REGULAR COMMISSION MEETING
TUESDAY, JUNE 7, 2016 – 9:30 A.M.

AGENDA

1. CALL TO ORDER/PLEDGE OF ALLEGIANCE (Ed Killgore, Vice 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. GOVERNMENT FINANCE OFFICERS ASSOCIATION (GFOA) ACHIEVEMENT AWARDS – FYE JUNE 30, 2015
   • Certificate of Achievement for Excellence in Financial Reporting. This award is the highest form of recognition in governmental accounting and financial reporting, and its attainment represents a significant accomplishment by a government and its management.
   • Distinguished Budget Presentation Award. This award is the highest form of recognition in governmental budgeting and its attainment represents a significant achievement by SAWPA.
5. CONSENT CALENDAR
   All matters listed on the Consent Calendar are considered routine and non-controversial and will be acted upon by the Commission by one motion as listed below.
   A. APPROVAL OF MEETING MINUTES: MAY 17, 2016 ................................................................. 9
      Recommendation: Approve as posted.
   B. TREASURER’S REPORT – APRIL 2016 .................................................................................. 13
      Recommendation: Approve as posted.
6. WORKSHOP DISCUSSION AGENDA
   A. CHARLES KING COMPANY – PRESENTATION/UPDATE
      Presenter: Rich Haller
      Recommendation: Receive an updated report.
   B. THE ASPEN INSTITUTE 2016 ASPEN-NICHOLAS WATER FORUM
      Presenters: Celeste Cantú
   C. BAJA CALIFORNIA SUR - ACORABCS ................................................................................ 19
      Presenters: Celeste Cantú
      Recommendation: Receive and file a letter from Baja California Sur Watershed Group thanking SAWPA for to the tour of the Watershed and announcing their organization formation based on SAWPA model.
D. **U.S. BUREAU OF RECLAMATION BASIN STUDY UPDATE DRAFT PROPOSAL FRAMEWORK (CM#2016.39)**

Presenters: Ian Achimore and Mike Antos

Recommendation: Receive and file an update on the Basin Study Update proposal draft framework for the U.S. Bureau of Reclamation in updating the One Water One Watershed 2.0 Plan to comply with Proposition 1 Integrated Regional Water Management requirements and incorporate the best available science and data.

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

Presenters: David Ruhl

Recommendation: Receive an update on the relocation of Reach V of the Inland Empire Brine Line to Nichols Road.

7. **NEW BUSINESS**

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

Presenter: Carlos Quintero

Recommendation: 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.

B. **RIVERSIDE COUNTY MULTI-JURISDICTIONAL HAZARD MITIGATION PLAN (CM#2016.37)**

Presenter: Carlos Quintero

Recommendation: Direct the General Manager to submit a Letter of Commitment as a participating jurisdiction in Riverside County Operational Area Multi-Jurisdictional Hazard Mitigation Planning.

C. **MEMORANDUM OF UNDERSTANDING WITH FONTANA WATER COMPANY TO ACCEPT LOCAL COST-SHARE FOR THE WATER-ENERGY COMMUNITY ACTION NETWORK PROJECT (CM#2016.38)**

Presenter: Mike Antos

Recommendation: Authorize the General Manager to execute the Memorandum of Understanding (MOU) with the Fontana Water Company.

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**

9. **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)
10. 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, 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 1, 2016, a copy of this agenda has been uploaded to the SAWPA website at www.sawpa.org and posted in SAWPA’s office at 11615 Sterling Avenue, Riverside, California.

/s/
Kelly Berry, CMC

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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></td>
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May 11, 2016

Celeste Cantu
General Manager
Santa Ana Watershed Project Authority
11615 Sterling Avenue
Riverside, CA 92503

Dear Mr. Cantu:

I am pleased to notify you that Santa Ana Watershed Project Authority, California has received the Distinguished Budget Presentation Award for the current budget from the Government Finance Officers Association (GFOA). This award is the highest form of recognition in governmental budgeting and represents a significant achievement by your organization.

When a Distinguished Budget Presentation Award is granted to an entity, a Certificate of Recognition for Budget Presentation is also presented to the individual or department designated as being primarily responsible for its having achieved the award. This has been presented to:

Finance Department, Karen Williams

We hope you will arrange for a formal public presentation of the award, and that appropriate publicity will be given to this notable achievement. A press release is enclosed for your use.

We appreciate your participation in GFOA’s Budget Awards Program. Through your example, we hope that other entities will be encouraged to achieve excellence in budgeting.

Sincerely,

Stephen J. Gauthier, Director
Technical Services Center

Enclosure
May 11, 2016

PRESS RELEASE

For Further Information Contact
Stephen J. Gauthier (312) 977-9700

Chicago--The Government Finance Officers Association of the United States and Canada (GFOA) is pleased to announce that Santa Ana Watershed Project Authority, California has received the GFOA’s Distinguished Budget Presentation Award for its budget.

The award represents a significant achievement by the entity. It reflects the commitment of the governing body and staff to meeting the highest principles of governmental budgeting. In order to receive the budget award, the entity had to satisfy nationally recognized guidelines for effective budget presentation. These guidelines are designed to assess how well an entity’s budget serves as:

- a policy document
- a financial plan
- an operations guide
- a communications device

Budget documents must be rated "proficient" in all four categories, and the fourteen mandatory criteria within those categories, to receive the award.

