

# 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) / 951.354.4240 (LESJWA)

**Thursday, December 21, 2017 – 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 that is 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 Clerk prior to the 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.

#### **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 or staff member requests that an item be removed from the Consent Calendar, the item 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 October 19, 2017.
- 1.1 TREASURER'S REPORTS.....9**  
**RECOMMENDATION:** Receive and file financial statements from August and September 2017.
- 1.2 COMMITTEE STATUS REPORT.....21**  
**RECOMMENDATION:** Receive and file a status report from the Education and Outreach Committee meeting held on October 17, 2017.
- 1.3 TMDL TASK FORCE REPORT.....23**  
**RECOMMENDATION:** Receive and file a status report from the Lake Elsinore and Canyon Lake TMDL Task Force meetings held October 19, 2017.

**End of Consent Calendar**

- 2.0 REPORT ON AUDIT FOR FISCAL YEAR ENDING JUNE 30, 2017 (Memo 821).....25**  
**RECOMMENDATION:** Receive and file the FY 2016-17 Report on Audit prepared by White Nelson Diehl Evans, LLP, and direct staff to file the Report on Audit with respective government agencies as required by law.
- 3.0 LAKE ELSINORE & CANYON LAKE NUTRIENT TMDL REVISION TASK ORDER (Memo 822).....75**  
**RECOMMENDATION:** Authorize Task Order No. CDM160-03 with CDM Smith, Inc. for an amount not-to-exceed \$228,138, to Revise and Update Lake Elsinore and Canyon Lake Nutrient TMDLs.
- 4.0 LAKE ELSINORE ADVANCED PUMPED STORAGE (LEAPS) STATUS (Memo 823)..... 87**  
**RECOMMENDATION:** Receive and file this status report on Nevada Hydro Company's Inc. (Nevada Hydro) Lake Elsinore Advanced Pumped Storage (LEAPS) Project.
- 5.0 CR&R GREEN WASTE COMPOSTING FACILITY UPDATE (Memo 824).....89**  
**RECOMMENDATION:** Receive and file this status report on the CR&R Inc. (CR&R) Green Waste Composting Facility Project.
- 6.0 LESJWA WATER SUMMIT STATUS (Memo 825).....91**  
**RECOMMENDATION:** Receive and file a status report on LESJWA's next LESJWA Water Summit scheduled for April 18, 2018.
- 7.0 ADMINISTRATOR'S COMMENTS**
- 8.0 DIRECTORS' COMMENTS**
- 9.0 ADJOURN**

**NEXT BOARD OF DIRECTORS MEETING:** Thursday, February 15, 2018 at 4:00 p.m.

**Meeting 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 headquarters: 11615 Sterling Avenue, Riverside, CA 92503.

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

**Declaration of Posting**

I, Dawna Munson, Board Clerk for the Lake Elsinore & San Jacinto Watersheds Authority (LESJWA), declare that on October 13, 2017, a copy of this notice had been posted in the Administering Authority's office located at 11615 Sterling Ave., Riverside CA, and on its website at [www.sawpa.org](http://www.sawpa.org).

/S/

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

**October 19, 2017**

**DIRECTORS PRESENT**

Robert Magee, Chair  
Vicki Warren  
Kevin Jeffries  
Brenda Dennstedt

**REPRESENTING**

City of Lake Elsinore  
City of Canyon Lake  
County of Riverside  
Santa Ana Watershed Project Authority

**DIRECTORS ABSENT**

Phil Williams

Elsinore Valley Municipal Water District

**OTHERS PRESENT**

Nancy Horton  
Liselle DeGrave  
Nicole Daily  
Jason Uhley

Elsinore Valley Municipal Water District  
DeGrave Communications  
City of Lake Elsinore  
Riverside County Flood Control & WCD

**LESJWA STAFF**

Mark Norton  
Karen Williams  
Dawna Munson

LESJWA Authority Administrator  
LESJWA/SAWPA Chief Financial Officer  
LESJWA Board Clerk

The Regular Board of Directors meeting of the Lake Elsinore and San Jacinto Watersheds Authority was called to order at 4:01 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. Representation from four of the five member agencies, with no representation for the EVMWD, was duly noted by the Board Clerk.

Chair Magee asked if there were 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**

Chair Magee presented the Consent Calendar for approval. Upon motion by Director Jeffries, seconded by Director Warren, the motion unanimously carried,

2017/10-1

**MOVED**, approval of the Consent Calendar including the June 15, 2017 Board Meeting Minutes, the Treasurer's Reports from June and July, 2017, the September 12, 2017 Lake Elsinore and Canyon Lake TMDL Task Force Meeting Notes, and the July 11, 2017 Education & Outreach Committee Meeting Notes.

with the following vote:

Ayes: Dennstedt, Jeffries, Magee, Warren  
Noes: None  
Absent: Williams  
Abstain: None

## **2.0: Local Agency Investment Fund (Memo #LES816)**

Karen Williams, SAWPA's Chief Financial Officer, said that staff requests approval of Resolution No. 2017-01, which adds the new SAWPA General Manager onto the signatory for the Local Agency Investment Fund (LAIF). With former General Manager Celeste Cantú retiring from SAWPA, and Rich Haller is now the new General Manager, his name must be added.

Upon motion by Director Dennstedt, seconded by Director Warren, the motion unanimously carried,

2017/10-2

**MOVED**, approval of Resolution No. 2017-01, authorizing monies in the Local Agency Investment Fund (LAIF), which updates the General Manager signatory to new SAWPA General Manager, Richard Haller.

with the following vote:

|          |                                    |
|----------|------------------------------------|
| Ayes:    | Dennstedt, Jeffries, Magee, Warren |
| Noes:    | None                               |
| Absent:  | Williams                           |
| Abstain: | None                               |

## **3.0: Canyon Lake Alum Application (Memo #LES817)**

Mark Norton said this informational item regarding the Canyon Lake alum application conducted September 25-29, 2017, which included treatment of the main body, the north causeway, and the East Bay. As suggested by the Technical Advisory Committee and in conjunction with EVMWD, alum dosage levels were adjusted per the most recent bathymetric survey analysis by Dr. Michael Anderson/UCR. There were no alum application issues reported by the Canyon Lake POA, EVMWD staff, or the consultant, Aquatechnex.

Since that time, concern had been expressed about some recent algae blooms in one cove area. Staff in response when such complaints arise will try to contact those who express concern and explain the alum benefits and that sometimes conditions occur for algae to grow, such as when the lake level drops, but we emphasize that the algae blooms come and go and they aren't a permanent condition. People are instructed to keep their pets and children away from the algae bloom when it occurs, and that LESJWA is doing everything possible to prevent it. The alum application is overall still producing positive results and will continue to be done twice per year.

In July 2017, the EPA published draft water quality criteria for a new alum standard that's been circulated, which is only guidance at this point; however, the State will most likely adopt this guidance at its next triannual review. Mr. Norton explained how it has changed from the 1988 criteria. It is a variable equation and the criteria are derived upon adjustments to ambient pH, hardness, and dissolved organic carbon. The EPA published a type of spreadsheet where states can input information for a particular waterbody and calculate the aluminum standard.

The LE/CL Task Force believes that this approach is a significant change to the 1988 EPA criteria, and is concerned that the proposed water quality criteria for aluminum may adversely impact the successful alum treatment programs being used in Canyon Lake and Lake Elsinore. One issue is that the amount of aluminum normally found in alum will make it extremely difficult to comply with the effluent limits State authorities must develop to meet the EPA criteria. It would be nearly impossible to comply with these criteria when using alum at Canyon Lake.. The Task Force is preparing a letter expressing its concerns and will submit it to the EPA. Currently, alum sulfate has been viewed as very effective and economical. If we lose this opportunity, we'd have to look at other options to address the algae and chlorophyll A. An oxygen injection system is very expensive and that is not something that really would help in the East Bay. This is something we're watching and hoping that the EPA will re-examine.

Upon motion by Director Warren, seconded by Director Dennstedt, the motion unanimously carried,

2017/10-3

**MOVED**, receive and file a status report on the Canyon Lake alum application and draft EPA aluminum criteria.

with the following vote:

|          |                                    |
|----------|------------------------------------|
| Ayes:    | Dennstedt, Jeffries, Magee, Warren |
| Noes:    | None                               |
| Absent:  | Williams                           |
| Abstain: | None                               |

#### **4.0: LESJWA Education and Outreach (Memo #LES818)**

Liselle DeGrave of DeGrave Communications provided a PowerPoint presentation to update the Board on LESJWA's current Education and Outreach activities. After a brief outreach recap, she provided some of the highlighted news releases such as the study results from Dr. Michael Anderson of UCR, and the news releases each time an alum application was done. There also are news releases and a fact sheet on the website, and a list of all the media that has covered LESJWA topics over the last year.

For the last alum application, a notice to the community went out that also told a bit about it and why LESJWA chose to use the alum. The Friday Flyer and the Community POA each did two stories on it.

A Facebook page was established October 2016 and there has been an increase in followers. For only being established for a year, the Facebook page is doing well in comparison to the more well-known sites such as EVMWD and the City of Lake Elsinore. She highlighted some of the posts attracting higher engagement, such as the replacement of the alum application sign. The sign's text was made more understandable and in laymen's terms and with an added cartoon graphic of the alum boat. Another shared post was information on the fish die offs over the summer. People are starting to engage and recognize who LESJWA is as an organization. She displayed charts of impressions and engagements, and a graph comparing this year to last year, showing the increase in followers.

She next discussed outreach and administration, and issues management support – Lake Watch 2017, and the response to the Temecula Canyon High School class letters that students sent to local elected officials. She noted that "Watershed Wonders" was recently created to provide better information. They will provide tours and can be available to go to the classroom to share what's actually happening in the watershed.

Ms. DeGrave discussed some of the community outreach activities such as working with the Lake Elsinore Chamber of Commerce where she gave a presentation and provided an editorial story for their newsletter, and attending the Save the Lake Committee meeting. She also noted the next steps using the Facebook page in communicating with the audience and establishing community partnerships and media outreach.

Chair Magee commented that the teacher from the high school hadn't responded, so he appreciates that Ms. DeGrave is following up on it. He asked her to keep him apprised as to whether a classroom visit is needed as well. He also noted that the Save the Lake Committee was absent during the fish clean up, and didn't appear to be working in that area toward saving the lake.

Chair Magee suggested adding a video to the Media Contacts section of the website, and suggested a couple of video pieces to share; for example, clips from the Lake Elsinore fish stockings. The Angler Chronicles did their annual visit and that was very good as well. Ms. DeGrave will work with Nicole Dailey to obtain the video clips.

Upon motion by Director Warren, seconded by Director Dennstedt, the motion unanimously carried,

2017/10-4

**MOVED**, receive and file a status report by DeGrave Communications on LESJWA's Education and Outreach activities.

with the following vote:

|          |                                    |
|----------|------------------------------------|
| Ayes:    | Dennstedt, Jeffries, Magee, Warren |
| Noes:    | None                               |
| Absent:  | Williams                           |
| Abstain: | None                               |

#### **5.0: Lake Elsinore/Water Quality Conditions (Memo #LES819)**

Mark Norton reviewed how the LE/CL TMDL Task Force had learned last year of challenges facing the lakes associated with harmful algal blooms (HABs) due to cyanotoxin concentrations. A concern arose due to ongoing monitoring efforts by the Southern California Coastal Water Research Project (SCCWRP) in evaluating the impacts of freshwater harmful algal blooms in Lake Elsinore and Canyon Lake. A SCCWRP key researcher provided a presentation to the Task Force about the need to conduct monitoring of the HABs in relation to updating the TMDL for the lakes. The Task Force then recommended conducting a one-year monitoring program to collect a baseline data level associated with specific cyanotoxins. It's important to note that the type of data used to develop the revised TMDL, particularly the water quality modeling for the lakes, is different from the type of data required in making decisions as to when and where to post public health warnings. The Task Force determined that the TMDL-related sampling data would serve to supplement other cyanotoxin monitoring programs being conducted by lake managers. He introduced Nicole Dailey/City of Lake Elsinore to provide an update on the recent Lake Elsinore water quality results associated with cyanotoxin concentrations.

Ms. Dailey first discussed what was learned from the experience in July 2016, wherein the City was notified by SCCWRRP of toxins in the lake, which ultimately resulted in closing the lake. Via PowerPoint presentation, she reviewed the harmful cyanotoxin (blue-green algae) types that need to be considered in terms of notice for closing the lake, some of the risks associated with the toxins for humans and animals; the parameters for how the State views the toxin limits; the draft recommended cyanotoxin detection limits, and the recommended public notification stages – from Caution to Warning to Danger.

In striving to always be prepared for an algal bloom event, the City began its own sampling work, initially performed every two weeks. This year, there hasn't been as much and they adjusted the sampling to how the lake looks. She displayed the lake sampling sites that focus on the beaches, and noted the challenges in notifying everyone of a warning or closure. She displayed LESJWA's sampling site for the TMDL; the City's and LESJWA's sampling results by categories of caution, warning, and danger, and reviewed the State's sampling results. The State's numbers tend to be higher because they take the scum samples, but now their numbers are closer to the numbers for Lake Elsinore.

Ms. Dailey next reviewed the City's response in chronological order from summer 2016 to September 2017. She discussed the City's Public Notification methods, including the 27 notification signs installed for public and private beaches, the Lake Watch webpage, emails to stakeholders, handouts at boat launches, and the social media and news media efforts. She noted the challenge in trying to better address, from the public's standpoint, how there are danger signs in one section of the lake, but not the other. They inform people that it is what the State recommends, and ultimately the decision is up to the individual.

As to what's next, they are meeting and collaborating with lake partners, refining a formal action plan for sampling and public notification, relying on existing sampling when possible, and continuing to explore the long-term strategies for the overall health of Lake Elsinore.

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

2017/10-5

**MOVED**, receive and file a status report from LESJWA staff and Nicole Dailey of the City of Lake Elsinore about the Lake Elsinore and Canyon Lake water quality conditions.

with the following vote:

|          |                                    |
|----------|------------------------------------|
| Ayes:    | Dennstedt, Jeffries, Magee, Warren |
| Noes:    | None                               |
| Absent:  | Williams                           |
| Abstain: | None                               |

#### **6.0: Lake Elsinore Advanced Pumped Storage Project Update (Memo #820)**

Mark Norton said this is an informational item and staff seeks the Board's direction to respond to the Federal Energy Regulatory Commission (FERC) solicitation for additional study needs regarding the Lake Elsinore Advanced Pumped Storage Project (LEAPS). He provided background regarding the Nevada Hydro Company (Nevada Hydro) who is filing a license application for the LEAPS project, and noted the five main components that comprise the project. In essence, the project is to pump out water from the Lake when the cost of energy rates are low and store it into a reservoir in the mountains, and then as the water is released, it actually generates power and they are able to sell it at a higher rate. It's a very large, 500 megawatt, project with a lot of pipelines and turbines that would connect into the existing Edison transmission lines and the San Diego Gas & Electric Company transmission line.

When the project was first proposed in 2007, it initially was supported by some local agencies, but then lost favor and faded out. Then on June 1, 2017, Nevada Hydro filed a Notice of Intent and requested a waiver of the pre-filing requirements based on what they had done before, to allow them to directly file a final license application. The FERC staff was supportive and on August 23, 2017, issued a notice of comments on Nevada Hydro's NOI and waiver request, with comments due by September 22nd. FERC received numerous comments about the potential project effects need to be considered, and deemed that perhaps this needs to be opened up again for comments to request additional studies as appropriate. Attached in the Board packet is the notice from FERC inviting additional studies. This could have a major impact on Lake Elsinore.

On the face of it, there is potential where it could be a positive, such as they want to pump water from Lake Elsinore, but the Lake is too low, so they'd need to bring in and pay for the water, creating a full lake. Second, by the process of bringing the water up and releasing it back in, it could aid aeration and mixing; and third, if alum were added, there could be some suppression of the nutrients. So, there is some potential.

There also are some negative elements such as the environmental impacts and the aesthetics of the Lake, and concern by the local residents with putting in a big reservoir along the mountains. Staff had invited a representative from Nevada Hydro, as well as from EVMWD. Both declined due to current litigation over this project. Mr. Norton noted that this item was placed on the agenda at the last moment, so he will need to do more research on it as to what studies have been done and the water quality impacts. Staff will do further investigation on this if it is the will and direction of the Board.

Chair Magee thanked Mark Norton for getting this item on the agenda in short notice. It needed to get on the agenda as there is a 60-day window to comment, and this Board will not meet again before that 60 day period ends on December 1. He also noted for the record that Director Williams is not in attendance as his district does have a conflict, and he is not able to comment on this. He stated that he hopes his colleagues will agree that a letter does need to move forward to FERC, as this Board's primary charge is water quality in the two lakes. As this project came back, letters of opposition were generated by homeowners groups, businesses, private citizens, City of Lake Elsinore, EVMWD, Senator Stone, the entire Board of Supervisors, and Congressman Calvert, with no letters of support. However, in Washington, far away from Lake Elsinore, somehow the decision to move forward on the previous 10-year old EIR sounded like a good idea. The original proposal was as Mark outlined – Nevada Hydro would provide for and pay for water and 9,000 lbs. of fish per year for the City of Lake Elsinore. In his opinion, that really wasn't enough to offset the impacts that were going to be faced by the valley. There are five areas of concern that our letter should address: 1) the

shoreline impacts to private and public properties, 2) the water quality impacts, 3) the impacts to the fishery, 4) compliance with the MSHCP (in that both the lake body and the forest are listed as public/quasi-public properties in the MSHCP, meaning it must be mitigated acre for acre in other like habitats), and 5) as the Army Corps of Engineers (Corps) was not a party to the MSHCP, we need to assure that there is compliance with the Corps.

Supervisor Jeffries commented that he isn't certain that it's within the jurisdiction of this Board to provide a letter. With such a large quantity of water needed, where they would get the water and under whose umbrella would that water quantity be purchased? Will it be EVMWD's allotment or WMWD's or EMWD's allotment? And with that purchase, does it push that entity into the penalty rates for all its customers for future purchases? Or will they be granted a special privilege to buy the water directly from MWD or from the Colorado River, or the State Water Project? These questions need to be answered because it impacts all the customers in Elsinore Valley. This project first came about in 1991, so it's been around for quite some time.

Director Warren suggested that the letter also should address redevelopment from the beginning.

Director Dennstedt said she read Congressmen's letter drafted on September 6<sup>th</sup>, and in the second paragraph, it says how the EIS was ultimately denied. It concerns her that FERC would take what originally was denied and move forward; it doesn't make sense. She suggested entering into the language that asks if the 2007 EIS filing was denied in 2011, why would FERC approve the EIS filing in 2017. She agreed that we need to better understand where they plan to get the water to offset the evaporation.

Director Magee added that item 6 would be the questions of the water purchase: where, under whose authority, and impact on repairs; and item 7 would be the EIR, or the supplement to the EIR, but it needs to be compliant. He looks forward to seeing the letter.

Upon motion by Director Warren, seconded by Director Dennstedt, the motion unanimously carried,

2017/10-6

**MOVED**, receive a report on the status of the LEAPS project, and directed staff to prepare a comment letter to the Federal Energy Regulatory Commission, from LESJWA, under their solicitation for requests for additional study by the December 1, 2017 deadline.

with the following vote:

|          |                                    |
|----------|------------------------------------|
| Ayes:    | Dennstedt, Jeffries, Magee, Warren |
| Noes:    | None                               |
| Absent:  | Williams                           |
| Abstain: | None                               |

#### **7.0: ADMINISTRATOR'S COMMENTS**

There were no comments.

#### **8.0: DIRECTORS' COMMENTS**

Director Dennstedt expressed her gratitude to SAWPA, LESJWA, and the County of Riverside for the kindness and compassion shown to her and her family in the recent loss of her daughter, Lianne.

As there was no further business, Chair Magee adjourned the meeting at 5:02 p.m.

