Pursuant to the provisions of Executive Order N-29-20 and N-08-21, this meeting will be conducted virtually. All votes taken will be conducted by oral roll call.

This meeting will be accessible as follows:

<table>
<thead>
<tr>
<th>Meeting Access Via Computer (Zoom)*:</th>
<th>Meeting Access Via Telephone*:</th>
</tr>
</thead>
<tbody>
<tr>
<td>• <a href="https://sawpa.zoom.us/j/84046630593">https://sawpa.zoom.us/j/84046630593</a></td>
<td>• 1 (669) 900-6833</td>
</tr>
<tr>
<td>• Meeting ID: 840 4663 0593</td>
<td>• Meeting ID: 840 4663 0593</td>
</tr>
</tbody>
</table>

* Participation in the meeting via the Zoom app (a free download) is strongly encouraged.

Regular Commission Meeting
Tuesday, September 7, 2021 – 9:30 A.M.

AGENDA

1. CALL TO ORDER | PLEDGE OF ALLEGIANCE (Jasmin A. Hall, 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. ITEMS TO BE ADDED OR DELETED
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: AUGUST 17, 2021](#) .................................................. 7
      Recommendation: Approve as posted.
   
   B. [TREASURER’S REPORT – JULY 2021](#) ............................................................................ 13
      Recommendation: Approve as posted.

6. NEW BUSINESS
   A. [CALIFORNIA RURAL WATER ASSOCIATION AGREEMENT - GRANT APPLICATION ASSISTANCE PROGRAM FOR SMALL COMMUNITY WATER/WASTEWATER SYSTEMS SERVING DISADVANTAGED COMMUNITIES IN THE SANTA ANA RIVER WATERSHED (CM#2021.63)](#) .................................................................................................. 19
      This item is subject to the provisions of Project Agreement 25
      Presenter: Mark Norton
      Recommendation: Authorize the execution of an agreement between the California Rural Water Association and SAWPA to conduct the implementation of the grant application assistance program for small community water/wastewater systems serving disadvantaged communities in the Santa Ana River Watershed for an amount not-to-
exceed $150,000, with Phase I work estimated cost of $25,000 and Phase II up to $125,000 depending on number of project grant applications prepared.

7. INFORMATIONAL REPORTS
   Recommendation: Receive for information.
   A. AUDIT COMMUNICATION LETTER FOR FYE JUNE 30, 2021 – TEAMAN, RAMIREZ & SMITH, INC........................................................................................................................................................................................................47
      Presenter: Karen Williams
   B. CHAIR’S COMMENTS/REPORT
   C. COMMISSIONERS’ COMMENTS
   D. COMMISSIONERS’ REQUEST FOR FUTURE AGENDA ITEMS

8. CLOSED SESSION
   There were no Closed Session items anticipated at the time of the posting of this agenda.

9. ADJOURNMENT

   PLEASE NOTE:
   Americans with Disabilities Act: If you require any special disability related accommodations to participate in this meeting, call (951) 354-4220 or email svilla@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, Sara Villa, Clerk of the Board of the Santa Ana Watershed Project Authority declare that on September 2, 2021, a copy of this agenda has been uploaded to the SAWPA website at www.sawpa.org and posted at SAWPA’s office, 11615 Sterling Avenue, Riverside, California.
### 2021 SAWPA Commission Meetings/Events

First and Third Tuesday of the Month

(NOTE: All meetings begin at 9:30 a.m., unless otherwise noticed, and are held at SAWPA.)

<table>
<thead>
<tr>
<th>January</th>
<th>February</th>
</tr>
</thead>
<tbody>
<tr>
<td>1/5/21 Commission Workshop [cancelled]</td>
<td>2/2/21 Commission Workshop</td>
</tr>
<tr>
<td>1/5/21 Special Commission Meeting</td>
<td>2/16/21 Regular Commission Meeting</td>
</tr>
<tr>
<td>1/8/21 Special Commission Meeting</td>
<td></td>
</tr>
<tr>
<td>1/12/21 Special Commission Meeting</td>
<td></td>
</tr>
<tr>
<td>1/19/21 Regular Commission Meeting</td>
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</table>

<table>
<thead>
<tr>
<th>March</th>
<th>April</th>
</tr>
</thead>
<tbody>
<tr>
<td>3/2/21 Commission Workshop</td>
<td>4/6/21 Commission Workshop</td>
</tr>
<tr>
<td>3/16/21 Regular Commission Meeting</td>
<td>4/20/21 Regular Commission Meeting</td>
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<table>
<thead>
<tr>
<th>May</th>
<th>June</th>
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</thead>
<tbody>
<tr>
<td>5/4/21 Commission Workshop</td>
<td>6/1/21 Commission Workshop</td>
</tr>
<tr>
<td>5/18/21 Regular Commission Meeting</td>
<td>6/15/21 Regular Commission Meeting</td>
</tr>
<tr>
<td>5/12 – 5/13/21 ACWA Spring Virtual Conference &amp; Exhibition</td>
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<table>
<thead>
<tr>
<th>July</th>
<th>August</th>
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</thead>
<tbody>
<tr>
<td>7/6/21 Commission Workshop [cancelled]</td>
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<tr>
<td>7/20/21 Regular Commission Meeting</td>
<td>8/17/21 Regular Commission Meeting</td>
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<table>
<thead>
<tr>
<th>September</th>
<th>October</th>
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</thead>
<tbody>
<tr>
<td>9/7/21 Commission Workshop</td>
<td>10/5/21 Commission Workshop</td>
</tr>
<tr>
<td>9/21/21 Regular Commission Meeting</td>
<td>10/19/21 Regular Commission Meeting</td>
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</table>

<table>
<thead>
<tr>
<th>November</th>
<th>December</th>
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</thead>
<tbody>
<tr>
<td>11/2/21 Commission Workshop</td>
<td>12/7/21 Commission Workshop</td>
</tr>
<tr>
<td>11/16/21 Regular Commission Meeting</td>
<td>12/21/21 Regular Commission Meeting</td>
</tr>
<tr>
<td></td>
<td>11/30 – 12/3/21 ACWA Fall Conference, Pasadena</td>
</tr>
</tbody>
</table>
SAWPA COMPENSABLE MEETINGS

IMPORTANT NOTE: Due to the spread of COVID-19, and until further notice, the Santa Ana Watershed Project Authority will be holding all upcoming meetings by teleconferencing. Participation information will be included on each posted agenda or meeting notice.

In addition to Commission meetings, Commissioners and Alternate Commissioners will receive compensation for attending the meetings listed below, pursuant to the Commission Compensation, Expense Reimbursement, and Ethics Training Policy.

