



**SAWPA COMMISSION  
REGULAR MEETING MINUTES  
MARCH 21, 2017**

**COMMISSIONERS PRESENT** Susan Lien Longville, Chair, San Bernardino Valley Municipal Water District  
Jasmin A. Hall, Secretary-Treasurer, Inland Empire Utilities Agency  
Thomas P. Evans, Western Municipal Water District  
Philip L. Anthony, Orange County Water District  
David Slawson, Alternate, Eastern Municipal Water District

**COMMISSIONERS ABSENT** Ronald W. Sullivan, Vice Chair, Eastern Municipal Water District

**ALTERNATE COMMISSIONERS PRESENT; NON-VOTING** Kati Parker, Alternate, Inland Empire Utilities Agency  
Gil Navarro, Alternate, San Bernardino Valley Municipal Water District

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

The Regular Commission Meeting of the Santa Ana Watershed Project Authority was called to order at 9:30 a.m. by Chair Longville 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. PUBLIC PRESENTATION**

Craig Miller, Deputy General Manager Western Municipal Water District provided PowerPoint overview of the La Sierra Pipeline Expansion Project commencing in March 2017 along La Sierra Avenue, south of SR 91 between Arizona Avenue and El Sobrante Road. This is a nearly \$36 million, 18 month project to increase local water supply and drought resiliency. It will deliver 3,500 acre feet of new water supply and allow future expansion of the Arlington Desalter.

**5. CONSENT CALENDAR**

**A. APPROVAL OF MEETING MINUTES: MARCH 7, 2017**

**B. TREASURER'S REPORT – FEBRUARY 2017**

**MOVED**, approve the Consent Calendar.

Result:	<b>Adopted (Unanimously; 5-0)</b>
Motion/Second:	Anthony/Evans
Ayes:	Anthony, Evans, Hall, Longville, Slawson
Nays:	None
Abstentions:	None
Absent:	None

6. **NEW BUSINESS**

A. **INLAND EMPIRE BRINE LINE REACH V REHABILITATION AND IMPROVEMENT PROJECT – PHASE 1 (CM# 2017.39)**

David Ruhl provided a PowerPoint presentation with a status report on the Inland Empire Reach V Rehabilitation and Improvement Project – Phase 1. The contractor has connected the bypass system on the north and south ends of Reach 2, and the above-ground bypass line has been installed. As briefed earlier, there will be a planned three-day shut down on Reach 3 beginning the evening of March 27 for installation of access structures on the north and south ends of Reach 3.

This item was for informational and discussion purposes; no action was taken on Agenda Item No. 6.A.

B. **INLAND EMPIRE BRINE LINE REACH V REHABILITATION AND IMPROVEMENT PROJECT, PHASE 1 – CONTINUED USE OF PUBLIC RELATIONS CONSULTANT (CM# 2017.40)**

Rich Haller provided a PowerPoint presentation briefing the Commission on public relations activities to date, as well as proposed activities over the next six months. Commissioner Anthony asked about the level of public response as a result of this consultant's services. Haller responded the level of public response depends on the level of activity in the field and that the response has been positive. Communication efforts have included town hall meetings, Facebook postings, and a construction hotline.

**MOVED**, approve Change Order No. 3 with Hammons Strategies in an amount not to exceed \$22,500, increasing the total contract amount to \$67,500 and extending the current Agreement for an additional six (6) months through September 2017.

Result:	<b>Adopted (Unanimously; 5-0)</b>
Motion/Second:	Evans/Hall
Ayes	Anthony, Evans, Hall, Longville, Slawson
Nays:	None
Abstentions:	None
Absent:	None

C. **LEASE OF WAREHOUSE SPACE (CM# 2017.41)**

Rich Haller provided a PowerPoint presentation on the proposed lease of 1,800 sq ft of warehouse space for a three-year term. The owner will pay water, sewer, trash, and will maintain the building fire alarm, fire sprinklers and roof. SAWPA will pay electricity, phone, internet, security, alarm and maintain space-specific improvements. Alternate Commissioner Slawson asked if there was a reason SAWPA would lease as opposed to buying; Haller responded that option could be explored as a long-term option. Commissioner Anthony asked if this was a competitive lease rate. Haller advised that of the locations researched this was in the best condition and the least expensive; additionally, its location is the most ideal for SAWPA's purposes. Commissioner Hall voiced security concerns and was assured staff will remain diligent.