When a Distinguished Budget Presentation Award is granted to an entity, a Certificate of Recognition for Budget Presentation is also presented to the individual or department designated as being primarily responsible for its having achieved the award. This has been presented to Finance Department, Karen Williams

For budgets beginning in 2015, approximately 1,550 participants received the Award. Award recipients have pioneered efforts to improve the quality of budgeting and provide an excellent example for other governments throughout North America.

The Government Finance Officers Association is a major professional association servicing the needs of approximately 18,700 appointed and elected local, state, and provincial-level government officials and other finance practitioners. It provides top quality publications, training programs, services, and products designed to enhance the skills and performance of those responsible for government finance policy and management. The association is headquartered in Chicago, Illinois, with offices in Washington D.C. The GFOA’s Distinguished Budget Presentation Awards Program is the only national awards program in governmental budgeting.
May 23, 2016

Celeste Cantu
General Manager
Santa Ana Watershed Project Authority
11615 Sterling Avenue
Riverside  CA  92503

Dear Ms. Cantu:

We are pleased to notify you that your comprehensive annual financial report for the fiscal year ended June 30, 2015 qualifies for a Certificate of Achievement for Excellence in Financial Reporting. The Certificate of Achievement is the highest form of recognition in governmental accounting and financial reporting, and its attainment represents a significant accomplishment by a government and its management.

An award for the Certificate of Achievement has been mailed to:

Karen Williams
Chief Financial Officer

We hope that you will arrange for a formal presentation of the Certificate and Award of Financial Reporting Achievement, and that appropriate publicity will be given to this notable achievement. A sample news release is enclosed to assist with this effort. In addition, details of recent recipients of the Certificate of Achievement and other information about Certificate Program results are available in the "Awards Program" area of our website, www.gfoa.org.

We hope that your example will encourage other government officials in their efforts to achieve and maintain an appropriate standard of excellence in financial reporting.

Sincerely,
Government Finance Officers Association

Stephen J. Gauthier, Director

Technical Services Center
SJG/ds
05/23/2016
NEWS RELEASE

For Information contact:
Stephen Gauthier (312) 977-9700

(Chicago) -- The Certificate of Achievement for Excellence in Financial Reporting has been awarded to Santa Ana Watershed Project Authority by the Government Finance Officers Association of the United States and Canada (GFOA) for its comprehensive annual financial report (CAFR). The Certificate of Achievement is the highest form of recognition in the area of governmental accounting and financial reporting, and its attainment represents a significant accomplishment by a government and its management.

An Award of Financial Reporting Achievement has been awarded to the individual(s), department or agency designated by the government as primarily responsible for preparing the award-winning CAFR. This has been presented to:

Finance Department, Santa Ana Watershed Project Authority

The CAFR has been judged by an impartial panel to meet the high standards of the program including demonstrating a constructive "spirit of full disclosure" to clearly communicate its financial story and motivate potential users and user groups to read the CAFR.

The GFOA is a nonprofit professional association serving approximately 17,500 government finance professionals with offices in Chicago, IL, and Washington, D.C.
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, California.

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.

4. CONSENT CALENDAR
A. APPROVAL OF MEETING MINUTES: APRIL 19, 2016
   Recommendation: Approve as posted.

B. APPROVAL OF MEETING MINUTES: APRIL 28, 2016
   Recommendation: Approve as posted.

C. APPROVAL OF MEETING MINUTES: MAY 10, 2016
   Recommendation: Approve as posted.

MOVED, approve the Consent Calendar.

Result: Adopted (Unanimously; 4-0-1)
Motion/Second: Anthony/Sullivan
Ayes: Anthony, Hall, Killgore, Sullivan
Nays: None
Abstentions: Dennstedt
Absent: None
5. NEW BUSINESS

A. APPROVAL OF SUBMITTING A PROPOSAL TO THE U.S. BUREAU OF RECLAMATION ON BASIN PLANNING (CM#2016.33)

Ian Achimore provided a PowerPoint presentation supporting staff’s recommendation that SAWPA submit a proposal to the U.S. Bureau of Reclamation (Reclamation) to update the One Water One Watershed 2.0 Plan incorporating current science and data as well as bringing the Plan into compliance with Proposition 1 Integrated Regional Water Management (IRWM) requirements.

In November 2010, SAWPA executed an agreement with Reclamation to participate in a basin study for the One Water One Watershed Plan, and that work was finalized in 2013. Staff is recommending SAWPA submit a proposal to update that basin study to Reclamation, which is due June 22, 2016; Reclamation will advise SAWPA whether or not the proposal is successful within thirty days.

Achimore emphasized this is a partnership with Reclamation; this is not a grant and there will be no transfer of funding. Both SAWPA and Reclamation would be pledging resources to be spent on updating the OWOW 2.0 Plan.

Proposition 1, passed by the voters November 2014, includes new IRWM requirements such as prioritizing vulnerabilities, connecting groundwater sustainability plans, and connecting stormwater resources plans. If successful, the basin study proposal to Reclamation would incorporate current science and data in bringing the Plan into compliance with these new IRWM requirements. There is state grant funding available up to $250,000, with a local match requirement. Applications for the state grant are due August 2016.

Commissioner Anthony moved approval, with the condition that staff provides to the Commission for review the final proposal before it is submitted to Reclamation.