IMPORTANT NOTE: These meetings are subject to change. Prior to attending any meetings listed below, please confirm meeting details by viewing the website calendar using the following link:

[https://sawpa.org/sawpa-calendar/](https://sawpa.org/sawpa-calendar/)

### MONTH OF: September 2021

<table>
<thead>
<tr>
<th>DATE</th>
<th>TIME</th>
<th>MEETING DESCRIPTION</th>
<th>LOCATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>9/7/21</td>
<td>10:00 AM</td>
<td>PA 24 Committee Mtg</td>
<td>VIRTUAL/TELEPHONICALLY</td>
</tr>
<tr>
<td>9/14/21</td>
<td>8:30 AM</td>
<td>PA 22 Committee Mtg</td>
<td>VIRTUAL/TELEPHONICALLY</td>
</tr>
<tr>
<td>9/21/21</td>
<td>1:30 P.M.</td>
<td>MSAR TMDL/Regional WQ Monitoring Task Force Mtg</td>
<td>VIRTUAL/TELEPHONICALLY</td>
</tr>
<tr>
<td>9/23/21</td>
<td>11:00 AM</td>
<td>OWOW Steering Committee Mtg</td>
<td>VIRTUAL/TELEPHONICALLY</td>
</tr>
<tr>
<td>9/23/21</td>
<td>1:30 P.M.</td>
<td>Basin Monitoring Program Task Force Mtg</td>
<td>VIRTUAL/TELEPHONICALLY</td>
</tr>
<tr>
<td>9/28/21</td>
<td>9:00 A.M.</td>
<td>Lake Elsinore/Canyon Lake TMDL Task Force Mtg</td>
<td>VIRTUAL/TELEPHONICALLY</td>
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</table>

### MONTH OF: October 2021

<table>
<thead>
<tr>
<th>DATE</th>
<th>TIME</th>
<th>MEETING DESCRIPTION</th>
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<tbody>
<tr>
<td>10/5/21</td>
<td>8:30 A.M.</td>
<td>PA 23 Committee Mtg</td>
<td>VIRTUAL/TELEPHONICALLY</td>
</tr>
<tr>
<td>10/5/21</td>
<td>10:00 A.M.</td>
<td>PA 24 Committee Mtg</td>
<td>VIRTUAL/TELEPHONICALLY</td>
</tr>
<tr>
<td>10/12/21</td>
<td>8:30 P.M.</td>
<td>PA 22 Committee Mtg</td>
<td>VIRTUAL/TELEPHONICALLY</td>
</tr>
<tr>
<td>10/21/21</td>
<td>4:00 P.M.</td>
<td>LESJWA Board of Directors Mtg</td>
<td>VIRTUAL/TELEPHONICALLY</td>
</tr>
<tr>
<td>10/25/21</td>
<td>1:00 P.M.</td>
<td>Imported Water Rechargers Committee Mtg</td>
<td>VIRTUAL/TELEPHONICALLY</td>
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</table>

Please Note: We strive to ensure the list of Compensable Meetings set forth above is accurate and up-to-date; the list is compiled based on input from SAWPA staff and Department Managers regarding meeting purpose and content.
The Regular Meeting of the Santa Ana Watershed Project Authority Commission was called to order at 9:30 a.m. by Chair Hall on behalf of the Santa Ana Watershed Project Authority, 11615 Sterling Avenue, Riverside, California.

1. **CALL TO ORDER**
   Pursuant to the provisions of Executive Order N-29-20 and N-08-21, this meeting was conducted virtually, and all votes were taken by oral roll call.

2. **ROLL CALL**
   An oral roll call was duly noted and recorded by the Clerk of the Board.

3. **PUBLIC COMMENTS**
   There were no public comments; there were no public comments received via email.

4. **ITEMS TO BE ADDED OR DELETED**
   There were no added or deleted items.

5. **CONSENT CALENDAR**
   A. **APPROVAL OF MEETING MINUTES: AUGUST 3, 2021**
      Recommendation: Approve as posted.
      
      **MOVED,** to approve the August 3, 2021, meeting minutes.
      
      Result: Adopted by Roll Call Vote (Unanimously)
      
      Motion/Second: Gardner/Whitaker
6. NEW BUSINESS

A. PROPOSAL FOR GRANT APPLICATION ASSISTANCE PROGRAM FOR SMALL COMMUNITY WATER/WASTEWATER SYSTEMS SERVING DISADVANTAGED COMMUNITIES IN THE SANTA ANA RIVER WATERSHED (CM#2021.59)

Jeff Mosher provided a brief background report on the proposal for grant application assistance program for small community water/wastewater systems serving disadvantaged communities in the Santa Ana River Watershed. This item was discussed during the previous Commission meeting, and direction was given to SAWPA staff to bring item forward at a later meeting to allow time for Commissioners to further discuss with their appropriate staff. Mark Norton provided the presentation contained in the agenda packet on pages 15-24. The purpose is to provide technical assistance support for small community water/wastewater systems who lack the staffing and technical expertise to apply for government grants. Mr. Norton referenced the presentation slide Proposal Options, Costs, and Member Agency Share on page 21 of the agenda packet and went over Option 1, 2, and 3 and requested feedback.

<table>
<thead>
<tr>
<th>Option</th>
<th>Total Cost Estimate</th>
<th>SAWPA Member Agency Cost</th>
<th>Support Timing</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 – No Project</td>
<td>$0</td>
<td>$0</td>
<td></td>
</tr>
<tr>
<td>2 – Equal Share</td>
<td>$150,000</td>
<td>$30,000</td>
<td>Thru September 2022</td>
</tr>
<tr>
<td>3 – Proportionate Share</td>
<td>$150,000</td>
<td>$69,250 SBVMWD $46,150 OCWD $17,300 EMWD $17,300 WMWD $0 IEUA</td>
<td>Thru September 2022</td>
</tr>
</tbody>
</table>

Mr. Norton noted there is an Option 4 that would be split into two (2) funding phases, with the first phase of $50,000 at an equal share amongst all member agencies of $10,000 to evaluate which of the communities really have the best chance of having a project that’s going to be ready for a grant application submittal. The second phase would be for up to $100,000 divided proportionately based on the needs of small community systems within the corresponding member agency’s service areas.

Commissioner Gardner questioned if this is an ongoing program or just a one-time effort, and noted he is hesitant to commit to an ongoing program. Jeff Mosher noted that it’s proposed to be a one-time effort, though there could be potential reoccurring funds to address small system issues. Commissioner Hayes thanked SAWPA staff, in advance, on making sure that qualified agencies are involved and noted that San Bernardino Valley Municipal Water District’s (SBVMWD) Board is unanimously in favor of the project and will support either Option 2 or 4. A qualified agency was defined as an agency that would be capable of maintaining and implementing the resulting grant project products long-term. Commissioner Slawson noted that he’s in support of the proposed project, including Option 2 for an equal share of $30,000; and has confidence that SAWPA staff will recommend criteria to ensure that appropriate projects are selected. Commissioner Whitaker noted that the most equitable option is a two-step process as defined in Option 4; a lesser amount of funding initially, and then once projects are selected, Step 2 the funding can be contributed proportionately. It will help justify Orange County Water District’s (OCWD’s) contribution to clarify the projects that have overall watershed benefit. Commissioner Gardner noted he is also in support of Option
4, particularly if IEUA can participate with the equal share of $10,000. Michael Markus, General Manager of OCWD, informed the Commission that based on previous discussions made during the General Managers meeting, California Rural Water Association (CRWA) has already done some work on the issues for disadvantaged communities and have identified about seven (7) mutual water companies in the SBVMWD service area, two (2) in Eastern Municipal Water District’s (EMWD’s) area, and one (1) in Western Municipal Water District’s (WMWD’s) area. Although he voiced his support of Option 4 alongside the Commissioners, he felt that the initial funding phase should be more appropriately set at $5,000 per agency, for a total of $25,000. Chair Hall thanked Michael Markus on providing additional input from the General Managers discussion. Commissioner Hayes noted she is in full support of reducing the first phase of option 4 from $50,000 to $25,000 as well. Commissioner Gardner made a motion to approve Option 4 as presented by SAWPA staff with implementation in two (2) Phases; Phase 1 – Proceed with an initial assessment funded by equal shares of $5,000 per SAWPA member agency, and Phase 2 – Proportionate contributions by member agencies totaling up to $125,000 based on the needs of small community systems within the member agencies service areas identified in Phase 1.

