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

REGULAR COMMISSION MEETING
TUESDAY, JANUARY 17, 2017 – 9:30 A.M.

AGENDA

1. CALL TO ORDER/PLEDGE OF ALLEGIANCE (Susan Lien Longville, 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. WELCOME NEW SAWPA COMMISSIONERS
   - Susan Lien Longville, SBVMWD
   - Kati Parker, IEUA
   - Gil Navarro, Alternate, SBVMWD
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: JANUARY 3, 2017 ................................................................. 5
      Recommendation: Approve as posted.
   B. APPROVAL OF MEETING MINUTES: JANUARY 10, 2017 ............................................................. 9
      Recommendation: Approve as posted.
   C. TREASURER’S REPORT – DECEMBER 2016 ................................................................................. 13
      Recommendation: Approve as posted.
6. NEW BUSINESS
   A. ROTATION OF OFFICERS AND COMMISSION APPOINTMENTS (CM# 2017.6)......... 19
      Presenter: Celeste Cantú
      SAWPA Resolution No. 355 calls for the rotation of officers at a meeting in January of each odd-numbered year.
      SAWPA Commission
      - Chair
      - Vice Chair
      - Secretary-Treasurer
      Other Commission Appointments
      - Joint Policy Committee
      - LESJWA (one representative)
Recommendation: Authorize the rotation of officers in accordance with the provisions of Resolution No. 355; appoint one Commissioner to the Joint Policy Committee; and, adopt Resolution No. 2017-01 appointing one Commissioner to the Lake Elsinore and San Jacinto Watersheds Authority (LESJWA) Board of Directors as the SAWPA representative.

B. **UPDATE OF OWOW INTEGRATED REGIONAL WATER MANAGEMENT PLAN (IRWMP) (CM#2017.7)**

Presenter: Mike Antos

- Staff Presentation
- Open the Public Hearing
- Receive Public Comments
- Close the Public Hearing

Recommendation: (1) conduct a public hearing regarding the preparation of an updated Integrated Regional Water Management Plan (IRWMP); and (2) direct staff to update the OWOW Plan.

C. **BASIN MONITORING PROGRAM TASK FORCE – CONSULTANT SUPPORT (CM#2017.8)**

Presenter: Mark Norton

Recommendation: Approve an Agreement for Services and Task Order GEOS374-01 with Geoscience for the amount not-to-exceed $249,800 to prepare the Santa Ana River Waste Load Allocation Model Update.

D. **FYE 2018 AND 2019 BUDGET GOALS AND OBJECTIVES (CM#2017.9)**

Presenter: Karen Williams

Recommendation: Receive, file and discuss goals and objectives that will be used in preparing the FYE 2018 and 2019 budget.

E. **PROP 84 STATUS PROJECTS STATUS UPDATE – ALL ROUNDS**

Presenter: Nicole D. Weideman

Recommendation: Receive and file.

F. **INLAND EMPIRE BRIN LINE, TIME EXTENSION FOR TEMPORARY DISCHARGE OF DOMESTIC WASTEWATER FROM THE CHINO PRESERVE (IEUA) (CM#2017.10)**

Presenter: Rich Haller

Recommendation: Approve Amendment No. 5 to the “SARI System Treatment and Disposal Capacity and Pipeline Capacity Agreements” between SAWPA and the IEUA, extending the end date for the Chino Preserve Development temporary domestic connection from March 2017 to March 2020 (3 years).

G. **PROJECT AGREEMENT 23 FIRST AMENDMENT AND RESTATEMENT (CM#2017.13)**

Presenter: Larry McKenney

Recommendation: Approve the First Amended and Restated Project Agreement 23 and direct staff to circulate the new agreement to the member agencies for approval.

7. **INFORMATIONAL REPORTS**

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

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

Presenter: Karen Williams
B. **INTER-FUND BORROWING – NOVEMBER 2016 (CM#2017.11)** ........................................... 121
   Presenter: Karen Williams

C. **PERFORMANCE INDICATORS/FINANCIAL REPORTING – NOVEMBER 2016 (CM#2017.12)** ........................................... 125
   Presenter: Karen Williams

D. **SAWPA ROUNDTABLE STATUS REPORT FOR THE FIRST QUARTER ENDING DECEMBER 31, 2016** ........................................... 145
   Presenter: Mark Norton

E. **OWOW STATUS REPORT FOR THE FIRST QUARTER ENDING DECEMBER 31, 2016** ........................................... 157
   Presenter: Mark Norton

F. **STATUS REPORT – 2017 OWOW CONFERENCE (May 25 | Ontario Convention Center)** ........................................... 161
   Presenter: Celeste Cantú

G. **GENERAL MANAGER’S REPORT** ........................................... 163

H. **SAWPA GENERAL MANAGERS MEETING NOTES** ........................................... 165
   • January 10, 2017

I. **STATE LEGISLATIVE REPORT** ........................................... 169
   Presenter: Celeste Cantú

J. **CHAIR’S COMMENTS/REPORT**

K. **COMMISSIONERS’ COMMENTS**

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

8. **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)

9. **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 Thursday, January 12, 2017, 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
**2017 SAWPA Commission Meetings/Events**
First and Third Tuesday of the Month

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

<table>
<thead>
<tr>
<th>January</th>
<th>February</th>
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<tbody>
<tr>
<td>1/3/17 Commission Workshop</td>
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<tr>
<td>1/10/17 Special Commission Meeting</td>
<td>2/21/17 Regular Commission Meeting</td>
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<td>1/17/17 Regular Commission Meeting</td>
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<tr>
<td>3/7/17 Commission Workshop</td>
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<tr>
<td>3/21/17 Regular Commission Meeting</td>
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<td>6/6/17 Commission Workshop</td>
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<tr>
<td>5/9 – 5/12/17 ACWA Spring Conference, Monterey</td>
<td>6/20/17 Regular Commission Meeting</td>
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<td>5/16/17 Regular Commission Meeting</td>
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<tr>
<td>5/25/17 OWOW Conference [Ontario Convention Center]</td>
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<tr>
<td>7/4/17 No Meeting (Independence Day)</td>
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<tr>
<td>7/18/17 Regular Commission Meeting</td>
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<td>9/19/17 Regular Commission Meeting</td>
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<td>11/7/17 Commission Workshop</td>
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<td>11/21/17 Regular Commission Meeting</td>
<td>12/19/17 Regular Commission Meeting</td>
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<tr>
<td>11/28 – 12/1/17 ACWA Fall Conference, Anaheim</td>
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The Regular Commission Meeting of the Santa Ana Watershed Project Authority was called to order at 9:30 a.m. by Chair Evans 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**
   At the request of Commissioner Sullivan, Agenda Item No. 4.B. was pulled from the Consent Calendar for consideration after Closed Session.

   A. **APPROVAL OF MEETING MINUTES: OCTOBER 18, 2016**
      
      **Recommendation:** Approve as posted.

      **MOVED,** approve the October 18, 2016 meeting minutes.

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

      **Motion/Second:** Anthony/Sullivan

      **Ayes:** Anthony, Copeland, Evans, Hall, Sullivan

      **Nays:** None

      **Abstentions:** None

      **Absent:** None
5. WORKSHOP DISCUSSION AGENDA

A. **PROP 84 STATUS REPORT AND BUDGET UPDATE – ALL ROUNDS**
   Nicole Weideman gave an oral report, noting a detailed presentation would be provided during the January 17, 2017 meeting. Weideman has completed the 90-day site visits for Rounds 1 and 2 and some Drought Round projects. She will be transitioning from 90-day to quarterly site visits into the future.

   This item was for informational purposes; no action was taken on Agenda Item No. 5.A.

6. INFORMATIONAL REPORTS

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

   A. **UPDATE ON PROJECT AGREEMENT 22 COMMITTEE ACTIVITIES (CM#2017.2)**
      Mark Norton provided an oral overview of the memo provided in the agenda packet.

   B. **UPDATE ON PROJECT AGREEMENT 23 COMMITTEE ACTIVITIES (CM#2017.3)**
      Mark Norton provided an oral overview of the memo provided in the agenda packet. A change in the PA 23 Committee structure will be brought back to the Commission at a future meeting.
      Chair Evans requested a presentation of the SARCCUP project schedule be given to the Commission on a quarterly basis.

   C. **STATUS REPORT AND UPDATE – 2017 OWOW CONFERENCE**
      Celeste Cantú provided an oral status report and update on the May 25, 2017 OWOW Conference, which will be held at the Ontario Convention Center. The Conference format will be similar to past events: Morning and afternoon sessions; an exhibitors’ room and a main room for presentations. The conference theme will be: Working Together to Make a Finite Resource Infinite.

   D. **CHAIR’S COMMENTS/REPORT**
      Chair Evans noted this was his last meeting serving as Chair of the Commission, which he has enjoyed. Commission officers will be elected at the January 17, 2017 meeting. There was a brief discussion about officer election and rotation.

   E. **COMMISSIONERS’ COMMENTS**
      There were no Commissioners’ comments.

   F. **COMMISSIONERS’ REQUEST FOR FUTURE AGENDA ITEMS**
      There were no requests for future agenda items, other than those set forth under Agenda Item No. 8.

7. CLOSED SESSION

   Larry McKenney noted the Commission would discuss Agenda Item No. 7.A., with no action anticipated. At 9:46 a.m., Chair Evans recessed the meeting to Closed Session. Designated personnel essential to the discussion of Agenda Item No. 7.A. were present during 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)

      Chair Evans resumed Open Session at 10:54 a.m. There was no reportable action.

      The Commission next considered Agenda Item No. 4.B.
B. REACH V REHABILITATION AND IMPROVEMENT PROJECT – PHASE I (CM#2017.1)

Larry McKenney reviewed the August 2, 2016 Commission Memo on this matter, reiterating the factors utilized in originally determining the existence of an emergency condition as well as subsequent determinations since that time. McKenney stated conditions constituting an emergency on August 2, 2016 still exist. Chair Evans called for a motion. Commissioner Sullivan moved the Commission find that no emergency currently exists. Commissioner Anthony seconded the motion, and a roll call vote was taken.

MOVED, find that the unfinished condition of the Reach V Rehabilitation and Improvement Project (the Project) after the termination for cause of the Project contractor does not continue to be an emergency that requires immediate action per the Commission’s prior action on August 2, 2016.

Result: Adopted (Passed; 3-2)
Motion/Second: Sullivan/Anthony
Ayes: Anthony, Copelan, Sullivan
Nays: Evans, Hall
Abstentions: None
Absent: None

8. NEW BUSINESS

A. REACH V REHABILITATION AND IMPROVEMENT PROJECT – PHASE I (CM#2017.4)

In light of the action taken on Agenda Item No. 4.B., Chair Evans asked Larry McKenney whether or not Agenda Item No. 8.A. should be considered by the Commission. McKenney recommended against the Commission approving a no-bid contract without a determination that an emergency condition exists. Celeste Cantú voiced concern regarding the vulnerabilities now facing SAWPA. A discussion ensued regarding a path forward; it was the consensus of the Commission a future agenda item be brought forward for discussion and consideration, including pipeline condition and cause of the original break.

9. ADJOURNMENT

There being no further business for review, Chair Evans adjourned the meeting at 11:05 a.m.

Approved at a Regular Meeting of the Santa Ana Watershed Project Authority Commission on Tuesday, January 17, 2017.

Thomas P. Evans, Chair

Attest:

Kelly Berry, CMC
Clerk of the Board
The Special Commission Meeting of the Santa Ana Watershed Project Authority was called to order at 9:30 a.m. by Chair Evans at the Santa Ana Watershed Project Authority, 11615 Sterling Avenue, Riverside, California.

1. **CALL TO ORDER**

   Chair Evans welcomed newly appointed Commissioner Susan Lien Longville from San Bernardino Valley Municipal Water District. Longville has an extensive water background having served on the Regional Water Quality Control Board and formerly with the Water Resources Institute at California State University San Bernardino. Chair Evans also welcomed Kati Parker, a licensed Professional Engineer and newly appointed Alternate Commissioner from Inland Empire Utilities Agency and Gil Navarro, newly appointed Alternate Commissioner from San Bernardino Valley Municipal Water District.

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. **ITEMS FOR COMMISSION CONSIDERATION**

   Larry McKenney noted the Commission would discuss Agenda Item No. 4.A. in Closed Session, with no action anticipated. At 9:34 a.m., Chair Evans recessed the meeting to Closed Session. Designated personnel essential to the discussion of Agenda Item No. 4.A. were present during 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)

   Chair Evans resumed Open Session at 10:40 a.m. There was no reportable action. The Commission next considered Agenda Item No. 4.B.
B. CONSIDER CONTRACT ACTIONS FOR REACH V REHABILITATION AND IMPROVEMENT PROJECT – PHASE I (CM#2017.5)

A revised CM#2017.5 was provided.

Staff’s recommendation was to approve the items listed under Agenda Item No. 4.B.

Commissioner Anthony moved that the Commission table Agenda Item No. 4.B., which was seconded by Commissioner Slawson and a roll call vote was taken.

MOVED, table Agenda Item No. 4.B.

Result: Failed (Lost; 2-3)
Motion/Second: Anthony/Slawson
Ayes: Anthony, Slawson
Nays: Evans, Longville, Parker
Abstentions: None
Absent: None

Chair Evans announced that the motion to table failed. He moved to adopted staff’s recommendation, which was seconded by Commissioner Longville.

Larry McKenney provided an oral presentation. The recommendation, to move forward with this approval without going to competitive bid, is based on authority provided in case law to award a contract without competitive bidding in a situation where the bid process would be unavailing or impossible which is based largely on the factual matters described in CM#2017.5 – unavailability of other bidders, the likelihood we would even receive bids and the statements of the terminated contractor to the effect that they could not find a replacement contractor.

McKenney noted that SAWPA received the following communications, a copy of which are attached to these meeting minutes, all reiterating that Charles King Company cannot complete the project because they were unable to find a supplier or subcontractor to do the installation, despite vigorously canvassing the industry, and on that basis they could not possibly proceed.

1. April 27, 2016 correspondence from Finch Thornton Baird, the law firm representing Charles King Company;
2. June 10, 2016 correspondence from Finch Thornton Baird, the law firm representing Charles King Company;
3. July 29 2016 correspondence from Booth Mitchel & Strange LLP, the law firm representing the performance bond surety; and,
4. Statements in Charles King Company’s responses to interrogatories.

Commissioner Anthony asked if there is any code or statute supporting staff’s recommendation. McKenney responded that the exception to the public competitive bidding process is not in statute; however, the common law doctrine was developed by numerous cases and is described in numerous treatises, guidebooks and handbooks addressing this doctrine, which is well-recognized.

Chair Evans called for a roll call.
MOVED, authorize the General Manager to:

1. Award a contract on the Inland Empire Brine Line Reach V Rehabilitation and Improvement Project – Phase 1 to Weka Inc. for an amount not to exceed $12,950,113;
2. Execute Task Order No. VALI326-04 in an amount not to exceed $1,252,400 with Vali Cooper & Associates, Inc. to provide Construction Management Services for the Inland Empire Brine Line Reach V Rehabilitation and Improvement Project – Phase 1; and,
3. Execute Task Order No. DUDK326-06 in an amount not to exceed $134,900 with Dudek to provide Engineering Services during Construction for the Inland Empire Brine Line Reach V Rehabilitation and Improvement Project – Phase 1.

Result: Adopted (Passed; 3-2)
Motion/Second: Evans/Longville
Ayes: Evans, Longville, Parker
Nays: Anthony, Slawson
Abstentions: None
Absent: None

5. ADJOURNMENT

There being no further business for review, Chair Evans adjourned the meeting at 10:45 a.m.

Approved at a Regular Meeting of the Santa Ana Watershed Project Authority Commission on Tuesday, January 17, 2017.

______________________________________________
Thomas P. Evans, Chair

Attest:

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

December 2016

During the month of December 2016, the Agency's actively managed temporary idle cash earned a return of 1.44%, representing interest earnings of $17,096. Additionally, the Agency’s position in overnight funds L.A.I.F. and CalTRUST generated $20,334 and $2,036 in interest, resulting in $39,467 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.

January 12, 2017

[Signature]
Karen L. Williams, Chief Financial Officer
Santa Ana Watershed Project Authority

INVESTMENT PORTFOLIO - MARKED TO MARKET - UNREALIZED GAINS & LOSSES

December 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.

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<th>Security Type</th>
<th>CUSIP</th>
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<th>Purchase Date</th>
<th>Maturity Date</th>
<th>Call Date (if appl)</th>
<th>Par Value</th>
<th>Yield to Maturity</th>
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<th>Market Value</th>
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Total Actively Invested Funds: $16,227,000

Total Local Agency Investment Fund: $33,299,283.62

Total CalTRUST Investment Fund: $2,160,023.35

Total Invested Cash: $16,227,000
Interest Rate Analysis

- Securities: 1.440%
- LAIF: 0.719%
- CalTRUST: 1.110%
- Avg Rate of Return: 0.962%

Dec-2016
Investments
$51,813,798

- Securities,
  $16,354,492,
  32%
- LAIF,
  $33,299,284,
  64%
- CalTRUST,
  $2,160,023,
  4%
Dec-2016

Interest
$39,467

LAIF, $20,334,
52%

CalTRUST,
$2,036, 5%

Securities,
$17,096, 43%
COMMISSION MEMORANDUM NO. 2017.6

DATE: January 17, 2017

TO: SAWPA Commission

SUBJECT: Rotation of Officers and Commission Appointments

PREPARED BY: Celeste Cantú, General Manager

RECOMMENDATION
It is recommended that the Commission authorize the rotation of officers in accordance with the historical rotation; and, adopt Resolution No. 2017-01 appointing one Commissioner to the Lake Elsinore and San Jacinto Watersheds Authority (LESJWA) Board of Directors as the SAWPA representative.

DISCUSSION
Rotation of Officers:
SAWPA Resolution No. 355 calls for the rotation of officers in January of each odd-numbered year, stating that it is the non-binding intention of the Commission to rotate the positions of Chair, Vice-Chair and Secretary-Treasurer among the member agencies. The historical rotation of officers among the member agencies is as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>Chair</th>
<th>Vice Chair</th>
<th>Secretary-Treasurer</th>
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<td>OCWD</td>
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In keeping with the historical rotation, the Chair would be a Commissioner from the San Bernardino Valley Municipal Water District, the Vice-Chair would be a Commissioner from the Eastern Municipal Water District, and the Secretary-Treasurer would be a Commissioner from the Inland Empire Utilities Agency. Election of officers may be conducted by a single blanket motion for all three positions.

Commission Appointments:
The Commission is required by the Joint Exercise of Powers Agreement creating the Lake Elsinore and San Jacinto Watersheds Authority (“LESJWA”) to appoint one SAWPA Commissioner to LESJWA’s Board of Directors to represent SAWPA for a two-year term. The current representative is Brenda Dennstedt, Western Municipal Water District; she has served for one two-year term.

RESOURCE IMPACTS
None.

Attachment:
1. Resolution No. 2017-01
RESOLUTION NO. 2017-01

A RESOLUTION OF THE COMMISSION OF THE
SANTA ANA WATERSHED PROJECT AUTHORITY
APPOINTING THE SAWPA REPRESENTATIVE TO THE
LAKE ELSINORE AND SAN JACINTO WATERSHEDS AUTHORITY

WHEREAS, the Commission of the Santa Ana Watershed Project Authority (“SAWPA”) is required by the Joint Exercise of Powers Agreement creating the Lake Elsinore and San Jacinto Watersheds Authority (“LESJWA”) to appoint one Director to LESJWA’s Board of Directors to represent SAWPA.

NOW, THEREFORE, BE IT RESOLVED that the Commission of the Santa Ana Watershed Project Authority hereby confirms the following appointment of:

[To Be Determined]

to serve as the SAWPA Representative to LESJWA’s Board of Directors.

ADOPTED this 17th day of January, 2017.

SANTA ANA WATERSHED PROJECT AUTHORITY

By: 
____________________________________________________________________
Chair
COMMISSION MEMORANDUM NO. 2017.7

DATE: January 17, 2017

TO: SAWPA Commission

SUBJECT: Update of OWOW Integrated Regional Water Management Plan (IRWMP)

PREPARED BY: Mike Antos, Watershed Manager

RECOMMENDATION
That the Commission: 1) conduct a public hearing regarding the preparation of an updated IRWMP; and 2) direct staff to update the OWOW Plan.

DISCUSSION
In 2014, SAWPA approved the One Water One Watershed 2.0 Plan (OWOW). This updated OWOW plan furthered the regional goals for the watershed with important contributions from all stakeholders interested in water, and encouraged the development of multi-objective, multi-benefit projects. Following the plan update, Department of Water Resources (DWR) released two rounds of Prop 84 implementation grants, one called “the Emergency Drought Round”, the other “2015 Round.” The Emergency Drought Round supported a watershed-wide program for water use efficiency primarily supporting residential, homeowner association and public landscape transition to drought tolerant landscaping along with support for conservation based water rates and conservation outreach tools.

For the 2015 Round, a watershed-wide “Call for Projects” was implemented which resulted in successful proposals to SAWPA and to the State to support three projects including SAWPA PA 23 Committee’s Santa Ana River Conservation and Conjunctive Use Project, the Riverside Flood Control and Water Conservation District’s 2015 Integrated Watershed Protection Program and Orange County Sanitation District’s Newhope-Placentia Trunk Replacement project.

Last year SAWPA submitted a Proposition 1IRWM Planning Grant request for $250,000 to DWR to support the OWOW Plan Update 2018 project, and was notified in December that our proposal was recommended for the full funding requested. A final decision from the State is anticipated in January 2017. Regardless of the grant award, the OWOW 2.0 Plan must be updated to comply with the 2016 Plan Standards. Compliance with these Standards is required for any projects in the region to receive future IRWM implementation grant support from Proposition 1, expected in 2018 and 2020.

Beginning in February 2017, and following our established process of engaging stakeholders throughout the watershed, SAWPA will lead the OWOW Plan Update 2018 project. OWOW Steering Committee and OWOW Pillars will be engaged in updating the plan and, ensuring compliance with the 2016 Plan Standards. The OWOW 2017 conference will be held on May 25, 2017, encouraging dialog and engagement.

As required by Water Code Section 10543, this Public Hearing was noticed in the Press Enterprise/Daily Journal on December 15 and 22, 2016.

CRITICAL SUCCESS FACTORS
2. Active participation of a diverse group of stakeholders representing counties, cities, and water districts, as well as the private sector and the regulatory, environmental, and environmental justice
communities who integrate the different interests in the watershed beyond political boundaries. Ensuring all perspectives are heard and valued.

7. Successful implementation of an integrated regional water resource plan that reflects the watershed management needs of the public and the environment.

**RESOURCE IMPACTS**

Funding to support the start of the OWOW Plan Update 2018 is available in the SAWPA FYE 2017 Budget (Fund No. 373). Since the OWOW Plan Update 2018 will extend into FYE 2018 and a portion of FYE 2019, the local cost share not covered by the Prop 1 IRWM Planning Grant will be included in the FYE 2018 and FYE 2019 SAWPA Budgets. The Proposition 1 IRWM Planning Grant Award is anticipated to cover approximately half the OWOW Plan Update 2018 costs.
COMMISSION MEMORANDUM NO. 2017.8

DATE: January 17, 2017
TO: SAWPA Commission
SUBJECT: Basin Monitoring Program Task Force – Consultant Support

RECOMMENDATION

That the Commission approve an Agreement for Services and Task Order GEOS374-01 with Geoscience for the amount not-to-exceed $249,800 to prepare the Santa Ana River Waste Load Allocation Model Update.

DISCUSSION

On January 22, 2004 the Santa Ana Regional Water Quality Control Board (Regional Board) approved the Basin Plan Amendment for Total Inorganic Nitrogen (TIN) and Total Dissolved Solids (TDS). This Basin Plan Amendment was the result of an intensive stakeholder process to evaluate existing water quality and to agree on projections of water quality in conjunction with commitments to a management program to ensure water quality is sustained and that the costs to do so are equitably shared.

The Basin Plan Amendment identified specific agencies throughout the watershed responsible for several monitoring and analyses programs for TIN and TDS. Some of the programs are conducted on an annual basis and some on a triennial basis. A task force agreement and a project agreement were developed and approved by the SAWPA Commission in June 2004. SAWPA serves as the administrator to conduct these monitoring and analyses programs and has served in the role of manager of the Basin Monitoring Program Task Force (BMP TF) since its formation in May 2004. All task force costs are paid by the task force members. All five SAWPA member agencies participate as funding parties to the task force, which includes twenty agencies.

SAWPA serves as the task force manager and administrator according to the BMP TF agreement executed in May of 2004. A task force scope, budget and schedule are prepared each year and are described in the annual SAWPA Budget. The FY 15-17 SAWPA Budget and the FY 15-17 BMP TF Budget included funding from the BMP TF to conduct the Santa Ana River Wasteload Allocation Update.

Pursuant to Amendment No. 1 of the BMP TF agreement executed in Jan. 2010, the task force agreed to hire a consultant to perform updates to the SAR Wasteload Allocation Report and to work with the RWQCB staff and task force agencies on appropriate model runs and on appropriate plan language to be used for new RWQCB Basin Plan Amendments. In order to ensure a fair and competitive process for the consulting services necessary to perform this work, the BMP TF requested that SAWPA release a request for proposals on Nov. 23, 2016.
Three consulting firms responded to the RFP with proposals. A consultant selection committee composed of experienced representatives from the BMP TF conducted a rating and ranking of the proposals based on defined criteria as stated in the proposal. The rating and ranking was based on a qualifications based selection. Thereafter the three firms were interviewed by the consultant selection committee. The three firms which were interviewed along with their proposed study proposal costs are shown below:

- Geoscience: $265,100
- Wildermuth Environmental Inc.: $556,150
- Daniel Stephens Inc.: $731,656

Based on the interviews, the consultant selection committee was unanimous in recommending Geoscience as the most qualified to conduct the Santa Ana River Wasteload Allocation Update. The funding for this work has been budgeted by the BMP TF and SAWPA. The Task Force unanimously recommended to the SAWPA Commission to award the contract to Geoscience. Negotiation meetings with Geoscience resulted in the elimination of one task and addition of a new task, so the revised negotiated fee is $249,800.

Staff recommends approval of an Agreement for Services and Task Order with Geoscience to complete the Santa Ana River Wasteload Allocation Update. The task order work is scheduled to be complete by December 31, 2017.

**CRITICAL SUCCESS FACTORS**

- SAWPA has a strong reputation as a watershed-wide, knowledgeable, neutral and trusted facilitator, leader, and administrator of contracted activities.
- Goals, scope, costs, resources, timelines, and the contract term are approved by the Commission before executing an agreement to participate in a roundtable group.
- Report and use results of roundtable’s work, leverage information and involvement for the benefit of SAWPA, its members, and other stakeholders.
- Annual reviews of workplans and budgets for each task force activity.
- Adequate professional staff and resources to effectively provide facilitation, management, administrative and technical support to collaborative work efforts.

**RESOURCE IMPACTS**

Sufficient funding has been budgeted and collected by the Basin Monitoring Program Task Force over the past three fiscal years to complete this work over the coming fiscal year.

**Attachments:**

1. Geoscience Agreement for Services
2. Geoscience Task Order No. 1
SANTA ANA WATERSHED PROJECT AUTHORITY
AGREEMENT FOR SERVICES BY INDEPENDENT CONSULTANT

This Agreement is made this 17th day of January, 2017 by and between the Santa Ana Watershed Project Authority ("SAWPA") located at 11615 Sterling Ave., Riverside, CA, 92503 and Geoscience Support Services, Inc. ("Consultant") whose address is P.O. Box 220, Claremont, CA 91711.

