



S A W P A

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

Meeting Access Via Computer (Zoom):	Meeting Access Via Telephone:
<ul style="list-style-type: none"> • https://sawpa.zoom.us/j/82518269105 	<ul style="list-style-type: none"> • 1 (669) 900-6833
<ul style="list-style-type: none"> • Meeting ID: 825 1826 9105 	<ul style="list-style-type: none"> • Meeting ID: 825 1826 9105

This meeting will be conducted in person at the address listed above. As a convenience, members of the public may also participate virtually using one of the options set forth above. Any member of the public may listen to the meeting or make comments to the Commission using the call-in number or Zoom link above. However, in the event there is a disruption of service which prevents the Authority from broadcasting the meeting to members of the public, the meeting will not be postponed or rescheduled but will continue without remote participation. The remote participation option is provided as a convenience to the public and is not required. Members of the public are welcome to attend the meeting in-person.

REGULAR COMMISSION MEETING TUESDAY, DECEMBER 17, 2024 – 9:30 A.M.

AGENDA

1. **CALL TO ORDER/PLEDGE OF ALLEGIANCE** (Bruce Whitaker, 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).

Members of the public may make comments in-person or electronically for the Commissions' consideration by sending them to publiccomment@sawpa.gov with the subject line "Public Comment". Submit your electronic comments by 5:00 p.m. on Monday, December 16, 2024. All public comments will be provided to the Chair and may be read into the record or compiled as part of the record. Individuals have a limit of three (3) minutes to make comments and will have the opportunity when called upon by the Commission.

4. **ITEMS TO BE ADDED OR DELETED**

Pursuant to Government Code §54954.2(b), items may be added on which there is a need to take immediate action and the need for action came to the attention of the SAWPA Commission subsequent to the posting of the agenda.

5. **CONSENT CALENDAR**

All matters listed on the Consent Calendar are considered routine and non-controversial and will be acted upon by the Commission by one motion as listed below.

- A. **APPROVAL OF MEETING MINUTES: DECEMBER 3, 2024**7
Recommendation: Approve as posted.

6. **NEW BUSINESS**

- A. **RESOLUTION IN SUPPORT FOR THE CONTINUED INVESTMENT IN PLANNING FOR THE DELTA CONVEYANCE PROJECT (CM#2024.71)**.....13
Presenter: Jeff Mosher
Recommendation: To adopt Resolution No. 2024-7 in support of the continued investment in planning for the Delta Conveyance Project.

B.	<u>FISCAL YEAR 2023-2024 REPORT ON AUDIT (CM#2024.72)</u>19 Presenter: Karen Williams Recommendation: To receive and review the Annual Comprehensive Financial Report (ACFR) for the Fiscal Year Ended June 30, 2024, which includes the Report on Audit prepared by C.J. Brown & Company CPAs, then: 1. Accept the ACFR, including the Report on Audit as prepared by C.J. Brown & Company CPAs; and 2. Direct staff to file the Report with the respective government agencies as required by law; and 3. Direct staff to submit the ACFR, with any necessary changes, for the Certificate of Achievement for Excellence in Financial Reporting Award.
C.	<u>DEPARTMENT OF WATER RESOURCES' CALIFORNIA STREAM GAGE IMPROVEMENT PROGRAM FUNDING OPPORTUNITY (CM#2024.73)</u>169 Presenter: Haley Gohari Recommendation: To Authorize SAWPA Staff to apply on behalf of the Santa Ana River Watershed under Department of Water Resources' (DWR) California Stream Gage Improvement Program (CalSIP) funding opportunity for new or upgraded stream gages on natural waterways.
D.	<u>CONTRACT AMENDMENT JEFF MOSHER</u>257 Presenter: Jeff Mosher Recommendation: To approve the First Amendment to Employment Agreement between the Santa Ana Watershed Project Authority and Jeff Mosher and authorize the Commission Chair to execute the First Amendment.
E.	<u>ADOPT RESOLUTION NO. 2024-8 IN RECOGNITION OF BRUCE WHITAKER</u>259 Presenter: Jeff Mosher Recommendation: To adopt Resolution No. 2024-8 in recognition of Bruce Whitaker.
7.	<u>INFORMATIONAL REPORTS</u> Recommendation: Receive for information.
A.	<u>CASH TRANSACTIONS REPORT – OCTOBER 2024</u>261 Presenter: Karen Williams
B.	<u>INTER-FUND BORROWING – OCTOBER 2024 (CM#2024.74)</u>267 Presenter: Karen Williams
C.	<u>PERFORMANCE INDICATORS/FINANCIAL REPORTING – OCTOBER 2024 (CM#2024.75)</u>273 Presenter: Karen Williams
D.	<u>PROJECT AGREEMENT 25 – OWOW FUND – FINANCIAL REPORT, SEPTEMBER 2024</u>295 Presenter: Karen Williams
E.	<u>PROJECT AGREEMENT 26 – ROUNDTABLE FUND – FINANCIAL REPORT, SEPTEMBER 2024</u>299 Presenter: Karen Williams

F. **FIRST QUARTER FYE 2025 EXPENSE REPORT**303
 • General Manager
 • Staff
 Presenter: Karen Williams

G. **BUDGET VS ACTUAL VARIANCE REPORT FYE 2025 FIRST QUARTER –
SEPTEMBER 30, 2024 (CM#2024.76)**.....307
 Presenter: Karen Williams

H. **FINANCIAL REPORT FOR THE FIRST QUARTER ENDING SEPTEMBER 30, 2024**315
 Presenter: Karen Williams

I. **STATE LEGISLATIVE REPORT**333
 Presenter: Jeff Mosher

J. **GENERAL MANAGER REPORT**
 Presenter: Jeff Mosher

K. **CHAIR’S COMMENTS/REPORT**

L. **COMMISSIONERS’ COMMENTS**

M. **COMMISSIONERS’ REQUEST FOR FUTURE AGENDA ITEMS**

8. CLOSED SESSION

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

9. 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.gov 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.gov, 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 12, 2024, a copy of this agenda has been uploaded to the SAWPA website at www.sawpa.gov and posted at SAWPA's office at 11615 Sterling Avenue, Riverside, California.

2024 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
1/2/24 Commission Workshop [cancelled] 1/16/24 Regular Commission Meeting	2/6/24 Commission Workshop 2/20/24 Regular Commission Meeting
March	April
3/5/24 Commission Workshop [cancelled] 3/19/24 Regular Commission Meeting	4/2/24 Commission Workshop 4/16/24 Regular Commission Meeting [cancelled]
May	June
5/7/24 Commission Workshop [cancelled] 5/21/24 Regular Commission Meeting 5/7 – 5/9/24 ACWA Spring Conference, Sacramento, CA	6/4/24 Commission Workshop 6/18/24 Regular Commission Meeting
July	August
7/2/24 Commission Workshop 7/16/24 Regular Commission Meeting	8/6/24 Commission Workshop 8/20/24 Regular Commission Meeting
September	October
9/3/24 Commission Workshop 9/17/24 Regular Commission Meeting	10/1/24 Commission Workshop 10/15/24 Regular Commission Meeting
November	December
11/5/24 Commission Workshop 11/19/24 Regular Commission Meeting	12/3/24 Commission Workshop 12/17/24 Regular Commission Meeting 12/3 – 12/5/24 ACWA Fall Conference, Palm Springs, CA

2025 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
1/7/25 Commission Workshop [cancelled] 1/21/25 Regular Commission Meeting	2/4/25 Commission Workshop 2/18/25 Regular Commission Meeting
March	April
3/4/25 Commission Workshop 3/18/25 Regular Commission Meeting	4/1/25 Commission Workshop 4/15/25 Regular Commission Meeting
May	June
5/6/25 Commission Workshop 5/20/25 Regular Commission Meeting 5/13 – 5/15/25 ACWA Spring Conference, Monterey, CA	6/3/25 Commission Workshop 6/17/25 Regular Commission Meeting
July	August
7/1/25 Commission Workshop 7/15/25 Regular Commission Meeting	8/5/25 Commission Workshop 8/19/25 Regular Commission Meeting
September	October
9/2/25 Commission Workshop 9/16/25 Regular Commission Meeting	10/7/25 Commission Workshop 10/21/25 Regular Commission Meeting
November	December
11/4/25 Commission Workshop 11/18/25 Regular Commission Meeting	12/2/25 Commission Workshop 12/16/25 Regular Commission Meeting 12/2 – 12/4/25 ACWA Fall Conference, San Diego, CA

SAWPA COMPENSABLE MEETINGS

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.gov/sawpa-calendar/>

MONTH OF: DECEMBER 2024

DATE	TIME	MEETING DESCRIPTION	LOCATION
12/3/24	8:30 AM	PA 23 Committee Mtg	CANCELLED
12/3/24	10:00 AM	PA 24 Committee Mtg	Hybrid (SAWPA & Virtual/Teleconference)
12/9/24	1:30 PM	MSAR TMDL Task Force Mtg	Virtual/Teleconference
12/10/24	8:30 AM	PA 22 Committee Mtg	CANCELLED
12/16/24	9:30 AM	Emerging Constituents Program Task Force Mtg	Virtual/Teleconference
12/19/24	9:30 AM	Basin Monitoring Program Task Force Mtg	Virtual/Teleconference
12/19/24	4:00 PM	LESJWA Board of Directors Mtg	Hybrid (Elsinore Valley MWD, 31315 Chaney Street, Lake Elsinore, CA 92530 & Virtual/Teleconference)

MONTH OF: JANUARY 2025

DATE	TIME	MEETING DESCRIPTION	LOCATION
1/7/25	10:00 AM	PA 24 Committee Mtg	Hybrid (SAWPA & Virtual/Teleconference)
1/15/25	1:00 PM	Lake Elsinore/Canyon Lake TMDL Task	Virtual/Teleconference
1/29/25	1:30 AM	MSAR TMDL 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
DECEMBER 3, 2024**

COMMISSIONERS PRESENT

Bruce Whitaker, Chair, Orange County Water District
Mike Gardner, Vice Chair, Western Municipal Water District
T. Milford Harrison, Secretary-Treasurer, San Bernardino Valley
Municipal Water District [via – zoom]
David J. Slawson, Eastern Municipal Water District
Jasmin A. Hall, Inland Empire Utilities Agency [via – zoom]

COMMISSIONERS ABSENT

None

**COMMISSIONERS PRESENT;
NON-VOTING**

Gil Botello, Alternate, San Bernardino Valley Municipal Water District
Denis Bilodeau, Alternate, Orange County Water District

STAFF PRESENT

Jeff Mosher, Karen Williams, Shavonne Turner, David Ruhl, Rachel
Gray, Marie Jauregui, Dean Unger, John Leete, Sara Villa, Zyanya
Ramirez

OTHERS PRESENT

Andrew D. Turner, Lagerlof, LLP; Nick Kanetis, Eastern Municipal
Water District; Derek Kawaii, Western Municipal Water District;
Kayla Arias, Orange County Sanitation District; Leo Ferrando, San
Bernardino Valley Municipal Water District; Robert Ennis, Riverside
Public Utilities; Hye Jin Lee, City of Chino; Beth Olhasso, West
Coast Advisors; Michael Boccadoro, West Coast Advisors; Steven
Wolosoff, GEI Consultants; Kwabena Asante, GEI Consultants; Mike
Antos, Stantec; Hannah Mize, Rincon Consultants

The Regular Meeting of the Santa Ana Watershed Project Authority Commission was called to order at 9:30 a.m. by Chair Bruce Whitaker on behalf of the Santa Ana Watershed Project Authority, 11615 Sterling Avenue, Riverside, California, and T. Milford Harrison located at JW Marriott Desert Springs 74-855 Country Club Drive, Room #7096, Palm Desert, CA 92260, and Commissioner Jasmin A. Hall participating remotely under the “Just Cause” option of AB 2449 as she is attending the Colorado River Water User Association (CRWUA) Conference.

1. CALL TO ORDER

2. ROLL CALL

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

3. PUBLIC COMMENTS

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

4. ITEMS TO BE ADDED OR DELETED

There were no items to be added or deleted.

5. CONSENT CALENDAR

A. APPROVAL OF MEETING MINUTES: NOVEMBER 19, 2024

Recommendation: Approve as posted.

B. TREASURER’S REPORT: OCTOBER 2024

Recommendation: Approve as posted.

MOVED, to approve the Consent Calendar as posted.

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

6. **NEW BUSINESS**

A. **LETTER OF SUPPORT FOR CONTINUED INVESTMENT IN PLANNING FOR THE DELTA CONVEYANCE PROJECT (CM#2024.67)**

Jeff Mosher referenced the memo and letter of support and provided a brief report for the continued investment in planning for the Delta Conveyance Project (Project), contained on pages 19-22 of the agenda packet.

The Project is being considered for funding approval by the Metropolitan Water District (MWD) to support planning, design, and environmental mitigation efforts. The Project aims to address future water supply challenges in California, particularly as climate change is projected to reduce Delta water availability by 600,000 acre-feet per year. The Project would replace 400,000 acre-feet of that loss, but still leave a shortfall. The funding approval would ensure the Project stays on track, enabling design innovations and cost-effective solutions. Mr. Mosher requested a letter of support for the project to be considered for Commission approval.

Commissioner Gardner noted that this request was made on behalf of Western Municipal Water District and stated that this project is critical not only to each of our agencies, but also to the region. The Department of Water Resources (DWR) projects that, due to climate change, we will lose 600,000 acre-feet of Delta water annually in the coming years. The Project would help recover 400,000 acre-feet of that loss, though a shortfall would remain. As we know, water conditions on the Colorado River are also changing, and California is likely to receive less water than it currently does. If MWD decides not to fund the ongoing studies for the project, it could at best delay the effort and, at worst, cause it to fail. That would be a significant setback for everyone. Both the Administration and DWR are in favor of this project, and he believes it is extremely important for us to support it.

Commissioner Gardner requested adopting a resolution instead of submitting a letter of support. A resolution carries more weight, especially with elected officials, many of whom sit on the MWD Board and it would have a greater impact and convey a stronger message to the board. The legal Counsel recommended submitting the letter of support now, with language indicating that a resolution will be forthcoming, and agendaizing the resolution for the next meeting.

MOVED, to authorize the General Manager to send a letter of support for continued investment in planning for the delta conveyance project.

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

B. EXTENSION OF AGREEMENT WITH WEST COAST ADVISORS FOR LEGISLATIVE AFFAIRS (CM#2024.68)

Jeff Mosher provided a verbal report to the Commission requesting approval to extend the West Coast Advisors' (WCA) Agreement to provide state legislative affairs services for an additional period of one (1) year for an amount not to exceed \$117,000.00. WCA has been SAWPA's legislative consultant for several years and their current contract expires in December 2024; rather than going out for a Request for Proposal (RFP), it is requested that the agreement be extended for one year. Beth Olhasso and Michael Boccadoro of WCA host weekly legislative calls with member agency staff and provide an up-to-date view of what is going on in Sacramento, such as tracking things that are relevant to SAWPA, IRWM funding, budget, future bonds, and how the operations are working with the Department of Water Resources. It is a huge benefit for SAWPA to continue to have these services. Beth Olhasso noted he appreciates the opportunity and looks forward to a continued relationship.

MOVED, to authorize the General Manager to extend the West Coast Advisors' (WCA) Agreement to provide state legislative affairs services for an additional period of one (1) year for an amount not to exceed \$117,000.00.

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

C. AMENDMENT TO THE OWOW STEERING COMMITTEE GOVERNANCE DOCUMENT – APPOINTMENT OF ALTERNATE REPRESENTATIVES (CM#2024.69)

Jeff Mosher referenced the memo and Amendment to the OWOW Steering Committee Governance Document, contained on pages 27-32 of the agenda packet.

The OWOW Steering Committee consists of county supervisors from the three counties in our watershed, as well as mayors representing municipalities in each of those counties. Given the busy schedules of these members, and the constant struggles of having a quorum for the meetings, it is recommended to designate an alternate representative. Commissioner Brenda Dennstedt is the convener of the OWOW Steering Committee and Commissioner Milford Harrison serves on the committee.

This item has been discussed at the most recent OWOW Steering Committee meeting, and the committee recommended this change for approval. However, this amendment must be approved by the Commission. The proposed change would allow steering committee members to designate an alternate, who could then represent them at steering committee meetings. The members would need to provide a written notice of their alternate, though it would be entirely voluntary. We request that the Commission consider approving this change to the governance document, allowing for the designation of alternate representatives for Steering Committee members.

Commissioner Harrison noted that this change is meant to support our County Supervisors, who are often overwhelmed with numerous responsibilities and may frequently be called away from their jurisdiction. They would likely designate their chiefs of staff or other key staff members as alternates, ensuring continuity and preventing gaps in attendance rather than having an empty seat at the table.

MOVED, to approve the Amendment to the Santa Ana IRWMP “One Water One Watershed” Governance document dated January 15, 2013, allowing for the appointment of alternate representatives.

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

D. SANTA ANA RIVER WATERSHED CLIMATE ADAPTATION AND RESILIENCE PLAN REQUEST FOR PROPOSALS (CM#2024.70)

Rachel Gray provided a presentation on Santa Ana River Watershed Climate Adaptation and Resilience Plan – Request for Proposals, contained in the agenda packet on pages 37-55.

SAWPA staff recommends that the Commission authorize the General Manager to issue a Request for Proposal (RFP) to develop a Climate Adaptation and Resilience Plan (CARP) for the watershed. This plan will address climate change risks and vulnerabilities affecting water resources, ecosystems, and communities in the region. The grant program initially awarded \$644,190 by the Governor’s Office of Planning and Research (now the Governor’s Office of Land Use and Climate Innovation), funds projects that assess climate risks, develop resilience priorities, and build local capacity. The CARP will serve as a strategic framework for adapting to climate change by implementing regional and local strategies. Its goals include supplementing existing plans, promoting multi-jurisdictional collaboration, and enabling future funding for resilience projects from both member agencies and other stakeholders.

The RFP is part of the process to secure a consultant to develop the CARP, which will be managed by SAWPA overseeing the grant. The process will involve a Technical Advisory Committee to engage with stakeholders, identify vulnerabilities, and develop adaptation strategies. Additionally, the Southern California Climate Collaborative (ISC3), led by UC Riverside’s School of Public Policy, will oversee community engagement, and a Community Advisory Panel will collaborate with identified community organizations. Tribal communities will also have a role in the process, focusing on climate risks specific to their communities within the watershed.

The overall goal is to ensure collaboration across various stakeholders, manage grant funds effectively, and integrate input from local communities and tribes into the resilience planning process. The work plan for the CARP will serve as the project’s roadmap, outlining key milestones, deliverables, and timelines. The first task for the selected consultant is to develop this work plan, along with a public and agency engagement strategy to involve all watershed stakeholders. This will include identifying data needs and reviewing available planning documents to avoid duplicating existing efforts in the region. The process will involve a series of workshops organized by member agency service areas to assess climate risks, vulnerabilities, and potential adaptation strategies. These workshops will help prioritize projects and refine the overall plan. To complement the workshops, online surveys will be used to gather additional input.

Community and tribal engagement efforts will be incorporated into the CARP, ensuring that local perspectives are included in the planning process. The engagement will also involve meetings with staff from member agencies and planning managers. Regular updates and reports will be provided to the Commission to keep them informed on the progress of the project.

Ms. Gray noted that the proposed schedule is as follows: Request the Commission's approval to release the RFP. The deadline for consultants to submit inquiries will be December 20th, with the deadline for submitting proposals set for January 20th. If interviews are required, they will take place shortly after. An update on the consultant selection process will be provided to the Commission by the end of January. The final consultant selection and approval will be brought back to the Commission for approval on February 18th.

MOVED, to authorize the General Manager, or his designee, to issue a Request for Proposals to develop a Climate Adaptation and Resilience Plan for the Santa Ana River Watershed.

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

7. **INFORMATIONAL REPORTS**

Recommendation: Receive for Information.

A. **GENERAL MANAGER REPORT**

Jeff Mosher reported that he will be at the ACWA Conference this week and will be presenting on cloud seeding. SAWPA staff received preliminary draft information from the validation consultant, and he will be presenting the expected benefits.

Mr. Mosher noted there is a positive benefit from cloud seeding in the northeast area, specifically the San Bernardino Mountains. There was also some benefit in the southeast, but not as much. However, there was no benefit observed in the northwest or southwest areas, which was not entirely unexpected either, considering this is just the first year of the pilot. While the results are still being reviewed from a staff perspective, the important takeaway is that cloud seeding is working in some areas, though not as much in others, which is why we are conducting this pilot study. It is all part of validating the process and understanding its effectiveness in different regions. Mr. Mosher noted he will provide a copy of the presentation to the Commissioners.

B. **CHAIR'S COMMENTS/REPORT**

There were no Chair comments received.

C. **COMMISSIONERS' COMMENTS**

Commissioner Gardner noted that the California Water for All Coalition is hosting a reception on the Starbucks patio at 6 p.m. It will be a casual opportunity to discuss what happened last year and the goals for this year. Beverages and snacks will be provided. Anyone interested in attending is welcome to join.

D. **COMMISSIONERS' REQUEST FOR FUTURE AGENDA ITEMS**

Commissioner Gardner requested a future agenda item for the adoption of a resolution for the Delta Conveyance Project.

Chair Whitaker recessed the meeting at 10:06 a.m. for Closed Session.

8. CLOSED SESSION

A. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Section 54956.9: one case | PFAS Regional Analysis Phase II Update

B. PURSUANT TO GOVERNMENT CODE SECTION 54957 – PUBLIC EMPLOYEE ANNUAL PERFORMANCE EVALUATION

Title: General Manager

9. CLOSED SESSION REPORT

Chair Whitaker resumed the Open Session at 11:03 a.m. and Legal Counsel, Andy Turner announced that the Commission received a report from Counsel; no action was taken on Agenda Items No. 8.A. and 8.B.

10. ADJOURNMENT

There being no further business for review, Chair Whitaker adjourned the meeting at 11:04 a.m.

Approved at a Regular Meeting of the Santa Ana Watershed Project Authority Commission on Tuesday, December 17, 2024.

Bruce Whitaker, Chair

Attest:

Sara Villa, Clerk of the Board

COMMISSION MEMORANDUM NO. 2024.71

DATE: December 17, 2024

TO: SAWPA Commission

SUBJECT: Resolution in Support for the Continued Investment in Planning for the Delta Conveyance Project

PREPARED BY: Jeff Mosher, General Manager

RECOMMENDATION

It is recommended that the Commission adopt Resolution No. 2024-7 in support of the continued investment in planning for the Delta Conveyance Project.

DISCUSSION

On Monday, December 9, 2024, Metropolitan Water District of Southern California's (Metropolitan) One Water Committee will review a \$141.6 million funding agreement with the Department of Water Resources (DWR) to advance planning and pre-construction for the Delta Conveyance Project (DCP). Should the committee recommend approval, the Metropolitan Board will consider the agreement during their regularly scheduled meeting on Tuesday, December 10.

This decision is needed to keep the DCP on track and ensure that the necessary studies are completed to support an informed decision is ultimately made to move this project into construction. The project supports 27 million Californians. With more than 50% of our water supply flowing to us from Northern California through the Delta, this project is critical to ensure water reliability for our region.

Specifically, this funding agreement includes the approval of \$141.6 million to support the next phase of the DCP, including continued planning, design, and environmental mitigation efforts. This work would keep the DCP on track, enabling Metropolitan and the DWR to address design innovations and refine the project to ensure it is cost-effective and equitable.

On Tuesday, December 3, 2024, the Commission approved a letter of support that included a recommendation to adopt a resolution for continued investment in planning for the Delta Conveyance Project.

RESOURCE IMPACTS

None.

Attachment:

1. Resolution No. 2024-7
2. Letter of Support

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RESOLUTION NO. 2024-7

A RESOLUTION OF THE COMMISSIONERS OF THE SANTA ANA WATERSHED PROJECT AUTHORITY IN SUPPORT FOR THE CONTINUED INVESTMENT IN PLANNING FOR THE DELTA CONVEYANCE PROJECT

WHEREAS, the Santa Ana Watershed Project Authority Commission are committed to supporting policies and projects which seek to further support water supply reliability for residents within the Santa Ana Watershed region and across California. The Commission encourages infrastructure modernization in the Sacramento-San Joaquin Delta (Delta) to develop a more efficient and reliable water supply future for the State Water Project (SWP) system. This includes supporting the Delta Conveyance Project (DCP); and

WHEREAS, the Santa Ana Watershed Project Authority Commission and agencies in the surrounding region have made significant investments over several decades to develop a water supply portfolio that utilizes local water resources including brackish groundwater desalination, local groundwater pumping, stormwater capture, and recycled water. Although Southern California has reduced water usage by nearly 50 percent and continues to increase usage of local water, the region will continue to rely on imported supplies to sustain our communities; and

WHEREAS, the existing conveyance system in the Delta can be improved to be more sustainable and reliable for 27 million Californians who depend on the SWP. The system can be enhanced to withstand the changing climate, which is characterized by more prolonged droughts, followed by increasingly intense atmospheric river events and a less consistent snowpack. The existing distribution system is also susceptible to wide-spread outages as a result of seismic events; and

WHEREAS, ensuring a long-term Delta solution is a critical economic issue. Water from the Delta is used to irrigate croplands in California, for both domestic food production and international trade. In addition, the service area served by the SWP would rank as the world's eighth-largest economy; and

WHEREAS, construction of the DCP will not expand existing water rights or increase the amount of water exported from the Delta. The project will allow SWP contractors to maximize their water right allotments during years of normal and heavy precipitation, without sacrificing flows for animal species in the Delta or the environment; and

WHEREAS, water from the Delta is also of superior quality and is used for groundwater recharge projects which aim to help the State replenish local groundwater basins. The high-quality water can also result in lowered treatment costs for drinking and recycled water. These factors culminate in the DCP being an affordable source of imported water. When compared to other water supply projects, investing in the DCP is a cost-effective alternative, and therefore supports affordability goals.

WHEREAS, continued funding is necessary to ensure that the DCP remains on track, enabling completion of essential studies and refinement of the project to ensure it is

cost-effective, equitable, and capable of supporting an informed decision for its progression into construction; and

NOW, THEREFORE BE IT RESOLVED, that the Commission of the Santa Ana Watershed Project Authority does hereby adopt this resolution in support of the continued investment in planning for the Delta Conveyance Project.

ADOPTED THIS 17th day of December, 2024.

SANTA ANA WATERSHED PROJECT AUTHORITY

By: _____
Bruce Whitaker, Chair

Attest:

Sara Villa, Clerk of the Board



Santa Ana Watershed Project Authority

Over 50 Years of Innovation, Vision, and Watershed Leadership

December 3, 2024

The Honorable Tracy Quinn
Chair, One Water and Stewardship Committee
Metropolitan Water District of Southern California
700 N Alameda Street
Los Angeles, CA 90012

Subject: Support for Continued Investment in Planning for the Delta Conveyance Project

Dear Chair Quinn,

On behalf of Santa Ana Watershed Project Authority (SAWPA), I am writing to express our support for the Metropolitan Water District of Southern California's (Metropolitan) continued participation and investment in the Delta Conveyance Project (DCP). Specifically, we urge Metropolitan to vote in favor of the \$141.6 million funding agreement with the Department of Water Resources (DWR) to complete planning and preconstruction efforts associated with the DCP. The DCP is a critical infrastructure project that will make California more resilient in the face of changing hydrology. SAWPA supports infrastructure modernization in the Sacramento-San Joaquin Delta (Delta) to develop a more reliable water supply future for California.

SAWPA serves as a collaborative regional agency working to protect and enhance the Santa Ana River Watershed's water resources. Our mission encompasses integrated water supply reliability, water quality improvement, recycled water management, and groundwater sustainability. By leveraging regional partnerships, SAWPA ensures that the watershed's water resources are managed for maximum beneficial use in an economically and environmentally responsible manner.

As you know, roughly 27 million Californians rely on the State Water Project (SWP) for their daily water needs, yet the existing conveyance system is unsustainable and threatens water supply reliability. The Inland Empire has been a model for water efficiency, decreasing use by nearly 50%, which has improved our water reliability. However, conservation alone cannot create enough water supply to meet our current and future needs. Ensuring a long-term Delta solution is critical for our water security, food security, and economic viability. The State Water Project (SWP) service area alone ranks as the world's eighth-largest economy; we must be responsible for protecting and improving our most fundamental resource, which will allow our great state to flourish while maintaining the lifestyle Californian's enjoy.

Because of our changing climate and state regulatory restrictions, the existing delta conveyance facilities will lose an estimated 600,000 acre-feet per year. Investments to modernize the DCP are the most cost-effective alternative to replace this supply loss and support the state's affordability goals. In addition to the project's affordability, water from the Delta has an important water quality benefit. This high-quality water source is imperative to reduce salinity impacts in recycled water and is ideal for groundwater replenishment projects. A more reliable Delta conveyance system would enable water managers to maximize groundwater replenishment efforts to create additional local supplies for dry years in the most financially sound way.

Bruce Whitaker
Chair
Orange County
Water District

Mike Gardner
Vice Chair
Western Municipal
Water District

T. Milford Harrison
Secretary-Treasurer
San Bernardino Valley
Municipal Water District

David J. Slawson
Commissioner
Eastern Municipal
Water District

Jasmin A. Hall
Commissioner
Inland Empire
Utilities Agency

Jeffrey J. Mosher
General Manager

Letter to Metropolitan Water District of Southern California

December 3, 2024


Page 2

SAWPA respectfully urges the Metropolitan Board of Directors to vote in favor of the \$141.6 million funding agreement with DWR. This funding will allow DWR to complete the DCP planning, and provide the needed information to make a well-informed decision on future construction.

The SAWPA Commission will be voting on a formal resolution supporting the DCP at the next Commission meeting.

If you have any questions, please do not hesitate to reach out to me at jmosher@sawpa.gov or (951) 840-0428.

Sincerely,

A handwritten signature in black ink that reads "Jeff J Mosher". The signature is written in a cursive, slightly slanted style.

Jeffrey J. Mosher
General Manager
Santa Ana Watershed Project Authority

cc: Board of Directors, Metropolitan Water District of Southern California

COMMISSION MEMORANDUM NO. 2024.72

DATE: December 17, 2024
TO: SAWPA Commission
SUBJECT: Fiscal Year 2023-2024 Report on Audit
PREPARED BY: Karen Williams, DGM/CFO

RECOMMENDATION

It is recommended that the Commission receive and review the Annual Comprehensive Financial Report (ACFR) for the Fiscal Year Ended June 30, 2024, which includes the Report on Audit prepared by C.J. Brown & Company CPAs, then:

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

DISCUSSION

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

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

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

SAWPA is pleased to report that the financial statements presented herein, contain no qualifications or reportable conditions. This indicates that SAWPA's financial reporting meets generally accepted GAAP, it is compliant with applicable State and Federal laws and regulations, and internal controls are sufficient to safeguard against material errors or fraud.

Christopher Brown (Audit Partner) will be available to answer questions regarding SAWPA's FY 2023-24 Report on Audit (financial statements).

RESOURCE IMPACTS

The FY 2023-24 Audit contains no financial deficiencies to report.

Attachments:

1. FYE 2024 ACFR
2. Report on Internal Controls and Compliance
3. SAWPA Management Report June 30, 2024



**SANTA ANA WATERSHED
PROJECT AUTHORITY**

Annual Comprehensive Financial Report

For Fiscal Years Ended June 30, 2024 and 2023

Riverside, California

Santa Ana Watershed Project Authority
Riverside, CA

Annual Comprehensive Financial Report

For the Fiscal Year
Ended June 30, 2024

Prepared by the
Finance Department

11615 Sterling Avenue, Riverside California 92503

951.354.4220 www.sawpa.org

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INTRODUCTORY SECTION





Santa Ana Watershed Project Authority

Over 50 Years of Innovation, Vision, and Watershed Leadership

December 17, 2024

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

We are pleased to present the Santa Ana Watershed Project Authority's (hereinafter referred to as "the Authority") Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2024.

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

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

The Authority's financial statements have been audited by C.J. Brown & Company CPAs, a firm of licensed certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the Authority for the fiscal year ended June 30, 2024, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the Authority's financial statements for the fiscal year ended June 30, 2024, are fairly presented in conformity with GAAP. The Independent Auditor's Report is presented as the first component of the financial section of this report.

Bruce Whitaker
Chair
Orange County
Water District

Mike Gardner
Vice Chair
Western Municipal
Water District

T. Milford Harrison
Secretary-Treasurer
San Bernardino Valley
Municipal Water District

David J. Slawson
Commissioner
Eastern Municipal
Water District

Jasmin A. Hall
Commissioner
Inland Empire
Utilities Agency

Jeffrey J. Mosher
General Manager

Reporting Entity and Its Services

Governmental Structure

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

Service Area

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

Vision

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

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

Mission

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

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

Our Values

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

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

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

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

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

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

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

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

Inland Empire Brine Line

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

This 53-year-old utility was built as the fundamental method of salt export for the region. Historic import of water for agricultural purposes has increased the salinity of many groundwater basins within the Watershed. Removing salt by means of the Brine Line allows the Watershed to work towards achieving salt balance – a key Watershed goal and indicator of sustainability. Salt is removed from brackish groundwater by reverse osmosis desalters, which discharge the concentrated brine into the Brine Line. The treated water from the desalters is delivered for consumption as potable water. Brine disposal will be essential to support water recycling efforts and economic growth within the Watershed.

Integrated Regional Watershed Planning (IRWP)

SAWPA has been involved in watershed and regional integrated water resource planning since its formation. The Santa Ana River Watershed Integrated Regional Water Management Plan (IRWMP) called the One Water One Watershed (OWOW) 2.0 Plan was adopted in February 2014 and updated in 2018. Using a decentralized stakeholder involvement process as well as involving experts from all fields and areas within the Watershed, an extraordinarily collaborative and visionary plan was prepared to address water challenges over the next two decades. The Plan addresses climate change; water supply reliability; water and land use; water quality improvement; flood control and storm water runoff; water use efficiency; water recycling; parks, recreation and open space; disadvantaged and tribal communities; and environment and habitat. Through this integration of water resource management strategies along with workgroups (or pillars) designated for each strategy, scarce resources will be leveraged, and cost-effective solutions will be developed to address a multiplicity of water challenges using an integrated multi-beneficial approach.

In an extension of the foundational work of the OWOW Plan, SAWPA is developing a community-informed, stakeholder-driven, and implementation focused Climate Adaptation and Resilience Plan in support of funding regional planning and implementation projects that address the impacts of climate change risks in the Santa Ana River Watershed. The Authority received a grant from the Governor's Office of Land Use and Climate Innovation. The Integrated Climate Adaptation and Resilience Plan (ICARP) Regional Resilience Grant Program (RRGP) will help us develop a well-rounded and representative plan. The plan will be executed to capture three essential perspectives: public agency stakeholders, the community, and the Tribal Nations and their communities located within the Santa Ana River Watershed.

Roundtables

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

Economic Conditions and Outlook

Local Economy

The economic outlook for the Inland Empire is posed for both challenges and opportunities in the coming year. With a diverse economic landscape encompassing industries such as logistics, manufacturing, healthcare, and technology, the region has shown resilience in the face of economic uncertainties. Factors such as population growth, housing trends, and the development of key infrastructure projects are likely to play crucial roles in shaping the economic trajectory. The Inland Empire's prime location as a transportation hub, with close proximity to major ports, positions it for sustained growth in logistics and distribution. However, global economic uncertainties and the shifting dynamics of work in the post-pandemic era could pose challenges. To navigate these complexities and capitalize on

emerging opportunities, collaboration among stakeholders—policymakers, businesses, and residents—will be essential for fostering sustainable economic development in the region. Monitoring key indicators such as employment rates, real estate trends, and industry-specific developments will be essential for a comprehensive understanding of the region’s economic outlook.

Sound Financial Policies

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

Financial Planning

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

Reserves Policy

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

Investment Policy

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

Debt Administration

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

Major Initiatives and Accomplishments

The fiscal year ending 2024 was another busy year for the Authority. While the Authority administered the day-to-day operations of the JPA, operated the Brine Line Enterprise and Capital Improvement Program, administered the OWOW Program, including several grant programs, served as the Lake Elsinore & San Jacinto Watersheds Authority administrator, conducted regional planning activities, and facilitated many stakeholder task force work groups all while dealing with the aftermath of a global pandemic. The Authority also began work on a new grant project, developing the Santa Ana River Watershed Climate Adaptation

and Resilience Plan. Some of the major accomplishments for fiscal year 2024 are listed on the following pages.

Brine Line Enterprise

Engineering

- Continued work on the Brine Line Master Plan including meeting with member and other agencies. The draft Master Plan is anticipated in August 2024.
- Completed the draft Reach IV-B condition assessment. The Final Report is anticipated in September 2024.
- Conducted the Reach IV condition assessment field inspection work and completed the draft Reach IV condition assessment report.
- Issued a Request for Proposal (RFP) and awarded contract for the Reach IV-D condition assessment. Conducted the field inspection work and completed the draft Reach IV-D condition assessment report.
- Completed construction of the Agua Mansa Lateral.
- Continued to implement the Pretreatment Program (PTP). Performed 64 on-site discharger inspections, 71 monitoring (or sampling) events at discharger locations, 60 monitoring (or sampling) events at the Santa Ana Regional Interceptor (SARI) Metering Station, issued 2 new permits, and reissued 27 existing permits. Issued 11 liquid waste hauler permit amendments and 1 discharger amendment.
- Submitted 14 reports (monthly, quarterly, semi-annual and annual) to Orange County Sanitation District (OC San) detailing, at a minimum, pretreatment program activities and industrial compliance.
- Conducted and completed individual agency audits with no major findings identified.
- Approved a Discharger Lease Agreement with the City of Beaumont to lease 30,000 gallons per day of capacity.
- Continued to coordinate efforts that represent SAWPA's interests with OC San through the Joint Policy Committee and the Joint Operations Committee.

Operations

- Prepared an RFP and awarded contracts for on-call services for various activities for Brine Line operations.
- Updated the Sewer Emergency Response Plan (SERP) to meet the new Waste Discharge Requirements. Conducted a workshop with member agencies and the RWQCB to review the SERP.
- Issued an RFP for audit of Sewer System Management Plan (SSMP).
- Received and reviewed 1,778 USA Dig-Alert tickets.
- Installed 4 new frame and cover assemblies on Reach IV-A Upper.
- Installed 6 new frame and cover assemblies on Reach IV-D.
- Completed over 50,000 feet of right-of-way maintenance.
- Inspected 98 maintenance access structures (MAS) on Reach IV-B.
- Rehabilitated 8 MAS on Reach IV, IV-A Upper and IV-D.
- Maintained the Brine Line Operations Center (BLOC).
- Maintained 27 air release and vacuum valves on Reach IV-B and V.
- Completed inspection of 57,000 linear feet of pipeline.
- Completed line cleaning and inspection of 60,300 linear feet of pipeline.

OWOW Program

Project Agreement (PA) 22 Committee – Water Use Efficiency

- Worked with 8 retail water agencies to create efficiency budgets for dedicated irrigation meter customers through the Santa Ana River Conservation and Conjunctive Use Program (SARCCUP). Work was completed FYE 2024.
- Coordinated with Bureau of Reclamation (BOR) to successfully develop a process to identify and quantify outdoor landscape features using ESRI geographic information system (GIS) based deep learning tools and verify that these data meet or exceed the quality standards of the State’s data.
- Worked with BOR to successfully complete efforts to analyze and model outdoor landscape features for Orange County retail water agencies using ESRI GIS-based deep learning tools and verify that these data meet or exceed the quality standards of the State’s data.
- Coordinated with BOR staff to apply the ESRI GIS-based deep learning approach to analyze and model outdoor landscape features for upper watershed retail water agencies service areas.

Disadvantaged Community Involvement (DACI) Grant Program

- Coordinated with each of the project proponents on the implementation of projects funded through the Department of Water Resources (DWR) through the 2021 Urban and Multi-benefit Drought Relief Grant Program. These include:
 - Box Springs Mutual Water Company - Reservoir Improvement Project,
 - City of Colton - Production Well Rehabilitation Project,
 - Devore Mutual Water Company - Booster Pump Station and Valve Vault Project,
 - Marygold Mutual Water Company - Well 7 Rehabilitation and Systems Upgrade Project, and
 - City of Fullerton - Well 6 Rehabilitation Project.

Santa Ana River Conservation and Conjunctive Use Program (SARCCUP)

- Executed task order with Woodard & Curran for continued programmatic support of SARCCUP.
- Held staff-level SARCCUP planning meetings.
- Worked with the SARCCUP planning managers to execute amendment number 4. This request included changes to the WMWD conjunctive use component, as well as changes to the SBVMWD Santa Ana sucker habitat component.

OWOW and Integrated Regional Watershed Management (IRWM) Support

- Managed Roundtable of Regions contract with WSC, Inc. and served on the Roundtable of Regions Steering Committee. Successfully managed this project by ensuring the 12 funding partners are kept apprised of the contract and ensuring Water Systems Consulting, Inc. completed tasks on time and within budget.

Proposition 1 IRWM Implementation Grants

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

- Awarded contract to North American Weather Consultants Inc. to conduct the Santa Ana River Watershed Weather Modification Pilot operations.

- Awarded contract to Board of Regents of the Nevada System of Higher Education on behalf of the Desert Research Institute (DRI) for the independent validation of the Santa Ana River Watershed Weather Modification Pilot Project.
- Completed site access agreements with 11 project sponsors to locate the 15 ground-based cloud seeding units.
- Managed a \$861,400 grant under the Proposition 1 Round 2 Grant Program.

Box Springs Mutual Water Company Well Improvement Project

- Finalized three party grant project sub-agreement with California Rural Water Association (CRWA) and Box Springs Mutual Water Company for an award of \$1.9 million in grant funding from the DWR through the Proposition 1 Round 2 Grant Program.
- Coordinated with CRWA staff on the implementation of the project.

Lake Elsinore Algae Harvesting and Nutrient Removal Pilot Project

- Prepared a draft three party grant project sub-agreement with the Lake Elsinore and San Jacinto Watersheds Authority (LESJWA) and the City of Lake Elsinore for an award of \$1.5 million in grant funding from the DWR through the Proposition 1 Round 2 Grant Program.

Santa Ana River Watershed Climate Adaptation and Resilience Plan

- Prepared and submitted grant application through Round 1 of the Regional Resilience Grant Program under the Governor’s Office of Land Use and Climate Innovation (formerly the Office of Planning and Research), alongside the Soboba Band of Luiseno Indians and the Inland Southern California Climate Collective (ISC3) as co-applicants, to develop a community-informed Climate Adaptation and Resilience Plan for the Santa Ana River Watershed.
- Awarded funding of \$644,190 for a planning grant to develop a plan.

Stakeholder Partnering (Roundtables)

Santa Ana Fish Conservation Team

- Conducted Riverwalk in Fall 2023 with approximately 35 volunteers. Riverwalk is the longest running voluntary annual habitat assessment conducted in Southern California for an aquatic species.
- Compiled and tabulated all historical Riverwalk data including an analysis of the past years’ data sets. Worked on updating the Riverwalk Atlas to share the results of the data collected.
- Worked with Santa Ana Watershed Association (SAWA) to replant/manage 0.3 acres of vegetation as part of the mitigation for the habitat project constructed by the team near the Van Buren Boulevard Bridge. Submitted final mitigation report in Spring 2024.

Water Energy Community Action Network (WECAN)

- Executed an amendment for the grant agreement to expand the project area boundary and update the deliverables for the project.
- Coordinated with EcoTech on the removal and replacement of turf grass for residents within the Eastside Climate Collaborative project area located with the City of Riverside.

- Completed construction on 8 Riverside resident landscapes. A total of 14,221 square feet of lawn turf was replaced with California-friendly, drought-tolerant plants. These efforts estimate a total water savings of 625,724 gallons of water saved every year.

Basin Monitoring Program Task Force

- Managed consultant contract with CWE to monitor quarterly at three sites along the Santa Ana River.
- Developed the 2023 Data Gap Framework and submitted to the Regional Board in October 2024, per the 2019 Recycled Water Policy, that included the following:
 - Identified the potential data gaps in each of the 35 groundwater management zones (GMZ),
 - Defined the criteria to prioritize the timeframe for resolving potential data gaps, and
 - Recommended the agencies to resolve potential gaps in each GMZ.
- Prepared the draft 2023 Annual Report of Santa Ana River Water Quality for review by task force stakeholders and the Regional Board staff.
- Worked with scoping committee on the Reach 3 Special Study scope of work and request for proposals.

Southern California Salinity Coalition (SCSC)

- Attended quarterly Board meetings
- Attended Board meetings and the Multi-State Salinity Coalition Annual Summit.
- Awarded fellowship grants for continued research on salinity management technologies as part of the SCSC student fellowship grant of \$10,000 per year.

Lake Elsinore and San Jacinto Watersheds Authority (LESJWA)

- Prepared and submitted the 2022-2023 Annual Lake Elsinore and Canyon Lakes (LE& CL) total maximum daily load (TMDL) Water Quality Monitoring Report to the Regional Board.
- Implemented successful alum application to Canyon Lake in October 2023 and May 2024 to reduce the phosphorus content, reduce algae, and help meet the TMDL targets for the lake.
- Prepared and approved the fiscal year 2024-2025 budget for the Lake Elsinore & Canyon Lake TMDL Task Force.
- Coordinated with Task Force consultants and stakeholders on the preparation and review of regulatory documents to update the LE&CL TMDLs.
- Coordinated with Lake Elsinore Aeration and Mixing System (LEAMS) Operators and their consultants on the LEAMS Alternatives Study.

Middle Santa Ana River (MSAR) TMDL Task Force

- Prepared and approved the fiscal year 2024-2025 budget for the task force.
- Completed the 2023-2024 MSAR TMDL compliance monitoring and submitted a final report to the Regional Board.
- Continued efforts to prepare for approval by the Regional Board limited revisions to MSAR Basin Plan Amendment to update the MSAR TMDLs to extend the wet weather implementation due date, currently set as December 31, 2025.

Regional Water Quality Monitoring Task Force

- Completed the Dry Weather monitoring component of the 2023 Santa Ana River Bacteria Water Quality Monitoring Program.
- Prepared and submitted the 2023-2024 Final Santa Ana River Bacteria Water Quality Monitoring Program to the Regional Board.

Emerging Constituents Program Task Force

- Tracked per and poly fluoroalkyl (PFAS) aquatic toxicology issues, microplastics regulatory developments at the State level, and microplastics research initiatives (shared by Southern California Coastal Water Research Project Authority).
- Regulatory reports were provided quarterly by Tess Dunham of KSC, including items such as the State Water Board's policy handbook for testing of microplastics in drinking water. Ms. Dunham tracked legislative spot bills about microplastics, although none have been passed.
- Prepared and posted blog articles to the Your So Cal Tap Water website, as well as social media sites Facebook, Instagram, and Twitter.
- Implemented the new task order with JPW Communications for fiscal years 2024 and 2025. The task order included work to create videos and track social media metric.

Forest First

- Conferred with the US Forest Service hydrologist about a planned feasibility study to investigate weather augmentation of water supply through cloud seeding.
- Coordinated with SBVMWD on the partnership with the agency regarding the Headwaters Resiliency Partnership Task Force. Worked with SBVMWD to draft programmatic goals and long-term objectives for the task force, which will eventually be included in a charter agreement.
- Worked with the Cleveland and San Bernardino National Forests to resign the Forest First Memorandum of Understanding (MOU); the document was re-signed in April 2024.
- Held quarterly meetings in the latter half of the fiscal year with the two national forests focused on their recent projects and funding needs.
- Worked with the California Wildfire Crisis Strategy Manager to assist on their Land Tender data layer which needs water utility information added. This is to ultimately assist with Forest Service's fire modeling and determining the impact from catastrophic wildfire to utilities (like water/energy).

Arundo Removal and Habitat Management

- Coordinated with Riverside County Regional Park and Open-Space District on exploring options to certify the Santa Ana River Mitigation Bank under the new California mitigation banking rules.
- Implemented year two of the five-year Inland Empire Resource Conservation District \$150,000 project to treat and remove Arundo Donax from various waterways in the upper Santa Ana River Watershed (Headwaters Project).

PFAS Regional Analysis Phase I

- Finalized the Phase 1 PFAS Regional Analysis for Upper Santa Ana River Watershed Report.

- Conducted stakeholder workshop to inform member agencies of the findings of the Phase 1 project.
- Coordinated with member agency staff and CDM Smith to develop the Phase 2 project scope of work, budget, and schedule.
- Finalized task order with CDM Smith to conduct Phase 2 of the PFAS Regional Analysis for Upper Santa Ana River Watershed Project. The goals of the Phase 2 analysis were to:
 - Characterize and quantify PFAS in surface waters of the upper watershed,
 - Using predictive models, assess the potential impacts of PFAS surface water concentrations on the watershed, and
 - Develop Phase 2 Scope – modify model and conduct scenario analysis.
- Key work tasks completed by CDM Smith through their Phase 2 scope of services included the following:
 - Extension of the surface water model simulation period,
 - Incorporation of PFAS into the surface water model,
 - Surface water model application and calibration,
 - Surface water model baseline PFAS application and load assessment,
 - Surface water model PFAS source sensitivity analysis,
 - Groundwater evaluation, and
 - Phase 3 scoping.

Technology

- Completed server hardware and software refresh – worked with Managed Services Provide (MSP) with design, testing, and implementation of new server hardware and operating systems.
- Submitted Cybersecurity Grant to California Governor’s Office of Emergency Services (Cal OES) for our proposed project to improve our cybersecurity response.
- Managed new Great Plains (GP) support vendor Endeavor with desktop support and support for gathering information for new finance software recommendation.
- Upgraded Uninterrupted Power Supply (UPS) to a 10-to-15-minute uptime which will automatically notify the Information Technology (IT) Department of power level failures.
- Designed, installed, and configured a new BLOC connection allowing staff direct access to the Authority network.
- Managed, upgraded and installed a new internet connection to upgrade from 150 Megabits per second (Mbps) to 500 Mbps at a lower cost.
- Windows 11 migration ongoing effort – real world testing for end-of-life Windows 10 by October 2025.
- Improved network security by penetration tests and internal phishing campaigns.
- Continued to use KnowBe4 internal phishing campaigns to test staff on phishing.
- Designed and implementation of new core computing systems for the following:
 - Upgrading all server Operating Systems,
 - Calendar year-end update for all applications (Great Plains, OnBase, etc.) to most current, supported version,
 - Refreshing of servers/storage array network (SAN) hardware, and
 - Upgraded active directory from 2012 to 2019 (or newer) for improved security and support.
- Provided the Planning Department with maps and data to support the various task force groups and projects.

- Supported the Finance Department through updates to GP financial accounting system and Journyx, the timekeeping system.
- Updated GIS server software.
- Upgraded the Dig-Alert application with new email reading software and improved Microsoft security protocols.
- Continue support for ArcGIS Online Dashboards, Maps, Field applications and Story Maps.
- Continue stabilizing and standardizing the IT Departments Policies and Procedures.

Administration

- Expanded the Authority's online reach through consistent, informative social media posts, engaging a broader audience.
- Updated the Authority's branding materials for consistency with the Authority's mission and visual identity.
- Supported the ICARP project by building relationships and working with Community-Based Organizations (CBOs) and key stakeholders.
- Worked with the Operations team to develop brochures, maps, and other collateral supporting the Authority's projects and programs to improve community understanding and engagement.
- Applied for and received the Association of California Water Agencies (ACWA) joint powers insurance authority (JPIA) Wellness Grant, supporting employee wellness initiatives.
- Completed a comprehensive study to ensure competitive and equitable compensation.
- Enhanced employee retirement savings options by introducing the Roth 457 plan.
- Supported professional growth by enrolling department heads in a Leadership program.
- Submitted and received Riverside Public Utilities rebates for heating, ventilation, and air conditioning (HVAC) tune-ups, mini-split units, and refrigerator upgrades, totaling \$2,265.
- Coordinated lighting upgrades through the Small Business Direct Installation Program, valued at \$5,000, at no cost to the Authority.
- Partnered with WMWD to host the Authority's first Women in Water event, promoting professional development and networking opportunities.
- Completed a refresh and irrigation replacement project to improve the facility environment.

Accounting System

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

Internal Controls

The Authority operates within a system of internal accounting controls established and continually reviewed by management to provide reasonable assurance that assets are adequately safeguarded, and transactions are recorded in accordance with Authority policies and procedures. When establishing and reviewing controls, management must consider the cost of the control and the value of the benefit derived from its utilization. Management normally maintains or implements only those controls for which its value adequately exceeds its cost. Recent audits have not noted any weaknesses in internal controls.

Audit and Financial Reporting

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

Awards

The Government Finance Officers Association of the United States and Canada ("GFOA") awarded a Certificate of Achievement for Excellence in Financial Reporting to the Authority for its annual comprehensive financial report for the fiscal year ended June 30, 2023. This was the fifteenth year that the Authority has achieved this prestigious award. To be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both GAAP and applicable legal requirements. A Certificate of Achievement is valid for a period of only one year.

We believe that our current annual comprehensive financial report continues to meet the program requirements and will submit our current June 30, 2024, report to the GFOA to determine its eligibility for a certificate.

The GFOA awarded a Distinguished Budget Presentation Award to the Authority for the two-year budget beginning July 1, 2023. In order to receive this award, a government unit must publish a budget document that meets program criteria as a policy document, as an operating guide, as a financial plan, and as a communication device.

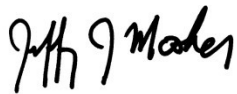
Acknowledgements

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

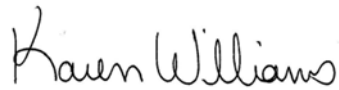
We further acknowledge the thorough and professional manner in which our auditors, C.J. Brown & Company CPAs, conducted the audit.

Additionally, we would like to acknowledge the Board of Commissioners for their continued support of the Authority's goal of sound accountable financial management, and for maintaining the highest standards of professionalism in the management of the Authority's finances. We truly appreciate their unfailing interest and support.

Respectfully submitted,

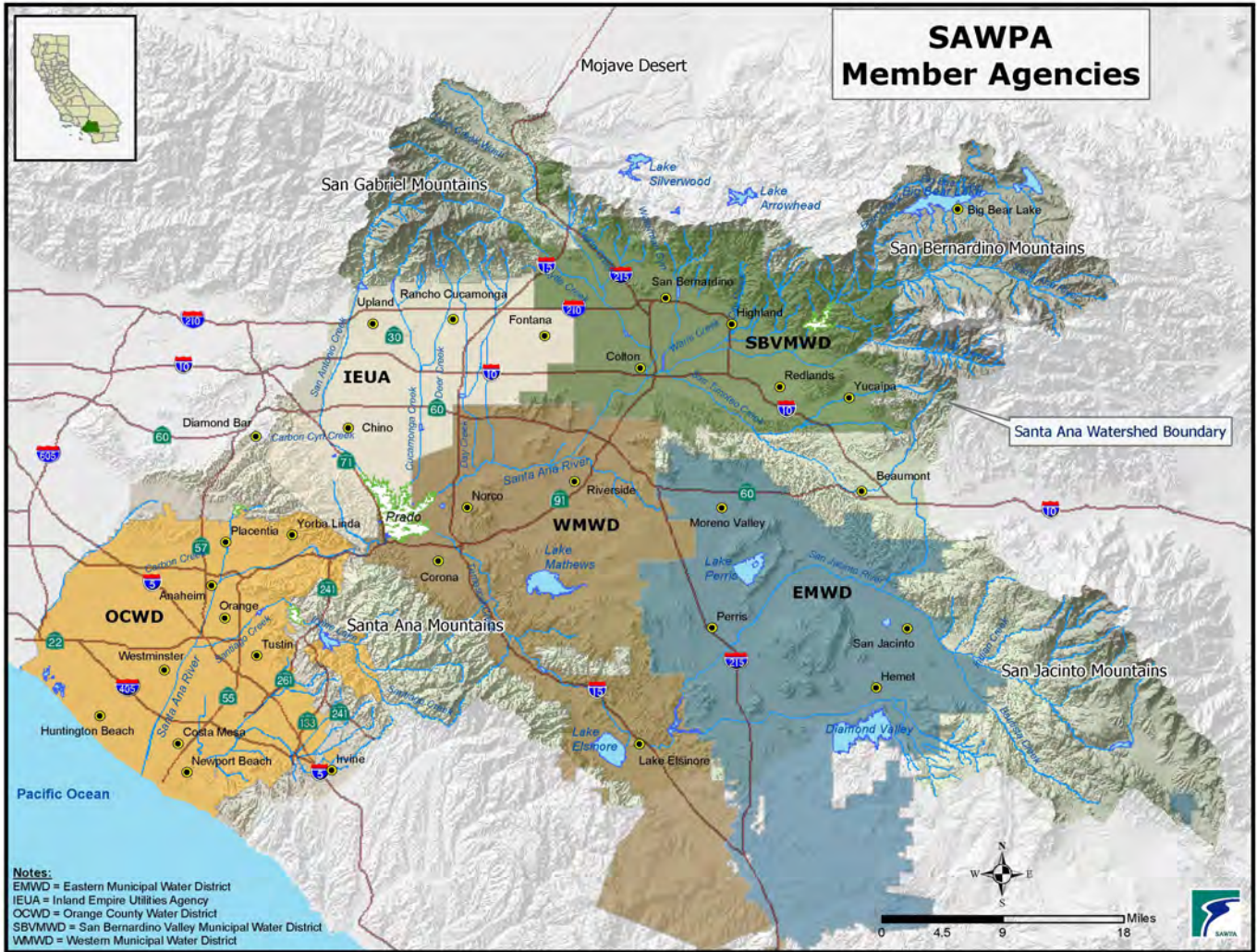


Jeffrey Mosher
General Manager



Karen Williams
Deputy General Manager/Chief Financial Officer

Santa Ana Watershed Project Authority Authority Service Area Map



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Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Santa Ana Watershed Project Authority
California**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2023

Christopher P. Morill

Executive Director/CEO

Santa Ana Watershed Project Authority

Authority Officials

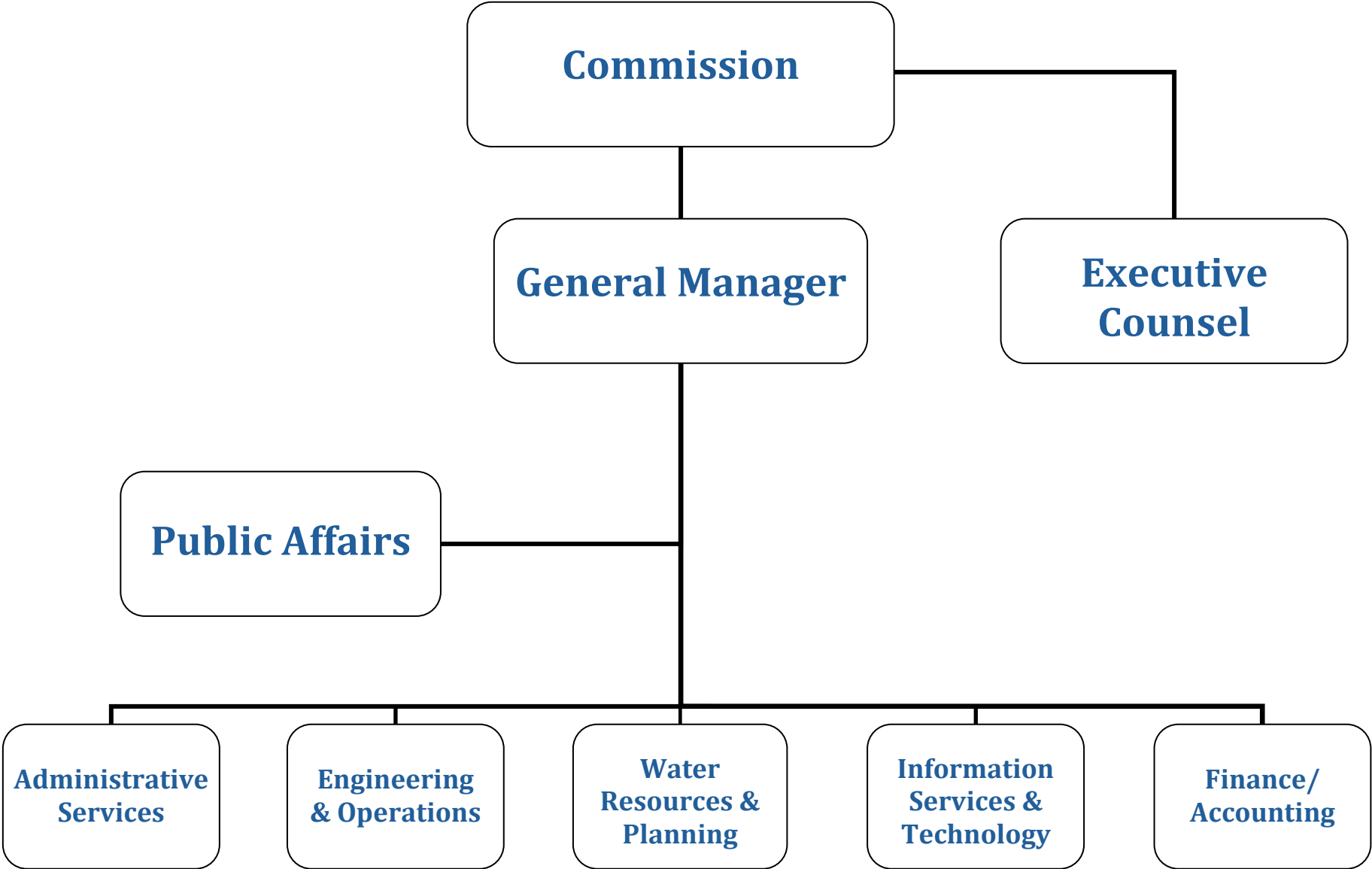
Board of Commissioners

Bruce Whitaker	Chair	OCWD
Mike Gardner	Vice Chair	WMWD
T. Milford Harrison	Secretary/Treasurer	SBVMWD
David J. Slawson	Commission Member	EMWD
Jasmin A. Hall	Commission Member	IEUA

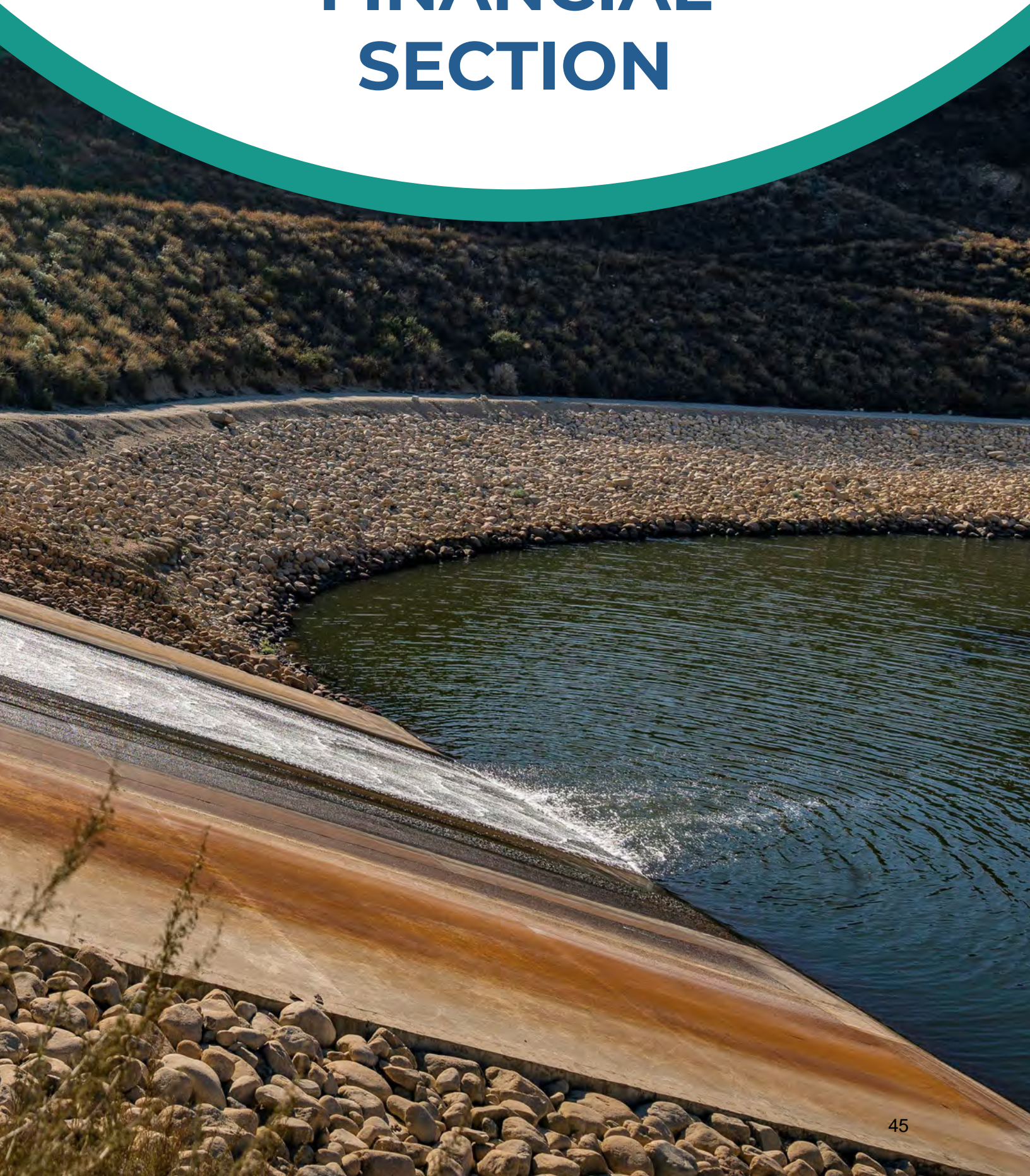
Management Staff

Jeffrey Mosher	General Manager
Karen Williams	Deputy General Manager/Chief Financial Officer
David Ruhl	Executive Manager of Engineering & Operations
Rachel Gray	Water Resources and Planning Manager
Shavonne Turner	Administrative Services Manager
Dean Unger	IS and Technology Manager
Lagerlof LLP	Executive Counsel

**Santa Ana Watershed Project Authority
Organizational Chart**



FINANCIAL SECTION



Independent Auditor's Report

Board of Commissioners
Santa Ana Watershed Project Authority
Riverside, California

Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of the Santa Ana Watershed Project Authority (Authority) as of and for the years ended June 30, 2024 and 2023, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Santa Ana Watershed Project Authority as of June 30, 2024 and 2023, and the changes in net position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Independent Auditor's Report, continued

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Independent Auditor's Report, continued

Other Matters

Required Supplementary Information

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

Supplementary Information

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

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

Independent Auditor's Report, continued

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated December 17, 2024, on our consideration of the Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance. This report can be found at the end of this report.

