



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/81237720092 	<ul style="list-style-type: none"> • 1 (669) 900-6833
<ul style="list-style-type: none"> • Meeting ID: 812 3772 0092 	<ul style="list-style-type: none"> • Meeting ID: 812 3772 0092
* Participation in the meeting via the Zoom app (a free download) is strongly encouraged.	

REGULAR COMMISSION MEETING TUESDAY, DECEMBER 6, 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: OCTOBER 18, 20227
Recommendation: Approve as posted.
- B. TREASURER’S REPORT: SEPTEMBER 2022.....11
Recommendation: Approve as posted.
- C. TREASURER’S REPORT: OCTOBER 202217
Recommendation: Approve as posted.
- D. RESOLUTION ON CONTINUATION OF REMOTE COMMISSION AND COMMITTEE MEETINGS (CM#2022.74)23
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)**31
Presenter: Ian Achimore
Recommendation: To adopt SAWPA Resolution 2022-17 to Submit the Final Grant Application to the Department of Water Resources.

6. SPECIAL COMMENDATIONS

A. RECOGNITION OF YEARS OF SERVICE

- 25-Years: Pete Vitt
- 20-Years: Rick Whetsel

7. NEW BUSINESS

A. INFORMATION TECHNOLOGY SERVICES CONSULTANT (CM#2022.76)45

Presenter: Dean Unger

Recommendation: 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.

B. SAWPA RESERVE POLICY (CM#2022.77)115

Presenter: David Ruhl

Recommendation: Approve the updated SAWPA Reserve Policy.

8. INFORMATIONAL REPORTS

Recommendation: Receive for information.

A. ASSEMBLY BILL 2449 (BLANCA RUBIO)141

Presenter: Andrew D. Turner, Lagerlof, LLP

Recommendation: Receive and file.

B. CHAIR’S COMMENTS/REPORT

C. COMMISSIONERS’ COMMENTS

D. COMMISSIONERS’ REQUEST FOR FUTURE AGENDA ITEMS

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 1, 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.

2022 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	February
1/4/22 Commission Workshop [cancelled] 1/18/22 Regular Commission Meeting	2/1/22 Commission Workshop 2/15/22 Regular Commission Meeting
March	April
3/1/22 Commission Workshop 3/15/22 Regular Commission Meeting	4/5/22 Commission Workshop 4/19/22 Regular Commission Meeting
May	June
5/3/22 Commission Workshop [cancelled] 5/17/22 Regular Commission Meeting 5/3 – 5/6/22 ACWA Spring Conference, Sacramento, CA	6/7/22 Commission Workshop 6/21/22 Regular Commission Meeting
July	August
7/5/22 Commission Workshop [cancelled] 7/19/22 Regular Commission Meeting	8/2/22 Commission Workshop [cancelled] 8/16/22 Regular Commission Meeting
September	October
9/6/22 Commission Workshop [cancelled] 9/20/22 Regular Commission Meeting	10/4/22 Commission Workshop 10/18/22 Regular Commission Meeting
November	December
11/1/22 Commission Workshop [cancelled] 11/15/22 Regular Commission Meeting [cancelled]	12/6/22 Commission Workshop 12/20/22 Regular Commission Meeting 11/29 – 12/2/22 ACWA Fall Conference, Indian Wells, CA

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

* Meeting date adjusted due to conflicting holiday.

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SAWPA COMPENSABLE MEETINGS

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

In addition to Commission meetings, Commissioners and Alternate Commissioners will receive compensation for attending the meetings listed below, pursuant to the Commission Compensation, Expense Reimbursement, and Ethics Training Policy.

IMPORTANT NOTE: These meetings are subject to change. Prior to attending any meetings listed below, please confirm meeting details by viewing the website calendar using the following link:

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

MONTH OF: December 2022

DATE	TIME	MEETING DESCRIPTION	LOCATION
12/6/22	8:30 AM	PA 23 Committee Mtg	VIRTUAL/TELECONFERENCE
12/6/22	10:00 AM	PA 24 Committee Mtg	CANCELLED
12/13/22	8:30AM	PA 22 Committee Mtg	VIRTUAL/TELECONFERENCE
12/15/22	4:00PM	LESJWA Board of Directors Mtg	VIRTUAL/TELECONFERENCE

MONTH OF: January 2023

DATE	TIME	MEETING DESCRIPTION	LOCATION
1/3/23	10:00 AM	PA 24 Committee Mtg	VIRTUAL/TELECONFERENCE
1/9/23	1:00 PM	MSAR Task Force Mtg	VIRTUAL/TELECONFERENCE
1/10/23	9:30AM	LE/CL TMDL Task Force Mtg	VIRTUAL/TELECONFERENCE
1/24/23	9:30AM	Basin Monitoring Program Task Force Mtg	VIRTUAL/TELECONFERENCE
1/26/23	11:00AM	OWOW Steering Committee Mtg	VIRTUAL/TELECONFERENCE
1/30/23	2:30PM	Emerging Constituents Program Task Force Mtg	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.

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**SAWPA COMMISSION
REGULAR MEETING MINUTES
OCTOBER 18, 2022**

COMMISSIONERS PRESENT

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, San Bernardino Valley Municipal Water District
David J. Slawson, Eastern Municipal Water District

COMMISSIONERS ABSENT

None

**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, David Ruhl, Edina Goode,
Rick Whetsel, Marie Jauregui, Sara Villa, Zyanya Ramirez, Dean
Unger, John Leete, Alison Lewis

OTHERS PRESENT

Andrew Turner, Lagerlof, LLP; Joe Mouawad, Eastern Municipal
Water District; Nick Kanetis, Eastern Municipal Water District; Ken
Tam, Inland Empire Utilities Agency; Kevin O'Toole, Orange County
Water District; Craig Miller, Western Municipal Water District; Mallory
Gandara, Western Municipal Water District; Ryan Shaw, Western
Municipal Water District; Brooke Jones, Yorba Linda Water District;
Wayne Miller, Yorba Linda Water District; Frank McDonough, Desert
Research Institute

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.

Jeff Mosher introduced SAWPA's new hire, Rachel Gray as SAWPA's Water Resources Planning Manager. Ms. Gray worked as the Resources Planning Manager at Eastern Municipal Water District, and she thanked the Commission for the opportunity and looks forward to being an asset to our organization. Mr. Mosher noted that Mark Norton's new role as a Special Projects Manager, he will continue to oversee LESJWA and the Cloud Seeding to help the transition move smoothly until his retirement.

4. ITEMS TO BE ADDED OR DELETED

There were no items to be added or deleted.

5. CONSENT CALENDAR

A. APPROVAL OF MEETING MINUTES: OCTOBER 4, 2022

Recommendation: Approve as posted.

B. RESOLUTION ON CONTINUATION OF REMOTE COMMISSION AND COMMITTEE MEETINGS (CM#2022.69)

Recommendation: Adopt Resolution No. 2022-16 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 October 23, 2022, to November 22, 2022, pursuant to Brown Act Provisions.

C. INFORMATION TECHNOLOGY SERVICES REQUEST FOR PROPOSALS (CM#2022.70)

Presenter: Dean Unger

Recommendation: Direct staff to release a Request for Proposals (RFP) for Information Technology (IT) Services.

MOVED, to approve the Consent Calendar as posted.

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

6. NEW BUSINESS

A. SANTA ANA RIVER WATERSHED WEATHER MODIFICATION PILOT PROJECT VALIDATION CONSULTANT (CM#2022.71)

Mark Norton provided a presentation on the Santa Ana River Weather Modification Pilot Support, contained in the agenda packet on pages 63-70. A major component of the Santa Ana River Watershed Weather Modification Pilot Project besides the operation is the validation of the project results by an independent research firm. Four (4) proposals were received from the firms Desert Research Institute (DRI), Utah Climate Center, NCAR Research Applications, and Scripps Institution of Oceanography. DRI's proposal was considered most responsive and cost effective for the Santa Ana Watershed Weather Modification Pilot. The proposals were reviewed and discussed in detail with SAWPA Member Agency Planning staff. A presentation was provided by Research Meteorologist of DRI, Frank McDonough on August 16. The scope of the validation includes the following tasks:

Task 1 – Score the seeding program. Review all the storms crossing the area during operational winter and assess the cloud seeding operations.

Task 2 – Targeting assessment using snow chemistry.

Task 3 – Calculating the seeding snow water equivalent or rainfall increases for each of the seeded storms.

Task 4 – Precipitation, Full Seasonal Target-Control Evaluations.

Task 5 – Streamflow Analysis Target-Control Evaluation.

Task 6 – Annual Reports and Presentations after each Winter Season Analysis.

SAWPA staff has prepared a contract with DRI to commence their preparatory work in advance of the Santa Ana River Watershed Weather Modification Pilot project. With the start of seeding project to start now in November 2023, DRI can commence with one of tasks, pre-seeded snow chemistry sampling, as reflected under Task 2, this winter FY2022-23. The majority of the DRI work would commence once the actual pilot operations begin in November 2023. DRI requested minor edits to the standard SAWPA General Services Agreement and Task Order. These were reviewed by SAWPA's Legal Counsel and considered acceptable.

Commissioner Gardner noted with predictions of seeing more precipitation more in the form of rain and less in the form of snow is there any prospect or value in sampling rainwater in addition to snow for silver iodine? Mr. McDonough noted that it could potentially be done, they would need to set up collection glass containers in certain target areas and maintain it frozen with dry ice. Mr. McDonough said he would need to do more homework and discuss with the snow chemistry staff.

MOVED, to approve the General Services Agreement and Task Order No. DRI378-01 with Board of Regents of the Nevada System of Higher Education on behalf of the Desert Research Institute for an amount not to exceed \$155,000 for the independent validation of the Santa Ana River Watershed Weather Modification Pilot Project.

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

7. **INFORMATIONAL REPORTS**

Recommendation: Receive for Information.

- A. **CASH TRANSACTIONS REPORT – AUGUST 2022**
- B. **INTER-FUND BORROWING – AUGUST 2022 (CM#2022.72)**
- C. **PERFORMANCE INDICATORS/FINANCIAL REPORTING – AUGUST 2022 (CM#2022.73)**
- D. **PROJECT AGREEMENT 25 – OWOW FUND – FINANCIAL REPORT, AUGUST 2022**
- E. **PROJECT AGREEMENT 26 – ROUNDTABLE FUND – FINANCIAL REPORT AUGUST 2022**
- F. **OWOW QUARTERLY STATUS REPORT: JULY – SEPTEMBER 2022**
- G. **ROUNDTABLES QUARTERLY STATUS REPORT: JULY – SEPTEMBER 2022**
- H. **GENERAL MANAGER REPORT**
- I. **STATE LEGISLATIVE REPORT**

J. CHAIR'S COMMENTS/REPORT

There were no Chair comments.

K. COMMISSIONERS' COMMENTS

There were no Commissioners' comments.

L. COMMISSIONERS' REQUEST FOR FUTURE AGENDA ITEMS

Commissioner Hayes requested having a discussion on AB 2449 regarding the guidelines for future meetings.

8. CLOSED SESSION

There was no closed session.

9. ADJOURNMENT

There being no further business for review, Chair Marco Tule adjourned the meeting at 9:51 a.m.

**Approved at a Regular Meeting of the Santa Ana Watershed Project Authority Commission
on Tuesday, December 6, 2022.**

Marco Tule, Chair

Attest:

Sara Villa, Clerk of the Board

*Santa Ana Watershed
Project Authority*



Finance Department

Santa Ana Watershed Project Authority
TREASURER'S REPORT

September 2022

During the month of September 2022, the Agency's actively managed temporary idle cash earned a return of 1.986%, representing interest earnings of \$13,620. Additionally, the Agency's position in overnight funds L.A.I.F. generated \$64,450 in interest, resulting in \$78,070 of interest income from all sources. Please note that this data represents monthly earnings only, and does not indicate actual interest received. There were zero (0) investment positions purchased, zero (0) positions sold, zero (0) positions matured, and zero (0) positions were called.

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

October 10, 2022

Prepared and Submitted by:

A handwritten signature in black ink that reads 'Karen Williams'.

Karen L. Williams, Deputy GM/Chief Financial Officer

Santa Ana Watershed Project Authority

INVESTMENT PORTFOLIO - MARKED TO MARKET - UNREALIZED GAINS & LOSSES

September 30, 2022

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

Investment	Security			Purchase	Maturity	Call Date		Yield To	Investment	Market Value	Unrealized	Coupon	Interest
Type	Type	CUSIP	Dealer	Date	Date	(if appl)	Par Value	Maturity	Cost	Current Month	Gain / (Loss)	Rate	Earned
Agency	FHLB	3130A3GE8	MBS	02-04-20	12-13-24	No Call	\$ 500,000.00	1.414%	\$ 531,250.00	\$ 483,813.50	\$ (47,437)	2.750%	\$ 581.14
Agency	FHLB	3130ASDS5	MBS	06-21-22	06-28-24	No Call	\$ 1,000,000.00	3.204%	\$ 991,130.00	\$ 974,460.00	\$ (16,670)	2.750%	\$ 2,633.31
Agency	FHLB	3130ASWP0	MBS	08-30-22	11-27-24	No Call	\$ 1,000,000.00	3.652%	\$ 1,000,000.00	\$ 986,844.00	\$ (13,156)	3.650%	\$ 3,001.64
Agency	FNMA	3135G0X24	MBS	02-04-20	01-07-25	No Call	\$ 500,000.00	1.398%	\$ 505,380.00	\$ 472,183.50	\$ (33,197)	1.625%	\$ 574.56
Agency	FNMA	3135G05X7	WMS	10-30-20	08-25-25	No Call	\$ 1,000,000.00	0.460%	\$ 995,952.00	\$ 894,715.00	\$ (101,237)	0.375%	\$ 378.08
Agency	USTN	91282CAZ4	WMS	04-19-21	11-30-25	No Call	\$ 1,000,000.00	0.761%	\$ 982,500.00	\$ 887,930.00	\$ (94,570)	0.375%	\$ 625.20
Agency	USTN	91282ZTO	WMS	09-15-21	05-31-25	No Call	\$ 1,000,000.00	0.530%	\$ 989,726.56	\$ 900,508.00	\$ (89,219)	0.250%	\$ 435.76
CORP	Apple Inc	037833AK6	WMS	10-15-18	05-03-23	No Call	\$ 500,000.00	3.360%	\$ 479,898.50	\$ 494,273.00	\$ 14,375	2.400%	\$ 1,380.83
CORP	Toyota Motor Corp Credit	89236TFNO	WMS	10-15-18	09-20-23	No Call	\$ 500,000.00	3.550%	\$ 497,747.50	\$ 494,654.50	\$ (3,093)	3.450%	\$ 1,458.90
CD	American Express Natl Bank	02589ADS8	MBS	08-17-22	08-19-24	No Call	\$ 245,000.00	3.350%	\$ 245,000.00	\$ 241,994.59	\$ (3,005)	3.350%	\$ 674.59
CD	Beal Bank USA	07371DEV5	MBS	08-17-22	08-12-26	No Call	\$ 245,000.00	3.200%	\$ 245,000.00	\$ 235,913.93	\$ (9,086)	3.200%	\$ 644.38
CD	Synchrony Bank	87164XP34	MBS	08-12-22	08-12-25	No Call	\$ 245,000.00	3.350%	\$ 245,000.00	\$ 238,713.06	\$ (6,287)	3.350%	\$ 74.44
CD	Goldman Sachs Bank USA	38148PUV7	WMS	12-20-17	12-20-22	No Call	\$ 248,000.00	2.500%	\$ 248,000.00	\$ 247,549.14	\$ (451)	2.500%	\$ 509.59
CD	Capital One Bank USA NA	14042TGJ0	MBS	05-25-22	05-25-27	No Call	\$ 246,000.00	3.200%	\$ 246,000.00	\$ 235,424.46	\$ (10,576)	3.200%	\$ 647.01
Total Actively Invested Funds							\$ 8,229,000.00		\$ 8,202,584.56	\$ 7,788,976.68	\$ (413,608)	1.986%	\$ 13,619.45
Total Local Agency Investment Fund									\$51,827,257.11			1.513%	\$ 64,450.39
Total Invested Cash							\$ 8,229,000.00		\$60,029,841.67			1.578%	\$ 78,069.84

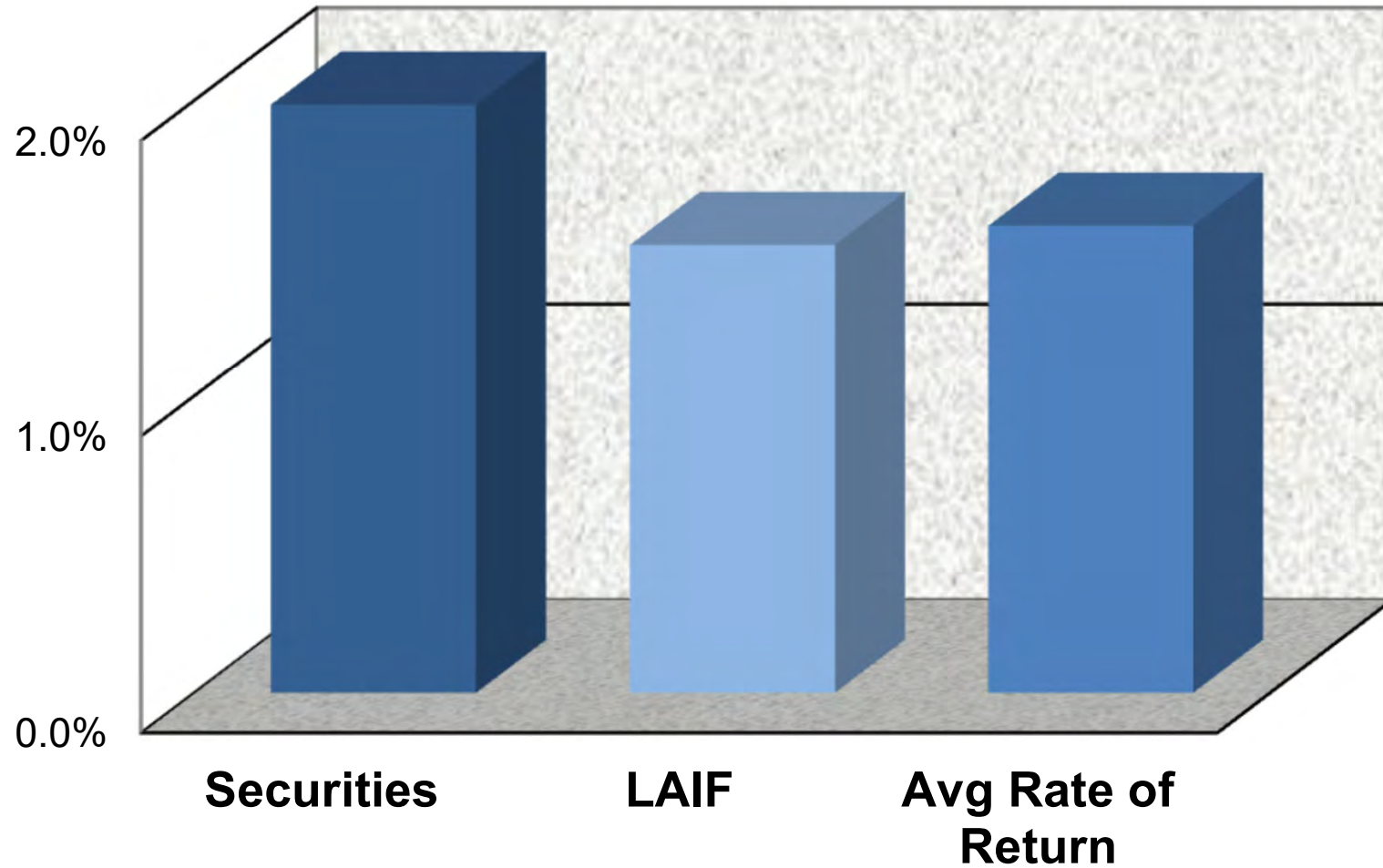
Key to Security Type:

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

Key to Dealers:

