REGULAR COMMISSION MEETING
TUESDAY, JUNE 21, 2016 – 9:30 A.M.

AGENDA

1. CALL TO ORDER/PLEDGE OF ALLEGIANCE (Thomas P. Evans, Chair)

2. ROLL CALL

3. PUBLIC COMMENTS
Members of the public may address the Commission on items within the jurisdiction of the Commission; however, no action may be taken on an item not appearing on the agenda unless the action is otherwise authorized by Government Code §54954.2(b).

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

   A. APPROVAL OF MEETING MINUTES: JUNE 7, 2016 ................................................................. 5
      Recommendation: Approve as posted.

   B. TREASURER’S REPORT – MAY 2016 .................................................................................. 11
      Recommendation: Approve as posted.

5. NEW BUSINESS

   A. STATEMENT OF INVESTMENT POLICY (CM#2016.40) ..................................................... 17
      Presenter: Karen Williams
      Recommendation: Adopt Resolution No. 2016-2 approving the Statement of Investment Policy and delegating authority to the Chief Financial Officer to invest or reinvest funds consistent with the Statement of Investment Policy.

   B. BRINE LINE SERVICE CONTRACTS FISCAL YEAR 2016-2017 (CM#2016.44) ............... 35
      Presenter: Carlos Quintero
      Recommendation: Approve Work Orders with E.S. Babcock Laboratories in the amount of $87,000 for water quality sampling and analysis services and Western Municipal Water District in the amount of $117,000 for Brine Line maintenance and operations activities; and approve the budget for Year Two of the existing Task Order with Houston Harris PCS, Inc. in the amount of $225,000 for pipeline cleaning.

   C. SEWER SYSTEM MANAGEMENT PLAN INTERNAL AUDIT (CM#2016.45) ................. 49
      Presenter: Carlos Quintero
      Recommendation: Receive and file a report on the Sewer System Management Plan internal audit.
D. **STORMWATER QUALITY STANDARDS TASK FORCE – REGIONAL WATER QUALITY MONITORING TASK FORCE AGREEMENT (CM#2016.46)**

*Presenter:* Rick Whetsel  
*Recommendation:* Authorize the Regional Water Quality Monitoring Task Force Agreement.

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E. **U.S. BUREAU OF RECLAMATION BASIN STUDY UPDATE PROPOSAL (CM#2016.47)**

*Presenter:* Ian Achimore  
*Recommendation:* Approve the submittal of the Santa Ana Basin Study Update Proposal to the U.S. Bureau of Reclamation.

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F. **RFP FOR QUALITY ASSURANCE SERVICES (CM#2016.48)**

*Presenter:* Rich Haller  
*Recommendation:* Approve the release of a Request for Proposals (RFP) for Quality Assurance Services to support the Proposition 84 Grant Program.

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G. **PROJECT AGREEMENT 23 (CM#2016.49)**

*Presenter:* Larry McKenney  
*Recommendation:* Approve the Project Agreement 23 to implement the Santa Ana River Conservation and Conjunctive Use Project and future phases of this project. Further, it is recommended, if the PA 23 Agreement is approved, that the Commission members confer with their respective governing Boards and General Managers in order to appoint their Committee representatives during July 2016.

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6. **INFORMATIONAL REPORTS**

*Recommendation:* Receive and file the following oral/written reports/updates.

A. **CASH TRANSACTIONS REPORT – APRIL 2016**

*Presenter:* Karen Williams

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B. **INTER-FUND BORROWING – APRIL 2016 (CM#2016.41)**

*Presenter:* Karen Williams

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C. **PERFORMANCE INDICATORS/FINANCIAL REPORTING – APRIL 2016 (CM#2016.42)**

*Presenter:* Karen Williams

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D. **THIRD QUARTER FYE 2016 EXPENSE REPORTS**

- Staff
- General Manager

*Presenter:* Karen Williams

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E. **BUDGET VS. ACTUAL VARIANCE REPORT – FYE 2016 THIRD QUARTER – MARCH 31, 2015 (CM#2016.43)**

*Presenter:* Karen Williams

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F. **AUDIT COMMUNICATION LETTER FOR FYE JUNE 30, 2016 – WHITE NELSON DIEHL EVANS LLP**

*Presenter:* Karen Williams

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G. **GENERAL MANAGER’S REPORT**

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H. **STATE LEGISLATIVE REPORT**

*Presenter:* Celeste Cantú

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I. **SAWPA GENERAL MANAGERS MEETING NOTES**

- June 14, 2016
J. **CHAIR’S COMMENTS/REPORT**

K. **COMMISSIONERS’ COMMENTS**

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

7. **CLOSED SESSION**

A. **CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION PURSUANT TO GOVERNMENT CODE SECTION 54956.9(d)(1)**
   Name of Case: Spiniello Companies v. Charles King Company, Inc., Santa Ana Watershed Project Authority, The Ohio Casualty Insurance Company (Superior Court of Los Angeles BC616589)

B. **CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION PURSUANT TO GOVERNMENT CODE SECTION 54956.9(d)(2)**
   Name of Party: Charles King Company, Inc.

8. **ADJOURNMENT**

**PLEASE NOTE:**
Americans with Disabilities Act: Meeting rooms are wheelchair accessible. If you require any special disability related accommodations to participate in this meeting, please contact (951) 354-4220 or kberry@sawpa.org. 48-hour notification prior to the meeting will enable staff to make reasonable arrangements to ensure accessibility for this meeting. Requests should specify the nature of the disability and the type of accommodation requested.

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

**Declaration of Posting**
I, Kelly Berry, Clerk of the Board of the Santa Ana Watershed Project Authority declare that on Wednesday, June 15, 2016, a copy of this agenda has been uploaded to the SAWPA website at [www.sawpa.org](http://www.sawpa.org) and posted in SAWPA’s office at 11615 Sterling Avenue, Riverside, California.

/\s/

_______________________________________
Kelly Berry, CMC
### 2016 - SAWPA Commission Meetings/Events

First and Third Tuesday of the Month

(NOTE: Unless otherwise noted, all Commission Workshops/Meetings begin at **9:30 a.m.**, and are held at SAWPA.)

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<td>2/2/16  Commission Workshop–OCSD Facilities Tour</td>
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<td>2/2/16 Commission Workshop–OCSD Facilities Tour</td>
<td>4/28/16 Special Commission Workshop [10:00 a.m.]</td>
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<td>5/3/16 Commission Workshop [cancelled]</td>
<td>6/7/16 Commission Workshop</td>
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<tr>
<td>5/3 – 5/6/16 ACWA Spring Conference, Monterey</td>
<td>6/21/16 Regular Commission Meeting</td>
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<td>5/10/16 Special Commission Workshop [9:00 a.m.]</td>
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<td>11/29 – 12/2/16 ACWA Fall Conference, Anaheim</td>
<td>12/20/16 Regular Commission Meeting</td>
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<td>11/15/16 Regular Commission Meeting</td>
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The Regular Commission Meeting of the Santa Ana Watershed Project Authority was called to order at 9:31 a.m. by Vice Chair Killgore at the Santa Ana Watershed Project Authority, 11615 Sterling Avenue, Riverside, CA.

1. CALL TO ORDER/PLEDGE OF ALLEGIANCE

2. ROLL CALL
Roll call was duly noted and recorded by the Clerk of the Board.

3. PUBLIC COMMENTS
There were no public comments.

The Commission next considered Agenda Item No. 9.A.

9. CLOSED SESSION
At 9:32 a.m., Vice Chair Killgore recessed the meeting to Closed Session for consideration of Agenda Item No. 9.A., discussion of which included Rich Haller and David Ruhl.

A. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION PURSUANT TO GOVERNMENT CODE SECTION 54956.9(d)(1)
Name of Case: Spiniello Companies v. Charles King Company, Inc., Santa Ana Watershed Project Authority, The Ohio Casualty Insurance Company (Superior Court of Los Angeles BC616589)

Vice Chair Killgore resumed Open Session at 10:04 a.m., and announced the following action was taken on Agenda Item No. 9.A. by the Commission during Closed Session.

MOVED, authorize SAWPA staff to defend any litigation brought by Charles King Company, Inc., in respect to the Reach V Project.

Result: Adopted (Unanimously; 5-0)
Motion/Second: Sullivan/Dennstedt
Ayes: Anthony, Dennstedt, Hall, Killgore, Sullivan
Nays: None
Abstentions: None
Absent: None
The Commission next considered Agenda Item No. 4.

4. **GOVERNMENT FINANCE OFFICERS ASSOCIATION (GFOA) ACHIEVEMENT AWARDS – FYE JUNE 30, 2015**
   SAWPA recently received the following achievement awards from the Government Finance Officers Association (GFOA). These are noteworthy achievements representing the highest form of recognition in government finance. Karen Williams, Chief Financial Officer, was presented with the awards.
   - Certificate of Achievement for Excellence in Financial Reporting. This marks SAWPA’s eighth consecutive achievement award for excellence in financial reporting. SAWPA has received this annual achievement award consistently since 2009.
   - Distinguished Budget Presentation Award. This marks SAWPA’s fifth consecutive distinguished budget presentation award. SAWPA has received this biennial award consistently since 2007.

5. **CONSENT CALENDAR**
   A. **APPROVAL OF MEETING MINUTES: MAY 17, 2016**
      Recommendation: Approve as posted.
   B. **TREASURER’S REPORT – APRIL 2016**
      Recommendation: Approve as posted.

   **MOVED, approve the Consent Calendar.**
   Result: Adopted (Unanimously; 5-0)
   Motion/Second: Anthony/Hall
   Ayes: Anthony, Hall, Killgore, Sullivan, Dennstedt
   Nays: None
   Abstentions: None
   Absent: None

6. **WORKSHOP DISCUSSION AGENDA**
   Agenda Item No. 6.A. was removed from the agenda. The Commission next considered Agenda Item No. 6.D.

   D. **U.S. BUREAU OF RECLAMATION BASIN STUDY UPDATE DRAFT PROPOSAL FRAMEWORK (CM#2016.39)**
   Ian Achimore presented a PowerPoint presentation updating the Commission on the U.S. Bureau of Reclamation (Reclamation) Basin Study Update Proposal. Jack Simes was present from Reclamation. Reclamation manages water projects for the Colorado River, which is part of the supply for the Santa Ana Basin. Reclamation assists in demand and supply for basins such as the Santa Ana Basin. Jack Simes noted Reclamation’s Basin Study program is very focused, and program efforts in 2010 created information valuable to the OWOW 2.0 process. Through this next effort, Reclamation will partner with SAWPA to update the OWOW 2.0 Plan. However, this is a competitive process, so Reclamation does require a Proposal. Simes has been working with SAWPA staff relative to proposal framework. Proposals are due June 23, and Reclamation’s recommendation will be announced by July 23. The final Proposal will be brought back to the Commission for approval prior to submitting to Reclamation.

The Commission next considered Agenda Item No. 6.B.
B. **THE ASPEN INSTITUTE 2016 ASPEN-NICHOLAS WATER FORUM**

Celeste Cantú gave a report on the Aspen-Nicholas Water Forum, an annual collaborative initiative between the Aspen Institute and Duke University’s Nicholas Institute for Environmental Policy Solutions, gathering leaders to discuss domestic water challenges in the 21st Century. This year’s Forum took place May 18-May 22, and participants were leaders from industry, finance, government and academia, water utilities, agriculture, food and technology companies, investors and entrepreneurs. SAWPA was invited as one of the four water representatives. Sessions included *Funding and Financing Water: Past, Present, Future; Markets for Water Rights, Water Quality and Ecosystem Services; A Capital Conflux – New Roles for Philanthropy, NGOs and Corporations; Impact Investing in Technology; Evaluating Water Risk & Investment Impact; Opportunities on the Horizon & Key Takeaways*. The 21st Century has brought a dramatic shift in how water and the economy intersect. Public funds have atrophied and infrastructure has an uncertain fiscal and operating future. There is a growing recognition that private and philanthropic capital can be utilized in addressing investment needs and delivering alternative benefits. New approaches are rapidly developing, such as green ecosystem services. Moving forward, participants will discuss how to further advance the application of increasing amounts of data to sustainable water management, as well as potential topics that the Water Forum can explore in the future.

Commissioner Sullivan left the meeting at 10:24 a.m., and did not return.

Commissioner Anthony congratulated Celeste Cantú, stating it was an honor to have been included in this group. Celeste Cantú noted there are continuing communications and interest in SARCCUP, Mill Creek Wetlands, and Forest First. SAWPA was seen as the initiator of the concept of maximizing resources in its own backyard.

C. **BAJA CALIFORNIA SUR - ACORABCS**

SAWPA recently received a letter from Baja California Sur Watershed Group thanking staff for providing a tour of the Watershed and announcing their organization formation based on the SAWPA OWOW model. They look forward to continue working with the exchange of technical and administrative experiences with SAWPA.

The Commission next considered Agenda Item No. 6.E.

E. **INLAND EMPIRE BRINE LINE REACH 5 REHABILITATION AND IMPROVEMENT PROJECT – PHASE 2 (NICHOLS ROAD RELOCATION)**

David Ruhl provided a PowerPoint presentation updating the Commission on the Inland Empire Brine Line Reach 5 Rehabilitation and Improvement Project – Phase 2, Nichols Road Relocation. Work began June 7 and substantial completion is expected by September 2016. We are on schedule for project competition prior to the abandonment of use of the easement from Castle and Cooke.

7. **NEW BUSINESS**

A. **UNION PACIFIC RAILROAD PIPE PROTECTION PROJECT – REACH 4E (CM#2016.36)**

Carlos Quintero provided a PowerPoint presentation on the Union Pacific Railroad Pipe Protection Project, which impacts Reach 4E of the Inland Empire Brine Line and the RIX Pipeline. Following is a table showing final project cost, which was brought before the Commission to request authorization to transfer funding.
Union Pacific has submitted a final invoice, and staff is recommending transfer of $259,848.64 from Brine Line Reserves to the Brine Line Operating Budget.

MOVED, approve the transfer of $259,848.64 from Brine Line Reserves to the Brine Line Operating Budget to pay Union Pacific’s final invoice #90062492.

Result: Adopted (Unanimously; 4-0)
Motion/Second: Dennstedt/Hall
Ayes: Anthony, Hall, Killgore, Dennstedt
Nays: None
Abstentions: None
Absent: Sullivan

B. RIVERSIDE COUNTY MULTI-JURISDICTIONAL HAZARD MITIGATION PLAN (CM#2016.37)
Carlos Quintero provided a PowerPoint presentation on the Multi-Jurisdictional Hazard Mitigation Plan, provided the County of San Bernardino’s Notice of Intent to Participate in the 2016 Hazard Mitigation Plan Update, and amended the Recommendation to include approval to submit said Notice of Intent to Participate to the County of San Bernardino.

MOVED, direct the General Manager to submit a Letter of Commitment as a participating jurisdiction in Riverside County Operational Area Multi-Jurisdictional Hazard Mitigation Planning and a Notice of Intent to Participate in the San Bernardino County Local Hazard Mitigation Plan update process.

Result: Adopted (Unanimously; 4-0)
Motion/Second: Anthony/Hall
Ayes: Anthony, Hall, Killgore, Dennstedt
Nays: None
Abstentions: None
Absent: Sullivan
C. **MEMORANDUM OF UNDERSTANDING WITH FONTANA WATER COMPANY TO ACCEPT LOCAL COST-SHARE FOR THE WATER-ENERGY COMMUNITY ACTION NETWORK PROJECT (CM#2016.38)**

Larry McKenney provided a brief oral presentation. Fontana Water Company (FWC), one of the partners in the Water Energy Community Action Network (WECAN) Program, is a private entity and not a public agency. FWC has requested an indemnification clause in their MOU. Executive Counsel has reviewed the indemnification language and found it is reasonable to include the language in this MOU, and recommended approval of the MOU.

MOVED, authorize the General Manager to execute the Memorandum of Understanding (MOU) with the Fontana Water Company.

Result: Adopted (Unanimously; 4-0)

Motion/Second: Anthony/Dennstedt
Ayes: Anthony, Hall, Killgore, Dennstedt
Nays: None
Abstentions: None
Absent: Sullivan

8. **INFORMATIONAL REPORTS**

   Recommendation: Receive and file the following oral/written reports/updates.

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

10. **ADJOURNMENT**

    There being no further business for review, Vice Chair Killgore adjourned the meeting at 10:44 p.m.

Approved at a Regular Meeting of the Santa Ana Watershed Project Authority Commission on Tuesday, June 21, 2016.

____________________________________
Thomas P. Evans, Chair
Attest:

____________________________________
Kelly Berry, CMC
Clerk of the Board
Finance Department
Santa Ana Watershed Project Authority
TREASURER'S REPORT
May 2016

During the month of May 2016, the Agency's actively managed temporary idle cash earned a return of 1.439%, representing interest earnings of $12,276. Additionally, the Agency's position in overnight funds L.A.I.F. and CalTRUST generated $17,433 and $1,814 in interest, resulting in $31,523 of interest income from all sources. Please note that this data represents monthly earnings only, and does not indicate actual interest received. There were zero (0) investment positions purchased, zero (0) positions sold, zero (0) positions matured, and zero (0) positions were called.

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

June 9, 2016

Prepared and Submitted by: Karen L. Williams, Chief Financial Officer
### Investment Portfolio - Marked to Market - Unrealized Gains & Losses

**May 31, 2016**

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

#### Investment Types and Security Details

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#### Total Actively Invested Funds

Total Actively Invested Funds: $11,227,000

### Total Local Agency Investment Fund

Total Local Agency Investment Fund: $37,184,389.36

### Total CalTRUST Investment Fund

Total CalTRUST Investment Fund: $2,157,947.75

### Total Invested Cash

Total Invested Cash: $11,227,000

#### Key to Security Type:

- **FHLB**: Federal Home Loan Bank
- **FHMCM**: Federal Home Loan Mortgage Corporation
- **FNMA**: Federal National Mortgage Association
- **CORP**: Corporate Note
- **CD**: Certificate of Deposit
- **GDB**: Goldman Sachs Bank
- **AEC**: American Express Centurion

#### Key to Dealers:

- **FCS**: FinaCorp Securities
- **MBS**: Multi-Bank Securities
- **MS**: Mutual Securities
- **RCB**: RBC Dain Rauscher
- **TBI**: Time Value Investments
- **WMS**: Wedbush Morgan Securities

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Santa Ana Watershed Project Authority

INVESTMENT PORTFOLIO - MARKED TO MARKET - UNREALIZED GAINS & LOSSES

May 31, 2016
Interest Rate Analysis

- Securities: 1.439%
- LAIF: 0.552%
- CalTRUST: 0.990%
- Avg Rate of Return: 0.768%

May-2016
Investments
$50,640,490

LAIF,
$37,184,389,
74%

Securities,
$11,298,152,
22%

CalTRUST,
$2,157,948,
4%
May-2016

Interest
$31,523

LAIF, $17,433,
55%

CalTRUST,
$1,814, 6%

Securities,
$12,276, 39%
COMMISSION MEMORANDUM NO. 2016.40

DATE: June 21, 2016

TO: SAWPA Commission

SUBJECT: Statement of Investment Policy

PREPARED BY: Karen Williams, Chief Financial Officer

RECOMMENDATION
It is recommended that the Commission adopt Resolution No. 2016-2, approving the Statement of Investment Policy and delegating authority to the Chief Financial Officer to invest or reinvest funds consistent with the Statement of Investment Policy.

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

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

RESOURCE IMPACTS
No additional staff or costs are anticipated at this time.

Attachments:
1. Resolution No. 2016-2
2. State of Investment Policy
RESOLUTION NO. 2016-2

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

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

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

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

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

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

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

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

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

1. The attached Statement of Investment Policy is hereby approved and shall govern the investment of SAWPA's funds.

2. The Chief Financial Officer shall comply with the duties and responsibilities of the office of the treasurer as set forth in Sections 6505 and 6505.5 of the Government Code.

3. As permitted under Section 53607 of the Government Code, the authority of the Commission to invest or reinvest SAWPA's funds, or to sell or exchange securities so purchased, is hereby delegated for a period of one year by the Commission to SAWPA's Chief Financial Officer who shall assume full responsibility for those transactions until the delegation of authority, and shall make a monthly report of those transactions to the Commission. Subject to review, the Commission may renew the delegation of authority each year pursuant to Section 53607 of the Government Code.
4. All such investments made by the Chief Financial Officer shall strictly comply with SAWPA's Statement of Investment Policy adopted annually pursuant to Section 53646 of the Government Code.

ADOPTED this 21st day of June, 2016.

SANTA ANA WATERSHED PROJECT AUTHORITY

By: ______________________________________

Thomas P. Evans, Chair

Attest:

____________________________________________

Kelly Berry, CMC
Clerk of the Board

Attachment: Statement of Investment Policy
STATEMENT OF INVESTMENT POLICY

I. POLICY
This Statement of Investment Policy is intended to provide guidelines for the prudent investment of SAWPA’s temporary idle cash, and outline the policies for maximizing the effectiveness and efficiency of SAWPA’s cash management system. The goal is twofold; one is to preserve SAWPA’s capital resources while maximizing investment earnings pursuant to the “Prudent Investor Standard”, the second is to provide guidelines for authorized investments.

II. SCOPE
All monies entrusted to SAWPA shall be pooled in an actively managed portfolio. In accordance with SAWPA Resolution No. 2016-XX, the Chief Financial Officer is authorized to invest funds in accordance with California Government Code (CGC) Section 53600 et seq. This investment policy applies to all financial assets and investment activities of SAWPA.

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

III. PRUDENCE
SAWPA shall follow the standards within the content of the Prudent Investor Standard as set forth in CGC Section 53600.3 that states in part:

“When investing, reinvesting, purchasing, acquiring, exchanging, selling and managing public funds, a trustee shall act with care, skill and prudence and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims to safeguard the principal and maintain the liquidity needs of the agency.”

IV. OBJECTIVE
SAWPA’s cash management system is designed to monitor and forecast expenditures and revenues, thus enabling the agency to invest funds to the fullest extent possible. SAWPA attempts to obtain the highest yield available, while investments meet the criteria established for safety, liquidity, and yield, in that order of priority.

A. SAFETY
Safety of principal is the foremost objective of the agency. Each investment transaction shall seek to ensure that capital losses are avoided, whether from securities default, rating downgrades, broker-dealer defaults, or erosion of market value. SAWPA shall seek the preservation of capital by mitigating two types of risk: credit risk and market risk.

1. Credit risk - is the risk of loss due to failure of the issuer and is mitigated by investing in safe securities, and diversifying the investment portfolio so the failure of one issuer would not materially affect the cash flow of the agency.
2. Market risk - is the risk of market value fluctuations due to changes in the general level of interest rates, and shall be mitigated by limiting the average maturity of the agency’s investment portfolio to three and one-half years, and the maximum maturity of any one security to five years. Market risk shall also be mitigated by structuring the portfolio so maturing securities match cash outflows, eliminating the need to sell securities prior to their maturity, and to avoid taking positions in securities for the purpose of selling those securities within a short period of time in order to realize a short term profit. It is recognized that within a diversified portfolio, occasional measured losses are inevitable, and must be considered within the context of the overall return on the investment.

B. LIQUIDITY
SAWPA’s investment portfolio will remain satisfactorily liquid, enabling the agency to meet all anticipated and operating cash flow requirements.

C. RETURN ON INVESTMENTS
SAWPA’s investment portfolio shall be designed to attain a market rate of return throughout economic cycles. Whenever possible with respect to budgetary and cash flow requirements, and consistent with risk limitations and prudent investment principles, the Chief Financial Officer shall seek to augment returns above the market rate of return.

V. MAXIMUM MATURITIES
SAWPA will match its investments with anticipated cash flow requirements. Per CGC Sections 53601 et seq., maximum maturities shall not exceed five (5) years, without specific approval of the SAWPA Commission. The average maturity of funds should not exceed 1,275 days (3.5 years), and the cash flow requirements shall prevail at all times.

VI. PERFORMANCE STANDARDS
SAWPA’s investment portfolio will be designed to obtain a market average rate of return during budgetary and economic cycles, taking into account the agency’s investment risk constraints and cash flow requirements.

SAWPA will operate in an active capacity in the investment strategy. The basis of the strategy used by the Chief Financial Officer to determine whether market yields are achieved shall be the State of California Local Agency Investment Fund (L.A.I.F.).

VII. DELEGATION AND GRANTS OF AUTHORITY
Management responsibility for the investment program is delegated to the Chief Financial Officer (as provided by resolution annually adopted by the SAWPA Commission) who shall establish written procedures and policies for the operation of the investment program consistent with this investment policy.

No person shall engage in an investment transaction except as provided under the terms of this policy and the procedures established by the Chief Financial Officer. The Chief Financial Officer shall establish a series of internal accounting controls to regulate and/or restrict the activities of subordinate representatives within the agency.

In the absence of the Chief Financial Officer, the authority to direct investment transactions affecting SAWPA monies will be restricted to SAWPA’s General Manager as to maturity, investment instrument, and dollar size of the investment.

VIII. INVESTMENT COMMITTEE
The SAWPA Commission shall act, or may appoint an AD Hoc or Standing Committee to act, as the investment committee to provide general oversight and guidance concerning the investment policy
related to the management of SAWPA’s investments. The Committee shall meet at least quarterly. Pursuant to an annual SAWPA Commission adopted resolution, the Chief Financial Officer shall be responsible for the day-to-day investments of the agency.

IX. ETHICS AND CONFLICT OF INTEREST
The Chief Financial Officer and all investment personnel shall refrain from personal business activity which could create a conflict with proper execution of the investment program, or which could impair the ability to execute impartial investment decisions. The Chief Financial Officer and all investment personnel shall disclose to SAWPA’s legal counsel any material financial interests in financial institutions that conduct business within the jurisdiction, and shall disclose any material financial investment positions that could be related in a conflicting manner to the performance of the agency’s investment portfolio.

The Chief Financial Officer shall complete on an annual basis, State of California Form 700, Statement of Economic Interests disclosure.

X. SAFEKEEPING AND CUSTODY AGREEMENTS
To protect against potential losses caused by collapse of individual securities dealers, all securities owned by SAWPA shall be kept in safekeeping by a third party bank trust department, acting as an agent for the agency under the terms of a custody agreement executed by the bank and the agency. All securities will be received and delivered using standard delivery versus payment procedures with the agency’s custodial bank, and evidenced by safekeeping receipts. Custodial statements are reconciled against transaction schedules by the Chief Financial Officer on a monthly basis.

Investments in the state pool and local government investments pools are undeliverable, and therefore, not subject to the delivery or third party safe keeping requirements.

XI. INTERNAL CONTROLS
Separation of duties among employees involved in cash management activities is designed to provide an ongoing internal review to prevent the potential for converting assets or concealing transactions.

Proper documentation obtained from confirmation and cash disbursement wire transfers is required for each investment transaction. Timely bank reconciliation is conducted by the Finance Department to ensure proper handling of all transactions.

The investment portfolio and all related transactions are reviewed and balanced to appropriate general ledger accounts by the Finance Department on a monthly basis.

An independent analysis by an external auditor shall be conducted annually to review internal control, account activity, and compliance with policies and procedures.

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

XIII. AUTHORIZED FINANCIAL DEALERS AND INSTITUTIONS
SAWPA shall transact business only with banks, savings and loan institutions, and registered investment securities dealers. The dealers should either be primary dealers authorized to buy and sell government securities in direct dealings with the Federal Reserve Bank of New York, or regional dealers qualifying under the Securities and Exchange Commission Rule 15C3-1.

All financial institutions and broker/dealers who desire to become qualified for investment transactions must supply the following as appropriate:
- Audited financial statements
- Proof of National Association of Securities Dealers (NASD) certification
- Proof of California state registration
- Completed broker/dealer questionnaire
- Certification of having read and understood and agreeing to comply with the Santa Ana Watershed Project Authority’s Investment Policy

An annual review of financial condition and registration of qualified financial institutions and broker/dealers will be conducted by the Chief Financial Officer.

XIV. COLLATERAL REQUIREMENTS
Collateralization is required for investments of public deposits in Certificates of Deposits (in excess of the FDIC insured amount) and all Repurchase Agreements. In order to reduce market risk, the collateral level will be at least 110% of market value of principal and accrued interest of eligible securities for Certificate of Deposit. The percentage of collateralization on repurchase agreements shall adhere to CGC Section 53601 (i) (2).

In order to conform with provisions of the Federal Bankruptcy Code, which provides for the liquidation of securities held as collateral for Repurchase Agreements, the only securities acceptable as collateral shall be eligible Negotiable Certificates of Deposit, eligible Banker’s Acceptances, or securities that are fully guaranteed as to principal and interest by the United States or by any agency of the United States government. All securities held as collateral shall have a maximum maturity of five (5) years.

XV. AUTHORIZED AND ACCEPTABLE INVESTMENTS
SAWPA is subject to CGC, Section 53601 et seq. Within the context of the governing language, the following investments are authorized and accepted as defined:

A. United States Treasury notes, bonds, bills, or certificates of indebtedness, or those which the full faith and credit of the United States are pledged for the payment of principal and interest. There is no limitation as to the percentage of the portfolio that can be invested within this category.

B. Obligations issued by the Government National Mortgage Association (GNMA), the Federal Farm Credit Bank System (FFCB), the Federal Home Loan Bank Board (FHLB), the Federal Home Loan Mortgage Corporation (FHLMC), the Federal National Mortgage Association (FNMA), and the Student Loan Marketing Association (SLMA). Although there is no percentage limitation on “governmental agency” issues, the prudent investor standard shall apply for a single agency name.

C. Time drafts drawn on and accepted by a commercial bank, otherwise known as Banker’s Acceptances (BAs). Banker’s Acceptances purchased shall not exceed 180 days to maturity, or 40% of the market value of the portfolio. No more than 30% of the market value of the portfolio may be invested in Banker’s Acceptances issued by any one commercial bank.
D. Commercial Paper rated “P1” by Moody’s Investor Services and “A1” by Standard and Poor’s and issued by a United States corporation having assets exceeding $500,000,000 and having an “A” or better rating on its long term debentures as rated by Moody’s and Standard and Poor’s. Commercial Paper purchases cannot exceed 15% of the market value of the portfolio (30% if the dollar weighted average maturity of all commercial paper does not exceed 31 days). Purchase of commercial paper may not exceed 10% of outstanding paper of an issuing corporation.

E. Negotiable Certificates of Deposit (NCD) issued by a nationally or state-chartered bank or a state or federal savings and loan association, provided that the issuing institution is rated “A” or better by a nationally recognized statistical ratings organization (NRSRO).

Purchases of negotiable certificates of deposits may not exceed 30% of the market value of the portfolio. A maturity limitation of five (5) years is applicable on NCDs. With federal deposit insurance limits up to $250,000, no more than $250,000 shall be invested in NCDs per financial institution.

F. Repurchase Agreements. The Agency may invest in Repurchase Agreements with banks and dealers with which the Agency has entered into a Master Repurchase Agreement which specifies terms and conditions of Repurchase Agreements. A signed copy of the Master Repurchase Agreement shall be required from the authorized financial dealer prior to the execution of any applicable transaction. The maturity of Repurchase Agreements shall not exceed one year. The market value of securities used as collateral for Repurchase Agreements shall be monitored daily, and will not be allowed to fall below 102% of the value of the Repurchase Agreement as set forth in CGC Section 53601 (i) (2).

G. Local Agency Investment Fund. The Agency may invest in the Local Agency Investment Fund (L.A.I.F.) established by the State Treasurer or Chief Financial Officer for the benefit of local agencies up to the maximum permitted by State law.

H. Investment Trust of California (CalTRUST). The Agency may invest in shares of beneficial interest issued by the Investment Trust of California (CalTRUST), a local government investment pool established by local entities as a joint powers authority pursuant to CGC Sections 6509.7 and 53601 (o), Provided:

1. CalTRUST investments are limited to the securities and obligations authorized for local agency investment pursuant to Subdivisions (a) to (n), inclusive, of CGC Section 53601; and

2. CalTRUST shall have retained an investment advisor that:

   a. Is registered or exempt from registering with the Securities and Exchange Commission;

   b. Has not less than five years experience investing in the securities and obligations authorized for local agency investment pursuant to subdivisions (a) to (n), inclusive, of CGC Section 53601; and

   c. Has assets under management in excess of $500 million.

3. The total invested shall not exceed 15 percent of the portfolio.
I. Medium-Term Notes of a maximum of five years maturity issued by corporations organized and operating within the United States or any state and operating within the United States. Notes eligible for investment shall be rated in a rating category of “A” or its equivalent or better by a nationally recognized rating service. No more than 30% of the market value of the portfolio may be invested in Medium-Term Notes.

J. Shares of beneficial interest issued by diversified management companies, otherwise known as Mutual Funds, as defined in Section 23701(m) of the Revenue and Taxation Code, investing in the securities and obligations as authorized by subdivisions (a) to (n), inclusive, of that section, and which comply with the investment restrictions (CGC, starting with Section 53601), companies shall either:

1. Attain the highest ranking or the highest letter and numerical ranking provided by not less than two out of the three rating services: Moody’s Investors Service, Standard and Poor’s or Fitch Investors Service, Inc.

2. Have an investment advisor registered with the Securities and Exchange Commission with not less than five years’ experience investing in the securities and obligations as authorized by subdivision (a) to (n), inclusive, and with assets under management in excess of five hundred million dollars ($500,000,000). The purchase price of shares of beneficial interest (Mutual Funds) purchased pursuant to this subdivision shall not include any commission that these companies may charge. No more than 15% of the portfolio may be invested in Mutual Funds. Further, the Agency may invest only in money market mutual funds that have an average maturity of 90 days or less per Securities & Exchange Commission regulations.

3. All positions in government-sponsored investment pools and permitted Mutual Funds (per Sections G and J, above) shall be subject to periodic review by the Agency Treasurer or Chief Financial Officer, or a designee thereof, in order to ensure that the monies in question are managed in a manner consistent with the standards and objectives set forth elsewhere in this Policy.

K. Collateralized Bank Deposits. The Agency may invest in notes, bonds, or other obligations which are at all times secured by a valid first priority security interest. The securities serving as collateral shall be placed by delivery or book entry into the custody of a trust company or the trust department of a bank which is not affiliated with the issuer of the secured obligation, and the security interest shall be perfected in accordance with the requirements of the Uniform Commercial Code or Federal regulations applicable to the types of securities in which the security interest is placed. For purposes of Time Deposits issued by financial institutions, the Agency may not invest more than 25% of the market value of the portfolio in this category.

L. Municipal Bonds. The Agency may invest in bonds issued by a state or local government agency, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the local agency or by a department, board, agency, or authority of the local agency.

XVI. PROHIBITED INVESTMENTS
In accordance with CGC Section 53601.6, SAWPA will not invest any funds in inverse floaters, range notes, or interest only strips that are derived from a pool of mortgages. The agency may hold previously permitted but currently prohibited investments until their maturity dates.

XVII. LEGISLATIVE CHANGES
Any State of California legislative action that further restricts allowable maturities, investment type, or percentage allocations will be incorporated into SAWPA’s Investment Policy, and supersede any and all previous applicable language.

**XVIII. INTEREST EARNINGS**

All monies earned and collected from investments authorized in this policy shall be allocated on a quarterly basis to various fund accounts where required by law, or other agreement, based on the cash balance in each fund as a percentage of the respective pooled portfolio. However, fiduciary accounts requiring full liquidity will receive their proportional distribution of monies based on the lower of pooled or LAIF rates.

**XIX. LIMITING MARKET VALUE EROSION**

The longer the maturity of securities, the greater the market price volatility. Therefore, it is the general policy of SAWPA to limit the potential effects from erosion in market values by adhering to the following guidelines:

A. All immediate and anticipated liquidity requirements will be addressed prior to purchasing all investments.

B. Maturity dates for longer-term investments will coincide with significant cash flow requirements where possible, to assist with short-term cash requirements at maturity.

C. All longer-term securities will be purchased with the intent to hold all investments to maturity under then-prevailing economic conditions. However, economic or market conditions may change, making it in SAWPA’s best interest to sell or trade a security prior to maturity.

**XX. PORTFOLIO MANAGEMENT ACTIVITY**

The investment program shall seek to augment returns consistent with the intent of this policy, identified risk limitations and prudent investment principles. The objectives will be achieved by use of the following strategies:

A. **Active Portfolio Management.** Through active fund and cash flow management taking advantage of current economic and interest rate trends, the portfolio yield may be enhanced with limited and measurable increases in risk by extending the weighted maturity of the total portfolio (not to exceed 1,275 days).

B. **Portfolio Maturity Management.** When structuring the maturity composition of the portfolio, the agency shall evaluate current and expected interest rate yields and necessary cash flow requirements. It is recognized that in normal market conditions longer maturities produce higher yields. However, the securities with longer maturities also experience greater price fluctuations when the level of interest rates change.

C. **Competitive Bidding.** It is the policy of the agency to require competitive bidding for investment transactions that are not classified as “new issue” securities. For the purchase of non-“new issue” securities, and the sale of all securities, at least three bidders must be contacted.

**XXI. INVESTMENT POLICY REVIEW**

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

Karen L. Williams
Chief Financial Officer
Santa Ana Watershed Project Authority

June 21, 2016
GLOSSARY OF INVESTMENT TERMS

AGENCIES: Securities issued by any of several U. S. Government Agencies including, but not limited to the Federal Home Loan Bank (FHLB), the Federal Farm Credit Bank (FFCB), and the Federal National Mortgage Association (FNMA or “Fannie Mae”).

ASKED: The price at which securities are offered.

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

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

BID: The price offered for securities.

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

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

CALTRUST: A Joint Powers Agency Authority created by local public agencies to provide a convenient method for local public agencies to pool their assets for investment purposes. CalTRUST is governed by a Board of Trustees made up of experienced local agency treasurers and investment officers. The Board sets overall policies for the program and selects and supervises the activities of the investment manager and other agents.

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

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

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

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

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

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

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

DELIVERY OF SECURITIES: There are two methods of delivery of securities; Delivery versus Payment and Delivery versus Receipt. Delivery versus payment is delivery of securities with an exchange of money for the securities. Delivery versus receipt is delivery of securities with an exchange of signed receipt for the securities.
**DERIVATIVE**: A financial instrument created from, or whose value depends on (is derived from) the value of one or more underlying assets or indexes of asset values.

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

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

**DIVERSIFICATION**: Dividing investment funds among a variety of securities offering independent returns.

**DURATION**: A measure of the timing of the cash flows to be received from a given fixed income security. This calculation is based on three variables: term to maturity, coupon rate, and yield to maturity. The duration of a security is a useful indicator of its price volatility for given changes in interest rates.

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

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

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

**FEDERAL DEPOSIT INSURANCE CORPORATION (FDIC)**: A federal agency that insures bank deposits, currently up to $100,000 per deposit.

**FEDERAL FUNDS RATE**: The rate of interest at which Fed funds are traded. This rate is currently pegged by the Federal Reserve through open-market operations.

**FEDERAL HOME LOAN BANKS (FHLB)**: The institutions that regulate and lend to savings and loan associations. The Federal Home Loan Banks play a role analogous to that played by the Federal Reserve Banks vis-à-vis member commercial banks.

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

**FEDERAL NATIONAL MORTGAGE ASSOCIATION (FNMA or Fannie Mae)**: FNMA was chartered under the Federal National Mortgage Association Act of 1938. FNMA is a Federal corporation working under the auspices of the Department of Housing and Urban Development (HUD). It is the largest single provider of residential mortgage funds in the United States. FNMA is a private stockholder-owned corporation. The corporation’s purchases include a variety of adjustable mortgages and second loans, in addition to fixed-rate mortgages. FNMA’s securities are also highly liquid and are widely accepted. FNMA securities do not carry direct U.S. Government guarantees.
**FEDERAL RESERVE SYSTEM:** The central bank of the United States created by Congress and consisting of a seven member Board of Governors in Washington, D.C., twelve regional Banks and about 5,700 commercial banks that are members of the system.

**GOVERNMENT NATIONAL MORTGAGE ASSOCIATION (GNMA or Ginnie Mae):** Securities guaranteed by GNMA and issued by mortgage bankers, commercial banks, savings and loan associations and other institutions. Security holder is protected by full faith and credit of the U.S. Government. Ginnie Mae securities are backed by FHA, VA or FMHM mortgages. The term pass-through is often used to describe Ginnie Mae’s.

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

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

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

**LIQUIDITY:** A liquid asset is one that can be converted easily and rapidly into cash without a substantial loss of value. In the money market, a security is said to be liquid if the spread between bid and asked prices is narrow and reasonable size can be done at those quotes.

**LOCAL AGENCY INVESTMENT FUND (LAIF):** The aggregate of all funds from political subdivisions that are placed in the custody of the State Treasurer for investment and reinvestment.

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

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

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

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

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

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

**NATIONAL RECOGNIZED STATISTICAL RATING ORGANIZATION (NRSRO):** A rating organization designated by the SEC as being nationally recognized, such as Moody’s Investor Service, Inc. (Moody's), Standard & Poor’s (S&P), and Fitch Ratings (Fitch).

**NEGOTIABLE CERTIFICATE OF DEPOSIT:** Large denomination certificates of deposit with a fixed maturity date, which can be sold in the money market. They are not collateralized.
**PORTFOLIO:** The collection of securities held by an individual or institution.

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

**PRUDENT PERSON RULE:** An investment standard. In some states the law requires that a fiduciary, such as a trustee, may invest money only in a list of securities selected by the state - the so-called legal list. In other states the trustee may invest in a security if it is one that would be bought by a prudent person of discretion and intelligence who is seeking a reasonable income and preservation of capital.

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

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

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

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

**SEcurities:** Investment instruments such as notes, bonds, stocks, money markets instruments and other instruments of indebtedness of equity.

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

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

**TREASURY BOND:** Long-term U.S. Treasury securities having initial maturities of more than ten years.

**TREASURY NOTES:** Intermediate term coupon bearing U.S. Treasury securities having initial maturities of from one to ten years.

**YIELD:** The rate of annual income return on an investment, expressed as a percentage. (a) INCOME YIELD is obtained by dividing the current dollar income by the current market price for the security. (b) NET YIELD or YIELD TO MATURITY is the current income yield minus any premium above par or plus any discount from par in purchase price, with the adjustment spread over the period from the date of purchase to the date of maturity of the bond.
CERTIFICATION OF UNDERSTANDING

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

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

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

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

I attest to the accuracy of the responses to the Agency’s questionnaire.

NOTE: Completion of the attached questionnaire is only part of the Santa Ana Watershed Project Authority’s certification process and DOES NOT guarantee that the our financial institution will be guaranteed any portion of the investment business with the Santa Ana Watershed Project Authority.
SANTA ANA WATERSHED PROJECT AUTHORITY
BROKERS/DEALERS QUESTIONNAIRE AND CERTIFICATION

Please fill out form and return to the Santa Ana Watershed Project Authority

1. Name of Firm

2. Address

   (Local) _____________________________________________________________

   (National Headquarters) _____________________________________________

3. Telephone No. ________________________________

4. Primary Representatives:
   Manager/Partner-In-Charge:
   Name ________________________________
   Telephone ________________________________

   Name ________________________________
   Telephone ________________________________

   Years in institutional sales __________________
   Years with firm __________________

   Years in institutional sales __________________
   Years with firm __________________

5. Are you a Primary Dealer in U.S. Government Securities?  Yes  No

6. Are you a Regional Dealer in U.S. Government Securities?  Yes  No

7. Are you a Broker instead of a Dealer, i.e., You DO NOT own positions of Securities?  Yes  No

8. What is the net capitalization of your firm? ________________________________

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

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

   _____________________________________________________________________

11. Please provide your wiring and delivery instructions. ________________________________

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

   □ T- Bills
   □ Treasury Notes/Bonds
   □ Discount Notes
   □ NCD’s
   □ Agencies (specify) ________________________________

13. Which of the above does your firm specialize in marketing? ________________________________
14. Please identify your most directly comparable Local Agency Clients in our geographical area:

<table>
<thead>
<tr>
<th>Entity</th>
<th>Contact Person</th>
<th>Telephone</th>
<th>Client Since</th>
</tr>
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</tbody>
</table>

15. What reports, transactions, confirmations and paper trail would we receive?

______________________________________________________________________________

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

______________________________________________________________________________

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

______________________________________________________________________________

______________________________________________________________________________

18. Have you or your Firm been censored or punished by a regulatory State or Federal agency for improper or fraudulent activities, related to the sale of securities?  Yes  No

19. If yes, explain.

______________________________________________________________________________

20. Attach certified documentation of your capital adequacy and financial solvency. In addition, an audited financial statement must be provided within 120 days of your fiscal year-end.


22. Attach proof of California Department of Securities Registration.

23. Attach proof of Securities and Exchange Commission registration.

24. Attach proof of adequate insurance coverage.

25. Are you listed under GFOA Yield Advantage?  Yes  No
COMMISSION MEMORANDUM NO. 2016.44

DATE: June 21, 2016

TO: SAWPA Commission

SUBJECT: Brine Line Service Contracts FY16-17

PREPARED BY: Carlos Quintero, Senior Project Manager

RECOMMENDATION
That the Commission approve Work Orders with E.S. Babcock Laboratories in the amount of $87,000 for water quality sampling and analysis services and Western Municipal Water District in the amount of $117,000 for Brine Line maintenance and operations activities; and approve the budget for Year Two of the existing Task Order with Houston Harris PCS, Inc. in the amount of $225,000 for pipeline cleaning.

DISCUSSION
On March 17, 2015, the SAWPA Commission approved staff to issue Request for Proposals for the Brine Line Service Contracts. The RFPs required contractors to maintain prices for a minimum of 2 years. The RFP included an option to renew for an additional third year, at SAWPA’s discretion.

SAWPA relies on a variety of service providers to provide specialized support to operate and maintain the Brine Line.

E.S. Babcock provides water quality sample collection and analysis to support the Brine Line pretreatment program. A total of 2,660 analyses are expected during FY16-17 to ensure that dischargers to the Brine Line are in compliance with established local limits.

WMWD supports SAWPA Operations and Maintenance activities for the Brine Line. Activities performed typically require specialized work (e.g. sample collection), specialized equipment (vactor for line cleaning) or emergency response in the event of a Sanitary Sewer Overflow.

A scope of work and budget has been established for FY 2017 activities to be performed by WMWD. These activities are represented in the attached Work Order for four tasks and a total budget of $117,000.

Houston Harris provides line cleaning services, including vacuum trucks, water trucks, and traffic control. Pipe cleaning is performed according to the requirements of the Brine Line Sewer System Management Plan. The existing Task Order with Houston Harris (HOU240-02) expires on June 30, 2017, so a Change Order would be issued to increase the budget to cover activities for FY16-17. The scope of work for FY16-17 includes line cleaning during a 20-day period for Reach 4B Upper, and a 7-day period for cleaning portions of Reach 4E.
RESOURCE IMPACTS
Funds for the Brine Line service contracts are budgeted for FY16-17 under Fund 240 (Brine Line Enterprise).

Attachments:
1. Work Order with E.S. Babcock
2. Work Order with Western Municipal Water District
3. Change Order 1 to Task Order HOU240-02 with Houston Harris PCS, Inc.
4. Task Order No. HOU240-02 with Houston Harris PCS, Inc.
Santa Ana Watershed Project Authority

WORK ORDER AUTHORIZATION

WORK ORDER NO.: 2017-02
Entry No.: PO00XXXX
Date: July 1, 2016

JOB NAME: Brine Line Sample Collection and Analysis

SERVICE PROVIDER: E.S. Babcock Laboratories
VENDOR NO.: 1845
ADDRESS: 6100 Quail Valley Court
Riverside, CA 92507

SCOPE OF WORK: Provide sample collection, delivery, and analysis for the Brine Line pretreatment program.

DATE OF COMPLETION: June 30, 2017
COST: $87,000.00
PAYMENT: Upon receipt of invoice

Carlos Quintero

Rich Haller

FINANCE: ___________________________ DATE: _________
Karen L. Williams

FUNDING SOURCE: 240-00-60143-00
Brine Line Sampling

COMMISSION AUTHORIZATION REQUIRED: ☒ YES ☒ NO CM XXXX

APPROVED: ___________________________ DATE: _________
General Manager (or Designee) or
Chief Financial Officer for
SANTA ANA WATERSHED PROJECT AUTHORITY

APPROVED: ___________________________ DATE: _________
E.S. Babcock Laboratories

ATTACHMENT A CONTAINS ADDITIONAL WORK ORDER TERMS AND CONDITIONS.
READ THESE TERMS CAREFULLY.
1. **Approval.** This Work Order is of no force or effect until signed by both parties. Service Provider shall not commence performance until such approval has been obtained.

2. **Amendment.** No amendment or variation of the terms of this Work Order shall be valid unless made in writing and signed by the parties. No oral understanding or agreement not incorporated in the Work Order is binding on any of the parties.

3. **Compliance with Laws and Regulation.** The Service Provider agrees that it shall, at all times, comply with, and require all of its subcontractors to comply with, all applicable federal, state and local laws, rules, regulations, guidelines. Service Provider, and its subcontractors, shall obtain and pay for all appropriate permits and licenses in order to perform the scope of work required by this Work Order.

4. **Governing Law.** This Work Order shall be governed by the laws of the State of California.

5. **Assignment of Contract.** This Work Order shall not be assigned by Service Provider without prior written authorization from the Santa Ana Watershed Project Authority (“SAWPA”).

6. **Contract Term.** The services provided under this Work Order shall be completed as outlined in the Scope of Work.

7. **Termination.** SAWPA reserves the right to terminate this Work Order, in whole or in part, without cause, at any time, by written notice to Service Provider. Such termination shall release SAWPA from any further liability, fee, cost or claim by the Service Provider other than for work performed to the date of termination. Upon receipt of a termination notice, the Service Provider shall immediately discontinue all work under this Work Order (unless the notice directs otherwise). SAWPA shall thereafter, within thirty (30) days of receipt of a valid invoice, pay the Service Provider for unpaid work performed to the date of termination.

8. **Prevailing Wage Law.** - SAWPA is subject to the provisions listed in the prevailing wage determination made by the Director of Industrial Relations pursuant to California Labor Code, Sections 1770, 1773 and 1773.1. Service Provider shall not pay less than the prevailing wage.

9. **Damage to SAWPA Property.** Any SAWPA property damaged by the Service Provider, or its employees, agents or subcontractors, shall be repaired or replaced by the Service Provider at no cost to SAWPA.
10. **Payment and Invoicing.** Upon approval by an authorized SAWPA employee, SAWPA will pay, within 30 days after receipt of valid, itemized invoices, submitted in duplicate, in a form acceptable to SAWPA to enable audit of the charges thereon. All such invoices shall be mailed to SAWPA, 11615 Sterling Avenue, Riverside, California 92503, attention Accounts Payable.

11. **Drug Free Workplace.** Service Provider's employees, agents and subcontractors shall adhere to, and comply with, the California Drug Free Workplace Act at Government Code, Sections 8350 through 8357.

12. **Safety.** Service Provider agrees to conform to, and comply with all applicable health and safety laws and regulations, including the Federal and State Occupational Safety and Health Act (OSHA) regulations. Service Provider assumes complete responsibility and liability for the safety of its employees, agents and subcontractors, and shall indemnify and hold harmless SAWPA from any claims, damages, fines, penalties, attorney's fees and costs arising from any injuries, damages or claims relating to this Work Order.

13. **Indemnification.** Service Provider shall hold harmless, defend and indemnify SAWPA and its officers, officials, employees, agents, volunteers and supervising engineer from and against any and all liability, loss, damage, expense, fines, penalties, and costs (including, without limitation, attorneys' fees and litigation expenses) of every nature arising out of or in connection with Service Provider's performance of the work under this Work Order or its failure to comply with any of its obligations contained in this Work Order, except such loss or damage which was caused by the active or sole negligence or willful misconduct of SAWPA.

14. **Insurance Requirements.** Service Provider shall procure and maintain for the duration of this Work Order insurance against claims for personal injuries or property damages which may arise from or relate to the performance of the work hereunder by the Service Provider, its employees, agents, subcontractors or representatives, as follows:

A. Commercial General Liability, including operations, products and completed operations shall have a liability limit of $2,000,000 per occurrence for bodily injury, personal injury and property damage, $1,000,000 if the total amount of the Work Order is less than $35,000 and authorized by the General Manager. If commercial general liability insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to the work required by this Work Order or the general aggregate limit shall be twice the required occurrence limit. Coverage shall at least be as broad as Insurance Services Office Commercial General Liability Coverage (Form CG 00 01) or Insurance Services Office Form (CG 00 09 11 88 Owners and Contractors Protective Liability Coverage Form).

B. Automobile liability coverage shall be no less than $1,000,000 per accident for bodily injury and property damage and coverage shall be at least as broad as Insurance Services Office Form CA 0001 covering Automobile Liability, Code C1 (any auto).

C. Workers Compensation Insurance as required by the State of California and Employer's Liability Insurance.
D. Builders Risk (Course of Construction Insurance) covering all risks of loss for the completed value of the project with no co-insurance penalty provisions. SAWPA shall be named as a loss payee.

☐ Yes  ☒ No

E. Professional Liability Insurance in an amount of no less than $1,000,000 as needed for any design-build requirements of this Work Order.

☐ Yes  ☒ No

F. Deductibles and Self-Insured Retentions. Any deductibles or self-insured retentions must be declared to and approved by SAWPA in advance.