MOVED, approve submitting a Study Proposal to the U.S. Bureau of Reclamation to update the One Water One Watershed 2.0 Plan so the Plan is compliant with Proposition 1 Integrated Regional Water Management requirements and incorporates the best available science and data, with the condition that the final proposal is provided to the Commission for review prior to submittal to the U.S. Bureau of Reclamation.

Result: Adopted (Unanimously; 5-0)
Motion/Second: Anthony/Dennstedt
Ayes: Anthony, Dennstedt, Hall, Killgore, Sullivan
Nays: None
Abstentions: None
Absent: None

B. 2015 SANTA ANA RIVER HABITAT SURVEY DATA (CM#2016.34)

Ian Achimore provided a PowerPoint presentation on the 2015 Santa Ana River Habitat Survey Data. SAWPA serves as administrator of the Santa Ana Sucker Team Task Force. The Task Force established annual riverwalks to collect habitat data, which have taken place in the autumn since 2006 to the present. The preferred substrate habitat of the Santa Ana Sucker Fish is gravel and cobbles. Substrate is ranked poor habitat if gravel/cobble content is 30% or less, marginal with 31%-65%, and excellent with 66% or greater. A majority of the river is sand, but there are pockets and small reaches where there is gravel. 2015 Riverwalk data reflects no data point identified as marginal or excellent habitat for approximately 10.5 miles upstream from the River Road Bridge; all data points up to that 10.5 mile mark were identified as poor habitat.

The 2016 Riverwalk will take place in the fall. Staff will continue to collect and summarize habitat
data, which is shared with agencies involved in habitat planning.

Commissioner Anthony asked about fish population data. Achimore advised this Task Force focused on population survey data for approximately ten years. Currently, the Habitat Conservation Plan for upper Santa Ana River, led by SBVMWD, began population surveys last year and is planning another survey this year. Commissioner Sullivan voiced interest in receiving information showing the correlation between habitat improvements and fish population.

C. **PPIC WATER POLICY CENTER CALIFORNIA’S WATER BRIEFING KIT (CM#2016.35)**

The Public Policy Institute of California (PPIC) has invited SAWPA to participate as a sponsor of the 2016 *California’s Water* briefing kit at the $10,000 level. The PPIC is a reliable, independent and trusted broker in California’s water policy debates. New policies at the federal, state and local levels are targeting key water challenges within California such as groundwater sustainability and drought emergencies. The PPIC has provided in-depth research in contributing to the state’s water debate, including its one-of-a-kind briefing kit, *California’s Water*. The PPIC will release a significant update to this important resource in the fall of 2016.

**MOVED,** sponsor the PPIC’s 2016 *California’s Water* briefing kit at the $10,000 level.

Result: **Adopted (Unanimously; 5-0)**

Motion/Second: Sullivan/Anthony

Ayes: Anthony, Dennstedt, Hall, Killgore, Sullivan

Nays: None

Abstentions: None

Absent: None

D. **SAWPA/OCSD JOINT POLICY COMMITTEE APPOINTMENT**

The initial SAWPA appointees to the SAWPA/OCSD Joint Policy Committee were Commissioners Ron Sullivan and Don Galleano. Commissioner Sullivan agreed to continue serving as a SAWPA appointee to the Committee. Since Don Galleano no longer sits on the SAWPA Commission, it was recommended that the SAWPA Commission consider appointing a replacement Commissioner. Commissioner Killgore voiced his interest in serving as SAWPA’s second appointee to the Committee.

**MOVED,** appoint Ed Killgore to the SAWPA/OCSD Joint Policy Committee.

Result: **Adopted (Unanimously; 5-0)**

Motion/Second: Anthony/Dennstedt

Ayes: Anthony, Dennstedt, Hall, Killgore, Sullivan

Nays: None

Abstentions: None

Absent: None

6. **INFORMATIONAL REPORTS**

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

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

**B. INTER-FUND BORROWING – MARCH 2016 (CM#2016.31)**

**C. PERFORMANCE INDICATORS/FINANCIAL REPORTING – FEBRUARY 2016 (CM#2016.32)**

**D. GENERAL MANAGER’S REPORT**
Celeste Cantú provided and reviewed the OWOW 2.0 Plan Executive Summary.

E. STATE LEGISLATIVE REPORT

F. SAWPA GENERAL MANAGERS MEETING NOTES
   • May 10, 2016

G. CHAIR’S COMMENTS/REPORT

H. COMMISSIONERS’ COMMENTS

I. COMMISSIONERS’ REQUEST FOR FUTURE AGENDA ITEMS

7. CLOSED SESSION

At 10:11 a.m., Vice Chair Killgore recessed the meeting to Closed Session. Rich Haller and David Ruhl participated in the discussion of Agenda Item No. 7.A.

A. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION – SIGNIFICANT EXPOSURE TO 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 10:50 a.m., and announced the following action was taken on Agenda Item No. 7.A by the Commission during Closed Session.

MOVED, authorize SAWPA to defend against existing and potential litigation with Charles King Company, Inc., and Spiniello Companies.

Result: Adopted (Unanimously; 5-0)

Motion/Second: Anthony/Hall

Ayes: Anthony, Dennstedt, Hall, Killgore, Sullivan

Nays: None

Abstentions: None

Absent: None

8. ADJOURNMENT

There being no further business for review, Vice Chair Killgore adjourned the meeting at 10:51 p.m.

Approved at a Regular Meeting of the Santa Ana Watershed Project Authority Commission on Tuesday, June 7, 2016.