C.J. Brown & Company, CPAs
Cypress, California
December 17, 2024

Working Draft Subject to Review

The intent of the Management Discussion and Analysis is to provide highlights of the financial activities for the fiscal year ended June 30, 2024, and 2023 of the Santa Ana Watershed Project Authority (the "Authority"). Readers are encouraged to read this section in conjunction with the transmittal letter and the accompanying basic financial statements.

The Authority

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

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

Overview of the Financial Statements

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

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

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

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

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

Summary Financial Information and Analysis

The Authority's financial operations remained sound during the fiscal year 2024. Sources of revenue were sufficient to cover combined operating and non-operating costs. The Statement of Net Position remains strong, providing a foundation for continued growth within the Authority's service area. As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Authority, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$87.6 million at June 30, 2024, by \$80.0 million at June 30, 2023, and by \$78.4 million at June 30, 2022.

Statements of Net Position

For the Fiscal Years Ended June 30, 2024, 2023, and 2022

	Fiscal Year End June 30,				
	2024	2023	Increase/ (Decrease)	2022	Increase/ (Decrease)
Assets					
Current	\$83,217,581	\$77,062,238	\$6,155,343	\$82,300,170	(\$5,237,932)
Non-current	369,212	824,407	(455,195)	1,293,019	(468,612)
Capital	92,521,424	93,314,330	(792,906)	96,912,667	(3,598,337)
Total assets	176,108,217	171,200,975	4,907,242	180,505,856	(9,304,881)
Deferred outflows	2,636,976	2,984,563	(347,587)	2,592,450	392,113
Liabilities					
Current	11,679,775	10,610,023	1,069,752	20,660,188	(10,050,165)
Non-current	78,627,738	83,297,932	(4,670,194)	82,891,595	406,337
Total liabilities	90,307,513	93,907,955	(3,600,442)	103,551,783	(9,643,828)
Deferred inflows	845,675	289,195	556,480	1,153,595	(864,400)
Net position					
Net investment in capital assets	71,336,614	70,815,204	521,410	73,427,321	(2,612,117)
Restricted	3,329,772	2,960,560	369,212	4,253,579	(1,293,019)
Unrestricted (Deficit)	12,925,619	6,212,624	6,712,995	712,028	5,500,596
Total net position	\$87,592,005	\$79,988,388	\$7,603,617	\$78,392,928	\$1,595,460

The following denotes explanations on some of the changes between fiscal years 2024 and 2023, as compared in the table on the previous page.

- The \$6.2 million increase in current assets is primarily due to an increase in investments and accounts receivable. The Authority had substantial interest earnings in the fiscal year 2024. These earnings along with the early repayment of the Agua Mansa Lateral loan increased the cash available for investment. Accounts receivables also increased due to a new grant, Proposition 1 Round II Capital Projects, and overall increases in other grants and Brine Line billings.
- The \$0.5 million decrease in non-current assets is due to the Agua Mansa Lateral loan being paid off during fiscal year 2024 offset by an increase of \$0.4 million in net OPEB asset as compared to the prior year.
- The \$0.8 million decrease in capital assets is due to maturing depreciable/amortizable assets during fiscal year 2024 and the increase in Capital Assets not being depreciated for the Agua Mansa Lateral Project.
- The \$1.1 million increase in current liabilities is due to increased accounts payable for Proposition I Round II Capital Projects and other grants.
- The \$4.7 million decrease in non-current liabilities is due primarily to the amortization of pipeline and wastewater treatment rights and payment of the Agua Mansa Lateral loan combined with a decrease in long-term debt from scheduled debt service payments.

The following denotes explanations on some of the changes between fiscal years 2023 and 2022, as compared in the table on the previous page.

- The \$5.2 million decrease in current assets is primarily due to a decrease in accounts receivable. In FYE 2023, many of the Proposition 84 Round II projects were completed and the retention for the projects was released by Department of Water Resources (DWR).
- The \$3.6 million decrease in capital assets is due to maturing depreciable/amortizable assets during fiscal year 2023.
- The \$10.1 million decrease in current liabilities is due to the payment of retention for Proposition 84 Round II projects.

Category of Net Position

The Authority is required to present its net position in three categories: (1) net investment in capital assets; (2) restricted; and (3) unrestricted.

Net Investment in Capital Assets

At June 30, 2024, 2023, and 2022, net investment in capital assets consisted of the following:

Net Investment in Capital Assets (In Millions)

	2024	2023	2022
Property, plant & equipment	\$160.1	\$159.9	\$159.7
Accumulated depreciation	(90.5)	(87.6)	(84.6)
Wastewater treatment and disposal rights	55.6	55.6	55.6
Accumulated amortization	(36.1)	(35.1)	(34.2)
Construction in process	3.4	0.5	0.4
Related payables and loans, net of discounts	(21.2)	(22.5)	(23.5)
Total	\$71.3	\$70.8	\$73.4

Restricted

At June 30, 2024, restricted net position of \$3.0 million is legally restricted by contract to fund additional Arundo Management and Habitat Restoration projects within the Santa Ana River Watershed and by the State Water Resources Control Board (SWRCB) for the State Revolving Fund (SRF) reserve requirement. Please see Note 11 of the Notes to Financial Statements for further information.

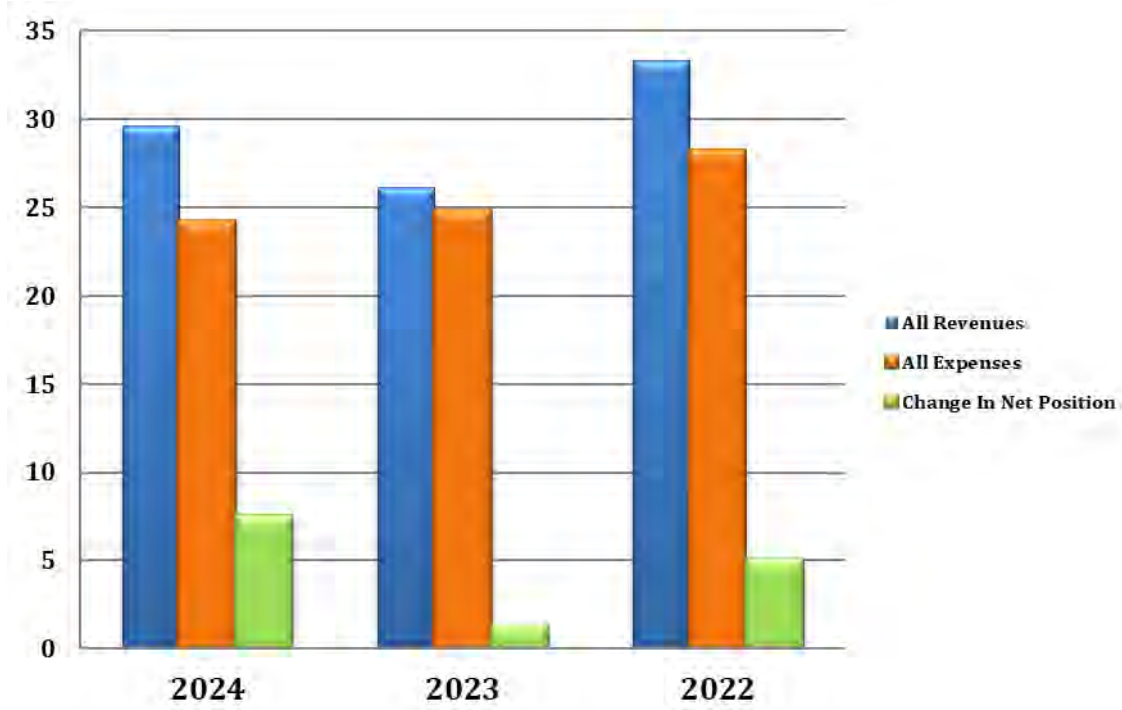
Unrestricted

At June 30, 2024, the Authority had an unrestricted net position of \$12.9 million. The Authority possesses \$55.2 million in unearned revenue being realized over a 50-year period of approximately \$2.5 million per year.

Change in Net Position

In the fiscal year ended June 30, 2024, net position increased by \$7.6 million primarily due to an increase in Investment Earnings and payment of the Agua Mansa Lateral loan.

Change in Net Position (in millions)



Statements of Revenues, Expenses, and Changes in Net Position
For the Fiscal Years Ended June 30, 2024, 2023, and 2022

	Fiscal Year End June 30,				
	2024	2023	Increase/ (Decrease)	2022	Increase/ (Decrease)
Operating Revenues:					
WWT and disposal	\$13,047,884	\$12,319,657	\$728,227	\$12,040,521	\$279,136
WWT and disposal capacity rights	2,510,154	2,510,154	-	2,510,154	-
Program administration	153,460	203,714	(50,254)	191,841	11,873
Other operating revenues	3,186	7,708	(4,522)	5,716	1,992
Total operating revenues	15,714,684	15,041,233	673,451	14,748,232	293,001
Non-operating revenues:					
Member contributions	2,308,275	2,069,760	238,515	1,581,845	487,915
Intergovernmental	7,903,442	10,525,569	(2,622,127)	13,673,784	(3,148,215)
Pension income - GASB 68	-	-	-	3,816,733	(3,816,733)
OPEB income - GASB 75	273,301	235,127	38,174	204,395	30,732
Investment earnings, net of fair value	3,438,677	1,134,643	2,304,034	(724,549)	1,859,192
Total non-operating revenues	13,923,695	13,965,099	(41,404)	18,552,208	(4,587,109)
Total revenues	29,638,379	29,006,332	632,047	33,300,440	(4,294,108)
Operating expenses:					
WWT and disposal	8,038,986	6,957,971	1,081,015	6,863,027	94,944
General, admin, and overhead	399,828	692,402	(292,574)	523,272	169,130
Studies and planning costs	3,104,665	3,405,256	(300,591)	2,578,723	826,533
Depreciation	3,085,805	3,069,476	16,329	3,693,764	(624,288)
Amortization of WWT and disposal rights	927,235	927,886	(651)	1,714,643	(786,757)
Total operating expenses	15,556,519	15,052,991	503,528	15,373,429	(320,438)
Non-operating expenses:					
Interest expense	479,119	503,989	(24,870)	537,720	(33,731)
Pension expense - GASB 68	1,271,247	2,912,634	(1,641,387)	-	2,912,634
Grant program expenses	6,893,893	9,201,690	(2,307,797)	12,321,868	(3,120,178)
Total non-operating expenses	8,644,259	12,618,313	(3,974,054)	12,859,588	(241,275)
Total expenses	24,200,778	27,671,304	(3,470,526)	28,233,017	(561,713)
Capital contributions	2,166,016	260,432	1,905,584	-	260,432
Change in net position	7,603,617	1,595,460	6,008,157	5,067,423	(3,471,963)
Beginning net position	79,988,388	78,392,928	1,595,460	73,325,505	5,067,423
Ending net position	\$87,592,005	\$79,988,388	\$7,603,617	\$78,392,928	\$1,595,460

Revenues

Combined revenues for the fiscal year 2024 totaled \$29.6 million, an increase of \$0.6 million, or 2.2%, more than the prior fiscal year. The following denotes explanations on some of the changes between fiscal years 2024 and 2023.

- The \$0.7 million increase in WWT and disposal is due to higher flow, BOD, and TSS concentrations in 2024 as well as higher rates over 2023.
- The \$2.6 million decrease in intergovernmental is due to the majority of Proposition 1 Round I project construction costs being billed in fiscal year 2023. With most costs having been billed in 2023, there were not many invoices received in 2024. Proposition I Round II grant project agreements were completed late in fiscal year 2024 and have been slow in implementation.
- The \$2.3 million increase in investment income is due to an increase in interest rates and the current unrealized market value of investments.

Combined revenues for the fiscal year 2023 totaled \$29.0 million, a decrease of \$4.3 million, or 12.9%, less than the prior fiscal year. The following denotes explanations on some of the changes between fiscal years 2023 and 2022.

- The \$3.1 million decrease in intergovernmental is due to the completion of Proposition 84 Round II grant projects and slow implementation of Proposition 1 Round I and II projects.
- The \$3.8 million decrease in pension income – GASB 68 is due to realized investment losses in the CalPERS pension fund cost-sharing pools which was allocated proportionally across all agencies within the pool.
- The \$1.9 million increase in investment income is due to an increase in interest rates and the current unrealized market value of investments.

Expenses

Combined expenses for the fiscal year 2024 totaled \$24.2 million, a decrease of \$3.5 million, or 12.5% more than the prior fiscal year. The following denotes explanations on some of the changes between fiscal years 2024 and 2023.

- The \$1.1 million increase in WWT and disposal is due to increased flow, BOD, and TSS concentrations as well as rate increases for each component. The Authority is also working on a Brine Line Master Plan which has increased consulting costs for 2024.

MANAGEMENT'S DISCUSSION & ANALYSIS (CONTINUED)

- The \$1.6 million decrease in pension expense – GASB 68 is due to the CalPERS pension fund cost sharing pools realized investment loss which was allocated proportionately across all agencies within the pool.
- The \$2.3 million decrease in grant program expenses is due to the majority of Proposition 1 Round I project construction costs being billed in fiscal year 2023. With most costs having been billed in 2023, there were not many invoices received in 2024. Proposition I Round II grant project agreements were completed late in fiscal year 2024 and have been slow in implementation.

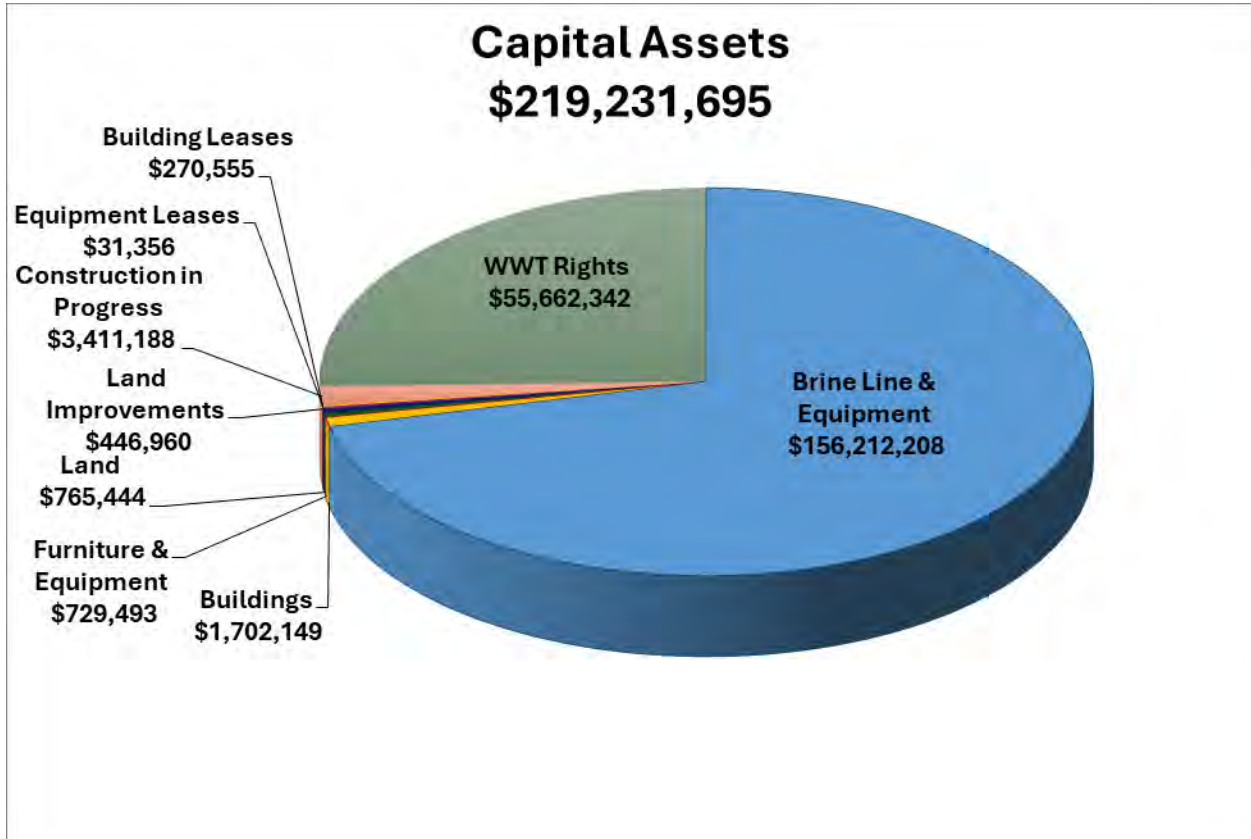
Combined expenses for the fiscal year 2023 totaled \$27.7 million, a decrease of \$0.6 million, or 2.0% less than the prior fiscal year. The following denotes explanations on some of the changes between fiscal years 2023 and 2022.

- The \$0.8 million increase in studies and planning costs is due to the new projects, Weather Modification, PFAS Study, and the DACI Drought Relief Grant.
- The \$2.9 million increase in pension expense – GASB 68 is due to the realized investment losses in the CalPERS pension fund cost sharing pools and the decrease in the discount rate which was allocated proportionately across all agencies within the pool.
- The \$0.6 million decrease in depreciation is due to the annual depreciation of capital assets.
- The \$0.8 million decrease in amortization is due to the annual amortization of pipeline and wastewater treatment rights.
- The \$3.1 million decrease in grant program expenses is due to the completion of Proposition 84 Round II grant projects and slow implementation of Proposition 1 Round I and II grant projects.

Capital Assets

Existing Capital Assets

The following chart is the composition of the Authority's total capital assets, not including depreciation and amortization, as of June 30, 2024; additional information can be found in Note 5 of the Notes to Financial Statements.



A comparison of the changes by major category between the current and prior fiscal years is provided in the Category of Net Position section on page 8 of this report.

Future Capital Improvements

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

The Brine Line Reach 4D was constructed in the early 1990's and runs from the intersection with Reach 4A in the City of Chino approximately 21 miles East to the

intersection with Reach 4E in the City of Rialto. About 7 miles of the Brine Line Reach 4D consists of T-Lok Lined 42-inch reinforced concrete pipe (RCP). The T-Lok lining is a polyvinyl chloride (PVC) lining on the interior circumference of the pipe that provides a protective corrosion barrier between the flow and concrete pipe. The T-Lok lining on this portion of the Brine Line was installed on the upper 270 degrees of the pipeline leaving the invert or bottom 90 degrees of the pipe unlined. Low flows during the initial years of operation placed the flow line below the termination of the T-Lok liner and exposed the concrete to corrosion and uplifting of the T-Lok liner. A consultant was hired in March 2018 to conduct a pipeline condition assessment, evaluate the condition and remaining useful life of this portion of the Reach 4D pipeline, and prepare the Reach 4D Work Plan. The pipeline field investigation work was completed in May 2018. The Work Plan completed in mid-2019, includes an evaluation of potential repair methods, near, mid- and long-term recommended actions to monitor the condition of the Brine Line and provide repairs as necessary in the future, and a schedule and cost estimate for the proposed recommendations. The near-term recommended field investigation work was completed in May 2019. The Near-term Recommended Inspections Data Analysis and Summary Report was completed in fiscal year 2020. The Near-Term Actions Summary Report concluded that the findings presented in the Reach 4D Work Plan remain valid and the recommendations provided remain unchanged. A consultant was hired in September 2023 to conduct the mid-term recommended actions. The mid-term field investigation was completed in February 2024. The Mid-term Recommendation draft report was completed in June 2024. The Draft Report includes an evaluation of potential repair methods and near, mid-and long-term recommended actions to monitor the condition of the Brine Line. The near-term recommendations include minor repair work and CCTV inspections within 2 years. The mid-term recommended action included reinspection in 5 to 10 years. A phased approach to repair Reach IV-D was recommended for the long-term. The sections with the highest degree of deterioration would be addressed in Phase 1 with a timeline of 10 to 15 years. The remainder of the segments would be addressed in Phase 2 with a timeline of more than 20 years.

A portion of Reach IV-B was constructed with 36-inch cement-mortar lined ductile iron pipe (DIP) in the late 1990s and is over 20 years old. A condition assessment is necessary to understand the reliability and performance of Reach IV-B. Corrosion (both external and internal) is the main factor that can affect the structural integrity of the pipe. Over time defects in the lining system can develop due to excessive wear, scaling, water chemistry, and various cleaning methods. An assessment of the condition of the lining system and pipe can identify potential issues and actions needed to extend the remaining useful life of the system. A consultant was hired in February 2023 to conduct a condition assessment on Reach IV-B. The field investigation work was completed in May 2023. The condition assessment final report was completed in June 2024. The Draft Report includes an evaluation of potential repair methods and near, mid-and long-term recommended actions to monitor the condition of the Brine Line. The near-term recommendations include minor repair work, CCTV inspections and the addition of new maintenance access structures to provide needed access to assist with cleaning and assessment. The mid-term recommended action included reinspection in the next 7 to 10 years. A long-term solution is anticipated in the next 10 to 20 years.

Long-Term Debt

The Authority’s long-term debt consists of a loan from the SWRCB for construction of Reach V of the Brine Line, a loan from the SWRCB for repairs of Reach IV-A and IV-B, a loan from the SWRCB for the Reach V Capital Repairs project, and leases payable.

During the fiscal years ended June 30, 2024, 2023, and 2022, the Authority made all of the scheduled principal payments on these debts as follows:

Debt Service	2024	2023	2022
SWRCB Reach V Line	\$-	\$-	\$875,862
SWRCB Reach IV-A & IV-B	807,868	787,396	767,442
SWRCB Reach V Capital Repairs	415,527	407,779	400,176
Leases Payable	90,921	61,599	52,288

These payments decreased the outstanding balance in long-term debt by \$1.3 million. For more detailed information refer to Note 7 of the Notes to Financial Statements.

Fiscal Year 2024-2025 Budget

Economic and Financial Factors

The Inland Empire’s economy is poised for continued growth in 2024, supported by strong sectors like logistics, housing, and manufacturing. The region’s strategic location for trade and distribution, coupled with a thriving residential market and recovering tourism industry, positions it for a robust year ahead. However, challenges such as rising interest rates, labor shortages, water scarcity, and escalating housing costs could temper some of this growth. To ensure sustained prosperity, the region will need to prioritize infrastructure investments, workforce development, and adaptability to economic and environmental changes.

The Authority’s Commission and management have carefully considered these dynamics in preparing the Fiscal Year 2024 - 2025 Budget. Strategic goals and objectives have been central to the budgeting process, guiding projections, and resource allocation. In response to inflationary pressures, staff will focus on optimizing operational efficiency and implementing cost-cutting measures. These efforts aim to reduce overall expenses, with the goal of passing savings on to member agencies through lower fees and reduced contributions.

The approved budget is the Authority's ninth biennial budget and will help to continue the long-range planning effort for Agency operations. The total combined budget for both years is \$47.4 million, which consists of \$33.5 million or 71% for operating expenses, \$3.4 million or 7% for debt service, \$4.7 million or 10% for reserve contributions and \$5.8 million or 12% in Capital Program expenses. Available to cover those expenses are revenues of \$46.0 million and \$1.4 million from fund balances.

The Authority is confronted with a substantial \$367 million Capital Improvement Program spanning the next 40 years. To guarantee the availability of funds for program implementation, the Authority has undertaken a comprehensive long-term financial plan and rate model specifically tailored for the Brine Line. This model serves as a pivotal financial planning tool. Meticulously designed to ascertain that revenues are not only adequate for meeting day-to-day operational requirements but also for fulfilling capital needs. Furthermore, the model plays a crucial role in establishing a robust financial foundation for the creation and maintenance of a long-term capital repair and replacement reserve.

In essence, the financial plan and rate model serve as strategic instruments, aligning revenue generation with both immediate operational necessities and the imperative to accumulate funds for sustaining the integrity of the Brine Line infrastructure over an extended period. This proactive approach ensures that the Authority remains well-positioned to address not only current obligations but also future challenges, thereby fostering resilience and sustainability in the face of evolving capital demands.

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

Contacting the Authority's Financial Management

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

Basic Financial Statements

Working Draft Subject to Review

Santa Ana Watershed Project Authority
Statements of Net Position – Proprietary Funds
June 30, 2024 and 2023

	Business-type Activities Enterprise Fund	
	2024	2023
Current assets:		
Cash and cash equivalents (note 2)	\$ 50,625,527	50,268,261
Cash and cash equivalents – held for mitigation (note 2)	749,289	808,607
Investments (note 2)	15,920,557	12,218,364
Interest receivable	560,242	404,329
Accounts receivable	3,709,204	2,304,788
Accounts receivable – grants	9,297,920	8,443,639
Accounts receivable – other	12,109	28,638
Loan receivable (note 3)	-	260,432
Prepaid expenses and other assets	432,173	414,620
Mitigation credits (note 4)	1,910,560	1,910,560
Total current assets	83,217,581	77,062,238
Non-current assets:		
Loan receivable (note 3)	-	824,407
Capital assets not being depreciated (note 5)	4,176,632	1,217,428
Depreciable capital assets, net (note 5)	88,344,792	92,096,902
Net OPEB asset (note 8)	369,212	-
Total non-current assets	92,890,636	94,138,737
Total assets	176,108,217	171,200,975
Deferred outflows of resources:		
Deferred OPEB outflows of resources (note 8)	313,228	380,982
Deferred pension outflows of resources (note 9)	2,323,748	2,603,581
	\$ 2,636,976	2,984,563

Continued on next page

See accompanying notes to the basic financial statements.

Santa Ana Watershed Project Authority
Statements of Net Position – Proprietary Funds, continued
June 30, 2024 and 2023

	Business-type Activities Enterprise Fund	
	2024	2023
Current liabilities:		
Accounts payable and accrued expenses	\$ 9,840,223	8,823,028
Accrued salaries and wages	106,304	81,966
Accrued interest payable	169,640	180,774
Customer deposits	667	14,385
Long-term liabilities – due within one year:		
Compensated absences (note 6)	222,681	196,543
Leases payable (note 7)	87,965	89,932
Loans payable (note 7)	1,252,295	1,223,395
Total current liabilities	<u>11,679,775</u>	<u>10,610,023</u>
Non-current liabilities:		
Unearned revenue (note 10)	55,159,506	59,012,531
Long-term liabilities due in more than one year:		
Compensated absences (note 6)	519,590	458,601
Leases payable (note 7)	86,926	175,880
Loans payable (note 7)	19,757,624	21,009,919
Net OPEB liability (note 8)	-	43,722
Net pension liability (note 9)	3,104,092	2,597,279
Total non-current liabilities	<u>78,627,738</u>	<u>83,297,932</u>
Total liabilities	<u>90,307,513</u>	<u>93,907,955</u>
Deferred inflows of resources:		
Deferred OPEB inflows of resources (note 8)	238,275	166,396
Deferred pension inflows of resources (note 9)	607,400	122,799
	<u>845,675</u>	<u>289,195</u>
Net position: (note 11)		
Net investment in capital assets	71,336,614	70,815,204
Restricted for:		
SRF Reach IV-A & IV-B reserve requirement	1,050,000	1,050,000
Mitigation	1,910,560	1,910,560
Net OPEB asset	369,212	-
Unrestricted	12,925,619	6,212,624
Total net position	<u>\$ 87,592,005</u>	<u>79,988,388</u>

See accompanying notes to the basic financial statements.

Santa Ana Watershed Project Authority
Statements of Revenues, Expenses, and Changes in Net Position – Proprietary Funds
For the Fiscal Years Ended June 30, 2024 and 2023

	Business-type Activities Enterprise Fund	
	2024	2023
Operating revenues:		
Wastewater treatment and disposal	\$ 13,047,884	12,319,657
Wastewater treatment and disposal – capacity rights	2,510,154	2,510,154
Program administration	153,460	203,714
Other	3,186	7,708
Total operating revenues	<u>15,714,684</u>	<u>15,041,233</u>
Operating expenses:		
Wastewater treatment and disposal	8,038,986	6,957,971
General and administrative	399,828	692,402
Studies and planning costs	3,104,665	3,405,256
Total operating expenses:	<u>11,543,479</u>	<u>11,055,629</u>
Operating income before depreciation and amortization	4,171,205	3,985,604
Depreciation and amortization expense	(3,085,805)	(3,069,476)
Amortization of disposal rights	(927,235)	(927,886)
Total depreciation and amortization	<u>(4,013,040)</u>	<u>(3,997,362)</u>
Operating income (loss)	158,165	(11,758)
Non-operating revenues (expenses):		
Member contributions	2,308,275	2,069,760
Intergovernmental	7,903,442	10,525,569
Pension (expense) income – GASB 68 (note 8)	(1,271,247)	(2,912,634)
OPEB income – GASB 75 (note 9)	273,301	235,127
Investment earnings, net of fair value	3,438,677	1,134,643
Grant program expenses	(6,893,893)	(9,201,690)
Interest expense	(479,119)	(503,989)
Total non-operating revenues, net	<u>5,279,436</u>	<u>1,346,786</u>
Capital contributions:		
Rialto Bioenergy	1,389,215	260,432
San Bernardino Valley Municipal Water District	776,801	-
Total capital contributions	<u>2,166,016</u>	<u>260,432</u>
Change in net position	7,603,617	1,595,460
Net position – beginning of year	<u>79,988,388</u>	<u>78,392,928</u>
Net position – end of year	<u>\$ 87,592,005</u>	<u>79,988,388</u>

See accompanying notes to the basic financial statements.

Santa Ana Watershed Project Authority
Statements of Cash Flows – Proprietary Funds
For the Years Ended June 30, 2024 and 2023

	Business-type Activities Enterprise Fund	
	2024	2023
Cash flows from operating activities:		
Cash received from customers	\$ 13,710,909	13,758,101
Cash payments to employees	(4,111,167)	(4,165,719)
Cash payments to suppliers	(8,574,114)	(14,297,367)
Cash provided by (used in) operating activities	1,025,628	(4,704,985)
Cash flows from non-capital financing activities:		
Member contributions	2,308,275	2,069,760
Other governments	7,049,161	19,003,816
Grant program expenses	(6,893,893)	(9,201,690)
Cash provided by non-capital financing activities	2,463,543	11,871,886
Cash flows from capital and related financing activities:		
Acquisition and construction of capital assets	(3,220,134)	(399,025)
Proceeds from capital contributions	776,801	260,432
Proceeds from acquisition of long-term debt	-	270,554
Principal payments on long-term debt	(1,314,316)	(1,256,774)
Interest paid on long-term debt	(490,253)	(516,185)
Cash used in capital and related financing activities	(4,247,902)	(1,640,998)
Cash flows from investing activities:		
Purchase of investments	(4,978,260)	(9,436,482)
Proceeds from sale of investments	1,667,336	990,727
Principal issued on loan receivable	-	(1,605,703)
Principal received on loan receivable	1,084,839	520,864
Interest received	3,282,764	827,188
Cash provided by (used in) investing activities	1,056,679	(8,703,406)
Net increase (decrease) in cash and cash equivalents	297,948	(3,177,503)
Cash and cash equivalent – beginning of year	51,076,868	54,254,371
Cash and cash equivalent – end of year	\$ 51,374,816	51,076,868
Reconciliation of cash and cash equivalents to the Statements of Net Position		
Cash and cash equivalents	50,625,527	50,268,261
Cash and cash equivalents – restricted	749,289	808,607
Total cash and cash equivalents	\$ 51,374,816	51,076,868

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See accompanying notes to the basic financial statements.

Santa Ana Watershed Project Authority
Statements of Cash Flows – Proprietary Funds, continued
For the Years Ended June 30, 2024 and 2023

	Business-type Activities Enterprise Fund	
	2024	2023
Reconciliation of operating loss to net cash provided by (used in) operating activities:		
Operating income (loss)	\$ 158,165	(11,758)
Adjustments to reconcile operating loss to net cash provided by operating activities		
Depreciation and amortization	3,085,805	3,069,476
Amortization of disposal rights	927,235	927,886
Changes in assets and liabilities:		
(Increase) decrease in assets		
Accounts receivable	(1,404,416)	(97,837)
Accounts receivable – other	16,529	(19,169)
Prepaid expenses and other assets	(17,553)	35,323
Net OPEB asset	(369,212)	187,301
Net pension asset	-	1,105,718
(Increase) decrease in deferred OPEB outflows	67,754	(97,049)
(Increase) decrease in deferred pension outflows	279,833	(295,064)
Increase (decrease) in liabilities		
Accounts payable and accrued expenses	1,017,195	(9,994,311)
Accrued salaries and wages	24,338	(113,431)
Customer deposits	(13,718)	(1,243)
Compensated absences	87,127	(12,545)
Unearned revenue	(3,853,025)	(1,164,883)
Net OPEB liability	(43,722)	43,722
Net pension liability	506,813	2,597,279
Increase (decrease) in deferred OPEB inflows	71,879	(369,101)
Increase (decrease) in deferred pension inflows	484,601	(495,299)
Cash provided by (used in) operating activities	\$ 1,025,628	(4,704,985)
Non-cash investing, capital, and financing transactions:		
Change in fair value of investments	\$ (824,541)	320,764

See accompanying notes to the basic financial statements.

Santa Ana Watershed Project Authority
Statements of Fiduciary Net Position
Fiduciary Fund
June 30, 2024 and 2023

	Custodial Fund	
	Legal Defense Fund	
	2024	2023
Assets:		
Cash and cash equivalents	\$ 507,122	482,135
Interest receivable	2,113	1,914
Total assets	509,235	484,049
Liabilities:		
Other liabilities	-	-
Total liabilities	-	-
Net position:		
Restricted for:		
Legal defense	509,235	484,049
Total net position	\$ 509,235	484,049

Working Draft Subject to Review

See accompanying notes to the basic financial statements.

Santa Ana Watershed Project Authority
Statements of Changes in Fiduciary Net Position
Fiduciary Fund
For the Fiscal Years Ended June 30, 2024 and 2023

	Custodial Fund	
	Legal Defense Fund	
	2024	2023
Additions:		
Investment earnings	\$ 25,186	16,448
Total additions	<u>\$ 25,186</u>	<u>16,448</u>
Deductions:		
Administrative expenses	-	-
Total deductions	<u>-</u>	<u>-</u>
Net increase in fiduciary net position	25,186	16,448
Net position - beginning of year	<u>484,049</u>	<u>467,601</u>
Net position - end of year	<u>\$ 509,235</u>	<u>484,049</u>

Working Draft Subject to Review

See accompanying notes to the basic financial statements.

Santa Ana Watershed Project Authority
Notes to the Financial Statements
For the Fiscal Years Ended June 30, 2024 and 2023

(1) Reporting Entity and Summary of Significant Accounting Policies

A. Organization and Operations of the Reporting Entity

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

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

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

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

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

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

The Authority also has the following Fiduciary Funds:

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

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

Santa Ana Watershed Project Authority
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2024 and 2023

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

B. Basis of Accounting and Measurement Focus

Proprietary and Fiduciary Funds

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

In the fund financial statements, proprietary and all fiduciary funds are presented using the economic resources measurement focus. This means that all assets and all liabilities (whether current or noncurrent) associated with their activity are included on the Statement of Net Position. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in total net position.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives the Authority essentially equal values. Nonoperating revenues, such as investment income, gain or loss on sale of equipment, and miscellaneous revenues result from nonexchange transactions or ancillary activities. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All expenses not meeting this definition are reported as nonoperating expenses. The Authority's custodial funds are fiduciary funds and use the accrual basis of accounting.

C. Financial Reporting

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

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

Santa Ana Watershed Project Authority
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2024 and 2023

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

C. Financial Reporting, continued

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

Governmental Accounting Standards Board Statement No. 99

In April 2022, the GASB issued Statement No. 99 – *Omnibus 2022*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees.

The requirements of this Statement will enhance comparability in the application of accounting and financial reporting requirements and will improve the consistency of authoritative literature. Consistent authoritative literature enables governments and other stakeholders to locate and apply the correct accounting and financial reporting provisions, which improves the consistency with which such provisions are applied. The comparability of financial statements also will improve as a result of this Statement. Better consistency and comparability improve the usefulness of information for users of state and local government financial statements.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

Governmental Accounting Standards Board Statement No. 100

In June 2022, the GASB issued Statement No. 100 – *Accounting Changes and Error Corrections – An Amendment of GASB Statement No. 62*. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.

This Statement defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. As part of those descriptions, for (1) certain changes in accounting principles and (2) certain changes in accounting estimates that result from a change in measurement methodology, a new principle or methodology should be justified on the basis that it is preferable to the principle or methodology used before the change. That preferability should be based on the qualitative characteristics of financial reporting—understandability, reliability, relevance, timeliness, consistency, and comparability. This Statement also addresses corrections of errors in previously issued financial statements.

Santa Ana Watershed Project Authority
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2024 and 2023

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

C. Financial Reporting, continued

Governmental Accounting Standards Board Statement No. 100, continued

The requirements of this Statement will improve the clarity of the accounting and financial reporting requirements for accounting changes and error corrections, which will result in greater consistency in application in practice. In turn, more understandable, reliable, relevant, consistent, and comparable information will be provided to financial statement users for making decisions or assessing accountability. In addition, the display and note disclosure requirements will result in more consistent, decision useful, understandable, and comprehensive information for users about accounting changes and error corrections.

The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

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

1. Use of Estimates

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

2. Cash and Cash Equivalents

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

3. Investments and Investment Policy

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

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

4. Fair Value Measurements

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

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

- **Level 1** – Valuation is based on quoted prices in active markets for identical assets.

Santa Ana Watershed Project Authority
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2024 and 2023

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

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

4. Fair Value Measurements, continued

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

5. Restricted Assets

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

6. Accounts Receivable

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

7. Prepaid Expenses

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

8. Mitigation Credits

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

9. Capital Assets

Capital assets acquired and/or constructed are capitalized at historical cost. Authority policy has set the capitalization threshold for capitalizing equipment purchases at \$10,000. Donated assets are recorded at acquisition value at the date of donation. Upon retirement or other disposition of capital assets, the cost and related accumulated depreciation are removed from the respective balances and any gains or losses are recognized.

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

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

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

Santa Ana Watershed Project Authority
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2024 and 2023

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

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

9. Capital Assets, continued

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

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

10. Deferred Outflows of Resources

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

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

Post-Employment Benefits Other Than Pensions (OPEB)

- Deferred outflow which is equal to the employer contributions made after the measurement date of the net OPEB liability. This amount will be amortized-in-full against the net OPEB liability in the next fiscal year.
- Deferred outflow for the net difference between the projected and actual earnings on investments of the other post-employment benefits plan's fiduciary net position. This amount is amortized over a five-year period.

Pensions

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

Santa Ana Watershed Project Authority
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2024 and 2023

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

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

11. Compensated Absences

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

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

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

12. Postemployment Benefits Other than Pensions (OPEB)

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

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

- Valuation dates: June 30, 2023 and 2021
- Measurement dates: June 30, 2023 and 2022
- Measurement periods: July 1, 2022 to June 30, 2023 and July 1, 2021 to June 30, 2022

13. Pensions

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

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

- Valuation Dates: June 30, 2022 and 2021
- Measurement Date: June 30, 2023 and 2022
- Measurement Period: July 1, 2022 to June 30, 2023 and July 1, 2021 to June 30, 2022

Santa Ana Watershed Project Authority
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2024 and 2023

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

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

14. Unearned Revenue

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

15. Leases Payable

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

16. Deferred Inflows of Resources

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

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

Post-Employment Benefits Other Than Pensions (OPEB)

- Deferred inflow for the net change in assumptions which will be amortized over a closed period equal to the expected average remaining service lives of all employees that are provided with post-employment benefits.
- Deferred outflow for the net differences between the actual and expected experience which will be amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with post-employment benefits.

Pensions

- Deferred inflow for the net difference between actual contributions and the proportionate share of employer contribution which will be amortized over a closed period equal to the expected average remaining service lives of all employees that are provided with pension.

17. Capital Contributions

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

18. Capital and Operating Grants

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

Santa Ana Watershed Project Authority
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2024 and 2023

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

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

19. Budgetary Policies

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

20. Net Position

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

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

(2) Cash and Investments

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

	2024	2023
Statements of Net Position:		
Cash and cash equivalents	\$ 50,625,527	50,268,261
Cash and investments – restricted	749,289	808,607
Investments	15,920,557	12,218,364
Total cash and investments	\$ 67,295,373	63,295,232
Statements of Fiduciary Net Position:		
Cash and investments	507,122	482,135
Total cash and investments	\$ 67,802,495	63,777,367

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

	2024	2023
Cash on hand	\$ 500	500
Deposits with financial institutions	2,678,559	1,213,736
Investments	65,123,436	62,563,131
Total cash and investments	\$ 67,802,495	63,777,367

Santa Ana Watershed Project Authority
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2024 and 2023

(2) Cash and Investments, continued

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

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

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

N/A - Not applicable

* 10% of outstanding paper of an issuing corporation.

Investment in State Investment Pool

The Authority is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The fair value of the Authority's investment in this pool is reported in the accompanying financial statements at amounts based upon the Authority's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. Amounts held with LAIF are highly liquid, as deposits can be converted to cash within a twenty-four-hour period without loss of accrued interest. LAIF detail may be obtained from the State of California Treasurer's website at www.treasurer.ca.gov/pmia-laif/index.asp.

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

Santa Ana Watershed Project Authority
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2024 and 2023

(2) Cash and Investments, continued

Custodial Credit Risk

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

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

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The Code and the Agency's investment policy contain legal and policy requirements that would limit the exposure to custodial credit risk for investments. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools (such as LAIF and the Pool).

Interest Rate Risk

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

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

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

Santa Ana Watershed Project Authority
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2024 and 2023

(2) Cash and Investments, continued

Investment maturities as of June 30, 2024, were as follows:

Investment Types	Total	Remaining Maturity (in Months)			
		12 Months or Less	13 to 24 Months	25-60 Months	60 Months or More
U.S. Treasury Notes	\$ 1,893,633	955,781	937,852	-	-
U.S. Government Sponsored Agency Securities	4,419,995	3,472,177	947,818	-	-
LAIF	49,202,880	49,202,880	-	-	-
Medium-Term Corporate Notes	-	-	-	-	-
Negotiable Certificates of Deposit	9,606,928	244,272	1,220,629	2,946,268	5,195,759
	<u>\$ 65,123,436</u>	<u>53,875,110</u>	<u>3,106,299</u>	<u>2,946,268</u>	<u>5,195,759</u>

Investment maturities as of June 30, 2023, were as follows:

Investment Types	Total	Remaining Maturity (in Months)			
		12 Months or Less	13 to 24 Months	25-60 Months	60 Months or More
U.S. Treasury Notes	\$ 1,816,797	-	914,609	902,188	-
U.S. Government Sponsored Agency Securities	6,782,574	973,852	3,417,110	909,511	1,482,101
LAIF	50,344,767	50,344,767	-	-	-
Medium-Term Corporate Notes	497,326	497,326	-	-	-
Negotiable Certificates of Deposit	3,121,667	-	239,330	964,648	1,917,689
	<u>\$ 62,563,131</u>	<u>51,815,945</u>	<u>4,571,049</u>	<u>2,776,347</u>	<u>3,399,790</u>

Credit Risk

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

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

Credit ratings of investments as of June 30, 2024, were as follows:

Investment Types	Total	Minimum Legal Rating	Rating as of Year End			Not Rated
			AAA	AA+	A+	
U.S. Treasury Notes	\$ 1,893,633	N/A	-	-	-	1,893,633
U.S. Government Sponsored Agency Securities	4,419,995	N/A	4,419,995	-	-	-
LAIF	49,202,880	N/A	-	-	-	49,202,880
Negotiable Certificates of Deposit	9,606,928	AAA	-	-	-	9,606,928
	<u>\$ 65,123,436</u>		<u>4,419,995</u>	<u>-</u>	<u>-</u>	<u>60,703,441</u>

Santa Ana Watershed Project Authority
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2024 and 2023

(2) Cash and Investments, continued

Credit ratings of investments as of June 30, 2023, were as follows:

Investment Types	Total	Minimum Legal Rating	Rating as of Year End			Not Rated
			AAA	AA+	A+	
U.S. Treasury Notes	\$ 1,816,797	N/A	-	-	-	1,816,797
U.S. Government Sponsored Agency Securities	6,782,574	N/A	6,782,574	-	-	-
LAIF	50,344,767	N/A	-	-	-	50,344,767
Medium-Term Corporate Notes	497,326	N/A	-	-	497,326	-
Negotiable Certificates of Deposit	3,121,667	AAA	-	-	-	3,121,667
	<u>\$ 62,563,131</u>		<u>6,782,574</u>	<u>-</u>	<u>497,326</u>	<u>55,283,231</u>

Concentration of Credit Risk

The Authority's investment policy contains various limitations on the amounts that can be invested in any one governmental agency or non-governmental issuer as stipulated by the California Government Code. The Authority's deposit portfolio with governmental agencies, LAIF, is 76% and 80% as of June 30, 2024 and 2023, respectively, of the Authority's total depository and investment portfolio.

Fair Value Measurements

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

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

Investment Types	Total	Fair Value Measurement at Reporting Date Using:		
		Quoted Prices in Active Markets for Identical Assets	Significant Other Observable Inputs	Significant Unobservable Inputs
		Level 1	Level 2	Level 3
U.S. Treasury Notes	\$ 1,893,633	1,893,633	-	-
U.S. Government Sponsored Agency Securities	4,419,995	-	4,419,995	-
Negotiable Certificates of Deposit	9,606,928	-	9,606,928	-
	15,920,556	<u>1,893,633</u>	<u>14,026,923</u>	<u>-</u>
Investments not subject to fair value hierarchy:				
Local Agency Investment Fund	49,202,880			
Total	<u>\$ 65,123,436</u>			

Santa Ana Watershed Project Authority
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2024 and 2023

(2) Cash and Investments, continued

Fair Value Measurements, continued

The Authority has the following recurring fair value measurements as of June 30, 2024:

- U.S. treasury note securities of \$1,893,633 are valued using quoted market prices (Level 1 inputs).
- U.S. governmental sponsored agency securities of \$4,419,995 are valued using a matrix pricing model (Level 2 inputs).
- Negotiable certificates-of-deposit of \$9,606,928 are valued using a matrix pricing model (Level 2 inputs).
- Local agency investment funds of \$49,202,880 are valued at amortized cost and are not subject to fair value hierarchy.

Investment Types	Total	Fair Value Measurement at Reporting Date Using:		
		Quoted Prices in Active Markets for Identical Assets	Significant Other Observable Inputs	Significant Unobservable Inputs
		Level 1	Level 2	Level 3
U.S. Treasury Notes	\$ 1,816,797	1,816,797	-	-
U.S. Government Sponsored Agency Securities	6,782,574	-	6,782,574	-
Medium-Term Corporate Notes	497,326	-	497,326	-
Negotiable Certificates of Deposit	3,121,667	-	3,121,667	-
	12,218,364	1,816,797	10,401,567	-
Investments not subject to fair value hierarchy:				
Local Agency Investment Fund	50,344,767			
Total	\$ 62,563,131			

The Authority has the following recurring fair value measurements as of June 30, 2023:

- U.S. treasury note securities of \$1,816,797 are valued using quoted market prices (Level 1 inputs).
- U.S. governmental sponsored agency securities of \$6,782,574 are valued using a matrix pricing model (Level 2 inputs).
- Medium-term corporate note obligations of \$497,326 are valued using a matrix pricing model (Level 2 inputs).
- Negotiable certificates-of-deposit of \$3,121,667 are valued using a matrix pricing model (Level 2 inputs).
- Local agency investment funds of \$50,344,767 are valued at amortized cost and are not subject to fair value hierarchy.

Santa Ana Watershed Project Authority
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2024 and 2023

(3) Loan Receivable

Changes in the loan receivable for the year ended June 30, 2024 was as follows:

	<u>2023</u>	<u>Additions</u>	<u>Principal Pmts Amortization</u>	<u>2024</u>
Loan Receivable:				
Rialto BioEnergy	\$ 1,084,839	-	(1,084,839)	-
Total loan receivable	1,084,839	-	(1,084,839)	-
Less: current portion	(260,432)			-
Long-term portion	\$ 824,407			-

On June 23, 2022, the Authority entered into the Inland Empire Brine Line New Lateral Construction and Cost Share agreement with San Bernardino Valley Municipal Water District and Rialto BioEnergy Facility, LLC to fund the construction of brine line laterals.

The District provided funding to Rialto BioEnergy to finance the cost of construction of \$1,605,703. The loan bears an interest rate of 3.00% and matures on July 25, 2026. Principal and interest payments are due annually on July 25. At June 30, 2024, the Authority had received \$1,084,839 in principal and \$23,439 in interest payments. As of June 30, 2024, the loan receivable was paid-in-full.

(4) Mitigation Credits

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

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

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

	<u>Balance 2023</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 2024</u>
\$	1,910,560	-	-	1,910,560

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

	<u>Balance 2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 2023</u>
\$	1,910,560	-	-	1,910,560

Santa Ana Watershed Project Authority
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2024 and 2023

(5) Capital Assets

Changes in capital assets for 2024 were as follows:

	<u>2023</u>	<u>Additions</u>	<u>Disposals</u>	<u>2024</u>
Capital assets not being depreciated:				
Land	\$ 765,444	-	-	765,444
Construction-in-progress	451,984	2,959,204	-	3,411,188
Total capital assets not being depreciated	<u>1,217,428</u>	<u>2,959,204</u>	<u>-</u>	<u>4,176,632</u>
Capital assets being depreciated and amortized:				
Land improvements	270,505	176,455	-	446,960
Buildings	1,702,149	-	-	1,702,149
Furniture and equipment	709,858	24,871	(5,236)	729,493
Brine Line and equipment	156,193,896	62,887	(44,575)	156,212,208
Wastewater treatment and disposal rights	55,662,342	-	-	55,662,342
Building leases	270,555	-	-	270,555
Equipment leases	31,356	-	-	31,356
Total capital assets being depreciated and amortized	<u>214,840,661</u>	<u>264,213</u>	<u>(49,811)</u>	<u>215,055,063</u>
Less accumulated depreciation and amortization:				
Land improvements	(145,565)	(22,413)	-	(167,978)
Buildings	(1,176,721)	(53,283)	-	(1,230,004)
Furniture and equipment	(495,774)	(65,881)	1,953	(559,702)
Brine Line and equipment	(85,759,352)	(2,852,511)	44,575	(88,567,288)
Wastewater treatment and disposal rights	(35,128,801)	(927,235)	-	(36,056,036)
Building leases	(19,908)	(83,878)	-	(103,786)
Equipment leases	(17,638)	(7,839)	-	(25,477)
Total accumulated depreciation and amortization	<u>(122,743,759)</u>	<u>(4,013,040)</u>	<u>46,528</u>	<u>(126,710,271)</u>
Depreciable capital assets, net	<u>92,096,902</u>	<u>(3,748,827)</u>	<u>(3,283)</u>	<u>88,344,792</u>
Total capital assets, net	<u>\$ 93,314,330</u>	<u>(789,623)</u>	<u>(3,283)</u>	<u>92,521,424</u>

Major depreciable / amortizable capital asset additions during the fiscal year ending 2024 consist of additions to the following categories: construction-in-progress, land improvements, furniture and equipment, and Brine Line and equipment. The Authority's disposals consisted of furniture and equipment, Brine Line and equipment, and related depreciation. There were no transfers from construction-in-process for the year.

Santa Ana Watershed Project Authority
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2024 and 2023

(5) Capital Assets, continued

Changes in capital assets for 2023 were as follows:

	<u>2022</u>	<u>Additions</u>	<u>Disposals</u>	<u>2023</u>
Capital assets not being depreciated:				
Land	\$ 765,444	-	-	765,444
Construction-in-progress	389,474	62,510	-	451,984
Total capital assets not being depreciated	<u>1,154,918</u>	<u>62,510</u>	<u>-</u>	<u>1,217,428</u>
Capital assets being depreciated and amortized:				
Land improvements	212,139	58,366	-	270,505
Buildings	1,702,149	-	-	1,702,149
Furniture and equipment	709,858	-	-	709,858
Brine Line and equipment	156,186,303	7,593	-	156,193,896
Wastewater treatment and disposal rights	55,662,342	-	-	55,662,342
Building leases	148,632	270,556	(148,633)	270,555
Equipment leases	31,356	-	-	31,356
Total capital assets being depreciated and amortized	<u>214,652,779</u>	<u>336,515</u>	<u>(148,633)</u>	<u>214,840,661</u>
Less accumulated depreciation and amortization:				
Land improvements	(126,246)	(19,319)	-	(145,565)
Buildings	(1,123,438)	(53,283)	-	(1,176,721)
Furniture and equipment	(431,435)	(64,339)	-	(495,774)
Brine Line and equipment	(82,887,458)	(2,871,894)	-	(85,759,352)
Wastewater treatment and disposal rights	(34,200,915)	(927,886)	-	(35,128,801)
Building leases	(115,739)	(52,802)	148,633	(19,908)
Equipment leases	(9,799)	(7,839)	-	(17,638)
Total accumulated depreciation and amortization	<u>(118,895,030)</u>	<u>(3,997,362)</u>	<u>148,633</u>	<u>(122,743,759)</u>
Depreciable capital assets, net	<u>95,757,749</u>	<u>(3,660,847)</u>	<u>-</u>	<u>92,096,902</u>
Total capital assets, net	<u>\$ 96,912,667</u>	<u>(3,598,337)</u>	<u>-</u>	<u>93,314,330</u>

Major depreciable / amortizable capital asset additions during the fiscal year ending 2023 consist of additions to the following categories: construction-in-progress, land improvements, wastewater disposal rights. The Authority's disposals consisted of building leases and related amortization. There were no transfers from construction-in-process for the year.

Santa Ana Watershed Project Authority
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2024 and 2023

(6) Compensated Absences

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

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

	<u>Balance 2023</u>	<u>Earned</u>	<u>Taken</u>	<u>Balance 2024</u>	<u>Current Portion</u>	<u>Long-term Portion</u>
\$	655,144	497,900	(410,773)	742,271	222,681	519,590
	<u>Balance 2022</u>	<u>Earned</u>	<u>Taken</u>	<u>Balance 2023</u>	<u>Current Portion</u>	<u>Long-term Portion</u>
\$	667,689	523,715	(536,260)	655,144	196,543	458,601

(7) Long-term Debt

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

	<u>2023</u>	<u>Additions</u>	<u>Principal Pmts Amortization</u>	<u>2024</u>	<u>Current Portion</u>	<u>Long-Term Portion</u>
State Revolving Fund Loan:						
Reach IV-A & IV-B	\$ 9,092,499	-	(807,868)	8,284,631	828,873	7,455,758
SWRCB Inland Empire Brine Line:						
Reach V Loans:						
Loan I	13,140,815	-	(415,527)	12,725,288	423,422	12,301,866
Total loans payable	22,233,314	-	(1,223,395)	21,009,919	1,252,295	19,757,624
Leases payable:						
Konica Minolta	13,485	-	(7,950)	5,535	5,535	-
Building 1	76,799	-	(28,142)	48,657	23,944	24,713
Building 2	93,589	-	(29,184)	64,405	31,183	33,222
Building 3	81,939	-	(25,645)	56,294	27,303	28,991
Total leases payable	265,812	-	(90,921)	174,891	87,965	86,926
Total long-term debt	\$ 22,499,126	-	(1,314,316)	21,184,810	1,340,260	19,844,550

Santa Ana Watershed Project Authority
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2024 and 2023

(7) Long-term Debt, continued

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

	<u>2022</u>	<u>Additions</u>	<u>Principal Pmts Amortization</u>	<u>2023</u>	<u>Current Portion</u>	<u>Long-Term Portion</u>
State Revolving Fund Loan:						
Reach IV-A & IV-B	\$ 9,879,895	-	(787,396)	9,092,499	807,868	8,284,631
SWRCB Inland Empire Brine Line:						
Reach V Loans:						
Loan I	13,548,594	-	(407,779)	13,140,815	415,527	12,725,288
Total loans payable	23,428,489	-	(1,195,175)	22,233,314	1,223,395	21,009,919
Leases payable:						
Konica Minolta	21,285	-	(7,800)	13,485	7,950	5,535
Building 1	23,734	76,799	(23,734)	76,799	27,153	49,646
Building 2	11,838	107,621	(25,870)	93,589	29,184	64,405
Building 3	-	86,134	(4,195)	81,939	25,645	56,294
Total leases payable	56,857	270,554	(61,599)	265,812	89,932	175,880
Total long-term debt	\$ 23,485,346	270,554	(1,256,774)	22,499,126	1,313,327	21,185,799

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

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

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

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 828,873	215,400	1,044,273
2026	850,424	193,850	1,044,274
2027	872,535	171,739	1,044,274
2028	895,220	149,053	1,044,273
2029	918,496	48,376	966,872
2030-2033	3,919,083	99,233	4,018,316
Total	8,284,631	877,651	9,162,282
Less current portion	(828,873)		
Total non-current	\$ 7,455,758		

Santa Ana Watershed Project Authority
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2024 and 2023

(7) Long-term Debt, continued

SWRCB Inland Empire Brine Line Reach V Loans - Loan 1

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

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

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 423,422	241,780	665,202
2026	431,467	233,735	665,202
2027	439,665	225,538	665,203
2028	448,019	217,184	665,203
2029	456,531	208,672	665,203
2030-2034	2,416,109	909,903	3,326,012
2035-2039	2,654,529	671,483	3,326,012
20240-2044	2,916,476	409,536	3,326,012
2045-2048	2,539,070	121,741	2,660,811
Total	12,725,288	3,239,572	15,964,860
Less current portion	(423,422)		
Total non-current \$	<u>12,301,866</u>		

Konica Minolta Lease

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

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

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

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 5,535	41	5,576
Total	5,535	41	5,576
Less current portion	(5,535)		
Total non-current \$	<u>-</u>		

Santa Ana Watershed Project Authority
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2024 and 2023

(7) Long-term Debt, continued

Building 1 Lease

In June 2023, the Authority renewed an agreement with Biltmore Riverside I, LLC to rent building space for the purpose of providing a headquarters building for Authority operations. Terms of the agreement commence on July 1, 2023, for a period of 36 months, with base rent due monthly at \$2,447 per month, for months 1-12, \$2,057 per month, for months 13-24, and \$2,165 for months 25-36.