RECITALS

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

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

AGREEMENT

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

ARTICLE I
TERM OF AGREEMENT

1.01 This agreement shall become effective on the date first above written and shall continue until December 31, 2020 unless extended or sooner terminated as provided for herein.

ARTICLE II
SERVICES TO BE PERFORMED

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

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

ARTICLE III
COMPENSATION

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

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

3.03 Consultant shall not be compensated for any services rendered nor reimbursed for any expenses incurred in excess of those authorized in any Task Order unless approved in advance by the Commission and General Manager of SAWPA, in writing.
3.04 Unless otherwise provided for in any Task Order issued pursuant to this Agreement, payment of compensation earned shall be made in monthly installments after receipt from Consultant of a timely, detailed, corrected, written invoice by SAWPA’s Project Manager, describing, without limitation, the services performed, when such services were performed, the time spent performing such services, the hourly rate charged therefore, and the identity of individuals performing such services for the benefit of SAWPA. Such invoices shall also include a detailed itemization of expenses incurred. Upon approval by an authorized SAWPA employee, SAWPA will pay within 30 days after receipt of a valid invoice from Consultant.

ARTICLE IV
CONSULTANT OBLIGATIONS

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

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

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

4.03a 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;

4.03b 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;

4.03c 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.

4.03d 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;

4.03e Consultant shall 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.
Consultant hereby agrees to 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. 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.

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

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

ARTICLE V
SAWPA OBLIGATIONS

SAWPA shall:

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

5.01b Designate a person to act as liaison between Consultant and the General Manager and Commission of SAWPA.
ARTICLE VI
ADDITIONAL SERVICES, CHANGES AND DELETIONS

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

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

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

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

ARTICLE VII
CONSTRUCTION PROJECTS: CONSULTANT CHANGE ORDERS

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

ARTICLE VIII
TERMINATION OF AGREEMENT

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

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

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

ARTICLE IX
CONSULTANT STATUS

9.01 Consultant shall perform the services assigned by SAWPA in Consultant's own way as an independent contractor, in pursuit of Consultant's independent calling and not as an employee of SAWPA. Consultant shall be under the control of SAWPA only as to the result to be accomplished and the personnel assigned to perform services. However, Consultant shall regularly confer with SAWPA's liaison, General Manager, and Commission as provided for in this Agreement.
9.02 Consultant hereby specifically represents and warrants to SAWPA that the services to be rendered pursuant to this Agreement shall be performed in accordance with the standards customarily applicable to an experienced and competent professional consulting organization rendering the same or similar services. Furthermore, Consultant represents and warrants that the individual signing this Agreement on behalf of Consultant has the full authority to bind Consultant to this Agreement.

**ARTICLE X**

**AUDIT AND OWNERSHIP OF DOCUMENTS**

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

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

**ARTICLE XI**

**MISCELLANEOUS PROVISIONS**

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

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

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

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

11.05 Consultant shall comply with all local, state and federal laws, rules and regulations including those regarding nondiscrimination and the payment of prevailing wages.

11.06 SAWPA expects that Consultant will devote its full energies, interest, abilities and productive time to the performance of its duties and obligations under this Agreement, and shall not engage in any other consulting activity that would interfere with the performance of Consultant’s duties under this Agreement or create any conflicts of interest. If required by law, Consultant shall file a Conflict of Interest Statement with SAWPA.
11.07 Any dispute which may arise by and between SAWPA and the Consultant, including the Consultants, its employees, agents and subcontractors, shall be submitted to binding arbitration. Arbitration shall be conducted by a neutral, impartial arbitration service that the parties mutually agree upon, in accordance with its rules and procedures. The arbitrator must decide each and every dispute in accordance with the laws of the State of California, and all other applicable laws. Unless the parties stipulate to the contrary prior to the appointment of the arbitrator, all disputes shall first be submitted to non-binding mediation conducted by a neutral, impartial mediation service that the parties mutually agree upon, in accordance with its rules and procedures.

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

In witness whereof, the parties hereby have made and executed this Agreement as of the day and year first above-written.

SANTA ANA WATERSHED PROJECT AUTHORITY

_____________________________________________  ______________________________
Celeste Cantú, General Manager                  Date                  Typed/Printed Name

GEOSCIENCE SUPPORT SERVICES, INC.

_____________________________________________  ______________________________
(Signature)                                    Date                  Typed/Printed Name
This Task Order is issued by the Santa Ana Watershed Project Authority (hereafter “SAWPA”) to Geoscience Support Services, Inc. (hereafter “Consultant”) pursuant to the Agreement between SAWPA and Consultant entitled Agreement for Services, dated January 17, 2017 (expires 12-31-20).

I. PROJECT NAME OR DESCRIPTION
Santa Ana River Waste Load Allocation Model Update

II. SCOPE OF WORK / TASKS TO BE PERFORMED
Consultant shall provide all labor, materials and equipment for the Project to perform the specific tasks of providing Consultant Services for the Santa Ana River Waste Load Allocation Model Update, which is thoroughly described in Attachment A, Section 5 – Project Approach and Scope of Work.

Please refer to Appendix X for acceptable deliverable formats

III. PERFORMANCE TIME FRAME
Consultant 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, 2018.

IV. SAWPA LIAISON
Mark Norton shall serve as liaison between SAWPA and Consultant.

V. COMPENSATION
For all services rendered by Consultant pursuant to this Task Order, Consultant shall receive a total not-to-exceed sum of $249,800 in accordance with the schedule of rates. Payment for such services shall be made within 30 days upon receipt of timely and proper invoices from Consultant, as required by the above-mentioned Agreement. Each such invoice shall be provided to SAWPA by Consultant 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 Consultant/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

______________________________________________  ____________________
Celeste Cantú, General Manager                Date

GEOSCIENCE SUPPORT SERVICES, INC.

(Signature)                             Date                     Print /Type Name
December 6, 2016

Mr. Mark Norton  
Santa Ana Watershed Project Authority  
11615 Sterling Avenue  
Riverside, CA  92503

Subject: Proposal for Consulting Services for Santa Ana River Waste Load Allocation Model Update

Dear Mark:

GEOSCIENCE Support Services, Inc. (GEOSCIENCE) is eager to demonstrate to the Santa Ana Watershed Project Authority (SAWPA) the high quality and timely service we consistently provide to our clients. We have thoroughly reviewed the RFP, available reports and data to ensure we will exceed SAWPA’s expectations. As partners with SAWPA in completing this project, the benefits that GEOSCIENCE provides include:

- **Depth of Experience within Project Area.** GEOSCIENCE has a nearly 40-year history working in the Santa Ana River Tributary Watershed area. We have performed more than 550 projects within the Watershed and 430+ projects within the 46 Management Zones.

- **Extensive Watershed Modeling Experience in the Region.** Over the last 20 years, GEOSCIENCE has worked extensively within the WLAM study area on watershed models and will bring this experience and familiarity with your study area to help you successfully update and expand the WLAM. We have highlighted that expertise further as well as our vast experience with other watershed models in the WLAM study area in our submittal.

- **Exceptionally Qualified Project Team with a Proven Track Record.** Our approach in meeting the key goals of this project and delivering a successful project to SAWPA is selecting the right team members. **Project Manager, Dr. Johnson Yeh** has developed watershed models for most of the basins in the project area. Our team also includes **Principal-In-Charge Dr. Dennis Williams, Dr. Kapo Coulibaly; Dr. Mark Williams** and four other dedicated geohydrologists and engineers — a team with unparalleled expertise and comprehensive knowledge of the basins.

We have read and can execute the SAWPA standard professional services contract with no exceptions, and can comply with the insurance requirements.

We look forward to your review of our proposal and thank you for the opportunity. Should you have any questions, please do not hesitate to call me or Johnson Yeh at (909) 451-6650.

Sincerely,

Dennis E. Williams, Ph.D., PG, CHG  
President

Johnson Yeh, Ph.D., PG, CHG  
Principal Geohydrologist
Section 5 | Project Approach

SCOPE OF WORK

Task 1 — Update the Data Used in the Waste Load Allocation Model (WLAM)

Task 1a: Update relevant land use maps for the region
Land use maps are available for 1990, 1993, 2001, 2005, 2015 and 2040 from the Southern California Association of Governments (SCAG). We will collect these land use maps from SCAG and any additional land use maps from city and county planning agencies. The area to be included will be expanded from the existing WLAM to cover the area tributary to Reach 2 of the Santa Ana River (SAR). The 2015 land use map will be used to represent current conditions and the 2040 land use map will be used to present the future conditions. Any new development and re-development after 2010 will be identified since the 2010 Municipal Separate Storm Sewer System (MS4) Permit adopted by the Santa Ana Regional Water Quality Control Board (Regional Board) (Order No. R8-2010-0036) and issued to San Bernardino County for the upper and middle SAR watershed. It requires all new development and significant redevelopment projects covered by this Order to incorporate Low Impact Development (LID) Best Management Practices (BMPs) to the maximum extent practicable. These restrictions will be integrated into the updated WLAM.

Task 1b: Update the stormwater management facility maps
We will meet with staff at County flood control districts and relevant water agencies to update the WLAM with the most recent infrastructures that can affect the volume of runoff reaching surface streams and/or the volume of recharge to underlying groundwater basins. Information for any new facilities that are being actively designed and developed will also be collected.

The WLAM Update will include new facilities that impact runoff.

Task 1c: Update the historical precipitation data for the region
We will expand the 43 existing precipitation stations to include adequate additional precipitation stations for the watershed area tributary to Reach 2. We will also update the daily precipitation data from the existing period 1950-2012 to 2013-2016.

Task 1d: Review and confirm the operating assumptions for Seven Oaks Dam and Prado Dam
We will confirm that there have been no substantive changes in the procedures that govern the operation of Seven Oaks Dam and Prado Dam. We understand that the current WLAM was recently revised to reflect the standard operating procedures at both dams. However, if changes have occurred, we will make appropriate adjustments in the updated WLAM to accurately reflect these revisions.

Task 1e: Update and consolidate the flow data used in the WLAM
We will update the existing database to include all available and reliable flow data from USGS gauging stations, publically owned treatment work (POTW) discharges, other non-tributary discharges (e.g., OC 59 deliveries, Arlington desalter operations, etc.), Watermaster reports, etc.
Section 5 | Project Approach

Task 1f: Update and consolidate the water quality data used in the WLAM
We will update the existing database to include all available and reliable water quality data to estimate the concentration of TDS and Nitrogen in both the discharges and receiving waters. This includes, but is not limited to data from: USGS, POTWs, Watermasters, CEDEN & STORET. We will also make reasonable efforts to locate and include data from other routine monitoring programs such as those undertaken by OCWD, the urban stormwater agencies, or in conjunction with a TMDL. In addition to Nitrogen and TDS data, we will gather and consolidate data for other water quality parameters needed to assure adequate QA/QC or to aid in calibrating the WLAM. This may include, but is not limited to: various nitrogen species (ammonia, nitrate, TIN, TKN, etc.) and individual salt ions (chloride, sulfate, sodium, etc.) and specific conductance.

Task 1g: Perform a systematic QA/QC review of all data
We will perform a systematic Quality Assurance/Quality Control (QA/QC) review to identify potential errors and outliers in the flow and water quality data. We will also review the consolidated database to identify and eliminate duplicate data. We will document the QA/QC procedures or algorithms used and any errors or outliers identified in the process of applying these methods.

Watershed Model Data QA/QC Process

Our update of the WLAM will refine the HLA size to improve watershed model accuracy.

Task 2b: Update the estimate of stream flow in major stream segments
We will re-calibrate the WLAM so that it accurately and reliably predicts the daily stream flows measured at the same USGS gauging stations that were used to validate prior versions of the WLAM. At each station, we will calculate and report the correlation between the predicted and measured flow values as well as the relative percent error between the two. At a minimum, the updated WLAM will be able to replicate the functionality and accuracy of the most recent (2015) WLAM and will also be able to extend that same functionality throughout Reach 2 of the Santa Ana River overlying the Orange County GMZ including calibration to SAR flow at Imperial Highway in Anaheim.

It is important to note that the reported correlation for the existing WLAM was based on monthly stream flow (Table 2-9, Figure 2-17a and Figure 2-17b, WEI, 2009). We will report the correlation based on daily stream flow. The re-calibration will be examined in accordance with the performance criteria from Aqua Terra (2009), an EPA HSPF maintenance contractor.
Task 2c: Update the estimated concentration of TDS in major stream segments
We will estimate the average daily TDS concentration in the major stream segments and calibrate the WLAM to demonstrate that these estimates correlate well with actual measured values at the same key water quality sampling stations used to validate prior versions of the WLAM and also for the SAR at Imperial Highway in Anaheim. At each station, we will calculate and report the correlation between the predicted and measured TDS values as well as the relative percent error between the two. At a minimum, the updated WLAM will be able to replicate the functionality and accuracy of the most recent (2015) WLAM and also be able to extend that same functionality throughout Reach 2 of the Santa Ana River overlying the Orange County GMZ.

Task 2d: Update the estimated concentration of TIN in major stream segments
We will estimate the average daily concentration of Total Inorganic Nitrogen (TIN) in the major stream segments and calibrate the WLAM to demonstrate that these estimates correlate well with actual measured values at the same key water quality sampling stations used to validate prior versions of the WLAM and also for the SAR at Imperial Highway in Anaheim. At each station, we will calculate and report the correlation between the predicted and measured TIN values as well as the relative percent error between the two. At a minimum, the updated WLAM will be able to replicate the functionality and accuracy of the most recent (2015) WLAM and also be able to extend that same functionality throughout Reach 2 of the Santa Ana River overlying the Orange County GMZ.

Task 2e: Estimate the volume of stream flow recharging from each major stream segment to the underlying groundwater management zone
We will use the results from re-calibrated WLAM to estimate the daily volume of surface flow that percolates from each major stream segment, through the streambed sediment, into each of the underlying groundwater management zones. At a minimum, the updated WLAM will be able to replicate the functionality and accuracy of the most recent (2015) WLAM and will also be able to extend that same functionality throughout Reach 2 of the Santa Ana River overlying the Orange County GMZ, including OCWD recharge facilities in the cities of Anaheim and Orange.

Task 2f: Estimate the average daily concentration and mass of TDS recharging from each major stream segment to the underlying groundwater management zone
We will also use the results from the re-calibrated WLAM to estimate the average daily concentration and mass of TDS that percolates from each major stream segment, through the streambed sediment to recharge the underlying groundwater management zones. At a minimum, the updated WLAM will be able to replicate the functionality and accuracy of the most recent (2015) WLAM and will also be able to extend that same functionality throughout Reach 2 of the Santa Ana River overlying the Orange County GMZ.
Section 5 | Project Approach

Task 2g: Estimate the average daily concentration and mass of TIN recharging from each major stream segment to the underlying groundwater management zone
We will also use the results from the re-calibrated WLAM to estimate the average daily concentration and mass of TIN that percolates from each major stream segment, through the streambed sediment to recharge the underlying groundwater management zones. At a minimum, the updated WLAM will be able to replicate the functionality and accuracy of the most recent (2015) WLAM and will also be able to extend that same functionality throughout Reach 2 of the Santa Ana River overlying the Orange County GMZ.

Task 3 — Evaluate Waste Load Allocation Scenarios for Major Stream Segments

Task 3a: Specify the range of probable discharge conditions
By working in cooperation with the SAWPA staff, Basin Monitoring Program Task Force representatives, and the Regional Board staff, we will solicit each wastewater treatment agency's best available estimate for the following input variables:

1) Current condition: maximum expected discharge of treated wastewater and the maximum expected re-use of recycled water (both as average annual MGD),

2) 2040 condition: maximum expected discharge of treated wastewater and the maximum expected re-use of recycled water (both as average annual MGD),

3) Effluent limits for TIN and TDS in the most recent NPDES permit, and

4) Actual flow-weighted average TIN and TDS concentrations reported on the monthly Discharge Monitoring Reports for each wastewater agency over the last 5 years (2012-2016).

Task 3b: Use WLAM to analyze six scenarios
We will evaluate each of the six scenarios (A-F) shown in the following table:

<table>
<thead>
<tr>
<th>Discharge Condition</th>
<th>Current Conditions</th>
<th>2040 Conditions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maximum discharge (zero recycled)</td>
<td>Scenario A</td>
<td>Scenario D</td>
</tr>
<tr>
<td>Planned recycled/discharge</td>
<td>Scenario B</td>
<td>Scenario E</td>
</tr>
<tr>
<td>50% of planned recycled</td>
<td>Scenario C</td>
<td>Scenario F</td>
</tr>
</tbody>
</table>

There are three different discharge assumptions being evaluated for two different planning horizons. Scenarios A through C represent the range of flows (wastewater and runoff) that may occur under current land use and population conditions. Scenarios D through F represent the range of wastewater and runoff flows that may occur using appropriate land use and population assumptions for the year 2040.

The "Maximum Discharge" condition assumes all of the treated wastewater is disposed by discharge and none is reused as recycled water. The "Planned Condition" assumes that a specific percentage of the treated wastewater will be recycled and the remainder will be discharged. The best estimate for the volume of treated wastewater planned to be recycled will be provided by the wastewater agencies. The "50% Condition" assumes that wastewater agencies are only able to recycle one-half the volume originally planned and the remainder is discharged in accordance with their NPDES permit.

There are a number of other factors that will be addressed and accounted for when specifying the exact simulation conditions that will be used to run the WLAM. We will review prior WLAM reports and make appropriate recommendations to the Basin Monitoring Program Task Force.

For each of the six scenarios, we will use the re-calibrated WLAM to estimate all of the following parameters:

1) Daily average stream flow for each major stream segment
2) Daily average TDS & TIN concentration in each major stream segment
3) Daily average volume of surface flow recharged from each major stream segment to each underlying GMZ
4) Daily average concentration and mass of TDS & TIN recharged from each major stream segment to each underlying GMZ
5) Daily average volume of surface flow immediately at Prado Dam
6) Daily average concentration and mass of TDS & TIN at Prado Dam.

We will use the re-calibrated WLAM to compute a daily value for all of the preceding parameters using the historical precipitation data for the period from January 1, 2015 to December 31, 2016.
Task 3c: Report results of the WLAM scenario analyses
We will report the results for each of the major stream segment/GMZ combinations shown in the following table:

<table>
<thead>
<tr>
<th>Management Zone</th>
<th>Overlying Stream Segment(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beaumont GMZ</td>
<td>San Timoteo Creek – Reach 4</td>
</tr>
<tr>
<td>San Timoteo GMZ</td>
<td>San Timoteo Creek – Reaches 2, 3 and 4</td>
</tr>
<tr>
<td>Bunker Hill B GMZ</td>
<td>San Timoteo Creek – Reach 1</td>
</tr>
<tr>
<td>Colton GMZ</td>
<td>Santa Ana River – Reach 4 (above fault)</td>
</tr>
<tr>
<td>Riverside-A GMZ</td>
<td>Santa Ana River – Reaches 3 and 4 (below fault)</td>
</tr>
<tr>
<td>Chino-South GMZ</td>
<td>Santa Ana River – Reach 3</td>
</tr>
<tr>
<td>Chino-North GMZ</td>
<td>Chino Creek and Mill-Cucamonga Creek</td>
</tr>
<tr>
<td>Prado Basin MZ</td>
<td>Santa Ana River – Reach 3 (WQOs)</td>
</tr>
<tr>
<td>Orange County GMZ</td>
<td>Santa Ana River – Reach 2 (+other tributaries)</td>
</tr>
</tbody>
</table>

The data for TIN and TDS will be reported separately. And, the results shall be presented in both tabular and graphic format similar to that used for prior WLAM reports. Specifically, using the daily estimates (output values) from the WLAM, we will compute and report the following summary statistics for all of the parameters previously listed in Task 3b:

1) Maximum value from a running 365-day (1 yr.) volume weighted average
2) Maximum value from a running 1,826 day (5 yr.) volume weighted average
3) Maximum value from a running 3,654 day (10 yr.) volume weighted average
4) Maximum value from a running 7,305 day (20 yr.) volume weighted average
5) Average value for the entire 66-year simulation period
6) Percent of all 365-day running average values greater than the applicable WQO and greater than the most recent ambient groundwater quality concentrations
7) Percent of all 1,826-day running average values greater than the applicable WQO and greater than the most recent ambient groundwater quality concentrations
8) Percent of all 3,654-day running average values greater than the applicable WQO and greater than the most recent ambient groundwater quality concentrations
9) Percent of all 7,305-day running average values greater than the applicable WQO and greater than the most recent ambient groundwater quality concentrations

In addition to the statistics listed above, there are some additional special statistics that must be computed for both TDS and TIN at Prado Dam only:

10) The volume-weighted average concentration for "baseflow" conditions
11) The 5-year moving average of the 1 year volume weighted average.

All of the running averages are computed across the entire 66-year simulation period. We will "loop" the historical precipitation data where necessary to compute all of the required running averages for the entire 66-year simulation period.

We understood that some or all of the technical work products prepared and delivered under this contract may be required to undergo scientific peer review as part of the normal regulatory review process that the Regional Board must undertake before it can formally approve any updated Waste Load Allocation developed based on the aforementioned work products. Therefore, we will explain all of the methods used within the updated WLAM in detail.

Task 4 — Develop WLAM for Managed Recharge in Percolation Basins

We will develop a spreadsheet Runoff-Percolation Model for percolation basins that will consider other significant sources of recharge to groundwater management zones for the purpose of facilitating future permitting efforts that are being considered by the Regional Board and the Basin Monitoring Program Task Force. This spreadsheet Runoff-Percolation Model has the ability to evaluate these sources individually, as well as integrate the results with the surface-water WLAM to compute the collective volume and quality of recharge from multiple pathways.

The spreadsheet Runoff-Percolation Model is considered as a Pilot Program, and will focus just on the few large percolation ponds where recharge is already governed by wastewater permits. This includes: the disposal ponds operated by the City of Redlands and the City of Corona, the recharge ponds operated by IEUA, and the dairy ponds overlying the Chino-North GMZ.
Task 4a: Identify the percolation ponds and recharge basins to be evaluated
We will work closely with the Regional Board staff, SAWPA staff and the Basin Monitoring Program Task Force to identify percolation ponds and retention basins where treated wastewater is regularly recharged to groundwater and where such discharges are presently governed by permits issued by the Regional Board. We will prepare a GIS-layer showing the location of all ponds assessed regardless of whether it is ultimately selected for inclusion in the pilot project to expand the WLAM.

Task 4b: Characterize the volume and quality of water recharged to groundwater.
We will also work with the Regional Board staff and the pond operators to collect and analyze data from the most recent 5 year period (2012-2016) to characterize the volume of water recharged at select ponds (Task 4a) and the average concentration of TIN and TDS in that recharge water. When computing the average TIN concentration discharged to groundwater, we will provide separate estimates using three different nitrogen loss coefficients: -25%, -50% and -75%.

Some percolation ponds are used to recharge both stormwater and recycled water. Where this occurs, we will include both when making the required computations.

Task 4c: Summarize the results of Task 4b by Groundwater Management Zone
We will summarize the total cumulative volume of water recharged to each GMZ by all of ponds where multiple percolation ponds overlie the same GMZ. Similarly, we will compute the average concentration of TIN and TDS for the cumulative recharge. The results will be reported as annual averages for each of the five years evaluated and as the volume-weighted annualized average for the entire five year period.

Task 4d: Integrate results from Task 4c with the results from Task 3c
We will combine the results from Task 4c with the results from Task 3c to estimate the total cumulative recharge from both sources and the volume-weighted collective concentration of TIN and TDS for the following five groundwater management zones: Chino-North, Chino-South, Bunker Hill-A, Bunker Hill-B and Riverside-A. The results for TDS and TIN will also be presented separately and in both tabular and graphic formats.

Task 5 — Estimate off-channel recharge from natural precipitation
We will use the land use data developed in Task 1a and the precipitation data developed in Task 1c to estimate the volume and quality of natural rainfall that percolates to the underlying groundwater basin. This will be the deep percolation term (one component of the model output) calculated by the proposed model HSPF Task 2a. Results from this task will be summarized for each of the five GMZs named in Task 4d plus the Orange County GMZ.

Task 6 — Run the WLAM in retrospective mode, using historical discharge data, to estimate the quantity and quality of recharge that actually occurred
We will run the most current version of the WLAM produced in Task 2 after it has been finalized using historical daily precipitation data and historical discharge data to estimate the actual volume and quality of water recharged to the six GMZs named in Task 5 for the 12-year period commencing in January of 2005 and ending in December of 2016. Results of this analysis shall be reported as the volume-weighted average, for each of the GMZ/surface segment combinations identified in Task 3c, across the entire 12 year assessment period.

In addition, we will prepare a summary comparing the estimated actual values to the WLAM projects for the same GMZs. Data and results from Task 4 and Task 5 will not be included in this Task 6 analysis.
Section 5 | Project Approach

Task 7 — Compile the WLAM into a run-time software simulation package

The objective of this Task is to provide the Regional Board staff, SAWPA staff and other users the ability to analyze alternative allocation scenarios. We will be responsible for a training workshop with assistant from SAWPA staff for location and computers. We will prepare a training workshop package including:

1) User manuals for the HSPF and pre- and post- processors (Note: All of the software has a Window based graphic user interface, and the manuals were prepared by the EPA and USGS)

2) A standardized input file specifying the key input variables for each wastewater discharge:
   a. The maximum volume of wastewater discharged (MGD), current & 2040
   b. The planned volume of recycled water use (MGD), current & 2040
   c. The permitted concentration of TDS, current & 2040
   d. The permitted concentration of TIN, current & 2040
   e. Applicable N-loss coefficient

3) Instructions to rerun the model (with the variables established for Item 2) and analyze the model results.

Task 8 — Supplemental Scenario Analyses

Removed from revised scope.

Task 9 — Draft Task Reports, Draft and Final Report

We will prepare draft task reports for each major task documenting the results of Tasks 1 through 6 respectively. These draft reports will be provided to SAWPA, for review by SAWPA and members of the Task Force. The draft task reports will be discussed at Task Force meeting and comments received will be incorporated.

We will also prepare a draft study report, reflecting a compilation of the draft reports and addressing all comments received from SAWPA and members of the Task Force on the previous drafts. Upon acceptance of all comments, we will prepare a final study report in electronic format for distribution to SAWPA.

Task 10 — Monthly Project Meetings

We will prepare for and participate in up to 18 half-day monthly meetings where we will describe project status and/or present draft and final results to the BMPTF and/or Regional or State Water Boards.

Task 11 — Pilot Evaluation of the Doppler Data Compared to Precipitation Gauge Data

We will prepare a pilot evaluation of the Doppler data compared to Precipitation Gauge data and prepare a task report discussing the evaluation results.