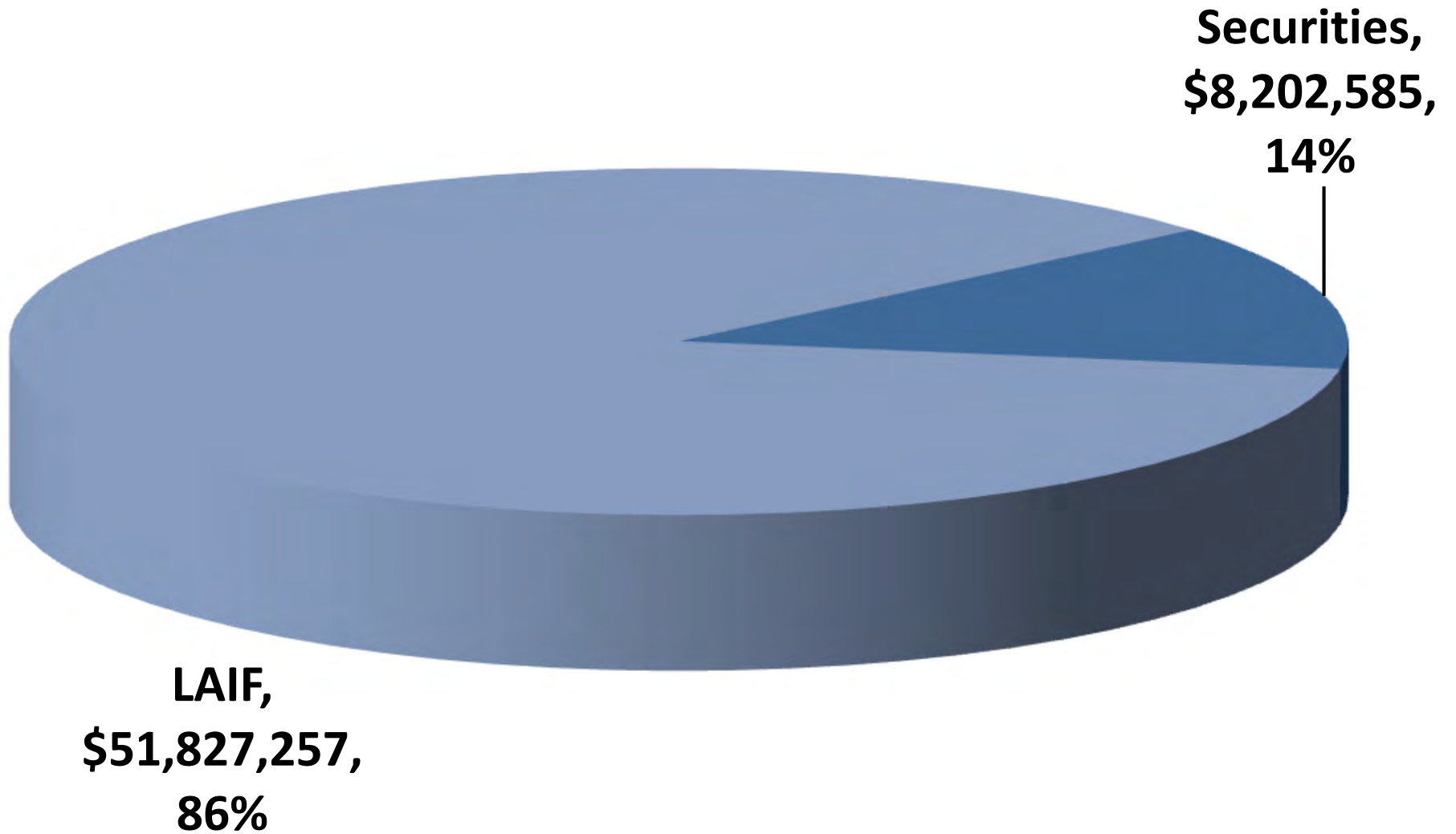
FCS	= FinaCorp Securities
MBS	= Multi-Bank Securities
MS	= Mutual Securities
RCB	= RBC Dain Rauscher
SA	= Securities America
TVI	= Time Value Investments
WMS	= Wedbush Morgan Securities

Interest Rate Analysis

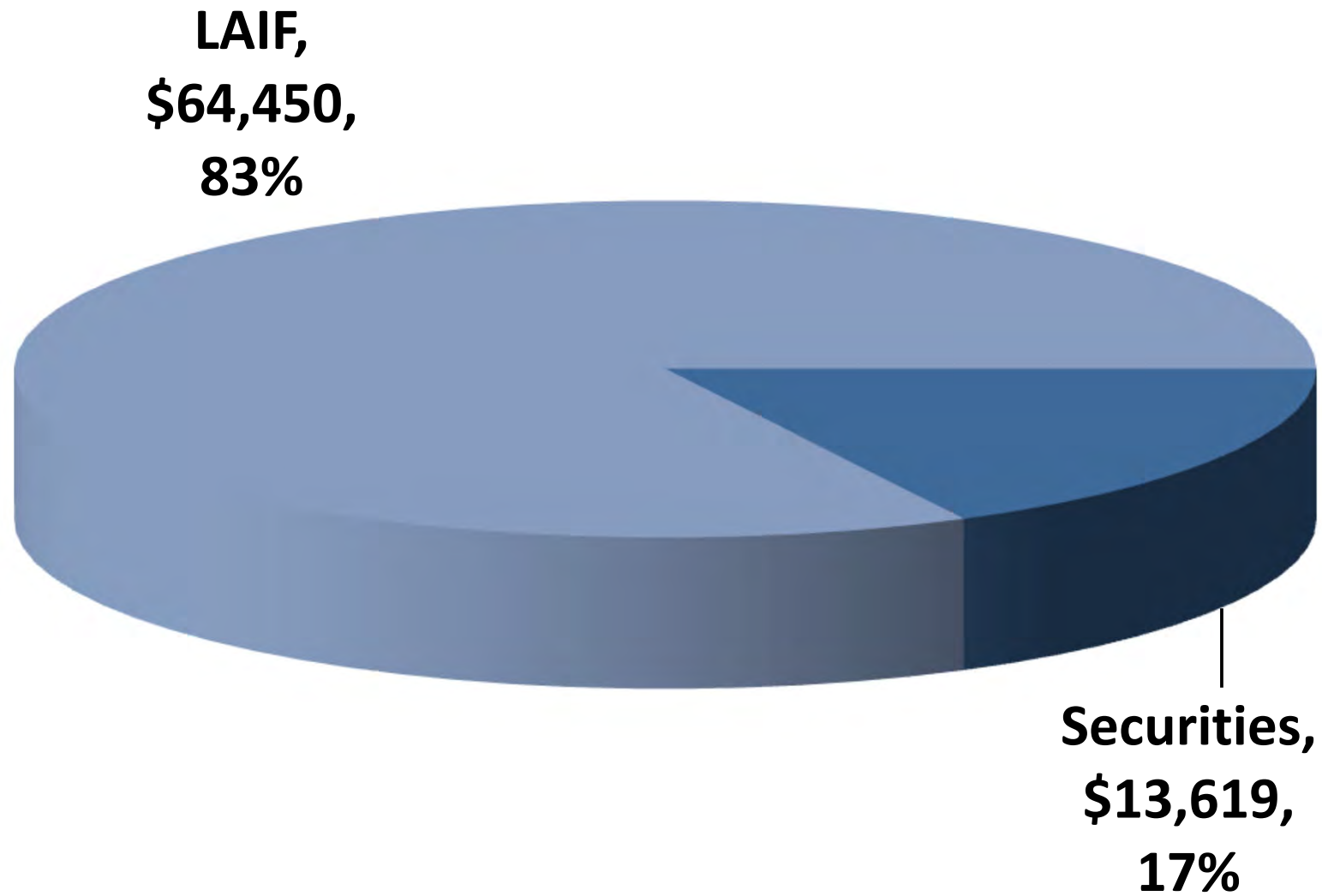


Investments

\$60,029,842



Interest
\$78,070



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*Santa Ana Watershed
Project Authority*



Finance Department

Santa Ana Watershed Project Authority
TREASURER'S REPORT

October 2022

During the month of October 2022, the Agency's actively managed temporary idle cash earned a return of 2.016%, representing interest earnings of \$14,441. Additionally, the Agency's position in overnight funds L.A.I.F. generated \$78,145 in interest, resulting in \$92,586 of interest income from all sources. Please note that this data represents monthly earnings only, and does not indicate actual interest received. There was one (1) investment position purchased, zero (0) positions sold, zero (0) positions matured, and zero (0) positions were called.

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

November 7, 2022

Prepared and Submitted by:

A handwritten signature in black ink that reads 'Karen Williams'.

Karen L. Williams, Deputy GM/Chief Financial Officer

Santa Ana Watershed Project Authority

INVESTMENT PORTFOLIO - MARKED TO MARKET - UNREALIZED GAINS & LOSSES

October 31, 2022

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

Investment	Security		Purchase	Maturity	Call Date		Yield To	Investment	Market Value	Unrealized	Coupon	Interest	
Type	Type	CUSIP	Dealer	Date	Date	(if appl)	Par Value	Maturity	Cost	Current Month	Gain / (Loss)	Rate	Earned
Agency	FHLB	3130A3GE8	MBS	02-04-20	12-13-24	No Call	\$ 500,000.00	1.414%	\$ 531,250.00	\$ 481,578.00	\$ (49,672)	2.750%	\$ 600.51
Agency	FHLB	3130ASDS5	MBS	06-21-22	06-28-24	No Call	\$ 1,000,000.00	3.204%	\$ 991,130.00	\$ 969,947.00	\$ (21,183)	2.750%	\$ 2,721.09
Agency	FHLB	3130ASWP0	MBS	08-30-22	11-27-24	No Call	\$ 1,000,000.00	3.652%	\$ 1,000,000.00	\$ 983,594.00	\$ (16,406)	3.650%	\$ 3,101.70
Agency	FHLB	3130ATT31	MBS	10-28-22	10-03-24	No Call	\$ 1,000,000.00	4.500%	\$ 998,910.00	\$ 998,142.00	\$ (768)	4.500%	\$ 369.86
Agency	FNMA	3135G0X24	MBS	02-04-20	01-07-25	No Call	\$ 500,000.00	1.398%	\$ 505,380.00	\$ 470,492.50	\$ (34,888)	1.625%	\$ 593.71
Agency	FNMA	3135G05X7	WMS	10-30-20	08-25-25	No Call	\$ 1,000,000.00	0.460%	\$ 995,952.00	\$ 892,747.00	\$ (103,205)	0.375%	\$ 390.68
Agency	USTN	91282CAZ4	WMS	04-19-21	11-30-25	No Call	\$ 1,000,000.00	0.761%	\$ 982,500.00	\$ 885,586.00	\$ (96,914)	0.375%	\$ 646.04
Agency	USTN	91282ZTO	WMS	09-15-21	05-31-25	No Call	\$ 1,000,000.00	0.530%	\$ 989,726.56	\$ 899,297.00	\$ (90,430)	0.250%	\$ 450.29
CORP	Apple Inc	037833AK6	WMS	10-15-18	05-03-23	No Call	\$ 500,000.00	3.360%	\$ 479,898.50	\$ 494,598.50	\$ 14,700	2.400%	\$ 1,426.86
CORP	Toyota Motor Corp Credit	89236TFNO	WMS	10-15-18	09-20-23	No Call	\$ 500,000.00	3.550%	\$ 497,747.50	\$ 492,904.00	\$ (4,844)	3.450%	\$ 1,507.53
CD	American Express Natl Bank	02589ADS8	MBS	08-17-22	08-19-24	No Call	\$ 245,000.00	3.350%	\$ 245,000.00	\$ 239,245.44	\$ (5,755)	3.350%	\$ 697.08
CD	Beal Bank USA	07371DEV5	MBS	08-17-22	08-12-26	No Call	\$ 245,000.00	3.200%	\$ 245,000.00	\$ 231,418.67	\$ (13,581)	3.200%	\$ 665.86
CD	Synchrony Bank	87164XP34	MBS	08-12-22	08-12-25	No Call	\$ 245,000.00	3.350%	\$ 245,000.00	\$ 236,174.61	\$ (8,825)	3.350%	\$ 74.44
CD	Goldman Sachs Bank USA	38148PUV7	WMS	12-20-17	12-20-22	No Call	\$ 248,000.00	2.500%	\$ 248,000.00	\$ 247,655.53	\$ (344)	2.500%	\$ 526.58
CD	Capital One Bank USA NA	14042TGJ0	MBS	05-25-22	05-25-27	No Call	\$ 246,000.00	3.200%	\$ 246,000.00	\$ 229,671.50	\$ (16,329)	3.200%	\$ 668.58
Total Actively Invested Funds							\$ 9,229,000.00		\$ 9,201,494.56	\$ 8,753,051.75	\$ (448,443)	2.016%	\$ 14,440.81
Total Local Agency Investment Fund									\$51,923,964.69			1.772%	\$ 78,144.86
Total Invested Cash							\$ 9,229,000.00		\$61,125,459.25			1.806%	\$ 92,585.67

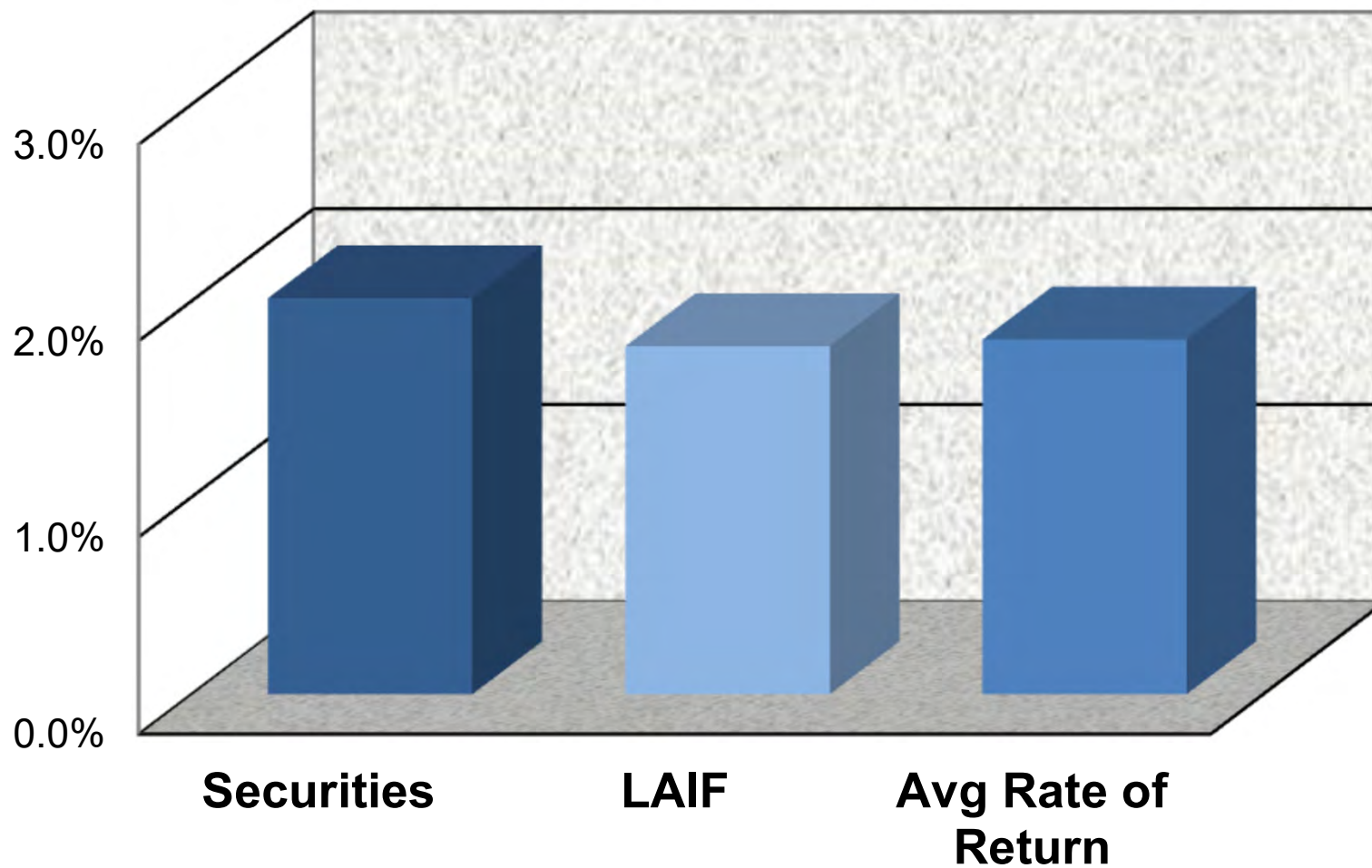
Key to Security Type:

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

Key to Dealers:

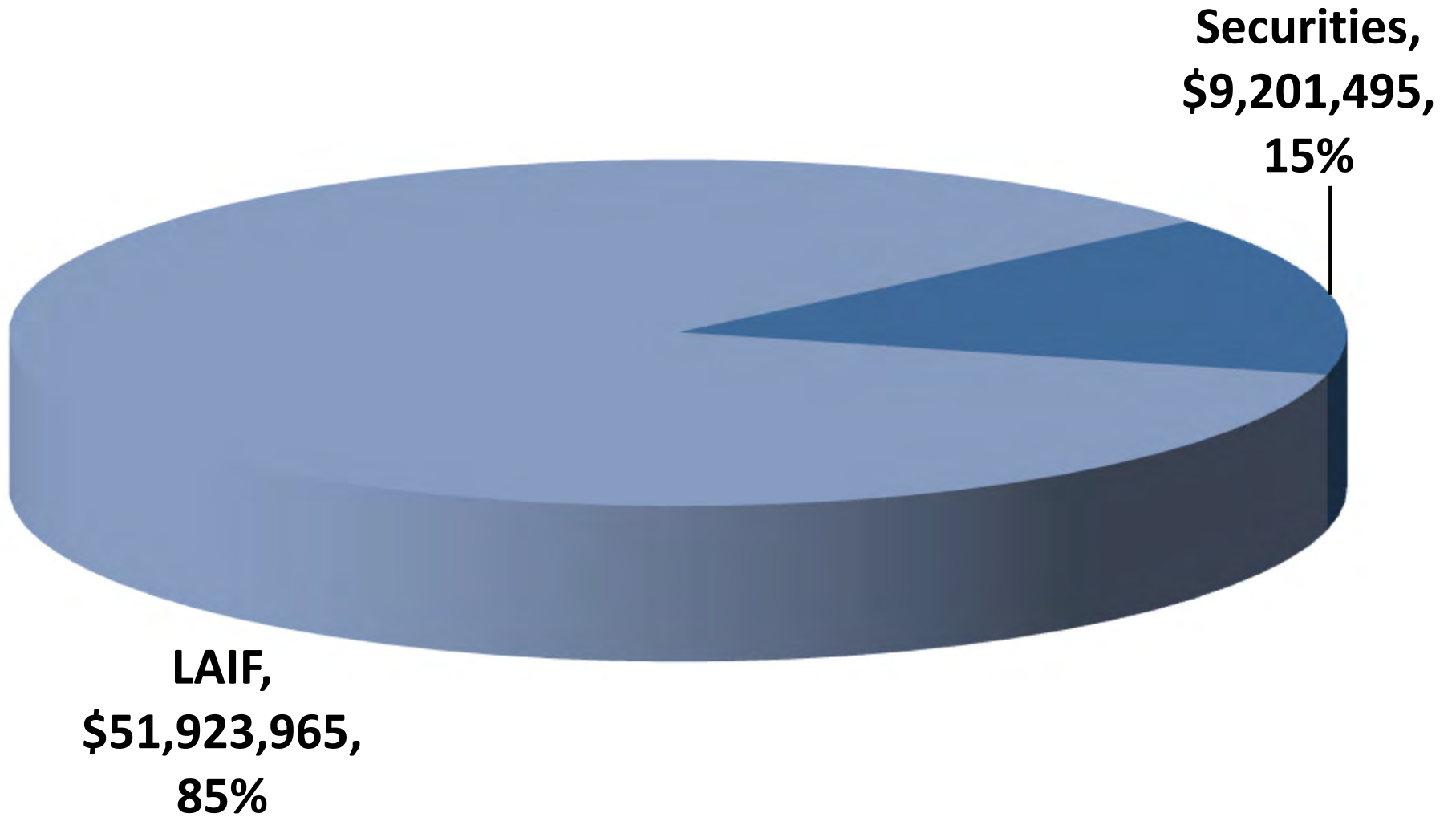
FCS	= FinaCorp Securities
MBS	= Multi-Bank Securities
MS	= Mutual Securities
RCB	= RBC Dain Rauscher
SA	= Securities America
TVI	= Time Value Investments
WMS	= Wedbush Morgan Securities

