

SAWPA Commission
Regular Meeting Minutes

January 21, 2014

COMMISSION MEMBERS PRESENT

Phil Anthony, Chair
Don Galleano
Ron Sullivan
Mark Bulot
Terry Catlin

REPRESENTING

Orange County Water District
Western Municipal Water District
Eastern Municipal Water District
San Bernardino Valley Municipal Water District
Inland Empire Utilities Agency

OTHERS PRESENT

Tom Evans
Jasmin Hall
Ed Killgore
Brian Powell
Brenda Meyer
Mike Markus
Greg Woodside
Tom Gaworski
Christina Valencia
Andy Malone
Don Lee
Brad Neufeld
Celeste Cantú
Rich Haller
David Ruhl
Carlos Quintero
Mark Norton
Karen Williams
Dean Unger
Peter Vitt
Patti Bonawitz

Western Municipal Water District
Inland Empire Utilities Agency
San Bernardino Valley Municipal Water District
Eastern Municipal Water District
Western Municipal Water District
Orange County Water District
Orange County Water District
Orange County Sanitation District
Inland Empire Utilities Agency
Wildermuth Environmental, Inc.
Tetra Tech
Gresham Savage Nolan & Tilden
SAWPA
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The Regular Commission Meeting of the Santa Ana Watershed Project Authority was called to order at 9:32 a.m. by Chair Phil Anthony at the Santa Ana Watershed Project Authority Office, 11615 Sterling Ave., Riverside, CA 92503. Chair Anthony led the flag salute, and called for public comments; however, no comments were received.

At the request of OCSD, Celeste Cantú requested the Commission's consideration to add an item, which arose after the posting of the agenda, regarding OCSD Pre-treatment Cost Reimbursement (CM#8842).

Upon motion by Commissioner Sullivan, seconded by Commissioner Bulot, the motion unanimously carried (5-0):

14-01-03

MOVED, approval to add an item to the agenda, which arose after the posting of the agenda, regarding OCSD Pre-treatment Cost Reimbursement.

with the following vote:

Ayes: Bulot, Sullivan, Galleano, Catlin, and Anthony
Noes: None
Abstain: None
Absent: None

Chair Anthony stated that this item would be considered as the last item under New Business.

NEW BUSINESS

PROPOSITION 50 CONTRACT CHANGES FOR WMWD (CM#8836)

Peter Vitt highlighted the need for the budget modification and amendment to WMWD's Chino Creek Wellfield Project contract. The project construction costs were approximately \$1.5 million lower than the engineer's estimate. WMWD has proposed to lower its local match. If the budget modification and amendment are not approved, WMWD could lose \$1.5 million. These changes also are supported by the State Water Board.

Upon motion by Commissioner Catlin, seconded by Commissioner Sullivan, the motion unanimously carried (5-0):

14-01-04

MOVED, approval and directed staff to modify the budget in the contract with the State Water Board and to amend the corresponding Western Municipal Water District (WMWD) agency contract to reflect a change in budget for WMWD's Chino Creek Wellfield (CCWF) Project.

with the following vote:

Ayes: Bulot, Sullivan, Galleano, Catlin, and Anthony
Noes: None
Abstain: None
Absent: None

BASIN MONITORING PROGRAM (BMP) TASK FORCE – CONSULTANT SUPPORT (#8835)

Mark Norton reported that because of the significant delay from the original model run (Scenario 7) and the 2014 deadline required by the Regional Board, the Task Force is in full support of granting the contract to Wildermuth Environmental Inc. (WEI) to prepare an addendum to the 2008 Santa Ana River Wasteload Allocation Model Report, Scenario 8. This contract is for additional modeling and analysis to further assess the current wasteload allocation for nitrogen and TDS, specifically to the discharges from the Rialto and RIX wastewater treatment plants to the Riverside-A Management Zone. WEI recently was competitively selected through an RFP process to conduct BMP Task Force modeling work, and has the necessary expertise to accomplish this work in conformance with the Regional Board requirements and deadlines.

Mark Norton introduced Greg Woodside, a member of the Task Force, and Andy Malone from WEI.

Discussion ensued regarding the funding for this contract (the stakeholders - 28 agencies including the member agencies, and Chino Basin Watermaster), drought impacts incorporated into this work, and that this project work is a requirement by the Regional Board .

Upon motion by Commissioner Sullivan, seconded by Commissioner Catlin, the motion unanimously carried (5-0):

14-01-05

MOVED, approval of the Basin Monitoring Program Task Force recommends that the Commission approve Task Order No. 374-08 with Wildermuth Environmental, Inc. for the amount not-to-exceed \$80,000 for conducting an update to the Santa Ana River Wasteload Allocation Model, Scenario 8.

with the following vote:

Ayes: Bulot, Sullivan, Galleano, Catlin, and Anthony
Noes: None
Abstain: None
Absent: None

INLAND EMPIRE BRINE LINE REACH IV-A RELOCATION (CM#8841)

David Ruhl noted that this project is a part of the U.S. Army Corps of Engineers' (Corps) Prado Mainstem Project. The Yorba Slaughter Adobe Dike is being constructed to protect the Yorba-Slaughter Adobe, a historical landmark. The Inland Empire Brine Line Reach IV-A Upper was impacted by the Corps' dike construction, which included relocation of about 460 feet and temporary protection of about 250 feet of the Inland Empire Brine Line. Orange County Public Works is responsible to relocate and protect the Inland Empire Brine Line impacted by the construction, while the U.S. Army Corps of Engineers is responsible for the construction of the dike and providing project construction management.