We will use HSPF to develop an automated, pull-down interface for SAWPA to run the WLAM.
Key Project Deliverables
We will submit the key project deliverables that are summarized in the following table:

<table>
<thead>
<tr>
<th>Task</th>
<th>Deliverable</th>
<th>Format</th>
</tr>
</thead>
<tbody>
<tr>
<td>1a</td>
<td>Updated Land Use Maps</td>
<td>GIS Shape File</td>
</tr>
<tr>
<td>1b</td>
<td>Updated Stormwater Management Facility Maps</td>
<td>GIS Shape File</td>
</tr>
<tr>
<td>1c</td>
<td>Updated Historical Precipitation Data</td>
<td>Excel</td>
</tr>
<tr>
<td>1d</td>
<td>Confirm Operating Assumptions for Dams</td>
<td>PDF</td>
</tr>
<tr>
<td>1e</td>
<td>Update Streamflow and Discharge Flow Data</td>
<td>Excel</td>
</tr>
<tr>
<td>1f</td>
<td>Update Water Quality Data</td>
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<tr>
<td>1g</td>
<td>QA/QC Review of All Data</td>
<td>PDF</td>
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<td>HSPF executable file</td>
<td>EXE File</td>
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<td>HSPF source code</td>
<td>Fortran File</td>
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<tr>
<td>2a</td>
<td>HSPF input and output files for re-calibration</td>
<td>Text and WDM</td>
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<td>3a</td>
<td>Specify range of simulated discharge/recycle conditions</td>
<td>PDF</td>
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<tr>
<td>3b</td>
<td>Estimated daily values from WLAM</td>
<td>Excel</td>
</tr>
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<td>3c</td>
<td>Summary of results from Scenario Analyses</td>
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<td>4a</td>
<td>Identify percolation ponds and recharge basins</td>
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<td>4b</td>
<td>Characterize quantify and quality of recharge from ponds</td>
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<td>4c</td>
<td>Summary of results from Task 4b</td>
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<td>4d</td>
<td>Combine results from Task 4c &amp; 3c</td>
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<tr>
<td>5</td>
<td>Estimate off-channel recharge from natural precipitation</td>
<td>Excel</td>
</tr>
<tr>
<td>6</td>
<td>Retrospective estimates of actual recharge</td>
<td>Word, Excel and PDF</td>
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<td>7</td>
<td>HSPF executable file</td>
<td>EXE File</td>
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<tr>
<td>7</td>
<td>Model Documentation and User Manual</td>
<td>PDF</td>
</tr>
<tr>
<td>9</td>
<td>Draft Reports and Final Report</td>
<td>Word and PDF</td>
</tr>
<tr>
<td>10</td>
<td>Monthly Task Force Meetings</td>
<td>PowerPoint</td>
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<tr>
<td>11</td>
<td>Pilot Evaluation of the Doppler Data Compared to Precipitation Gauge Data</td>
<td>Word, Excel and PDF</td>
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</tbody>
</table>
PROPOSAL FOR CONSULTING SERVICES FOR SANTA ANA RIVER WASTE LOAD ALLOCATION MODEL UPDATE

Table 1

<table>
<thead>
<tr>
<th>Task</th>
<th>Description</th>
<th>Principal Hydrologist</th>
<th>Senior Geohydrologist</th>
<th>Project Geohydrologist</th>
<th>Staff Geohydrologist</th>
<th>Graphics</th>
<th>Clerical</th>
<th>Total Hours</th>
<th>Labor Cost</th>
<th>Reimbursable Expenses</th>
<th>Total</th>
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<td>Evaluate Waste Load Allocation Scenarios for Major Stream Segments</td>
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<tr>
<td>4.0</td>
<td>Develop WLAM for Managed Recharge in Percolation Basins</td>
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<td>2 3 168 4 17,240</td>
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<td>2 3 168 4 17,240</td>
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<td>Estimate Off-Channel Recharge from Natural Precipitation</td>
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<tr>
<td>6.0</td>
<td>Run the WLAM in Retroactive Mode, Using Historical Discharge Data, to Estimate the Quantity and Quality of Recharge that Actually Occurred</td>
<td>1 2 8 40 368 433</td>
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<tr>
<td>7.0</td>
<td>Compile the WLAM into a Run-Time Software Simulation Package</td>
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</table>

6-Jan-17  Page 1 of 2

GEOSCIENCE Support Services, Inc.
# PROPOSAL FOR CONSULTING SERVICES FOR SANTA ANA RIVER WASTE LOAD ALLOCATION MODEL UPDATE

## Table 1

<table>
<thead>
<tr>
<th>Task Description</th>
<th>Principal Hydrologist</th>
<th>Senior Geohydrologist</th>
<th>Project Geohydrologist</th>
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### Prepare Draft Task Report for Task 3 Documenting the Results of Task 3
- 1
- 1
- 16
- 16
- 4
- 1
- 39
- $5,560
- $100
- $5,700

### Prepare Draft Task Report for Task 4 Documenting the Results of Task 4
- 1
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- 16
- 16
- 4
- 1
- 39
- $5,560
- $100
- $5,700

### Prepare Draft Task Report for Task 5 Documenting the Results of Task 5
- 1
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- 8
- 8
- 4
- 1
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- $100
- $3,440

### Prepare Draft Task Report for Task 6 Documenting the Results of Task 6
- 1
- 1
- 8
- 8
- 4
- 1
- 23
- $3,340
- $100
- $3,440

### Prepare a Draft Study Report, Reflecting a Compilation of the Draft Reports and Addressing All Comments Received from SAWPA and Members of the Task Force on the Previous Drafts
- 1
- 2
- 24
- 24
- 8
- 1
- 60
- $8,320
- $100
- $8,720

### Prepare a Final Study Report in Electronic Format for Distribution to SAWPA
- 1
- 1
- 8
- 8
- 4
- 4
- 26
- $3,121
- $200
- $3,321

### Task 9.0 Subtotal Hours and Costs
- 8
- 12
- 104
- 124
- 52
- 11
- 311
- $44,105
- $900
- $45,005

### Task 10.0 Subtotal Hours and Costs
- 36
- 108
- 0
- 0
- 18
- 0
- 162
- $33,840
- $1,800
- $35,640

### Pilot Evaluation of the Doppler Data Compared to Precipitation Gauge Data
- 24
- 24
- 0
- 0
- 0
- 0
- 24
- $3,000
- $-3
- $3,000

### Task 11.0 Subtotal Hours and Costs
- 0
- 0
- 0
- 24
- 24
- 0
- 1678
- $247,000
- $2,800
- $249,800

### TOTAL HOURS AND COST: 63 276 200 1,048 80 11 1,678 $247,000 2,800 $249,800

Personnel Assigned to Project by Billing Category (See Organizational Chart for Project Role):

1. Principal Geohydrologist: Dennis Williams, PhD, PG, CHG
2. Senior Geohydrologists: (1) Johnson Yeh, PhD, PG, CHG and (2) Mark Williams, PhD, PE
3. Project Geohydrologists: Kapo Coulibaly, PhD
4. Staff Geohydrologists: (1) Lauren Wicks, MS, (2) Leo Liu, MS, EIT, (3) Si Si, MS, EIT, and (4) Nathan Reynolds, PG,
5. Reimbursable expenses include report reproduction.

Note: User manuals for the WINHSPF, HSPF and BASINS are available from EPA, USGS and AQUA TERRA’ Websites.
1. Update the Data Used in the Waste Load Allocation Model (WLAM)
   - Identify Relevant Land Use for the Region
   - Identify the Watershed Management Facility Users
   - Update the Historical Precipitation Data for the Region
   - Review and Confirm the Operating Assumptions for Seven Oaks Dam and Prado Dam
   - Update and Consolidate the Flow Data Used in the WLAM
   - Update and Consolidate the Water Quality Data Used in the WLAM
   - Perform a Systematic QA/QC Review of All Data

2. Update and Recalibrate the WLAM
   - Update the Estimate of Surface Water Runoff to Major Stream Segments
   - Update the Estimate of Stream Flow in Major Stream Segments
   - Update the Estimated Concentration of TDS in Major Stream Segments
   - Update the Estimated Concentration of TIN in Major Stream Segments
   - Estimate the Volume of Stream Flow Recharging from Each Major Stream Segment to the Underlying Groundwater Management Zone
   - Estimate the Average Daily Concentration and Mass of TDS Recharging from Each Major Stream Segment to the Underlying Groundwater Management Zone
   - Estimate the Average Daily Concentration and Mass of TIN Recharging from Each Major Stream Segment to the Underlying Groundwater Management Zone

3. Evaluate Waste Load Allocation Scenarios for Major Stream Segments
   - Specify the Range of Probable Discharge Conditions
   - Use WLAM to Analyze Six Scenarios
   - Report Results of the WLAM Scenario Analyses

4. Develop and Implement Natural Recharge Computational Tools
   - Develop the Natural Precipitation and Recharge Tools to be Evaluated
   - Calibrate the Volume and Quality of Water Recharged to Groundwater
   - Validate the Results of Task 4 by Groundwater Management Zone
   - Evaluate the Results from Task 4 with the Results from Task 3

5. Estimate Off-Channel Recharge from Natural Precipitation
   - Estimate the Volume and Quality of Water Recharged to the Underlying Groundwater Basin

6. Run the WLAM in Retrospective Mode, Using Historical Discharge Data, to Estimate the Quantity and Quality of Recharge that Actually Occurred
   - Estimate the Volume and Quality of Water Recharged to the Six Groundwater BASINS Named in Task 5 for the 12-Year Period Commencing in January of 2005 and Ending in December of 2016
   - Prepare a Summary Comparing the Estimated Actual Values to the WLAM Projects for the Same 12 Years

7. Develop a Simple Windows-Based Graphical User Interface for the WLAM
   - Prepare a Standardized Input File Specifying the Key Input Variables for Each Wastewater Discharge
   - Prepare a User Manual and Training for up to 15 Staff Members on How to Analyze Scenarios, Run and Retrieve Results From the WLAM
   - Prepare and Submit Model Documentation Suitable for Peer Review

8. Prepare Draft Task Reports for Task 1 Documenting the Results of Task 1
   - Prepare Draft Task Report for Task 2 Documenting the Results of Task 2
   - Prepare Draft Task Report for Task 3 Documenting the Results of Task 3
   - Prepare Draft Task Report for Task 4 Documenting the Results of Task 4
   - Prepare Draft Task Report for Task 5 Documenting the Results of Task 5
   - Prepare Draft Task Report for Task 6 Documenting the Results of Task 6

9. Monthly Project Meetings
   - Monthly Project Meetings: Review of Project Status and/ or Presentation of Draft and Final Reports to the BMPTF and/or Regional or State Water Board

10. Miscellaneous
    - The dates of the Regional and State Water Board hearings have not yet been determined

PROJECT SCHEDULE

<table>
<thead>
<tr>
<th>Task</th>
<th>Task Description</th>
<th>January</th>
<th>February</th>
<th>March</th>
<th>April</th>
<th>May</th>
<th>June</th>
<th>July</th>
<th>August</th>
<th>September</th>
<th>October</th>
<th>November</th>
<th>December</th>
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<tr>
<td>1</td>
<td>Update the Data Used in the Waste Load Allocation Model (WLAM)</td>
<td>6-Jan-17</td>
<td>Mar-17</td>
<td>Apr-17</td>
<td>May-17</td>
<td>Jun-17</td>
<td>Jul-17</td>
<td>Aug-17</td>
<td>Sep-17</td>
<td>Oct-17</td>
<td>Nov-17</td>
<td>Dec-17</td>
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<tr>
<td>2</td>
<td>Update and Recalibrate the WLAM</td>
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</tbody>
</table>
COMMISSION MEMORANDUM NO. 2017.9

DATE: January 17, 2017

TO: SAWPA Commission

SUBJECT: FYE 2018 and 2019 Budget Goals and Objectives

PREPARED BY: Karen Williams, Chief Financial Officer

RECOMMENDATION
It is recommended that the Commission review and discuss the goals and objectives that will be used in preparing the FYE 2018 and 2019 Budget, and receive and file the budget goals and objectives.

DISCUSSION
The budget goals and objectives have been developed with the strategic assessment process adopted by the Commission in 2016 in mind, and will be presented for review and discussion at the meeting.

As in the past, the FYE 2018 and 2019 will be a two-year budget and will be prepared in accordance with the Government Finance Officers Association’s (GFOA) recommended guidelines and practices. Our last four two-year budgets have received the GFOA Distinguished Budget Presentation Award. Staff will submit the FYE 2018 and 2019 Budget for this award program after final adoption.

RESOURCE IMPACTS
None.

CRITICAL SUCCESS FACTORS:
SAWPA

FYE 2018 and 2019 Budget Goals and Objectives

Agenda

1. Brine Line Goals and Objectives
2. OWOW Goals and Objectives
3. Roundtable Goals and Objectives
4. Agency Operations Goals and Objectives
Brine Line Goals & Objectives
FYE 2018 and 2019 - Operations

• Marketing – Update plan and implement program using new tools (brochure, video, streamlined/coordinated web sites)
• Develop capacity lease & loan options for Commission consideration
• Continue O&M Programs
  – Line cleaning and inspection
  – Solids control
  – Scale management
  – A/V valves – frequent maintenance, containment, alarm

Brine Line Goals & Objectives
FYE 2018 and 2019 - Operations

• Make adjustments for new dischargers and transfer of Chino Development Corporation flow to RP-5
• Continue to maintain/grow partnership with OCSD
  – Joint Operations Committee
• Update financial model and recommend rates
• Complete and implement new business plan
• Sanitary Sewer Management Plan – implement requirements
• Pretreatment – program revisions per audit findings, program efficiencies
• Safety - update/refine safety plan
Brine Line Goals & Objectives
FYE 2018 and 2019 - Operations

• Increase in-house field staff capability/equipment reducing reliance on contractors, increasing efficiency, reducing costs
• Future planning for brine disposal from the watershed
  – Develop options for pipeline capacity ownership versus needs
  – Evaluate impacts of technology (improved RO efficiency, zero liquid discharge, indirect potable reuse)
  – Evaluate alternatives
• Develop and implement plan for remote flow monitoring system

Brine Line Goals & Objectives
FYE 2018 and 2019 - Capital Projects

• Reach V Capital Repairs
  – Complete construction
  – Successfully resolve litigation
• Continue capital repairs based on system wide pipe and access structure inspections
• Investigate and repair pipe invert corrosion, Reach IV-D
• Coordinate with Corps on new Alcoa Dike impacts
• Rock removal in SAR near abandoned SARI (Orange County)
  – OCSD project, SAWPA pays 76%
OWOW Goals & Objectives
FYE 2018 and 2019

• Fund 373 OWOW Plan
• Fund 370-01 General Basin Planning
• Fund 370-02 USBR Partnership Studies
• Fund 397 Water Energy Grant (WECAN)
• Fund 398 Proposition 1 – Disadvantaged Communities Involvement Program
• Fund 130–145 Proposition 84 - Grant Administration
• Fund 504-301 Proposition 84 - Drought Round Capital Projects
  – PA22 Committee
• Fund 504-401 Proposition 84 - 2015 Round SARCCUP
  – PA23 Committee

SARCCUP = Santa Ana River Conservation and Conjunctive Use Program

Fund 373 OWOW Plan

Project Manager: Mike Antos
Funding Source: Member Agency Contributions and Proposition 1 - IRWM Planning Grant

• Support OWOW process
  – Steering Committee meetings (6)
  – Pillar meetings (6)
• Complete the OWOW Plan Update 2018
• Administer successful Call for Projects in response to Proposition 1 - IRWM Grant release (FYE 2019)
Fund 370-01 General Basin Planning

Project Manager: Mark Norton
Funding Source: Member Agency Contributions

- Conduct planning activities that focus on inter-agency coordination and cooperation, integration within the member agencies and external organizations
- Coordinate with Regional Board staff and attend Regional Board meetings (quarterly)
- Santa Ana River Trail Technical Advisory Committee
- SoCal Salinity Coalition (SCSC)
  - Attend/Chair quarterly meetings
  - Manage salt balance evaluation under joint Reclamation, SCSC, MWDSC study
  - Conduct technical analysis of salinity trends through SCSC for So Cal Drought Policy development (FYE 2018)
  - Fold FYE 2018 work into Drought Policy development through Basin Monitoring Program TF and Santa Ana Regional Board (FYE 2019)

Project Manager:  Mark Norton
Funding Source:  Member Agency Contributions

Fund 370-02 USBR Partnership Studies

Project Manager:  Mark Norton
Funding Source:  Member Agency Contributions, USBR Grant funding

- Coordination and preparation of possible grant funding partnership and regional studies with the US Bureau of Reclamation programs such as WaterSmart and Basin Studies updates
Fund 397 Water Energy Grant (WECAN)

Project Manager: Mike Antos
Funding Source: DWR Grant and West Valley Water District (USBR WaterSmart Grant)

- Contract Administration of DWR Water Energy Grant (WECAN)
- Implement the Water-Energy Community Action Network Program (WECAN)
  - Retrofit of residential turf in low income homes in the SAR watershed
  - Install water/energy saving devices for residential low income homes in the SAR watershed
- Contract through December 2017, with extension to 2018 due to additional funding from WVWD and Reclamation

Fund 398 Proposition 1 - IRWM Disadvantaged Communities Involvement Program

Project Manager: Mike Antos
Funding Source: Proposition 1 Grant Funding

- Contract Administration of DWR Proposition 1 - Disadvantaged Community Involvement Program Grant
- Implement the Disadvantaged Communities Involvement Program
  - Initiate “Trust the Tap” campaign
  - Conduct Strengths & Needs Assessment
  - Conduct education and training programs across watershed
  - Provide technical assistance/funding support for selected projects
Fund 130-145 Proposition 84 – Grant Administration

- Continue grant administration for Proposition 84
  - Round 1
  - Round 2
  - Drought Round
  - 2015 Round

Project Manager: Nicole Weideman
Funding Source: Proposition 84 Grant Funding

Fund 504-301 PA22 and Emergency Drought Grant Program Implementation

- Administer PA 22 Committee and Advisory Workgroup
  - Monthly Meetings
- Implement Emergency Drought Grant Projects
  - Implement Water Use Efficiency Projects of SARCCUP
  - Implement Turf Removal and Retrofit
- Total grant funds:
  - $12.86 million Proposition 84 - Drought Round
  - $826,000 Proposition 84 - 2015 Round SARCCUP

Project Manager: Ian Achimore
Funding Source: Proposition 84 Grant Funding
Fund 504-401 PA23 Committee and SARCCUP Project Implementation

Project Manager: Ian Achimore
Funding Source: Proposition 84 Grant Funding

- Administer PA23 Committee and PA23 Committee Agencies
  - Bimonthly Meetings
- Implement SARCCUP
- Total grant funds of $54.2 million

Roundtable Goals & Objectives
FYE 2018 and 2019

- Fund 372 Imported Water Recharge
- Fund 374 Basin Monitoring Program TF
- Fund 381 SAR Fish Conservation TF
- Fund 384-01 MSAR TMDL TF
- Fund 386 RWQ Monitoring TF
- Fund 387 Arundo Management & Habitat Restoration
- Fund 392 Emerging Constituents TF
- Fund 396 Forest First
**Fund 372 Imported Water Recharge**

**Project Manager:** Mark Norton  
**Funding Source:** Fund Balance, Other Agency and Member Agency Contributions

- Administer all defined responsibilities and activities under the Cooperative Recharge Agreement including all necessary groundwater salt and nitrate modeling and recharge reporting among the recharge parties and Regional Board
- Amend or create additional agreement to administer and fund imported water recharge activities for FYE 2019
- 2 to 3 meetings per year

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**Fund 374 Basin Monitoring Program TF**

**Project Manager:** Mark Norton  
**Funding Source:** Other Agency and Member Agency Contributions

- Administer all defined responsibilities and activities under the Regional Board Basin Plan as defined in the Basin Monitoring Program Task Force agreement.
  - Monthly meetings
- Conduct updated Santa Ana River Wasteload Allocation Model Analysis
- Conduct Triennial Ambient Water Quality Update
- Prepare SAR Annual Water Quality Update
- Support Drought Policy technical development in conjunction with SCSC
- Finalize Drought Policy and Prepare Basin Plan Amendment
Fund 381 Santa Ana River Fish Conservation TF

Project Manager: Ian Achimore
Funding Source: Other Agency and Member Agency Contributions, SEP Funds, Other Grant Funding

- Administer SAR Fish Conservation Task Force
  - Quarterly meetings
- Serve as clearinghouse and coordination body on Santa Ana sucker habitat restoration i.e. Upper SAR Habitat Mgmt Plan
- Design and plan habitat project using grant funds (FYE 2018)
- Gather habitat data based on Santa Ana Riverwalk monitoring
- Support permit compliance for OCWD
- Construct habitat projects (FYE 2019)

Fund 384-01 Middle Santa Ana River TMDL TF

Project Manager: Rick Whetsel
Funding Source: Other Agency Contributions

- Administer MSAR TMDL Task Force
  - 6 meetings per year
- Conduct 2017-18 Annual Watershed-wide TMDL compliance monitoring
- Conduct 2018-19 Annual Watershed-wide TMDL compliance monitoring
- Conduct source evaluation studies and implement projects to support TF
- Support Comprehensive Bacteria Reduction Plan (CBRP) implementation
Fund 386 Regional Water Quality Monitoring TF

Project Manager: Rick Whetsel  
Funding Source: Other Agency Contributions

- Administer Regional Water Quality Monitoring Task Force  
  - 6 meetings per year
- Implement the 2017 SAR Bacteria Monitoring Program  
  - Monitoring and surveillance requirements of the 2012 adopted Basin Plan Amendment  
  - Conduct sampling to support implementation of MSAR Bacteria Indicator TMDL
- Implement the 2018 Santa Ana River Bacteria Monitoring Program  
  - Monitoring and surveillance requirements of the 2012 adopted Basin Plan Amendment  
  - Conduct sampling to support implementation of MSAR Bacteria Indicator TMDL

Fund 387 Arundo Management & Habitat Restoration

Project Manager: Ian Achimore  
Funding Source: Mitigation Credit Sales (Proposition 13)

- Administer Arundo Mitigation Bank
- Assess arundo removal progress in watershed through coordination with ACOE and SARCCUP
- Plan and Implement Arundo Removal and Habitat Restoration Projects
Fund 392 Emerging Constituents TF

Project Manager: Mark Norton
Funding Source: Other Agency Contributions, IEUA and EMWD Contributions

- Administer all defined responsibilities and activities under the Emerging Constituent Program TF agreement including EC data collection, data management, and communication and outreach on the safety of tap water.
- Plan and conduct two meetings per year with public relations representatives
- Monitor State Board studies and possible further monitoring requirements for ecosystem impacts from ECs
- Administer “Your So Cal Tap Water” and other social media tools

Fund 396 Forest First

Project Manager: Ian Achimore
Funding Source: Other Agency Contributions

- Administer Forest First Workgroup
- Conduct analyses of benefits to downstream flood control districts of forest management projects
- Plan and implement forest projects such as fuels reduction, meadow and chaparral restoration, and sediment retention
Fund 477 LESJWA JPA Administration

Project Manager: Mark Norton (JPA)
Rick Whetsel (TMDL TF)
Funding Source: Reimbursement from LESJWA and minimal member agency contributions

- Administer the LESJWA JPA – serve as authority administrator for LESJWA including all defined responsibilities and activities under the LESJWA JPA and Business Plan
  - Bi-monthly meetings
- Administer the Lake Elsinore & Canyon Lake nutrient TMDL Task Force
  - Monthly meetings

Combined OWOW and Roundtable Goals & Objectives FYE 2018 and 2019

Add in-house planning staff (grant writer) capability resulting in the following:
- Increased revenue for OWOW and Roundtable programs
- Reduced costs to SAWPA
- Fulfillment of and support to OWOW and Roundtables Goals, Objectives and Critical Success Factors
- Important revenue for project implementation
Agency Operations Goals & Objectives
FYE 2018 and 2019

• Implement goals and objectives from the Strategic Plan
• Improve operation efficiency and effectiveness
• Continue lobbying efforts
• Provide administrative and technology support to Engineering and Planning projects
• Continue to implement OnBase throughout all departments
• Continue to integrate OnBase with Outlook and GIS
• Continue to maximize GIS data investments by providing GIS Web Apps and provide input to local and State initiatives
• Design GIS Web App for Landscape measurement data as part of PA 22 Committee work

Agency Operations Goals & Objectives
FYE 2018 and 2019

• Increase use of virtual servers in SAWPA network to allow system flexibility and improve reliability
• GASB 45 Compliance – Actuarial Valuation (FYE 2019)
• GASB 68 Compliance – CalPERS Unfunded Liability Disclosure
• Submit Budget and CAFR for GFOA Award Program
• Increase investment earnings through use of asset management firm
• Annual review and update of Retention and Destruction of Agency Records Policy and accompanying procedures as necessary
Agency Operations Goals & Objectives
FYE 2018 and 2019

• Continue agency-wide transparency commitment and open governance policies applicable to Special District Leadership Foundation (SDLF) transparency certification
• Continue risk transfer protocol review in accordance with Joint Powers Insurance Authority (JPIA) standards
• Review and update policies and procedures in adherence with recently enacted legislation, as applicable
• Review and update policies and procedures relating to Conflict of Interest law and FPPC filings, as applicable

Questions?
Proposition 84 Projects Status Update

January 17, 2017 Commission Meeting

Nicole D. Weideman, PE

Proposition 84 Project Status

<table>
<thead>
<tr>
<th>Round</th>
<th>No. of Projects</th>
<th>Progress</th>
<th>Grant Amount</th>
<th>Total Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Round 1</td>
<td>13 Projects</td>
<td>7 Complete</td>
<td>$12M</td>
<td>$260M</td>
</tr>
<tr>
<td>Round 2</td>
<td>18 Projects</td>
<td>0 Complete</td>
<td>$14.5M</td>
<td>$150M</td>
</tr>
<tr>
<td>Drought Round</td>
<td>9 Participants</td>
<td>0 Complete</td>
<td>$12M</td>
<td>$23M</td>
</tr>
<tr>
<td>2015 Round</td>
<td>7 Participants</td>
<td>0 Complete</td>
<td>$61M</td>
<td>$237M</td>
</tr>
</tbody>
</table>
Projected Watershed-Wide Benefits of All Four Rounds of OWOW Prop 84 IRWM Projects

- Reduces water demand by 18,000 AFY representing 36,000 households
- Recharges 180,000 AF of additional imported water
- Produces 18,000 AFY of desalted groundwater
- Removes 29,000 tons of salt from groundwater per year
- Creates 11,000 AFY of additional recycled water
- Captures 44,000 AFY of stormwater for beneficial use
- Restores 3,800 acres of environmental habitat
- Reduces nonpoint source pollution by 29,000 pounds per year
- Reduces flood risk damage by $91 million
- Creates about 11,000 construction related jobs

Round 1 Projects
## Proposition 84 Round 1
### Project Status Update

<table>
<thead>
<tr>
<th>Project Name</th>
<th>Agency</th>
<th>Grant Amount</th>
<th>Required Funding Match</th>
<th>Add'l Cost Share</th>
<th>Total Project Cost</th>
<th>% Grant Billed</th>
<th>% Project Complete</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grant Agreement Administration</td>
<td>SAWPA</td>
<td>$ 660,004</td>
<td>$ 0 (0.00%)</td>
<td>$ 0</td>
<td>$ 660,004</td>
<td>44%</td>
<td>44%</td>
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<tr>
<td>GWRSD Flow Equalization</td>
<td>OCWD</td>
<td>$ 1,000,000</td>
<td>$ 1,180,760 (7.57%)</td>
<td>$ 13,218,920 ¹</td>
<td>$ 15,399,680</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>Sludge, Dewatering, Odor Control &amp; Primary Sludge Thickening</td>
<td>OCSD</td>
<td>$ 1,000,000</td>
<td>$ 36,638,218 (26.00%)</td>
<td>$ 103,278,005</td>
<td>$ 140,916,223</td>
<td>100%</td>
<td>94%</td>
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<tr>
<td>Santa Ana Watershed Vireo Monitoring</td>
<td>SAWA</td>
<td>$ 600,000</td>
<td>$ 225,994 (26.00%)</td>
<td>$ 43,213</td>
<td>$ 869,207</td>
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<td>100%</td>
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<td>Mill Creek Wetlands*</td>
<td>Ontario</td>
<td>$ 1,000,000</td>
<td>$ 1,615,000 (8.89%)</td>
<td>$ 15,635,000</td>
<td>$ 18,250,000</td>
<td>100%</td>
<td>100%</td>
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<tr>
<td>Cactus Basin</td>
<td>SBCFCD</td>
<td>$ 1,000,000</td>
<td>$ 4,427,155 (29.96%)</td>
<td>$ 9,350,026</td>
<td>$ 14,777,181</td>
<td>100%</td>
<td>65%</td>
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<tr>
<td>Inland Empire Brine Line Rehabilitation and Enhancement</td>
<td>SAWPA</td>
<td>$ 1,000,000</td>
<td>$ 698,153 (10.07%)</td>
<td>$ 5,234,576 ²</td>
<td>$ 6,932,729</td>
<td>100%</td>
<td>100%</td>
</tr>
</tbody>
</table>

¹ $ 13,218,920 in Other State Funds  
² $ 15,420,000 in Other State Funds  
³ $ 5,234,576 in Other State Funds  
* Retention not paid yet

Green – Project on schedule or ahead of schedule  
Yellow – Project delay experienced, still on track to complete on time  
Orange/Red – Project delay experienced, unsure if project will complete on time, or not enough schedule information known at this time to determine.

