

A blue fountain pen with a silver nib is positioned diagonally across a financial chart. The chart features a line graph with a blue line and a bar chart with a blue bar. A magnifying glass is visible in the upper right corner, focusing on the pen and the chart. The background is a light blue gradient.

# **Santa Ana Watershed Project Authority**

## **Fiscal Years Ending 2018 and 2019 Budget**

11615 Sterling Avenue • Riverside • California • 92503  
[www.sawpa.org](http://www.sawpa.org) • (951) 354-4220



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<b>Dean Unger</b>	IS and Technology Manager
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*Distinguished  
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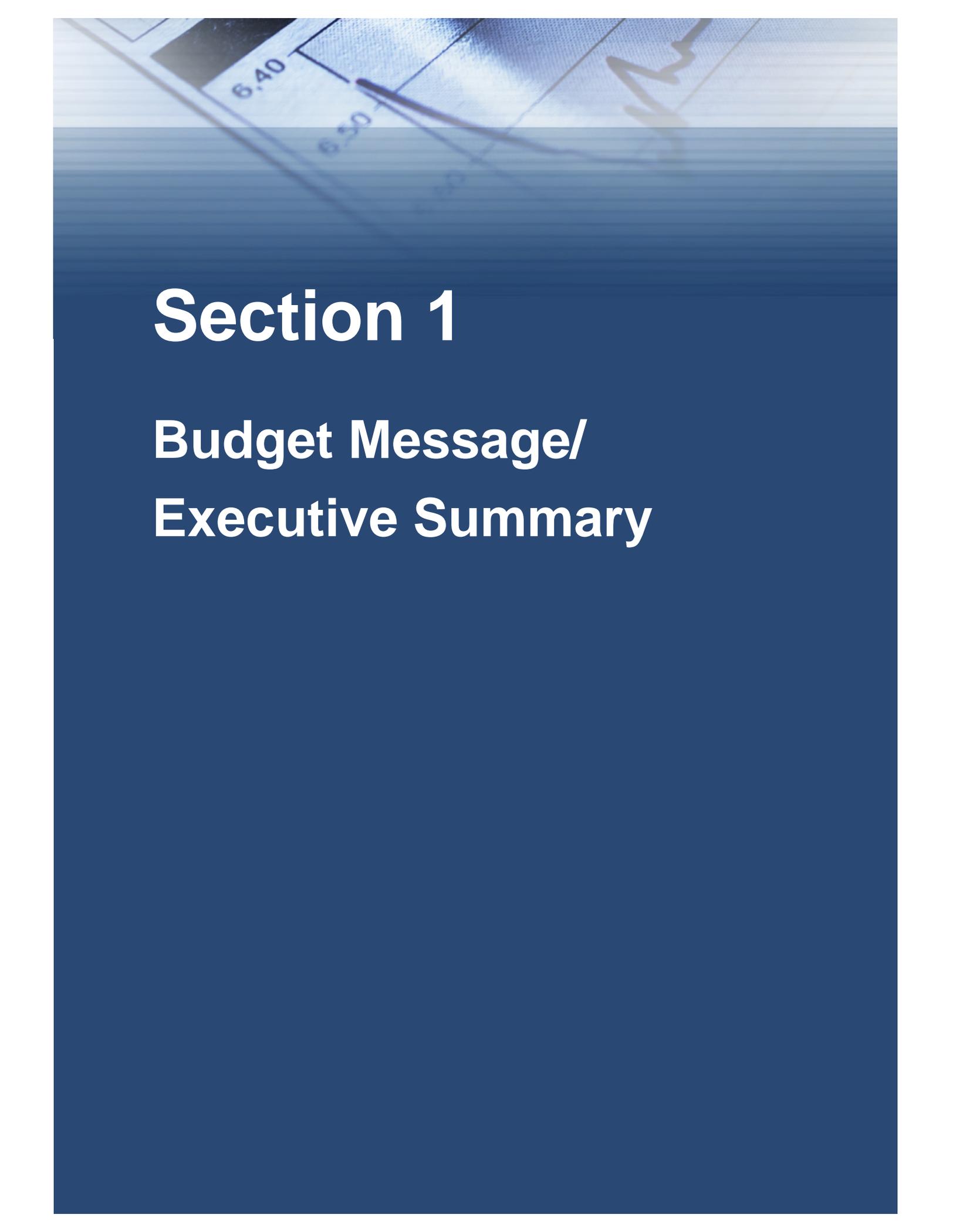
For the Biennium Beginning

**July 1, 2015**

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the SANTA ANA WATERSHED PROJECT AUTHORITY for its Biennium Budget beginning July 1, 2015. In order to receive this award, a government unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communication device. We believe our current budget continues to conform to program requirements, and we are submitting it to the GFOA to determine its eligibility for another award.

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# Section 1

## Budget Message/ Executive Summary



# Budget Message/Executive Summary

July 1, 2017

The Honorable Board of Commissioners  
Santa Ana Watershed Project Authority

Honorable Board of Commissioners:

I am pleased to present the Santa Ana Watershed Project Authority (SAWPA) Fiscal Year Ending (FYE) 2018 and 2019 operating and capital improvement budget. The development of this budget document is the result of the dedication and commitment of the SAWPA Board of Commissioners and staff. The budget provides a framework for Agency activities to meet specific challenges that we will face over the next two years. This two-year budget, which totals more than \$70.4 million, will implement the Agency's Strategic Plan.

During late 2010 and early 2011, SAWPA engaged in the preparation of a Strategic Plan for the organization with the participation and guidance of the Commission members and the General Managers of the Member Agencies. The objectives of the Strategic Plan are to:

- ◆ Articulate SAWPA's mandate, vision, and mission;
- ◆ Establish specific goals that would allow SAWPA to meet its mandate and mission;
- ◆ Identify key strategic issues that need to be addressed to accomplish the goals; and
- ◆ Formulate strategies and specific actions to meet the goals.

During 2016, the Commission further defined strategic goals by preparing Purpose and Objectives, Critical Success Factors, and Processes, Activities and Tasks for each business line: the Inland Empire Brine Line (Brine Line), One Water One Watershed (OWOW, watershed wide planning) and the Round Tables (Task Forces, Work Groups, etc.). Our Agency faces many challenges in the coming years. Our refocused Strategic Plan sets out the goals and objectives, success factors and actions necessary to address those challenges.

## *Challenges Facing the Brine Line*

SAWPA will assure the long-term future viability and sustainability of the Inland Empire Brine Line (Brine Line), a disposal system for brine wastewater, by addressing the maintenance, capital improvements, protection/relocation, strategic relationships, and planning for future capacity needs in an economically sound manner. Preservation of this \$150 million system requires on-going operations and maintenance (O&M) (\$13 million annual budget) and implementation of a capital improvement program (CIP) currently valued at over \$60 million.

## *Brine Line Critical Success Factors*

1. Minimize disruptions to customers.
2. Ensure that Brine Line value and benefits are known to economic development agencies and others.
3. Maintain sufficient funding and reserves for current and future Capital and O&M costs through a stable, predictable, and affordable rates and charges.
4. Provide professional and highly-trained staff across planning, administration, engineering and field operations.

5. Protect and preserve the useful life of Brine Line assets through strategic maintenance, repair and capital improvements.
6. Conduct proactive capital and O&M planning to improve efficiency and maintain needed capacity in the long and medium terms.
7. Maintain strong relationships with OCSD and regulatory agencies.
8. Operate the Brine Line to: (1) protect the OCSD treatment plant and the environment from non-compliant dischargers, and (2) eliminate any uncontrolled pipeline releases.

This budget addresses these success factors as well as looks at the long-term goals of funding the CIP, establishing salt balance in the Watershed, and providing for the future needs using new technologies and innovation.

### *Challenges Facing the Watershed*

The Santa Ana River Watershed is facing threats to water supply and quality not only because of the ongoing drought, but also because of climate change, growing demands on the Colorado River, and the Sacramento-San Joaquin Delta vulnerability. Through the collaboration and development of regional partnerships, we'll respond to these challenges and create a sustainable Santa Ana River Watershed. Our vision is a drought-proofed, salt balanced Watershed that will support economic and environmental viability by the year 2030.

Our region is rich in agricultural history and still contains concentrations of citrus, dairy, and other agricultural areas that demand significant quantities of water. The area has a large industrial/commercial base, and the rapidly expanding population demands a large supply of water. In 2000, the Watershed required 1.6 million acre-feet of water (521 billion gallons) to meet demand. In 2030, it is projected that the Watershed will require significantly more water to meet demands. Our commitment to water use efficiency in landscape design and irrigation improvements will help us accommodate much of our population growth without additional water.

In an effort to address these challenges, SAWPA, its member agencies, and watershed stakeholders continue to work together under the integrated regional water management plan described as One Water One Watershed (OWOW). The last plan update, OWOW 2.0 Plan, was adopted in February 2014. An update of the plan (OWOW Plan Update 2018) is underway. The update will address new criteria established by the CA Department of Water Resources including water and culture, sediment management, water quality and climate. The focus of the planning continues to be an emphasis on the implementation of system-wide regional projects and programs that address water resource needs for the future. As with the previous OWOW Plans, the current plan update will need to address integrated solutions to climate change impacts; water supply reliability; water and land use coordination; water quality improvement; flood risk management; water use efficiency; water recycling; stormwater capture; environmental justice; and natural resource stewardship. Through this integration, scarce resources will be leveraged and cost effective solutions will be developed in addressing a multiplicity of water challenges. The OWOW 2.0 Plan has helped SAWPA secure millions of dollars in grant funding from both Proposition 84 and Proposition 1, which will help us in attaining our vision for the Watershed.

As part of the discussion prior to initiating the OWOW Plan Update 2018 the Commission established the following Critical Success Factors for OWOW:

1. Continued support from SAWPA commission of OWOW Steering Committee's decision making authority as a means of ensuring trust, transparency, and external communications.
2. Active participation of a diverse group of stakeholders representing counties, cities, and water districts, as well as the private sector and the regulatory, environmental, and environmental justice communities who integrate the different interests in the watershed beyond political boundaries. Ensuring all perspectives are heard and valued.

3. Distribution of benefits from the implementation of all integrated water resources management activities across the watershed in a fair and equitable fashion. Recognition that upstream conditions affect downstream water quality and quantity.
4. OWOW criteria and values are transparent to watershed-wide stakeholders.
5. A strong reputation and sufficient capacity within SAWPA staff for strategic facilitation, planning, communication, leadership and community engagement.
6. Administration of the OWOW process and plan in a highly efficient and cost-effective manner.
7. Successful implementation of an integrated regional water resource plan that reflects the watershed management needs of the public and the environment.
8. Annual review the accomplishments and implementation performance of the plan with the Commission and the Steering Committee.
9. Data and information needed for decision-making is available to all.

*Roundtables including Task Forces, Working Groups*

SAWPA undertakes water resource related collaborative planning and implementation activities with multiple agencies and organizations throughout the watershed to support cost efficiency, integration, synergy and creating anew. These joint efforts among SAWPA and watershed stakeholders sometimes called the "SAWPA Roundtables" operate under formal and informal agreements. The Santa Ana Regional Water Quality Control Board is often a party to these agreements. The Commission has established the following Critical Success Factors for the Roundtables.

1. SAWPA has a strong reputation as a watershed-wide, knowledgeable, neutral and trusted facilitator, leader, and administrator of contracted activities.
2. Goals, scope, costs, resources, timelines, and the contract term are approved by the Commission before executing an agreement to participate in a roundtable group.
3. Clear upfront criteria and terms for completing or transitioning efforts that have been successfully established or completed.
4. Report and use results of roundtable's work, leverage information and involvement for the benefit of SAWPA, its members, and other stakeholders.
5. Annual reviews of workplans and budgets for each task force activity.
6. Adequate professional staff and resources to effectively provide facilitation, management, administrative and technical support to collaborative work efforts.

The major priorities shaping the FYE 2018 and 2019 budget are as follows:

- ◆ Develop a new long-term vision and prepare a new business plan for the Brine Line Enterprise.
- ◆ Future planning for brine disposal from the Watershed.
- ◆ Implement the Brine Line Marketing Plan.
- ◆ Comply with the Sanitary Sewer Management Plan for the Brine Line.
- ◆ Implement an effective and efficient Permitting and Pretreatment Program.
- ◆ Continue Brine Line cleaning program.
- ◆ Implement budgeted CIP projects.
- ◆ Update Brine Line CIP based on closed circuit television (CCTV) pipeline inspection and analysis.
- ◆ Continue process to collect appropriate Brine Line system O&M data, automate data storage, and facilitate analysis of activities and system performance.
- ◆ Implement OWOW 2014 Emergency Drought grant program.
- ◆ Support successful implementation of OWOW 2015 watershed conjunctive use program called the Santa Ana River Conservation and Conjunctive Use Project (SARCCUP).
- ◆ Successfully complete the implementation of the Department of Water Resources (DWR) Water-Energy Disadvantaged Communities (DAC) grant program in the watershed known as WECAN.
- ◆ Continue Roundtables, share benefits and leverage results with State and Federal decision makers.
- ◆ Continue to provide a neutral venue where complex water resource related issues can be resolved with the benefit of science and collaboration.

- ◆ Secure ongoing State Proposition 84 IRWM funding and future Proposition 1 IRWM funding support.
- ◆ Continue other watershed planning functions.
- ◆ Continue legislative coordination and support.
- ◆ Achieve greater accountability through more measurable and specific performance indicators.
- ◆ Submit Budget and Comprehensive Annual Financial Report (CAFR) for the Government Finance Officers Association (GFOA) award program.
- ◆ Maintain stable benefit and indirect costs allocation rates.

### **Budget Summary and Overview**

FYE 2018 and 2019 will prove to be very productive years for the Agency. This is the Agency's sixth biennial budget, and will help to continue the long-range planning effort for all Agency operations. The total combined budget for both years is \$70.4 million, which consists of \$32.9 million or 46% for operating expense, \$6.2 million or 9% for debt service, \$7.6 million or 11% for reserve contributions and \$23.7 million or 34% in Capital Program expenses. Available to cover those expenses are revenues of \$69.8 million and \$0.7 million from prior year fund balances.

We are looking forward to a year full of exciting opportunities for SAWPA and our region as a whole. I look forward to leading the Agency into the next era of integrated regional water management.

Respectfully submitted,



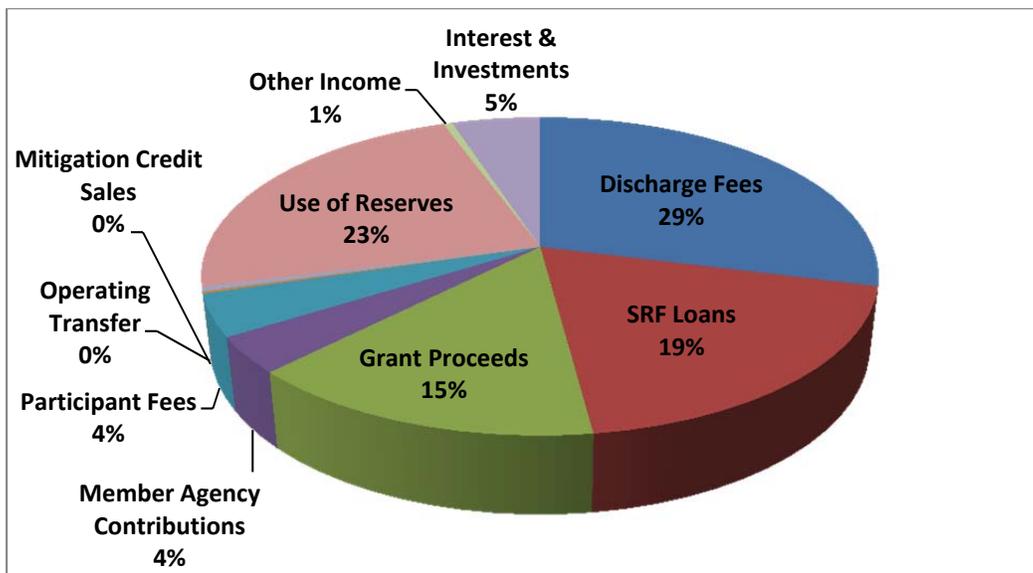
Richard Haller, P.E.  
General Manager

## Sources of Funds

The Agency's major revenue source is discharge fees from the Brine Line Enterprise. Other funding sources include grant proceeds, interest and investments, capacity sales, use of reserves, State Revolving Fund (SRF) loans, member agency contributions, participant fees, mitigation credit sales, operating transfers, and other income.

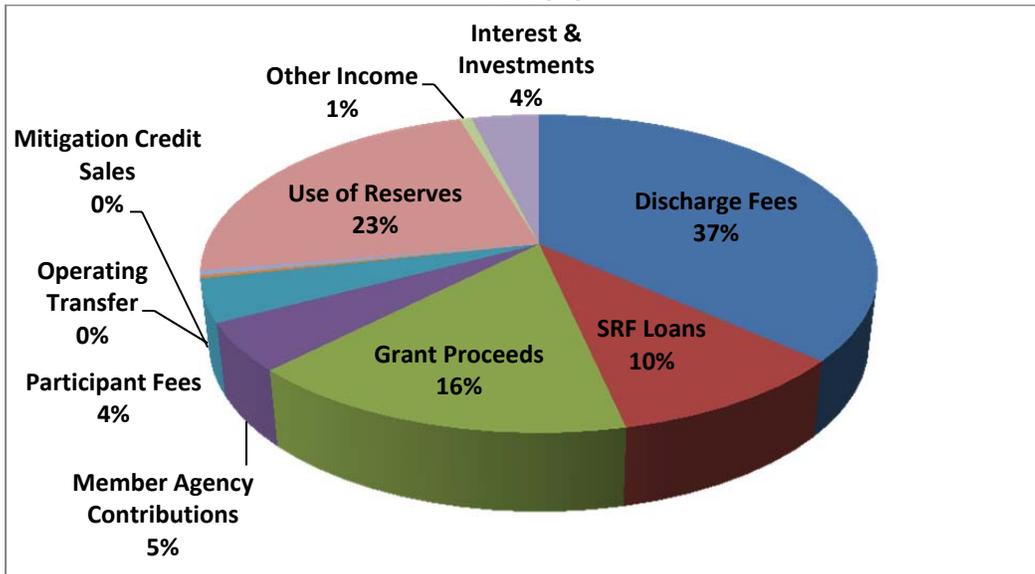
The FYE 2018 receipts of \$39.5 million include \$11.4 million in discharge fees, \$7.5 million in SRF Loans, \$5.7 million in grant proceeds, \$1.4 million in member agency contributions, \$1.7 million in participant fees, \$88,980 in mitigation credit sales, \$144,252 in operating transfer, \$9.3 million in use of reserves, \$202,027 in other income, and \$2.0 million in interest and investments which reflects a 58% increase over FYE 2017. The majority of the increased revenues can be attributed to SRF Loans and grant proceeds. Total revenues included in the FYE 2018 budget are adequate to cover all projected expenses.

**Source of Funds  
FYE 2018**



The FYE 2019 receipts of \$30.3 million include \$11.1 million in discharge fees, \$3.0 million in SRF Loans, \$4.8 million in grant proceeds, \$1.5 million in member agency contributions, \$1.3 million in participant fees, \$88,980 in mitigation credit sales, \$144,252 in operating transfer, \$7.0 million in use of reserves, \$206,674 in other income, and \$1.2 million in interest and investments which reflects a 23% decrease over FYE 2018. The majority of the decreased revenues can be attributed to lower SRF Loans and grant proceeds. Total revenues included in the FYE 2019 budget are adequate to cover all projected expenses.

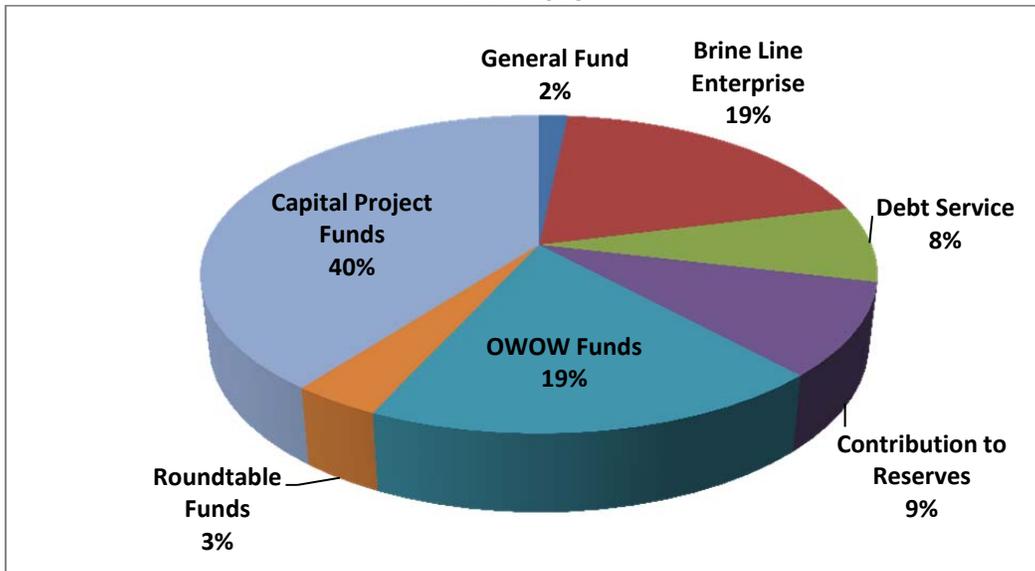
**Source of Funds  
FYE 2019**



**Uses of Funds**

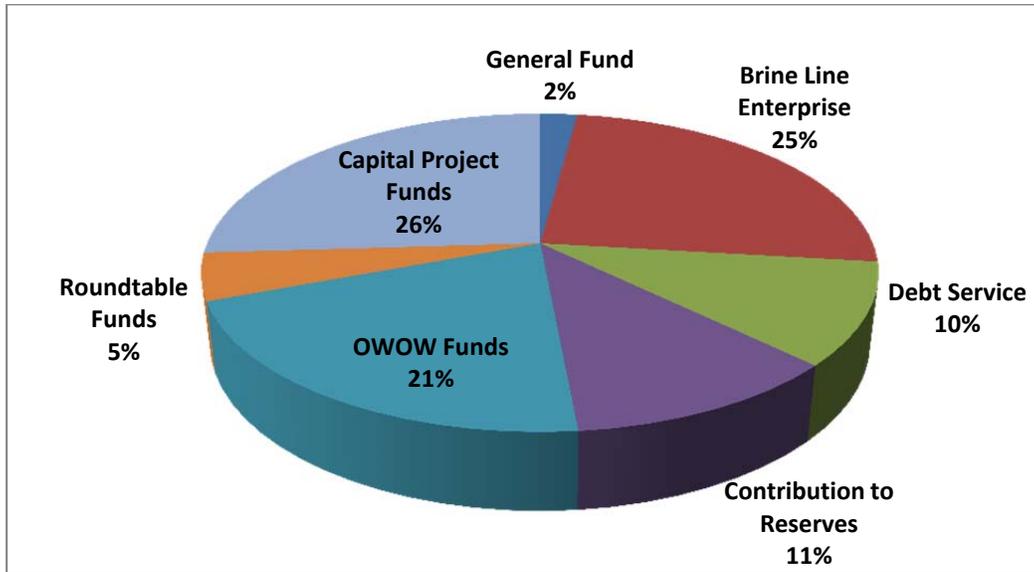
The total FYE 2018 expenses are projected to be \$39.7 million, which includes \$0.6 million for Joint Powers Authority (JPA) operations, \$7.7 million for Brine Line Enterprise operations, \$15.7 million for capital projects, \$3.1 million for debt service, \$1.4 million for roundtable funds, \$7.3 million for OWOW funds, and \$3.7 million in contributions to reserves. Capital programs are primarily funded by reserves and SRF loans in accordance with the long range financial plan. Debt service, operation, and administration expenses are supported by discharge fees, interest and investments, member contributions, participant fees, and grant proceeds. The increase in expenses from the prior year is due to increases in the capital improvements program and Proposition 84 and Proposition 1 grants.

**Use of Funds  
FYE 2018**



The total FYE 2019 expenses are projected to be \$30.8 million, which includes \$0.7 million for JPA operations, \$7.6 million for Brine Line Enterprise operations, \$8.0 million for capital projects, \$3.2 million for debt service, \$1.5 million for roundtable funds, \$6.0 million for OWOW funds, and \$3.5 million in contributions to reserves. Capital programs are primarily funded by reserves and SRF loans in accordance with the long range financial plan Debt service, operation, and administration expenses are supported by discharge fees, interest and investments, member contributions, participant fees, and grant proceeds. The decrease in expenses from the prior year is due to decreases in the capital improvements program and Proposition 84 and Proposition 1 grants.

**Use of Funds  
FYE 2019**



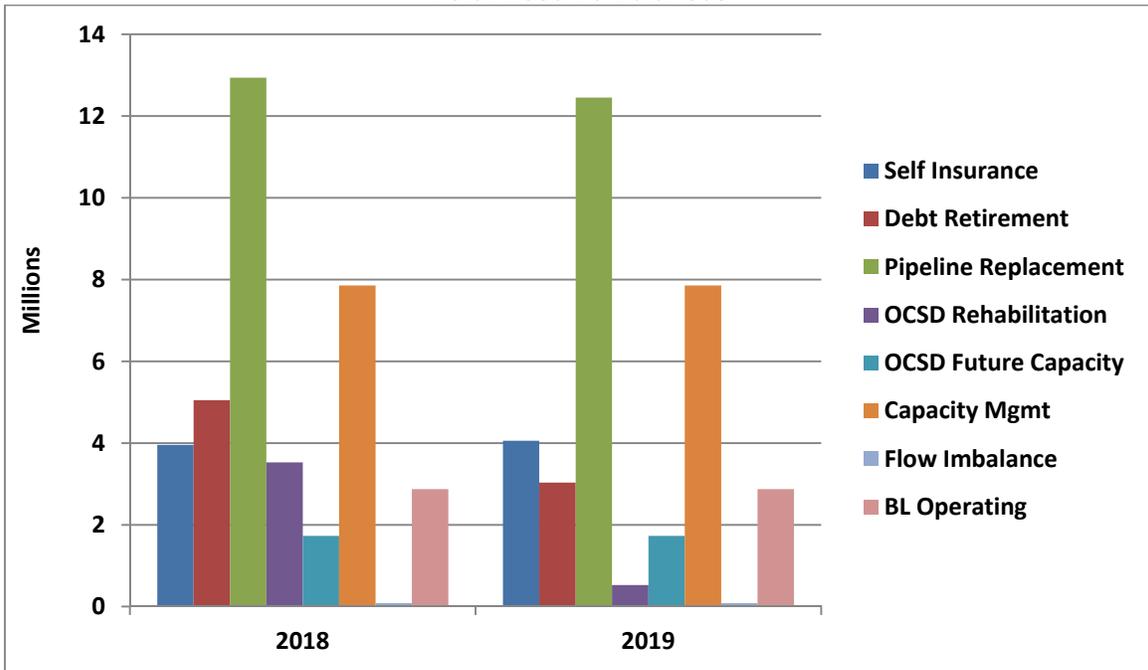
### Debt Service

The outstanding debt in FYE 2018 is projected at \$32.3 million and will decrease to \$29.8 million in FYE 2019. Debt service payments are completely funded by Treasury-Strip (T-Strip) maturities, capacity loan receipts, rates, and interest earned on the debt service fund balance. Total debt service payments to be made in FYE 2018 and 2019 are projected to be \$3.1 and \$3.2 million.

### Reserves

In FYE 2018 and FYE 2019, the operating fund has total budgeted reserve contributions of \$3.7 million and \$3.4 million. Total reserves are projected to be \$38.0 million for FYE 2018 and \$32.6 million for FYE 2019. The decrease of \$5.4 million is from use of reserves to fund the CIP. The following chart shows the projected reserve balances for FYE 2018 and 2019.

### Total Reserve Balances



### Personnel

The Agency has added two full time equivalents (FTEs) to the previous staffing level of 26 FTEs. The current staffing level is at 28 FTEs, one of the added positions will be filled by using a consultant. Total employment costs, which include wages and benefits, is projected to be \$5.2 million for FYE 2018 and \$5.5 million for FYE 2019, representing 13% and 18% of the Agency's total budget for each year. Overall, employment expenses are expected to increase by 8.3% (\$396,586) for FYE 2018 and by 7.4% (\$383,671) for FYE 2019. The increases are based on two added positions, a 7.4% merit/cost of living adjustment (COLA) increase for each of the budget years, and increasing medical insurance costs.

## Fund Budgets

The Agency has several funds that make up the FYE 2018 and 2019 Budget - General, Enterprise, OWOW, Roundtables, and Capital Projects. Each fund is shown below with its total revenues, expenses and fund balance, if applicable.

### FYE 2018 Budget

	<i>General Fund</i>	<i>Enterprise Fund</i>	<i>OWOW Fund</i>	<i>Roundtable Fund</i>	<i>Capital Project Fund</i>	<i>Total</i>
<b>Revenues</b>	\$ 646,118	\$ 14,488,335	\$ 7,335,908	\$ 1,318,704	\$ 15,714,532	\$ 39,503,596
<b>Expenses</b>	(646,118)	(14,488,335)	(7,403,317)	(1,419,206)	(15,714,532)	(39,671,508)
<b>Net Income (Loss)</b>	–	–	(67,409)	(100,502)	–	(167,911)
<b>Beg. Fund Balance</b>	–	–	814,190	1,785,564	–	2,599,754
<b>End. Fund Balance</b>	\$ –	\$ –	\$ 746,780	\$ 1,685,061	\$ –	\$ 2,431,842

### FYE 2019 Budget

	<i>General Fund</i>	<i>Enterprise Fund</i>	<i>OWOW Fund</i>	<i>Roundtable Fund</i>	<i>Capital Project Fund</i>	<i>Total</i>
<b>Revenues</b>	\$ 650,695	\$ 14,274,038	\$ 6,015,977	\$ 1,331,457	\$ 7,986,032	\$ 30,258,199
<b>Expenses</b>	(650,695)	(14,274,038)	(6,380,106)	(1,475,981)	(7,986,032)	(30,766,852)
<b>Net Income (Loss)</b>	–	–	(364,129)	(144,524)	–	(508,653)
<b>Beg. Fund Balance</b>	–	–	746,780	1,685,061	–	2,431,842
<b>End. Fund Balance</b>	\$ –	\$ –	\$ 382,651	\$ 1,540,537	\$ –	\$ 1,923,188

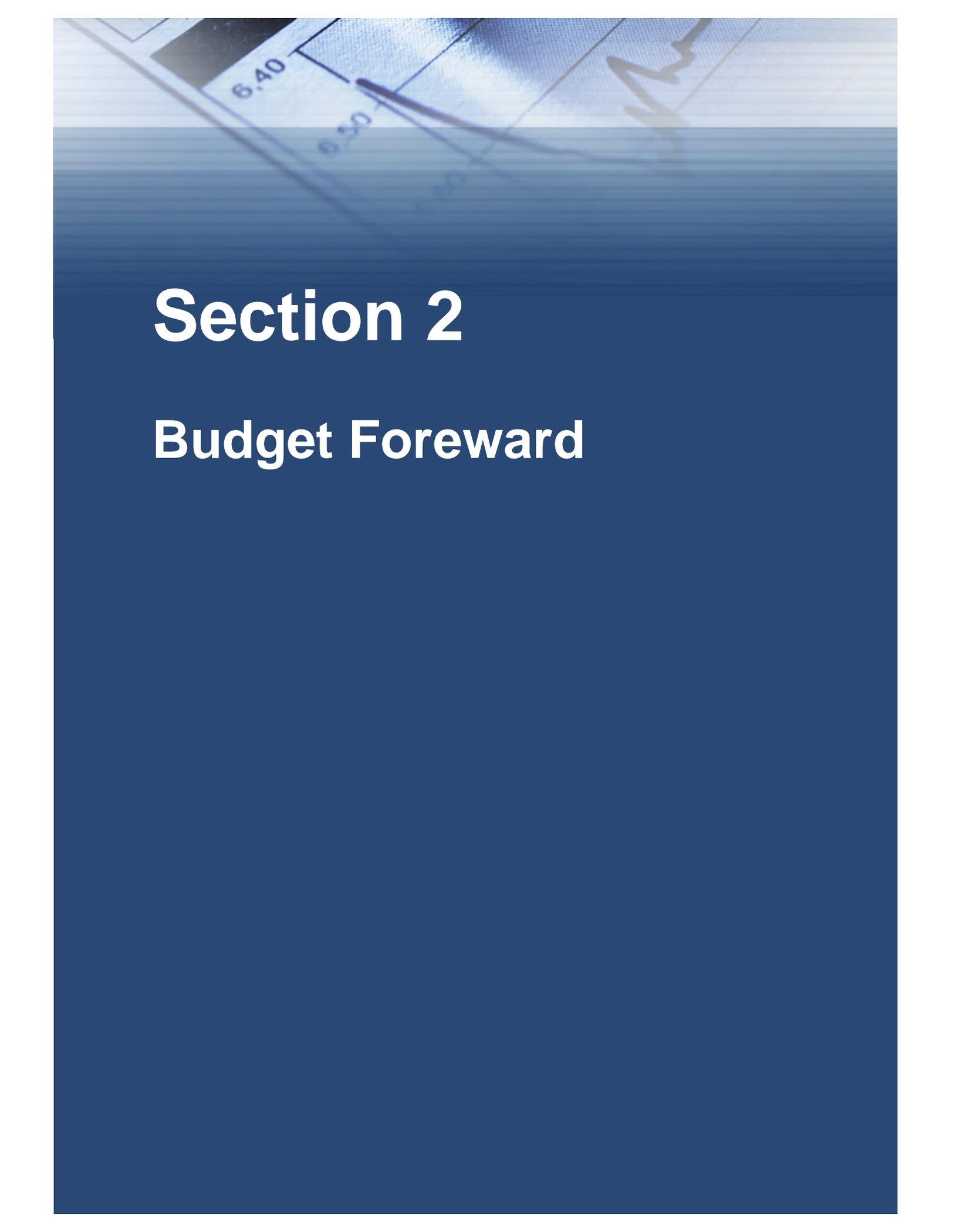
## Fund Balances

The fund balance is the difference between fund assets and liabilities. For OWOW and Roundtable projects, revenues may be collected in one year and the expenses may occur in another. The fund balance is a timing difference between when cash is received versus when it is spent and may be used to balance the budget from year to year.

## Departments

To help achieve SAWPA's vision, each department created a staff plan in support of the Agency's overall goals and objectives. Each department developed an individual mission statement identifying key objectives to be addressed within the next two fiscal years, group goals, and measurable performance objectives. The staffing plans provide a roadmap as to how each department will contribute to achieving the Agency's goals, objectives, and ultimately, its vision.

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# Section 2

## Budget Foreward



# Reader's Guide to the Budget

## Reader's Guide to the Budget

This guide is intended to help the reader understand what information is available in the budget and how it is organized. This budget document is broken down into 11 sections which are listed below. The Finance Department invites suggestions on ways to make the budget document more understandable.

The following is an explanation of the major sections of this budget:

## Budget Message/Executive Summary

This section contains the General Manager's budget message and the executive summary which highlights critical issues and financial information regarding the Agency's FYE 2018 and 2019 Budget.

## Budget Foreward

This section includes the categories listed below:

- **About the Agency** – This section provides an overview of the Agency and its role within the Watershed.
- **Vision, Mission and Goals** – This section sets forth the Agency vision and mission as well as the goals and strategies necessary to obtain that vision.
- **Budget and Financial Overview** – This section provides an overview of the budget development process and the accounting structure used within the Agency.

## Budget Summary

This section is a high-level consolidated summary of the FYE 2018 and 2019 Budgets.

## Combined Schedules

This section is a comprehensive overview of the FYE 2018 and 2019 combined budget. The combined budget consolidates all of the Agency's funds. Listed below is a description of the schedules contained in this section:

- **Combined Summary** – Combines all sources and uses of funds for all Agency funds.
- **Revenue and Expenses** – Summarizes, by fund, total budgeted revenues and expenses.
- **Sources and Uses of Funds** – Summarizes total expenses for each fund and the source of funds used to meet expenses.
- **Line Item Detail** – Summarizes line item detail expense totals for each fund type.
- **Cash Flow** – Summarizes cash flow and changes in fund balance for each fund type.
- **Benefit and Indirect Cost Allocation** – Summarizes the calculation of the Benefit and Indirect Cost Allocation rates using total general fund and benefit costs. Detailed schedules for each are included.
- **Member Contribution** – Summarizes the member contributions for each fund for FYE 2017 through 2019.

## Revenues

This section details the total revenue by source for each fund and describes, in detail, each revenue source available for operating and capital expenses.

## Debt Service

This section describes the Agency's debt service obligation including a listing of the outstanding debt issues; a description of the purpose of each issue; a debt service retirement schedule; and debt service requirements, including principal and interest, over the life of the outstanding debt issues.

## Reserves

This section details the Agency's general reserve policy, categorizes and defines each reserve account, and lists the contributions budgeted in FYE 2018 and 2019 for each reserve account.

## Personnel

This section details total staffing and employment related costs, and includes a historical detailed schedule of authorized positions and full-time equivalent employees by department.

## Fund Budgets

This section describes the Agency's fund structure and includes a narrative description of each fund's initiatives, activities, and budget. The budget includes both consolidated and individual fund sources and uses statement as well as projected changes in fund balance.

## Departments

This section contains staffing plans for each of the Agency's departments which includes an organizational chart, mission statements, accomplishments from the prior year, objectives for current year, core activities, and group goals for each.

## Glossaries

- **Financial Policies** – Contains all current Agency policies incorporated in this budget.
- **Statistical and Other Information** – Useful information about the Agency's service area and operations.
- **General Terms** – Helps translate budget terminology into language that makes it easier to understand.
- **Acronyms and Abbreviations** – A listing of the acronyms and abbreviations used throughout the budget document.

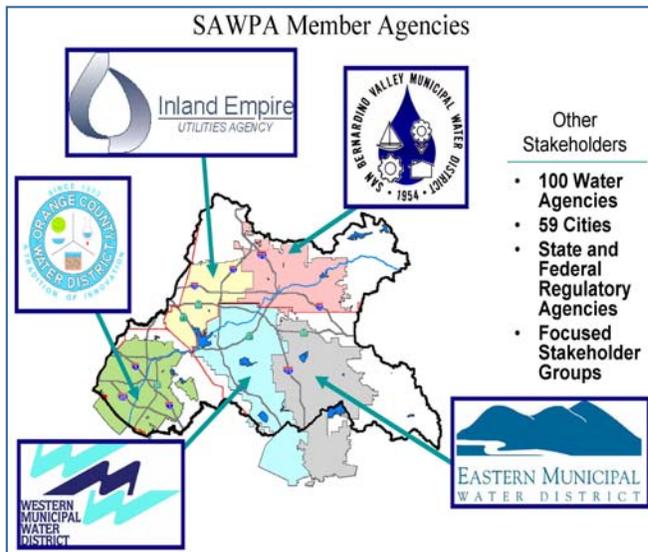
# About the Agency

## What is SAWPA?

SAWPA is a Joint Powers Authority (JPA) that focuses on developing and implementing regional plans, programs and projects that will protect the Santa Ana River (SAR) Basin water resources and their beneficial uses within the Santa Ana River Watershed (Watershed) in an economically and environmentally responsible manner. Its stated mission is to facilitate communication, identify emerging opportunities, develop regional plans, secure funding, implement programs, build projects and operate and maintain facilities. First formed in 1968 as a planning agency, SAWPA was re-formed in 1972 with a mission to plan and build facilities to protect the water quality of the Watershed. The JPA is 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).

The Watershed spans approximately 2,840 square miles, and covers San Bernardino, Riverside, and Orange Counties as well as a small portion 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. SAWPA works with planners, water experts, design and construction engineers, and other government agencies to identify issues and develop innovative solutions to resolve many water-related problems.

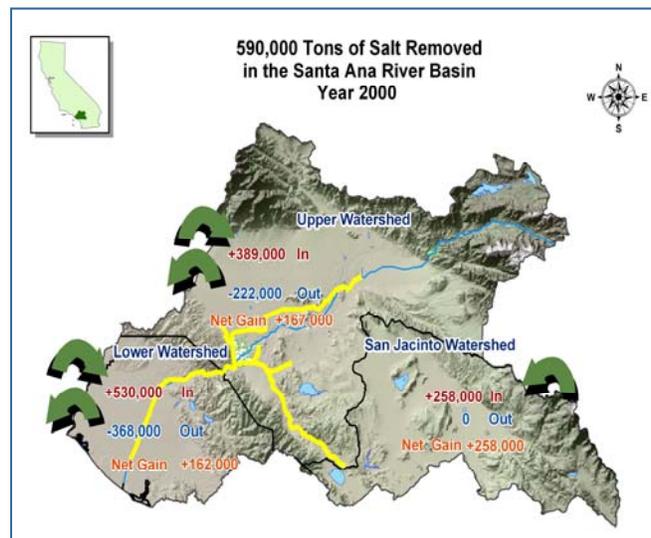


## SAWPA's Regional Vision

SAWPA's vision is a sustainable 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 SAWPA 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.

## Inland Empire Brine Line

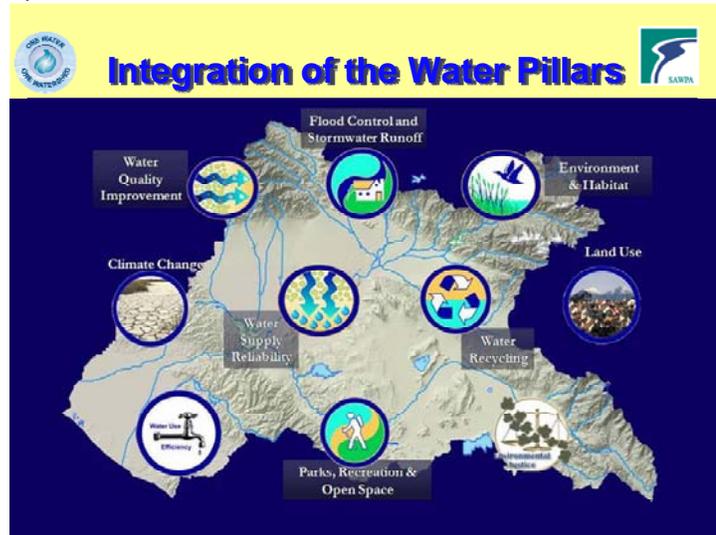
SAWPA's enterprise includes ownership and operation of the Inland Empire Brine Line (Brine Line), formerly known as the Santa Ana Regional Interceptor (SARI). The 73 mile-long regional brine line is designed to convey 30 million gallons per day (MGD) of non-reclaimable wastewater from the upper Santa Ana River Basin to the Pacific Ocean for disposal, after treatment. This 44-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 is delivered for consumption as potable water.

## Integrated Regional Water Management Planning

SAWPA has been involved in watershed and integrated water resource planning since its formation. The latest updated plan adopted in February 2014 is the Santa Ana River Watershed Integrated Regional Water Management Plan (IRWMP) called the One Water One Watershed (OWOW) 2.0 Plan. An update to the OWOW 2.0 plan is scheduled to be completed 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; environmental justice; and environment and habitat. Through this integration of water resource management strategies along with workgroups (or pillars) designated for each strategy, scarce resources will be leveraged and cost effective solutions will be developed to address a multiplicity of water challenges using an integrated multi-beneficial approach.



## Roundtables

SAWPA plays an important regional role in administering a number of water quality and water supply stakeholder initiatives. These initiatives often address problems that involve other public agencies. The SAWPA Commission enjoys a rewarding position of helping people solve real problems. Since its formation, SAWPA has taken a lead role in establishing effective regional partnerships with the Regional Water Quality Control Board (RWQCB) and other stakeholders in the Watershed to address water quality and water resource issues. The following task forces and workgroups are examples of Watershed partnerships that SAWPA currently administers.

### Imported Water Recharge Workgroup

On January 18, 2008, a cooperative agreement for imported water recharge entitled "Cooperative Agreement to Protect Water Quality and Encourage the Conjunctive Uses of Imported Water in the Santa Ana River Basin" was approved by the RWQCB and nine imported water recharging agencies in the Watershed. In accordance with the cooperative agreement, the recharging parties are required to complete a summary of the amount and quality of imported water recharged over a three-year period as well as a projection at six-year intervals of the ambient water quality in each groundwater management zone that is being recharged with imported water.

In FYE 2009, the Imported Water Recharge workgroup developed a memorandum of understanding (MOU) for coordination and implementation of the cooperative agreement. Under the MOU, the workgroup compiled groundwater modeling and groundwater recharge reports for submittal to the RWQCB. With the Agreement in place, the MOU signatory agencies under SAWPA's facilitation meet two to three times each year in a coordination role to review and plan the required implementation activities defined under this on behalf of the signers of the cooperative agreement.

### **Basin Monitoring Program Task Force**

The Basin Monitoring Program Task Force is a collaborative effort of public and private sector agencies and interests to conduct water quality evaluations in the Watershed. The task force was formed as a spinoff of the Total Inorganic Nitrogen/Total Dissolved Solids (TIN/TDS) Task Force in 2003 with the mission of implementing the monitoring requirements required as part of the original TIN/TDS Task Force effort. These monitoring requirements include a triennial update of the ambient groundwater quality, throughout all the groundwater basins within the Watershed, an annual report on the Nitrogen and TDS in the Santa Ana River (SAR) and a Santa Ana River Wasteload Allocation which defines the limits of nitrogen and TDS that can be discharged by wastewater treatment plants to the river and still ensure beneficial use protection. Work is also underway to update the Santa Ana River Watershed Wasteload Allocation for the Santa Ana River into the RWQCB's Basin Plan.

### **Santa Ana River Fish Conservation Task Force**

This multi-agency task force administered by SAWPA staff conducts applied research and efforts directed toward the recovery and delisting of the Santa Ana sucker, which was listed as Threatened in 2000 by the U.S. Fish and Wildlife Service. The activities of the task force focus on interagency coordination and cooperation, fish habitat analysis and restoration.

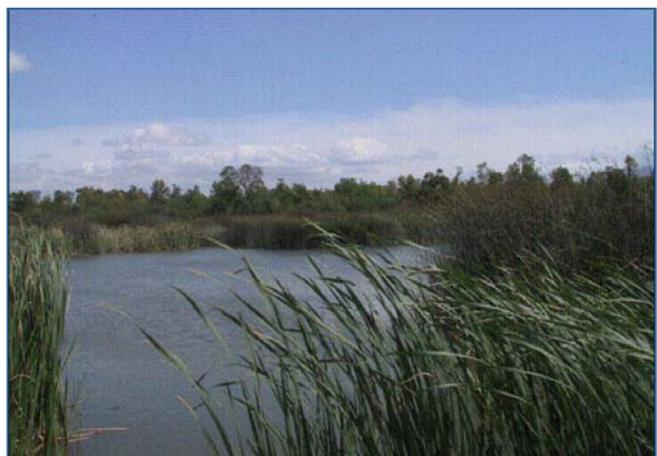


The Agency administers the effort with funding support from the SAWPA member agencies and other stakeholders such as the RWQCB, the City of Riverside and the U.S. Fish and Wildlife Service to restore the Santa Ana sucker habitat. The task force also implements small scale sucker habitat restoration projects in the Santa Ana River as grant funding becomes available. These small scale projects can be scaled up and duplicated to support further mitigation in the river way. The task force also conducts an annual Santa Ana River Habitat Survey, also known as the Riverwalk, to measure the habitat conditions in the Santa Ana River from the City of Colton to the City of

Corona. The results are reflected in an annual report with map products and comparative analysis of data from previous surveys.

### **Middle Santa Ana River (MSAR) TMDL Task Force**

The Middle Santa Ana River (MSAR) TMDL (Total Maximum Daily Load) Task Force is a collaborative effort of public and private sector agencies and interests focused on the development of pathogen TMDLs for SAR Reach 3, its tributaries, and other water bodies in the Chino Basin area. Formed in 2007, the task force has been working on several pathogen-related activities and studies for the Chino Basin. The objectives of this task force are to implement a number of tasks identified by the RWQCB in their 2005 Amendment to the Basin Plan. The task force is working with the RWQCB in the formulation of pathogen TMDL allocation and pollutant control implementation strategies.



### **Regional Water Quality Monitoring Task Force**



This task force reflects the completion and conclusion of the Stormwater Quality Standards Task Force efforts and the establishment of a new task force to implement a regional monitoring program by the flood control districts in the Santa Ana River Watershed. Its purpose is to implement a coordinated regional water quality monitoring program in the Santa Ana River watershed to meet the implementation plan requirements of the 2012 Basin Plan Amendment to Revise Recreation Standards for Inland Freshwaters in the Santa Ana Region.

Further, the Santa Ana River Bacteria Monitoring Program combines the separate and disparate bacteria monitoring programs of the three county flood control districts along with the existing bacteria monitoring program under the MSAR TMDL Task Force to eliminate redundancy and streamline reporting of regional monitoring efforts. As such, the MSAR TMDL Task Force contributes funds for its share of the Santa Ana River Bacteria Monitoring Program through a transfer of funds to the Regional Water Quality Monitoring Program Task Force on an annual basis.

### **Emerging Constituents Program Task Force**

Based on an April 2008 agreement between the RWQCB and nine local imported water recharge agencies, the signatories to the agreement agreed to develop a plan to investigate “emerging constituents” (EC) in water that is intentionally recharged to local aquifers. In general, the phrase “emerging constituents”, refers to a relatively large group of man-made chemical compounds for which the Environmental Protection Agency (EPA) and the State of California have not enacted a numeric water quality objective or a numeric translator for relevant narrative objectives, nor has the California Department of Public Health adopted a maximum Contaminant Level. To prepare this sampling program, an Emerging Constituents Program Task Force was formed among the signatories and interested parties, such as publicly owned treatment works (POTW), to design and implement a voluntary annual sampling program of emerging constituents within the source waters of the Watershed. From 2010 to 2013 the task force conducted three annual sampling reports that were submitted to the Santa Ana RWQCB. Additional regional EC monitoring may be conducted in the future as new regulations develop for protection of aquatic habitat or updates occur to the latest list of EC constituents by the State Water Resources Control Board (SWRCB).



### **Forest First**

Under a 2017 MOU between SAWPA, the Cleveland National Forest and the San Bernardino National Forest, SAWPA is continuing the Forest First Program which began under a similar MOU executed in 2011 by the same parties. Efforts are underway to work with downstream public agencies such as flood control and water supply agencies to partner on multi-beneficial fire prevention projects on forest lands in the upper watershed. SAWPA will work with Blue Forest Conservation, a team of engineers and financial analysts that focuses on starting public-private partnerships for forest fuel reduction projects, to establish project-specific agreements between the watershed’s two National Forests and downstream entities. If executed, the agreements would provide an innovative funding source to fire prevention projects, such as fuel breaks, that are

traditionally funded by CAL FIRE and the U.S. Forest Service. Monitoring of any potential projects would be implemented to assess the benefits to agencies and would be used to create economic models that could provide a framework for further project-specific partnerships.

***Arundo Management & Habitat Restoration***

This project was initiated to provide funding for Arundo removal and maintenance within the Santa Ana River Watershed. Funding for this project is generated from the sale of credits from the Riverside County Regional Park and Open-Space District's Santa Ana River Mitigation Bank. SAWPA purchased 100 credits from the District for \$40,000 each as part of the Proposition 13, SAWPA Integrated Watershed program in order to create a long-term revenue source dedicated to Arundo removal in the watershed.

Funding from this program allows Arundo removal activities to continue as Mitigation Bank credit sales revenue continues to be provided to SAWPA when the District sells credits to interested parties such as developers. Revenue from the Mitigation Bank's credit sales is also used to implement field surveys of Arundo regrowth in the upper watershed.

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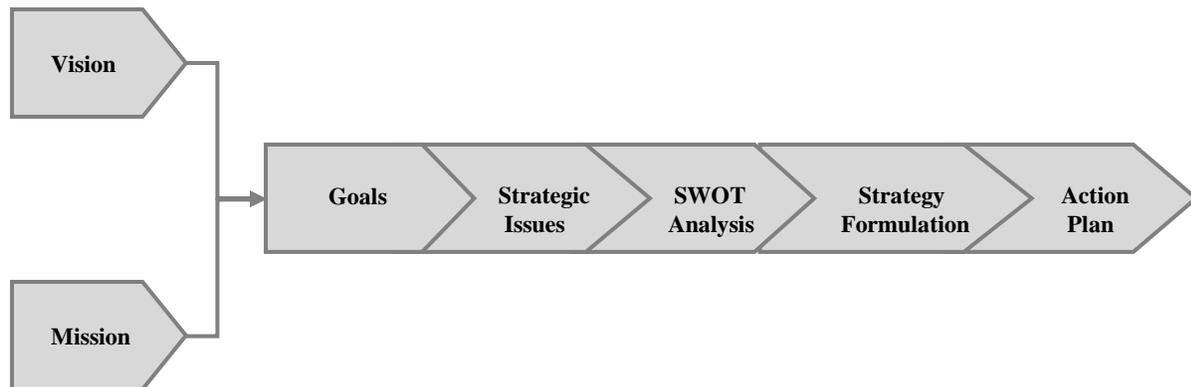
# Vision, Mission and Goals

## Strategic Planning

During late 2010 and early 2011, SAWPA engaged in the preparation of a Strategic Plan for the organization with the participation and guidance of the Commission members and the General Managers of the Member Agencies. The objectives of the Strategic Plan are to:

- Articulate SAWPA's mandate, vision, and mission;
- Establish specific goals that would allow SAWPA to meet its mandate and mission;
- Identify key strategic issues that need to be addressed to accomplish the goals; and
- Formulate strategies and specific actions to meet the goals.

The strategic planning process is illustrated below.



During 2016, the Commission further defined strategic goals by preparing Purpose and Objectives, Critical Success Factors, and Processes, Activities and Tasks for each business line: the Inland Empire Brine Line (Brine Line), One Water One Watershed (OWOW, watershed wide planning) and the Round Tables (Task Forces, Work Groups, etc.). Our Agency faces many challenges in the coming years. Our refocused Strategic Plan sets out the goals and objectives, success factors and actions necessary to address those challenges. The critical success factors are listed below.

The following details our vision, mission, and goals as well as the strategies developed to help attain our mission and ultimately, our vision.

## Our Vision

SAWPA'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 SAWPA 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.

## Our Mission

SAWPA 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.
- 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.

Using the Agency’s Vision and Mission Statement as a guide, the FYE 2018 and 2019 Budget provides the resources necessary for successful implementation of the goals and strategies listed below.

Each department created a staffing plan in support of the Agency’s overall goals and strategies. Each department developed an individual mission statement, identified the objectives to be addressed within the next two fiscal years, group goals, and measurable performance objectives. The staffing plans provide a roadmap as to how each department will contribute to achieving the Agency’s goals and objectives, and ultimately, its vision.

## Our Goals

SAWPA’s vision and mission will be advanced by the following eight goals:

1. Achieve optimal use of local water supplies and reduce reliance on imported water.
2. Improve water quality.
3. Achieve salt balance and ensure continued cost-effective and reliable operation of the Brine Line.
4. Balance water supply needs with natural habitat protection.
5. Build public understanding and support for Watershed sustainability.
6. Facilitate incorporation of water resources management in land use planning.
7. Be a resource for compliance with AB32 (greenhouse gas regulations) and reducing its impact on member agencies.
8. Secure external funding for the Watershed to support accomplishing Watershed goals.

## Strategies to accomplish our goals

The following section outlines the strategies that will be pursued to achieve each goal. For each of these strategies, a series of actions is identified.

## **1. Achieve optimal use of local water supplies and reduce reliance on imported water**

### **A. Advance and coordinate regional projects to achieve OWOW goals for desalination, water reuse, water use efficiency, groundwater recharge, and stormwater capture and recharge**

- Update OWOW in a way that proactively promotes more multi-regional and multi-benefit projects.
- Support OWOW Pillar groups to create forums for the identification and implementation of multi-beneficial regional projects and programs.

### **B. Develop watershed-wide strategies and plans for conjunctive use and groundwater recharge, water use efficiency, stormwater capture and recharge, and desalination in coordination with member agencies and other suppliers**

- Explore regional conjunctive use/recharge opportunities or expand existing ones in coordination with relevant parties.
- Support OWOW Pillar groups in exploring opportunities to implement regional plans and programs.
- Create forum for coordination with land use agencies on water issues.
- Update OWOW in a way that promotes “new paradigm” integrated projects.

### **C. Support and coordinate multi-agency initiatives that enhance the flexibility and reliability of water supply systems**

- Create forum to identify and advance specific multi-beneficial regional projects and programs to address systems reliability and flexibility.

## **2. Improve water quality**

### **A. Administer and support regional approaches to conform with TMDLs and Basin Plan requirements**

- Prioritize upcoming TMDLs, regulatory implementation and water quality issues to anticipate future task force needs, including the creation of new task forces.
- Support efforts to implement corrective projects and programs to meet TMDLs and requirements.

### **B. Coordinate watershed-wide monitoring program aimed at reducing compliance costs**

- Explore feasibility with relevant regulatory agencies and interested permittees.
- Prepare business case for regional monitoring.
- Develop implementation strategy.

### **C. Develop strategy and market basis for water quality trading**

- Explore feasibility with relevant regulatory agencies.
- Prepare case studies from other regions or arenas.
- If supported by participants, develop strategy and accounting system, including identification of resources needed.

### **D. Promote establishing stormwater quality standards and pathogen indicators to allocate resources more efficiently**

- Prepare business case for initiative.
- Prepare case studies from successful changes.
- If program seems feasible, develop strategy, including resources needed.

### **E. Support emerging constituents sampling program and explore public outreach program for ECs and other constituents of public concern**

- Explore feasibility with interested agencies in conjunction with RWQCB.
- Identify priority constituents.

- Develop strategy, including internal resources needed.

### **3. Achieve salt balance and ensure continued cost-effective and reliable operation of the Brine Line**

#### **A. Support salinity management efforts and coordinate watershed-wide salt management activities**

- Conduct more detailed study of salinity management plan components to better project recommended actions.
- Update OWOW in a way that promotes more additional multi-beneficial, multi-jurisdictional salt removal projects.
- Create forum to advance specific salt management projects identified in OWOW Plan.

#### **B. Investigate alternatives for conveying future brine flows, including brine concentration and alternative discharge points**

- Evaluate feasibility of future conveyance alternatives such as Brine-to-Salton Sea option.
- Promote participation among member agencies and others in the investigation of brine management activities, including brine concentration.

#### **C. Address Brine Line rehabilitation and relocation needs**

- Update Brine Line master plan.
- Rehabilitate Reaches IV-A and IV-B.
- Continue inspection and repair of pipe and access structures.
- Support Brine Line relocation efforts in Orange County (on-going Orange County Flood Control District (OCFCD) project).

#### **D. Market the Brine Line to maximize flows from industry and other users**

- Prepare business plan for the incorporation of new users (e.g. costs vs. rates and revenues).
- Refine and continue implementing marketing plan.

#### **E. Develop solutions to minimize O&M costs of Brine Line due to solids formation and scaling**

- Confirm mechanisms of scale and solids formation, identify methods to control, and consider merits of implementation.
- Make adjustments as in-line chemistry changes.
- Work to minimize O&M line cleaning efforts and overall costs to Brine Line and customer.

#### **F. Revise financial strategies and ownership of capacity to eliminate idle capacity**

- Develop Capacity Management Plan, a strategy to make capacity available to new customers while ensuring capacity is available to all investors when needed.

### **4. Balance water supply needs with natural habitat protection**

#### **A. Develop mechanism to provide mitigation opportunities for on-going operational activities and new construction projects in areas occupied by endangered or threatened species, or in other sensitive areas**

- Develop regional permits where beneficial.
- Promote development and use of mitigation banking and regional multi-species conservation plans.
- Become regional education resource for alternatives to project-by-project mitigation programs focusing on new models developed nationally.

#### **B. Facilitate opportunities for regional management of species and habitat**

- Develop toolkit for streamlining project development process by incorporating mitigation.
- Advocate for outcome-based regulatory structures.

**C. Support removal of invasive plant species by indentifying and prioritizing target species, and by securing funding for removal and habitat maintenance efforts**

- Market removal of invasive species and habitat restoration opportunities as effective means for developing local water supply.
- Develop metrics for equating invasive species removal and habitat restoration to surface and groundwater supply.
- Support on-going invasive plant removal program by the Santa Ana Watershed Association (SAWA) and others.

**D. Promote solutions to manage waterways to protect all beneficial uses, including management of sediment and soft-bottom channels**

- Coordinate with stakeholders on on-going efforts, Watershed objectives, and possible benefits of additional regional coordination.

**5. Build public understanding and support for Watershed sustainability**

**A. Coordinate legislative and advocacy efforts on key Watershed issues**

- Expand on success of current collaborative advocacy process.
- Reach out to legislators and staff in connection with the OWOW Conference.
- Coordinate with more stakeholder groups.

**B. Develop consistent messages in water issues for use by agencies in the Watershed**

- Work with member agency Public Information Officers (PIO) and Legislative Directors to identify common themes and messages.

**C. Publish information demonstrating the economic value to the Watershed of sustainable water resources practices and regional collaboration**

- Identify and collaborate with local resources, such as Council of Governments (COG), business and trade advocacy groups, economic development agencies, and the Urban Land Institute in developing this information.

**D. Establish a repository of information on water quality to assist agencies in analysis and decision-making**

- Use graphical information systems (GIS) to develop Internet portal to make water resources information easily accessible to agencies and the public.

**E. Help foster and brand a unique Santa Ana River Watershed identity**

- Work with member agency PIOs and Legislative Directors to identify common themes and messages.

**6. Facilitate incorporation of water resources management in land use planning**

**A. Highlight to land use agencies the inter-relationship between land use planning and water resources, and provide information to support decision-making**

- Create forum for communication between water and land use agencies.
- Prepare materials emphasizing the case for incorporation of water resources considerations in general plans.
- Develop GIS tools that account for recharge and water production areas, functional floodplains, and opportunity sites for aquatic habitat and recreation.

**B. Promote regional approach to stormwater permit compliance that effectively integrates water supply and integrated regional water management (IRWM) opportunities**

- Develop business case and strategies for collaboration.
- Initiate conversations with regulators to develop basis for regional approach.

- Develop policies and technical basis for accounting for water efficient design in a development's water supply assessment.

**C. Coordinate with land use agencies to resolve issues and avoid disputes associated with water management activities**

- Create forum for communication between water and land use agencies.
- Identify potential strategies and develop framework for collaboration.
- Develop policies and technical basis for accounting for water efficient design in a development's water supply assessment.

**7. Be a resource for compliance with AB32 (greenhouse gas regulations) and reducing its impact on member agencies**

**A. Coordinate the development of a climate action plan that addresses greenhouse gas (GHG) mitigation and adaptation to climate change providing compliance on a regular scale**

- Develop understanding of how regional approach will benefit the Watershed and increase local control.
- Create forum to discuss need for the plan and eventually agree on its objectives.
- Develop participation, resource pooling, and governance for regional plan.

**B. Identify opportunities for multi-agency cooperation in the development and implementation of GHG mitigation and adaptation actions**

- Create forum to identify regional opportunities for mitigation and adaptation.
- Develop participation, resource pooling, and governance for the development of specific projects to meet regulatory GHG reductions.
- Develop regional resources for GHG audits and reporting templates.

**8. Secure external funding for the Watershed to support accomplishing Watershed goals**

**A. Leverage OWOW Plan and future updates to increase the clout of the region in securing funding**

- Update OWOW Plan every two years to reassess watershed needs and pursue funding.
- Identify opportunities for funding of OWOW Plan updates and project implementation beyond Proposition 84.
- Determine if regional local funding from other stakeholders, such as stormwater entities, who benefit from OWOW planning and project implementation is supported.

**B. Influence state and federal legislation to increase funding for the region**

- Encourage joint legislative outreach for State and Federal bills that provide additional funding for IRWM planning and project implementation.
- Provide active support to future Water Bonds to support water infrastructure in the Watershed.
- Obtain Board consensus on fee-based funding for 21<sup>st</sup> century water management, and move forward to advocate if supported.

**C. Explore new funding opportunities, such as private sector and foundations**

- Identify and explore new potential sources of funding.
- Expand Brine Line marketing opportunities to support further O&M activities.

## Critical Success Factors

### Brine Line Critical Success Factors

1. Minimize disruptions to customers.
2. Ensure that Brine Line value and benefits are known to economic development agencies and others.
3. Maintain sufficient funding and reserves for current and future Capital and O&M costs through a stable, predictable, and affordable rates and charges.
4. Provide professional and highly-trained staff across planning, administration, engineering and field operations.
5. Protect and preserve the useful life of Brine Line assets through strategic maintenance, repair and capital improvements.
6. Conduct proactive capital and O&M planning to improve efficiency and maintain needed capacity in the long and medium terms.
7. Maintain strong relationships with OCSD and regulatory agencies.
8. Operate the Brine Line to: (1) protect the OCSD treatment plant and the environment from non-compliant dischargers, and (2) eliminate any uncontrolled pipeline releases.

### OWOW Critical Success Factors

1. Continued support from SAWPA commission of OWOW Steering Committee's decision making authority as a means of ensuring trust, transparency, and external communications.
2. Active participation of a diverse group of stakeholders representing counties, cities, and water districts, as well as the private sector and the regulatory, environmental, and environmental justice communities who integrate the different interests in the watershed beyond political boundaries. Ensuring all perspectives are heard and valued.
3. Distribution of benefits from the implementation of all integrated water resources management activities across the watershed in a fair and equitable fashion. Recognition that upstream conditions affect downstream water quality and quantity.
4. OWOW criteria and values are transparent to watershed-wide stakeholders.
5. A strong reputation and sufficient capacity within SAWPA staff for strategic facilitation, planning, communication, leadership and community engagement.
6. Administration of the OWOW process and plan in a highly efficient and cost-effective manner.
7. Successful implementation of an integrated regional water resource plan that reflects the watershed management needs of the public and the environment.
8. Annual review the accomplishments and implementation performance of the plan with the Commission and the Steering Committee.
9. Data and information needed for decision-making is available to all.

### Roundtable Critical Success Factors

1. SAWPA has a strong reputation as a watershed-wide, knowledgeable, neutral and trusted facilitator, leader, and administrator of contracted activities.
2. Goals, scope, costs, resources, timelines, and the contract term are approved by the Commission before executing an agreement to participate in a roundtable group.
3. Clear upfront criteria and terms for completing or transitioning efforts that have been successfully established or completed.
4. Report and use results of roundtable's work, leverage information and involvement for the benefit of SAWPA, its members, and other stakeholders.
5. Annual reviews of workplans and budgets for each task force activity.
6. Adequate professional staff and resources to effectively provide facilitation, management, administrative and technical support to collaborative work efforts.

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# Budget and Financial Overview



## Budget Process

The Agency's annual budget preparation process begins in December of each year and concludes in June upon its adoption. However, the entire budget process extends beyond one year and overlaps with the preceding budget and the subsequent budget. This is the fifth time the Agency has adopted a biennial budget. Each individual year of the budget will follow this process. As shown in the diagram above, the budget process consists of four major stages. These stages occur throughout the year as follows:

- Preparation/Planning – takes place December through March.
- Integration – runs from March through May.
- Adoption – adoption of the budget usually occurs in June of each year.
- Execution/Feedback – starts from the first day of the budget year, July 1, through the entire budget year.

### Preparation/Planning

The budget preparation process begins in January with the Budget Kickoff Meeting. At this meeting, management discusses the proposed budget schedule, major budget assumptions, procedures, requirements, and changes from the prior year's budget. The budget manual and forms for each fund are distributed to Department Managers to review and update goals, objectives, and performance measures, and to provide a detailed list of the prior year's accomplishments.

### Integration

During the integration stage, the Finance Department consolidates all the gathered information and analyzes the budget requests as a whole. The budgets for each fund are then reviewed by the General Manager along with the Department Managers. The information is presented to the member agencies' Chief Financial Officers (CFO) and at the SAWPA Commission Workshop for review and comment before being presented to the SAWPA Commission for adoption.

### Adoption

After incorporating changes from the Commission Workshop's review of the budget, the final draft budget is presented to the Commission for adoption at the first scheduled meeting in June. Once the Commission has adopted the budget, each member agency must take the Adopted Budget to their Board for approval.

### Execution/Feedback

During the fiscal year, budget-to-actual expense/capital reports are distributed to all levels of management. The SAWPA CFO is required to prepare and submit a budget variance analysis quarterly, in accordance with budget variance guidelines. Subsequently, staff presents the Agency's quarterly budget-to-actual variance to the Commission. The on-going budget review process is essential in monitoring current year operation costs. It further acts as an early warning mechanism for Department Managers when actual spending differs from amounts budgeted.

### Budget Calendar

As part of the initial annual budget process, budgetary staff prepares a schedule for the development of the budget for that year. The schedule is then distributed to the Commission and management staff for their reference in submitting their data for review, approval and incorporation into the final budget.

The budget schedule for this fiscal year is as follows:

#### **Fiscal 2017 – 2018 and 2018 – 2019 Budget Schedule**

<b>Date</b>	<b>Description</b>	<b>Responsibility</b>
<b>December 9, 2016</b>	Budget Kick-off Meeting	CFO/GM
<b>January 6, 2017</b>	Budget Goals & Objectives Due	Department Managers
<b>January 12, 2017</b>	Labor Hour Distributions Due	Department Managers
<b>January 17, 2017</b>	Commission Overview of Budget Goals & Objectives	CFO, GM
<b>January 20, 2017</b>	Budget Assumptions & Goals Due	Department Managers
<b>February 16, 2017</b>	Budget Workshop – First Draft	CFO, Member Agency Finance Staff
<b>March 7, 2017</b>	Commission Budget Workshop – First Draft Brine Line & General Fund Budgets	GM, CFO, Department Managers
<b>April 4, 2017</b>	Commission Budget Workshop – First Draft OWOW & Roundtable Budgets	GM, CFO, Department Managers
<b>May 2, 2017</b>	Commission Budget Workshop Budget Review – Comprehensive Budget	GM, CFO, Department Managers
<b>May 16, 2017</b>	Commission Budget Presentation (Adoption by Commission)	CFO, GM, Commissioners
<b>June 30, 2017</b>	Budget Ratification by Member Agencies	Member Agency Boards

## **Level of Control and Budget Amendments**

Budgetary controls are maintained to ensure compliance with the provisions embodied in the annual approved budget. The budgetary level of control, the level at which operating expenses cannot exceed the budgeted amount, is exercised at the individual department level. Administrative policies provide guidelines on budget transfers and the authorization necessary to implement transfers. Generally, there are two types of budget transfers:

### **Budget Adjustment**

This is a transfer which does not change the total budgeted amount and does not require Commission action. Depending on the budget category affected by the transfer, approval may be granted at the General Manager or Department Manager level as follows: Department Managers have the discretion to reappportion funds between certain line items within a budgeted fund, but may not exceed total budgeted amounts for each fund. The General Manager will approve all budget adjustments.

### **Budget Amendment**

A budget amendment is an adjustment to the total budgeted amount, which was not included in the original budget. These supplemental adjustments require formal action by the Commission.

## **Balanced Budget**

The Agency maintains zero-based fund accounting, whereby all the revenues in excess of expenditures are transferred into reserves within the fund and all expenditures in excess of revenues are transferred from reserves within the same fund.

The Agency's budget is prepared with itemized budgets for each project within a fund. The budget is balanced with current revenues equal to or greater than current expenses. Prior year fund balances will be used when current expenses exceed current revenues.

## **Accounting Structure**

The Agency is operated as an enterprise fund, which is an accounting entity with a self-balancing set of accounts established to record the financial position and results that pertain to a specific governmental activity. The activities of enterprise funds closely resemble those of businesses in which the purpose is to conserve and add basic resources while meeting operating expenses from current revenues. Enterprise funds account for operations that provide services on a continuous basis and are substantially financed by revenues derived from user charges.

