Municipal Water District	Brine Line	131,030.95	131,030.95		
San Diego, City of	Roundtable of Regions	2,600.00		2,600.00	
San Geronio Pass Water Agency	Weather Modification	20,000.00			20,000.00
Santa Ana, City of	Weather Modification	10,000.00			10,000.00
Santa Barbara County IRWM	Roundtable of Regions	3,000.00		3,000.00	
Triumvirate Environmental	Brine Line	250.00			250.00
Western Environmental Services	Brine Line	250.00			250.00
Western Municipal Water District	Brine Line, PFAS, Weather Modification	476,162.71	375,297.71		100,865.00
Total Accounts Receivable		13,409,196.01	1,059,437.33	564,113.94	11,779,644.74

Santa Ana Watershed Project Authority
Open Task Orders Schedule
Sep-22
(Reflects Invoices Received as of 10/20/22)

Task Order No.	Fund No.	Vendor Name	Task Description	Begin Date	End Date	Original Contract	Change Orders	Total Contract	Billed To Date	Contract Balance	SAWPA Manager	Comments
Project Contracts												
ACS100-23	100-00	Accent Computer Solutions	IT Services	10/01/2021	12/31/2022	\$ 107,375.00	\$ -	\$ 107,375.00	\$ 80,421.38	\$ 26,953.62	Dean Unger	
ACS100-24	100-00	Accent Computer Solutions	Multi-Factor Authentication and Wireless Network Configuration	02/01/2022	12/31/2022	\$ 8,225.00	\$ -	\$ 8,225.00	\$ 7,509.63	\$ 715.37	Dean Unger	
FEBR100-01	100-00	Fedak & Brown, LLP	Professional Audit Services	04/19/2022	06/30/2023	\$ 79,980.00	\$ -	\$ 79,980.00	\$ 7,800.00	\$ 72,180.00	Karen Williams	
GPA100-01	100-00	Gillis & Panichapan Architects	SAWPA Building Renovations	10/13/2020	12/31/2023	\$ 45,200.00	\$ 27,500.00	\$ 72,700.00	\$ 62,176.65	\$ 10,523.35	Edina Goode	
INSOL100-19	100-00	Integrated Systems Solutions	HRIS - Greenshades	03/01/2022	12/31/2022	\$ 17,294.06	\$ 6,143.30	\$ 23,437.36	\$ 22,382.86	\$ 1,054.50	Edina Goode	
INSOL100-20	100-00	Integrated Systems Solutions	Great Plains and Journyx Support	07/01/2022	06/30/2023	\$ 5,000.00	\$ -	\$ 5,000.00	\$ 407.00	\$ 4,593.00	Edina Goode	
KON100-08	100-00	Konica Minolta	Copiers and Scanners Lease	01/15/2021	01/15/2025	\$ 29,040.00	\$ -	\$ 29,040.00	\$ 13,420.61	\$ 15,619.39	Dean Unger	
LSGK100-11	100-00	Lagerlof, LLP	Legal Services	07/01/2022	06/30/2023	\$ 99,830.00	\$ -	\$ 99,830.00	\$ 9,996.00	\$ 89,834.00	Jeff Mosher	
NICO100-08	100-00	Nicolay Consulting Group	GASB 75 Actuarial Valuation and Reports	04/01/2022	06/01/2023	\$ 4,900.00	\$ -	\$ 4,900.00	\$ 4,900.00	\$ -	Karen Williams	
SOL100-13	100-00	Sol Media	Website Hosting and Upgrades	07/01/2022	06/30/2023	\$ 12,340.00	\$ -	\$ 12,340.00	\$ 4,980.00	\$ 7,360.00	Dean Unger	
SOL100-14	100-00	Sol Media	Website Related Changes - Project Specific	07/01/2022	06/30/2023	\$ 14,400.00	\$ -	\$ 14,400.00	\$ 3,480.00	\$ 10,920.00	Dean Unger	
ZOOM100-02	100-00	Zoom Video Communications	Zoom Phone and Video Conferencing	09/15/2022	12/17/2025	\$ 35,500.00	\$ -	\$ 35,500.00	\$ -	\$ 35,500.00	Dean Unger	
BMH100-02	100-03	Bell, McAndrews, & Hiltachk	FPPC Lobby Reporting	07/01/2022	06/30/2023	\$ 1,320.00	\$ -	\$ 1,320.00	\$ 313.00	\$ 1,007.00	Karen Williams	
WCA100-03-04	100-03	West Coast Advisors	State Legislative Consulting	09/15/2020	12/21/2022	\$ 240,000.00	\$ -	\$ 240,000.00	\$ 214,500.00	\$ 25,500.00	Jeff Mosher	
WO2023-1	240	E S Babcock	Wastewater Sample Collection and Analysis	07/01/2022	06/30/2023	\$ 81,483.00	\$ -	\$ 81,483.00	\$ 15,112.05	\$ 66,370.95	David Ruhl	
DOUG240-04	240	Douglas Environmental	On-Call Brine Line Flow Meter Calibration	07/01/2021	06/30/2023	\$ 21,575.00	\$ 210.00	\$ 21,785.00	\$ 11,215.00	\$ 10,570.00	David Ruhl	
HAZ240-11	240	Haz Mat Trans Inc	Line Draining & Emergency Response	07/01/2021	06/30/2023	\$ 139,360.00	\$ -	\$ 139,360.00	\$ 37,021.25	\$ 102,338.75	David Ruhl	
HAZ240-12	240	Haz Mat Trans Inc	BL Debris Hauling & Disposal Services	07/01/2021	06/30/2023	\$ 63,990.00	\$ -	\$ 63,990.00	\$ -	\$ 63,990.00	David Ruhl	
INN240-04	240	Innerline Engineering	Brine Line On-Call Inspection Services	07/01/2021	06/30/2023	\$ 99,050.00	\$ -	\$ 99,050.00	\$ 8,816.38	\$ 90,233.62	David Ruhl	
INN240-05	240	Innerline Engineering	Brine Line Pipeline Cleaning Services	07/01/2022	06/30/2024	\$ 264,880.00	\$ -	\$ 264,880.00	\$ -	\$ 264,880.00	David Ruhl	
RFC240-02	240	Raftelis Financial Consulting	Inland Empire Brine Line Reserve Policy	11/01/2021	12/31/2022	\$ 50,895.00	\$ 18,600.00	\$ 69,495.00	\$ 60,157.50	\$ 9,337.50	David Ruhl	
TKE240-03	240	TKE Engineering & Planning	On-Call Brine Line Land Surveying	07/01/2021	06/30/2023	\$ 36,800.00	\$ -	\$ 36,800.00	\$ -	\$ 36,800.00	David Ruhl	
NAWC370-03	370-01	North American Weather Consultants	SAR Weather Modification Pilot Operations	07/01/2022	06/30/2026	\$ 1,061,912.00	\$ -	\$ 1,061,912.00	\$ -	\$ 1,061,912.00	Mark Norton	
GECO370-01	370-02	Geosyntec Consultants	Stormwater Assessment Proposal	06/01/2022	06/30/2023	\$ 22,200.00	\$ -	\$ 22,200.00	\$ 21,840.25	\$ 359.75	Mark Norton	
DUDK373-07	373	Dudek	Grant Application Support for IRWM	10/04/2022	10/31/2023	\$ 22,200.00	\$ -	\$ 80,830.00	\$ -	\$ 80,830.00	Ian Achimore	
WSC373-01	373	Water Systems Consulting	FYE 2023 Roundtable of Regions Network Coordinator	07/01/2022	06/30/2023	\$ 72,900.00	\$ -	\$ 72,900.00	\$ 8,595.00	\$ 64,305.00	Ian Achimore	380

Santa Ana Watershed Project Authority
Open Task Orders Schedule
Sep-22
(Reflects Invoices Received as of 10/20/22)

Task Order No. Project Contracts	Fund No.	Vendor Name	Task Description	Begin Date	End Date	Original Contract	Change Orders	Total Contract	Billed To Date	Contract Balance	SAWPA Manager	Comments
KSC374-02	374	Kahn, Soares, & Conway	Basin Monitoring TF Regulatory Support	07/01/2021	06/30/2023	\$ 116,000.00	\$ -	\$ 116,000.00	\$ 57,965.00	\$ 58,035.00	Mark Norton	
WEST374-01	374	West Yost	Workplan for Basin Monitoring Program TF Planning	07/01/2021	12/31/2022	\$ 339,102.00	\$ 11,803.00	\$ 350,905.00	\$ 303,665.78	\$ 47,239.22	Mark Norton	
CDM377-01	377-01	CDM Smith	PFAS Regional Analysis for Upper Santa Ana River Watershed	07/01/2022	06/30/2023	\$ 323,825.00	\$ -	\$ 323,825.00	\$ 70,241.84	\$ 253,583.16	Mark Norton	
SAWA381-01	381	Santa Ana Watershed Association	Van Buren Bridge Sucker Restoration	09/26/2018	12/31/2022	\$ 15,130.20	\$ 13,846.47	\$ 28,976.67	\$ 26,168.07	\$ 2,808.60	Ian Achimore	
CDM384-18	384-01	CDM Smith	2023 Triennial Report for MSAR Bacterial Indicator TMDL	07/01/2022	03/31/2023	\$ 78,120.00	\$ -	\$ 78,120.00	\$ 17,983.75	\$ 60,136.25	Rick Whetsel	
GEI384-02	384-01	GEI Consultants	MSAR TMDL - Limited Basin Plan Amendment Revisions	07/01/2022	06/30/2023	\$ 67,000.00	\$ -	\$ 67,000.00	\$ -	\$ 67,000.00	Rick Whetsel	
KSC384-02	384-01	Kahn, Soares, & Conway	MSAR Pathogen TMDL TF Regulatory Support	07/01/2021	06/30/2023	\$ 149,750.00	\$ -	\$ 149,750.00	\$ 47,706.50	\$ 102,043.50	Rick Whetsel	
CDM386-16	386	CDM Smith	Implementation of SAR Regional Bacteria Monitoring Program	01/01/2021	06/30/2024	\$ 1,070,535.00	\$ 27,900.00	\$ 1,098,435.00	\$ 477,556.87	\$ 620,878.13	Rick Whetsel	
IERCD387-01	387	Inland Empire Resource Conservation District	Arundo Donax Removal in the SAR Basin Headwaters	07/19/2022	12/31/2027	\$ 147,777.07	\$ -	\$ 147,777.07	\$ -	\$ 147,777.07	Ian Achimore	
JPW392-01	392	JPW Communications	Emerging Constituents Program Social Media Support	07/01/2020	06/30/2023	\$ 105,000.00	\$ -	\$ 105,000.00	\$ 78,374.90	\$ 26,625.10	Mark Norton	
KSC392-02	392	Kahn, Soares, & Conway	Emerging Constituents Program TF Regulatory Support	07/01/2021	06/30/2023	\$ 46,500.00	\$ -	\$ 46,500.00	\$ 9,895.00	\$ 36,605.00	Mark Norton	
QUAN504-01	504-04	Quantum Spatial, Inc.	Water Efficiency Budget Assistance	02/10/2021	02/28/2023	\$ 594,387.00	\$ -	\$ 594,387.00	\$ -	\$ 594,387.00	Ian Achimore	
RMC504-401-09	504-04	Woodard & Curran	SARCCUP Program Mgmt. Services	07/01/2022	06/30/2023	\$ 84,030.00	\$ -	\$ 84,030.00	\$ 11,512.50	\$ 72,517.50	Ian Achimore	
										<u>\$ 4,243,323.33</u>		

LIST OF SAWPA FUNDS

Fund No.	Fund Description	Fund Group
100-00	General Fund	General
100-03	State Outreach	General
100-04	Federal Outreach	General
145	Proposition 84 – Program Management – 2015 Round	OWOW
150	Proposition 1 – Program Management	OWOW
240	Brine Line Enterprise	Brine Line
320-01	Brine Line Protection – Downstream Prado	Capital Projects
320-03	Brine Line Protection Above Prado	Capital Projects
320-04	Brine Line Protection D/S Prado in Riverside County	Capital Projects
327	Reach IV-D Corrosion Repair	Capital Projects
328	Aqua Mansa Lateral Project	Capital Projects
370-01	Basin Planning General	OWOW
370-02	USBR Partnership Studies	OWOW
373	Watershed Management (OWOW)	OWOW
374	Basin Monitoring Program Task Force	Roundtable
377	PFAS Study	OWOW
378	Weather Modification	OWOW
381	Santa Ana River Fish Conservation	Roundtable
384-01	MSAR TMDL Task Force	Roundtable
386	Regional Water Quality Monitoring Task Force	Roundtable
387	Arundo Management & Habitat Restoration	Roundtable
392	Emerging Constituents Task Force	Roundtable
397	Energy – Water DAC Grant Project	OWOW
398	Proposition 1 - DACI	OWOW
477	LESJWA Administration	Roundtable
504-01	Proposition 84 – Capital Projects Round 1 & 2	OWOW
504-04	Proposition 84 – Final Round SARCCUP	OWOW
505-00	Proposition 1 – SAWPA Capital Projects	OWOW
505-01	Proposition 1 – Round I Capital Projects	OWOW

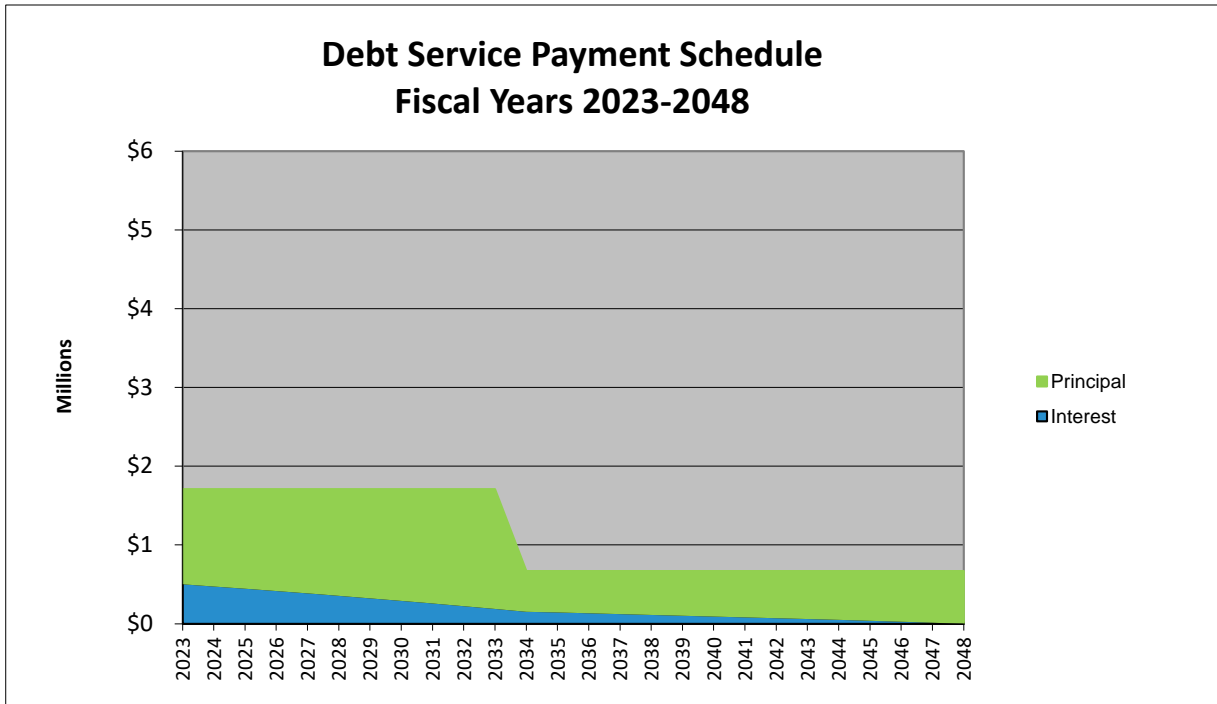
Santa Ana Watershed Project Authority
 Brine Line Debt Service Funding Analysis
 September 30, 2022

FYE	T-Strip Maturity	Capacity Loan Receipts	Rates	Loan Pymts	Interest Earned *	Excess Cash	Ending Cash Balance
	Beginning Balance						2,835,501
2023	-	-	1,709,476	(1,709,476)	44,442	44,442	2,879,943
2024	-	-	1,709,476	(1,709,476)	45,331	45,331	2,925,274
2025	-	-	1,709,476	(1,709,476)	46,238	46,238	2,971,512
2026	-	-	1,709,476	(1,709,476)	47,162	47,162	3,018,675
2027	-	-	1,709,476	(1,709,476)	48,106	48,106	3,066,780
2028	-	-	1,709,476	(1,709,476)	49,068	49,068	3,115,848
2029	-	-	1,709,476	(1,709,476)	50,049	50,049	3,165,897
2030	-	-	1,709,476	(1,709,476)	51,050	51,050	3,216,948
2031	-	-	1,709,476	(1,709,476)	52,071	52,071	3,269,019
2032	-	-	1,709,476	(1,709,476)	53,113	53,113	3,322,131
2033	-	-	1,709,476	(1,709,476)	54,175	54,175	3,376,306
2034	-	-	665,203	(665,203)	55,258	55,258	3,431,565
2035	-	-	665,203	(665,203)	56,364	56,364	3,487,929
2036	-	-	665,203	(665,203)	57,491	57,491	3,545,419
2037	-	-	665,203	(665,203)	58,641	58,641	3,604,061
2038	-	-	665,203	(665,203)	59,813	59,813	3,663,873
2039	-	-	665,203	(665,203)	61,010	61,010	3,724,883
2040	-	-	665,203	(665,203)	62,230	62,230	3,787,113
2041	-	-	665,203	(665,203)	63,474	63,474	3,850,587
2042	-	-	665,203	(665,203)	64,744	64,744	3,915,331
2043	-	-	665,203	(665,203)	66,039	66,039	3,981,370
2044	-	-	665,203	(665,203)	67,360	67,360	4,048,730
2045	-	-	665,203	(665,203)	68,707	68,707	4,117,436
2046	-	-	665,203	(665,203)	70,081	70,081	4,187,517
2047	-	-	665,203	(665,203)	71,483	71,483	4,259,000
2048	-	-	665,203	(665,203)	72,912	72,912	4,331,912
	-	-	28,782,271	(28,782,271)	1,496,411	1,496,411	-

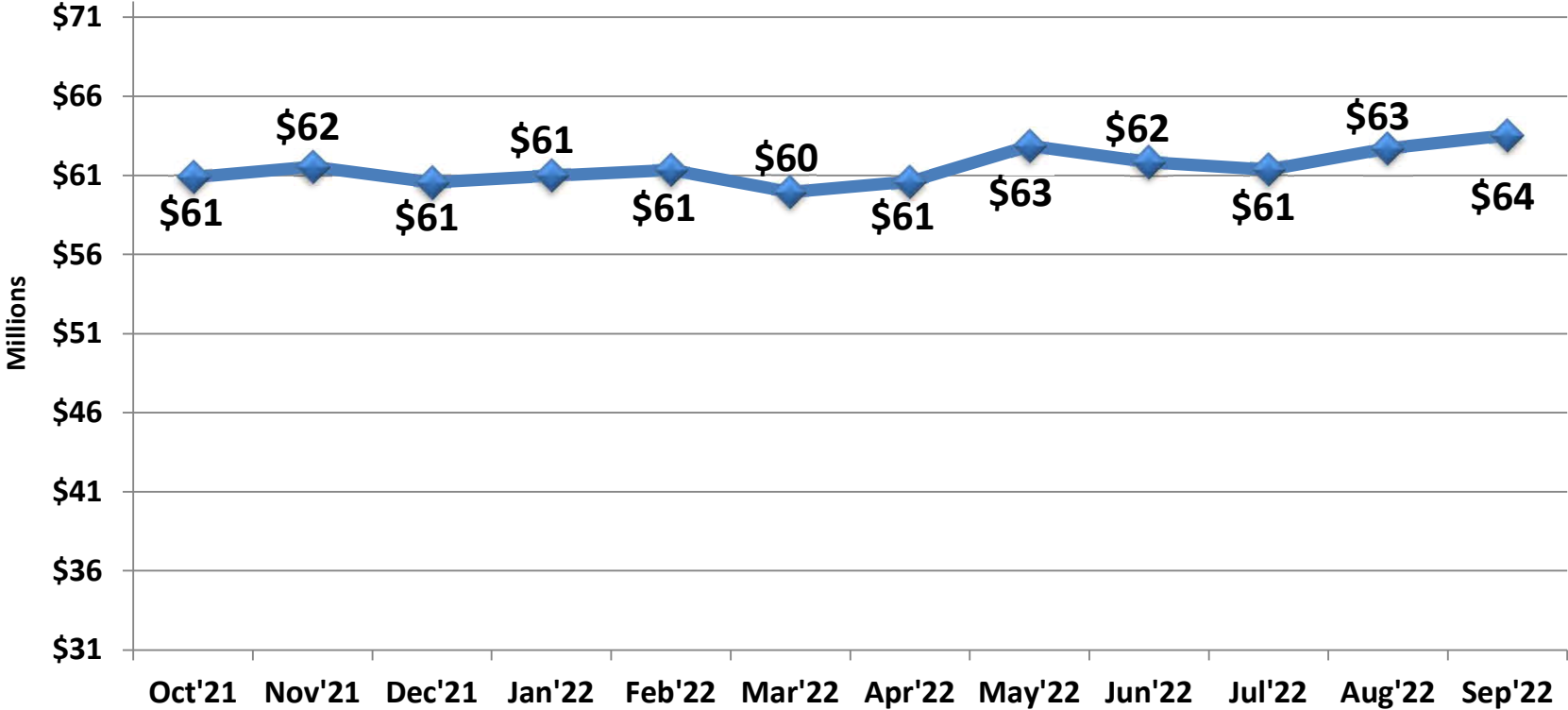
*Interest earned is based on a conservative 1.00% average return over the period

Santa Ana Watershed Project Authority
 Brine Line Debt Service Payment Schedule
 September 30, 2022