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## Proposition 84 Round 1
### Project Status Update

<table>
<thead>
<tr>
<th>Project Name</th>
<th>Agency</th>
<th>Grant Amount</th>
<th>Required Funding Match</th>
<th>Add'l Cost Share</th>
<th>Total Project Cost</th>
<th>% Grant Billed</th>
<th>% Project Complete</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arlington Desalter Interconnection Project</td>
<td>Corona</td>
<td>$ 400,000</td>
<td>$ 350,493 (26.00%)</td>
<td>$ 26,000</td>
<td>$ 1,348,049</td>
<td>100%</td>
<td>100%</td>
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<tr>
<td>Perris II Desalination Facility</td>
<td>EMWD</td>
<td>$ 1,000,000</td>
<td>$ 607,296 (26.00%)</td>
<td>$ 728,456</td>
<td>$ 2,335,752</td>
<td>100%</td>
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<tr>
<td>Perchlorate Wellhead Treatment System Pipelines</td>
<td>WVWD</td>
<td>$ 1,000,000</td>
<td>$ 368,940 (26.00%)</td>
<td>$ 50,060</td>
<td>$ 1,410,000</td>
<td>100%</td>
<td>100%</td>
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<tr>
<td>Chino Creek Wellfield Development Project</td>
<td>WMWD</td>
<td>$ 1,000,000</td>
<td>$ 1,64,091 (26.00%)</td>
<td>$ 3,685,027</td>
<td>$ 6,331,118</td>
<td>100%</td>
<td>95%</td>
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<tr>
<td>Impaired Groundwater Recovery</td>
<td>IRWD</td>
<td>$ 1,000,000</td>
<td>$ 20,148,848 (53.99%)</td>
<td>$ 16,173,122</td>
<td>$ 37,321,970</td>
<td>100%</td>
<td>100%</td>
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<tr>
<td>Alamitos Barrier Improvement Project</td>
<td>OCWD</td>
<td>$ 1,000,000</td>
<td>$ 650,600 (5.61%)</td>
<td>$ 9,956,000 ³</td>
<td>$ 11,606,000</td>
<td>100%</td>
<td>30%</td>
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<tr>
<td>Arlington Basin Water Quality Improv Project</td>
<td>WMWD</td>
<td>$ 1,000,000</td>
<td>$ 900,000 (33.21%)</td>
<td>$ 809,670</td>
<td>$ 2,709,670</td>
<td>1%</td>
<td>45%</td>
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</table>

³ $ 9,956,000 in Other State Funds

Green – Project on schedule or ahead of schedule  
Yellow – Project delay experienced, still on track to complete on time  
Orange/Red – Project delay experienced, unsure if project will complete on time, not enough schedule information known at this time to determine.
### Round 2 Projects

<table>
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<tr>
<th>Project Name</th>
<th>Agency</th>
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<th>Required Funding Match</th>
<th>Add'l Cost Share</th>
<th>Total Project Cost</th>
<th>% Grant Billed</th>
<th>% Project Complete</th>
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</thead>
<tbody>
<tr>
<td>Grant Agreement Administration</td>
<td>SAWPA</td>
<td>$625,310</td>
<td>$0 0.00%</td>
<td>$0</td>
<td>$625,310</td>
<td>33%</td>
<td>33%</td>
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<td>Penta Desalination Program – Well 94</td>
<td>EMWD</td>
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<tr>
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<td>SBVWCD</td>
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<td>$1,184,731 26.00%</td>
<td>$25,769</td>
<td>$7,10,500</td>
<td>21%</td>
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</tbody>
</table>

1 $29,500,001 in Other State Funds

**Proposition 84 Round 2 Project Status Update**

Green – Project on schedule or ahead of schedule
Yellow – Project delay experienced, still on track to complete on time
Orange/Red – Project delay experienced, unsure if project will complete on time, or not enough schedule information known at this time to determine.
### Proposition 84 Round 2

#### Project Status Update

<table>
<thead>
<tr>
<th>Project Name</th>
<th>Agency</th>
<th>Grant Amount</th>
<th>Required Funding</th>
<th>Add'l Cost Share</th>
<th>Total Project Cost</th>
<th>% Grant Billed</th>
<th>% Project Complete</th>
</tr>
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<tbody>
<tr>
<td>Prado Basin Sediment Management Demonstration Project</td>
<td>OCWD</td>
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<td>San Sevaine GW Recharge Basin</td>
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<td>Enhanced Stormwater Capture &amp; Recharge along SAR</td>
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<td>Customer Handbook to Using Water Efficiently</td>
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<td><strong>Total</strong></td>
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<td><strong>$40,151,571 28.67%</strong></td>
<td><strong>$95,279,236</strong></td>
<td><strong>$151,178,427</strong></td>
<td><strong>27%</strong></td>
<td><strong>50%</strong></td>
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</table>

Green – Project on schedule or ahead of schedule
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## Drought Round Projects

<table>
<thead>
<tr>
<th>Project Name</th>
<th>Agency</th>
<th>Grant Amount</th>
<th>Required Funding Match</th>
<th>Add'l Cost Share</th>
<th>Total Project Cost</th>
<th>% Grant Billed</th>
<th>% Project Complete</th>
</tr>
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<tbody>
<tr>
<td>Grant Agreement Administration</td>
<td>SAWPA</td>
<td>$625,000</td>
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<td>$625,000</td>
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<td>48%</td>
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<td>$0</td>
<td>$0</td>
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<td>65%</td>
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<tr>
<td>High Visibility Turf Removal &amp; Retrofit</td>
<td>EMWD</td>
<td>$906,800</td>
<td>$1,212,770</td>
<td>$600,830</td>
<td>$2,720,400</td>
<td>2%</td>
<td>58%</td>
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<tr>
<td></td>
<td>IEUA</td>
<td>$807,564</td>
<td>$1,080,050</td>
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</tr>
<tr>
<td></td>
<td>OCWD</td>
<td>$880,894</td>
<td>$1,178,123</td>
<td>$583,666</td>
<td>$2,642,683</td>
<td>0.27%</td>
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<tr>
<td></td>
<td>SBVMWD</td>
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<td>$1,106,049</td>
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<td></td>
<td>WMWD</td>
<td>$851,243</td>
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<td></td>
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<td>$34,786</td>
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<td>47%</td>
<td>84%</td>
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<tr>
<td></td>
<td>RCWD</td>
<td>$525,000</td>
<td>$702,145</td>
<td>$447,855</td>
<td>$1,675,000</td>
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<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>$12,860,119</strong></td>
<td><strong>$7,951,533</strong></td>
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<td><strong>$23,505,110</strong></td>
<td><strong>38%</strong></td>
<td><strong>67%</strong></td>
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</tbody>
</table>

**Proposition 84 Drought Round Project Status Update**

<table>
<thead>
<tr>
<th>Project Name</th>
<th>Agency</th>
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<td>0%</td>
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</tr>
</tbody>
</table>

Green – Project on schedule or ahead of schedule
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## 2015 Round Projects

### Proposition 84 2015 Round Project Status Update

<table>
<thead>
<tr>
<th>Project Name</th>
<th>Agency</th>
<th>Grant Amount</th>
<th>Required Funding Match</th>
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<th>Total Project Cost</th>
<th>% Grant Billed</th>
<th>% Project Complete</th>
</tr>
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<tbody>
<tr>
<td>Grant Agreement Administration</td>
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<td><strong>$ 106,042,597</strong></td>
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<td><strong>0%</strong></td>
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</tbody>
</table>

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A Closer Look

Round 2
• Perris II Desalination Program – Brackish Water Well 94 (EMWD)
• Quail Valley Subarea 9 – Phase 1 Sewer System Project (EMWD)
• Plunge Creek Water Recharge & Habitat Improvement Project (SBVWCD)
• Enhanced Stormwater Capture and Recharge along Santa Ana River (SBVMWD)

Perris II Desalination Program – Brackish Water Well 94 (EMWD)
Perris II Desalination Program – Brackish Water Well 94 (EMWD)

Perris II Desalination Program – Brackish Water Well 96 (EMWD)
Perris II Desalination Program – Brackish Water Well 96 (EMWD)

Perris II Desalination Program – Brackish Water Well 95 (EMWD)
Perris II Desalination Program – Brackish Water Well 94 (EMWD)

- Description: Drill new Well 94 as part of the Perris II Desalination Program. Original scope included 3 wells and 8,200 LF of pipeline. Through an agreement with USACE, the Corps will equip Well 94 and construct Wells 95 and 96.
- Overall Percent Complete: 13%
- Estimated Completion: September 2018
- Benefits: Offset demands on the State Water Project, remove ≈3,000 AF of brackish groundwater per year.
Quail Valley Subarea 9 – Phase 1 Sewer System Project (EMWD)
Quail Valley Subarea 9 – Phase 1 Sewer System Project (EMWD)

- Description: Install sewer collection system to replace 149 failing septic systems.
- Overall Percent Complete: 15%
- Estimated Completion: March 2018
- Benefits: Divert ≈44 AFY of septic effluent from entering shallow groundwater and/or migrating to Canyon Lake.

Plunge Creek Water Recharge & Habitat Improvement (SBVWCD)
Plunge Creek Water Recharge & Habitat Improvement (SBVWCD)
Plunge Creek Water Recharge & Habitat Improvement (SBVWCD)

• Description: Initiate early implementation work under the Upper Santa Ana River Wash Area Planning Effort.
• Overall Percent Complete: 35%
• Estimated Completion: November 2018
• Benefits: Restore and enhance ≈10 acres of habitat for the San Bernardino Kangaroo Rat, increase permeability and surface area available for recharge in the creek.
Enhanced Stormwater Capture & Recharge along the SAR (SBVMWD)
Enhanced Stormwater Capture & Recharge along the SAR (SBVMWD)

SCE Power Pole Relocation

2 years
Enhanced Stormwater Capture & Recharge along the SAR (SBVMWD)

• Description: Improvements to Cuttle Weir Intake Structure, construction of a new sedimentation basin, canal, pipeline and recharge basins.
• Overall Percent Complete: 25%
• Estimated Completion: December 2019
• Benefits: Increase stormwater capture and recharge; up to 80,000 AFY and 500 CFS instantaneous flow.
End
COMMISSION MEMORANDUM NO. 2017.10

DATE: January 17, 2017

TO: SAWPA Commission

SUBJECT: Inland Empire Brine Line, Time Extension for the Temporary Discharge of Domestic Wastewater from the Chino Preserve (IEUA)

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

RECOMMENDATION
It is recommended that the Commission approve Amendment No. 5 to the “SARI System Treatment and Disposal Capacity and Pipeline Capacity Agreements” between SAWPA and the IEUA, extending the end date for the Chino Preserve Development temporary domestic connection from March 2017 to March 2020 (3 years).

DISCUSSION
IEUA has requested an extension of the subject agreement to allow additional time for the construction of the Pine Avenue Sewer including the Preserve Lift Station and force main (see attachment 1). The proposed fifth amendment to the agreement is attached for consideration (attachment 3). Once completed, this sewer will convey the domestic wastewater currently being discharged into the Brine Line to IEUA’s regional water recycling plant. For the current FY, average daily flow from The Chino Preserve Development is 0.35 MGD. The agreement allows for discharge of up to 1.0 MGD.

RESOURCE IMPACTS
Work on the Inland Empire Brine Line is funded from Fund 240

Attachments:
1. IEUA October 24, 2016 Letter, Request to Extend Extension of the SARI Agreement
2. SAWPA Letter to OCSD (November 2016)
3. Proposed Fifth Amendment to the Agreement
4. Fourth Amendment to the Agreement (February 2015)
5. Third Amendment to the Agreement (June 2009)
6. Second Amendment to the Agreement (July 2007)
7. First Amendment to the Agreement (August 2004)
October 24, 2016

Richard Haller  
Executive Manager of Engineering and Operations  
Santa Ana Watershed Project Authority  
11615 Sterling Avenue  
Riverside, CA 92503

Subject: Request to Amend Agreement for Temporary Connection to Inland Empire Brine Line

Dear Rich,

This letter is in follow up to our discussion regarding the granting of an extension to the Agreement Amendment (Agreement) between the Santa Ana Watershed Project Authority (SAWPA) and the Inland Empire Utilities Agency (IEUA) for the temporary connection from the Lewis Management Corporation’s residential development known as the Chino Preserve to the Inland Empire Brine Line (Brine Line). As you are aware, the Agreement which is set to expire on March 7, 2017, allows for the temporary connection to the Brine Line from the Chino Preserve until the completion of the Preserve Lift Station (Station).

While IEUA, the City of Chino (City), and Lewis Management Corporation (LMC) have acted in good faith to complete this project in an expeditious manner, significant delays in project design and review by project stakeholders including the U. S. Army Corp of Engineers (Corps) delayed construction of the Station. From 2014 to 2016, the Corps processed LMC’s 408 permit which also required LMC to obtain all regulatory permits for the Phase 2 portion of the sewer system (the gravity line around the south side of CIW). The Draft Environmental Assessment (EA) was also reviewed a number of times, and the Corps continued to request information from LMC to avoid any challenges from the public once issued for review. In addition, the Corps recommended the City process an Initial Study/Mitigated Negative Declaration (IS/MND) to be released with the Corps Environmental Assessment. This effort covered both NEPA and CEQA requirements for the project. Once both documents were released for public comments, there were several revisions to address the comments. LMC worked closely with Native American Tribes, San Bernardino County Parks Department as well as the El Prado Equestrian Center. The efforts to complete a Final EA and Final IS/MND took time to satisfy the concerns of all stakeholders.

Currently, LMC is out to bid for construction of the Station and expects construction to be completed by the end of 2017. To allow for unforeseen delays including construction, weather, and technical issues at start-up, IEUA is respectfully requesting that the current Agreement be extended for an additional 2 years until March 6, 2019, to allow sufficient time for completion of the Station.

We had previously discussed the need for keeping the existing Brine Line connection as an emergency bypass line in the event of a catastrophic failure of the Station. When the new Station is placed in operation, flows will be diverted from the Brine Line metering manhole into the gravity

Water Smart – Thinking in Terms of Tomorrow
line installed on Pine Avenue. In the event of Station failure, flows would raise up to the existing diversion manhole and flow into the Brine Line. The manholes that are downstream and below this critical invert elevation including any manholes below the 566 elevation will be sealed and locked to avoid possible inundation. Therefore upon approval by both OCSD and SAWPA, a permit will need to be issued for the emergency bypass.

As an aside, since the timing of this project has been delayed, LMC is planning to combine the Phase 2 and 3 construction of the gravity pipeline south of CIW. This will include the pipeline extension going up Chino-Corona Road to intercept CIW's force main. Construction of these pipelines will be completed simultaneously with the completion of the Station. It is expected flows from the CIW will also be redirected into the City's regional sewer within several months after start-up of the Station.

Thank you for consideration in this matter. If you have any questions or require additional information, please feel free to contact me at (909) 993-1645.

Sincerely,

Craig Proctor
Source Control/Environmental Resources Supervisor
Inland Empire Utilities Agency
November 9, 2016

Mark Kawamoto
Environmental Compliance Engineering Supervisor
Orange County Sanitation District
10844 Ellis Avenue
Fountain Valley, CA 92708-2018

Subject: Transfer of Reclaimable Wastewater Connections from the Inland Empire Brine Line

Dear Mr. Kawamoto:

The existing connection to the Inland Empire Brine Line titled “Bonview” consists of reclaimable domestic flows from the Chino Preserve. This connection is deemed “temporary” consistent with the 1996 Agreement between SAWPA and OCSD, which requires that the discharge of reclaimable wastewater be minimized. An agreement was executed in March 2011 between SAWPA and the Inland Empire Utilities Agency (IEUA) requiring construction of a lift station and force main to divert the reclaimable flows from the Chino Preserve to IEUA’s Regional Water Recycling Plant No. 5 (RP-5). The developer, Lewis Management Corporation (LMC), worked with the project stakeholders, including the U.S. Army Corps of Engineers (Corps), City of Chino, and IEUA, to site and design the required facilities. As the site lies within the Prado Basin inundation area, there was considerable time required to resolve issues related to management of floodwater and habitat. These issues were resolved and CEQA and NEPA completed. LMC then prepared the design and bid documents. The project is currently being advertised for bids.

The process to resolve technical concerns raised by the Corps and other stakeholders, complete CEQA and NEPA, and prepare a design and bid documents took far more time than originally anticipated. Construction completion is now estimated for no earlier than January 2018, followed by startup testing and transition of flows to RP-5. IEUA is requesting a time extension to March 2019 to allow time for the work to be completed plus contingency. SAWPA will continue to closely monitor IEUA and the developer for a timely transfer of the reclaimable flows and intends to request Commission approval of the requested time extension to March 2019.

The existing connection to the Inland Empire Brine Line from the California Institution for Women titled “CIW” also consists of primarily reclaimable domestic flows from the women’s prison. The CEQA/NEPA work for the lift station and force main also included a second phase consisting of gravity pipe necessary to divert CIW flows from the Brine Line to the lift station. The gravity pipe is expected to be designed, bid, and constructed by sometime in 2019.
Upon transfer of flows to RP-5 through the new lift station and piping, the ability to divert flows back to the Brine Line will be provided through an emergency connection, subject to a discharge permit submitted by SAWPA to OCSD for concurrence. This capability will be used during situations described in the permit per the defined requirements. Typical measures to improve the lift station reliability, such as standby power and redundant pumping equipment, are being provided. The ability to divert flows to the Brine Line in the event of a catastrophic failure of the lift station protects the water quality in the Prado Dam basin and the lower Santa Ana River.

Sincerely,

[Signature]

Richard E. Haller, P.E., ENV SP
Executive Manager of Engineering & Operations

Attachment: Fifth Amendment (DRAFT)

E-Copy: Craig Proctor
Lucas Gilbert
THIS FIFTH AMENDMENT is made this _____ day of December, 2016, between the SANTA ANA WATERSHED PROJECT AUTHORITY (“SAWPA”), a joint exercise of powers agency, and the INLAND EMPIRE UTILITIES AGENCY (“IEUA”), a municipal water district. SAWPA and IEUA are also individually referred to as “Party” and collectively as “Parties”.

RECITALS

A. An Amendment to the Brine Line Treatment and Disposal Capacity and Pipeline Capacity Agreement between SAWPA and IEUA, was entered into on August 4, 2004 (“First Amendment”). The First Amendment provided for temporary domestic wastewater discharges of up to 1 million gallons per day (mgd) to the Brine Line from The Preserve Project in the City of Chino (hereinafter referred to as the “Project”). A Second Amendment followed July 17, 2007, which amended the discharge term until March 8, 2011. A Third Amendment followed June 16, 2009, which amended the discharge term until March 8, 2015. A Fourth Amendment extended the term from March 9, 2015 to March 7, 2017.

B. The Second Amendment required that IEUA discontinue the temporary domestic wastewater discharges and physically disconnect from the Brine Line and construct or cause to be constructed permanent sewer facilities by the City of Chino and/or Developer of the Project. Due to delays in obtaining all the necessary construction approvals and permits, a Fifth Amendment is required to extend the term to March 6, 2019, and to include provisions for an emergency connection thereafter.

C. The IEUA, City of Chino and Developer desire to extend the date for such disconnection from the Brine Line to March 6, 2019, in order to construct and place into operation a new sewer system solution involving a lift station and force main.

D. There is no other alternative method of treatment currently available for the 1 mgd of domestic wastewater discharge from the Project.
COVENANTS

Based on the foregoing facts, and in consideration of the mutual covenants of the Parties, the Agreement is hereby revised as follows:

1. **Section 4, Maximum Period of Temporary Discharge, is revised, in part, as follows:**

   Except as provided in Section 5, below, IEUA will be allowed to temporarily discharge domestic wastewater from the Project into the Brine Line until March 6, 2019.

2. **Section 5, Earlier Termination of the Temporary Domestic Discharge to Brine Line, is revised to read as follows:**

   SAWPA and IEUA agree and understand that the temporary connection and temporary wastewater discharge contemplated by this Amendment may be disconnected and terminated at any time prior to March 6, 2019, upon written notice provided to IEUA by SAWPA without any further or residual liability or responsibility on SAWPA's part. Upon such written notification of termination, IEUA shall have no more than 12 months to discontinue the discharge of any and all temporary domestic wastewater into the Brine Line, and IEUA shall physically disconnect any such connection from the Brine Line within that 12 month period. Such termination and disconnection from the Brine Line shall be at IEUA’s sole cost and expense.

3. **ADD Section 12, Emergency Connection to Brine Line and Permit:**

   After transfer of flows to RP-5 from the Project, a connection to be used only in the case of an emergency can remain, subject to the issuance of a permit and compliance with all permit requirements.

ALL OTHER PROVISIONS OF THE AGREEMENT REMAIN UNCHANGED.

The Parties hereto have mutually covenanted and agreed to this Fifth Amendment, and in doing so have caused this document to become incorporated into the Agreement documents.

SANTA ANA WATERSHED PROJECT AUTHORITY:

Thomas P. Evans
Chair

INLAND EMPIRE UTILITIES AGENCY:

P. Joseph Grindstaff
General Manager
FIFTH AMENDMENT TO SARI SYSTEM TREATMENT AND DISPOSAL CAPACITY AND PIPELINE CAPACITY AGREEMENTS BETWEEN SANTA ANA WATERSHED PROJECT AUTHORITY AND THE INLAND EMPIRE UTILITIES AGENCY

THIS FIFTH AMENDMENT is made this _____ day of December, 2016, between the SANTA ANA WATERSHED PROJECT AUTHORITY (“SAWPA”), a joint exercise of powers agency, and the INLAND EMPIRE UTILITIES AGENCY (“IEUA”), a municipal water district. SAWPA and IEUA are also individually referred to as “Party” and collectively as “Parties”.

RECITALS

A. An Amendment to the Brine Line Treatment and Disposal Capacity and Pipeline Capacity Agreement between SAWPA and IEUA, was entered into on August 4, 2004 (“First Amendment”). The First Amendment provided for temporary domestic wastewater discharges of up to 1 million gallons per day (mgd) to the Brine Line from The Preserve Project in the City of Chino (hereinafter referred to as the “Project”). A Second Amendment followed July 17, 2007, which amended the discharge term until March 8, 2011. A Third Amendment followed June 16, 2009, which amended the discharge term until March 8, 2015. A Fourth Amendment extended the term from March 9, 2015 to March 7, 2017.

B. The Second Amendment required that IEUA discontinue the temporary domestic wastewater discharges and physically disconnect from the Brine Line and construct or cause to be constructed permanent sewer facilities by the City of Chino and/or Developer of the Project. Due to delays in obtaining all the necessary construction approvals and permits, a Fifth Amendment is required to extend the term to March 6, 2020, and to include provisions for an emergency connection thereafter.

C. The IEUA, City of Chino and Developer desire to extend the date for such disconnection from the Brine Line to March 6, 2020, in order to construct and place into operation a new sewer system solution involving a lift station and force main.

D. There is no other alternative method of treatment currently available for the 1 mgd of domestic wastewater discharge from the Project.
COVENANTS

Based on the foregoing facts, and in consideration of the mutual covenants of the Parties, the Agreement is hereby revised as follows:

1. Section 4, Maximum Period of Temporary Discharge, is revised, in part, as follows:

   Except as provided in Section 5, below, IEUA will be allowed to temporarily discharge domestic wastewater from the Project into the Brine Line until March 6, 2020.

2. Section 5, Earlier Termination of the Temporary Domestic Discharge to Brine Line, is revised to read as follows:

   SAWPA and IEUA agree and understand that the temporary connection and temporary wastewater discharge contemplated by this Amendment may be disconnected and terminated at any time prior to March 6, 2020, upon written notice provided to IEUA by SAWPA without any further or residual liability or responsibility on SAWPA’s part. Upon such written notification of termination, IEUA shall have no more than 12 months to discontinue the discharge of any and all temporary domestic wastewater into the Brine Line, and IEUA shall physically disconnect any such connection from the Brine Line within that 12 month period. Such termination and disconnection from the Brine Line shall be at IEUA’s sole cost and expense.

3. ADD Section 12, Emergency Connection to Brine Line and Permit:

   After transfer of flows to RP-5 from the Project, a connection to be used only in the case of an emergency can remain, subject to the issuance of a permit and compliance with all permit requirements.

ALL OTHER PROVISIONS OF THE AGREEMENT REMAIN UNCHANGED.

The Parties hereto have mutually covenanted and agreed to this Fifth Amendment, and in doing so have caused this document to become incorporated into the Agreement documents.

SANTA ANA WATERSHED PROJECT AUTHORITY:

Thomas P. Evans  
Chair

INLAND EMPIRE UTILITIES AGENCY:

P. Joseph Grindstaff  
General Manager
FOURTH AMENDMENT TO SARI SYSTEM TREATMENT AND DISPOSAL CAPACITY AND PIPELINE CAPACITY AGREEMENTS BETWEEN SANTA ANA WATERSHED PROJECT AUTHORITY AND THE INLAND EMPIRE UTILITIES AGENCY

THIS FOURTH AMENDMENT is made this 3rd day of February, 2015, between the SANTA ANA WATERSHED PROJECT AUTHORITY ("SAWPA"), a joint exercise of powers agency, and the INLAND EMPIRE UTILITIES AGENCY ("IEUA"), a municipal water district. SAWPA and IEUA are also individually referred to as "Party" and collectively as "Parties."

RECITALS

A. An Amendment to the SARI System Treatment and Disposal Capacity and Pipeline Capacity Agreements between SAWPA and IEUA, was entered into on August 4, 2004 ("First Amendment"). The First Amendment provided for temporary domestic wastewater discharges of up to 1 million gallons per day (mgd) to the SARI system from The Preserve Project in the City of Chino (hereinafter referred to as the "Project"). A Second Amendment followed July 17, 2007, which amended the discharge term until March 8, 2011. A Third Amendment followed June 16, 2009, which amended the discharge term until March 8, 2015.

B. The Second Amendment required that IEUA discontinue the temporary domestic wastewater discharges and physically disconnect from the SARI and construct or cause to be constructed permanent sewer facilities by the City of Chino and/or Developer of the Project. A Fourth Amendment is required to extend the term from March 9, 2015 to March 9, 2017, due to delays in obtaining all the necessary construction approvals and permits.

C. The IEUA, City of Chino and Developer desire to extend the date for such disconnection from the SARI System to March 7, 2017, in order to construct and place into operation a new sewer system solution involving a lift station and force main.

D. There is no other alternative method of treatment currently available for the 1 mgd of domestic wastewater discharge from the Project.

E. Revise the Recitals throughout to replace the words "SARI System" with the words "Brine Line".
COVENANTS

Based on the foregoing facts, and in consideration of the mutual covenants of the Parties, the Agreement is hereby revised as follows:

1. **Section 4, Maximum Period of Temporary Discharge.** is revised, in part, as follows:

   Except as provided in Section 5, below, IEUA will be allowed to temporarily discharge domestic wastewater from the Project into the Brine Line until March 7, 2017.

