

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

PURSUANT TO THE PROVISIONS OF AB 361, THIS MEETING WILL BE CONDUCTED VIRTUALLY WITH THE OPPORTUNITY FOR PUBLIC COMMENT. ALL VOTES TAKEN WILL BE CONDUCTED BY ORAL ROLL CALL.

This meeting will be accessible as follows:

Meeting Access Via Computer (Zoom)*:	
• https://sawpa.zoom.us/j/85488666140?pwd=LytYVjZXWURzdVhTM0FXMEx0cmtRZz09	
Meeting Access Via Telephone*: 1 (669) 900-6833	
• Meeting ID: 854 8866 6140	• Meeting Password: 213613
* Participation in the meeting via the Zoom app (a free download) is strongly encouraged	

LESJWA BOARD OF DIRECTORS REGULAR MEETING THURSDAY, FEBRUARY 17, 2022 – 4:00 P.M.

AGENDA

1. CALL TO ORDER (Phil Williams, Chair)

2. ROLL CALL

3. PUBLIC COMMENTS

Members of the public may address the Board on items within the jurisdiction of the Board; however, no action may be taken on an item not appearing on the agenda unless the action is otherwise authorized by Government Code §54954.2(b).

4. ITEMS TO BE ADDED OR DELETED

Pursuant to Government Code §54954.2(b), items may be added on which there is a need to take immediate action and the need for action came to the attention of Lake Elsinore & San Jacinto Watersheds Authority subsequent to the posting of the agenda.

5. CONSENT CALENDAR

All matters listed on the Consent Calendar are considered routine and non-controversial and will be acted upon by the Board by one motion as listed below.

- A. APPROVAL OF MEETING MINUTES: OCTOBER 21, 2021 5**
Recommendation: Approve as posted.
- B. TREASURER'S REPORT – AUGUST 2021 - DECEMBER 2021 11**
Recommendation: Approve as posted.
- C. TMDL TASK FORCE REPORT: SEPTEMBER 28, 2021 | NOVEMBER 3, 2021 | JANUARY 10, 2022 51**
Recommendation: Approve as posted.
- D. EDUCATION AND OUTREACH COMMITTEE STATUS REPORT: JAN 31, 2022 63**
Recommendation: Approve as posted.

E. [RESOLUTION FOR IMPLEMENTATION OF AB 361 \(LES#2022.01\)](#)..... 73

Presenter: Mark Norton

Recommendation: Adoption of Resolution No. LES2022-01 Proclaiming A State of Emergency Persists, Re-Ratifying the Proclamation of a State of Emergency by Governor Gavin Newsom, and Re-Authorizing Remote Teleconference Meetings of all Board of Director meetings of the Lake Elsinore and San Jacinto Watersheds Authority for the period of February 17, 2022 to March 17, 2022 pursuant to Brown Act Provisions.

6. **NEW BUSINESS**

A. [ELECTION OF OFFICERS \(LES#2022.02\)](#) 81

Presenter: Mark Norton

Recommendation: Nominate and approve the officers of the LESJWA Board for a two-year term through December 31, 2023.

B. [REPORT ON AUDIT FOR FISCAL YEAR ENDING JUNE 30, 2020 \(LES#2022.03\)](#) 83

Presenter: Karen Williams

Recommendation: Receive and file the FY 2020-21 Report on Audit prepared by Teaman, Ramirez & Smith, Inc., and direct staff to file the Report on Audit with respective government agencies as required by law.

C. [CANYON LAKE ALUM DOSING AGREEMENT AND TASK ORDER \(LES#2022.04\)](#)..... 137

Presenter: Mark Norton

Recommendation: Approve the Agreement for Services and Task Order No. AQUA160-04 with AquaTechnex, LLC for an amount not-to-exceed \$689,800 for three continuous years of up to two semi-annual alum dosing in Canyon Lake with the option to extend two additional years.

D. [SANTA ANA RIVER WATERSHED WEATHER MODIFICATION PILOT PROGRAM FUNDING \(LES#2022.05\)](#)..... 169

Presenter: Mark Norton

Recommendation: Authorize a commitment of \$10,000 from LESJWA to SAWPA to help fund the Santa Ana River Watershed Weather Modification Pilot Program.

7. **INFORMATION REPORTS**

A. [GRANT FUNDING OPPORTUNITIES \(LES#2022.06\)](#)..... 191

Presenter: Mark Norton

Recommendation: Receive and file status report regarding funding opportunities in support of LESJWA and the LE/CL TMDL Task Force.

B. [2022 LESJWA Water Summit \(LES#2022.07\)](#)..... 193

Presenter: Mark Norton

Recommendation: Receive and file status report about the 2022 LESJWA Water Summit scheduled for Wednesday, April 27, 2022.

C. [LAKE ELSINORE & CANYON LAKE NUTRIENT TMDL TASK FORCE UPDATE \(LES#2022.08\)](#)..... 195

Presenter: Mark Norton

Recommendation: Receive and file status report regarding the Lake Elsinore and Canyon Lake Nutrient TMDL Revision Report and the Lake Elsinore and Canyon Lake TMDL Task Force activities.

D. ADMINISTRATOR'S COMMENTS

E. DIRECTORS' COMMENTS

F. FUTURE AGENDA ITEMS REQUESTS

8. CLOSED SESSION

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

9. ADJOURNMENT

PLEASE NOTE:

Americans with Disabilities Act: If you require any special disability related accommodations to participate in this meeting, call (951) 354-4220 or email zramirez@sawpa.org. 48-hour notification prior to the meeting will enable staff to make reasonable arrangements to ensure accessibility for this meeting. Requests should specify the nature of the disability and the type of accommodation requested.

Materials related to an item on this agenda submitted to the Board of Directors after distribution of the agenda packet are available for public inspection during normal business hours at the LESJWA's office, 11615 Sterling Avenue, Riverside, and available at www.mywatersheds.com, subject to staff's ability to post documents prior to the meeting.

Declaration of Posting

I, Zyanya Ramirez, Clerk of the Board of the Lake Elsinore and San Jacinto Watersheds Authority declare that on February 8, 2022, a copy of this agenda has been uploaded to the LESJWA website at www.mywatersheds.com and posted at LESJWA's office, 11615 Sterling Avenue, Riverside, California.

2022 - LESJWA Board of Directors Regular Meetings

Third Thursday of Every Other Month

(NOTE: Unless otherwise noticed, all LESJWA Board of Directors Meetings begin at 4:00 p.m.)

February 17, 2022	April 21, 2022
June 16, 2022	August 18, 2022
October 20, 2022	December 15, 2022

Page Intentionally Blank

LAKE ELSINORE & SAN JACINTO WATERSHEDS AUTHORITY
BOARD OF DIRECTORS MEETING
REGULAR MEETING MINUTES
October 21, 2021

BOARD OF DIRECTORS PRESENT

Phil Williams, Chair, Elsinore Valley Municipal Water District
Dale Welty, Vice Chair, City of Canyon Lake
Brenda Dennstedt, Santa Ana Watershed Project Authority
Kevin Jeffries, County of Riverside

BOARD OF DIRECTORS ABSENT

Robert Magee, Secretary/Treasurer, City of Lake Elsinore

OTHERS PRESENT

T. Milford Harrison, SAWPA Commissioner
Greg Morrison, Elsinore Valley Municipal Water District
Ganesh Krishnamurthy, Elsinore Valley Municipal Water District
Margie Armstrong, Elsinore Valley Municipal Water District
Parag Kalaria, Elsinore Valley Municipal Water District
Nicole Dailey, City of Riverside
Liselle DeGrave, DeGrave Communications
Greg Kahlen, The Kahlen Group

LESJWA STAFF

Mark Norton, Karen Williams, Rick Whetsel, Sara Villa, Zyanya Ramirez

1. CALL TO ORDER

The Regular Board of Directors meeting of the Lake Elsinore & San Jacinto Watersheds Authority (LESJWA) was called to order at 4:01 p.m. by Chair Williams on behalf of the Lake Elsinore & San Jacinto Watersheds Authority, 11615 Sterling Avenue, Riverside, California. The record will reflect this meeting was conducted virtually.

Pursuant to the provisions of AB 361, this meeting was conducted virtually, and all votes were taken by oral roll call.

2. ROLL CALL

An oral roll call was duly noted and recorded by the Clerk of the Board.

3. PUBLIC COMMENTS

There were no public comments; there were no public comments received via email.

4. ITEMS TO BE ADDED OR DELETED

There were no added or deleted items.

5. CONSENT CALENDAR

A. APPROVAL OF MEETING MINUTES: JUNE 17, 2021

Recommendation: Approve as posted.

B. TREASURER'S REPORT: MAY 2021 | JUNE 2021 | JULY 2021

Recommendation: Approve as posted.

C. TMDL TASK FORCE REPORT: MAY 17, 2021 | JUNE 23, 2021 | AUGUST 30, 2021

Recommendation: Approve as posted.

MOVED, approve the Consent Calendar as posted.

Result: **Adopted by Roll Call Vote**
Motion/Second: Dennstedt/Welty
Ayes: Dennstedt, Jeffries, Williams, Welty
Nays: None
Abstentions: None
Absent: Magee

6. NEW BUSINESS

A. RESOLUTION FOR IMPLEMENTATION OF AB 361 (LES#2021.15)

Mark Norton provided an oral presentation on the Implementation of AB 361. A Resolution must be executed every 30 days under AB 361 for initial and subsequent findings under AB 361 in order to continue to utilize the relaxed teleconferencing requirements for board meetings subject to the Brown Act. AB 361 applies only to a state-declared state of emergency and not to a locally declared emergency. There was no discussion.

MOVED, Adoption of Resolution No. LES2021-01 Proclaiming A State of Emergency Persists, Ratifying the Proclamation of a State of Emergency by Governor Gavin Newsom, and Authorizing Remote Teleconference Meetings of all Board of Directors meetings of the Lake Elsinore and San Jacinto Watersheds Authority for the period of October 21, 2021 to November 20, 2021 pursuant to Brown Act Provisions.

Result: **Adopted by Roll Call Vote**
Motion/Second: Dennstedt/Welty
Ayes: Dennstedt, Jeffries, Williams, Welty
Nays: None
Abstentions: None
Absent: Magee

B. FY 2021-22 TECHNICAL SUPPORT TO LAKE ELSINORE/CANYON LAKE (LECL) NUTRIENT TMDL TASK FORCE (LES#2021.16)

Mark Norton provided an oral report noting memorandum LES#2021.16 which summarizes the recommended Task Order with CDM Smith to provides further support for the LECL TMDL Task Force in the process to update and revise the technical document and additional technical support services to the Task Force.

In 2015 the LE/CL Task Force petitioned the Santa Ana Regional Water Quality Control Board (Regional Board) to reopen and revise the Nutrient TMDLs based on the wealth of new information developed over the last 10 years. Due to internal delays by Regional Board staff and staff turnover, the Basin Plan Amendment process has taken far more time than originally anticipated and further justification of the new TMDL for new Regional Board staff will be needed.

Mr. Norton noted that work with CDM Smith is in conjunction with Tess Dunham, Kahn, Soares & Conway, LLP and LE/CL Task Force regulatory advisor. They're currently working on an implementation strategy. He added that CDM Smith did provide a much larger cost assessment to revise the TMDL document to reflect the latest modeling requirements set by the Regional Board. As an initial phase of the larger work effort, the LECL Task Force approved the use of \$30,000 towards CDM Smith's efforts.

MOVED, Authorize Task Order No. CDM160-05 with CDM Smith, Inc. for an amount not-to-exceed \$30,000.00 to further support the LE&CL TMDL process to update and revise the technical document and provide technical support services to the Lake Elsinore/Canyon Lake (LECL) Nutrient TMDL Task Force through February 2022.

Result: **Adopted by Roll Call Vote**
Motion/Second: Jeffries/Dennstedt
Ayes: Dennstedt, Jeffries, Williams, Welty
Nays: None
Abstentions: None
Absent: Magee

C. CANYON LAKE ALUM APPLICATION REQUEST FOR PROPOSALS
(LES#2021.17)

Mark Norton provided an oral report noting memorandum LES#2021.17 on pages 67-80 of the agenda packet. There has been fifteen semi-annual alum application to Canyon Lake dating from September 2013 through October 2021. The alum application has been successful in achieving compliance in a cost-effective manner.

Aquatechnex, Inc. has provided great alum treatment services for LESJWA in the last five years. Their contract ends December 2021. To ensure that LESJWA conducts a fair, open, and competitive procurement process for outside consulting services, a new request for proposals for future alum applications should be issued.

Director Dale Welty praised the visual results of the alum application at Canyon Lake and informed the Board that as a resident of Canyon Lake the community is very pleased.

MOVED, authorize staff to issue a Request for Proposals for multi-year alum applications for Canyon Lake.

Result: **Adopted by Roll Call Vote**
Motion/Second: Welty/Jeffries
Ayes: Dennstedt, Jeffries, Williams, Welty
Nays: None
Abstentions: None
Absent: Magee

7. INFORMATION REPORTS

A. FUTURE FUNDING OPPORTUNITIES (LES#2021.18)

Mark Norton provided an oral presentation on future funding opportunities for LESJWA.

Urban and Multibenefit Drought Relief Program (Still in draft form)

This program is administered by the California Department of Water Resources. Approximately \$190M will be available statewide for projects that address drought needs but also “fish and wildlife rescue, protection, and relocation.” This grant funding will not require any local match, but it is encouraged.

Mr. Norton noted that the operators of the Lake Elsinore Aeration and Mixing System (LEAMS) project recognize that upgrades to the aging system are needed. With recent studies showing the success of oxygen injection in the restoration of lakes and its wildlife, LESJWA staff will work with LEAMS operators and the LE/CL TMDL task force to submit a grant application for improvements.

Another entry could be the Physical Harvesting of Algal Biomass in Lake Elsinore – Pilot Project. This project proposes using floating barge system to harvest lake algae for biofuels, soil amendments or disposal for composting or for biofuel development. The project was deemed to be a cost-effective means to remove nutrients contained within the algae that often die off, sink to the lake bottom, and then resuspend nutrients back into the water column further exacerbating the algae growth.

Proposition 1 Integrated Regional Water Management Round 1 Grant program

This program is administered through the Santa Ana Watershed Project Authority. This program will require a 50% match. This round of funding is available to the upper Santa Ana River Watershed including the San Jacinto River Watershed totals \$18.5 million. A Call for Projects is expected to be released November 2021 through February 2022.

This item was for informational and discussion purposes; no action was taken on Agenda Item No. 7.A.

B. LAKE ELSINORE ADVANCED PUMPED STORAGE PROJECT (LEAPS)
(LES#2021.19)

Mark Norton provided an oral update on the Lake Elsinore Advanced Pumped Storage Project (LEAPS). Nevada Hydro filed a license application with the Federal Energy Regulatory Commission (FERC) and was accepted in July 2019. The Project is a proposed energy generation and storage project.

In recent discussions with the State Water Board project manager, it was reported that Federal Energy Regulatory Commission (FERC) has not yet issued their Notice of Ready for Environmental Analysis. Further, Nevada Hydro still has not finalized a contract that allows their environmental consultant to move forward with the CEQA required work. Therefore, the State Water Board doesn't have an estimated timeline for the release of the draft EIR and have no hearings are scheduled at this time.

Greg Kahlen, Technical Director at The Kahlen Group, discussed the availability of a Permitting online dashboard that tracks Federal infrastructure projects. This dashboard was designed as a tool for the Fixing America's Surface Transportation Act, Title 41 (FAST-41). The following link will provide more information on the LEAPS project: <https://www.permits.performance.gov/permitting-project/lake-elsinore-advanced-pumped-storage-project>

This item was for informational and discussion purposes; no action was taken on Agenda Item No. 7.B.

C. LAKE ELSINORE & CANYON LAKE NUTRIENT TMDL TASK FORCE UPDATE
(LES#2021.20)

Mark Norton provided an oral status update on the Lake Elsinore and Canyon Lake (LE/CL) Nutrient TMDL Task Force.

This item was for informational and discussion purposes; no action was taken on Agenda Item No. 7.C.

D. ADMINISTRATOR'S COMMENTS

Mark Norton introduced the new LESJWA Clerk of the Board, Zyanya Ramirez and noted that Sara Villa took on the role of SAWPA Clerk of the Board.

E. DIRECTORS' COMMENTS

There were no comments from the Directors.

F. FUTURE AGENDA ITEMS REQUESTS

There were no future agenda items requests.

8. CLOSED SESSION

There was no Closed Session.

9. ADJOURNMENT

There being no further business for review, Chair Williams adjourned the meeting at 5:15 p.m.

Approved at a Regular Meeting of the Lake Elsinore & San Jacinto Watersheds Authority Board of Directors Meeting on Thursday, February 17, 2022.

Phil Williams, Chair

Attest:

Zyanya Ramirez, Clerk of the Board

Page Intentionally Blank

Lake Elsinore and San Jacinto Watersheds Authority

FINANCIAL STATEMENTS

August 2021

LAKE ELSINORE & SAN JACINTO WATERSHEDS AUTHORITY
CASH FLOW STATEMENT
AS OF 8/31/2021

Balance as of 07/31/2021 \$ 332,989.12

Funds Received

Deposits:

City of Murietta	\$32,988.00
City of Wildomar	\$25,060.00
EMWD	\$25,570.00
City of Lake Elsinore	\$20,000.00
EVMWD	\$20,000.00
City of Lake Elsinore	\$31,795.00
City of San Jacinto	\$27,970.00
SAWPA	\$10,000.00
March JPA	\$32,968.00
EVMWD	\$26,946.00
RCFC	\$20,000.00
March ARB	\$33,216.00
City of Beaumont	\$27,070.00
City of Canyon Lake	\$34,393.00
County of Riverside	\$83,361.00

Open - Grant Invoices

Open - Member & Other Contributions

Caltrans	\$32,757.00
City of Hemet	\$42,139.00
City of Meniffee	\$82,180.00
City of Moreno Valley	\$63,927.00
City of Perris	\$40,792.00
City of Riverside	\$27,070.00
Dept of Fish & Wildlife	\$25,570.00
WRCAC	\$16,565.00
San Jacinto Dairy & CAFO	\$1,500.00
Total Due LESJWA	\$332,500.00

Disbursement List - August 2021 \$ (56,598.24)

Funds Available as of 8/31/2021 \$ 727,727.88

Funds Available:

Checking	\$ 111,154.10
LAIF	\$ 616,573.78
Total	\$ 727,727.88

Lake Elsinore San Jacinto Watersheds Authority
LE/CL TMDL Invoice History
FYE 2011 - 2022
as of August 31, 2021

Agency	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
March ARB	13,050.00	12,500.00	35,226.00	25,176.00	38,321.00	29,864.00	27,890.00	32,863.00	36,460.00	33,216.00
CalTrans	13,050.00	12,500.00	28,656.00	26,072.00	40,421.00	31,964.00	29,996.00	34,286.00	37,651.00	32,757.00
City of Beaumont	1,865.00	19,263.00	24,280.00	26,866.00	37,421.00	28,128.00	14,160.00	28,251.00	28,935.00	27,070.00
City of Canyon Lake	644.00	18,389.00	34,863.00	24,142.00	42,521.00	33,586.00	28,780.00	33,754.00	37,787.00	34,393.00
City of Hemet	6,286.00	18,175.00	25,510.00	27,958.00	54,278.00	36,426.00	29,084.00	41,830.00	46,261.00	42,139.00
City of Lake Elsinore	-	19,381.00	30,580.00	32,463.00	37,421.00	22,330.00	28,521.00	33,361.00	34,071.00	31,795.00
City of Menifee	23,649.00	44,155.00	55,821.00	23,584.00	100,499.00	100,906.00	112,252.00	86,846.00	92,189.00	82,180.00
City of Moreno Valley	15,425.00	103,565.00	113,058.00	17,750.00	96,414.00	74,122.00	144,495.00	80,826.00	83,847.00	63,927.00
City of Murrieta	-	12,426.00	24,280.00	26,866.00	38,321.00	31,337.00	22,796.00	30,774.00	34,433.00	32,988.00
City of Perris	5,752.00	18,869.00	26,739.00	29,050.00	59,821.00	50,374.00	66,775.00	50,792.00	54,723.00	40,792.00
City of Riverside	1,575.00	17,641.00	24,280.00	26,866.00	38,921.00	30,293.00	24,896.00	26,751.00	28,635.00	27,070.00
City of San Jacinto	4,315.00	19,487.00	24,280.00	26,866.00	37,721.00	23,290.00	27,296.00	26,751.00	27,435.00	27,970.00
City of Wildomar	4,461.00	8,307.00	19,528.00	26,460.00	41,642.00	28,841.00	21,872.00	31,578.00	30,945.00	25,060.00
County of Riverside	-	30,165.00	36,469.00	30,362.00	68,931.00	69,034.00	76,601.00	81,634.00	88,734.00	83,361.00
Dept of Fish and Game	13,050.00	12,500.00	18,435.00	28,840.00	35,121.00	22,857.00	16,818.00	26,751.00	27,435.00	25,570.00
Eastern Municipal Water District	13,050.00	12,500.00	16,225.00	23,525.00	27,789.00	15,724.00	16,222.00	23,496.00	26,935.00	25,570.00
Elsinore Valley Municipal Water District	-	12,500.00	16,225.00	23,525.00	30,361.00	18,327.00	12,626.00	24,934.00	29,881.00	26,946.00
March JPA	13,050.00	12,500.00	24,485.00	27,160.00	38,921.00	30,464.00	24,596.00	31,006.00	34,412.00	32,968.00
San Jacinto Agricultural Operators	28,278.00	12,500.00	47,549.00	23,530.58	45,785.00	31,391.00	37,999.65	38,927.00	27,767.00	16,565.00
San Jacinto Dairy & CAFO Operators	10,211.00	12,500.00	16,225.00	-	-	-	2,700.00	2,850.00	-	1,500.00
Total	167,711.00	429,823.00	642,714.00	497,061.58	910,630.00	709,258.00	766,375.65	768,261.00	808,536.00	713,837.00
Total Paid Contributions	167,711.00	429,823.00	642,714.00	497,061.58	910,630.00	709,258.00	766,375.65	768,261.00	808,536.00	381,337.00
Total Outstanding Contributions	-	-	-	-	-	-	-	-	-	332,500.00

Total Outstanding Contributions

March ARB	-	-
Caltrans	-	32,757.00
City of Beaumont	-	-
City of Canyon Lake	-	-
City of Hemet	-	42,139.00
City of Lake Elsinore	-	-
City of Menifee	-	82,180.00
City of Moreno Valley	-	63,927.00
City of Murrieta	-	-
City of Perris	-	40,792.00
City of Riverside	-	27,070.00
City of San Jacinto	-	-
City of Wildomar	-	-
County of Riverside	-	-
Dept. of Fish and Game	-	25,570.00
Eastern Municipal Water District	-	-
Elsinore Valley Municipal Water District	-	-
March JPA	-	-
San Jacinto Agricultural Operators	-	16,565.00
San Jacinto Dairy & CAFO Operators	-	1,500.00
Total Outstanding All Years	-	332,500.00

Lake Elsinore/San Jacinto Watershed Authority
Statement of Net Assets
For the Two Months Ending Tuesday, August 31, 2021

Assets

Checking - US Bank	\$111,154.10
L.A.I.F.	616,573.78
Accounts Receivable	332,500.00
Prepaid Insurance	2,536.00
Total Assets	<u>\$1,062,763.88</u>

Liabilities

Accounts Payable	<u>73,571.23</u>
Total Liabilities	<u>\$73,571.23</u>

Retained Earnings	197,923.74
-------------------	------------

Excess Revenue over (under) Expenditures	<u>\$791,268.91</u>
--	---------------------

Total Net Assets	<u>\$989,192.65</u>
------------------	---------------------

Total Liabilities and Net Assets	<u>\$1,062,763.88</u>
----------------------------------	-----------------------

Lake Elsinore/San Jacinto Watershed Authority
Revenues, Expenses and Changes in Net Assets
For the Two Months Ending Tuesday, August 31, 2021

	Period Actual	YTD Actual	Annual Budget	% Used	Budget Variance
Revenues					
LAIF Interest	\$0.00	\$0.00	\$2,200.00	0.00%	\$2,200.00
Member Agency Contributions	0.00	286,495.00	288,445.00	99.32%	1,950.00
Other Agency Contributions	0.00	537,342.00	540,257.00	99.46%	2,915.00
Total Revenues	\$0.00	\$823,837.00	\$830,902.00	99.15%	\$7,065.00
Expenses					
Salaries - Regular	5,420.72	8,574.38	62,314.00	13.76%	53,739.62
Payroll Burden	2,146.60	3,395.45	24,676.00	13.76%	21,280.55
Overhead	8,743.62	13,830.47	100,510.00	13.76%	86,679.53
Audit Fees	0.00	0.00	5,000.00	0.00%	5,000.00
Consulting - General	42,253.75	59,499.04	551,252.00	10.79%	491,752.96
LEAMS Offset Credit License	(52,950.00)	(52,950.00)	60,450.00	-87.59%	113,400.00
Legal Fees	0.00	218.75	1,100.00	19.89%	881.25
Bank Charges	0.00	0.00	1,000.00	0.00%	1,000.00
Shipping & Postage	0.00	0.00	50.00	0.00%	50.00
Office Supplies	0.00	0.00	60.00	0.00%	60.00
Other Expense	0.00	0.00	400.00	0.00%	400.00
Insurance Expense	0.00	0.00	3,000.00	0.00%	3,000.00
Interest Expense	0.00	0.00	200.00	0.00%	200.00
Total Expenditures	\$5,614.69	\$32,568.09	\$810,012.00	4.02%	\$777,443.91
Excess Revenue over (under) Expenditures	(\$5,614.69)	\$791,268.91	\$20,890.00	3787.79%	(\$770,378.91)

Lake Elsinore San Jacinto Watersheds Authority
Revenues, Expenses and Changes in Net Assets by Project
For the Month Ending August 31, 2021

	JPA	TMDL				Budget	% Used	Budget
	Administration	Task Force	Total					Variance
Revenues								
LAIF Interest			-		2,200.00	0.00%		2,200.00
Member Agency Contributions	110,000.00	176,495.00	286,495.00		288,445.00	99.32%		1,950.00
Other Agency Contributions		537,342.00	537,342.00		540,257.00	99.46%		2,915.00
Miscellaneous Revenue			-		-	100.00%		-
Total Revenues	\$ 110,000.00	\$ 713,837.00	\$ 823,837.00	\$	830,902.00	99.15%	\$	7,065.00
Expenditures								
Salaries	\$ 3,621.77	\$ 4,952.61	\$ 8,574.38	\$	62,314.00	13.76%	\$	53,739.62
Benefits	1,434.22	1,961.23	3,395.45		24,676.00	13.76%		21,280.55
Indirect Costs	5,841.91	7,988.56	13,830.47		100,510.00	13.76%		86,679.53
Audit Fees			-		5,000.00	0.00%		5,000.00
Consulting	2,856.25	56,642.79	59,499.04		551,252.00	10.79%		491,752.96
Other Contract Services			-		-	0.00%		-
Legal Fees	218.75		218.75		1,100.00	19.89%		881.25
Meeting & Conference Expense			-		-	0.00%		-
Bank Charges			-		1,000.00	0.00%		1,000.00
Shipping & Postage			-		50.00	0.00%		50.00
Other Expense			-		400.00	0.00%		400.00
LEAMS Excess Offset Credit			-		60,450.00	0.00%		60,450.00
Insurance Expense			-		3,000.00	0.00%		3,000.00
Office Supplies			-		60.00	0.00%		60.00
Interest Expense			-		200.00	0.00%		200.00
Total Expenditures	\$ 13,972.90	\$ 71,545.19	\$ 85,518.09	\$	810,012.00	10.56%	\$	724,493.91
Excess Revenue over (under) Expenditures	\$ 96,027.10	\$ 642,291.81	\$ 738,318.91	\$	20,890.00	100.00%	\$	(717,428.91)
Cash Balance @ 8/31/2021	\$ 156,974.87	\$ 570,753.01	\$ 727,727.88					

**Lake Elsinore San Jacinto
Watershed Authority
Disbursements
August 2021**

Check #	Check Date	Type	Vendor	Check Amount
EFT379	8/5/2021	CHK	Law Office of David L. Wysocki	\$ 218.75
EFT380	8/12/2021	CHK	CDM Smith Inc	\$ 12,656.00
EFT381	8/12/2021	CHK	Kahn, Soares & Conway, LLP	\$ 600.00
EFT382	8/19/2021	CHK	Santa Ana Watershed Project Authority	\$ 9,688.82
EFT383	8/19/2021	CHK	DeGrave Communications	\$ 1,638.75
EFT384	8/19/2021	CHK	Wood Environment & Infrastructure	\$ 31,795.92
Total Disbursements August 2021				<u>\$ 56,598.24</u>

Page Intentionally Blank

Lake Elsinore and San Jacinto Watersheds Authority

FINANCIAL STATEMENTS

September 2021

LAKE ELSINORE & SAN JACINTO WATERSHEDS AUTHORITY
CASH FLOW STATEMENT
AS OF 9/30/2021

Balance as of 08/31/2021 **\$ 727,727.88**

Funds Received

Deposits:

City of Meniffee	\$82,180.00
City of Hemet	\$42,139.00
Caltrans	\$32,757.00
City of Riverside	\$27,070.00
Dept of Fish & Wildlife	\$25,570.00
City of Perris	\$40,792.00
City of Moreno Valley	\$63,927.00

Open - Grant Invoices

Open - Member & Other Contributions

WRCAC	\$16,565.00
San Jacinto Dairy & CAFO	\$1,500.00
Total Due LESJWA	\$18,065.00

Disbursement List - September 2021 **\$ (38,422.48)**

Funds Available as of 9/30/2021 **\$ 1,003,740.40**

Funds Available:

Checking	\$ 387,166.62
LAIF	\$ 616,573.78
Total	\$ 1,003,740.40

LE/CL TMDL Invoice History
FYE 2011 - 2022
as of September 30, 2021

[illegible]

Lake Elsinore/San Jacinto Watershed Authority
Statement of Net Assets
For the Three Months Ending Thursday, September 30, 2021

Assets

Checking - US Bank	\$387,166.62
L.A.I.F.	616,573.78
Accounts Receivable	18,065.00
Prepaid Insurance	2,536.00
Total Assets	<u>\$1,024,341.40</u>

Liabilities

Accounts Payable	<u>81,857.02</u>
Total Liabilities	<u>\$81,857.02</u>

Retained Earnings	197,923.74
-------------------	------------

Excess Revenue over (under) Expenditures	<u>\$744,560.64</u>
--	---------------------

Total Net Assets	<u>\$942,484.38</u>
------------------	---------------------

Total Liabilities and Net Assets	<u>\$1,024,341.40</u>
----------------------------------	-----------------------

Lake Elsinore/San Jacinto Watershed Authority
Revenues, Expenses and Changes in Net Assets
For the Three Months Ending Thursday, September 30, 2021

	Period Actual	YTD Actual	Annual Budget	% Used	Budget Variance
Revenues					
LAIF Interest	\$0.00	\$0.00	\$2,200.00	0.00%	\$2,200.00
Member Agency Contributions	0.00	286,495.00	288,445.00	99.32%	1,950.00
Other Agency Contributions	0.00	537,342.00	540,257.00	99.46%	2,915.00
Total Revenues	\$0.00	\$823,837.00	\$830,902.00	99.15%	\$7,065.00
Expenses					
Salaries - Regular	7,175.25	15,749.63	62,314.00	25.27%	46,564.37
Payroll Burden	2,841.40	6,236.85	24,676.00	25.27%	18,439.15
Overhead	11,573.67	25,404.14	100,510.00	25.28%	75,105.86
Audit Fees	0.00	0.00	5,000.00	0.00%	5,000.00
Consulting - General	25,117.95	84,616.99	551,252.00	15.35%	466,635.01
LEAMS Offset Credit License	0.00	(52,950.00)	60,450.00	-87.59%	113,400.00
Legal Fees	0.00	218.75	1,100.00	19.89%	881.25
Bank Charges	0.00	0.00	1,000.00	0.00%	1,000.00
Shipping & Postage	0.00	0.00	50.00	0.00%	50.00
Office Supplies	0.00	0.00	60.00	0.00%	60.00
Other Expense	0.00	0.00	400.00	0.00%	400.00
Insurance Expense	0.00	0.00	3,000.00	0.00%	3,000.00
Interest Expense	0.00	0.00	200.00	0.00%	200.00
Total Expenditures	\$46,708.27	\$79,276.36	\$810,012.00	9.79%	\$730,735.64
Excess Revenue over (under) Expenditures	(\$46,708.27)	\$744,560.64	\$20,890.00	3564.20%	(\$723,670.64)

Lake Elsinore San Jacinto Watersheds Authority
Revenues, Expenses and Changes in Net Assets by Project
For the Month Ending September 30, 2021

	JPA Administration	TMDL Task Force	Total	Budget	% Used	Budget Variance
Revenues						
LAIF Interest			-	2,200.00	0.00%	2,200.00
Member Agency Contributions	110,000.00	176,495.00	286,495.00	288,445.00	99.32%	1,950.00
Other Agency Contributions		537,342.00	537,342.00	540,257.00	99.46%	2,915.00
Miscellaneous Revenue			-	-	100.00%	-
Total Revenues	\$ 110,000.00	\$ 713,837.00	\$ 823,837.00	\$ 830,902.00	99.15%	\$ 7,065.00
Expenditures						
Salaries	\$ 6,287.73	\$ 9,461.90	\$ 15,749.63	\$ 62,314.00	25.27%	\$ 46,564.37
Benefits	2,489.94	3,746.91	6,236.85	24,676.00	25.27%	18,439.15
Indirect Costs	10,142.10	15,262.04	25,404.14	100,510.00	25.28%	75,105.86
Audit Fees			-	5,000.00	0.00%	5,000.00
Consulting	4,233.33	80,383.66	84,616.99	551,252.00	15.35%	466,635.01
Other Contract Services			-	-	0.00%	-
Legal Fees	218.75		218.75	1,100.00	19.89%	881.25
Meeting & Conference Expense			-	-	0.00%	-
Bank Charges			-	1,000.00	0.00%	1,000.00
Shipping & Postage			-	50.00	0.00%	50.00
Other Expense			-	400.00	0.00%	400.00
LEAMS Excess Offset Credit			-	60,450.00	0.00%	60,450.00
Insurance Expense			-	3,000.00	0.00%	3,000.00
Office Supplies			-	60.00	0.00%	60.00
Interest Expense			-	200.00	0.00%	200.00
Total Expenditures	\$ 23,371.85	\$ 108,854.51	\$ 132,226.36	\$ 810,012.00	16.32%	\$ 677,785.64
Excess Revenue over (under) Expenditures	\$ 86,628.15	\$ 604,982.49	\$ 691,610.64	\$ 20,890.00	100.00%	\$ (670,720.64)
Cash Balance @ 9/30/2021	\$ 150,777.63	\$ 852,962.77	\$ 1,003,740.40			

**Lake Elsinore San Jacinto
Watershed Authority
Disbursements
September 2021**

Check #	Check Date	Type	Vendor	Check Amount
EFT385	9/2/2021	CHK	Wood Environment & Infrastructure	\$15,006.54
EFT386	9/16/2021	CHK	Santa Ana Watershed Project Authority	\$16,310.94
EFT387	9/16/2021	CHK	DeGrave Communications	\$1,217.50
EFT388	9/16/2021	CHK	Kahn, Soares & Conway, LLP	\$5,887.50
Total Disbursements September 2021				<u><u>\$38,422.48</u></u>

Page Intentionally Blank

Lake Elsinore and San Jacinto Watersheds Authority

FINANCIAL STATEMENTS

October 2021

LAKE ELSINORE & SAN JACINTO WATERSHEDS AUTHORITY
CASH FLOW STATEMENT
AS OF 10/31/2021

Balance as of 09/30/2021 \$ 1,003,740.40

Funds Received

Deposits:

LAIF Interest \$245.72

Open - Grant Invoices

Open - Member & Other Contributions

WRCAC \$16,565.00

San Jacinto Dairy & CAFO \$1,500.00

Total Due LESJWA \$18,065.00

Disbursement List - October 2021 \$ (184,083.15)

Funds Available as of 10/31/2021 \$ 819,902.97

Funds Available:

Checking \$ 203,083.47

LAIF \$ 616,819.50

Total \$ 819,902.97

LE/CL TMDL Invoice History
FYE 2011 - 2022
as of October 31, 2021

[illegible]

Lake Elsinore/San Jacinto Watershed Authority
Statement of Net Assets
For the Four Months Ending Sunday, October 31, 2021

Assets

Checking - US Bank	\$203,083.47
L.A.I.F.	616,819.50
Accounts Receivable	18,065.00
Prepaid Insurance	2,536.00
Total Assets	<u>\$840,503.97</u>

Liabilities

Accounts Payable	<u>50,963.84</u>
Total Liabilities	<u>\$50,963.84</u>

Retained Earnings	197,923.74
-------------------	------------

Excess Revenue over (under) Expenditures	<u>\$591,616.39</u>
--	---------------------

Total Net Assets	<u>\$789,540.13</u>
------------------	---------------------

Total Liabilities and Net Assets	<u>\$840,503.97</u>
----------------------------------	---------------------

Lake Elsinore/San Jacinto Watershed Authority
Revenues, Expenses and Changes in Net Assets
For the Four Months Ending Sunday, October 31, 2021

	Period Actual	YTD Actual	Annual Budget	% Used	Budget Variance
Revenues					
LAIF Interest	\$245.72	\$245.72	\$2,200.00	11.17%	\$1,954.28
Member Agency Contributions	0.00	286,495.00	288,445.00	99.32%	1,950.00
Other Agency Contributions	0.00	537,342.00	540,257.00	99.46%	2,915.00
Total Revenues	\$245.72	\$824,082.72	\$830,902.00	99.18%	\$6,819.28
Expenses					
Salaries - Regular	7,048.33	22,797.96	62,314.00	36.59%	39,516.04
Payroll Burden	2,791.14	9,027.99	24,676.00	36.59%	15,648.01
Overhead	11,368.96	36,773.10	100,510.00	36.59%	63,736.90
Audit Fees	0.00	0.00	5,000.00	0.00%	5,000.00
Consulting - General	131,709.91	216,326.90	551,252.00	39.24%	334,925.10
LEAMS Offset Credit License	0.00	(52,950.00)	60,450.00	-87.59%	113,400.00
Legal Fees	0.00	218.75	1,100.00	19.89%	881.25
Meeting & Conference Expense	25.00	25.00	0.00	0.00%	(25.00)
Bank Charges	0.00	0.00	1,000.00	0.00%	1,000.00
Shipping & Postage	0.00	0.00	50.00	0.00%	50.00
Office Supplies	0.00	0.00	60.00	0.00%	60.00
Other Expense	225.43	225.43	400.00	56.36%	174.57
Insurance Expense	0.00	0.00	3,000.00	0.00%	3,000.00
Interest Expense	21.20	21.20	200.00	10.60%	178.80
Total Expenditures	\$153,189.97	\$232,466.33	\$810,012.00	28.70%	\$577,545.67
Excess Revenue over (under) Expenditures	(\$152,944.25)	\$591,616.39	\$20,890.00	2832.06%	(\$570,726.39)

Lake Elsinore San Jacinto Watersheds Authority
Revenues, Expenses and Changes in Net Assets by Project
For the Month Ending October 31, 2021

	JPA Administration	TMDL Task Force	Total	Budget	% Used	Budget Variance
Revenues						
LAIF Interest	245.72		245.72	2,200.00	11.17%	1,954.28
Member Agency Contributions	110,000.00	176,495.00	286,495.00	288,445.00	99.32%	1,950.00
Other Agency Contributions		537,342.00	537,342.00	540,257.00	99.46%	2,915.00
Miscellaneous Revenue			-	-	100.00%	-
Total Revenues	\$ 110,245.72	\$ 713,837.00	\$ 824,082.72	\$ 830,902.00	99.18%	\$ 6,819.28
Expenditures						
Salaries	\$ 9,994.26	\$ 12,803.70	\$ 22,797.96	\$ 62,314.00	36.59%	\$ 39,516.04
Benefits	3,957.73	5,070.26	9,027.99	24,676.00	36.59%	15,648.01
Indirect Costs	16,120.73	20,652.37	36,773.10	100,510.00	36.59%	63,736.90
Audit Fees			-	5,000.00	0.00%	5,000.00
Consulting	5,676.24	210,650.66	216,326.90	551,252.00	39.24%	334,925.10
Other Contract Services			-	-	0.00%	-
Legal Fees	218.75		218.75	1,100.00	19.89%	881.25
Meeting & Conference Expense	25.00		25.00	-	0.00%	(25.00)
Bank Charges			-	1,000.00	0.00%	1,000.00
Shipping & Postage			-	50.00	0.00%	50.00
Other Expense	225.43		225.43	400.00	56.36%	174.57
LEAMS Excess Offset Credit			-	60,450.00	0.00%	60,450.00
Insurance Expense			-	3,000.00	0.00%	3,000.00
Office Supplies				60.00	0.00%	60.00
Interest Expense	21.20		21.20	200.00	10.60%	178.80
Total Expenditures	\$ 36,239.34	\$ 249,176.99	\$ 285,416.33	\$ 810,012.00	35.24%	\$ 524,595.67
Excess Revenue over (under) Expenditures	\$ 74,006.38	\$ 464,660.01	\$ 538,666.39	\$ 20,890.00	100.00%	\$ (517,776.39)
 Cash Balance @ 10/31/2021	 \$ 141,624.40	 \$ 678,278.57	 \$ 819,902.97			

**Lake Elsinore San Jacinto
Watershed Authority
Disbursements
October 2021**

Check #	Check Date	Type	Vendor	Check Amount
EFT389	10/7/2021	CHK	Wood Environment & Infrastructure	\$ 35,148.75
EFT390	10/7/2021	CHK	Kahn, Soares & Conway, LLP	\$ 4,400.00
EFT391	10/14/2021	CHK	Santa Ana Watershed Project Authority	\$ 21,590.32
EFT392	10/21/2021	CHK	DeGrave Communications	\$ 1,377.08
EFT393	10/28/2021	CHK	AquaTechnex LLC	\$ 121,567.00
Total Disbursements October 2021				<u>\$ 184,083.15</u>

Page Intentionally Blank

Lake Elsinore and San Jacinto Watersheds Authority

FINANCIAL STATEMENTS

November 2021

LAKE ELSINORE & SAN JACINTO WATERSHEDS AUTHORITY
CASH FLOW STATEMENT
AS OF 11/30/2021

Balance as of 10/31/2021 **\$ 819,902.97**

Funds Received

Deposits:

Open - Grant Invoices

Open - Member & Other Contributions

WRCAC	\$14,382.00
San Jacinto Dairy & CAFO	\$1,500.00
Total Due LESJWA	\$15,882.00

Disbursement List - November 2021 **\$ (50,963.84)**

Funds Available as of 11/30/2021 **\$ 768,939.13**

Funds Available:

Checking	\$ 2,119.63
LAIF	\$ 766,819.50
Total	\$ 768,939.13

LE/CL TMDL Invoice History
FYE 2011 - 2022
as of November 30, 2021

[illegible]

Lake Elsinore/San Jacinto Watershed Authority
Statement of Net Assets
For the Five Months Ending Tuesday, November 30, 2021

Assets

Checking - US Bank	\$2,119.63
L.A.I.F.	766,819.50
Accounts Receivable	15,882.00
Prepaid Insurance	2,536.00
Total Assets	<u>\$787,357.13</u>

Liabilities

Accounts Payable	<u>118,471.38</u>
Total Liabilities	<u>\$118,471.38</u>

Retained Earnings	197,923.74
-------------------	------------

Excess Revenue over (under) Expenditures	<u>\$470,962.01</u>
--	---------------------

Total Net Assets	<u>\$668,885.75</u>
------------------	---------------------

Total Liabilities and Net Assets	<u>\$787,357.13</u>
----------------------------------	---------------------

Lake Elsinore/San Jacinto Watershed Authority
Revenues, Expenses and Changes in Net Assets
For the Five Months Ending Tuesday, November 30, 2021

	Period Actual	YTD Actual	Annual Budget	% Used	Budget Variance
Revenues					
LAIF Interest	\$0.00	\$245.72	\$2,200.00	11.17%	\$1,954.28
Member Agency Contributions	0.00	286,495.00	288,445.00	99.32%	1,950.00
Other Agency Contributions	(2,183.00)	535,159.00	540,257.00	99.06%	5,098.00
Total Revenues	(\$2,183.00)	\$821,899.72	\$830,902.00	98.92%	\$9,002.28
Expenses					
Salaries - Regular	5,209.49	28,007.45	62,314.00	44.95%	34,306.55
Payroll Burden	2,062.96	11,090.95	24,676.00	44.95%	13,585.05
Overhead	8,402.90	45,176.00	100,510.00	44.95%	55,334.00
Audit Fees	0.00	0.00	5,000.00	0.00%	5,000.00
Consulting - General	21,644.43	266,172.93	551,252.00	48.29%	285,079.07
LEAMS Offset Credit License	0.00	0.00	60,450.00	0.00%	60,450.00
Legal Fees	0.00	218.75	1,100.00	19.89%	881.25
Meeting & Conference Expense	0.00	25.00	0.00	0.00%	(25.00)
Bank Charges	0.00	0.00	1,000.00	0.00%	1,000.00
Shipping & Postage	0.00	0.00	50.00	0.00%	50.00
Office Supplies	0.00	0.00	60.00	0.00%	60.00
Other Expense	0.00	225.43	400.00	56.36%	174.57
Insurance Expense	0.00	0.00	3,000.00	0.00%	3,000.00
Interest Expense	0.00	21.20	200.00	10.60%	178.80
Total Expenditures	\$37,319.78	\$350,937.71	\$810,012.00	43.33%	\$459,074.29
Excess Revenue over (under) Expenditures	(\$39,502.78)	\$470,962.01	\$20,890.00	2254.49%	(\$450,072.01)

Lake Elsinore San Jacinto Watersheds Authority
Revenues, Expenses and Changes in Net Assets by Project
For the Month Ending November 30, 2021

	JPA Administration	TMDL Task Force	Total	Budget	% Used	Budget Variance
Revenues						
LAIF Interest	245.72		245.72	2,200.00	11.17%	1,954.28
Member Agency Contributions	110,000.00	176,495.00	286,495.00	288,445.00	99.32%	1,950.00
Other Agency Contributions		535,159.00	535,159.00	540,257.00	99.06%	5,098.00
Miscellaneous Revenue			-	-	100.00%	-
Total Revenues	\$ 110,245.72	\$ 711,654.00	\$ 821,899.72	\$ 830,902.00	98.92%	\$ 9,002.28
Expenditures						
Salaries	\$ 12,359.73	\$ 15,647.72	\$ 28,007.45	\$ 62,314.00	44.95%	\$ 34,306.55
Benefits	4,894.46	6,196.49	11,090.95	24,676.00	44.95%	13,585.05
Indirect Costs	19,936.23	25,239.77	45,176.00	100,510.00	44.95%	55,334.00
Audit Fees			-	5,000.00	0.00%	5,000.00
Consulting	6,631.24	259,541.69	266,172.93	551,252.00	48.29%	285,079.07
Other Contract Services			-	-	0.00%	-
Legal Fees	218.75		218.75	1,100.00	19.89%	881.25
Meeting & Conference Expense	25.00		25.00	-	0.00%	(25.00)
Bank Charges			-	1,000.00	0.00%	1,000.00
Shipping & Postage			-	50.00	0.00%	50.00
Other Expense	225.43		225.43	400.00	56.36%	174.57
LEAMS Excess Offset Credit			-	60,450.00	0.00%	60,450.00
Insurance Expense			-	3,000.00	0.00%	3,000.00
Office Supplies				60.00	0.00%	60.00
Interest Expense	21.20		21.20	200.00	10.60%	178.80
Total Expenditures	\$ 44,312.04	\$ 306,625.67	\$ 350,937.71	\$ 810,012.00	56.67%	\$ 459,074.29
Excess Revenue over (under) Expenditures	\$ 65,933.68	\$ 405,028.33	\$ 470,962.01	\$ 20,890.00	100.00%	\$ (450,072.01)
Cash Balance @ 11/30/2021	\$ 128,756.91	\$ 640,182.22	\$ 768,939.13			

**Lake Elsinore San Jacinto
Watershed Authority
Disbursements
November 2021**

Check #	Check Date	Type	Vendor	Check Amount
EFT394	11/10/2021	CHK	Wood Environment & Infrastructure	\$17,874.37
EFT395	11/10/2021	CHK	Kahn, Soares & Conway, LLP	\$8,700.00
EFT396	11/17/2021	CHK	Santa Ana Watershed Project Authority	\$21,480.06
EFT397	11/17/2021	CHK	CDM Smith Inc	\$1,466.50
EFT398	11/24/2021	CHK	DeGrave Communications	\$1,442.91
Total Disbursements November 2021				<u><u>\$50,963.84</u></u>

Page Intentionally Blank

Lake Elsinore and San Jacinto Watersheds Authority

FINANCIAL STATEMENTS

December 2021

LAKE ELSINORE & SAN JACINTO WATERSHEDS AUTHORITY
CASH FLOW STATEMENT
AS OF 12/31/2021

Balance as of 11/30/2021 \$ 768,939.13

Funds Received

Deposits:

WRCAC \$14,382.00

Open - Grant Invoices

Open - Member & Other Contributions

San Jacinto Dairy & CAFO	\$1,500.00
Total Due LESJWA	<u>\$1,500.00</u>

Disbursement List - December 2021 \$ (115,701.38)

Funds Available as of 12/31/2021 \$ 667,619.75

Funds Available:

Checking	\$ 800.25
LAIF	<u>\$ 666,819.50</u>
Total	<u><u>\$ 667,619.75</u></u>

LE/CL TMDL Invoice History
FYE 2011 - 2022
as of December 31, 2021

[illegible]

Lake Elsinore/San Jacinto Watershed Authority
Statement of Net Assets
For the Six Months Ending Friday, December 31, 2021

Assets

Checking - US Bank	\$800.25
L.A.I.F.	666,819.50
Accounts Receivable	1,500.00
Prepaid Insurance	2,536.00
Total Assets	<u>\$671,655.75</u>

Liabilities

Accounts Payable	<u>4,323.33</u>
Total Liabilities	<u>\$4,323.33</u>

Retained Earnings	197,923.74
-------------------	------------

Excess Revenue over (under) Expenditures	<u>\$469,408.68</u>
--	---------------------

Total Net Assets	<u>\$667,332.42</u>
------------------	---------------------

Total Liabilities and Net Assets	<u>\$671,655.75</u>
----------------------------------	---------------------

Lake Elsinore/San Jacinto Watershed Authority
Revenues, Expenses and Changes in Net Assets
For the Six Months Ending Friday, December 31, 2021

	Period Actual	YTD Actual	Annual Budget	% Used	Budget Variance
Revenues					
LAIF Interest	\$0.00	\$245.72	\$2,200.00	11.17%	\$1,954.28
Member Agency Contributions	0.00	286,495.00	288,445.00	99.32%	1,950.00
Other Agency Contributions	0.00	535,159.00	540,257.00	99.06%	5,098.00
Total Revenues	\$0.00	\$821,899.72	\$830,902.00	98.92%	\$9,002.28
Expenses					
Salaries - Regular	5,988.78	33,996.23	62,314.00	54.56%	28,317.77
Payroll Burden	2,371.56	13,462.51	24,676.00	54.56%	11,213.49
Overhead	9,659.90	54,835.90	100,510.00	54.56%	45,674.10
Audit Fees	0.00	0.00	5,000.00	0.00%	5,000.00
Consulting - General	13,871.89	280,044.82	551,252.00	50.80%	271,207.18
LEAMS Offset Credit License	0.00	0.00	60,450.00	0.00%	60,450.00
Legal Fees	0.00	218.75	1,100.00	19.89%	881.25
Meeting & Conference Expense	0.00	25.00	0.00	0.00%	(25.00)
Bank Charges	0.00	0.00	1,000.00	0.00%	1,000.00
Shipping & Postage	0.00	0.00	50.00	0.00%	50.00
Office Supplies	0.00	0.00	60.00	0.00%	60.00
Other Expense	0.00	225.43	400.00	56.36%	174.57
Insurance Expense	0.00	0.00	3,000.00	0.00%	3,000.00
Interest Expense	0.00	21.20	200.00	10.60%	178.80
Total Expenditures	\$31,892.13	\$382,829.84	\$810,012.00	47.26%	\$427,182.16
Excess Revenue over (under) Expenditures	(\$31,892.13)	\$439,069.88	\$20,890.00	2101.82%	(\$418,179.88)

Lake Elsinore San Jacinto Watersheds Authority
Revenues, Expenses and Changes in Net Assets by Project
For the Month Ending December 31, 2021

	JPA Administration	TMDL Task Force	Total	Budget	% Used	Budget Variance
Revenues						
LAIF Interest	245.72		245.72	2,200.00	11.17%	1,954.28
Member Agency Contributions	110,000.00	176,495.00	286,495.00	288,445.00	99.32%	1,950.00
Other Agency Contributions		535,159.00	535,159.00	540,257.00	99.06%	5,098.00
Miscellaneous Revenue			-	-	100.00%	-
Total Revenues	\$ 110,245.72	\$ 711,654.00	\$ 821,899.72	\$ 830,902.00	98.92%	\$ 9,002.28
Expenditures						
Salaries	\$ 15,064.40	\$ 18,931.83	\$ 33,996.23	\$ 62,314.00	54.56%	\$ 28,317.77
Benefits	5,965.51	7,497.00	13,462.51	24,676.00	54.56%	11,213.49
Indirect Costs	24,298.86	30,537.04	54,835.90	100,510.00	54.56%	45,674.10
Audit Fees			-	5,000.00	0.00%	5,000.00
Consulting	8,184.57	271,860.25	280,044.82	551,252.00	50.80%	271,207.18
Other Contract Services			-	-	0.00%	-
Legal Fees	218.75		218.75	1,100.00	19.89%	881.25
Meeting & Conference Expense	25.00		25.00	-	0.00%	(25.00)
Bank Charges			-	1,000.00	0.00%	1,000.00
Shipping & Postage			-	50.00	0.00%	50.00
Other Expense	225.43		225.43	400.00	56.36%	174.57
LEAMS Excess Offset Credit			-	60,450.00	0.00%	60,450.00
Insurance Expense			-	3,000.00	0.00%	3,000.00
Office Supplies				60.00	0.00%	60.00
Interest Expense	21.20		21.20	200.00	10.60%	178.80
Total Expenditures	\$ 54,003.72	\$ 328,826.12	\$ 382,829.84	\$ 810,012.00	47.26%	\$ 427,182.16
Excess Revenue over (under) Expenditures	\$ 56,242.00	\$ 382,827.88	\$ 439,069.88	\$ 20,890.00	100.00%	\$ (418,179.88)
Cash Balance @ 12/31/2021	\$ 120,684.21	\$ 546,935.54	\$ 667,619.75			

**Lake Elsinore San Jacinto
Watershed Authority
Disbursements
December 2021**

Check #	Check Date	Type	Vendor	Check Amount
1110	12/9/2021	CHK	City of Lake Elsinore	\$17,650.00
1111	12/9/2021	CHK	Riverside, County of	\$17,650.00
EFT399	12/9/2021	CHK	Elsinore Valley Municipal Water District	\$17,650.00
EFT400	12/9/2021	CHK	Kahn, Soares & Conway, LLP	\$7,037.50
EFT401	12/16/2021	CHK	Santa Ana Watershed Project Authority	\$15,675.35
EFT402	12/16/2021	CHK	Wood Environment & Infrastructure	\$28,201.60
EFT403	12/22/2021	CHK	DeGrave Communications	\$955.00
EFT404	12/22/2021	CHK	Wood Environment & Infrastructure	\$10,881.93
Total Disbursements December 2021				<u>\$115,701.38</u>

Page Intentionally Blank

**LAKE ELSINORE/CANYON LAKE TMDL TASK FORCE
MEETING NOTES**

September 28, 2021

PARTICIPANTS

Kris Hanson, City of Canyon Lake/Wildomar
Dan Cortese, City of Hemet
Yu Tagai, City of Lake Elsinore
Rae Beimer, City of Moreno Valley
Maria Arreguin, City of Perris
Cynthia Gabaldon, City of Menifee
Mike Roberts, City of Riverside
Stormy Osifeso, City of Riverside
Lynn Merrill, City of San Jacinto
Caleb Hargis, City of San Jacinto
Scott Sewell, CDFW
Lauren Sotelo, March JPA
Pat Boldt, WRCAC
Rachael Johnson, Riverside County Farm Bureau
Ankita Vyas, Michael Baker/Caltrans
Lenai Hunger, EVMWD
Sudhir Mohleji, EVMWD

Richard Boon, Riverside County Flood Control & WCD
Amy McNeill, Riverside County Flood Control & WCD
Andrea Macias, Riverside County Flood Control & WCD
Abigail Suter, Riverside County Flood Control & WCD
Barbara Barry, Regional Water Quality Control Board
Tess Dunham, Kahn, Soares & Conway, LLP
Constantine Karos, CDM Smith
Steven Wolosoff, CDM Smith
Paula Kulis, CDM Smith
Chris Stransky, Wood Environmental
John Rudolph, Wood Environmental
Greg Kahlen, The Kahlen Group
Bruce Whitaker, SAWPA
T. Milford Harrison, SAWPA
Mark Norton, SAWPA
Rick Whetsel, SAWPA
Zyanya Ramirez, SAWPA

Call to Order & Introductions

The Lake Elsinore/Canyon Lake TMDL Task Force meeting was called to order at 9:01 a.m. by Rick Whetsel with all participants participating remotely, due to COVID-19 related social distancing restrictions.

Approval of Meeting Notes from the August 30, 2021 Task Force Meeting

Meeting notes were approved as posted.

Notice: Santa Ana Region Annual Report (Andrea Macias / RCFC&WCD)

The Final Santa Ana Regional Annual Report for the MS4s is due November 2021. Comments to the annual report are due by the end of the month to Rick Whetsel. Regional Board stated they did not have any comments to submit.

Status: Regional Board Update (Regional Board)

FHAB Monitoring Program

Barbara Barry /Regional Board provided a brief update on the FHAB Monitoring Program. There's been an increase in cyanotoxin levels; Regional Board is recommending a lake wide warning which will result in no recreational activities.

Recommendation of 25th Percentile

Barbara Barry /Regional Board reported that they met with WRCAC where they discussed the use of the 25th percentile values. The Task Force discussed having an independent local peer review local reference condition data to opine on the appropriateness of using median or the 25th percentile to calculate targets and load allocations for the revised TMDL. However, additional scientific review could trigger additional peer review, which would then cause further delay. The Task Force discussed including reopeners in the final revised TMDL to allow for re-consideration of final load and wasteload allocations based on the 25th percentile based on evaluation and analysis of additional reference condition data. At this time, Regional Board staff conveyed their position regarding using the 25th percentile of reference condition data to calculate targets and wasteload allocations for revised TMDLs for Lake Elsinore and Canyon Lake.

