

**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 SPECIAL WORKSHOP**

**Launch Pointe - Community Hall, 32040 Riverside Drive, Lake Elsinore, CA 92530**

**PUBLIC VIDEO ACCESS**

<b>Meeting ID:</b> 896 7719 4918 <b>Passcode:</b> 424658	<b>Access Via Computer:</b> <a href="https://sawpa.zoom.us/j/89677194918?pwd=riDIB55IScVHuAzbeaaqL36smIR2A.1">https://sawpa.zoom.us/j/89677194918?pwd=riDIB55IScVHuAzbeaaqL36smIR2A.1</a>
	<b>Access Via Telephone:</b> 1 (669) 900-6833

This meeting will be conducted in person at the address listed above. As a convenience to the public, members of the public may also participate virtually using one of the options set forth above. Any member of the public may listen to the meeting or make comments to the Board using the call-in number or Zoom link above. However, in the event there is a disruption of service which prevents the Authority from broadcasting the meeting to members of the public, the meeting will not be postponed or rescheduled but will continue without remote participation. The remote participation option is provided as a convenience to the public and is not required. Members of the public are welcome to attend the meeting in-person.

**THURSDAY, MARCH 20, 2025 – 1:30 P.M.**  
**AGENDA**

- 1. CALL TO ORDER/PLEDGE OF ALLEGIANCE (Robert Magee, Chair)**
- 2. ROLL CALL**
- 3. PUBLIC COMMENTS**

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

Members of the public may make comments in-person or in writing for the Board’s consideration by sending them to [publiccomment@sawpa.gov](mailto:publiccomment@sawpa.gov) with the subject line “LESJWA Public Comment”. Submit your written comments by 5:00 p.m. on Wednesday, March 19, 2025. 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 19, 2024 ..... 3**  
**Recommendation:** Approve as posted.
- B. TMDL TASK FORCE MEETING MINUTES: JANUARY 15, 2025 AND MARCH 3, 2025..... 7**  
**Recommendation:** Approve as posted.

- C. **LESJWA STRATEGIC PLAN: CHANGE ORDER #1 (LES#2025.1)..... 19**  
**Recommendation:** Approve Change Order No. 1 to Task Order WSC477-01 with Water Systems Consulting, Inc., for an amount not-to-exceed \$6,720 to conduct additional work required to finalize the strategic plan.
- D. **REPORT ON AUDIT FOR FISCAL YEAR ENDING JUNE 30, 2024 (LES#2025.2)..... 35**  
**Recommendation:** Receive and file the FY 2023-24 Report on Audit prepared by C.J. Brown & Company CPAs, and direct staff to file the Report on Audit with respective government agencies as required by law.

**6. WORKSHOP DISCUSSION AGENDA**

- A. **LESJWA STRATEGIC PLAN (LES#2025.3) ..... 95**  
**Presenter:** Rachel Gray and Amy Stevens, Water Systems Consulting, Inc.  
**Recommendation:** Receive and file.

**7. ADMINISTRATOR’S COMMENTS**

**8. DIRECTORS’ COMMENTS**

**9. CLOSED SESSION**

- A. **CONFERENCE WITH SAWPA LEGAL COUNSEL – ANTICIPATED LITIGATION**  
 Significant exposure to litigation pursuant to paragraph (2) or (3) of subdivision (d) of Section 54956.9: one case.

**10. ADJOURNMENT**

**PLEASE NOTE:**

Americans with Disabilities Act: If you require any special disability related accommodations to participate in this meeting, call (951) 354-4244 or email [zramirez@sawpa.gov](mailto:zramirez@sawpa.gov). 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](http://www.mywatersheds.com), subject to staff’s ability to post documents prior to the meeting.

**Declaration of Posting**

I, Zyanya Ramirez, serving as the Clerk of the Board of the Lake Elsinore and San Jacinto Watersheds Authority declare that on Thursday, March 13, 2025, a copy of this agenda has been uploaded to the LESJWA website at [www.mywatersheds.com](http://www.mywatersheds.com) and posted at LESJWA’s office, 11615 Sterling Avenue, Riverside, California.

**2025 - LESJWA Board of Directors Meetings**

Third Thursday of Every Other Month (February, April, June, August, October, December)

(Note: All meetings begin at 4:00 p.m., unless otherwise noticed, and are held at Elsinore Valley Municipal Water District, 31315 Chaney Street, Lake Elsinore, CA 92531)

<b>February</b> 2/20/25 <del>Regular Board Meeting</del> [cancelled]	<b>March</b> 3/20/25 Special Workshop Meeting
<b>April</b> 4/17/25 Regular Board Meeting	<b>June</b> 6/19/25 Regular Board Meeting
<b>August</b> 8/21/25 Regular Board Meeting	<b>October</b> 10/16/25 Regular Board Meeting
<b>December</b> 12/18/25 Regular Board Meeting	



**LESJWA BOARD OF DIRECTORS MEETING  
REGULAR MEETING MINUTES  
DECEMBER 19, 2024**

**DIRECTORS PRESENT**

Robert Magee, Chair, City of Lake Elsinore  
Andy Morris, Vice Chair, Elsinore Valley Municipal Water District  
Brenda Dennstedt, Secretary-Treasurer, Santa Ana Watershed Project Authority  
Dale Welty, City of Canyon Lake  
Karen Spiegel, County of Riverside

**DIRECTORS ABSENT**

None.

**ALTERNATE DIRECTORS PRESENT; NON-VOTING**

None.

**STAFF PRESENT**

Karen Williams, Rachel Gray, Rick Whetsel, Zyanya Ramirez

**OTHERS PRESENT**

Adam Gufarotti, City of Lake Elsinore; Anthony Budicin, Eastern Municipal Water District; Parag Kalaria, Elsinore Valley Municipal Water District; Sudhir Mohleji, Elsinore Valley Municipal Water District; Jasmin Hall, Inland Empire Utilities Agency; Tess Dunham, Kahn, Soares & Conway, LLP; Gil Botello, San Bernardino Valley Municipal Water District; T. Milford Harrison, San Bernardino Valley Municipal Water District

The Regular Board of Directors meeting of the Lake Elsinore & San Jacinto Watersheds Authority (LESJWA) was called to order at 4:00 p.m. by Chairman Magee on behalf of the Lake Elsinore & San Jacinto Watersheds Authority, 31315 Chaney Street, Lake Elsinore, CA 92530.

**1. CALL TO ORDER/PLEDGE OF ALLEGIANCE (Robert Magee, Chair)**

**2. ROLL CALL**

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

**3. PUBLIC COMMENTS**

There were no other public comments.

**4. ITEMS TO BE ADDED OR DELETED**

There were no items to be added or deleted.

**5. CONSENT CALENDAR**

**A. APPROVAL OF MEETING MINUTES: OCTOBER 17, 2024**

**Recommendation:** Approve as posted.

**B. TMDL TASK FORCE MEETING MINUTES: SEPTEMBER 30, 2024**

**Recommendation:** Approve as posted.

**MOVED**, to approve the Consent Calendar as posted.

Result: Adopted by Roll Call Vote

Motion/Second: Dennstedt/Morris

Ayes: Dennstedt, Magee, Morris, Spiegel, Welty

Nays: None

Abstentions: None

Absent: None

## 6. NEW BUSINESS

### A. LAKE ELSINORE AND CANYON LAKE NUTRIENT TMDL COMPLIANCE MONITORING PROGRAM REQUEST FOR PROPOSAL (LES#2024.9)

Rick Whetsel provided a presentation titled LE&CL TMDL Task Force Compliance Monitoring Program Request for Proposal, contained in the agenda packet on pages 19-31.

In April 2015, the Task Force submitted an updated Lake Elsinore and Canyon Lake Nutrient TMDL Phase 2 Compliance Monitoring Work Plan to the Regional Board, outlining a strategy for compliance monitoring from 2015 through 2019. The plan aimed to ensure compliance with the Lake Elsinore & Canyon Lake Nutrient Total Maximum Daily Loads (TMDLs) and demonstrate progress toward meeting waste load allocations and response targets. Subsequently, the LESJWA Board approved multiple contracts with Wood Environment & Infrastructure Solutions (later WSP USA) to oversee and implement the TMDL compliance monitoring program for Lake Elsinore, Canyon Lake, and the upstream San Jacinto Watershed, with contract extensions approved in 2018, 2020, and 2022.

To maintain a fair, open, and competitive procurement process for future TMDL compliance monitoring services, LESJWA staff recommends issuing a new request for proposals (RFP) for the next three years, with an option for two additional years. This approach will help reduce staff costs by avoiding annual procurement processes while ensuring consistency and providing clearer projections for LESJWA's TMDL Task Force expenses. The LESJWA Board is being asked to approve this recommendation and direct staff to initiate the RFP process for these services.

Director Spiegel requested that the deadline for submitting Q&As be rescheduled to avoid holidays.

**MOVED**, that the Board of Directors authorize staff to issue a Request for Proposals for a multi-year agreement for services to implement the Lake Elsinore and Canyon Lake Nutrient TMDL Compliance Monitoring Program.

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

### B. REGULATORY AND FACILITATOR SUPPORT FOR LAKE ELSINORE AND CANYON LAKE TMDL TASK FORCE (LES#2024.10)

Rick Whetsel provided a presentation titled LE&CL TMDL Task Force Regulatory Advisor Agreement for Services, contained in the agenda packet on pages 69-79.

Tess Dunham has served as the regulatory advisor for the Lake Elsinore & Canyon Lake TMDL Task Force since August 14, 2019, following her selection through a competitive RFP process. She succeeded Tim Moore of Risk Sciences after his retirement and has been providing strategic and regulatory support through Kahn, Soares & Conway, LLP. Over the past two fiscal years, her efforts have included drafting amendment language for the Basin Plan to incorporate the revised 2024 TMDLs, coordinating with the Santa Ana Regional Water

Quality Control Board, preparing Task Force responses to audits and permit incorporations, and participating in LESJWA Board meetings and strategic planning efforts.

Due to the unanticipated level of effort required for the Basin Plan amendment and other tasks, Ms. Dunham has submitted a Change Order request for additional funding to continue her support through FY 2024-25. The LE&CL TMDL Task Force recognizes the importance of maintaining a high level of regulatory support to meet ongoing requirements from the Santa Ana Regional Water Quality Control Board. A two-year agreement with Kahn, Soares & Conway, LLP has been proposed for FYs 2025-27, outlining continued strategic and regulatory services, with costs deemed necessary and acceptable by the Task Force.

**MOVED**, that the Board of Directors authorize the following:

1. General Services Agreement with Kahn, Soares & Conway, LLP; and,
2. Change Order to the Kahn, Soares & Conway, LLP agreement, Task Order No. KSC160-03 for an amount not-to-exceed \$70,000 to provide strategic and regulatory support for the Lake Elsinore & Canyon Lake TMDL Task Force for the balance of Fiscal Year 2024-25.
3. Task Order No. KSC160-04 with Kahn, Soares & Conway, LLP for an amount not-to-exceed \$ 192,000 (\$100,300 for FY 2025-26 and \$91,700 for FY 2026-27) to continue to provide strategic and regulatory support for the Lake Elsinore & Canyon Lake TMDL Task Force.

Result:	Adopted (Unanimously)
Motion/Second:	Morris/Welty
Ayes:	Dennstedt, Magee, Morris, Spiegel, Welty
Nays:	None
Abstentions:	None
Absent:	None

## **7. INFORMATIONAL REPORTS**

**Recommendation:** Receive and file.

### **A. LAKE ELSINORE WATER QUALITY PLAN PRESENTATION BY CITY OF LAKE ELSINORE (LES#2024.11)**

Adam Gufarotti provided a presentation titled Lake Elsinore Water Quality, contained in the agenda packet on pages 83-94.

