



**SAWPA COMMISSION
REGULAR MEETING MINUTES
JULY 19, 2016**

COMMISSIONERS PRESENT Thomas P. Evans, Chair, Western Municipal Water District
Ed Killgore, Vice Chair, San Bernardino Valley Municipal Water District
Ronald W. Sullivan, Secretary-Treasurer, Eastern Municipal Water District
Phil Anthony, Orange County Water District
Terry Catlin, Inland Empire Utilities Agency

COMMISSIONERS ABSENT None.

ALTERNATE COMMISSIONERS PRESENT; NON-VOTING Jasmin Hall, Alternate, Inland Empire Utilities Agency
Steve Copelan, Alternate, San Bernardino Valley Municipal Water District

STAFF PRESENT Celeste Cantú, Rich Haller, Larry McKenney, Mark Norton, Karen Williams, Dean Unger, David Ruhl, Carlos Quintero, Kelly Berry

The Regular Commission Meeting of the Santa Ana Watershed Project Authority was called to order at 9:30 a.m. by Chair Evans at the Santa Ana Watershed Project Authority, 11615 Sterling Avenue, Riverside, California.

1. CALL TO ORDER/PLEDGE OF ALLEGIANCE

2. ROLL CALL

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

3. PUBLIC COMMENTS

There were no public comments.

4. CONSENT CALENDAR

A. APPROVAL OF MEETING MINUTES: JUNE 21, 2016

Recommendation: Approve as posted.

B. TREASURER'S REPORT – JUNE 2016

Recommendation: Approve as posted.

C. MEMORANDUM OF UNDERSTANDING TO ACCEPT LOCAL COST-SHARE FOR THE WATER-ENERGY COMMUNITY ACTION NETWORK (WECAN) PROJECT (CM#2016.52)

Recommendation: Authorize the General Manager to execute a Memorandum of Understanding (MOU) with the City of Anaheim to implement the Water-Energy Community Action Network (WECAN) Project.

D. APPROVE OWOW STEERING COMMITTEE ACTION ON CHINO BASIN STORM WATER RESOURCES PLAN INCLUSION IN OWOW 2.0 PLAN (CM#2016.53)

Recommendation: Approve the unanimous action of the OWOW Steering Committee, taken at a Special Meeting held on July 7, 2016, to include the Chino Basin Storm Water Resources Plan within the OWOW 2.0 Plan.

MOVED, approve the Consent Calendar.

Result: **Adopted (Unanimously; 5-0)**
Motion/Second: Anthony/Catlin
Ayes: Anthony, Catlin, Evans, Killgore, Sullivan
Nays: None
Abstentions: None
Absent: None

5. NEW BUSINESS

A. STRATEGIC ASSESSMENT – FINAL PRESENTATION

Paul Brown, Redvers Brown, Inc., provided a final PowerPoint presentation covering SAWPA's Strategic Assessment. A packet with the Critical Success Factors (CSFs) and Processes, Activities or Tasks (PATs) for each of the three SAWPA business lines (Brine Line, OWOW, Roundtables) was provided and reviewed. Brown commended SAWPA staff for the level of effort and thought invested when compiling the PATs for each business line, and for quantifying what is needed to accomplish each PAT. Brown recommended more effort invested not only in the successful accomplishment of any given task, but also in whether or not it is the right task. It was noted that these are not reflective of back-office and other activities supporting the CSFs and PATs.

With this being the final presentation on his strategic assessment, Brown made the following observations:

- There is an apparent gap between proposed resource needs and estimates of what is currently budgeted. This exercise should not be viewed as a budgeting activity; however, results of the effort should inform the budget process.
- The value of the PATs is in identification of specific priorities and areas where increased focus can help ensure success.
- Additional effort could be focused on prioritization activities and the resources needed to accomplish them.
- Overlapping and cross-cutting activities can probably be consolidated.

Commissioner Anthony asked how the PATs are defined – do they include what staff is accomplishing, what they want to accomplish, what they might accomplish in the future? Brown noted many of the PATs are what staff is accomplishing, some are proposed activities outside of what is currently budgeted.

Chair Evans and the Commission thanked Paul Brown for his efforts during this strategic assessment process.

MOVED, receive and file this strategic assessment final report and the Critical Success Factors (CSFs) and Processes, Activities or Tasks (PATs) for each of the three SAWPA business lines (Brine Line, OWOW, Roundtables), and direct staff to provide a status update in six (6) months relative to accomplishing these CSFs and PATs, with continuing periodic status updates thereafter.

Result: **Adopted (Unanimously; 5-0)**
Motion/Second: Evans/Phil Anthony
Ayes: Anthony, Catlin, Evans, Killgore, Sullivan
Nays: None
Abstentions: None
Absent: None

B. STAFFING NEEDS (CM#2016.58)

Rich Haller provided a PowerPoint presentation on staffing needs for the Quality Assurance Program in support of Prop 84 and Prop 1 grant programs. At the June 21, 2016 Commission meeting, staff had been directed to bring back to the Commission a plan to hire one full time employee and include for comparison purposes a five-year average cost for consultant services. Staff's cost analysis determined a \$364,000 cost savings over a five-year period when hiring one full time staff person versus contracting for consultant services.