**APPROVED:** December 21, 2017

\_\_\_\_\_  
Robert Magee, Chair

**ATTEST:** December 21, 2017

\_\_\_\_\_  
Dawna Munson, Board Clerk



LAKE ELSINORE & SAN JACINTO WATERSHEDS AUTHORITY  
CASH FLOW STATEMENT  
AS OF 09/30/17

**Balance as of 8/31/17** \$ 1,202,181.71

**Funds Received**

**Deposits:**

|   |    |            |
|---|----|------------|
| Santa Ana Watershed Project Authority   | \$ | 10,000.00  |
| City of Menifee                         | \$ | 100,906.00 |
| Riverside County Flood Control District | \$ | 20,000.00  |

**Open - Grant Invoices**

|                                       |    |           |
|---------------------------------------|----|-----------|
| DWR - Prop 84 Grant - Inv 1 Retention | \$ | 6,502.97  |
| DWR - Prop 84 Grant - Inv 2 Retention | \$ | 2,019.94  |
| DWR - Prop 84 Grant - Inv 3 Retention | \$ | 546.38    |
| DWR - Prop 84 Grant - Inv 4 Retention | \$ | 6,342.40  |
| DWR - Prop 84 Grant - Inv 5 Retention | \$ | 17,814.74 |
| DWR - Prop 84 Grant - Inv 6 Retention | \$ | 1,361.88  |
|                                       | \$ | 34,588.31 |

**Open - Member & Other Contributions**

|  |    |            |
|--|----|------------|
| West Riverside County Agricultural Coalition | \$ | 24,300.00  |
| County of Riverside Executive Office         | \$ | 69,034.00  |
| City of Beaumont                             | \$ | 28,128.00  |
| City of Moreno Valley                        | \$ | 74,122.00  |
| City of Wildomar                             | \$ | 28,841.00  |
| CA Department of Fish and Game               | \$ | 22,857.00  |
|  | \$ | 247,282.00 |

|                         |           |                   |
|-------------------------|-----------|-------------------|
| <b>Total Due LESJWA</b> | <b>\$</b> | <b>281,870.31</b> |
|-------------------------|-----------|-------------------|

|   |             |
|---|-------------|
| <b>Disbursement List - September 2017</b> | (90,234.51) |
|---|-------------|

|                                       |                        |
|---------------------------------------|------------------------|
| <b>Funds Available as of 09/30/17</b> | <b>\$ 1,242,853.20</b> |
|---------------------------------------|------------------------|

**Funds Available:**

|              |           |                     |
|--------------|-----------|---------------------|
| Checking     | \$        | 273,965.94          |
| LAIF         | \$        | 968,887.26          |
| <b>Total</b> | <b>\$</b> | <b>1,242,853.20</b> |

Lake Elsinore San Jacinto Watersheds Authority  
LE/CL TMDL Invoice History  
FYE 2011 - 2018  
as of September 30, 2017

| Agency                                   | FY 2011-12 | FY 2012-13 | FY 2013-14 | FY 2014-15 | FY 2015-16 | FY 2016-17       | FY 2017-18        |
|--|------------|------------|------------|------------|------------|------------------|-------------------|
| March ARB                                | 10,000.00  | 13,050.00  | 12,500.00  | 35,226.00  | 25,176.00  | 38,321.00        | 29,864.00         |
| CalTrans                                 | 10,000.00  | 13,050.00  | 12,500.00  | 28,656.00  | 26,072.00  | 40,421.00        | 31,964.00         |
| City of Beaumont                         | 3,900.00   | 1,865.00   | 19,263.00  | 24,280.00  | 26,866.00  | 37,421.00        | 28,128.00         |
| City of Canyon Lake                      | 3,396.00   | 644.00     | 18,389.00  | 34,863.00  | 24,142.00  | 42,521.00        | 33,586.00         |
| City of Hemet                            | 22,696.00  | 6,286.00   | 18,175.00  | 25,510.00  | 27,958.00  | 54,278.00        | 36,426.00         |
| City of Lake Elsinore                    | 73,133.00  | -          | 19,381.00  | 30,580.00  | 32,463.00  | 37,421.00        | 22,330.00         |
| City of Menifee                          | 20,458.00  | 23,649.00  | 44,155.00  | 55,821.00  | 23,584.00  | 100,499.00       | 100,906.00        |
| City of Moreno Valley                    | 52,520.00  | 15,425.00  | 103,565.00 | 113,058.00 | 17,750.00  | 96,414.00        | 74,122.00         |
| City of Murrieta                         | 650.00     | -          | 12,426.00  | 24,280.00  | 26,866.00  | 38,321.00        | 31,337.00         |
| City of Perris                           | 16,580.00  | 5,752.00   | 18,869.00  | 26,739.00  | 29,050.00  | 59,821.00        | 50,374.00         |
| City of Riverside                        | 2,965.00   | 1,575.00   | 17,641.00  | 24,280.00  | 26,866.00  | 38,921.00        | 30,293.00         |
| City of San Jacinto                      | 11,133.00  | 4,315.00   | 19,487.00  | 24,280.00  | 26,866.00  | 37,721.00        | 23,290.00         |
| City of Wildomar                         | 3,859.00   | 4,461.00   | 8,307.00   | 19,528.00  | 26,460.00  | 41,642.00        | 28,841.00         |
| County of Riverside                      | 32,919.00  | -          | 30,165.00  | 36,469.00  | 30,362.00  | 68,931.00        | 69,034.00         |
| Dept of Fish and Game                    | 10,000.00  | 13,050.00  | 12,500.00  | 18,435.00  | 28,840.00  | 35,121.00        | 22,857.00         |
| Eastern Municipal Water District         | 10,000.00  | 13,050.00  | 12,500.00  | 16,225.00  | 23,525.00  | 27,789.00        | 15,724.00         |
| Elsinore Valley Municipal Water District | 61,070.00  | -          | 12,500.00  | 16,225.00  | 23,525.00  | 30,361.00        | 18,327.00         |
| March JPA                                | 10,000.00  | 13,050.00  | 12,500.00  | 24,485.00  | 27,160.00  | 38,921.00        | 30,464.00         |
| San Jacinto Agricultural Operators       | 14,011.00  | 28,278.00  | 12,500.00  | 47,549.00  | 23,530.58  | 70,085.00        | 31,391.00         |
| San Jacinto Dairy & CAFO Operators       | 10,000.00  | 10,211.00  | 12,500.00  | 16,225.00  | -          | -                | -                 |
| Total                                    | 379,290.00 | 167,711.00 | 429,823.00 | 642,714.00 | 497,061.58 | 934,930.00       | 709,258.00        |
| Total Paid Contributions                 | 379,290.00 | 167,711.00 | 429,823.00 | 642,714.00 | 497,061.58 | 910,630.00       | 486,276.00        |
| <b>Total Outstanding Contributions</b>   | -          | -          | -          | -          | -          | <b>24,300.00</b> | <b>222,982.00</b> |

**Total Outstanding Contributions**

|                                    |   |   |   |   |   |                  |                   |
|------------------------------------|---|---|---|---|---|------------------|-------------------|
| March ARB                          | - | - | - | - | - | -                | -                 |
| CalTrans                           | - | - | - | - | - | -                | -                 |
| City of Beaumont                   | - | - | - | - | - | -                | 28,128.00         |
| City of Hemet                      | - | - | - | - | - | -                | -                 |
| City of Menifee                    | - | - | - | - | - | -                | -                 |
| City of Moreno Valley              | - | - | - | - | - | -                | 74,122.00         |
| City of Murrieta                   | - | - | - | - | - | -                | -                 |
| City of Perris                     | - | - | - | - | - | -                | -                 |
| City of Riverside                  | - | - | - | - | - | -                | -                 |
| City of San Jacinto                | - | - | - | - | - | -                | -                 |
| City of Wildomar                   | - | - | - | - | - | -                | 28,841.00         |
| County of Riverside                | - | - | - | - | - | -                | 69,034.00         |
| Dept of Fish and Game              | - | - | - | - | - | -                | 22,857.00         |
| San Jacinto Agricultural Operators | - | - | - | - | - | 24,300.00        | -                 |
| <b>Total Outstanding All Years</b> | - | - | - | - | - | <b>24,300.00</b> | <b>222,982.00</b> |

Lake Elsinore/San Jacinto Watershed Authority  
Statement of Net Assets  
For the Three Months Ending Saturday, September 30, 2017

Assets

|                                 |                              |
|---------------------------------|------------------------------|
| Checking - US Bank              | \$273,965.94                 |
| L.A.I.F.                        | 968,887.26                   |
| Accounts Receivable             | 281,870.31                   |
| Allowance For Doubtful Accounts | <u>(24,300.00)</u>           |
| Total Assets                    | <u><u>\$1,500,423.51</u></u> |

Liabilities

|                   |                     |
|-------------------|---------------------|
| Accounts Payable  | <u>200,671.39</u>   |
| Total Liabilities | <u>\$200,671.39</u> |

|                   |            |
|-------------------|------------|
| Retained Earnings | 728,329.61 |
|-------------------|------------|

|  |                     |
|--|---------------------|
| Excess Revenue over (under) Expenditures | <u>\$571,422.51</u> |
|--|---------------------|

|                  |                       |
|------------------|-----------------------|
| Total Net Assets | <u>\$1,299,752.12</u> |
|------------------|-----------------------|

|                                  |                              |
|----------------------------------|------------------------------|
| Total Liabilities and Net Assets | <u><u>\$1,500,423.51</u></u> |
|----------------------------------|------------------------------|

Lake Elsinore/San Jacinto Watershed Authority  
Revenues, Expenses and Changes in Net Assets  
For the Three Months Ending Saturday, September 30, 2017

|   | Period<br>Actual      | YTD<br>Actual       | Annual<br>Budget      | % Used          | Budget<br>Variance    |
|---|-----------------------|---------------------|-----------------------|-----------------|-----------------------|
| <b>Revenues</b>                                 |                       |                     |                       |                 |                       |
| State Grant Proceeds                            | \$0.00                | \$34,588.31         | \$0.00                | 0.00%           | (\$34,588.31)         |
| LAIF Interest                                   | 0.00                  | 0.00                | 2,440.00              | 0.00%           | 2,440.00              |
| Member Agency Contributions                     | 0.00                  | 253,277.00          | 263,277.00            | 96.20%          | 10,000.00             |
| Other Agency Contributions                      | 0.00                  | 565,981.00          | 585,982.00            | 96.59%          | 20,001.00             |
| <b>Total Revenues</b>                           | <b>\$0.00</b>         | <b>\$853,846.31</b> | <b>\$851,699.00</b>   | <b>100.25%</b>  | <b>(\$2,147.31)</b>   |
| <b>Expenses</b>                                 |                       |                     |                       |                 |                       |
| Salaries - Regular                              | 4,895.57              | 15,680.58           | 67,187.00             | 23.34%          | 51,506.42             |
| Payroll Burden                                  | 2,139.36              | 6,852.40            | 29,360.00             | 23.34%          | 22,507.60             |
| Overhead  | 6,907.65              | 22,125.29           | 94,800.00             | 23.34%          | 72,674.71             |
| Audit Fees                                      | 3,175.00              | 4,000.00            | 5,500.00              | 72.73%          | 1,500.00              |
| Consulting - General                            | 148,181.45            | 231,054.53          | 683,735.00            | 33.79%          | 452,680.47            |
| Legal Fees                                      | 175.00                | 175.00              | 500.00                | 35.00%          | 325.00                |
| 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                 |
| Other Expense                                   | 0.00                  | 0.00                | 50.00                 | 0.00%           | 50.00                 |
| LEAMS Excess Offset Credit                      | 0.00                  | 0.00                | 107,824.00            | 0.00%           | 107,824.00            |
| Insurance Expense                               | 0.00                  | 2,536.00            | 2,485.00              | 102.05%         | (51.00)               |
| Interest Expense                                | 0.00                  | 0.00                | 50.00                 | 0.00%           | 50.00                 |
| <b>Total Expenditures</b>                       | <b>\$165,474.03</b>   | <b>\$282,423.80</b> | <b>\$991,641.00</b>   | <b>28.48%</b>   | <b>\$709,217.20</b>   |
| <b>Excess Revenue over (under) Expenditures</b> | <b>(\$165,474.03)</b> | <b>\$571,422.51</b> | <b>(\$139,942.00)</b> | <b>-408.33%</b> | <b>(\$711,364.51)</b> |

**Lake Elsinore San Jacinto Watersheds Authority**  
**Revenues, Expenses and Changes in Net Assets by Project**  
**For the Month Ending September 30, 2017**

|   | JPA            |                   | TMDL       |                     |       |                     | Budget | % Used       | Budget  | Variance        |
|---|----------------|-------------------|------------|---------------------|-------|---------------------|--------|--------------|---------|-----------------|
|   | Administration |                   | Task Force |                     | Total |                     |        |              |         |                 |
| <b>Revenues</b>                                 |                |                   |            |                     |       |                     |        |              |         |                 |
| State Grant Proceeds                            | \$             | -                 | \$         | 34,588.31           | \$    | 34,588.31           | \$     | -            | #DIV/0! | \$ (34,588.31)  |
| LAIF Interest                                   |                | -                 |            | -                   |       | -                   |        | 2,440.00     | 0.00%   | 2,440.00        |
| Member Agency Contributions                     |                | 110,000.00        |            | 143,277.00          |       | 253,277.00          |        | 263,277.00   | 96.20%  | 10,000.00       |
| Other Agency Contributions                      |                | -                 |            | 565,981.00          |       | 565,981.00          |        | 585,982.00   | 96.59%  | 20,001.00       |
| <b>Total Revenues</b>                           | \$             | 110,000.00        | \$         | 743,846.31          | \$    | 853,846.31          | \$     | 851,699.00   | 100.25% | \$ (2,147.31)   |
| <b>Expenditures</b>                             |                |                   |            |                     |       |                     |        |              |         |                 |
| Salaries  | \$             | 6,709.30          | \$         | 8,971.28            |       | 15,680.58           | \$     | 67,187.00    | 23.34%  | \$ 51,506.42    |
| Benefits  |                | 2,931.96          |            | 3,920.44            |       | 6,852.40            |        | 29,360.00    | 23.34%  | 22,507.60       |
| Indirect Costs                                  |                | 9,466.82          |            | 12,658.47           |       | 22,125.29           |        | 94,800.00    | 23.34%  | 72,674.71       |
| Audit Fees                                      |                | 4,000.00          |            | -                   |       | 4,000.00            |        | 5,500.00     | 72.73%  | 1,500.00        |
| Consulting                                      |                | 4,664.70          |            | 226,389.83          |       | 231,054.53          |        | 683,735.00   | 33.79%  | 452,680.47      |
| Legal Fees                                      |                | 175.00            |            | -                   |       | 175.00              |        | 500.00       | 0.00%   | 325.00          |
| Meeting & Conference Expense                    |                | -                 |            | -                   |       | -                   |        | 100.00       | 0.00%   | 100.00          |
| Shipping & Postage                              |                | -                 |            | -                   |       | -                   |        | 50.00        | 0.00%   | 50.00           |
| Other Expense                                   |                | -                 |            | -                   |       | -                   |        | 50.00        | 0.00%   | 50.00           |
| LEAMS Excess Offset Credit                      |                | -                 |            | -                   |       | -                   |        | 107,824.00   | 0.00%   | 107,824.00      |
| Insurance Expense                               |                | 2,536.00          |            | -                   |       | 2,536.00            |        | 2,485.00     | 102.05% | (51.00)         |
| Interest Expense                                |                | -                 |            | -                   |       | -                   |        | 50.00        | 0.00%   | 50.00           |
| <b>Total Expenditures</b>                       | \$             | 30,483.78         | \$         | 251,940.02          | \$    | 282,423.80          | \$     | 991,641.00   | 28.48%  | \$ 709,217.20   |
| <b>Excess Revenue over (under) Expenditures</b> | \$             | 79,516.22         | \$         | 491,906.29          | \$    | 571,422.51          | \$     | (139,942.00) | 100.00% | \$ (711,364.51) |
| <b>Cash Balance @ 9/30/17</b>                   | \$             | <b>137,045.77</b> | \$         | <b>1,105,807.43</b> | \$    | <b>1,242,853.20</b> |        |              |         |                 |

**Lake Elsinore San Jacinto  
Watershed Authority  
Disbursements  
September 2017**

| Check #                            | Check Date | Type | Vendor                                | Check Amount              |
|------------------------------------|------------|------|---------------------------------------|---------------------------|
| EFT111                             | 9/1/2017   | CHK  | DeGrave Communications                | \$1,792.69                |
| EFT112                             | 9/7/2017   | CHK  | Amec Foster Wheeler Environmental     | \$46,385.36               |
| EFT113                             | 9/15/2017  | CHK  | CDM Smith Inc                         | \$12,550.50               |
| 1084                               | 9/21/2017  | CHK  | White Nelson Diehl Evans LLP          | \$825.00                  |
| EFT114                             | 9/21/2017  | CHK  | Risk Sciences                         | \$7,097.67                |
| EFT115                             | 9/21/2017  | CHK  | Santa Ana Watershed Project Authority | \$20,237.33               |
| EFT116                             | 9/21/2017  | CHK  | DeGrave Communications                | \$1,345.96                |
| Total Disbursements September 2017 |            |      |                                       | <u><u>\$90,234.51</u></u> |

LAKE ELSINORE & SAN JACINTO WATERSHEDS AUTHORITY  
CASH FLOW STATEMENT  
AS OF 08/31/17

**Balance as of 7/31/17** \$ 896,074.75

**Funds Received**

**Deposits:**

|  |              |
|--|--------------|
| Riverside County                             | \$ 20,000.00 |
| US Air Force - March Air Reserve Base        | \$ 29,864.00 |
| City of Murietta                             | \$ 31,337.00 |
| City of Lake Elsinore                        | \$ 20,000.00 |
| City of Riverside                            | \$ 30,293.00 |
| City of Perris                               | \$ 50,374.00 |
| West Riverside County Agricultural Coalition | \$ 31,391.00 |
| City of Hemet                                | \$ 36,426.00 |
| City of San Jacinto                          | \$ 23,290.00 |
| Elsinore Valley Municipal Water District     | \$ 20,000.00 |
| CA Department of Transportation              | \$ 31,964.00 |
| City of Canyon Lake                          | \$ 20,000.00 |

**Open - Grant Invoices**

|                                       |              |
|---------------------------------------|--------------|
| DWR - Prop 84 Grant - Inv 1 Retention | \$ 6,502.97  |
| DWR - Prop 84 Grant - Inv 2 Retention | \$ 2,019.94  |
| DWR - Prop 84 Grant - Inv 3 Retention | \$ 546.38    |
| DWR - Prop 84 Grant - Inv 4 Retention | \$ 6,342.40  |
| DWR - Prop 84 Grant - Inv 5 Retention | \$ 17,814.74 |
| DWR - Prop 84 Grant - Inv 6 Retention | \$ 1,361.88  |
|                                       | \$ 34,588.31 |

**Open - Member & Other Contributions**

|  |               |
|--|---------------|
| West Riverside County Agricultural Coalition | \$ 24,300.00  |
| County of Riverside Executive Office         | \$ 69,034.00  |
| City of Beaumont                             | \$ 28,128.00  |
| City of Moreno Valley                        | \$ 74,122.00  |
| City of Wildomar                             | \$ 28,841.00  |
| CA Department of Fish and Game               | \$ 22,857.00  |
| Santa Ana Watershed Project Authority        | \$ 10,000.00  |
| Riverside County Flood Control District      | \$ 20,000.00  |
| City of Menifee                              | \$ 100,906.00 |
|  | \$ 378,188.00 |

**Total Due LESJWA** \$ 412,776.31

**Disbursement List - August 2017** (38,832.04)

**Funds Available as of 08/31/17** \$ 1,202,181.71

**Funds Available:**

|              |                 |
|--------------|-----------------|
| Checking     | \$ 233,294.45   |
| LAIF         | \$ 968,887.26   |
| <b>Total</b> | \$ 1,202,181.71 |

Lake Elsinore San Jacinto Watersheds Authority  
LE/CL TMDL Invoice History  
FYE 2011 - 2018  
as of August 31, 2017

| Agency                                   | FY 2011-12 | FY 2012-13 | FY 2013-14 | FY 2014-15 | FY 2015-16 | FY 2016-17       | FY 2017-18        |
|--|------------|------------|------------|------------|------------|------------------|-------------------|
| March ARB                                | 10,000.00  | 13,050.00  | 12,500.00  | 35,226.00  | 25,176.00  | 38,321.00        | 29,864.00         |
| CalTrans                                 | 10,000.00  | 13,050.00  | 12,500.00  | 28,656.00  | 26,072.00  | 40,421.00        | 31,964.00         |
| City of Beaumont                         | 3,900.00   | 1,865.00   | 19,263.00  | 24,280.00  | 26,866.00  | 37,421.00        | 28,128.00         |
| City of Canyon Lake                      | 3,396.00   | 644.00     | 18,389.00  | 34,863.00  | 24,142.00  | 42,521.00        | 33,586.00         |
| City of Hemet                            | 22,696.00  | 6,286.00   | 18,175.00  | 25,510.00  | 27,958.00  | 54,278.00        | 36,426.00         |
| City of Lake Elsinore                    | 73,133.00  | -          | 19,381.00  | 30,580.00  | 32,463.00  | 37,421.00        | 22,330.00         |
| City of Menifee                          | 20,458.00  | 23,649.00  | 44,155.00  | 55,821.00  | 23,584.00  | 100,499.00       | 100,906.00        |
| City of Moreno Valley                    | 52,520.00  | 15,425.00  | 103,565.00 | 113,058.00 | 17,750.00  | 96,414.00        | 74,122.00         |
| City of Murrieta                         | 650.00     | -          | 12,426.00  | 24,280.00  | 26,866.00  | 38,321.00        | 31,337.00         |
| City of Perris                           | 16,580.00  | 5,752.00   | 18,869.00  | 26,739.00  | 29,050.00  | 59,821.00        | 50,374.00         |
| City of Riverside                        | 2,965.00   | 1,575.00   | 17,641.00  | 24,280.00  | 26,866.00  | 38,921.00        | 30,293.00         |
| City of San Jacinto                      | 11,133.00  | 4,315.00   | 19,487.00  | 24,280.00  | 26,866.00  | 37,721.00        | 23,290.00         |
| City of Wildomar                         | 3,859.00   | 4,461.00   | 8,307.00   | 19,528.00  | 26,460.00  | 41,642.00        | 28,841.00         |
| County of Riverside                      | 32,919.00  | -          | 30,165.00  | 36,469.00  | 30,362.00  | 68,931.00        | 69,034.00         |
| Dept of Fish and Game                    | 10,000.00  | 13,050.00  | 12,500.00  | 18,435.00  | 28,840.00  | 35,121.00        | 22,857.00         |
| Eastern Municipal Water District         | 10,000.00  | 13,050.00  | 12,500.00  | 16,225.00  | 23,525.00  | 27,789.00        | 15,724.00         |
| Elsinore Valley Municipal Water District | 61,070.00  | -          | 12,500.00  | 16,225.00  | 23,525.00  | 30,361.00        | 18,327.00         |
| March JPA                                | 10,000.00  | 13,050.00  | 12,500.00  | 24,485.00  | 27,160.00  | 38,921.00        | 30,464.00         |
| San Jacinto Agricultural Operators       | 14,011.00  | 28,278.00  | 12,500.00  | 47,549.00  | 23,530.58  | 70,085.00        | 31,391.00         |
| San Jacinto Dairy & CAFO Operators       | 10,000.00  | 10,211.00  | 12,500.00  | 16,225.00  | -          | -                | -                 |
| Total                                    | 379,290.00 | 167,711.00 | 429,823.00 | 642,714.00 | 497,061.58 | 934,930.00       | 709,258.00        |
| Total Paid Contributions                 | 379,290.00 | 167,711.00 | 429,823.00 | 642,714.00 | 497,061.58 | 910,630.00       | 385,370.00        |
| <b>Total Outstanding Contributions</b>   | -          | -          | -          | -          | -          | <b>24,300.00</b> | <b>323,888.00</b> |

**Total Outstanding Contributions**

|                                    |   |   |   |   |   |                  |                   |
|------------------------------------|---|---|---|---|---|------------------|-------------------|
| March ARB                          | - | - | - | - | - | -                | -                 |
| CalTrans                           | - | - | - | - | - | -                | -                 |
| City of Beaumont                   | - | - | - | - | - | -                | 28,128.00         |
| City of Hemet                      | - | - | - | - | - | -                | -                 |
| City of Menifee                    | - | - | - | - | - | -                | 100,906.00        |
| City of Moreno Valley              | - | - | - | - | - | -                | 74,122.00         |
| City of Murrieta                   | - | - | - | - | - | -                | -                 |
| City of Perris                     | - | - | - | - | - | -                | -                 |
| City of Riverside                  | - | - | - | - | - | -                | -                 |
| City of San Jacinto                | - | - | - | - | - | -                | -                 |
| City of Wildomar                   | - | - | - | - | - | -                | 28,841.00         |
| County of Riverside                | - | - | - | - | - | -                | 69,034.00         |
| Dept of Fish and Game              | - | - | - | - | - | -                | 22,857.00         |
| San Jacinto Agricultural Operators | - | - | - | - | - | 24,300.00        | -                 |
| <b>Total Outstanding All Years</b> | - | - | - | - | - | <b>24,300.00</b> | <b>323,888.00</b> |



Lake Elsinore/San Jacinto Watershed Authority  
Statement of Net Assets  
For the Two Months Ending Thursday, August 31, 2017

