

LAKE ELSINORE & SAN JACINTO WATERSHEDS AUTHORITY

AGENDA

BOARD OF DIRECTORS MEETING

ELSINORE VALLEY MUNICIPAL WATER DISTRICT

31315 Chaney Street
Lake Elsinore, California 92531
951.674.3146 (EVMWD) / 951.354.4220 (LESJWA)

Thursday, October 16, 2014 – 4:00p.m.

CALL TO ORDER/PLEDGE OF ALLEGIANCE (Chair Robert Magee)

ROLL CALL: ☐SAWPA ☐EVMWD ☐CITY OF LAKE ELSINORE ☐CITY OF CANYON LAKE
☐COUNTY OF RIVERSIDE

PUBLIC COMMENTS:

Members of the public may address the Board on any item within the Board's jurisdiction; however, no action may be taken on an item appearing on the agenda unless the action is otherwise authorized by Subdivision (b) Section 54954.2 of the Government Code. Members of the public are requested to provide a public comment notice card to the Board Secretary prior to the Board meeting in order to speak. The public is given a maximum of five minutes to speak on an issue following discussion of an agenda item.

Materials related to items on this Agenda submitted to the Board after distribution of the agenda packet, are available to the public during regular business hours at the Authority's office: 11615 Sterling Avenue, Riverside, CA 92503.

Any person with a disability who requires accommodation in order to participate in this meeting may contact LESJWA Board Secretary, Dawna Munson at 951.354.4247, at least 48 hours prior to the meeting to request a disability-related modification.

CONSENT CALENDAR

Consent Calendar items are considered routine and non-controversial, to be acted upon by the Board at one time without discussion. If a Board member, staff member, or interested person requests that an item be removed from the Consent Calendar, the request will become the first item of business on the agenda.

- 1.0** **MINUTES**.....3
RECOMMENDATION: Approve the Minutes of the Board of Directors meeting held June 19, 2014.
- 1.1** **TREASURER'S REPORTS**.....9
RECOMMENDATION: Receive and file financial statements from April – August 2014.
- 1.2** **COMMITTEE STATUS REPORT/MEETING NOTES**.....39
RECOMMENDATION: Receive and file the status report/meeting notes from the Education and Outreach Committee meetings held on April 14, 2014 and August 14, 2014.

End of Consent Calendar

- 2.0 LESJWA BUSINESS PLAN UPDATE (Memo 753).....43**
RECOMMENDATION: Approve the 2014 LESJWA Business Plan Update and direct staff to implement recommendations contained therein as necessary to secure sustainable funding for LESJWA's operations.
- 3.0 OWOW 2.0 PLAN ADOPTION (Memo 754).....69**
RECOMMENDATION: Adopt LESJWA Resolution 2014-02 for the SAWPA Integrated Regional Water Management Plan (One Water One Watershed – OWOW 2.0 Plan) in order to meet the SAWPA and DWR requirements for grant funding under the CA DWR Proposition 84 IRWM Implementation Grant Program.
- 4.0 SAWPA/LESJWA AGREEMENT FOR PROP 84 IRWM GRANT FUNDS (Memo 755).....95**
RECOMMENDATION: Approve the SAWPA-LESJWA Agreement to provide grant funding from CA DWR's Proposition 84 IRWM Implementation Grant Program, administered through the Santa Ana Watershed Project Authority, for the Canyon Lake Hybrid Treatment Process project (Canyon Lake Alum Project).
- 5.0 CANYON LAKE ALUM APPLICATION STATUS REPORT (Memo 756).....111**
RECOMMENDATION: Receive and file a status report for the recent third Canyon Lake alum application with Aquatechnex.
- 6.0 LAKE ELSINORE/CANYON LAKE TMDL TASK FORCE (Memo 757).....113**
RECOMMENDATION: Receive and file a status report on the Lake Elsinore/Canyon Lake TMDL Task Force.
- 7.0 ADMINISTRATOR'S COMMENTS**
- 8.0 DIRECTORS' COMMENTS**
- 9.0 ADJOURN**

NEXT BOARD OF DIRECTORS MEETING: Thursday, Dec. 18, 2014 at 4:00 p.m.

**MINUTES OF THE
REGULAR BOARD OF DIRECTORS MEETING
OF THE
LAKE ELSINORE & SAN JACINTO WATERSHEDS AUTHORITY**

June 19, 2014

DIRECTORS PRESENT

Robert Magee, Chair
Nancy Horton
Kevin Jeffries
Phil Williams
Tom Evans

REPRESENTING

City of Lake Elsinore
City of Canyon Lake
County of Riverside
Elsinore Valley Municipal Water District
Santa Ana Watershed Project Authority

OTHERS PRESENT

Steve Horn
Jason Uhley
Rick Bishop
Philip Southard

County of Riverside
Riverside County Flood Control & WCD
Western Riverside County Council of Governments
O'Reilly Public Relations

LESJWA STAFF PRESENT

Mark Norton, Authority Administrator
Dawna Munson, Clerk of the Board

The Regular Board of Directors meeting of the Lake Elsinore and San Jacinto Watersheds Authority was called to order at 4:00 p.m., by Chair Robert Magee at the Elsinore Valley Municipal Water District, located at 31315 Chaney Street, Lake Elsinore, California. Chair Magee asked for roll call. A quorum was noted present with representation from all five member agencies.

Chair Magee asked if there are any comments from members of the public wishing to address the Board on matters within its jurisdiction. There were no public comments.

1.0: CONSENT CALENDAR

Upon motion by Director Williams, seconded by Director Evans, the motion unanimously carried,

2014/6-1

MOVED, approval of the Consent Calendar including the 4-17-2014 Board Meeting Minutes, and the Treasurer's Report from March 2014.

with the following vote:

Ayes:	Evans, Horton, Jeffries, Magee, Williams
Noes:	None
Absent:	None
Abstain:	None

2.0: LESJWA GOVERNANCE (Memo #747)

Mark Norton said this is a follow-up from a Board meeting discussion in April about LESJWA governance, and the potential for merging with Western Riverside Council of Governments (WRCOG). The question previously posed to this Board was whether it is now time to re-evaluate the JPA structure, particularly with regard to gaining financial stability. In reviewing some of the things that transpired due to our budget discussions, two representatives stated their agencies would increase supporting funds, and the RCFC&WCD indicated they may

have an interest in supporting LESJWA as well. This funding adds up to \$100,000, which about matches LESJWA's expenses. He discussed how LESJWA has been aggressive in bringing down its costs to a very lean level.

Mr. Norton reviewed via PowerPoint the LESJWA organization chart and SAWPA's staff time for LESJWA, which is less than a quarter of his time and a small fraction of time for finance and clerical support; the benefits to SAWPA such as LESJWA being part of the Santa Ana River Watershed, and LESJWA providing legislative and outreach support. He noted that the majority of costs associated with LESJWA in the overall budget is through the LE/CL Task Force. The Task Force is key for LESJWA, currently composed of 22 agencies. The Task Force conducts a lot of monitoring analysis and studies, and some implementation that is all toward TMDL compliance.

LESJWA's business plan had been implemented in 2010, and it broached the idea of other members joining on, particularly those in the upper watershed. It would bring additional funds and give those agencies a voice. At the request of Supervisor Jeffries, both staff and Supervisor Jeffries reached out to WRCOG to request that they consider this issue. Rick Bishop of WRCOG also had provided a presentation to their Administration and Finance Committee to discuss a potential role for WRCOG in LESJWA. Mr. Norton provided some information about WRCOG and its member cities, the committee structure, that water supply is one of their working issues, and what value WRCOG potentially could add.

He next reviewed the options as prepared by Rick Bishop: 1) no WRCOG involvement in the LESJWA JPA; 2) expand membership of the JPA without WRCOG; 3) expand the membership of the JPA and WRCOG administers the activities—in essence, assumes the role SAWPA plays in support of the JPA; and 4) LESJWA disbands and WRCOG assumes all LESJWA activities. Other issues that may arise are how the other Task Force entities would be represented through WRCOG, and whether there would be overlap of memberships. Per the Board's request, he also spoke to some other upper watershed entities. Going to WRCOG and making a presentation may be the next step.

Rick Bishop, Executive Director with WRCOG addressed the Board. He informed them that he has met with WRCOG's Administration and Finance Committee, which is a subset of their Executive Committee, to give them a general idea about the LESJWA/WRCOG proposal. Their feedback about the proposal was positive and they saw potential in the idea. He reviewed the approach that he took to discuss the idea and gain input. He has received very good feedback on Option 3. The reason their board members and others he spoke with like that role is that there are some economies of scale there and increased communication flow; the committee structure that WRCOG has in place can be advantageous to pursuing issues that are important to LESJWA over a great number of jurisdictions. He briefly discussed the committees. In brief, the direction he received from the Administration and Finance Committee is to keep moving along with this, discuss it with key people, and gain a sense of the pros and cons and challenges.

Director Williams said one of the larger challenges would be giving up control from this organization—it's a tough prospect, but it doesn't mean the answer is no. He further said WRCOG could bring over their expertise; they can be a good fit on this Board without some of the other changes discussed. He suggested discussing with SAWPA whether that's something they would entertain.

In responding to Director Williams' comment regarding giving up control, Chair Magee said there are three members here who have veto power and that is a unique characteristic. He doesn't see anyone wanting release that after LESJWA worked so hard to get where it is today.

Director Horton questioned it being a good match in that we're only about water issues. The TMDL is made up of various entities that aren't represented by WRCOG. Conversely, there are many in WRCOG who are not in the Santa Ana River Watershed. She believes this is really important, and people who are interested in water generally seem to have more passion for it than typical councils. Further, there are some things we can do together, but she sees a role for including other cities in LESJWA because of the cost for being on the TMDL; some don't have any representation. She sees a role for having other cities that are a subset of our watershed; those that have a devout interest in it.

Chair Magee stated that Mark Norton will reach out to WRCOG and see about gathering those cities that are a part of the TMDL, but don't have representation here.

Rick Bishop commented that in talking about the single purpose nature of LESJWA, WRCOG has taken a great interest in water supply and clean water, and sees water as being one large piece of an economical context. There is a great benefit in being a part of that larger picture.

Director Evans said that SAWPA sometimes has questioned why it's a part of LESJWA. We need to keep the objective in mind – the two lakes where everything flows into. The idea is to have someone from WRCOG become a member of this Board, and LESJWA stays where it is. He suggested that Rick Bishop and Mark Norton discuss the four options presented and work their way down the list. The first step would be to have WRCOG join on. The process would be to discuss it with the TMDL Task Force members and get input.

Director Evans added that we also cannot downplay the technical relationship with the State Board, which trusts this process because of Mark Norton; that relationship must continue to thrive. He reiterated the importance of keeping LESJWA's goals at the forefront.

Director Jeffries commented there may be a misrepresentation in Option 3; bringing on WRCOG wasn't to reduce costs. It all kicked off because the Board had discussed bringing on other agencies in the upper watershed. The goals of WRCOG are different from the focus of this group. It probably is best for SAWPA to oversee all those agencies if we're going to grow it; maybe this organization is good for 3-4 years.

Director Williams questioned how to best mingle the TMDL Task Force with this Board; perhaps quarterly. By including the Task Force, it broadens our scope and brings the inclusion of those who pay the bills. It's good for everyone to have a clear picture and see the reasons for spending their money.

Director Horton said perhaps the City Managers could have a meeting with WRCOG, and then the Managers could inform their Councils. Get the City Managers to understand LESJWA's goals; pull them together and provide updates.

Director Evans suggested having the Public Works Directors as well; it's a foot in the door. He further suggested updating the LESJWA Business Plan because it describes the essence of why LESJWA exists. He added that perhaps it would be good to get the public works' Technical Advisory Committees engaged as well. The vehicle for this could be updating the Business Plan.

Chair Magee summarized that the Board is asking that Mark Norton and Rick Bishop continue to work together with the list of ideas presented today, and provide an update at the next meeting as to steps taken between now and then. The idea of updating the business plan also has merit. Ultimately, having these two groups working together and communicating is a positive thing.

3.0: REGULATORY STRATEGIST/TMDL COMPLIANCE SUPPORT SERVICES (Memo #748)

Mark Norton reviewed the recommendation.

Upon motion by Director Evans, seconded by Director Williams, the motion unanimously carried,

2014/6-2

MOVED, approval of Task Order No. RISK160-08 with Risk Sciences in the amount of \$52,160, for Compliance Expert services for the Lake Elsinore and Canyon Lake TMDL Task Force.

with the following vote:

Ayes:	Evans, Horton, Jeffries, Magee, Williams
Noes:	None
Absent:	None
Abstain:	None

4.0: WATERSHED WIDE NUTRIENT TMDL MONITORING PROGRAM (Memo #749)

Mark Norton briefly reviewed the recommendation.

Upon motion by Director Jeffries, seconded by Director Evans, the motion unanimously carried,

2014/6-3

MOVED, approval of Task Order No. WES160-04 in the amount of \$67,429 for San Jacinto Watershed-wide Nutrient TMDL Monitoring.

with the following vote:

Ayes: Evans, Horton, Jeffries, Magee, Williams

Noes: None

Absent: None

Abstain: None

5.0: LESJWA EDUCATION AND OUTREACH PROGRAM (Memo 750)

Mark Norton reviewed the recommendation and scope of work attached to the task order.

Upon motion by Director Jeffries, seconded by Director Williams, the motion unanimously carried,

2014/6-4

MOVED, approval of Task Order No. OREIL477-13 in the amount of \$17,000 for Education and Outreach Consulting Services.

with the following vote:

Ayes: Evans, Horton, Jeffries, Magee, Williams

Noes: None

Absent: None

Abstain: None

6.0: WATER QUALITY MODELING AND STUDIES FOR LAKE ELSINORE AND CANYON LAKE (Memo #751)

Mark Norton said this item is to bring on foremost expert, Dr. Michael Anderson of UC Riverside, for water quality modeling and studies in Lake Elsinore and Canyon Lake, in support of the nutrient TMDL assessment. His work is to answer some key questions as laid out in the scope of work, which is very valuable as we seek compliance with the TMDLs. This has been reviewed by the TMDL Task Force, and it is unanimous that Dr. Anderson continues this work.

Upon motion by Director Horton, seconded by Director Williams, the motion unanimously carried,

2014/6-5

MOVED, approval of Task Order No. UCR160-02 with The Regents of the University of California, Riverside in the not-to-exceed amount of \$121,000 to conduct water quality modeling and studies for Lake Elsinore and Canyon Lake in support of Nutrient TMDL and Assessment.

with the following vote:

Ayes: Evans, Horton, Jeffries, Magee, Williams

Noes: None

Absent: None

Abstain: None

7.0: ADMINSTRATOR'S COMMENTS

Mark Norton said the Water Summit had a very good turn out and it was a success overall. Staff will continue to learn from what works and what may be done better in order to increase the attendance of these meetings.

8.0: DIRECTORS' COMMENTS

Director Williams thanked Rick Bishop for his time in meeting with him, and for attending today's meeting.

Director Horton mentioned that it would be good to get a sponsor or two to help defray the cost of the Water Summit. She also noted that it would be great if all the LESJWA Board members could attend future LESJWA Summits. There were outstanding speeches this year, and Tim Moore was particularly informative.

Director Evans asked about the plan for replacing Pat Kilroy at the City of Lake Elsinore. Chair Magee said the new Public Works Director will take over maintenance of the lake, while the City is recruiting for someone to perform the community aspect of it. Pat Kilroy had an enormous skill set so it's tough to find someone to fill that role. Director Evans suggested that perhaps Mark Norton could meet with the Public Works Director to provide some information, answer questions, etc. The Board concurred.

As there was no further business, Chair Magee adjourned the meeting at 5:16 p.m.

APPROVED: October 16, 2014

Robert Magee, Chair

LAKE ELSINORE & SAN JACINTO WATERSHEDS AUTHORITY
CASH FLOW STATEMENT
AS OF 08/31/14

Balance as of 07/31/14 \$ 456,310.70

Funds Received

Deposits:

City of Canyon Lake - Member Contribution	10,000.00
City of Canyon Lake - TMDL Contribution	34,863.00
Eastern Municipal Water District - TMDL Contribution	16,225.00
City of Hemet - TMDL Contribution	25,510.00
City of San Jacinto - TMDL Contribution	24,280.00
County of Riverside - TMDL Contribution	36,469.00
Elsinore Valley MWD - Member Contribution	20,000.00
City of Perris - TMDL Contribution	26,739.00
SAWPA - Member Contribution	10,000.00
City of Riverside - TMDL Contribution	24,280.00

Open - Grant Invoices

N/A

\$ -

Open - Member & Other Contributions

City of Lake Elsinore - Member Contribution	\$ 20,000.00
EVMWD - TMDL Contribution	16,225.00
City of Murrieta - TMDL Contribution	24,280.00
Total Due LESJWA	\$ 60,505.00

Disbursement List - August 2014

(21,531.63)

Funds Available as of 08/31/14

\$ 663,145.07

Funds Available:

Checking	\$ 104,951.35
LAIF	\$ 558,193.72
Total	\$ 663,145.07

Lake Elsinore San Jacinto Watersheds Authority
LE/CL TMDL Invoice History
FYE 2009 - 2015

Agency	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15
March ARB	10,000.00	10,000.00	10,000.00	10,000.00	13,050.00	12,500.00	35,226.00
CalTrans	10,000.00	10,000.00	10,000.00	10,000.00	13,050.00	12,500.00	28,656.00
City of Beaumont	2,957.00	3,940.00	4,719.53	3,900.00	1,865.00	19,263.00	24,280.00
City of Canyon Lake	3,670.00	4,890.00	4,109.46	3,396.00	644.00	18,389.00	34,863.00
City of Hemet	22,308.00	29,723.00	27,460.77	22,696.00	6,286.00	18,175.00	25,510.00
City of Lake Elsinore	21,403.00	67,782.00	89,889.28	73,133.00	-	19,381.00	30,580.00
City of Menifee	-	-	24,752.77	20,458.00	23,649.00	44,155.00	55,821.00
City of Moreno Valley	50,638.00	67,469.00	63,546.31	52,520.00	15,425.00	103,565.00	113,058.00
City of Murrieta	2,006.00	2,673.00	786.96	650.00	-	12,426.00	24,280.00
City of Perris	15,000.00	19,985.00	20,060.94	16,580.00	5,752.00	18,869.00	26,739.00
City of Riverside	2,071.00	2,759.00	3,587.28	2,965.00	1,575.00	17,641.00	24,280.00
City of San Jacinto	9,565.00	12,744.00	13,470.59	11,133.00	4,315.00	19,487.00	24,280.00
City of Wildomar	-	-	4,668.93	3,859.00	4,461.00	8,307.00	19,528.00
County of Riverside	57,352.00	76,415.00	39,829.77	32,919.00	-	30,165.00	36,469.00
Dept of Fish and Game	10,000.00	10,000.00	10,000.00	10,000.00	13,050.00	12,500.00	24,570.00
Eastern Municipal Water District	10,000.00	10,000.00	10,000.00	10,000.00	13,050.00	12,500.00	16,225.00
Elsinore Valley Municipal Water District	13,656.00	57,460.00	75,294.20	61,070.00	-	12,500.00	16,225.00
March JPA	10,000.00	10,000.00	10,000.00	10,000.00	13,050.00	12,500.00	24,485.00
San Jacinto Agricultural Operators *	159,074.00	-	-	143,320.00	28,278.00	12,500.00	47,549.00
San Jacinto Dairy & CAFO Operators *	41,634.00	37,252.80	25,000.00	10,000.00	10,211.00	12,500.00	16,225.00
Total	451,334.00	433,092.80	447,176.79	508,599.00	167,711.00	429,823.00	648,849.00
Total Paid Contributions	451,334.00	433,092.80	447,176.79	379,290.00	167,711.00	429,823.00	292,645.00
Total Outstanding Contributions	-	-	-	129,309.00	-	-	356,204.00

Total Outstanding Contributions

March ARB	-	-	-	-	-	-	35,226.00
CalTrans	-	-	-	-	-	-	28,656.00
City of Beaumont	-	-	-	-	-	-	24,280.00
City of Lake Elsinore	-	-	-	-	-	-	30,580.00
City of Menifee	-	-	-	-	-	-	55,821.00
City of Moreno Valley	-	-	-	-	-	-	113,058.00
City of Wildomar	-	-	-	-	-	-	19,528.00
Dept of Fish and Game	-	-	-	-	-	-	24,570.00
March JPA	-	-	-	-	-	-	24,485.00
Total Outstanding All Years	-	-	-	-	-	-	356,204.00

Lake Elsinore/San Jacinto Watershed Authority
Statement of Net Assets
For the Two Months Ending Sunday, August 31, 2014

Assets

Checking - Citizens	\$104,951.35
L.A.I.F.	558,193.72
Accounts Receivable	60,505.00
Prepaid Insurance	2,068.00
Total Assets	<u>\$725,718.07</u>

Liabilities

Accounts Payable	<u>14,515.01</u>
Total Liabilities	<u>\$14,515.01</u>

Retained Earnings	453,999.74
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Excess Revenue over (under) Expenditures	<u>\$257,203.32</u>
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Total Net Assets	<u>\$711,203.06</u>
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Total Liabilities and Net Assets	<u>\$725,718.07</u>
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Lake Elsinore/San Jacinto Watershed Authority
Revenues, Expenses and Changes in Net Assets
For the Two Months Ending Sunday, August 31, 2014

	Period Actual	YTD Actual	Annual Budget	% Used	Budget Variance
Revenues					
State Grant Proceeds	\$0.00	\$0.00	\$210,148.00	0.00%	\$210,148.00
LAIF Interest	0.00	0.00	800.00	0.00%	800.00
Member Agency Contributions	0.00	147,557.00	70,000.00	210.80%	(77,557.00)
Other Agency Contributions	0.00	141,314.00	444,744.00	31.77%	303,430.00
Total Revenues	\$0.00	\$288,871.00	\$725,692.00	39.81%	\$436,821.00
Expenses					
Salaries - Regular	4,479.27	8,348.63	55,253.00	15.11%	46,904.37
Payroll Burden	2,055.98	3,832.02	25,363.00	15.11%	21,530.98
Overhead	7,027.97	13,099.00	86,692.00	15.11%	73,593.00
Audit Fees	0.00	1,000.00	5,500.00	18.18%	4,500.00
Consulting - General	951.79	5,225.68	569,634.00	0.92%	564,408.32
Legal Fees	0.00	0.00	1,500.00	0.00%	1,500.00
Meeting & Conference Expense	0.00	0.00	100.00	0.00%	100.00
Shipping & Postage	0.00	0.00	50.00	0.00%	50.00
Office Supplies	0.00	162.35	60.00	270.58%	(102.35)
Other Expense	0.00	0.00	50.00	0.00%	50.00
Insurance Expense	0.00	0.00	2,572.00	0.00%	2,572.00
Interest Expense	0.00	0.00	50.00	0.00%	50.00
Total Expenditures	\$14,515.01	\$31,667.68	\$746,824.00	4.24%	\$715,156.32
Excess Revenue over (under) Expenditures	(\$14,515.01)	\$257,203.32	(\$21,132.00)	-1217.13%	(\$278,335.32)

Lake Elsinore San Jacinto Watersheds Authority
Revenues, Expenses and Changes in Net Assets by Project
For the Month Ending August 31, 2014

	JPA Administration	TMDL Task Force	Total	Budget	% Used	Budget Variance
Revenues						
State Grant Proceeds	\$ -	\$ -	\$ -	\$ 210,148.00	0.00%	\$ 210,148.00
LAIF Interest	-	-	-	800.00	0.00%	800.00
Member Agency Contributions	40,000.00	107,557.00	147,557.00	70,000.00	210.80%	(77,557.00)
Other Agency Contributions	-	141,314.00	141,314.00	444,744.00	31.77%	303,430.00
Total Revenues	\$ 40,000.00	\$ 248,871.00	\$ 288,871.00	\$ 725,692.00	39.81%	\$ 436,821.00
Expenditures						
Salaries	\$ 3,217.17	\$ 5,131.46	\$ 8,348.63	\$ 55,253.00	15.11%	\$ 46,904.37
Benefits	1,476.68	2,355.34	3,832.02	25,363.00	15.11%	21,530.98
G&A Allocation	5,047.74	8,051.26	13,099.00	86,692.00	15.11%	73,593.00
Audit Fees	1,000.00	-	1,000.00	5,500.00	18.18%	4,500.00
Consulting	1,316.30	3,909.38	5,225.68	569,634.00	0.92%	564,408.32
Studies	-	-	-	-	0.00%	-
Other Contract Services	-	-	-	-	0.00%	-
Legal Fees	-	-	-	1,500.00	0.00%	1,500.00
Project Construction	-	-	-	-	0.00%	-
Meeting & Conference Expense	-	-	-	100.00	0.00%	100.00
Office Expense	162.35	-	162.35	110.00	147.59%	(52.35)
Board Compensation	-	-	-	-	0.00%	-
Other Expense	-	-	-	50.00	0.00%	50.00
Insurance Expense	-	-	-	2,572.00	0.00%	2,572.00
Interest Expense	-	-	-	50.00	0.00%	50.00
Total Expenditures	\$ 12,220.24	\$ 19,447.44	\$ 31,667.68	\$ 746,824.00	4.24%	\$ 715,156.32
Excess Revenue over (under) Expenditures	\$ 27,779.76	\$ 229,423.56	\$ 257,203.32	\$ (21,132.00)	-1217.13%	\$ (278,335.32)
 Cash Balance @ 08/31/14	 \$ 55,588.60	 \$ 607,556.47	 \$ 663,145.07			

**Lake Elsinore San Jacinto
Watersheds Authority
Disbursements
August 31, 2014**

Check #	Check Date	Type	Vendor	Check Amount
1749	8/22/2014	CHK	MWH Americas, Inc.	\$ 4,207.44
1750	8/22/2014	CHK	White Nelson Diehl Evans LLP	\$ 1,000.00
1751	8/22/2014	CHK	Printing Connection, Inc.	\$ 162.35
1752	8/22/2014	CHK	O'Reilly Public Relations	\$ 364.51
EFT036	8/22/2014	CHK	Haley & Aldrich Inc	\$ 4,073.25
EFT037	8/22/2014	CHK	Santa Ana Watershed Project Authority	\$ 11,724.08

Total Disbursements August 2014

\$ 21,531.63

LAKE ELSINORE & SAN JACINTO WATERSHEDS AUTHORITY
CASH FLOW STATEMENT
AS OF 07/31/14

Balance as of 06/30/14 \$ 488,286.19

Funds Received

Deposits:

LAIF Interest 289.53

Open - Grant Invoices

N/A

Open - Member & Other Contributions

	\$ -
City of Canyon Lake - Member Contribution	\$ 10,000.00
Elsinore Valley MWD - Member Contribution	20,000.00
SAWPA - Member Contribution	10,000.00
City of Lake Elsinore - Member Contribution	20,000.00
City of Canyon Lake - TMDL Contribution	34,863.00
Eastern Municipal Water District - TMDL Contribution	16,225.00
City of Hemet - TMDL Contribution	25,510.00
City of San Jacinto - TMDL Contribution	24,280.00
County of Riverside - TMDL Contribution	36,469.00
City of Riverside - TMDL Contribution	24,280.00
City of Perris - TMDL Contribution	26,739.00
EVMWD - TMDL Contribution	16,225.00
City of Murrieta - TMDL Contribution	24,280.00
Total Due LESJWA	\$ 288,871.00

Disbursement List - July 2014

(32,265.02)

Funds Available as of 07/31/14

\$ 456,310.70

Funds Available:

Checking \$ (1,883.02)

LAIF \$ 458,193.72

Total **\$ 456,310.70**

Lake Elsinore San Jacinto Watersheds Authority
LE/CL TMDL Invoice History
FYE 2009 - 2015

Agency	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15
March ARB	10,000.00	10,000.00	10,000.00	10,000.00	13,050.00	12,500.00	35,226.00
CalTrans	10,000.00	10,000.00	10,000.00	10,000.00	13,050.00	12,500.00	28,656.00
City of Beaumont	2,957.00	3,940.00	4,719.53	3,900.00	1,865.00	19,263.00	24,280.00
City of Canyon Lake	3,670.00	4,890.00	4,109.46	3,396.00	644.00	18,389.00	34,863.00
City of Hemet	22,308.00	29,723.00	27,460.77	22,696.00	6,286.00	18,175.00	25,510.00
City of Lake Elsinore	21,403.00	67,782.00	89,889.28	73,133.00	-	19,381.00	30,580.00
City of Menifee	-	-	24,752.77	20,458.00	23,649.00	44,155.00	55,821.00
City of Moreno Valley	50,638.00	67,469.00	63,546.31	52,520.00	15,425.00	103,565.00	113,058.00
City of Murrieta	2,006.00	2,673.00	786.96	650.00	-	12,426.00	24,280.00
City of Perris	15,000.00	19,985.00	20,060.94	16,580.00	5,752.00	18,869.00	26,739.00
City of Riverside	2,071.00	2,759.00	3,587.28	2,965.00	1,575.00	17,641.00	24,280.00
City of San Jacinto	9,565.00	12,744.00	13,470.59	11,133.00	4,315.00	19,487.00	24,280.00
City of Wildomar	-	-	4,668.93	3,859.00	4,461.00	8,307.00	19,528.00
County of Riverside	57,352.00	76,415.00	39,829.77	32,919.00	-	30,165.00	36,469.00
Dept of Fish and Game	10,000.00	10,000.00	10,000.00	10,000.00	13,050.00	12,500.00	24,570.00
Eastern Municipal Water District	10,000.00	10,000.00	10,000.00	10,000.00	13,050.00	12,500.00	16,225.00
Elsinore Valley Municipal Water District	13,656.00	57,460.00	75,294.20	61,070.00	-	12,500.00	16,225.00
March JPA	10,000.00	10,000.00	10,000.00	10,000.00	13,050.00	12,500.00	24,485.00
San Jacinto Agricultural Operators *	159,074.00	-	-	143,320.00	28,278.00	12,500.00	47,549.00
San Jacinto Dairy & CAFO Operators *	41,634.00	37,252.80	25,000.00	10,000.00	10,211.00	12,500.00	16,225.00
Total	451,334.00	433,092.80	447,176.79	508,599.00	167,711.00	429,823.00	648,849.00
Total Paid Contributions	451,334.00	433,092.80	447,176.79	379,290.00	167,711.00	429,823.00	292,645.00
Total Outstanding Contributions	-	-	-	129,309.00	-	-	356,204.00