Interest Rate Analysis

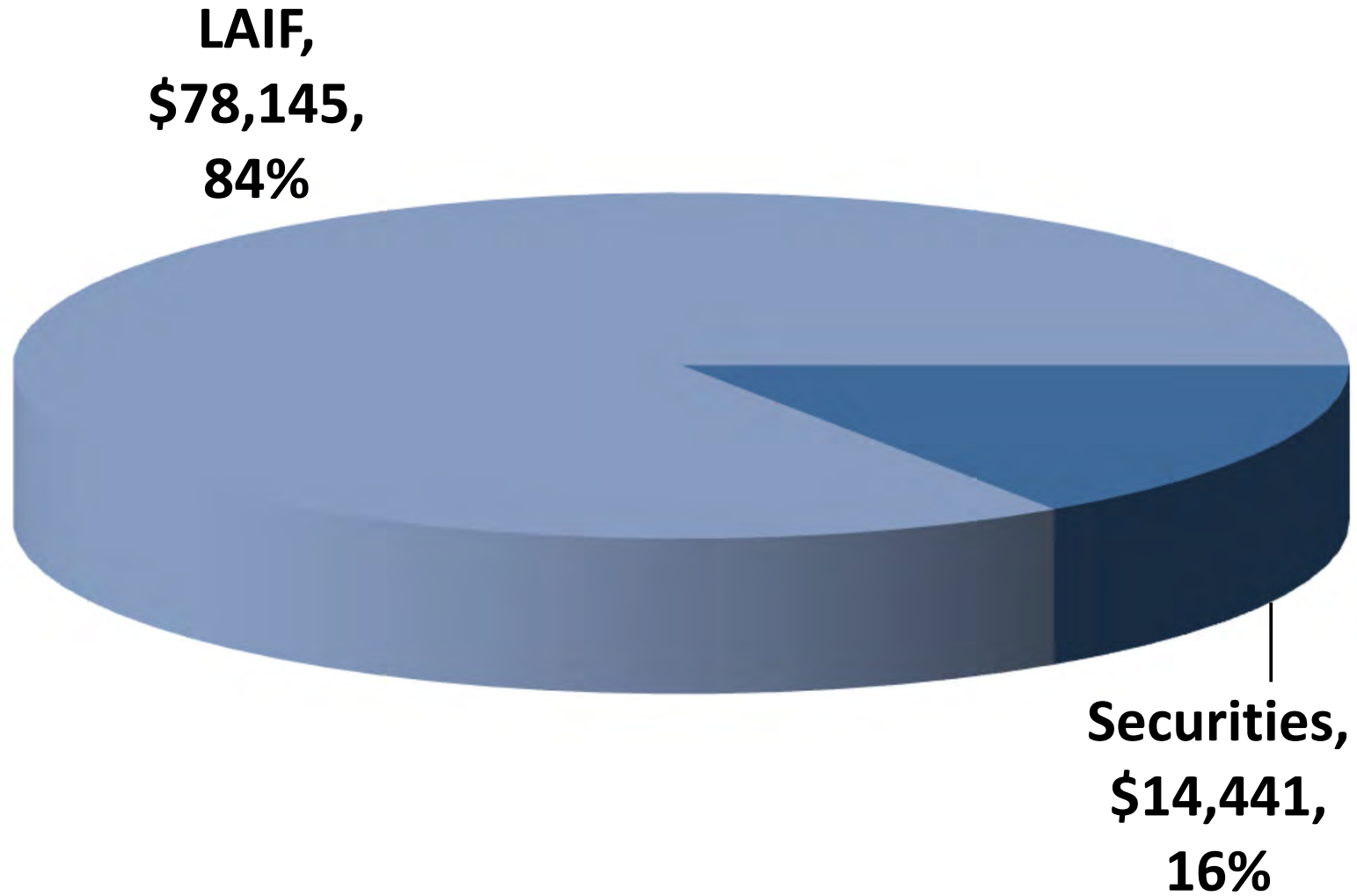


Investments

\$61,125,459



Interest
\$92,586



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COMMISSION MEMORANDUM NO. 2022.74

DATE: November 15, 2022

TO: SAWPA Commission

SUBJECT: Resolution on Continuation of Remote Commission and Committee Meetings

PREPARED BY: Jeff Mosher, General Manager

RECOMMENDATION

That the Commission consider adopting Resolution No. 2022-17 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.

DISCUSSION

On September 16, Governor Newsom signed into law AB 361, which suspended the Brown Act's existing teleconferencing requirements so long as the state-declared state of emergency in California remains in place. A Resolution must be executed every 30 days under AB 361 for the initial and subsequent findings under AB 361 in order to continue to utilize the relaxed teleconferencing requirements for board meetings (including committee meetings) subject to the Brown Act. AB 361 applies only to a state-declared state of emergency and not to a locally-declared emergency; and AB 361 will only remain in effect until January 1, 2024, unless the State Legislature takes action to extend it or make it permanent. The following is a brief summary of AB 361's pertinent provisions.

- 1. Posting of Agendas.** The Brown Act currently requires that a local agency post agendas at all teleconference locations. Thus, if a director is calling in from a hotel room in Las Vegas, the director would need to post the agenda on his or her hotel room door. AB 361 removes the requirement that agendas must be posted at all teleconference locations. Therefore, under AB 361, the director can call from his or her Las Vegas hotel room without having to post the agenda on the hotel room door.

AB 361 does not change the general agenda posting requirements under the Brown Act. Thus, agencies should continue to post their agendas at least 72 hours before a regular board meeting and 24 hours before a special board meeting, and those postings should occur in the usual locations, including on the agency's website.

- 2. Location of Teleconferencing Participants.** The Brown Act currently requires a local agency that uses teleconferencing, to identify each teleconference location in the notice and agenda of the meeting or proceeding, and each teleconference location must be accessible to the public. Under this requirement, if a director was calling into a meeting from the Las Vegas hotel room, the director would need to allow members of the public into his or her hotel room for the meeting. Also, the Brown Act currently requires that at least a quorum of

the members of a legislative body must participate in the meeting (even if by teleconference) from locations within the agency's boundaries.

AB 361 excuses compliance with those requirements and agendas for meetings held in accordance with AB 361 are not required to identify each teleconference location and each location does not need to be accessible to the public (but see Item 3, below). In addition, there is no requirement under AB 361 that at least a quorum of the board members must be located within the agency's boundaries.

- 3. Public Access and Comments.** As stated above, local agencies are not required to make each teleconference location accessible to the public. However, the board meetings must remain open to the public and the agenda must include the manner by which members of the public may access the meeting remotely to offer public comment, including by a call-in option or an internet-based service option, such as meeting invite web address or call-in phone number, with passcode. Members of the public must be allowed to access the meeting and to address the legislative body directly, either during a general public comment period or before any individual actions are taken. Also, AB 361 clarifies that an agency may not require members of the public to submit their comments in advance of a meeting.

Public comments, either written or made by remote connection, must be accepted until the point at which the public comment period is formally closed. Any registration or sign-up period for public comments can only be closed when the public comment period is formally closed. Where public comments are accepted in a public comment period for each agenda item, the agency must allow a reasonable amount of time during each agenda item to allow the public the opportunity to provide comments, including time for members of the public to register or otherwise be recognized for the purpose of providing public comment.

- 4. Registration Issue.** The Brown Act has long prohibited the use of mandatory registration or "sign-ups" to attend public meetings or to provide public comment. Based on that prohibition, the Brown Act would present a significant problem for meetings that use a teleconference platform that requires participants to register for an account, even when it is not the local agency establishing that requirement. AB 361 solves that problem by allowing local agencies to use platforms which, incidental to their use and deployment, require users to register for an account with that platform, so long as the platform is not under the control of the local agency. Thus, an agency can use a platform that requires a registration to participate without violating the Brown Act.
- 5. Technological Disruption of Meeting.** AB 361 addresses what must occur in the event a technical difficulty interrupts a board meeting. Under AB 361, if a public comment line unexpectedly disconnects, a meeting agenda was sent out with the incorrect web link or dial-in information, the local agency's internet connection is interrupted, or other similar circumstances occur, the agency must stop the ongoing meeting and try to resolve the issue before continuing with the meeting agenda. If the meeting disruption cannot be resolved, the agency should not take any further action on agenda items and should end the meeting.

Failure to do so risks having any actions that were taken during the period of disruption set aside in a legal action.

6. Required Findings. AB 361 allows for teleconferencing under its provisions to occur in three scenarios, including:

- 1) The local agency is holding a meeting during a proclaimed state of emergency, and state or local officials have imposed or recommended measures to promote social distancing; or
- 2) The local agency is holding a meeting during a proclaimed state of emergency and has determined, by majority vote, that, as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees.

AB 361 provides that if a state of emergency remains active, or state or local officials have imposed or recommended measures to promote social distancing, in order to continue to teleconference without complying with the Brown Act's existing teleconferencing requirements, the agency's board of directors must, no later than 30 days after teleconferencing for the first time under AB 361, and every 30 days thereafter, making the following findings by at least majority vote:

- 1) The legislative body has reconsidered the circumstances of the state of emergency; and
- 2) Any of the following circumstances exist: (a) the state of emergency continues to directly impact the ability of the members to meet safely in person; or (b) state or local officials continue to impose or recommend measures to promote social distancing.

CRITICAL SUCCESS FACTORS

None.

RESOURCE IMPACTS

None.

Attachments:

1. Resolution No. 2022-18

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RESOLUTION NO. 2022-18

A RESOLUTION OF THE COMMISSION OF THE SANTA ANA WATERSHED PROJECT AUTHORITY (SAWPA) 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 SAWPA FOR THE PERIOD DECEMBER 6, 2022 TO JANUARY 5, 2023 PURSUANT TO BROWN ACT PROVISIONS.

WHEREAS, the Commission of the Santa Ana Watershed Project Authority (“SAWPA”) is committed to preserving and nurturing public access and participation in meetings of its Commissioners; and

WHEREAS, all meetings of SAWPA’s Commission and its standing committees (PA 22, PA 23, PA 24, and OWOW Steering Committee) are open and public, as required by the Ralph M. Brown Act (California Government Code Sections 54950 – 54963), so that any member of the public may attend, participate, and watch those bodies conduct their business; and

WHEREAS, the Brown Act, in Government Code Section 54953(e), makes provision for remote teleconferencing participation in meetings by members of a legislative body, without compliance with the requirements of Government Code Section 54953(b)(3), subject to the existence of certain conditions; and

WHEREAS, a required condition for application of Section 54953(e) is that a state of emergency is declared by the Governor pursuant to Government Code Section 8625, proclaiming the existence of conditions of disaster or of extreme peril to the safety of persons and property within the state caused by conditions as described in Government Code Section 8558; and

WHEREAS, a proclamation is made when there is an actual incident, threat of disaster, or extreme peril to the safety of persons and property within the jurisdictions that are within the District’s boundaries, caused by natural, technological or human-caused disasters; and

WHEREAS, it is further required that state or local officials have imposed or recommended measures to promote social distancing, or, the legislative body meeting in person would present imminent risks to the health and safety of attendees; and

WHEREAS, the SAWPA Commission previously adopted a Resolution, Resolution No. 2021-8 on October 19, 2021 finding that the requisite conditions exist for the SAWPA Commission and standing committees to conduct remote teleconference meetings without compliance with paragraph (3) of subdivision (b) of Section 54953; and

WHEREAS, as a condition of extending the use of the provisions found in Section 54953(e), the SAWPA Commission must reconsider the circumstances of the state of emergency that exists in SAWPA, and the Commission has done so; and

WHEREAS, emergency conditions persist in SAWPA, specifically, COVID-19, and its Omicron variant, remain highly contagious and, therefore, a threat to the health, safety and well-being of the SAWPA’s employees, directors, vendors, contractors, customers and residents; and

WHEREAS, SAWPA's Commission does hereby find that a state of emergency continues to exist within SAWPA's service area as a result of the continuing presence of COVID-19 and resulting local, state and federal orders and guidance, which has caused, and will continue to cause, conditions of peril to the safety of persons within SAWPA that are likely to be beyond the control of services, personnel, equipment, and facilities of SAWPA, and the Commission desires to affirm a local emergency exists and re-ratify the proclamation of state of emergency by the Governor of the State of California; and

WHEREAS, as a consequence of the local emergency persisting, SAWPA does hereby find that the SAWPA's Commission and all standing committees shall continue to conduct their meetings without compliance with paragraph (3) of subdivision (b) of Government Code Section 54953, as authorized by subdivision (e) of Section 54953, and that such legislative bodies shall continue to comply with the requirements to provide the public with access to the meetings as prescribed in paragraph (2) of subdivision (e) of Section 54953; and

WHEREAS, SAWPA will continue to provide proper notice to the public regarding all SAWPA's Commission and standing committee meetings, in accordance with Government Code Section 54953(e)(2)(A) and shall provide notice to the public of how they may access any such meeting via call-in number and/or internet link.

NOW, THEREFORE, the SAWPA Commission does hereby resolve as follows:

Section 1. Recitals. The Recitals set forth above are true and correct and are incorporated into this Resolution by this reference.

Section 2. Affirmation that Local Emergency Persists. The Commission hereby considers the conditions of the state of emergency in SAWPA and proclaims that a local emergency persists throughout SAWPA, and that conducting SAWPA Commission and standing committee meetings virtually will minimize the possible spread COVID-19 and any variant thereof.

Section 3. Re-ratification of Governor's Proclamation of a State of Emergency. The Commission hereby ratifies the Governor of the State of California's Proclamation of State of Emergency regarding COVID-19, dated March 4, 2020.

Section 4. Remote Teleconference Meetings. The SAWPA's General Manager, or his or her delegee, and the Commission and standing committees of SAWPA are hereby authorized and directed to take all actions necessary to carry out the intent and purpose of this Resolution, including continuing to conduct open and public meetings in accordance with Government Code section 54953(e) and other applicable provisions of the Brown Act.

Section 5. Effective Date of Resolution. This Resolution shall take effect immediately upon its adoption and shall be effective until the earlier of (i) the expiration of thirty (30) days from the date this Resolution was adopted, as set forth below, or (ii) such time as the SAWPA adopts a subsequent resolution in accordance with Government Code section 54953(e)(3) to extend the time during which the SAWPA Commission and standing committees of SAWPA may continue to teleconference without compliance with paragraph (3) of subdivision (b) of section 54953.

ADOPTED this 6th Day of December, 2022.

SANTA ANA WATERSHED PROJECT AUTHORITY

By:

Marco Tule, Chair

Attest:

Sara Villa, Clerk of the Board

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SAWPA COMMISSION MEMORANDUM NO. 2022.75

DATE: December 6, 2022

TO: SAWPA Commission

SUBJECT: Proposition 1 Round 2 Integrated Regional Water Management Resolution 2022-17

PREPARED BY: Ian Achimore, Senior Watershed Manager

OWOW STEERING COMMITTEE RECOMMENDATION

Adopt SAWPA Resolution 2022-17 to Submit the Final Grant Application to the Department of Water Resources.

DISCUSSION

Since the OWOW Steering Committee and SAWPA Commission approved the suite of projects recommended by SAWPA staff at their previous meetings, staff has worked with the various project leads. Included in this agenda item is the adoption of the grant application resolution that is required by the Department of Water Resources (DWR) for their February 1, 2023 final application.

The resolution, which was approved by the OWOW Steering Committee at their November 17 meeting, provides for the following:

- Recognizes the work done through the OWOW Call for Projects
- Allows SAWPA to execute a grant agreement with DWR as well as sub-agreements with project leads
- Provides flexibility if an approved project asks to be removed from the grant application and/or agreement
 - If that were to occur, SAWPA would update the OWOW Steering Committee and SAWPA Commission on the “back up” project that would replace the removed project.

CRITICAL SUCCESS FACTORS

- OWOW criteria and values are transparent to watershed-wide stakeholders, and
- Administration of the OWOW process and plan in a highly efficient and cost-effective manner.

RESOURCE IMPACTS

None

Attachments:

1. PowerPoint Presentation
2. Resolution No. 2022-17

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Prop 1 Round 2 IRWM Resolution

Ian Achimore, Senior Watershed Manager
SAWPA Commission | December 6, 2022
Agenda Item 5.E

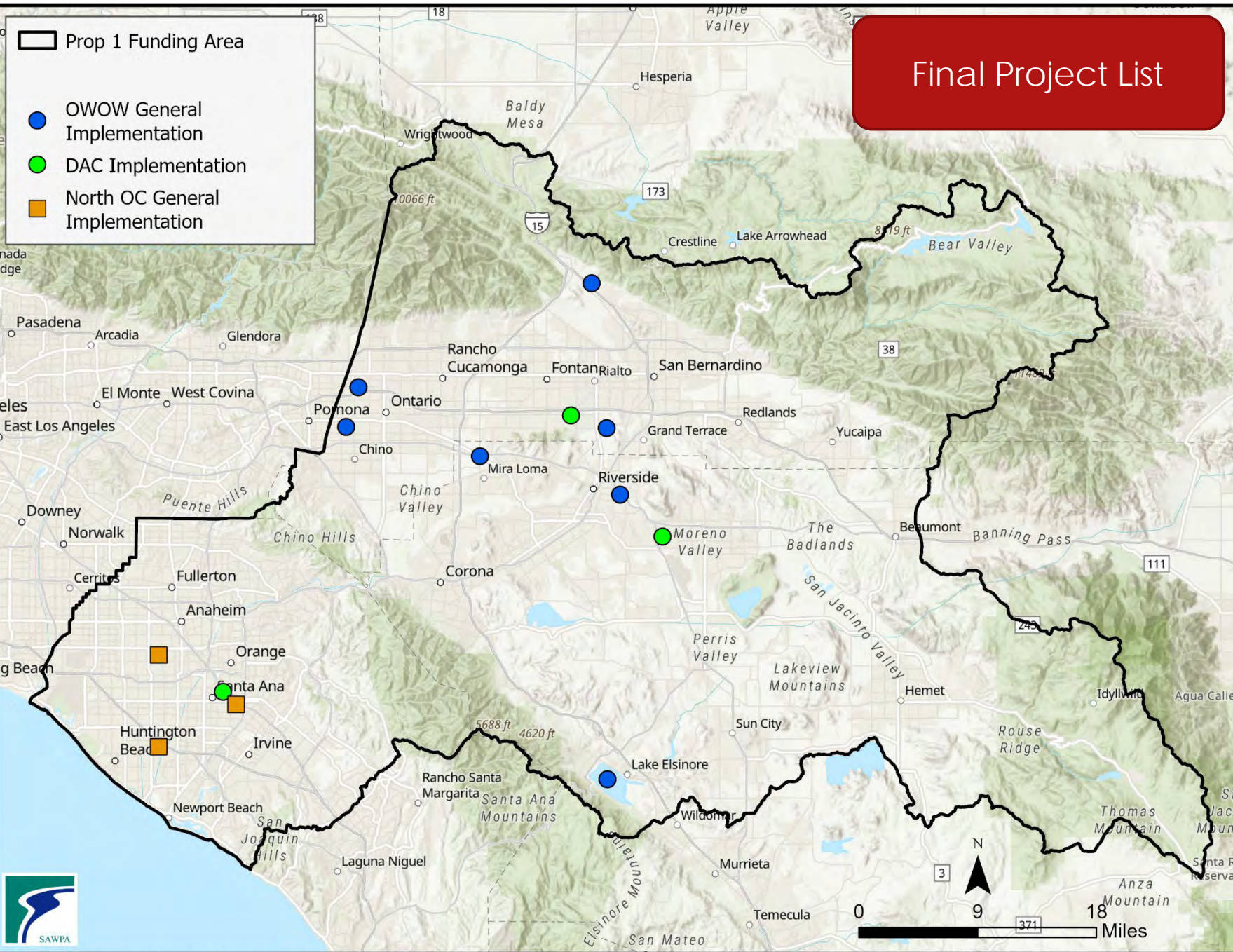


Recommendation from the OWOW Steering Committee

2

- ▶ Recommend the SAWPA Commission adopt SAWPA Resolution 2022-17 in order to submit the final grant application to DWR.

Final Project List



General Implementation Project	Applicant	Water Supply (AFY)	Water Quality (MGD)	Habitat (Acres)	Flood Protection (Acres)	Funding Amount
Santa Ana River Watershed Weather Modification Pilot	SAWPA	8,200	4.40	-	-	\$861,400
Etiwanda Intervalley Water Quality and Water Resiliency Phase-1A	JCSD	4,355	4.00	-	-	\$2,954,213
Wellhead Nitrate Treatment for Wells 4 & 27	MVWD	4,516	4.03	-	-	\$2,533,492
Cable Creek Basin (Upper)	SBCFCD	859	-	-	390	\$2,521,678
Phase 1 - Lake Elsinore Algae Harvesting and Nutrient Removal	LESJWA	-	1.00	3,000	-	\$1,500,000
Lake Rialto Habitat Management and Community Open Space	Rialto, City	-	5.90	10	-	\$2,149,748
Well 2 Replacement	MVWD	3,226	2.88	-	-	\$2,006,311
City of Rialto Recycled Intertie	IEUA	3,500	3.10	-	-	
Santa Ana River Sustainable Parks & Tributaries Water Reuse	SBVMWD	5,109	-	187	-	
Calimesa Aquifer Storage and Recovery	YVWD	2,890	-	-	-	
Well Pump Replacements	MVWD	4,194	-	-	-	
Improving Recycled Water Used in Local Groundwater Recharge	WMWD	985	3.0	-	-	
Well 4 Replacement	MVWD	1,936	1.73	-	-	
Water Well RN #6 Nitrate Removal System	RHWC	1,300	1.20	-	-	
Improved Lake Circulation at Prado Regional Park	SBCRP	-	4.3	62	-	
Large Landscape Water Efficiency Program	IEUA	671	0.04	-	-	
Regional Water Distribution System Leak Detection and Repair	MWDOC	1,338	1.19	-	-	
Cactus Basins Connector Pipeline	SBVMWD	1,360	-	-	-	

Top project threshold.