Discussion: TMDL Technical Report Update Next Steps (Tess Dunham/KSC)

Tess Dunham /Kahn, Soares & Conway, LLP presented CDM Smith's Proposed Scope of Work and estimated costs revising the current draft Technical TMDL documents. The cost breakdown is as follows:

CDM Smith Activities	Estimated Cost
Task Force Participation	\$14,500
Regional Project Implementation Support	\$9,000
Lake Simulation Modeling	\$8,100
Technical Report Revision	\$104,120
Total Estimated Cost	\$135,720.00

Various Task Force stakeholders expressed their concerns in moving forward with revisions to the Technical Report until there is further understanding regarding the content of the Implementation Plan that would accompany the revised wasteload and load allocations. The Task Force stakeholders did support the need for some initial funding for CDM to assist with initial conversations regarding the Implementation Plan.

Lynn Merrill, City of San Jacinto moved a motion; Mike Roberts, City of Riverside second the motion.

MOVED, to approve a blanket Task Order not-to-exceed \$30,000 for Technical Support to Lake Elsinore & Canyon Lake Nutrient TMDL Task Force by CDM Smith, Inc.

A copy of the Tess's presentation is available on the SAWPA website under Agendas and Meeting Materials: <https://sawpa.org/wp-content/uploads/2021/09/September-28-2021-Task-Force-meeting.pdf>.

Update: Fall Canyon Lake Alum Application (LESJWA Staff)

Rick Whetsel /SAWPA informed stakeholders that the fall Canyon Lake alum application is planned for the week of October 11th through 25th.

Task Force Administration (LESJWA Staff)

Rick Whetsel /SAWPA reminded stakeholders that SAWPA sent out invoices for FY2021-22 in mid-July. Please reach out to Rick Whetsel with any questions.

Other Business

Rick Whetsel will discuss the need for a Request for Proposals for Canyon Lake Alum Treatment for Fiscal Years 2022-24 at the October LE/CL TMDL Task Force meeting.

Schedule Next Meeting

The next LE/CL TMDL Task Force meeting is scheduled for Wednesday, October 20, 2021, for 1:30 pm to 4:30 pm. as a virtual conference call meeting.

Adjourn

The meeting adjourned at 12:08 p.m.

Table Summary of Agreements and Actions

Date of Action/Agreement	Action/Agreement	Responsible Entities Reaching Agreement
September 28, 2021	Approve funding in the amount of up to \$30,000 to CDM Smith to assist Task Force technical issues, including but not limited to, initial discussions regarding content and scope of TMDL Implementation Plan revisions should the Task Force decide to provide resources for further revising the 2018 draft TMDL.	Voting Task Force members.

Page Intentionally Blank

LAKE ELSINORE/CANYON LAKE TMDL TASK FORCE MEETING NOTES

November 3, 2021

PARTICIPANTS

Kris Hanson, City of Canyon Lake/Wildomar
Dan Cortese, City of Hemet
Carlos Norvani, City of Lake Elsinore
Nicole Dailey, City of Lake Elsinore
Rae Beimer, City of Moreno Valley
Cynthia Gabaldon, City of Menifee, Perris and March JPA
Haile Ford, City of Menifee
Mike Roberts, City of Riverside
Stormy Osifeso, City of Riverside
Lynn Merrill, City of San Jacinto
Scott Sewell, CDFW
Richard Meyerhoff, GEI Consultants
Ankita Vyas, Michael Baker/Caltrans
Amy McNeill, Riverside County Flood Control & WCD
Rebekah Guill, Riverside County Flood Control & WCD
Richard Boon, Riverside County Flood Control & WCD

Abigail Suter, Riverside County Flood Control & WCD
Jayne Joy, Regional Water Quality Control Board
Pamela Ybarra, Regional Water Quality Control Board
Tess Dunham, Kahn, Soares & Conway, LLP
Alberto Acevedo, CDM Smith
Steven Wolosoff, CDM Smith
John Rudolph, Wood Environmental
Pat Boldt, WRCAC
James Klang, TBL Consultants
Greg Kahlen, The Kahlen Group
Bruce Whitaker, SAWPA
T. Milford Harrison, SAWPA
Mark Norton, SAWPA
Rick Whetsel, SAWPA
Zyanya Ramirez, SAWPA

Call to Order & Introductions

The Lake Elsinore/Canyon Lake TMDL Task Force meeting was called to order at 9:01 a.m. by Rick Whetsel with all participants participating remotely, due to COVID-19 related social distancing restrictions.

Approval of Meeting Notes from the September 28, 2021 Task Force Meeting

Meeting notes will be distributed to the Task Force for approval via email after today's meeting.

Status: Regional Board Update (Regional Board)

FHAB Monitoring Program

Pamela Ybarra, Regional Board, reported that monitoring took place twice in October and the most prevalent toxin is microcystin, but it looks to be decreasing from the levels seen in September. Regional Board recommended posting caution signage at the lake. They will continue to monitor twice a month until the end of the year. A data summary to identify trends and patterns will be done in 2022.

Discussion: TMDL Technical Report Update Next Steps (Tess Dunham/KSC)

Tess Dunham /Kahn, Soares & Conway, LLP provided a step wise approach to revising the 2018 Draft TMDL Technical Report. The steps are as follows:

- Step 1: Identify Key Principles for moving forward.
 - Expected to review Key Principles in January 2022 to finalize in February 2022.
- Step 2: Obtain Regional Board staff commitment on Key Principles.
- Step 3: Reach agreement on revised Implementation Plan including phasing, compliance schedules, and re-evaluation of 25th percentile with new data studies.
 - Review draft Implementation Plan in March 2022 to finalize and obtain Regional Board staff concurrence with draft in April 2022.
- Step 4: Revise Technical TMDL report.
 - First draft to be reviewed in June 2022.
- Step 5: Schedule for Public Review and Regional Board consideration.

The Task Force and Regional Board were in favor of this approach. Jayne Joy, Regional Board, added that they are in support of these steps and proposed timeline and noted that the schedule could be adjusted accordingly. Additionally, she stated that Regional Board expects to have a MS4 permit workshop in the first quarter of 2022 and stakeholders will be able to understand how the TMDLSs are implemented through the permit and how they can all work together.

Lynn Merrill, City of San Jacinto made a motion; Mike Roberts, City of Riverside second the motion,

MOVED, to approve moving forward with the proposed step-wise approach to updating the TMDL Technical Report and its timeline.

A copy of Tess's presentation is available on the SAWPA website under Agendas and Meeting Materials: https://sawpa.org/wp-content/uploads/2021/11/November-3_LECL-Task-Force-Meeting.pdf.

Update: Fall Canyon Lake Alum Application (LESJWA Staff)

The fall Canyon Lake Alum application took place from October 11-15, 2021. There was positive feedback from community. The application had no issues. Aquatechnex, Inc. has been providing the alum treatment services since September 2013. Their existing contracts ended after this last application. In accordance with the LESJWA's procurement policy, a Request for Proposals for the next multi-year (2022-2024) alum applications to Canyon Lake was published on October 26, 2021. Proposals are due by December 6, 2021.

Task Force Administration (LESJWA Staff)

On October 21, 2021, LESJWA Board Directors authorized Task Order no. CDM160-05 with CDM Smith, Inc. to further support the LE/CL TMDL process to update and revise the technical document and provide technical support services to the Task Force through February 2022.

Other Business

A draft LE/CL TMDL Task Force budget will be distributed to the stakeholders in January 2022.

Schedule Next Meeting

The next LE/CL TMDL Task Force meeting is scheduled for Monday, January 10, 2022 at 1:00 p.m.

Adjourn

The meeting adjourned at 9:52 a.m.

Table Summary of Agreements and Actions

Date of Action/Agreement	Action/Agreement	Responsible Entities Reaching Agreement
September 28, 2021	Approve funding in the amount of up to \$30,000 to CDM Smith to assist Task Force technical issues, including but not limited to, initial discussions regarding content and scope of TMDL Implementation Plan revisions should the Task Force decide to provide resources for further revising the 2018 draft TMDL.	Voting Task Force members.
November 3, 2021	Approve moving forward with the proposed step-wise approach to updating the TMDL Technical Report and its timeline.	Voting Task Force members

Page Intentionally Blank

Lake Elsinore and Canyon Lake TMDL Task Force

January 10, 2022

PARTICIPANTS PRESENT:

Behzad Sedighi, Caltrans	Rebekah Guill, Riverside County Flood Control & WCD
Scott Sewell, CDFW	Richard Boon, Riverside County Flood Control & WCD
Stefan Awender, CDFW	Abigail Suter, Riverside County Flood Control & WCD
Steven Wolosoff, CDM Smith	Jayne Joy, Regional Water Quality Control Board
Kris Hanson, City of Canyon Lake/Wildomar	Pamela Ybarra, Regional Water Quality Control Board
Carlos Norvani, City of Lake Elsinore	Patrick Lewis, Regional Water Quality Control Board
Nicole Dailey, City of Lake Elsinore	SueAnn Neal, Regional Water Quality Control Board
Rae Beimer, City of Moreno Valley	James Klang, TBL Consultants
Cynthia Gabaldon, City of Menifee, Perris, and March JPA	Michael Anderson, UCR
Mike Roberts, City of Riverside	Chris Stransky, Wood Environmental
Stormy Osifeso, City of Riverside	Nicholas Jernack, Wood Environmental
Lynn Merrill, City of San Jacinto	Pat Boldt, WRCAC
Mike Ali, EVMWD	Bruce Whitaker, SAWPA
Richard Meyerhoff, GEI Consultants	T. Milford Harrison, SAWPA
Tess Dunham, Kahn, Soares & Conway, LLP	Mark Norton, SAWPA
Rachael Johnson, Riverside County Farm Bureau	Rick Whetsel, SAWPA
Amy McNeill, Riverside County Flood Control & WCD	Zyanya Ramirez, SAWPA

Call to Order & Introductions

The Lake Elsinore/Canyon Lake TMDL Task Force (Task Force) meeting commenced at 1:03 p.m. in a virtual Zoom meeting, in response to, and in compliance with, COVID-19 regulations.

Approval of November 3, 2021 Meeting Notes

The November 3, 2021 meeting notes were approved as posted.

Status: Regional Board Update (Regional Board)

FHAB Monitoring Program

Pamela Ybarra, of the Regional Water Quality Control Board (Regional Board), gave an oral status update on the FHAB Monitoring Program. Regional Board performed site visits twice in November and December. The first visit in November presented dangerous levels of microcystin; the second visit it lowered to caution level. The December visits resulted in normal levels. The monitoring will be completed at the end of 2022. Reports on the FHAB Monitoring Program will be expected in 2023.

Administrative Draft MS4 Permit & Incorporation of TMDLs (Regional Board/Tess Dunham/KSC)

Lynn Merrill, representing the City of San Jacinto, shared that the Regional Board had distributed a draft MS4 permit to permittees for their review and comments. This draft has not been shared with the public or any other agency.

Tess Dunham, of Kahn, Soares, and Conway, LLP, recommended that this topic be brought back to the Task Force for discussion when the draft is available to everyone.

Review: Draft Key Principles for Technical TMDL Revisions (Tess Dunham/KSC)

The Task Force had agreed to consider revising the 2018 TMDL Revisions in an incremental manner. The incremental steps would include the development of key principles to guide ongoing efforts, and to look at potential revisions in a phased approach by first addressing potential revisions to the Implementation Plan. It was important to all stakeholders including Regional Board staff and the permitting stakeholders that there be an agreement to these key principles.

Tess Dunham provided an overview of the draft agreement titled *Draft Key Principles for Potential Revision of the TMDL Technical Report: Revision to the Lake Elsinore and Canyon Lake Nutrient TMDLs (December 1, 2018) - Agreement Among the Lake Elsinore and Canyon Lake TMDL Task Force Members and Executive Officer for the Santa Ana Regional Water Quality Control Board*. This agreement listed the agreed upon key

principles and reflect the mutual agreements between the Task Force members and Regional Board staff that will be used to guide ongoing efforts related to revising the 2018 TMDL Revisions report.

This agreement was prepared with the understanding that Regional Board staff who participate in these discussion are unable to bind any action of the Regional Board and that adoption of any Basin Plan and/or TMDL revisions must be an action of the Regional Board.

Comments/feedback from the Task Force to the draft agreement:

- Item 2. – In some permits meeting targets can be an alternative demonstration of compliance language. This will be clarified.
- Add within these key principles that we continue to agree that the discussion for expression of targets and the ways the allocations is based upon how we have it in the 2018 TMDL based on the cumulative distribution and the 10-year running average.
- Clarification to the term Compliance Schedule – It is being used in this document to a program of the implementation schedule as contained within the Basin Plan.
- Add language that parties agree that the report has been fully peer-reviewed in its current existence.

Jayne Joy stated that the Regional Board is struggling with staffing levels and have other commitments, but they will do what they can to attend to this matter.

Comments to the draft agreement is requested from stakeholders and due to Ms. Dunham at tdunham@kscsacramento.com via email by end of day Friday, February 4, 2022.

Update: Fall Canyon Lake Alum Application (LESJWA Staff)

Aquatechnex, LLC performed their last semi-annual alum application to Canyon Lake in October 2021 finalizing their contract with LESJWA.

A request for proposals (RFP) was issued in October 2021 for the Canyon Lake Alum Application, which would award a three-year agreement with an option to continue for two additional years. Two proposals were received: AquaTechnex, LLC and HAB Aquatic Solutions. Staff will be conducting interviews with each consultant on January 17, 2022. The vendor selected by the interview panel will be recommended for approval at the February 17, 2022 LESJWA Board of Directors meeting.

One of the two recent storm events triggered the need for monitoring of Canyon Lake overflow. There will be discussions to determine if the monitoring data will require an urgent need to conduct a Spring alum application.

Task Force Administration (LESJWA Staff)

Discuss FY 2022-23 Budget Assumptions

Rick Whetsel presented the draft FY 2022-23 Budget: Lake Elsinore & Canyon Lake TMDL Task Force with the adjustments made from the previous discussion. Discussion ensued for a need of a formal draft budget that includes:

- Land use amounts from Western Riverside County Agriculture Coalition
- The costs of implementing the key principles used to revise the 2018 TMDL and identify what steps will be paid for in the current fiscal year and what will be included in 2022-23 budget

Other Business

Grant Funding Opportunities

LESJWA, LEAMS operators, and the City of Lake Elsinore will be submitting two separate grant applications for two projects for the opportunity to receive grant funding from the 2021 Urban and Multibenefit Drought Relief Program administered by the California Department of Water Resources (DWR). These two projects would benefit Lake Elsinore:

- Lake Elsinore Critical Drought Response Algae Harvesting Project
- Lake Elsinore Critical Drought Response Oxygenation Project

Another opportunity is available through the next grant funding round from Proposition 1 Integrated Regional Water Management.

Lake Elsinore Advanced Pumped Storage (LEAPS) Project

The Federal Energy Regulatory Commission cancelled the LEAPS project after Nevada Hydro Corporation failed to provide requested documents.

Schedule Next Meeting

The next LE/CL TMDL Task Force meeting is scheduled for Monday, February 14, 2022, at 1:00 p.m.

Adjourn

The meeting adjourned at 9:52 a.m.

DRAFT

Table Summary of Agreements and Actions

Date of Action/Agreement	Action/Agreement	Responsible Entities Reaching Agreement
September 28, 2021	Approve funding in the amount of up to \$30,000 to CDM Smith to assist Task Force technical issues, including but not limited to, initial discussions regarding content and scope of TMDL Implementation Plan revisions should the Task Force decide to provide resources for further revising the 2018 draft TMDL.	Voting Task Force members.
November 3, 2021	Approve moving forward with the proposed step-wise approach to updating the TMDL Technical Report and its timeline.	Voting Task Force members
January 10, 2022		

PREPARED BY:



DEGRAVE
COMMUNICATIONS

· PUBLIC RELATIONS ·

JANUARY 1, 2022

LAKE ELSINORE & SAN JACINTO WATERSHEDS AUTHORITY

BI-ANNUAL ACTIVITY REPORT
JULY - DECEMBER 2021

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

INTRODUCTION

INTRODUCTION

DeGrave Communications began working with LESJWA in 2015 to provide support in the areas of media relations, social media outreach, event management, stakeholder outreach and issues management to gain public acceptance and build awareness for the projects conducted by LESJWA, which impact the communities in the watershed. Being a small, fairly unknown joint powers authority, the organization had no social media platforms established and limited means for communicating with stakeholder groups. Working with LESJWA, our firm established an organization Facebook page to leverage both earned and owned media, created partnerships between the agency and community groups, expanded media relations and managed two award-winning stakeholder events for the organization.

As LESJWA's purpose is to implement projects and programs to rehabilitate and improve the San Jacinto and Lake Elsinore Watersheds and the water quality in Lake Elsinore and Canyon Lake, helping build relationships with key stakeholders and the community is essential. As a joint powers authority, LESJWA is funded by multiple agencies and their support is critical.

In July 2020, DeGrave Communications was selected through a bidding process to continue to serve as LESJWA's public relations counsel and provide community outreach services.

The Scope of Work for outreach includes the following tasks:



TASK 1 – CONDUCT OUTREACH SERVICES IN CANYON LAKE AND LAKE ELSINORE



TASK 2 – ADDRESS CANYON LAKE AND LAKE ELSINORE COMMUNITY MEMBERS THROUGH MEDIA AND SOCIAL MEDIA OUTREACH



TASK 3 – PREPARE MATERIALS, COORDINATE AND SUPPORT LESJWA WATER SUMMIT EVENT PLANNING



TASK 4 – PROVIDE OUTREACH AND ADMINISTRATION FOR PROJECT MANAGEMENT PURPOSES



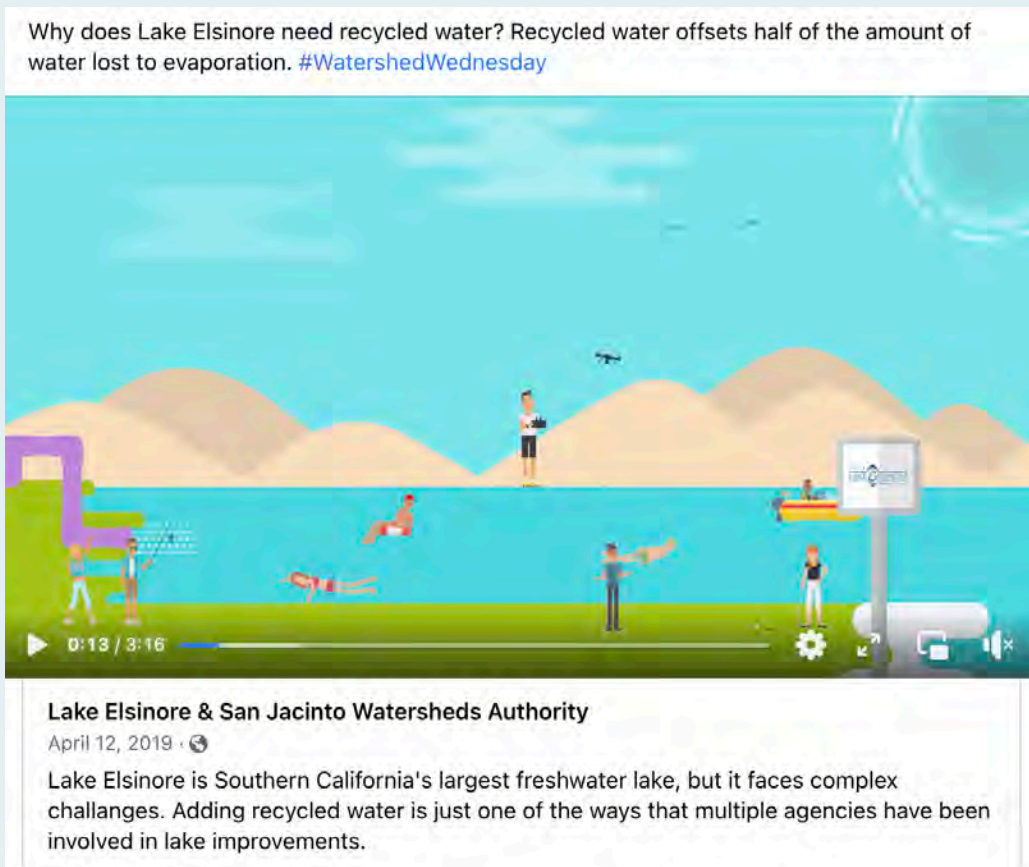
TASK 5 – PROVIDE ISSUE MANAGEMENT SERVICES

During the months of July – December 2021, DeGrave Communications conducted communication support for LESJWA, in accordance with the public education and outreach program contract set forth in the original proposal for services. The following includes a summary of all outreach efforts conducted on LESJWA's behalf.

LESJWA - TASK 1

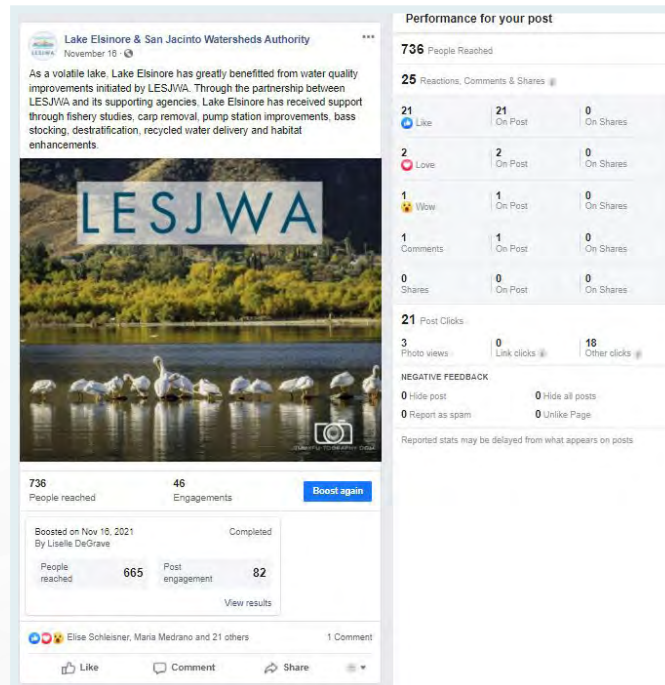
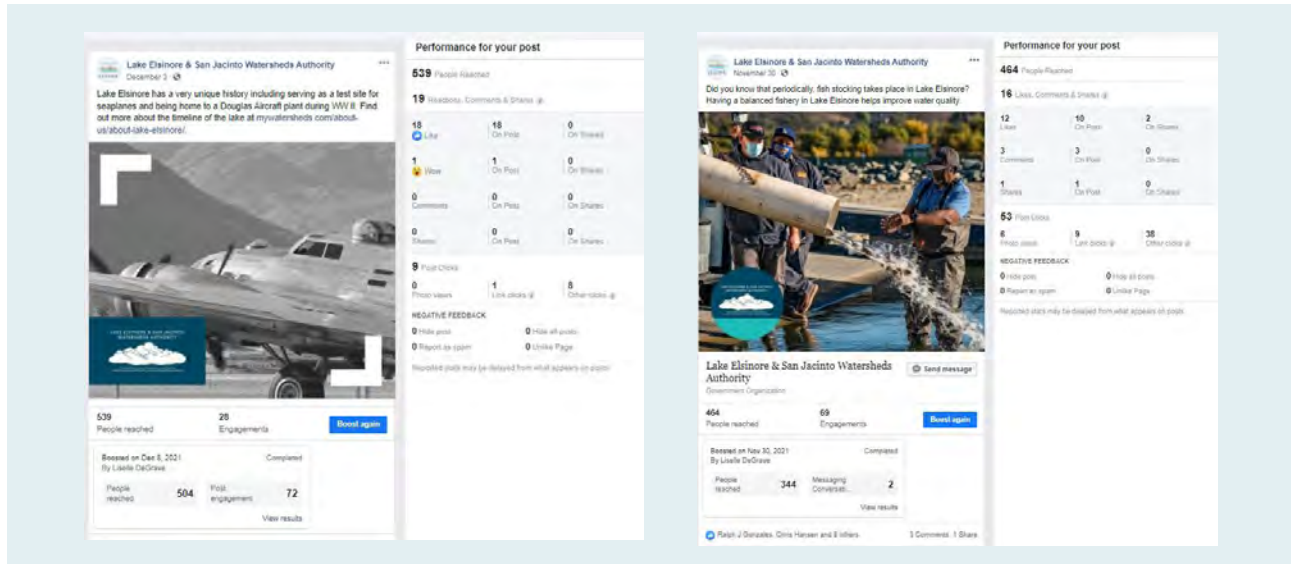
TASK 1 – CONDUCT OUTREACH SERVICES IN CANYON LAKE AND LAKE ELSINORE

LESJWA participated in the Elsinore Valley Municipal Water District Flow into Fall virtual event. The LESJWA recycled water explainer video was included at the Regional Tour booth (as part of a virtual resource room that participants can explore after the live sessions). The booth included a video tour of the EVMWD Regional plant, where participants learned about our water quality laboratory and wastewater treatment plant. After they had the opportunity to view a recycled water fact sheet, watch the LESJWA video, and view a recorded Q&A session from the previous year – giving attendees insight into how EVMWD tests, treats, and reuses water.



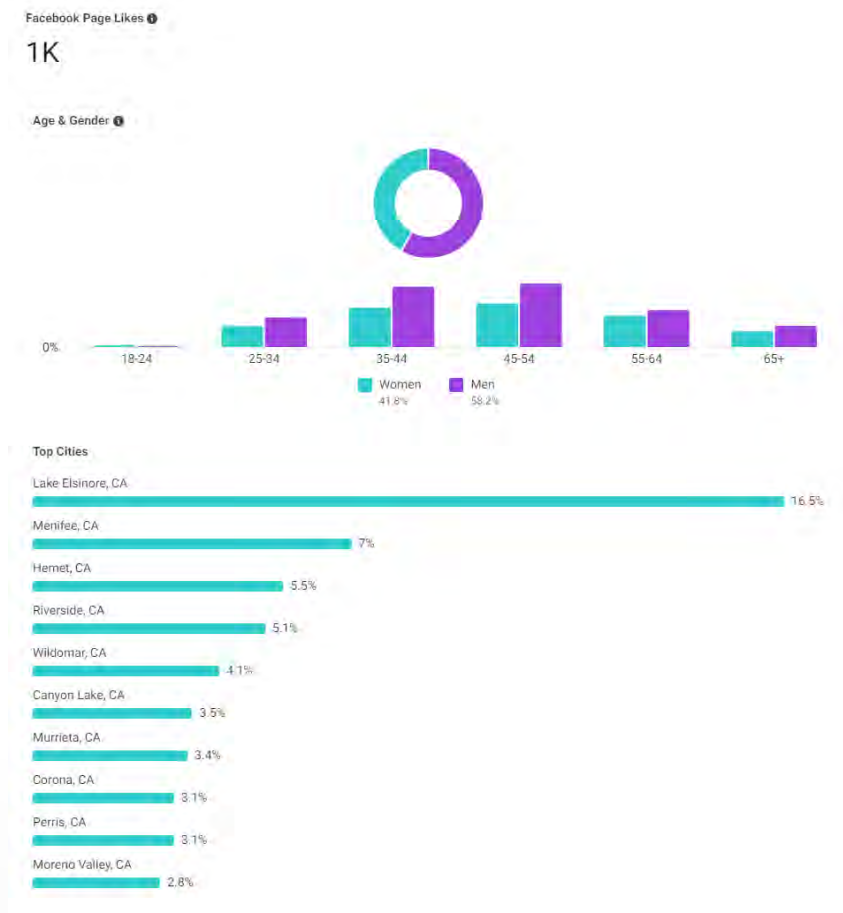
LESJWA - TASK 2

DeGrave Communications has continued to provide social media support to LESJWA by calendaring and posting weekly to the organization's Facebook page. Posts shared include related watershed information, LESJWA outreach efforts or community happenings. Social Media content design is cohesive with branded graphic design elements.

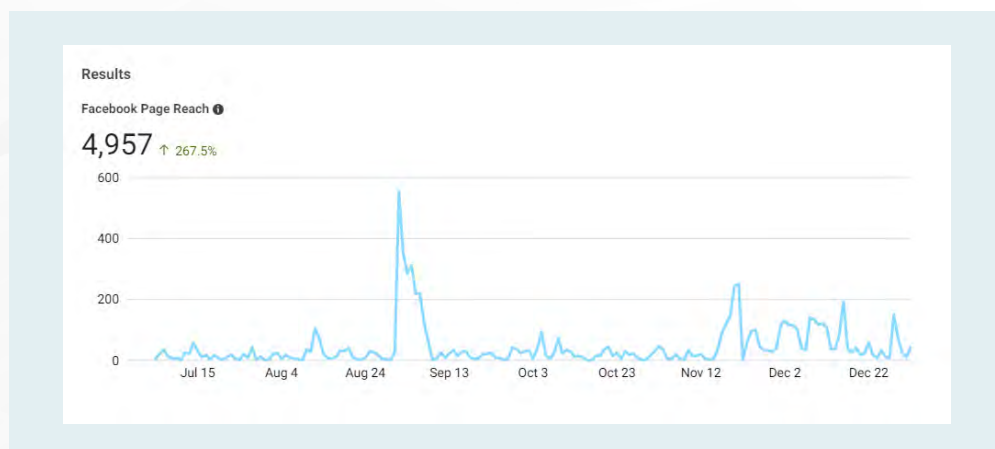


LESJWA - TASK 2

Top city followers come from Lake Elsinore with 16%, followed by Menifee with 7% and Hemet with 5.5%. Majority of followers are men between 45-54 years old. Men between the ages of 35-44 are the next top group of followers. Audience insights provide potential for growth and engagement.