______________________________________
Thomas P. Evans, Chair
Attest:

______________________________________
Kelly Berry, CMC
Clerk of the Board
TREASURER’S REPORT

April 2016

During the month of April 2016, the Agency’s actively managed temporary idle cash earned a return of 1.439%, representing interest earnings of $11,880. Additionally, the Agency’s position in overnight funds L.A.I.F. and CalTRUST generated $15,285 and $1,756 in interest, resulting in $28,921 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, one (1) position 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.

May 16, 2016

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

**April 30, 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.

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<th>Maturity Date</th>
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**Total Actively Invested Funds**: $11,227,000

**Total Local Agency Investment Fund**: $35,422,116.83

**Total CalTRUST Investment Fund**: $2,158,331.05

**Total Invested Cash**: $11,227,000

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**Key to Security Type**:

- **FHLMC** = 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
- **SA** = Securities America
- **TVI** = Time Value Investments
- **WMS** = Wedbush Morgan Securities
Interest Rate Analysis

- Securities: 1.439%
- LAIF: 0.525%
- CalTRUST: 0.990%
- Avg Rate of Return: 0.756%

Apr-2016
Investments
$48,878,600

- Securities,
  $11,298,152, 23%
- LAIF,
  $35,422,117, 73%
- CalTRUST,
  $2,158,331, 4%
Interest
$28,921

LAIF, $15,285,
53%

CalTRUST,
$1,756, 6%

Securities,
$11,880, 41%
CELESTE CANTU
SANTA ANA WATERSHED PROJECT AUTHORITY
GENERAL MANAGER

Dear Celeste,

Baja California Sur is an area of special features in our country where every year hurricanes discharge a large amount of water on short and steep runoff, which don’t have infrastructure to save, control, infiltrate or canalize these runoffs, promoting little infiltration into aquifers and a latent danger to the settled towns on the banks of streams.

For several years a group of professionals have been working to finding a solution to the various problems related to water in our state, and we are convinced that it is necessary to unite the efforts of all Baja California Sur, and especially the professionals of different areas to look for an integrated water resource planning in all its aspects and aim their ordering in the medium and long term.

Today we are happy to communicate that on January 11th 2016, was founded officially “AGrupación Ciudadana para el Ordenamiento del agua en Baja California Sur (ACORABCS)”, composed of 26 professionals from a variety of disciplines in order to influence public policies for utilization of water resources.

This group aims actively in the following areas: Water supply, treatment and desalination, rainwater drainage (use), federal zones and protection works, groundwater recharge, seawater and marine works, promotion and culture of sustainable use of water, economy and water use, and others.
One of our best references corresponds precisely to the successful water management in Santa Ana Watershed, an agency that is under your management so we extend our sincere congratulations on the great work done.

It is in our interest to continue working with the exchange of technical and administrative experiences with SANTA ANA WATERSHED PROJECT AUTHORITY, since we are convinced that thanks to the successful achieved through the implementation of the Plan OWOW, we could have a similar model in Baja California Sur, therefore we would like to continue in contact with you and if possible to you have a visit in our state in La Paz city to expose and share your experiences in water management in Santa Ana.

Yours truly,

Ing. Juan Jesus Quiroga Aviles
President
COMMISSION MEMORANDUM NO. 2016.39

DATE: June 7, 2016
TO: SAWPA Commission
SUBJECT: U.S. Bureau of Reclamation Basin Study Update Draft Proposal Framework
PREPARED BY: Ian Achimore, Senior Watershed Manager
Mike Antos, Watershed Manager

RECOMMENDATION
That the Commission receive and file this update on the Basin Study Update proposal draft framework for the U.S. Bureau of Reclamation in updating the One Water One Watershed 2.0 Plan to comply with Proposition 1 Integrated Regional Water Management requirements and incorporate the best available science and data.

DISCUSSION
This memo details the draft proposal framework for SAWPA’s application to participate in the Basin Study Update program with the U.S. Bureau of Reclamation (Reclamation). 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. Staff will provide the proposal at the June 21, 2016 SAWPA Commission board meeting. The proposal must be submitted on June 22, 2016.

Reclamation has previously partnered with SAWPA on the One Water One Watershed 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, as a Basin Study Update proposal, it must build from the information developed through earlier cooperative work with Reclamation on the Basin Study.

DRAFT PROPOSAL FRAMEWORK
The proposal is taking shape around three specific ideas drawn from Reclamation’s earlier work in OWOW 2.0, and to match needs expressed by new legislation and funding for the integrated regional water management program. The draft total for the Plan Update 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 climate impacts on water related issues such as supply and demand as well as surface water flows in the watershed. Projections in OWOW 2.0 relied on an older climate projections (CMIP-3) which has been updated (CMIP-5). These new projections may be of use. Updated understanding of climate impacts on supply and demand is also a critical deliverable to DWR under legislative direction in laws passed since OWOW 2.0 was crafted.
In OWOW 2.0, Reclamation also assisted strengthening our understanding of climate vulnerabilities in the Santa Ana River Watershed. The report categorizes many vulnerabilities, but at the time they were associated broadly to the watershed as a whole. Understanding where projects or programs can bring benefit is critical to taking action to reduce vulnerability.

The second request will seek Reclamation’s assistance understanding the spatial context of identified vulnerabilities, helping identify which communities and water systems are threatened in which ways. This prioritization is also a new requirement of California, and will augment required activity in the upcoming Disadvantaged Community Involvement Program offered by the State. Reclamation played an important role in OWOW 2.0 work related to disadvantaged communities.