FYE	Interest	Principal	Total Payment	New SRF Loan	Remaining Principal
2023	514,301	1,195,175	1,709,476	-	22,233,314
2024	486,080	1,223,395	1,709,476	-	21,009,919
2025	457,181	1,252,295	1,709,476	-	19,757,624
2026	427,585	1,281,891	1,709,476	-	18,475,733
2027	397,276	1,312,199	1,709,476	-	17,163,534
2028	366,237	1,343,239	1,709,476	-	15,820,295
2029	334,449	1,375,027	1,709,476	-	14,445,268
2030	301,894	1,407,582	1,709,476	-	13,037,686
2031	268,553	1,440,923	1,709,476	-	11,596,763
2032	234,407	1,475,068	1,709,476	-	10,121,694
2033	199,437	1,510,039	1,709,476	-	8,611,656
2034	163,621	501,581	665,203	-	8,110,075
2035	154,091	511,111	665,203	-	7,598,964
2036	144,380	520,822	665,203	-	7,078,141
2037	134,485	530,718	665,203	-	6,547,424
2038	124,401	540,801	665,203	-	6,006,622
2039	114,126	551,077	665,203	-	5,455,545
2040	103,655	561,547	665,203	-	4,893,998
2041	92,986	572,217	665,203	-	4,321,782
2042	82,114	583,089	665,203	-	3,738,693
2043	71,035	594,167	665,203	-	3,144,526
2044	59,746	605,457	665,203	-	2,539,069
2045	48,242	616,960	665,203	-	1,922,109
2046	36,520	628,682	665,203	-	1,293,427
2047	24,575	640,627	665,203	-	652,799
2048	12,403	652,799	665,203	-	(0)



Total Cash & Investments





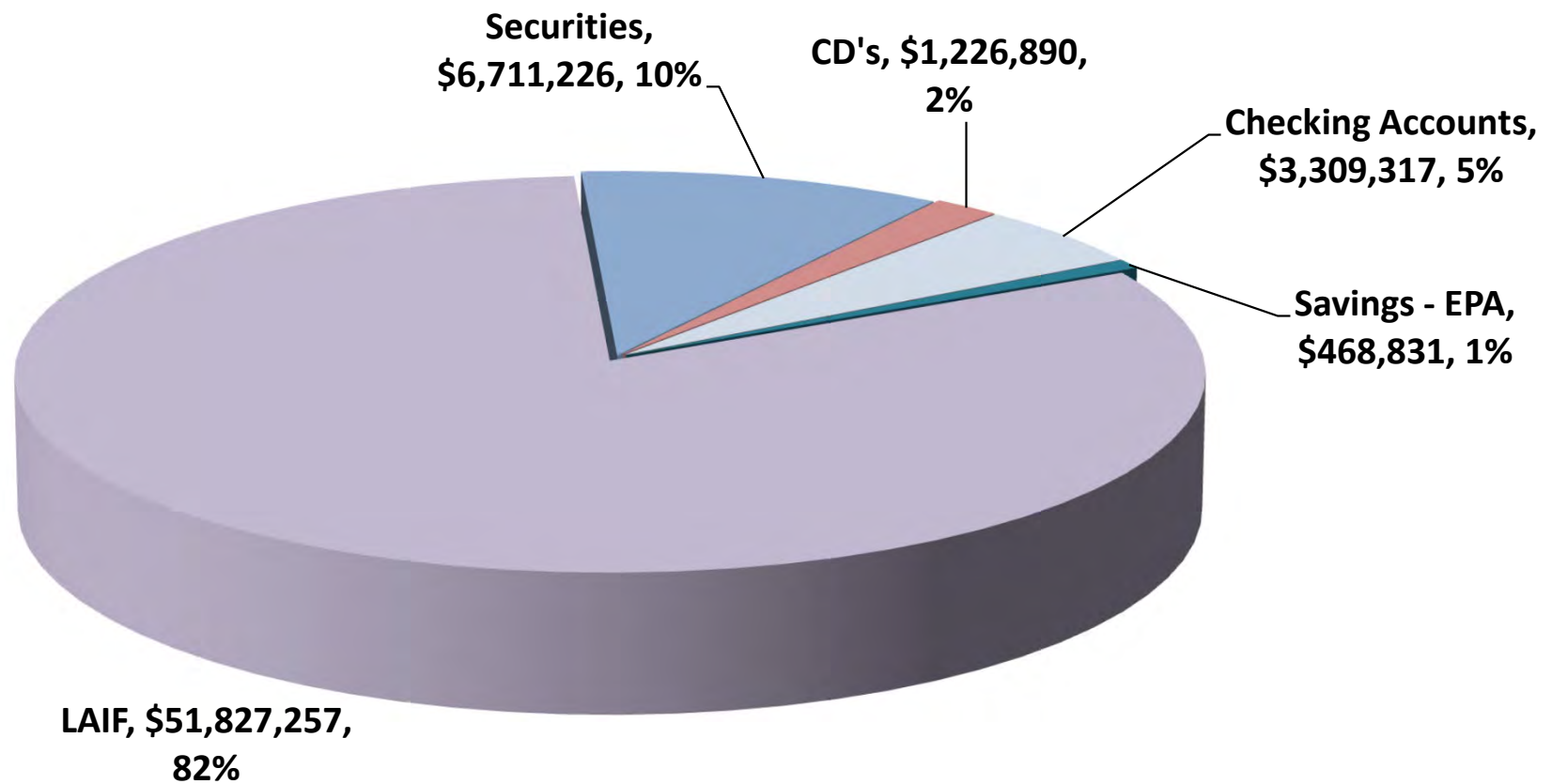
CASH BALANCE & SOURCE OF FUNDS

September 30, 2022

Fund Accounts		Cash and Investments						Total
		Total	Checking (Cash)	LAIF Account	Savings EPA	Investment Securities	Certificates of Deposit	
100	General Fund	\$ 2,004,856	2,004,856	-	-	-	-	\$ 2,004,856
100	Building Reserve	\$ 807,019	-	807,019	-	-	-	\$ 807,019
370	Basin Planning General	\$ 448,616	-	448,616	-	-	-	\$ 448,616
370	USBR Partnership Studies	\$ 34,778	-	34,778	-	-	-	\$ 34,778
373	Watershed Management Plan	\$ 635,964	-	635,964	-	-	-	\$ 635,964
240	Self Insurance Reserve	\$ 4,361,363	-	4,361,363	-	-	-	\$ 4,361,363
240	Brine Line Debt Retirement	\$ 2,835,501	-	2,835,501	-	-	-	\$ 2,835,501
240	Brine Line - Pipeline Replacement	\$ 23,141,929	-	15,203,813	-	6,711,226	1,226,890	\$ 23,141,929
240	Brine Line - OC San Rehabilitation	\$ 2,394,650	-	2,394,650	-	-	-	\$ 2,394,650
240	Brine Line - Capacity Management	\$ 12,058,828	-	12,058,828	-	-	-	\$ 12,058,828
240	Brine Line - OC San Future Capacity	\$ 1,846,246	-	1,846,246	-	-	-	\$ 1,846,246
240	Brine Line - Flow Imbalance Reserve	\$ 84,749	-	84,749	-	-	-	\$ 84,749
240	Brine Line - Rate Stabilization Reserve	\$ 1,034,585	-	1,034,585	-	-	-	\$ 1,034,585
240	Brine Line - Operating Reserve	\$ 2,269,963	-	2,269,963	-	-	-	\$ 2,269,963
240	Brine Line - Operating Cash	\$ 5,123,166	1,304,461	3,818,705	-	-	-	\$ 5,123,166
401	Legal Defense Fund	\$ 468,831	-	-	468,831	-	-	\$ 468,831
374	Basin Monitoring Program TF	\$ 750,632	-	750,632	-	-	-	\$ 750,632
377	PFAS Study	\$ 210,183	-	210,183	-	-	-	\$ 210,183
378	Weather Modification	\$ 41,911	-	41,911	-	-	-	\$ 41,911
381	SAR Fish Conservation	\$ 115,360	-	115,360	-	-	-	\$ 115,360
384	Middle SAR TMDL TF	\$ 325,531	-	325,531	-	-	-	\$ 325,531
386	RWQ Monitoring TF	\$ 66,170	-	66,170	-	-	-	\$ 66,170
387	Mitigation Bank Credits	\$ 847,071	-	847,071	-	-	-	\$ 847,071
392	Emerging Constituents TF	\$ 182,519	-	182,519	-	-	-	\$ 182,519
504	Prop 84 - SARCCUP Projects	\$ 1,339,117	-	1,339,117	-	-	-	\$ 1,339,117
505	Prop 1 - Capital Projects	\$ 76,107	-	76,107	-	-	-	\$ 76,107
505	Prop 1 - Capital Projects - Passthrough	\$ 37,875	-	37,875	-	-	-	\$ 37,875
		\$ 63,543,521	\$ 3,309,317	\$ 51,827,257	\$ 468,831	\$ 6,711,226	\$ 1,226,890	\$ 63,543,521

Cash & Investments - September 2022

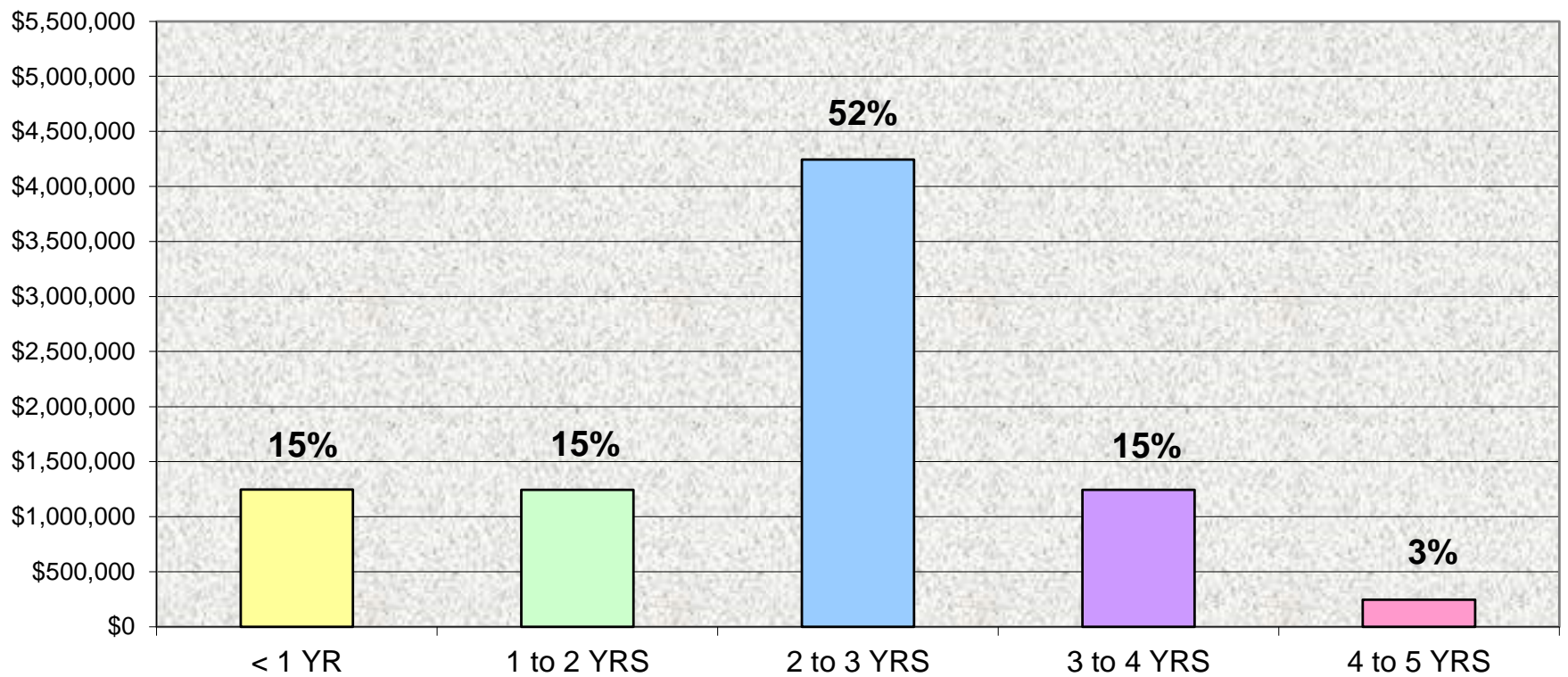
\$63,543,521



Santa Ana Watershed Project Authority
Reserve Account Analysis
September 30, 2022

Reserve Account	Balance @ 6/30/2022	Interest Earned	Fund Receipts/ Contributions	Debt Service Payments	Inter-Fund Loans	Fund Expenses	Balance @ 9/30/2022	Estimated Fund Changes	Balance @ 6/30/2023
Brine Line Operating Cash	3,616,906	12,780	3,511,530			(2,018,050)	5,123,166	-	5,123,166
Brine Line Operating Reserve	2,189,602		80,361				2,269,963	-	2,269,963
Flow Imbalance Reserve	84,572	177					84,749	-	84,749
OC San Future Capacity	1,842,396	3,849					1,846,246	-	1,846,246
Capacity Management	12,033,687	25,141					12,058,828	-	12,058,828
Rate Stabilization Reserve	1,032,428	2,157					1,034,585	-	1,034,585
Pipeline Replacement	22,758,505	16,997	366,886			(459)	23,141,929	(1,106,815)	22,035,114
OC San Rehabilitation	2,389,658	4,993					2,394,650	-	2,394,650
Debt Retirement	2,829,589	5,912					2,835,501	-	2,835,501
Self Insurance	4,352,284	9,079					4,361,363	-	4,361,363
General Fund	1,699,671	8,466	732,373		(691,615)	255,961	2,004,856	-	2,004,856
Building Reserve	746,799	1,560	100,000			(41,340)	807,019	-	807,019
	55,576,098	91,110	4,791,150	-	(691,615)	(1,803,888)	57,962,856	(1,106,815)	56,856,042

Twelve Month Maturity Schedule Securities

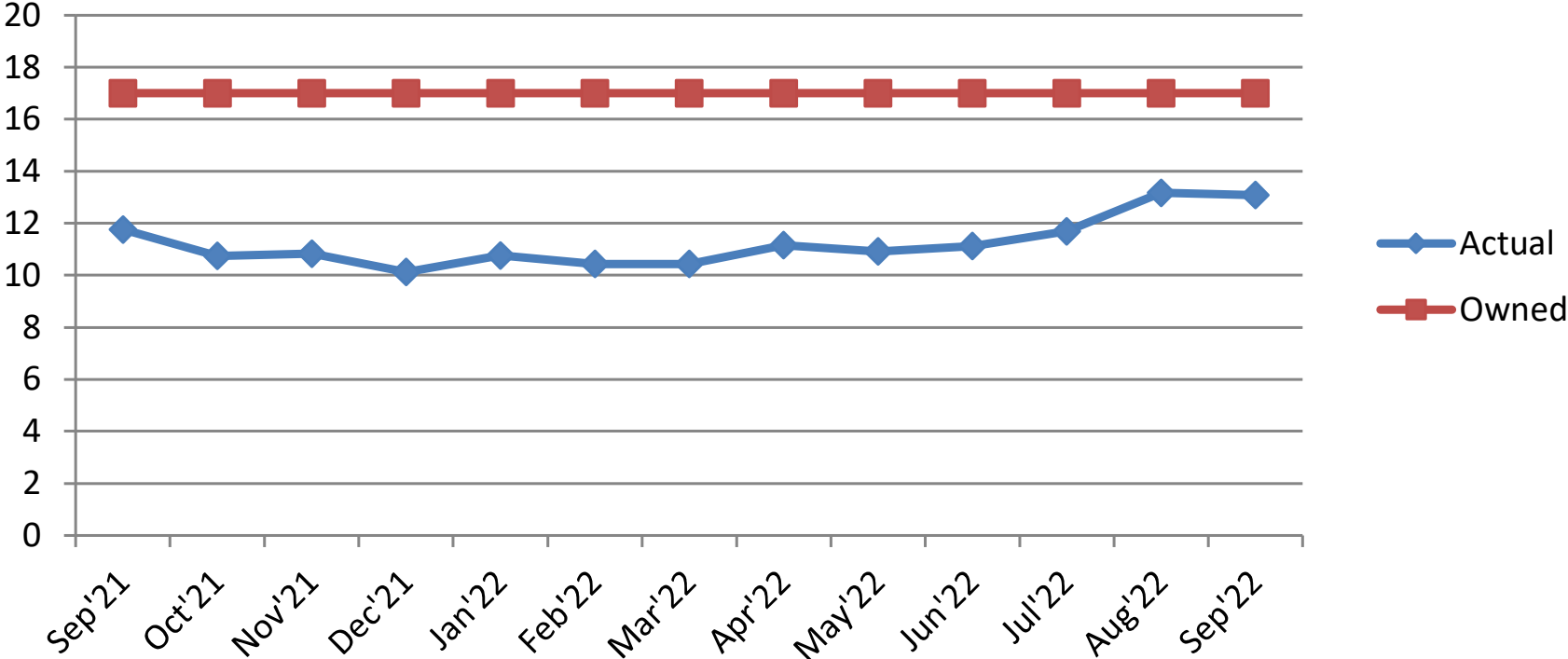


SAWPA
TREASURER'S REPORT
As of September 30, 2022

Investment Commercial
Safekeeping US Bank

Type	Security	Purchase Date	Maturity Date	Unit Cost	Cost	Principal	Current Value	Market Value	Interest Rate
Agency	FHLB	2/4/2020	12/13/2024	106.25	\$ 531,250.00	\$ 500,000.00	\$ 500,000.00	483,813.50	2.750%
Agency	FHLB	6/21/2022	6/28/2024	99.11	\$ 991,130.00	\$ 1,000,000.00	\$ 1,000,000.00	974,460.00	2.750%
Agency	FHLB	8/30/2022	11/27/2024	100.00	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,000.00	986,844.00	2.650%
Agency	FNMA	2/4/2020	1/7/2025	101.08	\$ 505,380.00	\$ 500,000.00	\$ 500,000.00	472,183.50	1.625%
Agency	FNMA	10/30/2020	8/25/2025	99.53	\$ 995,952.00	\$ 1,000,000.00	\$ 1,000,000.00	894,715.00	0.375%
Agency	USTN	4/19/2021	11/30/2025	98.25	\$ 982,500.00	\$ 1,000,000.00	\$ 1,000,000.00	887,930.00	0.375%
Agency	USTN	9/15/2021	5/31/2025	99.58	\$ 989,726.56	\$ 1,000,000.00	\$ 1,000,000.00	900,508.00	0.250%
CORP	Apple Inc.	10/15/2018	5/3/2023	95.98	\$ 479,898.50	\$ 500,000.00	\$ 500,000.00	494,273.00	2.400%
CORP	Toyota Motor Credit Corp.	10/15/2018	9/20/2023	99.55	\$ 497,747.50	\$ 500,000.00	\$ 500,000.00	494,654.50	3.450%
CD	American Express Natl Bank	8/17/2022	8/19/2024	100.00	\$ 245,000.00	\$ 245,000.00	\$ 245,000.00	241,994.59	3.350%
CD	Beal Bank USA	8/17/2022	8/12/2026	100.00	\$ 245,000.00	\$ 245,000.00	\$ 245,000.00	235,913.93	3.200%
CD	Synchrony Bank	8/12/2022	8/12/2025	100.00	\$ 245,000.00	\$ 245,000.00	\$ 245,000.00	238,713.06	3.350%
CD	Goldman Sachs Bank USA	12/20/2017	12/20/2022	100.00	\$ 248,000.00	\$ 248,000.00	\$ 248,000.00	247,549.14	2.500%
CD	Capital One Bank USA	5/25/2022	5/25/2027	100.00	\$ 246,000.00	\$ 246,000.00	\$ 246,000.00	235,424.46	3.200%
					\$ 8,202,584.56	\$ 8,229,000.00	\$ 8,229,000.00	7,788,976.68	2.302%

Average Daily Flow by Month





SUMMARY OF LABOR MULTIPLIERS

		Benefit Rate
Total Employee Benefits	313,921	0.278
Total Payroll	1,127,586	
Gross Indirect Costs	952,814	
Less: Member Contributions & Other Revenue	(118,750)	
Indirect Costs for Distribution	834,064	
		Indirect Rate
Direct Labor	672,607	1.240
Indirect Costs	834,064	
FY 2022-23 Labor multiplier - thru 09/30/22		1.518
FY 2022-23 Budgeted Labor multiplier		<u>2.028</u>
FY 2021-22 Labor multiplier		<u>1.993</u>
FY 2020-21 Labor multiplier		<u>1.724</u>
FY 2019-20 Labor multiplier		<u>2.309</u>



INDIRECT COSTS

(to be Distributed)

<u>G/L Acct.</u>	<u>Description</u>	<u>Actual thru</u> <u>9/30/22</u>
51000	Salaries - Regular	\$ 454,980
52000	Benefits	\$ 191,092
60111	Tuition Reimbursement	\$ -
60112	Training	\$ 2,656
60113	Education	\$ -
60114	Other Training & Education	\$ 402
60120	Audit Fees	\$ 7,800
60121	Consulting	\$ 64,284
60126	Temporary Services	\$ -
60128	Other Professional Services	\$ 700
60129	Other Contract Services	\$ -
60130	Legal Fees	\$ 5,139
60133	Employment Recruitment	\$ -
60153	Materials & Supplies	\$ 127
60154	Safety	\$ 842
60155	Security	\$ 828
60156	Custodial Contract Services	\$ 5,462
60157	Landscaping Maintenance	\$ 2,274
60158	HVAC	\$ 4,621
60159	Facility Repair & Maintenance	\$ 2,812
60160	Telephone	\$ 8,977
60161	Cellular Services	\$ 1,918
60163	Electricity	\$ 6,302
60164	Water Services	\$ 1,254
60170	Equipment Expensed	\$ 1,601
60171	Equipment Rented	\$ 3,360

(Continued - next column)