**MOVED**, authorize the General Manager to sign a three-year lease agreement with Wilson Properties Inc. for a 1,800 square foot warehouse unit located at 11671 Sterling Avenue, Riverside, California.

Result: **Adopted (Unanimously; 5-0)**  
Motion/Second: Anthony/Hall  
Ayes: Anthony, Evans, Hall, Longville, Slawson  
Nays: None  
Abstentions: None  
Absent: None

**D. EMPLOYER PAID RETIREMENT PICK-UP MIGRATION REVIEW (CM# 2017.42)**

At the request of Commissioner Evans, this item was brought back before the Commission for review and consideration. In September 2015, the Commission approved a five-year transition period during which SAWPA Tier 1 Employees (2% at 55) would increase their contribution to CalPERS to assume the entire employee share of costs (1.4% over five years for a total of 7%). Commissioner Evans stated the employees should be made whole and SAWPA should replace the annual 1.4% migration with a corresponding 1.4% annual increase in salary. As it currently stands, an employee's COLA is diminished by the 1.4% increased CalPERS contribution paid by the employee. Commissioner Evans stated his proposal is exactly what other organizations have done to make their employees whole, and moved the recommendation to reimburse the employee 1.4% each year going forward. Commissioner Hall seconded the motion. Commissioner Anthony emphasized the Commission remember these payments are for the employees' benefit, the Commission is not taking money away from them. Chair Longville noted the tangible benefit of retaining employee talent.

Alternate Commissioner Slawson clarified that after five years, the full 7% will have been migrated and the employee will pay the full amount. It was confirmed that the schedule would stay as originally approved in September 2015, but that the 1.4% paid by the employee to CalPERS would be replaced by an annual 1.4% salary increase going forward until the 7% has been migrated over a period of five years. Chair Longville noted that taking this action is neutral to the agency.

Commissioner Anthony stated this was a new item he had not yet had the opportunity to discuss with his Board. Commissioner Hall stated this option had been discussed during the class and compensation study in 2015; Chair Longville concurred this option had been examined from many perspectives.

**MOVED**, reimburse the employee the 1.4% Employer Paid Retirement Pick-Up Migration each year going forward for the remaining years of the five-year transition period.

Result: **Adopted (Unanimously; 3-0-2)**  
Motion/Second: Evans/Hall  
Ayes: Evans, Hall, Longville  
Nays: None  
Abstentions: Anthony, Slawson  
Absent: None

**E. LEGISLATIVE ADVOCACY AND CONFLICT MANAGEMENT (CM# 2017.45)**

Staff was directed to work with our lobbyist in developing a policy to govern potential conflicts of interest in the future. Commissioner Anthony voiced his support of the proposed policy; however, he stated his desire that the policy encompass more than lobbyist activities. Chair Longville thanked Martha Davis for working closely with Michael Boccadoro on this policy. Alternate Commissioner Slawson asked if the proposed policy protects a member agency from paying for lobbying activities contrary to a position taken by that member agency. The policy as proposed does not; SAWPA's position has been to remain neutral. Commissioner Anthony noted an expanded policy might include language outlining steps to be taken should a conflict arise between the member agencies, such as advance discussion of conflicting positions. McKenney noted the proposed policy was crafted with the intent to require disclosure as conflicts arise, then place the issue completely within the Commission's power to resolve on a case-by-case basis.

**MOVED**, adopt the Legislative Advocacy and Conflict Management policy for managing conflicts related to legislative advocacy.

