

Lake Elsinore & San Jacinto Watersheds Authority



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

LESJWA BOARD OF DIRECTORS REGULAR MEETING AND WORKSHOP

EVMWD Conference Room A, 31315 Chaney Street, Lake Elsinore, CA 92530

THURSDAY, FEBRUARY 16, 2023 – 3:00 P.M.

AGENDA

1. CALL TO ORDER/PLEDGE OF ALLEGIANCE (Dale Welty, Chair)

2. ROLL CALL/INTRODUCTIONS

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).

Members of the public may make comments in-person or in writing for the Board's consideration by sending them to publiccomment@sawpa.org with the subject line "LESJWA Public Comment". Submit your written comments by 5:00 p.m. on Wednesday, February 15, 2023. All public comments will be provided to the Chair and may be read into the record or compiled as part of the record. Please note, individuals have a limit of three (3) minutes to make comments and will have the opportunity when called upon by the Board.

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: DECEMBER 15, 2022.....3
Recommendation: Approve as posted.

B. TREASURER'S REPORT: OCTOBER 2022 – DECEMBER 2022.....9
Recommendation: Approve as posted.

C. TMDL TASK FORCE MEETING MINUTES: JANUARY 202333
Recommendation: Approve as posted

6. NEW BUSINESS

A. BOARD OF DIRECTORS APPOINTMENTS (LES#2023.01).....37
Presenter: Mark Norton

Recommendation: Sustain and welcome new Board members and approve new officers of the LESJWA Board as a result of vacancies to continue the remaining two-year term through December 31, 2023.

- B. REPORT ON AUDIT FOR FISCAL YEAR ENDING JUNE 30, 2022 (LES#2023.02).....39**
Presenter: Karen Williams
Recommendation: Receive and file the FY 2021-22 Report on Audit prepared by Fedak & Brown LLP, and direct staff to file the Report on Audit with respective government agencies as required by law.

7. WORKSHOP DISCUSSION AGENDA..... 103

- A. LESJWA & OUR ACCOMPLISHMENTS TO DATE**
- B. LESJWA JPA AND MISSION**
- C. LESJWA BUSINESS PLAN HIGHLIGHTS**
- D. LESJWA ADMINISTRATIVE SUPPORT**
- E. LESJWA FUTURE WORK**
- F. OTHER**

8. ADMINISTRATOR'S COMMENTS

9. DIRECTORS' COMMENTS

10. CLOSED SESSION

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

11. 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 9, 2023, 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.

2023 - 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., and held at EVMWD)

February 16, 2023, at 3:00 p.m.	April 20, 2023
June 15, 2023	August 17, 2023
October 19, 2023	December 21, 2023

**LAKE ELSINORE & SAN JACINTO WATERSHEDS AUTHORITY
 BOARD OF DIRECTORS REGULAR MEETING MINUTES
 DECEMBER 15, 2022**

**BOARD OF DIRECTORS
 PRESENT**

Dale Welty, Chair, City of Canyon Lake
 Robert Magee, Vice Chair, City of Lake Elsinore
 Andy Morris, Alternate, Elsinore Valley Municipal Water District
 Brenda Dennstedt, Santa Ana Watershed Project Authority
 Kevin Jeffries, County of Riverside

STAFF PRESENT

Mark Norton, Rick Whetsel, 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 Welty at the Elsinore Valley Municipal Water District, 31315 Chaney Street, Lake Elsinore, California.

2. ROLL CALL

Roll call was duly noted and recorded by the Clerk of the Board.

3. PUBLIC COMMENTS

Ray Stinnett addressed the Board of Directors to request that ecological projects be considered at Lake Elsinore.

4. ITEMS TO BE ADDED OR DELETED

There were no added or deleted items.

5. CONSENT CALENDAR

A. APPROVAL OF MEETING MINUTES: AUGUST 18, 2022

Recommendation: Approve as posted.

B. TREASURER'S REPORT: MAY 2022 – SEPTEMBER 2022

Recommendation: Approve as posted.

C. TMDL TASK FORCE MEETING MINUTES: AUGUST 2022 – NOVEMBER 2022

Recommendation: Approve as posted.

MOVED, to approve the Consent Calendar as posted.

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

6. NEW BUSINESS

**A. WELCOME RACHEL GRAY, NEW SAWPA WATER RESOURCES & PLANNING
 MANAGER**

Mark Norton welcomed Rachel Gray, the new Water Resources & Planning Manager at the Santa Ana Watershed Project Authority. Ms. Gray will be taking over Mr. Norton's role as LESJWA's Authority Administrator.

This item was for informational and discussion purposes; no action was taken on Agenda Item 6.A.

B. RESOLUTION IN MEMORIAM OF DIRECTOR PHIL WILLIAMS (LES#2022.23)

Chair Welty presented Resolution No. LES2022-4 in memoriam of Director Phil Williams who passed away on November 20, 2022. The Board noted their appreciation for Phil Williams' years of service; several shared professional and personal memories. The signed resolution was framed and presented to his wife.

MOVED, to adopt Resolution No. LES2022-04 in memoriam of Director Phil Williams for his many contributions and years of public service.

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

C. GRANT APPLICATION FOR LAKE ELSINORE PILOT PROJECT (LES#2022.24)

Mark Norton provided a presentation on the Proposition 1 Round 2 IRWM Grant Application Lake Elsinore Pilot Project, contained in the agenda packet on pages 71-83. LESJWA submitted a grant application for the Lake Elsinore Algae Harvesting and Nutrient Removal Pilot Project to SAWPA under their OWOW Call for Project seeking grant funding from Proposition 1 Integrated Regional Water Management Program Round 2 Implementation Grant. The Project is seeking \$1.5 million in grant funding and would be matched by local funding of \$1.5 million expected from the City of Lake Elsinore.

Working with the City of Lake Elsinore staff, LESJWA staff agreed to serve as the contractual lead and project proponent for the project application as part of the rating and ranking process conducted by SAWPA. The Project will be operated as a pilot for three years. LESJWA can reflect support by providing in-kind staff support in grant application and some future project reporting needs.

MOVED, to authorize the following:

- 1) Adopt Resolution No. LES2022-05 to adopt the SAWPA OWOW Plan required for the grant application.
- 2) Submittal of the LESJWA grant application for \$1.5 Million in grant funding for the Lake Elsinore Algae Harvesting and Nutrient Removal Pilot Project from the OWOW DWR Proposition 1 Round 2 IRWM Implementation grant, subject to local cost share funding and project approval by the City of Lake Elsinore at the December 13th City Council meeting.
- 3) Provide in-kind LESJWA staff support, approximate \$50,000 value, for assistance in application and administration of the project.

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

D. LAKE ELSINORE AND CANYON LAKE TMDL TASK FORCE TMDL COMPLIANCE MONITORING PROGRAM (LES#2022.25)

Rick Whetsel referenced the memorandum contained in the agenda packet on pages 89-107. The Lake Elsinore and Canyon Lake TMDL Task Force Technical Advisory Committee recommend extending the agreement with WSP USA for two additional years to oversee and implement the TMDL compliance monitoring program for LE/CL TMDL Task Force for Fiscal Years 2023-25. Through the agreement, WSP USA will provide a compliance monitoring program for the Task Force, draft and finalize the LE/CL Nutrient TMDL Annual Water Quality Monitoring Report, data management and QA/QC, and participation in the Task Force Meetings.

MOVED, to approve the General Services Agreement and Task Order No. WSP160-01 with WSP USA Environment & Infrastructure, Inc. for an amount not-to-exceed \$514,663.00, for a two-year task order to oversee and implement the TMDL compliance monitoring program for the Lake Elsinore and Canyon Lake TMDL Task Force for Fiscal Years 2023-2025.

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

E. TECHNICAL SUPPORT TO LAKE ELSINORE AND CANYON LAKE TMDL TASK FORCE TO UPDATE THE 2018 TMDL TECHNICAL REPORT (LES#2022.26)

Rick Whetsel referenced the memorandum contained in the agenda packet on pages 109 - 127. Mr. Whetsel stated that a key consultant under contract with LESJWA, Steve Wolosoff of CDM Smith, resigned from CDM Smith and joined GEI consultants. Under the agreement with LESJWA, CDM Smith agreed to end their contract with LESJWA to allow GEI Consultants to take over the main support to the LE/CL TMDL Task Force based on the sole source award to GEI Consultants by the LESJWA Board. The Task Force and LESJWA staff agreed that a sole source award to GEI Consultants is justified due to their extensive understanding and unique expertise of Steve Wolosoff of the TMDL Update and Revision in working with the Regional Board and the Task Force. Director Dennstedt asked if legal counsel had reviewed the decision prior to bringing it to the board for approval. Mr. Whetsel stated that he was unaware. The Board agreed to move forward with the motion subject to legal counsel's approval.

Director Dennstedt amended the motion to approve the General Services Agreement and Task Order NO. GEI160-01 with GEI Consultants for an amount not-to-exceed \$138,320.00 to update the draft 2018 TMDL Technical Document and provide technical support services to Lake Elsinore and Canyon Lake TMDL Task subject to review by LESJWA's legal counsel.

MOVED, to approve the General Services Agreement and Task Order No. GEI160-01 with GEI Consultants for an amount not-to-exceed \$138,320.00 to update the draft 2018 TMDL Technical Document and provide technical support services to the Lake Elsinore and Canyon Lake TMDL Task Force subject to review by LESJWA's legal counsel.

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

F. LESJWA BOARD WORKSHOP (LES#2022.27)

Mark Norton stated that the LESJWA Board directed staff to conduct a poll among the LESJWA Board to determine if there was sufficient interest in a workshop and if so, what discussion topics should be included. Based on feedback received, a draft agenda for the February 16, 2023 LESJWA Board of Directors Regular meeting was presented for review and consideration.

The Board agreed with the following changes to the February 16 draft agenda:

- Remove Agenda Item 7.F. Bluewater Renewable Energy Storage Project (formerly LEAPS) and LESJWA's role, if any.
- Include LESJWA's history and strategic plan.

It was recommended that the meeting start at 3:00 p.m. and be renamed to the LESJWA Board of Directors Regular Meeting and Workshop. Motion was amended to reflect changes.

MOVED, to authorize the inclusion of a workshop at the February 16, 2023 LESJWA Board of Directors Regular Meeting to discuss LESJWA governance and background including review of past LESJWA Business Plan, governance structure, finance support, legal support and administrative staff support. The meeting will be renamed to LESJWA Board of Directors Regular Meeting and Workshop and will commence at 3:00 p.m.

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

7. INFORMATIONAL REPORTS

Recommendation: Receive for Information.

A. LAKE ELSINORE BLUEWATER RENEWABLE ENERGY STORAGE PROJECT UPDATE (LES#2022.28)

Mark Norton stated that this Agenda Item is a standing informational report as part of a previous request and asked the Board if they would like to continue to receive reports at every Board meeting. The Board agreed that it was not necessary and would rather receive a report if there is a change in status.

Paul Anderson provided a presentation contained on pages 135 – 142 of the agenda packet.

B. LAKE ELSINORE AND CANYON LAKE TMDL TASK FORCE UPDATE (LES#2022.29)

Mark Norton referenced the memorandum contained in the agenda packet on pages 143-144. He reported that works continues by the LE/CL TMDL Task Force and its consultant on the Draft Staff Report/TMDL Revision Technical Report for Lake Elsinore, Canyon Lake, and San Jacinto River Watershed.

The LE/CL TMDL Task Force and LESJWA are continuing to conduct alum applications to Canyon Lake with the last application occurring on October 10th to 14th. The task force continues to receive reports on required watershed and lake monitoring activities that they are funding. As of late September 2022, the lake remained closed due to high microcystin levels resulting in "Danger" level signage posting continuing around the lake. In September 2022, the City closed the Lake for water contact level recreation. As winter continues, it is hoped that these HAB levels will drop allowing the lake to reopen.

C. ADMINISTRATOR'S COMMENTS

There were no Chair comments.

D. DIRECTORS' COMMENTS

There were no Commissioners' comments.

E. FUTURE AGENDA ITEMS REQUESTS

There were no requests for future agenda items.

8. CLOSED SESSION

There was no closed session.

9. ADJOURNMENT

There being no further business for review, Chair Dale Welty adjourned the meeting at 5:10 p.m. in honor of Phil Williams.

Approved at a Regular Meeting of the Lake Elsinore & San Jacinto Watersheds Authority Board of Directors Meeting on Thursday, January 16, 2023.

Dale Welty, Chair

Attest:

Zyanya Ramirez, Clerk of the Board

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Lake Elsinore and San Jacinto Watersheds Authority

FINANCIAL STATEMENTS

October 2022

LAKE ELSINORE & SAN JACINTO WATERSHEDS AUTHORITY
CASH FLOW STATEMENT
AS OF 10/31/2022

Balance as of 09/30/2022 \$ 875,382.90

Funds Received

Deposits:

LAIF Interest 776.05

Open - Grant Invoices

Open - Member & Other Contributions

CalTrans	39,848.00
City of Moreno Valley	91,977.00
City of San Jacinto	32,082.00
Total Due LESJWA	163,907.00

Disbursement List - October 2022 \$ (53,177.65)

Funds Available as of 10/31/2022 **\$ 822,981.30**

Funds Available:

Checking	\$ 653,876.77
LAIF	\$ 169,104.53
Total	\$ 822,981.30

Lake Elsinore San Jacinto Watersheds Authority
LE/CL TMDL Invoice History
FYE 2014 - 2023
as of October 31, 2022

Agency	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	FY 2022-23
March ARB	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	38,751.00
CalTrans	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	39,848.00
City of Beaumont	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	32,082.00
City of Canyon Lake	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	40,695.00
City of Hemet	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	50,858.00
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	35,573.00
City of Menifee	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	106,785.00
City of Moreno Valley	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	91,977.00
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	38,102.00
City of Perris	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	56,560.00
City of Riverside	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	32,082.00
City of San Jacinto	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	32,082.00
City of Wildomar	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	32,376.00
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	114,620.00
Dept of Fish and Game	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	29,082.00
Eastern Municipal Water District	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	29,082.00
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	30,411.00
March JPA	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	38,071.00
San Jacinto Agricultural Operators	12,500.00	47,549.00	23,530.58	45,785.00	31,391.00	37,999.65	38,927.00	27,767.00	14,382.00	29,915.00
San Jacinto Dairy & CAFO Operators	12,500.00	16,225.00	-	-	-	2,700.00	2,850.00	-	-	3,000.00
Total	429,823.00	642,714.00	497,061.58	910,630.00	709,258.00	766,375.65	768,261.00	808,536.00	710,154.00	901,952.00
Total Paid Contributions	429,823.00	642,714.00	497,061.58	910,630.00	709,258.00	766,375.65	768,261.00	808,536.00	710,154.00	738,045.00
Total Outstanding Contributions	-	-	-	-	-	-	-	-	-	163,907.00
Total Outstanding Contributions										
CalTrans										39,848.00
City of Moreno Valley										91,977.00
City of San Jacinto										32,082.00
Total Outstanding All Years	-	-	-	-	-	-	-	-	-	163,907.00

Lake Elsinore/San Jacinto Watershed Authority
Statement of Net Assets
For the Four Months Ending Monday, October 31, 2022

Assets

Checking - US Bank	\$653,876.77
L.A.I.F.	169,104.53
Accounts Receivable	163,907.00
Total Assets	<u>\$986,888.30</u>

Liabilities

Accounts Payable	<u>207,236.91</u>
Total Liabilities	<u>\$207,236.91</u>

Retained Earnings	140,023.75
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Excess Revenue over (under) Expenditures	<u>\$639,627.64</u>
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Total Net Assets	<u>\$779,651.39</u>
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Total Liabilities and Net Assets	<u>\$986,888.30</u>
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Lake Elsinore/San Jacinto Watershed Authority
Revenues, Expenses and Changes in Net Assets
For the Four Months Ending Monday, October 31, 2022

	Period Actual	YTD Actual	Annual Budget	% Used	Budget Variance
Revenues					
LAIF Interest	\$776.05	\$776.05	\$1,650.00	47.03%	\$873.95
Member Agency Contributions	0.00	196,679.00	274,100.00	71.75%	77,421.00
Other Agency Contributions	0.00	815,273.00	737,851.00	110.49%	(77,422.00)
Total Revenues	\$776.05	\$1,012,728.05	\$1,013,601.00	99.91%	\$872.95
Expenses					
Salaries - Regular	4,082.35	24,354.84	61,922.00	39.33%	37,567.16
Payroll Burden	1,714.59	10,229.04	26,007.33	39.33%	15,778.29
Overhead	6,564.42	39,162.58	99,570.67	39.33%	60,408.09
Audit Fees	0.00	3,600.00	5,600.00	64.29%	2,000.00
Consulting - General	160,271.59	284,924.06	712,451.00	39.99%	427,526.94
LEAMS Offset Credit License	0.00	0.00	112,500.00	0.00%	112,500.00
Legal Fees	0.00	0.00	1,100.00	0.00%	1,100.00
Contributions	0.00	10,000.00	10,000.00	100.00%	0.00
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	45.59	400.00	11.40%	354.41
Insurance Expense	0.00	2,536.00	3,000.00	84.53%	464.00
Interest Expense	0.00	48.30	200.00	24.15%	151.70
Total Expenditures	\$172,632.95	\$374,900.41	\$1,033,861.00	36.26%	\$658,960.59
Excess Revenue over (under) Expenditures	(\$171,856.90)	\$637,827.64	(\$20,260.00)	-3148.21%	(\$658,087.64)

Lake Elsinore San Jacinto Watersheds Authority
Revenues, Expenses and Changes in Net Assets by Project
For the Month Ending October 31, 2022

