



S A W P A

SANTA ANA WATERSHED PROJECT AUTHORITY

11615 Sterling Avenue, Riverside, California 92503 • (951) 354-4220

REGULAR COMMISSION MEETING TUESDAY, SEPTEMBER 3, 2019 – 9:30 A.M.

AGENDA

1. CALL TO ORDER/PLEDGE OF ALLEGIANCE (Ronald W. Sullivan, Chair)

2. ROLL CALL

3. PUBLIC COMMENTS

Members of the public may address the Commission on items within the jurisdiction of the Commission; however, no action may be taken on an item not appearing on the agenda unless the action is otherwise authorized by Government Code §54954.2(b).

4. CONSENT CALENDAR

All matters listed on the Consent Calendar are considered routine and non-controversial and will be acted upon by the Commission by one motion as listed below.

- A. APPROVAL OF MEETING MINUTES: AUGUST 20, 2019.....5
Recommendation: Approve as posted.

5. CLOSED SESSION

- A. CONFERENCE WITH LEGAL COUNSEL – POTENTIAL LITIGATION PURSUANT TO GOVERNMENT CODE SECTION 54956.9(d)(2)
One Case

6. NEW BUSINESS

- A. SAWPA BUILDING RENOVATIONS PROJECT UPDATE (CM#2019.93).....11
Presenter: Carlos Quintero
Recommendation: Receive an update on the Building Renovation effort and approve an additional transfer of \$40,862.00 from Building Reserves.
- B. INLAND EMPIRE BRINE LINE DISCHARGER LEASE AGREEMENT (CM#2019.94).....15
Presenter: David Ruhl
Recommendation: Approve and Authorize the General Manager to execute a Discharger Lease Agreement with the Chino Desalter Authority (CDA) to lease 0.4 million gallons per day (MGD) of brine line pipeline and treatment and disposal capacity right from the Lease Capacity Pool for a period of six (6) months with the possibility of extending period for an additional six (6) months, subject to adequate commitment to the lease capacity pool.

- C. [GRANT AGREEMENT AMENDMENT TO THE SARCCUP WATER USE EFFICIENCY \(WUE\) COMPONENT \(CM#2019.95\)](#)23
Presenter: Ian Achimore
Recommendation: (1) Approve transfer of approximately \$1.2 Million in SARCCUP funding from the SARCCUP Conservation-Based Rates program to fund a new program, SARCCUP Water Use Efficiency (WUE) Budget Assistance; and, (2) Authorize the SAWPA General Manager to execute associated amendments to the Department of Water Resources (DWR) SARCCUP Grant Agreement and agreements with the implementing agencies.

- D. [SAWPA PARTICIPATION AND ENGAGEMENT IN OUTSIDE ORGANIZATIONS \(CM#2019.96\)](#).....33
Presenter: Larry McKenney
Recommendation: Receive and file an updated report.

- E. [LEGAL SERVICES, RESULTS OF REQUEST FOR QUALIFICATIONS \(RFQ\) | AWARD OF CONTRACT \(CM#2019.97\)](#)45
Presenter: Rich Haller
Recommendation: Receive a presentation on the Legal Services Request for Qualifications (RFQ) process; consider the benefits and costs of consultant-provided legal services versus a part time staff position; consider staff’s recommendation to utilize consultant-provided legal services as set forth in Option 1; provide direction to staff and authorize the General Manager to execute an Agreement for Services and issue a Task Order for up to an amount not to exceed \$75,000 to implement the Commission’s direction.

7. **INFORMATIONAL REPORTS**

Recommendation: Receive for information.

- A. **CHAIR’S COMMENTS/REPORT**
- B. **COMMISSIONERS’ COMMENTS**
- C. **COMMISSIONERS’ REQUEST FOR FUTURE AGENDA ITEMS**

8. **ADJOURNMENT**

Americans with Disabilities Act: If you require any special disability related accommodations to participate in this meeting, call (951) 354-4220 or email klucht@sawpa.org. 48-hour notification prior to the meeting will enable staff to make reasonable arrangements to ensure accessibility for this meeting. Requests should specify the nature of the disability and the type of accommodation requested.

Materials related to an item on this agenda submitted to the Commission after distribution of the agenda packet are available for public inspection during normal business hours at the SAWPA office, 11615 Sterling Avenue, Riverside, and available at www.sawpa.org, subject to staff’s ability to post documents prior to the meeting.

Declaration of Posting

I, Katie Lucht, Deputy Clerk of the Board of the Santa Ana Watershed Project Authority declare that on Wednesday, August 28, 2019, a copy of this agenda has been uploaded to the SAWPA website at www.sawpa.org and posted at the SAWPA office, 11615 Sterling Avenue, Riverside, California.

/s/

Katie Lucht

2019 SAWPA Commission Meetings/Events/Important Dates

First and Third Tuesday of the Month

(NOTE: Unless otherwise noticed, all Commission Workshops/Meetings begin at **9:30 a.m.**, and are held at SAWPA.)

March 3/5/19 Commission Workshop 3/19/19 Regular Commission Meeting 3/29/19 OWOW Conference 2019, Cal State Fullerton	April 4/2/19 Commission Workshop 4/16/19 Regular Commission Meeting
May 5/7/19 Commission Workshop [cancelled] 5/7 – 5/10/19 ACWA Spring Conference, Monterey 5/21/19 Regular Commission Meeting	June 6/4/19 Commission Workshop 6/18/19 Regular Commission Meeting
July 7/2/19 Commission Workshop 7/16/19 Regular Commission Meeting	August 8/6/19 Commission Workshop 8/20/19 Regular Commission Meeting
September 9/3/19 Commission Workshop 9/17/19 Regular Commission Meeting	October 10/1/19 Commission Workshop 10/15/19 Regular Commission Meeting
November 11/5/19 Commission Workshop 11/19/19 Regular Commission Meeting	December 12/3/19 Commission Workshop 12/17/19 Regular Commission Meeting 12/3 – 12/6/19 ACWA Fall Conference, San Diego

SAWPA COMPENSABLE MEETINGS

Commissioners and Alternate Commissioners will receive compensation for attending the meetings listed below, pursuant to the Commission Compensation, Expense Reimbursement, and Ethics Training Policy.

IMPORTANT NOTE: These meetings are subject to change. Prior to attending any meetings listed below, please confirm meeting details by viewing the website calendar using the following link:

<https://sawpa.org/sawpa-calendar/>

MONTH OF: September 2019

DATE	TIME	MEETING DESCRIPTION	LOCATION
9/9/19	1:30 PM	Santa Ana Sucker Conservation Team	SAWPA
9/18/19	1:30 PM	Basin Monitoring Program Task Force Mtg	SAWPA
9/25/19	9:00 AM	Lake Elsinore/Canyon Lake TMDL Task Force Mtg	SAWPA
9/26/19	8:00 AM	PA 22 Committee Mtg	SAWPA
9/26/19	11:00 AM	OWOW Steering Committee Mtg	SAWPA

MONTH OF: October 2019

DATE	TIME	MEETING DESCRIPTION	LOCATION
10/1/19	8:30 AM	PA 23 Committee Mtg	SAWPA
10/17/19	4:00 PM	LESJWA Board of Directors Mtg	Elsinore Valley MWD 31315 Chaney Street Lake Elsinore, CA 92530
10/22/19	9:00 AM	MSAR TMDL Task Force Mtg	SAWPA
10/22/19	1:30 PM	Emerging Constituents Program Task Force Mtg	SAWPA
10/23/19	9:00 AM	Lake Elsinore/Canyon Lake TMDL Task Force Mtg	SAWPA
10/24/19	8:00 AM	PA 22 Committee Mtg	SAWPA

Please Note: We strive to ensure the list of Compensable Meetings set forth above is accurate and up-to-date; the list is compiled based on input from SAWPA staff and Department Managers regarding meeting purpose and content.



**SAWPA COMMISSION
REGULAR MEETING MINUTES
AUGUST 20, 2019**

COMMISSIONERS PRESENT

Kati Parker, Vice Chair, Inland Empire Utilities Agency
Denis R. Bilodeau, Secretary-Treasurer, Orange County Water District
T. Milford Harrison, San Bernardino Valley Municipal Water District
David J. Slawson, Alternate, Eastern Municipal Water District
Bob Stockton, Alternate, Western Municipal Water District

COMMISSIONERS ABSENT

Ronald W. Sullivan, Chair, Eastern Municipal Water District
Brenda Dennstedt, Western Municipal Water District

**ALTERNATE COMMISSIONERS
PRESENT; NON-VOTING**

STAFF PRESENT

Rich Haller, Larry McKenney, Karen Williams, Dean Unger, Carlos Quintero, David Ruhl, Rick Whetsel, Ian Achimore, Kelly Berry

The Regular Commission Meeting of the Santa Ana Watershed Project Authority was called to order at 9:34 a.m. by Vice Chair Parker 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: AUGUST 6, 2019

Recommendation: Approve as posted.

B. TREASURER'S REPORT – JULY 2019

Recommendation: Approve as posted.

MOVED, approve the Consent Calendar.

Result:	Adopted (Unanimously)
Motion/Second:	Harrison/Bilodeau
Ayes:	Bilodeau, Harrison, Parker, Slawson, Stockton
Nays:	None
Abstentions:	None
Absent:	None

5. WORKSHOP DISCUSSION AGENDA

A. U.S. FOREST SERVICE PRESENTATION | FOREST FIRST PARTNERSHIP UPDATE (CM#2019.85)

Judy Noiron, Forest Supervisor, San Bernardino National Forest provided the PowerPoint presentation contained in the agenda packet on pages 17 – 21. Ms. Noiron provided two maps highlighting the conditions with the Santa Ana River Watershed with greater detail about the Deer Creek subwatershed portion of the Santa Ana River Watershed. Copies were provided to the Commissioners, staff and public. Ms. Noiron emphasized the importance of three numbers:

- 33% of land base in the Santa Ana Watershed is national forest land
- 90% of rainfall that falls in the watershed falls in the national forest
- 50% of water supply comes from the water that originates on the national forest

She and the United States Forest Service (USFS) are seeking partners to develop projects eligible for Proposition 1 Round 2 funding in order to improve headwaters of the watershed.

In response to inquiry by Commissioner Harrison regarding an oversight task force, Ian Achimore noted the Forest First Task Force would be meeting on August 21; staff was requested to provide a list of task force members to the Commission. Commissioners were encouraged to attend and provide input on August 21.

This item was for informational purposes; no action was taken on Agenda Item No. 5.A.

6. CLOSED SESSION

Vice Chair Parker recessed the meeting to Closed Session at 10:14 a.m. General Manager Rich Haller and Special Counsel James L. Payne were present during the discussion of Agenda Item No. 6.A.

A. CONFERENCE WITH LEGAL COUNSEL – POTENTIAL LITIGATION PURSUANT TO GOVERNMENT CODE SECTION 54956.9(d)(2)

One Case

Vice Chair Parker resumed Open Session at 10:42 a.m. There was no reportable action.

7. NEW BUSINESS

A. REQUEST FOR PROPOSALS (RFP) FOR CLOUD-BASED VOICE OVER IP (VOIP) PHONE SYSTEM (CM#2019.86)

Dean Unger provided an oral report on the advantages of transitioning to a Voice Over IP (VOIP) phone system, noting that the current phone system is five years old and the lease agreement will expire in November 2019. If approved the responses will be due September 19, 2019.

MOVED, authorize the issuance of a Request for Proposals (RFP) for Installation of a Cloud-Based Voice Over IP (VOIP) Phone System in fiscal year 2019-2020.

Result:	Adopted (Unanimously)
Motion/Second:	Harrison/Slawson
Ayes	Bilodeau, Harrison, Parker, Slawson, Stockton
Nays:	None
Abstentions:	None
Absent:	None

B. SAWPA PARTICIPATION AND ENGAGEMENT IN OUTSIDE ORGANIZATIONS (CM#2019.87)

Rich Haller noted this agenda item was continued from the August 6, 2019 Commission meeting for further input from the Commissioners not in attendance. Mr. Haller provided an update on the Commission recommendations provided at the August 6, 2019 meeting.

Direction was provided to staff to continue this Agenda Item No. 7.B. to the September 3, 2019 regular Commission meeting for further discussion and consideration.

C. INLAND EMPIRE BRINE LINE – SEWER SYSTEM MANAGEMENT PLAN (CM#2019.88)

Carlos Quintero provided a PowerPoint presentation regarding the Brine Line Sewer System Management Plan (SSMP), copies of which were provided to the Commission, staff and the public. At the conclusion of Quintero’s presentation, Vice Chair Parker opened the public hearing and invited comments.