Approved by the City Council on August 22, 2023, the plan outlines a 20-year strategy to improve water quality through measures such as nanobubbles, algaecide application, and phosphorus control, with initial treatments set for implementation by the end of the year. The plan includes three nanobubble barges capable of pumping 16.5 million gallons per day and injecting 5,500 pounds of oxygen daily to physically alter the lakebed. Peroxide-based algaecide treatments, which began in October 2023, are designed to be safe for both humans and fish.

Funding for the plan includes an \$8 million request submitted by Congressman Ken Calvert through the 2025 Federal Government Appropriations and potential support from the Water Resources Development Act, which authorizes the Army Corps of Engineers as an additional funding mechanism.

This item is to receive and file; no action was taken on agenda item no. 7.A.

**B. ENVIRONMENTAL AND CLIMATE JUSTICE COMMUNITY CHANGE GRANTS PROGRAM (LES#2024.12)**

Rachel Gray provided a presentation titled U.S. Environmental Protection Agency, OEJEER Environmental and Climate Justice Community Change Grants Program, contained in the agenda packet on pages 99-107.

The LESJWA Board of Directors approved submitting a \$20 million grant application through the Environmental and Climate Justice Community Change Grant program on October 17, 2024. Partnering with Habitat for Humanity Inland Valley (HFHIV), LESJWA aims to construct an in-lake oxygenation system and recirculate wetlands in Lake Elsinore to reduce excess nutrient loads and support a sustainable lake ecosystem. HFHIV will also facilitate community resilience efforts by providing workshops, energy-efficient appliance upgrades, low-cost home repairs, and neighborhood revitalization programs to support disadvantaged communities.

Lake Elsinore, the largest natural lake in Southern California, faces challenges from climate change impacts like extreme heat and drought, leading to fluctuating water levels and harmful algal blooms (HABs) from excess nutrients. These blooms pose health risks, with cyanotoxin levels recently exceeding safety thresholds for recreational use. The proposed oxygenation system will increase dissolved oxygen levels, promoting beneficial bacteria that break down organic matter and reduce algae growth, ultimately helping to maintain the lake as a safe and valuable recreational resource for the community.

This item is to receive and file; no action was taken on agenda item no. 7.B.

**8. ADMINISTRATOR'S COMMENTS**

Rachel Gray announced that the February 2025 meeting will be converted into a workshop to discuss the LESJWA Strategic Plan. Chairman Magee requested that the workshop be done at Launch Pointe.

**9. DIRECTORS' COMMENTS**

Director Welty announced that this was his final meeting on the LESJWA Board, and Councilmember Jeremy Smith will succeed him as the City of Canyon Lake's representative.

**10. CLOSED SESSION**

There was no closed session.

**11. ADJOURNMENT**

There being no further business for review, Chairman Robert Magee adjourned the meeting at 4:42 p.m.

**Approved at a Regular Meeting of the Lake Elsinore and San Jacinto Watersheds Authority Board of Directors on Thursday, March 20, 2025.**

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Robert Magee, Chair

Attest:

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Zyanya Ramirez, Serves as Clerk to the Board

## Lake Elsinore and Canyon Lake TMDL Task Force

January 15, 2025

PARTICIPANTS PRESENT:

Abigail Suter, Riverside County Flood Control & WCD	Natasha Thandi, Caltrans (MBI)
Aldo Licitra, Riverside County Flood Control & WCD	Pat Boldt, WRCAC
Ben Foster, City of Lake Elsinore	Rachael Johnson, Riverside County Farm Bureau
Carlos Orellana, March JPA	Rae Beimer, City of Moreno Valley
Chris Stransky, GEI Consultants	Rebekah Guill, Riverside County Flood Control & WCD
Carlos Norvani, City of Lake Elsinore	Richard Boon, Riverside County Flood Control & WCD
Cynthia Gabaldon, City of Menifee, Perris, San Jacinto, and March JPA	Ryan Kearns, Riverside County Flood Control & WCD
Dan Cortese, City of Hemet	Samuel Wilson, City of Moreno Valley
Dustin Christensen, City of Beaumont	Sharon Erb, March JPA
Garth Engelhorn, NV5	Steven Wolosoff, GEI Consultants
Hannah Kranz, WSP USA	Stormy Osifeso, City of Riverside
Hunter Raskin, Willdan	Sudhir Mohleji, Elsinore Valley Municipal Water District
Jagroop Khela, Regional Water Quality Control Board	Tess Dunham, Kahn, Soares & Conway, LLP
Jim Klang, WRCAC	T Milford Harrison, SAWPA
John Rudolph, GEI Consultants	Gil Botello, SAWPA
Kris Hanson, City of Wildomar (Interwest)	Jasmine Hall, SAWPA
Lauren Briggs, Regional Water Quality Control Board	Rachel Gray, SAWPA
Lenai Hunter, EVMWD	Zyanya Ramirez, SAWPA
Mayra Martinez	Rick Whetsel, SAWPA
Michael Roberts, City of Riverside	

Call to Order & Introductions

The Lake Elsinore/Canyon Lake TMDL Task (Task Force) meeting was called to order at 1:02 p.m. by Rick Whetsel, with participants participating remotely.

Approval of Meeting Notes from November 12, 2024 Task Force Meeting

The November 12, 2024 meeting notes were approved as posted.

Status: Regional Board Update (Regional Board)

Lauren Briggs, Santa Ana Regional Water Quality Control Board informed the Task Force that the Regional Board Hearing on the LE&CL TMDL updates is scheduled for February 14, 2025. Regional Board staff has released all draft documents for public comment, for the 45-day comment period, on December 27<sup>th</sup>. The comment period closes February 10<sup>th</sup> at noon.

Lauren Briggs also informed the Task Force of additional revisions to the compliance language in the draft Basin Plan Amendment by Regional Board staff. Tess Dunham will discuss the key revisions later as part of her update on TMDL activities.

**Discussion: EPA Inclusion of San Jacinto River, Reach 1 on State's 303d List** (Tess Dunham, KSC)

Tess Dunham, KSC presented slides on the State's 2024 draft Integrated Report, which in this listing cycle included the Santa Ana Region. As part of the 2024 listing process, the State Water Board determined that water bodies with a California Stream Condition Index (CSCI - an index used to assess the health of biological communities within a water body) score below 0.79 could be classified as impaired, provided a causal pollutant could be identified as contributing to the impairment.

The State Water Board identified 44 water bodies with CSCI scores below 0.79, that did not meet the criteria for impairment since they were not associated with a specific causal pollutant. The State planned to classify these waterbodies under Category 3, which includes water bodies with insufficient data to establish a connection with a causal pollutant. Under Category 3, these waterbodies were to be monitored and reevaluated by the State in

the next listing cycle to determine if they should be removed from the listing or reclassified under Category 5 listing, which would require a TMDL.

However, during its review of State's listings, the EPA rejected California's Category 3 classification for these 44 water bodies. The EPA argued that identifying a causal pollutant is not necessary for a waterbody to be designated as impaired and directed that all 44 waterbodies be placed on the impaired waterbodies list.

Moving forward, if sufficient water quality data can demonstrate that no causal pollutant is present, indicating no impairment, then it may be appropriate to remove that waterbody from Category 5, as a TMDL cannot be developed without an associated pollutant.

Within the Santa Ana River, five of the 44 listed waterbodies fall under this category:

- San Jacinto River - Reach 1
- Santa Ana River - Reaches 2 and 3
- Perris Valley Channel, and Silverado Creek.

San Jacinto River - Reach 1, located between Canyon Lake and Lake Elsinore, was designated impaired due to listing for aluminum. It was listed by State Board staff as part of the 2024 listing cycle.

Through the efforts of Tess and our team of consultants, the Task Force was able to demonstrate to Santa Ana Regional Board staff that the aluminum exceedance was based on a single monitoring event related to a storm. As a result, Santa Ana Regional Board staff recommended to the State Water Board that San Jacinto River - Reach 1 be removed from the aluminum listing. However, the State Water Board did not remove it and instead listed it as impaired due to its low CSCI score for benthic macroinvertebrate communities (biology).

Tess is recommending the Task Force submit a comment letter regarding the aluminum listing for San Jacinto River - Reach 1. Comments to EPA are due end of day January 15, 2025. Late last week she circulated a draft comment letter, addressed stakeholders feedback, and is now requesting approval from the Task Force for LESJWA to submit the comment letter to EPA on behalf of the LE&CL TMDL Task Force.

Following brief discussion, the Task Force unanimously approved finalizing and submitting the draft comment letter to EPA.

Related to this item, Tess informed the Task Force that on December 30, 2024, the Central Valley Water Board released a study performed by SCCWRP evaluating the applicability of the CSCI and the Algal Stream Condition Index (ASCI) for modified channels and intermittent streams.

She noted that although this study focused on Central Valley water bodies, it has Statewide implications. Recognizing its potential impact, the Central Valley Water Board agreed that the study should be released for public review and comment, with comments due by January 30, 2025.

Tess inquired whether stakeholders were interested in submitting a comment letter on behalf of the LE&CL TMDL Task Force. Following brief discussion, the Task Force unanimously approved drafting a comment letter to the Central Valley Water Board. Tess stated that she will reach out to John Rudolph of GEI for help in preparing the letter for review and comment by the Task Force.

A copy of the presentation prepared by Tess Dunham is available on the SAWPA website under Agendas and Meeting Materials: <https://sawpa.gov/wp-content/uploads/2025/01/T.Dunham-January-15-2025-LECL-Task-Force-Meeting.pdf>

Update: TMDL Update Activities (Tess Dunham, KSC and Steve Wolosoff, GEI)

Tess Dunham, KSC presented a few slides on additional revisions to the TMDL Basin Plan Amendment language provided by Regional Board Legal Counsel.



The first issue raised by Legal Counsel concerned the introductory language related to the compliance determination. Their concern was that decisions made by the current Water Board cannot constrain the decisions of future Water Boards.

However, from the Task Force's perspective, this revision weakened the Basin Plan Amendment's ability to ensure that future permits drafts align with the Basin Plan amendment. The language in question includes key components outlined in both the Technical TMDL report and the Basin Plan Amendment. These options, such as offsets, are essential for determining compliance with the load allocations and waste load allocations for Canyon Lake and Lake Elsinore, both for the 20-year interim milestones and the 30-year final allocations.

Working with Regional Board staff, Tess was able to get Legal Counsel to revise their proposed language. The revised language now states that compliance options should be incorporated into future permitting actions to the extent permitted by law.

The second revision focused on clarifying the Phase 2 milestone language. In working with Regional Board, it was agreed that permit requirements must align with the TMDL exception requirements, including the Phase 2 milestones. Therefore, the Phase 2 milestones and interim numeric targets will be implemented as milestones or interim water quality based effluent limits within compliance schedules, as applicable. Additionally, compliance schedules will still adhere to interim waste load allocations at 20 years and final waste load allocations at 30 years.

Tess noted that all other revisions by Regional Board staff were minor clarifications and did not raise significant concerns.

Tess then provided a brief update on the Task 9 Minor Sources Study. At this time consultants and staff are evaluating whether this task can be done internally by the Task Force or if external technical assistance is needed. The proposed approach is to form a subcommittee of the Task Force to define the scope of work. Then the Task Force can decide how to proceed and whether outside resources will be necessary.

Tess requested that anyone interested in participating on this subcommittee to please reach out to her and Rick Whetsel.

A copy of the presentation prepared by Tess Dunham is available on the SAWPA website under Agendas and Meeting Materials: <https://sawpa.gov/wp-content/uploads/2025/01/T.Dunham-January-15-2025-LECL-Task-Force-Meeting.pdf>

Update: LEAMS Future Options Study (Steve Wolosoff, GEI)

Steven Wolosoff, GEI provided an update to the Task Force on the Lake Elsinore In-Lake Nutrient Reduction Alternatives Analysis, which is being conducted and funded by the LEAMS Operators in support of the LE&CL TMDL Task Force.

The primary goal of this study is to conduct in-depth analysis of alternatives to improve nitrogen and phosphorus (N&P) offsets in Lake Elsinore, while also enhancing overall lake water quality.