A discussion ensued as to staff's presentation and recommendation and the direction given at the June 21, 2016 meeting. Commissioner Sullivan thought staff had been directed to provide an analysis of remaining tasks for Prop 84 Rounds 1 and 2, how much was spent and on which tasks and who accomplished those tasks, and he voiced concern in hiring full time staff when Round 1 funding is almost completed. Commissioner Sullivan noted in reading the Commission memo he felt that if the Commission adopted it, authority would in essence be given to hire three staff positions at some point, not just this one, since the need for three staff positions is discussed within the body of the memo.

Haller stated this is one budgeted position that would be funded by the grant program, and there is sufficient work for this position. Adopting the Commission Memo would authorize staff to hire one position, not three; information on the three staff positions was provided for informational purposes, only, not to seek authority for three new staff members.

Concern was voiced as to the amount of SAWPA's grant administration costs. Karen Williams advised SAWPA's grant administration costs are currently at 2.9%. The State of California allocates a five percent (5%) budget for grant administration and quality assurance.

Commissioner Catlin stated staff's presentation was in line with the direction staff was given during the June 21, 2016 Commission meeting, and moved staff's recommendation.

MOVED, approve the revised Position Description (Project Manager Series) and authorize the hiring of one (1) budgeted staff person to perform quality assurance services to support grant programs.

Result:	Adopted (Passed; 4-1)
Motion/Second:	Catlin/Anthony
Ayes:	Anthony, Catlin, Evans, Killgore
Nays:	Sullivan
Abstentions:	None
Absent:	None

C. BASIN MONITORING PROGRAM TASK FORCE – CONSULTANT SUPPORT (CM#2016.56)

Mark Norton provided a PowerPoint presentation on approval of Basin Monitoring Program Task Force (BMPTF) consultant support. Three proposals were submitted in response to a competitive Request for Proposals (RFP) process. Submitting firms were CDM Smith Inc., Geoscience Support Services Inc., and Wildermuth Environmental Inc. Interviews were conducted by a team comprised of three Task Force agencies and SAWPA staff, and the unanimous recommendation was to select CDM Smith Inc. Approval of a task order with Tim Moore of Risk Sciences was also recommended, which is a source award and is fully supported by all the funding parties of the BMPTF given Tim Moore's unique background and regulatory experience.

Commissioner Anthony requested in the future staff provide to the Commission for consideration consultant cost amounts obtained during the RFP process.

Chair Evans directed staff to detail how recommended actions such as these support the applicable Critical Success Factors when making future presentations before the Commission.

MOVED, approve (1) Task Order No. CDM374-01 with CDM Smith for the amount not-to-exceed \$349,960 to prepare the Triennial Ambient Water Quality Recomputation for the Santa Ana River Watershed for the Period 1996-2015, and (2) Task Order RISK374-06 with Risk Sciences for the amount not-to-exceed \$73,000 to provide regulatory support services to the Basin Monitoring Program Task Force.

Result: **Adopted (Unanimously; 5-0)**
Motion/Second: Anthony/Catlin
Ayes: Anthony, Catlin, Evans, Killgore, Sullivan
Nays: None
Abstentions: None
Absent: None

D. INLAND EMPIRE BRINE LINE (BRINE LINE) TSS FORMATION BILLING FORMULA (CM#2016.57)

Rich Haller provided a PowerPoint presentation with background information on the TSS formation billing formula, existing and revised formulas, the monthly TSS formation amount and implementation timing. Bryan Trussell of Trussell Technologies, Inc., provided a PowerPoint presentation on the more technical aspects of TSS loading and formation in support of the revised billing formula.

Results of the sampling study showed 69% of TSS formation is calcium minerals (calcium phosphate and calcium carbonate) and 31% is biomass (bacteria – both dead and alive). When determining the formulation calculation, in terms of biomass it is a direct measure of the food available for bacteria growth. In terms of the calcium minerals, there are two parameters: calcium and alkalinity, which is a measure of the buffering capacity of the water (carbonates and phosphates). Trussell recommends the 69% in calcium minerals split into 41% alkalinity mass and 28% calcium mass. The current billing formula includes hardness, which considers hardness and magnesium; magnesium has no relevance to the solids formation and Trussell recommended its removal. The revised billing formula will directly examine calcium and alkalinity load.

Revised Billing Equation:

$$TSS_b = TSS_m + TSS_f * [dBOD_m/dBOD_t * (0.31) + C_m/C_t * (0.28) + A_m/A_t * (0.41)]$$

C = calcium
A = alkalinity

TSS_b = Billed TSS to discharger
TSS_m = Measured TSS for discharger
TSS_f = Formed TSS in Brine Line (calculated)
dBOD_m = Dissolved BOD measured for discharger
dBOD_t = Total dissolved BOD measured for all dischargers
C_m = Dissolved calcium measured for discharger
C_t = Total dissolved calcium measured for all dischargers
A_m = Dissolved alkalinity measured for discharger
A_t = Total dissolved alkalinity measured for all dischargers

Monitoring will occur continuously and updates will be provided to dischargers on a regular basis. Haller advised staff will attempt to limit revisions to the billing formula to once each year for budgeting and planning purposes. Commissioner Sullivan noted EMWD conducted its own testing which supports Trussell's recommendation, and he commended Rich Haller for his professional, collaborative leadership during this process.