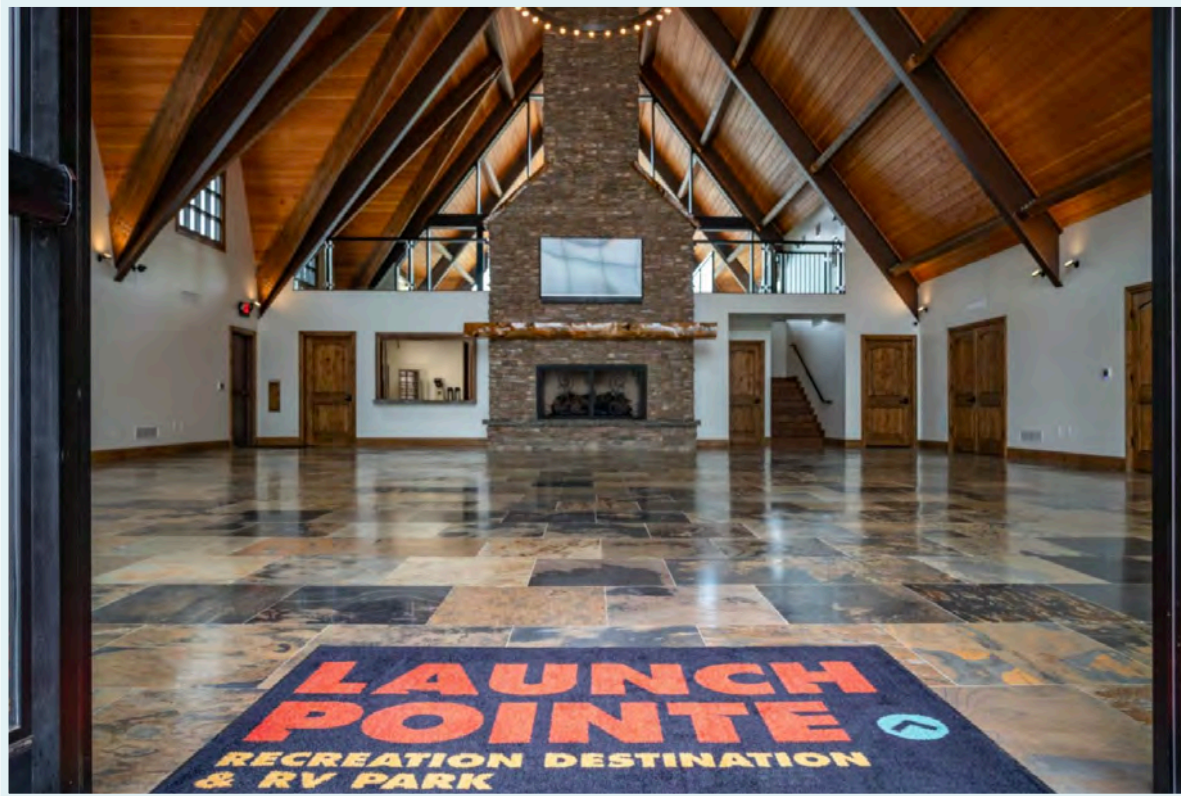


Posts that were boosted had the most engagement and reach. Total Facebook page reach has increased by 267.5% since July.



LESJWA - TASK 3


The venue and date has been secured for the upcoming April 27, 2022 summit. Qualifying of the guest list is in progress. Agenda and speakers are being confirmed. Event logistics are underway. This year's event will take place at Launch Pointe in Lake Elsinore.



LESJWA - TASK 4

TASK 4 – PROVIDE OUTREACH AND ADMINISTRATION FOR PROJECT MANAGEMENT PURPOSES


DeGrave Communications provided administrative support for the quarterly education and outreach committee meetings on July 12 and October 25.



EDUCATION AND OUTREACH COMMITTEE
Monday, July 12, 2021, 2:00 p.m.

- **Call to Order**
- **Additions/Corrections to Agenda**
- **Approval of Meeting Notes**
- **Lake Levels**
 - o Current Lake Levels:
 - o Lake Elsinore - 1240.96 (July 6)
 - o Canyon Lake - 1380.39 (July 6)
 - o Lake Levels at Last Meeting:
 - o Lake Elsinore - 1,242.40 (April 5)
 - o Canyon Lake - 1,381.56 (April 5)
- **Lake Elsinore Update**
- **Canyon Lake Update**
- **Discussion Items**
- **Discuss Items for Next Agenda**
- **Next Meeting Date**

Date/Time: _____
Location: _____



EDUCATION AND OUTREACH COMMITTEE
Monday, October 25, 2021, 2:00 p.m.

- **Call to Order**
- **Additions/Corrections to Agenda**
- **Approval of Meeting Notes**
- **Lake Levels**
 - o Current Lake Levels:
 - o Lake Elsinore - 1239.30 (October 18)
 - o Canyon Lake - 1378.76 (October 18)
 - o Lake Levels at Last Meeting:
 - o Lake Elsinore - 1240.96 (July 6)
 - o Canyon Lake - 1380.39 (July 6)
- **Lake Elsinore Update**
 - o ACOE Feasibility Study
 - o Lake Guard Algae
- **Canyon Lake Update**
 - o Alum application update
 - o Alum Outreach update
- **Discussion Items**
 - o LESJWA Water Summit - 2022
 - o ACOE Aquatic Habitat Restoration Feasibility Study Tour held 10/20/21
 - o Grant Funding Opportunities
- **Discuss Items for Next Agenda**
- **Next Meeting Date**

Date/Time: _____
Location: _____

Media monitoring for news clips relating to the watershed was provided.



LESJWA - TASK 5

TASK 5 – PROVIDE ISSUE MANAGEMENT SERVICES

No issue management services were needed during this time.

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

Page Intentionally Blank

LESJWA BOARD MEMORANDUM NO. 2022.01

DATE: February 17, 2022

SUBJECT: Resolution on Continuation of Remote Board of Directors Meetings

TO: LESJWA Board of Directors

PREPARED BY: Mark R. Norton, LESJWA Authority Administrator

RECOMMENDATION

That the LESJWA Board consider adopting Resolution No. LES2022-01 Proclaiming A State of Emergency Persists, Re-Ratifying the Proclamation of a State of Emergency by Governor Gavin Newsom, and Re-Authorizing Remote Teleconference Meetings of all Board of Director meetings of the Lake Elsinore and San Jacinto Watersheds Authority for the period of February 17, 2022 to March 17, 2022 pursuant to Brown Act Provisions.

DISCUSSION

On September 16 2021, Governor Newsom signed into law AB 361, which suspended the Brown Act's existing teleconferencing requirements so long as the state-declared state of emergency in California. A Resolution must be executed every 30 days under AB 361 for the initial and subsequent findings under AB 361 in order to continue to utilize the relaxed teleconferencing requirements for board meetings (including committee meetings) subject to the Brown Act. AB 361 applies only to a state-declared state of emergency and not to a locally-declared emergency; and AB 361 will only remain in effect until January 1, 2024, unless the State Legislature takes action to extend it or make it permanent. The following is a brief summary of AB 361's pertinent provisions.

- 1. Posting of Agendas.** The Brown Act currently requires that a local agency post agendas at all teleconference locations. Thus, if a director is calling in from a hotel room in Las Vegas, the director would need to post the agenda on his or her hotel room door. AB 361 removes the requirement that agendas must be posted at all teleconference locations. Therefore, under AB 361, the director can call from his or her Las Vegas hotel room without having to post the agenda on the hotel room door.

AB 361 does not change the general agenda posting requirements under the Brown Act. Thus, agencies should continue to post their agendas at least 72 hours before a regular board meeting and 24 hours before a special board meeting, and those postings should occur in the usual locations, including on the agency's website.

- 2. Location of Teleconferencing Participants.** The Brown Act currently requires a local agency that uses teleconferencing, to identify each teleconference location in the notice and agenda of the meeting or proceeding, and each teleconference location must be accessible to the public. Under this requirement, if a director was calling into a meeting from the Las Vegas hotel room, the director would need to allow members of the public into his or her hotel room for the meeting. Also, the Brown Act currently requires that at least a quorum of the members of a legislative body must participate in the meeting (even if by teleconference) from locations within the agency's boundaries.

AB 361 excuses compliance with those requirements and agendas for meetings held in accordance with AB 361 are not required to identify each teleconference location and each location does not need to be accessible to the public (but see Item 3, below). In addition, there is no requirement under AB 361 that at least a quorum of the board members must be located within the agency's boundaries.

- 3. Public Access and Comments.** As stated above, local agencies are not required to make each teleconference location accessible to the public. However, the board meetings must remain open to the public and the agenda must include the manner by which members of the public may access the meeting remotely to offer public comment, including by a call-in option or an internet-based service option, such as meeting invite web address or call-in phone number, with passcode. Members of the public must be allowed to access the meeting and to address the legislative body directly, either during a general public comment period or before any individual actions are taken. Also, AB 361 clarifies that an agency may not require members of the public to submit their comments in advance of a meeting.

Public comments, either written or made by remote connection, must be accepted until the point at which the public comment period is formally closed. Any registration or sign-up period for public comments can only be closed when the public comment period is formally closed. Where public comments are accepted in a public comment period for each agenda item, the agency must allow a reasonable amount of time during each agenda item to allow the public the opportunity to provide comments, including time for members of the public to register or otherwise be recognized for the purpose of providing public comment.

- 4. Registration Issue.** The Brown Act has long prohibited the use of mandatory registration or "sign-ups" to attend public meetings or to provide public comment. Based on that prohibition, the Brown Act would present a significant problem for meetings that use a teleconference platform that requires participants to register for an account, even when it is not the local agency establishing that requirement. AB 361 solves that problem by allowing local agencies to use platforms which, incidental to their use and deployment, require users to register for an account with that platform, so long as the platform is not under the control of the local agency. Thus, an agency can use a platform that requires a registration to participate without violating the Brown Act.
- 5. Technological Disruption of Meeting.** AB 361 addresses what must occur in the event a technical difficulty interrupts a board meeting. Under AB 361, if a public comment line unexpectedly disconnects, a meeting agenda was sent out with the incorrect web link or dial-in information, the local agency's internet connection is interrupted, or other similar circumstances occur, the agency must stop the ongoing meeting and try to resolve the issue before continuing with the meeting agenda. If the meeting disruption cannot be resolved, the agency should not take any further action on agenda items and should end the meeting. Failure to do so risks having any actions that were taken during the period of disruption set aside in a legal action.

6. Required Findings. AB 361 allows for teleconferencing under its provisions to occur in three scenarios:

- 1) The local agency is holding a meeting during a proclaimed state of emergency, and state or local officials have imposed or recommended measures to promote social distancing; or
- 2) The local agency is holding a meeting during a proclaimed state of emergency for the purpose of determining, by majority vote, whether as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees; or
- 3) The local agency is holding a meeting during a proclaimed state of emergency and has determined, by majority vote, that, as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees.

AB 361 provides that if a state of emergency remains active, or state or local officials have imposed or recommended measures to promote social distancing, in order to continue to teleconference without complying with the Brown Act's existing teleconferencing requirements, the agency's board of directors must, no later than 30 days after teleconferencing for the first time under AB 361, and every 30 days thereafter, making the following findings by at least majority vote:

- 1) The legislative body has reconsidered the circumstances of the state of emergency; and
- 2) Any of the following circumstances exist: (a) the state of emergency continues to directly impact the ability of the members to meet safely in person; or (b) state or local officials continue to impose or recommend measures to promote social distancing.

CRITICAL SUCCESS FACTORS

None.

RESOURCE IMPACTS

None.

Attachments:

1. Resolution No. LES2022-01

Page Intentionally Blank

RESOLUTION NO. LES2022-01

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE LAKE ELSINORE AND SAN JACINTO WATERSHEDS AUTHORITY (LESJWA) PROCLAIMING A STATE OF EMERGENCY PERSISTS, RE-RATIFYING THE PROCLAMATION OF A STATE OF EMERGENCY BY GOVERNOR GAVIN NEWSOM, AND RE-AUTHORIZING REMOTE TELECONFERENCE MEETINGS ALL BOARD OF DIRECTORS MEETINGS OF LESJWA FOR THE PERIOD February 17, 2022 TO March 17, 2022 PURSUANT TO BROWN ACT PROVISIONS.

WHEREAS, the Board of Directors of the Lake Elsinore and San Jacinto Watersheds Authority ("LESJWA") is committed to preserving and nurturing public access and participation in meetings of its Board of Directors; and

WHEREAS, all meetings of LESJWA's Board of Directors are open and public, as required by the Ralph M. Brown Act (California Government Code Sections 54950 – 54963), so that any member of the public may attend, participate, and watch those bodies conduct their business; and

WHEREAS, the Brown Act, in Government Code Section 54953(e), makes provision for remote teleconferencing participation in meetings by members of a legislative body, without compliance with the requirements of Government Code Section 54953(b)(3), subject to the existence of certain conditions; and

WHEREAS, a required condition for application of Section 54953(e) is that a state of emergency is declared by the Governor pursuant to Government Code Section 8625, proclaiming the existence of conditions of disaster or of extreme peril to the safety of persons and property within the state caused by conditions as described in Government Code Section 8558; and

WHEREAS, a proclamation is made when there is an actual incident, threat of disaster, or extreme peril to the safety of persons and property within the jurisdictions that are within the LESJWA's boundaries, caused by natural, technological or human-caused disasters; and

WHEREAS, it is further required that state or local officials have imposed or recommended measures to promote social distancing, or, the legislative body meeting in person would present imminent risks to the health and safety of attendees; and

WHEREAS, the LESJWA Board of Directors previously adopted a Resolution, Resolution No. LES2021-01 on October 21, 2021 finding that the requisite conditions exist for the LESJWA Board of Directors to conduct remote teleconference meetings without compliance with paragraph (3) of subdivision (b) of Section 54953; and

WHEREAS, as a condition of extending the use of the provisions found in Section 54953(e), the LESJWA Board of Directors must reconsider the circumstances of the state of emergency that exists in LESJWA, and the Board of Directors has done so; and

WHEREAS, emergency conditions persist in LESJWA, specifically, COVID-19, and its Delta variant, remain highly contagious and, therefore, a threat to the health, safety and well-

being of the LESJWA'S employees, directors, vendors, contractors, customers and residents; and

WHEREAS, orders from the Los Angeles County Department of Public Health and regulations from the State of California impose limitations on gatherings and provide guidance on best practices with respect to actions to reduce the spread of COVID-19; and

WHEREAS, LESJWA Board of Directors does hereby find that a state of emergency continues to exist within LESJWA's service area as a result of the continuing presence of COVID-19 and resulting local, state and federal orders and guidance, which has caused, and will continue to cause, conditions of peril to the safety of persons within LESJWA that are likely to be beyond the control of services, personnel, equipment, and facilities of LESJWA, and the Board of Directors desires to affirm a local emergency exists and re-ratify the proclamation of state of emergency by the Governor of the State of California; and

WHEREAS, as a consequence of the local emergency persisting, LESJWA does hereby find that the LESJWA Board of Directors shall continue to conduct their meetings without compliance with paragraph (3) of subdivision (b) of Government Code Section 54953, as authorized by subdivision (e) of Section 54953, and that such legislative bodies shall continue to comply with the requirements to provide the public with access to the meetings as prescribed in paragraph (2) of subdivision (e) of Section 54953; and

WHEREAS, LESJWA will continue to provide proper notice to the public regarding all LESJWA Board of Directors meetings, in accordance with Government Code Section 54953(e)(2)(A) and shall provide notice to the public of how they may access any such meeting via call-in number and/or internet link.

NOW, THEREFORE, the LESJWA Board of Directors does hereby resolve as follows:

Section 1. Recitals. The Recitals set forth above are true and correct and are incorporated into this Resolution by this reference.

Section 2. Affirmation that Local Emergency Persists. The Board of Directors hereby considers the conditions of the state of emergency in LESJWA and proclaims that a local emergency persists throughout LESJWA, and that conducting LESJWA Board of Directors meetings virtually will minimize the possible spread COVID-19 and any variant thereof.

Section 3. Re-ratification of Governor's Proclamation of a State of Emergency. The Board of Directors hereby ratifies the Governor of the State of California's Proclamation of State of Emergency regarding COVID-19, dated March 4, 2020.

Section 4. Remote Teleconference Meetings. The LESJWA's Authority Administrator, or his or her delegee, and the Board of Directors of LESJWA are hereby authorized and directed to take all actions necessary to carry out the intent and purpose of this Resolution including, continuing to conduct open and public meetings in accordance with Government Code section 54953(e) and other applicable provisions of the Brown Act.

Section 5. Effective Date of Resolution. This Resolution shall take effect immediately upon its adoption and shall be effective until the earlier of (i) the expiration of thirty (30) days from the date this Resolution was adopted, as set forth below, or (ii) such time as the LESJWA adopts a subsequent resolution in accordance with Government Code section 54953(e)(3) to

extend the time during which the LESJWA Board of Directors may continue to teleconference without compliance with paragraph (3) of subdivision (b) of section 54953.

ADOPTED this 17th Day of February, 2022.

LAKE ELSINORE AND SAN JACINTO WATERSHEDS AUTHORITY

By:

Phil Williams, Chair

Attest:

Zyanya Ramirez, Clerk of the Board

Page Intentionally Blank

LESJWA BOARD MEMORANDUM NO. 2022.02

DATE: February 17, 2022

SUBJECT: Election of Officers

TO: LESJWA Board of Directors

PREPARED BY: Mark Norton, P.E., LESJWA Authority Administrator

RECOMMENDATION

Staff recommends that the Board of Directors nominate and approve the officers of the LESJWA Board for a two-year term through December 31, 2023.

DISCUSSION

In accordance with the LESJWA Joint Powers Agreement Article, 5.2 the rotation of LESJWA Board officers is encouraged, and the elections are to be held every two years. The current Board officers are EVMWD - Chair, City of Canyon Lake – Vice Chair, and City of Lake Elsinore – Secretary/Treasurer.

5.2 Elections.

Elections of officers shall be conducted every two years in January, in the following order: Chair, Vice Chair, and Secretary-Treasurer. It shall be a policy of the Board to encourage the rotation of the offices among the Board members.

5.3 Installation and Term.

Officers shall assume the duties of their offices after their election at the first meeting in January and shall hold office until their successors are elected and installed, except in the case of their earlier removal or resignation. Vacancies shall be filled by appointment of the Board, and such appointee shall hold office until the election and installation of his/her successor.

RESOURCES IMPACT

None at this time.

Page Intentionally Blank

LESJWA BOARD MEMORANDUM NO. 2022.03

DATE: February 17, 2022

SUBJECT: Report on Audit for Fiscal Year Ending June 30, 2021

TO: LESJWA Board of Directors

FROM: Karen Williams, Chief Financial Officer

RECOMMENDATION

Receive and file the FY 2020-21 Report on Audit prepared by Teaman, Ramirez & Smith, Inc., 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 2020-21 Report on Audit (Financial Statements) prepared by Teaman, Ramirez & Smith, Inc.

All government agencies and/or special districts must contract for an independent financial audit as required by California Government Code. 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.

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, 2021.

RESOURCES IMPACT

None.

Attachments:

1. LESJWA Management Report
2. LESJWA SAS 114 Conclusion Letter
3. LESJWA Annual Financial Report

Page Intentionally Blank

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

November 29, 2021

Teaman, Ramirez & Smith, Inc.
4201 Brockton Avenue, Suite 100
Riverside, CA 92501

This representation letter is provided in connection with your audit of the financial statements of the Lake Elsinore and San Jacinto Watersheds Authority (the “Authority”), which comprise the respective financial position of the governmental activities and major fund as of June 30, 2021, and the respective changes in financial position for the year then ended, and the disclosures (collectively, the “financial statements”), for the purpose of expressing opinions as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of November 29, 2021, the following representations made to you during your audit.

Financial Statements

- 1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated April 28, 2021, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP and for preparation of the supplementary information in accordance with the applicable criteria.
- 2) The financial statements referred to above are fairly presented in conformity with U.S. GAAP and include all properly classified funds and other financial information of the primary government and all component units required by generally accepted accounting principles to be included in the financial reporting entity.
- 3) We acknowledge our responsibility for 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.

- 4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- 5) Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.
- 6) Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with U.S. GAAP.
- 7) Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements.
- 8) The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.
- 9) Guarantees, whether written or oral, under which the Authority is contingently liable, if any, have been properly recorded or disclosed.

Information Provided

- 10) We have provided you with:
 - a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records (including information obtained from outside of the general and subsidiary ledgers), documentation, and other matters.
 - b) Additional information that you have requested from us for the purpose of the audit.
 - c) Unrestricted access to persons within the Authority from whom you determined it necessary to obtain audit evidence.
 - d) Minutes of the meetings of the Lake Elsinore and San Jacinto Watersheds Authority Governing Board or summaries of actions of recent meetings for which minutes have not yet been prepared.
- 11) All material transactions have been recorded in the accounting records and are reflected in the financial statements.
- 12) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- 13) We have no knowledge of any fraud or suspected fraud that affects the Authority and involves:
 - a) Management,
 - b) Employees who have significant roles in internal control, or
 - c) Others where the fraud could have a material effect on the financial statements.
- 14) We have no knowledge of any allegations of fraud or suspected fraud affecting the Authority's financial statements communicated by employees, former employees, regulators, or others.
- 15) We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse, whose effects should be considered when preparing financial statements.

- 16) We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
- 17) We have disclosed to you the identity of the Authority's related parties and all the related party relationships and transactions, including any side agreements.

Government—specific

- 18) There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
- 19) We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
- 20) The Authority has no plans or intentions that may materially affect the carrying value or classification of assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fund balance or net position.
- 21) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts, and legal and contractual provisions for reporting specific activities in separate funds.
- 22) We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of fraud and noncompliance with provisions of laws and regulations that we believe have a material effect on the financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance.
- 23) We have identified and disclosed to you all instances, which have occurred or are likely to have occurred, of noncompliance with provisions of contracts and grant agreements that we believe have a material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.
- 24) We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of abuse that could be quantitatively or qualitatively material to the financial statements or other financial data significant to the audit objectives.
- 25) There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
- 26) As part of your audit, you assisted with preparation of the financial statements and disclosures. We acknowledge our responsibility as it relates to those nonaudit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for those financial statements and disclosures.

- 27) In regard to the preparation of the annual state controller's report services performed by you, we have –
- a) Assumed all management responsibilities
 - b) Designated an individual (within senior management) with suitable skill, knowledge, or experience to oversee the services.
 - c) Evaluated the adequacy and results of the services performed.
 - d) Accepted responsibility for the results of the services.
- 28) The Authority has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- 29) The Authority has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
- 30) The financial statements include all component units as well as joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations.
- 31) The financial statements properly classify all funds and activities in accordance with GASB No. 34, as amended.
- 32) All funds that meet the quantitative criteria in GASBS Nos. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
- 33) Components of net position (net investment in capital assets; restricted; and unrestricted) and classifications of fund balance (Nonspendable, restricted, committed, assigned, and unassigned) are properly classified and, if applicable, approved.
- 34) Investments, derivative instruments, and land and other real estate held by endowments are properly valued.
- 35) Provisions for uncollectible receivables have been properly identified and recorded.
- 36) Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
- 37) Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
- 38) Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
- 39) Deposits and investment securities and derivative instruments are properly classified as to risk and are properly disclosed.
- 40) Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated or amortized.

- 41) We have appropriately disclosed the Authority's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.
- 42) We are following our established accounting policy regarding which resources (that is, restricted, committed, assigned, or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available. That policy determines the fund balance classification for financial reporting purposes.
- 43) We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.
- 44) With regard to the electronic dissemination of audited financial statements, including financial statements published electronically on our website, we understand that electronic sites are a means to distribute information and, therefore, you are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.



Signature



Name and Title

Page Intentionally Blank

November 29, 2021

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

We have audited the financial statements of the Lake Elsinore & San Jacinto Project Authority (the “Authority”) for the year ended June 30, 2021. Professional standards require that we provide you with information about our responsibilities under generally accepted 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 to you dated July 26, 2021. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

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 the year ended June 30, 2021. 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 estimate affecting the financial statements was:

Management’s estimate of the fair value of investments is based on information provided by financial institutions. We evaluated the key factors and assumptions used to develop the fair value of investments in determining that it is 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:

The disclosure of the fair value of investments in Note 2 to the financial statements represents amounts susceptible to market fluctuation.

The financial statement disclosures are neutral, consistent and clear.

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. None of the misstatements detected as of a result of audit procedures were material, either individually or in the aggregate, to the financial statements taken as a whole.

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 auditor's 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 November 29, 2021.

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 Schedule of Revenues, Expenditures and Changes in Fund Balances, which is required supplementary information (RSI) that supplements the basic 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.

As part of the audit, we assisted with the preparation of the financial statements and related notes and state controllers report preparation. However, these services, does not constitute an audit under *Government Auditing Standards* and are considered nonaudit services. Management has reviewed, approved, and accepted responsibility for the results of these services.

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.

Very truly yours,

Teaman Ramirez & Smith, Inc.

Page Intentionally Blank

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 FISCAL YEAR ENDED JUNE 30, 2021

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, 2021

Representing	Name	Title	Appointment
Elsinore Valley Municipal Water District	Phil Williams	Chair	December 2016
City of Canyon Lake	Dale Welty	Vice Chair	December 2020
City of Lake Elsinore	Robert E. Magee	Secretary / Treasurer	December 2016
County of Riverside	Kevin Jeffries	Director	June 2016
Santa Ana Watershed Project Authority	Brenda Dennstedt	Director	January 2017

Lake Elsinore & San Jacinto Watersheds Authority

Mark Norton, Authority Administrator

11615 Sterling Avenue

Riverside, CA 92503 • (951) 351-4220

www.mywatersheds.com

**LAKE ELSINORE & SAN JACINTO
WATERSHEDS AUTHORITY**

ANNUAL FINANCIAL REPORT

June 30, 2021

Lake Elsinore & San Jacinto Watersheds Authority
Table of Contents
June 30, 2021

	<u>Page</u>
Financial Section	
Independent Auditors' Report	1 - 3
Management's Discussion and Analysis	4 - 11
Basic Financial Statements:	
Government-wide Financial Statements	
Statement of Net Position	12
Statement of Activities	13
Fund Financial Statements	
Balance Sheet - Governmental Fund	14
Reconciliation of the Governmental Fund Balance Sheet to the Statement of Net Position	15
Statement of Revenues, Expenditures and Change in Fund Balance - Governmental Fund	16
Reconciliation of the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balance to the Statement of Activities	17
Notes to Financial Statements	18 - 28
Required Supplementary Information:	
Budgetary Comparison Schedule - General Fund	29
Notes to Required Supplementary Information	30
Other Information	
Organization Information	31
Report on Internal Control and Compliance	
Independent Auditor's 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	32 - 33

INDEPENDENT AUDITORS' REPORT

To the 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, 2021, 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.

Auditor's 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 and 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 auditor's 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 each major fund of the Authority, as of June 30, 2021, 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, 2020, 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 basic 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 our 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 them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 29, 2021, 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.

Teaman Ramirez & Smith, LLC

Riverside, California

November 29, 2021

Management's Discussion and Analysis

The Authority

The Lake Elsinore & San Jacinto Watersheds Authority (LESJWA) 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 Authority's 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.

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 of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. In addition to the basic financial statements, this report also contains other supplementary information.

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 four 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 ensure 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 -28 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 \$197,923 on June 30, 2021.

Net Position

	2021	2020	2019
Assets			
Current and Other Assets	\$ 310,887	\$ 305,549	\$ 607,750
Total Assets	310,887	305,549	607,750
Liabilities			
Current Liabilities	112,964	134,423	262,951
Total Liabilities	112,964	134,423	262,951
Net Position			
Restricted: LEAMS Program	52,950	94,350	151,980
Unrestricted	144,973	76,776	192,819
Total Net Position	\$ 197,923	\$ 171,126	\$ 344,799

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

- The \$21,459 decrease in current liabilities is largely in part due to LEAMS offset credit licenses. The credits were lower for 2021 and that is reflected in a lower Accounts Payable number as compared to 2020.

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, 2021, the Authority did not have any net investment in capital assets.

Restricted

At June 30, 2021, the Authority had a restricted net position of \$52,950.

Unrestricted

At June 30, 2021, the Authority had an unrestricted net position of \$144,973.

Change in Net Position

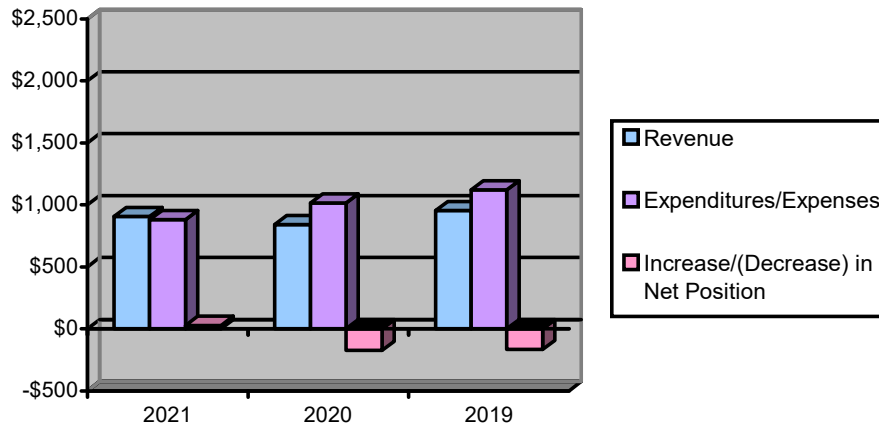
Overall, the fiscal year ending June 30, 2021, resulted in net position of \$197,923, a \$26,797 increase from the previous year.

Changes in Net Position

Item Category	2021	2020	2019
	Amount	Amount	Amount
Program Revenues	\$ 625,388	\$ 568,568	\$ 679,898
General Revenues	280,760	272,113	272,571
Total Revenues	906,148	840,681	952,469
Total Expenses	879,351	1,014,354	1,119,903
Change in Net Position	26,797	(173,673)	(167,434)
Beginning Net Position	171,126	344,799	512,233
Ending Net Position	\$ 197,923	\$ 171,126	\$ 344,799

Management's Discussion and Analysis

Decrease in Net Position (In thousands)



Revenues

Combined revenues for the fiscal year totaled \$906,148 an increase of \$65,467, or 7.8% more than the prior fiscal year. The following table presents a comparison of revenues by category for the fiscal years 2021, 2020, and 2019.