Today's meeting included a review of the list of project alternatives considered:

- Preliminary screening of alternatives
- Description of short-listed oxygenation alternatives
- Ranking of oxygenation alternatives

Next steps include:

- Draft comprehensive report (February 2025)
- Slideshow providing details of sediment study (February 2025)
  - Scientific basis for estimated annual nutrient load reduction (TN and TP)
  - Scientific basis for oxygen delivery rate to achieve oxic conditions at sediment-water interface
- Final comprehensive report (March 2025)

A copy of the presentation prepared by Steven Wolosoff is available on the SAWPA website under Agendas and Meeting Materials: <https://sawpa.gov/wp-content/uploads/2025/01/Lake-Elsinore-In-Lake-Options-Study-update-to-LECL-Task-Force-011525.pdf>

Update: Lake Elsinore Water Quality Plan (Ben Foster, City of Lake Elsinore)

Ben Foster, representing the City of Lake Elsinore, provided an update to the Task Force on the City of Lake Elsinore Water Quality Plan.

Ben reported on the ongoing cyanobacteria (microcystin toxin) monitoring. As of latest date (December 5<sup>th</sup>), all monitoring locations were classified under “No Advisory” level, as determined by Regional Board. He noted that for the past three months (since September), the lake has consistently remained at the “No Advisory” level, except for a single monitoring location in October. The City plans to continue with monthly monitoring at least until the hotter weather arrives.

The City is currently operating three Nanobubbler barges on the lake, along with an additional portable unit on a trailer. This portable unit was previously positioned at a detention pond near Summerly. Moving forward, the City plans to relocate it to the Coors Light Cove, near the T peninsula and test its effectiveness in a smaller contained part of the lake.

Ben stated that lake level has been dropping, due to the lack of rainfall. However, the lake remains approximately five feet above the minimum optimal lake level of 1,240 feet above sea level.

The City will continue to provide updates to stakeholders at future Task Force meetings as needed.

Update: Canyon Lake (LESJWA Staff)

Rick Whetsel informed the Task Force that the spring 2025 alum application is being targeted for mid-March depending on upcoming weather conditions.

Task Force Administration (LESJWA Staff)

Rick Whetsel presented the following items for the Task Force to consider:

- A. Rick Whetsel informed the Task Force that a Request For Proposals (RFP) for a consultant to oversee and implement the TMDL Compliance Monitoring Program was issued on January 6<sup>th</sup>. The closing date for the RFP is set for February 24<sup>th</sup>.

Rick Whetsel introduced a preliminary draft FY 2025-26 LE&CL TMDL Task Force Budget for discussion. A formal draft budget will be emailed to the Task Force for review, discussion and approval at the next scheduled Task Force meeting.

Other Business

No other business was discussed.

Schedule Next Meeting

The next LE/CL TMDL Task Force meeting is scheduled for Monday, March 3, 2025, at 9:30 a.m. to 12:00 p.m.

Adjourn

The meeting was adjourned at 3:00 p.m.

**Table Summary of Agreements and Actions**

<b>Date of Action/Agreement</b>	<b>Action/Agreement</b>	<b>Responsible Entities Reaching Agreement</b>
September 28, 2021	<ul style="list-style-type: none"> <li>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.</li> </ul>	Voting Task Force members.
November 3, 2021	<ul style="list-style-type: none"> <li>Approve moving forward with the proposed step-wise approach to updating the TMDL Technical Report and its timeline.</li> </ul>	Voting Task Force members
January 10, 2022	-	-
March 2, 2022	<ul style="list-style-type: none"> <li>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.</li> <li>Approved the alum application to the Canyon Lake if the February monitoring data exceeds 0.09.</li> </ul>	Voting Task Force members
April 20, 2022	<ul style="list-style-type: none"> <li>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.</li> <li>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.</li> <li>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</li> </ul>	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"> <li>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&amp;CL TMDL Task Force.</li> <li>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.</li> </ul>	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"> <li>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.</li> <li>Exercise an option for a two year extension with WSP USA to oversee and implement TMDL Compliance Monitoring. Program.</li> </ul>	Voting Task Force members
January 10, 2023	-	-
February 15, 2023	<ul style="list-style-type: none"> <li>The Task Force moved to provide LESJWA staff in coordination with the Task Force consulting team the authority to make a determination on the need for a Spring 2023 alum application based upon review of the February 2023 Canyon Lake monitoring results to be provided by WSP USA.</li> </ul>	Voting Task Force members.
March 28, 2023	-	-
April 25, 2023	-	-
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	remaining funds are to be applied to stakeholders 2023 LEAMS budget allocation.	
August 7, 2023	<ul style="list-style-type: none"> <li>Task Force approved for LESJWA staff to prepare a Change Order for WSPUSA for an amount not to exceed \$10,330 to perform two additional Lake Elsinore in-lake monitoring events, one each in November and December 2023 using funds available from the LE&amp;CL TMDL Task Force reserve.</li> </ul>	Voting Task Force members.
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## Lake Elsinore and Canyon Lake TMDL Task Force

March 3, 2025

PARTICIPANTS PRESENT:

Abigail Suter, Riverside County Flood Control & WCD	Mike Ali, EVMWD
Aldo Licitra, Riverside County Flood Control & WCD	Natasha Thandi, Caltrans (MBI)
Andy Komor, PACE Engineering	Nicholas Jernack, WSP
Ann Marie Loconte, City of Banning	Odell Tucker, U.S. Forest Service
Art Mullen, City of San Jacinto	Pat Boldt, WRCAC
Ben Foster, City of Lake Elsinore	Rachael Johnson, Riverside County Farm Bureau
Brian Covellone, Regional Water Quality Control Board	Rae Beimer, City of Moreno Valley
Carlos Orellana, March JPA	Ruby Cornejo
Chris Stransky, GEI Consultants	Ryan Kearns, Riverside County Flood Control & WCD
Carlos Norvani, City of Lake Elsinore	Sharon Erb, March JPA
Cynthia Gabaldon, City of Menifee, Perris, San Jacinto, and March JPA	Shirley Colvin, City of Perris
Dan Cortese, City of Hemet	Steven Wolosoff, GEI Consultants
Dustin Christensen, City of Beaumont	Stormy Osifeso, City of Riverside
Garth Engelhorn, NV5	Sudhir Mohleji, Elsinore Valley Municipal Water District
Hannah Kranz, WSP USA	Terri Reeder, Regional Water Quality Control Board
Jagroop Khela, Regional Water Quality Control Board	Tess Dunham, Kahn, Soares & Conway, LLP
Jim Klang, WRCAC	Travis Randel, City of Banning
John Rudolph, GEI Consultants	T Milford Harrison, SAWPA
Kelcey Chung, GEI Consultants	Gil Botello, SAWPA
Kris Hanson, City of Wildomar (Interwest)	Jasmine Hall, SAWPA
Lauren Briggs, Regional Water Quality Control Board	Rachel Gray, SAWPA
Lenai Hunter, EVMWD	Zyanya Ramirez, SAWPA
Liset Hernandez, City of Perris	Rick Whetsel, SAWPA
Lynn Merrill, City of San Jacinto	

Call to Order & Introductions

The Lake Elsinore/Canyon Lake TMDL Task (Task Force) meeting was called to order at 9:30 a.m. by Rick Whetsel, with participants participating remotely.

Approval of Meeting Notes from January 15, 2025 Task Force Meeting

The January 15, 2025 meeting notes were approved as posted.

Cynthia Gabaldon requested that the City of San Jacinto be added to the list of entities that she represents at the LE&CL TMDL Task Force.

Status: Regional Board Update (Regional Board)

Lauren Briggs, Santa Ana Regional Water Quality Control Board updated the Task Force on the February 14, 2025, Regional Board Adoption Hearing for the Lake Elsinore and Canyon Lake TMDLs. She informed the Task Force that the Board received both the staff presentation and public comments. However, due to the extensive comments received, and the time required to address the comments, the decision by Regional Board on the updated TMDLs had to be postponed. The Regional Board is planning to reconvene on the Lake Elsinore and Canyon Lake TMDLs at the Board meeting scheduled for April 25th, in the City of Santa Ana.

Next week staff will be noticing the Lake Elsinore and Canyon Lake TMDLs for the April 25th meeting. At this meeting, staff will be presenting to the Board on the response to comments received during the comment period. This will be a closed session, and no public comments will be taken.

Update: TMDL Update Activities (Tess Dunham, KSC and Steve Wolosoff, GEI)

Tess Dunham, KSC referring to the email that was sent out to the Task Force following the Regional Board workshop, informing stakeholders that the period to provide public comment on the TMDLs has closed.

Stakeholders were informed that the consultant team, led by Tess, will be available to support Regional Board staff with providing responses to the comment that were received, both oral and written, and on the TMDL update activities.

Update: LEAMS Future Options Study (Steve Wolosoff, GEI)

Presentation: Lake Elsinore Sediment Oxygen Demand Study (John Rudolph GEI)

Steven Wolosoff, GEI introduced John Rudolph to present on the Lake Elsinore Sediment Oxygen Demand and Nutrient Flux Study conducted as a component of the larger LEAMS Future Options Study.

Stakeholders were informed that the purpose of this study was to gain an understanding of the potential nutrient reduction that could be achieved with oxygenation, and how much oxygen is required to achieve the targeted in-lake conditions and reductions in nutrients.

Steven informed the Task Force that a final draft of the report will be made available to the Task Force for review by the end of the month (March) and it is expected to be finalized in May 2025.

A copy of the presentation prepared by John Rudolph is available on the SAWPA website under Agendas and Meeting Materials: [https://sawpa.gov/wp-content/uploads/2025/02/SOD-Study\\_TMDL-TF-Mtg-PPT\\_030325.pdf](https://sawpa.gov/wp-content/uploads/2025/02/SOD-Study_TMDL-TF-Mtg-PPT_030325.pdf)

Update: Lake Elsinore Water Quality Plan (Ben Foster, City of Lake Elsinore)

Ben Foster, representing the City of Lake Elsinore, provided an update to the Task Force on the City of Lake Elsinore Water Quality Plan.

Ben reported on the ongoing cyanobacteria (microcystin toxin) monitoring. The latest monthly monitoring results for January 2025, show all monitoring locations as “No Advisory” level, as determined by Regional Board. He noted that for the past three months (since October), the lake has consistently remained at the “No Advisory” level. The City plans to continue with monthly monitoring at least until the hotter weather arrives.

He also presented data that the City has been collecting to show the improvements in water quality. The first graphic showed the current cyanobacteria levels as compared to the same week for the previous 6 years and a graphic of dissolved oxygen (DO) levels before and after the deployment of the Nanobubble barges to show the sharp and steady increase of DO levels in Lake Elsinore.

Ben also reported on the upcoming Lake Elsinore annual Dream Extreme Fishing Derby (includes bass, catfish and crappie) and Carp Quest (including both bow and rod & reel) events.

The City will continue to provide updates to stakeholders at future Task Force meetings as needed.

Update: Canyon Lake (LESJWA Staff)

Rick Whetsel informed the Task Force that the spring 2025 alum application is being targeted for the week of March 24- 28 depending on upcoming weather conditions.

In support of the Alum program, LESJWA staff will be attending the March 4, 2025 Canyon Lake Property Owners Association Meeting to provide background on the alum program, and a status update on the planned March 26-28, alum application.

Stakeholders were also updated on the process to amend CEQA. The current CEQA document (Amended in 2015) is scheduled to expire on December 31, 2025. LESJWA as the Lead Agency for CEQA is proposing to extend the project in its current form for another 5 years. In that time it is expected that the Task Force will

complete its work to evaluate the effectiveness of the Canyon Lake Alum Project and potential feasibility of implementation of alternative in-lake projects (TMDL Task 4).

Task Force Administration (LESJWA Staff)

Rick Whetsel presented the following items for the Task Force to consider:

- A. Rick Whetsel presented a revised draft FY 2025-26 LE&CL TMDL Task Force Budget distributed to Task Force members on February 24, 2025, for consideration by the Task Force.

