WHAT IS THE SANTA ANA RIVER WATERMASTER?

- Annually accounts for the quantity and quality of the flow of the Santa Ana River at the Riverside Narrows and Prado Dam
- Reports amounts of base and storm flow in the river
- A forum to discuss Santa Ana River regional water issues
  - Watermaster representatives work to avoid or resolve potential water conflicts between the Upper and Lower Basin.
WHO IS THE SANTA ANA RIVER WATERMASTER?

- Court-Appointed Committee
- Agencies Nominate Members

- Represents the four districts that agreed to obligations and rights
- Led to dismissal of all 4,000 parties in original suit
- Findings must be unanimous
- Superior Court retains continuing jurisdiction
  - Annual reports due April 30th of each year
  - Expenses shared by the parties
SAWPA: A PRODUCT OF THE JUDGMENT

- Santa Ana Watershed Planning Agency (1967)
- Santa Ana Watershed Planning Authority (1975)
- Members:
  - Eastern Municipal Water District
  - Inland Empire Utilities Agency
  - Orange County Water District
  - San Bernardino Valley Municipal Water District
  - Western Municipal Water District
- Purpose:
  - Undertake and implement projects for water quality control, and protection and pollution abatement in the Santa Ana River Watershed
- Mission:
  - Make the Santa Ana Watershed sustainable through fact-based planning and informed decision-making; regional and multi-jurisdictional coordination; and the innovative development of policies, programs, and projects.
Lower Area gets:
- Minimum base flow of 34,000 acre-feet/year (42,000 if no credits used)
- All storm flow that reaches Prado Dam

Upper Area gets:
- Rights to use all water above minimum base flow without interference or restraint
BASE FLOW HISTORY

Santa Ana River Base Flow

Minimum Obligation

BASE FLOW HISTORY
Possible reasons for baseflow reduction:

- Reduced treatment plant effluent
- Increased infiltration of streamflow between Van Buren Blvd. and River Rd.
- Decreased rising groundwater from Chino Basin
## FINDINGS AT PRADO

<table>
<thead>
<tr>
<th></th>
<th>Storm Flow</th>
<th>Base Flow</th>
<th>Total Flow at Prado</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1997-98</strong></td>
<td>300,605</td>
<td>155,711</td>
<td>456,316</td>
</tr>
<tr>
<td><em>(Wet Year)</em></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>2006-07</strong></td>
<td>23,993</td>
<td>129,830</td>
<td>153,823</td>
</tr>
<tr>
<td><em>(Dry Year)</em></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>2007-08</strong></td>
<td>77,826</td>
<td>116,483</td>
<td>194,309</td>
</tr>
<tr>
<td><em>(Avg. Year since 1997)</em></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Note: Data pertains to different hydrological years with varying flow rates.*
CUMULATIVE CREDIT CALCULATION

<table>
<thead>
<tr>
<th>Year</th>
<th>Base Flow</th>
<th>Min. Oblig.</th>
<th>Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td>(A)</td>
<td>1971</td>
<td>38,402</td>
<td>42,000</td>
</tr>
<tr>
<td>(B)</td>
<td>1999</td>
<td>158,637</td>
<td>42,000</td>
</tr>
<tr>
<td>(C)</td>
<td>2017</td>
<td>70,010</td>
<td>42,000</td>
</tr>
</tbody>
</table>

Santa Ana River Base Flow

Minimum Obligation

Total Cumulative Credit = 3.5 million AF
• Credits are documented in the Annual Report of the Santa Ana River Watermaster
• Credits cannot be used until flow at Prado drops below 42,000 AF
• Credits can be used each year to reduce the minimum obligation at Prado from 42,000 AF to 34,000 AF
• Credits do not expire
• Approximately 440 years of credits
We are dedicated to working together

- On a study of river flows compared to needs through the Upper SAR Habitat Conservation Plan (SAR HCP)

- On water supply projects:
  - Santa Ana River Conservation and Conjunctive Use Program (SARCCUP)
  - SAR HCP
  - Other cooperative efforts

- To avoid protests/CEQA comments
Thank You

The previous generation implemented a successful water management solution.

*Our generation needs to refine the application of the Judgment to meet changing water supply needs on the river.*
The Santa Ana River Watershed’s Integrated Regional Water Management Plan
Presentation Overview

1. Plan development process and funding
2. Plan contents including overall vision and goals
3. California Environmental Quality Act compliance
4. Plan compliance with State standards
5. Public comments received
6. Next steps
7. Public hearing (Commission action)
8. Approval (Commission action)
OWOW Plan Update 2018

- **28** month effort
- Involving
  - **Over 100** authors
  - **Over 100** collaborative meetings
- Resulting in:
  - **Six** goals for achieving a sustainable watershed

- **Over 100** recommended management and policy strategies
- **~400** pages (including appendices)

- Including partnerships with
  - Many agencies, non-profits, students, community members
  - Department of Water Resources
  - U.S. Bureau of Reclamation
Logic of OWOW Plan Update 2018

Stakeholders gathered to build upon the work of OWOW Plan, and OWOW 2.0 Plan

What are the shared vision, goals and objectives across the entire watershed?

Now, what are our strengths, opportunities, and challenges?

To achieve our vision, our goals, what should we do?

How do we allocate available resources to our most critical needs?

What can be achieved if we are successful?

How can we pay for and track the successes of our efforts?
Funding of the Plan’s Development

- $250,000 Proposition 1 Planning Grant provided by the Department of Water Resources
- $260,000 cost share from SAWPA (Total cost $510,000)
- A deliverable of the Grant is the submittal of the Final Plan
How do we use the OWOW Plan Update 2018?