Assets

|                                 |                              |
|---------------------------------|------------------------------|
| Checking - US Bank              | \$233,294.45                 |
| L.A.I.F.                        | 968,887.26                   |
| Accounts Receivable             | 412,776.31                   |
| Allowance For Doubtful Accounts | <u>(24,300.00)</u>           |
| Total Assets                    | <u><u>\$1,590,658.02</u></u> |

Liabilities

|                   |                     |
|-------------------|---------------------|
| Accounts Payable  | <u>125,431.87</u>   |
| Total Liabilities | <u>\$125,431.87</u> |

|                   |            |
|-------------------|------------|
| Retained Earnings | 728,329.61 |
|-------------------|------------|

|  |                     |
|--|---------------------|
| Excess Revenue over (under) Expenditures | <u>\$736,896.54</u> |
|--|---------------------|

|                  |                       |
|------------------|-----------------------|
| Total Net Assets | <u>\$1,465,226.15</u> |
|------------------|-----------------------|

|                                  |                              |
|----------------------------------|------------------------------|
| Total Liabilities and Net Assets | <u><u>\$1,590,658.02</u></u> |
|----------------------------------|------------------------------|

Lake Elsinore/San Jacinto Watershed Authority  
Revenues, Expenses and Changes in Net Assets  
For the Two Months Ending Thursday, August 31, 2017

|   | Period<br>Actual     | YTD<br>Actual       | Annual<br>Budget      | % Used          | Budget<br>Variance    |
|---|----------------------|---------------------|-----------------------|-----------------|-----------------------|
| <b>Revenues</b>                                 |                      |                     |                       |                 |                       |
| State Grant Proceeds                            | \$0.00               | \$34,588.31         | \$0.00                | 0.00%           | (\$34,588.31)         |
| LAIF Interest                                   | 0.00                 | 0.00                | 2,440.00              | 0.00%           | 2,440.00              |
| Member Agency Contributions                     | 10,000.00            | 253,277.00          | 263,277.00            | 96.20%          | 10,000.00             |
| Other Agency Contributions                      | 0.00                 | 565,981.00          | 585,982.00            | 96.59%          | 20,001.00             |
| <b>Total Revenues</b>                           | <b>\$10,000.00</b>   | <b>\$853,846.31</b> | <b>\$851,699.00</b>   | <b>100.25%</b>  | <b>(\$2,147.31)</b>   |
| <b>Expenses</b>                                 |                      |                     |                       |                 |                       |
| Salaries - Regular                              | 7,105.81             | 10,785.01           | 67,187.00             | 16.05%          | 56,401.99             |
| Payroll Burden                                  | 3,105.23             | 4,713.04            | 29,360.00             | 16.05%          | 24,646.96             |
| Overhead  | 10,026.29            | 15,217.64           | 94,800.00             | 16.05%          | 79,582.36             |
| Audit Fees                                      | 825.00               | 825.00              | 5,500.00              | 15.00%          | 4,675.00              |
| Consulting - General                            | 43,640.99            | 82,873.08           | 683,735.00            | 12.12%          | 600,861.92            |
| Legal Fees                                      | 0.00                 | 0.00                | 500.00                | 0.00%           | 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                 |
| Other Expense                                   | 0.00                 | 0.00                | 50.00                 | 0.00%           | 50.00                 |
| LEAMS Excess Offset Credit                      | 0.00                 | 0.00                | 107,824.00            | 0.00%           | 107,824.00            |
| Insurance Expense                               | 0.00                 | 2,536.00            | 2,485.00              | 102.05%         | (51.00)               |
| Interest Expense                                | 0.00                 | 0.00                | 50.00                 | 0.00%           | 50.00                 |
| <b>Total Expenditures</b>                       | <b>\$64,703.32</b>   | <b>\$116,949.77</b> | <b>\$991,641.00</b>   | <b>11.79%</b>   | <b>\$874,691.23</b>   |
| <b>Excess Revenue over (under) Expenditures</b> | <b>(\$54,703.32)</b> | <b>\$736,896.54</b> | <b>(\$139,942.00)</b> | <b>-526.57%</b> | <b>(\$876,838.54)</b> |

**Lake Elsinore San Jacinto Watersheds Authority**  
**Revenues, Expenses and Changes in Net Assets by Project**  
**For the Month Ending August 31, 2017**

|   | JPA                  | TMDL                   |                        |                 |         |                 |
|---|----------------------|------------------------|------------------------|-----------------|---------|-----------------|
|   | Administration       | Task Force             | Total                  | Budget          | % Used  | Budget Variance |
| <b>Revenues</b>                                 |                      |                        |                        |                 |         |                 |
| State Grant Proceeds                            | \$ -                 | \$ 34,588.31           | \$ 34,588.31           | \$ -            | #DIV/0! | \$ (34,588.31)  |
| LAIF Interest                                   | -                    | -                      | -                      | 2,440.00        | 0.00%   | 2,440.00        |
| Member Agency Contributions                     | 110,000.00           | 143,277.00             | 253,277.00             | 263,277.00      | 96.20%  | 10,000.00       |
| Other Agency Contributions                      | -                    | 565,981.00             | 565,981.00             | 585,982.00      | 96.59%  | 20,001.00       |
| <b>Total Revenues</b>                           | \$ 110,000.00        | \$ 743,846.31          | \$ 853,846.31          | \$ 851,699.00   | 100.25% | \$ (2,147.31)   |
| <b>Expenditures</b>                             |                      |                        |                        |                 |         |                 |
| Salaries  | \$ 4,977.70          | \$ 5,807.31            | 10,785.01              | \$ 67,187.00    | 16.05%  | \$ 56,401.99    |
| Benefits  | 2,175.25             | 2,537.79               | 4,713.04               | 29,360.00       | 16.05%  | 24,646.96       |
| Indirect Costs                                  | 7,023.53             | 8,194.11               | 15,217.64              | 94,800.00       | 16.05%  | 79,582.36       |
| Audit Fees                                      | 825.00               | -                      | 825.00                 | 5,500.00        | 15.00%  | 4,675.00        |
| Consulting                                      | 3,138.65             | 79,734.43              | 82,873.08              | 683,735.00      | 12.12%  | 600,861.92      |
| Legal Fees                                      | -                    | -                      | -                      | 500.00          | 0.00%   | 500.00          |
| Meeting & Conference Expense                    | -                    | -                      | -                      | 100.00          | 0.00%   | 100.00          |
| Shipping & Postage                              | -                    | -                      | -                      | 50.00           | 0.00%   | 50.00           |
| Other Expense                                   | -                    | -                      | -                      | 50.00           | 0.00%   | 50.00           |
| LEAMS Excess Offset Credit                      | -                    | -                      | -                      | 107,824.00      | 0.00%   | 107,824.00      |
| Insurance Expense                               | 2,536.00             | -                      | 2,536.00               | 2,485.00        | 102.05% | (51.00)         |
| Interest Expense                                | -                    | -                      | -                      | 50.00           | 0.00%   | 50.00           |
| <b>Total Expenditures</b>                       | \$ 20,676.13         | \$ 96,273.64           | \$ 116,949.77          | \$ 991,641.00   | 11.79%  | \$ 874,691.23   |
| <b>Excess Revenue over (under) Expenditures</b> | \$ 89,323.87         | \$ 647,572.67          | \$ 736,896.54          | \$ (139,942.00) | 100.00% | \$ (876,838.54) |
| <b>Cash Balance @ 8/31/17</b>                   | <b>\$ 119,946.75</b> | <b>\$ 1,082,234.96</b> | <b>\$ 1,202,181.71</b> |                 |         |                 |

**Lake Elsinore San Jacinto  
Watershed Authority  
Disbursements  
August 2017**

| Check #                         | Check Date | Type | Vendor                      | Check Amount               |
|---------------------------------|------------|------|-----------------------------|----------------------------|
| EFT109                          | 8/10/2017  | CHK  | CDM Smith Inc               | \$28,309.16                |
| EFT110                          | 8/24/2017  | CHK  | Santa Ana Watershed Project | <u>\$10,522.88</u>         |
| Total Disbursements August 2017 |            |      |                             | <u><u>\$ 38,832.04</u></u> |

## 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

### LESJWA Education and Outreach Committee Meeting Notes

**October 17, 2017**

Members Present: Mark Norton, Chair, SAWPA  
Bonnie Woodrome, EVMWD  
Jessica Sanchez, City of Lake Elsinore (City Manager Intern)

Others Present: Lisselle DeGrave, DeGrave Communications

Members Absent: Alex Gann, County of Riverside  
Nicole Dailey, City of Lake Elsinore  
Vicki Warren, City of Canyon Lake

#### **1. Call to Order**

Mark Norton called the meeting to order at 12:08 pm 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 July 11, 2017 were reviewed. The meeting notes were unanimously approved by the Committee.

#### **4. Lake Levels**

- The most current lake levels at Lake Elsinore are 1237.34 (Oct. 9), and 1376.56' at Canyon Lake (Oct. 9). The lake levels recorded prior to our last meeting at Lake Elsinore were 1238.90 (July 7) and Canyon Lake at 1377.97 (July 7). The Committee noted that the drops reflect the recent increased evaporation and EVWMD water withdrawals from Canyon Lake as a result of increased temperatures.

#### **5. Communication Outreach Recap Report**

- Lisselle DeGrave handed out her LESJWA Public Education and Outreach Program Quarterly Activity Report for July – September 2017 and discussed the contents. Overall, the report was very thorough and will be shared with the LESJWA Board on Oct. 19<sup>th</sup>. In regard to the response to the Temescal Canyon High School teacher, Jessica Sanchez reported that her daughter is now taking the same science class at Temescal Canyon High School and the outreach to local government officials is actually in a chapter of the science textbook. Ms. Sanchez stated she could let the Committee know when this topic about the lakes would be covered by the class in case the teacher wants to take advantage of LESJWA's offer to have LESJWA, the LESJWA Board Chair, and possibly others speak to his class in the future rather than writing letters.

## **6. Watershed Wonders Education Tours**

- Standard Operating Procedure (SOP) In regard to the response to the Temescal Canyon High School students, Ms. DeGrave distributed the Powerpoint presentation called Watershed Wonders and a one-page flyer discussing lake tours available through LESJWA and its member agencies. She was seeking input from the Committee whether a Standard Operating Procedure was worthwhile for conducting lake tours. Concerns by the Committee were raised as to the impact on local agencies resources if the demand for lake tours was high and how the lake tours would be logistically handled by the respective agencies operating the boats. Examples of concerns were the cost of busing students from the school to the boat launch and who would cover that cost and liability issues of boating students on the lake. Bonnie Woodrome indicated that EVWMD does conduct tours of their facilities each month for local schools but they also pay for the busing. Ms. DeGrave indicated that she was seeking feedback on the logistics from the City of Lake Elsinore and City of Canyon Lake SOP but had not received responses yet. After discussion, the Committee decided to direct DeGrave Communications to hold off on developing the SOP and wait to see if there is demand for the lake tours. From the demand, the SOP may need to be developed in the future. Ms. Woodrome stated that EVWMD typically works with David Blake, who oversees science programs for the school district, and he may be of assistance.

Another idea was developing a video to describe Watershed Wonders. Mr. Norton stated that the past LESJWA videos prepared probably cover 90% of our messaging and perhaps could be shown instead of seeking to produce a new video. The Committee agreed to hold off on any new video production at this time.

## **7. LESJWA Water Summit**

The Committee discussed the planning for the next LESJWA Water Summit in 2018. Possible speakers discussed potentially having CDM Smith staff, Tim Moore, Hope Smythe and others. Mr. Norton asked about the timing of the Summit and it was thought that it was typically in the April time frame. Mr. Norton said he will reach out to Tim Moore, since he is located in Tennessee. It is preferred to schedule his fly-out on the same week as other Task Force meetings he supports for LESJWA. Mr. Norton will ask him to check his availability in April 2018 and would email potential dates to Ms. DeGrave. The potential location also was discussed and the boardrooms of EMWD, City of Menifee, WMWD and EVWMD were considered. Ms. DeGrave said she could check on potential locations once we lock down the date of the event. Typically the past Summits had a turnout of about 40 people. The focus has been on reaching out to educate newly elected officials from the LE/CL TMDL task force agencies of the merits of their involvement. This has been a challenge with typically only two or three officials from the upper watershed attending. Representatives from the LESJWA member agencies' governing boards have typically attended in the past.

## **8. Discuss Items for Next Agenda**

No items were discussed.

## **9. Schedule Next Meeting Date**

The LESJWA Education and Outreach Committee agreed to meet on Tuesday Jan. 9<sup>th</sup> 2018 at 12 noon at EVMWD.

**MEETING NOTES  
OF THE  
LAKE ELSINORE/CANYON LAKE TMDL TASK FORCE  
October 19, 2017**

**PARTICIPANTS**

Steven Wolosoff  
Daniel Cortese  
Melanie Sotelo  
Rita Thompson  
Rae Beimer  
Mike Roberts  
Lynn Merrill  
Sudhir Moleji  
Richard Meyerhoff  
Ankita Vyas  
Eric Lindberg  
Ken Theisen  
Tim Moore  
Kyle Gallup  
Pat Boldt  
Gil Navarro  
Mark Norton  
Rick Whetsel  
Nancy Horton  
Rae Beimer  
John Rudolph

**REPRESENTATIVE**

CDM Smith  
City of Hemet  
City of Hemet  
City of Lake Elsinore  
Cities of Moreno Valley & Canyon Lake  
City of Riverside  
City of San Jacinto  
Elsinore Valley Muni Water District  
GEI Consultants  
Michael Baker/Caltrans  
Regional Water Quality Control Board  
Regional Water Quality Control Board  
Risk Sciences  
Riverside County Flood Control & WCD  
WRCAC  
San Bernardino Valley MWD  
Santa Ana Watershed Project Authority  
Santa Ana Watershed Project Authority  
City of Canyon Lake  
City of Canyon Lake / Moreno Valley  
Wood (formerly Amec Foster Wheeler)

**Via Conference Call:**

Lauren Sotelo  
Steve Pastor  
Al Javier  
Jayne joy

March JPA  
Riverside County Farm Bureau  
EMWD  
EMWD

**Call to Order & Introductions**

The Lake Elsinore/Canyon Lake TMDL Task Force meeting was called to order at 9:30 p.m. by Mark Norton at the Santa Ana Watershed Project Authority, Riverside, California.

**Meeting Notes**

The Task Force deemed the Meeting Notes acceptable for the meeting held on September 12, 2017.

**Summarize meeting with EPA (Risk Sciences)**

Tim Moore/Risk Sciences provided stakeholders an overview of an October 11<sup>th</sup> meeting and field trip with EPA staff to update them on the stakeholders and Regional Board to revise the Lake Elsinore and Canyon Lake nutrient TMDLs.

The meeting and field trip were organized by Ken Theisen/ Regional Board, who is working with EPA staff Daniel Oros and Janet Hashimoto from the U.S. EPA Water Division, Water Quality Assessment Section.

Tim Moore relayed to stakeholders that he was very pleased with how the day went.

A couple of notes from EPA:

- EPA wants Lake Elsinore to be wet, and may consider designating the lake with an intermittent or limited warm designation
- EPA is willing to consider the use of natural background conditions as a foundation for the revised TMDLs
- EPA wants the Task Force to address cyanotoxins
- EPA wanted to know why no TDS objective had been set for Canyon Lake
- EPA wanted to know if WDRs were in place with the U.S. Forest Service.

A direct website link is provided below to access the full presentations shared with EPA on the day of the field trip:

<http://www.sawpa.org/wp-content/uploads/2012/05/EPA-Field-Trip-Oct-2017.pdf>

**Discussion: Update and Revise TMDLs (CDM Smith Team & Risk Sciences)**

Steven Wolosoff/CDM Smith presented to stakeholders on the effort to update and revise the TMDLs. This presentation included discussion of adding Cyanotoxins in Reference Condition, Watershed Monitoring Data, and Reasonable Assurance Analysis – Update, Implementation Framework and Supplemental project characterization.

This was followed by a presentation by John Rudolph /Wood (formerly Amec Foster Wheeler) to discuss the Monitoring chapter of the revised TMDL technical document, and possible revisions to the TMDL water quality compliance monitoring program.

A direct website link is provided below to access the full presentation(s) given at the meeting:

<http://www.sawpa.org/wp-content/uploads/2012/05/2017-10-19-Risk-Sci-CDM-Amec-FW.pdf>

**Update: Canyon Lake Alum Application**

Rick Whetsel informed stakeholders that the fall 2017 alum was applied successfully the week of September 25-29, 2017.

Mark Norton noted complaints of algae in Bass Cove and a claim by a resident that alum was not applied in that area of the lake. LESJWA staff will follow-up with the project manager Terry McNabb is to confirm that alum was applied in Bass Cove.

**Discussion: Update and Revise TMDLs (CDM Smith Team & Risk Sciences)**

**Discussion TMDL Implementation**

**Lake Updates**

Lake Elsinore

Item tabled due to time.

Canyon Lake

Item tabled due to time.

**Task Force Administration (LESJWA Staff)**

FY 2017-18 Invoices

Rick Whetsel reminded stakeholders that invoices are due.

**Amendment #1 to Task Force Agreement**

Rick Whetsel reminded stakeholders that signature pages are due.

**Schedule for LEAMS**

This item was tabled for the next Task Force Meeting.

**Other Business**

Nancy Horton informed stakeholders on November 2<sup>nd</sup>, EMWD will host a groundbreaking ceremony for Phase 1 of the Quail Valley sewer system project. This first phase will cover Area nine which includes about 150 homes and 50 vacant lots upstream of Canyon Lake. It is expected that this project will have a huge impact on bacterial runoff from storm events into Canyon Lake. The project was funded by EMWD, EVMWD, the City of Canyon Lake and City of Lake Elsinore.

**Schedule Next Meeting**

The next LE&CL TMDL Task Force meeting is scheduled for Tuesday, November 14th at 1:00 p.m. at SAWPA.

**Adjourn**

The meeting adjourned at 11:50 a.m.



## **LESJWA BOARD MEMORANDUM NO. 821**

**DATE:** December 21, 2017

**SUBJECT:** Report on Audit for Fiscal Year Ending June 30, 2017

**TO:** LESJWA Board of Directors

**FROM:** Karen Williams, Chief Financial Officer

### **RECOMMENDATION**

Staff recommends that the Board of Directors receive and file the FY 2016-17 Report on Audit prepared by White Nelson Diehl Evans, LLP, and direct staff to file the Report on Audit with respective government agencies as required by law.

### **DISCUSSION**

Attached for your review, receipt, and filing is LESJWA's FY 2016-17 Report on Audit (Financial Statements) prepared by White Nelson Diehl Evans, LLP.

All government agencies and/or special districts must contract for an independent financial audit as required by California Government Code. In addition, because LESJWA has received State (SWRCB) grant funding, the independent audit must include additional work and reporting by the auditors testing LESJWA's internal control procedures for receipt of grant funding, to ensure compliance with respective State and Federal laws and regulations.

Staff is pleased to report that the financial statements presented herein contain no qualifications or reportable conditions. This indicates that LESJWA's financial reporting meets generally accepted accounting principles (GAAP), is compliant with applicable State and Federal laws and regulations, and that its internal controls are sufficient to safeguard against material errors or fraud.

The Audit report was sent to each of the member agency's financial staffs for review. After a review of the Audit Report, the financial staff did not feel it was necessary to meet and did not wish to make changes to the report.

Karen Williams will present the audit, and respond to questions the Board may have regarding LESJWA's Report on Audit for the fiscal year ending June 30, 2017.

### **RESOURCES IMPACT**

None.

KW:dm

Attachments:

1. LESJWA Management Report
2. LESJWA Annual Financial Report

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# **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

## **LAKE ELSINORE & SAN JACINTO WATERSHEDS AUTHORITY**

### **ANNUAL FINANCIAL REPORT**

**WITH REPORT ON AUDIT  
BY INDEPENDENT  
CERTIFIED PUBLIC ACCOUNTANTS**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

## 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

Lake Elsinore & San Jacinto Watersheds Authority

Board of Directors as of June 30, 2017

| <u>Representing</u>                      | <u>Name</u>      | <u>Title</u> | <u>Appointment</u> |
|--|------------------|--------------|--------------------|
| City of Lake Elsinore                    | Robert E. Magee  | Chair        | April 2010         |
| Santa Ana Watershed Project Authority    | Brenda Dennstedt | Vice Chair   | June 2015          |
| Elsinore Valley Municipal Water District | Phil Williams    | Treasurer    | February 2001      |
| City of Canyon Lake                      | Vicki Warren     | Director     | February 2015      |
| County of Riverside                      | Kevin Jeffries   | Director     | February 2013      |

**Lake Elsinore & San Jacinto Watersheds Authority**  
**Mark Norton, Authority Administrator**  
**11615 Sterling Avenue**  
**Riverside, CA 92503 • (951) 354-4220**  
[www.mywatersheds.com](http://www.mywatersheds.com)

**LAKE ELSINORE & SAN JACINTO WATERSHEDS AUTHORITY**

Annual Financial Report

For the Fiscal Year Ended June 30, 2017

# LAKE ELSINORE & SAN JACINTO WATERSHEDS AUTHORITY

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For the fiscal year ended June 30, 2017

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## **FINANCIAL SECTION**

## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Lake Elsinore & San Jacinto Watersheds Authority  
Riverside, California

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities and major fund of the Lake Elsinore & San Jacinto Watersheds Authority (the Authority) as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the State Controller's Minimum Audit Requirements for California Special Districts. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Authority's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.



## Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and major fund of the Lake Elsinore & San Jacinto Watersheds Authority as of June 30, 2017, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## OTHER MATTERS:

### *Prior-Year Comparative Information*

The financial statements include partial prior-year comparative information. Such information does include all of the information required to constitute a presentation in accordance with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Authority's financial statements for the year ended June 30, 2016, from which such partial information was derived.

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the budgetary comparison schedule, identified as Required Supplementary Information (RSI) in the accompanying table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the RSI in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during the audit of the basic financial statements. We do not express an opinion or provide any assurance on the RSI because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The organization information is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The organization information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

## **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 23, 2017, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

*White Nelson Nick Evans LLP*

Irvine, California  
October 23, 2017

## **Management's Discussion and Analysis**

### **The Authority**

The Lake Elsinore & San Jacinto Watersheds Authority was formed in 2000 pursuant to the provisions of Article 1, Chapter 5, Division 7, Title 1 of the Government Code of the State of California relating to the joint exercise of powers common to public agencies. The Authority was formed for the purpose of implementing projects and programs to improve the water quality and habitat of Lake Elsinore and its back basin consistent with the Lake Elsinore Management Plan, and to rehabilitate and improve the San Jacinto and Lake Elsinore Watersheds and the water quality of Lake Elsinore in order to preserve agricultural land, protect wildlife habitat, and protect and enhance recreational resources, all for the benefit of the general public. In April 2010, the LESJWA Board revised its organizational mission to set an equal emphasis on improving Canyon Lake water quality as with Lake Elsinore and the watersheds.