Following brief discussion regarding further revisions to the draft budget, it was decided that a final draft FY 2025-26 LE&CL TMDL Task Force Budget be prepared by LESJWA staff and distributed to Task Force members for review and provide a recommendation for approval via email.

Stakeholders requested a worksheet be prepared by LESJWA staff comparing FYE 2026 budget to the previous FYE 2024 and FYE 2025 LE&CL TMDL Task Force Budgets to accompany this draft budget.

- B. Rick Whetsel presented a draft amendment #4 to extend the LE&CL TMDL Task Force Agreement, for consideration by the Task Force.

Amendment #3 to the LE&CL TMDL Task Force Agreement is scheduled to expire on June 30, 2025, but the final approval of the updated LE&CL TMDL Basin Plan Language by the U.S. EPA is not anticipated for at least another year. Amendment #4 was proposed to provide additional time for stakeholders to resolve issues relating to the participation and cost to minor contributing parties named in the TMDLs (Task 9) prior to beginning work to prepare a new Task Force Agreement.

Stakeholders were in general agreement to extending the Task Force Agreement to June 30, 2027 via administrative action; however, it was requested LESJWA staff to remove stipulation II to the Amendment #4. This stipulation was deemed not necessary, and would require the approval of the agencies governing bodies.

Stakeholders requested that a revised Amendment #4 be prepared by LESJWA staff and distributed to Task Force members for review and be brought back for approval at the next LE&CL TMDL Task Force meeting.

- C. Rick Whetsel presented a recommendation of LESJWA staff and the Proposal Review Committee on the selection of GEI Consults to oversee and implement the LE&CL TMDL Compliance Monitoring Program, for consideration by the Task Force.

Stakeholders were informed that LESJWA received only one proposal in response to the Request for Proposals (RFP) issued on January 6, 2025, through Planet Bids requesting proposals from qualified consultants to implement a water quality compliance monitoring program to support the Lake Elsinore and Canyon Lake TMDLs. LESJWA staff believe this proposal meets the requirements of the RFP and the firm is qualified to perform the work outlined in the RFP based on project understanding and experience working with the proposed staff. LESJWA staff recommends that the Task Force proceed with an Agreement for Services with GEI Consultants.

Following brief discussion it was requested that the due date for the Final Annual TMDL Monitoring Report shown in the Schedule of Deliverables be revised from “within 2 weeks of receipt of all stakeholder comments” to a hard deadline of October 15<sup>th</sup>. Setting an October 15<sup>th</sup> deadline would provide time for MS4 to incorporate the findings of this report into their Annual report.

Lynn Merrill, representing the City of San Jacinto, moved a motion; Cynthia Gabaldon, representing the City of Perris seconded the motion.

MOVED, motion for LESJWA staff to authorize LESJWA staff to execute an agreement for services with GEI Consultants to oversee and implement the LE&CL TMDL Compliance Monitoring Program for three years, with an option for a two-year extension. This will include a revision to the Program Schedule of Deliverables due date for the Final Annual TMDL Monitoring Report to be changed to a hard deadline of October 15th.

Other Business

It was announced that Lauren Briggs was promoted to Senior Environmental Scientist, Supervisor and is now Supervisor of the Santa Ana Regional Board's Inland Planning Section.

Schedule Next Meeting

The next LE/CL TMDL Task Force meeting is scheduled for Tuesday, April 22, 2025, at 1:30 to 4:00 p.m.

Adjourn

The meeting was adjourned at 11:15 a.m.



**Table Summary of Agreements and Actions**

<b>Date of Action/Agreement</b>	<b>Action/Agreement</b>	<b>Responsible Entities Reaching Agreement</b>
September 28, 2021	<ul style="list-style-type: none"> <li>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.</li> </ul>	Voting Task Force members.
November 3, 2021	<ul style="list-style-type: none"> <li>Approve moving forward with the proposed step-wise approach to updating the TMDL Technical Report and its timeline.</li> </ul>	Voting Task Force members
January 10, 2022	-	-
March 2, 2022	<ul style="list-style-type: none"> <li>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.</li> <li>Approved the alum application to the Canyon Lake if the February monitoring data exceeds 0.09.</li> </ul>	Voting Task Force members
April 20, 2022	<ul style="list-style-type: none"> <li>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.</li> <li>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.</li> <li>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</li> </ul>	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"> <li>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&amp;CL TMDL Task Force.</li> <li>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.</li> </ul>	Mark Norton, Task Force Administrator on behalf of the voting members of the LE&CL TMDL Task Force
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## **LESJWA BOARD MEMORANDUM NO. 2025.1**

**DATE:** March 20, 2025

**SUBJECT:** LESJWA Strategic Plan: Change Order #1

**TO:** LESJWA Board of Directors

**PREPARED BY:** Rachel Gray, Authority Administrator

### **RECOMMENDATION**

Approve Change Order No. 1 to Task Order WSC477-01 with Water Systems Consulting, Inc., for an amount not-to-exceed \$6,720 to conduct additional work required to finalize the strategic plan.

### **DISCUSSION**

Attached is a scope and fee estimate from Water Systems Consulting, Inc., to conduct additional work required to ensure the completion of strategic plan and that it fully meets LESJWA's requirements. Additional scope of work includes:

- Extend the term of the agreement to accommodate the extra review sessions and iterative feedback cycles.
- Additional Member Agency Workshop for in-depth review of goals and objectives, follow-up conversations, detailed documentation of partner input, and subsequent edits to ensure that all perspectives were comprehensively captured.
- An additional in-person Board Workshop focused on reviewing and finalizing the complete plan content to facilitate robust discussion and immediate follow-up edits, ensuring the strategic plan reflects the Board's insights.

It is the recommendation of LESJWA staff that this additional work is implemented in order to address emerging needs and to secure a more comprehensive, aligned, and actionable strategic plan.

### **BACKGROUND**

On August 17, 2023, the Board of Directors authorized the release of a Request for Proposals (RFP) to develop a LESJWA Strategic Plan. This Strategic Plan is intended to confirm the vision, values, and priorities for LESJWA to meet the needs of the member agencies and watershed stakeholders now and into the future. The document will be in a user-friendly format. The goals will be developed after input from member agencies, key technical staff, and the LESJWA Board of Directors.

On October 19, 2023, the Board of Directors authorized LESJWA staff to execute an Agreement for Services with Water Systems Consulting, Inc. (WSC, Inc.) for Strategic Plan Facilitator Consultant Services in an amount not-to-exceed \$61,600.

### **RESOURCES IMPACT**

The FY 2024-25 LESJWA Budget provides available funds to cover the cost of the additional work required to complete the LESJWA Strategic Plan.

Attachments:

1. PowerPoint Presentation
2. Change Order #1 to Task Order WSC477-01
3. Proposal from Water Systems Consulting, Inc.

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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

# Strategic Plan Facilitator Consultant Services Change Order #1

Rachel Gray, LESJWA Authority Administrator  
LESJWA Board Meeting | March 20, 2025  
Item No 5.C.

# Recommendation

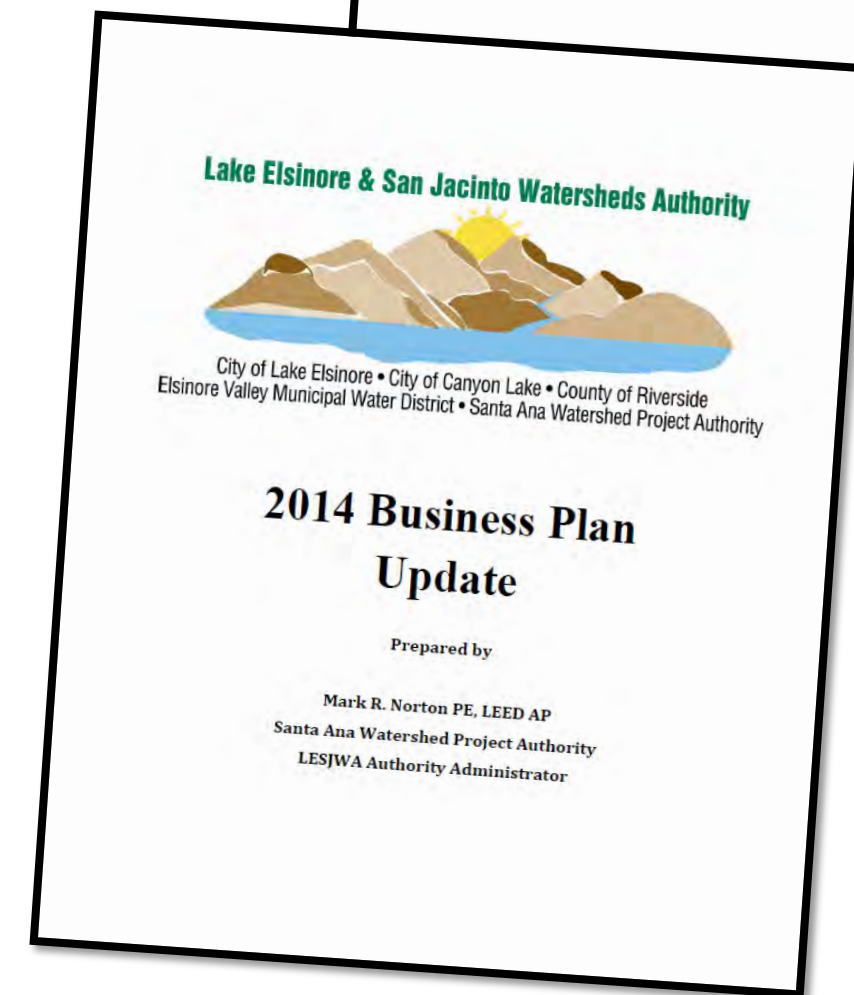
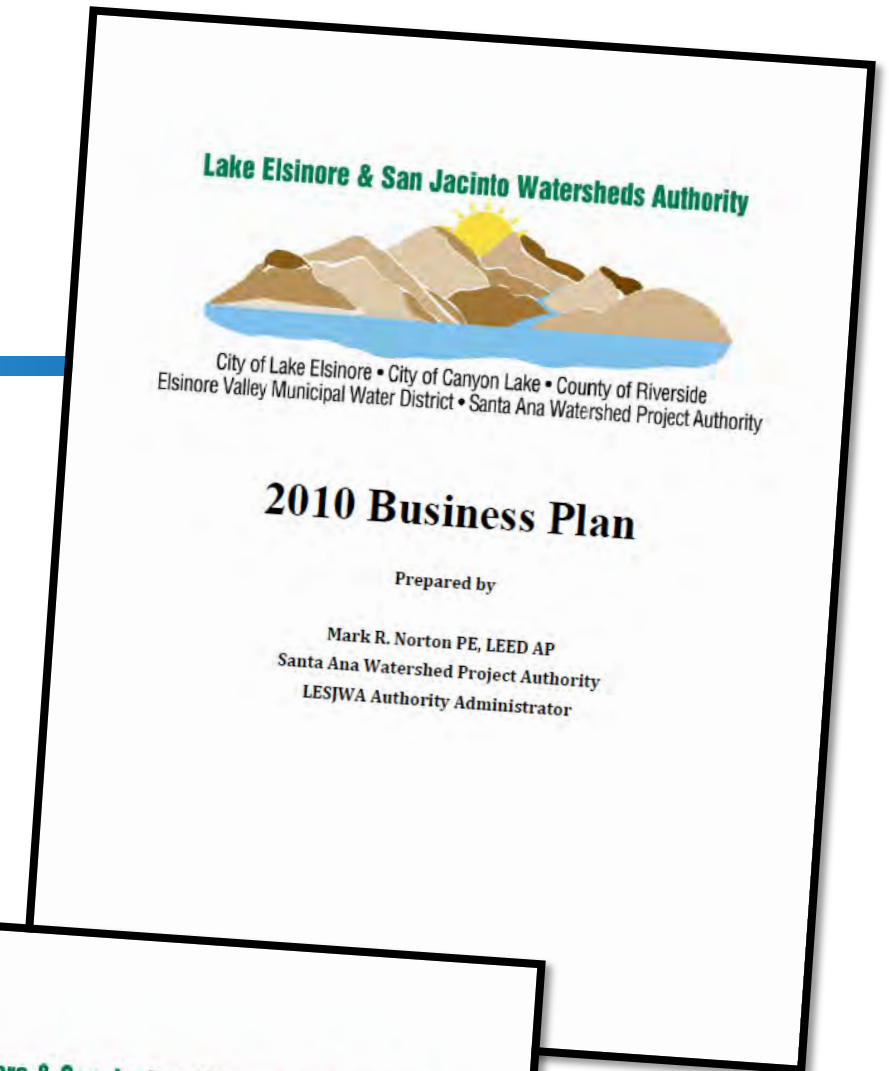
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Staff recommends that the Board of Directors:

Approve Change Order No. 1 to Task Order WSC477-01 with Water Systems Consulting, Inc., for an amount not-to-exceed \$6,720 to conduct additional work required to finalize the strategic plan.