Total Outstanding Contributions

March ARB	-	-	-	-	-	-	35,226.00
CalTrans	-	-	-	-	-	-	28,656.00
City of Beaumont	-	-	-	-	-	-	24,280.00
City of Lake Elsinore	-	-	-	-	-	-	30,580.00
City of Menifee	-	-	-	-	-	-	55,821.00
City of Moreno Valley	-	-	-	-	-	-	113,058.00
City of Wildomar	-	-	-	-	-	-	19,528.00
Dept of Fish and Game	-	-	-	-	-	-	24,570.00
March JPA	-	-	-	-	-	-	24,485.00
Total Outstanding All Years	-	-	-	-	-	-	356,204.00

Lake Elsinore/San Jacinto Watershed Authority
Statement of Net Assets
For the One Month Ending Thursday, July 31, 2014

Assets

Checking - Citizens	(\$1,883.02)
L.A.I.F.	458,193.72
Accounts Receivable	288,871.00
Prepaid Insurance	2,068.00
Total Assets	<u>\$747,249.70</u>

Liabilities

Accounts Payable	<u>21,531.63</u>
Total Liabilities	<u>\$21,531.63</u>

Retained Earnings	453,999.74
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Excess Revenue over (under) Expenditures	<u>\$271,718.33</u>
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Total Net Assets	<u>\$725,718.07</u>
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Total Liabilities and Net Assets	<u>\$747,249.70</u>
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Lake Elsinore/San Jacinto Watershed Authority
Revenues, Expenses and Changes in Net Assets
For the One Month Ending Thursday, July 31, 2014

	Period Actual	YTD Actual	Annual Budget	% Used	Budget Variance
Revenues					
State Grant Proceeds	\$0.00	\$0.00	\$210,148.00	0.00%	\$210,148.00
LAIF Interest	0.00	0.00	800.00	0.00%	800.00
Member Agency Contributions	147,557.00	147,557.00	70,000.00	210.80%	(77,557.00)
Other Agency Contributions	141,314.00	141,314.00	444,744.00	31.77%	303,430.00
Total Revenues	\$288,871.00	\$288,871.00	\$725,692.00	39.81%	\$436,821.00
Expenses					
Salaries - Regular	3,869.36	3,869.36	55,253.00	7.00%	51,383.64
Payroll Burden	1,776.04	1,776.04	25,363.00	7.00%	23,586.96
Overhead	6,071.03	6,071.03	86,692.00	7.00%	80,620.97
Audit Fees	1,000.00	1,000.00	5,500.00	18.18%	4,500.00
Consulting - General	4,273.89	4,273.89	569,634.00	0.75%	565,360.11
Legal Fees	0.00	0.00	1,500.00	0.00%	1,500.00
Meeting & Conference Expense	0.00	0.00	100.00	0.00%	100.00
Shipping & Postage	0.00	0.00	50.00	0.00%	50.00
Office Supplies	162.35	162.35	60.00	270.58%	(102.35)
Other Expense	0.00	0.00	50.00	0.00%	50.00
Insurance Expense	0.00	0.00	2,572.00	0.00%	2,572.00
Interest Expense	0.00	0.00	50.00	0.00%	50.00
Total Expenditures	\$17,152.67	\$17,152.67	\$746,824.00	2.30%	\$729,671.33
Excess Revenue over (under) Expenditures	\$271,718.33	\$271,718.33	(\$21,132.00)	-1285.81%	(\$292,850.33)

Lake Elsinore San Jacinto Watersheds Authority
Revenues, Expenses and Changes in Net Assets by Project
For the Month Ending July 31, 2014

	JPA	TMDL				Budget	% Used	Budget
	Administration	Task Force	Total					Variance
Revenues								
State Grant Proceeds	\$ -	\$ -	\$ -	\$ 210,148.00	0.00%	\$ 210,148.00		
LAIF Interest	-	-	-	800.00	0.00%	800.00		
Member Agency Contributions	40,000.00	107,557.00	147,557.00	70,000.00	210.80%	(77,557.00)		
Other Agency Contributions	-	141,314.00	141,314.00	444,744.00	31.77%	303,430.00		
Total Revenues	\$ 40,000.00	\$ 248,871.00	\$ 288,871.00	\$ 725,692.00	39.81%	\$ 436,821.00		
Expenditures								
Salaries	\$ 1,612.09	\$ 2,257.27	\$ 3,869.36	\$ 55,253.00	7.00%	\$ 51,383.64		
Benefits	739.95	1,036.09	1,776.04	25,363.00	7.00%	23,586.96		
G&A Allocation	2,529.37	3,541.66	6,071.03	86,692.00	7.00%	80,620.97		
Audit Fees	1,000.00	-	1,000.00	5,500.00	18.18%	4,500.00		
Consulting	364.51	3,909.38	4,273.89	569,634.00	0.75%	565,360.11		
Studies	-	-	-	-	0.00%	-		
Other Contract Services	-	-	-	-	0.00%	-		
Legal Fees	-	-	-	1,500.00	0.00%	1,500.00		
Project Construction	-	-	-	-	0.00%	-		
Meeting & Conference Expense	-	-	-	100.00	0.00%	100.00		
Office Expense	162.35	-	162.35	110.00	147.59%	(52.35)		
Board Compensation	-	-	-	-	0.00%	-		
Other Expense	-	-	-	50.00	0.00%	50.00		
Insurance Expense	-	-	-	2,572.00	0.00%	2,572.00		
Interest Expense	-	-	-	50.00	0.00%	50.00		
Total Expenditures	\$ 6,408.27	\$ 10,744.40	\$ 17,152.67	\$ 746,824.00	2.30%	\$ 729,671.33		
Excess Revenue over (under) Expenditures	\$ 33,591.73	\$ 238,126.60	\$ 271,718.33	\$ (21,132.00)	-1285.81%	\$ (292,850.33)		
Cash Balance @ 07/31/14	\$ 32,791.45	\$ 423,519.25	\$ 456,310.70					

**Lake Elsinore San Jacinto
Watersheds Authority
Disbursements
July 31, 2014**

Check #	Check Date	Type	Vendor	Check Amount
1745	7/17/2014	CHK	Aklufi and Wysocki	\$ 43.75
1746	7/17/2014	CHK	Haley & Aldrich Inc	\$ 826.25
1747	7/17/2014	CHK	O'Reilly Public Relations	\$ 481.25
1748	7/25/2014	CHK	MWH Americas, Inc.	\$ 5,829.09
EFT033	7/14/2014	CHK	Santa Ana Watershed Project Authority	\$ 14,051.12
EFT034	7/31/2014	CHK	Weston Solutions Inc	\$ 10,926.56
EFT035	7/31/2014	CHK	Haley & Aldrich Inc	\$ 107.00

Total Disbursements July 2014

\$ 32,265.02

LAKE ELSINORE & SAN JACINTO WATERSHEDS AUTHORITY
CASH FLOW STATEMENT
AS OF 06/30/14

Balance as of 05/31/14 **\$ 538,628.14**

**Funds Received
Deposits:**

Open - Grant Invoices
N/A

\$ -

Open - Member & Other Contributions

\$0.00

Disbursement List - June 2014 (50,341.95)

Funds Available as of 06/30/14 **\$ 488,286.19**

Funds Available:

 Checking \$ 5,382.00

 LAIF \$ 482,904.19

Total **\$ 488,286.19**

Lake Elsinore San Jacinto Watersheds Authority
LE/CL TMDL Invoice History
FYE 2009 - 2015

Agency	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15
March ARB	10,000.00	10,000.00	10,000.00	10,000.00	13,050.00	12,500.00	-
CalTrans	10,000.00	10,000.00	10,000.00	10,000.00	13,050.00	12,500.00	-
City of Beaumont	2,957.00	3,940.00	4,719.53	3,900.00	1,865.00	19,263.00	-
City of Canyon Lake	3,670.00	4,890.00	4,109.46	3,396.00	644.00	18,389.00	-
City of Hemet	22,308.00	29,723.00	27,460.77	22,696.00	6,286.00	18,175.00	-
City of Lake Elsinore	21,403.00	67,782.00	89,889.28	73,133.00	-	19,381.00	-
City of Menifee	-	-	24,752.77	20,458.00	23,649.00	44,155.00	-
City of Moreno Valley	50,638.00	67,469.00	63,546.31	52,520.00	15,425.00	103,565.00	-
City of Murrieta	2,006.00	2,673.00	786.96	650.00	-	12,426.00	-
City of Perris	15,000.00	19,985.00	20,060.94	16,580.00	5,752.00	18,869.00	-
City of Riverside	2,071.00	2,759.00	3,587.28	2,965.00	1,575.00	17,641.00	-
City of San Jacinto	9,565.00	12,744.00	13,470.59	11,133.00	4,315.00	19,487.00	-
City of Wildomar	-	-	4,668.93	3,859.00	4,461.00	8,307.00	-
County of Riverside	57,352.00	76,415.00	39,829.77	32,919.00	-	30,165.00	-
Dept of Fish and Game	10,000.00	10,000.00	10,000.00	10,000.00	13,050.00	12,500.00	-
Eastern Municipal Water District	10,000.00	10,000.00	10,000.00	10,000.00	13,050.00	12,500.00	-
Elsinore Valley Municipal Water District	13,656.00	57,460.00	75,294.20	61,070.00	-	12,500.00	-
March JPA	10,000.00	10,000.00	10,000.00	10,000.00	13,050.00	12,500.00	-
San Jacinto Agricultural Operators *	159,074.00	-	-	143,320.00	28,278.00	12,500.00	47,549.00
San Jacinto Dairy & CAFO Operators *	41,634.00	37,252.80	25,000.00	10,000.00	10,211.00	12,500.00	16,225.00
Total	451,334.00	433,092.80	447,176.79	508,599.00	167,711.00	429,823.00	63,774.00
Total Paid Contributions	451,334.00	433,092.80	447,176.79	379,290.00	167,711.00	429,823.00	63,774.00
Total Outstanding Contributions	-	-	-	129,309.00	-	-	-
Total Outstanding Contributions	-	-	-	-	-	-	-
Total Outstanding All Years	-	-	-	-	-	-	-

Lake Elsinore/San Jacinto Watershed Authority
Statement of Net Assets
For the Twelve Months Ending Monday, June 30, 2014

Assets

Checking - Citizens	\$5,382.00
L.A.I.F.	482,904.19
Interest Receivable	289.53
Prepaid Insurance	2,068.00
Total Assets	<u>\$490,643.72</u>

Liabilities

Accounts Payable	16,504.49
Accrued Accounts Payable	20,139.49
Total Liabilities	<u>\$36,643.98</u>

Retained Earnings	392,401.67
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Excess Revenue over (under) Expenditures	<u>\$61,598.07</u>
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Total Net Assets	<u>\$453,999.74</u>
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Total Liabilities and Net Assets	<u>\$490,643.72</u>
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Lake Elsinore/San Jacinto Watershed Authority
Revenues, Expenses and Changes in Net Assets
For the Twelve Months Ending Monday, June 30, 2014

	Period Actual	YTD Actual	Annual Budget	% Used	Budget Variance
Revenues					
State Grant Proceeds	\$0.00	\$0.00	\$150,000.00	0.00%	\$150,000.00
LAIF Interest	289.53	1,069.47	1,500.00	71.30%	430.53
Member Agency Contributions	0.00	130,435.00	50,000.00	260.87%	(80,435.00)
Other Agency Contributions	0.00	439,262.00	580,000.00	75.73%	140,738.00
Total Revenues	\$289.53	\$570,766.47	\$781,500.00	73.03%	\$210,733.53
Expenses					
Salaries - Regular	4,621.90	51,683.50	56,475.00	91.52%	4,791.50
Payroll Burden	2,056.75	22,999.15	25,131.00	91.52%	2,131.85
Overhead	7,316.47	81,814.98	89,394.00	91.52%	7,579.02
Audit Fees	0.00	5,500.00	5,230.00	105.16%	(270.00)
Consulting - General	20,238.84	342,994.31	202,050.00	169.76%	(140,944.31)
Other Professional Services	0.00	0.00	150,000.00	0.00%	150,000.00
Legal Fees	43.75	1,225.00	0.00	0.00%	(1,225.00)
Project Construction	0.00	0.00	300,000.00	0.00%	300,000.00
Meeting & Conference Expense	56.00	323.24	1,000.00	32.32%	676.76
Shipping & Postage	0.00	9.98	50.00	19.96%	40.02
Office Supplies	0.00	0.00	60.00	0.00%	60.00
Board Compensation	0.00	0.00	300.00	0.00%	300.00
Other Expense	0.00	0.00	100.00	0.00%	100.00
Insurance Expense	0.00	2,572.00	2,900.00	88.69%	328.00
Interest Expense	7.65	46.24	100.00	46.24%	53.76
Total Expenditures	\$34,341.36	\$509,168.40	\$832,790.00	61.14%	\$323,621.60
Excess Revenue over (under) Expenditures	(\$34,051.83)	\$61,598.07	(\$51,290.00)	-120.10%	(\$112,888.07)

Lake Elsinore San Jacinto Watersheds Authority
Revenues, Expenses and Changes in Net Assets by Project
For the Month Ending June 30, 2014

	JPA	TMDL				Budget	% Used	Budget
	Administration	Task Force	Total	Budget	% Used	Variance		
Revenues								
State Grant Proceeds	\$ -	\$ -	\$ -	\$ 150,000.00	0.00%	\$ 150,000.00		
LAIF Interest	1,069.47	-	1,069.47	1,500.00	71.30%	430.53		
Member Agency Contributions	50,000.00	80,435.00	130,435.00	50,000.00	260.87%	(80,435.00)		
Other Agency Contributions	-	439,262.00	439,262.00	580,000.00	75.73%	140,738.00		
Total Revenues	\$ 51,069.47	\$ 519,697.00	\$ 570,766.47	\$ 781,500.00	73.03%	\$ 210,733.53		
Expenditures								
Salaries	\$ 22,902.01	\$ 28,781.49	\$ 51,683.50	\$ 56,475.00	91.52%	\$ 4,791.50		
Benefits	10,191.39	12,807.76	22,999.15	25,131.00	91.52%	2,131.85		
G&A Allocation	36,253.88	45,561.10	81,814.98	89,394.00	91.52%	7,579.02		
Audit Fees	5,500.00	-	5,500.00	5,230.00	105.16%	(270.00)		
Consulting	15,821.34	327,172.97	342,994.31	202,050.00	169.76%	(140,944.31)		
Studies	-	-	-	-	0.00%	-		
Other Contract Services	-	-	-	150,000.00	0.00%	150,000.00		
Legal Fees	1,225.00	-	1,225.00	-	0.00%	(1,225.00)		
Project Construction	-	-	-	300,000.00	0.00%	300,000.00		
Meeting & Conference Expense	116.17	207.07	323.24	1,000.00	32.32%	676.76		
Office Expense	-	-	-	110.00	0.00%	110.00		
Board Compensation	-	-	-	300.00	0.00%	300.00		
Other Expense	-	9.98	9.98	100.00	9.98%	90.02		
Insurance Expense	2,572.00	-	2,572.00	2,900.00	88.69%	328.00		
Interest Expense	46.24	-	46.24	100.00	46.24%	53.76		
Total Expenditures	\$ 94,628.03	\$ 414,540.37	\$ 509,168.40	\$ 832,790.00	61.14%	\$ 323,621.60		
Excess Revenue over (under) Expenditures	\$ (43,558.56)	\$ 105,156.63	\$ 61,598.07	\$ (51,290.00)	-120.10%	\$ (112,888.07)		
Cash Balance @ 06/30/14	\$ 42,277.67	\$ 446,008.52	\$ 488,286.19					

**Lake Elsinore San Jacinto
Watersheds Authority
Disbursements
June 30, 2014**

Check #	Check Date	Type	Vendor	Check Amount
1738	06/05/14	CHK	Aklufi and Wysocki	\$43.75
1739	06/05/14	CHK	Alliant Insurance Services	\$2,068.00
1740	06/05/14	CHK	O'Reilly Public Relations	\$2,216.67
1741	06/13/14	CHK	MWH Americas, Inc.	\$8,686.95
1742	06/27/14	CHK	MWH Americas, Inc.	\$7,205.44
1743	06/27/14	CHK	Risk Sciences	\$7,884.59
1744	06/27/14	CHK	O'Reilly Public Relations	\$3,485.47
EFT031	06/13/14	CHK	Santa Ana Watershed Project Authority	\$9,554.48
EFT032	06/19/14	CHK	Weston Solutions Inc	\$9,196.60

Total Disbursements June 2014

\$ 50,341.95

LAKE ELSINORE & SAN JACINTO WATERSHEDS AUTHORITY
CASH FLOW STATEMENT
AS OF 05/31/14

Balance as of 04/30/14 **\$ 572,470.15**

**Funds Received
Deposits:**

Open - Grant Invoices
N/A

\$ -

Open - Member & Other Contributions

\$0.00

Disbursement List - May 2014

(33,842.01)

Funds Available as of 05/31/14

\$ 538,628.14

Funds Available:

Checking \$ 5,723.95

LAIF \$ 532,904.19

Total \$ 538,628.14

Lake Elsinore San Jacinto Watersheds Authority
LE/CL TMDL Invoice History
FYE 2009 - 2015

Agency	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15
March ARB	10,000.00	10,000.00	10,000.00	10,000.00	13,050.00	12,500.00	-
CalTrans	10,000.00	10,000.00	10,000.00	10,000.00	13,050.00	12,500.00	-
City of Beaumont	2,957.00	3,940.00	4,719.53	3,900.00	1,865.00	19,263.00	-
City of Canyon Lake	3,670.00	4,890.00	4,109.46	3,396.00	644.00	18,389.00	-
City of Hemet	22,308.00	29,723.00	27,460.77	22,696.00	6,286.00	18,175.00	-
City of Lake Elsinore	21,403.00	67,782.00	89,889.28	73,133.00	-	19,381.00	-
City of Menifee	-	-	24,752.77	20,458.00	23,649.00	44,155.00	-
City of Moreno Valley	50,638.00	67,469.00	63,546.31	52,520.00	15,425.00	103,565.00	-
City of Murrieta	2,006.00	2,673.00	786.96	650.00	-	12,426.00	-
City of Perris	15,000.00	19,985.00	20,060.94	16,580.00	5,752.00	18,869.00	-
City of Riverside	2,071.00	2,759.00	3,587.28	2,965.00	1,575.00	17,641.00	-
City of San Jacinto	9,565.00	12,744.00	13,470.59	11,133.00	4,315.00	19,487.00	-
City of Wildomar	-	-	4,668.93	3,859.00	4,461.00	8,307.00	-
County of Riverside	57,352.00	76,415.00	39,829.77	32,919.00	-	30,165.00	-
Dept of Fish and Game	10,000.00	10,000.00	10,000.00	10,000.00	13,050.00	12,500.00	-
Eastern Municipal Water District	10,000.00	10,000.00	10,000.00	10,000.00	13,050.00	12,500.00	-
Elsinore Valley Municipal Water District	13,656.00	57,460.00	75,294.20	61,070.00	-	12,500.00	-
March JPA	10,000.00	10,000.00	10,000.00	10,000.00	13,050.00	12,500.00	-
San Jacinto Agricultural Operators *	159,074.00	-	-	143,320.00	28,278.00	12,500.00	47,549.00
San Jacinto Dairy & CAFO Operators *	41,634.00	37,252.80	25,000.00	10,000.00	10,211.00	12,500.00	16,225.00
Total	451,334.00	433,092.80	447,176.79	508,599.00	167,711.00	429,823.00	63,774.00
Total Paid Contributions	451,334.00	433,092.80	447,176.79	379,290.00	167,711.00	429,823.00	63,774.00
Total Outstanding Contributions	-	-	-	129,309.00	-	-	-
Total Outstanding Contributions	-	-	-	-	-	-	-
Total Outstanding All Years	-	-	-	-	-	-	-

Lake Elsinore/San Jacinto Watershed Authority
Statement of Net Assets
For the Eleven Months Ending Saturday, May 31, 2014

Assets

Checking - Citizens	\$5,723.95
L.A.I.F.	532,904.19
Prepaid Insurance	2,068.00
Total Assets	<u>\$540,696.14</u>

Liabilities

Accounts Payable	<u>52,644.57</u>
Total Liabilities	<u>\$52,644.57</u>

Retained Earnings	392,401.67
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Excess Revenue over (under) Expenditures	<u>\$95,649.90</u>
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Total Net Assets	<u>\$488,051.57</u>
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Total Liabilities and Net Assets	<u>\$540,696.14</u>
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Lake Elsinore/San Jacinto Watershed Authority
Revenues, Expenses and Changes in Net Assets
For the Eleven Months Ending Saturday, May 31, 2014

	Period Actual	YTD Actual	Annual Budget	% Used	Budget Variance
Revenues					
State Grant Proceeds	\$0.00	\$0.00	\$150,000.00	0.00%	\$150,000.00
LAIF Interest	0.00	779.94	1,500.00	52.00%	720.06
Member Agency Contributions	0.00	130,435.00	50,000.00	260.87%	(80,435.00)
Other Agency Contributions	0.00	439,262.00	580,000.00	75.73%	140,738.00
Total Revenues	\$0.00	\$570,476.94	\$781,500.00	73.00%	\$211,023.06
Expenses					
Salaries - Regular	3,126.26	47,061.60	56,475.00	83.33%	9,413.40
Payroll Burden	1,391.18	20,942.40	25,131.00	83.33%	4,188.60
Overhead	4,948.87	74,498.51	89,394.00	83.34%	14,895.49
Audit Fees	0.00	5,500.00	5,230.00	105.16%	(270.00)
Consulting - General	28,598.35	322,755.47	202,050.00	159.74%	(120,705.47)
Other Professional Services	0.00	0.00	150,000.00	0.00%	150,000.00
Legal Fees	0.00	1,181.25	0.00	0.00%	(1,181.25)
Project Construction	0.00	0.00	300,000.00	0.00%	300,000.00
Meeting & Conference Expense	88.17	267.24	1,000.00	26.72%	732.76
Shipping & Postage	0.00	9.98	50.00	19.96%	40.02
Office Supplies	0.00	0.00	60.00	0.00%	60.00
Board Compensation	0.00	0.00	300.00	0.00%	300.00
Other Expense	0.00	0.00	100.00	0.00%	100.00
Insurance Expense	0.00	2,572.00	2,900.00	88.69%	328.00
Interest Expense	0.00	38.59	100.00	38.59%	61.41
Total Expenditures	\$38,152.83	\$474,827.04	\$832,790.00	57.02%	\$357,962.96
Excess Revenue over (under) Expenditures	(\$38,152.83)	\$95,649.90	(\$51,290.00)	-186.49%	(\$146,939.90)

Lake Elsinore San Jacinto Watersheds Authority
Revenues, Expenses and Changes in Net Assets by Project
For the Month Ending May 31, 2014

	JPA	TMDL				Budget	% Used	Budget
	Administration	Task Force	Total					Variance
Revenues								
State Grant Proceeds	\$ -	\$ -	\$ -	\$ 150,000.00	0.00%	\$ 150,000.00		
LAIF Interest	779.94	-	779.94	1,500.00	52.00%	720.06		
Member Agency Contributions	50,000.00	80,435.00	130,435.00	50,000.00	260.87%	(80,435.00)		
Other Agency Contributions	-	439,262.00	439,262.00	580,000.00	75.73%	140,738.00		
Total Revenues	\$ 50,779.94	\$ 519,697.00	\$ 570,476.94	\$ 781,500.00	73.00%	\$ 211,023.06		
Expenditures								
Salaries	\$ 20,186.44	\$ 26,875.16	\$ 47,061.60	\$ 56,475.00	83.33%	\$ 9,413.40		
Benefits	8,982.96	11,959.44	20,942.40	25,131.00	83.33%	4,188.60		
G&A Allocation	31,955.13	42,543.38	74,498.51	89,394.00	83.34%	14,895.49		
Audit Fees	5,500.00	-	5,500.00	5,230.00	105.16%	(270.00)		
Consulting	15,340.09	307,415.38	322,755.47	202,050.00	159.74%	(120,705.47)		
Studies	-	-	-	-	0.00%	-		
Other Contract Services	-	-	-	150,000.00	0.00%	150,000.00		
Legal Fees	1,181.25	-	1,181.25	-	0.00%	(1,181.25)		
Project Construction	-	-	-	300,000.00	0.00%	300,000.00		
Meeting & Conference Expense	88.17	179.07	267.24	1,000.00	26.72%	732.76		
Office Expense	-	-	-	110.00	0.00%	110.00		
Board Compensation	-	-	-	300.00	0.00%	300.00		
Other Expense	-	9.98	9.98	100.00	9.98%	90.02		
Insurance Expense	2,572.00	-	2,572.00	2,900.00	88.69%	328.00		
Interest Expense	38.59	-	38.59	100.00	38.59%	61.41		
Total Expenditures	\$ 85,844.63	\$ 388,982.41	\$ 474,827.04	\$ 832,790.00	57.02%	\$ 357,962.96		
Excess Revenue over (under) Expenditures	\$ (35,064.69)	\$ 130,714.59	\$ 95,649.90	\$ (51,290.00)	-186.49%	\$ (146,939.90)		
Cash Balance @ 05/31/14	\$ 55,032.28	\$ 483,595.86	\$ 538,628.14					

**Lake Elsinore San Jacinto
Watersheds Authority
Disbursements
May 31, 2014**

Check #	Check Date	Type	Vendor	Check Amount
EFT028	5/15/2014	CHK	Risk Sciences	\$10,099.79
EFT029	5/15/2014	CHK	Santa Ana Watershed Project Authority	\$15,284.30
EFT030	5/15/2014	CHK	Weston Solutions Inc	\$8,457.92

Total Disbursements May 2014

\$	33,842.01
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LAKE ELSINORE & SAN JACINTO WATERSHEDS AUTHORITY
CASH FLOW STATEMENT
AS OF 04/30/14

Balance as of 03/31/14 \$ 641,180.19

Funds Received

Deposits:

March JPA - TMDL Contribution	12,500.00
LAIF Interest	302.75

Open - Grant Invoices

N/A

\$ -

Open - Member & Other Contributions

Total Due LESJWA

\$0.00

Disbursement List - April 2014

(81,512.79)

Funds Available as of 04/30/14

\$ 572,470.15

Funds Available:

Checking	\$ 39,565.96
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LAIF	\$ 532,904.19
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Total	<u>\$ 572,470.15</u>
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Lake Elsinore San Jacinto Watersheds Authority
LE/CL TMDL Invoice History
FYE 2009 - 2015

Agency	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15
March ARB	10,000.00	10,000.00	10,000.00	10,000.00	13,050.00	12,500.00	-
CalTrans	10,000.00	10,000.00	10,000.00	10,000.00	13,050.00	12,500.00	-
City of Beaumont	2,957.00	3,940.00	4,719.53	3,900.00	1,865.00	19,263.00	-
City of Canyon Lake	3,670.00	4,890.00	4,109.46	3,396.00	644.00	18,389.00	-
City of Hemet	22,308.00	29,723.00	27,460.77	22,696.00	6,286.00	18,175.00	-
City of Lake Elsinore	21,403.00	67,782.00	89,889.28	73,133.00	-	19,381.00	-
City of Menifee	-	-	24,752.77	20,458.00	23,649.00	44,155.00	-
City of Moreno Valley	50,638.00	67,469.00	63,546.31	52,520.00	15,425.00	103,565.00	-
City of Murrieta	2,006.00	2,673.00	786.96	650.00	-	12,426.00	-
City of Perris	15,000.00	19,985.00	20,060.94	16,580.00	5,752.00	18,869.00	-
City of Riverside	2,071.00	2,759.00	3,587.28	2,965.00	1,575.00	17,641.00	-
City of San Jacinto	9,565.00	12,744.00	13,470.59	11,133.00	4,315.00	19,487.00	-
City of Wildomar	-	-	4,668.93	3,859.00	4,461.00	8,307.00	-
County of Riverside	57,352.00	76,415.00	39,829.77	32,919.00	-	30,165.00	-
Dept of Fish and Game	10,000.00	10,000.00	10,000.00	10,000.00	13,050.00	12,500.00	-
Eastern Municipal Water District	10,000.00	10,000.00	10,000.00	10,000.00	13,050.00	12,500.00	-
Elsinore Valley Municipal Water District	13,656.00	57,460.00	75,294.20	61,070.00	-	12,500.00	-
March JPA	10,000.00	10,000.00	10,000.00	10,000.00	13,050.00	12,500.00	-
San Jacinto Agricultural Operators *	159,074.00	-	-	143,320.00	28,278.00	12,500.00	47,549.00
San Jacinto Dairy & CAFO Operators *	41,634.00	37,252.80	25,000.00	10,000.00	10,211.00	12,500.00	16,225.00
Total	451,334.00	433,092.80	447,176.79	508,599.00	167,711.00	429,823.00	63,774.00
Total Paid Contributions	451,334.00	433,092.80	447,176.79	379,290.00	167,711.00	429,823.00	63,774.00
Total Outstanding Contributions	-	-	-	129,309.00	-	-	-
Total Outstanding Contributions	-	-	-	-	-	-	-
Total Outstanding All Years	-	-	-	-	-	-	-

Lake Elsinore/San Jacinto Watershed Authority
Statement of Net Assets
For the Ten Months Ending Wednesday, April 30, 2014

Assets

Checking - Citizens	\$39,565.96
L.A.I.F.	532,904.19
Total Assets	<u>\$572,470.15</u>

Liabilities

Accounts Payable	46,265.75
Total Liabilities	<u>\$46,265.75</u>

Retained Earnings	392,401.67
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Excess Revenue over (under) Expenditures	<u>\$133,802.73</u>
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Total Net Assets	<u>\$526,204.40</u>
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Total Liabilities and Net Assets	<u>\$572,470.15</u>
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Lake Elsinore/San Jacinto Watershed Authority
Revenues, Expenses and Changes in Net Assets
For the Ten Months Ending Wednesday, April 30, 2014

	Period Actual	YTD Actual	Annual Budget	% Used	Budget Variance
Revenues					
State Grant Proceeds	\$0.00	\$0.00	\$150,000.00	0.00%	\$150,000.00
LAIF Interest	302.75	779.94	1,500.00	52.00%	720.06
Member Agency Contributions	0.00	130,435.00	50,000.00	260.87%	(80,435.00)
Other Agency Contributions	12,500.00	439,262.00	580,000.00	75.73%	140,738.00
Total Revenues	\$12,802.75	\$570,476.94	\$781,500.00	73.00%	\$211,023.06
Expenses					
Salaries - Regular	5,008.22	43,935.34	56,475.00	77.80%	12,539.66
Payroll Burden	2,228.66	19,551.22	25,131.00	77.80%	5,579.78
Overhead	7,928.01	69,549.64	89,394.00	77.80%	19,844.36
Audit Fees	0.00	5,500.00	5,230.00	105.16%	(270.00)
Consulting - General	21,003.41	294,157.12	202,050.00	145.59%	(92,107.12)
Other Professional Services	0.00	0.00	150,000.00	0.00%	150,000.00
Legal Fees	0.00	1,181.25	0.00	0.00%	(1,181.25)
Project Construction	0.00	0.00	300,000.00	0.00%	300,000.00
Meeting & Conference Expense	106.75	179.07	1,000.00	17.91%	820.93
Shipping & Postage	0.00	9.98	50.00	19.96%	40.02
Office Supplies	0.00	0.00	60.00	0.00%	60.00
Board Compensation	0.00	0.00	300.00	0.00%	300.00
Other Expense	0.00	0.00	100.00	0.00%	100.00
Insurance Expense	0.00	2,572.00	2,900.00	88.69%	328.00
Interest Expense	12.66	38.59	100.00	38.59%	61.41
Total Expenditures	\$36,287.71	\$436,674.21	\$832,790.00	52.44%	\$396,115.79
Excess Revenue over (under) Expenditures	(\$23,484.96)	\$133,802.73	(\$51,290.00)	-260.87%	(\$185,092.73)