There were no public comments. Vice Chair Parker closed the public hearing and called for a motion on staff’s recommendation.

MOVED, adopt the updated Brine Line Sewer System Management Plan.

Result:	Adopted (Unanimously)
Motion/Second:	Bilodeau/Slawson
Ayes	Bilodeau, Harrison, Parker, Slawson, Stockton
Nays:	None
Abstentions:	None
Absent:	None

D. SAWPA VEHICLE VANDALISM (CM#2019.89)

Carlos Quintero provided a PowerPoint presentation on recent Brine Line vehicle vandalism, copies of which were provided to the Commission, staff and the public.

Direction was provided to staff to provide a long-term solution to protect the SAWPA vehicles from further vandalism.

No vote was taken on Agenda Item No. 7.D.

E. LEGAL SERVICES, RESULTS OF REQUEST FOR QUALIFICATIONS (RFQ) | AWARD OF CONTRACT (CM#2019.90)

It was the consensus of the Commission to continue Agenda Item No. 7.E. to the September 3, 2019 regular Commission meeting.

8. INFORMATIONAL REPORTS

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

A. CASH TRANSACTIONS REPORT – JUNE 2019

B. INTER-FUND BORROWING – JUNE 2019 (CM#2019.91)

C. PERFORMANCE INDICATORS/FINANCIAL REPORTING – JUNE 2019 (CM#2019.92)

D. GENERAL MANAGER REPORT

Rich Haller provided a handout outlining additional information on the Watershed Ambassador Program being provided for SAWPA by the Local Government Commission, copies of which were provided to the Commission, staff and the public.

E. STATE LEGISLATIVE REPORT

Larry McKenny noted two important legislative issues that came to the attention of staff after the posting of the agenda. SB 1 (Atkins) is appeared to be continuing to move without significant amendments. Valley District had taken an “oppose” position, and IEUA, Western, and Eastern had taken “oppose unless amended” positions and joined the coalition letter with the large group lead by Metropolitan Water District. Water importers remain concerned about the bill’s intent to freeze environmental regulations and permits at a point in time, rather than allowing best available science to inform water operations. While the author’s office has resisted amendments, the administration recently proposed amendments, and there may still be an opportunity at this late date to influence the outcome. The Commission found this matter to require immediate action, voted to add the item to the agenda, and then voted to take an “oppose” position on SB 1.

McKenney briefed the Commission on three potential water bonds. Staff has been watching SB 45 (Allen) and a possible initiative proposed by Joe Caves. AB 352 (Garcia) was just comprehensively amended to become another bond proposal. None of the current proposals include IRWM funding. Consistent with SAWPA’s normal position on bonds, West Coast Advisors has provided information to Assemblymember Garcia’s staff on possible IRWM funding language modeled on the current Proposition 1 IRWM program.

Staff requested an item be added to the agenda requiring action that arose after the posting of the Agenda Vice Chair Parker called for a motion.

MOVED, determine that there is a need to take immediate action and that the need for action came to the attention of staff subsequent to the posting of the agenda for this August 20, 2019 meeting.

Result:	Adopted (Unanimously)
Motion/Second:	Harrison/Slawson
Ayes:	Bilodeau, Harrison, Parker, Slawson, Stockton
Nays:	None
Abstentions:	None
Absent:	None

MOVED, oppose SB 1 (Atkins) and directed the General Manager to formulate a letter and convey it accordingly.

Result:	Adopted (Unanimously)
Motion/Second:	Harrison/Slawson
Ayes:	Bilodeau, Harrison, Parker, Slawson, Stockton
Nays:	None
Abstentions:	None
Absent:	None

F. SAWPA GENERAL MANAGERS MEETING NOTES

- August 13, 2019

G. CHAIR’S COMMENTS/REPORT

There were no comments/reports from the Chair.

H. COMMISSIONERS’ COMMENTS

There were no comments from the Commissioners.

I. COMMISSIONERS' REQUEST FOR FUTURE AGENDA ITEMS

There were no Commissioners' request for future agenda items.

9. ADJOURNMENT

There being no further business for review, Vice Chair Parker adjourned the meeting at 11:07 a.m.

Approved at a Regular Meeting of the Santa Ana Watershed Project Authority Commission on Tuesday, September 3, 2019.

Ronald W. Sullivan, Chair

Attest:

Kelly Berry, CMC
Clerk of the Board

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COMMISSION MEMORANDUM NO. 2019.93

DATE: September 3, 2019
TO: SAWPA Commission
SUBJECT: SAWPA Building Renovations Project Update
PREPARED BY: Carlos Quintero, Operations Manager

RECOMMENDATION

Receive an update on the Building Renovation effort and approve an additional transfer of \$40,862.00 from Building Reserves.

DISCUSSION

The SAWPA Commission approved a total of \$336,300 for the Building Renovations project. The effort included renovating the SAWPA Board Room, the OWOW Room, the library, the downstairs restrooms, the downstairs lunch room, as well as various improvements to the parking lot.

As of August 22, 2019, a total of \$305,474.57 has been spent as shown in the table included as Attachment 1.

Additional funds not in the original budget are required as follows:

Item	Amount
Two (2) credenzas for Board Room and small table for OWOW Room	\$8,978.40
Additional cost for automatic front door	\$1,797.00
Awning replacement for front door	\$5,000.00
Change Orders for restroom vinyl tile	\$370.77
Change Order for installation of vinyl tile outside downstairs restrooms	\$225.00
Flooring installation in elevator	\$481.19
Flooring installation in upstairs kitchen	\$634.19
Additional partition laminate for future use	\$669.90
Emergency generators	\$2,000.00
Countertop for recycling bin/refrigerator	\$5,000.00
Kitchen cabinet re-laminate (upstairs/downstairs)	\$5,396.61
Window shades for upstairs offices	\$6,989.00
Storage cabinets (3) for upstairs	\$3,319.60
Parking Lot Improvements	To be determined
TOTAL	\$40,862.00

The credenzas for the Board Room are required to mount a 55-inch monitor and provide additional counter space. The cost budgeted for the automatic front door was \$10,000. Pasco Doors will provide the automatic door for \$11,797. The proposed automatic door will require replacing the existing awning in the front of the building at an estimated cost of \$5,000. There were minor change orders required during the installation of the vinyl tile, such as work around the restroom drains and installation of vinyl tile

rather than carpet outside the downstairs restrooms. There was vinyl tile remaining and the contractor was directed to install it in the elevator and the upstairs kitchen area. The laminate used in the restroom partitions will be discontinued in the near future; the \$669.90 is required to buy additional laminate sheets (a total of three (3) 60 sq. ft sheets) in case repairs are needed in the future. The downstairs and upstairs kitchen cabinets need to be re-laminated due to normal wear and tear at a cost of \$5,396.61. The upstairs offices facing the west of the building get significant afternoon sun, which increases temperature inside the offices; the cost to install the same type of shades installed in the OWOW Room is \$6,989.00. Additional storage is required for SAWPA conference materials; three (3) storage cabinets will replace existing shelves in the upstairs area for a cost of \$3,319.60. The original budget approved for the parking lot improvements was \$30,000. The total SAWPA share for the parking lot improvement is still not known until scheduling issues and final costs are determined by Western Municipal and the Sterling Avenue Pump Station construction manager (Krieger & Stewart); a separate recommendation will be made to the SAWPA Commission once the schedule and total costs are known. A total of \$5,000 was budgeted for 3 emergency generators, the cost of each generator will be approximately \$2,000, plus tax and electrical supplies to install a quick connect outlet from the server room to the outside of the building. A total of \$5,000 is estimated to fabricate a countertop for the area outside the Board Room to house the recycling and trash containers, as well as the refrigerator.

CRITICAL SUCCESS FACTORS

N/A

RESOURCE IMPACTS

Funds for the building improvements are available in the Building Reserve Fund.

Attachments:

1. Cost summary for Building Renovations

Attachment 1. Building Renovation Cost Summary

Description	Vendor	Price
Waterless Urinal	Home Depot	\$336.06
Sinks	Home Depot	\$269.01
Faucets	Home Depot	\$357.06
Hand Dryers	Amazon	\$1,820.45
Baby Changing Stations	Amazon	\$2,180.90
Paint/primer	SB Paints	\$561.87
6-in floor scraper	Home Depot	\$170.35
Luxury Vinyl Tile (LVT)	Total Plan Business Interiors	\$1,949.89
Various supplies (electrical)	Home Depot	\$77.76
Spotlight housing	Home Depot	\$338.86
Floor scaper rental	Home Depot	\$170.61
Various supplies (electrical)	Home Depot	\$51.03
Various supplies (electrical)	Home Depot	\$253.84
Plumbing and electrical supplies	Home Depot	\$152.36
Electrical conduits	Home Depot	\$31.89
Electrical lubricant	CED - Corona	\$10.90
Materials for scraper repair	Home Depot	\$8.92
Drinking fountain with bottle station	Amazon	\$1,156.40
Floor drains	Ferguson	\$221.18
Electrical supplies	Home Depot	\$425.37
Monitor OWOW Room	DELL	\$6,141.67
Restroom electrical/plumbing	Home Depot	\$38.41
Restroom electrical/plumbing	Home Depot	\$205.20
Electrical/plumbing supplies	Home Depot	\$185.34
Refrigerator	Amazon	\$206.61
Mirrors and mounts	Lowe's	\$82.56
Caulking	Home Depot	\$18.45
Sanitary napkin receptacle	Amazon	\$84.72
Roll-off bin rental	Burrtec	\$771.26
False wall for urinal	Custom Coatings	\$1,400.00
Paint restrooms	Custom Coatings	\$3,400.00
Partitions	BP Cabinets	\$16,200.00
LVT installation - restrooms	Tricord	\$4,129.84
Baby Changing Stations (installation)	Custom Coatings	\$400.00
Furniture set-up, demo	Total Plan Business Interiors	\$10,125.00
Consulting services	Total Plan Business Interiors	\$10,000.00
Window wet-sealing	All Star Caulking & Waterproofing	\$8,500.00
Door handle replacement	Dib's Locksmith	\$4,238.18
Monitors, stands	Dell	\$15,562.16
Cabling, electrical monuments	West Coast Cable	\$12,913.00
Front Door	Pasco	\$11,797.00
Painting	SPC	\$13,535.00
Flooring	Tricord	\$34,317.55
Furniture, wall tiles, blinds		\$140,677.91
TOTAL SPENT AS OF AUGUST 22, 2019		\$305,474.57
ADDITIONAL ITEMS REQUIRED		
Parking lot (pending) [Cost to be determined]	Regan Paving	-
Emergency generators (pending)	N/A	\$7,000.00
Additional furniture (pending)	Total Plan Business Interiors	\$8,978.40
Additional laminate (pending)	Total Plan Business Interiors	\$669.90
Countertop outside Board Room (pending)	BP Cabinets	\$5,000.00
Kitchen cabinet improvements (US/DS) (pending)	BP Cabinets	\$5,396.61
Window shades, upstairs offices (pending)	Exciting Windows!	\$6,989.00
Awning replacement for front door (pending)	Affordable Awnings Co.	\$5,000.00
Storage cabinets (3) for upstairs (pending)	Total Plan Business Interiors	\$3,319.60
TOTAL ADDITIONAL ITEMS REQUIRED		\$42,353.51
TOTAL BUDGET REQUIRED		\$347,828.08

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COMMISSION MEMORANDUM NO. 2019.94

DATE: September 3, 2019

TO: SAWPA Commission

SUBJECT: Inland Empire Brine Line Discharger Lease Agreement

PREPARED BY: David Ruhl, Engineering Manager

RECOMMENDATION

Approve and Authorize the General Manager to execute a Discharger Lease Agreement with the Chino Desalter Authority (CDA) to lease 0.4 million gallons per day (MGD) of brine line pipeline and treatment and disposal capacity right from the Lease Capacity Pool for a period of six (6) months with the possibility of extending period for an additional six (6) months, subject to adequate commitment to the lease capacity pool.

DISCUSSION

The SAWPA Commission approved the creation of a lease capacity pool in December 2018. The lease capacity pool allows existing and potential dischargers to lease brine line pipeline and treatment and disposal capacity right without the financial burden of purchasing the capacity right. Currently, one (1) MGD of pipeline and treatment and disposal capacity right is valued at approximately \$10.6 Million. SAWPA Member Agencies participate in the lease capacity pool by contributing capacity that is not currently used. Currently, there is 100,000 gallons per day (gpd) of capacity right in the lease capacity pool. Western Municipal Water District (WMWD) and Inland Empire Utilities Agency (IEUA) made an initial contribution to the pool of 50,000 gpd each. Eastern Municipal Water District and San Bernardino Valley Municipal Water District did not contribute to the pool since they do not have excess capacity to commit to the pool. Lease revenues are distributed to capacity pool participants based on the capacity contributed regardless of the discharger's location.