The Authority's five member agencies are the City of Lake Elsinore, City of Canyon Lake, County of Riverside, Elsinore Valley Municipal Water District, and Santa Ana Watershed Project Authority (SAWPA).

### **Overview of the Financial Statements**

The Authority is a special purpose government (special district). Accordingly, the accompanying financial statements are presented in the format prescribed for governmental funds by the Governmental Accounting Standards Board.

The Authority has one governmental fund, the general fund.

These financial statements consist of four interrelated statements designed to provide the reader with relevant, understandable data about the Authority's financial condition and operating results. The Authority's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-wide financial statements.** The statement of net position presents information on all the Authority's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the differences between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating.

The statement of activities presents information showing how the Authority's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flow in future fiscal periods.

The government-wide financial statements can be found on pages 12 and 13 of this report.

**Fund financial statements.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year.

## Management's Discussion and Analysis

The governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balance each provide a reconciliation to facilitate a comparison between governmental funds and governmental activities.

The governmental fund financial statements can be found on page 14 -17 of this report.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 18 -29 of this report.

### **Government-wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Authority, assets exceeded liabilities by \$762,917 at June 30, 2017.

#### **Net Position**

|                           | 2017              | 2016           | 2015              |
|---------------------------|-------------------|----------------|-------------------|
| <b>Assets</b>             |                   |                |                   |
| Current and Other Assets  | \$ 854,457        | \$ 577,697     | \$ 840,261        |
| <b>Total Assets</b>       | 854,457           | 577,697        | 840,261           |
| <b>Liabilities</b>        |                   |                |                   |
| Current Liabilities       | 91,540            | 79,933         | 101,390           |
| <b>Total Liabilities</b>  | 91,540            | 79,933         | 101,390           |
| <b>Net Position</b>       |                   |                |                   |
| Restricted: LEAMS Program | 132,000           | -              | -                 |
| Unrestricted              | 630,917           | 497,764        | 738,871           |
| <b>Total Net Position</b> | <b>\$ 762,917</b> | <b>497,764</b> | <b>\$ 738,871</b> |

The following denotes explanations on some of the changes between fiscal years, as compared in the table above.

- The \$276,760 increase in current assets is due to an increase in cash and investments and accounts receivable. Cash increased because of the purchase of LEAMS offset credits that have not been distributed to the operators and because Proposition 84 grant funds were received. Accounts receivable increased because of the 10% retention held for Proposition 84 grant invoices.
- The \$11,607 increase in liabilities is due to an increase in accounts payable and related party payables. In FYE 2017, the TMDL Task Force worked on revising the Regional Boards TMDL Technical document. CDM along with several partners worked on revising this document. CDM had to wait for invoices from the partners before invoicing LESJWA, and because of that there was a delay on receiving invoices until the end of the fiscal year.

## Management's Discussion and Analysis

### Categories of Net Position

The Authority is required to present its net position in three categories: Net Investment in Capital Assets; Restricted; and Unrestricted.

#### Invested in Capital Assets

At June 30, 2017, the Authority did not have any net investment in capital assets.

#### Restricted

At June 30, 2017, the Authority had restricted net position of \$132,000.

#### Unrestricted

At June 30, 2017, the Authority had unrestricted net position of \$630,917.

#### Change in Net Position

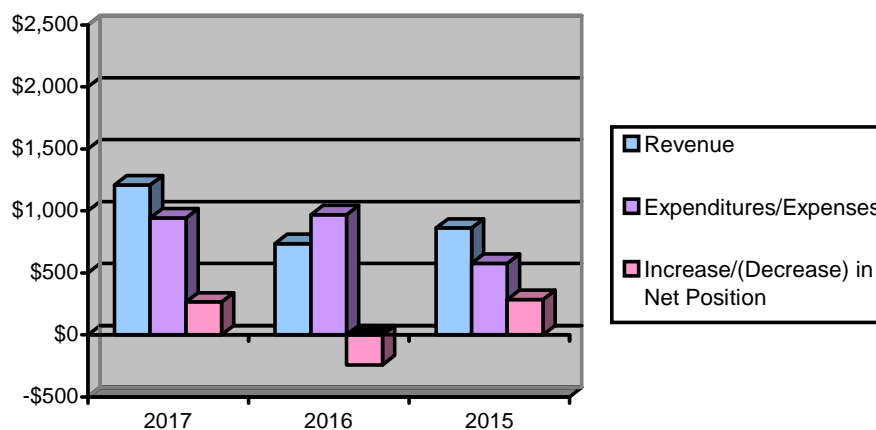
Overall, the fiscal year ending June 30, 2017, resulted in an increase in net position of \$265,153, a \$506,260 increase from the previous year. The budget included the use of reserves to fund JPA operations.

### Changes in Net Position

| Item Category          | 2017         | 2016       | 2015       |
|------------------------|--------------|------------|------------|
|                        | Amount       | Amount     | Amount     |
| Program Revenues       | \$ 1,102,396 | \$ 623,910 | \$ 760,325 |
| General Revenues       | 105,851      | 103,428    | 101,415    |
| Total Revenues         | 1,208,247    | 727,338    | 861,740    |
| Total Expenses         | 943,094      | 968,445    | 576,870    |
| Change in Net Position | 265,153      | (241,107)  | 284,870    |
| Beginning Net Position | 497,764      | 738,871    | 454,001    |
| Ending Net Position    | \$ 762,917   | \$ 497,764 | \$ 738,871 |

## Management's Discussion and Analysis

### Decrease in Net Position (In thousands)



### Revenues

Combined revenues for the fiscal year totaled \$1,208,247 an increase of \$480,909, or 66.1%, more than the prior fiscal year. The following table presents a comparison of revenues by category for the fiscal years 2017, 2016, and 2015.

### Revenues – Government Wide

| Revenue Category             | 2017                |                | 2016              |                | 2015              |                |
|------------------------------|---------------------|----------------|-------------------|----------------|-------------------|----------------|
|                              | Amount              | % of Total     | Amount            | % of Total     | Amount            | % of Total     |
| Capital and Operating Grants | \$ 1,102,396        | 91.24%         | \$ 623,910        | 85.78%         | \$ 760,325        | 88.24%         |
| Member Contributions         | 100,000             | 8.28%          | 100,000           | 13.75%         | 100,000           | 11.60%         |
| Interest Earnings            | 5,851               | 0.48%          | 3,428             | 0.47%          | 1,415             | 0.16%          |
| <b>Total Revenues</b>        | <b>\$ 1,208,247</b> | <b>100.00%</b> | <b>\$ 727,338</b> | <b>100.00%</b> | <b>\$ 861,740</b> | <b>100.00%</b> |

The following denotes explanations on some of the changes between fiscal years, as compared in the table above.

- The \$478,486 increase in capital and operating grants is due to Proposition 84 grant funding, the LEAMS program, and increased contributions from the TMDL Task Force members.

## **Management's Discussion and Analysis**

### **Expenses**

Combined expenditures for the fiscal year totaled \$943,094, a decrease of \$25,351, or 2.6%, less than the prior fiscal year. The following table presents a comparison of expenditures by category for the fiscal years 2017, 2016, and 2015.

### **Expenses – Government Wide**

| <b>Expense Category</b> | <b>2016</b>       |                   | <b>2015</b>       |                   | <b>2014</b>       |                   |
|-------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
|                         | <b>Amount</b>     | <b>% of Total</b> | <b>Amount</b>     | <b>% of Total</b> | <b>Amount</b>     | <b>% of Total</b> |
| Administrative          | \$ 201,008        | 21.31%            | \$ 196,538        | 20.29%            | \$ 207,099        | 35.90%            |
| Contract Labor          | 2,800             | 0.30%             | 306               | 0.03%             | 1,313             | 0.23%             |
| Consulting              | 739,163           | 78.38%            | 771,514           | 79.67%            | 368,405           | 63.86%            |
| Interest Expense        | 123               | 0.01%             | 87                | 0.01%             | 53                | 0.01%             |
| <b>Total Expenses</b>   | <b>\$ 943,094</b> | <b>100.00%</b>    | <b>\$ 968,445</b> | <b>100.00%</b>    | <b>\$ 576,870</b> | <b>100.00%</b>    |

The following denotes explanations on some of the changes between fiscal years, as compared in the table above.

- The \$4,470 increase in administrative costs is due to the additional cost of administering the LEAMS program.
- The \$32,351 decrease in consulting costs is due to a change in the consultant support effort for a revision of the TMDLs and the Canyon Lake Alum Application Project revised how the alum was applied in the lake.

### **Financial Analysis of the Authority's Funds**

As noted earlier, the Authority uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

### **Governmental Funds**

The focus of the Authority's governmental funds is to provide information on near-term inflows, outflows, and balances of resources that are available for spending. Such information is useful in assessing the Authority's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. The governmental fund reported by the Authority is the Authority's general fund.

As of the end of the fiscal year ended June 30, 2017, the Authority's general fund reported an ending fund balance of \$728,329, an increase of \$230,565 or 46.3% as compared to the prior year. The fund balance is made up of nonspendable funds of \$2,536, restricted funds of \$132,000 for the LEAMS program, and \$593,793 in unassigned fund balance, which is available for spending at the Authority's discretion.

## **Management's Discussion and Analysis**

The general fund is the chief operating fund of the Authority. At the end of the current fiscal year, the fund balance of the general fund was \$728,329, which was also the total fund balance. As a measure of the general fund's liquidity, it may be useful to compare total fund balance to total fund expenditures.

Fund balance represents 77.2% of total general fund expenditures of \$943,094. The prior year comparison for fund balance to total general fund expenditures is 51.4%.

The fund balance in the Authority's general fund increased by \$265,153 during the fiscal year due to several factors:

- Receipt of Proposition 84 grant funds in FYE 2017.
- Receipt of LEAMS Excess Offset Credits

Overall, the general fund's performance resulted in revenues exceeding expenditures in the fiscal year ended June 30, 2017, by \$230,565. In the prior year, general fund expenditures exceeded revenues by \$241,107.

### **Major Programs Effecting the Financial Statements**

LESJWA received a Proposition 84 grant for \$500,000 for the Canyon Lake Alum Application Project. Generally, the cost of the alum application is paid for by the members of the TMDL Task Force. In FYE 2016, reimbursement from the Proposition 84 Grant for the cost of the project was applied to the participating stakeholders as budget credits, therefore reducing their contributions for the year. In FYE 2017, the stakeholders participating in the project had to pay the full cost of the alum application project thus resulting in higher contributions for the year.

The LEAMS Program is a new program in FYE 2017. LEAMS, or the Lake Elsinore Aeration & Mixing System, generates excess offset credits for the LEAMS operators. (County of Riverside, City of Lake Elsinore, and Elsinore Valley Municipal Water District) The operators are able to market the excess offset credits to other stakeholders with TMDL compliance obligations. The stakeholders purchase the credits and proceeds are distributed to the operators.



## Management's Discussion and Analysis

### General Fund Budgetary Variances

The Authority's final budget of the general fund did not change from the original budget. The following table presents a comparison of original budgeted amounts versus the actual amounts incurred by category for the fiscal year ended June 30, 2017.

#### Budget versus Actual – General Fund For the Year Ended June 30, 2017

|  | Budgeted<br>Amounts<br>Original and<br>Final | Actual<br>Amounts<br>Budgetary and<br>GAAP Basis | Variance with<br>Budget<br>Positive<br>(Negative) |
|--|--|--|---|
| <b>Revenues</b>  |  |  |   |
| Capital and Operating Grants                                 | \$ 1,111,107                                 | \$ 1,067,808                                     | \$ (43,299)                                       |
| Member Contributions   | 100,000                                      | 100,000  | -   |
| Interest Earnings  | 1,500  | 5,851  | 4,351   |
| <b>Total Revenues</b>  | <b>1,212,607</b>                             | <b>1,173,659</b>                                 | <b>(38,948)</b>                                   |
| <b>Expenses</b>  |  |  |   |
| Administrative   | 184,020                                      | 201,008  | (16,988)  |
| Contract Labor   | -  | 2,800  | (2,800)   |
| Consulting   | 1,032,106                                    | 739,163  | 292,943   |
| Interest Expense   | 50   | 123  | (73)  |
| <b>Total Expenses</b>  | <b>1,216,176</b>                             | <b>943,094</b>                                   | <b>273,082</b>                                    |
| Excess (Deficiency) of Revenues Over<br>(Under) Expenditures | \$ (3,569)                                   | \$ 230,565                                       | \$ 234,134  |
| Fund Balances - Beginning of Year                            |  | 497,764  |   |
| Fund Balances - End of Year                                  |  | \$ 728,329                                       |   |

The following denotes explanations on some of the significant budget variances, as compared in the table above.

## **Management's Discussion and Analysis**

- The \$43,299 negative variance for capital and operating grants is due to the San Jacinto Agricultural Operators not purchasing LEAMS credits as was anticipated in the budget and deferred recognition of Proposition 84 grant retention.
- The \$292,943 positive variance for consulting is due to not remitting the proceeds from the LEAMS Program to the operators until FYE 2018 and some of the work performed for the TMDL Task Force had lower costs than originally projected due to receiving competitive bids.
- The \$16,988 negative variance for general and administrative costs is due to the increased effort of staff administering the LEAMS Program.

### **Existing Capital Assets**

The Authority did not have any capital assets as of June 30, 2017.

### **Future Capital Improvements**

The Authority does not have any plans for future capital improvements.

### **Long-Term Debt**

The Authority did not have any long-term debt as of June 30, 2017.

## **BASIC FINANCIAL STATEMENTS**

## LAKE ELSINORE &amp; SAN JACINTO WATERSHEDS AUTHORITY

## STATEMENT OF NET POSITION

June 30, 2017

(With comparative totals for June 30, 2016)

|                                       | Governmental Activities |            |
|---------------------------------------|-------------------------|------------|
|                                       | 2017                    | 2016       |
| ASSETS:                               |                         |            |
| Cash and cash equivalents (Note 2)    | \$ 815,402              | \$ 558,948 |
| Accrued interest receivable           | 1,931                   | 970        |
| Accounts receivable                   | 34,588                  | 15,412     |
| Prepaid insurance                     | 2,536                   | 2,367      |
|                                       |                         |            |
| TOTAL ASSETS                          | 854,457                 | 577,697    |
|                                       |                         |            |
| LIABILITIES:                          |                         |            |
| Accounts payable and accrued expenses | 91,505                  | 67,785     |
| Related party payable (Note 4)        | 35                      | 12,148     |
|                                       |                         |            |
| TOTAL LIABILITIES                     | 91,540                  | 79,933     |
|                                       |                         |            |
| NET POSITION:                         |                         |            |
| Restricted: LEAMS program             | 132,000                 | -          |
| Unrestricted                          | 630,917                 | 497,764    |
|                                       |                         |            |
| TOTAL NET POSITION                    | \$ 762,917              | \$ 497,764 |

See accompanying notes to the basic financial statements.

## LAKE ELSINORE &amp; SAN JACINTO WATERSHEDS AUTHORITY

## STATEMENT OF ACTIVITIES

For the fiscal year ended June 30, 2017  
 (With comparative totals for the fiscal year ended June 30, 2016)

|                                  | Governmental Activities |            |
|----------------------------------|-------------------------|------------|
|                                  | 2017                    | 2016       |
| EXPENSES:                        |                         |            |
| Administrative                   | \$ 201,008              | \$ 196,538 |
| Contract labor                   | 2,800                   | 306        |
| Consulting                       | 739,163                 | 771,514    |
| Interest expense                 | 123                     | 87         |
| TOTAL EXPENSES                   | 943,094                 | 968,445    |
| PROGRAM REVENUES:                |                         |            |
| Capital and operating grants     | 1,102,396               | 623,910    |
| TOTAL PROGRAM REVENUES           | 1,102,396               | 623,910    |
| NET PROGRAM REVENUES             | 159,302                 | (344,535)  |
| GENERAL REVENUES:                |                         |            |
| Member contributions             | 100,000                 | 100,000    |
| Interest earnings                | 5,851                   | 3,428      |
| TOTAL GENERAL REVENUES           | 105,851                 | 103,428    |
| CHANGE IN NET POSITION           | 265,153                 | (241,107)  |
| NET POSITION - BEGINNING OF YEAR | 497,764                 | 738,871    |
| NET POSITION - END OF YEAR       | \$ 762,917              | \$ 497,764 |

See accompanying notes to the basic financial statements.

LAKE ELSINORE & SAN JACINTO WATERSHEDS AUTHORITY

BALANCE SHEET  
GOVERNMENTAL FUND

June 30, 2017

|   | General<br>Fund   |
|---|-------------------|
| ASSETS:   |                   |
| Cash and cash equivalents   | \$ 815,402        |
| Accrued interest receivable   | 1,931             |
| Accounts receivable   | 34,588            |
| Prepaid insurance   | <u>2,536</u>      |
| TOTAL ASSETS  | <u>\$ 854,457</u> |
| LIABILITIES:  |                   |
| Accounts payable and accrued expenses                                 | \$ 91,505         |
| Related party payable   | <u>35</u>         |
| TOTAL LIABILITIES   | <u>91,540</u>     |
| DEFERRED INFLOWS OF RESOURCES:  |                   |
| Unavailable revenue   | <u>34,588</u>     |
| TOTAL DEFERRED INFLOWS OF RESOURCES                                   | <u>34,588</u>     |
| FUND BALANCE (NOTE 3):  |                   |
| Nonspendable  | 2,536             |
| Restricted: LEAMS program   | 132,000           |
| Unassigned  | <u>593,793</u>    |
| TOTAL FUND BALANCE  | <u>728,329</u>    |
| TOTAL LIABILITIES, DEFERRED INFLOWS<br>OF RESOURCES, AND FUND BALANCE | <u>\$ 819,869</u> |

See accompanying notes to the basic financial statements.

LAKE ELSINORE & SAN JACINTO WATERSHEDS AUTHORITY

RECONCILIATION OF THE GOVERNMENTAL FUND  
BALANCE SHEET TO THE STATEMENT OF NET POSITION

June 30, 2017

|   |                   |
|---|-------------------|
| Fund balance - total governmental fund  | \$ 728,329        |
| Amounts reported for governmental activities in the Statement of Net Position are different because:  |                   |
| Certain accounts receivable are not available to pay for current period expenditures and, therefore, are offset by deferred inflow of resources in the governmental fund. | <u>34,588</u>     |
| Net position of governmental activities   | <u>\$ 762,917</u> |

See accompanying notes to the basic financial statements.

LAKE ELSINORE & SAN JACINTO WATERSHEDS AUTHORITY

STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - GOVERNMENTAL FUND

For the fiscal year ended June 30, 2017

|  | General<br>Fund |
|--|-----------------|
| REVENUES:  |                 |
| Capital and operating grants                                 | \$ 1,067,808    |
| Member contributions   | 100,000         |
| Interest earnings  | 5,851           |
|  | <hr/>           |
| TOTAL REVENUES   | 1,173,659       |
|  | <hr/>           |
| EXPENDITURES:  |                 |
| Administrative   | 201,008         |
| Contract labor   | 2,800           |
| Consulting   | 739,163         |
| Interest expense   | 123             |
|  | <hr/>           |
| TOTAL EXPENDITURES   | 943,094         |
|  | <hr/>           |
| EXCESS (DEFICIENCY) OF REVENUES<br>OVER (UNDER) EXPENDITURES | 230,565         |
|  |                 |
| FUND BALANCE - BEGINNING OF YEAR                             | 497,764         |
|  | <hr/>           |
| FUND BALANCE - END OF YEAR                                   | \$ 728,329      |
|  | <hr/> <hr/>     |

See accompanying notes to the basic financial statements.



LAKE ELSINORE & SAN JACINTO WATERSHEDS AUTHORITY  
RECONCILIATION OF THE GOVERNMENTAL FUND STATEMENT OF  
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
TO THE STATEMENT OF ACTIVITIES

For the fiscal year ended June 30, 2017

|   |                          |
|---|--------------------------|
| Net change in fund balance - total governmental fund  | \$ 230,565               |
| Amounts reported for governmental activities in the Statement of Activities are different because:  |                          |
| Certain revenues in the Statement of Activities do not provide current financial resources and are not reported as revenues in the governmental fund: |                          |
| Grants  | <u>34,588</u>            |
| Change in net position of governmental activities   | <u><u>\$ 265,153</u></u> |

See accompanying notes to the basic financial statements.

# LAKE ELSINORE & SAN JACINTO WATERSHEDS AUTHORITY

## NOTES TO THE BASIC FINANCIAL STATEMENTS

For the fiscal year ended June 30, 2017

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

#### a. Organization and Purpose:

The Lake Elsinore & San Jacinto Watersheds Authority (the Authority) was formed on April 5, 2000 pursuant to the provisions of Section 6500 of Article 1, Chapter 5, Division 7, Title 1 of the Government Code of the State of California relating to the joint exercise of powers common to public agencies. The purpose of the Authority is to implement projects and programs to improve the water quality and habitat of Lake Elsinore and its back basin consistent with the Lake Elsinore Management Plan, and to rehabilitate and improve the San Jacinto and Lake Elsinore Watersheds and the water quality of Lake Elsinore in order to preserve agricultural land, protect wildlife habitat, and protect and enhance recreational resources, all for the benefit of the general public. Administrative costs are funded through equal contributions from each member agency. The five member agencies are the City of Lake Elsinore, City of Canyon Lake, County of Riverside, Elsinore Valley Municipal Water District, and Santa Ana Watershed Project Authority. The Authority is governed by a five-member Board of Directors.

#### b. Basis of Accounting and Measurement Focus:

The *basic financial statements* of the Authority are comprised of the following:

- Government-wide financial statements
- Fund financial statements
- Notes to the basic financial statements

#### **Government-wide Financial Statements:**

These statements are presented on an *economic resources* measurement focus and the accrual basis of accounting. Accordingly, all of the Authority's assets and liabilities, including capital assets, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which the liability is incurred. The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. The types of transactions reported as program revenues for the Authority are to be reported in three categories, if applicable: 1) charges for services, 2) operating grants and contributions, and, 3) capital grants and contributions. Charges for services include revenues from customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function. Grants and contributions include revenues restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

LAKE ELSINORE & SAN JACINTO WATERSHEDS AUTHORITY

NOTES TO THE BASIC FINANCIAL STATEMENTS  
(CONTINUED)

For the fiscal year ended June 30, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

b. Basis of Accounting and Measurement Focus (Continued):

**Governmental Fund Financial Statements:**

These statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds. The Authority has presented its General Fund, as its major fund, in this statement to meet the qualifications of Governmental Accounting Standards Board (GASB) Statement No. 34.