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

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

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 23,944	508	24,452
2026	24,713	184	24,897
Total	48,657	692	49,349
Less current portion	<u>(23,944)</u>		
Total non-current	<u>\$ 24,713</u>		

Building 2 Lease

In January 2023, the Authority renewed an agreement with Biltmore Riverside I, LLC to rent building space for the purpose of providing a separate operations building. Terms of the agreement commence on January 1, 2023, for a period of 42 months, with base rent due monthly at \$2,500 per month, for months 1-12, \$2,619 per month, for months 13-24, \$2,738 for months 25-36, and \$2,857 for months 38-42.

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

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

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 31,183	957	32,140
2026	33,222	346	33,568
Total	64,405	1,303	65,708
Less current portion	<u>(31,183)</u>		
Total non-current	<u>\$ 33,222</u>		

Santa Ana Watershed Project Authority
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2024 and 2023

(7) Long-term Debt, continued

Building 3 Lease

In May 2023, the Authority entered into an agreement with Biltmore Riverside I, LLC to rent building space for the purpose of providing a separate operations building. Terms of the agreement commence on May 1, 2023, for a period of 38 months, with base rent due monthly at \$2,232 per month, for months 1-12, \$2,328 per month, for months 13-24, \$2,425 for months 25-36 and \$2,521 for months 37-38.

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

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

Fiscal Year	Principal	Interest	Total
2025	\$ 27,303	834	28,137
2026	28,991	324	29,315
Total	56,294	1,158	57,452
Less current portion	(27,303)		
Total non-current	\$ 28,991		

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

Plan Description

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

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

Santa Ana Watershed Project Authority
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2024 and 2023

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

Benefits Provided

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

Funding Policy

The contribution requirements of plan members and the Authority are established and may be amended by the Authority. The Authority contributes the entire premium cost up to a predetermined cap. The 2024 and 2023 monthly cap per retiree amounted to \$2,058 and \$1,944, respectively. Employees hired on or after July 1, 2005, are not eligible to receive employer subsidized postemployment medical benefits.

Employees Covered by Benefit Terms

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

	2024	2023
Inactive employees or beneficiaries currently receiving benefit payments	14	8
Inactive employees entitled to but not yet receiving benefit payments	-	-
Active employees	4	6
Total plan membership	18	14

Contributions

The annual contribution is based on the actuarially determined contribution. For the fiscal years ended June 30, 2024 and 2023, the Authority's cash contributions were \$105,323 and \$102,379, respectively in payments to the trust.

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

	2024	2023
Contributions to trust by – employer	\$ 105,323	102,379
Total employer paid contributions	\$ 105,323	102,379

Santa Ana Watershed Project Authority
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2024 and 2023

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

Actuarial Assumptions and Other Inputs

The net OPEB liability in the June 30, 2023 and 2021, actuarial valuations, which were measured at June 30, 2023 and 2022, respectively, were determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2024 – 2.62 percent 2023 – 2.39 percent
Salary increases	3.25 percent, average, including inflation
Discount rate	2024 – 5.50 percent 2023 – 6.73 percent
Mortality Rate ⁽¹⁾	Derived using CalPERS Membership Data for all funds
Pre-Retirement Turnover ⁽²⁾	Derived using CalPERS Membership Data for all funds
Healthcare cost trend rates	
Initial Trend Rate	<u>2024 - (MD 2023)</u> <u>2023 - (MD2022)</u>
Pre-65	7.66% 6.95%
Post-65	4.85% 5.45%
Ultimate Rate	4.50% 4.00%
Year Ultimate Rate is Reached	2052 2069

Notes:

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

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

The long-term expected rate of return on OPEB plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the OPEB plan’s target asset are summarized in the table on the following page for measurement periods June 30, 2023 and 2022:

Santa Ana Watershed Project Authority
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2024 and 2023

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

Actuarial Assumptions and Other Inputs, continued

<u>Asset class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Equity	34.00%	7.12%
Fixed income	41.00%	2.06%
REITS	22.00%	4.53%
Others	3.00%	1.98%
Total	<u>100.00%</u>	

Discount Rate

As of June 30, 2023 and 2022, the discount rate used to measure the net OPEB liability was 6.73 percent, respectively. The projection of cash flows used to determine the discount rate assumed that Authority contributions will be made at rates equal to the actuarially determined contribution rates.

Changes in the Net OPEB Liability

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

	<u>Total OPEB Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net OPEB Liability (Asset)</u>
Balance at June 30, 2023	\$ 1,903,396	1,859,674	43,722
Changes for the year:			
Service cost	16,903	-	16,903
Interest	126,398	-	126,398
Differences between expected and actual experience	(181,272)	-	(181,272)
Changes in assumptions or other inputs	(206,702)	-	(206,702)
Employer contributions	-	102,379	(102,379)
Net investment income	-	66,415	(66,415)
Benefit payments	(84,339)	(84,339)	-
Administrative expenses	-	(533)	533
Net changes	<u>(329,012)</u>	<u>83,922</u>	<u>(412,934)</u>
Balance at June 30, 2024	\$ <u>1,574,384</u>	<u>1,943,596</u>	<u>(369,212)</u>

Santa Ana Watershed Project Authority
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2024 and 2023

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

Changes in the Net OPEB Liability, continued

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

	<u>Total OPEB Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net OPEB (Asset) Liability</u>
Balance at June 30, 2022	\$ 1,891,606	2,078,907	(187,301)
Changes for the year:			
Service cost	16,098	-	16,098
Interest	124,628	-	124,628
Differences between expected and actual experience	(15,341)	-	(15,341)
Changes in assumptions or other inputs	-	-	-
Employer contributions	-	160,466	(160,466)
Net investment income	-	(265,576)	265,576
Benefit payments	(113,595)	(113,595)	-
Administrative expenses	-	(528)	528
Net changes	<u>11,790</u>	<u>(219,233)</u>	<u>231,023</u>
Balance at June 30, 2023	\$ <u>1,903,396</u>	<u>1,859,674</u>	<u>43,722</u>

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

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

As of June 30, 2024, the discount rate comparison was the following:

	<u>Discount Rate 1% Lower</u>	<u>Valuation Discount Rate</u>	<u>Discount Rate 1% Higher</u>
Net OPEB liability (asset)	\$ <u>(174,578)</u>	<u>(369,212)</u>	<u>(531,691)</u>

As of June 30, 2023, the discount rate comparison was the following:

	<u>Discount Rate 1% Lower</u>	<u>Valuation Discount Rate</u>	<u>Discount Rate 1% Higher</u>
Net OPEB liability (asset)	\$ <u>283,667</u>	<u>43,722</u>	<u>(136,474)</u>

Santa Ana Watershed Project Authority
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2024 and 2023

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

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

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

As of June 30, 2024, the healthcare cost trend rate comparison was the following:

	Trend 1% Lower	Valuation Trend	Trend 1% Higher
Net OPEB liability (asset)	\$ (542,986)	(369,212)	(159,028)

As of June 30, 2023, the healthcare cost trend rate comparison was the following:

	Trend 1% Lower	Valuation Trend	Trend 1% Higher
Net OPEB liability (asset)	\$ (148,321)	43,722	299,050

For the year ended June 30, 2024 and 2023, the Authority recognized OPEB income of \$167,978 and \$132,748, respectively.

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

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

Description	June 30, 2024		June 30, 2023	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB contributions subsequent to the measurement date	\$ 105,323	-	102,379	-
Change of assumptions	-	(124,021)	-	(166,396)
Difference between expected and actual experience	-	(114,254)	77,837	-
Net difference between projected and actual earnings on investments	207,905	-	200,766	-
Total	\$ 313,228	(238,275)	380,982	(166,396)

As of June 30, 2024 and 2023, employer OPEB contributions reported as deferred outflows of resources related to contributions subsequent to the measurement date of \$105,323 and \$102,379 will be/were recognized as a reduction of the net OPEB liability in the fiscal year ended June 30, 2025 and 2024, respectively.

Santa Ana Watershed Project Authority
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2024 and 2023

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

As of June 30, 2023, there were amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB which are required to be recognized in OPEB expense over future periods, respectively. OPEB related amounts will be recognized as pension expense as follows.

Fiscal Year Ending June 30,	Deferred Net Outflows(Inflows) of Resources
2025	\$ (107,224)
2026	(28,283)
2027	93,271
2028	11,866

Schedules of Changes in the Authority's Net OPEB Liability and Related Ratios

Schedules of Other Post-Employment Benefits Plan Contributions

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

(9) Defined Benefit Pension Plan

Plan Description

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

Benefits Provided

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

Santa Ana Watershed Project Authority
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2024 and 2023

(9) Defined Benefit Pension Plan, continued

Benefits Provided, continued

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

The Plans' provision and benefits in effect at June 30, 2024, are summarized as follows:

	Miscellaneous	
	Classic	PEPRA
	Prior to January 1, 2013	On or after January 1, 2013
Hire date		
Benefit formula	2.0% @ 55	2.0% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50 - 63	52 - 67
Monthly benefits, as a % of eligible compensation	1.4% to 2.0%	1.0% to 2.0%
Required employee contribution rates	6.92%	8.00%
Required employer contribution rates	13.00%	7.91%

Contributions

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

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

	2024	2023
Contributions – employer	\$ <u>378,165</u>	<u>622,000</u>

Santa Ana Watershed Project Authority
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2024 and 2023

(9) Defined Benefit Pension Plan, continued

Net Pension Liability

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

	2024	2023
Proportionate share of net pension liability	\$ <u>3,104,092</u>	<u>2,597,279</u>

The Authority's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2023 and 2022, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2022 and 2021, rolled forward to June 30, 2023 and 2022, respectively, using standard update procedures. The Authority's proportion of the net pension liability was based on a projection of the Authority's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

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

	Proportionate Share
Proportion – June 30, 2023	0.02249 %
Change in proportion	<u>0.00239</u>
Proportion – June 30, 2024	<u>0.02488 %</u>
	Proportionate Share
Proportion – June 30, 2022	(0.02044) %
Change in proportion	<u>0.04293</u>
Proportion – June 30, 2023	<u>0.02249 %</u>

As a result of the adjustment for the GASB 68 pronouncement at June 30, 2024 and 2023, the Authority recognized pension expense of \$1,649,412 and \$3,534,637, respectively.

Santa Ana Watershed Project Authority
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2024 and 2023

(9) Defined Benefit Pension Plan, continued

Deferred Pension Outflows (Inflows) of Resources

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

<u>Description</u>	<u>June 30, 2024</u>		<u>June 30, 2023</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to measurement date at June 30	\$ 378,165	-	622,000	-
Net, differences between actual and expected experience	133,977	-	17,225	-
Net, changes in assumptions	187,410	-	266,148	-
Net, differences between projected and actual earnings on plan investments	502,586	-	475,756	-
Net, differences between actual contributions and proportionate share of contributions	-	(607,400)	-	(122,799)
Net, change due to differences in proportion of net pension liability	<u>1,121,610</u>	<u>-</u>	<u>1,222,452</u>	<u>-</u>
Total	<u>\$ 2,323,748</u>	<u>(607,400)</u>	<u>2,603,581</u>	<u>(122,799)</u>

As of June 30, 2024 and 2023, employer pension contributions reported as deferred outflows of resources related to contributions subsequent to the measurement date of \$378,165 and \$622,000 will be/were recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2025 and 2024, respectively.

As a result of the current year actuarial valuation changes for GASB 68 at June 30, 2024, the Authority recognized other amounts reported by the Plan actuarial as deferred outflows of resources and deferred inflows of resources related to the pension liability. Pension related amounts will be recognized as pension expense (income) as follows.

<u>Fiscal Year Ending June 30,</u>	<u>Deferred Net Outflows(Inflows) of Resources</u>
2025	\$ 733,689
2026	560,486
2027	(8,603)
2028	52,611

Santa Ana Watershed Project Authority
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2024 and 2023

(9) Defined Benefit Pension Plan, continued

Actuarial Assumptions

The total pension liabilities were determined as of June 30, 2021 and 2020, which were rolled forward to June 30, 2022 and 2021, respectively, using the following actuarial assumptions:

Valuation dates	June 30, 2022 and 2021
Measurement dates	June 30, 2023 and 2022
Actuarial cost method	Entry Age Normal in accordance with the requirements of GASB Statement No. 68
Actuarial assumptions:	
Discount rate	2023 – 6.90% 2022 – 6.90%
Inflation	2023 – 2.30% 2022 – 2.30%
Salary increase	Varies by Entry Age and Service
Investment Rate of Return	6.90 % Net of Pension Plan Investment and Administrative Expenses; includes inflation
Mortality Rate Table*	Derived using CalPERS' Membership Data for all Funds
Period upon which actuarial Experience Survey assumptions were based	2022 and 2021 – 1997–2015
Post Retirement Benefit	2022 and 2021 – Contract COLA up to 2.30% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.30% thereafter.

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

Discount Rate

The discount rate used to measure the total pension liability was 6.90% for the Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for the Plan, the amortization and smoothing periods recently adopted by CalPERS were utilized. The crossover test was performed for a miscellaneous agent plan and a safety agent plan selected as being more at risk of failing the crossover test and resulting in a discount rate that would be different from the long-term expected rate of return on pension investments.

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

Santa Ana Watershed Project Authority
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2024 and 2023

(9) Defined Benefit Pension Plan, continued

Discount Rate, continued

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

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

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

As of June 30, 2023, the target allocation and the long-term expected real rate of return by asset class were as follows:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Real Return Years 1-10</u>
Global equity - cap-weighted	30.00 %	4.45 %
Global equity non-cap-weighted	12.00	3.84
Private Equity	13.00	7.28
Treasury	5.00	0.27
Mortgage-backed Securities	5.00	0.50
Investment Grade Corporates	10.00	1.56
High Yield	5.00	2.27
Emerging Market Debt	5.00	2.48
Private Debt	5.00	3.57
Real Assets	15.00	3.21
Leverage	-5.00	(0.59)
Total	<u>100.00 %</u>	

Santa Ana Watershed Project Authority
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2024 and 2023

(9) Defined Benefit Pension Plan, continued

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

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

As of June 30, 2024, the discount rate comparison was the following:

	Discount Rate - 1%	Current Discount Rate	Discount Rate + 1%
	5.90%	6.90%	7.90%
Authority's net pension liability	\$ <u>6,734,925</u>	<u>3,104,092</u>	<u>115,605</u>

As of June 30, 2023, the discount rate comparison was the following:

	Discount Rate - 1%	Current Discount Rate	Discount Rate + 1%
	5.90%	6.90%	7.90%
Authority's net pension liability (asset)	\$ <u>6,013,398</u>	<u>2,597,279</u>	<u>(213,339)</u>

Pension Plan Fiduciary Net Position

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

Payable to the Pension Plan

As of June 30, 2024 and 2023, the Authority reported no payables for the outstanding amount of contribution to the pension plan, respectively.

Santa Ana Watershed Project Authority
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2024 and 2023

(10) Unearned Revenue

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

<u>Balance</u> <u>2023</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>2024</u>
\$ 59,012,531	11,297	(3,864,322)	55,159,506
<u>Balance</u> <u>2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>2023</u>
\$ 60,177,414	-	(1,164,883)	59,012,531

(11) Net Position

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

	<u>2024</u>	<u>2023</u>
Net investment in capital assets:		
Capital assets – not being depreciated	\$ 4,176,632	1,217,428
Depreciable capital assets, net	88,344,792	92,096,902
State Revolving Fund Reach IV-A & IV-B loan payable	(8,284,631)	(9,092,499)
SWRCB Brine Line Reach V Loans Payable	(12,725,288)	(13,140,815)
Konica Minolta	(5,535)	(13,485)
Building 1	(48,657)	(76,799)
Building 2	(64,405)	(93,589)
Building 3	(56,294)	(81,939)
Total net investment in capital assets	<u>71,336,614</u>	<u>70,815,204</u>
Restricted net position:		
SRF Reach IV-A & IV-B Reserve Requirement	1,050,000	1,050,000
Mitigation	1,910,560	1,910,560
Net OPEB asset	369,212	-
Total restricted net position	<u>3,329,772</u>	<u>2,960,560</u>
Unrestricted net position:	<u>12,925,619</u>	<u>6,212,624</u>
Total net position	<u>\$ 87,592,005</u>	<u>79,988,388</u>

Santa Ana Watershed Project Authority
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2024 and 2023

(12) Joint Ventures

Lake Elsinore & San Jacinto Watersheds Authority (LESJWA)

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

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

The Authority conducts the administrative function of LESJWA, which reimburses the Authority based on invoices for administrative services provided. During the years ended June 30, 2024, and 2023, administrative services provided to LESJWA totaled \$153,460 and \$203,714, respectively, which are included in operating revenue.

The financial statements for LESJWA are available at the Authority.

	2024	2023
Total assets	\$ 406,644	317,315
Total liabilities	\$ 222,666	161,977
Total net position	\$ 183,978	155,338

(13) Risk Management

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

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

Santa Ana Watershed Project Authority
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2024 and 2023

(14) Governmental Accounting Standards Board Statements Issued, Not Yet Effective

The Governmental Accounting Standards Board (GASB) has issued several pronouncements prior to June 30, 2024, that have effective dates that may impact future financial presentations.

Governmental Accounting Standards Board Statement No. 101

In June 2022, the GASB issued Statement No. 101 – *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Leave is attributable to services already rendered when an employee has performed the services required to earn the leave. Leave that accumulates is carried forward from the reporting period in which it is earned to a future reporting period during which it may be used for time off or otherwise paid or settled. In estimating the leave that is more likely than not to be used or otherwise paid or settled, a government should consider relevant factors such as employment policies related to compensated absences and historical information about the use or payment of compensated absences. However, leave that is more likely than not to be settled through conversion to defined benefit postemployment benefits should not be included in a liability for compensated absences.

The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

Governmental Accounting Standards Board Statement No. 102

In December 2023, the GASB issued Statement No. 102 – *Certain Risk Disclosures*. The primary objective of this Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact to have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter. Earlier application is encouraged.

Santa Ana Watershed Project Authority
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2024 and 2023

(14) Governmental Accounting Standards Board Statements Issued, Not Yet Effective, continued

Governmental Accounting Standards Board Statement No. 103

In April 2024, the GASB issued Statement No. 103 – *Financial Reporting Model Improvements*. The primary objective of this Statement is to improve key components of the financial reporting model to enhance effectiveness in providing information that is essential for decision making and assessing a government’s accountability. Also, this Statement: (1) continues the requirement that the basic financial statements be preceded by management’s discussion and analysis (MD&A), which is presented as required supplementary information (RSI); (2) describes unusual or infrequent items as transactions and other events that are either unusual in nature or infrequent in occurrence; (3) requires that the proprietary fund statement of revenues, expenses, and changes in fund net position continue to distinguish between operating and nonoperating revenues and expenses; (4) requires governments to present each major component unit separately in the reporting entity’s statement of net position and statement of activities if it does not reduce the readability of the statements; and (5) requires governments to present budgetary comparison information using a single method of communication—RSI.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. Earlier application is encouraged.

Governmental Accounting Standards Board Statement No. 104

In September 2024, the GASB issued Statement No. 104 – *Disclosure of Certain Capital Assets*. The primary objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets. This Statement establishes requirements for certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement No. 34, Basic Financial Statements and Management Discussion and Analysis for State and Local Governments. Also, this Statement establishes requirements for capital assets held for sale, including additional disclosures for those capital assets. The requirements of this Statement apply to the financial statements of all state and local governments.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. Earlier application is encouraged.

(15) Commitments and Contingencies

Grant Awards

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

Santa Ana Watershed Project Authority
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2024 and 2023

(15) Commitments and Contingencies, continued

Litigation

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

Other Commitments and Contingencies

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

(16) Subsequent Events

Events occurring after June 30, 2024, have been evaluated for possible adjustment to the financial statements or disclosure as of December 17, 2024, which is the date the financial statements were available to be issued.

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Required Supplementary Information

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Santa Ana Watershed Project Authority
Schedules of Changes in the Net OPEB Liability and Related Ratios
As of June 30, 2024
Last Ten Years*

	Measurement Dates						
	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
Total OPEB liability							
Service cost	\$ 16,903	16,098	20,942	19,944	28,540	27,181	26,828
Interest	126,398	124,628	138,454	135,129	127,527	122,126	108,355
Employer contributions	-	-	-	-	-	-	-
Changes of benefit terms	-	-	-	-	-	-	-
Difference between expected and actual experience	(181,272)	(15,341)	176,449	(4,080)	298,861	(4,383)	22,281
Changes of assumptions or other inputs	(206,702)	-	(424,697)	-	(248,125)	-	103,114
Benefit payments	(84,339)	(113,595)	(109,963)	(95,452)	(75,336)	(57,035)	(55,611)
Net change in total OPEB liability	(329,012)	11,790	(198,815)	55,541	131,467	87,889	204,967
Total OPEB liability – beginning	1,903,396	1,891,606	2,090,421	2,034,880	1,903,413	1,815,524	1,610,557
Total OPEB liability – ending	<u>1,574,384</u>	<u>1,903,396</u>	<u>1,891,606</u>	<u>2,090,421</u>	<u>2,034,880</u>	<u>1,903,413</u>	<u>1,815,524</u>
Plan fiduciary net position							
Contribution – employer	102,379	160,466	164,101	169,930	149,059	129,352	121,424
Net investment income	66,415	(265,576)	335,301	84,799	100,148	73,974	79,164
Benefit payments	(84,339)	(113,595)	(109,963)	(95,452)	(75,336)	(57,035)	(55,611)
Administrative expense	(533)	(528)	(621)	(759)	(298)	(643)	(572)
Net change in plan fiduciary net position	83,922	(219,233)	388,818	158,518	173,573	145,648	144,405
Plan fiduciary net position – beginning	1,859,674	2,078,907	1,690,089	1,531,571	1,357,998	1,212,350	1,067,945
Plan fiduciary net position – ending	<u>1,943,596</u>	<u>1,859,674</u>	<u>2,078,907</u>	<u>1,690,089</u>	<u>1,531,571</u>	<u>1,357,998</u>	<u>1,212,350</u>
Net OPEB (asset) liability	\$ <u>(369,212)</u>	<u>43,722</u>	<u>(187,301)</u>	<u>400,332</u>	<u>503,309</u>	<u>545,415</u>	<u>603,174</u>
Covered payroll	\$ <u>810,757</u>	<u>977,174</u>	<u>1,182,249</u>	<u>1,379,767</u>	<u>1,336,336</u>	<u>1,238,555</u>	<u>1,156,128</u>
Total OPEB liability as a percentage of covered payroll	<u>-45.54%</u>	<u>4.47%</u>	<u>-15.84%</u>	<u>29.01%</u>	<u>37.66%</u>	<u>44.04%</u>	<u>52.17%</u>

Notes to Schedule

Valuation dates June 30, 2022 June 30, 2021 June 30, 2021 June 30, 2021 June 30, 2019 June 30, 2017 June 30, 2017

Methods and assumptions used to determine contribution rates:

	Entry age normal (1)	Entry age normal (1)	Entry age normal (1)	Entry age normal (1)	Entry age normal (1)	Entry age normal (1)	Entry age normal (1)
Single and agent employers							
Amortization method	Market value	Market value	Market value	Market value	Market value	Market value	Market value
Asset valuation method							
Inflation	2.62%	2.39%	2.39%	2.39%	2.26%	2.26%	2.25%
Salary increases	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%
Investment rate of return	5.50%	6.73%	6.73%	6.73%	6.73%	6.73%	6.73%
Mortality, retirement, disability							
Termination	(3)	(3)	(3)	(3)	(3)	(2)	(2)
Other information	(4)	(4)	(4)	(4)	(4)	(4)	(4)

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

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

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

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

(4) N/A

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

Santa Ana Watershed Project Authority
Schedules of OPEB Plan Contributions
As of June 30, 2024
Last Ten Years*

Description	Fiscal Years Ended						
	<u>June 30, 2024</u>	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>
Actuarially determined contribution	\$ 97,672	88,991	99,262	60,264	73,723	72,317	65,813
Contributions in relation to the actuarially determined contribution	<u>(97,672)</u>	<u>(84,339)</u>	<u>(109,963)</u>	<u>(169,930)</u>	<u>(149,059)</u>	<u>(129,352)</u>	<u>(121,424)</u>
Contribution deficiency(excess)	\$ <u>-</u>	<u>4,652</u>	<u>(10,701)</u>	<u>(109,666)</u>	<u>(75,336)</u>	<u>(57,035)</u>	<u>(55,611)</u>
District's covered payroll	\$ <u>810,757</u>	<u>977,174</u>	<u>1,217,716</u>	<u>1,182,249</u>	<u>1,379,767</u>	<u>1,336,336</u>	<u>1,238,555</u>
Contribution's as a percentage of covered payroll	<u>12.05%</u>	<u>8.63%</u>	<u>9.03%</u>	<u>14.37%</u>	<u>10.80%</u>	<u>9.68%</u>	<u>9.80%</u>

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

Working Draft Subject to Review

Santa Ana Watershed Project Authority
Schedules of Proportionate Share of the Net Pension Liability
As of June 30, 2024
Last Ten Years*

Description	Measurement Dates									
	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
Authority's proportion of the net pension liability	0.02488%	0.02490%	-0.02044%	0.01719%	0.03983%	0.03788%	0.03755%	0.03588%	0.03274%	0.03487%
Authority's proportionate share of the net pension liability (asset)	\$ 3,104,092	2,597,279	(1,105,718)	1,870,834	4,081,229	3,649,848	3,724,430	3,104,742	2,247,501	2,169,716
Authority's covered payroll	\$ 3,043,474	3,177,937	3,244,053	3,277,860	3,166,203	3,065,932	3,098,371	2,795,885	2,560,510	2,294,398
Authority's proportionate share of the net pension liability as a percentage of its covered payroll	101.99%	81.73%	-34.08%	57.07%	128.90%	119.05%	120.21%	111.05%	87.78%	94.57%
Plan's fiduciary net position as a percentage of the total pension liability	88.44%	89.64%	104.76%	77.71%	77.73%	75.26%	73.31%	74.06%	78.40%	79.82%

Notes to schedule:

There were no changes in benefits.

Changes in assumptions:

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

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

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

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

There were no changes in assumptions.

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

The discount rate was reduced from 7.65% to 7.15%

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

The inflation rate was reduced from 2.75% to 2.50%

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

There were no changes in assumptions.

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

There were no changes in assumptions.

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

There were no changes in assumptions.

From fiscal year June 30, 2022 to June 30, 2023:

The discount rate was reduced from 7.15% to 6.90%

The inflation rate was reduced from 2.50% to 2.30%

From fiscal year June 30, 2023 to June 30, 2024:

There were no changes in assumptions.

Santa Ana Watershed Project Authority
Schedules of Pension Plan Contributions
As of June 30, 2024
Last Ten Years*

Description	Fiscal Years Ended									
	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Actuarially determined contribution	\$ 355,437	529,378	486,186	618,033	552,495	485,329	422,430	388,896	339,020	273,547
Contributions in relation to the actuarially determined contribution	(355,437)	(529,378)	(486,186)	(618,033)	(3,104,168)	(485,329)	(422,430)	(388,896)	(339,020)	(273,547)
Contribution deficiency(excess)	\$ -	-	-	-	(2,551,673)	-	-	-	-	-
Authority's covered payroll	\$ 3,147,488	3,043,474	3,177,937	3,244,053	3,277,860	3,166,203	3,065,932	3,098,371	2,795,885	2,560,510
Contribution's as a percentage of covered payroll	11.29%	17.39%	15.30%	19.05%	94.70%	15.33%	13.78%	12.55%	12.13%	10.68%
Notes to schedule:										
Valuation date	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014	June 30, 2013
Methods and assumptions used to determine contribution rates:										
Actuarial cost method	Entry Age	Entry Age	Entry Age	Entry Age	Entry Age	Entry Age	Entry Age	Entry Age	Entry Age	Entry Age
Amortization method	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Asset valuation method	Market Value	Market Value	Market Value	Market Value	Market Value	Market Value	Market Value	Market Value	Market Value	15 year Smoothed Market Method
Inflation	2.30%	2.30%	2.50%	2.50%	2.50%	2.75%	2.75%	2.75%	2.75%	2.75%
Salary increases	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)
Investment rate of return	6.90% (3)	6.90% (3)	7.15% (3)	7.00% (3)	7.25% (3)	7.375% (3)	7.50% (3)	7.50% (3)	7.50% (3)	7.50% (3)
Retirement age	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)
Mortality	(5)	(5)	(5)	(5)	(5)	(5)	(5)	(5)	(5)	(5)

(1) Level of percentage payroll, closed.

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

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

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

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

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Working Draft Subject to Review

Supplemental Information

Working Draft Subject to Review

Santa Ana Watershed Project Authority
Combining Schedule of Net Position
Enterprise Funds
June 30, 2024

with Comparative Information for the Fiscal Year Ended June 30, 2023

	Capital Project Activities	Internal Administration	Enterprise Activities	Totals	
				2024	2023
Current assets:					
Cash and cash equivalents	\$ 2,898,434	2,569,877	45,157,216	50,625,527	50,268,261
Cash and cash equivalents – restricted	749,289	-	-	749,289	808,607
Investments	-	-	15,920,557	15,920,557	12,218,364
Interest receivable	33,829	36,921	489,492	560,242	404,329
Accounts receivable	-	1,233	3,707,971	3,709,204	2,304,788
Accounts receivable – grants	8,592,692	705,228	-	9,297,920	8,443,639
Accounts receivable – other	11,903	206	-	12,109	28,638
Loan receivable – current portion	-	-	-	-	260,432
Prepaid expenses and other assets	8,200	188,668	235,305	432,173	414,620
Mitigation credits	1,910,560	-	-	1,910,560	1,910,560
Due from other funds	-	56,107	-	56,107	83,012
Total current assets	14,204,907	3,558,240	65,510,541	83,273,688	77,145,250
Non-current assets:					
Loan receivable	-	-	-	-	-
Loan receivable	-	-	-	-	824,407
Capital assets not being depreciated	3,356,735	499,889	320,008	4,176,632	1,217,428
Depreciable capital assets, net	-	898,039	87,446,753	88,344,792	92,096,902
Net OPEB asset	-	369,212	-	369,212	-
Total non-current assets	3,356,735	1,767,140	87,766,761	92,890,636	94,138,737
Total assets	17,561,642	5,325,380	153,277,302	176,164,324	171,283,987
Deferred outflows of resources:					
Deferred OPEB outflows of resources	-	313,228	-	313,228	380,982
Deferred pension outflows of resources	-	2,323,748	-	2,323,748	2,603,581
	\$ -	2,636,976	-	2,636,976	2,984,563

Continued on next page.

See accompanying notes to the basic financial statements

Santa Ana Watershed Project Authority
Combining Schedule of Net Position - Continued
Enterprise Funds
June 30, 2024

with Comparative Information for the Fiscal Year Ended June 30, 2023

	Capital Project Activities	Internal Administration	Enterprise Activities	Totals	
				2024	2023
Current liabilities:					
Accounts payable and accrued expenses	\$ 8,602,542	103,609	1,134,072	9,840,223	8,823,028
Accrued salaries and wages	-	106,304	-	106,304	81,966
Accrued interest payable	113	-	169,527	169,640	180,774
Customer deposits	-	-	667	667	14,385
Due to other funds	56,107	-	-	56,107	83,012
Long-term liabilities – due within one year:					
Compensated absences	-	222,681	-	222,681	196,543
Leases payable	-	12,978	74,987	87,965	89,932
Loans payable	-	-	1,252,295	1,252,295	1,223,395
Total current liabilities	8,658,762	445,572	2,631,548	11,735,882	10,693,035
Non-current liabilities:					
Unearned revenue	-	-	55,159,506	55,159,506	59,012,531
Long-term liabilities due in more than one year:					
Compensated absences	-	519,590	-	519,590	458,601
Leases payable	-	7,903	79,023	86,926	175,880
Loans payable	-	-	19,757,624	19,757,624	21,009,919
Net OPEB liability	-	-	-	-	43,722
Net pension liability	-	3,104,092	-	3,104,092	2,597,279
Total non-current liabilities	-	3,631,585	74,996,153	78,627,738	83,297,932
Total liabilities	8,658,762	4,077,157	77,627,701	90,363,620	93,990,967
Deferred inflows of resources:					
Deferred OPEB inflows of resources	-	238,275	-	238,275	166,396
Deferred pension inflows of resources	-	607,400	-	607,400	122,799
	-	845,675	-	845,675	289,195
Net position:					
Net investment in capital assets	3,356,735	1,377,047	66,602,832	71,336,614	70,815,204
Restricted for:					
SRF Reach IV-A & IV-B reserve requirement	-	-	1,050,000	1,050,000	1,050,000
Mitigation	1,910,560	-	-	1,910,560	1,910,560
Net OPEB asset	-	369,212	-	369,212	-
Unrestricted	3,635,585	1,293,265	7,996,769	12,925,619	6,212,624
Total net position	\$ 8,902,880	3,039,524	75,649,601	87,592,005	79,988,388

See accompanying notes to the basic financial statements

Santa Ana Watershed Project Authority
Combining Schedule of Revenues, Expenses, and Changes in Net Position
Enterprise Funds
For the Year Ended June 30, 2024
with Comparative Information for the Fiscal Year Ended June 30, 2023

	Capital Project	Internal	Enterprise	Totals	
	Activities	Administration	Activities	2024	2023
Operating revenues:					
Wastewater treatment and disposal	\$ -	-	13,047,884	13,047,884	12,319,657
Wastewater treatment and disposal - capacity rights	-	-	2,510,154	2,510,154	2,510,154
Program administration	153,460	-	-	153,460	203,714
Other	-	3,186	-	3,186	7,708
Total operating revenues	153,460	3,186	15,558,038	15,714,684	15,041,233
Operating expenses:					
Wastewater treatment and disposal	-	-	8,038,986	8,038,986	6,957,971
General and administrative and overhead	-	399,828	-	399,828	692,402
Studies and planning costs	3,104,665	-	-	3,104,665	3,405,256
Total operating expenses:	3,104,665	399,828	8,038,986	11,543,479	11,055,629
Operating (loss) income before depreciation and amortization	(2,951,205)	(396,642)	7,519,052	4,171,205	3,985,604
Depreciation and amortization	-	(143,199)	(2,942,606)	(3,085,805)	(3,069,476)
Amortization – disposal rights	-	-	(927,235)	(927,235)	(927,886)
Net (loss) income	(2,951,205)	(539,841)	3,649,211	158,165	(11,758)
Non-operating revenues (expenses):					
Member contributions	1,612,000	696,275	-	2,308,275	2,069,760
Intergovernmental	7,044,996	858,446	-	7,903,442	10,525,569
Pension (expense) income – GASB 68	-	(1,271,247)	-	(1,271,247)	(2,912,634)
OPEB income – GASB 75	-	273,301	-	273,301	235,127
Investment earnings, net of fair value	137,433	148,885	3,152,359	3,438,677	1,134,643
Grant program expenditures	(6,043,200)	(857,410)	6,717	(6,893,893)	(9,201,690)
Interest expense	-	(551)	(478,568)	(479,119)	(503,989)
Total non-operating (expense) revenues, net	2,751,229	(152,301)	2,680,508	5,279,436	1,346,786
Capital contributions:					
Rialto Bioenergy	-	-	1,389,215	1,389,215	260,432
San Bernardino Valley Municipal Water District	-	-	776,801	776,801	-
Total capital contributions	-	-	2,166,016	2,166,016	260,432
Total (loss) income before transfers	(199,976)	(692,142)	8,495,735	7,603,617	1,595,460
Transfers	3,108,842	-	(3,108,842)	-	-
Change in net position	2,908,866	(692,142)	5,386,893	7,603,617	1,595,460
Net position – beginning of year, as restated – (note 12)	5,994,014	3,731,666	70,262,708	79,988,388	78,392,928
Net position – end of year, as restated	\$ 8,902,880	3,039,524	75,649,601	87,592,005	79,988,388

See accompanying notes to the basic financial statements

Santa Ana Watershed Project Authority
Combining Schedule of Net Position
Capital Projects Activities
June 30, 2024

	Brine Line Protection Project	Reach IV-D Corrosion Repair	Aqua Mansa Lateral Project	Basin Planning
Current assets:				
Cash and cash equivalents	\$ -	-	-	75,546
Cash and cash equivalents – restricted	-	-	-	-
Interest receivable	-	-	-	1,414
Accounts receivable – grants	-	-	-	-
Accounts receivable – other	-	-	-	-
Prepaid expenses and other assets	-	-	-	-
Mitigation credits	-	-	-	-
Total current assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>76,960</u>
Non-current assets:				
Capital assets not being depreciated	-	694,966	2,661,769	-
Total assets	<u>-</u>	<u>694,966</u>	<u>2,661,769</u>	<u>76,960</u>
Current liabilities:				
Accounts payable	12,849	26,267	123,703	567
Accrued interest payable	-	-	-	-
Due to other funds	-	-	-	-
Total liabilities	<u>12,849</u>	<u>26,267</u>	<u>123,703</u>	<u>567</u>
Net position:				
Net investment in capital assets	-	694,966	2,661,769	-
Restricted	-	-	-	-
Unrestricted	(12,849)	(26,267)	(123,703)	76,393
Total net position	<u>\$ (12,849)</u>	<u>668,699</u>	<u>2,538,066</u>	<u>76,393</u>

Continued on next page.

See accompanying notes to the basic financial statements

<u>Watershed Management Plan</u>	<u>Basin Monitoring Program Task Force</u>	<u>PFAS Study</u>	<u>Weather Modification</u>	<u>Santa Ana River Fish Conservation</u>	<u>MSAR TMDL Task Force</u>
145,809	662,642	390,461	-	110,081	361,675
-	-	-	-	-	-
2,284	7,389	5,117	435	1,231	3,964
7,000	-	-	174,998	-	-
-	-	-	-	-	-
8,200	-	-	-	-	-
-	-	-	-	-	-
<u>163,293</u>	<u>670,031</u>	<u>395,578</u>	<u>175,433</u>	<u>111,312</u>	<u>365,639</u>
-	-	-	-	-	-
<u>163,293</u>	<u>670,031</u>	<u>395,578</u>	<u>175,433</u>	<u>111,312</u>	<u>365,639</u>
12,356	-	49,430	41,803	-	2,270
-	-	-	-	-	-
-	-	-	9,163	-	-
<u>12,356</u>	<u>-</u>	<u>49,430</u>	<u>50,966</u>	<u>-</u>	<u>2,270</u>
-	-	-	-	-	-
-	-	-	-	-	-
<u>150,937</u>	<u>670,031</u>	<u>346,148</u>	<u>124,467</u>	<u>111,312</u>	<u>363,369</u>
<u>150,937</u>	<u>670,031</u>	<u>346,148</u>	<u>124,467</u>	<u>111,312</u>	<u>363,369</u>

Continued on next page.

See accompanying notes to the basic financial statements

Santa Ana Watershed Project Authority
Combining Schedule of Net Position - Continued
Capital Project Activities
June 30, 2024

	Regional Water Quality Monitoring Task Force	Arundo Management & Habitat Restoration	Emerging Constituents Task Force	Energy Water DAC Grant Project
Current assets:				
Cash and cash equivalents	\$ 118,707	-	167,571	-
Cash and cash equivalents – restricted	-	749,289	-	-
Interest receivable	1,962	8,128	1,905	-
Accounts receivable – grants	-	-	-	44,054
Accounts receivable – other	-	-	-	-
Prepaid expenses and other assets	-	-	-	-
Mitigation credits	-	1,910,560	-	-
Total current assets	<u>120,669</u>	<u>2,667,977</u>	<u>169,476</u>	<u>44,054</u>
Non-current assets:				
Capital assets not being depreciated	-	-	-	-
Total assets	<u>120,669</u>	<u>2,667,977</u>	<u>169,476</u>	<u>44,054</u>
Current liabilities:				
Accounts payable	78,449	5,051	8,866	636
Accrued interest payable	-	-	-	-
Due to other funds	-	-	-	21,113
Total liabilities	<u>78,449</u>	<u>5,051</u>	<u>8,866</u>	<u>21,749</u>
Net position:				
Net investment in capital assets	-	-	-	-
Restricted	-	1,910,560	-	-
Unrestricted	42,220	752,366	160,610	22,305
Total net position	<u>\$ 42,220</u>	<u>2,662,926</u>	<u>160,610</u>	<u>22,305</u>

Continued on next page.

See accompanying notes to the basic financial statements

Prop 1 DACI Grant	Lake Elsinore Management	Prop 84 Grant Projects	Prop 1 Grant Projects	Total	
				2024	2023
-	-	773,812	92,130	\$ 2,898,434	3,042,978
-	-	-	-	749,289	808,607
-	-	-	-	33,829	21,354
44,272	-	6,066,903	2,255,465	8,592,692	7,777,993
-	11,903	-	-	11,903	28,638
-	-	-	-	8,200	-
-	-	-	-	1,910,560	1,910,560
<u>44,272</u>	<u>11,903</u>	<u>6,840,715</u>	<u>2,347,595</u>	<u>14,204,907</u>	<u>13,590,130</u>
-	-	-	-	3,356,735	432,430
<u>44,272</u>	<u>11,903</u>	<u>6,840,715</u>	<u>2,347,595</u>	<u>17,561,642</u>	<u>14,022,560</u>
28,901	-	5,970,132	2,241,262	8,602,542	7,945,534
-	113	-	-	113	-
<u>15,371</u>	<u>10,460</u>	<u>-</u>	<u>-</u>	<u>56,107</u>	<u>83,012</u>
<u>44,272</u>	<u>10,573</u>	<u>5,970,132</u>	<u>2,241,262</u>	<u>8,658,762</u>	<u>8,028,546</u>
-	-	-	-	3,356,735	432,430
-	-	-	-	1,910,560	1,910,560
-	1,330	870,583	106,333	3,635,585	3,651,024
<u>-</u>	<u>1,330</u>	<u>870,583</u>	<u>106,333</u>	<u>\$ 8,902,880</u>	<u>5,994,014</u>

See accompanying notes to the basic financial statements

Santa Ana Watershed Project Authority
Combining Schedule of Revenues, Expenses, and Changes in Net Position
Capital Project Activities
For the Fiscal Year Ended June 30, 2024

	Brine Line Protection Project	Reach IV-D Corrosion Repair	Aqua Mansa Lateral Project	Basin Planning
Operating revenues:				
Other	-	-	-	-
Total operating revenues	-	-	-	-
Operating expenses:				
Studies and planning costs	203,656	-	-	499,647
Total operating expenses	203,656	-	-	499,647
Net income (loss)	(203,656)	-	-	(499,647)
Non-operating revenues (expenses):				
Member contributions	-	-	-	420,000
Intergovernmental	-	-	-	-
Investment earnings, net of fair value	-	-	-	10,463
Grant program expenditures	-	-	-	-
Total non-operating revenues (expense)	-	-	-	430,463
Total income (loss) before transfers	(203,656)	-	-	(69,184)
Transfers	304,685	279,225	2,524,932	-
Changes in net position	101,029	279,225	2,524,932	(69,184)
Net position – beginning of year	(113,878)	389,474	13,134	145,577
Net position – end of year	\$ (12,849)	668,699	2,538,066	76,393

Continued on next page.

See accompanying notes to the basic financial statements

<u>Watershed Management Plan</u>	<u>Basin Monitoring Program Task Force</u>	<u>PFAS Study</u>	<u>Weather Modification</u>	<u>Santa Ana River Fish Conservation</u>	<u>MSAR TMDL Task Force</u>
-	-	-	-	-	-
-	-	-	-	-	-
<u>529,334</u>	<u>310,125</u>	<u>209,766</u>	<u>356,303</u>	<u>27,537</u>	<u>47,559</u>
<u>529,334</u>	<u>310,125</u>	<u>209,766</u>	<u>356,303</u>	<u>27,537</u>	<u>47,559</u>
<u>(529,334)</u>	<u>(310,125)</u>	<u>(209,766)</u>	<u>(356,303)</u>	<u>(27,537)</u>	<u>(47,559)</u>
400,000	-	550,000	222,000	10,000	-
67,900	572,019	-	185,998	19,000	233,923
12,573	26,769	18,113	5,833	4,224	13,407
-	-	-	-	-	-
<u>480,473</u>	<u>598,788</u>	<u>568,113</u>	<u>413,831</u>	<u>33,224</u>	<u>247,330</u>
(48,861)	288,663	358,347	57,528	5,687	199,771
-	-	-	-	-	(124,165)
<u>(48,861)</u>	<u>288,663</u>	<u>358,347</u>	<u>57,528</u>	<u>5,687</u>	<u>75,606</u>
<u>199,798</u>	<u>381,368</u>	<u>(12,199)</u>	<u>66,939</u>	<u>105,625</u>	<u>287,763</u>
<u>150,937</u>	<u>670,031</u>	<u>346,148</u>	<u>124,467</u>	<u>111,312</u>	<u>363,369</u>

Continued on next page.

See accompanying notes to the basic financial statements

Santa Ana Watershed Project Authority
Combining Schedule of Revenues, Expenses, and Changes in Net Position - Continued
Capital Project Activities
For the Fiscal Year Ended June 30, 2024

	Regional Water Quality Monitoring Task Force	Arundo Management & Habitat Restoration	Emerging Constituents Task Force	Energy Water DAC Grant Project
Operating revenues:				
Other	\$ -	-	-	-
Total operating revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Operating expenses:				
Studies and planning costs	440,357	92,107	95,625	108,760
Total operating expenses	<u>440,357</u>	<u>92,107</u>	<u>95,625</u>	<u>108,760</u>
Net income (loss)	(440,357)	(92,107)	(95,625)	(108,760)
Non-operating revenues (expenses):				
Member contributions	-	-	-	-
Intergovernmental	278,551	-	114,000	105,250
Investment earnings, net of fair value	9,453	29,859	6,739	-
Grant program expenditures	-	-	-	-
Total non-operating revenues (expense)	<u>288,004</u>	<u>29,859</u>	<u>120,739</u>	<u>105,250</u>
Total income (loss) before transfers	(152,353)	(62,248)	25,114	(3,510)
Transfers	<u>124,165</u>	<u>-</u>	<u>-</u>	<u>-</u>
Changes in net position	(28,188)	(62,248)	25,114	(3,510)
Net position – beginning of year	<u>70,408</u>	<u>2,725,174</u>	<u>135,496</u>	<u>25,815</u>
Net position – end of year	<u>\$ 42,220</u>	<u>2,662,926</u>	<u>160,610</u>	<u>22,305</u>

Continued on next page.

See accompanying notes to the basic financial statements

Prop 1 DACI Grant	Lake Elsinore Management	Prop 84 Grant Projects	Prop 1 Grant Projects	Total	
				2024	2023
-	153,460	-	-	153,460	203,714
-	153,460	-	-	153,460	203,714
20,429	163,460	-	-	3,104,665	3,405,256
20,429	163,460	-	-	3,104,665	3,405,256
(20,429)	(10,000)	-	-	(2,951,205)	(3,201,542)
-	10,000	-	-	1,612,000	1,344,325
125,992	-	2,029,006	3,313,357	7,044,996	9,858,978
-	-	-	-	137,433	68,250
(105,563)	-	(2,624,280)	(3,313,357)	(6,043,200)	(8,535,119)
20,429	10,000	(595,274)	-	2,751,229	2,736,434
-	-	(595,274)	-	(199,976)	(465,108)
-	-	-	-	3,108,842	212,742
-	-	(595,274)	-	2,908,866	(252,366)
-	1,330	1,465,857	106,333	5,994,014	6,246,380
-	1,330	870,583	106,333	8,902,880	5,994,014

See accompanying notes to the basic financial statements

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Working Draft Subject to Review

STATISTICAL SECTION



Statistical Section

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

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Financial Trends	77 - 78
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These schedules contain information to help the reader understand how the Authority’s financial performance and well-being have changed over time.

Revenue Capacity	79 - 84
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These schedules contain information to help the reader assess the factors affecting the Authority’s ability to generate revenues.

Debt Capacity	85 - 89
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These schedules present information to help the reader assess the affordability of the Authority’s current levels of outstanding debt and the Authority’s ability to issue additional debt in the future.

Demographic and Economic Information	90
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This schedule offers demographic and economic indicators to help the reader understand the environment within which the Authority’s financial activities take place.

Operating Information	91 - 92
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This schedule contains service and infrastructure data to help the reader understand how the information in the Authority’s financial report relates to the service the Authority provides.

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

	2024	2023	2022	2021 ⁽¹⁾	2020 ⁽¹⁾	2019	2018	2017	2016	2015
Net Investment in Capital Assets	\$71,336,614	\$70,815,204	\$73,427,321	\$76,739,960	\$79,824,095	\$82,216,012	\$85,226,499	\$90,622,870	\$84,798,833	\$82,709,425
Restricted	3,329,772	2,960,560	4,253,579	2,960,560	2,960,560	2,960,560	2,960,560	3,921,155	3,923,403	3,969,074
Unrestricted	12,925,619	6,212,624	712,028	(6,375,015)	(9,458,946)	(13,617,096)	(19,510,100)	(24,155,787)	(21,554,491)	(21,643,941)
Total Net Position	\$87,592,005	\$79,988,388	\$78,392,928	\$73,325,505	\$73,325,708	\$71,559,476	\$68,676,959	\$70,388,238	\$67,167,745	\$65,034,558

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

Source: Santa Ana Watershed Project Authority

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

Fiscal Year	Operating Revenue ⁽²⁾	Operating Expense ⁽³⁾	Operating Income/(Loss)	Total Non-Operating Revenue/(Expense)	Income/(Loss) Before Capital Contributions	Special Items ⁽⁴⁾⁽⁵⁾	Capital Contributions	Change in Net Position
2024	\$15,714,684	\$15,556,519	\$158,165	\$6,277,382	\$6,435,547	(\$997,946)	\$2,166,016	\$7,603,617
2023	15,041,233	15,052,991	(11,758)	4,024,293	4,012,535	(2,677,507)	260,432	1,595,460
2022	14,748,232	15,373,429	(625,197)	1,671,492	1,046,295	4,021,128	-	5,067,423
2021 ⁽¹⁾	15,192,196	18,234,980	(3,042,784)	3,042,581	(203)	-	-	(203)
2020 ⁽¹⁾	14,251,066	17,228,552	(2,977,486)	4,743,719	1,766,233	-	-	1,766,233
2019	15,050,312	17,097,853	(2,047,541)	4,930,058	2,882,517	-	-	2,882,517
2018	13,665,500	19,212,739	(5,547,239)	4,763,383	(783,856)	(927,423)	-	(1,711,279)
2017	13,997,461	14,881,490	(884,029)	4,104,522	3,220,493	-	-	3,220,493
2016	12,049,027	12,762,714	(713,687)	2,846,874	2,133,187	-	-	2,133,187
2015	11,731,196	13,057,424	(1,326,228)	2,470,547	1,144,319	-	-	1,144,319

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

(2) See Table III for details of revenues.

(3) See Table IV for details of expenses.

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

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

Source: Santa Ana Watershed Project Authority

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

Operating Revenues					Non-Operating Revenues						
Fiscal Year	WWT & Disposal	WWT & Disposal Capacity Rights	Other Operating	Total Operating Revenue	Member Contributions	Inter Governmental	Pension/OPEB Income	Investment Income/Expense, net of fair value	Gain on Disposal of Asset	Total Non-Operating Income	Combined Revenue
2024	\$13,047,884	\$2,510,154	\$156,646	\$15,714,684	\$2,308,275	\$7,903,442	\$273,301	\$3,438,677	\$-	\$13,923,695	\$29,638,379
2023	12,319,657	2,510,154	211,422	15,041,233	2,069,760	10,525,569	235,127	1,134,643	-	13,965,099	29,006,332
2022	12,040,521	2,510,154	197,557	14,748,232	1,581,845	13,673,784	4,021,128	(724,549)	-	18,552,208	33,300,440
2021 ⁽¹⁾	12,476,856	2,510,154	205,186	15,192,196	1,993,632	14,765,698	-	73,038	-	16,832,368	32,024,564
2020 ⁽¹⁾	11,547,220	2,510,154	193,692	14,251,066	2,105,955	9,466,587	-	1,496,354	-	13,068,896	27,319,962
2019 ⁽²⁾	12,334,346	2,510,154	205,812	15,050,312	1,909,415	29,011,794	-	1,660,061	-	32,581,270	47,631,582
2018	10,935,848	2,510,154	219,498	13,665,500	2,303,325	3,413,408	-	326,487	-	6,043,220	19,708,720
2017	11,273,024	2,519,533	204,904	13,997,461	2,307,624	4,795,478	-	193,157	-	7,296,259	21,293,720
2016	9,323,505	2,519,748	205,774	12,049,027	1,730,491	2,765,270	-	567,709	1,123	5,064,593	17,113,620
2015	8,958,914	2,510,154	262,128	11,731,196	1,806,745	1,257,581	-	432,179	1,123	3,497,628	15,228,824

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

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

Source: Santa Ana Watershed Project Authority

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

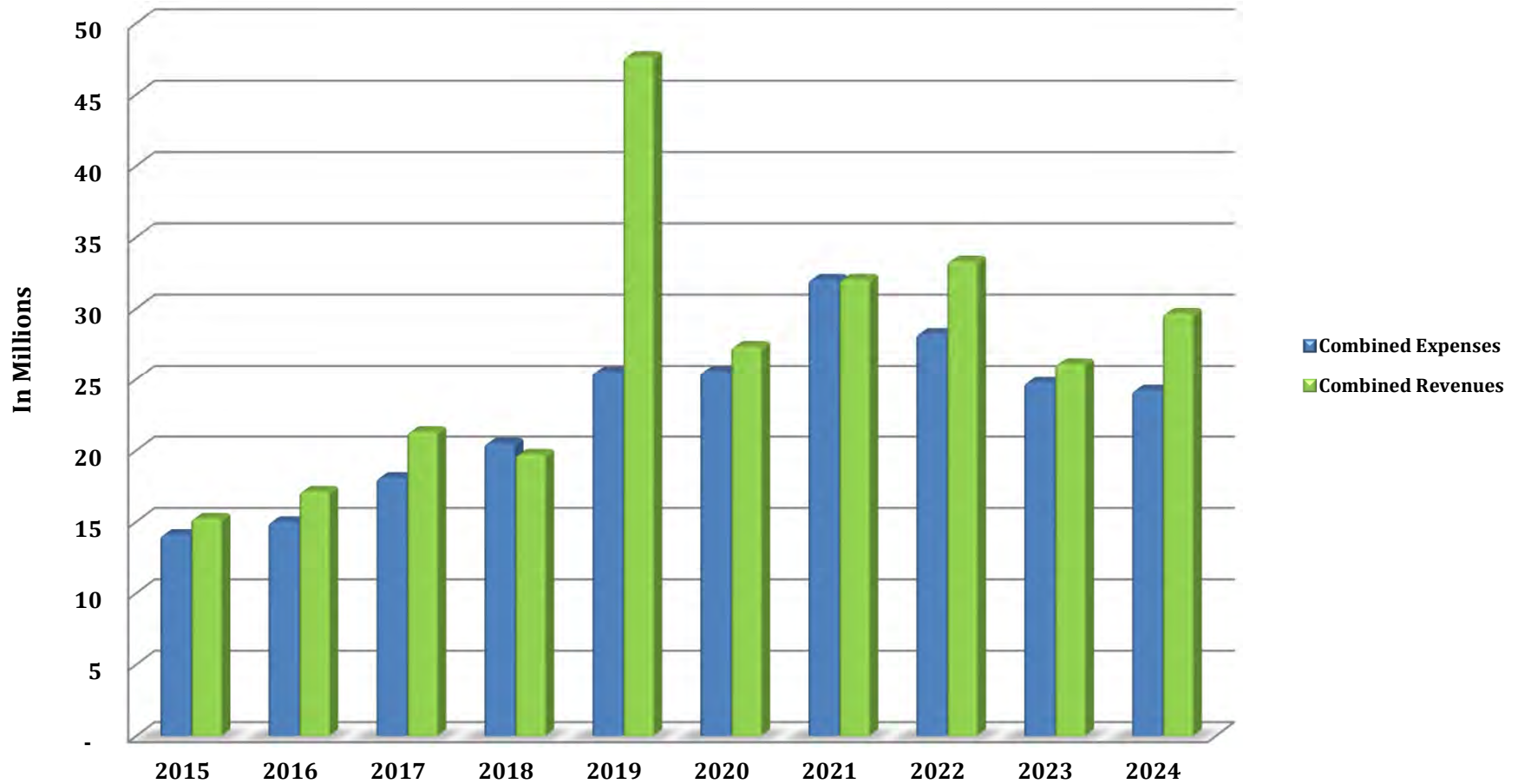
Operating Expenses								
Fiscal Year	WWT & Disposal	General & Admin	Studies & Planning Costs	Depreciation	Amortization of WWT Rights	Total Operating Expenses	Total Non-Operating Expenses	Combined Expenses
2024	\$8,038,986	\$399,828	\$3,104,667	\$3,085,805	\$927,235	\$15,556,611	\$8,644,258	\$24,200,869
2023	6,957,971	692,402	3,405,256	3,069,476	927,886	15,052,991	12,618,313	27,671,304
2022	6,863,027	523,272	2,578,723	3,693,764	1,714,643	15,373,429	12,859,588	28,233,017
2021 ⁽¹⁾⁽²⁾	7,055,339	762,713	5,020,667	3,840,251	1,556,010	18,234,980	13,789,787	32,024,767
2020 ⁽¹⁾⁽²⁾	6,670,902	989,568	4,396,714	3,770,450	1,400,918	17,228,552	8,325,177	25,553,729
2019 ⁽²⁾	6,545,654	1,326,428	4,082,052	3,742,801	1,400,918	17,097,853	8,423,326	25,521,179
2018	5,841,074	1,429,043	7,186,572	3,355,132	1,400,918	19,212,739	1,279,837	20,492,576
2017	6,421,150	591,686	3,293,487	3,174,253	1,400,914	14,881,490	3,191,737	18,073,227
2016	6,434,652	270,613	1,485,977	3,170,554	1,400,918	12,762,714	2,217,719	14,980,433
2015	6,222,868	678,992	1,604,703	3,149,943	1,400,918	13,057,424	1,027,081	14,084,505

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

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

Source: Santa Ana Watershed Project Authority

Chart I - Combined Expenses and Revenues
Last Ten Fiscal Years



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

Discharge Type	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Industrial *	213.0132	205.6453	222.0080	187.3816	181.3119	146.2297	142.6609	182.3629	176.0173	149.1266
Domestic *	397.4078	390.9324	459.4311	372.6175	345.2252	365.5703	571.6977	605.6648	539.1186	686.9780
Power Plant *	160.7403	143.2049	136.2439	159.5573	174.6108	182.3315	168.1869	211.0939	203.7717	255.9079
Water Supply/Desalter *	3,761.3052	3,742.1344	3,169.4397	3,206.6906	3,286.5031	2,977.7296	2,862.8002	2,832.6086	2,789.4969	2,894.5452
Temp/Emergency *	7.4148	1.6801	1.5160	2.4556	5.4886	13.8265	0.0000	12.9104	4.7210	6.9285
Truck Discharge *	38.9906	43.4240	46.6620	40.6385	31.8486	32.1043	36.2431	29.9249	34.3066	27.2869
Total	4,578.8719	4,527.0211	4,035.3007	3,969.3411	4,024.9882	3,717.7919	3,781.5888	3,874.5655	3,747.4321	4,020.7731

* MGD = million gallons per day

Source: Santa Ana Watershed Project Authority

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

Fiscal Year 2023-24

Customer Name	Discharge in MG ⁽¹⁾	Percentage of Total Discharge
Chino Desalter I	816.7083	17.8%
Temescal Desalter	644.9604	14.1%
Perris Desalter I	506.7756	11.1%
Perris Desalter II	457.3456	10.0%
Chino Desalter II	447.3944	9.8%
JCSD – Etiwanda ⁽²⁾	290.0447	6.3%
Menifee Desalter	279.3420	6.1%
Arlington Desalter	239.6499	5.2%
City of Beaumont	156.2469	4.3%
Yucaipa Valley Water District	153.7410	3.4%
Total Principal Customers	4,034.3436	88.1%
Other Customers	544.5283	11.9%
Total Discharge	4,578.8719	100.0%

Fiscal Year 2014-15

Customer Name	Discharge in MG ⁽¹⁾	Percentage of Total Discharge
Chino Desalter I	713.3451	17.7%
Temescal Desalter	583.8838	14.5%
Chino Desalter II	535.9877	13.3%
Perris Desalter I	465.5934	11.6%
Arlington Desalter	375.4273	9.3%
Menifee Desalter	280.8020	7.0%
JCSD – Etiwanda ⁽²⁾	274.3058	6.8%
Mountainview Power Plant	170.4159	4.2%
Chino Institute for Women	133.6226	3.3%
Bonview	133.6226	3.0%
Total Principal Customers	3,656.0090	90.9%
Other Customers	364.7641	9.1%
Total Discharge	4,020.7731	100.00%

(1) MG – million gallons

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

Source: Santa Ana Watershed Project Authority

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

Fiscal Year	Debt Service Requirements					Debt to Expense Ratio
	Combined Expenses	SRF Loans ⁽³⁾	Member Loans ⁽⁴⁾	Leases Payable ⁽¹⁾	Total Debt	
2024	\$24,200,869	\$1,709,476	\$-	\$174,892	\$1,884,368	7.8%
2023	27,671,304	1,709,476	-	265,812	1,975,288	7.1%
2022	28,233,017	2,608,439	-	56,857	2,661,673	9.4%
2021 ⁽¹⁾⁽²⁾	32,024,767	2,835,753	-	53,601	2,889,354	9.0%
2020 ⁽¹⁾⁽²⁾	25,553,729	2,835,753	-	28,957	2,864,710	11.2%
2019 ⁽¹⁾	25,521,179	2,835,753	-	-	2,835,753	11.1%
2018	20,492,576	2,704,270	356,250	-	3,060,520	14.9%
2017	18,073,226	2,704,475	356,250	-	3,060,725	16.9%
2016	14,980,433	3,618,242	356,250	-	3,974,492	26.5%
2015	14,084,505	4,152,560	356,250	-	4,508,810	32.0%

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

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

Notes:

- (1) As restated for GASB Statement No. 87 Leases.*
- (2) GASB Statement No. 84 implemented in FYE 2021. FYE 2020 and 2019 were restated, however, prior years were not restated as the information was not readily available. Combined Expenses includes Proposition 1 and 84 pass throughs for those years.*
- (3) State Revolving Fund (SRF) Loans for construction of the Brine Line.*
- (4) Repurchase of Pipeline Capacity from Orange County Water District.*

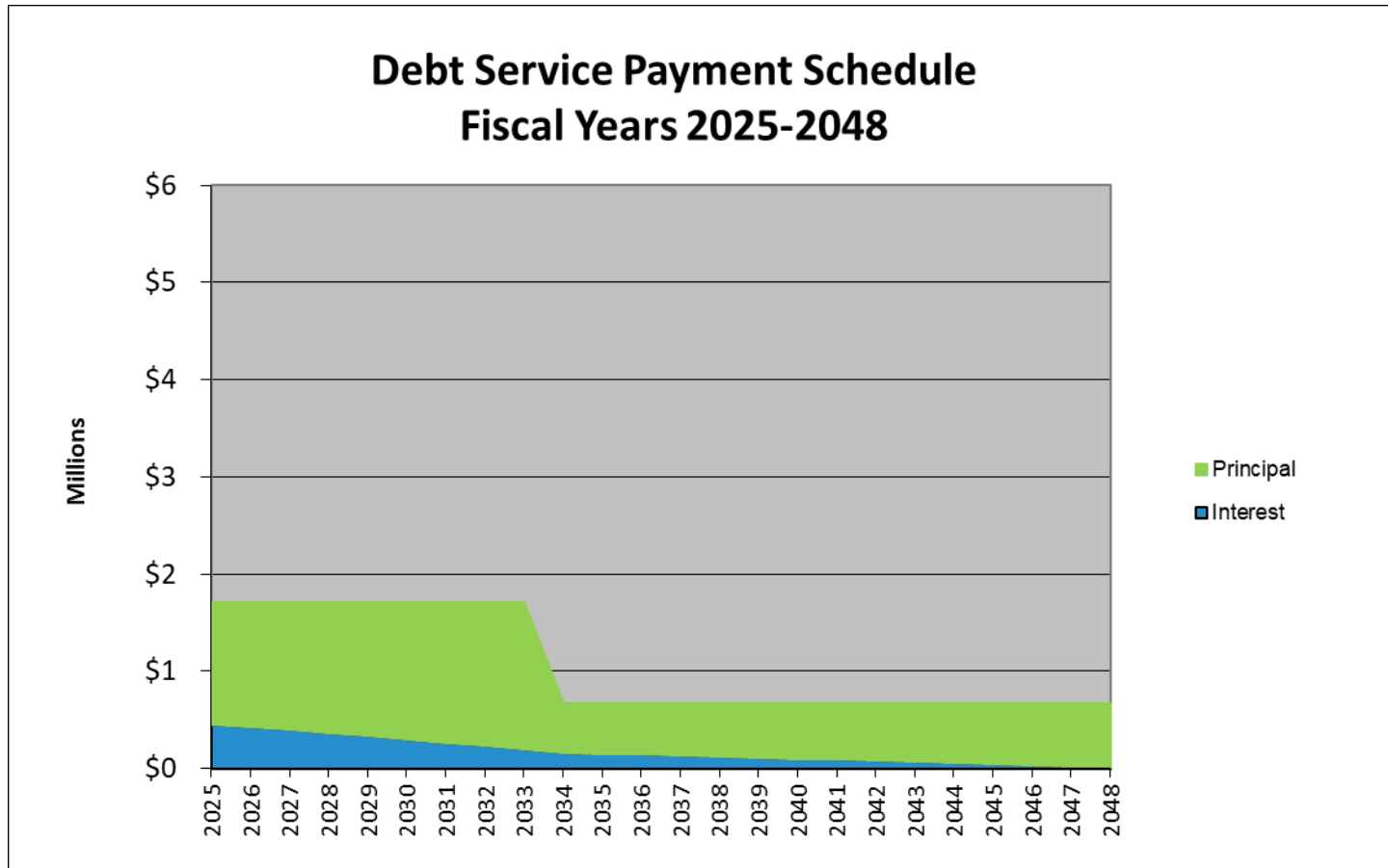
Source: Santa Ana Watershed Project Authority

**Table IX - Debt Service Payment Schedule
Fiscal Years 2025 – 2048**

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

*Does not include future lease payments.
Source: Santa Ana Watershed Project Authority*

Chart II – Debt Service Payment Schedule



Source: Santa Ana Watershed Project Authority

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

Fiscal Year	SRF Loans	Member Loans	Leases Payable ⁽¹⁾	Total Debt	Percentage of Personal Income ⁽²⁾	Debt Per Capita ⁽³⁾
2024	\$21,009,919	\$-	\$174,892	\$21,184,811	0.33%	\$8.67
2023	22,233,314	-	265,812	22,499,126	0.35%	9.22
2022	23,428,489	-	56,857	23,485,346	0.38%	9.64
2021 ⁽¹⁾	25,471,969	-	109,145	25,581,114	0.42%	10.42
2020 ⁽¹⁾	27,686,941	-	55,379	27,742,320	0.47%	11.36
2019	29,847,481	-	-	29,847,481	0.52%	12.23
2018	31,849,863	-	-	31,849,863	0.57%	13.18
2017	26,087,852	855,267	-	26,943,119	0.50%	11.30
2016	24,184,502	1,677,567	-	25,862,069	0.50%	11.02
2015	22,740,274	2,468,160	-	25,208,434	0.49%	10.92

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

(2) Based upon Riverside County personal income amounts.