DAC Project	Applicant	Water Supply (AFY)	Water Quality (MGD)	Flood (Acres)	DAC %	Score	Funding Amount
New Washington Well	Santa Ana, City	4,000	3.57		85%	17.00	\$3,394,743
Lead Service Line Replacements in the Bloomington DAC	WVWD	3,454	3.10		100%	14.72	\$315,000
Box Springs Mutual Water Company Well Improvement	California Rural WA	411	0.37		100%	1.93	\$1,885,257
Recycled Water Use Expansion	Santa Ana, City	370	-		63%	0.83	
Shamrock and Meridian Septic to Sewer Conversion	Rialto, City	-	0.13		100%	0.29	
Cottonwood Avenue Recycled Water Pipeline (East)	EMWD	90	-		100%	0.20	

Top project threshold.

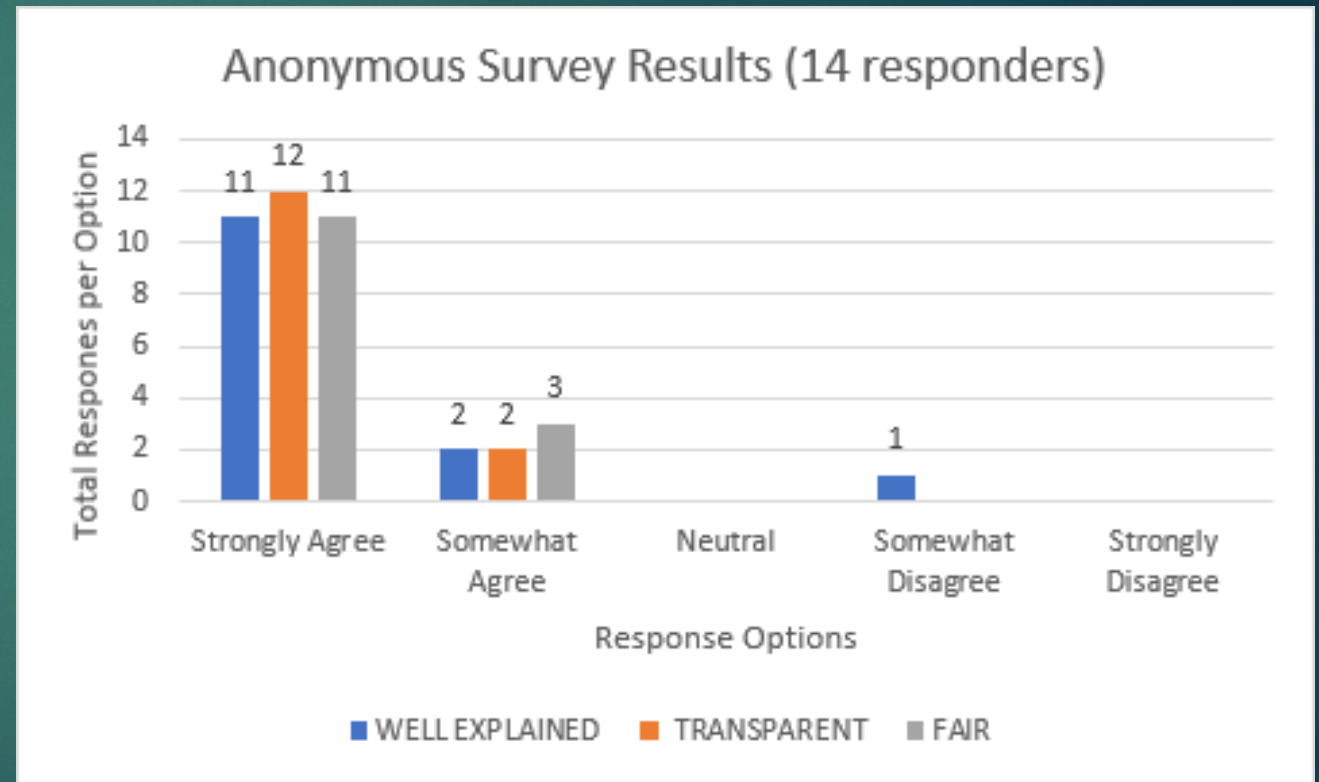
New Water and Revised Water for the Watershed

- ▶ “New water” - water from a source that was not in use prior,
- ▶ “Revised water” - water from a source that is currently discharged (such as secondary treated water) or water that is currently not in use due to regulatory or water quality issues.

Local Water from Prop 1 Round 2 Projects	Acre Feet per Year
New Water	13,312
Revised Water	18,466*
Total Local Water	31,778

Feedback from Stakeholders Regarding Call for Projects

- ▶ SAWPA sent a three-question survey to those who participated in the Call for Projects process,
- ▶ The questions focused on whether the process was
 - ▶ Well explained,
 - ▶ Transparent, and
 - ▶ Fair.



Resolution for Adoption

- ▶ Recognizes the work done through the OWOW Call for Projects,
- ▶ Required as part of the DWR application due on February 1, 2023,
- ▶ Allows SAWPA to execute a grant agreement with DWR as well as sub-agreements with project leads, and
- ▶ Resolution provides flexibility if an approved project asks to be removed from the grant application and/or agreement.



Recommendation from the OWOW Steering Committee

9

- ▶ Recommend the SAWPA Commission adopt SAWPA Resolution 2022-17 in order to submit the final grant application to DWR.

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RESOLUTION NO. 2022-17

A RESOLUTION OF THE COMMISSIONERS OF THE SANTA ANA WATERSHED PROJECT AUTHORITY AUTHORIZING THE GENERAL MANAGER, OR DESIGNEE, TO EXECUTE A GRANT AGREEMENT AND SUB-AGREEMENTS FOR THE PROPOSITION 1 ROUND 2 INTEGRATED REGIONAL WATER MANAGEMENT IMPLEMENT GRANT WITH THE STATE OF CALIFORNIA, DEPARTMENT OF WATER RESOURCES

WHEREAS, the Santa Ana Watershed Project Authority is the accepted Regional Water Management Group within the Santa Ana Funding Area of the California Integrated Regional Water Management Program;

WHEREAS, the One Water One Watershed Plan Update 2018, adopted by the Commission on February 19, 2019, has the subtitle “Moving Forward Together” which reflects the OWOW Program’s commitment to ensuring that in the Santa Ana River Watershed no one is left behind as progress is made, and that progress somewhere in the watershed does not cause any undue burden elsewhere in the watershed;

WHEREAS, SAWPA recently conducted a collaborative and competitive process with all interested watershed stakeholders and OWOW project applications as part of its One Water One Watershed Proposition 1 Round 2 Implementation grant solicitation to identify the most beneficial upper watershed and watershed-wide projects;

WHEREAS, the One Water One Watershed process drew 24 project submittals that included projects focused on generating new sources of water for the watershed, improving important aquatic habitat, removing pollutants from the region’s groundwater and surface water resources, and improving stormwater abatement in a disadvantaged community;

WHEREAS, the One Water One Watershed process selected ten projects, of the 24, to move forward to submit a grant application to the Department of Water Resources for Proposition 1 Round 2 Implementation grant funding;

WHEREAS, SAWPA deferred to the Orange County parties identified in the 2019 Cooperative Agreement for Integrated Regional Water Management Funding in the Santa Ana Funding Area, which are the County of Orange, Orange County Water District, and Orange County Sanitation District, to identify their list of three Orange County-based projects to include in the Department of Water Resources grant application for Proposition 1 Round 2 Implementation grant funding;

NOW, THEREFORE, BE IT RESOLVED that the Commission of the Santa Ana Watershed Project Authority, pursuant to Section 22050 of the California Public Contract Code, hereby resolves that:

The General Manager, or Designee, is authorized to prepare the necessary data, conduct investigations, file such proposal, and execute a grant agreement with the State of California, Department of Water Resources, and associated sub-agreements, to accept and conduct the work of Proposition 1 Round 2 Integrated Regional Water Management Implementation and Grant pursuant to the Water Quality, Supply, and Infrastructure Improvement Act of 2014 (Water Code Section 79700 *et seq.*)

ADOPTED THIS 6th day of December 2022.

SANTA ANA WATERSHED PROJECT AUTHORITY

By: _____
Marco Tule, Chair

Attest:

Sara Villa, Clerk of the Board

COMMISSION MEMORANDUM NO. 2022.76

DATE: December 6, 2022
TO: SAWPA Commission
SUBJECT: Information Technology Services Consultant
PREPARED BY: Dean Unger, Information Systems and Technology Manager

RECOMMENDATION

It is recommended that the Commission 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.

DISCUSSION

In October 2022, staff issued a Request for Proposals (RFP) for IT the Santa Ana Watershed Project Authority. Six proposals were received on November 21, 2022 from:

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

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 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 proposal and annual percentage increase are as follows:

<u>Firm</u>	<u>Monthly Fee Proposal</u>	<u>Annual % increase</u>
Accent	\$5,892.50	2.0
Acorn	\$8,592.00	4.0
Apex	\$8,750.00	3.5

BACKGROUND

SAWPA's Information Technology department has been supplemented by an IT service provider for over 18 years. This service provides 24-hour monitoring of the SAWPA network, servers, and backups as well as desktop support when needed. In addition, special projects often need IT design services, additional staff, and resources. This supplemented service allows

SAWPA staff the ability to technically contribute to many of the other projects at SAWPA such as OWOW (landscape aerial measurement data and ESRI tools) and the implementation of Workflow using OnBase software.

This Task Order No. ACS100-26 is being brought to the Commission for approval as the current Task Order expires on December 31, 2022.

CRITICAL SUCCESS FACTORS

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

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

RESOURCE IMPACTS

Funding for the Task Order for IT services is contained in Fund 100 in the 2022/2023 budget, and will be included in the FYE 2024 and 2025 Budgets.

Attachments:

1. PowerPoint Presentation
2. General Services Agreement and Task Order ACS100-26
3. Accent Computer Solutions, Inc. Proposal
4. Fee Estimate

IT SERVICES PROPOSAL SELECTION

SAWPA

DECEMBER 6, 2022

RECOMMENDATION

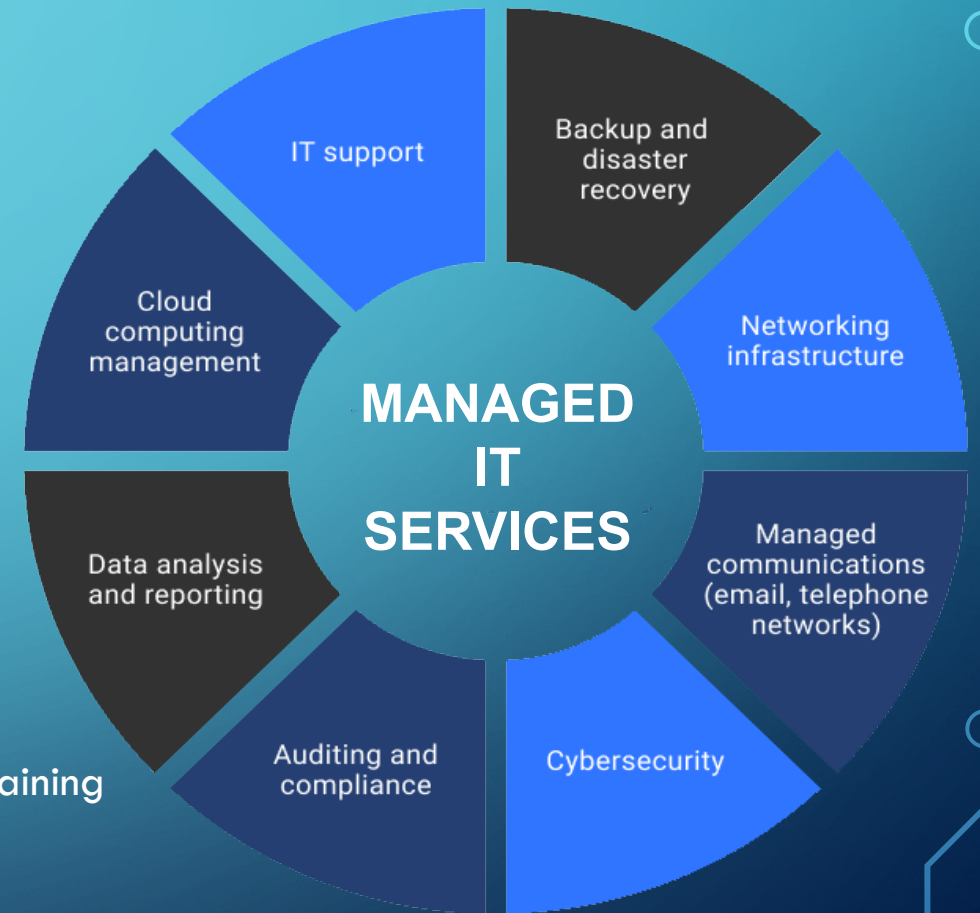
- It is recommended that the Commission authorize the General Manager to execute General Services Agreement and Task Order No. ACS100-26 with Accent Computer Solutions, Inc. for an amount not to exceed \$288,000.00 for a 48-month period (1/1/2023-12/31/2026) to provide Information Technology Services,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

BACKGROUND

- A Managed Service Provider (MSP) has been used since 2004 to augment the Internal SAWPA IT staff.
- Roles of the MSP are:
 - Provide higher level IT situations (server failure, network architecture, etc.)
 - Address overflow for daily support issues.
- Accent Computing Solutions has provided these services since 2009 (RFPs were issued in 2009, 2014 and 2018).
- The RFP process allows SAWPA to evaluate market costs in meeting IT service needs.

CURRENT SUPPORT MODEL

- **SAWPA Staff**
 - User Issue Triage
 - Desktop Support
 - Vendor/Contract Management
 - Network security – VPN / Multifactor Authentication (MFA)
 - Security
- **Managed Service Provider (MSP)**
 - Desktop Support Overflow
 - Server Management – Updates / Notifications
 - On Premise or Cloud
 - Network Security – Cybersecurity monitoring, User Security Training
 - Email / Internet Filtering and monitor
 - Reporting
 - Disaster Recovery planning services



VENDOR VALUE-ADD SERVICES EXPERIENCE AND ASSOCIATED CHARGES

- Technology Roadmap
- Solution design
- Network and email system monitoring
- Remote backup
- On-demand Technology Training
- Managed Cyber Security
- Procurement management
- Technical support, including remote user support
- Reporting and communication
- IT policy review and development
- Implementation planning and guidance
- On-site implementation of business applications

IT SERVICES RFP AND VENDOR SELECTION



PROPOSALS RECEIVED AND REVIEWED

- 6 Proposals were received thru Planet Bids on November 21st
- 2 of the 6 proposals were disqualified (no costs included)
- Top 3 proposals were selected for interviews on November 28th
- Interviewers – Retired WMWD Director of Administration Greg Duecker, SAWPA IT Manager Dean Unger and SAWPA Network Analyst John Leete

INTERVIEW RFP SCORING

	Accent	Acorn	Apex
11 questions - Questionnaire Scoring: <i>(11 would be a perfect score)</i>	15	16	15

COSTS AND SERVICES

Cost Category	Accent	Acorn	Apex
On-Boarding 1 time cost	\$0.00	\$8592.00	\$9750.00
Managed Security Agreement Monthly 39 users	INCLUDED	INCLUDED	INCLUDED
MFA Monthly licensing	INCLUDED	NOT INCLUDED	INCLUDED
Office 365 licensing	INCLUDED	NOT INCLUDED	NOT INCLUDED
Backup and Disaster Recovery licensing & Storage	INCLUDED	NOT INCLUDED	NOT INCLUDED
Offsite storage 6 TB	INCLUDED	NOT INCLUDED	NOT INCLUDED
Support Price Regular users 30	INCLUDED	INCLUDED	INCLUDED
support for 1 board member	INCLUDED	INCLUDED	INCLUDED
4 hours onsite support	INCLUDED	INCLUDED	INCLUDED
24 x 7 includes "after hours" live answer *future	NOT INCLUDED*	INCLUDED	INCLUDED
Monthly Cost	\$5,892.50	\$8,592.00	\$8750.00
Annual Percentage Cost increase	2.0%	4.0%	3.5%

RECOMMENDATION

- It is recommended that the Commission 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.



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

This Agreement is made this **6th day of December, 2022** by and between the Santa Ana Watershed Project Authority ("SAWPA") located at 11615 Sterling Avenue, Riverside, CA 92503 and Accent Computer Solutions, Inc. ("Consultant") whose address is 8438 Red Oak Street, Rancho Cucamonga, CA 91730.

RECITALS

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

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

AGREEMENT

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

ARTICLE I

TERM OF AGREEMENT

1.01 This agreement shall become effective on the date first above written and shall continue until **December 31, 2027**, unless extended or sooner terminated as provided for herein.

ARTICLE II

SERVICES TO BE PERFORMED

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

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

ARTICLE III

COMPENSATION

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

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

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

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

ARTICLE IV

CONSULTANT OBLIGATIONS

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

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

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

4.04 Insurance Coverage: Consultant shall procure and maintain for the duration of this Agreement insurance against claims for injuries or death to persons or damages to property which may arise from or in connection with the performance of the work hereunder and the results of that work by the Consultant, its agents, representatives, employees or sub-contractors.

4.04(a) Coverage - Coverage shall be at least as broad as the following:

- 1. Commercial General Liability (CGL)** - Insurance Services Office (ISO) Commercial General Liability Coverage (Occurrence Form CG 00 01) including products and completed operations, property damage, bodily injury, personal and advertising injury with limit of at least two million dollars (\$2,000,000) per occurrence or the full per occurrence limits of the policies available, whichever is greater. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location (coverage as broad as the ISO CG 25 03, or ISO CG 25 04 endorsement provided to SAWPA) or the general aggregate limit shall be twice the required occurrence limit.
- 2. Automobile Liability** – (if necessary) Insurance Services Office (ISO) Business Auto Coverage (Form CA 00 01), covering Symbol 1 (any auto) or if Consultant has no owned autos, Symbol 8 (hired) and 9 (non-owned) with limit of one million dollars (\$1,000,000) for bodily injury and property damage each accident.
- 3. Workers' Compensation Insurance** - as required by the State of California, with Statutory Limits, and Employer's Liability Insurance with limit of no less than \$1,000,000 per accident for bodily injury or disease.
- 4. Professional Liability** - (Also known as Errors & Omission) Insurance appropriate to the Consultant profession, with limits no less than \$1,000,000 per occurrence or claim, and \$2,000,000 policy aggregate.
- 5. Cyber Liability Insurance (Technology Professional Liability – Errors and Omissions)** – If Consultant will be providing technology services, limits not less than \$2,000,000 per occurrence or claim, and \$2,000,000 aggregate or the full per occurrence limits of the policies available, whichever is greater. Coverage shall be sufficiently broad to respond to the duties and obligations as is undertaken by Consultant in this Agreement and shall include, but not be limited to, claims involving infringement of intellectual property, including but not limited to infringement of copyright, trademark, trade dress,

invasion of privacy violations, information theft, damage to or destruction of electronic information, release of private information, alteration of electronic information, extortion and network security. The policy shall provide coverage for breach response costs as well as regulatory fines and penalties as well as credit monitoring expenses with limits sufficient to respond to these obligations.

If the Consultant maintains broader coverage and/or higher limits than the minimums shown above, SAWPA requires and shall be entitled to the broader coverage and/or higher limits maintained by the Consultant. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to SAWPA.

4.04(b) If Claims Made Policies:

1. The Retroactive Date must be shown and must be before the date of the contract or the beginning of contract work.
2. Insurance must be maintained and evidence of insurance must be provided **for at least five (5) years after completion of the contract of work.**
3. If coverage is canceled or non-renewed, and not **replaced with another claims-made policy form with a Retroactive Date** prior to the contract effective date, the Consultant must purchase "extended reporting" coverage for a minimum of **five (5) years** after completion of contract work.

4.04(c) Waiver of Subrogation: The insurer(s) named above agree to waive all rights of subrogation against SAWPA, its elected or appointed officers, officials, agents, authorized volunteers and employees for losses paid under the terms of this policy which arise from work performed by the Named Insured for the Agency; but this provision applies regardless of whether or not SAWPA has received a waiver of subrogation from the insurer.

4.04(d) Other Required Provisions - The general liability policy must contain, or be endorsed to contain, the following provisions:

1. **Additional Insured Status:** SAWPA, its directors, officers, employees, and authorized volunteers are to be given insured status (at least as broad as ISO Form CG 20 10 10 01), with respect to liability arising out of work or operations performed by or on behalf of the Consultant including materials, parts, or equipment furnished in connection with such work or operations.
2. **Primary Coverage:** For any claims related to this project, the Consultant's insurance coverage shall be primary at least as broad as ISO CG 20 01 04 13 as respects to SAWPA, its directors, officers, employees and authorized volunteers. Any insurance or self-insurance maintained by the Member Water Agency its directors, officers, employees and authorized volunteers shall be excess of the Consultant's insurance and shall not contribute with it.