<u>G/L Acct.</u>	<u>Description</u>	<u>Actual thru</u> <u>9/30/22</u>
60172	Equipment Repair / Maintenance	\$ 118
60180	Computer Hardware	\$ 5,731
60181	Computer Software	\$ 68,835
60182	Internet Services	\$ 5,926
60183	Computer Supplies	\$ 73
60184	Computer Repair/Maint	\$ -
60185	Cloud Storage	\$ 3,954
60190	Offsite Meeting/Travel Expense	\$ -
60191	In House Meetings	\$ 101
60192	Conference Expense	\$ 3,134
60193	Car, Repair, Maintenance	\$ -
60200	Dues	\$ 1,342
60202	Subscriptions	\$ 1,305
60203	Contributions	\$ 16,000
60210	Bank Charges	\$ (46)
60211	Shipping/Postage	\$ 57
60212	Office Supplies	\$ 509
48000	Commission Fees	\$ 12,000
60221	Commission Mileage Reimb.	\$ 48
60222	Other Commission Expense	\$ -
60230	Other Expense	\$ 302
60240	Building Lease	\$ 1,998
81010	Retiree Medical Expense	\$ 20,398
80001	Insurance Expense	\$ 18,598
80000	Building Repair/Replacement Reserve	\$ 25,000
80000	Fixed Assets	\$ -

Total Costs \$ 952,814

Direct Costs Paid by Projects \$ 800,862
 Member Contribution Offset \$ 118,750
\$ 919,612

Over (Under) Allocation % -3.1%
 Over (Under) Allocation of General Fund Costs \$ (33,202)



BENEFITS SUMMARY

(Distributed based on Actual Labor)

<u>G/L Acct</u>	<u>Description</u>		<u>Budget</u>		<u>Actual @ 9/30/22</u>		<u>Projected FYE 2023</u>
70101	FICA Expense	\$	201,621	\$	40,185	\$	201,621
70102	Medicare Expense	\$	59,017	\$	11,727	\$	59,017
70103	State Unemployment Insurance	\$	4,851	\$	314	\$	4,851
70104	Worker's Compensation Insurance	\$	49,120	\$	8,813	\$	49,120
70105	State Disability Insurance	\$	30,010	\$	5,192	\$	30,010
70106	PERS Pension Plan	\$	543,352	\$	112,547	\$	543,352
70111	Medical Expense	\$	677,598	\$	109,349	\$	677,598
70112	Dental Expense	\$	32,526	\$	6,485	\$	32,526
70113	Vision Insurance	\$	8,526	\$	1,822	\$	8,526
70114	Life Insurance Expense	\$	15,528	\$	3,634	\$	15,528
70115	Long Term Disability	\$	18,186	\$	4,078	\$	18,186
70116	Wellness Program Expense	\$	3,900	\$	25	\$	3,900
70120	Car Allowance	\$	45,000	\$	9,750	\$	45,000
	Total Benefits	\$	1,689,235	\$	313,921	\$	1,689,235
	Total Payroll	\$	4,025,165	\$	1,127,586	\$	4,025,165
	Benefits Rate		42.0%		27.8%		42.0%

Santa Ana Watershed Project Authority
Labor Hours Budget vs Actual
Month Ending September 30, 2022

	Fund	Budget	Actual	%
100	General Fund	27,580	5,750	20.85%
145	Prop 84 - 2015 Program Mgmt	815	440	53.96%
150	Prop1 - Program Management	1,240	238	19.21%
240	Brine Line Enterprise	20,920	4,514	21.58%
320	Brine Line Protection	704	2	0.32%
327	Reach IV-D Corrosion Repairs	290	-	0.00%
370-01	Basin Planning General	1,690	553	32.69%
370-02	USBR Partnership Studies	130	23	17.50%
373	Watershed Management (OWOW)	1,865	691	37.04%
374	Basin Monitoring Program TF	575	136	23.57%
377	PFAS Study	-	69	
378	Weather Modification	-	99	
381	SAR Fish Conservation	220	23	10.23%
384-01	MSAR TMDL TF	122	86	70.08%
386MONIT	RWQ Monitoring TF	124	26	21.17%
387	Arundo Removal & Habitat Restoration	215	44	20.58%
392	Emerging Constituents TF	235	44	18.62%
397ADMIN	WECAN Riverside	200	21	10.25%
477-02	LESJWA - Administration	355	91	25.63%
477TMDL	LESJWA - TMDL Task Force	445	202	45.34%
504-401IMPLE	Prop 84 - Final Round Implementation	110	4	3.64%
504-401PA23	Prop 84 - Final Round PA23 Admin	245	16	6.43%
504-402PA22	Prop84 - Final Round PA22 Admin	150	14	9.00%
504-402RATES	Prop 84 - Final Round Water Rates	105	20	19.05%
505-00	Prop1 - Capital Projects	545	76	13.90%
		58,880	13,178	22.38%

Note: Should be at 25% of budget for 3 months

Page Intentionally Blank

COMMISSION MEMORANDUM NO. 2022.84

DATE: December 20, 2022
TO: SAWPA Commission
SUBJECT: Performance Indicators and Financial Reporting – October 2022
PREPARED BY: Karen Williams, DGM/CFO

RECOMMENDATION

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

DISCUSSION

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

Financial Reporting

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

Cash and Investments

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

Twelve Month Security Schedule (chart)	Shows the maturity dates for securities held and percentage of securities in each category.
Treasurer's Report	Shows book and market value for both Treasury strips and securities held by the Agency.

Performance Indicators

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

RESOURCE IMPACTS

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

Attachments:

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

Santa Ana Watershed Project Authority
Balance Sheet by Fund Type
For the Three Months Ending Friday, September 30, 2022

	General Fund	Brine Line Enterprise	Capital Projects	OWOW Projects	Roundtable Projects	Fund Totals
Assets						
Current Assets						
Cash and Investments	\$3,503,538.66	\$55,151,439.32	(\$459.13)	\$2,144,840.19	\$2,744,161.83	\$63,543,520.87
Accounts Receivable	2.79	2,174,939.34	0.00	12,059,660.09	468,126.24	14,702,728.46
Prepays and Deposits	45,169.06	174,399.75	0.00	0.00	0.00	219,568.81
Total Current Assets	<u>3,548,710.51</u>	<u>57,500,778.41</u>	<u>(459.13)</u>	<u>14,204,500.28</u>	<u>3,212,288.07</u>	<u>78,465,818.14</u>
Fixed Assets						
Property, Plant & Equipment less accum depreciation	1,336,290.22	72,965,427.45	0.00	0.00	0.00	74,301,717.67
Work In Process	0.00	0.00	389,473.60	0.00	0.00	389,473.60
Total fixed assets	<u>1,336,290.22</u>	<u>72,965,427.45</u>	<u>389,473.60</u>	<u>0.00</u>	<u>0.00</u>	<u>74,691,191.27</u>
Other Assets						
Wastewater treatment/disposal rights, net of amortization	0.00	21,228,967.17	0.00	0.00	0.00	21,228,967.17
Inventory - Mitigation Credits	0.00	0.00	0.00	0.00	1,910,560.00	1,910,560.00
Leased Assets, net of amortization	27,060.91	27,388.83	0.00	0.00	0.00	54,449.74
Total Other Assets	<u>27,060.91</u>	<u>21,256,356.00</u>	<u>0.00</u>	<u>0.00</u>	<u>1,910,560.00</u>	<u>23,193,976.91</u>
Total Assets	<u>\$4,912,061.64</u>	<u>\$151,722,561.86</u>	<u>\$389,014.47</u>	<u>\$14,204,500.28</u>	<u>\$5,122,848.07</u>	<u>\$176,350,986.32</u>
Liabilities and Fund Equity						
Current Liabilities						
Accounts Payable/Accrued Expenses	(\$473,664.33)	\$670,297.08	\$20,785.00	\$11,045,637.35	\$120,621.20	\$11,383,676.30
Accrued Interest Payable	0.00	192,970.03	0.00	0.00	0.00	192,970.03
Customer Deposits	0.00	276,059.84	0.00	0.00	0.00	276,059.84
Noncurrent Liabilities						
Long-term Debt	0.00	23,428,489.35	0.00	0.00	0.00	23,428,489.35
Lease Liability	27,219.55	29,635.70	0.00	0.00	0.00	56,855.25
Deferred Revenue	0.00	60,159,620.62	0.00	0.00	0.00	60,159,620.62
Total Liabilities	<u>(446,444.78)</u>	<u>84,757,072.62</u>	<u>20,785.00</u>	<u>11,045,637.35</u>	<u>120,621.20</u>	<u>95,497,671.39</u>
Fund Equity						
Contributed Capital	0.00	20,920,507.03	0.00	0.00	0.00	20,920,507.03
Retained Earnings	6,431,774.72	44,794,169.15	389,473.60	2,159,833.33	4,164,775.99	57,940,026.79
Revenue Over/Under Expenditures	(1,073,268.30)	1,250,813.06	(21,244.13)	999,029.60	837,450.88	1,992,781.11
Total Fund Equity	<u>5,358,506.42</u>	<u>66,965,489.24</u>	<u>368,229.47</u>	<u>3,158,862.93</u>	<u>5,002,226.87</u>	<u>80,853,314.93</u>
Total Liabilities & Fund Equity	<u>\$4,912,061.64</u>	<u>\$151,722,561.86</u>	<u>\$389,014.47</u>	<u>\$14,204,500.28</u>	<u>\$5,122,848.07</u>	<u>\$176,350,986.32</u>

Santa Ana Watershed Project Authority
Revenue & Expenses by Fund Type
For the Three Months Ending Friday, September 30, 2022

	General Fund	Brine Line Enterprise	Capital Projects	OWOW Projects	Roundtable Projects	Fund Totals
Operating Revenue						
Discharge Fees	\$0.00	\$3,142,791.81	\$0.00	\$0.00	\$0.00	\$3,142,791.81
Grant Proceeds	0.00	0.00	0.00	191,564.18	0.00	191,564.18
Financing Proceeds	0.00	0.00	0.00	0.00	61,478.99	61,478.99
Total Operating Revenue	<u>0.00</u>	<u>3,142,791.81</u>	<u>0.00</u>	<u>191,564.18</u>	<u>61,478.99</u>	<u>3,395,834.98</u>
Operating Expenses						
Labor	460,711.34	300,538.93	151.63	154,630.06	42,727.84	958,759.80
Benefits	135,685.42	126,226.38	63.68	64,944.63	17,945.68	344,865.79
Indirect Costs	0.00	483,266.57	243.82	248,645.15	68,706.35	800,861.89
Education & Training	3,551.11	0.00	0.00	0.00	0.00	3,551.11
Consulting & Professional Services	107,777.38	11,128.50	20,785.00	167,122.34	224,987.40	531,800.62
Operating Costs	1,152.53	640,624.11	0.00	0.00	0.00	641,776.64
Repair & Maintenance	16,830.60	48,689.90	0.00	0.00	0.00	65,520.50
Phone & Utilities	18,450.43	3,145.44	0.00	0.00	0.00	21,595.87
Equipment & Computers	91,123.74	38,042.53	0.00	0.00	0.00	129,166.27
Meeting & Travel	8,669.47	1,445.33	0.00	6.32	0.00	10,121.12
Other Administrative Costs	39,326.89	24,566.40	0.00	10,411.08	10,045.59	84,349.96
Indirect Costs Applied	(800,861.89)	0.00	0.00	0.00	0.00	(800,861.89)
Other Expenses	18,598.24	45,774.27	0.00	0.00	0.00	64,372.51
Total Operating Expenses	<u>101,015.26</u>	<u>1,723,448.36</u>	<u>21,244.13</u>	<u>645,759.58</u>	<u>364,412.86</u>	<u>2,855,880.19</u>
Operating Income (Loss)	(101,015.26)	1,419,343.45	(21,244.13)	(454,195.40)	(302,933.87)	539,954.79
Nonoperating Income (Expense)						
Member Contributions	725,435.00	0.00	0.00	1,324,325.00	20,000.00	2,069,760.00
Participant Fees	0.00	0.00	0.00	128,900.00	1,119,155.00	1,248,055.00
Interest Income	0.00	683,264.74	0.00	0.00	0.00	683,264.74
Other Income	670.74	133.52	0.00	0.00	0.00	804.26
Retiree Medical Benefits	(20,398.34)	0.00	0.00	0.00	0.00	(20,398.34)
Total Nonoperating Income (Expense)	<u>705,707.40</u>	<u>683,398.26</u>	<u>0.00</u>	<u>1,453,225.00</u>	<u>1,139,155.00</u>	<u>3,981,485.66</u>
Excess Rev over (under) Exp	<u>\$604,692.14</u>	<u>\$2,102,741.71</u>	<u>(\$21,244.13)</u>	<u>\$999,029.60</u>	<u>\$836,221.13</u>	<u>\$4,521,440.45</u>

Aging Report
 Santa Ana Watershed Project Authority
 Receivables as of October 31, 2022

Customer Name	Project	Total	0-30 Days	31-60 Days	61 and Over
Chino Basin Desalter Authority	Brine Line	187,139.29	187,139.29		
Corona, City of	Weather Modification	5,000.00			5,000.00
Department of Water Resources	Prop 84, Prop 1	11,255,701.33			11,255,701.33
Eastern Municipal Water District	Brine Line, Weather Modification	295,465.94	267,365.94		28,100.00
Inland Empire Utilities Agency	Brine Line	213,948.15	109,235.91	104,712.24	
Jurupa Community Services District	Basin Monitoring				21,458.00
Rialto BioEnergy	Brine Line	8,896.88		8,896.88	
Riverside, City of	WECAN	2,339.42		2,339.42	
Riverside County Flood Control	RWQ Monitoring	108,312.00			108,312.00
San Bernardino County Flood Control District	MSAR TMDL, RWQ Monitoring	257,506.00			257,506.00
San Bernardino Valley Municipal Water District	Brine Line	125,749.48	125,749.48		
Western Municipal Water District	Brine Line, WECAN Contribution	409,504.19	409,504.19		
Total Accounts Receivable		12,869,562.68	1,098,994.81	115,948.54	11,676,077.33

Santa Ana Watershed Project Authority
Open Task Orders Schedule
Oct-22
(Reflects Invoices Received as of 11/10/22)

Task Order No. Project Contracts	Fund No.	Vendor Name	Task Description	Begin Date	End Date	Original Contract	Change Orders	Total Contract	Billed To Date	Contract Balance	SAWPA Manager	Comments
ACS100-23	100-00	Accent Computer Solutions	IT Services	10/01/2021	12/31/2022	\$ 107,375.00	\$ -	\$ 107,375.00	\$ 86,758.52	\$ 20,616.48	Dean Unger	
ACS100-24	100-00	Accent Computer Solutions	Multi-Factor Authentication and Wireless Network Configuration	02/01/2022	12/31/2022	\$ 8,225.00	\$ -	\$ 8,225.00	\$ 7,509.63	\$ 715.37	Dean Unger	
FEBR100-01	100-00	Fedak & Brown, LLP	Professional Audit Services	04/19/2022	06/30/2023	\$ 79,980.00	\$ -	\$ 79,980.00	\$ 7,800.00	\$ 72,180.00	Karen Williams	
GPA100-01	100-00	Gillis & Panichapan Architects	SAWPA Building Renovations	10/13/2020	12/31/2023	\$ 45,200.00	\$ 27,500.00	\$ 72,700.00	\$ 63,051.65	\$ 9,648.35	Edina Goode	
INSOL100-19	100-00	Integrated Systems Solutions	HRIS - Greenshades	03/01/2022	12/31/2022	\$ 17,294.06	\$ 11,323.30	\$ 28,617.36	\$ 22,734.36	\$ 5,883.00	Edina Goode	
INSOL100-20	100-00	Integrated Systems Solutions	Great Plains and Journyx Support	07/01/2022	06/30/2023	\$ 5,000.00	\$ -	\$ 5,000.00	\$ 592.00	\$ 4,408.00	Dean Unger	
INSOL100-21	100-00	Integrated Systems Solutions	Great Plains Year End Update	11/01/2022	02/01/2023	\$ 5,000.00	\$ -	\$ 2,220.00	\$ -	\$ 2,220.00	Dean Unger	
KON100-08	100-00	Konica Minolta	Copiers and Scanners Lease	01/15/2021	01/15/2025	\$ 29,040.00	\$ -	\$ 29,040.00	\$ 14,098.68	\$ 14,941.32	Dean Unger	
LSGK100-11	100-00	Lagerlof, LLP	Legal Services	07/01/2022	06/30/2023	\$ 99,830.00	\$ -	\$ 99,830.00	\$ 9,996.00	\$ 89,834.00	Jeff Mosher	
SOL100-13	100-00	Sol Media	Website Hosting and Upgrades	07/01/2022	06/30/2023	\$ 12,340.00	\$ -	\$ 12,340.00	\$ 4,980.00	\$ 7,360.00	Dean Unger	
SOL100-14	100-00	Sol Media	Website Related Changes - Project Specific	07/01/2022	06/30/2023	\$ 14,400.00	\$ -	\$ 14,400.00	\$ 3,480.00	\$ 10,920.00	Dean Unger	
ZOOM100-02	100-00	Zoom Video Communications	Zoom Phone and Video Conferencing	09/15/2022	12/17/2025	\$ 35,500.00	\$ -	\$ 35,500.00	\$ -	\$ 35,500.00	Dean Unger	
BMH100-02	100-03	Bell, McAndrews, & Hiltachk	FPPC Lobby Reporting	07/01/2022	06/30/2023	\$ 1,320.00	\$ -	\$ 1,320.00	\$ 613.00	\$ 707.00	Karen Williams	
WCA100-03-04	100-03	West Coast Advisors	State Legislative Consulting	09/15/2020	12/21/2022	\$ 240,000.00	\$ -	\$ 240,000.00	\$ 224,250.00	\$ 15,750.00	Jeff Mosher	
WO2023-1	240	E S Babcock	Wastewater Sample Collection and Analysis	07/01/2022	06/30/2023	\$ 81,483.00	\$ -	\$ 81,483.00	\$ 20,014.97	\$ 61,468.03	David Ruhl	
DOUG240-04	240	Douglas Environmental	On-Call Brine Line Flow Meter Calibration	07/01/2021	06/30/2023	\$ 21,575.00	\$ 1,350.00	\$ 22,925.00	\$ 11,215.00	\$ 11,710.00	David Ruhl	
DUDK240-07	240	Dudek	Inland Empire Brine Line Master Plan	11/01/2022	12/31/2023	\$ 399,980.00	\$ -	\$ 399,980.00	\$ -	\$ 399,980.00	David Ruhl	
HAZ240-11	240	Haz Mat Trans Inc	Line Draining & Emergency Response	07/01/2021	06/30/2023	\$ 139,360.00	\$ -	\$ 139,360.00	\$ 37,021.25	\$ 102,338.75	David Ruhl	
HAZ240-12	240	Haz Mat Trans Inc	BL Debris Hauling & Disposal Services	07/01/2021	06/30/2023	\$ 63,990.00	\$ -	\$ 63,990.00	\$ -	\$ 63,990.00	David Ruhl	
INN240-04	240	Innerline Engineering	Brine Line On-Call Inspection Services	07/01/2021	06/30/2023	\$ 99,050.00	\$ -	\$ 99,050.00	\$ 8,816.38	\$ 90,233.62	David Ruhl	
INN240-05	240	Innerline Engineering	Brine Line Pipeline Cleaning Services	07/01/2022	06/30/2024	\$ 264,880.00	\$ -	\$ 264,880.00	\$ -	\$ 264,880.00	David Ruhl	
RFC240-02	240	Raftelis Financial Consulting	Inland Empire Brine Line Reserve Policy	11/01/2021	12/31/2022	\$ 50,895.00	\$ 18,600.00	\$ 69,495.00	\$ 60,157.50	\$ 9,337.50	David Ruhl	
TKE240-03	240	TKE Engineering & Planning	On-Call Brine Line Land Surveying	07/01/2021	06/30/2023	\$ 36,800.00	\$ -	\$ 36,800.00	\$ -	\$ 36,800.00	David Ruhl	
DUDK320-03-05	320-03	Dudek	Agua Mansa Lateral Design	09/01/2022	03/31/2023	\$ 87,440.00	\$ -	\$ 87,440.00	\$ -	\$ 87,440.00	David Ruhl	
NAWC370-03	370-01	North American Weather Consultants	SAR Weather Modification Pilot Operations	07/01/2022	06/30/2026	\$ 1,061,912.00	\$ -	\$ 1,061,912.00	\$ -	\$ 1,061,912.00	Mark Norton	
GECO370-01	370-02	Geosyntec Consultants	Stormwater Assessment Proposal	06/01/2022	06/30/2023	\$ 22,200.00	\$ -	\$ 22,200.00	\$ 21,840.25	\$ 359.75	Mark Norton	
DUDK373-07	373	Dudek	Grant Application Support for IRWM	10/04/2022	10/31/2023	\$ 22,200.00	\$ -	\$ 80,830.00	\$ -	\$ 80,830.00	Ian Achimore	
WSC373-01	373	Water Systems Consulting	FYE 2023 Roundtable of Regions Network Coordinator	07/01/2022	06/30/2023	\$ 72,900.00	\$ -	\$ 72,900.00	\$ 15,240.00	\$ 57,660.00	Ian Achimore	402
KSC374-02	374	Kahn, Soares, & Conway	Basin Monitoring TF Regulatory Support	07/01/2021	06/30/2023	\$ 116,000.00	\$ -	\$ 116,000.00	\$ 60,590.00	\$ 55,410.00	Mark Norton	

Santa Ana Watershed Project Authority
Open Task Orders Schedule
Oct-22
(Reflects Invoices Received as of 11/10/22)