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

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

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

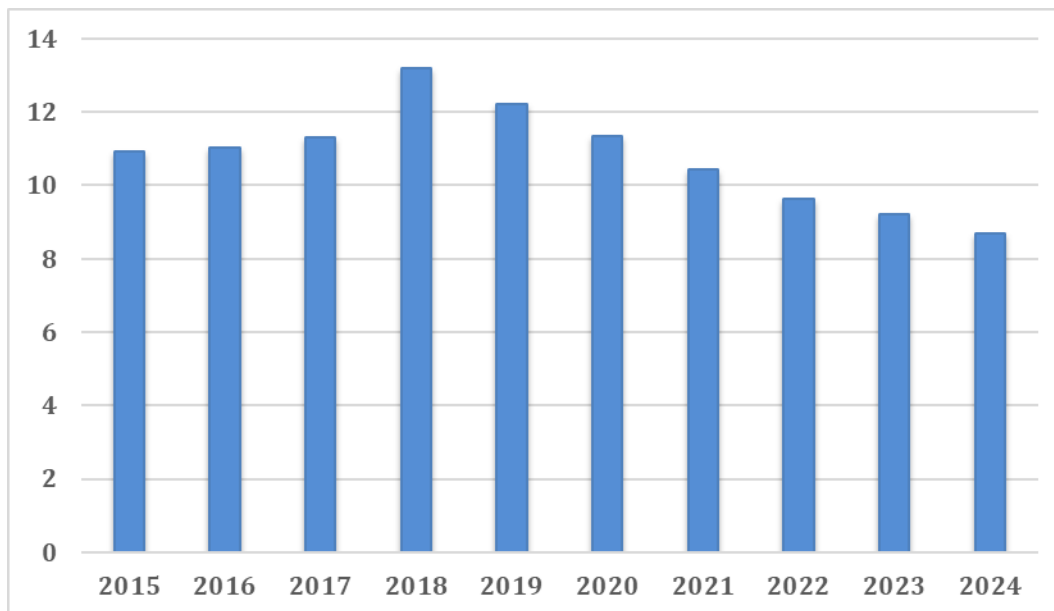


Chart IV – Capital Spending Last Ten Fiscal Years

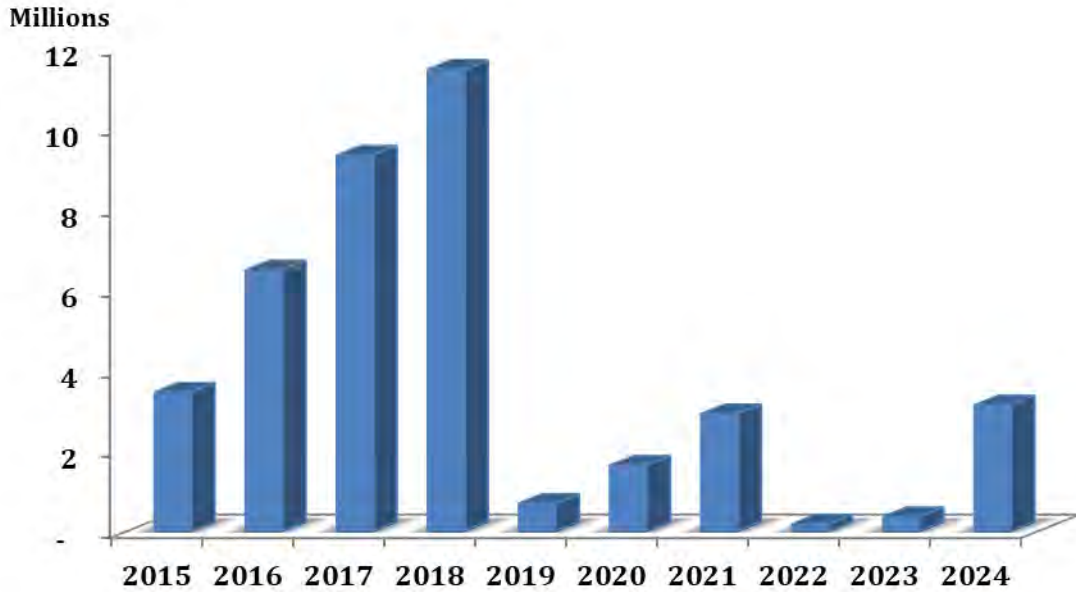
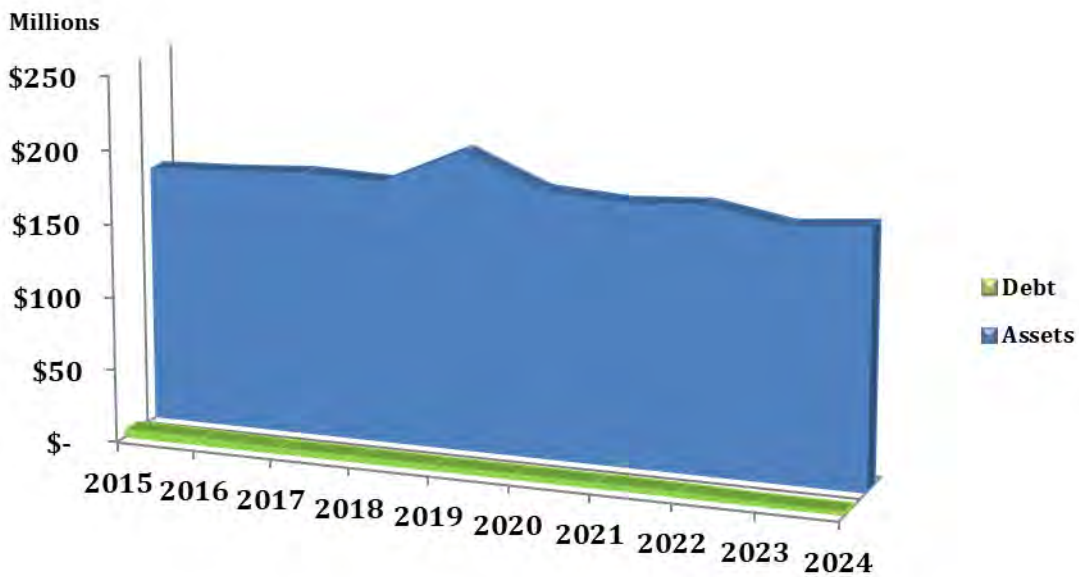


Chart V – Total Debt to Assets Last Ten Fiscal Years



Source: Santa Ana Watershed Project Authority

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

Fiscal Year	Population County (3)	Personal Income (1)	County Per Capita Personal Income	Unemployment Rate (June) ⁴	
				County	State
2024	2,442,378	\$6,503,033,177	\$41,606 (2)	5.4%	5.3%
2023	2,439,234	6,364,055,714	40,769 (2)	5.0%	4.9%
2022	2,435,525	6,224,569,480	39,850 (2)	4.0%	4.0%
2021	2,454,453	6,089,509,285	38,822 (5)	7.9%	8.0%
2020	2,442,304	5,905,881,400	37,951 (5)	14.8% (6)	15.1% (6)
2019	2,440,124	5,693,835,260	37,074 (5)	3.6%	4.1%
2018	2,415,955	5,547,654,496	36,149 (5)	4.8%	4.5%
2017	2,384,783	5,363,874,000	35,286 (5)	5.7%	4.7%
2016	2,347,828	5,203,504,800	34,506 (5)	6.7%	5.4%
2015	2,308,441	5,122,926,900	34,359 (5)	6.6%	6.3%

- (1) Projected personal income based on Riverside County Per Capita Personal Income.
(2) Projected based on a ten-year average.
(3) Source: January Revised Estimates, State Department of Finance.
(4) Source: CA Employment Development Department and US Dept. of Labor. County data as of June 2023.
(5) Source: County of Riverside Annual Comprehensive Financial Report.
(6) Unemployment rate spiked during fiscal year 2020 due to the economic impact of COVID-19.

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

June 30, 2023 (1)			June 30, 2014 (1)		
Employer	No of Employees	% of Total Labor Force	Employer	No of Employees	% of Total Labor Force
County of Riverside	25,366	2.4%	County of Riverside	19,916	2.3%
Amazon	14,317	1.3%	March Air Reserve Base	8,500	1.0%
March Air Reserve Base	9,600	0.9%	Stater Brothers	6,900	0.8%
Nestle UA	8,874	0.8%	University of California Riverside	5,514	0.6%
University of California Riverside	8,623	0.8%	Kaiser Permanente	5,270	0.6%
State of California	8,383	0.8%	Pechanga Resort & Casino	4,500	0.5%
Wal-Mart	7,494	0.7%	Corona-Norco Unified School District	4,300	0.5%
Moreno Valley Unified School District	6,020	0.6%	Wal-Mart	4,068	0.5%
Kaiser Permanente	5,817	0.5%	Riverside Unified School District	4,000	0.5%
Corona-Norco Unified School District	5,478	0.5%	Hemet Unified School District	3,572	0.4%
Total	99,972	9.3%	Total	66,540	7.7%

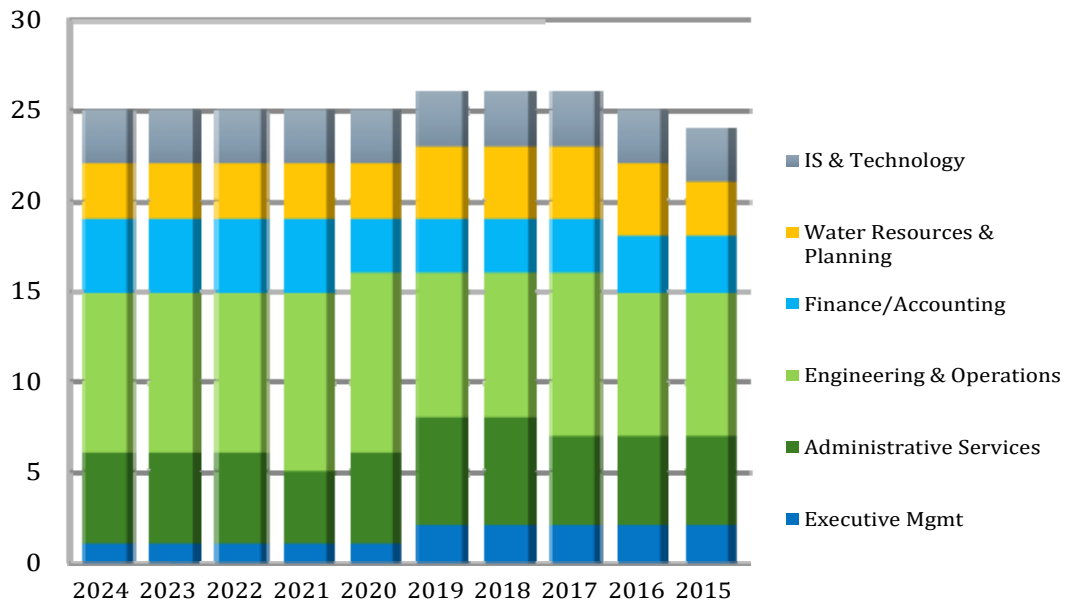
Sources: (1) County of Riverside Annual Comprehensive Financial Report. Data presented is the most current available at the time of preparation of this report.

Table XIII - Number of Employees
Last Ten Fiscal Years

Department	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Executive Management	1	1	1	1	1	2	2	2	2	2
Administrative Services	5	5	5	4	5	6	6	5	5	5
Engineering & Operations	8	9	9	10	10	8	8	9	8	8
Finance/Accounting	4	4	4	4	3	3	3	3	3	3
Water Resources & Planning	3	3	3	3	3	4	4	4	4	3
Information Systems & Technology	3	3	3	3	3	3	3	3	3	3
Total	25	25	25	25	25	26	26	26	25	24

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

Chart VI – Total Employees
Last Ten Fiscal Years



Source: Santa Ana Watershed Project Authority

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

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Meter Connections	43	43	43	43	43	40	41	51	48	48
Number of Air Release Valves	65	63	63	63	63	63	63	63	65	65
Miles of Sewer Lines	73	73	73	73	73	73	73	73	73	73
Total Flows for Fiscal Years (MG)	4,578.8719	4,527.0211	4,035.30	3,969.34	4,024.99	3,717.79	3,781.59	3,874.56	3,747.43	4,020.77
Owned Treatment Capacity (MGs)	17	17	17	17	17	17	17	17	17	17

Miscellaneous Statistics

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

Source: Santa Ana Watershed Project Authority



**SANTA ANA WATERSHED
PROJECT AUTHORITY**

**11615 Sterling Avenue
Riverside, CA 92503**

(951)354-4220

www.sawpa.gov



Report on Internal Controls and Compliance

Working Draft Subject to Review

Working Draft Subject to Review

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

Board of Commissioners
Santa Ana Watershed Project Authority
Riverside, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Santa Ana Watershed Project Authority (Authority) as of and for the fiscal year ended June 30, 2024, and the related notes to the financial statements, which collectively comprises the Authority’s basic financial statements, and have issued our report thereon dated December 17, 2024.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

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

Purpose of this Report

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

C.J. Brown & Company, CPAs
Cypress, California
December 17, 2024

Working Draft Subject to Review

Santa Ana Watershed Project Authority

Management Report

June 30, 2024

Working Draft Subject to Review

Santa Ana Watershed Project Authority

Management Report

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Working Draft Subject to Review

Board of Commissioners
Santa Ana Watershed Project Authority
Riverside, California

Dear Members of the Board:

In planning and performing our audit of the financial statements of the Santa Ana Watershed Project Authority (Authority) as of and for the year ended June 30, 2024, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, we considered the Authority 's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority 's internal control over financial reporting.

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

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

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

Current Year Comment and Recommendation

Disclosure of Audit Adjustments and Reclassifications

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

Current Year Comment and Recommendation, continued

Management's Response

We have reviewed and approved all of the audit adjustment and reclassification entries provided by the auditor and have entered those entries into the Authority's accounting system to close-out the Authority's year-end trial balance as of June 30, 2024.

Prior Year Comment and Recommendation

Disclosure of Audit Adjustments and Reclassifications

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

Management's Response

We have reviewed and approved all of the audit adjustment and reclassification entries provided by the auditor and have entered those entries into the Authority's accounting system to close-out the Authority's year-end trial balance as of June 30, 2023.

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

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

C.J. Brown & Company, CPAs
Cypress, California
December 17, 2024

APPENDIX

Santa Ana Watershed Project Authority

Finance Committee Letter

June 30, 2024

Working Draft Subject to Review

Board of Commissioners
Santa Ana Watershed Project Authority
Riverside, California

We have audited the financial statements of the business-type activities of the Santa Ana Watershed Project Authority (Authority) for the year ended June 30, 2024, and have issued our report thereon dated December 17, 2024. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated June 4, 2024, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

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

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

If any, we have provided our findings regarding significant control deficiencies over financial reporting and material noncompliance, and other matters noted during our audit in a separate letter to you dated December 17, 2024.

Planned Scope and Timing of the Audit

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

Compliance with All Ethics Requirements Regarding Independence

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

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

Required Risk Assessment Procedures per Auditing Standards:

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

- Management override of controls
- Revenue recognition

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the Authority is included in Note 1 to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during 2024. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

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

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

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

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

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

Financial Statement Disclosures

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

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

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

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

The disclosure of the Authority's defined benefit pension plan in Note 9 to the financial statements is based on actuarial assumptions which could differ from actual costs.

Significant Unusual Transactions

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

Identified or Suspected Fraud

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

Significant Difficulties Encountered during the Audit

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

Uncorrected and Corrected Misstatements

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

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

Disagreements with Management

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

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

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

Representations Requested from Management

We have requested certain written representations from management, which are included in the attached letter dated December 17, 2024.

Other Information Included in Annual Reports

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

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

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

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

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

Conclusion

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

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

C.J. Brown & Company, CPAs
Cypress, California
December 17, 2024

Working Draft Subject to Review

**Santa Ana Watershed Project Authority
Schedule of Audit Adjusting Journal Entries
June 30, 2024**

Account	Description	Debit	Credit
Adjusting Journal Entries			
Adjusting Journal Entries JE # 1			
AJE - To correct beginning equity net position at June 30, 2024.			
100-00-60220-05	Commission Fees - WMWD	500.00	
100-00-60221-05	Commission Mileage Reimbursement - WMWD	25.02	
100-00-32000-00	Retained Earnings		525.02
Total		<u>525.02</u>	<u>525.02</u>
Adjusting Journal Entries JE # 2			
CPE - JE 123809 - To accrue accounts receivable balances for Prop 1 Round 2 Invoices 1 and 2 at June 30, 2024.			
378-00-11021-00	Accrued Accounts Receivable	95,205.52	
378-00-40102-05	State Grant Proceeds - Prop 1		95,205.52
Total		<u>95,205.52</u>	<u>95,205.52</u>
Adjusting Journal Entries JE # 3			
CPE - JE 123841 - To accrue accounts receivable balances for Prop 84 Round 4 Invoices 29 and 30 at June 30, 2024.			
504-04-11021-00	Accrued Accounts Receivable	44,836.85	
504-04-11021-00	Accrued Accounts Receivable	1,633,056.53	
504-04-11021-00	Accrued Accounts Receivable	7,391.30	
504-04-40102-04	State Grant Proceeds - Prop 84		44,836.85
504-04-40102-04	State Grant Proceeds - Prop 84		1,633,056.53
504-04-40102-04	State Grant Proceeds - Prop 84		7,391.30
Total		<u>1,685,284.68</u>	<u>1,685,284.68</u>
Adjusting Journal Entries JE # 4			
CPE - JE 123842 - To accrue accounts receivable balances for Prop 84 Round 2 Invoice 35 at June 30, 2024.			
504-01-11021-00	Accrued Accounts Receivable	65,561.53	
504-01-40102-04	State Grant Proceeds - Prop 84		65,561.53
Total		<u>65,561.53</u>	<u>65,561.53</u>
Adjusting Journal Entries JE # 5			
CPE - JE 123843 - To accrue accounts receivable balances for Prop 1 Round 1 Invoices 12 and 13 at June 30, 2024.			
505-01-11021-00	Accrued Accounts Receivable	36,115.33	
505-01-11021-00	Accrued Accounts Receivable	42,940.96	
505-01-11021-00	Accrued Accounts Receivable	2,188,966.37	
505-01-11021-00	Accrued Accounts Receivable	103,236.26	
505-01-40102-05	Proposition 1 Capital Projects- - -		36,115.33
505-01-40102-05	Proposition 1 Capital Projects- - -		42,940.96
505-01-40102-05	Proposition 1 Capital Projects- - -		2,188,966.37
505-01-40102-05	Proposition 1 Capital Projects- - -		103,236.26
Total		<u>2,371,258.92</u>	<u>2,371,258.92</u>

**Santa Ana Watershed Project Authority
Schedule of Audit Adjusting Journal Entries
June 30, 2024**

Account	Description	Debit	Credit
Adjusting Journal Entries JE # 6			
CPE - JE 123844 - To accrue accounts payable balances for Fund 504 and 505 grant related projects at June 30, 2024.			
504-01-60500-00	Program Expenses	65,561.53	
504-04-60500-00	Program Expenses	44,836.85	
504-04-60500-00	Program Expenses	1,633,056.53	
504-04-60500-00	Program Expenses	7,391.30	
505-01-60500-00	Program Expenses	36,115.33	
505-01-60500-00	Program Expenses	42,940.96	
505-01-60500-00	Program Expenses	2,188,966.37	
505-01-60500-00	Program Expenses	103,236.26	
505-02-60500-00	Program Expenses	743,517.68	
504-01-20200-00	Accrued Accounts Payable		65,561.53
504-04-20200-00	Accrued Accounts Payable		44,836.85
504-04-20200-00	Accrued Accounts Payable		1,633,056.53
504-04-20200-00	Accrued Accounts Payable		7,391.30
505-01-20200-00	Accrued Accounts Payable		36,115.33
505-01-20200-00	Accrued Accounts Payable		42,940.96
505-01-20200-00	Accrued Accounts Payable		2,188,966.37
505-01-20200-00	Accrued Accounts Payable		103,236.26
505-02-20200-00	Accounts Payable		743,517.68
Total		<u>4,865,622.81</u>	<u>4,865,622.81</u>
Adjusting Journal Entries JE # 7			
CPE - JE 123810 - To accrue accounts payable balances for Fund 505 grant related projects at June 30, 2024.			
505-02-11021-00	Accrued Accounts Receivable	743,517.68	
505-02-40102-05	State Grant Proceeds - Prop 1 Rnd 2		743,517.68
Total		<u>743,517.68</u>	<u>743,517.68</u>
Adjusting Journal Entries JE # 8			
CPE - To accrue Invoice 404893 Quantum to accounts payable at June 30, 2024.			
504-04-60121-01	Consulting - General	57,775.98	
504-04-20200-00	Accrued Accounts Payable		57,775.98
Total		<u>57,775.98</u>	<u>57,775.98</u>
Adjusting Journal Entries JE # 9			
CPE - To accrue Invoice Lady Mehan to accounts payable at June 30, 2024.			
100-00-60155-00	Security	384.00	
100-00-20200-00	Accrued Accounts Payable		384.00
Total		<u>384.00</u>	<u>384.00</u>

**Santa Ana Watershed Project Authority
Schedule of Audit Adjusting Journal Entries
June 30, 2024**

Account	Description	Debit	Credit
Adjusting Journal Entries JE # 10			
CPE - JE 123886 - To record accounts receivable balances for Santa Ana and Big Bear Inv 9, 10, 12, 13 at June 30, 2024.			
505-01-40102-05	Proposition 1 Capital Projects- - -	36,115.33	
505-01-40102-05	Proposition 1 Capital Projects- - -	42,940.96	
505-01-40102-05	Proposition 1 Capital Projects- - -	2,188,966.37	
505-01-40102-05	Proposition 1 Capital Projects- - -	103,236.26	
505-01-11021-00	Accrued Accounts Receivable		36,115.33
505-01-11021-00	Accrued Accounts Receivable		42,940.96
505-01-11021-00	Accrued Accounts Receivable		2,188,966.37
505-01-11021-00	Accrued Accounts Receivable		103,236.26
Total		<u>2,371,258.92</u>	<u>2,371,258.92</u>
Adjusting Journal Entries JE # 11			
CPE - JE 123887 - To record accounts receivable balances for Santa Ana and Big Bear Inv 9, 10, 12, 13 at June 30, 2024.			
505-01-11021-00	Accrued Accounts Receivable	36,115.33	
505-01-11021-00	Accrued Accounts Receivable	42,940.96	
505-01-11021-00	Accrued Accounts Receivable	599,101.95	
505-01-11021-00	Accrued Accounts Receivable	516,905.30	
505-01-40102-05	Proposition 1 Capital Projects- - -		36,115.33
505-01-40102-05	Proposition 1 Capital Projects- - -		42,940.96
505-01-40102-05	Proposition 1 Capital Projects- - -		599,101.95
505-01-40102-05	Proposition 1 Capital Projects- - -		516,905.30
Total		<u>1,195,063.54</u>	<u>1,195,063.54</u>
Adjusting Journal Entries JE # 12			
CPE - JE 123890 - To reverse accounts payable balances for JE 123844 Big Bear Inv 12 & 13 at June 30, 2024.			
505-01-20200-00	Accrued Accounts Payable	2,188,966.37	
505-01-20200-00	Accrued Accounts Payable	103,236.26	
505-01-60500-00	Program Expenses	599,101.95	
505-01-60500-00	Program Expenses	516,905.30	
505-01-20200-00	Accrued Accounts Payable		599,101.95
505-01-20200-00	Accrued Accounts Payable		516,905.30
505-01-60500-00	Program Expenses		2,188,966.37
505-01-60500-00	Program Expenses		103,236.26
Total		<u>3,408,209.88</u>	<u>3,408,209.88</u>
Adjusting Journal Entries JE # 13			
CPE - JE 123889 - To reverse accounts payable balances for WMWD Inv 19 at June 30, 2024.			
504-04-20200-00	Accrued Accounts Payable	44,836.85	
504-04-60500-00	Program Expenses		44,836.85
Total		<u>44,836.85</u>	<u>44,836.85</u>

**Santa Ana Watershed Project Authority
Schedule of Audit Adjusting Journal Entries
June 30, 2024**

Account	Description	Debit	Credit
Adjusting Journal Entries JE # 14			
CPE - JE 123890 - To reverse accounts receivable balances for WMWD Inv 19 at June 30, 2024.			
504-04-40102-04	State Grant Proceeds - Prop 84	44,836.85	
504-04-11021-00	Accrued Accounts Receivable		44,836.85
Total		<u><u>44,836.85</u></u>	<u><u>44,836.85</u></u>
Adjusting Journal Entries JE # 15			
CPE - JE 123891 - To correct accounts receivable balances for WMWD Inv 19 and add SBVMWD Inv 7 at June 30, 2024.			
504-04-11021-00	Accrued Accounts Receivable	120,649.17	
504-04-11021-00	Accrued Accounts Receivable	8,506.17	
504-04-40102-04	State Grant Proceeds - Prop 84		120,649.17
504-04-40102-04	State Grant Proceeds - Prop 84		8,506.17
Total		<u><u>129,155.34</u></u>	<u><u>129,155.34</u></u>
Adjusting Journal Entries JE # 16			
CPE - JE 123892 - To correct accounts payable balance for WMWD Inv 19 and add SBVMWD Inv 7 at June 30, 2024.			
504-04-60500-00	Program Expenses	120,649.17	
504-04-60500-00	Program Expenses	8,506.17	
504-04-20200-00	Accrued Accounts Payable		120,649.17
504-04-20200-00	Accrued Accounts Payable		8,506.17
Total		<u><u>129,155.34</u></u>	<u><u>129,155.34</u></u>
Adjusting Journal Entries JE # 17			
CPE - JE 123961 - To reverse Yucaipa Invoice on JE 123842 and 123844 at June 30, 2024.			
504-01-20200-00	Accrued Accounts Payable	65,561.53	
504-01-40102-04	State Grant Proceeds - Prop 84	65,561.53	
504-01-11021-00	Accrued Accounts Receivable		65,561.53
504-01-60500-00	Program Expenses		65,561.53
Total		<u><u>131,123.06</u></u>	<u><u>131,123.06</u></u>
Adjusting Journal Entries JE # 18			
CPE - JE 123962 - To reverse Yucaipa Prop 84 R2 invoice at June 30, 2024.			
504-01-11021-00	Accrued Accounts Receivable	39,903.96	
504-01-60500-00	Program Expenses	39,903.96	
504-01-20200-00	Accrued Accounts Payable		39,903.96
504-01-40102-04	State Grant Proceeds - Prop 84		39,903.96
Total		<u><u>79,807.92</u></u>	<u><u>79,807.92</u></u>
Adjusting Journal Entries JE # 19			
CPE - To accrue plumbing repairs (Redlands Plumbing Invoice 508962) at June 30, 2024.			
100-00-60159-00	Facility Repair & Maintenance	7,020.14	
100-00-20200-00	Accrued Accounts Payable		7,020.14
Total		<u><u>7,020.14</u></u>	<u><u>7,020.14</u></u>

**Santa Ana Watershed Project Authority
Schedule of Audit Adjusting Journal Entries
June 30, 2024**

Account	Description	Debit	Credit
Adjusting Journal Entries JE # 20			
CPE - To accrue redland plumbing invoice 508328 at June 30, 2024.			
100-00-60159-00	Facility Repair & Maintenance	4,149.14	
100-00-20200-00	Accrued Accounts Payable		4,149.14
Total		<u>4,149.14</u>	<u>4,149.14</u>
Adjusting Journal Entries JE # 21			
CPE - To record NAWC invoice 24-758 at June 30, 2024.			
378-00-60121-01	Consulting - General	11,277.50	
378-00-20200-00	Accrued Accounts Payable		11,277.50
Total		<u>11,277.50</u>	<u>11,277.50</u>
Adjusting Journal Entries JE # 22			
GASB 75 Entry #5 - To correct direction of liability to an asset per re-review of valuation report at June 30, 2024.			
100-00-20705-00	Net OPEB Liability	369,212.00	
100-00-20705-00	Net OPEB Liability	369,212.00	
100-00-81010-00	Retiree Medical Expense		738,424.00
Total		<u>738,424.00</u>	<u>738,424.00</u>
Total Adjusting Journal Entries		<u>18,179,454.62</u>	<u>18,179,454.62</u>
Proposed Journal Entries			
Proposed Journal Entries JE # 100			
PAJE - To accrue US Bank investment interest for July 2024 reported in June 30, 2024			
240-00-11030-00	Interest Receivable	51,724.15	
240-00-45004-00	Securities Interest - Other		17,510.37
240-00-45004-00	Securities Interest - Other		6,552.13
240-00-45004-00	Securities Interest - Other		27,661.65
Total		<u>51,724.15</u>	<u>51,724.15</u>
Total Proposed Journal Entries		<u>51,724.15</u>	<u>51,724.15</u>
Total All Journal Entries		<u>18,231,178.77</u>	<u>18,231,178.77</u>

Legend:

CPE	Client Prepared Adjusting Journal Entry
AJE	Audit Adjusting Journal Entry
GASB 75 Entry	GASB 75 OPEB Adjusting Journal Entry
PAJE	Proposed / Passed Audit Adjusting Journal Entry - NOT POSTED TO THE AUTHORITY'S BOOKS / RECORDS

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COMMISSION MEMORANDUM NO. 2024.73

DATE: December 17, 2024

TO: SAWPA Commission

SUBJECT: Department of Water Resources' California Stream Gage Improvement Program Funding Opportunity

PREPARED BY: Haley Gohari, Associate Project Manager

RECOMMENDATION

Authorize SAWPA Staff to apply on behalf of the Santa Ana River Watershed under Department of Water Resources' (DWR) California Stream Gage Improvement Program (CalSIP) funding opportunity for new or upgraded stream gages on natural waterways.

DISCUSSION

In August 2024, DWR released guidelines for a new funding opportunity program called the [Stream Gage Improvement Program](#). The goal of the program is to increase stream gage presence throughout the state to enhance data availability on natural waterways.

STEP 1: Submit Initial Interest Survey via the CalSIP Map Application

STEP 2: Submit Application Questionnaire

STEP 3: Evaluation Process

Agencies that satisfy the preferences and commit to useful life operation of the stream gage (5 year minimum) will be given preference in selection for funding. Additional information on the process, evaluation criteria, and timelines are found in the CalSIP program guidelines.

Funding is based on the following criteria, eligible gaging sites must:

- Be on natural waterways within California (not on canals or diversion ditches where flows are controlled by diversion structures where primary function is for conveyance and distribution of surface water).
- Provide telemetered real-time stream gage data (in 15-minute intervals). The measurement and reporting of stage (water surface elevation in feet), flow (cubic feet per second), and water temperature (in F°).
- Operational gage by October 1, 2026, through at least June 30, 2027.

Table 1 Examples of Eligible Projects Category

Eligible Projects	Project Examples
New Stream Gage	Installing a new stream gage on a natural waterway. This would include obtaining the necessary permits, purchase of equipment, installation of equipment, development of a rating curve, and operation and maintenance of the stream gage through at least June 30, 2027. The entity must share the data publicly during the useful life of the stream gage.
Reactivate Stream Gage	Utilize an historic stream gage station, or previously used site, and replace equipment or otherwise reactive the station. This may include obtaining the necessary permits, purchase of equipment, installation of equipment, development or verifying prior rating curve, and operation and maintenance of the stream gage through at least June 30, 2027. The entity must share the data publicly during the useful life of the stream gage. Reactivation can include installation of a gage in the same pool or within hydraulic connectivity of the prior or historic gage site. The adjusted location needs to be disclosed and addressed. Reactivations may include prolonging site operations for an eligible site where temporary or non-discretionary funding will terminate in the immediate future.
Integration of Private Stream Gage Data	Provide real-time stream flow data from existing operational gages (that are not currently publishing data) to the public stream gage network. This would include purchasing any equipment necessary to telemeter and provide data to CDEC. The entity must continue to provide the stream gage data publicly thorough useful life of the stream gage.
Upgrade of Existing Stream Gage	Installation of additional sensors (temperature, dissolved oxygen, pH, turbidity, EC), equipment, telemetry (recording and transmitting of data without in-person effort), or camera. The entity must continue to operate the sensors through at least June 30, 2027. The entity must share the data publicly during the useful life of the sensors.
Emerging Technologies	Various technologies are available for funding that enhance stream gage network. Some of these technologies include automated discharge measurements or machine learning-based flow forecasting.

Table 1 Note: Useful life of a stream gage is typically a minimum of five years of continuous operation of measuring and telemetering data.

SAWPA staff coordinated individual meetings with corresponding SAWPA Member Agency staff to gain insight on appropriate locations and evaluate areas that would benefit the water management within their respective service areas.

There are approximately 10 -15 eligible sites of interest to place new stream gages. Based on approximate costs received from United States Geological Survey (USGS), we anticipate each site to cost around \$35,000 - \$40,000 per stream gage site, approximately \$31,000 of that annually. This funding opportunity would save SAWPA and SAWPA member agencies approximately \$525,000 - \$600,000, plus any additional savings from appropriate water resources management and conservation efforts that are informed by the increased data availability.

If selected, SAWPA would execute an agreement with DWR in Spring of 2025 committing to the oversight, coordinating permitting, contracting operations, maintenance and telemetry of the approved stream gage site from October 1, 2026, and through the useful life of the stream gage (minimum of 5 years). SAWPA intends to engage USGS to assist with stream gage establishment, operations and maintenance of the stream gages.

CRITICAL SUCCESS FACTORS

SAWPA and SAWPA Member Agencies would be responsible for operations and maintenance of the stream gages after the first year of service.

RESOURCE IMPACTS.

None at this time. Future resources may be needed to continue the operation and maintenance of the stream gages after July 1, 2027.

Attachments:

1. PowerPoint Presentation
2. CalSIP Program Guidelines

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Department of Water Resources' Stream Gage Improvement Program

Commission Meeting

Item Number 6.C

Haley Gohari

Associate Project Manager

December 17, 2024

Recommendation

- Authorize SAWPA Staff to apply on behalf of the Santa Ana River Watershed under Department of Water Resources' (DWR) California Stream Gage Improvement Program (CalSIP) funding opportunity for new or upgraded stream gages on natural waterways.

Agenda

- Program Background
- Program Requirements
- Eligible Costs
- Coordination Process
- Stream Gage Map
- Proposed Locations
- Benefits
- Schedule
- Recommendation



Program Background: Senate Bill (SB) 19

- Directed DWR and the SWRCB to deploy a network of stream gages to help address significant gaps in data availability for water resources management and conservation.
- Recommends to upgrade existing stream gages, install new stream gages, reactivate historical stream gages and install water temperature sensors to existing stream gages.
- Identifies top locations on a watershed level to make improvements in resulting plan, California Stream Gaging Prioritization Plan 2022.

Program Requirements

- Telemetered and real-time data publishing for **public viewing**.
 - Certified annually by licensed civil engineer or hydrologist.
 - Located on natural waterways within California.
 - Perform minimum standard of care
- Have an operational gage by October 1, 2026, through at least June 30, 2027.
 - Provide telemetered real-time stream gage data at 15-minute intervals (stage, flow and water temperature, preferred).

Eligible Costs

- Site Identification
- Engineering
- Design
- Construction
- Purchase of Equipment
- Administrative Expenses (SAWPA Staff time, permitting, etc.)
- Operations Costs (for one water year)
- Maintenance Costs (for one water year)

Approximate Cost per New Gage:
\$50,000

Coordination Process



Staff met with the respective Member Agency staff to compile important locations in their service areas for submission under a comprehensive application for stream gage sites throughout the Santa Ana River Watershed.

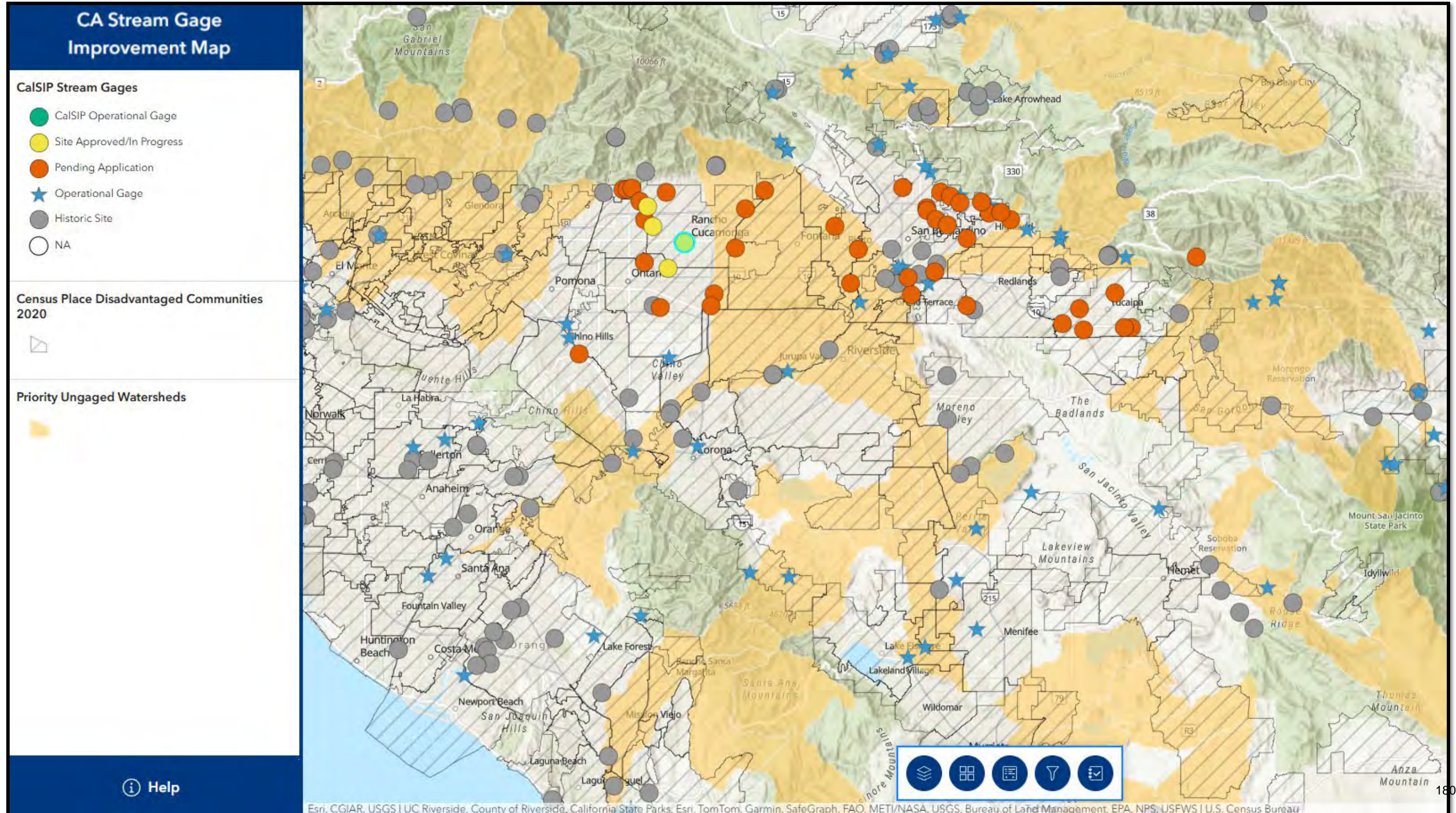


SAWPA apply for grant funding on behalf of SAWPA Member Agencies

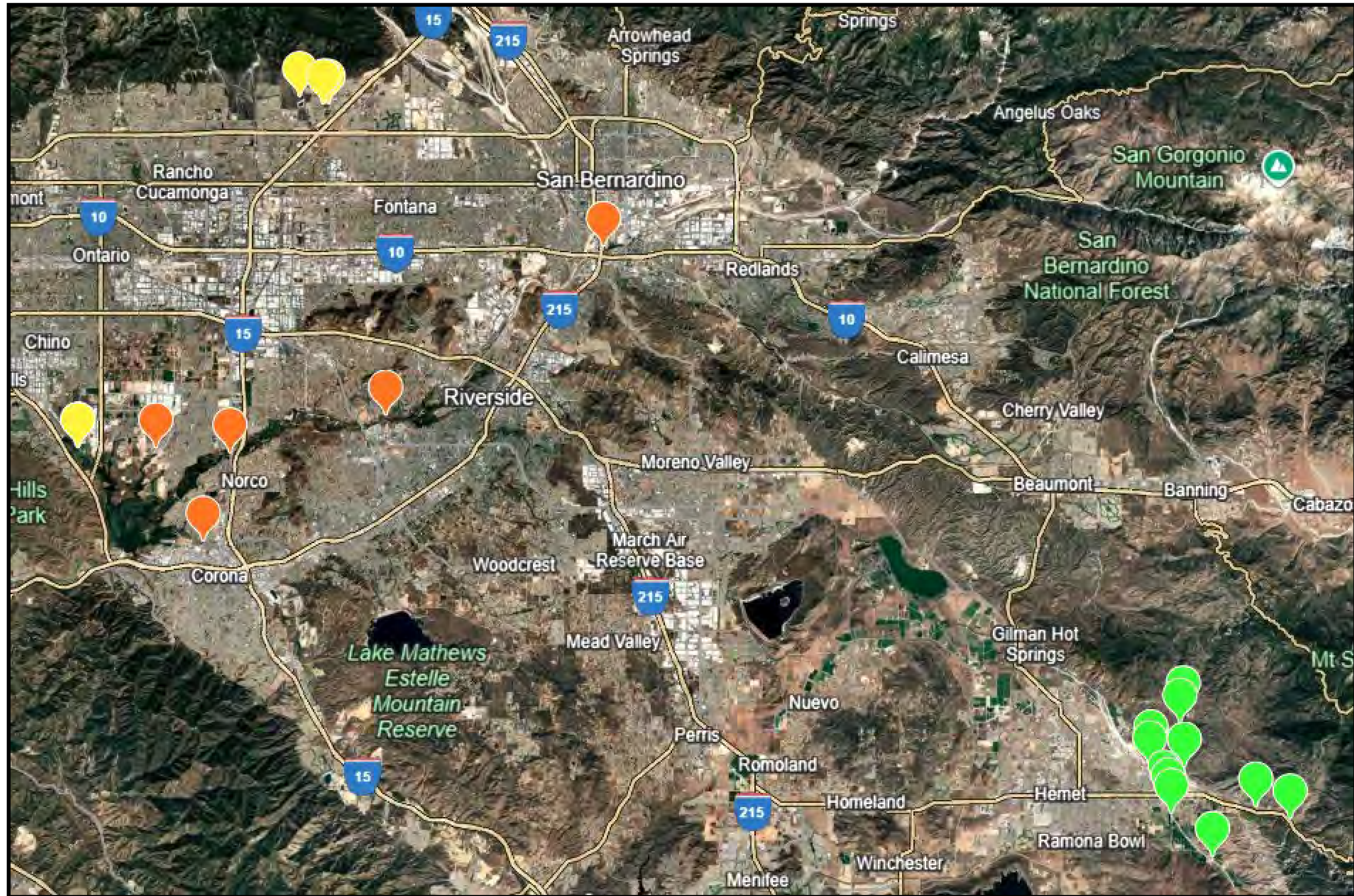


Staff has collected locations, types of stream gages and gotten quotes for costs

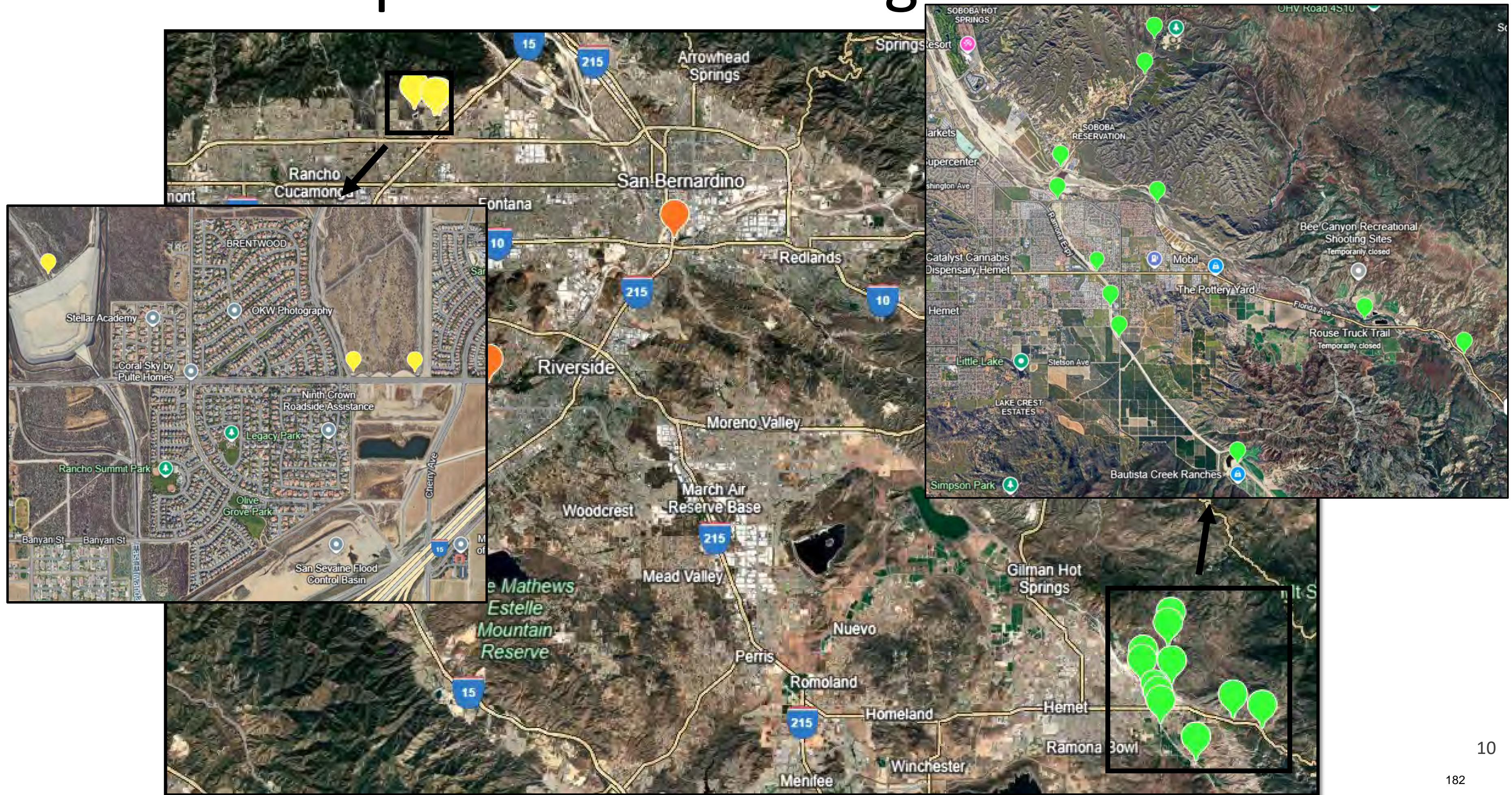
Stream Gage Map



Proposed Stream Gage Locations



Proposed Stream Gage Locations



Site Specific Benefits

Requesting Entity	Site Name	Site Benefit
IEUA	San Sevaine Creek – East Branch above Wilson Ave	<ul style="list-style-type: none"> • Flow to recharge facilities
	San Sevaine Creek – West Branch above Wilson Ave	
	Etiwanda Creek Above Etiwanda Debris Basin	
	Chino Creek @ Pine Ave	<ul style="list-style-type: none"> • Stream gage would be co-located with longstanding WQ sample point and included IEUA effluent flows • Information would assist in accurately determining flows into Prado • Improve surface water/groundwater interaction for Chino Creek and SAR-Reach 3.

Site Specific Benefits

Requesting Entity	Site Name	Site Benefit
EMWD	Bautista-1	<ul style="list-style-type: none"> No stream gages along Bautista Creek Re-activate inactive sites and add new sites for local flow to San Jacinto River Groundwater modeling in EMWD service area
	Bautista-2	
	Bautista-3	
	Bautista-4	
	Bautista-5	
	Indian-1	<ul style="list-style-type: none"> New Gage Flow to San Jacinto River Groundwater modeling in EMWD service area
	North Fork-1	
	Poppet-1	
	Poppet-2	<ul style="list-style-type: none"> Upgrade Technology High Priority in SB19 – add water temperature
	Poppet-3	
Cranston Gage		
SBVMWD	Coordinating on stream gage locations	
WMWD		
RCF&WCD		

Benefits

- Data to inform regional and local projects and programs
 - FIRO
 - Surface water model
 - Monitoring programs
- Future efforts - Stormwater capture
- Inform the various models that inform water management
- Groundwater and Surface Water Interactions



Schedule

Task	Date
Commission Approval	December 17, 2024
Submit Application: <ul style="list-style-type: none">Interest Survey:<ul style="list-style-type: none">Arc GIS MapLocation, entity, parameters, operational durationFull Application (Questionnaire)	December 31, 2024
Award Notification by DWR	January 2025
Execute Agreement with DWR	March 2025
Installation and Operation Deadline	October 1, 2026

Recommendation

- Authorize SAWPA Staff to apply on behalf of the Santa Ana River Watershed under Department of Water Resources' (DWR) California Stream Gage Improvement Program (CalSIP) funding opportunity for new or upgraded stream gages on natural waterways.

Questions?

Thank You

Haley Gohari
Santa Ana Watershed Project Authority
Office (951) 354-4250
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sawpa.gov



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Guidelines for Funding Public Agencies under the California Stream Gage Improvement Program

California Department of Water Resources

August 2024

State of California
Natural Resources Agency
Department of Water Resources
Division of Regional Assistance

Guidelines for Funding Public Agencies under the
California Stream Gage Improvement Program

August 2024

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Acronyms and Abbreviations

CalSIP	California Stream Gage Improvement Program
CDEC	California Data Exchange Center
CEQA	California Environmental Quality Act
CWA	Clean Water Act
DGS	Department of General Services
DWR	California Department of Water Resources
NAVD88	North American Vertical Datum of 1988
SB 19 Plan	<i>California Stream Gaging Prioritization Plan 2022</i>
State Water Board	State Water Resources Control Board
O&M	operations and maintenance
USGS	U.S. Geological Survey

1. General Information

1.1 Foreword

This document contains the California Department of Water Resources' (DWR's) California Stream Gage Improvement Program (CalSIP) Guidelines. The program is funded by the Budget Act of 2023 (Stats. 2023, Ch. 189, Section 43). This document contains the procedures for submitting questionnaires for funding. All qualified and interested public agencies (including federally recognized Tribes) are encouraged to submit a questionnaire to seek funding under CalSIP to telemeter, upgrade, reactivate, or install new stream gages (gage) and publicly share gage data.

1.2 Contact

For questions about this document or the program, please email the [California Stream Gaging Improvement Program](#).

1.3 Website

This document, as well as other pertinent information, can be found on the [CalSIP webpage](#).

1.4 Due Date and Questionnaire Submittal

Based on the desire to implement projects in a timely manner, and an unknown level of interest from potential applicants, the following submittal and evaluation process will be used.

- Interested public agencies need to start with submitting a short survey and location via online map. This can be done at any time and starts the application process. Information for the application questionnaire will follow.
- Submitted application questionnaires will be reviewed and evaluated monthly by close of business (5 p.m.) on the last business day of the month.
- Questionnaire submittals will be accepted starting August 15, 2024. The first monthly questionnaire submittal deadline is August 30, 2024. Questionnaires can be submitted at any time during the month.

California Stream Gage Improvement Program Guidelines

- Reviews will begin the business day following the monthly deadline.
- DWR will announce eligibility and tentative award notifications within three weeks after monthly due dates. DWR and the selected agency will enter into a funding agreement to implement the project and disburse project funding.
- Questionnaires that are deemed eligible but did not make priority selection for a given month will automatically be considered the following month.
- Questionnaires that are deemed ineligible will be returned. The agency can resubmit a refined questionnaire to address deficiencies for future monthly considerations.
- Questionnaires will be accepted until all available funding is awarded, or until December 31, 2024, whichever occurs first.

1.5 Questionnaire Materials

See Attachment 2, "Funding Questionnaire Content," for general questions requesting agencies should be prepared to address. Questionnaires will be an online fillable form. Refer to Section 6, "Project Solicitation," for additional details. In summary, applicants will start the application process by submitting an interest survey on an online map for each site, at which point these will be evaluated for eligibility. If eligible, questionnaire links will be sent to requesting agencies. If requesting agencies experience connectivity issues or have questions, please contact the program for assistance.

Each gage site will require a separate evaluation process for location-based criteria, and thus will require a separate survey and questionnaire.

2. Purpose of Guidelines

This document describes the process, procedures, and criteria that DWR will use to fund public agencies to telemeter, upgrade, reactivate, or install new gages and publicly share data as part of CalSIP. This document provides general information about CalSIP and instructions on submitting questionnaires for funding including CalSIP requirements, eligible applicants and projects, submittal process, questionnaire evaluation process, the interagency agreement and award process, and expectations of agencies receiving funding.

3. Program Introduction and Overview

Senate Bill (SB) 19 (Stats. 2019, Ch. 361, Section 2.) directed DWR and the State Water Resources Control Board (State Water Board) to develop a plan to deploy a network of stream gages to help address significant gaps in information needed for water management and the conservation of freshwater species. The SB19 legislation directs that priority be given to places where lack of data contributes to conflicts in water management or where water can be more effectively managed for multiple benefits, including water supply, flood, water quality, ecosystems, and reference gages. DWR and the State Water Board coordinated with the California Department of Fish and Wildlife, Department of Conservation, and interested entities to develop the recommendations.