Due to quality issues and delays in the construction, SAWPA took it upon itself to hire Krieger and Stewart Inc. to conduct pipeline inspection services. Krieger and Stewart has found many issues to be corrected. As the original project completion of May 2014 has been delayed to November 2014, it is important that SAWPA still has presence at the construction site. Additional inspection services of \$10,000 are necessary. These pipeline inspection services are reimbursable by Orange County Public Works. SAWPA will front the funds and Orange County Public Works will reimburse SAWPA.

Upon motion by Commissioner Bulot, seconded by Commissioner Sullivan, the motion unanimously carried (5-0):

14-01-06

MOVED, approval and authorized the General Manager to approve Change Order No. 3 (\$10,000) to Task Order No. KS&I320-02-03 with Krieger and Stewart Inc., increasing the total contract amount to \$60,000, for pipeline inspection services of the Inland Empire Brine Line Reach IV-A relocation.

with the following vote:

Ayes: Bulot, Sullivan, Galleano, Catlin, and Anthony
Noes: None
Abstain: None
Absent: None

Commissioner Sullivan reminded the Commission that a new Brown Act amendment, effective January 2014, requires the Chair to announce the vote of each Commissioner following the action. Chair Anthony acknowledged that he is announcing the votes in compliance with this new amendment.

WEF PROGRAMS SUPPORT – RITA SCHMIDT SUDMAN RETIREMENT RECEPTION

Celeste Cantú requested the Commission's consideration of sponsoring Water Education Foundation's (WEF) Programs in honor of Rita Schmidt Sudman's retirement in late March. Rita Sudman has been the Executive Director of the WEF for 34 years and has shown great leadership through her distinguished career. Commissioner Galleano stated that Rita has been a good friend to SAWPA and every Commissioner should attend her reception.

Upon motion by Commissioner Sullivan, seconded by Commissioner Catlin, the motion unanimously carried (5-0):

14-01-07

MOVED, approval and directed staff to contribute a \$1,000 sponsorship for WEF Programs support in honor of Rita Schmidt Sudman's retirement.

with the following vote:

Ayes: Bulot, Sullivan, Galleano, Catlin, and Anthony
Noes: None
Abstain: None
Absent: None

OCSD PRETREATMENT COST RECOVERY (CM#8842)

On January 14, 2014, Celeste Cantú and Commissioner Ron Sullivan met with OCSD Director Troy Edgar and Jim Herberg to discuss reimbursement for some of their pretreatment costs. As a result of that meeting, SAWPA proposes to reimburse OCSD not-to-exceed \$117,000 for their pretreatment consultant audit and services costs. This amount reflects the actual costs of the two contracts that were necessary to assess SAWPA's work, audit SAWPA's submittals, and provide technical and regulatory review of the proposed pretreatment program documents.

Upon motion by Commissioner Galleano, seconded by Commissioner Sullivan, the motion unanimously carried (5-0):

14-01-08

MOVED, approval of a payment not-to-exceed \$117,000 to Orange County Sanitation District for pretreatment consultant audit and services costs.

with the following vote:

Ayes: Bulot, Sullivan, Galleano, Catlin, and Anthony

Noes: None

Abstain: None

Absent: None

Celeste Cantú commented that Larry McKenney was testifying today before the State Water Resources Control Board in Sacramento regarding the recreational standards Basin Plan amendment, on behalf of the Stormwater Quality Standards Study Task Force.

OLD BUSINESS

EMPLOYEE COMPENSATION PACKAGE (#8838)

Celeste Cantú said that the Employee Compensation Ad Hoc Committee met and made a rather lengthy recommendation for the Commission's consideration. Commissioner Bulot condensed it by stating, "We have a convoluted recommendation, but this is the basis of our recommendation. The Committee met and discussed the employee compensation package with the Chief Financial Officers from IEUA, SBVMWD and SAWPA. The Committee recommends that the Commission accept staff's recommendations for a 1.93% COLA and four percent (4%) merit pool. The Committee also recommends that staff, with the assistance of the CFOs in attendance:

1. Investigate a step program for salary adjustments that may be more appropriate and equitable.
2. Look at equitable ways in which SAWPA can 'cap' the liability of the employer contributions to the paid-employee portion of the CalPERS retirement package, yet making it equitable to its employees."

Commissioner Bulot further stated that, "...the work performed by SAWPA staff is very different from its member agencies – it is like comparing apples and bananas. The Committee asked staff to investigate how step systems are approached with the respective member agencies' employee benefits and packages, including OCSD, to find an equitable way to compensate employees."