## **Basis of Accounting**

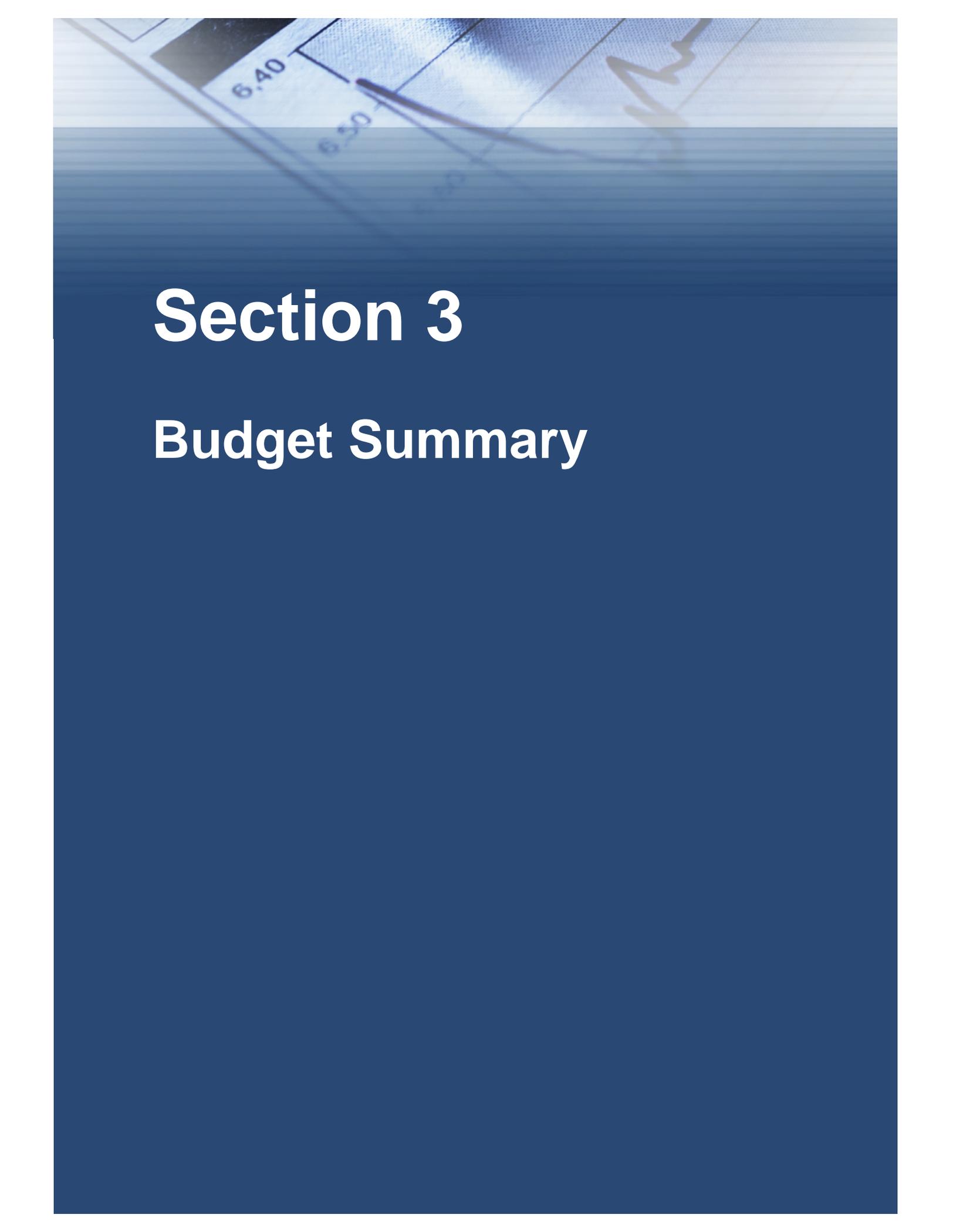
Basis of accounting refers to the point at which revenues and expenses are recognized in the accounts and reported in the financial statements. Revenues and expenses are recognized on the full accrual basis of accounting. In an enterprise fund, revenues are recognized in the accounting period in which they are earned and expenses are recognized in the period incurred, regardless of when the related cash flows take place.

## **Budget Basis**

The operating budget for the Enterprise Fund is adopted on a basis consistent with generally accepted accounting principles (GAAP). Except as noted in the paragraph below, the basis of accounting and the budgetary basis of accounting are the same.

Under the GAAP basis of accounting, receipt of the principal portion of notes receivable; and the receipt of long-term debt proceeds, capital outlay, debt service principal payments, and investment maturities are not reported in operations but have been included in the Agency's budget. The GAAP basis of accounting also includes allocation for depreciation and amortization expenses and changes in the fair value of investments, but those items are not included in the Agency's budget.

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# Section 3

## Budget Summary



**Santa Ana Watershed Project Authority**  
**Budget Summary**  
**FYE 2018 and 2019**

	<i>FYE 2018 Budget</i>	<i>FYE 2019 Budget</i>
<b>Source of Funds:</b>		
Discharge Fees	\$ 11,427,616	\$ 11,090,587
SRF Loans	\$ 7,500,000	\$ 3,000,000
Grant Proceeds	\$ 5,741,297	\$ 4,777,256
Member Agency Contributions	\$ 1,442,118	\$ 1,471,695
Participant Fees	\$ 1,682,056	\$ 1,309,273
Mitigation Credit Sales	\$ 88,980	\$ 88,980
Operating Transfer	\$ 144,252	\$ 144,252
Use of Reserves	\$ 9,280,479	\$ 6,995,901
Other Income	\$ 202,027	\$ 206,674
Interest & Investments	\$ 1,994,772	\$ 1,173,582
<b>Total Source of Funds</b>	<b>\$ 39,503,596</b>	<b>\$ 30,258,200</b>
<b>Use of Funds:</b>		
Labor	\$ 3,592,414	\$ 3,859,112
Benefits	\$ 1,569,289	\$ 1,686,262
Indirect Costs	\$ -	\$ -
Education & Training	\$ 67,300	\$ 67,800
Consulting & Professional Services	\$ 7,409,001	\$ 4,198,961
Operating Costs	\$ 3,772,265	\$ 3,295,050
Repair & Maintenance	\$ 798,270	\$ 820,540
Phone & Utilities	\$ 77,950	\$ 83,620
Equipment & Computers	\$ 416,400	\$ 374,500
Meeting & Travel	\$ 115,200	\$ 115,250
Other Administrative Costs	\$ 324,016	\$ 331,287
Other Expenses	\$ 454,010	\$ 466,001
Program Expenses	\$ 2,040,501	\$ 2,042,873
Construction	\$ 12,025,000	\$ 6,550,000
Debt Service	\$ 3,060,719	\$ 3,183,451
<b>Total Use of Funds from Operations</b>	<b>\$ 35,722,335</b>	<b>\$ 27,074,707</b>
<b>Contribution To/(From) Reserves:</b>		
Pipeline Repair/Replacement Reserve	\$ 1,500,000	\$ 1,500,000
Self Insurance Reserve	\$ 100,000	\$ 100,000
Debt Service Reserve	\$ 2,136,173	\$ 1,879,144
Retiree Medical Reserve	\$ 113,000	\$ 113,000
Building Repair/Replacement Reserve	\$ 100,000	\$ 100,000
<b>Total Contributions to Reserves</b>	<b>\$ 3,949,173</b>	<b>\$ 3,692,144</b>
<b>Total Use of Funds</b>	<b>\$ 39,671,508</b>	<b>\$ 30,766,852</b>
Net Gain (Loss)	\$ (167,911)	\$ (508,653)
<i>Proposition 1, 50, &amp; 84 Capital – Pass Through</i>	<i>\$ 21,080,225</i>	<i>\$ 12,787,335</i>

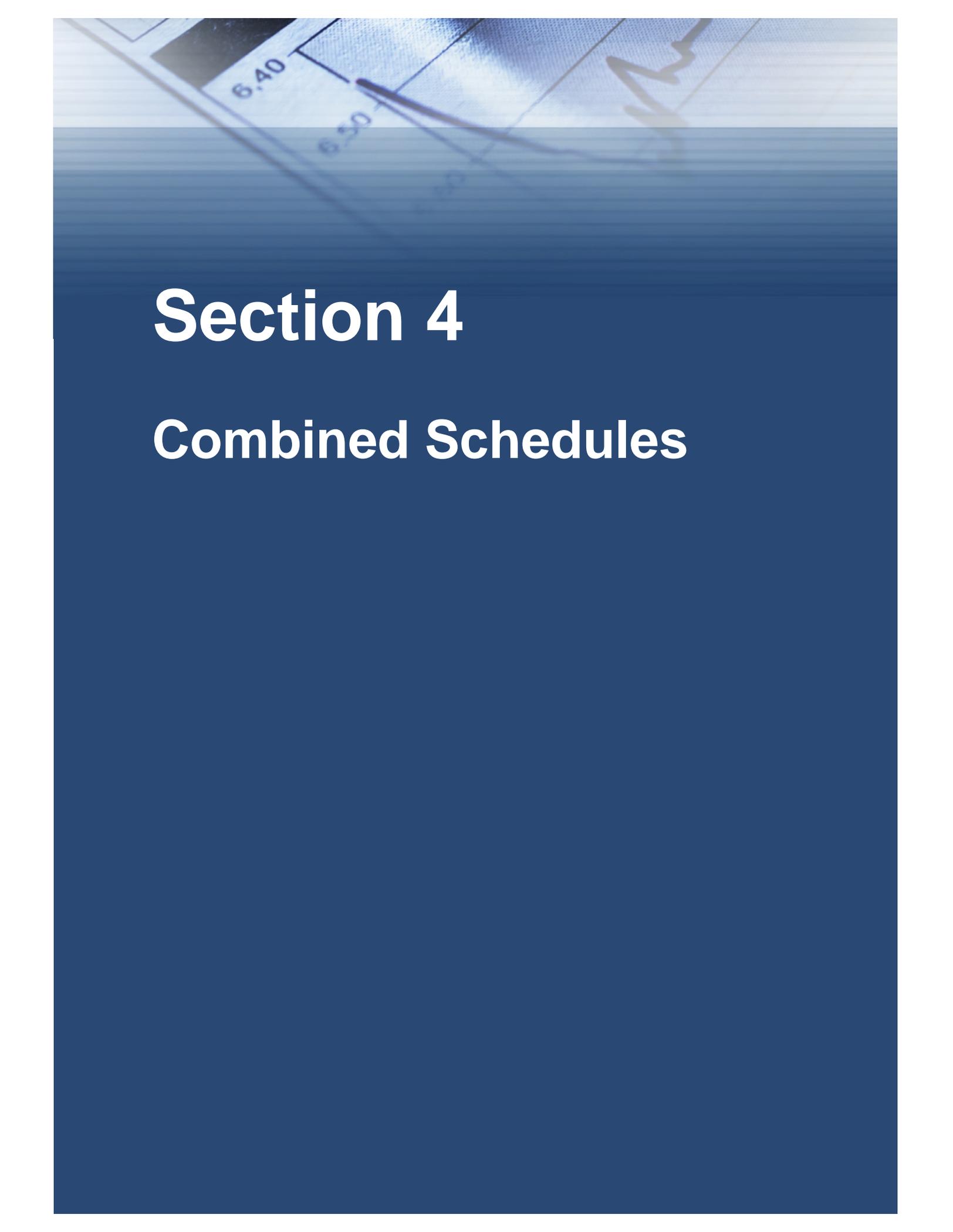
**Santa Ana Watershed Project Authority**  
**Budget Summary**  
**FYE 2013 through 2019**

	<b>FYE 2013 Actuals</b>	<b>FYE 2014 Actuals</b>	<b>FYE 2015 Actuals</b>	<b>FYE 2016 Actuals</b>
<b>Source of Funds:</b>				
Discharge Fees	\$ 9,170,287	\$ 8,575,085	\$ 8,958,915	\$ 9,334,243
SRF Loans	\$ 243,451	\$ –	\$ –	\$ 4,009,075
Grant Proceeds	\$ 1,666,477	\$ 283,245	\$ 666,397	\$ 2,128,528
Member Agency Contributions	\$ 1,698,540	\$ 1,651,835	\$ 1,695,450	\$ 1,657,795
Participant Fees	\$ 571,321	\$ 660,427	\$ 608,030	\$ 682,411
Mitigation Credit Sales	\$ –	\$ 129,021	\$ 11,123	\$ 11,123
Operating Transfer	\$ 1,323	\$ 474	\$ 26,605	\$ –
Use of Reserves	\$ 4,620,440	\$ 2,257,951	\$ 4,822,781	\$ 2,859,960
Other Income	\$ 1,281,149	\$ 199,223	\$ 392,038	\$ 369,021
Interest & Investments	\$ 3,419,453	\$ 3,417,442	\$ 3,347,091	\$ 2,940,231
<b>Total Source of Funds</b>	<b>\$ 22,672,441</b>	<b>\$ 17,174,702</b>	<b>\$ 20,528,430</b>	<b>\$ 23,992,387</b>
<b>Use of Funds:</b>				
Labor	\$ 2,536,502	\$ 2,631,965	\$ 2,708,725	\$ 3,034,435
Benefits	\$ 986,496	\$ 1,171,237	\$ 1,243,068	\$ 1,108,783
Indirect Costs	\$ 44,090	\$ (10)	\$ (172,056)	\$ 97,269
Education & Training	\$ 10,324	\$ 9,543	\$ 15,277	\$ 15,558
Consulting & Professional Services	\$ 1,974,542	\$ 2,582,867	\$ 1,444,733	\$ 2,101,851
Operating Costs	\$ 2,782,208	\$ 2,390,097	\$ 2,723,895	\$ 3,106,322
Repair & Maintenance	\$ 744,919	\$ 759,523	\$ 644,687	\$ 451,319
Phone & Utilities	\$ 72,646	\$ 68,240	\$ 62,471	\$ 65,083
Equipment & Computers	\$ 189,094	\$ 179,233	\$ 210,186	\$ 179,785
Meeting & Travel	\$ 45,666	\$ 49,798	\$ 52,494	\$ 43,714
Other Administrative Costs	\$ 169,372	\$ 137,695	\$ 127,446	\$ 139,761
Other Expenses	\$ 355,415	\$ 283,459	\$ 456,680	\$ 576,167
Program Expenses	\$ 23,470	\$ 59,071	\$ 324,109	\$ 1,268,704
Construction	\$ 3,243,812	\$ 829,112	\$ 2,506,610	\$ 4,695,924
Debt Service	\$ 4,535,441	\$ 4,578,511	\$ 4,448,394	\$ 3,965,797
<b>Total Use of Funds from Operations</b>	<b>\$ 17,713,997</b>	<b>\$ 15,730,341</b>	<b>\$ 16,796,718</b>	<b>\$ 20,850,472</b>
<b>Contribution To/(From) Reserves:</b>				
Pipeline Repair/Replacement Reserve	\$ 1,144,198	\$ –	\$ 361,659	\$ 1,000,000
OCSD Rehabilitation Reserve	\$ 1,742,354	\$ 55,701	\$ 1,000,000	\$ 500,000
OCSD Future Capacity Reserve	\$ 977,845	\$ –	\$ –	\$ –
Self Insurance Reserve	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000
Debt Service Reserve	\$ –	\$ 1,034,000	\$ 1,034,000	\$ 494,560
Retiree Medical Reserve	\$ 140,948	\$ 43,893	\$ 68,309	\$ 37,607
Building Repair/Replacement Reserve	\$ 50,000	\$ 100,000	\$ 65,000	\$ 100,000
<b>Total Contributions to Reserves</b>	<b>\$ 4,155,345</b>	<b>\$ 1,333,594</b>	<b>\$ 2,628,968</b>	<b>\$ 2,232,167</b>
<b>Total Use of Funds</b>	<b>\$ 21,869,342</b>	<b>\$ 17,063,935</b>	<b>\$ 19,425,686</b>	<b>\$ 23,082,639</b>
Net Gain (Loss)	\$ 803,099	\$ 110,767	\$ 1,102,743	\$ 909,748
<i>Proposition 1, 50, &amp; 84 Capital – Pass Through</i>	<i>\$ 5,811,891</i>	<i>\$ 7,888,867</i>	<i>\$ 4,946,271</i>	<i>\$ 4,887,122</i>

**Santa Ana Watershed Project Authority**  
**Budget Summary**  
**FYE 2013 through 2019**

	<b>FYE 2017 Budget</b>	<b>FYE 2017 Actuals</b>	<b>FYE 2018 Budget</b>	<b>FYE 2019 Budget</b>
<b>Source of Funds:</b>				
Discharge Fees	\$ 10,417,136	\$ 11,282,402	\$ 11,427,616	\$ 11,090,587
SRF Loans	\$ -	\$ 3,560,362	\$ 7,500,000	\$ 3,000,000
Grant Proceeds	\$ 4,296,936	\$ 2,390,241	\$ 5,741,297	\$ 4,777,256
Member Agency Contributions	\$ 1,439,307	\$ 1,439,305	\$ 1,442,118	\$ 1,471,695
Participant Fees	\$ 946,878	\$ 1,559,101	\$ 1,682,056	\$ 1,309,273
Mitigation Credit Sales	\$ 44,490	\$ -	\$ 88,980	\$ 88,980
Operating Transfer	\$ -	\$ 289,175	\$ 144,252	\$ 144,252
Use of Reserves	\$ 5,805,215	\$ 5,823,834	\$ 9,280,479	\$ 6,995,901
Other Income	\$ 171,782	\$ 204,904	\$ 202,027	\$ 206,674
Interest & Investments	\$ 1,878,952	\$ 2,196,254	\$ 1,994,772	\$ 1,173,582
<b>Total Source of Funds</b>	<b>\$ 25,000,696</b>	<b>\$ 28,745,580</b>	<b>\$ 39,503,596</b>	<b>\$ 30,258,200</b>
<b>Use of Funds:</b>				
Labor	\$ 3,323,390	\$ 3,309,425	\$ 3,592,414	\$ 3,859,112
Benefits	\$ 1,441,730	\$ 1,270,894	\$ 1,569,289	\$ 1,686,262
Indirect Costs	\$ -	\$ (43,007)	\$ -	\$ -
Education & Training	\$ 65,100	\$ 14,271	\$ 67,300	\$ 67,800
Consulting & Professional Services	\$ 3,186,470	\$ 4,300,023	\$ 7,409,001	\$ 4,198,961
Operating Costs	\$ 3,177,001	\$ 3,270,214	\$ 3,772,265	\$ 3,295,050
Repair & Maintenance	\$ 986,085	\$ 319,829	\$ 798,270	\$ 820,540
Phone & Utilities	\$ 80,500	\$ 61,319	\$ 77,950	\$ 83,620
Equipment & Computers	\$ 303,760	\$ 168,244	\$ 416,400	\$ 374,500
Meeting & Travel	\$ 111,800	\$ 41,695	\$ 115,200	\$ 115,250
Other Administrative Costs	\$ 312,420	\$ 209,006	\$ 324,016	\$ 331,287
Other Expenses	\$ 302,213	\$ 544,652	\$ 454,010	\$ 466,001
Program Expenses	\$ 2,279,537	\$ 670,540	\$ 2,040,501	\$ 2,042,873
Construction	\$ 4,600,000	\$ 6,353,804	\$ 12,025,000	\$ 6,550,000
Debt Service	\$ 3,028,588	\$ 3,028,588	\$ 3,060,719	\$ 3,183,451
<b>Total Use of Funds from Operations</b>	<b>\$ 23,198,594</b>	<b>\$ 23,519,497</b>	<b>\$ 35,722,335</b>	<b>\$ 27,074,707</b>
<b>Contribution To/(From) Reserves:</b>				
Pipeline Repair/Replacement Reserve	\$ 1,000,000	\$ 1,000,000	\$ 1,500,000	\$ 1,500,000
OCSD Rehabilitation Reserve	\$ 500,000	\$ 500,000	\$ -	\$ -
OCSD Future Capacity Reserve	\$ -	\$ -	\$ -	\$ -
Self Insurance Reserve	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000
Debt Service Reserve	\$ 508,231	\$ 508,248	\$ 2,136,173	\$ 1,879,144
Retiree Medical Reserve	\$ 130,580	\$ 115,816	\$ 113,000	\$ 113,000
Building Repair/Replacement Reserve	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000
<b>Total Contributions to Reserves</b>	<b>\$ 2,338,811</b>	<b>\$ 2,324,064</b>	<b>\$ 3,949,173</b>	<b>\$ 3,692,144</b>
<b>Total Use of Funds</b>	<b>\$ 25,537,402</b>	<b>\$ 25,843,561</b>	<b>\$ 39,671,508</b>	<b>\$ 30,766,852</b>
Net Gain (Loss)	\$ (536,706)	\$ (2,902,017)	\$ (167,911)	\$ (508,653)
<i>Proposition 1, 50, &amp; 84 Capital – Pass Through</i>	\$ 6,381,306	\$ 2,599,584	\$ 21,080,225	\$ 12,787,335

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# Section 4

## Combined Schedules



**Santa Ana Watershed Project Authority  
Combined Summary**

<b>Source of Funds:</b>	<b>Budget FYE 2018</b>	<b>Budget FYE 2019</b>
Member Agency Contributions	\$ 1,442,118	\$ 1,471,695
Participant Fees	\$ 1,682,056	\$ 1,309,273
Discharge Fees (Brine Line)	\$ 11,427,616	\$ 11,090,587
SRF Loans	\$ 7,500,000	\$ 3,000,000
Interest & Investments	\$ 1,994,772	\$ 1,173,582
Use of Reserves	\$ 9,280,479	\$ 6,995,901
Mitigation Credit Sales	\$ 88,980	\$ 88,980
Other Income	\$ 202,027	\$ 206,674
Operating Transfers	\$ 144,252	\$ 144,252
Grant Proceeds	\$ 5,741,297	\$ 4,777,256
Total Revenues (Not Including Pass-Through)	\$ 39,503,596	\$ 30,258,200
Prop 84 – Capital (Pass Through)	\$ 21,080,225	\$ 12,787,335
<b>Total Revenues</b>	<b>\$ 60,583,821</b>	<b>\$ 43,045,535</b>

<b>Use of Funds:</b>	<b>Budget FYE 2018</b>	<b>Budget FYE 2019</b>
General Fund	\$ 646,118	\$ 650,695
Brine Line Enterprise Fund	\$ 7,691,444	\$ 7,611,443
Debt Service	\$ 3,060,719	\$ 3,183,451
OWOW Funds	\$ 7,403,317	\$ 6,380,106
Roundtable Funds	\$ 1,419,206	\$ 1,475,981
Capital Brine Line Fund	\$ 15,714,532	\$ 7,986,032
Contribution to Reserves (Brine Line)	\$ 3,736,173	\$ 3,479,144
Total Appropriations (Not Including Pass-Through)	\$ 39,671,508	\$ 30,766,852
Prop 84 – Capital (Pass Through)	\$ 21,080,225	\$ 12,787,335
<b>Total Appropriations</b>	<b>\$ 60,751,733</b>	<b>\$ 43,554,187</b>
<b>Contribution to/(Use of) Fund Balance</b>	<b>\$ (167,911)</b>	<b>\$ (508,653)</b>

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# BUDGET REVENUE

## Summary

Fund		Adopted FYE 2017	Budget FYE 2018	Budget FYE 2019
100	General Fund	\$ 699,307	\$ 646,118	\$ 650,695
130	Prop 84 – RI Program Mgmt	\$ 104,102	\$ 142,116	\$ 134,519
135	Prop 84 – R2 Program Mgmt	\$ 155,760	\$ 133,791	\$ 142,059
140	Prop 84 – Drought Program Mgmt	\$ 204,934	\$ 118,814	\$ 119,630
145	Prop 84 – 2015 Program Mgmt	\$ 597,429	\$ 291,801	\$ 321,946
240	Brine Line Enterprise	\$ 12,567,767	\$ 14,488,335	\$ 14,274,038
320	Brine Line Protection Project	\$ 2,324,996	\$ 812,572	\$ 3,736,548
326	Reach V Repairs	\$ 85,124	\$ 14,487,574	\$ 269,167
327	Reach IV-D Corrosion Repair	\$ 3,123,415	\$ 414,386	\$ 3,980,317
370	Basin Planning General	\$ 350,000	\$ 356,000	\$ 356,000
370	USBR Partnership Studies	\$ 70,000	\$ 70,000	\$ 70,000
372	Imported Water Recharge	\$ -	\$ -	\$ 9,000
373	Watershed Mgmt (OWOW)	\$ 300,000	\$ 527,000	\$ 548,000
374	Basin Monitoring Program TF	\$ 395,151	\$ 272,447	\$ 272,447
381	SA River Fish Conservation TF	\$ 33,000	\$ 29,000	\$ 29,000
384	MSAR TMDL Task Force	\$ 340,000	\$ 215,000	\$ 215,000
386	RWQ Monitoring TF	\$ 150,000	\$ 357,048	\$ 357,048
387	Arundo Mgmt & Habitat Restoration	\$ 44,490	\$ 88,980	\$ 88,980
392	Emerging Constituents TF	\$ 32,500	\$ 40,000	\$ 40,000
396	Forest First	\$ 56,227	\$ 104,202	\$ 103,308
397	Energy – Water DAC Grant	\$ 941,539	\$ 1,665,000	\$ 586,816
398	Proposition 1 - DACI	\$ -	\$ 2,003,206	\$ 1,747,121
477	LESJWA Management	\$ 181,782	\$ 212,027	\$ 216,674
504	Prop 84 Drought Projects	\$ 2,243,172	\$ 1,265,683	\$ 1,182,042
504	Prop 84 SARCCUP	\$ -	\$ 762,496	\$ 807,844
<b>Total</b>		<b>\$ 25,000,696</b>	<b>\$ 39,503,596</b>	<b>\$ 30,258,200</b>
504	<i>Pass Through Proposition 84 Capital</i>	\$ 6,381,306	\$ 21,080,225	\$ 12,787,335

# BUDGET EXPENSES

## Summary

Fund		Adopted FYE 2017	Budget FYE 2018	Budget FYE 2019
100	General Fund	\$ 699,307	\$ 646,118	\$ 650,695
130	Prop 84 – RI Program Mgmt	\$ 104,102	\$ 142,116	\$ 134,519
135	Prop 84 – R2 Program Mgmt	\$ 155,760	\$ 133,791	\$ 142,059
140	Prop 84 – Drought Program Mgmt	\$ 204,934	\$ 118,814	\$ 119,630
145	Prop 84 – 2015 Program Mgmt	\$ 597,429	\$ 291,801	\$ 321,946
240	Brine Line Enterprise	\$ 12,567,767	\$ 14,488,335	\$ 14,274,038
320	Brine Line Protection Project	\$ 2,324,996	\$ 812,572	\$ 3,736,548
326	Reach V Repairs	\$ 85,124	\$ 14,487,574	\$ 269,167
327	Reach IV-D Corrosion Repair	\$ 3,123,415	\$ 414,386	\$ 3,980,317
370	Basin Planning General	\$ 348,350	\$ 371,009	\$ 385,131
370	USBR Partnership Studies	\$ 69,853	\$ 69,178	\$ 70,365
372	Imported Water Recharge	\$ 10,523	\$ 7,698	\$ 10,804
373	Watershed Mgmt (OWOW)	\$ 298,725	\$ 523,362	\$ 551,346
374	Basin Monitoring Program TF	\$ 739,511	\$ 404,772	\$ 280,534
381	SA River Fish Conservation TF	\$ 41,030	\$ 53,156	\$ 106,303
384	MSAR TMDL Task Force	\$ 354,456	\$ 196,554	\$ 200,470
386	RWQ Monitoring TF	\$ 149,546	\$ 327,988	\$ 333,802
387	Arundo Mgmt & Habitat Restoration	\$ 180,687	\$ 72,281	\$ 183,367
392	Emerging Constituents TF	\$ 59,166	\$ 40,528	\$ 40,719
396	Forest First	\$ 56,227	\$ 104,202	\$ 103,308
397	Energy – Water DAC Grant	\$ 941,539	\$ 1,721,860	\$ 918,104
398	Proposition 1 - DACI	\$ -	\$ 2,003,206	\$ 1,747,121
477	LESJWA Management	\$ 181,782	\$ 212,027	\$ 216,674
504	Prop 84 Drought Projects	\$ 2,243,172	\$ 1,265,683	\$ 1,182,042
504	Prop 84 SARCCUP	\$ -	\$ 762,496	\$ 807,844
<b>Total</b>		<b>\$ 25,537,402</b>	<b>\$ 39,671,508</b>	<b>\$ 30,766,852</b>
504	<i>Proposition 84 Capital – Pass Through</i>	\$ 6,381,306	\$ 21,080,225	\$ 12,787,335

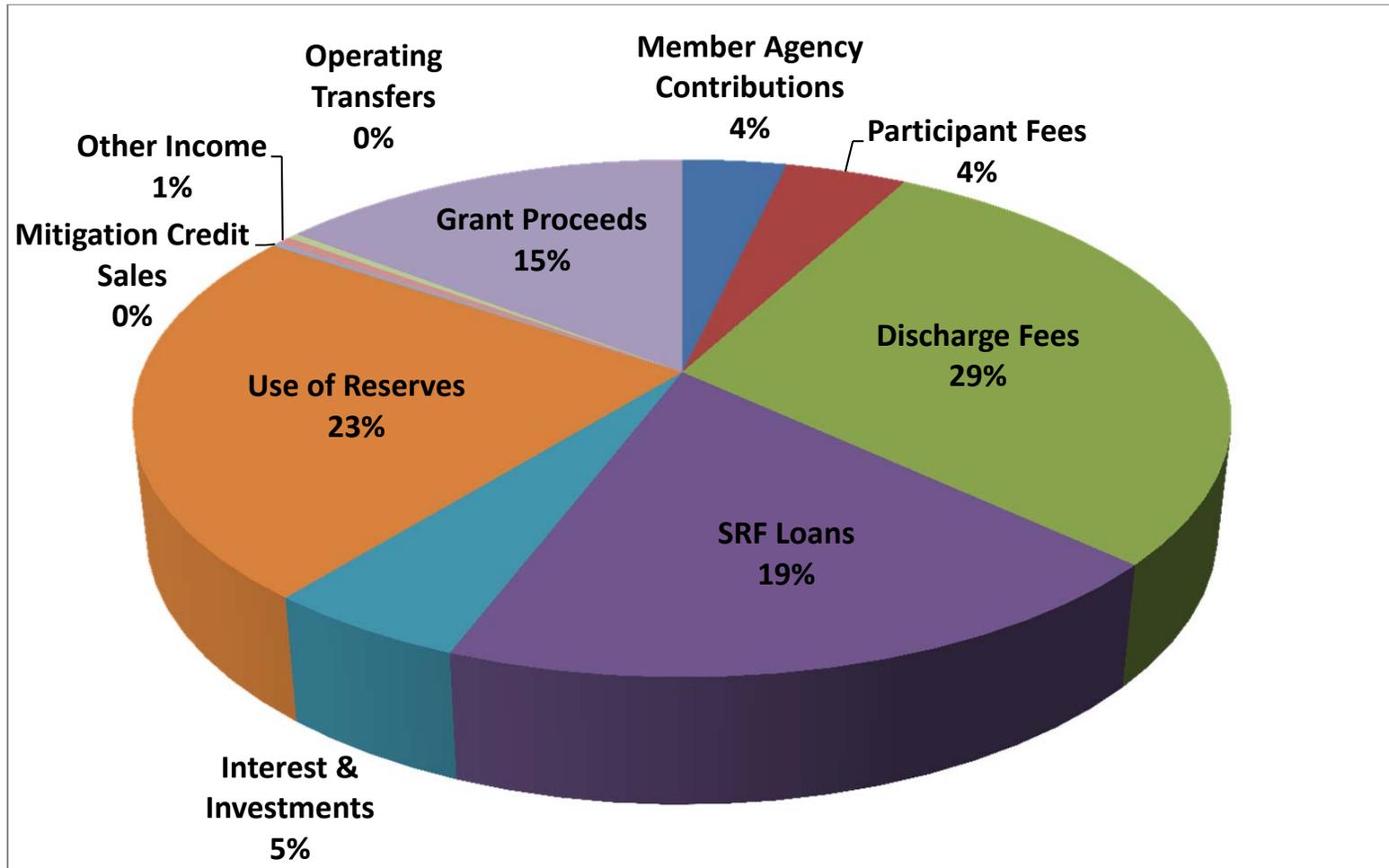
# Sources and Uses of Funds

## FYE 2018

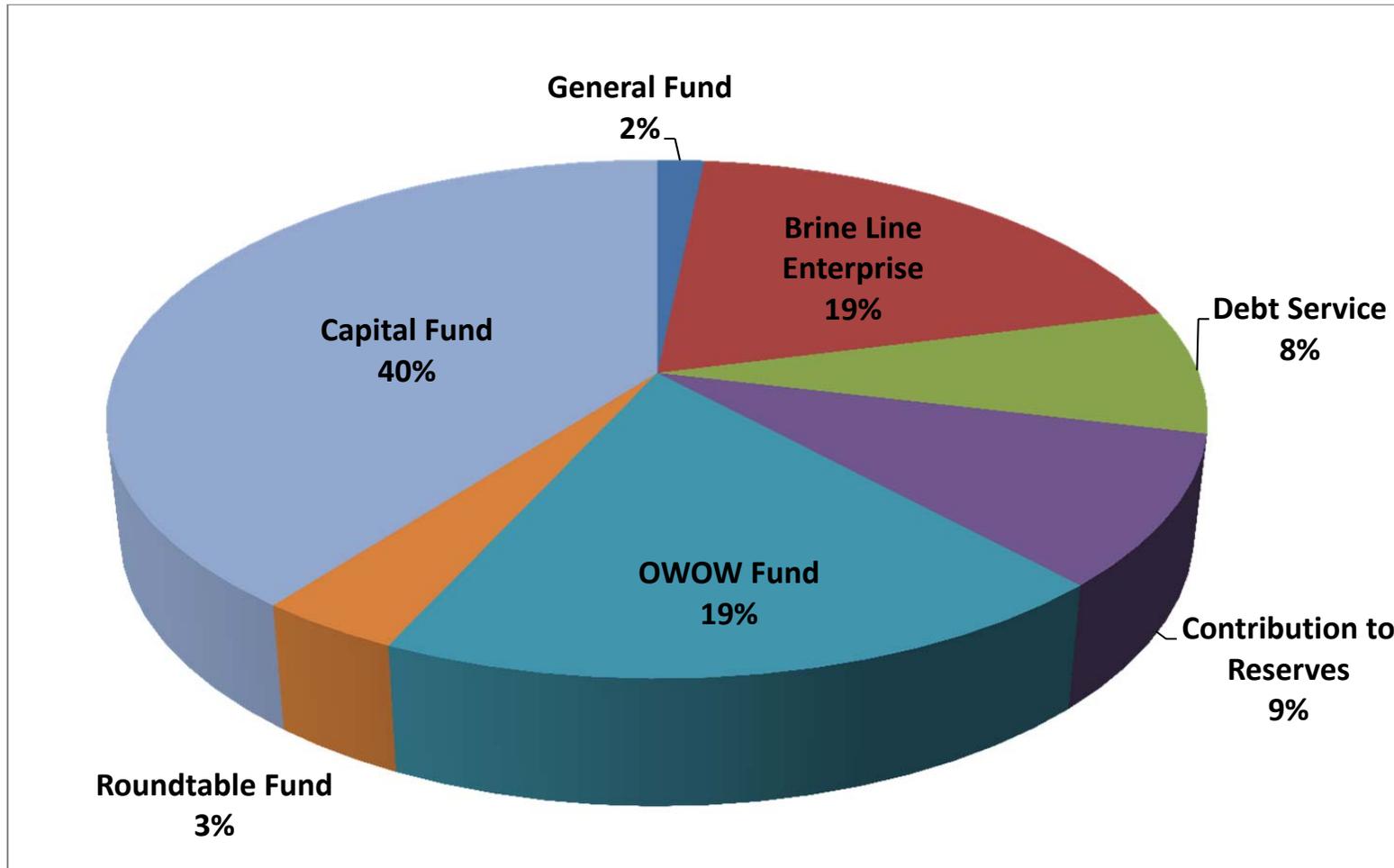
		EXPENSES	REVENUES										
			Total	Member Contributions	Participant Fees	Discharge Fees	SRF Loans	Interest & Investments	Other Income			Grant Proceeds	Total
								Use of Reserves	Mitigation Credit Sales	Other	Operating Transfers		
100	General Fund	\$ 646,118	646,118	-	-	-	-	-	-	-	-	-	\$ 646,118
130	Prop 84 - R1 Program Management	\$ 142,116	-	-	-	-	-	-	-	-	-	142,116	\$ 142,116
135	Prop 84 - R2 Program Management	\$ 133,791	-	-	-	-	-	-	-	-	-	133,791	\$ 133,791
140	Prop 84 - Drought Program Management	\$ 118,814	-	-	-	-	-	-	-	-	-	118,814	\$ 118,814
145	Prop 84 – 2015 Program Management	\$ 291,801	-	-	-	-	-	-	-	-	-	291,801	\$ 291,801
240	Brine Line Enterprise	\$ 14,488,335	-	-	11,427,616	-	1,994,772	1,065,947	-	-	-	-	\$ 14,488,334
320	Brine Line Protection Project	\$ 812,572	-	-	-	-	-	812,572	-	-	-	-	\$ 812,572
326	Reach V Repairs	\$ 14,487,574	-	-	-	7,500,000	-	6,987,574	-	-	-	-	\$ 14,487,574
327	Reach IV-D Corrosion Repair	\$ 414,386	-	-	-	-	-	414,386	-	-	-	-	\$ 414,386
370	Basin Planning General	\$ 371,009	356,000	-	-	-	-	-	-	-	-	-	\$ 356,000
370	USBR Partnership Studies	\$ 69,178	20,000	-	-	-	-	-	-	-	-	50,000	\$ 70,000
372	Imported Water Recharge Workgroup	\$ 7,698	-	-	-	-	-	-	-	-	-	-	\$ -
373	Watershed Management (OWOW)	\$ 523,362	400,000	-	-	-	-	-	-	-	-	127,000	\$ 527,000
374	Basin Monitoring Program Task Force	\$ 404,772	-	272,447	-	-	-	-	-	-	-	-	\$ 272,447
381	SA River Fish Conservation	\$ 53,156	10,000	19,000	-	-	-	-	-	-	-	-	\$ 29,000
384	MSAR TMDL Task Force	\$ 196,554	-	215,000	-	-	-	-	-	-	-	-	\$ 215,000
386	RWQ Monitoring TF	\$ 327,988	-	212,796	-	-	-	-	-	-	144,252	-	\$ 357,048
387	Arundo Mgmt & Habitat Restoration	\$ 72,281	-	-	-	-	-	-	88,980	-	-	-	\$ 88,980
392	Emerging Constituents Task Force	\$ 40,528	-	40,000	-	-	-	-	-	-	-	-	\$ 40,000
396	Forest First Task Force	\$ 104,202	-	104,202	-	-	-	-	-	-	-	-	\$ 104,202
397	Energy – Water DAC Grant Program	\$ 1,721,860	-	365,000	-	-	-	-	-	-	-	1,300,000	\$ 1,665,000
398	Proposition 1 – DACI	\$ 2,003,206	-	-	-	-	-	-	-	-	-	2,003,206	\$ 2,003,206
477	LESJWA Administration	\$ 212,027	10,000	-	-	-	-	-	-	202,027	-	-	\$ 212,027
504	Prop 84 Drought Projects	\$ 1,265,683	-	-	-	-	-	-	-	-	-	1,265,683	\$ 1,265,683
504	Prop 84 SARCCUP	\$ 762,496	-	453,612	-	-	-	-	-	-	-	308,885	\$ 762,497
		<b>\$ 39,671,508</b>	<b>\$ 1,442,118</b>	<b>\$ 1,682,056</b>	<b>\$ 11,427,616</b>	<b>\$ 7,500,000</b>	<b>\$ 1,994,772</b>	<b>\$ 9,280,479</b>	<b>\$ 88,980</b>	<b>\$ 202,027</b>	<b>\$ 144,252</b>	<b>\$ 5,741,297</b>	<b>\$39,503,596</b>
<b>PASS-THROUGH</b>													
504	Proposition 84 Capital	\$ 21,080,225	-	-	-	-	-	-	-	-	-	21,080,225	\$ 21,080,225
<b>Total</b>		<b>\$ 60,571,733</b>											<b>\$ 60,583,821</b>

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# Source of Funds FYE 2018 \$39,503,596



# Use of Funds FYE 2018 \$39,671,508

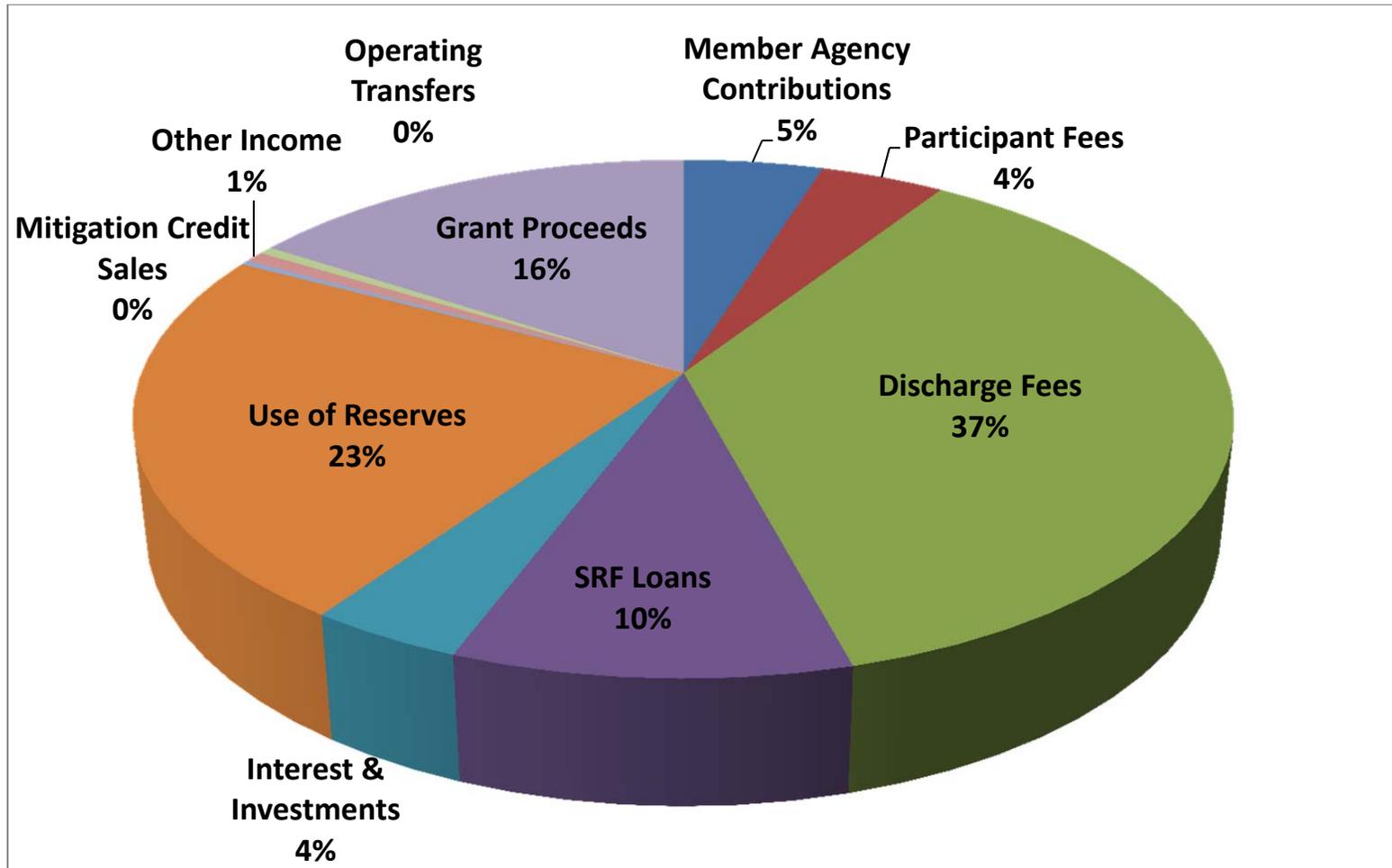


## Sources and Uses of Funds FYE 2019

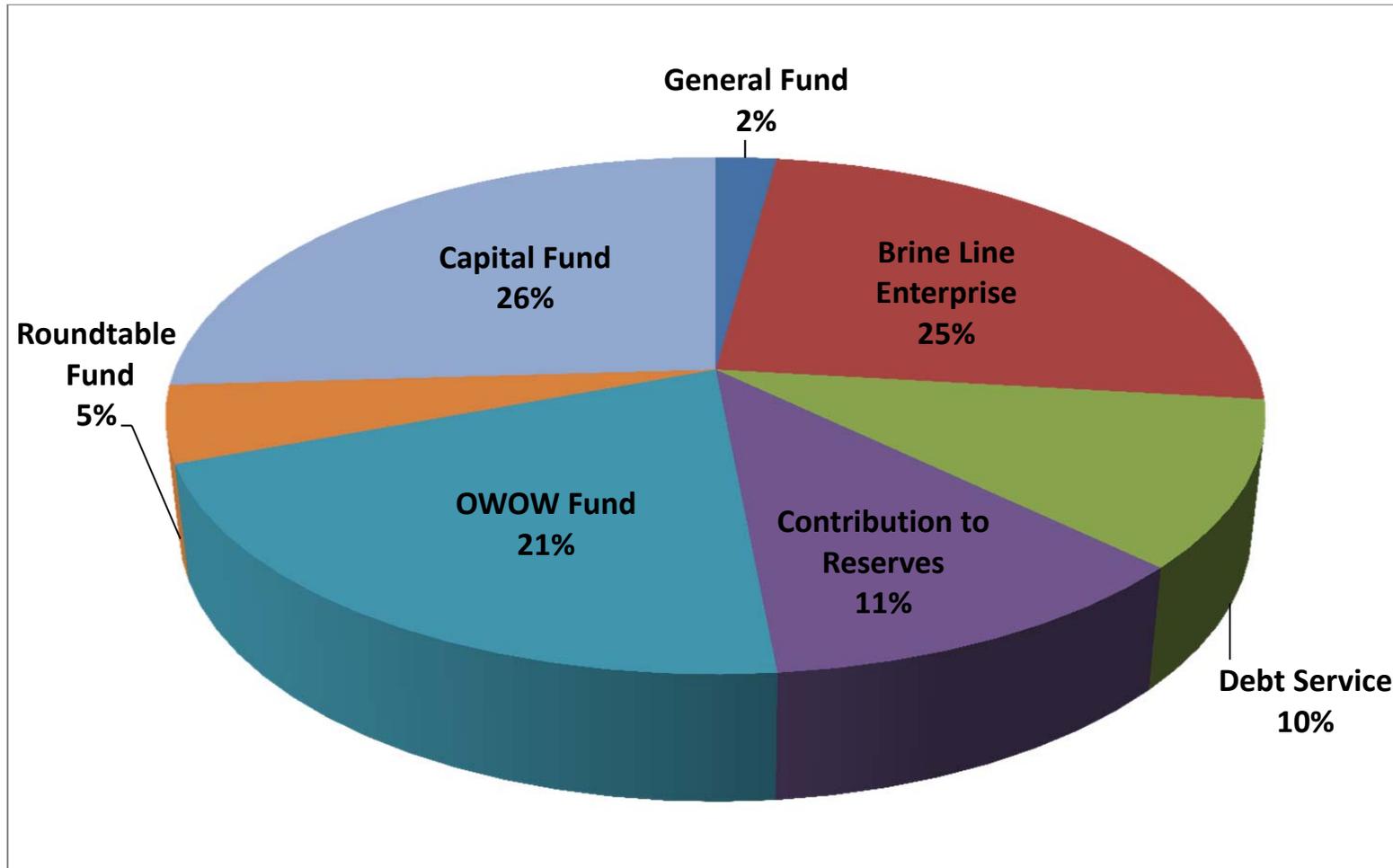
EXPENSES			REVENUES										
	Total	Member Contributions	Participant Fees	Discharge Fees	SRF Loans	Interest & Investments	Other Income				Grant Proceeds	Total	
							Use of Reserves	Mitigation Credit Sales	Other	Operating Transfers			
100	General Fund	\$ 650,695	650,695	-	-	-	-	-	-	-	-	-	\$ 650,695
130	Prop 84 - R1 Program Management	\$ 134,519	-	-	-	-	-	-	-	-	-	134,519	\$ 134,519
135	Prop 84 - R2 Program Management	\$ 142,059	-	-	-	-	-	-	-	-	-	142,059	\$ 142,059
140	Prop 84 - Drought Program Management	\$ 119,630	-	-	-	-	-	-	-	-	-	119,630	\$ 119,630
145	Prop 84 – 2015 Program Management	\$ 321,946	-	-	-	-	-	-	-	-	-	321,946	\$ 321,946
240	Brine Line Enterprise	\$ 14,274,038	-	-	11,090,587	-	1,173,582	2,009,869	-	-	-	-	\$ 14,274,038
320	Brine Line Protection Project	\$ 3,736,548	-	-	-	-	-	3,736,548	-	-	-	-	\$ 3,736,548
326	Reach V Repairs	\$ 269,167	-	-	-	-	-	269,167	-	-	-	-	\$ 269,167
327	Reach IV-D Corrosion Repair	\$ 3,980,317	-	-	-	3,000,000	-	980,317	-	-	-	-	\$ 3,980,317
370	Basin Planning General	\$ 385,131	356,000	-	-	-	-	-	-	-	-	-	\$ 356,000
370	USBR Partnership Studies	\$ 70,365	20,000	-	-	-	-	-	-	-	-	50,000	\$ 70,000
372	Imported Water Recharge Workgroup	\$ 10,804	-	9,000	-	-	-	-	-	-	-	-	\$ 9,000
373	Watershed Management (OWOW)	\$ 551,346	425,000	-	-	-	-	-	-	-	-	123,000	\$ 548,000
374	Basin Monitoring Program Task Force	\$ 280,534	-	272,447	-	-	-	-	-	-	-	-	\$ 272,447
381	SA River Fish Conservation	\$ 106,303	10,000	19,000	-	-	-	-	-	-	-	-	\$ 29,000
384	MSAR TMDL Task Force	\$ 200,470	-	215,000	-	-	-	-	-	-	-	-	\$ 215,000
386	RWQ Monitoring TF	\$ 333,802	-	212,796	-	-	-	-	-	-	144,252	-	\$ 357,048
387	Arundo Mgmt & Habitat Restoration	\$ 183,367	-	-	-	-	-	-	88,980	-	-	-	\$ 88,980
392	Emerging Constituents Task Force	\$ 40,719	-	40,000	-	-	-	-	-	-	-	-	\$ 40,000
396	Forest First Task Force	\$ 103,308	-	103,308	-	-	-	-	-	-	-	-	\$ 103,308
397	Energy – Water DAC Grant Program	\$ 918,104	-	-	-	-	-	-	-	-	-	586,816	\$ 586,816
398	Proposition 1 – DACI	\$ 1,747,121	-	-	-	-	-	-	-	-	-	1,747,121	\$ 1,747,121
477	LESJWA Administration	\$ 216,674	10,000	-	-	-	-	-	-	206,674	-	-	\$ 216,674
504	Prop 84 Drought Projects	\$ 1,182,042	-	-	-	-	-	-	-	-	-	1,182,042	\$ 1,182,042
504	Prop 84 SARCCUP	\$ 807,844	-	437,722	-	-	-	-	-	-	-	370,123	\$ 807,845
	<b>Total</b>	<b>\$ 30,766,852</b>	<b>\$ 1,471,695</b>	<b>\$ 1,309,273</b>	<b>\$ 11,090,587</b>	<b>\$ 3,000,000</b>	<b>\$ 1,173,582</b>	<b>\$ 6,995,901</b>	<b>\$ 88,980</b>	<b>\$ 206,674</b>	<b>\$ 144,252</b>	<b>\$ 4,777,256</b>	<b>\$30,258,200</b>
<b>PASS-THROUGH</b>													
504	Proposition 84 Capital	\$ 12,787,335	-	-	-	-	-	-	-	-	-	12,787,335	\$ 12,787,335
	<b>Total</b>	<b>\$ 43,554,187</b>											<b>\$ 43,045,535</b>

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# Source of Funds FYE 2019 \$30,258,200



# Use of Funds FYE 2019 \$30,766,852



## Line Item Detail by Fund Type FYE 2018

EXPENSES							
Line Item Detail		Agency Wide Total	General Funds	Brine Line Enterprise Funds	OWOW Funds	Roundtable Funds	Capital Funds
51000	Salaries - Regular	\$ 3,592,414	1,500,898	902,886	805,639	147,347	235,645
52000	Benefits	\$ 1,569,289	655,643	394,411	351,930	64,366	102,938
53000	Indirect Costs	\$ (0)	(2,950,725)	1,273,798	1,136,600	207,877	332,450
60111	Tuition Reimbursement	\$ 2,800	2,800	–	–	–	–
60112	Training	\$ 26,000	16,000	10,000	–	–	–
60113	Education	\$ 11,000	11,000	–	–	–	–
60114	Other Training & Education	\$ 27,500	27,500	–	–	–	–
60120	Audit Fees	\$ 36,500	36,500	–	–	–	–
60121	Consulting	\$ 3,694,580	192,000	270,000	1,358,716	843,864	1,030,000
60122	Cost of Funds	\$ 100	–	–	–	100	–
60126	Temporary Services	\$ 5,500	5,500	–	–	–	–
60127	Studies	\$ –	–	–	–	–	–
60128	Other Professional Services	\$ 24,000	24,000	–	–	–	–
60129	Other Contract Services	\$ 1,665,321	--	–	1,665,321	–	–
60130	Legal Fees	\$ 1,525,000	–	25,000	–	--	1,500,000
6210	Engineering	\$ 455,000	–	–	–	–	455,000
60132	Project Management Services	\$ –	–	–	–	–	–
60133	Employment Recruitment	\$ 3,000	3,000	--	–	–	–
60140	Treatment Costs	\$ 2,606,445	–	2,606,445	–	–	–
60141	Volumetric Costs	\$ 736,000	--	736,000	–	–	–
60143	Lab Costs	\$ 55,000	–	55,000	–	–	–
60144	Treatment Cost Other	\$ --	–	--	–	–	–
60145	Permit Fees	\$ 40,000	–	30,000	–	–	10,000
60148	Brine Line Operating Costs	\$ 120,000	–	120,000	–	–	–
60149	Permitting/Pre-Treatment Activities	\$ 65,000	–	65,000	–	–	–
60151	Operations Labor	\$ --	–	--	–	–	–
60152	Maintenance Labor	\$ 60,000	–	60,000	–	–	–

## Line Item Detail by Fund Type FYE 2018

EXPENSES							
Line Item Detail		Agency Wide Total	General Funds	Brine Line Enterprise Funds	OWOW Funds	Roundtable Funds	Capital Funds
60153	Materials & Supplies	\$ 78,000	-	78,000	-	-	-
60154	Safety	\$ 11,820	5,820	6,000	-	-	-
60165	Uniforms	\$ --	-	--	-	-	-
60155	Security	\$ 5,750	5,750	--	-	--	-
60156	Custodial Contract Services	\$ 38,470	38,470	--	-	-	-
60157	Landscaping Maintenance	\$ 26,000	26,000	-	-	-	-
60158	HVAC	\$ 8,000	8,000	-	-	-	-
60159	Facility Repair & Maintenance	\$ 720,050	25,050	695,000	-	-	-
60160	Telephone	\$ 15,500	15,500	-	-	-	-
60161	Cellular Services	\$ 22,500	16,500	6,000	-	-	-
60163	Electricity	\$ 27,950	24,200	3,750	-	-	-
60164	Water Services	\$ 12,000	12,000	-	-	-	-
60170	Equipment Expensed	\$ 24,500	4,000	20,500	-	-	-
60171	Equipment Rented	\$ 81,500	36,500	45,000	-	-	-
60172	Equipment Repair/Maintenance	\$ 7,500	5,000	2,500	-	-	-
60180	Computer Hardware	\$ 122,350	92,350	30,000	-	-	-
60181	Software	\$ 147,300	104,700	38,500	4,100	-	-
60182	Internet Services	\$ 20,000	20,000	--	-	-	-
60183	Computer Supplies	\$ 9,500	8,500	1,000	-	-	-
60184	Computer Repair/Maintenance	\$ 3,750	3,750	--	-	-	-
60190	Offsite Meeting/Travel Expense	\$ 41,750	22,500	3,000	9,300	950	6,000
60191	In House Meetings	\$ 6,200	5,000	1,000	-	200	-
60192	Conference Expense	\$ 67,250	50,000	3,750	13,500	-	-
60193	Car, Repair, Maintenance	\$ 45,000	--	45,000	--	--	--
60200	Dues	\$ 75,350	55,350	--	10,000	10,000	-
60202	Subscriptions	\$ 24,350	24,250	100	--	-	-
60203	Contributions	\$ 17,500	17,500	--	-	-	-

## Line Item Detail by Fund Type FYE 2018

EXPENSES							
Line Item Detail		Agency Wide Total	General Funds	Brine Line Enterprise Funds	OWOW Funds	Roundtable Funds	Capital Funds
60210	Bank Charges	\$ --	--	-	-	-	--
60211	Shipping/Postage	\$ 5,500	3,000	1,000	1,250	250	-
60212	Office Supplies	\$ 18,160	15,000	1,000	2,160	-	-
60213	Offsite Storage	\$ 5,280	5,280	-	--	-	-
60220	Commission Fees	\$ 73,800	73,800	--	-	-	-
60221	Commission Mileage Reimbursement	\$ 7,276	7,276	--	--	--	--
60222	Other Commission Expense	\$ 10,000	10,000	--	--	-	--
60230	Other Expense	\$ 41,800	10,000	10,000	4,300	-	17,500
60300	Reserve Contingency	\$ 60,000	60,000	-	-	-	-
60500	Program Expense	\$ 2,040,501	--	-	2,040,501	-	-
6310	Construction	\$ 12,025,000	--	-	-	-	12,025,000
13005	Fixed Assets	\$ 53,000	53,000	--	--	--	--
60240	Building Lease	\$ 22,500	10,000	12,500	-	-	-
80000	Building Repair/Replacement Reserve	\$ 100,000	100,000	-	-	-	--
80000	Retiree Medical Reserve	\$ 113,000	113,000	-	-	-	-
80001	Insurance Expense	\$ 174,258	34,956	139,303	-	-	-
81006	Pipeline Repair / Replacement	\$ 1,500,000	--	1,500,000	-	--	-
80000	OCS D Rehabilitation Reserve	\$ --	--	-	-	-	-
80000	Imbalance Reserve	\$ --	--	-	-	-	-
80000	Self-Insurance Fund	\$ 100,000	--	100,000	-	-	-
80000	Capacity Management Reserve	\$ --	--	--	-	-	-
80000	Debt Service Reserve	\$ 2,136,173	-	2,136,173	-	-	-
80000	Operating Reserve	\$ --	-	--	-	-	-
82002	Interest Expense	\$ --	-	--	-	-	-
20721	Debt Service	\$ 3,060,719	-	3,060,719	-	-	-
91000	Operating Transfers	\$ 144,252	-	--	-	144,252	-
93000	Gain/Loss on Sale of Asset	\$ -	-	-	-	-	-

## Line Item Detail by Fund Type FYE 2018

EXPENSES						
Line Item Detail	Agency Wide Total	General Funds	Brine Line Enterprise Funds	OWOW Funds	Roundtable Funds	Capital Funds
<b>Sub-total</b>	<b>\$ 39,671,508</b>	<b>\$ 646,118</b>	<b>\$ 14,488,335</b>	<b>\$ 7,403,317</b>	<b>\$ 1,419,206</b>	<b>\$ 15,714,532</b>
PASS-THROUGH						
504	Prop 84 Capital Projects	\$ 21,080,225				
<b>Total</b>		<b>\$ 60,751,733</b>				

## Line Item Detail by Fund Type FYE 2019

Line Item Detail		Agency Wide Total	General Funds	Brine Line Enterprise Funds	OWOW Funds	Roundtable Funds	Capital Funds
51000	Salaries - Regular	\$ 3,859,112	1,646,142	1,033,117	838,558	154,104	187,191
52000	Benefits	\$ 1,686,262	719,291	451,427	366,413	67,337	81,794
53000	Indirect Costs	\$ 0	(3,121,569)	1,457,293	1,182,852	217,376	264,047
60111	Tuition Reimbursement	\$ 2,800	2,800	–	–	–	–
60112	Training	\$ 26,500	16,000	10,500	–	–	–
60113	Education	\$ 11,000	11,000	–	–	–	–
60114	Other Training & Education	\$ 27,500	27,500	–	–	–	–
60120	Audit Fees	\$ 36,500	36,500	–	–	–	–
60121	Consulting	\$ 2,484,822	204,400	260,000	1,189,311	731,111	100,000
60122	Cost of Funds	\$ 100	–	–	–	100	–
60126	Temporary Services	\$ 5,500	5,500	–	–	–	–
60127	Studies	\$ --	–	–	–	--	–
60128	Other Professional Services	\$ –	–	–	–	–	–
60129	Other Contract Services	\$ 861,539	–	–	861,539	–	–
60130	Legal Fees	\$ 130,000	–	30,000	–	–	100,000
6210	Engineering	\$ 277,500	--	--	--	--	277,500
60132	Project Management Services	\$ 400,000	–	–	–	–	400,000
60133	Employment Recruitment	\$ 3,000	3,000	–	–	–	–
60140	Treatment Costs	\$ 2,161,360	–	2,161,360	–	–	–
60141	Volumetric Costs	\$ 708,100	–	708,100	–	–	–
60143	Lab Costs	\$ 57,500	–	57,500	–	–	–
60144	Treatment Cost Other	\$ –	–	–	–	–	–
60145	Permit Fees	\$ 40,000	–	30,000	–	–	10,000
60148	Brine Line Operating Costs	\$ 125,000	–	125,000	–	–	–
60149	Permitting/Pre-Treatment Activities	\$ 50,000	–	50,000	–	–	–
60151	Operations Labor	\$ –	–	–	–	–	–
60152	Maintenance Labor	\$ 60,000	–	60,000	–	–	–

## Line Item Detail by Fund Type FYE 2019

Line Item Detail		Agency Wide Total	General Funds	Brine Line Enterprise Funds	OWOW Funds	Roundtable Funds	Capital Funds
60153	Materials & Supplies	\$ 81,000	--	81,000	-	--	-
60154	Safety	\$ 12,090	6,090	6,000	-	-	-
60165	Uniforms	\$ -	-	-	-	-	-
60155	Security	\$ 5,750	5,750	-	-	-	-
60156	Custodial Contract Services	\$ 40,540	40,540	-	-	-	-
60157	Landscaping Maintenance	\$ 26,000	26,000	-	-	-	-
60158	HVAC	\$ 8,000	8,000	-	-	-	-
60159	Facility Repair & Maintenance	\$ 740,250	25,250	715,000	-	-	-
60160	Telephone	\$ 16,000	16,000	-	-	-	-
60161	Cellular Services	\$ 24,500	18,500	6,000	-	-	-
60163	Electricity	\$ 30,620	26,620	4,000	-	-	-
60164	Water Services	\$ 12,500	12,500	-	-	-	-
60170	Equipment Expensed	\$ 22,500	4,000	18,500	-	-	-
60171	Equipment Rented	\$ 84,500	36,500	48,000	-	-	-
60172	Equipment Repair/Maintenance	\$ 8,000	5,000	3,000	-	-	-
60180	Computer Hardware	\$ 75,000	50,000	25,000	-	-	-
60181	Software	\$ 151,000	105,150	41,750	4,100	-	-
60182	Internet Services	\$ 20,000	20,000	-	-	-	-
60183	Computer Supplies	\$ 9,750	8,500	1,250	-	-	-
60184	Computer Repair/Maintenance	\$ 3,750	3,750	-	-	-	-
60190	Offsite Meeting/Travel Expense	\$ 41,300	22,500	3,250	12,300	1,250	2,000
60191	In House Meetings	\$ 6,450	5,000	1,250	--	200	-
60192	Conference Expense	\$ 67,500	50,000	4,000	13,500	-	-
60193	Car, Repair, Maintenance	\$ 50,000	-	50,000	-	-	-
60200	Dues	\$ 76,850	56,850	-	10,000	10,000	-
60202	Subscriptions	\$ 24,350	24,250	100	--	-	-
60203	Contributions	\$ 17,500	17,500	-	--	-	-

## Line Item Detail by Fund Type FYE 2019

Line Item Detail		Agency Wide Total	General Funds	Brine Line Enterprise Funds	OWOW Funds	Roundtable Funds	Capital Funds
60210	Bank Charges	\$ --	–	--	–	–	–
60211	Shipping/Postage	\$ 5,450	3,000	1,000	1,200	250	–
60212	Office Supplies	\$ 18,560	15,000	1,000	2,560	–	–
60213	Offsite Storage	\$ 5,400	5,400	–	–	–	–
60220	Commission Fees	\$ 77,400	77,400	–	–	–	–
60221	Commission Mileage Reimbursement	\$ 7,377	7,377	–	–	–	–
60222	Other Commission Expense	\$ 10,000	10,000	–	–	–	–
60230	Other Expense	\$ 38,400	10,000	10,000	4,900	–	13,500
60300	Reserve Contingency	\$ 69,500	69,500	–	–	–	–
60500	Program Expense	\$ 2,042,873	–	–	1,892,873	150,000	–
6310	Construction	\$ 6,550,000	–	–	–	--	6,550,000
13005	Fixed Assets	\$ 48,500	48,500	--	–	–	–
60240	Building Lease	\$ 22,500	10,000	12,500	--	--	--
80000	Building Repair/Replacement Reserve	\$ 100,000	100,000	–	–	–	–
80000	Retiree Medical Reserve	\$ 113,000	113,000	–	–	–	–
80001	Insurance Expense	\$ 181,249	36,703	144,546	–	–	–
81006	Pipeline Repair / Replacement	\$ 1,500,000	–	1,500,000	–	–	–
80000	OCSD Rehabilitation Reserve	\$ --	–	--	–	–	–
80000	Imbalance Reserve	\$ --	–	–	–	–	–
80000	Self-Insurance Fund	\$ 100,000	–	100,000	–	–	–
80000	Capacity Management Reserve	\$ --	–	–	–	–	–
80000	Debt Service Reserve	\$ 1,879,144	–	1,879,144	–	–	–
80000	Operating Reserve	\$ --	–	–	–	–	–
82002	Interest Expense	\$ --	–	–	–	–	–
20721	Debt Service	\$ 3,183,451	–	3,183,451	–	–	–
91000	Operating Transfers	\$ 144,252	–	–	–	144,252	–
93000	Gain/Loss on Sale of Asset	\$ --	–	–	–	–	–

**Line Item Detail by Fund Type**  
**FYE 2019**

Line Item Detail	Agency Wide Total	General Funds	Brine Line Enterprise Funds	OWOW Funds	Roundtable Funds	Capital Funds
<b>Sub-total</b>	<b>\$ 30,766,852</b>	<b>\$ 650,695</b>	<b>\$ 14,274,038</b>	<b>\$ 6,380,106</b>	<b>\$ 1,475,981</b>	<b>\$ 7,986,032</b>

PASS-THROUGH						
504	Prop 84 Capital Projects	\$ 12,787,335				
	<b>Total</b>	<b>\$ 43,554,187</b>				

# Cash Flow 2018

<i>Fiscal Year 2017-18</i>								
	<b>BALANCE @ June 2017</b>	Revenues	Interest	Expenses	Reserves	Debt Service	<b>BALANCE @ June 2018</b>	
General Fund	\$ 3,080,436	\$ 646,118	\$ -	\$ 646,118	\$ -	\$ -	\$ 3,080,436	
OWOW Fund	\$ 814,190	\$ 7,335,908	\$ -	\$ 7,403,317	\$ -	\$ -	\$ 746,780	
Roundtable Fund	\$ 1,785,564	\$ 1,318,704	\$ -	\$ 1,419,206	\$ -	\$ -	\$ 1,685,062	
<b>Brine Line Enterprise</b>								
Self Insurance Reserve	\$ 3,856,186	\$ 100,000	\$ -	\$ -	\$ -	\$ -	\$ 3,956,186	
Debt Retirement Reserve	\$ 5,045,990	\$ 2,136,173	\$ 1,994,772	\$ -	\$ 1,065,947	\$ 3,060,719	\$ 5,050,269	
Pipeline Repair/Replacement	\$ 19,650,625	\$ 1,500,000	\$ -	\$ 8,214,532	\$ -	\$ -	\$ 12,936,092	
OCSD Rehabilitation Reserve	\$ 3,525,815	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,525,815	
OCSD Future Capacity Reserve	\$ 1,729,799	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,729,799	
Capacity Management Reserve	\$ 7,853,899	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,853,899	
Flow Imbalance Reserve	\$ 84,829	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 84,829	
Brine Line Operating Reserve	\$ 2,874,849	\$ 11,427,616	\$ -	\$ 11,427,616	\$ -	\$ -	\$ 2,874,849	
<b>Brine Line Enterprise</b>	\$ 44,621,991	\$ 15,163,789	\$ 1,994,772	\$ 19,642,148	\$ 1,065,947	\$ 3,060,719	\$ 38,011,738	
Legal Defense Fund	\$ 447,960	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 447,960	
<b>TOTALS</b>	<b>\$ 50,750,141</b>	<b>\$ 24,464,519</b>	<b>\$ 1,994,772</b>	<b>\$ 29,110,789</b>	<b>\$ 1,065,947</b>	<b>\$ 3,060,719</b>	<b>\$ 43,971,976</b>	

# Cash Flow 2018

Investments & Cash:		
	Actual 6/30/17	Projected 6/30/18
T-Strips	\$1,703,799	\$754,799
LAIF Balance	29,578,578	26,604,217
Securities - (Incl Disc/Prem)	12,509,971	10,000,000
Certificates of Deposit	2,725,365	3,000,000
Savings Account - EPA Legal	447,960	447,960
CalTRUST Investments	2,175,131	2,165,000
Checking Accounts	1,609,336	1,000,000
	<b>\$ 50,750,141</b>	<b>\$ 43,971,976</b>

# Cash Flow 2019

	BALANCE @ June 2018	Fiscal Year 2018-19					BALANCE @ June 2019
		Revenues	Interest	Expenses	Reserves	Debt Service	
General Fund	\$ 3,080,436	\$ 650,695	\$ -	\$ 650,695	\$ -	\$ -	\$ 3,080,436
OWOW Fund	\$ 746,780	\$ 6,015,977	\$ -	\$ 6,380,106	\$ -	\$ -	\$ 382,651
Roundtable Fund	\$ 1,685,062	\$ 1,331,457	\$ -	\$ 1,475,981	\$ -	\$ -	\$ 1,540,538
<b>Brine Line Enterprise</b>							
Self Insurance Reserve	\$ 3,956,186	\$ 100,000	\$ -	\$ -	\$ -	\$ -	\$ 4,056,186
Debt Retirement Reserve	\$ 5,050,269	\$ 1,879,144	\$ 1,173,582	\$ -	\$ 2,009,869	\$ 3,060,719	\$ 3,032,407
Pipeline Repair/Replacement	\$ 12,936,092	\$ 1,500,000	\$ -	\$ 1,986,032	\$ -	\$ -	\$ 12,450,060
OCSD Rehabilitation Reserve	\$ 3,525,815	\$ -	\$ -	\$ 3,000,000	\$ -	\$ -	\$ 525,815
OCSD Future Capacity Reserve	\$ 1,729,799	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,729,799
Capacity Management Reserve	\$ 7,853,899	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,853,899
Flow Imbalance Reserve	\$ 84,829	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 84,829
Brine Line Operating Cash	\$ 2,874,849	\$ 11,090,587	\$ -	\$ 11,090,587	\$ -	\$ -	\$ 2,874,849
<b>Brine Line Enterprise</b>	\$ 38,011,738	\$ 14,569,731	\$ 1,173,582	\$ 16,076,619	\$ 2,009,869	\$ 3,060,719	\$ 32,607,844
Legal Defense Fund	\$ 447,960	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 447,960
<b>TOTALS</b>	<b>\$ 43,971,976</b>	<b>\$ 22,567,860</b>	<b>\$ 1,173,582</b>	<b>\$ 24,583,401</b>	<b>\$ 2,009,869</b>	<b>\$ 3,060,719</b>	<b>\$ 38,059,429</b>

# Cash Flow 2019

<b>Investments &amp; Cash:</b>		
	Projected 6/30/18	Projected 6/30/19
T-Strips	\$754,799	\$359,799
LAIF Balance	26,604,217	21,085,670
Securities - (Incl Disc/Prem)	10,000,000	10,000,000
Certificates of Deposit	3,000,000	3,000,000
Savings Account - EPA Legal	447,960	447,960
CalTRUST Investments	2,165,000	2,166,000
Checking Accounts	1,000,000	1,000,000
	<b>\$ 43,971,976</b>	<b>\$ 38,059,429</b>