	JPA		TMDL				Budget	% Used	Budget
	Administration		Task Force		Total				Variance
Revenues									
LAIF Interest		776.05				776.05	1,650.00	47.03%	873.95
Member Agency Contributions		90,000.00		106,679.00		196,679.00	274,100.00	71.75%	77,421.00
Other Agency Contributions		20,000.00		795,273.00		815,273.00	737,851.00	110.49%	(77,422.00)
Miscellaneous Revenue						-	-	100.00%	-
Total Revenues	\$	110,776.05	\$	901,952.00	\$	1,012,728.05	\$	1,013,601.00	99.91% \$ 872.95
Expenditures									
Salaries	\$	10,379.01	\$	13,975.83	\$	24,354.84	\$	61,922.00	39.33% \$ 37,567.16
Benefits		4,359.18		5,869.86		10,229.04		26,007.33	39.33% 15,778.29
Indirect Costs		16,689.45		22,473.13		39,162.58		99,570.67	39.33% 60,408.09
Audit Fees		3,600.00				3,600.00		5,600.00	64.29% 2,000.00
Consulting		8,514.85		276,409.21		284,924.06		712,451.00	39.99% 427,526.94
Other Contract Services						-		-	0.00% -
Legal Fees						-		1,100.00	0.00% 1,100.00
Contributions		10,000.00				10,000.00		10,000.00	100.00% -
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		45.59				45.59		400.00	11.40% 354.41
LEAMS Excess Offset Credit						-		112,500.00	0.00% 112,500.00
Insurance Expense		2,536.00				2,536.00		3,000.00	84.53% 464.00
Office Supplies								60.00	0.00% 60.00
Interest Expense		48.30				48.30		200.00	24.15% 151.70
Total Expenditures	\$	56,172.38	\$	318,728.03	\$	374,900.41	\$	1,033,861.00	36.26% \$ 658,960.59
Excess Revenue over (under) Expenditures	\$	54,603.67	\$	583,223.97	\$	637,827.64	\$	(20,260.00)	100.00% \$ (658,087.64)
Cash Balance @ 10/31/2022	\$	110,587.47	\$	712,393.83	\$	822,981.30			

**Lake Elsinore San Jacinto
Watershed Authority
Disbursements
October 2022**

Check #	Check Date	Type	Vendor	Check Amount
EFT451	10/13/2022	CHK	WSP USA Environment & Infrastructure	\$ 32,176.66
EFT452	10/13/2022	CHK	Kahn, Soares & Conway, LLP	\$ 6,337.50
EFT453	10/27/2022	CHK	Santa Ana Watershed Project Authority	\$ 13,282.24
EFT454	10/27/2022	CHK	DeGrave Communications	\$ 1,381.25
Total Disbursements October 2022				<u>\$ 53,177.65</u>

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Lake Elsinore and San Jacinto Watersheds Authority

FINANCIAL STATEMENTS

November 2022

LAKE ELSINORE & SAN JACINTO WATERSHEDS AUTHORITY
CASH FLOW STATEMENT
AS OF 11/30/2022

Balance as of 10/31/2022	\$ 822,981.30
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Funds Received

Deposits:

City of San Jacinto	32,082.00
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Open - Grant Invoices

Open - Member & Other Contributions

CalTrans		39,848.00
City of Moreno Valley		91,977.00
Total Due LESJWA		131,825.00

Disbursement List - November 2022	\$ (178,041.09)
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Funds Available as of 11/30/2022	\$ 677,022.21
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Funds Available:

Checking	\$ 507,917.68
LAIF	\$ 169,104.53
Total	\$ 677,022.21

Lake Elsinore San Jacinto Watersheds Authority
LE/CL TMDL Invoice History
FYE 2014 - 2023
as of November 30, 2022

Agency	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	FY 2022-23
March ARB	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	38,751.00
CalTrans	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	39,848.00
City of Beaumont	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	32,082.00
City of Canyon Lake	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	40,695.00
City of Hemet	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	50,858.00
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	35,573.00
City of Menifee	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	106,785.00
City of Moreno Valley	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	91,977.00
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	38,102.00
City of Perris	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	56,560.00
City of Riverside	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	32,082.00
City of San Jacinto	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	32,082.00
City of Wildomar	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	32,376.00
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	114,620.00
Dept of Fish and Game	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	29,082.00
Eastern Municipal Water District	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	29,082.00
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	30,411.00
March JPA	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	38,071.00
San Jacinto Agricultural Operators	12,500.00	47,549.00	23,530.58	45,785.00	31,391.00	37,999.65	38,927.00	27,767.00	14,382.00	29,915.00
San Jacinto Dairy & CAFO Operators	12,500.00	16,225.00	-	-	-	2,700.00	2,850.00	-	-	3,000.00
Total	429,823.00	642,714.00	497,061.58	910,630.00	709,258.00	766,375.65	768,261.00	808,536.00	710,154.00	901,952.00
Total Paid Contributions	429,823.00	642,714.00	497,061.58	910,630.00	709,258.00	766,375.65	768,261.00	808,536.00	710,154.00	770,127.00
Total Outstanding Contributions	-	-	-	-	-	-	-	-	-	131,825.00
Total Outstanding Contributions										
CalTrans										39,848.00
City of Moreno Valley										91,977.00
Total Outstanding All Years	-	-	-	-	-	-	-	-	-	131,825.00

Lake Elsinore/San Jacinto Watershed Authority
Statement of Net Assets
For the Five Months Ending Wednesday, November 30, 2022

Assets

Checking - US Bank	\$507,917.68
L.A.I.F.	169,104.53
Accounts Receivable	131,825.00
Total Assets	<u>\$808,847.21</u>

Liabilities

Accounts Payable	<u>67,197.79</u>
Total Liabilities	<u>\$67,197.79</u>

Retained Earnings	136,577.93
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Excess Revenue over (under) Expenditures	<u>\$605,071.49</u>
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Total Net Assets	<u>\$741,649.42</u>
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Total Liabilities and Net Assets	<u>\$808,847.21</u>
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Lake Elsinore/San Jacinto Watershed Authority
Revenues, Expenses and Changes in Net Assets
For the Five Months Ending Wednesday, November 30, 2022

	Period Actual	YTD Actual	Annual Budget	% Used	Budget Variance
Revenues					
LAIF Interest	\$0.00	\$4,221.87	\$1,650.00	255.87%	(\$2,571.87)
Member Agency Contributions	0.00	196,679.00	274,100.00	71.75%	77,421.00
Other Agency Contributions	0.00	815,273.00	737,851.00	110.49%	(77,422.00)
Total Revenues	\$0.00	\$1,016,173.87	\$1,013,601.00	100.25%	(\$2,572.87)
Expenses					
Salaries - Regular	7,538.46	31,893.30	61,922.00	51.51%	30,028.70
Payroll Burden	3,166.16	13,395.20	26,007.33	51.51%	12,612.13
Overhead	12,121.84	51,284.42	99,570.67	51.51%	48,286.25
Audit Fees	0.00	3,600.00	5,600.00	64.29%	2,000.00
Consulting - General	13,375.51	298,299.57	712,451.00	41.87%	414,151.43
LEAMS Offset Credit License	0.00	0.00	112,500.00	0.00%	112,500.00
Legal Fees	0.00	0.00	1,100.00	0.00%	1,100.00
Contributions	0.00	10,000.00	10,000.00	100.00%	0.00
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	45.59	400.00	11.40%	354.41
Insurance Expense	0.00	2,536.00	3,000.00	84.53%	464.00
Interest Expense	0.00	48.30	200.00	24.15%	151.70
Total Expenditures	\$36,201.97	\$411,102.38	\$1,033,861.00	39.76%	\$622,758.62
Excess Revenue over (under) Expenditures	(\$36,201.97)	\$605,071.49	(\$20,260.00)	-2986.53%	(\$625,331.49)

Lake Elsinore San Jacinto Watersheds Authority
Revenues, Expenses and Changes in Net Assets by Project
For the Month Ending November 30, 2022

	JPA Administration	TMDL Task Force	Total	Budget	% Used	Budget Variance
Revenues						
LAIF Interest	776.05		776.05	1,650.00	47.03%	873.95
Member Agency Contributions	90,000.00	106,679.00	196,679.00	274,100.00	71.75%	77,421.00
Other Agency Contributions	20,000.00	795,273.00	815,273.00	737,851.00	110.49%	(77,422.00)
Miscellaneous Revenue			-	-	100.00%	-
Total Revenues	\$ 110,776.05	\$ 901,952.00	\$ 1,012,728.05	\$ 1,013,601.00	99.91%	\$ 872.95
Expenditures						
Salaries	\$ 14,883.24	\$ 17,010.06	\$ 31,893.30	\$ 61,922.00	51.51%	\$ 30,028.70
Benefits	6,250.96	7,144.24	13,395.20	26,007.33	51.51%	12,612.13
Indirect Costs	23,932.25	27,352.17	51,284.42	99,570.67	51.51%	48,286.25
Audit Fees	3,600.00		3,600.00	5,600.00	64.29%	2,000.00
Consulting	9,463.60	288,835.97	298,299.57	712,451.00	41.87%	414,151.43
Other Contract Services			-	-	0.00%	-
Legal Fees			-	1,100.00	0.00%	1,100.00
Contributions	10,000.00		10,000.00	10,000.00	100.00%	-
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	45.59		45.59	400.00	11.40%	354.41
LEAMS Excess Offset Credit			-	112,500.00	0.00%	112,500.00
Insurance Expense	2,536.00		2,536.00	3,000.00	84.53%	464.00
Office Supplies				60.00	0.00%	60.00
Interest Expense	48.30		48.30	200.00	24.15%	151.70
Total Expenditures	\$ 70,759.94	\$ 340,342.44	\$ 411,102.38	\$ 1,033,861.00	39.76%	\$ 622,758.62
Excess Revenue over (under) Expenditures	\$ 40,016.11	\$ 561,609.56	\$ 601,625.67	\$ (20,260.00)	100.00%	\$ (621,885.67)
Cash Balance @ 11/30/2022	\$ 91,897.25	\$ 585,124.96	\$ 677,022.21			

**Lake Elsinore San Jacinto
Watershed Authority
Disbursements
November 2022**

Check #	Check Date	Type	Vendor	Check Amount
EFT455	11/3/2022	CHK	Santa Ana Watershed Project Authority	\$ 10,000.00
EFT456	11/3/2022	CHK	AquaTechnex LLC	\$ 127,027.02
EFT457	11/10/2022	CHK	Kahn, Soares & Conway, LLP	\$ 2,492.50
EFT458	11/17/2022	CHK	Santa Ana Watershed Project Authority	\$ 12,361.36
EFT459	11/17/2022	CHK	CDM Smith Inc	\$ 2,911.00
EFT460	11/17/2022	CHK	WSP USA Environment & Infrastructure	\$ 21,692.96
EFT461	11/23/2022	CHK	DeGrave Communications	\$ 1,556.25
Total Disbursements November 2022				<u>\$ 178,041.09</u>

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Lake Elsinore and San Jacinto Watersheds Authority

FINANCIAL STATEMENTS

December 2022

LAKE ELSINORE & SAN JACINTO WATERSHEDS AUTHORITY
CASH FLOW STATEMENT
AS OF 12/31/2022

Balance as of 11/30/2022 \$ 677,022.21

Funds Received

Deposits:

City of Moreno Valley 91,977.00

Open - Grant Invoices

Open - Member & Other Contributions

CalTrans	39,848.00	
Total Due LESJWA	39,848.00	

Disbursement List - December 2022 \$ (59,701.03)

Funds Available as of 12/31/2022 **\$ 709,298.18**

Funds Available:

Checking	\$ 540,193.65	
LAIF	\$ 169,104.53	
Total	\$ 709,298.18	

Lake Elsinore San Jacinto Watersheds Authority
LE/CL TMDL Invoice History
FYE 2014 - 2023
as of December 31, 2022

Agency	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	FY 2022-23
March ARB	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	38,751.00
CalTrans	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	39,848.00
City of Beaumont	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	32,082.00
City of Canyon Lake	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	40,695.00
City of Hemet	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	50,858.00
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	35,573.00
City of Menifee	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	106,785.00
City of Moreno Valley	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	91,977.00
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	38,102.00
City of Perris	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	56,560.00
City of Riverside	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	32,082.00
City of San Jacinto	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	32,082.00
City of Wildomar	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	32,376.00
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	114,620.00
Dept of Fish and Game	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	29,082.00
Eastern Municipal Water District	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	29,082.00
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	30,411.00
March JPA	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	38,071.00
San Jacinto Agricultural Operators	12,500.00	47,549.00	23,530.58	45,785.00	31,391.00	37,999.65	38,927.00	27,767.00	14,382.00	29,915.00
San Jacinto Dairy & CAFO Operators	12,500.00	16,225.00	-	-	-	2,700.00	2,850.00	-	-	3,000.00
Total	429,823.00	642,714.00	497,061.58	910,630.00	709,258.00	766,375.65	768,261.00	808,536.00	710,154.00	901,952.00
Total Paid Contributions	429,823.00	642,714.00	497,061.58	910,630.00	709,258.00	766,375.65	768,261.00	808,536.00	710,154.00	862,104.00
Total Outstanding Contributions	-	-	-	-	-	-	-	-	-	39,848.00
Total Outstanding Contributions										
CalTrans										39,848.00
Total Outstanding All Years	-	-	-	-	-	-	-	-	-	39,848.00

Lake Elsinore/San Jacinto Watershed Authority
Statement of Net Assets
For the Six Months Ending Saturday, December 31, 2022

Assets

Checking - US Bank	\$540,193.65
L.A.I.F.	169,104.53
Accounts Receivable	39,848.00
Total Assets	<u>\$749,146.18</u>

Liabilities

Accounts Payable	33,439.90
Total Liabilities	<u>\$33,439.90</u>

Retained Earnings	136,577.93
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Excess Revenue over (under) Expenditures	<u>\$579,128.35</u>
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Total Net Assets	<u>\$715,706.28</u>
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Total Liabilities and Net Assets	<u>\$749,146.18</u>
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Lake Elsinore/San Jacinto Watershed Authority
Revenues, Expenses and Changes in Net Assets
For the Six Months Ending Saturday, December 31, 2022

	Period Actual	YTD Actual	Annual Budget	% Used	Budget Variance
Revenues					
LAIF Interest	\$0.00	\$4,221.87	\$1,650.00	255.87%	(\$2,571.87)
Member Agency Contributions	0.00	196,679.00	274,100.00	71.75%	77,421.00
Other Agency Contributions	0.00	815,273.00	737,851.00	110.49%	(77,422.00)
Total Revenues	\$0.00	\$1,016,173.87	\$1,013,601.00	100.25%	(\$2,572.87)
Expenses					
Salaries - Regular	5,015.73	36,909.03	61,922.00	59.61%	25,012.97
Payroll Burden	2,106.61	15,501.81	26,007.33	59.61%	10,505.52
Overhead	8,065.29	59,349.71	99,570.67	59.61%	40,220.96
Audit Fees	0.00	3,600.00	5,600.00	64.29%	2,000.00
Consulting - General	10,630.00	308,929.57	712,451.00	43.36%	403,521.43
LEAMS Offset Credit License	0.00	0.00	112,500.00	0.00%	112,500.00
Legal Fees	0.00	0.00	1,100.00	0.00%	1,100.00
Meeting & Conference Expense	125.51	125.51	0.00	0.00%	(125.51)
Contributions	0.00	10,000.00	10,000.00	100.00%	0.00
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	45.59	400.00	11.40%	354.41
Insurance Expense	0.00	2,536.00	3,000.00	84.53%	464.00
Interest Expense	0.00	48.30	200.00	24.15%	151.70
Total Expenditures	\$25,943.14	\$437,045.52	\$1,033,861.00	42.27%	\$596,815.48
Excess Revenue over (under) Expenditures	(\$25,943.14)	\$579,128.35	(\$20,260.00)	-2858.48%	(\$599,388.35)

Lake Elsinore San Jacinto Watersheds Authority
Revenues, Expenses and Changes in Net Assets by Project
For the Month Ending December 31, 2022

	JPA	TMDL				Budget	% Used	Budget
	Administration	Task Force	Total					Variance
Revenues								
LAIF Interest	776.05		776.05		1,650.00	47.03%		873.95
Member Agency Contributions	90,000.00	106,679.00	196,679.00		274,100.00	71.75%		77,421.00
Other Agency Contributions	20,000.00	795,273.00	815,273.00		737,851.00	110.49%		(77,422.00)
Miscellaneous Revenue			-		-	100.00%		-
Total Revenues	\$ 110,776.05	\$ 901,952.00	\$ 1,012,728.05	\$ 1,013,601.00	99.91%		\$ 872.95	
Expenditures								
Salaries	\$ 17,502.16	\$ 19,406.87	\$ 36,909.03	\$ 61,922.00	59.61%		\$ 25,012.97	
Benefits	7,350.91	8,150.90	15,501.81	26,007.33	59.61%		10,505.52	
Indirect Costs	28,143.47	31,206.24	59,349.71	99,570.67	59.61%		40,220.96	
Audit Fees	3,600.00		3,600.00	5,600.00	64.29%		2,000.00	
Consulting	10,213.60	298,715.97	308,929.57	712,451.00	43.36%		403,521.43	
Other Contract Services			-	-	0.00%		-	
Legal Fees			-	1,100.00	0.00%		1,100.00	
Contributions	10,000.00		10,000.00	10,000.00	100.00%		-	
Meeting & Conference Expense		125.51	125.51	-	0.00%		(125.51)	
Bank Charges			-	1,000.00	0.00%		1,000.00	
Shipping & Postage			-	50.00	0.00%		50.00	
Other Expense	45.59		45.59	400.00	11.40%		354.41	
LEAMS Excess Offset Credit			-	112,500.00	0.00%		112,500.00	
Insurance Expense	2,536.00		2,536.00	3,000.00	84.53%		464.00	
Office Supplies				60.00	0.00%		60.00	
Interest Expense	48.30		48.30	200.00	24.15%		151.70	
Total Expenditures	\$ 79,440.03	\$ 357,605.49	\$ 437,045.52	\$ 1,033,861.00	42.27%		\$ 596,815.48	
Excess Revenue over (under) Expenditures	\$ 31,336.02	\$ 544,346.51	\$ 575,682.53	\$ (20,260.00)	100.00%		\$ (595,942.53)	
Cash Balance @ 12/31/2022	\$ 75,509.69	\$ 633,788.49	\$ 709,298.18					