Alternate Commissioner Jasmin Hall said that the Committee also recommended that a total class and compensation study be conducted, and recommended that the CFOs and HR Managers be involved. The intent of the study will identify an appropriate approach for SAWPA employees to begin funding the employer-paid member contribution (EPMC), with the ultimate goal being that employees fund 100% of the EPMC.

Upon motion by Commissioner Bulot, seconded by Commissioner Catlin, the motion unanimously carried (5-0):

14-01-09

MOVED, approval:

1. FY2013-14 COLA (1.93%) and merit pool (4%); and
2. Directed staff to develop and present to the Commission a scope and cost estimate of a compensation structure study that will address:
 - a. Creating ranges and steps for current SAWPA positions. The intent is to create a more structured approach to total compensation that provides for regular professional development, puts payment for exceptional performance in a proper context, and regularizes decisions regarding COLAs and other benefits to simplify Commission decisions. Three of the five SAWPA member agencies currently have step systems. The Committee noted that market comparisons must be made with care, as some SAWPA positions are unique within the SAWPA family. The study would not be limited to looking at member agencies. Additionally, the class and compensation study would be used to ensure that wages and benefits (total compensation) earned by SAWPA employees are equitable and competitive with benchmarked agencies.
 - b. Developing a method to mitigate SAWPA's retirement contribution obligation in the future for pre-2013 employees by setting a total contribution level for agency employees to fund the Employer Paid Member Contribution (EPMC). The current practice of SAWPA paying the nominal employee share will be evaluated as part of the proposed class and compensation study to mitigate the agency's exposure to the risk of retirement cost increases going forward. The intent is that the study will identify an appropriate approach for SAWPA employees to begin funding the EPMC, with the ultimate goal being that employees fund 100% of the EPMC. Considering SAWPA's current payroll, retirement benefit formula and demographics, and in order to provide protection to the agency and fairness to the employees, several approaches should be evaluated, including the cap approach implemented by San Bernardino Valley Municipal Water District, and a phased-in multi-year approach implemented by Inland Empire Utilities Agency.

with the following vote:

Ayes: Bulot, Sullivan, Galleano, Catlin, and Anthony
Noes: None
Abstain: None
Absent: None

PRETREATMENT PROGRAM STATUS UPDATE

Rich Haller stated that SAWPA has reached the end of the Remedial Plan and a punch list has been created of remaining activities to be completed by June 30, 2014. Commissioner Bulot and Chair Anthony complimented Rich Haller for his leadership throughout this effort. Chair Anthony said that the leadership of OCSD also is very impressed with his efforts. Commissioner Bulot expressed his appreciation and said, "SAWPA is very lucky to have Rich Haller leading this effort." Rich Haller thanked the Commission for their support and also thanked them for their staffs' cooperation in rolling out the Pretreatment Program. The Commission concurred to receive and file his update.

OWOW – PROPOSITION 84, ROUND 2 DWR FUNDING RECOMMENDATION UPDATE

Celeste Cantú stated that SAWPA is hopeful to receive our full funding allocation. Gary Bardini, who came to address the SAWPA Commission on January 7, stated that DWR will make their decision by the end of this month. To date, we have not heard anything. The Commission concurred to receive and file her update.

CONSENT CALENDAR

Upon motion by Commissioner Galleano, seconded by Commissioner Sullivan, the motion unanimously carried (5-0):

14-01-10

MOVED, approval of the Consent Calendar.

- A. The Commission approved the Minutes from the Meeting of 1-7-14.
- B. The Commission directed the General Manager to file a Notice of Exemption for the Inland Empire Brine Line Reach V Rehabilitation and Improvement Project with the Riverside County Clerk's Office (CM#8837).

with the following vote:

Ayes: Bulot, Sullivan, Galleano, Catlin, and Anthony
Noes: None
Abstain: None
Absent: None

INFORMATIONAL REPORTS

The following oral/written reports/updates were received and filed:

- A. Cash Transactions Report – November 2013
- B. Inter-Fund Borrowing – November 2013 (CM#8839)
- C. Performance Indicators/Financial Reporting – November 2013 CM#8840)
- D. General Manager's Report
Celeste Cantú said that her written report reflects the two new Regional Water Board appointments – William von Blasingame and James Famiglietti. The Regional Board will select a new Chair at their next meeting.
- E. SAWPA General Managers Meeting Notes – January 14, 2014
- F. Chair's Comments/Report
- G. Commissioners' Comments

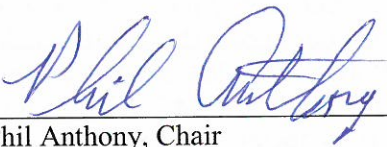
CLOSED SESSION

The Commission went into Closed Session at 10:00 a.m., pursuant to Government Code Section 54957, Public Employee Annual Performance Evaluation – General Manager. The Commission reconvened into Open Session at 10:13 a.m., and there was no reportable action taken.

There being no further business for review, Chair Anthony adjourned the meeting at 10:13 a.m.

APPROVED:

February 4, 2014



Phil Anthony, Chair

2014-1-21 Com Min