4.04(e) Notice of Cancellation: Each insurance policy required above shall provide that coverage shall not be canceled, except with notice to SAWPA.

4.04(f) Self-Insured Retentions - Self-insured retentions must be declared to and approved by SAWPA. SAWPA may require the Consultant to provide proof of ability to pay losses and related investigations, claim administration, and defense expenses within the retention. The policy language shall provide, or be endorsed to provide, that the self-insured retention may be satisfied by either the named insured or SAWPA.

4.04(g) Acceptability of Insurers - Insurance is to be placed with insurers having a current A.M. Best rating of no less than A: VII or as otherwise approved by SAWPA.

4.04(h) Verification of Coverage – Consultant shall furnish SAWPA with certificates and amendatory endorsements or copies of the applicable policy language effecting coverage required by this clause. All certificates and endorsements are to be received and approved by SAWPA before work commences. However, failure to obtain the required documents prior to the work beginning shall not waive the Consultant's obligation to provide them. SAWPA reserves the right to require complete, certified copies of all required insurance policies, including policy Declaration pages and Endorsement pages.

4.04(i) Subcontractors - Consultant shall require and verify that all subcontractors maintain insurance meeting all the requirements stated herein, and Consultant shall ensure that SAWPA, its directors, officers, employees and authorized volunteers are additional insureds on Commercial General Liability Coverage.

4.05 Consultant hereby covenants and agrees that SAWPA, its officers, employees, and agents shall not be liable for any claims, liabilities, penalties, fines or any damage to property, whether real or personal, nor for any personal injury or death caused by, or resulting from, or claimed to have been caused by or resulting from, any negligence, recklessness, or willful misconduct of Consultant. To the extent permitted by law, Consultant shall hold harmless, defend at its own expense, and indemnify SAWPA, its directors, officers, employees, and authorized volunteers, against any and all liability, claims, losses, damages, or expenses, including reasonable attorney's fees and costs, arising from all acts or omissions of Consultant or its officers, agents, or employees in rendering services under this Agreement and any Task Order issued hereunder; excluding, however, such liability, claims, losses, damages or expenses arising from SAWPA's sole negligence or willful acts.

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

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

4.08 Consultant shall comply with all local, state and federal laws, rules and regulations including those regarding nondiscrimination and the payment of prevailing wages, if required by law.

ARTICLE V

SAWPA OBLIGATIONS

5.01 SAWPA shall:

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

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

ARTICLE VI

ADDITIONAL SERVICES, CHANGES AND DELETIONS

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

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

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

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

ARTICLE VII

CONSTRUCTION PROJECTS: CONSULTANT CHANGE ORDERS

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

ARTICLE VIII

TERMINATION OF AGREEMENT

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

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

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

ARTICLE IX

CONSULTANT STATUS

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

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

ARTICLE X

AUDIT AND OWNERSHIP OF DOCUMENTS

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

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

ARTICLE XI

MISCELLANEOUS PROVISIONS

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

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

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

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

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

11.06 Any dispute which may arise by and between SAWPA and the Consultant, including the Consultants, its employees, agents and subcontractors, shall be submitted to binding arbitration. Arbitration shall be conducted by a neutral, impartial arbitration service that the parties mutually agree upon, in accordance with its rules and procedures. The arbitrator must decide each and every dispute in accordance with the laws of the State of California, and all other applicable laws. Unless the parties stipulate to the contrary prior to the appointment of the arbitrator, all disputes shall first be submitted to non-binding mediation conducted by a neutral, impartial mediation service that the parties mutually agree upon, in accordance with its rules and procedures.

11.07 During the performance of the Agreement, Consultant and its subcontractors shall not unlawfully discriminate, harass, or allow harassment against any employee or applicant for employment because of sex, race, color, ancestry, religious creed, national origin, physical disability (including HIV and AIDS), mental disability, medical condition (cancer), age (over 40), marital status and denial of family care leave. Consultant and its subcontractors shall insure that the evaluation and treatment of their employees and applicants for employment are free from such discrimination and harassment. Consultant and its subcontractors shall comply with the provisions of the Fair Employment and Housing Act (Government Code, Section 12290 et seq.) and the applicable regulations promulgated there under (California Code of Regulations, Title 2, Section 7285 et seq.). The applicable regulations of the Fair Employment and Housing Commission implementing Government Code Section 12990 et seq., set forth in Chapter 5 of Division 4 of Title 2 of the California Code of Regulations, are incorporated into this Agreement by reference and made a part hereof as if set forth in full. Consultant and its subcontractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreement. Consultant shall include the

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**SANTA ANA WATERSHED PROJECT AUTHORITY
TASK ORDER NO. ACS100-26**

CONSULTANT: Accent Computer Solutions, Inc. **VENDOR NO.:** 1842
 8438 Red Oak Street
 Rancho Cucamonga, CA 91730

COST: **\$288,000.00**

PAYMENT: Upon Receipt of Proper Invoice

REQUESTED BY: Dean Unger, Information Systems & Technology Manager **December 6, 2022**

FINANCE: _____
 Karen Williams, Deputy GM/CFO Date

FINANCING SOURCE:

Acct. Coding: 100-00-60121-04	Acct. Coding: 100-00-60181-02
Acct. Description: Consulting Technology	Acct. Description: Software Licensing
Acct. Coding: 100-00-60185-00	
Acct. Description: Cloud Storage	

COMMISSION AUTHORIZATION REQUIRED: YES (X) NO ()
 Authorization: December 6, 2022; CM#2022.76

This Task Order is issued upon approval and acceptance by the Santa Ana Watershed Project Authority (SAWPA) and Accent Computer Solutions, Inc. (Consultant) pursuant to the General Services Agreement between SAWPA and Consultant, entered into on December 6, 2022, expiring December 31, 2027.

I. PROJECT NAME OR DESCRIPTION

Information Technology (IT) Services

II. SCOPE OF WORK / TASKS TO BE PERFORMED

Consultant shall provide all labor, materials, and equipment for SAWPA's IT Services for 48-months per the attached proposal.

II. PERFORMANCE TIME FRAME

Consultant shall begin work January 1, 2023; and shall complete performance of such services by **December 31, 2026**.

III. SAWPA LIAISON

Dean Unger shall serve as liaison between SAWPA and Consultant.

IV. COMPENSATION

For all services rendered by Consultant pursuant to this Task Order, Consultant shall receive a total not-to-exceed sum of **\$288,000.00**. Payment for such services shall be made within 30



Accent Computer Solutions,
A VC3 Company
8438 Red Oak Street
Rancho Cucamonga, CA 91730
Office: (800) 481-4369
Fax: (909) 481-4376

Santa Ana Watershed Project Authority Request for Proposal Information Technology Services

November 18, 2022

Presented To: Dean Unger, Information Technology Manager
Santa Ana Watershed Project Authority
11615 Sterling Ave.,
Riverside, CA 92503

Presented By: Jonathan Barger, Director of Client Strategy
Accent Computer Solutions, a VC3 Company
8438 Red Oak Street
Rancho Cucamonga, CA 91730
Phone: 909-481-4368
Fax: 909-481-4376
jonathanb@teamaccent.com



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Authority Statement

I, Jonathan Barger – Director of Client Strategy for Accent Computer Solutions, a VC3 Company (Accent) am authorized to prepare and submit this Proposal for IT Managed Services.

Corporate Information

1. Overview of Organization

Accent Computer Solutions, a VC3 Company (Accent) is a full-service Information Technology Solution provider. Accent specializes in outsourcing full or partial IT departments. In the case of Santa Ana Watershed Project Authority (SAWPA), Accent will assume responsibility for all areas of IT support services, as outlined in the ALL IT 24/7 Services Program document (submitted separately). Accent has agreements like this with several similar municipal and water organizations, as well as with over 100 other Southern California-based companies. Accent is dedicated to staying current on regulations, legislation, certifications, and compliance by partnering with major industry leaders to stay updated. Accent also partners with all major tech companies to stay current on industry standards for staying current on all platforms to ensure that when new regulations, legislation, certifications, and compliance requirements are current. Accent will also inform and update SAWPA as relevant standards need to be enforced or updated.

We specialize in working with organizations with lots moving parts. You'll rest easy knowing that IT is handled. Our clients range from 20 to 500-user organizations in various industries, including Municipalities, Manufacturing, Medical, Financial, and more.

Our wide range of clientele gives us the ability to think creatively about solutions. Not only will you get ideas on what other municipalities are doing, but you'll get insights into other industries as well and how they can be used for your specific purpose.

A. Value Add for Local Governments

Accent has extensive experience with SoCal local government bodies as well as clients working with national government and Department of Defense. To better serve these markets, Accent has become a leader on government compliance requirements and was one of the first CMMC Registered Provider Organizations in California. This includes multiple employees certified as CMMC Registered Practitioners who can provide expert consulting about security posture and compliance.

For more information on our support for municipalities, visit:

<https://www.accentonit.com/industries/government-it-support>

Accent has a campus in Rancho Cucamonga, CA. However, employees are strategically located throughout Southern California to provide the fast, local support our clients need. We also have remote



employees in Arizona and Texas to provide extended coverage outside of regular California business hours.

2. Business History

Accent Computer Solutions, a VC3 Company (Accent) has been providing fast, friendly, frustration-free IT services since 1987. Accent has a proven history of successful support and project implementations for other municipalities, businesses, and government agencies throughout Southern California. Accent currently supports over 100 Southern California-based organizations.

For more on our story, visit <https://www.accentonit.com/about>

3. Number of Employees

Accent is a full-service information technology solution provider with [75 regional employees](#) and over 500 national employees specializing in full or partial IT department outsourcing, as well as advanced cyber security services.

A. Employee Roles

Regional:

- Chief Technology Officer – 1
- VCIOs (Technology Advisors) – 5
- Service Delivery Managers – 4
- Help Desk Engineers – 20+
- System Engineers – 20+
- Senior System Engineers – 5
- Architect & Escalation Engineers (domain experts) – 4
- Account Managers (primary business contact) – 4

Total Regional Engineering Resources – 50+

Total Regional Staff – 73 Full Time / 2 Contract

National:

- Chief Technology Officer – 1
- Chief Information Security Officer – 1
- VCIOs (IT Directors) – 30+
- Service Delivery Managers – 10+
- Help Desk Engineers – 40+
- System Engineers – 100+



- Senior System Engineers – 10+
- Network Engineers – 5
- Architect & Escalation Engineers (domain experts) – 10+
- Account Managers (primary business contact) – 20+
- Project Managers & Engineers – 25+
- Application Development Engineers – 20+

Total National Engineering Resources – 350+

Total National Staff – 500+

4. What differentiates your organization

Accent has joined companies with VC3 and is expanding our capabilities. Now part of the largest IT MSP in the nation representing 1000+ local government and municipality clients in 23 States. This gives us a huge experience advantage over our competitors and provides extensive resources to assist specifically with local governments and municipalities. There are many additional benefits from the larger organization coming soon: Added Helpdesk Staff, Adding 3rd shift for true 24/7 LIVE (CJIS certified) Support, in-house Phone Systems, Custom Programming, and more. Security-focused target of 1 billion Protected User Days by 2032!

5. Subcontracting Expectations

Accent will not be utilizing any subcontractors for the components of the proposed solution. If additional services not included in the agreement are needed, such as complex audio-visual, website or app development, subcontracting may be used depending on the scope of the request.

6. Current Customer Referrals

Big Bear Area Regional Wastewater Agency – Water Agency with 15+ users

(Client Term: June 2017 to Present)

Bridgette Burton, Management Analyst
121 Palomino Drive, Big Bear City, CA 92314
(909) 584-4018
bburton@bbarwa.org

Mountain Area Regional Transit Authority – Transportation Company with 20+ users

(Client Term: January 2019 to Present)

Karen Wentworth
621 Forest Shade Road, Crestline, CA 92325
(909) 963-7218
kwentworth@mountaintransit.org



Big Bear Lake Department of Water & Power – Water Agency with 30+ users

(Client Term: November 2016 to Present)

Danni McGee

41972 Garstin Dr.

Big Bear Lake, CA 92315

(323) 896-1234

dmcgee@bbldwp.com

Recent Awards & Recognition

- Named a Top Workplace in Inland Empire by Inland News Group in 2015, 2016, 2017, 2018, 2020, & 2022
- Ranked a top Managed IT Services Provider in the Inland Empire by MSPmentor each year since 2013
- Named to CRN's MSP500 list each year since 2014
- Named one of the 2018 top Managed Security Services Providers by MSPmentor
- The only Southern California managed IT services provider in 2020 to be ranked on the MSPmentor 501 list and MMSP Alert's Top 250 Managed Security Services Providers (MSSPs) list
- ConnectWise CyberSecurity Partner of the Year 2022
- N-Able Partner of the Year 2022

See Staff Profiles below for additional certifications.

Proposed Approach and Solution

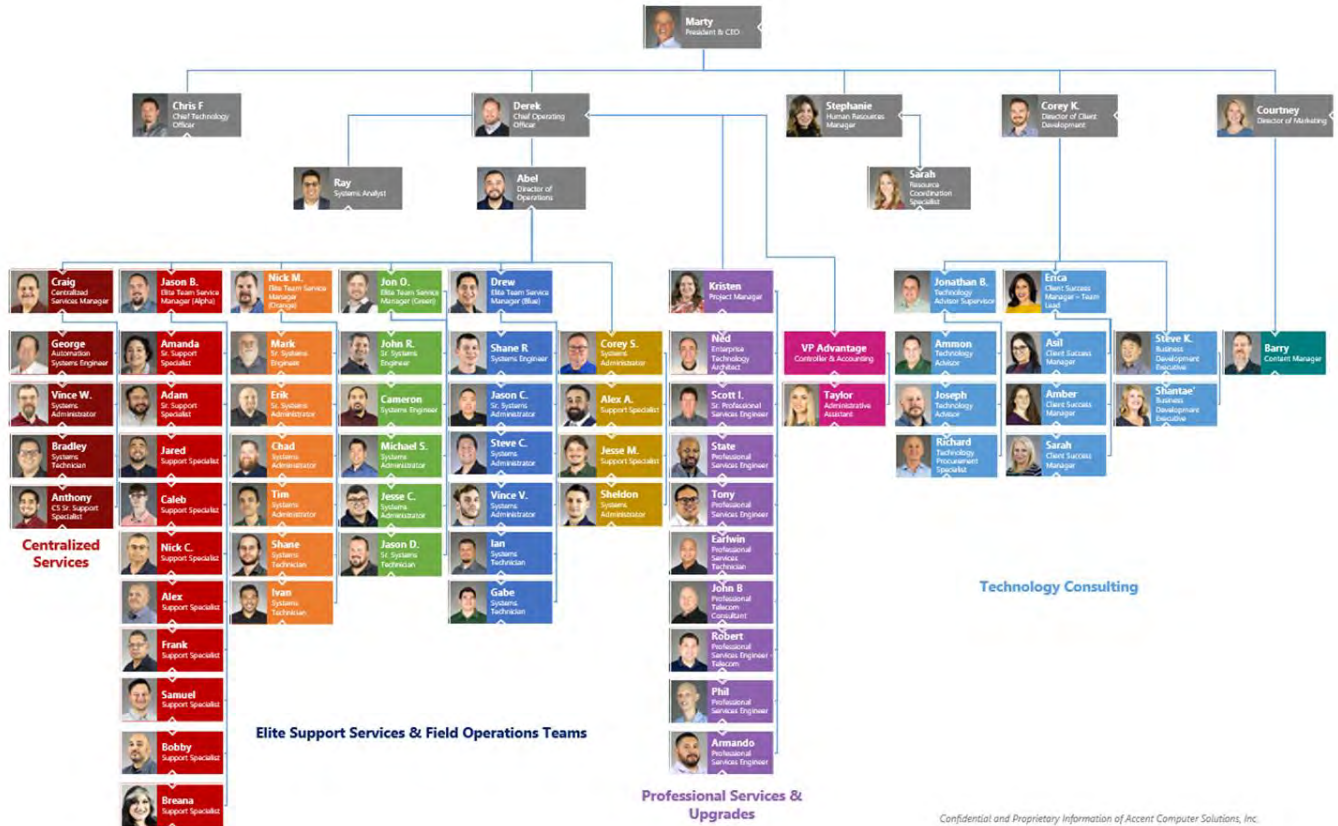
1. Migration Plan

Accent is currently providing IT Services for SAWPA and so no additional onboarding or transition is required, but will continue the ongoing rhythms of IT huddles, IT Strategy Reviews and security discussions.



2. Team Members & Bios

Regional Organization Chart



Confidential and Proprietary Information of Accent Computer Solutions, Inc.

All members of Accent represented in the chart above are available to support SAWPA when needed.

Primary Support Team:

Chris Frye – Chief Technology Officer	Shane Roush – Systems Administrator
Vincent Weppner – Security Systems Engineer	Derek Woolf – Chief Operating Officer
Amber Mena – Client Success Manager	Kristen McCune – Project Manager
Jonathan Barger – Director of Client Strategy	Abel Vega – Director of Operations
Nedal Hamas – Enterprise Technology Architect	

Vincent Weppner, Security Engineer



Been in the IT Industry since: 2001

Been a member of TeamAccent since: 2021

Certifications: CompTIA A+, Microsoft Certified Security Operations Analyst Associate

Duties and Responsibilities:

Vince Weppner is a Security Engineer in the Centralized Services team and works closely with Engineers and TAs to review, monitor, and improve the cybersecurity posture of Accent's clients. His primary objectives are the maintenance of our security tool stack, deployment of security tools, monitoring patch management services, conducting security reviews and audits of client networks, and staying current with the state of the industry. In addition, Vince is responsible for overseeing EDR, SIEM, and vulnerability scanning tools, developing and testing new tools, and advising next-steps to maintain compliance standards and to best improve network security. He also acts as a Level 3 Escalation point for all of his clients' cybersecurity issues.

Relevant Experience:

Accent Computer Solutions, a VC3 Company, Security Engineer
2021-Present

Deployment and maintenance of AV/EDR/SIEM/email filter/vulnerability scanning tools, maintenance and upgrading of firewalls, maintenance and extension of RMM subsystems, monitoring of patch management process, development and documentation of cybersecurity tool procedures, development and documentation of security review process, conducting of security reviews, responding to escalated incident response and other cybersecurity tickets.

Dynamic Campus Solutions Inc., Assistant Network Administrator

2020-2021

Cybersecurity Administration, Information Security meeting team lead, IT policy review and creation, security awareness training campaign management, simulated phishing campaign creation and management, single sign-on server administration, MFA system deployment and maintenance, endpoint protection solution deployment and monitoring, IT incident log creation and maintenance, firewall configuration, network and server monitoring, migration of virtual servers, MSSQL/MySQL database management, and the creation and deployment of the central password management server.

La Sierra University, Assistant Network Administrator

2018-2020

Systems and network administration, Administration of enterprise server backup/recovery system, ColdFusion and SharePoint portal maintenance and support, web application creation, server monitoring/upgrades/maintenance, SSO authentication system configuration and support, Improvement and maintenance of information security posture, creation of security awareness training campaigns, monitoring of networks, identification and solving of networking problems, switch upgrades/configuration/maintenance, VPN account creation and management, maintenance and upgrades of network monitoring tools. Ensure network connectivity of all servers, workstations, and telephony equipment. Perform analysis/diagnosis/resolution of complex network & server problems for end users and implement corrective solutions. Mentor and supervise student assistants, provide appropriate guidance, create the IT departmental disaster plan, and respond to escalated support tickets.

Shane Roush, Systems Engineer



Been in the IT Industry since: 1999

Been a member of TeamAccent since: 2021

Certifications: CompTia A+, Sophos Engineer, Sophos Architect, Datto Level 1, Datto Level 2, Auvik Certified Professional

Education: Associate of Science in Computer Information Systems for Networking and System Administration, Associates of Science 2nd degree for Advanced Cyber Security

Duties and Responsibilities:

As a Systems Engineer, Shane is part of an Elite team that provides Level 3 support. In his daily work, he interacts with Level 2 technicians when they ask for guidance; with other Level 3 colleagues for collaboration; and with the Team Service Manager for assignments, advice, and mentoring. In addition, Shane communicates with clients who may want a technical explanation for the cause of an issue. He also prepares monthly network health check reports that give clients visibility into network management tasks completed behind the scenes.

Relevant Experience:

Accent Computer Solutions, a VC3 Company, Systems Engineer **2022-Present**

Shane started on an elite team, troubleshooting and providing various solutions regarding domain migration cleanup, replication, GPOs, failover WAN and DHCP techniques for high availability and resolving infrastructure bottlenecks. He was quickly promoted to Systems Engineer to assist a different Elite team after the lead tech retired. He provides the same expertise while sharing his knowledge with tier 1 and tier 2 technicians. He also assists other elite teams with projects, scripting, and root cause analysis on cyber threats.