Third, 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.

BACKGROUND
Reclamation invited SAWPA to apply for the Fiscal Year 2016 Basin Study Update program, and assigned a technical advisor to assist us crafting a proposal. Our submitted Basin Study Update proposal will be reviewed by a Reclamation Application Review Committee (ARC) which will recommend to the Agency’s Director of Policy and Administration which studies will receive funding in Fiscal Year 2016.

If accepted, Reclamation will assign in-kind resources to accomplish the Basin Study Update Proposal scope-of-work. SAWPA would also assign matching expenditures, which can be state grant or local funds.

If successful through the Integrated Regional Water Management grant process offered by the State, SAWPA could receive up to $250,000 in State funding to update the One Water One Watershed 2.0 Plan. In addition, the State’s Disadvantaged Community Involvement Program, which has a funding allocation amount already dedicated to the SAWPA region requires conducting a Needs Assessment, and these funds will also be available as match to the Reclamation commitment.

RESOURCE 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 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 $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.
COMMISSION MEMORANDUM NO. 2016.36

DATE: June 7, 2016

TO: SAWPA Commission

SUBJECT: Union Pacific Railroad Pipe Protection Project – Reach 4E

PREPARED BY: Carlos Quintero, Senior Project Manager

RECOMMENDATION
That the Commission 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.

DISCUSSION
On October 7, 2014, the SAWPA Commission authorized the Agreement between Union Pacific Railroad, the San Bernardino Municipal Water Department, and SAWPA establishing the terms and conditions related to the pipeline protection bridge on the Brine Line Reach 4E required due to Union Pacific’s Industrial Lead Track Relocation project, in the City of Colton. See Attachment 1 for project location. The agreement approved by the Commission committed SAWPA to pay for 39 percent of the total project cost, originally estimated at $941,390.

The project was required due to additional loadings on both SAWPA 36-inch diameter Brine Line and the SBMWD 57-inch diameter effluent line to the RIX Facility as a result of the track relocation. A schematic of the pipe protection project is presented in Attachment 2.

The total cost of the pipe protection project, including engineering design ($50,574.71) and construction ($615,703.83), was $666,278.54. Skanska, Inc. was under contract with Union Pacific Railroad for the construction of the project.

SAWPA’s share of the total cost is 39 percent or $259,848.64; while the SBMWD was responsible for 61 percent of the total or $406,429.91.

As outlined in the agreement, Union Pacific provided a final invoice after the project was completed.

RESOURCE IMPACTS
Funds for Brine Line capital improvements would be available from Brine Line reserves upon Commission approval.

Attachments:

1. Project Location Map
2. Pipe Protection Schematic
Union Pacific Railroad Construction Impacts to Brine Line (Reach 4E)

- Brine Line
- Brine Line MAS

Project Area

Collon WRF

Area impacted by Railroad Construction

Santa Ana River
Project consists of installation of:
30 - 24" diameter x 53' drilled shafts
12 - 24" diameter x 65' drilled shafts
Concrete cap and slab (5,000 psi)
Length of pipeline protection is approximately 123 l.f.
COMMISSION MEMORANDUM NO. 2016.37

DATE: June 7, 2016

TO: SAWPA Commission

SUBJECT: Riverside County Multi-Jurisdictional Hazard Mitigation Plan

PREPARED BY: Carlos Quintero, Senior Project Manager

RECOMMENDATION
That the Commission direct the General Manager to submit a Letter of Commitment as a participating jurisdiction in Riverside County Operational Area Multi-Jurisdictional Hazard Mitigation Planning.

DISCUSSION
The Riverside County Emergency Management Department (EMD) is the lead agency in preparation of the County Multi-Jurisdictional Hazard Mitigation Plan. The County EMD requires a Letter of Commitment to participate in the County’s Hazard Mitigation Planning efforts (Attachment 1). The requirements for mitigation plans are outlined in the Code of Federal Regulations Title 44 Section 201.6 (Attachment 2).

A Federal Emergency Management Agency (FEMA) approved hazard mitigation plan is a condition for receiving certain types of non-emergency disaster assistance, including funding for mitigation projects. The Hazard Mitigation Plan allows SAWPA to identify Brine Line risks and vulnerabilities associated with natural disasters and to develop long-term strategies to prevent damage from catastrophic events.

The Hazard Mitigation Plan requires and update every 5 years. The current plan was last updated in 2012.

The participating agencies include cities and special districts in Riverside County. Western Municipal Water District is a participating jurisdiction in the current Mitigation Plan.

Once the Multi-jurisdictional Hazard Mitigation Plan is finalized, it will require adoption by the SAWPA Commission.

RESOURCE IMPACTS
Funds for staff time related to the preparation and submittal of the letter of commitment are included in Fund 240 (Brine Line Enterprise).

Attachments:
1. Letter of Commitment
2. 44 CFR §201.6

CM 2016.37 Hazard Mitigation Plan
June 14, 2016

Riverside County Emergency Management Department
Kim Saruwatari, Director
4210 Riverwalk Pkwy, Ste. 300
Riverside, CA 92505

Re: Letter of Commitment as participating jurisdiction in Riverside County Operational Area Multi-Jurisdictional Hazard Mitigation Planning

Dear Riverside County Emergency Management Department,

As the Federal Emergency Management Agency’s (FEMA) Local Mitigation Plan requirements under 44 CFR §201.6 specifically identify criteria that allow for multi-jurisdictional mitigation plans and that many issues are better resolved by evaluating hazards more comprehensively by coordinating at the county, regional, or watershed level, the Santa Ana Watershed Project Authority (SAWPA) is submitting this letter of commitment to confirm that SAWPA has agreed to participate in the County of Riverside Emergency Management Department’s Multi-Jurisdictional Hazard Mitigation Planning.