## SUMMARY OF LABOR MULTIPLIERS

	FYE 2018		FYE 2019	
		Benefits Rate		Benefits Rate
Total Employee Benefits	\$ 1,569,289	0.437	\$ 1,686,262	0.437
Total Payroll	3,592,414		3,859,112	
Gross Indirect Costs	3,400,725		3,571,569	
<i>Less: Member Contributions</i>	<i>(450,000)</i>		<i>(450,000)</i>	
<b>Indirect Costs for Distribution</b>	<b>\$ 2,950,725</b>		<b>\$ 3,121,569</b>	
		Indirect Costs		Indirect Costs
Direct Labor Charged	2,091,517	1.411	2,212,970	1.411
Indirect Costs	2,950,725		3,121,569	
<b>Budgeted Labor Multiplier</b>		<b>1.848</b>		<b>1.848</b>

	Actual	Budgeted
FY 2016-17 Labor Multiplier	1.935	2.013
FY 2015-16 Labor Multiplier	2.073	2.011
FY 2014-15 Labor Multiplier	1.913	2.028

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**FYE 2018  
GENERAL FUND COSTS (INDIRECT)  
(to be Distributed)**

G/L Acct.	Description	Budget	G/L Acct.	Description	Budget
51000	Salaries - Regular	\$ 1,458,710	60172	Equipment Repair/Maintenance	\$ 5,000
52000	Benefits	\$ 637,214	60180	Computer Hardware	\$ 92,350
60111	Tuition Reimbursement	\$ 2,800	60181	Software/Updates/Licensing	\$ 104,700
60112	Training	\$ 16,000	60182	Internet Services	\$ 20,000
60113	Education	\$ 11,000	60183	Computer Supplies	\$ 8,500
60114	Other Training & Education	\$ 27,500	60184	Computer Repair/Maintenance	\$ 3,750
60120	Audit Fees	\$ 36,500	60190	Offsite Meeting/Travel Expense	\$ 10,000
60121	Consulting - IT	\$ 77,000	60191	In House Meetings	\$ 5,000
60126	Temporary Services	\$ 5,500	60192	Conference Expense	\$ 42,500
60128	Other Professional Services	\$ 24,000	60200	Dues	\$ 55,350
60129	Other Contract Services	\$ --	60202	Subscriptions	\$ 23,750
60130	Legal Fees	\$ --	60203	Contributions	\$ 17,500
60133	Employment Recruitment	\$ 3,000	60211	Shipping/Postage	\$ 3,000
60154	Safety	\$ 5,820	60212	Office Supplies	\$ 15,000
60155	Security	\$ 5,750	60213	Offsite Storage	\$ 5,280
60156	Custodial Contract Services	\$ 38,470	60220	Commission Fees	\$ 73,800
60157	Landscaping Maintenance	\$ 26,000	60221	Commission Mileage Reimb.	\$ 7,276
60158	HVAC	\$ 8,000	60222	Other Commission Expense	\$ 10,000
60159	Facility Repair & Maintenance	\$ 25,050	60230	Other Expense	\$ 10,000
60160	Telephone	\$ 15,500	60240	Building Lease	\$ 10,000
60161	Cellular Services	\$ 16,500	80000	Post Retirement Benefits Reserve	\$ 113,000
60163	Electricity	\$ 24,200	80001	Insurance Expense	\$ 34,956
60164	Water Services	\$ 12,000	80000	Building Repair/Replacement Reserve	\$ 100,000
60170	Equipment Expensed	\$ 4,000	13005	Fixed Assets	\$ 53,000
60171	Equipment Rented	\$ 36,500	80000	Reserves/Contingency	\$ 60,000

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<i>Total General Fund Costs</i>	<b>\$ 3,400,725</b>
<i>Less Interest</i>	<b>\$ --</b>
<i>Net General Fund Costs</i>	<b><u>\$ 3,400,725</u></b>

**FYE 2019  
GENERAL FUND COSTS (INDIRECT)  
(to be Distributed)**

G/L Acct.	Description	Budget	G/L Acct.	Description	Budget
51000	Salaries - Regular	\$ 1,600,772	60172	Equipment Repair/Maintenance	\$ 5,000
52000	Benefits	\$ 699,467	60180	Computer Hardware	\$ 50,000
60111	Tuition Reimbursement	\$ 2,800	60181	Software/Updates/Licensing	\$ 105,150
60112	Training	\$ 16,000	60182	Internet Services	\$ 20,000
60113	Education	\$ 11,000	60183	Computer Supplies	\$ 8,500
60114	Other Training & Education	\$ 27,500	60184	Computer Repair/Maintenance	\$ 3,750
60120	Audit Fees	\$ 36,500	60190	Offsite Meeting/Travel Expense	\$ 10,000
60121	Consulting - IT	\$ 89,400	60191	In House Meetings	\$ 5,000
60126	Temporary Services	\$ 5,500	60192	Conference Expense	\$ 42,500
60128	Other Professional Services	\$ -	60200	Dues	\$ 56,850
60129	Other Contract Services	\$ -	60202	Subscriptions	\$ 23,750
60130	Legal Fees	\$ -	60203	Contributions	\$ 17,500
60133	Employment Recruitment	\$ 3,000	60211	Shipping/Postage	\$ 3,000
60154	Safety	\$ 6,090	60212	Office Supplies	\$ 15,000
60155	Security	\$ 5,750	60213	Offsite Storage	\$ 5,400
60156	Custodial Contract Services	\$ 40,540	60220	Commission Fees	\$ 77,400
60157	Landscaping Maintenance	\$ 26,000	60221	Commission Mileage Reimb.	\$ 7,377
60158	HVAC	\$ 8,000	60222	Other Commission Expense	\$ 10,000
60159	Facility Repair & Maintenance	\$ 25,250	60230	Other Expense	\$ 10,000
60160	Telephone	\$ 16,000	60240	Building Lease	\$ 10,000
60161	Cellular Services	\$ 18,500	80000	Post Retirement Benefit Reserve	\$ 113,000
60163	Electricity	\$ 26,620	80001	Insurance Expense	\$ 36,703
60164	Water Services	\$ 12,500	80000	Building Repair/Replacement Reserve	\$ 100,000
60170	Equipment Expensed	\$ 4,000	13005	Fixed Assets	\$ 48,500
60171	Equipment Rented	\$ 36,500	80000	Reserves/Contingency	\$ 69,500

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<i>Total General Fund Costs</i>	<b>\$ 3,571,569</b>
<i>Less Interest</i>	<b>\$ -</b>
<i>Net General Fund Costs</i>	<b><u>\$ 3,571,569</u></b>

## BENEFITS SUMMARY

*(Distributed based on Actual Labor)*

G/L Acct.	Description	<i>Actual</i> FYE 2017	<i>Budget</i> FYE 2018	<i>Budget</i> FYE 2019
70101	FICA	\$ 166,920	\$ 185,067	\$ 191,217
70102	Medicare	\$ 46,447	\$ 52,612	\$ 56,479
70103	State Unemployment Insurance	\$ 6,689	\$ 5,712	\$ 5,824
70104	Worker's Compensation Insurance	\$ 69,958	\$ 80,165	\$ 102,821
70105	State Disability Insurance	\$ 22,118	\$ 24,702	\$ 25,551
70106	PERS Pension Plan - Employer	\$ 389,603	\$ 551,624	\$ 641,759
70106	PERS Pension Plan - Employee	\$ 132,996	\$ 111,041	\$ 88,520
70111	Medical Insurance	\$ 379,329	\$ 445,725	\$ 459,036
70112	Dental Insurance	\$ 25,339	\$ 31,680	\$ 32,630
70113	Vision Insurance	\$ 6,861	\$ 8,014	\$ 8,255
70114	Life Insurance	\$ 13,432	\$ 15,491	\$ 16,014
70115	Long Term Disability Insurance	\$ 15,414	\$ 17,956	\$ 18,657
70116	Wellness Program	\$ 2,554	\$ 3,500	\$ 3,500
70117	401a Profit Sharing – Employer Contribution	\$ 4,907	\$ -	\$ -
70120	Car Allowance	\$ 33,600	\$ 36,000	\$ 36,000
<b>Total Benefits</b>		<b>\$ 1,316,167</b>	<b>\$ 1,569,289</b>	<b>\$ 1,686,262</b>
<b>Total Payroll</b>		<b>\$ 3,091,302</b>	<b>\$ 3,592,414</b>	<b>\$ 3,859,112</b>
<b>Benefits Rate</b>		<b>42.6%</b>	<b>43.7%</b>	<b>43.7%</b>

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## MEMBER CONTRIBUTION

### Summary Schedule

Member Agency Contributions		<i>Adopted</i> FYE 2017	<i>Budget</i> FYE 2018	<i>Budget</i> FYE 2019
<b>Exempt from Indirect Costs</b>		Funds		
SAWPA General Funds	100-00	\$ 450,000	\$ 450,000	\$ 450,000
State Lobbying	100-03	\$ 223,005	\$ 181,154	\$ 184,980
Federal Lobbying	100-04	\$ 26,302	\$ 14,962	\$ 15,715
		\$ 699,307	\$ 646,117	\$ 650,695
<b>Planning Projects</b>				
General Planning	370-01	\$ 350,000	\$ 356,000	\$ 356,000
USBR Partnership Studies	370-02	\$ 20,000	\$ 20,000	\$ 20,000
Watershed Management (OWOW)	373	\$ 300,000	\$ 400,000	\$ 425,000
SA River Fish Conservation	381	\$ 10,000	\$ 10,000	\$ 10,000
RWQ Monitoring Task Force	386	\$ 50,000	\$ --	\$ --
LESJWA Administration	477	\$ 10,000	\$ 10,000	\$ 10,000
		\$ 740,000	\$ 796,000	\$ 821,000
<b>Total Member Agency Contributions</b>		\$ 1,439,307	\$ 1,442,117	\$ 1,471,695
<b>Per Member Agency</b>		\$ 287,861	\$ 288,423	\$ 294,339

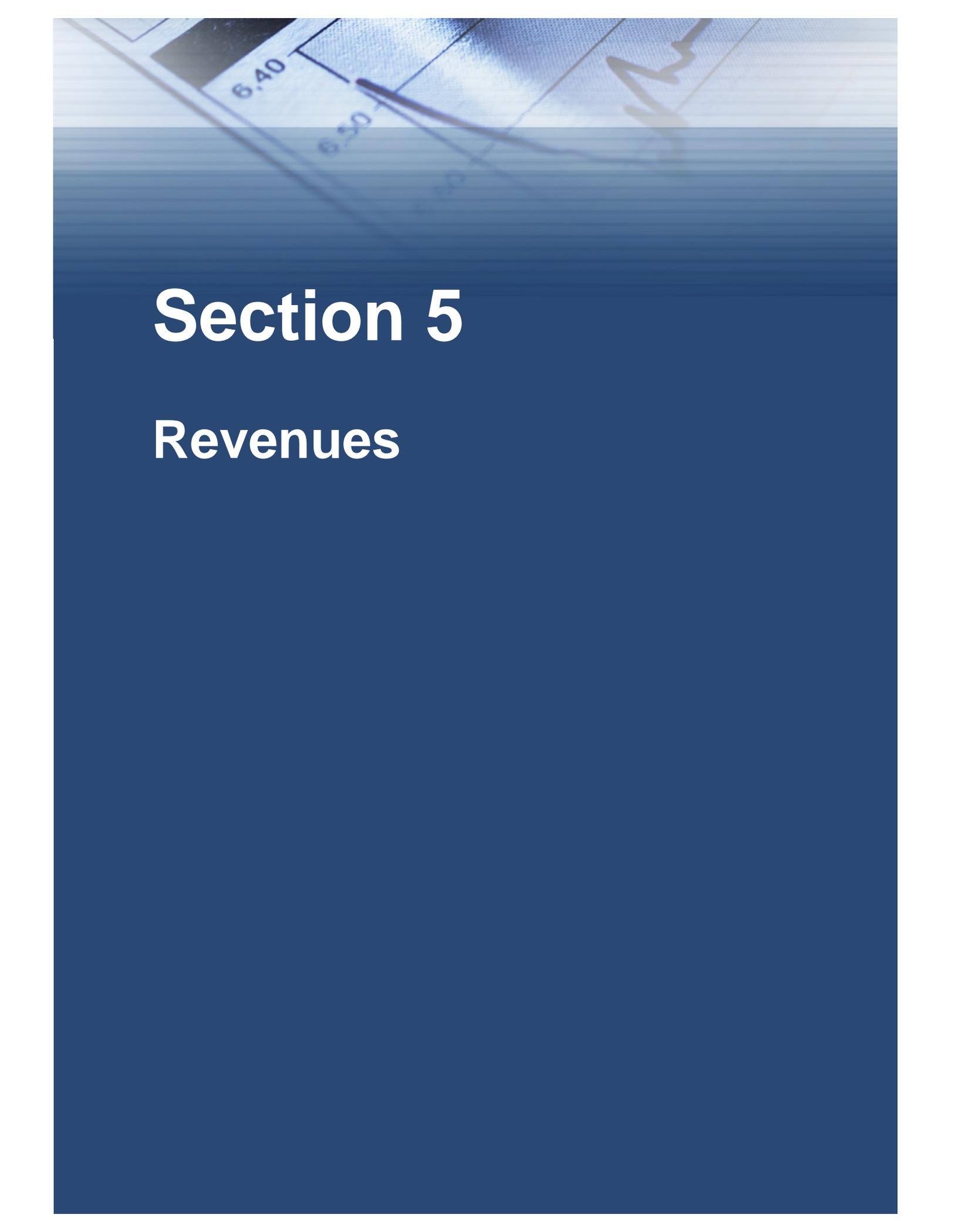
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## MEMBER CONTRIBUTION by Agency FYE 2018

ACTIVITY	TOTAL	IEUA	EMWD	OCWD	SBVMWD	WMWD
370 Basin Planning General	\$356,000	\$71,200	\$71,200	\$71,200	\$71,200	\$71,200
370 USBR Partnership Studies	20,000	4,000	4,000	4,000	4,000	4,000
373 Watershed Management (OWOW)	400,000	80,000	80,000	80,000	80,000	80,000
381 SA River Fish Conservation	10,000	2,000	2,000	2,000	2,000	2,000
477 LESJWA Management	10,000	2,000	2,000	2,000	2,000	2,000
<i>Subtotal (Planning)</i>	<i>796,000</i>	<i>159,200</i>	<i>159,200</i>	<i>159,200</i>	<i>159,200</i>	<i>159,200</i>
State/Federal Lobbying	196,117	39,223	39,223	39,223	39,223	39,223
Commission/General Fund	450,000	90,000	90,000	90,000	90,000	90,000
<i>Subtotal (Administration)</i>	<i>646,117</i>	<i>129,223</i>	<i>129,223</i>	<i>129,223</i>	<i>129,223</i>	<i>129,223</i>
<b>Member Agency Contributions</b>	<b>\$1,442,117</b>	<b>\$288,423</b>	<b>\$288,423</b>	<b>\$288,423</b>	<b>\$288,423</b>	<b>\$288,423</b>

## MEMBER CONTRIBUTION by Agency FYE 2019

ACTIVITY	TOTAL	IEUA	EMWD	OCWD	SBVMWD	WMWD
370 Basin Planning General	\$356,000	\$71,200	\$71,200	\$71,200	\$71,200	\$71,200
370 USBR Partnership Studies	20,000	4,000	4,000	4,000	4,000	4,000
373 Watershed Management (OWOW)	425,000	85,000	85,000	85,000	85,000	85,000
381 SA River Fish Conservation	10,000	2,000	2,000	2,000	2,000	2,000
477 LESJWA Management	10,000	2,000	2,000	2,000	2,000	2,000
<i>Subtotal (Planning)</i>	<i>821,000</i>	<i>164,200</i>	<i>164,200</i>	<i>164,200</i>	<i>164,200</i>	<i>164,200</i>
State/Federal Lobbying	200,695	40,139	40,139	40,139	40,139	40,139
Commission/General Fund	450,000	90,000	90,000	90,000	90,000	90,000
<i>Subtotal (Administration)</i>	<i>650,695</i>	<i>130,139</i>	<i>130,139</i>	<i>130,139</i>	<i>130,139</i>	<i>130,139</i>
<b>Member Agency Contributions</b>	<b>\$1,471,695</b>	<b>\$294,339</b>	<b>\$294,339</b>	<b>\$294,339</b>	<b>\$294,339</b>	<b>\$294,339</b>

The background of the slide features a blue gradient. At the top, there is a blurred image of a financial chart or spreadsheet. A red line graph is visible, with numerical values such as 6.40 and 6.50. A pen is shown pointing to a specific data point on the chart.

# Section 5

## Revenues



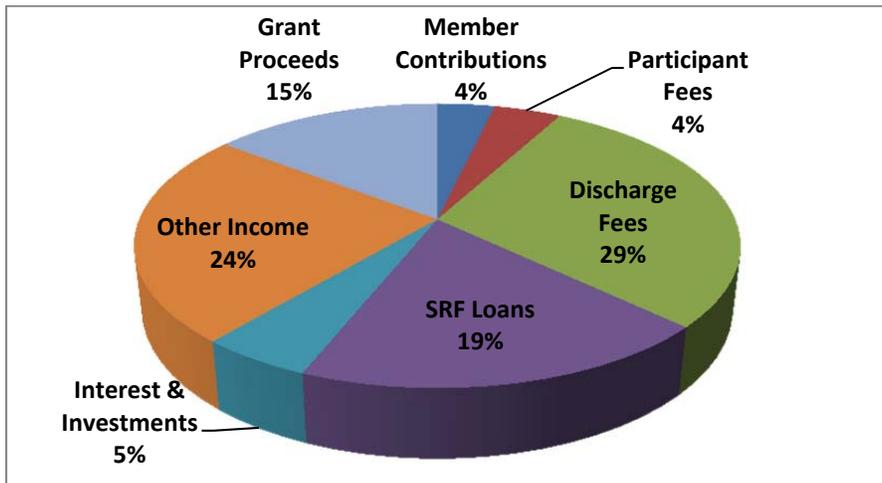
# Revenues

The Agency has a variety of revenue sources available to cover operating and capital expenses. The major revenue sources are as follows:

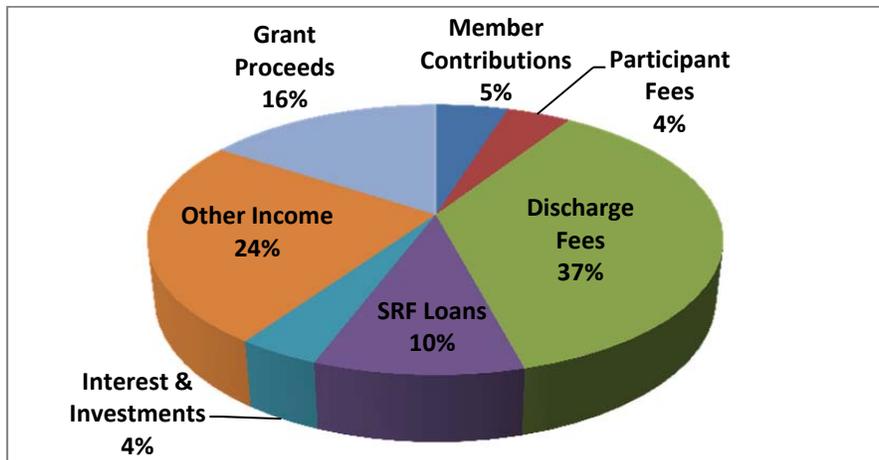
- Member Contribution
- Participant Fees
- Discharge Fees
- SRF Loans
- Interest & Investments
- Other Income
- Grant Proceeds

The Agency's projected revenue for FYE 2018 totals \$39.5 million, not including \$21.1 million in Proposition 84 project pass-throughs, and \$30.3 million, not including \$12.8 million in Proposition 84 project pass-throughs, for FYE 2019. Total revenue reflects the revenue sources listed above and each source is described in detail below.

**Total Revenues by Source  
FYE 2018**



**Total Revenues by Source  
FYE 2019**



Agency-wide revenues are projected to increase by \$9.6 million in FYE 2018 over the previous year's budget, and decrease by \$9.2 million in FYE 2019.

In FYE 2018, an increase in SRF Loans and Use of Reserves are the main contributors to the increase in Agency revenues. The Reach V Repairs Project construction costs will be funded in part with SRF Loans and Reserves.

### Member Contributions

Contributions from member agencies are used to offset the cost of operating the Agency. Contributions are used to fund planning efforts, cover SAWPA labor costs in some agency operations and OWOW and roundtable projects, and fund State and Federal lobbying efforts. In addition to the annual contribution, member agencies may decide to contribute to roundtable projects that directly affect their service areas.

In FYE 2018, member contribution revenues are projected to be \$1.4 million, or approximately 4% of the Agency's total revenues. In FYE 2019, member contribution revenues are projected to be \$1.5 million, or approximately 5% of the Agency's total revenues.

### Participant Fees

Participant Fees are a source of revenue in OWOW projects and roundtable efforts. SAWPA administers and facilitates several stakeholder efforts. Those agencies that wish to participate in the effort contribute funds to pay for the programs.

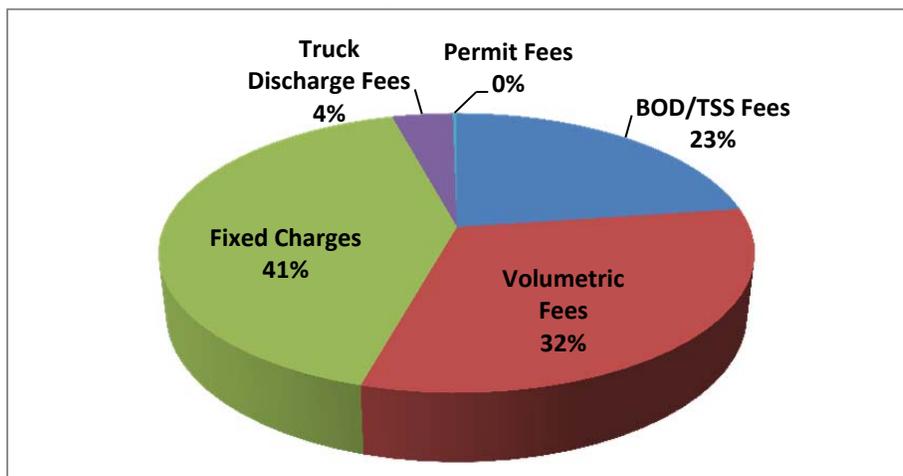
In FYE 2018, participant fees revenues are projected to be \$1.7 million, or approximately 4% of the Agency's total revenues. In FYE 2019, participant fees revenues are projected to be \$1.3 million, or approximately 4% of the Agency's total revenues.

### Discharge Fees

The Brine Line is a non-reclaimable wastewater pipeline that provides for the export of domestic wastewater, high-salinity industrial wastewater, and desalter brine generated within the Watershed. The Brine Line carries the waste to a treatment plant operated by the Orange County Sanitation District (OCSD). After treatment, the treated effluent is discharged to the Pacific Ocean.

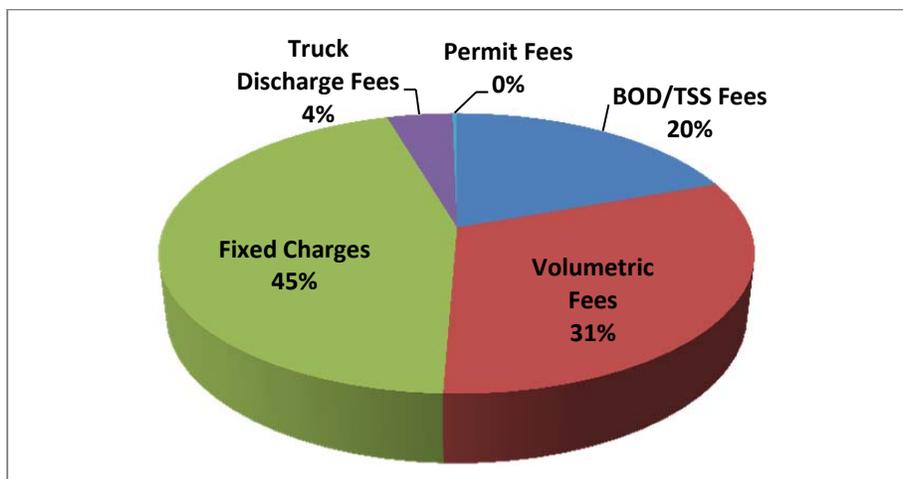
In FYE 2018, discharge fees are projected to be \$11.4 million, or approximately 29% of the Agency's total revenues.

**FYE 2018 Discharge Fees  
\$11.4 Million**



In FYE 2019, discharge fees are projected to be \$11.1 million, or approximately 37% of the Agency's total revenues.

**FYE 2019 Discharge Fees  
\$11.1 Million**



Agency discharge fees are comprised of revenues from the Brine Line. Several components to the discharge fees include volumetric, Biochemical Oxygen Demand (BOD)/Total Suspended Solids (TSS), fixed charges, truck discharges, emergency discharges, and permit fees.

In 2010, a rate model and long-term financial study was developed for the Brine Line. The rate structure is designed to provide sufficient revenues to cover on-going operational costs, provide funding for capital efforts, and funding for the long-term capital repair and replacement reserve program; thus, providing for the long-term financial needs of the Brine Line.

Each year, the rate model is updated and any rate changes are included in the budget. The following table represents the rates through FYE 2019.

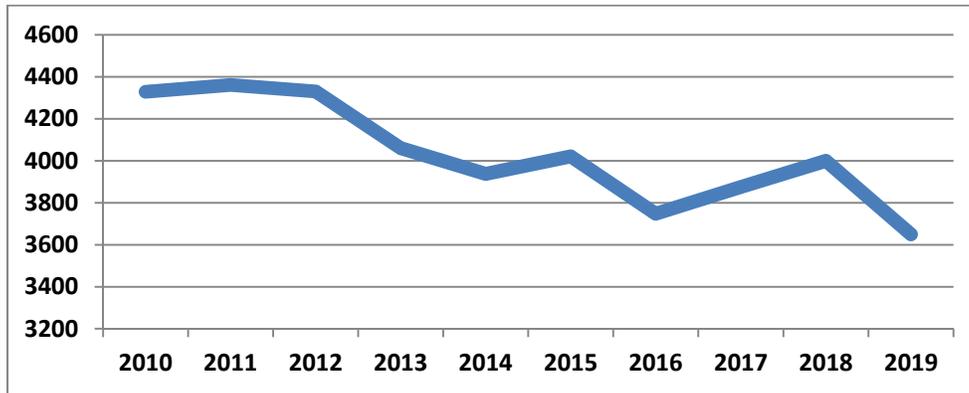
**Brine Line Rates**

<i>FYE</i>	<i>Flow/MG</i>	<i>BOD/1,000 lbs</i>	<i>TSS/1,000 lbs</i>	<i>Fixed Treatment</i>	<i>Fixed Pipeline</i>
2017	\$858	\$307	\$429	\$5,639	\$11,433
2018	\$901	\$307	\$429	\$5,921	\$12,007
2019	\$946	\$313	\$438	\$6,217	\$12,607

**Volumetric Charges**

Volumetric charges are based on million gallons (MG) of discharge into the system. Total discharge into the system is projected to be 4,000 MG for FYE 2018 and 3,650 FYE 2019. In FYE 2018 revenues from volumetric charges are projected to be \$3.6 million, or approximately 32% of the \$11.4 million projected for total discharge fees. In FYE 2019, revenues from volumetric charges are projected to be \$3.5 million, or approximately 31% of the \$11.1 million projected for total discharge fees.

**Total Annual Discharge in Million Gallons**



**BOD/TSS Charges**

BOD and TSS charges are based on the pounds of each in the discharge flow (per 1,000 lbs.). Concentration is determined by sampling conducted at each flow meter location.

In FYE 2018, BOD/TSS charges are projected to be \$2.6 million, or approximately 23% of the \$11.4 million projected for total discharge fees. In FYE 2019, BOD/TSS charges are projected to be \$2.2 million, or approximately 20% of the \$11.1 million projected for total discharge fees.

**Fixed Charges**

Fixed charges cover the portion of annual operating expenses that are fixed regardless of flow amount. The fixed charge is based on total owned pipeline capacity and total owned treatment and disposal capacity rights. Each month, dischargers are charged a fee based on the total pipeline and the total treatment capacity they own in the system. Total treatment and disposal capacity rights sold and leased in the system is 17 MGD. Total purchased pipeline capacity is 32.568 MGD.

In FYE 2018, fixed charges are projected to be \$4.7 million, or approximately 41% of the \$11.4 million projected for total discharge fees. In FYE 2019, fixed charges are projected to be \$5.0 million, or approximately 45% of the \$11.1 million projected for total discharge fees.

**Truck Discharge Fees**

EMWD, IEUA, SBVMWD, and WMWD each operate a truck discharge station. Truck dischargers are indirect dischargers. Truck discharges are projected at 2.8 MGD per month for both FYE 2018 and 2019. The rates for truck discharge fees are shown in the table below:

<i>Waste Strength</i>	<i>BOD or TSS Concentration</i>	<i>FYE 2018</i>	<i>FYE 2019</i>
Brine	Less than 100 mg/L	\$0.012	\$0.012
Non Brine Tier 1	100 to 999 mg/L	\$0.017	\$0.017
Non Brine Tier 2	1,000 to 2,499 mg/L	\$0.035	\$0.036
Non Brine Tier 3	2,500 and higher	*	*

\* Concentrations over 2,500 mg/L will be charged based on the actual concentration of the waste discharged using the following cost components: \$0.0029/gallon, \$0.729/pound of BOD, and \$0.695/pound of TSS.

In FYE 2018, truck discharge fees are projected to be \$450,000, or approximately 4% of the \$11.4 million projected for total discharge fees. In FYE 2019, truck discharge fees are projected to be \$472,500, or approximately 4% of the \$11.1 million projected for total discharge fees.

### **Emergency Discharge Fees**

From time to time there may be emergency discharges into the system from a variety of sources. Because emergency discharges cannot be projected, they are not included as revenue in the budget.

### **Permit Fees**

Direct dischargers are charged a \$550 permit fee for each meter in the system and liquid waste haulers are charged \$225. There are currently 34 direct connections and 11 liquid waste haulers in the system. In both FYE 2018 and 2019, permit fees are projected to be \$19,750 or approximately 0.18% of the \$11.4 million and \$11.1 million projected for total discharge fees.

### **Sampling Surcharge**

Sampling Surcharges are the fees charged by OCS D for the special sampling done on Stringfellow discharges. No sampling surcharges revenues are projected for FYE 2018 and 2019.

### **Capacity Sales**

This revenue source is from the sale of pipeline or treatment capacity rights in the Brine Line system. No planned capacity sales revenues are projected for FYE 2018 and 2019.

### **SRF Loans**

SAWPA has applied for and received a \$15 million SRF Loan for the Reach V Capital Repairs Project. We will also apply for an SRF Loan for the Reach IV-D Corrosion Repair. In FYE 2018, SRF Loans is projected to be \$7.5 million, or approximately 19% of the Agency's total revenues. In FYE 2019, SRF Loans is projected to be \$3.0 million, or approximately 10% of the Agency's total revenues.

### **Interest and Investments**

In FYE 2018, interest and investment revenues are projected to be \$2.0 million, or approximately 5% of the Agency's total revenues. In FYE 2019, interest and investment revenues are projected to be \$1.2 million, or approximately 4% of the Agency's total revenues.

The Agency invests its funds in accordance with the Investment Policy as approved by the Commission on an annual basis. Temporary idle cash is invested in Local Agency Investment Fund (LAIF), CalTRUST, and Securities.

### **Interest**

The Agency receives interest on funds invested in LAIF, CalTRUST, and Securities. The average return on those investments for FYE 2018 is projected to be 1.15% and 1.20% for FYE 2019.

Total interest for FYE 2018 is projected to be \$250,000 or approximately 13% of total projected interest and investment revenue of \$2.0 million. Total interest for FYE 2019 is projected to be \$250,000, or approximately 21% of total projected interest and investment revenue of \$1.2 million.

### **T-Strip Maturities**

Treasury Strips (T-Strips) were purchased to provide a source of revenue to pay the SRF loan payments as they come due. Total T-Strip maturities for FYE 2018 and 2019 are projected to be \$949,000 and \$395,000, or approximately 48% and 34% of total projected interest and investment revenue for each year.

### **Notes Receivable**

SAWPA has sold capacity rights in the Brine Line under installment agreements with IEUA and WMWD. The installment payments are used to repay the SRF loans. The following is a summary of future payments receivable for all installment notes:

<i>FYE</i>	<i>Interest</i>	<i>Principal</i>	<i>Total</i>
2018	\$ 73,270	\$ 722,502	\$ 795,772
2019	\$ 29,920	\$ 498,662	\$ 528,582
	\$ 103,190	\$ 1,221,164	\$ 1,324,354

In FYE 2018 and 2019, total notes receivable revenue is projected to be \$795,772 and \$528,582, or approximately 40% and 45% of total projected interest and investment revenue for each year.

### **Other Income**

Other Income is made up of four income categories; Use of Reserves, Mitigation Credit Sales, Other Income, and Operating Transfers. In FYE 2018, Other Income is projected to be \$9.5 million, or approximately 24% of the Agency's total revenues. In FYE 2019, Other Income is projected to be \$7.4 million, or approximately 24% of the Agency's total revenues. An explanation of each category is listed below.

### **Use of Reserves**

SAWPA's Capital Improvement Program (CIP) assumes pay-as-you-go funding using reserves and excess operating cash. Debt Service Reserves are also used to make Debt Service payments. In FYE 2018, Use of Reserves is projected to be \$9.3 million. In FYE 2019, Use of Reserves is projected to be \$7.0 million.

### **Mitigation Credit Sales**

As part of the Proposition 13 Southern California Integrated Watershed Program (SCIWP), SAWPA purchased 100 mitigation bank units (1 unit = 1 acre) from the Riverside County Parks and Open-Space District for \$4.0 million. These units are sold to those needing riparian mitigation for projects within the region. Funds generated by the sale of units are used to support the on-going maintenance of habitat created from the SCIWP Arundo Program and for other habitat creation projects within the Watershed.

In FYE 2018 and FYE 2019, mitigation credit sales are projected to be \$88,980.

### **Other Income**

SAWPA provides administrative services for the Lake Elsinore & San Jacinto Watersheds Authority (LESJWA) JPA. Other funding proceeds are revenues received for reimbursement of those services. These funds are reimbursed from funds received by LESJWA.

### **Operating Transfers**

As part of the Basin Plan Amendment to Revise Recreation Standards for Inland Freshwaters in the Santa Ana Region the Regional Water Quality (RWQ) Monitoring Task Force was established to implement a regional monitoring program. In an effort to eliminate redundancy and streamline reporting of regional monitoring efforts, the MSAR TMDL Task Force decided to transfer funding from their task force to the RWQ Monitoring Task Force and have them do the required monitoring.

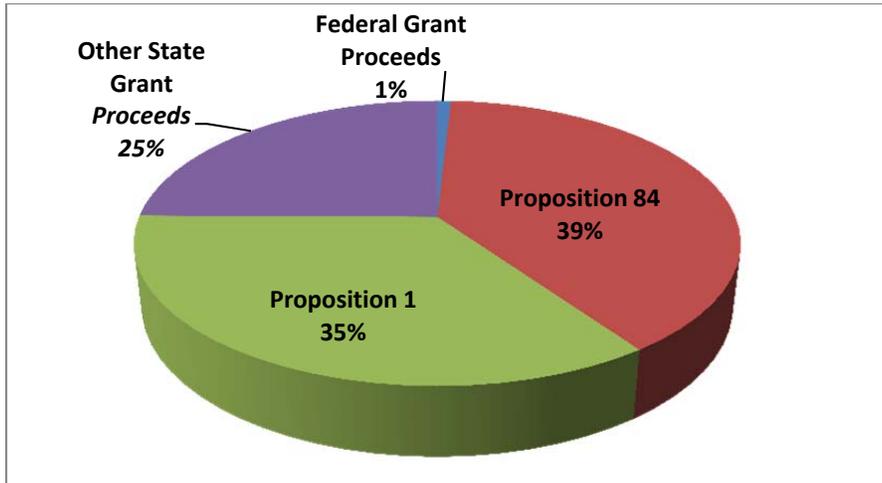
### **Grant Proceeds**

The Agency continues to seek grants that can be obtained for work done in the Watershed. SAWPA has applied for a variety of Federal, State, and local grants.

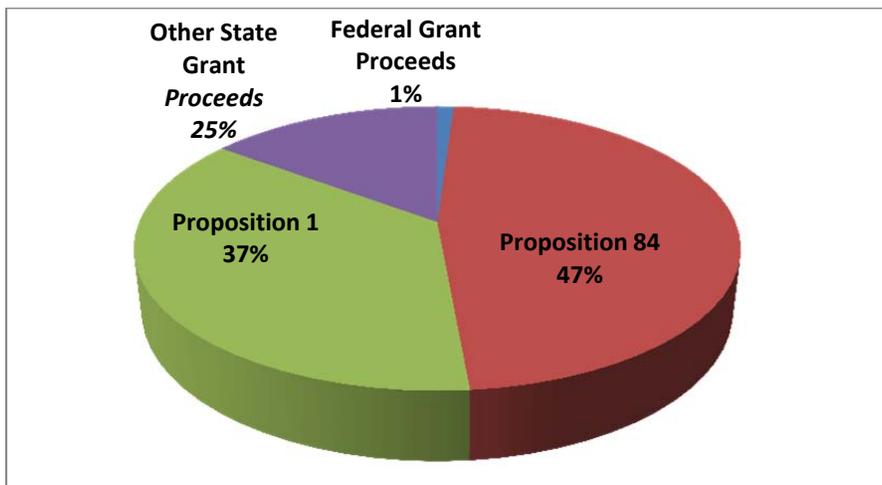
In FYE 2018, grant proceeds revenues are expected to be \$5.7 million, or approximately 15% of the Agency's total revenue. In FYE 2019, grant revenues are expected to be \$4.8 million, or approximately 16% of the Agency's total revenue.

Grant proceeds projections are based on the total expenses for eligible projects and any other programs that are eligible for grant funding. SAWPA has received several grants which are included in the FYE 2018 and 2019 budget.

**Grant Revenues  
FYE 2018  
\$5.7 Million**



**Grant Revenues  
FYE 2019  
\$4.8 Million**



**Proposition 84**

In 2006, Propositions 84, 1E, and 1C were approved by the voters. Under Chapter 2 of Proposition 84, \$114.0 million has been allocated to the Watershed subject to an adopted Integrated Regional Water Management Plan (IRWMP). Through the SAWPA OWOW Plan, an IRWMP for the Santa Ana River Watershed has been crafted and was instrumental in securing funds for the region. The OWOW 2.0 Plan was adopted in February 2014. SAWPA has received \$12.7 million in grant funding under Proposition 84 IRWM Round 1 implementation in August 2011, \$16.7 million in Round 2 implementation in late 2013, \$12.3 million in grant funding from the Drought Round implementation in early 2015, and \$55 million in grant funding under the Final Round 2015 implementation in Spring 2016.

**Proposition 1 – DACI Grant**

In 2016, Proposition 1 IRWM program designated 10% of grant funding (\$6.3 million) for a disadvantaged communities involvement (DACI) program to support water needs assessment within the Santa Ana River

Watershed. SAWPA, as the lead for the State designated Regional Water Management Group for the Santa Ana Funding Area was designated as the administrator and implementer of this program. The DACI Program was developed through significant stakeholder engagement and support by the SAWPA Commission and OWOW Steering Committee. A grant proposal was prepared in 2016 and submitted and accepted by the DWR and the three-year scope of work commenced on July 1, 2016.

### **Water-Energy Grant**

On June 24, 2015, SAWPA was selected to receive a grant for \$2.3 million from the DWR under the 2014 Water-Energy Grant Program to support the SAWPA Water-Energy Community Action Network (WECAN). The focus of the DWR grant program is to support disadvantaged community-focused proposals that provide substantial water and energy savings. The funding for this grant is provided by appropriated funds from the Greenhouse Gas Reduction Fund created by AB 32, the Global Warming Solutions Act of 2006. The program total cost is \$3.0 million and includes \$520,000 in local cost share coming from Metropolitan Water District of Southern California (MWDSC) and local retail water agency turf removal rebates. The Program brings water savings to approximately 260 homes and energy savings to approximately 1,703 homes in disadvantaged communities (DACs) in the Santa Ana River Watershed. The grant funds are targeted to assist residents in a single family residence in order to best ensure that energy and water conservation savings benefit the DAC resident. The Program began in 2016 and should be completed within two years.

### **Other State Grant Proceeds**

SAWPA will receive Supplemental Environmental Project (SEP) funding from the Santa Ana RWQCB to help support a proposed habitat enhancement project to benefit the Santa Ana sucker fish.

### **Federal Grant Proceeds**

SAWPA will apply for grant funding through the Bureau of Reclamation's WaterSmart Program. The WaterSmart financial assistance program is a 50-50 cost share program intended to support drought planning and projects that save water, improve energy efficiency and address endangered species habitats.

## REVENUES FYE 2018

	<i>Member Contributions</i>	<i>Participant Fees</i>	<i>Discharge Fees</i>	<i>SRF Loans</i>	<i>Interest &amp; Investments</i>	<i>Other Income</i>	<i>Grant Proceeds</i>	<i>Total FYE 2018</i>	<i>Actuals FYE 2017</i>	<i>Inc (Dcr) from Prior Year</i>	<i>% Change</i>
100 General Fund	\$ 646,118	-	-	-	-	-	-	\$ 646,118	\$ 719,632	\$ (73,514)	(10.2%)
130 Prop 84 - R1 Program Mgmt	-	-	-	-	-	-	\$ 142,116	\$ 142,116	\$ 93,663	\$ 48,453	51.7%
135 Prop 84 – R2 Program Mgmt	-	-	-	-	-	-	\$ 133,791	\$ 133,791	\$ 122,155	\$ 11,636	9.5%
140 Prop 84 – Drought Program Mgmt	-	-	-	-	-	-	\$ 118,814	\$ 118,814	\$ 143,000	\$ (24,186)	(16.9%)
145 Prop 84 – 2015 Program Mgmt	-	-	-	-	-	-	\$ 291,801	\$ 291,801	\$ 199,654	\$ 92,147	46.2%
240 Brine Line Enterprise	-	-	\$ 11,427,616	-	\$ 1,994,772	\$ 1,065,947	-	\$ 14,488,334	\$ 13,694,268	\$ 794,066	5.8%
320 Brine Line Protection Project	-	-	-	-	-	\$ 812,572	-	\$ 812,572	\$ 47,056	\$ 765,516	1,626.8%
326 Reach V Repairs	-	-	-	\$ 7,500,000	-	\$ 6,987,574	-	\$ 14,487,574	\$ 9,054,996	\$ 5,432,578	60.0%
327 Reach IV-D Corrosion Repair	-	-	-	-	-	\$ 414,386	-	\$ 414,386	\$ -	\$ 414,386	100.0%
370 Basin Planning General	\$ 356,000	-	-	-	-	-	-	\$ 356,000	\$ 351,799	\$ 4,201	1.2%
370 USBR Partnership Studies	\$ 20,000	-	-	-	-	-	\$ 50,000	\$ 70,000	\$ 20,192	\$ 49,808	246.7%
372 Imported Water Recharge	-	-	-	-	-	-	-	\$ -	\$ 131	\$ (131)	(100.0%)
373 Watershed Mgmt (OWOW)	\$ 400,000	-	-	-	-	-	\$ 127,000	\$ 527,000	\$ 301,721	\$ 225,279	74.7%
374 Basin Monitoring Program TF	-	\$ 272,447	-	-	-	-	-	\$ 272,447	\$ 401,372	\$ (128,925)	(32.1%)
381 SA River Fish Conservation TF	\$ 10,000	\$ 19,000	-	-	-	-	-	\$ 29,000	\$ 98,354	\$ (69,354)	(70.5%)
384 MSAR TMDL Task Force	-	\$ 215,000	-	-	-	-	-	\$ 215,000	\$ 257,422	\$ (42,422)	(16.5%)
386 RWQ Monitoring TF	-	\$ 212,796	-	-	-	\$ 144,252	-	\$ 357,048	\$ 359,806	\$ (2,758)	(0.8%)
387 Arundo & Habitat Restoration	-	-	-	-	-	\$ 88,980	-	\$ 88,980	\$ 8,339	\$ 80,641	967.0%
392 Emerging Constituents TF	-	\$ 40,000	-	-	-	-	-	\$ 40,000	\$ 35,904	\$ 4,096	11.4%
396 Forest First	-	\$ 104,202	-	-	-	-	-	\$ 104,202	\$ -	\$ 104,202	100.0%
397 Energy – Water DAC Grant Project	-	\$ 365,000	-	-	-	-	\$ 1,300,000	\$ 1,665,000	\$ 1,374,746	\$ 290,254	21.1%
398 Proposition 1 - DACI	-	-	-	-	-	-	\$ 2,003,206	\$ 2,003,206	\$ 178,467	\$ 1,824,739	1,002.5%
477 LESJWA Administration	\$ 10,000	-	-	-	-	\$ 202,027	-	\$ 212,027	\$ 203,263	\$ 8,764	4.3%
504 Prop 84 Drought Projects	-	-	-	-	-	-	\$ 1,265,683	\$ 1,265,683	\$ 534,614	\$ 731,069	136.7%
504 Prop 84 SARCCUP	-	\$ 453,612	-	-	-	-	\$ 308,885	\$ 762,497	\$ 514,401	\$ 248,096	48.2%
	<b>\$ 1,442,118</b>	<b>\$ 1,682,056</b>	<b>\$ 11,427,616</b>	<b>\$ 7,500,000</b>	<b>\$ 1,994,772</b>	<b>\$ 9,715,738</b>	<b>\$ 5,741,297</b>	<b>\$ 39,503,596</b>	<b>\$ 28,714,955</b>	<b>\$ 10,788,641</b>	<b>37.6%</b>

PASS THROUGH

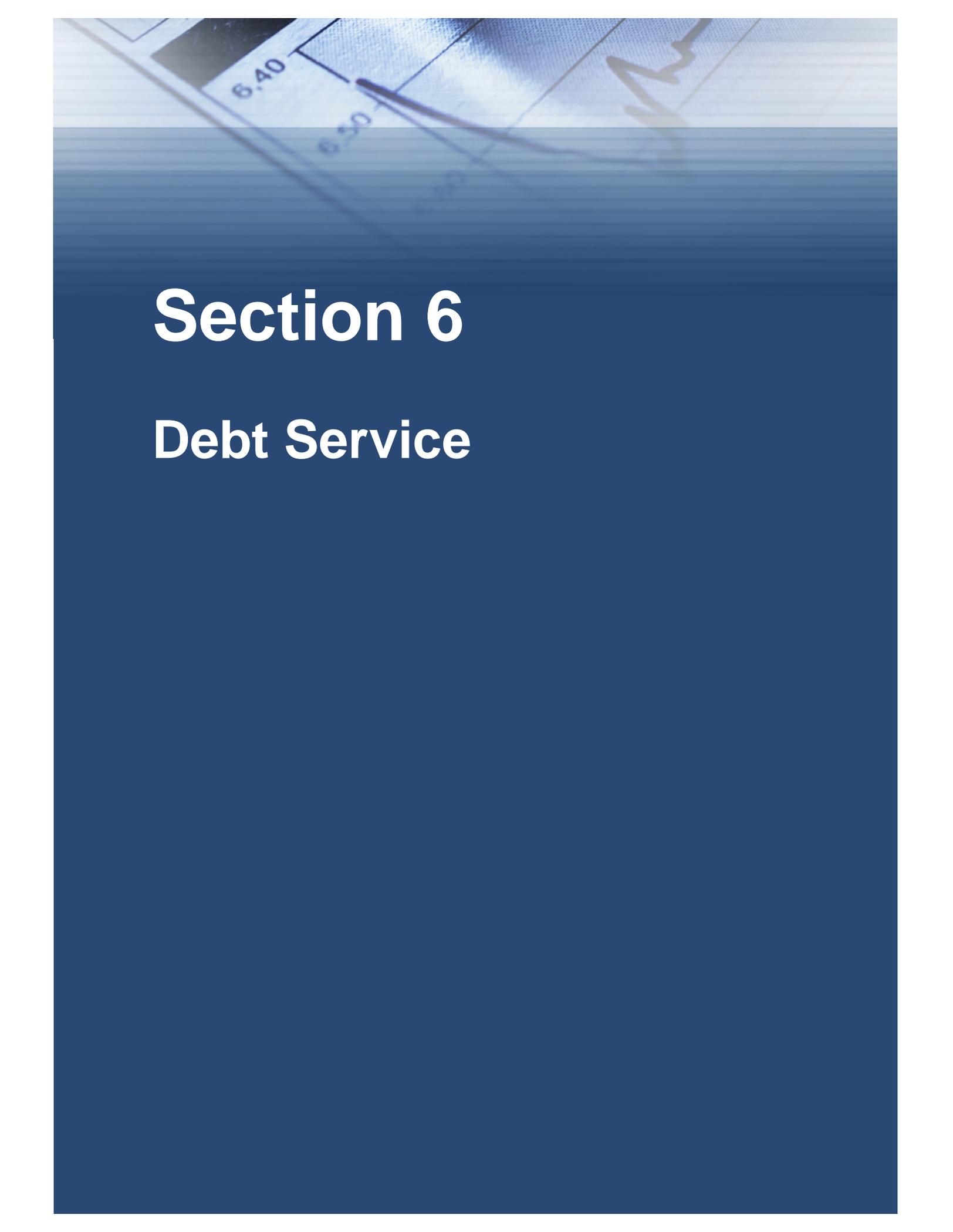
504 Prop 84 Capital Projects	-	-	-	-	-	-	-	\$ 21,080,225			
<i>Total</i>								<b>\$ 60,583,821</b>			

## REVENUES FYE 2019

		<i>Member Contributions</i>	<i>Participant Fees</i>	<i>Discharge Fees</i>	<i>SRF Loans</i>	<i>Interest &amp; Investments</i>	<i>Other Income</i>	<i>Grant Proceeds</i>	<i>Total FYE 2019</i>	<i>Total FYE 2018</i>	<i>Inc (Dcr) from Prior Year</i>	<i>% Change</i>
100	General Fund	\$ 650,695	-	-	-	-	-	-	\$ 650,695	\$ 646,118	\$ 4,577	0.7%
130	Prop 84 - R1 Program Mgmt	-	-	-	-	-	-	\$ 134,519	\$ 134,519	\$ 142,116	\$ (7,597)	(5.3%)
135	Prop 84 – R2 Program Mgmt	-	-	-	-	-	-	\$ 142,059	\$ 142,059	\$ 133,791	\$ 8,268	6.2%
140	Prop 84 – Drought Program Mgmt	-	-	-	-	-	-	\$ 119,630	\$ 119,630	\$ 118,814	\$ 816	0.7%
145	Prop 84 – 2015 Program Mgmt	-	-	-	-	-	-	\$ 321,946	\$ 321,946	\$ 291,801	\$ 30,145	10.3%
240	Brine Line Enterprise	-	-	\$ 11,090,587	-	\$ 1,173,582	\$ 2,009,869	-	\$ 14,274,038	\$ 14,488,334	\$ (214,296)	(1.5%)
320	Brine Line Protection Project	-	-	-	-	-	\$ 3,736,548	-	\$ 3,736,548	\$ 812,572	\$ 2,923,976	359.8%
326	Reach V Repairs	-	-	-	-	-	\$ 269,167	-	\$ 269,167	\$ 14,487,574	\$ (14,218,407)	(98.1%)
327	Reach IV-D Corrosion Repair	-	-	-	\$ 3,000,000	-	\$ 980,317	-	\$ 3,980,317	\$ 414,386	\$ 3,565,931	860.5%
370	Basin Planning General	\$ 356,000	-	-	-	-	-	-	\$ 356,000	\$ 356,000	\$ -	0.0%
370	USBR Partnership Studies	\$ 20,000	-	-	-	-	-	\$ 50,000	\$ 70,000	\$ 70,000	\$ -	0.0%
372	Imported Water Recharge	-	\$ 9,000	-	-	-	-	-	\$ 9,000	\$ -	\$ 9,000	100.0%
373	Watershed Mgmt (OWOW)	\$ 425,000	-	-	-	-	-	\$ 123,000	\$ 548,000	\$ 527,000	\$ 21,000	3.9%
374	Basin Monitoring Program TF	-	\$ 272,447	-	-	-	-	-	\$ 272,447	\$ 272,447	\$ -	0.0%
381	SAR Fish Conservation TF	\$ 10,000	\$ 19,000	-	-	-	-	-	\$ 29,000	\$ 29,000	\$ -	0.0%
384	MSAR TMDL Task Force	-	\$ 215,000	-	-	-	-	-	\$ 215,000	\$ 215,000	\$ -	0.0%
386	Stormwater Quality Standards TF	-	\$ 212,796	-	-	-	\$ 144,252	-	\$ 357,048	\$ 357,048	\$ -	0.0%
387	Arundo & Habitat Restoration	-	-	-	-	-	\$ 88,980	-	\$ 88,980	\$ 88,980	\$ -	0.0%
392	Emerging Constituents TF	-	\$ 40,000	-	-	-	-	-	\$ 40,000	\$ 40,000	\$ -	0.0%
396	Forest First	-	\$ 103,308	-	-	-	-	-	\$ 103,308	\$ 104,202	\$ (894)	(0.9%)
397	Energy – Water DAC Grant Project	-	-	-	-	-	-	\$ 586,816	\$ 586,816	\$ 1,665,000	\$ (1,078,184)	(64.8%)
398	Proposition 1 – DACI	-	-	-	-	-	-	\$ 1,747,121	\$ 1,747,121	\$ 2,003,206	\$ (256,085)	(12.8%)
477	LESJWA Administration	\$ 10,000	-	-	-	-	\$ 206,674	-	\$ 216,674	\$ 212,027	\$ 4,647	2.2%
504	Prop 84 Drought Projects	-	-	-	-	-	-	\$ 1,182,042	\$ 1,182,042	\$ 1,265,683	\$ (83,641)	(6.6%)
504	Prop 84 SARCCUP	-	\$ 437,722	-	-	-	-	\$ 370,123	\$ 807,845	\$ 762,497	\$ 45,348	5.9%
		<b>\$ 1,471,695</b>	<b>\$ 1,309,273</b>	<b>\$ 11,090,587</b>	<b>\$ 3,000,000</b>	<b>\$ 1,173,582</b>	<b>\$ 7,435,807</b>	<b>\$ 4,777,256</b>	<b>\$ 30,258,200</b>	<b>\$ 39,503,596</b>	<b>\$ (9,245,396)</b>	<b>(23.4%)</b>

PASS THROUGH

504	Prop 84 Capital Projects	-	-	-	-	-	-	-	\$ 12,787,335			
	<i>Total</i>								<b>\$ 43,045,535</b>			

The background of the slide features a blue gradient. At the top, there is a faint, semi-transparent image of a financial chart or spreadsheet. The chart shows a line graph with a peak and a dip. Numerical values like '6.40' and '6.50' are visible on the chart's axes. A pen or pencil is shown pointing to a specific data point on the line.

# Section 6

## Debt Service



# Debt Service

The Agency's outstanding debt at the beginning of FYE 2018 will total \$19.7 million. Of the total outstanding debt, 9 SRF loans are for construction of pipelines/facilities and one note payable to OCWD for the repurchase of 2 MGD of pipeline capacity.

## Impact on proposed budget

The total debt service obligations (interest and principal) included in the budget for the FYE 2018 and 2019 amounts to \$3.1 and \$3.2 million for each year, or 8.6% and 11.8% of the total budgeted expenses.

## Debt Policy

The Agency has a formal debt policy that outlines the use of debt instruments and provides guidelines for the use of debt for financing SAWPA's infrastructure needs. In the past, debt financing has been used to construct the Brine Line. The Agency will limit long-term borrowing to capital improvements or projects that cannot be financed from current revenues, upon approval by the SAWPA Commission. The Agency has no legal debt limits as imposed by State or local legislation.

## Future Debt Financing

In 2006, the SAWPA Commission approved, for planning purposes, a CIP totaling over \$60.0 million. The CIP will be funded by a combination of rate increases, use of reserves, pay-as-you-go, and debt financing. SAWPA has received an SRF Loan totaling \$15 million for the Reach V Capital Repair Project. Total costs for the project are estimated to be \$32.3 million. The project should be complete by January 2018 and repayment of the loan will begin March 2019.

## Funding

The Agency has established debt reserves to cover its debt service obligations in the amount of \$5 million at the beginning of FYE 2018. Of those reserves, 34%, or \$1.7 million, is held in T-Strips as restricted assets to cover debt service, and 66%, or \$3.3 million, is held in cash or short-term investments.

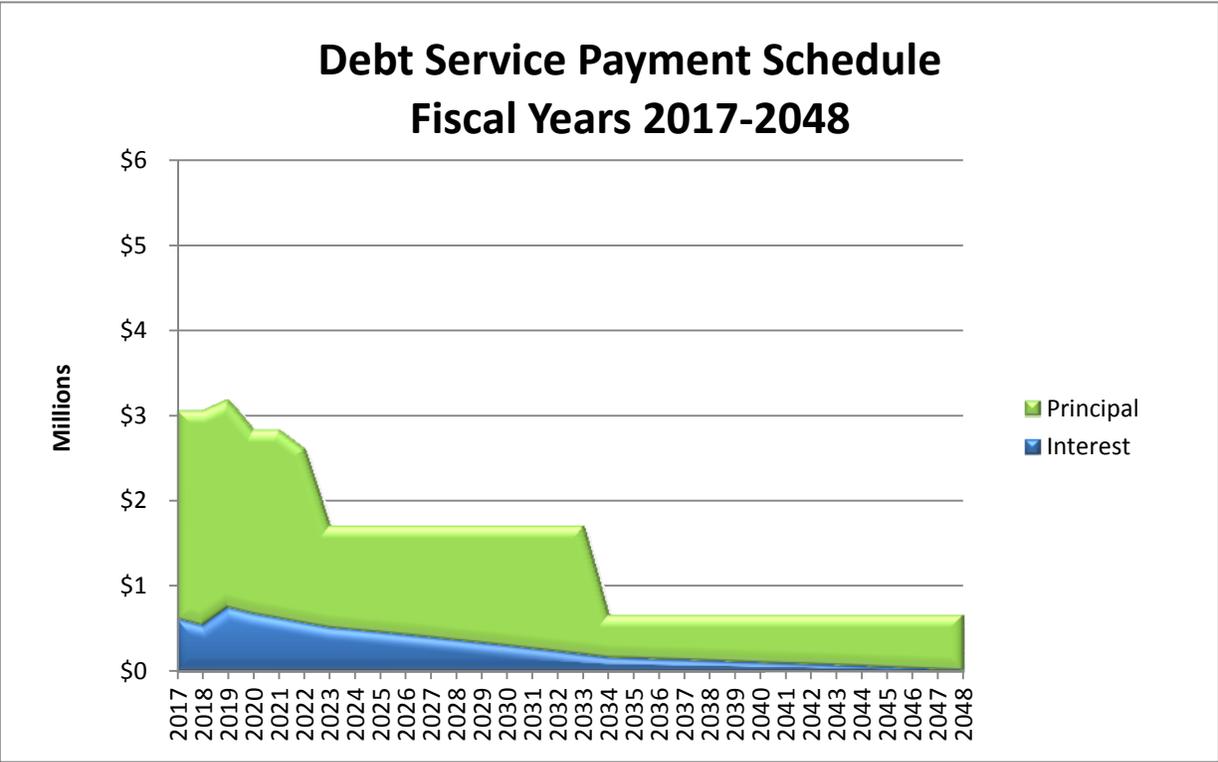
### Debt Service Fund Analysis

FYE	T-Strip Maturities	Capacity Loan Receipts	From Rates	Loan Payments	Interest Earned *	Excess/(Use) Of Cash	Ending Cash Reserve Balance
	Beg. Balance						\$ 3,509,025
2017	\$ 949,000	\$ 356,251	\$ 1,552,521	\$ (3,060,725)	\$ 27,407	\$ (175,546)	3,333,479
2018	949,000	356,251	2,136,173	(3,060,725)	66,670	(538,509)	2,794,971
2019	395,000	89,053	1,708,750	(3,191,277)	26,392	13,794	2,808,765
2020	395,000	-	1,708,750	(2,835,027)	56,175	(675,103)	2,133,662
2021	-	-	1,708,750	(2,835,027)	42,673	(1,083,605)	1,050,057
2022	-	-	1,708,750	(2,607,713)	21,001	(877,962)	172,095
2023	-	-	1,708,750	(1,708,750)	3,442	3,442	175,536
2024	-	-	1,708,750	(1,708,750)	3,511	3,511	179,046
2025	-	-	1,708,750	(1,708,750)	3,581	3,581	182,627
2026	-	-	1,708,750	(1,708,750)	3,653	3,653	186,280
2027	-	-	1,708,750	(1,708,750)	3,726	3,726	190,006
2028	-	-	1,708,750	(1,708,750)	3,800	3,800	193,805
2029	-	-	1,708,750	(1,708,750)	3,876	3,876	197,681
2030	-	-	1,708,750	(1,708,750)	3,954	3,954	201,635
2031	-	-	1,708,750	(1,708,750)	4,033	4,033	205,667
2032	-	-	1,708,750	(1,708,750)	4,113	4,113	209,780
2033	-	-	1,708,749	(1,708,749)	4,196	4,196	213,975
2034	-	-	664,476	(664,476)	4,280	4,280	218,254
2035	-	-	664,476	(664,476)	4,365	4,365	222,619
2036	-	-	664,476	(664,476)	4,452	4,452	227,071
2037	-	-	664,476	(664,476)	4,542	4,542	231,612
2038	-	-	664,476	(664,476)	4,632	4,632	236,244
2039	-	-	664,476	(664,476)	4,725	4,725	240,969
2040	-	-	664,476	(664,476)	4,820	4,820	245,788
2041	-	-	664,476	(664,476)	4,916	4,916	250,703
2042	-	-	664,476	(664,476)	5,014	5,014	255,717
2043	-	-	664,476	(664,476)	5,115	5,115	260,431
2044	-	-	664,476	(664,476)	5,217	5,217	266,047
2045	-	-	664,476	(664,476)	5,321	5,321	271,368
2046	-	-	664,476	(664,476)	5,428	5,428	276,795
2047	-	-	664,476	(664,476)	5,536	5,536	282,331
2048	-	-	664,476	(664,476)	5,647	5,647	287,976
<b>Totals</b>	<b>\$ 2,688,000</b>	<b>\$ 801,554</b>	<b>\$ 39,287,069</b>	<b>\$ (46,353,883)</b>	<b>\$ 356,209</b>	<b>\$ (3,221,048)</b>	<b>\$ 287,976</b>

\* Interest earned is based on a conservative estimate of 2%

### Total Debt Schedule and Graph

FYE	Interest	Principal	Total Payment	New SRF Loan	Remaining Principal
2017	\$ 615,366	\$ 2,445,358	\$ 3,060,725	\$ -	\$ 19,706,942
2018	539,727	2,520,997	3,060,725	15,088,592	32,274,537
2019	748,142	2,443,135	3,191,277	-	29,831,402
2020	674,909	2,160,119	2,835,027	-	27,671,283
2021	620,485	2,214,543	2,835,027	-	25,456,740
2022	564,670	2,043,043	2,607,713	-	23,413,697
2023	514,020	1,194,730	1,708,750	-	22,218,967
2024	485,808	1,222,942	1,708,750	-	20,996,026
2025	456,917	1,251,833	1,708,750	-	19,744,193
2026	427,330	1,281,420	1,708,750	-	18,462,774
2027	397,030	1,311,719	1,708,750	-	17,151,054
2028	366,000	1,342,750	1,708,750	-	15,808,304
2029	334,221	1,374,529	1,708,750	-	14,433,776
2030	301,675	1,407,074	1,708,750	-	13,026,701
2031	268,344	1,440,405	1,708,750	-	11,586,296
2032	234,208	1,474,541	1,708,750	-	10,111,755
2033	199,248	1,509,501	1,708,749	-	8,602,254
2034	163,443	501,033	664,476	-	8,101,220
2035	153,923	510,553	664,476	-	7,590,667
2036	144,223	520,254	664,476	-	7,070,413
2037	134,338	530,138	656,350	-	6,540,275
2038	124,265	540,211	664,476	-	6,000,064
2039	114,001	550,475	664,476	-	5,449,589
2040	103,542	560,934	664,476	-	4,888,655
2041	92,884	571,592	664,476	-	4,317,063
2042	82,024	582,452	664,476	-	3,734,611
2043	70,958	593,519	664,476	-	3,141,092
2044	59,681	604,796	664,476	-	2,536,297
2045	48,190	616,287	664,476	-	1,920,010
2046	36,480	627,996	664,476	-	1,292,014
2047	24,548	639,928	664,476	-	652,087
2048	12,390	652,087	664,477	-	-



**SRF Loan**

The Brine Line construction was primarily funded by SRF loans issued by the State Water Resources Control Board (SWRCB). The Agency has 8 SRF loans, one loan funded Reach IV-A and IV-B Repairs, four loans funded construction for Reach V of the Brine Line (Temescal Valley Regional Interceptor (TVRI)), and three loans funded the construction of the Western Riverside County Regional Wastewater Treatment Plant. A new SRF loan has been received for the Reach V Capital Repair Project and repayment will begin in March 2019.

**Brine Line Construction**

**Reach IV**

In 1995, the Brine Line upstream extension (Reach IV) to the City of San Bernardino Wastewater Treatment Plant was completed. Five SRF loans were obtained by the Agency to help construct the over \$37.0 million project.

**SRF Loans**

Repayment Began	Loan Amount	Interest Rate	Term	Annual Payment
12/22/93	\$ 14,758,590	3.10%	20 Years	\$ 1,001,203
09/01/94	1,775,843	3.00%	20 Years	119,701
10/04/95	6,127,405	2.70%	20 Years	403,470
11/30/96	6,828,963	3.00%	20 Years	468,372
01/10/97	7,814,181	2.80%	20 Years	526,243
<b>Total</b>	<b>\$ 37,304,982</b>			<b>\$ 2,518,989</b>

### Debt Service Funding

To fund construction and provide a source of income to meet the debt service payments, pipeline and treatment capacity were sold to member agencies through installment loans. Payments received from the loans are used to make the debt service payments on the SRF loans.

### Capacity Notes Receivable

Purchase Date	Agency	Loan Amount	Term	Annual Payment
12/08/82	EMWD	\$ 7,300,000	20 Years	\$ 365,000
12/08/82	WMWD	3,650,000	20 Years	182,500
06/22/93	SBVMWD *	9,377,368	20 Years	840,960
<b>Total</b>		<b>\$ 20,327,368</b>		<b>\$ 1,388,460</b>

\* Total purchase of \$21,381,700, balance of \$12,004,332 paid in cash for T-Strip purchase

In 1993, the Agency purchased T-Strips for \$8,051,810 with a face value of \$17,000,000. The T-Strips began maturing in 1996 and continued through 2012. In 1995, additional purchases were made for \$8,480,296.65, with a face value of \$13,135,000. These T-Strips began maturing in 1997 and will continue through 2015. The T-Strip maturities are used as a source of income to make the debt service payments on the SRF loans. All five of these loans have been paid in full.

### Reach IV-A and IV-B Repairs

After inspection of the unlined reinforced concrete pipe used in the construction of portions of Reach IV-A and IV-B, which was constructed in the early 1980's, it was found that the structural integrity of those portions could be at risk. In 2012, repairs on Reach IV-A and IV-B began. Over 32,504 linear feet of pipeline along Reach IV-A and IV-B were slip lined to protect the integrity of the pipeline and another 25,023 linear feet were rehabilitated using CIPP. An SRF loan in the amount of \$15,956,864 was obtained to fund construction of the pipeline repairs.

### SRF Loans

Repayment Began	Loan Amount	Interest Rate	Term	Annual Payment
12/29/13	\$ 15,956,864	2.60%	20 Years	\$ 1,034,847
<b>Total</b>	<b>\$ 15,956,864</b>			<b>\$ 1,034,847</b>

### Debt Service Funding

To fund repayment of the SRF loan, rates will be increased to cover the entire loan payment each year.

The following table displays the debt service funding analysis for the Reach IV-A and IV-B Repairs SRF loan payments.

### Debt Service Fund Analysis

FYE	Rate Increases	Transfers	Loan Payments	Interest Earned*	Ending Reserve Cash Balance
	Beg. Balance				\$ 453,546
2017	\$ 1,552,521	\$ -	\$ (1,044,273)	\$ 4,753	966,546
2018	1,044,273	(985,877)	(1,044,273)	19,331	-
2019	1,044,273	-	(1,044,273)	21,219	-
2020	1,044,273	-	(1,044,273)	21,638	-
2021	1,044,273	-	(1,044,273)	22,066	-
2022	1,044,273	-	(1,044,273)	11,127	-
2023	1,044,273	-	(1,044,273)	1,264	-
2024	1,044,273	-	(1,044,273)	1,264	-
2025	1,044,273	-	(1,044,273)	1,304	-
2026	1,044,273	-	(1,044,273)	1,325	-
2027	1,044,273	-	(1,044,273)	1,346	-
2028	1,044,273	-	(1,044,273)	1,368	-
2029	1,044,273	-	(1,044,273)	1,389	-
2030	1,044,273	-	(1,044,273)	1,412	-
2031	1,044,273	-	(1,044,273)	1,435	-
2032	1,044,273	-	(1,044,273)	1,458	-
2033	1,044,273	-	(1,044,273)	1,482	-
<b>Totals</b>	<b>\$ 18,260,889</b>	<b>\$ (985,877)</b>	<b>\$ (17,752,645)</b>	<b>\$ 24,084</b>	<b>\$ -</b>

\* Interest earned is based on a conservative estimate of 2%

### Reach V Construction

In 1992, construction of Brine Line Reach V, or the TVRI which connects EMWD's service area to the main branch of the Brine Line, was completed. Four SRF loans in the amount of \$17,107,338 were obtained to fund construction of the line.

### SRF Loans

Repayment Began	Loan Amount	Interest Rate	Term	Annual Payment
09/11/01	\$ 3,373,815	2.90%	20 Years	\$ 227,182
10/05/02	5,089,798	2.70%	20 Years	338,065
10/05/02	4,187,933	2.60%	20 Years	271,592
10/05/02	4,455,792	2.60%	20 Years	289,439
<b>Total</b>	<b>\$ 17,107,338</b>			<b>\$ 1,126,278</b>

### Debt Service Funding

To fund construction and provide a source of income to meet the debt service payments, pipeline and treatment capacity were sold to member agencies through installment loans. Payments received from the loans are used to make the debt service payments on the SRF loans.

### Capacity Notes Receivable

Purchase Date	Agency	Loan Amount	Term	Annual Payment
06/19/98	IEUA	\$ 5,625,000	20 Years	\$ 267,188
01/12/99	EMWD	8,917,500	20 Years	—*
01/12/99	WMWD	5,625,000	20 Years	439,521
01/12/99	WMWD	1,875,000	20 Years	89,063
07/01/99	IEUA	3,750,000	20 Years	—**
<b>Total</b>		<b>\$ 25,792,500</b>		<b>\$ 795,772</b>

\* Paid loan balance of \$3,207,477 in July 2003, funds invested in securities

\*\* Paid loan balance of \$3,129,106 in June 2003, funds invested in securities

In July 2000, EMWD made a payment of \$4,250,000 on their installment loan. Receipts were used to purchase T-Strips for \$4,210,739 with a face value of \$7,900,000. The T-Strips began maturing in 2001 and will continue through 2020, yielding \$395,000 annually. The T-Strip maturities are used as a source of income to make the debt service payments on the SRF loans. Funds from the other debt service accounts will be transferred to this fund to cover the projected short fall.

The following table displays the debt service funding analysis for the TVRI portion of the debt service reserve account. It includes the note payable to OCWD as part of the loan payments.

### Debt Service Fund Analysis

FYE	T-Strip Maturities	Capacity Loan Receipts	Rates	Transfers	Loan Payments	Interest Earned*	Ending Reserve Cash Balance
	Beg. Balance						\$ 1,660,779
2017	\$ 395,000	\$ 356,251	\$ —	\$ —	\$ (1,482,528)	\$ 10,678	940,180
2018	395,000	356,251	1,091,900	—	(1,482,528)	18,804	1,319,606
2019	395,000	89,053	—	2,461,241	(1,482,528)	26,392	2,808,765
2020	395,000	—	—	—	(1,126,278)	56,175	2,133,663
2021	—	—	—	—	(1,126,278)	42,673	1,050,058
2022	—	—	—	(172,096)	(898,963)	21,001	—
<b>Totals</b>	<b>\$ 1,580,000</b>	<b>\$ 801,554</b>	<b>\$ 1,091,900</b>	<b>\$ 2,289,145</b>	<b>\$ (7,599,101)</b>	<b>\$ 175,723</b>	<b>\$ —</b>

\* Interest earned is based on a conservative estimate of 2%

### Reach V Capital Repairs

On October 18, 2011, a catastrophic failure and brine spill occurred on Reach V of the Brine Line. An investigation revealed that in some portions of Reach V, the original PVC pipe had experienced deflection, and that the resulting increase in ovality had contributed to the failure, resulting in the spill. Further investigation found that other instances of deflection appeared to exist in other segments of Reach V. A project was developed to investigate the condition and shape of the original pipe in the area of question and, based on that investigation, address each segment either by leaving it in place, lining it with cured-in-place pipe (CIPP), or excavating and replacing the segment. Bid documents were prepared in 2014 and a construction contract was awarded in November 2014. Construction commenced in early 2015 and was expected to be complete by Spring 2016. In August 2016, SAWPA terminated the Contractor's work on the project. After termination, a new contractor was hired to repair the defective work from the previous contractor and to complete the project. The project is expected to be complete by January 2018.