US Government {Public Sector}: Level 3 Cyber Security Engineer **2021-2022**

Held daily cyber security meetings regarding infrastructure breaches, including creating documentation for each department regarding networks, servers, workstations, switches, firewalls, etc. Administered AT&T Cyber Security Platform Alien Vault and conducted internal and external pen tests to determine the root cause of why a cloud migration effort of 54 petabytes of data had PII data compromised. Assisted with the implementation of BYOD policies, physical security policies, accountability, least privilege, and access control policies

Ashby Communications MSP, Level 3 Network Admin/Systems Admin **2020-2021**

Managed networking Issues, outages, network infrastructure design, and onsite projects for approximately 40 clients. Oversaw the access of all network hardware, such as firewalls, switches, and servers. He was responsible for setting up VLANs, troubleshooting, and repair. Migrated multiple clients from flat LAN networks to VLAN. Worked on escalated tickets on the help desk and dispatched technicians when necessary.

Stratti, Level 2 IT Technician **2017-2019**

Helped manage over 800 servers, workstations, laptops, and network hardware, including but not limited to switches, wireless access points, and firewalls. In addition, he worked on all escalation tickets and was the number one escalation point at Stratti.

Drew Corbett, Team Service Manager



Been in the IT Industry since: 2016

Been a member of TeamAccent since: 2022

Certifications: ITILv4

Education: Bachelor of Science, BS, Cyber Security

Duties and Responsibilities:

As a Team Service Manager, Drew is responsible for the day-to-day operation of one of the Elite teams that handle critical issues, tickets escalated from the Help Desk, and ongoing proactive IT management tasks for a specific set of clients.

He is the person who matches up the ticket with the appropriate engineer, but he does a whole lot more than assigning tasks. Drew not only has his finger on the pulse of the team's workflow, but he's also the point of escalation and has opportunities to tackle some troubleshooting of your own.

Relevant Experience:

Accent Computer Solutions, a VC3 Company, Team Service Manager **2022-Present**

The Team Service Manager's responsibility is to deliver value through leading the Elite Team to complete reactive and proactive service requests. The Elite Team is comprised of highly technical Systems: Technicians, Administrators and Engineers. The outcomes of delivering value are to enable business operations, mitigate risks, and ensure timely resolution for all service-related requests.

RNG International Inc., Information Technology Manager **2021-2022**

Directed technical and operational projects on a global scale to establish 100% continuity and cohesion. Implemented policies for network, system, and security administration. Forecast and reduced annual IT budget by 50% using best vendor practices and IT asset management. Created daily and yearly tasks and procedures for IT department employees and ensured standards were met. Consulted senior management to scope and build new IT processes and streamline tasks to increase efficiency. Established security procedures to ensure company compliance standards were met.

Custom Goods LLC – 3PL, Desktop Support Technician **2021**

Performed daily maintenance of servers, firewalls, switches, virtual machines, and access points. Primary Microsoft SharePoint, Exchange, and Azure AD Administrator. Coordinated with Networking MSP and Physical Security Vendors to correct issues quickly. Assisted remote employees using RMM systems, VPN and a variety of remote tools. Imaged Windows Pro and Windows Server on laptops, virtual machines, dedicated servers and tablets. Facilitated as a liaison between departments regarding IT and WMS system.

Prime Healthcare, Helpdesk Support **2020-2021**

United States Army, Information Security Systems Assistant **2018-2020**

Military Intelligence with combat deployments to Helmand and Kandahar

Jonathan Barger, Director of Client Strategy



Been in the IT Industry since: 2000

Been a member of TeamAccent since: 2015

Education: Bachelor of Science, Architectural Studies

Duties and Responsibilities:

Jonathan Barger is the Director of Client Strategy for Accent Computer Solutions, a VC3 Company

The primary objective of his role is to manage the team of Technology Advisors and Procurement Specialists. The teams help clients plan their technology so they can achieve their business goals. They guide technology strategy and vision as trusted technical advisors to clients. They maintain a consistent on-site schedule with each client to provide the following services: Regular onsite Information Technology reviews; consistent participation and communication in strategy meetings and huddles; develop and maintain technology budgets; identify business risks and develop solution strategies with Systems Engineers & Architects.

Jonathan also directs strategic IT planning for businesses in the fields of finance, non-profits, construction, distribution, and manufacturing. Jonathan's background in business ownership help to provide other team members with an understanding of business principles to assist in strategic IT planning in budgeting, forecasting and best practices.

Relevant Experience:

- | | |
|---|----------------------------|
| <p>Accent Computer Solutions, a VC3 Company, Director of Client Strategy, Technology Advisor
 Director for team of Executive-Level Consultants for a range of Managed Services clients, designing and selling Enterprise-Grade IT solutions to meet Small and Medium Business needs. Provide strategic guidance for companies in industries such as: transportation, state and local municipalities, property management, non-profit, manufacturing, legal, CPA, healthcare, distribution, construction, HVAC, event management, medical billing, associations, dairies, logistics, food production, storage and transfer, environmental services, staffing, wealth management, oil, farming, church, mortgage, financial services, and aerospace.</p> | <p>2015-Present</p> |
| <p>MindSHIFT Technologies, vCIO, Systems Engineer
 Executive-Level Consultant for a range of Managed Services clients, designing and selling Enterprise-Grade IT solutions to meet Small and Medium Business needs.</p> | <p>2011-2015</p> |
| <p>CMIT Solutions of Downtown Austin, Systems Engineer & IT Manager
 Technical Business Consultant and field-staff manager, working with small business clients to provide analysis and custom-designed technology solutions.</p> | <p>2008-2010</p> |
| <p>Self-Employed, Business Owner, Consultant
 Technical IT Consulting business offering professional services, support, and product sales.</p> | <p>2000-2008</p> |

Nedal Hamad, Enterprise Technology Architect



Been in the IT Industry since: 1995

Been a member of TeamAccent since: 2006

Certifications: Microsoft Certified Professional, Microsoft Certified Technical Specialist, Microsoft Certified Information Technology Professional, Microsoft Certified Solutions Associate, VMware Certified Professional 5, Cisco Certified Network Associate

Education: Associate of Science, Math and Science

Duties and Responsibilities:

Nedal Hamad is an Enterprise Technology Architect who works closely with the Network Administrators and vCIOs to design and implement the right business technology path for Accent's clients. The Architecture team has extensive knowledge and experience in hardware, software, and network concepts, as well as tools and support best practices related to Accent's clients.

The primary objective of the Technology Architect is to design and deploy an IT infrastructure. Nedal is responsible for the overall architecture and hardware and software compatibility for infrastructure for the existing environment and future technology improvements. He also acts as a Level 3 Escalation point for all of his clients' infrastructure issues.

Relevant Experience:

Accent Computer Solutions, a VC3 Company, Enterprise Technology Architect

2006-Present

Architect, design, scope, and implement IT solutions for companies in industries such as: transportation, state and local municipalities, property management, non-profit, manufacturing, legal, CPA, healthcare, distribution, construction, HVAC, event management, medical billing, associations, dairies, logistics, food production, storage and transfer, environmental services, staffing, wealth management, oil, farming, church, lumber, mortgage, financial services, and aerospace.

Nedal specializes in designing and implementing complex infrastructures with environments from single servers to 80+ servers.

Community National Bank

1999-2005

Supported 270 employees across headquarters and 12 branch offices.

Kristen McCune, Project Manager



Been in the IT Industry since: 2021

Been a member of TeamAccent since: 2021

Education: Bachelor of Sociology, Associate of Math and Science

Duties and Responsibilities:

As Project Manager, Kristen ensures that project budget, scope, and schedule stay on target by managing resources through communication and implementing contingency plans for potential risks. In addition, she is responsible for the successful completion of a variety of IT project scopes, including but not limited to software deployments, large-scale network refreshes, and cloud migrations.

Relevant Experience:

Accent Computer Solutions, a VC3 Company, Project Manager
2021-Present

Manage, design, scope, and implement IT projects for companies in industries such as: transportation, state and local municipalities, property management, non-profit, manufacturing, legal, CPA, healthcare, distribution, construction, HVAC, event management, medical billing, associations, dairies, logistics, food production, storage and transfer, environmental services, staffing, wealth management, oil, farming, church, lumber, mortgage, financial services, and aerospace.

LAH Builders, Project Manager/Operations Manager
2020-2021

Project Managed under a general contractor several hospital TI's that included IT infrastructure cabling and infrastructure coordination. This included project budget management, risk management, document control, cost tracking, and schedule adherence. To ensure projects were on target, she led site walks with sub-tiers, architect, and owner to review project progress and identify and resolve constraints. Followed change management standards by following RFI's generation/resolution process with clients and sub-tiers.

idX Los Angeles, Senior Project Manager
2018-2020

Project managed multi-million dollar projects producing and installing complex casework at airports, hotels, and sports stadiums. She ensured projects stayed on budget, on time, and within scope while ensuring the work was in compliance with plans, RFI's, local building standards, Davis Bacon, prevailing wage, OCIP, OSHA, and Union requirements. Frequently communicated and collaborated with key stakeholders and sub-tiers on progress, changes, and risks.

Craig Calhoun, Centralized Services Team Manager



Been in the IT Industry since: 1984

Been a member of TeamAccent since: 2021

Duties and Responsibilities

Craig is the lead of Accent's integrated team of Centralized Services Technicians. His primary objective is to effectively manage all devices within the Team Accent Managed Service product. This includes but is not limited to the development of managed services tools, centralized management of all devices such as EDR and spam filtering, backup monitoring and management, and tool development.

Relevant Experience:

Accent Computer Solutions, a VC3 Company, Centralized Services Team Manager
2021-Present

The Centralized Services Team Manager's key objective is to reduce the number of reactive tickets by implementing proactive, automated processes that provide value to the client. This role is responsible for developing ways to automate processes to reduce ticket count, ticket time, downtime, and dark time. Documentation in the company "Run Book" is essential. All procedures must be kept current and documented in the Run Book.

Property ID NHD, Information Technology Manager
2019-2021

Responsible for oversight of the infrastructure functions in Los Angeles, Long Beach, Torrance, Walnut Creek, and Las Vegas in support of overall business objectives: servers (VM and Physical), networks, databases, phones, workstations, and printers. Ensured infrastructure availability to support business growth and strategy. Provided technical and process leadership while partnering with all departments to drive the delivery of infrastructure and business applications.

VRL-Eurofins Laboratories, Information Technology Director
2013-2017

Responsible for oversight of the infrastructure functions in Los Angeles in support of overall business objectives: including servers, networks, databases, phones, workstations, and printers. Ensured infrastructure availability to support the business growth and strategy. Provided technical and process leadership while partnering with all departments to drive the delivery of infrastructure and business applications. In addition, he built relationships with departments to balance information technology with ongoing systems reliability.

Abel Vega, Director of Operations



Been in the IT Industry since: 2008

Been a member of TeamAccent since: 2011

Certifications: Microsoft Certified Professional, WatchGuard Certified System Professional, Barracuda Web Filter Certified Engineer, Barracuda Spam Filter Certified Engineer

Duties and Responsibilities:

Abel Vega is the Director of Operations responsible for the Management and Escalated Resolution all of Accent's Clients. This includes the Alpha and Elite teams to achieve the technology results they desire.

The primary objective for the Director of Operations is to ensure consistent support delivery and client satisfaction in regard to all service requests generated. He is responsible for team integration, daily support metrics, and serves as an escalation point for each of the Team Service Managers. This requires working on higher level planning and process improvement to ensure ongoing client satisfaction.

Relevant Experience:

**Accent Computer Solutions, a VC3 Company, Director of Operations, Team Service Manager, Alpha Team Service Manager
2011-Present**

Provide IT system and end user support for companies in industries such as: transportation, state and local municipalities, property management, non-profit, manufacturing, legal, CPA, healthcare, distribution, construction, HVAC, event management, medical billing, associations, dairies, logistics, food production, storage and transfer, environmental services, staffing, wealth management, oil, farming, church, lumber, mortgage, financial services, and aerospace.

Chris Frye, Chief Technology Officer



Been in the IT Industry since: 2006

Been a member of TeamAccent since: 2013

Certifications: Cisco Certified Entry Network Technician, CompTIA A+, Microsoft Certified Technical Specialist, WatchGuard Certified System Professional, Xirrus Certified Sales Associate

Duties and Responsibilities:

Chris Frye is the Chief Technology Officer for Accent Computer Solutions, a VC3 Company. The primary objective of the Chief Technology Officer is to advance technology and increase efficiency for Accent Computer Solutions and its clients. He is responsible for staying up to date on the IT industry, evaluating new technology to stay ahead of the competition, implementing technology and processes to make staff more effective, as well as reviewing and refining existing processes for efficiency.

Relevant Experience:

Accent Computer Solutions, a VC3 Company, Chief Technology Officer, Professional Services Manager **2013-Present**

Implement and support IT systems for companies in industries such as: transportation, state and local municipalities, property management, non-profit, manufacturing, legal, CPA, healthcare, distribution, construction, HVAC, event management, medical billing, associations, dairies, logistics, food production, storage and transfer, environmental services, staffing, wealth management, oil, farming, church, lumber, mortgage, financial services, and aerospace.

Weber Logistics, Help Desk Specialist II **2008-2013**

Provide end-user support to more than 15 warehouses both on and offsite. Manage and prioritize help desk tickets through Numara Software's Track-It ticketing software. Maintain inventory of desktops, laptops, peripherals, printers, and RF guns. Implement new warehouse deployments including the planning and installation of network cabling, WLANs, and LAN switching and routing using Cisco devices. Responsible for the purchasing of necessary network hardware for new installations. Work with local carriers in the purchasing and installation of phone lines, DSL, and T1 connections. Travel to off-site data center for hardware upgrades and power management duties of core network hardware during scheduled maintenance windows. Create and maintain user accounts and Group Policy using Active Directory. Assist users with Office 2003/2010 in a Windows Server 2003 environment. Provide support and setup of Cisco/Grandstream IP phones, HP/Dell printers, Toshiba copiers, Zebra 105SL label printers, Motorola MC9090 and WT4090 mobile devices, and Dell laptops and desktops running Windows XP and Windows 7. Setup and maintain mailboxes on Exchange 2010. Configure new virtual machines with VMWare's vSphere Client.

Circuit City Inc., In Store PC Technician **2006 - 2008**

Provided customer service to end users of desktop and mobile PCs through in person and phone tech support sessions. Performed O.S. installations, upgrades, repairs, and customizations in a Windows XP and Vista environment, as well as hardware upgrades, diagnostics, and software troubleshooting, virus removals, and user account configuration in a workgroup environment.

Derek Woolf, Chief Operating Officer



Been in the IT Industry since: 1999

Been a member of TeamAccent since: 1999

Certifications: VMware Certified Sales Professional. Citrix Certified Sales Professional, Watchguard Certified Sales Professional

Education: Bachelor of Science, Accounting

Duties and Responsibilities:

Derek Woolf is responsible for the overall operations and efficiency of Accent Computer Solutions, a VC3 Company. He has developed and implemented operational efficiencies throughout the organization to constantly improve the customer experience and maintain competitive results.

Derek is also a member of the Technology Advisory team and directs strategic IT planning for businesses in the fields of finance, non-profits, construction, distribution and manufacturing. He directs the management, training and operational teams of Accent to maintain compliance and excellence in areas of security, business planning, best practices alignment, end user support, automation, and project deployment. Derek's background in accounting serves to provide other team members with an understanding of basic finance principles to assist in strategic IT planning in budgeting, forecasting and best practices.

Relevant Experience:

Accent Computer Solutions, a VC3 Company, Chief Operating Officer **1999-Present**

Direct and oversee all areas of operation of Accent Computer Solutions, a VC3 Company, including Centralized Services, Network Administration, Professional Services Delivery, Reactive Support Operations, Technology Advisory Operations, Telecom & Cabling, and Finance.

Vistage International, Key Executive Member **2004 – Present**

Key Executive Member of Vistage group 902 that meets monthly to discuss business management best practices and development. Serves on a virtual board member to 10 other key executives of other businesses to increase operational efficiency and growth.

Washington Mutual Bank **1995 - 1999**

Responsible for cash management, general ledger reconciliation, client relations, account management and implementation.



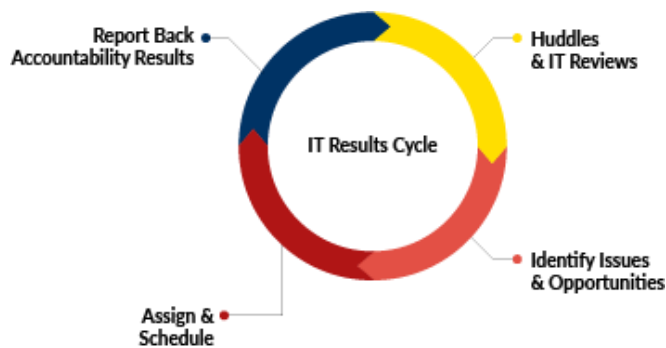
3. Value-Added Services

A. Technology Roadmap

The Technology Advisory consulting team is responsible for determining Santa Ana Watershed Project Authority’s high-level plan and strategic direction with regards to technology. The Technology Advisory team will work with the Santa Ana Watershed Project Authority team to determine strategic goals and objectives. Once the goals and objectives are established, the Technology Advisory team will research and present options to fulfill each need. This team is also responsible for technology budgeting and ensuring that cost effective solutions are implemented. It is the responsibility of this team to ensure that the day-to-day needs are met, as well as verifying the strategic roadmap is in line with the organizational goals and objectives.

Accent Computer Solutions, Inc (Accent) believes that the key to a successful IT services experience is building a partnership and communication rhythm to ensure successful completion of IT projects and accountability.

Accent uses the “IT Results Cycle” to demonstrate value and deliver consistent results. The results cycle requires a continuous, consistent review of the managed environment to identify potential challenges and bottlenecks. Potential challenges are then prioritized and assigned out to responsible resources.



Accent would work closely with the Santa Ana Watershed Project Authority (SAWPA) team to determine priorities and options to move forward. Once the strategy is confirmed, resources are assigned to complete the selected strategy. To complete the cycle, Accent would then report the results to the Santa Ana Watershed Project Authority (SAWPA) team to ensure successful implementation. Accountability communications on at least a monthly basis will be critical to the success of this IT support partnership.



B. Solution Design

The Technology Architecture team is responsible for design and implementation of technology solutions. The Technology Architects are responsible for looking at the infrastructure at a higher level and understanding how each piece works together to present recommendations that will achieve strategic goals.

C. Network and System Monitoring

The Infrastructure Management team is responsible for reducing the “noise”, or tickets, that are generated by the system and its end users through best practice implementation. This team is also responsible for reviewing ticket trends and working with the reactive team to implement solutions and permanent fixes to any ongoing or potential issues. When reviewing the network, they are trained to look at the system and identify risk points that could lead to problems in the future, instead of waiting for something to break and addressing the issue at that point. They review our monitoring system and metrics as well on a weekly basis to identify any potential issues. Accent’s Infrastructure Management team has a revolving checklist of nearly 200 items that are reviewed and verified to ensure that the network continues to operate at a high level. This team is also responsible for maintaining the site documentation.

Accent uses many monitoring tools to monitor SAWPA’s network. SolarWinds N-Central manages all endpoints and reports to on premise listening device (AccentPROBE) to confirm endpoint status. N-Central will auto populate alerts when core devices (Firewall, Switches, Servers, UPS, etc.) go stale. Besides N-Central, Accent also utilizes Auvik. Auvik is used for network discovery, management and monitoring. Auvik allows for real time mapping to review at a glance current network configuration and additional layers of support for troubleshooting SAWPA’s network. Auvik allows Accent to backup and restore network devices configurations to allow for quicker restore time for failed hardware. All these tools are included as part of the monthly agreement.

Alerts are monitored 24/7 and tickets created for engineers to review and troubleshoot. In the event that a core system does not resolve itself or shows signs of poor stability, Accent will reach out to designated POC to review next steps, schedule onsite, and initiate emergency protocol if necessary. A recommendation form Professional Services may be necessary to resolve any production hardware.

D. Remote Backup

Accent has a dedicated Centralized Services team that handles backup management and administration. This team performs daily reviews of backup alerting and dedicates time to rapidly address any changes or repairs needed to assure regular, validated backups are occurring on all critical systems as specified by SAWPA staff. Backup data is automatically sent to secure, encrypted cloud storage to ensure all critical systems can be restored in case of sitewide disaster. A secondary



local copy is also kept for rapid restore in cases when on-premise backups are faster than cloud option.

E. On-Demand Technology Training

We publish articles, post videos, host trainings, and send regular security alerts to clients to keep them educated on the latest things to look out for. We are also partnered with KnowBe4, a leader in ongoing security awareness training, and highly recommend that our clients use their services.