Following the directions of SB 19, the interagency group developed, and the State Water Board published, the [*California Stream Gaging Prioritization Plan 2022*](#) (SB 19 Plan). The SB 19 Plan includes recommendations to upgrade existing stream gages, install new stream gages, reactivate historical stream gages, and install water temperature sensors to existing stream gages. The plan identifies the top locations at a watershed level to make improvements based on analysis that was conducted for the development of the plan.

The SB 19 Plan sets a robust foundation for where stream gages can be installed to maximize benefits for various management activities. While this CalSIP utilizes many of the recommendations and logic of that plan, it also recognizes operational limitations of operators that may not be able to install and operate gages in all high-priority locations. CalSIP serves to disburse fiscal resources to public agencies and federally recognized Tribes in a timely and judicious manner to best enhance the surface water monitoring network in the state.

CalSIP serves to execute funding agreements as soon as reasonably possible with a deadline to award by March 1, 2025, and to fully execute agreements by June 30, 2025. Gages should be fully operational by October 1, 2026. This requires recipient local agencies to faithfully and diligently, permit and install gages within 15 months. Failure to make this deadline will require justification and coordination with DWR and may result in loss of funding. Final reimbursement invoices must be submitted to DWR by April 15, 2027.

3.1 Intent and Objectives

The intent of CalSIP is to support the reactivation and deployment of priority stream gages consistent with the SB 19 Plan. Funds for this program were authorized by the Legislature pursuant to the Budget Act of 2023. DWR is electing to award funding on a competitive basis to public agencies to expedite benefit to the stream gage network. CalSIP aims to implement the needed infrastructure improvements, and operations and maintenance, for stream gaging data collection that provides reliable real-time stream flow data to the public. CalSIP will support projects and programs that provide real-time flow (flow, depth, or elevation) and water-quality data to the public stream gage network to assist with the management of the state's water resources. Potential projects include the installation of new stream gages, integration of existing stream gage data into public databases, reactivation of historical stream gages, upgrades to existing stream gages, purchase and installation of stream gaging equipment, and maintenance and operation of stream gages installed under CalSIP. The data must be telemetered and will be published real-time for public viewing. The data must be certified by a qualified licensed civil engineer or hydrologist no less frequently than annually.

Entities must commit to operating and maintaining the stream gages through the useful life of the stream gage. The useful life of a stream gage is typically a minimum of five years of continuous operation of measuring and telemetering data.

4. Eligibility Requirements

4.1 Eligible Funding Applicants

Applicants applying to the CalSIP must meet all relevant eligibility criteria to be considered for funding. In addition, entities that are currently recipients of another funding from DWR must comply with the terms of that funding.

Eligible applicants include:

- Public agencies (e.g., counties, cities).
- Special districts (e.g., school districts, community service districts, irrigation districts, flood control districts, reclamation districts, groundwater sustainability agencies, colleges, and universities).
- Federally recognized Tribes.
- Any of the above public entities that have adequate (or consultant) expertise and qualifications to install and operate a stream gage that yields robust data.

4.2 Tribal Status

DWR acknowledges federally recognized Tribes are protected by the doctrine of sovereign immunity. If a Tribe is awarded funding, DWR will consult with the Tribe on a government-to-government basis to execute a limited waiver of sovereign immunity prior to the execution of a funding agreement. An example of a limited waiver of sovereign immunity is available in Attachment 7, "Limited Waiver of Sovereign Immunity Template."

4.3 Eligible Project Types

To be eligible for the CalSIP funding, projects must provide real-time stream data to the public stream gage network through the [California Data Exchange Center](#) (CDEC). Eligible projects need to provide data to inform at least one program water management areas (e.g., flood, water quality, water supply, ecosystem).

Eligible gaging sites must:

- Be on natural waterways within California (not on canals or diversion ditches where flows are controlled by diversion structures where primary function is for conveyance and distribution of surface water).

4. Eligibility Requirements

- Provide telemetered real-time stream gage data (15-minute intervals). The measurement and reporting of the stage (water surface elevation in feet, North American Vertical Datum of 1988 [NAVD88]), flow (discharge in cubic feet per second), and water temperature in °F, are preferred.
- Have an operational gage by October 1, 2026.

Projects and locations not eligible for CalSIP funding include:

- Canals or waterways developed and maintained for water delivery, non-natural waterways.
- Operations and maintenance (O&M) for current stations.

Examples of projects that meet the intent of CalSIP are provided in Table 1. This list is not exhaustive; other projects can be considered at the discretion of DWR. Proposed gage locations are not limited to the priority watersheds identified in the SB 19 Plan; sites located outside of SB 19 priority watersheds are eligible.

Table 1 Examples of Eligible Projects Category

Eligible Projects	Project Examples
New Stream Gage	Installing a new stream gage on a natural waterway. This would include obtaining the necessary permits, purchase of equipment, installation of equipment, development of a rating curve, and operation and maintenance of the stream gage through at least June 30, 2027. The entity must share the data publicly during the useful life of the stream gage.
Reactivate Stream Gage	<p>Utilize an historic stream gage station, or previously used site, and replace equipment or otherwise reactive the station. This may include obtaining the necessary permits, purchase of equipment, installation of equipment, development or verifying prior rating curve, and operation and maintenance of the stream gage through at least June 30, 2027. The entity must share the data publicly during the useful life of the stream gage. Reactivation can include installation of a gage in the same pool or within hydraulic connectivity of the prior or historic gage site. The adjusted location needs to be disclosed and addressed.</p> <p>Reactivations may include prolonging site operations for an eligible site where temporary or non-discretionary funding will terminate in the immediate future.</p>
Integration of Private Stream Gage Data	Provide real-time stream flow data from existing operational gages (that are not currently publishing data) to the public stream gage network. This would include purchasing any equipment necessary to telemeter and provide data to CDEC. The entity must continue to provide the stream gage data publicly thorough useful life of the stream gage.
Upgrade of Existing Stream Gage	Installation of additional sensors (temperature, dissolved oxygen, pH, turbidity, EC), equipment, telemetry (recording and transmitting of data without in-person effort), or camera. The entity must continue to operate the sensors through at least June 30, 2027. The entity must share the data publicly during the useful life of the sensors.
Emerging Technologies	Various technologies are available for funding that enhance stream gage network. Some of these technologies include automated discharge measurements or machine learning-based flow forecasting.

Table 1 Note: Useful life of a stream gage is typically a minimum of five years of continuous operation of measuring and telemetering data.

5. Program Requirements

5.1 Time Limit

DWR shall award funding and execute funding agreements as soon as reasonably possible with a deadline to issue final awards by March 1, 2025, and to fully execute agreements by June 30, 2025.

Gages will need to be fully operational by October 1, 2026. This requires recipients to fully permit and install gages within no less than 15 months.

After contract execution, expenditures can be invoiced for reimbursement up to the expenditure deadline of March 30, 2027. Final invoices must be submitted by April 15, 2027. Funds are liquidated June 30, 2027.

5.2 Matching Funds and Cost-Sharing

Cost-sharing is not required, but it is encouraged. Matching funds for project expenses will not be a factor in evaluating sites for funding. But preference will be given to those sites that will provide long-term operations and maintenance beyond the life of the agreement.

If entities plan on using matching funds, awardees shall provide details of all other costs (including O&M costs), and funding sources integral to the project that are not covered by CalSIP funding. In addition, awardees must show cost share (e.g., federal, local, other funds, or in-kind services) if an awarded project costs more than the approved fund amount.

Any project awarded program funds must be completed, with the gage operational, by October 1, 2026. Failure to complete the project by an awardee may be considered breach of contract and may result in the required repayment of program funds disbursed.

5.3 Eligible Costs for Reimbursement

Only costs incurred from the final execution date of the agreement will be eligible for reimbursement. Eligible project costs may include the reasonable costs of site identification, engineering, design, construction, and other work directly related to the scope of work. Reimbursable administrative expenses

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and other necessary incidental costs that are directly related to the project are eligible for reimbursement.

Costs associated with travel are eligible for reimbursement if the travel expenses are reasonable, justifiable, and necessary for the successful completion of the project. Allowable reimbursement rates for mileage, lodging, and per diem are limited to the requirements specified by the [California Department of Human Resources](#). No travel outside the State of California shall be reimbursed unless prior written authorization is obtained from the State.

Operation and maintenance costs for stream gage is allowed and is required to sustain gage operation.

Costs that are not eligible for reimbursement include:

- Costs incurred prior to the execution of the funding agreement.
- Purchase of equipment that is not an integral part of the project.
- Purchase of supplies that are not an integral part of the project.
- Establishing a reserve fund.
- Replacement of existing funding sources for ongoing stream gaging stations.
- Support of existing punitive regulatory agency requirements and mandates.
- Purchase of land (in fee title) in any capacity. Real property rights (access and construction easements) more than the minimum required acreage necessary to operate as an integral part of the project, as set forth and detailed by engineering and feasibility studies.
- Payment of principal or interest of existing indebtedness or any interest payments.
- Costs incurred as part of any necessary response and cleanup activities required under the Comprehensive Environmental Response, Compensation, and Liability Act; Resource Conservation and Recovery Act; Hazardous Substances Account Act; or other applicable laws.

5. Program Requirements

- Any federal or state taxes. Sales tax does apply (is allowed to be reimbursed) as it is distributed to a combination of State, county, and local governments.
- Expenses incurred in preparation of the proposal or an application for another program.
- Any indirect costs up to 25% of the overall awarded amount. Indirect cost is defined as a cost incurred for a common or joint purpose benefiting more than one cost objective and are not readily assignable to the funded project (i.e., costs that are not directly related to the funded project). Examples of indirect costs include:
 - Central service costs.
 - General administration of the funding recipient.
 - Non-project-specific accounting and personnel services performed within the funding recipient's organization.
 - Depreciation or use allowances on buildings and equipment; the costs of operating and maintaining non-project-specific facilities.
 - Tuition.
 - Conference fees.
 - Generic overhead or markup.
- This prohibition applies to the awardee and any subcontract or sub-agreement for work on the funded project that will be reimbursed with program funds from DWR.

5.4 Performance Expectations

Specific performance expectations will be included in the scope of work in applicable agreements. These requirements are generalized and provided here for reference and information to applicants.

5.4.1 Minimum Duration of Operation

As noted in Section 5.1, "Time Limit," gages will need to be operated for a minimum duration of one water year (October 1–September 30) to yield value from the installation and activation effort. Note that evaluation criteria for funding include the duration of extended operation. The entity must share the data publicly, via CDEC, during the useful life of the stream gage.

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5.4.2 Installation and Operation Standards

It is imperative that the data produced from stream gages is robust and reliable. To achieve this, it is expected that each site will follow a minimum standard of practice and care for the installation, calibration, and continuous operation of a stream gage.

Telemetered data shall be decoded and posted on CDEC that follows the process outlined in Attachment 5, "Stream Gage Operations Reference Document."

5.4.3 Annual Data Certification Process

To provide quality control and quality assurance to the program, each gage will be required to submit annually, to DWR, for review and approval of the data, the rating curve adjustments, all field observations, and all operational information. This data will be reviewed for consistency with standard industry practice and operational standards (see Attachment 5). This final data will be posted on DWR's [Water Data Library](#) as validated data.

6. Project Solicitation

The following sections provide instructions and processes for public agencies and federally recognized Tribes to request and be awarded funding to implement stream gage improvements. There will not be a proposal solicitation package. As a result, applicants are encouraged to start the application process as soon as possible.

Questionnaires will be processed as they are received until funds are exhausted, or until December 31, 2024, whichever comes first. Questionnaires and supporting documentation received after this date will not be reviewed or considered for funding.

6.1 Publication of Guidelines

Publication of the guidelines will be posted on the [DWR CalSIP website](#).

6.2 Step 1: Initial Interest and Survey Submittal

For each stream gage site an agency is interested in working on, a GIS-based interest survey should be submitted through an [ArcGIS online map website](#). This online interest survey within the online map is structured to identify who is applying, the location of the site, gage elements, and general information about station installer or operator. This initial step serves three primary purposes:

1. Confirms the intended location of the site.
2. Provides an initial evaluation of the applicant and site to confirm the minimum criteria is met.
3. Avoids confusion on which entity may be requesting funding for a site.

After the station survey is submitted, an email response will be sent to the provided contact information to confirm submittal.

An initial eligibility evaluation will be performed. If the project does not meet minimum criteria, an email will be sent notifying the requestor why or where the proposed site is deficient. A new station survey will need to be submitted if the requestor desires to resubmit for future consideration.

California Stream Gage Improvement Program Guidelines

If the project is deemed eligible, an additional email will be sent that provides a unique site ID, site name, site location coordinates, and a link to complete the questionnaire portion of the funding request process. The site will be added to the online map with a “pending” status label.

6.3 Step 2: Application Questionnaire

An online questionnaire with standard questions will serve as the platform for submitting information and evaluating the site for funding under this program. Questions with context that will be in the questionnaire are provided in Attachment 2, “Funding Questionnaire Content.” Requestors will be able to submit information for multiple sites if applicable.

Upon completion of the questionnaire, an email will be sent confirming the submittal.

Questions on this process can be emailed to the [California Stream Gage Improvement Program](#). When submitting questions, please provide applicant information, unique site ID, and all applicable details.

7. Evaluation and Review

To allocate program funding to public agencies in a logical and effective manner, questionnaires will be scored based on established evaluation criteria.

7.1 Completeness and Eligibility Review

Upon completion of the application questionnaire, a review on each site will be performed to confirm eligibility and completeness to fully evaluate the site and operator. If a questionnaire is determined to be ineligible, the questionnaire will not be reviewed or considered in the given round of evaluations. An email will be sent to the requestor addressing why the request was determined to be ineligible.

All eligible questionnaires will be evaluated as described below. The questionnaire will be evaluated based on its content. Requestors may be asked to provide additional information for clarification to the questionnaire.

7.2 Technical Evaluation Each Site Submittal

All eligible program questionnaires will undergo a technical evaluation by no fewer than three CalSIP staff. Each site will be scored based on the scoring criteria in Attachment 3, "Evaluation Criteria," and the merits of information provided. Each site will be given a score based on the evaluation.

The threshold scores for awarding sites will be based on the relative scores in the evaluation period and available funding. Requestors with sites that will be recommended for funding will be notified by email. The email will provide additional information on the award process including confirmation that requesting public agencies consent to electronic signatures via the DocuSign platform, site ID or code, and confirmation of site coordinates.

For proposed sites that do not meet the threshold scoring, an email will be sent notifying the requestor that its questionnaire will automatically be submitted in the next (monthly) evaluation round unless the requestor elects to remove the questionnaire from consideration or resubmit with a revised application questionnaire.

California Stream Gage Improvement Program Guidelines

DWR is not obligated to award CalSIP funding if a proposed site does not provide appropriate value or certain elements that contribute to improving the stream gage network. Additionally, there is a minimal technical score each proposed site will need to meet to be eligible for funding.

8. Award and Agreement Process

If recommended for funding, the awardee will receive an email notifying them of approval and to start the funding agreement process. Additionally, the following site information will be provided to the awardee that will be referenced in the agreement and with the operation of the site:

1. CDEC Site ID (three-letter designation).
2. Latitude and Longitude coordinates (in NAD83).
3. Sensors to be telemetered and reported to CDEC (e.g., stage, flow, temperature).
4. CalSIP Site ID (issued previously).

8.1 Agreement Development Process

8.1.1 Step 3: Provide Authorizing Resolution

Before the funding agreement will be drafted and advanced for review and execution, the awardee will need to provide an approved authorizing resolution (see Attachment 4, "Draft Authorizing Resolution"), and for federally listed Tribes, a limited waiver of sovereign immunity.

Following receipt of the awardee's resolution and limited waiver of sovereign immunity, DWR will develop the work plan and other elements of the funding agreement.

8.1.2 Step 4: Review and Execution of Agreement

The draft funding agreement will be sent to the awardee for review and execution. The awardee will be the first to execute the agreement by hard copy (in triplicate), or through DocuSign.

The funding agreement will then be routed for signature by DWR and the to the Department of General Services (DGS) for final review and approval. Upon approval by DGS, the funding agreement will be considered executed, and reimbursement of expenses incurred from that point forward will be honored.

8.2 Contract Administration and Expectations

Following the execution of the funding agreement, recipients shall follow the terms and requirements set forth in the agreement. Please refer to Attachment 1, "Funding Requirements," for pertinent information about performance during the agreement period.

Attachment 1: Funding Requirements

A template funding agreement is available upon request. Below are several requirements that are within a funding agreement with DWR.

Conflict of Interest

All participants are subject to State conflict-of-interest laws. Failure to comply with these laws, including business and financial disclosure provisions, will result in the proposal being rejected and any agreement being declared void. Other legal action may also be taken. Applicable statutes include Government Code Section 1090 and Public Contract Code Sections 10410 and 10411.

As part of the conflict-of-interest requirements, individuals working on behalf of a funding recipient (awardee) may be required by the State to file a Statement of Economic Interests (Fair Political Practices Commission Form 700) if it is determined that an individual is a consultant for Political Reform Act purposes.

Confidentiality

Applicants should be aware that when submitting a proposal to the State, they will waive their rights to the confidentiality of the contents of the proposal. After a decision on a questionnaire has been made by DWR, the proposal is subject to disclosure pursuant to the California Public Records Act (Government Code, Section 7920.000 et seq.).

Labor Code Compliance

As part of the funding agreement, the funding recipient shall agree to be bound by all the provisions of the Labor Code regarding prevailing wages and shall monitor all contracts subject to reimbursement from the funding agreement to assure that the prevailing wage provisions of the Labor Code are being met. Current requirements are available on the Department of Industrial Relations (DIR) [Labor Compliance Programs](#) webpage. Before submitting a questionnaire, applicants are urged to consult with their legal counsel regarding Labor Code compliance. DWR will not advise applicants on Labor Code compliance. For more information, please refer to DIR's [Public Works Manual](#). The funding recipient will also affirm that it is aware of the

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provisions of Section 3700 of the Labor Code, which requires every employer to be insured against liability for workers' compensation or to undertake self-insurance.

Compliance with CEQA and Other Environmental Laws

All activities funded pursuant to the Program must comply with the California Environmental Quality Act (CEQA) (Public Resources Code, Section 21000 et seq.). Any work that is subject to CEQA and funded under a funding agreement shall not proceed until documents that satisfy the CEQA process are received by DWR, and DWR has completed its CEQA compliance.

Alternatively, the awardee shall notify DWR if they believe their activities will not be considered a project under CEQA, or that their activities qualify for a CEQA exemption. DWR must ensure the adequacy of the CEQA documents before it can provide funding; early coordination between the lead agency and DWR during the preparation of the CEQA documents will help expedite DWR's review and approval process.

If CEQA compliance by the awardee or lead agency is not complete at the time a funding agreement is executed by the parties, after DWR has considered the environmental documents, it may decide to require changes, alterations, or other mitigation to the project; or to not fund the project. Should the State decide not to fund the project, the funding agreement shall be terminated. Any work subject to CEQA that proceeds prior to DWR's review and approval process is completed, will not be reimbursed and the amount will be reduced from the award amount.

Other online information about environmental compliance can be found on the following CEQA webpages:

- [General compliance information.](#)
- [CEQA document submission.](#)

Greenhouse Gas Compliance

In 2005, California Governor Schwarzenegger's Executive Order S-3-05 committed the State to reduce greenhouse gas (GHG) emissions. One year later, the governor signed the Global Warming Solutions Act of 2006 (Assembly Bill 32), which legally obligates the State to reduce GHG emissions to 1990 levels by 2020. Analysis of GHG emissions was made a

requirement in the CEQA guidelines in December 2009, becoming effective March 18, 2010.

All CEQA documents must analyze potential projects related GHG emissions. As a responsible agency, DWR must also evaluate potential GHG emissions for the proposed project before exercising its discretion to give final approval for a funding.

Competitive Bidding and Procurement

An awardee's contracts with other entities for the acquisition of goods, services, and construction of public works with funds provided by the State must be in writing and shall comply with all applicable laws and regulations regarding the securing of competitive bids and undertaking competitive negotiations.

If a funding recipient does not have a written policy to award contracts through a competitive bidding or sole source process, the Department of General Services' [State Contracting Manual](#) rules must be followed. Applicants with questions regarding competitive bidding requirements should be directed to their counsel. DWR will not advise applicants on competitive bidding requirements.

Indemnify and Hold Harmless

As part of the funding agreement, awardees shall indemnify and hold harmless the State, its officers, agents, and employees from all liability from any claims and damages (including inverse condemnation) arising from the planning, design, construction, repair, replacement, rehabilitation, maintenance, and operation of the project, and any breach of the funding agreement.

Records Retention Guidelines for Awardees

The lists below provide details on the documents and records State auditors would need to review in the event a funding agreement is audited. Awardees should ensure that such records are maintained. Where applicable, this list of documents includes documents relating to the awardee's cost share that will be required for audit purposes.

California Stream Gage Improvement Program Guidelines

State Audit Document Requirements

Internal Controls

1. Organization chart (e.g., agency's overall organization chart and organization chart for the funding or loan-funded program or project).
2. Written internal procedures and flowcharts for the following:
 - A. Receipts and deposits.
 - B. Disbursements.
 - C. State reimbursement requests.
 - D. Funding or loan expenditure tracking.
 - E. Guidelines, policies, and procedures on funding or loan-funded program or project.
3. Audit reports of the agency's internal control structure and financial statements for the last two years.
4. Prior audit reports on funding or loan-funded program or project.

Contracts

1. All subcontractor and consultant contracts and related or partners' documents, if applicable.
2. Contracts between the agency and member agencies as related to the funding or loan-funded program or project.

Invoices

1. Invoices from vendors and subcontractors for expenditures submitted to the State for payments under the funding or loan.
2. Documentation linking subcontractor invoices to State reimbursement, requests, and related funding or loan budget line items.
3. Reimbursement requests submitted to the State for the funding loan.

Cash Documents

1. Receipts (copies of warrants) showing payments received from the State.

2. Deposit slips or bank statements showing deposit of the payments received from the State.
3. Cancelled checks or disbursement documents showing payments made to vendors, subcontractors, consultants, and agents under the grants or loans.
4. Bank statements showing the deposit of the receipts.

Accounting Records

1. Ledgers showing entries for loan receipts and cash disbursements.
2. Ledgers showing receipts and cash disbursement entries of other funding sources.
3. Bridging documents that tie the general ledger to requests for funding or loan reimbursement.

Administration Costs

1. Supporting documents showing the calculation of administration costs.

Personnel

1. List of all contractors and agency staff that worked on the funding or loan-funded program or project.
2. Payroll records including timesheets for contractor staff and the agency personnel who provided services charged to the program.

Project Files

1. All supporting documentation is maintained in the project files.
2. All funding or loan-related correspondence.

Attachment 2: Funding Questionnaire

Content

California Stream Gage Improvement Program (CalSIP) Public Agency Questionnaire for Stream Gage Station Funding

Applicant/Public Agency Information

- Name of public agency/entity?
- Primary point of contact (POC) name?
- Direct/mobile phone?
- Email address?
- Secondary point of contact (POC) name?
- Title?
- Direct/mobile phone?
- Email address?
- Which operational model will the public agency/entity choose for the proposed sites?

Site Information

- Was the location submitted previously in ArcGIS online platform?
- Is the site a reactivation of a previous or historic site?
- How long was the most recent duration of the record?
- What data were previously observed?
- Who will be implementing the stream gage?
- Who will be principally responsible for operations and maintenance (O&M) of the stream gage?
- Site name?
- Site unique ID? (if historical site is being upgraded or reactivated)
- Site location information?

- Surface water body name?
- What is the stream gage station seeking to measure/data to collect?
- What management objectives will the site perform?
- For this site, is there a long-term sustainable funding for the ongoing operation and maintenance?
- If the answer to the previous question is yes, please provide information to validate secured funding for a specified duration, ensuring the project's longevity beyond the program timeframe (June 2027). Examples include providing sources of revenue and current assessments with stipulated program goals. Prior and current approved budget appropriations, if the answer is no, enter N/A.

Cost

- What are the expected capital costs for the site?
- What are the expected annual maintenance costs for the site?
- What is the total cost of the project?
- Are the capital and or O&M costs being funded with funds other than CalSIP funding?
- Amount of local agency cost share (if any).
- Amount of federal contribution (if any).
- Amount funded by other (non-local agency) sources (if any).
- The total amount of non-CalSIP requested.
- Amount requested from CalSIP?

Operator Qualifications

- Name?
- Role?
- Entity/consultant?
- Operation and maintenance experience?
- Site development experience?

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- Provide experience in installing and maintaining data transmission (telemetry)?
- Where, and for how long, have they installed and operated stream gages?
- Provide details about the measurements performed at each site and any unique factors that demonstrate competency and differentiate expertise?
- Describe any individual training or expertise regarding data collection quality assurance and quality control?
- Training and other qualifications?

Additional Explanation

- Please add additional information that you think would be helpful for the evaluation.

Attachment 3: Evaluation Criteria

California Stream Gage Improvement Program (CalSIP) Public Entity Gage Site Ranking and Selection Criteria

Minimum Criteria

There are three minimum criteria that must be met for the proposal to be advanced to the remainder of the selection criteria process. If any of the three minimum criteria's ranking is "No", the proposal will be returned to the requestor as ineligible for CalSIP funding.

Eligible Applicant (Public Agency) (Yes/No; minimum criteria)

- Legal status and eligibility of the applicant as a public agency or federally listed Tribe.

Minimally Qualified Operator (Yes/No; minimum criteria)

- Does entity have reasonable ability to successfully operate and maintain a stream gage (gage) station?
- Staff availability to perform fieldwork.
- If no internal experience, ability to procure and utilize outside entity to perform work?

Site Location Eligibility (Yes/No; minimum criteria)

- All sites must be in the state of California.
- The site must be on natural waterways. Natural waterways are considered surface waterways, not canals or diversion ditches, where flows are controlled by diversion structure and primary function is for conveyance and distribution of surface water.
- Each site must provide real-time, telemetered data (15-minute intervals) to the public through the [California Data Exchange Center](#).
- Funding for only operation and maintenance for a currently active site is not allowed; offsetting existing operations and maintenance funding for a gage without any other improvement is not allowed.
- Offsetting existing funding or responsibility to operate and maintain a gage is not allowed.

Scoring Criteria

Following the eligibility evaluation, or minimum criteria, each site will be scored based on the below criteria based on answers and information provided in the questionnaire. The questionnaire is structured to require answers such that a score can be given for each of the scoring criteria.

Installer and Operator Experience

How much demonstrated experience with gage operations does the applicant have? Is the applicant or agent of the applicant qualified to install, operate, maintain a stream gage station.

- Who (agency staff or consultant) will be implementing the gaging station? Who will be performing operations and maintenance of the gage [note if same persons or entity]?
- Where, and for how long, have they installed and operated gages? Include details such as the measurements included at each gage and any unique factors that demonstrate competency and differentiate expertise.
- Include any individual training or expertise regarding data collection quality assurance and quality control.

[Note: Reviewers may contact individuals if questions arise, or if clarifications needed. Applicants should be ready to provide contact information to the review team]

Long-term O&M Funding Commitment

One of the primary goals of CalSIP is to enhance the quality and number of gages in the stream gage network and to maintain them for as long as possible. This criteria item is evaluating the potential for long-term funding, and the ability of operators to maintain the gages after CalSIP ends.

- Does the gage(s) have long-term sustainable funding for the ongoing operation and maintenance? If so, please provide a brief explanation of the funding commitment for the proposed gaging network.
- Provide any information committed to securing funding for a specified duration, ensuring the longevity of the gage beyond CalSIP's timeframe (June 30, 2027).

Located in a Priority Watershed

The Senate Bill (SB) 19 [California Stream Gaging Prioritization Plan 2022](#) (SB 19 Plan) identifies a variety of high-priority, ungaged watersheds based on environmental significance, water resource management needs, or emergency response. This criteria item is not required to be considered for funding but will be considered in the ranking of proposals.

- Is this site within SB 19 priority watershed? (Yes or No).

Located in an Underrepresented or Disadvantaged Census Community

This criteria item serves to consider the socio-economic status of the communities potentially benefiting from, and approximate to, the proposed gage site. There is a programmatic goal to award 25% of available project funding to disadvantaged census communities.

- Is the site located within a [disadvantaged census community](#)? (Yes or No).

Watershed Gage Density

Distribution and concentration of gages within a watershed is a consideration to promote watersheds with low or no gage density, and to avoid excessive gage density in an area.

- Are there existing gages nearby? How much value or additional information does this gage provide as compared to surrounding gages?
- Does the proposed gage fill data gaps or enhance monitoring capabilities?
- What is the added value of this station as compared to other nearby stations?
 - Is the reach “well-gaged”, or “poorly gaged” (using SB 19 Plan evaluation).

Reactivation of Previous Site

One of the factors considered in the SB 19 Plan is the reactivation of historical data and the value of adding to a historic period of record. Additionally, the reactivation of a site on a reach that lacks other gages has more value as compared to sites on reaches that have more sites.

- Is the site “well-gaged”, “almost well-gaged”, or “poorly gaged” reach of stream (using SB 19 Plan evaluation)?

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- What is the period of record of the historical site?

Proximity to Existing Nearby Gages

One of the factors considered in the SB 19 Plan was proximity of reacting gages in reaches where other gages are operating. Using similar logic, this criteria item considers proximity to other gages and additional value the proposed gage provides in light of surrounding gages.

- Is there existing stream gaging infrastructure nearby? How much value or additional information does this gage provide as compared to surrounding gages?
- Does the proposed gage fill data gaps or enhance monitoring capabilities?
- What is the added value of this station as compared to other nearby stations?
- Is the reach “well-gaged”, or “poorly gaged” (using SB 19 Plan evaluation)?

Amount of Program Funding Spent in the Watershed/Area

This criteria item evaluates CalSIP funding distribution for excessive concentration in a watershed or region. This can be determined from the ArcGIS online mapping tool for current, or in-process, sites in the CalSIP program.

- Does the proposed gage require funding in a watershed or region that is already receiving strong levels of CalSIP funding?

Stage, Flow, Temperature Data

Stream-flow data are considered higher-value information for water managers and general use. Because of this, a high point value is provided for gages that develop a stage-flow rating curve and provide flow data in addition to stage. Similarly, water temperature is a high-value parameter that yields valuable data for environmental resource management. This criteria item prioritizes sites that propose to generate flow, stage, and temperature data. Sites proposing to add telemetry to existing gages are viewed as new sites to the stream gage network. In the case when an existing gage that measures stage, flow, and temperature, and telemetry is

added, the site would be scored as if it is a new or reactivated site because new data are being made public.

- Is the proposed station providing stage; stage and flow; or stage, flow, and temperature?

Cost and Benefit (Qualitative)

This criteria item evaluates, qualitatively, the cost effectiveness of a gage.

- Is the expected or proposed cost reasonable for the location, sensors, and gage types (as compared to typical DWR and U.S. Geological Survey [USGS] costs)?
- How cost effective is the gage in utilizing available funds for meaningful improvements to the stream gage network?

Attachment 4: Draft Authorizing Resolution

Authorizing Resolution

If possible, include a resolution adopted by the applicant's governing body authorizing the questionnaire for funding under this program and designating a representative to submit the questionnaire; and, in the event of an award of program funds, a representative to execute the funding agreement and all necessary documentation (e.g. invoices, progress reports). If the resolution has not been adopted prior to the questionnaire's submission, indicate in the proposal document when a signed resolution will be received by DWR. A signed, certified resolution must be received prior to the execution of a funding agreement with the State. In some cases, an applicant may have a standing (permanent) delegation, applicable ordinance, or bylaws that already delegate a representative. In such cases, please include the applicable documents with the questionnaire. The following sample resolution template may be used.

Resolution No. [xxxx]

A resolution of the [Governing Body] of the [Agency Name]
Authorizing the Funding Request, Acceptance, and Execution for the
[Project Title]

WHEREAS, [Agency Name] proposes to implement [Project Title];

WHEREAS, [Project Title] is being implemented to support and improve the stream gage network within the State of California and is intended to: (1) provide publically available data on natural surface waters; and (2) provide sound data that informs water management decisions;

WHEREAS, [Agency Name] has the legal authority and is authorized to enter into a funding agreement with the State of California; and

WHEREAS, [Agency Name] intends to apply for funding from the California Department of Water Resources for the [Project Title];

WHEREAS, [Agency Name] intends to apply for funding from the California Department of Water Resources for the [Project Title];

THEREFORE, BE IT RESOLVED by the [Governing Body] of the [Agency Name] as follows:

1. That pursuant and subject to all of the terms and provisions of Budget Act of 2023, as amended (Stats. 2022, ch. 44, § 25), the [Agency Name] [Title of Authorized Representative], or designee is hereby authorized and directed to prepare and file a questionnaire for funding with the Department of Water Resources and take such other actions as necessary or appropriate to obtain funding.
2. The [Agency Name] [Title of Authorized Representative], or designee is hereby authorized and directed to execute the funding agreement with the Department of Water Resources and any amendments thereto.
3. The [Agency Name] [Title of Authorized Representative], or designee is hereby authorized to utilize electronic signatures to execute

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agreements with the Department of Water Resources and any amendments thereto.

4. The [Agency Name] [Title of Authorized Representative], or designee is hereby authorized and directed to submit any required documents, invoices, and reports required to obtain funding.

CERTIFICATION: I hereby certify that the foregoing Resolution was duly and regularly adopted by the [Governing Body Name] of the [agency name] at the meeting held on [date], motion by [member name] and seconded by [member name], motion passed by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

[Printed Name]

[Title], [Governing Body]

Attest:

[Printed Name]

[Secretary/Clerk]

Attachment 5: Stream Gage Operations Reference Document

Introduction

Preface

Stream gaging is generally a process of measuring and recording water surface levels of a stream via a stream gage, and then converting the stage to discharge by means of a stage (flow depth) vs. discharge rating table. This requires plotting simultaneous stage data and discharge measurements to develop the stage-to-discharge curves. The rating is applied to the continuous stage data to calculate discharge in the stream at the gage location.

Providing stream gage data is an extensive process with ample opportunity for the operator or equipment to introduce error, which can result in inaccurate or incomplete data. Standardizing the stream gaging process can reduce the potential for error and will improve data integrity and accuracy. In addition, standardization improves the consistency in documentation and data collection among different gage operators, resulting in more consistent and comparable data. For these reasons, standardization of the stream gaging process is pertinent when providing accurate, continuous, and comparable stage and discharge data.

Objective and General Stream Gaging Procedure

The objective of this manual is to guide [California Stream Gage Improvement Program](#) (CalSIP) gage operators with standards and procedures, in providing continuous stage and discharge record on the [California Data Exchange Center](#) (CDEC) and submitting certified records to the California Department of Water Resources (DWR) that will later be retrievable through the [Water Data Library](#). References are made to U.S. Geological Survey (USGS) and U.S. Bureau of Reclamation publications, which were used as a guide in writing this manual.

This manual supports DWR's stream gaging efforts under CalSIP to upgrade, reactivate, or install stream gages to enhance California's publicly available

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stream gage network. The stream gages will provide essential surface water stage, flow, and water quality data to water managers and the public via the CDEC.

This document focuses on sites located where simple stage-to-flow relationship occurs, commonly located in a “pool-to-riffle” geomorphic type condition.

Summary of Stream Gage Standard Operations – CalSIP Specific

Below is a summary of standard operations for stream gages operated by CalSIP funds.

1. Funding recipients and operators will be responsible for all required environmental and operational permits, including access permissions.
2. Re-established historical stream gaging sites should be as close as possible to the original location. If the re-established location is outside of the same geomorphic control or measurement pool, this should be considered a “new” site.
3. A unique name, number, and geographic coordinates to the World Geodetic System (WGS) for each site must be determined or made for each site. For the CalSIP public agency gage sites, an index number will be provided to public agencies for each site. WGS coordinates and site names will be confirmed based on proposed data and site names provided in the application process.
4. All submitted stage data must be in the North American Vertical Datum 88 (NAVD88), with any applicable specific epoch versions.
5. Typical water level sensors and recorders to record stage data.
 - A. Typical gage setups and layouts can be found in Appendix A. Dry gas bubblers and radars are the preferred method for measuring stage. Do not use “wetted pressure transducer” type sensors. These sensors are problematic with biofouling and they require significant and disproportionate maintenance.
6. Telemetered in near real-time to CDEC. All sensor data need to be retrievable on the CDEC site.
7. Operators will be responsible for all safety requirements for operating near fast-moving water. Always use acceptable personal flotation

devices and personal protective equipment while working around moving water. It is recommended that each site have a unique safety evaluation and mitigation measures or protocols to reduce risk to human health and safety.

8. All sites must have a station site visit log file that will need to be submitted with the station record. Typical parameters are the following:
 - A. Dates, times, stage and staff or wire weight observations, a flow measurement summary, and when downloads were performed.
9. Flow measurements: At least six per year if calculating flow records. Typical meters can include:
 - A. Price AA current meters.
 - B. Acoustic doppler measurements.
 - C. Flowtrackers.
 - D. Weir sticks (or staff gage) or other approved means.
10. Stage shift, time shift, and datum shift data.
 - A. An electronic table of all shifts and adjustments to the stage or discharge curve.
11. All station records for stage and flow measurements will be processed and submitted by December 31 of each year for the prior water year (October 1 through September 30). This process is considered the annual "certification" process that signifies the applicable prior-year data is valid and referenced to reflect all adjustments and corrections are correct. A final certification package needs to be provided as a hard copy and electronic copy and include the following elements:
 - A. Site summary report.
 - B. Field notes from all site visits and measurements.
 - C. Flow measurement report summary to summarize when, how, and results of flow measurements.

California Stream Gage Improvement Program Guidelines

- D. Certification (signature) by a qualified and experienced reviewer (someone who has completed a USGS, or similar, course; or professional licensed civil engineer).
- E. Flow measurement sheets.
- F. Rating table documentation, PDF or Excel spreadsheet.
- G. Rating table and discrete flow measurement plots.
- H. Primary computations.
- I. Mean daily gage height summary.
- J. Mean daily flow summary.
- K. Mean daily temperature summary.
- L. Mean daily gage height, water year plots.
- M. Mean daily gage flow, water year plots.
- N. Mean daily gage water temperature, water year plots.

Establishing a Stream Gage

Gage Site Selection

Reactivating a previously existing gage can be advantageous, if that is an option. Historical gaging station site names and locations can be found on the CalSIP website. Reactivation of existing stream gage sites are inherently useful because they include historic records that are needed for a variety of hydrology analyses, and information about the suitability of the site may inform integrity of rating.

If installing a new gage, site reconnaissance is facilitated by field visits and examination of the geologic, topographic, and other maps of the area.

In the selection of any stream gage site, consideration should be given to the following items:

1. Channel characteristics relative to a fixed and permanent relationship between stage and discharge at the gage. Look for a pool-and-riffle-type section with a hard, rocky bottom where there is a lower risk of bed movement that affects the stage-discharge relationship.

Attachment 5. Stream Gage Operations Reference Document

2. Stay away from possible backwater conditions from other downstream tributaries or other sources (e.g., dams, weirs). Shallow grade channels are susceptible to backwater conditions.
3. Availability of nearby cross-section where good discharge measurements can be performed.
 - A. Suitability of existing structures (e.g., bridges) for use in making high-flow discharge measurements. A remote boat may be considered in place of a bridge if conditions are favorable. The current remote boats need velocities to be less than 14 feet per second and be free of debris.
 - B. Boat access if a bridge or access to both banks is unavailable for high-flow measurements.
 - C. Hazardous conditions upstream and downstream of the gage (in and out of water).
4. The proper placement of stage recording sensor is ideally in calm water. Velocities of 10 feet per second, or more, are hard to measure.
5. The possibility of flow bypassing the site in flood channels or going subsurface.
6. Road accessibility to the site, particularly in flood conditions.
7. Common snow conditions for sites above 5,000 feet.
 - A. The availability of line power (instead of solar) will likely be useful to keep equipment warm and protected from freezing.
8. Land ownership and access at site. Permission to private property is susceptible to being revoked, causing data gaps in the continuous record or ending the period of record.
9. Environmental and archeological concerns.

Property Access and Permitting

Each stream gage can have significant differences in environmental and archeological resources, concerns, and limitations. The following list is a suggested starting point when developing the permits for each new site. It is the responsibility of the operator to determine all applicable permits.

California Stream Gage Improvement Program Guidelines

List of Common Regulatory Permits

New gages typically require the following five documents, but more permits may be needed:

1. Landowners' permission or encroachment permit.
2. California Environmental Quality Act (CEQA).
 - A. Most gages typically fall under the gaging station exemption that requires the operator to file a notice of exemption.
3. Department of Fish and Wildlife: DFW 1600 Stream Alteration Agreement.
 - A. Fish and Game Code Section 1602 requires any person, State or local government agency, or public utility to notify the California Department of Fish and Wildlife prior to beginning an activity that may do any of the following:
 - Divert or obstruct the natural flow of any river, stream, or lake.
 - Change the bed, channel, or bank of any river, stream, or lake.
 - Use material from any river, stream, or lake.
 - Deposit or dispose of material into any river, stream, or lake.
4. U. S. Army Corps Engineers: USACE 404 Permit.
 - A. The Clean Water Act (CWA) establishes the basic structure for regulating discharges of pollutants into the waters of the United States and regulating quality standards for surface waters. The basis of the CWA was enacted in 1948 and was called the Federal Water Pollution Control Act, but the act was significantly reorganized and expanded in 1972. Clean Water Act became the act's common name with amendments in 1972.
 - B. Section 404: Establishes a program to regulate the discharge of dredged and fill material into waters of the United States, including wetlands.
5. Regional Water Quality Control Board: RWQCB 401 Water Quality Certification.
 - A. The 401 program protects all waters in its regulatory scope, but has special responsibility for wetlands, riparian areas, and headwaters

because these waterbodies have high resource value, are vulnerable to filling, and are not systematically protected by other programs. It is involved with protection of special-status species and regulation of hydromodification impacts. The 401 program encourages basin-level analysis and protection because some functions of wetlands, riparian areas, and headwater streams — including pollutant removal, flood water retention, and habitat connectivity — are expressed at the basin or landscape level.

B. Most projects are regulated by California regional water quality control boards.

Addition permits may be needed. They include:

- Flood board permit: For those sites in the jurisdiction of a regulatory floodway or floodplain, a permit may be needed to confirm minimal flood risk or to identify as potential encroachment.
- Encroachment permit: For those sites on any local or State roadway facility, an encroachment permit is likely needed.

Station Name, Number, and Location Convention

Every stream gage shall have a unique name, number, and set of coordinates. Gage names and numbers should be assigned using the DWR Index Numbering System. For the CalSIP public agency gage sites, a gage index number will be provided to public agencies for each site. Gage positions are assigned coordinates based on the World Geodetic System 1984 (WGS84) global datum reference system.

Gage names are divided into three units, set off by commas, which identify the stream, branch of the stream, and the landmark near the gage's location on the stream (usually nearest town with a post office).

- Example #1: OSBORN C, SF, A LEANING TREE RD, NR TOMLINE, identifies the gage on the south fork of Osborn Creek at Leaning Tree Road, near the town of Tomline.
- Example #2: A gage located on Thomes Creek just 3 miles downstream from the closest town of Paskenta would likely be named, Thomes Creek NR Paskenta. If the gage was in the town of Paskenta, then it would be named Thomes Creek A Paskenta (the AT is abbreviated to A).

California Stream Gage Improvement Program Guidelines

Gage numbers are comprised of six characters, one letter and five numbers. They are assigned using the Surface Hydrologic Station Index Numbering (SHSIN) System following the DWR Index Numbering System. For the CalSIP public agency gage sites, a gage index number will be provided to public agencies for each site. The system parallels coding systems for hydrologic areas, provides for discrete identification of gages and sample locations, and signifies the upstream and downstream relation of gages.

Gage's location and position are identified using latitude and longitude, in North American Datum of 1983 (NAD 83) projection and coordinate system. The format should be Latitude xx-xx-xx.xxx North by Longitude xxx xx xx.xxx and be accurate to within 50 feet or a half second (00.00X) for both latitude and longitude. Decimals or degrees-minutes-seconds are acceptable, but decimal degrees are preferred. Multiple mapping software systems can provide coordinates in the WGS projection, including Google Earth which uses a WGS84 geographic projection with an ESPG code of 4326. Converting from WGS 84 datum to NAD 83 datum can be accomplished using different translation software applications or tools. When reporting coordinates, reference to the datum must be included to confirm accuracy.

Gage locations are sometimes described using the [Public Land Survey System](#).

Measuring Water Surface Levels: Benchmarks, Reference Gages, and Water-Level Sensors

The product of stream gaging, discharge data, is largely built on measured water surface levels; otherwise known as stage. As a result, the quality of discharge data is dependent on the quality of stage data. A network of elevations provides the means to record quality stage data and a continuous record. The elevation network is established at a benchmark with an assigned datum. Reference gage elevations are based off the benchmark and are set to measure water levels in the same pool being measured by the water-level sensor. Based on the same datum as the benchmark and reference gage, the water-level sensor measures stage every 15 minutes. This sensor is routinely compared to the reference gage to verify the accuracy of measured and recorded water levels within 0.02 foot.

Benchmarks and Vertical Datums

Recorded water surfaces require a measured reference point. A benchmark with an applied vertical datum provides this reference. Benchmarks can be an established marker or a fixed and stable object such as a scribed marking in concrete. The latter is referred to as a temporary benchmark. Three benchmarks are required at each station. Elevations of benchmarks are defined by a vertical datum. Measured water surface levels will be set to read above this specified reference surface; also known as the gage datum. To provide accurate and relevant data, it is imperative that gages agree with the established gage datum for the life of the station.

There are numerous vertical datums (e.g., National Geodetic Vertical Datum of 1929 (NGVD29), North American Vertical Datum of 1988 (NAVD88), local). The CalSIP gages must be in NAVD88.

If a benchmark near the station is unavailable, a temporary benchmark or new benchmark needs to be set. To assign an elevation to the new benchmark, a survey from an established benchmark is required. When established benchmarks are less than 2 miles away from the station, optical differential leveling technique should be used. Differential leveling is the process of measuring the vertical difference between a point of unknown elevation and a point of known elevation (McCormac 1983). When referencing benchmarks greater than two miles away, initial datum surveys should be performed using a survey grade global navigation satellite system (GNSS) or real-time kinematic (RTK) type of system. The USGS published a Techniques and Methods publication (Kenney 2010) on leveling at gaging stations and is a comprehensive reference for this work.

Reference Gages

The reference gage (a staff gage, typically) can quickly and routinely be used to verify water-level sensor data relative to the referenced benchmark. It is imperative that the reference gage measure the same pool of water as the water-level sensor, and it must be mounted on solid objects that are not subject to significant movement or flexing. The reference gage should also be mounted in a way that they are able to measure the range of desired gage heights. Staff gages and wire weights are the most common type of reference gages.

California Stream Gage Improvement Program Guidelines

Reference gage elevations should be compared every three years to ensure that reference gages and ultimately stage elevations are being accurately recorded.

Water-Level Recorders

The primary function of a water-level recorder is to digitize and record stage values with corresponding dates and times. Measurements are typically recorded in 15-minute increments, starting on the hour. Recorders must be able to telemeter the data to provide near real-time information on CDEC.

Water-Level Recorder File Format

The raw file created from water-level recorders needs to be saved as a suitable file type and formatted to allow uploading into a database management system. Acceptable file extension formats include:

- Comma separate values: (.csv).
- Text format: (.txt) can be comma delimited, tab delimited.
- Date (mm/dd/yy), time (hh:mm:ss), stage (xxxx.xx).
 - 01/01/19, 14:00:00, 1034.12.
 - 01/01/19, 14:15:00, 1034.11.
 - 01/01/19, 14:30:00, 1034.10.

Telemetry

Telemetry is an automated process of collecting data from a remote location by transmitting data to a different location for monitoring. CalSIP gage data must be reported and decoded by CDEC in near real-time. It is up to the operator to determine the best method to meet this requirement.

Decoding and Posting Transmitted Data at California Data Exchange Center (CDEC)

Transmitted stream gage data will be decoded and posted on CDEC. The operator must include the following information when developing the site on CDEC.

- Station name and number (described in Section 2.3, "Station Name, Number, and Location Convention").
- Data logger manufacturer and model.

- County.
- Nearby city.
- Hydrologic area.
- River basin.
- Latitude (degree-minute-second format).
- Longitude (degree-minute-second format).
- Elevation (reported in feet to the hundredths).
- Suggested three letter CDEC ID (check with CDEC to see availability of ID).
- Type and format of data telemetered.
- The order the data is sent (ascending/oldest first or descending/newest first)

A stage-discharge rating and additional information is required by CDEC when discharge is calculated.

Station Operation and Maintenance

The fundamental goal of collecting accurate gage heights for stream gages will vary, which affects the operation and maintenance requirements. Required resources depend on the desired data type and its level of accessibility. Providing near real-time flow data requires more operational effort than solely recording stage data.

Remote Monitoring

Periodically monitoring a near real-time stream gage can decrease the amount of missed or inaccurate data when malfunctions occur. It can also aid in deciding when to take discharge measurements.

Routinely viewing telemetered stream gages on CDEC can reduce data errors and improve stage-discharge ratings. The quicker it is known a gage is problematic, the quicker a repair can be made, and accurate data recording can resume. In addition, knowing when a stream is at a desired gage height to measure discharge is helpful in building or improving a stage-discharge

California Stream Gage Improvement Program Guidelines

rating. CDEC is a valuable tool when operating and maintaining stream gages.

References

McCormac, J.C., 1983, *Surveying fundamentals*: Englewood Cliffs, New Jersey, Prentice-Hall, 522 p.

Kenney, T.A., 2010, *Levels at gaging stations*: U.S. Geological Survey Techniques and Methods 3-A19, 60 p. Viewed online at: <https://pubs.usgs.gov/tm/tm3A19/tm3A19.pdf>, Accessed: August 8, 2024.

Appendix A. Typical Stream Gage Configurations

Figure 1 Schematic of Bubble Gage

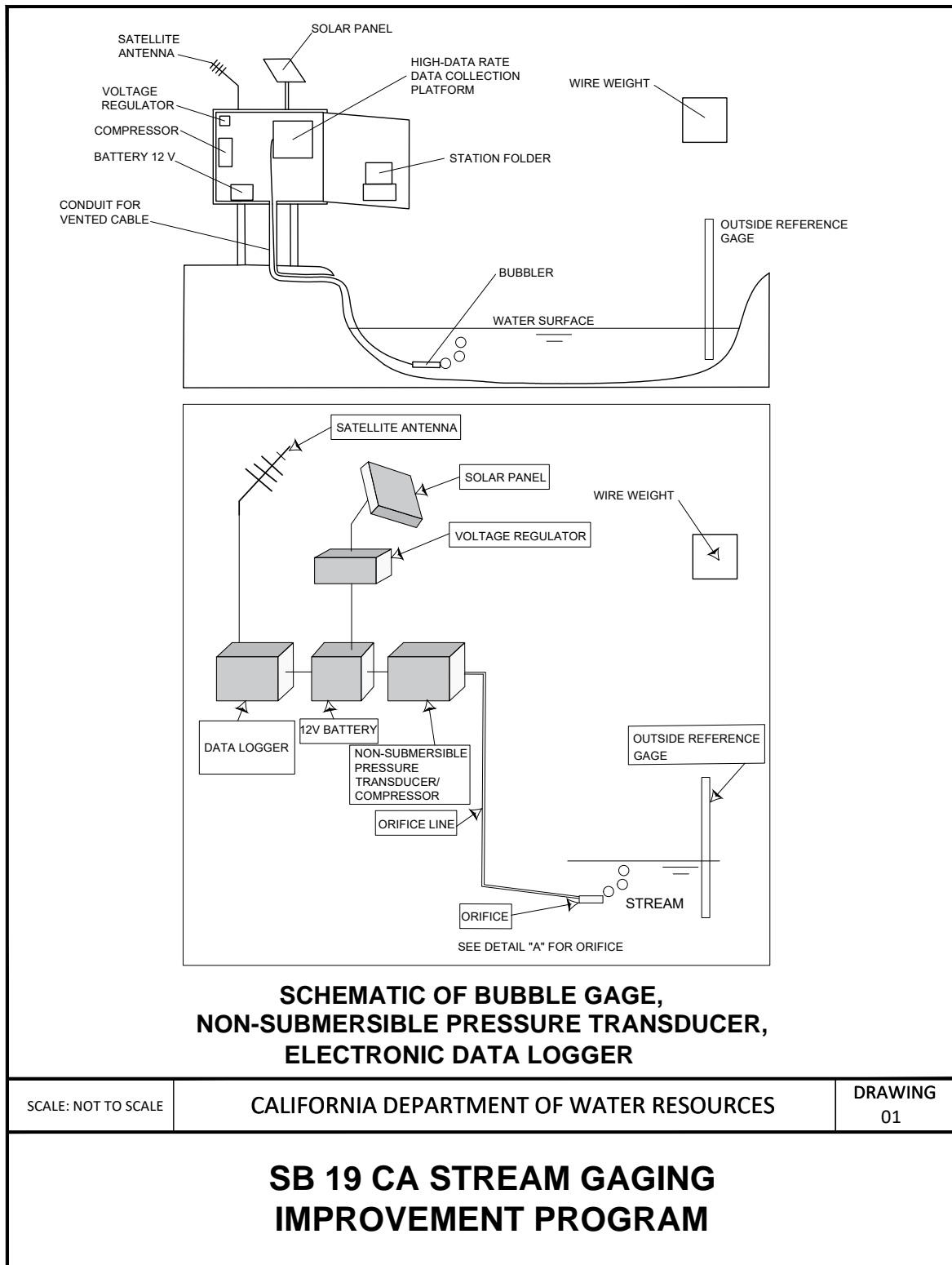
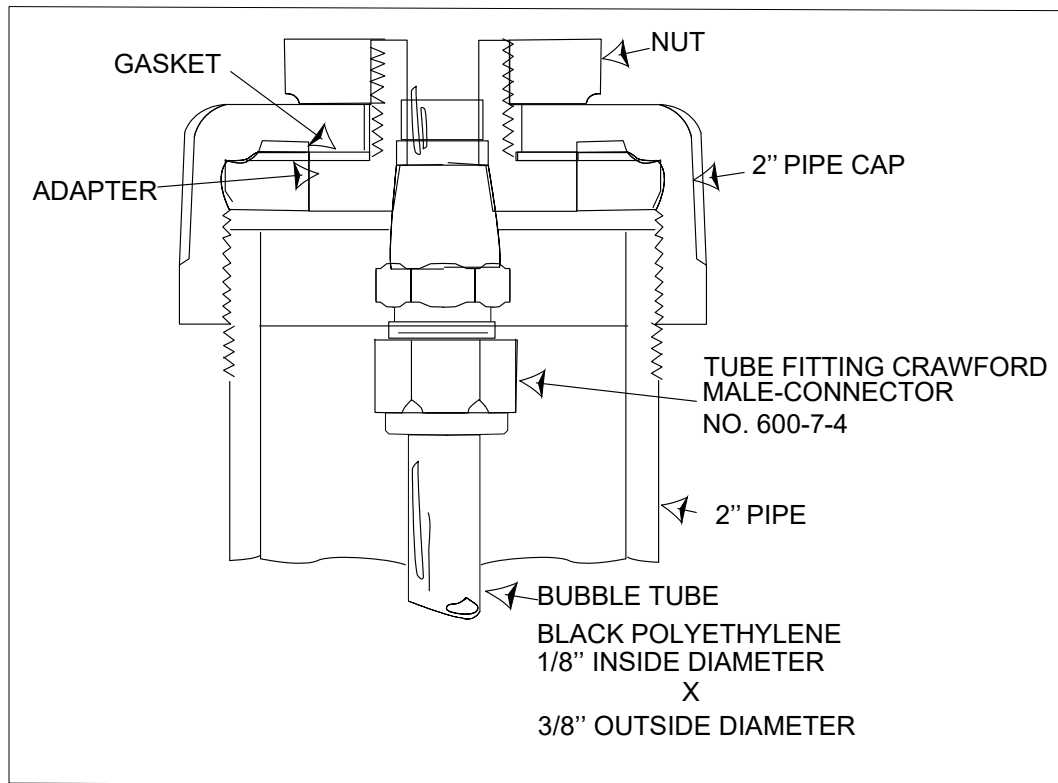


Figure 2 Suggested Bubble-Orifice Assembly



**DETAIL "A"
SUGGESTED BUBBLE-ORIFICE ASSEMBLY**

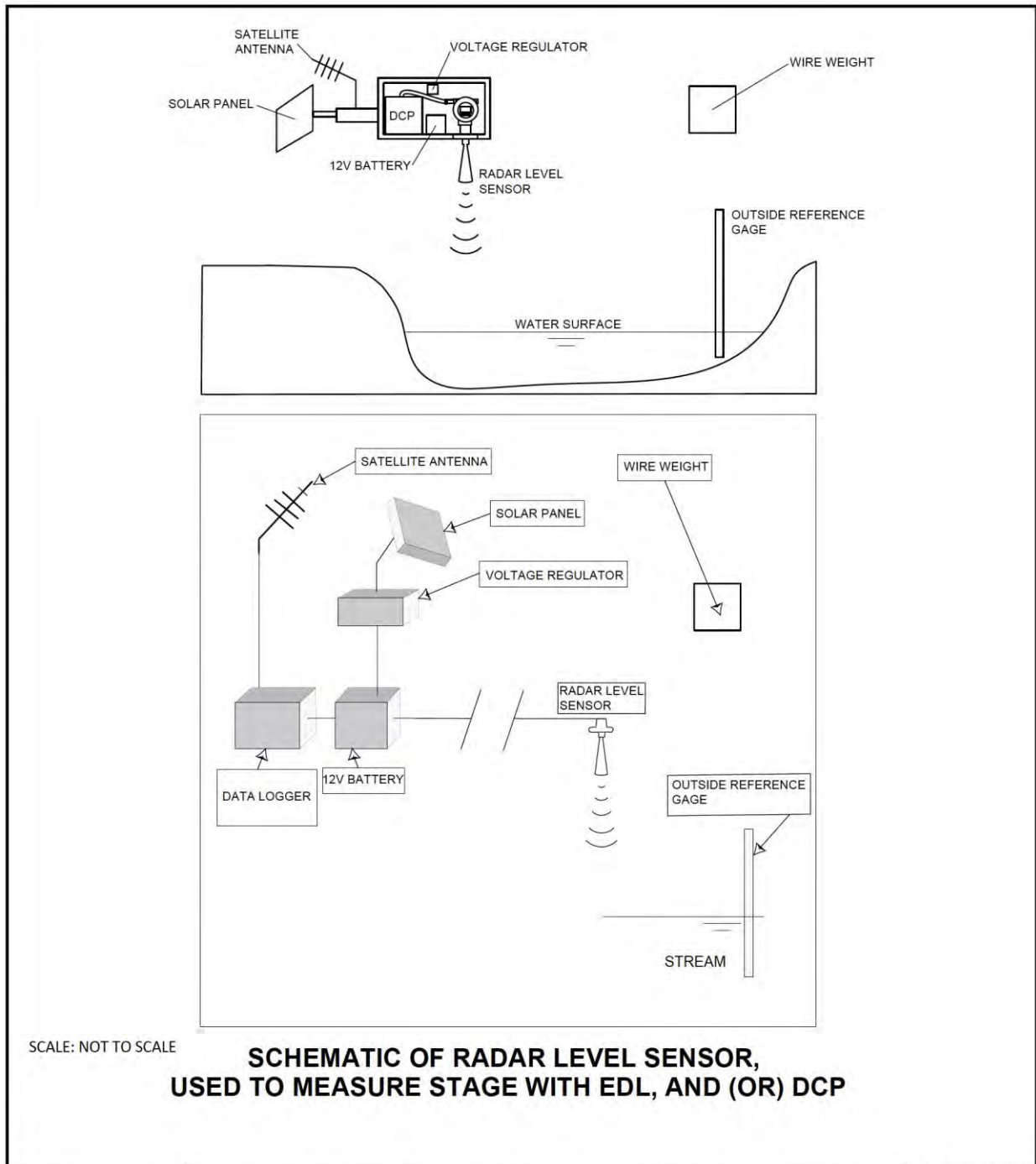
SCALE: NOT TO SCALE

CALIFORNIA DEPARTMENT OF WATER RESOURCES

DRAWING
02

**SB 19 CA STREAM GAGING
IMPROVEMENT PROGRAM**

Figure 3 Schematic of Radar Level Sensor



SCALE: NOT TO SCALE	CALIFORNIA DEPARTMENT OF WATER RESOURCES	DRAWING 03
<p>SB 19 CA STREAM GAGING IMPROVEMENT PROGRAM</p>		

Attachment 6: Frequently Asked Questions

Q: What is the purpose of the California Stream Gage Improvement Program (CalSIP)?

A: The purpose of CalSIP is to increase the number of high-quality stream gages that provides reliable real-time stream flow data to the public. One of the approaches in accomplishing this is to enter public-agency, or interagency agreements with public agencies to implement and maintain sites during the funding window.

Q: How does the program benefit water resource management in California?