The project is estimated to cost \$32.3 million. The project will be funded with reserves and a \$15,000,000 SRF loan. SAWPA is currently involved in litigation with the terminated contractor. If SAWPA is successful and receives any proceeds from the suit, those proceeds will be used to defease a portion of the SRF loan.

#### SRF Loans

Repayment Begins	Loan Amount	Interest Rate	Term	Annual Payment
March 2019	\$ 15,000,000	1.90%	30 Years	\$ 656,350
<b>Total</b>	<b>\$ 15,000,000</b>			<b>\$ 656,350</b>

### Debt Service Funding

To fund repayment of the SRF loan, rates will be increased to cover the entire loan payment each year.

The following table displays the debt service funding analysis for the Reach V Capital Repairs SRF loan payments.

### Debt Service Fund Analysis

FYE	Rate increases	Transfers	Loan Payments	Interest Earned*	Ending Reserve Cash Balance
	Beg. Balance				\$ -
2017	\$ -	\$ -	\$ -	\$ -	-
2018	-	-	-	-	-
2019	664,476	-	(664,476)	-	-
2020	664,476	-	(664,476)	-	-
2021	664,476	-	(664,476)	-	-
2022	664,476	172,096	(664,476)	-	172,096
2023	664,476	-	(664,476)	3,442	175,538
2024	664,476	-	(664,476)	3,511	179,048
2025	664,476	-	(664,476)	3,581	182,629
2026	664,476	-	(664,476)	3,653	186,281
2027	664,476	-	(664,476)	3,726	190,006
2028	664,476	-	(664,476)	3,800	193,806
2029	664,476	-	(664,476)	3,876	197,682
2030	664,476	-	(664,476)	3,954	201,635
2031	664,476	-	(664,476)	4,033	205,668
2032	664,476	-	(664,476)	4,113	209,781
2033	664,476	-	(664,476)	4,196	213,976
2034	664,476	-	(664,476)	4,280	218,255
2035	664,476	-	(664,476)	4,365	222,620
2036	664,476	-	(664,476)	4,452	227,072
2037	664,476	-	(664,476)	4,541	231,613
2038	664,476	-	(664,476)	4,632	236,245
2039	664,476	-	(664,476)	4,725	240,970
2040	664,476	-	(664,476)	4,819	245,789
2041	664,476	-	(664,476)	4,916	250,704
2042	664,476	-	(664,476)	5,014	255,718
2043	664,476	-	(664,476)	5,114	260,832
2044	664,476	-	(664,476)	5,217	266,048
2045	664,476	-	(664,476)	5,321	271,369
2046	664,476	-	(664,476)	5,427	276,796
2047	664,476	-	(664,476)	5,536	282,331
2048	664,476	-	(664,476)	5,647	287,976
<b>Totals</b>	<b>\$ 19,934,280</b>	<b>\$ 172,096</b>	<b>\$ (19,934,290)</b>	<b>\$ 115,890</b>	<b>\$ 287,976</b>

\* Interest earned is based on a conservative estimate of 2%

### West Riverside Construction

In 1997, construction began on the Western Riverside County Regional Wastewater Treatment Plant. Three SRF loans in the amount of \$11,187,267 were obtained to fund construction of the plant. To provide a cash flow for the debt service payments, T-Strips were purchased in 1999 for \$2,431,101 with a face value of \$4,180,000. Each year, through 2018, T-Strip maturities of \$554,000 will be received to cover the debt service payments.

In 1999, SAWPA transferred ownership of the plant to the Western Riverside County Regional Wastewater Authority (WRCRWA). Because SAWPA retained ownership of the T-Strips, the Agency will continue to make a portion of the payments (\$533,924) on each of the loans through 2018. The difference between the T-Strip maturities and the debt service payments of \$20,076 per year, plus any interest earned will remain in the debt service fund and will be transferred to the TVRI debt service fund to help cover the projected short fall.

### West Riverside SRF Loans

Repayment Began	Loan Amount	SAWPA's Portion %	Interest Rate	Term	SAWPA Payment Amount
02/13/99	\$ 4,750,124	100%	2.80%	20 Years	\$ 316,730
06/01/99	4,583,644	49.99%	2.80%	20 Years	153,356
06/01/99	1,853,499	51.90%	2.80%	20 Years	63,838
<b>Total</b>	<b>\$ 11,187,267</b>				<b>\$ 533,924</b>

The following table displays the debt service funding analysis for the West Riverside debt service reserve account.

### West Riverside Debt Service Fund Analysis

FYE	T-Strip Maturities	Transfers	Loan Payments	Interest Earned*	Ending Reserve Cash Balance
	Beginning Balance				\$ 1,394,700
2017	\$ 554,000	\$ -	\$ (533,924)	\$ 11,976	1,426,753
2018	554,000	-	(533,924)	28,535	1,475,364
2019	-	(1,475,364)	-	-	-
<b>Totals</b>	<b>\$ 1,108,000</b>	<b>\$ (1,475,364)</b>	<b>\$ (1,067,848)</b>	<b>\$ 40,511</b>	<b>\$ -</b>

\* Interest earned is based on a conservative estimate of 2%

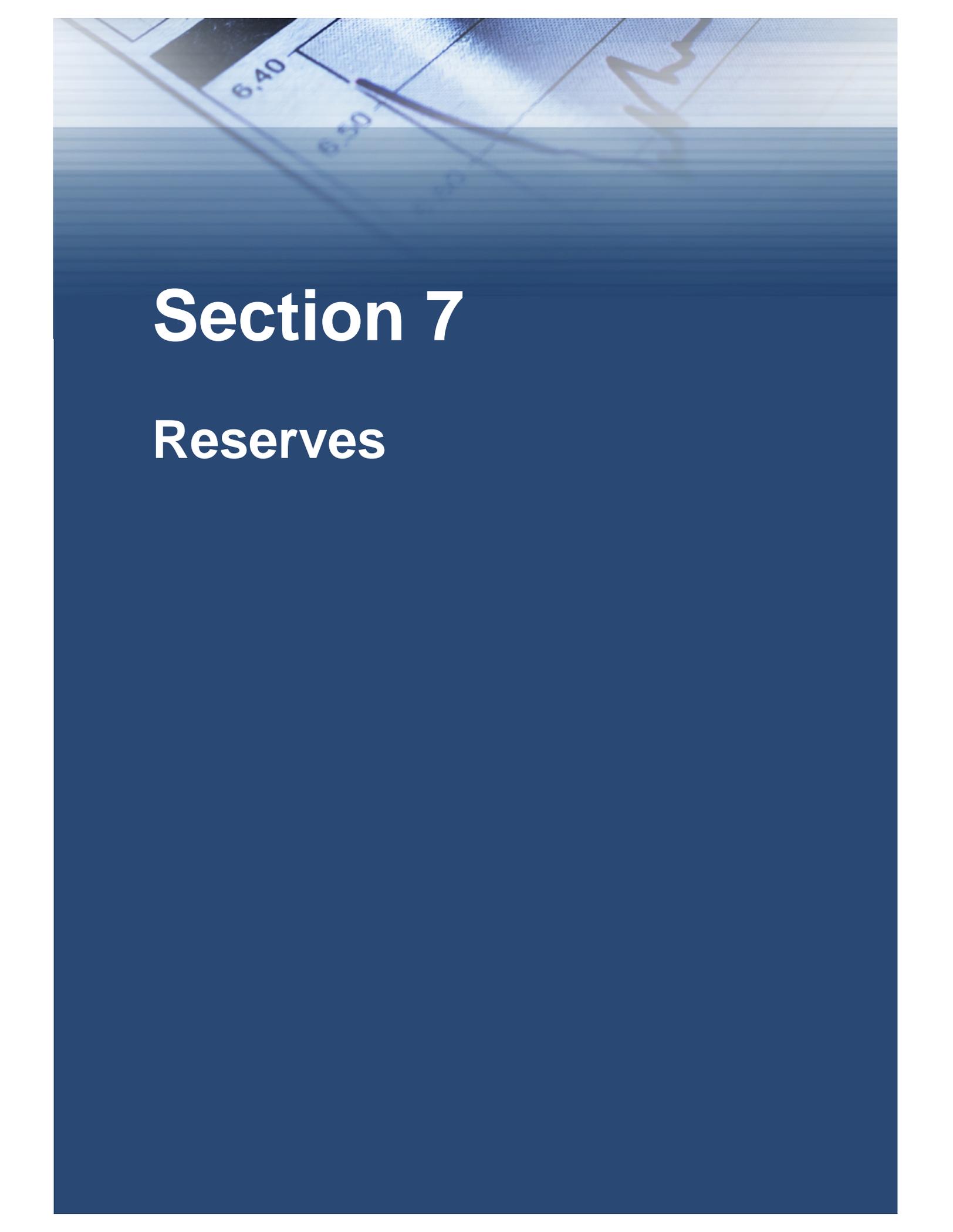
### OCWD Note Payable

In 1999, the Agency repurchased 2 MGD of pipeline capacity from OCWD for \$7,500,000 in an installment note. The repurchased capacity was sold to EMWD. Capacity purchase installment loans are used to repay the debt service.

### Note Payable

Repayment Began	Loan Amount	Interest Rate	Term	Annual Payment
01/12/99	\$ 7,500,000	6.00%	20 Years	\$ 356,250

\* Original loan was for zero interest. Auditors imputed an interest rate of 6% to comply with GAAP.

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# Section 7

## Reserves



# Reserves

## General Policy

Maintaining adequate cash reserves is an essential part of sound financial management. The SAWPA Commission realizes the importance of reserves in providing reliable service to its member agencies, financing long-term capital projects, and the funding of emergencies should they arise. Interest derived from reserve balances is credited to the reserve account from which it was earned. The establishment of any new reserve account will be determined based on the following criteria:

- ◆ Purpose and need for the reserve fund;
- ◆ Availability and source of funds to maintain, replenish, or initially establish the reserve;
- ◆ Operating expenditure levels approved within the annual budget process;
- ◆ Future capital expenditure and debt service requirements of the Agency; and
- ◆ Commission approval of the reserve policy.

There are two types of reserve fund classifications:

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

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

## Categories

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

- ◆ Restricted and Designated Reserves;
- ◆ Board Designated Reserves;
- ◆ Board Restricted (Obligated) Reserves; and
- ◆ Contractually Restricted Reserves.

### Restricted and Designated Reserves

These are reserve funds that are designated for a particular purpose and whose use is restricted to only that purpose. The Restricted and Designated Reserves consist of the Debt Retirement Reserve.

### Debt Retirement Reserve

- ◆ **Definition and Purpose** – Initially established with funds received from member agencies for the purchase of pipeline capacity (30 MGD) in the Brine Line system to provide future funding on debt service payments for SRF loans required to build the Brine Line system. T-Strips were purchased with maturities to match annual principal and interest payments due on the long-term debt associated with the State loans.
- ◆ **Target Level** – The minimum balance in this reserve should be sufficient to cover anticipated debt service payments as they become due. The balance in this reserve should reflect debt service obligations for which existing or projected revenues are insufficient to cover scheduled principal and interest payments.

- ◆ **Events or Conditions Prompting the Use of the Reserves** – This reserve is utilized as needed to pay debt service payments on SAWPA’s obligations. The Commission shall take action to approve annual debt service obligations of the Agency as presented in the annual budget. Any other use (debt obligations approved and entered into following adoption of the annual budget) shall require prior Commission approval before the expense of funds from this reserve.
- ◆ **Contribution for FYE 2018 and 2019** – Contributions projected to be made to this reserve are \$2,136,173 for FYE 2018 and \$1,879,144 for FYE 2019 to cover the Reach IV-A and IV-B repairs and the Reach V Capital Repair annual debt service payments. It is projected that \$1,065,947 and \$2,009,869 will be used from reserves to help pay debt service for FYE 2016 and 2017, respectively.

### Board Designated Reserves

These are reserve funds earmarked for the purpose of funding items such as new capital facilities, repair or replacement of existing facilities, and general operating reserves designated for a specific purpose and use by the Commission. The Board Designated Reserves are comprised of the following reserve accounts: Brine Line Operating Reserve, Pipeline Repair/Replacement Reserve, OCSD Rehabilitation Reserve, OCSD Future Capacity Reserve, Self Insurance Reserve, Capacity Management Reserve, Flow Imbalance Reserve, General Fund Operating Reserve, and the General Fund Building Reserve.

### Brine Line Operating Reserve

- ◆ **Definition and Purpose** – Established to cover temporary cash flow deficiencies that occur as a result of timing differences between the receipt of operating revenue and expenditure requirements.
- ◆ **Target Levels** – Funding shall be targeted at a minimum amount equal to 90 days (i.e. 25%) of SAWPA’s Brine Line Enterprise total annual operating expenditures. If SAWPA elects to issue variable rate debt, the minimum required balance in this reserve might need to be higher.
- ◆ **Events or Conditions Prompting the Use of the Reserve** – This reserve is utilized as needed to pay outstanding Brine Line Enterprise expenditures prior to the receipt of anticipated operating revenues.
- ◆ **Contribution for FYE 2018 and 2019** – No contributions are projected to be made to this reserve for FYE 2018 and 2019. Total funds in this account exceed 25% of operating expenses for both years.

### Pipeline Repair/Replacement Reserve

- ◆ **Definition and Purpose** – Established to provide capital replacement funding as the Brine Line system’s infrastructure (pipe) deteriorates over its expected useful life. Based on recent core sampling of the pipeline, the pipe’s useful life was adjusted from an original 50 year life expectancy to an expected useful life of 75 to 100 years.
- ◆ **Target Level** – To help protect against risk associated with capital project cost overruns and emergency reserves, the most recent Brine Line Financial Study and Rate Model have identified a minimum target balance of \$10 million for this reserve. Any revenues designated for capital projects and not strictly earmarked for another fund should be deposited into this fund. To provide annual cash flow for capital projects, SAWPA should consider depositing, on an annual basis, a system reinvestment contribution into this fund, equivalent to the inflation-adjusted annual depreciation.
- ◆ **Events or Conditions Prompting the Use of the Reserve** – Through the annual budget process, staff shall recommend anticipated asset replacement projects. The Commission shall take action to approve recommended project appropriations from the replacement reserve fund. Should emergency replacement be necessary during any fiscal year, the Commission may take action to amend the budget and appropriate needed funds as required by such emergency. Expected use of reserves for Capital Projects in FYE 2018 and 2019 are projected to be \$8,214,532 and \$4,986,032. The Agency has received an SRF loan to fund \$15 million of the project costs for the Reach V Capital Repairs Project.
- ◆ **Contribution for FYE 2018 and 2019** – Contributions projected to be made to this reserve are \$1,500,000 for both FYE 2018 and 2019.

### OCSD Rehabilitation Reserve

- ◆ **Definition and Purpose** – Established to provide funds for SAWPA's share of capital costs associated with its proportionate share of capacity rights ownership in the SARI Line maintained by OCSD. Since these costs are expected to vary significantly in timing and size, an approach has been developed to normalize these expenditures into equal annual payments. The objective is for SAWPA to make equal annual contributions (adjusted for inflation) into this interest earning reserve fund, and then make withdrawals from this fund when payments to OCSD for the SARI Line come due. According to the Brine Line Financial Study, this approach will mitigate significant capital spikes for SAWPA.
- ◆ **Target Level** – The most recent Brine Line Financial Study has identified a minimum target level of \$1.75 million annually (adjusted for inflation). Since that study, OCSD has determined that SARI Line capital costs will be much lower than the study had shown. SAWPA has reviewed the balance in this reserve and has adjusted its annual contribution accordingly.
- ◆ **Events or Conditions Prompting the Use of the Reserve** – This reserve is utilized as needed to pay, when due, SAWPA's share of OCSD SARI Line capital costs.
- ◆ **Contribution for FYE 2018 and 2019** – No contributions are projected to be made to this reserve for FYE 2018 and 2019.

### OCSD Future Capacity Reserve

- ◆ **Definition and Purpose** – Established to provide future funding as it becomes necessary for SAWPA to acquire (purchase) additional treatment capacity (minimum of 1 MGD increments) in the OCSD treatment plant facility. As incremental treatment capacity purchases are made at an agreed upon rate set by SAWPA resolution, funds would be deposited into this reserve account which can then be used to purchase treatment capacity from OCSD.
- ◆ **Target Level** – There is no minimum balance for this reserve. Its level will depend on the rate of growth and capacity sales. As capacity purchases are made, funds will be deposited in this reserve so that its balance will be sufficient to cover anticipated additional treatment plant capacity purchases as and when they come due.
- ◆ **Events or Conditions Prompting the Use of the Reserves** – This reserve may only be utilized to purchase additional treatment capacity in the OCSD plant as approved by the SAWPA Commission. Any other use of this reserve shall not occur without prior authorization from the SAWPA Commission.
- ◆ **Contribution for FYE 2018 and 2019** – No contributions are projected to be made to this reserve for FYE 2018 and 2019.

### Self Insurance Reserve

- ◆ **Definition and Purpose** – Established to provide insurance protection to the Brine Line system and JPA for losses arising from property, general liability, and workers' compensation claims. The reserve level, combined with SAWPA's existing insurance policies, should adequately protect SAWPA and its member agencies in the event of a loss or claim.
- ◆ **Target Level** – The minimum balance in this reserve should be determined with SAWPA's current existing insurance policies and coverages in mind, along with the deductibles thereon, and should be maintained at a level that would adequately protect SAWPA and its member agencies. Based on FEMA guidelines, the funding in this reserve should be targeted at a minimum of two percent (2%) of SAWPA's depreciable capital assets, plus the total amount of SAWPA's existing insurance deductibles.
- ◆ **Events or Conditions Prompting the Use of the Reserve** – This reserve shall be utilized to cover out-of-pocket insurance losses experienced by the Agency. Any reimbursement received by the Agency from the insurance company as the result of a submitted claim shall be deposited back into the reserve as replenishment for the loss.
- ◆ **Contribution for FYE 2018 and 2019** – Contributions projected to be made to this reserve are \$100,000 for FYE 2018 and 2019.

### Capacity Management Reserve

- ◆ **Definition and Purpose** – Established to set aside 100% of the funding derived from pipeline capacity sales to provide funds for future capacity needs within the Brine Line. As the pipeline reaches capacity, other alternatives will be needed to ensure the ability to discharge and achieve salt balance within the Watershed.
- ◆ **Target Level** – Given the nature of this reserve, there is no required minimum or maximum level. 100% of the funding derived from pipeline capacity sales should be deposited and maintained in this reserve.
- ◆ **Events or Conditions Prompting the Use of the Reserve** – This reserve shall be utilized to cover costs required to manage capacity within the pipeline, including the cost to further concentrate Brine Line flows, reduction of flows to meet capacity needs, additional pipeline capacity, additional CIP, and other changes as appropriate.
- ◆ **Contribution for FYE 2018 and 2019** – No contributions are projected to be made to this reserve for FYE 2018 and 2019.

### Flow Imbalance Reserve

- ◆ **Definition and Purpose** – Established to set aside funds in the event that a meter error occurs and the discharger is over-billed. Each month, meter readings are read for each discharger and the total for all dischargers is compared to the total at meter S-01. When the total for all discharges exceeds the total at meter S-01, the difference will be calculated at the current flow rate and contributed to the reserve account.
- ◆ **Target Level** – Based on SAWPA's practice, a minimum of \$50,000 should be maintained in this reserve.
- ◆ **Events or Conditions Prompting the Use of the Reserve** – This reserve shall be utilized to refund dischargers in the event that a meter error occurs and the discharger is over-billed.
- ◆ **Contribution for FYE 2018 and 2019** – No contributions are projected to be made to this reserve for FYE 2018 and 2019.

### General Fund Operating Reserve (Fund 100)

- ◆ **Definition and Purpose** – Established to provide cash flow for unbudgeted and/or unexpected expenditures and to mitigate potential delays between the time when expenditures are incurred and the time when revenues are received.
- ◆ **Target Level** – There is no minimum balance required for this reserve, although a prudent target level will be equal to 180 days of SAWPA's General Fund total budgeted operating expenditures.
- ◆ **Events or Conditions Prompting the Use of the Reserves** – This reserve is designated to maintain working capital for current operations and to meet routine cash flow needs. Upon Commission approval, this reserve may be routinely utilized by staff to cover temporary cash flow deficiencies caused by timing differences between revenues and expenditures, and extraordinary decreases in revenues and unexpected increases in expenditures.
- ◆ **Contribution for FYE 2018 and 2019** – This reserve will be funded only based on realized efficiencies in the General Fund resulting in actual year-end expenditures being under budget.

### General Fund Building Reserve (Fund 100)

- ◆ **Definition and Purpose** – Established to provide for the accumulation of funds towards a building reserve set aside to cover major repair/maintenance work on SAWPA's Headquarters Office unless directed otherwise by Commission action during the annual budget process.
- ◆ **Target Level** – The minimum target level for this reserve will be \$300,000 at all times.
- ◆ **Events or Conditions Prompting the Use of the Reserves** – This reserve is designated to maintain a building repair and replacement reserve. Upon Commission approval, this reserve may be routinely utilized by staff for building-related purposes.
- ◆ **Contribution for FYE 2018 and 2019** – Contributions projected to be made to this reserve are \$100,000 for both FYE 2018 and FYE 2019.

### Board Restricted (Obligated) Reserves

These are reserves set aside to meet financial commitments for services not yet fulfilled and purchases that will take place in the future. These reserves consist of the Capital Improvement Construction Reserve.

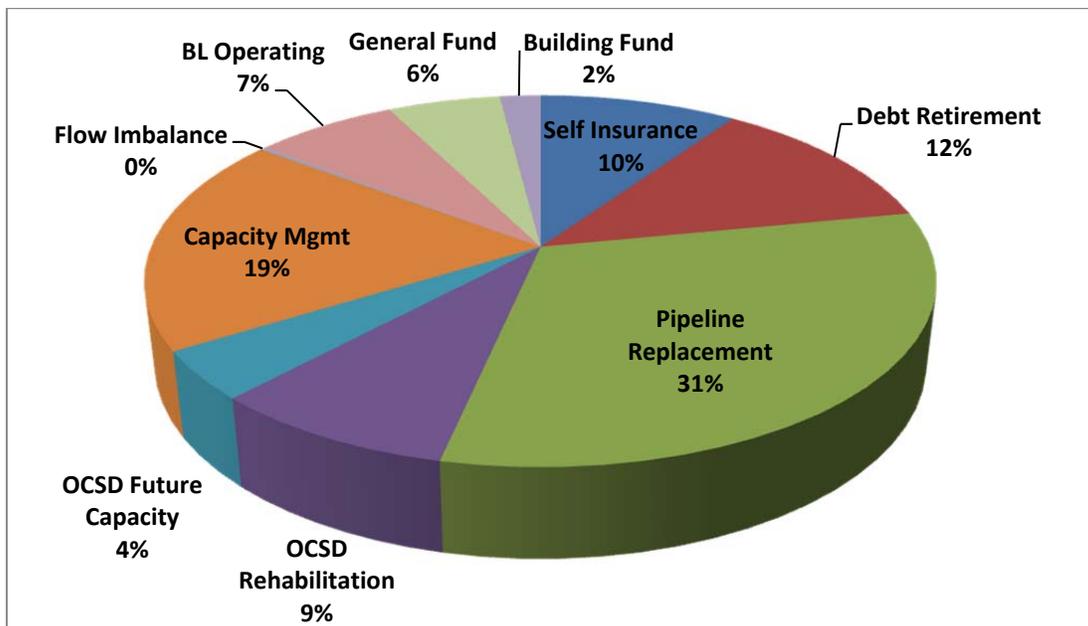
### Capital Improvement Construction Reserve

- ◆ **Definition and Purpose** – Established to set aside 100% of the funding derived from bond proceeds required to support specific capital projects identified and approved by the Commission in the Agency’s CIP. Through the Brine Line Rate Model, it was recommended that this reserve fund be established and maintained to guarantee cash flow availability to complete the Commission approved projects.
- ◆ **Target Level** – To be determined by the Commission.
- ◆ **Events or Conditions Prompting the Use of the Reserve** – Use of this reserve is for the sole purpose of paying for those capital expenditures identified within the Commission approved CIP Program budget. The reserve will be depleted as the approved capital projects are completed.
- ◆ **Contribution for FYE 2018 and 2019** – No contributions are projected to be made to this reserve for FYE 2018 and 2019.

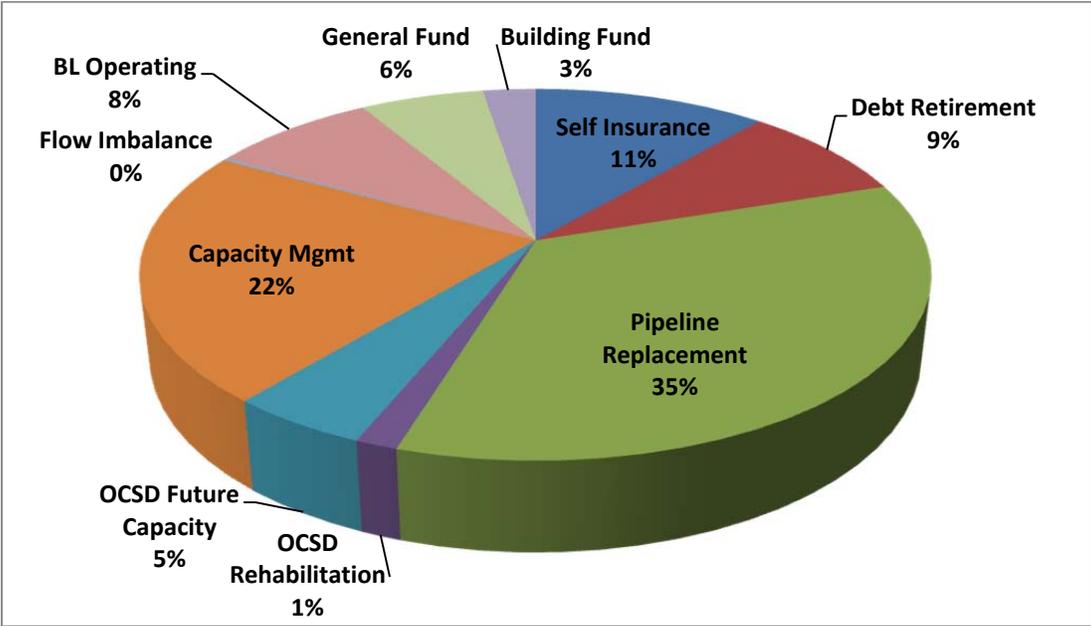
### Contractually Restricted Reserves

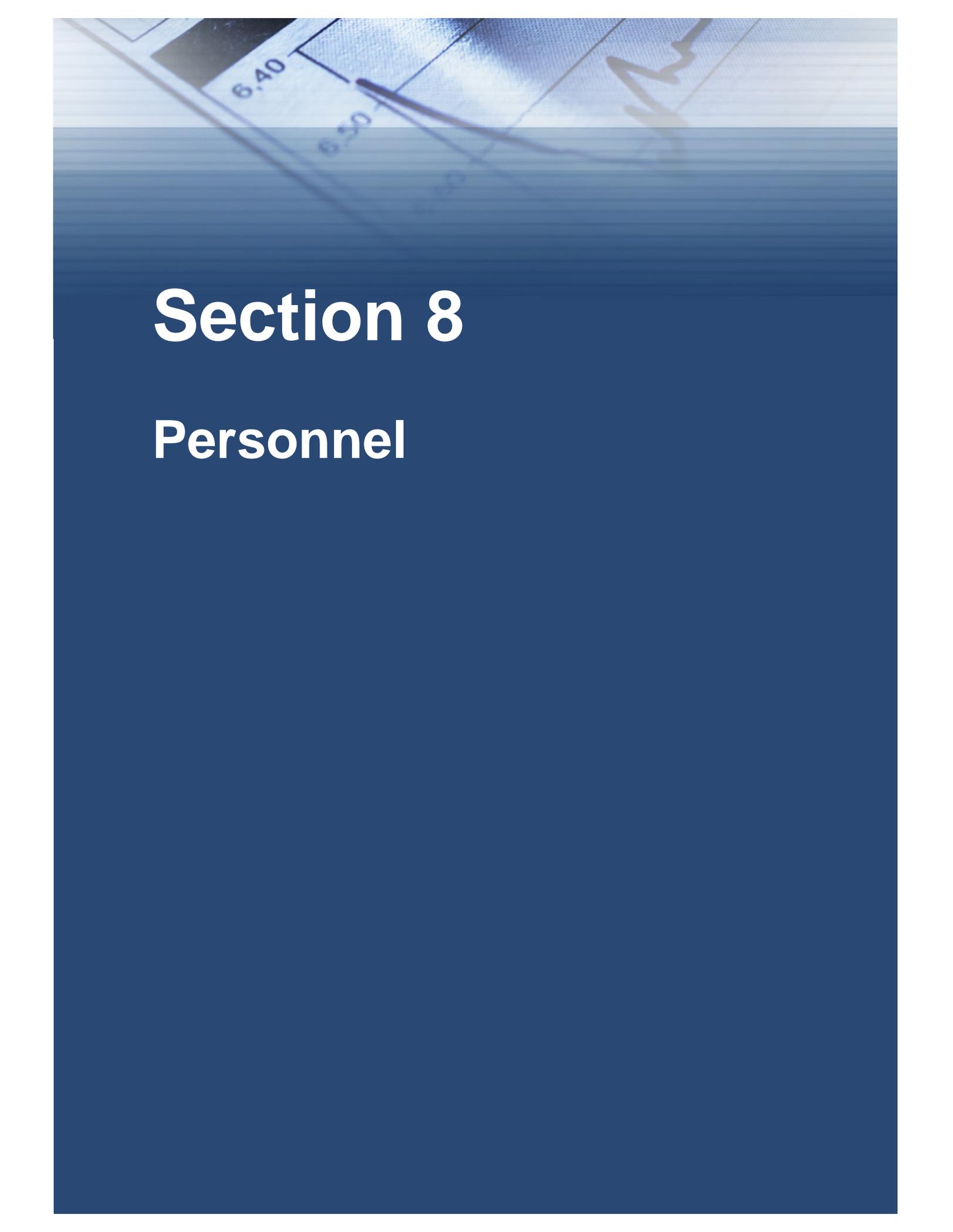
These are funds held to satisfy limitations set by external requirements established by creditors, grant agencies or contributors, or law. Examples include stipulated bond covenants, capital improvement fees, and service deposits. There are no restricted reserve funds held at this time.

**Total Reserves/Funds  
FYE 2018  
\$41.1 Million**



**Total Reserves/Funds  
FYE 2019  
\$35.7 Million**



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# Section 8

## Personnel



# Personnel

Staffing and related employment costs are one of the primary operating expenses for the Agency. For FYE 2018, these costs will represent \$5.2 million, or approximately 13% of the Agency's total budget of \$39.7 million. For FYE 2019, staffing and related employment costs will represent \$5.5 million, or approximately 18% of the Agency's total budget of \$30.8 million. Benefit costs for FYE 2018 have increased 8.8% from FYE 2017 and have increased by 7.5% for FYE 2019. Overall, employment expenses have increased by 8.3% (\$396,586) over the FYE 2017 budgeted expenses and have increased by 7.4% (\$383,671) for FYE 2019. The following increases are reflected in the total employment expenses:

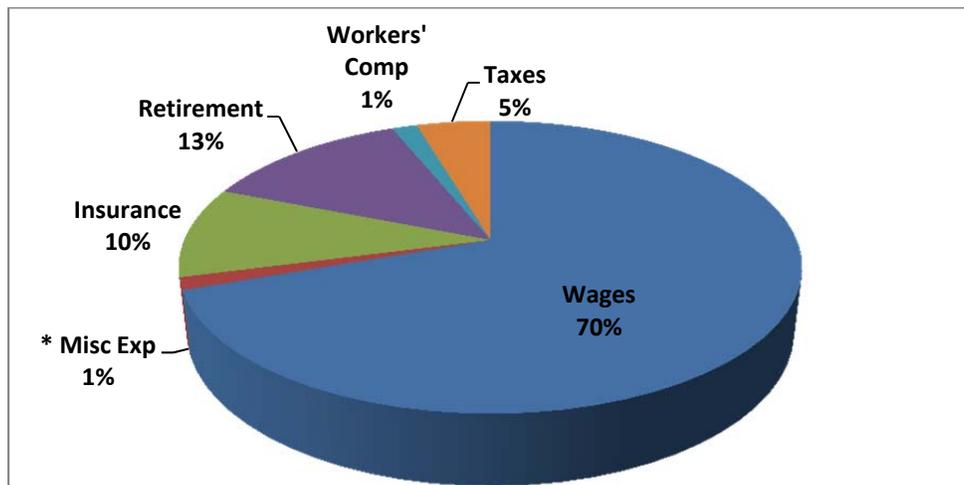
## FYE 2018

- ◆ Projected increases in both insurance and taxes account for a slight increase.
- ◆ Decrease in PERS expense with the migration of EPMC to the employee.
- ◆ An overall 7.4% increase for COLA and merit pool has been budgeted and approved, that will go into effect on July 1, 2017, for an estimated cost of \$247,936.
- ◆ The budget includes two additional positions: Brine Line Pipeline Operator I and Grant/Technical Writer for a total of \$252,169.
- ◆ Funds are available in the budget to be used at the General Manager's discretion for promoting and reclassification of budgeted positions.

## FYE 2019

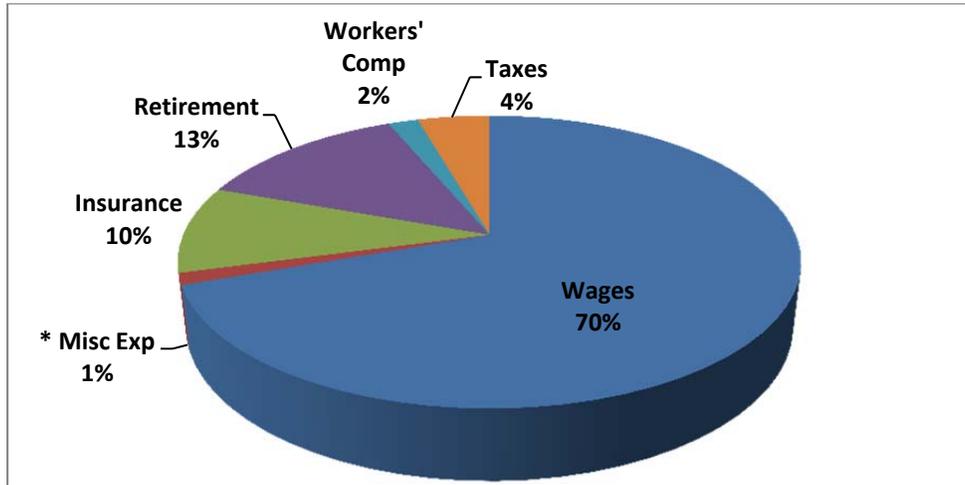
- ◆ Projected increases in both insurance and taxes account for a slight increase.
- ◆ Increase in PERS employer contribution rate with the first year implementation of the decrease in discount rate.
- ◆ An overall 7.4% increase for COLA and merit pool has been budgeted and approved, that will go into effect on July 1, 2018, for an estimated cost of \$266,698.
- ◆ A projected increase in the Agency's Workers Compensation insurance of \$21,067.
- ◆ Funds are available in the budget to be used at the General Manager's discretion for promoting and reclassification of budgeted positions.

**Employment Expenses  
FYE 2018  
\$5.5 million**



\* Miscellaneous Expense of 1% includes State Unemployment taxes, State Disability Insurance (SDI), car allowance, and other benefits.

**Employment Expenses  
FYE 2019  
\$4.8 million**



\* Miscellaneous Expense of 1% includes State Unemployment taxes, State Disability Insurance (SDI), car allowance, and other benefits.

The Agency provides a comprehensive benefit package to all permanent full-time employees, which includes: insurance (health, dental, vision, short- and long-term disability, and workers' compensation), sick and vacation leave, deferred compensation, and retirement benefits in the form of participation in the California Public Employees Retirement System (CalPERS). In FYE 2018 and 2019, these benefits are budgeted at \$1.6 million and \$1.7 million, or approximately 30% of employment expenses.

The following table displays total labor costs for FYE 2018 and 2019 by department.

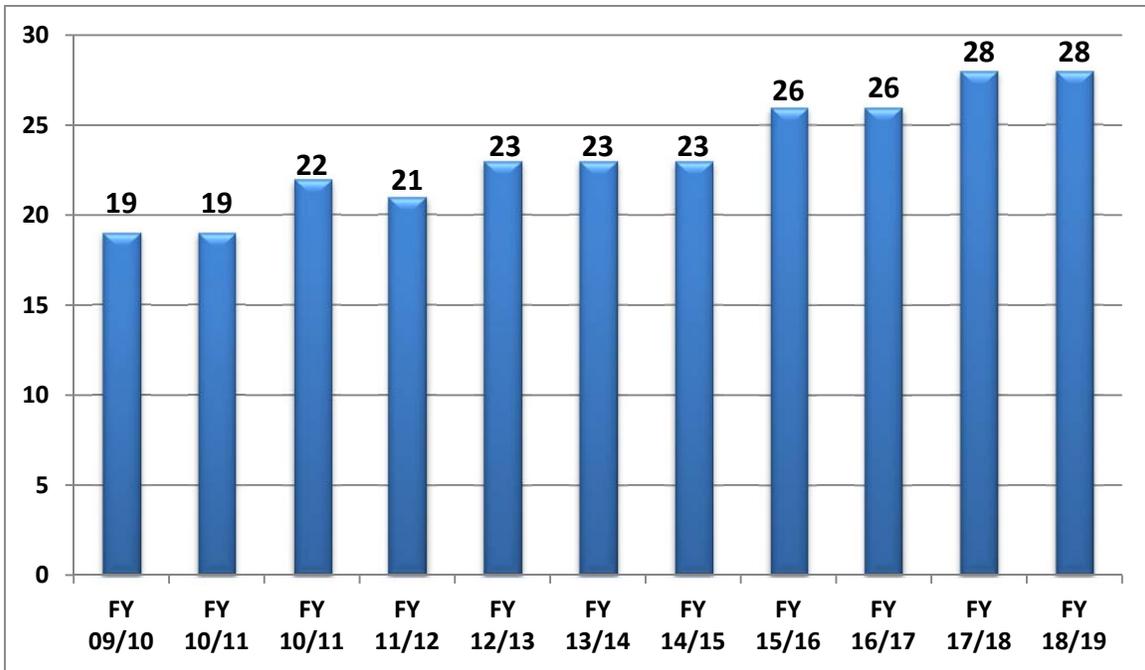
**Labor Costs by Fund 2018**

<i>Department</i>	<i>General</i>	<i>Brine Line</i>	<i>OWOW</i>	<i>Round-table</i>	<i>Capital Projects</i>	<i>Total</i>
<i>Executive Mgmt</i>	\$ 335,771	\$ 44,140	\$ 64,625	\$ 4,791	\$ 49,000	\$ 498,327
<i>Admin Services</i>	260,997	97,754	50,969	21,462	4,101	435,283
<i>Finance/Accounting</i>	193,627	68,778	99,331	17,580	4,284	383,600
<i>Info and Technology</i>	329,363	23,075	39,386	293	2,944	395,061
<i>Engineering</i>	228,432	669,139	104,627	–	175,317	1,177,515
<i>Wtr Resources &amp; Plan</i>	152,708	–	446,702	103,221	–	702,631
<b>Total</b>	<b>\$1,500,898</b>	<b>\$ 902,886</b>	<b>\$ 805,639</b>	<b>\$ 147,347</b>	<b>\$ 235,645</b>	<b>\$ 3,592,414</b>

### Labor Costs by Fund 2019

Department	General	Brine Line	OWOW	Round-table	Capital Projects	Total
Executive Mgmt	\$ 358,450	\$ 80,025	\$ 77,693	\$ 8,013	\$ 11,731	\$ 535,912
Admin Services	293,154	104,532	44,992	23,334	2,112	468,124
Finance/Accounting	221,201	81,753	86,033	16,964	5,501	411,452
Info and Technology	361,258	24,759	35,571	–	2,176	423,764
Engineering	245,605	742,050	111,968	–	165,670	1,265,292
Wtr Resources & Plan	166,474	–	482,301	105,793	–	754,568
<b>Total</b>	<b>\$ 1,646,142</b>	<b>\$ 1,033,117</b>	<b>\$ 838,558</b>	<b>\$ 154,104</b>	<b>\$ 187,191</b>	<b>\$3,859,112</b>

### Budgeted Staffing Levels FY 10/11 – FY 18/19 (Does not include interns)

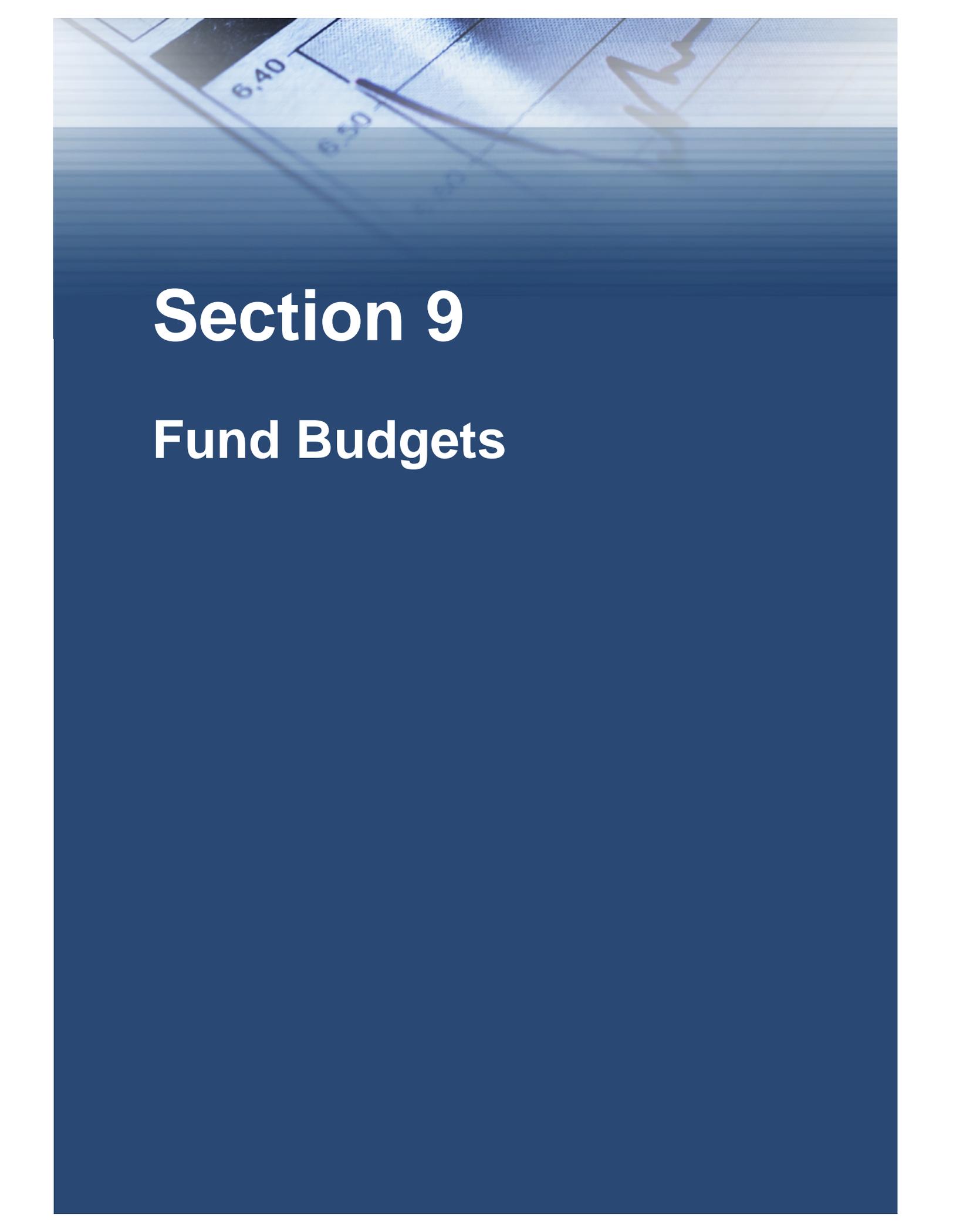


## Staffing Plan

The FYE 2018 and 2019 staffing plan includes the addition of two positions – Brine Line Pipeline Operator I and a Grant/Technical Writer. The Grant/Technical Writer position may either be hired as a position or as a consultant. The following table is a summary of the Agency’s budgeted positions.

**Total Budgeted Position Count by Year**

<b>Position</b>	<b>FYE 2015</b>	<b>FYE 2016</b>	<b>FYE 2017</b>	<b>FYE 2018</b>	<b>FYE 2019</b>	<b>Department</b>
<i>General Manager</i>	1	1	1	1	1	<i>Executive Management</i>
<i>Executive Counsel</i>	1	1	1	1	1	<i>Executive Management</i>
<i>Administrative Services Mgr</i>	1	1	1	1	1	<i>Administrative Services</i>
<i>Senior Administrative Assistant</i>	3	3	3	3	3	<i>Administrative Services</i>
<i>Administrative Assistant II</i>	0	1	1	1	1	<i>Administrative Services</i>
<i>Administrative Assistant I</i>	1	0	0	0	0	<i>Administrative Services</i>
<i>Chief Financial Officer</i>	1	1	1	1	1	<i>Finance/Accounting</i>
<i>Accountant/Project Mgr</i>	1	1	1	1	1	<i>Finance/Accounting</i>
<i>Senior Accounting Technician</i>	1	1	1	1	1	<i>Finance/Accounting</i>
<i>IS and Technology Mgr</i>	1	1	1	1	1	<i>IS and Technology</i>
<i>GIS Project Manager</i>	1	1	1	1	1	<i>IS and Technology</i>
<i>GIS Analyst II</i>	1	1	1	1	1	<i>IS and Technology</i>
<i>Engineering &amp; Operations Mgr</i>	1	1	1	1	1	<i>Engineering &amp; Operations</i>
<i>Program Manager</i>	1	1	1	1	1	<i>Engineering &amp; Operations</i>
<i>Senior Project Manager</i>	1	1	1	1	1	<i>Engineering &amp; Operations</i>
<i>Quality Control Manager</i>	0	1	1	1	1	<i>Engineering &amp; Operations</i>
<i>Mgr Permitting &amp; Pretreatment</i>	1	1	1	1	1	<i>Engineering &amp; Operations</i>
<i>Senior Pretreatment Specialist</i>	0	1	1	1	1	<i>Engineering &amp; Operations</i>
<i>Senior Brine Line Operator</i>	1	1	1	1	1	<i>Engineering &amp; Operations</i>
<i>Brine Line Pipeline Operator II</i>	2	2	2	2	2	<i>Engineering &amp; Operations</i>
<i>Brine Line Pipeline Operator I</i>	0	0	0	1	1	<i>Engineering &amp; Operations</i>
<i>Water Res. &amp; Planning Mgr</i>	1	1	1	1	1	<i>Water Resources &amp; Planning</i>
<i>Senior Watershed Manager</i>	2	3	3	3	3	<i>Water Resources &amp; Planning</i>
<i>Grant/Technical Writer</i>	0	0	0	1	1	<i>Water Resources &amp; Planning</i>
<b>Total</b>	<b>23</b>	<b>26</b>	<b>26</b>	<b>28</b>	<b>28</b>	

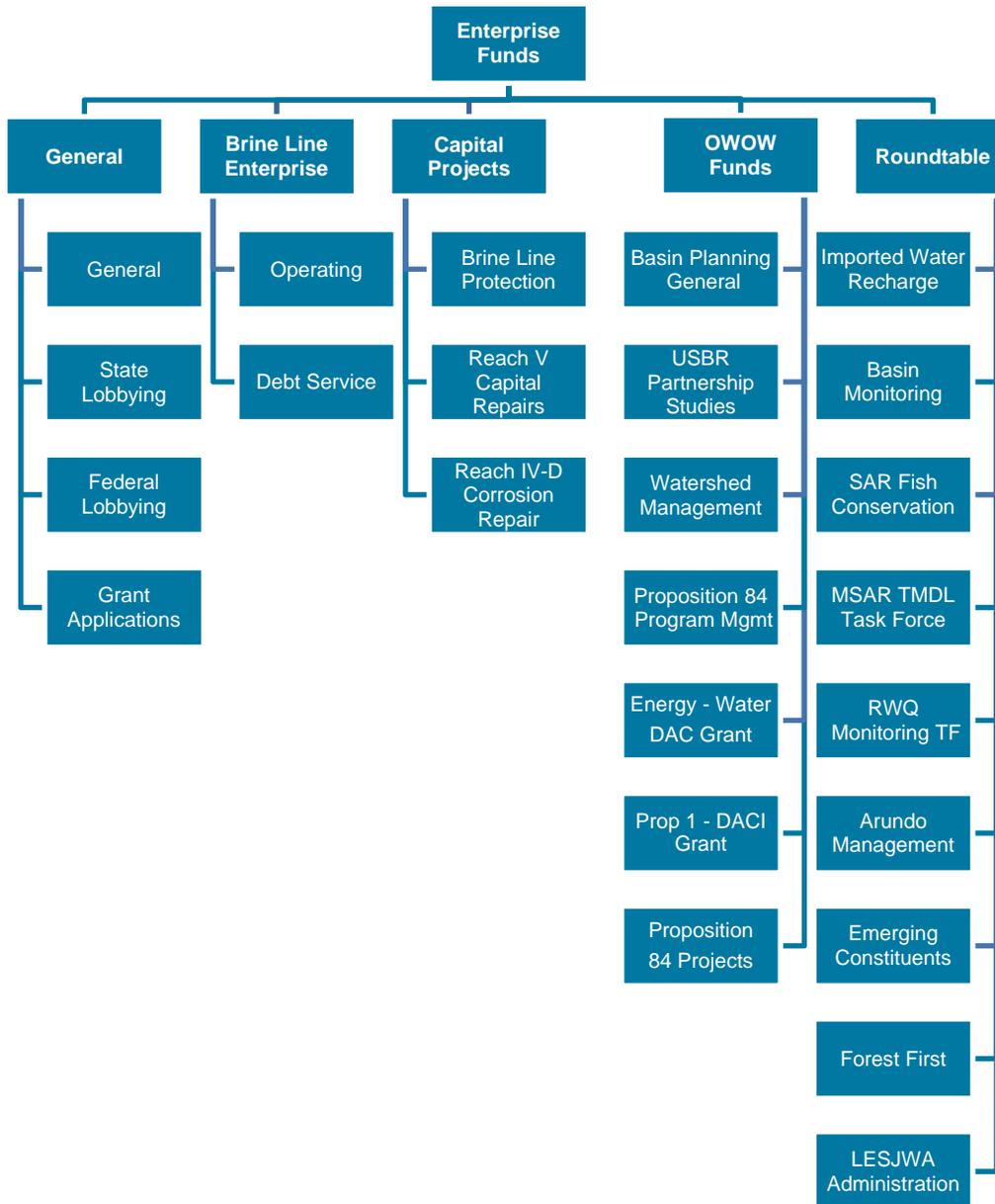
The background of the slide features a blue gradient. At the top, there is a blurred image of a financial chart or spreadsheet. A red line graph is visible, with numerical values such as 6.40 and 6.50. A pen is shown pointing to a specific data point on the chart.

# Section 9

## Fund Budgets



# Fund Structure



The Agency’s budget is organized on the basis of funds, each of which is considered a separate budgetary and accounting entity. Financial resources are allocated to, and accounted for, in individual funds based upon the purposes for which they are to be utilized.

The Agency develops its sources and uses of fund estimates for the annual budget in a manner that follows GAAP. Activities and projects are accounted for in Enterprise Funds. These funds are included in the Agency’s financial statements and are grouped in the following fund types based on their activities: General, Brine Line Enterprise, Capital Projects, OWOW Projects, and Roundtable Projects. All of the entities’ funds are subject to appropriation and are included in this budget.

Details on each program fund’s initiatives, activities, and budget are provided in the individual project budgets that follow.

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<b>SAWPA Fund Summary - Combined</b>	<b>General Funds</b>		<b>Brine Line Enterprise Funds</b>		<b>OWOW Funds</b>	
<b>Source of Funds:</b>	<b>FYE 2018</b>	<b>FYE 2019</b>	<b>FYE 2018</b>	<b>FYE 2019</b>	<b>FYE 2018</b>	<b>FYE 2019</b>
Discharge Fees	\$ -	\$ -	\$ 11,427,616	\$ 11,090,587	\$ -	\$ -
SRF Loans	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grant Proceeds	\$ -	\$ -	\$ -	\$ -	\$ 5,741,297	\$ 4,777,256
Member Agency Contributions	\$ 646,118	\$ 650,695	\$ -	\$ -	\$ 776,000	\$ 801,000
Participant Fees	\$ -	\$ -	\$ -	\$ -	\$ 818,612	\$ 437,722
Mitigation Credit Sales	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operating Transfer	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Use of Reserves	\$ -	\$ -	\$ 1,065,947	\$ 2,009,869	\$ -	\$ -
Other Income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest & Investments	\$ -	\$ -	\$ 1,994,772	\$ 1,173,582	\$ -	\$ -
<b>Total Source of Funds</b>	\$ 646,118	\$ 650,695	\$ 14,488,335	\$ 14,274,038	\$ 7,335,908	\$ 6,015,977
<b>Use of Funds:</b>						
Labor	\$ 1,500,898	\$ 1,646,142	\$ 902,886	\$ 1,033,117	\$ 805,639	\$ 838,558
Benefits	\$ 655,643	\$ 719,291	\$ 394,411	\$ 451,427	\$ 351,930	\$ 366,413
Indirect Costs	\$ (2,950,725)	\$ (3,121,569)	\$ 1,273,798	\$ 1,457,293	\$ 1,136,600	\$ 1,182,852
Education & Training	\$ 57,300	\$ 57,300	\$ 10,000	\$ 10,500	\$ -	\$ -
Consulting & Professional Services	\$ 261,000	\$ 249,400	\$ 295,000	\$ 290,000	\$ 3,024,037	\$ 2,050,850
Operating Costs	\$ 5,820	\$ 6,090	\$ 3,756,445	\$ 3,278,960	\$ -	\$ -
Repair & Maintenance	\$ 103,270	\$ 105,540	\$ 695,000	\$ 715,000	\$ -	\$ -
Phone & Utilities	\$ 68,200	\$ 73,620	\$ 9,750	\$ 10,000	\$ -	\$ -
Equipment & Computer	\$ 274,800	\$ 232,900	\$ 137,500	\$ 137,500	\$ 4,100	\$ 4,100
Meeting & Travel	\$ 77,500	\$ 77,500	\$ 7,750	\$ 8,500	\$ 22,800	\$ 25,800
Other Administrative Costs	\$ 221,456	\$ 226,777	\$ 57,100	\$ 62,100	\$ 17,710	\$ 18,660
Other Expenses	\$ 157,956	\$ 164,703	\$ 151,803	\$ 157,046	\$ -	\$ -
Program Expense	\$ -	\$ -	\$ -	\$ -	\$ 2,040,501	\$ 1,892,873
Construction	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Debt Service	\$ -	\$ -	\$ 3,060,719	\$ 3,183,451	\$ -	\$ -
<b>Total Use of Funds from Operations</b>	\$ 433,118	\$ 437,695	\$ 10,752,163	\$ 10,794,893	\$ 7,403,317	\$ 6,380,106
<b>Contribution To/(From) Reserves:</b>						
Pipeline Repair/Replacement Reserve	\$ -	\$ -	\$ 1,500,000	\$ 1,500,000	\$ -	\$ -
Self Insurance Reserve	\$ -	\$ -	\$ 100,000	\$ 100,000	\$ -	\$ -
Debt Service Reserve	\$ -	\$ -	\$ 2,136,173	\$ 1,879,144	\$ -	\$ -
Retiree Medical Reserve	\$ 113,000	\$ 113,000	\$ -	\$ -	\$ -	\$ -
Building Repair/Replacement Reserve	\$ 100,000	\$ 100,000	\$ -	\$ -	\$ -	\$ -
<b>Total Contributions to Reserves</b>	\$ 213,000	\$ 213,000	\$ 3,736,173	\$ 3,479,144	\$ -	\$ -
<b>Total Use of Funds</b>	\$ 646,118	\$ 650,695	\$ 14,488,335	\$ 14,274,038	\$ 7,403,317	\$ 6,380,106
Net Gain (Loss)	\$ -	\$ -	\$ -	\$ -	\$ (67,409)	\$ (364,129)
Beginning Fund Balance	\$ -	\$ -	\$ -	\$ -	\$ 814,190	\$ 746,780
Ending Fund Balance	\$ -	\$ -	\$ -	\$ -	\$ 746,780	\$ 382,651

<b>SAWPA Fund Summary - Combined</b>	<b>Roundtable Funds</b>		<b>Capital Project Funds</b>		<b>Totals</b>		
<b>Source of Funds:</b>	<b>FYE 2018</b>	<b>FYE 2019</b>	<b>FYE 2018</b>	<b>FYE 2019</b>	<b>FYE 2018</b>	<b>FYE 2019</b>	<b>2-Yr Budget</b>
Discharge Fees	\$ -	\$ -	\$ -	\$ -	\$ 11,427,616	\$ 11,090,587	\$ 22,518,203
SRF Loans	\$ -	\$ -	\$ 7,500,000	\$ 3,000,000	\$ 7,500,000	\$ 3,000,000	\$ 10,500,000
Grant Proceeds	\$ -	\$ -	\$ -	\$ -	\$ 5,741,297	\$ 4,777,256	\$ 10,518,552
Member Agency Contributions	\$ 20,000	\$ 20,000	\$ -	\$ -	\$ 1,442,118	\$ 1,471,695	\$ 2,913,812
Participant Fees	\$ 863,445	\$ 871,551	\$ -	\$ -	\$ 1,682,056	\$ 1,309,273	\$ 2,991,329
Mitigation Credit Sales	\$ 88,980	\$ 88,980	\$ -	\$ -	\$ 88,980	\$ 88,980	\$ 177,960
Operating Transfer	\$ 144,252	\$ 144,252	\$ -	\$ -	\$ 144,252	\$ 144,252	\$ 288,504
Use of Reserves	\$ -	\$ -	\$ 8,214,532	\$ 4,986,032	\$ 9,280,479	\$ 6,995,901	\$ 16,276,381
Other Income	\$ 202,027	\$ 206,674	\$ -	\$ -	\$ 202,027	\$ 206,674	\$ 408,701
Interest & Investments	\$ -	\$ -	\$ -	\$ -	\$ 1,994,772	\$ 1,173,582	\$ 3,168,354
<b>Total Source of Funds</b>	\$ 1,318,704	\$ 1,331,457	\$ 15,714,532	\$ 7,986,032	\$ 39,503,596	\$ 30,258,200	\$ 69,761,796
<b>Use of Funds:</b>							
Labor	\$ 147,347	\$ 154,104	\$ 235,645	\$ 187,191	\$ 3,592,414	\$ 3,859,112	\$ 7,451,527
Benefits	\$ 64,366	\$ 67,337	\$ 102,938	\$ 81,794	\$ 1,569,289	\$ 1,686,262	\$ 3,255,551
Indirect Costs	\$ 207,877	\$ 217,376	\$ 332,450	\$ 264,047	\$ -	\$ -	\$ -
Education & Training	\$ -	\$ -	\$ -	\$ -	\$ 67,300	\$ 67,800	\$ 135,100
Consulting & Professional Services	\$ 843,964	\$ 731,211	\$ 2,985,000	\$ 877,500	\$ 7,409,001	\$ 4,198,961	\$ 11,607,962
Operating Costs	\$ -	\$ -	\$ 10,000	\$ 10,000	\$ 3,772,265	\$ 3,295,050	\$ 7,067,315
Repair & Maintenance	\$ -	\$ -	\$ -	\$ -	\$ 798,270	\$ 820,540	\$ 1,618,810
Phone & Utilities	\$ -	\$ -	\$ -	\$ -	\$ 77,950	\$ 83,620	\$ 161,570
Equipment & Computer	\$ -	\$ -	\$ -	\$ -	\$ 416,400	\$ 374,500	\$ 790,900
Meeting & Travel	\$ 1,150	\$ 1,450	\$ 6,000	\$ 2,000	\$ 115,200	\$ 115,250	\$ 230,450
Other Administrative Costs	\$ 10,250	\$ 10,250	\$ 17,500	\$ 13,500	\$ 324,016	\$ 331,287	\$ 655,303
Other Expenses	\$ 144,252	\$ 144,252	\$ -	\$ -	\$ 454,010	\$ 466,001	\$ 920,012
Program Expense	\$ -	\$ 150,000	\$ -	\$ -	\$ 2,040,501	\$ 2,042,873	\$ 4,083,374
Construction	\$ -	\$ -	\$ 12,025,000	\$ 6,550,000	\$ 12,025,000	\$ 6,550,000	\$ 18,575,000
Debt Service	\$ -	\$ -	\$ -	\$ -	\$ 3,060,719	\$ 3,183,451	\$ 6,244,170
<b>Total Use of Funds from Operations</b>	\$ 1,419,206	\$ 1,475,981	\$ 15,714,532	\$ 7,986,032	\$ 35,722,335	\$ 27,074,707	\$ 62,797,043
<b>Contribution To/(From) Reserves:</b>							
Pipeline Repair/Replacement Reserve	\$ -	\$ -	\$ -	\$ -	\$ 1,500,000	\$ 1,500,000	\$ 3,000,000
Self Insurance Reserve	\$ -	\$ -	\$ -	\$ -	\$ 100,000	\$ 100,000	\$ 200,000
Debt Service Reserve	\$ -	\$ -	\$ -	\$ -	\$ 2,136,173	\$ 1,879,144	\$ 4,015,317
Retiree Medical Reserve	\$ -	\$ -	\$ -	\$ -	\$ 113,000	\$ 113,000	\$ 226,000
Building Repair/Replacement Reserve	\$ -	\$ -	\$ -	\$ -	\$ 100,000	\$ 100,000	\$ 200,000
<b>Total Contributions to Reserves</b>	\$ -	\$ -	\$ -	\$ -	\$ 3,949,173	\$ 3,692,144	\$ 7,641,317
<b>Total Use of Funds</b>	\$ 1,419,206	\$ 1,475,981	\$ 15,714,532	\$ 7,986,032	\$ 39,671,508	\$ 30,766,852	\$ 70,438,360
Net Gain (Loss)	\$ (100,502)	\$ (144,524)	\$ -	\$ -	\$ (167,911)	\$ (508,653)	\$ (676,565)
Beginning Fund Balance	\$ 1,785,564	\$ 1,685,061	\$ -	\$ -	\$ 2,599,754	\$ 2,431,842	\$ 2,599,754
Ending Fund Balance	\$ 1,685,061	\$ 1,540,537	\$ -	\$ -	\$ 2,431,842	\$ 1,923,188	\$ 1,923,188

<b>SAWPA Fund Summary FYE 2018</b>	<b>General Fund</b>	<b>Brine Line Enterprise Funds</b>	<b>OWOW Funds</b>	<b>Roundtable Funds</b>	<b>Capital Project Funds</b>	<b>Total</b>
<b>Source of Funds:</b>						
Discharge Fees	\$ -	\$ 11,427,616	\$ -	\$ -	\$ -	\$ 11,427,616
SRF Loans	\$ -	\$ -	\$ -	\$ -	\$ 7,500,000	\$ 7,500,000
Grant Proceeds	\$ -	\$ -	\$ 5,741,297	\$ -	\$ -	\$ 5,741,297
Member Agency Contributions	\$ 646,118	\$ -	\$ 776,000	\$ 20,000	\$ -	\$ 1,442,118
Participant Fees	\$ -	\$ -	\$ 818,612	\$ 863,445	\$ -	\$ 1,682,056
Mitigation Credit Sales	\$ -	\$ -	\$ -	\$ 88,980	\$ -	\$ 88,980
Operating Transfer	\$ -	\$ -	\$ -	\$ 144,252	\$ -	\$ 144,252
Use of Reserves	\$ -	\$ 1,065,947	\$ -	\$ -	\$ 8,214,532	\$ 9,280,479
Other Income	\$ -	\$ -	\$ -	\$ 202,027	\$ -	\$ 202,027
Interest & Investments	\$ -	\$ 1,994,772	\$ -	\$ -	\$ -	\$ 1,994,772
<b>Total Source of Funds</b>	\$ 646,118	\$ 14,488,335	\$ 7,335,908	\$ 1,318,704	\$ 15,714,532	\$ 39,503,596
<b>Use of Funds:</b>						
Labor	\$ 1,500,898	\$ 902,886	\$ 805,639	\$ 147,347	\$ 235,645	\$ 3,592,414
Benefits	\$ 655,643	\$ 394,411	\$ 351,930	\$ 64,366	\$ 102,938	\$ 1,569,289
Indirect Costs	\$ (2,950,725)	\$ 1,273,798	\$ 1,136,600	\$ 207,877	\$ 332,450	\$ -
Education & Training	\$ 57,300	\$ 10,000	\$ -	\$ -	\$ -	\$ 67,300
Consulting & Professional Services	\$ 261,000	\$ 295,000	\$ 3,024,037	\$ 843,964	\$ 2,985,000	\$ 7,409,001
Operating Costs	\$ 5,820	\$ 3,756,445	\$ -	\$ -	\$ 10,000	\$ 3,772,265
Repair & Maintenance	\$ 103,270	\$ 695,000	\$ -	\$ -	\$ -	\$ 798,270
Phone & Utilities	\$ 68,200	\$ 9,750	\$ -	\$ -	\$ -	\$ 77,950
Equipment & Computers	\$ 274,800	\$ 137,500	\$ 4,100	\$ -	\$ -	\$ 416,400
Meeting & Travel	\$ 77,500	\$ 7,750	\$ 22,800	\$ 1,150	\$ 6,000	\$ 115,200
Other Administrative Costs	\$ 221,456	\$ 57,100	\$ 17,710	\$ 10,250	\$ 17,500	\$ 324,016
Other Expenses	\$ 157,956	\$ 151,803	\$ -	\$ 144,252	\$ -	\$ 454,010
Program Expenses	\$ -	\$ -	\$ 2,040,501	\$ -	\$ -	\$ 2,040,501
Construction	\$ -	\$ -	\$ -	\$ -	\$ 12,025,000	\$ 12,025,000
Debt Service	\$ -	\$ 3,060,719	\$ -	\$ -	\$ -	\$ 3,060,719
<b>Total Use of Funds from Operations</b>	\$ 433,118	\$ 10,752,163	\$ 7,403,317	\$ 1,419,206	\$ 15,714,532	\$ 35,722,335
<b>Contribution To/(From) Reserves:</b>						
Pipeline Repair/Replacement Reserve	\$ -	\$ 1,500,000	\$ -	\$ -	\$ -	\$ 1,500,000
Self Insurance Reserve	\$ -	\$ 100,000	\$ -	\$ -	\$ -	\$ 100,000
Debt Service Reserve	\$ -	\$ 2,136,173	\$ -	\$ -	\$ -	\$ 2,136,173
Retiree Medical Reserve	\$ 113,000	\$ -	\$ -	\$ -	\$ -	\$ 113,000
Building Repair/Replacement Reserve	\$ 100,000	\$ -	\$ -	\$ -	\$ -	\$ 100,000
<b>Total Contributions to Reserves</b>	\$ 213,000	\$ 3,736,173	\$ -	\$ -	\$ -	\$ 3,949,173
<b>Total Use of Funds</b>	\$ 646,118	\$ 14,488,335	\$ 7,403,317	\$ 1,419,206	\$ 15,714,532	\$ 39,671,508
Net Gain (Loss)	\$ -	\$ -	\$ (67,409)	\$ (100,502)	\$ -	\$ (167,911)
Beginning Fund Balance	\$ -	\$ -	\$ 814,190	\$ 1,785,564	\$ -	\$ 2,599,754
Ending Fund Balance	\$ -	\$ -	\$ 746,780	\$ 1,685,061	\$ -	\$ 2,431,842
<i>Prop 84 Pass Through</i>	\$ -	\$ -	\$ 21,080,225	\$ -	\$ -	\$ 21,080,225
Indirect Costs Contribution	100.0%	43.17%	38.52%	7.04%	11.27%	

<b>SAWPA Fund Summary FYE 2019</b>	<b>General Fund</b>	<b>Brine Line Enterprise Funds</b>	<b>OWOW Funds</b>	<b>Roundtable Funds</b>	<b>Capital Project Funds</b>	<b>Total</b>
<b>Source of Funds:</b>						
Discharge Fees	\$ -	\$ 11,090,587	\$ -	\$ -	\$ -	\$ 11,090,587
SRF Loans	\$ -	\$ -	\$ -	\$ -	\$ 3,000,000	\$ 3,000,000
Grant Proceeds	\$ -	\$ -	\$ 4,777,256	\$ -	\$ -	\$ 4,777,256
Member Agency Contributions	\$ 650,695	\$ -	\$ 801,000	\$ 20,000	\$ -	\$ 1,471,695
Participant Fees	\$ -	\$ -	\$ 437,722	\$ 871,551	\$ -	\$ 1,309,273
Mitigation Credit Sales	\$ -	\$ -	\$ -	\$ 88,980	\$ -	\$ 88,980
Operating Transfer	\$ -	\$ -	\$ -	\$ 144,252	\$ -	\$ 144,252
Use of Reserves	\$ -	\$ 2,009,869	\$ -	\$ -	\$ 4,986,032	\$ 6,995,901
Other Income	\$ -	\$ -	\$ -	\$ 206,674	\$ -	\$ 206,674
Interest & Investments	\$ -	\$ 1,173,582	\$ -	\$ -	\$ -	\$ 1,173,582
<b>Total Source of Funds</b>	\$ 650,695	\$ 14,274,038	\$ 6,015,977	\$ 1,331,457	\$ 7,986,032	\$ 30,258,200
<b>Use of Funds:</b>						
Labor	\$ 1,646,142	\$ 1,033,117	\$ 838,558	\$ 154,104	\$ 187,191	\$ 3,859,112
Benefits	\$ 719,291	\$ 451,427	\$ 366,413	\$ 67,337	\$ 81,794	\$ 1,686,262
Indirect Costs	\$ (3,121,569)	\$ 1,457,293	\$ 1,182,852	\$ 217,376	\$ 264,047	\$ -
Education & Training	\$ 57,300	\$ 10,500	\$ -	\$ -	\$ -	\$ 67,800
Consulting & Professional Services	\$ 249,400	\$ 290,000	\$ 2,050,850	\$ 731,211	\$ 877,500	\$ 4,198,961
Operating Costs	\$ 6,090	\$ 3,278,960	\$ -	\$ -	\$ 10,000	\$ 3,295,050
Repair & Maintenance	\$ 105,540	\$ 715,000	\$ -	\$ -	\$ -	\$ 820,540
Phone & Utilities	\$ 73,620	\$ 10,000	\$ -	\$ -	\$ -	\$ 83,620
Equipment & Computers	\$ 232,900	\$ 137,500	\$ 4,100	\$ -	\$ -	\$ 374,500
Meeting & Travel	\$ 77,500	\$ 8,500	\$ 25,800	\$ 1,450	\$ 2,000	\$ 115,250
Other Administrative Costs	\$ 226,777	\$ 62,100	\$ 18,660	\$ 10,250	\$ 13,500	\$ 331,287
Other Expenses	\$ 164,703	\$ 157,046	\$ -	\$ 144,252	\$ -	\$ 466,001
Program Expenses	\$ -	\$ -	\$ 1,892,873	\$ 150,000	\$ -	\$ 2,042,873
Construction	\$ -	\$ -	\$ -	\$ -	\$ 6,550,000	\$ 6,550,000
Debt Service	\$ -	\$ 3,183,451	\$ -	\$ -	\$ -	\$ 3,183,451
<b>Total Use of Funds from Operations</b>	\$ 437,695	\$ 10,794,893	\$ 6,380,106	\$ 1,475,981	\$ 7,986,032	\$ 27,074,707
<b>Contribution To/(From) Reserves:</b>						
Pipeline Repair/Replacement Reserve	\$ -	\$ 1,500,000	\$ -	\$ -	\$ -	\$ 1,500,000
Self Insurance Reserve	\$ -	\$ 100,000	\$ -	\$ -	\$ -	\$ 100,000
Debt Service Reserve	\$ -	\$ 1,879,144	\$ -	\$ -	\$ -	\$ 1,879,144
Retiree Medical Reserve	\$ 113,000	\$ -	\$ -	\$ -	\$ -	\$ 113,000
Building Repair/Replacement Reserve	\$ 100,000	\$ -	\$ -	\$ -	\$ -	\$ 100,000
<b>Total Contributions to Reserves</b>	\$ 213,000	\$ 3,479,144	\$ -	\$ -	\$ -	\$ 3,692,144
<b>Total Use of Funds</b>	\$ 650,695	\$ 14,274,038	\$ 6,380,106	\$ 1,475,981	\$ 7,986,032	\$ 30,766,852
Net Gain (Loss)	\$ -	\$ -	\$ (364,129)	\$ (144,524)	\$ -	\$ (508,653)
Beginning Fund Balance	\$ -	\$ -	\$ 746,780	\$ 1,685,061	\$ -	\$ 2,431,842
Ending Fund Balance	\$ -	\$ -	\$ 382,651	\$ 1,540,537	\$ -	\$ 1,923,188
<i>Prop 84 Pass Through</i>	\$ -	\$ -	\$ 12,787,335	\$ -	\$ -	\$ 12,787,335
Indirect Costs Contribution	100.0%	46.69%	37.89%	6.96%	8.46%	

# General Fund

The General Fund is the administrative cost center for labor, benefits, and other direct costs associated with SAWPA's efforts of operating the JPA, which are not directly allocable to the other funds. Other direct costs include operating costs, repair and maintenance of the building, technology and information systems, Commission and related expenses, and lobbying efforts. Through the indirect cost allocation process, costs are recovered as direct labor is charged to activities and projects within other fund groups.