**Lake Elsinore San Jacinto
Watershed Authority
Disbursements
December 2022**

Check #	Check Date	Type	Vendor	Check Amount
EFT462	12/8/2022	CHK	DeGrave Communications	\$ 948.75
EFT463	12/8/2022	CHK	Kahn, Soares & Conway, LLP	\$ 4,930.00
EFT464	12/15/2022	CHK	Santa Ana Watershed Project	\$ 22,826.46
EFT465	12/15/2022	CHK	WSP USA Environment & Infrass	\$ 29,195.82
EFT466	12/15/2022	CHK	Fedak & Brown LLP	\$ 1,800.00
Total Disbursements December 2022				<u>\$ 59,701.03</u>

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Lake Elsinore and Canyon Lake TMDL Task Force

January 10, 2023

PARTICIPANTS PRESENT:

Abigail Suter, Riverside County Flood Control & WCD
Aldo Licitra, Riverside County Flood Control & WCD
Alberto Acevedo, CDM Smith
Barbara Barry, Regional Water Quality Control Board
Becky Dunavant, CDM Smith
Ben Foster, City of Lake Elsinore
Carlos Norvani, City of Lake Elsinore
Carly Nilson, SWRCB
Cynthia Gabaldon, City of Menifee, Perris, and March JPA
Dave Woelfel, Regional Water Quality Control Board
Dan Cortese, City of Hemet
Dustin Christensen, City of Beaumont
Eric Lindberg, Regional Water Quality Control Board
Garth Engelhorn, NV5
Joe Bellomo, City of Canyon Lake
John Rudolph, WSP USA
Kirk Larkin
Kris Hanson, Interwest/City of Wildomar
Lauren Briggs, Regional Water Quality Control Board
Lenai Hunter, Elsinore Valley Municipal Water District
Liselle DeGrave, DeGrave Communications

Lynn Merrill, City of San Jacinto
Marisa Van Dyke, SWRCB
Michael Roberts, City of Riverside
Natasha Thandi, MBI/Caltrans
Pat Boldt, WRCAC
Patrick Lewis, Regional Water Quality Control Board
Paula Kulis, CDM Smith
Rachael Johnson, Riverside County Farm Bureau
Rae Beimer, City of Moreno Valley
Richard Meyerhoff, GEI Consultants
Rohini Mustafa, Riverside County Flood Control & WCD
Steven Wolosoff, GEI Consultants
Stormy Osifeso, City of Riverside
Sudhir Mohleji, Elsinore Valley Municipal Water District
SueAnn Neal, Regional Water Quality Control Board
Tess Dunham, Kahn, Soares & Conway, LLP
Bruce Whitaker, SAWPA
T Milford Harrison, SAWPA
Mark Norton, SAWPA
Rachel Gray, SAWPA
Rick Whetsel, SAWPA

Call to Order & Introductions

The Lake Elsinore/Canyon Lake TMDL Task (Task Force) meeting was called to order at 9:31 a.m. by Rick Whetsel, with all participants participating remotely, due to COVID-19 related social distancing restrictions.

Approval of Meeting Notes from November 14, 2022 Task Force Meeting

The November 14, 2022 meeting notes were approved as posted.

Status: Regional Board Update (Regional Board)

Barbara Barry, Regional Board presented on the Regional Board's Harmful Algal Bloom (FHAB) Monitoring at Lake Elsinore. Barbara then introduced Carly Nilson and Marisa Van Dyke from the State's Freshwater and Estuarine Harmful Algal Bloom (FHAB) Program to update the Task Force on the efforts by the State.

Barbara informed the Task Force during her presentation that the FHAB monitoring study for Lake Elsinore is complete and that due to the lack of available funding no future regular monitoring for Lake Elsinore is planned.

Following the presentation Regional and State Board staff reached out to the Task Force for support in continuing the Lake Elsinore FHAB Monitoring.

Ben Foster, City of Lake Elsinore informed the group that the City has contracted with WSP USA to continue FHAB monitoring. This monitoring is expected to continue until the results are consistently showing levels below the danger threshold after which the City will reevaluate if monitoring is to continue.

John Rudolph, WSP USA informed the group that they are currently sampling 3 locations in Lake Elsinore on a weekly basis for the City. Results to date have been similar to the results shown by Regional Board. He then stated that the monitoring WSP USA conducts for the Task Force as part of the compliance monitoring program does not include any monitoring for cyanotoxins. They are; however, collecting monthly samples for algal speciation as part of the LEAMS offset monitoring, so they do get a good indication of cyanobacteria present in the lake.

John added that the Task Force also conducts satellite monitoring for both Lake Elsinore and Canyon Lake that is coordinated with the TMDL compliance monitoring. For this monitoring, WSP USA is using the sentinel 2 satellite, with a 10 m resolution during the period between October through June and the landsat 7 and 8 satellites with a lesser resolution of 30 m during the summer months. This is done, due to issues with glare off of the lake during the summer months which makes the sentinel 2 imagery unusable.

Following discussion, it was concluded that the FHAB monitoring conducted by the City of lake Elsinore would satisfy the request by Regional Board for the time being.

To reach out to Carly and Marisa with further questions regarding the efforts by the State you can contact them at:
CyanoHAB.reports@waterboards.ca.gov

A copy of this presentation is available on the SAWPA website under Agendas and Meeting Materials:
https://sawpa.org/wp-content/uploads/2023/01/FHAB_LECL-TF-mtg_1_10_23-Barbara.pdf.

Update: TMDL Implementation Plan (Tess Dunham, KSC and Steve Wolosoff, CDM Smith)

Tess Dunham, of Kahn, Soares, and Conway, LLP, presented the list of the topics to be discussed today and then outlined the schedule of topics moving forward over the next few months to be at a point where we are ready to submit documents to the Regional Board to amend the Basin Plan language for the LE&CL TMDLs.

Tess then introduced Steven Wolosoff, GEI Consultants to present today's topics, which included a review of the program of implementation, an overview of the allocations and various methods to demonstrate compliance followed by discussion on additional data needs for the revised technical report.

Tess suggested, in addition to the Task Force having access to the presentation, that she and her team summarize the key points from the presentation for stakeholders to review and provide comment.

Copies of these presentations are available on the SAWPA website under Agendas and Meeting Materials:
https://sawpa.org/wp-content/uploads/2023/01/LECL-Task-Force-meeting-1_10_2023-Tess.pdf and
<https://sawpa.org/wp-content/uploads/2023/01/LECL-Task-Force-Presentation-January-2023-Steve.pdf>.

Update: Lake Elsinore Lake Elsinore Algae Harvesting

Prop 1 Rd 1 grant funded Innovative Algae Harvesting Technologies (WSP USA)

John Rudolph, WSP USA presented to the Task Force an update on the Lake Elsinore Algae Treatability Pilot Study awarded to the City of Lake Elsinore through a Prop 1 IRWM Grant.

Following his presentation John informed the Task Force that a draft final report is expected to be available in March 2023.

A copy of this presentation is available on the SAWPA website under Agendas and Meeting Materials:
https://sawpa.org/wp-content/uploads/2023/01/LE-Algal-Pilot-Study-Update_011023-John.pdf.

Prop 1 Rd 2 grant application AECOM Algae Harvesting Technology (LESJWA Staff)

Rick Whetsel provided a brief update on the Prop 1 Rd 2 grant application for the pilot testing of the AECOM Algae Harvesting Technology at Lake Elsinore. He informed the Task Force that the project application for \$3M, including \$1.5M in grant funding and a local match of \$1.5M was submitted to SAWPA for inclusion in the prop 1 Rd 2 grant submittal due to DWR in February 2023.

Task Force Administration (LESJWA Staff)

Draft FY 2023-24 Budget

Rick Whetsel presented an updated draft FY 2023-24 budget (that was shared with stakeholder via email on November 21, 2022). Following brief discussion the Task Force requested additional time for review and that approval of the FY 2023-24 budget will be done through email.

Other Business

Tess Dunhan informed the Task Force that Regional Board released a revised General Order for irrigated lands, which will replace the Conditional Waiver on Agricultural Discharge (CWAD). The Waste Discharge Requirement (WDR) is to be put in place to be consistent with the State Board precedent. WRCAC is currently working with Regional Board staff with respect to the content of the WDR and it is to go before the Regional Board for approval in February. The TMDL language within this WDR is to be consistent with the approaches that the Task Force has taken in the past and allows for the WRCAC participants to continue to participate in the TMDL Task Force for purposes of compliance. Pat Boldt added that, if changes are required, due to revisions to the TMDLs the WDR will be able to be amended.

SueAnn Neal, Regional Board stated that the regional Board switched from a the CWAD to General Order was remove the deadline for compliance imposed by the CWAD.

Tess also informed the Task Force that Regional Board staff working on the MS4 permit update has questions as to how off-set credits are calculated and applied for the various Task Force members. It was suggested that the consultant team for the LE&CL TMDL Task Force provide a briefing to Regional Board Permitting staff to provide them with background on the past program.

Tess requested and was given approval from the Task Force for approval to proceed with this event and will coordinate with Regional Board staff to schedule this event.

Schedule Next Meeting

The next LE/CL TMDL Task Force meeting is scheduled for Wednesday, February 15, 2023, at 1:00 p.m. as a remote Zoom meeting.

Adjourn

The meeting adjourned at 12:05 p.m.

Table Summary of Agreements and Actions

Date of Action/Agreement	Action/Agreement	Responsible Entities Reaching Agreement
September 28, 2021	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • 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	-	-
March 2, 2022	<ul style="list-style-type: none"> • The Task Force agreed to submit a comment letter to the Draft Staff Working Proposal for MS4 Permit by March 18, 2022. Regional Board confirmed that they would accept the comments past their soft deadline of March 10. • Approved the alum application to the Canyon Lake if the February monitoring data exceeds 0.09. 	Voting Task Force members
April 20, 2022	<ul style="list-style-type: none"> • Approved execution of the Key Principles for Technical TMDL Revision by Mark, Norton Task Force Administrator on behalf of the voting members of the task force subject to revisions discussed at the 4/20/2022 task force meeting. • Approved submittal of the Task Force Comment letter to Regional Board on the Staff Working Proposal for the MS4 Permit upon revision discussed at the 4/20/2022 task force meeting. Regional Board abstained from action and conversation of this matter. • Approved amendment #3 to extend the LE/CL TMDL Task Force Agreement for a period of three years to June 30, 2025, with the option that the Agreement, while still in full force and effect, may be extended an additional two years, to June 30, 2027, by means of Administrative Action by the Task Force Administrator 	Voting Task Force members; Excludes Regional Board in relation to the Comment Letter to Regional Board on the Staff Working Proposal for the MS4 Permit.
June 27, 2022	-	-
August 17, 2022	<ul style="list-style-type: none"> • Approved execution of the Key Principles for Technical TMDL Revision by Mark Norton, Task Force Administrator on behalf of the voting members of the LE&CL TMDL Task Force. • Approved a proposal by CDM Smith and a recommendation to the LESJWA Board to authorize a Task Order to update and revise the technical document and additional TMDL technical support services. 	Mark Norton, Task Force Administrator on behalf of the voting members of the LE&CL TMDL Task Force
September 27, 2022	-	-
November 14, 2022	<ul style="list-style-type: none"> • Transfer the remaining balance of the contract work supported by Steven Wolosoff as of December 31, 2022 from CDM Smith and enter into an agreement with GEI Consultants to complete work starting on January 1 2023. • Exercise an option for a two year extension with WSP USA to oversee and implement TMDL Compliance Monitoring Program. 	Voting Task Force members
January 10, 2023	-	-

LESJWA BOARD MEMORANDUM NO. 2023.01

DATE: February 16, 2023

SUBJECT: Board of Directors Appointments

TO: LESJWA Board of Directors

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

RECOMMENDATION

Staff recommends that the Board of Directors sustain and welcome new Board members and approve new officers of the LESJWA Board as a result of vacancies to continue the remaining two-year term through December 31, 2023.

DISCUSSION

As a result of Board vacancies and changes, staff recommend that the LESJWA Board welcome and sustain newly assigned representatives from LESJWA member agencies and approve new officers to fill vacancies in accordance with the LESJWA Joint Powers Agreement Article, 5.2. The last Board officer election was held on February 17, 2022 and are typically updated every two years. The current Board officers are City of Canyon Lake - Chair, City of Lake Elsinore – Vice Chair, and EVWMD – 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.

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LESJWA BOARD MEMORANDUM NO. 2023.02

DATE: February 16, 2023

SUBJECT: Report on Audit for Fiscal Year Ending June 30, 2022

TO: LESJWA Board of Directors

PREPARED BY: Karen Williams, Chief Financial Officer

RECOMMENDATION

Receive and file the FY 2021-22 Report on Audit prepared by Fedak & Brown LLP, and direct staff to file the Report on Audit with respective government agencies as required by law.

DISCUSSION

Attached for your review, receipt, and filing is LESJWA's FY 2021-22 Report on Audit (Financial Statements) prepared by Fedak & Brown LLP.

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, 2022.

RESOURCES IMPACT

None.

Attachments:

1. LESJWA Management Report
2. LESJWA Annual Financial Report
 - a. LESJWA Report on Internal Controls and Compliance

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Lake Elsinore & San Jacinto Watersheds Authority



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

Lake Elsinore & San Jacinto Watersheds Authority Annual Financial Report For the Fiscal Year Ended June 30, 2022

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, 2022

<u>Representing</u>	<u>Name</u>	<u>Title</u>	<u>Appointment</u>
City of Canyon Lake	Dale Welty	Chair	December 2020
City of Lake Elsinore	Robert E. Magee	Vice Chair	December 2016
Elsinore Valley Municipal Water District	Phil Williams	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
For the Fiscal Year Ended June 30, 2022

Working Draft Subject to Review

Lake Elsinore & San Jacinto Watersheds Authority
Annual Financial Report
For the Fiscal Year Ended June 30, 2022

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Financial Section

Working Draft Subject to Review

Working Draft Subject to Review

Independent Auditor's Report

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

Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of the governmental activities of the Lake Elsinore & San Jacinto Watersheds Authority (Authority) as of and for the year ended June 30, 2022, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

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 Lake Elsinore & San Jacinto Watersheds Authority as of June 30, 2022, 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audit 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 District's. Those standards require that we plan and perform our audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management 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 controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Independent Auditor's Report, continued

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Independent Auditor's Report, continued

Other Matters

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 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 required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquires, 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 information 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 an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The organization information is presented for purposes of additional analysis and are not a required part of the basic financial statements.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated February 16, 2023, on our consideration of the Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, 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 the 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. This report can be found at the end of this report.

C.J. Brown & Company, CPAs - An Accountancy Corporation
Cypress, California
February 16, 2023

Lake Elsinore & San Jacinto Watersheds Authority
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2022

The Authority

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

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

Overview of the Financial Statements

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

The Authority has one governmental fund, the general fund.

These financial statements consist of four interrelated statements designed to provide the reader with relevant, understandable data about the Authority's financial condition and operating results. The Authority's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. 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 assets 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.

Lake Elsinore & San Jacinto Watersheds Authority
Management's Discussion and Analysis, continued
For the Fiscal Year Ended June 30, 2022

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 pages 14 through 17 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 18 through 32 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 \$136,578 at June 30, 2022.

Net Position

	2022	2021	2020
Assets			
Current and Other Assets	\$ 307,760	\$ 310,887	\$ 305,549
Total Assets	307,760	310,887	305,549
Liabilities			
Current Liabilities	171,182	112,964	134,423
Total Liabilities	171,182	112,964	134,423
Net Position			
Restricted: LEAMS Program	102,450	52,950	94,350
Unrestricted	34,128	144,973	76,776
Total Net Position	\$ 136,578	\$ 197,923	\$ 171,126

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

- The \$58,218 increase in liabilities is primarily due to LEAMs offset credit licenses. The credits were higher in 2022 and that is reflected in a higher accounts payable balance as compared to 2021.

Lake Elsinore & San Jacinto Watersheds Authority
Management's Discussion and Analysis, continued
For the Fiscal Year Ended June 30, 2022

Categories of Net Position

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

Net, Investment in Capital Assets

At June 30, 2022, the Authority did not have any amounts which qualify as net invested in capital assets, net of related debt.

Restricted

At June 30, 2022, the Authority had restricted net position of \$102,450.

Unrestricted

At June 30, 2022, the Authority had unrestricted net position of \$34,128.

Change in Net Position

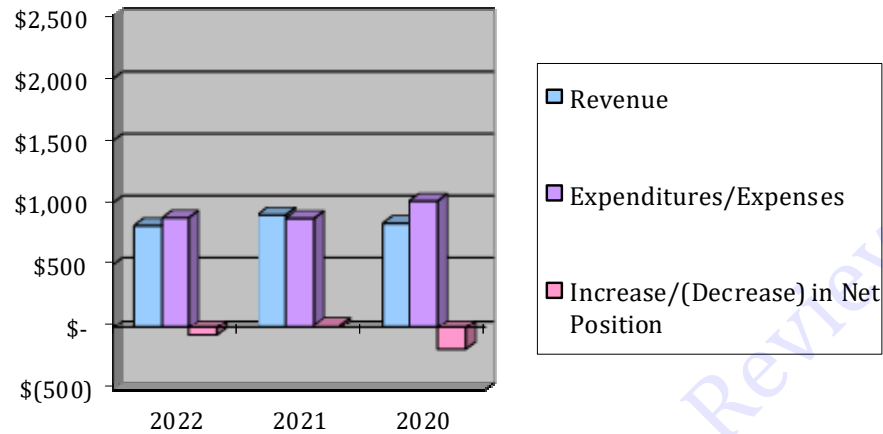
Overall, the fiscal year ending June 30, 2022, resulted in net position of \$136,578, a \$61,345 decrease from the previous year.