Governmental funds are accounted for on a spending or *current financial resources* measurement focus and the modified accrual basis of accounting. Accordingly, current assets, liabilities, and deferred inflows of resources are included on the Balance Sheet. The Statement of Revenues, Expenditures and Changes in Fund Balance presents increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in fund balance. Under modified accrual basis of accounting, revenues are recognized in the accounting period in which they become measurable and available to finance expenditures of the current period. Accordingly, revenues are recorded when received in cash, except that revenues subject to accrual (generally 60-days after year-end) are recognized when due. The primary sources susceptible to accrual for the Authority are interest earnings, investment revenue and operating and capital grant revenues. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. However, exceptions to this rule include principal and interest on debt, which are recognized when due.

The Authority reports the following major governmental fund:

**General Fund** - is a government's primary operating fund. It accounts for all financial resources of the Authority, except those required to be accounted for in another fund when necessary.

c. Reconciliation of Fund Financial Statements to Government-wide Financial Statements:

In order to adjust the fund balance on the governmental (general) fund balance sheet to arrive at net position on the statement of net position, certain adjustments are required as a result of the differences in accounting basis and measurement focus between the government-wide and fund financial statements. For the year ended June 30, 2017, the Authority made adjustments for unavailable grant revenues. This item is shown in the Reconciliation of the Governmental Fund Balance Sheet to the Statement of Net Position and the Reconciliation of the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balance to the Statement of Activities.

LAKE ELSINORE & SAN JACINTO WATERSHEDS AUTHORITY

NOTES TO THE BASIC FINANCIAL STATEMENTS  
(CONTINUED)

For the fiscal year ended June 30, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

d. New Accounting Pronouncements:

**Current Year Standards:**

GASB 74 - *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, effective for periods beginning after June 15, 2016, and did not impact the Authority.

GASB 77 - *Tax Abatement Disclosure*, effective for periods beginning after December 15, 2015, and did not impact the Authority.

GASB 79 - *Certain External Investment Pools and Pool Participants*, contains certain provisions on portfolio quality, custodial credit risk, and shadow pricing, effective for periods beginning after December 15, 2015, and did not impact the Authority.

GASB 80 - *Blending Requirements for Certain Component Units*, effective for periods beginning after June 15, 2016, and did not impact the Authority.

**Pending Accounting Standards:**

GASB has issued the following statements, which may impact the Authority's financial reporting requirements in the future:

- GASB 75 - *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, effective for periods beginning after June 15, 2017.
- GASB 82 - *Pension Issues*, effective for periods beginning after June 15, 2016, except for certain provisions on selection of assumptions, which is effective in the first reporting period in which the measurement date of the pension liability is on or after June 15, 2017.
- GASB 84 - *Fiduciary Activities*, effective for periods beginning after December 15, 2018.
- GASB 85 - *Omnibus 2017*, effective for periods beginning after June 15, 2017.
- GASB 86 - *Certain Debt Extinguishment Issues*, effective for periods beginning after June 15, 2017.
- GASB 87 - *Leases*, effective for periods beginning after December 15, 2019.

LAKE ELSINORE & SAN JACINTO WATERSHEDS AUTHORITY

NOTES TO THE BASIC FINANCIAL STATEMENTS  
(CONTINUED)

For the fiscal year ended June 30, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

e. Deferred Outflows/Inflows of Resources:

In addition to assets, the statement of net position and the governmental fund balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until that time. The Authority does not have any applicable deferred outflows of resources.

In addition to liabilities, the statement of net position and the governmental fund balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to future periods and will not be recognized as an inflow of resources (revenue) until that time. The Authority has one item that qualifies for reporting under this category, which is unavailable grant revenues. This amount is deferred and recognized as an inflow of resources in the period the amount becomes available.

f. Net Position Flow Assumption:

Sometimes the Authority will fund outlays for a particular purpose from both restricted (e.g., restricted grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted - net position and unrestricted - net position, a flow assumption must be made about the order in which the resources are considered to be applied.

It is the Authority's policy to consider restricted - net position to have been depleted before unrestricted - net position is applied.

g. Cash and Cash Equivalents:

Substantially all of Authority's cash is invested in interest bearing cash accounts. The Authority considers all highly liquid investments with initial maturities of three months or less to be cash equivalents.

h. Investments and Investment Policy:

The Authority has adopted an investment policy directing the Authority Manager to deposit funds in financial institutions. Investments are to be made in the following area:

- Local Agency Investment Fund (LAIF)

LAKE ELSINORE & SAN JACINTO WATERSHEDS AUTHORITY

NOTES TO THE BASIC FINANCIAL STATEMENTS  
(CONTINUED)

For the fiscal year ended June 30, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

h. Investments and Investment Policy (Continued):

Changes in fair value that occur during a fiscal year are recognized as unrealized gains or losses and reported for that fiscal year. Investment income comprises interest earnings, changes in fair value, and any gains or losses realized upon the liquidation or sale of investments.

i. Accounts Receivable and Allowance for Bad Debt:

The Authority considers accounts receivable to be fully collectible, with the exception of a specifically identified balance of \$24,300 for which an allowance for doubtful accounts has been recorded. This allowance is netted against the corresponding receivable in the accounts receivable line of the Governmental Fund Balance Sheet and the Statement of Net Position.

j. Unearned Revenue:

Unearned revenue represents task force contributions budgeted for the next fiscal year received in the current fiscal year. There is no unearned revenue for the fiscal year ended June 30, 2017.

k. Budgetary Policies:

Prior to June 30th each fiscal year, the Authority adopts an annual appropriated budget for planning, control, and evaluation purposes. The budget includes proposed expenses and the means of financing them. Budgetary control and evaluation are affected by comparisons of actual revenues and expenses with planned revenues and expenses for the period. The Board approves total budgeted appropriations and any amendments to the appropriations throughout the year. Actual expenses may not exceed budgeted appropriations at the fund level, except by 2/3 vote of the Board. Formal budgetary integration is employed as a management control device during the year. Encumbrance accounting is not used to account for commitments related to unperformed contracts for construction and services.

LAKE ELSINORE & SAN JACINTO WATERSHEDS AUTHORITY

NOTES TO THE BASIC FINANCIAL STATEMENTS  
(CONTINUED)

For the fiscal year ended June 30, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

l. Net Position:

The government-wide financial statements utilize a net position presentation. Net position is categorized as follows:

- **Net Investment in Capital Assets** - This component of net position consists of capital assets, net of accumulated depreciation and reduced by any outstanding debt outstanding against the acquisition, construction or improvement of those assets. The Authority has no net investment in capital assets.
- **Restricted Net Position** - This component of net position consists of constraints placed on net position use through external constraints imposed by creditors, grantors, contributors, or laws or regulations of other governments, or constraints imposed by law through constitutional provisions or enabling legislation. The Authority restricted net position is for the LEAMS program for the purchase of TMDL credits for program participants.
- **Unrestricted Net Position** - This component of net position consists of net position that does not meet the definition of *net investment in capital assets* or *restricted*.

m. Fund Balance:

The governmental fund financial statements report fund balance as nonspendable, restricted, committed, assigned or unassigned based primarily on the extent to which the Authority is bound to honor constraints on how specific amounts can be spent.

- **Nonspendable fund balance** - amounts that cannot be spent because they are either (a) not spendable in form or (b) legally or contractually required to be maintained intact.
- **Restricted fund balance** - amounts with constraints placed on their use that are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions enabling legislation. The Authority's restricted fund balance is to purchase TMDL credits for program participants of the LEAMS program.
- **Committed fund balance** - amounts that can only be used for specific purposes determined by formal action of the Authority's highest level of decision-making authority (the Board of Directors) and that remain binding unless removed in the same manner. The underlying action that imposed the limitation needs to occur no later than the close of the reporting period.

LAKE ELSINORE & SAN JACINTO WATERSHEDS AUTHORITY

NOTES TO THE BASIC FINANCIAL STATEMENTS  
(CONTINUED)

For the fiscal year ended June 30, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

m. Fund Balance (Continued):

- **Assigned fund balance** - amounts that are constrained by the Authority's intent to be used for specific purposes. The intent can be established at either the highest level of decision-making, or by a body or an official designated for that purpose.
- **Unassigned fund balance** - the residual classification for the Authority's general fund that includes amounts not contained in the other classifications. In other funds, the unassigned classification is used only if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes.

The Board of Directors establishes, modifies or rescinds fund balance commitments and assignments by passage of an ordinance or resolution. This is done through adoption of the budget and subsequent budget amendments that occur throughout the year.

When both restricted and unrestricted resources are available for use, it is the Authority's policy to use restricted resources first, followed by committed, assigned and unassigned resources as they are needed.

**Fund Balance Policy:**

The Authority believes that sound financial management principles require that sufficient funds be retained by the Authority to provide a stable financial base at all times. To retain this stable financial base, the Authority needs to maintain an unassigned fund balance in its funds sufficient to fund cash flows of the Authority and to provide financial reserves for unanticipated expenditures and/or revenue shortfalls of an emergency nature. Committed, assigned and unassigned fund balances are considered unrestricted.

The purpose of the Authority's fund balance policy is to maintain a prudent level of financial resources to protect against reducing service levels or raising taxes and fees because of temporary revenue shortfalls or unpredicted one-time expenditures.

n. Use of Estimates:

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that effect certain reported amounts and disclosures. Accordingly, actual results could differ from the estimates.



LAKE ELSINORE & SAN JACINTO WATERSHEDS AUTHORITY

NOTES TO THE BASIC FINANCIAL STATEMENTS  
(CONTINUED)

For the fiscal year ended June 30, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

o. Prior Year Data:

Selected information regarding the prior year has been included in the accompanying financial statements. This information has been included for comparison purposes only and does not represent a complete presentation in accordance with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Authority's prior year financial statements, from which this selected financial data was derived.

2. CASH AND INVESTMENTS:

**Cash and Investments:**

Cash and investments as of June 30, 2017, are classified in the Statement of Net Position as follows:

|                           |                   |
|---------------------------|-------------------|
| Cash and cash equivalents | \$ <u>815,402</u> |
|---------------------------|-------------------|

Cash and investments as of June 30, 2016, consist of the following:

|                                     |                   |
|-------------------------------------|-------------------|
| Deposits with financial institution | \$ 48,446         |
| Local Agency Investment Fund (LAIF) | <u>766,956</u>    |
| Total cash and investments          | <u>\$ 815,402</u> |

**Authorized Deposits and Investments:**

Under provisions of the Authority's investment policy, and in accordance with Section 53601 of the California Government Code, the Authority may invest in certain types of investments as listed in Note 1h to the financial statements.

LAKE ELSINORE & SAN JACINTO WATERSHEDS AUTHORITY

NOTES TO THE BASIC FINANCIAL STATEMENTS  
(CONTINUED)

For the fiscal year ended June 30, 2017

2. CASH AND INVESTMENTS (CONTINUED):

**Custodial Credit Risk:**

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The California Government Code and the Authority's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. Of the Authority's bank balance, up to \$250,000 is federally insured and the remaining balance is collateralized in accordance with the California Government Code; however, the collateralized securities are not held in the Authority's name.

The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the Authority's investment policy contain legal and policy requirements that would limit the exposure to custodial credit risk for investments. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools (such as LAIF).

**Interest Rate Risk:**

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. The longer the maturity an investment has the greater its fair value has sensitivity to changes in market interest rates. The Authority's investment policy follows the California Government Code as it relates to limits on investment maturities as a means of managing exposure to fair value losses arising from increasing interest rates.

Investments in LAIF are considered highly liquid, as deposits can be converted to cash within 24 hours without loss of interest. As of June 30, 2017, the LAIF pool had a weighted average maturity of the following:

Local Agency Investment Fund

194 days

LAKE ELSINORE & SAN JACINTO WATERSHEDS AUTHORITY

NOTES TO THE BASIC FINANCIAL STATEMENTS  
(CONTINUED)

For the fiscal year ended June 30, 2017

2. CASH AND INVESTMENTS (CONTINUED):

**Credit Risk:**

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization; however, LAIF is not rated.

**Concentration of Credit Risk:**

The Authority's investment policy contains various limitations on the amounts that can be invested in any one governmental agency or nongovernmental issuer as stipulated by the California Government Code. The Authority's deposit portfolio with LAIF is 94% of the Authority's total depository and investment portfolio as of June 30, 2017. There were no investments in any one nongovernmental issuer that represent 5% or more of the Authority's total investments other than LAIF.

**Investment in State Investment Pool:**

The Authority is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The fair value of the Authority's investment in this pool is reported in the accompanying financial statements at amounts based upon the Authority's prorated share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

**Fair Value Measurements:**

The Authority categorizes its fair value measurement within the fair value hierarchy established by accounting principles generally accepted in the United States of America. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets, Level 2 inputs are significant other observable inputs, and Level 3 inputs are significant unobservable inputs.

Amounts invested in LAIF are not subject to fair value measurements.

LAKE ELSINORE & SAN JACINTO WATERSHEDS AUTHORITY

NOTES TO THE BASIC FINANCIAL STATEMENTS  
(CONTINUED)

For the fiscal year ended June 30, 2017

3. FUND BALANCE:

The fund balance is presented in the following categories: nonspendable, restricted, committed, assigned, and unassigned (see Note 1m for a description of these categories). A detailed schedule of the fund balance and the funding composition at June 30, 2017, is as follows:

|                    |                   |
|--------------------|-------------------|
| Nonspendable:      |                   |
| Prepaid insurance  | \$ 2,536          |
| Restricted:        |                   |
| LEAMS program      | 132,000           |
| Unassigned         | <u>593,793</u>    |
| Total fund balance | <u>\$ 728,329</u> |

4. RELATED PARTY TRANSACTIONS:

The Authority contracts with one of its member agencies, the Santa Ana Watershed Project Authority (SAWPA), to administer all of its accounting and administrative support. Total expenditures for administrative services provided by SAWPA for the fiscal year ended June 30, 2017, were \$193,263. Amounts paid to SAWPA for fiscal year 2016-2017 consisted of \$65,475 for salaries, \$27,551 for benefits, and \$100,237 for overhead allocation. At June 30, 2017, the amount due to SAWPA was \$35.

5. RISK MANAGEMENT:

The Authority is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Authority has purchased various commercial insurance policies to manage the potential liabilities that may occur from the previously named sources.

6. OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES:

**Excess of Expenditures over Appropriations:**

|                  | <u>Budget</u> | <u>Actual</u> | <u>Variance with<br/>Final Budget</u> |
|------------------|---------------|---------------|---------------------------------------|
| General Fund:    |               |               |                                       |
| Administrative   | \$ 184,020    | \$ 201,008    | \$ (16,988)                           |
| Contract labor   | -             | 2,800         | (2,800)                               |
| Interest expense | 50            | 123           | (73)                                  |

LAKE ELSINORE & SAN JACINTO WATERSHEDS AUTHORITY

NOTES TO THE BASIC FINANCIAL STATEMENTS  
(CONTINUED)

For the fiscal year ended June 30, 2017

7. COMMITMENTS AND CONTINGENCIES:

**Grant Awards:**

Grant funds received by the Authority are subject to audit by the grantor agencies. Such audits could result in requests for reimbursements to the grantor agencies for expenditures disallowed under terms of the grant. Management of the Authority believes that such disallowances, if any, would not be significant.

**Litigation:**

In the ordinary course of operations, the Authority is subject to claims and litigation from outside parties. After consultation with legal counsel, the Authority believes the ultimate outcome of such matters, if any, will not materially affect its financial condition.

8. SUBSEQUENT EVENTS:

Events occurring after June 30, 2017, have been evaluated for possible adjustments to the financial statements or disclosure as of October 23, 2017, which is the date these financial statements were available to be issued.

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## **REQUIRED SUPPLEMENTARY INFORMATION**

## LAKE ELSINORE &amp; SAN JACINTO WATERSHEDS AUTHORITY

BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND

For the fiscal year ended June 30, 2017

|   | Budgeted Amounts    |                              |              | Actual<br>Budgetary<br>Basis | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---|---------------------|------------------------------|--------------|------------------------------|---|
|   | Adopted<br>Original | Board<br>Approved<br>Changes | Final        |                              |   |
| REVENUES:   |                     |                              |              |                              |   |
| Capital and operating grants                                    | \$ 1,111,107        | \$ -                         | \$ 1,111,107 | \$ 1,067,808                 | \$ (43,299)   |
| Member contributions  | 100,000             | -                            | 100,000      | 100,000                      | -   |
| Interest earnings   | 1,500               | -                            | 1,500        | 5,851                        | 4,351   |
| TOTAL REVENUES  | 1,212,607           | -                            | 1,212,607    | 1,173,659                    | (38,948)  |
| EXPENDITURES:   |                     |                              |              |                              |   |
| Administrative  | 184,020             | -                            | 184,020      | 201,008                      | (16,988)  |
| Contract labor  | -                   | -                            | -            | 2,800                        | (2,800)   |
| Consulting  | 1,032,106           | -                            | 1,032,106    | 739,163                      | 292,943   |
| Interest expense  | 50                  | -                            | 50           | 123                          | (73)  |
| TOTAL EXPENDITURES  | 1,216,176           | -                            | 1,216,176    | 943,094                      | 273,082   |
| EXCESS (DEFICIENCY)<br>OF REVENUES OVER<br>(UNDER) EXPENDITURES | (3,569)             | \$ -                         | (3,569)      | 230,565                      | 234,134   |
| FUND BALANCE -<br>BEGINNING OF YEAR                             | 497,764             |                              | 497,764      | 497,764                      | -   |
| FUND BALANCE - END OF YEAR                                      | \$ 494,195          |                              | \$ 494,195   | \$ 728,329                   | \$ 234,134  |

See accompanying note to required supplementary information.



# LAKE ELSINORE & SAN JACINTO WATERSHEDS AUTHORITY

## NOTE TO REQUIRED SUPPLEMENTARY INFORMATION

For the fiscal year ended June 30, 2017

### 1. BUDGETS AND BUDGETARY DATA:

The Authority follows specific procedures in establishing the budgetary data reflected in the financial statements. Each year the Authority's Authority Manager and Executive Secretary prepare and submit an operating budget to the Board of Directors for the General Fund no later than June of each year. The basis used to prepare the budget does not differ substantially from the modified accrual basis of accounting. The adopted budget becomes operative on July 1. The Board of Directors must approve all supplemental appropriations to the budget and transfers between major accounts. The Authority's annual budget is presented as a balanced budget (inflows and reserves equal outflows and reserves) adopted for the General Fund at the detailed expenditure-type level.

The Authority presents a comparison of the annual budget to actual results for the General Fund at the functional expenditure-type major object level for financial reporting purposes. The budgeted expenditure amounts represent the adopted budget plus supplemental budget adoptions due to the capital and operating grants that were awarded after the initial budget was adopted. There were no such supplemental changes during the year.

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## **OTHER INFORMATION**

# LAKE ELSINORE & SAN JACINTO WATERSHEDS AUTHORITY

## ORGANIZATION

For the fiscal year ended June 30, 2017

### State of Organization

The Lake Elsinore & San Jacinto Watersheds Authority (the Authority) is a Joint Exercise of Powers Agency created to implement projects and programs to improve the water quality and habitat in order to preserve agricultural land, protect wildlife habitat, and protect and enhance recreational resources, all for the benefit of the general public.

The Authority was authorized and empowered by the Joint Exercise of Powers pursuant to the provisions of Section 6500 of Article 1, Chapter 5, Division 7, Title 1 of the Government Code of the State of California.

### Agency Members

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

### Date of Membership

April 5, 2000  
April 5, 2000  
April 5, 2000  
April 5, 2000  
April 5, 2000

### Board of Directors

Vicki Warren  
Robert E. Magee  
Kevin Jeffries  
Phil Williams  
Brenda Dennstdt

### Agency Members

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

### Executive Staff

Mark Norton, Authority Administrator  
Karen Williams, CFO SAWPA

### Legal Counsel

Law Office of David Wysocki

### Auditor

White Nelson Diehl Evans LLP  
Certified Public Accountants

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Directors  
Lake Elsinore & San Jacinto Watersheds Authority  
Riverside, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and major fund of the Lake Elsinore & San Jacinto Watersheds Authority (the Authority) as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated October 23, 2017.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Authority's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weakness. However, material weaknesses may exist that have not been identified.

## Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "White Nelson Dick Evans LLP".

Irvine, California  
October 23, 2017

Board of Directors  
Lake Elsinore & San Jacinto Watersheds Authority  
Riverside, California

We have audited the financial statements of the governmental activities and major fund of the Lake Elsinore & San Jacinto Watersheds Authority (the Authority) for the year ended June 30, 2017. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards* as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter on planning matters dated May 10, 2017. Professional standards also require that we communicate to you the following information related to our audit.

### **Significant Audit Findings**

#### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Authority are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during fiscal year 2016-2017. We noted no transactions entered into by the Authority during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

The most sensitive estimates affecting the Authority's financial statements is management's estimate of the fair value of investments, which is based on information provided by the California State Treasurer's Office, and management's estimate of the allowance for doubtful accounts, which is based on specific identification. We evaluated the key factors and assumptions used to develop these estimates in determining that they were reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the financial statements was reported in Note 4 regarding the Authority's related party transactions with Santa Ana Watershed Project Authority.

The financial statement disclosures are neutral, consistent, and clear.

- 1 -

## **Significant Audit Findings (Continued)**

### *Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

### *Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. No misstatements were detected as a result of our audit procedures.

### *Disagreements with Management*

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

### *Management Representations*

We have requested certain representations from management that are included in the management representation letter dated October 23, 2017.

### *Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Authority's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

### *Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Authority's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

## **Other Matters**

We applied certain limited procedures to the management's discussion and analysis and budgetary comparison schedule, which are required supplementary information (RSI) that supplements the financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.



**Other Matters (Continued)**

We were not engaged to report on the organization information that accompanies the financial statements but is not RSI. We did not audit or perform other procedures on this other information and we do not express an opinion or provide any assurance on it.

**Restriction on Use**

This information is intended solely for the use of the Board of Directors and management of the Authority and is not intended to be and should not be used by anyone other than these specified parties.

*White Nelson Dickel Evans LLP*

Irvine, California  
October 23, 2017

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## **LESJWA BOARD MEMORANDUM NO. 822**

**DATE:** December 21, 2017

**SUBJECT:** Lake Elsinore & Canyon Lake Nutrient TMDL Revision Task Order

**TO:** LESJWA Board of Directors

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

### **RECOMMENDATION**

Staff and the Lake Elsinore and Canyon Lake Nutrient TMDL Task Force Technical Advisory Committee recommend that the Board of Directors authorize Task Order No. CDM160-03 with CDM Smith, Inc. for an amount not-to-exceed \$228,138, to Revise and Update Lake Elsinore and Canyon Lake Nutrient TMDLs.