F. Managed Cyber Security

The Cyber Security Services team is responsible for more than just threat monitoring. They also provide efficiency automation, maintenance, security patching, and data integrity verification. They develop and deploy automation to ensure the infrastructure is efficient and secure. This team leverages the experience that comes with monitoring thousands of devices to ensure that the best possible solutions are pushed out to SAWPA's network. This team is also responsible for identifying trends and potential risk points. These items are then brought to the other teams to review and present solutions. Security is the foundation for all IT. Accent will ensure that SAWPA is following all industry standards as well as any compliance, regulation or certifications. Accent security policy is unique to each individual client. Accent will review all threats and best practice with SAWPA. Accent also offers additional security options to secure SAWPA network, data and users.

Security threats are on the rise and employees are often the weakest link. We implement foundational security layers, such as antivirus, antimalware, firewalls, endpoint security, multi-factor authentication, (and much more), but hackers are continuously gaining traction through social engineering.

Accent is a Registered Provider Organization (RPO) recognized by the Cybersecurity Maturity Model Certification Accreditation Body (CMMC-AB) with Registered Practitioners (RPs) on staff. There are only a few companies in California that can claim that distinction. Accent is experienced in NIST, CMMC, HIPAA, SOC, URAC, PCI, and FISMA.

G. Procurement Management

Accent has a dedicated Procurement team who handles quoting, purchasing and follow up on client-initiated orders as well as proposals for larger infrastructure projects. This team can provide quick assistance to get any information needed for products and can source from a variety of locations to provide fast, competitive solutions for any needs that arise.

H. Technical Support, including remote user support

The Reactive Services team is responsible for providing immediate triage of trouble tickets 24/7 that are generated by the IT environment monitoring systems or by the Santa Ana Watershed



Project Authority employees. This team is responsible for quickly reviewing, responding to, and resolving tickets for the Santa Ana Watershed Project Authority team. Along with providing support, they are also responsible for identifying trends and risk points that can then be taken to the infrastructure management and architecture teams to develop permanent solutions going forward. Accent's Reactive Services team answers the phone via live answer in less than 60 seconds on average.

I. Reporting and Communication

Accent is dedicated to customer success. Accent has assigned a dedicated Client Success Manager (CSM) to build and maintain customer relations. The CSM will conduct quality calls to ensure users are working efficiently and productively. CSM also reviews all ticket feedback and will follow-up on all critical issues.

J. IT Policy Review and Development

Accent can assist in reviewing internal IT Policies for SAWPA and can provide templates and consultation to help customize a written IT Policy to meet the needs of the organization. These can be critical to ensure that staff understand acceptable use for IT equipment and that policies are clearly defined to reduce risk to SAWPA as an organization.

K. Implementation Planning and Guidance

Accent's dedicated Project Engineers will be assigned as needed to perform individual projects with SAWPA staff. Each project includes a full Detailed Project Plan that can be reviewed as a Gant chart with estimated timelines and schedules if desired. The Project Engineer and Project Manager will ensure that consistent communications are being delivered throughout the duration of a project so that SAWPA is always up to speed on the progress and impact of changes being made.

L. Onsite Implementation of Business Applications

Project implementation includes any required onsite time as needed and will be specified in the project proposal that is reviewed with SAWPA for their approval. If an upgrade or deployment of a new application is needed, Accent can assist as needed to support SAWPA IT staff with the onsite portion of the deployment and can also provide training to SAWPA IT staff for how-to deploy to endpoints depending on the needs of the project and preferences of SAWPA staff.

Support

1. Technical Support Process

To ensure technical success, Accent designates six different areas of focus with regards to the IT environment. These focus areas are Cyber Security and Compliance, Backup & Disaster Recovery,



Proactive Maintenance & Monitoring, Technology Planning & Advisory, and Technology Upgrades, 24x7 On-Demand Remote & Onsite Support. Accent has included a document with depiction of each of the five focus areas and a brief description within each block. Below is a brief description of the responsibilities of each department.

INFRASTRUCTURE	Essential Cyber Security & Compliance	Backup & Disaster Recovery	Proactive Maintenance & Monitoring
	<ul style="list-style-type: none"> - Basic cyber security risk assessments - Crypto blocking measures - Microsoft security patch management - Virus activity monitoring & remediation - Endpoint security, antivirus & antimalware - Foreign & domestic intrusion prevention process - Spam & web filtering - Firewall, switch, & access point management - Security alerts & policy enforcement - Lockout policies to prevent brute force attacks - Multi-factor authentication - Regulation compliance assistance (Eg. HIPAA, NIST, GDPR, PCI) Advanced (priced separately): - Phishing simulation & end-user training - Deep dive cyber security assessment 	<ul style="list-style-type: none"> - Backup management & administration - Backup restoration testing - Local, offsite, & cloud backup support - Disaster recovery planning - Business continuity planning 	<ul style="list-style-type: none"> - Workstation & server monitoring & maintenance - Internet connectivity & bandwidth monitoring - Network management - Complete network documentation - Email system monitoring & administration - User account administration - Cloud vendor management - Root cause problem investigation - Best practice implementation - Hardware & software inventory - CPU utilization, memory, & drive space monitoring - Event log monitoring - Onsite maintenance
STRATEGY	Technology Planning & Advisory		Technology Upgrades & Changes
	<ul style="list-style-type: none"> - Technology planning & guidance - Regulation compliance assistance - Budget planning - Cloud vendor planning - Project facilitation - Presentations to executive board or stakeholders 	<ul style="list-style-type: none"> - Regular IT business reviews - Vendor management - IT huddles - New technology consulting - Guidance for security improvements - Annual employee technology survey 	<ul style="list-style-type: none"> - Infrastructure design & upgrades - Options to right-size your technology for scalability - Project management & coordination - Vendor management & coordination - Cloud design - Technology rollouts & implementation
SUPPORT	24x7 On-Demand Remote & Onsite Support		
	<ul style="list-style-type: none"> - User set-up & deactivation - Continuous status updates from the time you report it through completion - Fast issue escalation & resolution - Talk to a tech in 30 seconds (6 a.m. to 6 p.m. PT) - One hour or less response time after hours 	<ul style="list-style-type: none"> - Standby Internet if yours goes down - "How to" questions - Internet Service Provider (ISP) management & support - PBX/VoIP phone system triage support - Cloud vendor support 	<ul style="list-style-type: none"> - Line of business application triage support (Eg. ERP, EMR, CRM, accounting, etc.) - Ticket tracking & reporting in customer portal - User satisfaction surveys

The combination of the teams above provides a holistic view of the IT environment. A successful IT services and support partnership cannot be completed without each team successfully completing their portion of the services.

All work order / support troubleshooting requests are managed through ConnectWise Ticketing system. Support requests can be submitted from end user's workstation, email, phone or in person requests. All live calls are answered within an average of 30 seconds or less. All end user workstation or email



submissions are assigned to an engineer within an average of 15 minutes or less. In the event of any business-critical systems, applications, hardware down time, Accent emergency protocol is triggered. In these cases, a ticket is escalated to “Critical” status and cannot be downgraded. Critical Tickets are worked on until closed. A Problem manager is assigned, and hourly updates are initiated. Point of Contact (POC) is informed for preferred update times and best method of communication to deliver updates.

Accent key staff is readily available to SAWPA between the hours of 6AM to 6PM. Key staff can be contacted by phone, email, or text. Any delay in response could be a direct correlation with standing meetings, working with other team members or clients and Time Off.

Support for SAWPA is available 24/7 with after-hours support team. Outside of 6AM to 6PM PST normal business hours, support is triggered by any phone calls that come in after hours. After hours and weekend engineers have one hour from time call is made to the time support is initiated. All alerts and monitoring are monitored 24/7. After hours engineer can escalate to L2 engineer, had has direct communication to after-hours supervisor.

Once support request is submitted, an engineer is assigned within 15 minutes. 95% of all support requests are closed within 24 hours with Alpha Team. Support requests can also be scheduled between the assigned engineer and end user. Accent may need to engage application, hardware, or distributor for extended support. Vendor engagement may delay support times. Critical tickets will be continually worked on or monitored until resolved.

Accent has an after-hours team. After hours and weekends have an average of 1-hour response time. End users can call and leave message. After hours engineer will receive an alert and respond within an hour.

Regular maintenance is scheduled on dedicated monthly reoccurrence. This maintenance is scheduled on a set weekend monthly. All downtime is confirmed and scheduled monthly for Accent or POC to inform users. All workstations and Servers are rebooted and monitored. Any servers not active or online after reboot triggers Accent Emergency Protocol as described above. POC is notified by phone with any issues related to scheduled maintenance. On-site technician will be dispatched with authorization if issues cannot be resolved remotely first. Accent will confirm authorization to enter the premise with POC prior to dispatch.

Service level agreement is enforced by each individual engineer’s metrics. All engineers are required and mandated to meet daily, weekly, monthly and quarterly metrics. All metrics are monitored by engineer’s direct supervisor. This ensures that all service requests are in alignment with service level agreement.



All strategy communication is maintained with a dedicated Technology Advisor (TA). The TA is regularly engaged with client with regular huddles and IT Reviews. During IT Reviews, all system conditions are reviewed and discussed. Any concerns or necessary changes will be addressed. Any remediations will be recommended with proper Executive Summary, Scope of Work, and all costs and labor breakdown.

The TA will assist SAWPA's key management that all IT Systems retain usefulness, viability, compatibility and dependability by review industry standard. TA will provide refresh cycle when hardware and software reaches end of life. Accent will engage with application vendors to maintain proper upgrades and OS requirements. TA is also responsible to lead any strategic discussions for new implementations and future planning.

With a thorough review of your business continuity and disaster recovery goals, you can rest assured that you'll be ready for whatever comes your way. Planning starts with learning about your business continuity goals. Accent has a process focusing on recovery point objective and recovery time objective SAWPA's priorities and expectations, then we go to work from there. Accent will make recommendations for how to achieve that response time, while keeping budget in mind. Accent recommends that all backups are managed both locally and replicated off-site. A dedicated Disaster Recovery server is also recommended to run all production servers in the event of primary hardware failure. In the case of a catastrophic event, off-site backups can be recovered. Accent can assist to restore to recovered data to temporary cloud environment, or rush local hardware restore. A temporary facility will be needed with proper power, internet and connectivity equipment.

Major software upgrades are strategically planned. Accent Computer Solutions, a VC3 Company (Accent) helps keep technology budgets in line by offering fixed fee support & services agreements. The support and maintenance of the SAWPA's environment is all included as part of that monthly fee. Should SAWPA choose to implement additional technology projects, Accent will offer recommendations to address that specific need. You'll get a technology roadmap and refresh plan so that any additional cost outside of the scope of the agreement can be budgeted for well in advance.

Third-party vendor relationships

Accent maintains relationships with third-party vendors to ensure the success of our clients. We have several longstanding vendors and also evaluate new vendors on an ongoing basis. We strive for innovative solutions that never compromise the reliability or stability of the environment.

A few partnerships include:

- WatchGuard
- VMware
- Microsoft Gold
- Cisco



- Dell
- HP
- Bitdefender
- SolarWinds
- AWS
- KnowBe4
- Barracuda

2. Reporting Capabilities

Accent uses a ticketing system that allows tracking of all support issues and resolution details. Reports on issue type, frequency of user support requests, alerting issues, and many other metrics can easily be run on-demand and provided to SAWPA staff.

3. Documentation

All devices, maintenance, installations, performance, and changes are all recorded and maintained within Accent ticketing system ConnectWise. This also includes all support requests tied to individual applications, systems, or hardware. Accent also uses this system to implement new solutions for persistent or reoccurring issues. All employees serving SAWPA have access to this system. This allows for large scale visibility to support SAWPA. All communication for support requests is documented and updated through each support ticket. This allows for ease of communication throughout troubleshooting.

At the end of the agreement period, Accent will deliver all configs to SAWPA. These documents can be delivered both physically and /or securely digitally.

All documentation is confidential and held to HIPAA and compliance laws and regulations. All transmission of data would be encrypted and secure to HIPAA and compliance laws and regulations. Only designated SAWPA representative will be authorized to receive documentation. Admin access to devices have password complexity enabled and Multi-Factor enabled. All Admin level access is changed in accordance with compliance and regulations. Accent will also assist SAWPA when new compliance and regulations standards need to be updated or implemented.

4. Training

Accent has a well-developed library of online help, knowledge base articles, training and education that is freely available online. These can be used for staff training and education any time. Additional remote or onsite training for specific services can be provided as needed for staff. Accent also strongly recommends subscription to a security-specific training platform such as KnowBe4, which provides in-



depth technical training and anti-phishing training. If SAWPA is subscribed to licensing, Accent manages and administrates this solution as part of the security offering in their agreements.

5. Information Sharing

Accent maintains strict security protocols for any information sharing to limit the risk of exposure or breach of client environments. Accent utilizes encrypted file or data sharing links when needed to provide business critical information and prefers to share high risk information such as user login information over the phone directly to minimize risk of electronic breach.

6. Customer Satisfaction

Accent uses a short client satisfaction survey upon closing all user-initiated support tickets. Accent strongly values all client feedback and reviews all comments to make ongoing improvements to the service we provide. Periodic detailed support surveys can also be sent out to gather feedback on staff experience both with Accent support and IT experience in general throughout the organization.

Financials

1. We use a fixed-fee IT services based on user count and complexity of the environment, with some variable based on data usage for backups and other licensing usage.
2. Service-specific Charges
 - A. Technology Roadmap – included in agreement
 - B. Solution Design – included in agreement
 - C. Network and Email System Monitoring – included in agreement
 - D. Remote Backup – included in agreement
 - E. On-Demand Technology Training – management included in agreement, KnowBe4 licensing billed during renewal
 - F. Managed Cyber Security – included in agreement
 - G. Procurement Management – included in agreement
 - H. Technical Support – included in agreement
 - I. Reporting and communication – included in agreement
 - J. Implementation planning and guidance – included in agreement
 - K. On-site implementation of business applications – proposal for specific deployment can be created based on scope of project.



Description (Includes Support for Both Main Building and BLOC location)	Updated Price (Monthly)
Unlimited Support of 5 Physical and 11 Virtual Servers: **Automated Microsoft Patch Management **Windows System Monitoring **Security Monitoring (IDS/IPS) **Event Log Monitoring **Performance Monitoring and Reporting **Drive Space Monitoring and Administration **Microsoft Exchange/Office 365 Monitoring and Admin	Included
Unlimited Workstation Management **Unlimited 24 Hour Support	Included
Unlimited Email Support **Unlimited Outlook/Office 365Support **Unlimited Spam filter support	Included
Unlimited 24/7/365 Technical Support **Unlimited Remote Support for All SAWPA Employees **Reactive Help Desk **Average Time to Answer Support Call – 23 Seconds **12 Month Customer Service Score of 98% **Reactive On-site (Unlimited Tier 2 Support for SAWPA IT Staff) **Domain User Account Admin **Client Portal for Ticket Entry / Review	Included
Unlimited On-Site Maintenance **Best Practice Implementation **Documentation for all locations **Recurring Issue Analysis **Proactive Deep Dive Process	Included
Antivirus (for Servers and Workstations) **Monitoring and Patching **Renewals	Included
Unlimited Security Management **Firewall Management and Patching **VPN Management **Policy Management **Intrusion Detection/Intrusion Prevention **Security Updates and Renewals	Included
Professional Services Automation System Provided **Ticketing system provided for (2) Users **Daily Ticket Assignment	Included
OpenDNS Web Filtering & Malware Protection	Included



CIO Consulting (As requested) **Business Planning and Guidance **Weekly IT Strategy and Review Meetings **Weekly Executive Team Meetings **Weekly Department Management Meetings **Monthly Key Performance Indicator Submission **Automated Software/Hardware Inventory **Voice/Data Services Review and Inventory	Included
Unlimited Toshiba Phone System Support **Unlimited Technical Support **Unlimited Telephone Programming	Included
Unlimited Vendor Management **Voice/Data Services Review and Inventory	Included
Backup and Disaster Recovery Solution, Licensing and Daily Management	\$500.00
Offsite Storage for Disaster Recovery in Certified Data Center (5.9TB @ \$.15 per GB)	\$885.00
Price Per Regular User (Based on 30 Users @ \$85/EA)	\$2,550.00
Price Per Board of Director User (Based on 1 Users @ \$45/EA)	45
Managed Security Agreement **Advanced Intrusion Detection Services **Data Loss Prevention Services **Internal & External Vulnerability Scanning **Office 365 Azure AD Premium Licensing (39 Licenses) **Office 365 Advanced Threat Protection (39 Licenses)	\$828.00
Multifactor Authentication Licensing (30 Licenses)	85.5
Office 365 NCE Licensing ** (3) M365 Business Premium Licenses ** (6) Visio Plan 2 Licenses ** (31) Office 365 E3 Licenses ** (8) Office 365 E1 Licenses ** (5) Project Plan 1 Licenses	\$999.00
Total Price	\$5,892.50 (\$70,710.00 Annually)

Orientation / Onboarding Plan	Rate (Mo)	
	Rate (Annual)	
No Onboarding Cost - Network Management Services Currently Provided	No Cost	No Cost



Service Description	Rate (Mo)	
	Rate (Annual)	
Desktop Support (On-Site)	\$150/Hour	\$150/Hour
Desktop Support (Remote)	Unlimited	Unlimited
Server Support	Unlimited	Unlimited
Advanced Server Support	Unlimited	Unlimited
Firewall Support	Unlimited	Unlimited
Planning and Design Services	Unlimited	Unlimited
Travel Costs	Unlimited	Unlimited
Project Related Labor Rates	\$175/Hour	\$175/Hour

3. Service Bundles

Accent offers discounted bundle when combining advanced security agreement additions to a primary support agreement, compared to the price of each component if added separately.

Licenses & Certifications

Accent team members are required to hold technical certifications in the common technologies we support. We also provide weekly ongoing technical and customer service training to staff to make sure knowledge and support strategies are distributed throughout our entire team. That way, you get a great experience no matter who you're talking to.

We are WatchGuard Partners, VMware Partners, Microsoft Gold Partners with the following associated competencies:

- Cloud Productivity
- Datacenter
- Small to Midmarket Cloud Solutions

Here are a few certifications held by our team members:

- CompTIA A+
- Microsoft Technology Associate (MTA)
- Microsoft Certified Solutions Associate (MCSA)
- Microsoft Certified Solutions Expert (MCSE)
- Cisco Certified Network Associate (CCNA)
- WatchGuard Certified System Professional (WCSP)
- CompTIA Security+
- Certified Cloud Security Professional (CCSP)
- VMware Certified Professional (VCP)
- Cisco Certified Entry Networking Technician (CCENT)
- O365 Admin (Small Business)



- Barracuda Web/Spam Filter
- M365/Email Security
- CompTIA Network+
- Microsoft Certified IT Professional (MCITP)
- StorageCraft Engineer
- Certified Information Systems Security Professional (CISSP)
- CISM (Certified Information Security Manager)
- CNSS 4011, 4012 Recognition
- CompTIA Server+
- Certified SonicWall Security Administrator (CSSA)
- Microsoft Certified Technology Specialist (MCTS)
- ITIL Foundation
- Citrix Winframe Admin/Associate
- Xirrus Certified Wireless Technician (XCWT)
- VCP Foundations 6.5
- Microsoft Certified Professional (MCP)
- Shortel Certified Implementation Specialist
- Mitel MiVoice Connect Certified
- Certified Client Success Managers on staff recognized by SuccessCOACHING



Exhibit "A"

Firm Summary Sheet

Firm Name: Accent Computer Solutions, a VC3 Company
Firm Parent or Ownership: VC3
Firm Address: 8438 Red Oak Street, Rancho Cucamonga, CA 91730
Firm Telephone Number: 909.481.4368 Firm Fax Number: 909-481-4376
Firm Website: www.teamaccent.com
Number of years in existence: 35

Management Contact (person responsible for direct contact with the SAWPA and services required for this Request for Proposals):

Name: Corey Kaufman
Title: General Manager
Telephone Number: 951-312-0177
Fax: 909-481-4376
Email: coreyk@teamaccent.com

Project Manager (Person responsible for day-to-day servicing of the account):

Name: Jonathan Barger
Title: Director of Client Strategy
Telephone Number: 909-552-3082
Fax: 909-481-4376
Email: jonathanb@teamaccent.com

Types of services provided by the firm: IT Managed services, Cyber-Security Managed Services, IT Project Services, IT Advisory Services.