Revenues – Government Wide

Revenue Category	2021		2020		2019	
	Amount	% Of Total	Amount	% Of Total	Amount	% Of Total
Capital and Operating Grants	\$ 625,388	69.02%	\$ 568,568	67.63%	\$ 679,898	71.38%
Member Contributions	279,108	30.80%	263,683	31.37%	256,528	26.93%
Interest Earnings	1,652	.18%	8,430	1.00%	16,013	1.68%
Miscellaneous	-	0.00%	-	0.00%	30	0.00%
Total Revenues	\$ 906,148	100.00%	\$ 840,681	100.00%	\$ 952,469	100.00%

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

- The \$56,820 increase in capital and operating grants is based on an increased effort in work under the TMDL Task Force for FYE 2021.
- The \$15,425 increase in member contributions is based on an increased effort in work under the TMDL Task Force for FYE 2021.
- The \$6,778 decrease in interest earnings is due to a decrease in interest rates and the planned use of fund balance reserves.

Management's Discussion and Analysis

Expenses

Combined expenditures for the fiscal year totaled \$879,351, a decrease of \$135,003, or 13.3%, less than the prior fiscal year. The following table presents a comparison of expenditures by category for the fiscal years 2021, 2020, and 2019.

Expenses – Government Wide

Expense Category	2021		2020		2019	
	Amount	% Of Total	Amount	% Of Total	Amount	% Of Total
Administrative	\$ 208,783	23.74%	\$ 198,487	19.57%	\$ 200,815	17.93%
Contract Labor	1,925	0.22%	1,400	0.14%	5,425	0.48%
Consulting	668,532	76.03%	814,184	80.27%	913,337	81.56%
Interest Expense	111	.01%	283	0.03%	326	0.03%
Total Expenses	\$ 879,351	100.00%	\$ 1,014,354	100.00%	\$ 1,119,903	100.00%

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

- The \$145,652 decrease in consulting costs is mainly due to the TMDL task force only conducting a single alum application. Due to the improvement in the Canyon Lake water quality, and a reduction in the LEAMS nutrient offset credits required to be purchased by stakeholders to meet TMDL compliance, the decision was made to conduct one application instead of two. The typical cost is around \$125,000 per application event.

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, 2021, the Authority's general fund reported an ending fund balance of \$197,923, an increase of \$26,797 or 13.54% as compared to the prior year. The fund balance is made up of restricted funds of \$52,950 for the LEAMS program, and \$144,973 in unreserved fund balance.

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 \$197,923 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 22.5% of total general fund expenditures of \$879,351. The prior year comparison for fund balance to total general fund expenditures is 16.9%.

The fund balance in the Authority's general fund increased by \$26,797 during the fiscal year.

Overall, the general fund's performance resulted in revenues exceeding expenditures in the fiscal year ended June 30, 2021, by \$26,797. In the prior year, general fund expenditures exceeded revenues by \$173,673.

Major Programs Effecting the Financial Statements

The Canyon Lake Alum Application Project entailed the application of aluminum sulfate (alum) to Canyon Lake in an effort to improve water quality by removing nutrients from the water column that facilitate algae blooms. The cost to fund this project, budgeted at \$181,918 is allocated among participating TMDL Task Force members, based upon their estimated nutrient load contribution to Canyon Lake. In FYE 2021, actual costs to implement the Canyon Lake Alum project were \$134,018, as the Task Force only conducted a single alum application, due to improvements in in-lake water quality.

The Lake Elsinore Aeration & Mixing System (LEAMS) Nutrient Off-set Credit Program provides a mechanism for LEAMS operators (County of Riverside, City of Lake Elsinore, and Elsinore Valley Municipal Water District) to sell excess offset credits generated by LEAMS to offset the annual O&M costs. In FYE 2021, the licensing of excess nutrient off-set credits to other stakeholders with TMDL compliance obligations resulted in stakeholders purchasing of credits was budgeted at \$118,950, but the actual amount collected was only \$111,750. The proceeds, after deducting an administrative fee by LESJWA were distributed to the operators in equal shares.

The Lake Elsinore and Canyon Lake TMDL Monitoring program conducts compliance monitoring required in support of the Lake Elsinore and Canyon Lake Nutrient TMDLs. This includes regular monthly monitoring of both Lake Elsinore and Canyon Lake, as well as watershed-wide storm monitoring of up to three annual events. In FYE 2021, the cost to fund this project, budgeted at \$241,455 (actual collected was \$239,245, due to a credit issued to EMWD) is allocated among participating TMDL Task Force members, based upon equal cost shares.

The Task force has also hired the services of a consultant to support its effort to update the regulatory requirements of the Lake Elsinore and Canyon Lake Nutrient TMDLs. In FYE 2021, the cost to fund this effort, budgeted at \$100,000 is allocated among participating TMDL Task Force members, based upon equal cost shares. In FYE 2021, the actual amount invoiced was \$131,421, due to the need for additional water quality monitoring to address questions by Regional Board staff. These funds were taken from the Task Force reserve.

The balance of funds required to pay for the additional project/program costs were deducted from the Stakeholders cash reserve.

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, 2021.

Budget versus Actual – General Fund For the Year Ended June 30, 2021

	Budgeted Amounts Original and Final	Actual Amounts Budgetary and GAAP Basis	Variance with Budget Positive (Negative)
Revenues			
Capital and Operating Grants	\$ 645,447	\$ 625,388	\$ (20,059)
Member Contributions	299,108	279,108	(20,000)
Interest Earnings	5,500	1,652	(3,848)
Total Revenues	950,055	906,148	(43,907)
Expenses			
Administrative	214,743	208,783	5,960
Contract Labor	1,100	1,925	(825)
Consulting	732,555	668,532	64,023
Interest Expense	160	111	49
Total Expenses	948,558	879,351	69,207
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 1,497	\$ 26,797	\$ 25,300
Fund Balance - Beginning of Year		171,126	
Fund Balance - End of Year		\$ 197,923	

Management's Discussion and Analysis

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

- The \$20,059 negative variance for capital and operating grants is due to credits being issued to WRCAC, reducing the amount received from what was budgeted.
- The \$20,000 negative variance for member contributions is due to \$20,000 from the County of Riverside being accounted for as other agency contributions instead of member contributions.
- The \$3,848 negative variance for interest earnings is because the LE/CL TMDL task force exhausted the majority of its stakeholder reserve in 2020 resulting in reduced interest earnings.
- The \$5,960 positive variance for administrative expenses is reflective of a reduction in staff time needed for various aspects of the administration of LESJWA.
- The \$64,023 positive variance for consulting expenses is due to the Task Force only conducting a single alum application this year.

Existing Capital Assets

The Authority did not have any capital assets as of June 30, 2021.

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, 2021.

BASIC FINANCIAL STATEMENTS

Lake Elsinore & San Jacinto Watersheds Authority
Statement of Net Position
June 30, 2021
(With comparative totals for June 30, 2020)

	<u>Governmental Activities</u>	
	<u>2021</u>	<u>2020</u>
ASSETS		
Cash and Cash Equivalents (Note 2)	\$ 308,062	\$ 290,315
Accrued Interest Receivable	289	1,194
Accounts Receivable	-	14,040
Prepaid Insurance	<u>2,536</u>	<u>-</u>
Total Assets	<u>310,887</u>	<u>305,549</u>
LIABILITIES		
Accounts Payable and Accrued Expenses	112,964	134,423
Accrued Interest Payable	<u>-</u>	<u>-</u>
Total Liabilities	<u>112,964</u>	<u>134,423</u>
NET POSITION		
Restricted: LEAMS Program	52,950	94,350
Unrestricted	<u>144,973</u>	<u>76,776</u>
Total Net Position	<u><u>\$ 197,923</u></u>	<u><u>\$ 171,126</u></u>

The accompanying notes are an integral part of this statement.

Lake Elsinore & San Jacinto Watersheds Authority
Statement of Activities
For the Fiscal Year Ended June 30, 2021
(With comparative totals for the fiscal year ended June 30, 2020)

	Governmental Activities	
	2021	2020
EXPENSES		
Administrative	\$ 208,783	\$ 198,487
Contract Labor	1,925	1,400
Consulting	668,532	814,184
Interest Expense	111	283
Total Expenses	879,351	1,014,354
PROGRAM REVENUES		
Capital and Operating Grants	625,388	568,568
Total Program Revenues	625,388	568,568
Net Program Revenues (Expenses)	(253,963)	(445,786)
GENERAL REVENUES		
Member Contributions	279,108	263,683
Interest Earnings	1,652	8,430
Total General Revenues	280,760	272,113
Change in Net Position	26,797	(173,673)
Net Position - Beginning of Year	171,126	344,799
Net Position - End of Year	\$ 197,923	\$ 344,799

The accompanying notes are an integral part of this statement.

Lake Elsinore & San Jacinto Watersheds Authority
Balance Sheet
Governmental Fund
June 30, 2021

	General Fund
	<hr/>
ASSETS	
Cash and Cash Equivalents	\$ 308,062
Accrued Interest Receivable	289
Prepaid Insurance	<hr/> 2,536
Total Assets	<hr/> <hr/> \$ 310,887
 LIABILITIES	
Accounts Payable and Accrued Expenses	<hr/> 112,964
Total Liabilities	<hr/> 112,964
 FUND BALANCE (Note 3)	
Restricted: LEAMS Program	52,950
Unassigned	<hr/> 144,973
Total Fund Balance	<hr/> 197,923
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<hr/> <hr/> \$ 310,887

The accompanying notes are an integral part of this statement.

Lake Elsinore & San Jacinto Watersheds Authority
Reconciliation of the Governmental Fund
Balance Sheet to the Statement of Net Position
June 30, 2021

Fund Balances of Governmental Funds	\$ 197,923
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Certain accounts receivable are not available to pay for current expenditures and, therefore, are offset by deferred inflow of resources in the governmental fund.	<u>-</u>
Net Position of Governmental Activities	<u><u>\$ 197,923</u></u>

The accompanying notes are an integral part of this statement.

Lake Elsinore & San Jacinto Watersheds Authority
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Fund
For the Fiscal Year Ended June 30, 2021

	General Fund
	<hr/>
REVENUES	
Capital and Operating Grants	\$ 625,388
Member Contributions	279,108
Interest Earnings	<hr/> 1,652
Total Revenues	<hr/> 906,148
EXPENDITURES	
Administrative	208,783
Contract Labor	1,925
Consulting	668,532
Interest Expense	<hr/> 111
Total Expenditures	<hr/> 879,351
Excess (Deficiency) of Revenues Over (Under) Expenditures	26,797
Fund Balance - Beginning of Year	<hr/> 171,126
Fund Balance - End of Year	<hr/> <hr/> \$ 197,923

The accompanying notes are an integral part of this statement.

Lake Elsinore & San Jacinto Watersheds Authority
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
Year Ended June 30, 2021

Net Change in Fund Balances - Total Governmental Funds	\$	26,797
--	----	--------

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		<div style="border-top: 1px solid black; margin-top: 0;">-</div>
--------	--	--

Change in Net Position of Governmental Activities	\$	<div style="border-top: 1px solid black; border-bottom: 3px double black; margin-top: 0;">26,797</div>
---	----	--

Lake Elsinore & San Jacinto Watersheds Authority

Notes to Financial Statements

June 30, 2021

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A) Reporting Entity

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 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 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 recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. 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.

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 qualification of Governmental Accounting Standards Board (GASB) Statement No. 34

Lake Elsinore & San Jacinto Watersheds Authority
Notes to Financial Statements
June 30, 2021

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

B) Basis of Accounting and Measurement Focus - Continued

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 the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become measurable and available to financial 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. This item is shown in the Reconciliation of the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balance to the Statement of Activities.

D) New Account Pronouncements

Current Year Standards

GASB 84 - *Fiduciary Activities*, effective for periods beginning after December 15, 2019*. Currently, this Standard has no effect on the Authority.

GASB 88 - *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placement*, effective for periods beginning after June 15, 2018. Currently, this Standard has no effect on the Authority.

GASB 90 - *Majority Equity Interests, an amendment of GASB Statements No. 14 and No. 61*, effective for periods beginning after December 15, 2019*. Currently, this Standard has no effect on the Authority.

Lake Elsinore & San Jacinto Watersheds Authority
Notes to Financial Statements
June 30, 2021

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

D) New Account Pronouncements - Continued

Pending Accounting Standards

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

GASB 87 - *Leases*, effective for periods beginning after December 15, 2021*.

GASB 89 - *Accounting for Interest Cost Incurred before the End of a Construction Period*, effective for periods beginning after December 15, 2020*.

GASB 91 - *Conduit Debt Obligations*, effective for periods beginning after December 15, 2021*.

GASB 92 - *Omnibus*, effective for periods beginning after June 15, 2021*.

GASB 93 - *Replacement of Interbank Offered Rates*, effective for periods beginning June 15, 2021*.

GASB 94 - *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, effective for fiscal years beginning after June 15, 2022.

GASB 96 - *Subscription-Based Information Technology Arrangements* – effective for reporting periods beginning after June 15, 2022.

GASB 97 - *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans* – effective for discal years beginning after June 15, 2021.

*These GASB Statements original effective dates were postponed by GASB Statement No. 95.

Lake Elsinore & San Jacinto Watersheds Authority

Notes to Financial Statements

June 30, 2021

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 a future periods and so will *not* be recognized as an inflow of resources (revenue) until that time. The Authority had 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. The Authority did not have any unavailable grant revenues for the year ended 2021.

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 Manger to deposit funds in financial institutions. Investments are to be made in the following area:

- Local Agency Investment Fund (LAIF)

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.

Lake Elsinore & San Jacinto Watersheds Authority

Notes to Financial Statements

June 30, 2021

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

I) Accounts Receivable and Allowance for Bad Debt

The Authority considers accounts receivable to be fully collectible. Any allowance exceptions would be netted against the corresponding receivable in the accounts receivable line of the Governmental Fund Balance Sheet and the Statement of Net Position. There is no allowance for the fiscal year ended June 30, 2021.

J) Unearned Revenue

Unearned revenues represent 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, 2021.

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.

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 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 constraint placed on net position use through external constraints imposed by creditors, grantors, contributors, laws or regulations of other governments, or constraints imposed by law through constitutional provisions or enabling legislation. The Authority's 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* for restricted.

Lake Elsinore & San Jacinto Watersheds Authority

Notes to Financial Statements

June 30, 2021

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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 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.
- **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 the purposes.
- **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.

Lake Elsinore & San Jacinto Watersheds Authority

Notes to Financial Statements

June 30, 2021

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

M) Fund Balance - Continued

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: (a) maintain an unassigned fund balance in its funds sufficient to fund cash flows of the Authority; and (b) 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 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 affect certain reported amounts and disclosures. Accordingly, actual results could differ from the estimates.

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.

Lake Elsinore & San Jacinto Watersheds Authority
Notes to Financial Statements
June 30, 2021

2) CASH AND INVESTMENTS

Cash and Investments

Cash and Investments as of June 30, 2021, are classified in the Statement of Net Position as follows:

Cash and Cash Equivalents	<u>\$ 308,062</u>
---------------------------	-------------------

Cash and Investments as of June 30, 2021 consist of the following:

Deposits with Financial Institutions	\$ 41,777
Local Agency Investment Fund (LAIF)	<u>266,285</u>
 Total Cash and Investments	 <u>\$ 308,062</u>

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 or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local government 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).

Lake Elsinore & San Jacinto Watersheds Authority

Notes to Financial Statements

June 30, 2021

2) CASH AND INVESTMENTS - Continued

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 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, 2021, the LAIF pool had a weighted average maturity of the following:

Local Agency Investment Fund	291 Days
------------------------------	----------

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 86% of the Authority's total depository and investment portfolio as of June 30, 2021. 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.

Lake Elsinore & San Jacinto Watersheds Authority

Notes to Financial Statements

June 30, 2021

2) CASH AND INVESTMENTS - Continued

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 assets. 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.

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, 2021, is as follows:

Restricted:	
LEAMS Program	\$ 52,950
Unassigned	144,973
	<hr/>
Total Fund Balance	\$ 197,923
	<hr/>

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, 2021 were \$201,354. Amounts paid to SAWPA for fiscal year 2020-2021 consisted of \$67,716 for salaries, \$30,676 for benefits, \$102,116 for overhead allocation, \$111 for interest expense, and \$735 for other expenses. At June 30, 2021, the amount due to SAWPA was \$18,718.

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.

Lake Elsinore & San Jacinto Watersheds Authority
Notes to Financial Statements
June 30, 2021

6) OTHER REQUIRED FUND DISCLOSURES

Excess of Expenditures over Appropriations

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
General Fund			
Contract Labor	\$ 1,100	\$ 1,925	\$ (825)

7) COMMITMENTS AND CONTINGENCIES

Grant Awards

Grants 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.

COVID-19

On March 11, 2020, the World Health Organization declared the novel strain of coronavirus (COVID-19) a global pandemic and recommended containment and mitigation measures worldwide. The pandemic continued subsequent to year end with certain restrictions required by the Governor of California, as well as local governments, which may affect revenue sources and also caused subsequent stock market volatility. The duration of the pandemic and the impact of COVID-19 on the Authority's operational and financial performance is uncertain at this time.

REQUIRED SUPPLEMENTARY INFORMATION

Lake Elsinore & San Jacinto Watersheds Authority
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2021

	Adopted Original	Board Approved Changes	Final	Actual Budgetary Basis	Variance with Final Budget Positive (Negative)
REVENUES					
Capital and Operating Grants	\$ 645,447	\$ -	\$ 645,447	\$ 625,388	\$ (20,059)
Member Contributions	299,108	-	299,108	279,108	(20,000)
Interest Earnings	5,500	-	5,500	1,652	(3,848)
Total Revenues	950,055	-	950,055	906,148	(43,907)
EXPENDITURES					
Administrative	214,743	-	214,743	208,783	5,960
Contract Labor	1,100	-	1,100	1,925	(825)
Consulting	732,555	-	732,555	668,532	64,023
Interest Expense	160	-	160	111	49
Total Expenditures	948,558	-	948,558	879,351	69,207
Excess (Deficiency) of Revenues over Expenditures	1,497	\$ -	1,497	26,797	25,300
Fund Balance - Beginning of Year	171,126		171,126	171,126	-
Fund Balance - End of Year	\$ 172,623		\$ 172,623	\$ 197,923	\$ 25,300

Lake Elsinore & San Jacinto Watersheds Authority
Notes to Required Supplementary Information
For the Fiscal Year Ended June 30, 2021

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 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 expenditures 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.

OTHER INFORMATION

**Lake Elsinore & San Jacinto Watersheds Authority
Organization**

For the Fiscal Year Ended June 30, 2021

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 under 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

Kasey Castillo
Robert E. Magee
Kevin Jeffries
Phil Williams
Brenda Dennstedt

Representing

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

Teaman, Ramirez & Smith, Inc.
Certified Public Accountants

REPORT ON INTERNAL CONTROLS AND COMPLIANCE

**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, 2021, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated November 29, 2021.

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) as a basis for designing audit procedures that are appropriate in the circumstances 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 than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting 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 of 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 financial statements. 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 "Teaman Ramirez & Smith, L.L.C.".

Riverside, California

November 29, 2021

Page Intentionally Blank

LESJWA BOARD MEMORANDUM NO. 2022.04

DATE: February 17, 2022

SUBJECT: Canyon Lake Alum Dosing Agreement and Task Order

TO: LESJWA Board of Directors

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

RECOMMENDATION

The Lake Elsinore & Canyon Lake Nutrient TMDL Task Force and LESJWA staff recommends that the Board of Directors approve the Agreement for Services and Task Order No. AQUA160-04 with AquaTechnex, LLC for an amount not-to-exceed \$689,800 for three continuous years of up to two semi-annual alum dosing in Canyon Lake with the option to extend two additional years.

DISCUSSION

In response to a request for proposals issued in October 2021, the members of the Lake Elsinore and Canyon Lake Nutrient TMDL Task Force Technical Advisory Committee unanimously recommends the selection of AquaTechnex, LLC to continue to implement the Alum dosing in Canyon Lake to support the Lake Elsinore & Canyon Lake Nutrient TMDLs.

The request for proposals was, posted on the LESJWA and SAWPA websites, and emailed directly to the following eight firms:

AquaTechnex, LLC

South West Aquatics

Clean Lakes Inc.

HAB Aquatic Solutions

Marine Biochemists

Environmental Research & Design

Diversified Waterscapes, Inc.

General Chemical Corporation

Two proposals were received from the solicitation: AquaTechnex LLC, and HAB Aquatic Solutions.

On January 17, 2022, the LE&CL TMDL Technical Advisory Committee review panel conducted interviews to learn more about the firms, discuss the details of their proposals and assess their responsiveness to a set of agreed upon questions. Following the interviews, the committee met to make a final evaluation of the consultant teams, based upon both their proposal, as well as their interview. The committee was unanimous in their selection of AquaTechnex LLC to conduct the alum dosing in Canyon Lake. This was based upon the costs to conduct the work laid out in their proposal, the consultant's approach to the tasks, and technical expertise, as well as the Task Force's previous experience in working with AquaTechnex LLC.

The task order with AquaTechnex LLC will be to implement Alum Dosing in Canyon Lake to support the Lake Elsinore & Canyon Lake Nutrient TMDL. Included with the task order is a scope of work and budget providing a detailed description of support services to be performed by the consultant, AquaTechnex LLC.

The proposed work includes up to two semi-annual alum dosings to be scheduled for the spring and fall, based upon an evaluation of in-lake water quality. In addition, the work includes an option to continue two additional years (four additional application events). This schedule may be modified based on the input of the Canyon Lake Alum Treatment Technical Advisory Committee and LESJWA Board direction.

BACKGROUND

In August 2013, LESJWA, working on behalf of stakeholders of the Lake Elsinore and Canyon Lake TMDL Task Force initiated Phase 1 of a program to apply alum to treat the lake by removing nutrients (namely phosphorus) that contribute to algal blooms. This included approval by the LESJWA Board of a Task Order with Aquatechnex to conduct five applications of alum to Canyon Lake from Sept. 2013- May 2016.

Phase 1 of this program, funded in part by a California Department of Water Resources Proposition 84 grant, continued through September 2016 and entailed seven semi-annual applications to Canyon Lake. Preliminary analysis of the results of these alum applications (September 2013 through May 2016) included in the Compliance Assessment with the 2015 Interim Response Targets for LE/CL TMDL submitted to the Regional Board on June 30, 2016, show that phosphorus concentrations are consistently at or below 0.1 mg/L - a final TMDL target the stakeholders are not required to meet until 2020.

In December 2016, in response to a second RFP issued in October 2016, LESJWA, working on behalf of stakeholders of the Lake Elsinore and Canyon Lake TMDL Task Force again approved the recommendation to select Aquatechnex as the most qualified firm to conduct the semi-annual applications of alum to Canyon Lake. This 2016 Task Order with Aquatechnex was to conduct up to six additional applications of alum to Canyon Lake from Feb. 2017- Sept. 2019. In addition, this agreement included an option to continue two additional years (four additional application events) through December 2021.

October 2021, the LESJWA Board direct staff to issue an RFP for services to continue the up to two semi-annual alum applications to Canyon Lake for the next three years, with an option to continue services two years thereafter.

RESOURCES IMPACT

The TMDL Task Force FY 2021-22 Budget provides a budget of \$ \$178,827 to conduct of up to two semi-annual alum dosing in Canyon Lake. All staff contract administration time for this contract will be taken from the TMDL budget and funded by the TMDL Stakeholders.

Attachments:

1. Agreement for Services
2. Task Order No. AQUA160-04

AGREEMENT FOR SERVICES BY INDEPENDENT CONSULTANT

This Agreement is made this **17th day of February, 2022** by and between the Lake Elsinore & San Jacinto Watersheds Authority (LESJWA) whose address is 11615 Sterling Avenue, Riverside, CA. 92503, and AquaTechnex, LLC ("Consultant") whose address is P.O. Box 30824 Bellingham, WA 98228.

RECITALS

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

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

AGREEMENT

Now, Therefore, in consideration of the foregoing Recitals and mutual covenants contained herein, LESJWA and Consultant agree as follows:

ARTICLE I **TERM OF AGREEMENT**

1.01 This agreement shall become effective on the date first above written and shall continue until **December 31, 2025**, unless extended or sooner terminated as provided for herein.

ARTICLE II **SERVICES TO BE PERFORMED**

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

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

ARTICLE III **COMPENSATION**

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

3.02 Each Task Order shall specify a total not-to-exceed sum of money and shall be based upon the regular hourly rates customarily charged by Consultant to its clients, as set forth on an exhibit to be attached to each Task Order issued to Consultant.

3.03 Consultant shall not be compensated for any services rendered nor reimbursed for any expenses incurred in excess of those authorized in any Task Order unless approved in advance by the Board of Directors and Authority Administrator of LESJWA, in writing.

3.04 Unless otherwise provided for in any Task Order issued pursuant to this Agreement, payment of compensation earned shall be made in monthly installments after receipt from Consultant of a timely, detailed, corrected, written invoice by LESJWA's Project Manager, describing, without limitation, the services performed, the time spent performing such services, the hourly rate charged therefore, and the identity of individuals performing such services for the benefit of LESJWA. Such invoices shall also include a detailed itemization of expenses incurred. Upon approval by an authorized SAWPA employee, SAWPA will pay within 30 days after receipt of a valid invoice from Consultant.

ARTICLE IV **OBLIGATIONS OF CONSULTANT**

4.01 Consultant agrees to perform all assigned services in accordance with the terms and conditions of this Agreement and those specified in each Task Order.

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

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

- a. Obtain a comprehensive general liability and automobile insurance policy, including contractual coverage, with combined single limits for bodily injury and property damage in an amount of not less than \$1,000,000.00. Such policy shall name LESJWA, and any other interested and related party designated by LESJWA, as an additional insured, with any right to subrogation waived as to LESJWA and such designated interested and related party;
- b. Obtain a policy of professional liability insurance in a minimum amount of \$1,000,000.00 per claim or occurrence to cover any negligent acts or omissions committed by Consultant, its employees and/or agents in the performance of any services for LESJWA;
- c. Comply with all local, state and federal laws, rules and regulations;
- d. Provide worker's compensation insurance or a California Department of Insurance-approved self-insurance program in an amount and form that meets all applicable Labor Code requirements, covering all persons or entities providing services on behalf of the Consultant's and all risks to such persons or entities.
- e. Consultant shall require any subcontractor that Consultant uses for work performed for LESJWA under this Agreement or related Task Order to obtain the insurance coverages specified above.
- f. Consultant hereby agrees to waive subrogation which any insurer of Consultant may seek to require from Consultant by virtue of the payment of any loss. Consultant shall obtain an endorsement that may be necessary to give effect to this waiver of subrogation. In addition, the Workers Compensation policy shall be endorsed with a waiver of subrogation in favor of LESJWA for all work performed by Consultant, and its employees, agents and subcontractors.

All such insurance policy or policies shall be issued by a responsible insurance company with a minimum A.M. Best Rating of "A-" Financial Category "X", and authorized and admitted to do business in, and regulated by, the State of California. If the insurance company is not admitted in the State of California, it must be on the List of Eligible Surplus Line Insurers (LESLI), shall have a minimum A.M. Best Rating of "A", Financial Category "X", and shall be domiciled in the United States, unless otherwise approved by LESJWA in writing. Each such policy of insurance shall expressly provide that it shall be primary and noncontributory with any policies carried by LESJWA and, to the extent obtainable, such coverage shall be payable notwithstanding any act of negligence of LESJWA that might otherwise result in forfeiture of coverage. Evidence of all insurance coverage shall be provided to LESJWA prior to issuance of the first Task Order. Such policies shall provide that they shall not be canceled or amended without 30 day prior written notice to LESJWA. Consultant acknowledges and agrees that such insurance is in addition to Consultant's obligation to fully

indemnify and hold LESJWA free and harmless from and against any and all claims arising out of an injury or damage to property or persons caused by the negligence, recklessness, or willful misconduct of Consultant in performing services assigned by LESJWA.

4.04 Consultant hereby covenants and agrees that LESJWA, its officers, employees, and agents shall not be liable for any claims, liabilities, penalties, fines or any damage to property, whether real or personal, nor for any personal injury or death caused by, or resulting from, or claimed to have been caused by or resulting from, any negligent act or omission of Consultant. Further, Consultant hereby covenants and agrees to fully indemnify and save LESJWA, its agents, officers and employees, free and harmless from and against any and all of the foregoing liabilities or claims of any kind, and shall reimburse LESJWA for all costs or expenses that LESJWA incurs (including attorneys' fees) on account of any of the foregoing liabilities, including liabilities or claims made by reason of defects in the performance of consulting services pursuant to this Agreement, unless the liability or claim is proximately caused by LESJWA's negligent act or omission.

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

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

ARTICLE V **OBLIGATIONS OF LESJWA**

5.01 LESJWA shall

- a. Furnish all existing studies, reports and other available data pertinent to each Task Order that are in LESJWA's possession;
- b. Designate a person to act as liaison between Consultant and the Authority Administrator and Board of Directors of LESJWA.

ARTICLE VI **ADDITIONAL SERVICES, CHANGES AND DELETIONS**

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

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

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

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

shall be made as provided in Article III above.

ARTICLE VII
CONSTRUCTION PROJECTS:
CHANGE ORDERS FOR CONSTRUCTION CONSULTANT

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

ARTICLE VIII
TERMINATION OF AGREEMENT

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

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

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

ARTICLE IX
STATUS OF CONSULTANT

9.01 Consultant shall perform the services assigned by LESJWA in Consultant's own way as an independent contractor, and in pursuit of Consultant's independent calling, and not as an employee of LESJWA. Consultant shall be under the control of LESJWA only as to the result to be accomplished and the personnel assigned to perform services. However, Consultant shall regularly confer with LESJWA's liaison, Authority Administrator, and Board of Directors as provided for in this Agreement.

