



PROJECT AGREEMENT 23 COMMITTEE
Santa Ana River Conservation and Conjunctive Use Program (SARCCUP)
REGULAR MEETING MINUTES
July 28, 2016

COMMITTEE MEMBERS PRESENT

Thomas P. Evans, Vice President, Board of Directors of the Western Municipal Water District
P. Joseph Grindstaff, General Manager, Inland Empire Utilities Agency [Vice Chair]
Douglas Headrick General Manager, San Bernardino Valley Municipal Water District [Chair]
Paul D. Jones, General Manager, Eastern Municipal Water District
Michael Markus, General Manager, Orange County Water District

ALTERNATE COMMITTEE MEMBERS PRESENT [Non-Voting]

John Rossi, General Manager, Western Municipal Water District [Alt]

COMMITTEE MEMBERS ABSENT

None

MEMBER AGENCY STAFF PRESENT

Eastern Municipal Water District
Kelley Gage
Brian Powell

Inland Empire Utilities Agency
Sylvie Lee

Orange County Water District
Greg Woodside
Adam Hutchinson

San Bernardino Valley Municipal Water District
Bob Tincer

Western Municipal Water District
Craig Miller
Tim Barr

Santa Ana Watershed Project Authority
Celeste Cantú
Larry McKenney
Rich Haller
Mark Norton
Kelly Berry

OTHERS PRESENT

Brian Dietrick, RMC Water & Environment; Tyler Old, Public Financial Management

1. CALL TO ORDER (Doug Headrick)

The regular meeting of the PA 23 Committee was called to order at 9:03 a.m. by Chair Headrick at the Santa Ana Watershed Project Authority, 11615 Sterling Avenue, Riverside, California.

2. PUBLIC COMMENTS

There were no public comments.

3. APPROVAL OF MEETING MINUTES: JULY 12, 2016

MOVED, approve July 12, 2016 meeting minutes.

Result: **Adopted (Unanimously; 5-0)**
 Motion/Second: Evans/Grindstaff
 Ayes: Evans, Grindstaff, Headrick, Jones, Markus
 Nays: None
 Abstentions: None
 Absent: None

4. COMMITTEE DISCUSSION ITEMS

A. SARCCUP PROJECT MANAGEMENT SERVICES – CONSULTANT SUPPORT (PA23#2016.1)

Mark Norton gave an oral presentation on the Agreement for Services with RMC Water and Environment to provide project management services in support of the Santa Ana River Conservation and Conjunctive Use Program (SARCCUP). A total of eight proposals were received and thereafter considered by a review committee composed of the planning managers from each of the SARCCUP member agencies. Representatives from the top four proposing firms were interviewed and fee proposals were reviewed. It was agreed among the SARCCUP planning managers that some tasks and costs could be eliminated since some would be undertaken by the SARCCUP agencies. The review committee unanimously recommended entering into an agreement with RMC Water & Environment for a five-year period (the life of the project); the anticipated not-to-exceed amount of the five-year agreement is \$1,284,489. Task orders will be issued on an annual basis over the five-year term of the agreement. Below is a breakdown of the anticipated task order amounts by fiscal year.

FYE	Task Order Amount
2017	310,429.00
2018	260,515.00
2019	240,927.00
2020	257,114.00
2021	215,505.00
Total Amount	\$ 1,284,489.00

Larry McKenney noted that pending approval of a PA 23 Committee FY 16-17 budget, Committee actions such as this require ratification by the Commission. The Commission will be asked to ratify this action of the PA 23 Committee at the next regular meeting.

MOVED, approve an Agreement for Services with RMC Water and Environment with a term through December 31, 2021, for project management services to support the Santa Ana River Conservation and Conjunctive Use Program (SARCCUP), and authorize Task Order No. RMC504-401-01 in the not-to-exceed amount of \$310,429.

Result: **Adopted (Unanimously; 5-0)**
Motion/Second: Jones/Markus
Ayes: Evans, Grindstaff, Headrick, Jones, Markus
Nays: None
Abstentions: None
Absent: None

B. SAWPA PA 23 COMMITTEE BUDGET PREPARATIONS (PA23#2016.2)

Mark Norton led a discussion on PA 23 Committee Budget preparation, and reviewed the following agenda packet items: (1) SARCCUP: Funding by Task, (2) SARCCUP: Funding by Agency; and, (3) SAWPA Labor Hours. It was noted that staff would continue to work with planning managers to discuss forthcoming additions to the Budget Category/Task column to include items such as land and easement purchases and certain outside costs to SARCCUP member agencies.

Project Administration costs (SAWPA/RMC) are projected at \$2M – approximately \$1.3M for RMC costs and \$692,000 for SAWPA. A discussion ensued regarding grant administration, the 5% grant administration set-aside amount (\$3.2M) and distribution of excess funds for project purposes, including distinction between SAWPA tasks and RMC tasks.