# Background

- LESJWA Board directed staff to prepare 1<sup>st</sup> LESJWA Business Plan in 2011
- Focus of Business Plan was on financing of organization
- Plan was updated in 2014
- Accomplished goals of providing an approach to financially sustain LESJWA
- April 2023 LESJWA Board asked staff to update with strategic priorities



# Strategic Planning Tasks

- Meet with LESJWA staff to develop issues for discussion and preliminary plan outline
- Conduct workshops with the Board of Directors, Member Agencies, and key stakeholders
- Work with staff to draft findings and formulate plan
- Conduct final workshop to review draft findings
- Finalize Strategic Plan

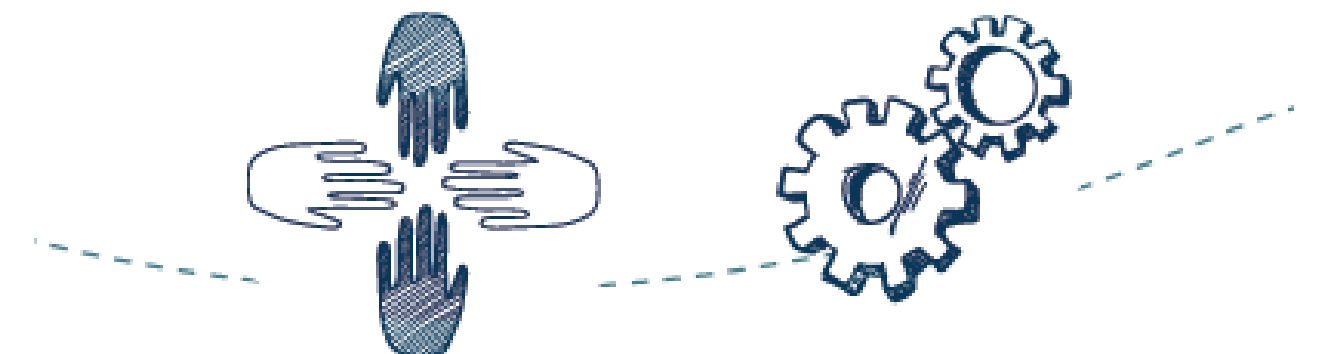




# Strategic Plan – Desired Results

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- Confirm the vision, values, and priorities for LESJWA to meet the present and future needs of the member agencies and watershed stakeholders.
- Seek input from key stakeholders, technical experts, member agencies, and Board of Directors to define the goals of LESJWA.
- Institute a process to set benchmarks, establish targets, and measure success.
- Target completion period of approximately eight months.



# Efforts to Date

Over the past several months, we have engaged in a collaborative process to refine LESJWA's strategic direction:

- **Board Workshop:** Established a shared understanding of vision and mission; began goals discussion.
- **Goals Sessions with LESJWA Member Agencies:** Gathered insights and perspectives from all LESJWA member agencies.
- **Two LESJWA Member Agency Staff Review Workshops:** Refined goals, vision, and mission with input from all LESJWA member agencies.
- **Final Board & Staff Review Workshop (Today):** Reviewing and finalizing the strategic plan together.

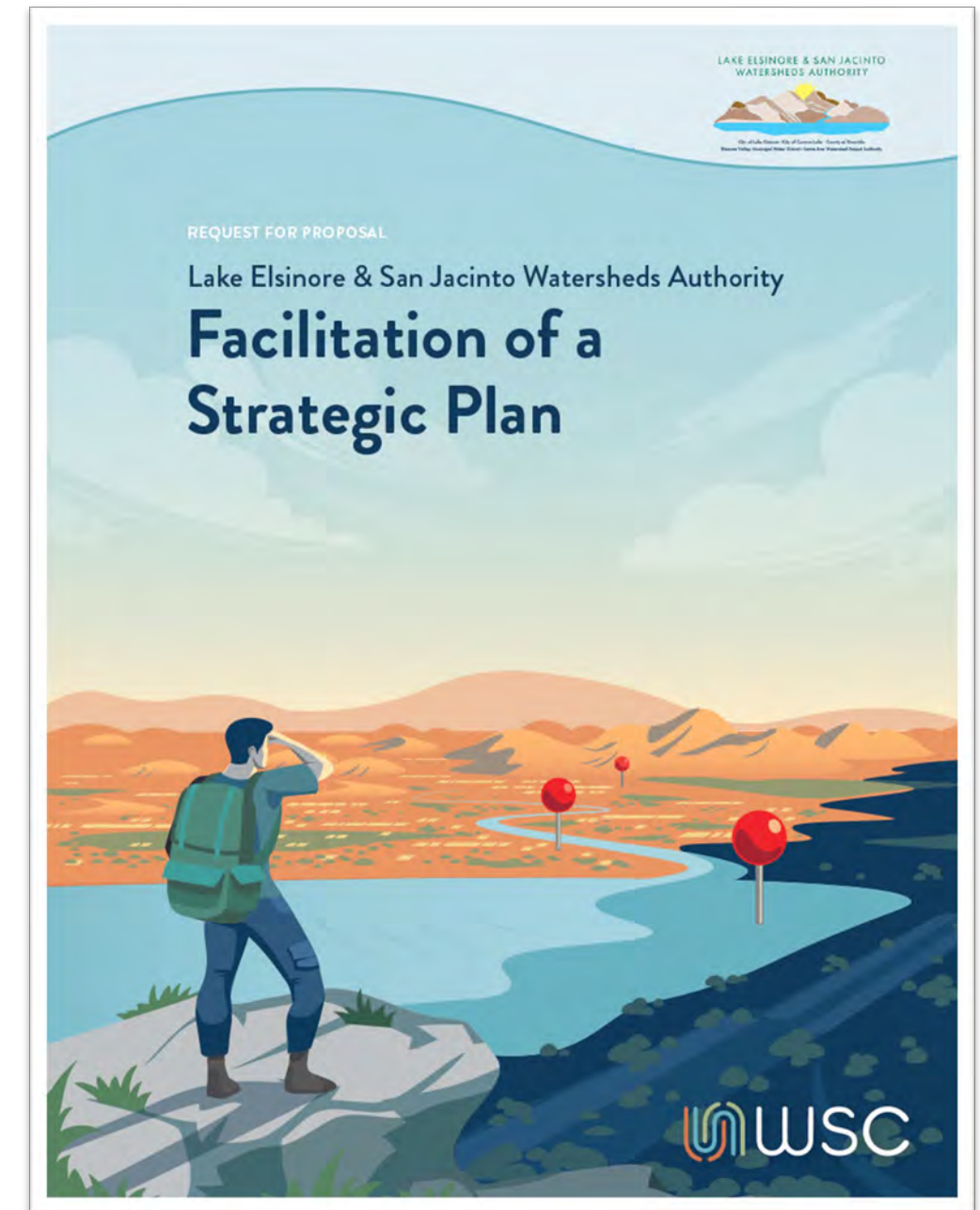
This process supports alignment, shared commitment, and a strong foundation for the future.

# Additional Scope of Work

Extend the term of the agreement to accommodate the extra review sessions and iterative feedback cycles.

Additional Member Agency Workshop for in-depth review of goals and objectives, follow-up conversations, detailed documentation of partner inputs, and subsequent edits to ensure that all perspectives were comprehensively captured.

Additional in-person Board Workshop focused on reviewing and finalizing the complete plan content to facilitate robust discussion and immediate follow-up edits, ensuring the strategic plan reflects the Board's insights.



# Recommendation

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Staff recommends that the Board of Directors:

Approve Change Order No. 1 to Task Order WSC477-01 with Water Systems Consulting, Inc., for an amount not-to-exceed \$6,720 to conduct additional work required to finalize the strategic plan.

# Thank You

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**Rachel Gray**  
LESJWA Authority Administrator  
Office (951) 354-4242 | Cell (951) 539-0261  
rgray@sawpa.gov

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**LAKE ELSINORE & SAN JACINTO WATERSHEDS AUTHORITY  
CHANGE ORDER NO. 1  
TO TASK ORDER NO. WSC477-01**

**CONSULTANT:** Water Systems Consulting, Inc. **VENDOR NO.:** 2219  
805 Aerovista Place, Suite 201  
San Luis Obispo, CA 93401

**PROJECT:** LESJWA Strategic Plan

**COST:** \$6,720.00

**REQUESTED BY:** Rachel Gray, Water Resources & Planning Manager March 20, 2025

**FINANCE:** \_\_\_\_\_  
Karen Williams, Deputy GM/CFO Date

**FINANCING SOURCE:** Acct. Coding: 150-NON-C-6113-01  
Acct. Description: General Consulting

**BOARD AUTHORIZATION REQUIRED FOR THIS CHANGE:** YES (X) NO ( )  
Authorization: March 20, 2025; LES#2025.1

Consultant is hereby directed to provide the work necessary to comply with this change order.

**DESCRIPTION / JUSTIFICATION OF CHANGE:** The purpose of this change order is for additional work to oversee and facilitate two (2) additional meetings including a Member Agency Workshop designed to establish a shared purpose and to draft preliminary outlines, and an in-person LESJWA Board Workshop to review and finalize the Strategic plan content.

**CHANGE IN CONTRACT TIME:** June 30, 2025

<b>CHANGE IN TASK ORDER PRICE:</b>	Original Task Order Amount:	\$ 61,600.00
	Change Order No. 1 Amount:	\$ <u>6,720.00</u>
	Amended Contract Total:	\$ 68,320.00

**ACCEPTANCE:**

Consultant accepts the terms and conditions stated above as full and final settlement of any claims arising from or related to this Change Order. Consultant agrees to perform the above-described work in accordance with the terms and in compliance with applicable sections of the Consultant Specifications. This Change Order is hereby agreed to, accepted and approved, all in accordance with the General Provisions of the Consultant Specifications.

**LAKE ELSINORE & SAN JACINTO WATERSHEDS AUTHORITY**

\_\_\_\_\_  
Jeffrey J. Mosher, General Manager Date

**WATER SYSTEMS CONSULTING, INC.**

\_\_\_\_\_  
(Signature) Date Type/Print Name and Title

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## Task 0 Project Management

### 0.1 Project Administration – Contract Extension

- Project setup and invoicing.
- Client communication and check-in meetings.
- Additional partner and SAWPA meetings

**Deliverables:** Monthly progress reports and invoices.

## Task 1 Understanding and Assessment

### 1.1 No additional scope needed for this task.

## Task 2 Vision, Mission Values

### 2.1 Additional Member Agency Workshop

- Workshop with member agencies.
- Follow up conversations and notes with partners.
- Alignment with SAWPA priorities.
- Edits based on input.

### 2.2 No additional scope needed

### 2.3 No additional scope needed

### 2.4 Additional Board Workshop

- Prepare for and facilitate one additional in-person workshop with Board of Directors.
- Review and finalize complete plan content.
- Follow up discussions.
- Edits based on workshop.