2. **Section 5, Earlier Termination of the Temporary Domestic Discharge to Brine Line.** is revised to read as follows:

   SAWPA and IEUA agree and understand that the temporary connection and temporary wastewater discharge contemplated by this Amendment may be disconnected and terminated at any time prior to March 7, 2017, upon written notice provided to IEUA by SAWPA without any further or residual liability or responsibility on SAWPA’s part. Upon such written notification of termination, IEUA shall have no more than 12 months to discontinue the discharge of any and all temporary domestic wastewater into the Brine Line, and IEUA shall physically disconnect any such connection from the Brine Line within that 12 month period. Such termination and disconnection from the Brine Line shall be at IEUA’s sole cost and expense.

ALL OTHER PROVISIONS OF THE AGREEMENT REMAIN UNCHANGED.

The Parties hereto have mutually covenanted and agreed to this Fourth Amendment, and in doing so have caused this document to become incorporated into the Agreement documents.

SANTA ANA WATERSHED PROJECT AUTHORITY:

Donald D. Gallego
Chair

INLAND EMPIRE UTILITIES AGENCY:

P. Joseph Grindstaff
General Manager
FIFTH AMENDMENT TO SARI SYSTEM TREATMENT AND DISPOSAL CAPACITY AND PIPELINE CAPACITY AGREEMENTS
BETWEEN SANTA ANA WATERSHED PROJECT AUTHORITY AND THE INLAND EMPIRE UTILITIES AGENCY

THIS FIFTH AMENDMENT is made this ____ day of January, 2017, between the SANTA ANA WATERSHED PROJECT AUTHORITY (“SAWPA”), a joint exercise of powers agency, and the INLAND EMPIRE UTILITIES AGENCY (“IEUA”), a municipal water district. SAWPA and IEUA are also individually referred to as “Party” and collectively as “Parties”.

RECITALS

A. An Amendment to the Brine Line Treatment and Disposal Capacity and Pipeline Capacity Agreement between SAWPA and IEUA, was entered into on August 4, 2004 (“First Amendment”). The First Amendment provided for temporary domestic wastewater discharges of up to 1 million gallons per day (mgd) to the Brine Line from The Preserve Project in the City of Chino (hereinafter referred to as the “Project”). A Second Amendment followed July 17, 2007, which amended the discharge term until March 8, 2011. A Third Amendment followed June 16, 2009, which amended the discharge term until March 8, 2015. A Fourth Amendment extended the term from March 9, 2015 to March 7, 2017.

B. The Second Amendment required that IEUA discontinue the temporary domestic wastewater discharges and physically disconnect from the Brine Line and construct or cause to be constructed permanent sewer facilities by the City of Chino and/or Developer of the Project. Due to delays in obtaining all the necessary construction approvals and permits, a Fifth Amendment is required to extend the term to March 6, 2020, and to include provisions for an emergency connection thereafter.

C. The IEUA, City of Chino and Developer desire to extend the date for such disconnection from the Brine Line to March 6, 2020, in order to construct and place into operation a new sewer system solution involving a lift station and force main.

D. There is no other alternative method of treatment currently available for the 1 mgd of domestic wastewater discharge from the Project.
COVENANTS

Based on the foregoing facts, and in consideration of the mutual covenants of the Parties, the Agreement is hereby revised as follows:

1. Section 4, Maximum Period of Temporary Discharge, is revised, in part, as follows:

   Except as provided in Section 5, below, IEUA will be allowed to temporarily discharge domestic wastewater from the Project into the Brine Line until March 6, 2020.

2. Section 5, Earlier Termination of the Temporary Domestic Discharge to Brine Line, is revised to read as follows:

   SAWPA and IEUA agree and understand that the temporary connection and temporary wastewater discharge contemplated by this Amendment may be disconnected and terminated at any time prior to March 6, 2020, upon written notice provided to IEUA by SAWPA without any further or residual liability or responsibility on SAWPA's part. Upon such written notification of termination, IEUA shall have no more than 12 months to discontinue the discharge of any and all temporary domestic wastewater into the Brine Line, and IEUA shall physically disconnect any such connection from the Brine Line within that 12 month period. Such termination and disconnection from the Brine Line shall be at IEUA's sole cost and expense.

3. ADD Section 12, Emergency Connection to Brine Line and Permit:

   After transfer of flows to RP-5 from the Project, a connection to be used only in the case of an emergency can remain, subject to the issuance of a permit and compliance with all permit requirements.

ALL OTHER PROVISIONS OF THE AGREEMENT REMAIN UNCHANGED.

The Parties hereto have mutually covenanted and agreed to this Fifth Amendment, and in doing so have caused this document to become incorporated into the Agreement documents.

SANTA ANA WATERSHED PROJECT AUTHORITY:

Chair

INLAND EMPIRE UTILITIES AGENCY:
P. Joseph Grindstaff
General Manager
SECOND AMENDMENT TO SARI SYSTEM TREATMENT AND DISPOSAL
CAPACITY AND PIPELINE CAPACITY AGREEMENTS
BETWEEN SANTA ANA WATERSHED PROJECT AUTHORITY
AND THE INLAND EMPIRE UTILITIES AGENCY

THIS SECOND AMENDMENT is made this 17th day of July, 2007, by and
between the Santa Ana Watershed Project Authority ("SAWPA"), a joint powers
agency, and the Inland Empire Utilities Agency ("IEUA"), a municipal water district.
SAWPA and IEUA are also individually referred to as "Party" and collectively as
"Parties."

RECITALS

A. An Amendment to the SARI System Treatment and Disposal Capacity and
Pipeline Capacity Agreements between SAWPA and IEUA, was entered into on
August 4, 2004 ("First Amendment"). That First Amendment provided for
temporary domestic wastewater discharges of up to 1 mgd to the SARI system
from The Preserve Project in the City of Chino (hereinafter referred to as the
"Project").

B. The First Amendment requires that IEUA discontinue the temporary domestic
wastewater discharges and physically disconnect from the SARI by March 9,
2008, and construct or cause to be constructed permanent sewer facilities by the
City of Chino and/or Developer of the Project.

C. The IEUA, City of Chino and Developer desire to extend the date for such
disconnection from the SARI System to March 8, 2011, in order to design and
construct the permanent sewer facilities for the needed capacity.

D. Permanent facilities described as 14,000 feet of gravity sewer from Main Street In
the East to IEUA’s RP-2 Facility in the west, commonly referred to as the Pine
Avenue Sewer, are under design. However, the Pine Avenue Sewer is behind
schedule and will not be constructed in time to meet the commitment for
disconnection from the SARI System.

E. There is no other alternative method of treatment currently available for the 1
mgd of domestic wastewater discharge from the Project.

COVENANTS

Based on the foregoing facts, and in consideration of the mutual covenants of the
Parties, the First Amendment is hereby revised as follows:

SAWPA and IEUA Agreement
for temporary domestic wastewater discharge
to SARI System from Preserve Project

Page 1 of 2

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1. Section 4, Maximum Period of Temporary Discharge, is revised, in part, as follows:

Except as provided in Section 5 below, IEUA will be allowed to temporarily discharge domestic wastewater from the Project into the SARI System until March 8, 2011.

2. Section 5, Earlier Termination of the Temporary Domestic Discharge to SARI System, is revised to read as follows:

SAWPA and IEUA agree and understand that the temporary connection and temporary wastewater discharge contemplated by this Amendment may be disconnected and terminated at any time prior to March 8, 2011 upon written notice provided to IEUA by SAWPA without any further or residual liability or responsibility on SAWPA’s part. Upon such written notification of termination, IEUA shall have no more than 12 months to discontinue the discharge of any and all temporary domestic wastewater into the SARI System, and IEUA shall physically disconnect any such connection from SARI within that 12 month period. Such termination and disconnection from the SARI System shall be at IEUA’s sole cost and expense. Nothing in this section is intended to extend the March 8, 2011 deadline referenced in Section 4. Notwithstanding the foregoing, SAWPA reserves its right to immediately terminate, without any advance notice, the connection and/or any discharges to SARI as provided in Section 6.08 of SAWPA’s Ordinance No. 4, and any successor or amendment thereto.

ALL OTHER PROVISIONS OF THE FIRST AMENDMENT REMAIN UNCHANGED.

The Parties hereto have mutually covenanted and agreed to this Second Amendment, and in doing so have caused this document to become incorporated into the Agreement documents.

SANTA ANA WATERSHED PROJECT AUTHORITY:

Ron Sullivan
Chair

INLAND EMPIRE UTILITIES AGENCY:

Richard W. Atwater
Chief Executive Officer
General Manager
AMENDMENT TO SARI SYSTEM TREATMENT AND DISPOSAL CAPACITY AND PIPELINE CAPACITY AGREEMENTS BETWEEN SANTA ANA WATERSHED PROJECT AUTHORITY AND THE INLAND EMPIRE UTILITIES AGENCY

August

THIS AMENDMENT is made this ___ day of ___ , 2004, between the SANTA ANA WATERSHED PROJECT AUTHORITY ("SAWPA"), a joint exercise of powers agency, and the INLAND EMPIRE UTILITIES AGENCY ("IEUA"), a municipal water district. SAWPA and IEUA are also individually referred to as “Party” and collectively as “Parties”.

RECITALS

A. As a result of SARI Pipeline Capacity Agreements and SARI System Treatment and Disposal Agreements by and between SAWPA and IEUA (collectively “Agreements”), IEUA currently holds a 6.5 mgd of SARI pipeline capacity use rights and 4.3 mgd of treatment and disposal rights in the SARI System subject to the July 24, 1996 Treatment and Disposal Agreement between SAWPA and ORANGE COUNTY SANITATION DISTRICT ("OCSD") and the ordinances, resolutions of OCSD and SAWPA.

B. SAWPA’s 1996 Agreement with OCSD requires SAWPA to make reasonable efforts to minimize reclaimable wastewater discharges to the SARI System, which includes domestic wastewater discharges.

C. Section 205.0 of SAWPA’s Ordinance No. 4 specifically prohibits domestic wastewater discharges except on a temporary basis upon the approval of SAWPA’s General Manager when no reasonable alternative method of treatment is available.

D. IEUA, on behalf of the City of Chino ("City") and Chino Development Corporation, a California corporation, Chino Preserve Development Corporation, a California corporation and Chino Holding Company, LLC (collectively referred to herein as the “Developer”) desires a temporary connection to temporarily discharge domestic wastewater to the SARI that is generated by the Developer’s development project called “The Preserve”, located in the City of Chino containing approximately 2,900 residential units and related commercial and institutional developments (the “Project”).

E. IEUA currently has sufficient unused treatment and disposal capacity rights in SARI to accommodate the temporary discharge of up to 1 mgd of domestic wastewater, but is not permitted to discharge domestic wastewater into SARI under its SARI System Treatment and Disposal Agreement with SAWPA.

F. There is not now any reasonable alternative method of treatment available for the approximately 1 mgd of domestic wastewater discharge IEUA proposes to accommodate and treat from the Project thus necessitating a temporary connection to temporarily discharge domestic wastewater to the SARI System. Certain Permanent Facilities, described as 14,000 feet
of gravity sewer from Main Street in the East to IEUA’s RP-2 facility in the west, commonly referred to as the Pine Avenue Sewer, will be constructed and operational on or before March 9, 2008. It is the intent of the Parties that the temporary connection to the SARI System for the temporary discharge of domestic wastewater from the Project shall be disconnected on or before March 9, 2008. In that connection, IEUA is entering into an agreement with the Developer, being Agreement No. AKB04014, providing for the temporary SARI connection and the temporary discharge of domestic wastewater from the Project, which provides, in pertinent part, that the temporary discharges to the SARI shall discontinue and terminate on or before March 9, 2008 and the temporary connection to the SARI will be physically disconnected by that date. IEUA is entering into a permanent sewer facilities development guarantee agreement with the City of Chino guaranteeing that those Permanent Facilities shall be built and will be operational on or before March 9, 2008.

G. By this Amendment, SAWPA and IEUA desire to temporarily permit domestic wastewater discharges from the Project into the SARI System subject to the terms and conditions of the above-mentioned Agreements, and the ordinances and resolutions of OCSD and SAWPA. It is the intent of the Parties that the temporary discharge of domestic wastewater to the SARI System and the temporary connection for the benefit of the Project shall be disconnected on or before March 9, 2008.

COVENANTS

Based on the foregoing facts, and in consideration of the mutual covenants of the Parties, it is agreed as follows:

1. **Temporary Discharge of Domestic Wastewater.** The existing SARI System Treatment and Disposal Agreements between SAWPA and IEUA are hereby amended to permit the temporary discharge of up to 1 mgd of domestic wastewater from the Project.

2. **Temporary Connection.** Such temporary domestic wastewater discharge into the SARI System shall occur at a connection to the SARI System to be approved in advance by SAWPA and built at IEUA’s sole cost and expense. IEUA shall ensure that Developer obtains a Class V Wastewater Discharge Permit as required by SAWPA’s Ordinance No. 4, and any successor or amendment thereto, prior to making any connection to SARI and prior to discharging any domestic wastewater into SARI.

3. **Payment of SAWPA Costs**

   A. **Temporary Discharge Administration Fee.** IEUA shall pay to SAWPA within 30 days of the execution of this Amendment a one-time administration fee of $8,000.00 for the right to temporarily discharge up to 1 mgd of domestic wastewater.

   B. **SAWPA Operations and Maintenance Costs.** IEUA shall pay SAWPA for any and all SAWPA operations and maintenance (O&M) costs related to the temporary
discharges herein. Such costs include, but are not limited to, sulfide treatment. IEUA shall pay such costs within 30 days of receipt of an invoice from SAWPA therefor.

4. **Maximum Period of Temporary Discharge.** Except as provided in Section 5 below, IEUA will be allowed to temporarily discharge domestic wastewater from the Project into the SARI System until March 9, 2008. Unless the discharge is earlier terminated, on or before March 9, 2008, and without further notice to IEUA, IEUA shall promptly discontinue the temporary discharge to SARI, and shall physically disconnect from SARI any and all connections made for such domestic discharges from the Project. In order to facilitate the immediate physical disconnection, IEUA shall install a valve or valves which SAWPA shall own and operate and which SAWPA can use to physically disconnect the discharge of domestic wastewater into the SARI System.

5. **Earlier Termination of the Temporary Domestic Discharge to SARI System.** SAWPA and IEUA agree and understand that the temporary connection and temporary wastewater discharge contemplated by this Amendment may be disconnected and terminated at any time prior to March 9, 2008, upon written notice provided to IEUA by SAWPA without any further or residual liability or responsibility on SAWPA’s part. Upon such written notification of termination, IEUA shall have no more than 12 months to discontinue the discharge of any and all temporary domestic wastewater into the SARI System, and IEUA shall physically disconnect any such connection from SARI within that 12 month period. Such written notification will not occur prior to March 9, 2005. Such termination and disconnection from the SARI System shall be at IEUA’s sole cost and expense. Nothing in this Section is intended to extend the March 9, 2008 deadline referenced in Section 4 above. Notwithstanding the foregoing, SAWPA reserves its right to immediately terminate, without any advance notice, the connection and/or any discharges to SARI as provided in Section 608 of SAWPA’s Ordinance No. 4, and any successor or amendment thereto.

6. **IEUA to Ensure Construction of Permanent Sewer Facilities.** As a condition precedent to the temporary connection to the SARI, IEUA shall obtain a written and legally binding permanent sewer facilities development guarantee from the City of Chino and/or Developer, with SAWPA as a third party beneficiary, providing for the construction of permanent sewer facilities, including a pipeline, and the discontinuance and disconnection of the temporary discharges and connection to the SARI line within the time deadlines in this Amendment. In the event the City of Chino and/or Developer do not appear to be able to meet the deadlines herein for the construction of such permanent sewer facilities as determined in SAWPA’s sole discretion, IEUA shall construct or cause to be constructed said sewer facilities in accordance with the deadlines in paragraphs 4 and 5 above.

7. **SAWPA as Additional Beneficiary and Payee of Performance and Payment Bonds.** As a condition precedent to the construction of the temporary connection to SARI, IEUA shall require Developer to add SAWPA as an additional beneficiary and payee on the Developer’s payment and performance bonds posted with the City of Chino sufficient to pay for 125% of the estimated costs and expenses for the timely termination and discontinuance of temporary domestic wastewater discharges into the SARI, including its physical disconnection,
costs associated with redirection of such wastewater discharge to a system other than to the SARI System, including the cost of designing and constructing permanent sewer facilities for discharging the domestic wastewater to other treatment facilities. Duplicate originals of such bonds showing SAWPA as an additional payee and beneficiary shall be provided to SAWPA prior to the connection for such temporary wastewater discharges contemplated by this Agreement. The bonds and their amounts shall be approved in writing and in advance by SAWPA before the bonds are actually posted. The bonds shall remain in effect for one year after the physical disconnection of the temporary SARI connection.

8. **SAWPA’s Approval of Agreement and/or Permit Between IEUA and Developer.** Prior to establishing the connection to the SARI for such domestic wastewater discharges, SAWPA shall be provided with a copy of any agreement and/or permit between IEUA and Developer for its review and approval. Until SAWPA has approved such agreement and/or permit, no such connection shall be established to the SARI for such temporary wastewater discharges. The agreement and/or permit shall include the operative provisions of this Amendment, and shall further guaranty that Developer will terminate the discharge of temporary wastewater into SARI by the deadlines provides in this Amendment, and shall further pay all costs associated with the termination of such discharges and any physical disconnection and costs associated with the redirection of such wastewater discharge to a system other than to the SARI System.

9. **Insurance.** Since permitting such temporary discharges of domestic wastewater into the SARI System is an accommodation for IEUA and the Developer within IEUA’s service area, SAWPA shall be named as an additional insured on any and all liability, workers compensation, builders risk and any other insurance coverage required by IEUA from Developer.

10. **Indemnification.** IEUA shall indemnify SAWPA and hold SAWPA harmless from any and all liabilities, claims, damages, judgments, costs, fines, penalties, and attorneys’ fees and litigation expenses and demands, including demands, arising from or occasioned by, directly or indirectly, the subject matter of this Amendment including, without limitation, the discharge of domestic wastewater to SARI, and the connection to, and disconnection from, SARI.

11. **Incorporation of SARI Treatment and Disposal Agreements Between SAWPA and IEUA (Formerly CBMWD).** Except as otherwise expressly provided herein, all other terms and conditions of existing SARI System Treatment and Disposal Agreements between SAWPA and IEUA are incorporated herein and remain in full force and effect.

**SANTA ANA WATERSHED PROJECT AUTHORITY**

Dated: **January 12, 2005**

By **[Signature]**

Its Chairman
INLAND EMPIRE UTILITIES AGENCY

Dated: August 4, 2004  By [Signature]

Its GENERAL MANAGER
DATE: January 17, 2017
TO: SAWPA Commission
SUBJECT: Project Agreement 23 First Amendment and Restatement
PREPARED BY: Larry McKenney, Executive Counsel

RECOMMENDATION
That the Commission approve the First Amended and Restated Project Agreement 23 and direct staff to circulate the new agreement to the member agencies for approval.

DISCUSSION
During 2014 and 2015, the SAWPA member agencies collaborated to develop the Santa Ana River Conservation & Conjunctive Use Program (SARCCUP) to improve the region’s use of groundwater basins to optimize storage and dry year yield. The member agencies collectively submitted SARCCUP to SAWPA during the Proposition 84 2015 Round of IRWM grants. SAWPA included it in its grant application, and was awarded $64.3 million, of which $55 million is for SARCCUP.

To implement SARCCUP, the member agencies executed Project Agreement 23 (PA23) on June 21, 2016. The Project Agreement allows the member agencies to use SAWPA’s existing structure and administrative capabilities for SARCCUP. The original PA23 expressly created a PA23 Committee, even though Section 18 of SAWPA’s Joint Powers Agreement does not envision a committee to administer project agreements which all of the SAWPA Member Agencies are participants. The Joint Powers Agreement allows each participating agency’s project committee representatives to be any member of that agency’s board or its general manager.

The proposed amendment to PA23 removes the project committee concept and leaves PA23 administration to the oversight of the SAWPA Commissioners. In addition to wording changes throughout the agreement to remove references to a committee, this change also allows the budget process description to be considerably simpler, and allows the deletion of several provisions regarding financial responsibilities of committee members that are required by SAWPA policy for project committees. The most significant effects of the amendment are to place oversight responsibility for PA23 on the SAWPA Commission, and to free the general managers to perform their respective roles in implementing SARCCUP without the Brown Act formalities of a project committee.

CRITICAL SUCCESS FACTORS
- Administration of the OWOW process in a highly efficient and cost-effective manner.
- Successful implementation of an integrated regional water resource plan that reflects the watershed management needs of the public and the environment.
RESOURCE IMPACTS
PA23 issues will be addressed in conjunction with other SAWPA Commission business, rather than in separate Brown Act meetings, probably resulting in lower administrative costs. Otherwise, no financial impact.

Attachments:
1. Draft Amended and Restated Project Agreement 23
2. Redline comparison to existing Project Agreement 23
THIS FIRST AMENDMENT AND RESTATEMENT OF THE 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”) 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 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 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 Project Agreements 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 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 entered into Project Agreement 23 on June 21, 2016, to implement SARCCUP. The same parties now desire to amend and restate Project Agreement 23 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 Members agree to collaborate 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 Member Agencies and with entities who are not parties to this Project Agreement. The SAWPA Commission will determine, for each such agreement, whether the individual PA23 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 Members, or local retail water providers within the service territories of one or more PA23 Members. The PA23 Members 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 and shall submit such agreements to the SAWPA Commission for approval.
4. This Project Agreement has no set term. PA23 shall remain active as long as at least two PA23 Committee Members remain parties hereto, but if less than all of the SAWPA Member Agencies remain as participants in the Project Agreement, the SAWPA Commissioners representing the remaining participating agencies will constitute a Project Committee of the Commission to implement this Agreement. Through PA23, the PA23 Members 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. PA23 will be administered 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 for actions within PA23’s purpose. The parties will use accounting standards that are compliant with State of California grant requirements.

6. In addition to and separate from PA23, 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 PA23 shall be accounted for as project costs. Funds available to SAWPA for services in support of PA23 shall be approved in accordance with the budgeting process described in Section 7 below.

7. In conjunction with each SAWPA budget, SAWPA shall prepare a budget for PA23 that shall address the sources and uses of funds and the respective financial obligations and functions of the PA23 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 PA23. The PA23 budget shall be included in the SAWPA budget for approval by the SAWPA member agencies’ governing boards per the SAWPA Joint Powers Agreement. SAWPA staff shall provide a quarterly report to the Commission of actual expenses relative to the approved PA23 budget.

8. PA23 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 SAWPA Commission.

9. 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.

10. This Project Agreement shall inure to the benefit of and bind the successors and assigns of the parties hereto.

11. 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 WATERSHED PROJECT AUTHORITY

AMENDED AND RESTATEMENT PROJECT AGREEMENT 23

SANTA ANA RIVER CONSERVATION & CONJUNCTIVE USE PROGRAM PROJECT COMMITTEE

THIS FIRST AMENDMENT AND RESTATEMENT OF THE 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").

RECATALS

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 CommitteesAgreements 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 Project Agreement 23 on June 21, 2016, to implement SARCCUP. The same parties now desire to amend and restate Project Agreement 23 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 Members agree to collaborate 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 Member Agencies 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 Members 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 and shall submit such agreements to the SAWPA Commission for approval.

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, but if less than all of the SAWPA Member Agencies remain as participants in the Project Agreement, the SAWPA Commissioners representing the remaining participating agencies will constitute a Project Committee of the Commission to implement this Agreement. Through PA23, the PA23 Members 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 107 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 SAWPA. The PA23 budget shall be included in the SAWPA budget for approval by the SAWPA member agencies’ governing boards per the SAWPA Joint Powers Agreement. SAWPA staff shall provide a quarterly report to the PA23 Committee of actual expenses relative to the approved PA23 budget.

11. A semi-annual report of PA23 Committee implementation of SARCCUP will be provided to the OOW 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 Watershed Project Authority
Cash Transaction Report
Month of November 2016

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 $ 1,520,640.44
Net Investment Transfers 358,177.12
Cash Disbursements (934,870.68)
Net Change for Month $ 943,946.88
Balance at Beginning of Month 2,120,258.44
Balance at End of Month per General Ledger $ 3,064,205.32
Collected Balance per Bank Statement $ 3,088,692.56

ACCOUNTS PAYABLE RECONCILIATION

Accounts Payable Balance @ 10/31/16 $ 2,974,864.47
Invoices Received for November 2016 3,759,482.49
Invoices Paid by check/wire during November 2016 (see attached register) (700,169.98)
Accounts Payable Balance @ 11/30/16 $ 6,034,176.98
### CASH RECEIPTS

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<td>Member and Other Agency Contributions</td>
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<td>Grant Proceeds - Prop 84 Pass-throughs</td>
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**Total Receipts and Deposits** $1,520,640.44

### INVESTMENT TRANSFERS

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**Total Investment Transfers** $358,177.12

### CASH DISBURSEMENTS

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**Total Checks Drawn** $691,863.21

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**Total Cash Transfers** $243,007.47

**Total Cash Disbursements** $934,870.68
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<td>$ 3,101.77</td>
</tr>
<tr>
<td>Utilities</td>
<td>2185</td>
<td>11/23/2016</td>
<td>CHK</td>
<td>AT&amp;T</td>
<td>$ 544.04</td>
</tr>
<tr>
<td><strong>Utilities Total</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$ 6,973.63</td>
</tr>
<tr>
<td><strong>Grand Total</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$ 934,870.68</td>
</tr>
</tbody>
</table>

**Accounts Payable**

- Checks $ 691,863.21
- Wire Transfers $ 8,306.77
- **Bank Fees** $ 700,169.98

- Take Care $ 2,470.26
- Other Payroll $ 232,230.44

**Total Disbursements for November 2016** $ 934,870.68
## Santa Ana Watershed Project Authority
### Consulting
#### NOVEMBER 2016

| Check # | Check Date | Task #         | Task Description                          | Vendor Name                  | Total Contract | Check Amount | Remaining Contract Amount | Notes/Comments |
|---------|------------|----------------|------------------------------------------|------------------------------|----------------|--------------|--------------------------|----------------|----------------------|
| EFT947  | 11/23/2016 | ACS100-08      | IT Support                               | Accent Computer Solutions    | $36,750.00     | $3,831.50    | $6,206.50                |                |
| EFT935  | 11/17/2016 | CDM386-11      | SAR Bacteria Monitoring Program          | CDM Smith                    | $342,635.00    | $32,801.06   | $127,162.71             |                |
| EFT935  | 11/17/2016 | CDM374-01      | Triennial Ambient Water Quality Update Precomputation | CDM Smith                    | $349,960.00    | $34,290.50   | $305,405.50             |                |
| EFT950  | 11/23/2016 | DEGR392-02     | Social Media Support - EC TF              | DeGrave Communications        | $30,000.00     | $2,750.09    | $13,640.00              |                |
| EFT951  | 11/23/2016 | HAMM326-01     | Strategic Communication Services         | Hammons Strategies           | $36,500.00     | $4,500.00    | $9,500.00               |                |
| EFT907  | 11/3/2016  | INSOL100-09    | Great Plains Annual Tech Support         | Integrated Systems Solutions  | $3,000.00      | $841.50      | $1,888.50               |                |
| EFT962  | 11/3/2016  | RISK374-06     | Basin Monitoring TF                       | Risk Sciences                | $73,000.00     | $3,449.16    | $53,528.61              |                |
| EFT929  | 11/17/2016 | RISK384-08     | MS4R TMDL Task Force                     | Risk Sciences                | $87,300.00     | $2,553.71    | $69,723.19              |                |
| EFT943  | 11/23/2016 | RISK374-06     | Basin Monitoring TF                       | Risk Sciences                | $73,000.00     | $11,043.71   | $53,528.61              |                |
| EFT922  | 11/10/2016 | RMC504-401-01  | SARCCUP Program Mgmt Services            | RMC Water and Environment    | $310,429.00    | $47,746.90   | $197,370.41             |                |
| 2161    | 11/3/2016  | TTD100-02      | Phone System Support                     | The Technology Depot         | $4,000.00      | $135.00      | $2,537.50               |                |
| EFT910  | 11/3/2016  | TRU240-18      | 2017 Brine Line Annual Review            | Trussell Technologies, Inc.  | $48,579.00     | $3,657.18    | $38,619.69              |                |
| EFT924  | 11/10/2016 | VALI326-03     | Reach V Rehabilitation & Improvement Phase 2 | Valli Cooper & Associates, Inc. | $196,380.00    | $6,164.00    | $171,814.00            |                |
| EFT924  | 11/10/2016 | VALI326-02     | Reach V Rehabilitation & Improvement - Construction Management | Valli Cooper & Associates, Inc. | $1,445,209.00  | $50,895.00   | $1,394,314.00           |                |
| EFT944  | 11/23/2016 | WCA100-03-02   | State Legislative Consulting Services FY16-18 | West Coast Advisors          | $345,000.00    | $6,000.00    | $339,000.00            |                |

**Total:** $210,959.31
COMMISSION MEMORANDUM NO. 2017.11

DATE: January 17, 2017

TO: SAWPA Commission

SUBJECT: Inter-Fund Borrowing – November 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 November 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 over the $250,000 aggregate amount.