Changes in Net Position

Item Category	2022	2021	2020
	Amount	Amount	Amount
Program Revenues	\$ 533,659	\$ 625,388	\$ 568,568
General Revenues	288,304	280,760	272,113
Total Revenues	821,963	906,148	840,681
Total Expenses	883,308	879,351	1,014,354
Change in Net Position	(61,345)	26,797	(173,673)
Beginning Net Position	197,923	171,126	344,799
Ending Net Position	\$ 136,578	\$ 197,923	\$ 171,126

Lake Elsinore & San Jacinto Watersheds Authority
Management's Discussion and Analysis, continued
For the Fiscal Year Ended June 30, 2022

Decrease in Net Position
(In thousands)



Revenues

Combined revenues for the fiscal year totaled \$821,963 a decrease of \$84,185, or 9.3%, less than the prior fiscal year. The following table presents a comparison of revenues by category for the fiscal years 2022, 2021, and 2020.

Revenues – Government Wide

Revenue Category	2022		2021		2020	
	Amount	% of Total	Amount	% of Total	Amount	% of Total
Capital and Operating Grants	\$ 533,659	64.92%	\$ 625,388	69.02%	\$ 568,568	67.63%
Member Contributions	286,495	34.85%	279,108	30.80%	263,683	31.37%
Investment Returns, Net of Fair Value	(1,691)	-0.21%	1,652	0.18%	8,430	1.00%
Other	3,500	0.43%	-	0.00%	-	0.00%
Total Revenues	\$ 821,963	100.00%	\$ 906,148	100.00%	\$ 840,681	100.00%

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

- The \$91,729 decrease in capital and operating grants is due to a reduction in the budget for consultant support activities.
- The \$7,387 increase in member contributions is due to an increase in the Canyon Lake Alum application project for which the members contribute a higher proportion of the project costs.

Lake Elsinore & San Jacinto Watersheds Authority
Management's Discussion and Analysis, continued
For the Fiscal Year Ended June 30, 2022

Revenues, continued

- The \$3,343 decrease in investment returns is due to the change in year-end market value adjustment which was based on current market conditions.
- The \$3,500 increase in other revenue is due to the LESJWA Water Summit that was held in FYE 2022. The \$3,500 was from sponsorships received for the summit.

Expenses

Combined expenditures for the fiscal year totaled \$883,308, an increase of \$3,975, or 0.45%, higher than the prior fiscal year. The following table presents a comparison of expenditures by category for the fiscal years 2022, 2021, and 2020.

Expenses – Government Wide

Expense Category	2022		2021		2020	
	Amount	% of Total	Amount	% of Total	Amount	% of Total
Administrative	\$ 199,295	22.56%	\$ 208,783	23.74%	\$ 198,487	19.57%
Contract Labor	219	0.02%	1,925	0.22%	1,400	0.14%
Consulting	683,713	77.40%	668,532	76.03%	814,184	80.27%
Interest Expense	81	0.01%	111	0.01%	283	0.03%
Total Expenses	\$ 883,308	100.00%	\$ 879,351	100.00%	\$ 1,014,354	100.00%

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

- The \$9,488 decrease in administrative costs is primarily due to additional administrative costs associated with the preparation of task force deliverables submitted in FYE 2021. These costs were not incurred for FYE 2022.
- The \$15,181 increase in consulting costs is primarily due to two alum applications conducted in FYE 2022, whereas, only a single alum application was conducted in FYE 2021.

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, 2022, the Authority's general fund reported an ending fund balance of \$136,578, a decrease of \$61,345 or 30.99% as compared to the previous year. The fund balance is made up of restricted funds of \$102,450 for the LEAMS program and \$34,128 in unreserved fund balance.

Lake Elsinore & San Jacinto Watersheds Authority
Management's Discussion and Analysis, continued
For the Fiscal Year Ended June 30, 2022

Governmental Funds, continued

The general fund is the chief operating fund of the Authority. At the end of the current fiscal year, the unreserved fund balance of the general fund was \$136,578, 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.

The fund balance in the Authority's general fund decreased by \$61,345 during the fiscal year as compared to the prior year.

Overall, the general fund's performance resulted in expenditures exceeding revenues in the fiscal year ended June 30, 2022, by \$61,345. In the prior year, general fund revenues exceeded expenditures by \$26,797.

Major Programs Effecting the Financial Statements

The Canyon Lake Alum Application Project entails 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. Project costs are allocated among participating TMDL Task Force members, based upon their estimated nutrient load contribution to Canyon Lake. In FYE 2022, the Canyon Lake Alum project was budgeted at \$178,827, but actual costs to implement the project were \$226,120. This was due to the need of the Task Force to conduct two alum applications. Funds needed to cover the additional project costs of \$48,302 were taken from the stakeholders cash reserve.

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 2022, the licensing of excess nutrient off-set credits to stakeholders with TMDL compliance obligations was budgeted at \$118,132. The cost of nutrient off-set credits actually purchased was \$115,950, due to a credit issued for \$2,183. Funding for the purchase of nutrient off-set credits included \$71,333 from the FYE 2022 budget and \$46,800 taken from the stakeholder's cash reserve. 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 and watershed-wide storm monitoring of up to three annual events. Project costs are allocated among participating TMDL Task Force members, based upon equal cost shares. In FYE 2022, the cost to fund this project was budgeted at \$233,675.

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. Project costs are allocated among participating TMDL Task Force members, based upon equal cost shares. In FYE 2022, the cost to fund this effort was budgeted at \$55,000.

Lake Elsinore & San Jacinto Watersheds Authority
Management's Discussion and Analysis, continued
For the Fiscal Year Ended June 30, 2022

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, 2022.

Budget versus Actual – General Fund
For the Year Ended June 30, 2022

	Budgeted Amounts Original and Final	Actual Amounts Budgetary and GAAP Basis	Variance with Budget Positive (Negative)
Revenues			
Capital and Operating Grants	\$ 540,257	\$ 533,659	\$ (6,598)
Member Contributions	288,445	286,495	(1,950)
Investment Earnings, Net of Fair Value	2,200	(1,691)	(3,891)
Other	9,110	3,500	(5,610)
Total Revenues	840,012	821,963	(18,049)
Expenses			
Administrative	222,010	199,295	22,715
Contract Labor	1,100	219	881
Consulting	616,702	683,713	(67,011)
Interest Expense	200	81	119
Total Expenses	840,012	883,308	(43,296)
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	\$ (61,345)	\$ (61,345)
Fund Balances – Beginning of Year		197,923	
Fund Balances – End of Year		\$ 136,578	

Lake Elsinore & San Jacinto Watersheds Authority
Management's Discussion and Analysis, continued
For the Fiscal Year Ended June 30, 2022

General Fund Budgetary Variances, continued

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

- The \$22,715 positive variance for administrative expenses is reflective of a reduction in staff time needed for various aspects of the administration of LESJWA.
- The \$67,011 negative variance for consulting expenses is due to conducting two alum applications in FYE 2022 instead of the one application that was budgeted.

Capital Assets

Existing Capital Assets

The Authority did not have any capital assets as of June 30, 2022.

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, 2022.

Basic Financial Statements

Working Draft Subject to Review

Lake Elsinore & San Jacinto Watersheds Authority
Statement of Net Position
June 30, 2022

	Governmental Activities
	2022
Assets:	
Cash and cash equivalents (note 2)	\$ 304,541
Accrued interest receivable	683
Prepaid insurance	<u>2,536</u>
Total assets	<u>307,760</u>
Liabilities:	
Accounts payable and accrued expenses	<u>171,182</u>
Total liabilities	<u>171,182</u>
Net position:	
Restricted: LEAMS Program	102,450
Unrestricted	<u>34,128</u>
Total net position	<u>\$ 136,578</u>

See accompanying notes to the basic financial statements

Lake Elsinore & San Jacinto Watersheds Authority
Statement of Activities
For the Fiscal Year Ended June 30, 2022

<i>Governmental Activities:</i>	<u>2022</u>
Expenses:	
Administrative	\$ 199,295
Contract labor	219
Consulting	683,713
Interest expense	<u>81</u>
Total expenses	<u>883,308</u>
Program revenues:	
Capital and operating grants	<u>533,659</u>
Total program revenues	<u>533,659</u>
Net program expense	<u>(349,649)</u>
General revenues:	
Member contributions	286,495
Investment returns, net of fair value	(1,691)
Other	<u>3,500</u>
Total general revenues	<u>288,304</u>
Change in net position	(61,345)
Net position – beginning of year	<u>197,923</u>
Net position – end of year	<u>\$ 136,578</u>

See accompanying notes to the basic financial statements

Lake Elsinore & San Jacinto Watersheds Authority
Balance Sheet
Governmental Funds
June 30, 2022

	General Fund
Assets:	
Cash and cash equivalents	\$ 304,541
Accrued interest receivable	683
Prepaid insurance	2,536
Total assets	\$ 307,760
Liabilities:	
Accounts payable and accrued expenses	171,182
Total liabilities	171,182
Fund balance (note 3):	
Restricted: LEAMS Program	102,450
Unassigned	34,128
Total fund balance	136,578
Total liabilities and fund balance	\$ 307,760

See accompanying notes to the basic financial statements

Lake Elsinore & San Jacinto Watersheds Authority
Reconciliation of the Governmental Fund Balance Sheet
to the Statement of Net Position
June 30, 2022

Fund balance of governmental fund	\$	136,578
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Amounts reported for governmental activities in the Statement of
Net Position are different because:

Certain amounts receivable are not available to pay for current expenditures and, therefore, are offset by deferred inflows of resources in the governmental fund.	-
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Net position of governmental activities	\$	136,578
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See accompanying notes to the basic financial statements

Lake Elsinore & San Jacinto Watersheds Authority
Statement of Revenues, Expenditures, and Changes in Fund Balance
For the Fiscal Year Ended June 30, 2022

	General Fund
Revenues:	
Capital and operating grants	\$ 533,659
Member contributions	286,495
Investment returns, net of fair value	(1,691)
Other	3,500
Total revenues	821,963
Expenditures:	
Administrative	199,295
Contract labor	219
Consulting	683,713
Interest expense	81
Total expenditures	883,308
Deficiency of revenues under expenditures	(61,345)
Fund balance – beginning of year	197,923
Fund balance – end of year	\$ 136,578

See accompanying notes to the basic financial statements

Lake Elsinore & San Jacinto Watersheds Authority
Reconciliation of the Governmental Fund Statement of Revenues, Expenditures,
and Changes in Fund Balance to the Statement of Activities
For the Fiscal Year Ended June 30, 2022

Net change in fund balance – governmental fund	\$	(61,345)
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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:

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Net position of governmental activities	\$	<div style="border-top: 1px solid black; border-bottom: 3px double black; display: inline-block; padding: 0 10px;">(61,345)</div>
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Working Draft Subject to Review

See accompanying notes to the basic financial statements

Lake Elsinore & San Jacinto Watersheds Authority
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

(1) Reporting Entity and Summary of Significant Accounting Policies

A. Organization and Operations of the Reporting Entity

The Lake Elsinore & San Jacinto Watersheds Authority (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 of the Authority's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which the liability is incurred, 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. Accompanying these statements is a schedule to reconcile and explain the differences in fund balances as presented in these statements to the net position presented in the Government-wide Financial Statements.

Lake Elsinore & San Jacinto Watersheds Authority
Notes to the Basic Financial Statements, continued
For the Fiscal Year Ended June 30, 2022

(1) Reporting Entity and Summary of Significant Accounting Policies, continued

B. Basis of Accounting and Measurement Focus, continued

Governmental Fund Financial Statements, continued

Governmental funds are accounted for on a spending, or *current financial resources* measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and liabilities, are included on the Balance Sheet. The Statement of Revenues, Expenditures, and Changes in Fund Balance presents increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in fund balance. Under modified accrual basis of accounting, revenues are recognized in the accounting period in which they become measurable and available to finance expenditures of the current period. Accordingly, revenues are recorded when received in cash, except that revenues subject to accrual (generally 60-days after year-end) are recognized when due. The primary sources susceptible to accrual for the Authority are investment returns 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 accounts of the Authority are organized on a fund basis, of which is considered a separate accounting entity with a self-balancing set of accounts established for the purpose of carrying out specific activities or attaining certain objectives in accordance with specific regulations, restrictions, or limitations.

The fund is organized into one major category: governmental. An emphasis is placed on major funds within the governmental category. A fund is considered major if it is the primary operating fund of the Authority or meets the following criteria:

- a) Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental fund or proprietary fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- b) Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental fund are at least 5 percent of the corresponding total for all governmental funds combined.
- c) The entity has determined that a fund is important to the financial statement user.

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. Financial Reporting

The Authority's basic financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP), as applied to governmental funds. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

Lake Elsinore & San Jacinto Watersheds Authority
Notes to the Basic Financial Statements, continued
For the Fiscal Year Ended June 30, 2022

(1) Reporting Entity and Summary of Significant Accounting Policies, continued

C. Financial Reporting, continued

The Authority has adopted the following GASB pronouncements in the current year:

In June 2017, the GASB issued Statement No. 87 – *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

The requirements of this Statement were effective for reporting periods beginning after December 15, 2019; however, in light of the COVID-19 pandemic, the effective date has been postponed by 18 months. Earlier application is encouraged.

In June 2018, the GASB issued Statement No. 89 – *Accounting for Interest Cost Incurred Before the End of a Construction Period*. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period.

This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5–22 of Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, which are superseded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund.

This Statement also reiterates that in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles.

The requirements of this Statement were effective for reporting periods beginning after December 15, 2019; however, in light of the COVID-19 pandemic, the effective date has been postponed by one year. Earlier application is encouraged. The requirements of this Statement should be applied prospectively.

In October 2021, the GASB issued Statement No. 98 – *The Annual Comprehensive Financial Report*. This Statement establishes the term annual comprehensive financial report and its acronym ACFR. That new term and acronym replace instances of Annual Comprehensive Financial Report and its acronym in generally accepted accounting principles for state and local governments.

Lake Elsinore & San Jacinto Watersheds Authority
Notes to the Basic Financial Statements, continued
For the Fiscal Year Ended June 30, 2022

(1) Reporting Entity and Summary of Significant Accounting Policies, continued

C. Financial Reporting, continued

This Statement was developed in response to concerns raised by stakeholders that the common pronunciation of the acronym for Annual Comprehensive Financial Report sounds like a profoundly objectionable racial slur. This Statement's introduction of the new term is founded on a commitment to promoting inclusiveness.

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position

1. Use of Estimates

The preparation of the basic financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, deferred inflows of resources, and disclosures of contingent assets and liabilities at the date of the financial statements and the reported changes in net position during the reporting period. Actual results could differ from those estimates.

2. 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.

3. Investments and Investment Policy

The Authority has adopted an investment policy directing the Authority's Chief Financial Officer to deposit funds in financial institutions. Investments are made in the following area:

- State of California Local Area Investment Fund (LAIF)

LAIF is regulated by California Government Code (Code) Section 16429 and is under the management of the State of California Treasurer's Office with oversight provided by the Local Agency Investment Advisory Board.

LAIF is carried at fair value based on the value of each participating dollar as provided by LAIF. The fair value of the Authority's position in the LAIF is the same as the value of its pooled share. Investments in securities of the U.S. government or its agencies are carried at fair value based on quoted market prices. Bank balances are secured by the pledging of a pool of eligible securities to collateralize the Authority's deposits with the bank in accordance with the Code.

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

4. Accounts Receivable and Allowance for Bad Debts

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 Statement of Net Position. There is no allowance for the fiscal year ended June 30, 2022.

5. Prepaid Expenses

Certain payments to vendors reflect costs or deposits applicable to future accounting periods and are recorded as prepaid items in the basic financial statements.

Lake Elsinore & San Jacinto Watersheds Authority
Notes to the Basic Financial Statements, continued
For the Fiscal Year Ended June 30, 2022

(1) Reporting Entity and Summary of Significant Accounting Policies, continued

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position, continued

6. 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.

7. Unearned Revenue

Unearned revenues represent task force contributions budgeted for the next fiscal year received in the current fiscal year. There were no unearned revenues for the fiscal year ended June 30, 2022.

8. Net Position

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

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

9. Fund Balance

The governmental fund financial statements, report fund balance as non-spendable, 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.

- **Non-spendable 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.

Lake Elsinore & San Jacinto Watersheds Authority
Notes to the Basic Financial Statements, continued
For the Fiscal Year Ended June 30, 2022

(1) Reporting Entity and Summary of Significant Accounting Policies, continued

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position, continued

9. Fund Balance, continued

- **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 for the LEAMS program for the purchase of TMDL credits for program participants.
- **Committed fund balance** – amounts that can only be used for specific purposes determined by formal action of the Authority's highest level of decision-making authority (the Board of Directors) and that remain binding unless removed in the same manner. The underlying action that imposed the limitation needs to occur no later than the close of the reporting period.
- **Assigned fund balance** – amounts that are constrained by the Authority's intent to be used for specific purposes. The intent can be established at either the highest level of decision-making, or by a body or an official designated for that purpose.
- **Unassigned fund balance** – the residual classification for the Authority's general fund that includes amounts not contained in the other classifications. In other funds, the unassigned classification is used only if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes.

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

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

Fund Balance Policy

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

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

Lake Elsinore & San Jacinto Watersheds Authority
Notes to the Basic Financial Statements, continued
For the Fiscal Year Ended June 30, 2022

(1) Reporting Entity and Summary of Significant Accounting Policies, continued

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position, continued

10. 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, 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.

(2) Cash and Cash Equivalents

Cash and investment as of June 30 are classified in the Statement of Net Position as follows:

	<u>2022</u>
Cash and cash equivalents	\$ <u>304,541</u>

Cash and Investment as of June 30 consisted of the following:

	<u>2022</u>
Deposits with financial institution	\$ 40,341
Local Agency Investment Fund (LAIF)	<u>264,200</u>
Total cash and investments	\$ <u>304,541</u>

As of June 30 the Authority's authorized deposits had the following maturity:

	<u>2022</u>
Deposits held with the	
California Local Agency Investment Fund (LAIF)	311 days

Authorized Deposits and Investments

Under provisions of the Authority's investment policy, and in accordance with Section 53601 of the California Government Code, the Authority may invest in certain types of investments as listed in Note 1.D.3 to the financial statements.