Task Order No. Project Contracts	Fund No.	Vendor Name	Task Description	Begin Date	End Date	Original Contract	Change Orders	Total Contract	Billed To Date	Contract Balance	SAWPA Manager	Comments
WEST374-01	374	West Yost	Workplan for Basin Monitoring Program TF Planning	07/01/2021	12/31/2022	\$ 339,102.00	\$ 11,803.00	\$ 350,905.00	\$ 319,123.03	\$ 31,781.97	Mark Norton	
CDM377-01	377-01	CDM Smith	PFAS Regional Analysis for Upper Santa Ana River Watershed	07/01/2022	06/30/2023	\$ 323,825.00	\$ -	\$ 323,825.00	\$ 194,530.34	\$ 129,294.66	Mark Norton	
DRI378-01	378	Board of Regents of the Nevada System of Higher Education	Weather Modification Pilot Validation	10/26/2022	10/17/2027	\$ 155,000.00	\$ -	\$ 155,000.00	\$ -	\$ 155,000.00	Mark Norton	
SAWA381-01	381	Santa Ana Watershed Association	Van Buren Bridge Sucker Restoration	09/26/2018	12/31/2022	\$ 15,130.20	\$ 13,846.47	\$ 28,976.67	\$ 26,927.25	\$ 2,049.42	Ian Achimore	
CDM384-18	384-01	CDM Smith	2023 Triennial Report for MSAR Bacterial Indicator TMDL	07/01/2022	03/31/2023	\$ 78,120.00	\$ -	\$ 78,120.00	\$ 21,746.25	\$ 56,373.75	Rick Whetsel	
GEI384-02	384-01	GEI Consultants	MSAR TMDL - Limited Basin Plan Amendment Revisions	07/01/2022	06/30/2023	\$ 67,000.00	\$ -	\$ 67,000.00	\$ -	\$ 67,000.00	Rick Whetsel	
KSC384-02	384-01	Kahn, Soares, & Conway	MSAR Pathogen TMDL TF Regulatory Support	07/01/2021	06/30/2023	\$ 149,750.00	\$ -	\$ 149,750.00	\$ 48,981.50	\$ 100,768.50	Rick Whetsel	
CDM386-16	386	CDM Smith	Implementation of SAR Regional Bacteria Monitoring Program	01/01/2021	06/30/2024	\$ 1,070,535.00	\$ 56,065.00	\$ 1,126,600.00	\$ 524,806.24	\$ 601,793.76	Rick Whetsel	
IERC387-01	387	Inland Empire Resource Conservation District	Arundo Donax Removal in the SAR Basin Headwaters	07/19/2022	12/31/2027	\$ 147,777.07	\$ -	\$ 147,777.07	\$ -	\$ 147,777.07	Ian Achimore	
JPW392-01	392	JPW Communications	Emerging Constituents Program Social Media Support	07/01/2020	06/30/2023	\$ 105,000.00	\$ -	\$ 105,000.00	\$ 81,291.55	\$ 23,708.45	Mark Norton	
KSC392-02	392	Kahn, Soares, & Conway	Emerging Constituents Program TF Regulatory Support	07/01/2021	06/30/2023	\$ 46,500.00	\$ -	\$ 46,500.00	\$ 11,695.00	\$ 34,805.00	Mark Norton	
QUAN504-01	504-04	Quantum Spatial, Inc.	Water Efficiency Budget Assistance	02/10/2021	02/28/2023	\$ 594,387.00	\$ -	\$ 594,387.00	\$ -	\$ 594,387.00	Ian Achimore	
RMC504-401-09	504-04	Woodard & Curran	SARCCUP Program Mgmt. Services	07/01/2022	06/30/2023	\$ 84,030.00	\$ -	\$ 84,030.00	\$ 11,512.50	\$ 72,517.50	Ian Achimore	

\$ 4,692,290.25

LIST OF SAWPA FUNDS

Fund No.	Fund Description	Fund Group
100-00	General Fund	General
100-03	State Outreach	General
100-04	Federal Outreach	General
145	Proposition 84 – Program Management – 2015 Round	OWOW
150	Proposition 1 – Program Management	OWOW
240	Brine Line Enterprise	Brine Line
320-01	Brine Line Protection – Downstream Prado	Capital Projects
320-03	Brine Line Protection Above Prado	Capital Projects
320-04	Brine Line Protection D/S Prado in Riverside County	Capital Projects
327	Reach IV-D Corrosion Repair	Capital Projects
328	Aqua Mansa Lateral Project	Capital Projects
370-01	Basin Planning General	OWOW
370-02	USBR Partnership Studies	OWOW
373	Watershed Management (OWOW)	OWOW
374	Basin Monitoring Program Task Force	Roundtable
377	PFAS Study	OWOW
378	Weather Modification	OWOW
381	Santa Ana River Fish Conservation	Roundtable
384-01	MSAR TMDL Task Force	Roundtable
386	Regional Water Quality Monitoring Task Force	Roundtable
387	Arundo Management & Habitat Restoration	Roundtable
392	Emerging Constituents Task Force	Roundtable
397	Energy – Water DAC Grant Project	OWOW
398	Proposition 1 - DACI	OWOW
477	LESJWA Administration	Roundtable
504-01	Proposition 84 – Capital Projects Round 1 & 2	OWOW
504-04	Proposition 84 – Final Round SARCCUP	OWOW
505-00	Proposition 1 – SAWPA Capital Projects	OWOW
505-01	Proposition 1 – Round I Capital Projects	OWOW

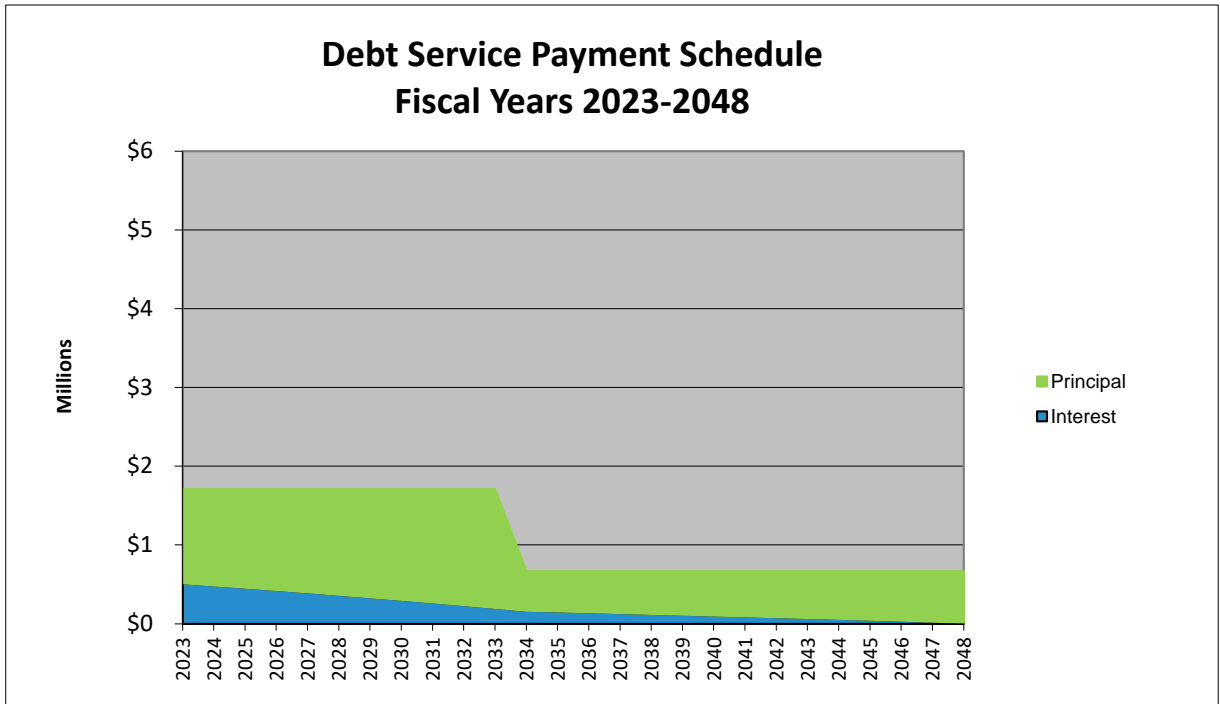
Santa Ana Watershed Project Authority
 Brine Line Debt Service Funding Analysis
 October 31, 2022

FYE	T-Strip Maturity	Capacity Loan Receipts	Rates	Loan Pymts	Interest Earned *	Excess Cash	Ending Cash Balance
	Beginning Balance						2,835,501
2023	-	-	1,709,476	(1,709,476)	44,442	44,442	2,879,943
2024	-	-	1,709,476	(1,709,476)	45,331	45,331	2,925,274
2025	-	-	1,709,476	(1,709,476)	46,238	46,238	2,971,512
2026	-	-	1,709,476	(1,709,476)	47,162	47,162	3,018,675
2027	-	-	1,709,476	(1,709,476)	48,106	48,106	3,066,780
2028	-	-	1,709,476	(1,709,476)	49,068	49,068	3,115,848
2029	-	-	1,709,476	(1,709,476)	50,049	50,049	3,165,897
2030	-	-	1,709,476	(1,709,476)	51,050	51,050	3,216,948
2031	-	-	1,709,476	(1,709,476)	52,071	52,071	3,269,019
2032	-	-	1,709,476	(1,709,476)	53,113	53,113	3,322,131
2033	-	-	1,709,476	(1,709,476)	54,175	54,175	3,376,306
2034	-	-	665,203	(665,203)	55,258	55,258	3,431,565
2035	-	-	665,203	(665,203)	56,364	56,364	3,487,929
2036	-	-	665,203	(665,203)	57,491	57,491	3,545,419
2037	-	-	665,203	(665,203)	58,641	58,641	3,604,061
2038	-	-	665,203	(665,203)	59,813	59,813	3,663,873
2039	-	-	665,203	(665,203)	61,010	61,010	3,724,883
2040	-	-	665,203	(665,203)	62,230	62,230	3,787,113
2041	-	-	665,203	(665,203)	63,474	63,474	3,850,587
2042	-	-	665,203	(665,203)	64,744	64,744	3,915,331
2043	-	-	665,203	(665,203)	66,039	66,039	3,981,370
2044	-	-	665,203	(665,203)	67,360	67,360	4,048,730
2045	-	-	665,203	(665,203)	68,707	68,707	4,117,436
2046	-	-	665,203	(665,203)	70,081	70,081	4,187,517
2047	-	-	665,203	(665,203)	71,483	71,483	4,259,000
2048	-	-	665,203	(665,203)	72,912	72,912	4,331,912
	-	-	28,782,271	(28,782,271)	1,496,411	1,496,411	-

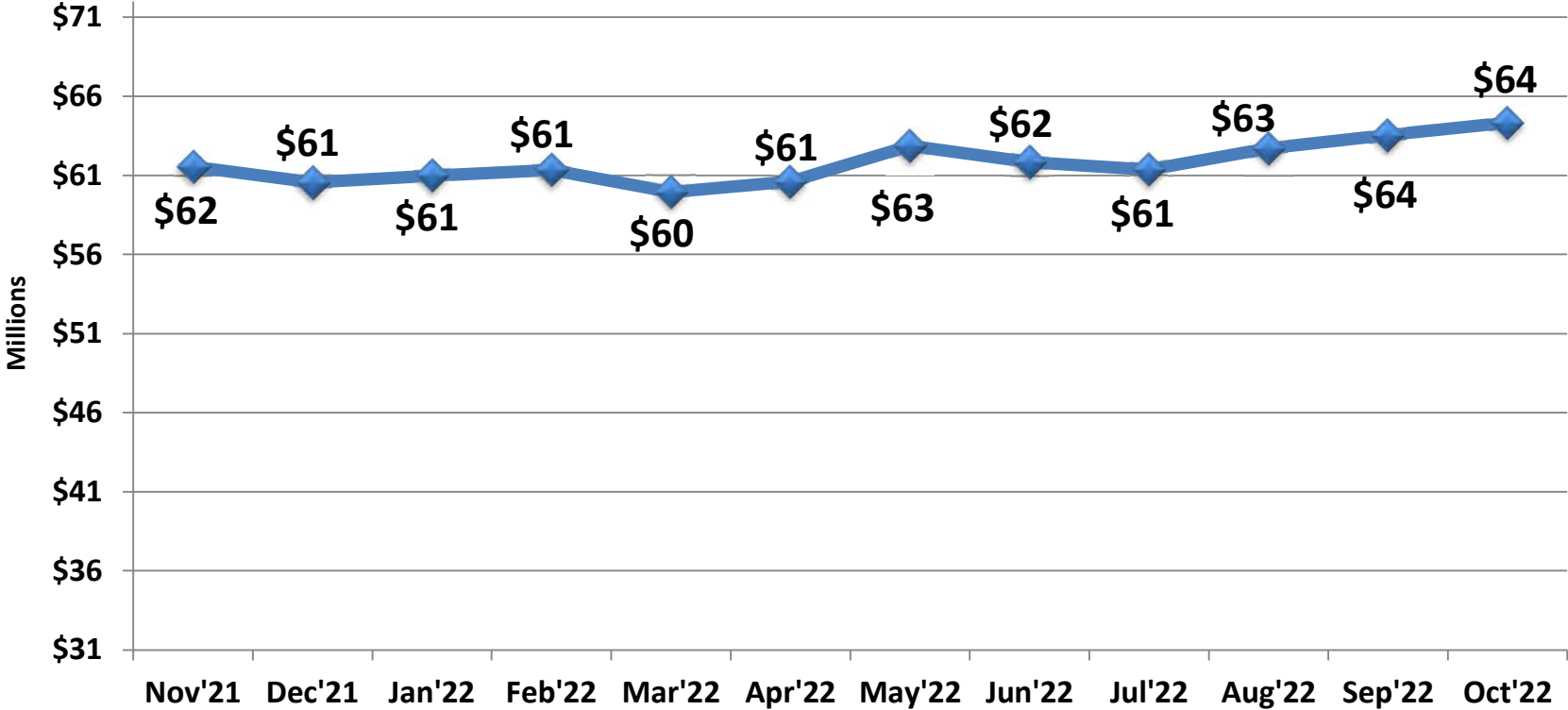
*Interest earned is based on a conservative 1.00% average return over the period

Santa Ana Watershed Project Authority
 Brine Line Debt Service Funding Analysis
 October 31, 2022

FYE	Interest	Principal	Total Payment	New SRF Loan	Remaining Principal
2023	514,301	1,195,175	1,709,476	-	22,233,314
2024	486,080	1,223,395	1,709,476	-	21,009,919
2025	457,181	1,252,295	1,709,476	-	19,757,624
2026	427,585	1,281,891	1,709,476	-	18,475,733
2027	397,276	1,312,199	1,709,476	-	17,163,534
2028	366,237	1,343,239	1,709,476	-	15,820,295
2029	334,449	1,375,027	1,709,476	-	14,445,268
2030	301,894	1,407,582	1,709,476	-	13,037,686
2031	268,553	1,440,923	1,709,476	-	11,596,763
2032	234,407	1,475,068	1,709,476	-	10,121,694
2033	199,437	1,510,039	1,709,476	-	8,611,656
2034	163,621	501,581	665,203	-	8,110,075
2035	154,091	511,111	665,203	-	7,598,964
2036	144,380	520,822	665,203	-	7,078,141
2037	134,485	530,718	665,203	-	6,547,424
2038	124,401	540,801	665,203	-	6,006,622
2039	114,126	551,077	665,203	-	5,455,545
2040	103,655	561,547	665,203	-	4,893,998
2041	92,986	572,217	665,203	-	4,321,782
2042	82,114	583,089	665,203	-	3,738,693
2043	71,035	594,167	665,203	-	3,144,526
2044	59,746	605,457	665,203	-	2,539,069
2045	48,242	616,960	665,203	-	1,922,109
2046	36,520	628,682	665,203	-	1,293,427
2047	24,575	640,627	665,203	-	652,799
2048	12,403	652,799	665,203	-	(0)



Total Cash & Investments





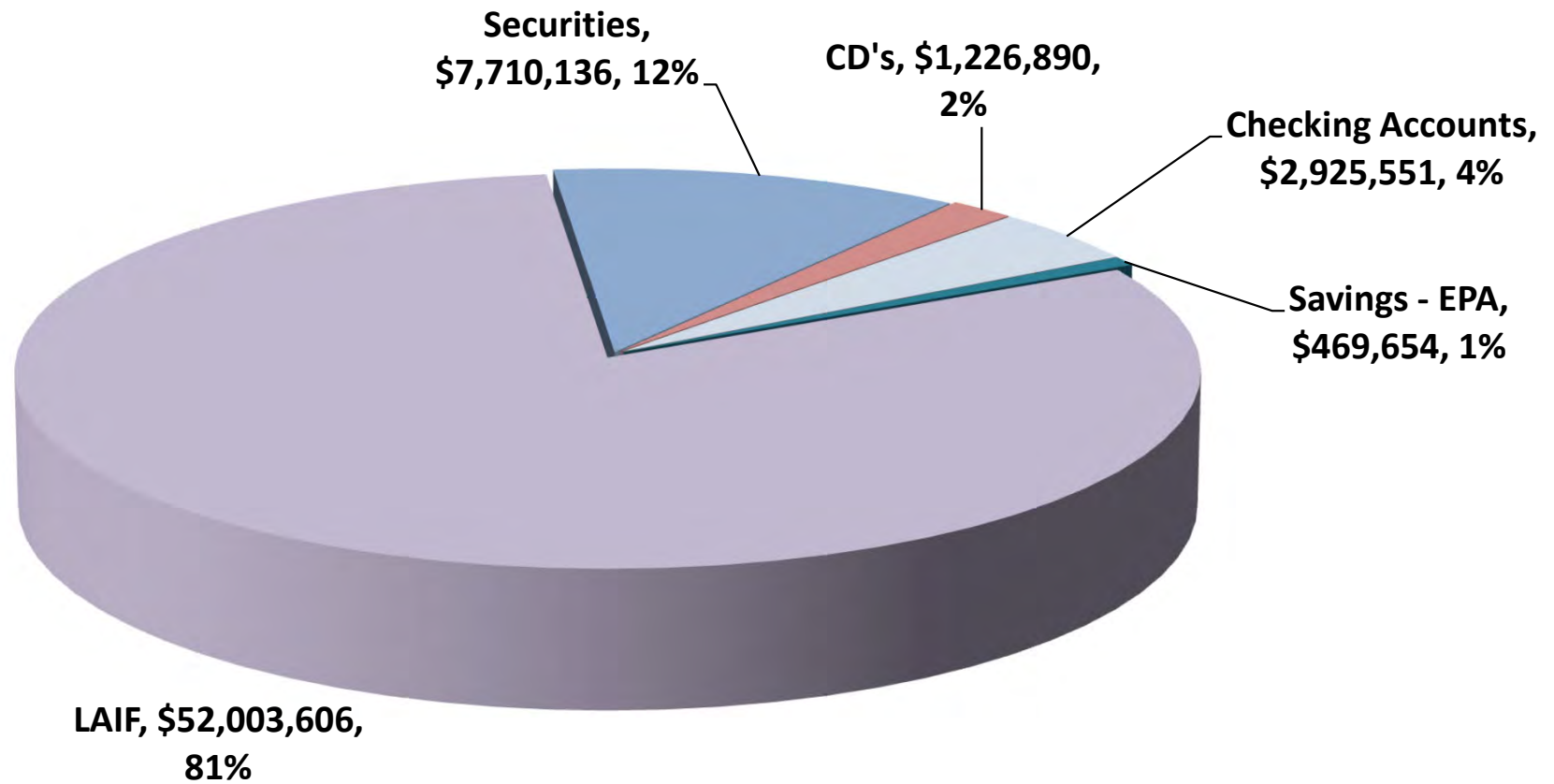
CASH BALANCE & SOURCE OF FUNDS

October 31, 2022

Fund Accounts		Cash and Investments						Total
		Total	Checking (Cash)	LAIF Account	Savings EPA	Investment Securities	Certificates of Deposit	
100	General Fund	\$ 1,988,978	1,988,978	-	-	-	-	\$ 1,988,978
100	Building Reserve	\$ 809,529	-	809,529	-	-	-	\$ 809,529
370	Basin Planning General	\$ 421,486	-	421,486	-	-	-	\$ 421,486
370	USBR Partnership Studies	\$ 30,101	-	30,101	-	-	-	\$ 30,101
373	Watershed Management Plan	\$ 599,961	-	599,961	-	-	-	\$ 599,961
240	Self Insurance Reserve	\$ 4,374,998	-	4,374,998	-	-	-	\$ 4,374,998
240	Brine Line Debt Retirement	\$ 2,844,366	-	2,844,366	-	-	-	\$ 2,844,366
240	Brine Line - Pipeline Replacement	\$ 23,451,929	-	14,514,903	-	7,710,136	1,226,890	\$ 23,451,929
240	Brine Line - OC San Rehabilitation	\$ 2,402,137	-	2,402,137	-	-	-	\$ 2,402,137
240	Brine Line - Capacity Management	\$ 12,096,528	-	12,096,528	-	-	-	\$ 12,096,528
240	Brine Line - OC San Future Capacity	\$ 1,852,018	-	1,852,018	-	-	-	\$ 1,852,018
240	Brine Line - Flow Imbalance Reserve	\$ 85,014	-	85,014	-	-	-	\$ 85,014
240	Brine Line - Rate Stabilization Reserve	\$ 1,037,820	-	1,037,820	-	-	-	\$ 1,037,820
240	Brine Line - Operating Reserve	\$ 2,276,938	-	2,276,938	-	-	-	\$ 2,276,938
240	Brine Line - Operating Cash	\$ 5,609,141	936,573	4,672,568	-	-	-	\$ 5,609,141
401	Legal Defense Fund	\$ 469,654	-	-	469,654	-	-	\$ 469,654
374	Basin Monitoring Program TF	\$ 719,370	-	719,370	-	-	-	\$ 719,370
377	PFAS Study	\$ 202,836	-	202,836	-	-	-	\$ 202,836
378	Weather Modification	\$ 61,384	-	61,384	-	-	-	\$ 61,384
381	SAR Fish Conservation	\$ 110,562	-	110,562	-	-	-	\$ 110,562
384	Middle SAR TMDL TF	\$ 325,620	-	325,620	-	-	-	\$ 325,620
386	RWQ Monitoring TF	\$ 85,755	-	85,755	-	-	-	\$ 85,755
387	Mitigation Bank Credits	\$ 846,710	-	846,710	-	-	-	\$ 846,710
392	Emerging Constituents TF	\$ 180,469	-	180,469	-	-	-	\$ 180,469
504	Prop 84 - SARCCUP Projects	\$ 1,330,554	-	1,330,554	-	-	-	\$ 1,330,554
505	Prop 1 - Capital Projects	\$ 84,106	-	84,106	-	-	-	\$ 84,106
505	Prop 1 - Capital Projects - Passthrough	\$ 37,875	-	37,875	-	-	-	\$ 408 875
		\$ 64,335,837	\$ 2,925,551	\$ 52,003,606	\$ 469,654	\$ 7,710,136	\$ 1,226,890	\$ 64,335,837

