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# Tumultuous Times

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The economy this past year has been challenging. The national unemployment rate has risen to over 10%. Many well-established companies and banking institutions have filed for bankruptcy protection, stock values have plummeted, and leaders in local, state, and federal governments have been forced to cut services. California was especially hard hit, with an annual budget deficit exceeding \$20 billion.

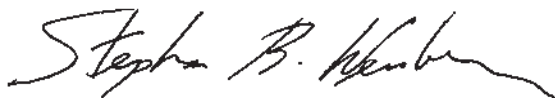
SCCWRP has not been immune to this pervasive economic crisis. Along with many other organizations in California, we faced a significant loss in revenue as the State's financial difficulties led to suspension of all bond-funded contracts. Approximately one-third of our contracts were put on hold. Even worse, we were informed that payment for work completed over the previous eight months, roughly 25% of the organization's annual revenue, would be delayed indefinitely.

Fortunately, we saw the storm clouds darkening and began to conserve resources even before the State budget actions took effect. We cut back on capital expenditures, deferred maintenance, limited training, and enacted a hiring freeze. After the State situations worsened, staff members with frozen projects shifted gears to work on continuing projects. Still, we had to dig into our rainy-day fund to keep the organization running smoothly.

Happily, we are beginning to see signs of recovery. We recently received payment for back invoices, along with the go-ahead to restart several suspended projects. We are thankful that the project suspensions turned around quickly enough for SCCWRP to avoid personnel cuts or furloughs, which would have caused us to lose valuable and hard-to-regain intellectual resources.

It is said that during difficult times the true nature of a person is revealed; the same is true for organizations. Over the past year, our staff demonstrated their resilience as they remained productive and focused despite the economic uncertainties surrounding them. That productivity can be seen in this Annual Report, which contains as many high quality articles as in any previous year. We also found out about the loyalty of our partners, several of which stepped up with bridge funding for frozen projects that would have suffered greatly from delay. The ultimate measure of our worth, though, occurred in June, when the Joint Powers Agreement that is the cornerstone for SCCWRP's existence needed to be renewed. In the midst of their own financial crises, all of our member agencies found a way to continue their commitment to our organization.

We do not take the trust our partners and member agencies place in us lightly. We are committed to providing a solid scientific foundation for California's water quality management community for many years ahead. With the support of our partners and member agencies, SCCWRP will continue to rise to that challenge.



Stephen B. Weisberg, Ph.D.

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