A: The intent of the program is to support the reactivation and deployment of priority stream gages consistent with the SB 19 Plan. The program aims to implement needed infrastructure improvements and operations and maintenance for stream gaging data collection that provides reliable real-time stream flow data to the public. CalSIP will support projects and programs that provide real-time data (stage, flow, depth, or elevation) and water quality data to the public stream gage network to assist with the management of California's water resources.

Q: How are stream gages selected for funding?

A: The selection process is competitive, with stream gages evaluated based on minimum criteria and assigned points according to specific evaluation criteria. For more information, please see the guidelines.

Q: Who funds CalSIP?

A: CalSIP is funded by the general fund, allocated in 2023.

Q: How often are stream gages maintained and calibrated?

A: A stream gage is to be maintained and calibrated a minimum of 6 times per water year, or during each site visit. Site visits should occur every other month, or when desired flow rates are available to measure, or if real-time data appear to have a problem with recorded water levels. Water level observations from a reference gage and measured discharges are compared to recorded gage heights and rated flow, respectively.

At each site visit the water-level sensor is verified and maintained by comparing it to the reference gage. If the difference is greater than +/- 0.02 foot, or consistently off in a positive or negative direction, the cause needs to be determined and corrected. Clear documentation of the problem and when it was corrected is pertinent when processing the data.

Discharge measurements are taken to calibrate the latest stage-discharge rating by providing the required data to adjust or shift the rating, or to develop a new rating when needed. Comments on conditions that may affect the measurement, or the rating are pertinent when determining if calibration of the stage-discharge rating is required. To check if the shift needs to be applied, the percent difference of measured flow to rated flow, known as %Q_{diff}, is calculated and compared to the acceptable values for the quality of the measurement.

- $\%Q_{diff} = (Q_{measured} - Q_{rated}) / (Q_{rated}) * 100$

Acceptable %Q_{diff} depends on the quality of the discharge measurement and are listed below. Based on the quality of the measurement, shifts are applied when %Q_{diff} is greater than the acceptable tolerances listed below.

- Good quality measurement: acceptable %Q_{diff} ≤ 5%.
- Fair quality measurement: acceptable %Q_{diff} ≤ 8%.
- Poor quality measurement: acceptable %Q_{diff} ≤ 10%.

Real-time data posted to CDEC requires maintaining accurate recorded gage heights and updating CDEC when an adjustment or shift needs are applied to the stage-discharge rating.

Q: Can the public access real-time stream flow data from program funded gages?

A: Yes. A requirement of the program is to make all data available to the public via CDEC.

Q: Who can apply for this fund?

A: Eligible applicants must be public agencies that have expertise and qualifications (or utilize external consultant technical support) to install and operate a stream gage. Public entities may include:

- State agencies (e.g., Department of Fish and Wildlife, groundwater sustainability agencies).
- Local agencies (e.g., counties, cities).
- Special districts (e.g., community service districts, irrigation districts, flood control districts, reclamation districts).
- Federal agencies (e.g., USGS, U.S. Fish and Wildlife Service)
- Federally recognized Tribes.

Q: How can my public agency apply for funding through CalSIP? What is the application process?

A: Step 1: Initial Interest Survey Submittal

For each stream gage site an agency is interested in working on, a GIS-based interest survey should be submitted via the [ArcGIS online map and website](#).

Step 2: Application Questionnaire

An online questionnaire with standard questions will serve as the platform for submitting information and evaluating the site for funding in this program. Questions with context that will be in the questionnaire will be provided. Applicants will be able to submit information for duplicate sites if applicable. Questions on this process can be emailed to the [Stream Gage Improvement Team](#). When submitting questions, please provide applicant information, unique site ID, and all applicable details.

Q: What are the eligibility criteria for funding?

A: Eligible project elements include the following:

- On natural waterways in California.
- Must provide telemetered real-time stream gage data (15-minutes).
- Measuring and reporting of stage, flow (discharge), and temperature are preferred.
- Must be operational by October 1, 2025.

Projects and locations not eligible include the following:

- Canals or waterways developed and maintained for water delivery, non-natural waterways.
- Operations and maintenance for sites currently funded, or for supplementing other programs.

Q: What types of stream gages will be considered for funding?

A: In general, the following types of improvements or sites are eligible:

- New stream gage.
- Reactivation of historical gage or site.
- Integration of private stream gage data.
- Upgrade of existing stream gage.
- Emerging technologies (e.g., AI alternative gages, camera systems, acoustic velocity).

Refer to guidelines for details on each activity.

Q: Can applicants request funding for more than one site?

A: Yes, applicants can apply for multiple sites. Additionally, requests for funding can be for new stream gage installations, reactivations of a historic or discontinued site, or upgrades to existing or operational gages.

Q: Are there any limitations on the geographical areas where projects can be implemented?

A: Eligible projects sites:

- On natural waterways in California.

Non-eligible project sites:

- Canals or waterways developed and maintained for water delivery, non-natural waterways.

Q: What are the evaluation criteria for funding?

A: Program funding will be allocated in a logical and effective manner. Submitted questionnaires will be scored based on the following criteria.

- Completeness and eligibility review.
- Technical evaluation per site submittal.

Q: Is there a timeline or deadline for submitting application questionnaires?

A: The deadline for submitting the application questionnaire is December 31, 2024. Questionnaires will be evaluated monthly. The monthly deadline to submit a questionnaire is the last business day of the month.

Q: What if I want to add telemetry only to gage in operation. Is it applicable?

A: Yes, but data must be made available online through the CDEC.

Q: How can public agencies get support on the application process?

A: For questions about the program or support in the application process, please email the [California Stream Gage Improvement Program](#). Applicants are encouraged to refer to program materials, including the program guidelines for additional information.

Q: How are funds distributed to successful applicants, and what are the reimbursement procedures?

A: Funds are distributed through public agency agreements. Multiple sites or locations per agency can be included in a single agreement. No cost-sharing is required, but it is encouraged. Matching funds will not be a factor in evaluating sites for funding. Reimbursement invoices are required to be submitted no less frequently than quarterly. No retention requirements.

Q: Are indirect costs reimbursable?

A: Yes. Please see guidelines and template agreement for additional details.

Q: Are there any additional resources or support services available to help applicants develop strong proposals?

A: Yes. Please see the program guidelines for additional information.

Q: What if I want to reactivate an existing historical site?

A: Yes, you can apply to activate an existing site.

Q: I'm representing a non-profit organization; can I apply for the fund?

A: No, eligible applicants include:

- State agencies (e.g., Department of Fish and Wildlife, groundwater sustainability agencies).
- Local agencies (e.g., counties, cities).
- Special districts (e.g., community service districts, irrigation districts, flood control districts, reclamation districts).
- Federal Agencies (e.g., USGS, U.S. Fish Wildlife Service).
- Federally recognized Tribes.

Q: Can non-federally recognized Tribes apply for funding?

A: Unfortunately, no. Provisions in DWR procurement do not allow public agency or DWR interagency agreements with non-federally recognized Tribes.

Q: Is there is a maximum limit for funding?

A: No, there is no specific limit for funding, but cost-effectiveness will be considered in the selecting criteria.

Q: Is a public agency eligible for funding if they lack experience operating the gage?

A: Yes, eligibility remains possible. But applicants must outline plans for staff training or consultant hiring to ensure proper operation.

Q: Is there federal funding available for this program?

A: No, funding for this program is sourced from State general funds.

Q: Are there any specific requirements associated with this funding?

A: Yes, please refer to the guidelines and template agreement for the typical language outlining these requirements.

Q: What if the funding recipient local agency cannot have the site operational by the October 1, 2026, deadline?

A: This may be considered a breach of the funding agreement.

Attachment 7: Limited Waiver of Sovereign Immunity Template

The [Insert Name of the Tribe] hereby expressly, unequivocally, and irrevocably provides a limited waiver of immunity from suit in any court of competent jurisdiction and all relevant courts of appeal, to enforce or seek relief of any term or provision of this Funding Agreement executed by and between the State of California, Department of Water Resources and the [Insert Name of the Tribe]. This waiver of immunity includes any action for monetary damages, injunctive relief, or declaratory relief, or attorneys' fees related to this Funding Agreement. The [Insert Name of the Tribe] agrees that it will not raise sovereign immunity as a defense in any judicial action brought in any venue by either Party to enforce or seek relief of any Funding Agreement term or provision entered into by and between the Parties contained herein. The [Insert Name of the Tribe] does not waive any aspect of its sovereign immunity with respect to actions by any third parties. This limited waiver of sovereign immunity is limited to the amount of the State funding being provided to the [Insert Name of the Tribe] and its duration shall be coextensive with the Term of the Funding Agreement.

Useful Web Links

CalSIP ArcGIS online map

https://experience.arcgis.com/experience/ac8ac7d58dcc40f1b552dd34ea87f8db?data_id=dataSource_1-18b5df17cbc-layer-5%3A49867&views=Feature

California Data Exchange Center

<https://cdec.water.ca.gov/>

California Department of Human Resources — Travel Reimbursements

<https://www.calhr.ca.gov/employees/pages/travel-reimbursements.aspx>

California Stream Gage Improvement Program (CalSIP)

<https://water.ca.gov/CalSIP>

California Stream Gaging Prioritization Plan 2022

https://www.waterboards.ca.gov/waterrights/water_issues/programs/stream_gaging_plan/docs/sb19-report.pdf

CEQA Document Submission

<https://opr.ca.gov/sch/document-submission.html>

CEQA General Compliance Information

<https://opr.ca.gov/ceqa/>

Department of General Services State Contracting Manual

<https://www.dgs.ca.gov/OLS/Resources/Page-Content/Office-of-Legal-Services-Resources-List-Folder/State-Contracting>

Department of Industrial Relations Labor Compliance Programs

<https://www.dir.ca.gov/lcp.asp>

Department of Industrial Relations Public Works Manual

<http://www.dir.ca.gov/dlse/PWManualCombined.pdf>

Disadvantaged Census Community

<https://data.ca.gov/dataset/dacs-census>

Online form for stream gage funding

<https://forms.office.com/g/xeG5Z5be7r>

Senate Bill 19 Stream Gaging Prioritization Plan

https://www.waterboards.ca.gov/waterrights/water_issues/programs/stream_gaging_plan/

Water Data Library

<https://wdl.water.ca.gov>

World Geodetic System 84

<https://gisgeography.com/wgs84-world-geodetic-system/>

Email Addresses

California Stream Gage Improvement Program

CASGIP_GeneralQuestions@water.ca.gov

Stream Gage Improvement Team

StreamGagingImprovement@water.ca.gov



**FIRST AMENDMENT TO EMPLOYMENT AGREEMENT
BETWEEN
SANTA ANA WATERSHED PROJECT AUTHORITY AND JEFFREY MOSHER**

THE AT-WILL EMPLOYMENT AGREEMENT effective February 15, 2021, between the SANTA ANA WATERSHED PROJECT AUTHORITY, a joint powers public agency (hereinafter, "SAWPA" or "Employer"), and JEFFREY MOSHER (Employee), is hereby amended as follows:

1. Section 6 **"Salary and Salary Increases"** in subsection "a." the number \$259,000.00 is amended to \$318,379.61.

IN WITNESS WHEREOF, Employer and Employee have on this day executed this Agreement Amendment to be effective as of December 23, 2024.

Executed as of December 17, 2024.

MOSHER

SAWPA

By: _____
Jeffrey Mosher, General Manager
SAWPA

By: _____
Bruce Whitaker, Chair
SAWPA Board of Commissioners

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RESOLUTION NO. 2024-8

A RESOLUTION OF THE COMMISSION OF THE SANTA ANA WATERSHED PROJECT AUTHORITY COMMENDING BRUCE WHITAKER FOR HIS DEDICATED SERVICE AS A SANTA ANA WATERSHED PROJECT AUTHORITY COMMISSIONER

WHEREAS, Bruce Whitaker has served with distinction as the Orange County Water District representative to the Santa Ana Watershed Project Authority Board of Commissioners between February 2017 and February 2019 and March 2021 to December 2024; and

WHEREAS, Mr. Whitaker served in leadership roles on the Commission, including Vice Chair between March 2021 and January 2023 and Chair between January 2023 and December 2024; and

WHEREAS, Mr. Whitaker contributed to regional water management as a Commissioner and Chair of the Santa Ana Watershed Project Authority, including developing regional plans, implementing projects to increase water supply, protecting water quality, enhancing habitat, and improving sustainability within the Santa Ana River Watershed; and

WHEREAS, during his tenure of service, Mr. Whitaker was unanimously appointed Convener of the One Water One Watershed (OWOW) Steering Committee and,

WHEREAS, Mr. Whitaker championed and directed numerous significant accomplishments under the Santa Ana Watershed Project Authority's One Water One Watershed (OWOW) Plan developed under the Department of Water Resources' Integrated Regional Water Management program to support watershed resiliency grants for the region, including implementation of Proposition 1 Round 2 grant projects comprising a range of water reliability projects representing a grant funding of \$63 Million; and

WHEREAS, Mr. Whitaker provided oversight for \$55 Million of Proposition 84 grant funding for the Santa Ana River Conservation and Conjunctive Use Program (SARCCUP), a watershed-scale, \$100 Million program developed by five regional water agencies in a collaborative effort to bank imported water for enhancing water supply reliability and increasing available dry year supplies throughout the Santa Ana River Watershed; and

WHEREAS, Mr. Whitaker provided guidance for the Santa Ana Watershed Project Authority's Cloud Seeding Pilot Program, which is an innovative study to evaluate the effectiveness of cloud seeding for the Santa Ana Watershed; and

WHEREAS, Mr. Whitaker provided leadership to the Santa Ana Watershed Project Authority's Roundtables and Task Forces, which provide forums for joint water resource management efforts to address watershed challenges and regulatory compliance and are designed to work cooperatively with the regulated community; and

WHEREAS, Mr. Whitaker supported the Santa Ana Watershed Project Authority's Santa Ana Riverwalk Atlas, which summarizes fish habitat surveys conducted annually of the Santa Ana River, with a focus on the Santa Ana Sucker, a federally listed threatened aquatic species; and

WHEREAS, Mr. Whitaker supported the Santa Ana Watershed Project Authority's Arundo Donax Removal efforts, which included assessing the occurrence of the invasive water-

consuming species Arundo in the Santa Ana River Basin, removing Arundo stands, and maintaining treated areas; and

WHEREAS, Mr. Whitaker secured over \$6 Million of grant funding for the Santa Ana Watershed Project Authority's Disadvantaged Communities Involvement (DCI) Program and subsequent partnerships with surrounding agencies and municipalities; and

WHEREAS, the Santa Ana Watershed Project Authority Commission and staff wish to acknowledge the contributions of Bruce Whitaker for his dedicated years of service.

NOW, THEREFORE, BE IT RESOLVED by the Santa Ana Watershed Project Authority Board of Commissioners as follows:

1. That the Santa Ana Watershed Project Authority Commission and staff acknowledge the contributions of Commissioner Bruce Whitaker to provide a reliable, high-quality water supply through environmentally responsible measures within the Santa Ana River Watershed; and,
2. That the Santa Ana Watershed Project Authority Commission and staff recognize Bruce Whitaker all for his dedicated service and leadership to the Santa Ana Watershed Project Authority, the water community, and residents of Southern California; and,
3. That a copy of this Resolution No. 2024-8 be entered into the records of the Santa Ana Watershed Project Authority and an original presented to Bruce Whitaker.

ADOPTED this 17th day of December, 2024.

SANTA ANA WATERSHED PROJECT AUTHORITY

Mike Gardner, Vice Chair

Jeffrey J. Mosher, General Manager

Attest:

Sara Villa
Clerk of the Board

Santa Ana Watershed Project Authority
Cash Transaction Report
Month of October 2024

Below is a summary of cash transactions completed during the month in the Authority's checking account with US Bank. Attached are summaries by major revenue and expense classifications.

Cash Receipts and Deposits to Account	\$	1,607,182.72
Net Investment Transfers		41,071.46
Cash Disbursements		<u>(827,095.53)</u>
Net Change for Month	\$	821,158.65
Balance at Beginning of Month		<u>1,414,676.37</u>
Balance at End of Month per General Ledger	\$	<u>2,235,835.02</u>
Collected Balance per Bank Statement	\$	<u>2,290,908.48</u>

ACCOUNTS PAYABLE RECONCILIATION

Accounts Payable Balance @ 09/30/2024	\$	4,590,938.86
Invoices Received for October 2024		1,361,202.87
Invoices Paid by check/wire during October 2024 (see attached register)		<u>(524,866.64)</u>
Accounts Payable Balance @ 10/31/2024	\$	<u>5,427,275.09</u>

CASH RECEIPTS

Brine Line Operating Revenues	\$ 1,558,671.18
Participant Fees	30,869.23
LESJWA Admin Reimbursement	14,390.74
Other	<u>3,251.57</u>
Total Receipts and Deposits	\$ 1,607,182.72

INVESTMENT TRANSFERS

Transfer of Funds:	
From (to) US Bank	\$ -
From (to) LAIF	(1,000,000.00)
From (to) Legal Defense Fund	-
From (to) LESJWA	-
From (to) Investments	<u>1,041,071.46</u>
Total Investment Transfers	\$ 41,071.46

CASH DISBURSEMENTS

By Check or ACH:	
Payroll	\$ -
Operations	<u>524,866.64</u>
Total Checks Drawn	\$ 524,866.64
By Cash Transfer:	
Payroll	\$ 203,721.40
Payroll Taxes	<u>98,507.49</u>
Total Cash Transfers	\$ 302,228.89
Total Cash Disbursements	<u><u>\$ 827,095.53</u></u>

-

Santa Ana Watershed Project Authority
Check Detail
Oct-24

Category	Check #	Check Date	Type	Vendor	Check Amount
Asset	EFT06359	10/17/2024	CHK	FS Contractors, Inc.	\$ 8,526.84
Asset Total					\$ 8,526.84
Audit Fees	EFT06346	10/17/2024	CHK	C.J. Brown & Company CPAs	\$ 7,694.00
Audit Fees Total					\$ 7,694.00
Auto Expense	5907	10/10/2024	CHK	County of Riverside	\$ 1,187.52
Auto Expense	EFT06350	10/17/2024	CHK	County of Riverside/Transportation	\$ 82.11
Auto Expense	EFT06368	10/31/2024	CHK	County of Riverside/Transportation	\$ 66.79
Auto Expense Total					\$ 1,336.42
Benefits	5902	10/3/2024	CHK	Mutual Of Omaha	\$ 3,298.66
Benefits	5917	10/31/2024	CHK	Mutual Of Omaha	\$ 3,521.77
Benefits	EFT06310	10/3/2024	CHK	ACWA JPIA	\$ 55,025.50
Benefits	EFT06311	10/3/2024	CHK	Aflac	\$ 482.71
Benefits	EFT06316	10/3/2024	CHK	HealthEquity, Inc.	\$ 134.00
Benefits	EFT06334	10/17/2024	CHK	ACWA JPIA	\$ 58,133.49
Benefits	EFT06336	10/17/2024	CHK	Aflac	\$ 482.71
Benefits	EFT06367	10/31/2024	CHK	HealthEquity, Inc.	\$ 134.00
Benefits	P047418	10/3/2024	WDL	MissionSquare	\$ 4,369.19
Benefits	P047419	10/3/2024	WDL	MissionSquare	\$ 466.50
Benefits	P047420	10/3/2024	WDL	Public Employees' Retirement	\$ 25,580.01
Benefits	P047421	10/3/2024	WDL	CalPERS Supplemental Income	\$ 4,927.00
Benefits	P047500	10/17/2024	WDL	MissionSquare	\$ 466.50
Benefits	P047501	10/17/2024	WDL	MissionSquare	\$ 4,369.19
Benefits	P047502	10/17/2024	WDL	CalPERS Supplemental Income	\$ 4,927.00
Benefits	P047503	10/17/2024	WDL	Public Employees' Retirement	\$ 25,265.50
Benefits	P047539	10/31/2024	WDL	Public Employees' Retirement	\$ 24,535.80
Benefits	P047540	10/31/2024	WDL	CalPERS Supplemental Income	\$ 5,627.11
Benefits	P047541	10/31/2024	WDL	MissionSquare	\$ 4,369.19
Benefits	P047542	10/31/2024	WDL	MissionSquare	\$ 466.50
Benefits	WDL000006865	10/2/2024	WDL	WageWorks	\$ 528.61
Benefits	WDL000006869	10/4/2024	WDL	WageWorks	\$ 1,271.83
Benefits	WDL000006874	10/9/2024	WDL	WageWorks	\$ 1,051.64
Benefits	WDL000006877	10/11/2024	WDL	WageWorks	\$ 47.00
Benefits	WDL000006887	10/16/2024	WDL	WageWorks	\$ 15.00
Benefits	WDL000006889	10/18/2024	WDL	WageWorks	\$ 630.00
Benefits	WDL000006895	10/22/2024	WDL	WageWorks	\$ 507.84
Benefits	WDL000006901	10/23/2024	WDL	WageWorks	\$ 1,177.10
Benefits	WDL000006902	10/24/2024	WDL	WageWorks	\$ 612.86
Benefits	WDL000006903	10/28/2024	WDL	WageWorks	\$ 23.30
Benefits	WDL000006904	10/30/2024	WDL	WageWorks	\$ 390.00
Benefits	WDL000006907	10/31/2024	WDL	WageWorks	\$ 1,500.00
Benefits Total					\$ 234,337.51
Building Lease	5911	10/17/2024	CHK	Wilson Property Services, Inc	\$ 2,328.70
Building Lease	5912	10/17/2024	CHK	Wilson Property Services, Inc	\$ 2,618.88
Building Lease	5913	10/17/2024	CHK	Wilson Property Services, Inc	\$ 2,556.00
Building Lease Total					\$ 7,503.58
Cloud Storage	EFT06324	10/10/2024	CHK	VC3, Inc.	\$ 3,020.75
Cloud Storage Total					\$ 3,020.75
Consulting	EFT06315	10/3/2024	CHK	VC3, Inc.	\$ 839.70
Consulting	EFT06317	10/3/2024	CHK	GEI Consultants	\$ 1,890.00
Consulting	EFT06319	10/3/2024	CHK	Nevada System of Higher Education	\$ 11,783.21
Consulting	EFT06324	10/10/2024	CHK	VC3, Inc.	\$ 2,510.76
Consulting	EFT06325	10/10/2024	CHK	Dudek	\$ 6,777.50
Consulting	EFT06329	10/10/2024	CHK	Kahn Soares & Conway	\$ 4,840.00
Consulting	EFT06330	10/10/2024	CHK	JPW Communications	\$ 3,001.77
Consulting	EFT06341	10/17/2024	CHK	West Coast Advisors	\$ 9,750.00
Consulting	EFT06344	10/17/2024	CHK	CDM Smith, Inc.	\$ 33,230.87
Consulting	EFT06345	10/17/2024	CHK	VC3, Inc.	\$ 37.50
Consulting	EFT06347	10/17/2024	CHK	Dudek	\$ 18,375.00
Consulting	EFT06348	10/17/2024	CHK	Woodard & Curran Inc.	\$ 21,622.50
Consulting	EFT06353	10/17/2024	CHK	Sol Media	\$ 5,910.00
Consulting	EFT06355	10/17/2024	CHK	GEI Consultants	\$ 10,802.05
Consulting	EFT06356	10/17/2024	CHK	North American Weather Consultants	\$ 11,277.50
Consulting	EFT06358	10/17/2024	CHK	CWE	\$ 3,776.34
Consulting	EFT06360	10/17/2024	CHK	Aeroquest Mapcon Ltd.	\$ 25,000.00
Consulting	EFT06366	10/31/2024	CHK	VC3, Inc.	\$ 206.00
Consulting	EFT06373	10/31/2024	CHK	JPW Communications	\$ 4,874.77

Santa Ana Watershed Project Authority
Check Detail
Oct-24

Category	Check #	Check Date	Type	Vendor	Check Amount
Consulting Total					\$ 176,505.47
Credit Cards	P047543	10/9/2024	WDL	US Bank	\$ 10,042.31
Credit Cards Total					\$ 10,042.31
Director Costs	EFT06337	10/17/2024	CHK	Eastern Municipal Water District	\$ 570.92
Director Costs	EFT06340	10/17/2024	CHK	Western Municipal Water District	\$ 272.80
Director Costs	EFT06349	10/17/2024	CHK	Jasmin Hall	\$ 34.84
Director Costs	EFT06351	10/17/2024	CHK	Bruce Whitaker	\$ 80.40
Director Costs	EFT06354	10/17/2024	CHK	T. Milford Harrison	\$ 58.96
Director Costs Total					\$ 1,017.92
Dues	5910	10/17/2024	CHK	Clean Water SoCal	\$ 1,000.00
Dues	EFT06339	10/17/2024	CHK	WateReuse Association	\$ 5,841.13
Dues Total					\$ 6,841.13
Employee Reimbursement	EFT06332	10/10/2024	CHK	John Leete	\$ 576.76
Employee Reimbursement	EFT06335	10/17/2024	CHK	Richard Whetsel	\$ 32.29
Employee Reimbursement Total					\$ 609.05
Equipment Rented	EFT06321	10/10/2024	CHK	Konica Minolta - Rental	\$ 67.74
Equipment Rented	EFT06338	10/17/2024	CHK	Konica Minolta - Rental	\$ 2,435.59
Equipment Rented Total					\$ 2,503.33
Equipment Repair/Maintenance	EFT06352	10/17/2024	CHK	HASCO Heating Airconditioning	\$ 821.50
Equipment Repair/Maintenance	EFT06369	10/31/2024	CHK	HASCO Heating Air-conditioning	\$ 395.00
Equipment Repair/Maintenance Total					\$ 1,216.50
Facility Repair & Maintenance	5901	10/3/2024	CHK	Redlands Plumbing Heating and Air	\$ 4,149.14
Facility Repair & Maintenance	EFT06323	10/10/2024	CHK	TNT Elevator Inc	\$ 300.00
Facility Repair & Maintenance	EFT06326	10/10/2024	CHK	Riverside Cleaning Systems	\$ 1,700.00
Facility Repair & Maintenance	EFT06374	10/31/2024	CHK	Pacific Shore Pest Control	\$ 135.00
Facility Repair & Maintenance	EFT06376	10/31/2024	CHK	Z's Window Cleaning LLC	\$ 1,870.32
Facility Repair & Maintenance Total					\$ 8,154.46
HVAC - Misc. Costs	EFT06375	10/31/2024	CHK	Magnolia Heating and Cooling	\$ 433.00
HVAC - Misc. Costs Total					\$ 433.00
Insurance Expense	EFT06327	10/10/2024	CHK	Zenith Insurance Company	\$ 4,440.00
Insurance Expense Total					\$ 4,440.00
Lab Costs	EFT06313	10/3/2024	CHK	E. S. Babcock & Sons, Inc.	\$ 1,684.00
Lab Costs	EFT06322	10/10/2024	CHK	E. S. Babcock & Sons, Inc.	\$ 1,783.45
Lab Costs	EFT06342	10/17/2024	CHK	E. S. Babcock & Sons, Inc.	\$ 3,496.56
Lab Costs	EFT06363	10/31/2024	CHK	E. S. Babcock & Sons, Inc.	\$ 870.00
Lab Costs Total					\$ 7,834.01
Landscape Maintenance	EFT06314	10/3/2024	CHK	Green Meadows Landscape	\$ 815.00
Landscape Maintenance	EFT06364	10/31/2024	CHK	Green Meadows Landscape	\$ 815.00
Landscape Maintenance Total					\$ 1,630.00
Legal Expense	EFT06328	10/10/2024	CHK	Lagerlof, LLP	\$ 7,504.00
Legal Expense Total					\$ 7,504.00
Office Expense	EFT06318	10/3/2024	CHK	Konica Minolta Business Solutions	\$ 73.97
Office Expense	EFT06361	10/31/2024	CHK	Aramark Refreshment Services	\$ 304.82
Office Expense	EFT06362	10/31/2024	CHK	Staples Business Credit	\$ 405.34
Office Expense Total					\$ 784.13
Other Training & Education	EFT06357	10/17/2024	CHK	Nate Sassaman Enterprises	\$ 15,269.00
Other Training & Education Total					\$ 15,269.00
Payroll	WDL000006851	10/4/2024	WDL	Direct Deposit 10/4/2024	\$ 98,746.19
Payroll	WDL000006856	10/4/2024	WDL	PR Tax - Federal	\$ 38,333.53
Payroll	WDL000006857	10/4/2024	WDL	PR Tax - State	\$ 9,826.79
Payroll	WDL000006858	10/4/2024	WDL	PR Tax - State AZ	\$ 109.57
Payroll	WDL000006866	10/7/2024	WDL	PR Tax - State	\$ 193.38
Payroll	WDL000006878	10/18/2024	WDL	Direct Deposit 10/18/2024	\$ 104,975.21
Payroll	WDL000006880	10/18/2024	WDL	PR Tax - Federal	\$ 39,711.43
Payroll	WDL000006881	10/18/2024	WDL	PR Tax - State	\$ 10,223.22
Payroll	WDL000006882	10/18/2024	WDL	PR Tax - State AZ	\$ 109.57
Payroll Total					\$ 302,228.89

Santa Ana Watershed Project Authority
Check Detail
Oct-24

Category	Check #	Check Date	Type	Vendor	Check Amount
Safety	EFT06312	10/3/2024	CHK	Underground Service Alert	\$ 249.80
Safety	EFT06343	10/17/2024	CHK	Fortis Fire & Safety, Inc.	\$ 850.00
Safety	EFT06365	10/31/2024	CHK	Fortis Fire & Safety, Inc.	\$ 350.00
Safety Total					\$ 1,449.80
Security	5908	10/10/2024	CHK	SafeT Security	\$ 133.07
Security	EFT06377	10/31/2024	CHK	Lady Mehan Security	\$ 384.00
Security Total					\$ 517.07
Shipping/Postage	EFT06320	10/10/2024	CHK	General Logistics Systems US	\$ 14.08
Shipping/Postage Total					\$ 14.08
Software	EFT06324	10/10/2024	CHK	VC3, Inc.	\$ 1,197.85
Software	EFT06333	10/10/2024	CHK	Land Info Worldwide Mapping	\$ 4,521.00
Software	EFT06366	10/31/2024	CHK	VC3, Inc.	\$ 460.00
Software Total					\$ 6,178.85
Subscriptions	EFT06331	10/10/2024	CHK	Verizon Connect	\$ 104.70
Subscriptions Total					\$ 104.70
Utilities	5898	10/3/2024	CHK	AT&T	\$ 240.11
Utilities	5899	10/3/2024	CHK	Southern California Edison	\$ 25.55
Utilities	5900	10/3/2024	CHK	Burrtec Waste Industries, Inc	\$ 368.35
Utilities	5903	10/3/2024	CHK	Charter Communications	\$ 116.22
Utilities	5904	10/10/2024	CHK	Riverside Public Utilities	\$ 231.98
Utilities	5905	10/10/2024	CHK	Riverside Public Utilities	\$ 3,434.40
Utilities	5906	10/10/2024	CHK	Southern California Edison	\$ 159.31
Utilities	5909	10/17/2024	CHK	AT&T	\$ 973.76
Utilities	5914	10/31/2024	CHK	AT&T	\$ 925.64
Utilities	5915	10/31/2024	CHK	AT&T	\$ 1,013.46
Utilities	5916	10/31/2024	CHK	AT&T	\$ 240.31
Utilities	5918	10/31/2024	CHK	Charter Communications	\$ 116.22
Utilities	EFT06370	10/31/2024	CHK	Verizon Wireless Services LLC	\$ 995.56
Utilities	EFT06371	10/31/2024	CHK	Verizon Wireless Services LLC	\$ 316.44
Utilities	EFT06372	10/31/2024	CHK	Verizon Wireless Services LLC	\$ 241.42
Utilities Total					\$ 9,398.73
Grand Total					\$ 827,095.53
		Accounts Payable			
	Checks	\$ 401,699.66			
	Wire Transfers	\$ 123,166.98			
		\$ 524,866.64			
	Other	\$ -			
	Payroll	\$ 302,228.89			
Total Disbursements for October 2024		\$ 827,095.53			

Santa Ana Watershed Project Authority
Consulting
Oct-24

Check #	Check Date	Task #	Task Description	Vendor Name	Total Contract	Check Amount	Remaining Contract Amount	Notes/Comments
EFT06360	10/17/2024	AERO505-01	Building Footprint GIS Layer	Aeroquest Mapcon Ltd.	\$ 25,000.00	\$ 25,000.00	\$ -	
EFT06344	10/17/2024	CDM377-02	PFAS Regional Analysis for Upper Santa Ana River Watershed - Phase 2	CDM Smith, Inc.	\$ 465,917.00	\$ 33,230.87	\$ 179,960.38	
EFT06358	10/17/2024	CWE374-01	Basin Monitoring Program Task Force SAR Surface Water Quality Monitoring	CWE	\$ 93,711.00	\$ 3,776.34	\$ 59,454.11	
EFT06325	10/10/2024	DUDK240-10	Brine Line Sewer System Management Plan Audit	Dudek	\$ 28,220.00	\$ 5,570.00	\$ 3,593.75	
EFT06325	10/10/2024	DUDK240-11	Hydraulic Modeling Assistance FY24-25	Dudek	\$ 25,000.00	\$ 1,207.50	\$ 23,792.50	
EFT06347	10/17/2024	DUDK240-07	Inland Empire Brine Line Master Plan	Dudek	\$ 399,980.00	\$ 18,375.00	\$ 6,207.23	
EFT06317	10/3/2024	GEI384-02	MSAR TMDL - Limited Basin Plan Amendment Revisions	GEI Consultants	\$ 153,530.00	\$ 1,890.00	\$ 93,108.75	
EFT06355	10/17/2024	GEI386-02	Santa Ana River Regional Bacteria Monitoring Program	GEI Consultants	\$ 1,191,054.00	\$ 10,802.05	\$ 990,369.93	
EFT06330	10/10/2024	JPW392-02	Emerging Constituents Program Public Relations Consultant Support	JPW Communications	\$ 114,954.00	\$ 3,001.77	\$ 31,991.06	
EFT06373	10/31/2021	JPW392-02	Emerging Constituents Program Public Relations Consultant Support	JPW Communications	\$ 114,954.00	\$ 4,874.77	\$ 31,991.06	
EFT06329	10/10/2024	KSC392-03	Emerging Constituents Program TF Regulatory Support	Kahn, Soares, & Conway	\$ 48,000.00	\$ 120.00	\$ 41,840.00	
EFT06329	10/10/2024	KSC384-03	MSAR Pathogen TMDL TF Regulatory Support	Kahn, Soares, & Conway	\$ 148,500.00	\$ 1,360.00	\$ 129,820.00	
EFT06329	10/10/2024	KSC374-03	Basin Monitoring Program TF Regulatory Support	Kahn, Soares, & Conway	\$ 133,000.00	\$ 3,360.00	\$ 67,489.59	
EFT06319	10/3/2024	DRI378-01	Weather Modification Pilot Validation	Board of Regents of the Nevada System of Higher Education	\$ 155,000.00	\$ 11,783.21	\$ 108,954.39	
EFT06356	10/17/2024	NAWC370-03	Santa Ana River Watershed Weather Modification Pilot Operations	North American Weather Consultants	\$ 1,097,072.00	\$ 11,277.50	\$ 740,393.10	
EFT06353	10/17/2024	SOL100-19	Web Hosting	Sol Media	\$ 3,630.00	\$ 3,630.00	\$ -	
EFT06353	10/17/2024	SOL100-20	Regional Water Quality Dashboard Web Hosting	Sol Media	\$ 3,040.00	\$ 2,280.00	\$ -	
EFT06315	10/3/2024	ACS100-26	IT Services	VC3, Inc.	\$ 288,000.00	\$ 839.70	\$ 127,286.15	
EFT06324	10/10/2024	ACS100-26	IT Services	VC3, Inc.	\$ 288,000.00	\$ 2,510.76	\$ 127,286.15	
EFT06345	10/17/2024	ACS100-26	IT Services	VC3, Inc.	\$ 288,000.00	\$ 37.50	\$ 127,286.15	
EFT06366	10/31/2024	ACS100-26	IT Services	VC3, Inc.	\$ 288,000.00	\$ 206.00	\$ 127,286.15	
EFT06341	10/17/2024	WCA100-03-06	State Legislative Consulting Services	West Coast Advisors	\$ 117,000.00	\$ 9,750.00	\$ 9,750.00	
EFT06348	10/17/2024	RMCS04-401-11	SARCCUP Program Mgmt Services	Woodard & Curran	\$ 136,098.00	\$ 21,622.50	\$ 105,145.50	
					\$ 176,505.47			

COMMISSION MEMORANDUM NO. 2024.74

DATE: December 17, 2024
TO: SAWPA Commission
SUBJECT: Inter-Fund Borrowing – October 2024
PREPARED BY: Karen Williams, DGM/CFO

RECOMMENDATION

Receive and file.

DISCUSSION

On December 13, 2005, the Commission approved Resolution No. 452, Inter-Fund and Inter-Project Loan Policy. Staff was directed to bring back an accounting of the loans each month for review when the total exceeded \$250,000 in aggregate.

The following projects, with negative cash flow, are listed below with the amounts borrowed from SAWPA General Fund Reserves in October 2024. The total amount borrowed is over the aggregate \$250,000 amount recommended in Resolution No. 452, Inter-Fund and Inter-Project Loan Policy. The Commission has requested that this item be brought back each month as an informational item when the loan amount is over the \$250,000 aggregate amount.

Fund	Fund Name	09/30/ 2024 Balance	Loan Receipts	New Charges	10/31/ 2024 Balance
135	Proposition 84 Admin R2	\$57,088.11	(\$0.00)	\$0.00	\$57,088.11
145	Proposition 84 Admin R4	636,608.58	(0.00)	59,004.48	695,613.06
150	Proposition 1 R1 – Admin	156,689.76	(0.00)	21,751.17	178,440.93
155	Proposition 1 R2 - Admin	100,176.23	(0.00)	12,303.09	112,479.32
376	ICARP	1,880.67	(0.00)	5,559.78	7,440.45
398	DCI 2021 Drought Relief	20,647.67	(0.00)	818.37	21,466.04
477	LESJWA Administration	12,643.65	(14,390.74)	21,248.54	19,501.45
	Total Funds Borrowed	\$985,734.67	(\$14,390.74)	\$120,685.43	\$1,092,029.36
	General Fund Reserves Balance		\$3,269,704.27		
	Less Amount Borrowed		<u>1,092,029.36</u>		
	Balance of General Fund Reserves		\$2,177,674.91		

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

NEGATIVE CASH-FLOW FUNDS

Fund No.	Source of Funding	Billing Frequency	Projected Payment Time
135, 145,150, 155 – Proposition 1 & 84 Admin	DWR – Prop 1 & 84 Grant	Monthly/Quarterly	Up to 4 months
397 – WECAN - Riverside	City of Riverside Grant	Quarterly	Up to 4 months
398 – DCI 2021 Drought Relief	DWR – Grant	Monthly	Up to 4 months
477 – LESJWA Admin	Reimbursement from LESJWA	Monthly	2 to 4 weeks
504 – Proposition 84 SARCCUP Projects	DWR – Prop 84 Grant	Monthly/Quarterly	Up to 4 months

Fund 135

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

Fund 145

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

Fund 150

This fund is for the administration of Proposition 1 Round I grant funds. Once the contract has been signed by DWR these funds will be billed quarterly and 10% will be withheld for retention.

Fund 155

This fund is for the administration of Proposition 1 Round II grant funds. Once the contract has been signed by DWR these funds will be billed quarterly and 10% will be withheld for retention.

Fund 397

This fund is for the transformative climate communities grant provided by a sub-recipient agreement between SAWPA and the City of Riverside. These funds will be billed on a quarterly basis.

Fund 398

This fund is for the DCI 2021 Drought Relief Grant. These funds will be billed monthly and 10% will be withheld for retention.

Fund 477

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

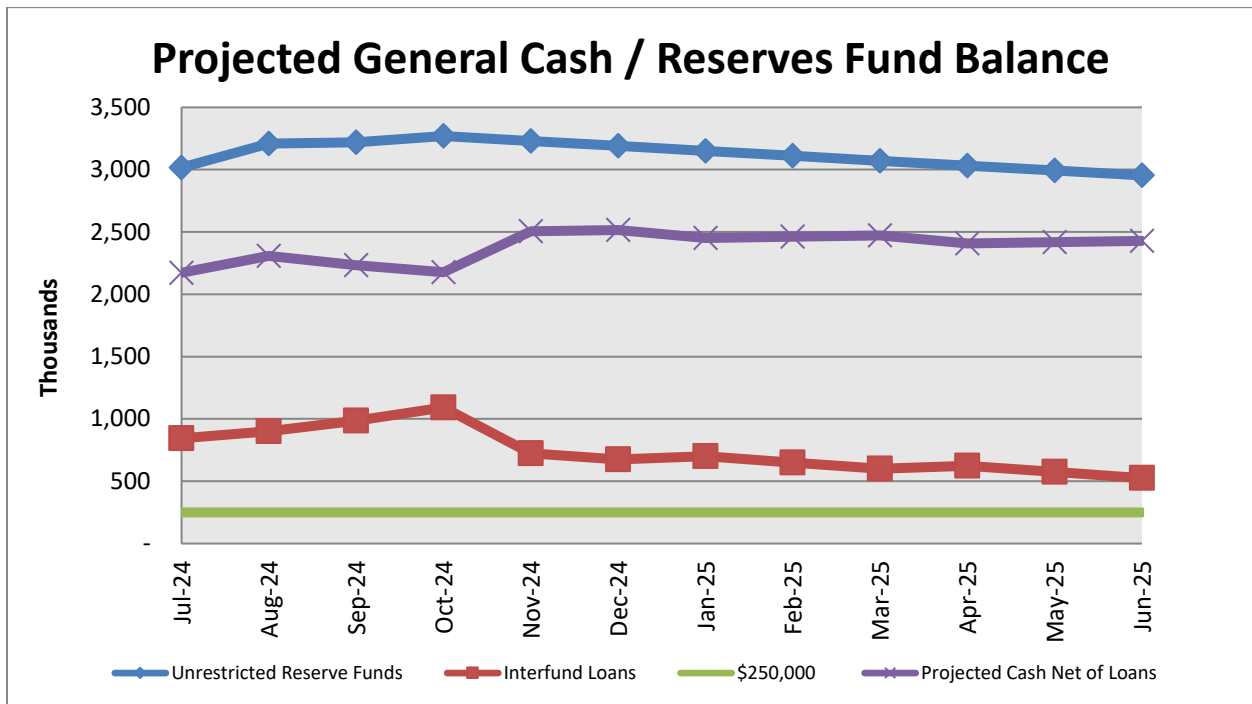
Fund 504

This fund is for the implementation of SARCCUP projects which are administered through PA22 and PA23.

The following graph shows the total budget, total project costs to date, and the amount remaining on each grant.

Fund	Fund Name	Total Budget	Costs Through 10/31/2024	Remaining Grant Budget
145	Proposition 84 Admin R4	\$3,213,384	(\$2,590,366)	\$623,018
150	Proposition 1 R1 Admin	1,157,000	(793,431)	363,569
155	Proposition 1 R2 Admin	1,352,928	(112,478)	1,240,450
376	ICARP Grant	644,190	(7,440)	636,750
378	Prop 1 – R2 Cloud Seeding	861,400	(79,463)	781,937
397	WECAN – City of Riverside	592,417	(195,977)	396,440
398	DCI 2021 Drought Grant	5,000,000	(135,766)	4,864,234
504	Prop 84 – 2015 Round (SARCCUP)	1,543,810	(978,591)	565,219
505	Prop 1 – Round 1 Capital Projects	500,000	(427,390)	72,610
Totals		\$14,865,129	(\$5,320,902)	\$9,544,227

The following graph shows projected inter-fund loan balances, total unrestricted General Fund Reserves available for loans, and projected cash net of loans through June 2025. The projected loan balance is expected to remain over the \$250,000 aggregate limit through June 2025 because of Proposition 1 and 84 grants but can be covered by General Fund Reserves without a major impact on cash flow.



RESOURCE IMPACTS

The funds borrowed from the General Fund Reserves will be paid back with interest when the funding is received. Interfund loans for grants are not charged interest unless the grant contract specifically states that interest is eligible for reimbursement. There is sufficient cash available to cover proposed borrowings and to pay budgeted expenditures for the General Fund.

Attachments:

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

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RESOLUTION NO. 452

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

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

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

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

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

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

ADOPTED this 13th day of December 2005.

SANTA ANA WATERSHED PROJECT AUTHORITY

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



COMMISSION MEMORANDUM NO. 2024.75

DATE: December 17, 2024
TO: SAWPA Commission
SUBJECT: Performance Indicators and Financial Reporting – October 2024
PREPARED BY: Karen Williams, DGM/CFO

RECOMMENDATION

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

DISCUSSION

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

Financial Reporting

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

Cash and Investments

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

Twelve Month Security Schedule (chart)	Shows the maturity dates for securities held and percentage of securities in each category.
Treasurer's Report	Shows book and market value for both Treasury strips and securities held by the Agency.

Performance Indicators

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

RESOURCE IMPACTS

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

Attachments:

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

Santa Ana Watershed Project Authority
Balance Sheet by Fund Type
For the Three Months Ending Monday, September 30, 2024

	General Fund	Brine Line Enterprise	Capital Projects	OWOW Projects	Roundtable Projects	Fund Totals
Assets						
Current Assets						
Cash and Investments	\$3,996,550.57	\$63,759,021.93	(\$39,989.43)	\$1,644,479.65	\$3,187,350.95	\$72,547,413.67
Accounts Receivable	6.72	2,888,126.72	0.00	5,335,905.26	532,389.39	8,756,428.09
Prepays and Deposits	43,828.03	138,693.55	0.00	0.00	0.00	182,521.58
Total Current Assets	4,040,385.32	66,785,842.20	(39,989.43)	6,980,384.91	3,719,740.34	81,486,363.34
Fixed Assets						
Property, Plant & Equipment						
less accum depreciation	1,407,916.49	67,281,204.99	0.00	0.00	0.00	68,689,121.48
Work In Process	0.00	2,663,257.17	701,237.54	0.00	0.00	3,364,494.71
Total fixed assets	1,407,916.49	69,944,462.16	701,237.54	0.00	0.00	72,053,616.19
Other Assets						
Wastewater treatment/disposal						
rights, net of amortization	0.00	19,374,497.43	0.00	0.00	0.00	19,374,497.43
Inventory - Mitigation Credits	0.00	0.00	0.00	0.00	1,910,560.00	1,910,560.00
Leased Assets, net of amortization	20,763.25	151,883.84	0.00	0.00	0.00	172,647.09
Total Other Assets	20,763.25	19,526,381.27	0.00	0.00	1,910,560.00	21,457,704.52
Total Assets	\$5,469,065.06	\$156,256,685.63	\$661,248.11	\$6,980,384.91	\$5,630,300.34	\$174,997,684.05
Liabilities and Fund Equity						
Current Liabilities						
Accounts Payable/Accrued						
Expenses	\$4,532,264.60	\$761,247.94	\$6,910.00	\$4,551,363.39	\$124,903.97	\$9,976,689.90
Accrued Interest Payable	0.00	169,527.34	0.00	0.00	0.00	169,527.34
Customer Deposits	0.00	666.53	0.00	0.00	0.00	666.53
Noncurrent Liabilities						
Long-term Debt	0.00	21,009,918.90	0.00	0.00	0.00	21,009,918.90
Lease Liability	20,881.27	154,009.80	0.00	0.00	0.00	174,891.07
Deferred Revenue	0.00	55,159,506.26	0.00	0.00	0.00	55,159,506.26
Total Liabilities	4,553,145.87	77,254,876.77	6,910.00	4,551,363.39	124,903.97	86,491,200.00
Fund Equity						
Contributed Capital	0.00	20,920,507.03	0.00	0.00	0.00	20,920,507.03
Retained Earnings	2,300,988.76	54,729,095.20	3,193,915.75	1,697,281.90	4,521,033.11	66,442,314.72
Revenue Over/Under Expenditures	(1,385,069.57)	3,352,206.63	(2,539,577.64)	731,739.62	984,363.26	1,143,662.30
Total Fund Equity	915,919.19	79,001,808.86	654,338.11	2,429,021.52	5,505,396.37	88,506,484.05
Total Liabilities & Fund Equity	\$5,469,065.06	\$156,256,685.63	\$661,248.11	\$6,980,384.91	\$5,630,300.34	\$174,997,684.05

Santa Ana Watershed Project Authority
Revenue & Expenses by Fund Type
For the Three Months Ending Monday, September 30, 2024

	General Fund	Brine Line Enterprise	Capital Projects	OWOW Projects	Roundtable Projects	Fund Totals
Operating Revenue						
Discharge Fees	\$0.00	\$3,394,733.14	\$0.00	\$0.00	\$0.00	\$3,394,733.14
Grant Proceeds	1,040.00	0.00	0.00	(3,883,182.49)	0.00	(3,882,142.49)
Financing Proceeds	0.00	0.00	0.00	0.00	54,030.34	54,030.34
Total Operating Revenue	<u>1,040.00</u>	<u>3,394,733.14</u>	<u>0.00</u>	<u>(3,883,182.49)</u>	<u>54,030.34</u>	<u>(433,379.01)</u>
Operating Expenses						
Labor	563,174.58	361,937.39	215.60	160,029.12	39,750.36	1,125,107.05
Benefits	138,553.46	131,745.21	78.48	58,250.62	14,469.16	343,096.93
Indirect Costs	0.00	592,129.57	352.72	261,807.62	65,031.56	919,321.47
Education & Training	21,016.84	0.00	0.00	0.00	0.00	21,016.84
Consulting & Professional Services	85,813.75	75,067.19	865.00	201,315.31	165,062.93	528,124.18
Operating Costs	3,048.44	725,190.74	0.00	0.00	0.00	728,239.18
Repair & Maintenance	17,700.45	687.10	0.00	0.00	0.00	18,387.55
Phone & Utilities	26,853.29	2,287.47	0.00	0.00	0.00	29,140.76
Equipment & Computers	107,542.68	32,561.73	0.00	0.00	0.00	140,104.41
Meeting & Travel	16,120.37	1,125.94	0.00	1,059.61	103.98	18,409.90
Other Administrative Costs	73,039.84	37,126.94	0.00	18,200.00	10,000.00	138,366.78
Indirect Costs Applied	(919,231.05)	0.00	0.00	0.00	0.00	(919,231.05)
Other Expenses	18,762.80	61,763.82	0.00	0.00	0.00	80,526.62
Construction	0.00	0.00	0.00	(3,708,184.39)	0.00	(3,708,184.39)
Total Operating Expenses	<u>152,395.45</u>	<u>2,021,623.10</u>	<u>1,511.80</u>	<u>(3,007,522.11)</u>	<u>294,417.99</u>	<u>(537,573.77)</u>
Operating Income (Loss)	(151,355.45)	1,373,110.04	(1,511.80)	(875,660.38)	(240,387.65)	104,194.76
Nonoperating Income (Expense)						
Member Contributions	712,910.00	0.00	0.00	1,528,500.00	20,000.00	2,261,410.00
Other Agency Contributions	0.00	0.00	0.00	78,900.00	1,200,363.99	1,279,263.99
Interest Income	0.00	312,833.90	0.00	0.00	0.00	312,833.90
Other Income	129.24	100.14	0.00	0.00	0.00	229.38
Retiree Medical Benefits	(19,829.96)	0.00	0.00	0.00	0.00	(19,829.96)
Total Nonoperating Income (Expense)	<u>693,209.28</u>	<u>312,934.04</u>	<u>0.00</u>	<u>1,607,400.00</u>	<u>1,220,363.99</u>	<u>3,833,907.31</u>
Excess Rev over (under) Exp	<u>\$541,853.83</u>	<u>\$1,686,044.08</u>	<u>(\$1,511.80)</u>	<u>\$731,739.62</u>	<u>\$979,976.34</u>	<u>\$3,938,102.07</u>

Aging Report
Santa Ana Watershed Project Authority
Receivables as of
October 31, 2024

Customer Name	Project	Total	0-30 Days	31-60 Days	61 and Over
Beaumont, City of	Brine Line	2,399.88	2,399.88		
Chino Basin Desalter Authority	Brine Line	70,341.11		70,341.11	
Corona, City of	Basin Monitoring	28,484.21			28,484.21
Department of Water Resources	Prop 84, Prop 1	5,304,679.03			5,304,679.03
Eastern Municipal Water District	Brine Line	256,031.54	17,793.75	238,237.79	
Orange County Public Works	Brine Line	210,010.15			210,010.15
County of Orange	RWQ Monitoring	27,672.00			27,672.00
Rialto, City of	Basin Monitoring	28,484.21			28,484.21
Riverside, City of Wastewater Treatment	MSAR TMDL	12,605.00			12,605.00
Riverside, City of	WECAN Grant	636.00			636.00
Riverside County Flood Control	MSAR TMDL, RWQ Monitoring	127,725.00			127,725.00
SB Industrial Vacuum Services	Brine Line	250.00			250.00
San Bernardino Valley Municipal Water District	Brine Line	146,445.71		146,445.71	
San Diego, City of	Roundtable of Regions	2,600.00			2,600.00
Triumvirate Environmental	Brine Line	250.00			250.00
University of California, Riverside	MSAR TMDL	12,605.00			12,605.00
Western Municipal Water District	Brine Line	434,392.25		434,392.25	
Total Accounts Receivable		6,665,611.09	17,793.75	889,416.86	5,756,000.60

Santa Ana Watershed Project Authority
Open Task Orders
Oct-24
(Reflects Invoices Received as of 11/13/2024)

Task Order No. Project Contracts	Fund No.	Vendor Name	Task Description	Begin Date	End Date	Original Contract	Change Orders	Total Contract	Billed To Date	Contract Balance	SAWPA Manager
ACS100-26	100-00	VC3, Inc.	IT Services	01/01/2023	12/31/2026	\$ 288,000.00	\$ -	\$ 288,000.00	\$ 160,713.85	\$ 127,286.15	Dean Unger
ENSO100-01	100-00	Endeavour Solutions, Inc.	GP Study and Support FY 2024-2025	07/01/2024	06/30/2025	\$ 18,385.00	\$ -	\$ 18,385.00	\$ 7,332.50	\$ 11,052.50	Dean Unger
FEBR100-01	100-00	C.J. Brown & Company	Professional Audit Services	04/19/2022	06/30/2025	\$ 78,980.00	\$ -	\$ 78,980.00	\$ 57,256.00	\$ 21,724.00	Karen Williams
GPA100-02	100-00	Gillis & Panichapan Architects	Lobby Security Improvements - Bid Documents and Support	04/19/2023	12/31/2024	\$ 74,600.00	\$ -	\$ 74,600.00	\$ 55,760.00	\$ 18,840.00	David Ruhl
INSOL100-25	100-00	Integrated Systems Solutions	GP Support Extension Handover to Endeavour	07/01/2024	11/01/2024	\$ 2,000.00	\$ -	\$ 2,000.00	\$ 148.00	\$ 1,852.00	Dean Unger
KON100-12	100-00	Konica Minolta - Rental	New Copiers 2024-2028	09/01/2024	09/01/2028	\$ 66,228.96	\$ -	\$ 66,228.96	\$ 3,770.92	\$ 62,458.04	Dean Unger
LSGK100-13	100-00	Lagerlof, LLP	Legal Services	07/01/2024	06/30/2025	\$ 94,720.00	\$ -	\$ 94,720.00	\$ 30,112.50	\$ 64,607.50	Jeff Mosher
NSL100-03	100-00	Nate Sassaman Leadership	SAWPA Staff Leadership Program	07/01/2024	12/31/2024	\$ 21,500.00	\$ -	\$ 21,500.00	\$ 14,332.00	\$ 7,168.00	Shavonne Turner
NSL100-04	100-00	Nate Sassaman Leadership	SAWPA Executive Coaching	07/01/2024	12/31/2024	\$ 2,000.00	\$ -	\$ 2,000.00	\$ 937.00	\$ 1,063.00	Shavonne Turner
SOL100-18	100-00	Sol Media	Website Related Changes	07/01/2024	06/30/2025	\$ 20,400.00	\$ -	\$ 20,400.00	\$ 7,530.00	\$ 12,870.00	Dean Unger
ZHAP100-01	100-00	Zhappo Studios	On-Demand Graphic Design Services	01/29/2024	01/29/2025	\$ 7,310.00	\$ -	\$ 7,310.00	\$ 1,555.50	\$ 5,754.50	Karen Williams
WCA100-03-06	100-03	West Coast Advisors	State Legislative Consulting Services	01/01/2024	12/31/2024	\$ 117,000.00	\$ -	\$ 117,000.00	\$ 107,250.00	\$ 9,750.00	Jeff Mosher
WO2025-20	240	E S Babcock	Wastewater Sample Collection and Analysis	07/01/2024	06/30/2025	\$ 88,295.50	\$ -	\$ 88,295.50	\$ 27,950.68	\$ 60,344.82	David Ruhl
WO2025-21	240	E S Babcock	Special Events Sample Collection and Analysis	07/01/2024	06/30/2025	\$ 20,000.00	\$ -	\$ 20,000.00	\$ -	\$ 20,000.00	David Ruhl
DUDK240-07	240	Dudek	Inland Empire Brine Line Master Plan	11/01/2022	01/31/2025	\$ 399,980.00	\$ -	\$ 399,980.00	\$ 393,772.77	\$ 6,207.23	David Ruhl
DUDK240-10	240	Dudek	Brine Line Sewer System Management Plan Audit 2024	07/01/2024	06/30/2025	\$ 28,220.00	\$ -	\$ 28,220.00	\$ 21,271.25	\$ 6,948.75	Daniel Vasquez
DUDK240-11	240	Dudek	Hydraulic Modeling Assistance FY 2024-2025	07/01/2024	06/30/2025	\$ 25,000.00	\$ -	\$ 25,000.00	\$ 1,207.50	\$ 23,792.50	David Ruhl
DUDK240-12	240	Dudek	Inland Empire Brine Line Engineering Services FY 2024-25	07/01/2024	06/30/2025	\$ 15,000.00	\$ -	\$ 15,000.00	\$ -	\$ 15,000.00	David Ruhl
GIS240-01	240	GIS Surveying	On-Call Surveying Services	07/01/2023	06/30/2025	\$ 22,402.50	\$ -	\$ 22,402.50	\$ -	\$ 22,402.50	Daniel Vasquez
INN240-06	240	Innerline Engineering	Brine Line Pipeline Cleaning Services	07/01/2024	06/30/2026	\$ 316,700.00	\$ -	\$ 316,700.00	\$ -	\$ 316,700.00	Daniel Vasquez
INN240-07	240	Innerline Engineering	On-Call CCTV	07/01/2024	06/30/2026	\$ 102,530.00	\$ -	\$ 102,530.00	\$ -	\$ 102,530.00	Daniel Vasquez
PAT240-01	240	Patriot Environmental Services	On-Call Draining and Emergency Response	07/01/2023	06/30/2025	\$ 121,760.00	\$ -	\$ 121,760.00	\$ -	\$ 121,760.00	Daniel Vasquez
PE240-01	240	PE Instruments	Brine Line Flow Meter Calibration Services	07/01/2024	06/30/2026	\$ 19,950.00	\$ -	\$ 19,950.00	\$ -	\$ 19,950.00	Daniel Vasquez
TRU240-27	240	Trussell Technologies, Inc	Brine Line Billing Formula Update Study	10/15/2024	08/31/2025	\$ 154,390.00	\$ -	\$ 154,390.00	\$ -	\$ 154,390.00	Lucas Gilbert
W&C320-01	320-03	Woodard & Curran	Reach IV and IV-B DIP Condition Assessment	02/09/2023	06/30/2025	\$ 392,356.00	\$ 65,113.00	\$ 457,469.00	\$ 354,789.10	\$ 102,679.90	Daniel Vasquez
W&C327-03	327	Woodard & Curran	IEBL Reach IV-D Rehabilitation Work Plan Mid-Term Recommendations	09/05/2023	01/31/2025	\$ 247,174.00	\$ -	\$ 247,174.00	\$ 212,777.23	\$ 34,396.77	Daniel Vasquez
WSC373-03	373	Water Systems Consulting	FYE 2025 Roundtable of Regions Network Coordinator	08/22/2024	06/30/2025	\$ 72,900.00	\$ -	\$ 72,900.00	\$ 11,046.83	\$ 61,853.17	Ian Achimore

Santa Ana Watershed Project Authority
Open Task Orders
Oct-24
(Reflects Invoices Received as of 11/13/2024)