Recently, CDA submitted a written request to SAWPA to lease 0.4 MGD (or 400,000 gpd) of capacity for a period of six months with the possibility of extending the time period for an additional six months. In order to have the requested capacity available in the lease pool, SAWPA and CDA have requested IEUA to add 300,000 gpd to the current lease pool balance of 100,000 gpd for a total lease pool capacity of 400,000 gpd. IEUA will consider a resolution contributing the additional capacity to the lease pool at their September 18, 2019 Board Meeting. CDA will consider approval of the Lease Discharge Agreement at their September 5, 2019 Board Meeting.

The attached Lease Discharger Agreement contains the following pertinent points:

- SAWPA agrees to lease to CDA 0.4 MGD of capacity right at a wastewater strength of 250 mg/l BOD and 250 mg/l TSS.
- A discharge permit is required to use the leased capacity.
- Effective date of the lease is October 1, 2019.
- Monthly lease charge is \$30,781.67 per month (per SAWPA Resolution 2019-05).

- CDA will pay regular brine line rates for flow, BOD, TSS, Fixed Pipe and Fixed Treatment.
- Term of the lease shall be for a period of six (6) months with the possibility of extending the time period for one (1) additional six (6) month period.

RESOURCE IMPACTS

Minimal staff costs are necessary to administer the lease capacity pool program. Lease revenues are distributed to capacity pool participants (WMWD and IEUA) based on the proportionate share of capacity contributed. SAWPA will receive additional brine line revenue due to additional discharges into the system.

Attachment:

1. Discharger Lease Agreement

INLAND EMPIRE BRINE LINE DISCHARGER LEASE AGREEMENT
BETWEEN
SANTA ANA WATERSHED PROJECT AUTHORITY (SAWPA)
AND
CHINO BASIN DESALTER AUTHORITY (CDA)

This Agreement is made this ___th day of September, 2019, by and between SAWPA and CDA. SAWPA and CDA are individually and collectively referred to as the Party and Parties respectively.

RECITALS

- A. The Inland Empire Brine Line is a wastewater pipeline conveyance system constructed for the transmission of non-reclaimable wastewater. The pipeline extends from the Orange County line into the Upper Santa Ana River Watershed. At the Orange County line, it connects to the Orange County Sanitation District's (OCSD's) Santa Ana River Interceptor (SARI), which conveys wastewater to OCSD's treatment plant in Huntington Beach. SAWPA owns and operates the Inland Empire Brine Line, and Member Agencies and other agencies in the upper watershed (hereafter referred to as the "Agency" or "Agencies") own 30 million gallons per day (MGD) of pipeline capacity right in the SARI as defined in various agreements.
- B. Agencies in the upper watershed also own a treatment and disposal capacity right of 17 MGD and there is an ability to purchase up to 30 MGD in certain wastewater treatment and disposal facilities owned by OCSD. This treatment and disposal right, and the pipeline capacity right referred to in Recital A above, are subject to certain payment obligations and other terms and conditions as defined in the Treatment and Disposal Capacity Agreement with OCSD dated July 24, 1996 (1996 Agreement) that is administered by SAWPA and paid by the Agencies in the upper watershed.
- C. Through the 1996 Agreement SAWPA has purchased 17 MGD of treatment and disposal capacity right from OCSD and in turn sold this capacity right to Agencies in the upper watershed. Flow and water quality are defined components of the purchase based upon the maximum flow rate (Million Gallons per Day, MGD) and strength of Biochemical Oxygen Demand (BOD) (measured as BOD5) and Total Suspended Solids (TSS) presented as milligrams per liter (mg/l) and pounds per day (lbs/day).
- D. The 1991 Memorandum of Understanding between SAWPA and OCSD Governing Quality Control of Wastewaters Discharged continues to define the pretreatment roles and responsibilities for SAWPA and OCSD. SAWPA's Ordinance No. 8, and any successors or amendments thereto, defines the discharge permitting requirements and process that applies to all discharges to the Brine Line.

- E. The Agencies utilize pipeline capacity and treatment and disposal capacity rights for individual dischargers in their service areas. Use of the capacity requires that the discharger obtain a discharge permit from the Agency, as well.
- F. A long-term "Lease Capacity Pool" was created by SAWPA and the Agencies to make available pipeline and treatment and disposal capacity rights. The Lease Capacity Pool is subject to terms and conditions as defined in the Agreement between SAWPA and the Agencies dated April 11, 2019 that is administered by SAWPA.
- G. CDA Currently owns 3.67 MGD of pipeline capacity right in the Brine Line and 3.35 MGD of treatment and disposal capacity right.
- H. CDA desires to lease additional pipeline capacity and treatment and disposal capacity right in the amount of 0.4 MGD (hereafter referred to as "Capacity Right"). SAWPA has evaluated the system capacity availability for CDA's location and found that a 0.4 MGD capacity lease can be accommodated.
- I. SAWPA anticipates having adequate commitments to the Lease Capacity Pool to implement this lease.

COVENANTS

NOW THEREFORE, the Parties in consideration of the mutual promises contained in this Agreement do hereby covenant and agree as follows:

1. Leasing of 0.4 MGD of Capacity Right. SAWPA agrees to lease to CDA an additional 0.4 MGD of Capacity Right for the delivery, treatment and disposal of Industrial Wastewater to the Brine Line at a wastewater strength of 250 mg/l BOD and 250 mg/l TSS, also expressed as 834 lbs/day BOD and 834 lbs/day TSS. CDA shall comply with SAWPA Ordinance No. 8 and any successors or amendments thereto. A discharge permit is required to use the leased capacity, and this Lease Agreement does not modify any permit processes or requirements. Service to lessee is interruptible for O&M activities or in the event of an emergency as allowed by SAWPA's Ordinance No. 8 and any successors or amendments thereto.
2. Effective Date: The Lease of 0.4 MGD of Capacity Right agreed to herein will occur on the First Day of the month following the date of the agreement.
3. Lease Connections. CDA's additional connections to the Brine Line, if any, for the 0.4 MGD of Capacity Right leased under this Lease Agreement shall be submitted for approval in advance to SAWPA and built at CDA's sole cost and expense. CDA shall obtain all necessary permits as required by SAWPA's Ordinance No. 8, and any successor or amendment thereto, and federal,

state and local laws and regulations, prior to making any additional connections to the Brine Line and prior to discharging its additional 0.4 MGD of flow to the Brine Line allowed under this Lease Agreement.

4. Monthly Lease Charge. CDA shall make lease payments to SAWPA for the 0.4 MGD of Capacity Right being leased under this Lease Agreement in the amount of \$30,781.67 per month. The lease payment is calculated as follows:

$$\text{Monthly Lease Charge} = A \times B \times 365 / 12$$

Where

A = Capacity Right quantity in gallons per day (gpd), 400,000 gpd

B = Lease Rate per SAWPA Resolution 2019-05, \$0.00253 / gallon

5. Lease Payment. SAWPA will invoice CDA on the Effective Date for the 1st Month's Lease. Subsequently, SAWPA will invoice the Monthly Lease Charge on the first day of each month. Payment shall be made by CDA upon receipt of an invoice from SAWPA.
6. Brine Line Rates. In addition to the payment required for the lease of the Capacity Right reference above, CDA shall pay SAWPA the treatment and volumetric user charges for treatment and disposal of non-reclaimable and temporary domestic wastewater discharged hereunder, sometimes referred to by SAWPA as user charges, as such costs may be determined from time-to-time by the SAWPA Commission for Flow, BOD, TSS, Fixed Pipe and Fixed Treatment including any minimum costs attributable to the treatment and disposal capacity being leased under this Lease Agreement. Payment for these costs shall be made by CDA upon receipt of an invoice from SAWPA.
 - a. If the discharge during any month exceeds CDA's owned capacity and the Capacity Right leased for flow, BOD, or TSS, a surcharge for the month will be applied based on the maximum daily use. If a surcharge is applied for three consecutive months, CDA shall be required to modify the agreement increasing the Capacity Right leased. The surcharge will be based on the unit lease prices (flow, BOD, TSS) applied for the entire month. Flow will be based on the actual daily flow information. BOD and TSS will be based on the average of samples taken during the previous 12 month period. In the event of missing data, an average value will be used as determined by SAWPA.
7. Term of Lease: The term of the Lease shall be for a period of six (6) months from the Effective Date. The agreement shall automatically renew for one (1) additional term of six (6) months unless CDA provides SAWPA notice that it intends not to renew the lease not less than thirty (30) days prior to the expiration of the term. Additional renewal of the agreement is only allowed by agreement by both parties and is contingent upon the availability of Capacity in the

Lease Capacity Pool. Upon expiration of the term CDA shall then remove its 0.4 MGD of flow from the Brine Line.

8. Termination: This Lease may be terminated as follows:
 - a. Automatically, when this Lease Agreement expires as described above.
 - b. On the last day of the month, upon written notice provided to SAWPA by CDA by the first day of the same month.
 - c. For cause in the event that CDA fails to perform in accordance with, and is in default under, this Lease Agreement, including failure to pay the Monthly Lease Charge or Brine Line Rates. However, SAWPA shall first provide notice of such nonperformance and default to CDA, and if CDA fails to correct or cure the default or nonperformance within thirty (30) days of the date of mailing of that notice, CDA's 0.4 MGD of Leased Capacity Right shall terminate on the thirtieth (30th) day after such notice was delivered or sent, and CDA shall remove its 0.4 MGD of flows from the Brine Line within fourteen (14) days from the expiration of the foregoing thirty (30) day deadline.
 - d. For cause if CDA's permit for discharge to the Brine Line is revoked, withdrawn, or suspended.

9. Rights and Responsibilities of Orange County Sanitation District are retained. The parties to this Agreement understand and agree that OCSD retains its rights and responsibilities as defined in the 1991 MOU and 1996 Agreement. This Lease Agreement in no way diminishes the effectiveness or reduces the scope of the 1991 MOU and 1996 Agreement.

10. Amendments and Modifications. The terms of this Agreement may only be amended or modified in writing and signed by the Parties.

11. No Third Party Beneficiaries. There are no intended third party beneficiaries of any right or obligation assumed by the Parties under this Lease Agreement. This Lease Agreement cannot be assigned nor can any right or obligation hereunder be subleased to any other party or entity without both Parties to this Lease Agreement agreeing to such assignment or sublease in writing.

12. Counterparts. This Lease Agreement may be signed in counterparts, each of which shall constitute an original and which collectively shall constitute one document.

13. Entire Agreement. This Lease Agreement contains the entire agreement between the Parties and supersedes any prior oral or written statements or agreements or representations between the Parties.

14. Notice. Except as otherwise provided herein, all notices and other communications required or permitted hereunder shall be in writing, and shall be delivered in person, by E-mail, or sent by certified mail, return receipt requested, and shall be deemed received upon actual receipt or 72 hours after deposit in the mail of the United States Postal Service, postage prepaid and addressed as follows:

To SAWPA:
Santa Ana Watershed Project Authority (SAWPA)
Attention: General Manager
11615 Sterling Avenue
Riverside, CA 92503
Rhaller@sawpa.org
(951) 354-4220

To CDA:
Chino Basin Desalter Authority
Attention: General Manager
2151 S. Haven Avenue, Suite 202
Ontario, CA 91761
toneill@chinodesalter.org
(909) 218-3729

In witness whereof, SAWPA and CDA have executed this Agreement as of the day and year first above written:

Chino Basin Desalter Authority

By: _____
Name: _____
Title: _____
Date: _____

Santa Ana Watershed Project Authority

By: _____
Richard E. Haller P.E.
General Manager

Date: _____

Final August 22, 2019

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COMMISSION MEMORANDUM NO. 2019.95

DATE: September 3, 2019

TO: SAWPA Commission

SUBJECT: Grant Agreement Amendment to the SARCCUP Water Use Efficiency (WUE) Component

PREPARED BY: Ian Achimore, Senior Watershed Manager

RECOMMENDATION

It is recommended that the Commission:

- 1) Approve transfer of approximately \$1.2 Million in SARCCUP funding from the SARCCUP Conservation-Based Rates program to fund a new program, SARCCUP Water Use Efficiency (WUE) Budget Assistance, and,
- 2) Authorize the SAWPA General Manager to execute associated amendments to the Department of Water Resources (DWR) SARCCUP Grant Agreement and agreements with the implementing agencies.