Result:	<b>Adopted (Unanimously; 5-0)</b>
Motion/Second:	Hall/Evans
Ayes	Anthony, Evans, Hall, Longville, Slawson
Nays:	None
Abstentions:	None
Absent:	None

**F. OUTSTANDING MEMBER AGENCY CONTRIBUTIONS (CM# 2017.43)**

At the request of the Commission during the March 7, 2017 meeting, this matter was brought back to the Commission for consideration. Staff proposed three options for consideration, recommending the third option:

1. Write off the outstanding member agency contributions for Orange County Water District for Fiscal Years 2013-14 and 2014-15 in the amount of \$23,000 each year (\$46,000 total),
2. Require Orange County Water District to pay the outstanding invoices plus ten percent (10%) interest per annum as per the JPA Agreement,
3. Ask Orange County Water District to pay for mutually agreed upon SAWPA activities in the amount of the outstanding contribution over a period of two years.

Commissioner Anthony stated he would recommend the third option to his Board. Commissioner Evans also recommended the third option, and suggested a mutually agreed upon SAWPA activity could be payment toward the Other Post-Employment Benefits (OPEB) budget. Commissioner Anthony concurred and moved to approve the third option, with Commissioner Evans' revision.

**MOVED**, relative to the outstanding member agency contributions for Orange County Water District for Fiscal Years 2013-14 and 2014-15 in the amount of \$23,000 each year (\$46,000 total), staff is directed to ask Orange County Water District to pay for mutually agreed upon SAWPA activities, such as payment toward the Other Post-Employment Benefits (OPEB) budget, in the amount of the outstanding contribution over a period of two years.

Result:	<b>Adopted (Unanimously; 5-0)</b>
Motion/Second:	Anthony/Evans
Ayes	Anthony, Evans, Hall, Longville, Slawson
Nays:	None
Abstentions:	None
Absent:	None

**G. INLAND EMPIRE BRINE LINE REACH V REHABILITATION PROJECT FUNDING INCREASE (CM# 2017.44)**

On June 18, 2013, the Commission approved Resolution No. 2013-07 directing the General Manager to apply for State Revolving Fund (SRF) financing in the amount of \$19 million for planning, design, and construction of Inland Empire Brine Line Reach V Improvements (Project). On October 15, 2013, the Commission identified Enterprise Fund net revenues as the dedicated source of revenue for repayment of the \$19 million SRF loan. Thereafter, SAWPA received bids on the Project, and the bid amount was substantially lower than the engineer's estimate for the Project. Accordingly, the initial SRF loan drawdown was only \$7.5 million of the \$19 million authorized amount. Subsequent to \$7.5 million drawdown, a new contractor was hired to complete the Project and prices are now anticipated to exceed the original engineer's estimate, supporting an additional SRF loan drawdown of \$7.5 million.

Supplementing the materials provided in the agenda packet, the following two overhead slides were presented:

Scenario 1: SAWPA increases the SRF Loan to \$15 million; in this scenario the minimum Brine Line Replacement Reserve balance is maintained at \$10 million in keeping with SAWPA's internal policy.  
Scenario 2: SAWPA keeps the SRF Loan amount at \$7.5 million; in this scenario the minimum Brine Line Replacement Reserve balance is not maintained at \$10 million in keeping with SAWPA's internal policy.

Alternate Commissioner Slawson expressed concern about receiving and filing this; the \$19 million was approved for the loan itself, not how it would be used for the Project. EMWD has a meeting scheduled with SAWPA in the upcoming weeks to discuss the Project – what was approved and overall management of Project.

This item was for informational and discussion purposes; no action was taken on Agenda Item No. 6.G.