MOVED, to provide direction to SAWPA staff regarding the implementation of the grant application assistance program for small community water/wastewater systems serving disadvantaged communities in the Santa Ana River Watershed by implementing two (2) phases; Phase 1 – Proceed with an initial assessment funded by equal shares of $5,000 per SAWPA member agency, and Phase 2 – Proportionate contributions by member agencies totaling up to $125,000 based on the needs of small community systems within the member agencies service areas identified in Phase 1.

Result: Adopted by Roll Call Vote (Unanimously)
Motion/Second: Gardner/Hayes
Ayes: Gardner, Hall, Hayes, Slawson, Whitaker
Nays: None
Abstentions: None
Absent: None

B. RESOLUTION TO SUPPORT ORANGE COUNTY WATER DISTRICT’S FIRST VICE PRESIDENT, CATHY GREEN FOR ACWA VICE PRESIDENT (CM#2021.62)
Jeff Mosher provided an oral report on supporting Orange County Water District (OCWD) Board Member Cathy Green as a candidate for the office of Vice President of the Association of California Water Agencies (ACWA), He referenced her biography and OCWD’s request letter contained on pages 37-42 of the agenda packet. Commissioner Whitaker commended Cathy Green and noted that he is very impressed with her prior experience as Mayor of City of Huntington Beach; she has proven to be affable, open minded, and fair. He heartily endorses Cathy Green for the ACWA role and encourages everyone’s support. Cathy Green thanked the Commission for the opportunity to introduce herself as a candidate for ACWA Vice President and noted that her focus is working collaboratively with diverse stakeholders to find smart solutions to the challenges we are now facing. Cathy Green noted she has served on the ACWA Board since 2016 and is currently on ACWA’s Executive Board as Region 10 Vice Chair. Commissioner Hayes noted that she is pleased to know her and regularly attends the Water Advisory Committee of Orange County (WACO) Meetings and is in full support of Cathy Green. Commissioner Slawson noted that although Cathy Green is more than qualified for the position, he will abstain due to personal divided loyalties. Chair Hall voiced her support the nomination of Cathy Green.
MOVED, to approve Resolution No. 2021-7 to support Orange County Water District’s first Vice President Cathy Green as a candidate for the Office of Association of California Water Agencies (ACWA).

Result: Adopted by Roll Call Vote
Motion/Second: Whitaker/Gardner
Ayes: Gardner, Hall, Hayes, Whitaker
Nays: None
Abstentions: Slawson
Absent: None

7. INFORMATIONAL REPORTS
Recommendation: Receive for Information.

A. CASH TRANSACTIONS REPORT – JUNE 2021

B. INTER-FUND BORROWING – JUNE 2021 (CM#2021.60)

C. PERFORMANCE INDICATORS/FINANCIAL REPORTING – JUNE 2021 (CM#2021.61)

D. PROJECT AGREEMENT 25 – OWOW FUND – FINANCIAL REPORT, MAY 2021

E. PROJECT AGREEMENT 26 – ROUNDTABLE FUND – FINANCIAL REPORT, MAY 2021

F. GENERAL MANAGER REPORT
Jeff Mosher referenced the General Manager’s Report on pages 85-86 of the agenda packet and informed the Commission that the Watershed Aerial Imagery Project is completed and noted there’s information showing the total flows for Fiscal Year 2020-21.

G. STATE LEGISLATIVE REPORT
Jeff Mosher informed the Commissioners that the Drought and Climate Packages are moving into budget trailer bills and SAWPA staff is working with the Department of Water Resources and West Coast Advisors on future IRWM funding opportunities. SAWPA staff is working on drafting a letter for submittal.

H. CHAIR’S COMMENTS/REPORT
There were no comments provided.

I. COMMISSIONERS’ COMMENTS
Commissioner Hayes informed the Commission of the passing of San Bernardino Valley Water District’s Legal Counsel, Brendan Brandt.

J. COMMISSIONERS’ REQUEST FOR FUTURE AGENDA ITEMS
There were no requests for future Agenda items.

8. CLOSED SESSION
There was no closed session.

9. ADJOURNMENT
There being no further business for review, Chair Hall adjourned the meeting in memory of Brendan Brandt at 10:39 a.m.
Approved at a Regular Meeting of the Santa Ana Watershed Project Authority Commission on Tuesday, September 7, 2021.

Jasmin A. Hall, Chair

Attest:

Sara Villa, Clerk of the Board
Finance Department

Santa Ana Watershed Project Authority

TREASURER'S REPORT

July 2021

During the month of July 2021, the Agency’s actively managed temporary idle cash earned a return of 1.66%, representing interest earnings of $12,303. Additionally, the Agency’s position in overnight funds L.A.I.F. generated $8,655 in interest, resulting in $20,958 of interest income from all sources. Please note that this data represents monthly earnings only, and does not indicate actual interest received. There were zero (0) investment positions purchased, zero (0) positions sold, one (1) position matured, and zero (0) positions were called.

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

August 17, 2021

Prepared and Submitted by:

Karen L. Williams, Deputy GM/Chief Financial Officer
**Investment Security Purchase Maturity Call Date Yield To Investment Market Value Unrealized Coupon Interest**

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<thead>
<tr>
<th>Type</th>
<th>Security</th>
<th>CUSIP</th>
<th>Dealer</th>
<th>Date</th>
<th>Date</th>
<th>(if appl)</th>
<th>Par Value</th>
<th>Maturity</th>
<th>Cost</th>
<th>Current Month</th>
<th>Gain / (Loss)</th>
<th>Rate</th>
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**Total Actively Invested Funds** $7,242,000.00 $7,236,485.00 $7,358,298.00 $121,813 1.660% $12,303.42

**Total Local Agency Investment Fund** $46,112,263.61 0.221% $8,655.21

**Total Invested Cash** $7,242,000.00 $53,348,748.61 0.416% $20,958.63

**Key to Security Type:**
- FHLB = Federal Home Loan Bank
- FHLMC = Federal Home Loan Mortgage Corporation
- FNMA = Federal National Mortgage Association
- USTN = US Treasury Note
- CORP = Corporate Note
- CD = Certificate of Deposit
- GDB = Goldman Sachs Bank
- AEC = American Express Centurion