DISCUSSION

On June 27, 2019, staff briefed the Project Agreement 22 Committee that support for use of grant and local match funding available through the SARCCUP Conservation-Based Rates Program (Rate Program) was fairly non-existent by retail water agencies in the Santa Ana River Watershed. The Committee subsequently suggested to staff to redirect the Rate Program's budget of approximately \$1.2 Million to a new program. Because this change requires an amendment to SAWPA's grant agreement with DWR, Commission approval is required.

SAWPA worked with the Conservation Advisory Workgroup to develop the following new program called SARCCUP Water Use Efficiency Budget Assistance. This program would help interested retail water agencies in the Santa Ana River Watershed with developing outdoor water budgets for a certain percentage of their dedicated irrigation customers. The benefits of this new task include:

1. Uses existing SARCCUP conservation-based water rates funding for a new water use efficiency task;
2. Helps agencies comply with State regulations that require water agencies to adhere to agency-wide water budgets (per Senate Bill 606 and Assembly Bill 1668);
3. Provides agencies with budgets to prepare them to eventually study/adopt conservation-based rates;
4. Provides agencies with tools to implement water use efficiency programs, like targeted campaigns, in order to determine inefficient water users; and
5. Provides water agency field staff, that perform water audits, with tools.

Through Senate Bill 606 and Assembly Bill 1668 (2018), retail water agencies are required to develop budgets for their dedicated irrigation accounts and roll those into retail-wide water budgets. Developing these retail-wide water budgets will be required, through annual reports submitted to the Department of Water Resources, starting in November 2023. Dedicated irrigation meter outdoor water budgets are often more difficult to create, in comparison to residential customer budgets, because their landscape areas have unique boundaries and their meters may serve multiple parcels. Creating these budgets will require

SAWPA to acquire the services of two consultants. The first would be tasked with field measuring irrigable areas for the dedicated irrigation meter customers and the second would be tasked with managing data from retail water agency billing systems and digitizing the field measurements from the first consultants. SAWPA is estimating that it can assist approximately ten retail water agencies through this work (an increase over the five agencies that were estimated for the existing Rates Program).

The estimated budget for this new task is included in Table 1 below:

Table 1: Water Use Efficiency Budget Assistance Budget

Cost Item	Amount
Landscape Area Creation Costs	\$703,200
Data Management and Analysis Costs	\$150,000
SAWPA Project Management	\$182,190
Grand Total	1,035,390
<i>Contingency</i>	<i>\$179,210</i>

The contingency includes the difference between the Rates Program budget of \$1,214,600 and the Grand Total of the new task's costs. The contingency is worthwhile to ensure sufficient funding is available to complete the work based on the uncertainty of the work costs to be undertaken by consultants for SAWPA under a competitive RFP process.

If approved, the work description of this new program would be included in the Amendment No. 2 to the DWR/SAWPA Agreement for the SARCCUP project currently being developed.

CRITICAL SUCCESS FACTORS

- Administration of the OWOW process and plan in a highly efficient and cost-effective manner.
- Data and information needed for decision-making is available to all.

RESOURCE IMPACTS

Funding for this program would be provided by the Prop 84 2015 Round grant program dedicated to the SARCCUP project, Water Use efficiency component. No additional local match would be required.

Attachments:

1. PowerPoint Presentation
2. Grant Agreement Amendment Language

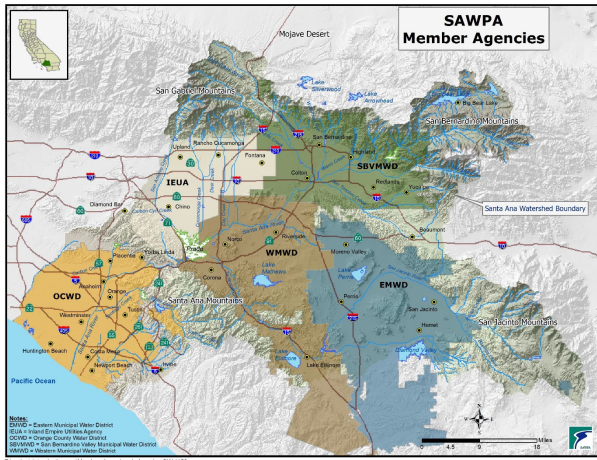
Grant Agreement Amendment to the SARCCUP Water Use Efficiency Component



Ian Achimore
Senior Watershed Manager
Santa Ana Watershed Project Authority
September 3, 2019

1

Santa Ana River Conservation and Conjunctive Use Program



SAWPA Member Agencies

- OCWD - Orange County Water District
- EMWD - Eastern Municipal Water District
- WHWD - Western Municipal Water District
- IEUA - Inland Empire Utilities Agency
- Valley Municipal Water District
- Coastkeeper - Orange County Coastkeeper

Other Agencies: Western Municipal Water District, Inland Empire Utilities Agency, Orange County Coastkeeper.

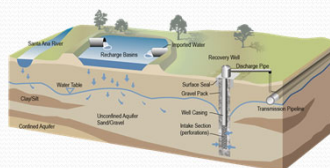
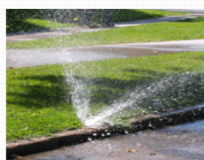
Geographical Features: Mojave Desert, San Gabriel Mountains, San Bernardino Mountains, Santa Ana Watershed Boundary, Pacific Ocean, San Jacinto Mountains.

Notes:
OCWD = Orange County Water District
EMWD = Eastern Municipal Water District
WHWD = Western Municipal Water District
IEUA = Inland Empire Utilities Agency
Valley = Valley Municipal Water District
Coastkeeper = Orange County Coastkeeper

2

SARCCUP Components

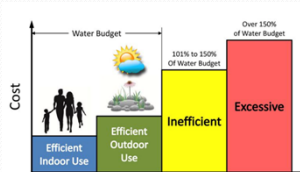
- **Habitat Improvement:** Arundo Removal & fish habitat restoration
- **Water Use Efficiency:** Conservation-Based Rates, Smartscape Landscaping Design and Support
- **Groundwater Banking:** “Put and Take” Conjunctive Use Facilities



3

SARCCUP Water Use Efficiency

- ▶ Conservation-Based Water Rates* Program
 - ▶ 5 retail agencies study and adopt the rate structure
- ▶ Smartscape Program (Coastkeeper)
 - ▶ Landscape design
 - ▶ Irrigation audits
 - ▶ Irrigation tune-ups



*Also known as budget-based water rates.

4

Conservation-Based Rates

- SAWPA has led outreach effort
- Several retail water agencies initially interested
- No agency interest currently due to:
 - Billing system upgrades
 - Perception that drought is over
 - Other priorities such as well maintenance and PFAS*

*PFAS: Per- and polyfluoroalkyl substances (PFAS)

5

SARCCUP Water Use Efficiency Budget*

	Grant	Match	Total
Conservation-Based Rates	\$370,507	\$844,093	\$1,214,600
Smartscape	\$133,426	\$303,974	\$ 437,400
Total	\$503,933	\$1,148,067	\$1,652,000

*Per Amended Department of Water Resources Grant Agreement

6

Purpose of Replacement SARCCUP Task

1. Use existing **SARCCUP \$1.2 Million** funding;
2. **Help agencies comply** with State regulations (Senate Bill 606 and Assembly Bill 1668);
3. Provide agencies with tools to **implement water use efficiency programs.**



7

New Water Use Efficiency Regulations

Require the following data to calculate agency-wide water budgets:

- A. Indoor residential.
- B. Outdoor residential.
- C. **Outdoor dedicated irrigation meters.**
- D. Water losses (pipe leaks).
- E. Approved variances (water use by horse corrals).



8

Water System Customer Classes*

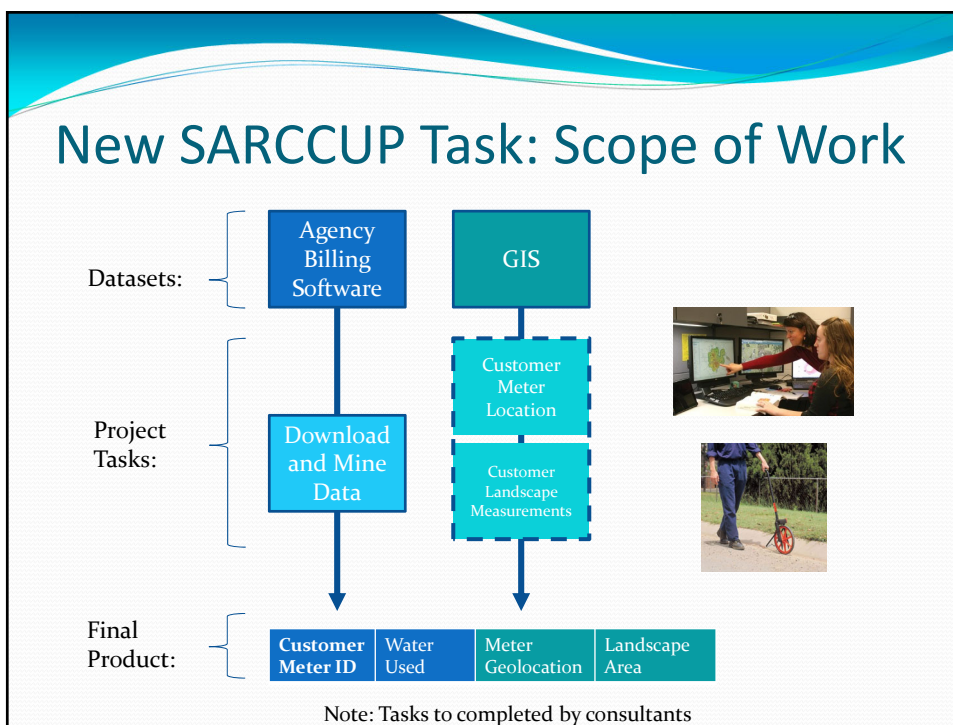





- Residential: Dedicated to indoor/outdoor
- Multi-family: Dedicated to indoor/outdoor
- Commercial: Dedicated to indoor/outdoor
- Irrigation: Dedicated to outdoor irrigation

*Used by some retail water agencies

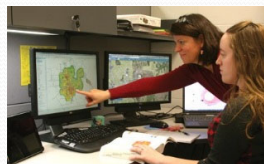
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10

New SARCCUP Task: Scope of Work

- Two consultants likely needed (RFPs would be issued by SAWPA)
- GIS/Data Mining Consultant Tasks:
 - Data mining to determine dedicated irrigation customers and their usage
 - Geolocate meters
 - Create landscape area boundaries
 - Create/maintain online tool
- Field Work Consultant Tasks:
 - Schedule site visits with customers
 - Observe/calculate landscape measurements in field



11

New SARCCUP Task: Budget

Cost Item	Amount
Landscape Area Creation Costs	\$703,200
Data Management and Analysis Costs	\$150,000
SAWPA Project Management	\$182,190
Grand Total	1,035,390
<i>Contingency</i>	<i>\$179,210</i>

Note: Grand Total and Contingency amounts sum to \$1,214,600.

12

Next Steps

- September 3, 2019: Commission Meeting
- September 2019: Send DWR Grant Agreement Amendment
- Fall/Winter 2019: Issue RFPs and begin recruiting water agency partners
- Winter 2020: DWR Approves Amendment
- Winter 2020: Begin Work

13

Recommendation

Approve transfer of approximately \$1.2 Million in SARCCUP funding from the SARCCUP Conservation-Based Rates program to fund a new program, SARCCUP Water Use Efficiency Budget Assistance, and authorize the SAWPA General Manager to execute associated amendments to the DWR SARCCUP Grant Agreement and agreements with the implementing agencies.

14

Task 12.4.1 Water Use Efficiency Budget Assistance

SAWPA will work with approximately five to ten retail water agencies in the watershed to create efficiency-based budgets for a sub-set of their customers, such as those classified as commercial or industrial. SAWPA will use tools such as aerial imagery and landscape measurements to calculate outdoor area measurements served by these customers' water meters. The area measurements will then be applied to a factor that accounts for changes in the weather (i.e. evapotranspiration rates) in order to calculate the amount of water needed by customers for outdoor irrigation. These water budgets will be available to the retail water agencies through an online-based tool that they can use to track their customers' budgets in comparison to their customers' water usage.