## Task 3 Strategic Plan Framework and Development

### 3.1 No additional scope needed for this task.

## Task 4 Strategic Plan Design and Finalizing

### 4.1 No additional scope needed for this task.



Task No. Task Description	WSC								ALL FIRMS
	PM	Graphics	Administrative Support		WSC Labor Hours	WSC Labor Fee	Expenses	WSC Fee	Total Fee
	Amy Stevens	Nina Thoming	Kay Merrill						
<i>Billing rates, \$/hr</i>	\$235	\$210	\$170						
<b>0 Project Management</b>									
0.1 Project Administration	4		2		6	\$ 1,280	\$ -	\$ 1,280	\$ 1,280
<b>SUBTOTAL</b>	<b>4</b>	<b>0</b>	<b>2</b>		<b>6</b>	<b>\$ 1,280</b>	<b>\$ -</b>	<b>\$ 1,280</b>	<b>\$ 1,280</b>
<b>2 Stakeholder Engagement</b>									
2.1 Additional Member Agency Workshop	8	4			12	\$ 2,720	\$ -	\$ 2,720	\$ 2,720
2.2 Additional Board Workshop	8	4			12	\$ 2,720	\$ -	\$ 2,720	\$ 2,720
<b>SUBTOTAL</b>	<b>16</b>	<b>8</b>	<b>0</b>		<b>24</b>	<b>\$ 5,440</b>	<b>\$ -</b>	<b>\$ 5,440</b>	<b>\$ 5,440</b>
<b>COLUMN TOTALS</b>	<b>20</b>	<b>8</b>	<b>2</b>	<b>0</b>	<b>30</b>	<b>\$ 6,720</b>	<b>\$ -</b>	<b>\$ 6,720</b>	<b>\$ 6,720</b>

10% mark-up on direct expenses; 15% mark-up for sub-contracted services  
 Standard mileage rate \$0.700 per mile (or current Federal Mileage Reimbursement Rate)  
 Rates are subject to revision as of January 1 each year.

## **LESJWA BOARD MEMORANDUM NO. 2025.2**

**DATE:** March 20, 2025

**SUBJECT:** Report on Audit for Fiscal Year Ending June 30, 2024

**TO:** LESJWA Board of Directors

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

### **RECOMMENDATION**

Receive and file the FY 2023-24 Report on Audit prepared by C.J. Brown & Company CPAs, 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 2023-24 Report on Audit (Financial Statements) prepared by C.J. Brown & Company CPAs.

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, 2024.

### **RESOURCES IMPACT**

None.

#### Attachments:

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

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**Lake Elsinore & San Jacinto Watersheds Authority**

**Management Report**

**June 30, 2024**

*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, 2024, in accordance with auditing standards generally accepted in the United States of America, we considered Authority 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 opinions 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 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**

*None Noted*

**Prior Year Comment and Recommendation**

*None Noted*

\*\*\*\*\*

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**  
Cypress, California  
April 17, 2025

Working Draft Subject to Review



**APPENDIX**

**Lake Elsinore & San Jacinto Watersheds Authority**

**Finance Committee Letter**

**June 30, 2024**

*Working Draft Subject to Review*

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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, 2024, and have issued our report thereon dated April 17, 2025. 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 4, 2024, 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 April 17, 2025.

### **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 2024. 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.

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 5 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 April 17, 2025.

### **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 Rachel Gray, 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**  
Cypress, California  
April 17, 2025

**Lake Elsinore San Jacinto Watershed Authority**  
**Schedule of Audit Adjusting Journal Entries**  
**June 30, 2024**

Account	Description	Debit	Credit
<b>Adjusting Journal Entries</b>			
<b>Adjusting Journal Entries JE # 1</b>			
CPE - To accrue Accounts Payable at June 30, 2024.			
100-00-60121-01	Consulting - General	104,098.54	
100-00-20200-00	Accrued Accounts Payable		104,098.54
<b>Total</b>		<b><u>104,098.54</u></b>	<b><u>104,098.54</u></b>
	<b>Total Adjusting Journal Entries</b>	<b><u>104,098.54</u></b>	<b><u>104,098.54</u></b>
	<b>Total All Journal Entries</b>	<b><u>104,098.54</u></b>	<b><u>104,098.54</u></b>

**Legend:**

CPE	Client Prepared Adjusting Journal Entry
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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, 2024**

Working Draft Subject to Review

# 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, 2024

<u>Representing</u>	<u>Name</u>	<u>Title</u>	<u>Appointment</u>
City of Lake Elsinore	Robert E. Magee	Chair	December 2016
Elsinore Valley Municipal Water District	Andy Morris	Vice Chair	January 2023
Santa Ana Watershed Project Authority	Brenda Dennstedt	Secretary/ Treasurer	January 2017
City of Canyon Lake	Dale Welty	Director	December 2020
County of Riverside	Karen Spiegel	Director	January 2023

Lake Elsinore & San Jacinto Watersheds Authority  
Rachel Gray, Authority Administrator  
11615 Sterling Avenue  
Riverside, CA 92503 • (951) 351-4220  
[www.mywatersheds.com](http://www.mywatersheds.com)

**Lake Elsinore & San Jacinto Watersheds Authority**

**Annual Financial Report**

**For the Fiscal Year Ended June 30, 2024**

*Working Draft Subject to Review*

**Lake Elsinore & San Jacinto Watersheds Authority**  
**Annual Financial Report**  
**For the Fiscal Year Ended June 30, 2024**

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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, 2024, 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, 2024, 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 Districts. 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 April 17, 2025, 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 this 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. This 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 on pages 32 and 33.

**C.J. Brown & Company, CPAs**

Cypress, California

April 17, 2025

**Lake Elsinore & San Jacinto Watersheds Authority**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2024**

## **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, 2024**

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 28 of this report.

**Government-wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Authority, assets exceeded liabilities by \$183,979 at June 30, 2024.

**Net Position**

	2024	2023	2022
<b>Assets</b>			
Current and Other Assets	\$ 406,644	317,316	307,760
<b>Total Assets</b>	<b>406,644</b>	<b>317,316</b>	<b>307,760</b>
<b>Liabilities</b>			
Current Liabilities	222,665	161,977	171,182
<b>Total Liabilities</b>	<b>222,665</b>	<b>161,977</b>	<b>171,182</b>
<b>Net Position</b>			
Restricted: LEAMS Program	56,400	56,400	102,450
Unrestricted	127,579	98,939	34,128
<b>Total Net Position</b>	<b>\$ 183,979</b>	<b>155,339</b>	<b>136,578</b>

The following denotes explanations on some of the changes between this fiscal year and the previous fiscal year:

- The \$89,328 increase in Current and Other Assets and the \$60,688 increase in Current Liabilities are both primarily due to regulatory work being done by a consultant at the end of the fiscal year. This resulted in the invoice not being paid during the fiscal year, increasing liabilities. This also accounts for the increase in Current and Other Assets, with the invoices not being paid, the funds remained in the cash/current asset accounts.

**Lake Elsinore & San Jacinto Watersheds Authority**  
**Management's Discussion and Analysis, continued**  
**For the Fiscal Year Ended June 30, 2024**

**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, 2024, the Authority did not have any amounts which qualify as net invested in capital assets, net of related debt.

Restricted

At June 30, 2024, the Authority had restricted net position of \$56,400.

Unrestricted

At June 30, 2024, the Authority had unrestricted net position of \$127,579.

Change in Net Position

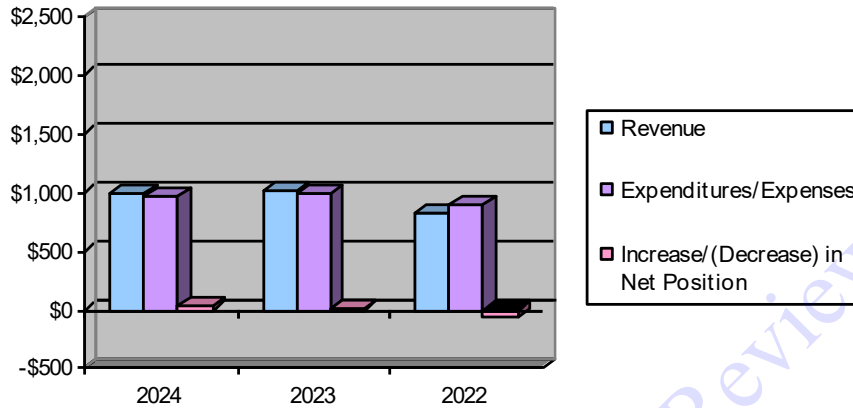
Overall, the fiscal year ending June 30, 2024, resulted in net position of \$183,979, a \$28,640 increase from the previous year.

**Changes in Net Position**

Item Category	2024	2023	2022
	Amount	Amount	Amount
Program Revenues	\$ 721,343	815,273	533,659
General Revenues	262,893	201,677	288,304
Total Revenues	984,236	1,016,950	821,963
Total Expenses	955,596	998,189	883,308
Change in Net Position	28,640	18,761	(61,345)
Beginning Net Position	155,339	136,578	197,923
<b>Ending Net Position</b>	<b>\$ 183,979</b>	<b>155,339</b>	<b>136,578</b>

**Lake Elsinore & San Jacinto Watersheds Authority**  
**Management's Discussion and Analysis, continued**  
**For the Fiscal Year Ended June 30, 2024**

**Increase in Net Position**  
(In thousands)



Revenues

Combined revenues for the fiscal year totaled \$984,236, a decrease of \$32,714, or 3.22%, from the prior fiscal year. The following table presents a comparison of revenues by category for the fiscal years 2024, 2023, and 2022.

**Revenues – Government Wide**

Revenue Category	2024		2023		2022	
	Amount	% of Total	Amount	% of Total	Amount	% of Total
Capital and Operating Grants	\$ 721,343	73.29%	815,273	80.17%	533,659	64.92%
Member Contributions	238,966	24.28%	196,679	19.34%	286,495	34.85%
Investment Returns, Net of Fair Value	18,427	1.87%	4,998	0.49%	(1,691)	-0.21%
Other	5,500	0.56%	-	0.00%	3,500	0.43%
<b>Total Revenues</b>	<b>\$ 984,236</b>	<b>100.00%</b>	<b>1,016,950</b>	<b>100.00%</b>	<b>821,963</b>	<b>100.00%</b>

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

- The \$93,930 decrease in capital and operating grants is due to additional lake water quality modeling budgeted in 2023 that was not budgeted for in 2024.
- The \$42,287 increase in member contributions is due to the additional costs associated with the hiring of a consultant to prepare and begin work on a LESJWA strategic plan, which was funded by the LESJWA member agencies.

**Lake Elsinore & San Jacinto Watersheds Authority**  
**Management's Discussion and Analysis, continued**  
**For the Fiscal Year Ended June 30, 2024**

Expenses

Combined expenditures for the fiscal year totaled \$955,596, a decrease of \$42,593, or 4.27%, from the prior fiscal year. The following table presents a comparison of expenditures by category for the fiscal years 2024, 2023, and 2022.

**Expenses – Government Wide**

Expense Category	2024		2023		2022	
	Amount	% of Total	Amount	% of Total	Amount	% of Total
Administrative	\$ 155,824	16.31%	215,890	21.63%	194,295	22.00%
Audit fees	4,675	0.49%	5,875	0.59%	5,000	0.57%
Consulting	738,206	77.25%	719,691	72.10%	581,263	65.81%
Legal fees	68	0.01%	-	0.00%	219	0.02%
Interest expense	423	0.04%	333	0.03%	81	0.01%
Other	56,400	5.90%	56,400	5.65%	102,450	11.60%
<b>Total Expenses</b>	<b>\$ 955,596</b>	<b>100.00%</b>	<b>998,189</b>	<b>100.00%</b>	<b>883,308</b>	<b>100.00%</b>

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

- The \$60,066 decrease in administrative costs is due to changes in staff and streamlining of administrative procedures.
- The \$18,515 increase in consulting costs is due to LESJWA hiring a consultant to prepare a LESJWA Strategic Plan.