Lake Elsinore San Jacinto Watersheds Authority
Revenues, Expenses and Changes in Net Assets by Project
For the Month Ending April 30, 2014

	JPA	TMDL				Budget	% Used	Budget
	Administration	Task Force	Total					Variance
Revenues								
State Grant Proceeds	\$ -	\$ -	\$ -	\$ 150,000.00	0.00%	\$ 150,000.00		
LAIF Interest	779.94	-	779.94	1,500.00	52.00%	720.06		
Member Agency Contributions	50,000.00	80,435.00	130,435.00	50,000.00	260.87%	(80,435.00)		
Other Agency Contributions	-	439,262.00	439,262.00	580,000.00	75.73%	140,738.00		
Total Revenues	\$ 50,779.94	\$ 519,697.00	\$ 570,476.94	\$ 781,500.00	73.00%	\$ 211,023.06		
Expenditures								
Salaries	\$ 18,842.30	\$ 25,093.04	\$ 43,935.34	\$ 56,475.00	77.80%	\$ 12,539.66		
Benefits	8,384.82	11,166.40	19,551.22	25,131.00	77.80%	5,579.78		
G&A Allocation	29,827.36	39,722.28	69,549.64	89,394.00	77.80%	19,844.36		
Audit Fees	5,500.00	-	5,500.00	5,230.00	105.16%	(270.00)		
Consulting	11,854.62	282,302.50	294,157.12	202,050.00	145.59%	(92,107.12)		
Studies	-	-	-	-	0.00%	-		
Other Contract Services	-	-	-	150,000.00	0.00%	150,000.00		
Legal Fees	1,181.25	-	1,181.25	-	0.00%	(1,181.25)		
Project Construction	-	-	-	300,000.00	0.00%	300,000.00		
Meeting & Conference Expense	-	179.07	179.07	1,000.00	17.91%	820.93		
Office Expense	-	-	-	110.00	0.00%	110.00		
Board Compensation	-	-	-	300.00	0.00%	300.00		
Other Expense	-	9.98	9.98	100.00	9.98%	90.02		
Insurance Expense	2,572.00	-	2,572.00	2,900.00	88.69%	328.00		
Interest Expense	38.59	-	38.59	100.00	38.59%	61.41		
Total Expenditures	\$ 78,200.94	\$ 358,473.27	\$ 436,674.21	\$ 832,790.00	52.44%	\$ 396,115.79		
Excess Revenue over (under) Expenditures	\$ (27,421.00)	\$ 161,223.73	\$ 133,802.73	\$ (51,290.00)	-260.87%	\$ (185,092.73)		
Cash Balance @ 04/30/14	\$ 63,263.21	\$ 509,206.94	\$ 572,470.15					

**Lake Elsinore San Jacinto
Watersheds Authority
Disbursements
April 30, 2014**

Check #	Check Date	Type	Vendor	Check Amount
1734	04/04/14	CHK	O'Reilly Public Relations	\$ 1,910.00
1735	04/04/14	CHK	AquaTechnex LLC	\$ 57,780.00
1736	04/24/14	CHK	MWH Americas, Inc.	\$ 6,652.74
1737	04/24/14	CHK	O'Reilly Public Relations	\$ 1,569.61
EFT027	04/04/14	CHK	Santa Ana Watershed Project Authority	\$ 13,600.44

Total Disbursements April 2014

\$ 81,512.79

LESJWA Education and Outreach Committee
Meeting Notes
August 18, 2014

Members Present: Mark Norton, Chair, SAWPA
Nancy Horton, City of Canyon Lake
Bonnie Woodrome, EVMWD

Others Present: Philip Southard, O'Reilly Public Relations

Members Absent: Greg Morrison, EVMWD
Nicole Dailey, City of Lake Elsinore
Steven Horn, County of Riverside

1. Call to Order

Mark Norton called the meeting to order at 12:14 am at Elsinore Valley Municipal Water District (EVMWD), located at 31315 Chaney Street, Lake Elsinore, California.

2. Additions/Corrections to the Agenda

None.

3. Approval of the Meeting Notes

The meeting notes from April 4, 2014 were reviewed and deemed acceptable by the Committee.

4. Project Status

- **Canyon Lake** – Nancy Horton reported that the main body of Canyon Lake is now seeing an invasion of an aquatic weed called the holy weed spiny naiad. The POA has rented a harvester and has been aggressively seeking to control the aquatic weed spread from the bottom of the lake by cutting it down. The concern with the weed is that it may impair swimming and boat propellers if left out of control.

For the East Bay, the water remains green in many of the coves. The rains from July 30th –Aug 5th may have helped somewhat to provide needed mixing.

- **Lake Elsinore** – Bonnie Woodrome indicated that in order to encourage more mixing of oxygen in Lake Elsinore, the City of Lake Elsinore has decided to eliminate all boat access fees on Wednesdays and Sundays for the remainder of the summer season. Nancy Horton indicated that from the last task force meeting the axial flow pumps owned and operated by the City of Lake Elsinore also had some malfunctions that are being repaired.
- **TMDL Task Force** – Mr. Norton indicated he was on vacation for the last TMDL TF meeting and asked Nancy Horton for an update. Ms. Horton indicated that Tim Moore of Risk Sciences primarily discussed what would be needed to revamp the TMDLs. A separate TMDL for the Canyon Lake Main Body and East Bay may be a needed. The preparation for a new TMDL will occur after the Dr. Anderson studies scheduled to be completed by June 2015, and will occur in the 2016-17 time frame.

Discussion at the last task force also included the potential use of phoslock in the East Bay since it is more of a time release substance and more of clay product rather than a chemical. A cost estimate for phoslock in the shallow areas of Canyon Lake and the East Bay may be pursued in the future depending on how effective the alum is in sequestering the phosphorus coming from the bottom. The focus of the alum as well as the phoslock is to remove the legacy phosphorus. Discussion also covered what would be needed to continue monitoring in the watershed and both lakes.

Regarding funding, DWR will sign the agreement with SAWPA the first week of September for Proposition 84 Chapter 2 Integrated Regional Water Management Implementation Round 2 grant funding, which includes funding for the Canyon Lake Alum project. The grant funding reimbursement can go back to Feb. 2014 so the costs of the last three applications of alum will be fully reimbursed by the grant.

- **Lake Levels** – The lake levels at the last meeting were 1239.63’ at Lake Elsinore, and 1380.97’ at Canyon Lake. The current lake levels are at 1237.56 and Canyon Lake at 1378.73.

5. Alum Outreach and Schedule

- **September 2014**

The next alum application is scheduled for September 2014. Another public workshop prior to the Sept. alum application will be conducted, as we have done for each application in the past to ensure that the public is aware of what will transpire, and to answer any questions. The Committee suggested that the public workshop be set up after Labor Day but sometime prior to the application week, and to be held at the same location, Canyon Lake City Multi-Purpose Room. LESJWA will hold a coordination meeting on August 21st with all involved parties to discuss the planned application week. Once the week is known, a public outreach workshop can be scheduled.

Ms. Horton suggested that Dr. Anderson, Tim Moore, and Jason Uhley be made available for the workshop. She felt it would be good to have someone present the water quality results and help ensure that the alum applications problems experienced in the last application when the DO lake quality was supersaturated, would not be repeated.

6. 2014-2015 PR Program

- **Reporter Briefings**

Mr. Southard indicated that it may be time to sit down with news reporters to help them understand the impacts of the drought on the lakes. Mr. Norton said he would be happy to assist in this regard. Mr. Southard reported the Press Enterprise is continuing to cut back its reporter staff due to falling revenue, so there may be new reporters who are not up to speed about LESJWA’s mission, goals, and accomplishments to date.

- **Water Summit**

Mr. Southard reported that the program and agenda overall went very well. The Committee indicated that it was pleased with O’Reilly Public Relations support. For the coming year’s summit, the Committee and Mr. Southard suggested more participation by the LESJWA Board members and duplicating the action of having a joint letter from the County Supervisors would be helpful.

- **Issue Management**

Mr. Southard will continue to track any issues of concern to LESJWA and the media and is available to prepare press releases as needed.

- **Other**

Mr. Southard said that his staff is ready to work with others on updating the fact sheets. Additional fact sheets for the public outreach workshop for the alum could include information on blue green algae and the holy weed spiny naiad.

7. Next Meeting Date

The next LESJWA Education and Outreach Committee will meet on Monday, Nov. 17, 2014, 12 noon at EVMWD.

LESJWA Education and Outreach Committee
Meeting Notes
April 14, 2014

Members Present: Mark Norton, Chair, SAWPA
Nicole Dailey, City of Lake Elsinore
Nancy Horton, City of Canyon Lake
Bonnie Woodrome, EVMWD
Steven Horn, County of Riverside

Others Present: Philip Southard, O'Reilly Public Relations

Members Absent: Greg Morrison, EVMWD

1. Call to Order

Mark Norton called the meeting to order at 10:35 am at Elsinore Valley Municipal Water District (EVMWD), located at 31315 Chaney Street, Lake Elsinore, California.

2. Additions/Corrections to the Agenda

None.

3. Approval of the Meeting Notes

The meeting notes from March 3, 2014 were reviewed and deemed acceptable by the Committee.

4. Project Status

- **Canyon Lake Improvements** – Nancy Horton said that the water clarity of the main body of Canyon Lake still remains very good with clarity in the 6-10 foot range.
- **TMDL Task Force** – Mr. Norton reported that the main project that the TMDL is engaged in is the alum application of Canyon Lake. Work is still underway and the second alum application of Canyon Lake was conducted during the second week of Feb. 2014. Preliminary water quality monitoring shows that we are continuing to reduce the phosphorus levels in the lake effectively. A monitoring report that reflects the pre and post alum application conducted in February 2014 has not yet been released by MWH and Dr. Noblet from CSUSB. The plan still at this point is to continue alum applications in September and February over the next two and a half years.

Regarding funding, 100% funding for the Canyon Lake Alum project through SAWPA's application for Proposition 84 Chapter 2 Integrated Regional Water Management Implementation Round 2 grant funding has been authorized by DWR. We are still awaiting execution of the agreement and hoping that it can be done before September so that the upcoming alum application costs can be covered.

- **Lake Levels** – The lake levels at the last meeting were 1239.38' at Lake Elsinore, and 1376.69' at Canyon Lake. The current lake levels are at 1239.63 and Canyon Lake at 1380.97.

5. Alum Outreach and Schedule

• **September 2014**

The next alum application is scheduled for September 2014. Another public workshop prior to the next application, as we have done for each application in the past, makes sense to ensure that the public is aware of what will transpire, and to answer any questions. The Committee suggested that the public workshop be set up two weeks prior to the application week, which has not yet been specifically determined. LESJWA will hold a coordination meeting in August with all involved parties to discuss the planned application week. Once the week is known, a public outreach workshop can be scheduled.

Ms. Horton indicated that questions may be raised as to why algaecide is not being applied in the East Bay area. Mr. Norton indicated that this issue was discussed at the LE/CL TMDL TAC and the consensus was that we should continue to rely on the alum application's gradual reduction of nutrients that feed the algae. Any algaecide would be very temporary in its effect and would not reduce the nutrients that could rerelease back into the water column.

6. 2014 Water Summit

- **Invitations/Follow-up**

The next LESJWA Water Summit was discussed. Mr. Southard reported that a joint letter from the two County Supervisors that cover the San Jacinto River watershed encouraging participation in the event was distributed by email two weeks ago. Reminder notices are being distributed on a regular basis. A list of contacts was distributed to the Committee. Ms. Horton recommended two additional attendees for the event: Megan Brusso from Inland Waterkeeper and Eric Estrada, Soboba Reservation. Additional names also suggested to be added including David Eilers, CL POA Chair and Chris Mitchell, CL POA GM.

- **Program**

Mr. Southard indicated that the program and agenda have been set. Mr. Norton was able to include on the program, Pat Boldt from the Western Riverside County Agricultural Coalition, to also serve as a speaker.

- **Western Riverside County Agricultural Coalition Board**

Mr. Southard asked the Committee if the contacts for the WRCAC Board were accurate. Mr. Norton indicated he would confirm based on his contact info.

- **Catering**

Mr. Southard said that his staff would be able to provide all the refreshments and no outside catering services or costs would be necessary.

7. Next Meeting Date

The next LESJWA Education and Outreach Committee will meet on Monday, Aug. 18th, 2014 12 noon at EVMWD.

LESJWA BOARD MEMORANDUM NO. 753

DATE: October 16, 2014
SUBJECT: LESJWA Business Plan Update
TO: LESJWA Board of Directors
FROM: Mark R. Norton, P.E., Authority Administrator

RECOMMENDATION

That the Board of Directors approve the 2014 LESJWA Business Plan Update and direct staff to implement recommendations contained therein as necessary to secure sustainable funding for LESJWA's operations.

BACKGROUND

In February 2011, the Board approved the LESJWA Business Plan prepared by staff to evaluate the long term financial outlook for the organization. As indicated in the Plan, one of the primary concerns long-term is continued operation funding. With available reserves being tapped to operate the agency and insufficient funding from member agency contributions, concerns had been raised to evaluate ways to reduce expenses or increase revenue to continue sustainable operations. The original LESJWA Business Plan laid out the following preferred options to deal with the future funding gaps:

1. Pursue State and Federal Grant Funding
2. Decrease annual costs
3. Establish Lake Quality Improvement Contribution
4. Establish TMDL Task Force Contribution for LESJWA
5. Increase Cost Share Among LESJWA Agencies

With the activity conducted over the past three years to secure funding, and new concepts introduced by the LESJWA Board to provide additional sustainable funding for LESJWA, the LESJWA Business Plan has been updated as requested by the LESJWA Board. Attached is the 2014 LESJWA Business Plan with changes reflected in highlighted text.

Shown below is the status report on the Action Items recommended in the last plan and a new action to help secure stable operation funding for the LESJWA JPA.

Year 2010 Business Plan

- | | <u>Status</u> |
|--|-----------------------|
| 1. Pursue State and Federal Grant Funding | Accomplished, ongoing |
| 2. Decrease annual costs | Accomplished |
| 3. Establish Lake Quality Improvement Contribution | Not feasible |
| 4. Establish TMDL Task Force Contribution for LESJWA | Accomplished, partial |
| 5. Increase Cost Share Among LESJWA Agencies | Accomplished, partial |

Year 2014 Business Plan

- | | |
|--|---------------------|
| 6. Add additional LESJWA JPA agencies with participation fee | Under investigation |
|--|---------------------|

With the implementation of increased voluntary funding shares from some of the LESJWA member agencies, decreased annual costs and some sharing of costs by the LE/CL TMDL Task Force as suggested under the original 2010 LESJWA Business Plan, the financial picture has improved with revenue projections indicating that the LESJWA can continue to fulfill its mission through FY 2014-15. Further, if additional

funding as offered by the County of Riverside of an additional \$10K/yr over the next three years, and by the RCFCWD of a new contribution of \$20/yr over the next three years occur, the financial stability of LESJWA would remain balanced through FY 2017-2018. However, financial stability concerns remain thereafter, particularly if any of these voluntary increased funding contributions do not materialize.

For action item 1, staff continues to monitor and apply for outside funding sources for future planning and projects that LESJWA can undertake. LESJWA recently was successful with the State Proposition 84 Integrated Regional Water Management Program (IRWM) Round 2 grant application, and will be receiving \$500,000 from SAWPA and DWR. These grant funds are made available on a reimbursement of costs basis with some portion of LESJWA costs for administration of the project allowable for reimbursement. DWR's next round of funding through Proposition 84 IRWM Implementation and administered through SAWPA will be implemented in the 2015/16 timeframe and could serve as an additional source of project implementation funding. However, no funding would cover the operations of the LESJWA JPA. Further, with the Round 2 funding award to LESJWA of \$500,000, the chances of funding support to LESJWA from the new funding round based on its competitive nature and the focus on water supply reliability under the current drought conditions seem slim. Funding may be more likely under a future water bond considered for the November 4 ballot called Proposition 1.

For action item 2, annual costs have decreased over the past three years based on direction by the LESJWA Board to eliminate Board compensation and reduce staff costs by 5%. Further, legal counsel support has been reduced and efficiencies in insurance and audit support services by competitive processes and joining with SAWPA to obtain competitive prices has improved. One major cost that remains at a disproportionate level is the Education and Outreach consulting services. The funding provided for these services has been reduced from \$44,000 in FYE 2006 down to \$16,000 under the current fiscal year budget. However, even at the reduced \$16,000 level, this share of the overall LESJWA operating costs is only 15%. The LESJWA's education and outreach program also is strongly supported by the LE/CL TMDL Task Force, as it funds LESJWA to implement TMDL compliance projects that have direct impact on public use of the lakes.

Under action item 3, the establishment of a revenue stream from lake quality improvement, formerly described as pollutant trading, now appears unlikely due to recent CA SWRCB and EPA Region 9 decisions that have thwarted similar trading programs proposed in California. Any revenue that could have been established by such trading programs no longer appears viable according to our regulatory strategist, Tim Moore of Risk Sciences.

Under action item 4, the need for additional revenue to sustain LESJWA has been discussed with the LE/CL TMDL Task Force. The LESJWA administration budget reflects an increase compared to past years based on increased TMDL activities, but also a sharing of LESJWA costs associated with LESJWA Board action items pertaining to the TMDL.

Under action item 5, the revenue necessary would come from just the LESJWA member agencies. An increase of 100% to support LESJWA has been received from two of the five member agencies, City of Lake Elsinore, and EVMWD. Additional revenue to support LESJWA administration also is being considered from the County of Riverside and RCFCWCD over a three-year time frame through 2017/18.

Under action 6, revenue increase from increased JPA membership and funding is being explored through direct agency contact and through the Western Riverside Council of Government.

Staff welcomes feedback from the LESJWA Board on the 2014 LESJWA Business Plan and activities for sustaining the organization.

RESOURCES IMPACT

SAWPA is supportive of providing staff to serve as administrators for LESJWA. Funding of SAWPA staff time for LESJWA activities continue to be provided by TMDL stakeholder funding, grant administration funding, and local contributions from LESJWA member agencies.

Attachment: 2014 LESJWA Business Plan

Lake Elsinore & San Jacinto Watersheds Authority



City of Lake Elsinore • City of Canyon Lake • County of Riverside
Elsinore Valley Municipal Water District • Santa Ana Watershed Project Authority

2014 Business Plan Update

Prepared by

Mark R. Norton PE, LEED AP

Santa Ana Watershed Project Authority

LESJWA Authority Administrator

Executive Summary

The Lake Elsinore and San Jacinto Watersheds Authority (LESJWA) is a joint powers authority formed as an umbrella agency consisting of five member agencies. The authority was originally formed in 2000 because lakes in these local watersheds overlie or are surrounded by multiple agencies. It is more efficient, cost effective and practical to address water quality improvements at the lake and within the watershed collectively through the joint powers authority than as individual governing bodies.

Over the past decade, significant improvements to water quality have been accomplished by LESJWA at both Lake Elsinore and Canyon Lake. However, more work is needed to meet challenging water quality requirements established by the Regional Board for 2015 (interim) and 2020 (final). At the same time funding to build future capital improvements to meet lake standards and to pay for the improvements' operation and maintenance costs are diminishing. To meet these challenges requires developing a revenue stream that will empower the Joint Power Authority to continue operations on behalf of its member agencies.

The Joint Powers Authority has explored various options that will address the anticipated funding shortfall, improve operational effectiveness and address capital improvements. Many of these activities were proposed in 2010 and have been accomplished. Some additional options to generate revenue are now reflected under this 2014 update as shown below:

Year 2010 Business Plan

Status

- | | |
|---|-------------------------|
| 1. Pursue State and Federal Grant Funding | Accomplished, partially |
| 2. Decrease annual costs | Accomplished |
| 3. Establish Lake Quality Improvement Contribution | Not feasible |
| 4. Establish TMDL Task Force Contribution for LESJWA | Accomplished, partially |
| 5. Increase Cost Share Among LESJWA Agencies complete | Accomplished, partially |

Year 2014 Business Plan

- | | |
|--|---------------------|
| 6. Add additional LESJWA JPA agencies with participation fee | Under investigation |
|--|---------------------|

With the implementation of increased voluntary funding shares from some of the LESJWA member agencies, decreased annual costs and some sharing of costs by the LE/CL TMDL Task Force as suggested under the original 2010 LESJWA Business Plan, the financial picture has improved with revenue projections indicating that the LESJWA can continue to fulfill its mission through FY 2014-15. Further, if additional funding as offered by the County of Riverside of an additional \$10K/yr over the next three years and by the RCFCWD of a new contribution of \$20/yr over the next three years occur, the financial stability of LESJWA would remain balanced through FY 2017-2018. However, financial stability concerns remain thereafter particularly if any of these voluntary increased funding contributions do not materialize.

This updated business plan now includes analysis of an additional option of generating new revenue by the involvement or participation of the additional agencies as possible new JPA members who could help fund the LESJWA administrative costs in exchange for a seat and representation on the JPA Board.

This updated business plan describes the funding and expense reduction opportunities in detail to assist the LESJWA Board in providing the necessary information to ensure the long term sustainability of the organization. The primary beneficiaries of LESJWA existence continue to be the TMDL parties identified by the Regional Board as defined in the Lake Elsinore/Canyon Lake TMDL Task Force, which includes all the LESJWA member agencies except SAWPA.

This updated business plan was developed to help the LESJWA Board of Directors analyze and determine the most effective actions necessary to achieve long-term success.

Background and Overview

The Lake Elsinore and San Jacinto Watersheds Authority (LESJWA) is a joint powers authority (JPA) formed in 2000 as result of State water bond language encouraging the formation of a joint powers agency consisting of the City of Lake Elsinore, the Santa Ana Watershed Project Authority (SAWPA), the Elsinore Valley Municipal Water District, and other agencies. The specific bond language citing the organization formation is defined in Proposition 13 Safe Drinking Water, Clean Water, Watershed Protection, and Flood Protection Act of 2000 wherein the organization formation was called out under Article 6 Lake Elsinore and San Jacinto Watershed Program, Section 79104.110. The joint powers authority was established initially to administer \$15 million dollars in bond funding for the implementation of programs to improve the water quality and habitat of Lake Elsinore and its back basin, consistent with the Lake Elsinore Management Plan. The members of the JPA are the following agencies, along with the current representatives:

City of Lake Elsinore	Bob Magee, Chair
Santa Ana Watershed Project Authority	Tom Evans, Vice Chair
Elsinore Valley Municipal Water District	Phil Williams, Secretary-Treasurer
City of Canyon Lake	Nancy Horton, Vice-Chair
County of Riverside	Kevin Jeffries

The LESJWA Board has authorized SAWPA to serve as the administrator for the organization. Mark Norton, SAWPA's Water Resources and Planning Manager, serves as the Authority Administrator.

Between its formation and 2014, LESJWA fully used and expended the \$15 million made available through the Proposition 13 Water Bond, as well as other grant funding applied for by LESJWA to benefit Lake Elsinore, Canyon Lake, and the San Jacinto River Watershed. The core of LESJWA's annual budget now comes from the contributions and expenses associated with Lake Elsinore and Canyon Lake Nutrient TMDL Task Force. Other than project grants, the only source of regular funding is an annual contribution from each member agency.

The primary activity of LESJWA is providing support to the Lake Elsinore and Canyon Lake (LE/CL) Nutrient Total Maximum Daily Load (TMDL) Task Force which shares LESJWA goals of water quality improvement at both Lake Elsinore and Canyon Lake. This Task Force was formed in 2006 to address a Santa Ana Regional Board issued nutrient TMDL for Lake Elsinore and Canyon Lake. Because the focus of the TMDL is on water quality of Lake Elsinore and Canyon Lake, LESJWA is the appropriate organization to serve as the administrative entity for the Task Force. This role is a similar role that SAWPA staff plays in administering the task forces in the Middle SAR Pathogen TMDL Task Force, and the Big Bear Lake Nutrient TMDL Task Force.

The Task Force selected LESJWA as the administrative support because LESJWA has implemented numerous improvement projects at both lakes, as well as extensive modeling and monitoring at the

lakes and watershed in the past. Further, the governing board of the LESJWA JPA has a history of administering lake improvements based on the previous decade of improvement at the lakes. Still, the staff that operates LESJWA is the SAWPA staff, so all activities and resources to operate the LE/CL TMDL Task Force generally are seamless with SAWPA's operations other than the separate fund accounting and the recognition of the LESJWA Board of Directors for all LESJWA-related activities and improvements.

Mission and Goals

JPA Purpose

The purpose of the Authority is to implement projects and programs to rehabilitate and improve the San Jacinto and Lake Elsinore Watersheds and the water quality of Lake Elsinore and Canyon Lake, in order to preserve agricultural land, protect wildlife habitat, protect and enhance recreational resources, and improve surface and subsurface water quality, all for the benefit of the general public.

JPA Goals

- To support planning, design and implementation of projects to improve water quality at both Lake Elsinore, Canyon Lake and the San Jacinto River Watershed
- To work with stakeholders to secure reliable funding to operate and maintain water quality improvement projects at both Lake Elsinore, Canyon Lake and the San Jacinto River Watershed
- To serve as administrator of the Lake Elsinore and Canyon Lake TMDL Task Force
- To seek ongoing reliable revenue to operate LESJWA JPA in fulfillment of its mission

Risks and Challenges

Financial Stability

In evaluating the financial picture of LESJWA, the risks and challenges of securing long term and stable funding is an important consideration. Since its formation, these needs for ongoing funding have been on the forefront of the Board and staff of the organization's agenda. In the early years of LESJWA, multiple studies were conducted to explore various options to address the short term and long term needs.

Historical LESJWA Funding Option Analysis

In 2000, the LESJWA Board authorized staff to hire consultants to develop a long - term financial plan for the agency to cover the anticipated operation and maintenance costs of the projects planned for implementation. The Board hired Harris & Associates to conduct this work. In August 2003, Harris and Associates presented the results of their analysis of long term funding mechanisms to the LESJWA Board. Three options for funding presented to the LESJWA Board included:

- Cost Share Among LESJWA Agencies
- Drainage Basin Utility Fee
- Regulatory Fee

The second option, Drainage Basin Utility Fee, was discussed in a report called the Preliminary Rate Analysis prepared by Harris & Associates. Upon review of this report by LESJWA Board, the Board recommended that the consultant further investigate the alternate funding mechanism of a Regulatory Fee. The regulatory fee was an innovative funding option proposed by Colantuono, Levin and Rozell, APC that utilizes the police powers of cities and the County to create a separate financing authority. This authority then would enact a regulatory fee to address runoff pollution from land use. A potential feature of the regulatory fee, as part of the Proposition 218 compliance, was the bypassing of a 2/3 majority vote of the watershed voters even though a regulatory fee to address the control of non-point source pollution has not been successfully implemented in the State of California.

A draft joint powers agreement was prepared to establish a separate financing organization to collect a regulatory fee to support operation and maintenance costs of LESJWA projects and a draft ordinance was prepared regulating activities that pollute public stormwater systems for the new Lake Elsinore and San Jacinto Watersheds Financing Authority.

Upon review by the LESJWA Board, the Board directed staff to present the regulatory fee concept to the City Councils of Lake Elsinore and Canyon Lake, as well as two of the county supervisors. The County Supervisors indicated that if local cities were behind the regulatory fee, then the regulatory fee concept be brought back to the County of Riverside Board of Supervisors for further consideration. In both city council presentations, the City Councils generally were opposed to any type of fee implementation appearing to bypass a public vote despite the fact that their cities stood to benefit the most from such a fee implementation.

In June 2004, the LESJWA Education and Outreach Committee recommended a polling survey in the watershed prior to proceeding with implementation of any fee and any education and outreach programs associated with a fee. The survey sought to determine how effective the LESJWA education and outreach messages have been in informing the public about LESJWA, to assess what the public knows about the new TMDL regulations, and to gauge public opinion as to the appropriate way to pay for TMDL compliance. The survey results presented to the LESJWA Board in January 2005 indicated that significant public education and outreach, as well as private campaign funding support, would be necessary to implement any type of new fee. Further, the survey results showed strong interest and support for the end goals of watershed and lake cleanup, but a substantial lack of support for any type of new fee to achieve these goals.

Concurrent with these actions, the local agencies agreed to fund the operation and maintenance costs of all the Proposition 13 LESJWA funded projects themselves. Consequently, the original intent of the financial plans to cover the operation and maintenance costs of LESJWA funded projects is no longer a major issue. Although the LESJWA projects reflect substantial improvement measures that will benefit both lakes, additional future water quality projects likely will be needed at Canyon Lake, Lake Elsinore and in the contributing watersheds to meet new long term water quality regulations established by the Santa Ana Regional Water Quality Control Board. The compliance deadline for the new water quality targets for the two lakes is the Year 2015 for some interim targets, and Year 2020 for final targets.

Thereafter, the LESJWA Board directed staff to discontinue further consideration of the regulatory fee for the following reasons: 1) a lack of public acceptance for establishing a drainage utility fee or

regulatory fee to support LESJWA's goals, 2) a lack of private campaign funding necessary to obtain a majority vote of land owners or the public at large, and 3) the reduced need for an additional funding source for operation and maintenance costs. The funding necessary to cover operation and maintenance costs of the implementation projects to date was provided by the local agencies operating the projects, or by joint agreement among the City of Lake Elsinore, EVMWD, and the County of Riverside, as in the case of the Lake Elsinore aeration system.