Task 12.4.1 Conservation-Based Water Rates [Existing Task]

SAWPA will prepare contracts with retail water agencies for conservation-based water rates and recommend contract awards to the Project Agreement 22 Committee for approval. SAWPA staff will implement the Task so retail water agencies are aware of the SARCCUP Project and execute the contracts (i.e. outreach and onboarding), the retail water agencies make progress toward completing the tasks in their individual contracts once executed, and the retail water agencies meet the conditions of the Grant Agreement. Outreach workshops in Santa Ana River Watershed (total of up to 2 workshops) will be held targeting the watershed's retail water agencies' elected officials and staff. These workshops will review the tools available to the retail water agencies for adopting conservation-based rates. Conservation-based rate structures will be implemented by approximately five water agencies. Funding will be provided to approximately five retail agencies, through the contracts approved by the Committee, for items needed to adopt conservation-based rate structures such as: an implementation of a rate study, billing support needs, acquisition of weather data, Proposition 218 notices, etc. A policy will be developed by the Committee that specifies the reimbursement process for agencies. The policy will include stipulations on water conservation reporting. Tools may be developed to assist the up to five retail water agencies to adopt conservation-based water rates. These tools may include information to determine outdoor budgets and local weather data. This component will be an extension of the Conservation Based Reporting Tools and Rate Structure Implementation Project under the Proposition 84 IRWM 2014 Drought Grant Agreement.

COMMISSION MEMORANDUM NO. 2019.96

DATE: September 3, 2019
TO: SAWPA Commission
SUBJECT: SAWPA Participation and Engagement in Outside Organizations
PREPARED BY: Larry McKenney

RECOMMENDATION

Receive and file an updated report.

DISCUSSION

- This report was brought to the Commission on August 6 and 20, 2019, for information and discussion, and the Commission directed that it be brought back for further input. At the August 6 meeting, several questions and comments were addressed; this memo has been updated to address them.
- SAWPA's involvement with CalMutuals is solely because of the availability of competitively priced property and liability insurance. SAWPA will evaluate obtaining that insurance coverage through ACWA/JPIA.
- In the future, SAWPA will not maintain memberships in local chambers of commerce, as that is something the member agencies may choose to do if desired.
- SAWPA will evaluate membership in CA Special Districts Association (CSDA).
- SAWPA will look to attend meetings of the California Stormwater Quality Association (CASQA) to interact with stormwater managers.

Background

General Manager Rich Haller asked for a review of SAWPA's engagement in outside organizations included in the budget, recommendations for increasing the value gained from membership or participation in those organizations, and whether SAWPA should consider membership in other organizations. The report is attached.

The report identifies significant value, either existing or potential, from each of the budgeted memberships. The report suggests changes in participation that could produce greater benefit from ACWA, CASA, SCAP, and SCWC. The report recommends consideration of SAWPA's goal for participation in chambers of commerce (currently only the Corona Chamber), the Baldy View Chapter of BIA, and WESTCAS, and suggests actions that could produce greater value from such memberships. Finally, the report suggests that SAWPA should consider joining CSDA.

The report finds that membership in other organizations are worthwhile, but significant additional staff involvement is not recommended at this time (CalMutuals, ERNIE, SoCal Salinity Coalition, WEF, and UWI). Finally, the report recommends against joining the American Water Resources Association, despite its emphasis on integrated regional water resources strategies, in favor of possibly supporting individual memberships of staff.

The benefits identified of participation in these kinds of organizations include increasing SAWPA staff knowledge and awareness of developments in the industry, particularly regulatory and technological developments; opportunities to amplify SAWPA's legislative and regulatory advocacy in Sacramento; networking of SAWPA staff and the Commission with other water industry leaders; opportunities to broaden the influence of OWOW; opportunities and resources for staff development; additional opportunities for SAWPA Commissioners and Alternate Commissioners to engage with the industry and with state and regional leaders; and increasing the public profile of SAWPA and its member agencies as regional leaders.

The attached report is provided for Commission information and feedback.

RESOURCE IMPACTS

No budget impacts.

Attachments:

1. Report on SAWPA participation in organizations (updated)

Membership Organizations – Recommended Actions to Increase Value

Association of California of Water Agencies (ACWA)

\$19,645

ACWA is the principle professional organization at the statewide level for water agencies of all types. ACWA's professional staff, in coordination with member representatives, develop comprehensive water policies and advocate for statewide solutions. ACWA provides extensive opportunities for advocacy, education, and networking. SAWPA also obtains insurance coverage through ACWA/JPIA.

Benefits of ACWA membership and participation are well known to SAWPA's member agencies, all of whom are ACWA members. SAWPA's goals as an ACWA member are similar to its member agencies, i.e. education, networking, and influencing and contributing to policy development and advocacy.

SAWPA could achieve greater benefit from ACWA by:

1. Supporting more staff attendance at ACWA conferences. ACWA conferences are not generally focused on technical field and operator functions, but conference tracks are usually addressed to human resources, finance, and management issues, in addition to the broader policy questions. Moreover, there is a new push to create an IT track at ACWA conferences to address data and data management issues, information security, use of GIS and the internet, etc.
2. Engaging more with ACWA Region 9. SAWPA's service area spans ACWA Regions 9 and 10, but SAWPA's office is located in ACWA Region 9, so that is the region in which it is appropriate for SAWPA to become more involved. The regions are governed by an elected board, which can include directors and GMs, and which serve two-year terms. The chair and vice chair of each region serve on the statewide ACWA board during the two-year term, as well. The region boards develop and host events in the region each year to address issues of regional relevance. The region boards share information with members within the region in order to support members and to get feedback from members on new ACWA policies and programs. Other than actually joining the board, the time commitment for greater engagement with Region 9 would be modest, amounting to a few days per year.
3. Information about SAWPA issues of interest that are being addressed through ACWA should be included in periodic reports to the Commission, either as part of the GM's report, or as separate informational reports.

The expected results from these changes would be for SAWPA to gain more information and networking from ACWA involvement, develop additional staff for greater involvement and industry leadership in the future, raise SAWPA's public profile, and improve SAWPA's ability to show leadership on regional issues in a way that benefits the SAWPA member agencies and the watershed.

California Association of Mutual Water Companies

\$500

CalMutuals provides advocacy and facilitates operational and educational resources to ensure effective and compliant operation and governance for small systems. SAWPA purchases Property & Liability insurance through the CalMutuals JPRIMA, an analogous organization to ACWA/JPIA. To purchase the insurance, SAWPA became an associate member of the CalMutuals. We have no other organizational

goals with CalMutuals. General membership would cost \$5,000 per year, but SAWPA is not a non-profit mutual water company and not eligible for regular membership.

No additional activities are recommended.

California Association of Sanitation Agencies (CASA)

\$4,456

CASA membership includes over 100 public agencies that engage in the collection, treatment or disposal of wastewater, resource recovery or water recycling, and over 80 associate members involved in the water quality field, including consultants, suppliers, and service providers.

CASA provides leadership, advocacy and information to members, legislators and the public and promotes partnerships related to sanitary sewer issues, clean water and beneficial reuse. CASA strongly advocates the “21st century utility” idea of wastewater agencies orienting themselves as resource recovery entities, rather than just waste disposal entities. CASA describes itself as the leading advocate for wastewater recycling, although the growth of the California chapter of WaterReuse may put that in question. CASA certainly does advocate for recycling, as well as for reasonable regulation of wastewater operations.

SAWPA’s reason for joining CASA was to connect more effectively to the wastewater community because of the Inland Empire Brine Line, and potentially to improve our relationship with OCSD, which has been very involved in CASA. One criticism of SAWPA investing in the membership was that CASA is primarily focused on treatment plants and treatment plant operator issues, which are not of immediate concern to SAWPA. It is also true that, from an advocacy perspective, CASA is very much engaged in federal law and regulatory issues, while SAWPA does not have a federal advocacy program. Federal laws and regulations can, however, have an impact on brine line operations. CASA has also had an active legal committee and has a reputation for providing worthwhile information and education on legal issues related to wastewater.

CASA’s current priority issues, according to its website, are nutrients, toxicity, mercury, Ebola, resource alignment/cost of compliance, environmental laboratory accreditation program, flushables, pharmaceuticals and personal care products, and federal regulatory issues. The federal regulatory issues most of concern are sanitary sewer issues, not brine line issues. SAWPA’s most obvious connection to CASA’s priorities is related to cost of compliance, and many of CASA’s other priorities are not of direct concern to the brine line.

CASA’s state legislative work overlapped with SAWPA priorities mainly on Senator Hertzberg’s ocean discharge bill. CASA’s other state legislative activities included support of AB292 regarding recycling, support of several bills related to tax exemption for chemical purchases, and opposition to Senator Wiener’s ocean resiliency bill. CASA also sponsored AB1672 (Bloom) regarding labelling of flushable products.

Pathways for increased involvement in CASA include its conferences, committees, and workgroups.

CASA conducts a summer and winter conference each year, as well as a Washington DC conference in late February. The next CASA conferences are August 21-23 in San Diego and January 21-23 in Indian Wells. For the August conference, registration fees are:

- Full Conference: \$595
- Wednesday Only: \$385
- Thursday Only: \$495
- Friday Only/Attorneys Meeting: \$270

CASA has six standing committees. One is an associates committee that is of marginal interest to SAWPA. Four of the other five committees—communications, federal legislation, state legislation, program planning—have a finite number of members appointed by the CASA president. Of these committees, the one of most potential interest to SAWPA would be state legislation, which has twenty appointed members. SAWPA should discuss with Commissioner Hall the value and likelihood of seeking an appointment to that committee. The remaining committee is the Attorneys Committee, to which each member of CASA may designate one attorney representative. The committee meets 3-4 times annually, including at the CASA conferences.

CASA has three work groups dealing with collection systems; air quality, climate change, and energy; regulatory issues. A fourth workgroup on science and research has just been rolled in to the regulatory issues work group. All work groups are open to participation by all members. For SAWPA, the work group most likely to be of interest regarding the brine line would be the regulatory issues workgroup, and its water issues subgroup, which meets monthly either in person or by conference call. The Air Quality, Climate Change & Energy work group and Science & Research work group could be of interest to SAWPA's OWOW process if it helps to discern trends and directions that should be accounted for in the next OWOW Plan update.

SAWPA could achieve greater benefit from CASA by:

1. Supporting staff and commissioner attendance at CASA conferences
2. Designating SAWPA's counsel to participate in meetings of the CASA Attorneys Committee
3. Participating in the Regulatory Work Group, Water Subgroup, at least in its conference call and southern California in person meetings.
4. Consulting with Commissioner Hall, a CASA Board member, about SAWPA participation in CASA, including its State Legislation Committee, and the value of other opportunities.

The expected results from these activities would be to obtain useful information about sewer system issues, especially legal issues, to raise SAWPA's profile as a sewer system operator, to identify opportunities for greater staff networking and development, and to improve staff working relationships with member agency staff, OCS staff, and other watershed agencies involved in CASA.

Emergency Response Network of the Inland Empire (ERNIE)

\$400

The Emergency Response Network of the Inland Empire facilitates public agency preparedness for, response to and recovery from local and regional disasters to ensure the delivery of critical public

services through mutual aid, communications and compliance with state and federal emergency standards.

This organization is formed by an agreement that is essentially a mutual aid agreement. Such agreements are generally agreed to be valuable and worthwhile. While the agreement encourages ongoing training in NCIS procedures and the like, the organization does not appear to provide training itself. Therefore, I have no recommendations for improvements in SAWPA's involvement with the organization.

SoCal Alliance of POTWs (SCAP)

\$538

The Southern California Alliance of Publicly Owned Treatment Works (SCAP) is an association of city and district collection system and treatment operators formed to help ensure that regulations affecting POTWs and collection systems are reasonable and in the public's best interest. Its mission is to provide leadership, technical assistance and timely information to promote regulations that focus on the sustainable protection of the environment and public health.

The organization has a board of directors and six advisory committees. Based on the website, the board is made up principally of staff of the member agencies, including a number of GMs. The advisory committees include air quality, biosolids, collection systems, water issues, POTW energy management, and pretreatment. The collections system committee aims to work with Regional Board staff on issues related to SSOs, SSMPs, and FOG. The water issues committee is focused on POTW discharge regulations. The SCAP website shows you as a member of the water issues committee, but it appears to me that the two committees of potential interest to SAWPA are the collection systems committee and the pretreatment committee.

According to the website, the Wastewater Pretreatment Committee is intended to provide a forum for members to exchange information about industrial and non-industrial pretreatment issues; review developing federal regulations related to pretreatment programs; discuss federal and local compliance activities for pretreatment programs including inspections and audits; and possibly include the development of Pollution Prevention Programs. The current chair is shown to me Mark Kawamoto (OCSD).

Recommendation: To get full value from the modest dues cost of this organization, SAWPA should actively participate in the collection system and pretreatment committees. It might be wise to have Lucas join the pretreatment committee and David join the collection system committee. The website provides no clear information about the level of activity of these groups, but it appears to be ad hoc and issues focused. The networking and proactive information about coming regulations would likely be worth the staff time to participate.

SoCal Salinity Coalition

\$10,000

The Southern California Salinity Coalition (SCSC) is a coalition of water and wastewater agencies formed in 2002 to address the critical need to remove salt from water supplies and to preserve water resources in California.