G. SAWPA as Additional Insured. The Commercial General Liability and Automobile Liability Policies shall provide that SAWPA, its officers, officials, employees, agents, volunteers and supervising engineer are to be covered as insureds with respect to liability arising out of automobiles owned, leased, hired or borrowed by or on behalf of the Service Provider or arising out of work or operations performed by or on behalf of the Service Provider under this Work Order, including materials, parts or equipment furnished in connection with such work or operations. For any claims related to the work formed under this Work Order, the Service Provider's insurance coverage shall be primary as to SAWPA, its officers, officials, employees, agents, volunteers and supervising engineer. Any insurance maintained by SAWPA, it officers, officials, employees, agents, volunteers or supervising engineer shall be excess to Service Provider's insurance and shall not contribute with it. Each insurance policy required by this subsection shall be endorsed to state that coverage shall not be cancelled by either party except after thirty (30) days prior written notice to SAWPA.

H. Waiver of Subrogation. Service Provider hereby agrees to waive subrogation which any insurer of Service Provider may require from Service Provider by virtue of the payment of any loss. Service Provider agrees to obtain any endorsement that may be necessary to give effect to this waiver of subrogation. The Workers Compensation policy shall be endorsed with a waiver of subrogation in favor of SAWPA for all work performed by Service Provider, its employees, agents and subcontractors.

I. Acceptability of Insurers. Insurance required by this Section 14. is to be placed with an insurer admitted in and regulated by the State of California with a current AM Best rating of no less than A-VII. If the insurance company is not admitted in the State of California, it must be on the List of Eligible Surplus Line Insurers (LESLI), shall have a minimum AM Best rating of “A”, Financial Category “X”, and shall be domiciled in the United States, unless otherwise approved by SAWPA in writing.

J. Coverage Verification. Service Provider shall furnish SAWPA with original certificates and amendatory endorsements effecting coverage required by this Section 14. All certificates and endorsements shall be in a form acceptable to SAWPA. Service Provider shall require and verify that all of its subcontractors maintain insurance meeting all of the requirements of this Section 14.
15. **Right to Review Services, Facilities and Records.** SAWPA reserves the right to review any portion of the services performed by the Service Provider under this Work Order, and the Service Provider agrees to cooperate to the fullest extent possible. The Service Provider shall furnish to SAWPA such reports, statistical data, and other information pertaining to the Service Provider's services as may be reasonably required by SAWPA.

The right of SAWPA to review or approve drawings, specifications, procedures, instructions, reports, test results, calculations, schedules, or other data that are developed by the Service Provider shall not relieve the Service Provider of any obligation set forth in this Work Order.

16. **Permits, Ordinances and Regulations.** Any and all fees required by State, County, local laws, regulations and/or tariffs that pertain to work performed under the terms of this Work Order shall be paid by the Service Provider.

17. **Independent Contractor.** The Service Provider, and its employees, agents and subcontractors operate as independent contractors and not as employees or agents of SAWPA.

18. **Disputes.** Contractor shall continue to perform as required by this Work Order during any dispute between SAWPA and Service Provider.

19. **Timeliness.** Time is of the essence for this Work Order.

20. **Unenforceable Provisions.** In the event that any provision of this Work Order is unenforceable or held to be unenforceable, then the parties agree that all other provisions of this Work Order shall continue to be in full force and effect and shall not be affected thereby.

21. **Dispute Resolution.** Any dispute which may arise under this Agreement shall first be submitted to non-binding mediation. Should any dispute remain unresolved by the mediation, then the parties shall submit the dispute to binding arbitration. In the event of any litigation or arbitration between the parties to enforce any of the provisions of this Agreement or any right of any party hereto, the unsuccessful party to such litigation or arbitration agrees to pay to the successful party all such costs and expenses, including reasonable attorneys' fees, incurred therein by the successful party.
SANTA ANA WATERSHED PROJECT AUTHORITY

WORK ORDER AUTHORIZATION

WORK ORDER No.: 2017-01
Entry No.: PO00XXXX
Date: July 1, 2016

JOB NAME: Brine Line Operations and Maintenance

SERVICE PROVIDER: Western Municipal Water District (Vendor #1217)

ADDRESS: 14205 Meridian Parkway
Riverside, CA 92518

SCOPE OF WORK:
Operate and maintain the Brine Line (formerly known as SARI) under agreement with SAWPA. Work to consist of the following 13 recurring tasks (see also attached scope of work description). Special tasks will be authorized by separate work orders during the year.

- Sample Collection and Analysis. Sample collection, analysis, documentation and QA/QC. Schedule all sampling events to comply with the industry’s permit/pretreatment program requirements and billing requirements.
- Line Cleaning. Routine and emergency cleaning of pipeline, meters, and siphons.
- Valve Maintenance. Exercising valves and routine maintenance to valves, blow-offs, and air release/vacuum relief valves.
- On Call Response. When requested by SAWPA provide on-call response occurring after normal work hours on weekdays, or on weekends or on holidays. Examples include investigation of a reported vehicle accident resulting in damage to a Brine Line facility, or the report of an SSO occurring. WMWD will dispatch its on call personnel in response to SAWPA’s request.

DATE OF COMPLETION: June 30, 2017

COST: Not-to-exceed $117,000
PAYMENT: Upon receipt of approved invoice

REQUESTED BY/DEPT HEAD: Rich Haller
DATE: __________________________

FINANCE: Karen L. Williams
DATE: __________________________

FUNDING SOURCE:
- 240-00-60148-03 $85,000
- 240-00-60148-04$ 20,000
- 240-00-60148-09$ 7,000
- 240-00-60148-13$ 5,000

COMMISSION AUTHORIZATION REQUIRED: ☒ YES ☐ NO

APPROVED: General Manager (or Designee) or Chief Financial Officer for SANTA ANA WATERSHED PROJECT AUTHORITY
DATE: __________________________

ACCEPTED: Western Municipal Water District
DATE: __________________________
CONSULTANT: Houston Harris PCS, Inc.  VENDOR NO. 2075
21831 Barton Rd.
Grand Terrace, CA  92313

PROJECT: Brine Line Pipeline Cleaning Service

COST: $225,000

REQUESTED BY: Carlos Quintero  June 21, 2016

FINANCE: ________________________________
Karen Williams, CFO  Date

FINANCING SOURCE:  Acct. Coding: 240-00-60159-00
Acct. Description: Brine Line Facility Repair & Maintenance

COMMISSION AUTHORIZATION REQUIRED FOR THIS CHANGE:  YES (X)  NO ( )
Funding for the task order was authorized on 6-16-2015; Commission Memo No.2015.40

Consultant is hereby directed to provide the extra work necessary to comply with this change order.

DESCRIPTION / JUSTIFICATION OF CHANGE: This change order is to provide funds for the second year of the task order, FY 2016-17, for cleaning sections of the Brine Line as directed by SAWPA.

CHANGE IN CONTRACT TIME:  No change – June 30, 2017

CHANGE IN TASK ORDER PRICE:
Original Task Order Amount:  $318,120
Change Order No. 1 Amount:  $225,000
Amended Contract Total:  $543,120

ACCEPTANCE:
Consultant accepts the terms and conditions stated above as full and final settlement of any claims arising from or related to this Change Order. Consultant agrees to perform the above described work in accordance with the terms and in compliance with applicable sections of the Contract Specifications. This Change Order is hereby agreed to, accepted and approved, all in accordance with the General Provisions of the Contract Specifications.

SANTA ANA WATERSHED PROJECT AUTHORITY
Celeste Cantú, General Manager  Date

HOUSTON HARRIS PCS, INC.
(Signature)  Date  Typed/Printed Name
SANTA ANA WATERSHED PROJECT AUTHORITY
TASK ORDER NO. HOU240-02

CONTRACTOR: Houston Harris PCS, Inc.
21831 Barton Rd.
Grand Terrace, CA 92313

VENDOR NO. 2075

COST: $318,120

PAYMENT: Upon Proper Invoice

REQUESTED BY: Carlos Quintero, Project Manager

FINANCE: Karen Williams, CFO 10-15-15

FINANCING SOURCE: 240-00-60159-00
Acct. Coding
Acct. Description Brine Line Facility Repair & Maintenance

COMMISSION AUTHORIZATION REQUIRED: YES (X ) NO ( )

This Task Order is issued by the Santa Ana Watershed Project Authority (hereafter “SAWPA”) to Houston Harris PCS, Inc. (hereafter “Contractor”) pursuant to the Agreement between SAWPA and Contractor entitled Agreement for Services, dated June 16, 2015 (expires 12-31-18).

I. PROJECT NAME OR DESCRIPTION
Brine Line On-Call Pipeline Cleaning Services

II. SCOPE OF WORK / TASKS TO BE PERFORMED
Contractor shall provide all labor, materials, equipment, and incidentals for the project to clean the Inland Empire Brine Line, as requested by SAWPA. All line cleaning will be performed at the rate of $240.00 per hour.

Please refer to Appendix X for acceptable deliverable formats, also found at www.sawpa.org/html/e_req.htm

III. PERFORMANCE TIME FRAME
Contractor shall begin work within five days of the date this Task Order is signed by the Authorized Officer and shall complete performance of such services by or before June 30, 2017.

IV. SAWPA LIASION
Carlos Quintero shall serve as liaison between SAWPA and Contractor.

V. COMPENSATION
For all services rendered by Contractor pursuant to this Task Order, Contractor shall receive a total not-to-exceed sum of $318,120 in accordance with Attachment A, Cost Proposal Form. Payment for such services shall be made within 30 days upon receipt of timely and proper invoices from Contractor, as required by the above-mentioned Agreement. Each such invoice shall be provided to SAWPA by Contractor within 15 days after the end of the month in which the services were performed.
VI. CONTRACT DOCUMENTS PRECEDENCE
In the event of a conflict in terms between and among the contract documents herein, the document item highest in precedence shall control. The precedence shall be:

a. The Agreement for Services by Independent Contractor/Contractor.
b. The Task Order or Orders issued pursuant to the Agreement, in numerical order.
c. Exhibits attached to each Task Order, which may describe, among other things, the Scope of Work and compensation therefore.
e. Drawings incorporated by reference.

In witness whereof, the parties have executed this Task Order on the date indicated below.

SANTA ANA WATERSHED PROJECT AUTHORITY

[Signature]
Celeste Cantú, General Manager 6-16-15

Date

HOUSTON HARRIS PCS, INC.

[Signature]  
Date  
Print or Type Name

k/admin/contracts/drafted/SARI/HoustonHarrisTaskOrdHOU240-02OnCallPipeInspetn
ATTACHMENT A
COST PROPOSAL FORM

Due Date and Time for Proposal Submittal: May 5, 2015 at 11:00 a.m. Any omissions, additions, substitutions, conditions or alternates in Offeror’s proposal will be considered irregularities and may be cause for rejection of the Offeror’s proposal, no matter how insignificant or immaterial such irregularity may be. Proposals must be completed in ink, indelible pencil or by typewriter. Erasures or “strike-outs” must be initialed by the Service Provider.

The undersigned does hereby propose to provide services in accordance with all provisions of the Request for Proposals including, but not limited, to the Scope of Work, Exhibits, and references for the following price. The Offeror may elect to provide bids for any of the tasks presented below; OWNER shall consider awarding specific tasks to one or more Offerors. All envelopes shall be clearly marked with the Specification number and envelope content. Submit total Contract amount not to exceed, as follows:

<table>
<thead>
<tr>
<th>DESCRIPTION</th>
<th>QTY</th>
<th>UNIT</th>
<th>UNIT COST</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Pipe Cleaning Services</td>
<td></td>
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</tr>
<tr>
<td>a. Furnish all labor, materials, cleaning equipment and incidentals necessary to clean 24-, 36-, 39-, 42- and 48-inch pipelines, laterals, and siphons.</td>
<td>200</td>
<td>Hour</td>
<td>$ 240.00</td>
<td>$ 48,000.00</td>
</tr>
<tr>
<td>b. Furnish all labor, materials, cleaning equipment and incidentals necessary to clean 24-, 36-, 39-, 42-, and 48-inch pipeline, as requested by OWNER within a 1 hour response timeline.</td>
<td>25.8</td>
<td>Hour</td>
<td>$240.00</td>
<td>$ 6,200.00</td>
</tr>
<tr>
<td>c. Furnish all labor, materials, cleaning equipment and incidentals necessary to clean 16-, 18-, and 20-inch pipelines (PVC, Ductile Iron, and HDPE).</td>
<td>620</td>
<td>Hour</td>
<td>$240.00</td>
<td>$148,800.00</td>
</tr>
<tr>
<td>d. Pump equipment to drain Brine Line siphons, as required (25 ft of head, 400 gpm; Godwin CD100M, or approved equal)</td>
<td>4</td>
<td>Day</td>
<td>$ 250.00</td>
<td>$ 1,000.00</td>
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<tr>
<td>e. Provide confined space entry, as required.</td>
<td>6</td>
<td>Units</td>
<td>$ 290.00</td>
<td>$ 1,740.00</td>
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<tr>
<td>f. Water Truck with operator (minimum capacity 2,500 gallons).</td>
<td>700</td>
<td>Hour</td>
<td>$ 90.00</td>
<td>$ 63,000.00</td>
</tr>
<tr>
<td>g. CCTV for 16-, 18-, and 20-inch pipelines (PVC, Ductile Iron, and HDPE)</td>
<td>120</td>
<td>Hour</td>
<td>$ 220.00</td>
<td>$ 26,400.00</td>
</tr>
<tr>
<td><strong>Total for Pipe Cleaning / Inspection Services</strong></td>
<td></td>
<td></td>
<td></td>
<td><strong>$295,140.00</strong></td>
</tr>
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</table>
### 2. Traffic Control

<table>
<thead>
<tr>
<th>Description</th>
<th>Quantity</th>
<th>Rate</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. Furnish Traffic Control Plans as required by the appropriate permitting agency. (i.e. Caltrans, City of Chino, Riverside County, City of Corona.)</td>
<td>4</td>
<td>Each</td>
<td>$450.00 $1,800.00</td>
</tr>
<tr>
<td>b. Traffic Control for locations with light traffic (including cones, light board, signs, barriers, markers, no lane closure); 4 hours total</td>
<td>4</td>
<td>Each</td>
<td>$100.00 $400.00</td>
</tr>
<tr>
<td>c. Traffic Control for locations with heavy traffic (including cones, light board, signs, 2 flagmen, barriers, markers, lane closure); 4 hours total</td>
<td>4</td>
<td>Each</td>
<td>$625.00 $2,500.00</td>
</tr>
<tr>
<td>d. Traffic Control for locations with light traffic (including cones, light board, signs, barriers, markers, no lane closure); 8 hours total</td>
<td>28</td>
<td>Each</td>
<td>$200.00 $5,600.00</td>
</tr>
<tr>
<td>e. Traffic Control for locations with heavy traffic (including cones, light board, signs, 2 flagmen, barriers, markers, lane closure); 8 hours total</td>
<td>8</td>
<td>Each</td>
<td>$1,210.00 $9,680.00</td>
</tr>
<tr>
<td>f. Obtain Caltrans Encroachment Permit. (Permit fees will be reimbursed by SAWPA based on actual costs.)</td>
<td>2</td>
<td>Each*</td>
<td>$1,500.00 $3,000.00</td>
</tr>
</tbody>
</table>

**Total for Traffic Control**

$22,980.00

**GRAND TOTAL**

$318,120.00

*Permit is valid for up to 1 year.*
COMMISSION MEMORANDUM NO. 2016.45

DATE:       June 21, 2016
TO:         SAWPA Commission
SUBJECT:    Sewer System Management Plan Internal Audit
PREPARED BY: Carlos Quintero, Project Manager

RECOMMENDATION
It is recommended that the Commission receive and file this report.

DISCUSSION
The Sewer System Management Plan, formally updated and adopted by the SAWPA Commission on April 15, 2014 requires a bi-annual audit to ensure all its components are successfully implemented. The previous version of the SSMP (Original version adopted by the SAWPA Commission in April 2009) underwent 2 audits (one in 2011 and a second one in 2013).

The SSMP includes the following sections:

a. Plan and Schedule  h. Design and Performance Standards
b. Goals             i. System Capacity Plan
c. Organization      j. Monitoring and Program Modifications
d. Emergency Response Plan   k. Program Audits
e. Legal Authority    l. Communications Program
f. Operation and Maintenance Plan   m. Final SSMP and Certification
g. Fats, Oils, and Grease Control Program

The current internal audit is based on the State Water Resources Control Board Sewer Collection System Pre-Inspection Questionnaire (Attachment #1). The next audit is scheduled for the year 2018 and a formal update to the SSMP is required by the year 2019.

Attached is an action plan based on the findings, including an implementation timeline (Attachment #2).

Overall, the current audit found that SAWPA's Sewer System Management Plan has been successfully implemented, updated and followed.

RESOURCE IMPACTS
Staff time related to the internal audit is budgeted under Fund No. 240 (Brine Line Enterprise).

Attachments:
1. SWRCB Pre-inspection questionnaire
2. Action Plan/Timeline
1 DOCUMENTATION

Please mail an electronic copy (e.g., CD) of the following documents to:
State Water Resources Control Board
Office of Enforcement, Special Investigations Unit
1001 I Street, 16th Floor, Sacramento, CA 95814

1.1 Sewer System Management Plan [(SSMP) [Sanitary Sewer System General Waste Discharge Requirements (SSSWDR), Sect. D.13] and any documents referenced within the SSMP. Also include documentation showing approval of the SSMP by your agency’s local governing board (e.g., Board Resolution or other documentation).


1.2 SSMP Program Audit1 [SSSWDR, Sect. D.13(x)], if not contained within your agency’s SSMP (1 To satisfy SSSWDR, Sect. D.13(x), the SSMP Audit must occur at least every two years following the original approval date of the agency’s SSMP by the local governing board. The SSMP Audit must measure the effectiveness and compliance of an Enrollee’s SSMP.)

1.3 Sewer System Area Map [SSSWDR, Sect. D.13(iv)], if not contained within your agency’s SSMP

1.4 Local Sewer Use Ordinance [SSSWDR, Sects. D.13(iii) and D.13(vi)], if not contained within your agency’s SSMP

1.5 Evidence of Agency’s SSO Field Response Documentation [SSSWDR, Amended MRP, B.5], if not contained within your agency’s SSMP

1.6 Rehabilitation and Replacement Plan [SSSWDR, Sect. D.13(iv)(c)], if not contained within your agency’s SSMP

1.7 Capital Improvement Plan (CIP) Schedule for System Evaluation and Capacity Assurance Plan (SECAP) [SSSWDR, Sect. D.13(viii)], if not contained within your agency’s SSMP
2 Basic Information

2.1 Collection System Waste Discharge ID number (WDID) and Collection System Name:

2.2 Collection System Main Point(s) of Contact (name, title, address, email, and telephone number):

2.3 Type of Sanitary Sewer System (select ONE of the following: Municipal, Park, School, Military, Hospital, Prison, Airport, Port, Other)

Municipal

2.4 What is the population served by your agency's sanitary sewer system?

3,415,953. The population was calculated based on 2010 Census Data and it corresponds to the portion of Riverside and San Bernardino Counties within the Santa Ana River Watershed.

2.5 What is this fiscal year’s budget for operation and maintenance sanitary sewer system facilities?

$7,055,482

2.6 What is this fiscal year’s budget for capital expenditures for sanitary sewer system facilities?

$14,835,390

For questions 2.7 - 2.10, please identify the total number of employees (technical and mechanical) for your agency's sanitary sewer system (including pump station operations) working within the different classifications listed below.

2.7 Entry Level (Less than 2 years experience)

Number of agency employees?

Brine Line Operations: 3 FT
Brine Line Engineering: 3 FT
Brine Line Pretreatment: 2 FT

2.8 Journey Level (Greater than or equal to 2 years experience)

Number of agency employees?

2.9 Supervisory Level

Number of agency employees?

2.10 Managerial Level
Number of agency employees?

For questions 2.11 – 2.14, please identify the total number of employees who hold CWEA Certification for Collection System Maintenance for your agency's sanitary sewer system (including pump station operations) for the various Certificates and Grades levels listed below.

2.11 Grade I
Number of certified (Grade I Collection System Maintenance) agency employees: 
Number of certified (Grade I Plant Maintenance Technologist) agency employees: 

2.12 Grade II
Number of certified (Grade II Collection System Maintenance) agency employees: 2
Number of certified (Grade II Electrical/Instrumentation Technologist) agency employees: 
Number of certified (Grade II Mechanical Technologist) agency employees: 

2.13 Grade III
Number of certified (Grade III Collection System Maintenance) agency employees: 
Number of certified (Grade III Electrical/Instrumentation Technologist) agency employees: 
Number of certified (Grade III Mechanical Technologist) agency employees: 

2.14 Grade IV
Number of certified (Grade IV Collection System Maintenance) agency employees: 3
Number of certified (Grade IV Electrical/Instrumentation Technologist) agency employees: 
Number of certified (Grade IV Mechanical Technologist) agency employees: 

2.15 Estimated Size Distribution of Assets
Diameter of sewer pipe Gravity Sewers (miles) Force Mains (miles)

6 inches or less: 0 miles
8 inches: 0 miles
9 - 18 inches: 5 miles
19 - 36 inches: 56 miles
> 36 inches: 12 miles
Unknown Diameter: 0 miles
Totals: 73 miles

2.16 For which portion of sewer service laterals is your agency responsible? From the metering station to the main line.

2.17 Estimated total miles of sewer service laterals (upper and lower) for which your agency is responsible? 2 miles

2.18 Number of sewer service lateral connections? 8

2.19 Estimated total miles of easements within your sanitary sewer system? 73 miles (includes acquired easements and section of the pipe within the public right-of-way.)
2.20 What is your total easement sewer system cleaning production in miles/year? N/A.

2.21 What is your total gravity sewer system cleaning production in miles/year? 4 miles

2.22 Does your agency own any separately enrolled collection systems? No.

2.23 If yes to question 2.22, which collection system(s) does your agency own?

Collection System name(s):
Collection System WDID(s):

2.24 Which wastewater treatment plant(s) (WWTPs) ultimately receive wastewater from this collection system?

Receiving Treatment Plant name(s): Orange County Sanitation District WRF #2
Receiving Treatment Plant WDID(s):

2.25 For question 2.24, does your agency own this/these WWTP(s)? No

2.26 Does your collection system discharge into any other collection system(s)? Yes

2.27 If yes to question 2.26, which collection system(s) receive wastewater from this collection system?

Receiving Collection System name(s): Orange County Sanitation District
Receiving Collection System WDID(s):

2.28 Do any upstream collection systems greater than 25,000 gallons/day (gpd) discharge into this collection system? Yes

2.29 If yes to question 2.28, which collection system(s) discharge into this collection system?

Upstream Collection System name(s): Jurupa Community Services District, Yucaipa Valley Water District
Upstream Collection System WDID(s):

2.30 Estimated Collection System Flow Characteristics for your collection system:

Average Daily Dry Weather Flow (MGD) Peak Daily Wet Weather Flow (MGD): Average (10 MGD); Peak (11 MGD)

Flow is measured using flow meters.

2.31 How many pump stations are there throughout the sewer collection system? 0

2.32 How many feet of above ground gravity pipelines are there throughout the sewer collection system? 20 feet
2.33 How many feet of above ground pressurized pipelines are located throughout the sewer collection system? 0

2.34 How many air relief valves (ARVs) are located throughout the sewer collection system? 54

2.35 How many siphons are there throughout the sewer collection system? 13

2.36 Specify the percentage of piping and the number of pump stations constructed:

2000 - Present 30%
1980 - 1999 64%
1960 - 1979 4%
1940 - 1959
1920 - 1939
1900 - 1919
Before 1900
Unknown Age
Totals [%] 100%

3 ORGANIZATION
Local Governing Board Information

3.1 [SSSWDR, Sect. D.13(ii)]: Is/are your agency’s Legally Responsible Official(s) and Data Submitter(s) registration information up-to-date with the State Water Board? Yes

3.2 [SSSWDR, Sect. D.13(ii)]: If your local governing board has an internet website, please specify the internet address here:
www.sawpa.org

3.3 [SSSWDR, Sect. D.13(ii)]: Please list the names and titles of each of your agency’s current governing board members:

Tom Evans, Chair
Ed Killgore, Vice-Chair
Phil Anthony
Ron Sullivan
Terry Catlin

Sewer System Management Plan Information
3.4 [SSSWDR, Sect. E.]: Is your agency’s SSMP available on your agency’s website? Yes

3.5 [SSSWDR, Sect. E.]: If yes to question 3.4, please provide the internet address here:
www.sawpa.org

4 SEWER SYSTEM ASSETS
General System Information
4.1 [SSSWDR, Findings 2 & 3]: Please specify the basis for the population estimate in question 2.4 (e.g., official census data, estimated by agency, etc.)?

The Brine Line serves the upper Santa Ana River Watershed (portions of Riverside and San Bernardino Counties within the watershed). The population was estimated using 2010 U.S. Census Bureau data using GIS.

4.2 [SSSWDR, Sects. D.8, D.10]: What is the approximate size of the service area served by the sewer collection system for your agency, in square miles?

4.3 [SSSWDR, Sects. D.8, D.10]: Please describe the terrain within your agency’s sewer service area
Flat, hilly.

4.4 [SSSWDR, Sects. D.8, D.10]: Please specify what percentage of the collection system’s flow comes from residential, commercial, industrial, and institutional sources.

Residential 4.2%
Industrial 20.6%
Municipal 75.2%

Asset Mapping
4.5 [SSSWDR, D.13(iv)]: Has your agency identified and mapped all the gravity sewer line segments, public access points (manholes, lamp holes, rod holes, etc.), pumping facilities, pressure pipes and valves, and stormwater-related facilities? Yes

4.6 [SSSWDR, D.13(iv)]: Does your agency currently have sewer system assets mapped in a Geographic Information System (GIS)? Yes

4.7 [SSSWDR, D.13(iv)]: Does your agency currently have stormwater-related facilities mapped in GIS? N/A

4.8 [SSSWDR, D.8 and D.10]: What is the estimated number of gravity sewer line pipe segments located throughout the collection system? 430

4.9 [SSSWDR, D.13(iv)]: Does your agency have a formal review process in place to ensure that any mapping issues noted by field staff or others are addressed? Yes. Data collected by field staff is reviewed by Engineering staff and maps are updated as needed.

4.10 [SSSWDR, D.13(iv)]: Please indicate the total number of public access points (manholes, lamp holes, rod holes, etc.) located within your sewer collection system. 430

Sewer Service Laterals [SSSWDR, D.8, D.13(iv)]
4.11 Has your agency ever historically owned or maintained any portion of sewer service laterals? Yes

4.12 Does your agency have a voluntary sewer service lateral incentive program in place? N/A

4.13 How many incoming complaints did your agency receive for privately-owned sewer service lateral problems in the previous fiscal year? N/A
4.14 How many service calls did your agency respond to in the field for privately-owned service lateral problems in the previous fiscal year? N/A

Pumping Facility Assets

For questions 4.15 – 4.32 refer to your pump station assets from question 2.31 (above)

4.15 [SSSWDR, D.8, D.13(iv)]: Has your agency mapped each pump station’s actual GPS coordinates? N/A

4.16 [SSSWDR, D.8, D.13(iv)]: Has your agency conducted a risk assessment for each asset? N/A

4.17 [SSSWDR, D.8 and D.10]: How many of these assets have redundant pipelines installed? N/A

4.18 [SSSWDR, D.8 and D.10]: How many have dedicated emergency stand-by power generators located onsite? N/A

4.19 [SSSWDR, D.8 and D.10]: Has your agency developed standard and emergency operating procedures for each asset in the event of a power and/or pumping failure? N/A

4.20 [SSSWDR, D.8 and D.10]: Has your agency determined the lowest hydraulic overflow point(s) and calculated the longest possible holding time(s) for each asset? N/A

4.21 [SSSWDR, D.6(iii) and (vi), D.8 and D.10]: Has your agency identified critical spare parts for each asset? N/A

4.22 [SSSWDR, D.6(iii) and (vi), D.8 and D.10]: For question 4.21, does your agency maintain the spare parts identified for each asset? N/A

4.23 [SSSWDR, D.8 and D.10]: How many facilities are located within 100 feet of a surface water, creek or drainage channel? N/A

4.24 [SSSWDR, D.8 and D.10]: How many are located within 20 feet of a storm drain inlet? N/A

4.25 [SSSWDR, D.8 and D.10]: How many pump stations are equipped with audible and/or visual alarms located in public view to expedite notification to your agency in the event of an SSO? N/A

4.26 [SSSWDR, D.8 and D.10]: How many pump stations are equipped with an Auto Dialer Alarm System(s) for detecting pump failure and/or high wet well levels? N/A

4.27 [SSSWDR, D.8 and D.10]: How many have a supervisory, control and data acquisition system (SCADA) installed and operational? N/A

4.28 [SSSWDR, D.8 and D.10]: For question 4.27, how many can be remotely operated? N/A

4.29 [SSSWDR, D.8 and D.10]: How many pump stations display emergency notification signage, including agency contact information, in public view to expedite notification to your agency in the event of an SSO? N/A
4.30 [SSSWDR, D.8 and D.10]: Does your agency implement vandalism control efforts to discourage unauthorized access and/or vandalism to these assets? N/A

4.31 [SSSWDR, D.8 and D.10]: How many pump stations have built-in pumping bypass capability for emergency use? N/A

4.32 [SSSWDR, D.8 and D.10]: How many have electrical power connections installed to allow for the use of portable emergency generators? N/A

Force Main Sewer Assets
4.33 [SSSWDR, D.8, D.13(iv)]: How many sewer force mains are owned by your agency? N/A

4.34 [SSSWDR, D.8, D.13(iv)]: For the assets in question 4.33, has your agency conducted a risk assessment for each asset? N/A

4.36 [SSSWDR, D.8 and D.10]: For the assets in question 4.33, how many have a dedicated corrosion protection system(s) installed? N/A

4.37 [SSSWDR, D.8 and D.10]: For the assets in question 4.33, what is the total number of air relief valves installed? N/A

5 FINANCIAL INFORMATION

Funding Sources and Revenues [SSSWDR, D.9]

5.1 Does your agency utilize an Enterprise Fund for services provided to the public? Yes

5.2 If yes to question 5.1, what are the total estimated annual revenues generated from this fund? $10,417,137

5.3 If yes to 5.1, what is the current fund balance?

5.4 Please provide a brief description of all sewer collection system funding source(s) (e.g., user fees, annual budget allocation, property taxes, etc.).

User fees based on flow, BOD (lbs) and TSS (lbs)

5.5 What is your agency’s total number of billed sewer connections? 5

Member agencies are billed. Member Agencies in turn bill the dischargers in their service area.

5.6 What is your agency’s total number of billed customers for sewer service? 32

5.7 What is your agency’s current average monthly household user fee for sewage collection only? N/A

5.8 For the answer in 5.7, what is your agency’s sewer fee rate basis (e.g., measured flow, calculated flow, flat fee, etc.)

Fees are based on flow (fee per million gallons), BOD (rate per 1,000 pounds), and TSS (rate per 1,000 pounds)
5.9 Has your local governing board approved any future sewer use fee increase(s)? Yes. The rates are approved once per year.

Operations, Maintenance and Capital Funds and Expenditures [SSSWDR, Sects. D.9]

5.10 How much did your agency spend in the last fiscal year for operations and maintenance activities (O&M) of sewer assets? $6,222,870

5.11 How much did your agency spend in the last fiscal year on capital expenditures for sewer assets (e.g., new pipelines or equipment)? $3,427,617

6 LOCAL SEWER USE ORDINANCE [SSSWDR, D.13(iii) and/or D.13(vii)]

6.1 Does your agency have an adopted sewer use ordinance (Ordinance)? Yes

If no to question 6.1, skip to question 7.1

6.2 Specify the date of last update/change of your agency’s local Ordinance approved by your agency’s local governing board. 10/15/2013

6.3 Specify the time frequency in which the Ordinance is reviewed. As needed, usually once every 3-5 years.

6.4 Does your agency have legal authority within the Ordinance to limit and enforce illicit discharges from upstream public and/or private satellite collection system(s)? Yes

6.5 If no to question 5.4, does your agency have service agreements or other procedures to limit and enforce illicit discharges from upstream public and/or private satellite collection system(s)? N/A

6.6 Does the Ordinance ban inflow from stormwater sources? Yes

6.7 Does the Ordinance specify who owns and/or maintains the sewer service lateral from the building foundation to the property line (upper lateral portion)? Yes

6.8 Does the Ordinance specify who owns and/or maintains the sewer service lateral from the property line to the sewer main line (lower lateral portion)? Yes

6.9 Does the Ordinance require testing and/or inspection of the sewer service lateral upon remodeling, renovations and/or transfer of property/residence? N/A

6.10 Does the Ordinance prohibit illicit discharges from service connections into the sewer? Yes

6.11 Does the Ordinance require sewers and connections to be properly designed and constructed? Yes

6.12 Does the Ordinance require proper maintenance, inspection and repairs of laterals? Yes

6.13 Does the Ordinance limit the discharge of fats, oils and grease (FOG) and other debris that may cause blockages? Yes
6.14 Does the Ordinance give your agency the authority to inspect grease producing facilities? Yes
6.15 Does the Ordinance reference the Uniform Building Code? N/A

6.16 Does the Ordinance reference the California Plumbing Code? N/A

6.17 Does the Ordinance give your agency the authority to inspect, maintain and repair assets located within sewer easements? Yes

6.18 Does the Ordinance provide your agency with the proper authority to issue notices of violation (NOVs)? Yes

6.19 If yes to question 6.18, how many NOVs has your agency issued in the past 3 years? 35 [since 2014]

6.20 Does the Ordinance provide your agency with the proper authority to issue enforcement penalties for violators? Yes

6.21 If yes to question 6.20, how many enforcement penalties has your agency issued in the past 3 years? 1

6.22 Does Ordinance provide your agency with the proper authority to ban connections and/or disconnect services for violators? Yes

6.23 If yes to question 6.22, how many actions has your agency undertaken in the past 3 years? 0

6.24 Does the Ordinance provide your agency with the authority to limit future development and/or building? No

6.25 If yes to question 6.24, how many actions has your agency undertaken in the past 3 years? N/A

7 CAPITAL IMPROVEMENT PLAN
7.1 [SSSWDR, D.9]: What is the approval date of your Sewer Capital Improvement Plan (Sewer CIP) by your agency’s local governing board? Approved as part of SSMP [April 2014]

7.2 [SSSWDR, D.8 and D.13(iv)]: For question 7.1, is your Sewer CIP available on the internet for public review? Yes, it’s part of the SSMP.

7.3 [SSSWDR, D.8 and D.13(iv)]: If yes to question 7.2, please specify the internet address: www.sawpa.org

7.4 [SSSWDR, D.8 and D.13(iv)]: What is the projected date of your next Sewer CIP update? [M/D/Y] On-going

8 OPERATIONS AND MAINTENANCE PROGRAM
Computerized Maintenance Management System (CMMS)
8.1 [SSSWDR, D.8 and D.13(iv)]: Does your agency use a computerized maintenance management system (CMMS) to generate work orders and track sewer maintenance, operations and management information? Yes
8.2 [SSSWDR, D.7 and D.13(iv)]: If yes to question 8.1, is CMMS data used for ongoing strategies to eliminate/reduce SSOs? Yes
8.3 [SSSWDR, D.7 and D.13(iv)]: If yes to question 8.1, is the CMMS data used to evaluate cleaning production rates? Yes
8.4 [SSSWDR, D.7, D.13(iv) and D.13(ix)]: If yes to question 8.1, does your agency use the CMMS information to provide data for tracking system trends, problems and/or performance? Yes
8.5 [SSSWDR, D.7, D.13(iv) and D.13(ix)]: If no to question 8.1, does your agency have a different method in place to provide data for tracking system trends, problems and/or performance? Yes

Inspections, Operations and Management Activities
8.6 [SSSWDR, D.8, D.13(iv)]: What was your agency’s total gravity sewer collection system cleaning production (hydro flushing, mechanical and hand rodding) over the past 12 months (miles per year)? 7 miles
8.7 [SSSWDR, D.8, D.13(iv)]: What is your agency’s total gravity sewer collection system cleaning production scheduled (hydroflushing, mechanical and hand rodding) for the next 12 months (miles per year)? 6 miles
8.8 [SSSWDR, D.8, D.13(iv)]: What was your agency’s total video (CCTV) Inspection production in the past 12 months (miles)? 7 miles
8.9 [SSSWDR, D.8, D.13(iv)]: What is your agency’s total video (CCTV) inspection production scheduled for the next 12 months (miles)? 6 miles
8.10 [SSSWDR, D.8, D.13(iv)]: Does your agency have a method in use for reviewing and analyzing force main sewers and their components? N/A
8.11 [SSSWDR, D.7 and D.13(iv)]: What is the total number of focused problem areas (“SSO hot spots”) located throughout the collection system? 3
8.12 [SSSWDR, D.8 and D.10]: Does your agency have a program to inspect and maintain air relief valves (ARVs)? Yes
8.13 [SSSWDR, D.8 and D.10]: How many ARVs are not accessible for inspection/maintenance? 0
8.14 [SSSWDR, D.7 and D.13(iv)]: What was the total number of ARVs exercised and cleaned in past 12 months? 54
8.15 [SSSWDR, D.7 and D.13(iv)]: What is the total number of ARVs planned to be exercised and cleaned in the next 12 months? 54
8.16 [SSSWDR, D.13(iv)]: What is the total number of public access points (manholes, lamp holes, rod holes, etc.) inspected in the past 12 months? 92

8.17 [SSSWDR, D.13(iv)]: What is the total number of public access points (manholes, lamp holes, rod holes, etc.) scheduled to be inspected in the next 12 months? 150

8.18 [SSSWDR, D.13(iv)]: Does your agency visually inspect pipeline routes at least annually, and after major storms, earthquakes or other events that could damage these assets, to check for sink holes or leaks along force main(s)? Yes

8.19 [SSSWDR, D.13(iv)]: How many above ground crossings (if applicable) were inspected in the past 12 months? 1

8.20 [SSSWDR, D.13(iv)]: How many siphons (if applicable) were inspected in the past 12 months? 0

8.21 [SSSWDR, D.13(iv)]: Does your agency have a process to identify areas subject to excess hydrogen sulfide corrosion? Yes

8.22 [SSSWDR, D.13(iv)]: Does your agency have a formal pipe grading process in place to identify pipe discontinuities? Yes

8.23 [SSSWDR, D.13(iv)]: Does your agency require video (CCTV) inspections before and after cleaning to measure the effectiveness of these activities? Yes

8.24 [SSSWDR, D.13(iv)]: Does your agency video (CCTV) inspect pipes after all SSO(s)? Yes, if possible.

8.25 [SSSWDR, D.13(iv)]: Does your agency conduct smoke, dye or other tests to check for illicit connections? No

8.26 [SSSWDR, D.13(iv)]: If yes to question 8.25, how many miles of sewer system were tested in the past 12 months? N/A

8.27 [SSSWDR, D.13(iv)]: Does your agency use video (CCTV) to monitor discharger compliance for illicit connections? Yes

8.28 [SSSWDR, D.13(iv)]: If yes to question 8.27, list the total number of miles of video (CCTV) inspection conducted for this purpose in the past 12 months. Done as part of pipeline assessment.

8.29 [SSSWDR, D.13(iv) and D.13(viii)]: Does your agency have formal agreements in place to increase resources through established mutual assistance agreements with other agencies/contractors for wet weather episodes or for SSO response activities? Yes

8.30 [SSSWDR, D.13(iv) and D.13(viii)]: Does your agency have a program in place to identify areas with inflow and infiltration (I/I)? Yes

8.31 [SSSWDR, D.13(iv) and D.13(viii)]: If yes to question 8.30, estimate the total number of miles identified by this program. 73
8.32 [SSSWDR, D.13(iv)]: Does your agency have an active root control program in place? No

8.33 [SSSWDR, D.13(iv)]: If yes to question 8.32, please list the type(s) of control efforts in place (e.g., chemical, mechanical, etc.).

8.34 [SSSWDR, D.13(iv)]: If your agency uses chemical(s) for root control, please list chemical(s) used. N/A

Fats, Oils and Grease [SSSWDR, D.13(iv) and D.13(viii)]

8.35 Does your agency have a commercial FOG program in place? No

8.36 If no to question 8.35, has your agency justified in its SSMP why a FOG program is not needed? Yes

8.37 If yes to question 8.35, does your agency have a FOG Ordinance separate from the sewer use ordinance? No

8.38 If yes to question 8.37, please list the FOG Ordinance citation number:

8.39 If yes to question 8.35, approximately how many food service establishments (FSEs) such as restaurants, schools, hospitals, jails, and convalescent homes are subject to FOG control.

8.40 If yes to question 8.35, what is the total number of FSE permits issued for FOG control?

8.41 If yes to question 8.35, what is the total number of dedicated FSE FOG inspectors?

8.42 If yes to question 8.35, how many FSE FOG inspections were conducted in past 12 months?

8.43 If yes to question 8.35, how many FSE FOG enforcement action(s) were initiated in the past 12 months?

8.44 If yes to question 8.35, how many FSE FOG inspections are planned for the next 12 months?

8.45 Does your agency have a residential FOG program in place? No

8.46 If yes to question 8.45, briefly describe the program: N/A

Sewer Contract Services

8.47 [SSSWDR, D.8 and D.13(iv)]: Does your agency retain contract service(s) for sewer collection system maintenance, operations, and/or management? Yes

8.48 [SSSWDR, D.8 and D.13(iv)]: If yes to question 8.47, for services in excess of $10,000/year, please provide some basic information about these services in the table below:

Contractor Name Description (cleaning, root control, repairs, , etc.) Frequency of Contract Budget (annual $)

Houston & Harris – Pipeline Cleaning – Annual contract - $335,000.
**9 SSO EMERGENCY RESPONSE PROGRAM [SSSWDR, D.13(vi)]**

9.1 Does your agency’s SSO Emergency Response Plan incorporate procedures for pump stations/force main sewers? N/A

9.2 Does your agency have a dispatcher(s) within your agency to handle, dispatch and document incoming complaints from your sewer system customers? Yes, on-call number.

9.3 If yes to 9.2, does your agency utilize a dispatch radio system for notifying collection crews who respond to SSOs? No. A cellular phone is used instead.

9.4 If yes to 9.3, please list the frequency(s) in use for the dispatch radio system:

N/A

9.5 Does your agency have standard operating procedures (SOPs) in place to test and document, at least once per year, the performance of its after-hours emergency notification system(s)?

Yes

9.6 Does your agency provide and document any scenario-based SSO emergency response simulation training for collections staff at least on an annual basis to ensure staff are properly trained and prepared in the event of an SSO? No.

9.7 If yes to 9.6, does this training include practical exercises including researching SSO start times and calculating the SSO volume spilled and recovered?

9.8 Do your emergency operating procedures (EOPs) include requirements to determine the impact of an SSO, including accelerated or additional environmental monitoring? Yes

**10 SSO REDUCTION PERFORMANCE AND MONITORING PROGRAM [SSSWDR, D.13(ix)]**

10.1 Does your agency have a process in place to collect data to monitor performance of its SSMP and efforts in reducing SSOs? Yes

10.2 If yes to question 9.1, does your agency use the data collected to update SSMP program elements? Yes

**11 COLLECTIONS STAFFING AND TRAINING**

11.1 [SSSWDR, D.9]: What is the total number of dedicated sewer maintenance crews in place at your agency? One crew of 3.

11.2 [SSSWDR, D.9]: For question 11.1, how many staff are typically in each maintenance crew? 3

11.3 [SSSWDR, D.9 and D.13(iv)(d)]: Does your agency have a program in place to identify and document the core competencies/capabilities of collections staff at least on an annual basis (examples include sewer line cleaning, point repairs, video (CCTV) inspection, pump station maintenance, excavation, utility line locating, etc.)? Yes
11.4 [SSSWDR, D.9]: If yes to question 11.3, does this program identify gap(s) in competencies/capabilities of collections staff? Yes

11.5 [SSSWDR, E]: Does your agency require collections staff to review the SSSWDR and the agency’s SSMP at least annually? Yes

11.6 [SSSWDR, D.9]: Does your agency use a workforce planning/retention program to ensure adequate future collections staff? Yes

11.7 [SSSWDR, D.8 and D.13(iv) and (vi)]: Does your agency provide initial and recurrent training to appropriate staff [including outside contractor(s)] regarding your agency’s SSO Emergency Response Plan and O&M programs? Yes to internal staff and member agencies. No to external staff (contractors).

11.8 [SSSWDR, D.8 and D.13(iv) and (vi)]: If yes to 11.7, what is the total number of individuals trained in the past 12 months. 20.

11.9 [SSSWDR, D.8 and D.13(iv) and (vi)]: For contracted sewer services, do your contracting specifications contain specific language requiring initial and recurrent training of contractor staff regarding your agency’s SSO Emergency Response Plan and O&M programs? No.

12 MAJOR EQUIPMENT INVENTORY [SSSWDR, D.4, D.7, D.8, D.13(iv)]
12.1 How many combination truck(s) (hydro flush/vacuum models) are owned and/or leased by your agency? 0. Services outsourced.

12.2 For question 12.1, how many have a dedicated logbook(s) to document fieldwork activities? 0

12.3 How many hydro flusher(s) are owned and/or leased by your agency? 0

12.4 How many mechanical rodder(s) are owned and/or leased by your agency? 0

12.5 How many video (CCTV) inspection vehicle(s) are owned and/or leased by your agency? 0. Services outsourced.

12.6 How many utility truck(s) are owned and/or leased by your agency? 0

12.7 How many portable sewage pump(s) are owned and/or leased by your agency? 0

12.8 How many portable generator(s) are owned and/or leased by your agency? 1

12.9 Does your agency own equipment designed to block the storm drain system, in an emergency, to prevent untreated or partially treated wastewater from reaching surface waters? Yes.

13 EXTERNAL COMMUNICATIONS PROGRAM
13.1 [SSSWDR, D.13(xi)]: Does your agency have a program in place for communicating on a regular basis with the public regarding the development, implementation, and performance of its SSMP? Yes

13.2 [SSSWDR, D.13(xi)]: Does your agency have a program in place for communicating with upstream or downstream satellite sewer system(s) connected to its collection system? Yes
13.3 [SSSWDR, D.11]: Does your agency participate in responding to Underground Service Alert(s) (USA) or other similar organizations to identify and mark sewer lines? Yes

13.4 [SSSWDR, D.7, D.13(iv), G, and Amended MRP]: Does your agency’s communication program give the public the opportunity to provide input as your SSMP is being implemented? Yes

14 NOTIFICATION, REPORTING AND RECORD KEEPING

14.1 [SSSWDR, Amended MRP, B(5)]: Are all the records required in the Amended MRP, B(5) (“Record Keeping”) readily available for review by the Water Boards? Yes

14.2 [SSSWDR, Amended MRP, B(5)]: Does your agency maintain a list and description of all sewer-related complaints from customers for the past 5 years, including calls received after normal working hours? N/A

14.3 [SSSWDR, Amended MRP, B(5)]: If yes to question 13.2, does this include information regarding privately owned sewer laterals? N/A

14.4 [SSSWDR, G, and Amended MRP]: Does your agency have a quality assurance/quality control (QA/QC) procedure in place for review of technical information collected by field staff prior to certification of the SSO report(s) in the Water Board’s online reporting system (CIWQS) by the Legally Responsible Official(s)? Yes

14.5 [SSSWDR, G and Amended MRP]: Does your agency require crews to take photos of all SSOs? Yes

14.6 [SSSWDR, G and Amended MRP]: If no to question 14.5, does your agency at least require crews to take photos of SSOs that result in backups into structures? Yes

14.7 [SSSWDR, G and Amended MRP]: Does your agency have a procedure(s) in place for collecting field information to assist in determining the actual SSO start time? Yes

14.8 [SSSWDR, G and Amended MRP]: Does your agency use SOPs to estimate SSO volume spilled, recovered and not recovered, including estimation of cleanup water used? Yes

14.9 [SSSWDR, G and Amended MRP]: Does your agency regularly update initial reports given to the California Emergency Management Agency, local health department, and Regional Board as information develops regarding SSOs requiring notification? Yes

14.10 [Amended MRP, B.6]: Does your agency maintain water quality monitoring records as required by the Amended MRP, section B(6)? Yes

15 SSO PREVENTION AND MITIGATION

15.1 [SSSWDR, D.13(ix)]: Does your agency generate SSO reduction performance metric(s) for its collection system for use in future planning? Yes

15.2 [SSSWDR, D.13(ix)]: Does your agency have a program in place to conduct periodic video (CCTV) inspections of areas throughout the collection system that have never been evaluated by video (CCTV) to date? Yes
15.3 [SSSWDR, D.13(ix)]: Does your agency document meetings between O&M and source control staff, if applicable? Yes

15.4 [SSSWDR, 8 and D.6]: Does your agency document meetings between O&M and engineering staff to discuss system problem areas and projects, if applicable? Yes

15.5 [SSSWDR, 8 and D.6]: Does your agency hold post-SSO briefings with collections staff, management and others involved, to evaluate root cause of SSOs and document service changes necessary to be prepared in responding to SSOs in the future? Yes

15.6 [SSSWDR, 8 and D.6]: Does your agency pursue investigation of upstream satellite(s) or potential illicit dischargers as part of the SSO cause determination process? Yes

15.7 [SSSWDR, 8 and D.6]: Does your agency adjust sewer collection system cleaning interval(s) for problem areas based on review and analysis of each past SSO? Yes

15.8 [SSSWDR, 8 and D.6]: How many of the SSOs over the past 12 months were preventable through more proactive maintenance? N/A

15.9 [SSSWDR, 8 and D.6]: How many of the SSOs over the past 4 years occurred at repeat locations? 3 At AirVac locations.

16 DECLARATION

INSTRUCTIONS: Please print this page, sign it, and mail the original of this page to:

State Water Resources Control Board
Office of Enforcement, Special Investigations Unit
1001 I Street, 16th Floor, Sacramento, CA 95814

I, _______________________________, the approved Legally Responsible Official (LRO) of collection system (name and Waste Discharge ID#) __________________________________________ certify under penalty of law that based on my inquiry of the person or persons who manage this system, or those persons directly responsible for gathering the information, the information in this Pre-Inspection Questionnaire (Version 1.0) is, to the best of my knowledge and belief, true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including the possibility of a fine or imprisonment, for knowing violations.

______________________________________________________ _____________________________
LRO Signature Date
<table>
<thead>
<tr>
<th>Category</th>
<th>Finding</th>
<th>Action Item</th>
<th>Timeline</th>
</tr>
</thead>
<tbody>
<tr>
<td>11.7 Overflow Emergency Response Plan - Training</td>
<td>No formal requirement to train contractor working on the Brine Line regarding OERP procedures.</td>
<td>Incorporate requirements in contract documents, work orders, task orders.</td>
<td>8/31/2016</td>
</tr>
</tbody>
</table>
COMMISSION MEMORANDUM NO. 2016.46

DATE: June 21, 2016

TO: SAWPA Commission


PREPARED BY: Rick Whetsel, Senior Watershed Manager

RECOMMENDATION
That the Commission authorize the Regional Water Quality Monitoring Task Force Agreement.

DISCUSSION
The County of Orange, San Bernardino County Flood Control District, Riverside County Flood Control and Water Conservation District their member agencies, and constituent cities have requested SAWPA to administer the Regional Water Quality Monitoring Task Force.

The purpose of the Task Force is to implement a coordinated regional water quality monitoring program in the SAR watershed to meet the requirements of the amended Recreational Use Water Quality Standards and Implementation Plan requirements of the 2012 Basin Plan Amendment to Revise Recreation Standards for Inland Freshwaters in the Santa Ana Region and to assist Regional Board with future the triennial reviews of the Basin Plan. 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. Further, the new monitoring program combines the separate and disparate bacteria monitoring programs of the three county flood control districts with the existing bacteria monitoring program under the Middle SAR TMDL Task Force administered by SAWPA.

Included with this Task Force Agreement are Exhibits: A.) SAWPA FYE 2017 Rate Sheet and B.) Santa Ana River Bacteria Monitoring Program Project Work Plan, which describes the program requirements, budget and schedule to be implemented on an annual basis for the SAR Bacteria Monitoring Program.

Implementation of the Regional Water Quality Monitoring Task Force will benefit SAWPA member agencies, sub-agencies, and regional partner agencies such as cities located within the Santa Ana River Watershed. Combining implementation efforts will achieve economies of scale and utilize SAWPA staff that have the experience and expertise in managing and administering multi-agency Task Forces. It is anticipated that this Task Force will expand to include other regional monitoring as the opportunity arises. Additional benefits to SAWPA include support in continuing its mission to improve regional water quality, continued partnership with the Santa
Ana Regional Board in providing regional facilitation and support services and additional studies and project plans in the Santa Ana River Watershed that can be included as an additional component to the SAWPA One Water One Watershed Plan. No other agency currently has adequate staffing and resource capability to administer the task force at this time.

Regional Water Quality Monitoring Task Force support services by SAWPA staff would be implemented on an annual basis with annual progress reporting on scope, schedule, deliverables and budget for the Task Force and SAWPA Commission.