To help achieve the goals and objectives within the Strategic Plan, staff will focus on several critical functions within the general fund. Those functions are communication and participation throughout the Watershed, financial management and planning, and legislative efforts.

## Communication and Participation

To meet SAWPA's goals, various efforts related to the newsletter, stakeholder communication, and participation in various conferences and task forces are budgeted in Fund 100. Goals include efforts to obtain further funding for the IRWMP and the following:

- ◆ Keep Watershed needs in the public's, administrations', and legislators' views.
- ◆ Continue efforts to fund local/regional water projects.
- ◆ Work to improve Watershed opportunities for proposition funding.

## Financial Management and Planning

- ◆ Develop a long-range financial plan.
- ◆ Initiate development of models for other areas of SAWPA.
- ◆ Integrate the models into a framework to guide decision-making.
- ◆ Utilize model to assist in strategic goal setting and evaluation.

## Legislative Efforts

The Agency's main role in legislative efforts is to coordinate with the member agencies and Watershed stakeholders to advocate for common priorities and goals in Federal, State and local legislative areas, maximizing the voice and stature of the agencies and Watershed.

## **Revenue and Other Funding Sources**

In FYE 2018, the general fund has total budgeted revenues of \$646,118, or approximately 1.6% of the total budgeted revenue of \$39.5 million. Revenues are made up of member agency contributions.

In FYE 2019, the general fund has total budgeted revenues of \$650,695, or approximately 2.1% of the total budgeted revenue of \$30.3 million. Revenues are made up of member agency contributions.

## **Expenses and Other Uses of Funds**

Staff continues to cut costs throughout the budget where possible. We have been able to implement a number of efficiencies throughout the Agency that help in reducing overall operating costs.

In FYE 2018, the general fund has total budgeted expenses of \$3.6 million, or approximately 10.0% of the total budgeted operating expenses of \$35.7 million. General fund expenses are projected to increase by approximately 2.5% or \$87,651, over the FYE 2017 budget.

In FYE 2019, the general fund has total budgeted expenses of \$3.8 million, or approximately 14.0% of the total budgeted operating expenses of \$27.1 million. General fund expenses are projected to increase approximately 4.9% or \$175,421, over the FYE 2018 budget.

Of the total expenses for FYE 2018 and 2019, \$2.95 million and \$3.12 million is charged out as Indirect Cost Allocation to the Brine Line Enterprise, OWOW, Roundtable, and Capital Project Funds based on

total labor dollars. After allocation of these costs, total expenses of \$646,118 (FYE 2018) and \$650,695 (FYE 2019) will be covered by member agency contributions and reserves.

**FYE 2018 Indirect Cost Allocation by Fund Type**

<i>Fund Type</i>	<i>Indirect Cost Allocation</i>	<i>% of Total</i>
<b>Brine Line Enterprise Funds</b>	\$1,273,798	<b>43.17%</b>
<b>OWOW Funds</b>	1,136,600	<b>38.52%</b>
<b>Roundtable Funds</b>	207,877	<b>7.04%</b>
<b>Capital Project Funds</b>	332,450	<b>11.27%</b>
<b>Total</b>	<b>\$2,950,725</b>	<b>100.00%</b>

**FYE 2019 Indirect Cost Allocation by Fund Type**

<i>Fund Type</i>	<i>Indirect Cost Allocation</i>	<i>% of Total</i>
<b>Brine Line Enterprise Funds</b>	\$1,457,293	<b>46.69%</b>
<b>OWOW Funds</b>	1,182,852	<b>37.89%</b>
<b>Roundtable Funds</b>	217,376	<b>6.96%</b>
<b>Capital Project Funds</b>	264,047	<b>8.46%</b>
<b>Total</b>	<b>\$3,121,569</b>	<b>100.00%</b>

*Labor and Benefits*

Total labor and benefits for FYE 2018 are projected to be \$2.2 million, or 42% of the Agency's total labor and benefits of \$5.2 million. This is a decrease of 2.6% over last year's budget. Approximately 11.5 FTE, or 23,953 total hours will be required to perform work under this fund.

Total labor and benefits for FYE 2019 are projected to be \$2.4 million, or 43% of the Agency's total labor and benefits of \$5.5 million. This is an increase of 7% over the FYE 2018 budget. Approximately 11.8 FTE, or 24,625 total hours will be required to perform work under this fund.

*Education and Training*

Total education and training costs are projected to be \$57,300 for FYE 2018 and 2019. This is an increase of 1.8% over last year's budget.

*Consulting and Other Professional Services*

Total consulting and other professional services are projected to be \$261,000 for FYE 2018 and \$249,400 for FYE 2019. This is an increase of 24.3% over last year's budget and a decrease of 4.4% over the FYE 2018 budget. Planned consulting costs include network/security support, internal security audit, document imaging support, website re-design, and long-term financial plan consulting. Other professional services include temporary staffing, employment recruitment, audit, and legal services.

*Operating Costs*

Total operating costs are projected to be \$5,820 for FYE 2018 and \$6,090 for FYE 2019. This is a decrease of 22.4% from FYE 2017. Costs in this category include materials, supplies, and safety.

Repair and Maintenance

Total repair and maintenance costs are projected to be \$103,270 for FYE 2018 and \$105,540 for FYE 2019. This is a decrease of 21.2% over last year’s budget and an increase of 2.2% over the FYE 2018 budget. Costs in this category include security, custodial services, landscape maintenance, HVAC, and facility repair and maintenance.

Phone and Utilities

Total phone and utilities are projected to be \$68,200 for FYE 2018 and \$73,620 for FYE 2019. This is a decrease of 4% over last year’s budget and an increase of 7.9% over the FYE 2018 budget. Costs in this category include electricity, water, telephone, internet, and cell phone services.

Equipment and Computers

Total equipment and computer expenses are projected to be \$274,800 for FYE 2018 and \$232,900 for FYE 2019. This is an increase of 29.2% over last year’s budget and a decrease of 15.2% over the FYE 2018 budget. The 29.2% increase is the result of bundling Microsoft software licenses and purchasing them in advance every three years. Costs in this category include equipment expenses, repair/maintenance, equipment rented, and computer hardware and software.

Meeting and Travel

Total meeting and travel expenses are projected to be \$77,500 for FYE 2018 and FYE 2019. This is an increase of 4.2% over last year’s budget. Costs in this category include offsite meeting and travel, in-house meetings, and conference expenses.

Other Administrative Costs

Total other administrative costs are projected to be \$221,456 for FYE 2018 and \$226,777 for FYE 2019. This is an increase of 12.1% over last year’s budget and a 2.4% increase over the FYE 2018 budget. Costs in this category include dues and subscriptions, contributions, bank fees, shipping and postage, office supplies, offsite storage costs, Commission fees, mileage, and other expenses.

Other Expenses

Total other expenses are projected to be \$157,956 for FYE 2018 and \$164,703 for FYE 2019. This is an increase of 50.4% over last year’s budget and an increase of 4.3% over the FYE 2018 budget. Contingency costs of \$15,700 were included in the FYE 2017 budget to help keep costs lower. Higher contingency costs were included in the FYE 2018 and 2019 budget to help cover any unexpected costs that may be incurred with the hiring of the new General Manager. Costs in this category include insurance, contingency costs, and fixed asset purchases. Details for fixed asset purchases are listed in the schedules below.

▪ Fixed Assets

All capital purchases (defined by the policy as purchased items greater than \$5,000) for furniture, vehicles, computers and office equipment are capitalized and depreciated as fixed assets. In FYE 2018 and 2019, the following items have been budgeted for purchase.

**FYE 2018 Fixed Asset Purchases**

<i>Purchase</i>	<i>Cost</i>
Roof Repair	\$20,000
Irrigation System	\$12,000
Windows	\$6,000
Parking Lot – Utilities Conduit	\$5,000
A/C Unit	\$10,000
Total	\$53,000

**FYE 2019 Fixed Asset Purchases**

<i>Purchase</i>	<i>Cost</i>
Carpet Replacement	\$20,000
Windows	\$6,000
Office Furniture	\$12,500
A/C Unit	\$10,000
<b>Total</b>	<b>\$48,500</b>

*Reserve Contributions*

Included in the FYE 2018 and 2019 Budget, are reserve contributions of \$213,000. For both FYE 2018 and FYE 2019, \$113,000 is the Annual Required Contribution (ARC) for the Retiree Medical Trust and \$100,000 is for the Building Repair/Replacement.

**FYE 2018 Reserve Balance**

<i>Reserve</i>	<i>FYE 2017 Balance</i>	<i>Contribution</i>	<i>Interest</i>	<i>Expenses</i>	<i>FYE 2018 Balance</i>
Building Repair	\$818,646	\$100,000	\$-	\$-	\$918,646
<b>Total</b>	<b>\$818,646</b>	<b>\$100,000</b>	<b>\$-</b>	<b>\$-</b>	<b>\$918,646</b>

**FYE 2019 Reserve Balance**

<i>Reserve</i>	<i>FYE 2018 Balance</i>	<i>Contribution</i>	<i>Interest</i>	<i>Expenses</i>	<i>FYE 2017 Balance</i>
Building Repair	\$918,646	\$100,000	\$-	\$-	\$1,018,646
<b>Total</b>	<b>\$918,646</b>	<b>\$100,000</b>	<b>\$-</b>	<b>\$-</b>	<b>\$918,646</b>

In June 2004, the GASB issued Statement No. 45 (GASB 45), *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. More recently the GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. These reporting standards will have a significant impact on the Agency. The Agency is required to complete an actuarial valuation to determine the annual cost of the outstanding obligations and commitments of the retiree medical benefit SAWPA offers its employees. An actuarial valuation will be required in FYE 2018. The Agency joined the CalPERS Trust Fund and will contribute the ARC each year.

<b>General Fund Budget FYE 2018</b>	<b>General Fund Fund 100-00</b>	<b>State Lobbying Fund 100-03</b>	<b>Federal Lobbying Fund 100-04</b>	<b>Grant Applications Fund 100-05</b>	<b>Total</b>
<b>Source of Funds:</b>					
Member Agency Contributions	\$ 450,000	\$ 181,154	\$ 14,962	\$ –	\$ 646,118
<b>Total Source of Funds</b>	\$ 450,000	\$ 181,154	\$ 14,962	\$ –	\$ 646,118
<b>Staffing:</b>					
Hours Allocated	23,393	310	50	200	23,953
FTE (based on 2080)	11.2	0.1	0.0	0.1	11.5
<b>Use of Funds:</b>					
Labor	\$ 1,447,956	\$ 35,254	\$ 6,934	\$ 10,754	\$ 1,500,898
Benefits	\$ 632,516	\$ 15,400	\$ 3,029	\$ 4,698	\$ 655,643
Indirect Costs Applied	\$ (2,950,725)	\$ –	\$ –	\$ –	\$ (2,950,725)
Education & Training	\$ 57,300	\$ –	\$ –	\$ –	\$ 57,300
Consulting & Professional Services	\$ 146,000	\$ 115,000	\$ –	\$ –	\$ 261,000
Operating Costs	\$ 5,820	\$ –	\$ –	\$ –	\$ 5,820
Repair & Maintenance	\$ 103,270	\$ –	\$ –	\$ –	\$ 103,270
Phone & Utilities	\$ 68,200	\$ –	\$ –	\$ –	\$ 68,200
Equipment & Computers	\$ 274,800	\$ –	\$ –	\$ –	\$ 274,800
Meeting & Travel	\$ 57,500	\$ 15,000	\$ 5,000	\$ –	\$ 77,500
Other Administrative Costs	\$ 220,956	\$ 500	\$ –	\$ –	\$ 221,456
Other Expenses	\$ 157,956	\$ –	\$ –	\$ –	\$ 157,956
<b>Total Use of Funds from Operations</b>	\$ 221,548	\$ 181,154	\$ 14,962	\$ 15,452	\$ 433,118
<b>Contribution To/(From) Reserves:</b>					
Retiree Medical Reserve	\$ 113,000	\$ –	\$ –	\$ –	\$ 113,000
Building Repair/Replacement Reserve	\$ 100,000	\$ –	\$ –	\$ –	\$ 100,000
<b>Total Contributions To Reserves</b>	\$ 213,000	\$ –	\$ –	\$ –	\$ 213,000
Total Use of Funds	\$ 434,548	\$ 181,154	\$ 14,962	\$ 15,452	\$ 646,118
Net Gain (Loss)	\$ 15,452	\$ –	\$ –	\$ (15,452)	\$ –

<b>General Fund Budget FYE 2019</b>	<b>General Fund Fund 100-00</b>	<b>State Lobbying Fund 100-03</b>	<b>Federal Lobbying Fund 100-04</b>	<b>Grant Applications Fund 100-05</b>	<b>Total</b>
<b>Source of Funds:</b>					
Member Agency Contributions	\$ 450,000	\$ 184,980	\$ 15,715	\$ –	\$ 650,695
<b>Total Source of Funds</b>	\$ 450,000	\$ 184,980	\$ 15,715	\$ –	\$ 650,695
<b>Staffing:</b>					
Hours Allocated	24,025	310	50	240	24,625
FTE (based on 2080)	11.6	0.1	0.0	0.1	11.8
<b>Use of Funds:</b>					
Labor	\$ 1,586,892	\$ 37,914	\$ 7,457	\$ 13,879	\$ 1,646,142
Benefits	\$ 693,402	\$ 16,567	\$ 3,258	\$ 6,065	\$ 719,291
Indirect Costs Applied	\$ (3,121,569)	\$ –	\$ –	\$ –	\$ (3,121,569)
Education & Training	\$ 57,300	\$ –	\$ –	\$ –	\$ 57,300
Consulting & Professional Services	\$ 134,400	\$ 115,000	\$ –	\$ –	\$ 249,400
Operating Costs	\$ 6,090	\$ –	\$ –	\$ –	\$ 6,090
Repair & Maintenance	\$ 105,540	\$ –	\$ –	\$ –	\$ 105,540
Phone & Utilities	\$ 73,620	\$ –	\$ –	\$ –	\$ 73,620
Equipment & Computers	\$ 232,900	\$ –	\$ –	\$ –	\$ 232,900
Meeting & Travel	\$ 57,500	\$ 15,000	\$ 5,000	\$ –	\$ 77,500
Other Administrative Costs	\$ 226,277	\$ 500	\$ –	\$ –	\$ 226,777
Other Expenses	\$ 164,703	\$ –	\$ –	\$ –	\$ 164,703
<b>Total Use of Funds from Operations</b>	\$ 217,056	\$ 184,980	\$ 15,715	\$ 19,944	\$ 437,695
<b>Contribution To/(From) Reserves:</b>					
Retiree Medical Reserve	\$ 113,000	\$ –	\$ –	\$ –	\$ 113,000
Building Repair/Replacement Reserve	\$ 100,000	\$ –	\$ –	\$ –	\$ 100,000
<b>Total Contributions To Reserves</b>	\$ 213,000	\$ –	\$ –	\$ –	\$ 213,000
Total Use of Funds	\$ 430,056	\$ 184,980	\$ 15,715	\$ 19,944	\$ 650,695
Net Gain (Loss)	\$ 19,944	\$ –	\$ –	\$ (19,944)	\$ –

<b>General Funds FYE 2013 - 2019</b>	<b>FYE 2013 Actual</b>	<b>FYE 2014 Actual</b>	<b>FYE 2015 Actual</b>	<b>FYE 2016 Actual</b>	<b>FYE 2017 Budget</b>	<b>FYE 2017 Actual</b>	<b>FYE 2018 Budget</b>	<b>FYE 2019 Budget</b>
<b>Source of Funds:</b>								
Member Agency Contributions	\$ 948,170	\$ 923,835	\$ 942,950	\$ 617,795	\$ 699,307	\$ 699,305	\$ 646,118	\$ 650,695
Other Income	\$ 301	\$ 955	\$ 87,370	\$ 33,728	\$ -	\$ 11,641	\$ -	\$ -
Interest & Investments	\$ 7,223	\$ 8,751	\$ 11,412	\$ 17,495	\$ -	\$ 28,844	\$ -	\$ -
<b>Total Source of Funds</b>	<b>\$ 955,694</b>	<b>\$ 933,541</b>	<b>\$ 1,041,732</b>	<b>\$ 669,468</b>	<b>\$ 699,307</b>	<b>\$ 739,790</b>	<b>\$ 646,118</b>	<b>\$ 650,695</b>
<b>Use of Funds:</b>								
Labor	\$ 1,285,008	\$ 1,316,726	\$ 1,310,984	\$ 1,459,657	\$ 1,543,505	\$ 1,559,535	\$ 1,500,898	\$ 1,646,142
Benefits	\$ 434,586	\$ 585,955	\$ 601,741	\$ 448,950	\$ 669,593	\$ 511,441	\$ 655,643	\$ 719,291
Indirect Costs Applied	\$ (1,945,792)	\$ (2,082,039)	\$ (2,364,306)	\$ (2,387,730)	\$ (2,809,885)	\$ (2,806,086)	\$ (2,950,725)	\$ (3,121,569)
Education & Training	\$ 9,102	\$ 7,146	\$ 14,974	\$ 14,764	\$ 56,300	\$ 13,177	\$ 57,300	\$ 57,300
Consulting & Professional Services	\$ 191,315	\$ 205,552	\$ 228,471	\$ 214,820	\$ 210,000	\$ 215,493	\$ 261,000	\$ 249,400
Operating Costs	\$ 10,084	\$ 4,234	\$ 3,929	\$ 4,250	\$ 7,500	\$ 4,437	\$ 5,820	\$ 6,090
Repair & Maintenance	\$ 42,966	\$ 48,347	\$ 55,707	\$ 49,012	\$ 131,085	\$ 59,040	\$ 103,270	\$ 105,540
Phone & Utilities	\$ 66,542	\$ 64,170	\$ 54,647	\$ 57,294	\$ 71,000	\$ 54,629	\$ 68,200	\$ 73,620
Equipment & Computer	\$ 167,019	\$ 151,947	\$ 188,294	\$ 170,285	\$ 212,710	\$ 150,687	\$ 274,800	\$ 232,900
Meeting & Travel	\$ 28,089	\$ 28,602	\$ 21,187	\$ 27,223	\$ 74,350	\$ 15,368	\$ 77,500	\$ 77,500
Other Administrative Costs	\$ 82,641	\$ 83,168	\$ 79,197	\$ 91,628	\$ 197,570	\$ 81,899	\$ 221,456	\$ 226,777
Other Expenses	\$ 66,662	\$ 68,446	\$ 113,792	\$ 61,298	\$ 105,000	\$ 66,777	\$ 157,956	\$ 164,703
<b>Total Use of Funds from Operations</b>	<b>\$ 438,198</b>	<b>\$ 482,254</b>	<b>\$ 308,617</b>	<b>\$ 211,451</b>	<b>\$ 468,727</b>	<b>\$ (73,603)</b>	<b>\$ 433,118</b>	<b>\$ 437,695</b>
<b>Contributions To/(From) Reserves:</b>								
Retiree Medical Reserve	\$ 140,948	\$ 43,893	\$ 68,309	\$ 37,607	\$ 130,580	\$ 115,816	\$ 113,000	\$ 113,000
Building Repair/Replacement Reserve	\$ 50,000	\$ 100,000	\$ 65,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000
<b>Total Contributions To Reserves</b>	<b>\$ 190,948</b>	<b>\$ 143,893</b>	<b>\$ 133,309</b>	<b>\$ 137,607</b>	<b>\$ 230,580</b>	<b>\$ 215,816</b>	<b>\$ 213,000</b>	<b>\$ 213,000</b>
Total Use of Funds	\$ 629,146	\$ 626,147	\$ 441,926	\$ 349,058	\$ 699,307	\$ 142,211	\$ 646,118	\$ 650,695
Net Gain (Loss)	\$ 326,548	\$ 307,394	\$ 599,806	\$ 320,410	\$ -	\$ 597,579	\$ -	\$ -

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# Enterprise Funds

The Agency's Enterprise Fund is made up of Brine Line operations and debt service, and is funded through user fees, grants, use of reserves, and interest and investments.

## Brine Line Enterprise

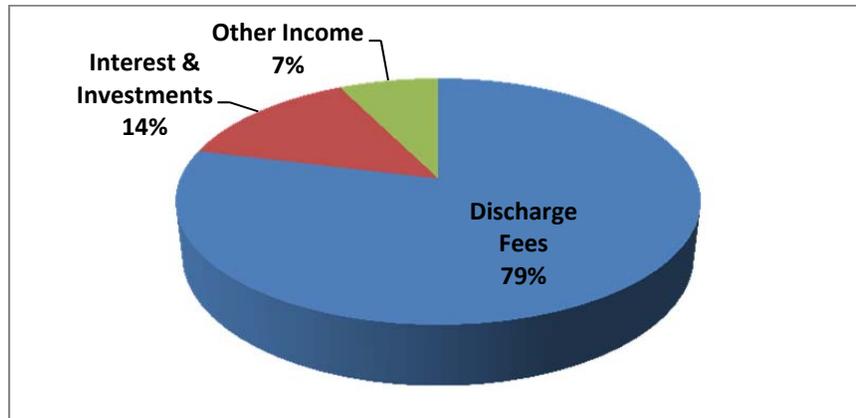
The Brine Line is a regional brine line designed to convey 30 MGD of non-reclaimable wastewater from the upper Santa Ana River Basin to the ocean for disposal, after treatment. The non-reclaimable wastewater consists of desalter concentrate, other brine wastes, and industrial wastewater. Domestic wastewater also is received on a temporary basis. To date, over 73 miles of the Brine Line have been completed.

## Revenue and Other Funding Sources

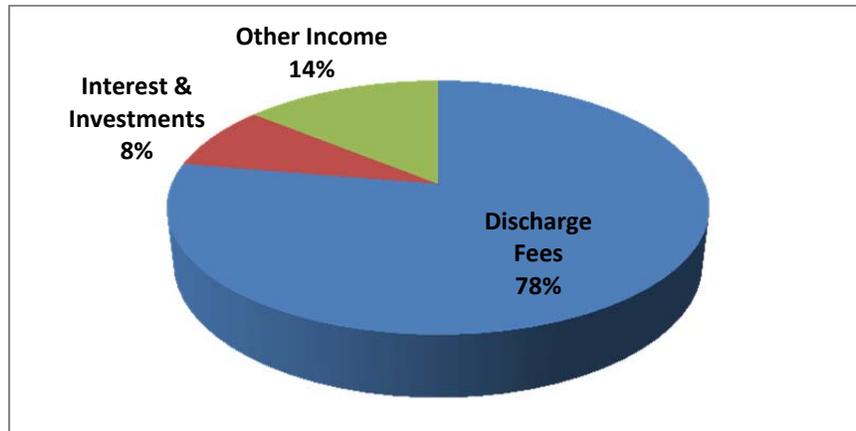
In FYE 2018, the Brine Line Enterprise has total budgeted revenues of \$14.5 million, or approximately 36.7% of the total budgeted revenue of \$39.5 million. Revenues are made up of \$11.4 million from discharge fees, \$2.0 million from interest and investments, and \$1.1 million from other income.

In FYE 2019, the Brine Line Enterprise has total budgeted revenues of \$14.3 million, or approximately 47.2% of the total budgeted revenue of \$30.3 million. Revenues are made up of \$11.1 million from discharge fees, \$1.2 million from interest and investments, and \$2.0 million from other income.

**FYE 2018 Revenues**  
**\$14.5 Million**



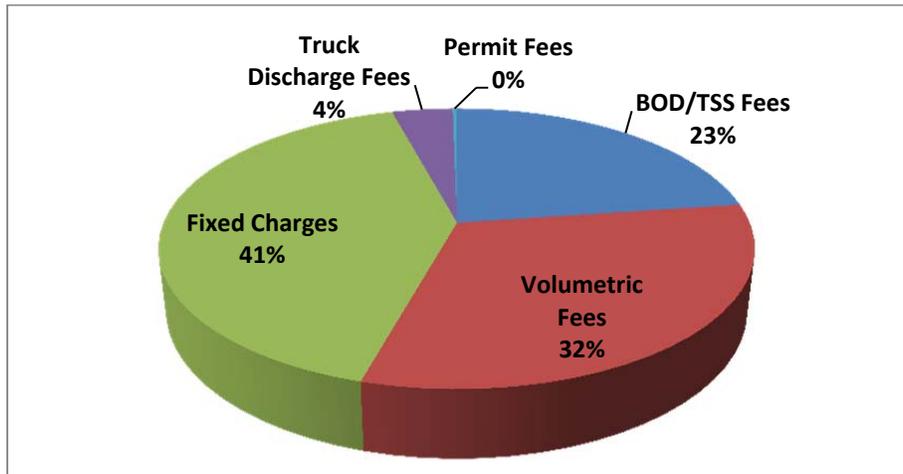
**FYE 2019 Revenues**  
**\$14.3 Million**



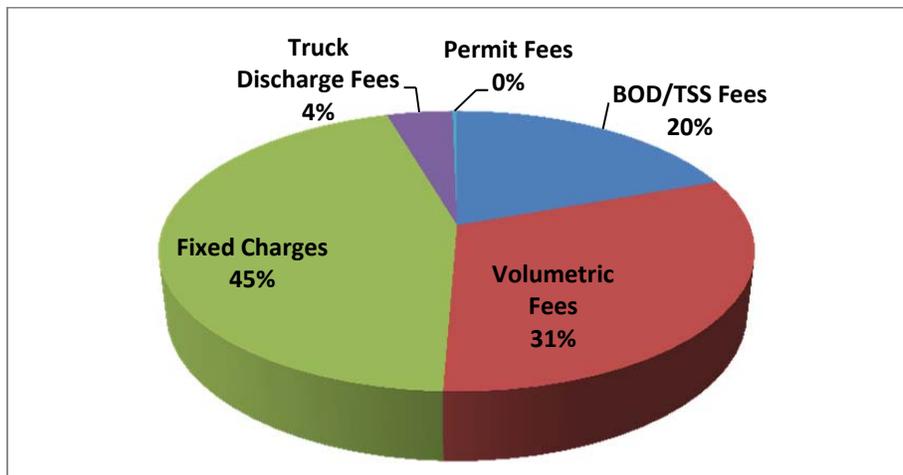
### Brine Line Operating Revenues

Brine Line operating revenues include discharge fees, other income/use of reserves, and interest and investments. Total discharge fees for FYE 2018 and 2019 are projected to be \$11.4 million and \$11.1 million. Total interest and investments for FYE 2018 and 2019 are projected to be \$2.0 million and \$1.2 million. Total Other Income for FYE 2018 and 2019 are projected to be \$1.1 million and \$2.0 million.

**FYE 2018 Discharge Fees  
\$11.4 Million**



**FYE 2019 Discharge Fees  
\$11.1 Million**



Several components make up the discharge fees: volumetric, BOD/TSS, fixed charges, truck discharge, emergency discharges, permit fees, and sampling surcharges.

A detailed narrative on each revenue source can be found in the “Revenues” section of this budget.

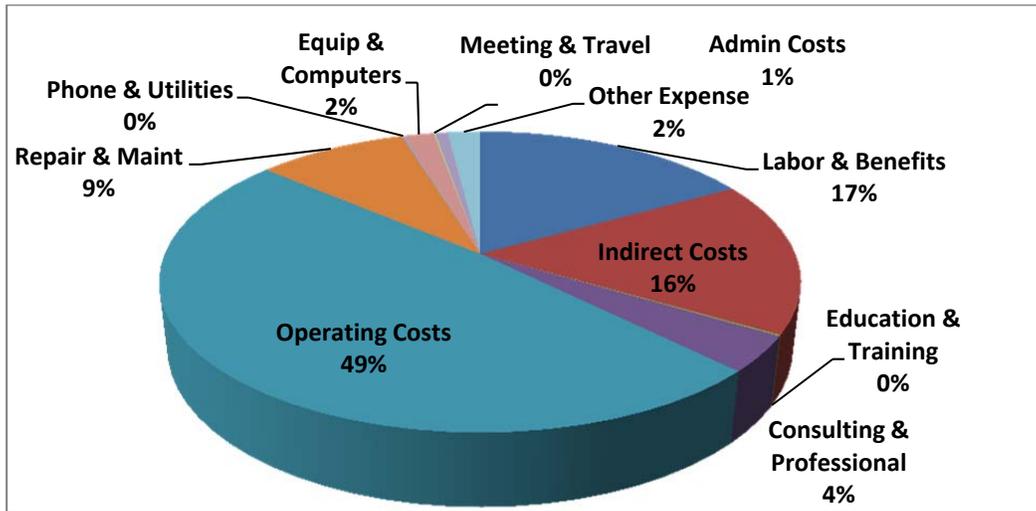
### Brine Line Operating Expenses and Other Uses of Funds

In FYE 2018, the Brine Line operating fund has total budgeted expenses of \$7.7 million, or approximately 21.5% of total budgeted operating expenses of \$35.7 million.

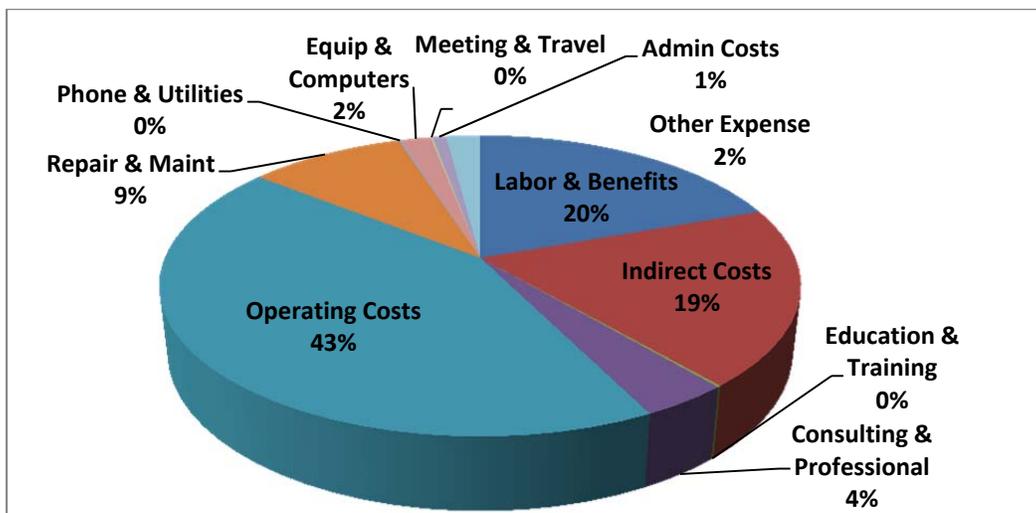
In FYE 2019, the Brine Line operating fund has total budgeted expenses of \$7.6 million, or approximately 21.3% of total budgeted operating expenses of \$27.1 million.

Brine Line Enterprise expenses are projected to increase by \$0.3 million over the FYE 2017 budget. This is due to an increase in projected BOD and TSS loadings and an increase in operating costs.

**FYE 2018 Total Operating Expenses  
\$7.7 Million**



**FYE 2019 Total Operating Expenses  
\$7.6 Million**



**Labor and Benefits**

In FYE 2018, total labor and benefits are projected to be \$1.3 million, or approximately 25.1% of the Agency's total labor and benefits of \$5.2 million. This is an increase of 13.3% over last year's budget. The increase is based on the addition of one position for brine line operations and the addition of a Senior Permitting and Pretreatment Specialist. Approximately 7.9 FTE, or 16,400 hours are required under this fund.

In FYE 2019, total labor and benefits are projected to be \$1.3 million, or approximately 27.2% of the Agency's total labor and benefits of \$4.7 million. This is a minimal increase the FYE 2018 budget. Approximately 8.4 FTE, or 17,055 hours are required under this fund.

#### Indirect Costs

The Indirect Cost allocation is an allocation of general fund expenses based on the percentage of direct labor charged to the enterprise. In FYE 2018, approximately 43.2%, or \$1.3 million of general fund expenses will be paid by the Brine Line Enterprise. In FYE 2019, approximately 46.7%, or \$1.5 million of general fund expenses will be paid by the Brine Line Enterprise.

#### Training Costs

Training costs are projected to be \$10,000 for FYE 2018 and \$10,500 for FYE 2019. Expected training requirements are attributed to EPA and OSHA training, collection system operator testing and training, and pretreatment program training.

#### Consulting and Professional Services

Consulting and professional services are projected to be \$295,000 for FYE 2018, a \$40,000 decrease over FYE 2017. Consulting and professional services for FYE 2019 are projected to be \$290,000, a decrease of 1.7% over FYE 2018.

The following table shows the type of work that will be completed by consultants for the FYE 2018 and 2019.

#### FYE 2018 Consulting & Professional Services

<i>Work Performed</i>	<i>FYE 2018</i>
Brine Flow Projection Planning	\$ 25,000
Engineering Support	\$ 35,000
Financial Model Update	\$ 25,000
Developer Coordination – Construction Support	\$ 60,000
Scale evaluation, solids control, operations support	\$ 100,000
Traffic engineering and surveying	\$ 25,000
Legal fees	\$ 25,000
<b>Total Consulting &amp; Professional Services</b>	<b>\$ 295,000</b>

#### FYE 2019 Consulting & Professional Services

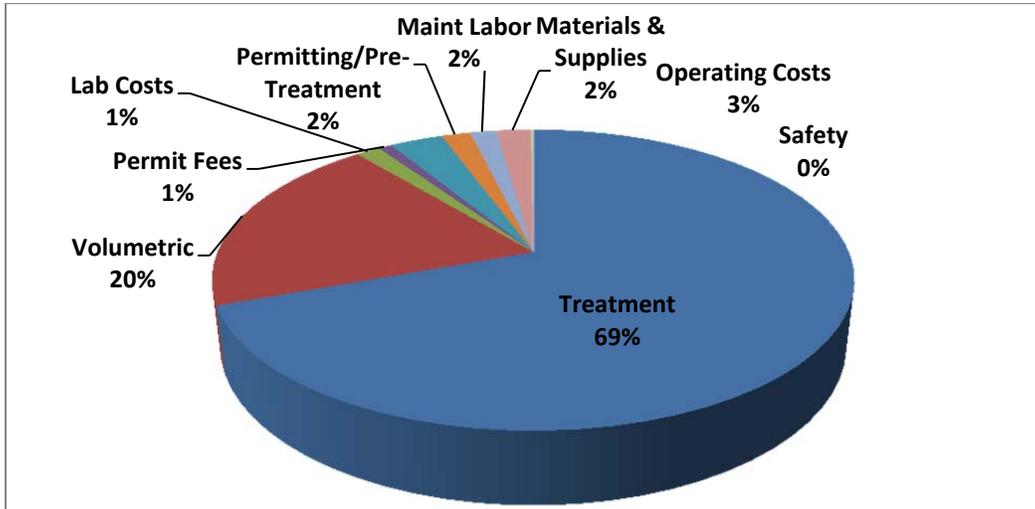
<i>Work Performed</i>	<i>FYE 2019</i>
Brine Flow Projection Planning	\$ 25,000
Engineering Support	\$ 35,000
Financial Model Update	\$ 15,000
Developer Coordination – Construction Support	\$ 60,000
Scale evaluation, solids control, operations support	\$ 100,000
Traffic engineering and surveying	\$ 25,000
Legal fees	\$ 30,000
<b>Total Consulting &amp; Professional Services</b>	<b>\$ 290,000</b>

Operating Costs

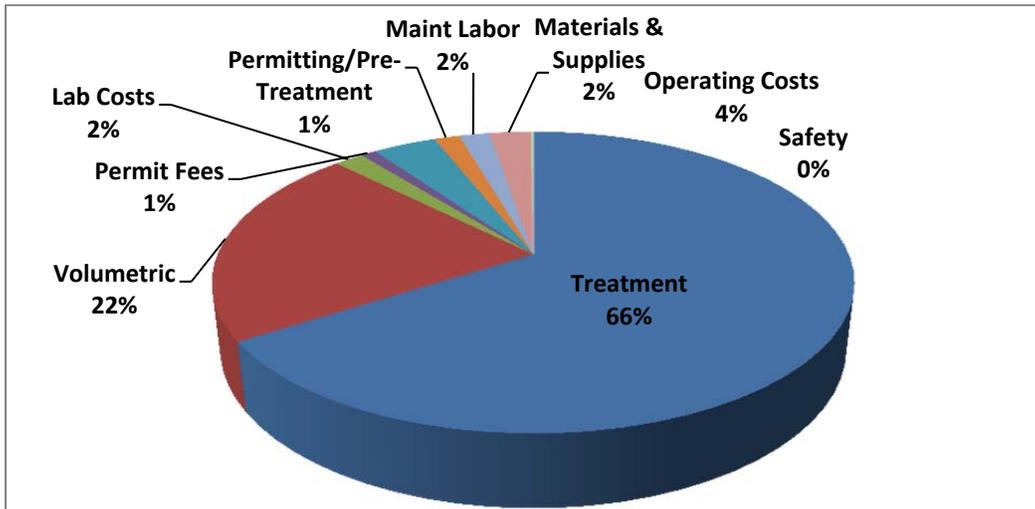
Operating costs include treatment and volumetric costs paid to OCSD, permitting and pre-treatment activities, member agency operating labor, maintenance, materials, and safety costs.

In FYE 2018, total budgeted operating costs are \$3.8 million, or approximately 48.8% of total Brine Line operating expenses. In FYE 2019, total budgeted operating costs are \$3.3 million, or approximately 43.1% of total Brine Line operating expenses.

**FYE 2018 Operating Costs  
\$3.8 Million**



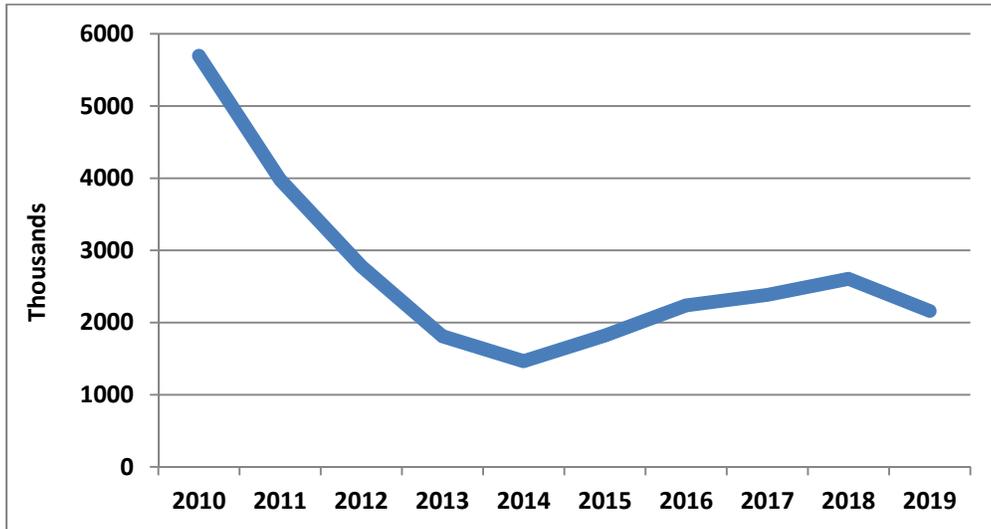
**FYE 2019 Operating Costs  
\$3.3 Million**



- Treatment Costs

Treatment costs are the fees OCSD charges for BOD and TSS loadings based on samples taken at the meter facility located near the Orange County line. Total treatment costs are projected to be \$2.6 million for FYE 2018 and \$2.2 million for FYE 2019. Treatment costs are passed through to the dischargers.

**Historical Treatment Costs**

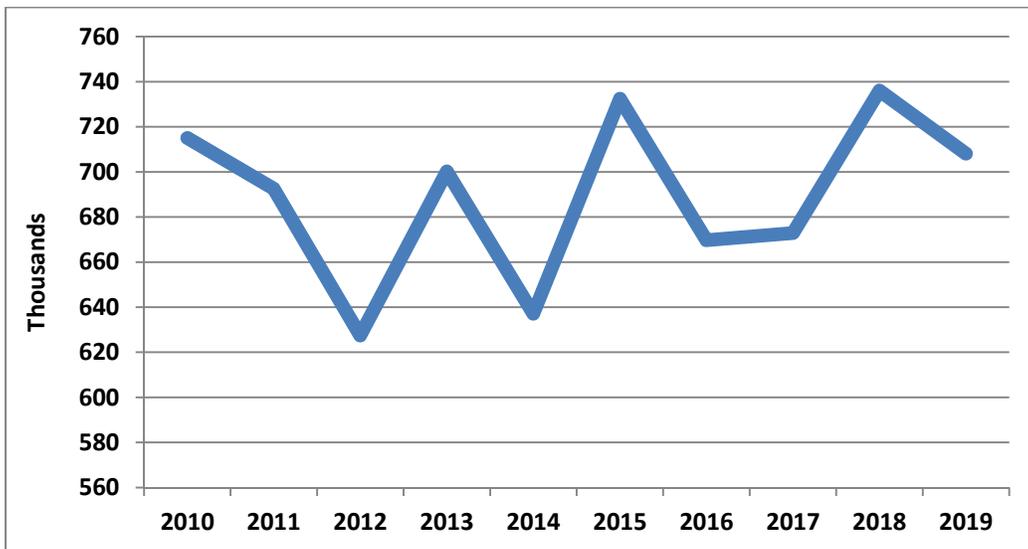


- Volumetric Costs

Volumetric costs are the fees OCSD charges for volume of flow at Meter S-01. Total volumetric costs are projected to be \$736,000 for FYE 2018 and \$708,100 for FYE 2019. This is a decrease of 7.4% over last year's budget and a decrease of 3.8% over the FYE 2018 budget.

Last year's (FYE 2017) projected total flow was 11.4 MGD; whereas this year's projected total flow is 11.0 MGD for FYE 2018 and 10.0 MGD for FYE 2019.

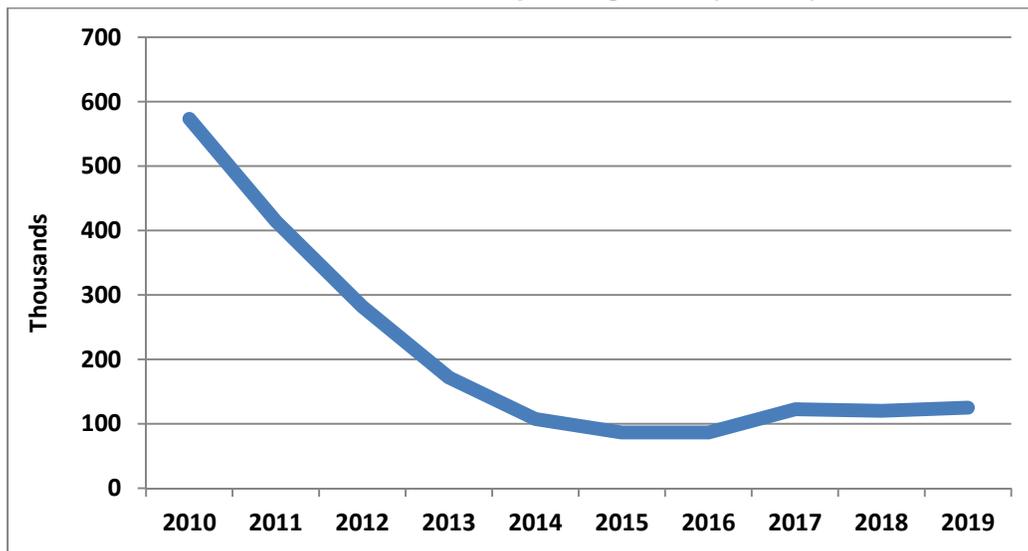
**Historical Volumetric Costs**



- Brine Line Operating Labor

Brine Line operating labor is the cost of WMWD staff for sample collection and line cleaning activities. Total Brine Line operating labor costs are projected to be \$120,000 for FYE 2018 and \$125,000 for FYE 2019. This is a decrease of 20% over last year's budget. SAWPA has added another operations position and has taken on most of the work that had been done by WMWD staff. The decrease in operating labor is offset by an increase in labor and benefit costs.

**Historical Brine Line Operating Labor (WMWD)**



- Permitting/Pre-Treatment Activities

Permitting/pre-treatment activities are the costs related to permit processing, inspections, reporting, enforcement, and the update to SAWPA Ordinance No. 8. Specialty permitting/pre-treatment consultant costs are projected to be \$65,000 for FYE 2018 and \$50,000 for FYE 2019. This is a 30% increase over last year's budget and a 23.1% decrease over the FYE 2018 budget.

- Maintenance Labor

Maintenance labor is the cost associated with OCSD maintenance of Stringfellow sampling and inspections as well as maintenance done by IEUA for the portion of the Brine Line within their service territory. Total maintenance labor costs are projected to be \$60,000 for both FYE 2018 and FYE 2019.

- Materials and Supplies

Material and supply costs are projected to be \$78,000 for FYE 2018 and \$81,000 FYE 2019. This is an increase of 143% over last year's budget, and a 3.8% increase over the FYE 2019 budget. With more of the work being done by SAWPA staff we will have to purchase materials and supplies needed to complete the work.

- Safety and Permit Fees

Safety costs are projected to be \$6,000 for FYE 2018 FYE 2019. Permit fees are projected to be \$30,000 for FYE 2018 and FYE 2019.

Repair and Maintenance

Total repair and maintenance costs are projected to be \$695,000 for FYE 2018 and \$715,000 for FYE 2019. This is a decrease of 18.7% over last year's budget and a 2.9% increase for FYE 2019. A decrease in the pipeline maintenance in Orange County accounts for the decrease in this cost category. Four miles of the pipeline was relocated in 2014. The new pipe should require less maintenance than the older existing pipe.

### Phone and Utilities

Total phone and utilities are projected to be \$9,750 for FYE 2018 and \$10,000 for FYE 2019. This is a slight increase over last year's budget. Costs in this category include electricity and cell phone services.

### Equipment and Computers

Total equipment and computers expenses are projected to be \$137,500 for FYE 2018 and FYE 2019. This is an increase of 51% over the FYE 2017 budget. The increase is based on the rental of small equipment, the purchase of flow level sensors, and costs associated with the pre-treatment software.

### Meeting and Travel

Total meeting and travel expenses are projected to be \$7,750 for FYE 2018 and \$8,500 for FYE 2019. This is a slight decrease over last year's budget. Costs in this category include offsite meeting and travel, in-house meetings, and conference expenses.

### Other Administrative Costs

Total other administrative costs are projected to be \$57,100 for FYE 2018 and \$62,100 for FYE 2019. This is a decrease of 8.6% over last year's budget, with a 8.8% increase for FYE 2019. Costs in this category include car repair/maintenance, dues and subscriptions, contributions, shipping and postage, office supplies, and other expenses. The increase is based on fuel costs for three field vehicles. With SAWPA hiring a new operations position, fuel costs for an additional vehicle will be an added expense.

### Other Expenses

Total other expenses are projected to be \$151,803 for FYE 2018 and \$157,046 for FYE 2019. This is a 23% decrease over last year's budget and a 3.5% increase for FYE 2019. Costs in this category include insurance and fixed asset purchases.

#### ◆ Fixed Assets

All capital purchases (defined by the policy as purchased items greater than \$5,000) for furniture, vehicles, computers, and office equipment are capitalized and depreciated as fixed assets. There are no planned fixed asset purchases for FYE 2018 and FYE 2019.

### Reserve Contributions

Included in the FYE 2018 budget are reserve contributions of \$3,736,173; \$1,500,000 for Pipeline Repair/Replacement, \$100,000 for the Self Insurance Reserve, and \$2,136,173 for Debt Service. For FYE 2019 reserve contributions will be \$3,479,144; \$1,500,000 for Pipeline Repair/Replacement, \$100,000 for the Self Insurance Reserve, and \$1,879,144 for Debt Service.

#### FYE 2018 Reserve Contribution and Balance

<i>Reserve</i>	<i>FYE 2017 Balance</i>	<i>Contribution</i>	<i>Expense</i>	<i>FYE2018 Balance</i>
Self Insurance Reserve	\$ 3,856,186	\$ 100,000	\$ –	\$ 3,956,186
Pipeline Repair/Replacement Reserve	\$ 19,650,625	\$ 1,500,000	\$ 8,214,532	\$12,936,092
OCSD Rehabilitation Reserve	\$ 3,525,815	\$ –	\$ –	\$ 3,525,815
OCSD Future Capacity Reserve	\$ 1,729,799	\$ –	\$ –	\$ 1,729,799
Capacity Mgmt Reserve	\$ 7,853,899	\$ –	\$ –	\$ 7,853,899
Flow Imbalance Reserve	\$ 84,829	\$ –	\$ –	\$ 84,829
Operating Reserve	\$ 2,874,849	\$ 11,427,616	\$11,427,616	\$ 2,874,849
Debt Retirement Reserve	\$ 5,045,990	\$ 4,130,945	\$ 5,192,613	\$ 5,050,269
<b>Total</b>	<b>\$ 44,621,991</b>	<b>\$ 17,158,561</b>	<b>\$23,768,814</b>	<b>\$38,011,738</b>

### FYE 2019 Reserve Contribution and Balance

Reserve	FYE 2018 Balance	Contribution	Expense	FYE 2019 Balance
Self Insurance Reserve	\$ 3,956,186	\$ 100,000	\$ -	\$ 4,056,186
Pipeline Repair/Replacement Reserve	\$12,936,092	\$ 1,500,000	\$ 1,986,032	\$ 12,450,060
OCSD Rehabilitation Reserve	\$ 3,525,815	\$ -	\$ 3,000,000	\$ 525,815
OCSD Future Capacity Reserve	\$ 1,729,799	\$ -	\$ -	\$ 1,729,799
Capacity Mgmt Reserve	\$ 7,853,899	\$ -	\$ -	\$ 7,853,899
Flow Imbalance Reserve	\$ 84,829	\$ -	\$ -	\$ 84,829
Operating Reserve	\$ 2,874,849	\$ 11,090,587	\$ 11,090,587	\$ 2,874,849
Debt Retirement Reserve	\$ 5,050,269	\$ 3,052,726	\$ 5,070,588	\$ 3,032,407
<b>Total</b>	<b>\$38,011,738</b>	<b>\$ 15,743,313</b>	<b>\$ 21,147,207</b>	<b>\$ 32,607,844</b>

The Pipeline Repair/Replacement Reserve will fund the CIP. Total reserves needed are projected to be \$8.2 million for FYE 2018 and \$5.0 million for FYE 2019. Staff has secured SRF loans to fund approximately \$15 million in capital repairs.

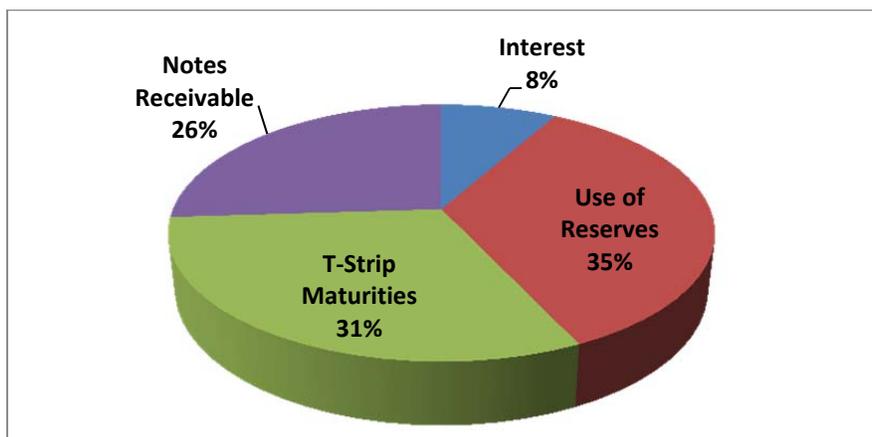
The Operating Reserve is based on 25% of total operating expenses (less OCSD volumetric and treatment costs). There are no further contributions needed to this fund due to it being fully funded.

A detailed narrative on reserve account contributions and balances can be found in the "Reserve" section of this budget.

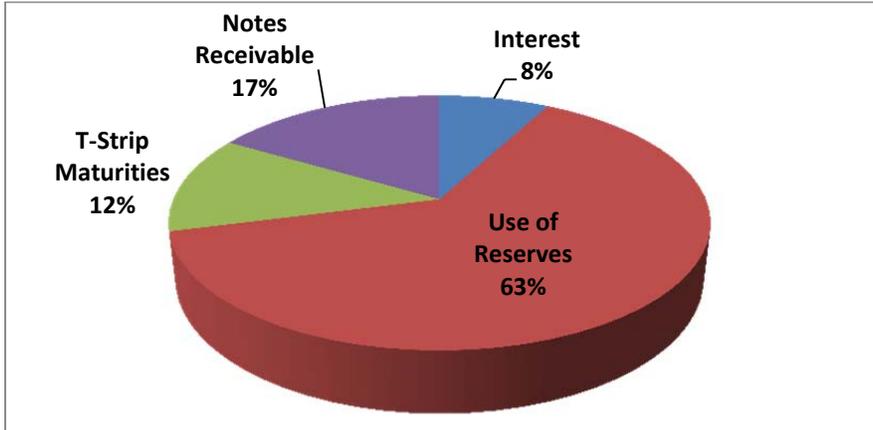
#### Brine Line Debt Service Revenues

Brine Line debt service revenues include interest, T-Strip maturities, and notes receivable principal and interest. Total debt service revenues for both FYE 2018 and FYE 2019 are projected to be \$2.0 million and \$1.2 million.

**FYE 2018 Debt Service Revenue  
\$2.0 Million**



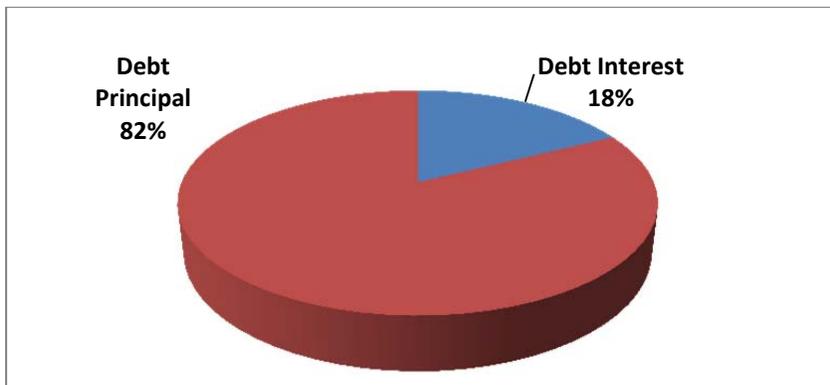
**FYE 2019 Debt Service Revenue  
\$1.2 Million**



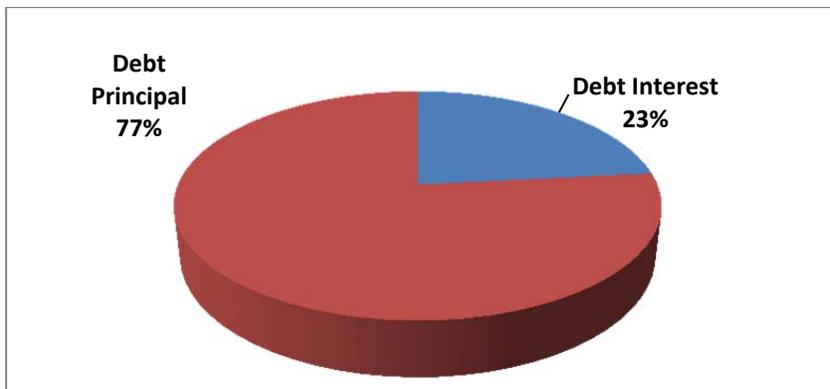
**Brine Line Debt Service Expenses**

Brine Line debt service expenses include debt service principal and interest payments. Total debt service payments for both FYE 2018 and FYE 2019 are projected to be \$3.1 million and \$3.2 million.

**FYE 2018 Debt Service Expense  
\$3.1 Million**



**FYE 2019 Debt Service Expense  
\$3.2 Million**



A detailed narrative of debt service can be found in the “Debt Service” section of this budget.

<b>Enterprise Fund Budget FYE 2018</b>	<b>Brine Line Operating Fund 240</b>		<b>Brine Line Debt Service</b>	<b>Total</b>
<b>Source of Funds:</b>				
Discharge Fees	\$ 11,427,616	\$ -	\$ -	\$ 11,427,616
Other Income	\$ -	\$ 1,065,947	\$ -	\$ 1,065,947
Interest & Investments	\$ -	\$ 1,994,772	\$ -	\$ 1,994,772
<b>Total Source of Funds</b>	<b>\$ 11,427,616</b>	<b>\$ 3,060,719</b>	<b>\$ -</b>	<b>\$ 14,488,335</b>
<b>Staffing:</b>				
Hours Allocated	17,550	-	-	17,550
FTE (based on 2080)	8.4	-	-	8.4
<b>Use of Funds:</b>				
Labor	\$ 902,886	\$ -	\$ -	\$ 902,886
Benefits	\$ 394,411	\$ -	\$ -	\$ 394,411
Indirect Costs	\$ 1,273,798	\$ -	\$ -	\$ 1,273,798
Education & Training	\$ 10,000	\$ -	\$ -	\$ 10,000
Consulting & Professional Services	\$ 295,000	\$ -	\$ -	\$ 295,000
Operating Costs	\$ 3,756,445	\$ -	\$ -	\$ 3,756,445
Repair & Maintenance	\$ 695,000	\$ -	\$ -	\$ 695,000
Phone & Utilities	\$ 9,750	\$ -	\$ -	\$ 9,750
Equipment & Computer	\$ 137,500	\$ -	\$ -	\$ 137,500
Meeting & Travel	\$ 7,750	\$ -	\$ -	\$ 7,750
Other Administrative Costs	\$ 57,100	\$ -	\$ -	\$ 57,100
Other Expenses	\$ 151,803	\$ -	\$ -	\$ 151,803
Debt Service Payments	\$ -	\$ 3,060,719	\$ -	\$ 3,060,719
<b>Total Use of Funds from Operations</b>	<b>\$ 7,691,444</b>	<b>\$ 3,060,719</b>	<b>\$ -</b>	<b>\$ 10,752,163</b>
<b>Contribution To/(From) Reserves:</b>				
Pipeline Repair / Replacement Reserve	\$ 1,500,000	\$ -	\$ -	\$ 1,500,000
Self Insurance Reserve	\$ 100,000	\$ -	\$ -	\$ 100,000
Debt Service	\$ 2,136,173	\$ -	\$ -	\$ 2,136,173
<b>Total Contributions to Reserves</b>	<b>\$ 3,736,173</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,736,173</b>
Total Use of Funds	\$ 11,427,616	\$ 3,060,719	\$ -	\$ 14,488,335
Net Gain (Loss)	\$ -	\$ -	\$ -	\$ -
Indirect Costs Contribution	43.17%	0.00%		43.17%

<b>Enterprise Fund Budget FYE 2019</b>	<b>Brine Line Operating Fund 240</b>	<b>Brine Line Debt Service</b>	<b>Total</b>
<b>Source of Funds:</b>			
Discharge Fees	\$ 11,090,587	\$ –	\$ 11,090,587
Other Income	\$ –	\$ 2,009,869	\$ 2,009,869
Interest & Investments	\$ –	\$ 1,173,582	\$ 1,173,582
<b>Total Source of Funds</b>	<b>\$ 11,090,587</b>	<b>\$ 3,183,451</b>	<b>\$ 14,274,038</b>
<b>Staffing:</b>			
Hours Allocated	18,250	–	18,250
FTE (based on 2080)	8.8	–	8.8
<b>Use of Funds:</b>			
Labor	\$ 1,033,117	\$ –	\$ 1,033,117
Benefits	\$ 451,427	\$ –	\$ 451,427
Indirect Costs	\$ 1,457,293	\$ –	\$ 1,457,293
Education & Training	\$ 10,500	\$ –	\$ 10,500
Consulting & Professional Services	\$ 290,000	\$ –	\$ 290,000
Operating Costs	\$ 3,278,960	\$ –	\$ 3,278,960
Repair & Maintenance	\$ 715,000	\$ –	\$ 715,000
Phone & Utilities	\$ 10,000	\$ –	\$ 10,000
Equipment & Computer	\$ 137,500	\$ –	\$ 137,500
Meeting & Travel	\$ 8,500	\$ –	\$ 8,500
Other Administrative Costs	\$ 62,100	\$ –	\$ 62,100
Other Expenses	\$ 157,046	\$ –	\$ 157,046
Debt Service Payments	\$ –	\$ 3,183,451	\$ 3,183,451
<b>Total Use of Funds from Operations</b>	<b>\$ 7,611,443</b>	<b>\$ 3,183,451</b>	<b>\$ 10,794,893</b>
<b>Contribution To/(From) Reserves:</b>			
Pipeline Repair / Replacement Reserve	\$ 1,500,000	\$ –	\$ 1,500,000
Self Insurance Reserve	\$ 100,000	\$ –	\$ 100,000
Debt Service	\$ 1,879,144	\$ –	\$ 1,879,144
<b>Total Contributions to Reserves</b>	<b>\$ 3,479,144</b>	<b>\$ –</b>	<b>\$ 3,479,144</b>
Total Use of Funds	\$ 11,090,587	\$ 3,183,451	\$ 14,274,038
Net Gain (Loss)	\$ –	\$ –	\$ –
Indirect Costs Contribution	46.69%	0.00%	46.69%

<b>Enterprise Funds FYE 2013 - 2019</b>	<b>FYE 2013 Actual</b>	<b>FYE 2014 Actual</b>	<b>FYE 2015 Actual</b>	<b>FYE 2016 Actual</b>	<b>FYE 2017 Budget</b>	<b>FYE 2017 Actuals</b>	<b>FYE 2018 Budget</b>	<b>FYE 2019 Budget</b>
<b>Source of Funds:</b>								
Discharge Fees	\$ 9,170,287	\$ 8,575,085	\$ 8,958,915	\$ 9,334,243	\$ 10,417,136	\$ 11,282,402	\$ 11,427,616	\$ 11,090,587
Grant Proceeds	\$ 12,566	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operating Transfer	\$ 1,323	\$ 474	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Use of Reserves	\$ 2,051,663	\$ 731,029	\$ 1,303,622	\$ 391,295	\$ -	\$ 271,679	\$ 1,065,947	\$ 2,009,869
Other Income	\$ 1,060,729	\$ 19,364	\$ 60,047	\$ 23,378	\$ 271,679	\$ -	\$ -	\$ -
Interest & Investments	\$ 3,404,624	\$ 3,400,034	\$ 3,327,041	\$ 2,906,049	\$ 1,878,952	\$ 2,140,187	\$ 1,994,772	\$ 1,173,582
<b>Total Source of Funds</b>	<b>\$ 15,701,192</b>	<b>\$ 12,725,986</b>	<b>\$ 13,649,625</b>	<b>\$ 12,654,965</b>	<b>\$ 12,567,767</b>	<b>\$ 13,694,268</b>	<b>\$ 14,488,335</b>	<b>\$ 14,274,038</b>
<b>Use of Funds:</b>								
Labor	\$ 699,234	\$ 804,088	\$ 829,591	\$ 825,504	\$ 902,634	\$ 858,469	\$ 902,886	\$ 1,033,117
Benefits	\$ 308,362	\$ 357,819	\$ 380,782	\$ 345,886	\$ 391,574	\$ 372,576	\$ 394,411	\$ 451,427
Indirect Costs	\$ 1,111,782	\$ 1,272,872	\$ 1,301,629	\$ 1,314,203	\$ 1,424,978	\$ 1,355,523	\$ 1,273,798	\$ 1,457,293
Education & Training	\$ 1,222	\$ 2,397	\$ 303	\$ 794	\$ 8,800	\$ 1,094	\$ 10,000	\$ 10,500
Consulting & Professional Services	\$ 769,534	\$ 1,069,079	\$ 125,917	\$ 207,793	\$ 335,000	\$ 108,669	\$ 295,000	\$ 290,000
Operating Costs	\$ 2,772,124	\$ 2,384,277	\$ 2,711,966	\$ 3,101,972	\$ 3,144,501	\$ 3,265,777	\$ 3,756,445	\$ 3,278,960
Repair & Maintenance	\$ 701,953	\$ 711,176	\$ 588,980	\$ 402,307	\$ 855,000	\$ 260,789	\$ 695,000	\$ 715,000
Phone & Utilities	\$ 6,104	\$ 4,070	\$ 7,824	\$ 7,789	\$ 9,500	\$ 6,690	\$ 9,750	\$ 10,000
Equipment & Computer	\$ 21,631	\$ 17,286	\$ 21,892	\$ 9,500	\$ 91,050	\$ 17,557	\$ 137,500	\$ 137,500
Meeting & Travel	\$ 5,908	\$ 8,040	\$ 5,419	\$ 4,046	\$ 8,250	\$ 1,264	\$ 7,750	\$ 8,500
Other Administrative Costs	\$ 26,264	\$ 29,011	\$ 20,919	\$ 25,720	\$ 62,450	\$ 24,642	\$ 57,100	\$ 62,100
Other Expenses	\$ 288,753	\$ 215,013	\$ 342,888	\$ 514,869	\$ 197,213	\$ 188,700	\$ 151,803	\$ 157,046
Debt Service	\$ 4,535,441	\$ 4,578,511	\$ 4,448,394	\$ 3,965,797	\$ 3,028,588	\$ 3,028,588	\$ 3,060,719	\$ 3,183,451
<b>Total Use of Funds from Operations</b>	<b>\$ 11,248,313</b>	<b>\$ 11,453,639</b>	<b>\$ 10,786,504</b>	<b>\$ 10,726,180</b>	<b>\$ 10,459,538</b>	<b>\$ 9,490,338</b>	<b>\$ 10,752,163</b>	<b>\$ 10,794,893</b>
<b>Contribution To/(From) Reserves:</b>								
Pipeline Repair / Replacement Reserve	\$ 1,144,198	\$ -	\$ 361,659	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,500,000	\$ 1,500,000
OCSD Rehabilitation Reserve	\$ 1,742,354	\$ 55,701	\$ 1,000,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ -	\$ -
OCSD Future Capacity Reserve	\$ 977,845	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Self Insurance Reserve	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000
Debt Service Reserve	\$ -	\$ 1,034,000	\$ 1,034,000	\$ 494,560	\$ 508,230	\$ 508,248	\$ 2,136,173	\$ 1,879,144
<b>Total Contributions to Reserves</b>	<b>\$ 3,964,397</b>	<b>\$ 1,189,701</b>	<b>\$ 2,495,659</b>	<b>\$ 2,094,560</b>	<b>\$ 2,108,230</b>	<b>\$ 2,108,248</b>	<b>\$ 3,736,173</b>	<b>\$ 3,479,144</b>
<b>Total Use of Funds</b>	<b>\$ 15,212,710</b>	<b>\$ 12,643,340</b>	<b>\$ 13,282,163</b>	<b>\$ 12,820,740</b>	<b>\$ 12,567,767</b>	<b>\$ 11,598,586</b>	<b>\$ 14,488,335</b>	<b>\$ 14,274,038</b>
<b>Net Gain (Loss)</b>	<b>\$ 488,482</b>	<b>\$ 82,646</b>	<b>\$ 367,462</b>	<b>\$ (165,775)</b>	<b>\$ -</b>	<b>\$ 2,095,684</b>	<b>\$ -</b>	<b>\$ -</b>

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# OWOW Funds

Under the One Water One Watershed (OWOW) Funds, integrated regional water management planning and implementation is conducted. The funds include basin planning in which regional water issues are addressed, our partnership studies with the US Bureau of Reclamation, our Santa Ana River Integrated Regional Water Management Planning (IRWM) planning known as the SAWPA OWOW Plan, and various multi-benefit projects using grant and local funding to implement the OWOW Plan. Combined these efforts promote increased sustainability and resiliency of the watershed in dealing with water challenges as we move into the future. The OWOW funds are made up of the following activities/projects described below.

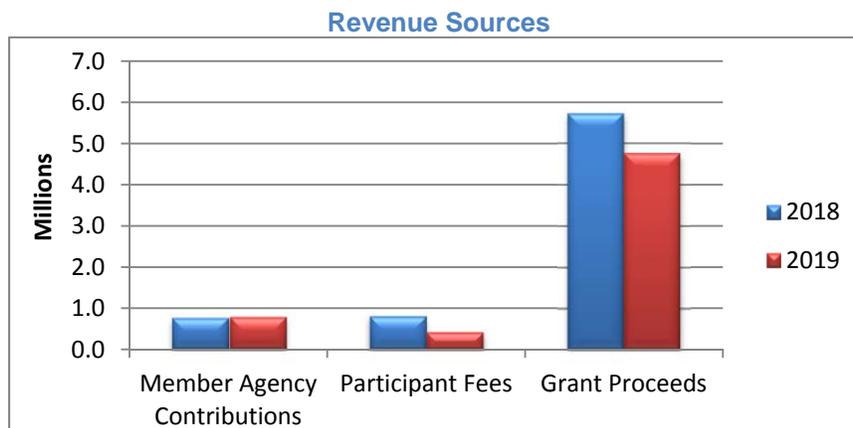
<i>Fund</i>	<i>Project</i>
370-01	Basin Planning General
370-02	USBR Partnership Studies
373	Watershed Management (OWOW)
130	Proposition 84 Program Mgmt Round 1
135	Proposition 84 Program Mgmt – Round 2
140	Proposition 84 Program Mgmt – Drought Round
145	Proposition 84 Program Mgmt – Round 2015
397	Energy - Water DAC Grant
398	Proposition 1 – DACI
504-00	Proposition 84 Drought Projects
504-04	Proposition 84 Round 2015 (SARCCUP & Other Projects)

## Revenue and Other Funding Sources

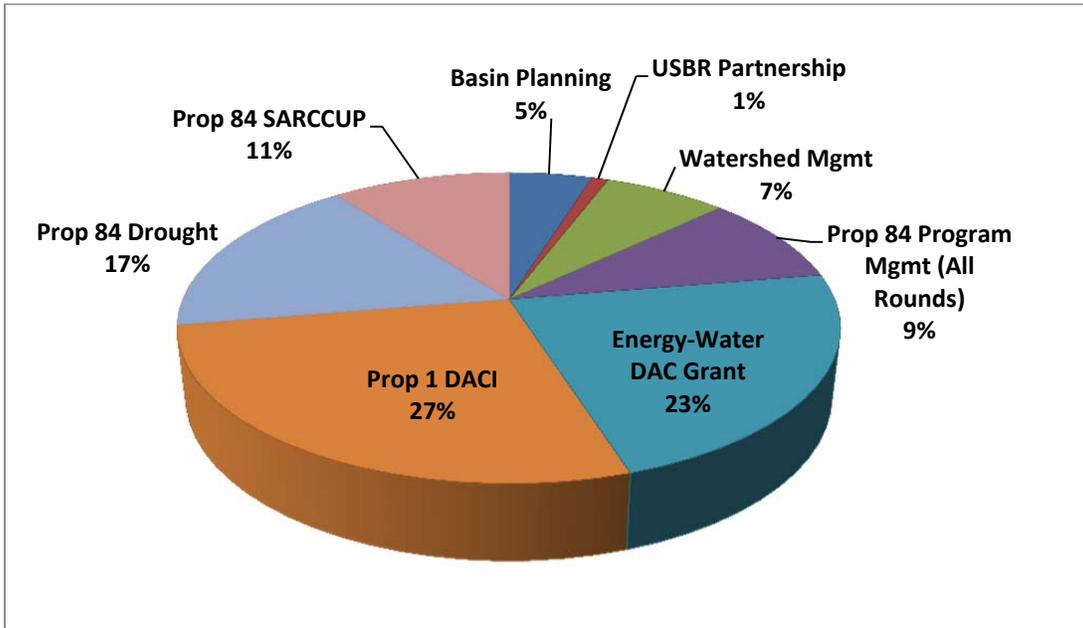
In FYE 2018, the OWOW fund has total budgeted revenues of \$7.3 million, or approximately 18.6% of the total budgeted revenue of \$39.5 million. This represents a 47.7%, or \$2.4 million, increase in revenues over the FYE 2017 budget. The increase is due to the receipt of Proposition 84 Round 2015 Projects and the Proposition 1 DACI Grant.