Cash & Investments - October 2022

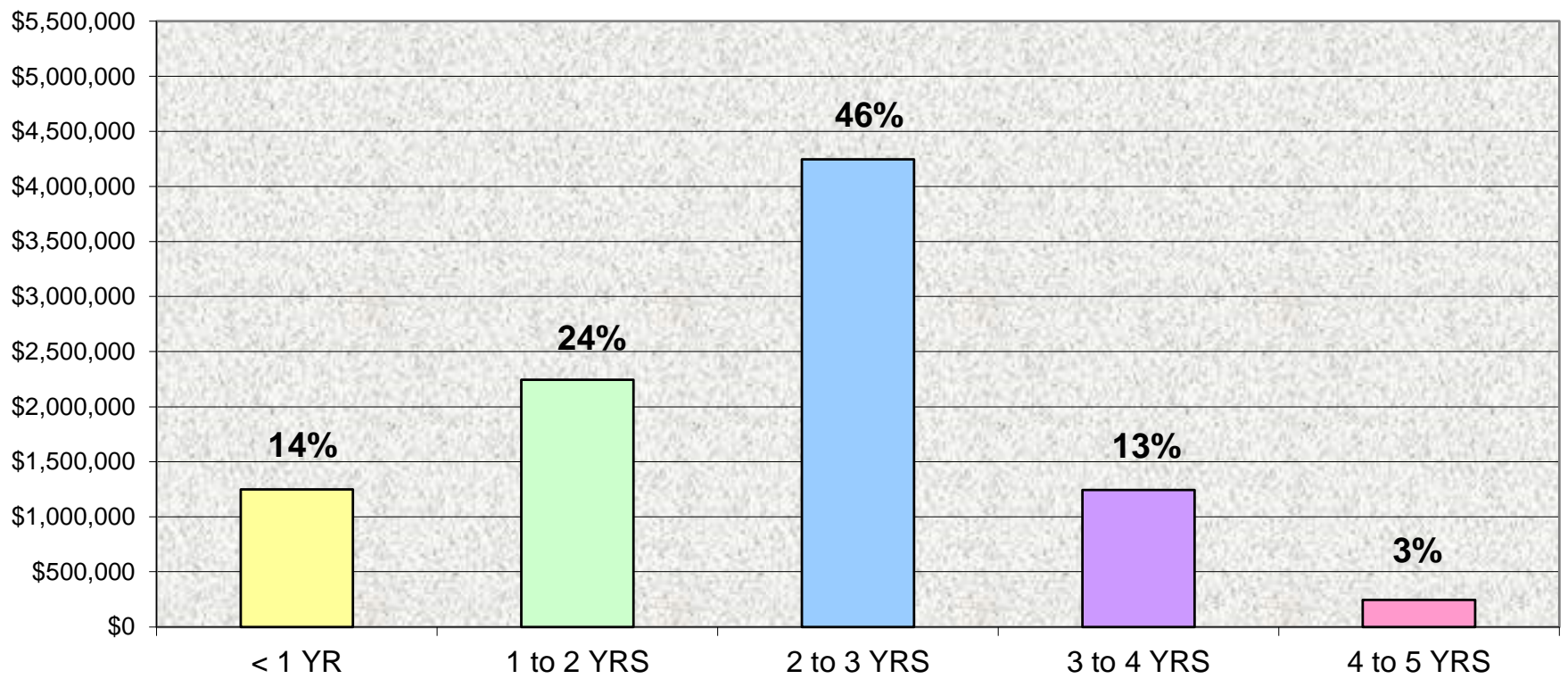
\$64,335,837



Santa Ana Watershed Project Authority
Reserve Account Analysis
October 31, 2022

Reserve Account	Balance @ 6/30/2022	Interest Earned	Fund Receipts/ Contributions	Debt Service Payments	Inter-Fund Loans	Fund Expenses	Balance @ 10/31/2022	Estimated Fund Changes	Balance @ 6/30/2023
Brine Line Operating Cash	3,616,906	26,812	4,489,554			(2,524,131)	5,609,141	-	5,609,141
Brine Line Operating Reserve	2,189,602	6,975	80,361				2,276,938	-	2,276,938
Flow Imbalance Reserve	84,572	442					85,014	-	85,014
OC San Future Capacity	1,842,396	9,621					1,852,018	-	1,852,018
Capacity Management	12,033,687	62,841					12,096,528	-	12,096,528
Rate Stabilization Reserve	1,032,428	5,391					1,037,820	-	1,037,820
Pipeline Replacement	22,758,505	88,798	611,476			(6,850)	23,451,929	(1,345,014)	22,106,915
OC San Rehabilitation	2,389,658	12,479					2,402,137	-	2,402,137
Debt Retirement	2,829,589	14,776					2,844,366	-	2,844,366
Self Insurance	4,352,284	22,714					4,374,998	-	4,374,998
General Fund	1,699,671	20,205	733,103		(686,729)	222,728	1,988,978	-	1,988,978
Building Reserve	746,799	4,070	100,000			(41,340)	809,529	-	809,529
	55,576,098	275,124	6,014,494	-	(686,729)	(2,349,593)	58,829,395	(1,345,014)	57,484,381

Twelve Month Maturity Schedule Securities

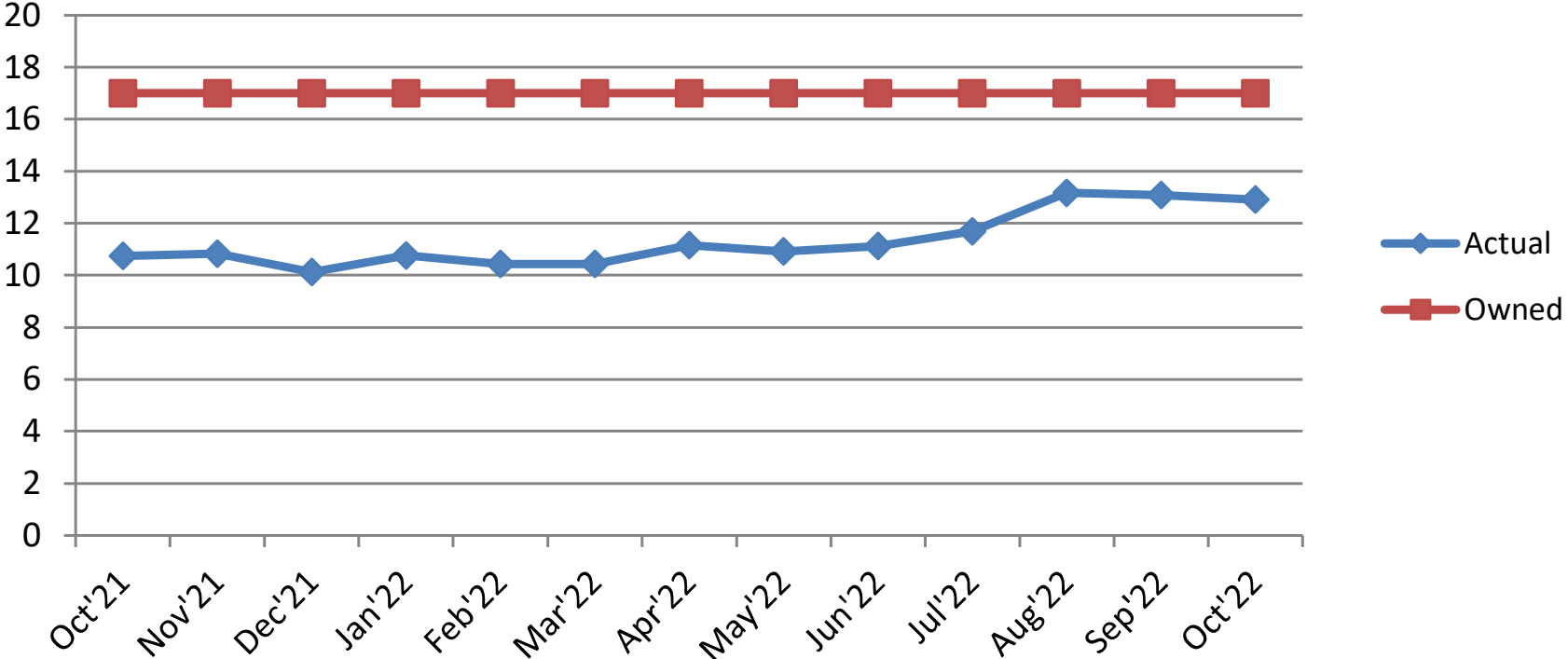


SAWPA
TREASURER'S REPORT
As of October 31, 2022

Investment Commercial
Safekeeping US Bank

Type	Security	Purchase Date	Maturity Date	Unit Cost	Cost	Principal	Current Value	Market Value	Interest Rate
Agency	FHLB	2/4/2020	12/13/2024	106.25	\$ 531,250.00	\$ 500,000.00	\$ 500,000.00	481,578.00	2.750%
Agency	FHLB	6/21/2022	6/28/2024	99.11	\$ 991,130.00	\$ 1,000,000.00	\$ 1,000,000.00	969,947.00	2.750%
Agency	FHLB	8/30/2022	11/27/2024	100.00	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,000.00	983,594.00	2.650%
Agency	FHLB	10/28/2022	10/3/2024	99.89	\$ 998,910.00	\$ 1,000,000.00	\$ 1,000,000.00	998,142.00	4.500%
Agency	FNMA	2/4/2020	1/7/2025	101.08	\$ 505,380.00	\$ 500,000.00	\$ 500,000.00	470,492.50	1.625%
Agency	FNMA	10/30/2020	8/25/2025	99.53	\$ 995,952.00	\$ 1,000,000.00	\$ 1,000,000.00	892,747.00	0.375%
Agency	USTN	4/19/2021	11/30/2025	98.25	\$ 982,500.00	\$ 1,000,000.00	\$ 1,000,000.00	885,586.00	0.375%
Agency	USTN	9/15/2021	5/31/2025	99.58	\$ 989,726.56	\$ 1,000,000.00	\$ 1,000,000.00	899,297.00	0.250%
CORP	Apple Inc.	10/15/2018	5/3/2023	95.98	\$ 479,898.50	\$ 500,000.00	\$ 500,000.00	494,598.50	2.400%
CORP	Toyota Motor Credit Corp.	10/15/2018	9/20/2023	99.55	\$ 497,747.50	\$ 500,000.00	\$ 500,000.00	492,904.00	3.450%
CD	American Express Natl Bank	8/17/2022	8/19/2024	100.00	\$ 245,000.00	\$ 245,000.00	\$ 245,000.00	239,245.44	3.350%
CD	Beal Bank USA	8/17/2022	8/12/2026	100.00	\$ 245,000.00	\$ 245,000.00	\$ 245,000.00	231,418.67	3.200%
CD	Synchrony Bank	8/12/2022	8/12/2025	100.00	\$ 245,000.00	\$ 245,000.00	\$ 245,000.00	236,174.61	3.350%
CD	Goldman Sachs Bank USA	12/20/2017	12/20/2022	100.00	\$ 248,000.00	\$ 248,000.00	\$ 248,000.00	247,655.53	2.500%
CD	Capital One Bank USA	5/25/2022	5/25/2027	100.00	\$ 246,000.00	\$ 246,000.00	\$ 246,000.00	229,671.50	3.200%
					\$ 9,201,494.56	\$ 9,229,000.00	\$ 9,229,000.00	8,753,051.75	2.448%

Average Daily Flow by Month





SUMMARY OF LABOR MULTIPLIERS

		Benefit Rate
Total Employee Benefits	401,639	0.284
Total Payroll	1,415,781	
Gross Indirect Costs	1,295,839	
Less: Member Contributions & Other Revenue	(158,333)	
Indirect Costs for Distribution	1,137,505	
		Indirect Rate
Direct Labor	795,353	1.430
Indirect Costs	1,137,505	
FY 2022-23 Labor multiplier - thru 10/31/22		1.714
FY 2022-23 Budgeted Labor multiplier		<u>2.028</u>
FY 2021-22 Labor multiplier		<u>1.993</u>
FY 2020-21 Labor multiplier		<u>1.724</u>
FY 2019-20 Labor multiplier		<u>2.309</u>



INDIRECT COSTS

(to be Distributed)

<u>G/L Acct.</u>	<u>Description</u>	<u>Actual thru</u> <u>10/31/22</u>
51000	Salaries - Regular	\$ 620,428
52000	Benefits	\$ 260,580
60111	Tuition Reimbursement	\$ -
60112	Training	\$ 3,031
60113	Education	\$ -
60114	Other Training & Education	\$ 664
60120	Audit Fees	\$ 7,800
60121	Consulting	\$ 71,021
60126	Temporary Services	\$ -
60128	Other Professional Services	\$ 700
60129	Other Contract Services	\$ -
60130	Legal Fees	\$ 7,584
60133	Employment Recruitment	\$ 292
60153	Materials & Supplies	\$ 127
60154	Safety	\$ 1,026
60155	Security	\$ 923
60156	Custodial Contract Services	\$ 7,283
60157	Landscaping Maintenance	\$ 3,751
60158	HVAC	\$ 5,930
60159	Facility Repair & Maintenance	\$ 4,064
60160	Telephone	\$ 10,031
60161	Cellular Services	\$ 2,842
60163	Electricity	\$ 6,995
60164	Water Services	\$ 1,610
60170	Equipment Expensed	\$ 2,269
60171	Equipment Rented	\$ 4,268

(Continued - next column)

<u>G/L Acct.</u>	<u>Description</u>	<u>Actual thru</u> <u>10/31/22</u>
60172	Equipment Repair / Maintenance	\$ 939
60180	Computer Hardware	\$ 6,631
60181	Computer Software	\$ 71,054
60182	Internet Services	\$ 7,901
60183	Computer Supplies	\$ 443
60184	Computer Repair/Maint	\$ -
60185	Cloud Storage	\$ 5,366
60190	Offsite Meeting/Travel Expense	\$ 415
60191	In House Meetings	\$ 101
60192	Conference Expense	\$ 8,884
60193	Car, Repair, Maintenance	\$ -
60200	Dues	\$ 38,346
60202	Subscriptions	\$ 1,305
60203	Contributions	\$ 16,000
60210	Bank Charges	\$ (46)
60211	Shipping/Postage	\$ 115
60212	Office Supplies	\$ 1,525
48000	Commission Fees	\$ 16,080
60221	Commission Mileage Reimb.	\$ 72
60222	Other Commission Expense	\$ -
60230	Other Expense	\$ 410
60240	Building Lease	\$ 2,498
81010	Retiree Medical Expense	\$ 25,499
80001	Insurance Expense	\$ 24,725
80000	Building Repair/Replacement Reserve	\$ 33,333
80000	Fixed Assets	\$ 11,024

Total Costs \$ 1,295,839

Direct Costs Paid by Projects	\$ 1,052,481
Member Contribution Offset	\$ 158,333
	\$ 1,210,815

Over (Under) Allocation %	-5.8%
Over (Under) Allocation of General Fund Costs	\$ (85,024)



BENEFITS SUMMARY

(Distributed based on Actual Labor)

<u>G/L Acct</u>	<u>Description</u>		<u>Budget</u>		<u>Actual @ 10/31/22</u>		<u>Projected FYE 2023</u>
70101	FICA Expense	\$	201,621	\$	51,978	\$	201,621
70102	Medicare Expense	\$	59,017	\$	15,820	\$	59,017
70103	State Unemployment Insurance	\$	4,851	\$	314	\$	4,851
70104	Worker's Compensation Insurance	\$	49,120	\$	8,813	\$	49,120
70105	State Disability Insurance	\$	30,010	\$	7,093	\$	30,010
70106	PERS Pension Plan	\$	543,352	\$	137,678	\$	543,352
70111	Medical Expense	\$	677,598	\$	145,676	\$	677,598
70112	Dental Expense	\$	32,526	\$	8,507	\$	32,526
70113	Vision Insurance	\$	8,526	\$	2,366	\$	8,526
70114	Life Insurance Expense	\$	15,528	\$	4,879	\$	15,528
70115	Long Term Disability	\$	18,186	\$	5,491	\$	18,186
70116	Wellness Program Expense	\$	3,900	\$	25	\$	3,900
70120	Car Allowance	\$	45,000	\$	13,000	\$	45,000
	Total Benefits	\$	1,689,235	\$	401,639	\$	1,689,235
	Total Payroll	\$	4,025,165	\$	1,415,781	\$	4,025,165
	Benefits Rate		42.0%		28.4%		42.0%

Santa Ana Watershed Project Authority
 Labor Hours Budget vs Actual
 Month Ending October 31, 2022

	Fund	Budget	Actual	%
100	General Fund	27,580	7,582	27.49%
145	Prop 84 - 2015 Program Mgmt	815	593	72.76%
150	Prop1 - Program Management	1,240	322	25.93%
240	Brine Line Enterprise	20,920	5,998	28.67%
320	Brine Line Protection	704	9	1.31%
327	Reach IV-D Corrosion Repairs	290	-	0.00%
370-01	Basin Planning General	1,690	664	39.26%
370-02	USBR Partnership Studies	130	26	20.19%
373	Watershed Management (OWOW)	1,865	817	43.81%
374	Basin Monitoring Program TF	575	172	29.87%
377	PFAS Study	-	102	
378	Weather Modification	-	165	
381	SAR Fish Conservation	220	50	22.84%
384-01	MSAR TMDL TF	122	95	78.07%
386MONIT	RWQ Monitoring TF	124	36	29.23%
387	Arundo Removal & Habitat Restoration	215	56	26.16%
392	Emerging Constituents TF	235	58	24.68%
397ADMIN	WECAN Riverside	200	25	12.63%
477-02	LESJWA - Administration	355	122	34.37%
477TMDL	LESJWA - TMDL Task Force	445	232	52.19%
504-401IMPLE	Prop 84 - Final Round Implementation	110	5	4.55%
504-401PA23	Prop 84 - Final Round PA23 Admin	245	23	9.29%
504-402PA22	Prop84 - Final Round PA22 Admin	150	23	15.33%
504-402RATES	Prop 84 - Final Round Water Rates	105	35	33.33%
505-00	Prop1 - Capital Projects	545	137	25.05%
		58,880	17,347	29.46%


Note: Should be at 33.33% of budget for 4 months

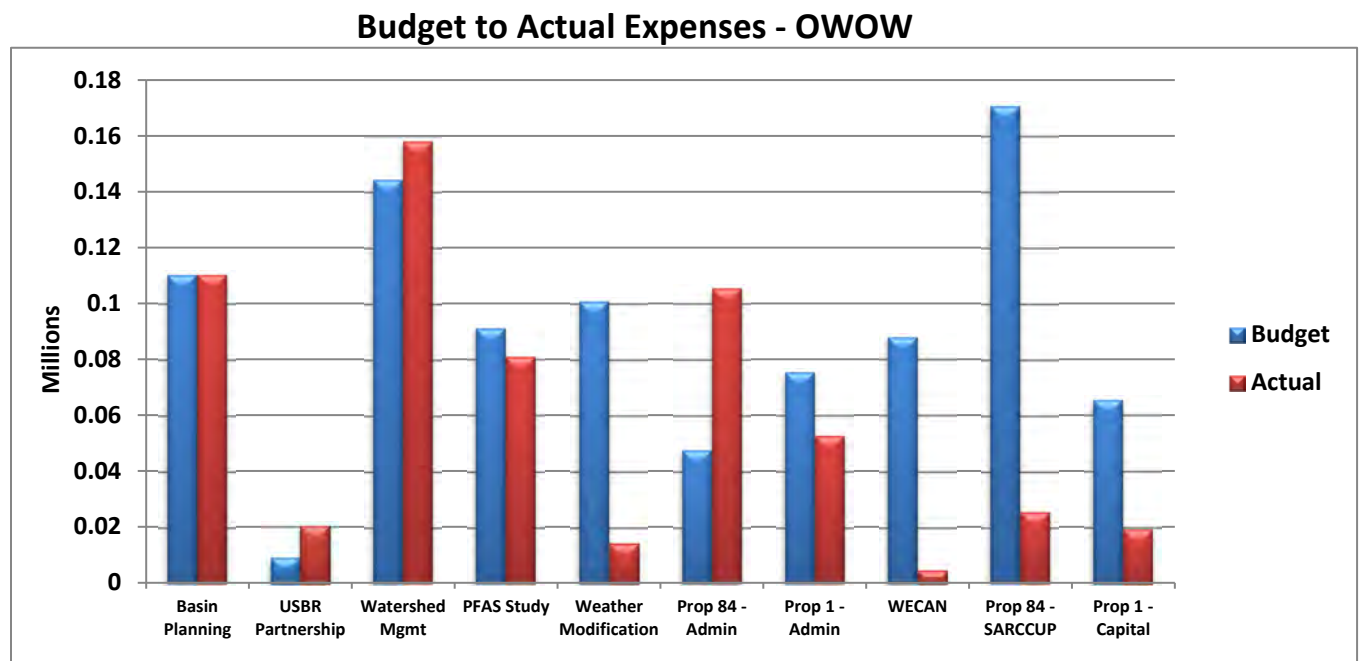
Page Intentionally Blank

**Santa Ana Watershed Project Authority
PA25 - OWOW Fund - Financial Report
September 2022**

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

Overview	This report highlights the agency's key financial indicators for the Fiscal Year-to-Date (FYTD) through September 2022 unless otherwise noted.
-----------------	--

Budget to Actual Expenses - OWOW				 Favorable
	Annual Budget	FYTD Budget	FYTD Actual	Favorable (Unfavorable) Variance
Basin Planning General	\$441,260	\$110,315	\$110,348	(\$33)
USBR Partnership Studies	87,663	9,416	20,382	(10,966)
Watershed Mgmt. (OWOW)	577,716	144,429	158,121	(13,692)
PFAS Study	363,825	90,956	80,833	10,123
Weather Modification	403,000	100,750	14,497	86,253
Prop 84 - Administration	190,677	47,669	105,449	(57,780)
Prop 1 – Administration	301,706	75,427	52,769	22,658
WECAN - Riverside	351,208	87,802	4,892	82,910
Prop 84 – SARCCUP & Other	683,247	170,812	25,576	145,236
Prop 1 – Capital Projects	261,706	65,427	19,493	45,934
Total	\$3,662,008	\$903,003	\$592,362	\$310,641