BACKGROUND
On June 15, 2012, the Santa Ana Regional Water Quality Control Board (Santa Ana Water Board) adopted the Basin Plan Amendment (BPA) to Revise Recreation Standards for Inland Freshwaters in the Santa Ana Region (Santa Ana Water Board Resolution R8-2012-0001, June 15, 2012). This BPA resulted in the following key modifications to the Water Quality Control Plan for the Santa Ana River Basin (Basin Plan) for the Santa Ana region:

- Addition of “Primary Contact Recreation” as an alternative name for the REC1 (water contact recreation) beneficial use;
- Addition of narrative text clarifying the nature of REC1 activities and the bacteria objectives established to protect these activities;
- Differentiation of inland surface REC1 waters on the basis of frequency of use and other characteristics for the purposes of assigning applicable single sample maximum values;
- Revision of REC1/REC2 (non-contact water recreation) designations for specific inland surface waters based on the results of completed Use Attainability Analyses (UAA);
- Revised water quality objectives to protect the REC1 and REC2 use of inland freshwaters; and
- Identification of criteria for temporary suspension of recreation use designations and objectives (high flow suspension).

The water quality standards and implementation provisions in the BPA were developed in conjunction with a stakeholder commitment, now a Basin Plan requirement, to develop and implement a new bacteria monitoring program designed to address the new standards. On April 8, 2015, U.S. EPA approved the BPA, setting stakeholders in motion to establish a comprehensive monitoring program as required by the amendment.

On February 8, 2016 the Santa Ana Regional Water Quality Control Board approved the Santa Ana Watershed Bacteria Monitoring Program and Quality Assurance Project Plan (Resolution No. R8-2016-0022). These plans were submitted on behalf of the joint Middle Santa Ana River (MSAR) TMDL and Stormwater Quality Standards Task Force members to comply with the respective requirements of the MSAR bacteria indicator TMDLs and the recreational standards BPA, as specified in the Basin Plan to address the following:

- Fulfill the monitoring and surveillance requirements for the 2012 adopted BPA to Revise Recreation Standards for Inland Freshwaters in the Santa Ana Region (approved by the U.S. Environmental Protection Agency in 2015);
• Conduct sampling to support implementation of the MSAR Bacterial Indicator TMDL and
• Support any additional bacterial indicator monitoring that may be conducted in the watershed to support regional regulatory activities.

RESOURCE IMPACTS
Sufficient funds are available to administer the “Regional Water Quality Monitoring Task Force” defined in the SAWPA FY 2016-17 Budgets. All funding would be provided by the MSAR TMDL and Regional Water Quality Monitoring Task Forces to conduct the proposed work.

Attachments:
  1. Regional Water Quality Monitoring Task Force Agreement
  2. Exhibit A – SAWPA FYE 2017 Rate Sheet
  3. Exhibit B - Santa Ana River Bacteria Monitoring Program Project Work Plan
  4. Exhibit C - FY 2016-17 Summary Task Force Budget

CM.2016.46 Task Force Ag_Regional Water Quality Monitoring
AGREEMENT TO FORM A REGIONAL WATER QUALITY MONITORING TASK FORCE

This AGREEMENT is made and entered into this ___ day of ____, 2016, BY and BETWEEN the County of Orange (“ORANGE COUNTY”), San Bernardino County Flood Control District (“SB FLOOD CONTROL”), Riverside County Flood Control and Water Conservation District (“RIVERSIDE FLOOD CONTROL”), the Santa Ana Watershed Project Authority (“SAWPA”), and California Regional Water Quality Control Board, Santa Ana Region (“Regional Board”).

ORANGE COUNTY, SB FLOOD CONTROL, RIVERSIDE FLOOD CONTROL are hereinafter sometimes collectively or individually referred to as "PARTIES" or “PARTY” respectively.

RECITALS:

A. ORANGE COUNTY, SB FLOOD CONTROL, and RIVERSIDE FLOOD CONTROL, their member agencies, and constituent cities wish to coordinate efforts within the Santa Ana River watershed for regional water quality monitoring and basin planning activities.

B. REGIONAL BOARD is a State agency with responsibility for implementing State and federal water quality laws and regulations, including the development and adoption of the region’s water quality control plan (hereinafter “BASIN PLAN”), amending the BASIN PLAN, implementing the BASIN PLAN through discharge permits, and periodically reviewing the standards in the BASIN PLAN in a triennial review per Section 303(c) of the Clean Water Act.

C. SAWPA is a joint powers public agency, organized and existing pursuant to the laws of the State of California and the Joint Exercise of Powers Act dated January 1975, as amended, exercising powers common to its member agencies, which include Eastern Municipal Water District, Inland Empire Utilities Agency, Orange County Water District, San Bernardino Valley Municipal Water District, and Western Municipal Water District.

D. The BASIN PLAN defines the beneficial uses and water quality objectives (collectively WATER QUALITY STANDARDS) for waters of the State of California within the Santa Ana Region.

E. REGIONAL BOARD regulates discharges to receiving waters in the Santa Ana region under the Clean Water Act through the National Pollutant Discharged Elimination System (NPDES) permit program, which includes stormwater NPDES permits, and under the California Porter-Cologne Water Quality Act.

F. REGIONAL BOARD, State Water Resources Control Board, and US Environmental Protection Agency periodically determine which receiving waters are impaired due to constituents in those waters being above the water quality objectives for the designated beneficial uses of those waters as established in the BASIN PLAN and related rules, plans, and policies.

G. REGIONAL BOARD establishes Total Maximum Daily Loads (TMDLs), Implementation Plans and/or other regulatory directives and incorporates them into the BASIN PLAN to address impaired waters.

H. REGIONAL BOARD uses the WATER QUALITY STANDARDS, TMDLS, Implementation Plans and other directives in the BASIN PLAN to establish NPDES permit requirements and/or limitations on allowable discharges into receiving waters.
I. The PARTIES agree that a cooperative effort should be employed to address the region’s Recreational Use WATER QUALITY STANDARDS data collection requirements contained within the BASIN PLAN. PARTIES also agree that these and other WATER QUALITY STANDARDS contained within the BASIN PLAN can have a significant effect on environmental and economic health and welfare of the Santa Ana Region. Water quality monitoring and data assessment may be useful to the PARTIES and REGIONAL BOARD in assessing the appropriateness of WATER QUALITY STANDARDS to the Santa Ana Region, assessing the extent and magnitude of regional water quality concerns, assessing the effectiveness of existing or proposed regional water quality programs, standardizing monitoring approaches, consolidating overlapping monitoring programs and reducing overall monitoring costs.

J. The PARTIES previously entered into Agreement No. D02-130 to create a Stormwater Quality Standards Task Force to assist REGIONAL BOARD in reviewing WATER QUALITY STANDARDS. That Task Force worked entirely on issues associated with pathogen indicators and recreational uses of fresh waters, leading to BASIN PLAN amendments that were adopted by REGIONAL BOARD in June 2012, approved by the State Water Resources Control Board in January of 2014, and approved in part by the US Environmental Protection Agency in April of 2015.

K. The PARTIES wish to enter into this AGREEMENT to establish a new Task Force whose purpose will be to implement a coordinated regional water quality monitoring program in the Santa Ana River watershed to meet the requirements of the BASIN PLAN Implementation Plan bacterial indicator monitoring requirements, to support consolidation and standardization of regional programs such as the Middle Santa Ana River Bacteria TMDL and to assist REGIONAL BOARD with future the triennial reviews and future amendments of the BASIN PLAN.

L. This AGREEMENT defines the obligations of the PARTIES, the rules under which the Task Force will make decisions, the limits and restrictions on the Task Force’s decision-making authority, and the scope of activities of the Task Force.

M. The PARTIES intend to provide funding for the ongoing Task Force activities in accordance with an annual budget development and approval process. However, this AGREEMENT is not intended to create a financial obligation on any of the PARTIES, as those obligations will result only from a PARTY approving its annual participation through its own budget process.

N. The PARTIES intend the Task Force to serve as a forum for broad stakeholder involvement in the implementation of water quality monitoring in the region and in the periodic consideration of the appropriateness of WATER QUALITY STANDARDS in the BASIN PLAN, and that these stakeholders do not need to become PARTIES to this AGREEMENT to participate in meetings or in program activities.

O. The PARTIES recognize that individual PARTY members may have different available resources and may choose to participate in Task Force activities through fiscal contributions or in-kind services depending on the activity and other factors. Participation in Task Force activities may also be dependent upon the extent that it impacts individual PARTIES.

NOW, THEREFORE THE PARTIES MUTUALLY AGREE AS FOLLOWS:

1. Purpose of the Task Force: The purpose of the Task Force is to implement a coordinated regional water quality monitoring program in the Santa Ana River watershed to meet the requirements of the amended Recreational Use WATER QUALITY STANDARDS and Implementation Plan requirements of the BASIN PLAN and to assist REGIONAL BOARD with future the triennial reviews of the BASIN PLAN. The PARTIES recognize that the REGIONAL BOARD retains the responsibility and
authority to develop and adopt the BASIN PLAN, and that the REGIONAL BOARD’s responsibilities in that regard extend beyond the interests of the PARTIES.

2. Creation of a Task Force: There is hereby created the "Regional Water Quality Standards Task Force," consisting of the PARTIES.

3. Membership and Organization:
   a. PARTIES’ Task Force Representatives. Concurrently with the execution of this AGREEMENT, each of the PARTIES’ General Manager or Director of Public Works shall appoint one regular representative to the Task Force and one alternate representative (TASK FORCE REPRESENTATIVES) to act in the absence of the regular representative. The identity of the appointed TASK FORCE REPRESENTATIVES shall be communicated in writing to SAWPA, who shall maintain the current list. The TASK FORCE REPRESENTATIVES shall serve at the pleasure of the appointing PARTY and may be removed at any time, with or without cause; by the appointing PARTY. However, removal of one or more TASK FORCE REPRESENTATIVES shall not remove or otherwise eliminate or reduce a PARTY’s responsibilities or duties under this AGREEMENT.
   b. REGIONAL BOARD: The REGIONAL BOARD is hereby recognized as an ex officio member of the Task Force with no power to vote. REGIONAL BOARD will not be required to bear or contribute to any of Task Force expenses, though it may provide staff and financial support if resources are available.

4. Task Force Administrator: SAWPA is hereby appointed as the Task Force Administrator for purposes of this AGREEMENT. SAWPA shall have administrative responsibilities and shall be reimbursed for its time expended on behalf of the PARTIES at rates listed in Exhibit A, attached hereto and made a part of this AGREEMENT. These rates include all General & Administrative costs. Materials are to be reimbursed at direct cost. Expected tasks to be performed by SAWPA for the Task Force include, but are not limited to, the following:
   a. Organizing and facilitating Task Force meetings;
   b. Secretarial, clerical, and administrative services;
   c. Preparing annual work plans and budgets, invoicing of PARTIES, management of Task Force funds, and providing semi-annual status reports to the TASK FORCE REPRESENTATIVES concerning the expenditure funds from the Task Force account;
   d. Acting as the contracting party and contract administrator, for the benefit of the Task Force, for contracts with all consultants, contractors, vendors or other entities. Upon Task Force approval, SAWPA shall hire consultants and contractors, as necessary, to, complete the work plan that has been approved and funded by the PARTIES. SAWPA shall not obligate funds that have not been deposited in the Task Force account, as described in Section 11 of this AGREEMENT;
   e. Seeking grants and funds to assist with the work of the Task Force;
   f. Coordinating with other agencies and organizations as necessary to facilitate Task Force work and to facilitate the addition of new parties;
   g. Supporting Task Force communications with the Regional Board and other agencies or organizations.

5. Meetings of the Task Force.
a. **Frequency and Location:** The Task Force meetings shall be held at SAWPA’s offices or other locations agreed to by PARTIES on a schedule agreed upon by the Task Force.

b. **Task Force Chair:** At the first official meeting of the Task Force following execution of the AGREEMENT by all PARTIES, and annually thereafter, a Chair shall be selected by the TASK FORCE REPRESENTATIVES.

c. **Stakeholder Forum:** The PARTIES are committed to conduct planning efforts in an open and accessible process. In addition, it is a goal of the PARTIES that this Task Force serve to provide a public forum for stakeholder discussion of matters related to the adequacy of water quality monitoring and the appropriateness of WATER QUALITY STANDARDS.

d. **Quorum and Voting:** A majority of the voting TASK FORCE REPRESENTATIVES shall constitute a quorum. Actions of the Task Force shall be passed and adopted upon the unanimous vote of the TASK FORCE REPRESENTATIVES present. The Task Force may adopt such additional rules and regulations as may be required for the conduct of its affairs so long as such rules and regulations do not conflict with this AGREEMENT.

e. **Meeting Summaries:** SAWPA shall keep, or cause to be kept, meeting summaries of the Task Force meetings. Copies of the meeting summaries and any handouts will be delivered to the TASK FORCE REPRESENTATIVES.

6. **Notices:** Notices or other communications provided under this AGREEMENT shall be delivered to the TASK FORCE REPRESENTATIVES. Address changes for such notices or other communications shall be delivered to SAWPA for distribution to all appropriate parties.

7. **Scope of Task Force Activities:** Based on the annual work plan and budget described in Section 8 below, the Task Force, with SAWPA’s assistance, will:

   a. Implement, or cause to be implemented, or coordinate the implementation of, a regional water quality monitoring program for bacteria, as approved by the REGIONAL BOARD, on behalf of the Task Force and the PARTIES.

   b. Provide water quality reports based on the monitoring program to the TASK FORCE REPRESENTATIVES.

   c. Undertake other regional water quality monitoring tasks as determined by the Task Force.

   d. Suggest triennial review topics and actions to REGIONAL BOARD.

   e. Comment on REGIONAL BOARD’s prioritized task list for the triennial review.

   f. Plan for and complete studies, research, tests, investigations, and activities necessary for completion of specified triennial review tasks.

   g. Develop position documents regarding suggested modifications to the BASIN PLAN.

   h. Provide identified support for REGIONAL BOARD staff in the development of documentation required for completion of the triennial review.

8. **Annual Work Plan and Budgets:** On or before January 1st of each year, SAWPA shall prepare and submit a work plan and budget for the next fiscal year to the PARTIES for review and
approval. The work plan shall include a detailed description of all work to be accomplished with the budget. The budget shall include all anticipated costs and fees for the work plan for the next fiscal year. Costs shall include costs and fees for any consultants or contractors to be hired by SAWPA to complete the anticipated work plan, any equipment or materials to be purchased, and any other direct costs. SAWPA shall include, as a separate item in the budget, costs for SAWPA administrative services. The budget shall also set forth the funds to be deposited with SAWPA consistent with the budgeted costs and fees for that fiscal year. Financial contributions for all work performed, except monitoring and related reporting, shall be made equally by each PARTY. Monitoring and related reporting costs will be based on the actual work performed in each PARTIES’ jurisdiction. PARTIES may choose to provide in-kind services in lieu of providing direct fiscal support for monitoring and related tasks. The work plan and budget for the first year of the Agreement’s included as Exhibit B and Exhibit C respectively. Payments will be due 60 days after the effective approval date of this AGREEMENT, as described in Section 16. In subsequent years, SAWPA shall invoice the PARTIES after the Task Force approves the annual work plan and budget, and each PARTY shall approve and pay, on or before July 31st of each year, its share of the budget. In an effort to supplement and/or reduce PARTIES’ annual financial contributions, PARTIES will seek third party funding for the Task Force activities and costs.

9. Project Management: SAWPA shall provide project management for work performed by SAWPA’s consultants or contractors. SAWPA shall use its best efforts to prevent cost over-runs or delays in schedules. PARTIES shall not be liable for providing any further funding to SAWPA for such cost-over-runs or schedule delays which are a result of SAWPA’s sole negligence.

10. Indemnity and Insurance

SAWPA shall include requirements in all contracts with consultants or contractors performing work or services for the Task Force to indemnify and hold harmless SAWPA, SB FLOOD CONTROL, RIVERSIDE FLOOD CONTROL and ORANGE COUNTY, and to maintain insurance coverage, substantially as follows:

- Consultant shall be solely responsible for the health and safety of its employees, agents and subcontractors in performing the services assigned by SAWPA. Consultant hereby covenants and agrees to:
  - Obtain a Commercial General Liability and an Automobile Liability insurance policy, including contractual coverage, with limits for bodily injury and property damage in an amount of not less than $2,000,000.00 per occurrence for each such policy. Such policy shall name SAWPA, its officers, employees, agents and volunteers, as an additional insured, with any right to subrogation waived as to SAWPA, its officers, employees, agents and volunteers. If Commercial General Liability Insurance or other form with an aggregate limit is used, either the general aggregate limit shall apply separately to the work assigned by SAWPA under this Agreement or the general aggregate limit shall be at least twice the required occurrence limit. The coverage shall be at least as broad as Insurance Services Office Commercial General Liability Coverage (occurrence Form CG 00 01) and Insurance Services Office Form CA 00 01 covering Automobile Liability, Code 1 (any auto). The Commercial Liability Insurance shall include operations, products and completed operations, as applicable;
  - Obtain a policy of Professional Liability (errors and omissions) insurance appropriate to the Consultant’s profession in a minimum amount of $2,000,000.00 per claim or occurrence to cover any negligent acts or omissions or willful misconduct committed by Consultant, its employees, agents and subcontractors in the performance of any
services for SAWPA. Architects’ and engineers’ coverage shall include contractual liability;

- Obtain a policy of Employer’s Liability insurance in a minimum amount of $1,000,000.00 per accident for bodily injury and property damage.

- Provide worker’s compensation insurance or a California Department of Insurance-approved self-insurance program in an amount and form required by the State of California and the Employer’s Liability Insurance that meets all applicable Labor Code requirements, covering all persons or entities providing services on behalf of the Consultant and all risks to such persons or entities;

- Require any subcontractor that Consultant uses for work performed for SAWPA under this Agreement or related Task Order to obtain the insurance coverages specified above.

- Waive subrogation which any insurer of Consultant may seek to require from Consultant by virtue of the payment of any loss. Consultant shall obtain an endorsement that may be necessary to give effect to this waiver of subrogation. In addition, the Workers Compensation policy shall be endorsed with a waiver of subrogation in favor of SAWPA for all work performed by Consultant, and its employees, agents and subcontractors.

- All such insurance policy or policies shall be issued by a responsible insurance company with a minimum A. M. Best Rating of “A-“ Financial Category “X”, and authorized and admitted to do business in, and regulated by, the State of California. If the insurance company is not admitted in the State of California, it must be on the List of Eligible Surplus Line Insurers (LESLI), shall have a minimum A.M. Best Rating of “A”, Financial Category “X”, and shall be domiciled in the United States, unless otherwise approved by SAWPA in writing. Each such policy of insurance shall expressly provide that it shall be primary and noncontributory with any policies carried by SAWPA and, to the extent obtainable, such coverage shall be payable notwithstanding any act of negligence of SAWPA that might otherwise result in forfeiture of coverage. Evidence of all insurance coverage shall be provided to SAWPA prior to issuance of the first Task Order. Such policies shall provide that they shall not be canceled or amended without 30 day prior written notice to SAWPA. Consultant acknowledges and agrees that such insurance is in addition to Consultant’s obligation to fully indemnify and hold SAWPA free and harmless from and against any and all claims arising out of an injury or damage to property or persons caused by the negligence, recklessness, or willful misconduct of Consultant in performing services assigned by SAWPA.

- Consultant hereby covenants and agrees that SAWPA, its officers, employees, and agents shall not be liable for any claims, liabilities, penalties, fines or any damage to property, whether real or personal, nor for any personal injury or death caused by, or resulting from, or claimed to have been caused by or resulting from, any negligence, recklessness, or willful misconduct of Consultant. Consultant shall hold harmless, defend and indemnify SAWPA and its officers, employees, agents and volunteers from and against any and all liability, loss, damage, fines, penalties, expense and costs, including, without limitation, attorneys’ fees and litigation expenses and costs, of every nature arising out of or related to Consultant’s negligence, recklessness, or willful misconduct related to or arising from the performance of the work required under this Agreement and any related Task Order or Consultant's failure to comply with any of its obligations contained in this Agreement and any related Task Order, except as to such loss or damage which was caused by the active negligence or willful misconduct of SAWPA.
b. SAWPA shall maintain the following insurances and shall deliver certificates of said insurance to SB FLOOD CONTROL, RIVERSIDE FLOOD CONTROL, and ORANGE COUNTY, upon execution of this AGREEMENT:

   (i) Comprehensive General Liability including Contractual Liability Insurance – This comprehensive personal injury and property damage liability coverage to include contractual coverage and automobile liability coverage, if applicable, for owned, hired and non-owned vehicles. The policy shall have combined single limits for bodily injury and property damage of at least one million dollars ($1,000,000) per occurrence.

   (ii) Automobile Liability Insurance Two Hundred Fifty Thousand ($250,000).

   (iii) Workers Compensation Insurance at statutory limits.

11. **Accounting:** SAWPA shall place all funds received from PARTIES and any other sources to fund work planned by the Task Force in a separate account. SAWPA shall draw from this account periodically to pay obligations and work approved by the Task Force. SAWPA may draw funds from this account to pay SAWPA administrative costs as they accrue.

12. **Withdrawal:** A PARTY may withdraw from the Task Force at anytime, upon sixty (60) days written notice to the PARTIES. A withdrawing PARTY will not be allowed refunds for programs or studies already underway in which funds have been obligated by SAWPA. Any refund of surplus funds due to the withdrawing PARTY shall be paid sixty (60) days after completion of tasks, projects or studies undertaken or in progress.

13. **Ownership of Documents:** All work or deliverables produced, including originals prepared by anyone in connection with, or pertaining to, the work of the Task Force, shall become the property in whole and in part of PARTIES, jointly and severally.

14. **Assignment:** No right, duty or obligation of whatever kind or nature created herein shall be assigned without the prior written consent of the PARTIES.

15. **Term:** The term of this AGREEMENT shall commence upon approval and execution of this AGREEMENT by all PARTIES and shall continue until June 30 of the year following commencement of the term of the AGREEMENT. The AGREEMENT shall automatically renew each subsequent year for an annual term running from July 1 to June 30 unless notice of withdrawal is given in accordance with Section 12 above. If a PARTY withdraws from this AGREEMENT, the AGREEMENT remains in effect for all other PARTIES until such remaining PARTIES give notice of withdrawal.

16. **Counterparts:** This AGREEMENT may be executed in original counterparts, which together shall constitute a single AGREEMENT.

17. **Independent Contractor Status:** This AGREEMENT is not intended and shall not be construed so as to create the relationship of agent, servant, employee, partnership, joint venture or association, as between the PARTIES.

18. **Waiver Of Rights:** The failure by the PARTIES to insist upon strict performance of any of the terms, covenants or conditions of this AGREEMENT shall not be deemed a waiver of any right or remedy that PARTIES may have, and shall not be deemed a waiver of the right to require strict performance of all the terms, covenants and conditions of this AGREEMENT thereafter, nor a waiver of
any remedy for the subsequent breach or default of any term, covenant or condition of this AGREEMENT.

19. **Severability:** If any part of this AGREEMENT is held, determined or adjudicated to be illegal, void or unenforceable by a court of competent jurisdiction, the remainder of this AGREEMENT shall be given effect to the fullest extent reasonably possible.

20. **Amendment:** It is mutually understood and agreed that no addition to, alteration of, or variation of the terms of this AGREEMENT, nor any oral understanding or agreement not incorporated herein, shall be valid unless made in writing and signed and approved by all PARTIES.

21. **Entire Agreement:** This document sets forth the entire AGREEMENT between the PARTIES.

22. **Availability Of Funds:** The obligation of each PARTY is subject to the availability of funds appropriated for the purposes herein. Any obligation for the future payment of money beyond the current fiscal year is conditioned on the governing body of the PARTY providing adequate appropriations in the adopted budgets for those subsequent fiscal years. This condition applies to but is not limited to the obligations of the PARTIES under sections 4 (Task Force Administrator), section 8 (Budgets) and Exhibits A and B of this AGREEMENT. Based on the financial constraints imposed by this Section 22, the Parties to this AGREEMENT understand that SAWPA is under no duty to perform any services under this AGREEMENT until and unless the each PARTY has approved the fiscal year work plan and budget under Section 8, and has appropriated, and deposited with SAWPA, the necessary monies to fund the approved budget. Any failure by one or more of the PARTIES to appropriate and deposit monies with SAWPA to fund the budget will necessarily delay the performance of the services by SAWPA contemplated by this AGREEMENT, and SAWPA shall not be held responsible or liable for any such delay or costs incurred from such a delay.

**Signatures in Counterpart are on the following pages**
IN WITNESS WHEREOF, the PARTIES have executed this AGREEMENT on the dates opposite their respective signatures.

COUNTY of ORANGE,
a political subdivision of the State of California

Date: ___________________________  BY: ___________________________
Chair of the Board of Supervisors

SIGNED AND CERTIFIED THAT A COPY OF THIS DOCUMENT HAS BEEN DELIVERED TO THE CHAIR OF THE BOARD

Clerk of the Board of Supervisors
County of Orange, California

APPROVED AS TO FORM

County Counsel

BY ___________________________
Deputy

Date: ___________________________
Riverside County Flood Control and Water Conservation District,
a political subdivision of the State of California

DATE: _________________________________  BY: __________________________________
Chair of the Board of Supervisors

SIGNED AND CERTIFIED THAT A COPY OF
THIS DOCUMENT HAS BEEN DELIVERED TO
THE CHAIR OF THE BOARD

APPROVED AS TO FORM

Clerk of the Board of Supervisors
County Counsel
Riverside County Flood Control District, California

BY _________________________________  DATE: _________________________________
Deputy
## Exhibit A

### FY 2016-17 Rate Sheet

<table>
<thead>
<tr>
<th>Department</th>
<th>Position</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Administration</strong></td>
<td>Executive Counsel</td>
<td>$278.52</td>
</tr>
<tr>
<td></td>
<td>Senior Administrative Assistant</td>
<td>$107.38</td>
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<td>Senior Administrative Assistant</td>
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<td></td>
<td>Administrative Assistant II</td>
<td>$72.88</td>
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<td><strong>Finance</strong></td>
<td>Chief Financial Officer</td>
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<td></td>
<td>Accountant/Project Manager</td>
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<td></td>
<td>Senior Accounting Technician</td>
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<tr>
<td><strong>Planning</strong></td>
<td>Water Resources and Planning Manager</td>
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</tr>
<tr>
<td></td>
<td>Senior Watershed Manager</td>
<td>$195.06</td>
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</table>
Santa Ana River Bacteria Monitoring Program

Project Work Plan

The Santa Ana River (SAR) Bacteria Monitoring Program implements the surveillance and monitoring program required by the recently approved Basin Plan Amendment (BPA) and other bacteria monitoring requirements in the watershed to support the protection of recreational uses. The Santa Watershed Project Authority (SAWPA), which oversees this monitoring program, retained CDM Smith to fulfill the program’s implementation requirements. This Project Work Plan briefly describes the project background, project organization and responsibilities, monitoring sites and schedule, data management, and reporting requirements of the SAR Bacteria Monitoring Program. Additional detail is provided in this Program’s Monitoring Plan and Quality Assurance Project Plan (QAPP).

1.0 Background

The SAR Bacteria Monitoring Program establishes the requirements for bacteria sampling to support the following objectives:

- Fulfill the monitoring and surveillance requirements for the 2012 adopted BPA to Revise Recreation Standards for Inland Freshwaters in the Santa Ana Region (approved by the U.S. Environmental Protection Agency in 2015);
- Conduct sampling to support implementation of the Middle Santa Ana River (MSAR) Bacterial Indicator Total Maximum Daily Load (TMDL) ("MSAR Bacteria TMDL"); and
- Support any additional bacterial indicator monitoring that may be conducted in the watershed to support regional regulatory activities.

To meet these objectives, a Monitoring Plan and QAPP were developed in coordination with watershed stakeholders in 2015-2016 and submitted to the Santa Ana Regional Water Quality Control Board (Santa Ana Water Board) for review and approval on February 5, 2016. After a period of public review, the Santa Ana Water Board approved the SAR Monitoring Program Monitoring Plan and QAPP on March 11, 2016.

2.0 Project/Task Organization

The approved Monitoring Plan identifies a number of agencies responsible for implementation of the SAR Bacteria Monitoring Program under the direction of a Project Director (SAWPA) and the Santa Ana Water Board, which provides oversight of the implementation of the Monitoring Plan and QAPP (see Figure 4-1 in the QAPP). The Responsible Agencies include:

- Agricultural/Dairy Representative
- City of Claremont
City of Pomona

Orange County Watersheds

Riverside County Flood Control and Water Conservation District

San Bernardino County Flood Control District

Others, as needed

Within each Responsible Agency, five key positions have been identified to fulfill the requirements of the Monitoring Plan: Project Manager, Project Quality Assurance (QA) Officer, Monitoring Manager, Data Manager and Sampling Personnel. While the Project Director and Responsible Agencies are ultimately responsible for collection of water quality data and preparation of annual reports to fulfill the requirements of the SAR Bacteria Monitoring Program, the Monitoring Plan and QAPP provide for the use of contractors to fulfill some or all of these responsibilities. Accordingly, SAWPA retained CDM Smith and its partner firm CWE, to fulfill some of the specific roles and responsibilities as described in the Monitoring Plan and QAPP.

Table 1 identifies who is responsible for completion of specific Monitoring Plan elements in 2016 and following. These responsibilities are more fully described as follows:

- Water quality sample collection will be conducted by different teams based on site location (Table 1 and Figure 1):
  - Orange County Watersheds (OCW) staff will collect samples from all monitoring sites located in Orange County.
  - CDM Smith/CWE will collect samples from all sites located in Riverside and San Bernardino Counties.

- The Monitoring Managers for OCW and CDM Smith (as identified in the QAPP) are responsible for ensuring that monitoring activities are conducted as required by the QAPP and coordination with the following contract laboratories:
  - OCW will submit water samples to Orange County Public Health Laboratories (OCPHL) for analysis of *E. coli*, Enterococcus, and Total Suspended Solids (TSS). OCW is responsible for managing the OCPHL contract and payment of OCPHL invoices.
  - CDM Smith/CWE will submit water samples to Babcock Laboratories (Babcock) for analysis of *E. coli* and TSS. CDM Smith is responsible for managing the Babcock contract and payment of Babcock invoices.

---

1 Two monitoring sites in Orange County are surrounded by private or state lands. The agency that will be responsible for sampling these sites is still being determined.
The Laboratory Managers of OCPHL and Babcock are responsible for ensuring that Laboratory Personnel implement the requirements of the QAPP.

CDM Smith is responsible for the data management and reporting requirements for the SAR Bacteria Monitoring Program. To support this effort, OCW will provide field documentation and laboratory results to CDM Smith in a timely manner.

Figure 1 provides an illustration of the work flow process for OCW and CDM Smith/CWE from sample collection through preparation of the annual report.

**Table 1. Responsibilities by County**

<table>
<thead>
<tr>
<th>Work Plan Activity</th>
<th>Orange County</th>
<th>Riverside County</th>
<th>San Bernardino County</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sample Collection</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Supplies</td>
<td>Orange County Watersheds</td>
<td>CDM Smith/CWE</td>
<td>CDM Smith/CWE</td>
</tr>
<tr>
<td>Schedule</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Staffing</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Laboratory Coordination</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sample drop off and analyses</td>
<td>Orange County Watersheds</td>
<td>CDM Smith/CWE</td>
<td>CDM Smith/CWE</td>
</tr>
<tr>
<td>Reporting</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Invoicing and payment</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Data Management</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Maintain and upload database</td>
<td>CDM Smith</td>
<td>CDM Smith</td>
<td>CDM Smith</td>
</tr>
<tr>
<td><strong>Reporting</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Quarterly Reports</td>
<td>CDM Smith</td>
<td>CDM Smith</td>
<td>CDM Smith</td>
</tr>
<tr>
<td>Annual Report</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Figure 1. SAR Bacteria Monitoring Program Work Flow Diagram
3.0 Monitoring Sites & Schedule

3.1 Monitoring Sites

Monitoring sites for the SAR Bacteria Monitoring Program, discussed in more detail in Section 3 of the Monitoring Plan and Sections 6 and 10 of the QAPP, are classified into four groups based on the priority of the waterbodies (Table 2). With the exception of Priority 2 waterbodies, which are also sampled during one wet weather event each year (see Section 3.2 below), these sites are monitored only under dry weather conditions, which is defined as no measurable rainfall within a 72 hour period prior to sampling. Priority sites are described as follows in the Monitoring Plan:

- **Priority 1**: The first priority is to establish a monitoring program that can determine whether bacteria levels are "safe" at those locations where and when people are most likely to engage in water contact recreation. These waters are all Tier A waters per the 2012 BPA.

- **Priority 2**: The second priority is to focus monitoring resources on waterbodies that have been identified as "impaired" due to excessive bacterial indicator concentrations and a TMDL has already been adopted. Monitoring efforts to evaluate progress toward attainment with the water quality standard in these impaired waters fall with priority two. This will ensure that the monitoring program is closely coordinated with TMDL-related sampling efforts.

- **Priority 3**: The third priority is 303(d)-listed or impaired waterbodies where a TMDL has not yet been developed. For these Priority 3 sites the monitoring program includes periodic sample collection on an annual basis.

- **Priority 4**: The fourth priority is to collect the bacteria indicator data needed to implement the antidegradation targets that have been established for waterbodies designated as REC2 only (i.e., the RECl beneficial use has been de-designated through an approved Use Attainability Analysis). Data collection from these Priority 4 waterbodies provides the Santa Ana Water Board with the ability to assess the status and trend of bacterial indicator water quality as part of the normal Triennial Review process.

3.2 Dry Weather Monitoring Schedule

The dry weather sample frequency varies by priority and is described as follows:

- **Priority 1**: Priority 1 sites will be sampled during dry weather for a 20-week period during the warmest part of the year between May 1 and September 30. Priority 1 sample sites will also be sampled during one 5-week period from the end of October through most of November each year during the cooler season.

- **Priority 2**: Priority 2 sites are sampled at the same frequency and schedule as Priority 1 sites. This includes a 20-week period during the warmer season and a 5-week period during the cooler season.
Table 2. Monitoring Sites

<table>
<thead>
<tr>
<th>Priority</th>
<th>Site ID</th>
<th>Site Description</th>
<th>Latitude</th>
<th>Longitude</th>
<th>Responsibility</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>P1-1</td>
<td>Canyon Lake at Holiday Harbor</td>
<td>33.6808</td>
<td>-117.2724</td>
<td>CDM Smith/CWE</td>
</tr>
<tr>
<td>1</td>
<td>P1-2</td>
<td>Lake Elsinore</td>
<td>33.3937</td>
<td>-117.3345</td>
<td>CDM Smith/CWE</td>
</tr>
<tr>
<td>1</td>
<td>P1-3</td>
<td>Lake Perris</td>
<td>33.8614</td>
<td>-117.1908</td>
<td>CDM Smith/CWE</td>
</tr>
<tr>
<td>1</td>
<td>P1-4</td>
<td>Big Bear Lake at Swim Beach</td>
<td>34.2482</td>
<td>-116.9034</td>
<td>CDM Smith/CWE</td>
</tr>
<tr>
<td>1</td>
<td>P1-5</td>
<td>Mill Creek Reach 2</td>
<td>34.0891</td>
<td>-116.9247</td>
<td>CDM Smith/CWE</td>
</tr>
<tr>
<td>1</td>
<td>P1-6</td>
<td>Lytle Creek (Middle Fork)</td>
<td>34.2480</td>
<td>-117.5110</td>
<td>CDM Smith/CWE</td>
</tr>
<tr>
<td>1,2</td>
<td>WW-S1</td>
<td>Santa Ana River Reach 3 at MWD Crossing</td>
<td>33.9681</td>
<td>-117.4479</td>
<td>CDM Smith/CWE</td>
</tr>
<tr>
<td>1,2</td>
<td>WW-S4</td>
<td>Santa Ana River Reach 3 at Pedley Avenue</td>
<td>33.9552</td>
<td>-117.5327</td>
<td>CDM Smith/CWE</td>
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<tr>
<td>2</td>
<td>WW-M6</td>
<td>Mill-Cucamonga Creek below Wetlands</td>
<td>33.9268</td>
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<td>CDM Smith/CWE</td>
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<tr>
<td>2</td>
<td>WW-C7</td>
<td>Chino Creek at Central Avenue</td>
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<td>CDM Smith/CWE</td>
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<tr>
<td>2</td>
<td>WW-C3</td>
<td>Prado Park Lake</td>
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<td>-117.6473</td>
<td>CDM Smith/CWE</td>
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<tr>
<td>3</td>
<td>P3-OC1</td>
<td>Bolsa Chica Channel upstream of Westminster Blvd/Bolsa Chica Rd</td>
<td>33.7596</td>
<td>-118.0430</td>
<td>OCW</td>
</tr>
<tr>
<td>3</td>
<td>P3-OC2</td>
<td>Borrego Creek upstream of Barranca Parkway</td>
<td>33.6546</td>
<td>-117.7321</td>
<td>OCW</td>
</tr>
<tr>
<td>3</td>
<td>P3-OC3</td>
<td>Buck Gully Creek Little Corona Beach at Poppy Avenue/Ocean Blvd</td>
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<tr>
<td>3</td>
<td>P3-OC5</td>
<td>Los Trancos Creek at Crystal Cove State Park</td>
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<tr>
<td>3</td>
<td>P3-OC6</td>
<td>Morning Canyon Creek at Morning Canyon Beach</td>
<td>33.5876</td>
<td>-117.8658</td>
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<tr>
<td>3</td>
<td>P3-OC7</td>
<td>Peters Canyon Wash downstream of Barranca Parkway</td>
<td>33.6908</td>
<td>-117.8240</td>
<td>OCW</td>
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<td>3</td>
<td>P3-OC8</td>
<td>San Diego Creek downstream of Campus Drive (Reach 1)</td>
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<td>3</td>
<td>P3-OC9</td>
<td>San Diego Creek at Harvard Avenue (Reach 2)</td>
<td>33.6898</td>
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<td>3</td>
<td>P3-OC10</td>
<td>Santa Ana River Reach 2 downstream of Imperial Highway</td>
<td>33.8574</td>
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<td>OCW</td>
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<tr>
<td>3</td>
<td>P3-OC11</td>
<td>Serrano Creek upstream of Barranca/Alton Parkway</td>
<td>33.6487</td>
<td>-117.7244</td>
<td>OCW</td>
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<tr>
<td>3</td>
<td>P3-RC1</td>
<td>Goldenstar Creek at Ridge Canyon Drive</td>
<td>33.8964</td>
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<td>3</td>
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<td>Santa Ana River Reach 4 above S. Riverside Avenue Bridge</td>
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<td>P4-RC1</td>
<td>Temescal Creek at Main Street</td>
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<td>CDM Smith/CWE</td>
</tr>
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<td>4</td>
<td>P4-OC1</td>
<td>Santa Ana Delhi Channel Upstream of Irvine Avenue</td>
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<td>P4-OC2</td>
<td>Santa Ana Delhi Channel in Tidal Prism</td>
<td>33.6529</td>
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<td>OCW</td>
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<td>P4-OC3</td>
<td>Greenville-Banning Channel in Tidal Prism</td>
<td>33.6594</td>
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<td>OCW</td>
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<td>4</td>
<td>P4-SBC1</td>
<td>Cucamonga Creek at Hellman Avenue</td>
<td>33.9493</td>
<td>-117.6104</td>
<td>CDM Smith/CWE</td>
</tr>
</tbody>
</table>

1 An alternative location for Lytle Creek was approved by the Regional Board staff during the April 26, 2016 Task Force meeting; site number will remain P1-6.

2 The responsibility for sampling this site is still to be determined.
Priority 3: Priority 3 sites will be sampled five times during dry weather each year. The thirteen sites are grouped into five groups primarily based on location and each group for efficiency purposes. Each group of sites will be sampled for 5 consecutive weeks at different periods of the year. The overall sample schedule for these sites overlaps with the Priority 1 & 2 sample site schedule to maximize efficiency with the collection of samples.

Priority 4: Priority 4 sites will be sampled once per year during the dry season between June 21 and September 21. If the result exceeds the antidegradation target threshold value for the site, additional samples will be collected once per month for the three following months. If any of the follow-up samples exceeds the antidegradation target, then sampling will continue on a monthly basis until source(s) of the increased bacterial indicator concentration is identified and mitigated and bacterial indicator levels return to below the antidegradation target in three of four samples collected over three consecutive months.

This Project Work Plan, including the budget, only covers the collection, analysis and reporting of the one sample collected from each Priority 4 site each year. The budget does not include any necessary follow-up sampling if an antidegradation target is exceeded. If the antidegradation target is exceeded, the following actions are required:

- If the site is in Orange County, OCW is responsible for implementing the follow-up sample requirements, including sample collection, laboratory analysis, data management, and submitting results to CDM Smith for reporting.
- If the site is in Riverside County or San Bernardino County, CDM Smith/CWE is responsible for working with SAWPA on development of a follow-up sampling schedule and securing the budget to fulfill the follow-up sampling requirements, including sample collection, laboratory analysis, data management, and reporting.

Table 3 provides the dry weather monitoring periods for 2016-2020; Table 4 provides the rotational schedule for Priority 3 sites.

3.2 Wet Weather Monitoring Schedule

Priority 2 sites are also sampled during wet weather to comply with specific monitoring requirements established by the MSAR TMDL. This requirement includes sampling one wet weather event during each wet season (November 1 through March 31). Samples will be collected on the day of the storm as well as 48, 72, and 96 hours after collection of the first sample. All Priority 2 sites are located in Riverside or San Bernardino Counties and CDM Smith/CWE is responsible for completing this monitoring requirement each year. If sampling occurs on weekends or holidays, CWE charges labor at an overtime rate to appropriately compensate staff. The Project Budget has taken this into account.
### Table 3. Sample schedule for Priority 1 and 2 waters during dry weather conditions (2016 - 2020)
**(See the Monitoring Plan for referenced Tables 3.1 and 3.3)**

<table>
<thead>
<tr>
<th>Year</th>
<th>Sample Season</th>
<th>First Week of Sampling</th>
<th>Last Week of Sampling</th>
<th>Priority 1 Waters</th>
<th>Priority 2 Waters</th>
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</thead>
<tbody>
<tr>
<td>2016</td>
<td>Warm Season</td>
<td>May 8</td>
<td>September 18</td>
<td>All Table 3.1 Waters</td>
<td>All Table 3.3 Waters</td>
</tr>
<tr>
<td></td>
<td>Cool Season</td>
<td>October 30</td>
<td>November 27</td>
<td>All Table 3.1 Waters</td>
<td>All Table 3.3 Waters</td>
</tr>
<tr>
<td>2017</td>
<td>Warm Season</td>
<td>May 7</td>
<td>September 17</td>
<td>All Table 3.1 Waters</td>
<td>All Table 3.3 Waters</td>
</tr>
<tr>
<td></td>
<td>Cool Season</td>
<td>October 29</td>
<td>November 26</td>
<td>All Table 3.1 Waters</td>
<td>All Table 3.3 Waters</td>
</tr>
<tr>
<td>2018</td>
<td>Warm Season</td>
<td>May 6</td>
<td>September 16</td>
<td>All Table 3.1 Waters</td>
<td>All Table 3.3 Waters</td>
</tr>
<tr>
<td></td>
<td>Cool Season</td>
<td>October 28</td>
<td>November 25</td>
<td>All Table 3.1 Waters</td>
<td>All Table 3.3 Waters</td>
</tr>
<tr>
<td>2019</td>
<td>Warm Season</td>
<td>May 5</td>
<td>September 15</td>
<td>All Table 3.1 Waters</td>
<td>All Table 3.3 Waters</td>
</tr>
<tr>
<td></td>
<td>Cool Season</td>
<td>October 27</td>
<td>November 24</td>
<td>All Table 3.1 Waters</td>
<td>All Table 3.3 Waters</td>
</tr>
<tr>
<td>2020</td>
<td>Warm Season</td>
<td>May 10</td>
<td>September 20</td>
<td>All Table 3.1 Waters</td>
<td>All Table 3.3 Waters</td>
</tr>
<tr>
<td></td>
<td>Cool Season</td>
<td>October 25</td>
<td>November 22</td>
<td>All Table 3.1 Waters</td>
<td>All Table 3.3 Waters</td>
</tr>
</tbody>
</table>

### Table 4. Sample schedule for Priority 3 waters during dry weather conditions (2016 - 2020)

<table>
<thead>
<tr>
<th>Year</th>
<th>First Week of Sampling</th>
<th>Last Week of Sampling</th>
<th>Priority 3 Waters</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>May 8</td>
<td>June 5</td>
<td><strong>Group 1</strong>: Bolsa Chica Channel, Santa Ana River Reach 2</td>
</tr>
<tr>
<td></td>
<td>June 12</td>
<td>July 10</td>
<td><strong>Group 2</strong>: Peters Canyon Wash, San Diego Creek Reach 1, San Diego Creek Reach 2, Borrego Creek, Serrano Creek</td>
</tr>
<tr>
<td></td>
<td>July 17</td>
<td>August 14</td>
<td><strong>Group 3</strong>: Los Trancos Creek, Morning Canyon Creek, Buck Gully Creek</td>
</tr>
<tr>
<td></td>
<td>August 21</td>
<td>September 18</td>
<td><strong>Group 4</strong>: Santa Ana Reach 4</td>
</tr>
<tr>
<td></td>
<td>October 30</td>
<td>November 27</td>
<td><strong>Group 5</strong>: Goldenstar Creek, Lake Fulmor</td>
</tr>
<tr>
<td>2017</td>
<td>May 7</td>
<td>June 4</td>
<td><strong>Group 2</strong>: Peters Canyon Wash, San Diego Creek Reach 1, San Diego Creek Reach 2, Borrego Creek, Serrano Creek</td>
</tr>
<tr>
<td></td>
<td>June 11</td>
<td>July 9</td>
<td><strong>Group 3</strong>: Los Trancos Creek, Morning Canyon Creek, Buck Gully Creek</td>
</tr>
<tr>
<td></td>
<td>July 16</td>
<td>August 13</td>
<td><strong>Group 4</strong>: Santa Ana Reach 4</td>
</tr>
<tr>
<td></td>
<td>August 20</td>
<td>September 17</td>
<td><strong>Group 5</strong>: Goldenstar Creek, Lake Fulmor</td>
</tr>
<tr>
<td></td>
<td>October 29</td>
<td>November 26</td>
<td><strong>Group 1</strong>: Bolsa Chica Channel, Santa Ana River Reach 2</td>
</tr>
</tbody>
</table>
Table 4. Sample schedule for Priority 3 waters during dry weather conditions (2016 - 2020)

<table>
<thead>
<tr>
<th>Year</th>
<th>First Week of Sampling</th>
<th>Last Week of Sampling</th>
<th>Priority 3 Waters</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>May 6</td>
<td>June 3</td>
<td><strong>Group 3</strong>: Los Trancos Creek, Morning Canyon Creek, Buck Gully Creek</td>
</tr>
<tr>
<td></td>
<td>June 10</td>
<td>July 8</td>
<td><strong>Group 4</strong>: Santa Ana Reach 4</td>
</tr>
<tr>
<td></td>
<td>July 15</td>
<td>August 12</td>
<td><strong>Group 5</strong>: Goldenstar Creek, Lake Fulmor</td>
</tr>
<tr>
<td></td>
<td>August 19</td>
<td>September 16</td>
<td><strong>Group 1</strong>: Bolsa Chica Channel, Santa Ana River Reach 2</td>
</tr>
<tr>
<td></td>
<td>October 28</td>
<td>November 25</td>
<td><strong>Group 2</strong>: Peters Canyon Wash, San Diego Creek Reach 1, San Diego Creek Reach 2, Borrego Creek, Serrano Creek</td>
</tr>
<tr>
<td>2019</td>
<td>May 5</td>
<td>June 2</td>
<td><strong>Group 4</strong>: Santa Ana Reach 4</td>
</tr>
<tr>
<td></td>
<td>June 9</td>
<td>July 7</td>
<td><strong>Group 5</strong>: Goldenstar Creek, Lake Fulmor</td>
</tr>
<tr>
<td></td>
<td>July 14</td>
<td>August 11</td>
<td><strong>Group 1</strong>: Bolsa Chica Channel, Santa Ana River Reach 2</td>
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<td>September 15</td>
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</tr>
<tr>
<td></td>
<td>October 27</td>
<td>November 24</td>
<td><strong>Group 3</strong>: Los Trancos Creek, Morning Canyon Creek, Buck Gully Creek</td>
</tr>
<tr>
<td>2020</td>
<td>May 10</td>
<td>June 7</td>
<td><strong>Group 5</strong>: Goldenstar Creek, Lake Fulmor</td>
</tr>
<tr>
<td></td>
<td>June 14</td>
<td>July 12</td>
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<td></td>
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<td>August 16</td>
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</tr>
<tr>
<td></td>
<td>August 23</td>
<td>September 20</td>
<td><strong>Group 3</strong>: Los Trancos Creek, Morning Canyon Creek, Buck Gully Creek</td>
</tr>
<tr>
<td></td>
<td>October 25</td>
<td>November 22</td>
<td><strong>Group 4</strong>: Santa Ana Reach 4</td>
</tr>
</tbody>
</table>

4.0 Laboratory Selection

Since bacteria samples have a limited holding time of 6 hours, it is optimal and more efficient to use multiple laboratories based on their proximity to monitoring sites. As such, OCPHL and Babcock were selected by Responsible Agencies to analyze samples collected from Orange County and the Inland Empire (Riverside and San Bernardino Counties), respectively. Analytical methods and associated costs for analyzing E.coli and TSS are shown in Table 5. To maintain consistency within the watershed and allow for direct comparisons where available, both Babcock and OCPHL will use SM 9223B to analyze E.coli samples. OCPHL will use EPA Method 1600 to analyze Enterococcus samples.
Table 5. Cost and Methodology for *E. coli* and TSS Analyses

<table>
<thead>
<tr>
<th>Laboratory</th>
<th><em>E. coli</em> Method</th>
<th><em>E. coli</em> Cost per Sample</th>
<th>TSS Method</th>
<th>TSS Cost per Sample</th>
</tr>
</thead>
<tbody>
<tr>
<td>Babcock Laboratories</td>
<td>SM9223B (Colilert)</td>
<td>$20 ($20)</td>
<td>SM2540D</td>
<td>$15</td>
</tr>
<tr>
<td>Orange County Public Health Laboratory</td>
<td>SM9223B (Colilert)</td>
<td>$27.55 ($27.55)</td>
<td>SM2540D</td>
<td>$33.45</td>
</tr>
<tr>
<td></td>
<td>EPA Method 1600</td>
<td>$40.17</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note: EPA Methods 1600 includes three dilutions per sample; pricing for Colilert methods includes one dilution only and each additional dilution will result in added cost listed in parenthesis.

5.0 Data Management

The Data Manager (CDM Smith) will implement the following data management activities as required by the SAR Bacteria Monitoring Program Monitoring Plan and QAPP:

- Data and project documentation generated as part of monitoring activities will be provided to CDM Smith to inventory and maintain. Documentation will include sample collection records (field logs and photographs), analytical records (laboratory results and Chain-of-Custody forms), and reports (laboratory results and QA/QC reports).
  - By the 10th of each calendar month, CWE and OCW will provide photographs, field logs, and copies of the COCs to CDM Smith generated by all sampling events that occurred within the previous calendar month.
  - Babcock Laboratories will provide laboratory results to CDM Smith following each sampling event. Laboratory QA/QC reports will be provided to CDM Smith within one month of the conclusion of each sampling season (January 15th for dry weather and April 15th for wet weather).
  - By the 10th of each calendar month, OCW will provide CDM Smith with OCPHL laboratory results generated by all sampling events that occurred within the previous calendar month. OCW will also provide CDM Smith with OCPHL laboratory QA/QC reports within one month of the conclusion of each sampling season (January 15th for dry weather and April 15th for wet weather).
- CDM Smith will review the data and project documentation to ensure the expected data set is complete and the data and samples are collected as specified by the Monitoring Plan and QAPP. The review will be conducted quarterly as part of the quarterly report preparation as well as annually as part of the annual report preparation.
  - If the review indicates any concerns (e.g., incomplete dataset), CDM Smith will discuss concerns and corrective actions with CWE, Babcock Laboratories, and/or the OCW Monitoring Manager. The OCW Monitoring Manager is responsible for discussing any concerns related to OCPHL or OWC with sampling personnel.
CDM Smith will enter all data into a Project Database that uses an acceptable format. The format of this project database will consider requirements for upload to the California Environmental Data Exchange Network (CEDEN). CDM Smith will implement appropriate data entry QA/QC checks as required by the QAPP. Any data anomalies identified during this QA/QC check will be investigated and resolved to the maximum extent practicable. Where such issues occur, these will be reported in the quarterly and annual reports.

QA/QC checked data will be uploaded to the CEDEN database on a monthly basis.

Data in the Project Database will be extracted to support preparation of the quarterly reports, Annual Report, and other requests from SAWPA or stakeholders.

CDM Smith will submit to SAWPA on an annual basis the data and field documentation generated by the monitoring program; this information will be provided in an electronic format. This submittal will occur at the same time the Final Annual Report is submitted to SAWPA.

6.0 Reporting Requirements

Annual reporting requirements for the SAR Bacteria Monitoring Program are described in Section 7 of the Monitoring Plan and Section 9 of the QAPP. In addition, quarterly reports are required for submittal to the Project Director. CDM Smith will be responsible for both quarterly and annual reporting for all three counties through implementation of the activities described below.

6.1 Quarterly Reports

CDM Smith will prepare quarterly reports for SAWPA and stakeholders for delivery to SAWPA by the 15th of the month following the end of the previous quarter. These reports will include, at a minimum, the following information:

- A summary of monitoring activities that have occurred during the previous quarter;
- Documentation of any issues (e.g., data or laboratory QA/QC issues) that arose during the execution of the monitoring program and how these issues were resolved;
- A tabular data summary that documents available E.coli, Enterococcus, and TSS laboratory results and field measurements for each sampled site for the quarter;
- A summary of upcoming sampling activity; and
- Recommendations, if any, for modifications to the monitoring program based on knowledge gained.