Further, as a condition to participating in the mitigation planning; SAWPA agrees to meet the requirements for mitigation plans identified in 44 CFR §201.6 and to provide such cooperation as necessary and in a timely manner to the County of Riverside Emergency Management Department’s to complete the plan in conformance with FEMA requirements.

SAWPA understands that it must engage in the following planning process, as described in FEMA’s Local Multi-Hazard Mitigation Planning Guidance dated July 1, 2008, including, but not limited to:

- Identification of hazards unique to the jurisdiction and not addressed in the master planning document;
- The conduct of a vulnerability analysis and an identification of risks, where they differ from the general planning area;
- The formulation of mitigation goals responsive to public input and development of mitigation actions complementary to those goals. A range of actions must be identified specific for each jurisdiction.
- Demonstration that there has been proactive participation in the planning process by all community stakeholders (examples of participation include relevant involvement in any planning process, attending meetings, contributing research, data, or other information, commenting on drafts of the plan, etc.); and
- Documentation of an effective process to maintain and implement the plan; and,
- Formal adoption of the Multi-Jurisdictional Hazard Mitigation Plan by the jurisdiction’s governing body (each jurisdiction must officially adopt the plan).
Therefore, with a full understanding of the obligations incurred by participating in the FEMA hazard mitigation planning process as a participant in a multi-jurisdictional plan; I, Celeste Cantú, General Manager commit SAWPA to the County of Riverside Emergency Management Department Multi-Jurisdictional Hazard Mitigation Planning effort.

Executed this 14th day of June, 2016

Celeste Cantú
General Manager
Santa Ana Watershed Project Authority
The local mitigation plan is the representation of the jurisdiction's commitment to reduce risks from natural hazards, serving as a guide for decision makers as they commit resources to reducing the effects of natural hazards. Local plans will also serve as the basis for the State to provide technical assistance and to prioritize project funding.

(a) **Plan requirements.**

(1) A local government must have a mitigation plan approved pursuant to this section in order to receive HMGP project grants. The Administrator may, at his discretion, require a local mitigation plan for the Repetitive Flood Claims Program. A local government must have a mitigation plan approved pursuant to this section in order to apply for and receive mitigation project grants under all other mitigation grant programs.

(2) Plans prepared for the FMA program, described at part 79 of this chapter, need only address these requirements as they relate to flood hazards in order to be eligible for FMA project grants. However, these plans must be clearly identified as being flood mitigation plans, and they will not meet the eligibility criteria for other mitigation grant programs, unless flooding is the only natural hazard the jurisdiction faces.

(3) Regional Administrator's may grant an exception to the plan requirement in extraordinary circumstances, such as in a small and impoverished community, when justification is provided. In these cases, a plan will be completed within 12 months of the award of the project grant. If a plan is not provided within this timeframe, the project grant will be terminated, and any costs incurred after notice of grant's termination will not be reimbursed by FEMA.

(4) Multi-jurisdictional plans (e.g. watershed plans) may be accepted, as appropriate, as long as each jurisdiction has participated in the process and has officially adopted the plan. State-wide plans will not be accepted as multi-jurisdictional plans.

(b) **Planning process.** An open public involvement process is essential to the development of an effective plan. In order to develop a more comprehensive approach to reducing the effects of natural disasters, the planning process shall include:

(1) An opportunity for the public to comment on the plan during the drafting stage and prior to plan approval;

(2) An opportunity for neighboring communities, local and regional agencies involved in hazard mitigation activities, and agencies that have the authority to regulate development, as well as businesses, academia and other private and non-profit interests to be involved in the planning process; and

(3) Review and incorporation, if appropriate, of existing plans, studies, reports, and technical information.
(c) **Plan content.** The plan shall include the following:

(1) Documentation of the planning process used to develop the plan, including how it was prepared, who was involved in the process, and how the public was involved.

(2) A **risk assessment** that provides the factual basis for activities proposed in the strategy to reduce losses from identified hazards. Local risk assessments must provide sufficient information to enable the jurisdiction to identify and prioritize appropriate mitigation actions to reduce losses from identified hazards. The risk assessment shall include:

(i) A description of the type, location, and extent of all natural hazards that can affect the jurisdiction. The plan shall include information on previous occurrences of hazard events and on the probability of future hazard events.

(ii) A description of the jurisdiction’s vulnerability to the hazards described in paragraph (c)(2)(i) of this section. This description shall include an overall summary of each hazard and its impact on the community. All plans approved after October 1, 2008 must also address NFIP insured structures that have been repetitively damaged by floods. The plan should describe vulnerability in terms of:

(A) The types and numbers of existing and future buildings, infrastructure, and critical facilities located in the identified hazard areas;

(B) An estimate of the potential dollar losses to vulnerable structures identified in paragraph (c)(2)(ii)(A) of this section and a description of the methodology used to prepare the estimate;

(C) Providing a general description of land uses and development trends within the community so that mitigation options can be considered in future land use decisions.