<table>
<thead>
<tr>
<th>Fund</th>
<th>Fund Name</th>
<th>10/31/16 Balance</th>
<th>Loan Receipts</th>
<th>New Charges</th>
<th>11/30/16 Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>130</td>
<td>Proposition 84 Admin</td>
<td>$54,017.03</td>
<td>($0.00)</td>
<td>$7,627.07</td>
<td>$61,644.10</td>
</tr>
<tr>
<td>135</td>
<td>Proposition 84 Admin R2</td>
<td>59,991.35</td>
<td>(17,993.21)</td>
<td>20,312.92</td>
<td>62,311.06</td>
</tr>
<tr>
<td>140</td>
<td>Proposition 84 Admin R3</td>
<td>7,467.74</td>
<td>(5,700.64)</td>
<td>9,458.35</td>
<td>11,225.45</td>
</tr>
<tr>
<td>145</td>
<td>Proposition 84 Admin R4</td>
<td>230,679.34</td>
<td>(0.00)</td>
<td>25,520.83</td>
<td>256,200.17</td>
</tr>
<tr>
<td>398</td>
<td>Proposition 1 – DACI Grant</td>
<td>17,414.72</td>
<td>(0.00)</td>
<td>6,989.62</td>
<td>24,404.34</td>
</tr>
<tr>
<td>477</td>
<td>LESJWA Administration</td>
<td>19,994.77</td>
<td>(21,356.71)</td>
<td>16,840.18</td>
<td>15,478.24</td>
</tr>
<tr>
<td>504</td>
<td>Prop 84 - Drought Projects</td>
<td>262,462.80</td>
<td>(113,401.78)</td>
<td>106,580.55</td>
<td>255,641.57</td>
</tr>
<tr>
<td></td>
<td>Total Funds Borrowed</td>
<td>$652,027.75</td>
<td>($158,452.34)</td>
<td>$193,329.52</td>
<td>$686,904.93</td>
</tr>
</tbody>
</table>

General Fund Reserves Balance          $3,277,792.22
Less Amount Borrowed                   686,904.93
Balance of General Fund Reserves       $2,590,887.29

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>Monthly</td>
<td>Up to 6 months</td>
</tr>
<tr>
<td>398 – Proposition 1 – DACI Grant</td>
<td>DWR – Prop 1 Grant</td>
<td>Monthly</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>Monthly</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**
This fund is for the administration of Proposition 84 Round II grant funds. These funds will be billed monthly and 10% will be withheld for retention.

**Fund 140**
This fund is for the administration of Proposition 84 Drought Round grant funds. These funds will be billed monthly and 10% will be withheld for retention.

**Fund 145**
This fund is for the administration of Proposition 84 Round 2015 grant funds. These funds will be billed monthly and 10% will be withheld for retention.

**Fund 398**
This fund is for the Proposition 1 DACI grant project. These funds will be billed monthly once the contracts with DWR have been signed.

**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 and PA23.

The following graph shows projected inter-fund loan balances, total unrestricted General Fund Reserves available for loans, and projected cash net of loans through June 2017. The projected loan balance is expected to remain over the $250,000 aggregate limit through June 2017 because of Proposition 84 Grants, but can be covered by General Fund Reserves without a major impact on cash flow.
RESOURCE IMPACTS
The funds borrowed from the General Fund Reserves will be paid back with interest when the funding is received. Interfund loans for grants are not charged interest unless the grant contracts specifically states interest is eligible for reimbursement. There is sufficient cash available to cover proposed borrowings and to pay budgeted expenditures for the General Fund.
DATE: January 17, 2017

TO: SAWPA Commission


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 balance for the last twelve months.</td>
</tr>
<tr>
<td>Cash 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 Indicators</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. Cash 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
## Capital Projects

<table>
<thead>
<tr>
<th>Fund</th>
<th>Current Assets</th>
<th>Fixed Assets</th>
<th>Other Assets</th>
<th>Total Assets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts Receivable</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>Installment Notes Receivable</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>Interest Receivable</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>Prepaids and Deposits</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>Total Current Assets</td>
<td>(1,150,613.92)</td>
<td>4,171,808.01</td>
<td>626,053.20</td>
<td>2,619,621.69</td>
</tr>
<tr>
<td>Assets</td>
<td>Current Liabilities</td>
<td>Noncurrent Liabilities</td>
<td>Fund Equity</td>
<td>Total Liabilities</td>
</tr>
<tr>
<td>Accounts Payable/Accrued Expenses</td>
<td>$697,647.42</td>
<td>$3,968,506.44</td>
<td>$501.88</td>
<td>$97,764.57</td>
</tr>
<tr>
<td>Accrued Interest Payable</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>Total Liabilities</td>
<td>$4,706,722.10</td>
<td>3,968,506.44</td>
<td>501.88</td>
<td>97,764.57</td>
</tr>
<tr>
<td>Fund Equity</td>
<td>Contributed Capital</td>
<td>Retained Earnings</td>
<td>Revenue Over/Under Expenditures</td>
<td>Total Liabilities &amp; Fund Equity</td>
</tr>
<tr>
<td></td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td></td>
<td>6,063,498.44</td>
<td>343,390.42</td>
<td>196,942.89</td>
<td>3,936,709.81</td>
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<tr>
<td></td>
<td>0.00</td>
<td>(140,288.85)</td>
<td>428,608.43</td>
<td>495,707.31</td>
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<tr>
<td></td>
<td>6,063,498.44</td>
<td>203,301.57</td>
<td>625,551.32</td>
<td>4,432,417.12</td>
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<tr>
<td></td>
<td>$10,770,220.54</td>
<td>$4,171,808.01</td>
<td>$626,053.20</td>
<td>$4,530,181.69</td>
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<td>Capital Projects</td>
<td>Grants/Contracts</td>
<td>Planning</td>
<td>Collaborative Projects</td>
<td>SAWPA General</td>
</tr>
<tr>
<td>------------------</td>
<td>------------------</td>
<td>---------</td>
<td>-----------------------</td>
<td>---------------</td>
</tr>
<tr>
<td>Operating Revenue</td>
<td>Discharge Fees</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
</tr>
<tr>
<td></td>
<td>Grant Proceeds</td>
<td>0.00</td>
<td>2,213,223.55</td>
<td>0.00</td>
</tr>
<tr>
<td></td>
<td>Financing Proceeds</td>
<td>0.00</td>
<td>74,525.42</td>
<td>0.00</td>
</tr>
<tr>
<td></td>
<td>Total Operating Revenue</td>
<td>0.00</td>
<td>2,287,748.97</td>
<td>0.00</td>
</tr>
<tr>
<td>Operating Expenses</td>
<td>Labor</td>
<td>0.00</td>
<td>121,752.02</td>
<td>75,908.62</td>
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<tr>
<td></td>
<td>Benefits</td>
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<td>52,840.40</td>
<td>32,944.33</td>
</tr>
<tr>
<td></td>
<td>Indirect Costs</td>
<td>0.00</td>
<td>192,246.44</td>
<td>119,859.70</td>
</tr>
<tr>
<td></td>
<td>Education &amp; Training</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td></td>
<td>Consulting &amp; Professional Services</td>
<td>0.00</td>
<td>130,629.41</td>
<td>0.00</td>
</tr>
<tr>
<td></td>
<td>Operating Costs</td>
<td>0.00</td>
<td>1,684.80</td>
<td>0.00</td>
</tr>
<tr>
<td></td>
<td>Repair &amp; Maintenance</td>
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<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td></td>
<td>Phone &amp; Utilities</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td></td>
<td>Equipment &amp; Computers</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td></td>
<td>Meeting &amp; Travel</td>
<td>0.00</td>
<td>185.38</td>
<td>2,720.91</td>
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<tr>
<td></td>
<td>Other Administrative Costs</td>
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<td>10,060.00</td>
<td>11,047.49</td>
</tr>
<tr>
<td></td>
<td>Benefits Applied</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td></td>
<td>Indirect Costs Applied</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td></td>
<td>Other Expenses</td>
<td>0.00</td>
<td>0.00</td>
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<tr>
<td></td>
<td>Construction</td>
<td>0.00</td>
<td>2,090,032.30</td>
<td>0.00</td>
</tr>
<tr>
<td></td>
<td>Total Operating Expenses</td>
<td>0.00</td>
<td>2,599,430.75</td>
<td>242,481.05</td>
</tr>
<tr>
<td></td>
<td>Operating Income (Loss)</td>
<td>0.00</td>
<td>(311,681.78)</td>
<td>(242,481.05)</td>
</tr>
<tr>
<td>Nonoperating Income (Expense)</td>
<td>Member Contributions</td>
<td>0.00</td>
<td>41,043.00</td>
<td>670,000.00</td>
</tr>
<tr>
<td></td>
<td>Other Agency Contributions</td>
<td>0.00</td>
<td>130,000.00</td>
<td>0.00</td>
</tr>
<tr>
<td></td>
<td>Interest Income</td>
<td>0.00</td>
<td>349.93</td>
<td>1,089.48</td>
</tr>
<tr>
<td></td>
<td>Interest Expense - Debt Service</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td></td>
<td>Other Income</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td></td>
<td>Use of Reserves</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td></td>
<td>Total Nonoperating Income (Expense)</td>
<td>0.00</td>
<td>171,392.93</td>
<td>671,089.48</td>
</tr>
<tr>
<td></td>
<td>Excess Rev over (under) Exp</td>
<td>$0.00</td>
<td>($140,288.85)</td>
<td>$428,608.43</td>
</tr>
</tbody>
</table>
## Aging Report
Santa Ana Watershed Project Authority
Receivables as of November 30, 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>City of Beaumont</td>
<td>Basin Monitoring</td>
<td>20,180.00</td>
<td>20,180.00</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Chino Basin Desalter Authority</td>
<td>Brine Line</td>
<td>166,171.87</td>
<td></td>
<td>166,171.87</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Department of Water Resources</td>
<td>Prop 84, WECAN</td>
<td>3,048,259.84</td>
<td>22,293.23</td>
<td>3,025,966.61</td>
<td></td>
<td></td>
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<td>Brine Line Sample Collection &amp; Analysis</td>
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<td>12/31/2016</td>
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<td>Task Description</td>
<td>Begin Date</td>
<td>End Date</td>
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<td>Change Orders</td>
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<td>WO2016-15</td>
<td>Pechanga Band of Luiseno Indians</td>
<td>IE Brine Line Reach V Capital - Tribal Monitoring</td>
<td>07/27/2015</td>
<td>06/30/2016</td>
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<td>WO2017-01</td>
<td>Western Municipal Water District</td>
<td>Brine Line Operations &amp; Maintenance</td>
<td>07/01/2016</td>
<td>06/30/2017</td>
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<td>03/23/2016</td>
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<td>GP Software Annual Technical Support</td>
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<td>06/30/2017</td>
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<td>GP Upgrade and Encryption</td>
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<td>PO3322</td>
<td>County of Riverside</td>
<td>Gas for Vehicles</td>
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<td>06/30/2017</td>
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<td>TCU100-01</td>
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Total Annual Support Contracts: 14,400,193.91
## Brine Line Debt Service Funding Analysis

**Santa Ana Watershed Project Authority**  
**November 30, 2016**

<table>
<thead>
<tr>
<th>FYE</th>
<th>T-Strip Maturity</th>
<th>Capacity Loan Receipts</th>
<th>Loan Rates</th>
<th>Loan Pymts</th>
<th>Interest Earned *</th>
<th>Excess Cash</th>
<th>Ending Cash Balance</th>
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</thead>
<tbody>
<tr>
<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>
<td>2,929,531</td>
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<tr>
<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>
<td>2,716,169</td>
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<tr>
<td>2018</td>
<td>949,000</td>
<td>795,772</td>
<td>1,044,000</td>
<td>(3,060,725)</td>
<td>54,323</td>
<td>(217,629)</td>
<td>2,498,540</td>
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<tr>
<td>2019</td>
<td>395,000</td>
<td>528,582</td>
<td>1,044,000</td>
<td>(2,526,801)</td>
<td>49,971</td>
<td>(509,248)</td>
<td>1,989,292</td>
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<tr>
<td>2020</td>
<td>395,000</td>
<td>-</td>
<td>1,044,000</td>
<td>(2,170,551)</td>
<td>39,786</td>
<td>(691,765)</td>
<td>1,297,527</td>
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<tr>
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<td>395,000</td>
<td>-</td>
<td>1,044,000</td>
<td>(2,170,551)</td>
<td>25,951</td>
<td>(705,600)</td>
<td>591,927</td>
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<td>2022</td>
<td>395,000</td>
<td>-</td>
<td>1,044,000</td>
<td>(1,943,236)</td>
<td>11,839</td>
<td>(492,398)</td>
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<td>-</td>
<td>-</td>
<td>1,044,000</td>
<td>(1,044,273)</td>
<td>1,991</td>
<td>1,717</td>
<td>101,247</td>
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<tr>
<td>2024</td>
<td>-</td>
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<td>1,752</td>
<td>102,998</td>
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<td>-</td>
<td>-</td>
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<td>1,787</td>
<td>104,785</td>
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<td>2,096</td>
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<td>2,285</td>
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<td>-</td>
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<td>(1,044,273)</td>
<td>2,326</td>
<td>2,052</td>
<td>118,334</td>
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<td>2033</td>
<td>-</td>
<td>-</td>
<td>1,044,000</td>
<td>(1,044,273)</td>
<td>2,367</td>
<td>2,094</td>
<td>120,427</td>
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</table>

*Interest earned is based on a conservative 2.00% average return over the period.*

| Total | 5,302,000  | 2,915,898  | 18,792,000 | (30,474,539) | 361,083 | (3,103,558) | 120,427 |

---

*Interest earned is based on a conservative 2.00% average return over the period.*
## Santa Ana Watershed Project Authority

### Brine Line Debt Service Payment Schedule

**November 30, 2016**

<table>
<thead>
<tr>
<th>FYE</th>
<th>Interest</th>
<th>Principal</th>
<th>Total Payment</th>
<th>Remaining Principal</th>
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<td>4,054,945</td>
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<td>2017</td>
<td>615,366</td>
<td>2,445,358</td>
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<td>19,706,943</td>
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<tr>
<td>2018</td>
<td>539,727</td>
<td>2,520,997</td>
<td>3,060,725</td>
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<tr>
<td>2019</td>
<td>461,459</td>
<td>2,065,342</td>
<td>2,526,801</td>
<td>15,120,604</td>
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<td>2020</td>
<td>395,403</td>
<td>1,775,147</td>
<td>2,170,551</td>
<td>13,345,457</td>
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<tr>
<td>2021</td>
<td>348,294</td>
<td>1,822,257</td>
<td>2,170,551</td>
<td>11,523,199</td>
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<tr>
<td>2022</td>
<td>299,932</td>
<td>1,643,304</td>
<td>1,943,236</td>
<td>9,879,895</td>
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<tr>
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<td>256,877</td>
<td>787,396</td>
<td>1,044,273</td>
<td>9,092,499</td>
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<td>2024</td>
<td>236,405</td>
<td>807,698</td>
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<td>828,473</td>
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<td>850,424</td>
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<td>872,535</td>
<td>1,044,273</td>
<td>5,732,800</td>
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<td>895,220</td>
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<td>918,496</td>
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<td>942,377</td>
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<td>52,256</td>
<td>992,018</td>
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<tr>
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**Debt Service Payment Schedule**

**Fiscal Years 2016-2033**

![Debt Service Payment Schedule Graph](image-url)
## CASH BALANCE & SOURCE OF FUNDS
### November 30, 2016

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<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>
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<td>$2,590,887</td>
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<td>240 Brine Line Debt Retirement</td>
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<td>$2,317,831</td>
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<tr>
<td>240 Brine Line - Pipeline Replacement</td>
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<td>2,160,282</td>
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<td>240 Brine Line - Capacity Management</td>
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<td>240 Brine Line - Flow Imbalance Reserve</td>
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<tr>
<td>240 Brine Line - Operating Reserve</td>
<td>$4,526,406</td>
<td>-</td>
<td>473,818</td>
<td>$4,052,588</td>
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<td>-</td>
<td>-</td>
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<td>372 Imported Water Recharge</td>
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<td>374 Basin Monitoring Program TF</td>
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<tr>
<td>392 Emerging Constituents TF</td>
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<td>$114,742</td>
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<td>397 Energy - Water DAC Grant</td>
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<tr>
<td>500 Prop 13 - Grant Retention</td>
<td>$44,760</td>
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<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>$44,760</td>
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</table>

**Total** | **$57,014,818** | **$3,064,705** | **$2,160,282** | **$32,513,887** | **$445,611** | **$13,739,458** | **$2,728,283** | **$2,317,831** | **$44,760** | **$57,014,818**
# Santa Ana Watershed Project Authority
## Reserve Account Analysis
### November 30, 2016

<table>
<thead>
<tr>
<th>Reserve Account</th>
<th>Balance @ 6/30/16</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 @ 11/30/16</th>
<th>Changes 6/30/17 to 11/30/16</th>
<th>Balance @ 6/30/17</th>
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<tbody>
<tr>
<td>Brine Line Operating Reserve</td>
<td>3,790,275</td>
<td>13,977</td>
<td>4,005,047</td>
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<td></td>
<td></td>
<td></td>
<td>(3,262,893)</td>
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<td>4,526,406</td>
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<tr>
<td>Flow Imbalance Reserve</td>
<td>83,084</td>
<td>311</td>
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<td></td>
<td></td>
<td></td>
<td>83,395</td>
<td></td>
<td>-</td>
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<tr>
<td>OCSD Future Capacity</td>
<td>1,711,499</td>
<td>6,434</td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td>1,717,932</td>
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<tr>
<td>Capacity Management</td>
<td>7,197,751</td>
<td>13,901</td>
<td>588,894</td>
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<td></td>
<td></td>
<td></td>
<td>7,800,546</td>
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<tr>
<td>Pipeline Replacement</td>
<td>19,919,329</td>
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<td>416,667</td>
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<td>(1,359,559)</td>
<td></td>
<td>19,010,788</td>
<td>(296,980)</td>
<td>18,713,808</td>
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<td>208,338</td>
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<td>7,183,739</td>
<td>291,662</td>
<td>7,475,401</td>
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<td>Debt Retirement</td>
<td>3,954,338</td>
<td>13,768</td>
<td>211,770</td>
<td>601,188</td>
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<td>(1,482,528)</td>
<td></td>
<td>3,298,536</td>
<td>(1,557,196)</td>
<td>1,741,340</td>
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<tr>
<td>Self Insurance</td>
<td>3,717,788</td>
<td>12,187</td>
<td>41,667</td>
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<td>3,771,642</td>
<td>58,333</td>
<td>3,829,975</td>
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<td>General Fund</td>
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<td>9,014</td>
<td>701,428</td>
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<td>2,590,887</td>
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<td>2,590,887</td>
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<tr>
<td>Building Reserve</td>
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<tr>
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<td>46,325,606</td>
<td>132,930</td>
<td>6,273,811</td>
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<td>(1,482,528)</td>
<td>(686,905)</td>
<td>(4,342,265)</td>
<td>50,813,368</td>
<td>(1,504,180)</td>
<td>49,309,188</td>
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</tbody>
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Estimated Fund Balance: 50,813,368
Twelve Month Maturity Schedule

Securities

18% for < 1 YR
25% for 1 to 2 YRS
17% for 2 to 3 YRS
28% for 3 to 4 YRS
12% for 4 to 5 YRS
**SAWPA**

**Treasurer's Report**
As of November 30, 2016

### Investment T-Strips

<table>
<thead>
<tr>
<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>
</tr>
</thead>
<tbody>
<tr>
<td>USB</td>
<td>07/09/1999</td>
<td>11/15/2017</td>
<td>334,000</td>
<td>219,833</td>
<td>448,167.88</td>
<td>122,517.83</td>
<td>211,482.17</td>
<td>331,121.25</td>
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<tr>
<td>USB</td>
<td>07/12/1999</td>
<td>05/15/2018</td>
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<td>139,634</td>
<td>300,366.00</td>
<td>88,047.98</td>
<td>351,952.02</td>
<td>436,462.86</td>
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<tr>
<td>USB</td>
<td>02/11/2000</td>
<td>05/15/2020</td>
<td>1,580,000</td>
<td>485,356</td>
<td>1,094,643.75</td>
<td>371,081.77</td>
<td>1,208,918.23</td>
<td>1,550,724.98</td>
<td>6.41%</td>
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</table>

**Investment Commercial Safekeeping**

<table>
<thead>
<tr>
<th>Type</th>
<th>Security</th>
<th>Purchase Date</th>
<th>Maturity Date</th>
<th>Unit</th>
<th>Cost</th>
<th>Principal</th>
<th>Current Value</th>
<th>Market Value</th>
<th>Interest Rate</th>
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<tr>
<td>Agency</td>
<td>FHLMC</td>
<td>3/27/2014</td>
<td>3/27/2019</td>
<td>109.33</td>
<td>$546,650.00</td>
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<td>6/10/2014</td>
<td>3/8/2017</td>
<td>100.69</td>
<td>$1,006,919.00</td>
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<td>$1,001,204.00</td>
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</tr>
<tr>
<td>Agency</td>
<td>FHLMC</td>
<td>11/18/2015</td>
<td>2/22/2017</td>
<td>102.61</td>
<td>$1,026,088.00</td>
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<td>2/19/2019</td>
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<tr>
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<td>3/27/2013</td>
<td>3/27/2018</td>
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<td>$1,000,000.00</td>
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<td>12/28/2015</td>
<td>12/28/2020</td>
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<td>11/30/2020</td>
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<td>9/30/2020</td>
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<td>$506,992.19</td>
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<td>$495,410.00</td>
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<td>6/16/2016</td>
<td>10/31/2018</td>
<td>101.12</td>
<td>$506,914.06</td>
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<tr>
<td>CORP</td>
<td>Toyota Motor Credit</td>
<td>9/15/2016</td>
<td>7/13/2018</td>
<td>100.00</td>
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<td>3/6/2017</td>
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<tr>
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<td>1/31/2017</td>
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<td>$248,000.00</td>
<td>$248,000.00</td>
<td>$248,000.00</td>
<td>1.00%</td>
</tr>
<tr>
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<td>GE Capital Retail</td>
<td>1/31/2014</td>
<td>1/31/2018</td>
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<td>1.00%</td>
</tr>
<tr>
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<td>5/27/2015</td>
<td>5/29/2018</td>
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<td>1.00%</td>
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<td>10/1/2018</td>
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<td>$248,000.00</td>
<td>$248,000.00</td>
<td>1.00%</td>
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<tr>
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<td>Capital One NA</td>
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<td>10/1/2018</td>
<td>100.00</td>
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<td>1.00%</td>
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<td>12/3/2018</td>
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<tr>
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<td>National Bank of NY</td>
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<td>6/18/2018</td>
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<td>$248,000.00</td>
<td>$248,000.00</td>
<td>$248,000.00</td>
<td>1.00%</td>
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**Total**

$16,354,491.50 $16,227,000.00 $16,227,000.00 $16,245,548.33 1.41%
Average Daily Flow by Month
SUMMARY OF LABOR MULTIPLIERS

<table>
<thead>
<tr>
<th>Benefit Rate</th>
<th>Total Employee Benefits</th>
<th>Total Payroll</th>
<th>Gross Indirect Costs</th>
<th>Less: Member Contributions &amp; Other Revenue</th>
<th>Indirect Costs for Distribution</th>
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<tbody>
<tr>
<td>0.379</td>
<td>509,182</td>
<td>1,344,076</td>
<td>1,235,158</td>
<td>(187,500)</td>
<td>1,047,658</td>
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</table>

| Indirect Rate | Direct Labor | Indirect Costs | |
|---------------|--------------|----------------|
| 1.492         | 702,101      | 1,047,658      |

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<thead>
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<th>FY 2016-17 Labor multiplier - thru 11/30/16</th>
<th>1.871</th>
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<tr>
<td>FY 2015-16 Labor multiplier</td>
<td>2.073</td>
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<tr>
<td>FY 2014-15 Labor multiplier</td>
<td>1.850</td>
</tr>
<tr>
<td>FY 2013-14 Labor multiplier</td>
<td>2.105</td>
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<tr>
<td>FY 2012-13 Labor multiplier</td>
<td>1.938</td>
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<tr>
<td>FY 2011-12 Labor multiplier</td>
<td>2.045</td>
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</tbody>
</table>
## INDIRECT COSTS