**Key to Dealers:**
- FCS = FinaCorp Securities
- MBS = Multi-Bank Securities
- MS = Mutual Securities
- RCB = RBC Dain Rauscher
- SA = Securities America
- TVI = Time Value Investments
- WMS = Wedbush Morgan Securities

*SAWPA primarily maintains a "Buy and Hold" investment philosophy, with all investments held by US Bank via a third-party safekeeping contract.*
Interest Rate Analysis

- Securities
- LAIF
- Avg Rate of Return

Rates:
- 2.0%
- 1.0%
- 0.0%
Investments
$53,348,749

- Securities,
$7,236,485,
14%

- LAIF,
$46,112,264,
86%
Interest
$20,959

Securities,
$12,303,
59%

LAIF,
$8,655,
41%
COMMISSION MEMORANDUM NO. 2021.63

DATE: September 7, 2021

TO: SAWPA Commission

SUBJECT: California Rural Water Association Agreement - Grant Application Assistance Program for Small Community Water/Wastewater Systems Serving Disadvantaged Communities in the Santa Ana River Watershed


(This item is subject to the provisions of Project Agreement 25)

RECOMMENDATION

It is recommended that the SAWPA Commission authorize the execution of an agreement between the California Rural Water Association and SAWPA to conduct the implementation of the grant application assistance program for small community water/wastewater systems serving disadvantaged communities in the Santa Ana River Watershed for an amount not-to-exceed $150,000, with Phase I work estimated cost of $25,000 and Phase II up to $125,000 depending on number of project grant applications prepared.

DISCUSSION

On August 17, 2021, SAWPA staff shared a proposal to provide technical assistance support to small community water/wastewater systems that serve disadvantaged communities in the Santa Ana River Watershed. This assistance would be provided for up to ten small community systems that lack the staffing and technical expertise to apply for the Proposition 1 Round 2 Integrated Regional Water Management (IRWM) Implementation DAC grant program with $4M set aside for disadvantaged community projects.

This work would include providing the technical, managerial, and financial support resources needed for the preparation of the Proposition 1 Round 2 IRWM grant applications. This work would be performed by the DCI program partner to SAWPA, the California Rural Water Association (CRWA) under contract with SAWPA. CRWA, a statewide non-profit organization, has extensive experience in this type of support service and has operated similar programs in nearby regions such as the Mojave Water Agency. CRWA has worked closely with SAWPA over the past three years and has the most familiarity and staff expertise with working with small water/wastewater communities in the watershed.

The cost of the SAWPA program with CRWA to support evaluation of approximately 13 communities of viable projects and prepare grant applications for eligible projects, likely 5-10 small community projects, was estimated at $150,000 and shared with the SAWPA Commission on Aug. 17, 2021. This support by CRWA would span the next year through September 2022 to evaluate potential projects and prepare grant applications for those which are likely to be the most competitive small community projects.

Various options for proceeding with the program were discussed with the SAWPA Commission. The Commission agreed to break the work effort funding into two phases. The first phase of the program was estimated to cost $25,000 and would be funding equally among the SAWPA member agencies ($5000/member agency) and would involve the initial screening of viable...
small community projects that are serving disadvantaged communities. Once deliverables from Phase I are received and deemed acceptable, the Phase II would be authorized. The second phase would entail the preparation of grant applications for 5-10 small community projects in the watershed as well as involvement in the SAWPA OWOW project selection criteria development, rating and ranking and stakeholder participatory processes. The funding for the second phase would be up to $125,000 and would be dependent on the number of project grant applications prepared. Phase II would be funded by the SAWPA member agencies proportionately with the number of small community projects that will have grant applications prepared and are located within or near a SAWPA member agency.

To proceed with the grant application assistance program, an agreement with CRWA must be executed by SAWPA. The draft agreement has been prepared which includes a scope of work, deliverables, schedule and cost. Staff recommends approval of the agreement between CRWA and SAWPA to proceed with the grant application assistance program. The agreement has been reviewed and reflects edits from SAWPA legal counsel, CRWA and SAWPA staff.

CRITICAL SUCCESS FACTORS

- 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.
- Successful implementation of an integrated regional water resource plan that reflects the watershed management needs of the public and the environment.
- A strong reputation and sufficient capacity within SAWPA staff for strategic facilitation, planning, communication, leadership and community engagement.

RESOURCE IMPACTS

Since the $150,000 for this program is unfunded and unbudgeted, the funding would be provided by the SAWPA member agencies as agreed in the August 17, 2021 SAWPA Commission meeting. Funding for Phase I of the work, $25,000 total would be funded equally among all five SAWPA member agencies or $5000/member agency. It is estimated that this funding would cover Phase I and span the first 1-2 months of the work effort. Funding for Phase II of the work, up to $125K, would then be provided by just those SAWPA member agencies proportionate to the number of small community projects located in or near their service area that will have grant applications prepared for them by CRWA. Based on this approach for Phase II, some SAWPA member agencies may pay more than others to SAWPA.

Invoices for Phase I at $5000/member agency have been transmitted to the SAWPA member agencies. The invoices for Phase II will be sent to pertinent SAWPA member agencies upon completion and acceptance of Phase I by SAWPA’s General Manager.

Attachment:
1. PowerPoint presentation
2. CRWA-SAWPA Agreement
3. Sole Source Justification
Grant Support for Small Community Water/Wastewater Systems Serving Disadvantaged Communities in the Santa Ana River Watershed – Cal Rural Agrmt

Mark Norton, Water Resources & Planning Manager
SAWPA Commission | September 7, 2021
Item No. 6.A.
Purpose: Provide support for small systems with chronic issues that lack the staffing and technical expertise to apply for grants

Scope of Assistance:
- Assemble and evaluate project information
- Prepare OWOW and DWR grant applications
- Participate in OWOW stakeholder process and DWR grant documentation coordination

Outcome:
- Prepare Prop 1 Round 2 IRWM grant applications for 5-10 small systems serving DACs
Assistance Fund – Scope Overview

- Build on information from SAWPA’s recently completed Disadvantaged Communities Involvement (DCI)
- Partner with Cal Rural Water Association (CRWA)
  - CRWA would assist in preparing grant applications
- Prepare applications for 5 - 10 small systems (with DACs) for OWOW Prop 1 Round 2
California Rural Water Association (CRWA) Support

- CRWA is a non-profit Statewide organization based in Sacramento.
- CRWA was a subgrantee partner with SAWPA in implementing the Prop 1 Disadvantaged Community Involvement (DCI) grant program.
- CRWA was tasked to work directly with six communities in the watershed through the SAWPA DCI Technical Assistance program but has also worked with other small communities in the watershed.
- CRWA has provided a scope of work to provide grant application preparation services for 5-10 small communities.
High Need Small Systems supporting DACs in watershed
SAWPA Commission approved Phased Grant Application Funding on 8/17/21

- **Budget estimate:**
  - $150,000 for 5-10 applications

- **Phase I**
  - CRWA will work with Review Committee to determine which small community projects are most eligible and competitive for grant application preparation
  - $25,000 (Funded by SAWPA member agency -$5000 each)

- **Phase II**
  - 5-10 small community grant applications prepared including participation in OWOW and DWR coordination meetings
  - Up to $125,000 depending on number of grant applications prepared (Funded by proportionate share of projects in SAWPA member agencies)
Oversight Committee would be formed for Assistance Fund – Phase I

- Committee would be formed to include SAWPA staff; SAWPA’s consultant, CRWA; and SAWPA member agency staff to oversee and administer the fund.