9.02 Consultant hereby specifically represents and warrants to LESJWA that the services to be rendered pursuant to this Agreement shall be performed in accordance with the standards customarily applicable to an experienced and competent professional consulting organization rendering the same or similar services. Further, Consultant represents and warrants that the individual signing this Agreement on behalf of Consultant has the full authority to bind Consultant to this Agreement.

ARTICLE X
AUDIT; OWNERSHIP OF DOCUMENTS

10.01 All draft and final reports, plans, drawings, specifications, data, notes, and all other documents of any kind or nature prepared or developed by Consultant in connection with the performance of services assigned to it by LESJWA are the sole property of LESJWA, and Consultant shall promptly deliver all such materials to LESJWA. Consultant may retain copies of the original documents, at its option and expense.

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

LESJWA's agents for examination of all such records and will permit LESJWA's to audit, examine and reproduce such records.

ARTICLE XI

MISCELLANEOUS PROVISIONS

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

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

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

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

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

11.06 LESJWA expects that Consultant will devote its full energies, interest, abilities and productive time to the performance of its duties and obligations under Agreement, and shall not engage in any other consulting activity that would interfere with the performance of Consultant's duties under this Agreement or create any conflicts of interest. If required by law, Consultant shall file Conflict of Interest Statements with LESJWA.

11.07 Any dispute which may arise by and between LESJWA and the Consultant, including the Consultant's associates, subcontractor or other consultants, shall be submitted to binding arbitration. Arbitration shall be conducted by the Judicial Arbitration and Mediation Service, Inc., or its successor, or any other neutral, impartial arbitration service that the parties mutually agree upon, in accordance with its rules in effect at the time of the commencement of the arbitration proceeding, and as set forth in this paragraph. The arbitrator must decide each and every dispute in accordance with the laws of the State of California, and all other applicable laws. The arbitrator's decision and award are subject to judicial review by a Superior Court of competent venue and jurisdiction only for material errors of fact or law in accordance with Section 1296 of the Code of Civil Procedure. Limited discovery may be permitted upon a showing of good cause and approved by the assigned arbitrator. Unless the parties stipulate to the contrary, prior to the appointment of the arbitrator, all disputes shall first be submitted to non-binding mediation, conducted by the Judicial Arbitration and Mediation Services, Inc., or its successor, or any other neutral, impartial mediation service that the parties mutually agree upon, in accordance with their rules and procedures for such mediation.

11.08 During the performance of the Agreement, Consultant, and its subcontractors, shall not unlawfully discriminate, harass, or allow harassment against any employee or applicant for employment because of sex, race, color, ancestry, religious creed, national origin, physical disability (including HIV and AIDS), mental disability, medical condition (cancer), age (over 40), marital status, and denial of family care leave. Consultant, and its subcontractors, shall insure that the evaluation and treatment of their employees and applicants for employment are free from such discrimination and harassment. Consultant, and its subcontractors, shall comply with the provisions of the Fair Employment and Housing Act (Government Code, Section 12290 et seq.) and the applicable regulations promulgated thereunder (California Code of

Regulations, Title 2, Section 7285 et seq.). The applicable regulations of the Fair Employment and Housing Commission implementing Government Code Section 12990 et seq., set forth in Chapter 5 of Division 4 of Title 2 of the California Code of Regulations are incorporated into this Agreement by reference and made a part hereof as if set forth in full. Consultant, and its subcontractors, shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreement. Consultant shall include the non-discrimination and compliance provisions of this clause in all subcontracts to perform work under the Agreement.

IN WITNESS WHEREOF, the parties hereby have made and executed this *Agreement for Services* as of the day and year first above-written.

LAKE ELSINORE & SAN JACINTO WATERSHEDS AUTHORITY

Phil Williams, Chair

Date

AQUATECHNEX, LLC

(Signature)

Date

Print/Type Name and Title

LAKE ELSINORE & SAN JACINTO WATERSHEDS AUTHORITY
TASK ORDER NO. AQUA160-04

CONSULTANT: AquaTechnex, LLC
P.O. Box 30824
Bellingham, WA 98228

VENDOR NO.: 1727

COST: **\$689,800.00**

PAYMENT: Upon Receipt of Proper Invoice

REQUESTED BY: Mark Norton, Authority Administrator

February 17, 2022

FINANCE: _____
Karen Williams, Deputy GM/CFO Date

FINANCING SOURCE:	Acct. Coding	160-TMDL-6113-01
	Acct. Description	General Consulting

BOARD AUTHORIZATION REQUIRED: YES (X) NO ()
Authorization: February 17, 2022; LES#2022.04

This Task Order is issued upon approval and acceptance by the Lake Elsinore & San Jacinto Watersheds Authority (LESJWA) and AquaTechnex, LLC (Consultant) pursuant to the Agreement for Services between LESJWA and Consultant, entered into on February 17, 2022, expiring December 31, 2025.

I. PROJECT NAME OR DESCRIPTION

Canyon Lake Alum Treatment Project 2022-24

II. SCOPE OF WORK / TASKS TO BE PERFORMED

Consultant shall provide all labor, materials and equipment for the Project to conduct up to two (2) semi-annual Canyon Lake alum dosings to be scheduled for the Spring and Fall, based upon an evaluation on in-lake water quality. In addition, the work includes an option to continue two (2) additional years (four additional application events). See proposal attached.

III. PERFORMANCE TIME FRAME

Consultant shall begin work February 17, 2022 and shall complete performance of such services by or before **December 31, 2024**.

IV. LESJWA LIAISON

Rick Whetsel and/or Mark Norton will 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 **\$689,800.00**. Payment for such services shall be made within 30 days upon receipt of proper and timely invoices from Consultant, as required by the above-mentioned Agreement. Each such invoice shall be provided to LESJWA by Consultant within 15 days after the end of the month in which the services were performed.

VI. CONTRACT DOCUMENTS PRECEDENCE

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

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

Phil Williams, Chair

Date

AQUATECHNEX, LLC

(Signature)

Date

Print/Type Name and Title

Proposal for Continuation of Canyon Lake Alum Treatment Program



Lake Elsinore and San
Jacinto Watersheds
Authority

**AquaTechnex,
LLC**

www.aquatechnex.com

HEADQUARTERS
Bellingham, WA 98228
Local Offices
Lynnwood, WA
Centralia, WA
Spokane Valley, WA

Pleasant Hill, CA
Missoula, MT
Palm Desert, CA

Boise, ID
Santa Ana, CA



December 1, 2021

Mark Norton
Santa Ana Watershed Project Authority
11615 Sterling Avenue
Riverside, CA 92503-4979

Dear Mark,

Thank you for the opportunity to submit our proposal for the Canyon Lake Alum Treatment Project. It's been an excellent experience to be part of this program to this point and we hope we can continue to support your project. Our contact information is presented here.

Our headquarters is Aquatechnex, LLC, PO Box 30824 Bellingham, WA, 98228, 360-527-1271. Our regional office is Aquatechnex, LLC, 2025 S Lyons, Santa Ana, CA 92705, 760-272-5842. I will be the project manager for this mission should we be selected to perform this work, my contact information is cell phone 360-201-2612 and email tmcnabb@aquatechnex.com. Cody Appling, our regional manager will also be involved in managing staff, his contact information is 760-272-5842 and email cody@aquatechnex.com.

As the only environmental service firm that has performed this work for you, I think we have an excellent understanding of what is required. We have no learning curve. We have excellent suppliers with experience delivering to Canyon Lake. We have demonstrated considerable flexibility in scheduling through the three years we have worked her, facilitated by local staff and equipment staging. We have met your needs at a reasonable cost. I think we are uniquely qualified to continue this important work.

We believe our submittal covers all your requested information. If there are questions about it, we would be happy to answer them.

Thank you for your consideration.

Sincerely,

Terry McNabb, CLM

Manager/Aquatic Biologist/Certified Lake Manager

Table of Contents

1. Understanding the project.....3

2. Experience and Qualifications.....4

3. Scope of Work.....15

4. Description of Equipment.....15

5. Project Schedule.....18

6. Compensation Budget.....19

Understanding the Project

The Lake Elsinore and San Jacinto Watersheds Authority was formed to help meet water quality guideline for Lake Elsinore and Canyon Lakes. This action driven by TMDL's that were established for both lakes. Canyon Lake is the upstream waterbody that first receives run off from the San Jacinto Watershed and the primary concerns were phosphorus loading to the lake. After considerable study the Watersheds Authority selected the in-lake strategy of sequestering phosphorus through application of Aluminum Sulfate. This work started in 2013 and there have generally been two applications per year in the time since.

Aluminum Sulfate or Alum is one of the primary agents used in lake management to target phosphorus both in the water column and in the accumulated sediments. Alum treatments are done to form a floc that settles through the water column capturing phosphorus available, and lands on the lake sediments where it can form a "cap" and help tie up mobile phosphorus in the sediments.

Aquatechnex biologists have been involved in the management of Canyon Lake using this technology since the start of the program. We have been the successful respondent to the initial Request for Proposals issued by the Authority and the subsequent ones. To date we have successfully made 17 applications following the exact direction in this Request for Proposals.

During those 17 applications we have learned quite a bit. We have built a successful relationship with the Property Owners Association and their Marine Patrol. Their cooperation escorting the delivery tank trucks and managing traffic on the lake have allowed this work to proceed with minimal impact on their community and use of the lake. We have built a successful relationship with the Elsinore Valley Municipal Water District who own the lake. Our biologists have helped them mitigate algae problems around the intake when this water source is used for supply.

We have developed method and equipment to get this job completed rapidly. One of the keys to this has been our use of multiple application vessels equipped with DGPS guidance. Our larger vessels operate on the open waters of the lake, we also have assigned smaller vessels and specialized application systems to work in the narrow fingers of the lake and around boats and docks. Part of getting this volume of Alum into the lake effectively in a few days is our multi boat rotation and just in time alum delivery protocols. We can empty and apply a tank truck in under 2 hours. Companies that utilize one larger treatment vessel must build on site storage for Alum that interferes with the communities use of boat ramps and doubles the chance for spills as the alum must be moved twice, from deliver trucks to tank, and from tanks to the application vessel. We believe our system better fits the needs of this community.

Historically, this project has had to be scheduled and rescheduled based on weather and/or sampling requirements. Often it has had to be delayed by a week or two especially in the spring because of rain events or water temperatures. In a couple of cases the delay was more than a month. Canyon Lake has a large boat storage facility with the property. Since 2013 we have rented storage space for our larger treatment boats at this facility as we don't have room to secure them at our Santa Ana or Palm Desert offices. This means our equipment is at the lake much of the year, minimizing mobilization costs and time and allowing us to be extremely flexible when schedule changes are required. Some competitors must travel large distances and must schedule tightly, and their flexibility is often not possible. We have

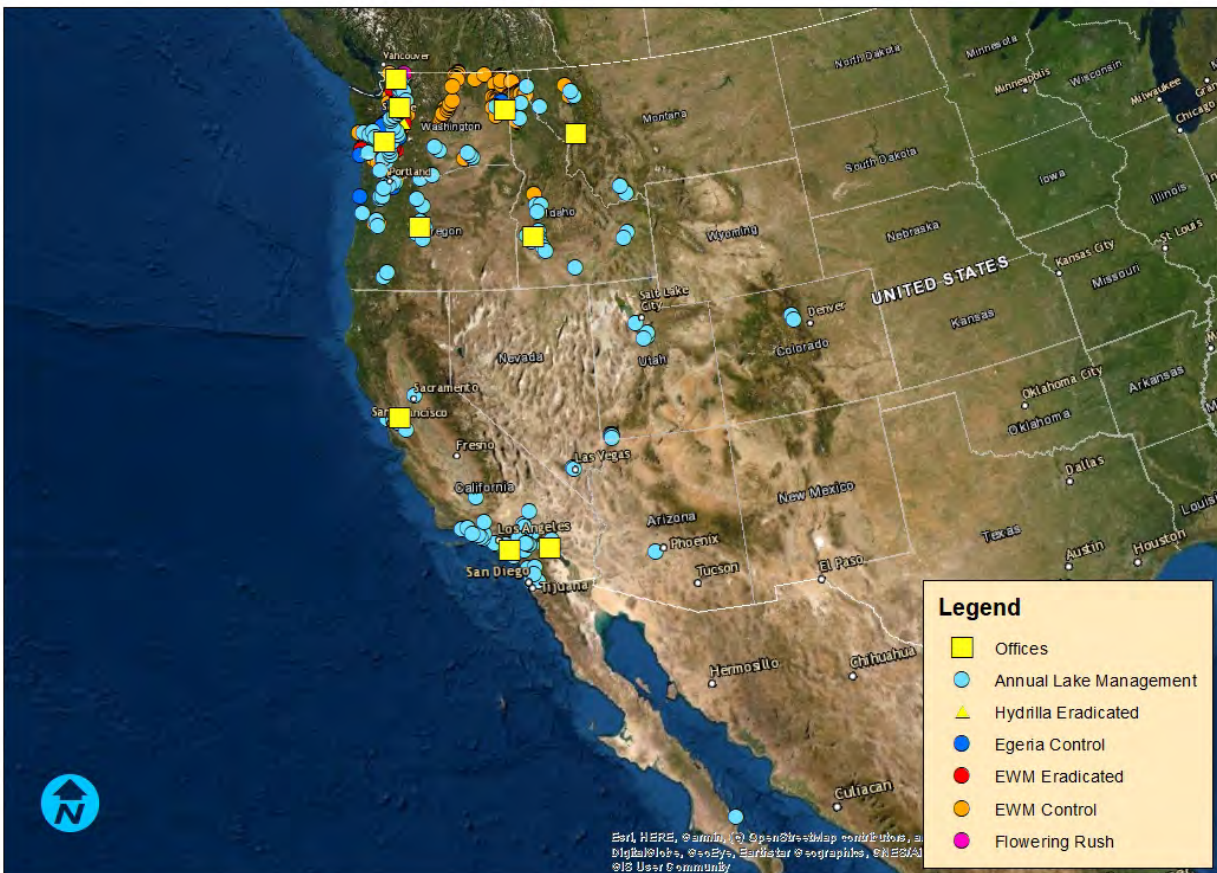
Proposal for Canyon Lake Alum Treatment Program

experienced several times during the past years where the Authority has asked us to move dates at the last minute and we have been able to comply in all cases to the benefit of the program.

We believe we have an excellent understanding of this project because we have been successfully performing this exact scope of work for almost ten years.

Experience and Qualifications

For over 40 years the biologists at Aquatechnex have been at the forefront of the fight to protect our water resources. Our team pioneered assessment technologies to detect and map threats to our nation's lakes and rivers. We have a recognized expertise in the restoration of aquatic habitats impacted by invasive aquatic species. As phosphorus pollution is increasingly driving toxic algae blooms, our team has the technology to sequester and remove phosphorus from lake and river systems. We support homeowner associations; pond owners and golf course superintendents protect the value of the water on their property. We have the capabilities to analyze, proscribe solutions and implement programs to protect and restore any size water body.



Aquatechnex Major Lake Management and Invasive Aquatic Weed Projects

With over 400 clients in the Western United States, we often encounter situations where phosphorus pollution is driving cyanobacteria blooms. For the past 40 years we have been designing and

Proposal for Canyon Lake Alum Treatment Program

implementing programs to target these conditions to protect the beneficial uses of the water. This has included both proactive and reactive treatment strategies.

Reactive strategies involve applying US EPA registered aquatic algaecides to target and reduce problem algae populations. We have helped groups from small golf course pond systems to large potable water reservoir systems target and reduce populations. This can be a very effective way to manage cyanobacteria and maintain low populations of these species. In the past two years Aquatechnex biologists have been utilizing these technologies on Utah Lake near Provo, UT to provide relief from toxic algae blooms



During the summers of 2020 and 2021 Aquatechnex biologists worked for the Utah Lake Commission and State of Utah to suppress toxic algae blooms throughout high use areas on this 95,000 acre water body

Proactive strategies often provide a much greater benefit to the water body when funding exists to implement this type of program.

There are two technologies that are operationally used to target and sequester phosphorus pollution.

The longest used and probably best understood technology in the United States is the application of Aluminum Sulfate.

Our company is unique in that the father of our principle was a PH.D. limnologist at Michigan State University in the late 1960's and 1970's. During this time frame, the US EPA's Clean Lakes Program was established, and lake restoration studies and operational programs were put into action. The use of Alum as a phosphorus sequestering agent in lakes is a technology that was developed through this program. Two of the first large scale Alum applications made in the United States were performed in this time frame on Skinner Lake, IN and Lake Lansing, MI. Terry McNabb helped support these applications and participated in Michigan State University's sampling and analysis pre and post

Proposal for Canyon Lake Alum Treatment Program

treatment for several years while in college. In the 3 decades since, our team has used this technology on a regular basis to help clients restore lake systems that have been impacted with phosphorus.

In 2010, the Orange County (California) Parks Department selected our team as the most qualified respondent to their RFP to manage 15 lakes in 10 Regional Parks. We were again selected in 2014 to work on this contract for the next five-year period. This \$650,000.00 annual contract had as a key focus mitigating the impacts of phosphorus pollution and the resulting cyanobacteria blooms that have plagued many of these lakes. In this time frame we discovered Phoslock, a technology developed by the Australian National Science Academy and widely used as an alternative to Alum where water quality conditions impact the effectiveness of floc formation or long term sequestration. We have now used this technology in over 12 lake systems and monitored results and have determined that this is a very effective technology where appropriate as well. We are the only firm in the Western United States that have deployed this technology operationally to this point.



*Aquatechnex
biologists applying
Aluminum Sulfate to
capture and
precipitate
phosphorus to
mitigate
cyanobacteria
blooms*

One of the key challenges of alum treatments is the logistics of moving large amount of material through the community and onto the water, then applying the material with the precision required to allow it to function. Over the past three decades, our team has treated hundreds of lakes much larger than Canyon Lake with a wide range of lake and aquatic plant management products. We have an excellent understanding of the logistical planning necessary to maximize our time delivering product into the water column while minimizing. The largest project we have effectively accomplished is the treatment of 5,000 acres of Eurasian Milfoil in Lake Pend Oreille, Idaho. This project involved managing the precision application of a number of EPA registered aquatic herbicides across 100 plus miles of shoreline in this 120,000-acre lake system on this \$1.8 million USD Project. We have a mix of transport boats, large liquid volume capacity treatment boats that can carry a consider amount of product but are fast empty so they can turn around quickly. We also have several systems to apply this material in tight spaces such as the fingers. Our educator application systems can treat in and around docks and moored vessels effectively without overspray. Most alum application companies are only set up to target open water areas, we work around tight treatment sites like your East Arm regularly.

Proposal for Canyon Lake Alum Treatment Program

Our team has repeatedly demonstrated our capabilities in this area. In May of this year, we completed a 50 metric ton Phoslock application to a lake system in Orange County in 3 days. This week (November 14, 2016) we are applying 55,000 gallons (14 Tank Trucks) of Alum to 900 Lake Stevens in Washington State in three days. We have the experience necessary to plan and implement these projects.



Aquatechnex biologists staging and transfer Aluminum Sulfate in a situation similar to that required on Canyon Lake. We have set up flagging and an interface with the public, informational signage and staged safety and spill equipment. We also have set up containment under the truck transfer point. Our water quality monitoring team is also mobilized at this location with support boats.

Our team is also very familiar with Canyon Lake and the issues present there. We have worked under contract with your agency to deliver the BlueWater Satellite Study that assessed chlorophyll a levels in Canyon and Elsinore Lakes over the previous decades. This included presentations to LE&SJWA on these technologies, contracting with the Agency and successful delivery of this study.

Our experience performing this same contract effort over the past three years gives us a level of experience that is not available elsewhere. We know exactly what it takes to move alum effectively into the community and onto the water without disrupting the community. We know the exact equipment mix that is necessary to effectively target both the open water areas of the lake and the narrow bays and coves. We have an excellent working relationship with the Canyon Lake Property Owners Association and their marine patrol, we won't have to learn their concerns. We have experience presenting to the local community and from these past meetings understand their concerns, we have effectively addressed them in the past. We have demonstrated the capacity to deal with unexpected conditions that might arise.

We now have two offices located within a short drive from Canyon Lake. Our Santa Ana office is staffed by two senior scientists with extensive experience in nutrient reduction applications along with boats and support staff. Our Palm Desert office is similarly staffed and equipped. We have the capability to bring additional equipment and personnel to bear rapidly should that be necessary.

In summary, our team has over 3 decades experience mitigating phosphorus pollution through application of sequestering agents to lake systems throughout the United States. We are also considered to be among the most qualified applicators of aquatic herbicides and algaecides in the

Proposal for Canyon Lake Alum Treatment Program

United States. These applications have many things in common with Alum treatments. Some of the things we have learned over the years are the focus of the next few paragraphs.

Aquatechnex is a Limited Liability Company. Our team is fully capable of completing this project without subcontractors and we do not anticipate using any. We have excellent relationships with the major alum manufacturers in the region and have worked with Chemical Transfer of Stockton California to deliver Alum on schedule and without incident in the previous five applications.

While there is no license required for this type of application, our firm is fully licensed to apply EPA registered products to waters of the State in California. Terry McNabb holds both a California DPR Pest Control Advisor's License and a Qualified Applicator License. Cody Appling and Jay Kasheta hold Qualified Applicator Licenses as do three of our other Southern California applicators.

Description of Experience

Aquatechnex biologists have performed hundreds of Aluminum Sulfate applications over the decades we have been in business. These are several representative projects that can serve to highlight our experience with nutrient reduction/Phosphorus inactivation treatments. In addition to those highlighted above, here are some specific recent project references

Big Bear Lake Alum Modeling and 2015 Alum Treatment, Big Bear Lake California. Prior to the first major Alum treatment on Big Bear Lake, California that is referenced in your documents, Aquatechnex was selected to perform large scale Sonar aquatic herbicide treatments to remove the invasive aquatic weed Eurasian Milfoil and assist in the development of the Alum Treatment Protocols. In 2001, the lake was experiencing major problems with both invasive weed growth that placed them on the 303d list, and cyanobacteria blooms that impacted recreation. During the summers of 2001 through 2003, our team performed technical applications with Sonar Precision Release Herbicides that reduced Eurasian milfoil from over 700 acres to under 10 acres scattered through the littoral zone. We also set up a number of one acre Alum Study Plots in the lake and performed and monitored treatment results at different application rates. These plots were set up using isolation barrier curtains to contain the site. Treatments were performed inside these and water quality parameters and phosphorus reduction sampling was performed. This work was the basis for the whole lake treatment program that took place in 2004. In the summer of 2015, the BBMWD issued an RFP to perform a 640,000 gallon Alum treatment and Aquatechnex was the successful respondent. We effectively move 140 tank trucks of alum to the lake and onto the water. The contact person is Mike Stephenson, general manager, 909-866-5796 or mstephenson@bbnwd.net

Lake Ketchum Restoration Project, Snohomish County, Washington. Lake Ketchum was considered one of the most phosphorus polluted lakes in Washington State and the Snohomish County Surface Water Management Program set out to restore this waterbody. They issued an RFP to develop and implement a phosphorus mitigation program for the lake to compliment watershed management activities they were also implementing. Our treatments started in 2014 and were extremely effective. We have been retained to continue using small regular dosing of the lake to continue managing phosphorus pollution in the lake. There is a web page that documents this at <http://snohomishcountywa.gov/2451/Lake-Ketchum-Restoration> The contact person is Marisa Burghdoff at 425-388-3204 or marisa.burghdoff@snoco.org

Proposal for Canyon Lake Alum Treatment Program

Orange County Parks Department Lake Management Program, Orange County, California. In 2010, the Orange County (California) Parks Department and Public Works issued an RFP to select a lake management company for a \$437,100.00 annual contract for their 15 lakes in nine regional parks. Aquatechnex was selected as the most qualified respondent to this RFP. We were again selected as the most qualified respondent to their 2014 and 2018 RFP's and this contract has been increased to \$850,000.00 annually. Each of these lake systems have different challenges but one primary problem in most of them was excessive cyanobacteria blooms. As the water quality in these systems was such that Alum treatments would be affected, our team turned to Phoslock as a potential solution. We performed the first applications within the United States using this technology with excellent results. It has become the backbone of the OC Parks Lake Management Program in many regards. Through this work we gained experience mobilizing and applying very large volumes of material. The Laguna Niguel treatment performed under the first general permit issued by a RWQCB for Phoslock was performed in April of this year and 50 metric tons were applied within a three-day window. The OC Parks Lake Management Program won the California Parks and Recreation Society Best of the Best Project of the Year in 2011 and we remain on the job there. The contact person is Robin LaMont, 714-657-0618 or robin.lamont@ocparks.com

Hicks Lake/King County Department of Natural Resources Alum Treatment Project. White Center, WA. This urban lake system has been plagued by high phosphorous build up and cyanobacteria blooms. The King County Lake Stewardship Program within the DNR assumed the responsibility for managing water quality in this system. Aquatechnex was selected to perform the first Aluminum Sulfate (with buffering agents) treatment to reduce phosphorus levels in 2006 and 2011. The County continued to monitor phosphorus inflow to this system and when levels required a treatment response we work with them to manage this site. This water is extremely soft, and we had to manage buffering as well as Alum floc formation and phosphorus mitigation. The contact for this is Sally Abella, 206-836-8382 or sally.abella@kingcounty.gov

City of Lake Stevens Aluminum Sulfate Treatment Program, Lake Stevens, Washington. Lake Stevens is a 1,100 acre lake north of Seattle, Washington. This lake has been the subject of study and EPA and Washington DOE Lake Restoration for several years. Approximately 20 years ago, a large hypolimnetic aeration system was installed in the lake. This three-story high system was placed in 150 feet of water and has helped mitigate internal phosphorus loading for two decades. This past summer this system failed and the City was faced with decisions on replacement or bring in a new approach. Aquatechnex has worked with the City since 2010, performing treatments to selectively target and remove Eurasian Milfoil from the littoral area of the lake. In 2013, the City added responsibility for managing phosphorus levels for the next four years through the use of Aluminum Sulfate applications. Much like Canyon Lake, our team has been selected to continue this successful treatment program through 2019. The contact person is Mick Monken, Director of Public Works at 425-377-3237 or mmonken@lake-stevens.wa.us

Canyon Lake Alum Project, Canyon Lake, California. As you are aware, our firm was selected to perform this project from 2013 through the present. We have learned how to effectively move large volumes of alum into this gated community without disrupting use of the lake. We have the equipment mix to effectively target all areas of the waterbody and this is a unique challenge with the narrow fingers and coves on the lake. We have worked effectively with the Canyon Lake POA and their marine patrol and have developed excellent working relationships with them. Our trucking company has performed exceptionally well in terms of meeting our schedules and safely helping us get the Alum onto the water.

Proposal for Canyon Lake Alum Treatment Program

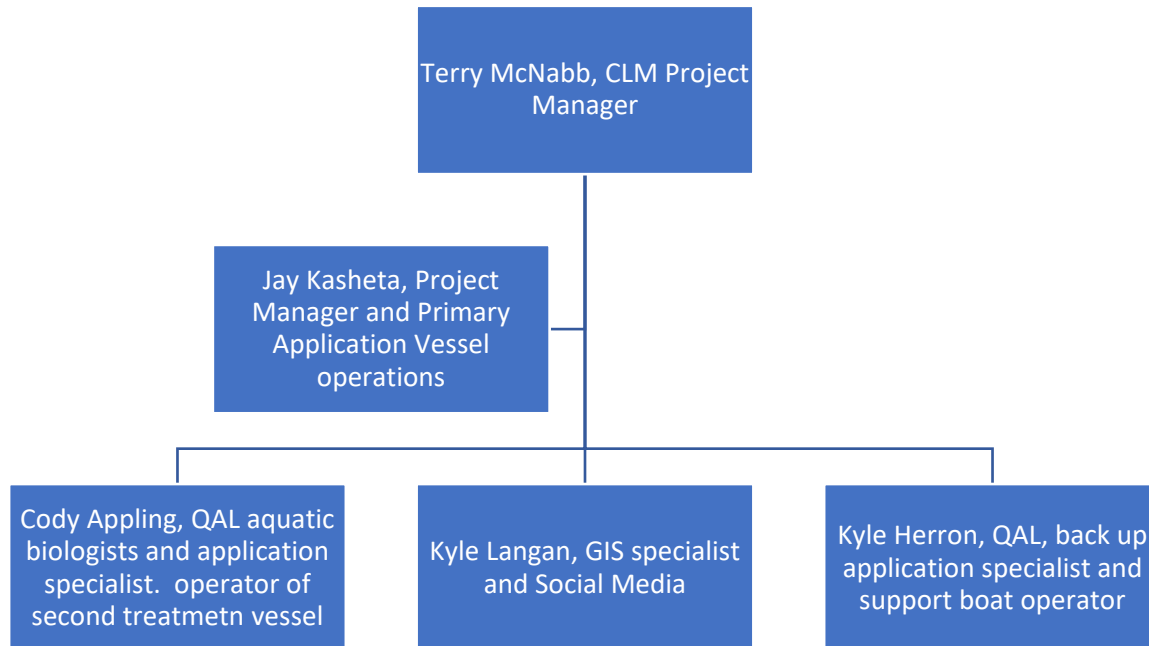
We have worked with the stakeholders extensively and know them well. We have been effective in our communications with the community around the lake through public meetings and social media. We will have no learning curve that might impact your project.



Aquatechnex biologists applying 640,000 gallons of Alum to Big Bear Lake, CA during June of 2015. This is the largest Alum treatment performed in the Western United States in recent years and our team performed this mission within budget and schedule.

Organizational Chart

Should our team be selected to perform this work the organizational chart for this mission would be as follows.