Lake Elsinore & San Jacinto Watersheds Authority
Notes to the Basic Financial Statements, continued
For the Fiscal Year Ended June 30, 2022

(2) Cash and Cash Equivalents

Investment in the California State Investment Pool

The Authority is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code Section 16429 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 pro-rata 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. Amounts held with LAIF are highly liquid, as deposits can be converted to cash within a twenty-four-hour period without loss of accrued interest. LAIF detail may be obtained from the State of California Treasurer's website at www.treasurer.ca.gov/pmia-laif/index.asp.

The pool portfolio is invested in a manner that meets the maturity, quality, diversification and liquidity requirements set forth by GASB 79 for external investment pools that elect to measure, for financial reporting purposes, investments at amortized cost. LAIF does not have any legally binding guarantees of share values. LAIF does not impose liquidity fees or redemption gates on participant withdrawals.

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 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. 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).

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 governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit), and, the Authority's investment policy that requires no more than two-thirds of the Authority's deposits in a depository shall be collateralized by mortgage-backed securities, with the remainder to be secured by non-mortgage-backed securities.

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. California law also allows financial institutions to secure Authority deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. Of the Authority's bank balances, up to \$250,000 is federally insured and the remaining balance is collateralized in accordance with the Code; however, the collateralized securities are not held in the Authority's name.

Lake Elsinore & San Jacinto Watersheds Authority
Notes to the Basic Financial Statements, continued
For the Fiscal Year Ended June 30, 2022

(2) Cash and Cash Equivalents, 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 of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the Authority manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio matures, or comes close to maturity evenly over time, as necessary to provide requirements for cash flow and liquidity needed for operations.

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. California law also allows financial institutions to secure Authority deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. Of the bank balances, up to \$250,000 is federally insured and the remaining balance is collateralized in accordance with the Code; however, the collateralized securities are not held in the Authority's name.

Information about the sensitivity of the fair values of the Authority's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the Authority's investments by maturity date.

Credit Risk

Generally, 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. LAIF is not rated.

Per the Authority's investment policy, credit risk is mitigated by investing in safe securities, and diversifying the investment portfolio so the failure of one issuer would not materially affect the Authority's cash flow. Presented below is the minimum rating required by (where applicable) the California Government Code, the Authority's investment policy, or debt agreements, and the actual rating as of year-end for each investment type.

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 non-governmental issuer as stipulated by the California Government Code. The Authority's deposit portfolio with governmental agencies, LAIF, is 87% of the Authority's total depository and investment portfolio. There were no investments in any one non-governmental issuer that represent 5% or more of the Authority's total investments.

Fair Value Measurements

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

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

Lake Elsinore & San Jacinto Watersheds Authority
Notes to the Basic Financial Statements, continued
For the Fiscal Year Ended June 30, 2022

(3) Fund Balance

Fund balances are presented in the following categories: nonspendable, restricted, committed, assigned, and unassigned (See Note 1.D.9 for a description of these categories). A detailed schedule of fund balances and their funding composition at June 30, 2022 is as follows:

Restricted:		
LEAMS Program	\$	102,450
Unassigned		<u>34,128</u>
Total fund balance	\$	<u><u>136,578</u></u>

(4) Related Party Transactions

The Authority contracts with one of its member agencies, the Santa Ana Watershed Project Authority (SAWPA), to administer all of its accounting and administrative support. Total expenditures for administrative services provided by SAWPA for the fiscal year ended June 30, 2022 were \$191,840. Amounts paid to SAWPA for fiscal year 2021-2022 consisted of \$63,394 for salaries, \$25,104 for benefits, \$102,255 for overhead allocation, \$81 for interest expense, and \$1,006 for other expenses. At June 30, 2022, the amount due to SAWPA was \$9,259.

(5) Risk Management

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

(6) Governmental Accounting Standards Board Statements Issued, Not Yet Effective

The Governmental Accounting Standards Board (GASB) has issued several pronouncements prior to June 30, 2022, that have effective dates that may impact future financial presentations.

Governmental Accounting Standards Board Statement No. 91

In May 2019, the GASB issued Statement No. 91 – *Conduit Debt Obligations*. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures.

This Statement also addresses arrangements—often characterized as leases—that are associated with conduit debt obligations. In those arrangements, capital assets are constructed or acquired with the proceeds of a conduit debt obligation and used by third-party obligors in the course of their activities. Payments from third-party obligors are intended to cover and coincide with debt service payments. During those arrangements, issuers retain the titles to the capital assets. Those titles may or may not pass to the obligors at the end of the arrangements.

Lake Elsinore & San Jacinto Watersheds Authority
Notes to the Basic Financial Statements, continued
For the Fiscal Year Ended June 30, 2022

(6) Governmental Accounting Standards Board Statements Issued, Not Yet Effective, continued

Governmental Accounting Standards Board Statement No. 91, continued

This Statement requires issuers to disclose general information about their conduit debt obligations, organized by type of commitment, including the aggregate outstanding principal amount of the issuers' conduit debt obligations and a description of each type of commitment. Issuers that recognize liabilities related to supporting the debt service of conduit debt obligations also should disclose information about the amount recognized and how the liabilities changed during the reporting period.

The requirements of this Statement were effective for reporting periods beginning after December 15, 2020; however, in light of the COVID-19 pandemic, the effective date has been postponed by one year. Earlier application is encouraged.

Governmental Accounting Standards Board Statement No. 92

In January 2020, the GASB issued Statement No. 92 – *Omnibus 2020*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements.

The requirements of this Statement were as follows: (1) The requirements related to the effective date of Statement 87 and Implementation Guide 2019-3, reinsurance recoveries, and terminology used to refer to derivative instruments are effective upon issuance; (2) The requirements related to intra-entity transfers of assets and those related to the applicability of Statements 73 and 74 are effective for fiscal years beginning after June 15, 2020; (3) The requirements related to application of Statement 84 to postemployment benefit arrangements and those related to nonrecurring fair value measurements of assets or liabilities are effective for reporting periods beginning after June 15, 2020; and (4) The requirements related to the measurement of liabilities (and assets, if any) associated with AROs in a government acquisition are effective for government acquisitions occurring in reporting periods beginning after June 15, 2020; however, in light of the COVID-19 pandemic, the effective date has been postponed by one year. Earlier application is encouraged and is permitted by topic.

Governmental Accounting Standards Board Statement No. 93

In March 2020, the GASB issued Statement No. 93 – *Replacement of Interbank Offered Rates*. The objective of this Statement is to address accounting and financial reporting implications that result from the replacement of an IBOR. This Statement achieves that objective by: (1) Providing exceptions for certain hedging derivative instruments to the hedge accounting termination provisions when an IBOR is replaced as the reference rate of the hedging derivative instrument's variable payment; (2) Clarifying the hedge accounting termination provisions when a hedged item is amended to replace the reference rate; (3) Clarifying that the uncertainty related to the continued availability of IBORs does not, by itself, affect the assessment of whether the occurrence of a hedged expected transaction is probable; (4) Removing LIBOR as an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap; (5) Identifying a Secured Overnight Financing Rate and the Effective Federal Funds Rate as appropriate benchmark interest rates for the qualitative evaluation of the effectiveness of an interest rate swap; (6) Clarifying the definition of reference rate, as it is used in Statement 53, as amended; and (7) Providing an exception to the lease modifications guidance in Statement 87, as amended, for certain

Lake Elsinore & San Jacinto Watersheds Authority
Notes to the Basic Financial Statements, continued
For the Fiscal Year Ended June 30, 2022

(6) Governmental Accounting Standards Board Statements Issued, Not Yet Effective, continued

Governmental Accounting Standards Board Statement No. 93, continued

lease contracts that are amended solely to replace an IBOR as the rate upon which variable payments depend.

The requirements of this Statement were effective as follows: (1) The removal of LIBOR as an appropriate benchmark interest rate is effective for reporting periods ending after December 31, 2021; and (2) All other requirements of this Statement are effective for reporting periods beginning after June 15, 2020; however, in light of the COVID-19 pandemic, the effective dates have been postponed by one year. Earlier application is encouraged.

Governmental Accounting Standards Board Statement No. 94

In March 2020, the GASB issued Statement No. 94 – *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in this Statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement.

This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this Statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Earlier application is encouraged.

Governmental Accounting Standards Board Statement No. 96

In May 2020, the GASB issued Statement No. 96 – *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended.

Lake Elsinore & San Jacinto Watersheds Authority
Notes to the Basic Financial Statements, continued
For the Fiscal Year Ended June 30, 2022

(6) Governmental Accounting Standards Board Statements Issued, Not Yet Effective, continued

Governmental Accounting Standards Board Statement No. 96, continued

The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Earlier application is encouraged.

Governmental Accounting Standards Board Statement No. 97

In June 2020, the GASB issued Statement No. 97 – *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 41 and No. 84, and a supersession of GASB Statement No. 32*. The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans.

The requirements of this Statement that (1) exempt primary governments that perform the duties that a governing board typically performs from treating the absence of a governing board the same as the appointment of a voting majority of a governing board in determining whether they are financially accountable for defined contribution pension plans, defined contribution OPEB plans, or other employee benefit plans and (2) limit the applicability of the financial burden criterion in paragraph 7 of Statement 84 to defined benefit pension plans and defined benefit OPEB plans that are administered through trusts that meet the criteria in paragraph 3 of Statement 67 or paragraph 3 of Statement 74, respectively, are effective immediately. The requirements of this Statement that are related to the accounting and financial reporting for Section 457 plans are effective for fiscal years beginning after June 15, 2021. For purposes of determining whether a primary government is financially accountable for a potential component unit, the requirements of this Statement that provide that for all other arrangements, the absence of a governing board be treated the same as the appointment of a voting majority of a governing board if the primary government performs the duties that a governing board typically would perform, are effective for reporting periods beginning after June 15, 2021. Earlier application of those requirements is encouraged and permitted by requirement as specified within this Statement. The Board considered the effective dates for the requirements of this Statement in light of the COVID-19 pandemic and in concert with Statement No. 95, Postponement of the Effective Dates of Certain Authoritative Guidance.

Governmental Accounting Standards Board Statement No. 99

In April 2022, the GASB issued Statement No. 99 – *Omnibus 2022*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees.

Lake Elsinore & San Jacinto Watersheds Authority
Notes to the Basic Financial Statements, continued
For the Fiscal Year Ended June 30, 2022

(6) Governmental Accounting Standards Board Statements Issued, Not Yet Effective, continued

Governmental Accounting Standards Board Statement No. 99, continued

The requirements of this Statement will enhance comparability in the application of accounting and financial reporting requirements and will improve the consistency of authoritative literature. Consistent authoritative literature enables governments and other stakeholders to locate and apply the correct accounting and financial reporting provisions, which improves the consistency with which such provisions are applied. The comparability of financial statements also will improve as a result of this Statement. Better consistency and comparability improve the usefulness of information for users of state and local government financial statements.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

Governmental Accounting Standards Board Statement No. 100

In June 2022, the GASB issued Statement No. 100 – *Accounting Changes and Error Corrections – An Amendment of GASB Statement No. 62*. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.

This Statement defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. As part of those descriptions, for (1) certain changes in accounting principles and (2) certain changes in accounting estimates that result from a change in measurement methodology, a new principle or methodology should be justified on the basis that it is preferable to the principle or methodology used before the change. That preferability should be based on the qualitative characteristics of financial reporting—understandability, reliability, relevance, timeliness, consistency, and comparability. This Statement also addresses corrections of errors in previously issued financial statements.

The requirements of this Statement will improve the clarity of the accounting and financial reporting requirements for accounting changes and error corrections, which will result in greater consistency in application in practice. In turn, more understandable, reliable, relevant, consistent, and comparable information will be provided to financial statement users for making decisions or assessing accountability. In addition, the display and note disclosure requirements will result in more consistent, decision useful, understandable, and comprehensive information for users about accounting changes and error corrections.

The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

Governmental Accounting Standards Board Statement No. 101

In June 2022, the GASB issued Statement No. 101 – *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

Lake Elsinore & San Jacinto Watersheds Authority
Notes to the Basic Financial Statements, continued
For the Fiscal Year Ended June 30, 2022

(6) Governmental Accounting Standards Board Statements Issued, Not Yet Effective, continued

Governmental Accounting Standards Board Statement No. 101, continued

This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Leave is attributable to services already rendered when an employee has performed the services required to earn the leave. Leave that accumulates is carried forward from the reporting period in which it is earned to a future reporting period during which it may be used for time off or otherwise paid or settled. In estimating the leave that is more likely than not to be used or otherwise paid or settled, a government should consider relevant factors such as employment policies related to compensated absences and historical information about the use or payment of compensated absences. However, leave that is more likely than not to be settled through conversion to defined benefit postemployment benefits should not be included in a liability for compensated absences.

The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

(7) Excess of Expenditures over Appropriations

	<u>Budget</u>	<u>Actual</u>	<u>Actual vs. Budget Variance</u>
General fund:			
Consulting	\$ 616,702	\$ 683,713	\$ (67,011)

(8) Commitments and Contingencies

Grant Awards

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

Litigation

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

(9) Subsequent Events

Events occurring after June 30, 2022 have been evaluated for possible adjustment to the financial statements or disclosure as of February 16, 2023, which is the date the financial statements were available to be issued.

Required Supplementary Information

Working Draft Subject to Review

Working Draft Subject to Review

Lake Elsinore & San Jacinto Watersheds Authority
Budgetary Comparison Schedule – General Fund
For the Fiscal Year Ended June 30, 2022

	Adopted Original Budget	Board Approved Changes	Final Budget	Actual Budgetary Basis	Variance Positive (Negative)
Governmental Activities:					
Revenues:					
Capital and operating grants	\$ 540,257	\$ -	\$ 540,257	\$ 533,659	\$ (6,598)
Member contributions	288,445	-	288,445	286,495	(1,950)
Investment returns, net of fair value	2,200	-	2,200	(1,691)	(3,891)
Other	9,110	-	9,110	3,500	(5,610)
Total revenues	<u>840,012</u>	<u>-</u>	<u>840,012</u>	<u>821,963</u>	<u>(18,049)</u>
Expenditures:					
Administrative	222,010	-	222,010	199,295	22,715
Contract labor	1,100	-	1,100	219	881
Consulting	616,702	-	616,702	683,713	(67,011)
Interest expense	200	-	200	81	119
Total expenditures	<u>840,012</u>	<u>-</u>	<u>840,012</u>	<u>883,308</u>	<u>(43,296)</u>
Deficiency of revenues under expenditures	-	\$ <u>-</u>	-	(61,345)	\$ <u>(61,345)</u>
Fund balance – beginning of year	<u>197,923</u>		<u>197,923</u>	<u>197,923</u>	
Fund balance – end of year	\$ <u>197,923</u>		\$ <u>197,923</u>	\$ <u>136,578</u>	

Lake Elsinore & San Jacinto Watersheds Authority
Notes to Required Supplementary Information
For the Fiscal Year Ended June 30, 2022

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

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

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Other Information

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Lake Elsinore & San Jacinto Watersheds Authority
Organization
For the Fiscal Year Ended June 30, 2022

State of Organization

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

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

Agency Members

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

Date of Membership

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

Board of Directors

Dale Welty
Robert E. Magee
Kevin Jeffries
Phil Williams
Brenda Dennstedt

Agency Members

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

Executive Staff

Mark Norton, Authority Administrator
Karen Williams, CFO SAWPA

Legal Counsel

Lagerlof, LLP

Auditor

C.J. Brown & Company, CPAs - An Accountancy Corporation
Certified Public Accountants

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Report on Internal Controls and Compliance

Working Draft Subject to Review

Working Draft Subject to Review

**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***

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 Lake Elsinore & San Jacinto Watersheds Authority (Authority) as of and for the fiscal year ended June 30, 2022, and the related notes to the financial statements, which collectively comprises the Authority's basic financial statements, and have issued our report thereon dated February 16, 2023.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

**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*, continued**

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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

C.J. Brown & Company, CPAs - An Accountancy Corporation

February 16, 2023

Cypress, California

Lake Elsinore & San Jacinto Watersheds Authority

Management Report

June 30, 2022

Working Draft Subject to Review

Lake Elsinore & San Jacinto Watersheds Authority

Management Report

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Working Draft Subject to Review

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

Dear Members of the Board:

In planning and performing our audit of the financial statements of Lake Elsinore & San Jacinto Watersheds Authority (Authority) as of and for the year ended June 30, 2022, 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, 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 our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over financial reporting.

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 over financial reporting, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A reasonable possibility exists when the likelihood of an event occurring is either reasonably possible or probable as defined as follows:

- Reasonably possible. The chance of the future event or events occurring is more than remote but less than likely.
- Probable. The future event or events are likely to occur.

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

Current Year Comment and Recommendation

Disclosure of Audit Adjustments and Reclassifications

As your external auditor, we assume that the books and records of the Authority are properly adjusted before the start of the audit. In many cases, however, audit adjustments and reclassifications are made in the normal course of the audit process to present the Authority's financial statements in conformity with accounting principles generally accepted in the United States of America. For the Board of Commissioners to gain a full and complete understanding and appreciation of the scope and extent of the audit process we have presented these audit adjustments and reclassifications as an attachment to this letter. There can be very reasonable explanations for situations of having numerous adjustments as well as having no adjustments at all. However, the issue is simply disclosure of the adjustments and reclassifications that were made and to provide the Board.

Current Year Comment and Recommendation, continued

Management's Response

We have reviewed and approved all of the audit adjustment and reclassification entries provided by the auditor and have entered those entries into the Authority's accounting system to close-out the Authority's year-end trial balance as of June 30, 2022.

This communication is intended solely for the information and use of management, the Board of Commissioners, and others within the Authority, and is not intended to be, and should not be, used by anyone other than these specified parties. This restriction is not intended to limit the distribution of this letter, which is a matter of public record.