In FYE 2019, the OWOW fund has total budgeted revenues of \$6.0 million, or approximately 19.9% of the total budgeted revenue of \$30.3 million. This represents a 9%, or \$1.3 million decrease in revenues over the FYE 2018 budget.

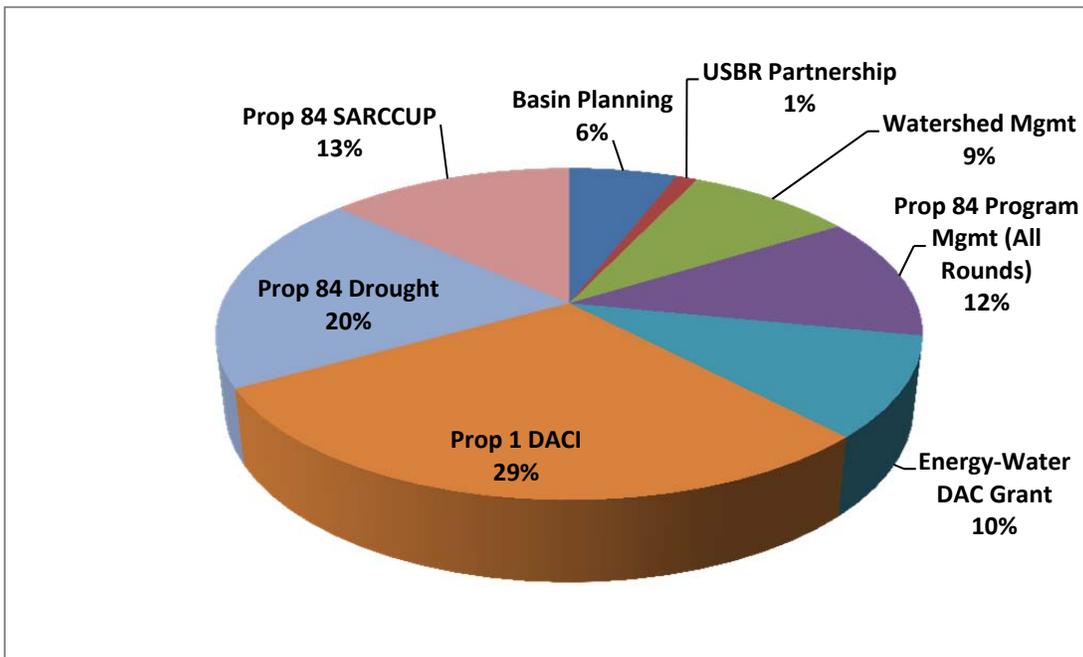
Revenues by source and by fund are shown in the pie charts below. The revenue sources for this fund is derived from member agency contributions, participant fees, and grant funding



**FYE 2018 Revenue by Fund  
\$7.3 Million**



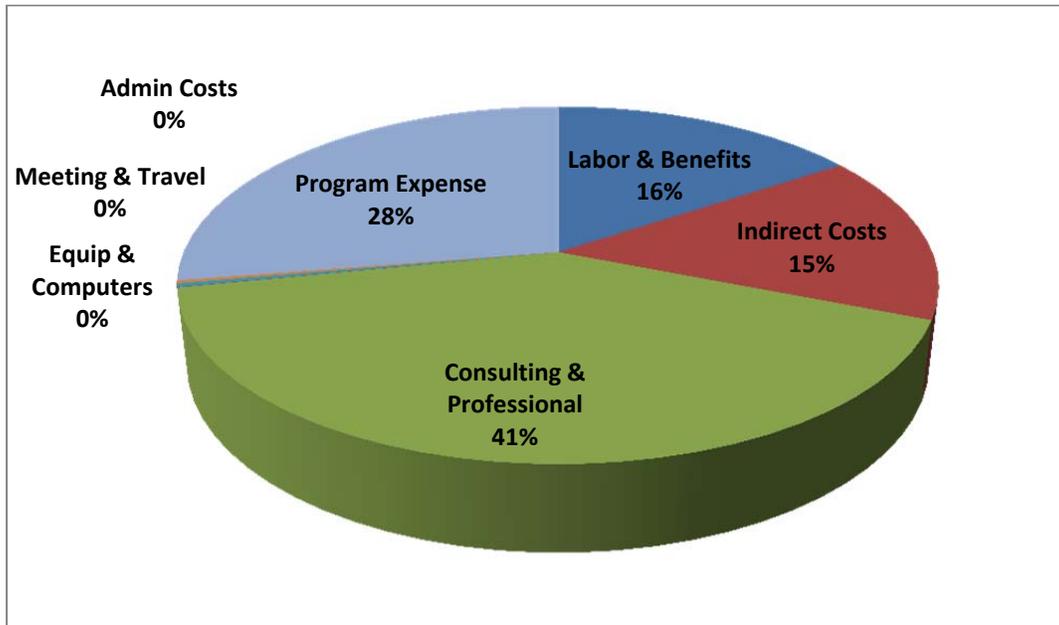
**FYE 2019 Revenue by Fund  
\$6.0 Million**



### Expenses and Other Uses of Funds

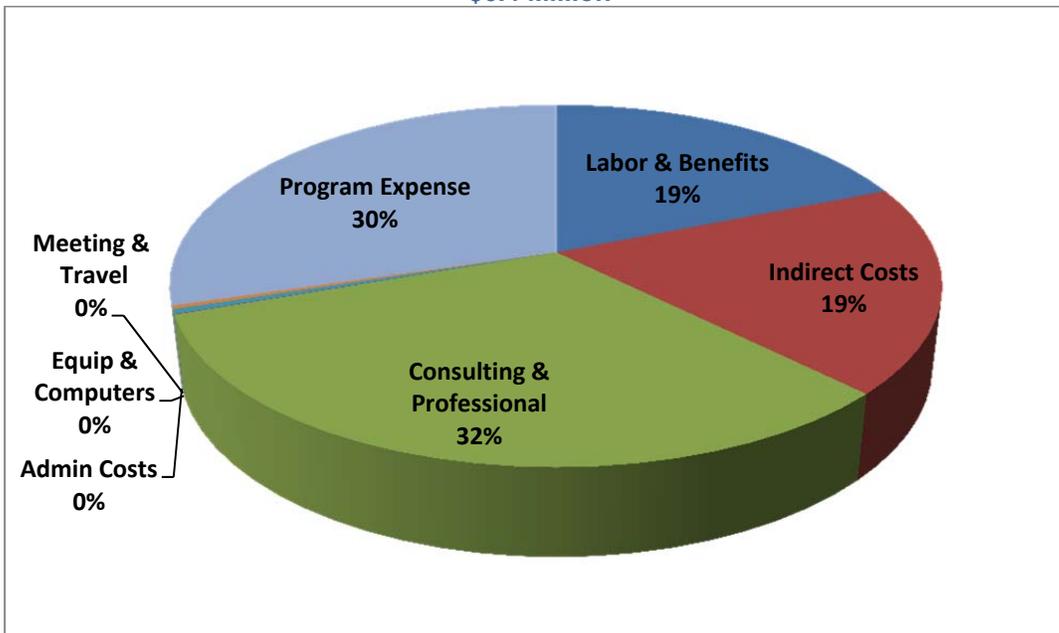
Total expenses for FYE 2018 are \$7.4 million, or approximately 18.7% of total budgeted operating expenses. This represents a 49.1%, or \$2.4 million, increase in expenses over the FYE 2017 budget. The increase is due to the receipt of the Proposition 1 DACI Grant.

**FYE 2018 Total Expenses**  
**\$7.4 Million**



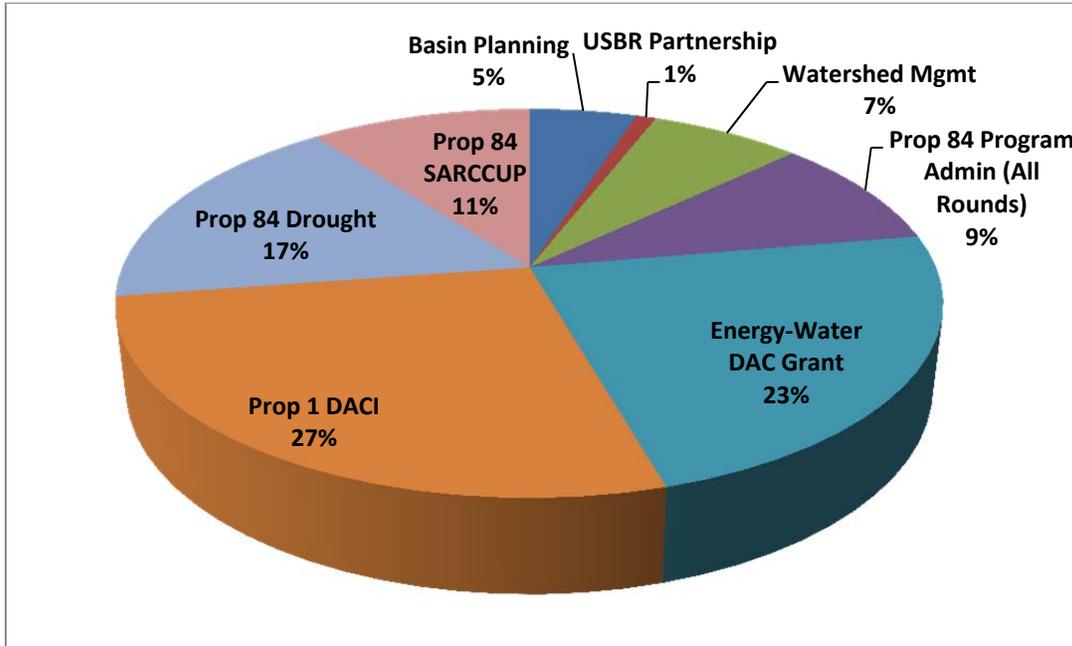
Total expenses for FYE 2019 are \$6.4 million, or approximately 23.6% of total budgeted operating expenses. This represents a 13.8%, or \$1.0 million, decrease in expenses over the FYE 2018 budget. The decrease is due to the Energy-Water DAC Grant being completed in early FYE 2019.

**FYE 2019 Total Expenses**  
**\$6.4 Million**

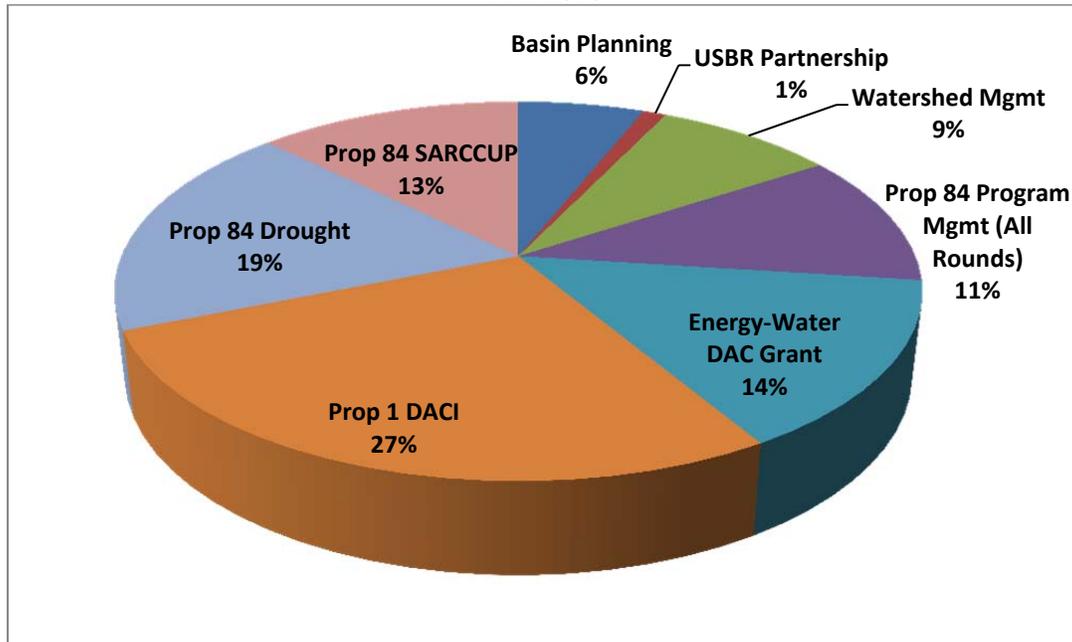


Participating in OWOW projects allows some of the Agency's general fund expenses to be allocated to these funds. In FYE 2018, approximately 38.52%, or \$1.1 million, of general fund expenses will be paid through this fund group. In FYE 2019, approximately 37.89%, or \$1.2 million, of general fund expenses will be paid through this fund group.

**Expenses by Fund  
FYE 2018**



**Expenses by Fund  
FYE 2019**



## Fund Balance

The fund balance is the difference between fund assets and liabilities. For many OWOW projects, revenues may be collected in one year and the expenses occur in another. The fund balance is a timing difference between when cash is received versus when it is spent. The table below shows the fund balance for each OWOW project.

### FYE 2018 Fund Balance

<i>Fund</i>	<i>Fund Balance at 06/30/17</i>	<i>Revenues</i>	<i>Expenses</i>	<i>Fund Balance at 06/30/18</i>
370-01	\$ 56,520	\$ 356,000	\$ 371,009	\$ 41,511
370-02	\$ 21,765	\$ 70,000	\$ 69,178	\$ 22,587
373	\$ 34,999	\$ 527,000	\$ 523,362	\$ 38,636
130	\$ -	\$ 142,116	\$ 142,116	\$ -
135	\$ -	\$ 133,791	\$ 133,791	\$ -
140	\$ -	\$ 118,814	\$ 118,814	\$ -
145	\$ -	\$ 291,801	\$ 291,801	\$ -
397	\$ 700,906	\$ 1,665,000	\$ 1,721,860	\$ 644,046
398	\$ -	\$ 2,003,206	\$ 2,003,206	\$ -
504-00	\$ -	\$ 1,265,683	\$ 1,265,683	\$ -
504-04	\$ -	\$ 762,496	\$ 762,496	\$ -
Total	\$ 814,190	\$ 7,335,908	\$ 7,403,317	\$ 746,780

### FYE 2019 Fund Balance

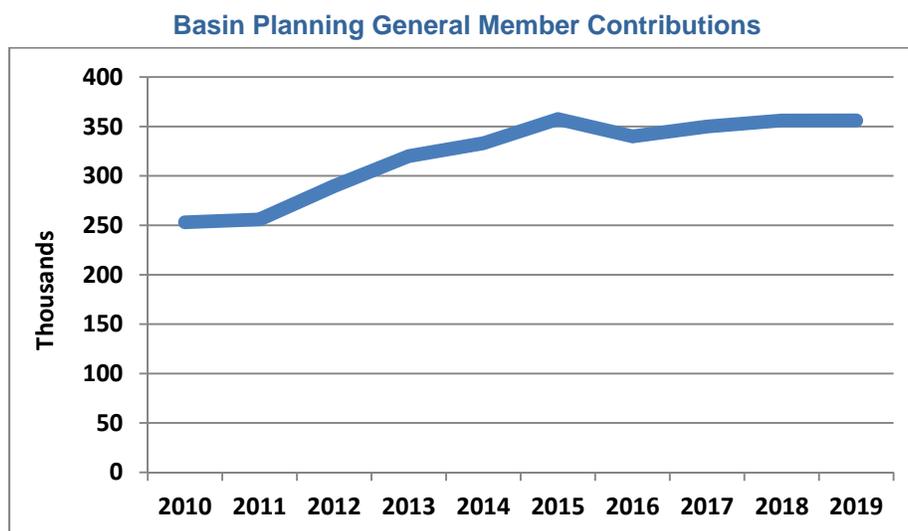
<i>Fund</i>	<i>Fund Balance at 06/30/18</i>	<i>Revenues</i>	<i>Expenses</i>	<i>Fund Balance at 06/30/19</i>
370-01	\$ 41,511	\$ 356,000	\$ 385,131	\$ 12,379
370-02	\$ 22,587	\$ 70,000	\$ 70,365	\$ 22,222
373	\$ 38,636	\$ 548,000	\$ 551,346	\$ 35,290
130	\$ -	\$ 134,519	\$ 134,519	\$ -
135	\$ -	\$ 142,059	\$ 142,059	\$ -
140	\$ -	\$ 119,630	\$ 119,630	\$ -
145	\$ -	\$ 321,946	\$ 321,946	\$ -
397	\$ 644,046	\$ 586,816	\$ 918,104	\$ 312,758
398	\$ -	\$ 1,747,121	\$ 1,747,121	\$ -
504-00	\$ -	\$ 1,182,042	\$ 1,182,042	\$ -
504-04	\$ -	\$ 807,844	\$ 807,844	\$ -
Total	\$ 746,780	\$ 6,015,977	\$ 6,380,106	\$ 382,651

The fund balance is expected to decrease by 8.3% for FYE 2018 and decrease by 48.8% for FYE 2019. Staff has decided to utilize the existing fund balance for some projects to balance the budget each year instead of increasing member contributions to cover total expenses.

### **Fund 370-01 Basin Planning General**

This activity consolidates planning activities that focus on inter-agency coordination and cooperation, both within the member agencies and external organizations. The project includes staff effort directed toward coordinating programs and issues with other organizations. Work under this activity continues to expand as watershed-wide activities increase. All new grant applications with the exception of State Propositions such as Proposition 84, Proposition 1, and the U.S. Bureau of Reclamation (USBR) grants are prepared under this fund. This activity permits staff to remain current and knowledgeable about regulations and local agency issues and actions. This activity also funds the SAWPA staff involvement and support for the Southern California Salinity Coalition.

In FYE 2018 and 2019, total revenues are projected to be \$356,000. Funding for this project is from member agency contributions. The following chart shows the history of member contributions for this fund.

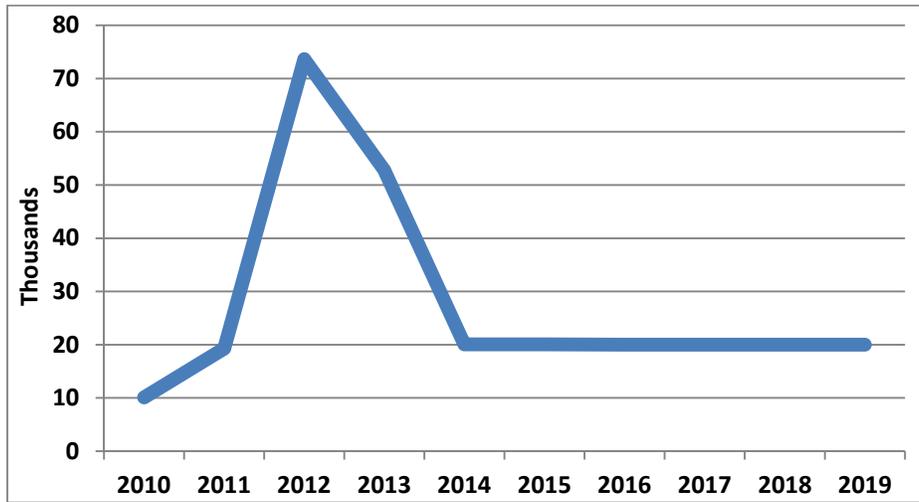


### **Fund 370-02 USBR (US Bureau of Reclamation) Partnership Studies**

This activity covers the study activities based on funding partnerships with the USBR. Each year the USBR releases grant funding opportunities for water resource planning and water use efficiency planning and projects. In previous years, grant funding for a pilot scale analysis of aerial mapping tools and measurement was acquired and several multi-agency regional studies involving water recycling and salinity management were conducted under the partnership with the USBR. The federal funding typically is provided on 50-50 cost share with the SAWPA local funding provided for the local match.

In FYE 2018 and 2019, total revenues are projected to be \$70,000. Funding for this project is from member agency contributions and grant funding from the USBR. The chart below shows the history of member contributions for this fund.

**USBR Partnership Studies Member Contributions**

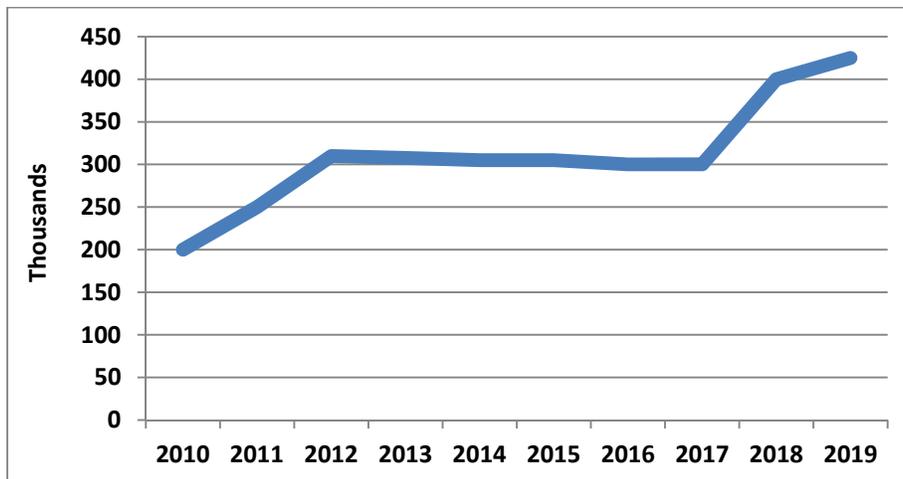


**Fund 373 Watershed Management**

This project was formed to conduct SAWPA IRWMP Planning. The first SAWPA IRWMP report was completed in June 2002. The report was updated in 2005, 2010, and 2014 and has been funded by the SAWPA member agencies and grants received from the State. In FYE 2016, a new expanded SAWPA IRWMP called the “One Water One Watershed” Plan 2018 Update was commenced based on the collaboration among member agencies, sub-agencies, and other organizations under a decentralized approach. This new plan update development will span two years and will serve as the basis for planning future integrated multi-benefit projects that leverage funding resources to maximize benefits to the watershed. The plan is anticipated to be completed and adopted in late 2018 based on new Statewide IRWM plan standards released in 2016. For FYE 2018 and 2019, work will also be conducted to prepare grant applications for Proposition 1 IRWM Implementation grant funding for projects that are competitively selected from within the watershed that meets the goals and objectives of the OWOW Plan 2018 Update. Work under this fund also includes the use of a State grant to fund the OWOW 2018 Update, outreach for future OWOW Call for Projects, rating, ranking, and selection of projects eligible for grant funding.

In FYE 2018 total revenues are projected to be \$527,000 and \$548,000 in FYE 2019. Funding for this project is from member agency contributions and a DWR Planning Grant. The chart below shows the history of member contributions for this fund.

**Watershed Management Member Contributions**



### **Fund 130 – Proposition 84 Program Management – Round 1**

In 2006, voters passed Proposition 84, which provides over \$5 billion to support various water resource needs in the State. Chapter 2 of Proposition 84, authorized \$1 billion for the IRWM Program, with \$114 million called out specifically for the SAR Watershed. From the \$114 million, \$12.7 million in grant funding was designated to SAWPA under Round I for the implementation of 13 projects and \$660,000 was budgeted for SAWPA grant administration. The administration of the Proposition 84 IRWM Round I grant will be accounted for in this fund.

In FYE 2018, both total revenues and expenses are projected to be \$142,116. In FYE 2019, both total revenues and expenses are projected to be \$134,519. Only the costs of administering the grant contract have been included in the budget.

### **Fund 135 – Proposition 84 Program Management – Round 2**

In 2006, voters passed Proposition 84, which provides over \$5 billion to support various water resource needs in the State. Chapter 2 of Proposition 84, authorized \$1 billion for the IRWM Program, with \$114 million called out specifically for the SAR Watershed. From the \$114 million, \$15.6 million in grant funding was designated to SAWPA under Round 2 for the implementation of 19 projects and \$625,000 was budgeted for SAWPA grant administration. The administration of the Proposition 84 IRWM Round 2 grant will be accounted for in this fund.

In FYE 2018, both total revenues and expenses are projected to be \$133,791. In FYE 2019, both total revenues and expenses are projected to be \$142,059. Only the costs of administering the grant contract have been included in the budget.

### **Fund 140 – Proposition 84 Program Management – Drought Round**

In 2006, voters passed Proposition 84, which provides over \$5 billion to support various water resource needs in the State. Chapter 2 of Proposition 84, authorized \$1 billion for the IRWM Program, with \$114 million called out specifically for the SAR Watershed. From the \$114 million, \$12.9 million in grant funding was designated to SAWPA under the Drought Round for two major projects and \$875,000 was budgeted for SAWPA grant administration. The administration of the Proposition 84 IRWM Drought Round grant will be accounted for in this fund.

In FYE 2018, both total revenues and expenses are projected to be \$118,814. In FYE 2019, both total revenues and expenses are projected to be \$119,630. Only the costs of administering the grant contract have been included in the budget.

### **Fund 145 – Proposition 84 Program Management – 2015 Round**

In 2006, voters passed Proposition 84, which provides over \$5 billion to support various water resource needs in the State. Chapter 2 of Proposition 84, authorized \$1 billion for the IRWM Program, with \$114 million called out specifically for the SAR Watershed. From the \$114 million, \$64.3 million in grant funding was designated to SAWPA under the 2015 Round for three major projects and \$3.21 million was budgeted for SAWPA grant administration. The administration of the Proposition 84 IRWM 2015 Round grant will be accounted for in this fund.

In FYE 2018, both total revenues and expenses are projected to be \$291,801. In FYE 2019, both total revenues and expenses are projected to be \$321,946. Only the costs of administering the grant contract have been included in the budget.

### **Fund 397 – Energy – Water DAC Grant**

On June 24, 2015, SAWPA was selected to receive a grant for \$2.3 million from DWR under the 2014 Water-Energy Grant Program to support the SAWPA Water-Energy Community Action Network (WECAN). The focus of the DWR grant program is to support disadvantaged community-focused proposals that provide substantial water and energy savings. The funding for this grant is provided by appropriated funds from the Greenhouse Gas Reduction Fund created by AB 32, the Global Warming Solutions Act of 2006. The program total cost is \$3 million and includes \$520,000 in local cost share coming from MWDSC and local retail water agency turf removal rebates. The Program will bring water savings to approximately 260 homes and energy savings to approximately 1,703 homes in disadvantaged communities (DACs) in the Santa Ana River Watershed. The grant funds are targeted to assist residents in a single family residence in order to best ensure that energy and water conservation savings benefit the DAC resident. The Program formally kicked off in July 2015 and was originally anticipated to be completed by December 2017. Based on the success of this program, additional USBR grant funding has been acquired by one of the project partners expanding SAWPA's support for this work for an additional year.

In FYE 2018, total revenues are projected to be \$1.6 million and expenses are projected to be \$1.7 million. In FYE 2019, total revenues are projected to be \$586,816 and expenses are projected to be \$918,104

### **Fund 398 – Proposition 1 DACI**

In 2016, Proposition 1 IRWM program designated 10% of grant funding (\$6.3 million) for a disadvantaged communities involvement (DACI) program to support water needs assessment within the Santa Ana River Watershed. SAWPA, as the lead for the State designated Regional Water Management Group for the Santa Ana Funding Area was designated as the administrator and implementer of this program. The DACI Program was developed through significant stakeholder engagement and support by the SAWPA Commission and OWOW Steering Committee. A grant proposal was prepared in 2016 and submitted and accepted by the DWR and the three-year scope of work commenced on July 1, 2016.

During the development of the program, four partner organizations were identified: Local Government Commission, California State University, California Rural Water Association, and the Water Education Foundation. These four partners contributed significantly to the design of the program, and will work closely with SAWPA to execute the full scope of work. Each organization will collaborate to conduct the Program Elements of 1) Strength and Needs Assessment, 2) Engagement/Education, 3) Project Development, and 4) Grant Administration.

In FYE 2018, total revenues and expenses are projected to be \$2.0 million. In FYE 2019, total revenues and expenses are projected to be \$1.7 million.

### **Fund 504-00 – Proposition 84 – Drought Capital Projects**

In 2006, voters passed Proposition 84, which provides over \$5 billion to support various water resource needs in the State. Chapter 2 of Proposition 84, authorized \$1 billion for the IRWM Program, with \$114 million called out specifically for the SAR Watershed. From \$114 million, \$12.9 million in grant funding was designated to SAWPA under the Drought Round to implement two major projects with another \$10.6 million in local cost share match.

The two projects supported under the DWR Drought Round agreement consists of 1) Conservation Based Reporting Tools and Rate Structure Implementation, and 2) High Visibility Turf Removal and Retrofit. Due to cost savings on some components of the project, the contract has been extended to the end of 2019 and will allow additional conservation tool implementation.

For the Proposition 84 Drought projects, total revenues and expenses for FYE 2018 are projected to be \$1.3 million. In FYE 2019, total revenues and expenses are projected to be \$1.2 million.

**Fund 504-04 – Proposition 84 – SARCCUP & Other Projects**

In 2006, voters passed Proposition 84, which provides over \$5 billion to support various water resource needs in the State. Chapter 2 of Proposition 84, authorized \$1 billion for the IRWM Program, with \$114 million called out specifically for the SAR Watershed. From the \$114 million, \$64.3 million in grant funding was designated to SAWPA under the 2015 Round for three major projects with another \$175.6 million in local cost share match.

Among the three projects, the majority of the grant funding is directed to the Santa Ana River Conservation and Conjunctive Use (SARCCUP) Project which supports a major conjunctive use water storage project in the watershed. The other two projects will be the Smartscape Program, a regional water conservation effort, and an effort of five retail agencies conducting rate studies for conservation-based rates with eventual adoption of those rates.

For the Proposition 84 SARCCUP & Other Projects, total revenues and expenses for FYE 2018 are projected to be \$762,496. In FYE 2019, total revenues and expenses are projected to be \$807,844.

<b>OWOW Fund Budget FYE 2018</b>	<i>Basin Planning General Fund 370-01</i>	<i>USBR Partnership Studies Fund 370-02</i>	<i>Watershed Mgmt (OWOW) Fund 373</i>	<i>Prop 84 – R1 Program Mgmt Fund 130</i>	<i>Prop 84 – R2 Program Mgmt Fund 135</i>	<i>Prop 84 – Drought Program Mgmt Fund 140</i>
<b>Source of Funds:</b>						
Grant Proceeds	\$ –	\$ 50,000	\$ 127,000	\$ 142,116	\$ 133,791	\$ 118,814
Member Agency Contributions	\$ 356,000	\$ 20,000	\$ 400,000	\$ –	\$ –	\$ –
Participant Fees	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –
<b>Total Source of Funds</b>	\$ 356,000	\$ 70,000	\$ 527,000	\$ 142,116	\$ 133,791	\$ 118,814
<b>Staffing:</b>						
Hours Allocated	2,480	115	2,895	925	865	655
FTE (based on 2080)	1.2	0.1	1.4	0.4	0.4	0.3
<b>Use of Funds:</b>						
Labor	\$ 124,598	\$ 6,665	\$ 147,737	\$ 49,907	\$ 49,983	\$ 41,724
Benefits	\$ 54,428	\$ 2,911	\$ 64,537	\$ 21,801	\$ 20,524	\$ 18,226
Indirect Costs	\$ 175,783	\$ 9,402	\$ 208,428	\$ 70,409	\$ 66,284	\$ 58,864
Consulting & Professional Services	\$ –	\$ 50,000	\$ 85,200	\$ –	\$ –	\$ –
Equipment & Computers	\$ –	\$ –	\$ 3,600	\$ –	\$ –	\$ –
Meeting & Travel	\$ 5,200	\$ 100	\$ 10,500	\$ –	\$ –	\$ –
Other Administrative Costs	\$ 11,000	\$ 100	\$ 3,360	\$ –	\$ –	\$ –
Program Expense	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –
<b>Total Use of Funds from Operations</b>	\$ 371,009	\$ 69,178	\$ 523,362	\$ 142,116	\$ 133,791	\$ 118,814
Net Gain (Loss)	\$ (15,009)	\$ 822	\$ 3,638	\$ –	\$ –	\$ –
Beginning Fund Balance	\$ 56,520	\$ 21,765	\$ 34,999	\$ –	\$ –	\$ –
Ending Fund Balance	\$ 41,511	\$ 22,587	\$ 38,636	\$ –	\$ –	\$ –
Pass Through (Prop 1 & 84 – Capital)	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –
Indirect Costs Contribution	5.96%	0.32%	7.06%	2.39%	2.25%	1.99%

<b>OWOW Fund Budget FYE 2018</b>	<b>Prop 84 – 2015 Program Mgmt Fund 145</b>	<b>Energy - Water DAC Grant Fund 397</b>	<b>Prop 1 DACI Fund 398</b>	<b>Prop 84 Drought Project Fund 504-00</b>	<b>SARCCUP &amp; Other Projects Fund 504-04</b>	<b>Total</b>
<b>Source of Funds:</b>						
Grant Proceeds	\$ 291,801	\$ 1,300,000	\$ 2,003,206	\$ 1,265,683	\$ 308,885	\$ 5,741,297
Member Agency Contributions	\$ –	\$ –	\$ –	\$ –	\$ –	\$ 776,000
Participant Fees	\$ –	\$ 365,000	\$ –	\$ –	\$ 453,612	\$ 818,612
<b>Total Source of Funds</b>	<b>\$ 291,801</b>	<b>\$ 1,665,000</b>	<b>\$ 2,003,206</b>	<b>\$ 1,265,683</b>	<b>\$ 762,496</b>	<b>\$ 7,335,908</b>
<b>Staffing:</b>						
Hours Allocated	1,750	480	2,395	1,680	835	15,075
FTE (based on 2080)	0.8	0.2	1.2	0.8	0.4	7.2
<b>Use of Funds:</b>						
Labor	\$ 102,471	\$ 19,855	\$ 97,747	\$ 109,479	\$ 58,474	\$ 805,639
Benefits	\$ 44,763	\$ 8,673	\$ 42,699	\$ 47,824	\$ 25,544	\$ 351,930
Indirect Costs	\$ 144,567	\$ 28,011	\$ 137,902	\$ 154,453	\$ 82,496	\$ 1,136,600
Consulting & Professional Services	\$ –	\$ 1,665,321	\$ 963,001	\$ –	\$ 260,515	\$ 3,024,037
Equipment & Computers	\$ –	\$ –	\$ 500	\$ –	\$ –	\$ 4,100
Meeting & Travel	\$ –	\$ –	\$ 7,000	\$ –	\$ –	\$ 22,800
Other Administrative Costs	\$ –	\$ –	\$ 3,250	\$ –	\$ –	\$ 17,710
Program Expense	\$ –	\$ –	\$ 751,107	\$ 953,927	\$ 335,467	\$ 2,040,501
<b>Total Use of Funds from Operations</b>	<b>\$ 291,801</b>	<b>\$ 1,721,860</b>	<b>\$ 2,003,206</b>	<b>\$ 1,265,683</b>	<b>\$ 762,496</b>	<b>\$ 7,403,317</b>
Net Gain (Loss)	\$ –	\$ (56,860)	\$ –	\$ –	\$ –	\$ (67,409)
Beginning Fund Balance	\$ –	\$ 700,906	\$ –	\$ –	\$ –	\$ 814,190
Ending Fund Balance	\$ –	\$ 644,046	\$ –	\$ –	\$ –	\$ 746,780
Pass Through (Prop 1 & 84 – Capital)	\$ –	\$ –	\$ –	\$ 11,663,588	\$ 9,416,637	\$ 21,080,225
Indirect Costs Contribution	4.90%	0.95%	4.67%	5.23%	2.80%	38.52%

<b>OWOW Fund Budget FYE 2019</b>	<i>Basin Planning General Fund 370-01</i>	<i>USBR Partnership Studies Fund 370-02</i>	<i>Watershed Mgmt (OWOW) Fund 373</i>	<i>Prop 84 – R1 Program Mgmt Fund 130</i>	<i>Prop 84 – R2 Program Mgmt Fund 135</i>	<i>Prop 84 – Drought Program Mgmt Fund 140</i>
<b>Source of Funds:</b>						
Grant Proceeds	\$ –	\$ 50,000	\$ 123,000	\$ 134,519	\$ 142,059	\$ 119,630
Member Agency Contributions	\$ 356,000	\$ 20,000	\$ 425,000	\$ –	\$ –	\$ –
Participant Fees	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –
<b>Total Source of Funds</b>	\$ 356,000	\$ 70,000	\$ 548,000	\$ 134,519	\$ 142,059	\$ 119,630
<b>Staffing:</b>						
Hours Allocated	2,365	110	2,775	815	830	600
FTE (based on 2080)	1.1	0.1	1.3	0.4	0.4	0.3
<b>Use of Funds:</b>						
Labor	\$ 129,562	\$ 7,082	\$ 157,570	\$ 47,240	\$ 49,888	\$ 42,012
Benefits	\$ 56,613	\$ 3,094	\$ 68,851	\$ 20,642	\$ 21,799	\$ 18,357
Indirect Costs	\$ 182,757	\$ 9,989	\$ 222,265	\$ 66,636	\$ 70,372	\$ 59,261
Consulting & Professional Services	\$ –	\$ 50,000	\$ 85,200	\$ –	\$ –	\$ –
Equipment & Computers	\$ –	\$ –	\$ 3,600	\$ –	\$ –	\$ –
Meeting & Travel	\$ 5,200	\$ 100	\$ 10,500	\$ –	\$ –	\$ –
Other Administrative Costs	\$ 11,000	\$ 100	\$ 3,360	\$ –	\$ –	\$ –
Program Expense	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –
<b>Total Use of Funds from Operations</b>	\$ 385,131	\$ 70,365	\$ 551,346	\$ 134,519	\$ 142,059	\$ 119,630
Net Gain (Loss)	\$ (29,131)	\$ (365)	\$ (3,346)	\$ –	\$ –	\$ –
Beginning Fund Balance	\$ 41,511	\$ 22,587	\$ 38,636	\$ –	\$ –	\$ –
Ending Fund Balance	\$ 12,379	\$ 22,222	\$ 35,290	\$ –	\$ –	\$ –
Pass Through (Prop 1 & 84 – Capital)	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –
Indirect Costs Contribution	5.85%	0.32%	7.12%	2.13%	2.25%	1.90%

<b>OWOW Fund Budget FYE 2019</b>	<i>Prop 84 – 2015 Program Mgmt Fund 145</i>	<i>Energy - Water DAC Grant Fund 397</i>	<i>Prop 1 DACI Fund 398</i>	<i>Prop 84 Drought Project Fund 504-00</i>	<i>SARCCUP &amp; Other Projects Fund 504-04</i>	<i>Total</i>
<b>Source of Funds:</b>						
Grant Proceeds	\$ 321,946	\$ 586,816	\$ 1,747,121	\$ 1,182,042	\$ 370,123	\$ 4,777,256
Member Agency Contributions	\$ –	\$ –	\$ –	\$ –	\$ –	\$ 801,000
Participant Fees	\$ –	\$ –	\$ –	\$ –	\$ 437,722	\$ 437,722
<b>Total Source of Funds</b>	\$ 321,946	\$ 586,816	\$ 1,747,121	\$ 1,182,042	\$ 807,844	\$ 6,015,977
<b>Staffing:</b>						
Hours Allocated	1,735	464	2,435	1,250	1,050	14,429
FTE (based on 2080)	0.8	0.2	1.2	0.6	0.5	6.9
<b>Use of Funds:</b>						
Labor	\$ 113,061	\$ 19,864	\$ 109,200	\$ 81,866	\$ 81,213	\$ 838,558
Benefits	\$ 49,403	\$ 8,680	\$ 47,716	\$ 35,772	\$ 35,486	\$ 366,413
Indirect Costs	\$ 159,482	\$ 28,020	\$ 154,036	\$ 115,478	\$ 114,557	\$ 1,182,852
Consulting & Professional Services	\$ –	\$ 861,539	\$ 813,184	\$ –	\$ 240,927	\$ 2,050,850
Equipment & Computers	\$ –	\$ –	\$ 500	\$ –	\$ –	\$ 4,100
Meeting & Travel	\$ –	\$ –	\$ 10,000	\$ –	\$ –	\$ 25,800
Other Administrative Costs	\$ –	\$ –	\$ 4,200	\$ –	\$ –	\$ 18,660
Program Expense	\$ –	\$ –	\$ 608,285	\$ 948,927	\$ 335,661	\$ 1,892,873
<b>Total Use of Funds from Operations</b>	\$ 321,946	\$ 918,104	\$ 1,747,121	\$ 1,182,042	\$ 807,844	\$ 6,380,106
Net Gain (Loss)	\$ –	\$ (331,288)	\$ –	\$ –	\$ –	\$ (364,129)
Beginning Fund Balance	\$ –	\$ 644,046	\$ –	\$ –	\$ –	\$ 746,780
Ending Fund Balance	\$ –	\$ 312,758	\$ –	\$ –	\$ –	\$ 382,651
Pass Through (Prop 1 & 84 – Capital)	\$ –	\$ –	\$ –	\$ 2,175,000	\$ 10,612,335	\$ 12,787,335
Indirect Costs Contribution	5.11%	0.90%	4.93%	3.70%	3.67%	37.89%

<b>OWOW Funds FYE 2013 - 2019</b>	<b>FYE 2013 Actual</b>	<b>FYE 2014 Actual</b>	<b>FYE 2015 Actual</b>	<b>FYE 2016 Actual</b>	<b>FYE 2017 Budget</b>	<b>FYE 2017 Actual</b>	<b>FYE 2018 Budget</b>	<b>FYE 2019 Budget</b>
<b>Source of Funds:</b>								
Grant Proceeds	\$ 631,911	\$ 283,245	\$ 666,397	\$ 2,091,528	\$ 4,296,936	\$ 2,390,241	\$ 5,741,297	\$ 4,777,256
Member Agency Contributions	\$ 680,370	\$ 658,000	\$ 682,500	\$ 970,000	\$ 670,000	\$ 670,000	\$ 776,000	\$ 801,000
Participant Fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 767,215	\$ 818,612	\$ 437,722
Operating Transfer	\$ -	\$ -	\$ 22,605	\$ -	\$ -	\$ -	\$ -	\$ -
Other Income	\$ 50,653	\$ 21,668	\$ 14,063	\$ -	\$ -	\$ -	\$ -	\$ -
Interest & Investments	\$ 807	\$ 806	\$ 877	\$ 2,569	\$ -	\$ 6,956	\$ -	\$ -
<b>Total Source of Funds</b>	<b>\$ 1,363,741</b>	<b>\$ 963,719</b>	<b>\$ 1,386,442</b>	<b>\$ 3,064,097</b>	<b>\$ 4,966,936</b>	<b>\$ 3,834,412</b>	<b>\$ 7,335,908</b>	<b>\$ 6,015,977</b>
<b>Use of Funds:</b>								
Labor	\$ 348,985	\$ 314,298	\$ 334,328	\$ 457,650	\$ 612,932	\$ 540,588	\$ 805,639	\$ 838,558
Benefits	\$ 153,931	\$ 139,865	\$ 153,456	\$ 191,755	\$ 265,897	\$ 234,614	\$ 351,930	\$ 366,413
Indirect Costs	\$ 554,992	\$ 497,540	\$ 524,559	\$ 706,529	\$ 967,628	\$ 853,589	\$ 1,136,600	\$ 1,182,852
Consulting & Professional Services	\$ 235,940	\$ 73,601	\$ 55,031	\$ 39,969	\$ 952,570	\$ 1,029,133	\$ 3,024,037	\$ 2,050,850
Operating Costs	\$ -	\$ -	\$ -	\$ 100	\$ -	\$ -	\$ -	\$ -
Equipment & Computer	\$ 444	\$ 10,000	\$ -	\$ -	\$ -	\$ -	\$ 4,100	\$ 4,100
Meeting & Travel	\$ 9,677	\$ 10,994	\$ 24,130	\$ 6,933	\$ 18,350	\$ 20,877	\$ 22,800	\$ 25,800
Other Administrative Costs	\$ 51,077	\$ 13,490	\$ 12,171	\$ 11,652	\$ 16,950	\$ 15,713	\$ 17,710	\$ 18,660
Program Expense	\$ 23,470	\$ -	\$ 138,345	\$ 1,239,850	\$ 2,129,537	\$ 670,540	\$ 2,040,501	\$ 1,892,873
<b>Total Use of Funds from Operations</b>	<b>\$ 1,378,516</b>	<b>\$ 1,059,789</b>	<b>\$ 1,242,019</b>	<b>\$ 2,654,438</b>	<b>\$ 4,963,864</b>	<b>\$ 3,365,054</b>	<b>\$ 7,403,317</b>	<b>\$ 6,380,106</b>
Net Gain (Loss)	\$ (14,774)	\$ (96,070)	\$ 144,422	\$ 409,659	\$ 3,072	\$ 469,356	\$ (67,409)	\$ (364,129)
Beginning Fund Balance	\$ 38,980	\$ 24,206	\$ (71,864)	\$ 72,558	\$ 482,217	\$ 344,834	\$ 814,190	\$ 746,780
Ending Fund Balance	\$ 24,206	\$ (71,864)	\$ 72,558	\$ 482,217	\$ 485,289	\$ 814,190	\$ 746,780	\$ 382,651
Pass Through (Prop 1 & 84 - Capital)	\$ 5,811,891	\$ 7,888,867	\$ 4,946,271	\$ 4,887,122	\$ 6,381,306	\$ 2,599,584	\$ 21,080,225	\$ 12,787,335

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# Roundtable Funds

The Roundtable Fund group is comprised of funds that are administered or facilitated by SAWPA on behalf of outside agencies, cities, counties, and our member agencies. The majority of funding for the roundtable funds comes from the participants of each program in the form of participant fees. Member agency contributions may be required when the Commission has approved covering the cost of administering the project. Currently, the fund is made up of the nine activities/projects listed and described below.

<i>Fund</i>	<i>Project</i>
372	Imported Water Recharge
374	Basin Monitoring Program Task Force
381	Santa Ana River (SAR) Fish Conservation Task Force
384-01	MSAR TMDL Task Force
386	RWQ Monitoring Task Force
387	Arundo Management & Habitat Restoration
392	Emerging Constituents Program Task Force
396	Forest First Task Force
477	LESJWA Administration

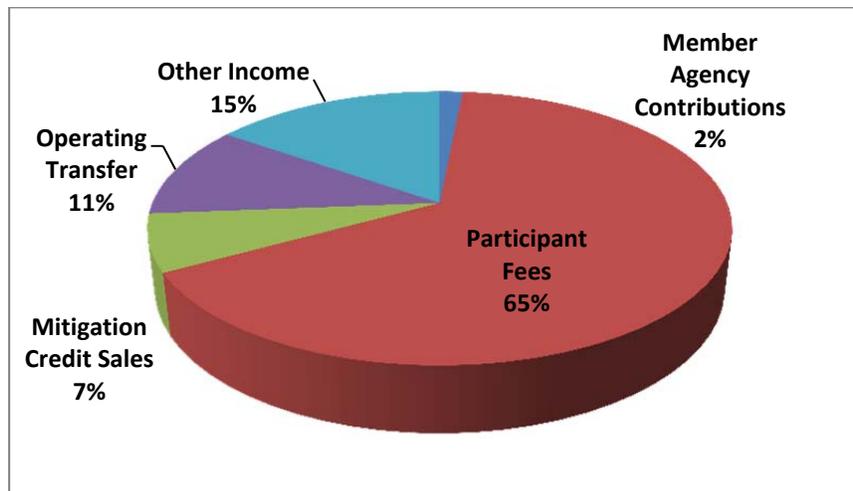
## Revenue and Other Funding Sources

In FYE 2018, the roundtable fund has total budgeted revenues of \$1.3 million, or approximately 3.3% of the total budgeted revenue of \$39.5 million. This represents a 7%, or \$85,554, increase in revenues over the FYE 2017 budget. The increase is a result of an operating transfer from the MSAR TMDL Task Force to the RWQ Monitoring Task Force.

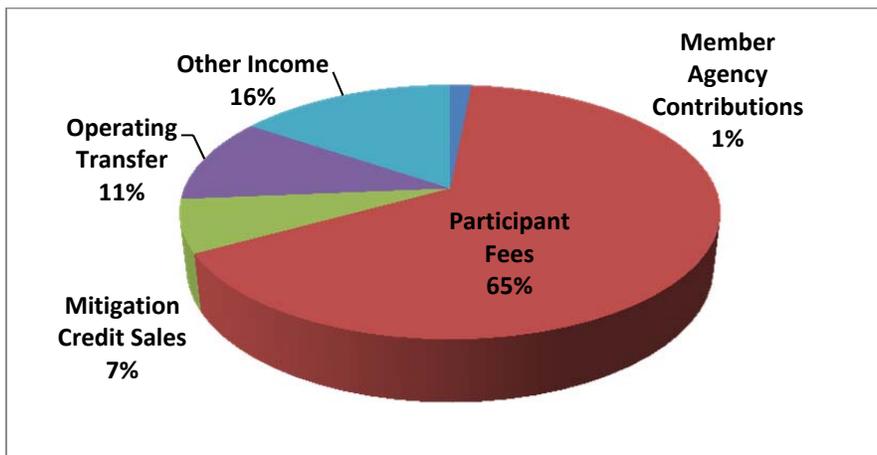
In FYE 2019, the roundtables fund has total budgeted revenues of \$1.3 million, or approximately 4.4% of the total budgeted revenue of \$30.3 million. This represents a minimal increase of \$12,753 over the FYE 2018 budget.

Revenues are made up of the categories and amounts in the following pie charts.

**FYE 2018 Revenues**  
\$1.3 Million

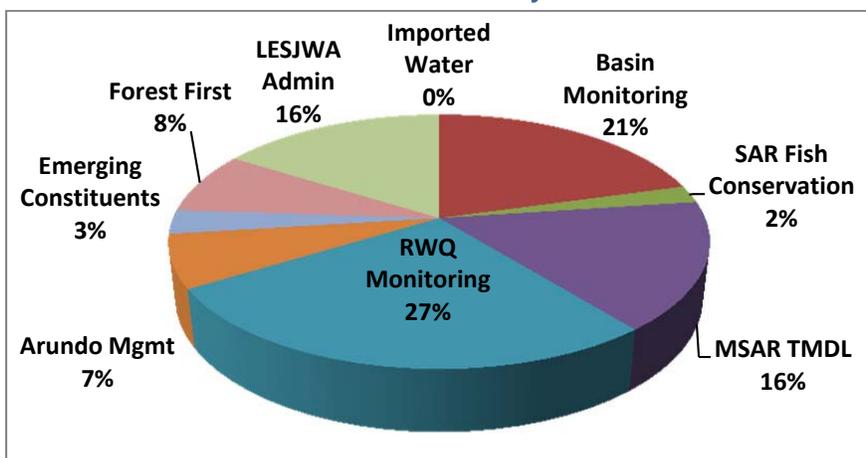


**FYE 2019 Revenues  
\$1.3 Million**

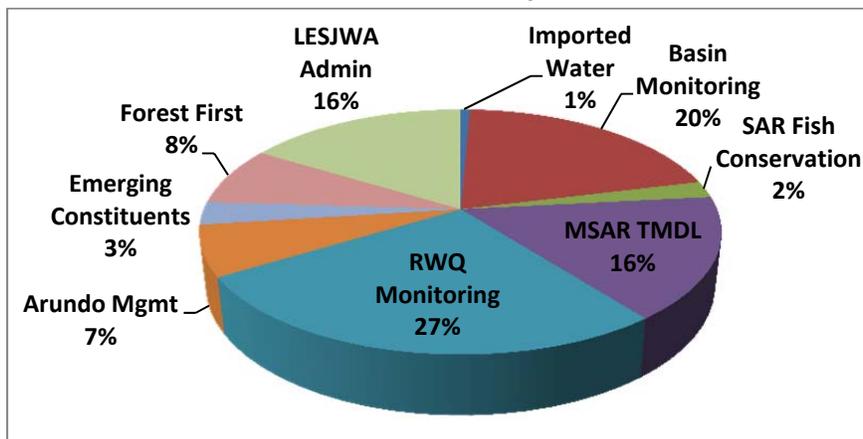


The total revenues by fund type are shown in the pie charts below.

**FYE 2018 Revenue by Fund**



**FYE 2019 Revenue by Fund**

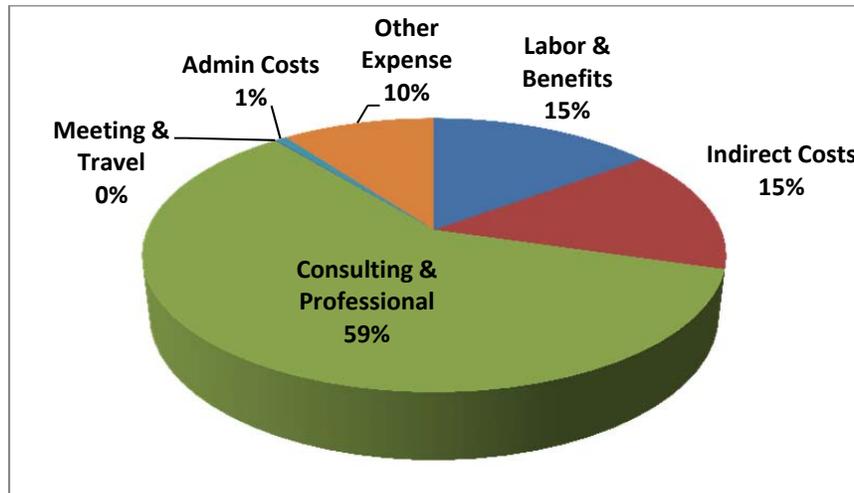


### Expenses and Other Uses of Funds

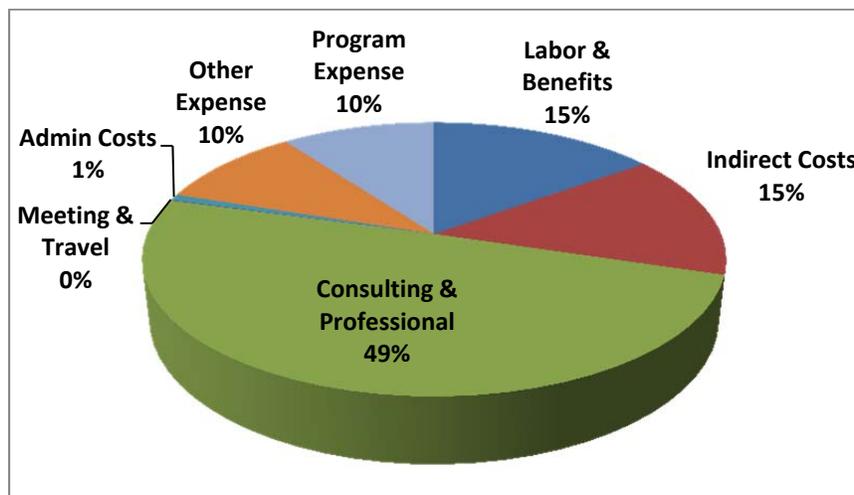
Total expenses for FYE 2018 are \$1.4 million, or approximately 4.0% of total budgeted operating expenses. This represents a 20.0%, or \$353,722, increase in expenses over the FYE 2017 budget.

Total expenses for FYE 2019 are \$1.5 million, or approximately 5.5% of total budgeted operating expenses. This represents a 4.0%, or \$56,775, increase in expenses over the FYE 2018 budget.

**FYE 2018 Total Expenses  
\$1.4 Million**

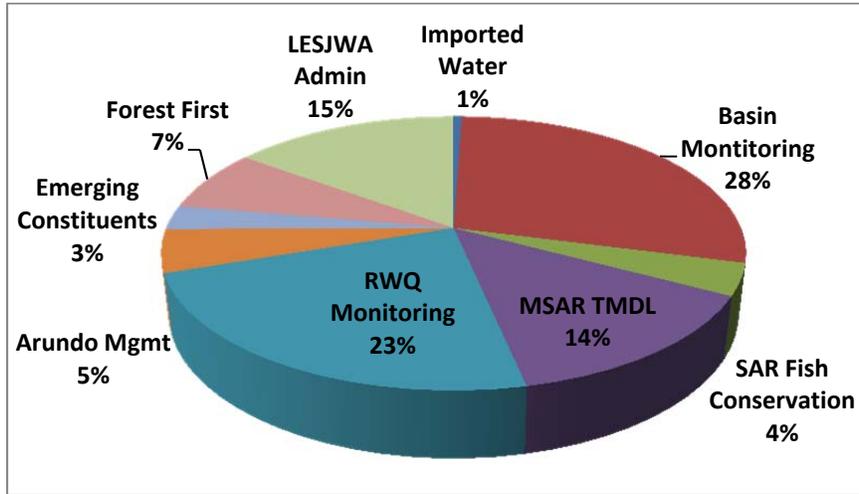


**FYE 2019 Total Expenses  
\$1.5 Million**

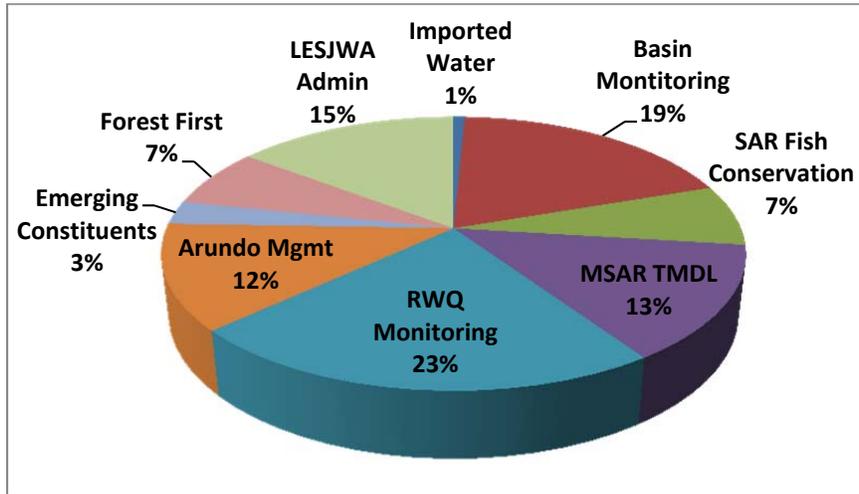


Participating in roundtable projects allows some of the Agency's general fund expenses to be allocated to these funds. In FYE 2018, approximately 7.04%, or \$207,877, of general fund expenses will be paid through this fund group. In FYE 2019, approximately 6.96%, or \$217,376, of general fund expenses will be paid through this fund group.

FYE 2018 Expenses by Fund



FYE 2019 Expenses by Fund



## Fund Balance

The fund balance is the difference between fund assets and liabilities. For many roundtable projects, revenues may be collected in one year and the expenses occur in another. The fund balance is a timing difference between when cash is received versus when it is spent. The following table shows the fund balance for each roundtable project.

### FYE 2018 Fund Balance

<i>Fund</i>	<i>Fund Balance at 06/30/17</i>	<i>Revenues</i>	<i>Expenses</i>	<i>Fund Balance at 06/30/18</i>
372	\$ 11,682	\$ -	\$ 7,698	\$ 3,985
374	\$ 267,685	\$ 272,447	\$ 404,772	\$ 135,360
381	\$ 222,755	\$ 29,000	\$ 53,156	\$ 198,599
384	\$ 197,544	\$ 215,000	\$ 196,554	\$ 215,990
386	\$ 38,791	\$ 357,048	\$ 327,988	\$ 67,851
387	\$ 960,596	\$ 88,980	\$ 72,281	\$ 977,294
392	\$ 86,511	\$ 40,000	\$ 40,528	\$ 85,983
396	\$ -	\$ 104,202	\$ 104,202	\$ -
477	\$ -	\$ 212,027	\$ 212,027	\$ -
<b>Total</b>	<b>\$ 1,785,564</b>	<b>\$ 1,318,704</b>	<b>\$ 1,419,206</b>	<b>\$ 1,685,062</b>

### FYE 2019 Fund Balance

<i>Fund</i>	<i>Fund Balance at 06/30/18</i>	<i>Revenues</i>	<i>Expenses</i>	<i>Fund Balance at 06/30/19</i>
372	\$ 3,985	\$ 9,000	\$ 10,804	\$ 2,181
374	\$ 135,360	\$ 272,447	\$ 280,534	\$ 127,273
381	\$ 198,599	\$ 29,000	\$ 106,303	\$ 121,297
384	\$ 215,990	\$ 215,000	\$ 200,470	\$ 230,520
386	\$ 67,851	\$ 357,048	\$ 333,802	\$ 91,097
387	\$ 977,294	\$ 88,980	\$ 183,367	\$ 882,907
392	\$ 85,983	\$ 40,000	\$ 40,719	\$ 85,264
396	\$ -	\$ 103,308	\$ 103,308	\$ -
477	\$ -	\$ 216,674	\$ 216,674	\$ -
<b>Total</b>	<b>\$ 1,685,062</b>	<b>\$ 1,331,457</b>	<b>\$ 1,475,981</b>	<b>\$ 1,540,538</b>

### *Fund 372 Imported Water Recharge Workgroup*

As a result of a tentative wastewater discharge requirements (WDR) for imported water recharge proposed by the RWQCB, a workgroup of water agencies administered by SAWPA was formed to develop a regulatory alternative to the regulation. A cooperative agreement concerning nitrogen and TDS among the imported water rechargers was completed in March 2007, with provisions to implement various modeling projections for nitrogen and TDS for imported water recharge. The tentative WDR also included requirements to monitor emerging constituents, such as pharmaceuticals and personal care products, in imported water so a separate workgroup was formed to specifically address this issue.

In FYE 2009, the Imported Water Recharge workgroup developed a cooperative agreement and then later an MOU for coordination and implementation of the cooperative agreement. Under the MOU, the workgroup compiled groundwater modeling and groundwater recharge reports for submittal to the RWQCB in July 2009. With the Agreement in place, the MOU signatory agencies under SAWPA's facilitation, meet two to three times each year in a coordination role to review and plan the required implementation activities defined under this on behalf of the signers of the cooperative agreement. Work planned for the coming two years is continuing the support activities and requirements of the cooperative agreement. There will be very limited activity for this project in the next few years.

Currently there is no funding agreement for SAWPA's support and SAWPA has not officially been named as administrator of this workgroup since carryover funds were adequate to cover budgeted administration costs. In FYE 2019, as the remaining carryover funds are used, SAWPA anticipates reconvening the signatories of the agreement to officially designate SAWPA as the administrator and provide sufficient budget for future activities.

Fund balance will be used to fund the majority of the efforts for FYE 2018 and 2019. In FYE 2019, \$9,000 in participant fees will be needed.

### Fund 374 – Basin Monitoring Program Task Force

As part of the Nitrogen TDS Basin Plan Amendment approved by the RWQCB in January 2004, water quality monitoring requirements were required from the majority of the TIN/TDS Task Force agencies. These monitoring requirements included an update of the ambient groundwater quality throughout all the groundwater basins in the Watershed every three years and an annual report on the Nitrogen and TDS in the SAR for Reaches 2, 4, and 5. The agencies specified in the Basin Plan Amendment have elected to combine their funding and provide watershed-wide monitoring reports rather than providing separate reports for each of their separate jurisdictions.

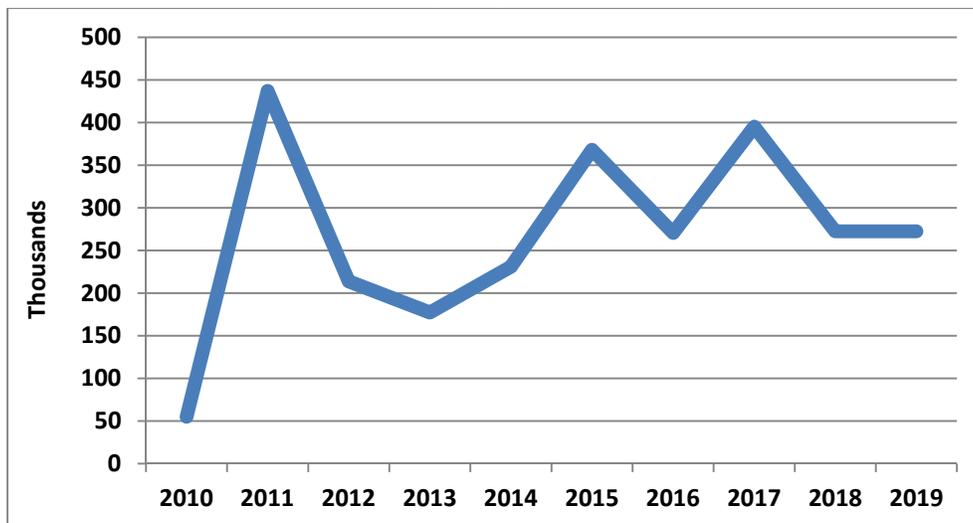
A multi-agency task force was formed and four of SAWPA's member agencies (EMWD, IEUA, WMWD and OCWD) are part of the task force. In FYE 2015, SBVMWD along with three other agencies also agreed to become a member and funding parties of the task force bringing the total number of task force agencies up to 20. SAWPA serves as the administrator for Basin Monitoring Program Task Force.

Work planned for FYE 2018 and 2019 will consist of staff work on the annual SAR monitoring report, preparing for the next Triennial Ambient Water Quality Update in 2020, updating the SAR Wasteload Allocation for incorporation into a new RWQCB Basin Plan Amendment, and facilitation of the task force.

In FYE 2018, total revenues are projected to be \$272,447. These revenues reflect a decision by the task force made in FYE 2014 to collect funding for the triennial ambient groundwater quality update annually rather than triennially. RFPs, consultant selection and contract awards for the next Triennial Ambient Groundwater Quality Update will be conducted in FYE 2019.

In FYE 2019, total revenues are projected to be \$272,447. The work of completing the update to the SAR Wasteload Allocation, incorporating it into a Regional Board Basin Plan Amendment, and starting the preparation work for the next Triennial Ambient Groundwater Quality Update will be conducted in FYE 2018 and 2019.

**Basin Monitoring Program Participant Fees**



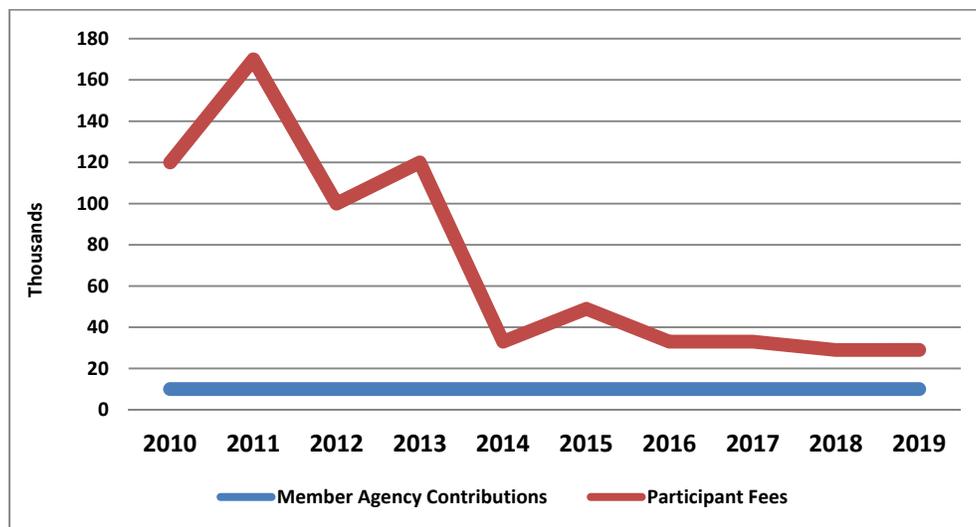
### Fund 381 – SAR Fish Conservation Task Force

This multi-agency task force administered by SAWPA staff conducts applied research and efforts directed toward the recovery and delisting of the Santa Ana sucker, which was listed as Threatened in 2000 by the U.S. Fish and Wildlife Service. The activities of the task force focus on interagency coordination and cooperation, fish habitat analysis and restoration, and Federal and State permit development within member agencies and external organizations.

The Agency administers the effort with funding support from the SAWPA member agencies and other stakeholders such as the RWQCB, the City of Riverside, and the U.S. Fish and Wildlife Service. One of the major projects that will be implemented over the next two fiscal years includes placing a rock structure in the Santa Ana River and monitoring its habitat-related benefits. The monitoring program for the project includes pre and post site monitoring as well as an upstream control site to be used for a comparative analysis. The task force will continue planning and implementing the annual SAR Habitat Survey, also known as the Riverwalk, to measure habitat conditions in the river from the City of Colton to the City of Corona. The results will be reflected in an annual report with map products and comparative analysis to data from previous surveys.

In FYE 2018 and 2019 total revenues are projected to be \$29,000 each year, of which \$19,000 is from participant fees and \$10,000 is from member agency contributions.

**SAR Fish Conservation Revenues**



### Fund 384-01 – MSAR TMDL Task Force

This activity is intended to support SAWPA's member agencies and sub-agencies in the Chino Basin and Middle Santa Ana River by reducing compliance costs associated with the pathogen TMDL for water bodies in this area by conducting joint work efforts in a multi-agency task force format.

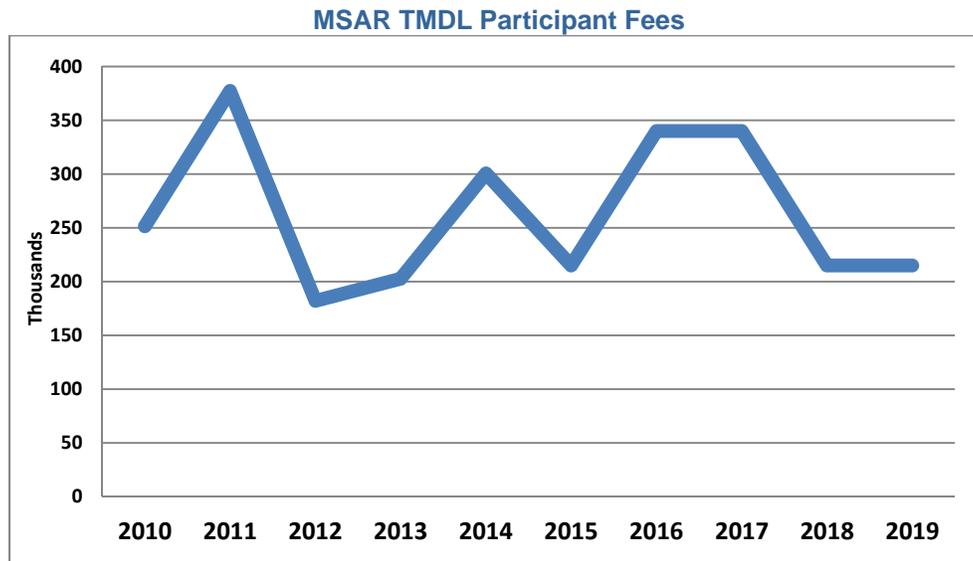
Through the task force, stakeholders implement TMDL compliance monitoring\* and conduct various technical studies to evaluate the various sources of contamination impacting the watershed. In addition, the Task Force provides support to the Counties in the implementation of their Comprehensive Bacteria Reduction plans.

The activities by staff cover administration of a multi-agency task force and contract administration of consultant services. Consultants will be used to provide technical support as needed. All costs for this work will be funded by the local agencies and future grant proceeds. No SAWPA member agency contributions are used for this effort.

In FYE 2018 and FYE 2019, total revenues are projected to be \$215,000 each year, which is from participant fees.