The primary management team would be Terry McNabb, Cody Appling and Jay Kasheta. They would be on site and involved in directing operations and communicating with the Contracting agency. Kyle Langan is one of our GIS/GPS specialists. He would be developing precision mapping applications including programming GPS guidance systems and calibration of equipment to deliver Alum based on water depth/volume under the treatment vessels. Our Qualified Applicator team of Cody Appling and Kyle Herron from our Santa Ana office will operate vessels. We will also have support staff from Santa Ana and Palm Desert assisting with loading operations and on standby for unexpected developments such as rain delays that might double the need for application the following day or if floating floc issue occur that must be dealt with.

Resumes for Assigned Personnel

The key people that will be involved in this mission would be the following.

Terry McNabb, Aquatic Biologist



Terry McNabb presenting a project briefing on a 600 acre application project on Lake Coeur d'Alene, Idaho to State Agency Staff

Terry has over 35 years of experience in the field of lake and aquatic plant management. He is a graduate of Michigan State University, with a degree in Water Resource Management. He has been recognized by his peers in this field and been elected to serve as the president of both the Western Chapter and the National Aquatic Plant Management Society. Terry is the recipient of the 1998 SePRO Environmental Stewardship Award to outstanding contributions to the Aquatics Industry and Environmental Stewardship. He was awarded an honorary membership in the Washington Weed Science Association in 1994 and has been an invited speaker about Eurasian Milfoil control at a number of meetings in recent years. Terry has served as an invited member to select committees of the Washington and Minnesota State Legislatures to develop statewide Eurasian Watermilfoil control programs. He has been awarded a US-Asia Environmental Partnership Grant to help Malaysia and Indonesia develop programs to deal with water quality and aquatic plant management issues. He has consulted for the Egyptian Government on managing Water Hyacinth problems on the Nile River. In 2004, Terry was appointed by the Whatcom County Board of County Commissioners to the Whatcom County Noxious Weed Board and remains a member of that board. In 2010 Terry was asked by RISE to present his experiences with NPDES for applicators at the national meeting. He is currently the President Elect of the North American Lake Management Society.

Terry has extensive experience working in the Western United States and California. He has developed and implemented Lake Restoration Programs throughout the region for over 35 years with a history of excellent outcomes. He has also worked on Canyon Lake for the past 6-7 years and knows the situation well.

Terry is a licensed Pest Control Advisor in California and holds commercial applicator licenses in several western states. He is a Certified Lake Manager (CLM) meeting the national certification criteria of the North American Lake Management Society, is a certified SCUBA Diver and an FAA Licensed pilot. If we are selected for this project, Terry will be the project manager and lead applicator.

Proposal for Canyon Lake Alum Treatment Program

Jay Kasheta, Aquatic Biologist



Jay and Terry commencing alum treatment operations on Canyon Lake. Jay has been the primary treatment vessel operator on all five of the Canyon Lake Applications. He is also the lead applicator on the Lake Stevens and Ketchum Lake ongoing Alum projects in Washington State and managed the Big Bear Lake Treatment in 2015

Jay is a graduate of the University of San Francisco with a degree in Business Administration and has worked in the aquatic plant management field since 1985. Jay managed a lake service business in Northern California from 1985 through 2012 when he joined our team. He has extensive experience with Alum applications and has applied more than 1 million gallons of Aluminum Sulfate in the past five years for our team. Jay managed the logistics of delivery and coordinates effective coverage on the water. Jay has been involved in every Alum treatment performed on Canyon Lake and has been key to the success of the project to date.

Kyle Langan, Aquatic Biologist



Kyle managing application on a potable water reservoir in southern Oregon to mitigate cyanobacteria problems the agency was experiencing

Kyle is a graduate of Washington State University with a degree in Environmental Sciences with a focus on Water Resources. Kyle worked for our firm as a summer biologist for all four years of college and took a full-time position in 2000. He has an excellent working knowledge of aquatic plant survey techniques and has performed surveys for Eurasian Milfoil and other invasive species in over 100 lakes. Kyle is a specialist in underwater survey for aquatic plants and is knowledgeable in aquatic plant identification. Kyle is an expert in the use of GPS/GIS technologies to map aquatic plants and a certified SCUBA diver.

Kyle has extensive experience working on very large treatment projects. He has managed application vessels and material delivery on Lake Pend Oreille and Lake Coeur d'Alene. He manages our RAVEN Precisions Application Management Hardware and Software for all of our application vessels.

Cody Appling, Aquatic Biologist



Cody performing Phoslock application for OC Parks at Laguna Niguel Regional Park

Cody manages our Santa Ana, California operations. He is responsible for monitoring and diagnosing water quality issues for over 40 lakes in Southern California and developing corrective treatment strategies when necessary. Cody has worked on the Canyon Lake project for the past few years and is extremely familiar with the lake and needs of this contract.

Dan Formula, Logistic Specialist



Dan assisting one of our application vessels receive material for treatment on Lake Pend Oreille, ID during a 1,500 acre precision application to manage invasive species.

Dan has captained ocean-going commercial fishing vessels in the Pacific Northwest and Alaska for over 20 years. He is employed by AquaTechnex to provide technical assistance and equipment for our large scale treatment programs for a number of years during the summer months. Dan piloted one of our application boats during our 2006 treatment program for both Bonner County and our CDA Tribe applications in 2006 through the present. He operates our larger transport vessels to move herbicides/bulk Alum from the shore side operation to the treatment locations. He will be supporting our team as necessary and has worked on Canyon Lake during the previous alum missions.

Support Staff

AquaTechnex has a number of well-trained summer interns and full time service staff that support our operations as well. We will assign additional personnel to this mission from that pool of people as necessary to complete these treatments. We will also look to hire from the local community as necessary. All personnel that will be handling Alum will be trained and hold application licensing from the State of California DPR, while these licenses are not necessary for Alum application the training required to obtain these licenses mean that these staff are very knowledgeable on application management and safety around products applied. .

Proposed scope of work

Our first step would be to organize meetings with the key agency staff responsible for managing our contract and operations. While we have worked with LESJWA for several years through the Bluewater Satellite and initial Canyon Lake Alum Treatment program, this is still a key step at start up.

Our team would perform a pre application planning process utilizing the Afterburner Flawless Execution Model. This planning process identifies and clarifies the goals of the project, analyzes all threats to effective completion of the mission and allows for planning to mitigate for them, identifies all resources necessary to complete the mission, reviews lessons learned from previous experiences with respect to this mission, build the operation plan and task list and plans for contingencies. This process is very effective and ensures all aspects of the mission are defined, assigned and potential obstacles to completion are identified and solved. As we have performed this work for several years, we use the Debriefing methods they define at the end of each treatment to document what worked well, what challenges we faced and develop solutions for any problems that develop for consideration in the next application.

Our team would develop a safety plan that addresses the needs of this project. This would consider the requirements of the Canyon Lake Property Owners Association, material handling safety, spill prevention and equipment to mitigate spill, local resources for medical and emergency support and all other components necessary to complete this project with safety for the HOA residents, the environment and our team of applicators. The project work we have performed to date have been very effective and we would incorporate the lessons learned in this effort.

Alum treatments on the water need to be calibrated for water depth, speed of the application vessel, swath width and several other factors. We utilize ArcGIS to develop treatment map shapefiles, these files are uploaded into RAVEN Cruzier II precision application guidance systems on our treatment vessels. These systems display the treatment paths the vessel should track to, the flow rate of Alum based on water volume under the boat, record acres treated and display steering information to the vessel operator to ensure complete coverage and overlap of the treatment paths. This programing is performed, examined, made part of the operational plan, and uploaded to the treatment boat guidance systems.



RAVEN Precision Application Management Systems are used on all of our application equipment to help insure complete coverage on the water and dosing based on water volume under the boat

Our next step would be to mobilize equipment to the lake and stage it for alum application. We would also purchase and schedule delivery of Alum to the project site. We work Eco-Services as the primary supplier of Alum. We feel they are the best provider of water treatment plant grade Alum in Southern California. They do an excellent job of supporting lake treatment operations in terms of on time delivery and scheduling of tank trucks. Their drivers to an excellent job of working around urban lakes, the tight

Proposal for Canyon Lake Alum Treatment Program

spaces that they have to access to get to the water and staging deliver to our treatment vessels. We have found that using the right mix of application vessels, we do not have to stage storage tanks that increase the project footprint on Canyon Lake POA property. This approach also means we only have to move the alum once, from Truck to boat instead of from Truck to tank to boat and that lowers the probability of a spill event dramatically.

The key to getting Alum into the lake at this volume rapidly and with minimal disruption to lake users is staging the shore side operations strategically around the lake margins. The POA has provided access to a number of locations where park facilities would allow a truck to nurse our treatment vessels. Our plan would be to operate from the sites we have effectively used in the past five applications.

We would operate two to three treatment vessels on the lake to perform this work. The primary work will be performed using 30 foot Chinook Treatment Barge with a 150 hp engine. A second boat would be a 18 foot system with 700 gallon capacity that can support both open water and cove treatments. A third boat (if necessary) would be equipped with a handling tank for Alum and a hose application system that can discharge material up to 60 feet from the boat. This system with trained operators can place alum throughout the fingers on this lake in and around tight spaces such as boat docks and moored vessels. All of these boats will be equipped with GPS/GIS precision guidance systems.



We have a fleet of application vessels for larger open water application of alum. These two vessels can move 8,000 pounds on the water, perform precision application and move back quickly to the access site to reload. We can process on tank truck of alum in approximately two-three hours under most conditions.

Each of our boats are equipped with InSitu SmarTroll multi parameter water quality monitoring probes and software. This equipment can be used to measure real time key parameters such as pH and dissolved oxygen and collect profiles. It is assumed that the Agency may also be involved in monitoring these parameters, we can support that effort and keep track of this data real time as we apply Alum.

The Precision Application equipment we utilize generates reports that document treatment tracks, volume applied, and acres treated. This information will be downloaded each day and used to develop a final report. It can also be made available to the contract administrator at any point during the project mission.



Fanjet application technology allows us to apply Aluminum Sulfate across a 40 foot swath per pass to effectively speed up application on the water and reduce the time necessary to be onsite while obtaining excellent coverage.



Aquatechnex biologists applying Aluminum Sulfate with a system that allows for working in tight spaces such as the fingers on the East Arm.

This system with a good operator can reach inside and between dock slips and around moored boats very effectively and this will be key in areas where these conditions occur. A traditional boom injection system cannot maneuver in tight spaces and evenly apply Alum or other products.

We work doing applications around high value watercraft every day and are extremely experienced with both accurate application and no impacts to those vessels.

The last step at the lake would be to bring the sites used back to pretreatment conditions. The team would attempt to ensure that no impact to facilities provided by the POA would be affected. The management team would conduct a detailed survey of conditions prior to use and post treatment, anything of concern would then be addressed.

Our team would then demobilize from the lake and be available for the next scheduled treatment in the contracted mission.

We would develop a final report that documented all operations, any observations or lessons learned that would help future treatments on this lake and deliver that to the Agency. We would also be

Proposal for Canyon Lake Alum Treatment Program

available to meet with the agency at any point there is a need or concern. We are also available to participate in presentations to the public as the Agency deems our support in that role helpful.

Detailed Project Schedule

The exact dates for application are not known, however we can provide the following as a detailed project schedule.

Task	Schedule
Preliminary meeting with Agency	Within two weeks of contract award Agency staff schedule permitting
Development of treatment and safety plans	Within four weeks of contract award
Mobilization for February (Spring) Treatment	Once dates of proposed treatment are provided to our team, we can mobilize within one week.
Treatment in Spring each year of contract period	Our team would perform this treatment within a one-week period including mobilization and demob from the Lake with the specified alum volume
Demobilize from Spring treatment	We can be demobilized from the site within 24 hours of completion of treatment.
Report to LESJWA as necessary	We can generate and deliver the final report within two weeks of treatment completion
Mobilize for September Treatments	Within one week of notice to proceed
Treatment in September each year of contract period	Our team would perform this treatment within a one week period including mobilization and demob from the lake with the specified alum volume.
Demobilization	We can be clear of this site within 24 hours of treatment completion
Report to LESJWA as necessary	Within 2 weeks of treatment completion
Other communications or meeting	We can generally accommodate necessary meeting as attendance is requested within 2-4 days.

Fee Proposal

Based on the scope of work and the specified amounts of Alum to be applied to the lake our fee proposal would be as follows.

Task	Unit Costs	Estimated Total Cost
Task 1, preliminary meeting	Time and materials	\$500.00
Task 2, develop treatment plan for both Fall and Spring application events	Time and materials	\$500.00
Task 3, Safety Planning	Time and Materials	\$0.00
Task 4, GIS mapping and Application System Programing	Time and materials	\$500.00
Task 5a, mobilize for Spring (February) treatment	Time and materials	\$1,000.00
Task 5b, secure and receive specified gallons for application	Alum pricing	\$1.18 per gallon to account for increased transport costs
Task 5c apply specified gallons to Main Lake, North Arm, East Arm	Lump sum	\$27,500.00
Task 5d, demobilize from Canyon lake	Time and materials	\$500.00
Task 6a, mobilize for September treatment	Time and materials	\$1,000.00
Task 6b, secure and deliver specified gallons of alum	Alum Pricing	\$1.18 per gallon
Task 6c apply specified gallons alum	Lump sum	\$27,500.00
Task 6d, demobilize from Canyon Lake	Time and materials	\$500.00
Final Report and meetings	Time and materials	\$750.00
Other tasks as necessary	Time and materials	
Estimated Total per year	<p>Alum is a commodity and pricing may be variable over the years of this contract. If there is a significant increase in costs we will communicate this to LESJWA and request consideration. Pricing remained stable over the previous contract period</p>	

Proposal for Canyon Lake Alum Treatment Program

Hourly Billing Rates

The following hourly billing rates are generally used by Aquatechnex to support our work

Position	Hourly Rate
Senior Scientist	\$120.00
Project Manager	\$95.00
GIS Specialist	\$75.00
Licensed Applicator	\$75.00
Support Staff	\$65.00

Thank you for your consideration, if questions develop please contact Terry McNabb (tmcnabb@aquatechnex.com) or Ian Cormican (cody@aquatechnex.com)



Aquatechnex biologists applying Alum on Canyon Lake

Page Intentionally Blank

LESJWA BOARD MEMORANDUM NO. 2022.05

DATE: February 17, 2022

SUBJECT: Santa Ana Watershed Weather Modification Pilot Program Funding

TO: LESJWA Board of Directors

PREPARED BY: Mark R. Norton, P.E., LESJWA Authority Administrator

RECOMMENDATION

Staff recommends that the LESJWA Board authorize a commitment of \$10,000 from LESJWA to SAWPA to help fund the Santa Ana River Watershed Weather Modification Pilot Program.

DISCUSSION

On February 18th, 2021 SAWPA/LESJWA staff provided an informational presentation to the LESJWA Board about a Santa Ana River Watershed Weather Modification Feasibility Study. This study was presented because of a request by the SAWPA Commission to SAWPA staff to investigate weather modification for water supply. Back in June 2019, Tom Ryan, Metropolitan Water District of Southern California (MWDSC), provided a presentation to the SAWPA Commission about weather modification for water supply programs commonly known as cloud seeding programs. Cloud seeding is the process of adding a specific chemical agent into an already existing cloud mass that causes the cloud to thicken and/or water vapor to condense and fall as rain or snow. Cloud seeding programs have proven successful in many locations throughout California and Western U.S. states.

Subsequent to the feasibility study in 2020, the SAWPA Commission in April 2021 authorized SAWPA staff to proceed with the CEQA compliance, a ground seeding site analysis, and preparation of a grant application to fund 50% of a multi-year weather modification pilot program. The program would also include an independent research validation of the efficacy of the multi-year pilot. SAWPA also directed staff to continue outreach and seek funding support from local agencies.

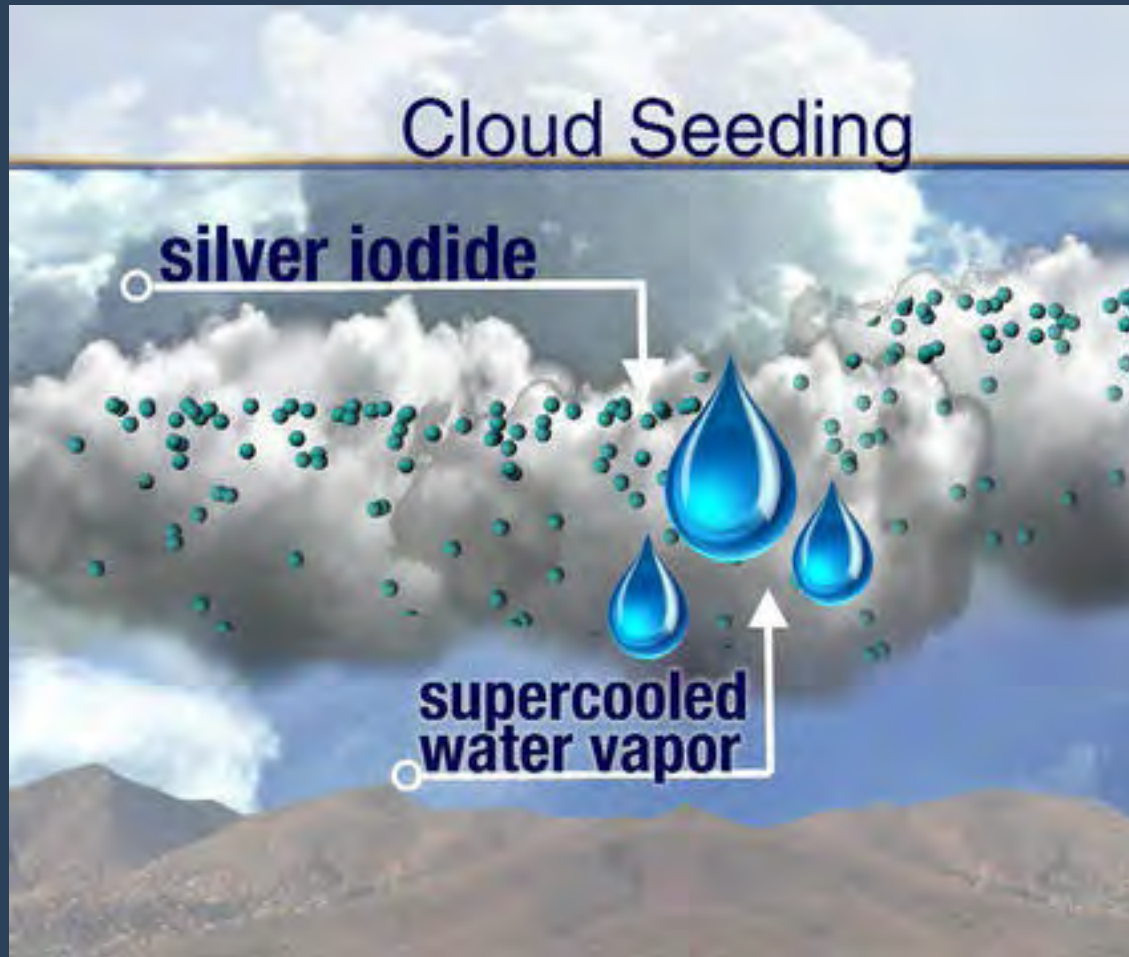
LESJWA staff has evaluated the potential benefit to Lake Elsinore and Canyon Lake and based on the feasibility study, additional streamflow could be generated that would directly benefit both lakes. The major value would be to increase the depth of Lake Elsinore which based on past statements made by Dr. Michael Anderson, is one of the most important ways to improve water quality at Lake Elsinore. Further, in review of the potential impacts, any additional runoff from individual seeded storms, 1-2% potential increase, is within natural variability and would not exacerbate the nutrient TMDL compliance nor result in any water rights claim according to the State of California. Consequently, staff recommends that \$10,000 of the LESJWA reserves be used for a one-time commitment to the Santa Ana River Watershed Weather Modification program.

RESOURCE IMPACTS

With approximately, \$60,000 available in LESJWA reserves, the \$10,000 funding commitment is affordable and is considered beneficial to Lake Elsinore and Canyon Lake. The funding commitment would be reflected in next LESJWA FY 22-23 Budget.

Attachment 1: PowerPoint Presentation

Page Intentionally Blank



Source: CBS News

Santa Ana River Watershed Weather Modification Pilot Program

Mark Norton PE

Water Resources & Planning Manager
Santa Ana Watershed Project Authority
Authority Administrator, LESJWA



How cloud seeding works

1

Silver iodide mixed with acetone is vaporized, releasing particles into the atmosphere.



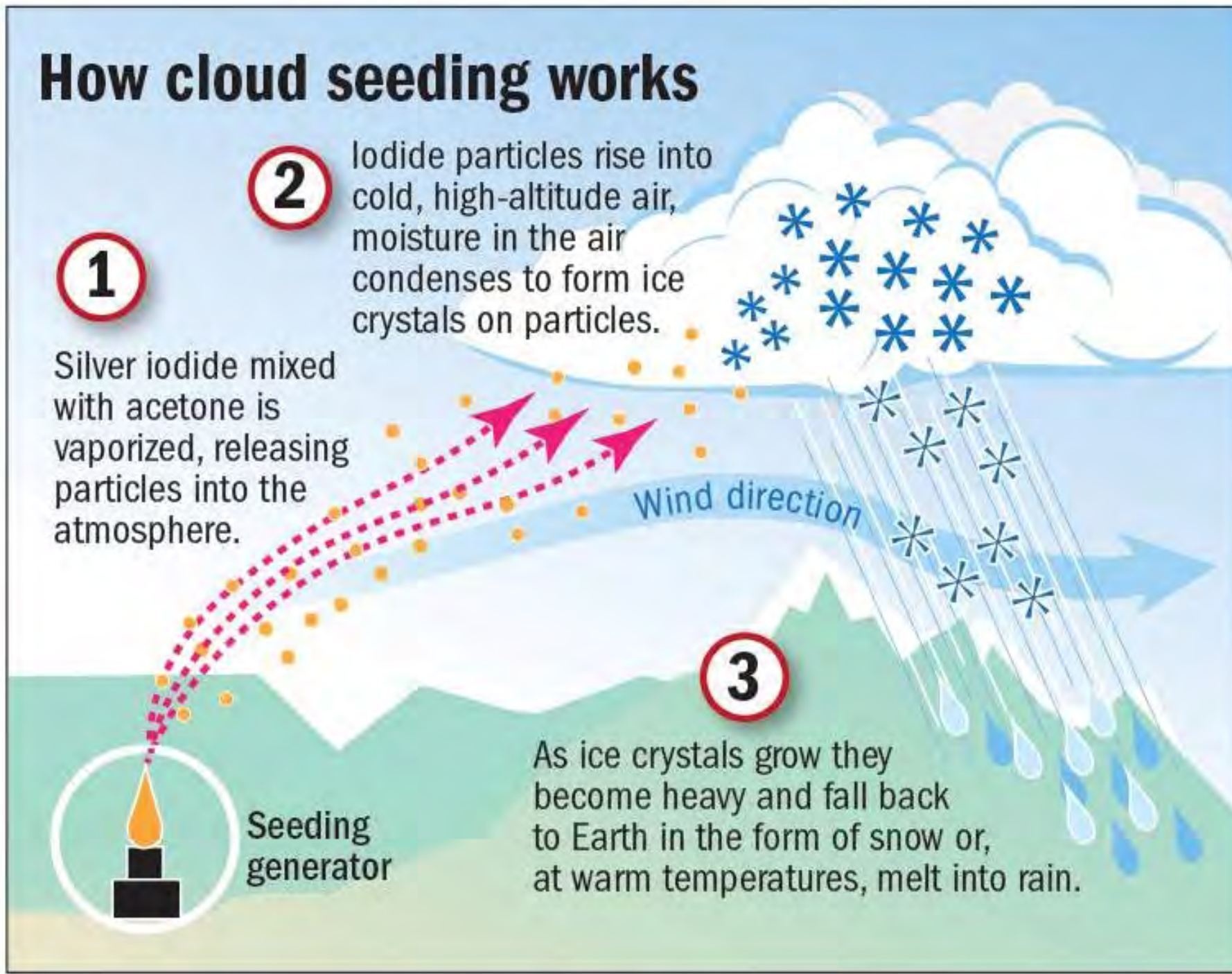
Seeding generator

2

Iodide particles rise into cold, high-altitude air, moisture in the air condenses to form ice crystals on particles.

3

As ice crystals grow they become heavy and fall back to Earth in the form of snow or, at warm temperatures, melt into rain.



Source: The Fact Site

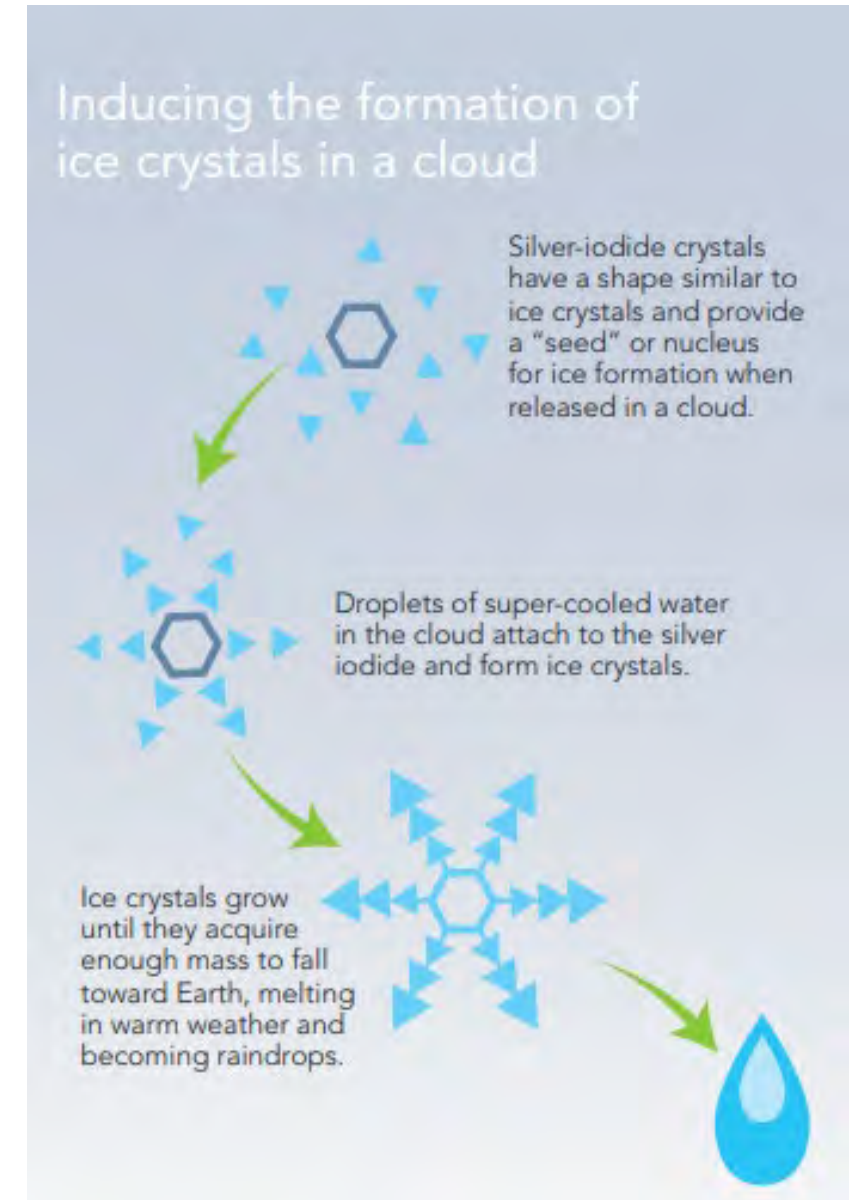
Cloud Seeding History

Background

- Physics is well known
- Started in the U.S. in the 1940s
- Challenges: Overselling, limited science
- Misconceptions remain

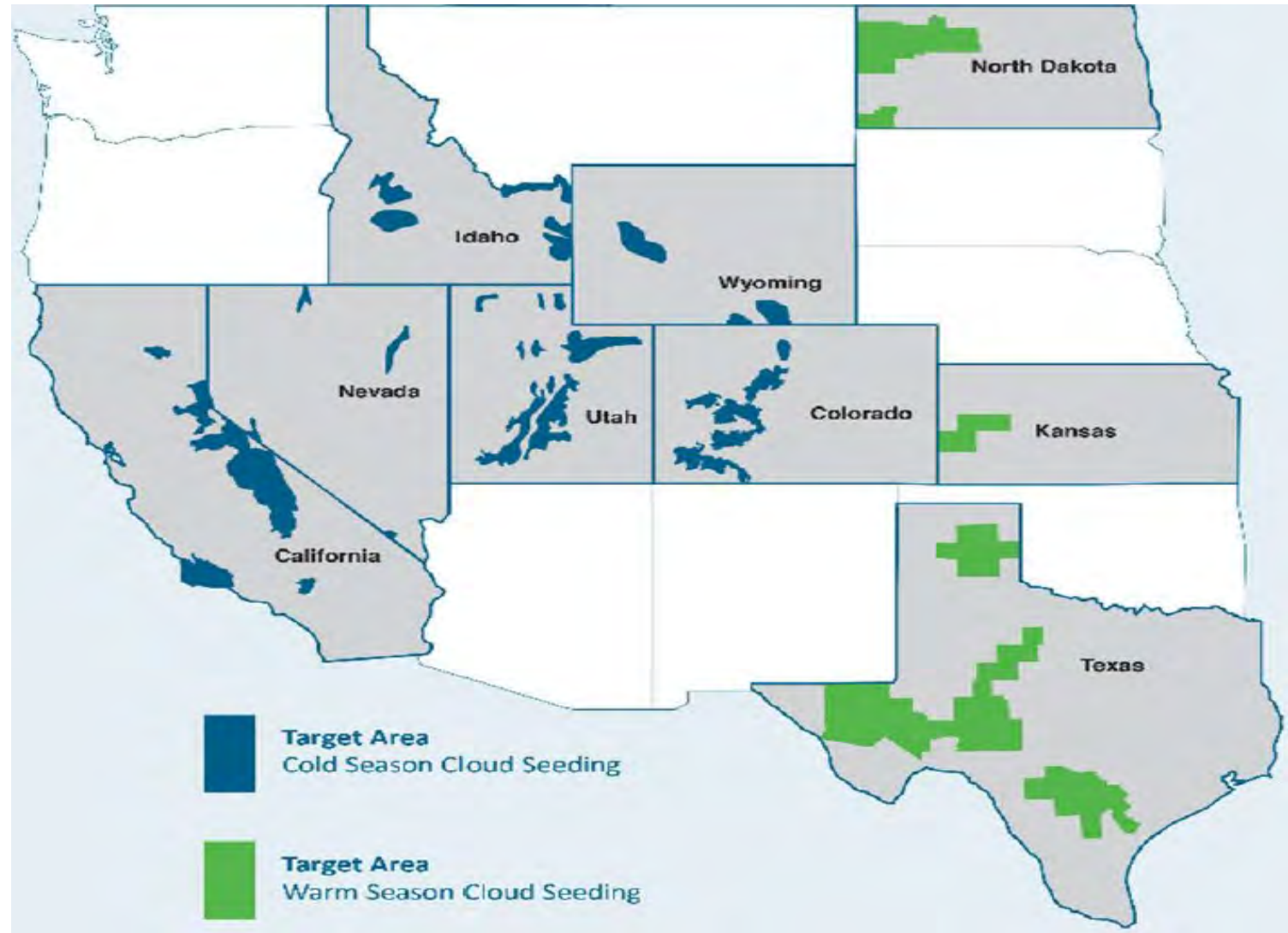
Recent Advances

- Weather forecasting
- Computing / Modeling
- Seeding methods
- Scientific validation studies



U.S. Projects

- ❖ Cold Season Cloud Seeding Leaders
 - CA, CO, ID, UT, WY, NV
- ❖ Applications
 - Power Utilities (hydropower)
 - Ski areas
 - Water Resource Agencies
 - Irrigation Districts
- ❖ California Projects
 - Santa Barbara County
 - San Luis Obispo
 - Sacramento Municipal Water District
- ❖ CA DWR
 - Cloud seeding is a “safe and effective means of augmenting local water supplies.”