Exhibit "B"

SAWPA

CERTIFICATION OF PROPOSALS

1. The undersigned hereby submits its proposal and, by doing so, agrees to furnish services to SAWPA in accordance with the Request for Proposals (RFP), dated November 21st, 2022, and to be bound by the terms and conditions of the RFP.
2. This firm has carefully reviewed its proposal and understands and agrees that SAWPA is not responsible for any errors or omissions on the part of the proposer and that the proposer is responsible for them.
3. It is understood and agreed that SAWPA reserves the right to accept or reject any or all proposals and to waive any informality or irregularity in any proposal received by SAWPA.
4. The proposal includes all of the commentary, figures and data required by the Request for Proposals, dated November 21st, 2022
5. The proposal shall be valid for 90 days from November 21st, 2022.

Name of Firm: Accent Computer Solutions, a VC3 Company

By: *Jonathan Barger*

(Authorized Signature)

Print Name: Jonathan Barger

Title: Director of Client Strategy

Date: 11-18-2022



Exhibit "C"

SAWPA

CONTRACTOR'S ACKNOWLEDGEMENT OF COMPLIANCE WITH INSURANCE REQUIREMENTS FOR INFORMATION TECHNOLOGY CONSULTING AND SUPPORT SERVICES REQUEST FOR PROPOSALS

Contractor agrees, acknowledges and is fully aware of the insurance requirements as specified in **Insurance Requirements in the General Services Agreement "Exhibit E"** of the Request for Proposals for Information Technology Consulting and Support Services, and accepts all conditions and requirements as contained therein.

Name of Firm: Accent Computer Solutions, a VC3 Company

By: Jonathan Barger
(Authorized Signature)

Print Name: Jonathan Barger

Title: Director of Client Strategy

Date: 11-18-2022

This executed form must be submitted with the Certification of Proposals.



Exhibit "D"

SAWPA

DECLARATION OF POLITICAL CONTRIBUTIONS

Using the space provided below, please list any political contributions of money, in-kind services, or loans made to any member of SAWPA Council within the last twelve (12) months by the applicant and all of applicants, employees, including any employee(s) that applicant intends to assign to perform the work or services described in Agreement dated 11-21-2022. If none, please state so:

To the best of my knowledge, I declare under penalty of perjury that the foregoing is true and was executed at:

City: Plano

State: TX

Date: 11-18-2022

Name of Business Accent Computer Solutions, a VC3 Company

Print Name: Jonathan Barger

Signature: *Jonathan Barger*



EXHIBIT "E"

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

This Agreement is made this ___ day of _____, 20__ by and between the Santa Ana Watershed Project Authority ("SAWPA") located at 11615 Sterling Ave., Riverside, California, 92503 and _____ ("Consultant") whose address is _____.

RECITALS

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

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

AGREEMENT

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

ARTICLE I

TERM OF AGREEMENT

1.01 This agreement shall become effective on the date first above written and shall continue until **December 31, 20__**, unless extended or sooner terminated as provided for herein.

ARTICLE II

SERVICES TO BE PERFORMED

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



performed by Consultant, the amount of compensation to be paid, and the expected time of completion.

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

ARTICLE III

COMPENSATION

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

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

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

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

ARTICLE IV

CONSULTANT OBLIGATIONS

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

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

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



4.04 Insurance Coverage: Consultant shall procure and maintain for the duration of this Agreement insurance against claims for injuries or death to persons or damages to property which may arise from or in connection with the performance of the work hereunder and the results of that work by the Consultant, its agents, representatives, employees or sub-contractors.

4.04(a) Coverage - Coverage shall be at least as broad as the following:

1. Commercial General Liability (CGL) - Insurance Services Office (ISO) Commercial General Liability Coverage (Occurrence Form CG 00 01) including products and completed operations, property damage, bodily injury, personal and advertising injury with limit of at least two million dollars (\$2,000,000) per occurrence or the full per occurrence limits of the policies available, whichever is greater. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location (coverage as broad as the ISO CG 25 03, or ISO CG 25 04 endorsement provided to SAWPA) or the general aggregate limit shall be twice the required occurrence limit.

2. Automobile Liability – (if necessary) Insurance Services Office (ISO) Business Auto Coverage (Form CA 00 01), covering Symbol 1 (any auto) or if Consultant has no owned autos, Symbol 8 (hired) and 9 (non-owned) with limit of one million dollars (\$1,000,000) for bodily injury and property damage each accident.

3. Workers' Compensation Insurance - as required by the State of California, with Statutory Limits, and Employer's Liability Insurance with limit of no less than \$1,000,000 per accident for bodily injury or disease.

4. Professional Liability - (Also known as Errors & Omission) Insurance appropriate to the Consultant profession, with limits no less than \$1,000,000 per occurrence or claim, and \$2,000,000 policy aggregate.

5. Cyber Liability Insurance (Technology Professional Liability – Errors and Omissions) – If Consultant will be providing technology services, limits not less than \$2,000,000 per occurrence or claim, and \$2,000,000 aggregate or the full per occurrence limits of the policies available, whichever is greater. Coverage shall be sufficiently broad to respond to the duties and obligations as is undertaken by Consultant in this Agreement and shall include, but not be limited to, claims involving infringement of intellectual property, including but not limited to infringement of copyright, trademark, trade dress, invasion of privacy violations, information theft, damage to or destruction of electronic information, release of private information, alteration of electronic information, extortion and network security. The policy shall provide coverage for breach response costs as well as regulatory fines and penalties as well as credit monitoring expenses with limits sufficient to respond to these obligations.

If the Consultant maintains broader coverage and/or higher limits than the minimums shown above, SAWPA requires and shall be entitled to the broader coverage and/or higher limits maintained by the Consultant. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to SAWPA.



4.04(b) If Claims Made Policies:

1. The Retroactive Date must be shown and must be before the date of the contract or the beginning of contract work.
2. Insurance must be maintained and evidence of insurance must be provided **for at least five (5) years after completion of the contract of work.**
3. If coverage is canceled or non-renewed, and not **replaced with another claims-made policy form with a Retroactive Date** prior to the contract effective date, the Consultant must purchase “extended reporting” coverage for a minimum of **five (5) years** after completion of contract work.

4.04(c) Waiver of Subrogation: The insurer(s) named above agree to waive all rights of subrogation against SAWPA, its elected or appointed officers, officials, agents, authorized volunteers and employees for losses paid under the terms of this policy which arise from work performed by the Named Insured for the Agency; but this provision applies regardless of whether or not SAWPA has received a waiver of subrogation from the insurer.

4.04(d) Other Required Provisions - The general liability policy must contain, or be endorsed to contain, the following provisions:

1. **Additional Insured Status:** SAWPA, its directors, officers, employees, and authorized volunteers are to be given insured status (at least as broad as ISO Form CG 20 10 10 01), with respect to liability arising out of work or operations performed by or on behalf of the Consultant including materials, parts, or equipment furnished in connection with such work or operations.
2. **Primary Coverage:** For any claims related to this project, the Consultant’s insurance coverage shall be primary at least as broad as ISO CG 20 01 04 13 as respects to SAWPA, its directors, officers, employees and authorized volunteers. Any insurance or self-insurance maintained by the Member Water Agency its directors, officers, employees and authorized volunteers shall be excess of the Consultant’s insurance and shall not contribute with it.

4.04(e) Notice of Cancellation: Each insurance policy required above shall provide that coverage shall not be canceled, except with notice to SAWPA.

4.04(f) Self-Insured Retentions - Self-insured retentions must be declared to and approved by SAWPA. SAWPA may require the Consultant to provide proof of ability to pay losses and related investigations, claim administration, and defense expenses within the retention. The policy language shall provide, or be endorsed to provide, that the self-insured retention may be satisfied by either the named insured or SAWPA.

4.04(g) Acceptability of Insurers - Insurance is to be placed with insurers having a current A.M. Best rating of no less than A: VII or as otherwise approved by SAWPA.



4.04(h) Verification of Coverage – Consultant shall furnish SAWPA with certificates and amendatory endorsements or copies of the applicable policy language effecting coverage required by this clause. All certificates and endorsements are to be received and approved by SAWPA before work commences. However, failure to obtain the required documents prior to the work beginning shall not waive the Consultant’s obligation to provide them. SAWPA reserves the right to require complete, certified copies of all required insurance policies, including policy Declaration pages and Endorsement pages.

4.04(i) Subcontractors - Consultant shall require and verify that all subcontractors maintain insurance meeting all the requirements stated herein, and Consultant shall ensure that SAWPA, its directors, officers, employees and authorized volunteers are additional insureds on Commercial General Liability Coverage.

4.05 Consultant hereby covenants and agrees that SAWPA, its officers, employees, and agents shall not be liable for any claims, liabilities, penalties, fines or any damage to property, whether real or personal, nor for any personal injury or death caused by, or resulting from, or claimed to have been caused by or resulting from, any negligence, recklessness, or willful misconduct of Consultant. To the extent permitted by law, Consultant shall hold harmless, defend at its own expense, and indemnify SAWPA, its directors, officers, employees, and authorized volunteers, against any and all liability, claims, losses, damages, or expenses, including reasonable attorney’s fees and costs, arising from all acts or omissions of Consultant or its officers, agents, or employees in rendering services under this Agreement and any Task Order issued hereunder; excluding, however, such liability, claims, losses, damages or expenses arising from SAWPA’s sole negligence or willful acts.

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

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

4.08 Consultant shall comply with all local, state and federal laws, rules and regulations including those regarding nondiscrimination and the payment of prevailing wages, if required by law.

ARTICLE V

SAWPA OBLIGATIONS

5.01 SAWPA shall:



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

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

ARTICLE VI

ADDITIONAL SERVICES, CHANGES AND DELETIONS

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

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

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

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

ARTICLE VII

CONSTRUCTION PROJECTS: CONSULTANT CHANGE ORDERS

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

ARTICLE VIII

TERMINATION OF AGREEMENT



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

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

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

ARTICLE IX

CONSULTANT STATUS

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

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

ARTICLE X

AUDIT AND OWNERSHIP OF DOCUMENTS

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

10.02 Consultant shall retain and maintain, for a period not less than four years following termination of this Agreement, all time records, accounting records, and vouchers and all other records with respect to all matters concerning services performed, compensation paid and expenses reimbursed. At any time during normal business hours and as often as SAWPA may



deem necessary, Consultant shall make available to SAWPA's agents for examination of all such records and will permit SAWPA's agents to audit, examine and reproduce such records.

ARTICLE XI

MISCELLANEOUS PROVISIONS

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

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

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

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

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

11.06 Any dispute which may arise by and between SAWPA and the Consultant, including the Consultants, its employees, agents and subcontractors, shall be submitted to binding arbitration. Arbitration shall be conducted by a neutral, impartial arbitration service that the parties mutually agree upon, in accordance with its rules and procedures. The arbitrator must decide each and every dispute in accordance with the laws of the State of California, and all other applicable laws. Unless the parties stipulate to the contrary prior to the appointment of the arbitrator, all disputes shall first be submitted to non-binding mediation conducted by a neutral, impartial mediation service that the parties mutually agree upon, in accordance with its rules and procedures.

11.07 During the performance of the Agreement, Consultant and its subcontractors shall not unlawfully discriminate, harass, or allow harassment against any employee or applicant for employment because of sex, race, color, ancestry, religious creed, national origin, physical disability (including HIV and AIDS), mental disability, medical condition (cancer), age (over 40),



Exhibit “F”

Services / Capabilities and Hourly Costs

Services	In-House Capable	Sub Contracted	Costs (Hourly)	Description	Additional Info
Network Administration / Server Maintenance and Notification / Scheduled Onsite Maintenance / 24 x 7 IT Tech Support / VMWare Support	Yes	No	Included	All maintenance, monitoring and support of the existing SAWPA infrastructure is included in the Managed Services Agreement as detailed previously.	
On Boarding Costs if applicable	N/A				
Watchguard / MFA support	Yes	No	Included		
Cybersecurity Monitoring and support	Yes	No	Included		
KnowBe4 support	Yes	No	Included		
Office 365 support	Yes	No	Included		
OnBase Support	No	No	Included		Triage included
Microsoft Dynamics Support	No	No	Included		Triage included
Multi Media Tech Support	Yes	Yes	\$175	Depending on the project scope this could be handled in house	Subcontractor utilized for large roll outs
Additional Services					
On Site Staff (4 Hours per Week Dedicated)	Yes	No	\$70	Rates are discounted for more dedicated hours.	
Projects	Yes	No	\$175	New Technology Implementations are scoped and completed with SAWPA Approval	
Network Security Audit	Yes	No	\$175	Basic Security assessments included as part of MSA	Advanced Assessments are scoped as projects
Hardware / Software Audit	Yes	No	Included	Basic Hardware / Software Audits included as part of MSA	

Description (Includes Support for Both Main Building and BLOC location)	Updated Price (Monthly)	
Unlimited Support of 5 Physical and 11 Virtual Servers: **Automated Microsoft Patch Management **Windows System Monitoring **Security Monitoring (IDS/IPS) **Event Log Monitoring **Performance Monitoring and Reporting **Drive Space Monitoring and Administration **Microsoft Exchange/Office 365 Monitoring and Admin	Included	
Unlimited Workstation Management **Unlimited 24 Hour Support	Included	
Unlimited Email Support **Unlimited Outlook/Office 365Support **Unlimited Spam filter support	Included	
Unlimited 24/7/365 Technical Support **Unlimited Remote Support for All SAWPA Employees **Reactive Help Desk **Average Time to Answer Support Call – 23 Seconds **12 Month Customer Service Score of 98% **Reactive On-site (Unlimited Tier 2 Support for SAWPA IT Staff) **Domain User Account Admin **Client Portal for Ticket Entry / Review	Included	
Unlimited On-Site Maintenance **Best Practice Implementation **Documentation for all locations **Recurring Issue Analysis **Proactive Deep Dive Process	Included	
Antivirus (for Servers and Workstations) **Monitoring and Patching **Renewals	Included	
Unlimited Security Management **Firewall Management and Patching **VPN Management **Policy Management **Intrusion Detection/Intrusion Prevention **Security Updates and Renewals	Included	
Professional Services Automation System Provided **Ticketing system provided for (2) Users **Daily Ticket Assignment	Included	
OpenDNS Web Filtering & Malware Protection	Included	
CIO Consulting (As requested) **Business Planning and Guidance **Weekly IT Strategy and Review Meetings **Weekly Executive Team Meetings **Weekly Department Management Meetings **Monthly Key Performance Indicator Submission **Automated Software/Hardware Inventory **Voice/Data Services Review and Inventory	Included	
Unlimited Toshiba Phone System Support **Unlimited Technical Support **Unlimited Telephone Programming	Included	
Unlimited Vendor Management **Voice/Data Services Review and Inventory	Included	
Backup and Disaster Recovery Solution, Licensing and Daily Management	\$500.00	
Offsite Storage for Disaster Recovery in Certified Data Center (5.9TB @ \$.15 per GB)	\$885.00	
Price Per Regular User (Based on 30 Users @ \$85/EA)	\$2,550.00	(2% annual escalator)
Price Per Board of Director User (Based on 1 Users @ \$45/EA)	45	(2% annual escalator)
Managed Security Agreement **Advanced Intrusion Detection Services **Data Loss Prevention Services **Internal & External Vulnerability Scanning **Office 365 Azure AD Premium Licensing (39 Licenses) **Office 365 Advanced Threat Protection (39 Licenses)	\$828.00	(2% annual escalator)
Multifactor Authentication Licensing (30 Licenses)	85.5	

Office 365 NCE Licensing ** (3) M365 Business Premium Licenses ** (6) Visio Plan 2 Licenses ** (31) Office 365 E3 Licenses ** (8) Office 365 E1 Licenses ** (5) Project Plan 1 Licenses		Will track MS pricing
	\$999.00	
Total Price (monthly)	\$5,892.50	
Year 1	\$70,710.00	
Year 2 (monthly)	\$5,960.96	
Year 2	\$71,531.52	
Year 3 (monthly)	\$6,030.79	
Year 3	\$72,369.48	
Year 4 (monthly)	\$6,102.02	
Year 4	\$73,224.24	
Total for 4 years	\$287,835.24	

Orientation / Onboarding Plan	Rate (Mo)	Rate
No Onboarding Cost - Network Management Services Currently Provided	No Cost	No Cost
Service Description	Rate (Mo)	Rate
Desktop Support (On-Site)	\$150/Hour	\$150/Hour
Desktop Support (Remote)	Unlimited	Unlimited
Server Support	Unlimited	Unlimited
Advanced Server Support	Unlimited	Unlimited
Firewall Support	Unlimited	Unlimited
Planning and Design Services	Unlimited	Unlimited
Travel Costs	Unlimited	Unlimited
Project Related Labor Rates	\$175/Hour	\$175/Hour

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COMMISSION MEMORANDUM NO. 2022.77

DATE: December 6, 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 6, 2022 | Item No. 7.B

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.



MEMORANDUM

To: Santa Ana Watershed Project Authority
From: Andrew D. Turner
Re: AB 2449
Date: September 27, 2022

On September 13, Governor Newsom signed AB 2449 (B. Rubio) into law. AB 2449 amends the Brown Act to expand the use of remote/teleconference meetings in the post-AB 361 world without having to comply with the existing Brown Act agenda, posting and public accessibility requirements. Specifically, AB 2449 amends Government Code Sections 54953 and 54954.2 to address those issues.

EXISTING TELECONFERENCE REQUIREMENTS: By way of background, the Brown Act allows for teleconference meetings in Government Code Section 54953(b). That statute requires: (i) posting agendas at each teleconference location (i.e., each location from where a director was calling in); (ii) each teleconference location must be identified in the agenda; (iii) each teleconference location must be accessible to the public; and (iv) during the teleconference, at least a quorum of the members of the legislative body must participate “from locations within the boundaries of the territory over which the local agency exercises jurisdiction.” These requirements remain in place after AB 2449 takes effect on January 1, 2023.

AB 361 COVID-19 CHANGES: In light of COVID-19, the Legislature enacted AB 361 that took effect on October 1, 2021, to provide exceptions to the above-referenced requirements. AB 361 will remain in effect until January 1, 2024 and then will be repealed. It also will cease to be in effect if COVID-19 conditions improve, as discussed below.

For a local agency to proceed under AB 361, it must make one of the following two findings when its board adopts the continuing AB 361 resolution:

(A) The local agency is holding a meeting during a proclaimed state of emergency, and state or local officials have imposed or recommended measures to promote social distancing; **or**

(B) The local agency is holding a meeting during a proclaimed state of emergency and has determined, by majority vote, that, as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees.

When state or local health authorities withdraw their recommendations for social distancing and if a governing board is also not able to adopt a finding that meeting in person would present an imminent risk to the health or safety of attendees, then local agencies would not be able to rely upon AB 361 to avoid compliance with the Brown Act’s teleconference requirements stated above, even if the proclaimed state of emergency remains in place. In addition, if Governor Newsom terminates the proclaimed state of emergency, then local agencies similarly would not be able to rely upon AB 361.

AB 2449: 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 discussed above when some (i.e., less than a quorum) 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.

Participation Requirements: However, for an agency to proceed under the procedures established by AB 2449, it must observe the requirement that **at least a quorum** of the members of the legislative body participates **in-person** from a singular, physical location clearly identified on the agenda, open to the public, and situated within the boundaries of the territory over which the local agency exercises jurisdiction. **Under AB 2449, it would not be permissible to have the entirety of the board participate remotely.**

Reasons Supporting Remote Participation: Remote participation under AB 2449 is allowed only for specified reasons — either because of a “just cause” or as a result of “emergency circumstances.” Those two reasons have different requirements that must be observed and have their own unique restrictions. See the table on next page for more details.

Technological Requirements: Under the terms of AB 2449, an agency must provide *at least* one of the following so that the public may remotely observe the meeting and provide comments:

- A two-way audiovisual platform (defined to mean an online platform that provides participants with the ability to participate in a meeting via both an interactive video conference and a two-way telephonic function); and/or
- A two-way telephonic service *and* a live webcasting of the meeting (defined to mean a telephone service that does not require internet access, is not provided as part of a two-way audiovisual platform and allows participants to dial a telephone number to listen and verbally participate).

In each instance where the agency gives notice of the teleconferenced meeting, the agenda must identify and include an opportunity for all persons to attend and address the legislative body via a call-in option, internet-based service option, and at the in-person location of the meeting.

Under what conditions may Board members use AB 2449? 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 “<u>just cause</u>,” 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>“<u>Just cause</u>” 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 “<u>emergency circumstances</u>” <i>and</i> 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</p>

	<p>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> 	

CONCLUSION: The provisions in AB 2449 are optional. There is nothing in the law that precludes an agency from observing the existing Brown Act requirements in the conduct of their meetings. It must also be emphasized that the provisions of AB 2449 are extremely limited and would not apply in a situation where a Board member is on a personal vacation. In that instance, the agency would need to comply with the existing teleconference requirements.

As mentioned above, the remote meeting rules enacted in AB 361 will expire on January 1, 2024, or possibly sooner if COVID-19 conditions improve. AB 2449's rules remain in effect through December 31, 2025. After January 1, 2026, unless further legislation is adopted, only the pre-pandemic, traditional Brown Act rules will remain in effect.