\*In 2016, with the formation of the Regional Water Quality (RWQ) Monitoring Task Force, MSAR TMDL compliance monitoring was incorporated in the Santa Ana River Bacteria Monitoring Program which is conducted by the RWQ Monitoring Task Force to eliminate redundancy and streamline reporting of regional monitoring efforts. As such, the MSAR TMDL Task Force contributes funds for its share of the monitoring program through a transfer of funds to the RWQ Monitoring Task Force on an annual basis.

The chart below shows the history of other agency contributions for this fund.



### Fund 386 – Regional Water Quality Monitoring Task Force

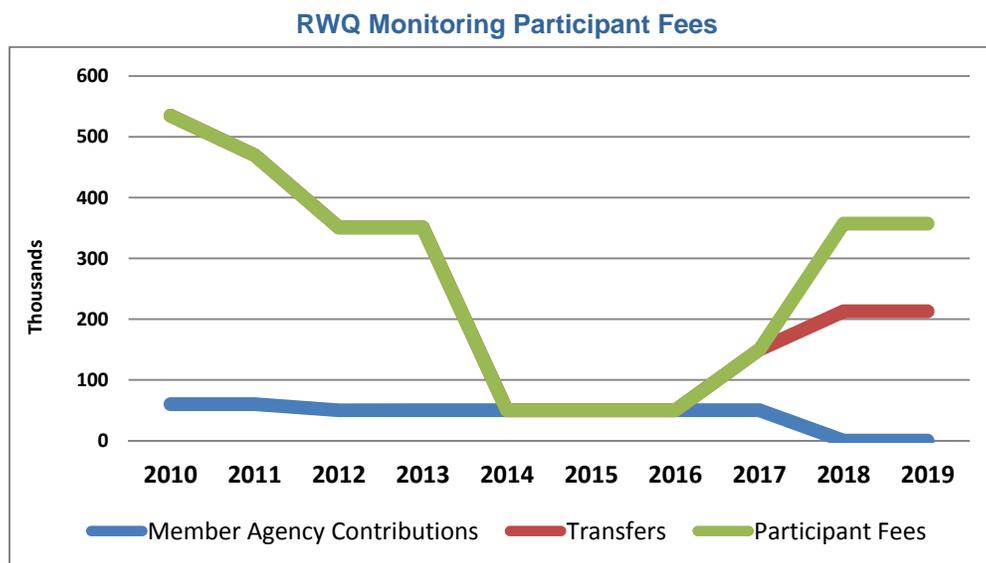
This task force reflects the completion and conclusion of the Stormwater Quality Standards Task Force efforts and the establishment of a new task force to implement a regional monitoring program by the flood control districts in the Santa Ana River Watershed. Its purpose is to implement a coordinated regional water quality monitoring program in the Santa Ana River watershed to meet the implementation plan requirements of the 2012 Basin Plan Amendment to Revise Recreation Standards for Inland Freshwaters in the Santa Ana Region.

Further, the Santa Ana River Bacteria Monitoring Program combines the separate and disparate bacteria monitoring programs of the three county flood control districts along with existing bacteria monitoring program under the MSAR TMDL Task Force to eliminate redundancy and streamline reporting of regional monitoring efforts. As such, the MSAR TMDL Task Force contributes funds for its share of the monitoring program through a transfer of funds to the RWQ Monitoring Task Force on an annual basis.

Additionally, it is intended that this task force will serve as a forum to assist the Regional Board with future triennial reviews of the Basin Plan.

The activities by staff cover administration of a multi-agency task force and contract administration of consultant services. Consultants will be used to conduct the annual monitoring program and provide technical support as needed. All costs for this work will be funded by the local agencies and future grant proceeds. No SAWPA member agency contributions are used for this effort.

In FYE 2018 and 2019, total revenues are projected to be \$357,048, of which \$212,796 is from participant fees, and \$144,252 is an operating transfer from the MSAR TMDL Task Force.



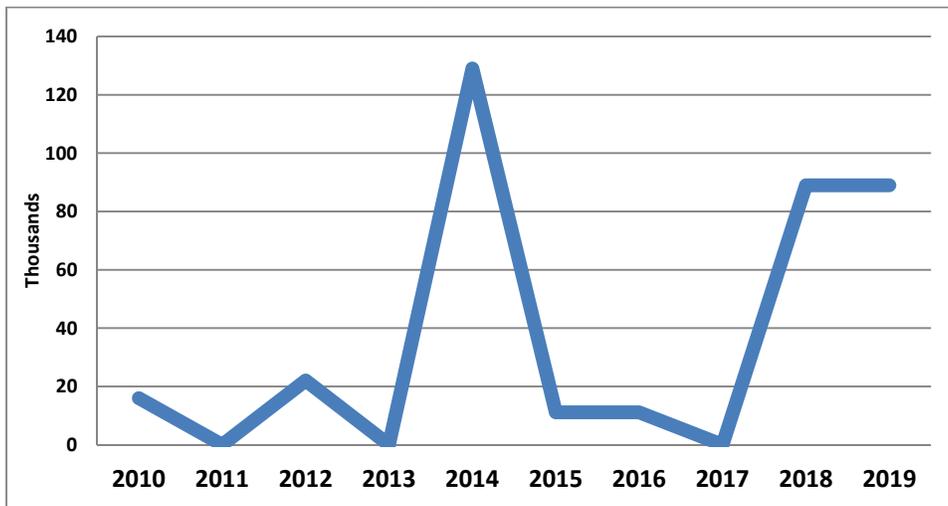
### Fund 387 – Arundo Management & Habitat Restoration

This project was initiated to provide funding for Arundo removal and maintenance within the Watershed. This fund will also provide small grants for habitat restoration projects within the Watershed. Funding for this project is generated from the sale Arundo mitigation bank credits which were purchased from the Riverside County Regional Park and Open-Space District's Santa Ana River Mitigation Bank as part of the Proposition 13, SCIWP program. A total of 100 units were purchased for \$40,000 each, for a total of \$4.0 million.

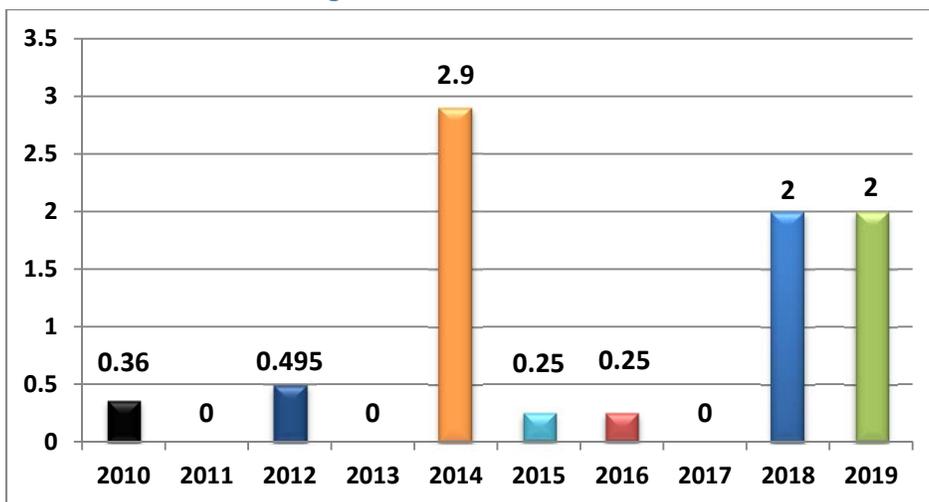
Funding should allow Arundo removal activities to continue through FYE 2019. Funds will be given to the original participants of the Arundo removal program and other habitat restoration projects that are approved by the SAWPA Commission.

In FYE 2018 and 2019, mitigation credit sales are projected to be \$88,980 for each year. Total units sold through FYE 2017 are 52.236, leaving 47.764 units available for sale. With renewed development in the Inland Empire, developers will need to purchase mitigation credits resulting in continued funding coming to SAWPA by the mitigation credit sales to support future non-native plant removal in the Watershed.

**Total Mitigation Credit Sales**



**Mitigation Credit Sales in Units**



### **Fund 392 – Emerging Constituents Program Task Force**

Based on a Santa Ana RWQCB resolution accompanying the Cooperative Agreement for Imported Water Recharge signed by the RWQCB and nine imported water recharging agencies in January 2008, the signatories to the agreement agreed to develop a plan to investigate "emerging constituents" in water that is intentionally recharged to local aquifers. As follow up to the resolution and agreement, an Emerging Constituents Program Task Force was formed among the signatories and interested parties and is administered by SAWPA to design and implement the proposed study of emerging constituents.

The initial investigation was divided into two phases. Phase 1 consisted of a survey of current water quality monitoring programs, regulatory issues, stakeholder concerns, analytical methods, and the state-of-the-science with respect to potential public health and environmental impacts. In December 2008, a draft report was submitted to the RWQCB and the final summary report was submitted in April 2009, characterizing the task force's preliminary findings. The next phase of work, initiated in April 2009, focused on developing an Emerging Constituents Sampling/Evaluation Plan for the RWQCB's approval. The Phase II Sampling/Evaluation Plan was submitted to the RWQCB on December 31, 2009. An annual sampling program for emerging constituents was completed and submitted to the Regional Board in 2010, 2011, 2012, and again in 2013. Thereafter the annual sampling program was placed on hold pending State Board Blue Ribbon panels to evaluate which constituents should be necessary for monitoring river and stream habitat and ecosystems. In early 2017, the State Board also reconvened their original Blue Ribbon panel to reevaluate the current recommended list of emerging constituents based on the latest monitoring technology and science. Results of this work are anticipated to be released in early 2018. At that time the task force may be reconvened to consider further sampling or monitoring. In the meantime the task force under SAWPA administration continues to conduct outreach efforts through social media on the SAWPA website and other forums to inform the public on the safety of drinking water in the watershed.

In FYE 2018 and 2019, total revenues are projected to be \$40,000, all of which is from participant fees.

### **Fund 396 – Forest First**

The program originally began under an MOU executed in 2011 between SAWPA and the U.S. Forest Service. In 2017 a new MOU was drafted between SAWPA, the Cleveland National Forest, and the San Bernardino National Forest. Through this MOU, efforts are underway to work with downstream public agencies such as flood control and water supply agencies to partner on multi-beneficial fire prevention projects on forest lands in the upper watershed. SAWPA will work with the Blue Forest Conservation, a team of engineers and financial analysts that focus on starting public-private partnerships for forest fuel reduction projects, to establish project specific agreements between the watershed's two National Forests and downstream entities.

In FYE 2018, total revenues are projected to be \$104,202, all of which is from participant fees.

In FYE 2019, total revenues are projected to be \$103,308, all of which is from participant fees.

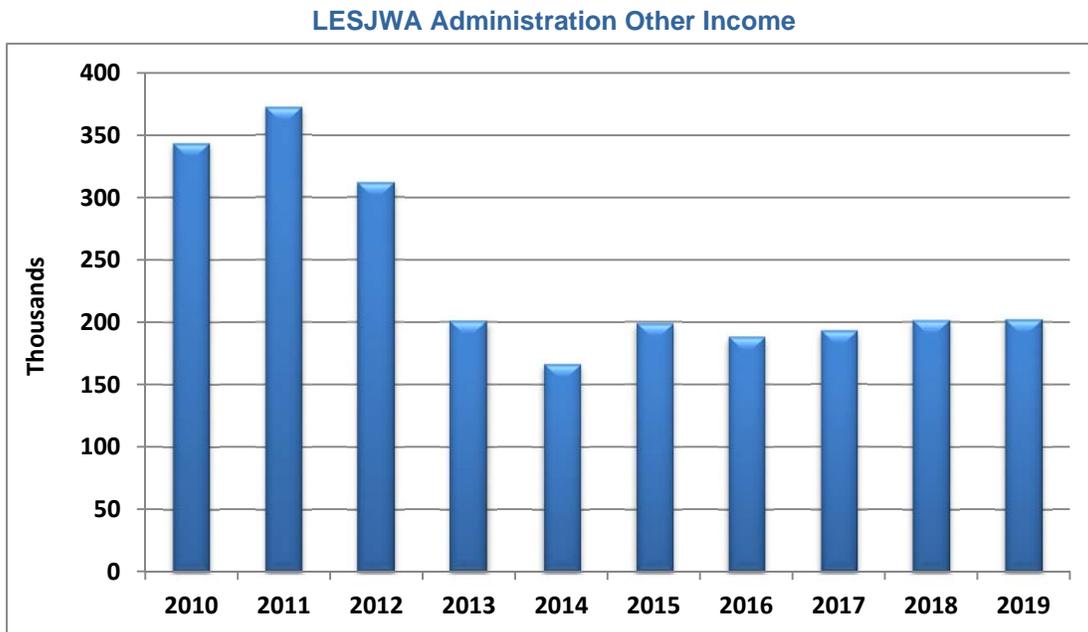
### Fund 477 – LESJWA Administration

With the passage of State Proposition 13 Water Bond on March 7, 2000, \$15 million was allocated for the benefit of Lake Elsinore and San Jacinto Watersheds under the direction of a newly formed JPA called the Lake Elsinore & San Jacinto Watersheds Authority (LESJWA). SAWPA serves as the administrator for this JPA and is one of the five members, which represent the JPA Board. The Board consists of Elsinore Valley Municipal Water District (EVMWD), the City of Lake Elsinore, the County of Riverside, the City of Canyon Lake, and SAWPA. In FYE 2008, all Proposition 13 Water Bond funding for LESJWA was fully expended. Additional State grant funds and increases in local stakeholder funding from parties of the Lake Elsinore and Canyon Lake (LE/CL) TMDL Task Force as well as the LESJWA member agencies are used to continue the activities of the JPA and implement beneficial projects. Major activities include administering the LE/CL TMDL Task Force, developing best management practices (BMP), updating the TMDL, and continued improvement of lake quality at Lake Elsinore and Canyon Lake through nutrient reductions such as alum applications and aeration/mixing systems.

In FYE 2018, total revenues and expenses are projected to be \$212,027. This is a 17.6%, or \$30,245, increase over the FYE 2017 budget.

In FYE 2019, total revenues and expenses are projected to be \$206,674. This is a 2.6%, or \$5,353 decrease over the FYE 2018 budget.

Total funding proceeds for the administration of LESJWA are shown in the chart below.



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<b>Roundtables Fund Budget FYE 2018</b>	<b>PA19 Imported Water Recharge Fund 372</b>	<b>PA20 Basin Monitoring Program TF Fund 374</b>	<b>SAR Fish Conservation Task Force Fund 381</b>	<b>MSAR TMDL Task Force Fund 384-01</b>	<b>RWQ Monitoring Task Force Fund 386</b>	<b>Arundo Mgmt &amp; Habitat Restoration Fund 387</b>	<b>Emerging Constituents Task Force Fund 392</b>	<b>Forest First Task Force Fund 396</b>	<b>PA12 LESJWA Admin Fund 477</b>	<b>Total</b>
<b>Source of Funds:</b>										
Member Agency Contributions	\$ -	\$ -	\$ 10,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,000	\$ 20,000
Participant Fees	\$ -	\$ 272,447	\$ 19,000	\$ 215,000	\$ 212,796	\$ -	\$ 40,000	\$ 104,202	\$ -	\$ 863,445
Mitigation Credit Sales	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 88,980	\$ -	\$ -	\$ -	\$ 88,980
Operating Transfer	\$ -	\$ -	\$ -	\$ -	\$ 144,252	\$ -	\$ -	\$ -	\$ -	\$ 144,252
Other Income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 202,027	\$ 202,027
<b>Total Source of Funds</b>	\$ -	\$ 272,447	\$ 29,000	\$ 215,000	\$ 357,048	\$ 88,980	\$ 40,000	\$ 104,202	\$ 212,027	\$ 1,318,704
<b>Staffing:</b>										
Hours Allocated	45	435	200	150	110	185	56	30	1,115	2,326
FTE (based on 2080)	0.0	0.2	0.1	0.1	0.1	0.1	0.0	0.0	0.5	1.1
<b>Use of Funds:</b>										
Labor	\$ 2,703	\$ 30,595	\$ 10,204	\$ 9,482	\$ 7,189	\$ 11,196	\$ 3,697	\$ 1,476	\$ 70,805	\$ 147,347
Benefits	\$ 1,181	\$ 13,365	\$ 4,457	\$ 4,142	\$ 3,140	\$ 4,891	\$ 1,615	\$ 645	\$ 30,930	\$ 64,366
Indirect Costs	\$ 3,814	\$ 43,164	\$ 14,395	\$ 13,378	\$ 10,142	\$ 15,795	\$ 5,216	\$ 2,082	\$ 99,892	\$ 207,877
Consulting & Professional Services	\$ -	\$ 317,447	\$ 24,000	\$ 25,000	\$ 307,417	\$ 40,000	\$ 30,000	\$ 100,000	\$ 100	\$ 843,964
Meeting & Travel	\$ -	\$ 200	\$ 100	\$ 200	\$ -	\$ 400	\$ -	\$ -	\$ 250	\$ 1,150
Other Administrative Costs	\$ -	\$ -	\$ -	\$ 100	\$ 100	\$ -	\$ -	\$ -	\$ 10,050	\$ 10,250
Other Expense	\$ -	\$ -	\$ -	\$ 144,252	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 144,252
<b>Total Use of Funds</b>	\$ 7,698	\$ 404,772	\$ 53,156	\$ 196,554	\$ 327,988	\$ 72,281	\$ 40,528	\$ 104,202	\$ 212,027	\$ 1,419,206
Net Gain (Loss)	\$ (7,698)	\$ (132,325)	\$ (24,156)	\$ 18,446	\$ 29,060	\$ 16,699	\$ (528)	\$ -	\$ -	\$ (100,502)
Beginning Fund Balance	\$ 11,682	\$ 267,685	\$ 222,755	\$ 197,544	\$ 38,791	\$ 960,596	\$ 86,511	\$ -	\$ -	\$ 1,785,564
Ending Fund Balance	\$ 3,985	\$ 135,360	\$ 198,599	\$ 215,990	\$ 67,851	\$ 977,294	\$ 85,983	\$ -	\$ -	\$ 1,685,061
Indirect Costs Contribution	0.13%	1.46%	0.49%	0.45%	0.34%	0.54%	0.18%	0.07%	3.39%	7.04%

<b>Roundtables Fund Budget FYE 2019</b>	<b>PA19 Imported Water Recharge Fund 372</b>	<b>PA20 Basin Monitoring Program TF Fund 374</b>	<b>SAR Fish Conservation Task Force Fund 381</b>	<b>MSAR TMDL Task Force Fund 384-01</b>	<b>RWQ Monitoring Task Force Fund 386</b>	<b>Arundo Mgmt &amp; Habitat Restoration Fund 387</b>	<b>Emerging Constituents Task Force Fund 392</b>	<b>Forest First Task Force Fund 396</b>	<b>PA12 LESJWA Admin Fund 477</b>	<b>Total</b>
<b>Source of Funds:</b>										
Member Agency Contributions	\$ -	\$ -	\$ 10,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,000	\$ 20,000
Participant Fees	\$ 9,000	\$ 272,447	\$ 19,000	\$ 215,000	\$ 212,796	\$ -	\$ 40,000	\$ 103,308	\$ -	\$ 871,551
Mitigation Credit Sales	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 88,980	\$ -	\$ -	\$ -	\$ 88,980
Operating Transfer	\$ -	\$ -	\$ -	\$ -	\$ 144,252	\$ -	\$ -	\$ -	\$ -	\$ 144,252
Other Income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 206,674	\$ 206,674
<b>Total Source of Funds</b>	\$ 9,000	\$ 272,447	\$ 29,000	\$ 215,000	\$ 357,048	\$ 88,980	\$ 40,000	\$ 103,308	\$ 216,674	\$ 1,331,457
<b>Staffing:</b>										
Hours Allocated	60	419	190	165	130	173	54	20	1,050	2,261
FTE (based on 2080)	0.0	0.2	0.1	0.1	0.1	0.1	0.0	0.0	0.5	1.1
<b>Use of Funds:</b>										
Labor	\$ 3,794	\$ 30,864	\$ 10,520	\$ 10,858	\$ 9,231	\$ 11,472	\$ 3,764	\$ 1,162	\$ 72,439	\$ 154,104
Benefits	\$ 1,658	\$ 13,486	\$ 4,597	\$ 4,744	\$ 4,033	\$ 5,013	\$ 1,645	\$ 508	\$ 31,653	\$ 67,337
Indirect Costs	\$ 5,352	\$ 43,537	\$ 14,839	\$ 15,316	\$ 13,021	\$ 16,182	\$ 5,310	\$ 1,639	\$ 102,181	\$ 217,376
Consulting & Professional Services	\$ -	\$ 192,447	\$ 76,247	\$ 25,000	\$ 307,417	\$ -	\$ 30,000	\$ 100,000	\$ 100	\$ 731,211
Meeting & Travel	\$ -	\$ 200	\$ 100	\$ 200	\$ -	\$ 700	\$ -	\$ -	\$ 250	\$ 1,450
Other Administrative Costs	\$ -	\$ -	\$ -	\$ 100	\$ 100	\$ -	\$ -	\$ -	\$ 10,050	\$ 10,250
Other Expense	\$ -	\$ -	\$ -	\$ 144,252	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 144,252
Program Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 150,000	\$ -	\$ -	\$ -	\$ 150,000
<b>Total Use of Funds</b>	\$ 10,804	\$ 280,534	\$ 106,303	\$ 200,470	\$ 333,802	\$ 183,367	\$ 40,719	\$ 103,308	\$ 216,674	\$ 1,475,981
Net Gain (Loss)	\$ (1,804)	\$ (8,087)	\$ (77,303)	\$ 14,530	\$ 23,246	\$ (94,387)	\$ (719)	\$ -	\$ -	\$ (144,524)
Beginning Fund Balance	\$ 3,985	\$ 135,360	\$ 198,599	\$ 215,990	\$ 67,851	\$ 977,294	\$ 85,983	\$ -	\$ -	\$ 1,685,061
Ending Fund Balance	\$ 2,181	\$ 127,273	\$ 121,297	\$ 230,520	\$ 91,097	\$ 882,907	\$ 85,264	\$ -	\$ -	\$ 1,540,537
Indirect Costs Contribution	0.17%	1.39%	0.48%	0.49%	0.42%	0.52%	0.17%	0.05%	3.27%	6.96%

<b>Roundtables Funds FYE 2013 - 2019</b>	<b>FYE 2013 Actual</b>	<b>FYE 2014 Actual</b>	<b>FYE 2015 Actual</b>	<b>FYE 2016 Actual</b>	<b>FYE 2017 Budget</b>	<b>FYE 2017 Actual</b>	<b>FYE 2018 Budget</b>	<b>FYE 2019 Budget</b>
<b>Source of Funds:</b>								
Grant Proceeds	\$ 22,000	\$ -	\$ -	\$ 37,000	\$ -	\$ -	\$ -	\$ -
Member Agency Contributions	\$ 70,000	\$ 70,000	\$ 70,000	\$ 70,000	\$ 70,000	\$ 70,000	\$ 20,000	\$ 20,000
Participant Fees	\$ 571,321	\$ 660,427	\$ 608,030	\$ 682,411	\$ 946,878	\$ 791,886	\$ 863,445	\$ 871,551
Mitigation Credit Sales	\$ -	\$ 129,021	\$ 11,123	\$ 11,123	\$ 44,490	\$ -	\$ 88,980	\$ 88,980
Operating Transfer	\$ -	\$ -	\$ 4,000	\$ -	\$ -	\$ 289,175	\$ 144,252	\$ 144,252
Use of Reserves	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Income	\$ 169,466	\$ 157,236	\$ 199,421	\$ 251,917	\$ 171,782	\$ 193,263	\$ 202,027	\$ 206,674
Interest & Investments	\$ 6,799	\$ 7,851	\$ 7,761	\$ 13,668	\$ -	\$ 20,267	\$ -	\$ -
<b>Total Source of Funds</b>	<b>\$ 839,586</b>	<b>\$ 1,024,535</b>	<b>\$ 900,335</b>	<b>\$ 1,066,119</b>	<b>\$ 1,233,150</b>	<b>\$ 1,364,591</b>	<b>\$ 1,318,704</b>	<b>\$ 1,331,457</b>
<b>Use of Funds:</b>								
Labor	\$ 130,962	\$ 111,020	\$ 127,710	\$ 129,028	\$ 132,855	\$ 132,548	\$ 147,347	\$ 154,104
Benefits	\$ 57,725	\$ 49,403	\$ 58,619	\$ 54,063	\$ 57,635	\$ 57,527	\$ 64,366	\$ 67,337
Indirect Costs	\$ 208,125	\$ 175,745	\$ 200,376	\$ 205,413	\$ 209,738	\$ 209,294	\$ 207,877	\$ 217,376
Consulting & Professional Services	\$ 427,831	\$ 799,781	\$ 321,390	\$ 292,436	\$ 1,201,400	\$ 924,176	\$ 843,964	\$ 731,211
Meeting & Travel	\$ 2,013	\$ 2,162	\$ 943	\$ 764	\$ 5,850	\$ 720	\$ 1,150	\$ 1,450
Other Administrative Costs	\$ 10,087	\$ 10,556	\$ 14,480	\$ 10,107	\$ 15,450	\$ 11,750	\$ 10,250	\$ 10,250
Other Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 289,175	\$ 144,252	\$ 144,252
Program Expense	\$ -	\$ 59,071	\$ 185,764	\$ 28,854	\$ 150,000	\$ -	\$ -	\$ 150,000
<b>Total Use of Funds</b>	<b>\$ 836,743</b>	<b>\$ 1,207,738</b>	<b>\$ 909,282</b>	<b>\$ 720,665</b>	<b>\$ 1,772,928</b>	<b>\$ 1,625,189</b>	<b>\$ 1,419,206</b>	<b>\$ 1,475,981</b>
Net Gain (Loss)	\$ 2,843	\$ (183,203)	\$ (8,947)	\$ 345,454	\$ (539,778)	\$ (260,598)	\$ (100,502)	\$ (144,524)
Beginning Fund Balance	\$ 1,890,015	\$ 1,892,858	\$ 1,709,655	\$ 1,700,708	\$ 2,046,162	\$ 2,046,162	\$ 1,785,564	\$ 1,685,061
Ending Fund Balance	\$ 1,892,858	\$ 1,709,655	\$ 1,700,708	\$ 2,046,162	\$ 1,506,384	\$ 1,785,564	\$ 1,685,061	\$ 1,540,537

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# Capital Project Funds

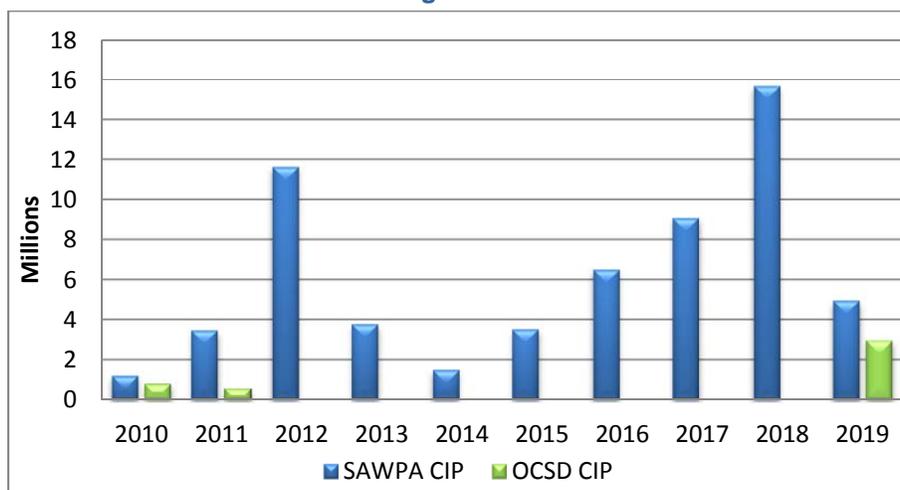
The Capital Project Fund includes projects related to the operation and maintenance of the Inland Empire Brine Line. The Brine Line is a non-reclaimable wastewater pipeline that provides for the export of desalter brine, high-salinity industrial wastewater and domestic wastewater generated within the Watershed. The Brine Line carries the waste to a treatment plant operated by OCSD in Huntington Beach. After treatment, the treated effluent is discharged to the Pacific Ocean.

In March 2006, the SAWPA Commission approved a draft CIP for planning purposes. The CIP includes projects totaling more than \$60 million that are planned for completion by FYE 2030. The main focus of the CIP is to assure the long-term viability and sustainability of the Brine Line system by addressing on-going maintenance, capital improvements, protection/relocation, and strategic relationships. In FYE 2010, a new long-term vision and plan was developed which includes an update to the CIP.

In FYE 2018, the Agency has budgeted approximately \$15.7 million, and \$8.0 million in FYE 2019 for Capital Projects, based on the draft CIP. The draft CIP consists of the following main elements:

1. SAWPA CIP Projects
  - a. Capital Repairs (annual).
  - b. Brine Line Reach V Capital Repairs. (Began construction in FYE 2015) Install structures to access the interior of the pipe to investigate the condition and shape of the original pipe and, based on that investigation, to address each segment either by leaving it in place, lining it with cured-in-place pipe (CIPP), or excavating and replacing the segment. Construction commenced in early 2015 and was expected to be completed by Spring 2016. In August 2016, SAWPA terminated the Contractor's work on the project. After termination, a new contractor was hired to repair the defective work from the previous contractor and to complete the Project. Work is expected to be completed by January 2018.
  - c. Brine Line Reach IV-D Corrosion Repair. A portion of the Brine Line Reach IV-D is T-Lock Lined for 270 degrees around the inside diameter of the pipe leaving the invert or bottom 90 degrees of the pipe unlined. Low flows during the initial years of operation caused corrosion of the unprotected invert, resulting in the loss of concrete and uplifting of the T-Lock liner. Repair will consist of flow by-pass, pipe cleaning, and application of a protective coating to prevent further deterioration of the concrete.
2. OCSD actions related to the raising of Prado Dam and Reach 9 improvements by the U.S. Army Corps of Engineers (ACOE).
  - a. Costs associated with the removal of rip-rap (rock) placed by OCSD since 2005 to protect the now abandoned SARI which was located in the floodplain. This four mile long section of the SARI was relocated by OCPW in 2014.
  - b. Up to a \$10 million short-term, interest free loan based on 10% of the total project cost has been provided to OCPW to pay relocation costs. This loan is per an agreement between SAWPA and the Orange County Flood Control District (OCFCD). This loan will be repaid by OCPW using state subvention funds. If funds are not paid by 2018, interest will accrue.
3. OCSD Capital Improvement Program projects on the Brine Line through FYE 2060 (variable SAWPA cost share). Estimated at \$600,000 per year.

### Expected Capital Improvement Plan Expenditures Through FYE 2019



#### SAWPA Capital Improvements Plan (CIP) Projects

The Brine Line stretches over 93 miles through San Bernardino, Riverside, and Orange Counties of which 73 miles is owned by SAWPA. The Brine Line upstream of Prado Dam was constructed over a 20-year period, in sections. The pipe making up the line is of varying ages with the oldest section of the line being 44 years old, and the newest being sixteen years old. The pipeline is made of varying materials, chosen for both durability and cost.

To reduce long-term costs for maintenance and the chance of a line failure, SAWPA has instituted an on-going CCTV video inspection of the line to assess the condition of the pipeline. Inspection reports note any anomalies such as pipeline cracks, de-lamination of polyvinyl chloride (PVC) liner, sags, root intrusion, and debris or material accumulation. This work also allows staff to better estimate infiltration and inflow, and plan future repair and replacement in the maintenance management program. The CIP is updated in conjunction with the CCTV program.

CIP projects under this category include lining portions of Reach V to increase the strength of the pipeline and application of protective coating to portions of Reach IV-D to prevent deterioration of the concrete pipe. Projects also include repair of any problems found in the CCTV inspection of the line.

#### ACOE Project

Several projects have been completed as a result of the ACOE Prado Dam Mainstem Project. SAWPA was required to move a portion of the Brine Line to avoid a conflict with the relocated low flow channel to the new outlet works. This work has been completed. In FYE 2015, the ACOE and the project sponsor, OCPW, relocated and protected a portion of the upper Reach IV-A Brine Line in the City of Chino (Yorba Slaughter Adobe Dike). Additional work may be required as the ACOE designs the Alcoa Flood Dike in Corona.

#### Protection/Relocation of the Line

OCSD owns, operates, and maintains the line west of the Orange/Riverside County line. SAWPA owns capacity rights in the line and has entered into a cost sharing agreement for the operation and maintenance of that portion of the line. Between the Orange/Riverside County line and SAVI Ranch, the Brine Line used to lie within the floodplain of the SAR before being relocated in 2014. As part of the ACOE project, the design maximum controlled release from the dam will increase from 9,300 cubic feet per second (cfs) to 30,000 cfs. As part of the project, protection of the Brine Line downstream of Prado in Riverside and Orange Counties is being provided. Over the last 15 years, OCSD has performed several protection projects installing grade stabilizers and bank protection constructed using large rock. This program ended with the completion of the SARI mainline relocation project in 2014. The SARI Mainline

Project relocated the existing SARI with a new 54-inch-diameter pipeline on the south side of the river just north of and adjacent to the Riverside (91) Freeway. Construction began in October 2011 and was completed in 2014. Upon completion of the project and as part of an ACOE permit condition, OCSD is required to remove the rock from the SAR floodplain. Rock removal is anticipated to begin in FYE 2017.

### OCSD CIP Projects

OCSD also has a CIP planned through FYE 2060 for their portion of the SARI line. Depending on which reach of the pipeline a project is for, SAWPA, through the cost sharing agreement for the operation and maintenance of the line, is obligated to pay a portion of the costs for this CIP; the amount of obligation varies by pipeline reach.

### Impact of CIP on Operating Budget

For each of the capital projects listed above, the only impacts on the current operating budget are the staff costs involved in completing the project. Once the project is complete, there are no additional impacts to future operating budgets and there may even be a reduction to future operating and maintenance budgets.

### Inland Empire Brine Line Business Plan

The purpose of the plan is to describe the requirement to achieve the SAWPA Commission's stated purpose and objectives for the Brine Line and the Critical Success Factors as described in the SAWPA 2016 Business Line Evaluation. The Business Plan will evaluate the major areas of the Brine Line operations to ensure achievement of the stated purpose and objectives. The plan concludes with a listing of recommended actions.

### CIP Funding

During the budget process, the rate model and CIP were updated to include FYE 2018 and 2019 budget projections. The rate model establishes reserve contributions for FYE 2018 and 2019 in the amount of \$1.5 million. Contributions to reserves and existing reserve balances will be used to fund the CIP.

In 2011, a new dynamic rate model was developed including an updated CIP for the next 25 years. Current funding options used in the rate model include pay-as-you-go, debt financing, or a combination of both. Based on the assumptions used in the model, use of reserves, rate increases, and borrowing provide the necessary funding for the long-term financial stability of the system. Over the last few years, the CIP has been funded using pay-as-you-go financing and SRF loans. CIP projects for FYE 2018 and 2019 will be funded from an SRF Loan and Agency Reserves.

#### Reserve Balances at FYE 2017

<i>Reserve Account</i>	<i>FYE 2017 Balance</i>	
Pipeline Repair/Replacement Reserve	\$	19,650,625
OCSD Rehabilitation Reserve	\$	3,525,815
Capacity Management Reserve	\$	7,853,899
<b>Total Reserves Available for CIP</b>	<b>\$</b>	<b>31,030,339</b>

#### Reserves Available to Fund CIP through FYE 2019

<i>FYE Year</i>	<i>Beginning Reserve Balance</i>	<i>Contributions To Reserves</i>	<i>CIP Funding</i>	<i>Ending Reserve Balance</i>
2018	\$ 31,030,339	\$ 1,500,000	\$ (8,214,532)	\$ 24,315,807
2019	\$ 24,315,807	\$ 1,500,000	\$ (4,986,032)	\$ 20,829,775

A detailed description of each project included in the budget is included on the pages to follow.

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<b>BL Capital Project Fund Budget FYE 2018</b>	<b>Brine Line Protection Project Fund 320</b>		<b>Reach V Repairs Fund 326</b>		<b>Reach IV-D Corrosion Repair Fund 327</b>		<b>Total</b>
<b>Source of Funds:</b>							
SRF Loans	\$	–	\$	7,500,000	\$	–	\$ 7,500,000
Use of Reserves	\$	812,572	\$	6,987,574	\$	414,386	\$ 8,214,532
<b>Total Source of Funds</b>	\$	812,572	\$	14,487,574	\$	414,386	\$ 15,714,532
<b>Staffing:</b>							
Hours Allocated		250		2,171		755	3,176
FTE (based on 2080)		0.1		1.0		0.4	1.5
<b>Use of Funds:</b>							
Labor	\$	19,340	\$	167,709	\$	48,597	\$ 235,645
Benefits	\$	8,448	\$	73,261	\$	21,229	\$ 102,938
Indirect Costs	\$	27,284	\$	236,605	\$	68,561	\$ 332,450
Consulting & Professional Services	\$	230,000	\$	2,505,000	\$	250,000	\$ 2,985,000
Operating Costs	\$	–	\$	–	\$	10,000	\$ 10,000
Meeting & Travel	\$	–	\$	–	\$	6,000	\$ 6,000
Other Administrative Costs	\$	2,500	\$	5,000	\$	10,000	\$ 17,500
Construction	\$	525,000	\$	11,500,000	\$	–	\$ 12,025,000
<b>Total Use of Funds from Operations</b>	\$	812,572	\$	14,487,574	\$	414,386	\$ 15,714,532
Net Gain (Loss)	\$	–	\$	–	\$	–	\$ –
Indirect Costs Contribution		.92%		8.02%		2.32%	11.27%

<b>BL Capital Project Fund Budget FYE 2019</b>	<b>Brine Line Protection Project Fund 320</b>		<b>Reach V Repairs Fund 326</b>		<b>Reach IV-D Corrosion Repair Fund 327</b>		<b>Total</b>
<b>Source of Funds:</b>							
SRF Loans	\$	–	\$	–	\$	3,000,000	\$ 3,000,000
Use of Reserves	\$	3,736,548	\$	269,167	\$	980,317	\$ 4,986,032
<b>Total Source of Funds</b>	\$	3,736,548	\$	269,167	\$	3,980,317	\$ 7,986,032
<b>Staffing:</b>							
Hours Allocated		245		795		1,475	2,515
FTE (based on 2080)		0.1		0.4		0.7	1.2
<b>Use of Funds:</b>							
Labor	\$	20,385	\$	58,530	\$	108,275	\$ 187,191
Benefits	\$	8,907	\$	25,575	\$	47,311	\$ 81,794
Indirect Costs	\$	28,755	\$	82,562	\$	152,731	\$ 264,047
Consulting & Professional Services	\$	127,500	\$	100,000	\$	650,000	\$ 877,500
Operating Costs	\$	–	\$	–	\$	10,000	\$ 10,000
Meeting & Travel	\$	–	\$	–	\$	2,000	\$ 2,000
Other Administrative Costs	\$	1,000	\$	2,500	\$	10,000	\$ 13,500
Construction	\$	3,550,000	\$	–	\$	3,000,000	\$ 6,550,000
<b>Total Use of Funds from Operations</b>	\$	3,736,548	\$	269,167	\$	3,980,317	\$ 7,986,032
Net Gain (Loss)	\$	–	\$	–	\$	–	\$ –
Indirect Costs Contribution		.92%		2.64%		4.89%	8.46%

<b>BL Capital Project Funds FYE 2013 – 2019</b>	<b>FYE 2013 Actual</b>	<b>FYE 2014 Actual</b>	<b>FYE 2015 Actual</b>	<b>FYE 2016 Actual</b>	<b>FYE 2017 Budget</b>	<b>FYE 2017 Actual</b>	<b>FYE 2018 Budget</b>	<b>FYE 2019 Budget</b>
<b>Source of Funds:</b>								
SRF Loans	\$ -	\$ -	\$ -	\$ 4,009,075	\$ -	\$ 3,560,362	\$ 7,500,000	\$ 3,000,000
Grant Proceeds	\$ 1,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Use of Reserves	\$ 2,568,777	\$ 1,526,922	\$ 3,519,159	\$ 2,468,665	\$ 5,533,536	\$ 5,552,155	\$ 8,214,532	\$ 4,986,032
Other Income	\$ 243,451	\$ -	\$ 31,137	\$ 59,998	\$ -	\$ -	\$ -	\$ -
<b>Total Source of Funds</b>	<b>\$ 3,812,228</b>	<b>\$ 1,526,922</b>	<b>\$ 3,550,296</b>	<b>\$ 6,537,738</b>	<b>\$ 5,533,536</b>	<b>\$ 9,112,517</b>	<b>\$ 15,714,532</b>	<b>\$ 7,986,032</b>
<b>Use of Funds:</b>								
Labor	\$ 72,316	\$ 85,833	\$ 106,112	\$ 162,596	\$ 131,464	\$ 218,285	\$ 235,645	\$ 187,191
Benefits	\$ 31,892	\$ 38,195	\$ 48,470	\$ 68,129	\$ 57,031	\$ 94,736	\$ 102,938	\$ 81,794
Indirect Costs	\$ 114,984	\$ 135,872	\$ 165,686	\$ 258,854	\$ 207,541	\$ 344,673	\$ 332,450	\$ 264,047
Consulting & Professional Services	\$ 349,922	\$ 434,854	\$ 713,924	\$ 1,346,833	\$ 487,500	\$ 2,022,552	\$ 2,985,000	\$ 877,500
Operating Costs	\$ -	\$ 1,586	\$ 8,000	\$ -	\$ 25,000	\$ -	\$ 10,000	\$ 10,000
Meeting & Travel	\$ -	\$ -	\$ 815	\$ 4,748	\$ 5,000	\$ 3,466	\$ 6,000	\$ 2,000
Other Administrative Costs	\$ (697)	\$ 1,470	\$ 679	\$ 654	\$ 20,000	\$ 75,002	\$ 17,500	\$ 13,500
Construction	\$ 3,243,812	\$ 829,112	\$ 2,506,610	\$ 4,695,924	\$ 4,600,000	\$ 6,353,804	\$ 12,025,000	\$ 6,550,000
<b>Total Use of Funds from Operations</b>	<b>\$ 3,812,228</b>	<b>\$ 1,526,922</b>	<b>\$ 3,550,296</b>	<b>\$ 6,537,738</b>	<b>\$ 5,533,536</b>	<b>\$ 9,112,517</b>	<b>\$ 15,714,532</b>	<b>\$ 7,986,032</b>
Net Gain (Loss)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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## Request for Capital Funding

	Project #	320-01 OC 320-04 RC
<b>PROJECT OR EQUIPMENT INFORMATION</b>		
NAME:	Priority:	High
<b>Brine Line Protection/Relocation, Downstream (D/S) of Prado in Orange and Riverside Counties</b>	External Fund Potential:	Yes
DESCRIPTION:	Current Stage:	Varies
Brine Line Protection/Relocation activities D/S of Prado Dam in Orange and Riverside Counties. Orange County work completed May 2014. Riverside County work to be completed in FY 2016 by Riverside County Flood Control & Water Conservation District (RCFC&WCD).	Expansion %:	0%
	Replacement %:	100%
	Req'd Ext Funding %:	0%
	Expended to Date:	\$10.8M
LOCATION:	Future Costs:	<b>\$3M</b>
Existing Brine Line between Orange County line (Green River Golf Course) and SAVI Ranch (Orange County) and Prado Dam and Orange County line (Riverside County)	Total Project Cost:	<b>\$13.8M</b>

### DESCRIBE PROBLEMS, EXPENSES, ETC. AS JUSTIFICATION FOR REPLACEMENT:

Orange County Public Works (OCPW) and RCFC&WCD have committed to protect the Brine Line downstream of Prado Dam as part of the ACOE's Mainstem Project. Each agency will perform the work necessary to protect the pipeline. OCPW has completed the relocation of the Brine Line in Orange County. OCSD is preparing plans to remove rock material that was temporarily placed to protect the Brine Line prior to the relocation. Rock removal to be completed in FYE 2019. SAWPA loaned 10% of the project costs to OCPW. RCFC&WCD completed the Brine Line protection in 2016.

All OCSD costs represent 76% of the total.

### ANNUAL IMPACTS ON OPERATIONS/MAINTENANCE:

No additional impact to future operating budgets may see cost reduction to operations and maintenance costs.

Cost Estimate:	2014-15	2015-16	2016-17	2017-18	2018-19	TOTAL
CONSULTING	\$ 56,250	\$ 27,312	\$ 46,571	\$ -	\$ -	\$ 130,133
ENGINEERING, OCSD	\$ -	\$ 58,483	\$ -	\$ -	\$ -	\$ 58,483
CONSTRUCTION	\$ -	\$ -	\$ -	\$ -	\$ 3,000,000	\$ 3,000,000
OTHER EXPENSE	\$ 31	\$ -	\$ -	\$ -	\$ -	\$ 31
TOTALS	\$ 56,281	\$ 85,795	\$ 46,571	\$ -	\$ 3,000,000	\$ 3,188,647

Escalation Rate: 3%

## Request for Capital Funding

Project # 320-03

PROJECT OR EQUIPMENT INFORMATION		
NAME:		Priority: High
<b>Capital Repair, Other Required Activities</b>		External Fund Potential: No
DESCRIPTION:		Current Stage: Planning
Miscellaneous capital repairs that may require rapid response to prevent further deterioration, CCTV pipeline inspection performed to date reveals a number of capital repairs are required. As the system ages, additional repairs are anticipated to be needed annually.		Expansion %: 0%
LOCATION:		Replacement %: 100%
System wide		Req'd Ext Funding %: 0%
		Expended to Date: \$2.2M
		Future Costs: <b>\$5.0M</b>
		Total Project Cost: <b>\$7.2M</b>

DESCRIBE PROBLEMS, EXPENSES, ETC. AS JUSTIFICATION FOR REPLACEMENT:
Repairs are necessary from time to time which are not known at the time annual budgets are prepared. These repairs cannot wait until a subsequent year. Such repairs include, but are not limited to:
1. MAS repair and adjustments.
2. Relocations where SAWPA does not have "prior rights".
3. Sinkhole repairs.
4. Repairs that result from CCTV pipeline inspections.

ANNUAL IMPACTS ON OPERATIONS/MAINTENANCE:
Failure of line or work done by others at higher cost. No additional impact to future operating budgets.

Cost Estimate:	2014-15	2015-16	2016-17	2017-18	2018-19	TOTAL
SAWPA LABOR	\$ 9,508	\$ 266	\$ 161	\$ 19,340	\$ 20,385	\$ 49,660
BENEFITS	\$ 4,364	\$ 112	\$ 70	\$ 8,448	\$ 8,907	\$ 21,901
INDIRECT COSTS	\$ 14,918	\$ 424	\$ 255	\$ 27,284	\$ 28,755	\$ 71,636
ENGINEERING	\$ 24,717	\$ -	\$ -	\$ 230,000	\$ 127,500	\$ 382,217
CONSTRUCTION	\$ -	\$ -	\$ -	\$ 525,000	\$ 550,000	\$ 1,075,000
OTHER EXPENSE	\$ 91	\$ -	\$ -	\$ 2,500	\$ 1,000	\$ 3,591
TOTALS	\$ 53,598	\$ 802	\$ 486	\$ 812,572	\$ 736,547	\$ 1,604,005

Escalation Rate: 3%

## Request for Capital Funding

Project # 326

PROJECT OR EQUIPMENT INFORMATION		
NAME:		Priority: High
<b>Reach V Capital Repairs</b>		External Fund Potential: Yes
DESCRIPTION:		Current Stage: Design
Repairs necessary due to catastrophic failure of Reach V pipeline on October 18, 2011. Repairs will reduce the likelihood of future pipeline failure.		Expansion %: 0%
		Replacement %: 100%
		Req'd Ext Funding %: 0%
LOCATION:		Expended to Date: \$19.6 M
Reach V (Contracts 2, 3, and 4).		Future Costs: \$12.9M
		Total Project Cost: \$32.6M

**DESCRIBE PROBLEMS, EXPENSES, ETC. AS JUSTIFICATION FOR REPLACEMENT:**

On October 18, 2011, a catastrophic failure and brine spill occurred on Reach V (Contracts 2 and 3). Investigation revealed that, in some portions of Reach V, the original PVC pipe had experience deflection, and that the resulting increase in ovality had contributed to the failure, resulting in the spill. Further investigation found that other instances of deflection appeared to exist in other segments of Reach V that were installed at the same time. The project was developed to investigate the condition and shape of the original pipe in the area in question and, based on that investigation, to address each segment either by leaving it in place, lining it with cured-in-place pipe (CIPP), or excavating and replacing the segment. Bid documents were prepared in 2014 and a construction contract was awarded in November 2014. Construction commenced in early 2015 and was expected to be completed by Spring 2016. In August 2016, SAWPA terminated the Contractor's work on the project. After termination, a new contractor was hired to repair the defective work from the previous contractor and to complete the Project. Work is expected to be completed by January 2018.

**ANNUAL IMPACTS ON OPERATIONS/MAINTENANCE:**

Potential impacts would result from pipeline failure in close proximity to a surface water and environmentally sensitive area. Impact would include shutdown of system, disruption of businesses, residents, and commuters, expensive emergency repairs, and the need to do the total project without satisfactory planning. Fines would be likely.

Cost Estimate:	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	TOTAL
SAWPA LABOR	\$ 21,451	\$ 55,298	\$ 96,604	\$ 162,331	\$ 218,124	\$ 167,709	\$ 58,530	\$ <b>780,047</b>
BENEFITS	\$ 9,460	\$ 24,608	\$ 44,106	\$ 68,017	\$ 94,666	\$ 73,261	\$ 25,575	\$ <b>339,693</b>
INDIRECT COSTS	\$ 34,107	\$ 87,537	\$ 150,768	\$ 258,430	\$ 334,418	\$ 236,605	\$ 82,562	\$ <b>1,184,427</b>
ENGINEERING	\$ 144,932	\$ 297,834	\$ 635,899	\$ 1,077,201	\$ 1,132,601	\$ 1,005,000	\$ -	\$ <b>4,293,467</b>
CONSTRUCTION	\$ -	\$ -	\$ 2,506,610	\$ 4,695,924	\$ 6,353,804	\$ 9,525,103	\$ -	\$ <b>23,081,441</b>
LEGAL	\$ -	\$ -	\$ -	\$ 183,836	\$ 832,916	\$ 1,363,248	\$ 100,000	\$ <b>2,480,000</b>
OTHER EXPENSE	\$ 1,824	\$ 822	\$ 9,397	\$ 5,402	\$ 78,468	\$ 5,000	\$ 2,500	\$ <b>103,413</b>
TOTALS	\$ 211,774	\$ 466,099	\$ 3,443,384	\$ 6,451,141	\$ 9,044,997	\$ 12,375,926	\$ 269,167	\$ <b>32,262,488</b>

## Request for Capital Funding

Project # 327

PROJECT OR EQUIPMENT INFORMATION		
NAME:	Priority:	High
<b>Reach IV-D Corrosion Repairs</b>	External Fund Potential:	Yes
DESCRIPTION:	Current Stage:	Design
Routine inspection of Reach IV-D found extensive corrosion within the pipe invert as the T-Lock corrosion protection liner only covered 270°.	Expansion %:	0%
	Replacement %:	100%
	Req'd Ext Funding %:	0%
LOCATION:	Expended to Date:	\$0
Reach IV-D. Exact limits unknown at this time.	Future Costs:	\$5.0M
	Total Project Cost:	\$8.4M

### DESCRIBE PROBLEMS, EXPENSES, ETC. AS JUSTIFICATION FOR REPLACEMENT:

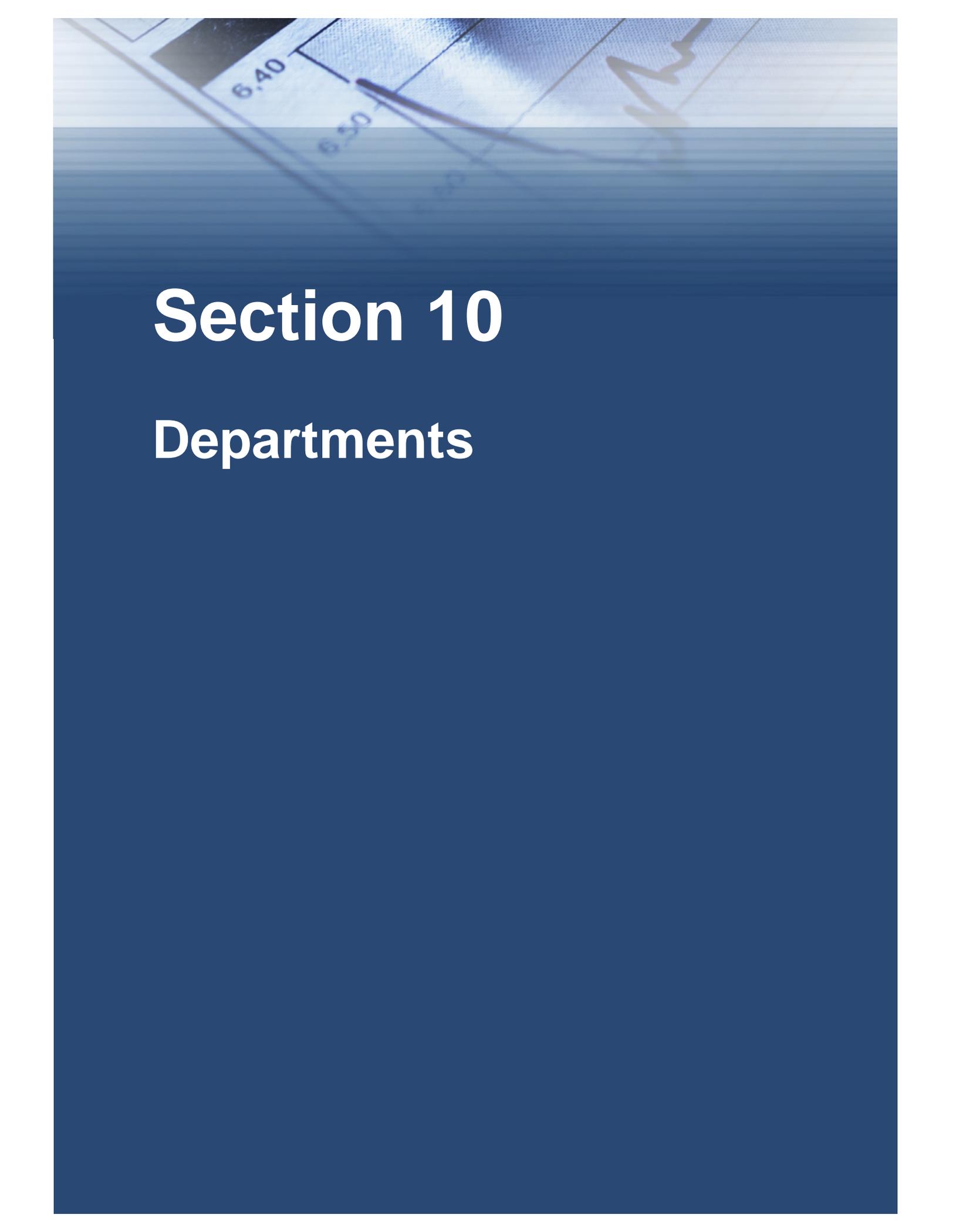
Corrosion of pipe invert. Depth is to be determined but appears to be deep enough to expose reinforcing steel at some locations. T-Lock liner is turned upward threatening its effectiveness.

### ANNUAL IMPACTS ON OPERATIONS/MAINTENANCE:

Investigation and protection is required soon to preserve the pipe structure.

Cost Estimate:	2014-15	2015-16	2016-17	2017-18	2018-19	TOTAL
SAWPA LABOR	\$ -	\$ -	\$ -	\$ 48,597	\$ 108,275	\$ 156,872
BENEFITS	\$ -	\$ -	\$ -	\$ 21,229	\$ 47,311	\$ 68,540
INDIRECT COSTS	\$ -	\$ -	\$ -	\$ 68,561	\$ 152,731	\$ 221,292
CONSULTING	\$ -	\$ -	\$ -	\$ 100,000	\$ 100,000	\$ 200,000
ENGINEERING	\$ -	\$ -	\$ -	\$ 150,000	\$ 150,000	\$ 300,000
PROJECT MANAGEMENT	\$ -	\$ -	\$ -	\$ -	\$ 400,000	\$ 400,000
PERMIT FEES	\$ -	\$ -	\$ -	\$ 10,000	\$ 10,000	\$ 20,000
CONSTRUCTION	\$ -	\$ -	\$ -	\$ -	\$ 3,000,000	\$ 3,000,000
OTHER EXPENSE	\$ -	\$ -	\$ -	\$ 16,000	\$ 12,000	\$ 28,000
TOTALS	\$ -	\$ -	\$ -	\$ 414,387	\$ 3,980,317	\$ 4,394,704

Escalation Rate: 3%

The background of the slide features a close-up, slightly blurred image of a document with a grid. A pen is pointing to a specific value on the grid. The visible numbers on the grid are 6.40 and 6.50. There is also some faint, illegible handwriting on the right side of the grid.

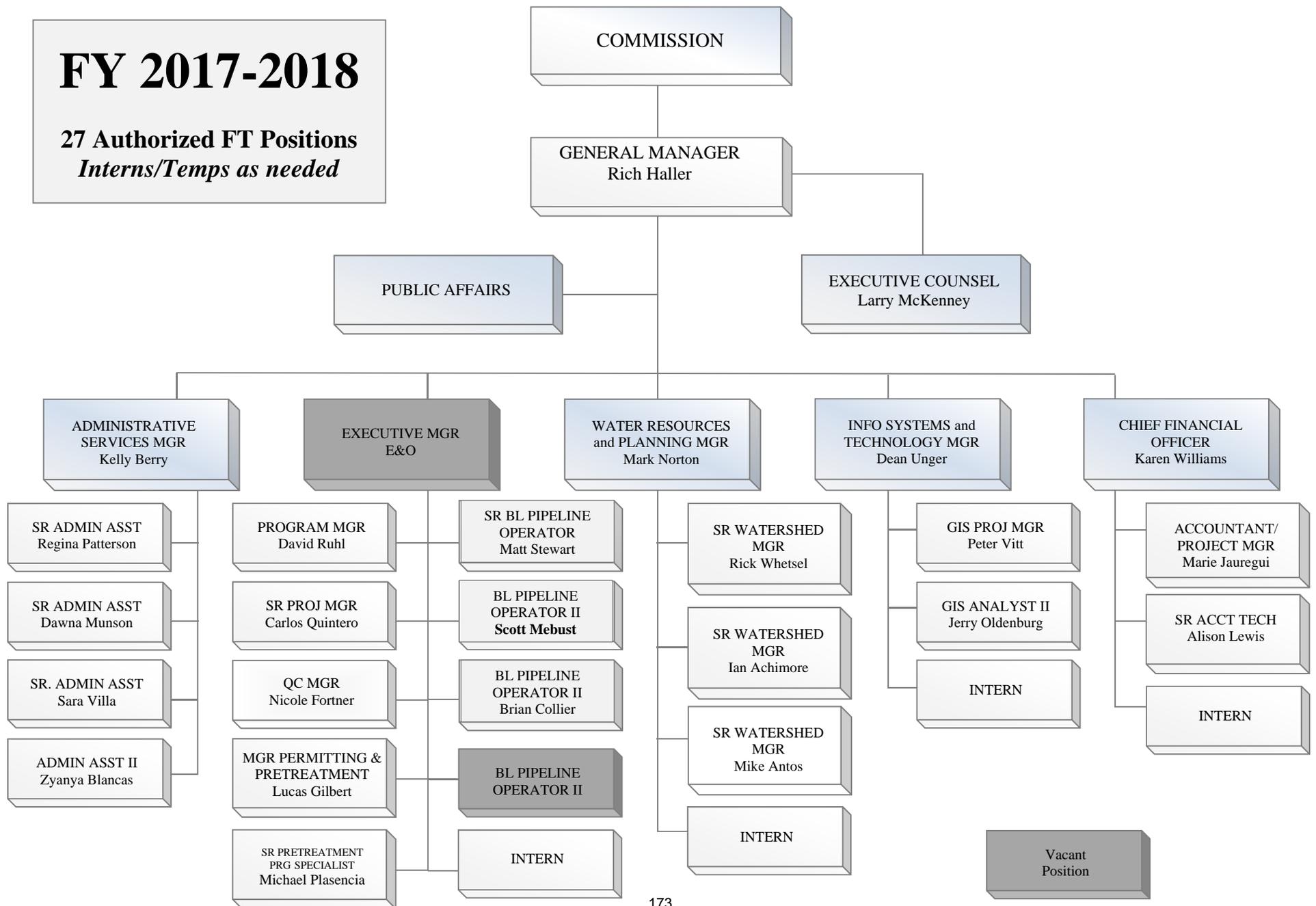
# Section 10

## Departments



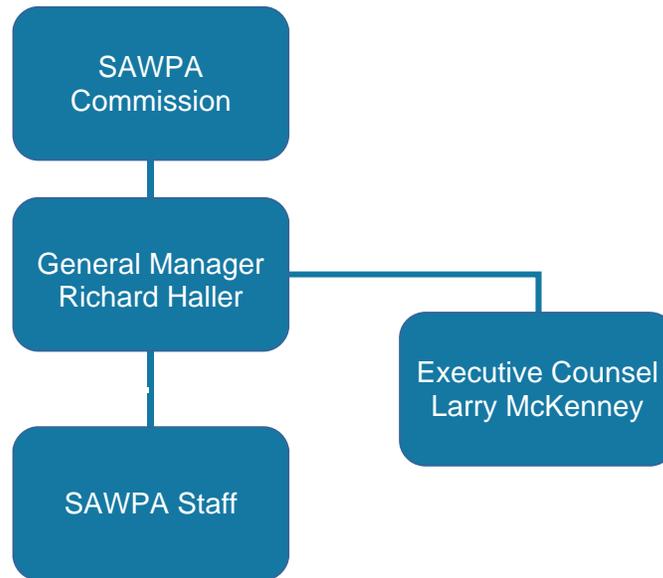
# SAWPA ORGANIZATION CHART

**FY 2017-2018**  
**27 Authorized FT Positions**  
*Interns/Temps as needed*



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# Executive Management



## Summary Information

### Existing Staff – 2 FTE

- 1 – General Manager
- 1 – Executive Counsel

### Mission

Lead Agency efforts and activities to implement the policies of the Commission.

### Objectives for FYE 2018 and 2019

- Achieve optimal use of local water supplies and reduce reliance on imported water.
- Improve water quality.
- Improve salt balance and ensure continued cost-effective and reliable operation of the Brine Line.
- Identify opportunities for long term water use efficiency gains.
- Balance water supply needs with natural habitat and recreational beneficial use protection.
- Build public understanding and support for Watershed resilience.
- Build on and improve relationship with OCSD and engage more directly with wastewater resource recovery agencies and organizations.
- Facilitate incorporation of water resources management in land use planning.
- Be a resource for compliance with AB32 (greenhouse gas regulations) and reducing its impact on member agencies.
- Seek sustainable funding for the Watershed to support accomplishing Watershed goals.

## Salary and Benefit Costs

<i>Account Information</i>	<i>FYE 2017 Budget</i>	<i>FYE 2018 Budget</i>	<i>% Inc/ (Decr)</i>	<i>FYE 2019 Budget</i>	<i>% Inc/ (Decr)</i>
<i>Salaries and Benefits</i>	\$506,854	\$498,327	(1.68%)	\$535,912	7.54%

### Core Activities

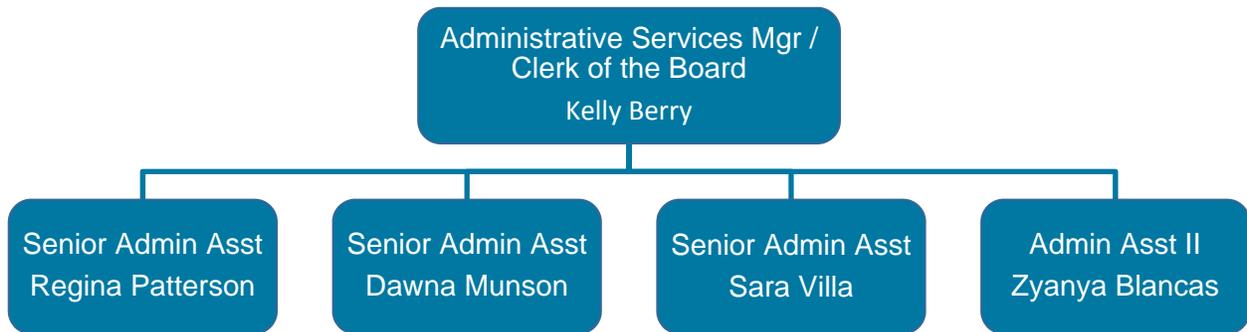
The General Manager's office is charged with directing the overall direction and activities of the SAWPA staff. The primary responsibilities relate to the Agency's overall direction and functions, as well as working with various external groups and agencies. The core activities of the office include:

- Implementing and communicating policies set by the Commission.
- Supporting Commission meetings and requests.
- Building collaboration and cooperation among watershed stakeholders.
- Leading internal organizational efforts, administering personnel, and resolving employee issues.
- Communication with member agencies and outside organizations.
- Implementing efforts required to achieve the objectives of the strategic plan.
- Complying with contract and grant requirements.
- Coordinating legislative and information activities.
- Representing the Agency in legal business and public policy issues.

### Staff Additions Needed for FYE 2018 and 2019

No additions are needed for FYE 2018 and 2019.

# Administrative Services



## Summary Information

### Existing Staff – 5 FTE

- 1 – Administrative Services Manager/Clerk of the Board
- 1 – Senior Administrative Assistant: Engineering & Operations | Pretreatment Program
- 1 – Senior Administrative Assistant: Contracts Admin | LESJWA | Legal | Water Resources & Planning
- 1 – Senior Administrative Assistant: Water Resources & Planning | Pretreatment Program | Legal
- 1 – Administrative Assistant II: Water Resources & Planning | IS Technology | Reception | Procurement

### Mission

The Administrative Services Department (ASD) exists to support the business related functions of SAWPA in relation to its member agencies, governmental and watershed-wide partnerships, LESJWA, and other stakeholder efforts. ASD handles and/or supports SAWPA's functional responsibilities; specifically, Board Administration, Executive Management, Engineering & Operations, Pretreatment, Water Resources & Planning, Human Resources, Legal, IS/Technology, Facilities Management, Procurement, Records Management, Lobbying and Legislative Efforts, Marketing, and Public Relations.

### Accomplishments for FYE 2016 and 2017

- Public Meeting Administration – meeting coordination, agenda, agenda packet, memos, minutes, resolutions; website postings and updates; scanning, and importing.
  - SAWPA Commission
  - Project Agreement (PA) 22 Committee
  - Project Agreement (PA) 23 Committee
  - OWOW Steering Committee
  - LESJWA Board (6 annual)
- Water Resources & Planning
  - Task Force/Roundtable Administration – coordinated meetings; prepared and distributed meeting agenda and materials; prepared relevant quarterly reports and invoices; assisted with wet/dry season reports and DWR/Regional Board submissions when applicable.
  - Assisted in updating Canyon Lake Alum Application Project; assisted with Annual Summit preparations (LESJWA).
  - Santa Ana River – provided support with graphics, formatting and distribution of water quality reports; coordinated and participated in annual river walks.
  - Organized numerous meetings, workshops, and luncheons.

- ◆ Provided support on OWOW Proposition 84 Round 2 – Pillar Integration Meetings, Conservation Coordinators Meetings, Project Review Committee Meetings; coordinated meetings; prepared and distributed meeting agenda and materials.
- Records Management
  - ◆ Maintained onsite/offsite archival records; initiated steps to transition offsite storage.
  - ◆ Received and coordinated responses to public records requests.
  - ◆ Maintained real property files – organization and tracking of all SAWPA real estate interests and easements.
- Engineering & Operations
  - ◆ Supported Brine Line capital improvement projects.
  - ◆ Supported ongoing Brine Line maintenance and repair.
  - ◆ Data management; electronic filing/indexing (OnBase; iPACS; SharePoint; Liberty).
  - ◆ Tracked and reported construction project progress – US Census Bureau.
  - ◆ Organized numerous meetings, workshops, and luncheons.
- Pretreatment
  - ◆ Pursuant to requirements of the MOU with OCSD, compiled data and composed monthly, quarterly, semi-annual, and annual reports (17) in implementing and enforcing the Industrial Pretreatment Program.
  - ◆ Sanitary Sewer Overflow (SSO) – maintained documentation for spill/no spill monthly CIWQS reporting (15).
  - ◆ Liquid Waste Haulers – tracked and maintained data relating to insurance, vehicles, drivers, and generator lists.
  - ◆ Prepared and maintained Wastewater Discharge Permits, including amendments and extensions, assisted with permit enforcement.
  - ◆ Pretreatment Program Workshop Meetings and Enforcement Hearings – coordinated, compiled and organized data, attended, meeting minutes, follow up.
  - ◆ Continuing preparation for anticipated EPA Pretreatment Audit.
  - ◆ Data management; electronic filing/indexing (OnBase; iPACS; SharePoint).
- Human Resources
  - ◆ Successfully recruitment and onboarding of Senior Brine Line Operator and Brine Line Operator II positions.
  - ◆ Initiated update of policies and procedures in adherence to applicable legislation.
- IS/Technology
  - ◆ In concert with IT staff and webmaster vendor, populated, updated and maintained the SAWPA website, including initial activities involved with website software and content upgrades, formatting new layout of webpages, creation of icons; received and provided WordPress training; continued coordination with webmaster vendor.
- Facilities Management/Safety/Vehicle Maintenance
  - ◆ Safety Committee coordination and support; maintained and revised office and vehicle safety documentation; maintained Injury and Illness Prevention Program (IIPP) pursuant to OSHA requirements; maintained inventory of SAWPA wear and safety equipment.
  - ◆ Coordinated miscellaneous annual/recurring facilities maintenance, including office equipment.
  - ◆ Vendor coordination and follow-up relating to upgraded facilities and security plan.
  - ◆ Maintained Department of Motor Vehicles (DMV) registration of all agency vehicles.
  - ◆ Coordinated seasonal refresh for the SAWPA Demonstration Garden and all other SAWPA landscaping, including maintenance and continued initiation of landscape redesign; numerous diseased trees.
  - ◆ Facilities maintenance and janitorial vendor interface.
- Procurement/Contracts – in support of SAWPA Programs and Projects
  - ◆ Coordinated with various contractors and suppliers to obtain numerous quotes and subsequent purchases in support of field operations.
  - ◆ Prepared General Service Agreements, Task Orders, Works Orders, Change Orders; Purchase Orders; obtained and tracked applicable insurance documentation.

- ◆ Prepared Requests for Proposals and Requests for Qualifications (RFQs); received and processed responses.
- ◆ Coordinated public hearings; published notices.
- ◆ Procure necessary office furniture and equipment; ensure vendor accuracy.
- ◆ Office supplies; safety equipment and materials; hardware and tools; business cards and letterhead; parking and garden signs; awards and plaques.
- ◆ Monthly coordination with finance staff providing accounts payable support; vendor follow up regarding invoice/quote discrepancies.
- Lobbying and Legislative Efforts
  - ◆ Scheduled weekly and bi-weekly legislative conference calls; coordinated with lobbying firm; agenda preparation.
- Marketing, Public Relations, Outreach
  - ◆ OWOW 2017 Conference – worked directly with vendors and consultants in the planning, organization and staging of the event.
  - ◆ Inland Empire Brine Line – in concert with Engineering & Operations
    - ◆ Updated Brine Line outreach materials.
  - ◆ Earth Night (WMWD) – planned and coordinated SAWPA’s participation and booth activities for the event.
  - ◆ SAWPA Website – continually revised content to reflect current events and activities; worked with department heads in revising departmental information and activities.
  - ◆ OWOW Project – created numerous outreach e-brochures on various programs and topics; assisted with planning and organization of water use workshops and preparation of educational materials.
  - ◆ Rountable/Task Forces – created/recreated outreach materials.
  - ◆ Coordinated/hosted numerous events and tours.
  - ◆ Researched, ordered, and maintained inventory of marketing products.
  - ◆ Engagement marketing of SAWPA programs and projects via Constant Contact.