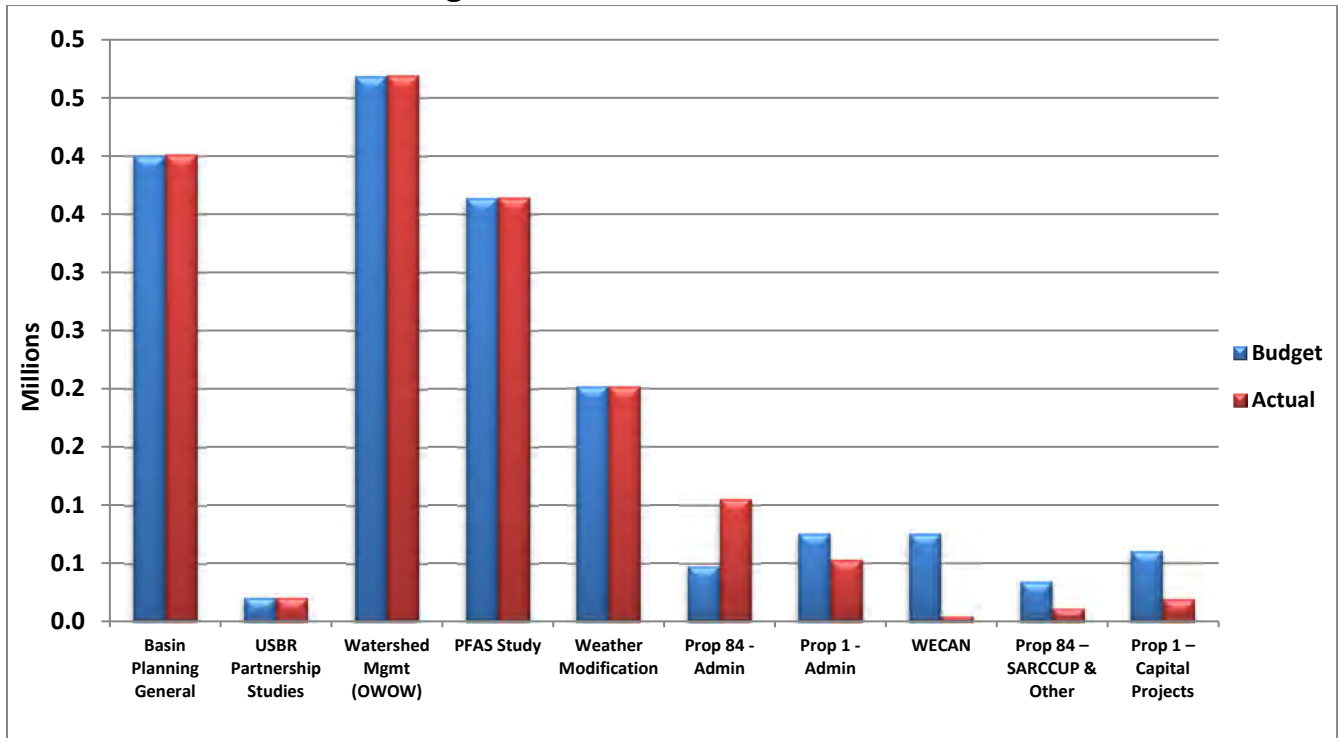


Budget to Actual Revenues - OWOW



	Annual Budget	FYTD Budget	FYTD Actual	Favorable (Unfavorable) Variance
Basin Planning General	\$400,000	\$400,000	\$401,088	\$1,088
USBR Partnership Studies	70,000	20,000	20,130	130
Watershed Mgmt. (OWOW)	468,700	468,700	469,552	852
PFAS Study	363,825	363,825	364,206	381
Weather Modification	403,000	201,500	201,548	48
Prop 84 - Administration	190,677	47,669	105,453	57,784
Prop 1 – Administration	301,706	75,427	52,771	(22,656)
WECAN - Riverside	351,208	75,302	4,892	(70,410)
Prop 84 – SARCCUP & Other	296,370	34,093	11,507	(22,586)
Prop 1 – Capital Projects	261,709	60,188	19,494	(40,694)
Total	\$3,107,192	\$1,746,704	\$1,650,641	(\$96,063)

Budget to Actual Revenues - OWOW







Reserve Fund Balance

	Amount
Basin Planning General	\$448,616
USBR Partnership Studies	34,778
Watershed Management (OWOW)	635,964
PFAS Study	210,183
Weather Modification	41,911
Proposition 84 – SARCCUP & Other	1,339,117
Proposition 1 – Capital Projects	113,982
Total Reserves	\$2,824,551

Legend

Compared to Budget

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

Staff Comments

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


1) Total revenues are 5.4% below budget. Since this is the first quarter of FYE 2023 Budget, projects tend to start out slowly. It is anticipated that all projects will be on track with the budget at the end of the fiscal year.

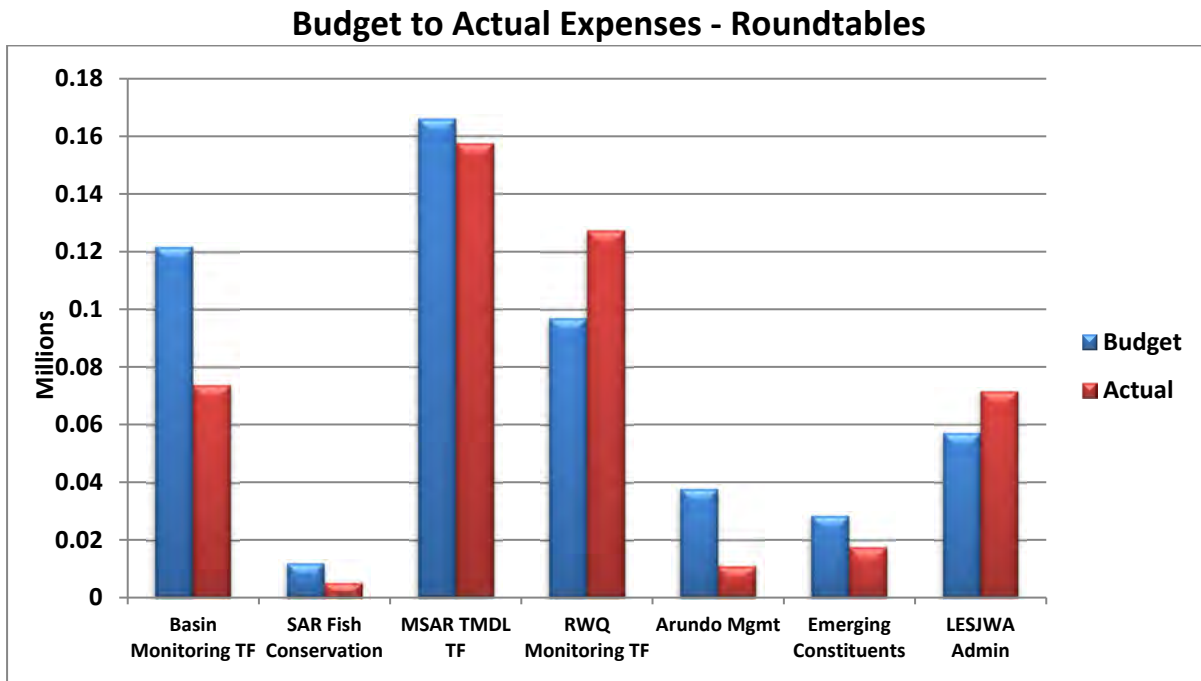
Page Intentionally Blank

**Santa Ana Watershed Project Authority
PA26 - Roundtable Fund - Financial Report
September 2022**

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

Overview	This report highlights the agency's key financial indicators for the Fiscal Year-to-Date (FYTD) through September 2022 unless otherwise noted.
-----------------	--

Budget to Actual Expenses - Roundtables				 On Track
	Annual Budget	FYTD Budget	FYTD Actual	Favorable (Unfavorable) Variance
Basin Monitoring TF	\$486,892	\$121,723	\$73,670	\$48,053
SAR Fish Conservation	296,983	11,746	5,197	6,549
MSAR TMDL TF	319,976	165,963	157,483	8,480
RWQ Monitoring TF	387,574	96,894	127,369	(30,475)
Arundo Mgmt.	150,292	37,573	10,909	26,664
Emerging Constituents	113,856	28,464	17,473	10,991
LESJWA Admin	198,307	57,077	71,479	(14,402)
Total	\$1,953,880	\$519,440	\$463,580	\$55,860



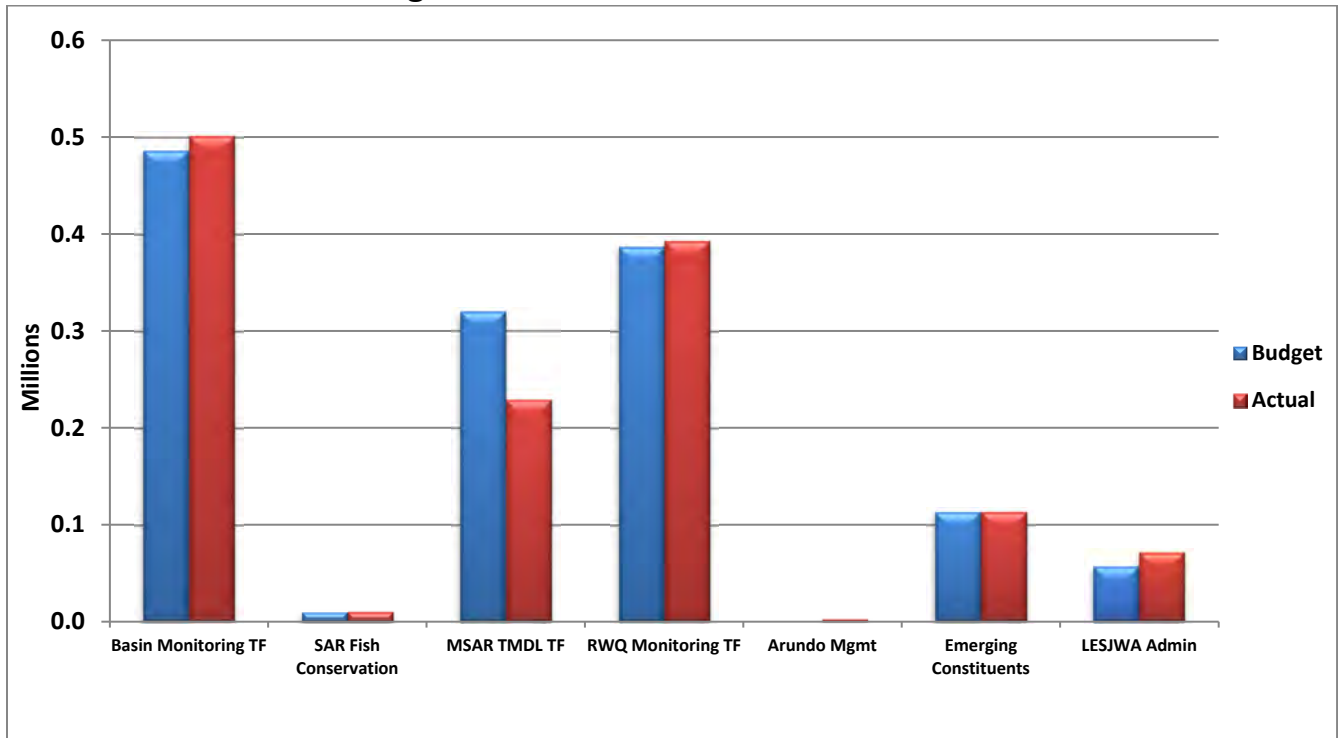
Budget to Actual Revenues - Roundtables



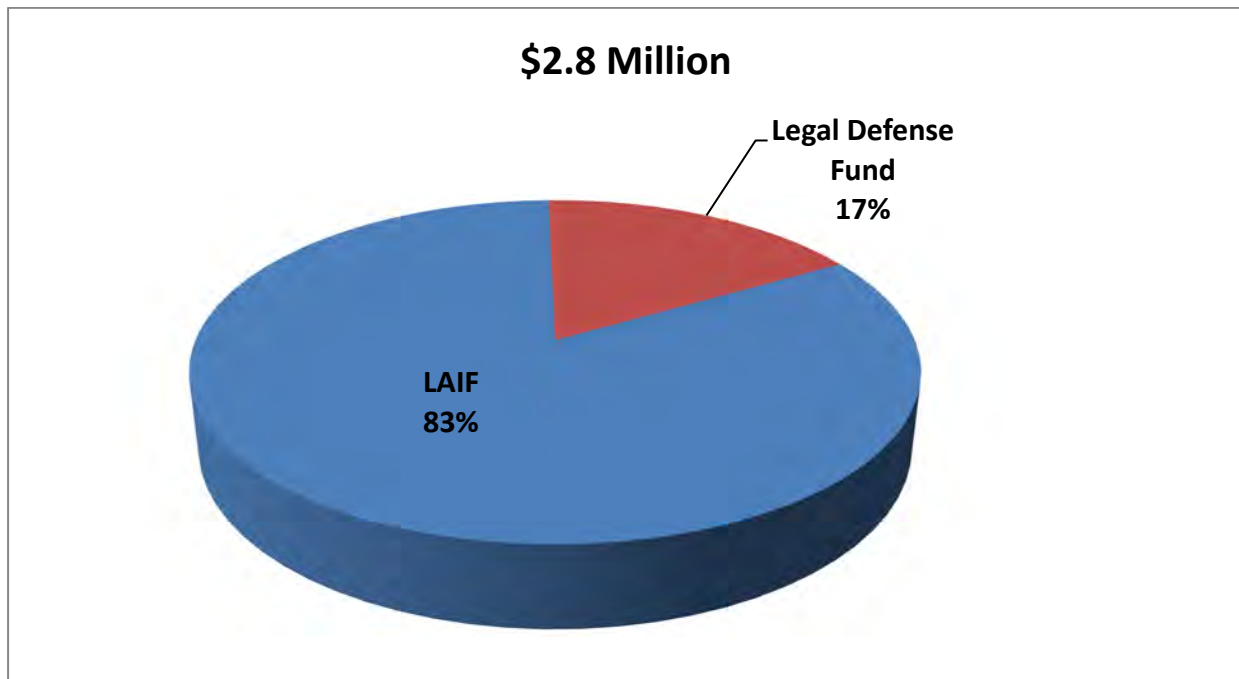
Behind

	Annual Budget	FYTD Budget	FYTD Actual	Favorable (Unfavorable) Variance
Basin Monitoring TF	\$485,998	\$485,998	\$501,650	\$15,652
SAR Fish Conservation	279,000	10,000	10,357	357
MSAR TMDL TF	319,625	319,625	228,867	(90,758)
RWQ Monitoring TF	386,845	386,845	393,204	6,359
Arundo Mgmt.	889,900	-	2,668	2,668
Emerging Constituents	113,000	113,000	113,374	374
LESJWA Admin	198,307	57,077	71,479	14,402
Total	\$2,672,675	\$1,372,545	\$1,321,599	(\$50,946)

Budget to Actual Revenues - Roundtables



Total Cash & Investments







Reserve Fund Balance

	Amount
Basin Monitoring Task Force	\$750,632
SAR Fish Conservation	115,360
Middle SAR TMDL Task Force	325,531
Regional Water Quality Monitoring Task Force	66,170
Arundo Management & Habitat	847,071
Emerging Constituents Task Force	182,519
Legal Defense Fund	468,831
Total Reserves	\$2,756,114

Legend

Compared to Budget

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

Staff Comments

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

- 1) Expenses are on track with the budget. Revenues are 3.7% below budget.



Santa Ana Watershed Project Authority
 General Manager - Expense Report
 1st Quarter FYE 2023

Staff	Mosher
-------	--------

Sum of Amount		Expn Type							Grand Total
Posting Date	Activity	Airfare	Hotel	Meals	Misc.	Parking	Registration	Grand Total	
07/31/2022	Urban Water Institute Conference						675.00	675.00	
07/31/2022 Total							675.00	675.00	
08/31/2022	ASBCSD Dinner			42.00				42.00	
	CASQA Conference		160.45				750.00	910.45	
	Lunch with Celeste Cantu			23.85				23.85	
	OC Water Summit						140.00	140.00	
08/31/2022 Total			160.45	65.85			890.00	1,116.30	
09/30/2022	ACWA Fall Conference						775.00	775.00	
	Dinner with Marco Tule			161.32				161.32	
	Urban Water Institute Conference		518.12					518.12	
	WaterReuse Conference		1,079.28	14.15	62.65	80.00		1,236.08	
	WEFTEC	994.96						994.96	
09/30/2022 Total		994.96	1,597.40	175.47	62.65	80.00	775.00	3,685.48	
Grand Total		994.96	1,757.85	241.32	62.65	80.00	2,340.00	5,476.78	



Santa Ana Watershed Project Authority

Staff - Expense Report

1st Quarter FYE 2023

Sum of Amount			Expn Type							Grand Total
Staff	Posting Date	Activity	Airfare	Hotel	Meals	Mileage	Misc.	Parking	Registration	
Gilbert	07/31/2022	Tri-State Seminar	102.96						125.00	227.96
	08/31/2022	Tri-State Seminar		281.94	80.37			70.00		432.31
		Tri-State Seminar					133.74			133.74
Gilbert Total			102.96	281.94	80.37		133.74	70.00	125.00	794.01
Goode	07/31/2022	CalPERS Educational Forum							449.00	449.00
	08/31/2022	CAPIO Conference for Jessica McDermott	129.48						325.00	454.48
		CAPIO Conference for Jessica McDermott - Cancellation	(120.48)						(275.00)	(395.48)
		Water Solutions Conference for Jessica McDermott							50.00	50.00
		Water Solutions Conference for Jessica McDermott - Cancellation							(50.00)	(50.00)
Goode Total			9.00					499.00	508.00	
Lewis	07/31/2022	CalPERS Educational Forum							449.00	449.00
Lewis Total								449.00	449.00	
McDermott	07/31/2022	WECAN Project Signs				6.32				6.32
McDermott Total						6.32			6.32	
Mullay	09/30/2022	TTC Parking						44.00		44.00
Mullay Total								44.00	44.00	
Norton	08/31/2022	OC Water Summit							140.00	140.00
	09/30/2022	ASCE LA Celebration					65.00			65.00
Norton Total							65.00	140.00	205.00	
Ramirez	09/30/2022	TTC Parking						44.00		44.00
Ramirez Total								44.00	44.00	
Ruhl	08/31/2022	CWEA Conference for Daniel	187.97							187.97
Ruhl Total			187.97							187.97
Unger	07/31/2022	ESRI Conference			94.59					94.59
		ESRI Conference sprinter ticket					2.50		2.50	
		ESRI Conference train ticket					26.00		26.00	
	09/30/2022	MISAC Conference car rental					691.80			691.80
		MISAC Conference car rental - Confirmed					346.62			346.62
		MISAC Conference for John Leete and Dean Unger							1,150.00	1,150.00
Unger Total				94.59		475.12		1,150.00	1,719.71	
Vasquez	08/31/2022	Tri-State Seminar		365.61	26.86				125.00	517.47
		Tri-State Seminar - Uber					44.85			44.85
	09/30/2022	Construction Network Breakfast			89.00					89.00
Vasquez Total			365.61	115.86			44.85	125.00	651.32	
Williams	08/31/2022	Lunch with Kristine Day IEUA			35.01					35.01
Williams Total					35.01				35.01	
Grand Total			299.93	647.55	325.83	6.32	718.71	158.00	2,488.00	4,644.34

COMMISSION MEMORANDUM NO. 2022.85

DATE: December 20, 2022

TO: SAWPA Commission

SUBJECT: Budget vs. Actual Variance Report
FYE 2023 First Quarter – September 30, 2022

PREPARED BY: Karen Williams, DGM/CFO

RECOMMENDATION

It is recommended that the Commission receive and file the informational report on FYE 2023 First Quarter Budget vs. Actual Variance Report.

DISCUSSION

Staff has developed a Budget vs. Actual Variance Report and presents this report on a quarterly basis. Attached is the FYE 2023 Budget vs. Actual Variance Report through September 30, 2022. The Agency's net revenue was \$3,801,136, which was \$1,184,994 more favorable than budgeted. Several significant items comprise the majority of this favorable variance:

Operating Revenue was \$216,052 more than budgeted. This favorable variance is due to higher brine line and truck discharges for the first quarter.

Operating Expense was \$1,514,214 less than budgeted. This favorable variance is due to lower BOD and TSS concentrations than projected, a slow start to CIP projects, Proposition 1 and 84 projects, and OWOW related projects.

Non-Operating Revenue/Expense was \$545,272 less than budgeted. This unfavorable variance is due a slow start on CIP projects and not billing Participant Fees for Proposition 1 and 84 projects.

Favorable Revenue Variances

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

Discharge fees – The 7.1%% variance of \$216,052 is due to higher brine line and truck discharges than projected.

Unfavorable Revenue Variances

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

Use of Reserves – The 96.2% variance of \$530,738 is due to a slow start on budgeted CIP projects and no need for the use of reserves.

Favorable Expense Variances

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

Consulting & Professional Services – The 57.4% variance of \$623,981 is due to a slow start on budgeted CIP projects and other OWOW and Roundtable task force related consulting costs.

Operating Costs – The 31.5% variance of \$294,974 is due to lower BOD and TSS concentrations than projected and cost savings in the performance of brine line maintenance activities.

Unfavorable Expense Variances

There are no unfavorable expenses variance of \$250,000 or more.

RESOURCE IMPACTS

None.