### **DISCUSSION**

On November 14, 2017, the members of the Lake Elsinore and Canyon Lake Nutrient TMDL Task Force (LE/CL Task Force) unanimously recommended the third in a series of Task Orders prepared by CDM Smith to complete the effort to revise and update Lake Elsinore and Canyon Lake Nutrient TMDLs Technical Document and submit a final Basin Plan Amendment package to the Regional Board, as authorized by the LESJWA Board on December 17, 2015.

This Task Order 3 with CDM Smith (Attachment 1) is intended to cover the period from January 1, 2018 through December 31, 2019, and takes into account the overall scope of work prepared to complete the scope of work presented to the LESJWA Board on December 17, 2015. Included with this third Task Order is a scope of work and budget providing a detailed description of support services to be performed by the consultant, as highlighted below:

- Task 1 – Prepare TMDL Technical Document
- Task 2 – Prepare Substitute Environmental Document (SED)
- Task 3 – Prepare Economic Analyses
- Task 4 – Establish Administrative Record
- Task 5 – Prepare Final Documentation
- Task 6 – TMDL Task Force Meetings & Project Coordination

It is anticipated that the effort to revise and update the Lake Elsinore and Canyon Lake nutrient TMDLs will continue through to 2020, including the effort of the State and EPA to approve the update as an amendment to the Basin Plan.

### **BACKGROUND**

In June of 2015, the LE/CL Task Force petitioned the Santa Ana Water Board to reopen and revise the Nutrient TMDLs based on the wealth of new information developed over the last 10 years. The Santa Ana Water Board agreed to make this effort a high priority as part of the recent Triennial Review (R8-2015-0085). As part of this agreement, the LE/CL Task Force has accepted responsibility to develop the documentation needed to update and amend the Nutrient TMDL for Canyon Lake and Lake Elsinore.

The reason for the TMDL update is to reflect the significant amount of new data that has developed since the LE/CL-TMDL was first enacted. This information has fundamentally transformed our understanding of how nutrient loading affects the lakes under both natural and undeveloped, and current land use conditions. The scientific studies commissioned by the Task Force have shown conclusively that many of the modeling assumptions used to develop the original TMDL were not accurate. Further, the land use has changed, regulatory policies and permits have been revised, and more specificity is needed to clarify compliance. The work by CDM Smith over the next three fiscal years will require significant scientific and regulatory justification for approval by the Santa Ana Regional Water Quality Control Board and EPA.

In October 2015, in response to a request for qualifications issued by LESJWA, the members of the Lake Elsinore and Canyon Lake Nutrient TMDL Task Force Technical Advisory Committee unanimously recommend the selection of CDM Smith to lead the effort to revise and update the Lake Elsinore and Canyon Lake nutrient TMDLs. CDM Smith was selected by a proposal technical review committee composed of task force agencies, based upon the consultant's substantial knowledge of the TMDLs and professional expertise of consultants assembled for their team.

On December 17, 2015, the LESJWA Board approved the selection of CDM Smith and authorized the first of a series of Task Orders with CDM Smith to revise and update the Lake Elsinore and Canyon Lake nutrient TMDLs. Expenses incurred by CDM Smith to date remain within budget of the overall TMDL Update effort proposed by the consultant, and on time according to their original schedule.

#### **RESOURCES IMPACT**

The TMDL Task Force FY 2017-18 Budget and available cash reserves provide \$228,138 to revise and update Lake Elsinore and Canyon Lake Nutrient TMDLs. All staff contract administration time for this contract will be taken from the TMDL budget and funded by the TMDL Stakeholders.

MN/RW/dm

Attachment:

1. Task Order No. CDM160-03
2. CDM Smith Scope of Work

**LAKE ELSINORE & SAN JACINTO WATERSHEDS AUTHORITY**  
**TASK ORDER NO. CDM160-03**

**CONSULTANT:** CDM Smith, Inc.  
600 Wilshire Blvd., Ste. 750  
Los Angeles, CA 90017

**VENDOR 1575**

**COST:** \$228,138

**PAYMENT:** Monthly, upon receipt of proper invoice

**REQUESTED BY:** Rick Whetsel, Sr. Watershed Manager

December 21, 2017

**FINANCE:** \_\_\_\_\_  
Karen Williams, CFO Date

**FINANCING SOURCE:** Acct. Coding 160-TMDL-6113-01  
Acct. Description TMDL Task Force

**BOARD AUTHORIZATION REQUIRED:** YES ( ) NO ( )

*Funding for this work previously was approved 12-17-2015; ref. Board memo #781* Board Memo #822

This Task Order is issued by the Lake Elsinore & San Jacinto Watersheds Authority (hereafter "LESJWA") to **CDM Smith, Inc.** (hereafter "Consultant") pursuant to the Agreement between LESJWA and Consultant entitled *Agreement for Services*, dated December 17, 2015 (*expires 12-31-2019*).

**I. PROJECT NAME OR DESCRIPTION**

Update and Revise the Lake Elsinore and Canyon Lake Nutrient TMDLs 2017-18

**II. SCOPE OF WORK / TASKS TO BE PERFORMED**

Consultant shall continue to provide all labor, materials, and equipment for the project to perform the task of providing the technical support to the Lake Elsinore and Canyon Lake TMDL Task Force to assist them in updating and revising the Lake Elsinore and Canyon Lake Nutrient TMDLs. This task order will include the preparation of the TMDL Technical Document, the Substitute Environmental Document, the Economic Analyses, the Administrative Record, and submittal of the entire Basin Plan Amendment package to the Regional Board. The proposal and scope are shown in Attachment A. This is the third and final task order.

This task order also includes the LE/CL Task Force Project Coordination. Consultant also shall prepare for and attend regular meetings of the TMDL Task Force in order to coordinate development of the various deliverables and report on current progress.

*Please refer to Appendix X for acceptable deliverable formats*

**III. PERFORMANCE TIME FRAME**

Consultant shall begin work within five days of the date this Task Order is signed by the Authorized Officer and shall complete performance of such services by or before **June 30, 2019**.

Task Order No. CDM160-03  
December 2017

**IV. LESJWA LIAISON**

Rick Whetsel and/or Mark Norton shall serve as liaison between LESJWA and Consultant.

**V. COMPENSATION**

For all services rendered by Consultant pursuant to this Task Order, Consultant shall receive a total not-to-exceed sum of **\$228,138** in accordance with the rate schedule as shown in the Scope of Work. Payment for such services shall be made within 30 days upon receipt of proper invoices from Consultant, as required by the above-mentioned Agreement for Services.

The compensation to be paid herein is subject to LESJWA/SAWPA's receipt of funds for this Task Order from third parties. The Consultant shall limit activities to ensure not to expend funds that have been collected and shall curtail activities, as required, to stay within the funds available. LESJWA/SAWPA will endeavor to obtain the funds needed to fully fund the scope of work.

**VI. CONTRACT DOCUMENTS PRECEDENCE**

In the event of a conflict in terms between and among the contract documents herein, the document item highest in precedence shall control. The precedence shall be:

- a. The Agreement for Services by Independent Consultant/Contractor.
- b. The Task Order or Orders issued pursuant to the Agreement, in numerical order.
- c. Exhibits attached to each Task Order, which may describe, among other things, the Scope of Work and compensation therefore.
- d. Specifications incorporated by reference.
- e. Drawings incorporated by reference.

**In witness whereof**, the parties have executed this Task Order on the date indicated below.

**LAKE ELSINORE & SAN JACINTO WATERSHEDS AUTHORITY**

\_\_\_\_\_  
Robert Magee, LESJWA Chair

\_\_\_\_\_  
Date

**CDM SMITH, INC.**

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
Date

\_\_\_\_\_  
Print or Type Name

## Attachment A

### CDM Smith Task Order 3 Proposal

#### Project Background

Canyon Lake and Lake Elsinore are on California's 303(d) list of Impaired Waterbodies due to excessive algae and low dissolved oxygen resulting from elevated nutrients concentrations. In December 2004, the Santa Ana Regional Water Quality Control Board (Santa Ana Water Board) adopted Total Maximum Daily Loads (TMDL) to address these water quality impairments (R8-2004-0037). The TMDLs established Final Causal Targets for nitrogen and phosphorus. The TMDLs also established Interim and Final Targets for chlorophyll-*a* and dissolved oxygen. The TMDLs specified Wasteload Allocations (WLA) for point sources and Load Allocations (LA) for non-point sources. Compliance with these allocations, and attainment of the Final Targets, is required by the end of 2020.

Immediately after the TMDLs were approved, stakeholders in the watershed formed a voluntary Task Force to manage and coordinate all implementation efforts. The Lake Elsinore/Canyon Lake (LECL) Task Force is comprised of (a) representatives from Riverside County and all of the incorporated cities named in the TMDL; (b) representatives from the Western Riverside County Agricultural Coalition (WRCAC); and (c) several state and federal agencies. The LECL Task Force generally meets monthly and Santa Ana Water Board staff regularly attends these meetings.

In the decade since the TMDLs were adopted, a number of critical implementation activities, approved by the Santa Ana Water Board, have been completed or are being carried out to support efforts to achieve compliance with the TMDLs:

- Implementation of a comprehensive water quality monitoring program for both lakes and the surrounding watershed;
- Development of a long-term nutrient management strategy;
- MS4 Co-permittees are implementing a Comprehensive Nutrient Reduction Plan (CNRP);
- WRCAC developed an Agricultural Nutrient Management Plan (AgNMP) for agricultural operators;
- Alum application program in Canyon Lake;
- Operation of Aeration/Mixing Systems in Lake Elsinore; and
- Initiation of numerous Best Management Practices (BMPs) throughout the watershed.

While working to achieve compliance with the Nutrient TMDLs, the LECL Task Force also provided significant financial support to update the water quality models used to develop the original TMDLs. This includes more recent land use maps, more accurate watershed runoff models and more sophisticated in-lake models. Collectively, all of this effort has resulted in a better understanding of the various natural and anthropogenic factors that influence water quality in both lakes.

In June 2015, the LECL Task Force petitioned the Santa Ana Water Board to reopen and revise the Nutrient TMDLs based on the wealth of new information developed over the last 10 years. The Santa Ana Water Board agreed to make this effort a high priority as part of the recent Triennial Review (R8-2015-0085). As part of this agreement, the LECL Task Force has accepted responsibility to develop the documentation needed to update and amend the Nutrient TMDLs for Canyon Lake and Lake Elsinore. This Attachment provides the proposed scope of work and budget for Task Order 3, Attachment B provides the original scope of work as envisioned by the LECL Task Force.

## Attachment A

### Task Order 1 and 2 Status: Project Inception – September 30, 2017

CDM Smith submitted a scope of work and budget for the first phase of this project in December 2015. That phase or Task Order 1 was authorized on December 17, 2015 and was for \$300,000 to cover services from project inception through September 30, 2016<sup>1</sup>. Task Order 2 was authorized on November 1, 2016 was for \$300,000 to cover services from the period from October 1, 2016 through December 31, 2017. Project work completed through September 30, 2017 is summarized below:

- *Introduction and Problem Statement Chapter* – Draft chapters submitted. Comments were addressed and incorporated into revised draft of Chapters 1-6 submitted on August 4, 2017
- *Numeric Targets Chapter* – Draft chapter submitted. Comments were addressed and incorporated into revised draft of Chapters 1-6 submitted on August 4, 2017
- *Source Analysis Chapter* – Draft chapter submitted. Comments were addressed and incorporated into revised draft of Chapters 1-6 submitted on August 4, 2017
- *Linkage Analysis Chapter* – Draft chapter submitted. Comments were addressed and incorporated into revised draft of Chapters 1-6 submitted on August 4, 2017
- *Allocations Chapter* - Draft chapter submitted. Comments were addressed and incorporated into revised draft of Chapters 1-6 submitted on August 4, 2017
- *Implementation Chapter* – Analysis completed and presented to Task Force in two meetings. Draft chapter planned for submittal prior to November 30, 2018.
- *Monitoring Chapter* – Analysis completed and presented to Task Force in one meeting. Draft chapter planned for submittal prior to November 30, 2018.

While the submittal of deliverables has been delayed from the original schedule, the project team has no concerns regarding completion of the work on budget and on time as other chapter work is proceeding to the maximum extent possible. A revised project schedule that considers the original overall schedule as well as the current status of deliverables is provided in Table C-1 of Attachment C.

### Proposed Scope of Work and Budget for Task Order 3

This proposed scope of work and budget is intended to cover the period from Jan 1, 2018 through Dec 31, 2019. It takes into account the overall scope of work prepared to support Task Orders 1 and 2.

#### Scope of Work

Work to be completed by December 31, 2018 is described in the following project task descriptions.

##### Task 1 - Prepare TMDL Technical Document

No Activity in Task Order 3.

##### Task 2 – Prepare Substitute Environmental Document (SED)

The CDM Smith team will initiate preparation of the SED to support any proposed revisions to the existing Nutrient TMDLs and comply with CEQA requirements. The SED will follow the general format and structure used by the Santa Ana Water Board for other recent TMDLs and Basin Plan amendments. The SED will include (a) purpose and regulatory context for the analysis; (b) description of the proposed action and identification of “reasonably foreseeable methods of compliance”; (c) completed CEQA

Checklist; (d) discussion of the potential environmental impacts; and (e) an analysis of any reasonable alternatives. For purposes of preparing the SED, the "No Project Condition" will be defined as continuing to implement the existing Nutrient TMDLs (adopted in December 2004) without revision.

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<sup>1</sup> Note: Upon completion of Task Order 1 schedule, unspent funds in the amount of \$28,138.37 was removed from the project budget. CDM Smith requests that these funds be moved back into the overall project budget to cover costs incurred on Task 1 during that were not billed to LESJWA prior to September 31, 2016. The total project budget would remain the same at \$800,000.



## Attachment A

**Deliverables:** Draft SED will be submitted by February 19, 2018. A Final SED will be prepared by April 30, 2018, based on comments on the draft document.

### **Task 3 – Prepare Economic Analyses**

CDM Smith will prepare an Economic Analysis that characterizes the costs and benefits associated with revising the TMDLs and compares those impacts (both positive and negative) with the No Project Alternative. The purpose of this document, which will take into consideration the reasonably foreseeable methods of compliance identified in the SED (Task 2), will not be to justify costs based on benefits but, rather, to describe both as accurately as possible in order to inform the Regional Board's decision-making process as specified in §13000 and §13241 of the California Water Code.

**Deliverables:** (a) Submit draft economic analysis by March 26, 2018; (b) Incorporate comments into final economic analysis by May 28, 2018.

### **Task 4 – Establish Administrative Record**

On an ongoing basis and as task work is completed, CDM Smith will compile information that must be included in the Administrative Record for the Basin Plan amendment. This has been occurring under Task Order 1 and 2 and be finalized in Task Order 3.

**Deliverables:** (a) Submit complete compilation of the Administrative Record for all work completed under Task 1-3 by June 25, 2018; (b) Update Administrative Record for subsequent submittals as part of Basin Plan amendment package to the SWRCB.

### **Task 5 – Prepare Final Documentation**

CDM Smith will prepare the TMDL Technical Document that provides the technical justification to support proposed changes to the current TMDL. Drafts of all chapters for the TMDL technical document are complete prior to the start of Task Order 3. Under Task Order 3, work will be executed on the TMDL technical document to incorporate any final modifications to the TMDL technical document that may arise from comments on latter chapters and to ensure document is consistent with the direction provided by the Task Force.

**Deliverables:** Submit complete compilation of all documentation for the Basin Plan amendment by July 16, 2018

### **Task 6 – TMDL Task Force Meetings & Project Coordination**

CDM Smith team will prepare for and participate in TMDL Task Force meetings on approximately monthly meetings throughout the duration of Task Order No. 3. The purpose of these meetings is to (a) reach consensus where needed on technical issues regarding how to best meet the deliverables for specific tasks; and (b) in general coordinate/collaborate with Task Force members on progress being made on the project. CDM Smith team will prepare handouts and PowerPoint materials as needed for each meeting. CDM Smith team will work with LESJWA to ensure decisions during Task Force meetings that will affect project deliverables are documented appropriately in Task Force Meeting Notes. CDM Smith will also participate in periodic teleconferences with LESJWA, Risk Sciences, and Task Force Stakeholders on an as needed basis to facilitate execution of the overall project. Any project management activities, e.g., processing of subcontractor invoices and preparation of invoices by CDM Smith's contract administrator will be covered under this task.

**Deliverables:** (a) Up to monthly Task Force meetings through December 2019 (expect that there will be 12 - 18 meetings in 2018 - 2019 where LECL TMDL work will be a primary focus), including delivery of necessary handouts and presentation materials to support the meetings; (b) periodic teleconferences; and (c) project management-related work, e.g., processing of subcontractor invoices and preparation of monthly invoices for submittal to LESJWA.

## Attachment A

### Task Order No. 3 Budget

Table A-1 provides the estimated budget for the scope of the work for each of the tasks to be implemented under Task Order No. 3. Table A-2 summarizes the original estimated budget for all project tasks throughout the duration of the project. While there have been some changes in specific task/sub task budgets, the overall project budget remains \$800,000.

**Table A-1. Task Order No. 3 Budget**

| Task   | Subtask                              | Budget                |
|--|--------------------------------------|-----------------------|
| <b>Task 1 - Prepare TMDL Technical Document</b>            |                                      | \$28,138 <sup>1</sup> |
| <b>Task 2 – Prepare Substitute Environmental Document</b>  | Draft and Final SED                  | \$30,000              |
| <b>Task 3 – Prepare Economic Analyses</b>                  | Draft and Final Analysis             | \$45,000              |
| <b>Task 4 – Establish Administrative Record</b>            | Complete AR for Basin Plan Amendment | \$10,000              |
| <b>Task 5 – Prepare Final Documentation</b>                | To be determined                     | \$60,000              |
| <b>Task 6 – LECL Task Force &amp; Project Coordination</b> | Not applicable                       | \$55,000              |
| <b>Total</b>   |                                      | <b>\$228,138</b>      |

1) Upon completion of Task Order 1 schedule, unspent funds in the amount of \$28,138 was removed from the project budget. CDM Smith requests that these funds be moved back into the overall project budget

**Table A-2. Original Estimated Budget for all LECL TMDL Revision Tasks**

| Task   | Subtask  | Budget                |
|--|--|-----------------------|
| <b>Task 1 - Prepare TMDL Technical Document</b>            | 1.1 – Background   | \$15,000              |
|  | 1.2 – Problem Statement  | \$35,000              |
|  | 1.3 – Numeric Targets  | \$70,000              |
|  | 1.4 – Source Analysis  | \$70,000              |
|  | 1.5 – Linkage Analysis   | \$80,000              |
|  | 1.6 – WLAs and LAs   | \$60,000              |
|  | 1.7 – Implementation Plan  | \$110,000             |
|  | 1.8 – Monitoring Requirements  | \$25,000              |
|  | 1.9 - References   | \$10,000              |
|  | 1.10 – Technical Document  | Incl. in above budget |
| <b>Task 2 – Prepare Substitute Environmental Document</b>  | Draft and Final SED  | \$80,000              |
| <b>Task 3 – Prepare Economic Analyses</b>                  | Draft and Final Analysis   | \$80,000              |
| <b>Task 4 – Establish Administrative Record</b>            | 1 <sup>st</sup> and 2 <sup>nd</sup> Compilation of Administrative Record | \$25,000              |
| <b>Task 5 – Prepare Final Documentation</b>                | To be determined   | \$70,000              |
| <b>Task 6 – LECL Task Force &amp; Project Coordination</b> | Not applicable   | \$70,000              |
| <b>Total</b>   |  | <b>\$800,000</b>      |

## Attachment B

### Overall TMDL Revision Scope of Work (originally provided basis for Task Order 1)

#### Task 1 - Prepare TMDL Technical Document

CDM Smith will prepare the TMDL Technical Document that provides the technical justification to support proposed changes to the current TMDL. This Technical Document will be similar in form and content to a similar report prepared by the Santa Ana Water Board to establish the original TMDLs (June 4, 2004). Table B-1 summarizes the major chapters to be included in this report and expected content.

**Table B-1. Expected Content of TMDL Technical Document**

| Chapter   | Content   |
|---|---|
| <b>Chapter 1 – Background</b>                               | Summarizes the current TMDL, Task Force process, previous implementation activities and need for revising the TMDL.   |
| <b>Chapter 2 – Problem Statement</b>                        | Summarizes the basis for the original 303(d) listing and characterizes current water quality conditions and trends. Highlights the asymmetric nature of external nutrient loads to both lakes. Separate Main Body and East Branch of Canyon Lake. Describe constraints on zooplankton populations caused by naturally elevated salinity conditions in Lake Elsinore.  |
| <b>Chapter 3 – Numeric Targets</b>                          | Translate narrative water quality objective into appropriate response targets for chlorophyll- <i>a</i> , dissolved oxygen, and ammonia. Specify appropriate causal targets for nitrogen and phosphorus to assure attainment of the recommended response targets. All targets should take into consideration modeling data indicating the concentrations estimated to occur under natural, pre-development land use conditions and should recommend appropriate averaging periods. Separate Main Body and East Branch of Canyon Lake. |
| <b>Chapter 4 – Source Analysis</b>                          | Estimate current internal and external nutrient loads to both lakes from all significant point and non-point sources. This task will rely on the updated watershed runoff model (2010), updated land use maps (2015), and updated lake model simulations previously developed by the Task Force. Separate Main Body and East Branch of Canyon Lake. Explicitly account for loads that originate above Canyon Lake but are ultimately transferred to Lake Elsinore.  |
| <b>Chapter 5 – Linkage Analysis</b>                         | Develop a Total Maximum Daily Load to meet the numeric targets using the updated lake simulation models. Prepare justification for using averaging periods other than "daily" time steps.   |
| <b>Chapter 6 – Wasteload and Load Allocations</b>           | Specify the Wasteload Allocation for point sources and the Load Allocation for non-point sources required to meet achieve consistent compliance with the TMDL developed in the Linkage Analysis. Separate Main Body and East Branch of Canyon Lake.   |
| <b>Chapter 7 – Implementation and Planning Requirements</b> | Identify the specific implementation obligations required for regulated discharges (including a schedule of deliverables). Establish legal basis for authorizing Offset Programs to achieve necessary load reductions. Prepare technical justification for long-term compliance schedules if necessary.   |
| <b>Chapter 8 – Monitoring Requirements</b>                  | Describe minimum monitoring requirements for Lake Elsinore and Canyon Lake and the watershed tributary to these lakes. Specify when a new monitoring plan must be submitted for Regional Board approval.  |
| <b>Chapter 9 - References</b>                               | Comprehensive bibliography (with corresponding document reference ID# in the Administrative Record).  |

## **Attachment B**

### **Task 2 - Prepare a Substitute Environmental Document (SED)**

CDM Smith will prepare the SED to support any proposed revisions to the existing Nutrient TMDLs and comply with CEQA requirements. The SED will follow the general format and structure used by the Regional Boards for other recent TMDLs and Basin Plan amendments. The SED will include (a) a thorough Alternatives Analysis; (b) a complete CEQA Checklist; (c) identify the "reasonably foreseeable methods of compliance"; and (d) discuss the potential environmental impacts associated with revising the TMDL. For purposes of preparing the SED, the "No Project Condition" will be defined as continuing to implement the existing Nutrient TMDLs (adopted in December, 2004) without revision.