OCW will be responsible for providing all project documentation to CDM Smith monthly. Documentation includes photographs, field logs, COCs, and laboratory data. OCW will also be responsible for communicating to CDM Smith any monitoring-related concerns (e.g., protocol, QA/QC, laboratory) as well as steps taken to resolve any concerns.
CWE will be responsible for providing CDM Smith with photographs, field logs, and COCs at the end of each month.

Babcock will be responsible for providing CDM Smith with laboratory data following each sampling event.

### 6.2 Annual Report

CDM Smith will prepare a Draft and a Final Annual Report for each year of the contract to reflect findings from sampling conducted during the previous sample year. A sample year is the period from May 1 through April 30 and includes the following sample activities: (a) collection of dry weather samples from Priority 1, 2, 3, and 4 sites from May through September; (b) collection of dry weather samples from Priority 1, 2 and 3 sites in late October through November; and (c) collection of samples from one wet weather event in the MSAR watershed between November 1 and March 31. Note that for the first annual report, the period covered by the annual report will be from the period from January 1, 2016 through April 30, 2017.

To support preparation of the Annual Report, project documentation will be provided to CDM Smith as follows:

- By January 15th of each reporting year, CWE, Babcock, and OCW will provide all forms, data sheets, or electronic files associated with non-wet weather event sampling will be provided to CDM Smith. For the first annual report, this information will be provided by January 15, 2017.
- Within 15 days after completion of wet weather event sampling, CWE will provide all forms, data sheets, or electronic files associated with the sampling event to CDM Smith.
- Any QA/QC-related information not yet provided to CDM Smith during the previous fiscal year when sampling was occurring will be provided to CDM Smith by Babcock and OCW by January 15th of each reporting year for non-wet weather sampling and April 15th of each reporting year for the wet-weather sampling event.

The Draft Annual Report will build on the relevant information already developed for the quarterly reports. At a minimum, the Draft Annual Report will include the following information:

- Compliance with applicable water quality objectives for REC1;
- Compliance with applicable antidegradation targets for waters classified as REC2 only;
- Progress towards achieving attainment of MSAR Bacteria TMDL numeric targets for E. coli; and
- Impairment status of waterbodies listed as impaired in the watershed but a TMDL has not been adopted.

As part of the effort to evaluate the above, water quality analyses will include descriptive statistics such as geometric mean and percentile calculations. In addition where appropriate, water quality
results may be compared to historical data collected through this plan or previous monitoring efforts to assess temporal trends at monitoring sites.

By April 30 of each year, CDM Smith will submit the Draft Annual Report to SAWPA for distribution to stakeholders and the Santa Ana Water Board for review and comment. CDM Smith will prepare a Final Annual Report based on comments received on the Draft Annual Report. The Final Annual Report will be submitted electronically to SAWPA by June 30 each year. The Final Annual Report will include a comment/response matrix that summarizes the comments received on the draft report and how the comments were addressed. SAWPA will make the Final Annual Report available to the public on either the Santa Ana Water Board or SAWPA’s website.

7.0 Deliverables

CDM Smith will provide the following deliverables:

- Quarterly Reports (April 15, July 15, October 15, and January 15 of each year)
- Draft Annual Report by April 30 of each year, with the first Draft Annual Report under this program being provided as a draft by April 30, 2017.
- Final Annual Report by June 30 of each year, with the first Final Annual Report under this program being submitted as final by June 30, 2017.
- Updated CEDEN Database file or spreadsheet by January 15th of each year for dry weather samples and by April 15th of each year for wet weather samples.
- Uploaded data file to CEDEN by within 30 days of submittal of the Final Annual Report
- Updated Project Work Plan annually for up to 3 years

8.0 Annual Program Budget

The annual program budget is presented in the following tables:

- Table 6 – Explanation regarding how costs were apportioned by County;
- Table 7 – Cost breakdown by task for each County;
- Table 8 – Cost breakdown by task for each contractor; and
- Table 9 – Summary of task-specific cost for each County.

Where common costs needed to be divided between two or three counties, the total budget was allocated based on the relative number of samples collected during one year. For example if the total budget for a hypothetical task was $10,000 and 30% of the samples were collected in one county, then that county would be responsible for 30% of that task budget. Table 6 summarizes the cost apportionment by task.
Table 6. Basis for Apportioning Costs to Riverside (RC), San Bernardino County (SBC), and Orange County (OC)

<table>
<thead>
<tr>
<th>Task</th>
<th>Cost Apportionment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>RC, SBC, OC – Based on relative percent of samples among counties.</td>
</tr>
<tr>
<td>2.1 &amp; 2.2</td>
<td>RC, SBC only – Based on relative percent of samples between counties. OCW is responsible for coordination with OCPHL.</td>
</tr>
<tr>
<td>2.3</td>
<td>RC, SBC, OC – Based on relative percent of samples among counties. Assumed CDM Smith would do final QA/QC the OCPHL data provided by OCW to ensure in compliance with QAPP.</td>
</tr>
<tr>
<td>3.1 &amp; 3.4</td>
<td>RC, SBC, OC – Based on relative percent of samples among counties. Assumed CDM Smith would have labor costs for coordination with OCW Monitoring Manager; CDM Smith preparing quarterly reports for all 3 counties.</td>
</tr>
<tr>
<td>3.2</td>
<td>RC, SBC only – Based on relative percent of samples between counties. OCW responsible for sample collection and analysis in OC.</td>
</tr>
<tr>
<td>3.3</td>
<td>RC &amp; SBC – Based on relative percent of samples between counties; no wet weather monitoring occurs in OC.</td>
</tr>
<tr>
<td>4 &amp; 5</td>
<td>RC, SBC, OC – based on relative percent of samples among counties.</td>
</tr>
</tbody>
</table>

Tables 7, 8 and 9 provide overall program costs and breakdown by County:

- The proposed budget of $133,212 for Riverside County includes: (1) CDM Smith Task Force meeting attendance and preparation (Task 1); (2) contracting, invoicing, and coordinating with Babcock Laboratory (Task 2); (3) data review for completeness and QA/QC (Task 2); (4) coordination and implementation of all monitoring activities for sites located within Riverside County, including coordinating with the field team, sample collection by the field team, and ensuring monitoring activities are conducted in accordance with the Monitoring Plan and QAPP (Task 3); and (5) completing all reporting and data management requirements (Tasks 4 & 5).

- The proposed budget of $154,808 for San Bernardino County includes: (1) CDM Smith Task Force meeting attendance and preparation (Task 1); (2) contracting, invoicing, and coordinating with Babcock Laboratory (Task 2); (3) data review for completeness and QA/QC (Task 2); (4) coordination and implementation of all monitoring activities for sites located within San Bernardino County, including coordinating with the field team, sample collection by the field team, and ensuring monitoring activities are conducted in accordance with the Monitoring Plan and QAPP (Task 3); and (5) completing all reporting and data management requirements (Tasks 4 & 5).

- The proposed budget of $19,396 for Orange County includes a subset of previously listed responsibilities. This includes (1) CDM Smith Task Force meeting attendance and preparation (Task 1); (2) data review for completeness and QA/QC (Task 2); (3) coordination with the OCW Monitoring Manager to ensure their portion of the Monitoring Program is implemented (Task 3), and (4) completing all reporting and data management requirements.
(Task 4 & 5). Contracting, invoicing, and coordination with OCPHL as well as implementation of the Monitoring Program (coordination with field team, sample collection, and sample analyses) is the responsibility of the OCW Monitoring Manager and is not included in the annual program budget.

Table 7. SAR Bacteria Monitoring Program Task-Specific Estimated Cost Breakdown by County for 2016

<table>
<thead>
<tr>
<th>Task</th>
<th>Riverside County</th>
<th>San Bernardino County</th>
<th>Orange County</th>
<th>Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Labor</td>
<td>ODCs</td>
<td>Labor</td>
<td>ODCs</td>
</tr>
<tr>
<td>Task 1: Stakeholder Coordination</td>
<td>$1,831</td>
<td>$694</td>
<td>$2,106</td>
<td>$798</td>
</tr>
<tr>
<td>Task 1.4 Quarterly Stakeholder Meetings</td>
<td>$1,831</td>
<td>$694</td>
<td>$2,106</td>
<td>$798</td>
</tr>
<tr>
<td>Task 2: Contract with Qualified Laboratory</td>
<td>$7,121</td>
<td>$12,600</td>
<td>$8,189</td>
<td>$14,490</td>
</tr>
<tr>
<td>Task 2.1 Laboratory Contracts/Agreements</td>
<td>$1,321</td>
<td>$ -</td>
<td>$1,519</td>
<td>$ -</td>
</tr>
<tr>
<td>Task 2.2 Laboratory Coordination</td>
<td>$2,937</td>
<td>$ -</td>
<td>$3,378</td>
<td>$ -</td>
</tr>
<tr>
<td>Task 2.3 Laboratory Analysis</td>
<td>$2,883</td>
<td>$12,600</td>
<td>$3,292</td>
<td>$14,490</td>
</tr>
<tr>
<td>Task 3: Implement Monitoring Program</td>
<td>$75,334</td>
<td>$8,222</td>
<td>$88,051</td>
<td>$9,652</td>
</tr>
<tr>
<td>Task 3.1 Sample Team Administration</td>
<td>$5,600</td>
<td>$ -</td>
<td>$6,318</td>
<td>$ -</td>
</tr>
<tr>
<td>Task 3.2 Dry Weather Monitoring</td>
<td>$58,848</td>
<td>$7,843</td>
<td>$68,656</td>
<td>$9,208</td>
</tr>
<tr>
<td>Task 3.3 Wet Weather Monitoring</td>
<td>$5,845</td>
<td>$379</td>
<td>$6,861</td>
<td>$444</td>
</tr>
<tr>
<td>Task 3.4 Quarterly Reports</td>
<td>$5,405</td>
<td>$ -</td>
<td>$6,216</td>
<td>$ -</td>
</tr>
<tr>
<td>Task 4: Annual Reporting</td>
<td>$13,710</td>
<td>$ -</td>
<td>$15,767</td>
<td>$ -</td>
</tr>
<tr>
<td>Task 4.1 Draft Annual Report</td>
<td>$9,615</td>
<td>$ -</td>
<td>$11,058</td>
<td>$ -</td>
</tr>
<tr>
<td>Task 4.2 Final Annual Report</td>
<td>$3,855</td>
<td>$ -</td>
<td>$4,434</td>
<td>$ -</td>
</tr>
<tr>
<td>Task 4.3 Data Requests</td>
<td>$240</td>
<td>$ -</td>
<td>$275</td>
<td>$ -</td>
</tr>
<tr>
<td>Task 5: Data Management</td>
<td>$13,700</td>
<td>$ -</td>
<td>$15,755</td>
<td>$ -</td>
</tr>
<tr>
<td>Task 5.1 Database Development</td>
<td>$3,152</td>
<td>$ -</td>
<td>$3,625</td>
<td>$ -</td>
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<tr>
<td>Task 5.2 Data Entry; QA/QC</td>
<td>$5,160</td>
<td>$ -</td>
<td>$5,935</td>
<td>$ -</td>
</tr>
<tr>
<td>Task 5.3 Monthly Uploads to CEDEN</td>
<td>$4,478</td>
<td>$ -</td>
<td>$5,150</td>
<td>$ -</td>
</tr>
<tr>
<td>Task 5.4 Other Data Requests</td>
<td>$910</td>
<td>$ -</td>
<td>$1,046</td>
<td>$ -</td>
</tr>
<tr>
<td>Total - 2016</td>
<td>$111,696</td>
<td>$21,516</td>
<td>$129,868</td>
<td>$24,940</td>
</tr>
</tbody>
</table>

1 Task 1 ODC costs for attendance by Dr. Meyerhoff at quarterly stakeholder meetings; Task 2 ODC costs are for analysis of E. coli or Enterococcus, which assumes 3 dilutions, and TSS samples.

2 Task 3 ODCs are as follows: (a) mileage at IRS rate of 0.575/mile; (b) YSI cost at $96/sample day; (c) waterproof digital camera at $10/sample day; (d) decontamination kit at $10/sample day; (e) grab pole/bucket at $5/sample day; and (f) consumables (gloves, distilled water, ice, etc., at $15/sample day). If flow measurements require additional equipment, additional costs may be incurred.

3 The responsible party for the two sites in Orange County located on private or state land is part of an ongoing discussion and will be finalized at a later time. Task 3 dry weather monitoring costs in this budget does not include these two sites but pending the outcome of the discussions, additional costs will be incurred by the Responsible Agency (TBD).
Table 8. SAR Bacteria Monitoring Program Task-Specific Estimated Cost Breakdown by Contractor for 2016

<table>
<thead>
<tr>
<th>Task</th>
<th>CDM Smith</th>
<th>CWE</th>
<th>Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Labor</td>
<td>ODCs</td>
<td>Labor</td>
</tr>
<tr>
<td>Task 1: Stakeholder Coordination</td>
<td>$4,750</td>
<td>$1,800</td>
<td></td>
</tr>
<tr>
<td>Task 1.4 Quarterly Stakeholder Meetings</td>
<td>$4,750</td>
<td>$1,800</td>
<td></td>
</tr>
<tr>
<td>Task 2: Contract with Qualified Laboratory</td>
<td>$16,580</td>
<td>$27,090</td>
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<tr>
<td>Task 2.1 Laboratory Contracts/Agreements</td>
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<td>Task 2.2 Laboratory Coordination</td>
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<td>Task 2.3 Laboratory Analysis</td>
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<tr>
<td>Task 3: Implement Monitoring Program</td>
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<td>-</td>
<td>$138,116</td>
</tr>
<tr>
<td>Task 3.1 Sample Team Administration</td>
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<td>Task 3.2 Dry Weather Monitoring</td>
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<td>-</td>
<td>$127,140</td>
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<td>$10,976</td>
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<td>Task 3.4 Quarterly Reports</td>
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<td>Task 4: Annual Reporting</td>
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<td>Task 4.2 Final Annual Report</td>
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<td>Task 4.3 Data Requests</td>
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<td>Task 5: Data Management</td>
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<td>Task 5.1 Database Development</td>
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<td>Task 5.2 Data Entry; QA/QC</td>
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<td>Total - 2016</td>
<td>$122,535</td>
<td>$28,890</td>
<td>$138,116</td>
</tr>
</tbody>
</table>

1 Task 1 ODC costs for attendance by Dr. Meyerhoff at quarterly stakeholder meetings; Task 2 ODC costs are for analysis of *E. coli* or Enterococcus, which assumes 3 dilutions, and TSS samples.

2 Task 3 ODCs are as follows: (a) mileage at current IRS rate of 0.54/mile; (b) YSI cost at $96/sample day; (c) waterproof digital camera at $10/sample day; (d) decontamination kit at $10/sample day; (e) grab pole/bucket at $5/sample day; and (f) consumables (gloves, distilled water, ice, etc., at $15/sample day). If flow measurements require additional equipment, additional costs may be incurred.

3 The responsible party for the two sites in Orange County located on private or state land is part of an ongoing discussion and will be finalized at a later time. Task 3 dry weather monitoring costs in this budget do not include these two sites but pending the outcome of the discussions, additional costs will be incurred by the identified Responsible Agency (TBD).
### Table 9. Summary of Estimated SAR Bacteria Monitoring Program Costs for Each County in 2016

<table>
<thead>
<tr>
<th>Task</th>
<th>Riverside County</th>
<th>San Bernardino County</th>
<th>Orange County</th>
<th>Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Labor</td>
<td>ODCs</td>
<td>Labor</td>
<td>ODCs</td>
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<td>Task 1: Stakeholder Coordination</td>
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<td>Totals</td>
<td>$111,696</td>
<td>$21,516</td>
<td>$129,868</td>
<td>$24,940</td>
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</tbody>
</table>

1. With the exception of Tasks 2.1, 2.2, and 3.3, which only applies to Riverside and San Bernardino Counties, per county costs are based on percentage of total samples collected within each County each year. Riverside County = 39%, San Bernardino County = 44% and Orange County = 17%. These percentages were used as multipliers for each task to assign an estimated cost by task for each county. Task 3.2 and ODCs for Task 2.3 (laboratory analysis costs) for Orange County are not included in the annual program budget.

2. Budget assumes that all field work will be conducted during weekdays and that weekend hours will be considered overtime, resulting in overtime labor costs.
<table>
<thead>
<tr>
<th>Program Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Riverside County Flood Control &amp; Water Conservation District</strong></td>
</tr>
<tr>
<td>Stormwater Quality Standards Task Force</td>
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<tr>
<td>Middle Santa Ana River TMDL Task Force</td>
</tr>
<tr>
<td>Flood Control Districts Direct Funding</td>
</tr>
<tr>
<td><strong>Total Revenue</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Summary Expenses</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Riverside County Flood Control &amp; Water Conservation District</strong></td>
</tr>
<tr>
<td>A. Administration</td>
</tr>
<tr>
<td>B. SAR Bacteria Monitoring Program</td>
</tr>
<tr>
<td>Task 1: Stakeholder Coordination</td>
</tr>
<tr>
<td>Task 2: Contract with Qualified Laboratory</td>
</tr>
<tr>
<td>Task 3: Implement Monitoring Program</td>
</tr>
<tr>
<td>Task 4: Annual Reporting</td>
</tr>
<tr>
<td>Task 5: Data Management</td>
</tr>
<tr>
<td><strong>Total Costs</strong></td>
</tr>
</tbody>
</table>

Notes:
1. Administrative costs for FY 2016-17 to be funded by Stormwater Quality Standards Task Force carryover
2. Funding includes contributions from other stakeholders including Agriculture, City of Claremont and City of Pomona participating in the Middle Santa Ana River TMDL Task Force
3. Quarterly meetings to coincide with Middle Santa Ana River TMDL Task Force Meetings
COMMISSION MEMORANDUM NO. 2016.47

DATE: June 21, 2016

TO: SAWPA Commission

SUBJECT: U.S. Bureau of Reclamation Basin Study Update Proposal

PREPARED BY: Ian Achimore, Senior Watershed Manager

RECOMMENDATION
That the Commission approve the submittal of Santa Ana Basin Study Update Proposal to the U.S. Bureau of Reclamation.

DISCUSSION
As discussed at the June 7, 2016 Commission Workshop, the SAWPA Commission will receive the final Basin Study Update Proposal (Proposal) before it is submitted to the U.S. Bureau of Reclamation (Reclamation) before the Reclamation deadline of June 22, 2016. Included with the Commission Memorandum is the Draft Proposal. The Final Proposal will be provided to the Commission during the June 21, 2016 Commission Meeting. Including the Draft Proposal with this Commission Memorandum allows staff further time to finalize the Proposal up until the Reclamation deadline.

Reclamation has previously partnered with SAWPA on the 2014 One Water One Watershed (OWOW) 2.0 Plan, referred to by Reclamation as the Santa Ana Watershed Basin Study, through a cost sharing agreement dated November 16, 2010. A similar cost sharing agreement would be executed if SAWPA were successful in a Basin Study Update Proposal submission to Reclamation.

A competitive proposal must focus on Reclamation’s core interest of analyzing projected gaps between supply and demand and the impact of climate change on supplies and demands. Furthermore, it must build from the information developed through earlier cooperative work with Reclamation on the Santa Ana Watershed Basin Study.

Working with Reclamation on updating the Santa Ana Watershed Basin Study will allow this region to ensure it meets the new State planning requirements that the California Department of Water Resources (DWR) will release in June 2016 for the Integrated Regional Water Management (IRWM) Program and allow the OWOW 2.0 Plan to be updated. The DWR has released draft IRWM guidelines in January 2016. These requirements are being released because of the legislative and IRWM policy changes that need to be incorporated with the passing of Proposition 1 by the California electorate in November 2014.

DRAFT PROPOSAL
The Draft Proposal is taking shape around two specific ideas drawn from the earlier work of Reclamation in OWOW 2.0, and to match needs expressed by new legislation and funding for the IRWM Program. The draft total budget for the Proposal is $800,000 with the cost split between SAWPA and Reclamation ($400,000 each) per the Reclamation’s Basin Study program policy.

First, the Proposal will seek Reclamation’s support updating the Basin’s understanding of climate impacts on the watershed, such as water supply. Projections in the Santa Ana Watershed Basin Study relied on a climate model (CMIP-3). An updated understanding of climate impacts in a spatial context will help identify which communities and water systems are threatened. Subregional climate change analyses such as produced by IEUA
over the past year will be incorporated. The vulnerabilities of the different regions of the Basin is a critical
deliverable to the State under the IRWM draft guidelines. This vulnerability assessment will augment required
activity in the upcoming Disadvantaged Community Involvement Program also offered by the DWR through
Proposition 1 IRWM funding. Reclamation played an important role in the Santa Ana Watershed Basin Study
related to disadvantaged communities.

Second, the Proposal will request the assistance of Reclamation in strengthening the ability for critical
information created or gathered by the OWOW process to be shared broadly and to the benefit of all
stakeholders. The value of online maps increases daily, and assuring that decision-makers, planners, and
students have access to the OWOW process via online cartographic resources will be the goal of this third task.

Third, SAWPA has scoped out internal work that will augment Reclamation’s focus for the Basin Plan Update.
The SAWPA scope of work addresses filling the gaps in the OWOW 2.0 Plan for the newly State-promulgated
stormwater resources plans and groundwater sustainability plans (GSPs). Since the OWOW 2.0 Plan was
adopted in February 2014, the Governor has signed Senate Bill 985, which requires that storm water resource
plans be incorporated into IRWM Plans, and a collection of bills that produced the Sustainable Groundwater
Management Act, which allows local agencies to customize GSPs to their regional economic and environmental
needs. For an OWOW 2.0 Update, this means a local GSP covering a sub-basin of the Santa Ana River
Watershed may set extraction limits. Per the DWR’s IRWM draft guidelines, the update to the OWOW 2.0 Plan
should be consistent with those limits. The OWOW Plan update will also have to identify basins in the Santa
Ana River Watershed with or without GSPs and develop a watershed approach for coordinating with those
GSPs or lack of GSPs.

Lastly, SAWPA has scoped work to ensure that the updated OWOW 2.0 Plan will reflect the latest water supply
and demand projections and recent sub-regional resource plans such as the 2016 Inland Empire Utilities Agency
Integrated Resources Plan, 2015 San Bernardino Valley Municipal Water District Upper Santa Ana River
Watershed IRWM Plan, and 2014 Orange County Water District Long Term Facilities Plan. Since the OWOW
2.0 Plan covers a large planning area, SAWPA will coordinate the timing of other water and land development
plan update cycles with OWOW 2.0 planning updates and incorporate the necessary locations, impacts, existing
and future actions to address various water quality contaminants in the watershed in accordance with Assembly
Bill 1249. Like Senate Bill 985 which requires that the IRWM Plans address a water resources issue, the focus
for Assembly Bill 1249 is identifying nitrate, arsenic, perchlorate and/or hexavalent chromium contamination in
an IRWM planning area such as the Santa Ana River Watershed.

BACKGROUND
Reclamation invited SAWPA to apply for the Fiscal Year 2016 Basin Study Update program, and assigned a
technical advisor to assist crafting a SAWPA proposal. The SAWPA submitted Basin Study Update proposal
would be reviewed by a Reclamation Application Review Committee (ARC) which will recommend to the
Agency’s Director of Policy and Administration which Basin Study Updates will receive funding in Fiscal Year
2016. During the May 17, 2016 SAWPA Commission Meeting the Commission directed staff to submit a Basin
Study Update proposal to Reclamation and provide the Commission the proposal before it is submitted.

If accepted, Reclamation will assign in-kind resources to accomplish the Basin Study Update scope of work.
SAWPA would also assign matching expenditures, which can be state grant or local funds. If successful through
the Proposition 1 IRWM grant process which will be solicited by the DWR, SAWPA could receive up to
$250,000 in Proposition 1 IRWM funding to update the OWOW 2.0 Plan. In addition, the Disadvantaged
Community Involvement Program, which is being offered by the DWR, requires implementing a Needs
Assessment, expenditures for which will be available as match to the Reclamation commitment.
RESOURCES IMPACTS
Participants in the Reclamation’s Basin Study Update program must provide 50% of the costs for the Basin Plan Update scope of work. To affect necessary updates to OWOW 2.0 SAWPA has budgeted 1778 staff hours per year (0.85 FTE) over FYE 2017 and FYE 2018 which is available to provide Reclamation’s match requirement for in-kind expenditures. The need for updates is driven by Proposition 1 IRWM requirements and the commitment to incorporate the latest science and data. SAWPA has $300,000 per year budgeted for Fund 373 Watershed Management (OWOW) provided by the SAWPA bi-annual budget for Fiscal Year Ending 2016 and Fiscal Year Ending 2017. A portion of the State’s Proposition 1 IRWM $6.3 million in funding allocated to the Santa Ana Funding region for the Disadvantaged Community Involvement program would also be available for matching activities given the proposal scope of work.

Attachment:
1. Draft Basin Study Update Proposal

CM2016.47 USBR Basin Study
Santa Ana Basin

DRAFT BASIN STUDY UPDATE PROPOSAL
A SUBMITTAL TO THE UNITED STATES BUREAU OF RECLAMATION

11615 Sterling Avenue Riverside, California 92503
Draft Basin Study Update Proposal

Project Title
Santa Ana Basin Study Update

Non-Federal Lead Agency
Santa Ana Watershed Project Authority (SAWPA)

SAWPA Staff Lead
Ian Achimore
Senior Watershed Manager
iachimore@sawpa.org
(951) 354-4233

Location of Study
Santa Ana River Watershed (Referred to as the “Santa Ana Basin” by the U.S. Bureau of Reclamation)
Draft Basin Study Update Proposal

About Non-Federal Lead Agency
SAWPA is a joint powers authority (JPA) with five major water resource agencies located in the Santa Ana River Watershed serving as the JPA’s member agencies. These member agencies are Eastern Municipal Water District, Inland Empire Utilities Agency, Orange County Water District, San Bernardino Valley Municipal Water District and Western Municipal Water District. The SAWPA vision is a sustainable and resilient Santa Ana River Watershed that provides water for a high quality of life for all, while maintaining healthy ecosystems and open space opportunities. SAWPA serves as the planning lead for the Integrated Regional Water Management (IRWM) effort in the Santa Ana River Watershed as the JPA was designated as the Regional Water Management Group (RWMG) through the California Department of Water Resources (DWR) 2009 IRWM Regional Acceptance Process. As the RWMG, SAWPA coordinates with the stakeholders in the watershed to develop plans as well as projects and programs that implement the goals of those plans. As the RWMG, SAWPA serves as the administrator to a decision making body, the One Water One Watershed (OWOW) Steering Committee. The OWOW Steering Committee is comprised of eleven members from the three counties in the Santa Ana River Watershed (Orange County, Riverside County and San Bernardino County).

About Previous Watershed Planning Efforts
SAWPA proposes a Basin Plan Study Update in partnership with the U.S. Bureau of Reclamation (Reclamation) to spatially analyze the projected impacts modeled in the original 2013 Santa Ana Basin Plan and present the data from the Basin Study and the Basin Study Update to the stakeholders in the approximately 2,800 square mile basin. The 2013 Santa Ana Basin Plan was incorporated into the One Water One Watershed (OWOW) 2.0 Plan which is this region’s IRWM Plan. This IRWM Plan was an outgrowth of the integrated watershed planning efforts that began before the DWR was involved in IRWM planning across the State. The first integrated watershed planning milestone was the completion of the SAWPA Water Resources Plan in 1998, a document that’s planning area was the entire Santa Ana River Watershed.

In February 2014, the OWOW 2.0 IRWM Plan was adopted by the SAWPA Commission, a five-member body of elected representatives with each member serving at the pleasure of the five SAWPA member agencies’ individual governing boards. In November 2010, an earlier version, the OWOW 1.0 Plan, was approved by the SAWPA Commission. The 2013 Basin Study was a major component of the OWOW 2.0 Plan. The 2013 Basin Study was unique because the Santa Ana River Watershed was the first urban setting in which Reclamation conducted its climate change analysis.
Draft Basin Study Update Proposal

If successful in receiving Reclamation support, the Basin Plan Update will ensure the watershed’s future plan incorporates the latest science and data and is compliant with the State of California Proposition 1 Integrated Regional Water Management (IRWM) requirements. Proposition 1 was passed by the California electorate in November 2014 and the DWR released draft planning guidelines in January 2016 that described the new information and analyses that IRWM Plans have to incorporate.

Total Basin Study Update Costs
Through this proposal, $400,000 will be provided by SAWPA and $400,000 would be provided by Reclamation.

2013 Basin Study Background
If successful through proposal process, the Basin Study Update will build on the Basin Study that began with Reclamation in 2011 and was completed in 2013.

Through the 2013 Basin Study, Reclamation and SAWPA completed the following:

- The Basin Study Summary Report helped watershed stakeholders identify data gaps, conduct tradeoff analyses, address the effects of climate change, and develop effective adaptation strategies. It suggested implementation actions for stakeholders that can help reduce energy consumption and ensure California Global Warming Solutions Act of 2006 (Assembly Bill 32) compliance, it listed vulnerabilities, it identified adaptation strategies, it utilized a ‘no regrets strategy’ analysis that assessed proposed projects and specific adaptation strategies and the cost and benefits in terms of productivity, mitigation potential, resilience, and sustainability.

- The Climate Change Analysis for the Santa Ana River Watershed (Technical Memorandum No. 1) explained the methods used to develop an analysis of potential implications of the changing climate, and how those implications might affect issues of importance to the Santa Ana River Watershed. It included the development of climate projections and hydrology models and provided projections for water supply and demand in the Santa Ana River Watershed. Global climate models (GCMs) used in the analysis were downscaled to 12-kilometer grids to make them relevant for regional analysis.
  - The Greenhouse Gas (GHG) Emissions Calculator (Technical Memorandum No. 2) was developed as a tool to support the Climate Change Analysis for the Santa Ana River Watershed and to evaluate mitigation strategies. It is a decision-making tool that can be used to explore the links between water resources, energy, and GHG emissions. It can be used to determine water supply and energy demands for the study area, in addition to GHG emissions from 1990 to 2050.
Draft Basin Study Update Proposal

- The *Inland Empire Interceptor Appraisal Analysis* (Technical Memorandum No. 3) assessed rerouting all Inland Empire Brine Line system flows for discharge to the Salton Sea. The appraisal analysis is intended to be used as an aid in selecting the most economical plan by comparing alternative features. The report analyzes historical Brine Line flow data and forecasting of future flows. It also addresses analysis of available historical data for water quality constituents of the Brine Line flows and forecasting of those constituents in future flows.

- The *Overview of Disadvantaged Communities and Native American Tribes in the Santa Ana River Watershed* provided a brief description of Disadvantaged Communities (DACs) and Native American Indian Tribes located in or near the Santa Ana River Watershed, and a summary of water and related resource opportunities and challenges facing these entities. The conclusion of the report summarized this information to offer water resources planners a means to examine future opportunities, and follow-up on considerations as they update the OWOW 2.0 Plan and provide recommendations to engage DACs and Tribes in proposed projects.

**Basin Study Update Proposal**
SAWPA proposes a Basin Plan Study Update in partnership with Reclamation to spatially analyze the projected impacts modeled in the original 2013 Santa Ana Basin Plan and present the data from the Basin Study and the Basin Study Update to the stakeholders in the approximately 2,800 square mile watershed. Per the DWR IRWM draft guidelines, future IRWM Plans need to include vulnerability assessments by RWMGs and vetting vulnerabilities through an IRWM decision-making process to 1) prioritize them, and 2) determine the feasibility for the RWMG to address them. The 2013 Basin Study has already analyzed four “key vulnerabilities.” These include:

Water Supply
- Insufficient local water supply
- Increased dependence on imported supply
- Inability to meet water demand during droughts
- Shortage in long-term operational water storage capacity

Water Quality
- Poor water quality
- Increased water treatment needs

Flooding
- Increased flash flooding and inland flooding damage
- Increased coastal flooding and inundation of coastal community storm drains
- Damage to coastal community sewer systems from sea level rise
Ecosystem and Habitat

- Damage to coastal ecosystems and habitats
- Adverse impacts to threatened and sensitive species from reduced terrestrial flows and sea level rise

Based on the OWOW 2.0 Plan analysis by OWOW stakeholders and the Reclamation’s analysis through the 2013 Basin Study, it was concluded that the Santa Ana River Watershed “is potentially highly sensitive to climate change, with a particular vulnerability to changes in its precipitation, temperature, evapotranspiration, snow water equivalent, and streamflow” (Basin Study Summary Report, September 2013).

Reclamation’s expertise in the modeling used for the 2013 Basin Study will be of particular value in evaluating those model results in a spatial context. This spatial analysis has been done to some extent. Through the 2013 Basin Study, grid based outputs of daily runoff and baseflow were generated by the Variable Infiltration Capacity (VIC) hydrologic model and were routed to select sites throughout the Santa Ana River Watershed to produce daily streamflow projections. Change factors were developed by calculating decade mean (reference decade – 1990s; three future decades – 2020s, 2050s, and 2070s) total precipitation and temperature.

Further analysis could be done to analysis the impacts on specific regions and communities, like those that are predominately urban, rural, riparian, alluvial, etc. Understanding the impacts to different anthropogenic and biological communities from projected changes in climate involves a unique analysis of each community type because these communities are each affected by streamflow, precipitation and air temperature differently. These community-based analyses and the communities’ unique impacts from projected changes in climate, can include, but are not limited to:

Water Supply

- Urban Areas: With municipal water demand affected predominately by water rates, water conservation messaging and water conservation participation programs, it is difficult to link demand to future changes in streamflow, precipitation and air temperature because the current trends for those three conditions is not strongly correlated to municipal demand. In order to correlate municipal demand to climate trends, the analysis would likely first link observed municipal supply to observed climate, and then correlate observed supply levels to observed water rates. Since there was an observed increase in water rates primarily due to the onset of the State Water Resources Control Board’s
emergency drought regulations in 2015, this analysis would likely be done by analyzing observed municipal demand data in response to supply shortages from the drought.

Ecosystem and Habitat

- Prado Basin: With hundreds of acres of wetlands, subtle change in hydrology due to changes in climate can alter wetlands, resulting in a positive biotic feedback, contributing methane and carbon dioxide to the atmosphere (Burkett and Kusler, 2007). With observed hydrology data showing water levels in the Prado Basin and likely data for observed atmospheric reading through satellite imagery, an estimation for methane and carbon dioxide emissions could be made using the correlation between the observed hydrology and observed atmospheric data.

- Santa Ana Sucker Fish Habitat: The Santa Ana sucker fish has been often observed in the Santa Ana River within the City of Colton in San Bernardino County from the Riverside Avenue crossing of the river upstream to the Rialto Channel river confluence. Understanding the air temperature projections from the Basin Study and correlating that to water temperature projections will highlight the understanding of the future impacts to the Santa Ana sucker. With new fish population data being provided by the Upper Santa Ana River Habitat Conservation Plan lead by the San Bernardino Valley Municipal Water District, there will be an opportunity to correlate the current relationship between sucker fish presence to observed water temperature, and then estimate future population levels using air temperature projections from the Basin Study.

The Basin Study Update scope of work would begin with SAWPA and Reclamation working together to identify data sets that are available for these types of community-specific analyses. Once the data sets present themselves, SAWPA and Reclamation would make the best effort to focus on each of the four key vulnerability categories. This would establish a framework for future climate analysis that would allow the other communities.

SAWPA will also identify its internal scope of work that will augment the Reclamation scope of work. The SAWPA scope of work will focus on filling the gaps in the Santa Ana River Watershed for the newly State-promulgated stormwater resources plans and groundwater sustainability plans (GSPs). Since the OWOW 2.0 Plan was adopted in February 2014, the Governor has signed Senate Bill 985, which requires that storm water resource plans be incorporated into IRWM Plans, and a collection of bills that produced
Draft Basin Study Update Proposal

the Sustainable Groundwater Management Act, which allows local agencies to customize GSPs to their regional economic and environmental needs. For an OWOW 2.0 update, this means a local GSP covering a sub-basin of the Santa Ana River Watershed may set extraction limits. Per the DWR’s IRWM draft guidelines, the update to the OWOW 2.0 Plan should be consistent with those limits. The OWOW 2.0 update will also have to identify basins in the Santa Ana River Watershed with or without GSPs and develop a watershed approach for coordinating with those GSPs or lack of GSPs.

Lastly, SAWPA has scoped work to ensure that the updated OWOW 2.0 Plan will reflect the latest water supply and demand projections and recent sub-regional resource plans such as the 2016 Inland Empire Utilities Agency Integrated Resources Plan, 2015 San Bernardino Valley Municipal Water District Upper Santa Ana River Watershed IRWM Plan, and 2014 Orange County Water District Long Term Facilities Plan. Since the OWOW 2.0 Plan covers a large planning area, SAWPA will coordinate the timing of other water and land development plan update cycles with OWOW 2.0 planning updates and incorporate the necessary locations, impacts, existing and future actions to address various water quality contaminants in the watershed in accordance with Assembly Bill 1249. Like Senate Bill 985 which requires that the IRWM Plans address a specific water resources issue, the focus for Assembly Bill 1249 is identifying nitrate, arsenic, perchlorate and/or hexavalent chromium contamination in an IRWM planning area such as the Santa Ana River Watershed.

The Importance of Updating the Basin Study
The Basin Study Update is important because it allows the Santa Ana River Watershed to meet IRWM guidelines that now require a framework for regional decision making bodies to address vulnerabilities. The IRWM guidelines discuss using the RWMG decision making process, which would be the OWOW Steering Committee and the SAWPA Commission, to prioritize vulnerabilities and determine the feasibility for the RWMG to address them. Once prioritizing the vulnerabilities, the RWMG is to incorporating strategies to eliminate or minimize vulnerabilities. Project and programs would then likely be proposed to the OWOW Steering Committee and SAWPA Commission from the stakeholders and an analysis by SAWPA staff would subsequently be done to see which projects and programs eliminate or minimize the identifies vulnerabilities.

With the community-based analysis involved in the proposed Basin Study Update, the new study would also serve as a useful resource for planners who are developing projects and programs in those regions that make up urban, rural, riparian, alluvial, etc., communities. Planners and decision makers would be able to take the data sets
produced as part of the Basin Study and the Basin Study Update and build upon them using data from their specific communities. This Study would directly help, for example, managers in the Prado Wetlands, but would also create an analysis framework for a wetland manager in another part of the watershed to scope a study of their wetlands.

The Strength of Any Nexus Between the Basin Study and a Bureau of Reclamation Project or Activity

This southern California watershed relies on water imported from another basin through Metropolitan Water District of Southern California’s Colorado River Aqueduct (CRA). Reclamation and seven basin states manage the Colorado River (CR) system under the authority of the Secretary of the Interior and for the benefit of seven “basin states”. California’s share of the CR Supply is 4.4 million acre-feet (maf). Approximately 30 percent of the Santa Ana River Watershed relies on imported water, which is provided by the CR Supply as well as the State Water Project which is managed by the DWR.

There are also multiple major groundwater basins within Metropolitan Water District of Southern California service area and the Santa Ana River Watershed. Coordination and cooperation are vital with Reclamation as both parties explore groundwater recharge and reuse opportunities. Additionally, SAWPA has worked closely with Reclamation on several major regional studies over the past decade.

As a funding partner, SAWPA has entered into several agreements with Reclamation in these past studies:

- *Southern California Comprehensive Water Reclamation and Reuse Study*, Prepared by CH2M Hill for US Bureau of Reclamation and 8 regional partners, including SAWPA, July 2002
- *Southern California Regional Brine Concentrate Management Study*, Prepared by CH2M Hill for US Bureau of Reclamation and 15 regional partners, including SAWPA, October 2009
- *Santa Ana River Watershed LiDAR/Infrared Imagery Landscape Mapping Demonstration Project Final Report* prepared by SAWPA, October 2015

Multiple Federal projects funded through the Reclamation’s Title XVI program and American Recovery and Reinvestment Act of 2009 funding are also located in the Santa
Draft Basin Study Update Proposal

Ana River Watershed and within the SAWPA member agencies’ service areas. For example, Reclamation’s Title XVI Program funding combined with IRWM funding through SAWPA provided sufficient revenue for the construction of the largest water recycling project west of the Mississippi River - the Orange County Water District Groundwater Replenishment System.

The Availability and Quality of Existing Date and Models Applicable to the Proposed Basin Update Study

The following data and models will be used for the study:
- SAWPA’s demand and supply analysis contained in Chapter 5.4 of the One Water One Watershed 2.0 Plan.
- Surface water hydrology and air temperature projections developed by Reclamation in its *Climate Change Analysis for the Santa Ana River Watershed* (Technical Memorandum No. 1) using Variable Infiltration Capacity (VIC) model.
- Future water supply analyzed using the downscaled GCMs.
- Data available for the community-based analyses such as atmospheric data from remote sensing, municipal water use data from retail water agencies, fish population data from water agencies, etc.

High-quality data and effective water demand and supply projection modeling exist for analyzing in the Basin. These data are contained in the following reports, which served as the basis for past analyses. The potential effects on water supply and demand due to climate change and variability also were analyzed with evaluation of localized climate change impacts in the watershed, working with the Rand Corporation and State experts. The results of these analyses are referenced as follows:

- *Presentation of Uncertainty About Climate Change Modeling to SAWPA area*, Presentation, Rand Corporation 2008
- *Water Resources Plan*, SAWPA Planning Department, June 1998, Chapter 6.9-Climate Change
COMMISSION MEMORANDUM NO. 2016.48

DATE: June 21, 2016

TO: SAWPA Commission

SUBJECT: RFP for Quality Assurance Services

PREPARED BY: Rich Haller, Executive Manager of Engineering & Operations

RECOMMENDATION
That the Commission authorize the release of a Request for Proposals (RFP) for Quality Assurance Services to support the Proposition 84 Grant Program.

DISCUSSION
The Proposition 84 Grant Quality Assurance Program consists of activities to confirm SAWPA/Sub-Grantee compliance with agreements with CA DWR. Specific goals and activities include the following:

- Ensure that all Terms & Conditions in SAWPA/DWR agreement, SAWPA/Sub-grantee agreements are met.
- Ensure work that is completed and billed for is consistent with the scope of work and properly documented.
- Review scope of work amendment requests prior to SAWPA submittal to DWR confirming key issues such as consistency with original scope of work, schedule and benefits are addressed.
- Review records at SAWPA and the Sub-Grantees to ensure creation of an auditable record of costs, compliance with terms and conditions, and deliverables.
- Review invoice submittals to ensure accuracy and timely payment of costs by the State.
- Ensure all project benefits promised are delivered.
- Review all changes that revise the program, as may be required by DWR from time to time, to address State changes such as accelerating or slowing Prop 84 funding.
- Conduct site visits to confirm project scope remains consistent with agreement and to understand proposed changes, if any.
- Conduct region tours for DWR, others.
- Address requests, questions from DWR, state legislature, etc.

Consultant shall prepare a detailed plan describing how each goal/activity shall be achieved. Activities shall occur over several years until all projects are completed in Rounds 1, 2, Drought Round and Final Round.
The following schedule applies:

<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>June 22, 2016</td>
<td>Issue Request for Proposals</td>
</tr>
<tr>
<td>June 28, 2016</td>
<td>Pre-proposal Meeting @ SAWPA HQ (10:00 am)</td>
</tr>
<tr>
<td>July 14, 2016</td>
<td>Proposals due (4:00 p.m.)</td>
</tr>
<tr>
<td>July 21, 2016</td>
<td>Interview panel conducts interview of top proposing firms</td>
</tr>
<tr>
<td>August 2, 2016</td>
<td>Recommend award to SAWPA Commission</td>
</tr>
<tr>
<td>August 3, 2016</td>
<td>Issue Notice to Proceed</td>
</tr>
</tbody>
</table>

Activities to be performed until all projects are complete sometime in 2020.

SAWPA staff seeks Commission authorization to issue this RFP subject to minor edits.

**RESOURCE IMPACTS**

Funding for the Proposition 84 Quality Assurance Program comes from the Proposition 84 grant administration budget.

Attachment:

1. RFP for Quality Assurance Services

CM 2016.48 Prop 84 QA Program RFP
SANTA ANA WATERSHED PROJECT AUTHORITY  
REQUEST FOR PROPOSALS  
For  
Proposition 84  
Quality Assurance Services  

Responses to this Request for Proposal (RFP) shall be submitted to:  
Santa Ana Watershed Project Authority  
11615 Sterling Avenue  
Riverside, California 92503  
Telephone: (951) 354-4220  
Fax: (951) 688-8030  

No later than July 14, 2016 at 4:00 p.m. six (6) original copies and one (1) electronic file copy (in PDF format) of the proposal shall be submitted in a sealed envelope and marked: “Proposal for Proposition 84 Quality Assurance Services” One (1) original copy and one (1) electronic file copy (in PDF format) of the fee proposal shall be submitted in a separate sealed envelope and marked: “Fee proposal”. Proposals received after the above specified date and time WILL NOT be accepted. A pre-proposal meeting will be held at the SAWPA offices (see address above) at 10:00 AM on June 28, 2016. Questions regarding this RFP should be addressed directly to Rich Haller (rhaller@sawpa.org).  

SECTION 1. INTRODUCTION  

PURPOSE OF QUALITY ASSURANCE SERVICES  

The purpose of the Quality Assurance (QA) Program is to confirm compliance with all the terms and conditions of SAWPA’s agreements with the sub-grantees. Specific goals include the following:  

- Ensure that all Terms & Conditions in SAWPA/DWR agreement, SAWPA/Sub-grantee agreements are met.  
- Ensure work that completed and billed for is consistent with the scope of work.  
- Review scope of work amendment requests prior to SAWPA submittal to DWR confirming key issues such as consistency with original scope of work, schedule and benefits are addressed.  
- Review records at SAWPA and the Sub-Grantees to ensure creation of an auditable record of costs, compliance with terms and conditions, and deliverables.
- Review invoice submittals prepared by the SAWPA Grant Administrator to ensure accuracy and timely payment of costs by State.
- Ensure all project benefits promised are delivered.
- Review all changes that revise the program, as may be required by DWR from time to time, to address State changes such as accelerating or slowing Prop 84 funding.
- Conduct site visits to confirm project scope remains consistent with agreement and to understand proposed changes, if any.
- Conduct region tours for DWR, others.
- Address requests, questions from DWR, state legislature, etc.

It is the intent of SAWPA to obtain the services of a professional firm to perform Quality Assurance (QA) Services in support of SAWPA and its Sub-Grantees within this program.

**AGENCY BACKGROUND**

The Santa Ana Watershed Project Authority (SAWPA) was formed in 1973 with a mission to develop, plan, finance, construct and operate programs and projects related to water quality and quantity management, pollution abatement, and protection of the Santa Ana River Watershed. SAWPA is a Joint Powers Authority (JPA) comprised of five (5) member agencies: 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).

**PROPOSITION 84**

Proposition 84, the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006, was passed by California voters in November 2006. Proposition 84 amended the PRC to add among other articles, Section 75026 et seq., authorizing the Legislature to appropriate $1,000,000,000 for IRWM projects that assist local public agencies to meet the long term water needs of the State including the delivery of safe drinking water and the protection of water quality and the environment.

Of that $1,000,000,000, $900,000,000, referred to as “regional funding”, was allocated to 11 hydrologic regions and sub-regions or “funding areas”, and the remaining $100,000,000, referred to as “inter-regional funding”, was allocated to address multi-regional needs or issues of statewide significance.

In June 2012, the California Department of Water Resources (“DWR”) and SAWPA entered into a Proposition 84 Integrated Regional Water Management Implementation Grant Agreement (Grant Agreement) providing that SAWPA would serve as the program manager for the $12,660,004.00 in IRWMP grant funds to be disbursed to Sub-Grantees, consistent with IRWMP and California Environmental Quality Act ("CEQA") requirements, and ensuring that the maximum benefit of such
funds are realized in the Santa Ana River Watershed. Projects funded from this appropriation are referred to as “Round 1 Projects” (see Prop 84 Round 1 Table). SAWPA has disbursed to Sub-Grantees a portion of the $12,660,044.00 in IRWMP grant funds for its project component by way of a Grant Funding Contract (GFC) with the Sub-Grantee. The Sub-Grantee must comply with all terms, provisions, conditions, and commitments of the GFC and the IRWMP Grant Agreement. Compliance includes providing SAWPA with all deliverables, budget detail, reports and all other documents required by the IRWMP Grant Agreement. The Sub-Grantee must comply with all of the obligations and requirements of the IRWMP Grant Agreement as if the Sub-Grantee were the “Grantee” under the terms of the IRWMP Grant Agreement.

In October 2014, DWR and SAWPA entered into a second Proposition 84 Grant Agreement providing that SAWPA would serve as the program manager for the $15,625,310.00 in IRWMP grant funds to be disbursed to Sub-Grantees Projects funded from this appropriation, referred to as “Round 2 Projects” (see Prop 84 Round 2 Table).

In June 2015, DWR and SAWPA entered into a third Proposition 84 Grant Agreement providing that SAWPA would serve as the program manager for the $12,860,110.00 in IRWMP grant funds to be disbursed to Sub-Grantees. Projects funded from this appropriation are referred to as “Drought Round Projects” (see Prop 84 Drought Round Table).