Each member agency of the SCSC has a seat on the board of directors. Mark Norton is chair of the board, and other directors represent OCWD, EMWD, and IEUA. Other agencies with directors on the board include OCSD, Los Angeles County Sanitation District, the San Diego County Water Authority and the Metropolitan Water District.

SCSC is administered by the National Water Resources Institute (NWRI), originally created by OCWD. It has hosted highly informational seminars and events occasionally, with the most recent being in 2016. The organization has funded and facilitated important and persuasive research on technical and policy issues related to recycling, brine disposal and brine concentration, salt and nutrient management planning, and desalting technology.

In 2018, the SCSC completed a study of the impacts of increasing wastewater salinity concentrations on recycled water potential in Southern California and co-funded a study that informed legislation affecting recycled water use under California's Model Water Efficient Landscape Ordinance.

In his role as a director of the SCWC, Mark also serves as a member agency representative to the Multi-State Salinity Coalition (MSSC). Ron Sullivan serves as EMWD's member agency representative to the MSSC. The MSSC was established in 2001 by local and regional water agencies to share information and foster collaboration in support of desalination and salinity management technologies, practices, funding, and implementation. The MSSC does not charge dues.

Salt management is a core interest of SAWPA and its member agencies, and this coalition is led by Santa Ana River watershed interests. So long as Mark Norton is serving in his role with the organization, SAWPA's interests are being represented, and we should feel safe in deferring to Mark and the rest of the board about the appropriate level of activity. Therefore, I do not recommend changing SAWPA's activities or approach to the SCWC.

The one recommendation I have is that SAWPA identify an alternate director. Each member of the SCWC names a director and an alternate director, and currently SAWPA's alternate position is vacant. It would be advisable not only to provide Mark some back up, but to have someone else at SAWPA familiar with the activities of the organization as a succession plan.

Southern California Water Coalition (formerly Committee)

\$5,000

SCWC is a nonprofit, nonpartisan organization that includes leaders from business, cities, agricultural groups, labor unions, environmental organizations, water agencies, as well as the general public, dedicated to informing Southern Californians about our water needs and our state's water resources. It is a 501(c)(4) tax exempt organization, which means it must have predominately an education function, and must adhere to strict limits on how much it engages in lobbying.

Representing SAWPA, I participate as a member of the board of trustees, of the legislative issues task force, the water quality task force, and the stormwater task force. The task force meetings are all by conference call, usually about half an hour each. The Legislative and Stormwater Task Forces meet approximately monthly, and the others meet occasionally as needed. The board meets quarterly, coinciding with informational luncheon panels SCWC hosts three times per year, and with the annual

dinner in the Fall. SCWC hosts special workshops on stormwater, water use efficiency, and energy and water issues each year.

At the most recent board meeting, the luncheon presentation highlighted San Diego programs for independent supply reliability, recycling, and stormwater capture for water supply. The board meeting and lunch panel were followed by a small separate meeting of trustees with Resources Secretary Wade Crowfoot, which I attended.

SAWPA recently invested in a \$5000 level of membership which includes the Stormwater Task Force. That membership includes attendance at the quarterly events and annual dinner. The dues level includes attendance by two guests at the quarterly events.

The SAWPA member agencies are members of the SCWC and participate at varying levels.

SAWPA hopes participation in SCWC to be valuable in terms of networking and coordination with a wide variety of other Southern California water agencies and business and agricultural interests; contributing to SCWC's education and advocacy on major regional issues like the Delta; information, coordination, and advocacy on state legislation; useful information obtained from the quarterly lunches, the annual dinner, and from other workshops conducted during each year. The opportunity to interact with counties, business interests, and agricultural interests on water issues will, in the long term, benefit the OWOW process.

Ultimately, SCWC's greatest value to SAWPA is in providing information and a wide range of perspectives on regional water issues, and providing an opportunity to add information and to influence those discussions. For SAWPA to gain the expected benefits:

1. Staff should continue to be engaged in the current level of activities. In particular, the Stormwater Task Force level of activity is ramping up and holds promise for valuable work promoting regional approaches to stormwater management.
2. SAWPA should look for opportunities to make use of its ability to have guests attend the regular events. SAWPA should look for opportunities to encourage staff to attend relevant events, and to consider encouraging other non-water agency OWOW participants—Steering Committee members or prominent stakeholders—to attend events as SAWPA guests. (Most of the important water agencies are already members.)

SAWPA would expect these activities, to create stronger relationships with some of our other OWOW participants and increase SAWPA's profile as a leader in thinking regionally. The principle goal of SCWC is to advocate for SoCal supply reliability. Participation in SCWC activities is valuable for the region in that regard, and right now also presents another pathway to influence the administration's development of its Water Resiliency Portfolio.

Western Coalition of Arid States (WESTCAS)

\$1,650

WESTCAS was formed in 1992, dedicated to encouraging the development of water programs and regulations which assure adequate supplies of high quality water for those living in the arid regions, while protecting the environment. WESTCAS has current members in the following states: Arizona, California, Colorado, New Mexico, Nevada, and Texas.

California members include EMWD, West Valley Water District, and Yucaipa Valley Water District, as well as the Metropolitan Water District and ACWA. Jolene Walsh from EMWD serves as one of California's two directors. The directors on the WESTCAS board are agency staff members and consultants.

The most directly relevant issues to SAWPA being addressed, other than federal funding for recycling projects, is regarding salt management. The focus is on federal Clean Water Act regulations related to salt. My assessment is that the salt management program in the Santa Ana River watershed has developed to a point that the issues the other western states are grappling with are of limited import here.

No additional activities are recommended.

Building Industry Association Baldy View Chapter

\$2,500

The mission of the Building Industry Association of Southern California, Baldy View Chapter (BIA) is to promote, advocate for and grow the homebuilding industry through member representation and community education at the local level. In addition, the Baldy View Chapter shall maintain a presence and influence on industry-related issues at regional, state, and national levels.

The chapter describes benefits of membership as advocacy, networking, and discounts on materials and services of interest to its business members. Other than the networking opportunities, the benefits are small for SAWPA.

The Chapter organizes the San Bernardino County Water Conference, and membership in the chapter allows for discounted event registration. Other than event attendance, and the generalized value of the opportunity for networking, there is no apparent opportunity for greater direct involvement by SAWPA in the Chapter.

Public Policy Institute of California

\$10,000

The Public Policy Institute of California (PPIC) is a San Francisco-based nonpartisan, independent research and policy analysis organization. It produces reports, fact sheets, and a blog, addressing government, public opinion, education, and water. PPIC has become a reliable, independent and trusted broker in California's water policy debates. In 2015, PPIC launched its Water Policy Center. The SAWPA Commission has consistently supported sponsorship of the Center over the last several years.

SAWPA has not for several years committed any staff time to participating in the activities of the Center, other than occasionally attending events. Opportunities for more direct engagement within the organization are limited. PPIC is governed by a board of 14 members, and elected officials and candidates may not serve on PPIC's board. It is advised by a 40-member Statewide Leadership Council comprising government and business leaders, but no water agency representatives. Members are invited to join the Council by PPIC.

The PPIC Water Policy Center seeks to connect nonpartisan, objective research to real world water management debates, with the goal of putting California water policy on a sustainable and constructive

path. The center concentrates on three interrelated challenges facing California's water in the 21st century:

- Ensuring clean and reliable water supplies: Investigating and encouraging comprehensive, integrated approaches to water quality and quantity
- Building healthy and resilient ecosystems: Promoting the development of sustainable ecosystems using practical approaches to watershed management
- Preparing for droughts and floods: Helping California to adapt to an increasingly variable climate

The center is directed by Ellen Hanak, and is served by a 14-member advisory council consisting of leaders in water issues from around the state. The only water agency representative is from MWD, and the Executive Director of ACWA is a member. Celeste Cantu is vice chair of the council. The center was launched with core support from the Bechtel Foundation and a significant commitment from PPIC, and today is backed by a broad base of sponsors and supporters like SAWPA.

No additional activities are recommended.

Water Education Foundation

\$3,500

The Water Education Foundation is a nonprofit educational organization created in 1977. It produces educational materials, a magazine, and hosts trips to visit sites and facilities related to water resources across the state. It also administers a leadership training program for water professionals.

WEF has administered the OWOW Conference for SAWPA since the 2011 conference. SAWPA is not currently involved in other WEF activities. There could be benefits to SAWPA from more direct involvement in WEF through influencing the viewpoint and emphasis in its educational materials on integrated water management strategies or on the importance of water quality management and salt management.

One way to exert such influence would be to seek a position on WEF's board. WEF is governed by a large board of directors that includes a number of water agency representatives, as well as business interests, consultants, and other NGO representatives. According to WEF's website, it has a 33-member board, but the website currently shows 26 directors, so there may be vacancies that create an opportunity for SAWPA to participate.

Other Unbudgeted Organizations that SAWPA Could Consider Joining

UWI. The Urban Water Institute is a nonprofit educational organization founded in 1993. It principally organizes and hosts two water conferences each year. The conferences are generally well regarded. Membership in the organization would cost \$1,250 per year at current rates. Membership is not necessary to attend the conferences, so the principal value of membership would be to seek to join the board of directors. The board is currently 37 members. This would be a networking opportunity and an opportunity to influence conference topics and content. SAWPA previously was represented on the

Institute's board of directors but the participation was discontinued due to time constraints. Board participation involved four or five meetings each year outside of the conferences.

AWRA. The American Water Resources Association provides materials and conferences to promote professional development for water professionals nationwide. The distinguishing characteristic of AWRA is its emphasis on multi-disciplinary approaches to water issues. Integrated water resources management is a frequent topic the organization addresses. Individual members receive educational materials and the opportunity for conference discounts, webinars, and technical committee participation. Organizations can become members, but for SAWPA, it would be more cost effective to consider supporting individuals who are interested in participating. Individuals can be Professional Members for \$179 per year.

CSDA. The California Special Districts Association is a nonprofit association that was formed in 1969 to promote good governance and improved core local services through professional development, advocacy, and other services for all types of independent special districts. CSDA offers its members educational programs and training, legislative advocacy, legal advice, insurance programs, public relations support, and other services. Membership dues are based on agency revenue, and at current rates would cost SAWPA approximately \$7,500 per year. The staff education and training opportunities, as well as other professional involvement opportunities, probably make joining worth considering.

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COMMISSION MEMORANDUM NO. 2019.97

DATE: September 3, 2019
TO: SAWPA Commission
SUBJECT: Legal Services, Results of Request for Qualifications (RFQ) | Award of Contract
PREPARED BY: Rich Haller, General Manager

RECOMMENDATION

That the Commission receive a presentation on the Legal Services Request for Qualifications (RFQ) process; consider the benefits and costs of consultant-provided legal services versus a part time staff position; consider staff’s recommendation to utilize consultant-provided legal services as set forth in Option 1; provide direction to staff and authorize the General Manager to execute an Agreement for Services and issue a Task Order for up to an amount not to exceed \$75,000 to implement the Commission’s direction.

DISCUSSION

OPTIONS

1. Consultant-provided legal services, inclusive of the role of SAWPA General Counsel
2. Consultant-provided legal services supplementing in-house General Counsel (current approach)

REQUEST FOR QUALIFICATIONS (RFQ) PROCESS

On June 4, 2019, the Commission authorized the release of a Request for Qualifications. To date, the following actions have been completed:

Action Completed	Date
Commission Direction to Issue RFQ	June 4, 2019
RFQ Posted	June 7, 2019
Proposals Received (Total of 14)	June 27, 2019
Firms Interviewed by Staff Panel (Total of 5)	July 9, 2019
Firms Interviewed by Commission (Total of 3)	July 16, 2019
Rank* Firm	
1 Lagerlof Senecal Gosney & Kruse LLP	
2 Aleshire & Wynder LLP	
3 Lozano Smith, LLP	
*Firm rank reflects the Staff Panel rating for each firm’s qualifications, presentation, and response to questions.	

The RFQ asked for information from interested firms on the following areas of legal services:

1. Brown Act: Responding to Brown Act questions related to public meetings including agenda content, posting of agenda, special meetings, etc., and serve as agency counsel during public meetings and public hearings.
2. Public records requests. Advising staff on response requirements.