**H. COMMISSIONER COMPENSATION (CM# 2017.46)**

On March 7, 2017, the Commission adopted Ordinance No. 2017-01 changing the Commissioner compensation rate to \$200 and setting the number of compensable days of service at six. Staff's proposed Policy and Amendment No. 6 to the Joint Powers Agreement would update the definition of compensable days to reflect days of service and define compensable days of service. As requested previously, the policy would retain the current SAWPA practice of allowing Commissioners to elect whether to be compensated directly by SAWPA or through the member agency, with SAWPA reimbursing the agency. Larry McKenney noted that each Commissioner has a limit on the number of compensable meetings per agency, and SAWPA meetings will count toward the agency's meeting cap when the Commissioner is compensated directly by the member agency. The proposed policy defines the types of meetings that are considered compensable, but would allow compensation for a greater range of Commissioner activities by designating certain activities as "requested by the Commission" and therefore automatically compensable without further authorization or ratification. Other meetings or activities on SAWPA's behalf may be compensable under the proposed policy if directed or ratified by the Commission at a regularly scheduled meeting.

**MOVED**, approve Amendment No. 6 to the 1975 Joint Powers Agreement regarding Commissioner compensation, direct staff to provide Amendment No. 6 to each member agency for approval by its governing board, and approve a proposed new policy regarding Commissioner compensation and days of service.

Result: **Adopted (Unanimously; 5-0)**  
Motion/Second: Anthony/Evans  
Ayes: Anthony, Evans, Hall, Longville, Slawson  
Nays: None  
Abstentions: None  
Absent: None

**7. INFORMATIONAL REPORTS**

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

**A. CASH TRANSACTIONS REPORT – JANUARY 2017**

**B. INTER-FUND BORROWING – JANUARY 2017 (CM#2017.37)**

Karen Williams reviewed the inter-fund borrowing agenda packet materials, and stated a cash flow projection will be brought back to the Commission at a future meeting.

**C. PERFORMANCE INDICATORS/FINANCIAL REPORTING – JANUARY 2017 (CM#2017.38)**

**D. STATUS REPORT – 2017 OWOW CONFERENCE (May 25 | Ontario Convention Center)**

**E. GENERAL MANAGER’S REPORT**

Celeste Cantú will pursue coordinating a reception to congratulate and welcome Joaquin Esquivel, recently appointed to replace Fran Spivy-Weber on the State Water Resources Control Board.

**F. SAWPA GENERAL MANAGERS MEETING NOTES – MARCH 14, 2017**

**G. STATE LEGISLATIVE REPORT**

**H. CHAIR’S COMMENTS/REPORT**

There were no comments from the Chair.

**I. COMMISSIONERS’ COMMENTS**

There were no Commissioner comments.

**J. COMMISSIONERS’ REQUEST FOR FUTURE AGENDA ITEMS**

There were no Commissioner requests for future agenda items.

**8. CLOSED SESSION**

Larry McKenney noted the Commission would discuss Agenda Item No. 8.A.. At 10:34 a.m., Chair Longville recessed the meeting to Closed Session. Designated personnel essential to the discussion of Agenda Item No. 8.A. were present during Closed Session.

**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 Longville resumed Open Session at 11:32 a.m., and stated the Commission took the following action during Closed Session.

**MOVED**, increase the spending authorization for Hunt Ortmann by \$750,000 to a total of \$1.5 million.

Result:	<b>Adopted (Unanimously; 5-0)</b>
Motion/Second:	Evans/Slawson
Ayes	Anthony, Evans, Hall, Longville, Slawson
Nays:	None
Abstentions:	None
Absent:	None

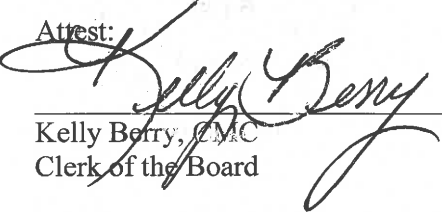
9. **ADJOURNMENT**

There being no further business for review, Chair Longville adjourned the meeting at 11:33 a.m.

**Approved at a Regular Meeting of the Santa Ana Watershed Project Authority Commission on Tuesday, April 4, 2017.**

  
Susan Lien Longville, Chair

Attest:

  
Kelly Berry, EMC  
Clerk of the Board