It is anticipated that in the fall of 2016, DWR and SAWPA will enter into a fourth Proposition 84 Grant Agreement with SAWPA committed to serve as the program manager for the $64,200,000.00 funds to be disbursed to Sub-Grantees. Projects to be funded from this appropriation are referred to as “Final Round Projects” and consist of two programs and one project as follows:

<table>
<thead>
<tr>
<th>Agency</th>
<th>Project</th>
<th>Total Cost</th>
<th>Grant Amount</th>
<th>Cooperative Agencies</th>
</tr>
</thead>
<tbody>
<tr>
<td>San Bernardino Valley Municipal Water District</td>
<td>Santa Ana River Conservation &amp; Conjunctive Use Program (SARCCUP) – Phase 1: The Watershed-Wide, Water Banking, Water Use Efficiency &amp; Habitat</td>
<td>$100,072,900</td>
<td>$55,000,000</td>
<td>EMWD, IEUA, OCWD, SBVMWD, WMWD, OCC&amp;IEW</td>
</tr>
<tr>
<td>Riverside County Flood Control and Water Conservation District</td>
<td>2015 Integrated Watershed Protection Program</td>
<td>$29,230,000</td>
<td>$5,054,000</td>
<td>San Jacinto, BCVWD, LHMWD</td>
</tr>
<tr>
<td>Orange County Sanitation District</td>
<td>Newhope-Placentia Trunk Replacement</td>
<td>$103,890,000</td>
<td>$1,000,000</td>
<td>Cal-DOT, OCFCD, Anaheim, Fullerton CSUF, OCWD</td>
</tr>
<tr>
<td>Project No.</td>
<td>Project Name</td>
<td>Project Type</td>
<td>Total Project Cost</td>
<td>Total Required Invoice Documentation</td>
</tr>
<tr>
<td>------------</td>
<td>------------------------------------------------------</td>
<td>--------------</td>
<td>--------------------</td>
<td>--------------------------------------</td>
</tr>
<tr>
<td>A</td>
<td>Groundwater Replenishment System - Flow Equalization</td>
<td>Construction</td>
<td>$15,399,680</td>
<td>$2,180,760</td>
</tr>
<tr>
<td>B</td>
<td>Sludge Dewatering, Odor Control and Primary Sludge Thickening</td>
<td>Construction</td>
<td>$138,115,600</td>
<td>$37,638,218</td>
</tr>
<tr>
<td>E</td>
<td>Santa Ana Watershed Vireo Monitoring</td>
<td>Monitoring</td>
<td>$869,207</td>
<td>$825,994</td>
</tr>
<tr>
<td>F</td>
<td>Mill Creek Wetlands</td>
<td>Construction</td>
<td>$20,355,000</td>
<td>$2,615,000</td>
</tr>
<tr>
<td>G</td>
<td>Cactus Basin</td>
<td>Construction</td>
<td>$9,250,752</td>
<td>$3,405,196</td>
</tr>
<tr>
<td>H</td>
<td>Inland Empire Brine Line Rehabilitation and Enhancement</td>
<td>Construction</td>
<td>$6,932,729</td>
<td>$1,698,153</td>
</tr>
<tr>
<td>I</td>
<td>Arlington Desalter Interconnection Project</td>
<td>Construction</td>
<td>$1,346,049</td>
<td>$750,493</td>
</tr>
<tr>
<td>J</td>
<td>Perris II Desalination Facility</td>
<td>Construction</td>
<td>$2,335,752</td>
<td>$1,607,296</td>
</tr>
<tr>
<td>K</td>
<td>Perchlorate Wellhead Treatment System Pipelines</td>
<td>Construction</td>
<td>$1,419,000</td>
<td>$1,368,940</td>
</tr>
<tr>
<td>L</td>
<td>Chino Creek Wellfield Development</td>
<td>Construction</td>
<td>$6,331,118</td>
<td>$2,646,091</td>
</tr>
<tr>
<td>M</td>
<td>Impaired Groundwater Recovery</td>
<td>Construction</td>
<td>$37,321,970</td>
<td>$21,148,848</td>
</tr>
<tr>
<td>N</td>
<td>Grant Administration</td>
<td>Administration</td>
<td>$660,004</td>
<td>$660,004</td>
</tr>
<tr>
<td>O</td>
<td>Alamitos Barrier Improvement Project</td>
<td>Construction</td>
<td>$11,606,600</td>
<td>$1,650,600</td>
</tr>
<tr>
<td>P</td>
<td>Arlington Basin Water Quality Improvement Project</td>
<td>Construction</td>
<td>$7,861,350</td>
<td>$3,371,086</td>
</tr>
</tbody>
</table>

**Contract Total**: $259,806,811 $81,566,679 $74,282,187.24 $2,886,435.89 $4,398,055.87 77%

- complete; retention paid
- complete; final project report in process
<table>
<thead>
<tr>
<th>Project No.</th>
<th>Project Name</th>
<th>Project Type</th>
<th>Total Project Cost</th>
<th>Total Required Invoice Documentation</th>
<th>Total Project Expenditure</th>
<th>Grant Share Remaining</th>
<th>Agency Cost Share Remaining</th>
<th>Project Completion Date</th>
<th>Project Percent Complete</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Grant Administration</td>
<td>Administration</td>
<td>$625,310</td>
<td>$625,310</td>
<td>$155,616.23</td>
<td>$469,693.77</td>
<td>$</td>
<td>Jun-20</td>
<td>25%</td>
</tr>
<tr>
<td>2</td>
<td>Perris Desalination Program - Brackish Water Wells 94, 95, and 96</td>
<td>Construction</td>
<td>$10,238,280</td>
<td>$3,369,427</td>
<td>$1,000,000.00</td>
<td>$2,369,427.00</td>
<td>$</td>
<td>Sep-18</td>
<td>12%</td>
</tr>
<tr>
<td>3</td>
<td>Quail Valley Subarea 9 Phase 1 Sewer System Project</td>
<td>Construction</td>
<td>$8,000,000</td>
<td>$4,890,000</td>
<td>$1,651,686.69</td>
<td>$2,920,007.28</td>
<td>$</td>
<td>Feb-18</td>
<td>11%</td>
</tr>
<tr>
<td>4</td>
<td>Forest First - Increase Stormwater Capture and Decrease Sediment Loading through Forest Ecological</td>
<td>Construction</td>
<td>$5,554,160</td>
<td>$3,055,039</td>
<td>$1,234,342.59</td>
<td>$1,000,000.00</td>
<td>$820,696.41</td>
<td>Dec-19</td>
<td>49%</td>
</tr>
<tr>
<td>5</td>
<td>Wineville Regional Recycled Water Pipeline and Groundwater Recharge System Upgrades</td>
<td>Construction</td>
<td>$30,500,000</td>
<td>$1,000,000</td>
<td>$1,000,000.00</td>
<td>$</td>
<td>$</td>
<td>Jun-17</td>
<td>72%</td>
</tr>
<tr>
<td>6</td>
<td>Plunge Creek Water Recharge and Habitat Improvement</td>
<td>Construction</td>
<td>$710,500</td>
<td>$684,731</td>
<td>$422,999.92</td>
<td>$142,552.26</td>
<td>$</td>
<td>Nov-18</td>
<td>25%</td>
</tr>
<tr>
<td>7</td>
<td>Prado Basin Sediment Management Demonstration Project</td>
<td>Construction</td>
<td>$7,865,000</td>
<td>$3,660,050</td>
<td>$1,182,751.53</td>
<td>$750,000.00</td>
<td>$1,727,298.47</td>
<td>Feb-19</td>
<td>17%</td>
</tr>
<tr>
<td>8</td>
<td>San Sevaine Ground Water Recharge Basin</td>
<td>Construction</td>
<td>$2,860,000</td>
<td>$1,675,001</td>
<td>$437,187.83</td>
<td>$483,614.02</td>
<td>$754,199.15</td>
<td>May-17</td>
<td>45%</td>
</tr>
<tr>
<td>9</td>
<td>Corona/Home Gardens Multi-Jurisdictional Water Transmission Line Project</td>
<td>Construction</td>
<td>$6,290,525</td>
<td>$3,627,494</td>
<td>$1,292,769.25</td>
<td>$1,928,854.38</td>
<td>$</td>
<td>Mar-18</td>
<td>35%</td>
</tr>
<tr>
<td>10</td>
<td>Enhanced Stormwater Capture and Recharge along the Santa Ana River</td>
<td>Construction</td>
<td>$31,300,000</td>
<td>$12,581,000</td>
<td>$1,000,000.00</td>
<td>$11,581,000.00</td>
<td>$</td>
<td>Dec-19</td>
<td>20%</td>
</tr>
<tr>
<td>11</td>
<td>Regional Residential Landscape Retrofit Program</td>
<td>Rebate</td>
<td>$1,000,000</td>
<td>$870,000</td>
<td>$665,964.36</td>
<td>$204,015.64</td>
<td>$</td>
<td>Sep-17</td>
<td>95%</td>
</tr>
<tr>
<td>12</td>
<td>Canyon Lake Hybrid Treatment Process</td>
<td>Construction</td>
<td>$885,500</td>
<td>$827,635</td>
<td>$635,868.36</td>
<td>$191,766.27</td>
<td>$0.37</td>
<td>Dec-18</td>
<td>85%</td>
</tr>
<tr>
<td>14</td>
<td>Customer Handbook to Using Water Efficiently In the Landscape</td>
<td>Handbook</td>
<td>$162,000</td>
<td>$162,000</td>
<td>$120,000.00</td>
<td>$42,000.00</td>
<td>$</td>
<td>Oct-17</td>
<td>35%</td>
</tr>
</tbody>
</table>
### Prop 84, Round 2  
**Agreement No. 4600010590 (Cont’d)**

<table>
<thead>
<tr>
<th>Project No.</th>
<th>Project Name</th>
<th>Project Type</th>
<th>Total Project Cost</th>
<th>Total Required Invoice Documentation</th>
<th>Total Project Expenditure</th>
<th>Grant Share Remaining</th>
<th>Agency Cost Share Remaining</th>
<th>Project Completion Date</th>
<th>Project Percent Complete</th>
</tr>
</thead>
<tbody>
<tr>
<td>15</td>
<td>Lower Day Basin</td>
<td>Construction</td>
<td>$2,480,000</td>
<td>$1,667,599</td>
<td>$102,026.84</td>
<td>$750,000.00</td>
<td>$815,572.16</td>
<td>Sep-18</td>
<td>35%</td>
</tr>
<tr>
<td>16</td>
<td>Commercial/Industrial/Institutional Performance-Based Water Use Efficiency Program</td>
<td>Rebate</td>
<td>$2,427,512</td>
<td>$1,398,179</td>
<td>$1,398,179.00</td>
<td>$-</td>
<td>$-</td>
<td>Jan-18</td>
<td>29%</td>
</tr>
<tr>
<td>17</td>
<td>Peters Canyon Channel Water Capture and Reuse Pipeline</td>
<td>Construction</td>
<td>$8,678,669</td>
<td>$4,211,086</td>
<td>$4,204,597.27</td>
<td>$-</td>
<td>$6,488.73</td>
<td>Mar-17</td>
<td>69%</td>
</tr>
<tr>
<td>18</td>
<td>Soboba Band of Luiseño Indians Wastewater Project</td>
<td>Plan</td>
<td>$203,000</td>
<td>$203,000</td>
<td>$-</td>
<td>$150,000.00</td>
<td>$53,000.00</td>
<td>Sep-16</td>
<td>25%</td>
</tr>
<tr>
<td>19</td>
<td>Recycled Water Project Phase I (Arlington-Central Avenue Pipeline)</td>
<td>Construction</td>
<td>$31,280,000</td>
<td>$12,573,600</td>
<td>$23,217.50</td>
<td>$1,000,000.00</td>
<td>$11,550,382.50</td>
<td>Apr-19</td>
<td>10%</td>
</tr>
<tr>
<td>20</td>
<td>Wilson III Basins Project and Wilson Basins/Spreading Grounds</td>
<td>Construction</td>
<td>$13,042,721</td>
<td>$5,575,807</td>
<td>$-</td>
<td>$750,000.00</td>
<td>$4,825,007.00</td>
<td>Dec-18</td>
<td>28%</td>
</tr>
<tr>
<td><strong>Contract Total</strong></td>
<td></td>
<td></td>
<td>$164,103,117</td>
<td>$62,656,959</td>
<td>$11,883,144.73</td>
<td>$11,236,527.56</td>
<td>$39,537,285.71</td>
<td></td>
<td>38%</td>
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## Prop 84, Drought Round
### Agreement No. 4600010903

<table>
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<th>Project No.</th>
<th>Project Name</th>
<th>Project Type</th>
<th>Total Project Cost</th>
<th>Total Required Invoice Documentation</th>
<th>Total Project Expenditure</th>
<th>Grant Share Remaining</th>
<th>Agency Cost Share Remaining</th>
<th>Project Completion Date</th>
<th>Project Percent Complete</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Conservation Based Reporting Tools and Rate Structure Implementation</td>
<td>Implementation</td>
<td>$7,587,610</td>
<td>$7,587,610</td>
<td>$2,060,139.16</td>
<td>$5,527,471</td>
<td>$-</td>
<td>Jun-20</td>
<td>27%</td>
</tr>
<tr>
<td></td>
<td>Grant Administration</td>
<td></td>
<td>$925,000</td>
<td>$925,000</td>
<td>$417,044.80</td>
<td>$507,955.20</td>
<td>$-</td>
<td></td>
<td>45%</td>
</tr>
<tr>
<td></td>
<td>Implementation Administration</td>
<td></td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Component 1: Conservation Based Rate Structures</td>
<td></td>
<td>$2,322,000</td>
<td>$2,322,000</td>
<td>$367,355.59</td>
<td>$1,840,426.39</td>
<td>$-</td>
<td></td>
<td>16%</td>
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<tr>
<td></td>
<td>Component 2: Web-Based Water Consumption Reporting</td>
<td></td>
<td>$1,740,610</td>
<td>$1,740,610</td>
<td>$632,391.50</td>
<td>$1,022,598.76</td>
<td>$-</td>
<td></td>
<td>36%</td>
</tr>
<tr>
<td></td>
<td>Component 3: Aerial Mapping</td>
<td></td>
<td>$2,600,000</td>
<td>$2,600,000</td>
<td>$315,616.81</td>
<td>$2,156,490.49</td>
<td>$-</td>
<td></td>
<td>12%</td>
</tr>
<tr>
<td>2</td>
<td>High Visibility Turf Removal and Retrofit</td>
<td>Turf Removal</td>
<td>$15,917,500</td>
<td>$12,324,033</td>
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SCHEDULE (CONSULTANT SELECTION PROCESS)

- June 22, 2016  Issue Request for Proposals
- June 28, 2016  Pre-proposal Meeting @ SAWPA HQ (10:00 am)
- July 14, 2016  Proposals due (4:00 p.m.)
- July 21, 2016  Interview panel conducts interview of top proposing firms
- August 2, 2016  Recommend award to SAWPA Commission
- August 3, 2016  Issue Notice to Proceed

SECTION 2. PROPOSAL INSTRUCTIONS AND CONDITIONS

PRE-CONTRACTUAL EXPENSES

Pre-Contractual expenses are defined as expenses incurred by prospective firms in:

- Preparing a proposal in response to the RFP
- Submitting that proposal to SAWPA
- Negotiating with SAWPA in any matter related to this RFP, proposal, and/or contractual agreement
- Any other expenses incurred by the prospective firm prior to the date of an executed contract

SAWPA will not, in any event, be liable for any pre-contractual expenses incurred by any prospective firm. In addition, no prospective firm shall include any such expenses as part of the price proposed to perform the requested services.

AUTHORITY TO WITHDRAW RFP AND/OR NOT AWARD CONTRACT

SAWPA reserves the right to withdraw the RFP at any time without prior notice. Further, SAWPA makes no representations that any agreement will be awarded to any prospective bidder responding to this RFP. SAWPA expressly reserves the right to postpone the opening of proposals for its own convenience and to reject any and all proposals in response to this RFP without indicating any reasons for such rejection(s).

SELECTION OF MULTIPLE PROPOSALS

Due to the widely varied geographic area, SAWPA has found teams of consultants to be very effective in providing the technical expertise and personnel required to perform a Quality Assurance Program for watershed-wide projects. Therefore, SAWPA reserves the right to select more than one prospective firm to provide services for all or part of the proposed scope of work.
RIGHT TO REJECT PROPOSAL

SAWPA reserves the right to reject any or all proposals submitted. Any award made for this engagement will be made to the firm/s, which, in the opinion of SAWPA, is best qualified to perform the services and represents the best value and effectiveness.

DISCREPANCIES IN PROPOSAL DOCUMENTS

Should prospective firms find discrepancies in or omissions from the RFP, or if the intent of the RFP is not clear, and if provisions of the specifications restrict any prospective firm from proposing, they may request in writing that the deficiency(s) be modified. Such request must be received by SAWPA at least ten (10) working days before the proposal due date. All registered firms will be notified by addendum of any approved changes in the request for proposal documents.

ORAL STATEMENTS

SAWPA and its five member agencies are not responsible for oral statements made by any of their employees or agents concerning the RFP. If the prospective firm requires specific information, a written request must be submitted to SAWPA.

CONFLICT OF INTEREST

The Consultant shall review their past, current or proposed work with agencies or firms having a significant interest in Proposition 84 to verify a conflict of interest or the appearance of a conflict will not occur.

Attachment A must be completed attesting to political contributions of cash, in-kind services or loans made to SAWPA Commissioners by the firm, the firm’s employees, subcontractors or subcontractor’s employees.

SECTION 3. SCOPE OF WORK

The scope of work of the Consultant shall address the implementation of a quality assurance program for the SAWPA Proposition 84 Grant Program. For all tasks associated with the scope of work, the Consultant’s Quality Assurance Manager shall be responsible to confirm completion and compliance with all grant agreement provisions including all defined deliverables to the SAWPA grant administrator.

TASK 1 – QUARTERLY CERTIFICATION

The Consultant shall be responsible for making, at minimum, quarterly certifications (monthly for Drought Round Projects) for each project containing the following findings:
The project is/is not consistent with the scope of work including facilities being constructed and benefits expected. If not, discrepancies shall be identified.

The project is/is not on schedule both to complete on time and interim milestones. If not, identify differences.

Costs incurred to date for which detailed supporting documentation has been provided are valid project costs.

Contract deliverables required to date have/have not been submitted and are/are not satisfactory.

Project certifications shall be grouped by one of four funding rounds. Further, each project shall be assessed for potential problems or limiting factors.

Certifications shall be based upon the Consultant’s independent assessment which could include the following:

- Thorough review of information provided by the Sub-Grantee.
- An interview of the project manager.
- Attendance at progress meeting(s).
- Understanding of the agreement requirements including project elements and standard terms and conditions.
- Site visit.

**Task 2 – Review of Agreement Deliverables**

Review all deliverables provided by the Sub-Grantee to verify completeness and consistency with the scope of work. This is not a technical review.

**Task 3 – Quarterly Updates**

Based upon the results of the Consultant’s review, prepare a brief summary of each Round of projects for presentation to SAWPA staff. Respond to questions/requests for clarification.

**Report Format:**

Progress reports shall generally use the following format, and which may be modified as needed to effectively communicate information. For each project, briefly (1-2 pages) describe the work performed including:

- Project Status
- Describe the work performed during the time period covered by the report, tasks/subtasks/categories, including but not limited to:
  - Updates on all ongoing tasks.
  - Estimates of the percent (%) complete by task and the overall Program.
Discussion of any project related work completed this reporting period.
- Milestones or deliverables completed/submitted.
- Impediments to completion of any task.
- Photos documenting progress.

COST INFORMATION

For each project, provide the following:

- A comparison of project task(s) percent complete with percent invoiced.
- A list of any agreement changes approved by DWR or changes pending approval by the Commission/DWR
- The latest budget, by task.

TASK 4 – SUB-GRANTEE REQUESTS FOR AGREEMENT MODIFICATIONS

Consultant shall review all requests for agreement modifications for consistency with the project goals and benefits as presented in the project application and/or contract. Additional information shall be obtained as required and a brief written assessment provided. The assessment shall also summarize the applicable regional priorities, objectives and water management strategies of the One Water One Watershed 2.0 Plan (www.sawpa.org/owow). The report shall provide a brief comparison of work originally proposed and the revised proposal and a brief description of how the project will further the goals identified in SAWPA's final approved OWOW Plan. Results shall be coordinated with the SAWPA grant administrator.

TASK 5 – COORDINATION WITH SAWPA/DWR

Review SAWPA’s quarterly report and invoice based on the Task 1 results. Coordinate SAWPA’s response to comments/questions received from DWR staff to ensure all comments are addressed thoroughly and quickly so as not to delay payment by the State of each quarterly invoice submitted. Review periods, response to comments shall be within 24-hours unless a longer duration is approved in writing by SAWPA.

Organize and conduct project site visits when requested by DWR staff, which shall generally consist of quarterly visits to projects with significant new activity.

The Consultant shall meet at least monthly with SAWPA staff to coordinate all activities and project scope, schedule, budget and deliverables. The Consultant shall perform the following administrative activities as needed:

1) Coordinate meeting scheduling
2) Complete agenda preparation
3) Prepare presentation material
4) Transcribe meeting notes

**TASK 6 - PREPARE QUALITY ASSURANCE PLAN**

Consultant shall prepare a Quality Assurance Plan that defines the activities to be performed for each Task. Plan shall be tailored based upon the project type (construction, manual or report, study, etc.), sub-grantee's oversight and testing, construction schedule and expected completion date. Procedures shall be summarized in checklists (e.g. quarterly report review) and data forms (e.g. site visit form).

**TASK 7 – PROJECT INVOICE OVERSIGHT**

The Consultant shall facilitate program budget compliance by reviewing the quarterly (monthly per Drought Round) report and invoice prepared by the SAWPA grant administrator, obtaining copies of all project invoices and related backup documents, confirming total project costs, local share, grant costs, etc. as well as the documentation of the distribution of grant funding to the Sub-Grantees following State reimbursement. Using this documentation, Consultant shall confirm all the SAWPA values and validate the costs based on the backup provided and site visit(s). Differences shall be documented and coordinated with the SAWPA grant administrator.

Consultant review shall be completed within 24 hours of receipt unless a longer duration is approved in writing by SAWPA.

Invoices prepared by the Sub-Grantee shall conform to DWR and SAWPA requirements and must address the following format requirements:

- Invoices must contain the date of the invoice, the time period covered by the invoice, and the total amount due.
- Invoices must be itemized. The amount claimed for salaries/wages/consultant fees must include a calculation formula (i.e. hours or days worked times the hourly or daily rate = the total amount claimed).
- Sufficient evidence (i.e. receipts, copies of checks, timesheets) must be provided for all costs included in the invoice.
- Each invoice shall clearly delineate those costs claimed for reimbursement from the State’s grant amount and those costs that represent the project’s share as applicable.
- Invoices also shall include the following information:
  - Costs incurred for work performed in implementing the project contracts during the period identified in the particular invoice.
  - Costs incurred for any interests in real property (land or easements) that have been necessarily acquired for a project during the period identified in the particular invoice for the construction, operation, or maintenance of a project.
o Appropriate receipts and reports for all costs incurred.

**Task 8 – Final Report and Audit**

Consultant, working with the SAWPA grant administrator, shall obtain copies of all final project completion reports to confirm report compliance with the SOW and to prepare an overall program summary (by funding round and overall).

Consultant must be available to engage with SAWPA’s Annual Audit if called, and shall support SAWPA Grant Administrator if the California Departments of Finance or Water Resources conduct an audit of the program, which may occur during or following program completion.

The program summary shall include, at a minimum, all of the following:

- A description of the completed projects including purpose, goals, activities completed and participants, the general performance characteristics (e.g. the delivery rate and quantity of water pumped) of the constructed facilities, a description of the water quality benefits attained from the construction of the project (consistent with the Project Management Plan), any goals not achieved or only partially achieved, lessons learned, public outreach conducted, a summary of the construction program, a summary of all documents submitted to SAWPA in compliance with the IRWM Grant Agreement, and copies of any final documents or reports generated or utilized during a project. The summary shall also contain a description of startup activities, problems encountered, corrective measures completed as well as any changes or amendments to the project.
- A final cost summary listing the total project costs, total project costs eligible for grant funding under the IRWM grant agreement, total amount of grant funds received, and other financial information available.
- A final schedule showing actual progress versus planned progress.
- Photographs of the completed projects.
- A map showing the location of all the projects.
- A summary of the benefits.

**Section 4. Project Schedule**

The Project timelines vary for each Proposition 84 funding round.

**Section 5. Fee Proposal Requirements (In a separate sealed envelope)**

In preparing the fee schedule for the services identified under the scope of work, the Consultant shall take into consideration the following:
• Compensation for Consultant direct services provided in completing the tasks shall be based upon an hourly billing rate up to a not-to-exceed amount.
• For each task, provide a breakdown of labor hours by employee billing classification together with the cost of non-labor and sub-consultant services. The labor breakdown shall be compiled by project task, and be based on a listing of work tasks that correlates with the Consultant's defined scope of work for the project proposal. For each task sum the total hours and the total cost. The sum of all task hours and task cost shall be provided. This information will be used by SAWPA to evaluate the reasonableness of the fee proposal, and will be used in determining the task fee amounts for the contract agreement. Optional tasks shall be detailed as described above for all tasks. Optional tasks shall be broken out separately and not included in the sum of all task hours and all task costs. For each optional task, sum the total hours and the total cost.
• The Consultant's billing rates for all classifications of staff likely to be involved in the project shall be included with the fee proposal, along with the markup rate for any non-labor expenses and sub-consultants. Billing rates for the entire duration of the agreement shall be provided.
• SAWPA will review the fee proposal of the Consultant deemed most qualified after completing a review of the proposals and conducting interviews. The final scope and fee will be negotiated with the top ranked Consultant.

Reimbursable expenses will not be allowed unless included in the proposal and negotiated prior to a contract.

Vehicle usage and mileage, and any other per diem costs, are not considered a reimbursable expense and should be included in the hourly rates.

SECTION 6. PROPOSAL REQUIREMENTS

Although no specific format is required by SAWPA, this section is intended to provide guidelines to the Consultant regarding features, which SAWPA will look for and expect to be included in the proposal.

CONTENT AND FORMAT

SAWPA requests that submitted proposals are organized, presented in an understandable format, and relevant to the services requested. Consultant's proposals shall be clear, accurate, and comprehensive. Excessive or irrelevant material is not of benefit and will not contribute to overall evaluation.

Proposals should be limited to pertinent information. Proposal should be no more than ten (10) typed pages (based on an 11-point minimum font size and ¾ inch margins). Resumes, cover letter, appendices and page dividers will not count toward the proposal page limit. Resumes and redlined changes to the scope of work should be included in an appendix. The fee proposal, provided in a separate and sealed envelope, should contain information that clearly provides the information requested in the RFP.

The proposal should include the following:
• Cover or transmittal letter
• Table of Contents, page numbering
• Project Approach and Redlined Scope of Services
• Project Team and Organization Diagram
• Descriptions of similar projects by key staff to be used on this assignment including scope and complexity of the projects
• Brief resumes and/or bios of key staff and sub-consultants (In Appendix), include availability of key staff
• Relevant and appropriate references including contact information for the agency
• Project schedule
• Contract Exceptions, Proof of Insurance
• Fee proposal, billing rates for each Fiscal Year of the project (July 1 – June 30) for staff and breakdown of total hours by Task. Total hours include Consultant personnel and subconsultants. In addition, the fee proposal shall include a breakdown of hours by type of personnel identified as part of the project team. (Submitted in a separate sealed envelope).

Some of these areas are described in further detail below:

COVER OR TRANSMITTAL LETTER

An individual authorized to bind the Consultant shall sign the proposal and fee proposal, using the form in Attachment E or an equivalent cover letter. The proposal shall contain a statement that the proposal and fee are valid for at least a 90-day period, starting from the date proposals are due.

PROJECT APPROACH AND SCOPE OF SERVICES

A description of the work program that will be undertaken shall be included in this section. It should explain the technical approach, methodology, and specific tasks and activities that will be performed to address the specific issues and work items identified in the RFP. It should also include a discussion of constraints, problems, and issues that should be anticipated during the contract, and suggestions for approaches to resolving them. Any proposed deviations to the scope of work as described herein should be clearly noted.

PROJECT TEAM AND ORGANIZATION DIAGRAM

The purpose of this section is to describe the organization of the project team including sub-consultants and key staff. The Consultant’s QA Manager shall be the primary contact and be responsible for coordinating all activities with SAWPA. An organizational diagram shall be submitted showing all key team members, their office location, and the relationship between the Sub-Grantees, the Consultant’s QA Manager, key staff, and sub-consultants. Identify the availability of each key staff member. There also shall be a brief description of the role and responsibilities of all key staff and sub-consultants identified in the team organization. Include descriptions of similar projects by key staff to be used on this assignment including scope and complexity of the projects.
PROJECT SCHEDULE

The Proposition 84 timeline is shown in the tables on pages 4-7. There should be a brief discussion of critical tasks and/or events that could impact the overall schedule.

CONTRACT EXCEPTIONS, PROOF OF INSURANCE

The Consultant shall carefully review the standard agreement and include with the proposal a description of any exceptions requested to the standard contract. If there are no exceptions, a statement to that effect shall be included in the proposal.

The Consultant shall furnish, with the proposal, proof of insurance coverage to the minimum levels identified in Section 7.

FEE PROPOSAL (IN SEPARATE SEALED ENVELOPE)

A Fee Proposal with a rate schedule shall be submitted per the requirements of Section 5 above.

SECTION 7. GENERAL REQUIREMENTS

INSURANCE REQUIREMENTS

The Consultant shall furnish, with the proposal, proof of the following minimum insurance coverage. Full information on insurance requirements is listed in Attachment A. These minimum levels of coverage are to be maintained for the duration of the project:

- Obtain a Commercial General Liability and an Automobile Liability insurance policy, including contractual coverage, with limits for bodily injury and property damage in an amount of not less than $2,000,000.00 per occurrence for each such policy. Such policy shall name SAWPA, its member agencies, its officers, employees, agents and volunteers, as an additional insured, with any right to subrogation waived as to SAWPA, its member agencies, its officers, employees, agents and volunteers. If Commercial General Liability Insurance or other form with an aggregate limit is used, either the general aggregate limit shall apply separately to the work assigned by SAWPA under this Agreement or the general aggregate limit shall be at least twice the required occurrence limit. The coverage shall be at least as broad as Insurance Services Office Commercial General Liability Coverage (occurrence Form CG 00 01) and Insurance Services Office Form CA 00 01 covering Automobile Liability, Code 1 (any auto). The Commercial Liability Insurance shall include operations, products and completed operations, as applicable;

- Obtain a policy of Professional Liability (errors and omissions) insurance appropriate to the Consultant’s profession in a minimum amount of $2,000,000.00 per claim or occurrence to cover any negligent acts or omissions or willful misconduct committed by Consultant, its employees, agents and subcontractors in the performance of any services for SAWPA. Architects’ and engineers’ coverage shall include contractual liability;
• Obtain a policy of Employer’s Liability insurance in a minimum amount of $1,000,000.00 per accident for bodily injury and property damage; and
• Provide worker’s compensation insurance or a California Department of Insurance-approved self-insurance program in an amount and form required by the State of California and the Employer’s Liability Insurance that meets all applicable Labor Code requirements, covering all persons or entities providing services on behalf of the Consultant and all risks to such persons or entities.

The Consultant is encouraged to contact its insurance carriers during the Proposal stage to ensure that the insurance requirements can be met if selected for negotiation of a contract agreement.

SECTION 8. STANDARD FORM OF AGREEMENT

The selected Consultant will enter into an agreement with SAWPA based upon the contents of the RFP and the Consultant's proposal. SAWPA's standard form of agreement is included as Attachment B. The Consultant shall carefully review the agreement, especially in regard to the indemnity and insurance provisions, and include with the proposal a description of any exceptions requested to the standard contract. If there are no exceptions requested, a statement to that effect shall be included in the proposal.

SECTION 9. ASSIGNED REPRESENTATIVES

SAWPA will assign a responsible representative to administer the contract and to assist the Consultant in obtaining information. The Consultant also shall assign a project manager who shall be identified in the proposal. The Consultant's representative shall remain in responsible charge of the Consultant's duties from the notice-to-proceed through project completion. SAWPA's representative shall approve any substitution of representatives or sub-consultants identified in the written proposal. SAWPA reserves the right to review and approve/disapprove all key staff and sub-consultant substitution or removal, and may consider such changes not approved to be a breach of contract.

SECTION 10. CONSULTANT EVALUATION AND SELECTION PROCESS

SAWPA's consultant evaluation and selection process is based on comprehensive review of the proposals for professional services. The following criteria will be used in evaluating the proposals:

• Understanding of the project requirements including identification of critical elements and key issues for successful project implementation
• Approach to project administration
• Ability to comply with the roles/responsibilities of the PM as defined in the Scope of Work
• Technical approach and work plan for the project, including innovative approaches
• Documentation system including timeliness of document generation, accuracy, storage and retrieval
• Relevant qualifications and experience of the firm, project manager, project team, other key individuals, sub-consultants, and past performance and experience.
- Location of proposed staff
- Schedule
- Quality control procedures
- Results of reference checks
- Clarity of proposal and compliance with proposal requirements

Firms submitting the best proposals may be invited to an interview conducted by a selection panel made up of representatives from SAWPA member agencies and/or SAWPA staff. The number of firms to be invited for interviews is at the discretion of SAWPA. The interview format and details will be included in the interview invitation letter. SAWPA recognizes the significant effort required to respond to this RFP and therefore discourages any firm or team which lacks the required experience from submitting a proposal for evaluation.

SAWPA may negotiate a contract with the most qualified firm or firms for the desired consulting services and compensation level, which SAWPA determines is fair and reasonable. Failing a successful negotiation with the best-qualified firm or firms, SAWPA will terminate negotiations and continue the negotiation process with the next most qualified firm(s), in order to obtain the services at a fair and reasonable price, until an agreement is reached, a firm is selected, and an agreement is executed.
SECTION 11. ATTACHMENTS

ATTACHMENT A – DECLARATION OF POLITICAL CONTRIBUTIONS

ATTACHMENT B – STANDARD FORM OF AGREEMENT AND TASK ORDER EXAMPLE

ATTACHMENT C – CERTIFICATION OF PROPOSAL
Intentionally Left Blank
ATTACHMENT A – DECLARATION OF POLITICAL CONTRIBUTIONS

Using the space provided below, please list any political contributions of money, in-kind services, or loans of a value more than $250 made to any SAWPA Commissioner within the last twelve (12) months by the proposer or any of proposer’s employees subcontractors, or subcontractor’s employees, including any employee(s) that applicant intends to assign to perform the work or services described in the applicant’s response to this RFP. If none, please state so:

____________________________________________________________________________________  
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____________________________________________________________________________________

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

_________________________________  ________________________________  
City, State       Date

_________________________________  ________________________________  
Name of Business      Print Name

______________________________  
Signature
Attachment found on the following pages.
ATTACHMENT C – CERTIFICATION OF PROPOSAL

The undersigned hereby submits its proposal and, by doing so, represents that the proposer will be able to execute a contract in the form attached to the RFP to provide the services described in the RFP, or that any exceptions to the proposed contract provisions have been submitted or are submitted herewith to SAWPA.

This firm has carefully reviewed its proposal and understands and agrees that SAWPA is not responsible for any errors or omissions on the part of the proposer and that the proposer is responsible for them.

It is understood and agreed that SAWPA reserves the right to contract with any or all proposers, or none of them.

The proposal includes all of the commentary, figures and data required by the Request for Proposals, dated 06/22/16.

The Cost Proposal shall be valid for 90 days from July 14, 2016.

Name of Firm:______________________________________

By:_______________________________________________

(Print Name:________________________________________

Title:______________________________________________

Date:______________________________________________

(Authorized Signature)
COMMISSION MEMORANDUM NO. 2016.49

DATE: June 21, 2016

TO: SAWPA Commission

SUBJECT: Project Agreement 23

PREPARED BY: Larry McKenney, Executive Counsel

RECOMMENDATION
That the Commission approve the Project Agreement 23 to implement the Santa Ana River Conservation and Conjunctive Use Project and future phases of this project. Further, it is recommended, if the PA 23 Agreement is approved, that the Commission members confer with their respective governing Boards and General Managers in order to appoint their Committee representatives during July 2016.

DISCUSSION
In response to the State’s solicitation of grant proposals for the 2015 Round of California Department of Water Resources (DWR) Proposition 84 Integrated Regional Water Management Program (IRWMP) funding, the SAWPA member agencies developed a watershed-wide project to implement the Santa Ana River Conservation and Conjunctive Use Project (SARCCUP) which includes the following program elements: master plan, water use efficiency, Arundo Donax removal, Santa Ana Sucker habitat creation, and a conjunctive use program (water banking). The grant application was approved by DWR in late 2015 and staff is working with DWR staff in finalizing grant contract with the State with the expectation of agreement execution within the next few months.

As a means of administering the grant and the project, the SAWPA joint powers agreement provides the mechanism of a Project Agreement, by which some or all of the member agencies agree to undertake a particular project or activity, to be administered by SAWPA. The agreement can create a Project Committee, which approves a project budget and directs the project activities. The Project Agreement will be the subject of a district account within SAWPA’s accounting system to facilitate accounting for project costs and the use of grant and matching funds.

The proposed Project Agreement 23 is for the purpose of developing and implementing SARCCUP. However, it will create a Project Committee whose function is not limited to this particular grant. It will also include other related water projects such as future phases of the SARCCUP project. Since the 2015 grant for SARCCUP includes water use efficiency measures, the SAWPA member agencies agreed to administer and implement those elements by the existing PA22 Committee, whose focus is on water use efficiency measures.
The PA 23 Agreement calls for the member agencies to appoint representatives to the Committee per Section 18 of the SAWPA Joint Powers Agreement. It is the intention of the SAWPA member agencies that the PA23 Committee will constitute the executive authority through which SAWPA shall act for purposes of this Project Agreement, and clarifies that SAWPA costs for grant administration are separate from SAWPA’s administration of the Project Committee. The Agreement also reflects SAWPA’s policy that the members of a Project Committee accept financial responsibility for project costs and liabilities that exceed SAWPA’s insurance coverage. The Project Committee will have flexibility to name advisory members or create advisory sub-committees to assist the Committee in effecting its purpose.

Also, as information, a Memorandum of Understanding was prepared by the five SAWPA member agencies (see attached) which provides the assurance of implementation and operation of the SARCCUP to DWR and SAWPA by the SAWPA member agencies. This MOU is currently being approved by all the SAWPA member agencies and will, upon execution, be forwarded to DWR as an attachment to the DWR/SAWPA agreement for SARCCUP.

**RESOURCE IMPACTS**
SAWPA’s costs for administration of the Project Committee will be accounted for as project costs and either may be grant reimbursed or accounted for as matching funds. This will be addressed in the Project Committee budget to be developed following execution of the Project Agreement. These costs are not specifically described in the current SAWPA budget. Once the Project Committee’s budget is developed, SAWPA’s cost for provision of staff for the committee will then be addressed through the SAWPA budget process.

Attachments:
1. Proposed Project Agreement 23
2. SARCCUP MOU
THIS AGREEMENT is made on __________, 2016, by and between the SANTA ANA WATERSHED PROJECT AUTHORITY (“SAWPA”), a joint powers agency created pursuant to Government Code Section 6500 et seq., and the following Member Agencies of SAWPA, referred to hereinafter as Project Agreement 23 (“PA23”) Committee Members: EASTERN MUNICIPAL WATER DISTRICT (“EASTERN”); INLAND EMPIRE UTILITIES AGENCY (“IEUA”); ORANGE COUNTY WATER DISTRICT (“OCWD”); SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT (“VALLEY”); and WESTERN MUNICIPAL WATER DISTRICT (“WESTERN”).

RECITALS

A. The PA23 Committee Members are all special districts with broad authority over water resources, including powers to develop, protect, and enhance water supply and reliability within the region.

B. The PA23 Committee Members are all the members that make up SAWPA, a joint powers authority formed by the SAWPA Joint Powers Agreement, in 1975.

C. The SAWPA Joint Powers Agreement, as amended, provides for SAWPA’s exercise of the shared powers of the Member Agencies, including through the formation of Project Committees for specific purposes.

D. Through the Department of Water Resources (DWR) Regional Acceptance Process, SAWPA was supported by the agencies in the watershed to be the agency given the responsibility to administer the grant funds made available to the watershed for Integrated Regional Water Management and was approved by DWR. SAWPA developed and administers the Integrated Regional Water Resources Management Plan (IRWMP) process for the Santa Ana Region (the One Water One Watershed Plan), including administering grant funds as the State of California makes those grant funds available.

E. SAWPA and the Member Agencies previously executed Project Agreement 22 (PA22) for the purpose of collaboratively implementing water use efficiency improvements throughout the Santa Ana River watershed. The PA22 Committee is implementing programs for that purpose, including the use of grant funds from the 2014 Proposition 84 Drought Round. PA22 empowers the PA22 Committee Members to implement further water use efficiency improvement activities using other funds as they become available.

F. The Santa Ana River watershed comprises a number of groundwater basins, which represent a significant resource in terms of potential water storage and subsequent dry year supply. The PA23 Members desire to improve the resiliency of the entire region by implementing a program that operates the groundwater basins conjunctively with other available imported sources of
supply to optimize the use of available basin storage and their dry year yield values across the watershed.

G. The SAWPA Member Agencies developed the Santa Ana River Conservation and Conjunctive Use Program (SARCCUP) as a regional program of planning, infrastructure, management and operations to improve utilization of groundwater basins conjunctively with imported water to create additional dry year yield benefits. SARCCUP Phase 1 includes the following program elements: master plan, water use efficiency, Arundo Donax removal, Santa Ana Sucker habitat creation, and a conjunctive use program (water banking). SARCCUP includes ecosystem improvement measures and water use efficiency measures. The water use efficiency measures are to be administered by the existing PA22.

H. DWR called for grant applications for the remaining Proposition 84 IRWMP grant funds in 2015. SAWPA applied for and was awarded an IRWMP implementation grant in that round for $64.3 million, including $55.0 million for SARCCUP. The estimated total cost of SARCCUP is slightly more than $100 million. SAWPA will receive $3.2 million of the total grant funds to administer the 2015 Round of Proposition 84 grants, including SARCCUP and two other projects. Future phases of SARCCUP may be implemented using other funds that may be made available.

I. The parties hereto desire to enter into an agreement with each other and SAWPA in accordance with Section 18 of the SAWPA Joint Powers Agreement to implement and administer SARCCUP, as described herein (excluding the water use efficiency elements, which are to be administered through PA22), and any related projects implemented by the PA23 Committee Members consistent with its purpose.

COVENANTS

Based on the foregoing facts, and in consideration of the mutual covenants of the PA23 Committee Members and SAWPA, it is agreed that:

1. The PA23 Committee is hereby established for the purpose of improving utilization of groundwater basins for the benefit and improved resiliency of the entire Santa Ana River watershed through conjunctive use with available sources of supply. The scope of this Project Agreement includes implementing SARCCUP, as that project is described in the Proposition 84 2015 Round grant application and DWR grant agreement, except the water use efficiency element of SARCCUP which shall be administered through PA22.

2. Implementation of SARCCUP is anticipated to require one or more agreements with Committee Members and with entities who are not parties to this Project Agreement. The PA23 Committee will determine, for each such agreement, whether the PA23 Committee, the individual PA23 Committee Members, SAWPA, or certain individual agencies are the necessary party or parties.

3. Facilities constructed for the purposes of this Project Agreement may be owned by SAWPA, individual PA23 Committee Members or local retail water providers within the service territories of one or more PA23 Committee Members. The PA23 Committee will approve one or more operating agreements that specify how infrastructure funded through this Project Agreement...
(including with Proposition 84 grant funds) will be operated to ensure the anticipated regional benefits.

4. This Project Agreement has no set term. PA23 shall remain active as long as at least two PA23 Committee Members remain parties hereto. The PA23 Committee will implement measures funded pursuant to the Proposition 84 grant description above, will ensure compliance with the schedule requirements of the grant, and may implement other measures consistent with the purpose described in Section 1 above.

5. The PA23 Committee will be operated as a distinct account within SAWPA’s accounting system for the administration by SAWPA of Proposition 84 grant funds for SARCCUP and for any other funds that may be made available to the PA23 Committee for actions within the Committee’s purpose. The parties will use accounting standards that are compliant with State of California grant requirements.

6. In addition to and separate from the PA23 Committee, SAWPA will continue its role of administering the IRWMP program for the region, including executing and implementing grant agreements with the State. Proposition 84 allows for funds to be available from grants for grant administration, which will be used by SAWPA for that purpose. SAWPA services in support of the PA23 Committee shall be accounted for as project costs. Funds available to SAWPA for services in support of the PA23 Committee shall be approved in accordance with the budgeting process described in Section 10 below.

7. PA23 Committee Members will appoint representatives to the Committee per Section 18 of the SAWPA Joint Powers Agreement. It is the intention of the parties hereto that the PA23 Committee will constitute the executive authority through which SAWPA shall act for purposes of this Project Agreement. All budget and operating decisions of the PA23 Committee will be made by unanimous consent of the PA23 Committee Members. All expenditures with the designations and limitations of the approved PA23 budget and all decisions implementing an approved operating plan shall be made on the authorization of a majority of the PA23 Committee.

8. The PA23 Committee will have, without further ratification by the PA23 Committee Members’ or SAWPA, such authority as may be necessary to implement the provisions of this Project Agreement so long as expenditures are within the PA23 budget.

9. The PA23 Committee may establish advisory or non-voting Committee Members or advisory sub-committees who represent other agencies or stakeholders in or near the region to assist the Committee in effecting its purpose. The number and designation of such advisory participants will be reported to the SAWPA Commission.

10. In conjunction with each SAWPA budget, SAWPA shall prepare a budget for the PA23 Committee that shall address the sources and uses of funds and the respective financial obligations and functions of the PA23 Committee Members, including the matching funds included in any grant agreements. The budget shall include the planned use of any Proposition 84 grant funds available to SARCCUP after the grant administration cost is allocated to SAWPA, and shall include costs for SAWPA support of the PA23 Committee. If any PA23 Committee Member fails or refuses to approve any PA23 budget, said budget shall be returned to the PA23
Committee for restudy and revision. In the event a budget acceptable to all of the members is not obtained prior to the start of the fiscal year, the PA23 Committee may continue to operate at the level of expenditure authorized by the last approved PA23 budget and the members shall be obligated to fund such operations. The parties hereto acknowledge that SAWPA grant administration costs will be reviewed and periodically approved by the SAWPA Commission. The PA23 budget will be approved by the PA23 Committee and shall be included in the SAWPA budget for approval by the SAWPA member agencies’ governing boards per the SAWPA Joint Powers Agreement. SAWPA shall provide a quarterly report to the PA23 Committee of actual expenses relative to the approved budget.

11. A semi-annual report of PA23 Committee implementation of SARCCUP will be provided to the OWOW Steering Committee and the SAWPA Commission.

12. The PA23 Committee Members shall be financially responsible for all liabilities and expenses, including administrative, consultant and legal expenses incurred in connection with PA23 activities, and to the extent necessary shall reimburse SAWPA for any and all such costs and expenses that are incurred on behalf of the PA23 Committee to the extent not otherwise covered by PA23 revenues or funds, or SAWPA’s liability insurance. Unless otherwise specified, PA23 Committee Members shall have an equal share in such financial obligation.

13. Individual agency indemnification of the other PA23 Member Agencies for activities related to SARCCUP will be addressed in future agreements. The PA23 Committee Members will indemnify and hold harmless SAWPA and any SAWPA member agency not then participating as a member of the PA23 Committee from any and all financial liability, including claims or disputes, arising from or in connection with project-related contracts or actions, to the extent such liability is not fully covered by PA23 revenues or funds, or SAWPA’s liability insurance.

14. PA23 Committee Members may withdraw from this Project Agreement at any time upon not less than 60 days written notice to the other members. Obligations of the withdrawing agency, including any liabilities related to any grant agreement or other financing commitment associated with PA23, will be determined according to the PA23 budget then in effect or by the PA23 Committee.

15. No right, duty, or obligation of whatever kind or nature created herein will be assigned by any party to this Project Agreement without the prior written consent of SAWPA.

16. This Project Agreement shall inure to the benefit of and bind the successors and assigns of the parties hereto.

17. Each signatory hereto warrants that the execution of this Project Agreement represents the approval of that Agency’s board of directors of this Agreement.
IN WITNESS WHEREOF, the signatories hereto have executed this Project Agreement to be effective as of the day and year first written above.

SANTA ANA WATERSHED PROJECT AUTHORITY

By ________________________________

Its ________________________________

EASTERN MUNICIPAL WATER DISTRICT

By ________________________________

Its ________________________________

INLAND EMPIRE UTILITIES AGENCY

By ________________________________

Its ________________________________

ORANGE COUNTY WATER DISTRICT

By ________________________________

Its ________________________________

SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT

By ________________________________

Its ________________________________

WESTERN MUNICIPAL WATER DISTRICT

By ________________________________

Its ________________________________
Santa Ana River Conservation and Conjunctive Use Program (SARCCUP)
Memorandum of Understanding for Program Implementation

This Memorandum of Understanding ("MOU") is executed as of June ___, 2016 ("Effective Date"), by and among, Eastern Municipal Water District (Eastern MWD), Inland Empire Utilities Agency (IEUA), Orange County Water District (OCWD), San Bernardino Valley Municipal Water District (SBVMWD), and Western Municipal Water District (Western MWD), collectively referred to herein as “Parties” and individually as “Party”.

I. Recitals / Objectives

1. The purpose of the MOU is to describe the Santa Ana River Conservation and Conjunctive Use Program (SARCCUP) objectives, benefits, facilities descriptions, and to define future agreements that will be required for project implementation and operation, and grant administration.

2. In 2014, the Parties entered into a memorandum of understanding ("2014 MOU") to collaborate in the exploration, analysis and implementation of one or more projects concerning large-scale, regional water supply reliability projects that would provide benefits to the entire watershed. Further, the Parties agreed to work together and take such action to secure grants or other necessary funding, including applying for Santa Ana Watershed Project Authority’s (SAWPA) One Water One Watershed (OWOW) Proposition 84 2015 Integrated Regional Water Management (IRWM) funding in October 2015, to help pay for the projects and programs selected by the Parties, known collectively as the SARCCUP program. In May 2015, the Parties executed Amendment 1 to the 2014 MOU. The 2014 MOU, along with Amendment 1, are attached as Exhibit A.

3. Pursuant to the 2014 MOU, the Parties have worked collaboratively to develop a regional conjunctive use program. SARCCUP is a multi-agency, watershed-scale program that will initially create 180,000 acre-feet (AF) of storage capacity that would provide up to 60,000 AF per year (AFY) of water during dry years (dry year yield) for up to 3 years; develop 10,439 AFY of increased supply by removing arundo, an invasive plant species, from the Santa Ana River, restore Santa Ana Sucker fish habitat; and implement additional water conservation measures. SARCCUP will collectively provide up to 70,439 AFY of new local dry-year water supply that would supplement, and perhaps replace, imported water supplies during a drought.

4. The SARCCUP program provides multiple, regional benefits to the Santa Ana River Watershed:

   a. Develops a large-scale, conjunctive-use project that utilizes unused storage space in the watershed’s groundwater basins allowing the banking of wet-year supplies for use in dry years, facilitating the augmentation of
drought and emergency water supplies, and supplementing, or perhaps reducing, the demand for imported water during droughts.

b. Restores habitat for the Santa Ana Sucker, a threatened species and recovers water being consumed by arundo, an invasive plant species. Creation of 18,250 linear feet of new habitat will significantly improve conditions for the Santa Ana Sucker fish along the Santa Ana River. SARCCUP also includes removal of 640 acres of *Arundo donax* and restoration of 41 acres of habitat with native species.

c. Implements water use efficiency measures to lower water demands in the watershed. The Water Use Efficiency (WUE) element includes extending the OWOW Proposition 84 2014 Drought Round WUE program for technical support for conservation programs and public outreach. The Parties will also be contracting with SAWPA to support the implementation of conservation-based rates by water agencies that currently do not have conservation-based rates and providing outreach guidance in drought tolerant landscaping maintenance through the services of Orange County Coastkeeper and other entities.

5. Eastern MWD, IEUA, and Western MWD are Metropolitan Water District of Southern California (MWDSC) member participating agencies.

6. OCWD is a participating agency that receives imported water from MWDSC through the Municipal Water District of Orange County (MWDOC). MWDOC is a member of the MWDSC.

7. SBVMWD is a participating agency that, like MWDSC, is a State Water Contractor.

8. The SARCCUP groundwater storage and recovery facilities are located in the service areas of Eastern MWD, IEUA, SBVMWD and Western MWD.

9. An "extraordinary supply", as defined by MWDSC, is: "...extraordinary increases in local supplies in times of shortage above the base period, including such efforts as purchasing water transfers or overproducing groundwater yield." In addition, MWDSC adopted five principles for determining extraordinary supply status:

   a. No negative impacts to other member agencies
   b. Provides supply in addition to existing regional supplies
   c. Specifically designed program or supply action
   d. Intended for consumptive use in a MWDSC water supply allocation
   e. Fully documented resource management actions
10. The purpose of SARCCUP is to supplement, or perhaps replace, imported water from the Bay-Delta available during dry years by initially creating 180,000 AF of local groundwater storage by banking surplus imported water during wet years in any of the Chino, Elsinore, San Bernardino, and San Jacinto Groundwater Basins (“storage locations”) for future recovery to serve operational needs and provide supplies during droughts or emergencies.

11. The Parties will be collaborative, equal partners in the storage capacity created by all of the SARCCUP facilities, including the ability to store and recover water. The SARCCUP bank augments the supply of dry-year yield during droughts or during natural or man-made interruptions of imported water supplies. Water can be conveyed throughout the watershed via hard piping, exchanges and/or in-lieu use. The SARCCUP facilities are described herein. A schematic reflecting all of the regional water facilities, including those defined as SARCCUP, is included as Exhibit B.

12. In early 2016, SAWPA was formally notified that it had been awarded $64,268,000 by the California Department of Water Resources for its OWOW Proposition 84 2015 IRWM grant proposal, which includes SARCCUP. From this grant award to SAWPA, $55 million was designated by OWOW governance for SARCCUP implementation. The SARCCUP Prop 84 grant award includes the development of a Watershed-Scale Master Plan that includes the proposed SARCCUP facilities, and identifies additional facilities that could be included in future phases of the program. The goal of the Master Plan is to identify facilities needed to take advantage of approximately 1.0 million acre-feet (MAF) of total available groundwater storage capacity within the watershed for use in capturing available excess supplies during wet years and enhancing available local supplies during droughts and emergencies. Facilities identified for future phases of SARCCUP could be targets for future grant opportunities.

13. In January 2016, SBVMWD entered into a contract, on behalf of the Parties, with the firm CH2M to develop a decision-support model (Exhibit B) as part of the Master Plan process and work is ongoing under that contract as of the date of this MOU. The Parties have agreed to reimburse their one-fifth share of the total cost to SBVMWD. The overarching goals for the model effort is to simulate the anticipated operations of the proposed SARCCUP facilities, quantify the benefits, quantify the costs and identify future phases of SARCCUP.

14. IEUA has entered into a contract with Tom Dodson & Associates, on behalf of the Parties, to identify the appropriate environmental compliance document for all SARCCUP components under the California Environmental Quality Act (CEQA). IEUA will act as the “Lead Agency” under CEQA, with the remaining Parties to act as “Responsible Agencies”. The Parties have agreed to reimburse their one-fifth share of the total cost to IEUA. Project-level CEQA
documents can either be completed by the local agency performing the project construction, or if far enough along in design, the project-level analysis can be included in a comprehensive document for agency project approval.

15. Multiple agreements are required between the Parties and other project stakeholders to allow for SARCCUP development, implementation, operation, and grant administration. This MOU defines those agreements, and a graphic demonstrating the relationships between all agreements can be found in Exhibit C. The relationships between the grant administration agreements are shown in Exhibit D.

II. SARCCUP Conjunctive-Use Facilities Descriptions

1. Sources of water: Water purchased for storage in the SARCCUP facilities would include water purchased by the Parties collectively and individually, as well as transfers between the Parties. Sources of water for storage under the SARCCUP program include, but are not limited to:

   a. Imported water purchased from MWDSC;

   b. Extraordinary supply water purchased on the market and wheeled to the storage locations; and

   c. State Water Project (SWP) water purchased from SBVMWD and wheeled to the storage locations.

2. Chino Basin Facilities: SARCCUP facilities within the Chino Basin will create new storage capacity of 96,000 AF. Recharge and dry year yield will average 32,000 AFY for three years. Facilities include:

   a. Construction of the Baseline Feeder Extension, which includes about 6.5 miles of 48-inch pipeline and connections along the pipeline to feed water to existing recharge facilities and water agencies;

   b. Rehabilitation of up to three existing groundwater production wells and adding pumping and distribution appurtenances;

   c. Improvements for imported water diversion capacity from flood control channels to existing recharge basins and facilities at the Montclair and Jurupa basins;

   d. Construction of a dual-use turnout on the existing Devil Canyon-Azusa Pipeline to allow for recharge and for takes by the Water Facilities Authority.
3. **Elsinore Basin Facilities**: SARCCUP facilities within the Elsinore Basin will create new storage capacity of 4,500 AF. Recharge and dry year yield will average 1,500 AFY for three years. Facilities include:

- a. Construction of two new dual-purpose injection wells with pipelines and appurtenances.