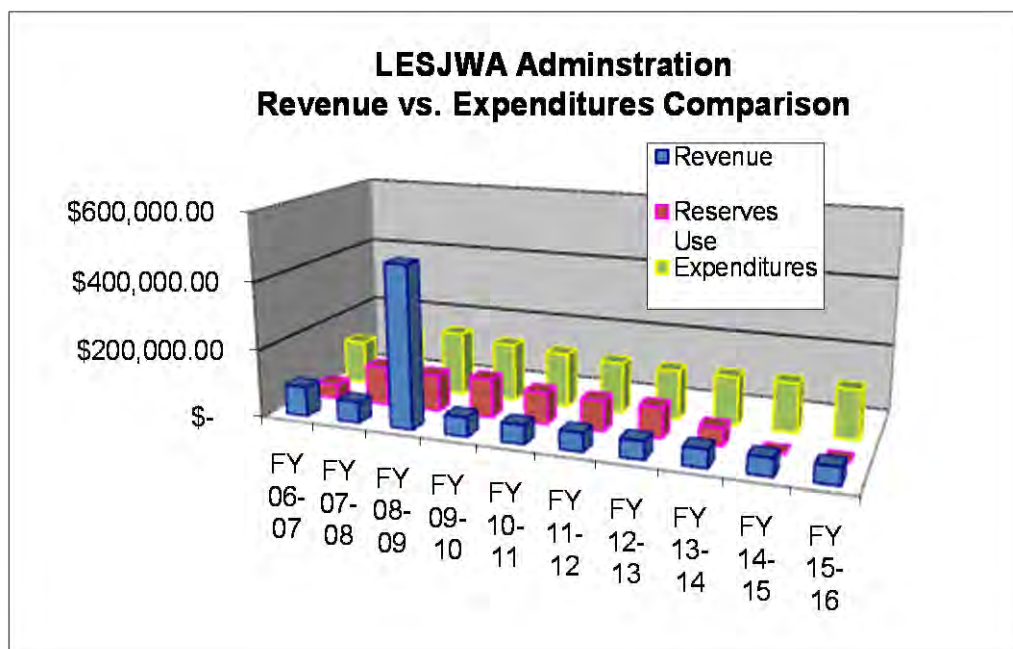
LESJWA Current Finances

LESJWA operated for its first eight years using Proposition 13 Water bond funding covering all project management, administrative, and JPA operation costs. To pay vendors until reimbursed by State grants, the LESJWA member agencies paid annual contributions of \$10,000 each to cover the SAWPA-LESJWA loan interest. Much of this funding was not necessary for interest payments and was carried over into the organization's reserves. The annual contribution for FY 14-15 of \$10,000 each by the City of Canyon Lake and SAWPA and \$20,000 each by EVMWD and the City of Lake Elsinore pays the majority of the JPA operations costs but are still insufficient to cover all costs in the long term. The annual costs to operate the JPA under its current mode of operations are approximately \$100,000 per year. LESJWA funds about \$17,000/year for annual education and outreach activities.

As there is only \$70,000 collected from member agencies annually, the organization is running short each year and no longer can rely on organization reserves to cover the annual funding shortfall. In FY 2009-10, the Canyon Lake POA donated to LESJWA the dredging equipment it owned because the funding to support the Canyon Lake desalting project came from LESJWA. This much-needed funding of \$394,000 was placed in reserves and helped in extending the life of LESJWA through FY 14-15.

Based on the FY 2014-15 Budget, the main source of funding coming into LESJWA will continue to be from the TMDL parties that are supporting the TMDL Task Force administration. The source of this funding is from the TMDL stakeholders; some of which are the LESJWA member agencies. Based on feedback from the TMDL task force, the Task Force understands that more of the costs to administer the task force should also pay for LESJWA JPA administration and agenda items that relate to the TMDL task force contracts and activities. In the past all LESJWA organization administration costs came from local contributions of the LESJWA member agencies.

One of the primary concerns with the long-term financial outlook for the organization is continued operation funding. With available reserves used to operate the agency and insufficient funding from member agency contributions, the agency will run out of sufficient funding to operate at its current operation level by 2017. Further LESJWA has no reserves to address emergency situations or needs for the future.



Note: Chart does **not** reflect LESJWA member agency **contribution increases in FY 14-15, potential new increases from RCFCWD and County of Riverside** or TMDL Task Force expenditures.

Short Term and Long Range Financial Plan

Operations Funding Alternatives

Based on current projections, LESJWA will need to evaluate alternatives to find additional operational funding, reduce annual costs, or disband. Other options to support additional operational funding may include changes to the LESJWA governance or change in administration. These options are described as follows in priority order:

Pursue State and Federal Grant Opportunities

In order to continue building water quality improvement projects at Lake Elsinore and Canyon Lake, capital funding must be generated. Currently, there is no ongoing revenue defined for capital improvements. The most cost effective way to create capital funding would be to leverage local funding with State and Federal grant funding as it becomes available. At this time, the best opportunity for capital funding that could support improvements at both lakes is through the California Proposition 84 Water bond. The water bond has several chapters designating funding for specific purposes. This funding is now being released through various California departments depending on the chapter purposes.

One chapter of Proposition 84 of special interest is Chapter 2 Integrated Regional Water Management Program administered by the California Department of Water Resources. For Santa Ana funding area, of which the San Jacinto subwatershed and both Lake Elsinore and Canyon Lake fall within, the Chapter 2 funding is being released by DWR through multiple rounds of funding with the first round due on Jan. 7, 2011. The applications for funding under this chapter are first

administered through SAWPA as the designated regional water management group for the Santa Ana funding area. In June 2010, SAWPA administered a competitive call for projects based on defined criteria of Prop 84 Chapter 2 encouraging multi-beneficial multi-agency submittals. Under this first call for projects, LESJWA submitted a grant proposal to support the Canyon Lake oxygenation/aeration system. Unfortunately, the project was not short listed primarily because the project was not in a high state of readiness to implement nor was there any commitment in local funding match. Under the second round of funding from DWR, \$16 million was available for the entire Santa Ana region and 19 projects were short listed, one of which was the LESJWA Canyon Lake Alum Application. Round 2 will provide \$500,000 to reduce costs of the LE/CL TMDL Task Force for the alum application at Canyon Lake and assist with TMDL compliance. The chances of possible funding under future State grant funds are likely if the new \$7.5 billion water bond, supported by the State Legislature and Governor, is approved by the CA voters on November 4th 2014.

LESJWA can also pursue federal grant funding which typically requires a 50-50 cost match between federal and local funding sources. At this time, federal funding to support capital projects for lake improvements appear to be somewhat limited. However staff can maintain lines of communication with federal offices of EPA, Reclamation and others to assure that federal grant funding opportunities are considered and applied for as they become available.

Reduce Annual Costs

Eliminate Education and Outreach

One of the most extensive costs for the agency on an annual basis is the education and outreach program. Annually, approximately \$17,000 is budgeted and spent for support of the education and outreach program with the consulting firm, O'Reilly Public Relations (OPR). OPR provides important support to LESJWA in providing bi-annual newsletters, op-ed articles, newspaper press releases, updates for website, talking points for emergency lake conditions events, coordination with the LESJWA Education and Outreach Committee, and support in arrangements for community presentations by LESJWA staff. While funding is still available from reserves, LESJWA continues to budget and fund the education and outreach program. However, as reserve funding diminishes, this program may need to be terminated. If \$17,000 in annual costs were eliminated, the annual LESJWA projected costs would be less than \$100,000. The downside to termination that would have the most impact is the elimination of readily available crisis management, messaging, and talking points with the media such as the occurrence of major fish kill incidents. The assistance of OPR was considered extremely helpful when these events have occurred.

Reduce Board meeting frequency

Another way to reduce costs is to reduce the meeting frequency (currently every other month). Fewer meetings will reduce administration costs associated with meeting agenda packets, minutes, legal support, and board participation. A transition from every other month to a quarterly meeting schedule will save an estimated \$15,000/year. The downside of meeting less frequently is the potential loss of cohesion among the member agency representatives, loss of institutional memory, delays in consultant contract approvals, and potential loss of value to the member agencies.

Alternative Administrative Support

Another way to reduce costs to consider, as an alternative to SAWPA's continued support as LESJWA's administrator, is to request outside administrative support services through a RFP process for possible consultant support, or to have one of the LESJWA member agencies take over the administration. The administration costs to operate LESWA may decrease, but it is difficult to estimate by how much. The most significant downside would be the loss of institutional memory and the steep learning curve that any new administrator would need to address. Depending on the activity level, the administrator support must be adaptable to changing situations. Any administrator chosen should have sufficient support functions such as accounting, finance, administrative, legal and planning support. Oftentimes, the administrator will have to be proactive in grant writing and applications to support LESJWA goals. If State or Federal grants are successful, the full complement of support services to administer these grants is important. SAWPA has indicated that although it is willing to continue to support LESJWA indefinitely, issues of conflicting interest have arisen in competitive Statewide grant preparation, which may hinder LESJWA's efforts to pursue grant funding or exercise its autonomy as much as it may desire.

Generate New Sustainable Revenue

Lake Quality Improvement Funding

One possible funding option to support LESJWA is a funding source described as lake quality improvement funding, also known as a TMDL pollutant or water quality trading option. Under this scenario, upper watershed entities who must comply with nutrient reductions associated with the Lake Elsinore and Canyon Lake Nutrient TMDL may find it more economical to meet nutrient reductions through in-lake improvements and operations. The Regional Board defined a pollutant (water quality improvement) trading plan as a TMDL task deliverable and formerly supported this program as a legitimate approach for water quality improvement. If upstream parties that contribute nutrients to the lake were to pay for operation and maintenance costs for lake improvements that accomplish nutrient reductions at the lakes, a funding stream could be generated that could cover not just the operations of the lake improvement system, but also operation and management services of LESJWA. Currently, EVMWD, the City of Lake Elsinore, and the County of Riverside jointly operate the existing lake improvements originally funded by LESJWA/Proposition 13 Water Bond such as the Lake Elsinore aeration system. Other lake improvements at Lake Elsinore and Canyon Lake are expected due to water quality cleanup needs to meet the nutrient TMDLs at the lake.

The advancement of the lake quality improvement approach is dependent upon institutional agreements that must occur between lake operation entities and the upper watershed entities, 21 organizations in all. At this time, lake operation entities largely are obligated to continue operations to provide benefits to their local residents and to meet the State obligations to operate and maintain capital improvements funded by State grants. The Lake Elsinore aeration operators, the County of Riverside, City of Lake Elsinore, and EVMWD, had hoped that some lake projects would perform better than expected and show increased nutrient control beyond the original design parameters creating water quality credits that then could be sold to upstream parties. However, based on recent evaluation of Lake Elsinore aeration impacts and monitoring, no additional nutrient offset credits are evident by the Lake Elsinore aeration system at this time.

In consideration of a lake quality improvement program, each TMDL responsible party will want to know what specific amount of nutrient control they will be responsible for. This may include not just what comes off their properties, but also suppression of nutrient rerelease from the lake bottoms resulting from past nutrient flows from their properties. Further study of the lake quality

improvement and nutrient trading option was evaluated in FY 11-12. Unfortunately the prospects of funding through nutrient trading options other than for the future Lake Elsinore aeration system appear to be less likely due to recent State court interpretations.

To cover just the operations shortfall of LESWA, any nutrient offset or credit at the lakes could include the funding necessary to sustain LESJWA for the long term. The primary beneficiaries for the continuance of LESJWA would be the Lake Elsinore/Canyon Lake TMDL Task Force agencies. If all TMDL task force agencies participated in the lake quality improvement, the annual funding contribution to just sustain LESJWA is estimated to be approximately \$5000 per agency, assuming an equal share among all 20 agencies of \$100,000 to operate LESJWA beyond FY 2014-15. If one were to assume that the existing LESJWA member agencies were to continue funding LESJWA at their current annual funding of \$20,000 per member agencies for the City of LE and EVMWD and \$10,000 for SAWPA, City of Canyon Lake and County of Riverside, the funding contribution from the other TMDL agencies could drop down to approximately \$1875 per agency again assuming an equal share among the remaining 16 task force agencies (SAWPA is not a TMDL funding party) for the balance of the funding needed.

In regard to competition to water quality nutrient trading program implementation, the WRCAC has obtained a 319(h) State planning grant to implement a pollutant trading program among the dairy and agricultural operators. LESJWA understands that the WRCAC pollutant trading program is limited to trades among agricultural and dairy operators and not with other TMDL parties. The program may have an impact on future trading options with other TMDL agencies. Until such time that the LE/CL TMDL water quality improvement and nutrient trading program is developed, the projected competition, viability, and potential revenue for LESJWA operations are unknown.

TMDL Task Force Funding for LESJWA

Another revenue generation option proposed by the LESJWA Chair, Phil Williams, was to request annual funding directly from each of the LE/CL TMDL Task Force entities. As reflected in the 2010 LESJWA Business Plan, the Task Force formerly paid for monitoring, studies, administration, and consultant support to comply with TMDL requirements, but not the LESJWA operations. The challenge with this proposal is that many of the LE/CL TMDL parties already are realizing major financial difficulties with paying their existing allocation for the TMDL. Further, the future of the TMDL Task Force is somewhat jeopardized by an anticipated funding deficit from one of the major funding contributors to the TMDL efforts, the agricultural operators. The agricultural operators have indicated that they will not be seeking to collect funds on an annual basis, but triennially. Without sufficient funding to comply with TMDL requirements, the TMDL compliance work will cease and the collaborative approach under the task force agreement is jeopardized.

Similar to the funding contribution described in the lake quality improvement program, the primary beneficiaries for the continuance of LESJWA would be the Lake Elsinore/Canyon Lake TMDL Task Force agencies. If one were to assume that the existing LESJWA member agencies were to continue funding LESJWA at their current annual funding of \$20,000 per member agencies for the City of LE and EVMWD and \$10,000 for SAWPA, City of Canyon Lake and County of Riverside, the funding contribution from the other TMDL agencies could drop down to approximately \$1875 per agency again assuming an equal share among the remaining 16 task force agencies (SAWPA is not a TMDL funding party) for the balance of the funding needed.

For this 2014 LESJWA Business Plan, the revenue assumptions for LESJWA assumes that approximately half of all LESJWA Board activities relate to the LE/CL TMDL Task Force so these

costs will be passed on to the LE/CL TMDL Task Force under the administration fee associated with their task force work. This should provide a revenue stream of approximately \$25,000/year from the Task Force to offset the revenue shortfall to address TMDL activities.

Increase Cost Share Among LESJWA Agencies

The simplest and most direct way to increase revenue long term would be to increase the funding contribution among the five LESJWA member agencies. This approach places an unfair burden upon the agencies surrounding the lakes and particularly on SAWPA since it is supporting the organization without a significant vested interest in the lake quality improvement. Under this scenario, if all five agencies share were increased equally to cover an annual operating cost of \$100,000, the equal share would be \$20,000. If SAWPA's share was maintained at \$10,000 and the other four agencies were to share in the costs equally, then the four LESJWA agencies would have their annual costs increase from \$10,000 per year to \$22,500.

For the 2014 LESJWA Business Plan, this option was exercised and included in the FY 14-15 Budget as applied to two of the five member agencies. Both the City of Lake Elsinore and EVMWD agreed to budget \$20,000 instead of \$10,000/year for LESJWA costs. The County of Riverside also indicated that they would look into increasing their annual share by \$10,000 but preferred not to include it in the LESJWA budget at this time. Further, the Riverside County Flood Control and Water Conservation District expressed interest in providing \$20,000 to supplement the member agencies contributions to support LESJWA. Again this costs was not included in the FY 14-15 budget.

Formation of an Assessment District

Another revenue option of forming an assessment district is also explored as described below but based on past survey work conducted to explore the Drainage Basin Utility Fee and the Regulatory Fee, it does not appear to be a viable option and is not included in the list of recommended actions to the LESJWA Board.

Similar to the Big Bear Municipal Water District, another funding option previously explored to some degree in the early history of LESJWA, is the establishment of an assessment district that could include properties around Lake Elsinore and Canyon Lake, or areas in the contributing watersheds. Special assessment districts are separate units of government that manage specific resources within defined boundaries. Districts vary in size, encompassing single cities or several counties. They can be established by local governments or by voter initiative, depending on State laws and regulations. As self-financing legal entities, they have the ability to raise a predictable stream of money, such as taxes, user fees or bonds, directly from the people who benefit from the services.

Proposition 218 establishes a common formation and ratification procedure for all special assessment districts as defined by Section 4, Article XIII D of the California Constitution. These requirements apply to all special assessments, to the exclusion of any conflicting laws. All assessments must be supported by a detailed engineer's report prepared by a registered professional engineer. The report must contain the total amount of money chargeable to the assessment district, the amount chargeable to each parcel in the district, the duration of the payments, the reason for the assessment, and the basis upon which the proposed assessment was calculated. Although not explicitly mandated by Proposition 218, the report also should include a description of the improvements or services to be financed through the special assessment, the proposed district boundaries, and a description of the special benefit which each parcel receives as a result of the assessment.

Prior to creating an assessment district, the city, county, or special district must hold a public hearing and receive approval from a majority of the affected property owners casting a ballot. All owners of property within the assessment district must be mailed a detailed notice of public hearing and a ballot with which to voice their approval or disapproval of the proposed district at least 45 days prior to the hearing. The notice must contain the total amount of money chargeable to the assessment district, the amount chargeable to each parcel in the district, the duration of the payments, the reason for the assessment, the basis upon which the proposed assessment was calculated, and a summary of the ballot procedure, as well as the date, time, and location of the public hearing. The notice also must disclose that a majority protest will result in the assessment not being imposed.

At the hearing, the governing body of the agency must consider all protests to the formation of the district. Assessment district proceedings must be abandoned if a majority of the ballots received by the conclusion of the hearing protest creation of the district. Ballots are to be weighted according to the proportional financial obligation of the affected property; the larger the financial obligation, the greater the weight that must be assigned to that property. Unlike previous laws under many of the assessment district acts, the governing body cannot overrule the property owner vote. No other form of election is required. Once an assessment is created, it may be repealed or reduced by popular initiative.

Agencies must clearly identify the special benefit being conferred to the parcels being assessed, excluding any identified general benefit. They must apportion the assessment on an individual basis to parcels within the district. Where an assessment is challenged in court, Proposition 218 specifies that the agency carries the burden of proof to show that the property is receiving a special benefit and that the amount assessed is proportional to, and no greater than, the special benefits conferred. Most important, agencies will have to educate property owners about the advantages of the prospective assessment. The ballot process established by Proposition 218 favors those property owners who oppose the assessment (as they are generally the most motivated to return a ballot).

Based on previous studies, it is unlikely that an assessment district could be established similar to the Big Bear Municipal Water District unless the district was limited to properties adjoining or in the immediate area of the lakes. Seeking an assessment from properties in the upper watershed that contribute to the lakes quality is not likely to obtain the 2/3 majority vote of support necessary for passage. Further, the lack of guarantees to assure good lake quality due to the continued water supply challenges that Lake Elsinore is experiencing, likely would be insufficient to property owners considering an assessment fee. Based on these factors, creating an assessment district does not appear viable for the near future.

Participation of LE/CL TMDL TF agencies on LESJWA Board

As part of the 2014 LESJWA Business Plan update, another option as proposed by the LESJWA Board would be to increase revenue by adding more paying members to the LESJWA Board. An additional value for additional members to the LESJWA Board particularly if they were to come from the San Jacinto River Watershed and participating in the LE/CL TMDL Task Force is a greater voice on the governing body over the Task Force.

Under the current LESJWA JPA agreement, Section 3.2, "another entity can become a member of the Authority after its formation upon a 2/3 majority vote of the existing directors". However, it is also clear that the existing directors though wanting to remain inclusive of new members still wish to preserve the veto power that they hold as indicated under Section 4.4 Voting of the JPA Agreement, "Except as otherwise provided herein, all actions of the Board shall be passed upon the

affirmative vote of a majority of the Board of Directors; provided, however, that no plan or program shall be implemented within any Member's jurisdictional boundaries without that Member's prior approval."

In evaluating which agencies represented on the LE/CL TMDL Task Force agency might be interested in serving as a new LESJWA JPA member, care would need to be taken to determine if that entity is legally eligible to be a member under CA State Law to sit on the JPA Board. For example, the Western Riverside County Agricultural Coalition that represents the dairies and agricultural interests, as non-profit 501c3, would be prohibited from serving on a JPA. Further, it is unlikely that federal entities such as the U.S. March Air Reserve Base or State agencies could become LESJWA JPA Board members either.

Another option to add member or members to the LESJWA JPA could be to approach the Western Riverside Council of Governments (WRCOG). This is explored further below under Institutional Stability.

The recommended strategy for this option would be to conduct presentations with WRCOG Public Works TAC as well as key large cities who also participate in the LE/CL TMDL Task Force to determine if there is interest or needs for better representation of their interests on the LESJWA Board. Individual meetings with upper management of the large cities who serve on both WRCOG and the Task Force should continue to determine future interest in serving as a funding member of the LESJWA JPA.

Institutional Stability

In addition to financial considerations, the long-term sustainability of LESJWA must include consideration of institutional factors. Often within for-profit business plans, a section is included discussing competition in the market place. Though as a non-profit, market competition is typically not a direct concern, a non-profit entity should still consider the competitive nature of outside funding and other organizations that often play dual or similar roles to LESJWA. Other institutions may affect how the LESJWA Board may wish to continue in the future under its current JPA organization with current JPA members or consider alternative organization structure.

San Jacinto River Watershed Council (SJRWC)

The SJRWC is a non-profit 501(c) 3 organization formed in 2002. A grant provided by the State of California Dept of Conservation to the Elsinore-Murrieta-Anza Resource Conservation District helped establish the organization with a watershed coordinator and provide a listing of available watershed resources. A nine-member board of directors with representatives from the following categories governs the Council. The current representative and organization affiliation also are as follows:

1. Water/Wastewater
2. County/City
3. Agriculture/Landowner
4. Environmental/Community
5. Federal/State/Regional
6. Indian/Tribal

7. Dairy
8. At Large Board member
9. At Large Board member

The purpose of the organization, as shown in the SJRWC bylaws, is as follows:

- To ensure that the current and potential uses of the San Jacinto River Watershed's resources are sustained, restored, and where possible, enhanced, while promoting the long-term social and economic vitality of the region.

The goals of the organization are to:

- Promote a stewardship approach to collaborative, holistic watershed management.
- Ensure that the interests represented in the development of policies, programs and activities of the San Jacinto River Watershed Program reflect the diversity of interests represented by all stakeholders of the watershed.
- Provide sound information to support decisions and actions of watershed stakeholders, which will promote the long-term social and economic vitality of the region.
- Provide and support an effective process that supports locally led and community-based environmental management that meet State and Federal regulatory requirements in locally appropriate ways.
- Assist in the development, implementation, and monitoring of effective and sustainable processes to improve watershed quality and protect beneficial uses of water to meet the interests of all stakeholders in the San Jacinto Watershed.
- Facilitate the exchange of watershed information to the stakeholders and community through various means.
- Influence water policy.

As evident by the organization goals in comparison to LESJWA goals, there is some duplication of mission and potential areas of conflict. Because the SJRWC functions primarily from minimal annual contributions from its member agencies and by grants, competitive grant applications prepared by LESJWA and SJRWC may be deemed competitive. Under past grant applications prepared by LESJWA to benefit the LE/CL TMDL Task Force and to benefit LESJWA in general, the SJRWC has objected to LESJWA grant applications as competition and evidence of a lack of collaboration. Correspondence received by email from the SJRWC and by letter from the Western Riverside Agricultural Coalition, also administered by the SJRWC executive director, expressed strong concern with efforts by LESJWA to support the LE/CL TMDL Task Force requirements as it appeared to duplicate their interests in applying for a pollutant trading program. If LESJWA seeks to pursue additional planning grant funding on behalf of the LE/CL TMDL Task Force or LESJWA, this perceived institutional threat is likely to continue.

Santa Ana Watershed Project Authority (SAWPA)

The Santa Ana Watershed Project Authority is a joint powers authority formed in 1973 to address regional water resource planning and projects in the Santa Ana River Watershed. SAWPA includes five member agencies including Eastern Municipal Water District, Western Municipal Water District, Inland Empire Utilities Agency, San Bernardino Valley Municipal Water District, and Orange County Water District. SAWPA currently has three main areas of focus:

1. **Operation and maintain the Inland Empire Brine Line** delivering non-reclaimable high saline water out of the Santa Ana River Watershed to the ocean.
2. **Administer and support the SAWPA Roundtable or task forces.** These are multi-agency collaborative forums to address water quality regulations and water resource issues wherein multiple agencies sign a task force agreement to hire SAWPA to administer regular meetings, hire consultants, and conduct the contract terms on behalf of the multiple agencies to accomplish their goals. Many of the SAWPA “Roundtable” efforts are addressing TMDLs in the Santa Ana Watershed.
3. **Integrated regional water management planning through SAWPA’s One Water One Watershed “OWOW” Plan.** SAWPA has been designated by the Dept. of Water Resources as the established region for funding of Proposition 84 IRWM funding, and is likely to be the administrator for future IRWM funding.

As a watershed entity, SAWPA, like SJRWC, will be pursuing competitive grants made available from State and Federal sources for watershed planning, watershed coordination staffing and other watershed projects. Because SAWPA is pursuing funding that also potentially could be applied for by LESJWA, this presents areas that some may consider a conflict of interest, considering SAWPA serves as the administrator of LESJWA. Historically, SAWPA has served as a catalyst for getting regional projects implemented and then passing the baton of control over to local entities to continue operations and maintenance activities. Thereafter, SAWPA typically will withdraw from the newly formed JPA or operations organization unless strongly recommended to remain. To date, SAWPA has not withdrawn in its administrative role based on the encouragement of the LESJWA Board to remain as administrator.

Big Bear Municipal Water District (BBMWD)

The Big Bear Municipal Water District is an independent special district of the State of California, responsible for the overall management of Big Bear Lake located in the San Bernardino Mountains. The primary goal of the BBMWD is the stabilization of Big Bear Lake at a water level as constant as possible. Lake stabilization is conducted through the implementation of a comprehensive water management plan, which includes controlled lake releases combined with a water purchase contract to provide water to the water rights holder while minimizing demand on the reservoir. In many ways, the BBMWD could be a potential organizational template for how Lake Elsinore could be managed in the future.

The list of similarities between Big Bear Lake and Lake Elsinore are many as indicated below:

1. Both lakes are listed as impaired water bodies for nutrients.
2. Both lakes are actively seeking to address water level stabilization and water quality.
3. Both lakes are primarily recreational water bodies.
4. Both lakes have experienced challenges with low DO levels and algae.
5. Both lakes have a TMDL Task Force seeking to address their challenges.

Still, major differences exist between the lakes that affect lake management as follows:

1. BBMWD owns Big Bear Lake while the City of Lake Elsinore owns Lake Elsinore with agreements with EVMWD to fill and operate the lake.
2. BBMWD uses an assessment district and boating/docking fees to fund lake stabilization and water quality improvements at Big Bear Lake, and to operate the agency. The City of Lake Elsinore and EVMWD provide funding for Lake Elsinore lake level stabilization. LESJWA obtained grant funding for the majority of past improvements at Lake Elsinore and Canyon Lake, but no ongoing capital funding mechanism currently exists. LESJWA member agencies provide minimal funding for operations of LESJWA.
3. Big Bear Lake has much higher recreational use than Lake Elsinore and has a higher per capita income level surrounding the lake to pay assessment district fees.

In addition to SJRWC and SAWPA, BBMWD also may be applying for lake improvement funding from State and Federal sources that may be in competition to grant applications to support Lake Elsinore and Canyon Lake improvements.

Western Riverside Council of Governments (WRCOG)

The Western Riverside Council of Governments (WRCOG) is a joint powers authority whose responsibilities are wide-ranging, but in all cases are determined by its member jurisdictions and agencies. Activities common to many COGs include regional review of environmentally significant projects per CEQA; air quality planning; area wide clearinghouse for review of Federal financial assistance; regional housing needs assessment; hazardous and solid waste management; demographic projections; growth management analysis and development of subregional strategies; review of local general plan amendments; area wide water quality planning; transportation planning, modeling and programming; and general planning support and technical assistance.

For WRCOG, its focus is unifying the Western Riverside County so that it can speak with a collective voice on important issues that affect its members. Representatives from 17 cities, the Riverside County Board of Supervisors, and the Eastern and Western Municipal Water Districts have seats on the WRCOG Executive Committee, the group that sets policy for the organization. As a joint powers agency, WRCOG takes up regional matters critical to our future, from air quality to solid waste and from transportation to the environment. One area in which they have a focus is on water supply and water conservation. In this regard, there is somewhat of a nexus to water issues associated with LESJWA and its role in improving the water quality at the two lakes but not significantly.

Since the Western Riverside Council of Governments (WRCOG) has many of the members on the Lake Elsinore/Canyon Lake TMDL Task Force, perhaps there is a role that WRCOG could play in representing the task force agencies in the San Jacinto River Watershed on the LESJWA Board, supporting or reducing administrative costs of LESJWA, or possibly restructuring LESJWA as a committee of WRCOG.

In review of the membership of WRCOG, there are 11 cities of its 17 city member agencies involved in the LE/CL TMDL Task Force. Their jurisdiction in relation to the San Jacinto River Watershed is shown in the graphic below. Similar to SAWPA, if one were to contemplate a potential cost cutting measure to utilize WRCOG as any administration or representation support role for LESJWA instead of SAWPA, it would face the challenge of having some of its members who have no direct overlying involvement or proximity to the two lakes having some say in the affairs of the two lakes.

Future Trends and Forecasts

One of the primary drivers for continued support for lake quality improvement is the EPA-mandated TMDLs that specify certain water quality targets by certain dates. For Lake Elsinore and Canyon Lake, the TMDL water quality targets have been defined for 2015 (interim), and 2020 (final). Failure to achieve the water quality targets may result in regulatory fines to entities that contribute nutrient that exceed maximum daily loads. Most of the LESJWA member agencies are among the entities listed as responsible for TMDL compliance. With the improvements conducted to date at Lake Elsinore and Canyon Lake, significant progress has occurred to help meet the TMDL targets. Whether or not the improvements made thus far are adequate to assure future lake quality still is under investigation. Based on water quality monitoring data collected to date, further lake capital improvements to improve lake quality at both Lake Elsinore and Canyon Lake appear likely.

With each capital improvement, operation and maintenance commitments to operate the lake improvements also are necessary. Over time, an adaptive management approach must be practiced in which monitoring confirms whether water quality targets are being met. If not, then changes to lake operations or further capital improvements with associated O & M commitments become necessary.

For the future of Lake Elsinore and Canyon Lake, an implementation agency to assist with project implementation is still necessary because more water quality improvements at both lakes and the watershed likely are in order to achieve the water quality targets necessary to comply with the Nutrient TMDL for Lake Elsinore and Canyon Lake. If funding from State or Federal grants becomes available for implementation of further lake improvements, LESJWA, as an established JPA, can apply for these implementation funds. The role of building projects to improve water quality at the lakes cannot be performed as well by other JPAs or nonprofit organizations like SJRWC as presently constituted. According to the SJRWC bylaws, it was not formed to be a project implementation agency, but rather a coordinating, planning body. LESJWA also has a successful record in receiving State implementation grant funds, and anticipates such for the future. Similarly, SAWPA is not designed as an operation entity for lake improvements and likely will steer clear of taking on an expanded role in this area.