MOVED, approve use of the new TSS Formation Billing Formula and approve a revised monthly target TSS formation (TSS_f) amount of 196,000 lbs/month in the Inland Empire Brine Line TSS Formation Billing Formula, effective with the August 2016 invoices.

Result:	Adopted (Unanimously; 5-0)
Motion/Second:	Catlin/Sullivan
Ayes:	Anthony, Catlin, Evans, Killgore, Sullivan
Nays:	None
Abstentions:	None
Absent:	None

6. **INFORMATIONAL REPORTS**

Recommendation: Receive and file the following oral/written reports/updates.

A. **STATUS REPORT AND BUDGET UPDATE – PROJECT AGREEMENT 22 COMMITTEE (CM#2016.54)**

Mark Norton provided a PowerPoint presentation with a PA 22 Committee status report and budget update, including background information on Conservation Based Reporting Tools and Rate Structure Implementation (Project 1, \$7,587,610 in grant funding) as well as removal of high visibility turf and device retrofitting (Project 2, \$5,272,500 in grant funding).

B. **EMERGING CONSTITUENTS PROGRAM TASK FORCE – SOCIAL MEDIA SUPPORT STATUS (CM#2016.55)**

Michelle DeGrave of DeGrave Communications provided a PowerPoint presentation on social media support services for the Emerging Constituents Program Task Force, which included information on development of a social media plan, administration of Facebook and Twitter accounts, as well as articles and content of blog posts on YourSoCalTapWater.org.

C. **CASH TRANSACTIONS REPORT – MAY 2016**

Presenter: Karen Williams

D. **INTER-FUND BORROWING – MAY 2016 (CM#2016.50)**

Presenter: Karen Williams

E. **PERFORMANCE INDICATORS/FINANCIAL REPORTING – MAY 2016 (CM#2016.51)**

Presenter: Karen Williams

F. **FINANCIAL REPORT FOR THE THIRD QUARTER ENDING MARCH 31, 2016**

- Inland Empire Brine Line (IEBL)
- SAWPA

Presenter: Karen Williams

G. **GENERAL MANAGER'S REPORT**

An article titled *The Unforgiving New Landscape for Water Utilities* was provided. Gale Hammons of Hammons Strategies was introduced. She is assisting with Brine Line communication and outreach, particularly on Reach V.

H. STATE LEGISLATIVE REPORT

I. SAWPA GENERAL MANAGERS MEETING NOTES

- July 12, 2016

J. CHAIR'S COMMENTS/REPORT

K. COMMISSIONERS' COMMENTS

Commissioner Catlin requested staff work with member agency and PA 23 representatives to determine what impact that effort will have on SAWPA staff.

L. COMMISSIONERS' REQUEST FOR FUTURE AGENDA ITEMS

Chair Evans requested that Gale Hammons provide a future update to the Commission on her outreach efforts relating to the Brine Line.

Performance reviews for Celeste Cantú and Larry McKenney should be scheduled.

7. CLOSED SESSION

Larry McKenney noted the Closed Session item the Commission would discuss, and stated that in addition to General Manager Celeste Cantú, Rich Haller and David Ruhl are essential to the discussion of Agenda Item No. 7.A.

At 11:07 a.m., Chair Evans recessed the meeting to Closed Session. Celeste Cantú, Rich Haller and David Ruhl participated in the discussion of Agenda Item No. 7.A.

A. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION PURSUANT TO GOVERNMENT CODE SECTION 54956.9(d)(1)

Name of Case: Spiniello Companies v. Charles King Company, Inc., Santa Ana Watershed Project Authority, The Ohio Casualty Insurance Company (Superior Court of Los Angeles BC616589)

Chair Evans resumed Open Session at 12:01 p.m., and announced the following action was taken on Agenda Item No. 7.A. by the Commission during Closed Session.

MOVED, deny the June 10, 2016 Charles King Company, Inc., claim in its entirety; and, approve an increase in spending authority for legal fees for Hunt Ortmann of \$500,000, to a total authorization of \$750,000.

Result:	Adopted (Unanimously; 5-0)
Motion/Second:	Catlin/Sullivan
Ayes:	Anthony, Catlin, Evans, Killgore, Sullivan
Nays:	None
Abstentions:	None
Absent:	None

8. ADJOURNMENT


There being no further business for review, Chair Evans adjourned the meeting at 12:02 p.m.

Approved at a Regular Meeting of the Santa Ana Watershed Project Authority Commission on Tuesday, August 2, 2016.



Thomas P. Evans, Chair

Attest:



Kelly Berry, CMC
Clerk of the Board