### **Task 3 – Prepare an Economic Analysis**

CDM Smith will prepare an Economic Analysis that characterizes the costs and benefits associated with revising the TMDLs and compares those impacts (both positive and negative) with the No Project Alternative. The purpose of this document, which will take into consideration the reasonably foreseeable methods of compliance identified in the SED (Task 2), will not be to justify costs based on benefits but, rather, to describe both as accurately as possible in order to inform the Regional Board's decision-making process as specified in §13000 and §13241 of the California Water Code.

### **Task 4 – Establish Administrative Record**

CDM Smith will compile, organize and index the entire Administrative Record (AR) for the recommended TMDL revisions and the proposed Basin Plan amendments. The AR shall contain copies of all documents used to develop the revised TMDL, including all technical reports, scientific studies, meeting minutes and agendas, handouts, PowerPoint presentation, letters, memoranda, public comments and responses.

### **Task 5 – Final Document Preparation**

CDM Smith will assemble all final deliverables from Tasks 1 -4 into a package to support the proposed Basin Plan amendments to revise the Nutrient TMDLs. This effort will include a detailed description of any recommended changes to the current Basin Plan (in both track changes and clean versions). Note, this task does not include the (1) Scientific Peer Review report; (2) the Santa Ana Water Board's Staff Report; (3) the Response to Public Comments; (4) the final Basin Plan amendment language; or (5) the Basin Plan amendment adoption resolution. The Santa Ana Water Board staff has primary responsibility for preparing these five items.

### **Task 6 – TMDL Task Force Meetings & Project Coordination**

CDM Smith will prepare for and attend regular meetings of the TMDL Task Force in order to coordinate development of the various deliverables and report on current progress. In addition, CDM Smith will participate in teleconferences with Santa Ana Water Board staff, Task Force representatives, LESJWA, and technical team members as needed to complete the project.

## Attachment C

### Updated Schedule for Completion of Entire Project (Original Draft included in Task Order 1)

Table C-1 summarizes the planned deadline for each task and identifies the entities anticipated to be primarily responsible for completion of the work. Specific deliverable dates are provided where known; tasks to be conducted under future task orders have estimated deliverable deadlines.

**Table C-1. Updated Schedule and Expected Responsibility for Execution of Entire Project**

| Task <sup>1</sup> | Description   | Deadline  | Key Responsibility            |
|-------------------|---|---|-------------------------------|
| 1.1               | 1 <sup>st</sup> Draft of Chapter 1 of Technical Document (Introduction)                   | January 29, 2016<br>(Submitted: March 5, 2016)      | Risk Sciences / CDM Smith     |
| 1.2               | 1 <sup>st</sup> Draft of Chapter 2 of Technical Document (Problem Statement)              | February 26, 2016<br>(Submitted: March 5, 2016)     | CDM Smith / AMEC              |
| 1.3               | 1 <sup>st</sup> Draft of Chapter 3 of Technical Document (Numeric Targets)                | October 14, 2016<br>(Submitted: December 19, 2016)  | CDM Smith / Dr. Anderson      |
| 1.4               | 1 <sup>st</sup> Draft of Chapter 4 of Technical Document (Source Analysis)                | September 30, 2016<br>(Submitted: October 10, 2016) | CDM Smith                     |
| 1.1, 1.2          | 2 <sup>nd</sup> Draft of Chapters 1 & 2 of Technical Document (Intro & Problem Statement) | October 14, 2016<br>(Submitted: August 4, 2017)     | Same as 1 <sup>st</sup> Draft |
| 1.3               | 2 <sup>nd</sup> Draft of Chapter 3 of Technical Document (Numeric Targets)                | December 9, 2016<br>(Submitted: August 4, 2017)     | CDM Smith / Dr. Anderson      |
| 1.4               | 2 <sup>nd</sup> Draft of Chapter 4 of Technical Document (Source Analysis)                | January 6, 2017<br>(Submitted: August 4, 2017)      | Same as 1 <sup>st</sup> Draft |
| 1.5               | 1 <sup>st</sup> Draft of Chapter 5 of Technical Document (Linkage Analysis)               | November 11, 2016<br>(Submitted: June 12, 2017)     | CDM Smith / Dr. Anderson      |
| 1.5               | 2 <sup>nd</sup> Draft of Chapter 5 of Technical Document (Linkage Analysis)               | January 27, 2017<br>(Submitted: August 4, 2017)     | Same as 1 <sup>st</sup> Draft |
| 4                 | 1 <sup>st</sup> Compilation of Administrative Record (work completed to date)             | January 27, 2017                                    | CG Environmental              |
| 1.6               | 1 <sup>st</sup> Draft of Chapter 6 of Technical Document (WLA & LA)                       | February 10, 2017<br>(Submitted: April 17, 2017)    | CDM Smith                     |
| 1.6               | 2 <sup>nd</sup> Draft of Chapter 6 of Technical Document (WLA & LA)                       | April 14, 2017<br>(Submitted: August 4, 2017)       | Same as 1 <sup>st</sup> Draft |
| 1.7               | 1 <sup>st</sup> Draft of Chapter 7 of Technical Document (Implementation Plan)            | December 4, 2017                                    | CDM Smith, GEI                |
| 1.8               | 1 <sup>st</sup> Draft of Chapter 8 of Technical Document (Monitoring Requirements)        | December 4, 2017                                    | AMEC, GEI                     |
| 1.7               | 2 <sup>nd</sup> Draft of Chapter 7 of Technical Document (Implementation Plan)            | December 31, 2017                                   | Same as 1 <sup>st</sup> Draft |
| 1.8               | 2 <sup>nd</sup> Draft of Chapter 8 of Technical Document (Monitoring Requirements)        | December 31, 2017                                   | Same as 1 <sup>st</sup> Draft |
| 1.9               | Bibliography and References Chapter of Technical Document                                 | February 12, 2018                                   | CG Environmental              |
| 1 (all subtasks)  | Final Version of TMDL Technical Document  | February 12, 2018                                   | CDM Smith                     |
| 4                 | 2 <sup>nd</sup> Compilation of Administrative Record (work completed to date)             | February 12, 2018                                   | CG Environmental              |
| 2                 | 1 <sup>st</sup> Draft of Substitute Environmental Document (SED)                          | February 26, 2018                                   | CDM Smith                     |
| 3                 | 1 <sup>st</sup> Draft of Economic Analysis  | March 26, 2018                                      | Risk Science / CDM Smith      |

## Attachment C

**Table C-1. Updated Schedule and Expected Responsibility for Execution of Entire Project**

| Task <sup>1</sup> | Description   | Deadline       | Key Responsibility       |
|-------------------|---|----------------|--------------------------|
| RB                | Independent Scientific Peer Review  | March 2018     | Regional Board           |
| 2                 | Final Version of SED and CEQA Checklist   | April 30, 2018 | CDM Smith, GEI           |
| 3                 | Final Version of Economic Analysis  | May 28, 2018   | Risk Science / CDM Smith |
| 4                 | 3 <sup>rd</sup> Compilation of Administrative Record (work completed to date)   | June 2018      | CG Environmental, GEI    |
| 5                 | Basin Plan Amendment Package  | July 2018      | CDM Smith                |
| RB                | Regional Board Staff Report   | August 2018    | Regional Board           |
| RB                | Regional Board Workshop and Request for Public Comments   | August 2018    | Regional Board           |
| RB                | Prepare Response to Public Comments submitted to Regional Board   | October 2018   | Regional Board           |
| RB                | Regional Board Hearing to Consider Adopting Basin Plan Amendment  | November 2018  | Regional Board           |
| 4                 | 4 <sup>th</sup> Compilation of Administrative Record (for submission to State Water Resources Control Board [SWRCB])  | January 2019   | CG Environmental, GEI    |
| RB                | Prepare Response to Public Comments Submitted to SWRCB  | May 2019       | Regional Board           |
| RB                | SWRCB Hearing for Basin Plan Amendment  | July 2019      | Regional Board           |
| 5                 | 5 <sup>th</sup> and Final Compilation of Administrative Record (for submission to Office of Administrative Law [OAL]) | August 2019    | CG Environmental, GEI    |
| RB                | Submit Basin Plan Amendment and Administrative Record to OAL  | September 2019 | Regional Board           |
| RB                | OAL Review Complete   | December 2019  | Regional Board           |
| RB                | Submit Basin Plan Amendment to U.S. EPA for Review and Approval   | January 2020   | Regional Board           |

<sup>1</sup> Numbers reference tasks to be completed under the General Services Agreement; RB refers to tasks that will be completed by Santa Ana Water Board staff.

## **LESJWA BOARD MEMORANDUM NO. 823**

**DATE:** December 21, 2017

**SUBJECT:** Lake Elsinore Advanced Pumped Storage Project Update

**TO:** LESJWA Board of Directors

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

### **RECOMMENDATION**

Staff recommends that the Board of Directors receive and file this status report on Nevada Hydro Company's Inc. (Nevada Hydro) Lake Elsinore Advanced Pumped Storage (LEAPS) Project.

### **BACKGROUND**

Nevada Hydro is currently seeking to file a license application through the Federal Energy Regulatory Commission (FERC) for the LEAPS Project.

The proposed project would consist of the following: (1) a new upper reservoir with a 200-foot high main dam and storage of 5,750 acre-feet to be located in the mountains above Lake Elsinore, (2) a 21-foot diameter concrete power shaft and power tunnel with two steel lined penstocks, (3) an underground powerhouse with two reversible pump-turbine units with a total capacity of 500 megawatts, (4) an existing lower reservoir (Lake Elsinore), and (5) about 32 miles of 500 kV transmission line connection the project to an existing transmission line owned by Southern California Edison located north of the proposed project and to an existing San Diego Gas & Electric Company transmission line located to the south.

The Regional Board has been requested by FERC to be a cooperating agency on the LEAPS project under NEPA and CEQA and is requiring a Waste Discharge Requirement (WDR) for the project. In addition, the Regional Board has identified a number of studies to be completed to assess impacts from LEAPS and allow the Regional Board, FERC, State Water Board, and other agencies with jurisdictional authority to develop proper permitting, project conditions; and appropriate mitigation for LEAPS.

- A water supply for the project needs to be identified followed by a joint EIR/EIS that evaluates the LEAPS impacts.
- Determine how much of an increase in total nitrogen (TN), total phosphorus (TP), and cyanotoxins will occur in the water being returned to the lake.
- Assess the potential increase in nutrients in the water column from the removal and return of lake water will result in the resuspension of additional sediment and nutrients into the water column.
- Assess the impacts to Water Contact Recreation.
- Assess the impacts of impingement and entrainment on the lake's aquatic organisms.
- Determine the minimum lake level or lake elevation at which LEAPS will be operated and the effects on the lake at that lowest operational level when the volume of water equivalent to the upper reservoir is removed (even temporarily) from the lake.
- Assess the chemical concentrations in the resulting Discharge, if chemicals were to be added to the water to control algae concentrations that would otherwise damage the pumps or other facilities.

Important to note, Federal law prohibits the Regional Board from issuing a permit for a new discharge to an impaired surface water body, except as allowed by an approved TMDL with waste load allocations for the discharge. The Regional Board will need a study to determine how LEAPS will be incorporated into the lake's TMDLs. Nevada Hydro will have to propose amending the TMDLs to obtain waste load allocations for TN, TP and cyanotoxins. Nevada Hydro will have to complete a study to revise the TMDLs. The study

should include how TMDL numeric targets for the project can be met and propose waste load allocations for TN, TP, and cyanotoxins for LEAPS. A TMDL Compliance Monitoring Program that will monitor LEAPS' compliance with the TMDLs should be included with the study. In lieu of Nevada Hydro addressing the requirements of the TMDL on their own, the Regional Board has requested that Nevada Hydro join the Lake Elsinore and Canyon Lake TMDL Task Force. If Nevada Hydro joins the Task Force, they will need to propose changes to the TMDL and the Task Force will have to agree to assign a WLA to the discharge by Nevada Hydro.

At the next Lake Elsinore and Canyon Lake TMDL Task Force meeting, scheduled for January 17, 2018, stakeholders will discuss adding Nevada Hydro as a new Task Force member. In addition to the regulatory requirements stated above, it was proposed to Nevada Hydro that they pay an equal share of the cost incurred to date by stakeholders to update and revise the nutrient TMDLs (estimated at approximately \$40,000), and moving forward, contribute annually to the administrative costs associated with Part A of the TMDL Task Force budget (estimated at approximately \$15,000 for FY 2018-19).

### **BUDGET IMPACT**

All staff administration time applied to the TMDL Task Force comes from the TMDL Budget and is funded only by the TMDL Task Force parties.

MN:dm



## **LESJWA BOARD MEMORANDUM NO. 824**

**DATE:** December 21, 2017

**SUBJECT:** CR&R Green Waste Composting Facility Update

**TO:** LESJWA Board of Directors

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

### **RECOMMENDATION**

Staff recommends that the Board of Directors receive and file this status report on the CR&R Inc. (CR&R) Green Waste Composting Facility.

### **BACKGROUND**

CR&R, waste and recycling collection companies serving more than three million people and over 25,000 businesses throughout Southern California, has applied to the Santa Ana Regional Water Quality Control Board for waste discharge requirements for a proposed green waste composting facility located along the upper San Jacinto River.

The proposed facility will incorporate an existing 69-acre green waste composting facility to include the adjacent 133-acre parcel, which is currently operated as sod farms. The 202-acre facility lies within the 100-year floodplain of the upper San Jacinto River in an unincorporated Riverside County area near the community of Lakeview. The facility maximum storage capacity would increase from the current 12,500 cubic yards of green waste materials to 130,000 cubic yards of green and digestate (composted) materials, a solid by-product of the Anaerobic Digestion Facility at the CR&R Transfer Station in Perris.

The Regional Board is considering recommending the approval of General Compost Waste Discharge Requirements (WDRs), and the General Industrial Stormwater Permit, as the means to regulate the site. In addition, the Regional Board has stipulated the following mitigation measures and conditions for the project:

- CR&R will have an operating plan to remove all heavy equipment prior to big rain events.
- CR&R will maintain a 100-foot buffer around the property to grow winter wheat or other crop to serve as an offset mechanism to remove nitrogen from this site including an accounting of nutrients discharged.
- CR&R will join the Lake Elsinore and Canyon Lake TMDL Task Force.

Important to note, according to federal regulations, the Regional Board cannot issue an NPDES Permit for new discharges to an impaired waterbody unless there is a TMDL adopted for the water body that includes a Waste Load Allocation for the new discharge. Since the Industrial General Order is also an NPDES permit, CR&R will need a Waste Load Allocation before this permit could be issued. CR&R will need to propose changes to the TMDL and the Task Force will have to agree to assign a WLA to their discharge.

At the next Lake Elsinore and Canyon Lake TMDL Task Force meeting, scheduled for January 17, 2018, stakeholders will discuss adding CR&R as a new Task Force member. In addition to the regulatory requirements stated above, it was proposed to CR&R that they pay an equal share of the cost incurred to date by stakeholders to update and revise the nutrient TMDLs (estimated at approximately \$40,000) and moving forward, contribute annually to the administrative costs associated with Part A of the TMDL Task Force budget (estimated at approximately \$15,000 for FY 2018-19).

### **RESOURCES IMPACT**

All staff administration time applied to the TMDL Task Force comes from the TMDL Budget and is funded only by the TMDL Task Force parties.

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## **LESJWA BOARD MEMORANDUM NO. 825**

**DATE:** December 21, 2017

**SUBJECT:** 2018 LESJWA Water Summit

**TO:** LESJWA Board of Directors

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

### **RECOMMENDATION**

Staff recommends that the Board of Directors receive and file this status report for the upcoming LESJWA Water Summit scheduled for Wednesday, April 18th.

### **BACKGROUND**

The LESJWA Water Summit had been held each year from 2012 – 2014. Then in 2015, the decision was made to hold the Summit every other year to save limited education and outreach funding for more urgent lake quality outreach. The last Summit was held on April 27, 2016 and was held at Eastern Municipal Water District's (EMWD) Board Room. The Summits provide an opportunity to invite elected officials and staff of the Lake Elsinore and Canyon Lake TMDL Task Force agencies to hear about important accomplishments of LESJWA, the nutrient TMDLs, and future implementation projects. Costs for the event were minimized to avoid significant monetary and time expenditures of the audience. Typically, the Summits have been held at public facility meeting rooms, and started in the morning and ended before the lunch hour. Over time, despite concerted targeted mailing and multiple event announcements, the number of attendees has been minimal with an audience of approximately 50 people.

In recent discussions with TMDL Task Force representatives and the LESJWA Education and Outreach Committee, an alternative approach has been suggested where a morning program is held at a paid and hosted facility, Diamond Club, and that a minor fee be collected from each attendee for lunch. Feedback from some indicated that potential attendees don't see value unless there is some registration or lunch fee and that lunch is provided.

The 2018 LESJWA Summit has been scheduled for April 18, 2016 from 8:30 am – 1:00 pm at the Lake Elsinore Stadium Diamond Club in the City of Lake Elsinore. The date was chosen based on the availability of several of key presenters. A fee for the event to cover the event location costs and lunch will be developed. Attached is a draft agenda for the event showing the speakers and topics as recommended by the LESJWA Education and Outreach Committee. The draft invitation (attached) to the event includes a short message from the Riverside County Supervisors encouraging participants to attend. The draft Summit invite list also is attached.

### **RESOURCES IMPACT**

Sufficient funding was provided in the approved LESJWA FY 2017-18 Budget under the Education and Outreach program for the LESJWA Summit.

MN:dm

#### **Attachments:**

1. Draft Summit Agenda
2. Draft Summit Invitation Ltr
3. Draft Invitation List



# **LESJWA WATER SUMMIT**

**April 18, 2018, 8:30 a.m. – 1:00 p.m.**

**Lake Elsinore Stadium, Diamond Club  
500 Diamond Drive  
Lake Elsinore, CA 92530**

**Continental Breakfast  
8 a.m. – 8:30 a.m.**

**Welcome  
LESJWA Chair, Robert Magee  
8:30 a.m. – 8:45 a.m.**

**Lake-Watershed Connections, Lake Challenges and LESJWA Accomplishments  
Mark Norton, LESJWA Authority Administrator  
8:45 a.m. – 9:05 a.m.**

**Lake Elsinore History and Plan Forward  
Nicole Dailey, City of Lake Elsinore  
9:10 a.m. – 9:30 a.m.**

**Canyon Lake Quality Transformation  
Canyon Lake Speaker  
9:35 a.m. – 9:55 a.m.**

**Nutrient TMDLs, TMDL Update, and Task Force Benefits  
Hope Smythe, Santa Ana Regional Water Quality Control Board  
10:00 a.m. – 10:20 a.m.**

**MS4 Stormwater Permit and TMDL Costs & Savings  
Jason Uhley, Riverside County Flood Control and Water Conservation District  
10:25 am- 10:45 am**

***Canyon Lake Alum Application Video Presentation*  
10:50 a.m. – 11:05 a.m.**

**Lake Elsinore Advanced Pumped Storage (LEAPS) Project  
Greg Kahlen, The Kahlen Group  
11:10 a.m. – 11:45 a.m.**

**Lunch Served  
11:50 p.m. – 12:10 p.m**

**Canyon Lake and Lake Elsinore: TMDL Update and Our Lakes Future  
Special Lunch Hour Keynote  
Tim Moore, Risk Sciences  
12:15 p.m. – 1:00 p.m.**

**Close**

Organization Name  
Street Address  
City, State, Zip

Month XX, 2018

Dear LESJWA Water Summit Participant:

For better understanding of critical local water issues affecting your agency and others in the San Jacinto River Watershed, we highly encourage you to attend the 2018 Water Summit hosted by the Lake Elsinore & San Jacinto Watersheds Authority (LESJWA) on April 18, 2018.

With continued patterns of drought conditions, ensuring the sustainability and quality of our local water supplies has become essential for our region. Attendees of the 2018 Water Summit will be given detailed presentations on how the current drought is impacting our region, what LESJWA is doing to further protect our local watersheds, and what accomplishments have been made in reaching water quality goals.

The water summit will be headlined by Hope Smythe, Executive Officer for the Santa Ana Regional Water Quality Control Board. Other guest speakers include LESJWA Authority Administrator, Mark Norton; Chief of Watershed Protection for the Riverside County Flood Control and Water Conservation District, Jason Uhley; Greg Kahlen representing Nevada Hydro to speak about the Lake Elsinore Advanced Pumped Storage project and our nationally recognized regulatory strategist and lunch hour keynote, Tim Moore of Risk Sciences.

The 2018 Water Summit will take place on Wednesday, April 18, 2018 from 8:30am-1:00 pm. The event will be held at the Lake Elsinore Stadium, Diamond Club at 500 Diamond Drive Lake Elsinore, CA 92530. Registration includes luncheon and continental breakfast. For registration to the Summit, please contact Liselle DeGrave of DeGrave Communications at (951) 764-0865 or email directly at [liselle@degravepr.com](mailto:liselle@degravepr.com).

We look forward to your participation!