Future funding also is somewhat dependent on the institutional support of outside regulatory agencies. LESJWA, SAWPA, BBMWd and SJRWC all have a good relationship with the Regional Board, key to obtaining State grant funding support. As part of the TMDL process for Lake Elsinore and Canyon Lake, LESJWA is in a good position to apply for and obtain future State grants for further lake improvements. Further, it has been the common mode of operation for LESJWA to contract with local agencies, often times with its member agencies, to serve as the lead project manager and implementer of large-scale implementation projects, as these entities usually are the same entities responsible for the continued operation and maintenance of the facilities. This contractual model is similar to the approach taken effectively by SAWPA in the administration of implementing Proposition 13 Water Bond projects. Overall, this arrangement has worked well in reducing the operation and maintenance obligations and costs of improvement projects to local agencies more directly interested in the project's success.

Another activity that will need to continue in the subwatershed is integrated water resource planning. The primary integrated water resources management plan (IRWM) for the Santa Ana region covering the San Jacinto subwatershed and the two lakes is the Santa Ana Watershed is the One Water One Watershed (OWOW) Santa Ana IWRP administered by SAWPA. **The OWOW plan was recently updated and adopted by the SAWPA Commission in February 2014.** A more focused subwatershed integrated watershed plan for the Santa Ana River Watershed was completed in Dec.

2007. SAWPA is supportive of the more focused and detailed planning conducted at the local level. This planning is important to the region and is valued under the OWOW collaborative planning process. It is envisioned that LESJWA will continue to support more focused subwatershed integrated watershed planning for the San Jacinto subwatershed as the need arises.

Projected Capital Improvements

Lake Elsinore

Based on studies conducted by LESJWA and the LE/CL TMDL Task Force for Lake Elsinore, the existing improvements of biomanipulation that includes in-lake aeration and destratification, carp removal and carnivorous fish stocking, are expected to achieve compliance with the chemical and biological targets specified in the Lake Elsinore TMDL. However, in the event that the proposed program proves inadequate, there may be additional options to further reduce nutrient loads released from in-lake sediments. These include the following capital improvements:

Enhanced Aeration System

The software code used to control the existing aeration system could be revised to operate the aerators more frequently (more months of the year, more days of the month, or more hours in a day). Also, additional pipelines and/or aerators may be installed to provide better coverage. The utility of this option depends on the demonstrated effectiveness of the current aeration system and the related oxygenation efficiency curve of additional aeration. Capital Cost Estimate: \$800,000
Operation & Maintenance Cost Estimate: \$100,000/yr.

Enhanced Treatment of Reclaimed Water

EVMWD's NPDES permit limits phosphorus concentrations in reclaimed water discharged to Lake Elsinore to less than 0.5 mg/L. Additional alum application at the wastewater treatment plant may reduce nutrient concentrations even further. This may provide any opportunity to offset non-point source loads by engaging in nutrient trading with point sources. Capital Cost Estimate: \$5,000,000. Operation & Maintenance Cost Estimate: \$500,000/yr.

Direct Application of Metal Salts

Alum and other metal salts are frequently used to reduce phosphorus concentrations in small lakes. In general, Lake Elsinore is poorly suited for the use of alum because the relatively high pH levels inhibit the intended formation of aluminum phosphate. However, under certain conditions, pH levels may be low enough to support the application of metal salts, such as alum, to Lake Elsinore. In very wet years, when the inflows to Lake Elsinore are greatest, pH levels tend to decrease. This is not surprising because the pH of rainwater is naturally low. If large-scale alum applications were timed to coincide with wet winters, much of the new dissolved phosphorus flowing into the lake might be neutralized. The application of alum to Canyon Lake during the 2013-2015 is underway and is anticipated to reduce the phosphorus concentrations before the water overflows into Lake Elsinore. Further, new clay-based alum products such as Phoslock are showing promise that could be used and may warrant further investigation for direct application to Lake Elsinore. Capital Cost Estimate: \$1.5 million per application.

Targeted Suction Dredging

Previous studies indicate a disproportionate amount of phosphorus released from in-lake sediments is coming from the organic silt layer in the middle of the lake. Furthermore, preliminary reports suggest that most of the phosphorus is coming from the top 15 cm of sediment. Therefore, limited suction dredging, targeting the top six inches of sediment in the middle of the lake may prove to be an effective mitigation strategy. Cost Estimate: \$20 million.

Constructed Wetlands

LESJWA has considered a pilot project to demonstrate the effectiveness of constructed wetlands for reducing nutrient concentrations in Lake Elsinore. Theoretically, stormwater runoff could be diverted through such wetlands for treatment prior to entering the lake. Alternatively, lake water could be pumped up and flow through the wetlands during drier years. When the levee was constructed, and the surface area of Lake Elsinore was cut in half, a large back-basin area was created that may serve as an ideal location to build treatment wetlands. Data from the pilot project will help determine whether such an approach would be practical on a larger scale. Capital Cost Estimate: \$600,000. Operation and Maintenance Cost Estimate: \$20,000/yr.

Active Aquatic Plant Management

Over time, stabilizing the lake level and reducing the algae infestation will provide an opportunity for native aquatic plants to recolonize the lake. It also may be possible to accelerate the process by initiating a program to actively revegetate the shoreline and the lake bottom. Aquatic plants will serve as a natural sink for nutrients, will provide better habitat for beneficial freshwater species, and reduce the level of sediment resuspension caused by wind and wave action. Capital Cost Estimate: \$200,000. Operation and Maintenance Cost Estimate: \$10,000/yr.

Enhanced Fishery Management Program

The City of Lake Elsinore has demonstrated the general effectiveness of actively managing the fish populations through netting and stocking programs. Such programs, particularly stocking efforts, could be expanded significantly if there were a way to calculate and credit the nutrient removal credit associated with such an effort. Data collected from the water quality monitoring program may provide the information needed to validate the beneficial use protection value, and thereby create an incentive to augment the City's fishery management program. Estimated Capital Cost: \$2,400,000. Operation and Maintenance Cost Estimate: \$45,000/yr.

Enhanced Lake Stabilization

Previous studies revealed that 13-15,000 acre-feet of water evaporates each year from Lake Elsinore. On average, only about 1,400 acre-feet flows into Lake Elsinore annually. The island wells provide an additional 3,000 acre-feet of groundwater and reclaimed water adds 5,000 acre-feet of supplemental flow each year. Therefore, more water (up to 5,000 acre feet/year) is needed to fully offset evaporative losses and stabilize the lake level in the ideal range. The most cost-effective and reliable source is high quality reclaimed water from local wastewater plants. However, additional treatment would be necessary to reduce nutrient concentrations to acceptable levels before more reclaimed water could be added to Lake Elsinore. The cost of such treatment also would have to be heavily subsidized by the responsible parties named in the TMDL. Further, the existing recycled water flow of 5000 AFY is subject to a joint agreement and funding by the City of Lake Elsinore and

EVMWD. If this funding were to discontinue and recycled flows cease, this annual cost increase and become more urgent. Annual Cost for Supplemental Water: \$1,830,000/yr.

Lake Elsinore Improvements	Capital Costs	Annual O & M Costs
1) Enhanced Aeration System	\$800,000	\$100,000
2) Enhanced Treatment of Reclaimed Water	\$5,000,000	
3) Direct Application of Metal Salts	\$1,500,000	
4) Targeted Suction Dredging	\$20,000,000	
5) Constructed Wetlands	\$600,000	\$20,000
6) Active Aquatic Plant Management	\$200,000	\$10,000
7) Enhanced Fishery Management Program	\$2,400,000	\$45,000
8) Enhanced Lake Stabilization	\$1,830,000	
Total	\$32,730,000	\$175,000

Canyon Lake

For the short term capital improvements of LESJWA, the focus will be primarily on improvements at Canyon Lake.

Aeration/Oxygenation System

In August 2010, LESJWA initiated a preliminary engineering investigation for an aeration/oxygenation system for Canyon Lake to assist with compliance with many of the Canyon Lake TMDL targets. The report **was completed in** December 2010 and **provides** refined estimates for capital improvements, as well as operation and maintenance. Capital improvements cost estimate: \$1.5 million. Operation and Maintenance Costs Estimate: \$500,000/year.

Alum Application

As described under the Lake Elsinore improvement, **alum application of Canyon Lake is underway and is hoped** to be an effective strategy to control nutrient release from the bottom, particularly the legacy phosphorus on the lake bottom, but also help to collect nutrients in the water column under a storm event and seal them in the bottom sediment to benefit not just to Canyon Lake, but also to downstream Lake Elsinore. Capital Improvement cost estimate: \$120,000 per application.

Upstream Constructed Wetlands Treatment

Again similar to the previously described Lake Elsinore improvement, wetlands are an effective means of filtering nutrients before reaching major water bodies like Canyon Lake and Lake Elsinore. If a location could be found upstream of Canyon Lake, either where the San Jacinto River or the Salt Creek enter Canyon Lake, a wetlands could be established to assist. The challenges with this project is assuring adequate water supply, land purchase, and effectiveness in nitrogen removal, but less so with phosphorus. Consequently, similar to the Lake Elsinore project, a pilot

project scale wetlands is envisioned before proceeding with major construction. As the land has not been acquired, the pilot project costs will be higher than for Lake Elsinore. Capital Improvement cost estimate: \$800,000. Operation and Maintenance Cost Estimate: \$20,000/yr.

East Bay Lake Dredging

In 2006, LESJWA supported the City of Canyon Lake and the Canyon Lake Property Owners Association (POA) in a dredging operation in the East Bay of Canyon Lake and removed 20,000 CY of silt. However, at the request of the Canyon Lake POA the project was prematurely terminated due to increasing operation costs and legal concerns arising from third party lawsuits. The need for additional dredging in the East Bay still exists with an estimated 200,000 CY of silt to be removed in the East Bay of Canyon Lake. Though the water quality benefit of dredging has been deemed to be limited at Canyon Lake main body and the downstream lake, Lake Elsinore, the functionality of the lake and impairment of the recreational beneficial use will continue to occur if dredging is not reinitiated. Capital improvement estimate \$3 million. Operation and Maintenance Cost Estimate: \$50,000/year.

Canyon Lake Improvements	Capital Costs	Annual O & M Costs
1) Aeration/Oxygenation System	\$1,500,000	\$500,000
2) Alum Application	\$1,500,000	
3) Upstream Constructed Wetlands Treatment	\$800,000	\$20,000
4) East Bay Lake Dredging	\$3,000,000	\$50,000
Total	\$6,800,000	\$570,000

Clients and Needs

The need for a business plan for LESJWA is readily apparent as evidenced by the projections of funding shortfall to operate LESJWA within three years. For its member agencies, an increase in member agencies dues will be challenging in light of foreseeable economic conditions. In review of any financial plan, the needs of the member agencies of LESJWA and the other clients that LESJWA supports, such as the LE/CL TMDL Task Force agencies in support of the LESJWA mission, must be considered.

- **Santa Ana Watershed Project Authority**

Of the LESJWA member agencies, the one agency with the least need to be a party of LESJWA is SAWPA. As a watershed management agency, it is not dependent on an individual lake's quality, but plays a supportive role as a watershed coordinator and in its administrative role. Transfer of the administrative support function to another party such as a local agency or other LESJWA member agency may be encouraged to avoid conflict of interest issue in competitive grant seeking, and encouraging more autonomy by the organization. A representative from the Western Riverside Council of Governments, which includes two of the SAWPA member agencies (WMWD and EMWD) as well as many of the LE/CL TMDL parties, may be a good option.

- **County of Riverside**

Because half of Lake Elsinore adjoins County property and is used by many County residents, the County of Riverside can and does play a significant role in assuring a stabilized lake level, and funding lake aeration operations and maintenance for Lake Elsinore. The Riverside County Flood Control District, a district governed by the Riverside County Supervisors, plays a major role on the LE/CL TMDL Task Force as one of the primary funding parties due to the apportionment of TMDLs to Canyon Lake and Lake Elsinore. Continued participation in LESJWA will provide benefits in assuring County resident interests are addressed and that as a responsible TMDL party, its policy guidance to mutually beneficial projects for both lakes will help meet their regulatory obligations.

- **City of Canyon Lake**

The City of Canyon Lake remains an important part of LESJWA particularly since the goals of the organization were developed to assist not just Lake Elsinore, but also Canyon Lake and the San Jacinto watershed. As a named responsible party under the Canyon Lake TMDLs, the City of Canyon Lake stands to benefit from continued involvement, participation, and support of LESJWA. As an upstream entity to Lake Elsinore on the Board, their involvement assures that any future funding is balanced between Lake Elsinore and Canyon Lake water quality improvement needs.

- **Elsinore Valley Municipal Water District**

EVMWD, as a water service agency, plays an important role on the LESJWA Board based on a series of legal agreements it has with the City of Lake Elsinore to maintain lake levels, operate lake aeration systems, and maintain a water supply for the back basin wetlands resulting from the Lake Stabilization Levee project. If these agreements were not in place, the incentive for EVMWD to continue to be involved in LESJWA would be somewhat less. Historically, LESJWA has served as an effective funnel for State grant funding to support compliance with water quality regulations and capital improvements. Similar to the County, EVMWD is a listed responsible TMDL party due to their recycled water additions to Lake Elsinore, and pays a significant portion of the TMDL compliance costs. The value of LESJWA for the future is the possible future grant funding for further lake improvements, avenues of funding operation and maintenance costs for the lake aeration systems, and assistance with TMDL compliance.

- **City of Lake Elsinore**

The City has the most to gain by the continuance of LESJWA. As the City's economy and status is tied to the lake, its name sake, anything that LESJWA has done and can continue to do to support, maintain, and improve water quality and stabilize lake levels is beneficial both financially and organizationally to them. The City serves as a tremendous resource to LESJWA with well-trained staff that is knowledgeable about the lake conditions and assists with funding and operations needs of the lake's aeration system. The City is listed as a responsible party to the Lake Elsinore TMDL and is a party to the LE/CL TMDL Task Force.

- **LE/CL TMDL Task Force**

The task force is composed of 20 agencies that were identified by the Regional Board as responsible for compliance with nutrient TMDLs to achieve water quality targets for both Lake Elsinore and Canyon Lake. SAWPA administers the task force through LESJWA. If LESJWA were to withdraw as administrator for the task force or change its role, other agencies could take on

the administrative role such as SAWPA but an implementation agency like LESJWA will still be needed to continue lake capital improvements necessary to achieve TMDL targets.

Recommended Action Plan

Based on the available revenue and the options for funding, the viability of LESJWA as an effective and operating JPA that fulfills its mission is intact through FY 2013-14. Based on the 2010 LESJWA Business Plan, a shortfall in revenue of \$38,000 for FY 13-14 was projected. However, due to cost cutting efforts, a shortfall did not occur. FY 2015-16, serves as a deadline and milestone year in several ways. The TMDL Task Force must meet the interim Lake Elsinore and Canyon Lake TMDL targets. If they are not met, additional capital improvement projects then may be required and funded by the LE/CL TMDL Task Force parties. LESJWA likely would administer the design and construction of new additional projects necessary to assure compliance. To help fund these projects, outside grant funding such as Proposition 84 IRWM funding may become available and remain a strong opportunity as new rounds of funding are anticipated. Since the time of the 2010 LESJWA Business Plan preparation, LESJWA was successful in securing \$500,000 in grant funding from Prop 84 IRWM Round 2.

LESJWA will remain a key organization to apply for the grant funding on behalf of the LE/CL TMDL Task Force. However, with insufficient funds to accomplish normal operations, revenue to operate the agency is required. Because the primary benefactors would be the Lake Elsinore/Canyon Lake TMDL Task Force agencies, staff requested additional funding from all TMDL parties to operate LESJWA in FY 2014-15. Based on the 2014 LESJWA Business Plan update, the LE/CL TMDL Task Force will be charged for the portion of the LESJWA administrative costs that directly relate to the LE/CL TMDL Task Force activities. This is anticipated to be approximately \$25,000 per year.

If the lake quality improvement program can be set up effectively, the funding from the Task Force needed for LESJWA JPA operations could be lumped into any purchases of nutrient mitigation credits at the lakes. Although the amount of funding and number of TMDL parties willing to participate in the lake quality improvement program is uncertain, it likely will be highest for the most significant nutrient contributors to the lake. A sense of which TMDL parties may benefit the most from the lake quality improvement program and LESJWA JPA operation will be determined as part of future nutrient contribution allocation updates, and the lake quality improvement and nutrient offset trading plan program preparation. Based on recent years activities as part of the 2014 LESJWA Business Plan update, the nutrient offset trading plan will probably only apply to legacy loads of nutrients at Lake Elsinore and will help offset the operation and maintenance costs borne by the three Lake Elsinore aeration operation and maintenance agencies, namely, the City of Lake Elsinore, EVMWD and County Riverside.

Since the completion of the 2010 LESJWA Business Plan, another option to generate revenue for the LESJWA JPA would be to evaluate whether members of the LE/CL TMDL Task Force may have an interest in serving as a funding member of LESJWA in order to have more voice and decision making authority in the affairs of the lakes. Further since many of the LE/CL TMDL Task Force are also WRCOG members, 11 cities and 1 water agency, these investigations may also involve WRCOG in some administrative or interaction role to save costs. LESJWA staff will conduct meetings with WRCOG technical advisory committees and individually with large cities who are members of both WRCOG and the LE/CL TMDL Task Force to evaluate the level of interest.

LESJWA BOARD MEMORANDUM NO. 754

DATE: October 16, 2014

SUBJECT: LESJWA's Adoption of SAWPA's OWOW 2.0 Plan

TO: LESJWA Board of Directors

FROM: Mark R. Norton, P.E., Authority Administrator

RECOMMENDATION

Staff recommends that the Board of Directors adopt the SAWPA's Integrated Regional Water Management Plan (One Water One Watershed- OWOW 2.0 Plan) meeting the DWR requirement for grant funding from SAWPA and CA DWR Proposition 84 IRWM Implementation Grant Program.

BACKGROUND

In July 2012, LESJWA submitted a grant proposal to SAWPA for funding of the Canyon Lake Hybrid Treatment Project under the Proposition 84 Integrated Regional Water Management (IRWM) Program Round 2. Although the grant program is administered ultimately by the CA Dept. of Water Resources, SAWPA is the designated IRWM region for the Santa Ana River Watershed. The Lake Elsinore and San Jacinto River sub-watersheds are located within the Santa Ana River Watershed.

The grant proposal sought \$1 million in funding of the next main TMDL improvement project, the Canyon Lake Hybrid Treatment Process, a combination of alum and oxygenation, if necessary. In 2011, based on studies conducted by Dr. Michael Anderson, the LE/CL TMDL Task Force agreed to a strategy to first apply alum to Canyon Lake for a few years, and then consider if a downsized HOS were necessary to ensure that TMDL response targets are met. Consequently, a hybrid approach was deemed a more appropriate path by the LE/CL TMDL Task Force.

In December 2012, LESJWA was informed that the Canyon Lake Hybrid Treatment Project was recommended for \$500,000 by the SAWPA Project Review Committee, the OWOW Steering Committee, and the SAWPA Commission. Between January 2013 and March 2013, LESJWA staff along with the Lake Elsinore and Canyon Lake TMDL Task Force worked to prepare the required DWR grant application.

In February 2014, the DWR announced that they would be funding 100% of the SAWPA Round 2 grant application including \$500,000 to LESJWA for the Canyon Lake Hybrid Treatment Process project. Documentation to execute the agreement with DWR and SAWPA was required from each project proponent, including LESJWA, in March 2014. The DWR has indicated that in order to be eligible for the grant funding, all project proponents that will receive Proposition 84 IRWM Implementation Round 2 grant funding must adopt the local IRWM plan. This IRWM plan is the SAWPA One Water One Watershed (OWOW) 2.0 Plan.

The OWOW 2.0 Plan reflects an update and expansion of the OWOW 1.0 Plan. This plan provides 20-year projections of water demands and supplies, the challenges and integrated multi-benefit solutions to address the needs of the Santa Ana River Watershed. The Santa Ana River watershed is a 2,800 square mile area that covers three counties – the western portions of Riverside and San Bernardino Counties as well as the northern portion of Orange County. It was by the combined efforts of Pillar workgroups of experts and stakeholders organized generally based on water resource management strategies that led to

the adoption of the One Water One Watershed (OWOW) 2.0 Plan by SAWPA on Feb. 4, 2014. The Canyon Lake Hybrid Improvements project is included in the Plan as one of many projects to be funded under Proposition 84 IRWM Round 2 Implementation grant program. An Executive Summary of the OWOW 2.0 Plan is attached.

LESJWA staff recommends that LESJWA adopt the OWOW 2.0 Plan in order to obtain Round 2 grant funding of \$500,000 to be provided from SAWPA to LESJWA to support the Canyon Lake Hybrid Treatment Project (Canyon Lake Alum Application) through the DWR Proposition 84 IRWM Implementation Grant program. Because the OWOW 2.0 Plan is a regional planning activity and not considered a project under CEQA, it is statutorily exempt under the California Code of Regulations Section 15306.

RESOURCES IMPACT

None.

Attachments:

1. Resolution No. 2014-02
2. OWOW 2.0 Plan Executive Summary

RESOLUTION NO. 2014-02

A RESOLUTION OF THE BOARD OF DIRECTORS FOR THE LAKE ELSINORE & SAN JACINTO WATERSHEDS AUTHORITY TO ADOPT THE SANTA ANA WATERSHED PROJECT AUTHORITY ONE WATER ONE WATERSHED (OWOW) INTEGRATED REGIONAL WATER MANAGEMENT 2.0 PLAN

WHEREAS, on November 16, 2010, the Santa Ana Watershed Project Authority (SAWPA) completed and adopted the “One Water One Watershed” (OWOW) Integrated Regional Water Management (IRWM) Plan, representing one of the most significant and innovative collaborative planning efforts to date in addressing water resources in the Santa Ana River Watershed, and wherein the Plan includes a list of regional projects;

WHEREAS, in August 2012, SAWPA called for projects under the OWOW Round 2 IRWMP, and 136 project proponents from throughout the watershed submitted their projects. Of the 136 projects proposed, 52 projects were submitted for funding consideration in Round 2 of Proposition 84 funding;

WHEREAS, on October 1, 2012, in response to SAWPA’s OWOW Round 2 IRWMP, the Lake Elsinore and San Jacinto Watersheds Authority (LESJWA) submitted projects for funding consideration under Proposition 84, Chapter 2, through the Department of Water Resources (DWR);

WHEREAS, on December 18, 2012, the SAWPA Commission approved a list of 22 projects submitted by project proponents, including LESJWA’s Canyon Lake Hybrid Treatment Project for funding under the OWOW Round 2 funding allocation through the DWR;

WHEREAS, on February 4, 2014, the SAWPA Commission completed and adopted its update to the OWOW Plan, OWOW 2.0 Plan;

WHEREAS, as a condition of the grant funding for LESJWA’s project under the OWOW, the DWR and SAWPA requires that the LESJWA Board of Directors adopt the OWOW 2.0 Plan; and

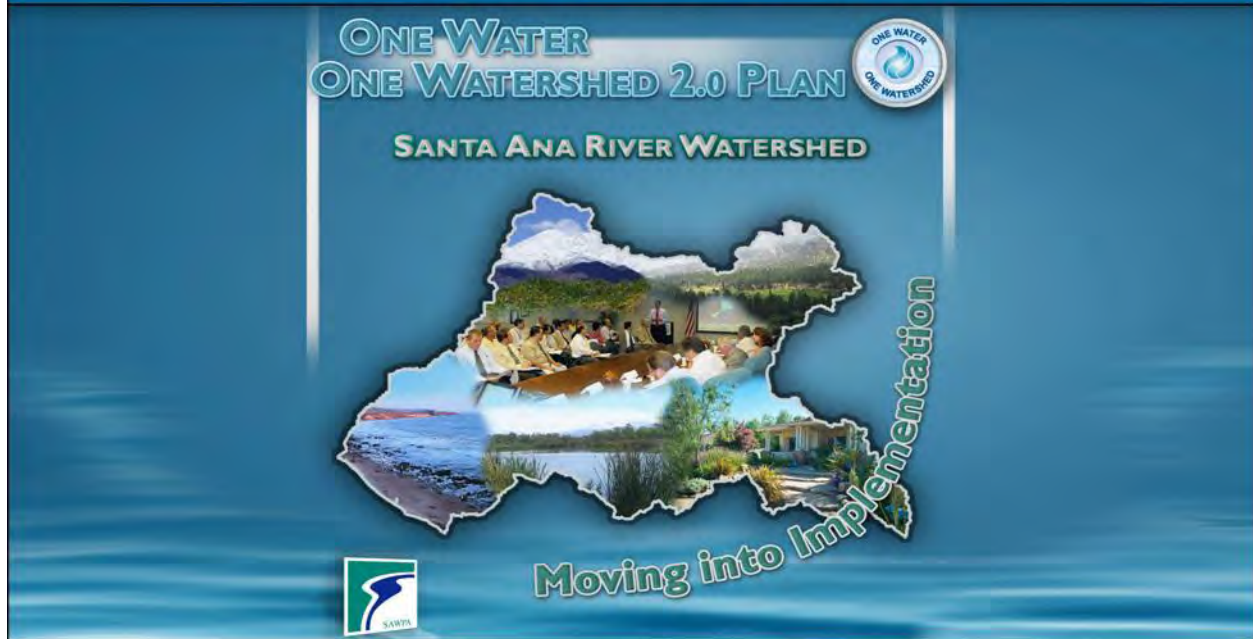
NOW, THEREFORE, BE IT RESOLVED that the LESJWA Board of Directors hereby adopts SAWPA’s OWOW 2.0 Plan as a condition for funding from SAWPA and DWR’s Proposition 84 IRWMP Implementation Grant Program, to support the implementation of LESJWA’s Canyon Lake Hybrid Treatment Project.

ADOPTED this 16th day of October 2014.

LAKE ELSINORE & SAN JACINTO WATERSHEDS AUTHORITY

By: _____
Robert Magee, Chair

Executive Summary



The Santa Ana River Watershed faces enormous challenges as it strives to adapt to changing conditions, many of which are at an unprecedented scale in its modern history. The watershed's population, already one of the most densely populated in the State, continues to grow and urbanize, increasing demands on water supply, water quality, and flood management. Even with its plentiful groundwater resources, several basins now are experiencing declining groundwater levels and overdraft conditions. With the uncertainties of climate change and its impacts, environmental concerns are taking even greater precedence than they ever have in the past, affecting how we manage water for the future.

Most agree that the water management approaches of the past several decades are no longer sustainable in today's environment and economic climate. And most agree that a more integrated and collaborative approach to water resource management will show tremendous promise to water resources everywhere. But in the Santa Ana River Watershed, this approach is not new; it has been our practice and legacy since the first integrated plan was approved by the Santa Ana Watershed Project Authority (SAWPA) Commission in 1998.

In a nutshell, the goal of yesteryear was affordable water for a growing economy. But over time, the goal has changed to become a more complicated balancing act of environmental sustainability, quality of life and, economic growth in a changing environment dominated by water and financial scarcity. The strategy to achieve this goal is integrated water management. This means the various silos of water supply, flood management, water quality, ecosystem restoration, and recreation are brought together as one. Another way to think about it is that while the drop of water may at different times be characterized by different elements, it is still the same drop of water.

The benefits of this approach are better coordination across functions that are often managed separately and across a broader geographic scale larger than the boundaries of individual agencies. Through integration at the watershed scale, economic and environmental performance is more effectively balanced. This water resource planning approach based on a watershed basis has even been recognized by independent review, objective and nonpartisan research organizations such as the Public Policy Institute of California, which cited SAWPA as an excellent example of integrated water management in the State.

SAWPA 'S APPROACH —
COORDINATION, COOPERATION,
AND INTEGRATION OF WATER
AGENCIES TO POOL RESOURCES
AND MANAGE WATER AT THE
BASIN SCALE IS ONE OF
CALIFORNIA'S BEST MODELS
FOR INTEGRATED WATER
MANAGEMENT.

*Public Policy Institute of California 2011
"Managing California's Water – From
Conflict to Reconciliation"*

The Santa Ana River Watershed continues to progress with many "bright spots" and pilot projects accomplished to date. The use of sophisticated "big data" analytics continues to set us apart, resulting in a more robust watershed and a very competitive position to compete for State and Federal funds.

The "One Water One Watershed" (OWOW) 2.0 Plan is the Santa Ana River Watershed's integrated regional water management (IRWM) plan. This plan reflects a collaborative planning process that addresses all aspects of water resources in a region or watershed, in our case. It includes planning of future water demands and supplies over a 20-year time horizon within the watershed as a hydrologic and interconnected system. The plan represents collaboration across jurisdictions, and political boundaries involving multiple agencies, stakeholders, individuals, and groups; and attempts to address the issues and differing perspectives of all the entities involved through mutually beneficial solutions. The plan reflects a new suite of innovative approaches that instead of relying solely on continued imported water deliveries to meet growing water demands in the region, is leading with a water demand reduction strategy. These approaches include the following:

- Multi-beneficial projects and programs that are linked together for improved synergy
- Proactive innovative, and sustainable solutions
- Integrated regional solutions supporting local reliability and local prioritization
- Watershed based project and programs that effectively leverage limited resources, promote trust and produce a greater bang for the buck
- Integrates water supply, water quality, recycled water, stormwater management, water use efficiency, land use, energy, climate change, habitat, and disadvantaged communities and tribes
- Coordinates resources so that water is used multiple times
 - Manages stormwater for drinking water
 - Treats wastewater for irrigation and groundwater replenishment
 - Builds or modifies parks to support water efficiency, ecosystem habitat, and stormwater capture
 - Improves water quality pollution prevention
 - Addresses energy and water nexus

The OWOW 2.0 Plan was funded by the SAWPA member agencies with grant funding assistance from the California Department of Water Resources (DWR) through the Proposition 84 IRWM Planning Grant program, and a funding partnership from the U.S. Bureau of Reclamation (Reclamation) through their Basin Studies program. Work with Reclamation, the State, local and non-profit organizations provided the OWOW 2.0 Plan with the necessary resources to expand outreach and support that ultimately will create more cost effective integrated water resource management solutions.

In the final analysis, the prescription for success is clear; we need to “double down” on integrated water management, strengthen the alignment among all government agencies, and invest in innovation and infrastructure. For the Santa Ana River Watershed, the road map for this success is our IRWM plan known as the OWOW Plan.