- Under the guidance of the committee, specific high-need small water systems projects could be recommended for support.

- Support would be reflective of those systems that lack the staffing, resources, or expertise to effectively apply for grant funding but subject to their ability to maintain and operate proposed project.
## Proposal Phasing, Costs, Member Agency Share, Timing

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Steering Committee approves Prop 1 Policy

DWR Releases Draft R2 Grant Guidelines

Scoring Criteria Adopted by Steering Committee

OWOW R2 Call for Projects

DWR Releases Final R2 Grant Guidelines

SAWPA finalizes R2 grant agreement

R2 Application Submittal to DWR

Steering Committee Approves R2 Projects

Staff Review & Participatory Budgeting

Small Community Water/Wastewater System-Grant applications due

Nov 2018
Aug 2021
Sep 2021
Oct 2021 - Jan 2022
Feb 2023
Sep 2022
Mar 2022
Jan 2022
Dec 2021

Proposal Schedule - Draft* Round 2 (R2) Schedule

Proposal Schedule - Draft* Round 2 (R2) Schedule
Assistance Fund - Benefits

- Builds on outcomes of the SAWPA’s Prop 1 IRWM DCI program
- Supports small systems serving DACs in our watershed
- Creates working relationships with communities most in need
- Supports DWRs initiatives for DAC assistance in IRWM regions
- Supports OWOW Plan Update 2018 implementation
- Continues SAWPA’s OWOW leadership role in the region on compelling issues
Recommendation

- Authorize the execution of an agreement between the California Rural Water Association and SAWPA to conduct the implementation of the grant application assistance program for small community water/wastewater systems serving disadvantaged communities in the Santa Ana River Watershed in a phased approach for an amount not-to-exceed $150,000, with Phase I work estimated cost of $25,000 and Phase II up to $125,000 depending on number of project grant applications prepared.
Questions?
GRANT PREPARATION FOR SMALL COMMUNITY SYSTEMS SERVING
DISADVANTAGED COMMUNITIES

AGREEMENT BETWEEN THE

SANTA ANA WATERSHED PROJECT AUTHORITY

AND

CALIFORNIA RURAL WATER ASSOCIATION

This Contract ("Contract") is made between Santa Ana Watershed Project Authority ("SAWPA") and California Rural Water Association ("CRWA"). SAWPA and CRWA may be individually referred to as "Party", and collectively referred to as the "Parties".

WHEREAS, on August 17, 2021 the SAWPA Commission agreed to support the establishment of a grant assistance fund to aid small community water and wastewater systems serving disadvantaged communities in the Santa Ana River Watershed.

WHEREAS, the purpose of the grant assistance fund is to provide support for small systems with chronic issues that lack the staffing and technical expertise to apply for grants.

WHEREAS, the fund will be used to contract support services from CRWA to prepare grant applications for 5-10 ten small systems serving disadvantaged communities (DAC) in the Santa Ana River Watershed in order to secure grant funding from the Proposition 1 Round 2 IRWM Implementation grant program administered by the California Department of Water Resources (DWR).

THEREFORE, based on the foregoing incorporated recitals and in consideration of the mutual covenants and conditions set forth in this Contract, the Parties hereby agree to the following:

SECTION 1. PROJECT DESCRIPTION

The proposed project will entail providing specialized services and background that CRWA has based on past work with SAWPA under the Proposition 1 IRWM Disadvantaged Community Involvement program. Under that program, CRWA conducted a variety of services including components of: 1) Strengths and Needs Assessment, whereby a broad understanding of strengths and needs of watershed communities was gathered to ensure that the insights of community members are honored; 2) Engagement / Education, whereby bridges of familiarity were built between water stakeholders and community members; and 3) Project Development, whereby solutions to previously documented needs within disadvantaged community water management were advanced, and newly discovered water management needs within disadvantaged or underrepresented communities had solutions identified and were given the opportunity to conduct technical assistance to prepare for future implementation funding.

Under the proposed project, CRWA will continue to provide support activities for small water and wastewater community systems in the watershed that consistently lack the staffing and technical expertise to apply for grants by providing grant application support assistance. This work will be undertaken in two phases.

Phase 1 entails reviewing the available resources and potential projects of 13 high need, small community systems in the watershed as identified by CRWA. Upon initial evaluation and coordination with potential small communities about their desired projects, CRWA will participate in a Project Review Committee
(PRC) composed of SAWPA staff and SAWPA member agency staff to evaluate and determine which projects seem most competitive under the One Water One Watershed (OWOW) rating and ranking process including how likely their projects will be effectively constructed, operated and maintained for the life of the project, what percentage of proposed projects serve DACs, political issues that may jeopardize proceeding with projects such as planned unifications with larger water agencies, watershed benefit of the projects, etc. If requested by SAWPA, CRWA will also evaluate two additional small communities serving DACs in the watershed, in addition to the initial 13 to be considered. Assistance would be directed to the most critical water/wastewater systems that do not have the resources available to apply for State grant funds. Based on the feedback and review of the PRC, 5-10 high need small communities projects serving DACs will be identified for the next phase of work.

Phase II of the work will include providing technical, managerial, and financial support resources needed for preparing grant applications for the selected 5-10 small community systems serving DACs. The grant funds could be directed to all types of water-related infrastructure needs including drinking water infrastructure such as pumps, wells, storage reservoirs, water treatment and distribution networks as well as septic to sewer connections, collection systems and wastewater treatment. The grant applications to be prepared by CRWA will need to meet the requirements of SAWPA’s OWOW project selection criteria as well as the CA Dept of Water Resources grant requirements for the Proposition 1 IRWM Round 2 Implementation.

CRWA will serve as the main support liaison in representing the small community agency projects. This will involve the participation of CRWA in the OWOW project selection criteria development as well as attending all OWOW stakeholder participatory budgetary processes which may include preparing and presenting short powerpoint presentations about the recommended projects and providing all necessary project information forms required by SAWPA under its OWOW Prop 1 IRWM Round 2 Implementation Grant Call for Projects. Once a final list of projects are selected for the DAC set-aside funding by SAWPA Governance, CRWA, on behalf of its project proponents, will provide any additional preparation and grant application documentation to ensure that all requirements of DWR as shared in its Proposition 1 IRWM Round 2 Proposal Solicitation Package and Guidelines are met and delivered as needed to SAWPA for compilation and eventual transmittal to DWR.

Project grant applications prepared by CRWA are not guaranteed to be short listed or recommended for grant funding by SAWPA Governance or DWR. Other projects outside this CRWA support effort are still eligible to apply and compete for the Proposition 1 IRWM Round 2 DAC set-aside funding. All small community systems that are not recommended for grant application preparation by CRWA or the PRC can still proceed with applying to SAWPA using their own resources.