(iii) For multi-jurisdictional plans, the risk assessment section must assess each jurisdiction’s risks where they vary from the risks facing the entire planning area.

(3) A **mitigation strategy** that provides the jurisdiction’s blueprint for reducing the potential losses identified in the risk assessment, based on existing authorities, policies, programs and resources, and its ability to expand on and improve these existing tools. This section shall include:

(i) A description of mitigation goals to reduce or avoid long-term vulnerabilities to the identified hazards.

(ii) A section that identifies and analyzes a comprehensive range of specific mitigation actions and projects being considered to reduce the effects of each hazard, with particular emphasis on new and existing buildings and infrastructure. All plans approved by FEMA after October 1, 2008, must also address the jurisdiction's participation in the NFIP, and continued compliance with NFIP requirements, as appropriate.

(iii) An action plan describing how the actions identified in paragraph (c)(3)(ii) of this section will be prioritized, implemented, and administered by the local jurisdiction. Prioritization shall include a special emphasis on the extent to which benefits are maximized according to a cost benefit review of the proposed projects and their associated costs.
(iv) For multi-jurisdictional plans, there must be identifiable action items specific to the jurisdiction requesting FEMA approval or credit of the plan.

(4) A plan maintenance process that includes:

(i) A section describing the method and schedule of monitoring, evaluating, and updating the mitigation plan within a five-year cycle.

(ii) A process by which local governments incorporate the requirements of the mitigation plan into other planning mechanisms such as comprehensive or capital improvement plans, when appropriate.

(iii) Discussion on how the community will continue public participation in the plan maintenance process.

(5) Documentation that the plan has been formally adopted by the governing body of the jurisdiction requesting approval of the plan (e.g., City Council, County Commissioner, Tribal Council). For multi-jurisdictional plans, each jurisdiction requesting approval of the plan must document that it has been formally adopted.

(d) Plan review.

(1) Plans must be submitted to the State Hazard Mitigation Officer (SHMO) for initial review and coordination. The State will then send the plan to the appropriate FEMA Regional Office for formal review and approval. Where the State point of contact for the FMA program is different from the SHMO, the SHMO will be responsible for coordinating the local plan reviews between the FMA point of contact and FEMA.

(2) The Regional review will be completed within 45 days after receipt from the State, whenever possible.

(3) A local jurisdiction must review and revise its plan to reflect changes in development, progress in local mitigation efforts, and changes in priorities, and resubmit it for approval within 5 years in order to continue to be eligible for mitigation project grant funding.

(4) Managing States that have been approved under the criteria established by FEMA pursuant to 42 U.S.C. 5170c(c) will be delegated approval authority for local mitigation plans, and the review will be based on the criteria in this part. Managing States will review the plans within 45 days of receipt of the plans, whenever possible, and provide a copy of the approved plans to the Regional Office.

COMMISSION MEMORANDUM NO. 2016.38

DATE: May 27, 2016

TO: SAWPA Commission

SUBJECT: Memorandum of Understanding with Fontana Water Company to Accept Local Cost-Share for the Water-Energy Community Action Network Project

PREPARED BY: Mike Antos, Watershed Manager

RECOMMENDATION
That the Commission authorize the General Manager to execute the Memorandum of Understanding (MOU) with the Fontana Water Company.

DISCUSSION
In March 2016 the Commission authorized the General Manager to execute MOU’s with four local cost-share partners, including Fontana Water Company, as part of the Water Energy Community Action Network Program. The Program is primarily funded by a Water-Energy Grant from DWR which the Commission acted upon in December 2014. The MOUs clarify the partner entities’ contribution of local cost-share to the project.

One of the partners, Fontana Water Company, is a private entity, not a public agency. During negotiations, the Fontana Water Company requested the addition of an indemnification clause in the MOU. Executive Counsel has reviewed the requested indemnification language, and finds it reasonable for SAWPA to hold Fontana Water Company harmless in this MOU. While the Commission previously authorized the MOUs with the partners, the staff recommends the Commission specifically authorize this MOU with its indemnification clause.

BACKGROUND
The Water Energy Community Action Network program is funded via a grant executed by DWR and SAWPA in April 2016, with a scope of work extending until December 2017. In Fontana Water Company’s service area the program will remove, at single family residences, 65,000 square feet of turf and plant low-water alternative landscapes. Eligible homes must be located with portions of the service area that are designated by CalEPA as disadvantaged.

The Program scope calls for Fontana Water Company to provide $130,000 of local cost share to SAWPA and initiate communications about the program with their customers. The turf removal work of the project will be done by a contractor hired by SAWPA.

RESOURCE IMPACTS
The MOU does not stipulate that SAWPA provide any funding. The MOU allows the partnering agencies to provide funding to SAWPA implement the Project.

Attachment:
1. MOU with Fontana Water Company

CM 2016.38 FWC MOU - WECAN Project
MEMORANDUM OF UNDERSTANDING
BETWEEN THE
SANTA ANA WATERSHED PROJECT AUTHORITY
AND THE FONTANA WATER COMPANY

This MEMORANDUM OF UNDERSTANDING (MOU) is hereby made and entered into by and between the Santa Ana Watershed Project Authority, hereinafter referred to as “SAWPA,” and the Fontana Water Company, hereinafter referred to as “Fontana Water Company.” SAWPA and Fontana Water Company may be individually referred to as "Party", and collectively referred to as the "Parties".