Task Order No. Project Contracts	Fund No.	Vendor Name	Task Description	Begin Date	End Date	Original Contract	Change Orders	Total Contract	Billed To Date	Contract Balance	SAWPA Manager
CWE374-01	374	CWE	Basin Monitoring Program Task Force SAR Surface Water Quality Monitoring	09/05/2023	02/15/2027	\$ 93,711.00	\$ -	\$ 93,711.00	\$ 34,256.89	\$ 59,454.11	Ian Achimore
KSC374-03	374	Kahn, Soares, & Conway	Basin Monitoring TF Regulatory Support	07/01/2023	06/30/2025	\$ 133,000.00	\$ -	\$ 133,000.00	\$ 65,510.41	\$ 67,489.59	Rachel Gray
WEST374-02	374	West Yost	Ambient Water Quality Pilot Study for Nitrogen and TDS	12/30/2022	03/31/2025	\$ 339,960.00	\$ -	\$ 339,960.00	\$ 274,482.70	\$ 65,477.30	Rachel Gray
CDM377-02	377	CDM Smith, Inc.	PFAS Regional Analysis for Upper Santa Ana River Watershed - Phase 2	11/21/2023	11/30/2024	\$ 465,917.00	\$ -	\$ 465,917.00	\$ 253,579.25	\$ 212,337.75	Rachel Gray
DRI378-01	378	Board of Regents of the Nevada System of Higher Education	Weather Modification Pilot Validation	10/26/2022	10/17/2027	\$ 155,000.00	\$ -	\$ 155,000.00	\$ 35,658.57	\$ 119,341.43	Rachel Gray
NAWC370-03	378	North American Weather Consultants	SAR Weather Modification Pilot Operations	07/01/2022	04/15/2027	\$ 1,061,912.00	\$ 35,160.00	\$ 1,097,072.00	\$ 356,678.90	\$ 740,393.10	David Ruhl
GEI384-02	384-01	GEI Consultants	MSAR TMDL - Limited Basin Plan Amendment Revisions	07/01/2022	12/31/2024	\$ 67,000.00	\$ -	\$ 67,000.00	\$ 53,446.25	\$ 13,553.75	Rick Whetsel
KSC384-03	384-01	Kahn, Soares, & Conway	MSAR Pathogen TMDL TF Regulatory Support	07/01/2023	06/30/2025	\$ 148,500.00	\$ -	\$ 148,500.00	\$ 18,680.00	\$ 129,820.00	Rick Whetsel
GEI386-02	386	GEI Consultants	Santa Ana River Regional Bacteria Monitoring Program	02/01/2024	06/30/2027	\$ 1,191,054.00	\$ -	\$ 1,191,054.00	\$ 200,684.07	\$ 990,369.93	Rick Whetsel
IERCD387-01	387	Inland Empire Resource Conservation District	Arundo Donax Removal in the SAR Basin Headwaters	07/19/2022	12/31/2027	\$ 147,777.07	\$ -	\$ 147,777.07	\$ 70,266.32	\$ 77,510.75	Ian Achimore
JPW392-02	392	JPW Communications	Emerging Constituents Program Public Relations Support	07/01/2023	06/30/2025	\$ 114,954.00	\$ -	\$ 114,954.00	\$ 82,962.94	\$ 31,991.06	Rachel Gray
KSC392-03	392	Kahn, Soares, & Conway	Emerging Constituents Program TF Regulatory Support	07/01/2023	06/30/2025	\$ 48,000.00	\$ -	\$ 48,000.00	\$ 6,160.00	\$ 41,840.00	Rachel Gray
ECOT397-04	397	EcoTech Services	WECAN Riverside Eastside Climate Collaborative Landscaping	07/19/2022	12/31/2025	\$ 567,150.00	\$ -	\$ 567,150.00	\$ 122,862.28	\$ 444,287.72	Rick Whetsel
QUAN504-01	504-04	Quantum Spatial, Inc.	Water Efficiency Budget Assistance	02/10/2021	04/30/2025	\$ 594,387.00	\$ 39,599.00	\$ 633,986.00	\$ 623,997.82	\$ 9,988.18	Ian Achimore
RMC504-401-11	504-04	Woodard & Curran	SARCCUP Program Mgmt. Services	07/01/2024	06/30/2025	\$ 136,098.00	\$ -	\$ 136,098.00	\$ 35,362.50	\$ 100,735.50	Ian Achimore

\$ 4,390,685.35

LIST OF SAWPA FUNDS

Fund No.	Fund Description	Fund Group
100-00	General Fund	General
100-03	State Legislative/Regulatory Outreach	General
100-04	Federal Legislative/Regulatory Outreach	General
145	Proposition 84 – Program Management – 2015 Round	OWOW
150	Proposition 1 – R1 Program Management	OWOW
155	Proposition 1 – R2 Program Management	OWOW
240	Brine Line Enterprise	Brine Line
320-01	Brine Line Protection – Downstream Prado	Capital Projects
320-03	Brine Line Protection Above Prado	Capital Projects
320-04	Brine Line Protection D/S Prado in Riverside County	Capital Projects
327	Reach IV-D Corrosion Repair	Capital Projects
328	Aqua Mansa Lateral Project	Capital Projects
370-01	Basin Planning General	OWOW
370-02	USBR Partnership Studies	OWOW
373	Watershed Management (OWOW)	OWOW
374	Basin Monitoring Program Task Force	Roundtable
376	Integrated Climate Adaptation & Resilience Program	OWOW
377	PFAS Study	OWOW
378	Weather Modification	OWOW
381	Santa Ana River Fish Conservation	Roundtable
384-01	MSAR TMDL Task Force	Roundtable
386	Regional Water Quality Monitoring Task Force	Roundtable
387	Arundo Management & Habitat Restoration	Roundtable
392	Emerging Constituents Task Force	Roundtable
397	Energy – Water DAC Grant Project	OWOW
398	DCI 2021 Drought Relief Grant	OWOW
477	LESJWA Administration	Roundtable
504-01	Proposition 84 – Capital Projects Round 1 & 2	OWOW
504-04	Proposition 84 – Final Round SARCCUP	OWOW
505-00	Proposition 1 – SAWPA Capital Projects	OWOW
505-01	Proposition 1 – Round I Capital Projects	OWOW
505-02	Proposition 1 – Round II Capital Projects	OWOW

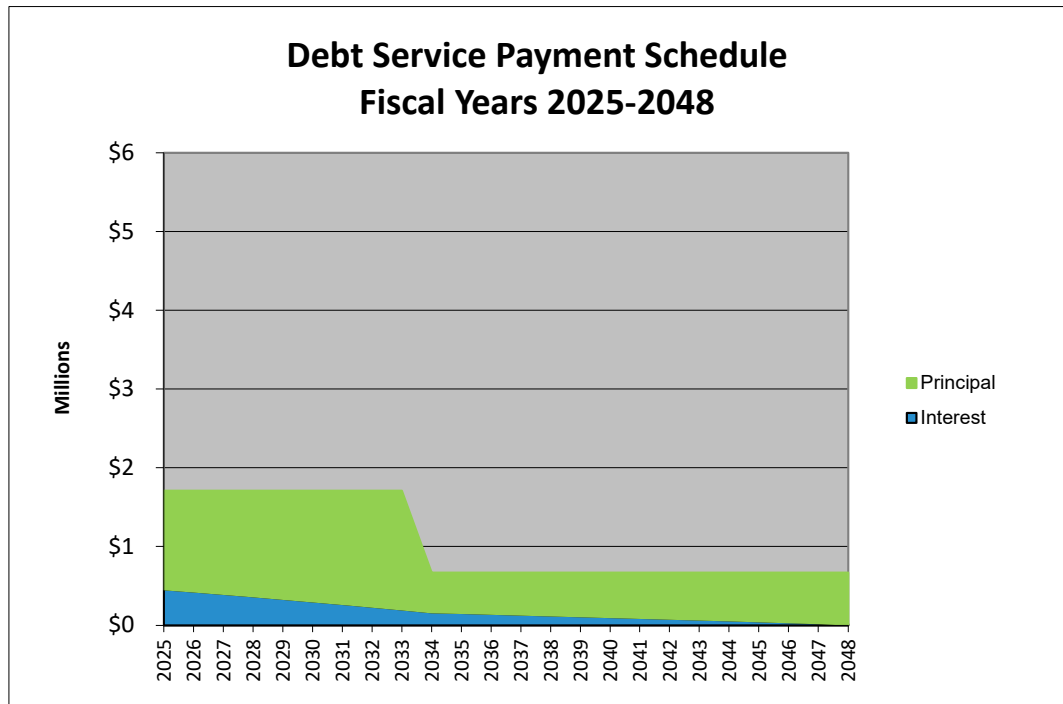
Santa Ana Watershed Project Authority
 Brine Line Debt Service Funding Analysis
 October 31, 2024

FYE	Rates	Loan Pymts	Interest Earned *	Excess Cash	Ending Cash Balance
Beginning Balance					3,011,686
2025	1,709,476	(1,709,476)	90,351	90,351	3,102,037
2026	1,709,476	(1,709,476)	93,061	93,061	3,195,098
2027	1,709,476	(1,709,476)	95,853	95,853	3,290,951
2028	1,709,476	(1,709,476)	98,729	98,729	3,389,679
2029	1,709,476	(1,709,476)	101,690	101,690	3,491,369
2030	1,709,476	(1,709,476)	104,741	104,741	3,596,111
2031	1,709,476	(1,709,476)	107,883	107,883	3,703,994
2032	1,709,476	(1,709,476)	111,120	111,120	3,815,114
2033	1,709,476	(1,709,476)	114,453	114,453	3,929,567
2034	665,203	(665,203)	117,887	117,887	4,047,454
2035	665,203	(665,203)	121,424	121,424	4,168,879
2036	665,203	(665,203)	125,066	125,066	4,293,944
2037	665,203	(665,203)	128,818	128,818	4,422,763
2038	665,203	(665,203)	132,683	132,683	4,555,445
2039	665,203	(665,203)	136,663	136,663	4,692,109
2040	665,203	(665,203)	140,763	140,763	4,832,872
2041	665,203	(665,203)	144,986	144,986	4,977,858
2042	665,203	(665,203)	149,336	149,336	5,127,194
2043	665,203	(665,203)	153,816	153,816	5,281,010
2044	665,203	(665,203)	158,430	158,430	5,439,440
2045	665,203	(665,203)	163,183	163,183	5,602,623
2046	665,203	(665,203)	168,079	168,079	5,770,702
2047	665,203	(665,203)	173,121	173,121	5,943,823
2048	665,203	(665,203)	178,315	178,315	6,122,138
	25,363,319	(25,363,319)	3,110,452	3,110,452	-

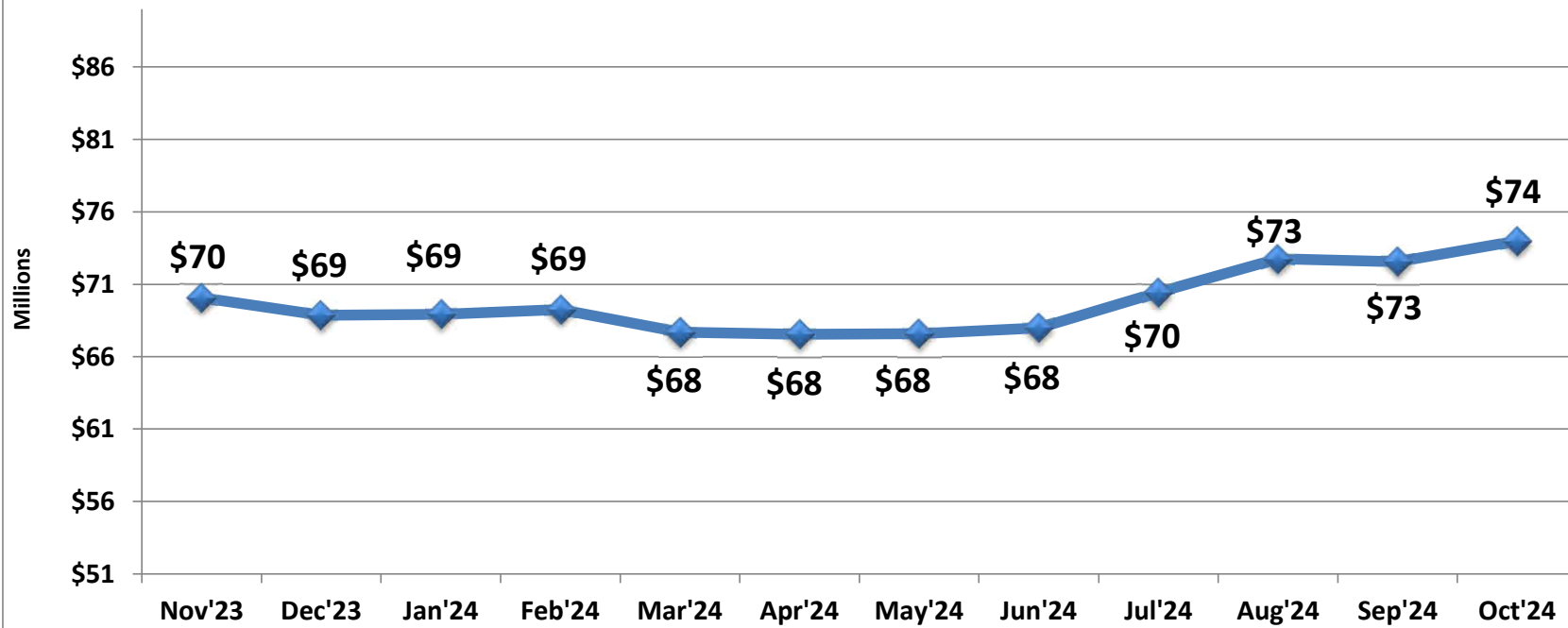
*Interest earned is based on a conservative 3.00% average return over the period

Santa Ana Watershed Project Authority
 Brine Line Debt Service Payment Schedule
 October 31, 2024

FYE	Interest	Principal	Total Payment	Remaining Principal
2025	457,181	1,252,295	1,709,476	19,757,624
2026	427,585	1,281,891	1,709,476	18,475,733
2027	397,276	1,312,199	1,709,476	17,163,534
2028	366,237	1,343,239	1,709,476	15,820,295
2029	334,449	1,375,027	1,709,476	14,445,268
2030	301,894	1,407,582	1,709,476	13,037,686
2031	268,553	1,440,923	1,709,476	11,596,763
2032	234,407	1,475,068	1,709,476	10,121,694
2033	199,437	1,510,039	1,709,476	8,611,656
2034	163,621	501,581	665,203	8,110,075
2035	154,091	511,111	665,203	7,598,964
2036	144,380	520,822	665,203	7,078,141
2037	134,485	530,718	665,203	6,547,424
2038	124,401	540,801	665,203	6,006,622
2039	114,126	551,077	665,203	5,455,545
2040	103,655	561,547	665,203	4,893,998
2041	92,986	572,217	665,203	4,321,782
2042	82,114	583,089	665,203	3,738,693
2043	71,035	594,167	665,203	3,144,526
2044	59,746	605,457	665,203	2,539,069
2045	48,242	616,960	665,203	1,922,109
2046	36,520	628,682	665,203	1,293,427
2047	24,575	640,627	665,203	652,799
2048	12,403	652,799	665,203	(0)



Total Cash & Investments





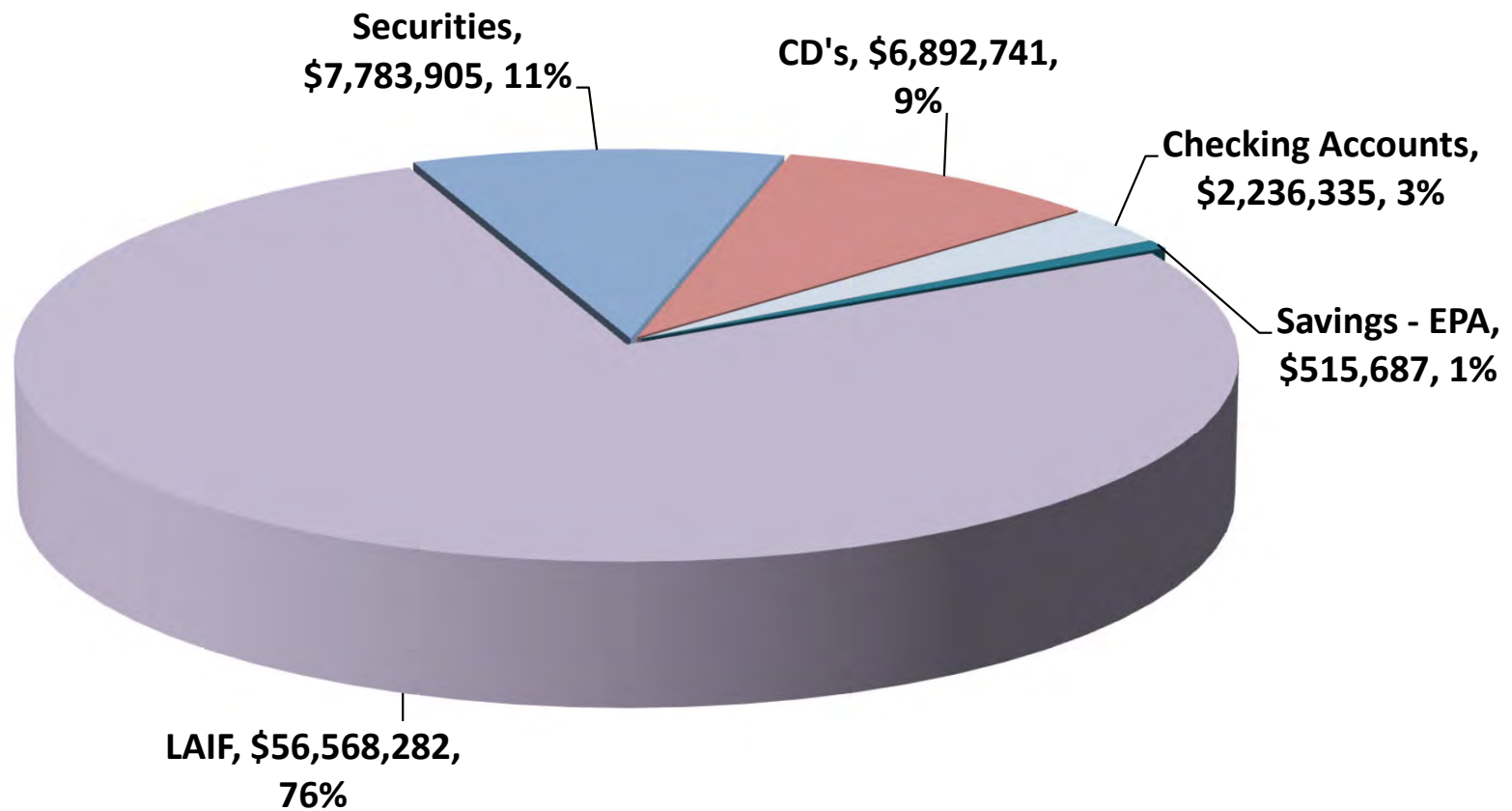
CASH BALANCE & SOURCE OF FUNDS

October 31, 2024

Fund Accounts		Cash and Investments						
		Total	Checking (Cash)	LAIF Account	Savings EPA	Investment Securities	Certificates of Deposit	Total
100	General Fund	\$ 2,177,675	2,177,675	-	-	-	-	\$ 2,177,675
100	Building Reserve	\$ 786,011	-	786,011	-	-	-	\$ 786,011
370	Basin Planning General	\$ 278,849	-	278,849	-	-	-	\$ 278,849
370	USBR Partnership Studies	\$ 68,187	-	68,187	-	-	-	\$ 68,187
373	Watershed Management Plan	\$ 480,916	-	480,916	-	-	-	\$ 480,916
240	Brine Line Debt Retirement	\$ 3,043,856	-	3,043,856	-	-	-	\$ 3,043,856
240	Brine Line - Pipeline Replacement & Capital Improvement	\$ 37,027,115	-	22,350,469	-	7,783,905	6,892,741	\$ 37,027,115
240	Brine Line - OC San Pipeline Rehabilitation	\$ 3,068,481	-	3,068,481	-	-	-	\$ 3,068,481
240	Brine Line - Pipeline Capacity Management	\$ 12,944,921	-	12,944,921	-	-	-	\$ 12,944,921
240	Brine Line - OC San Future Treatment & Disposal Capacity	\$ 1,981,909	-	1,981,909	-	-	-	\$ 1,981,909
240	Brine Line - Operating Reserve	\$ 2,312,437	-	2,312,437	-	-	-	\$ 2,312,437
240	Brine Line - Operating Cash	\$ 5,012,381	58,660	4,953,721	-	-	-	\$ 5,012,381
401	Legal Defense Fund	\$ 515,687	-	-	515,687	-	-	\$ 515,687
374	Basin Monitoring Program TF	\$ 1,105,753	-	1,105,753	-	-	-	\$ 1,105,753
377	PFAS Study	\$ 834,224	-	834,224	-	-	-	\$ 834,224
378	Cloud Seeding	\$ 90,199	-	90,199	-	-	-	\$ 90,199
381	SAR Fish Conservation	\$ 106,175	-	106,175	-	-	-	\$ 106,175
384	Middle SAR TMDL TF	\$ 315,343	-	315,343	-	-	-	\$ 315,343
386	RWQ Monitoring TF	\$ 118,045	-	118,045	-	-	-	\$ 118,045
387	Mitigation Bank Credits	\$ 751,772	-	751,772	-	-	-	\$ 751,772
392	Emerging Constituents TF	\$ 254,018	-	254,018	-	-	-	\$ 254,018
397	WECAN - City of Riverside	\$ 6,358	-	6,358	-	-	-	\$ 6,358
504	Prop 84 - SARCCUP Projects	\$ 660,450	-	660,450	-	-	-	\$ 660,450
505	Prop 1 - Capital Projects	\$ 56,189	-	56,189	-	-	-	\$ 56,189
		\$ 73,996,950	\$ 2,236,335	\$ 56,568,282	\$ 515,687	\$ 7,783,905	\$ 6,892,741	\$ 73,996,950

Cash & Investments - October 2024

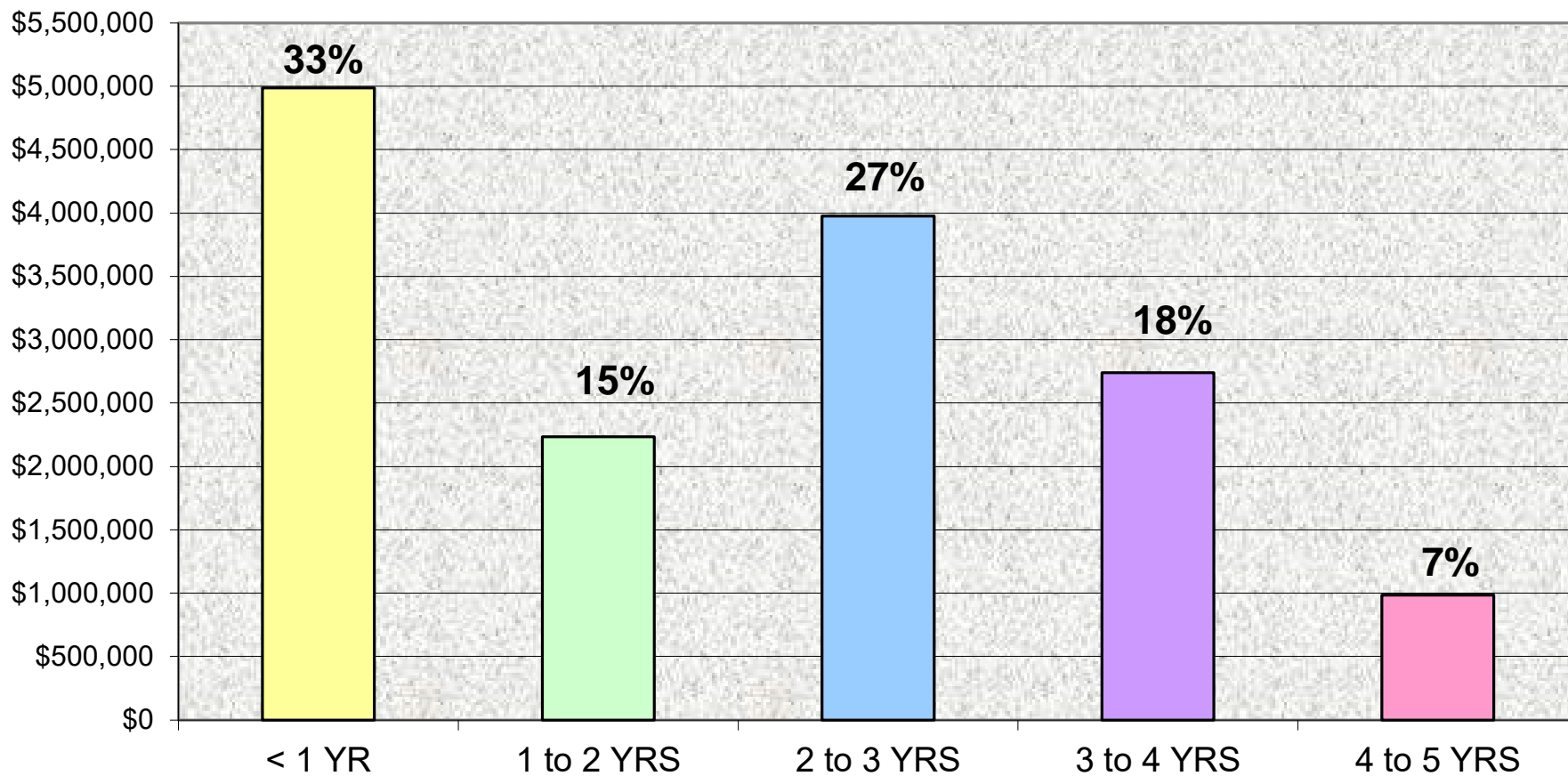
\$73,996,950



Santa Ana Watershed Project Authority
Reserve Account Analysis
October 31, 2024

Reserve Account	Balance @ 6/30/2024	Interest Earned	Fund Receipts/ Contributions	Inter-Fund Loans	Fund Expenses	Balance @ 10/31/2024	Estimated Fund Changes	Balance @ 6/30/2025
Brine Line Operating Cash	4,429,327	64,027	5,307,237		(4,788,210)	5,012,381		5,012,381
Brine Line Operating Reserve	2,240,462	71,975				2,312,437		2,312,437
OC San Future Treatment & Disposal Capacity	1,940,030	41,879				1,981,909		1,981,909
Pipeline Capacity Management	12,671,389	273,532				12,944,921		12,944,921
Pipeline Replacement & Capital Investment	34,149,034	581,562	2,462,152		(165,634)	37,027,115	(1,704,379)	35,322,736
OC San Pipeline Rehabilitation	2,849,924	62,771	155,786			3,068,481		3,068,481
Debt Retirement	2,979,538	64,318				3,043,856		3,043,856
General Fund	1,949,870	32,259	726,806	(1,092,029)	560,770	2,177,675		2,177,675
Building Reserve	620,007	14,460	100,000		51,544	786,011		786,011
	63,829,581	1,206,783	8,751,981	(1,092,029)	(4,341,529)	68,354,787	(1,704,379)	66,650,408

Twelve Month Maturity Schedule Securities

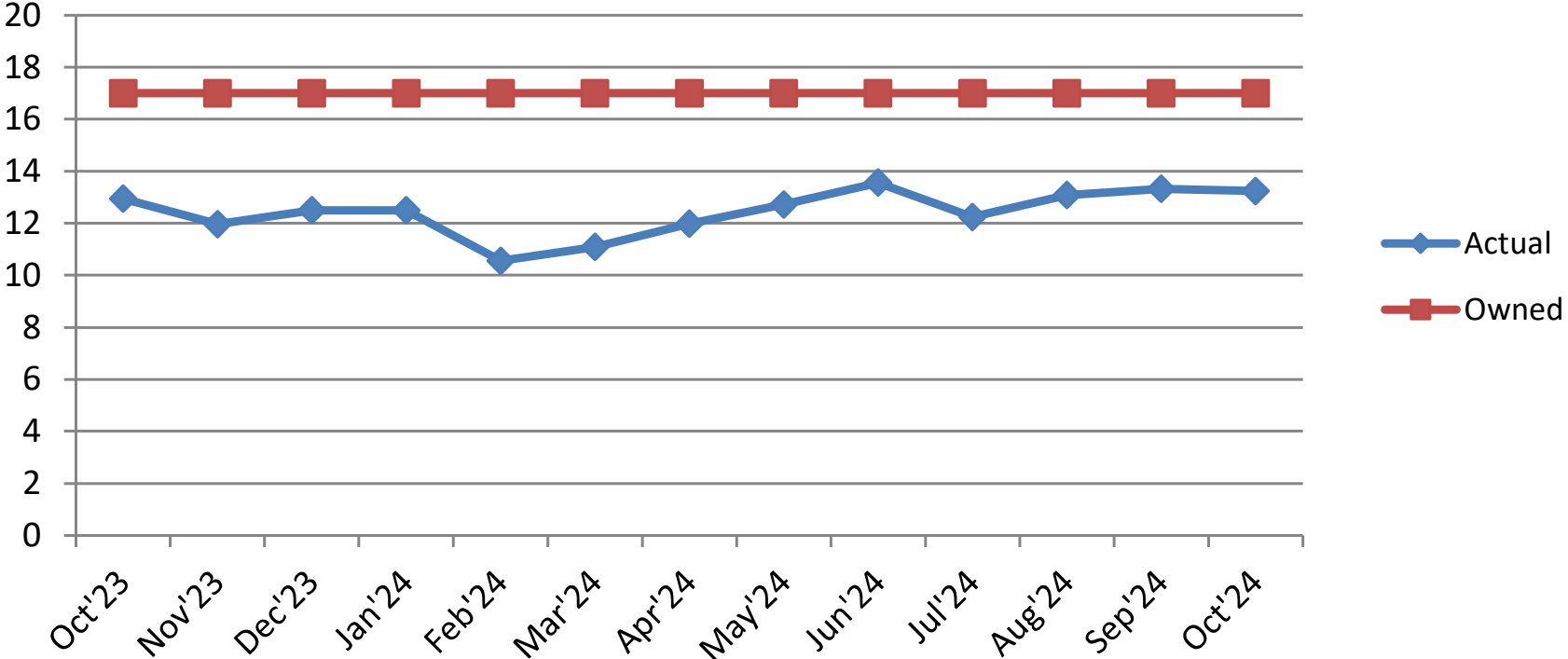


SAWPA
TREASURER'S REPORT
As of October 31, 2024

Investment Commercial
Safekeeping US Bank

Type	Security	Purchase	Maturity	Unit		Principal	Current	Market	Interest
		Date	Date	Cost	Cost		Value	Value	Rate
Agency	FHLB	2/4/2020	12/13/2024	106.25	\$ 531,250.00	\$ 500,000.00	\$ 500,000.00	498,722.18	2.750%
Agency	FHLB	8/30/2022	11/27/2024	100.00	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,000.00	998,964.40	3.650%
Agency	FHLB	11/4/2022	9/10/2027	99.20	\$ 991,965.00	\$ 1,000,000.00	\$ 1,000,000.00	1,001,544.48	4.125%
Agency	FHLB	6/6/2023	12/13/2024	99.99	\$ 499,966.50	\$ 500,000.00	\$ 500,000.00	499,814.64	4.625%
Agency	FHLB	6/6/2023	6/9/2028	100.50	\$ 502,505.00	\$ 500,000.00	\$ 500,000.00	498,146.93	4.000%
Agency	FHLB	1/25/2024	6/30/2028	99.73	\$ 999,170.00	\$ 1,000,000.00	\$ 1,000,000.00	996,155.58	4.000%
Agency	FNMA	2/4/2020	1/7/2025	101.08	\$ 505,380.00	\$ 500,000.00	\$ 500,000.00	497,104.60	1.625%
Agency	FNMA	10/30/2020	8/25/2025	99.53	\$ 995,952.00	\$ 1,000,000.00	\$ 1,000,000.00	967,900.52	0.375%
Agency	USTN	4/19/2021	11/30/2025	98.25	\$ 982,500.00	\$ 1,000,000.00	\$ 1,000,000.00	958,593.75	0.375%
Agency	USTN	9/15/2021	5/31/2025	99.58	\$ 989,726.56	\$ 1,000,000.00	\$ 1,000,000.00	975,859.38	0.250%
CD	Beal Bank USA	8/17/2022	8/12/2026	100.00	\$ 245,000.00	\$ 245,000.00	\$ 245,000.00	241,407.24	3.200%
CD	Synchrony Bank	8/12/2022	8/12/2025	100.00	\$ 245,000.00	\$ 245,000.00	\$ 245,000.00	243,137.12	3.350%
CD	Capital One Bank USA	5/25/2022	5/25/2027	100.00	\$ 246,000.00	\$ 246,000.00	\$ 246,000.00	241,358.11	3.200%
CD	Morgan Stanley Private Bank	11/15/2022	11/15/2027	100.00	\$ 248,000.00	\$ 248,000.00	\$ 248,000.00	247,972.95	5.000%
CD	Prime Alliance Bank	11/17/2022	11/17/2027	100.00	\$ 248,000.00	\$ 248,000.00	\$ 248,000.00	248,054.13	4.950%
CD	Cooperative Center FSU	12/29/2022	12/29/2025	100.00	\$ 249,000.00	\$ 249,000.00	\$ 249,000.00	250,362.36	4.650%
CD	Affinity Bank	3/17/2023	3/17/2028	100.00	\$ 248,000.00	\$ 248,000.00	\$ 248,000.00	255,516.79	4.900%
CD	Discover Bank	3/22/2023	3/23/2027	100.00	\$ 243,000.00	\$ 243,000.00	\$ 243,000.00	248,923.93	5.050%
CD	Global Fed CR UN - Alaska	5/12/2023	5/12/2027	100.00	\$ 249,000.00	\$ 249,000.00	\$ 249,000.00	252,774.96	4.600%
CD	UBS Bank USA	5/17/2023	5/17/2027	100.00	\$ 249,000.00	\$ 249,000.00	\$ 249,000.00	252,498.15	4.550%
CD	BMW Bank of North America	6/16/2023	6/16/2026	100.00	\$ 244,000.00	\$ 244,000.00	\$ 244,000.00	245,913.02	4.600%
CD	Farmers Insurance Group	7/26/2023	7/27/2026	100.00	\$ 248,000.00	\$ 248,000.00	\$ 248,000.00	252,354.18	5.100%
CD	Barclays Bank Delaware	7/26/2023	7/28/2025	100.00	\$ 243,000.00	\$ 243,000.00	\$ 243,000.00	244,301.35	5.100%
CD	Chartway Federal Credit Uni	9/8/2023	9/8/2027	100.00	\$ 248,000.00	\$ 248,000.00	\$ 248,000.00	255,008.25	5.000%
CD	Greenstate Credit Union	9/26/2023	9/26/2028	100.00	\$ 248,000.00	\$ 248,000.00	\$ 248,000.00	257,531.77	5.000%
CD	Empower Fed Cedit Union	9/29/2023	9/29/2027	100.00	\$ 248,000.00	\$ 248,000.00	\$ 248,000.00	255,847.25	5.100%
CD	US Alliance Fed Credit Union	9/29/2023	9/29/2028	100.00	\$ 248,000.00	\$ 248,000.00	\$ 248,000.00	258,449.21	5.100%
CD	Numerica Credit Union	11/10/2023	11/10/2026	100.00	\$ 248,000.00	\$ 248,000.00	\$ 248,000.00	255,483.66	5.550%
CD	Heritage Community CR UN	11/15/2023	11/16/2026	100.00	\$ 248,000.00	\$ 248,000.00	\$ 248,000.00	255,095.78	5.450%
CD	Members Trust of SW FCU	1/19/2024	1/19/2029	100.00	\$ 249,000.00	\$ 249,000.00	\$ 249,000.00	249,583.08	4.000%
CD	Hughes FCU	1/29/2024	1/29/2027	100.00	\$ 249,000.00	\$ 249,000.00	\$ 249,000.00	251,237.48	4.400%
CD	Farmers & Merchants TR	1/30/2024	2/1/2027	100.00	\$ 249,000.00	\$ 249,000.00	\$ 249,000.00	249,906.88	4.150%
CD	Nicolet National Bank	3/8/2024	3/8/2029	100.00	\$ 249,000.00	\$ 249,000.00	\$ 249,000.00	252,066.33	4.250%
CD	Medallion Bank	3/13/2024	3/15/2027	100.00	\$ 249,000.00	\$ 249,000.00	\$ 249,000.00	252,443.13	4.600%
CD	Wells Fargo Bank	3/12/2024	3/12/2027	100.00	\$ 249,000.00	\$ 249,000.00	\$ 249,000.00	251,923.73	4.500%
CD	Toyota Financial SGS Bank	5/24/2024	5/24/2029	100.00	\$ 244,000.00	\$ 244,000.00	\$ 244,000.00	250,516.03	4.600%
CD	First Foundation Bank	5/22/2024	5/22/2029	100.00	\$ 244,000.00	\$ 244,000.00	\$ 244,000.00	250,510.05	4.600%
CD	Alliant Credit Union	12/30/2022	12/30/2025	100.00	\$ 248,000.00	\$ 248,000.00	\$ 248,000.00	250,634.51	5.100%
					\$14,921,415.06	\$ 14,923,000.00	\$14,923,000.00	14,913,617.89	4.090%

Average Daily Flow by Month





SUMMARY OF LABOR MULTIPLIERS

		Benefit Rate
Total Employee Benefits	471,061	0.319
Total Payroll	1,476,147	
Gross Indirect Costs	1,565,277	
Less: Member Contributions & Other Revenue	(516,365)	
Indirect Costs for Distribution	1,048,912	
		Indirect Rate
Direct Labor	728,721	1.439
Indirect Costs	1,048,912	
FY 2024-25 Labor multiplier - thru 10/31/24		1.759
FY 2024-25 Budgeted Labor multiplier		<u>2.000</u>
FY 2023-24 Labor multiplier		<u>2.060</u>
FY 2022-23 Labor multiplier		<u>1.984</u>
FY 2021-22 Labor multiplier		<u>1.993</u>



INDIRECT COSTS

(to be Distributed)

G/L Acct.	Description	Actual thru 10/31/24
51000	Salaries - Regular	\$ 747,426
52000	Benefits	\$ 272,063
60111	Tuition Reimbursement	\$ -
60112	Training	\$ 6,120
60113	Education	\$ -
60114	Other Training & Education	\$ 22,697
60120	Audit Fees	\$ 16,326
60121	Consulting	\$ 38,360
60126	Temporary Services	\$ -
60128	Other Professional Services	\$ 700
60129	Other Contract Services	\$ -
60130	Legal Fees	\$ 12,700
60145	Permit Fees	\$ 51
60153	Materials & Supplies	\$ -
60154	Safety	\$ 4,209
60155	Security	\$ 2,141
60156	Custodial Contract Services	\$ 9,691
60157	Landscaping Maintenance	\$ 6,670
60158	HVAC	\$ 7,093
60159	Facility Repair & Maintenance	\$ 1,040
60160	Telephone	\$ 17,560
60161	Cellular Services	\$ 2,883
60163	Electricity	\$ 8,279
60164	Water Services	\$ 2,772
60170	Equipment Expensed	\$ 3,795
60171	Equipment Rented	\$ 6,605

(Continued - next column)

G/L Acct.	Description	Actual thru 10/31/24
60172	Equipment Repair / Maintenance	\$ 1,340
60180	Computer Hardware	\$ 519
60181	Computer Software	\$ 84,366
60182	Internet Services	\$ 7,931
60183	Computer Supplies	\$ 402
60184	Computer Repair/Maint	\$ -
60185	Cloud Storage	\$ 12,078
60190	Offsite Meeting/Travel Expense	\$ 603
60191	In House Meetings	\$ 189
60192	Conference Expense	\$ 16,423
60193	Car, Repair, Maintenance	\$ 221
60200	Dues	\$ 35,448
60202	Subscriptions	\$ 8,303
60203	Contributions	\$ 14,000
60210	Bank Charges	\$ -
60211	Shipping/Postage	\$ 178
60212	Office Supplies	\$ 3,476
48000	Commission Fees	\$ 20,800
60221	Commission Mileage Reimb.	\$ 1,022
60222	Other Commission Expense	\$ -
60230	Other Expense	\$ 1,087
60240	Building Lease	\$ 3,195
81010	Retiree Medical Expense	\$ 24,787
80001	Insurance Expense	\$ 24,944
80000	Building Repair/Replacement Reserve	\$ 100,000
80000	Fixed Assets	\$ 14,784

Total Costs \$ 1,565,277

Direct Costs Paid by Projects	\$ 1,278,559
Member Contribution Offset	\$ 475,000
Interest & Other Revenue Offset	\$ 41,365
	\$ 1,794,924

Over (Under) Allocation %	14.3%
Over (Under) Allocation of General Fund Costs	\$ 229,647



BENEFITS SUMMARY

(Distributed based on Actual Labor)

<u>G/L Acct</u>	<u>Description</u>		<u>Budget</u>		<u>Actual @ 10/31/24</u>		<u>Projected FYE 2025</u>
70101	FICA Expense	\$	211,101	\$	62,099	\$	186,296
70102	Medicare Expense	\$	59,818	\$	18,301	\$	54,904
70103	State Unemployment Insurance	\$	3,906	\$	127	\$	3,200
70104	Worker's Compensation Insurance	\$	72,456	\$	10,265	\$	41,058
70105	State Disability Insurance	\$	39,569	\$	12,842	\$	38,525
70106	PERS Pension Plan	\$	487,199	\$	153,780	\$	461,340
70111	Medical Expense	\$	511,245	\$	173,187	\$	519,561
70112	Dental Expense	\$	28,657	\$	12,564	\$	37,691
70113	Vision Insurance	\$	7,751	\$	2,319	\$	6,956
70114	Life Insurance Expense	\$	15,940	\$	5,341	\$	16,022
70115	Long Term Disability	\$	18,593	\$	6,144	\$	18,432
70116	Wellness Program Expense	\$	3,900	\$	293	\$	3,900
70120	Car Allowance	\$	39,000	\$	13,800	\$	41,400
	Total Benefits	\$	1,499,135	\$	471,061	\$	1,429,286
	Total Payroll	\$	4,086,368	\$	1,476,147	\$	4,086,368
	Benefits Rate		36.7%		31.9%		35.0%

Santa Ana Watershed Project Authority
 Labor Hours Budget vs Actual
 Month Ending October 31, 2024

	Fund	Budget	Actual	%
100	General Fund	28,150	8,654	30.74%
145	Prop 84 - 2015 Program Mgmt	2,140	746	34.86%
150	Prop1 - Program Management	1,070	262	24.46%
155	Prop1 Round 2	-	207	-100.00%
240	Brine Line Enterprise	19,407	6,654	34.29%
320	Brine Line Protection	277	8	2.71%
327	Reach IV-D Corrosion Repairs	349	3	0.79%
328	Agua Mansa Lateral Construction	-	8	-100.00%
370-01	Basin Planning General	1,830	617	33.72%
370-02	USBR Partnership Studies	75	1	0.67%
373	Watershed Management (OWOW)	1,970	514	26.09%
374	Basin Monitoring Program TF	615	179	29.02%
376	ICARP	-	46	-100.00%
377	PFAS Study	220	28	12.50%
378	Weather Modification	205	29	13.90%
381	SAR Fish Conservation	185	240	129.86%
384-01	MSAR TMDL TF	155	50	31.94%
386MONIT	RWQ Monitoring TF	115	19	16.09%
387	Arundo Removal & Habitat Restoration	250	31	12.30%
392	Emerging Constituents TF	220	60	27.16%
397ADMIN	WECAN Riverside	137	59	42.88%
398RELIE	DACI	80	22	27.50%
477-02	LESJWA - Administration	420	234	55.77%
477TMDL	LESJWA - TMDL Task Force	365	105	28.63%
504-401IMPLE	Prop 84 - Final Round Implementation	60	-	0.00%
504-401PA23	Prop 84 - Final Round PA23 Admin	165	3	1.52%
504-402PA22	Prop84 - Final Round PA22 Admin	270	6	2.13%
504-402RATES	Prop 84 - Final Round Water Rates	-	12	-100.00%
505-00	Prop1 - Capital Projects	150	47	31.00%
		58,880	18,837	31.99%


Note: Should be at 33.33% of budget for 4 months

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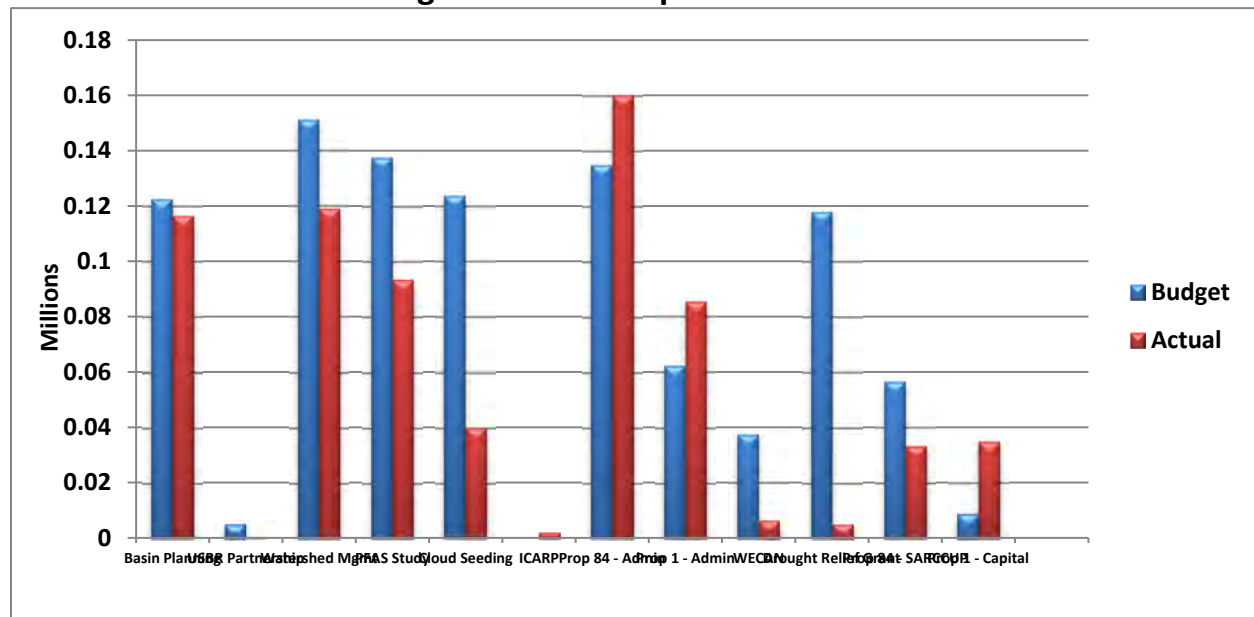
**Santa Ana Watershed Project Authority
PA25 - OWOW Fund - Financial Report
September 2024**

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

Overview	This report highlights the agency's key financial indicators for the Fiscal Year-to-Date (FYTD) through September 2024 unless otherwise noted.
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Budget to Actual Expenses - OWOW				 Favorable
	Annual Budget	FYTD Budget	FYTD Actual	Favorable (Unfavorable) Variance
Basin Planning General	\$539,791	\$81,632	\$85,700	(\$4,068)
USBR Partnership Studies	69,471	3,246	154	3,092
Watershed Mgmt. (OWOW)	904,428	100,738	81,320	19,418
PFAS Study	550,459	91,743	65,315	26,428
Cloud Seeding	494,707	82,451	28,362	54,089
Prop 84 - Administration	539,894	89,982	103,187	(13,205)
Prop 1 – Administration	248,593	41,432	55,265	(13,833)
WECAN - Riverside	148,933	24,822	3,432	21,390
Drought Relief Grant DACI	471,466	78,578	4,186	74,392
Prop 84 – SARCCUP & Other	225,399	37,567	10,501	27,066
Prop 1 – Capital Projects	36,178	6,030	8,487	(2,457)
Total	\$4,229,319	\$638,221	\$445,909	\$192,312

Budget to Actual Expenses - OWOW



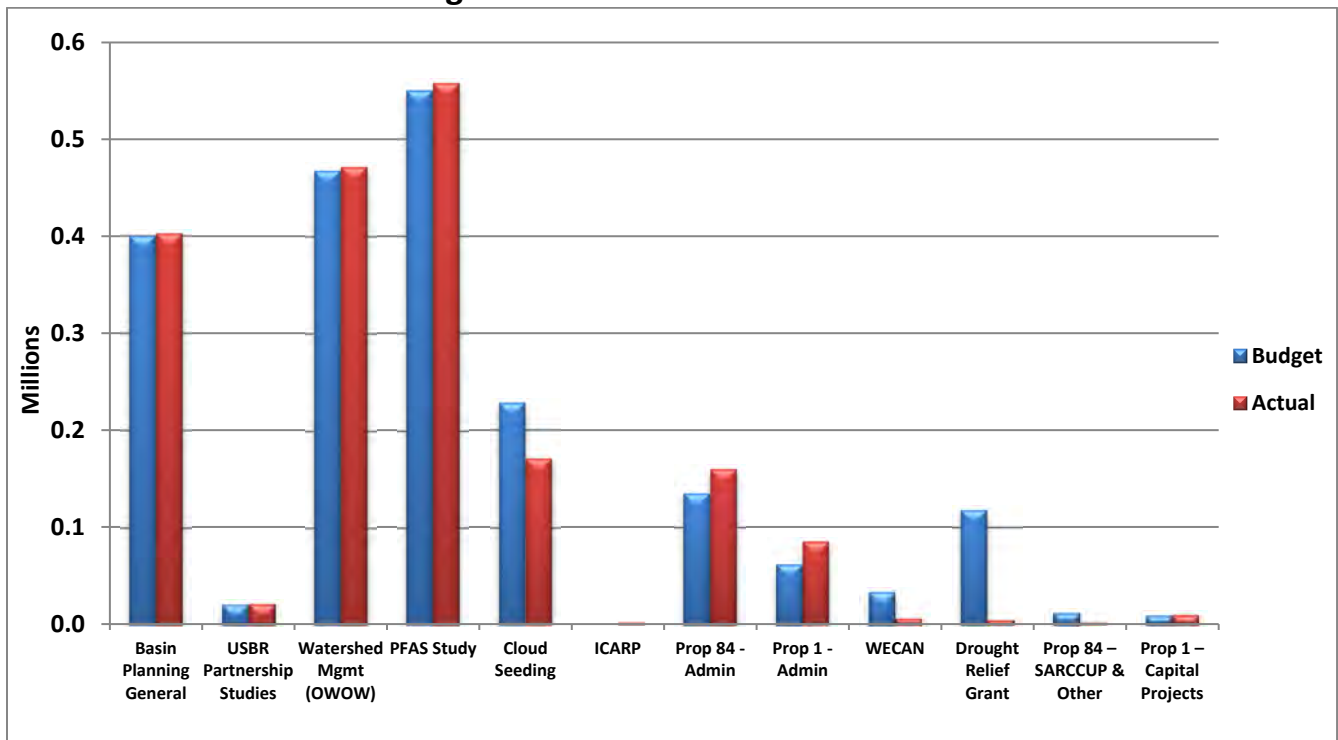
Budget to Actual Revenues - OWOW



Concern





	Annual Budget	FYTD Budget	FYTD Actual	Favorable (Unfavorable) Variance
Basin Planning General	\$450,000	\$400,000	\$402,416	\$2,416
USBR Partnership Studies	70,000	20,000	20,647	647
Watershed Mgmt. (OWOW)	767,900	467,900	471,785	3,885
PFAS Study	550,000	550,000	557,632	7,632
Cloud Seeding	402,500	227,750	170,297	(57,453)
ICARP	0	0	1,881	1,881
Prop 84 - Administration	539,894	134,974	160,141	25,167
Prop 1 – Administration	248,593	62,148	85,306	23,158
WECAN - Riverside	148,933	33,187	6,562	(26,625)
Drought Relief Grant - DACI	471,466	117,867	5,277	(112,590)
Prop 84 – SARCCUP & Other	47,908	11,977	2,262	(9,715)
Prop 1 – Capital Projects	36,178	9,045	9,851	806
Total	\$3,733,372	\$2,034,848	\$1,894,057	(\$140,791)

Budget to Actual Revenues - OWOW



Reserve Fund Balance	
	Amount
Basin Planning General	\$312,863
USBR Partnership Studies	67,539
Watershed Management (OWOW)	487,534
PFAS Study	863,006
Cloud Seeding	112,786
WECAN	9,217
Proposition 84 – SARCCUP & Other	682,345
Proposition 1 – Capital Projects	82,280
Total Reserves	\$2,617,570

Legend

<u>Compared to Budget</u>		
	Ahead or Favorable	Above +5% Favorable Revenue or Expense Variance
	On Track	+5% to -2% Variance
	Behind	-3% to -5% Variance
	Concern	Below -5% Variance

Staff Comments

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


1) Expenses are favorable with the budget. Revenues are slightly behind the budget. It is anticipated that they will be on track before the end of the year.

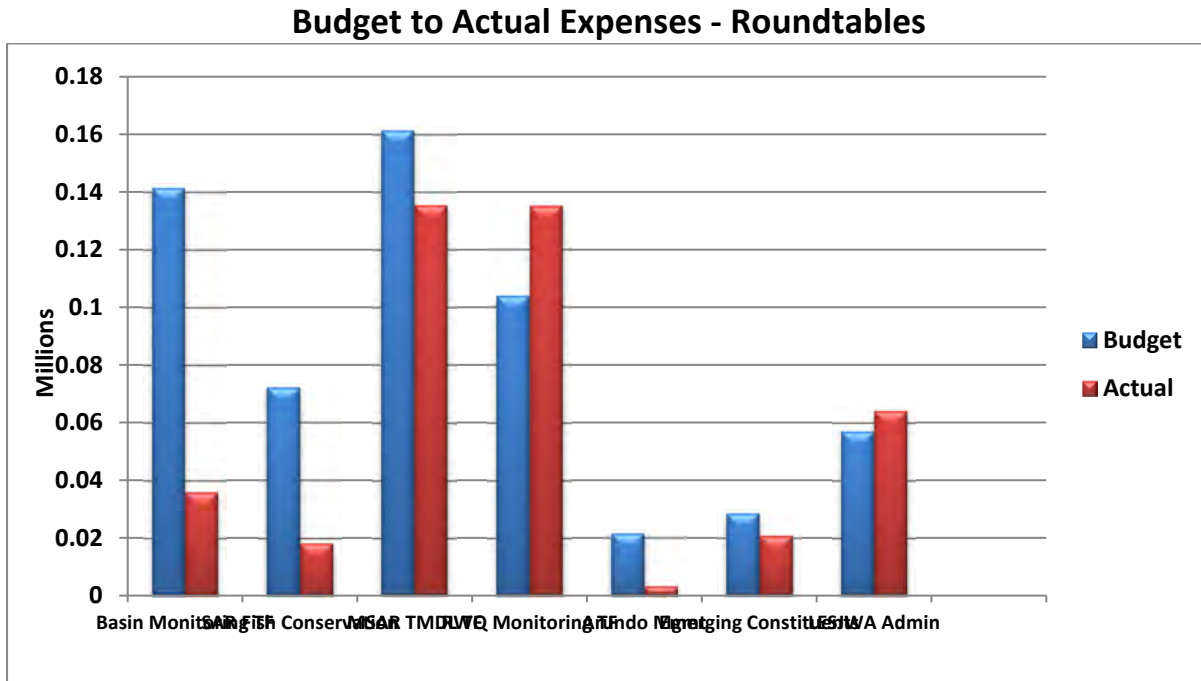
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**Santa Ana Watershed Project Authority
PA26 - Roundtable Fund - Financial Report
September 2024**

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

Overview	This report highlights the agency's key financial indicators for the Fiscal Year-to-Date (FYTD) through September 2024 unless otherwise noted.
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Budget to Actual Expenses - Roundtables				 Favorable
	Annual Budget	FYTD Budget	FYTD Actual	Favorable (Unfavorable) Variance
Basin Monitoring TF	\$565,988	\$141,497	\$35,963	\$105,534
SAR Fish Conservation	288,541	72,135	18,162	53,973
MSAR TMDL TF	284,664	161,406	135,426	25,980
RWQ Monitoring TF	415,702	103,926	135,107	(31,181)
Arundo Mgmt.	85,780	21,445	3,406	18,039
Emerging Constituents	114,303	28,576	20,730	7,846
LESJWA Admin	198,285	57,071	64,208	(7,137)
Total	\$1,953,263	\$586,056	\$413,002	\$173,054



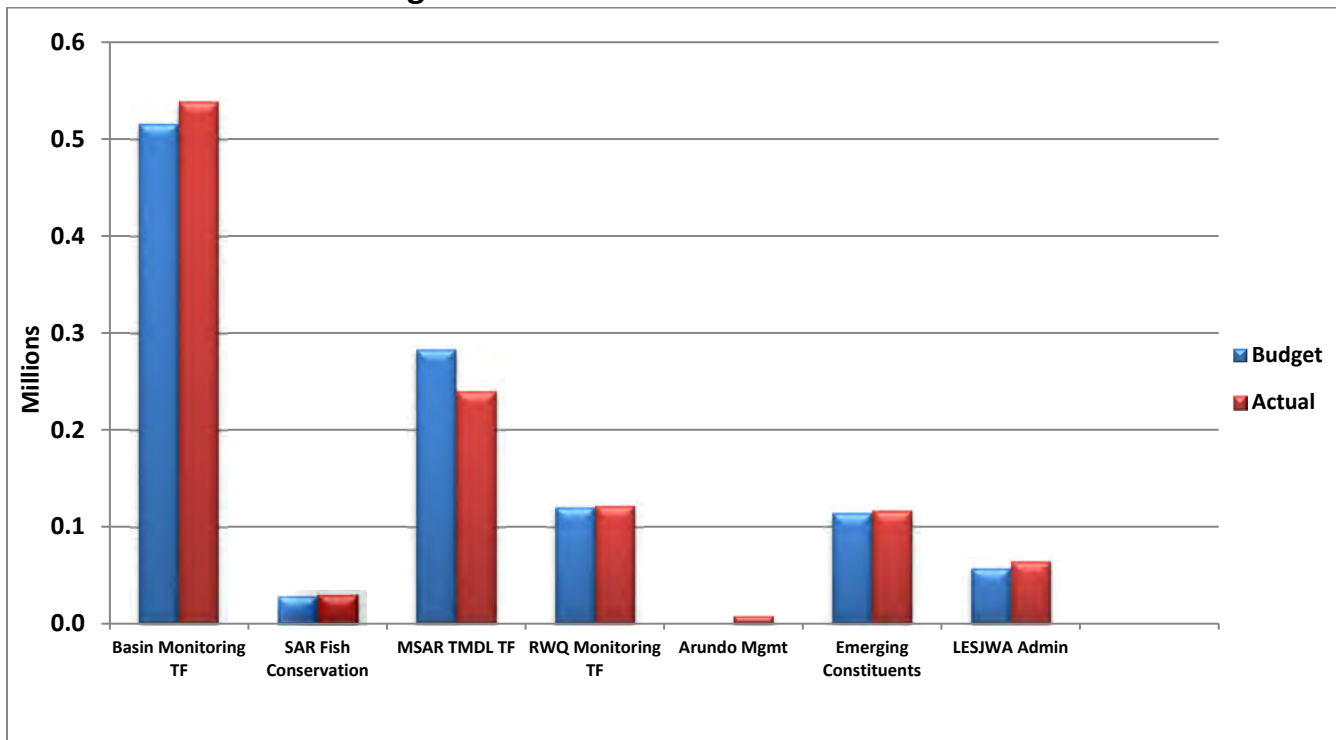
Budget to Actual Revenues - Roundtables



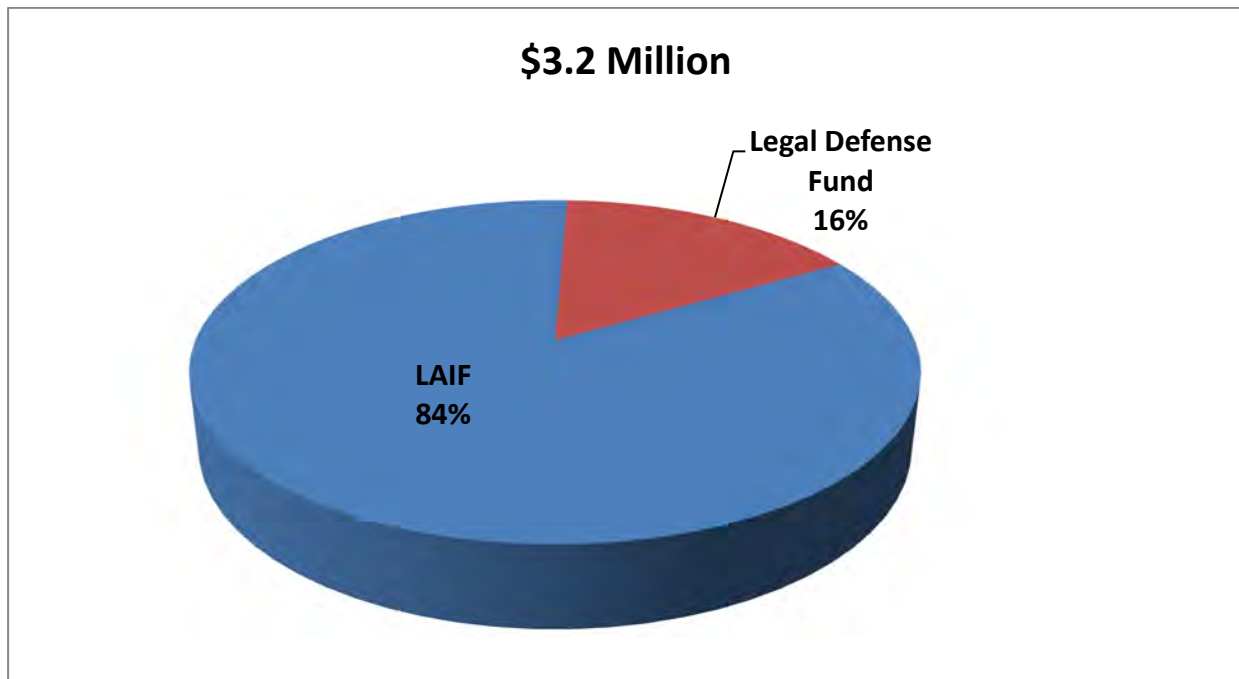
On Track

	Annual Budget	FYTD Budget	FYTD Actual	Favorable (Unfavorable) Variance
Basin Monitoring TF	\$516,000	\$516,000	\$538,969	\$22,969
SAR Fish Conservation	279,000	29,000	30,257	1,257
MSAR TMDL TF	282,820	282,820	239,573	(43,247)
RWQ Monitoring TF	417,625	120,320	121,943	1,623
Arundo Mgmt.	889,800	-	8,039	8,039
Emerging Constituents	114,000	114,000	116,070	2,070
LESJWA Admin	198,285	57,071	64,208	7,137
Total	\$2,697,530	\$1,119,211	\$1,119,059	\$152

Budget to Actual Revenues - Roundtables



Total Cash & Investments







Reserve Fund Balance

	Amount
Basin Monitoring Task Force	\$1,114,255
SAR Fish Conservation	122,149
Middle SAR TMDL Task Force	318,527
Regional Water Quality Monitoring Task Force	131,256
Arundo Management & Habitat	748,960
Emerging Constituents Task Force	253,106
Legal Defense Fund	513,622
Total Reserves	\$3,201,875

Legend

Compared to Budget

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

Staff Comments

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

- 1) Expenses and revenues are favorable to the budget.