Grindstaff suggested establishing as a policy that if we underspend grant administration costs, excess funds would go toward administrative costs for the project. Markus requested clarification of the auditing process and level of effort involved. Evans noted it is equally important that the project implementers demonstrate the same level of detail and performance – efficiency, quality of work, etc.

Future budget preparation should include a side-by-side itemization of SAWPA and RMC tasks, and each line item in the budget that has a program administration aspect to it should be separated out. The addition of a reconciliation column to the SARCCUP: Funding by Agency table was requested.

This item was for informational purposes; no action was taken on Agenda Item No. 4.B.

C. STATUS UPDATE ON THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA (MWD) AGREEMENT

Paul Jones provided an oral update on recent discussions with MWD staff. A future meeting has been proposed for the second week of August.

This item was for informational purposes; no action was taken on Agenda Item No. 4.C.

D. DISCUSSION OF DRAFT FUNDING TERMS, CONCEPTUAL PROJECT SCENARIOS, AND THE AGREEMENT DEVELOPMENT TIMELINE

John Rossi provided and reviewed a handout showing concept modeling of Chino Basin storage (put) and recovery (take) scenarios, and emphasized it is a work in progress and actual numbers will vary depending on a number of factors. It was determined that the data should be reviewed by planning staff and comments provided to WMWD staff, who will

continue to work with consultants Brian Dietrick and Tyler Old and provide revisions for a more in-depth discussion at a future meeting to include operating scenarios for each of the banking facilities.

This item was for informational purposes; no action was taken on Agenda Item No. 4.D.

E. STATUS UPDATE ON THE DWR AND SAWPA GRANT AGREEMENT (PA23#2016.3)

Mark Norton provided an oral update on the DWR and SAWPA Grant Agreement. SAWPA staff met with DWR the week of July 18 and resubmitted comments to DWR based on their remarks. Land purchase costs will now be included. Adjustment of the end date to September 2021 has been requested.

This item was for informational purposes; no action was taken on Agenda Item No. 4.E.

F. STATUS UPDATE ON THE SUBGRANTEE AGREEMENTS BETWEEN SAWPA AND THE SAWPA MEMBER AGENCIES (PA23#2016.4)

Mark Norton provided an oral update on the subgrantee agreements between SAWPA and the SAWPA member agencies. Subgrantee agreements will not be signed until after the DWR grant agreement has been executed.

This item was for informational purposes; no action was taken on Agenda Item No. 4.F.

G. SITES RESERVOIR PROJECT: WATER SUPPLY INVESTMENT OVERVIEW

Chair Headrick provided a PowerPoint presentation on the Sites Reservoir Project and its water supply investment potential. The SBVMWD Board recently authorized participation in Phase I of this project. Committee members interested in investing were encouraged to contact Headrick for additional information. It was the consensus of the Committee that Headrick place this item on a future meeting agenda for discussion and consideration.

Joe Grindstaff left the meeting at 10:27 a.m., and did not return.

This item was for informational purposes; no action was taken on Agenda Item No. 4.G.

5. SET REGULAR PA 23 COMMITTEE MEETING SCHEDULE

Chair Headrick called for a motion to set the regular meeting schedule as proposed, noting there may be a need to reschedule some future meetings.

MOVED, regular meetings of the PA 23 Committee shall be held at 9:00 a.m., on the fourth Thursday of every month, at 11615 Sterling Avenue, Riverside, California.

Result:	Adopted (Unanimously; 4-0)
Motion/Second:	Jones/Evans
Ayes	Evans, Headrick, Jones, Markus
Nays:	None
Abstentions:	None
Absent:	Grindstaff

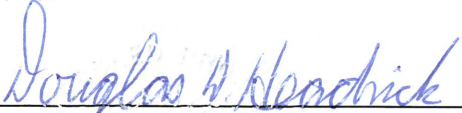
6. FUTURE AGENDA ITEMS

Discussion of rescheduling the September 22, 2016 regular meeting.

7. ADJOURNMENT

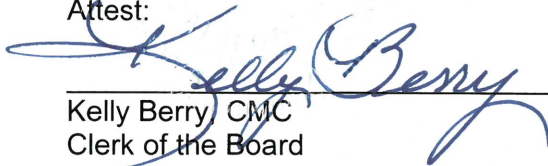
There being no further business for review, Chair Headrick adjourned the meeting at 10:39 a.m.

Approved at a Special Meeting of the Project Agreement 23 Committee on Thursday, August 25, 2016.



Douglas Headrick, Chair

Attest:



Kelly Berry CMC
Clerk of the Board