**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, 2024, the Authority's general fund reported an ending fund balance of \$183,979, an increase of \$28,640 or 18.44% as compared to the previous year. The fund balance is made up of restricted funds of \$56,400 for the LEAMS program and \$127,579 in unreserved fund balance.

The general fund is the primary operating fund of the Authority. 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 increased by \$28,640 during the fiscal year as compared to the prior year.

**Lake Elsinore & San Jacinto Watersheds Authority**  
**Management's Discussion and Analysis, continued**  
**For the Fiscal Year Ended June 30, 2024**

Governmental Funds, continued

Overall, the general fund's performance resulted in revenues exceeding expenditures in the fiscal year ended June 30, 2024, by \$28,640. In the prior year, general fund expenditures exceeded revenues by \$18,761.

Major Programs Affecting 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 2024, the Canyon Lake Alum project was budgeted at \$240,677, but actual costs to implement the project were \$245,410. This increase in costs to implement the program were due to an increase in the cost of alum and were covered by drawing on funds from the stakeholder's 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 2024, the licensing of excess nutrient off-set credits to stakeholders with TMDL compliance obligations was budgeted at \$124,500, however; the cost of nutrient offset credits purchased was only \$68,400, due to the unavailability of nitrogen offset credits. The remaining funds of \$56,100 were again allocated to the stakeholder's cash reserve and will be applied as credit to the FY 2024-25 stakeholder invoices. 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 2024, the cost to fund this project was budgeted at \$254,784.

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. This included an annual cost of \$30,000 to provide technical support to the Task Force and an additional budget of \$50,000 to continue efforts to update the 2018 revised TMDL Technical report and other supporting documents. Project costs are allocated among participating TMDL Task Force members, based upon equal cost shares. In FYE 2024, the cost to fund this effort was budgeted at \$80,000.

**Lake Elsinore & San Jacinto Watersheds Authority**  
**Management's Discussion and Analysis, continued**  
**For the Fiscal Year Ended June 30, 2024**

**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, 2024.

**Budget versus Actual – General Fund**  
**For the Year Ended June 30, 2024**

	Budgeted Amounts Original and Final	Actual Amounts Budgetary and GAAP Basis	Variance with Budget Positive (Negative)
<b>Revenues</b>			
Capital and Operating Grants	\$ 663,251	721,343	58,092
Member Contributions	300,709	238,966	(61,743)
Investment Earnings, Net of Fair Value	1,650	18,427	16,777
JPA cash balance transfer	16,735	-	(16,735)
Other	-	5,500	5,500
<b>Total Revenues</b>	982,345	984,236	1,891
<b>Expenses</b>			
Administrative	191,810	155,824	35,986
Audit fees	5,600	4,675	925
Consulting	671,135	738,206	(67,071)
Legal fees	1,100	68	1,032
Interest expense	200	423	(223)
Other	112,500	56,400	56,100
<b>Total Expenses</b>	982,345	955,596	26,749
Excess of Revenues Over Expenditures	\$ -	28,640	28,640
Fund Balances – Beginning of Year		155,339	
Fund Balances – End of Year		183,979	



**Lake Elsinore & San Jacinto Watersheds Authority**  
**Management's Discussion and Analysis, continued**  
**For the Fiscal Year Ended June 30, 2024**

**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 \$67,071 negative variance for consulting expenses is due to LESJWA hiring a consultant to prepare a Strategic Plan, which was not budgeted.
- The \$61,743 negative variance for member contributions is primarily due to contributions that were made to update the LESJWA Strategic Plan in the amount of \$61,160. The decision to do this was made after the budget had been approved and the fiscal year had begun. Another factor is the contribution in the amount of \$112,093 from Riverside County Flood Control District was budgeted under Member Contributions but should have been budgeted under Capital and Operating Grants.
- The \$58,092 positive variance for capital operating grants is partly due to LEAMS offset credits for 2022-2023 that were applied to the 2023-2024 fiscal year and not included in the budget numbers for 2023-2024. Another factor is the contribution in the amount of \$112,093 from Riverside County Flood Control District was budgeted under Member Contributions but should have been budgeted under Capital and Operating Grants).
- The \$56,100 positive variance for other expenses is due to LEAMS nutrient offset credits being lower than expected due to lack of available total nitrogen credits for licensing to stakeholders.

**Capital Assets**

Existing Capital Assets

The Authority did not have any capital assets as of June 30, 2024.

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, 2024.

# **Basic Financial Statements**

*Working Draft Subject to Review*

**Lake Elsinore & San Jacinto Watersheds Authority**  
**Statement of Net Position**  
**June 30, 2024**

	<u>2024</u>
<b>Assets:</b>	
Cash and cash equivalents (note 2)	\$ 373,010
Accrued interest receivable	4,484
Accounts receivable	<u>29,150</u>
<b>Total assets</b>	<u>406,644</u>
<b>Liabilities:</b>	
Accounts payable and accrued expenses	<u>222,665</u>
<b>Total liabilities</b>	<u>222,665</u>
<b>Net position (note 3):</b>	
Restricted: LEAMS Program	56,400
Unrestricted	<u>127,579</u>
<b>Total net position</b>	<u><u>\$ 183,979</u></u>

Working Draft Subject to Review

See accompanying notes to the basic financial statements

**Lake Elsinore & San Jacinto Watersheds Authority**  
**Statement of Activities**  
**For the Fiscal Year Ended June 30, 2024**

	<b>2024</b>
<b>Expenses:</b>	
Administrative	\$ 155,824
Audit fees	4,675
Consulting	738,206
Legal fees	68
Interest expense	423
Other	56,400
<b>Total expenses</b>	<b>955,596</b>
<b>Program revenues:</b>	
Capital and operating grants	721,343
<b>Total program revenues</b>	<b>721,343</b>
<b>Net program expense</b>	<b>(234,253)</b>
<b>General revenues:</b>	
Member contributions	238,966
Investment returns, net of fair value	18,427
Other	5,500
<b>Total general revenues</b>	<b>262,893</b>
<b>Change in net position</b>	<b>28,640</b>
Net position – beginning of year	155,339
Net position – end of year	\$ 183,979

See accompanying notes to the basic financial statements

**Lake Elsinore & San Jacinto Watersheds Authority**  
**Balance Sheet**  
**Governmental Fund**  
**June 30, 2024**

		<b>General Fund</b>
<b>Assets:</b>		
Cash and cash equivalents	\$	373,010
Accrued interest receivable		4,484
Accounts receivable		29,150
<b>Total assets</b>	\$	406,644
<b>Liabilities:</b>		
Accounts payable and accrued expenses		222,665
<b>Total liabilities</b>		222,665
<b>Fund balance (note 3):</b>		
Restricted: LEAMS Program		56,400
Unassigned		127,579
<b>Total fund balance</b>		183,979
<b>Total liabilities and fund balance</b>	\$	406,644

Working Draft Subject to Review

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, 2024**

Fund balance of governmental fund	\$	183,979
Amounts reported for governmental activities in the Statement of Net Position are different because:		
<i>No Reportable Items</i>		-
Net position of governmental activities	\$	183,979

Working Draft Subject to Review

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, 2024**

		<u>General Fund</u>
<b>Revenues:</b>		
Capital and operating grants	\$	721,343
Member contributions		238,966
Investment returns, net of fair value		18,427
Other		5,500
		<hr/>
<b>Total revenues</b>		<b>984,236</b>
		<hr/>
<b>Expenditures:</b>		
Administrative		155,824
Audit fees		4,675
Consulting		738,206
Legal fees		68
Interest expense		423
Other		56,400
		<hr/>
<b>Total expenditures</b>		<b>955,596</b>
		<hr/>
<b>Excess of revenues over expenditures</b>		<b>28,640</b>
Fund balance – beginning of year		155,339
		<hr/>
Fund balance – end of year	\$	<u><u>183,979</u></u>

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, 2024**

Net change in fund balance – governmental fund	\$	28,640
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Amounts reported for governmental activities in the  
Statement of Activities are different because:

<i>No Reportable Items</i>		-
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Net position of governmental activities	\$	28,640
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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, 2024**

**(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, 2024**

**(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 the 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, 2024**

**(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 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. 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.

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.

**D. Assets, Liabilities, 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.

**Lake Elsinore & San Jacinto Watersheds Authority**  
**Notes to the Basic Financial Statements, continued**  
**For the Fiscal Year Ended June 30, 2024**

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

**D. Assets, Liabilities, and Net Position, continued**

**2. Cash and Cash Equivalents**

Substantially all of the 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 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, 2024.

**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. There were no prepaid expenses for the fiscal year ended June 30, 2024.

**6. 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, 2024.

**7. 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.

**Lake Elsinore & San Jacinto Watersheds Authority**  
**Notes to the Basic Financial Statements, continued**  
**For the Fiscal Year Ended June 30, 2024**

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

**D. Assets, Liabilities, and Net Position, continued**

**7. Net Position, continued**

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

- **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 does not meet the definition of *net investment in capital assets or restricted*.

**8. 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.
- **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.

**Lake Elsinore & San Jacinto Watersheds Authority**  
**Notes to the Basic Financial Statements, continued**  
**For the Fiscal Year Ended June 30, 2024**

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

**D. Assets, Liabilities, and Net Position, continued**

**8. Fund Balance, continued**

***Fund Balance Policy***

The Authority believes that sound financial management principles require that sufficient funds be retained by the Authority to provide a stable financial base at all times. To retain this stable financial base, the Authority needs to 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.

**9. 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:

	<b>2024</b>
Cash and cash equivalents	\$ 373,010

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

	<b>2024</b>
Deposits with financial institution	\$ 39,186
Local Agency Investment Fund (LAIF)	333,824
Total cash and investments	\$ 373,010



**Lake Elsinore & San Jacinto Watersheds Authority**  
**Notes to the Basic Financial Statements, continued**  
**For the Fiscal Year Ended June 30, 2024**

**(2) Cash and Cash Equivalents, continued**

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

	<u>2024</u>
Deposits held with the California Local Agency Investment Fund (LAIF)	217 days

***Authorized Deposits and Investments***

Under the 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.

***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](http://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).

**Lake Elsinore & San Jacinto Watersheds Authority**  
**Notes to the Basic Financial Statements, continued**  
**For the Fiscal Year Ended June 30, 2024**

**(2) Cash and Cash Equivalents, continued**

***Custodial Credit Risk, continued***

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.

***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.



**Lake Elsinore & San Jacinto Watersheds Authority**  
**Notes to the Basic Financial Statements, continued**  
**For the Fiscal Year Ended June 30, 2024**

**(2) Cash and Cash Equivalents, continued**

***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 89% of the Authority's total depository and investment portfolio. There were no investments in any one non-governmental issuer that represented 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.

**(3) Fund Balance**

Fund balances are presented in the following categories: nonspendable, restricted, committed, assigned, and unassigned (See Note 1.D.8 for a description of these categories). A detailed schedule of fund balances and their funding composition at June 30, 2024 is as follows:

Restricted:		
LEAMS Program	\$	56,400
Unassigned		127,579
Total fund balance	\$	183,979

**(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, 2024 were \$153,418. Amounts paid to SAWPA for fiscal year 2023-2024 consisted of \$49,652 for salaries, \$18,222 for benefits, \$84,011 for overhead allocation, \$423 for interest expense, and \$1,110 for other expenses. At June 30, 2024, the amount due to SAWPA was \$11,791.

**(5) Risk Management**

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

**Lake Elsinore & San Jacinto Watersheds Authority**  
**Notes to the Basic Financial Statements, continued**  
**For the Fiscal Year Ended June 30, 2024**

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

The Governmental Accounting Standards Board (GASB) has issued several pronouncements prior to June 30, 2024, that have effective dates that may impact future financial presentations.

***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.

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.

***Governmental Accounting Standards Board Statement No. 102***

In December 2023, the GASB issued Statement No. 102 – *Certain Risk Disclosures*. The primary objective of this Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact to have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter. Earlier application is encouraged.