The emphasis of this new OWOW 2.0 Plan is that all people are encouraged to adopt a water ethic that focuses on understanding where their water comes from, how much they use of it, what they put into water, and where it goes after they finish using it. To meet growing water demands in the region, a new suite of approaches to planning are needed now that lead with a water demand reduction strategy.

Analysis and Support Tools

To support implementation of the OWOW 2.0 Plan, SAWPA in conjunction with its funding partners, conducted research and analyses on climate change impacts to the watershed, and developed a variety of new computer support tools to support our modern water management goals. Under this Plan, new resource tools and analyses were developed to help water resource managers adapt to changing climate conditions, support project proponents in better integrated solutions, assist analysis of watershed performance over time, and provide the public better access to water quality for beneficial use.

Through the work of Reclamation, an interactive climate change modeling tool was developed to provide water planners with information on potential impacts of climate change within the Santa Ana River Watershed. This tool provides a simplified modeling framework for evaluating climate change impacts, as well as mitigation/adaptation alternatives. The climate change tool enables the user to explore, identify, and download custom climate change data for various scenarios modeled for the Santa Ana River Watershed. Some of the results of the climate change analysis for the watershed that address common public concerns are as follows:

Will surface water supply decrease?

- Annual surface water is likely to decrease over future periods.
- Precipitation is projected to show long-term slightly decreasing trends.
- Temperature is projected to increase, which will likely cause increased water demand and reservoir evaporation.
- Snow melt water runoff is projected to decrease.

Will I still be able to go skiing at Big Bear Mountain Resorts?

- The projected warmer temperatures would result in a delayed onset and shortened ski season. Both



Big Bear Mountain Resorts lie below 3,000 meters and are projected to experience declining snowpack that could exceed 70% by 2070.

How many more days over 95°F are expected in Anaheim, Riverside, and Big Bear City?

- By 2070, it is projected that the number of days above 95°F will quadruple in Anaheim (4 to 16 days) and nearly double in Riverside (43 to 82 days). The number of days above 95°F at Big Bear City is projected to increase from zero days historically to four days in 2070.

Another powerful tool that Reclamation developed under the OWOW 2.0 Plan is an interactive green house gas (GHG) modeling tool to provide water planners and the public about the impacts of GHG within the Santa Ana River Watershed. This tool enables the user to explore, identify and download custom GHG data for a suite of water technologies modeled for the Santa Ana River Watershed. It also will exhibit energy consumption in the delivery and treatment process with relation to water. In accordance with AB – 32, which requires regions to reduce their overall GHG emissions, the tool also evaluates both water supply and demand in the Santa Ana River Watershed. This tool will prove to be very useful within the watershed because it allows users to calculate different scenarios, which can be used to compare each outcome and result. Further, the tool can be adapted to individual projects and is anticipated for use in future GHG emissions calculations by project proponents.

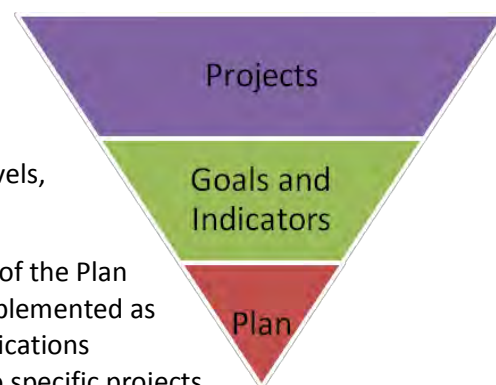
Santa Ana River Watershed Water Quality Tools

SAWPA, partnering with the Santa Ana Regional Water Quality Control Board and local stakeholders, has developed a suite of tools to provide water planners and the public access to water quality information relating to designated beneficial uses, water quality objectives, and water quality data for water bodies and waterways within the Santa Ana River Watershed.

Watershed Assessment Tool, Plan Performance and Monitoring

In order to track progress, SAWPA has developed a system to monitor the implementation of the OWOW Plan and projects implemented under OWOW. The monitoring takes place at two levels, the plan level and project level, to:

- Ensure progress is being made toward meeting objectives of the Plan
- Ensure specific projects identified in the Plan are being implemented as planned in terms of schedule, budget, and technical specifications
- Identify potential necessary modifications to the Plan or to specific projects, to more efficiently and effectively accomplish the goals and objectives of the Plan
- Provide transparency and accountability regarding the disbursement and use of funds for project implementation



To tie the plan and project monitoring together, SAWPA recognized the need for an interface process of measuring progress on meeting the goals and objectives, as well as the health of the Santa Ana River Watershed. SAWPA engaged the services of the Council for Watershed Health, a nonprofit organization, and Dr. Fraser Shilling of the University of California, Davis to develop a watershed assessment framework for the Santa Ana River Watershed. The Council and Dr. Shilling worked with the OWOW Pillars, workgroups of experts and stakeholders organized generally based on water resource management strategies, to update the watershed management goals, establish planning targets, and

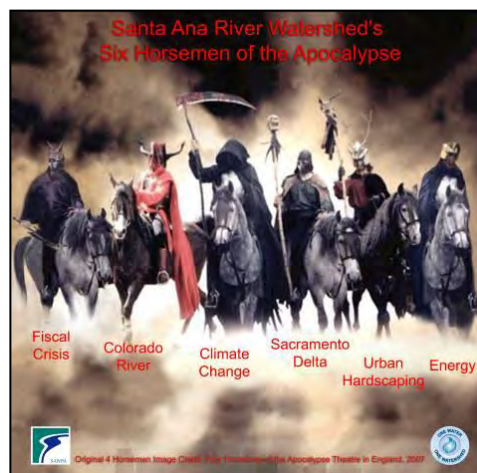
utilize data indicators from existing datasets to track progress. With the input of SAWPA staff, a new tracking computer tool was created, incorporating this work that will allow managers to evaluate and assess progress, and assure actionable results for implementation.

Vision, Mission and Challenges

Under OWOW 1.0, the vision for the watershed was developed and continues under the OWOW 2.0 Plan as follows:

1. A watershed that is sustainable, drought-proofed and salt-balanced by 2035, and in which water resources are protected and water is used efficiently
2. A watershed that supports economic and environmental viability
3. A watershed that is adaptable to climate change
4. A watershed in which environmental justice deficiencies are corrected
5. A watershed in which the natural hydrology is protected, restored, and enhanced
6. A water ethic is created at the institutional and personal level

The mission of the OWOW Plan is to create opportunities for smarter collaboration to find sustainable watershed-wide solutions among diverse stakeholders from throughout the watershed. Clinging to the path of yesteryear will place us at greater risk of producing results with limited impact and unintended consequences. Our 21st Century plan creates a blueprint for more effective water resource management by using data and tools to keep us better informed and allowing us to be more productive in using less energy and producing less GHG emissions.



To achieve this vision and mission, stakeholders must address four major threats, which we have dubbed the Four Horsemen of the Apocalypse: 1) Climate Change resulting in reduced water supplies combined with increased water needs in the region; 2) Colorado River Drought Conditions resulting in pressures on imported supply due to upper basin entitlements and continued long-term drought; 3) San Joaquin-Bay Delta Vulnerability resulting in loss of supply due to catastrophic levee failure or changing management practices of the Delta; and 4) Population Growth and Development resulting in interruptions in hydrology and groundwater recharge while increasing water needs.

To implement OWOW 2.0 and adjust to current affairs, SAWPA and stakeholders needed to adapt to address the new challenges, the Energy and Fiscal Crises. The Four Horsemen of the Apocalypse herd has grown to six. The Fiscal Crisis reflects the impacts of the Great Recession commonly marked by a global economic decline that began in December 2007, and took a particularly sharp downward turn in September 2008. Some say the epicenter was the Inland Empire. By late 2013, the recession remains a part of our lives resulting in far fewer State and Federal funds, and State bond funding being deferred each year as the realization that they would not likely be supported by the California electorate.

Recent energy developments such as the closure of the San Onofre Nuclear Generating Station, have forced us to recognize the water-energy nexus and the need to address our energy needs and escalating costs for delivering energy. Energy costs can be reduced by water agencies through energy efficiency measures, while teaching the public that water conservation equates to energy conservation and thus money saved.

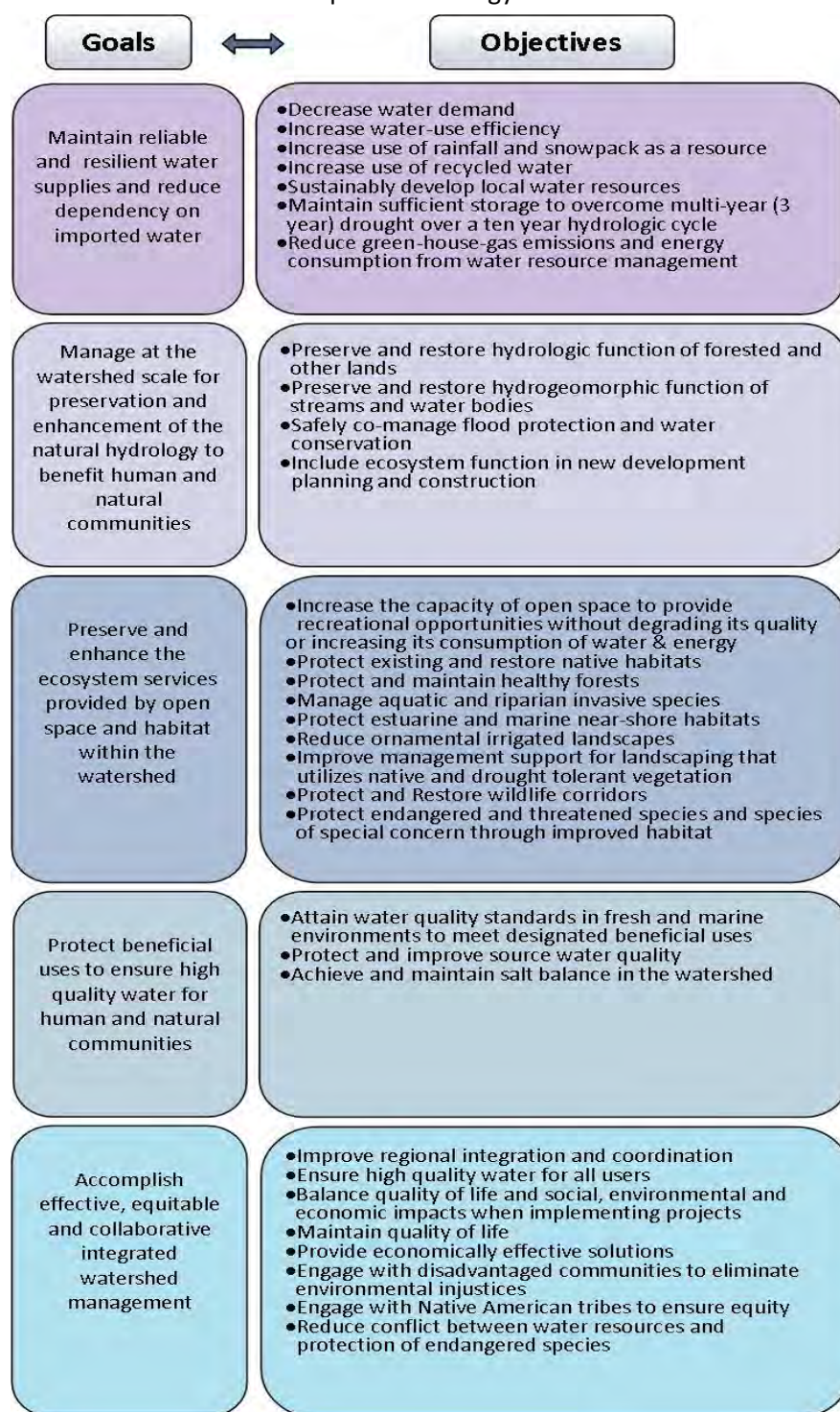
Goals, Objectives, Targets and Indicators

As previously stated, in order to achieve the watershed's vision, the Pillars worked with the Council of Watershed Health on updating the goals and objectives for the OWOW 2.0 Plan as part of the new watershed assessment framework.

The Pillars and the Council selected five areas: water supply, hydrology, open spaces, beneficial uses, and effective and efficient management. Using these newly defined goals and objectives, an assessment process was established that will assure actionable results for implementation.

Thereafter, the new goals and objectives were shared with the Steering Committee for their acceptance. Planning targets within the watershed along with data indicators were developed to track progress and allow measurement of the extent to which the plan objectives are being met. To achieve the updated goals and objectives, resource and broad

management strategies were investigated through work of the Pillars. Quantifiable planning targets were developed in conjunction with the 20-year planning horizon of Year 2035.



The targets and indicators are listed in Chapter 4.3, Planning Targets.

Goals	Performance Targets for 2035
Maintain reliable and resilient water supplies and reduce dependency on imported water	<ul style="list-style-type: none"> •Conserve an additional 256,500 AFY of water through water use efficiency and conservation measures •Create 58,000 AFY using a combination of additional wells, treatment, conjunctive use storage and desalination of brackish groundwater •Increase production of recycled water by 157,000 AFY •Increase both centralized and distributed stormwater capture and recharge by 132,000 AFY •Develop 54,000 AFY of ocean water desalination
Manage at the watershed scale for preservation and enhancement of the natural hydrology to benefit human and natural communities	<ul style="list-style-type: none"> •Reduce flood risk in 700 acres using integrated flood management approaches. •Remove 500,000 cubic yards of sediment from debris basins and reservoirs
Preserve and enhance the ecosystem services provided by open space and habitat within the watershed	<ul style="list-style-type: none"> •Preserve or restore 3,500 acres of terrestrial aquatic habitat •Construct 39.5 miles of additional Santa Ana River Trail and Parkway
Protect beneficial uses to ensure high quality water for human and natural communities	<ul style="list-style-type: none"> • Reduce non-point source pollution by treating an additional 35 MGD of surface and stormwater flow, emphasizing higher priority TMDL areas • Remove an additional 25,000 tons of salt per year from the watershed
Accomplish effective, equitable and collaborative integrated watershed management	<ul style="list-style-type: none"> •Engage with 50% (approximately 35) Disadvantaged Communities within the watershed •Engage with 100% of the Non-Federally Recognized Tribes in the watershed

OWOW Planning Process

SAWPA officially launched its OWOW 2.0 planning effort on April 20, 2011, with the signing ceremony of the agreement with Reclamation. The work commenced in earnest with the first meeting with the Pillar Co-chairs. Regular workshops throughout the watershed were held with more than 100 agencies and non-profit organizations spanning Riverside, San Bernardino, and Orange counties. From the very beginning, the process has been open to and has received the participation of representatives from all

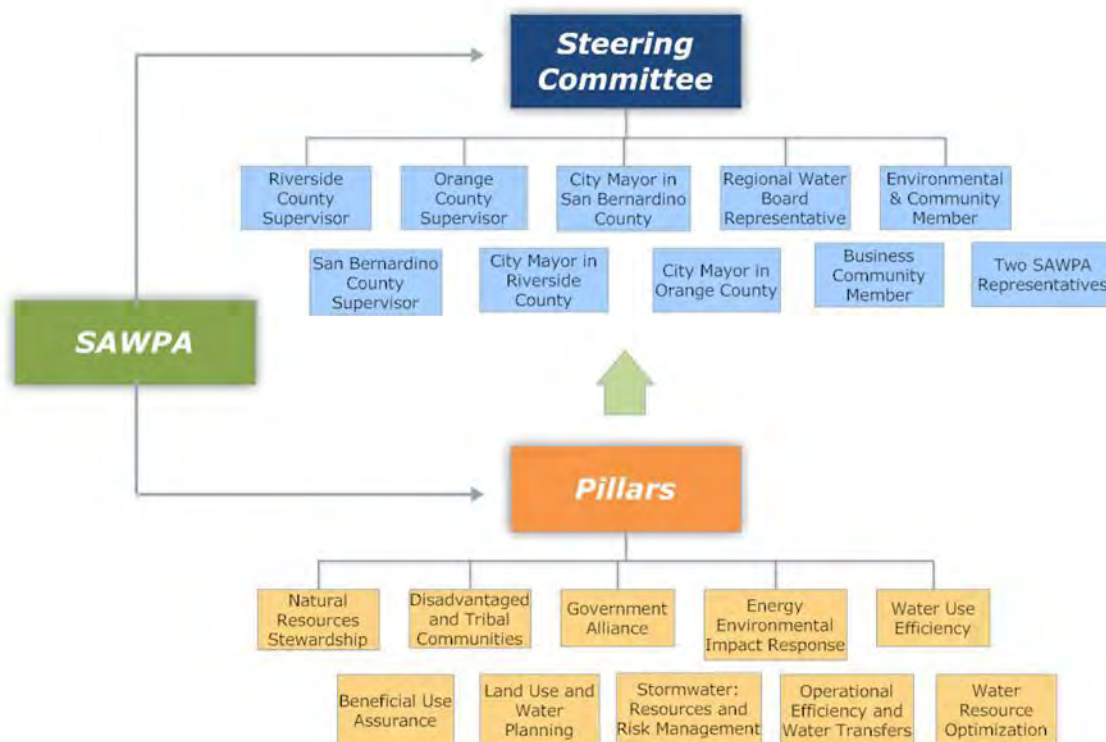
geographic regions and political jurisdictions within the watershed, and from diverse representatives of different sectors of the community (governments, water agencies, the development and environmental community, and the public).

As with the OWOW 1.0 Plan development, the OWOW 2.0 Plan utilized a “bottom up” approach for governance and involvement. Every effort was made to encourage the development of a shared vision and the involvement and participation of all watershed stakeholders in key discussions of major water resource issues, concerns, problems, goals, and objectives, with a particular focus on supporting multi-beneficial system-wide implementation. By expanding the involvement and collaboration to the *on-the-ground* level, greater buy-in and support were realized for this planning development process.

OWOW 2.0 Governance

As with OWOW 1.0, the OWOW 2.0 Plan is led by an 11-member Steering Committee composed of elected officials from counties and cities in the watershed, representatives from the environmental, regulatory, and business communities, and representatives from SAWPA.

The Steering Committee’s role is to serve as the developer of integrated regional water management goals and objectives for the watershed, and to act as the oversight body that performs strategic decision making, crafts and adopts programmatic suites of project recommendations, and provides program advocacy necessary to optimize water resource protection for all.

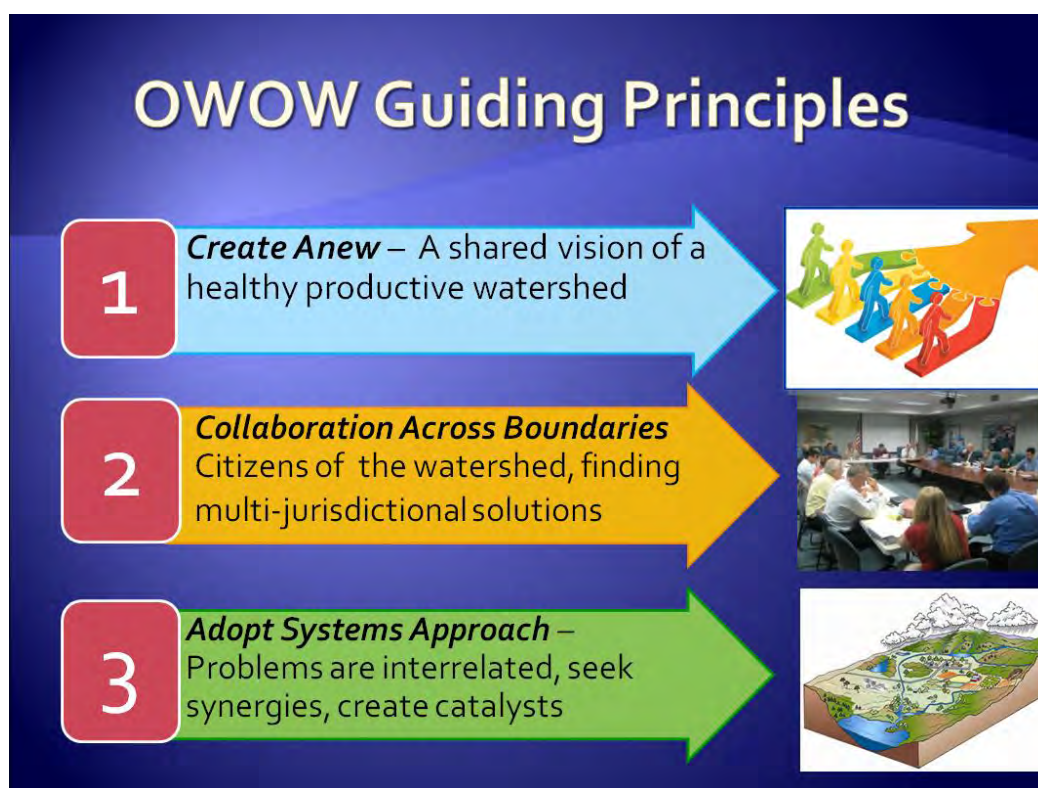


The Steering Committee is supported by technical experts assembled into ten groupings (known as Pillars), generally aligned along major water resource management strategies, but renamed under the OWOW 2.0 Plan to reflect greater integration and synergy.

While SAWPA facilitates the planning process and provides technical input and support through its staff and consultants, the development of the goals and strategies of the Plan, as well as the decision making process, are under the purview of the Steering Committee and the SAWPA Commission, with support of the Pillars and with consideration to comments from the public.

Pillar Work and Key Findings

Under OWOW 2.0, more emphasis is being placed on the watershed scale, and multi-benefit and multi-purpose solutions. Multi-beneficial projects and greater diversification of water management approaches are achieved through greater collaboration and cooperation, building trust among stakeholders, viewing the watershed as a hydrologic whole, working in concert with nature, and seeing each problem as interrelated that provides opportunities for synergy and efficiencies. These OWOW guiding principles were shared with the Pillars and the watershed stakeholders on multiple occasions.



In preparation for the next phase of OWOW 2.0 planning, SAWPA directed that the OWOW 2.0 Plan was not intended to be merely an update of previous planning data from the OWOW 1.0 Plan, but rather would focus on identifying integrated and watershed-wide implementation actions. To achieve this, SAWPA conducted innovative brainstorming processes with the Pillars utilizing the experience and skills of local experts to inspire and promote integrated system-wide implementation actions that address water resource challenges in the Santa Ana River Watershed.

Starting in September of 2011, three well known water resource experts dubbed the “Master Craftsmen”, were tasked to develop a list of conceptual project concepts and to describe the spatial, temporal, regulatory, economic, political, and physical barriers that impair the ability to implement

watershed-based implementation actions that support the vision articulated in the OWOW Plan. From these Master Craftsmen meetings, a white paper was developed that identifies 13 key examples of watershed-based water resource management concepts that, when implemented, would provide tangible and measurable benefits by removing impairments. These watershed-based concepts are ideas, vetted by the Pillars, and provide significant additional benefits such as habitat restoration and increased habitat connectivity. Two types of concepts were included: (1) those that require implementation of capital projects, and (2) those that are programmatic and focus on establishment of regional management practices or policies that increase sustainability of existing resources.

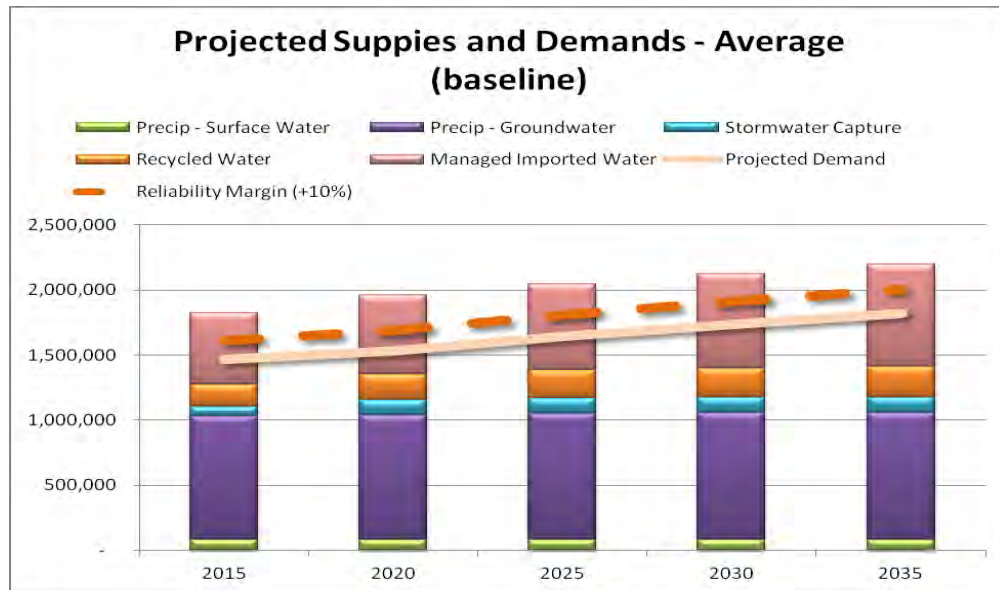
These ideas and concepts were approved by the Steering Committee and the SAWPA Commission. Thereafter, the Pillars commenced their respective meetings over the following 18 months of the OWOW 2.0 planning. They investigated new regional implementation actions within their Pillars that could lead to multiple, integrated benefits that, in turn, could be linked and integrated with other Pillar implementation actions. In addition to conceptual implementation actions, the Pillars developed key findings that will support implementation described as follows:

Water Use Efficiency Pillar – Key Findings

- Water use efficiency practices remain the number one water resource management priority for the watershed.
- Agencies and their partnerships with each other and private industry will continue to collaborate and develop new programs promoting water use efficiency.
- The ultimate goal will be to get water customers to automatically base decisions on what is the most water efficient way to plan, implement, and maintain devices and landscapes. This will require customer education and continued incentives to promote water use efficiency.
- Landscape demonstrates the greatest potential for water savings. Therefore, the Water Use Efficiency Pillar will move forward with collaborative projects that primarily emphasize outdoor efficient use of water.

Water Resource Optimization Pillar - Key Findings

Based on the work of the Water Resource Optimization Pillar, the projected supplies and demands for the average year are as follows:



A key finding from this Pillar’s analysis is that with implementation of the 20% water demand reductions by 2020, as well as a reliability margin of 10%, water supplies will be adequate to meet demands through the 20-year planning horizon or Year 2035. This evaluation also was conducted for the single year, the historical year that received the lowest amount of imported water, and the multi-year drought, three- year period that received the lowest amount of imported water. Their findings show that the watershed in the aggregate will be able to meet its demands in a single year drought with a reliability margin of 11% in 2035, and for a multi-year drought of 13% in 2035. The watershed is able to make it through these drought years by relying on the native water, precipitation as surface water and precipitation as groundwater, and imported water storage programs that store water when it is available during wet periods for use during drought periods, and on recycled water that is not impacted by weather.

The Water Resource Optimization Pillar concludes that there is more to be done to ensure water supply reliability for the future. This is particularly true in the face of climate change that may impact local precipitation patterns, the need for intra-basin transfers to maintain groundwater levels, the State-defined mandate for regions to become less dependent on Delta imported water, and a significant funding requirement of water use efficiency and infrastructure to meet future demands.

Beneficial Use Assurance Pillar - Key Findings

- Surface water quality monitoring is not coordinated within the watershed leading to duplicative sampling in some areas and inadequate sampling in others. Work on a plan to improve coordination and development of a regional approach to monitoring that will generate better information and be less expensive.
- New statewide regulations setting biological objectives and nutrient objectives for surface water are being developed and will be a compliance challenge for wastewater agencies. Participate in rule making process to support development of policies and regulations that are effective and efficient.

- A small number of small water systems in operation within the watershed that do not have resources for monitoring and proper operations and maintenance, may result in drinking water provided to customers that is in violation of drinking water standards. Work with California Department of Public Health and county health departments to identify small system water providers, if any, which need assistance with providing safe drinking water. Develop a plan to address any small system water providers that need assistance.
- Sediment deposition in some areas creates water quality impairments, reduces aquatic habitat, and reduces water conservation storage. Reduced sediment flow downstream of dams causes armoring of river/creek beds resulting in reduction in percolation capacity, aquatic habitat, and beach replenishment. Support USACE/OCWD Prado Basin Sediment Management Demonstration Project and Newport Bay Stakeholders to reduce sediment load into Upper Newport Bay.

Land Use and Water Planning Pillar – Key Findings

- Water supply agencies should be consulted early in the land use decision-making process regarding technology, demographics and growth projections.
- City and county officials, the watershed stakeholders, Local Agency Formation Commissions, special districts and other stakeholders sharing watersheds should collaborate to take advantage of the benefits and synergies of water resource planning at a watershed level.
- Plans, programs, projects and policies affecting land use and water should be monitored and evaluated to determine if the expected results are achieved and to improve future practices.
- Limited, accessible, and low-cost, outdoor recreational opportunities should be promoted throughout the watershed.

Stormwater: Resource and Risk Management Pillar – Key Findings

- Comprehensive and integrated stormwater management projects driven by a multi-stakeholder project paradigm can more effectively and efficiently address watershed needs. Such projects can assist stakeholders to achieve compliance with the Municipal Stormwater National Pollutant Discharge Elimination System Permits (MS4 Permits), while increasing capture of stormwater and other flows and groundwater recharge using favorable cost benefit approaches.
- Reducing the risk of loss of life and property damage due to flooding remains a high priority within the Santa Ana River Watershed. The completion of the Santa Ana River Mainstem Project will reduce the risk of a catastrophic flood event in the Santa Ana River Watershed. However, there remains significant flood risk related to tributary watercourses within the watershed, compounded by potential impacts of wildfires and earthquakes.

Natural Resources Stewardship Pillar – Key Findings

- A plan for sustainable management of conservation areas with targeted restoration efforts is essential for preventing further deterioration of habitat. Consideration for characteristics of each of the main habitat types: Chaparral/forest, Alluvial fan; Riparian, Wetland, and Coastal and their specific ecosystems, require habitat-specific management plans and restoration criteria.
- Creating sustainable wildlife corridors requires land use planning coordinated across jurisdictional boundaries. Cooperation also must take place among all of the current regional conservation plans, mitigation providers, resource conservation districts, and non-profit conservation organizations.

- Consensus among all agencies and organizations with ownership/stewardship over areas of the Santa Ana River Mainstem and tributaries should be sought that provides for long-term protection of areas where habitat restoration efforts are occurring or need to occur. This kind of cooperative agreement will be critical to the ability of governmental and non-profit organizations to secure mitigation funding to do the necessary habitat restoration work needed in the watershed.
- Grant and bond funding in the watershed have funded the removal of thousands of acres of invasive plants, initial and ongoing restoration of habitat areas, biological monitoring of sensitive species, and conservation of habitat areas. All of these sources and more should continue to support restoration and ongoing maintenance.
- Much of the remaining invasive plant biomass and areas that could benefit from re-establishment activities (removal of invasive species followed by long-term, active planting and biological monitoring) in the watershed is on land owned by Federal, State, and local governments for purposes other than water-oriented habitat conservation. These are prime lands for future habitat restoration projects with multi-use and benefit.