Now that we have it, how does it help us? What does it mean that we made it together?
Stakeholders gathered to build upon the work of OWOW Plan, and OWOW 2.0 Plan

- **Chapters 1 & 2**
  - Collaborative planning, by and for the stakeholders, overseen by representative decision-makers.
  - Both of which built from earlier shared planning in the watershed.
Unique Collaboration & Decision-Making

**STEERING COMMITTEE**
- City Mayor in San Bernardino County
- Regional Water Board Representative
- Environmental Community Member
- Two SAWPA Representatives
- San Bernardino County Supervisor

**PILLARS**
- Water Resources Optimization
- Water Quality
- Disadvantaged Communities and Tribal Communities
- Climate Risk and Response
- Integrated Stormwater Management

- City Mayor in Orange County
- Business Community Member
- Orange County Supervisor
- Riverside County Supervisor
- City Mayor in Riverside County

Source: One Water One Watershed & Santa Ana Watershed Project Authority
What are the shared vision, goals and objectives across the entire watershed?

• Chapter 3

• Establishing a Vision, and Goals, set the stage for collaborative planning. It is a critical piece, building common purpose.
The Vision of OWOW

• A Santa Ana River Watershed that is:
  • Is sustainable, droughtproof, and salt balanced by 2040;
  • Avoids and removes interruptions to natural hydrology, protecting water resources for all;
  • Uses water efficiently, supporting economic and environmental vitality;
  • Is adapted to acute and chronic climate risk and reduces carbon emissions;
  • Works to diminish environmental injustices;
  • Encourages a watershed ethic at the institutional and personal level.
OWOW Plan Update 2018 Goals:

• Achieve resilient water resources through innovation and optimization.
• Ensure high-quality water for all people and the environment.
• Preserve and enhance recreational areas, open space, habitat, and natural hydrologic function.
• Engage with members of disadvantaged communities and associated supporting organizations to diminish environmental injustices and their impacts on the watershed.
• Educate and build trust between people and organizations.
• Improve data integration, tracking, and reporting to strengthen decision making.
Now, what are our strengths, opportunities, and challenges?

- Chapter 4

- The Watershed Setting describes the physical, social, and water management realities of the Watershed.
To achieve our vision, our goals, what should we do?

• Chapter 5

• Recommended Management and Policy Strategies, the heart and core of the plan, built by stakeholders.

• What the experts believe are the right transformations, and efforts.

• And, where do they agree and align across expertise?
How do we allocate available resources to our most critical needs?

- Chapter 6

- When grant funding is available, a collaborative process for selecting the right efforts to support.
What can be achieved if we are successful?

- Chapter 7

- The impacts and benefits of pursuing shared planning, and achieving sustainable integrated solutions.
How can we pay for and track the successes of our efforts?

- Chapters 8 & 9

- Financing the efforts included will require more than the IRWM implementation grants.
- Understanding the successes and challenges in our efforts support future decisions.
Implementation through Watershed Coordination

- IRWM implementation grants
- Other state and federal grants
- Collaborative projects
- Single-organization projects
- Educational efforts
- Ongoing collaboration
- Strong community engagement
- Not just SAWPA – not just the OWOW Program
CEQA Compliance

- As done with the OWOW 2.0 Plan in 2014, staff recommends filing a Notice of Exemption.
- The Plan is a planning activity and not considered a project under CEQA because it has no potential for causing a significant effect on an environmental resource.
Plan Standard Compliance

Categories:

<table>
<thead>
<tr>
<th>Governance</th>
<th>Data Management</th>
</tr>
</thead>
<tbody>
<tr>
<td>Region Description</td>
<td>Finance</td>
</tr>
<tr>
<td>Objectives</td>
<td>Technical Analysis</td>
</tr>
<tr>
<td>Resource Management Strategies (RMS)</td>
<td>Relation to Local Water Planning</td>
</tr>
<tr>
<td>Integration</td>
<td>Relation to Local Land Use Planning</td>
</tr>
<tr>
<td>Project Review Process</td>
<td>Stakeholder Involvement</td>
</tr>
<tr>
<td>Impact and Benefit</td>
<td>Coordination</td>
</tr>
<tr>
<td>Plan Performance and Monitoring</td>
<td>Climate Change</td>
</tr>
</tbody>
</table>

SAWPA and consultant team have done review of Plan and identified all sections that confirm to each Plan Standard.

- Plan Standards require specific aspects that must be in an IRWM Plan.
- DWR’s philosophy for Plan Standards: “Planning that is not focused on a single use of a resource, but seeks to manage that resource based on all the ways that the resource can be used”
Comments to Plan

- Comments received from six organizations during 1 month comment period ending December 14, 2018
- Two more extensive: A) Center for Biological Diversity, and B) County of Orange Public Works

A. Resulted in adding recommendations for using best available science, mitigation strategies, and developing regional plans to protect key species

B. Resulted in enhanced description of the OC Plan and addition of Appendix G formally identifying sub-regional plans.
   - Comments on Prop 1 project ranking did not result in changes per feedback from stakeholders during ranking development.
Next Steps

- If approved today:
  
  A. **File notice of exemption** with three counties and State to comply with the California Environmental Quality Act
  
  B. **Submittal** to Department of Water Resources for approval under the State’s Integrated Regional Water Management Program
  
  C. **DWR staff review** and 30 day public review on DWR website
  
  D. **Close out** $250,000 Planning Grant
Recommendations

The OWOW Steering Committee recommends that the Commission:

1. Receive and file comments received on the draft OWOW Plan Update 2018;
2. Conduct a public hearing to consider the adoption of the OWOW Plan Update 2018;
3. Adopt Resolution No. 2019-4, adopting the OWOW Plan Update 2018; and
Item # 2: Public Hearing
Recommendations

The OWOW Steering Committee recommends that the Commission:

1. Receive and file comments received on the draft OWOW Plan Update 2018;
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3. Adopt Resolution No. 2019-4, adopting the OWOW Plan Update 2018; and
Inland Empire Brine Line
Weather Impacts – February 2019

SAWPA Commission
Item 6.B
February 19, 2019
Weather Impacts – February 2019

Recommendation to Commission:
- Receive and file
Weather Impacts – February 2019

<table>
<thead>
<tr>
<th>Highlights</th>
</tr>
</thead>
<tbody>
<tr>
<td>No significant impacts to Brine Line</td>
</tr>
<tr>
<td>Historic rainfall amounts</td>
</tr>
<tr>
<td>Road closures along Reach 5</td>
</tr>
<tr>
<td>Access road erosion on Reach 4</td>
</tr>
<tr>
<td>Parts of the Brine Line not accessible due to flooding</td>
</tr>
</tbody>
</table>
## Weather Impacts – February 2019

<table>
<thead>
<tr>
<th>ID</th>
<th>Location</th>
<th>OCT</th>
<th>NOV</th>
<th>DEC</th>
<th>JAN</th>
<th>WY to Date</th>
<th>Pct Avg to Date</th>
<th>Pct Tot WY</th>
</tr>
</thead>
<tbody>
<tr>
<td>BBLC1</td>
<td>BIG BEAR LAKE F.S.</td>
<td>0.91</td>
<td>2.80</td>
<td>3.10</td>
<td>5.31</td>
<td>12.12</td>
<td>123</td>
<td>60</td>
</tr>
<tr>
<td>CQT</td>
<td>DOWNTOWN LA</td>
<td>0.57</td>
<td>1.58</td>
<td>2.11</td>
<td>5.95</td>
<td>10.21</td>
<td>143</td>
<td>68</td>
</tr>
<tr>
<td>EORC1</td>
<td>ELSINORE</td>
<td>1.40</td>
<td>0.62</td>
<td>1.79</td>
<td>2.95</td>
<td>6.76</td>
<td>104</td>
<td>54</td>
</tr>
<tr>
<td>LAX</td>
<td>LA INT’L AIRPORT</td>
<td>0.58</td>
<td>2.09</td>
<td>1.45</td>
<td>5.52</td>
<td>9.64</td>
<td>150</td>
<td>75</td>
</tr>
<tr>
<td>LGB</td>
<td>LONG BEACH</td>
<td>0.55</td>
<td>1.31</td>
<td>1.75</td>
<td>6.42</td>
<td>10.03</td>
<td>162</td>
<td>82</td>
</tr>
<tr>
<td>STAC1</td>
<td>SANTA ANA FS</td>
<td>0.80</td>
<td>0.75</td>
<td>2.57</td>
<td>6.00</td>
<td>10.12</td>
<td>152</td>
<td>74</td>
</tr>
</tbody>
</table>

Source: National Oceanic and Atmospheric Administration
Critical Success Factors

- 1. Minimize disruptions to customers.
- 5. Protect and preserve the useful life of the Brine Line assets through strategic maintenance, repair, and capital improvements.
- 8. Operate the Brine Line to: (1) protect the OCSD treatment plant and the environment from non-compliant dischargers, and (2) eliminate any uncontrolled pipeline releases.
Weather Impacts – February 2019

Recommendation to Commission:

- Receive and file
QUESTIONS??
OCSD High Flow Emergency

**Code Blue**
- Storm anticipated (> 1”)

**Code Yellow**
- Outfall > 30 MGD above normal; Plant #1 > 50 MGD above normal; Plant #2 > 75 MGD above normal

**Code Orange**
- Collection system and Plants #1 & #2 increasing towards maximum

**Code Red**
- Flow has exceeded maximum capacity

**Code Purple**
- Flows decreasing; revert to normal operations
SAWPA

FYE 2020 and 2021 Brine Line and General Fund Draft Budgets
Brine Line Operations & Capital Budget
What is the Brine Line?

• The Inland Empire Brine Line (IEBL) is a 73 mile-long regional brine line designed to convey 30 million gallons per day of non-reclaimable waste water from the upper Santa Ana River Basin to the Pacific Ocean for disposal after treatment.
• It was built as the fundamental method of salt export for the region.
• Pipeline ranges in age from 17 to 45 years
  – Reach 4 was constructed in the mid-70’s (around 1974)
  – Reaches 4A and 4B were constructed in the early 1980’s (1982)
  – Reaches 4D and 4E were constructed in the early 1990’s (1994)
  – Reach 5 was constructed in the early 2000’s (2002). Rehab in 2017
• Pipe diameters range from 16 inch to 48 inch
Who Uses the Brine Line?

- Water Supply/Desalter: 76%
- Domestic: 15%
- Power Plants: 4%
- Industrial: 4%
- Truck Discharge: 1%
## Historical Revenues & Expenses

<table>
<thead>
<tr>
<th>FYE</th>
<th>Revenues</th>
<th>Expenses</th>
<th>To (From) Reserves</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>$9,334,243</td>
<td>($9,899,215)</td>
<td>($564,972)</td>
</tr>
<tr>
<td>2017</td>
<td>11,282,402</td>
<td>(9,614,249)</td>
<td>1,668,153</td>
</tr>
<tr>
<td>2018</td>
<td>10,894,643</td>
<td>(10,629,700)</td>
<td>264,943</td>
</tr>
<tr>
<td>2019</td>
<td>11,090,587</td>
<td>(11,090,587)</td>
<td>0</td>
</tr>
<tr>
<td>2020</td>
<td>11,532,103</td>
<td>(11,532,103)</td>
<td>0</td>
</tr>
<tr>
<td>2021</td>
<td>12,401,418</td>
<td>(12,401,418)</td>
<td>0</td>
</tr>
</tbody>
</table>

Numbers listed above are for operating revenues and expenses and do not include non-operating/debt service.
## Historical Flows