3. Public Works Bidding and Contracts. Ensuring the required process is followed and bid documents are in compliance with requirements.
4. Right-of-Way documents. Easements, license agreements, encroachment permits, etc. Responding to questions related to existing documents, protecting the rights conveyed, relocation of the pipeline, dedication of right of way to another public entity, etc.
5. Agreements. Preparing agreements when directed by SAWPA and assist in reviewing existing agreements to ensure compliance.
6. Agency Ordinances, Resolutions, Policies and Procedures. Reviewing updates to SAWPA Ordinance No. 8 (Inland Empire Brine Line), Enforcement Response Plan and other industrial pretreatment program documents, resolutions such as the Brine Line rate resolution, policies such as the procurement policy, and other documents that may be required from time to time.
7. Industrial Pretreatment Program. Review documents such as the permit application, permit templates for Collection Stations, Liquid Waste Haulers, Industrial Users, Significant Industrial Users, Categorical Industrial Users, and letters to discharge. Assist staff in implementing the program including interpreting the ERP applied to real world situations. Review letters, orders, etc. prepared by staff.
8. Human Resources. Prepare an Employee Handbook update for review by SAWPA. Prepare associated documents such as new hire forms, termination forms, etc. Alert SAWPA regarding new laws and provide applicable direction. Provide periodic training such as training related to AB 1234, AB 1825 and SB 1300. Assist staff in understanding and applying state law to SAWPA policies and procedures. Provide recommendations for evaluating and possibly implementing a four day per week, 10-hour work day (current policy is 9-80).
9. Construction and Operations Claims. Assist staff in responding to claims received, including but not limited to construction and operational claims. Assist staff in reviewing SAWPA claims submitted to other parties including, but not limited to damage to Brine Line facilities.
10. Review of templates including standard Terms and Conditions for Work Orders, General Service Agreement/Task Orders, and Construction Agreement. Provide assistance during implementation to ensure compliance with agreements including prevailing wage and insurance requirements.
11. Review Injury and Illness Prevention Plan and ensure that the program elements are consistent with OSHA requirements.
12. Miscellaneous.

Evaluation of Proposals Received

Proposals were evaluated by staff based on the following criteria:

1. Qualifications and Experience (Firm and Personnel)
2. References
3. Local Office
4. Price & Payment Terms
5. Exceptions Taken to RFQ
6. Quality of Qualification Submittal

HISTORICAL BACKGROUND INFORMATION

In-House Executive Counsel Legal Services (2011 – 2018)

Actual time spent by in-house Executive Counsel on legal services: On average, 54% of in-house Executive Counsel’s time has been allocated to legal services during the period 2011 – 2018. The current cost for in-house legal services is approximately \$150/hour (salary plus benefits).

FYE	% Allocated to Legal Services
2011	44%
2012	48%
2013	55%
2014	55%
2015	50%
2016	52%
2017	68%
2018	62%
Average	54% ¹

¹ Annual average number of legal services hours allocated by in-house Executive Counsel is 1,123; FTE = 2,080

Consultant Hours for Legal Services (2003 – 2011)

During the period 2003 – 2011, SAWPA utilized consultant legal services to both serve as SAWPA General Counsel and to provide special legal services through 2011. The approximate number of hours worked per year were as follows:

FYE	Hours
2003	574
2004	497
2005	788
2006	871
2007	809
2008	507
2009	257
2010	622
2011	380
Average ¹	589 ²

¹ Average historical consultant hours are approximately half of in-house legal services.

² 589 hours = 28% of FTE 2,080 hours

EVALUATION OF OPTIONS

Consultant Legal Services.

- Advantages:
 - Available when needed.
 - Consultant services would be performed as needed based on pre-determined hourly rates and time estimates and charged only for work performed.
 - Performs work as defined by a scope of work which can be easily changed.
 - Utilizes full knowledge and experience of firm which can fully cover SAWPA's day-to-day needs.
 - Firms can provide document templates that have been developed over time, used and tested for contracts, policies and human resources matters.
 - Legal research tools available at no additional cost.
 - Consultant's work and recommendations are insured.
- Disadvantages:
 - Hourly rate is higher; however, historical hours have been about half of in-house provided services.

In-house Legal Services.

- Advantages:
 - Direct control over work priorities.
- Disadvantages:
 - Continuous effort and expense to stay current on best practices and trends for all areas of law necessitated by the business/legal needs of SAWPA.
 - In addition, services of special legal counsel likely necessary.
 - Cost incurred even if level of services are not required.

Option 1: Recommended option. Consultant-provided legal services, inclusive of the role of SAWPA General Counsel. This is the model that most public agencies of SAWPA's size utilize. Represents best value with the qualifications of a legal firm obtained but only paid for when needed.

Option 2: Current approach. Consultant-provided legal services supplementing in-house General Counsel. Costs incurred for in-house legal staff plus special legal counsel. Challenging for in-house Counsel to provide full breadth of SAWPA's legal needs. Challenging how best to utilize the 46% of time remaining after the 54% allocated to legal services.

AGREEMENT

Should the Commission prefer to use a consultant to provide legal services as set forth in Option 1 above, a standard service agreement is attached; specifically, a General Services Agreement with a Task Order(s) issued for specific work items. The following special conditions are included in the Agreement:

- Consultant shall act as General Counsel on behalf of SAWPA as of the effective date of the Agreement.
- Consultant shall prepare a report to the Commission on activities performed, any concerns, prioritized recommendations, assessment of risk, etc., a minimum of every six months.
- Consultant shall provide an annual estimate of services for known activities.

- The Commission will provide performance feedback to the Consultant after the first six months and then at least annually after that time period.

RESOURCE IMPACTS

The FYE 2020 budget contains funds for consultant legal services (\$100,000 for General Fund 100, \$25,000 for Brine Line Fund 240).

Attachments:

1. Proposed General Services Agreement
2. Proposed Task Order
3. Presentation



SANTA ANA WATERSHED PROJECT AUTHORITY
AGREEMENT FOR SERVICES BY INDEPENDENT CONSULTANT

This Agreement is made this ___ day of _____, **2019** by and between the Santa Ana Watershed Project Authority ("SAWPA") located at 11615 Sterling Ave., Riverside, CA, 92503 and _____ ("Consultant") whose address is _____.

RECITALS

This Agreement is entered into on the basis of the following facts, understandings, and intentions of the parties to this Agreement:

- SAWPA desires to engage the professional services of Consultant to perform such professional consulting services as may be assigned, from time to time, by SAWPA in writing;
- Consultant agrees to provide such services pursuant to, and in accordance with, the terms and conditions of this Agreement and has represented and warrants to SAWPA that Consultant possesses the necessary skills, qualifications, personnel, and equipment to provide such services; and
- The services to be performed by Consultant shall be specifically described in one or more written Task Orders issued by SAWPA to Consultant pursuant to this Agreement.

AGREEMENT

Now, therefore, in consideration of the foregoing Recitals and mutual covenants contained herein, SAWPA and Consultant agree to the following:

ARTICLE I

TERM OF AGREEMENT

1.01 This agreement shall become effective on the date first above written and shall continue until **June 30, 2021** unless extended or sooner terminated as provided for herein.

ARTICLE II

SERVICES TO BE PERFORMED

2.01 Consultant agrees to provide such professional consulting services as may be assigned, from time to time, in writing by the Commission and the General Manager of SAWPA. Each assignment shall be made in the form of a written Task Order. Each such Task Order shall include, but shall not be limited to, a description of the nature and scope of the services to be performed by Consultant, the amount of compensation to be paid, and the expected time of completion.

2.02 Consultant may at Consultant's sole cost and expense, employ such competent and qualified independent professional associates, subcontractors, and consultants as Consultant deems necessary to perform each assignment; provided that Consultant shall not subcontract any work to be performed without the prior written consent of SAWPA.

ARTICLE III

COMPENSATION

3.01 In consideration for the services to be performed by Consultant, SAWPA agrees to pay Consultant as provided for in each Task Order.

3.02 Each Task Order shall specify a total not-to-exceed sum of money and shall be based upon the regular hourly rates customarily charged by Consultant to its clients.

3.03 Consultant shall not be compensated for any services rendered nor reimbursed for any expenses incurred in excess of those authorized in any Task Order unless approved in advance by the Commission and General Manager of SAWPA, in writing.

3.04 Unless otherwise provided for in any Task Order issued pursuant to this Agreement, payment of compensation earned shall be made in monthly installments after receipt from Consultant of a timely, detailed, corrected, written invoice by SAWPA's Project Manager, describing, without limitation, the services performed, when such services were performed, the time spent performing such services, the hourly rate charged therefore, and the identity of individuals performing such services for the benefit of SAWPA. Such invoices shall also include a detailed itemization of expenses incurred. Upon approval by an authorized SAWPA employee, SAWPA will pay within 30 days after receipt of a valid invoice from Consultant.

ARTICLE IV

CONSULTANT OBLIGATIONS

4.01 Consultant agrees to perform all assigned services in accordance with the terms and conditions of this Agreement including those specified in each Task Order. In performing the services required by this Agreement and any related Task Order Consultant shall comply with all local, state and federal laws, rules and regulations. Consultant shall also obtain and pay for any permits required for the services it performs under this Agreement and any related Task Order.

4.02 Except as otherwise provided for in each Task Order, Consultant will supply all personnel and equipment required to perform the assigned services.

4.03 Consultant shall be solely responsible for the health and safety of its employees, agents and subcontractors in performing the services assigned by SAWPA. Consultant hereby covenants and agrees to:

4.03a Obtain a Commercial General Liability and an Automobile Liability insurance policy, including contractual coverage, with limits for bodily injury and property damage in an amount of not less than \$2,000,000.00 per occurrence for each such policy. Such policy shall name SAWPA, its officers, employees, agents and volunteers, as an additional insured, with any right to subrogation waived as to SAWPA, its officers, employees, agents and volunteers. If Commercial General Liability Insurance or other form with an aggregate limit is used, either the general aggregate limit shall apply separately to the work assigned by SAWPA under this Agreement or the general aggregate limit shall be at least twice the required occurrence limit. The coverage shall be at least as broad as Insurance Services Office Commercial General Liability Coverage (occurrence Form CG 00 01) and Insurance Services Office Form CA 00 01 covering Automobile Liability, Code 1 (any auto). The Commercial Liability Insurance shall include operations, products and completed operations, as applicable;

4.03b Obtain a policy of Professional Liability (errors and omissions) insurance appropriate to the Consultant's profession in a minimum amount of \$2,000,000.00 per claim or occurrence to cover any negligent acts or omissions or willful misconduct committed by Consultant, its employees, agents and subcontractors in the performance of any services for SAWPA. Architects' and engineers' coverage shall include contractual liability;

4.03c Obtain a policy of Employer's Liability insurance in a minimum amount of \$1,000,000.00 per accident for bodily injury and property damage.

4.03d Provide worker's compensation insurance or a California Department of Insurance-approved self-insurance program in an amount and form required by the State of California and the Employer's Liability Insurance that meets all applicable Labor Code requirements, covering all persons or entities providing services on behalf of the Consultant and all risks to such persons or entities;

4.03e Consultant shall require any subcontractor that Consultant uses for work performed for SAWPA under this Agreement or related Task Order to obtain the insurance coverages specified above.

4.03f Consultant hereby agrees to waive subrogation which any insurer of Consultant may seek to require from Consultant by virtue of the payment of any loss. Consultant shall obtain an endorsement

that may be necessary to give effect to this waiver of subrogation. In addition, the Workers Compensation policy shall be endorsed with a waiver of subrogation in favor of SAWPA for all work performed by Consultant, and its employees, agents and subcontractors.

All such insurance policy or policies shall be issued by a responsible insurance company with a minimum A.M. Best Rating of "A-" Financial Category "X", and authorized and admitted to do business in, and regulated by, the State of California. If the insurance company is not admitted in the State of California, it must be on the List of Eligible Surplus Line Insurers (LESLI), shall have a minimum A.M. Best Rating of "A", Financial Category "X", and shall be domiciled in the United States, unless otherwise approved by SAWPA in writing. Each such policy of insurance shall expressly provide that it shall be primary and noncontributory with any policies carried by SAWPA and, to the extent obtainable, such coverage shall be payable notwithstanding any act of negligence of SAWPA that might otherwise result in forfeiture of coverage. Evidence of all insurance coverage shall be provided to SAWPA prior to issuance of the first Task Order. Such policies shall provide that they shall not be canceled or amended without 30-day prior written notice to SAWPA. Consultant acknowledges and agrees that such insurance is in addition to Consultant's obligation to fully indemnify and hold SAWPA free and harmless from and against any and all claims arising out of an injury or damage to property or persons caused by the negligence, recklessness, or willful misconduct of Consultant in performing services assigned by SAWPA.