Operational Efficiency and Water Transfers Pillar – Key Findings

- Expand compliance with the SBx7-7 and implement projects that reduce per capita water usage by more than 20 percent by the year 2020.
- Create/ expand supply and system reliability during drought, emergency, and peak demand situations.
- Create/expand coordination with other agencies in the area and develop regional water management strategies that would increase conservation and local water supplies.
- Create/expand local recycled water reuse program(s) in the area with an OWOW 2.0 goal of 157,000 acre feet per year.
- Develop/Implement projects that protect groundwater resources, the environment and consider storage and transfers. These projects are important to assure that water is readily availability in the right place when we need it. This can be overcome with storage and transfers.

Disadvantaged and Tribal Communities Pillar – Key Findings

- Engaging Disadvantage Communities (DACs) and Tribes in water and related resources planning through effective outreach is good for both the community and the water sector itself. There are distinct differences due to cultural and historic context. Both need their voices heard during proposed project development.
- Today, DACs and some Tribes face critical and serious water and related resources challenges, such as failing septic systems, isolation, language barriers, flood risk, and lack of funding and or resources. It is imperative that the water sector and its key stakeholders recognize proposed DAC and Tribe water project needs, and engage these communities early in the process. The OWOW 2.0 process recognizes the various funding needs for DACs and Tribes, and the Federal and State funding programs available to them.
- From engaging and speaking with DAC residents and attending Tribal Council meetings, it is evident that there is a need for continuous networking resulting in consensus based development and implementation of project solutions.

Government Alliance Pillar – Key Findings

- Ensure that Federal and State agencies effectively partner in the management of water and other resources within the watershed, and consider other Pillars' perspectives in their support of OWOW goals and objectives.
- Periodically publish updates of the Resource Guide and post them on SAWPA's website.
- Use the Resource Guide's agency contacts, and assure that steps are taken to keep all information current.
- Continue coordination with various governmental agencies, as appropriate, for all proposed projects, initiatives, and integrated water and related resources activities to help identify necessary environmental compliance requirements and or potential areas of conflict.

Energy and Environmental Impact Response Pillar – Key Findings

- Annual surface water is likely to decrease over future periods with precipitation showing somewhat long-term decreasing trends. Temperature will increase, which is likely to cause increased water demand and reservoir evaporation. Projected decreases in precipitation and increases in temperature will decrease natural recharge throughout the basin.
- Management actions such as reducing municipal and industrial water demands or increasing trans-basin water imports within the watershed may be required to maintain current groundwater levels.
- Warmer temperatures likely will cause Jeffrey Pines to move to higher elevations and may decrease their total habitat. Forest health also may be influenced by changes in the magnitude and frequency of wildfires or infestations. Alpine ecosystems are vulnerable to climate change because they have little ability to expand to higher elevations.
- Increasing temperatures will result in a greater number of days above 95°F in the future. The number of days above 95°F gets progressively larger for all cities advancing into the future.
- Simulations indicate a significant increase in flow for 200-year storm events in the future. The likelihood of experiencing what was historically a 200-year event will nearly double (i.e. the 200-year historical event is likely to be closer to a 100-year event in the future). Findings indicate an increased risk of severe floods in the future, although there is large variability between climate simulations.
- Sea level rise is likely to inundate beaches and coastal wetlands and may increase coastal erosion. The effects on local beaches depend upon changes in coastal ocean currents and storm intensity, which are highly uncertain at this time. Sea level rise will increase the area at risk of inundation due to a 100-year flood event.
- Existing barriers are sufficient to deter seawater intrusion at Talbert and Alamitos gaps under a 3-foot rise in sea levels. However, operation of barriers under sea level rise may be constrained by shallow groundwater concerns.

To further enhance the integration and linkages among the recommended conceptual implementation actions suggested by the Pillars, Pillar Integration Workshops were conducted by SAWPA throughout the OWOW 2.0 Plan development period. The integration workshops included discussion of system-wide regional or watershed scale implementation actions, addressing different components of the hydrologic cycle, evaluating linkages among proposed projects/programs, and developing and identifying synergy among projects and programs to create anew.

OWOW 2.0 Plan – Future Implementation

During the last two years, Pillars have been working together to write the next integrated water plan, OWOW 2.0. The Broad Planning/Management Guidance Strategies were distilled from that work and will serve to guide future planning and management in the watershed. The strategies reflect a change in thinking about water resource management. Historically, water activities were organized into different silos, and managers worked to achieve separate and individual goals that were thought to be unrelated. The water supplier's goal was to deliver water for a growing population and economy. The flood control manager's goal was to channelize stormwater to get it out of the community before it could harm people and property. The wastewater manager's goal was to highly treat wastewater before it is discharged into the river or ocean to be carried away. Managing the watershed and water resources as done in the past realized narrow singular goals, but did so with tremendous unintended consequences. The list of endangered species only grew longer, as did the list of impaired water bodies. Societal values have changed, water and funds are scarcer, and together we have realized that the old way is no longer viable.

These Broad Planning/Management Guidance Strategies are not projects or programs themselves. These strategies represent a shift from remediation to protection. It is the opportunity to be proactive rather than reactive. This can facilitate the vision we want, a sustainable and productive watershed, rather than only focusing on solving the problems that past practices have created.



These watershed planning and management strategies are separate and distinct from priorities assigned to evaluate projects for funding that are often dependent on the grant sponsoring agency criteria. These Planning/Management Strategies are meant to guide planning efforts and are *in no particular ranked or priority order* as shown below.

- **Demand Reduction and Water Use Efficiency**

Water use efficiency practices remain a key resource management priority for the watershed and a cost effective tool for reducing the gap between available supplies and projected demand. This is reflected through a reduced per capita water use as well as potentially reduced commercial and industrial water use. Although significant progress is anticipated with mandated reductions through 20% by 2020 legislation, more can be done. Many water use efficiency actions have been implemented locally, but these can be scaled watershed-wide. These include water rates structures that encourage conservation, also known as budget-based water rates, garden friendly landscaping and landscape ordinance application, smart controllers and irrigation nozzles, and turf buy-back programs, to name a few. The last acre foot of water is often the most expensive, reducing that cost goes far to keep water rates stable.

Monitoring data shows wasteful irrigation runs off yards, down streets and culverts collecting pet waste and pollution until it hits the receiving water with a toxic slug causing beach closures and fish kills. At great expense, cities have been tasked to clean up this dry weather urban runoff pollution. This cost can be avoided with successful water use efficiency.

It is understood too that there is a direct link of water use efficiency with energy efficiency and GHG emission reduction.

- **Watershed Hydrology and Ecosystem Protection and Restoration**

Implementing cost effective programs will protect and restore our watershed's ecosystem and hydrologic system so that it will sustainably produce the array of services including water resources. Recognizing that the Santa Ana River Watershed has multiple interrelated parts, a holistic approach to solving issues of supply, quality, flood, and ecosystem management is necessary. This approach recognizes that in order to achieve a healthy productive watershed, improvements starting at the top of the watershed with a healthy and managed forest effectively support downstream stormwater attenuation and runoff capture and water quality improvement. The emphasis is on source control rather than end-of-pipe treatment as a best management practice. Implementation actions under this priority include forest management, pollution prevention, low impact development, stormwater capture and flood management, and MS4 stormwater implementation.

- **Operational Efficiency and Transfers**

Cooperative agreements arising from water transfers, exchanges, and banking can result in better use of water resources. With the rich groundwater storage opportunities available in the watershed, expanding the groundwater storage with a variety of available water sources can be much more cost effective than new surface storage. Such agreements will result in our ability to stretch available supplies and replace the storage lost by a shrinking snowpack. Projects under this category occur by collaboration and cooperation among the multitude of agencies and entities in the watershed, and agencies that import water into the watershed, expanding on the many past successful water agreements within the watershed. New banking agreements can represent both habitat mitigation

banking as well as groundwater banking. These agreements only can occur by entities working together and opening doors to improved efficiency and increased water supply reliance.

- **Innovative Supply Alternatives**

This strategy recognizes the need for more progress in a portfolio approach with expansion of innovative and effective 21st Century technology for water production, recycling, pumping, and desalinization. Traditionally these projects serve as an important component to achieving water supply reliability. Moving forward, a broader range of tools is available to us to serve both economic and environmental objectives. Projects under this category provide multiple benefits and thus can be mutually reinforcing. Brackish desalination and salinity management are necessary to sustain local supplies. Salinity management is essential for groundwater basin health in the watershed.

- **Remediation and Clean up**

Another strategy is implementing Total Maximum Daily Loads (TMDLs) and pollution remediation. Projects under this category must reflect projects that have region wide benefit, are integrated and have multiple benefits without a focus only on local or single purpose needs. Under this strategy, the focus is on preventing pollution and dealing with the pollution that has already occurred. This reflects a desire to duplicate the successes already established in the watershed to prevent and remediate pollution.

The Broad Planning/Management Guidance Strategies were presented and discussed with the Pillars and other stakeholders for possible prioritization of the five strategies. The feedback received is that all five strategies are a priority to the watershed. But as stakeholders of the watershed, entities are encouraged to consider the long term watershed planning approach as they consider competing alternatives to meet needs and give more merit or attention to strategies such as water use efficiency that has been traditionally found to be more cost effective in reducing water demands and generating water supply. Further, projects should consider system wide benefits before other alternatives. This applies particularly to pollution prevention at the source rather than having to address a chain of unintended and possibly negative consequences downstream for future generations.

Shown below is a list of Pillar Recommended Implementation Actions that were prepared based on the Pillar's work and other stakeholder input. These regional implementation actions are not listed in priority, nor are they in any particular order. They represent the integrated work of the Pillars that resulted from their collaboration internally and with other Pillars and are the solutions to the challenges that they identified in each of their Pillar chapters. This list does not represent a list of projects that been rated and ranked projects under the more formal Project Review Process defined under the OWOW 2.0 Plan. However, they are recommended implementation actions that reflect an emphasis on integration and system-wide solutions to the watershed challenges and include the 13 watershed-wide framework concepts previously discuss.

Each of the Pillar-recommended watershed-wide implementation actions eventually could become projects once they are more fully investigated and analyzed. Multi-agency project proponents for these implementation actions have not have been identified yet. It is anticipated that these recommended actions may best help fulfill the vision of the OWOW 2.0 Plan.

Pillar Recommended Implementation Actions

(In no particular order)

Title	Description
Water Rate Structures that Encourage Conservation	Create incentive programs for retail water agencies in the watershed to reduce water demand and help meet SBX7-7 required demand reductions.
Water Use Efficiency Incentive Program	Create an incentive program for expanded water use efficiency programs including cash for grass, landscape retrofit support, and California-friendly plant discounts. Utilize IEUA Residential Landscape Transformation Program and MWDOC Comprehensive Landscape Water Use Efficiency Programs as template.
Watershed Exchange Program	<ul style="list-style-type: none"> - Upper watershed foregoes development of more water recycling and provides future treated wastewater to the lower watershed via the Santa Ana River - Lower watershed provides “replacement” water to upper/middle watershed
Wet Year Imported Water Storage Program	<ul style="list-style-type: none"> - Upper watershed and MWDSC would implement this strategy - Goal: change MWDSC place of storage from Central Valley to Santa Ana River watershed - Develop MWDSC pricing structure to encourage more storage in watershed - Water stored in wet years for a reduced price. Water pumped in dry years for remaining Tier 1 price
Enhanced Santa Ana River stormwater capture below Seven Oaks Dam	Additional stormwater detained by Seven Oaks Dam could enable the diversion of up to 500 cfs and up to 80,000 acre-feet per year. This may require execution of new water rights agreement among SAR Watermaster parties.
Off River Storage and Supply Credits	Additional stormwater capture along the SAR tributaries could enhance capture/recharge. Specific locations in the watershed would need to be defined. New recharge projects could allow for purchase of “MS4 Credits” by cities and counties as part of new development as a regional MS4 compliant recharge project.
Re-Operate Flood Control Facilities	Working with flood control agencies re-operate flood control facilities with the goal of increasing stormwater capture increasing flood get away capacity and revising decades old storage curves. Without any impending storms, the flood control agencies may be able to release stormwater at a slower rate. This relatively minor operational change would make stormwater flows easier to capture and put to use. It also would result in impounding the water longer, which would increase artificial recharge during the “holding period”. This strategy has already been successfully implemented in some portions of the watershed.
Increase Surface Water Storage	Helps offset drought and climate change while also increasing watershed sustainability and less dependence on imported water. This project would supplement but not replace existing or proposed groundwater storage.
Increase Groundwater Storage	Helps offset drought and climate change while also increasing watershed sustainability and less dependence on imported water.

Title	Description
Inland Empire Garden Friendly Demonstration and LID Project	Using the Inland Empire Garden Friendly Program as a template, a demonstration project is proposed to quantify the benefits of installing Inland Empire garden friendly products and further demonstrate Low Impact Development features in a DAC neighborhood. The project would be modeled in part after the successful City of Santa Monica Garden-Friendly Project, as well as the Elmer Ave. Neighborhood Retrofit project in the LA Basin.
DAC Water Supply or Water Quality Improvement Projects	Provide funding support to assure drinking water standards are met such as in the County Water Company of Riverside near Wildomar. Construct new sewer system for the areas that have failing septic systems/undersized treatment facilities like Beaumont Cherry Valley.
Wetlands Expansion Watershed wide	Create new wetlands along the tributaries of Santa Ana River to provide for natural water quality improvement, ecosystem restoration and recreational opportunities. Water supply for such wetlands would be dry weather urban runoff and available recycled water and would be patterned after the Mill Creek Wetlands in Chino Basin.
Watershed wide Multi-Use Corridor Program	Create multi-use corridors along SAR and its tributaries and Upper Newport Bay tributaries in all three counties in watershed to provide for sustainable wildlife corridors, stormwater attenuation and capture, flood control, sediment reduction and erosion restoration, enhanced NPS pollution treatment, removal of non-native species, and creation of recreational trails,. In Riverside County, along Temescal Wash, in San Bernardino in San Timoteo Wash, in Orange County along Borrego Canyon Wash between Irvine Blvd and Town Center Drive.
Multi-Species Habitat Plan for Gap areas of Watershed	Create multi-species habitat plan for San Bernardino County and portions of Orange County. Though work is underway on the Upper Santa Ana Wash Land Management and Habitat Conservation Plan, there is no MSHCP covering the growing areas of southwestern San Bernardino County. Western Orange County is also not covered by an MSHCP.
Water conservation recharge optimization program	Establish a water conservation-recharge optimization plan for existing and potential future flood control facilities, using the example work of the Chino Basin Recharge Master Plan and implementation projects as a template.
Watershed wide geodatabase access	Connect existing county or program-specific geodatabases to create a comprehensive watershed geodatabase that provides access to appropriate stakeholders, and set up a data quality control and maintenance program. The main component County MS4 geodatabases are well under way.
Forest Restoration Projects	Expand forest restoration through fuels reduction, meadow and chaparral restoration projects to strategic areas above major stormwater recharge basins for flood control, water supply and water quality benefits.
Residential Self-Regenerating Water Softener Removal Rebate Program	Removal of self regenerating water softeners has been proven as an effective strategy to reduce TDS levels at WWTP and assure future salt discharge requirements. The project provides watershed-wide rebates and would be a joint program among water agencies in the watershed.
Salt removal projects to achieve Salt Balance	Expand groundwater desalination to key groundwater basins where TDS and Nitrate concentrations are approaching discharge limits. Locations may include Elsinore Basin, Perris Basins in EMWD and Riverside Basins.

Title	Description
Enhanced stormwater capture from the tributaries of the Santa Ana River	Develop additional stormwater capture projects along the SAR tributaries that support key groundwater management zones identified by SB, RV, and OC Geodatabases. Early estimates indicated a capture potential of 12,000 AFY.
Conjunctive Use Storage and Water Transfer Project using Wet Year and Dry Year Allocation	This project concept proposes a purchase by downstream entities of up to 45,000 AF of imported water to be recharged by the upstream agencies during wet years. Water would be purchased at a reduced imported water rate from MWD reflecting the savings of not storing the SWP water at one of MWD's own storage programs such as the Semi-Tropic Water Storage District and/or Kern County Water Bank. In dry years, downstream agencies could request upstream agencies to increase their groundwater production for three years by up to 15,000 AF per year in-lieu of direct deliveries from MWD, while MWD increases deliveries in the downstream area by an equal amount.
Salt Assimilative Capacity Building and Recycled Water Transfer Project	EMWD has the capability to discharge 15,000 AFY of recycled water into Temescal Creek. The recycled water discharge will be dependent on surplus recycled water available and not used within EMWD particularly during wet seasons. With the approval of the SAR Watermaster, this flow can be contractually added to the Santa Ana River base flow allocation at Prado. The water quality of EMWD's discharged recycled water may require some salinity mitigation by downstream parties to meet the RWQCB Basin Plan Objective in Orange County. The GWRS will be used to provide the required mitigation for the discharged water, and EMWD will pay downstream parties for the cost of that mitigation.
Riverside Basin Aquifer Storage and Recovery Project	Riverside Public utilities, in partnership with Valley District and others are developing a design for a rubber dam that would cross the Santa Ana River and be used to divert flows, while mitigating environment impacts. The project is currently anticipated to capture and recharge 15,000 AFY.
Watershed Invasive Plant Removal Project	The Santa Ana Watershed Association, the Front Country District Ranger on the San Bernardino National Forest and Southern California Edison had proposed a major an invasive plant eradication project for the Mill Creek Watershed. This project proposes to expand the San Bernardino Mountains Front Range Invasive Plant Removal Project to an invasive plant removal and restoration project in the Santa Ana River Watershed that has many partners and stakeholders extending from the coast to the headwaters.
Regional BMPs to manage municipal stormwater discharges	Develop regional BMPs including infiltration, harvest & reuse, and biotreatment as proposed under current MS4 Permits. Initial phase would be located in MSAR Pathogen TMDL area and expand into other areas of the watershed under future phases to address pathogen treatment.
Watershed-wide coordinated surface water monitoring program	Surface water quality monitoring is not coordinated within the watershed leading to duplicative sampling in some areas and inadequate sampling in others. In some cases this may lead to 303(d) listings that do not reflect real impairments. A new program to coordinate surface water quality monitoring to enhance efficiency and reduce costs is proposed. Sources of monitoring data would come from MSAR Watershed TMDL, SWQSTF, MS4 Stormwater Permits, and SCCWRP Bioassessment Program.
Watershed Urban Runoff Management	Establishing a Watershed Based Urban Runoff Management Fund to support the implementation of stormwater management programs. Components of this program

Title	Description
Fund	could include the regulatory basis for a watershed based program, the legal basis and authority for the fund, the agreements, and programmatic elements.
Santa Ana River Sediment Transport	Building upon an OCWD demonstration project, implementation of a full scale project that allows for the appropriate transfer of sediment to maximize recharge operations, restore habitat, and reduce operation costs.
Transportation Corridor Stormwater Capture and Treatment	New uses of the current transportation right of ways can be expanded to for capturing rain runoff and replenishing groundwater basins.
Modified Watershed Brine Management System	Optimizing the water used to transport brine so that less water is lost to the ocean through increased concentrating of brine or delivery to the Salton Sea for beneficial use.
Water Industry Energy Use Reduction Incentive Program	Supporting regional purchase and installation programs of water resource related greener energy projects that reduce capital costs and green house gas emissions.
Watershed Land Use Planning Tool Kit	Developing a tool kit that translates water principles to support watershed planning decisions and implements a jurisdictional outreach effort for relevant regional, county and city planning agencies that encourages adoption of the guidance ideology into General Plans and zoning codes at the local level.

OWOW Projects and Benefits

It is the intent of the OWOW planning process to transcend specific funding cycles. Projects are included in the OWOW 2.0 Plan based on the latest rating and ranking criteria and their merit to address the watershed's strategic needs, regardless of available funding opportunities at any given time. (See list in **Appendix K**)

Shown below is a list of the Round 1 Proposition 84 projects and the benefits that ultimately will be realized once all these projects are fully constructed. Round 2 projects submitted by SAWPA are under consideration by DWR for future grant funding with awards anticipated in early 2014.

OWOW Proposition 84, Round 1 Projects

Project	Project Sponsor	Total Local Cost	Grant Amount	Other State Funds Being Used	Total Cost
Groundwater Replenishment System - Flow Equalization	OCWD	\$14,399,680	\$1,000,000	\$0	\$15,399,680
Sludge Dewatering, Odor Control, and Primary Sludge Thickening	OCSD	\$137,115,600	\$1,000,000	\$0	\$138,115,600
Vireo Monitoring	SAWA	\$269,207	\$600,000	\$0	\$869,207
Mill Creek Wetlands	City of Ontario	\$14,355,000	\$1,000,000	\$5,000,000	\$20,355,000
Cactus Basin	SBCFCD	\$8,250,752	\$1,000,000	\$0	\$9,250,752
Inland Empire Brine Line Rehabilitation and Enhancement	SAWPA	\$698,153	\$1,000,000	\$5,234,576	\$6,932,729
Arlington Desalter Interconnection Project	City of Corona	\$948,049	\$400,000	\$0	\$1,348,049
Perris II Desalination Facility	EMWD	\$1,335,752	\$1,000,000	\$0	\$2,335,752
Perchlorate Wellhead Treatment System Pipelines	WVWD	\$419,000	\$1,000,000	\$0	\$1,419,000
Chino Creek Wellfield	WMWD	\$5,331,118	\$1,000,000	\$0	\$6,331,118
Impaired Groundwater Recovery	IRWD	\$36,321,970	\$1,000,000	\$0	\$37,321,970
Alamitos Barrier Improvement Project	OCWD	\$10,571,600	\$1,000,000	\$0	\$11,571,600
Arlington Basin Water Quality Improvement Project	WMWD	\$3,443,636	\$1,000,000	\$0	\$4,443,636
Grant Total		\$233,459,517	\$12,000,000	\$10,234,576	\$256,354,097

- Reduces water demand by 11,200 AF/YR
- Captures 16,300 AFY of stormwater for recharge
- Produces 28,600 AFY of desalted groundwater while removing 21,600 tons of salt
- Creates 90,400 AFY of new water recycling
- Creates 16,400 AF of new storage
- Improves water quality to 7,800 AFY
- Creates or restores 400 acres of habitat
- Leverages \$11.7 million in grants funds with \$240 million on local funds
- Creates about 3900 construction related jobs for region

LESJWA BOARD MEMORANDUM NO. 755

DATE: October 16, 2014

SUBJECT: SAWPA/LESJWA Agreement for Proposition 84 IRWM Grant Funds

TO: LESJWA Board of Directors

FROM: Mark R. Norton, P.E., Authority Administrator

RECOMMENDATION

Staff recommends that the Board of Directors approve the SAWPA-LESJWA Agreement to provide grant funding from CA DWR's Proposition 84 IRWM Implementation Grant Program administered through SAWPA for the Canyon Lake Hybrid Treatment Process project (Canyon Lake Alum Project).

BACKGROUND

In July 2012, LESJWA submitted a grant proposal to SAWPA for funding of the Canyon Lake Hybrid Treatment Project under the Proposition 84 Integrated Regional Water Management (IRWM) Program Round 2. Although the grant program is administered ultimately by the CA Dept. of Water Resources, SAWPA is the designated IRWM region for the Santa Ana River Watershed. The Lake Elsinore and San Jacinto River sub-watersheds are located within the Santa Ana River Watershed.

The grant proposal sought \$1 million in funding of the next main TMDL improvement project, the Canyon Lake Hybrid Treatment Process, a combination of alum and oxygenation, if necessary. In 2011, based on studies conducted by Dr. Michael Anderson, the LE/CL TMDL Task Force agreed to a strategy to first apply alum to Canyon Lake for a few years, and then consider if a downsized HOS were necessary to ensure that TMDL response targets are met. Consequently, a hybrid approach was deemed a more appropriate path by the LE/CL TMDL Task Force.

In December 2012, LESJWA was informed that the Canyon Lake Hybrid Treatment Project was recommended for \$500,000 by the SAWPA Project Review Committee, the OWOW Steering Committee, and the SAWPA Commission. Between January 2013 and March 2013, LESJWA staff along with the Lake Elsinore and Canyon Lake TMDL Task Force worked to prepare the required DWR grant application.

In February 2014, DWR announced that they would be funding 100% of the SAWPA Round 2 grant application including \$500,000 to LESJWA for Canyon Lake Hybrid Treatment Process project. The agreement between DWR and SAWPA has been executed for \$16.8 million. The next step is the execution of agreements between SAWPA and the 19 project proponents to be funded from Round 2. With the past adoption of the LESJWA resolution reflecting a commitment of local share match on June 19th and the anticipated adoption of the OWOW 2.0 Plan by LESJWA, the invoicing for expenses to be reimbursed by the grant funds can commence upon execution of the attached agreement.

Attached is the LESJWA/SAWPA Agreement for the LESJWA Board's consideration. The referenced Attachment A to the agreement is not attached due to its length of 127 pages. Attachment A is the master agreement between SAWPA and DWR for the Proposition 84 Round 2 grant funding, and includes the workplan, schedule, and budget for the all 19 - Round 2 projects including the LESJWA project.

RESOURCES IMPACT

Sufficient funding has been collected from the LE/CL TMDL Task Force by LESJWA to cover the local funding match required for the Canyon Lake Hybrid Treatment Process project. The funding expended on the first two alum applications at Canyon Lake is sufficient to cover the local 25% minimum match.

Attachment: LESJWA/SAWPA Agreement for Proposition 84 IRWM Grant Funds

PROPOSITION 84 INTEGRATED REGIONAL WATER MANAGEMENT ROUND 2
IMPLEMENTATION GRANT FUNDING CONTRACT
BETWEEN THE

SANTA ANA WATERSHED PROJECT AUTHORITY

AND

LAKE ELSINORE & SAN JACINTO WATERSHEDS AUTHORITY

This Proposition 84 Integrated Regional Water Management Program ("IRWMP") Implementation Grant Funding Contract is made between Santa Ana Watershed Project Authority ("SAWPA"), and Lake Elsinore & San Jacinto Watersheds Authority, (the "Sub-Grantee"). SAWPA and the Sub-Grantee may be individually referred to as "Party", and collectively referred to as the "Parties".

WHEREAS, Section 79560 et seq. of the Water Code establishes the IRWMP providing approximately \$900 million for local assistance grants to be allocated to projects to protect from drought, improve water quality and improve water security by reducing dependence on imported water; and

WHEREAS, in September 2014, the California Department of Water Resources ("DWR") and SAWPA entered into a Proposition 84 Integrated Regional Water Management Implementation Grant Agreement providing that SAWPA would serve as the program manager for the \$15,625,310 in IRWMP grant funds to be disbursed to Sub-Grantees, consistent with IRWMP and California Environmental Quality Act ("CEQA") requirements, and ensuring that the maximum benefit of such funds are realized in the Santa Ana River Watershed; and

WHEREAS, consistent with the Proposition 84 Integrated Regional Water Management Implementation Grant Agreement between DWR and SAWPA, SAWPA intends to disburse to the Sub-Grantee a portion of the \$15,625,310 in IRWMP grant funds for its project component by way of this Grant Funding Contract with the Sub-Grantee.

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

SECTION 1. PROJECT DESCRIPTION

The Sub-Grantee's Project is the component described in the IRWMP Grant Agreement as **Canyon Lake Hybrid Treatment Process**. This project will complete five alum applications to Canyon Lake to improve water quality by reducing the growth potential for algae and the occurrence frequency of low dissolved oxygen and ammonia toxicity conditions.

SECTION 2. CONTRACT DOCUMENTS; ORDER OF PRECEDENCE; SUB-GRANTEE GENERAL COMMITMENT

This Contract incorporates and includes as part of its terms and conditions the Proposition 84 Integrated Regional Water Management Program Implementation Grant Agreement between DWR and SAWPA, Agreement No. 4600010590, attached hereto as **Attachment "A"** (hereinafter the "IRWMP Grant Agreement").

In the event of any inconsistency between this Contract and the IRWMP Grant Agreement, except as otherwise specifically provided, the inconsistency shall be resolved by giving precedence to the IRWMP Grant Agreement.

The Sub-Grantee shall comply with all terms, provisions, conditions, and commitments of this Contract and the IRWMP Grant Agreement. Such compliance shall include providing SAWPA with all deliverables, budget detail, reports and all other documents required by the IRWMP Grant Agreement.

On behalf of and for the benefit of SAWPA, Sub-Grantee shall comply with all of the obligations and requirements of the IRWMP Grant Agreement as if the Sub-Grantee were the "Grantee" under the terms of the IRWMP Grant Agreement. Such compliance shall be to the fullest extent necessary and as may be required by SAWPA in order to enable SAWPA to comply with the IRWMP Grant Agreement as "Grantee."

SECTION 3. ESTIMATED ELIGIBLE PROJECT COSTS; GRANT AMOUNT

The estimated reasonable cost of the Project at the time of SAWPA's and DWR's approval of the Project is **Eight Hundred Eighty-Five Thousand Five Hundred** dollars (\$885,500). Subject to all of the terms, provisions, and conditions of this Contract, and subject to the availability of the grant funds, SAWPA shall disburse such grant funds in a sum not to exceed **Five Hundred Thousand** dollars (\$500,000). However, SAWPA's actual grant disbursements to the Sub-Grantee under this Contract shall not exceed payments received from the DWR. Local match funds shall not include SRF loans per DWR criteria. Upon completion of a separate SRF loan agreement for the Project between the DWR and sub-grantee, the local match funds requirement will be revised, subject to the approval of the DWR.

If the Sub-Grantee proceeds to construction of such facilities, the final grant amount will be determined in accordance with the provisions of this Contract. If the Sub-Grantee fails or refuses to proceed with or complete the construction of facilities, SAWPA shall consider such failure or refusal to be a material violation and breach of this Contract. SAWPA shall have all rights and remedies as are otherwise available to it for breach of this Contract by the Sub-Grantee.

If actual Project costs exceed the Project's estimated reasonable cost, SAWPA shall have no obligation to provide grant funds for such exceedence.

Eligible project costs include the reasonable costs of studies, engineering, design, land and easement acquisition, legal fees, preparation of environmental documentation, environmental mitigations, monitoring, and project construction.

Reasonable administrative expenses may be included as Project Costs and will depend on the complexity of the project preparation, planning, coordination, construction, acquisitions, implementation, and maintenance. Reasonable administrative expenses are the necessary costs incidentally but directly related to the project including the portion of overhead and administrative expenses that are directly related to the project.

Costs not eligible for reimbursement or eligible to be counted as local match include, but are not limited to:

- Costs incurred before the dates specified below.
- Operation and maintenance costs, including post construction performance and monitoring costs.
- Purchase of equipment that is not an integral part of the project.