Regards,

Supervisor Marion Ashley    Supervisor Kevin Jeffries    LESJWA Chair Bob Magee

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| Name  | Position                     | Email  | NOTES | RSVP |
|---|------------------------------|--|-------|------|
| <b>Santa Ana Regional Water Quality Control Board</b> |                              |  |       |      |
| William P. von Blasingame                             | Board Member                 | <a href="mailto:wblasingame@waterboards.ca.gov">wblasingame@waterboards.ca.gov</a>         |       |      |
| Lana Ong Peterson                                     | Board Member                 | <a href="mailto:lpeterson@waterboards.ca.gov">lpeterson@waterboards.ca.gov</a>             |       |      |
| William Ruh   | Chair                        | <a href="mailto:bruh@ci.montclair.ca.us">bruh@ci.montclair.ca.us</a>                       |       |      |
| Linda Ackerman  | Vice Chair                   | <a href="mailto:lackerman@waterboards.ca.gov">lackerman@waterboards.ca.gov</a>             |       |      |
| Tom Rivera  | Board Member                 | <a href="mailto:trivera@waterboards.ca.gov">trivera@waterboards.ca.gov</a>                 |       |      |
| Hope Smythe   | Executive Officer            | <a href="mailto:Hope.Smythe@waterboards.ca.gov">Hope.Smythe@waterboards.ca.gov</a>         |       |      |
| <b>Eastern Municipal Water District</b>               |                              |  |       |      |
| Joseph Kuebler  | Board Treasurer              | <a href="mailto:joe.kuebler@pkckuebler.com">joe.kuebler@pkckuebler.com</a>                 |       |      |
| Philip E. Paule                                       | Board Director               | <a href="mailto:Philip.Paule@bos.sbcounty.gov">Philip.Paule@bos.sbcounty.gov</a>           |       |      |
| Randy A. Record                                       | Board President              | <a href="mailto:rrecord@att.net">rrecord@att.net</a>                                       |       |      |
| David Slawson   | Board Vice President         | <a href="mailto:slawson@wai-eng.com">slawson@wai-eng.com</a>                               |       |      |
| Ronald Sullivan                                       | Board Director               | <a href="mailto:boardmember@emwd.org">boardmember@emwd.org</a>                             |       |      |
| Paul D. Jones II, P.E.                                | General Manager              | <a href="mailto:jonesp@emwd.org">jonesp@emwd.org</a>                                       |       |      |
| Al Javier   | EMWD staff                   | <a href="mailto:javiera@emwd.org">javiera@emwd.org</a>                                     |       |      |
| <b>City of Beaumont</b>                               |                              |  |       |      |
| Todd Parton   | City Manager                 | <a href="mailto:toddp@beaumontcares.com">toddp@beaumontcares.com</a>                       |       |      |
| Mike Lara   | Council Member               | <a href="mailto:bmtcouncilmembermikelara@yahoo.com">bmtcouncilmembermikelara@yahoo.com</a> |       |      |
| Rey Santos  | Council Member               |  |       |      |
| Julio Martinez  | Council Member               | <a href="mailto:jmartinez@beaumontca.us">jmartinez@beaumontca.us</a>                       |       |      |
| Nancy Carroll   | Mayor Pro-term               | <a href="mailto:ncarroll@beaumontcares.com">ncarroll@beaumontcares.com</a>                 |       |      |
| Lloyd White   | Mayor                        | <a href="mailto:ourfocusourkids@gmail.com">ourfocusourkids@gmail.com</a>                   |       |      |
| Aftab Hussain   | Beaumont staff               | <a href="mailto:Ahussain@ci.beaumont.ca.us">Ahussain@ci.beaumont.ca.us</a>                 |       |      |
| Kyle Warsinski  | Economic Development Manager | <a href="mailto:kwarsinski@ci.beaumont.ca.us">kwarsinski@ci.beaumont.ca.us</a>             |       |      |
| <b>City of San Jacinto</b>                            |                              |  |       |      |
| Russ Utz  | Mayor Pro Tem                | <a href="mailto:rutz@sanjacintoca.us">rutz@sanjacintoca.us</a>                             |       |      |
| Crystal Ruiz  | Mayor                        | <a href="mailto:cruiz@sanjacintoca.us">cruiz@sanjacintoca.us</a>                           |       |      |
| Andrew Kotyuk   | Council Member               | <a href="mailto:akotyuk@sanjacintoca.us">akotyuk@sanjacintoca.us</a>                       |       |      |
| Scott Miller  | Mayor                        | <a href="mailto:smiller@sanjacintoca.us">smiller@sanjacintoca.us</a>                       |       |      |
| Alonso Ledezma  | Council Member               | <a href="mailto:aledezma@sanjacintoca.us">aledezma@sanjacintoca.us</a>                     |       |      |
| Rob Johnson   | City Manager                 | <a href="mailto:citymanager@sanjacintoca.us">citymanager@sanjacintoca.us</a>               |       |      |
| Mike Emberton   | Public Works Director        | <a href="mailto:MEmberton@sanjacintoca.us">MEmberton@sanjacintoca.us</a>                   |       |      |
| <b>City of Murrieta</b>                               |                              |  |       |      |
| Alan Long   | Mayor Pro Tem                | <a href="mailto:along@murrieta.org">along@murrieta.org</a>                                 |       |      |
| Jonathan Ingram                                       | Mayor                        | <a href="mailto:jingram@murrieta.org">jingram@murrieta.org</a>                             |       |      |
| Kelly Seyarto   | Council Member               | <a href="mailto:kseyarto@MurrietaCA.gov">kseyarto@MurrietaCA.gov</a>                       |       |      |
| Rick Gibbs  | Council Member               | <a href="mailto:rgibbs@murrieta.org">rgibbs@murrieta.org</a>                               |       |      |

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|------------------------------|--|------------------------------|-------|------|
| Randon Lane                  | Council Member                             | rlane@murrieta.org           |       |      |
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| Kim Summers                  | City Manager                               | ksummers@murrieta.org        |       |      |
| <b>City of Hemet</b>         |  |                              |       |      |
| Ron Proze                    | Water/ Waste Water Superintendent          | rproze@cityofhemet.org       |       |      |
| Michael Perciful             | Mayor Pro Tem                              | mperciful@cityofhemet.org    |       |      |
| Linda Krupa                  | Mayor                                      | lkrupa@cityofhemet.org       |       |      |
| Allen Parker                 | Interim City Manager                       | aparker@cityofhemet.org      |       |      |
| Linda Nixon                  | Environmental Services Manager             | lnixon@cityofhemet.org       |       |      |
| Karlee Meyer                 | Council Member                             | kmeyer@cityofhemet.org       |       |      |
| Russ Brown                   | Council Member                             |                              |       |      |
| Bonnie Wright                | Council Member                             | bwright@cityofhemet.org      |       |      |
| <b>City of Moreno Valley</b> |  |                              |       |      |
| Jeffrey Giba                 | Council Member                             | jeffg@moval.org              |       |      |
| Dr. Yxstian Gutierrez        | Mayor                                      | yxstiang@moval.org           |       |      |
| Victoria Baca                | Mayor Pro Tem                              | victoriab@moval.org          |       |      |
| David Marquez                | Council Member                             | davidma@moval.org            |       |      |
| Ulises Cabrera               | Council Member                             | ulises@moval.org             |       |      |
| Michelle Dawson              | City Manager                               | cmoffice@moval.org           |       |      |
| Ahmad Ansari                 | Public Works Director/City Engineer        | ahmada@moval.org             |       |      |
| Allen Brock                  | Community Development Director             | allenb@moval.org             |       |      |
| Rae Beimer                   | Storm Water Protection                     | raeb@moval.org               |       |      |
| <b>City of Perris</b>        |  |                              |       |      |
| Michael Vargas               | Mayor                                      | MVargas@cityofperris.org     |       |      |
| David Starr Rabb             | Mayor Pro Term                             | dstarrabb@cityofperris.org   |       |      |
| Tonya Burke                  | Council Member                             | tburke@cityofperris.org      |       |      |
| Rita Rogers                  | Mayor Pro Tem                              | rrogers@cityofperris.org     |       |      |
| Darren Madkin                | Deputy City Manager                        | dmadkin@cityofperris.org     |       |      |
| Richard Belmudez             | City Manager                               | rbelmudez@cityofperris.org   |       |      |
| Michael Morales              | City of Perris staff                       | mmorales@cityofperris.org    |       |      |
| <b>City of Menifee</b>       |  |                              |       |      |
| Neil Winter                  | Mayor                                      | nwinter@cityofmenifee.us     |       |      |
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| Matt Liesemeyer              | Mayor Pro Tem                              | mliesemeyer@cityofmenifee.us |       |      |
| Lesa Sobek                   | Council Member                             | lsobek@cityofmenifee.us      |       |      |
| Ronald E. Bradley            | Interim City Manager                       | citymanager@cityofmenifee.us |       |      |



| Name                                     | Position                                   | Email  | NOTES | RSVP |
|--|--|--|-------|------|
| jeff Wyman                               | Acting Assistant City Manager              | jwyman@cityofmenifee.us  |       |      |
| Jonathan Smith                           | Director of Public Works/Engineering       | jsmith@cityofmenifee.us  |       |      |
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| Dennis Bechter                           | Consultant on LE/CL TMDL TF                | dbechter@cityofmenifee.us  |       |      |
| <b>City of Wildomar</b>                  |  |  |       |      |
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| Dan York                                 | Public Works Director/City Engineer        | dyork@cityofwildomar.org   |       |      |
| Craig McKenzie, Chairman                 | Wildomar Chamber of Commerce               | admin@wildomarchamber.org  |       |      |
| <b>March Joint Powers Authority</b>      |  |  |       |      |
| Marion Ashley                            | Vice Chairman                              | mashley@rcbos.org  |       |      |
| Mike Gardner                             | Chairman                                   | mgardner@riversideca.gov   |       |      |
| Michael Vargas                           | Commissioner                               | <a href="mailto:MVargas@cityofperris.org">MVargas@cityofperris.org</a>           |       |      |
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| Kevin Jeffries                           | Commissioner                               | district1@rcbos.org  |       |      |
| Dr. Yxstian Gutierrez                    | Commissioner                               | yxstiang@moval.org   |       |      |
| Andy Melendrez                           | Past Chairman                              | asmelendrez@riversideca.gov  |       |      |
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| Danielle Wheeler                         | Executive Director                         | wheeler@MarchJPA.com   |       |      |
| <b>City of Canyon Lake</b>               |  |  |       |      |
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| Larry Green                              | Mayor Pro Tem                              | lgreene@cityofcanyonlake.com   |       |      |
| Vicki Warren                             | Mayor                                      | vwarren@cityofcanyonlake.com   |       |      |
| Eric Kavakoss                            | General Manager, Canyon Lake POA           | ekavakoss@canyonlakepoa.com  |       |      |
| Dawn Haggerty                            | Council Member                             | dhaggerty@cityofcanyonlake.com   |       |      |
| Jordan Ehrenkranz                        | Council Member                             | jehrenkranz@cityofcanyonlake.com   |       |      |
| Aaron Palmer                             | City Manager                               | apalmer@cityofcanyonlake.com   |       |      |
| Paul Queen                               | Board President, Canyon Lake POA           | pqueen@canyonlakepoa.com   |       |      |
| <b>City of Lake Elsinore</b>             |  |  |       |      |
| Robert Magee (Chair, LESJWA Board)       | Mayor                                      | rmagee@lake-elsinore.org   |       |      |
| Natasha Johnson                          | Mayor Pro Tem                              | <a href="mailto:njohnson@lake-elsinore.org">njohnson@lake-elsinore.org</a>       |       |      |
| Daryl Hickman (Alt. Director, LESJWA Bd) | Council Member                             | dhickman@lake-elsinore.org   |       |      |

| Name  | Position                           | Email                         | NOTES | RSVP |
|---|------------------------------------|-------------------------------|-------|------|
| Steve Manos                                     | Council Member                     | smanos@lake-elsinore.org      |       |      |
| Brian Tisdale                                   | Council Member                     | btisdale@lake-elsinore.org    |       |      |
| Grant Yates                                     | City Manager                       | gyates@lake-elsinore.org      |       |      |
| Nicole Dailey                                   | Senior Management Analyst          | ndailey@Lake-Elsinore.org     |       |      |
| Rita Thompson                                   | Senior Engineering Technician      | rthompson@lake-elsinore.org   |       |      |
| Rick De Santiago                                | Public Works Superintendent        | rdesantiago@lake-elsinore.org |       |      |
| <b>City of Riverside</b>                        |                                    |                               |       |      |
| Rusty Bailey                                    | Mayor                              | RBailey@Riversideca.gov       |       |      |
| Mike Gardner                                    | Ward 1                             | mgardner@riversideca.gov      |       |      |
| Andy Melendrez                                  | Ward 2                             | asmelendrez@riversideca.gov   |       |      |
| Mike Soubirous                                  | Ward 3                             | msoubirous@riversideca.gov    |       |      |
| Chuck Conder                                    | Ward 4                             | cconder@riversideca.gov       |       |      |
| Chris Mac Arthur                                | Ward 5                             | cmacarthur@riversideca.gov    |       |      |
| Jim Perry                                       | Ward 6                             | jperry@riversideca.gov        |       |      |
| John Burnard                                    | Ward 7                             | jburnard@riversideca.gov      |       |      |
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| Michael Roberts                                 | City of Riverside staff            | MDRoberts@rivesideca.gov      |       |      |
| <b>County of Riverside</b>                      |                                    |                               |       |      |
| Kevin Jeffries (Director, LESJWA Board)         | Supervisor, 1st District           | district1@rcbos.org           |       |      |
| Chuck Washington                                | Supervisor, 3rd District, Chairman | district3@rcbos.org           |       |      |
| John Tavaglione                                 | Supervisor, 2nd District           | District2@rcbos.org           |       |      |
| V. Manuel Perez                                 | Supervisor, 4th District           | District4@rcbos.org           |       |      |
| Marion Ashley (Alt. Director, LESJWA Bd)        | Supervisor, 5th District           | District5@rcbos.org           |       |      |
| George Johnson                                  | Deputy County Executive Officer    | ceo@rceo.org                  |       |      |
| Scott Bruckner                                  | Senior Management Analyst          | SBruckner@rceo.org            |       |      |
| <b>Elsinore Valley Municipal Water District</b> |                                    |                               |       |      |
| Nancy Horton                                    | Director                           | nhorton@evmwd.net             |       |      |
| Phil Williams (Director, LESJWA Board)          | Treasurer                          | pwilliams@evmwd.net           |       |      |
| Andy Morris                                     | Vice President                     | amorris@evmwd.net             |       |      |
| George Cambero                                  | Director                           | gcambero@evmwd.net            |       |      |
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| Jesus Gastelum                                  | EVMWD staff                        | igastelum@evmwd.net           |       |      |
| Margie Armstrong                                | EVMWD staff                        | margie@evmwd.net              |       |      |
| Sudhir Mohleji                                  | EVMWD staff                        | smohleji@evmwd.net            |       |      |

| Name  | Position                           | Email  | NOTES | RSVP |
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| <b>SAWPA Commission</b>   |                                    |  |       |      |
| Brenda Dennstedt (Director, LESJWA Bd)                          | Alternate Commissioner             | <a href="mailto:BDennstedt@wmwd.com">BDennstedt@wmwd.com</a>                   |       |      |
| Phil Anthony  | Commissioner                       | <a href="mailto:panthony@ocwd.com">panthony@ocwd.com</a>                       |       |      |
| Ron Sullivan  | Vice Chair                         | <a href="mailto:Rsullivan888@verizon.net">Rsullivan888@verizon.net</a>         |       |      |
| Gil Navarro   | Alternate Commissioner             | <a href="mailto:gil4education@yahoo.com">gil4education@yahoo.com</a>           |       |      |
| David Slawson   | Alternate Commissioner             | <a href="mailto:slawson@wai-eng.com">slawson@wai-eng.com</a>                   |       |      |
| Kati Parker   | Alternate Commissioner             | <a href="mailto:katiandcraig@verizon.net">katiandcraig@verizon.net</a>         |       |      |
| Bruce Whitaker  | Alternate Commissioner             | <a href="mailto:bwwhitaker@live.com">bwwhitaker@live.com</a>                   |       |      |
| Jasmin Hall   | Secretary Treasurer                | <a href="mailto:jhall@ieua.org">jhall@ieua.org</a>                             |       |      |
| Susan Longville   | Chair                              | <a href="mailto:susanl@sbvmwd.com">susanl@sbvmwd.com</a>                       |       |      |
| Tom Evans   | Commissioner                       | <a href="mailto:evanswmwd@gmail.com">evanswmwd@gmail.com</a>                   |       |      |
| Rich Haller   | General Manager                    | <a href="mailto:rhaller@sawpa.org">rhaller@sawpa.org</a>                       |       |      |
| <b>*LESJWA Key Staff</b>  |                                    |  |       |      |
| Mark Norton   | LESJWA Authority Administrator     | <a href="mailto:mnorton@sawpa.org">mnorton@sawpa.org</a>                       |       |      |
| Karen Williams  | LESJWA Finance Officer             | <a href="mailto:kwilliams@sawpa.org">kwilliams@sawpa.org</a>                   |       |      |
| Dawna Munson  | LESJWA Board Secretary             | <a href="mailto:dmunson@sawpa.org">dmunson@sawpa.org</a>                       |       |      |
| Rick Whetsel  | TMDL Task Force Project Manager    | <a href="mailto:rwhetsel@sawpa.org">rwhetsel@sawpa.org</a>                     |       |      |
| <b>*LESJWA Board Member Support Staff</b>                       |                                    |  |       |      |
| Jeff Greene   | Chief of Staff, Supv Jeffries      | <a href="mailto:jtgroene@rcbos.org">jtgroene@rcbos.org</a>                     |       |      |
| Susie Evans   | EVMWD Administrative Assistant     | <a href="mailto:sevens@evmwd.net">sevens@evmwd.net</a>                         |       |      |
| Aaron Palmer  | City Manager                       | <a href="mailto:apalmer@cityofcanyonlake.com">apalmer@cityofcanyonlake.com</a> |       |      |
| Terese Quintanar  | EVMWD Board Secretary              | <a href="mailto:terese@evmwd.net">terese@evmwd.net</a>                         |       |      |
| Kristen Huyck   | Executive Assistant, Supv Jeffries | <a href="mailto:KHuyck@RCBOS.org">KHuyck@RCBOS.org</a>                         |       |      |
| Susan M. Domen, MMC   | City Clerk, Lake Elsinore          | <a href="mailto:sdomen@lake-elsinore.org">sdomen@lake-elsinore.org</a>         |       |      |
| Bonnie Woodrome   | Community Affairs Supervisor       | <a href="mailto:bwoodrome@evmwd.net">bwoodrome@evmwd.net</a>                   |       |      |
| Nicole Dailey   | Senior Management Analyst          | <a href="mailto:ndailey@Lake-Elsinore.org">ndailey@Lake-Elsinore.org</a>       |       |      |
| <b>Lake Elsinore School District Board</b>                      |                                    |  |       |      |
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| Juan Saucedo  | President                          | <a href="mailto:Juan.Saucedo@leusd.k12.ca.us">Juan.Saucedo@leusd.k12.ca.us</a> |       |      |
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| <b>Western Riverside County Regional Conservation Authority</b> |                                    |  |       |      |
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| Julio Martinez  | Board Member, City of Beaumont     | <a href="mailto:jmartinez@beaumontca.us">jmartinez@beaumontca.us</a>           |       |      |
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| Name   | Position  | Email                           | NOTES | RSVP |
|--|---|---------------------------------|-------|------|
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| Michael Perciful                                 | Board Member, City of Hemet                                   | mperciful@cityofhemet.org       |       |      |
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| Crystal Ruiz                                     | Board Member, City of San Jacinto                             | cruiz@sanjacintoca.us           |       |      |
| Maryann Edwards                                  | Board Member, City of Temecula                                | maryann.edwards@citycouncil.org |       |      |
| Timothy Walker                                   | Board Member, City of Wildomar                                | twalker@cityofwildomar.org      |       |      |
| Kevin Jeffries                                   | Board Member, County of Riverside                             | district1@rcbos.org             |       |      |
| Chuck Washington                                 | Board Member, County of Riverside                             | district3@rcbos.org             |       |      |
| John Tavaglione                                  | Chair County of Riverside Second District Supervisor          | District2@rcbos.org             |       |      |
| Marion Ashley                                    | Chair, County of Riverside                                    | district5@rcbos.org             |       |      |
| Jonathan Ingram                                  | Vice Chairperson, Board Member, City of Murrieta              | jingram@murrieta.org            |       |      |
| Charles Landry                                   | Executive Director  | clandry@wrcra.org               |       |      |
| <b>US Army Corps of Engineers</b>                |   |                                 |       |      |
| Eileen Takata                                    | Watershed Program Manager                                     | Eileen.k.takata@usace.army.mil  |       |      |
| <b>City of Lake Elsinore Planning Commission</b> |   |                                 |       |      |
| Rendell Klaarenbeek                              | Commissioner  | rklaarenbeek@lake-elsinore.org  |       |      |
| Michael Carroll                                  | Commissioner  | mcarroll@lake-elsinore.org      |       |      |
| Adam Armit                                       | Commissioner  | aarmit@lake-elsinore.org        |       |      |
| Myles Ross                                       | Vice Chairman   | mross@lake-elsinore.org         |       |      |
| John Gray  | Chairman  | jgray@lake-elsinore.org         |       |      |
| Kim Joseph Cousins, President                    | Lake Elsinore Chamber of Commerce                             | kim@lakeelsinorechamber.com     |       |      |
| Mark Piascik, Commander                          | LEMSAR  | mpiascik@verizon.net            |       |      |
| <b>Other Key TMDL Participants</b>               |   |                                 |       |      |
| Ken Thiesen                                      | Regional Water Quality Control Board                          | Ken.Theisen@waterboards.ca.gov  |       |      |
| Mark Smythe                                      | Chief of Basin Planning, Regional Water Quality Control Board | msmythe@waterboards.ca.gov      |       |      |
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| Pat Boldt  | Western Riverside County Agr Coalition                        | mpboldt@aol.com                 |       |      |

| Name   | Position   | Email  | NOTES | RSVP |
|--|--|--|-------|------|
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| Jamie Richards   | Dmas Inc. - consultant                                   | <a href="mailto:jrichards@dmxinc.com">jrichards@dmxinc.com</a>                         |       |      |
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| <b>Western Riverside County Agricultural Coalition</b> |  |  |       |      |
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| Brad Scott   | Treasurer  | <a href="mailto:brad@sbd farms.com">brad@sbd farms.com</a>                             |       |      |
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| David McElroy  | Board Member   | <a href="mailto:dmcelroy@mwdh2o.com">dmcelroy@mwdh2o.com</a>                           |       |      |
| <b>Soboba Band of Luiseno Indians</b>                  |  |  |       |      |
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| <b>Inland Empire Waterkeeper</b>                       |  |  |       |      |
| Megan Brousseau  | Associate Director                                       | <a href="mailto:megan@iewaterkeeper.org">megan@iewaterkeeper.org</a>                   |       |      |

| Name                                     | Position   | Email                            | NOTES | RSVP |
|--|--|----------------------------------|-------|------|
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| <b>Department of Fish &amp; Wildlife</b> |  |                                  |       |      |
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| Mike Giusti                              |  | Mike.Giusti@wildlife.ca.gov      |       |      |
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| Senator Jeff Stone                       | District 28  | brittney.garcin@sen.ca.gov       |       |      |
| <b>State Assembly</b>                    |  |                                  |       |      |
| Assemblyman Jose Medina                  | District 61  | karin.means@asm.ca.gov           |       |      |
| Assemblywoman Melissa Melendez           | District 67  | donda.scholl@asm.ca.gov          |       |      |