We appreciate the courtesy and cooperation extended to us during our examination. We would be pleased to discuss the contents of this letter with you at your convenience. Please do not hesitate to contact us.

C.J. Brown & Company, CPAs - An Accountancy Corporation
Cypress, California
February 16, 2023

Working Draft Subject to Review

APPENDIX

Lake Elsinore & San Jacinto Watersheds Authority

Finance Committee Letter

June 30, 2022

Working Draft Subject to Review

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

We have audited the basic financial statements of the Lake Elsinore & San Jacinto Watersheds Authority (Authority) for the year ended June 30, 2022, and have issued our report thereon dated February 16, 2023. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated June 1, 2022, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of the Authority solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

If any, we have provided our findings regarding significant control deficiencies over financial reporting and material noncompliance, and other matters noted during our audit in a separate letter to you dated February 16, 2023.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, our firm, and our network firms have complied with all relevant ethical requirements regarding independence.

An auditor that is not involved in the engagement performed an independent review of the financial statements that was prepared by us based on the information provided by management. This safeguard reduces the threat of self-review risk to an acceptable level.

Required Risk Assessment Procedures per Auditing Standards:

As auditors of the Authority, we are required per AU-C Section 240, "Consideration of Fraud in a Financial Statement Audit", to "ordinarily" presume and consider the following risks in designing our audit procedures:

- Management override of controls
- Revenue recognition

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the Authority is included in Note 1 to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during 2022. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on 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 markedly from management's current judgments. The most sensitive accounting estimates affecting the financial statements are as follows:

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 cash and investments in determining that it is reasonable in relation to the financial statements taken as a whole.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the Authority's financial statements relate to:

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

Significant Unusual Transactions

For purposes of this communication, professional standards require us to communicate to you significant unusual transactions identified during our audit. No significant unusual transactions were identified as a result of our audit procedures that were brought to the attention of management:

Identified or Suspected Fraud

We have not identified or have not obtained information that indicates that fraud may have occurred.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards also require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit. There were no uncorrected misstatements whose effects in the current and prior periods, as determined by management, are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. The attached schedule on page 6 discloses all material misstatements that we identified as a result of our audit procedures that were brought to the attention of, and corrected by, management.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the Authority's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Circumstances that Affect the Form and Content of the Auditor's Report

For purposes of this letter, professional standards require that we communicate any circumstances that affect the form and content of our auditor's report. There were no circumstances that affect the form and content of the auditor's report.

Representations Requested from Management

We have requested certain written representations from management, which are included in the attached letter dated February 16, 2023.

Other Information Included in Annual Reports

Pursuant to professional standards, our responsibility as auditors for other information, whether financial or nonfinancial, included in the Authority's annual reports, does not extend beyond the information identified in the audit report, and we are not required to perform any procedures to corroborate such other information. However, in accordance with such standards, we have read the information and considered whether such information, or the manner of its presentation, was materially inconsistent with its presentation in the financial statements.

Our responsibility also includes communicating to you any information which we believe is a material misstatement of fact. Nothing came to our attention that caused us to believe that such information, or its manner of presentation, is materially inconsistent with the information, or manner of its presentation, appearing in the financial statements.

Other Information Included in Annual Reports, continued

We applied certain limited procedures to the management discussion and analysis and budgetary comparison schedule – General fund, which are 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.

We were engaged to report on combining schedules, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on the other information section, which accompany the financial statements but are not RSI. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Conclusion

We appreciate the cooperation extended to us by Mark Norton, Authority Administrator, Karen Williams, Chief Financial Officer, and the rest of the Authority staff in the performance of our audit testwork. We will be pleased to respond to any questions you have about the foregoing. We appreciate the opportunity to continue to be of service to the Authority.

This report is intended solely for the information and use of the Board of Commissioners and management of the Authority and is not intended to be and should not be used by anyone other than the specified parties. This restriction is not intended to limit the distribution of this letter, which is a matter of public record.

C.J. Brown & Company, CPAs - An Accountancy Corporation
Cypress, California
February 16, 2023

Lake Elsinore San Jacinto Watershed Authority
Schedule of Audit Adjusting Journal Entries
June 30, 2022

Account	Description	Debit	Credit
Adjusting Journal Entries			
Adjusting Journal Entries JE # 1			
AJE - To record LAIF fair market value adjustment at June 30, 2022.			
100-00-45001-00	LAIF Interest	3,445.82	
100-00-10200-00	L.A.I.F.		3,445.82
Total		3,445.82	3,445.82
	Total Adjusting Journal Entries	3,445.82	3,445.82
	Total All Journal Entries	3,445.82	3,445.82

Legend:

AJE	Audit Adjusting Journal Entry
-----	-------------------------------

Lake Elsinore & San Jacinto Watersheds Authority



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

LESJWA Board Workshop

WORKSHOP AGENDA

1. LESJWA Background
2. Canyon Lake
3. Lake Elsinore
4. How Has LESJWA Helped
5. Lake Elsinore & Canyon Lake TMDL
6. Funding
7. LESJWA JPA Organization
8. SAWPA Administration Role
9. LESJWA Subcommittees
10. LESJWA Business Plan
11. Other Topics
12. LESJWA Board Meetings
13. Next Steps and Discussion



WHAT IS LESJWA?

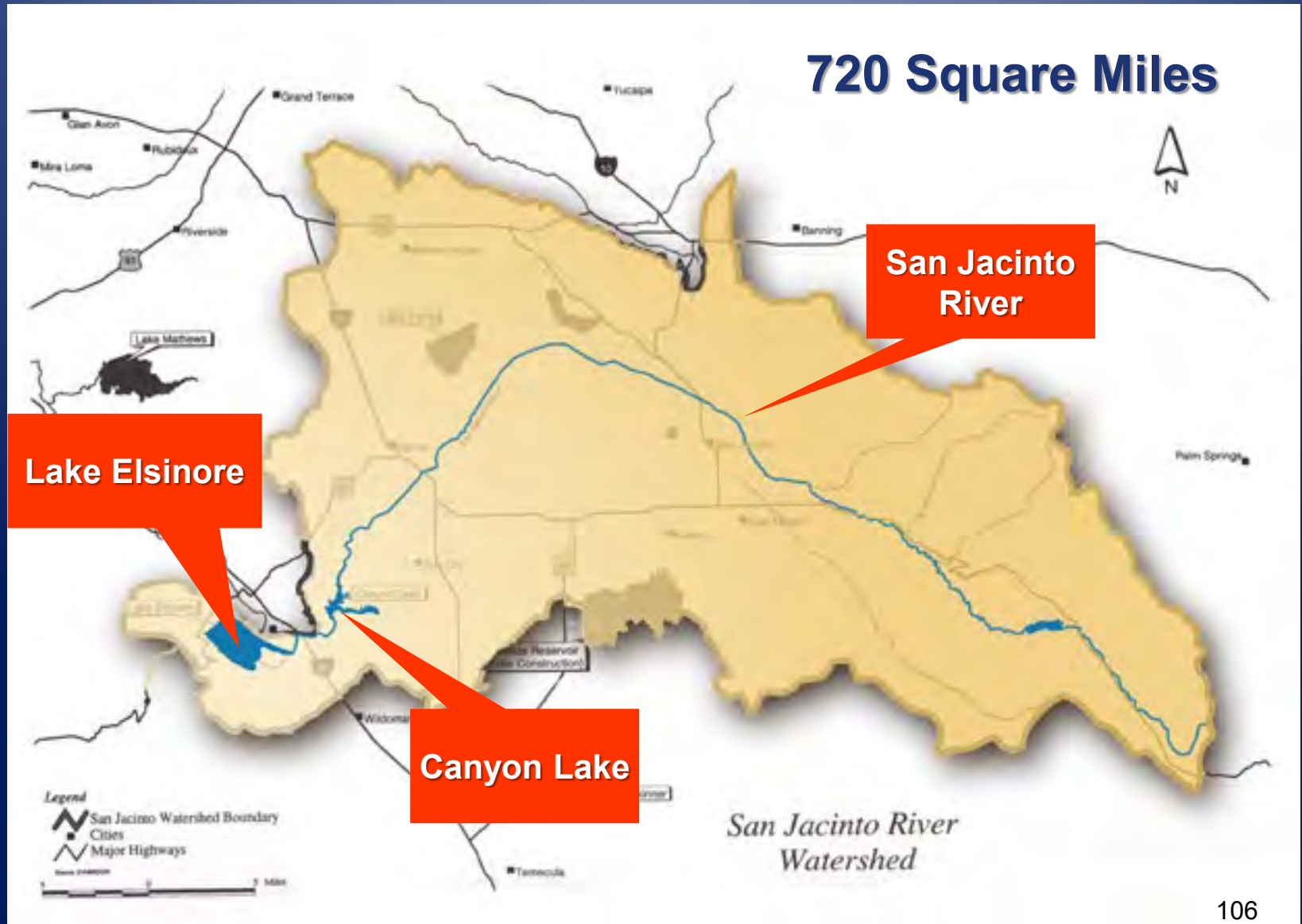
A Joint Powers Authority (JPA), formed in 2000, to improve water quality and habitat for Canyon Lake, Lake Elsinore and San Jacinto River watersheds.

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



\$15 Million Allocated from Prop 13 CA Safe Drinking Water, Watersheds Protection and Bond Act of 2000 for new JPA.

SAN JACINTO RIVER WATERSHED



CANYON LAKE

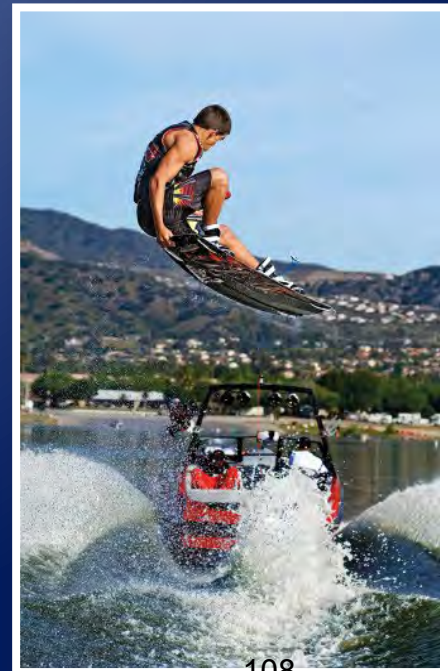


Canyon Lake
Dam

AirPhotoUSA

CANYON LAKE FACTS

- 383 acres
- 13.8 miles of shoreline
- 3 main beaches
- Jump Lagoon water ski ramp
- 3 mile championship water ski course (wakeboard, sky ski)
- 2 marinas, 10 common dock areas
- Concrete dam 80 feet high, 510 feet wide (1929)
- Drinking Water Reservoir owned by Elsinore Valley Municipal Water District



CANYON LAKE: CHALLENGES

- Storm water runoff carries high levels of nutrients including nitrogen and phosphorus
- Nutrients impact water quality and threatens the fishery health

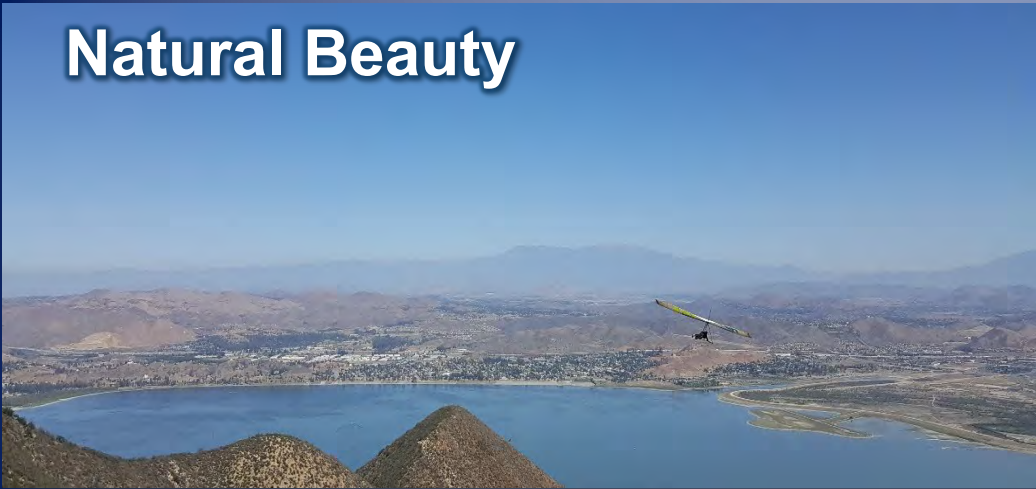


LAKE ELSINORE

- Southern California's Largest Natural Freshwater Lake
- 3,000 Surface Acres
- 14 Miles of Shoreline
- Bordered by the City of Lake Elsinore & County of Riverside



Natural Beauty



Wildlife



Action Sports



Lake Elsinore is a **DESTINATION** to Enjoy

Family Fun

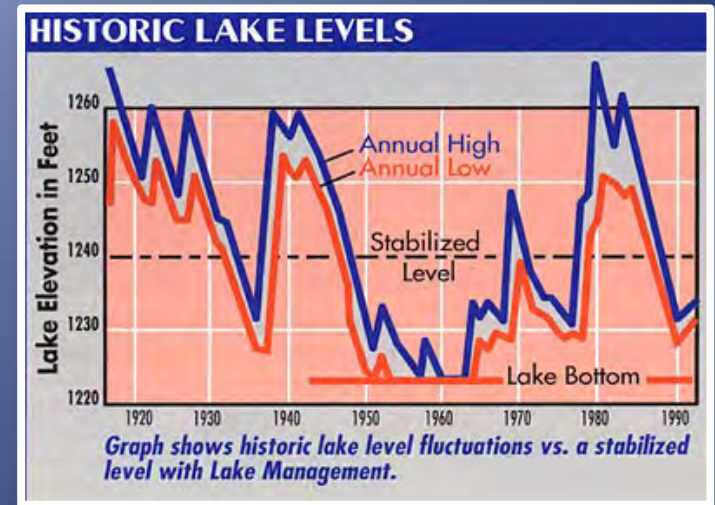


Economic Development



LAKE ELSINORE CHALLENGES

- History of flooding & drying
- Evaporation drops water levels 4 ½ feet per year
- Watershed runoff affects overall water quality



LAKE ELSINORE CHALLENGES

Droughts



Algae Blooms



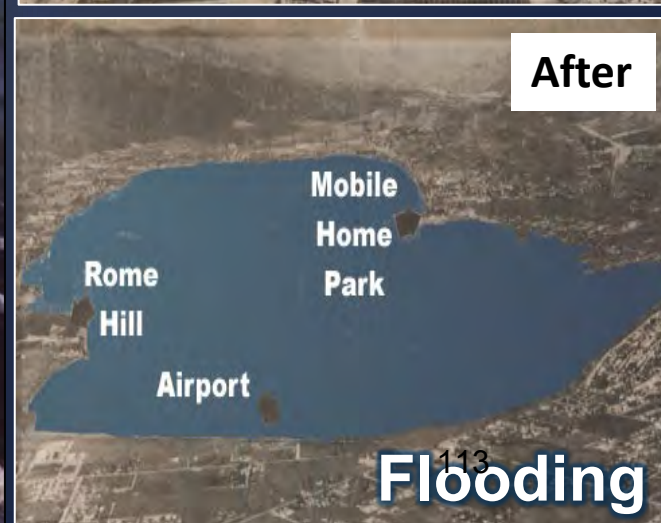
Fish Kills



Before

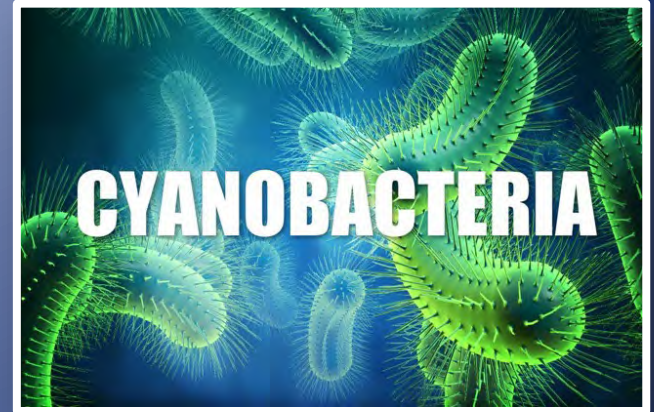


After



ALGAE BLOOMS

- Cyanobacteria known as Blue Green Algae
- Naturally occurring but influenced by nutrient levels
- Some produce harmful toxins
- Harmful Cyanotoxins include:
 - Microcystins
 - Anatoxin-a
 - Cylindrospermopsi
- Visual evidence of a bloom:
Lake color, scum, mats
- Toxins released when cells die or cellular membranes become more permeable



AUGUST 2016

TOXIN EXPOSURE RISKS

- Rashes
- Eye, nose, mouth or throat irritation
- Allergic reactions
- Headaches
- Gastrointestinal upset
- Malaise
- Animal risks




RECENT LAKE ELSINORE ALGAE BLOOMS

- **Summer 2016** - Lake Levels Lowest in 23 years
- **July 2016** – Suffer Large Blue-Green Algae Bloom. Notified all toxins present.
- **Summer 2016** – Lake Closes, Reopens to Limited Body Contact
- **Winter 2017** – Lake Elsinore Receives 14” of Rain, Toxins Eliminated
- **June 2017** – City Posts Permanent Caution Signs at All Beaches
- **July 2017** – Algae Bloom Occurs, City Changes to Warning & Danger Signs
- **September 2017** – Toxins Remained Elevated Above Caution Levels
- **September 2022 - Today** – Lake is closed for public use due to danger levels of toxins.

WARNING

Toxins from algae in this water can harm people and kill animals

 No swimming.	 Do not let pets or other animals go into or drink the water, or go near the scum.
 Stay away from scum, and cloudy or discolored water.	 Do not eat shellfish from this water.
 Do not use this water for drinking or cooking. Boiling or filtering will not make the water safe.	 For fish caught here, throw away guts and clean fillets with tap water or bottled water before cooking.