Santa Ana Watershed Project Authority
 General Manager - Expense Report
 1st Quarter FYE 2025

Staff	Mosher
-------	--------

Sum of Amount		Expn Type							
Posting Date	Activity	Airfare	Hotel	Meals	Misc.	Parking	Registration	Grand Total	
07/31/2024	ACWA Executive Edge Conference						849.96	849.96	
	ESRI Executive Managers Workshop		514.97	14.49				529.46	
	Lunch with Edgar Foster Chino Basin Water Master			51.81				51.81	
07/31/2024 Total			514.97	66.30			849.96	1,431.23	
08/31/2024	CASA Conference	198.00	798.00	67.76	116.29	60.00	310.00	1,550.05	
	Urban Water Institute Conference		580.50	21.25				601.75	
08/31/2024 Total		198.00	1,378.50	89.01	116.29	60.00	310.00	2,151.80	
09/30/2024	ACWA Conference						899.00	899.00	
	WaterReuse Conference					60.00		60.00	
09/30/2024 Total						60.00	899.00	959.00	
Grand Total		198.00	1,893.47	155.31	116.29	120.00	2,058.96	4,542.03	

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Santa Ana Watershed Project Authority

Staff - Expense Report

1st Quarter FYE 2025

Sum of Amount			Expn Type							
Staff	Posting Date	Activity	Airfare	Hotel	Meals	Mileage	Misc.	Parking	Registration	Grand Total
Achimore	07/31/2024	ESRI Conference			69.59		95.43			165.02
	07/31/2024 Total				69.59		95.43			165.02
Achimore Total					69.59		95.43			165.02
Gilbert	08/20/2024	Tri-State Seminar			25.36		212.89			238.25
	08/20/2024 Total				25.36		212.89			238.25
	08/31/2024	Tri-State Seminar	146.19	510.05	32.45				199.00	887.69
	08/31/2024 Total		146.19	510.05	32.45				199.00	887.69
Gilbert Total			146.19	510.05	57.81		212.89		199.00	1,125.94
Gonzalez	07/31/2024	Commission Meeting Goods					77.35			77.35
		Misc. Mileage				16.96				16.96
	07/31/2024 Total					16.96	77.35			94.31
	08/31/2024	Commission Meeting Goods					54.15			54.15
		ICARP RFP Meeting					82.78			82.78
		LESJWA Meeting					67.67			67.67
		Misc. Mileage				16.48				16.48
	08/31/2024 Total					16.48	204.60			221.08
	09/30/2024	Commission Meeting Goods					57.04			57.04
	09/30/2024 Total						57.04			57.04
Gonzalez Total						33.44	338.99			372.43
Gray	09/30/2024	WaterReuse Conference							675.00	675.00
	09/30/2024 Total								675.00	675.00
Gray Total									675.00	675.00
Leete	09/30/2024	MISAC Conference			250.57	135.34	38.85	152.00		576.76
	09/30/2024 Total				250.57	135.34	38.85	152.00		576.76
Leete Total					250.57	135.34	38.85	152.00		576.76
Lewis	09/30/2024	CA Payroll Conference		942.18	91.67		52.02		550.00	1,635.87
	09/30/2024 Total			942.18	91.67		52.02		550.00	1,635.87
Lewis Total				942.18	91.67		52.02		550.00	1,635.87

Ramirez	07/31/2024	PIHR On Demand HR Conference						399.00	399.00
	07/31/2024 Total							399.00	399.00
	08/31/2024	Board Secretary/Clerk Conference		197.23				1,005.00	1,202.23
	08/31/2024 Total			197.23				1,005.00	1,202.23
Ramirez Total				197.23				1,404.00	1,601.23
Turner	08/31/2024	CSDA Conference		247.54				775.00	1,022.54
	08/31/2024 Total			247.54				775.00	1,022.54
	09/30/2024	CSDA Conference Lunch with OCWD		782.62	208.91				991.53
					64.57				64.57
09/30/2024 Total			782.62	273.48					1,056.10
Turner Total				1,030.16	273.48			775.00	2,078.64
Unger	07/31/2024	MISAC Conference for John	368.19	953.67		23.01		475.00	1,819.87
	07/31/2024 Total		368.19	953.67		23.01		475.00	1,819.87
	08/31/2024	MISAC Conference						475.00	475.00
	08/31/2024 Total							475.00	475.00
	09/30/2024	MISAC Conference			155.06	144.14			299.20
09/30/2024 Total				155.06	144.14				299.20
Unger Total			368.19	953.67	155.06	167.15		950.00	2,594.07
Villa	08/31/2024	Board Secretary/Clerk Conference		197.23				1,005.00	1,202.23
	08/31/2024 Total			197.23				1,005.00	1,202.23
Villa Total				197.23				1,005.00	1,202.23
Vitt	07/24/2024	ESRI Conference	1,034.45	46.82	135.34		25.00		1,241.61
	07/24/2024 Total		1,034.45	46.82	135.34		25.00		1,241.61
Vitt Total			1,034.45	46.82	135.34		25.00		1,241.61
Whetsel	08/31/2024	CA Water Data Summit						131.59	131.59
	08/31/2024 Total							131.59	131.59
	09/30/2024	City of Lake Elsinore Global Summit						32.29	32.29
	09/30/2024 Total							32.29	32.29
Whetsel Total								163.88	163.88
Williams	08/31/2024	AGA Quarterly Meeting	364.96						364.96
	08/31/2024 Total		364.96						364.96
	09/30/2024	AGA Quarterly Meeting					54.00		54.00
	09/30/2024 Total						54.00		54.00
Williams Total			364.96				54.00		418.96
Grand Total			879.34	4,864.97	945.00	468.00	905.33	231.00	5,558.00
								13,851.64	

COMMISSION MEMORANDUM NO. 2024.76

DATE: December 17, 2024
TO: SAWPA Commission
SUBJECT: Budget vs. Actual Variance Report
FYE 2025 First Quarter – September 30, 2024
PREPARED BY: Karen Williams, DGM/CFO

RECOMMENDATION

It is recommended that the Commission receive and file the informational report on FYE 2025 First Quarter Budget vs. Actual Variance Report.

DISCUSSION

Staff has developed a Budget vs. Actual Variance Report and presents this report on a quarterly basis. Attached is the FYE 2025 Budget vs. Actual Variance Report through September 30, 2024. The Agency's net revenue was \$2,390,125, which was \$1,432,992 more favorable than budgeted. Several significant items comprise the majority of this favorable variance:

Operating Revenue was \$292,205 more than budgeted. This favorable variance is due to higher brine line and truck discharges for the year.

Operating Expense was \$1,100,777 less than budgeted. This favorable variance is due to a slow start to CIP projects, Proposition 1 and 84 projects, and OWOW related projects.

Non-Operating Revenue/Expense was \$148,806 less than budgeted. This unfavorable variance is due to a slow start on CIP projects and not billing Participant Fees for Proposition 1 and 84 projects.

Favorable Revenue Variances

Listed below are explanations of favorable variances of \$250,000 or more for individual revenue categories:

Discharge fees – The 9% variance of \$292,205 is due to higher brine line and truck discharges than projected and lease capacity revenues.

Interest & Investments – The 348% variance of \$586,139 is due to the increase in interest rates from what was budgeted. Interest rates have increased substantially in the few last years.

Unfavorable Revenue Variances

Listed below are explanations of unfavorable variances of \$250,000 or more for individual revenue categories:

Use of Reserves – The 98% variance of \$458,232 is due to a slow start of budgeted CIP projects and no need for the use of reserves.

Favorable Expense Variances

Listed below are explanations of favorable variances of \$250,000 or more for individual expense categories:

Consulting & Professional Services – The 52% variance of \$568,962 is due to a slow start on budgeted CIP projects and other OWOW and Roundtable task force related consulting costs.

Construction – The 100% variance of \$281,250 is due to a slow start on CIP projects.

Unfavorable Expense Variances

There are no unfavorable expenses variance of \$250,000 or more.

RESOURCE IMPACTS

None.

Attachment:

1. Variance Report

Santa Ana Watershed Project Authority
 FYE 2025 Budget vs. Actual
 for the Period Ending September 30, 2024

Consolidated

	FYE 2025 Budget	3-Month Budget	YTD Actual	Favorable (Unfavorable) Variance	
Operating Revenue					
Discharge Fees	\$12,405,112	\$3,102,528	\$3,394,733	\$292,205	9.42%
Total Operating Revenue	12,405,112	3,102,528	3,394,733	292,205	9.42%
Operating Expenses					
Labor	4,416,450	1,104,115	1,125,051	-20,936	-1.90%
Benefits	1,609,040	402,260	409,478	-7,218	-1.79%
Education & Training	76,225	19,056	21,017	-1,961	-10.29%
Consulting & Professional Services	4,764,865	1,098,719	529,757	568,962	51.78%
Operating Costs	3,053,819	763,455	728,239	35,216	4.61%
Repair & Maintenance	660,458	165,115	18,387	146,728	88.86%
Phone & Utilities	102,866	25,717	29,142	-3,426	-13.32%
Equipment & Computers	469,830	117,458	131,883	-14,426	-12.28%
Meeting & Travel	92,450	23,113	18,395	4,718	20.41%
Other Administrative Costs	312,218	78,055	108,496	-30,442	-39.00%
Other Expense	596,565	149,141	125,325	23,816	15.97%
Program Expenses	478,726	119,682	0	119,682	100.00%
Construction	1,125,000	281,250	0	281,250	100.00%
Operating Transfers	120,320	120,320	120,320	0	0.00%
Indirect Costs	0	0	1,186	-1,186	-100.00%
Total Operating Expenses	17,878,832	4,467,452	3,366,676	1,100,777	24.64%
Net Operating Revenue / (Deficit)	-5,473,720	-1,364,924	28,057	-808,572	59.24%
Non-Operating Revenue (Expense)					
Member Agency Contributions	2,261,410	2,261,410	2,261,410	0	0.00%
Participant Fees	1,324,212	1,010,720	978,265	-32,455	-3.21%
Grant Proceeds	2,359,785	427,448	272,320	-155,128	-36.29%
Financing Proceeds	188,285	47,071	54,208	-7,137	-15.16%
Mitigation Credit Sales	889,800	0	0	0	0.00%
Lease Capacity Revenue	0	0	87,272	-87,272	-100.00%
Debt Service	-1,709,476	0	0	0	0.00%
Interest & Investments	673,000	168,250	754,389	586,139	348.37%
Other Income	0	0	229	229	100.00%
Contributions to Reserves	-2,255,309	-2,180,667	-2,175,616	5,051	-0.23%
Operating Transfers	120,320	120,320	120,320	0	0.00%
Use of Reserves	1,870,013	467,504	9,271	-458,232	-98.02%
Net Non-Operating Revenue / (Deficit)	5,722,040	2,322,057	2,362,068	-148,806	-6.41%
Net Revenue / (Deficit)	<u>\$248,320</u>	<u>\$957,133</u>	<u>\$2,390,125</u>	<u>\$1,432,992</u>	

Santa Ana Watershed Project Authority
 FYE 2025 Budget vs. Actual
 for the Period Ending September 30, 2024

General Fund

	FYE 2025 Budget	3-Month Budget	YTD Actual	Favorable (Unfavorable) Variance	
Operating Revenue					
Total Operating Revenue	\$0	\$0	\$0	\$0	0.00%
Operating Expenses					
Labor	2,115,066	528,767	563,174	-34,408	-6.51%
Benefits	770,579	192,645	204,956	-12,311	-6.39%
Education & Training	61,000	15,250	21,017	-5,767	-37.82%
Consulting & Professional Services	426,610	106,653	85,814	20,839	19.54%
Operating Costs	11,880	2,970	3,048	-78	-2.63%
Repair & Maintenance	106,900	26,725	17,700	9,025	33.77%
Phone & Utilities	89,666	22,417	26,855	-4,439	-19.80%
Equipment & Computers	265,663	66,416	99,321	-32,905	-49.54%
Meeting & Travel	71,500	17,875	16,105	1,770	9.90%
Other Administrative Costs	189,730	47,433	70,483	-23,051	-48.60%
Other Expense	169,968	42,492	36,103	6,389	15.04%
Indirect Costs	-3,765,175	-941,294	-918,047	-23,247	2.47%
Total Operating Expenses	513,387	128,347	226,529	-98,182	-76.50%
Net Operating Revenue / (Deficit)	-513,387	-128,347	-226,529	98,182	-76.50%
Non-Operating Revenue (Expense)					
Member Agency Contributions	712,910	712,910	712,910	0	0.00%
Grant Proceeds	0	0	1,040	1,040	100.00%
Interest & Investments	0	0	40,032	40,032	100.00%
Other Income	0	0	129	129	100.00%
Building Reserve	-100,000	-100,000	-100,000	0	0.00%
Post Retirement Medical Benefits	-99,523	-24,881	-19,830	5,051	-20.30%
Net Non-Operating Revenue / (Deficit)	513,387	588,029	634,281	46,252	7.87%
Net Revenue / (Deficit)	\$0	\$459,683	\$407,753	-\$51,930	

Santa Ana Watershed Project Authority
 FYE 2025 Budget vs. Actual
 for the Period Ending September 30, 2024

Brine Line Operating Fund

	FYE 2025 Budget	3-Month Budget	YTD Actual	Favorable (Unfavorable) Variance	
Operating Revenue					
Discharge Fees	\$12,405,112	\$3,102,528	\$3,394,733	\$292,205	9.42%
Total Operating Revenue	12,405,112	3,102,528	3,394,733	292,205	9.42%
Operating Expenses					
Labor	1,392,817	348,204	361,937	-13,733	-3.94%
Benefits	507,443	126,861	131,745	-4,884	-3.85%
Education & Training	15,225	3,806	0	3,806	100.00%
Consulting & Professional Services	772,500	193,125	75,067	118,058	61.13%
Operating Costs	3,041,939	760,485	725,191	35,294	4.64%
Repair & Maintenance	553,558	138,390	687	137,703	99.50%
Phone & Utilities	13,200	3,300	2,287	1,013	30.70%
Equipment & Computers	204,167	51,042	32,562	18,480	36.21%
Meeting & Travel	7,700	1,925	1,126	799	41.51%
Other Administrative Costs	98,988	24,747	9,668	15,079	60.93%
Other Expense	426,597	106,649	89,222	17,427	16.34%
Indirect Costs	2,278,716	569,679	592,130	-22,451	-3.94%
Total Operating Expenses	9,312,850	2,328,213	2,021,623	306,591	13.17%
Net Operating Revenue / (Deficit)	3,092,262	774,316	1,373,110	-598,795	-77.33%
Non-Operating Revenue (Expense)					
Interest & Investments	673,000	168,250	673,814	505,564	300.48%
Other Income	0	0	100	100	100.00%
Lease Capacity Revenue	0	0	87,272	87,272	100.00%
Debt Service	-1,709,476	0	0	0	0.00%
Contributions to Reserves	-2,055,786	-2,055,786	-2,055,786	0	0.00%
Net Non-Operating Revenue / (Deficit)	-3,092,262	-1,887,536	-1,294,600	592,936	-31.41%
Net Revenue / (Deficit)	\$0	-\$1,113,221	\$78,510	\$1,191,731	

Santa Ana Watershed Project Authority
 FYE 2025 Budget vs. Actual
 for the Period Ending September 30, 2024

OWOW Fund

	FYE 2025 Budget	3-Month Budget	YTD Actual	Favorable (Unfavorable) Variance	
Operating Revenue					
Total Operating Revenue	\$0	\$0	\$0	\$0	0.00%
Operating Expenses					
Labor	680,611	170,153	160,029	10,124	5.95%
Benefits	247,967	61,992	58,249	3,743	6.04%
Consulting & Professional Services	1,712,380	328,097	196,906	131,191	39.99%
Meeting & Travel	12,000	3,000	1,060	1,940	64.67%
Other Administrative Costs	10,850	2,713	18,200	-15,488	-570.97%
Program Expenses	452,000	113,000	0	113,000	100.00%
Indirect Costs	1,113,511	278,378	261,808	16,570	5.95%
Total Operating Expenses	4,229,319	957,332	696,252	261,080	27.27%
Net Operating Revenue / (Deficit)	-4,229,319	-957,332	-696,252	-261,080	27.27%
Non-Operating Revenue (Expense)					
Member Agency Contributions	1,528,500	1,528,500	1,528,500	0	0.00%
Participant Fees	95,087	78,900	78,900	0	0.00%
Grant Proceeds	2,109,785	427,448	271,280	-156,168	36.54%
Interest & Investments	0	0	15,377	15,377	100.00%
Net Non-Operating Revenue / (Deficit)	3,733,372	2,034,848	1,894,057	-140,791	-6.92%
Net Revenue / (Deficit)	-\$495,947	\$1,077,517	\$1,197,805	\$120,289	
Project Reimbursement (Prop 1 & 84 Capital)	\$15,263,495	\$3,815,874	\$0	\$15,263,495	

Santa Ana Watershed Project Authority
 FYE 2025 Budget vs. Actual
 for the Period Ending September 30, 2024

Roundtables Fund

	FYE 2025 Budget	3-Month Budget	YTD Actual	Favorable (Unfavorable) Variance	
Operating Revenue					
Total Operating Revenue	\$0	\$0	\$0	\$0	0.00%
Operating Expenses					
Labor	173,792	43,448	39,124	4,324	9.95%
Benefits	63,317	15,829	14,242	1,587	10.03%
Consulting & Professional Services	1,273,375	325,844	165,060	160,784	49.34%
Meeting & Travel	1,250	313	104	209	66.72%
Other Administrative Costs	10,150	2,538	10,145	-7,608	-299.80%
Program Expenses	26,726	6,682	0	6,682	100.00%
Operating Transfer	120,320	120,320	120,320	0	0.00%
Indirect Costs	284,333	71,083	64,007	7,076	9.95%
Total Operating Expenses	1,953,263	586,056	413,002	173,054	29.53%
Net Operating Revenue / (Deficit)	-1,953,263	-586,056	-413,002	-173,054	29.53%
Non-Operating Revenue (Expense)					
Member Agency Contributions	20,000	20,000	20,000	0	0.00%
Participant Fees	1,229,125	931,820	899,365	-32,455	3.48%
Financing Proceeds	188,285	47,071	54,208	7,137	-15.16%
Mitigation Credit Sales	889,800	0	0	0	0.00%
Grant Proceeds	250,000	0	0	0	0.00%
Operating Transfer	120,320	120,320	120,320	0	0.00%
Interest & Investments	0	0	25,166	25,166	100.00%
Net Non-Operating Revenue / (Deficit)	2,697,530	1,119,211	1,119,059	-152	-0.01%
Net Revenue / (Deficit)	\$744,267	\$533,155	\$706,057	\$172,902	

Santa Ana Watershed Project Authority
 FYE 2025 Budget vs. Actual
 for the Period Ending September 30, 2024

Capital Fund

	FYE 2025 Budget	3-Month Budget	YTD Actual	Favorable (Unfavorable) Variance	
Operating Revenue					
Total Operating Revenue	\$0	\$0	\$0	\$0	0.00%
Operating Expenses					
Labor	54,164	13,542	787	12,755	94.19%
Benefits	19,734	4,934	286	4,648	94.20%
Consulting & Professional Services	580,000	145,000	6,910	138,090	95.23%
Other Administrative Costs	2,500	625	0	625	100.00%
Construction	1,125,000	281,250	0	281,250	100.00%
Indirect Costs	88,615	22,154	1,288	20,866	94.19%
Total Operating Expenses	1,870,013	467,504	9,271	458,233	98.02%
Net Operating Revenue / (Deficit)	-1,870,013	-467,504	-9,271	-458,233	98.02%
Non-Operating Revenue (Expense)					
Use of Reserves	1,870,013	467,504	9,271	-458,233	-98.02%
Net Non-Operating Revenue / (Deficit)	1,870,013	467,504	9,271	-458,233	-98.02%
Net Revenue / (Deficit)	\$0	\$0	\$0	\$0	



SANTA ANA WATERSHED
PROJECT AUTHORITY

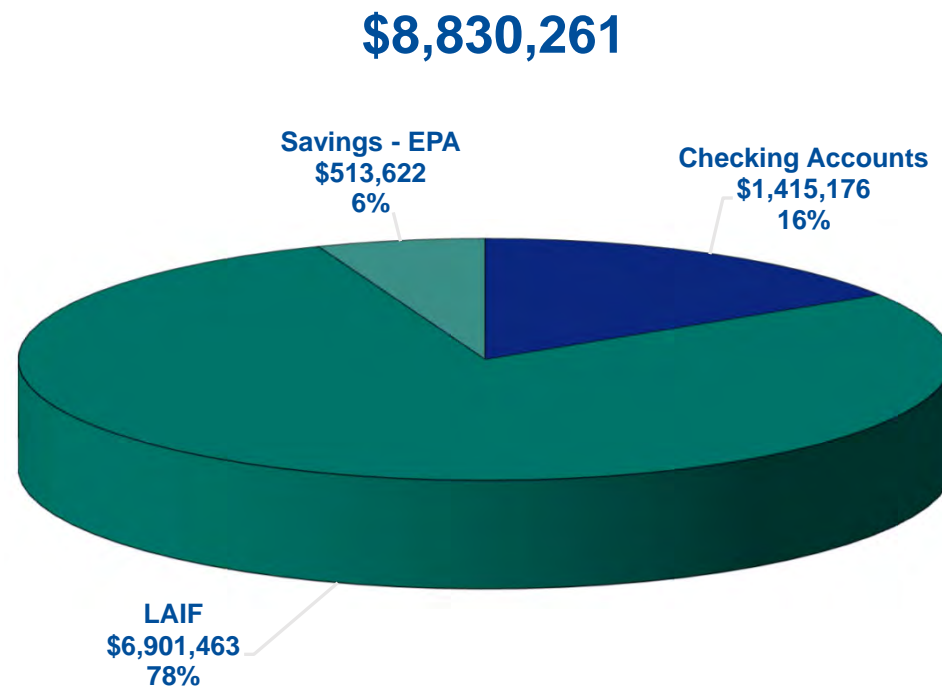
Financial Report for the 1st Quarter Ending September 30, 2024

Agenda

- Cash & Investments
- Fund Overview
- General Fund
- OWOW Fund
- Roundtable Fund



Cash & Investments



Cash & Investments

Total by Fund

General Fund	\$3,010,816
OWOW Fund	2,617,570
Roundtable Fund	2,688,253
Fiduciary Fund	513,622
Total	\$8,830,261

Cash & Investments

General Funds

Fund	Checking (Cash)	LAIF Account	Total
General Fund	\$1,415,176	\$817,402	\$2,232,578
Building Reserve	0	778,238	778,238
Total	\$1,415,176	\$1,595,640	\$3,010,816

Cash & Investments

OWOW Funds

Fund	LAIF Account
Basin Planning General	\$312,863
USBR Partnership Studies	67,539
Watershed Management (OWOW)	487,534
PFAS Study	863,006
Cloud Seeding	112,786
WECAN	9,217
Prop 84 SARCCUP Projects	682,345
Prop 1 Capital Projects	82,280
Total	\$2,617,570

Cash & Investments

Roundtable Funds

Fund	LAIF Account
Basin Monitoring	\$1,114,255
SAR Fish Conservation	122,149
Middle SAR TMDL TF	318,527
RWQ Monitoring TF	131,256
Emerging Constituents TF	253,106
Mitigation Banking	748,960
Total	\$2,688,253

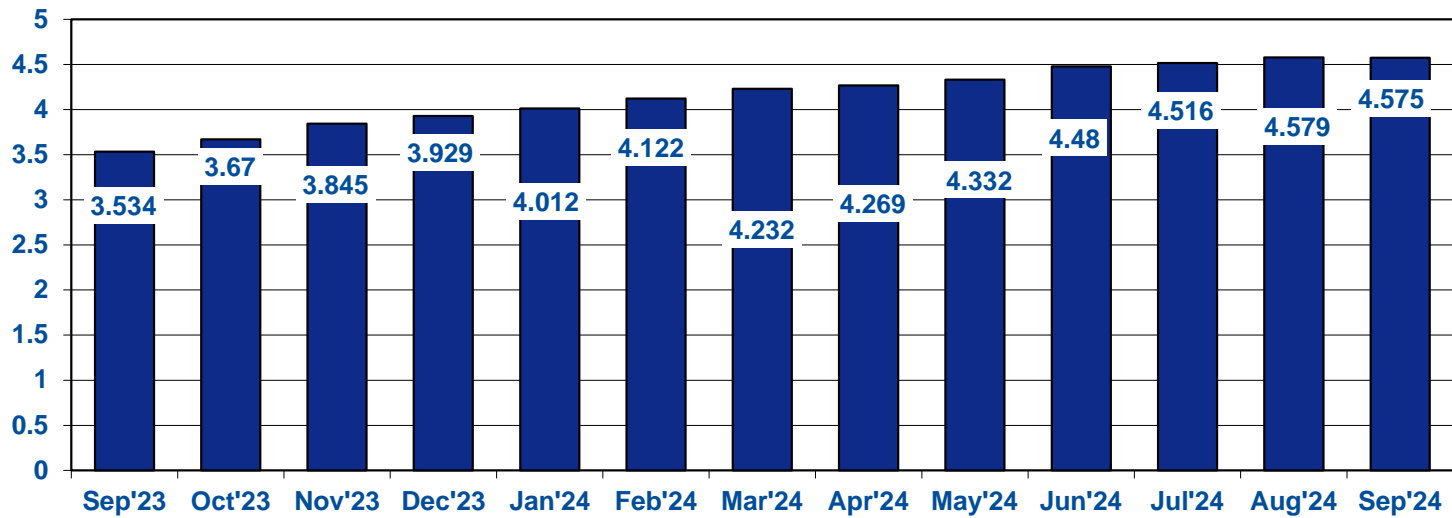
Cash & Investments

Fiduciary Funds

Fund	Savings EPA
Legal Defense Fund	\$513,622
Total	\$513,622

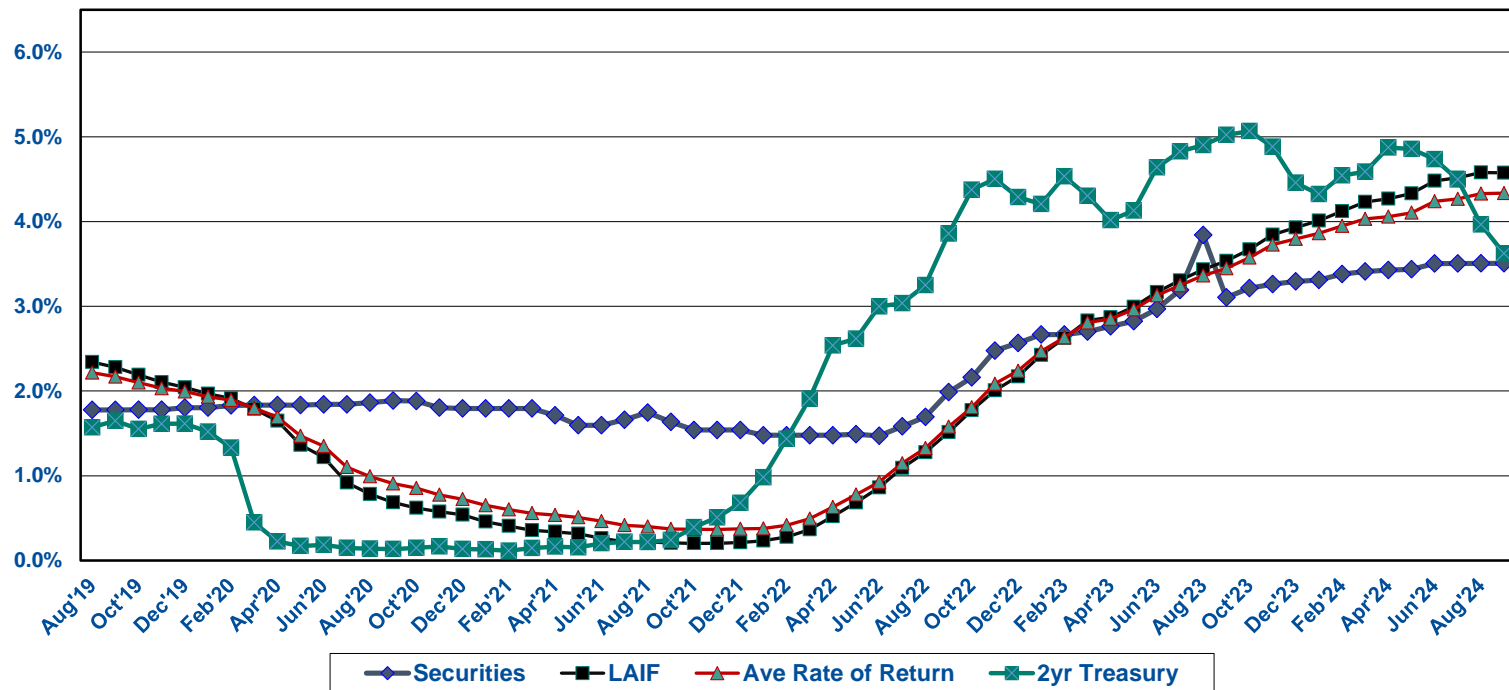
Cash & Investments

LAIF Interest Rates



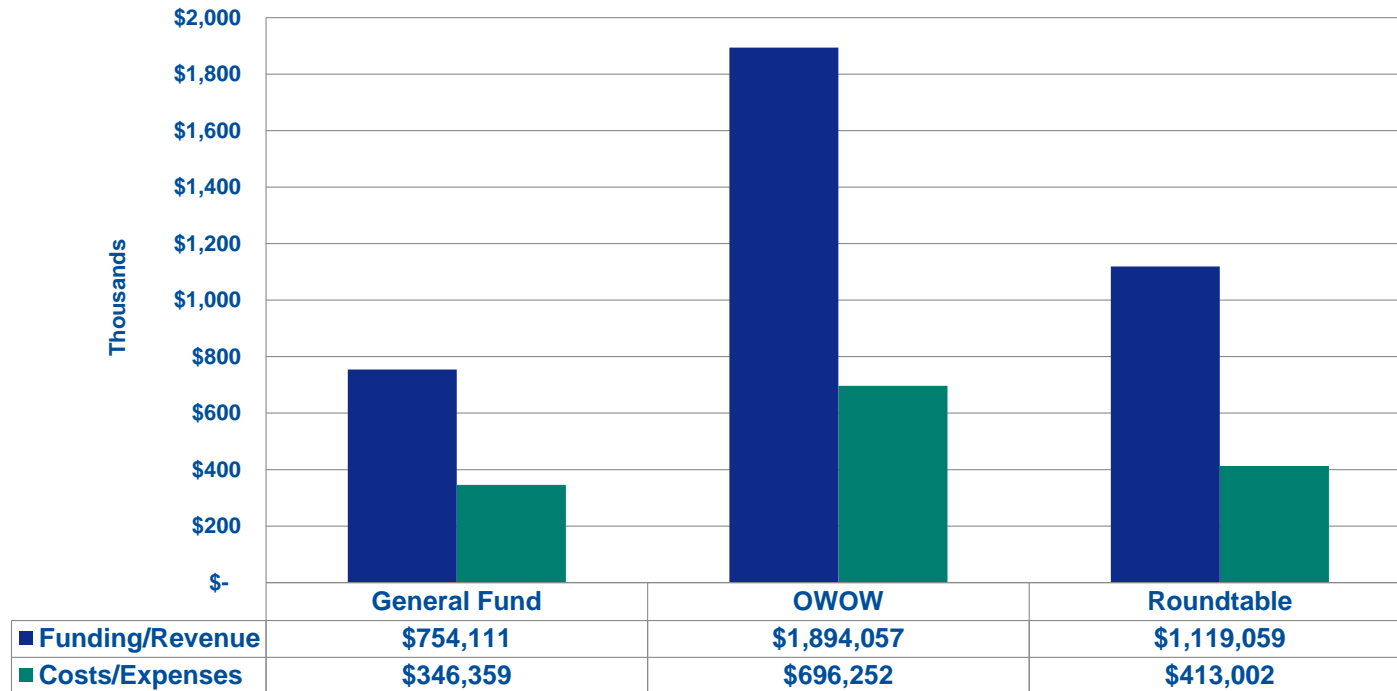
Cash & Investments

Interest Rate Comparison



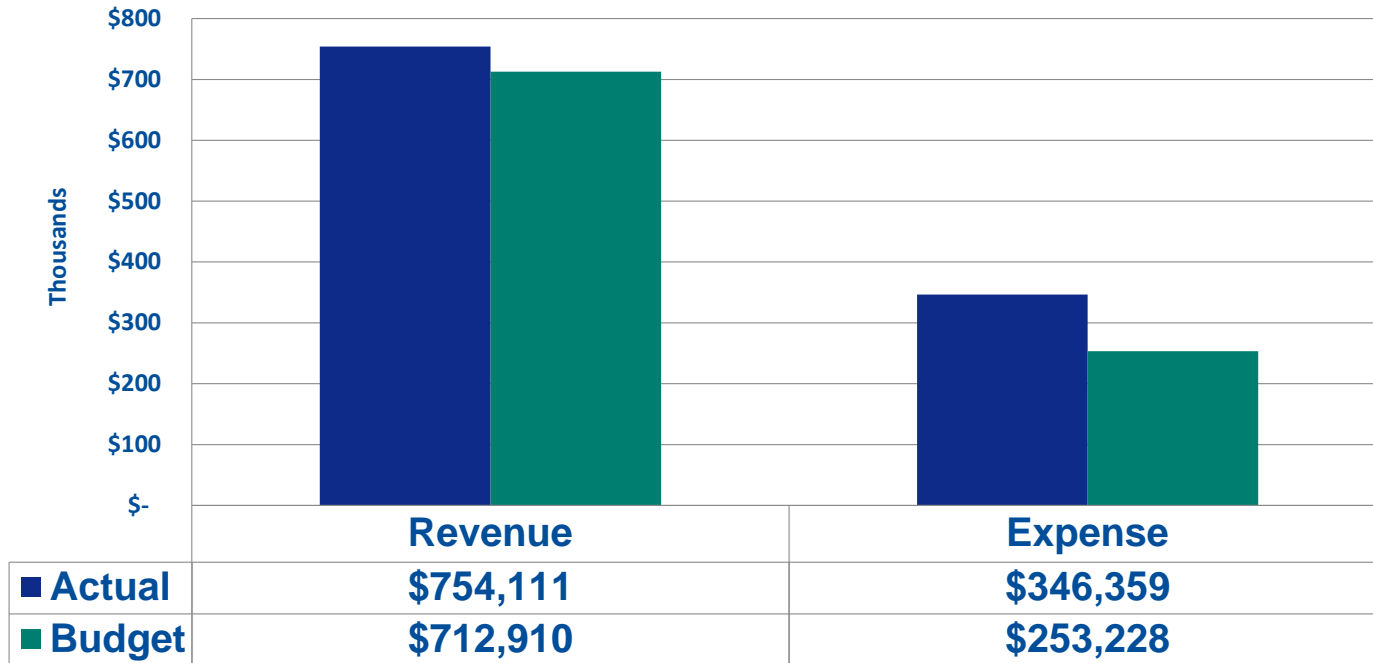
Analysis by Fund Type

Revenues and Expenses



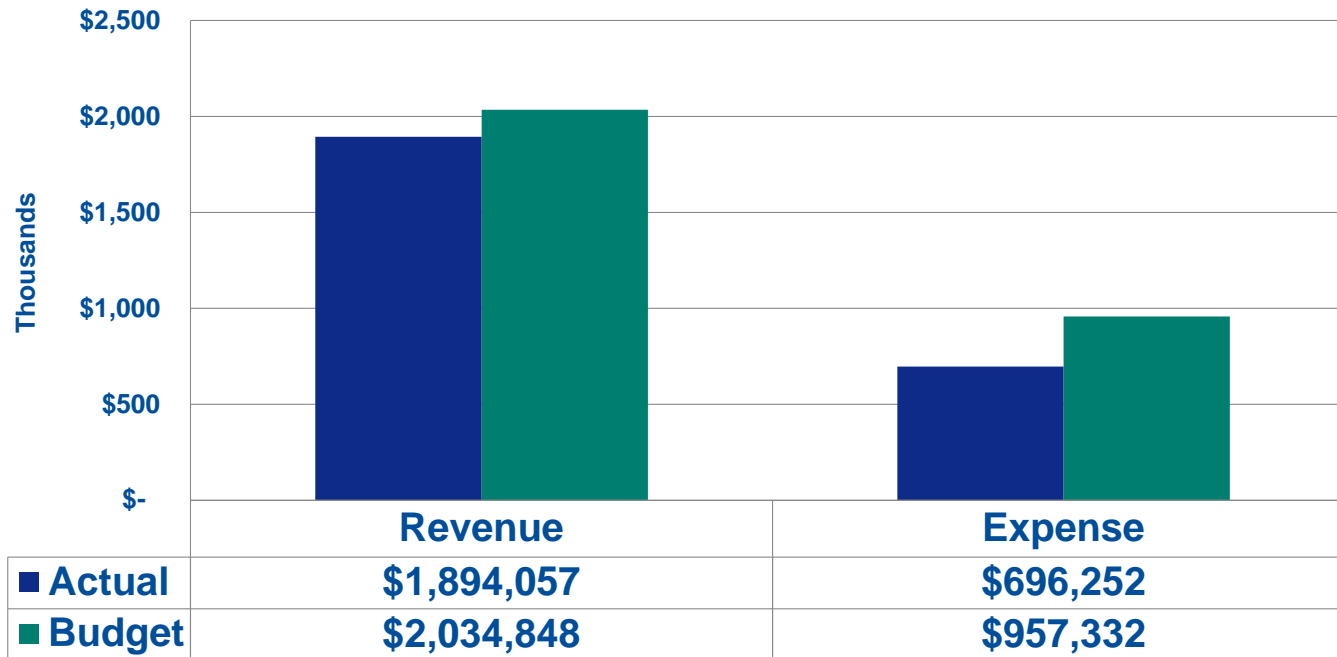
General Fund

Budget vs. Actual



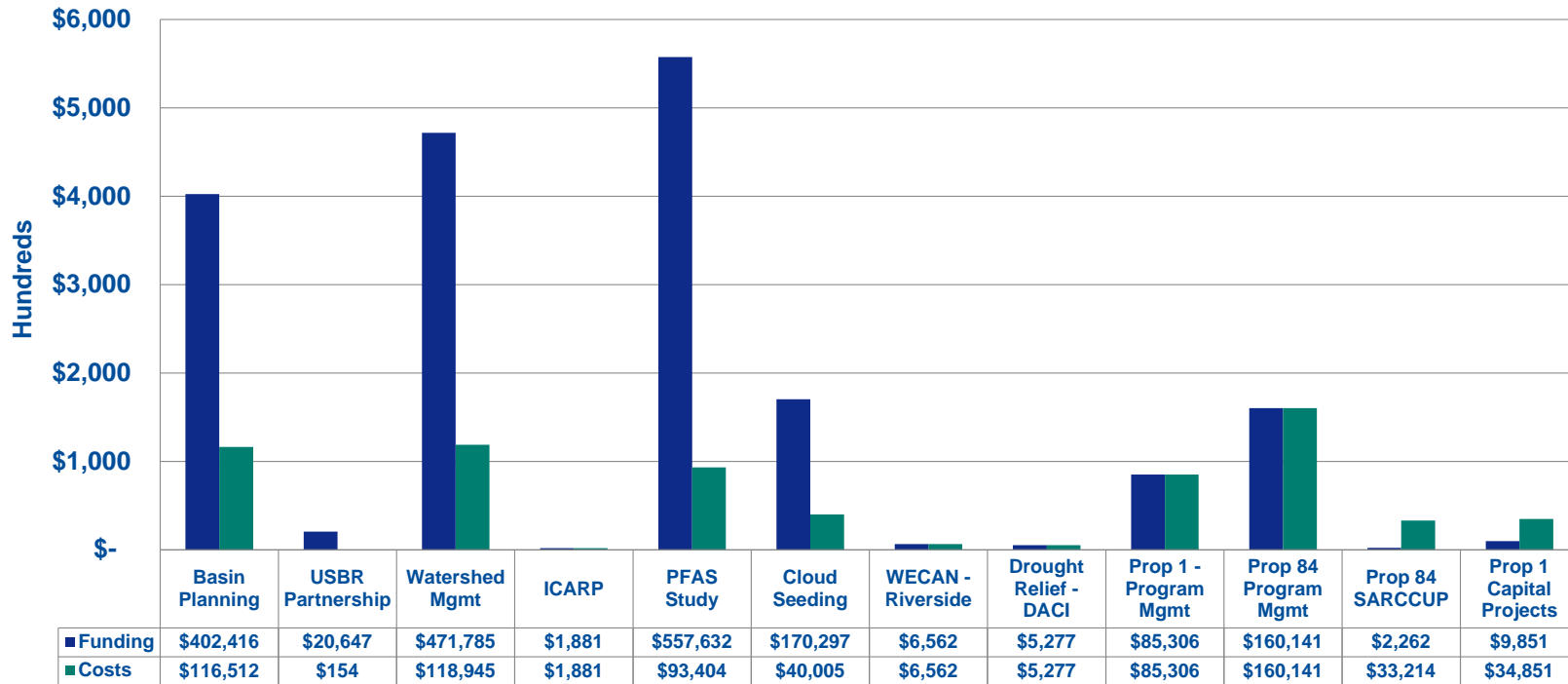
OWOW Fund

Budget vs. Actual



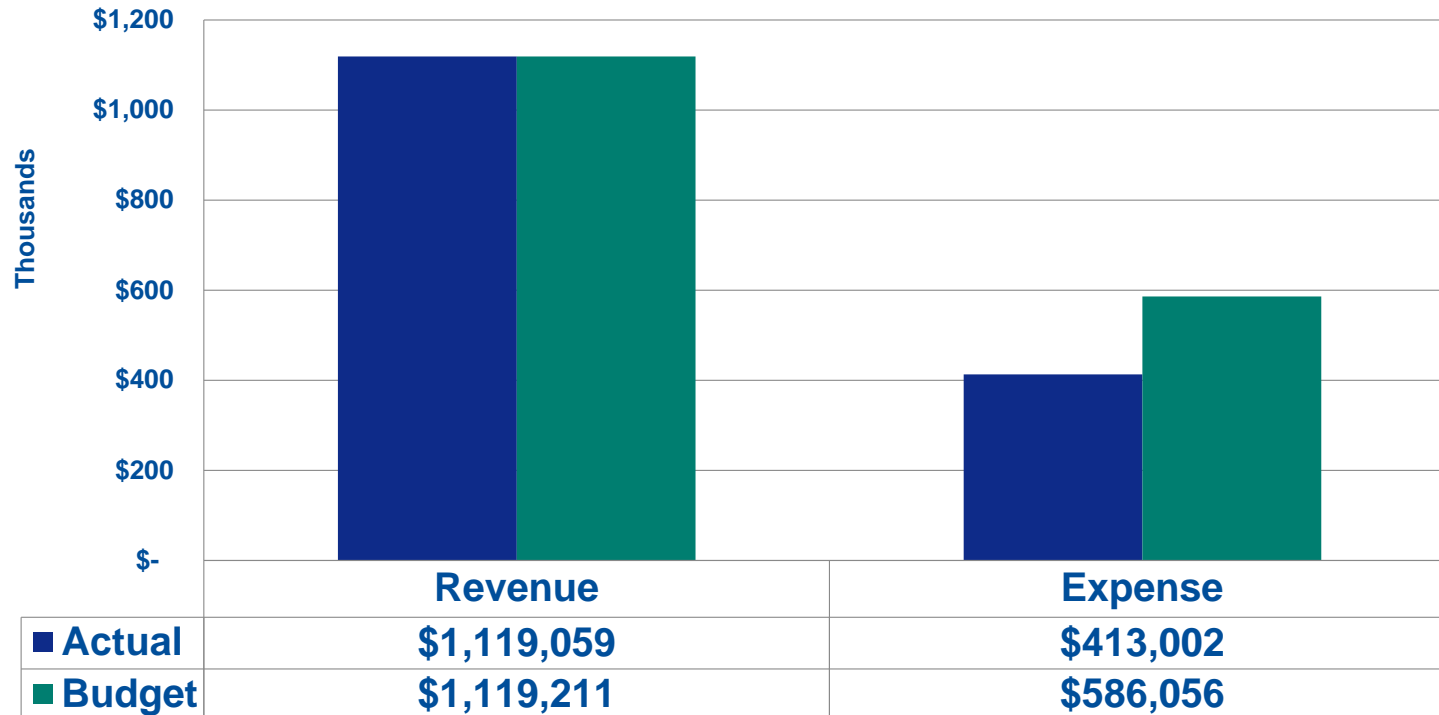
OWOW Fund

Costs vs. Funding



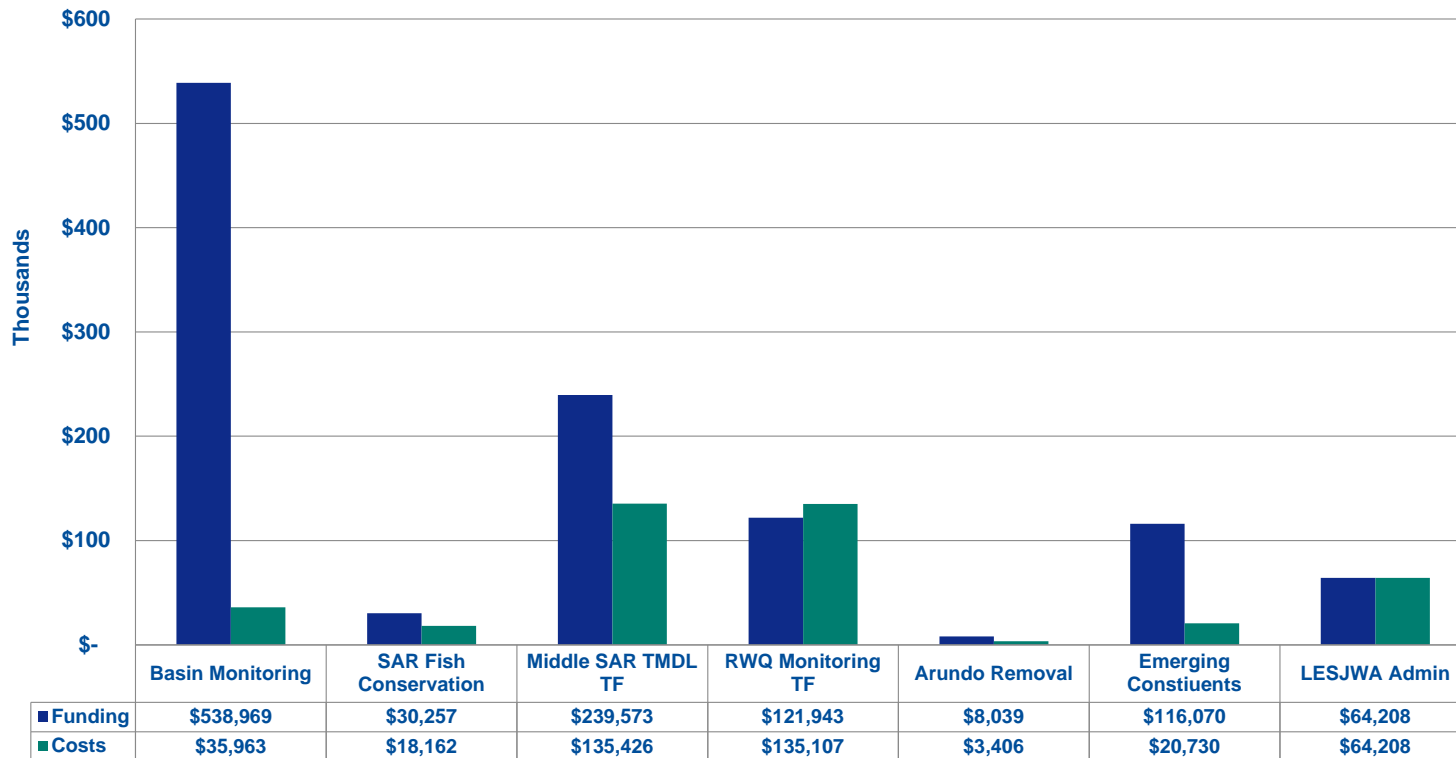
Roundtable Fund

Budget vs. Actual



Roundtable Fund

Costs vs. Funding



Questions

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December 9, 2024

To: Santa Ana Watershed Project Authority

From: Michael Boccadoro
Beth Olhasso

RE: November Report

Overview:

The water year may have started off slow, but mother nature made up for it at the end of November. An series of atmospheric river events hit northern California resulting in the snowpack sitting at 114 percent of average for this time of the year. On the reservoir side, Lake Oroville is sitting at 56 percent capacity, 108 percent of normal; Lake Shasta is sitting at 61 percent of capacity, 112 percent of average; San Luis Reservoir is at 62 percent of capacity, 115 percent average for this time of year.

The State Water Resources Control Board has had their first public workshop on their proposed “Policy Amendments” to the Clean and Drinking Water State Revolving Funds. WateReuse and CASA, with input from SAWPA member agencies, have testified and provided extensive comments on key issues the amendments would create for SAWPA member agencies.

The long-discussed idea for a “regional power authority” is getting closer to reality. Stakeholders have learned from past mistakes and have a concrete proposal to make trading and balancing power in the west easier. The new proposal could help California off-load excess solar energy during peak production periods and more easily buy power from other states when needed. The deal has broad support from a diverse set of stakeholders.

As public agencies prepare to buy increasing percentages of new electric vehicles, the whole program remains in limbo. The state cannot implement the Advanced Clean Fleets rule without “waivers” from the EPA. California is pushing the EPA to grant the waivers before President Biden leaves office as it is unlikely that the incoming administration would be willing to grant California the necessary waivers.

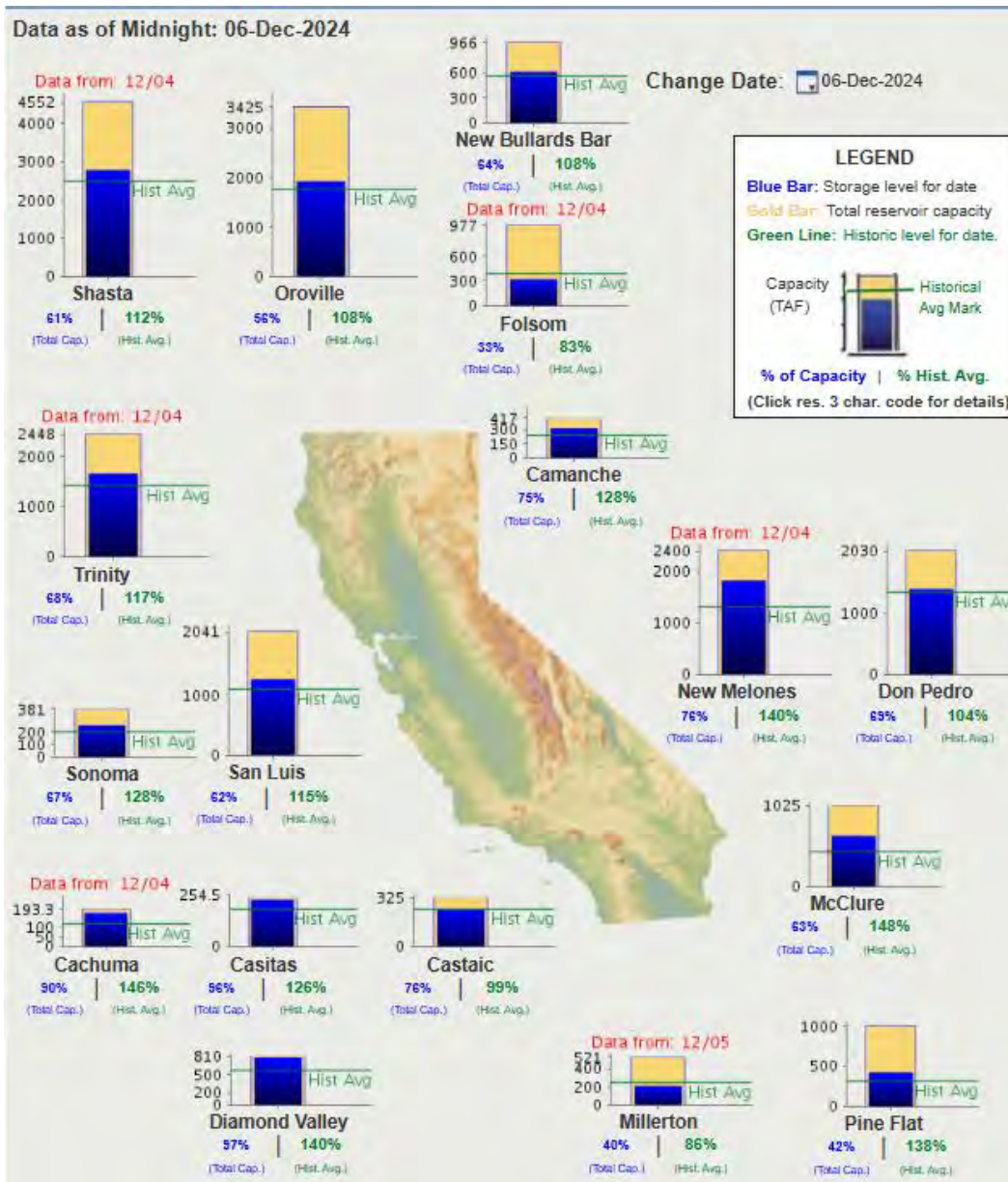
The Legislative Analyst’s Office has issued its first fiscal outlook for the 2025-26 budget year. The office notes that the state is currently only looking at a \$2 billion shortfall, a number that is fairly easy to remedy with minor budget adjustments. The LAO does caution Legislators and the Governor on any new spending, noting that starting in 2026-27, budget projections show greatly increased deficits.

Legislators returned to Sacramento briefly in December to get sworn in and “organize” ahead of the January 3 start of session. New committee chairs and committee assignments are expected in December or early January. While any committee chair can be changed, there are known chair vacancies in the Assembly Environmental Safety and Toxic Materials Committee, Senate Natural Resources and Water, and Senate Energy, Utilities & Communication Committees.

Santa Ana Watershed Project Authority Status Report – November 2024

Water Supply Conditions

Carry-over storage at most reservoirs kept water levels above average despite the dry fall. Water managers were pleased to see a series of atmospheric rivers bring significant precipitation to Northern California ahead of the Thanksgiving holiday to further boost water storage. Lake Oroville is at 108 percent of average, 56 percent capacity; Shasta is at 112 percent average, 61 percent capacity; San Luis Reservoir is at 115 percent average, and 62 percent capacity.



Policy Amendments to the State Revolving Funds

The State Water Resources Control Board has proposed a series of amendments to the administration of both the Clean and Drinking Water State Revolving Funds. The proposed amendments make significant changes to the scoring criteria and would likely make it difficult for large agencies to score high enough to receive loan funds in the future.

Some of the proposed amendments that would significantly impact large agencies include:

- Awarding points to projects at 89% design. There is no consideration for projects using “alternative project delivery” that will not be at 89% design when applying
- Awarding projects that can take a “standard funding agreement” points. An applicant with any debt cannot take the proposed agreement due to some of the provisions.
- Including affordability points when over 40 percent of the federal funding already goes to disadvantaged communities as principal forgiveness. The increased focus on disadvantaged communities will make it hard for diverse agencies to qualify for funding.

CASA and WateResue CA both testified and provided written comments at a November 7 workshop. The associations both asked the Board to delay adopting the extreme changes until more discussions with stakeholders can take place. Board members present seemed to agree with this request, though nothing public has been announced.

States Float Detailed Proposal to Create Expanded Western Grid Operator

California and several Western states are advancing a proposal to create an independent regional grid oversight organization, aimed at improving wholesale power markets. This initiative, led by energy regulators and power producers from states like California, Washington, and Nevada, focuses on developing a governance structure for the Western Energy Imbalance Market (WEIM) and the Extended Day Ahead Market (EDAM). The goal is to integrate renewable energy more effectively while maximizing market efficiency.

The process has three steps:

1. Step 1 involved raising the governing authority of the WEIM/EDAM within the California Independent System Operator (CAISO).
2. Step 2 proposes transferring governance over existing energy markets to a new regional entity, ensuring independent oversight while retaining current market infrastructure to reduce costs. This step also prepares for further regional services.
3. Step 3 envisions expanding the regional services to include more functions, potentially including those of a Regional Transmission Organization (RTO).

This new proposal addresses past failures by offering a more gradual, less disruptive approach, focusing on parity and voluntary participation from different states. Unlike previous attempts, which failed due to concerns about California losing control, the current plan allows for continued state policy autonomy. The initiative has gained support from major California labor unions, who appreciate the balance it strikes between regional cooperation and local governance. Past expansion proposals faced opposition from various groups, including labor unions, utilities, and environmentalists, but this revised plan is designed to overcome these obstacles by ensuring benefits to all participants while protecting state interests.

Advanced Clean Fleets Rule Hinges on Federal Waiver Approval

The U.S. Environmental Protection Agency (EPA) is reviewing requests from the California Air Resources Board (CARB) for waivers under the Clean Air Act (CAA) to approve several regulations. These include the Advanced Clean Cars II (ACC II) program and the Advanced Clean Fleets (ACF) rule, which mandate aggressive zero-emission vehicle (ZEV) sales targets for passenger vehicles and trucks. CARB is also seeking a waiver for emission limits on in-use locomotives, a proposal opposed by the rail sector and some municipalities.

In total, CARB has submitted requests for waivers on eight regulations, including those for off-road engines, nitrogen oxide (NOx) truck emissions, transport refrigeration units, off-road diesel fleets, and commercial harbor craft. Environmentalists and Governor Gavin Newsom are pushing for quick EPA approval, viewing it as an opportunity to advance climate policy during the Biden administration's final months.

The EPA has not indicated a specific timeline for decision-making but is reviewing the requests closely, with public comment periods and hearings planned. CARB expects a decision soon. At the same time, litigation challenges are ongoing regarding previously granted waivers, particularly concerning CARB's ZEV mandates for light-duty vehicles and heavy trucks.

Republican lawmakers are strongly opposed to CARB's rules, arguing that they will be costly for California consumers and impractical. They are lobbying Congress to block the waivers, though they have limited options, as the CAA waivers are not subject to Congressional Review Act (CRA) challenges. The Government Accountability Office (GAO) has confirmed that such waivers cannot be overturned under the CRA, even if they are challenged by a future administration.

LAO Releases Budget Outlook

The Legislative Analysis Office (LAO) released their estimates and analysis of the state's budget condition for the 2025-26 budget year. This serves as a baseline to help the Governor and Legislature understand current budget conditions as it prepares and considers the 2025-26 fiscal year budget.

In the 2024-25 budget process, the Legislature not only addressed the budget shortfall for that fiscal year, but also made proactive decisions to address the anticipated budget deficit for 2025-26. These choices included about \$11 billion in spending-related solutions and \$15 billion in all other solutions, including \$5.5 billion in temporary revenue increases and a \$7 billion withdrawal from the state's rainy-day fund. With the adoption of these solutions, the spending plan assumed the 2025-26 budget would be balanced.

In recent months, earnings of high-income Californians have surged due to a strong stock market, resulting in higher capital gains and resulting in an income tax collection bounce. This recent surge in revenue led LAO's finding that the state is only facing a deficit of \$2 billion, a relatively small amount that could be resolved with only "relatively minor budget solutions."

A more problematic analysis comes in 2027-28. The LAO notes that revenues are unlikely to grow fast enough to catch up with atypically high spending growth. They estimate the state faces double-digit operating deficits in years to come.

“No Capacity for New Commitments” is the underlying warning from the report.

The LAO only advises the legislature leaving members and the Governor to compromise on the final details.

The Governor will propose his budget on January 10 and the legislature will pass a budget by June 15.

Legislative Update

Legislators returned to Sacramento December 2 for their “organizational session” and to swear in new members, including 29 new members. Leadership hasn’t yet released committee chair and member assignments. The legislative session begins in earnest January 6. Members will have until February 21 to introduce bills. Of note, both the Senate and Assembly have limited bill introductions to 35 per member per year.

Legislation is expected on several key topics including; flood flow diversions, recycled water, energy affordability, low income water rate assistance programs, and connection and capacity fees. Of course, there will be other legislation that SAWPA and member agencies will have to evaluate as it gets introduced.