4. **San Bernardino Basin Area Facilities**: SARCCUP facilities within the San Bernardino Basin Area will create new storage capacity of 60,000 AF. Recharge and dry year yield will average 20,000 AFY for three years. Facilities include:

- a. Construction of five new groundwater production wells, transmission pipeline and appurtenances;
- b. Expansion of the capacity in the Redlands Pump Station by 60 cfs through the addition of three new pumps with a capacity of 20 cfs each.

5. **San Jacinto Basin Facilities**: SARCCUP facilities within the San Jacinto Basin will create new storage capacity of 19,500 AF. Recharge and dry year yield will average 6,500 AFY for three years. Facilities include:

- a. Development of a new 39-acre recharge site, known as the Mountain Avenue West site:
  - i. Site grading to form the recharge basins;
  - ii. Installation of pipeline laterals, flow control valves, and metering facilities;
  - iii. Monitoring well installations.
- b. Use of an existing raw water pipeline to deliver imported water for recharge to the Mountain Avenue West site;
- c. Development of three new groundwater production wells for recovery of the banked water, including vertical turbine pumps and motors, distribution pipelines, and appurtenances.

### III. Key Agreements to be Developed for SARCCUP

1. **Agreements between the Parties**
   
   a. **Coordinated Operating, Storage, Exchange and Management Agreement**
i. Defines a management structure, known as the “Operating Committee”, that includes participants from all of the Parties and MWDOC, and will oversee project operations and finance decisions;
ii. Defines how the Parties will share equitably in the storage accounts, operate and maintain the facilities, recharge imported water, extract/exchange banked water and keep an accounting of the storage accounts;
iii. Defines operations planning and reporting requirements;
iv. Sets term for 30 years upon execution, with option for renewal in 10-year increments.

b. Funding Agreement

i. Defines costs associated with operations and maintenance of the SARCCUP conjunctive use facilities and establishes procedures to develop an operating budget on an annual basis;
ii. Identifies “postage stamp” rate for recharge within any SARCCUP bank;
iii. Identifies “postage stamp” rate for extraction from any SARCCUP bank;
iv. Identifies how and when postage stamp rates are adjusted;
v. Identifies management, accounting and reporting of funds and process for reconciling accounts each year.
vi. Identifies the cost for the Parties to utilize SARCCUP facilities when they are not needed by SARCCUP.

2. Agreement between the Parties and Santa Ana Watershed Project Authority (SAWPA)

a. Project Agreement 23, or “PA23”
   i. Responsible for management of the SARCCUP program and will provide necessary documentation to SAWPA;
   ii. There is no set term for the agreement.

3. Agreement between the Parties, MWDOC, and MWDSC

a. MWDSC Demonstration Project Agreement

i. Defines how MWDSC’s system would be used to facilitate exchanges between the Parties;
ii. Defines method of calling Party taking MWDSC supply in-lieu of that Party producing groundwater;
iii. Terms of this agreement will not conflict with Extraordinary Supply provisions;
iv. Utilizes the terms of the SBVMWD/MWDSC Agreement to deliver water to the storage facilities of other SARCCUP agencies;
v. Defines benefits to MWDSC.

4. Additional agreements

   a. Eastern MWD and Hemet-San Jacinto Watermaster
      i. Storage Agreement needed to bank 19,500 AF

   b. IEUA and Chino Basin Watermaster (or Watermaster pool members)
      i. Storage Agreement needed to bank 96,000 AF

   c. MWDSC and SBVMWD Agreement

IV. Exhibits
   1. SARCCUP 2014 MOU and Amendment 1 between the Parties
   2. Schematic of Regional SARCCUP Facilities
   3. SARCCUP Agreements Relationship Architecture
   4. SARCCUP Grant Management Agreements Relationship Architecture

IN WITNESS WHEREOF, the Parties have agreed to execute this MOU as of the effective date.

EASTERN MUNICIPAL WATER DISTRICT
By ______________________________
Name ______________________________
Its ______________________________

INLAND EMPIRE UTILITIES AGENCY
By ______________________________
Name ______________________________
Its ______________________________
ORANGE COUNTY WATER DISTRICT

By ______________________________

Name ______________________________

Its ______________________________

SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT

By ______________________________

Name ______________________________

Its ______________________________

WESTERN MUNICIPAL WATER DISTRICT

By ______________________________

Name ______________________________

Its ______________________________
MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding ("MOU") is executed as of May __, 2014 ("Effective Date"), by and among, Inland Empire Utilities Agency ("IEUA"), Orange County Water District ("OCWD"), San Bernardino Valley Municipal Water District ("Valley District"), Western Municipal Water District ("Western"), and Eastern Municipal Water District ("Eastern"). IEUA, OCWD, Valley District, Western and Eastern are collectively referred to herein as "Parties" and individually as "Party."

RECATALS

A. On April 17, 1969, the Superior Court entered a Stipulated Judgment as a result of the case of Orange County Water District v. City of Chino, et al., (Case No. 117628-County of Orange), concerning rights of the water users and other entities in the lower area of the Santa Ana River basin downstream of Prado Dam as against those in the upper area tributary to Prado Dam. The Judgment designates the Parties, excluding Eastern, as responsible for representing the interests of the upper and lower areas and gives such agencies the responsibility to fulfill the obligations set forth in the Stipulated Judgment.

B. Each Party represents a regional water agency that covers the Santa Ana River watershed, and with the exception of Eastern, collectively makes up the Santa Ana River Watermaster created by the Stipulated Judgment.

C. Although Eastern is not a member of the Santa Ana River Watermaster, the Parties collectively desire to investigate and collaborate to identify possible large-scale water supply reliability and water use efficiency projects that could benefit the entire Santa Ana Watershed, which projects may only be possible through securing grant funding.

D. The Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006, commonly known as Proposition 84, authorized over $1.5 billion for water supply and water quality projects throughout the state of California. The Proposition 84 funding is allocated to various regions with the Santa Ana region receiving a funding allocation of $114 million.

E. To date, the state of California has released Proposition 84 funding in two rounds, with $12 million released in the first round and $16 million released in the second round.

F. The Santa Ana Watermaster Committee supports the Parties' desire to explore and identify possible watershed-wide projects, and has unofficially named the Parties the "Santa Ana Watermaster Action Team."

G. The Parties desire to collaborate to secure Proposition 84 funding and any other available funding for the identification, evaluation and implementation of certain large-scale water supply reliability projects, including the projects specifically identified in this MOU and any future projects determined by the Parties, all of which will wholly affect and benefit the Santa Ana River Watershed.

H. This MOU may be amended in the future to include other interested stakeholders.

NOW, THEREFORE, in consideration of the matters recited above and the covenants, conditions and promises contained herein, the Parties agree as follows:
OPERATIVE PROVISIONS

1. **Purpose.** The Parties desire to collaborate in the exploration, analysis and implementation of one or more projects identified in this MOU, and including any future projects and programs identified by the Parties, concerning large-scale water supply reliability projects that will provide benefits to the entire watershed. Further, the Parties will work together and take such action as may be necessary to secure grants or other necessary funding, including Proposition 84 funding, to pay for the projects and programs selected by the Parties.

2. **Term.** The term of this MOU shall commence on the Effective Date and shall continue until terminated upon the written consent of the Parties. An individual Party may terminate its participation in the MOU at any time without approval of the remaining Parties.

3. **Projects.** The current proposed watershed-wide projects or programs contemplated by this MOU include the following:

   a. **Habitat Restoration and Arundo Removal.** Develops plans and creates habitat for listed species to help offset any "take" associated with water projects and removes arundo, an invasive plant that consumes approximately 4 acre-feet of water per acre.

   b. **Recycled Water Optimization.** Upper watershed continues to deliver treated wastewater to the lower watershed via the Santa Ana River in exchange for the lower watershed delivering imported water to the upper watershed.

   c. **Regional Conjunctive Use.** Agencies in the watershed participate in and receive reliability benefit from regional projects that increase the storage of local stormwater and imported water primarily in wet years for later extraction, treatment and delivery both directly and through in-lieu exchange primarily during dry years.

   d. **Economic Based Water Use Efficiency Program.** Develops a set of innovative, best in class water conservation tools, new and supplemental incentive programs, and water use efficiency rate structure implementation support that can be applied on a regional basis to help achieve water conservation targets established by the State of California.

4. **Future Projects.** In addition to the projects and programs identified in Section 3 above, the Parties will continue, during the term of this MOU, to diligently work together to identify, examine and implement additional watershed-wide projects and programs, all of which will be subject to this MOU. The implementation of any project or program, and the associated terms and obligations, will be determined and may be memorialized in a separate written agreement executed by the Parties.

5. **Contracting Party.** One of Parties will serve as the contracting Party for each of the projects and programs contemplated by this MOU. The Parties hereby agree that whichever agency is designated as the contracting Party for the project or program has the authority and power to bind the Santa Ana River Watermaster Action Team. The Contracting Party will also provide necessary administrative support for the various projects and programs contemplated and/or implemented by the Parties. The Parties agree that the Contracting Party shall have no liability of any kind for acts performed or taken as the contracting party in furtherance of the purpose of this MOU. Selection of the Contracting Party will be done by general consensus and will be ratified by an action of the Contracting Party’s Board of Directors.
6. **Obligations of the Parties.** Each Party agrees to cooperate in the fulfillment of the purpose of this MOU and to act in good faith at all times. The Parties will be responsible for cost sharing, in such amounts as determined by the Parties, of any costs or fees incurred in connection with the projects or programs. The Parties will make every effort to collaborate to identify possible projects and programs that satisfy the intent of this Agreement and further agree to enter into additional agreements and execute documents reasonably necessary to carry out the intent of this MOU.

7. **General.**

   a. **Notices.** Any written communication required or permitted to be given hereunder will be deemed received upon personal delivery or forty-eight (48) hours after deposit in any United States mail depository, first class postage prepaid, and addressed to the Party for whom intended as follows:

   - **If to IEUA:**
     Inland Empire Utilities Agency
     6075 Kimball Ave.
     Chino, CA 91708
     Attn: Joe Grindstaff, General Manager

   - **If to OCWD:**
     Orange County Water District
     18700 Ward Street
     Fountain Valley, CA 92708
     Attn: Michael R. Markus, General Manager

   - **If to Valley District:**
     San Bernardino Valley Municipal Water District
     380 East Vanderbilt Way
     San Bernardino, California 92408
     Attn: Douglas D. Headrick, General Manager

   - **If to Western:**
     Western Municipal Water District
     14205 Meridian Parkway
     Riverside, CA 92518
     Attn: John V. Rossi, General Manager

   - **If to Eastern:**
     Eastern Municipal Water District
     2270 Trumble Road
     Perris, CA 92570
     Attn: Paul D. Jones II, P.E., General Manager

   b. **Entire Agreement.** This MOU contains the entire agreement between the Parties with respect to the matters herein provided and may only be amended by a subsequent written amendment executed by all the Parties.

   c. **Counterparts.** This MOU may be executed in one or more counterparts, each of which shall be deemed an original but which together shall constitute a single agreement.
d. **Signing Authority.** Each of the Parties represent that the persons signing this MOU have the appropriate authority to execute this MOU and bind the respective Party to the terms contained herein.

[Signature Page Follows]

IN WITNESS WHEREOF, the Parties have agreed to execute this MOU as of the Effective Date.

Inland Empire Utilities Agency

By:

Name: Jocelyn Distaff
Its: General Manager

Orange County Water District

By: __________________________

Name: Shawn Dewane
Its: President, Board of Directors

San Bernardino Valley Municipal Water District

By: __________________________

Name: Douglas D. Headrick
Its: General Manager

Western Municipal Water District

By: __________________________

Name: John V. Rossi
Its: General Manager

Eastern Municipal Water District

By: __________________________

Name: Paul D. Jones II, P.E.
Its: General Manager
IN WITNESS WHEREOF, the Parties have agreed to execute this MOU as of the Effective Date.

Inland Empire Utilities Agency

By: ___________________________
Name: _________________________
Its: ___________________________

Orange County Water District

By: ___________________________
Name: Shawn Dewane
Its: President

San Bernardino Valley Municipal Water District

By: ___________________________
Name: Michael R. Markus
Its: General Manager

Western Municipal Water District

By: ___________________________
Name: _________________________
Its: ___________________________

Eastern Municipal Water District

By: ___________________________
Name: Paul D. Jones II, P.E.
Its: General Manager
d. **Signing Authority.** Each of the Parties represent that the persons signing this MOU have the appropriate authority to execute this MOU and bind the respective Party to the terms contained herein.

[Signature Page Follows]

IN WITNESS WHEREOF, the Parties have agreed to execute this MOU as of the Effective Date.

Inland Empire Utilities Agency

By: ____________________________
Name: Joe Grindstaff
Its: General Manager

Orange County Water District

By: ____________________________
Name: Shawn Dewane
Its: President, Board of Directors

San Bernardino Valley Municipal Water District

By: ____________________________
Name: Douglas D. Headrick
Its: General Manager

Western Municipal Water District

By: ____________________________
Name: John V. Rossi
Its: General Manager

Eastern Municipal Water District

By: ____________________________
Name: Paul D. Jones II, P.E.
Its: General Manager
d. **Signing Authority.** Each of the Parties represent that the persons signing this MOU have the appropriate authority to execute this MOU and bind the respective Party to the terms contained herein.

[Signature Page Follows]

IN WITNESS WHEREOF, the Parties have agreed to execute this MOU as of the Effective Date.

Inland Empire Utilities Agency

By: ____________________________

Name: Joe Grindstaff
Its: General Manager

Orange County Water District

By: ____________________________

Name: Shawn Dewane
Its: President, Board of Directors

San Bernardino Valley Municipal Water District

By: ____________________________

Name: Douglas D. Headrick
Its: General Manager

Western Municipal Water District

By: ____________________________

Name: John V. Rossi
Its: General Manager

Eastern Municipal Water District

By: ____________________________

Name: Paul D. Jones II, P.E.
Its: General Manager
d. **Signing Authority.** Each of the Parties represent that the persons signing this MOU have the appropriate authority to execute this MOU and bind the respective Party to the terms contained herein.

IN WITNESS WHEREOF, the Parties have agreed to execute this MOU as of the Effective Date.

**Inland Empire Utilities Agency**

By: ____________________________
Name: __________________________
Its: ____________________________

**Orange County Water District**

By: ____________________________
Name: __________________________
Its: ____________________________

**San Bernardino Valley Municipal Water District**

By: ____________________________
   Douglas D. Headrick
   Its: General Manager

**Western Municipal Water District**

By: ____________________________
Name: __________________________
Its: ____________________________

**Eastern Municipal Water District**

By: ____________________________
   Paul D. Jones Jr. P.E.
   Its: General Manager
This amendment to the May 2014 Memorandum of Understanding ("MOU") to collaborate to identify possible large-scale water supply reliability and water use efficiency projects that could benefit the entire Santa Ana Watershed is executed as of _______, 2015 ("Effective Date"), by and among, Inland Empire Utilities Agency ("IEUA"), Orange County Water District ("OCWD"), San Bernardino Valley Municipal Water District ("Valley District"), Western Municipal Water District ("Western"), and Eastern Municipal Water District ("Eastern"). IEUA, OCWD, Valley District, Western and Eastern are collectively referred to herein as "Parties" and individually as "Party."

RECITALS

A. On April 17, 1969, the Superior Court entered a Stipulated Judgment as a result of the case of Orange County Water District v. City of Chino, et al., (Case No. 117628-County of Orange), concerning rights of the water users and other entities in the lower area of the Santa Ana River basin downstream of Prado Dam as against those in the upper area tributary to Prado Dam. The Judgment designates the Parties, excluding Eastern, as responsible for representing the interests of the upper and lower areas and gives such agencies the responsibility to fulfill the obligations set forth in the Stipulated Judgment.

B. Each Party represents a regional water agency that covers the Santa Ana River watershed, and with the exception of Eastern, collectively makes up the Santa Ana River Watermaster created by the Stipulated Judgment.

C. Although Eastern is not a member of the Santa Ana River Watermaster, the Parties collectively desire to participate in large-scale water supply reliability and water use efficiency projects/programs that benefit the entire Santa Ana Watershed, which projects may only be possible through securing grant funding. The combination of such projects and water resources management programs comprise a Santa Ana River Conjunctive Use Program (SARCUP).

D. The Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006, commonly known as Proposition 84, authorized over $1.5 billion for water supply and water quality projects throughout the State of California. The Proposition 84 funding is allocated to various regions with the Santa Ana region receiving a funding allocation of $114 million.

E. To date, the state of California has released Proposition 84 funding in two rounds, with $12 million released in the first round and $16 million released in the second round. A third round is expected in 2015.

F. The Water Quality, Supply, and Infrastructure Improvement Act of 2014 (Proposition 1), approved by California voters in November 2014, authorizes $7.12 billion in general obligation bonds for state water supply infrastructure projects, such as public water system improvements, surface and groundwater storage, drinking water protection, water recycling and advanced water treatment technology, water supply management and conveyance, wastewater treatment, drought relief, emergency water supplies, and ecosystem and watershed protection and restoration.
Specific spending proposals in Proposition 1 include:

- $520 million to improve water quality for “beneficial use,” for reducing and preventing drinking water contaminants, disadvantaged communities, and the State Water Pollution Control Revolving Fund Small Community Grant Fund.
- $1.495 billion for competitive grants for multi-benefit ecosystem and watershed protection and restoration projects.
- $810 million for expenditures on, and competitive grants and loans to, integrated regional water management plan projects.
- $63 million has been allocated to the Santa Ana Region
  - $2.7 billion for water storage projects, dams and reservoirs.
  - $725 million for water recycling and advanced water treatment technology projects.
  - $900 million for competitive grants and loans for projects to prevent or clean up the contamination of groundwater that serves as a source of drinking water.
  - $395 million for statewide flood management projects and activities.

These monies are expected to be distributed to worthy projects in the next few years.

G. The Santa Ana Watermaster Committee supports the Parties’ desire to explore and identify possible watershed-wide projects, and has unofficially named the Parties the "Santa Ana Watermaster Action Team" (Action Team).

H. The Action desires to develop dry-year yield that could meet 10 to 15% of their demands during drought periods.

I. The Parties desire to collaborate to secure Proposition 84 and 1 funding and any other available funding for the identification, evaluation and implementation of certain SARCUP projects and any future projects determined by the Parties, all of which will wholly affect and benefit the Santa Ana River Watershed per the Foundational Principles attached as Exhibit A.

J. This MOU may be amended in the future to include other interested public agencies, non-profit organizations and other stakeholders.

Now, THEREFORE, in consideration of the matters recited above and the covenants, conditions and promises contained herein, the Parties agree as follows:

**OPERATIVE PROVISIONS**

1. **Purpose.** The Parties desire to collaborate in the implementation of SARCUP including any future projects identified by the Parties, concerning large-scale water supply reliability projects that will provide benefits to the entire watershed. Further, the Parties will work together and take such action as may be necessary to secure grants or other necessary funding, including Propositions 84 and 1 funding, to pay for the SARCUP projects selected by the Parties.

2. **Term.** The term of this MOU shall commence on the Effective Date and shall continue until terminated upon the written consent of the Parties. An individual Party may terminate its participation in the MOU at anytime without approval of the remaining Parties.

3. **Projects.** The current proposed SARCUP contemplated by this MOU includes the following:
a. Habitat Restoration and Arundo Removal. Develops plans and creates habitat for listed species to help offset any "take" associated with water projects and removes Arundo, an invasive plant that consumes approximately 4 acre-feet of water per acre.

b. Regional Conjunctive Use. Regional conjunctive use is an integrated water resources management strategy that optimizes all sources of water in a coordinated surface and groundwater storage program including water use efficiency best practices in order to maximize the drought reliability of water supplies for the whole Santa Ana River watershed and better manage emergency outages from imported supplies. Agencies in the watershed participate in and receive reliability benefit from regional projects that increase the storage of local stormwater and imported water primarily in wet years for later extraction, treatment and delivery both directly and through in-lieu exchange primarily during dry years.

c. Economic Based Water Use Efficiency Program. Develops a set of innovative, best-in-class water conservation tools, new and supplemental incentive programs, and water use efficiency rate structure implementation support that can be applied on a regional basis to help achieve water conservation targets established by the State of California.

4. Future Projects. In addition to the SARCUP projects identified in Section 3 above, the Parties will continue, during the term of this MOU, to diligently work together to identify, examine and implement additional SARCUP projects, all of which will be subject to this MOU. The implementation of any SARCUP project, and the associated terms and obligations, will be determined and may be memorialized in a separate written agreement executed by participating Parties.

5. Contracting Party. One of Parties will serve as the contracting Party for each of the SARCUP projects contemplated by this MOU. The Parties hereby agree that whichever agency is designated as the contracting Party for the SARCUP project has the authority and power to bind the Santa Ana River Watermaster Action Team within the authority previously established by the Team. The designated Party shall not bind the Team in excess of the previously established authority without prior approval of the Team. The Contracting Party will also provide necessary administrative support for the various SARCUP projects contemplated and/or implemented by the Parties. The Parties agree that the Contracting Party shall have no liability of any kind for acts performed or taken as the contracting party in furtherance of the purpose of this MOU. Selection of the Contracting Party will be done by general consensus and will be ratified by an action of the Contracting Party's Board of Directors.

6. Obligations of the Parties. Each Party agrees to cooperate in the fulfillment of the purpose of this MOU and to act in good faith at all times. Exhibit A contains the Foundational Principles of the collaboration. The Parties will be responsible for cost sharing, in such amounts as determined by the Parties, of any costs or fees incurred in connection with the SARCUP projects. The Parties will make every effort to collaborate to identify possible projects that satisfy the intent of this Agreement and further agree to enter into additional agreements and execute documents reasonably necessary to carry out the intent of this MOU.

7. General.

a. Notices. Any written communication required or permitted to be given hereunder
will be deemed received upon personal delivery or forty-eight (48) hours after deposit in any
United States mail depository, first class postage prepaid, and addressed to the Party for whom
intended as follows:
b. Entire Agreement. This MOU contains the entire agreement between the Parties with respect to the matters herein provided and may only be amended by a subsequent written amendment executed by all the Parties.

c. Counterparts. This MOU may be executed in one or more counterparts, each of which shall be deemed an original but which together shall constitute a single agreement.

d. Signing Authority. Each of the Parties represent that the persons signing this MOU have the appropriate authority to execute this MOU and bind the respective Party to the terms contained herein.

[Signature Page Follows]
IN WITNESS WHEREOF, the Parties have agreed to execute this MOU as of

Inland Empire Utilities Agency
By: ______________________
Name: Joe Grindstaff
Its: General Manager

Orange County Water District
By: ______________________
Name: Shawn Dewane
Its: President, Board of Directors

San Bernardino Valley Municipal Water District
By: ______________________
Name: Douglas D. Headrick
Its: General Manager

Western Municipal Water District
By: ______________________
Name: John V. Rossi
Its: General Manager

Eastern Municipal Water District
By: ______________________
Name: Paul D. Jones II, P.E.
Its: General Manager
EXHIBIT “A”

Santa Ana River Conjunctive-Use Program (SARCUP)

Foundational Principles

The goals of the SARCUP are to maximize the development and use of local and imported water supplies and to conjunctively manage these local water supplies such that the aggregate yield and water supply reliability generated by the SARCUP is greater than the independent management of these resources. Local supplies include surface water, groundwater, and recycled water originating in the Watershed. Imported supplies include State Water Project (SWP), Colorado River Aqueduct (CRA) water and other supplies that can be imported into the Watershed through SWP, CRA and other facilities. When the total of local and imported supplies exceed demand the surplus supplies will be stored in Watershed groundwater basins, groundwater basins outside the Watershed and potentially surface storage facilities. The basic principles required to build the SARCUP are listed below.

1. **Maximize the Development and Use of Local and Imported Supplies.** Local water supplies will be developed to their maximum potential limited by water rights agreements and permits issued by the State Board. The Parties will maximize their take of imported water by taking as much imported water as is available to them.

2. **Collaborative Management of Unused Storage Space in the Watershed.** Unused storage space in a groundwater basin consists of the volume of unsaturated sediments that is not needed to regulate normal sources of recharge to achieve the current yields of a basin. The maximum unused storage space in the Watershed is about 1,000,000 af and is distributed as follows:
   - Chino Basin – 500,000 af
   - Elsinore and Riverside Basins – 60,000 af
   - Orange County Basin – 100,000 af
   - San Bernardino Basin Area (SSBA) – 40,000 af
   - San Jacinto Basin – 300,000 af

3. **There are many projects that can be used to exploit this unused storage to improve water supply reliability and reduce demand on imported-water sources during drought and other periods of reduced local and imported water supplies.** Some of the lower cost and simpler drought/emergency water supply projects are currently known and can be implemented rapidly while the more expensive and complex projects need information to flesh out and time to

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1 IEUA and the Chino Basin and Watermaster have an existing 150,000 storage program included in the 500,000 af space.
develop implementation agreements. A watershed-scale conjunctive-use architecture is proposed herein to facilitate the implementation of the lower cost and simpler projects in the context of the regional need for conjunctive use projects that improve drought/emergency water supply, and to assure that regional benefit of watershed-scale conjunctive-use projects. The Parties propose to:

- Work together to develop and implement conjunctive-use projects that improve water supply reliability by increasing drought/emergency water supply. Such projects will include water conservation measures and habitat improvement activities (e.g. Arundo removal) that improve watershed water reliability.
- Facilitate cooperative use of the unused storage space in the watershed’s groundwater basins by identifying storage blocks that will be sequentially developed to increase wet-year storage and dry-year yield for the watershed.
  - The Parties agree that the first group of projects will be recharge and extraction facilities that will enable storage of wet-year supplies and provide the listed dry-year yield, as follows:

<table>
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<tr>
<th>Basin</th>
<th>Total Storage (AF)</th>
<th>Dry-Year Yield (AFY for 3 years)</th>
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</thead>
<tbody>
<tr>
<td>Chino</td>
<td>100,000</td>
<td>33,300</td>
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<tr>
<td>SBBA</td>
<td>60,000</td>
<td>20,000</td>
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<tr>
<td>San Jacinto</td>
<td>19,500</td>
<td>6,500</td>
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<tr>
<td>Elsinore</td>
<td>4,500</td>
<td>1,500</td>
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<tr>
<td>TOTAL</td>
<td>184,000</td>
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</table>
  - The first group of projects will primarily rely on exchange agreements and existing regional conveyance facilities to put water into storage and produce water from storage and convey it to Parties when a dry-year call is made.
  - The Parties would conduct planning investigation that result in a watershed-scale conjunctive-use program master plan that would lead to the implementation of conjunctive-use programs with successive storage blocks of unused storage.

4. **The Parties will work collaboratively to secure funding for the projects.** The Parties will work together to secure grant, and other, funding for the projects. The Parties are presently working on a Proposition 84, Round 3 grant application for $60 million that requires $45 million of local matching funds.

5. **The Parties share equitably for the benefits of the SARCUP.** The benefits and costs of the SARCUP will be allocated based on each Party’s relative financial
participation. Each of the agencies agree to provide an equal share of the $45 million of matching funds, or $9 million, so that each agency shares equally in the benefits.

6. **Non-compete for grant funding.** A Party(s) that opts out of participating in a new local water supply development project, imported water supply project and or conjunctive-use project will not compete for grant funding from the Proposition 84 funding source and other grant funding sources that the participating Parties are pursuing.

7. **The Parties will not compete for the imported water that can be obtained for the purposes of the SARCUP.** Imported water sources include SWP and CRA water acquired from Metropolitan Water District of Southern California (Metropolitan), SWP water acquired by SBVMWD, Sacramento Valley water acquired by a Party or the Parties and conveyed to the watershed through the SWP, and water produced by future ocean desalinization\(^2\) projects. The Parties will pool their resources, based on their level of participation, to acquire and convey imported water being sought by the SARCUP participants to the watershed for the SARCUP projects.

8. **Recovery of water from storage.** In the initial development of the SARCUP, the Parties that overlie basins with stored SARCUP water would reduce their take of imported water during stored water recovery periods. Imported water deliveries will be reprogramed from Parties that have direct access to water in storage to Parties that do not have direct access to the SARCUP stored water. This will require exchange agreements that involve the Parties and Metropolitan and others.

In the subsequent expansion of the SARCUP, the Parties may seek to add regional conveyance facilities consistent with the SARCUP master plan.

9. **Continue Expansion of the SARCUP.** The Parties will continue to: refine the SARCUP over time adapting to changes in the water supply environment and economic conditions; implement subsequent phases of the SARCUP; and collaborate on the acquisition of grant funding.

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\(^2\) Ocean desalinization is characterized herein as imported water as it originates outside what is conventionally referred to as the Santa Ana Watershed.
Exhibit 3 – SARCCUP Agreements Relationship Architecture
Exhibit 4 – SARCCUP Grant Management Agreements Relationship Architecture

- **Department of Water Resources (DWR) (granting agency)**
  - DWR provides oversight on grant performance and project implementation

- **Santa Ana Watershed Project Authority (SAWPA)**
  - Grant administration and oversight of project performance

- **Planning Agreement 23 (PA23)**
  - Responsible for management of the SARCCUP program and will provide necessary documentation to SAWPA

- **Agency 1**
  - Responsible for project component construction/implementation of Facilities #1

- **Agency 2**
  - Responsible for project component construction/implementation of Facilities #2

- **Agency 3**
  - Responsible for project component construction/implementation of Facilities #3

- **Agency 4**
  - Responsible for project component construction/implementation of Facilities #4

- **Agency 5**
  - Responsible for project component construction/implementation of Facilities #5
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Below is a summary of cash transactions completed during the month in the Authority's checking account with US Bank. Attached are summaries by major revenue and expense classifications.

Cash Receipts and Deposits to Account $1,017,715.78
Net Investment Transfers 251,120.90
Cash Disbursements (781,688.74)
Net Change for Month $487,147.94
Balance at Beginning of Month 3,497,165.91
Balance at End of Month per General Ledger $3,984,313.85
Collected Balance per Bank Statement $4,197,169.60

ACCOUNTS PAYABLE RECONCILIATION

Accounts Payable Balance @ 03/31/16 $2,393,910.99
Invoices Received for April 2016 745,947.75
Invoices Paid by check/wire during April 2016 (see attached register) (437,731.23)
Accounts Payable Balance @ 04/30/16 $2,702,127.51
## CASH RECEIPTS

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<td>Member and Other Agency Contributions</td>
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## INVESTMENT TRANSFERS

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<td>From (to) Legal Defense Fund</td>
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<td>From (to) Investments</td>
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<td>Directors Total</td>
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# Santa Ana Watershed Project Authority

## Check Detail

### April 2016

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<th>Vendor</th>
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### Accounts Payable

- Checks: $428,408.80
- Wire Transfers: $9,647.03
- Total: $438,055.83

- Bank Fees: $-
- Take Care: $1,935.66
- Payroll: $341,697.25
- Total: $343,632.91

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**Total Disbursements April 2016**

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<td>Website Tasks Support</td>
<td>Technology Systems</td>
<td>$3,400.00</td>
</tr>
<tr>
<td>Check #</td>
<td>Check Date</td>
<td>Task #</td>
<td>Task Description</td>
<td>Vendor Name</td>
<td>Total Contract</td>
</tr>
<tr>
<td>--------</td>
<td>------------</td>
<td>-------</td>
<td>------------------</td>
<td>-------------</td>
<td>----------------</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Santa Ana Watershed Project Authority Consulting</td>
<td>April 2016</td>
</tr>
</tbody>
</table>

$ 100,963.05
COMMISSION MEMORANDUM NO. 2016.41

DATE: June 21, 2016

TO: SAWPA Commission

SUBJECT: Inter-Fund Borrowing – April 2016

PREPARED BY: Karen Williams, Chief Financial Officer

RECOMMENDATION
It is recommended that the Commission receive and file the informational report on short-term, cash-flow inter-fund borrowing.

DISCUSSION
On December 13, 2005, the Commission approved Resolution No. 452, Inter-Fund and Inter-Project Loan Policy. Staff was directed to bring back an accounting of the loans each month for review when the total exceeded $250,000 in aggregate.

The following projects, with negative cash flow, are listed below with the amounts borrowed from SAWPA General Fund Reserves in April 2016. The total amount borrowed is over the aggregate $250,000 amount recommended in Resolution No. 452, Inter-Fund and Inter-Project Loan Policy. The Commission has requested that this item be brought back each month as an informational item when the loan amount is under the $250,000 aggregate amount.

<table>
<thead>
<tr>
<th>Fund</th>
<th>Fund Name</th>
<th>03/31/16 Balance</th>
<th>Loan Receipts</th>
<th>New Charges</th>
<th>04/30/16 Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>130</td>
<td>Proposition 84 Admin</td>
<td>$27,212.75</td>
<td>$0.00</td>
<td>$4,048.29</td>
<td>$31,261.04</td>
</tr>
<tr>
<td>135</td>
<td>Proposition 84 Admin R2</td>
<td>42,475.77</td>
<td>0.00</td>
<td>5,560.42</td>
<td>48,036.19</td>
</tr>
<tr>
<td>140</td>
<td>Proposition 84 Admin R3</td>
<td>100,068.14</td>
<td>0.00</td>
<td>(100,068.14)</td>
<td>0.00</td>
</tr>
<tr>
<td>145</td>
<td>Proposition 84 Admin R4</td>
<td>121,163.21</td>
<td>0.00</td>
<td>7,575.80</td>
<td>128,739.01</td>
</tr>
<tr>
<td>397</td>
<td>Energy – Water DAC</td>
<td>35,643.68</td>
<td>35,643.68</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>477</td>
<td>LESJWA Administration</td>
<td>17,496.14</td>
<td>(18,858.08)</td>
<td>19,627.99</td>
<td>18,266.05</td>
</tr>
<tr>
<td>504</td>
<td>Prop 84 - Drought Projects</td>
<td>108,400.59</td>
<td>0.00</td>
<td>170,521.76</td>
<td>278,922.35</td>
</tr>
<tr>
<td></td>
<td>Total Funds Borrowed</td>
<td>$452,460.28</td>
<td>($54,501.76)</td>
<td>$107,266.12</td>
<td>$505,224.64</td>
</tr>
</tbody>
</table>

General Fund Reserves Balance $2,666,970.54
Less Amount Borrowed 505,224.64
Balance of General Fund Reserves $2,161,745.90

The following table lists each fund that has a negative cash flow, the source of funding for the fund, how often the fund is billed, and the projected rate of payment for the fund.
### NEGATIVE CASH-FLOW FUNDS

<table>
<thead>
<tr>
<th>Fund No.</th>
<th>Source of Funding</th>
<th>Billing Frequency</th>
<th>Projected Payment Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>130,135,140, 145 – Proposition 84 Admin</td>
<td>DWR – Prop 84 Grant</td>
<td>Quarterly</td>
<td>Up to 6 months</td>
</tr>
<tr>
<td>397 – Energy – Water DAC Grant</td>
<td>DWR – Greenhouse Gas AB32</td>
<td>Quarterly</td>
<td>Up to 6 months</td>
</tr>
<tr>
<td>477 – LESJWA Admin</td>
<td>Reimbursement from LESJWA</td>
<td>Monthly</td>
<td>2 to 4 weeks</td>
</tr>
<tr>
<td>504 - Proposition 84 Drought Projects</td>
<td>DWR – Prop 84 Grant</td>
<td>Quarterly</td>
<td>Up to 6 months</td>
</tr>
</tbody>
</table>

**Fund 130**
The outstanding balance of the funds due from DWR is the mandatory 10% retention from each invoice billed. Retention funds will not be released until the Proposition 84 Round I contract is completed in 2017.

**Fund 135**
We just received the signed contract for administration of Proposition 84 Round II grant funds. These funds will be billed quarterly and 10% will be withheld for retention.

**Fund 140**
We just received the signed contract for administration of Proposition 84 Drought Round grant funds. These funds will be billed quarterly and 10% will be withheld for retention.

**Fund 145**
We have not received the contract for administration of Proposition 84 Round 2015 grant funds, but can begin to charge the grant for costs incurred. Once the signed contract is received we will be able to bill each quarterly and 10% will be withheld for retention.

**Fund 397**
The contract for this grant is expected to be fully executed by January 2016. Once the signed contract is received we will be able to bill each quarter.

**Fund 477**
Each month LESJWA is billed the cost for administering the JPA. Once the bill is received, LESJWA submits payment within two weeks.

**Fund 504**
This fund is for the implementation of drought related projects which are administered through PA-22.
The following graph shows projected inter-fund loan balances, total unrestricted General Fund Reserves available for loans, and projected cash net of loans through July 2016. The projected loan balance is expected to remain over the $250,000 aggregate limit through July 2016 because of Proposition 84 Grants, but can be covered by General Fund Reserves without a major impact on cash flow.

**Projected General Cash / Reserves Fund Balance**

RESOURCES IMPACTS
The funds borrowed from the General Fund Reserves will be paid back with interest when the funding is received. Interfund loans for grants are not charged interest unless the grant contracts specifically states interest is eligible for reimbursement. Budgeted expenditures from the General Fund and proposed borrowings are not expected to have an impact on the General Fund Reserves balance.

CM 2016.41 Interfund Borrowing-April 2016
COMMISSION MEMORANDUM NO. 2016.42

DATE:       June 21, 2016
TO:         SAWPA Commission
SUBJECT:    Performance Indicators and Financial Reporting – April 2016
PREPARED BY: Karen Williams, Chief Financial Officer

RECOMMENDATION
It is recommended that the Commission receive and file staff’s report.

DISCUSSION
The attached reports have been developed to keep the Commission informed as to SAWPA’s business and budget performance. These reports are categorized into the following groups: financial reporting, cash and investments, and performance indicators. They are explained in detail below. As new reports are developed, they will be added for the Commission’s review.

Financial Reporting

<table>
<thead>
<tr>
<th>Report</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance Sheet by Fund Type</td>
<td>Lists total assets, liabilities, and equity by fund type for a given period.</td>
</tr>
<tr>
<td>Revenue &amp; Expense by Fund Type</td>
<td>Lists total revenue and expenses by fund type for a given period.</td>
</tr>
<tr>
<td>Receivables Management</td>
<td>Shows total outstanding accounts receivable by age.</td>
</tr>
<tr>
<td>Open Task Order Schedule</td>
<td>Shows SAWPA’s total outstanding obligation for open task orders.</td>
</tr>
<tr>
<td>Debt Service Funding Analysis</td>
<td>Shows total annual income by source used to make debt service payments through debt maturity at FYE 2033.</td>
</tr>
<tr>
<td>Debt Service Payment Schedule</td>
<td>Shows total debt service interest and principal payments through debt maturity at FYE 2033.</td>
</tr>
</tbody>
</table>

Cash and Investments

<table>
<thead>
<tr>
<th>Report</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Cash and Investments (chart)</td>
<td>Shows the changes in cash and investments for the fiscal year.</td>
</tr>
<tr>
<td>Reserve Balance &amp; Source of Funds</td>
<td>Shows total cash and investments for all SAWPA funds and the types of investments held for each fund.</td>
</tr>
<tr>
<td>Cash &amp; Investments (pie chart)</td>
<td>Shows total cash and investments for all SAWPA funds and the percentage of each investment type.</td>
</tr>
<tr>
<td>Reserve Account Analysis</td>
<td>Shows changes to each reserve account for the year and projected ending balance for each.</td>
</tr>
<tr>
<td>Twelve Month Security Schedule (chart)</td>
<td>Shows the maturity dates for securities held and percentage of securities in each category.</td>
</tr>
<tr>
<td>Treasurer’s Report</td>
<td>Shows book and market value for both Treasury strips and securities held by the Agency.</td>
</tr>
</tbody>
</table>
Performance Indicators

<table>
<thead>
<tr>
<th>Performance Indicator</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average Daily Flow by Month</td>
<td>Shows total flow in the SARI System by month compared to total treatment capacity owned. This is an indicator of the available capacity in the line. As we add yearly flows, it will show trends in flow throughout the year.</td>
</tr>
<tr>
<td>Summary of Labor Multipliers</td>
<td>Summarizes the information generated from the following two reports and compares the actual benefit and G&amp;A Allocation rates to the total budgeted rates.</td>
</tr>
<tr>
<td>General Fund Costs</td>
<td>Lists total Fund No. 100 costs to date and the amount of those costs recovered through the G&amp;A Allocation and member contributions.</td>
</tr>
<tr>
<td>Benefit Summary</td>
<td>Lists total employee benefit costs actual to budget and projects them through the end of the year. This report compares how the actual benefit rate compares to the budgeted rate.</td>
</tr>
<tr>
<td>Labor Hours Budget vs. Actual</td>
<td>Shows total budgeted hours for each project and compares them to the actual hours charged to each.</td>
</tr>
</tbody>
</table>

RESOURCE IMPACTS

Staff expects minimal impacts to SAWPA or its member agencies related to this effort.

Attachments:
1. Balance Sheet by Fund Type
2. Revenue & Expense by Fund Type
3. Accounts Receivable Aging Report
4. Open Task Order Schedule
5. Debt Service Funding Analysis
6. Debt Service Payment Schedule
7. Total Cash and Investments (chart)
8. Reserve Balance & Source of Funds
9. Reserve Account Analysis
10. Twelve-Month Maturity Schedule - Securities
11. Treasurer’s Report
12. Average Daily Flow by Month
13. Summary of Labor Multipliers
14. General Fund Costs
15. Benefits
16. Labor Hours Budgeted vs. Actual

CM 2016.42 Perform Indicators Apr’16
### Capital Projects

- **Cash and Investments**: $(1,370,476.43)$
- **Accounts Receivable**: 0.00
- **Installment Notes Receivable**: 0.00
- **Interest Receivable**: 0.00
- **Prepaids and Deposits**: 0.00
- **Total Current Assets**: $(1,370,476.43)$

### Grants/Contracts

- **Cash and Investments**: $(407,700.20)$
- **Accounts Receivable**: 0.00
- **Installment Notes Receivable**: 0.00
- **Interest Receivable**: 0.00
- **Prepaids and Deposits**: 0.00
- **Total Current Assets**: $(407,700.20)$

### Planning

- **Cash and Investments**: $377,026.83
- **Accounts Receivable**: 0.00
- **Installment Notes Receivable**: 0.00
- **Interest Receivable**: 0.00
- **Prepaids and Deposits**: 0.00
- **Total Current Assets**: $377,026.83

### Collaborative Projects

- **Cash and Investments**: $2,207,937.30
- **Accounts Receivable**: 17,924.00
- **Installment Notes Receivable**: 0.00
- **Interest Receivable**: 0.00
- **Prepaids and Deposits**: 0.00
- **Total Current Assets**: $2,225,861.30

### SAWPA General

- **Cash and Investments**: $3,490,077.37
- **Accounts Receivable**: 46,272.23
- **Installment Notes Receivable**: 0.00
- **Interest Receivable**: 0.00
- **Prepaids and Deposits**: 436,364.40
- **Total Current Assets**: $3,972,714.00

### Brine Line Enterprise

- **Cash and Investments**: $51,588,224.61
- **Accounts Receivable**: 0.00
- **Installment Notes Receivable**: 0.00
- **Interest Receivable**: 68,771.49
- **Prepaids and Deposits**: 33,514.41
- **Total Current Assets**: $57,871,872.51

### Totals

- **Cash and Investments**: $55,885,089.48
- **Accounts Receivable**: 4,285,465.37
- **Installment Notes Receivable**: 4,723,086.79
- **Interest Receivable**: 68,771.49
- **Prepaids and Deposits**: 469,878.81
- **Total Current Assets**: $65,432,291.94

### Fixed Assets

- **Property, Plant & Equipment**: 68,265,414.33
- **Work In Process**: 8,328,180.65
- **Total fixed assets**: 8,328,180.65

### Other Assets

- **Wastewater treatment/disposal rights, net of amortization**: 30,685,980.79
- **Inventory - Mitigation Credits**: 1,910,560.00
- **Total Other Assets**: 1,910,560.00

### Total Assets

- **Total Assets**: $174,622,427.71

### Liabilities and Fund Equity

<table>
<thead>
<tr>
<th>Capital Projects</th>
<th>Grants/Contracts</th>
<th>Planning</th>
<th>Collaborative Projects</th>
<th>SAWPA General</th>
<th>Brine Line Enterprise</th>
<th>Fund Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current Liabilities</td>
<td>Accounts Payable/Accrued Expenses</td>
<td>$227,387.87</td>
<td>$2,268,035.50</td>
<td>$1,006.06</td>
<td>$15,484.03</td>
<td>$668,232.87</td>
</tr>
<tr>
<td></td>
<td>Accrued Interest Payable</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>Noncurrent Liabilities</td>
<td>Long-term Debt</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>2,169,716.00</td>
</tr>
<tr>
<td></td>
<td>Deferred Revenue</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>Total Liabilities</td>
<td>227,387.87</td>
<td>2,268,035.50</td>
<td>1,006.06</td>
<td>15,484.03</td>
<td>2,837,948.87</td>
<td>101,215,955.47</td>
</tr>
<tr>
<td>Fund Equity</td>
<td>Contributed Capital</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td></td>
<td>Retained Earnings</td>
<td>3,654,863.48</td>
<td>33,277.85</td>
<td>130,280.08</td>
<td>3,586,676.42</td>
<td>1,487,273.73</td>
</tr>
<tr>
<td></td>
<td>Revenue Over/Under Expenditures</td>
<td>3,075,452.87</td>
<td>53,980.38</td>
<td>245,740.69</td>
<td>534,260.85</td>
<td>849,684.25</td>
</tr>
<tr>
<td>Total Fund Equity</td>
<td>6,730,316.35</td>
<td>87,258.23</td>
<td>376,020.77</td>
<td>4,120,937.27</td>
<td>2,336,957.98</td>
<td>54,405,119.31</td>
</tr>
<tr>
<td>Total Liabilities &amp; Fund Equity</td>
<td>$6,957,704.22</td>
<td>$2,355,293.73</td>
<td>$377,026.83</td>
<td>$4,136,421.30</td>
<td>$5,174,906.85</td>
<td>$155,621,074.78</td>
</tr>
</tbody>
</table>
**Santa Ana Watershed Project Authority**  
**Revenue & Expenses by Fund Type**  
*For the Nine Months Ending Thursday, March 31, 2016*

<table>
<thead>
<tr>
<th>Capital Projects</th>
<th>Grants/Contracts</th>
<th>Planning</th>
<th>Collaborative Projects</th>
<th>SAWPA General</th>
<th>Brine Line Enterprise</th>
<th>Fund Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Revenue</td>
<td>Discharge Fees</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$6,867,994.60</td>
</tr>
<tr>
<td></td>
<td>Financing Proceeds</td>
<td>3,043,569.00</td>
<td>4,738,762.88</td>
<td>0.17</td>
<td>37,000.00</td>
<td>0.00</td>
</tr>
<tr>
<td></td>
<td>Total Operating Revenue</td>
<td>3,043,569.00</td>
<td>4,880,133.58</td>
<td>0.17</td>
<td>37,000.00</td>
<td>0.00</td>
</tr>
</tbody>
</table>

| Operating Expenses | Labor | 266.20 | 240,546.88 | 132,205.13 | 56,256.93 | 1,118,494.53 | 619,165.45 | 2,166,935.12 |
|                    | Benefits | 111.54 | 100,789.14 | 55,393.96 | 23,571.67 | 338,571.46 | 259,430.37 | 777,868.14 |
|                    | G&A Allocation | 423.79 | 382,950.64 | 210,470.57 | 89,561.01 | 0.00 | 985,711.36 | 1,669,117.37 |
|                    | Education & Training | 0.00 | 0.00 | 0.00 | 0.00 | 10,528.64 | 785.00 | 11,313.64 |
|                    | Consulting & Professional Services | 27,312.46 | 31.83 | 0.00 | 131,094.40 | 150,566.25 | 152,432.57 | 461,437.51 |
|                    | Operating Costs | 0.00 | 0.00 | 0.00 | 100.00 | 37,386.22 | 342,467.81 | 379,854.03 |
|                    | Repair & Maintenance | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
|                    | Phone & Utilities | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 48,553.92 |
|                    | Equipment & Computers | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 110,498.13 | 7,484.84 |
|                    | Meeting & Travel | 0.00 | 101.20 | 5,696.39 | 432.41 | 19,096.20 | 3,084.52 | 119,982.97 |
|                    | Other Administrative Costs | 0.00 | 10,030.39 | 11,391.13 | 9.62 | 72,001.84 | 22,897.63 | 164,330.61 |
|                    | Benefits Applied | 0.00 | 0.00 | 0.00 | 0.00 | 66,068.96 | 0.00 | 66,068.96 |
|                    | G&A Applied | 0.00 | 0.00 | 0.00 | 0.00 | (1,847,720.77) | 0.00 | (1,847,720.77) |
|                    | Other Expenses | 0.00 | 0.00 | 0.00 | 0.00 | 28,853.74 | 24,973.63 | 164,903.95 |
|                    | Construction | 0.00 | 4,326,049.82 | 0.00 | 0.00 | 28,410.72 | 3,084.52 | 4,326,049.82 |
| Total Operating Expenses | 28,113.99 | 5,060,499.90 | 415,157.18 | 329,879.78 | 144,404.26 | 4,824,451.65 | 10,802,506.76 |

| Operating Income (Loss) | 3,015,455.01 | (180,366.32) | (415,157.01) | (292,879.78) | (144,404.26) | 2,043,542.95 | 4,026,190.59 |

| Nonoperating Income (Expense) | Member Contributions | 0.00 | 10,000.00 | 660,000.00 | 117,696.00 | 617,795.00 | 0.00 | 1,405,491.00 |
|                              | Other Agency Contributions | 0.00 | 0.00 | 0.00 | 864,656.00 | 0.00 | 0.00 | 864,656.00 |
|                              | Interest Income | 0.00 | 0.00 | 897.70 | 4,765.82 | 5,871.14 | 161,444.41 | 172,979.07 |
|                              | Interest Expense - Debt Service | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | (625,105.72) |
|                              | Other Income | 59,997.86 | 0.00 | 0.00 | 16,396.59 | 58,913.50 | 135,307.95 |
|                              | Use of Reserves | 0.00 | 0.00 | 0.00 | 0.00 | (105,322.86) | 0.00 | (105,322.86) |
|                              | Gain/Loss on Disposal/Sale of Assets | 0.00 | 0.00 | 0.00 | 1,122.51 | 0.00 | 1,122.51 |
| **Total Nonoperating Income (Expense)** | 59,997.86 | 10,000.00 | 660,897.70 | 988,240.33 | 534,739.87 | (404,747.81) | 1,849,127.95 |

| Excess Rev over (under) Exp | $3,075,452.87 | ($170,366.32) | $245,740.69 | $695,360.55 | $390,335.61 | $1,638,795.14 | $5,875,318.54 |
## Aging Report
Santa Ana Watershed Project Authority
Receivables as of May 31, 2016

<table>
<thead>
<tr>
<th>Customer Name</th>
<th>Project</th>
<th>Total</th>
<th>Current</th>
<th>0-30 Days</th>
<th>31-60 Days</th>
<th>61 and Over</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chino Basin Desalter Authority</td>
<td>Brine Line</td>
<td>148,249.42</td>
<td>148,249.42</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Department of Water Resources</td>
<td>Prop 84</td>
<td>2,665,556.51</td>
<td>395,201.44</td>
<td>149,945.59</td>
<td>2,120,409.48</td>
<td></td>
</tr>
<tr>
<td>Eastern Municipal Water District</td>
<td>Brine Line</td>
<td>147,332.70</td>
<td>147,332.70</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Inland Empire Utilities Agency</td>
<td>Brine Line</td>
<td>130,913.97</td>
<td>130,913.97</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Orange County Water District</td>
<td>Member Agency Contributions</td>
<td>46,000.00</td>
<td></td>
<td></td>
<td>46,000.00</td>
<td></td>
</tr>
<tr>
<td>Riverside County Regional Park and Open Space</td>
<td>Mitigation Credit Sales</td>
<td>900,923.31</td>
<td></td>
<td></td>
<td>900,923.31</td>
<td></td>
</tr>
<tr>
<td>San Bernardino Valley Municipal Water District</td>
<td>Brine Line</td>
<td>58,110.46</td>
<td>58,110.46</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Western Municipal Water District</td>
<td>Brine Line</td>
<td>265,917.26</td>
<td>263,207.29</td>
<td>2,709.97</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Accounts Receivable</td>
<td></td>
<td>4,363,003.63</td>
<td>-</td>
<td>1,143,015.28</td>
<td>1,050,868.90</td>
<td>2,169,119.45</td>
</tr>
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<td>Vendor Name</td>
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<td>Begin Date</td>
<td>End Date</td>
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<td>1969</td>
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<td>Kati B Quantum</td>
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<td>09-30-2015</td>
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<td>1901</td>
<td>Earth Research</td>
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<td>01-30-2015</td>
<td>02-08-2015</td>
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<td>CAV2015-01</td>
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<td>Cavel Engineering</td>
<td>Financial Housing Update 1515</td>
<td>08-05-2015</td>
<td>12-31-2015</td>
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<td>2015</td>
<td>1975</td>
<td>EDM Smith</td>
<td>SITE Trained Report for BMRK TMDL</td>
<td>10-01-2015</td>
<td>06-30-2016</td>
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<td>EDM Smith</td>
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<td>12-07-2015</td>
<td>06-30-2016</td>
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<td>CVM3018-01</td>
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<td>1956</td>
<td>Charles Kong Company Inc</td>
<td>Site Revitalization &amp; Improvement - Phase 1</td>
<td>10-31-2014</td>
<td>04-28-2016</td>
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<td>ELH2015-01</td>
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<td>1923</td>
<td>City of Colton Police Department</td>
<td>Storm Drain Inlet Maintenance</td>
<td>06-17-2015</td>
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<td>1946</td>
<td>Daniel Intain &amp; Associates Inc</td>
<td>Third Party Review: Daniel Technology's Brine Line Evaluation</td>
<td>02-27-2016</td>
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<td>DelGross Communications</td>
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<td>Mobile Calibration</td>
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<td>03-30-2016</td>
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<td>03-30-2016</td>
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<td>J E Boushock</td>
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<td>OmniEarth Inc</td>
<td>Web Based Water Consumption Reporting</td>
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<td>2015</td>
<td>2018</td>
<td>Pechanga Band of Luiseno Indians</td>
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<td>06-30-2016</td>
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<td>On Call Potholing</td>
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Santa Ana Watershed Project Authority
Open Task Orders Schedule
As of April 2016
Task Order No.
Project Contracts
WO2016-16

Vendor No.