TITLE
Implementation and Administration of the Water-Energy Community Action Network Project

PURPOSE
The purpose of this MOU is to establish the roles and responsibilities of SAWPA and the Fontana Water Company during the implementation and administration of the Water-Energy Community Action Network Project (“Project”).

STATEMENT OF MUTUAL BENEFIT OF INTEREST
Consistent with Water-Energy Grant Program Grant Agreement No. 4600011089 (“Grant Agreement”) between the Department of Water Resources and SAWPA, SAWPA is responsible to appropriately disburse all of the $2,339,823 in grant funds for implementation of the Project.

Consistent with the Grant Agreement, the Project will implement water conservation measures across the Fontana Water Company service area on residential properties that are within disadvantaged communities as designated by the State of California EnviroScreen 2.0 tool.

To attain water conservation savings, SAWPA’s contractor will remove approximately 65,000 square feet of turf grass and replace it with drought tolerant landscaping on residential properties in Fontana Water Company’s service area. The residential properties will be eligible if they live within a census designated tract that scores 76% or higher using the State of California EnviroScreen 2.0 tool and the resident self-certifies that their annual income of their household is less than 80 percent of the Statewide annual median household income.

The turf removal portion of the Project will be funded by matching funds from the Grant Agreement with the Fontana Water Company’s cost share.

FONTANA WATER COMPANY SHALL:
Pay to SAWPA, following execution of this MOU and the provision by SAWPA of separate invoices, $50,000 by July 1, 2016, $40,000 by January 5, 2017, and $40,000 by July 1, 2017 (totaling payments of $130,000) for the purpose of removing approximately 65,000 square feet turf grass and replacing it with drought tolerant landscaping on residential properties in Fontana Water Company’s service area that are designated as disadvantaged by the State of California EnviroScreen 2.0 tool.

Coordinate with SAWPA on outreach messages and strategies by the SAWPA outreach contractor and subcontractors. This coordination will allow a consistent and effective message of the benefits of turf removal and water conservation.

Keep records of the disbursement and documents related to the Program until June 30, 2021.

SAWPA SHALL:
Use the $130,000 received from Fontana Water Company in conjunction with grant funds to remove approximately 65,000 square feet of turf grass and replace it with drought tolerant landscaping on
residential properties in the Fontana Water Company’s service area that are designated as disadvantaged by the State of California EnviroScreen 2.0 tool. SAWPA will use the up-front payment from Fontana Water Company to pay SAWPA’s contractor(s) for work accomplished while awaiting State reimbursement of the grant funded portion of the project cost, and will thereby obtain a better unit price from the contractor(s).

Use its best efforts to maximize the use of the $130,000 for project implementation.

At the conclusion of the term of the Grant Agreement, return to Fontana Water Company any unused funds remaining from Fontana Water Company’s payments.

Utilize fiscal control and accounting procedures sufficient to permit tracking of the disbursed funding to a level of expenditure adequate to establish that such funds have not been used in violation of state law, the MOU or the Grant Agreement.

Account for the money disbursed pursuant to this MOU separately from all other SAWPA funds.

Maintain audit and accounting procedures that are in accordance with generally accepted accounting principles and practices, consistently applied.

Keep complete and accurate records of all receipts, disbursements, and interest earned on expenditures of such funds.

Administer the project, contract for service providers for project implementation, inspect contractor work, and accept or reject that work.

Require its contractor(s) to collect an up to $100 deposit from each participating resident to minimize the canceling of participation by the residents while implementation is proceeding and Project costs have been incurred, and return each resident’s deposit to the resident once the project work at that residence is accepted as complete. Deposited funds not refunded due to cancellation of participation shall be used for implementation costs for the overall Project.

Have its contractor or subcontractors collect information from Fontana Water Company’s customers such as enrollment, closeout and income-self certification forms certified by participating residents.

Require its contractors or subcontractors to maintain books, records, and other documents pertinent to their work in accordance with generally accepted accounting principles and practices and store them securely.

Coordinate with Fontana Water Company on outreach messages and strategies, and, with State grant funds from the Grant Agreement, utilize contractors and subcontractors to conduct outreach within Fontana Water Company’s service area by coordinating messages, outreach strategies and general conduct with Fontana Water Company.

INDEMNITY

SAWPA shall defend and indemnify Fontana Water Company and its officers, directors, agents, and employees against, and save and hold them harmless from, any and all liability, claims, demands, loss, actions, causes of action, expenses, penalties, fines, assessments, damages, costs, attorney fees, and litigation expenses, of every kind and nature, consequential or otherwise, resulting from or in any manner arising out of or in connection with the performance of the services under this MOU.

TERM

This MOU shall become effective on the date it is executed by Fontana Water Company. This MOU will remain in effect for the length of the Grant Agreement.
EXTENSION OF TERM
This MOU may be extended only by a written amendment signed by the Parties.

AMENDMENTS TO MOU
This MOU may be amended only in writing mutually agreed to and signed by the Parties.

TERMINATION
Either Party may terminate its participation in this MOU for cause by providing notice to the other party of the cause for termination, allowing thirty (30) days for the other Party to cure the cause, and then providing thirty (30) days prior written notice to the other Party of the intention to terminate the MOU.

Fontana Water Company

Robert J. DiPrimio
Senior Vice President

Date

Santa Ana Watershed Project Authority

Celeste Cantú
General Manager

Date