SECTION 2. SCOPE OF WORK, DELIVERABLES

CRWA will provide work products and deliverables to SAWPA as outlined below.

Phase I – Small Community Project Review and Evaluation

Task 1 Small Community Project Review
- Identify and communicate with preliminary list of small community systems that serve disadvantaged communities and collect information on their potential projects seeking grant funding
  - **Deliverables:** Summary of potential projects from each community and identification of any issues associated with successful implementation
Task 2: Small Community Project Review Committee (PRC) Support
- Participate and Support PRC’s development of project selection criteria and provide summaries of each potential project.
  - **Deliverables**: Participation in-person or teleconference in PRC meetings (two meetings estimated) to discuss project selection criteria. Provide summaries of each potential project from small communities.
- Prepare recommendations of short list of projects for grant preparation (5-10 small community system projects)
  - **Deliverables**: Report on each small community’s DACs served, availability to staffing and technical resources, proposed project, issues and needs, and benefits of project to the watershed; prepare summary report of potential projects with recommendations for PRC

Phase II – Grant Application Preparation and OWOW/DWR Coordination

Task 3: SAWPA OWOW Project Selection Criteria Development
- Participate and provide input on project selection criteria development as pertaining to the DAC set-aside funding in OWOW Prop 1 IRWM Round 2 Stakeholder meetings
  - **Deliverables**: Support program development, participate in OWOW meetings, provide input about project selection criteria for project seeking DAC set-aside funding under CA Dept of Water Resources Proposition 1 IRWM Round 2 Implementation grant program

Task 4: Project Grant Preparation and Development
- Provide all necessary technical assistance to prepare project documentation for short list of recommended small community projects
- Communicate and collaborate with the small systems on their projects, including assembling project information required for Project Grant preparation.
  - **Deliverables**: Prepare and fill out online OWOW Call for Projects project information for each respective project such as scope of work, detailed cost estimate, schedule, benefits, and related information.

Task 5: OWOW Stakeholder Participatory Budget Process
- Participate in OWOW Prop 1 IRWM Round 2 Implementation Grant Stakeholder meetings pertaining to rating and ranking of proposed projects (three meetings estimated)
  - **Deliverables**: Attendance at the events, provide PowerPoint™ presentations of highest ranked and most competitive projects based on OWOW project selection criteria and ensure availability to answer questions including providing any follow-up documentation that may be requested
- Participate in OWOW Steering Committee and SAWPA Commission Meetings
  - **Deliverables**: Attendance at the meetings, provide PowerPoint™ presentations as necessary

Task 6: DWR Project Deliverables to SAWPA *
- Provide all necessary technical assistance to prepare documentation for recommended small community projects as required by DWR Proposition 1 IRWM Round 2 Implementation Grant Program Proposal Solicitation Package
▪ **Deliverables:** All DWR requirements for DWR Prop 1 IRWM Round 2 grant application program will be documented and provided to SAWPA for compilation into one proposal package to DWR. This project information for each respective project will include detailed scope of work, detailed cost estimate, detailed schedule, and related information. Provide any follow-up documentation that may be requested by DWR.

*Note: If projects proposed under this effort are not selected for funding through the OWOW stakeholder process (see Task 5), this task will not be needed for the projects not selected.)*

**SECTION 3. ESTIMATED ELIGIBLE PROJECT COSTS**

The total cost of the Project is not-to-exceed **one hundred and fifty thousand** ($150,000), subject to all of the terms, provisions, and conditions of this Agreement. The estimated cost for Phase I is $25,000. Phase II will be authorized by the SAWPA General Manager once the final deliverables for Phase I are received and deemed acceptable by SAWPA. The estimated cost for Phase II is up to $125,000, depending on the number of grant applications that would be prepared. Unused funds from Phase I can be carried over for use in Phase II.

**SECTION 4. COMPENSATION**

For all services rendered by CRWA pursuant to this agreement, CRWA shall receive a total not-to-exceed sum of **$150,000**. The estimated cost for Phase I is $25,000. Work on Phase II will not commence until Phase I deliverables are received and accepted and Phase II is authorized by the SAWPA General Manager. The estimated cost for Phase II is up to $125,000 based on preparing 5-10 grant applications. Unused funds from Phase I can be carried over for use in Phase II. Payment for such services shall be made within 30 days upon receipt of timely and proper invoices from CRWA. Each such invoice shall be provided to SAWPA by CRWA within 15 days after the end of the month in which the services were performed. Compensation shall be based upon the regular hourly rates customarily charged by CRWA, as set forth in Exhibit A to this Agreement. CRWA may increase those regular hourly rates upon at least thirty (30) days’ prior written notice to SAWPA.

CRWA shall not be compensated for any services rendered in excess of those authorized by this agreement unless approved in advance by the Commission and General Manager of SAWPA, in writing.

**SECTION 5. PERFORMANCE TIME FRAME**

CRWA shall begin work within five days of the date this Agreement is signed by SAWPA’s General Manager and shall complete performance of such services by or before December 31, 2022. It is estimated that Phase I will be completed 1-2 months after the Agreement is signed. Phase II will commence immediately after Phase I and will continue through the completion of the last task defined in the scope of work and prior to Dec. 31, 2022.

**SECTION 6. SAWPA LIAISON**

Rick Whetsel, Sr. Watershed Manager, shall serve as liaison between SAWPA and CRWA.
SECTION 7. CRWA OBLIGATIONS

7.01 CRWA agrees to perform all assigned services in accordance with the terms and conditions of this Agreement.

7.02 CRWA shall be solely responsible for the health and safety of its employees, agents and subcontractors in performing the services assigned by SAWPA.

7.03 Insurance Coverage: CRWA shall procure and maintain for the duration of this Agreement insurance against claims for injuries or death to persons or damages to property which may arise from or in connection with the performance of the work hereunder and the results of that work by the CRWA, its agents, representatives, employees or sub-contractors.

7.04(a) Coverage - Coverage shall be at least as broad as the following:

1. Commercial General Liability (CGL) - Insurance Services Office (ISO) Commercial General Liability Coverage (Occurrence Form CG 00 01) including products and completed operations, property damage, bodily injury, personal and advertising injury with limit of at least two million dollars ($2,000,000) per occurrence or the full per occurrence limits of the policies available, whichever is greater. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location (coverage as broad as the ISO CG 25 03, or ISO CG 25 04 endorsement provided to SAWPA) or the general aggregate limit shall be twice the required occurrence limit.

2. Automobile Liability – (if necessary) Insurance Services Office (ISO) Business Auto Coverage (Form CA 00 01), covering Symbol 1 (any auto) or if Consultant has no owned autos, Symbol 8 (hired) and 9 (non-owned) with limit of one million dollars ($1,000,000) for bodily injury and property damage each accident.

3. Workers' Compensation Insurance - as required by the State of California, with Statutory Limits, and Employer’s Liability Insurance with limit of no less than $1,000,000 per accident for bodily injury or disease.

If the CRWA maintains broader coverage and/or higher limits than the minimums shown above, SAWPA requires and shall be entitled to the broader coverage and/or higher limits maintained by the CRWA. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to SAWPA.