Vendor Name

Task Description

Begin Date

End Date

Original Contract

Change Orders

Total Contract

Billed To Date

Contract Balance

SAWPA Manager

2078

Ramtech Laboratories

Sampling

07/30/2015

06/30/2016 $

35,000.00

$

15,000.00

$

50,000.00

$

38,999.00

$

PO3149

1975

Republic Services

Disposal Fee

06/25/2015

06/30/2016 $

8,000.00

$

3,000.00

$

11,000.00

$

8,696.95

$

RESO504-301-01

1297

Resource Strategies Inc

OWOW 2014 Emergency Drought Implementation

03/10/2015

06/30/2016 $

26,400.00

$

38,050.00

$

64,450.00

$

53,700.00

$

10,750.00 Dean Unger

RISK374-05

1174

Risk Sciences

Basin Monitoring TF

12/22/2015

06/30/2016 $

39,640.00

$

-

$

39,640.00

$

10,814.07

$

28,825.93 Mark Norton

RISK384-08

1174

Risk Sciences

MSAR TMDL Task Force

07/12/2015

06/30/2017 $

87,300.00

$

-

$

87,300.00

$

10,374.58

$

76,925.42 Rick Whetsel

SAWA323-01

1420

Santa Ana Watershed Association

Habitat Mitigation in Prado Basin

01/29/2010

12/31/2016 $

245,000.00

$

-

$

245,000.00

$

215,674.66

$

29,325.34 Carlos Quintero

SAWA323-03

1420

Santa Ana Watershed Association

Habitat Mitigation Upstream Prado Dam Lower Reaches IV-A & IV-B

03/27/2014

12/31/2017 $

77,506.04

$

-

$

77,506.04

$

$

77,506.04 Carlos Quintero

SRI504-301-01

2009

Statistical Research Inc

Image Analysis & ID

10/14/2015

12/23/2015 $

40,634.00

$

-

$

40,634.00

$

$

17,169.79 Dean Unger

SRI504-301-02

2009

Statistical Research Inc

Image Analysis & Outdoor Area Measurement

03/07/2016

08/01/2016 $

162,204.00

$

-

$

162,204.00

$

$

162,204.00 Dean Unger

TKE240-02

1995

TKE Engineering & Planning

Brine Line On-Call Land Surveying Services

06/26/2015

06/30/2017 $

30,300.00

$

-

$

30,300.00

$

6,550.00

$

23,750.00 Carlos Quintero

PO3146

1961

Trench Shoring Inc

Steel Plate Rental

06/25/2015

06/30/2016 $

5,000.00

$

-

$

5,000.00

$

50.00

$

4,950.00 Carlos Quintero

PO3150

1974

Tripac Marketing

Misc Maintenance Items

06/25/2015

06/30/2016 $

2,000.00

$

$

4,000.00

$

3,014.50

$

985.50 Carlos Quintero

TRU240-13

1915

Trussell Technologies Inc

Water Quality Monitoring Analysis

06/12/2015

06/30/2016 $

43,395.00

$

-

$

43,395.00

$

43,391.25

$

3.75 Rich Haller

TRU240-14

1915

Trussell Technologies Inc

S-01 Monitoring Point - Stinger-Probe Evaluation

06/12/2015

06/30/2016 $

25,016.00

$

-

$

25,016.00

$

1,254.00

$

23,762.00 Rich Haller

TRU240-15

1915

Trussell Technologies Inc

FY2016 Assessment of Brine Line Solids

01/04/2016

06/30/2016 $

48,481.00

$

-

$

48,481.00

$

48,481.00

$

-

Rich Haller

TRU240-16

1915

Trussell Technologies Inc

Discharger Solids Loading Test Plan Development

03/23/2016

06/30/2016 $

10,503.00

$

-

$

10,503.00

$

10,503.00

$

-

Rich Haller

PO3151

1771

United Storm Water Inc

Dewatering Bins, Ramps, Hauling Services

07/01/2015

06/30/2016 $

10,000.00

$

11,007.30

$

21,007.30

$

21,007.30

$

-

Carlos Quinto

VALI326-02

2034

Vali Cooper & Associates Inc

Reach V Rehabilitation & Improvements - Construction Management

10/28/2014

12/31/2016 $

818,610.00

$

626,599.00

$

1,445,209.00

$

832,578.79

$

612,630.21 David Ruhl

VALI326-03

2034

Vali Cooper & Associates Inc

Reach V Rehabilitation & Improvements Phase 2

02/25/2016

12/31/2016 $

196,380.00

$

-

$

196,380.00

$

2,533.00

$

193,847.00 David Ruhl

WO2016-02

1217

Western Municipal Water District

Brine Line Operations & Maintenance

07/15/2015

06/30/2016 $

119,000.00

$

-

$

119,000.00

$

69,112.63

$

49,887.37 David Ruhl

ACS100-08

1842

Accent Computer Solutions

IT Support

03/23/2016

06/30/2017 $

36,750.00

$

-

$

36,750.00

$

3,246.50

$

33,503.50 Dean Unger

INSOL100-07

1648

Integrated Systems Solutions

GP Software Annual Technical Support

08/15/2015

06/30/2016 $

5,000.00

$

-

$

5,000.00

$

1,529.50

$

3,470.50 Dean Unger

INSOL100-08

1648

Integrated Systems Solutions

GP Upgrade and Encryption

08/15/2015

09/30/2015 $

5,940.00

$

-

$

5,940.00

$

429.00

$

5,511.00 Dean Unger

PRB100-01

2008

Paul Redvers Brown Inc

Strategic Review

12/05/2015

06/30/2016 $

25,000.00

$

$

40,000.00

$

23,055.00

$

16,945.00 Celeste Cantú

PO3144

1544

County of Riverside

Gas for Vehicles

07/01/2015

06/30/2016 $

12,000.00

$

$

12,000.00

$

5,346.98

$

6,653.02 Carlos Quintero

PO3145

2067

County of Riverside/Transportation

Diesel Fuel

07/01/2015

06/30/2016 $

2,000.00

$

$

3,500.00

$

2,352.38

$

1,147.62 Carlos Quintero

PO3147

2038

Riverside Transmission Center

Agency Vehicle Maintenance - Oil Change, Air Filter

07/01/2015

06/30/2016 $

3,500.00

$

-

$

3,500.00

$

2,252.44

$

1,247.56 Carlos Quintero

STET100-01

2052

Stetson Engineers Inc

Resilience-based Project Scoring Rubric

02/12/2015

02/28/2016 $

29,900.00

$

-

$

29,900.00

$

22,239.82

$

7,660.18 Larry McKenney

TTD100-01

2096

The Technology Depot

Phone System Support

03/07/2016

06/30/2016 $

3,500.00

$

-

$

3,500.00

$

$

3,500.00 Dean Unger

TECH100-01

2095

Technology Systems

Website Tasks Support

01/19/2016

03/30/2016 $

3,400.00

$

-

$

3,400.00

$

1,700.00

$

1,700.00 Dean Unger

WCD100-03

1674

Web Casa Design

Website Update and Support

08/15/2014

06/01/2015 $

2,900.00

$

$

5,375.00

$

3,437.50

$

1,937.50 Dean Unger

WCA100-03-02

1326

West Coast Advisors

State Legislative Consulting Services FY16-18

11/24/2015

12/31/2018 $

345,000.00

$

-

$

345,000.00

$

35,500.00

$

309,500.00 Celeste Cantú

WNDE100-04

1449

White Nelson Diehl Evans LLC

SAWPA Auditing Services

03/08/2016

06/30/2017 $

25,725.00

$

-

$

25,725.00

$

$
$

25,725.00 Karen Williams
10,604,559.22

2,000.00

23,464.21
-

11,001.00 David Ruhl
2,303.05 Carlos Quintero

Annual Support Contracts

15,000.00
1,500.00

2,475.00

-

-

197


## Santa Ana Watershed Project Authority
## Brine Line Debt Service Funding Analysis
## April 30, 2016

### Brine Line Debt Service Funding Analysis

<table>
<thead>
<tr>
<th>FYE</th>
<th>T-Strip Maturity (a)</th>
<th>Capacity Loan Receipts (b)</th>
<th>Rates ©</th>
<th>Loan Pymts ( d )</th>
<th>Interest Earned * (e)</th>
<th>Excess Cash (f)</th>
<th>Ending Cash Balance (g)</th>
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<td>2016</td>
<td>1,824,000</td>
<td>795,772</td>
<td>1,044,000</td>
<td>(4,054,945)</td>
<td>96,720</td>
<td>(294,454)</td>
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<td>2017</td>
<td>949,000</td>
<td>795,772</td>
<td>1,044,000</td>
<td>(3,060,725)</td>
<td>58,591</td>
<td>(213,362)</td>
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<td>2018</td>
<td>949,000</td>
<td>795,772</td>
<td>1,044,000</td>
<td>(3,060,725)</td>
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<td>(217,629)</td>
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<td>395,000</td>
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<td>25,951</td>
<td>(705,600)</td>
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<td>361,083</td>
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*Interest earned is based on a conservative 2.00% average return over the period*
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<td>2,526,801</td>
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<td>1,775,147</td>
<td>2,170,551</td>
<td>13,345,457</td>
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<td>348,294</td>
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<tr>
<td>2023</td>
<td>256,877</td>
<td>787,396</td>
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</tr>
<tr>
<td>2024</td>
<td>236,405</td>
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<td>215,400</td>
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<td>125,777</td>
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<td>2032</td>
<td>52,256</td>
<td>992,018</td>
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<td>1,017,810</td>
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<tr>
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<td>26,463</td>
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</table>
Total Cash & Investments

Millions

- May'15: $56
- Jun'15: $56
- Jul'15: $56
- Aug'15: $56
- Sep'15: $56
- Oct'15: $56
- Nov'15: $53
- Dec'15: $55
- Jan'16: $54
- Feb'16: $54
- Mar'16: $56
- Apr'16: $57

200
# RESERVE BALANCE & SOURCE OF FUNDS

**April 30, 2016**

<table>
<thead>
<tr>
<th>Reserve Accounts</th>
<th>Total</th>
<th>Checking (Cash)</th>
<th>CalTRUST Investments</th>
<th>LAIF Account</th>
<th>Savings EPA</th>
<th>Investment Securities</th>
<th>Certificates of Deposit</th>
<th>Treasury Strips</th>
<th>Grant Retention</th>
<th>Total</th>
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<td>$2,161,746</td>
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<td>$167,228</td>
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<td>397 Energy - Water DAC Grant</td>
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<td>$44,760</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$56,609,356</strong></td>
<td><strong>$3,984,814</strong></td>
<td><strong>$2,158,331</strong></td>
<td><strong>$35,457,232</strong></td>
<td><strong>$444,353</strong></td>
<td><strong>$8,573,637</strong></td>
<td><strong>$2,729,894</strong></td>
<td><strong>$3,216,335</strong></td>
<td><strong>$44,760</strong></td>
<td><strong>$56,609,356</strong></td>
</tr>
</tbody>
</table>
Cash & Investments - April 2016
$56,609,356

LAIF, $35,457,232, 62%

Savings - EPA, $444,353, 1%

T-Strips, $3,216,335, 6%

Checking Accounts, $3,984,814, 7%

Grant Retention, $44,760, 0%

Certificates of Deposit, $2,729,894, 5%

Securities, $8,573,637, 15%

CalTRUST Investments, $2,158,331, 4%
## Santa Ana Watershed Project Authority
### Reserve Account Analysis
#### April 30, 2016

<table>
<thead>
<tr>
<th>Reserve Account</th>
<th>Balance @ 6/30/15</th>
<th>Interest Earned</th>
<th>Fund Contributions</th>
<th>Loan/T-Strip Receipts</th>
<th>Debt Service Payments</th>
<th>Inter-Fund Loans</th>
<th>Fund Expenses</th>
<th>Balance @ 4/30/16</th>
<th>Changes</th>
<th>Estimated Fund Balance @ 6/30/16</th>
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</thead>
<tbody>
<tr>
<td>Brine Line Operating Reserve</td>
<td>2,342,219</td>
<td>14,491</td>
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<tr>
<td>Flow Imbalance Reserve</td>
<td>77,331</td>
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<td>4,473</td>
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<td>82,164</td>
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<td>82,164</td>
</tr>
<tr>
<td>OCSD Future Capacity</td>
<td>1,703,740</td>
<td>7,758</td>
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<td>1,711,499</td>
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<tr>
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<td>5,974,556</td>
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<td>1,179,258</td>
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<td>7,184,638</td>
<td>-</td>
<td>7,184,638</td>
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<tr>
<td>Pipeline Replacement</td>
<td>21,541,933</td>
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<td>833,333</td>
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<td>416,666</td>
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<td>(260,536)</td>
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<td>(6,193)</td>
<td>737,322</td>
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<td>737,322</td>
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</table>

---

203
Twelve Month Maturity Schedule

Securities

- < 1 YR: 20%
- 1 to 2 YRS: 18%
- 2 to 3 YRS: 29%
- 3 to 4 YRS: 14%
- 4 to 5 YRS: 18%
## SAWPA
### TREASURER'S REPORT
#### As of April 30, 2016

### Investment

#### T-Strips

<table>
<thead>
<tr>
<th>T-STRIPS</th>
<th>Debt</th>
<th>Purchase Date</th>
<th>Maturity Date</th>
<th>PAR</th>
<th>Cost</th>
<th>Initial Discount</th>
<th>Current Discount</th>
<th>Book Value</th>
<th>Market Value</th>
<th>Interest Rate</th>
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</thead>
<tbody>
<tr>
<td>USB</td>
<td>WEST RIV</td>
<td>07/09/1999</td>
<td>11/15/2017</td>
<td>668,000.00</td>
<td>219,833.00</td>
<td>448,167.88</td>
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<tr>
<td>USB</td>
<td>WEST RIV</td>
<td>07/12/1999</td>
<td>05/15/2018</td>
<td>660,000.00</td>
<td>216,289.00</td>
<td>443,711.40</td>
<td>121,088.27</td>
<td>538,911.73</td>
<td>654,863.44</td>
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<td>USB</td>
<td>TVRI</td>
<td>02/11/2000</td>
<td>05/15/2020</td>
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### Safekeeping

#### CBB

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<th>Type</th>
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<th>Principal</th>
<th>Current Value</th>
<th>Market Value</th>
<th>Interest Rate</th>
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<tr>
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<td>3/27/2018</td>
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<td>USTN</td>
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<td>11/30/2018</td>
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<td>10/31/2020</td>
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<tr>
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<td>CIT Bank</td>
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<td>BMW Bank</td>
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<td>GE Capital Bank</td>
<td>1/31/2014</td>
<td>1/31/2017</td>
<td>100.00</td>
<td>$248,000.00</td>
<td>$248,000.00</td>
<td>$248,000.00</td>
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<td>1.00%</td>
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<td>Compass Bank</td>
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<td>Capital One Bank USA NA</td>
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<td>1.65%</td>
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<td>$248,000.00</td>
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<td>$248,000.00</td>
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<td>Wells Fargo Bank NA</td>
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<tr>
<td>CD</td>
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<td>6/18/2014</td>
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### Safekeeping

#### US Bank

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<th>Type</th>
<th>Security</th>
<th>Purchase Date</th>
<th>Maturity Date</th>
<th>Unit Cost</th>
<th>Cost</th>
<th>Principal</th>
<th>Current Value</th>
<th>Market Value</th>
<th>Interest Rate</th>
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</table>

$3,303,000.00 $1,061,647.95 $2,241,353.33 $675,541.59 $2,627,458.41 $3,251,239.33 6.37%
Average Daily Flow by Month
SUMMARY OF LABOR MULTIPLIERS

Total Employee Benefits 1,065,783
Total Payroll 2,450,902

Gross G&A Costs 2,292,019
Less: Member Contributions & Other Revenue (320,833)
G&A Costs for Distribution 1,971,186

Direct Labor 1,221,541
G&A Costs 1,971,186

FY 2015-16 Labor multiplier - thru 4/30/16 2.049
FY 2014-15 Labor multiplier 1.850
FY 2013-14 Labor multiplier 2.105
FY 2012-13 Labor multiplier 1.938
FY 2011-12 Labor multiplier 2.045
FY 2010-11 Labor multiplier 2.045
### GENERAL FUND COSTS

(to be Distributed)

<table>
<thead>
<tr>
<th>G/L Acct.</th>
<th>Description</th>
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<td>Salaries - Regular</td>
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<td>52000</td>
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<td>60112</td>
<td>Training</td>
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<tr>
<td>60113</td>
<td>Education</td>
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<td>60114</td>
<td>Other Training &amp; Education</td>
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<td>60120</td>
<td>Audit Fees</td>
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<td>Consulting</td>
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<td>Temporary Services</td>
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<td>60128</td>
<td>Other Professional Services</td>
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<tr>
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<td>Other Contract Services</td>
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<td>60130</td>
<td>Legal Fees</td>
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<tr>
<td>60153</td>
<td>Materials &amp; Supplies</td>
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<td>60154</td>
<td>Safety</td>
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<td>60159</td>
<td>Facility Repair &amp; Maintenance</td>
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<td>Telephone</td>
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<td>60161</td>
<td>Cellular / Paging Services</td>
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<tr>
<td>60163</td>
<td>Electricity</td>
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<td>60164</td>
<td>Water Services</td>
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<tr>
<td>60170</td>
<td>Equipment Expensed</td>
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(Continued - next column)

<table>
<thead>
<tr>
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<th>Description</th>
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<tbody>
<tr>
<td>60171</td>
<td>Equipment Rented</td>
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<tr>
<td>60172</td>
<td>Equipment Repair / Maintenance</td>
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<tr>
<td>60180</td>
<td>Computer Hardware</td>
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<tr>
<td>60181</td>
<td>Software / Updates / Licensing</td>
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<tr>
<td>60182</td>
<td>Internet Services</td>
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<tr>
<td>60183</td>
<td>Computer Supplies</td>
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<td>Computer Repair / Maintenance</td>
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<tr>
<td>60190</td>
<td>Offsite Meeting / Travel Expense</td>
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</tr>
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<td>60191</td>
<td>In House Meetings</td>
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<td>60192</td>
<td>Conference Expense</td>
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<td>60193</td>
<td>Car, Repair, Maint</td>
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<tr>
<td>60200</td>
<td>Dues</td>
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<tr>
<td>60202</td>
<td>Subscriptions</td>
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<td>60203</td>
<td>Contributions</td>
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<td>60210</td>
<td>Bank Charges</td>
<td>$595</td>
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<tr>
<td>60211</td>
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<td>60212</td>
<td>Office Supplies</td>
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<td>Offsite Storage</td>
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<td>Other Commission Expense</td>
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<td>60230</td>
<td>Other Expense</td>
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<tr>
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<td>13005</td>
<td>Fixed Assets</td>
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</table>

**Total Costs** $2,292,019

Direct Costs Paid by Projects $2,061,176

Member Contribution Offset $320,833

**Over allocation %** 4.6%

208
# BENEFITS SUMMARY

*(Distributed based on Actual Labor)*

<table>
<thead>
<tr>
<th>G/L Acct</th>
<th>Description</th>
<th>Budget</th>
<th>Actual @ 4/30/16</th>
<th>Projected FYE 2016</th>
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<td>70101</td>
<td>FICA Expense</td>
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<td>$123,099</td>
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<td>Medicare Expense</td>
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<td>$34,424</td>
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<td>$5,640</td>
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<td>70104</td>
<td>Worker's Compensation Insurance</td>
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<td>$61,775</td>
<td>$53,182</td>
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<td>70105</td>
<td>State Disability Insurance</td>
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<td>$16,300</td>
<td>$18,788</td>
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<td>70106</td>
<td>PERS Pension Plan</td>
<td>557,936</td>
<td>$497,940</td>
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<td>70111</td>
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<td>$271,022</td>
<td>$325,226</td>
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<td>Dental Expense</td>
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<td>$3,250</td>
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<td>401a Profit Sharing - Employers Contribution</td>
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<td>Car Allowance</td>
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<td>$30,000</td>
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**Total Benefits**  
1,312,334  
1,065,783  
1,254,715  

**Total Payroll**  
3,135,315  
2,450,902  
3,135,315  

**Benefits Rate**  
41.9%  
43.5%  
40.0%
# Santa Ana Watershed Project Authority

## Labor Hours Budget vs Actual

Month Ending April 30, 2016

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<th>Budget</th>
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<th>%</th>
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<td>Prop 84 Round 2 Administration</td>
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<td>140</td>
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<td>145</td>
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<td>13,760</td>
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<td>Reach V Capital Repairs</td>
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<td>USBR Partnership Studies</td>
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<td>Basin Monitoring Program</td>
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<td>SAR Fish Conservation</td>
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<td>384-01</td>
<td>Chino TMDL Facilitation</td>
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<td>Arundo Removal &amp; Habitat Restoration</td>
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<td>392</td>
<td>Emerging Constituents</td>
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<td>396</td>
<td>Forest First</td>
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<td>397</td>
<td>Water-Energy Grant Administration</td>
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<td>477TMDL</td>
<td>LESJWA - TMDL Task Force</td>
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<td>LESJWA - Administration</td>
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<td>Prop 84 2014 Drought Implementation</td>
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</thead>
<tbody>
<tr>
<td><strong>Total</strong></td>
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Note: Should be at 83.3% of budget for 10 months
## Santa Ana Watershed Project Authority
### Staff - Expense Report
#### 3rd Quarter FYE 2016

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<th>Staff</th>
<th>Posting Date</th>
<th>Activity</th>
<th>Airfare</th>
<th>Hotel</th>
<th>Meals</th>
<th>Mileage</th>
<th>misc</th>
<th>Parking</th>
<th>Registration</th>
<th>Grand Total</th>
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<tbody>
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<td>OWOW Meeting, Albertsons 1/28/16</td>
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<td>PA22 Meeting - Ralphs 3/24/16</td>
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<td>18.00</td>
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<td>Well Conference, SWA 2/9/16</td>
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<td>White House Water Summit - Cab 3/21/16, Uber 3/23/16</td>
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<td>White House Water Summit - Hilgon Capital 3/24/16</td>
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<td>White House Water Summit - Park n Fly 3/21-3/23/16</td>
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<td>White House Water Summit - SWA 3/21/16</td>
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<td>3/31/2016 Total</td>
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<td>1,834.73</td>
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<td>31.56</td>
<td>60.21</td>
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<td>106.21</td>
<td>3,093.51</td>
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DATE: June 21, 2016
TO: SAWPA Commission
PREPARED BY: Karen Williams, Chief Financial Officer

RECOMMENDATION
It is recommended that the Commission receive and file the informational report on FYE 2016 Second Quarter Budget vs. Actual Variance Report.

DISCUSSION
Staff has developed a Budget vs. Actual Variance Report and will present this report on a quarterly basis. Attached is the FYE 2016 Budget vs. Actual Variance Report through March 31, 2016. The Agency’s net revenue was $1,962,255, which was $2,170,443 more favorable than budgeted. Several significant items comprise the majority of this favorable variance:

Operating Revenue was $614,948 less than budgeted. This unfavorable variance is due to using a lower imbalance formula (62,000) as the average when the imbalance average was actually 277,696 for the year.

Operating Expense was $8,032,704 less than budgeted. This favorable variance is due to lower than budgeted BOD and TSS concentrations, and the Reach V Capital Repair Project construction progress being held up by legal issues.

Non-Operating Revenue/Expense was $5,247,543 less than budgeted. This favorable variance is due the Reach V Capital Repair Project shut down. Since the project has run into a few problems and progress has been shut down, reserve funds were not used to fund construction costs.

Favorable Revenue Variances
Listed below are explanations of unfavorable variances of $250,000 or more for individual revenue categories:

Other Agency Contributions – The 45% variance of $266,361 is due to having received matching funds from participating agencies for the Energy – Water DAC grant project for turf removal.

Interest & Investments – The 149% variance of $1,328,485 is due to Western Municipal Water District paying off a notes receivable early.

Unfavorable Revenue Variances
Listed below are explanations of unfavorable variances of $250,000 or more for individual revenue categories:

Discharge Fees – The 8% variance of $614,948 is due to using a lower imbalance formula (62,000) as the average when the imbalance average was actually 277,696 for the year.
Use of Reserves – The 87% variance of $3,353,107 is due to the Reach V Capital Repair Project. Construction being shut down because of legal issues, so reserve funds were not needed to fund the project.

Favorable Expense Variances
Listed below are explanations of favorable variances of $250,000 or more for individual expense categories:

Consulting & Professional Services – The 18% variance of $774,251 is due to the Reach V Capital Repair Project being shut down because of legal issues.

Repair & Maintenance – The 47% variance of $333,777 is due to the majority of the planned line cleaning projects being scheduled for later in the spring.

Construction – The 67% variance of $6,436,890 is due to the Reach V Capital Repair Project. Construction being shut down because of legal issues.

Unfavorable Expense Variances
There were no unfavorable variances of $250,000 or more for expense categories this quarter.

RESOURCE IMPACTS
None.

Attachment:
1. Variance Report

CM 2016.43 Variance Rpt 3rd Qtr 2016
## Santa Ana Watershed Project Authority
### FYE 2016 Budget vs. Actual
for the Period Ending March 31, 2016

**Consolidated**

<table>
<thead>
<tr>
<th></th>
<th>FYE 2016 Budget</th>
<th>9-Month YTD Budget</th>
<th>YTD Actual</th>
<th>Favorable (Unfavorable) Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operating Revenue</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Discharge Fees</td>
<td>$ 9,977,257</td>
<td>$ 7,482,943</td>
<td>$ 6,867,995</td>
<td>$(614,948) -8.22%</td>
</tr>
<tr>
<td>Total Operating Revenue</td>
<td>$ 9,977,257</td>
<td>$ 7,482,943</td>
<td>$ 6,867,995</td>
<td>$(614,948) -8.22%</td>
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<tr>
<td><strong>Operating Expenses</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Labor</td>
<td>3,105,996</td>
<td>2,329,497</td>
<td>2,278,542</td>
<td>50,955 2.19%</td>
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<tr>
<td>Benefits</td>
<td>1,300,063</td>
<td>975,047</td>
<td>954,953</td>
<td>20,095 2.06%</td>
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<tr>
<td>Education &amp; Training</td>
<td>64,300</td>
<td>82,225</td>
<td>11,314</td>
<td>36,911 76.54%</td>
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<td>Consulting &amp; Professional Services</td>
<td>5,838,107</td>
<td>4,378,580</td>
<td>3,604,329</td>
<td>774,251 17.68%</td>
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<td>Operating Costs</td>
<td>3,128,562</td>
<td>2,346,422</td>
<td>2,317,670</td>
<td>28,752 1.23%</td>
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<td>Repair &amp; Maintenance</td>
<td>948,350</td>
<td>711,263</td>
<td>377,485</td>
<td>333,777 46.93%</td>
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<td>Phone &amp; Utilities</td>
<td>77,500</td>
<td>58,125</td>
<td>48,554</td>
<td>9,571 16.47%</td>
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<td>Equipment &amp; Computers</td>
<td>334,110</td>
<td>250,583</td>
<td>117,983</td>
<td>132,604 52.92%</td>
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<td>Meeting &amp; Travel</td>
<td>109,800</td>
<td>82,350</td>
<td>31,805</td>
<td>50,545 61.38%</td>
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<td>Other Administrative Costs</td>
<td>243,307</td>
<td>184,980</td>
<td>113,207</td>
<td>71,773 38.80%</td>
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<td>Other Expense</td>
<td>260,514</td>
<td>195,386</td>
<td>139,871</td>
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<td>Construction</td>
<td>12,725,500</td>
<td>9,544,125</td>
<td>3,107,235</td>
<td>6,436,890 67.44%</td>
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<td>G&amp;A Allocation</td>
<td>(46,666)</td>
<td>(35,000)</td>
<td>(66,069)</td>
<td>31,069 -100.00%</td>
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<td>Total Operating Expenses</td>
<td>28,089,443</td>
<td>21,069,582</td>
<td>13,036,878</td>
<td>8,032,704 38.12%</td>
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<tr>
<td><strong>Net Operating Revenue / (Deficit)</strong></td>
<td>(18,112,186)</td>
<td>(13,586,640)</td>
<td>(6,168,883)</td>
<td>(8,647,652) 63.65%</td>
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<td><strong>Non-Operating Revenue (Expense)</strong></td>
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<td></td>
<td></td>
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<tr>
<td>Member Agency Contributions</td>
<td>1,430,855</td>
<td>1,430,855</td>
<td>1,405,491</td>
<td>(25,364) -1.77%</td>
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<td>Other Agency Contributions</td>
<td>598,295</td>
<td>598,295</td>
<td>864,656</td>
<td>266,361 44.52%</td>
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<td>Grant Proceeds</td>
<td>4,121,057</td>
<td>3,090,793</td>
<td>2,901,496</td>
<td>(189,927) -6.12%</td>
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<td>Financing Proceeds</td>
<td>267,263</td>
<td>200,447</td>
<td>141,371</td>
<td>(59,077) -29.47%</td>
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<td>Mitigation Credit Sales</td>
<td>44,490</td>
<td>33,368</td>
<td>11,123</td>
<td>(22,245) -66.67%</td>
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<td>Debt Service</td>
<td>(3,965,797)</td>
<td>(3,638,104)</td>
<td>(3,638,104)</td>
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<td>T-Strip Maturities</td>
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<td>Interest &amp; Investments</td>
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<td>2,219,893</td>
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<td>Contributions to Reserves</td>
<td>(2,313,295)</td>
<td>(1,776,357)</td>
<td>(1,776,243)</td>
<td>(114) 0.01%</td>
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<td>Use of Reserves</td>
<td>4,987,899</td>
<td>3,838,748</td>
<td>485,641</td>
<td>(3,353,107) -87.35%</td>
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<td><strong>Net Non-Operating Revenue / (Deficit)</strong></td>
<td>17,918,054</td>
<td>13,378,452</td>
<td>8,131,139</td>
<td>(5,247,543) -39.22%</td>
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<td><strong>Net Revenue / (Deficit)</strong></td>
<td>$(194,132)</td>
<td>$(208,188)</td>
<td>$1,962,255</td>
<td>$2,170,443</td>
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Santa Ana Watershed Project Authority  
FYE 2016 Budget vs. Actual  
for the Period Ending March 31, 2016  
*General Fund* 

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<th>9-Month YTD Budget</th>
<th>YTD Actual</th>
<th>Favorable (Unfavorable Variance)</th>
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<tr>
<td><strong>Operating Revenue</strong></td>
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<tr>
<td>Total Operating Revenue</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
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<tr>
<td><strong>Operating Expenses</strong></td>
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<tr>
<td>Labor</td>
<td>1,453,591</td>
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<td>1,118,495</td>
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<td>207,600</td>
<td>155,700</td>
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<td>Operating Costs</td>
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<td>Repair &amp; Maintenance</td>
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<td>51,750</td>
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<td>Equipment &amp; Computers</td>
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<td>Meeting &amp; Travel</td>
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<td>(2,007,692)</td>
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<td>Total Operating Expenses</td>
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<td>299,295</td>
<td>142,344</td>
<td>156,953 52.44%</td>
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<tr>
<td>Net Operating Revenue / (Deficit)</td>
<td>(399,060)</td>
<td>(299,295)</td>
<td>(142,344)</td>
<td>(156,953) 52.44%</td>
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<tr>
<td><strong>Non-Operating Revenue (Expense)</strong></td>
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<td>Member Agency Contributions</td>
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<td>11,890 100.00%</td>
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<td>16,365 100.00%</td>
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<tr>
<td>Use of Reserves</td>
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<td>-</td>
<td>6,193</td>
<td>(6,193) 100.00%</td>
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<td>Building Reserve</td>
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<td>- 0.00%</td>
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<td>Retiree Medical Reserve</td>
<td>(118,735)</td>
<td>(105,437)</td>
<td>(105,323)</td>
<td>(114) -0.11%</td>
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<td>Net Non-Operating Revenue / (Deficit)</td>
<td>399,060</td>
<td>412,358</td>
<td>446,919</td>
<td>21,947 5.32%</td>
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<td>Net Revenue / (Deficit)</td>
<td>$ -</td>
<td>$ 113,063</td>
<td>$ 304,575</td>
<td>$ 191,512</td>
</tr>
</tbody>
</table>
Santa Ana Watershed Project Authority  
FYE 2016 Budget vs. Actual  
for the Period Ending March 31, 2016  
*Brine Line Enterprise Fund*

### Operating Revenue

<table>
<thead>
<tr>
<th></th>
<th>FYE 2016 Budget</th>
<th>9-Month YTD Budget</th>
<th>YTD Actual</th>
<th>Variance</th>
<th>Favorable (Unfavorable) Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Discharge Fees</td>
<td>$9,977,257</td>
<td>$7,482,943</td>
<td>$6,867,995</td>
<td>($141,948)</td>
<td>-8.22%</td>
</tr>
<tr>
<td>Total Operating Revenue</td>
<td>$9,977,257</td>
<td>$7,482,943</td>
<td>$6,867,995</td>
<td>($141,948)</td>
<td>-8.22%</td>
</tr>
</tbody>
</table>

### Operating Expenses

<table>
<thead>
<tr>
<th></th>
<th>FYE 2016 Budget</th>
<th>9-Month YTD Budget</th>
<th>YTD Actual</th>
<th>Variance</th>
<th>Favorable (Unfavorable) Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Labor</td>
<td>800,427</td>
<td>600,320</td>
<td>619,165</td>
<td>(18,845)</td>
<td>-3.14%</td>
</tr>
<tr>
<td>Benefits</td>
<td>335,031</td>
<td>251,273</td>
<td>259,430</td>
<td>(8,157)</td>
<td>-3.25%</td>
</tr>
<tr>
<td>Education &amp; Training</td>
<td>8,000</td>
<td>6,000</td>
<td>785</td>
<td>5,215</td>
<td>86.92%</td>
</tr>
<tr>
<td>Consulting &amp; Professional Services</td>
<td>350,000</td>
<td>262,500</td>
<td>152,433</td>
<td>110,067</td>
<td>41.93%</td>
</tr>
<tr>
<td>Operating Costs</td>
<td>3,114,012</td>
<td>2,335,509</td>
<td>2,314,036</td>
<td>21,473</td>
<td>0.92%</td>
</tr>
<tr>
<td>Repair &amp; Maintenance</td>
<td>850,000</td>
<td>637,500</td>
<td>342,442</td>
<td>295,058</td>
<td>46.28%</td>
</tr>
<tr>
<td>Phone &amp; Utilities</td>
<td>8,500</td>
<td>6,375</td>
<td>5,905</td>
<td>470</td>
<td>7.37%</td>
</tr>
<tr>
<td>Equipment &amp; Computers</td>
<td>111,500</td>
<td>83,625</td>
<td>7,485</td>
<td>76,140</td>
<td>91.05%</td>
</tr>
<tr>
<td>Meeting &amp; Travel</td>
<td>7,000</td>
<td>5,250</td>
<td>3,085</td>
<td>2,165</td>
<td>41.25%</td>
</tr>
<tr>
<td>Other Administrative Costs</td>
<td>44,700</td>
<td>33,525</td>
<td>22,181</td>
<td>11,344</td>
<td>33.84%</td>
</tr>
<tr>
<td>Other Expense</td>
<td>152,213</td>
<td>114,160</td>
<td>111,793</td>
<td>2,367</td>
<td>2.07%</td>
</tr>
<tr>
<td>G&amp;A Allocation</td>
<td>1,274,098</td>
<td>955,574</td>
<td>985,711</td>
<td>(30,138)</td>
<td>-3.15%</td>
</tr>
<tr>
<td>Total Operating Expenses</td>
<td>7,055,482</td>
<td>5,291,611</td>
<td>4,824,452</td>
<td>467,159</td>
<td>8.83%</td>
</tr>
<tr>
<td>Net Operating Revenue / (Deficit)</td>
<td>$2,921,776</td>
<td>$2,191,332</td>
<td>$2,043,543</td>
<td>$246,068</td>
<td>11.23%</td>
</tr>
</tbody>
</table>

### Non-Operating Revenue (Expense)

<table>
<thead>
<tr>
<th></th>
<th>FYE 2016 Budget</th>
<th>9-Month YTD Budget</th>
<th>YTD Actual</th>
<th>Variance</th>
<th>Favorable (Unfavorable) Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest &amp; Investments</td>
<td>923,287</td>
<td>891,408</td>
<td>2,196,903</td>
<td>1,305,495</td>
<td>146.45%</td>
</tr>
<tr>
<td>Other Income</td>
<td>-</td>
<td>-</td>
<td>23,378</td>
<td>23,378</td>
<td>100.00%</td>
</tr>
<tr>
<td>Debt Service</td>
<td>(3,965,797)</td>
<td>(3,638,104)</td>
<td>(3,638,104)</td>
<td>(0)</td>
<td>0.00%</td>
</tr>
<tr>
<td>T-Strip Maturities</td>
<td>1,824,000</td>
<td>1,209,000</td>
<td>1,209,000</td>
<td>-</td>
<td>0.00%</td>
</tr>
<tr>
<td>Use of Reserves</td>
<td>391,295</td>
<td>391,295</td>
<td>451,295</td>
<td>60,000</td>
<td>15.33%</td>
</tr>
<tr>
<td>Contributions to Reserves</td>
<td>(2,094,560)</td>
<td>(1,570,920)</td>
<td>(1,570,920)</td>
<td>(0)</td>
<td>0.00%</td>
</tr>
<tr>
<td>Net Non-Operating Revenue / (Deficit)</td>
<td>(2,921,776)</td>
<td>(2,717,321)</td>
<td>(1,328,448)</td>
<td>1,388,873</td>
<td>-51.11%</td>
</tr>
<tr>
<td>Net Revenue / (Deficit)</td>
<td>-</td>
<td>$(525,989)</td>
<td>$715,095</td>
<td>$1,241,085</td>
<td></td>
</tr>
</tbody>
</table>
Santa Ana Watershed Project Authority  
FYE 2016 Budget vs. Actual  
for the Period Ending March 31, 2016  
Planning Fund

<table>
<thead>
<tr>
<th>FYE 2016 Budget</th>
<th>9-Month YTD Budget</th>
<th>Planning Fund YTD Actual</th>
<th>Favorable (Unfavorable) Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operating Revenue</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Operating Revenue</td>
<td>$ -</td>
<td>$ -</td>
<td>$ 0</td>
</tr>
<tr>
<td><strong>Operating Expenses</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Labor</td>
<td>207,729</td>
<td>155,797</td>
<td>132,205</td>
</tr>
<tr>
<td>Benefits</td>
<td>86,948</td>
<td>65,211</td>
<td>55,394</td>
</tr>
<tr>
<td>Consulting &amp; Professional Services</td>
<td>20,000</td>
<td>15,000</td>
<td>-</td>
</tr>
<tr>
<td>Meeting &amp; Travel</td>
<td>8,900</td>
<td>6,675</td>
<td>5,696</td>
</tr>
<tr>
<td>Other Administrative Costs</td>
<td>10,650</td>
<td>10,488</td>
<td>10,759</td>
</tr>
<tr>
<td>Other Expense</td>
<td>2,400</td>
<td>1,800</td>
<td>633</td>
</tr>
<tr>
<td>G&amp;A Allocation</td>
<td>330,657</td>
<td>247,993</td>
<td>210,471</td>
</tr>
<tr>
<td>Total Operating Expenses</td>
<td>667,284</td>
<td>502,963</td>
<td>415,157</td>
</tr>
<tr>
<td>Net Operating Revenue / (Deficit)</td>
<td>(667,284)</td>
<td>(502,963)</td>
<td>(415,157)</td>
</tr>
<tr>
<td><strong>Non-Operating Revenue (Expense)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Member Agency Contributions</td>
<td>660,000</td>
<td>660,000</td>
<td>660,000</td>
</tr>
<tr>
<td>Interest &amp; Investments</td>
<td>-</td>
<td>-</td>
<td>1,871</td>
</tr>
<tr>
<td>Net Non-Operating Revenue / (Deficit)</td>
<td>660,000</td>
<td>660,000</td>
<td>661,871</td>
</tr>
<tr>
<td>Net Revenue / (Deficit)</td>
<td>$ (7,284)</td>
<td>$ 157,037</td>
<td>$ 246,714</td>
</tr>
</tbody>
</table>
### Santa Ana Watershed Project Authority
#### FYE 2016 Budget vs. Actual
for the Period Ending March 31, 2016

**Grant / Contract Fund**

<table>
<thead>
<tr>
<th>FYE 2016 Budget</th>
<th>9-Month Budget</th>
<th>YTD Actual</th>
<th>Favorable (Unfavorable) Variance</th>
</tr>
</thead>
</table>

#### Operating Revenue

- **Total Operating Revenue**: $ - $ - $ - $ - 0.00%

#### Operating Expenses

- **Labor**: 419,309 314,482 252,351 62,130 19.76%
- **Benefits**: 175,508 131,631 105,735 25,896 19.67%
- **Consulting & Professional Services**: 3,011,607 2,258,705 2,358,556 (99,851) -4.42%
- **Meeting & Travel**: 9,750 7,313 201 7,111 97.25%
- **Other Administrative Costs**: 14,100 10,575 10,133 442 4.18%
- **Other Expense**: 100 75 - 75 100.00%
- **Construction**: 500 375 - 375 100.00%
- **G&A Allocation**: 667,446 500,585 401,744 98,841 19.75%

- **Total Operating Expenses**: 4,298,320 3,223,740 3,128,721 95,019 2.95%

- **Net Operating Revenue / (Deficit)**: (4,298,320) (3,223,740) (3,128,721) (95,019) 2.95%

#### Non-Operating Revenue (Expense)

- **Member Agency Contributions**: 10,000 10,000 10,000 - 0.00%
- **Other Agency Contributions**: - - 260,000 260,000 100.00%
- **Grant Proceeds**: 4,121,057 3,090,793 2,864,496 (226,297) -7.32%
- **Financing Proceeds**: 167,263 125,447 141,371 15,923 12.69%
- **Use of Reserves**: - - - - 0.00%

- **Net Non-Operating Revenue / (Deficit)**: 4,298,320 3,226,240 3,275,867 49,627 1.54%

- **Net Revenue / (Deficit)**: **$ - $ 2,500 $ 147,146 $ 144,646**

- **Project Reimbursement (Prop 84 Capital)**: 2,532,750 1,899,563 1,967,433 67,870
Santa Ana Watershed Project Authority  
FYE 2016 Budget vs. Actual  
for the Period Ending March 31, 2016  
*Collaborative Project Fund*

<table>
<thead>
<tr>
<th></th>
<th>FYE 2016 Budget</th>
<th>9-Month Budget</th>
<th>YTD Actual</th>
<th>Favorable (Unfavorable) Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operating Revenue</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Operating Revenue</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td><strong>Operating Expenses</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Labor</td>
<td>80,736</td>
<td>60,552</td>
<td>44,452</td>
<td>16,100</td>
</tr>
<tr>
<td>Benefits</td>
<td>33,794</td>
<td>25,346</td>
<td>18,626</td>
<td>6,720</td>
</tr>
<tr>
<td>Consulting &amp; Professional Services</td>
<td>678,900</td>
<td>509,175</td>
<td>131,094</td>
<td>378,081</td>
</tr>
<tr>
<td>Operating Costs</td>
<td>100</td>
<td>75</td>
<td>-</td>
<td>75</td>
</tr>
<tr>
<td>Meeting &amp; Travel</td>
<td>500</td>
<td>375</td>
<td>432</td>
<td>(57)</td>
</tr>
<tr>
<td>Other Administrative Costs</td>
<td>150</td>
<td>113</td>
<td>-</td>
<td>113</td>
</tr>
<tr>
<td>Construction</td>
<td>150,000</td>
<td>112,500</td>
<td>28,854</td>
<td>83,646</td>
</tr>
<tr>
<td>G&amp;A Allocation</td>
<td>128,514</td>
<td>96,386</td>
<td>70,768</td>
<td>25,617</td>
</tr>
<tr>
<td>Total Operating Expenses</td>
<td>1,072,694</td>
<td>804,521</td>
<td>294,226</td>
<td>510,294</td>
</tr>
<tr>
<td><strong>Net Operating Revenue / (Deficit)</strong></td>
<td>(1,072,694)</td>
<td>(804,521)</td>
<td>(294,226)</td>
<td>(510,294)</td>
</tr>
<tr>
<td><strong>Non-Operating Revenue (Expense)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Member Agency Contributions</td>
<td>143,060</td>
<td>143,060</td>
<td>117,696</td>
<td>(26,364)</td>
</tr>
<tr>
<td>Other Agency Contributions</td>
<td>598,295</td>
<td>598,295</td>
<td>604,656</td>
<td>6,361</td>
</tr>
<tr>
<td>Financing Proceeds</td>
<td>100,000</td>
<td>75,000</td>
<td>-</td>
<td>(75,000)</td>
</tr>
<tr>
<td>Mitigation Credit Sales</td>
<td>44,490</td>
<td>33,368</td>
<td>11,123</td>
<td>(22,245)</td>
</tr>
<tr>
<td>Grant Proceeds</td>
<td>-</td>
<td>-</td>
<td>37,000</td>
<td>37,000</td>
</tr>
<tr>
<td>Other Income</td>
<td>-</td>
<td>-</td>
<td>63,247</td>
<td>63,247</td>
</tr>
<tr>
<td>Interest &amp; Investments</td>
<td>-</td>
<td>-</td>
<td>9,229</td>
<td>9,229</td>
</tr>
<tr>
<td><strong>Net Non-Operating Revenue / (Deficit)</strong></td>
<td>885,845</td>
<td>849,723</td>
<td>842,951</td>
<td>(6,772)</td>
</tr>
<tr>
<td><strong>Net Revenue / (Deficit)</strong></td>
<td>$ (186,849)</td>
<td>$ 45,202</td>
<td>$ 548,725</td>
<td>$ 503,523</td>
</tr>
</tbody>
</table>
Santa Ana Watershed Project Authority  
FYE 2016 Budget vs. Actual  
for the Period Ending March 31, 2016  
*Capital Fund*

<table>
<thead>
<tr>
<th></th>
<th>FYE 2016 Budget</th>
<th>9-Month Budget</th>
<th>YTD Actual</th>
<th>Favorable (Unfavorable) Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operating Revenue</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Operating Revenue</td>
<td>$ - $</td>
<td>$ - $</td>
<td>$ - $</td>
<td>$ - $</td>
</tr>
<tr>
<td><strong>Operating Expenses</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Labor</td>
<td>144,204</td>
<td>108,153</td>
<td>111,873</td>
<td>(3,720)</td>
</tr>
<tr>
<td>Benefits</td>
<td>60,359</td>
<td>45,269</td>
<td>47,118</td>
<td>(1,849)</td>
</tr>
<tr>
<td>Consulting &amp; Professional Services</td>
<td>1,570,000</td>
<td>1,177,500</td>
<td>811,680</td>
<td>365,820</td>
</tr>
<tr>
<td>Meeting &amp; Travel</td>
<td>-</td>
<td>-</td>
<td>3,294</td>
<td>(3,294)</td>
</tr>
<tr>
<td>Other Expense</td>
<td>17,500</td>
<td>13,125</td>
<td>605</td>
<td>12,520</td>
</tr>
<tr>
<td>Construction</td>
<td>12,575,000</td>
<td>9,431,250</td>
<td>3,078,381</td>
<td>6,352,869</td>
</tr>
<tr>
<td>G&amp;A Allocation</td>
<td>229,541</td>
<td>172,156</td>
<td>179,027</td>
<td>(6,871)</td>
</tr>
<tr>
<td><strong>Total Operating Expenses</strong></td>
<td>14,596,604</td>
<td>10,947,453</td>
<td>4,231,978</td>
<td>6,715,475</td>
</tr>
<tr>
<td><strong>Net Operating Revenue / (Deficit)</strong></td>
<td>(14,596,604)</td>
<td>(10,947,453)</td>
<td>(4,231,978)</td>
<td>(6,715,475)</td>
</tr>
<tr>
<td><strong>Non-Operating Revenue (Expense)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SRF Loan Proceeds</td>
<td>10,000,000</td>
<td>7,500,000</td>
<td>4,143,827</td>
<td>(3,356,173)</td>
</tr>
<tr>
<td>Other Income</td>
<td>-</td>
<td>-</td>
<td>59,998</td>
<td>59,998</td>
</tr>
<tr>
<td>Use of Reserves</td>
<td>4,596,604</td>
<td>3,447,453</td>
<td>28,153</td>
<td>(3,419,300)</td>
</tr>
<tr>
<td><strong>Net Non-Operating Revenue / (Deficit)</strong></td>
<td>14,596,604</td>
<td>10,947,453</td>
<td>4,231,978</td>
<td>(6,715,475)</td>
</tr>
<tr>
<td><strong>Net Revenue / (Deficit)</strong></td>
<td>$ - $</td>
<td>$ - $</td>
<td>$ 0</td>
<td>$ 0</td>
</tr>
</tbody>
</table>
To the Board of Commissioners
of the Santa Ana Watershed Project Authority
Riverside, California

We are engaged to audit the financial statements of the Santa Ana Watershed Project Authority (the Authority) for the year ending June 30, 2016. Professional standards require that we provide you with the following information related to our audit.

**Our Responsibilities under U.S. Generally Accepted Auditing Standards and Government Auditing Standards and the Uniform Guidance**

As stated in our engagement letter dated May 6, 2016, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

In planning and performing our audit, we will consider the Authority’s internal control over financial reporting in order to determine our procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. We will also consider internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance.

As part of obtaining reasonable assurance about whether the Authority’s financial statements are free of material misstatement, we will perform tests of its compliance with certain provisions of laws, regulations, contracts, and grants. However, providing an opinion on compliance with those provisions is not an objective of our audit. Also, in accordance with the Uniform Guidance, we will examine, on a test basis, evidence about the Authority’s compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Compliance Supplement applicable to each of its major federal programs for the purpose of expressing an opinion on the Authority’s compliance with those requirements. While our audit will provide a reasonable basis for our opinion, it will not provide a legal determination on the Authority’s compliance with those requirements.

We are responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures specifically to identify such matters.
Our Responsibilities under U.S. Generally Accepted Auditing Standards and Government Auditing Standards (Continued)

Generally accepted accounting principles provide for certain required supplementary information (RSI) to supplement the basic financial statements. Our responsibility with respect to the Management’s Discussion and Analysis, Schedule of Funding Progress-Other Post-Employment Benefits Obligation, and the Authority’s Defined Benefit Plan Schedules Required by GASB Statement No. 68, Accounting and Financial Reporting for Pensions - An Amendment of GASB Statement No. 27, which supplement the basic financial statements, is to apply certain limited procedures in accordance with generally accepted auditing standards. However, the RSI will not be audited and, because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance, we will not express an opinion or provide any assurance on the RSI.

We have been engaged to report on the combining financial statements, which accompany the financial statements but are not RSI. Our responsibility for this supplementary information, as described by professional standards is to evaluate the presentation of the supplementary information in relation to the financial statements as a whole and to report on whether the supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

We have not been engaged to report on the introductory section or statistical section, which accompany the financial statements but are not RSI. Our responsibility with respect to this other information in documents containing the audited financial statements and auditors’ report does not extend beyond the financial information identified in the report. We have no responsibility for determining whether this other information is properly stated. This other information will not be audited and we will not express an opinion or provide any assurance on it.

Planned Scope and Timing of the Audit

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested.

Our audit will include obtaining an understanding of the Authority and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing and extent of further audit procedures. Material misstatements may result from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the Authority or to acts by management or employees acting on behalf of the Authority. We will generally communicate our significant findings at the conclusion of the audit. However, some matters could be communicated sooner, particularly if significant difficulties are encountered during the audit where assistance is needed to overcome the difficulties or if the difficulties may lead to a modified opinion. We will also communicate any internal control related matters that are required to be communicated under professional standards. If a member of the Board of Commissioners is aware of matters that have a material bearing on the financial statements taken as a whole (such as those described above in items 1-4), please contact Nitin Patel at (714) 978-1300 or by email at npatel@wndecpa.com by August 22, 2016.
Planned Scope and Timing of the Audit

We expect to begin the final audit fieldwork in August, 2016 and issue our report no later than December 31, 2016.

This information is intended solely for the use of the Board of Commissioners and management of the Authority and is not intended to be and should not be used by anyone other than these specified parties.