<table>
<thead>
<tr>
<th>FYE</th>
<th>Total Flows (MGD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>3,747</td>
</tr>
<tr>
<td>2017</td>
<td>3,875</td>
</tr>
<tr>
<td>2018</td>
<td>3,782</td>
</tr>
<tr>
<td>2019</td>
<td>3,650</td>
</tr>
<tr>
<td>2020</td>
<td>3,650</td>
</tr>
<tr>
<td>2021</td>
<td>3,800</td>
</tr>
</tbody>
</table>

**Budget**
Brine Line Enterprise
Revenue

---

### Discharge Fees
- 2019: 
- 2020: 
- 2021: 

### Other Income
- 2019: 
- 2020: 
- 2021: 

### Interest & Investments
- 2019: 
- 2020: 
- 2021: 

*Note: Millions are used to represent the financial data.*
FYE 2020

Brine Line Revenues $14.37 Million

- Discharge Fees, $11.53, 80%
- Other Income, $1.79, 13%
- Interest & Investments, $1.05, 7%
FYE 2021

Brine Line Revenues $15.24 Million

- **Discharge Fees, $12,400,000, 81%**
- **Other Income, $2,160,000, 14%**
- **Interest & Investments, $680,000, 5%**
FYE 2020

Brine Line Expenses $14.37 Million

- Contribution to Reserves, $3.24, 23%
- Mgmt Costs, $4.04, 28%
- Debt Service, $2.84, 20%
- Treatment Costs, $3.02, 21%
- Consulting, $0.27, 2%
- Facility Repair, $0.45, 3%
- Operating Costs, $0.51, 3%
FYE 2021

Brine Line Expenses $15.24 Million

- Treatment Costs, $3.30, 22%
- Mgmt Costs, $4.32, 28%
- Debt Service, $2.84, 19%
- Consulting, $0.28, 2%
- Facility Repair, $0.39, 2%
- Operating Costs, $0.49, 3%
- Contribution to Reserves, $3.62, 24%

Total: $15.24 Million
FYE 2020

Management Costs $4.04 Million

- Labor & Benefits, $1.76, 44%
- Indirect Costs, $1.82, 45%
- Education & Training, $0.01, 0%
- Phone & Utilities, $0.01, 0%
- Equip & Computers, $0.16, 4%
- Meeting & Travel, $0.01, 0%
- Other Admin Costs, $0.07, 2%
- Insurance & Fixed Assets, $0.20, 5%

Management Costs $4.04 Million
FYE 2021

Management Costs $4.32 Million

Indirect Costs, $1.99, 46%
Labor & Benefits, $1.92, 45%

Other Admin Costs, $0.08, 2%
Insurance & Fixed Assets, $0.14, 3%
Meeting & Travel, $0.01, 0%
Equip & Computers, $0.16, 4%
Phone & Utilities, $0.01, 0%
Education & Training, $0.01, 0%
Fixed Asset Purchase

• FYE 2020
  – Purchase new vehicle F-250
  – Retrofit existing vehicle as dump truck

• FYE 2021
  – None
FYE 2020

Operating Costs $0.51 Million

- Matl & Supplies, $0.08, 16%
- Maint Labor, $0.06, 12%
- Pre-Treatment, $0.13, 26%
- BL Operating, $0.08, 15%
- Permit Fees, $0.04, 8%
- Lab Costs, $0.11, 21%
- Safety, $0.01, 2%
FYE 2021

Operating Costs $0.50 Million

- Matl & Supplies, $0.10, 19%
- Lab Costs, $0.11, 23%
- Pre-Treatment, $0.10, 20%
- BL Operating, $0.08, 16%
- Permit Fees, $0.04, 8%
- Maint Labor, $0.06, 12%
- Safety, $0.01, 2%
Debt Service Payments

<table>
<thead>
<tr>
<th>Debt</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reach V Construction – SRF Loan 1 – 4</td>
<td>$1,126,578</td>
<td>$1,126,278</td>
<td>$1,126,278</td>
</tr>
<tr>
<td>Reach IV-A &amp; B Capital Repair – SRF Loan</td>
<td>1,044,273</td>
<td>1,044,273</td>
<td>1,044,273</td>
</tr>
<tr>
<td>Reach V Capital Repair – SRF Loan</td>
<td>656,350</td>
<td>664,476</td>
<td>664,476</td>
</tr>
<tr>
<td>OCWD Capacity Repurchase Loan</td>
<td>356,250</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total Debt Service Payments</strong></td>
<td><strong>$3,183,451</strong></td>
<td><strong>$2,835,027</strong></td>
<td><strong>$2,835,027</strong></td>
</tr>
</tbody>
</table>
# Debt Service Funding

<table>
<thead>
<tr>
<th>Debt</th>
<th>Interest Rate</th>
<th>Final Payment</th>
<th>Funding Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reach V Construction</td>
<td>2.7%</td>
<td>10/05/21</td>
<td>T-Strips/Investments</td>
</tr>
<tr>
<td>Reach IV-A &amp; B Capital Repair</td>
<td>2.6%</td>
<td>12/29/32</td>
<td>Rates</td>
</tr>
<tr>
<td>Reach V Capital Repair</td>
<td>1.9%</td>
<td>03/31/48</td>
<td>Rates</td>
</tr>
</tbody>
</table>
## Reserve Contributions

<table>
<thead>
<tr>
<th>Fund</th>
<th>FYE 2019</th>
<th>FYE 2020</th>
<th>FYE 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pipeline Repair/Replacement</td>
<td>$1,500,000</td>
<td>$1,435,478</td>
<td>1,810,491</td>
</tr>
<tr>
<td>Self Insurance Reserve</td>
<td>100,000</td>
<td>100,000</td>
<td>100,000</td>
</tr>
<tr>
<td>Debt Service Reserve</td>
<td>1,879,144</td>
<td>1,708,750</td>
<td>1,708,750</td>
</tr>
<tr>
<td><strong>Total Contribution to Reserves</strong></td>
<td><strong>$3,479,144</strong></td>
<td><strong>$3,244,228</strong></td>
<td><strong>$3,619,241</strong></td>
</tr>
</tbody>
</table>
## Proposed Brine Line Rates