7.04(b) Verification of Coverage – CRWA shall furnish SAWPA with certificates and amendatory endorsements or copies of the applicable policy language effecting coverage required by this clause. All certificates and endorsements are to be received and approved by SAWPA before work commences. However, failure to obtain the required documents prior to the work beginning shall not waive the CRWA’s obligation to provide them. SAWPA reserves the right to require complete, certified copies of all required insurance policies, including policy Declaration pages and Endorsement pages.

7.05 CRWA will supply all personnel and equipment required to perform the assigned services.

7.06 CRWA shall be solely responsible for the health and safety of its employees, agents and subcontractors in performing the services assigned by SAWPA. CRWA agrees to conform to, and
comply with all applicable health and safety laws and regulations, including the Federal and State
Occupational Safety and Health Act (OSHA) regulations. CRWA assumes complete responsibility and
liability for the safety of its employees, agents and subcontractors, and shall indemnify and hold harmless
SAWPA from any claims, damages, fines, penalties, attorney’s fees and costs arising from any injuries,
damages or claims relating to CRWA’s performance of this Agreement.

7.07 CRWA 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,
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 CRWA. CRWA 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
CRWA’s negligence, recklessness or willful misconduct related to or arising from the performance of the
work required under this Agreement or CRWA’s failure to comply with any of its obligations contained
in this Agreement, except to the extent such loss or damage which was caused by the active negligence or
willful misconduct of SAWPA.

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

SECTION 8. ADDITIONAL SERVICES, CHANGES AND DELETIONS

8.01 During the term of this Agreement, the Commission of SAWPA may, from time to time and
without affecting the validity of this Agreement, order changes, deletions, and additional services by the
issuance of written Agreement Amendments authorized and approved by the Commission of SAWPA.

8.02 In the event CRWA performs additional or different services than those described in this
Agreement or any authorized Agreement Amendment without the prior written approval of SAWPA,
CRWA shall not be compensated for such services.

8.03 CRWA 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.

8.04 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 CRWA 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 this Agreement.

SECTION 9. TERMINATION OF AGREEMENT

9.01 In the event the time specified for completion of an assigned task in this Agreement 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 work and thereupon this Agreement shall automatically terminate
without further notice.
9.02 Notwithstanding any other provision of this Agreement, SAWPA, at its sole option, may terminate this Agreement at any time by giving 10 day written notice to CRWA. Either party may terminate this Agreement upon the material breach of the other party, where such breach is not cured within fourteen (14) days after the non-breaching party provides written notice of the breach to the other party.

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

SECTION 10. CRWA STATUS

10.01 CRWA shall perform the services assigned by SAWPA in CRWA’s own way, in pursuit of CRWA’s independent calling and not as an employee of SAWPA. CRWA shall be under the control of SAWPA only as to the result to be accomplished and the personnel assigned to perform services. However, CRWA shall regularly confer with SAWPA’s liaison as provided for in this Agreement.

10.02 CRWA 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, CRWA represents and warrants that the individual signing this Agreement on behalf of CRWA has the full authority to bind CRWA to this Agreement.

SECTION 11. AUDIT AND OWNERSHIP OF DOCUMENTS

11.01 All draft and final reports, plans, drawings, specifications, data, notes, and all other documents of any kind or nature prepared or developed by CRWA in connection with the performance of services assigned to it by SAWPA are the sole property of SAWPA, and CRWA shall promptly deliver all such materials to SAWPA. CRWA 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 CRWA.

11.02 CRWA shall retain and maintain, for a period not less than four years following termination of this Agreement, all time records, accounting records, certified payroll, 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, CRWA 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.

SECTION 12. MISCELLANEOUS PROVISIONS

12.01 This Agreement supersedes any and all previous agreements, either oral or written, between the parties hereto with respect to the rendering of small community grant preparation services by CRWA 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.

12.02 CRWA 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.

12.03 Time is of the essence in the performance of services required hereunder. CRWA agrees to be bound by the schedule presented as part of this Agreement. Extensions of time within which to perform services may be granted by SAWPA if requested by CRWA 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 CRWA.

12.04 CRWA shall comply with all local, State and Federal laws, rules and regulations including those regarding nondiscrimination and the payment of prevailing wages, if applicable.

12.05 CRWA shall not engage in any other consulting activity that would interfere with the performance of CRWA’s duties under this Agreement or create any conflicts of interest. If required by law, CRWA shall file a Conflict of Interest Statement with SAWPA.

12.06 During the performance of the Agreement, CRWA 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. CRWA and its subcontractors shall insure that the evaluation and treatment of their employees and applicants for employment are free from such discrimination and harassment. CRWA 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. CRWA 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. CRWA shall include the non-discrimination and compliance provisions of this clause in all subcontracts to perform work under the Agreement.

12.07 SAWPA is subject to the provisions listed in the prevailing wage determination made by the Director of Industrial Relations pursuant to California Labor Code, Sections 1770, 1773 and 1773.1. CRWA shall not pay less than the prevailing wage, if applicable to the services to be rendered by CRWA under this Agreement.

12.08 CRWA’s employees, agents and subcontractors shall adhere to, and comply with, the California Drug Free Workplace Act at Government Code, Sections 8350 through 8357.

SECTION 13. COMPLIANCE WITH LAWS AND REGULATIONS

CRWA agrees that it shall, at all times, comply with and require its contractors and subcontractors to comply with all applicable federal and state laws, rules, regulations and guidelines.

SECTION 14. PROJECT ACTIVITIES AND NOTIFICATION

CRWA shall immediately notify SAWPA in writing of:
(1) Any substantial change in the scope, budget, or work performed of the Project. CRWA agrees that no substantial change in the scope of the Project may be undertaken until written notice of the proposed change has been provided to SAWPA, and SAWPA has given written approval for such a change;

(2) Any public or media event publicizing the accomplishments and/or results of this Agreement and provide the opportunity for attendance and participation. CRWA must notify SAWPA at least 20 calendar days prior to the event.

(3) Unscheduled cessation of all work on the Project where such cessation of work is expected to or does continue for a period of 30 calendar days or more;

(4) Any circumstance, combination of circumstances, or condition which is expected to delay project completion for a period of 90 calendar days or more beyond the initial estimated date of completion of the Project previously provided to SAWPA;

SECTION 15. ARBITRATION

Any dispute which may arise by and between SAWPA and the CRWA, including CRWA, its employees, agents and subcontractors, shall be submitted to non-binding mediation with JAMS, with such mediation to occur in Riverside, California, or as the parties may otherwise agree. However, CRWA shall continue to perform as required by the Agreement during any dispute between SAWPA and CRWA. If the dispute is not resolved in that mediation, then the dispute shall be submitted to binding arbitration with JAMS, with such arbitration to occur in Riverside, California, or as the parties may otherwise agree. The arbitrator shall decide each and every dispute in accordance with the laws of the State of California, and all other applicable laws.

SECTION 16. COSTS AND ATTORNEY FEES

In the event of arbitration or litigation between the parties hereto arising from this Agreement, it is agreed that the prevailing party shall be entitled to recover reasonable costs and attorney fees.