4.04 Consultant hereby covenants and agrees that SAWPA, its officers, employees, and agents shall not be liable for any claims, liabilities, penalties, fines or any damage to property, whether real or personal, nor for any personal injury or death caused by, or resulting from, or claimed to have been caused by or resulting from, any negligence, recklessness, or willful misconduct of Consultant. Consultant shall hold harmless, defend and indemnify SAWPA and its officers, employees, agents and volunteers from and against any and all liability, loss, damage, fines, penalties, expense and costs, including, without limitation, attorneys' fees and litigation expenses and costs, of every nature arising out of or related to Consultant's negligence, recklessness, or willful misconduct related to or arising from the performance of the work required under this Agreement and any related Task Order or Consultant's failure to comply with any of its obligations contained in this Agreement and any related Task Order, except as to such loss or damage which was caused by the active negligence or willful misconduct of SAWPA.

4.05 In the event that SAWPA requests that specific employees or agents of Consultant supervise or otherwise perform the services specified in each Task Order, Consultant shall ensure that such individual(s) shall be appointed and assigned the responsibility of performing the services.

4.06 In the event Consultant is required to prepare plans, drawings, specifications and/or estimates, the same shall be furnished with a registered professional engineer's number and shall conform to local, state and federal laws, rules and regulations. Consultant shall obtain all necessary permits and approvals in connection with this Agreement, any Task Order or Change Order. However, in the event SAWPA is required to obtain such an approval or permit from another governmental entity, Consultant shall provide all necessary supporting documents to be filed with such entity and shall facilitate the acquisition of such approval or permit.

ARTICLE V **SAWPA OBLIGATIONS**

5.01 SAWPA shall:

5.01a Furnish all existing studies, reports and other available data pertinent to each Task Order that are in SAWPA's possession;

5.01b Designate a person to act as liaison between Consultant and the General Manager and Commission of SAWPA.

ARTICLE VI **ADDITIONAL SERVICES, CHANGES AND DELETIONS**

6.01 During the term of this Agreement, the Commission of SAWPA may, from time to time and without affecting the validity of this Agreement or any Task Order issued pursuant thereto, order changes, deletions, and additional services by the issuance of written Change Orders authorized and approved by the Commission of SAWPA.

6.02 In the event Consultant performs additional or different services than those described in any Task Order or authorized Change Order without the prior written approval of the Commission of SAWPA, Consultant shall not be compensated for such services.

6.03 Consultant shall promptly advise SAWPA as soon as reasonably practicable upon gaining knowledge of a condition, event, or accumulation of events, which may affect the scope and/or cost of services to be provided pursuant to this Agreement. All proposed changes, modifications, deletions, and/or requests for additional services shall be reduced to writing for review and approval or rejection by the Commission of SAWPA.

6.04 In the event that SAWPA orders services deleted or reduced, compensation shall be deleted or reduced by a comparable amount as determined by SAWPA and Consultant shall only be compensated for services actually performed. In the event additional services are properly authorized, payment for the same shall be made as provided in Article III above.

ARTICLE VII

CONSTRUCTION PROJECTS: CONSULTANT CHANGE ORDERS

7.01 In the event SAWPA authorizes Consultant to perform construction management services for SAWPA, Consultant may determine, in the course of providing such services, that a Change Order should be issued to the construction contractor, or Consultant may receive a request for a Change Order from the construction contractor. Consultant shall, upon receipt of any requested Change Order or upon gaining knowledge of any condition, event, or accumulation of events, which may necessitate issuing a Change Order to the construction contractor, promptly consult with the liaison, General Manager and Commission of SAWPA. No Change Order shall be issued or executed without the prior approval of the Commission of SAWPA.

ARTICLE VIII

TERMINATION OF AGREEMENT

8.01 In the event the time specified for completion of an assigned task in a Task Order exceeds the term of this Agreement, the term of this Agreement shall be automatically extended for such additional time as is necessary to complete such Task Order and thereupon this Agreement shall automatically terminate without further notice.

8.02 Notwithstanding any other provision of this Agreement, SAWPA, at its sole option, may terminate this Agreement at any time by giving a 10-day written notice to Consultant, whether or not a Task Order has been issued to Consultant.

8.03 In the event of termination, the payment of monies due Consultant for work performed prior to the effective date of such termination shall be paid after receipt of an invoice as provided in this Agreement.

ARTICLE IX

CONSULTANT STATUS

9.01 Consultant shall perform the services assigned by SAWPA in Consultant's own way as an independent contractor, in pursuit of Consultant's independent calling and not as an employee of SAWPA. Consultant shall be under the control of SAWPA only as to the result to be accomplished and the personnel assigned to perform services. However, Consultant shall regularly confer with SAWPA's liaison, General Manager, and Commission as provided for in this Agreement.

9.02 Consultant hereby specifically represents and warrants to SAWPA that the services to be rendered pursuant to this Agreement shall be performed in accordance with the standards customarily applicable to an experienced and competent professional consulting organization rendering the same or similar services. Furthermore, Consultant represents and warrants that the individual signing this Agreement on behalf of Consultant has the full authority to bind Consultant to this Agreement.

ARTICLE X

AUDIT AND OWNERSHIP OF DOCUMENTS

10.01 All draft and final reports, plans, drawings, specifications, data, notes, and all other documents of any kind or nature prepared or developed by Consultant in connection with the performance of services assigned to it by SAWPA are the sole property of SAWPA, and Consultant shall promptly deliver all such materials to SAWPA. Consultant may retain copies of the original documents, at its option and expense. Use of such documents by SAWPA for project(s) not the subject of this Agreement shall be at SAWPA's sole risk without legal liability or exposure to Consultant. SAWPA agrees to not release any software "code" without prior written approval from the Consultant.

10.02 Consultant shall retain and maintain, for a period not less than four years following termination of this Agreement, all time records, accounting records, and vouchers and all other records with respect to all matters concerning services performed, compensation paid and expenses reimbursed. At any time during normal business hours and as often as SAWPA may deem necessary, Consultant shall make available to SAWPA's agents for examination of all such records and will permit SAWPA's agents to audit, examine and reproduce such records.

ARTICLE XI

MISCELLANEOUS PROVISIONS

11.01 This Agreement supersedes all previous agreements, either oral or written, between the parties hereto with respect to the rendering of services by Consultant for SAWPA and contains all of the covenants and agreements between the parties with respect to the rendering of such services in any manner whatsoever. Any modification of this Agreement will be effective only if it is in writing signed by both parties.

11.02 Consultant shall not assign or otherwise transfer any rights or interest in this Agreement without the prior written consent of SAWPA. Unless specifically stated to the contrary in any written consent to an assignment, no assignment will release or discharge the assignor from any duty or responsibility under this Agreement.

11.03 In the event Consultant is an individual person and dies prior to completion of this Agreement or any Task Order issued hereunder, any monies earned that may be due Consultant from SAWPA as of the date of death will be paid to Consultant's estate.

11.04 Time is of the essence in the performance of services required hereunder. Extensions of time within which to perform services may be granted by SAWPA if requested by Consultant and agreed to in writing by SAWPA. All such requests must be documented and substantiated and will only be granted as the result of unforeseeable and unavoidable delays not caused by the lack of foresight on the part of Consultant.

11.05 Consultant shall comply with all local, state and federal laws, rules and regulations including those regarding nondiscrimination and the payment of prevailing wages.

11.06 SAWPA expects that Consultant will devote its full energies, interest, abilities and productive time to the performance of its duties and obligations under this Agreement, and shall not engage in any other consulting activity that would interfere with the performance of Consultant's duties under this Agreement or create any conflicts of interest. If required by law, Consultant shall file a Conflict of Interest Statement with SAWPA.

11.07 Any dispute which may arise by and between SAWPA and the Consultant, including the Consultants, its employees, agents and subcontractors, shall be submitted to binding arbitration. Arbitration shall be conducted by a neutral, impartial arbitration service that the parties mutually agree upon, in accordance with its rules and procedures. The arbitrator must decide each and every dispute in accordance with the laws of the State of California, and all other applicable laws. Unless the parties stipulate to the contrary prior to the appointment of the arbitrator, all disputes shall first be submitted to non-binding mediation conducted by a neutral, impartial mediation service that the parties mutually agree upon, in accordance with its rules and procedures.



SANTA ANA WATERSHED PROJECT AUTHORITY
TASK ORDER NO. _____

CONSULTANT: (insert consultant name) **VENDOR NO.**

VALUE: **\$75,000**

PAYMENT: Upon Proper Invoice

REQUESTED BY: Rich Haller September 3, 2019

FINANCE: _____
Karen Williams, CFO Date

FINANCING SOURCE: Acct. Coding XX
Acct. Description: General Consulting

COMMISSION AUTHORIZATION REQUIRED: YES (X) NO ()
Commission Memo #2019.97

This Task Order is issued by the Santa Ana Watershed Project Authority (hereafter "SAWPA") to (insert company name) (hereafter "Consultant") pursuant to the Agreement between SAWPA and Consultant entitled *Agreement for Services*, dated _____ (*expires 6/30/21*).

I. PROJECT NAME OR DESCRIPTION Legal Services

II.SCOPE OF WORK / TASKS TO BE PERFORMED

Consultant shall provide all labor, materials and equipment for the Project to perform the specific tasks of SAWPA General Counsel, and as more thoroughly described below:

1. General Counsel: review agenda and attend meetings as requested. Review correspondence and other documents as requested. Respond to Brown Act questions and advise staff on public records requests. Complete other tasks as assigned. \$50,000
2. Agreements. Review draft agreements for PA 25 and PA 26 and assist staff in finalizing. \$5,000
3. Industrial Pretreatment Program support. Assist staff in implementation of the Enforcement Response Plan reviewing documents and advising on response actions. \$10,000
4. Introductory Period (approximately first 90 days) \$10,000
 - a. Assess existing documents, identify revision requirements, work with SAWPA staff to prepare work plans and identify budget and schedule requirements.
 - i. Agreement templates
 - ii. Industrial Pretreatment Program Ordinance, Enforcement Response Plan, permit templates.
 - iii. Human Resources – employee handbook, policies, forms, etc.
 - iv. Other policies such as the procurement policy
 - b. Identify annual training requirements



LEGAL SERVICES

Rich Haller, General Manager
September 3, 2019
Item 6.E.

1

Recommendation to Commission

- Receive presentation on RFQ process
- Consider costs/benefits of consultant provided versus in-house legal services
- Consider staff recommendation for consultant provided legal services, inclusive of SAWPA General Counsel role (Option 1)
- Authorize the GM to execute an agreement with the most qualified firm (\$75,000)

2

RFQ Process

- Commission authorized RFQ 6/4/19
- RFQ Released 6/7/19
- 14 Responses Received 6/27/19
- 5 firms interviewed 7/9/19
- 3 firms interviewed by Commission 7/16/19

3

RFQ Process

Results of Interviews (staff panel, July 9, 2019)

Rank Firm

- | | |
|---|-------------------------------------|
| 1 | Lagerlof Senecal Gosney & Kruse LLP |
| 2 | Aleshire & Wynder LLP |
| 3 | Lozano Smith, LLP |

4

Scope of Work

- Brown Act
- Public Records Requests
- Public Works Projects – process, contracts, claims
- Right-of-Way
- Agreements, Ordinances, Policies
- Industrial Pretreatment Program
- Human Resources

5

RFQ Process

Evaluation Criteria

- Qualifications & experience
- References
- Office location
- Hourly rates, payment terms
- Exceptions proposed to standard agreement
- Quality of submittal and presentation

6

Why Consultant?

- Available when needed
- Charges based on work performed
- Expertise of entire firm available
- Wide variety of experience
- Proven policy & contract templates, employee handbook, etc.
- Legal reference materials available at no additional cost
- Work and Recommendations Insured
- Statement of Work can be easily augmented or changed
- Hourly rate higher than in-house rate but total consultant hours worked significantly less (annual average 2003 – 2011 vs. 2011 – 2018)

7

Options

- Option 1 (Staff Recommendation)
 - Consultant provided legal services, inclusive of the role of SAWPA General Counsel (all legal services)
- Option 2
 - In-House General Counsel augmented by consultant legal services

8

Agreement

General Services Agreement and Initial Task Order

- Consultant to act as General Counsel to SAWPA
- Consultant to report to Commission
- Performance review after 6 months, annually thereafter
- Annual estimate of services
- Task Order No 1: \$75,000 for general activities, agreements, Brine Line Pretreatment Program, assess existing documents

9

Budget

Fiscal Year 2020 & 2021

- | | |
|-----------------------|------------------|
| • Fund 100 General | \$100,000 |
| • Fund 240 Brine Line | <u>\$ 25,000</u> |
| | \$125,000 |

10

Recommendation to Commission

- Receive presentation on RFQ process
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Rank	Firm
1	Lagerlof Senecal Gosney & Kruse LLP
2	Aleshire & Wynder LLP
3	Lozano Smith, LLP

11

Questions

12