## Salary and Benefit Costs

<i>Account Information</i>	<i>FYE 2017 Budget</i>	<i>FYE 2018 Budget</i>	<i>% Inc/ (Decr)</i>	<i>FYE 2019 Budget</i>	<i>% Inc/ (Decr)</i>
<i>Salaries and Benefits</i>	\$397,862	\$435,283	9.41%	\$468,124	7.5%

## Core Activities

The ASD exists to support the business related functions of SAWPA in relation to its member agencies, governmental and watershed-wide partnerships, and other stakeholder efforts. The core activities of this department include:

- Provide administrative/project management support to the:
  - ◆ SAWPA Commission;
  - ◆ JPA;
  - ◆ Agency-wide departmental support;
  - ◆ Pretreatment Program;
  - ◆ Legislative support;
  - ◆ OWOW/IRWMP;
  - ◆ Proposition 1 administrative support;
  - ◆ Proposition 84 administrative support;
  - ◆ Collaborative stakeholder and roundtable efforts;
    - OWOW Pillars and Steering Committee;
    - PA 22 Committee – Drought Response Grant Program;
    - PA 23 Committee – SARCCUP

- RWQ Monitoring Task Force;
- Emerging Constituents Task Force;
- Basin Monitoring Program Task Force;
- Imported Water Recharge Technical Committee;
- MSAR TMDL Task Force;
- LESJWA Board
- Lake Elsinore and Canyon Lake TMDL Task Force
- Lake Elsinore and Canyon Lake Technical Advisory Committee;
- SAR Fish Conservation Task Force;
- Forest First Program; and
- Sana Ana River Parkway Trail.
- Contract Administration efforts.
- Fair Political Practices Commission (FPPC) filings.
- Records Management, which includes recording, electronic/hard copy filing, indexing and maintaining of OnBase Records Management System, onsite/offsite archival records, and processing public information requests.
- Human Resources.
- IT Support – various graphics support; website support and coordination; Mitel phone system and conferencing.
- Facilities maintenance (landscaping, building maintenance, etc.).
- Maintain SAWPA's Sustainable Landscaping Garden.
- Provide coordination/support for Public Information, Outreach and Marketing efforts/events.
- Procurement.
- Monitor and coordinate safety training.
- Maintain office inventory.

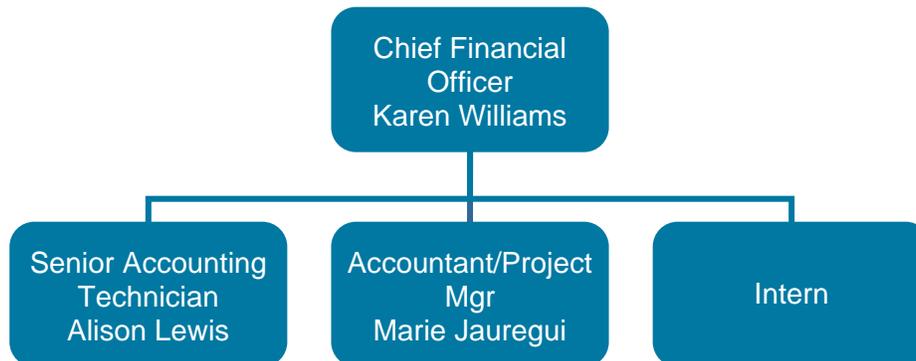
#### **Group Goals and Objectives for FYE 2018 and 2019**

- Provide continued quality and professional administrative and project management support to the SAWPA Commission, JPA, Agency departments, and stakeholder outreach efforts.
- Continue cross-training of administrative staff to maintain flexibility in coverage and departmental support.
- Migration efforts involving OnBase Data Management System.
- Refine contract administration procedures and efficiencies.
- Transition offsite records storage.
- Review and update Retention and Destruction of Agency Records Policy and accompanying procedures, as applicable.
- Continue agency-wide transparency commitment; review and update open governance policies; work with Finance Department in obtaining Special District Leadership Foundation (SDLF) transparency certification.
- Review and updating of policies and procedures in adherence to applicable legislation.
- Review and update policies and procedures relating to Conflict of Interest law and FPPC filings, as applicable.

#### **Staff Additions Needed for FYE 2018 and 2019**

No additions are needed for FYE 2018 and 2019.

# Finance



## Summary Information

### Existing Staff – 3 FTE

- 1 – Chief Financial Officer
- 1 – Accountant/Project Manager
- 1 – Senior Accounting Technician
- 1 – Intern

### Mission

Perform the Agency's accounting and treasury functions, manage the Agency's debt and assets, and provide financial planning and accountability.

### Accomplishments for FYE 2016 and 2017

- Updated Brine Line Rate model.
- Submitted FYE 2015 and FYE 2016 Comprehensive Annual Financial Report to the GFOA and received the Certificate of Achievement for Excellence in Financial Reporting.
- Completed financial Audit and Project Specific audit for FYE 2015 and 2016.
- Completion and approval of FYE 2018 and 2019 Budget.
- Completed conversion to electronic approval of Accounts Payable check run process.
- Completed cash flow analysis for Interfund Loan balance and Proposition 84 projects implementation.
- Completed cash flow analysis for Reach V Capital Repair Project.
- 

### Objectives for FYE 2018 and 2019

- Build and strengthen internal accounting controls in the Agency's processes and procedures.
- Assist with the Brine Line business plan and rate model update.
- Assist in the development of a long-term financial plan for SAWPA.
- Continue to update and refine the 5-Year Financial Model.
- Provide meaningful monthly financial reports for all levels of management including the Board of Commissioners.
- Streamline processes and procedures for increased efficiency and document all procedures.
- Increase investment earnings potential.

## Salary and Benefit Costs

<i>Account Information</i>	<i>FYE 2017 Budget</i>	<i>FYE 2018 Budget</i>	<i>% Inc/ (Decr)</i>	<i>FYE 2019 Budget</i>	<i>% Inc/ (Decr)</i>
<i>Salaries and Benefits</i>	\$372,530	\$383,600	2.9%	\$411,452	7.3%

## Core Activities

The Finance Department is primarily responsible for all of the Agency's accounting and treasury functions as well as working with various internal and external groups and agencies. The core activities of the group are:

- Process the Agency's accounts payables and accounts receivables functions including the preparation of all vendor 1099s at year-end.
- Maintain and update the general ledger.
- Administer and process the Agency's payroll function, including the process and payment of related payroll tax payments, employee retirement and benefits payments, and any other employee-related costs administered through the payroll function. This also includes the preparation of the Agency's quarterly and year-end tax reporting and W-2s for all employees.
- Benefit Administration.
- Prepare quarterly reporting of the General Manager's and all employee's travel and expenses.
- Prepare monthly/quarterly reporting of consulting expenses.
- Monitor, track, execute, and complete all grant billings for Propositions 84; State; Federal; and other grant funding.
- Prepare all billings for member and other agency contributions.
- Prepare all Brine Line Enterprise billings and provide analysis on the operations to all levels of management.
- Provide budget versus actual variance reporting to all levels of management on a monthly basis for all project costs including labor.
- Report on a monthly basis Inter-Fund Loan transactions and balances, and annually summarize transactions for the year.
- Report on all open consulting contracts including contract amount, amount paid to date, and amount remaining for distribution to all levels of management including the Board of Commissioners.
- Monitoring and managing the Agency's cash and investments on a daily basis to meet Agency needs, including periodic review and update of the Agency's Investment Policy.
- Monitor, track, and manage all of the Agency's investments including T-Strips, LAIF, and securities to maximize earnings, at a reasonable risk, consistent with the Investment Policy.
- Monitor, track, and manage the Agency's debt service payments.
- Monitor, track, and manage the Agency's notes receivable for capacity purchases.
- Monitor, track, and maintain the Agency's reserve funds, and update the Agency's reserve policy as necessary.
- Monitor, track, and execute all work orders, purchase orders, and task orders.
- Prepare Agency's fiscal year budget for review and approval by member agencies.
- Complete quarterly FPPC reporting.
- Prepare all year-end schedules for the external independent auditor prior to the beginning of the audit work.
- Work with external independent auditors to complete the Agency's annual audit, single audit (as necessary), and also work with outside agency auditors to fulfill any necessary audit requirements.
- Provide project accounting analysis for all of the Agency's capital projects, and work with all project managers to ensure that all project costs are properly accounted for and are within the project budget.
- Manage the Agency's fixed assets and verify proper accounting of depreciation and amortization.
- Provide accounting and administrative services for LESJWA.
- Maintain electronic filing system of accounting records in OnBase.
- Coordinate with member agencies' Chief Financial Officers.

- Insurance and Risk Management.

### **Group Goals for FYE 2018 and 2019**

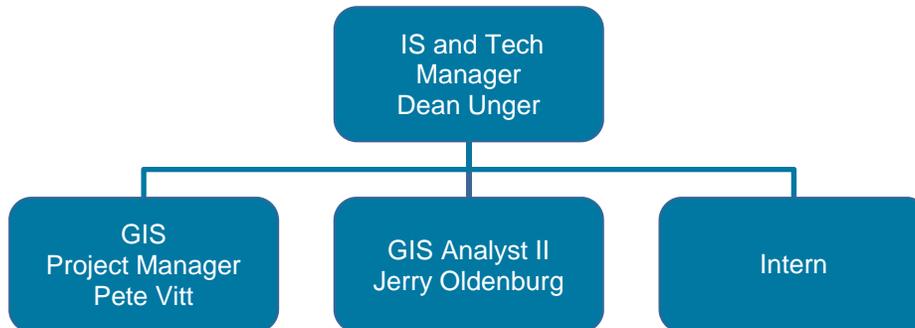
- Complete required actuarial evaluation for compliance with GASB 45 and 72 *Accounting and Financial Reporting by Employers for Post-employment Benefits Other Than Pensions*.
- Comply with GASB 68 *Accounting and Financial Reporting for Pensions*.
- Submit FYEs 2018 and 2019 Budget to the Government Finance Officers Association's (GFOA) Distinguished Budget Presentation Awards Program.
- Submit FYE 2017 and FYE 2018 Comprehensive Annual Financial Report to the Government Finance Officers Association's CAFR Award Program.
- Continue to cross-train staff in all accounting positions to provide better coverage, and to strengthen internal accounting controls with the ability to rotate staff in certain functions.
- Improve reporting and project accounting analysis for all of the Agency's capital projects, and work with all project managers to ensure that all project costs are properly accounted for and are within the project budget.
- Financial analysis and reporting – create meaningful monthly financial reports to all levels of management including the Board of Commissioners.
- Improve the quarterly reporting of budget versus actual variances to the Board of Commissioners.
- Improve the quarterly financial reporting format for the Commission Workshop.
- Continue improving the budget format used for the Agency's fiscal budget using the new BI360 budget module.
- Update Great Plains accounting software.
- Complete Purchase Order, Work Order, Task Order conversion to electronic approval.
- Complete conversion to electronic Accounts Payable invoice approval.
- Implement electronic approval for bank reconciliations.
- Issue RFP for new Brine Line Rate Model.
- Update the SAWPA 5-Year Financial Model.
- Implement the Brine Line rate changes and BOD/TSS allocation.
- Implement the Brine Line Long Range Financial Plan.
- Improve investment earnings through use of Asset Management firm.
- Administer SRF loan for Brine Line Reach V Repairs Project

### **Staff Additions Needed for FYE 2018 and 2019**

No additions are needed for FYE 2018 and 2019.

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# Information Systems and Technology



## Summary Information

### Existing Staff – 3 FTE

- 1 – IS and Tech Manager
- 1 – GIS Project Manager
- 1 – GIS Analyst II (Network Administrator)
- 1 – Intern

### Mission

The mission of the Information Systems (IS) & Technology Department includes:

- Provide and maintain information that SAWPA Commissioners and staff will need in an efficient and reliable way.
- Provide and maintain systems that allow SAWPA Commissioners and staff to work as efficiently and effectively as possible.
- Provide and maintain technology that enhances internal and external communications (member agencies, other stakeholders, and the public).

### Accomplishments for FYE 2016 and 2017

- Updated Document Manager.
- Moved on Site Exchanger server to Office 365.
- Upgrade server to virtual server.
- Installed new pretreatment hardware and virtual servers.
- Provided continuous improvements in Agency hardware, software, and systems to maximize staff efficiency.
- Assisted with improvements in Brine Line operations and business plan implementation, including improved data management and analysis.
- Provided support for other Engineering & Operations and Planning Department projects.
- Provided support for cellular devices.
- Setup and configured Workflow for aging reports and invoices.

### Objectives for FYE 2018 and 2019

- Continuous improvements in Agency hardware, software, and systems to maximize staff efficiency.
- Assist with improvements in Brine Line operations and business plan implementation, including improved data management and analysis.

- Integrate Web GIS capabilities into more projects.
- Support preparation of update to SAWPA IRWMP.
- Provide support for other Engineering & Operations and Planning department projects.
- Automate work process by moving documents into OnBase Workflow.

## Salary and Benefit Costs

<i>Account Information</i>	<i>FYE 2017 Budget</i>	<i>FYE 2018 Budget</i>	<i>% Inc/ (Decr)</i>	<i>FYE 2019 Budget</i>	<i>% Inc/ (Decr)</i>
<i>Salaries and Benefits</i>	\$405,248	\$395,061	(2.5%)	\$423,764	7.3%

## FYE 2018 and 2019 New Initiatives/Programs

- Integrate Document Management System (OnBase) into other systems.
- GIS and Web support for OWOW plan and report card.
- Setup and Support of OWOW and PA22 Drought projects.
- The Department will support technology components of other Engineering & Operations Department initiatives such as:
  - ◆ Brine Line Dig Alert System;
  - ◆ Brine Line Maintenance Management System;
  - ◆ Pipeline cleaning mapping and data management;
  - ◆ Portable flow meter data management and analysis;
  - ◆ Continue CCTV results mapping and data management;
  - ◆ Streamlining Brine Line billing data input;
  - ◆ Development of Brine Line graphical reports;
  - ◆ Data retrieval/management of Brine Line discharge flow meter data loggers;
  - ◆ Support of hydraulic model and Capacity Management Plan analysis (updates as needed);
  - ◆ GPS support to locate Brine Line facilities; and
  - ◆ Updates to Brine Line record drawings.

## Core Activities

The IS & Technology Department is responsible (either directly, or in support of other departments) for many of the Agency's day-to-day operations as well as providing the lead role or support on Agency projects. These responsibilities are summarized below.

### Information Systems

- Computer network, servers, network communications, and hardware/software.
- Staff (end-user) workstations and laptops (hardware and software).
- Support computers (security, phone system, etc.).
- Printers, copiers, scanners, and associated peripherals.
- Purchase of new equipment and surplus/disposal of old equipment.
- Software purchasing/software maintenance agreements.
- Security as related to information systems.
- Backup and disaster recovery.
- Business resumption for Agency office facility.
- Planning new initiatives to support Agency needs.

### Information Technology/Data Management

- Manage Agency GIS (software and data).
- Use/maintenance of SQL Server software for data management and applications support.

### Cross-Department Interface

- Support of Brine Line technology needs.
- Support of other Agency projects with GIS, data management, and other technology needs.
- Support Finance Department with accounting software platform and needs.

- Work with other departments on all technology issues, activities, and solutions.
- Identify and provide technology solutions to improve efficiency and effectiveness.
- Use programming tools to provide and maintain new tools for Agency staff to better perform their tasks.
- Establish and maintain training systems for staff.

### **Communications**

- Management of Agency phone system and teleconference bridge.
- Management of cell phones and mobile email systems.
- Management of internet connection.
- Management of email, scheduling, and related tasks.
- Coordination of technology efforts with member agency technology staff.

### **Records Management**

- In coordination with the Administrative Services Department, develop and maintain Agency records information management (RIM) system.
- In coordination with the Administrative Services Department, develop and maintain an off-site storage process for original documents with historic or vital status in a controlled environment.
- Provide training to staff to support document upload and retrieval.
- Provide and maintain automated systems to support the electronic commission package process.

### **Public Information**

- Management and maintenance of Agency website. Update the site as needed and provide new features/capabilities as necessary.

### **Other**

- Provide non-technology staff support to other departments (e.g., data analysis, preparation of presentations, technical writing, document review, etc.) as needed.
- Perform other duties as required.

### **Group Goals for FYE 2018 and 2019**

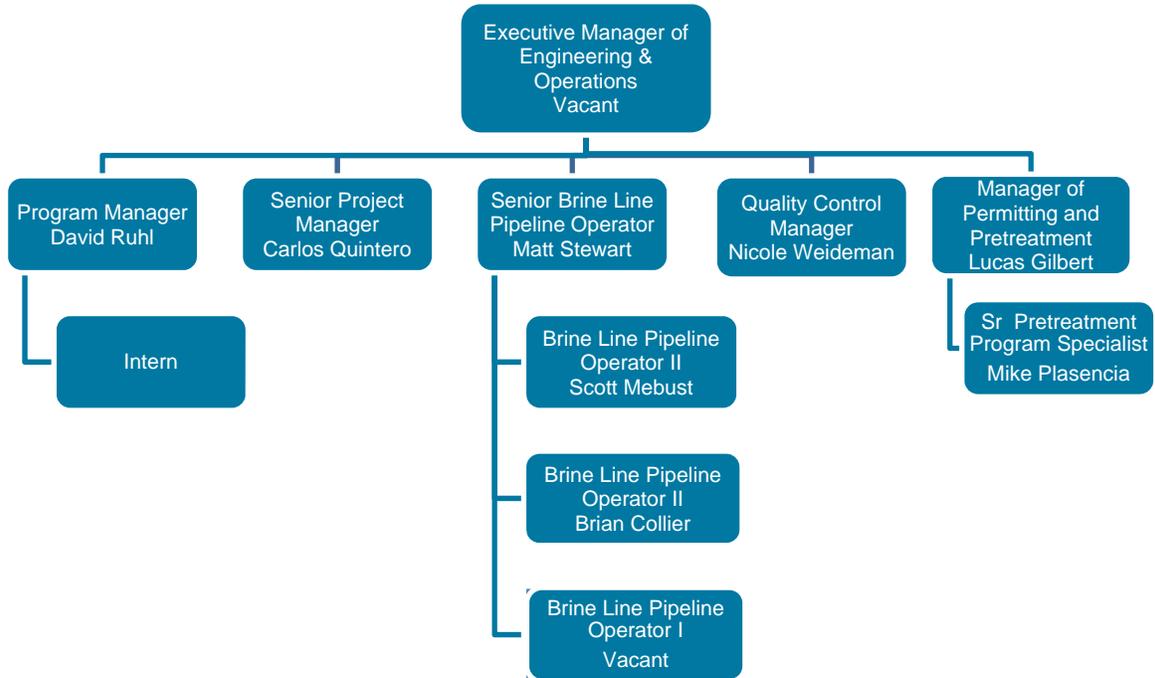
- Evaluate tools to improve Agency efficiency, including but not limited to: improve contact management systems for outreach to member agencies and the watershed community, systems to support Brine Line operations and business plans (e.g., Maintenance Management System), and developing methods to integrate operational and financial system data.
- Cross-training of individual staff in the department.
- Continued identification and implementation of ways to support the Commission and other departments in improving efficiency and effectiveness.

### **Staff Additions Needed for FYE 2018 and 2019**

No additions are needed for FYE 2018 and 2019.

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# Engineering and Operations



## Summary Information

### Existing Staff – 10 FTE

- 1 – Executive Manager of Engineering and Operations
- 1 – Program Manager
- 1 – Senior Project Manager
- 1 – Quality Control Manager
- 1 – Manager of Permitting and Pretreatment
- 1 – Senior Pretreatment Program Specialist
- 1 – Senior Brine Line Pipeline Operator
- 3 – Brine Line Pipeline Operator II
- 1 – Intern

### Mission

Manage the operation, maintenance, and repair of the Brine Line and the associated CIP. Implement the Proposition 84 grant funding program consisting of up to four rounds of projects.

## Accomplishments for FYE 2016 and 2017

- Initiated construction of the Reach V repairs consisting of new access points through which trenchless Cured-In-Place Pipe is being installed. Due to significant issues the original contractor was terminated and a new contractor hired to correct deficiencies and complete the project. Work is scheduled to complete by early 2018.
- Completed construction of the Nichols Road relocation along Reach V in Lake Elsinore.
- Continued use and refined internet based software tool to manage and record operation and maintenance (O&M) activities and track the system status (such as valves being opened/closed). Information is displayed on a system map. Software is being maintained by in-house IT staff.
- Performed end-to-end cleaning of Reach IV-B Upper in January 2016.
- Coordinated with the Riverside County Transportation Commission (RCTC) contractor widening SR91 at the crossing of Temescal Creek. Upon completion of the widening, Reach IV-B will be relocated to increase separation with an underground high voltage power cable.
- Continued to implement the SAWPA pretreatment program refining and standardizing procedures and implementing the new management software (iPACS). Performed 212/228 (FY16/17) on-site Discharger inspections, 408/465 monitoring (or sampling) events, and reissued 29/35 existing permits with the concurrence of OCSD, the Control Authority.
- Fully integrated the Senior Pretreatment Program Specialist (new in 2014) into the Pre-Treatment Program. Position is responsible for pre-permit and periodic inspections for approximately 42 permits, enforcement, report preparation, peer review, identifying best practices, etc.
- Conducted audits of the member/contract agency pretreatment programs for conformance with the Brine Line Ordinance and pretreatment requirements; all programs are in conformance with SAWPA's requirements with no major findings.
- Continued periodic siphon cleaning program for system siphons. Frequency was adjusted to match requirement based upon observed/measured debris accumulation.
- Continued to implement the Sewer System Management Plan (SSMP) as required by the SWRCB's statewide permit for Collection Systems in excess of one mile in length.
- Monitored facilities during rainstorms. Performed mostly minor repairs from erosion except Reach IV where significant ground cover over the Brine Line was washed away.
- Continued to locate facilities, particularly on Reach V, by "potholing" and updating "as-built" information. Confirmed locations of air release valves, blow-offs, and isolation valves on Reach V.
- Performed utility locations as a member of the Dig Alert network. Approximately 5,000/5,900 (FY16/17) requests were received resulting in 900/908 utility location markings in the field.
- Processed 35 grant invoices totaling nearly \$33 M and conducted 33 quality assurance site visits,

## Objectives for FYE 2018 and 2019

### Brine Line

#### Planning

- Refine long-term plan (Salinity Management Program) which defines long-term salinity management vision and strategy, based upon recently completed documents and new information (OWOW plan, BOR Salinity Management Plan, marketing plan, SSMP, etc.).
- Refine future flow projections and timing.
- Continue to investigate disposal options and financial arrangements to promote use of the Brine Line.
- Prepare a new business plan.
- Prepare new rate model.
- Work with OCSD to evaluate required local limits and Ordinance changes for the Brine Line.

#### CIP Projects

- Reach V Repairs. Complete construction of up to five miles of Cured-in-Place Pipe to repair Reach V.
- Corrosion of Reach IV-D pipe invert. Evaluate extent of corrosion (depth of material lost, length/location, etc.). Identify repair method, cost, phasing of work, bypass pumping concept, and prepare bid documents. Bid and award phase 1.
- Miscellaneous capital repairs (repair of leaking joint in Mission tunnel, repair infiltration at MAS 04B-0010, install/repair MAS corrosion protection, etc).

### Right-of-Way

- Continue field location of pipeline through “potholing” and reviewing easement documents versus pipe as-built locations.
- Identify potential right-of-way issues and implement corrective actions.
- Update as-built information as required.

### Sanitary Sewer Management Plan

- Implement action plan.
- Operate system in accordance with the SSMP.
- Work to minimize the risk of a sanitary sewer overflow from a variety of causes (system operations, actions of others working around pipe, natural disaster, etc.).
- Continue to implement the permitting and pretreatment program per existing and new OCSD requirements.
- Continue to refine operations and maintenance activities to improve system performance and efficiency.
- Perform additional O&M activities with SAWPA staff including utility markings, coordination with developers and public agencies working near the line, valve maintenance, support of line cleaning, potholing and routine system inspections.
- Evaluate agency/developer requests to relocate the Brine Line or construct utilities in close proximity. Review/approve relocation/protection designs and agreements. Monitor construction.
- Update CIP and other components of the SSMP based upon new information.
- Data Automation- Install several flow level and flow rate recorders with automated data feeds to begin transition to automated data collection and system monitoring.
- Reach V Pressure Sustaining Station. Work with EMWD to implement changes at the station per the existing agreement between EMWD, WMWD, and SAWPA.
- Respond to urgent and emergency repair requirements identified by CCTV and MAS inspections.

### Alcoa Dike Project

- Coordinate with ACOE during design of flood protection dikes to minimize impact to Brine Line mainline and the California Rehabilitation Center (CRC) lateral (Butterfield Road, Aburndale Road).
- Develop and implement strategy to install facilities to protect/strengthen pipe and MASs.

### Solids Control

- Continue to evaluate methods to control the formation of scale and suspended solids in the pipe.
- Continue annual pipeline cleaning and CCTV inspection program.

### Maintenance Management Program

- Continue implementation of SAWPA developed system which stores relevant data, tracks requirements and is the basis for O&M program evaluation.

### Brine Line Rate

- Using the computer based financial model, evaluate and present a rate recommendation to the Commission for consideration and adoption.

### Marketing

- Implement a marketing plan to include a number of presentations to groups with an interest in salinity management. Have information readily available for short notice responses.

### ***Implementation of Grant Programs (Proposition 84)***

- Implement program in accordance with the contract requirements.
- Request State approval of revised project scope of work requirements and timelines when necessary.
- Complete reports and other deliverables in accordance with the contract requirements. Request time extensions when required by the constructing agency.
- Provide information on behalf of the Watershed.

## Salary and Benefit Costs

<i>Account Information</i>	<i>FYE 2017 Budget</i>	<i>FYE 2018 Budget</i>	<i>% Inc/ (Decr)</i>	<i>FYE 2019 Budget</i>	<i>% Inc/ (Decr)</i>
<i>Salaries and Benefits</i>	\$1,075,715	\$1,177,515	9.5%	\$1,265,292	7.5%

### Core Activities

The Engineering and Operations Department is primarily responsible for the following:

#### Brine Line

- Planning – quality, quantity projections, system finances (O&M, capital).
- Marketing.
- Capital Improvement Program – design and construction.
- Capital repairs (based upon MAS and CCTV pipe inspections, other).
- Rate model inputs.
- Hydraulic Model. Maintain currency (calibration) of computer model. Perform calculations to evaluate the system and impacts of non-routine discharges.
- Operations including maintaining information on system configuration (a/v, MAS lid opened/closed) maintaining system, data and information, invoicing.
- Sampling and inspection programs.
- Permitting and pretreatment.
- Data collection and analysis.
- Coordination/review of development plans (facility construction around Brine Line, especially Reach V).
- Temporary domestic connections.
- SSMP including Emergency Response Plan.
- Emergency discharges – coordinate with OCS&D and issue permit.
- Maintain record data for system facilities – correct inaccurate information (blow-offs, air-vacs, etc.).
- Coordinate activities of WMWD and IEUA O&M staff.
- Utility markings (Underground Service Alert).
- Right-of-way maintenance.
- Reading, calibrating and maintaining the flow meters.
- Facility maintenance.
- Brine Line Protection/Relocation in Riverside and Orange Counties.
- Annual Work Plan Items.

#### Grant Programs

- Maintenance of procedures document including Quality Assurance program. Implementation including checklist completion for deliverables and invoice packages.
- Invoicing.
- Site visits.
- Completion of contract deliverables; submittal to DWR.
- Contract closeout.
- Prepare for Department of Finance Audit.

### Group Goals for FYE 2018 and 2019

- Integrate the new fourth field position.
- Move into and set up new leased warehouse space.
- Develop and implement a focused annual work plan to maximize efficiencies of department.
- Complete a broad range of activities. Be flexible to handle unknown tasks and changing timelines.
- Enhance department processes and increase efficiencies.

### Staff Additions Needed for FYE 2018 and 2019

A new Brine Line Pipeline Operator position is contained in the FYE 2018 and 2019 budgets. The position will be filled upon final budget approval by the Member Agency Boards and Commission approval to hire.

# Water Resources and Planning



## Summary Information

### Staff – 5 FTE

- 1 – Water Resources & Planning Manager
- 3 – Senior Watershed Managers
- 1 - Technical/Grant Writer
- 1 – Intern

### Mission

Support SAWPA member agencies and Watershed stakeholders in regional and Watershed planning functions.

### Accomplishments for FYE 2016 and 2017

#### OWOW

- Implemented many water use efficiency improvements using grant funding from the California Department of Water Resources (DWR) Proposition 84 Integrated Regional Water Resources Management (IRWM) Emergency Drought Round grant funding program. \$12.8 million in grant funding along with another \$10.6 million in local match has been provided for SAWPA, its member agencies and stakeholders to implement water use efficiency improvements such as support for budget based water rate structures for retail water agencies, water use efficiency web based outreach tools, aerial mapping and area measurement using GIS throughout the Santa Ana River and Upper Santa Margarita Watersheds.
- SAWPA successfully executed a new DWR grant agreement for \$6.3 million in grant funding to support the Disadvantaged Community Involvement under the DWR Proposition 1 IRWM funding program. It also was successful in competing in a statewide grant funds and secured \$250,000 in Proposition 1 IRWM Planning Grant funds which will help support the OWOW Plan update.
- A DWR Proposition 84 IRWM Implementation grant agreement was executed in September 2016 for \$64,267,686 in DWR grant funding which will match \$173 million on local match to implement three integrated large scale projects reflecting a multi-agency and multi-benefit approach. One of the three projects called the Santa Ana River Conservation and Conjunctive Use Project, SARCCUP, is a conjunctive use water storage project that will store over 180,000 AF of water for use in dry periods and is being implemented by a new SAWPA Committee composed of the SAWPA member agencies. Two Subgrantee agreements were executed to start the implementation of SARCCUP.

- Conducted several Pillar Integration workshops and OWOW Steering Committee meetings to kick off the OWOW Plan update and provide briefings on future Proposition 1 IRWM Implementation grant funding that will be applied for in 2018 from DWR.

#### **Stakeholder Partnering (Roundtables)**

- Finalized and executed a new Regional Water Quality Monitoring Program Task Force agreement among SAWPA, the Regional Board and the three flood control districts in Orange, San Bernardino and Riverside Counties. This task force will implement a regional pathogen monitoring program as defined under the previous Stormwater Quality Standards Task Force. The first year of the new monitoring program has been completed. Efficiencies were created by merging this program with the ongoing pathogen monitoring conducted by the MSAR TMDL Task Force.
- Made significant progress in updating and revising TMDLs with the current focus on the Lake Elsinore and Canyon Lake nutrient TMDL. Another TMDL update is anticipated for the MSAR pathogen TMDL starting in 2020.
- Prepared a draft Amendment to the Regional Board Basin Plan to modify the Chino South Management Zone objective for nitrate and incorporate the results of the Santa Ana River Wasteload Allocation Plan.
- Under the energy and water efficiency program called WECAN, progress has been made with the use of \$2.3 million dollars to support turf removal and retrofit and water use efficiency and energy efficiency devices for disadvantaged communities in the watershed. So far the program has removed and retrofitted 122,395 square feet of turf in the four local partner service areas and has installed 39 Toilets, 57 Showerheads, 60 Thermostatic Valves, 108 Faucet Aerators, 7 Water Heaters, and 25 Water Heater Blankets in homes. The Governor's Office of Planning and Research (OPR) has highlighted the WECAN project as a best practice pilot on their OPR website.
- Commenced new contract to update the Santa Ana River Wasteload Allocation model through the Basin Monitoring Program Task Force. Made significant progress on completing the Triennial Ambient Water Quality Update for the period of 1996 to 2015.
- Kicked off a new technical analysis through the Southern California Salinity Coalition to evaluate the impact of drought cycles on permit compliance in anticipation of future drought policy development in the Santa Ana Region.
- Completed feasibility design for a Santa Ana River habitat restoration project funded by the Santa Ana RWQC Board and the US Fish and Wildlife Service.
- Completed annual habitat survey for the threatened fish species, Santa Ana sucker fish, known as the Riverwalk, the longest running and largest voluntary annual habitat assessment conducted in Southern California for an aquatic species.
- Supported the Lake Elsinore and San Jacinto Watersheds Authority (LESJWA) and the associated TMDL Task Force in implementing two more successful alum applications to Canyon Lake to reduce the phosphorus content, reduce algae and help meet the TMDL targets for the lake. Water quality results over the past three years of alum application show significant improvements in water clarity, decreased algae and increased oxygen levels.
- Completed four new outreach brochures to educate the public and decision makers about the benefits of Conservation Based Water Rate Structures.
- Implemented a program of watershed signs that educates the public about OWOW and SAWPA.
- Conducted a successful sixth annual OWOW Conference with over 400 people in attendance.
- Successfully applied and received a DWR Water Energy Grant for \$2.3 million to support turf removal and retrofit and other water use efficiency and energy efficiency for disadvantaged communities in the Watershed.

#### **Objectives for FYE 2018 and 2019**

- Complete 2018 update to the OWOW Plan in compliance with new DWR 2016 IRWM plan standards.
- Facilitate preparation of a project selection criteria, a Call For OWOW Projects, the rating and ranking of OWOW projects, and selection of regional water resources projects under 2018 Proposition 1 Round I Implementation program.
- Prepare grant application to secure Round I Proposition 1 IRWM Implementation Grant funding for approximately \$23 million for water resource improvements for the Santa Ana River Watershed.

- Extend the implementation of water use efficiency projects through SAWPA Project 22 Committee using remaining grant funds from the 2014 IRWM Drought Response Grant program as well as \$1.5 million in cost savings through competitive proposals.
- Facilitate and administer existing and new multi-agency task forces to reduce costs and address regional impacts.
- Continue to provide administrative support to SAWPA roundtable groups and LESJWA to accomplish required tasks and provide necessary deliverables.
- Support planning efforts associated with the development of new regional water resource projects.
- Increase regional awareness by providing coordination support of water quality and water resources issues among SAWPA member agencies, Metropolitan Water District of Southern California (MWD), and other entities.
- Work with Regional Board, flood control and water agencies, and SAWPA IT staff on implementation of a new Santa Ana River Regional Pathogen Monitoring Program.

### Salary and Benefit Costs

<i>Account Information</i>	<i>FYE 2017 Budget</i>	<i>FYE 2018 Budget</i>	<i>% Inc/ (Decr)</i>	<i>FYE 2019 Budget</i>	<i>% Inc/ (Decr)</i>
<i>Salaries and Benefits</i>	\$565,180	\$702,631	24.3%	\$754,568	7.4%

### Core Activities

The Water Resources and Planning Department is primarily responsible for the planning functions of SAWPA and administration functions of a separate JPA, LESJWA. The core activities of the department are:

- Prepare SAWPA grant applications for future DWR IRWM Proposition 1 and available grant programs for new water resource improvements and water demand reductions.
- Implement DWR Drought Response program tasks administered through SAWPA PA 22 Committee.
- Support the SARCCUP planning team, administer contract with SARCCUP program manager and administer implementation of SARCCUP through SAWPA PA 23 Committee.
- Initiate, facilitate, and administer multi-agency workgroups and task forces including collection of all outside revenue, contract preparation, and administration of task force and consultant agreements.
- Review and provide support applicable to environmental issues related to SAWPA projects and planning.
- Provide representation of SAWPA interests in regional planning projects and activities through Southern California Salinity Coalition, MWD coordination, ACOE and BOR studies, Regional Board, State Board, and DWR.
- Administer *Arundo* removal mitigation bank and *Arundo* removal and habitat restoration contracts.
- Support SAWPA Operations and Engineering Department in Brine Line environmental reviews and planning.
- Continue administrative support for LESJWA including the following:
  - ◆ Serve as administrator for the LE/CL Nutrient TMDL Task Force;
  - ◆ Prepare all consultant and State Board Contracts, Task Orders, and Amendments;
  - ◆ Prepare all Board meeting staff reports and attachments;
  - ◆ Prepare Committee and Board agendas;
  - ◆ Facilitate and administer Board meetings, task force meetings, Scoping Committee meetings, Technical Advisory Committee meetings, Public Relations Committee, and consultant coordination meetings;
  - ◆ Review and approve all invoices received;
  - ◆ Prepare grant proposals for funding future LESJWA and LE/CL TMDL Task Force activities; and
  - ◆ Provide status report of LESJWA activities at Regional Board and LESJWA member agency governing board meetings periodically.

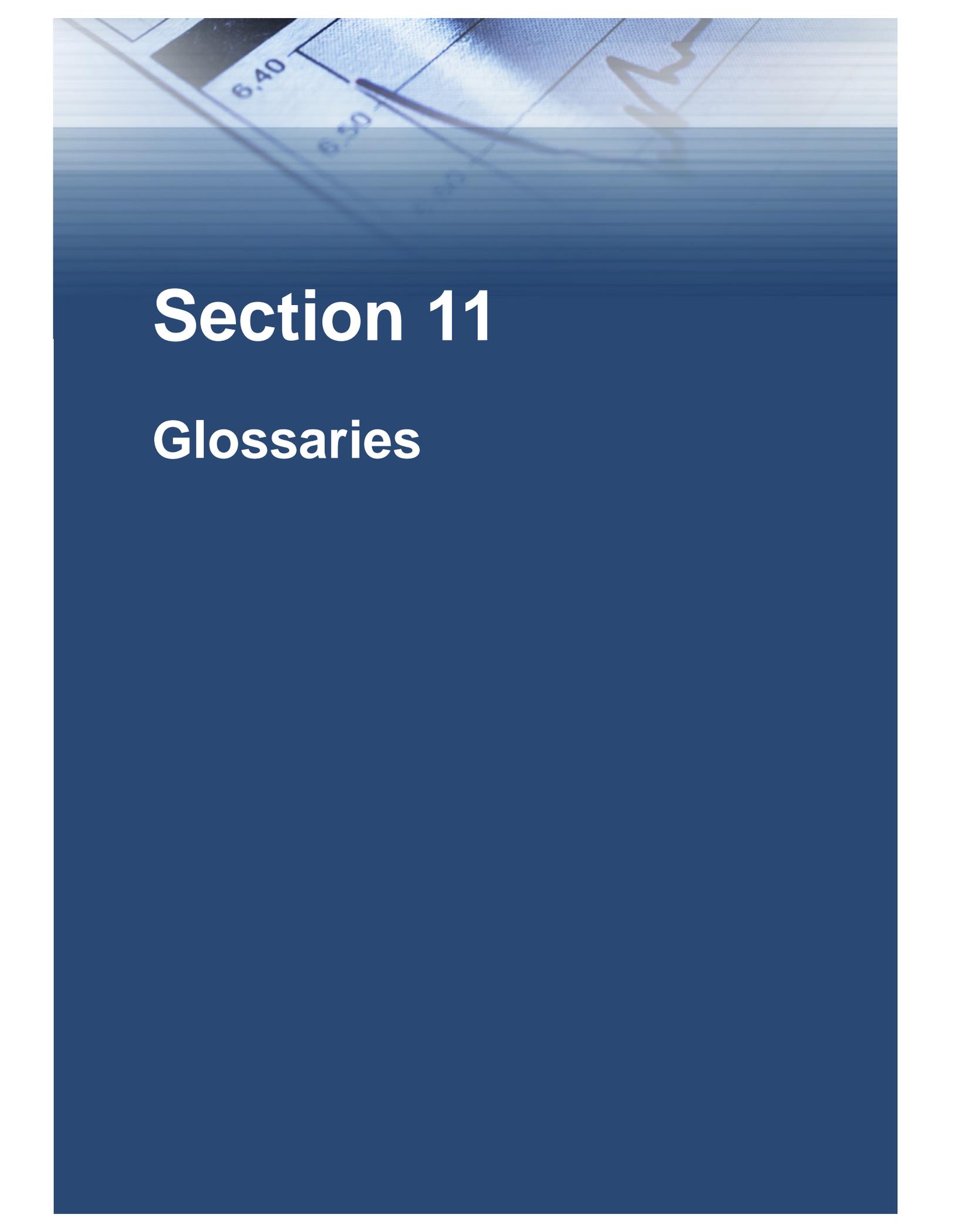
### **Group Goals for FYE 2018 and 2019**

- Obtain additional funding from State of California Proposition I IRWM program for implementation of projects.
- Expand collaboration and coordination opportunities with SAWPA member agency staff and other stakeholders.
- Provide continued service to SAWPA member agencies and its stakeholders.

### **Staff Additions Needed for FYE 2018 and 2019**

In FYE 2016 the department expanded from its historical core level of three full time employees, held at the level for over 25 years, by an additional full time employee making a total of four FTE. In FYE 2017, based on the SAWPA Strategic Assessment, additional technical writing and grant writing support was proposed to achieve optimum performance in the Planning Department. One additional staff position at the technical/grant writer level was included in the SAWPA FYE 2018 and FYE 2019 Budget. In June 2017, the SAWPA Commission stated the decision to hire an additional staff position for technical writing and grant writing would be deferred until a future SAWPA general manager is hired who can evaluate staffing needs.

Additionally, the department continues to rely on a planning student intern to support the department. The FYE 2018 and 2019 budget has been prepared assuming five FTE staff and a part time intern.

The background of the slide features a close-up, slightly blurred image of a document with a grid. A pen is pointing to a specific value on the grid. The numbers '6.40' and '6.50' are visible on the grid lines. The overall color scheme is a gradient of blue, transitioning from a lighter blue at the top to a darker blue at the bottom.

# Section 11

## Glossaries



# Financial Policies

The following practices and policies have been established to help in the development, implementation, and analysis of the Agency's operational objectives as defined in the Vision Statement. The section below outlines these policies.

## Operating Budget Policies

- The Budget will be based on the Vision Statement, its goals, and objectives.
- The Budget should be adopted prior to the end of the fiscal year.
- The Budget will consist of staffing plans, O&M, and capital projects.
- The fiscal year budget should be consistent with the 20-Year CIP, the Brine Line Business Plan, and SAWPA's Long-Term Financial Plan.
- The Budget will be prepared based on the guidelines and rating criteria of the California Society of Municipal Finance Officers (CSMFO) and the Government Finance Officers Association of the United States and Canada.
- The rate structure is revised and adopted by the Commission in the form of a resolution.
- The Budget will be balanced using current revenues and/or prior year fund balances to meet current expenses.

## Revenue Policies

- Revenue estimates will be updated annually and will be based on the most current wastewater flows and growth data provided by member agencies.
- The Brine Line Rate Model will be updated annually and rates will be revised, if necessary.
- Member contributions will be based on Agency needs each year.

## Debt Management

- Debt will only be issued when necessary to meet the CIP costs which exceed pay-as-you-go funding.
- Debt will not be issued to cover operating needs.
- Debt reserves will only be used to cover debt service.
- Debt reserves will be established for any new debt incurred.

## Audit, Accounting and Financial Reporting

- An independent audit firm will conduct an annual audit of all Agency financial records.
- All financial records will be maintained according to GAAP and the guidance issued by the GASB.
- A single audit will be conducted by an independent auditor in conformity with Federal requirements for all grant funded programs.
- All funds use the accrual basis of accounting for both revenues and expenses.

## Capital Planning and Programming

- The 20-Year CIP will be reviewed and adjusted annually.
- All projects in the CIP will be brought to the Commission for approval prior to start of the project.

## Reserves

- Reserves will be established pursuant to the Commission's adopted reserve policy.
- A reserve covering at least 25% of budgeted operating costs will be maintained at all times.
- Reserve contributions will be set within the Brine Line rate model.

## Cash Management/Investment Policies

- The Agency will invest temporary idle funds in investments according to the Agency's adopted investment policy.
- The Agency will encourage receipt of funds by wire transfer.
- Cash disbursements to vendors, consultants, and member agencies will generally be completed within 30 days.
- Bank balances will be maintained at a level to meet operating expenditures.

### **Human Resources Management**

- Staff will be maintained at an appropriate level to serve the Agency's strategic goals.
- Benefit assumptions will be brought for approval prior to beginning the budget process each year.
- The compensation package will be reviewed and adjusted at least every three years based on market surveys performed either with Agency staff or an outside consulting firm.

# Statistical and Other Information

## General Information

Year of Formation.....1968	Service Area.....2,840 sq. miles
Form of Government.....Joint Powers Authority	Service Population .....Approximately 6 million
Authority.....Section 6500 et. seq.	Miles of Pipeline .....73 miles
.....Government Code	Pipeline Capacity .....30 MGD
Authorized Staff (Full-Time Equivalent).....27	Treatment Capacity Owned .....17 MGD

<i>Member Agency</i>	<i>Counties Served</i>
Eastern Municipal Water District	Riverside
Inland Empire Utilities Agency	San Bernardino and a small portion of Los Angeles
Orange County Water District	Orange
San Bernardino Valley Municipal Water District	San Bernardino and a small portion of Riverside
Western Municipal Water District	Riverside

## County Information

	<i>Orange County</i>	<i>San Bernardino County</i>	<i>Riverside County</i>
Total Population (as of 2016)	3,172,532	2,140,096	2,387,741
Land Area (sq miles)	790.57	20,056.94	7,206.48
Median Family Income (2011-15)	\$76,509	\$53,433	\$56,603
Median Home Price (Nov 2016)	\$735,000	\$243,900	\$351,500
Building Permits Issued (2016)	11,523	3,925	6,996

Source: California Labor Market ([www.labormarketinfo.edd.ca.gov](http://www.labormarketinfo.edd.ca.gov)); US Census Bureau ([www.census.gov](http://www.census.gov))

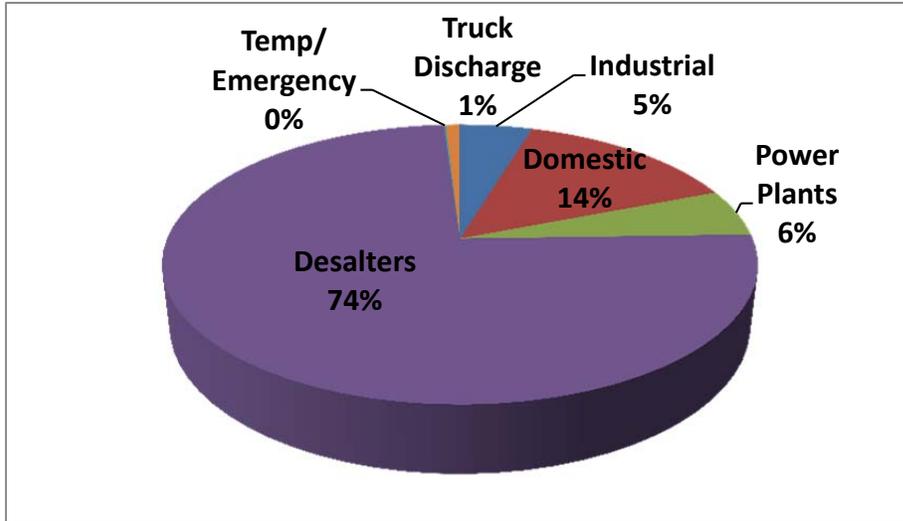
## Treatment Information

Actual annual MGD of discharge by type:

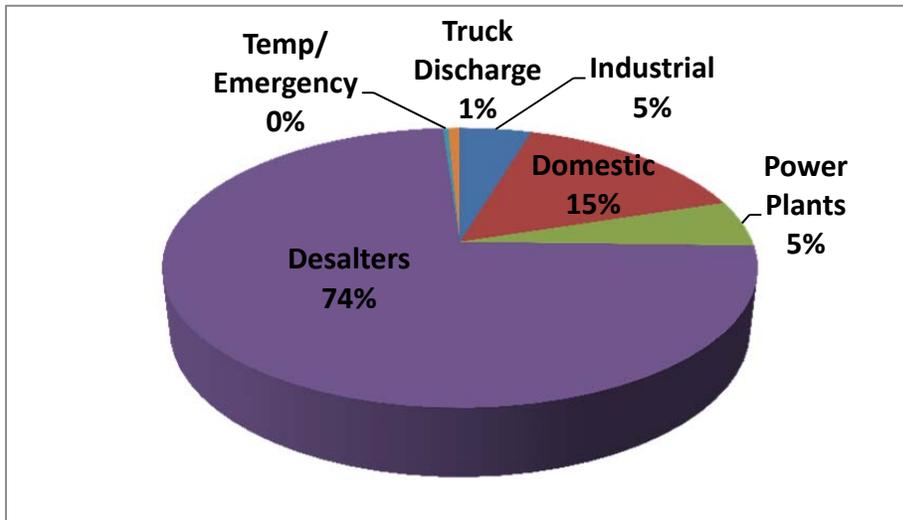
<i>Type of Discharge</i>	<i>FYE 2011</i>	<i>FYE 2012</i>	<i>FYE 2013</i>	<i>FYE 2014</i>	<i>FYE 2015</i>	<i>FYE 2016</i>	<i>FYE 2017</i>
Industrial	233.8056	235.2575	153.7463	149.7733	149.1266	176.0173	182.3629
Domestic	1,015.4773	1,027.1307	854.2526	817.2502	686.9780	539.1186	605.6648
Power Plant	346.2390	362.7061	285.4555	238.1875	255.9079	203.7717	211.0939
Desalters	2,702.2033	2,657.6589	2,728.7335	2,698.2170	2,894.5452	2,789.4969	2,832.6086
Temporary/Emergency	20.1418	5.0106	7.9366	10.6266	6.9285	4.7210	12.9104
Truck Discharge	43.2777	42.3407	30.6147	23.3557	27.2869	34.3066	29.9249
<b>Total</b>	<b>4,361.1447</b>	<b>4,330.1045</b>	<b>4,060.7392</b>	<b>3,937.4103</b>	<b>4,020.7731</b>	<b>3,747.4321</b>	<b>3,874.5655</b>

The following pie charts show the trend toward increased desalter discharge into the system. Currently, there are six desalters in the Santa Ana River Watershed with a plan for several more within the next few years.

**Discharge by Type  
FYE 2016**



**Discharge by Type  
FYE 2017**



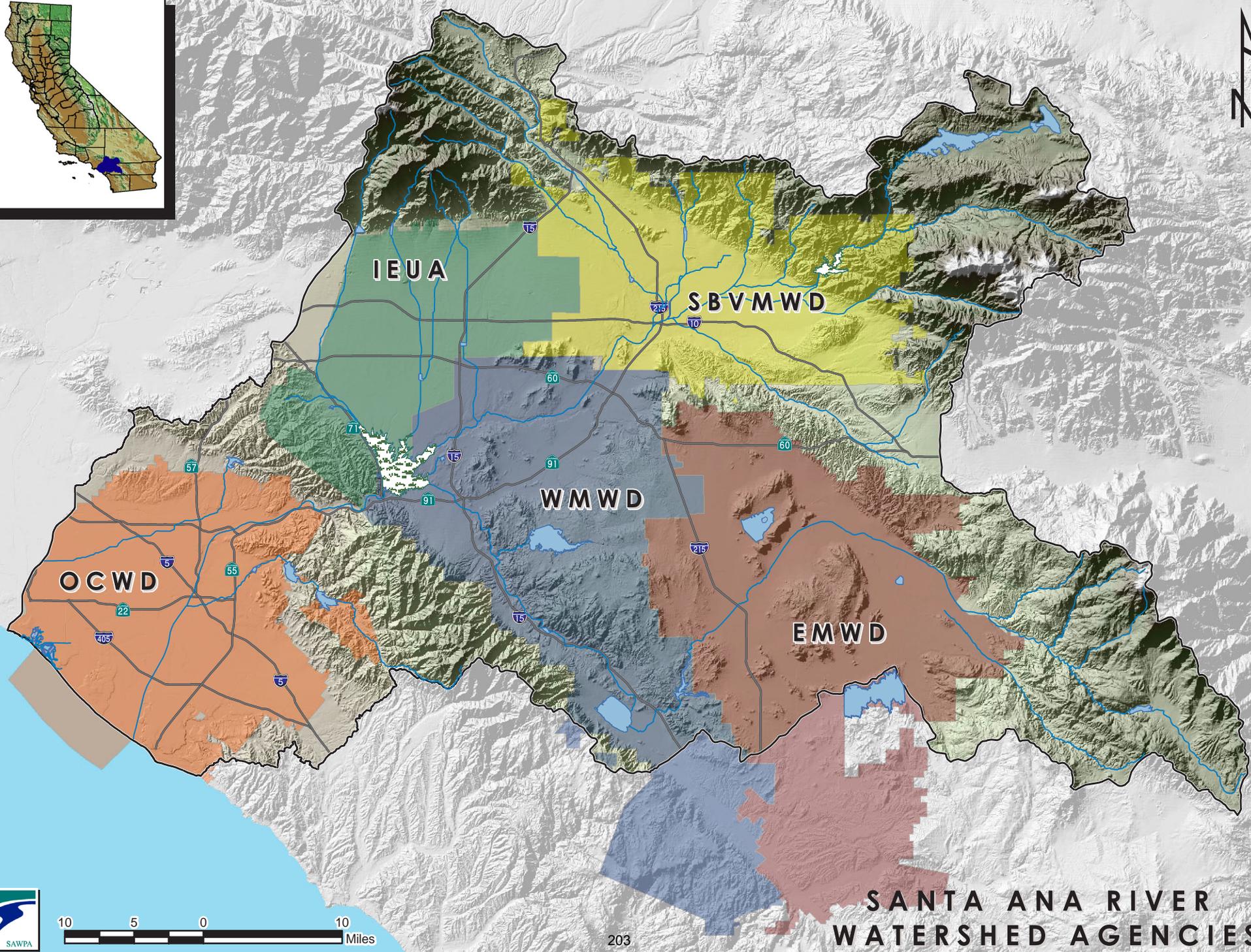
The table below shows the total pipeline and treatment & disposal capacity owned (in MGD's) by each of SAWPA's member agencies as of June 30, 2017.

<i>Agency</i>	<i>Pipeline Capacity</i>	<i>Treatment &amp; Disposal Capacity</i>
Eastern Municipal Water District	5.946	3.548
Inland Empire Utilities Agency *	7.800	5.600
Orange County Water District	0.000	0.000
San Bernardino Valley MWD	7.188	1.089
Western Municipal Water District **	11.634	6.763
SAWPA unassigned capacity	0.000	0.000
<b>Total</b>	<b>32.568</b>	<b>17.000</b>

\* Includes Chino Desalter I & II

\*\* Includes Arlington Desalter

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# SANTA ANA RIVER WATERSHED AGENCIES

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# General Terms

## Acre-Foot

A unit of measurement equivalent to 359,900 gallons of water, which meets the need of two average families in and around the home for one year.

## Accrual Basis Accounting

A method of accounting in which revenues are recorded when measurable and earned, and expenses are recognized when a good or service is used.

## Annual Required Contribution

The employer's periodic required contribution to a defined benefit Other Post Employment Benefits (OPEB) plan, calculated in accordance with the parameters.

## Appropriation

A legal authorization granted by a legislative body to make expenditures and to incur obligations for specific purposes.

## Asset

A probable future economic benefit obtained or controlled by a particular entity as a result of past transactions or events.

## Biennial Budget

A budget applicable to two individual fiscal years.

## Bond

A written promise to pay a specific sum of money (called principal or face value), at a specific date or dates in the future (called maturity date(s)) along with periodic interest paid at a specified interest rate.

## BOR

A public agency whose primary goal is to manage, develop, and protect water as well as related resources in an environmentally and economically sound manner in order to meet the increasing water demands of the Western States.

## Brine Line (formerly known as SARI Line)

A regional brine line, designed to convey 30 MGD of non-reclaimable wastewater from the upper Santa Ana River basin to the ocean for disposal, after treatment.

## Budget

A plan of financial operation including an estimate of proposed expenditures for a given period and the proposed means of financing them.

## Budgetary Control

The control or management of a government in accordance with an approved budget to keep expenses within the limitations of available appropriations and available revenues.

## Budget Calendar

The schedule of key dates which the Agency follows in the preparation and adoption of the budget.

## Budget Document

The instrument used by the budget-making authority to present a comprehensive financial program to the appropriating governing body.

## CalPERS

California Public Employees Retirement System. An autonomous instrumentality of the State established to oversee public employer and employee retirement contributions.

### Capital Project

Major construction, acquisition, or renovation which increases the useful life of the asset or adds to the value of the assets.

### Debt Service

The current year portion of interest costs and current year principal payments incurred on long-term debt issued by the Agency.

### Defined Benefit OPEB Plan

An OPEB plan having terms that specify the benefits to be provided at or after separation from employment. The benefits may be specified in dollars (for example, a flat dollar payment or an annual amount based on one or more factors, such as age, years of service, and compensation), or as a type or level or coverage (for example, prescription drugs or a percentage of healthcare insurance premiums).

### Enterprise Fund

A separate fund used to account for services supported primarily by service charges.

### Expenses

Charges incurred, whether paid or unpaid, for operation, maintenance, interest, and other charges presumed to benefit the current fiscal period.

### Fiscal Year

A twelve-month period to which the annual operating budget applies and at the end of which an entity determines its financial position and the results of its operations. SAWPA operates on a fiscal year from July 1 through June 30.

### FTE

The number of hours per year that a full-time employee is expected to work (2080).

### Fund

A fiscal and accounting entity with a self-balancing set of accounts in which assets are recorded and segregated to carry on specific activities.

### Fund Balance

The difference between fund assets and fund liabilities of governmental funds.

### Fund Group

A group of funds that are similar to each other and accounted for in a single group. SAWPA has six fund groups: General Fund, Brine Line Enterprise Fund, Planning Fund, Collaborative Project Fund, Capital Project Fund, and Grant/Contract Fund.

### Fund Transfer

Fund transfer required to maintain a given level of fund balance in accordance with Commission policies.

### G&A Allocation

The distribution of general fund costs that are not directly allocated to a specific project. Costs are allocated based on a percentage of the total direct labor charged to the project.

### General Fund

The general fund accounts for all activities not accounted for in other funds.

### Goals and Objectives

Specific projects and programs to be undertaken utilizing allocated financial resources, and are designated to further the achievement of the Agency's vision.

### Grants

Contribution or gifts of cash or other asset from another government agency to be expended for a specific purpose, activity, or facility.

### Interest

Revenue derived from the investment of idle cash and/or reserves.

### Interfund borrowing

A transfer of money from a fund that has a surplus to a fund that has a temporary revenue shortfall.

### Liability

Probable future sacrifice of economic benefits, arising from present obligation of a particular entity to transfer asset or provide service to other entities in the future as a result of a past transaction or event.

### MGD

MGD is the term used to represent million gallons per day of sewage discharged to the Brine Line.

### Non-Reclaimable Wastewater

Any wastewater and any water borne solid, liquid, or gaseous wastes resulting from any producing, manufacturing, or processing operations of whatever nature as defined by Federal, State, or regional agency authorized by law to prescribe quality standards for the discharge of sewage effluent and industrial waste effluent within the Watershed.

### Operating Expenses

Proprietary fund expenses related directly to the fund's primary activities.

### OCSD

A public agency located in Fountain Valley, providing wastewater treatment services for 21 cities and three sanitary districts in Orange County.

### Ordinance

A law set forth by a governmental or legislative body.

### Other Postemployment Benefits (OPEB)

Post employment benefits other than pension benefits. OPEB include post employment healthcare benefits, regardless of the type of plan that provides them, and all post employment benefits provided separately from a pension plan, except benefits defined as special termination benefits.

### Pay-As-You-Go (Pay go)

The practice of funding construction expenditures from current operating revenue in lieu of using debt proceeds.

### Public Employee Retirement System (PERS)

An autonomous instrumentality of the State established to oversee public employer and employee retirement contributions.

### Program

Group activities, operations, or organizational units directed to attaining specific purposes or objectives.

### Recycled Water

Effluent that goes through a process or method for altering its quality to standards superior to those prescribed for treatment.

### Reserve

An account used to indicate that a portion of fund equity is restricted for a specific purpose, or not available for appropriation and subsequent spending.

### Resolution

A special or temporary order of a legislative body requiring less formality than a statute or ordinance.

### Revenue

Income generated by contributions, user charges, fees, investment income, etc.

### RWQCB

An organization with the mission to preserve, enhance and restore the quality of California's water resources, and ensure their proper allocation and efficient use for the benefit of present and future generations.

### SARI

The portion of the Brine Line owned and operated by OCSD.

### SRF

The Federal Clean Water Act amendments of 1897 authorized the use of federal money to create an SRF loan program to replace the Federal Clean Water Grant program. SRF loans are used for the construction and upgrade of publicly owned treatment works. SRF loan also can be used to support reclamation non-point source pollution, storm drainage, and estuary projects.

### SWRCB

A joint authority of water allocation and water quality protection that provides comprehensive protection for California's waters, enforcing the many uses of water, including the needs of industry, agriculture, municipal districts, and the environment. The SWRCB also administers SRF loans and grants.

### SWOT Analysis

A strategic planning method used to evaluate the **S**trengths, **W**eaknesses, **O**pportunities, and **T**hreats involved in a project or in a business venture. It involves specifying the objective of the business venture or project and identifying the internal and external factors that are favorable and unfavorable to achieve that objective.

### T-Strips

Treasury Strips (Separate Trading of Registered Interest and Principal of Securities) are treasury notes and bonds that allow investors to hold and trade the individual interest and principal components as separate securities. Treasury Strips also are called zero-coupon securities because the only time an investor receives a payment during the life of the Strip is when it matures. They are popular with investors who want to receive a known payment at a specific future date. Strips are obligations of the Treasury and are backed by the full faith and credit of the United States.

### Zero-based Fund Accounting

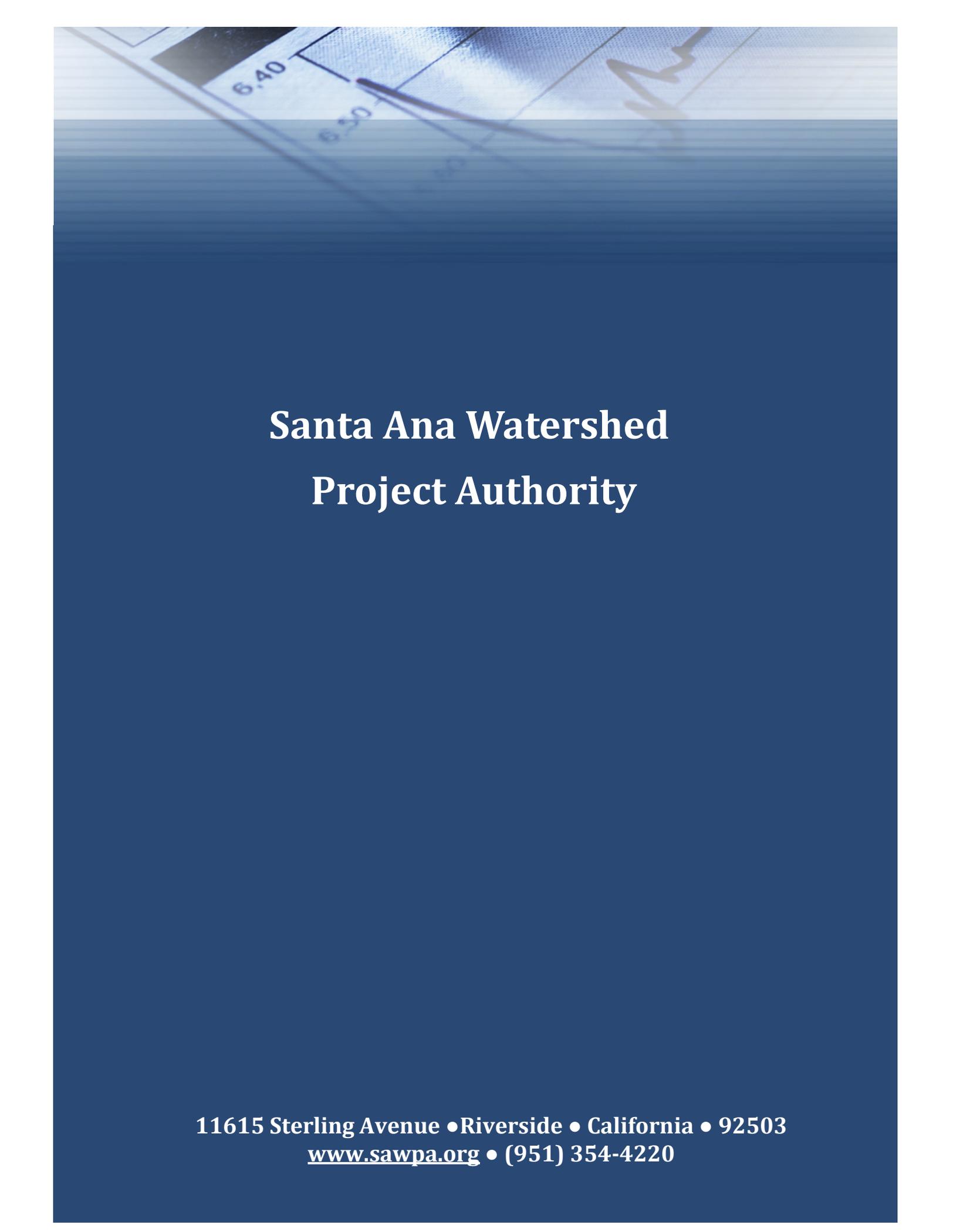
All the revenues in excess of expenditures are transferred into reserves within the fund and all expenditures in excess of revenues are transferred from reserves within the same fund.

# Acronyms and Abbreviations

<b>AB</b>	Assembly Bill
<b>A/C</b>	Air Conditioning
<b>ACOE</b>	U.S. Army Corps of Engineers
<b>AF</b>	Acre Feet
<b>ARC</b>	Annual Required Contribution
<b>ASD</b>	Administrative Services Department
<b>ATV</b>	All-terrain Vehicle
<b>BMP</b>	Best Management Practices
<b>BOD</b>	Biochemical Oxygen Demand
<b>BOR</b>	U.S. Bureau of Reclamation
<b>CAFR</b>	Comprehensive Annual Financial Report
<b>CalPERS</b>	California Public Employees Retirement System
<b>CCTV</b>	Closed Circuit Television
<b>CEQA</b>	California Environmental Quality Act
<b>CFO</b>	Chief Financial Officer
<b>CFS</b>	Cubic Feet per Second
<b>CIP</b>	Capital Improvement Plan
<b>CIPP</b>	Cured in Place Pipe
<b>CIWQS</b>	California Integrated Water Quality System
<b>CMC</b>	Certified Municipal Clerk
<b>COG</b>	Counsel of Governments
<b>COLA</b>	Cost of Living Adjustment
<b>CRC</b>	California Rehabilitation Center
<b>CSMFO</b>	California Society of Municipal Finance Officers
<b>DAC</b>	Disadvantaged Community
<b>DACI</b>	Disadvantaged Communities Involvement
<b>DFG</b>	California Department of Fish and Game
<b>DMS</b>	Data Management System
<b>DMV</b>	Department of Motor Vehicles
<b>D/S</b>	Downstream
<b>DWR</b>	Department of Water Resources
<b>EC</b>	Emerging Constituents
<b>EIR</b>	Environmental Impact Report
<b>EIS</b>	Environmental Impact Statement
<b>EMWD</b>	Eastern Municipal Water District
<b>EPA</b>	Environmental Protection Agency
<b>ERP</b>	Enterprise Resource Planning
<b>EVMWD</b>	Elsinore Valley Municipal Water District
<b>FEMA</b>	Federal Emergency Management Agency
<b>FICA</b>	Federal Insurance Contributions Act
<b>FPPC</b>	Fair Political Practices Commission
<b>FTE</b>	Full Time Equivalents
<b>FYE</b>	Fiscal Year Ending
<b>GAAP</b>	Generally Accepted Accounting Principles
<b>GASB</b>	Governmental Accounting Standards Board
<b>GFOA</b>	Government Finance Officers Association

<b>GHG</b>	Greenhouse Gas
<b>GIS</b>	Geographical Information System
<b>GM</b>	General Manager
<b>GWRS</b>	Groundwater Replenishment System
<b>Hg</b>	Mercury
<b>HR</b>	Human Resources
<b>HRCI</b>	Human Resource Certification Institute
<b>HVAC</b>	Heating, Ventilation, and Air Conditioning
<b>IEUA</b>	Inland Empire Utilities Agency
<b>IIPP</b>	Injury and Illness Prevention Program
<b>IRWM</b>	Integrated Regional Water Management
<b>IRWMP</b>	Integrated Regional Water Management Plan
<b>IS/IT</b>	Information Systems/Information Technology
<b>IWP</b>	Integrated Watershed Plan
<b>JCSD</b>	Jurupa Community Services District
<b>JPA</b>	Joint Powers Authority
<b>JPIA</b>	Joint Powers Insurance Authority
<b>LAIF</b>	Local Agency Investment Fund
<b>LE/CL</b>	Lake Elsinore / Canyon Lakes
<b>LED</b>	Light Emitting Diode
<b>LESJWA</b>	Lake Elsinore & San Jacinto Watersheds Authority
<b>MAS</b>	Manhole Access Structure
<b>MG</b>	Million Gallons
<b>Mg/L</b>	Milligrams per liter
<b>MGD</b>	Million Gallons per Day
<b>MOU</b>	Memorandum of Understanding
<b>MSAR</b>	Middle Santa Ana River
<b>MWD(SC)</b>	Metropolitan Water District of Southern California
<b>NEPA</b>	National Environmental Policy Act
<b>NIST</b>	National Institute of Statistics and Technology
<b>NRCS</b>	Natural Resources Conservation Service
<b>O&amp;M</b>	Operations and Maintenance
<b>OCPFRD</b>	Orange County Public Facilities and Resources Department
<b>OCPW</b>	Orange County Public Works
<b>OCRDMD</b>	Orange County Resources and Development Management Department
<b>OCFCD</b>	Orange County Flood Control District
<b>OCSD</b>	Orange County Sanitation District
<b>OCWD</b>	Orange County Water District
<b>OERP</b>	Overflow Emergency Response Plan
<b>OPEB</b>	Other Post Employment Benefits
<b>OPR</b>	Office of Planning and Research (Governor's Office)
<b>OSHA</b>	Occupational Safety & Health Administration
<b>OWOW</b>	One Water One Watershed
<b>PA</b>	Project Agreement
<b>PERS</b>	Public Employee Retirement System
<b>PIO</b>	Public Information Officer
<b>POTW</b>	Publicly Owned Treatment Works
<b>PVC</b>	Polyvinyl Chloride
<b>RCFC&amp;WCD</b>	Riverside County Flood Control & Conservation District
<b>RCP</b>	Reinforced Concrete Pipe

<b>RCTC</b>	Riverside County Transportation Commission
<b>RFP</b>	Request for Proposal
<b>RFQ</b>	Request for Quotation
<b>RIM</b>	Records Information Management
<b>RWQ</b>	Regional Water Quality
<b>RWQCB</b>	Regional Water Quality Control Board
<b>SA</b>	Santa Ana
<b>SAR</b>	Santa Ana River
<b>SARCCUP</b>	Santa Ana River Conservation and Conjunctive Use Project
<b>SARI</b>	Santa Ana Regional Interceptor (OCSD portion)
<b>SAWA</b>	Santa Ana Watershed Association
<b>SAWPA</b>	Santa Ana Watershed Project Authority
<b>SBVMWD</b>	San Bernardino Valley Municipal Water District
<b>SCADA</b>	Supervisory Control and Data Acquisition
<b>SCIWP</b>	Southern California Integrated Watershed Program
<b>SDLF</b>	Special District Leadership Foundation
<b>SDI</b>	State Disability Insurance
<b>SEP</b>	Supplemental Environmental Project
<b>SHRM</b>	Society for Human Resource Management
<b>SQL</b>	Standard Query Language
<b>SQSTF</b>	Stormwater Quality Standards Task Force
<b>SRF</b>	State Revolving Fund
<b>SSMP</b>	Sanitary Sewer Management Plan
<b>SSO</b>	Sanitary Sewer Overflow
<b>STAG</b>	State and Tribal Affairs Grant
<b>SWRCB</b>	State Water Resources Control Board
<b>TBD</b>	To Be Decided
<b>TDS</b>	Total Dissolved Solids
<b>TF</b>	Task Force
<b>TIN</b>	Total Inorganic Nitrogen
<b>TMDL</b>	Total Maximum Daily Load
<b>TSS</b>	Total Suspended Solids
<b>T-Strips</b>	Treasury Strips
<b>TVRI</b>	Temescal Valley Regional Interceptor
<b>UCI</b>	University of California, Irvine
<b>US</b>	United States
<b>USB</b>	US Bank
<b>USBR</b>	United States Bureau of Reclamation
<b>USFWS</b>	United States Fish and Wildlife Service
<b>USGS</b>	US Geological Survey
<b>W/C</b>	Workers' Compensation
<b>WCD</b>	Water Conservation District
<b>WDR</b>	Wastewater Discharge Requirement
<b>WECAN</b>	Water Energy Community Action Network
<b>WMWD</b>	Western Municipal Water District
<b>WRCRWA</b>	Western Riverside County Regional Wastewater Authority

A financial chart with a blue gradient overlay. The chart shows a line graph with a peak and a trough. The y-axis has labels 6.40 and 6.50. The x-axis has a label 1.20. The chart is partially obscured by a blue gradient that covers most of the page.

# **Santa Ana Watershed Project Authority**

**11615 Sterling Avenue • Riverside • California • 92503**  
**[www.sawpa.org](http://www.sawpa.org) • (951) 354-4220**