<table>
<thead>
<tr>
<th>Component</th>
<th>Actual FYE 2019</th>
<th>FYE 2020</th>
<th>FYE 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Flow</td>
<td>$946</td>
<td>$979</td>
<td>$1,018</td>
</tr>
<tr>
<td>BOD (per 1,000 lbs.)</td>
<td>$307</td>
<td>$316</td>
<td>$329</td>
</tr>
<tr>
<td>TSS (per 1,000 lbs.)</td>
<td>$429</td>
<td>3% $442</td>
<td>4% $460</td>
</tr>
<tr>
<td>Fixed Pipeline</td>
<td>$6,217</td>
<td>$6,398</td>
<td>$6,654</td>
</tr>
<tr>
<td>Fixed Treatment</td>
<td>$12,607</td>
<td>$12,985</td>
<td>$13,505</td>
</tr>
</tbody>
</table>
## Reserve Balance (EOY)

<table>
<thead>
<tr>
<th>Reserve Account</th>
<th>FYE 2020</th>
<th>FYE 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pipeline Repair/Replacement Reserve</td>
<td>$15,467,521</td>
<td>$15,728,983</td>
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<tr>
<td>OCSD Rehabilitation Reserve</td>
<td>3,591,892</td>
<td>3,591,892</td>
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<tr>
<td>OCSD Future Capacity Reserve</td>
<td>1,761,077</td>
<td>1,761,077</td>
</tr>
<tr>
<td>Self-Insurance Reserve</td>
<td>4,224,343</td>
<td>4,324,343</td>
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<tr>
<td>Flow Imbalance Reserve</td>
<td>85,103</td>
<td>85,103</td>
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<tr>
<td>Debt Service Reserve</td>
<td>3,928,308</td>
<td>3,417,032</td>
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<tr>
<td>Capacity Management Reserve</td>
<td>11,502,545</td>
<td>11,502,545</td>
</tr>
<tr>
<td>Operating Reserve</td>
<td>3,133,547</td>
<td>3,133,547</td>
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<tr>
<td><strong>Total Reserves</strong></td>
<td><strong>$43,694,336</strong></td>
<td><strong>$43,544,522</strong></td>
</tr>
</tbody>
</table>
Capital Improvement Projects

Brine Line Protection
Reach V Capital Repair
Reach IV-D Corrosion Repair
## Capital Project Funding – Use of Reserves

<table>
<thead>
<tr>
<th>Project</th>
<th>FYE 2019</th>
<th>FYE 2020</th>
<th>FYE 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brine Line Protection</td>
<td>$3,736,548</td>
<td>$5,041,923</td>
<td>$1,466,878</td>
</tr>
<tr>
<td>Reach V Capital Repairs</td>
<td>269,167</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Reach IV-D Corrosion Repairs</td>
<td>980,317</td>
<td>76,211</td>
<td>82,151</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$4,986,032</strong></td>
<td><strong>$5,118,134</strong></td>
<td><strong>$1,549,029</strong></td>
</tr>
</tbody>
</table>

FYE 2019 Budget also includes $3 million in SRF Loans for Reach IV-D Corrosion Repairs
Capital Projects

• Fund 320 Brine Line Protection
  – OCSD Rock Removal Project
  – Protection from stormwater/erosion
  – Reach IV-D MAS modifications
  – Alcoa Dike protection/relocation

• Fund 327 Reach IV-D Corrosion Repair
  – Evaluation of pipeline corrosion
General Fund Budget
Budget Policy Practices

The General Fund is used for all JPA administrative functions in support of the Commission, legislative needs, headquarter building facility and maintenance, and all other functions not specifically related directly to projects.
SAWPA will endeavor to keep the indirect cost rate constant from year to year to provide stability in costs charged to projects using SAWPA labor, and for reimbursable contracts and charges to outside agencies.
Budget Policy Practices

SAWPA will work to keep member agency contributions reasonable and relatively constant to provide stability for the member agencies.
Legal Functions

Accounting Functions

Misc Tasks

Information & Technology Functions

Paid Leave

Training Meetings Conferences

HR Activities

Payroll Activities
Highlights

• Records Management Policy Updates
• Contract/Purchasing Policy and Document Updates
• HR Support
  – Employee Handbook Update
  – Policy Updates
• Strategic Planning
• Demonstration Garden Assessment & Improvements
## General Fund Costs

<table>
<thead>
<tr>
<th>Fund</th>
<th>FYE 2019</th>
<th>FYE 2020</th>
<th>FYE 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Fund</td>
<td>$450,000</td>
<td>$450,000</td>
<td>$450,000</td>
</tr>
<tr>
<td>State Lobbying</td>
<td>184,980</td>
<td>226,966</td>
<td>230,339</td>
</tr>
<tr>
<td>Federal Lobbying</td>
<td>15,715</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$650,695</strong></td>
<td><strong>$676,966</strong></td>
<td><strong>$680,339</strong></td>
</tr>
</tbody>
</table>
## General Fund Costs