Attachment:

1. Variance Report

Santa Ana Watershed Project Authority
 FYE 2023 Budget vs. Actual
 for the Period Ending September 30, 2022

Consolidated

	FYE 2023 Budget	3-Month Budget	YTD Actual	Favorable (Unfavorable) Variance	
Operating Revenue					
Discharge Fees	\$12,071,872	\$3,024,606	\$3,240,658	\$216,052	7.14%
Total Operating Revenue	12,071,872	3,024,606	3,240,658	216,052	7.14%
Operating Expenses					
Labor	4,053,241	1,013,310	958,760	54,550	5.38%
Benefits	1,701,016	425,254	344,866	80,388	18.90%
Education & Training	61,100	15,275	3,058	12,217	79.98%
Consulting & Professional Services	4,646,800	1,086,700	462,719	623,981	57.42%
Operating Costs	3,746,050	936,513	641,539	294,974	31.50%
Repair & Maintenance	596,400	149,100	65,388	83,712	56.14%
Phone & Utilities	105,850	26,463	21,595	4,867	18.39%
Equipment & Computers	391,900	97,975	127,342	-29,367	-29.97%
Meeting & Travel	109,350	27,338	4,597	22,741	83.19%
Other Administrative Costs	271,004	75,251	62,087	13,164	17.49%
Other Expense	461,577	115,394	80,300	35,094	30.41%
Program Expenses	467,637	116,909	0	116,909	100.00%
Construction	700,000	175,000	0	175,000	100.00%
Operating Transfers	114,625	114,625	114,625	0	0.00%
Indirect Costs	45,145	-4,964	-30,945	25,981	0.00%
Total Operating Expenses	17,471,695	4,370,144	2,855,930	1,514,214	34.65%
Net Operating Revenue / (Deficit)	-5,399,823	-1,345,538	384,728	-1,298,162	96.48%
Non-Operating Revenue (Expense)					
Member Agency Contributions	2,069,763	2,069,763	2,069,760	-3	0.00%
Participant Fees	1,570,498	1,320,543	1,248,055	-72,488	-5.49%
Grant Proceeds	1,422,212	292,679	194,117	-98,562	-33.68%
Mitigation Credit Sales	889,900	0	0	0	0.00%
Debt Service	-1,709,476	0	0	0	0.00%
Interest & Investments	325,000	81,250	193,655	112,405	138.34%
Other Income	188,307	47,077	62,235	15,159	32.20%
Contributions to Reserves	-1,764,957	-516,239	-487,284	28,955	5.61%
Operating Transfers	114,625	114,625	114,625	0	0.00%
Use of Reserves	2,207,931	551,983	21,245	-530,738	-96.15%
Net Non-Operating Revenue / (Deficit)	5,313,802	3,961,679	3,416,408	-545,272	-13.76%
Net Revenue / (Deficit)	-\$86,021	\$2,616,141	\$3,801,136	\$1,184,994	

Santa Ana Watershed Project Authority
 FYE 2023 Budget vs. Actual
 for the Period Ending September 30, 2022

General Fund

	FYE 2023 Budget	3-Month Budget	YTD Actual	Favorable (Unfavorable) Variance	
Operating Revenue					
Total Operating Revenue	\$0	\$0	\$0	\$0	0.00%
Operating Expenses					
Labor	1,878,457	469,614	460,711	8,903	1.90%
Benefits	788,329	197,082	135,685	61,397	31.15%
Education & Training	46,600	11,650	3,058	8,592	73.75%
Consulting & Professional Services	435,500	108,875	107,485	1,390	1.28%
Operating Costs	6,400	1,600	969	631	39.45%
Repair & Maintenance	106,400	26,600	16,698	9,902	37.23%
Phone & Utilities	94,350	23,588	18,450	5,138	21.78%
Equipment & Computers	185,400	46,350	89,599	-43,249	-93.31%
Meeting & Travel	79,000	19,750	3,234	16,516	83.62%
Other Administrative Costs	153,154	38,289	31,517	6,772	17.69%
Other Expense	106,577	26,644	20,596	6,048	22.70%
Indirect Costs	-3,452,144	-879,287	-831,807	-47,480	5.40%
Total Operating Expenses	428,023	90,755	56,195	34,560	38.08%
Net Operating Revenue / (Deficit)	-428,023	-90,755	-56,195	-34,560	38.08%
Non-Operating Revenue (Expense)					
Member Agency Contributions	725,437	725,437	725,435	-2	0.00%
Interest & Investments	0	0	14,249	14,249	100.00%
Other Income	0	0	622	622	100.00%
Building Reserve	-100,000	-100,000	-100,000	0	0.00%
Retiree Medical Reserve	-197,414	-49,354	-20,398	28,955	58.67%
Net Non-Operating Revenue / (Deficit)	428,023	576,083	619,908	43,824	7.61%
Net Revenue / (Deficit)	\$0	\$485,328	\$563,713	\$78,384	

Santa Ana Watershed Project Authority
 FYE 2023 Budget vs. Actual
 for the Period Ending September 30, 2022

Brine Line Operating Fund

	FYE 2023 Budget	3-Month Budget	YTD Actual	Favorable (Unfavorable) Variance	
Operating Revenue					
Discharge Fees	\$12,071,872	\$3,024,606	\$3,240,658	\$216,052	7.14%
Total Operating Revenue	12,071,872	3,024,606	3,240,658	216,052	7.14%
Operating Expenses					
Labor	1,326,650	331,663	300,539	31,124	9.38%
Benefits	556,753	139,188	126,226	12,962	9.31%
Education & Training	14,500	3,625	0	3,625	100.00%
Consulting & Professional Services	285,000	71,250	11,129	60,121	84.38%
Operating Costs	3,739,650	934,913	640,570	294,343	31.48%
Repair & Maintenance	490,000	122,500	48,690	73,810	60.25%
Phone & Utilities	11,500	2,875	3,145	-270	-9.39%
Equipment & Computers	206,500	51,625	37,743	13,882	26.89%
Meeting & Travel	10,000	2,500	1,356	1,144	45.76%
Other Administrative Costs	90,900	22,725	10,178	12,547	55.21%
Other Expense	355,000	88,750	59,704	29,046	32.73%
Indirect Costs	2,133,400	533,350	483,267	50,083	9.39%
Total Operating Expenses	9,219,853	2,304,964	1,722,547	582,417	25.27%
Net Operating Revenue / (Deficit)	2,852,019	719,642	1,518,111	-798,469	-110.95%
Non-Operating Revenue (Expense)					
Interest & Investments	325,000	81,250	169,766	88,516	108.94%
Other Income	0	0	134	134	100.00%
Debt Service	-1,709,476	0	0	0	0.00%
Contributions to Reserves	-1,467,543	-366,886	-366,886	0	0.00%
Net Non-Operating Revenue / (Deficit)	-2,852,019	-285,636	-196,986	88,650	-31.04%
Net Revenue / (Deficit)	\$0	\$434,006	\$1,321,125	\$887,119	

Santa Ana Watershed Project Authority
 FYE 2023 Budget vs. Actual
 for the Period Ending September 30, 2022

OWOW Fund

	FYE 2023 Budget	3-Month Budget	YTD Actual	Favorable (Unfavorable) Variance	
Operating Revenue					
Total Operating Revenue	\$0	\$0	\$0	\$0	0.00%
Operating Expenses					
Labor	586,889	146,722	154,630	-7,908	-5.39%
Benefits	246,298	61,575	64,945	-3,370	-5.47%
Consulting & Professional Services	1,489,705	359,926	113,790	246,136	68.39%
Equipment & Computers	0	0	0	0	-100.00%
Meeting & Travel	17,100	4,275	6	4,269	99.85%
Other Administrative Costs	10,600	2,650	10,346	-7,696	-290.42%
Program Expenses	367,637	91,909	0	91,909	100.00%
Indirect Costs	943,779	235,945	248,645	-12,700	-5.38%
Total Operating Expenses	3,662,008	903,002	592,362	310,640	34.40%
Net Operating Revenue / (Deficit)	-3,662,008	-903,002	-592,362	-310,640	34.40%
Non-Operating Revenue (Expense)					
Member Agency Contributions	1,324,325	1,324,325	1,324,325	0	0.00%
Participant Fees	360,655	129,700	128,900	-800	-0.62%
Grant Proceeds	1,422,212	292,679	194,117	-98,562	-33.68%
Interest & Investments	0	0	3,299	3,299	100.00%
Net Non-Operating Revenue / (Deficit)	3,107,192	1,746,704	1,650,641	-96,063	-5.50%
Net Revenue / (Deficit)	-\$554,816	\$843,702	\$1,058,279	\$214,577	
Project Reimbursement (Prop 1 & 84 Capital)	\$21,209,717	\$5,302,429	\$0	\$21,209,717	

Santa Ana Watershed Project Authority
 FYE 2023 Budget vs. Actual
 for the Period Ending September 30, 2022

Roundtables Fund

	FYE 2023 Budget	3-Month Budget	YTD Actual	Favorable (Unfavorable) Variance	
Operating Revenue					
Total Operating Revenue	\$0	\$0	\$0	\$0	0.00%
Operating Expenses					
Labor	169,451	42,363	42,728	-365	-0.86%
Benefits	71,113	17,778	17,946	-168	-0.95%
Consulting & Professional Services	1,211,595	240,399	209,530	30,869	12.84%
Meeting & Travel	3,250	813	0	813	100.00%
Other Administrative Costs	11,350	10,338	10,046	292	-100.00%
Program Expenses	100,000	25,000	0	25,000	0.00%
Operating Transfer	114,625	114,625	114,625	0	0.00%
Indirect Costs	272,496	68,124	68,706	-582	-0.85%
Total Operating Expenses	1,953,880	519,440	463,581	55,859	10.75%
Net Operating Revenue / (Deficit)	-1,953,880	-519,440	-463,581	-55,859	10.75%
Non-Operating Revenue (Expense)					
Member Agency Contributions	20,000	20,000	20,000	0	0.00%
Participant Fees	1,209,843	1,190,843	1,119,155	-71,688	-6.02%
Mitigation Credit Sales	889,900	0	0	0	0.00%
Grant Proceeds	250,000	0	0	0	0.00%
Other Income	188,307	47,077	61,479	14,402	30.59%
Operating Transfer	114,625	114,625	114,625	0	0.00%
Interest & Investments	0	0	6,341	6,341	100.00%
Net Non-Operating Revenue / (Deficit)	2,672,675	1,372,545	1,321,600	-50,945	-3.71%
Net Revenue / (Deficit)	\$718,795	\$853,105	\$858,019	\$4,914	

Santa Ana Watershed Project Authority
 FYE 2023 Budget vs. Actual
 for the Period Ending September 30, 2022

Capital Fund

	FYE 2023 Budget	3-Month Budget	YTD Actual	Favorable (Unfavorable) Variance	
Operating Revenue					
Total Operating Revenue	\$0	\$0	\$0	\$0	0.00%
Operating Expenses					
Labor	91,794	22,948	152	22,796	99.34%
Benefits	38,523	9,631	64	9,567	99.34%
Consulting & Professional Services	1,225,000	306,250	20,785	285,465	93.21%
Other Administrative Costs	5,000	1,250	0	1,250	100.00%
Construction	700,000	175,000	0	175,000	100.00%
Indirect Costs	147,614	36,904	244	36,660	99.34%
Total Operating Expenses	2,207,931	551,983	21,245	530,738	96.15%
Net Operating Revenue / (Deficit)	-2,207,931	-551,983	-21,245	-530,738	96.15%
Non-Operating Revenue (Expense)					
Use of Reserves	2,207,931	551,983	21,245	-530,738	-96.15%
Net Non-Operating Revenue / (Deficit)	2,207,931	551,983	21,245	-530,738	-96.15%
Net Revenue / (Deficit)	\$0	\$0	\$0	\$0	



**Santa Ana Watershed
Project Authority**

**Financial Report for the 1st Quarter
Ending September 30, 2022**

1

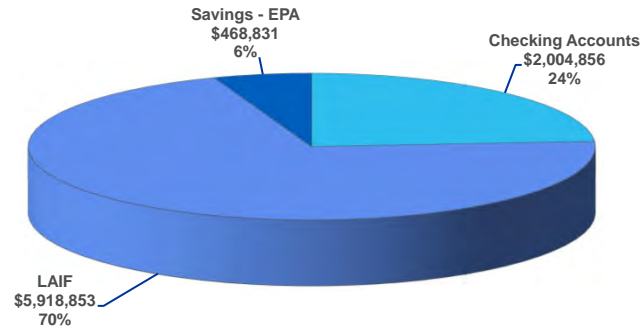
Agenda

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

2

Cash & Investments

\$8,392,540



3

Cash & Investments

Total by Fund

General Fund	\$2,811,875
OWOW Fund	2,824,551
Roundtable Fund	2,287,283
Fiduciary Fund	468,831
Total	\$8,392,540

4

Cash & Investments

General Funds

Fund	Checking (Cash)	LAIF Account	Total
General Fund	\$2,004,856	\$0	\$2,004,856
Building Reserve	0	807,019	807,019
Total	\$2,004,856	\$807,019	\$2,811,875

5

Cash & Investments

OWOW Funds

Fund	LAIF Account
Basin Planning General	\$448,616
USBR Partnership Studies	34,778
Watershed Management (OWOW)	635,964
PFAS Study	210,183
Weather Modification	41,911
Prop 84 SARCCUP Projects	1,339,117
Prop 1 Capital Projects	76,107
Prop 1 Project Passthroughs	37,875
Total	\$2,824,551

6

Cash & Investments

Roundtable Funds

Fund	LAIF Account
Basin Monitoring	\$750,632
RWQ Monitoring TF	66,170
SAR Fish Conservation	115,360
Middle SAR TMDL TF	325,531
Emerging Constituents TF	182,519
Mitigation Banking	847,071
Total	\$2,287,283

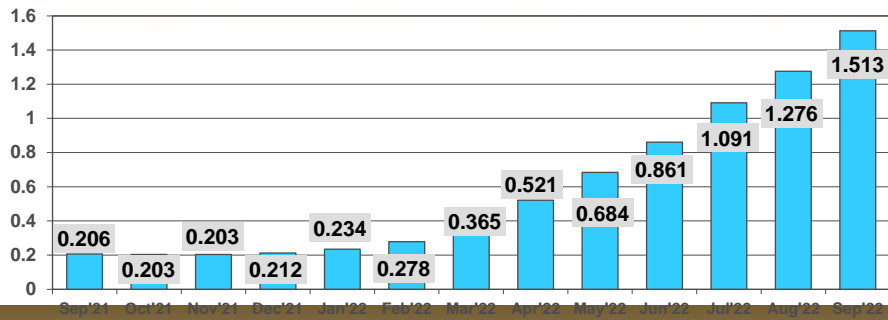
Cash & Investments

Fiduciary Funds

Fund	Savings EPA
Legal Defense Fund	\$468,831
Total	\$468,831

Cash & Investments

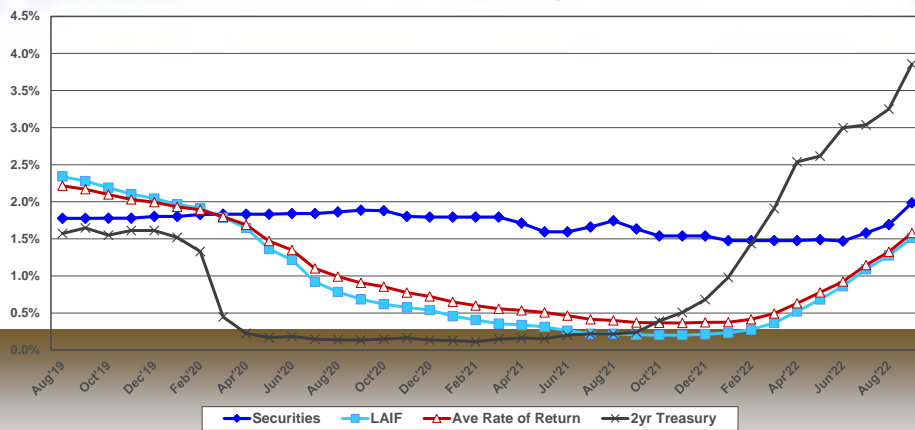
LAIF Interest Rates



9

Cash & Investments

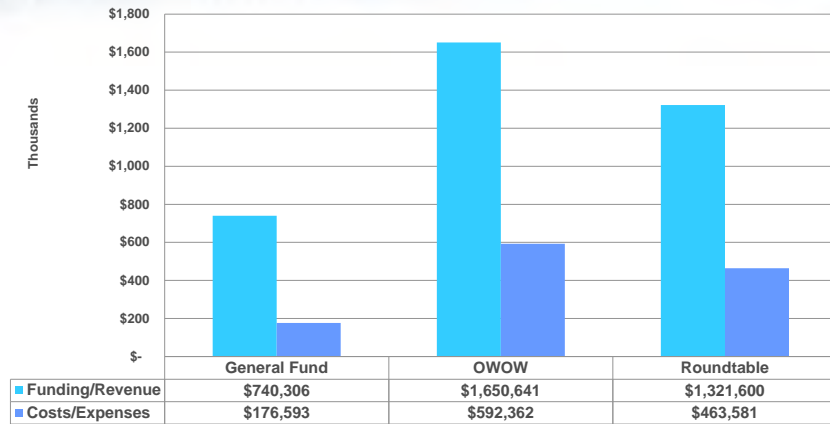
Interest Rate Comparison



10

Analysis by Fund Type

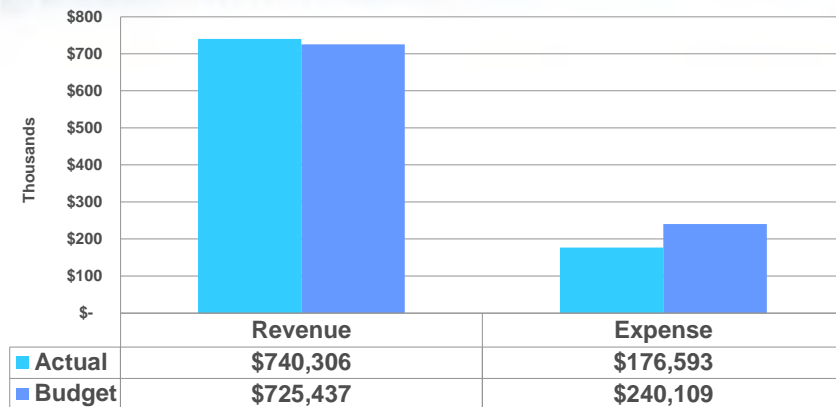
Revenues and Expenses



11

General Fund

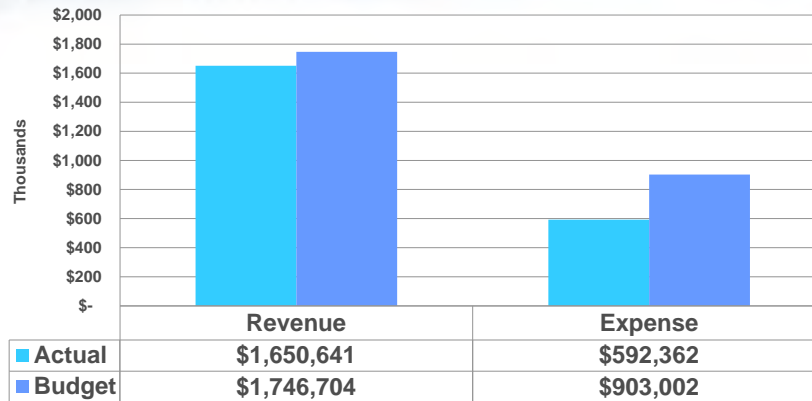
Budget vs. Actual



12

OWOW Funds

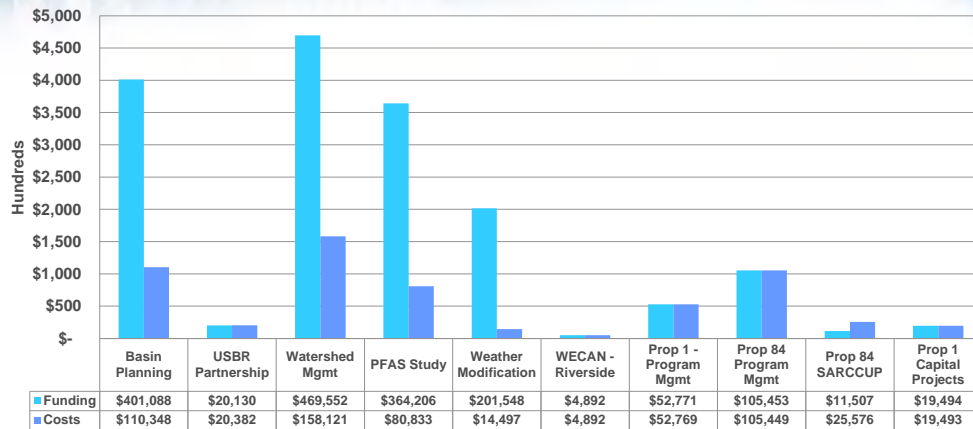
Budget vs. Actual



13

OWOW Funds

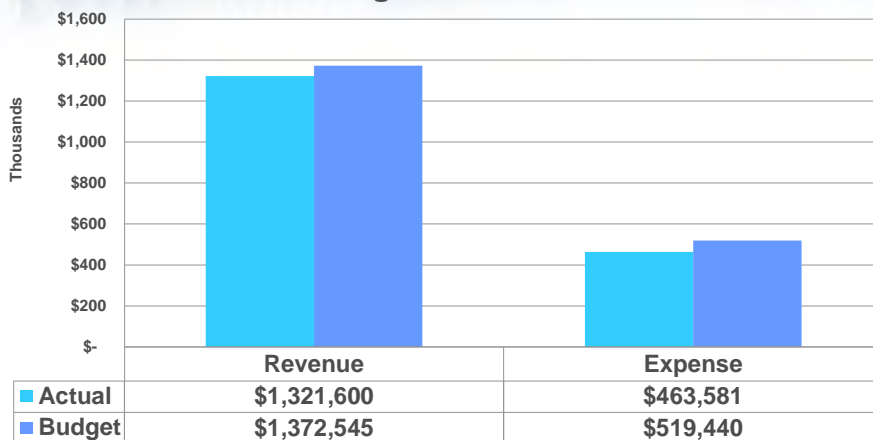
Costs vs. Funding



14

Roundtable Funds

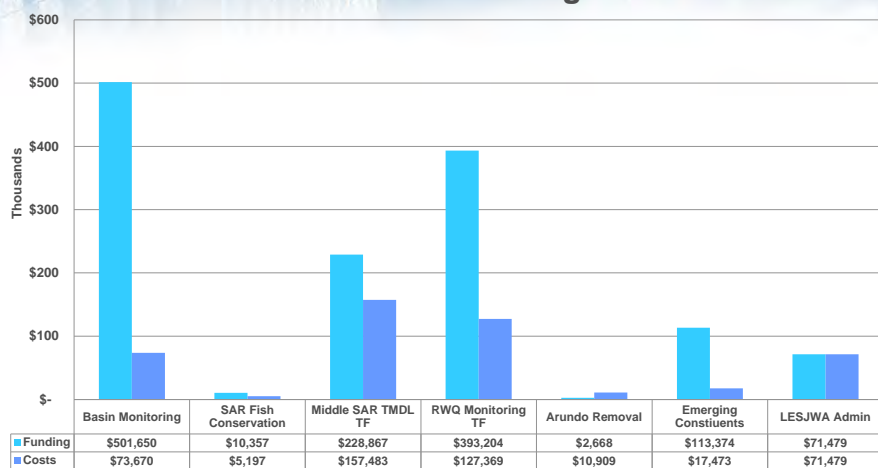
Budget vs. Actual



15

Roundtable Funds

Costs vs. Funding



16



17

Page Intentionally Blank



General Manager's Report

December 2022

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

INSIDE THE DECEMBER REPORT

- 1 Annual Santa Ana Riverwalk Provides 17 Years of Habitat Data**
- 2 Presentation of PFAS Activities Update**
- 3 Brine Line Master Plan**

Annual Santa Ana Riverwalk Provides 17 Years of Habitat Data

On November 3rd and 8th, SAWPA with support from Orange County Water District hosted one of the longest running Southern California annual habitat assessments, the Santa Ana Riverwalk. Started in 2006, the primary purpose of the Riverwalk is to assess habitat beneficial to an endemic aquatic species, the Santa Ana sucker. Data collected each year is available in the Riverwalk Atlas report.