*(to be Distributed)*

<table>
<thead>
<tr>
<th>G/L Acct.</th>
<th>Description</th>
<th>Actual thru 11/30/16</th>
<th>G/L Acct.</th>
<th>Description</th>
<th>Actual thru 11/30/16</th>
</tr>
</thead>
<tbody>
<tr>
<td>51000</td>
<td>Salaries - Regular</td>
<td>$ 641,976</td>
<td>601171</td>
<td>Equipment Rented</td>
<td>$ 12,492</td>
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<tr>
<td>52000</td>
<td>Benefits</td>
<td>$ 214,012</td>
<td>60172</td>
<td>Equipment Repair / Maintenance</td>
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<tr>
<td>60111</td>
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<td>60180</td>
<td>Computer Hardware</td>
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<tr>
<td>60112</td>
<td>Training</td>
<td>$ 150</td>
<td>60181</td>
<td>Software / Updates / Licensing</td>
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</tr>
<tr>
<td>60113</td>
<td>Education</td>
<td>$ -</td>
<td>60182</td>
<td>Internet Services</td>
<td>$ 4,685</td>
</tr>
<tr>
<td>60114</td>
<td>Other Training &amp; Education</td>
<td>$ 2,837</td>
<td>60183</td>
<td>Computer Supplies</td>
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<tr>
<td>60120</td>
<td>Audit Fees</td>
<td>$ 21,800</td>
<td>60184</td>
<td>Computer Repair / Maintenance</td>
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<tr>
<td>60121</td>
<td>Consulting</td>
<td>$ 76,969</td>
<td>60190</td>
<td>Offsite Meeting / Travel Expense</td>
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<tr>
<td>60126</td>
<td>Temporary Services</td>
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<td>60191</td>
<td>In House Meetings</td>
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<tr>
<td>60128</td>
<td>Other Professional Services</td>
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<td>60192</td>
<td>Conference Expense</td>
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<tr>
<td>60129</td>
<td>Other Contract Services</td>
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<td>60193</td>
<td>Car, Repair, Maint</td>
<td>$ -</td>
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<tr>
<td>60130</td>
<td>Legal Fees</td>
<td>$ -</td>
<td>60200</td>
<td>Dues</td>
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<tr>
<td>60133</td>
<td>Employment Recruitment</td>
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<td>Subscriptions</td>
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<tr>
<td>60153</td>
<td>Materials &amp; Supplies</td>
<td>$ -</td>
<td>60203</td>
<td>Contributions</td>
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</tr>
<tr>
<td>60154</td>
<td>Safety</td>
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<td>60210</td>
<td>Bank Charges</td>
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<tr>
<td>60155</td>
<td>Security</td>
<td>$ 893</td>
<td>60211</td>
<td>Shipping / Postage</td>
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<tr>
<td>60156</td>
<td>Custodial Contract Services</td>
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<td>60212</td>
<td>Office Supplies</td>
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<tr>
<td>60157</td>
<td>Landscaping Maintenance</td>
<td>$ 6,531</td>
<td>60213</td>
<td>Offsite Storage</td>
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<tr>
<td>60158</td>
<td>HVAC</td>
<td>$ -</td>
<td>60220</td>
<td>Commission Fees</td>
<td>$ 5,539</td>
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<tr>
<td>60159</td>
<td>Facility Repair &amp; Maintenance</td>
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<td>60221</td>
<td>Commission Mileage Reimb.</td>
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<tr>
<td>60160</td>
<td>Telephone</td>
<td>$ 5,771</td>
<td>60222</td>
<td>Other Commission Expense</td>
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<tr>
<td>60161</td>
<td>Cellular / Paging Services</td>
<td>$ 5,911</td>
<td>60230</td>
<td>Other Expense</td>
<td>$ 762</td>
</tr>
<tr>
<td>60163</td>
<td>Electricity</td>
<td>$ 7,964</td>
<td>80000</td>
<td>Retiree Medical Expense</td>
<td>$ 49,473</td>
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<tr>
<td>60164</td>
<td>Water Services</td>
<td>$ 4,083</td>
<td>80001</td>
<td>Insurance Expense</td>
<td>$ 14,090</td>
</tr>
<tr>
<td>60170</td>
<td>Equipment Expensed</td>
<td>$ 2,057</td>
<td>80000</td>
<td>Building Repair/Replacement Reserve</td>
<td>$ 41,667</td>
</tr>
<tr>
<td>13005</td>
<td>Fixed Assets</td>
<td>$ -</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(Continued - next column)

**Total Costs** $ 1,235,158

Direct Costs Paid by Projects $ 1,177,949
Member Contribution Offset $ 187,500

$ 1,365,449

Over allocation % 12.4%
Over (Under) Allocation of General Fund Costs $ 130,291
## BENEFITS SUMMARY
*(Distributed based on Actual Labor)*

<table>
<thead>
<tr>
<th>G/L Acct</th>
<th>Description</th>
<th>Budget</th>
<th>Actual @ 11/30/16</th>
<th>Projected FYE 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>70101</td>
<td>FICA Expense</td>
<td>164,717</td>
<td>$53,667</td>
<td>$128,800</td>
</tr>
<tr>
<td>70102</td>
<td>Medicare Expense</td>
<td>45,897</td>
<td>$17,668</td>
<td>$42,404</td>
</tr>
<tr>
<td>70103</td>
<td>State Unemployment Insurance</td>
<td>6,300</td>
<td>$631</td>
<td>$6,300</td>
</tr>
<tr>
<td>70104</td>
<td>Worker's Compensation Insurance</td>
<td>55,513</td>
<td>$27,095</td>
<td>$65,028</td>
</tr>
<tr>
<td>70105</td>
<td>State Disability Insurance</td>
<td>21,764</td>
<td>$6,590</td>
<td>$15,817</td>
</tr>
<tr>
<td>70106</td>
<td>PERS Pension Plan</td>
<td>557,936</td>
<td>$205,583</td>
<td>$493,400</td>
</tr>
<tr>
<td>70111</td>
<td>Medical Expense</td>
<td>363,995</td>
<td>$154,507</td>
<td>$370,816</td>
</tr>
<tr>
<td>70112</td>
<td>Dental Expense</td>
<td>28,554</td>
<td>$10,003</td>
<td>$24,006</td>
</tr>
<tr>
<td>70113</td>
<td>Vision Insurance</td>
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<td>$2,745</td>
<td>$6,587</td>
</tr>
<tr>
<td>70114</td>
<td>Life Insurance Expense</td>
<td>12,092</td>
<td>$5,005</td>
<td>$12,012</td>
</tr>
<tr>
<td>70115</td>
<td>Long Term Disability</td>
<td>15,017</td>
<td>$6,031</td>
<td>$14,474</td>
</tr>
<tr>
<td>70116</td>
<td>Wellness Program Expense</td>
<td>3,250</td>
<td>$750</td>
<td>$1,800</td>
</tr>
<tr>
<td>70117</td>
<td>401a Profit Sharing - Employers Contribution</td>
<td>4,907</td>
<td>$4,907</td>
<td>$4,907</td>
</tr>
<tr>
<td>70120</td>
<td>Car Allowance</td>
<td>30,000</td>
<td>$14,000</td>
<td>$33,600</td>
</tr>
<tr>
<td></td>
<td><strong>Total Benefits</strong></td>
<td>1,317,241</td>
<td>509,182</td>
<td>1,219,952</td>
</tr>
<tr>
<td></td>
<td><strong>Total Payroll</strong></td>
<td>3,135,315</td>
<td>$1,344,076</td>
<td>3,225,783</td>
</tr>
<tr>
<td></td>
<td><strong>Benefits Rate</strong></td>
<td>42.0%</td>
<td>37.9%</td>
<td>37.8%</td>
</tr>
</tbody>
</table>
### Santa Ana Watershed Project Authority

#### Labor Hours Budget vs Actual

**Month Ending November 30, 2016**

<table>
<thead>
<tr>
<th>Fund</th>
<th>Budget</th>
<th>Actual</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>100 General &amp; Administrative</td>
<td>25,603</td>
<td>9,844</td>
<td>38.45%</td>
</tr>
<tr>
<td>130 Prop 84 Round 1 Administration</td>
<td>570</td>
<td>255</td>
<td>44.69%</td>
</tr>
<tr>
<td>135 Prop 84 Round 2 Administration</td>
<td>830</td>
<td>355</td>
<td>42.77%</td>
</tr>
<tr>
<td>140 Prop 84 2014 Drought Administration</td>
<td>1,080</td>
<td>181</td>
<td>16.78%</td>
</tr>
<tr>
<td>145 Prop 84 Final Round Administration</td>
<td>3,390</td>
<td>559</td>
<td>16.50%</td>
</tr>
<tr>
<td>240 Brine Line Enterprise</td>
<td>17,055</td>
<td>7,276</td>
<td>42.66%</td>
</tr>
<tr>
<td>320 Brine Line Protection</td>
<td>415</td>
<td>-</td>
<td>0.00%</td>
</tr>
<tr>
<td>326 Reach V Capital Repairs</td>
<td>440</td>
<td>1,250</td>
<td>284.03%</td>
</tr>
<tr>
<td>327 Reach IV-D Corrosion Repairs</td>
<td>1,338</td>
<td>-</td>
<td>0.00%</td>
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<tr>
<td>370-01 General Basin Planning</td>
<td>2,286</td>
<td>971</td>
<td>42.48%</td>
</tr>
<tr>
<td>370-02 USBR Partnership Studies</td>
<td>110</td>
<td>2</td>
<td>1.36%</td>
</tr>
<tr>
<td>372 Imported Water Recharge</td>
<td>60</td>
<td>33</td>
<td>54.17%</td>
</tr>
<tr>
<td>373 Watershed Management Plan</td>
<td>1,640</td>
<td>1,200</td>
<td>73.17%</td>
</tr>
<tr>
<td>374 Basin Monitoring Program</td>
<td>325</td>
<td>329</td>
<td>101.23%</td>
</tr>
<tr>
<td>381 SAR Fish Conservation</td>
<td>113</td>
<td>87</td>
<td>77.39%</td>
</tr>
<tr>
<td>384-01 Chino TMDL Facilitation</td>
<td>170</td>
<td>92</td>
<td>53.97%</td>
</tr>
<tr>
<td>386MONIT Storm Water Quality Standards TF</td>
<td>210</td>
<td>33</td>
<td>100.00%</td>
</tr>
<tr>
<td>386STORM Storm Water Quality Standards TF</td>
<td>210</td>
<td>44</td>
<td>20.71%</td>
</tr>
<tr>
<td>387 Arundo Removal &amp; Habitat Restoration</td>
<td>170</td>
<td>18</td>
<td>10.44%</td>
</tr>
<tr>
<td>392 Emerging Constituents</td>
<td>175</td>
<td>43</td>
<td>24.29%</td>
</tr>
<tr>
<td>396 Forest First</td>
<td>40</td>
<td>-</td>
<td>0.00%</td>
</tr>
<tr>
<td>397 Water-Energy Grant Administration</td>
<td>345</td>
<td>153</td>
<td>44.35%</td>
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<tr>
<td>398ADMIN DACI Grant</td>
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<td>141</td>
<td>100.00%</td>
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<tr>
<td>477TMDL LESJ WA - TMDL Task Force</td>
<td>590</td>
<td>302</td>
<td>51.23%</td>
</tr>
<tr>
<td>477-02 LESJ WA - Administration</td>
<td>305</td>
<td>231</td>
<td>75.74%</td>
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<tr>
<td>504-301A Prop 84 2014 Drought Implementation</td>
<td>660</td>
<td>174</td>
<td>26.36%</td>
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<tr>
<td>504-301C Prop 84 2014 Drought Implementation</td>
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<td>288</td>
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<tr>
<td>504-401I Prop 84 Final Round Implementation</td>
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</tr>
<tr>
<td>504-401PA23 Prop 84 Final Round Implementation</td>
<td>-</td>
<td>120</td>
<td>100.00%</td>
</tr>
</tbody>
</table>

**Total** | 57,920 | 24,015 | 41.46% |

*Note: Should be at 41.67% of budget for 5 months*
## SAWPA Roundtable Status Report
### 10/1/16 thru 12/31/16

<table>
<thead>
<tr>
<th>PROJECT</th>
<th>DESCRIPTION</th>
<th>STATUS</th>
<th>TASKS/DEADLINES</th>
</tr>
</thead>
</table>
| 1 Middle Santa Ana River (MSAR) Pathogen TMDL Task Force | Implement TMDLs to address impairments to water quality relating to the fecal coliform objective established to protect the REC-1 use for waterbodies located within the Middle Santa Ana River Watershed. | • Task Force Administration by SAWPA continues.  
• Management and review of consultant contracts, project invoices and annual Task Force budget by staff continues.  
• SAWPA staff prepared a draft FY 2017-18 Task Force budget for distribution to stakeholders.  
• Task Force consultant Tim Moore/Risk Sciences continues his effort to orchestrate the TMDL Implementation strategy for the MSAR TMDL Task Force.  
• Task Force consultant CDM Smith continues their effort to support the implementation of the Riverside / San Bernardino Counties CBRP in coordination with the MSAR TMDL Task Force. | • Draft FY 2017-18 budget distributed to stakeholders for review and comment  
• Include Task Force budget in SAWPA Budget being prepared for FYE 2018 and FYE 2019 |
| TMDL Task 3 Watershed Monitoring Program | MSAR TMDL Compliance monitoring is now conducted as a component of the Santa Ana River Bacteria monitoring program implemented through the Regional Water Quality Monitoring Task Force.  
SAWPA, on behalf of the MSAR TMDL Task Force submitted a revised 2016 Triennial Report for the MSAR Bacterial Indicator TMDL to Regional Board for review. The Task Force is awaiting comments from Regional Board. | | • Finalize 2016 Triennial Report submitted to Regional Board for approval in November 2016. |
| TMDL Task 4 Source Evaluation and Management | MSAR TMDL Task Force meetings continue to be used as a forum for stakeholders to update Regional Board staff on their CBRP implementation activities  
All current source evaluation work relating to the bacteria indicator TMDLs is being conducted through the individual Counties MS4 program to implement their respective Comprehensive Bacteria Reduction Plans.  
SAWPA acts as the contracting party, for the benefit of Task Force agencies to implement specific studies and projects to support each County's Comprehensive Bacteria Reduction Plan implementation activities. | | • All current deliverables due under this task are currently being addressed by individual agencies. |
## SAWPA Roundtable Status Report
### 10/1/16 thru 12/31/16

<table>
<thead>
<tr>
<th>PROJECT</th>
<th>DESCRIPTION</th>
<th>STATUS</th>
<th>TASKS/DEADLINES</th>
</tr>
</thead>
</table>
| 2 | Lake Elsinore and Canyon Lake Nutrient TMDL Task Force | - Task Force Administration by LESJWA continues.  
- LESJWA staff continues to coordinate issues relating to a stakeholder load/cost allocations, in-lake modeling, and the design on in-lake treatment projects with various consultants.  
- LESJWA staff continues management and review of consultant contracts, project invoices and annual Task Force budget.  
- LESJWA Staff prepared a draft FY 2017-18 Task Force budget for distribution to stakeholders.  
- LESJWA continues to administer the Round 2 Prop 84 IRWM funded Canyon Lake Hybrid Treatment Project.  
- Risk Sciences continues its role of working with stakeholders on a long-term plan to revise and update the Lake Elsinore and Canyon Lake nutrient TMDLs.  
- CDM Smith continues their effort to prepare a technical document to revise and update the Lake Elsinore and Canyon Lake nutrient TMDLs.  
- It is estimated that a draft technical document will be ready for submittal to the Regional Board in November 2017.  
- CDM Smith has issued drafts of the following TMDL Technical Document chapters:  
  - Chp 3 – Numeric Targets (12/20/16)  
  - Chp 4 – Source Assessment (10/5/16) | - Continue to follow up on outstanding FY 2016-17 Stakeholder invoices:  
  - CA Dept F&W  
  - City of Beaumont  
  - City of Moreno Valley  
  - City of Wildomar  
- Draft FY 2017-18 budget distributed to stakeholders for review and comment  
- Include Task Force budget in LESJWA Budget and SAWPA Budget being prepared for FYE 2018 and FYE 2019 |
| | TMDL Task 4 Monitoring Program | - Amec Foster Wheeler (FW) continues to implement the Phase 2 TMDL Compliance monitoring Program.  
- Amec FW continues to work to update the in-lake and watershed water quality monitoring database.  
- In December 2016, the LESJWA Board authorized a Change Order to Amec Foster Wheeler’s TMDL Compliance monitoring contract to include additional Alum Effectiveness monitoring to support the ongoing Canyon Lake Alum Treatment project. | - Staff will work with Amec Foster Wheeler to prepare next quarterly lake and watershed quality monitoring report to share with the LE/CL TMDL TF in January 2017. |
SAWPA Roundtable Status Report  
10/1/16 thru 12/31/16

<table>
<thead>
<tr>
<th>PROJECT</th>
<th>DESCRIPTION</th>
<th>STATUS</th>
<th>TASKS/DEADLINES</th>
</tr>
</thead>
</table>
| TMDL Task 9 Lake Elsinore TMDL Compliance Implementation Activities | • Work relating to the implementation of Lake Elsinore In-Lake Sediment Nutrient Reduction Plan performed in conjunction with the RCFC&WCD MS4 program Comprehensive Nutrient Reduction Plan continues.  
• LESJWA staff continues to coordinate meetings to facilitate the preparation of a new O&M agreement to operate the Lake Elsinore Aeration and Mixing System (LEAMS). Through this agreement it is proposed that the agencies co-sponsoring the project agree to license excess unused nutrient offset credits to other stakeholders named in the TMDL using LESJWA as their exclusive agent.  
• A draft License Agreement for Offset Credits Generated by the Lake Elsinore Aeration & Mixing System was released to LESJWA and the stakeholders of the LE&CL TMDL Task Force for review. | • Tim Moore/Risk Sciences is anticipated to complete new O&M agreement to operate the Lake Elsinore Aeration and Mixing System (LEAMS) by January 2017 with approval by signatories in Feb/Mar 2017  
• Similarly a draft License Agreement for Offset Credits Generated by the Lake Elsinore Aeration & Mixing System will be finalized in Jan. 2017 and will be shared LESJWA Board for approval in Feb. 2017 |
| TMDL Task 10 Canyon Lake TMDL Compliance Implementation Activities | • Work relating to the implementation of Canyon Lake In-Lake Sediment Treatment Evaluation performed in conjunction with the RCFC&WCD MS4 program Comprehensive Nutrient Reduction Plan continues.  
• LESJWA staff continues as the lead implementing agency for the Canyon Lake Hybrid System (Canyon Lake Alum dosing project).  
• LESJWA continues to administer the Round 2 Prop 84 IRWM funded Canyon Lake Hybrid Treatment Project.  
• The LESJWA Board approved a Task Order with Aquatechnex for an amount not-to-exceed $640,315 for three additional years of semi-annual alum dosing in Canyon Lake with the option to extend two additional years.  
• Alum effectiveness monitoring will be conducted by Amec Foster Wheeler.  
• The consultant, Golden State Labor Compliance (GSLC), continues to conduct labor compliance as required by the grant. | • The next Alum application is scheduled for late February 2017. |
| TMDL Task 11 Model Update | • Dr. Michael Anderson/U.C. Riverside continues work to update and expand models for Lake Elsinore and Canyon Lake in support of the effort by CDM Smith to revise and update the LE&CL nutrient TMDLs. | • Dr. Anderson is anticipated to complete tasks associated with Lake Elsinore and Canyon Lake model update for TMDL Update in January 2017.. |
### PROJECT DESCRIPTION

#### Basin Monitoring Program Task Force
- **Annual Monitoring Report**
  - Back in Feb. 2017 the Regional Board staff agreed to some reformatting changes to the annual SAR water quality report based on BMP TF and Regional Board priorities. After discussion, edits were made to the 2016 SAR WQ Report.
  - SAWPA staff incorporated the necessary revisions and submitted the 2015 SAR WQ Report to the Regional Board on August 23, 2016.
  - Draft 2016 SAR Water Quality Report to be prepared by 5/1/17.

#### Basin Plan Amendment for SAR Wasteload Allocation and Chino South Objective Revision
- **Triennial Ambient Water Quality Update**
  - Work continues on two separate Basin Plan Amendments 1) focusing on the Chino South Mgt Zone change and 2) focusing on incorporate the current SAR Wasteload Allocation. The purpose for the separation is due to EPA not having to review a groundwater management objective change while the SAR Wasteload Allocation is a surface water change. Both amendments are expected to be completed before the end of the calendar year.
  - CDM Smith continues to work on the Supplemental Environmental Document and Economic Analysis for the BPA. The BMP TF agreed to do fund this effort previously using contingency funding.
  - Work is proceeding with CDM Smith doing the Triennial Ambient Water Quality Update for TDS and Nitrate in all groundwater management zones in the watershed.
  - Next BMP TF meeting is scheduled for Jan. 5th and Feb. 14th, 2017.
  - Basin Plan Amendment is anticipated to be complete by March 2017.
  - Triennial Ambient Water Quality Update is anticipated to be complete by July 2017.
  - Prepare task force budget for approval by task force in Feb. 2017 and include in SAWPA Budget being prepared for FYE 2018 and FYE 2019

#### Santa Ana River Wasteload Allocation Update
- **A scoping committee composed of three of the BMP TF agencies has been formed to review and prepare the scope of work for a Santa Ana River Wasteload Allocation update. The results of the RFP involved the review and interview of three consultant proposals in Dec. 2016**
  - A recommendation on a consultant will be made to the BMP TF in Jan. 2017. Work is expected to start in late Jan. 2017.

#### Drought Policy
- **The Regional Board has defined the creation of a new drought policy as one of their triennial Basin Plan priorities.**
  - Tim Moore of Risk Sciences has been working with the BMP TF and the Southern California Salinity Coalition (SCSC) to develop an outline of the work necessary to justify a new Drought Policy.
  - In December 2016, a scope of work was reviewed by both the BMP TF and SCSC to undertake a technical analysis of salt impacts from the drought to be followed by a policy evaluation. SCSC has agreed to undertake the technical analysis. The BMP TF will use the results of the technical analysis to move into the policy work in late 2017.
  - Release the SCSC RFP for the Salinity impacts analysis of drought conditions on water resources and permitting in Jan. 2017
  - Consultant to be selected and will conduct work through Oct. 2017.
<table>
<thead>
<tr>
<th>PROJECT</th>
<th>DESCRIPTION</th>
<th>STATUS</th>
<th>TASKS/DEADLINES</th>
</tr>
</thead>
</table>
| 4 Emerging Constituents Program Task Force    | Provide emerging constituents sampling report and watershed water quality outreach program | • The 2013 Emerging Constituents Sampling Report, the last annual sampling report was submitted to the Regional Board on March 14, 2014.  
• By agreement the EC Program Task Force and the Regional Board agreed to discontinue the annual EC sampling and transition to a triennial EC sampling program if necessary.  
• Based on discussions with the Task Force and their consultant, Risk Sciences, the State Board was evaluating additional emerging constituents through a State Board Blue Ribbon Panel on Ecotoxicology to see if any additional EC constituents for sampling were needed that may affect future discharge permit renewals. No new recommendations have come out from the SWRCB to date. SAWPA will continue to monitor these results and reconvene the EC Program Task Force if needed.  
• No EC monitoring under the task force is anticipated for the foreseeable future. Since some unused funding reserves have accumulated by the task force over the past two year in the absences of an annual EC sampling program and report, available funding reserves should be sufficient to cover any costs for the early development of an EC sampling program and report should the need arise in the future as well as continuing the outreach program.  
• Work continues with the social media tools in support of water quality for the general public. This work is coordinated through SAWPA and the EC Public Outreach Committee. DeGrave Communications is the consultant and provided a status report on the social media tools associated with the Your So Cal Tap Water to the SAWPA Commission on Dec. 17th. | • All annual EC sampling has been discontinued and has been placed on hold pending results of Ecotoxicology results.  
• A new Budget for the EC Program Task Force will be prepared in Jan. 2017 to be shared and approved by the Task Force parties in Feb. 2017.  
• Include task force budget in SAWPA Budget being prepared for FYE 2018 and FYE 2019 |
## SAWPA Roundtable Status Report
### 10/1/16 thru 12/31/16

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| 5 | Imported Water Recharge Workgroup | Support imported recharge agencies in agreement deliverables |  - The Imported Water Recharge Technical Committee last met on May 2016.  
    - At that time work on the OCWD groundwater model and the results of the modeling were shared with the Technical Group by Greg Woodside, OCWD. With the submittal of the modeling report from OCWD, the second set of projections of groundwater flow and quality in the watershed has been completed. This set of modeling reflects a staggered integrated modeling process where modeling is conducted in the upper watershed which then provides input to downstream models. This groundwater modeling under the second set occurred from 2012 – 2016.  
    - The next set of modeling will begin in 2018 with new modeling updates due from the upper watershed basins of Beaumont, Yucaipa and San Timoteo by June 2018.  
    - Recently the groundwater basin of Canyon Basin within the EMWD was add to the list of groundwater basins to undertake a 20 year groundwater modeling projection. Consequently, their report is to be submitted to the Regional Board by December 2016.  |  - Next Technical Committee meeting is scheduled for January 2017 to provide input to EMWD and their consultant about the Canyon Basin groundwater projection analysis.  
    - Prepared workgroup budget and include in SAWPA Budget being prepared for FYE 2018 and FYE 2019 |
| 6 | Reclamation So Cal Studies | Support regional studies with Bureau of Reclamation |  - SAWPA applied for another Reclamation grant through their Basins Study program under WaterSmart to support the update for the OWOW Plan scheduled for 2017. Unfortunately though, due to the intense competition particularly from other regions that did not have a previous Basin Study, the SAWPA application was not successful. Reclamation staff strongly encouraged SAWPA to apply again in the near future when more funding would become available under this program to support Basin Plan Updates.  |  - Reclamation will likely release another grant proposal for Basin Studies and updates by June 2017.  
    - Include budget to pursue future Reclamation grants and studies under 370-02 in SAWPA Budget being prepared for FYE 2018 and FYE 2019 |
## SAWPA Roundtable Status Report  
**10/1/16 thru 12/31/16**

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| 7 Santa Ana River Fish Conservation Task Force | Determine the reasons for the decline of the Santa Ana sucker fish (*Catostomus santaanae*) in the Santa Ana Watershed and implement projects that will benefit the species. | - Staff met with the Army Corps of Engineers, the US Fish and Wildlife Service and San Bernardino Valley MWD on implementing in stream habitat projects to benefit the Santa Ana sucker fish. Meeting was held on August 19, 2016. Staff worked with the entities to use data collected by San Bernardino Valley MWD and the Corps’s consultant to determine beneficial habitat parameters to the sucker fish that could be provided in a work plan to hydrologists. Once the beneficial habitat parameters are finalized, hydrologists from the Army Corps of Engineers will begin designing the habitat structures. The designs will be used to acquire the necessary permits for placing habitat structures in the river bed and used to create construction plans for construction contractors (to be hired in the future).  
- Staff executed a work order with Colton Police Department on implementing a project where the Department would patrol the river near important wetted channels, where there has been known to be off road vehicle activity and Santa Ana sucker fish. The work order includes about 42 hours of patrol time over the course of the SAWPA fiscal year which ends on June 30, 2017.  
- Staff prepared the execution of the annual habitat survey known as the Riverwalk which was to take place on October 6, 2016. River access permits were acquired and presented to the SAWPA Commission, coordination was done with Orange County Water District and the Santa Ana Watershed Association, safety protocols were finalized and data collection methods were refined. | - The next meeting is scheduled for the fourth quarter of 2016.  
- Coordinate with the U.S. Army Corps of Engineers (USACE) on their sucker habitat project in order to build on their successes for implementing the Task Force’s habitat project.  
- Work with Colton Police Department on implementing another sweep detail of the River on major holiday weekends.  
- Work with San Bernardino County on placing illegal Off Highway Vehicle trespassing signage, developed by the Task Force, near River.  
- Mailing out invoices to the project partners for the FYE 2017 Budget  
- Include task force budget in SAWPA Budget being prepared for FYE 2018 and FYE 2019 |
## SAWPA Roundtable Status Report
### 10/1/16 thru 12/31/16

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| 8       | Regional Water Quality Monitoring Task Force | 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 Santa Ana Basin Plan, and to assist Regional Board with future triennial reviews of the Basin Plan. | • Task Force Administration by SAWPA continues.  
• Management and review of consultant contracts, project invoices and annual Task Force budget by staff continues.  
• SAWPA staff prepared a draft FY 2017-18 Task Force budget for distribution to stakeholders.  
• SAWPA has been notified of approval of the Regional Water Quality Monitoring Program Task Force agreement by Riverside County (November 2016) and San Bernardino County (December 2016).  
• SAWPA staff continues to coordinate with Orange County and Regional Board staff on obtaining approval of the Regional Water Quality Monitoring Program Task Force agreement.  
• CDM Smith continues to implement the Santa Ana River Watershed Bacteria Water Quality Monitoring Program. At the October 18th Task Force meeting, CDM Smith informed stakeholders of exceedences to water quality objectives for the Priority 4 site on Temescal Creek requiring additional monitoring. The need for additional monitoring was addressed through a change order to the CDM Smith Task Order with the required funds coming from Riverside County. A change order to CDM Smith contract for additional priority 4 monitoring at Temescal Creek funded by Riverside County was approved in Dec. 2016. | • Staff has been informed by Orange County staff that it will not be able to take the Task Force agreement before their Board for approval until March 2017  
• Prepared and distribute draft FY 2017-18 task force budget to task force for review and comment in January 2017.  
• Include task force budget in SAWPA Budget being prepared for FYE 2018 and FYE 2019 |
### PROJECT DESCRIPTION STATUS TASKS/DEADLINES