Source: North American Weather Modification Council

Ground Based Seeding Methods

CNG's (Cloud Nuclei Generators)



- Ideal for orographic lift (winds caused by land barriers)
- Create a continuous plume
- Inexpensive to install and operate

AHOGS (Automated High Output Ground Seeding) Systems



- Ideal for strong convective storm attributes (turbulence)
- Delivers higher concentration of silver iodide
- Operated remotely – rapid release

Licensing and Permitting

- Operators are licensed and carry liability insurance
- Suspension criteria turns off program during high precip/flood conditions
- Though no CA state permit required, CEQA mitigated negative declaration will be conducted
- There have been no successful legal challenges to any operation in US for over 50 years



Potential Environmental Effects

- Silver iodide is not soluble or biologically available
- 50 years of physical, biological, aquatic, soils and vegetation studies found:
 - Subtle or indiscernible effects
 - Potentially beneficial (more runoff)
- Strong studies with credible results and regulations reflect recent research



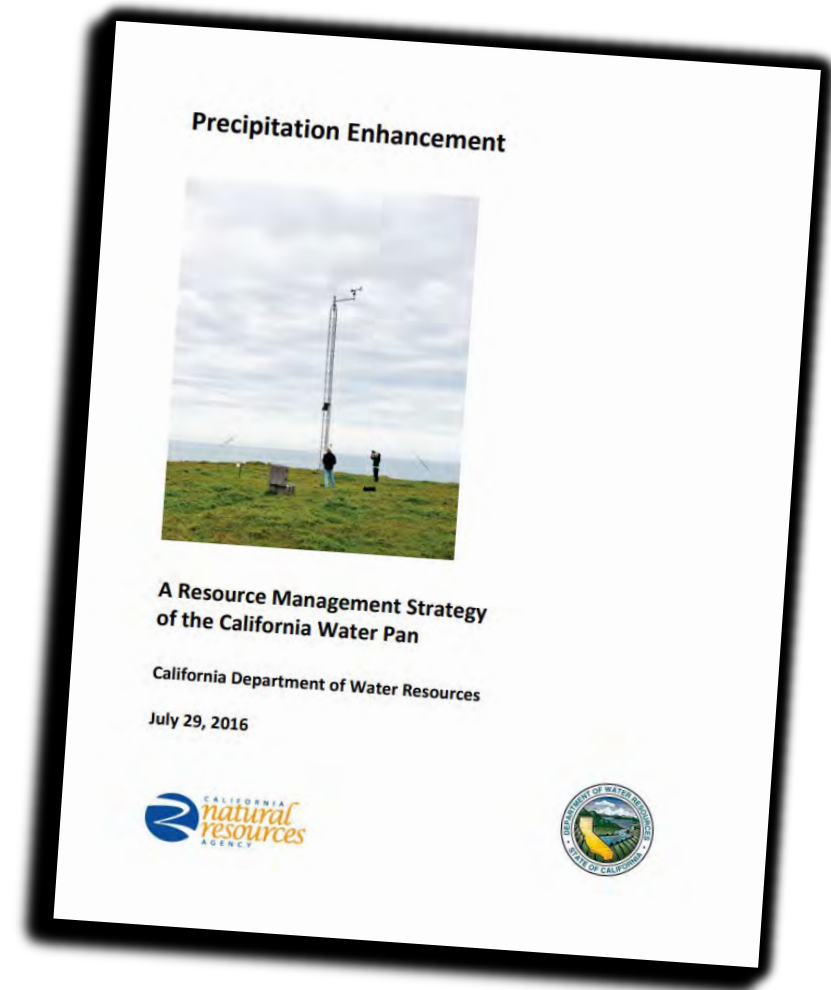
Potential Health Effects

- Silver Iodide (AgI)
 - Not been measured above background
- Concentrations
 - EPA drinking water quality 0.1 mg/L
 - U.S. Public Health Service level 0.05 mg/L
 - Seeded rainfall is 0.1 mcg/L or 1000 times less than EPA standard



State Water Rights/ TMDL Compliance

- *“State law says that water gained from cloud seeding is treated the same as natural supply in regard to water rights.”*
- *“The State should support the continuation of current projects, as well as the development of new projects, and help in seeking research funds for both old and new projects.”*
- *“Operational funding support for new projects may be available through the IRWM program.”*



Why consider cloud seeding in the Santa Ana River Watershed?

Precipitation – and flows in the Santa Ana River – have been trending down

- Cloud seeding increases precipitation (with an emphasis as snow in upper elevations)
- Produces a local supply
- Potential to reduce the use of imported water

Dry years and droughts occur

- Cloud seeding works in both dry and wet years

Cost effective

- Costs for 8%-11% increase in streamflow is a fraction of the cost of imported water

Supports local water storage

- Natural infiltration
- Takes advantage of existing stormwater capture infrastructure

Santa Ana River Watershed Weather Modification Pilot Program

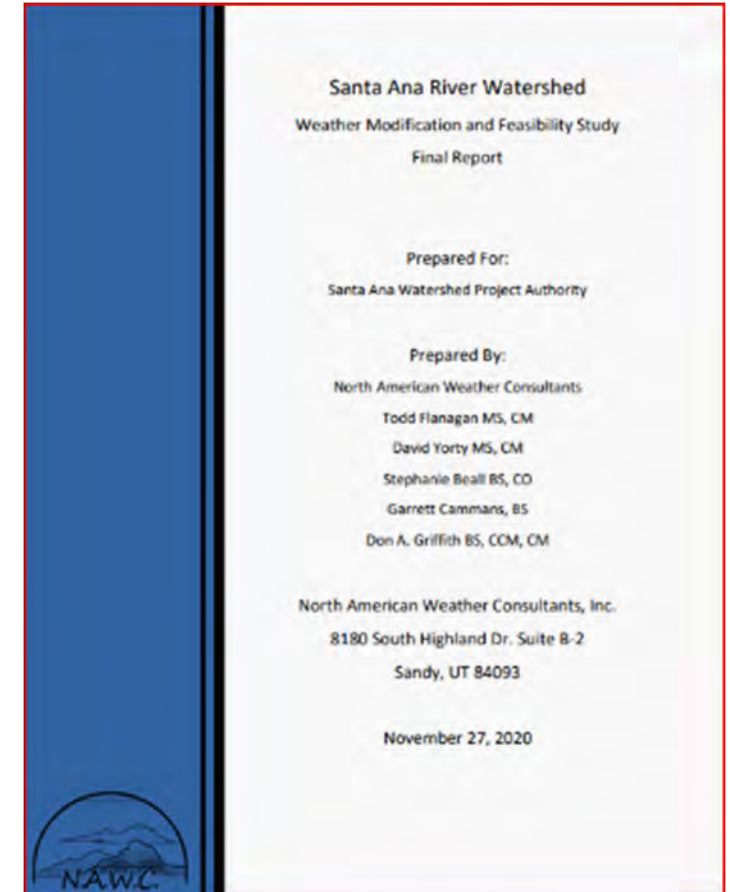
Feasibility Study (2020)

CEQA and Ground Seeding
Siting (2021-2022)

Outreach and Public
Engagement (2021-2025)

Prop 1 Round 2 Grant
Application (2022)

4-Year Pilot Study (2022-
2025)



Feasibility Study (2020)

<https://sawpa.org/latest-info/watershed-cloud-seeding-feasibility-study/>

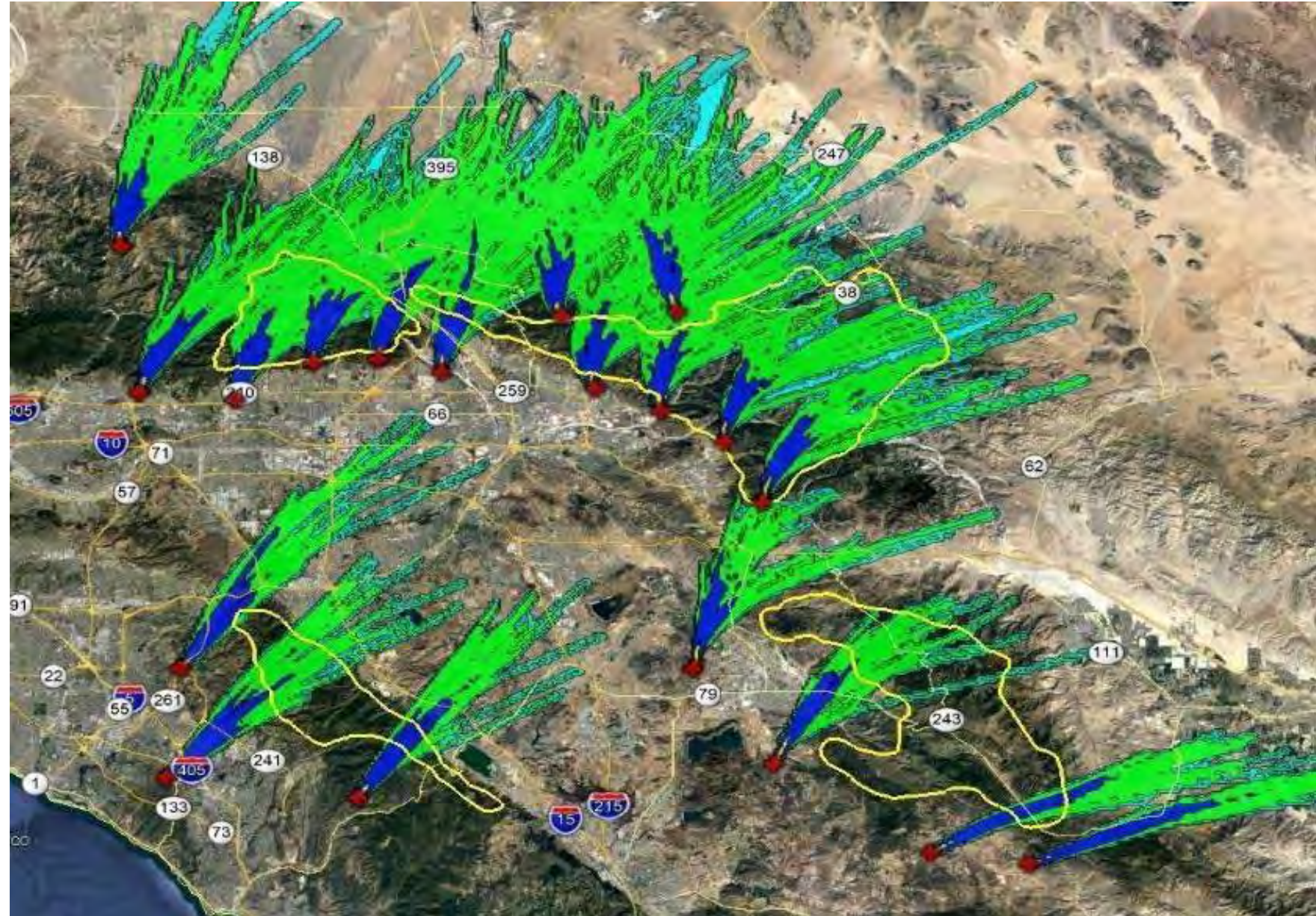
Feasibility Study Outcomes

Ground Based Seeding Dispersion Model

4 seeding areas:

- NW
- NE
- SW
- SE


Included a number of ground sites in each area



Projected Increases in Precipitation and Streamflow (annual averages)

Ground Only Seeding:

Target Area	Seasonal Precip. Increase (inches)	Percent Increase	Avg. Natural Streamflow (AF)	Streamflow Increase (AF)	Percent Increase
NW	0.41	3.5%	25,000	2,043	8.2%
NE	0.49	4.1%	65,000	4,330	6.7%
SW	0.59	3.7%	5,000	447	9.0%
SE	0.49	4.5%	10,000	1,373	13.7%
TOTAL w/ Ground Only			105,000	8,193	7.8%



Remember this
number.

“Annual” Cost Estimates for Pilot – Ground Based Seeding

	Rate	Frequency	
Annual Operations			
Set Up	\$ 33,500	1	\$ 33,500
Take Down	\$ 24,000	1	\$ 24,000
Reporting	\$ 10,000	1	\$ 10,000
Monthly Operations			
Fixed Services	\$ 24,500	5	\$ 122,500
Variable Items (timed expenses are billed on a per hour basis)			
Ground Flares	\$ 110	60	\$ 6,600
Generator Run Time	\$ 19.50	600	\$ 11,700
Flight Time	\$ 375	N/A	-
Aerial Flares	\$ 110	N/A	-
TOTAL			\$ 208,300
COST PER ACRE-FOOT			\$ 25.42
Benefit to Cost			10.03

Cost per acre-foot (AF) =
Total Program Cost / Estimated AF produced

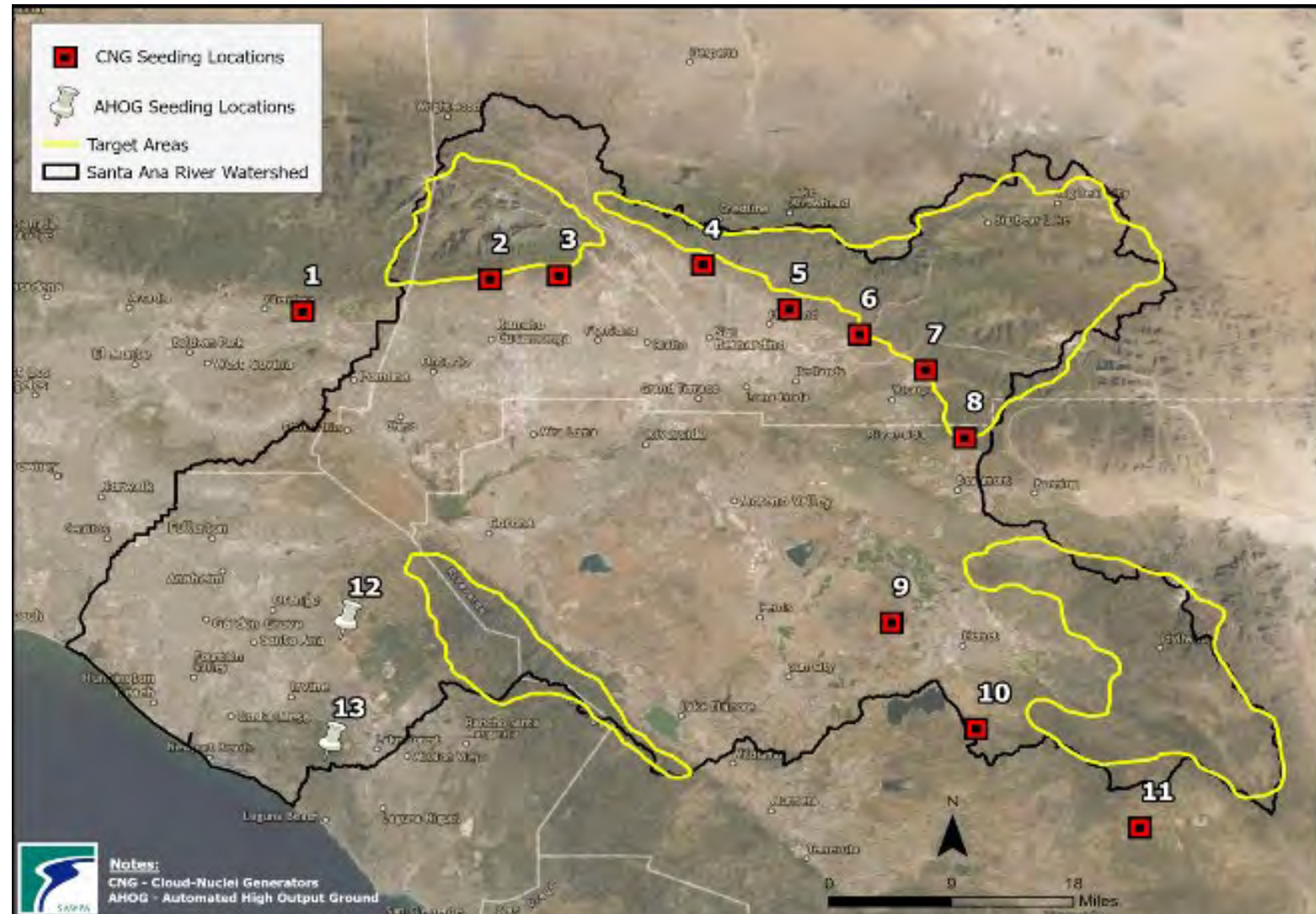
$$\$208,300 / 8,193 \text{ AF} = \textbf{\$25.42 per AF}$$

Benefit to Cost Ratio =
Cost of Untreated Imported Water per AF / Cost of Cloud Seeding per AF

$$\$255 \text{ per AF} / \$25.42 = \textbf{10.03}$$

Purpose of Weather Modification Pilot Program

- Verify increases in precipitation
 - Compare Target areas to Control areas
 - 3-4 years needed
- Evaluate increases by areas in watershed
- Benefit/Cost evaluation
- Review of operations
- Review of suspension criteria



Pilot Program Schedule

Program Element	2020	2021	2022	2023	2024	2025	2026
Feasibility Study							
Outreach: Local Cost Share for Prop 1 Round 2 Grant							
Ground Seeding Site Analysis							
CEQA							
DWR Prop 1 Round 2 Grant Application and Award							
Pilot Program							
Outreach/Public Engagement							

LESJWA Benefits and Funding Request

- April 2021 SAWPA Commission requested staff seek additional local funding for supportive agencies of a pilot program.
- As a major beneficiary of storm runoff, both lakes would benefit. Benefits include:
 - Reduces imported water purchases needed to maintain Canyon Lake levels
 - Increases lake levels of Lake Elsinore and improves water quality and lake circulation
 - Helps in-lake TMDL compliance approach of LE/CL TMDL Task Force
- One-time funding commitment of \$10K reflects LESJWA support



Local Agency Commitments to Pilot Program (as of 1-25-22)

• Chino Basin Water Conservation District	\$20,000
• Big Bear Lake Dept of Water and Power	\$12,000
• San Antonio Water Agency	\$ 5000
• City of Corona	<u>\$ 5000</u>
Total	\$ 42,000



Board Recommendation

Staff recommends that the LESJWA Board authorize a commitment of \$10,000 from LESJWA to SAWPA to help fund the Santa Ana River Watershed Weather Modification Pilot Program

Page Intentionally Blank

LESJWA BOARD MEMORANDUM NO. 2022.06

DATE: February 17, 2022

SUBJECT: Grant Funding Opportunities

TO: LESJWA Board of Directors

PREPARED BY: Mark R. Norton, P.E., LESJWA Authority Administrator

RECOMMENDATION

Staff recommends that the Board of Directors receive and file status report regarding grant funding opportunities in support of LESJWA and the LE/CL TMDL Task Force.

BACKGROUND

As a result of the California May Revise to the California FY 2021-2021 Budget, additional State grant funding became available for water and natural resource projects. In November 2021, a new grant funding opportunity called the 2021 Urban and Multibenefit Drought Relief Program administered by the CA Dept of Water Resources was released. Approximately \$190 million was assigned statewide for drought relief projects and projects that address “fish and wildlife rescue, protection, and relocation”. This grant funding did not require any local match but it was encouraged.

Based on evaluation of staff, opportunities for improvements for Lake Elsinore in addressing fish kills and toxic algae conditions might qualify under this grant program. Further, in recent discussions with the Lake Elsinore Aeration and Mixing System operators, which includes the City of Lake Elsinore, County of Riverside and EVWMD, upgrades to the aging system are needed. At this stage, the grant application guidelines and proposal solicitation package has not been finalized by DWR for either grant program. However, LESJWA staff will work with LEAMS operators and the LE/CL TMDL task force which could benefit from LEAMS improvements and work together to submit a grant application for some improvements particularly benefiting Lake Elsinore

In light of these lake improvement needs, LESJWA staff quickly worked with the Lake Elsinore Aeration and Mixing System (LEAMS) operators and the City of Lake Elsinore to prepare and submit two separate grant applications for two projects that would benefit Lake Elsinore. They are listed as follows:

- a. Lake Elsinore Critical Drought Response Algae Harvesting Project-\$3.5M grant, \$4M Total Cost
- b. Lake Elsinore Critical Drought Response Oxygenation Project-\$5M grant, \$5.6M Total Cost

Based on review of the first round of projects funded by DWR through this grant program with a focus on potable water infrastructure projects, grant funding may be unlikely. However, another funding opportunity is available through the next grant funding round from Proposition 1 Integrated Regional Water Management. This program is administered by SAWPA but does require a 50% match. This round of funding available to the upper Santa Ana River Watershed including the San Jacinto River Watershed totals \$18.5 million. SAWPA issued a Call for

Projects on Jan. 14, 2022 with a deadline of March 25, 2022. LESJWA staff will work with the LE/CL TMDL Task Force to determine if there is interest in providing 50% cost share funding for either project previously listed and applying for grant funds through SAWPA.

RESOURCES IMPACT

LESJWA staff will work closely with the LEAMS operators and the LE/CL TMDL Task Force to prepare grant application materials as needed to support mutual needs.

LESJWA BOARD MEMORANDUM NO. 2022.07

DATE: February 17, 2022

SUBJECT: 2022 LESJWA Water Summit Status

TO: LESJWA Board of Directors

PRESENTED BY: Mark R. Norton, P.E., Authority Administrator

RECOMMENDATION

Staff recommends that the Board of Directors receive and file this status report about the 2022 LESJWA Water Summit scheduled for Wednesday, April 27, 2022.

BACKGROUND

The LESJWA Water Summit is typically held every other year. The last Summit was held on April 18, 2018 and was held at Diamond Club at the Lake Elsinore Diamond Stadium. 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. Prior to 2018, the Summits have been held at public facility meeting rooms and started in the morning and ended before the lunch hour. Previously, the LESJWA Education and Outreach Committee suggested that the event be 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 didn't see value in attending unless there is some registration/luncheon fee and that lunch is provided. Based on the number of attendees from the 2018 LESJWA Water Summit, 80 people, this new approach was successful reflecting about a 60% increase.

Based on suggestions by the City of Lake Elsinore representative on LESJWA, Robert Magee and supported by the LESJWA Education and Outreach Committee, the 2022 LESJWA Summit is planned for April 27, 2022 from 9:30 am – 1:00 pm at the new Community Hall at the Launch Pointe Recreation Destination and RV Park in Lake Elsinore. The LESJWA Chair will introduce the Summit and the great lineup of speakers will be on hand to reflect a good cross-section of the current and future activities of LESJWA and the LE/CL TMDL Task Force. A fee will again be charged for the event to cover the event luncheon costs.

Attached is the agenda for the event showing the speakers and topics as recommended by the LESJWA Education and Outreach Committee. The invitation for the event will be sent out weekly for several months prior to the event and included in email outreach by SAWPA.

RESOURCES IMPACT

Sufficient funding has been provided in the approved LESJWA FY 2021-22 Budget under the Education and Outreach program for the LESJWA Summit.

Attachment:

1. LESJWA Summit Agenda

2022 LESJWA Water Summit

April 27, 2022, 9:30 a.m. – 1:00 p.m.

Launch Pointe

32040 Riverside Dr, Lake Elsinore, CA 92530

Registration

9:30 a.m. - 10:00 a.m.

Welcome

LESJWA Chair

10:00 a.m. - 10:05 a.m.

LESJWA Fishery Management Survey Key Findings

John Rudolph, Senior Aquatic Ecologist/Bioassessment Program Manager, Wood

10:05 a.m. - 10:30 a.m.

Controlling Excess Nutrient with Alum Applications

Terry McNabb, Aquatechnex

Steve Wolosoff, CDM Smith

10:30 a.m. - 11:00 a.m.

Break

Harmful Algae Blooms (HABs): New Statewide Regulations

Marisa Van Dyke, M.S., CA HABs Program Manager, CA State Water Resources Control Board

11:20 a.m. – 11:40 a.m.

Watershed Lakes Fishing 101 - Anglers Demonstration

Shane Spinning, Canyon Lake Pro Angler

William Johnson, Lake Elsinore Pro Angler

11:40 a.m. - 12:00 p.m.

Lunch

Lunch Speaker: Lake Elsinore Feasibility Study

PENDING – U.S. Army Corps of Engineers Los Angeles Division

12:20 p.m. - 1:00 p.m.

Close

LESJWA BOARD MEMORANDUM NO. 2022.08

DATE: February 17, 2022

SUBJECT: Lake Elsinore & Canyon Lake Nutrient TMDL Task Force Update

TO: LESJWA Board of Directors

PREPARED BY: Mark R. Norton, P.E., LESJWA Authority Administrator

RECOMMENDATION

Staff recommends that the LESJWA Board receive and file a status report regarding the Lake Elsinore and Canyon Lake Nutrient TMDL Revision Report and the Lake Elsinore and Canyon Lake TMDL Task Force activities.

DISCUSSION

Work continues by the LE/CL TMDL Task Force and its consultant on the Draft Staff Report/TMDL Revision Technical Report (TMDL Revision Technical Report) for Lake Elsinore, Canyon Lake, and the San Jacinto River Watershed. This report contains all the required elements for revision of the 2004 TMDLs, including revised Numeric Targets for both Lakes and reflects further updated land use and possible further reductions of nutrients discharged to the Lakes.

In 2020 after retirement of some Regional Board staff involved with the TMDL Revision, new Regional Board staff were hired and extensive review of the Task Force consultants' feedback to peer reviewers occurred. Additional modeling scenarios were requested by Regional Board staff, supported by the Task Force and approved by the LESJWA Board in Feb. 2021 for the consultant, CDM Smith, to conduct this work. This work was completed by April 2021, however, the Regional Board staff has maintained a stance of a more stringent nutrient background level commonly referred to as 25% percentile compared to what was originally proposed by the task force consultant, CDM Smith. This has resulted in the need to conduct extensive changes to the nutrient load allocations from each TMDL party and more edits to the draft TMDL Update and Revision Report. It will also mean greater challenges for some TMDL parties to meet compliance.

The Task Force's regulatory advisor, Tess Dunham, has proposed a longer transition time for full compliance to the Task Force in the Implementation Plan of the Report and will be working with the consultant and the Regional Board on this plan. A draft document known as the Draft Key Principles for Potential Revision of the TMDL Technical Report: Revision to the Lake Elsinore and Canyon Lake Nutrient TMDLs (December 1, 2018) has been prepared and distributed to the Task Force and the Regional Board. The purpose of the Key Principles document would be to formulate an agreement among the Lake Elsinore and Canyon Lake TMDL Task Force and the Executive Officer for the Santa Ana Regional Water Quality Control Board reflecting a planned compliance tied to milestones of activity. Some comments have been received by Regional Board staff but a formal response has not been received yet. Consequently, the approval of the TMDL Revision and Update approval process has been delayed for several more months and possible Board adoption will not likely occur until late 2022.

The LE/CL TMDL Task Force activities continue to support the TMDL update and monitoring activities. Work on studying the impacts of the aging Lake Elsinore Aeration and Mixing System (LEAMS) is still underway. The latest reports of offsets for phosphorus and nitrogen for FY 2019-2020 by EVMWD's lake consultants showed the additional nitrogen offset was not being achieved and could not be sold to the upper watershed TMDL Task Force. Modifications to the LEAMS system are being explored by the LEAMS operators, City of Lake Elsinore, EVWMD and County of Riverside. More certainty on whether this functionality issue remains for LEAMS will be determined after the FY 2020-2021 offset report is prepared and finalized by Dr. Alex Horne by March 2022.

LESJWA staff is now beginning to prepare a draft FY 2022-2023 Budget for the Task Force and will be reviewed at the next meeting in mid-February 2022.

BUDGET IMPACT

None