<table>
<thead>
<tr>
<th>Fund</th>
<th>FYE 2019</th>
<th>FYE 2020</th>
<th>FYE 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Labor and Benefits</td>
<td>$2,300,239</td>
<td>$2,295,991</td>
<td>$2,547,084</td>
</tr>
<tr>
<td>Education &amp; Training</td>
<td>57,300</td>
<td>49,800</td>
<td>50,200</td>
</tr>
<tr>
<td>Consulting &amp; Professional Services</td>
<td>134,400</td>
<td>313,200</td>
<td>304,000</td>
</tr>
<tr>
<td>Operating Costs</td>
<td>6,090</td>
<td>6,400</td>
<td>6,550</td>
</tr>
<tr>
<td>Repair &amp; Maintenance</td>
<td>105,540</td>
<td>122,100</td>
<td>122,550</td>
</tr>
<tr>
<td>Phone &amp; Utilities</td>
<td>73,620</td>
<td>69,150</td>
<td>75,900</td>
</tr>
<tr>
<td>Equipment &amp; Computers</td>
<td>232,900</td>
<td>210,900</td>
<td>212,650</td>
</tr>
<tr>
<td>Meeting &amp; Travel</td>
<td>57,500</td>
<td>62,000</td>
<td>62,000</td>
</tr>
<tr>
<td>Other Administrative Expenses</td>
<td>226,577</td>
<td>206,613</td>
<td>209,103</td>
</tr>
<tr>
<td>Insurance &amp; Fixed Assets</td>
<td>164,703</td>
<td>135,250</td>
<td>139,250</td>
</tr>
<tr>
<td>Retiree Medical &amp; Building Reserves</td>
<td>213,000</td>
<td>267,773</td>
<td>277,823</td>
</tr>
<tr>
<td><strong>Total Before Indirect Cost Allocations</strong></td>
<td><strong>$3,571,569</strong></td>
<td><strong>$3,739,177</strong></td>
<td><strong>$4,007,110</strong></td>
</tr>
<tr>
<td>Less Indirect Cost Allocations</td>
<td>(3,121,569)</td>
<td>(3,289,177)</td>
<td>(3,557,110)</td>
</tr>
<tr>
<td><strong>Total General Fund Costs</strong></td>
<td><strong>$450,000</strong></td>
<td><strong>$450,000</strong></td>
<td><strong>$450,000</strong></td>
</tr>
</tbody>
</table>
FYE 2020

General Fund Costs $3.7 Million

- Labor & Benefits: 61%
- Retiree Medical & Reserves: 7%
- Meeting & Travel: 2%
- Phone & Utilities: 2%
- Repair & Maintenance: 3%
- Operating Costs: 0%
- Education & Training: 1%
- Consulting: 8%
- Equip & Computers: 6%
- Other Admin Costs: 6%
- Insurance & Fixed Assets: 4%
FYE 2021

General Fund Costs $4.0 Million

- Labor & Benefits: 64%
- Retiree Medical & Reserves: 7%
- Consulting: 8%
- Insurance & Fixed Assets: 3%
- Other Admin Costs: 5%
- Meeting & Travel: 2%
- Equip & Computers: 5%
- Phone & Utilities: 2%
- Repair & Maintenance: 3%
- Operating Costs: 0%
- Education & Training: 1%

Total General Fund Costs: $4.0 Million
Labor Assumptions Used

- 28 FTE
  - 24 filled and approved FTE
  - 4 unfilled budgeted positions
- 5 Interns
- Approved 4% Merit Pool (both years)
- Approved 1.25% or annual indexed COLA using the LA-Riverside-Orange County CPI index (whichever is greater) (4% used in budget)
Staff Changes

- Added a Business Analyst I – FYE 2018
- Added Pre-Treatment Apprentice
- Added an Intern in Administration
- Combined Deputy General Manager and CFO position
- Removed Grant/Technical Writer position
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
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</thead>
<tbody>
<tr>
<td>Executive Management</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>2</td>
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<td>3</td>
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<tr>
<td>Administrative Services</td>
<td>5</td>
<td>5</td>
<td>5</td>
<td>5</td>
<td>5</td>
<td>6</td>
<td>6</td>
<td>6</td>
</tr>
<tr>
<td>Finance/Accounting</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>2</td>
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</tr>
<tr>
<td>Information Systems and Technology</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Engineering*</td>
<td>7</td>
<td>7</td>
<td>9</td>
<td>9</td>
<td>5</td>
<td>5</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>Operations*</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>5</td>
<td>5</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>Water Resources &amp; Planning</td>
<td>3</td>
<td>3</td>
<td>4</td>
<td>4</td>
<td>5</td>
<td>5</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td><strong>Total Positions</strong></td>
<td><strong>23</strong></td>
<td><strong>23</strong></td>
<td><strong>26</strong></td>
<td><strong>26</strong></td>
<td><strong>28</strong></td>
<td><strong>29</strong></td>
<td><strong>28</strong></td>
<td><strong>28</strong></td>
</tr>
</tbody>
</table>

* Engineering and Operations was one department prior to 2017
## Benefit Assumptions Used

### PERS 2% @ 55 - Classic

<table>
<thead>
<tr>
<th></th>
<th>FYE 2020</th>
<th>FYE 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>PERS Employers Rate</td>
<td>11.12%</td>
<td>11.8%</td>
</tr>
<tr>
<td>Employer Paid Member Contribution (EPMC)</td>
<td>1.40%</td>
<td>0%</td>
</tr>
<tr>
<td>Unfunded Liability Payment</td>
<td>$237,191</td>
<td>$275,000</td>
</tr>
</tbody>
</table>

### PERS 2% @ 62 - PEPRA

<table>
<thead>
<tr>
<th></th>
<th>FYE 2020</th>
<th>FYE 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>PERS Employers Rate</td>
<td>7.191%</td>
<td>7.8%</td>
</tr>
<tr>
<td>Unfunded Liability Payment</td>
<td>$6,312</td>
<td>$6,800</td>
</tr>
</tbody>
</table>
Benefit Assumptions Used