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| **9 LESJWA** | Support lake quality improvement projects at Lake Elsinore and Canyon Lake | • Continuing support to LESJWA as administrator for the LE/CL TMDL Task Force with task force meetings and technical advisory committee meetings held every 1-2 months.  
• The LESJWA Board met on October 20th and December 15th. The LESJWA Board approved a Task Order with CDM Smith for an amount not-to-exceed $300,000 to continue the work effort to Revise and Update the Lake Elsinore and Canyon Lake Nutrient TMDLs, Agreement for Services and Task Order with Aquatechnex for an amount not-to-exceed $640,315 for three continuous years of semi-annual alum dosing in Canyon Lake, with the option to extend for two additional years, a Change Order to Task Order with AMEC Foster Wheeler Environment & Infrastructure, Inc. for an amount not-to-exceed $20,252 for water quality monitoring and the annual LESJWA Audit for FY 15-16.  
• Work is continuing on the TMDL Revision by CDM Smith and Dr. Michael Anderson of UCR Riverside.  
• Reporting and invoicing under the Prop 84 IRWM grant funding agreement with SAWPA/DWR continues. With the alum application undertaken in September 2016, grant funds are anticipated to be fully expended.  
• Status report about LESJWA and the recent lake closures due to algae toxins were provided to the LESJWA. | • Next LESJWA Board meeting is scheduled for February 16, 2017.  
• Next Canyon Lake Alum application is anticipated to occur in late February.  
• Include LESJWA budget in SAWPA Budget being prepared for FYE 2018 and FYE 2019 |

| | | | |
| Provide education and outreach | Liselle DeGrave of DeGrave Communications continues her support to LESJWA. The LESJWA Board authorized her to prepare a Facebook account and page at their August 18th meeting. A status report on the Facebook creation was shared with the LESJWA Board in October 2016. Work is underway to provide a briefing packet about LESJWA to all new elected officials of the LE/CL TMDL Task Force agencies who may be unfamiliar with the Task Force or LESJWA.  
• Held a meeting with the LESJWA Education and Outreach Committee on November 14th. Quarterly meetings with the LESJWA Education and Outreach Committee will continue.  
• LESJWA Authority Administrator, Mark Norton attended an evening meeting with a newly formed Save the Lake Elsinore Committee, a local citizen group, to hear presentation and provide feedback on ongoing efforts to improve Lake Elsinore. | • The next LESJWA Education and Outreach meeting is scheduled for February 13, 2017. |
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| 10 So Cal Salinity Coalition | Support regional salt management and practices in Southern California | • The SCSC held its last Board meeting on Dec. 1, 2016. The Board discussed the succession of the executive director of SCSC and NWRI now that Jeff Mosher had resigned to become the director of the Water Environment and Reuse Foundation in Virginia. Jeff participated in the meeting by conference call and will continue part time administrative duties in support of SCSC until such time that the NWRI position is filled. It is anticipated that the next director of NWRI will likely take over the role of administering SCSC.  
• The SCSC Board discussed the progress of the Conceptual Study Design for the technical analysis necessary to develop a Drought Policy. The Conceptual Study Design was prepared by Tim Moore of Risk Sciences and the technical analysis will be conducted by an outside consultant. The technical work is estimated to cost approximately $90,000 and will focus on the data necessary for salinity management and permitting impacts from drought conditions at about seven major retail water/wastewater agencies in the So Cal. The follow up policy work would be funded and conducted by a SAWPA’s Basin Monitoring Program Task Force who has been working closely with the Santa Ana Regional Board in the Drought policy development. The work by Risk Sciences was completed by December 2016. The RFP and scope for the technical analysis was also shared with the BMP TF.  
• Work continues on the Reclamation-MWDSC-SCSC joint project to update the 1998 Salinity Management Plan for Southern California. The work led by MWDSC staff and Reclamation to evaluate regional economic impacts to proposals affecting source water quality was halted due to the consultant withdrawing from the effort. The work has now restarted.  
• The SCSC Board discussed the outcome of the recent Symposium on Southern California Salinity Management held on November 17, 2016 at MWDSC. Partners included SCSC, NWRI, and SCWC. Mark Norton, SCSC Chair, served as the Master of Ceremonies. The event was considered a success with about 120 people in attendance. The event will be repeated in Nov. 2017. | • The next meeting is scheduled for Dec. 1, 2016.  
• Include costs for SAWPA role with SCSC under 370-01 Basin Planning Budget and include in SAWPA Budget being prepared for FYE 2018 and FYE 2019 in Jan. 2017. |
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<td>11 Santa Ana River Parkway and Open Space Plan Technical Advisory Committee</td>
<td>Help identify priorities and values for the Santa Ana River Parkway and Open Space Plan</td>
<td>Staff met with the Army Corps of Engineers, the US Fish and Wildlife Service and San Bernardino Valley MWD on implementing in stream habitat projects to benefit the Santa Ana sucker fish. Meeting was held on October 5, 2016 and November 17, 2016. Staff worked with the entities to use data collected by San Bernardino Valley MWD and the Corps’ consultant to determine beneficial habitat parameters to the sucker fish that could be provided in a work plan to hydrologists. Scoping data were finalized and SAWPA staff created a draft scope of work for the potential consulting hydrologist and met with a geomorphologist and San Bernardino Valley MWD’s lead biologist at the potential project site.</td>
<td>The next meeting is scheduled for the first quarter of 2017. Coordinate with the U.S. Army Corps of Engineers (USACE) and San Bernardino Valley MWD on their sucker habitat project in order to build on their successes for implementing the Task Force’s habitat project. Work with Colton Police Department on implementing another sweep detail of the River on weekends. Work with San Bernardino County on placing illegal Off Highway Vehicle trespassing signage, developed by the Task Force, near River. Create a budget for FYE 2018 and FYE 2019 in January 2017. Include in new SAWPA Budget being prepared for FYE 2018 and FYE 2019 in Jan. 2017.</td>
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<td>12 Water Energy Community Action Network (WECAN)</td>
<td>Support water and energy efficiency on disadvantaged communities in the watershed.</td>
<td>Local partner contributions are on-schedule Turf removal underway in all four service areas ○ Through Nov. ~17,000 square feet removed CAPs remain in preparatory stages of work, and need to accelerate Reporting and invoicing DWR are on schedule Potential for an extension has been raised with DWR Annual reporting of energy, water and GHG reduction submitted on time. West Valley Water District is reviewing an amendment to the MOU with SAWPA to allow use of additional Bureau of Reclamation funding for turf removal and retrofit. SAWPA will be paid the necessary administrative costs to undertake.</td>
<td>CAPs will be contacted and encouraged to begin work as soon as possible in early 2017. Commence discussions with DWR on possible time extension from original deadline of September 2017 due to slow start by CAPs and additional work by WVWD on turf removal. Include project budget in SAWPA Budget being prepared for FYE 2018 and FYE 2019</td>
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## SAWPA OWOW Status Report
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| OWOW    | Integrated Planning Process for the Santa Ana River Watershed | • Mike participates in an ad-hoc group advocating for baseline funding support from CA DWR to the IRWM regions, call on 10/18.  
• Mark and Mike participated in a Roundtable of Regions Call 10/20  
• Held OWOW Steering Committee Meeting, 10/20/16  
• OWOW Plan Update 2018 grant proposal under Prop 1 IRWM Planning Grant program was placed on the draft funding list by DWR in December  
• Recruitment of one new Pillar Chair completed during this period:  
  o Ken Gutierrez - Water and Land Use Planning Pillar Chair  
• Mike joined and now serves on the Integrated Water Resources Management Technical Committee of the American Water Resources Association  
  o Participated in AWRA annual conference in support of IWRM Committee, and AWRA Policy Committee.  
• Work underway to complete website transition including OWOW section updates  
• Met with Dr. Williams of Pomona College to discuss OWOW. Dr. Williams is writing a book about the Santa Ana River. | • OWOW Steering Committee Meeting scheduled for Jan 27, 2017  
  o Request approval of Ken Gutierrez as W&LUP Pillar Chair  
• Reconstitute Pillars for OWOW Plan Update 2018  
• Complete agreement with DWR for Planning Grant award.  
• Participate in Roundtable of Regions Summit meeting on January 12, 2017 in Sacramento  
• Input labor hours and costs for OWOW Plan Update and associated grant into SAWPA Budget being prepared for FYE 2018 and 2019. This work will take place in Jan. 2017. |
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<td>Disadvantaged Community Involvement Program</td>
<td>• CivicSpark Water Action Fellows joined SAWPA in October</td>
<td>• Water Fellows with and without Mike held the following meetings related to DACI goals and objectives for the program:</td>
<td>• Awaiting DWR response on proposal. Will prepare response to any questions and concerns about Prop 1 DACI IRWM proposal in Jan. 2017. DWR/SAWPA grant agreement anticipated to be fully executed by July 2017.</td>
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<td>• Water Fellows with and without Mike held the following meetings related</td>
<td>o Linda Ackerman, OWOW Steering Committee 10/31</td>
<td>• Kick-off meeting for overall program is scheduled for Jan 26. 2017</td>
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<td>to DACI goals and objectives for the program:</td>
<td>o Susan Von Zabern, Riverside Dept. Social Services 10/31</td>
<td>• All grant funded activities and costs will be included in the SAWPA Budget being prepared for FYE 2018 and 2019. This work will take place in Jan. 2017.</td>
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<td>o Inland Empire Waterkeeper 11/02</td>
<td>o Orange County LAFCO 11/07, Riverside LAFCO 11/08, and SB LAFCO</td>
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<td></td>
<td>o Jim Hessler, OWOW Steering Committee 11/14</td>
<td>o Jim Hessler, OWOW Steering Committee 11/14</td>
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<td>o Ron Loveridge, OWOW Steering Committee 11/16</td>
<td>o Ron Loveridge, OWOW Steering Committee 11/16</td>
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<td>o Gary Brown, OWOW Steering Committee 11/29</td>
<td>o Gary Brown, OWOW Steering Committee 11/29</td>
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<td>o Tom Evans, OWOW Steering Committee 12/01</td>
<td>o Tom Evans, OWOW Steering Committee 12/01</td>
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<td>o Beth Krom, OWOW Steering Committee 12/06</td>
<td>o Beth Krom, OWOW Steering Committee 12/06</td>
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<td>o Debbie Franco, OPR 12/07</td>
<td>o Debbie Franco, OPR 12/07</td>
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<td>o Sarah Jepson, SCAG 12/07</td>
<td>o Sarah Jepson, SCAG 12/07</td>
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<td>o Susan Price, OC Care Coordinator (homelessness) 12/12</td>
<td>o Susan Price, OC Care Coordinator (homelessness) 12/12</td>
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<td>o Shannon Roback, UC Irvine Water 12/19</td>
<td>o Shannon Roback, UC Irvine Water 12/19</td>
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<td>• Mike attended a public meeting held by State Board about Water Affordability 10/26</td>
<td>• Mike attended a public meeting held by State Board about Water Affordability 10/26</td>
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<td>• Disadvantaged Communities Involvement Program proposal submitted to DWR</td>
<td>• Disadvantaged Communities Involvement Program proposal submitted to DWR on 11/23.</td>
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<td>on 11/23.</td>
<td>• Water Fellow Amanda Schallert attended the San Bernardino Interagency Council on Homelessness, 10/26, the Orange County Homeless Provider Forum 11/03, Homeless Summit @ University of Redlands 11/09, Housing First 2.0 Training @ Loma Linda University 12/14,</td>
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<td>• Conducted monthly CivicSpark Local Training for six water fellows (two</td>
<td>• Conducted monthly CivicSpark Local Training for six water fellows (two each from SAWPA, EMWD and IEUA) 12/01  Hope Smythe was guest speaker</td>
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<td>each from SAWPA, EMWD and IEUA) 12/01  Hope Smythe was guest speaker</td>
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# SAWPA OWOW Status Report
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| Prop 84 IRWM Drought Round Grant Program | Region-wide water demand reduction program for the Santa Ana River Watershed through the PA 22 Committee | - The PA22 Committee met on October 27, 2016 and December 22, 2016.
- Staff continues to work on outreach to retail water agencies to promote the OmniEarth/Dropcounter conservation outreach tool. As of December, nine agencies have signed up for this tool and an additional six agencies are in contractual negotiations with the consultant team.
- City of Chino’s City Council approved moving forward with their budget-based rates study. Several of the other agencies are planning to bring action to their board by the first quarter of 2017. One agency requested the grant agreement be extended to account for implementation of a potential rate change in July 2018. The PA 22 Committee was informed that three other additional agencies also indicated that they may need to extend their deadlines for adoption of the new rate structures.
- The PA 22 Committee at their Dec. 22, 2016 meeting approved negotiating an amendment to the Prop 84 grant agreement to accommodate changes to the interim milestones in grant policies and changes to the schedule change. | - Staff will work with the 9 agencies who have accepted for funding for conservation-based rates to ensure they will stay on track to complete the project by the December 31, 2017 grant deadline.
- Initiate preparation for a time extension to the DWR/SAWPA agreement
- Prepare PA 22 Committee budget for FYE 2018 and FYE 2019 for PA 22 Committee approval in Mar. 2017 and as input to SAWPA Budget for FYE 2018 and 2019. |
| Prop 84 IRWM Round 1 | Grant administration of Prop 84 IRWM Round 1 | - Staff continues to work with the agencies implementing the 15 projects involved in the first round of Prop 84 IRWM program to undertake all labor associated with interaction with DWR staff; project invoices processing including review, verification and submittal to DWR; project reporting review, verification and submittal to DWR; all DWR agreements, SAWPA Sub-agreements and Amendments preparation, processing and execution; DWR payment processing; project implementation inspection and verification; assembling, reviewing and submittal of Financial Statements; coordination and review of all Labor compliance; review and verification of all certifications, permits, and CEQA; project deliverables review, verification and submittal to DWR; project benefit assessment; review and verification of project monitoring plan; review and verification of project signage; review, verification and preparation of all documentation for audit review; grant administration budget preparation, monitoring, projections and assessment; SAWPA management review, oversight and direction regarding these defined tasks. | - All grant administration will continue until the final Round 1 project is implemented and continues with annual monitoring for 10 years after the completion of the projects. |
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<td>Prop 84 IRWM Round 2</td>
<td>Grant administration of Prop 84 IRWM Round 2</td>
<td>• Staff continues to work with the agencies involved in the 19 projects under the second round of Prop 84 IRWM program to undertake all labor associated with interaction with DWR staff; project invoices processing including review, verification and submittal to DWR; project reporting review, verification and submittal to DWR; all DWR agreements, SAWPA Sub-agreements and Amendments preparation, processing and execution; DWR payment processing; project implementation inspection and verification; assembling, reviewing and submittal of Financial Statements; coordination and review of all Labor compliance; review and verification of all certifications, permits, and CEQA; project deliverables review, verification and submittal to DWR; project benefit assessment; review and verification of project monitoring plan; review and verification of project signage; review, verification and preparation of all documentation for audit review; grant administration budget preparation, monitoring, projections and assessment; SAWPA management review, oversight and direction regarding these defined tasks.</td>
<td>• All grant administration will continue until the final Round 2 project is implemented and continues with annual monitoring for 10 years after the completion of the projects.</td>
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<td>Prop 84 IRWM 2015 Round</td>
<td>Grant administration of Prop 84 IRWM 2015 Round</td>
<td>• Staff held a grant kick off meeting on December 1, 2016 with State staff in attendance to review the signed Prop 84 grant agreement with the local project sponsors.</td>
<td>• The SARCCUP agencies are planning to bring their SAWPA sub-agreements to their boards by February 2017.</td>
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<td>• Staff worked with Orange County Sanitation District, Riverside County Flood Control, Orange County Coastkeeper and the SAWPA member agencies on their sub-grantee agreements.</td>
<td>• SAWPA is reviewing changes requested by the member agencies to the sub-agreements.</td>
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<td>• Orange County Sanitation District and Riverside Flood Control reviewed and finalized their agreements.</td>
<td>• The first quarterly report/invoice will be submitted to DWR in Summer 2017 following SAWPA’s review.</td>
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<td>• At the Dec. 22nd meeting of the PA 23 Committee, the PA 23 Committee discussed backup planning to the project schedule if institutional agreements are stalled in the Chino Basin.</td>
<td>• Prepare PA 23 Committee budget for FYE 2018 and FYE 2019 for PA 23 Committee approval in Mar. 2017 and as input to SAWPA Budget for FYE 2018 and 2019.</td>
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<td>• The PA 23 Committee received a presentation on the preliminary results of Decision Support Model prepared by CH2M. Feedback from the PA 23 Committee will be incorporated.</td>
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<td>• The PA 23 Committee agreed to meet every other month starting in January with interim special Committee meetings only if necessary for pressing action items.</td>
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What will be discussed?

➤ Defining the 21st Century Water Strategy
➤ Mapping water use, making the watershed resilient
➤ Showcasing region’s ambitious integrated projects
➤ Getting ready for Proposition 1 funding
➤ Serving underserved and disadvantaged communities

May 25, 2017
Ontario Convention Center
Together We Can Achieve Our Goals

Join us to discuss the importance of the Santa Ana River Watershed and how, through powerful partnerships, we can find resilient solutions to improve the quality and reliability of our water supply.

Sponsorship and exhibitor opportunities are available for this one-day conference with a wide array of benefits.

For more information on these opportunities, contact Beth Stern at the Water Education Foundation at bstern@watereducation.org or 916-444-6240.

More information: http://www.watereducation.org/OWOW2017
Southern California Coastal Water Research Project tour and offsite meeting. You will remember that Dr. Weisberg invited the SAWPA Commission to tour their facilities and use their meeting room and that we had scheduled that in December but needed to reschedule due to pressing agenda items. We need to find another date.

Dr. Stephen Weisberg and Kurt Berchtold met with SAWPA to explore mutually beneficial collaborative efforts that might be developed for implementation in 2017. Up for initial consideration is the potential for developing an updated regional strategy for assessing Emerging Constituents. The State Board plans to hold a workshop on CEC monitoring which would provide motivation for using the Santa Ana watershed as a pilot for a regional strategy so that we are leading the charge. The workshop has been tentatively scheduled for Feb 22. The Santa Ana Regional Water Quality Control Board will be participating in the Feb workshop. The thought is to wait for the workshop directives to see if a collaborative pilot project would be valuable.

California Economic Summit SAWPA participated in the Summit and led a session on Water Use Efficiency using Budget Based Rates which was well attended. Martha Davis IEUA presented on Progress on the One Million Acre-Feet of Water goal for the State.

Regional Corporate Campus/Business Park Water Conservation Campaigns. SAWPA provided the venue and assistance for this initiative of the California Economic Partnership. A meeting was held to serve as a focus group to explore the desirability of a voluntary water conservation program for commercial real estate in the Santa Ana River Watershed. We learned that would be interest in such a program where the business was focused on delivering goods and services to others who valued environmental Stewardship.

The Bureau of Reclamation Bill Steele’s retirement luncheon is scheduled for Jan 26, 11am to 2 pm at Bella’s Pizza Villa, 39621 Los Alamos Rd Murrieta. Bill has been Area Manager for the last 13 years and has been supportive of SAWPA activities.

Unfortunately, the OWOW Steering Committee will meet at that same time. We are sorry to miss honoring Bill.
GENERAL MANAGERS MEETING NOTES
TUESDAY, JANUARY 10, 2017

PARTICIPANTS PRESENT
Nick Kanetis     Eastern Municipal Water District
Joe Grindstaff     Inland Empire Utilities Agency
Michael Markus     Orange County Water District
Doug Headrick     San Bernardino Valley Municipal Water District
John Rossi     Western Municipal Water District
Celeste Cantú     Santa Ana Watershed Project Authority
Mark Norton     Santa Ana Watershed Project Authority
Rich Haller     Santa Ana Watershed Project Authority
Sara Villa     Santa Ana Watershed Project Authority

PARTICIPANTS ABSENT
None.

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 OWOW Steering Committee Meeting is scheduled for January 26. Information Reports will be given at the meeting regarding the Prop 1 IRWM Disadvantaged Communities Involvement (DACI) grant program and the Prop 1 IRWM Planning Grant for $250,000 to support the 2018 OWOW Plan Update. There is a kick-off meeting scheduled for February 23 for the OWOW Plan update. An outline will be presented describing the roles and responsibilities for the Pillars, their delegates and involvement of stakeholders in the Pillars. The main focus on the OWOW Plan update is to comply with new requirements by DWR for IRWM Plan standards resulting from legislation that addresses Stormwater Resource Management Plans, the Sustainable Groundwater Management Act, address climate change and provide more details on water quality contaminants.

Michael Markus stated that Orange County is seeking to create a separate IRWM region within the Santa Ana Watershed Funding area covering northern and central Orange County. The County of Orange is taking the lead and is preparing an IRWM plan similar to what SAWPA is doing with the OWOW Plan, and will potentially be competing for future funding rounds by submitting projects to DWR. Michael Markus noted that a letter was submitted to SAWPA in September, and the OWOW Steering Committee directed SAWPA to respond; however, a response hasn’t been received. An additional letter will be submitted to SAWPA this week, and they will be meeting with DWR tomorrow, January 11. Discussion ensued regarding how DWR will not fund any projects that are not submitted by a recognized IRWM region. It was questioned if Orange County will still be a participant in OWOW. Michael Markus said yes, until they hear back from DWR.

SANTA ANA RIVER WATERMASTER ACTION TEAM – SAR STUDY COORDINATION RFP
Mark Norton advised the General Managers that an Interview Panel of the Basin Monitoring Program Task Force recommended Geoscience to conduct the Santa Ana River Wasteload Allocation Update. SAWPA staff will be taking this recommendation for approval a new Geoscience contract to conduct the SAR Wasteload Allocation Update at the Commission Meeting January 17. Doug Headrick noted that the Scope of Works for the SAR Wasteload Allocation was compared to the new Santa Ana River Study proposed by the SAR Watermaster Team and it was felt that the two scopes were different enough to avoid duplication.

QUALITY ASSURANCE PROGRAM
Rich Haller informed the General Managers that staff will be providing the monthly status on the Quality Assurance Program for Proposition 84 at the Commission Meeting scheduled January 17. It was questioned how many projects are under construction. Rich Haller advised that in Rounds 1 and 2, seven (7) projects are complete and 24 are under construction or actively being completed. Michael Markus requested a list of projects under
construction and the percent completion and what the completion dates are. Rich Haller said he would provide the requested information.

**UPDATES/DISCUSSION ITEMS**

**Brine Line Update.** Rich Haller provided updates on the following:

- **Reach V Repair** – Rich Haller informed the General Managers that Reach V Repairs are moving along and the contractor is making good progress. The base paving is nearly complete and the new pipeline has been pressure tested. The completion date is anticipated mid-March.

  Nick Kanetis provided a handout of the *Brine Line Reach V Rehabilitation and Improvement Project – Phase I Potential Approach for Moving Forward*. The handout referenced the following items:

  1. Continue to expedite the completion of WEKA’s current Reach 1 work and place the Brine Line into full operation.
  2. Working with SAWPA and its member agencies, authorize Dudek to perform and updated engineering evaluation for the repair of the remaining brine line Reaches 2 and 3 as reliably and cost effectively.
  3. Engage Dudek to prepare the necessary engineering and construction documents for the competitive bidding and award of a construction contract.
  4. Retain the services of Vali Cooper for ongoing construction management support.
  5. Review current CEQA documentation for the project and if needed, retain an outside Environmental Consultant to prepare an Environmental Addendum, to address any material changes in the design and construction of Reach 2 and 3 project.
  6. Develop a recommended schedule for the Commission to consider implementation of the Reach 2 and 3 construction based upon special counsel analysis and the status litigation.

  Nick Kanetis raised concern that the sole source negotiated contract with WEKA may not be the right option moving forward. Celeste Cantú said that the Commission will need to consider the uncertainties and also the litigation consequences. Joe Grindstaff noted there are legal liabilities that are potentially higher by doing it this new way and will increase costs even more.

- **Pretreatment Program Update:**
  - Ordinance, Local Limits Update (Draft Ordinance No. 8 Local Limits Resolution) – OCSD has offered SAWPA to propose Total Organic Carbon (TOC) language to be incorporated into Ordinance No. 8.
  - OCSD Audit of SAWPA (EEC) – SAWPA continues to work on the responses on the 2015 audit.

- **Lease and Loan Capacity Pools Agreement** – The Lease and Loan Capacity Pool Agreement will be taken to the SAWPA Commission for approval along with the Collection Station MOU and Ordinance No. 8.

- **EPA Audit** – An audit was performed in 2015, and we continue to anticipate the write-up results.

- **OCSD Rock Removal Design** – Michael Baker International has been selected to do the design work on the removal of the rock and is currently preparing plans and specs.

**OTHER BUSINESS**

- **Potential New Dischargers (Victorville, Beaumont, Hidden Villa Ranch, Grapeland Peaker, City of Rialto)** – Rich Haller advised the General Managers that there has been an interest in potential connection to the Brine Line. He’s coordinated with San Bernardino County Economic Development Agency in regards to a couple buildings that have been built along Agua Mansa Road in Colton; future tenants may be interested in using the Brine Line. City of Beaumont has submitted a letter requesting SAWPA to approach OCSD for approval to discharge to the Brine Line, as Beaumont is in the watershed but outside the service area. Per the 1996 Agreement, specific OCSD approval is required.
• Rich Haller informed the General Managers that there likely was a solids/sludge discharge into the Brine Line from the Chino Desalter Authority II facility. SAWPA is coordinating with staff to ensure correction of the problem and both CDA and JCSD to make sure the O&M cost allocation is accurate.

**SCHEDULE NEXT GM MEETING**
February 14, 2017, at 8:00 a.m. at SAWPA

The meeting adjourned at 8:55 a.m.

**COMMISSION REVIEW:** January 17, 2017

2017-1-10 GM Mtg Notes
AB 18 (Garcia, Eduardo D)  California Clean Water, Climate, and Coastal Protection and Outdoor Access For All Act of 2018.
Current Text: Introduced: 12/5/2016  Text
Introduced: 12/5/2016
Status: 12/6/2016-From printer. May be heard in committee January 5.
Location: 12/5/2016-A. PRINT
Summary: Would enact the California Clean Water, Climate, and Coastal Protection and Outdoor Access For All Act of 2018, which, if approved by the voters, would authorize the issuance of bonds in an amount of $3,005,000,000 pursuant to the State General Obligation Bond Law to finance a clean water, climate, and coastal protection and outdoor access for all program. This bill contains other related provisions.

Current Text: Introduced: 12/5/2016  Text
Introduced: 12/5/2016
Status: 12/6/2016-From printer. May be acted upon on or after January 5.
Location: 12/5/2016-S. RLS.
Summary: Would enact the California Drought, Water, Parks, Climate, Coastal Protection, and Outdoor Access For All Act of 2018, which, if approved by the voters, would authorize the issuance of bonds in an amount of $3,000,000,000 pursuant to the State General Obligation Bond Law to finance a drought, water, parks, climate, coastal protection, and outdoor access for all program.