White Nelson Right Greens LLP

Irvine, California
May 20, 2016
<table>
<thead>
<tr>
<th>Bill Number</th>
<th>Sponsor</th>
<th>Title</th>
<th>Status</th>
<th>Location</th>
<th>Calendar</th>
<th>Summary</th>
</tr>
</thead>
<tbody>
<tr>
<td>AB 45</td>
<td>Mullin</td>
<td>Household hazardous waste.</td>
<td>In committee: Set, second hearing. Hearing canceled at the request of author.</td>
<td>SENATE ENVIRONMENTAL QUALITY, WIECKOWSKI, Chair</td>
<td>6/29/2016 9:30 a.m. - Room 3191</td>
<td>Would require the Department of Resources Recycling and Recovery to adopt one or more model ordinances for a comprehensive program for the collection of household hazardous waste and would authorize a local jurisdiction that provides for the residential collection and disposal of solid waste that proposes to enact an ordinance governing the collection and diversion of household hazardous waste to adopt one of the model ordinances adopted by the department.</td>
</tr>
<tr>
<td>AB 291</td>
<td>Medina</td>
<td>California Environmental Quality Act: local agencies: notice of determination: water.</td>
<td>7/17/2015-Failed Deadline pursuant to Rule 61(a)(10). (Last location was E.Q. on 6/10/2015)</td>
<td>SENATE ENVIRONMENTAL QUALITY, WIECKOWSKI, Chair</td>
<td>6/29/2016 9:30 a.m. - Room 3191</td>
<td>CEQA requires a lead agency to prepare a mitigated negative declaration for a project that may have a significant effect on the environment if revisions in the project would avoid or mitigate that effect and there is no substantial evidence that the project, as revised, would have a significant effect on the environment. This bill would authorize a local agency, for certain water projects, to file the notice with the county clerk of the county in which the local agency's principal office is located, along with any required payment to the Department of Fish and Wildlife, and to transmit a copy of the notice to the county clerks of the counties in which the water project is located, as specified.</td>
</tr>
<tr>
<td>AB 453</td>
<td>Salas</td>
<td>Extraction of groundwater: Semitropic Water Storage District.</td>
<td>Referred to Com. on N.R. &amp; W.</td>
<td>SENATE NATURAL RESOURCES AND WATER, PAVLEY, Chair</td>
<td>6/14/2016 9:30 a.m. - Room 112</td>
<td>Would authorize the Semitropic Water Storage District, in accordance with certain procedures in the act, to impose fees and collect groundwater extraction information. This bill would authorize the district to impose fees on the extraction of groundwater from the basin to fund the costs of groundwater management and to require reporting of groundwater extractions. This bill would authorize the district to exercise these powers and authorities until a groundwater sustainability plan has been adopted for the area encompassing the district. This bill contains other related provisions.</td>
</tr>
<tr>
<td>AB 501</td>
<td>Levine</td>
<td>Resources: Delta research.</td>
<td>Referred to Com. on N.R. &amp; W.</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Location: 2/4/2016-S. N.R. & W.
Summary: Would require a person conducting Delta research, as defined, whose research is funded, in whole or in part, by the state, to take specified actions with regard to the sharing of the primary data, metadata, and other supporting materials created or gathered in the course of that research. The bill would make a researcher ineligible for state funding if the researcher does not substantially comply with these requirements within 6 months of completing the Delta research project, until the researcher complies with those requirements.

**AB 581**

(Gomez D) Water Quality, Supply, and Infrastructure Improvement Act of 2014.

Introduced: 2/24/2015
Last Amend: 1/4/2016
Status: 2/4/2016-Referred to Com. on N.R. & W.
Location: 2/4/2016-S. N.R. & W.
Summary: The Water Quality, Supply, and Infrastructure Improvement Act of 2014 provides that it is the intent of the people that, to the extent practicable, a project supported by the funds made available by the act will include signage informing the public that the project received funds from the act. This bill would require certain recipients of funding pursuant to the act to post signs acknowledging the source of funds in accordance with guidelines that the Secretary of the Natural Resources Agency would be required to develop.

**AB 615**

(Rendon D) Office of Sustainable Water Solutions: technical assistance.

Introduced: 2/24/2015
Last Amend: 6/2/2015
Status: 7/17/2015-Failed Deadline pursuant to Rule 61(a)(10). (Last location was E.Q. on 6/18/2015)
Location: 7/17/2015-S. 2 YEAR
Summary: Current law establishes the Office of Sustainable Water Solutions with the purpose of promoting permanent and sustainable drinking water and wastewater treatment solutions to ensure the effective and efficient provision of safe, clean, affordable, and reliable drinking water and wastewater treatment services. Current law authorizes the office to take certain actions to further this purpose, including providing technical assistance to disadvantaged communities and small drinking water systems and wastewater systems. This bill would specify the types of technical assistance services that may be provided by the office.

**AB 647**

(Eggman D) Beneficial use: storing of water underground.

Introduced: 2/24/2015
Last Amend: 6/30/2015
Status: 7/17/2015-Failed Deadline pursuant to Rule 61(a)(10). (Last location was N.R. & W. on 6/30/2015)
Location: 7/17/2015-S. 2 YEAR
Summary: Current law declares that the storing of water underground, and related diversions for that purpose, constitute a beneficial use of water if the stored water is thereafter applied to the beneficial purposes for which the appropriation for storage was made. This bill would repeal that declaration and instead declare that the diversion of water to underground storage constitutes a beneficial use of water if the water so stored is thereafter applied to the beneficial purposes for which the appropriation for storage was made, or if the water is so stored consistent with a sustainable groundwater management plan, statutory authority to conduct groundwater recharge, or a judicial decree and is for specified purposes.

**AB 723**

(Rendon D) Rental property: plumbing fixtures: replacement.

Current Text: Amended: 7/16/2015  pdf, html
Introduced: 2/25/2015
Last Amend: 7/16/2015
Status: 8/28/2015-Failed Deadline pursuant to Rule 61(a)(11). (Last location was APPR. on 7/16/2015)
Location: 8/28/2015-S. 2 YEAR
Summary: Would require the lease or rental agreement of a single-family residential real property or any portion of a multifamily residential real property or commercial real property that is entered into, renewed, or amended after July 1, 2016, or January 1, 2017, respectively, to be accompanied by a written disclosure stating the property owner’s responsibility to replace all noncompliant plumbing fixtures with water-conserving plumbing fixtures on or before January 1, 2017, or January 1, 2019, respectively.

**AB 935** (Salas D) Water projects.
Current Text: Amended: 9/4/2015 [pdf] [html]
Introduced: 2/26/2015
Last Amend: 9/4/2015
Status: 9/11/2015-Failed Deadline pursuant to Rule 61(a)(14). (Last location was INACTIVE FILE on 9/10/2015)
Location: 9/11/2015-S. 2 YEAR
Summary: Current law establishes in the Natural Resources Agency the Department of Water Resources, which manages and undertakes planning with regard to water resources in the state. This bill would require, upon appropriation by the Legislature, the department to provide funding for certain projects, provided that certain conditions are met.

**AB 937** (Salas D) Groundwater planning: technical assistance: disadvantaged communities.
Current Text: Amended: 7/16/2015 [pdf] [html]
Introduced: 2/26/2015
Last Amend: 7/16/2015
Status: 8/28/2015-Failed Deadline pursuant to Rule 61(a)(11). (Last location was APPR. on 8/27/2015)
Location: 8/28/2015-S. 2 YEAR
Summary: Would require the Department of Water Resources to provide technical assistance to disadvantaged communities so that they may participate in groundwater planning, including, but not limited to, plans for regional groundwater banking, with any county or other local agency.

**AB 938** (Rodriguez D) Sustainable Groundwater Management Act: adjudicated basins.
Current Text: Amended: 3/9/2016 [pdf] [html]
Introduced: 2/26/2015
Last Amend: 3/9/2016
Status: 3/9/2016-From committee chair, with author's amendments: Amend, and re-refer to committee. Read second time, amended, and re-referred to Com. on N.R. & W.
Location: 3/9/2016-S. N.R. & W.
Summary: Would authorize the watermaster or local agency administering an adjudicated basin to elect that the adjudicated basin be subject to the provisions of the Sustainable Groundwater Management Act. The bill would authorize the court with jurisdiction over the adjudicated basin to issue an order setting a hearing to determine whether the adjudicated basin shall be subject to the act, as prescribed. This bill contains other related provisions and other existing laws.

**AB 954** (Mathis R) Water and Wastewater Loan and Grant Program.
Current Text: Amended: 7/6/2015 [pdf] [html]
Introduced: 2/26/2015
Last Amend: 7/6/2015
Status: 8/27/2015-In committee: Held under submission.
Location: 8/27/2015-S. APPR.
Summary: Would require the State Water Resources Control Board to establish a program to provide low-interest loans and grants to local agencies for low-interest loans and grants to eligible applicants for specified purposes relating to drinking water and wastewater treatment. This bill would create the Water and Wastewater Loan and Grant Fund and provide that the moneys in this fund are available, upon appropriation by the Legislature, to the board for expenditure for the program. This bill would transfer to the Water and Wastewater Loan and Grant Fund $10,000,000 from the General Fund. This bill contains other related provisions.
**AB 1173** (Williams D)  **Water equipment: backflow prevention devices testing: certification.**

*Current Text: Amended: 3/26/2015  pdf, html*

*Introduced: 2/27/2015*

*Last Amend: 3/26/2015*

*Status: 5/25/2016-In committee: Hearing postponed by committee.*

*Location: 5/5/2016-S. E.Q.*

*Calendar: 6/15/2016 9:30 a.m. - Room 3191  SENATE ENVIRONMENTAL QUALITY, WIECKOWSKI, Chair*

**Summary:** Would require, if a local health officer does not maintain a program for certification of backflow prevention device testers, the testing and maintenance of a backflow prevention device be performed by a person who has received a California-specific certification for testing backflow prevention devices from one of specified entities or a similar certification provider deemed acceptable by the state board or the local health officer. Because a violation of these requirements would be a crime, this bill would impose a state-mandated local program. This bill contains other related provisions and other existing laws.

**AB 1180** (Garcia, Cristina D)  **Rates and charges for water service: payment transaction fees.**

*Current Text: Amended: 6/6/2016  pdf, html*

*Introduced: 2/27/2015*

*Last Amend: 6/6/2016*

*Status: 6/13/2016-SEN. E.,U. & C. Vote - Do pass, but re-refer to the Committee on Natural Resources and*

*Location: 6/6/2016-S. E. U., & C.*

**Summary:** Would, until January 1, 2022, authorize a water corporation with 2,000 or more service connections to seek commission approval, through its general rate case application, to operate a pilot program designed to evaluate customer interest in, and utilization of, bill payment options, including, but not limited to, credit card, debit card, and prepaid card bill payment options, and to assess the cost-effectiveness of, and customer interests served by, customer access to those bill payment options.

**AB 1201** (Salas D)  **Fish and wildlife: Sacramento-San Joaquin Delta: predation by nonnative species.**

*Current Text: Amended: 8/17/2015  pdf, html*

*Introduced: 2/27/2015*

*Last Amend: 8/17/2015*

*Status: 8/28/2015-Failed Deadline pursuant to Rule 61(a)(11). (Last location was APPR. on 8/27/2015)*

*Location: 8/28/2015-S. 2 YEAR*

**Summary:** Would require the Department of Fish and Wildlife, by June 30, 2016, to develop a science-based plan that addresses predation by nonnative species upon species of fish listed pursuant to the California Endangered Species Act that reside all or a portion of their lives in the Sacramento-San Joaquin Delta and that considers predation reduction for all Chinook salmon and other native species not listed pursuant to the act.

**AB 1242** (Gray D)  **Water quality and storage.**

*Current Text: Amended: 9/1/2015  pdf, html*

*Introduced: 2/27/2015*

*Last Amend: 9/1/2015*

*Status: 9/11/2015-Failed Deadline pursuant to Rule 61(a)(14). (Last location was THIRD READING on 9/2/2015)*

*Location: 9/11/2015-S. 2 YEAR*

**Summary:** Would require the Department of Water Resources to increase statewide water storage capacity by 25% by January 1, 2025, and 50% by January 1, 2050, as specified. The bill would require the department, on or before January 1, 2017, to identify the current statewide water storage capacity and prepare a strategy and implementation plan to achieve those expansions in statewide water storage capacity, and would require the department to update the strategy and implementation plan on January 1, 2018, and every 2 years thereafter, until January 1, 2050.
**AB 1244** (Gray D) Workers' compensation: providers: suspension and revocation.

*Summary:* Current law establishes a workers' compensation system, administered by the Administrative Director of the Division of Workers' Compensation, that generally requires employers to secure the payment of workers' compensation for injuries incurred by their employees that arise out of, or in the course of, employment. Current law requires an employer to provide all medical services reasonably required to cure or relieve the injured worker from the effects of the injury. This bill would require the Director of Health Care Services to notify the administrative director of a suspension imposed pursuant to the above provisions and would require the administrative director, upon that notification, to promptly suspend the physician or practitioner from participating in the workers' compensation system in any capacity, including, but not limited to, participation as a qualified medical examiner, a treating provider in a medical provider network, or an independent medical reviewer.

**AB 1463** (Gatto D) Onsite treated water.

*Summary:* Would authorize onsite treated water from a graywater or rainwater source, as prescribed, to be used for nonpotable uses in residential, commercial, or industrial buildings. The bill would require the State Water Resources Control Board, in consultation with the State Department of Public Health, the Department of Housing and Community Development, the California Building Standards Commission, and stakeholders, to establish monitoring and reporting requirements for the nonpotable use of onsite treated water from certain other sources prior to its use in the internal plumbing of multi family residential, commercial, or industrial buildings.

**AB 1588** (Mathis R) Water and Wastewater Loan and Grant Program.

*Summary:* Would require the State Water Resources Control Board to establish a program to provide funding to counties to award low-interest loans and grants to eligible applicants for specified purposes relating to drinking water and wastewater treatment. This bill would authorize a county to apply to the board for a grant to award loans or grants, or both, to residents of the county, as prescribed. This bill would create the Water and Wastewater Loan and Grant Fund and provide that the moneys in this fund are available, upon appropriation by the Legislature, to the board to administer and implement the program.

**AB 1649** (Salas D) State water policy: priority: surface water storage projects and joint powers authorities.

*Summary:* Would require the Department of Water Resources to develop a state water
policy that gives priority to the formation of joint powers authorities that are formed to address critical surface water storage needs and to funding of the joint powers authorities' surface water projects. The bill would make findings and declarations of the Legislature, including, but not limited to, that, of the water storage projects available, the Temperance Flat Dam and Sites Reservoir will meet statewide goals and provide specified public benefits to the greatest extent.

**AB 1738 (McCarty D) Building standards: dark graywater.**
- **Current Text:** Amended: 3/28/2016  pdf  html
- **Introduced:** 2/1/2016
- **Last Amend:** 3/28/2016
- **Status:** 6/9/2016-Refereed to Coms. on T. & H. and E.Q.
- **Location:** 6/9/2016-S. T. & H.
- **Calendar:** 6/21/2016 1:30 p.m. - John L. Burton Hearing Room (4203) SENATE TRANSPORTATION AND HOUSING, BEALL, Chair
- **Summary:** Would define "dark graywater" as a specified wastewater that comes from kitchen sinks and dishwashers. This bill would require the Department of Housing and Community Development , at the next triennial building standards cycle, to adopt and submit for approval building standards for the construction, installation, and alteration of dark graywater systems for indoor and outdoor uses. This bill contains other existing laws.

**AB 1749 (Mathis R) California Environmental Quality Act: exemption: recycled water pipeline.**
- **Current Text:** Amended: 4/27/2016  pdf  html
- **Introduced:** 2/2/2016
- **Last Amend:** 4/27/2016
- **Status:** 6/9/2016-Refereed to Com. on E.Q.
- **Location:** 6/9/2016-S. E.Q.
- **Calendar:** 6/29/2016 9:30 a.m. - Room 3191 SENATE ENVIRONMENTAL QUALITY, WIECKOWSKI, Chair
- **Summary:** Would exempt from the California Environmental Quality Act's requirements projects for the construction of recycled water treatment facilities and directly related pipelines approved or carried out by a public agency prior to July 1, 2017, for the purpose of mitigating drought conditions that meet certain requirements. The bill would provide that this exemption remains operative until the state of emergency is terminated or until January 1, 2018, whichever occurs first. This bill contains other related provisions and other existing laws.

**AB 1755 (Dodd D) The Open and Transparent Water Data Act.**
- **Current Text:** Amended: 6/13/2016  pdf  html
- **Introduced:** 2/2/2016
- **Last Amend:** 6/13/2016
- **Status:** 6/13/2016-From committee chair, with author's amendments: Amend, and re-refer to committee. Read second time, amended, and re-referred to Com. on N.R. & W.
- **Location:** 6/13/2016-S. N.R. & W.
- **Calendar:** 6/28/2016 9 a.m. - Room 112 SENATE NATURAL RESOURCES AND WATER, PAVLEY, Chair
- **Summary:** Would enact the Open and Transparent Water Data Act. The act would require the department, by January 1, 2018, to create, operate, and maintain a statewide integrated water data platform that, among other things, would integrate existing water and ecological data information from multiple databases and provide data on completed water transfers and exchanges. This bill contains other existing laws.

**AB 1794 (Garcia, Cristina D) Central Basin Municipal Water District.**
- **Current Text:** Amended: 6/9/2016  pdf  html
- **Introduced:** 2/4/2016
- **Last Amend:** 6/9/2016
- **Status:** 6/9/2016-From committee chair, with author's amendments: Amend, and re-refer to committee. Read second time, amended, and re-referred to Com. on GOV. & F.
- **Location:** 6/9/2016-S. GOV. & F.
- **Calendar:** 6/22/2016 9:30 a.m. - Room 112 SENATE GOVERNANCE AND
FINANCE, HERTZBERG, Chair

Summary: Would require the board of directors of the Central Basin Municipal Water District to be composed of 8 directors, until the directors elected at the November 6, 2018, election take office, when the board would be composed of 7 directors, as prescribed. This bill would require the Central Basin Municipal Water District to establish a technical oversight committee composed of 5 water purveyors selected every 2 years, as specified, to meet on at least a quarterly basis for certain purposes. By imposing new duties on the district, this bill would create a state-mandated local program. This bill contains other related provisions and other existing laws.

AB 1842 (Levine D) Water: pollution: fines.
Introduced: 2/9/2016
Last Amend: 4/27/2016
Status: 6/9/2016-Referred to Com. on E.Q.
Location: 6/9/2016-S. E.Q.
Calendar: 6/29/2016 9:30 a.m. - Room 3191 SENATE ENVIRONMENTAL QUALITY, WIECKOWSKI, Chair
Summary: Current law imposes a maximum civil penalty of $25,000 on a person who discharges various pollutants or other designated materials into the waters of the state. This bill would impose an additional civil penalty of not more than $10 for each gallon or pound of polluting material discharged. The bill would require that the civil penalty be reduced for every gallon or pound of the illegally discharged material that is recovered and properly disposed of by the responsible party. This bill contains other related provisions and other current laws.

AB 1866 (Wilk R) High-speed rail bond proceeds: redirection: water projects.
Current Text: Introduced: 2/10/2016 pdf html
Introduced: 2/10/2016
Location: 4/12/2016-A. TRANS.
Summary: Would provide that no further bonds shall be sold for high-speed rail purposes pursuant to the Safe, Reliable High-Speed Passenger Train Bond Act for the 21st Century, except as specifically provided with respect to an existing appropriation for high-speed rail purposes for early improvement projects in the Phase 1 blended system. The bill, subject to the above exception, would require redirection of the unspent proceeds received from outstanding bonds issued and sold for other high-speed rail purposes prior to the effective date of these provisions, upon appropriation, for use in retiring the debt incurred from the issuance and sale of those outstanding bonds.

AB 1979 (Bigelow R) Renewable feed-in tariff: hydroelectric facilities.
Introduced: 2/16/2016
Last Amend: 5/23/2016
Status: 6/9/2016-Referred to Com. on E., U., & C.
Location: 6/9/2016-S. E., U., & C.
Calendar: 6/21/2016 9 a.m. - Room 3191 SENATE ENERGY, UTILITIES AND COMMUNICATIONS, HUESO, Chair
Summary: Would revise the requirement that an electric generation facility have an effective capacity of not more than 3 megawatts to additionally authorize a conduit hydroelectric facility with a nameplate generating capacity of up to 4 megawatts to participate in the renewable feed-in tariff if the facility delivers no more than 3 megawatts to the grid at any time, was operational on January 1, 1990, and complies with specified interconnection and payment requirements.

Current Text: Amended: 5/16/2016 pdf html
Introduced: 2/17/2016
Last Amend: 5/16/2016
Status: 5/27/2016-Joint Rule 62(a), file notice suspended. (Page 4943.) In committee: Held
The Personal Income Tax Law allows various credits against the taxes imposed by that law. This bill, for taxable years beginning on or after January 1, 2016, and before January 1, 2019, would allow a credit equal to 25% of the amount paid or incurred by a qualified taxpayer for water-efficiency improvements, as defined, on qualified real property in this state, as specified. The bill would limit the cumulative amount of the credit to $2,500 for each qualified real property for all taxable years.

**AB 2099 (Stone, Mark D) Safe drinking water benefit.**
Introduced: 2/17/2016
Last Amend: 5/27/2016
Status: 6/9/2016-Referred to Com. on HUMAN S.
Location: 6/9/2016-S. HUM. S.
Calendar: 6/14/2016 1:30 p.m. - Room 3191 SENATE HUMAN SERVICES, MCGUIRE, Chair
Summary: Would require the State Department of Social Services to, on or before February 1, 2017, convene a workgroup to develop recommendations for delivering a water benefit to supplement the purchase of drinking water for low-income households with inadequate access to safe drinking water, as specified. The bill would also make relating findings and declarations.

**AB 2438 (Waldron R) California Environmental Quality Act: exemption: recycled water pipelines.**
Current Text: Introduced: 2/19/2016  pdf  html
Introduced: 2/19/2016
Status: 6/9/2016-Referred to Com. on E.Q.
Location: 6/9/2016-S. E.Q.
Calendar: 6/29/2016 9:30 a.m. - Room 3191 SENATE ENVIRONMENTAL QUALITY, WIECKOWSKI, Chair
Summary: Would, until January 1, 2020, additionally exempt from CEQA a project for the construction and installation of a new pipeline or the maintenance, repair, restoration, reconditioning, relocation, replacement, removal, or demolition of an existing pipeline, not exceeding 8 miles in length, for the distribution of recycled water within a public street, highway, or right-of-way and would require the lead agency to undertake specified activities, including the filing of a notice of exemption for the project with the Office of Planning and Research and the office of the county clerk of each county in which the project is located.

**AB 2470 (Gonzalez D) Municipal water districts: water service: Indian tribes.**
Introduced: 2/19/2016
Last Amend: 4/26/2016
Status: 6/9/2016-Referred to Com. on GOV. & F.
Location: 6/9/2016-S. GOV. & F.
Calendar: 6/22/2016 9:30 a.m. - Room 112 SENATE GOVERNANCE AND FINANCE, HERTZBERG, Chair
Summary: Current law authorizes a district to sell water under its control, without preference, to cities, other public corporations and agencies, and persons, within the district for use within the district. Current law authorizes a district to sell or otherwise dispose of water above that required by consumers within the district to any persons, public corporations or agencies, or other consumers. This bill, upon the request of an Indian tribe and the satisfaction of certain conditions, would require a district to provide service of water at substantially the same terms applicable to the customers of the district to an Indian tribe's lands that are not within a district, as prescribed, if the Indian tribe's lands meet certain requirements and the Indian tribe satisfies prescribed conditions.
**AB 2480 (Bloom D) Source watersheds: financing.**

*Current Text:* Amended: 6/13/2016  [pdf]  [html]

*Introduced:* 2/19/2016

*Last Amend:* 6/13/2016

*Status:* 6/13/2016-From committee chair, with author's amendments: Amend, and re-refer to committee. Read second time, amended, and re-referred to Com. on N.R. & W.

*Location:* 6/13/2016-S. N.R. & W.

*Calendar:* 6/28/2016  9 a.m. - Room 112 SENATE NATURAL RESOURCES AND WATER, PAVLEY, Chair

*Summary:* Would declare it to be state policy that source watersheds are recognized and defined as integral components of California's water infrastructure. The bill would state the particular importance to maintaining the reliability of California's water supply of the source watersheds that supply the State Water Project and the federal Central Valley Project and, to the extent feasible, would require the maintenance and repair of these watersheds to receive financing consideration on the same basis with other water collection and treatment infrastructure, and would specify that the maintenance and repair activities that are eligible are limited to certain forest ecosystem management activities.

**AB 2515 (Weber D) Water Conservation in Landscaping Act: model water-efficient landscaping ordinance.**

*Current Text:* Amended: 5/27/2016  [pdf]  [html]

*Introduced:* 2/19/2016

*Last Amend:* 5/27/2016

*Status:* 6/9/2016-Referred to Com. on N.R. & W.

*Location:* 6/9/2016-S. N.R. & W.

*Calendar:* 6/28/2016  9 a.m. - Room 112 SENATE NATURAL RESOURCES AND WATER, PAVLEY, Chair

*Summary:* Would require the Department of Water Resources, on or before January 1, 2020, and every three years thereafter, to either update the model water-efficient landscaping ordinance or make a finding that an update to the model water-efficient landscaping ordinance at that time is not a useful or effective means to improve either the efficiency of landscape water use or the administration of the ordinance.

**AB 2853 (Gatto D) Public records.**

*Current Text:* Amended: 4/13/2016  [pdf]  [html]

*Introduced:* 2/19/2016

*Last Amend:* 4/13/2016

*Status:* 5/19/2016-Referred to Com. on JUD.

*Location:* 5/19/2016-S. JUD.

*Calendar:* 6/14/2016  1:30 p.m. - Room 112 SENATE JUDICIARY, JACKSON, Chair

*Summary:* Would authorize a public agency that posts a public record on its Internet Web site to first refer a person that requests to inspect or obtain a copy of the public record to the public agency's Internet Web site where the public record is posted. This bill contains other related provisions and other existing laws.

**ACA 8 (Bloom D) Local government financing: water facilities and infrastructure: voter approval.**

*Current Text:* Introduced: 2/18/2016  [pdf]  [html]

*Introduced:* 2/18/2016

*Status:* 2/19/2016-From printer. May be heard in committee March 20.

*Location:* 2/18/2016-A. PRINT

*Summary:* Would create an additional exception to the 1% limit for a rate imposed by a city, county, city and county, or special district to service bonded indebtedness incurred to fund the construction, reconstruction, rehabilitation, or replacement of wastewater treatment facilities and related infrastructure, potable water producing facilities and related infrastructure, nonpotable water producing facilities and related infrastructure, and stormwater treatment facilities and related infrastructure, that is approved by 55% of the voters of the city, county, city and county, or special district, as applicable, if the proposition meets specified requirements, and would authorize a city, county, city and county, or special district to levy a 55% vote ad valorem tax. This bill contains other related provisions and other existing laws.
SB 7  (Wolk D)  Housing: water meters: multiunit structures.
Introduced: 12/1/2014
Last Amend: 9/4/2015
Status: 1/1/2016-Set for Hearing.
Location: 1/1/2016-A. UNFINISHED BUSINESS
Calendar: 6/15/2016 #6 ASSEMBLY MOTION TO RECONSIDER
Summary: Would express the intent of the Legislature to encourage the conservation of water in multifamily residential rental buildings through means either within the landlord's or the tenant's control, and to ensure that the practices involving the submetering of dwelling units for water service are just and reasonable, and include appropriate safeguards for both tenants and landlords. This bill contains other related provisions and other existing laws.

Current Text: Amended: 8/26/2015  pdf  html
Introduced: 12/1/2014
Last Amend: 8/26/2015
Status: 8/28/2015-Failed Deadline pursuant to Rule 61(a)(11). (Last location was W.,P. & W. on 8/26/2015)
Location: 8/28/2015-A. 2 YEAR
Summary: Under current law, various measures provide funding for water resources projects, facilities, and programs. This bill would create the California Water Resiliency Investment Fund in the State Treasury and provide that moneys in the fund are available, upon appropriation by the Legislature, for the purpose of providing a more dependable water supply for California. This bill would create various accounts within the fund for prescribed purposes.

Introduced: 12/1/2014
Last Amend: 6/10/2016
Status: 6/10/2016-From committee with author's amendments. Read second time and amended. Re-referred to Com. on NAT. RES.
Location: 6/10/2016-A. NAT. RES.
Summary: Would require the State Air Resources Board to approve a statewide greenhouse gas emissions limit that is equivalent to 40% below the 1990 level to be achieved by 2030. This bill contains other related provisions.

SB 163  (Hertzberg D)  Wastewater treatment: recycled water.
Introduced: 2/4/2015
Last Amend: 6/8/2016
Status: 6/8/2016-From committee with author's amendments. Read second time and amended. Re-referred to Com. on E.S. & T.M.
Location: 6/8/2016-A. E.S. & T.M.
Calendar: 6/14/2016 1:30 p.m. - State Capitol, Room 444 ASSEMBLY ENVIRONMENTAL SAFETY AND TOXIC MATERIALS, ALEJO, Chair
Summary: Would declare that, except in compliance with the bill's provisions, it is a waste and unreasonable use of water to discharge treated wastewater from an ocean or bay outfall, or for a water supplier or water replenishment district to not take treated wastewater made available for certain purposes. The bill would require the State Water Resources Control Board to promulgate regulations, on or before January 1, 2020, that would require each NPDES permitholder, on or before January 1, 2023, to submit to the state board the permitholder's plans to achieve beneficial reuse, to the maximum extent possible, of treated wastewater that would otherwise be discharged through ocean or bay outfalls.
**SB 471**  (Pavley D)  Water, energy, and reduction of greenhouse gas emissions: planning.

| Current Text: | Amended: 8/17/2015  pdf, html |
| Introduced: | 2/26/2015 |
| Last Amend: | 8/17/2015 |
| Status: | 8/28/2015-Failed Deadline pursuant to Rule 61(a)(11). (Last location was APPR. SUSPENSE FILE on 8/26/2015) |
| Location: | 8/28/2015-A. 2 YEAR |

**Summary:** Would include reduction of greenhouse gas emissions associated with water treatment among the investments that are eligible for funding from the Greenhouse Gas Reduction Fund. The bill would also make legislative findings and declarations, and a statement of legislative intent, with regard to the nexus between water and energy and water and reduction of greenhouse gas emissions. This bill contains other related provisions.

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**SB 551**  (Wolk D)  State water policy: water and energy efficiency.

| Current Text: | Amended: 7/6/2015  pdf, html |
| Introduced: | 2/26/2015 |
| Last Amend: | 7/6/2015 |
| Status: | 8/28/2015-Failed Deadline pursuant to Rule 61(a)(11). (Last location was APPR. on 8/27/2015) |
| Location: | 8/28/2015-A. 2 YEAR |

**Summary:** Would declare the policy of the state that water use and water treatment shall operate in a manner that is as energy efficient as is feasible and energy use and generation shall operate in a manner that is as water efficient as is feasible. This bill would require all relevant state agencies to consider this state policy when revising, adopting, or establishing policies, regulations, and grant criteria when pertinent to these uses of water and energy. This bill contains other existing laws.

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**SB 552**  (Wolk D)  Public water systems: disadvantaged communities: consolidation or extension of service: administrative and managerial services.

| Introduced: | 2/26/2015 |
| Last Amend: | 5/17/2016 |
| Location: | 5/27/2016-A. E.S. & T.M. |
| Calendar: | 6/14/2016 1:30 p.m. - State Capitol, Room 444  ASSEMBLY ENVIRONMENTAL SAFETY AND TOXIC MATERIALS, ALEJO, Chair |

**Summary:** Current law, for purposes of the California Safe Drinking Water Act, defines “disadvantaged community” to mean a disadvantaged community that is in an unincorporated area or is served by a mutual water company. Would make a community disadvantaged for these purposes if the community is in a mobilehome park even if it is not in an unincorporated area or served by a mutual water company. The bill would limit the authority of the state board to order consolidation or extension of service to provide that authority only with regard to a disadvantaged community.

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**SB 554**  (Wolk D)  Delta levee maintenance.

| Introduced: | 2/26/2015 |
| Last Amend: | 1/4/2016 |
| Status: | 4/28/2016-Referred to Com. on W., P., & W. |
| Calendar: | 6/14/2016 9 a.m. - State Capitol, Room 437  ASSEMBLY WATER, PARKS AND WILDLIFE, LEVINE, Chair |

**Summary:** Current law establishes a delta levee maintenance program pursuant to which a local agency may request reimbursement for costs incurred in connection with the maintenance or improvement of project or nonproject levees in the Sacramento-San Joaquin Delta. This bill would declare legislative intent to reimburse up to 75% of those costs incurred in any year for the maintenance or improvement of levees in excess of $1,000 per mile of levee and would authorize the board to advance funds in an amount that does not exceed 75% of the estimated state share to an eligible local agency.
SB 814  (Hill D)  Drought: excessive water use: urban retail water suppliers.
Introduced: 1/4/2016
Last Amend: 6/6/2016
Status: 6/6/2016-From committee with author's amendments. Read second time and amended. Re-referred to Com. on W., P., & W.
Calendar: 6/14/2016  9 a.m. - State Capitol, Room 437  ASSEMBLY WATER, PARKS AND WILDLIFE, LEVINE, Chair
Summary: Would declare that excessive water use by a residential customer, as specified, is prohibited, if during a period when certain conditions exist, as prescribed. This bill would require each urban retail water supplier to establish a method to identify and discourage excessive water use. This bill would authorize as a method to identify and discourage excessive water use the establishment of a rate structure that includes block tiers, water budgets, or rate surcharges over and above base rates for excessive water use by residential customers.

SB 885  (Wolk D)  Construction contracts: indemnity.
Current Text: Amended: 5/10/2016  pdf, html
Introduced: 1/19/2016
Last Amend: 5/10/2016
Status: 6/9/2016-Referred to Com. on JUD.
Location: 6/9/2016-A. JUD.
Summary: Would specify, with certain exceptions, for construction contracts entered into on or after January 1, 2017, that a design professional, as defined, only has the duty to defend himself or herself from claims or lawsuits that arise out of, or pertain or relate to, negligence, recklessness, or willful misconduct of the design professional. The bill would prohibit these provisions from being construed to affect any duty of a design professional to pay a reasonable allocated share of defense fees and costs with respect to claims and lawsuits alleging negligence, recklessness, or willful misconduct of the design professional, as specified.

SB 953  (Lara D)  Central Basin Municipal Water District.
Introduced: 2/4/2016
Status: 6/6/2016-Referred to Com. on L. GOV.
Location: 6/6/2016-A. L. GOV.
Calendar: 6/29/2016  1:30 p.m. - State Capitol, Room 447  ASSEMBLY LOCAL GOVERNMENT, EGGMAN, Chair
Summary: Would prohibit the Central Basin Municipal Water District from using sole source contracts, except as prescribed. This bill would require the district to rebid a contract if the district significantly changes the scope of work of the contract. This bill would require the general manager of the district to submit a quarterly report to the district's board detailing all of the district's contracts, contract amendments, and contract and amendment dollar amounts. By imposing new duties on a municipal water district, this bill would impose a state-mandated local program. This bill contains other related provisions and other existing laws.

SB 995  (Pavley D)  Well standards.
Current Text: Amended: 5/31/2016  pdf, html
Introduced: 2/10/2016
Last Amend: 5/31/2016
Status: 6/9/2016-Referred to Com. on E.S. & T.M.
Location: 6/9/2016-A. E.S. & T.M.
Summary: Would, on or before January 1, 2019, require the Department of Water Resources to update well standards for water wells, monitoring wells, and cathodic protection wells based on existing knowledge and to submit these standards to the State Water Resources Control Board. This bill contains other related provisions and other existing laws.
**SB 1112**  (Cannella R)  Utilities: water and sewer systems corporations: transactions.

Introduced: 2/17/2016
Last Amend: 4/27/2016
Status: 6/6/2016-Referred to Com. on U. & C.
Calendar: 6/22/2016 1:30 p.m. - State Capitol, Room 437 ASSEMBLY UTILITIES AND COMMERCE, GATTO, Chair

Summary: The Public Utilities Act prohibits, with certain exemptions, any public utility other than a common carrier by railroad, from selling, leasing, assigning, mortgaging, or otherwise disposing of or encumbering the whole or any part of specified property necessary or useful in the performance of the public utility's duties to the public, among other things, without first having either secured an order from the Public Utilities Commission authorizing it to do so for qualified transactions valued above $5,000,000, or for qualified transactions valued at $5,000,000 or less, having filed an advice letter and obtained approval from the commission authorizing it to do so. This bill would provide that if a water or sewer system corporation with less than 2,000 service connections fails to receive the commission's approval before entering into any of the specified transactions valued at $5,000,000 or less, the transaction is voidable by the commission until the commission either retroactively approves or conditionally approves the transaction.

**SB 1233**  (McGuire D)  Joint powers authorities: Water Bill Savings Act.

Introduced: 2/18/2016
Last Amend: 5/23/2016
Status: 6/6/2016-Referred to Com. on L. GOV.
Location: 6/6/2016-A. L. GOV.
Calendar: 6/29/2016 1:30 p.m. - State Capitol, Room 447 ASSEMBLY LOCAL GOVERNMENT, EGGMAN, Chair

Summary: Would enact the Water Bill Savings Act, which would authorize a joint powers authority to provide funding for a customer of a local agency or its publicly owned utility to acquire, install, or repair a water efficiency improvement on the customer's property served by the local agency or its publicly owned utility. The bill would require the customer to repay the authority through an efficiency charge on the customer's water bill to be established and collected by the local agency or its publicly owned utility on behalf of the authority pursuant to a servicing agreement. The bill would authorize the authority to issue bonds to fund the program. The bill would also make technical changes.

**SB 1262**  (Pavley D)  Water supply planning.

Introduced: 2/18/2016
Last Amend: 5/11/2016
Status: 6/6/2016-Referred to Coms. on W., P., & W. and L. GOV.
Calendar: 6/28/2016 9 a.m. - State Capitol, Room 437 ASSEMBLY WATER, PARKS AND WILDLIFE, LEVINE, Chair

Summary: the Sustainable Groundwater Management Act, requires all groundwater basins designated as high- or medium-priority basins by the Department of Water Resources that are designated as basins subject to critical conditions of overdraft to be managed under a groundwater sustainability plan or coordinated groundwater sustainability plans by January 31, 2020, and requires all other groundwater basins designated as high- or medium-priority basins to be managed under a groundwater sustainability plan or coordinated groundwater sustainability plans by January 31, 2022, except as specified. This bill would require a city or county that determines a project is subject to the California Environmental Quality Act to identify any water system whose service area includes the project site and any water system adjacent to the project site.
**SB 1263** (Wieckowski D) Public water system: permits.

**Current Text:** Amended: 6/8/2016  
**Introduced:** 2/18/2016  
**Last Amend:** 6/8/2016  
**Status:**  6/8/2016-From committee with author's amendments. Read second time and amended. Re-referred to Com. on E.S. & T.M.  
**Location:**  6/8/2016-A. E.S. & T.M.  
**Calendar:**  6/14/2016 1:30 p.m. - State Capitol, Room 444 ASSEMBLY ENVIRONMENTAL SAFETY AND TOXIC MATERIALS, ALEJO, Chair  
**Summary:** Would require an application for a permit for a proposed new public water system to first submit a preliminary technical report to the State Water Resources Control Board at least 6 months before initiating construction of any water-related improvement, as defined.

**SB 1317** (Wolk D) Groundwater extraction permit.

**Current Text:** Amended: 5/27/2016  
**Introduced:** 2/19/2016  
**Last Amend:** 5/27/2016  
**Status:**  6/9/2016-Referred to Coms. on W., P., & W. and L. GOV.  
**Location:**  6/9/2016-A. W.,P. & W.  
**Calendar:**  6/28/2016 9 a.m. - State Capitol, Room 437 ASSEMBLY WATER, PARKS AND WILDLIFE, LEVINE, Chair  
**Summary:** Would prohibit a groundwater extraction facility in a high- or medium-priority basin from being developed without a valid groundwater extraction permit, with certain exceptions. The bill would not require a city or county overlying a medium- or high-priority basin to have a process for the issuance of a groundwater extraction permit for the development of a groundwater extraction facility on or after January 31, 2022, or once the department has evaluated a groundwater sustainability plan for the basin the city or county overlies and determined the plan to be adequate and likely to achieve the sustainability goal for the basin, whichever comes first.

**SB 1318** (Wolk D) Local government: drinking water infrastructure or services: wastewater infrastructure or services.

**Current Text:** Amended: 6/1/2016  
**Introduced:** 2/19/2016  
**Last Amend:** 6/1/2016  
**Status:**  6/9/2016-Referred to Coms. on L. GOV. and E.S. & T.M.  
**Location:**  6/9/2016-A. L. GOV.  
**Summary:** The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 governs the procedures for the formation and change of organization of cities and special districts. This bill would additionally authorize a local agency formation commission to initiate a proposal by resolution of application for the annexation of a disadvantaged unincorporated community, as specified. This bill contains other related provisions and other current laws.

**SB 1328** (Lara D) Stormwater capture and treatment projects: funding.

**Current Text:** Amended: 4/25/2016  
**Introduced:** 2/19/2016  
**Last Amend:** 4/25/2016  
**Status:**  6/6/2016-Referred to Com. on W., P., & W.  
**Location:**  6/6/2016-A. W.,P. & W.  
**Calendar:**  6/28/2016 9 a.m. - State Capitol, Room 437 ASSEMBLY WATER, PARKS AND WILDLIFE, LEVINE, Chair  
**Summary:** Would authorize the State Water Resources Control Board to expend moneys from the Greenhouse Gas Reduction Fund, upon appropriation by the Legislature, to provide grants to public entities to implement stormwater and dry weather runoff collection and treatment projects that are intended to reduce greenhouse gas emissions by decreasing the demand for electricity needed to pump, transport, and deliver water from natural sources to serve water consumers, as prescribed. This bill contains other existing laws.

Introduced: 2/19/2016
Last Amend: 4/27/2016
Status: 6/9/2016-Referred to Com. on E.S. & T.M.
Location: 6/9/2016-A. E.S. & T.M.

Summary: Current law, for community public water systems and not-for-profit non-community public water systems, allows planning and preliminary engineering studies, project design, and construction costs incurred by those public water systems to be funded by loans and other repayable financing. This bill would authorize the above-described costs to be funded by loans or other repayable financing, grants, principal forgiveness, or a combination of grants and loans or other financial assistance, regardless of whether the public water system is a community public water system or a not-for-profit non-community public water system, or whether the public water system is owned by a public agency or private not-for-profit water company.
GENERAL MANAGERS MEETING NOTES
TUESDAY, JUNE 14, 2016

PARTICIPANTS PRESENT
Paul Jones     Eastern Municipal Water District
Chris Berch    Inland Empire Utilities Agency
Michael Markus Orange County Water District
Doug Headrick  San Bernardino Valley Municipal Water District
John Rossi     Western Municipal Water District
Mark Norton    Santa Ana Watershed Project Authority
Rich Haller    Santa Ana Watershed Project Authority
Sara Villa     Santa Ana Watershed Project Authority

PARTICIPANTS ABSENT
Joe Grindstaff Inland Empire Utilities Agency
Celeste Cantú Santa Ana Watershed Project Authority

CALL TO ORDER
John Rossi called the meeting to order at 8:04 a.m. at SAWPA, 11615 Sterling Avenue, Riverside, California.

OWOW UPDATE
Mark Norton advised the General Managers that the contract with DWR is moving forward and staff are in the process of finalizing the work plan, budget, and schedule for the SARCCUP project. The contract and documents must be executed by end of July. SAWPA will ask the Commission Board Members to assign the representatives for PA 23 on June 21. It was questioned what the formality or requirements are to have the General Managers appointed to PA 23. Mark Norton said he would follow-up with Larry McKenney.

Mark Norton stated that under the Proposition 84 Emergency Drought Grant Program the Cities of Anaheim, Fullerton, and Santa Ana would be eligible for the Turf Removal Program. Michael Markus noted that he is meeting with the three cities and will formally write a letter to Celeste Cantú requesting funds.

DWR WATER ENERGY GRANT UPDATE
DWR Water Energy Grant is moving forward along with all the sub-contractors. It was noted that the City of Anaheim is interested in the Grant, though they’re currently looking to match their $1/sq. ft. for their local share.

UPDATES/DISCUSSION ITEMS
Brine Line Update. Rich Haller provided updates on the following:

- Reach V Spill – Construction work at the intersection of Cajalco and Temescal Canyon Roads damaged the Inland Empire Brine Line at approximately 11:00 p.m. on Monday, June 13, causing a spill. The Southern California Gas Company was saw-cutting the pavement and punched a hole in the bypass line. Rich Haller stated that they are in the process of collecting all the details. EMWD operation center was contacted and the Brine Line was shut down, WMWD assisted with vectors for clean-up, and Charles King Company performed the repairs. Staff will continue compiling all the information and a preliminary report will be submitted to OES and the Regional Board.

- Reach V Repair – SAWPA is in the process of developing a plan to complete the Reach V Repair Project. Reaches (Shots) 1-10 were successfully installed using norditubes. Reaches (Shots) 11-16 were installed with a ply felt and have not passed the pressure test. Details are being worked out to install another cured-in-place liner inside of the existing liner. A Notice of Default has been submitted to Charles King and they have 10 days to respond. It was questioned what the status is for Charles King’s temporary bypass if SAWPA is terminating their contract. Rich Haller noted that the plan is to keep the temporary bypass in place, though those details have not been worked out. Rich Haller said that they are looking at other contractors that may be interested in completing the repair project.
Nichols Road Brine Line Relocation – WEKA is the contractor performing the Nichols Road Brine Line Relocation. They will coordinate with EMWD staff to schedule a shut down in July to increase production.

Pretreatment Program Update:
  - Ordinance, Local Limits Update (Draft Ordinance No. 8 Local Limits Resolution) – Ordinance No. 8 has been submitted to OCSD for concurrence. Once complete, the Ordinance will be distributed to member agencies staff for one final review and a Public Hearing with the Commission will be scheduled. Other revisions that will take place once the Ordinance is finalized are the Local Limits Resolution and the Program Documents (Enforcement Response Plan, Policy and Procedures Manual, and the SOP’s).

Collection Station MOU – The latest revision of the Collection Station MOU with OCSD’s comments incorporated has been submitted for OCSD’s concurrence.

Lease and Loan Capacity Pools Agreement – The Lease and Loan Capacity Pool Draft Agreement has been distributed to the member agencies for review and comment.

TSS Formation Billing Formula Workshop (June 16, 2016 at 10:00 a.m.) – Trussell Technologies will hold a workshop and will provide a detailed presentation of their recommendation for the Billing Formula on June 16 at 10:00 a.m.

OCSD Rock Removal Design RFP – OCSD is in the process of hiring a contractor to prepare plans and specs to remove the rock. SAWPA will participate in the RFP process and selection interviews.

Brine Line Sheet Pile Protection by RCFC & WCD – The Brine Line Sheet Piles Protection Project is complete and SAWPA is waiting for the as-builts and final paperwork to complete the turnover to SAWPA.

**STRATEGIC REVIEW**
John Rossi reminded everyone that a Strategic Review meeting is scheduled for June 23 at 8:00 a.m.

**SARCCUP PROJECT**
A SARCCUP meeting is scheduled today at 9:00 a.m.

**SCHEDULE NEXT GM MEETING**
July 12, 2016, at 8:00 a.m.

The meeting adjourned at 8:36 a.m.

**COMMISSION REVIEW:** June 21, 2016
June 10, 2016

VIA OVERNIGHT MAIL
Ms. Kelly Berry
Clerk of the Board
Santa Ana Watershed Project Authority
11615 Sterling Avenue
Riverside, California 92503

Re: Claim Pursuant To Government Code Section 910 et seq.
Project: Inland Empire Brine Line Reach V Rehabilitation And Improvement Project – Phase 1
Owner: Santa Ana Watershed Project Authority
Contractor: Charles King Company

Dear Ms. Berry and Messrs. Ortmann and Mah:

We represent Charles King Company ("CKC") regarding the Inland Empire Brine Line Reach V Rehabilitation and Improvement Project – Phase 1 ("Project"). This is CKC’s claim for payment and action from the Santa Ana Watershed Project Authority ("SAWPA") concerning the Project. The following information is provided pursuant to Government Code section 910, et seq.

1. Name And Address Of Claimant

Charles King Company
2841 Gardena Avenue
Signal Hill, California 90755

2. Address To Which Notices Should Be Sent

P. Randolph Finch Jr.
Finch, Thornton & Baird, LLP
4747 Executive Drive, Suite 700
San Diego, California 92121
pfinch@ftblaw.com

3. Circumstances Giving Rise To And The Claim

On or around November 3, 2014, SAWPA and CKC entered into a written contract pursuant to which CKC agreed to construct the Project per the plans and specifications furnished by SAWPA in exchange for payment by SAWPA (the "Contract"). The Project scope of work included the lining of in-place PVC pipe with CIPP liner, among other things. The Contract also included Public Contract Code section 1104, which warrants that following SAWPA’s plans and specifications will result in an acceptable installation, etc. The Project has experienced issues falling into three general categories: (1)
delays and increased costs incurred due to the replacement of incorrectly designated materials; (2) increased costs and delays associated with the installation of CIPP in existing PVC pipe; and (3) payment due to CKC for work performed on the Project.

A. Incorrectly Designated Materials Claims

During construction there were changes by SAWPA to the materials required for the maintenance access structure which resulted in increased material costs and delays. CKC submitted a request for a time extension related to replacement of the materials as the ordering of materials resulted in substantial delays to the Project. In Contract change order 2, SAWPA unilaterally agreed to a 19-day time extension but refused to compensate CKC for the costs of the delay. CKC protested the change order and seeks a time extension for 42 days of delay (instead of 19) resulting from the material changes as well as payment for its extended general conditions.

B. CIPP Liner Issues

CKC’s CIPP lining subcontractor, Spiniello Companies (“Spiniello”), started the CIPP lining operations with a SAWPA approved liner manufacturer, Applied Felts. After installation in shots 11 through 16 of Reach 1, numerous issues were experienced, including liner tears. CKC and Spiniello incurred significant costs to investigate, repair, remove and replace certain segments of the PVC pipe that had been lined with Applied Felts’ liner. Due to the problems experienced in pipes lined with the Applied Felts liner, CKC and its subcontractor obtained approval to complete the remaining lining operations on the Project with Nordiform liner manufactured by SEKISUI Norditube, Inc. (“Norditube”).

During installation of the Norditube liner, problems were again experienced. On February 25, 2016, Spiniello submitted a notice of claim asserting the Project design contained errors and deficiencies which resulted in liner problems on the Project. CKC submitted the claim to SAWPA and asked for direction. CKC subsequently submitted numerous RFIs starting with RFI number 52, providing additional detail concerning the claim. SAWPA failed to timely or completely respond to the RFIs.

Because there is no resolution of the asserted design issues, Spiniello will not return to the Project. In addition, by letter dated March 17, 2016, and again by letters dated April 21, 2016 and May 19, 2016 in more detail, Norditube asserted it will not furnish liner for the Project as it concludes the SAWPA plans and specifications are defective and will not result in a functional installation. CKC has contacted alternative subcontractors to obtain pricing to perform the CIPP work. All three eligible subcontractors have declined to participate in the Project and no subcontractor or supplier will offer a price to perform the CIPP work per the SAWPA plans and specifications. As a result, performance of the Contract has become commercially impracticable and/or impossible.

Due to the above, CKC and its subcontractor, Spiniello, have incurred significant costs due to the inspection, investigation, repair and replacement of liner. In addition, the Project has suffered significant delays and CKC and Spiniello have incurred costs related to extended field operating costs and general conditions, extra and prolonged work, and continued maintenance costs.

4. General Description Of Damages

Due to the circumstances listed above, CKC, and possibly Spiniello, are entitled to additional costs, a time extension, and extended field operation costs and general conditions. As the Project is still ongoing and an appropriate correction to the Project plans and specifications has not yet been determined,
CKC’s damages, and the damages incurred by CKC’s subcontractors, are not yet fixed. However, those damages will include costs of delays, costs associated with the defective design of the Project and payment for funds withheld from payment to CKC by SAWPA, together with interest. CKC requests SAWPA suspend the Project and reconsider the plans and specifications in light of all the significant issues raised to date. If SAWPA terminates the remaining work on the Project, CKC will seek the profit it expected to make on that work, as well as payment for all materials already purchased for that work.

5. **Names Of Public Employees Causing The Damage**

CKC is not aware of all of the SAWPA employees that caused its damages. However, CKC is informed and believes the following SAWPA employees, representatives, and/or agents have knowledge of the components of CKC’s claim: Michael Yepiz, Ed Durazo, Michael Metts, Justin Scheidel, David Ruhl, and Richard Haller.

6. **Amount Claimed**

The amount claimed is such that jurisdiction of this claim would not qualify as a limited jurisdiction case.

7. **Conclusion**

Pursuant to Contract section 10.1, CKC requests SAWPA participate in mediation of this claim. Please respond to this claim within the time required by Government Code section 910, et seq., i.e., within 45 days of the date of this letter.

Very truly yours,

P. Randolph Finch Jr.,
Partner

cc: Charles King Company (via email only)
    Attn: Mr. Charles “Butch” King
    Mr. Scott King
    Mr. Steve Radaich
    Ms. Debbie King
Ship From
FINCH THORNTON AND BAIRD LLP
NATASHA HORN
4747 EXECUTIVE DRIVE STE 700
SAN DIEGO, CA 92121

Ship To
SANTA ANA WATERSHED PROJECT AUTHORITY
MS. KELLY BERRY
11615 STERLING AVENUE
RIVERSIDE, CA 92503

COD: $0.00
Weight: 0 lb(s)
Reference:
1494.007
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