- PERS Unfunded Liability as of 06/30/18
  - $3,724,430
- Outstanding OPEB Liability as of 06/30/18
  - $603,174
- GASB 45/75 Compliance
  - FYE 2020 – $167,773
    - Annual Required Contribution = $74,390
    - Pay go Retiree Premiums (7) = $93,383
  - FYE 2021 - $177,823
    - Annual Required Contribution = $76,000
    - Pay go Retiree Premiums (7) = $101,823
- Health insurance cap based on the lowest cost plan
  - (Kaiser family) - $1,745.45/month
    - 8% increase FYE 2020
    - 10% increase FYE 2021
Benefit Costs FYE 2020

Total Benefits $1,744,854

- PERS Pension: 40%
- Medical, Dental, Vision: 36%
- Car Allowance: 3%
- Wellness: 0%
- SUI & SDI: 2%
- Workers Comp Ins: 2%
- Life & LT Disability: 2%
- FICA/Medicare: 15%
Benefit Costs FYE 2021

Total Benefits $1,890,627

- PERS Pension: 41%
- Medical, Dental, Vision: 36%
- Life & LT Disability: 2%
- FICA/Medicare: 14%
- Car Allowance: 3%
- SUI & SDI: 2%
- Workers Comp Ins: 2%
- Wellness: 0%
- Total Benefits: $1,890,627
## Total Payroll & Benefit Costs

<table>
<thead>
<tr>
<th>FYE</th>
<th>Benefits</th>
<th>Payroll</th>
<th>Total</th>
<th>FTE</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>$1,107,957</td>
<td>$2,642,113</td>
<td>$3,750,070</td>
<td>24</td>
</tr>
<tr>
<td>2016</td>
<td>$1,228,101</td>
<td>$2,912,184</td>
<td>$4,140,285</td>
<td>25</td>
</tr>
<tr>
<td>2017</td>
<td>$1,316,167</td>
<td>$3,091,302</td>
<td>$4,407,469</td>
<td>26</td>
</tr>
<tr>
<td>2018</td>
<td>$1,356,121</td>
<td>$3,290,569</td>
<td>$4,646,690</td>
<td>27</td>
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<tr>
<td>Budget</td>
<td>$1,653,146</td>
<td>$3,756,859</td>
<td>$5,410,005</td>
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<tr>
<td>2019</td>
<td>$1,744,854</td>
<td>$3,825,402</td>
<td>$5,570,256</td>
<td>28</td>
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<tr>
<td>2020</td>
<td>$1,890,627</td>
<td>$4,173,739</td>
<td>$6,064,366</td>
<td>28</td>
</tr>
<tr>
<td>2021</td>
<td>$1,890,627</td>
<td>$4,173,739</td>
<td>$6,064,366</td>
<td>28</td>
</tr>
</tbody>
</table>
## Benefit & Indirect Cost Allocation Rates

<table>
<thead>
<tr>
<th>FYE</th>
<th>Benefits</th>
<th>Indirect Cost</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>0.419</td>
<td>1.495</td>
<td>1.914</td>
</tr>
<tr>
<td>2016</td>
<td>0.422</td>
<td>1.651</td>
<td>2.073</td>
</tr>
<tr>
<td>2017</td>
<td>0.426</td>
<td>1.510</td>
<td>1.936</td>
</tr>
<tr>
<td>2018</td>
<td>0.412</td>
<td>1.578</td>
<td>1.990</td>
</tr>
<tr>
<td>2019</td>
<td>0.440</td>
<td>1.413</td>
<td>1.853</td>
</tr>
<tr>
<td>2020</td>
<td>0.456</td>
<td>1.505</td>
<td>1.961</td>
</tr>
<tr>
<td>2021</td>
<td>0.453</td>
<td>1.508</td>
<td>1.961</td>
</tr>
</tbody>
</table>
Labor Hours Distribution
FYE 2020

General Fund, 25,622, 41%
BL Operations, 21,925, 35%
OWOW, 12,120, 19%
BL Capital, 1,015, 1%
Roundtables, 2,358, 4%
Labor Hours Distribution
FYE 2021

- General Fund, 25,990, 41%
- BL Operations, 21,975, 35%
- BL Capital, 1,005, 2%
- OWOW, 11,675, 18%
- Roundtables, 2,395, 4%
### Total Labor Hours Distribution

<table>
<thead>
<tr>
<th>Fund</th>
<th>FYE 2020</th>
<th>% of Total</th>
<th>FYE 2021</th>
<th>% of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Fund</td>
<td>25,622</td>
<td>40.6%</td>
<td>25,990</td>
<td>41.2%</td>
</tr>
<tr>
<td>Brine Line Operating Fund</td>
<td>21,925</td>
<td>34.8%</td>
<td>21,975</td>
<td>34.9%</td>
</tr>
<tr>
<td>Brine Line Capital Fund</td>
<td>1,015</td>
<td>1.7%</td>
<td>1,005</td>
<td>1.6%</td>
</tr>
<tr>
<td>OWOW Funds</td>
<td>12,120</td>
<td>19.2%</td>
<td>11,675</td>
<td>18.5%</td>
</tr>
<tr>
<td>Roundtables Funds</td>
<td>2,358</td>
<td>3.7%</td>
<td>2,395</td>
<td>3.8%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>63,040</td>
<td>100.0%</td>
<td>63,040</td>
<td>100.0%</td>
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</table>
## Member Contributions