- Establishing a reserve fund.
- Purchase of water supply.
- Replacement of existing funding sources for on-going programs.
- Monitoring and assessment costs for efforts required after project construction is complete.
- Support of existing agency requirements and/or mandates in response to negligent behavior.
- Purchase of land in excess of the minimum required acreage necessary to operate as an integral part of a project.
- Payment of principal or interest of existing indebtedness or any interest payments unless the debt is incurred after execution of this Grant Agreement.
- Overhead not directly related to project costs.
- Travel and per diem costs.

Work performed after September 30, 2008, are eligible to be counted as local match. Work performed after February 4, 2014, are eligible for reimbursement.

SECTION 4. SCOPE OF WORK AND COMPLETION OF PROJECT

The Scope of Work shall be as provided for Sub-Grantee's component project described in the IRWMP Grant Agreement. The Parties understand that time is of the essence, and agree to expeditiously proceed with and complete the Project.

SECTION 5. DISBURSEMENT

Grant funds will be disbursed in accordance with the disbursement provisions of the IRWMP Grant Agreement.

SECTION 6. FISCAL MANAGEMENT SYSTEMS AND ACCOUNTING STANDARDS

The Sub-Grantee agrees that, at a minimum, its fiscal control and accounting procedures shall be sufficient to permit tracking of grant funds to a level of expenditure adequate to establish that such funds have not been used in violation of State law or this Contract. The Sub-Grantee shall maintain separate Project accounts in accordance with generally accepted government accounting standards and the conditions outlined in Exhibit D.

SECTION 7. TERM

This Contract shall not be effective until it has been executed by SAWPA. The Term of this Contract shall be the same as the Term of the IRWMP Grant Agreement, unless sooner terminated pursuant to the provisions of this Contract or the IRWMP Grant Agreement. Notwithstanding the foregoing, the obligations of this Contract and the IRWMP Grant Agreement shall continue through the life of the Project.

SECTION 8. COVENANT TO OPERATE AND MAINTAIN PROJECT FACILITIES

The Sub-Grantee shall properly staff, operate and maintain all portions of the Project during the Project's useful life and in accordance with this Contract, the IRWMP Grant Agreement, and all applicable state and federal laws, rules and regulations. In the event that the Sub-Grantee assigns or transfers all or any portions of the Project to another entity, the Sub-Grantee shall be responsible to ensure that the assignee or transferee

of all or any portions of the Project shall properly staff, operate and maintain all portions of the Project during its useful life and in compliance with this Contract, the IRWMP Grant Agreement, and all applicable state and federal laws, rules and regulations. The Parties to this Contract understand and agree that this covenant shall survive the expiration or termination of this Contract. The Parties further understand and agree that this covenant is for the benefit of SAWPA and DWR and shall be enforceable during the useful life of the Project facilities. The Parties agree that the useful life of the Project facilities is 50 (fifty) years from and after Project completion.

Sub-Grantee shall prepare and maintain the Project Monitoring Plan ("PMP") required by the IRWMP Grant Agreement. DWR and SAWPA shall approve the PMP before the Sub-Grantee implements any sampling or monitoring activities.

Sub-Grantee shall not abandon, substantially discontinue use of, lease, or dispose of the Project, including its construction, or any significant part or portion thereof, during the useful life of the Project without SAWPA's and DWR's prior written approval.

SECTION 9. ASSIGNMENT

Neither this Contract, nor any duties or obligations under this Contract, nor any of the Project facilities referenced in this Contract shall be assigned by any Party without the prior written consent of the other Party.

Should an assignment or transfer occur, whenever SAWPA or the Sub-Grantee are named or referred to herein, such reference shall be deemed to include the successor to the powers, duties and functions that are presently vested in SAWPA and the Sub-Grantee, and all Contract and covenants required hereby to be performed by or on behalf of SAWPA and/or the Sub-Grantee shall bind and inure to the benefit of the respective successors thereof whether so expressed or not.

SECTION 10. COMPLIANCE WITH LAWS AND REGULATIONS

The Sub-Grantee 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. The Sub-Grantee shall comply with, implement, and fulfill all environmental mitigation measures applicable to the Project, and which may otherwise be required by this Contract and the IRWMP Grant Agreement, the California Environmental Quality Act ("CEQA"), and the State CEQA Guidelines.

SECTION 11. ACKNOWLEDGEMENT OF CREDIT/SIGNAGE REQUIREMENTS

Sub-Grantee shall include appropriate acknowledgement of credit to the State, SAWPA and to all cost-sharing partners for their support when promoting the Project or using any data and/or information developed under this Sub-Grantee Agreement. During construction of (each/the) Project, Sub-Grantee shall install a sign at least four feet tall by eight feet wide made of ¾ inch thick exterior grade plywood or other approved material in a prominent location on the Project site, which shall include a statement that the Project is financed under the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006 (Proposition 84), administered by the State of California, Department of Water Resources and by the Santa Ana Watershed Project Authority. The sign shall include the One Water One Watershed logo and the SAWPA logo (available from SAWPA). Before it is constructed, the Sub-Grantee shall provide the draft design layout of the sign to SAWPA for approval. Sub-Grantee shall notify SAWPA that the sign has been erected by providing them with a site map with

the sign location noted and a photograph of the sign.

SECTION 12. CONSTRUCTION ACTIVITIES AND NOTIFICATION

The Sub-Grantee shall immediately notify SAWPA in writing of:

(1) Any substantial change in the scope, budget, or work performed of the Project. The Sub-Grantee 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 and DWR have given written approval for such a change;

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

(3) Unscheduled cessation of all major construction 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;

(5) Completion of construction of the Project and provide SAWPA and DWR the opportunity to participate in the inspection. Sub-Grantee must notify SAWPA at least 20 calendar days prior to final inspection.

SECTION 13. PAYMENT OF PROJECT COSTS

The Sub-Grantee shall provide for and make payment for all Project costs. All costs and payments for the Project shall be paid by the Sub-Grantee promptly and in compliance with all applicable laws. All grant disbursements will be reimbursements.

SECTION 14. WITHHOLDING OF GRANT DISBURSEMENTS

SAWPA may withhold all or any portion of the grant funds provided for by this Contract in the event that:

(1) The Sub-Grantee has violated, or threatens to violate, any term, provision, condition, or commitment of this Contract;

(2) The Sub-Grantee fails to maintain reasonable progress toward completion of the Project;
or

(3) DWR directs SAWPA to withhold any such grant funds.

SECTION 15. INVOICING

(A) Invoices shall be completed on a State-provided invoice form and shall meet the following format requirements:

(1) Invoices must contain the date of the invoice, the time period covered by the invoice, and the total amount due.

(2) Invoices must be itemized. The amount claimed for salaries/wages/consultant fees must include a calculation formula (i.e. hours or days worked times the hourly or daily rate = the total amount claimed). Refer to [Attachment C](#).

(3) Sufficient evidence (i.e. receipts, copies of checks, timesheets) must be provided for all costs included in the invoice.

(4) Each invoice shall clearly delineate those costs claimed for reimbursement from the State's grant amount and those costs that represent the Sub-Grantee's share as applicable.

(B) Invoices also shall include the following information:

(1) Costs incurred for work performed in implementing the IRWM program or program contracts during the period identified in the particular invoice.

(2) Costs incurred for any interests in real property (land or easements) that have been necessarily acquired for a project during the period identified in the particular invoice for the construction, operation, or maintenance of a project.

(3) Appropriate receipts and reports for all costs incurred.

SECTION 16. RECORDS AND REPORTS

(A) Without limitation on the requirement that Project accounts be maintained in accordance with generally accepted government accounting standards, the Sub-Grantee shall comply with the records and reporting requirements imposed by the IRWMP Grant Agreement, and shall also:

(1) Establish an official Project file that documents all significant actions relative to the Project;

(2) Establish separate accounts that adequately and accurately itemizes and describes all amounts received and expended on the Project, including all grant funds received under this Contract;

(3) Establish separate accounts that adequately and accurately itemizes and describes all income received which is attributable to the Project, specifically including any income attributable to grant funds disbursed under this Contract;

(4) Establish an accounting system that adequately and accurately itemizes and describes final total costs of the Project, including both direct and indirect costs;

(5) Establish such accounts and maintain such records as may be necessary for the State, DWR and SAWPA to fulfill federal reporting requirements, including any and all reporting requirements under federal tax statutes or regulations; and

(6) If Force Account is used by the Sub-Grantee for any phase of the Project, establish an account that adequately and accurately itemizes and describes all employee hours, and associated tasks charged to the Project per employee.

(B) The Sub-Grantee shall require all Project contractors and subcontractors to maintain books, records, and other material relative to the Project in accordance with generally accepted accounting standards, and to require that such contractors and subcontractors retain such books, records, and other material for a minimum of five (5) years after Project completion. The Sub-Grantee shall require that such books, records, and other material shall be subject, at all reasonable times, to inspection, copying, and audit by SAWPA, DWR or its authorized representatives.

(C) The Sub-Grantee shall maintain its books, records and other material concerning the Project in accordance with generally accepted government accounting standards and as required by the IRWMP Grant Agreement.

(D) All documents required or requested to be provided to SAWPA shall be submitted electronically in the both the native format (e.g. Microsoft Word, Microsoft Excel, etc) and PDF. All documents shall be public domain or the property of SAWPA once submitted.

(E) The Sub-Grantee agrees to expeditiously provide, during work on the Project and for three years after the projection completion, such reports, data, information and certifications as may be reasonably required by SAWPA or DWR. Such documents and information shall be provided in electronic format.

SECTION 17. QUARTERLY PROGRESS REPORTS

Quarterly Progress Reports shall be completed using the templates provided as shown in **Attachment B**. Quarterly Progress Reports shall provide a brief description of the work performed, activities, milestones achieved, any accomplishments as well as any problems encountered in the performance of the work. The first quarterly report shall cover the period between October 1, 2008, and October 31, 2014, and be submitted no later than November 15, 2014, with future reports due on successive three month increments. Future quarterly reports shall cover the periods Feb-Apr (due May 15), May-Jul (due Aug 15), Aug-Oct (due Nov 15), and Nov-Jan (due Feb 15).

SECTION 18. PROJECT REVIEW AND EVALUATION; FINAL REPORTS AND AUDIT

(A) SAWPA may perform a project review or otherwise evaluate the project to determine compliance with the contract documents at any time or if questions about the proper use or management of the funds arise. SAWPA may review or evaluate the contractor or vendor for compliance with the terms and conditions of the contract document. The project review and evaluation may be performed by SAWPA or may be contracted to a responsible third party. Any findings and recommendations of the project review and evaluation shall be addressed by the Sub-Grantee within 60 days of the date such findings and recommendations are provided to the Sub-Grantee and before the next invoice is paid by SAWPA.

(B) Inventory of equipment purchased with grant funds.

(1) At least 75 days prior to submission of the final project invoice, Sub-Grantee shall consult with SAWPA on the scope of the inventory of equipment purchased with grant funds. This inventory shall include all items with a current estimated fair market value of more than \$5,000 per item.

(2) At least 45 days prior to submission of the final project invoice, Sub-Grantee shall provide SAWPA with a final inventory list of equipment purchased with grant funds. DWR shall have the opportunity to take title to any item on the inventory list. Should DWR take title to any item on the inventory list, DWR shall arrange for delivery and transportation of such inventory.

(C) In addition to the documents and deliverables required to be provided by the IRWMP Grant Agreement, within 90 days after completion of Project but no later than 14 days prior to the due date indicated in the IRWMP Grant Agreement, the Sub-Grantee shall provide to SAWPA, a final Project summary report on the Project. The summary shall include, at a minimum, all of the following:

(1) A description of the completed project including purpose, goals, activities completed and participants, the general performance characteristics (e.g. the delivery rate and quantity of water pumped) of the constructed facilities, a description of the water quality benefits attained from the construction of the project (consistent with the Project Management Plan), any goals not achieved or only partially achieved, lessons learned, public outreach conducted, a summary of the construction program, a summary of all documents submitted to SAWPA in compliance with this Agreement and the IRWMP Grant Agreement, and copies of any final documents or reports generated or utilized during a project. The summary shall also contain a description of startup activities, problems encountered, corrective measures completed as well as any changes or amendments to the project.

(2) A final cost summary listing the total project cost, total project costs eligible for grant funding under the DWR's grant funding program and this Contract, total amount of grant funds received, and other financial information as may be reasonably required by the DWR to verify Sub-Grantee's entitlement to grant funds, to assure program integrity, and to comply with federal requirements.

The report shall be accompanied by such other financial information as may be required by SAWPA or DWR to verify Sub-Grantee entitlement to grant funds, to assure program integrity, and to comply with any federal or state requirements. A duly authorized representative of the Sub-Grantee shall certify the report as correct.

(3) A final schedule showing actual progress versus planned progress.

(4) If applicable, certification of final project by a registered civil engineer, consistent with Standard Condition D-15, "Final Inspection and Certification of Registered Civil Engineer".

(5) A DWR "Certification of Project Completion".

(D) SAWPA may call for an audit of financial information relative to the Project, where SAWPA determines that an audit is desirable to assure program integrity or where such an audit becomes necessary because of federal or state requirements. Where such an audit is called for, the audit shall be performed by a Certified Public Accountant independent of the Sub-Grantee and at the cost of the Sub-Grantee. The audit shall be in the form required by SAWPA.

SECTION 19. PROJECT CLOSEOUT DOCUMENTATION

To ensure that that the Project is closed out in a manner that provides an auditable file for SAWPA, Sub-Grantee shall follow a close-out procedure that includes payment of all subcontracts, completion of all punch lists, defects correction, satisfaction of warranty or guarantee issues, and any other requirements for the completion of the scope of work. Such close-out procedures shall include those procedures contained in the IRWMP Grant Agreement or otherwise required by SAWPA and DWR.

SECTION 20. POST-PERFORMANCE REPORTS

Post-Performance Reports shall be submitted to SAWPA within 75 calendar days after the first operational year of a project has elapsed. This record keeping and reporting process shall be repeated annually for a total of 10 years after the completed project begins operation.

SECTION 21. MONITORING REQUIREMENTS

(A) All groundwater projects and projects that include groundwater monitoring requirements are consistent with the Groundwater Quality Monitoring Act of 2001.

(B) Projects that affect water quality shall include a monitoring component that allows the integration of data into statewide monitoring efforts, including where applicable, the Surface Water Ambient Monitoring Program administered by the State Water Resources Control Board.

(C) Groundwater quality and ambient surface water quality monitoring data that include chemical, physical, or biological data shall be submitted to SAWPA with a narrative description of data submittal activities (included in project reports) as described below:

(1) Surface water quality monitoring data shall be prepared for submission to the California Environmental Data Exchange Network (CEDEN). CEDEN data templates are available on the CEDEN website (<http://www.ceden.org>). Inclusion of additional data elements described on the data templates is desirable. Data ready for submission should be uploaded to the CEDEN Regional Data Center via the CEDEN website and a copy shall be given to SAWPA.

(2) If Sub-Grantee's Work Plan contains a groundwater ambient monitoring element, groundwater quality monitoring data shall be submitted to the State for inclusion in the State Water Resources Control Board's Groundwater Ambient Monitoring and Assessment (GAMA) Program. Information on the GAMA Program can be obtained at http://www.waterboards.ca.gov/water_issues/programs/gama. If further information is required, the Sub-Grantee can contact the State Water Resources Control Board GAMA Program. A copy of all data submitted shall be given to SAWPA.

(D) If groundwater level data is collected, Sub-Grantee must submit this data to DWR's Water Data Library (WDL) with a narrative description of data submittal activities (included in project reports). Information regarding the WDL and the format to submit the data in can be found at: <http://wdl.water.ca.gov/>. A copy of all data submitted shall be given to SAWPA.

In the near future, DWR's WDL will be replaced by the California Statewide Groundwater Elevation Monitoring program (CASGEM). Once this program comes online, Sub-Grantee will then submit groundwater level data to CASGEM. Information regarding the CASGEM program can be found at: <http://www.water.ca.gov/groundwater/casgem/>.

SECTION 22. TERMINATION; IMMEDIATE REPAYMENT; INTEREST

(A) SAWPA may terminate this Contract at any time prior to completion of the Project for Sub-Grantee's violation of any provision of this Contract upon written notice by SAWPA if the violation and failure of Sub-Grantee to come into compliance within a reasonable time as established by SAWPA.

(B) In the event of such termination, the Sub-Grantee agrees, upon demand, to immediately repay to SAWPA an amount equal to the amount of grant funds disbursed to the Sub-Grantee prior to such termination. In the event of termination, prejudgment interest shall accrue on all amounts due from the date that notice of termination is mailed to the Sub-Grantee to the date of full repayment by the Sub-Grantee.

(C) SAWPA may terminate this Contract should DWR terminate SAWPA as program manager, or terminate funding for this Contract or the Project or should DWR terminate its standard agreement with SAWPA on this Project. Upon such DWR-caused termination, SAWPA shall not be liable to Sub-Grantee for any damages, costs or expenses resulting from such termination.

SECTION 23. DAMAGES FOR BREACH AFFECTING TAX EXEMPT STATUS

In the event that any breach of any of the provisions of this Contract or other action by the Sub-Grantee shall result in the loss of tax exempt status for any bonds, or if such breach shall result in an obligation on the part of the SAWPA to reimburse the federal government by reason of any arbitrage profits, the Sub-Grantee shall immediately reimburse SAWPA and/or DWR in an amount equal to any damages paid by or loss incurred by the State due to such breach.

SECTION 24. ARBITRATION

Any dispute which may arise under this Contract by and between the SAWPA and the Sub-Grantee, including the Sub-Grantee's subcontractors, laborers, and suppliers, shall be submitted to binding arbitration. The arbitrator shall decide each and every dispute in accordance with the laws of the State of California, and all other applicable laws. Unless the Parties stipulate in writing to the contrary, prior to the appointment of the arbitrator, all disputes shall first be submitted to non-binding mediation.

SECTION 25. COSTS AND ATTORNEY FEES

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

SECTION 26. WAIVER

Any waiver of any rights or obligations under this Contract or the IRWMP Grant Agreement shall be in writing and signed by the Party making such waiver, and approved by SAWPA and the DWR.

SECTION 27. AMENDMENT

This Contract may be amended at any time by mutual written agreement of the Parties and the DWR.

SECTION 28. SAWPA REVIEWS; SUB-GRANTEE AS INDEPENDENT CONTRACTOR

(A) The Parties agree that review or approval of the Project or Project plans and specifications by SAWPA is for administrative and eligibility purposes only and does not relieve the Sub-Grantee of its responsibility to properly plan, design, construct, operate, and maintain the Project. As between SAWPA and the Sub-Grantee, the Sub-Grantee agrees that it has sole responsibility for proper planning, design, construction, operation, and maintenance of the Project.

(B) The Sub-Grantee is an independent contractor exclusively responsible for the design, construction, operation and maintenance of the specific project funded by this Grant Funding Contract and that the Sub-Grantee is not acting as SAWPA's agent, nor is SAWPA acting as an agent of the Sub-Grantee.

SECTION 29. INDEMNIFICATION

(A) The Sub-Grantee shall defend, indemnify and hold harmless SAWPA and DWR and their directors, commissioners, officers, employees, agents and assigns (collectively the "Indemnified Parties") against any and all losses, claims, damages or liabilities, joint or several, including attorneys fees and expenses incurred in connection therewith, to which such Indemnified Parties may become liable in connection with or arising from this Contract, and the transactions, funding and construction activities contemplated by this Contract. Sub-Grantee shall reimburse Indemnified Parties for any legal or other expenses incurred by it in connection with investigating any claims against it and defending any actions, insofar as such losses, claims, damages, liabilities or actions arise out of or related to this Contract, and the transactions, funding and construction activities contemplated by this Contract. Sub-Grantee shall indemnify and save the Indemnified Parties harmless from and against any claims, losses, damages, attorneys fees and expenses arising from any and all contracts, contractors, subcontractors, suppliers, laborers, and any other person, entity or corporation furnishing or supplying such services, materials or supplies in connection with Sub-Grantee's Project funded, in part, by this Contract. Sub-Grantee shall indemnify and save Indemnified Parties harmless from any and all claims, losses, damages, attorneys fees and expenses that may arise from any breach or default by Sub-Grantee in the performance of its obligations under this Contract, or any act of negligence by the Sub-Grantee or any of its agents, contractors, subcontractors, servants, employees or licensees concerning the subject matter of this Contract or the Project. Sub-Grantee shall indemnify and hold the Indemnified Parties harmless from any and all claims, losses, damages, attorneys' fees and expenses arising out of the completion of the Project or the authorization of payment of Project Costs to or by the Sub-Grantee. No indemnification is required under this Section for claims, losses or damages arising out of the sole and exclusive misconduct or negligence under this Contract by SAWPA.

(B) The Sub-Grantee understands and agrees that it has complied and will comply with CEQA and the State CEQA Guidelines for the project which is the subject matter of this Grant Funding Contract. Sub-Grantee understands and agrees that it is ultimately and solely responsible, as the lead agency, for compliance with CEQA and any mitigation measures required for the Project. The Sub-Grantee hereby agrees to indemnify, defend and hold harmless SAWPA and the DWR from any and all claims or actions related to this Project that may be made by any third party or public agency alleging, among other things, violations of CEQA or the State CEQA Guidelines.

(C) In addition to complying with the insurance requirements contained in the IRWMP Grant Agreement, including Section 24 of Exhibit D of that Agreement, the Sub-Grantee shall ensure that adequate insurance coverage is provided by Sub-Grantee and/or its contractors and subcontractors on the Project funded, in part, by this Contract. Such insurance shall include adequate coverage for comprehensive commercial general liability, business auto liability, workers compensation liability, professional and errors and omissions liability, property insurance, including all builders risk insurance. Such insurance coverage shall, at a minimum, insure against injuries to third parties, damage to property owned by third parties, physical damage to the Project and all related facilities, theft of building materials and supplies intended for the Project, delays in Project completion, delays in Project Completion due to strikes and governmental actions, liquidated damages, employee injuries and work-related illnesses, design errors resulting in increased project costs, environmental damage caused by

construction activities related to the Project, and nonperformance by the contractors and subcontractors. Such insurance coverages shall be provided by admitted insurance companies authorized to do business in the State of California, and with a minimum "Best's Insurance Guide" rating of "A:VII".

SECTION 30. PROJECT AND INFORMATION ACCESS

The Sub-Grantee agrees to ensure that SAWPA, DWR, or any authorized representative thereof, shall have reasonable access to the Project site at all reasonable times during Project construction, and thereafter for the useful life of the Project.

SECTION 31. OPINIONS AND DETERMINATIONS

Where the terms of this contract 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 Contract on the dates set forth below.

SANTA ANA WATERSHED PROJECT
AUTHORITY

Dated: 9-24-14

By: 

LAKE ELSINORE & SAN JACINTO WATERSHEDS
AUTHORITY
Sub-Grantee

Dated: _____

By: _____
Authorized Representative

Typed Name

Title

LESJWA BOARD MEMORANDUM NO. 756

DATE: October 16, 2014

SUBJECT: Canyon Lake Alum Application Status

TO: Board of Directors

FROM: Mark R. Norton, P.E., Authority Administrator

RECOMMENDATION

Staff recommends that the Board of Directors receive and file a status report for the Canyon Lake Alum Application with Aquatechnex.

BACKGROUND

On September 22 – 26, the third alum application of five alum application was conducted at Canyon Lake to support progress in meeting the TMDL requirements. LESJWA staff visited the site of the application and received regular progress reports on the alum application throughout the week, along with oversight by EVMWD staff on the boats to ensure quality control by the contractor. The alum application was deemed successful with no mishap or water quality problems. Pre and post lake water sampling was conducted and results of the post monitoring will be shared in approximately three months

With the phosphorus reduction, the food source for the algae, the lake clarity conditions in the main body of Canyon Lake continue. In fact, based on recent observations primarily in the main body of Canyon Lake, it appears that clarity has been better than it has been for several years.

A month prior to the application, the Canyon Lake Alum coordination team met to confirm the dosage levels and any changes that may be necessary. The coordination committee included Dr. Michael Anderson of UC Riverside among other experts with alum application. The conclusions of the group were that no major changes would be recommended to the dosage levels or locations. The group felt that the February application problem was very unusual and not likely to occur again, particularly in the September time frame. To ensure that close monitoring of the oxygen and pH levels was conducted prior to application, the sampling team from Cal State University San Bernardino, under contract with MWH, agreed to sample the lake water just a few days prior to the application week. All preliminary results indicated that the levels were at the normal level for a successful application.

Outreach events were conducted by staff on Sept. 2nd with the Canyon Lake POA, on Sept. 17th with the City of Canyon Lake City Council, and on Sept. 18th with the general public at a workshop that included a panel of experts. At all events there were very few comments and limited concerns. Very positive and informative articles were reported in both the Canyon Lake Friday Flyer and the Press Enterprise. In fact, the trust level in this process appears so high, there were no members of the public who attended the Sept. 18th workshop, despite being heavily advertised in two local newspapers and multiple social media outlets.

Overall, the project is being viewed positively and improving the lake quality.

RESOURCES IMPACT

All staff administration time for the RFP has been budgeted under the LE/CL TMDL Task Force budget that is also shown in the LESJWA budget.

LESJWA BOARD MEMORANDUM NO. 757

DATE: October 16, 2014

SUBJECT: TMDL Task Force Status Report

TO: LESJWA Board of Directors

FROM: Mark R. Norton, P.E., Authority Administrator

RECOMMENDATION

That the Board of Directors receive and file this status report on the Lake Elsinore and Canyon Lake TMDL Task Force.

BACKGROUND

LESJWA continues to serve as the administrator for the Task Force and is a signatory to the Task Force Agreement. The Task Force has been active in working with Dr. Michael Anderson with the research work on both Lake Elsinore and Canyon Lake, with Haley & Aldrich on the development of an updated lake and watershed monitoring plan, and with Tim Moore of Risk Sciences on a process to modify the TMDL (see attached). The new monitoring program for the lake and watershed is due to the Regional Board by Dec. 31, 2014 and is expected to commence in FY 2015-2016.

For Lake Elsinore, the Task Force continues to encourage the Lake Elsinore operators to work together on a new operation and maintenance agreement for the Lake Elsinore aeration system. This will incorporate credits for funding support by the Riverside County MS4 permittees and others to meet their responsibility to control internal nutrient loads. Progress has stalled with changes in staff, but hopefully will begin again soon.

LESJWA has an agreement with Weston Solutions to continue to oversee and implement the FY 2014-15 watershed-wide stormwater monitoring for the Lake Elsinore and Canyon Lake Nutrient Total Maximum Daily Load (TMDL). No measurable storms have occurred this year so far.

As part of the Task Force Agreement, a Task Force budget and cost allocations will be prepared in November by LESJWA for the FY 2015-16. The new budget reflects a separation of costs between administration for the Task Force, which includes Risk Sciences' support, additional modeling, and monitoring program development along with continued alum applications at Canyon Lake.

RESOURCES IMPACT

All staff administration time for this contract will be taken from the TMDL budget and funded by the TMDL Task Force parties only.

MN:dm

Attachment: Risk Sciences Handout/Info



Technical Tasks to Support Revision of the TMDL	Status
1) Update lake models to account for slow decay rate for phosphorus (Anderson)	
2) Update Lake Elsinore model to include interaction between zooplankton and algae and salinity limitations on zooplankton (Anderson)	
3) Update watershed runoff sourcing spreadsheet to account for subsidence in Mystic Lake	
4) Recalculate natural (pre-development) exceedance frequency, under long-term (50-100 year) conditions, using high resolution precipitation probabilities and dynamic lake level assumptions (Anderson)	
5) Update source load estimates using watershed runoff <u>spreadsheet</u> using: <ul style="list-style-type: none"> a. best available land-use data b. refined precipitation probabilities (replaces approach based on 3 archetypical years) c. discharge prohibitions in current CAFO permits d. LID and On-site Retention requirements in MS4 permits e. Previous BMPs (incl. diversions) by MS4's and WRCAC f. Exemption for Ag operations <20 ac. 	
6) Calculate zero-based loading capacity (w/o aeration system or recycled water) using dynamic lake model; estimate time to re-attainment under natural (pre-development) conditions (Anderson)	
7) Revise response targets (algae & DO) using dynamic lake level assumptions (Anderson)	
8) Recalculate the causal targets (phosphorus and ammonia) needed to achieve revised response targets (Anderson)	
9) Revise ammonia targets based on EPA's new 304(a) criteria (Reg. Bd. staff)	
10) Define appropriate spatial and temporal averaging periods for DO and Chlorophyll-a (Cumulative Distribution Function: % of area, % of time)	
11) Re-run long-term pre-development simulation with addition of recycled water to Lake Elsinore (at various N & P levels) but w/o aeration system (Anderson)	
12) Re-run long-term pre-development simulation, including aeration operation, with and without addition of recycled water (Anderson)	
13) Estimate current fish populations and equivalent phosphorus load reduction credits for the fishery management program (carp control and hybrid striped bass stocking)	
14) Estimate total loading from watershed to both lakes (2011-present) using updated sourcing spreadsheet and actual precipitation data (SAWPA)	
15) Estimate total mass of phosphorus neutralized by alum project (incl. sediment flux studies to support effectiveness demonstration)	
16) Update and revise Waste Load Allocation and Load Allocation	
17) Revise water quality monitoring plan for both lakes (Haley & Aldrich) <ul style="list-style-type: none"> a. Attainment metrics (response targets, causal targets) b. Trend metrics (progress toward attainment; interim milestones) 	
18) Revise water quality monitoring plan for watershed runoff (Haley & Aldrich) <ul style="list-style-type: none"> a. Compliance metrics (Total loading, WLA & LA) b. Trend metrics (progress toward attainment; interim milestones) 	



Potential Follow-on Projects for Discussion	Canyon Lake	Lake Elsinore
1) Increase TP neutralization at EVMWD beyond permit limits		X
2) Hypolimnetic Oxygen System (HOS)	X	X
3) Copper sulfate for algae control	X	No
4) Hydrogen peroxide for algae control and DO	X	
5) Increase circulation thru East Bay	X	
6) Alum applications below Canyon Lake during low-pH conditions		X
7) Phoslock	X	X
8) Upstream diversions	X	
9) Canyon Lake drawdown (to reduce transfers to Lake Elsinore)		X
10) Dredging (esp. high organic silts)	X	X
11) Dye Shading	X	X
12) Active Aquatic Plant Management	X	X
13) Increase recycled water	No	X
14) Pump-n-Treat	X	X
15) Constructed wetlands	X	X
16) Enhanced fishery management		X
17) Lake stabilization or circulation w/ Colo. River Water	X	X
18)		
19)		
20)		