For people, the toxins can cause:
• Skin rashes, eye irritation
• Diarrhea, vomiting

For animals, the toxins can cause:
• Diarrhea, vomiting
• Convulsions and death

Call your doctor or veterinarian if you or your pet get sick after going in the water.
For information on harmful algae, go to mywaterquality.ca.gov/monitoring_council/cyanohab_network
For local information, contact: Enter your contact information in this text box



WHY AREN'T...

Lake Elsinore & Canyon Lake like Big Bear Lake or Lake Tahoe?

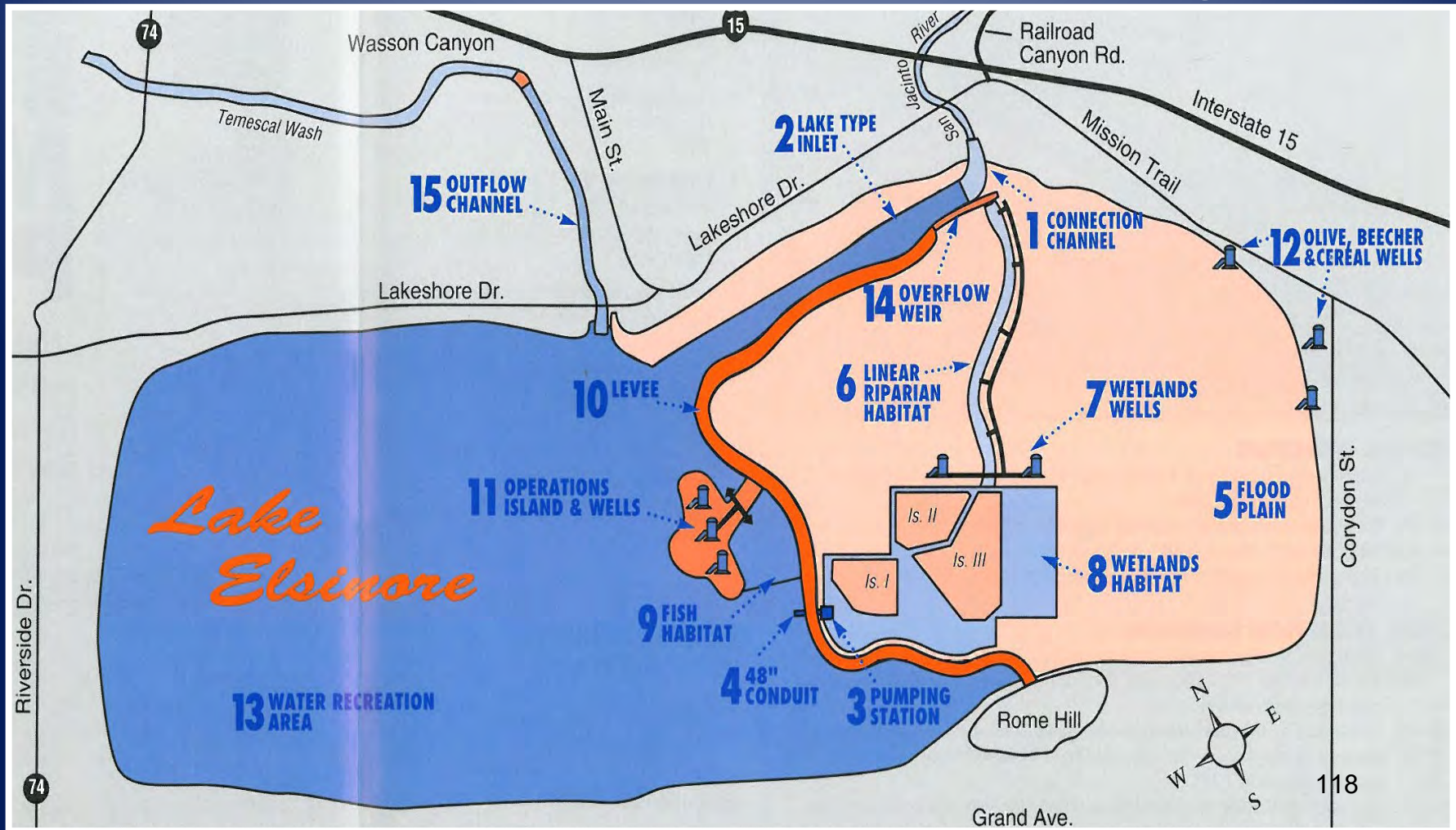
- Our lakes are not mountain lakes fed only by natural forest lands
- Lake Elsinore is a geographic natural low spot
- LESJWA projects reflect work of many lake experts
- LESJWA has applied best available and affordable technology to reduce frequency and severity of fish kills and algae



LAKE ELSINORE MANAGEMENT PROJECT

1988 - 1994

Goal to stabilize lake and address flooding issues



HOW HAS LESJWA HELPED?

Projects that improve water quality & habitat in
Canyon Lake and Lake Elsinore.



HOW HAS LESJWA HELPED?

Carp Removal

- Over 1.1 million pounds removed from Lake Elsinore
- Reduces lake bottom nutrient resuspension by carp



HOW HAS LESJWA HELPED?

Island Well Retrofits

- Produces about 150,000 gallons of water per day for Lake Elsinore
- Offsets evaporative lake losses



HOW HAS LESJWA HELPED?

Bass Stocking

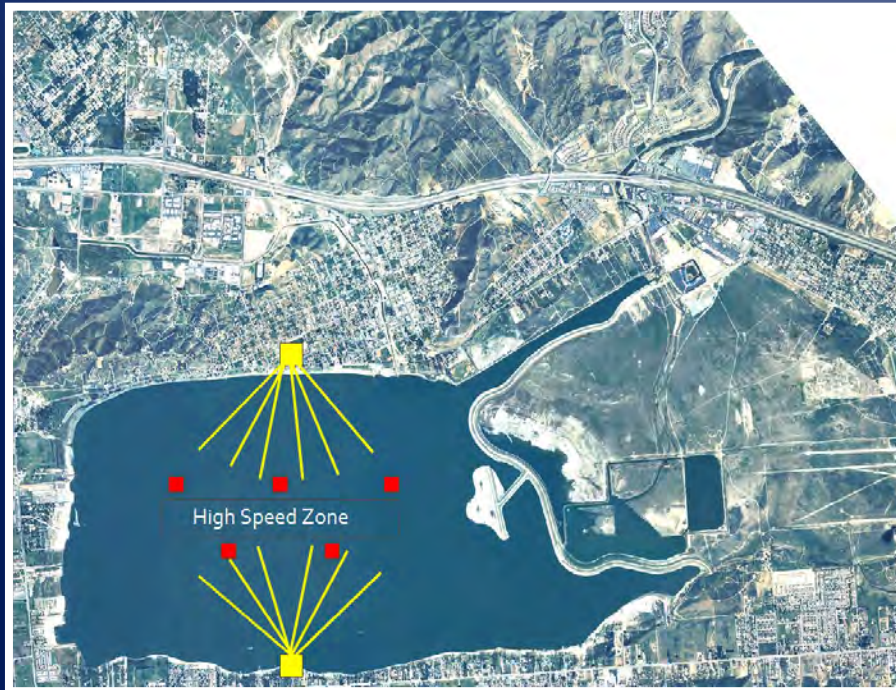
- Bass and other sport fish stocked in Lake Elsinore
- Bass eat carp fingerlings and shad



HOW HAS LESJWA HELPED?

Aeration & Mixing System

- Oxygenation and Mixing in Lake Elsinore
- Mixes and improves oxygen levels for most fish to survive
- Reduces phosphorus resuspension from lake bottom



HOW HAS LESJWA HELPED?

Recycled Water Treatment & Pipeline

- Allows nutrient reduction
- Delivery of approx. 5 MGD of recycled water to maintain lake levels in Lake Elsinore



HOW HAS LESJWA HELPED?

Canyon Lake Sediment Removal

- 20,000 cy of silt removed from Canyon Lake bottom
- Reduces nutrients attached to sediment that cause algae growth



Lake Elsinore and Canyon Lake Nutrient Total Maximum Daily Load (TMDL) Task Force

Lake Elsinore and Canyon Lake Nutrient TMDLs issued in 2006



**A TMDL is the State's formal process
to clean up polluted waters**

**T_{total}
M_{aximum}
D_{aily}
L_{oad}**

Implementation Plan



- Identifies permit controls or best management practices needed to make necessary pollutant reductions

Monitoring



Clean

Water quality
standards met

Implementation



The Process

Polluted

- Identifies sources of pollution
- Calculates amounts from each source
- Sets maximum pollutant load
- Estimates necessary pollutant reductions to meet water quality standards

Water quality
standards not met

TMDL Compliance Through Collaboration



Responsible Stakeholders and Permits

- **March US Air Reserve Base and March JPA**
- **State of California**
 - Department of Fish and Game
 - Department of Transportation
- **County of Riverside**
 - Flood Control and Water Conservation District
- **Cities**

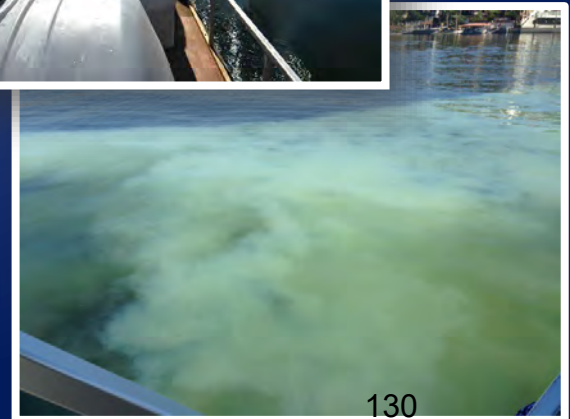
City of Beaumont	City of Lake Elsinore
City of Perris	City of Canyon Lake
City of Moreno Valley	City of Riverside
City of Hemet	City of Murrieta
City of San Jacinto	City of Menifee
City of Wildomar	
- **Water Agencies:**
 - Eastern Municipal Water District
 - Elsinore Valley Municipal Water District
- **Agriculture & Dairies:**
 - Concentrated Animal Feeding Operators
 - Agricultural Operators
- **LESJWA administers and supports the Task Force agencies to improve lake quality.**



HOW HAVE LESJWA AND LE/CL TMDL TASK FORCE HELPED?

Alum Treatments

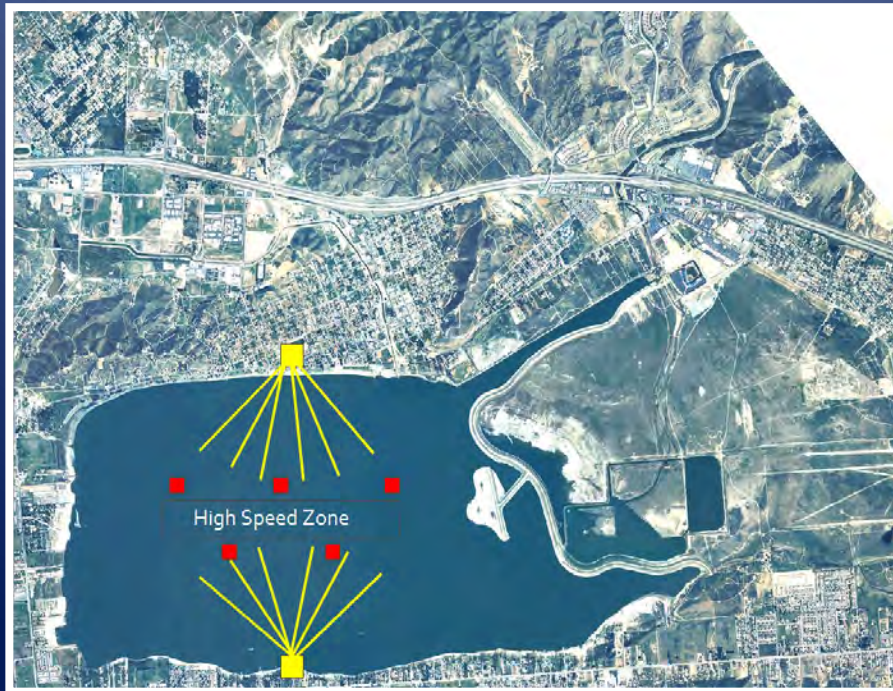
- Minimizes algae in Canyon Lake
- Applied typically twice per year at safe levels
- Provides Canyon Lake nutrient offset compliance
- Reduces nutrients in water column



HOW HAVE LESJWA AND LE/CL TMDL TASK FORCE HELPED?

Lake Elsinore Aeration & Mixing System (LEAMS) Nutrient Offset Credits

- Task Force agencies purchase nutrient credits annually that help fund and operate LEAMS



How have LESJWA and LE/CL TMDL TASK Force helped?

New TMDL Update

- New Staff Report/TMDL Revision Technical Report for Lake Elsinore, Canyon Lake, and the San Jacinto River Watershed under development.
- Approval of draft report was delayed due to Regional Board staff changes and peer review. Additional work requested by Regional Board to draft TMDL Revision.
- Updated Report anticipated to be submitted in 2023 by Task Force and its consultants.
- LESJWA is a facilitator to the MS4 Permittees and provides MS4 deliverables pertaining to TMDL to Regional Board but is not legally responsible for compliance by Regional Board



FUNDING \$\$\$

More funding is needed for future projects

City of Lake Elsinore, EVMWD, County of Riverside

- \$9 -\$12 Million for Lake Elsinore oxygen injection system with \$100-500K/Year Estimated Need
- For lake quality capital improvement & operations

Upper Watershed Agencies

- \$1 Million/Year Estimated Need
- For nutrient source control



STATE FUNDING \$\$\$

LESJWA submitted \$1.5 million grant application to SAWPA in late 2022 and DWR for Lake Elsinore Algae Harvesting and Nutrient Removal Pilot Project on Feb. 1, 2023



City of Lake Elsinore is providing the 50% required local share of \$1.5 million



FEDERAL FUNDING \$\$\$

Aquatic Ecosystem Restoration
Feasibility Study underway among
ACOE, City of Lake Elsinore,
EVMWD and County of Riverside

ALTERNATIVE 2: RIPARIAN RESTORATION



ALTERNATIVE 1: WETLAND ECOSYSTEM

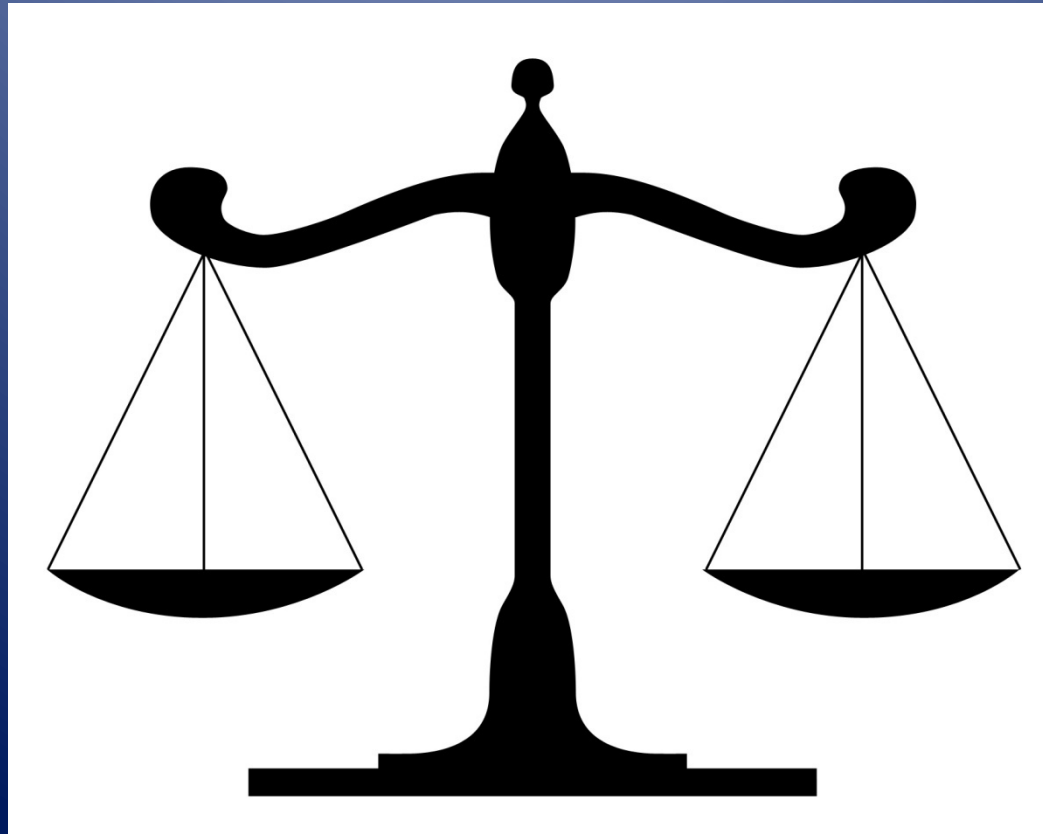


POTENTIAL FUTURE
65%ACOE/35%LOCAL
COST SHARE UP TO \$10M

LESJWA JPA Organization

LESJWA New Mission – Equal Lake Focus

Canyon
Lake



Lake
Elsinore

LESJWA JPA Goals Updated May 2010

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



Joint Powers Agreement

Territorial Boundaries

- (1.2) The territorial boundaries of the Authority are coterminous with the boundaries of the San Jacinto and Lake Elsinore Watersheds tributary to Lake Elsinore



Joint Powers Agreement

Purpose of the Authority

- (1.3) Implement projects and programs to:
 - rehabilitate and improve the watersheds and water quality of Lake Elsinore
 - preserve agricultural land,
 - protect wildlife habitat,
 - protect and enhance recreational resources,
 - improve surface and subsurface water quality,
 - benefit of the general public

Joint Powers Agreement

Powers of the Authority

- (2.1) (h) To raise revenue, to levy and collect rates, fees and charges, and to issue bonds, notes, warrants and other evidences of indebtedness to finance costs and expenses incidental to the purpose of the Authority;

Joint Powers Agreement

New Members

- (3.2) Upon 2/3 majority vote of directors, another entity can become a member of the Authority after its formation, a memorandum would specify the obligations of the prospective member for contributions towards past or present Authority expenditures.