SECTION 17. WAIVER

Any waiver of any rights or obligations under this Agreement shall be in writing and signed by CRWA making such waiver, and approved by SAWPA.

SECTION 18. AMENDMENT

This Agreement may be amended at any time by mutual written agreement of the Parties.

SECTION 19. OPINIONS AND DETERMINATIONS

Where the terms of this Agreement provide for action to be based upon the opinion, judgment, approval, review, or determination of either party hereto, such terms are not intended to be and shall never be construed as permitting such opinion, judgment, approval, review, or determination to be arbitrary and capricious.
IN WITNESS THEREOF, the parties have executed this Agreement on the later date set forth below.

SANTA ANA WATERSHED PROJECT
AUTHORITY

Dated: ___________________________ By: ___________________________

Jeffrey J. Mosher
General Manager

CALIFORNIA RURAL WATER
ASSOCIATION

Dated: ___________________________ By: ___________________________

Name: ___________________________
Title: ___________________________
## California Rural Water Association Hourly Rates

<table>
<thead>
<tr>
<th>Employee Name</th>
<th>Classification</th>
<th>Labor Rate ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Belinda Carroll</td>
<td>Technical Specialist</td>
<td>$130</td>
</tr>
<tr>
<td>Dustin Hardwick</td>
<td>Contract/Program Manager</td>
<td>$200</td>
</tr>
<tr>
<td>Holly Alpert</td>
<td>IRWMP Coordinator</td>
<td>$150</td>
</tr>
<tr>
<td>Mohammad Danishyar</td>
<td>Technical Engineer</td>
<td>$105</td>
</tr>
<tr>
<td>Nate Thomas</td>
<td>Lead Principal Engineer</td>
<td>$200</td>
</tr>
<tr>
<td>Nicole Cook</td>
<td>Project Facilitator</td>
<td>$130</td>
</tr>
<tr>
<td>Osmar Macias</td>
<td>Project Engineer</td>
<td>$150</td>
</tr>
<tr>
<td>Ruby Viramontes</td>
<td>Resource Development Coordinator</td>
<td>$105</td>
</tr>
</tbody>
</table>
Memorandum

To: Jeff Mosher, General Manager

From: Mark Norton, P.E. Water Resources & Planning Mgr.

Date: August 18, 2021

Re: Sole Source Justification – California Rural Water Association

In accordance with SAWPA Procurement Policy and Purchasing Authority dated 2-18-2020, all single or sole source procurements of services shall be accompanied by documentation justifying the selection. The non-profit organization, California Rural Water Association (CRWA) is recommended for the work defined in the SAWPA - CRWA Agreement for Grant Support Services for Small Water/Wastewater Communities serving Disadvantaged Communities in the Santa Ana River Watershed, which was approved for funding at the August 17, 2021 SAWPA Commission Meeting, based on the following reasons:

1. The proposed work of aiding small water and wastewater community systems as identified in the Agreement is a unique set of services and skills that CRWA has garnered from working with these community systems over the past three years as part of the SAWPA Disadvantaged Community Involvement Program.

2. The working relationships and trust engendered by CRWA with the preliminarily identified 13 high need small water and wastewater community systems in the Santa Ana River Watershed is vital to the effective implementation of the proposed work in an expedited fashion.

3. CRWA has vast experience with working with small water and wastewater community systems across the State in providing similar grant preparation experience as well as grant administration services and construction management services for water and wastewater infrastructure. This is evidenced by the very successful Mojave Water Agency Small Water Systems Assistance Program wherein services are provided very similarly in that service area to what is anticipated in the Santa Ana River Watershed.

4. CRWA is a non-profit organization that provides such services across the State in a fair and equitable manner and will not be motivated in conducting these services through generation of profits.

5. Due to anticipated short time frame before the CA Dept of Water Resources Prop 1 IRWM Round 2 Implementation Proposal Solicitation Package and corresponding One Water One Watershed (OWOW) Call for Projects are released to the public and the extensive work involved in evaluating potential small community projects and determining their eligibility and competitiveness for potential funding, a sole source agreement is preferred.

In summary, a sole source agreement with CRWA is recommended based on unique services, limited funding, saving time, and to assure successful implementation of all defined tasks of the scope of work.

Approval:_________________________________
Jeff Mosher, General Manager
July 26, 2021

Board of Commissioners
Santa Ana Watershed Project Authority
Riverside, CA

We are engaged to audit the financial statements of the business-type activities and aggregate remaining fund information of the Santa Ana Watershed Project Authority (the “Authority”) for the year ended June 30, 2021. Professional standards require that we provide you with the following information related to our audit. We would also appreciate the opportunity to meet with you to discuss this information further since a two-way dialogue can provide valuable information for the audit process.

Our Responsibilities under U.S. Generally Accepted Auditing Standards and Government Auditing Standards

As stated in our engagement letter dated April 28, 2021, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

Our responsibility is to plan and perform the audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement.

As part of our audit, we will consider the internal control of the Authority. Such considerations will be solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures specifically to identify such matters.

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will also perform tests of the Authority’s compliance with certain provisions of laws, regulations, contracts, and grants. However, providing an opinion on compliance with those provisions is not an objective of our audit.

Generally accepted accounting principles provide for certain required supplementary information (RSI) to supplement the basic financial statements. Our responsibility with respect to management’s discussion and analysis, schedule of proportionate share of the net pension liability, schedule of contributions - pension, schedule of changes in net OPEB liability and related ratios and schedule of contributions - OPEB which supplement the basic financial statements, is to apply certain limited procedures in accordance with generally accepted auditing standards. However, the RSI will not be audited and, because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance, we will not express an opinion or provide any assurance on the RSI.
We have not been engaged to report on the transmittal letter, other introductory section information, combining schedules for enterprise, capital projects, and agency funds, which accompany the financial statements but are not RSI. Our responsibility with respect to this other information in documents containing the audited financial statements and auditor’s report does not extend beyond the financial information identified in the report. We have no responsibility for determining whether this other information is properly stated. This other information will not be audited and we will not express an opinion or provide any assurance on it.

As part of the audit, we will assist with the preparation of the financial statements and related notes and reports to the State Controller. However, this assistance does not constitute an audit under Government Auditing Standards and is considered nonaudit services. Management is responsible for overseeing and accepting responsibility for these services.

Planned Scope, Timing of the Audit, and Other

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested.

Our audit will include obtaining an understanding of the Authority and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Material misstatements may result from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the Authority or to acts by management or employees acting on behalf of the Authority. We will generally communicate our significant findings at the conclusion of the audit. However, some matters could be communicated sooner, particularly if significant difficulties are encountered during the audit where assistance is needed to overcome the difficulties or if the difficulties may lead to a modified opinion. We will also communicate any internal control related matters that are required to be communicated under professional standards.

We expect to begin our final audit fieldwork on approximately September 2021 and expect to issue our report approximately in November 2021. Joshua Calhoun is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it.

This information is intended solely for the use of the Board of Commissioners and management of the Santa Ana Watershed Project Authority and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

[Signature]

Teaman, Ramirez & Smith, Inc.