Presentation of PFAS Activities Update



Santa Ana Regional Water Quality Control Board staff presented a PFAS activities update at the Regional Board meeting on December 2 starting at 9am. Regional Board staff typically provides some updates about ECs and PFAS at the quarterly SAWPA's Emerging Constituents Program Task Force meetings. However, this informational event took a more detailed and

technical look at the progress that Regional Board staff has made in assessing PFAS contamination in our watershed. To view the presentation visit: https://www.waterboards.ca.gov/santaana/board_info/agendas/2022/12-2-2022/item_14.pdf

Brine Line Master Plan

The PA 24 Committee awarded a contract to Dudek at their November 1st Committee meeting for the Brine Line Master Plan. A kick-off meeting was held on November 17th. Currently, the consultant is reviewing historical documents and updating the hydraulic model. SAWPA staff is in the process of gathering historical flow data from existing dischargers through the member agencies to assist in the calibration of the hydraulic model.

Page Intentionally Blank



November 4, 2022

To: Santa Ana Watershed Project Authority

From: Michael Boccadoro
Beth Olhasso

RE: October Report

Overview:

Affirming all of the other reports coming from climatologists, the National Oceanic Atmospheric Administration (NOAA) has indicated in their 2022-23 Winter Outlook that below-average rainfall and snowpack are expected in a wide stretch of the United States including Southern California, the Southwest, the southern Rockies, the southern Plains, the Gulf Coast and much of the South. The third consecutive year of drought, the driest on record persists in California. Reservoir levels continue to decline as the state remains at higher-than-normal temperatures for the fall. Lake Oroville is sitting at 60 percent of historical average and 31 percent capacity. San Luis Reservoir, the main south-of-Delta storage facility for the State Water Project, is at just 53 percent of average for this time of the year and 24 percent capacity.

As the drought's effects become more prevalent in the Delta, calls for increased environmental flows are getting louder amongst environmental groups. The Federal Government has started a process to determine if the longfin smelt should be listed as an endangered species. Finally, a member of Congress in a tight race in the San Joaquin Valley has introduced a bill to bar the Federal Government from issuing the necessary permits for Delta Conveyance.

DWR has initiated the every five-year update of The California Water Plan. The CA Water Plan is the State's strategic plan for sustainably and equitably managing and developing resources for current and future generations. Update 2023 will include updated resources management strategies, regional planning and performance tools, water balances, future scenarios, and other technical and policy-related activities related to water resilience and sustainability.

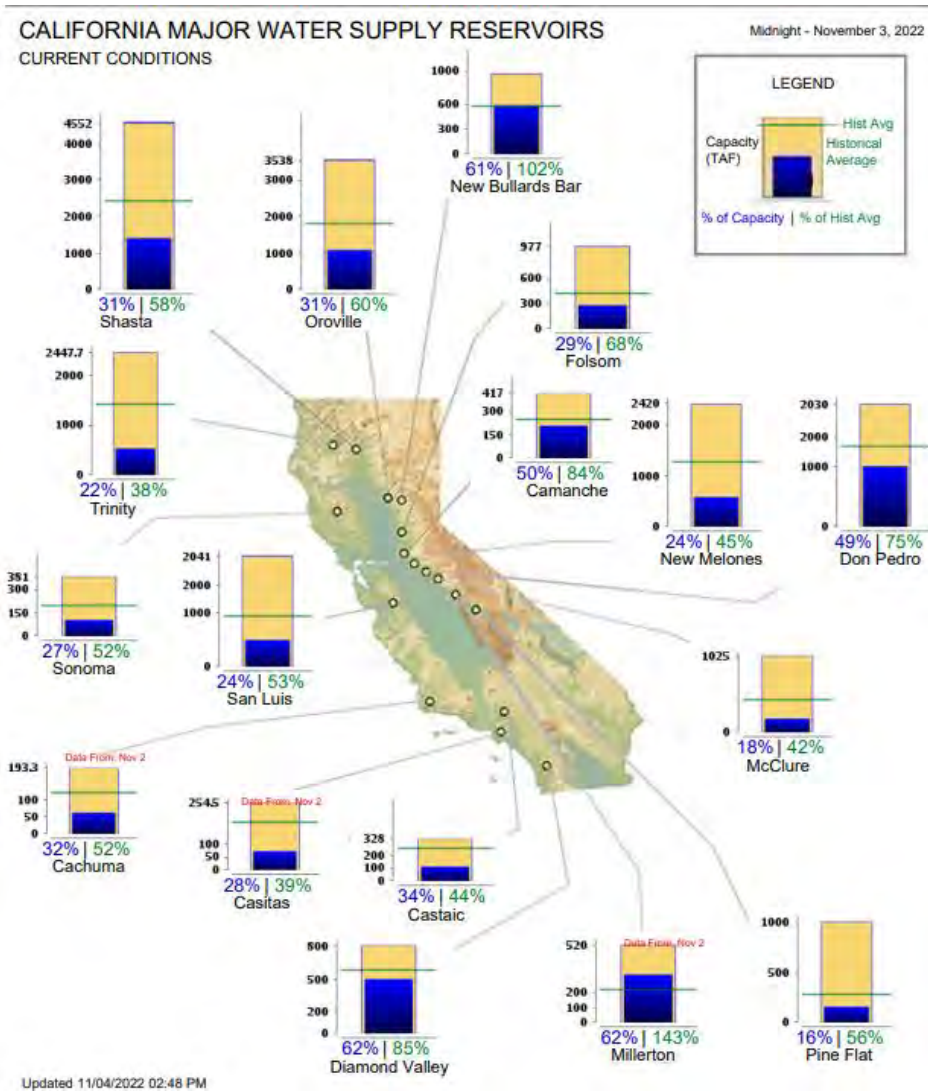
The leaders of California, Oregon, Washington and British Columbia have recommitted their Pacific Coast partnerships in the advancement of climate change policies and support an "equitable low-carbon future." None of their actions are particularly surprising. They look to collaborate on vehicle emissions, greenhouse gas emissions and regional electric grid reliability. These actions came ahead of the UN Global Climate Conference happening in Egypt at the beginning of November.

Legislators remained in their districts in November as they campaign for re-election. Discussions over possible bill ideas are still in their infant stages. Things will pick up when members come to Sacramento to "organize" ahead of the January start of the 2023-24 legislative session. With over 30 new members coming to the Legislature in 2023, there will be a lot of change to digest in the coming months.

Santa Ana Watershed Project Authority Status Report – October 2022

Water Supply Conditions

Affirming all of the other reports coming from climatologists, the National Oceanic Atmospheric Administration (NOAA) has indicated in their 2022-23 Winter Outlook that below-average rainfall and snowpack are expected in a wide stretch of the United States including Southern California, the Southwest, the southern Rockies, the southern Plains, the Gulf Coast and much of the South. The third consecutive year of drought, the driest on record persists in California, despite an early-November storm in the Northern Sierras. Reservoir levels continue to decline as the state remains at higher-than-normal temperatures for the fall. Lake Oroville is sitting at 60 percent of historical average and 31 percent capacity. San Luis Reservoir, the main south-of-Delta storage facility for the State Water Project, is at just 53 percent of average for this time of the year and 24 percent capacity.



Delta Updates

Environmental Groups Call for Increased Flows Through the Delta

The destructive algal bloom that struck San Francisco Bay this summer has researchers looking at both causes and solutions. But now, several environmental groups are demanding action on a similar challenge miles upstream from the Bay. They're focused on a toxic bloom that's become almost a yearly occurrence in and around the Delta.

While the exact causes of the bloom are still being studied, the San Francisco Baykeeper and other groups have filed an emergency petition with the State Water Resources Control Board. They are asking the board to increase the seasonal flow of water into the Delta from the San Joaquin River to a 40% level they say was laid out in an amended Bay-Delta plan. It's a move that some researchers believe could help fish and wildlife and potentially flush out the organisms causing the bloom.

The petition comes as the state of California wrestles with the future of water allocations divided between residential, agricultural and other users. Groups like Restore the Delta are helping to conduct a pilot survey to monitor and better understand the bloom cycles, and fill in gaps in the data. But they believe the flow issue is critical to any overall solution.

Baykeeper has also filed a lawsuit questioning whether the 40% flow standard is even enough. In the meantime, they're hoping the petition process will spark movement towards increasing flows to that level.

Longfin Smelt Proposed for ESA

The U.S. Fish and Wildlife Service said recently it is [proposing](#) to list the species as endangered under the Endangered Species Act because scientific analysis shows it is in danger of extinction throughout its range. A final decision will come after the agency has considered public comment on the proposal.

Federal Bill Introduced to Stop Tunnel

Representative Josh Harder (D CA-10) introduced a bill in Congress to prohibit the Army Corps of Engineers from issuing a federal permit necessary for the State of California to build the Delta Conveyance Project, also known as the Delta Tunnel.

Harder's bill, the Stop the Delta Tunnels Act, is co-sponsored by Representative John Garamendi (D CA-3).

CA Water Plan Update 2023 Initiated

The California Water Plan, which is updated every five years, is the State's strategic plan for sustainably and equitably managing and developing resources for current and future generations. Update 2023 will include updated resources management strategies, regional planning and performance tools, water balances, future scenarios, and other technical and policy-related activities related to water resilience and sustainability.

DWR has indicated key elements to shaping the process include:



The 2023 update will be informed by a diverse group of stakeholders through “Engagement Venues” including:

- Core State Agency Team
- Policy Advisory Team
- Tribal Advisory Team
- Regional Forums
- Topic and/or place-based workshops

A workshop on the “Draft Assumptions and Estimates Report” was held on October 18, and comments are due November 18. A recording of the webinar can be watched [here](#).

West Coast States & Province Recommit to Climate Policy Collaboration

The leaders of California, Oregon, Washington and British Columbia have recommitted their Pacific Coast partnerships in the advancement of climate change policies and support an “equitable low-carbon future.”

Collaborative work will include areas of:

- Medium and heavy-duty emissions charging and fueling
- Port decarbonization collaboration
- Heat event response
- Regional grid collaboration
- Investment in clean energy infrastructure
- Forest health and wildfires
- Equity and inclusion

This updated agreement comes as negotiators are preparing for the COP27 UN Global Climate conference in Egypt in early November.

Legislative Update

Members have been in their districts campaigning ahead of the November election. There will be at least 30 new members of the Legislature when members return to Sacramento briefly to “organize” in December and will return in earnest in January to begin the 2023-24 legislative session. The Assembly Speakership is likely to be contested again in December, making the first act of new members a contentious one.

New committee chairmanships are expected on both Senate and Assembly Resources Budget Sub Committees. In the Assembly there will be a new chair of Environmental Safety and Toxic Materials Committee, where all water recycling and PFAS legislation starts. As always, there could be some shuffling of chairs, but the rest of the water committee chairs in the Senate and Assembly are returning, and we might not know the final committee chairs and makeups until well into the new year.



December 9, 2022

To: Santa Ana Watershed Project Authority

From: Michael Boccadoro
Beth Olhasso

RE: November Report

Overview:

Dry conditions persisted throughout the fall and early winter. Key reservoirs are lingering at about half of their historic averages and only about a quarter full. Notably, Lake Oroville, the State Water Project's largest reservoir, ended Water Year 2022 about 400,000 acre-feet higher than 2021, which was the lowest on record. The Sierra snowpack is at 156 percent of normal for this time of year, 24 percent of April 1 averages. An early December storm is expected to drop several more feet of snow in the Sierras, but prolonged precipitation isn't in the forecast. The snowpack started off well over average last year, but couldn't sustain throughout the year. On December 1, the Department of Water Resources made its initial State Water Project allocation of just 5 percent.

In an important step for the Voluntary Agreements, the City and County of San Francisco, and Turlock and Modesto Irrigation Districts have all signed onto the MOU that was submitted earlier in 2022 to DWR. This is an important step in finalizing the MOU and Voluntary Agreements.

Efforts by California Trout to list the Southern California Steelhead under the CA endangered Species Act have been delayed. The Department of Fish and Wildlife has asked for and has been granted an extension to render their recommendation to the Fish and game Commission. The recommendation is now due in November of 2023.

The long-awaited recommendations from DWR to the SWRCB establishing Urban Water Use Objective were finally delivered. The biggest concern with the recommendations is the outdoor standard. While the recommendations follow the Model Water Landscape Efficiency Ordinance, they decrease over time and have caused many in the water community to worry about achieving the standards. The State Board will work through a public process throughout 2023 to finalize the standards.

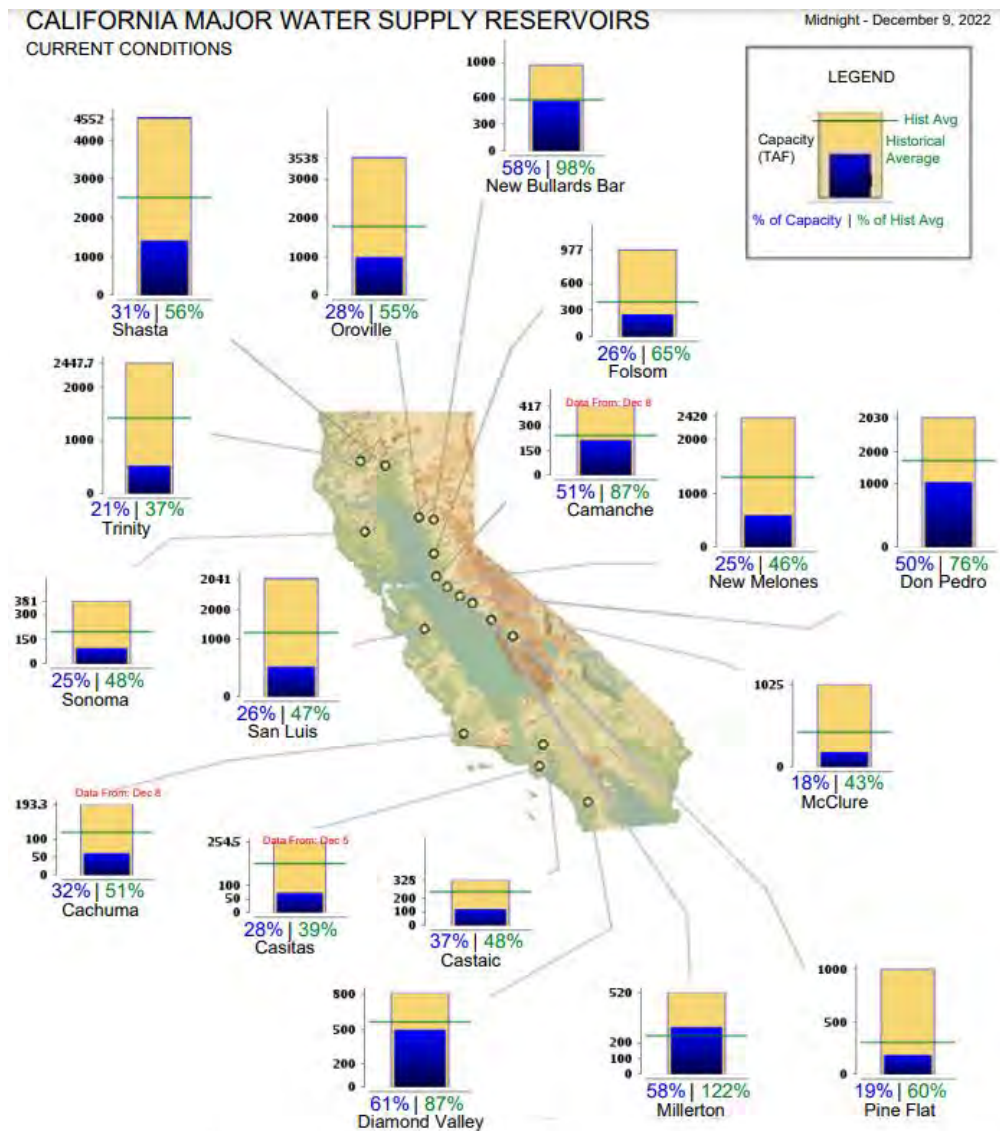
Assembly Democrats met in Sacramento right after the election to hold an informal election for Speaker. After significant delay, Speaker Rendon will retain the position until July at which point he will hand over the gavel to Robert Rivas (D- Salinas). The full Assembly ratified the decision on December 5 when they met to "organize" the new session. The Senate and Assembly are both allowing bill introductions through December 15. No significant water legislation has been introduced yet.

Santa Ana Watershed Project Authority Status Report – November 2022

Water Supply Conditions

The water year is not off to a good start with very little precipitation throughout the fall and early winter. Lake Oroville is sitting at 55 percent of historical average and 28 percent capacity, however the reservoir is 400,000 acre-feet above the all-time low set last year. San Luis Reservoir, the main south-of-Delta storage facility for the State Water Project, is at just 47 percent of average for this time of the year and 26 percent capacity. Back to back winter storms in early December might provide some relief, and are expected to bring several feet of snow to the Sierras. The Sierra snowpack is 156 percent of normal for this time of year, but water hawks are managing expectations as early storms have led to a dry January through March in years past.

DWR released an initial allocation of 5 percent for contractors this year. Though the initial allocation is tight, it marks a minor improvement over last December, when it was at its lowest ever, zero percent.



Voluntary Agreement Update

In March, state, federal and local water leaders announced an agreement on measures to provide additional water flows and new habitat in the Delta Watershed. As discussed at the time, the MOU outlines an eight-year program that would provide substantial new flows for the environment to help recover salmon and other native fish, create new and restored habitat for fish and wildlife, and provide significant funding for environmental improvements and water purchases. The MOU also outlined a governance and habitat monitoring framework with metrics and goals to allow all the partners to analyze progress, manage adaptively and decide whether the program should be continued, modified or ended after an eight-year period.

There were some holdouts to the MOU, specifically agencies that draw water from the Tuolumne River, including the City and County of San Francisco and Modesto and Turlock Irrigation Districts.

In early November, an agreement was announced between the state and the hold-out districts for them to sign onto the MOU, with a few additions to the document. The additions will increase flows on the Tuolumne River and enhance habitat.

While this is good news, DWR still has not approved the MOU and environmentalists are still complaining about the voluntary agreement approach.

Southern California Steelhead CESA Review Update

The CA Fish and Game Commission recently approved a request from the CA Department of Fish and Wildlife staff for a six-month extension to deliver a status review report on the petition from CA Trout to list the Southern California steelhead as an endangered species under the CA Endangered Species Act. The Department now has until November of 2023 to complete the status review.

Water Use Efficiency Regulations

DWR has finally transmitted their full, 21 reports and technical appendices, recommendation package to the SWRCB as required in SB 606 and AB 1668 to implement urban water use efficiency objectives. The most contentious part of the package is the determination of the outdoor residential water use efficiency standard. After about two years of workshops and discussion, DWR is recommending an outdoor evapotranspiration factor of .80 in 2023 for existing landscapes, transitioning to .63 in 2030.

Recycled water classified as a “Special Landscape” and therefore landscapes irrigated with recycled water get a 1.0 ETF. Additionally, the “Bonus Incentive” for direct and indirect potable reuse that was included in the original legislation is maintained.

DWR gave a presentation to state board members on these recommendations at a mid-November meeting. There were a number of water agencies that provided comment concerning the outdoor numbers and the feasibility of reaching those numbers.

The SWRCB intends to have several workshops and meetings about the recommendations throughout 2023.

Legislative Update

While some races were still being tallied, members of the Assembly descended on Sacramento briefly to “organize” and elect leadership. After hours of negotiations, Speaker Rendon emerged still clinching the Assembly Speaker gavel, but announced he will be passing the torch to Asm. Robert Rivas (D-Salinas) in July. Senator Toni Atkins was easily re-elected as Senate President Pro Tempore.

January will begin the 2023-24 legislative session in earnest, with members having about six weeks to introduce bills in this first year of the two-year session. Members will also have until December 15 to introduce bills before the “desk” closes until the new year. No significant water legislation has been introduced yet.

Committee leadership and assignments are the next big task for legislative leadership—and could not be announced until well into January.

While many thought he would wait until January, Governor Newsom recently called for a Special Session to convene on December 5 to address the state’s high gas prices and his proposal to tax oil and gas companies for their windfall profits. A Special Session can run concurrently with a normal session if business still extends into the new year.

On the budget front, the Assembly Budget Committee released its “[Blueprint](#)” for the 2023-24 session. It makes assumptions congruent with projections from the Department of Finance and the Legislative Analyst’s Office—there will be significantly less money in the state coffers this year than there have been in the past several budget cycles. The deficit is projected to be \$24 billion in 2023-24. While the state does have over \$37 billion in rainy day reserves, the increased General Fund spending of the last several years is not expected this year. The Governor will present his budget proposal on January 10.