Joint Powers Agreement Meetings

- (4.2) The Board of Directors shall meet not less than once per calendar quarter and shall establish by resolution a regular meeting schedule.



Joint Powers Agreement Voting

- (4.4) Majority vote of Board of Directors is needed to implement plan or program. Though no plan or program can be implemented within any Member's jurisdictional boundaries without that Member's prior approval.



Joint Powers Agreement Business Office and Staff

- (6.0) Authority's business office is SAWPA but can be changed by Authority in future
- Board can appoint an Authority Administrator who shall be responsible for the general administration
- Authority Administrator shall provide other staff of the Authority as may be necessary for the administration of the Authority



Joint Powers Agreement

Specific Projects

- (7.4) A specific project may involve less than all of the MEMBERS of the Authority. Only those members involved in the specific project shall participate in any decisions concerning the specific project.

LESJWA JPA Benefits

- Local Governance composed of many TMDL Task Force members
- Mutual goals as TMDL Task Force
- Contracting and financial entity for all Task Force consultants and monitoring support
- Implementing agency for lake improvements
- Successful grant application support
- Positive relationship with Regional Board
- LESJWA has stable revenue and sustainable for foreseeable future



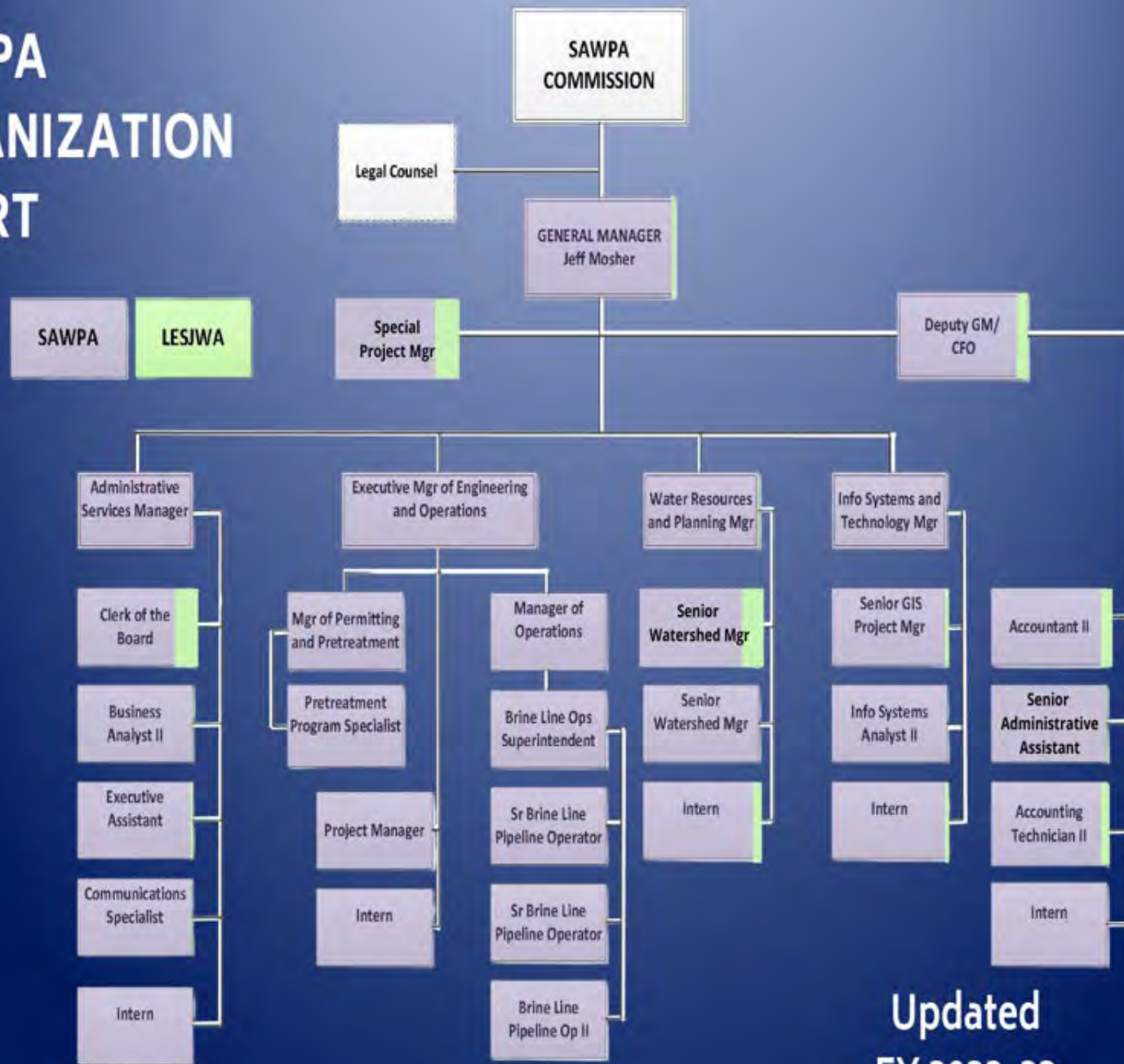
SAWPA Administrative Role



LESJWA ORGANIZATION CHART



SAWPA ORGANIZATION CHART



Updated
FY 2022-23

SAWPA Task Breakdown

JPA Administration

1. Prepare all Consultant and SWRCB Contracts, Task Orders and Amendments.
2. Prepare all Board meeting staff reports and attachments.
3. Prepare Committee and Board Agendas.
4. Facilitate Board meetings, LE/CL TMDL Task Force meetings, Technical Advisory Committee meetings, Education and Outreach Committee meetings, and Consultant coordination meetings.
5. Prepare and distribute meeting minutes to Board, Committees, and interested parties.
6. Prepare financial accounting of revenue and expenses including from various grant reporting needs.

SAWPA Task Breakdown

JPA Administration

7. Provide legal representation and review of all JPA issues
8. Review all invoices and assign account codes to each.
9. Prepare invoices to all Board members for budget and LE/CL TMDL Task Force agencies.
10. Distribute all meeting handouts to regular attendees not in attendance.
11. Attend RWQCB meetings on related projects to JPA activities.
12. Prepare review comments for all deliverables and forward to consultants.

SAWPA Task Breakdown

JPA Administration

13. Respond to multiple information requests about study and JPA from interested parties.
14. Forward all pertinent review comments from committee members to consultants.
15. Prepare grant applications to supplement project funding.
16. Prepare and set up for meetings, presentation equipment, nameplates, sign-in sheets etc.
17. Review and discuss presentations and handouts, and general study progress with Consultants.
18. Maintain and operate the LESJWA website including adding news, RFPs, studies, and other pertinent material.

LESJWA Subcommittees

Education and Outreach Committee

- Dale Welty, City of Canyon Lake
- Benjamin Foster, City of Lake Elsinore
- Scott Bruckner, County of Riverside
- Bonnie Woodrome, Elsinore Valley MWD
- Mark Norton, Mikayla Coleman, SAWPA

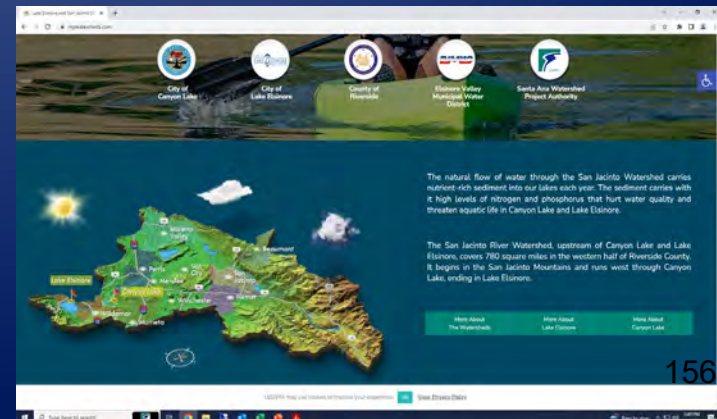
Education and Outreach

DeGrave Communications, consultant, conducts outreach programs to inform and educate the public about LESJWA for support of agency's goals

- Information brochures
- Newsletters
- Media Talking Points
- Fact Sheets
- Biennial Summit



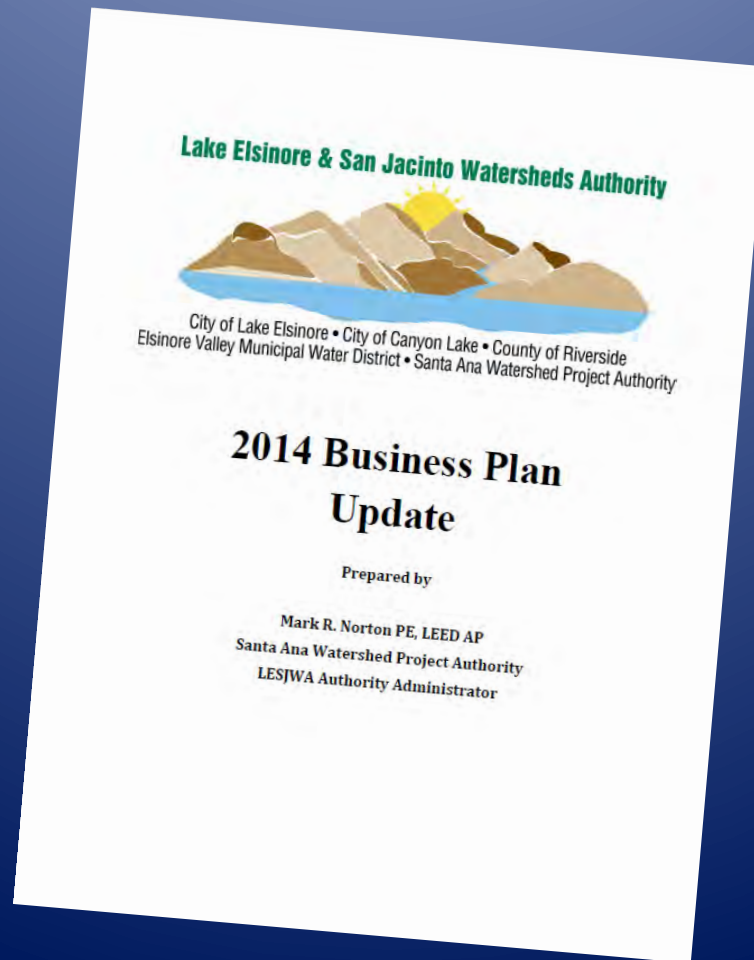
Website Improvements:
mywatersheds.com



Finance Committee

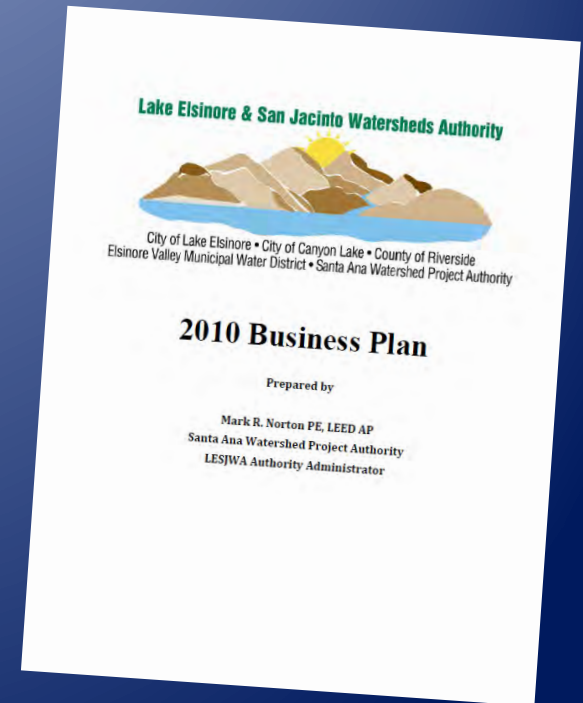
- Terry Shea, City of Canyon Lake
- Nancy Lassey, City of Lake Elsinore
- Scott Bruckner, County of Riverside
- Scott Thompson, Elsinore Valley MWD
- Karen Williams, SAWPA

LESJWA Business Plan



LESJWA's 1st Business Plan

- LESJWA Board directed staff to prepare 1st LESJWA Business Plan in 2010
- Focus of Business Plan was on financing of organization



Alternative Organizational Structures Examined

- Formation of an Assessment District
- Formation of a Property Owners Association
- After review, alternative organization structure did not appear feasible or would be extremely costly to implement. No changes made to organizational structure.



Alternative Financing Options Explored

Year 2010 Business Plan

Status

- | | |
|--|-----------------------------------|
| 1. Pursue State and Federal Grant Funding | -Continuing |
| 2. Decrease annual costs | -Implemented |
| 3. Establish Lake Quality Improvement Contribution | -Not feasible |
| 4. Establish TMDL Task Force Contribution for LESJWA | -LESJWA JPA adm costs shared w/TF |
| 5. Increase Cost Share Among LESJWA Agencies | -Accomplished |

Year 2014 Business Plan

- | | |
|--|--|
| 6. Add additional LESJWA JPA agencies with participation fee | -Investigated but no new agencies formally added |
|--|--|

Financing Changes Agreed Upon

- All LESJWA member agencies (except SAWPA) increased annual contribution from \$10K to \$20K over FY2014-2018
- In 2015, Riverside County Flood Control and Water Conservation District (RCFCWD) expressed support for JPA and agreed to provide \$20K each year.
- RCFCWCD GM expressed support for continuing \$20K per year for next five fiscal years, FYE 2024-2028.



LESJWA Annual Budget

- LESJWA Budgets have been balanced since 2018 with some surplus carryover generated
- Current carryover is approximately \$40K
- Carryover use is discretionary to Board for use such as special studies
- Next LESJWA Draft Budget FY2023-24 will be brought to LESJWA Board in April 2023



LESJWA Administrative Support Options Explored by staff

1. Hire consultant for all services
2. Hire full time staff
3. Split support services among member agencies
4. Contract with other regional or non-profit agencies to provide support
5. Continue support by SAWPA

Consultant Services Option

Pros

- Provides competition for services
- Fresh perspective & additional expertise

Cons

- Extensive learning curve
- Personnel rates likely to be somewhat higher than existing SAWPA rates
- Staff still needed to manage consultant
- Many different consultant firms likely due to diversity of services needed



Hiring Full Time Staff

Pros

- Greater funding support potential with full time administrator
- Provides permanency of organization

Cons

- Hiring new staff with benefits is likely much more costly than existing
- Extensive learning curve
- New office facilities would be needed



Split Services Among Member Agencies

Pros

- Existing member agency staff are experienced in issues

Cons

- Leadership would not be centralized
- Grant donors will require a lead agency
- Reduced efficiency in splitting duties



Contract with Other Regional Agency or Non-profit

Pros

- Central leadership provided
- May have many of the same stakeholders as LESJWA member agencies
- Knowledgeable staff

Cons

- Insufficient staff and resources exist in other apparent agencies to take over administrative role
- Other agency mission limits functions it can take over



Alternative Regional Agency Administration Option - Examined

- In 2014, LESJWA and Western Riverside Council of Governments (WRCOG) explored possible cost savings by WRCOG administration of JPA
- End result that there would be no cost savings
 - Agencies of each org don't match
 - LESJWA administrative costs are on par with WRCOG adm
 - LESJWA and LE/CL Task Force reflect strong working relationship with Regional Board



Continue with SAWPA JPA Administration

Pros

- Experienced staff
- Proven track record
- Neutral facilitator
- Cooperative relationship with Federal, State and Regulatory Agencies
- Pro-active
- Use of SAWPA Legal Counsel helps minimize legal costs

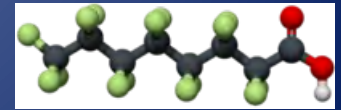
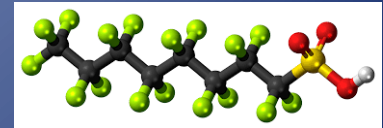


Cons

- SAWPA Board must be supportive of having staff continue in adm role for LESJWA
- “Full time” authority administrator would not exist

Other Topics

- Per- and polyfluoroalkyl substances (PFAS) found in Canyon Lake
- Since Canyon Lake is drinking water supply reservoir owned by EVMWD, District is currently constructing treatment at water treatment plant
- EVWMD conducts PFAS monitoring and responsible for PFAS compliance
- Though a drinking water quality concern, no impact to recreational lake use of Lake Elsinore or Canyon Lake at this time
- LESJWA and LE/CL TMDL TF are not involved in treatment or in compliance



SAWPA Santa Ana River Watershed Weather Modification Pilot Project

- April 2021 SAWPA Commission requested staff seek additional local funding for supportive agencies of a 4 yr 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 was supported by LESJWA Board on 1/25/22



City of Lake Elsinore Algal Removal Alternatives Pilot Study

- City of Lake Elsinore had previously applied and received \$297,000 grant for algal removal pilot studies under Prop 1 Round 1 IRWM
- Results of four water quality treatment technologies are being evaluated and report due in April 2023 from City's consultant



Future LESJWA Board Meetings: Hybrid Virtual or In-Person

- AB 2449 ends Governor's Emergency Declaration but allows for Board members to continue participate by teleconference meeting (virtually) under certain conditions, or as hybrid Board meetings.
- Is LESJWA Board's preference to transition to hybrid or in-person Board meetings?
- Is location of EVMWD Boardroom for future LESJWA Board meetings still preferred?



WHAT'S NEXT FOR LESJWA?

Continued Efforts with Watershed Stakeholders

- Water Quality Monitoring
- Seek Federal and State Support
- Research Funding/Revenue



Opportunities

- Update Water Quality Regulations
- Operate Lakes Aeration, Recycled Water Delivery, and Alum Applications
- Consider new projects and technologies to treat lakes and add water to the lake.