<table>
<thead>
<tr>
<th>FYE</th>
<th>Per Member Agency</th>
<th>Inc/(Dcr) Over Prior Year</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>$339,090</td>
<td>$8,723</td>
<td>2.64%</td>
</tr>
<tr>
<td>2016</td>
<td>$269,559</td>
<td>($69,531)</td>
<td>(20.51%)</td>
</tr>
<tr>
<td>2017</td>
<td>$287,861</td>
<td>$18,302</td>
<td>6.79%</td>
</tr>
<tr>
<td>2018</td>
<td>$288,423</td>
<td>($562)</td>
<td>(0.195%)</td>
</tr>
<tr>
<td>2019</td>
<td>$294,339</td>
<td>$5,916</td>
<td>2.05%</td>
</tr>
<tr>
<td>2020</td>
<td>$305,393</td>
<td>$11,054</td>
<td>3.76%</td>
</tr>
<tr>
<td>2021</td>
<td>$306,068</td>
<td>$675</td>
<td>0.22%</td>
</tr>
<tr>
<td>Activity</td>
<td>Actual FYE 2019</td>
<td>Budget FYE 2020</td>
<td>Budget FYE 2021</td>
</tr>
<tr>
<td>----------------------------------------------</td>
<td>-----------------</td>
<td>-----------------</td>
<td>-----------------</td>
</tr>
<tr>
<td>General Planning</td>
<td>$71,200</td>
<td>$72,000</td>
<td>$72,000</td>
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<tr>
<td>USBR Partnership Studies</td>
<td>$4,000</td>
<td>$4,000</td>
<td>$4,000</td>
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<tr>
<td>Watershed Management (OWOW)</td>
<td>$85,000</td>
<td>$90,000</td>
<td>$90,000</td>
</tr>
<tr>
<td>SA River Fish Conservation</td>
<td>$2,000</td>
<td>$2,000</td>
<td>$2,000</td>
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<tr>
<td>LESJWA Management</td>
<td>$2,000</td>
<td>$2,000</td>
<td>$2,000</td>
</tr>
<tr>
<td>State/Federal Lobbying</td>
<td>$40,139</td>
<td>$45,393</td>
<td>$46,068</td>
</tr>
<tr>
<td>General Fund</td>
<td>$90,000</td>
<td>$90,000</td>
<td>$90,000</td>
</tr>
<tr>
<td><strong>Total Agency Contribution</strong></td>
<td><strong>$294,339</strong></td>
<td><strong>$305,393</strong></td>
<td><strong>$306,068</strong></td>
</tr>
</tbody>
</table>

3.76% 0.22%
Questions?
Update on Discussions with OC Stakeholders
Adoption of Resolution No. 2019-3

One Water One Watershed
OC Stakeholders Request July 2018 Letter
- 38% of grant funds pre-allocated
- OC Plan a chapter in OWOW Plan Update 2018
- Use OC project rating and ranking system
- If not accepted will submit RAP to become separate funding region

SAWPA Proposal
- 25% minimum funding by county, 25% for watershed wide projects
- OC plan in Appendix
- Submit program (suite of projects determined by OC Stakeholders using OC rating/ranking system)
- Use OWOW process to rate/rank program with other projects submitted

OC Stakeholders Revised Proposal – February 15 2019 Letter
- 33% of grant funds pre-allocated
- OC plan in Appendix okay
- Use OC rating/ranking system
- Regional watershed projects only if all parties agree based on OC Plan rating and ranking system
- Withdraw RAP application
Options

1. Accept Proposal from OC Stakeholders
   - 33% grant funds for OC projects
   - OC rating/ranking of projects

2. Provide Counter Offer
   - XX % grant funds for OC projects
   - Process for funding watershed wide projects
   - Include dispute resolution process
   - Reevaluate after Prop 1, Round 1
   - Address DAC, small projects

3. Reject Proposal (RAP remains)
   - Consider adoption of Resolution No. 2019-3

4. Take No Action
   - RAP remains
Evaluation

• Option 1 – Accept Proposal

Pro
• Meets timeline (near term decision on RAP)
• Remains one funding Region – reason to collaborate

Con
• Sufficient incentive to develop watershed wide projects?
• Inconsistency with OWOW priorities possible
• Potential conflict – project selection, watershed wide
• Further allocation of funds may be requested by others
• May obligate funding to projects that reduce DWR Prop 1 scoring of SAWPA’s grant application
• Focus on location of expenditures rather than benefits
Evaluation

Option 2 - Counter Offer

Pro
- Address uncertainty – processes for watershed wide projects, conflict resolution
- Could provide more flexibility for the watershed than higher fixed allocations

Con
- Takes more time | may not be successful
- Potential delay in meeting DWR Prop 1 grant workshop and application deadlines
- May obligate funding to projects that reduce DWR Prop 1 scoring of SAWPA’s grant application
- Inconsistency with OWOW priorities possible
- Further allocation of funds may be requested by others
- Focus on location of expenditures rather than benefits
Evaluation

**Option 3** Reject Proposal (RAP Remains)

**Pro**
- Reduces ongoing conflict
- Timely

**Con**
- No reason to work together/collaborate
- End of OWOW in current form?
- Increased costs for application to DWR
- Negative review of other application to detriment of IRWM
- DWR decides how to apportion watershed funding between OWOW and OC
Evaluation

Option 4 – No Action (RAP Remains)

Pro - Similar to Option 3
• Reduces ongoing conflict
• Timely

Con - Similar to Option 3
• No reason to work together/collaborate
• End of OWOW in current form?
• Increased costs for application to DWR
• Negative review of other application to detriment of IRWM
• DWR decides how to apportion watershed funding between OWOW and OC
• No action means missed opportunity to present opinions
- Commission reaffirms OWOW is the correct platform to resolve differences and pursue shared outcomes

- Commission reaffirms its role as the Regional Water Management Group for the Santa Ana River Watershed including Northern Orange County

- Commission favors continued discussion

- Commission opposes the application made to form a separate Regional Management Group for North Orange County
  - Not conducive to regional planning
  - Not helpful for managing and resolving conflict
Recommendation

- Receive and file status report
- Consider Options and Provide Direction
- Consider Adoption of Resolution 2019-3