**Lake Elsinore & San Jacinto Watersheds Authority**  
**Notes to the Basic Financial Statements, continued**  
**For the Fiscal Year Ended June 30, 2024**

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

***Governmental Accounting Standards Board Statement No. 103***

In April 2024, the GASB issued Statement No. 103 – Financial Reporting Model Improvements. The primary objective of this Statement is to improve key components of the financial reporting model to enhance effectiveness in providing information that is essential for decision making and assessing a government’s accountability. Also, this Statement: (1) continues the requirement that the basic financial statements be preceded by management’s discussion and analysis (MD&A), which is presented as required supplementary information (RSI); (2) describes unusual or infrequent items as transactions and other events that are either unusual in nature or infrequent in occurrence; (3) requires that the proprietary fund statement of revenues, expenses, and changes in fund net position continue to distinguish between operating and nonoperating revenues and expenses; (4) requires governments to present each major component unit separately in the reporting entity’s statement of net position and statement of activities if it does not reduce the readability of the statements; and (5) requires governments to present budgetary comparison information using a single method of communication—RSI.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. Earlier application is encouraged.

***Governmental Accounting Standards Board Statement No. 104***

In September 2024, the GASB issued Statement No. 104 – Disclosure of Certain Capital Assets. The primary objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets. This Statement establishes requirements for certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement No. 34, Basic Financial Statements and Management Discussion and Analysis for State and Local Governments. Also, this Statement establishes requirements for capital assets held for sale, including additional disclosures for those capital assets. The requirements of this Statement apply to the financial statements of all state and local governments.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. Earlier application is encouraged.

**(7) Commitments and Contingencies**

***Grant Awards***

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

***Litigation***

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

**(8) Subsequent Events**

Events occurring after June 30, 2024 have been evaluated for possible adjustment to the financial statements or disclosure as of April 17, 2025, which is the date the financial statements were available to be issued.

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## **Required Supplementary Information**

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**Lake Elsinore & San Jacinto Watersheds Authority**  
**Budgetary Comparison Schedule – General Fund**  
**For the Fiscal Year Ended June 30, 2024**

<i>Governmental Activities:</i>	Adopted Original Budget	Board Approved Changes	Final Budget	Actual Budgetary Basis	Variance Positive (Negative)
<b>Revenues:</b>					
Capital and operating grants	\$ 663,251	\$ -	\$ 663,251	\$ 721,343	\$ 58,092
Member contributions	300,709	-	300,709	238,966	(61,743)
Investment returns, net of fair value	1,650	-	1,650	18,427	16,777
JPA cash balance transfer	16,735	-	16,735	-	(16,735)
Other	-	-	-	5,500	5,500
<b>Total revenues</b>	<u>982,345</u>	<u>-</u>	<u>982,345</u>	<u>984,236</u>	<u>1,891</u>
<b>Expenditures:</b>					
Administrative	191,810	-	191,810	155,824	35,986
Audit fees	5,600	-	5,600	4,675	925
Consulting	671,135	-	671,135	738,206	(67,071)
Legal fees	1,100	-	1,100	68	1,032
Interest expense	200	-	200	423	(223)
Other	112,500	-	112,500	56,400	56,100
<b>Total expenditures</b>	<u>982,345</u>	<u>-</u>	<u>982,345</u>	<u>955,596</u>	<u>26,749</u>
<b>Excess of revenues over expenditures</b>	-	\$ -	-	28,640	\$ <u>28,640</u>
Fund balance – beginning of year	<u>155,339</u>		<u>155,339</u>	<u>155,339</u>	
Fund balance – end of year	<u>\$ 155,339</u>		<u>\$ 155,339</u>	<u>\$ 183,979</u>	

**Lake Elsinore & San Jacinto Watersheds Authority**  
**Notes to Required Supplementary Information**  
**For the Fiscal Year Ended June 30, 2024**

**(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, 2024**

**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  
Karen Spiegel  
Andy Morris  
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**

Rachel Gray, Authority Administrator  
Karen Williams, CFO SAWPA

**Legal Counsel**

Lagerlof, LLP

**Auditor**

C.J. Brown & Company, CPAs

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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, 2024, and the related notes to the financial statements, which collectively comprises the Authority’s basic financial statements, and have issued our report thereon dated April 17, 2025.

**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**  
Cypress, California  
April 17, 2025

Working Draft Subject to Review

## LESJWA BOARD MEMORANDUM NO. 2025.3

**DATE:** March 20, 2025  
**TO:** LESJWA Board of Directors  
**SUBJECT:** LESJWA Strategic Plan Update  
**PREPARED BY:** Rachel Gray, Authority Administrator

### RECOMMENDATION

Receive and file.

### DISCUSSION

In October 2023, the Board of Directors authorized LESJWA staff to execute an Agreement for Services with Water Systems Consulting, Inc. (WSC, Inc.) for Strategic Plan Facilitator Consultant Services in an amount not-to-exceed \$61,600.

WSC, Inc.'s Project Manager and Facilitator, Amy Stevens, will facilitate a discussion with the LESJWA Board and member agency staff to review the following items:

- **Vision:** A long-term aspiration that defines LESJWA's desired future.
- **Mission:** A clear statement of LESJWA's purpose and core responsibilities.
- **Values:** The guiding principles that shape decision-making and actions.
- **Goals:** Broad outcomes that LESJWA aims to achieve.
- **Objectives:** Specific, measurable steps to accomplish each goal.

### RESOURCE IMPACTS

The current FY 2023-24 LESJWA Budget did not account for this expense. The County of Riverside has committed \$25,000 to support the project. A one-time contribution from the City of Canyon Lake, City of Lake Elsinore, Elsinore Valley Municipal Water District, and Santa Ana Watershed Project Authority, in the amount of \$9,150 per agency, to fund the development of the LESJWA Strategic Plan.

Attachments:

1. PowerPoint presentation

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Lake Elsinore & San Jacinto Watersheds Authority

# Board and Staff Strategic Plan Review

*Creating  
a better  
water future<sup>®</sup>*

March 20, 2025

# Efforts to Date

Over the past several months, we have engaged in a collaborative process to refine LESJWA's strategic direction:

- **Board Workshop:** Established a shared understanding of vision and mission; began goals discussion.
- **Goals Sessions with LESJWA Member Agencies:** Gathered insights and perspectives from all LESJWA member agencies.
- **Two LESJWA Member Agency Staff Review Workshops:** Refined goals, vision, and mission with input from all LESJWA member agencies.
- **Final Board & Staff Review Workshop (Today):** Reviewing and finalizing the strategic plan together.

This process supports alignment, shared commitment, and a strong foundation for the future.

# Strategic Plan Elements

A well-structured strategic plan includes five key components:

- **Vision:** A long-term aspiration that defines LESJWA's desired future.
- **Mission:** A clear statement of LESJWA's purpose and core responsibilities.
- **Values:** The guiding principles that shape decision-making and actions.
- **Goals:** Broad outcomes that LESJWA aims to achieve.
- **Objectives:** Specific, measurable steps to accomplish each goal.

These elements work together to guide LESJWA's efforts in sustaining and improving the watershed.

**LESJWA is the beacon that drives  
community and ecological success in the  
San Jacinto River Watershed.**

**Draft Vision**

**Sustain the health of Canyon Lake and Lake Elsinore to enhance water quality, recreational opportunities, and regional economic viability.**

**Draft Mission**

1. **Stewardship** - Prioritize actions and decisions that maintain public health and improve water quality.
2. **Collaboration** - Work together across agencies, regulators, organizations, and communities, maintaining transparent communication to achieve common goals.
3. **Sustainability** - Commit to long-term environmental health and economic prosperity, building the capacity of our lakes and watershed to thrive under changing conditions.
4. **Financial Prudence** - Consistently seek the most advantageous outcomes when funding, supporting, and achieving our goals.
5. **Sound Decision-Making** - Use scientific research and data-driven approaches to guide our decisions.

## Draft Values



# UPDATED Overview of Draft Goals

1. Define what constitutes healthy lakes and promote efforts to meet that definition.
2. Strengthen collaboration and data sharing between agencies, communities, and the upper watershed.
3. Improve the long-term sustainability of the lakes by adapting to the impacts of climate uncertainties and evolving environmental challenges.
4. Promote a culture of transparency and accountability.
5. Secure and leverage funding for watershed projects, ensuring long-term financial sustainability.
6. Investigate promising technologies to advance the stewardship of the lakes.

# GOAL 1

## Define what constitutes healthy lakes and promote efforts to meet that definition.

### **Describe What Defines Healthy Lakes**

- Establish a clear understanding and definition of what constitutes a healthy lake. This sets the foundation for all subsequent efforts.

### **Define Healthy Lakes from Stakeholder Perspectives**

- Identify and define the beneficial uses of the lake from various agencies, cities, and stakeholder perspectives.

### **Develop an Approach to Define Lake Metrics for Healthy Lakes.**

- Independent expert panel to define short-, mid-, and long-term options for achieving healthy lakes.
- **Potential** metrics:
  - TP/TN
  - Chlorophyll-a
  - Ammonia
  - DO
  - Clarity
  - Odor
  - Algal Blooms
  - Lake Closure
  - Fish Kills

### **Develop a Work Plan and Schedule**

- Create a detailed plan for LESJWA and partners outlining specific actions (including mitigation and treatment options), milestones, and timelines to achieve the defined Healthy Lakes.

### **Implement Projects and a Monitoring Program**

- Execute the projects and establish a monitoring program to ensure ongoing assessment and maintenance of the lakes' health.



## **GOAL 2** **Strengthen** **collaboration and** **data sharing between** **agencies,** **communities, and the** **upper watershed.**

### **Streamline Processes and Reduce Inefficiencies**

- Communicate and coordinate with member agencies on information sharing.

### **Strengthen Collaboration Among LESJWA Member Agencies**

- Hold quarterly planning managers' meetings.

### **Engage Watershed Stakeholders**

- Provide regular presentations at stakeholder events.
- Engage with Lake Elsinore and Canyon Lake TMDL Task Force stakeholders on a watershed approach.

### **Educate and Inform the Public**

- Create and update a public dashboard.
- Host and attend local community events with all members.

**GOAL 3**  
**Improve the long-term sustainability of the lakes by adapting to the impacts of climate uncertainties and evolving environmental challenges.**

**Conduct Sustainability Assessment of Lakes**

- Assess the impacts of climate change and environmental challenges on the lakes and local communities.

**Participate in SAWPA Climate Adaptation and Resilience Plan Development**

- Define climate risks, vulnerabilities, and adaptation strategies that support the vision of Healthy Lakes.

**Evaluate Historical Trends and Model Future Climate Change Scenarios**

- Combining historical data with future forecasts provides a comprehensive approach to lake management in support of achieving the vision of Healthy Lakes.

## **GOAL 4**

# **Promote a culture of transparency and accountability.**

### **Establish Clear Roles and Responsibilities**

- LESJWA Board of Directors
- LESJWA Member Agencies
- LESJWA/SAWPA Staff
- LE/CL TMDL Task Force Stakeholders

### **Encourage Active Involvement in Decision-making**

- LESJWA Member Agencies

### **Promote Integrity and Transparency in Organizational Actions and Decisions**

- Provides a forum for open communication to facilitate collaborative decision-making

**GOAL 5**  
**Secure and leverage**  
**funding for**  
**watershed projects,**  
**ensuring long-term**  
**financial**  
**sustainability.**

**Develop Budget to Reflect LESJWA Goals**

**Develop Cost-Share Agreements as Needed**

**Identify Additional Funding Partners, Including Within  
the Upper Watershed**

**Pursue Grant Funding Based on Defined Need and  
Approach**

## **GOAL 6**

**Investigate promising technologies to advance the stewardship of the lakes.**

**Convene an Independent Expert Panel to Develop a Roadmap for Healthy Lakes**

**Facilitate Regular Engagement Between Member Agencies and Advanced Technology Experts**

**Support Pilot Projects to Rigorously Test Available Technologies**

# Next Steps

- Strategic Plan Design
- Board Approval

