



**SAWPA COMMISSION
REGULAR MEETING MINUTES
DECEMBER 20, 2022**

COMMISSIONERS PRESENT

Marco Tule, Chair, Inland Empire Utilities Agency
Bruce Whitaker, Vice Chair, Orange County Water District
Mike Gardner, Secretary-Treasurer, Western Municipal Water District
June D. Hayes, San Bernardino Valley Municipal Water District
David J. Slawson, Eastern Municipal Water District

COMMISSIONERS ABSENT

None

**ALTERNATE COMMISSIONERS
PRESENT; NON-VOTING**

Kelly Rowe, Orange County Water District
T. Milford Harrison, San Bernardino Valley Municipal Water District

STAFF PRESENT

Jeff Mosher, Karen Williams, Mark Norton, David Ruhl, Edina Goode,
Ian Achimore, Marie Jauregui, Sara Villa, Dean Unger, John Leete,
Alison Lewis

OTHERS PRESENT

Andrew Turner, Lagerlof, LLP; Nick Kanetis, Eastern Municipal Water District; Ruben Valdez, Inland Empire Utilities Agency; Kevin O'Toole, Orange County Water District; Denis Bilodeau, Orange County Water District; Adekunle Ojo, San Bernardino Valley Municipal Water District; Mallory Gandara, Western Municipal Water District; Ryan Shaw, Western Municipal Water District; Tom Lindsey, Yorba Linda Water District; Christopher Brown, Fedak & Brown, LLP; Beth Olhasso, West Coast Advisors; Michael Boccadoro, West Coast Advisors; Sam Adams; Hannah Erbele

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

1. CALL TO ORDER

Pursuant to the provisions of AB 361, this meeting was conducted virtually, and all votes were taken by oral roll call.

2. ROLL CALL

An oral roll call was duly noted and recorded by the Clerk of the Board.

3. PUBLIC COMMENTS

There were no public comments; there were no public comments received via email.

4. ITEMS TO BE ADDED OR DELETED

There were no items to be added or deleted.

5. CONSENT CALENDAR

A. APPROVAL OF MEETING MINUTES: DECEMBER 6, 2022

Recommendation: Approve as posted.

MOVED, to approve the Consent Calendar as posted.

Result:	Adopted by Roll Call Vote
Motion/Second:	Hayes/Gardner
Ayes:	Gardner, Hayes, Slawson, Tule, Whitaker
Nays:	None
Abstentions:	None
Absent:	None

6. **NEW BUSINESS**

A. **LEGISLATIVE REPORT**

Michael Boccadoro of West Coast Advisors provided a presentation on the Sacramento Update. The California water year is off to a good start with heavy snowpack. The Southern Sierra's is outperforming the Northern Sierra's with the allocation ranging from 172% to 221%. The water supply and reservoir levels remain a concern due to the dry stretch in California's history. A new two-year session was just initiated with a significant change of about 30% new members in the Assembly. The Assembly entails 62 Democrats and 18 Republicans and the Senate entails 32 Democrats and 8 Republicans. The FY 2023-24 State faces budget deficits across the next several budget cycles that is expected to be at a minimum of \$24 billion. There will be some shortfall in the revenues in the current state budget that we are currently in that will be better determined after Tax Day in April. The FY 2023-24 Governor's budget is expected to be submitted on or before January 10.

Beth Olhasso of West Coast Advisors continued the presentation and provided an overview of the potential Legislative Committee Leadership for the Assembly and Senate members. As well as the potential legislation of PFAS, microplastics, water funding/bond, and low-income water rate assistance. A regulatory update for the following was provided; SWRCB urban water use objective, striped bass request to limit bass intake, SWRCB re-adopts prohibiting of wasteful water uses and emergency regulation for conservation, and to advance clean fleets purchase requirement to start in 2024. There was no discussion.

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

7. **NEW BUSINESS**

A. **SAWPA RESERVE POLICY (CM#2022.77)**

David Ruhl provided a presentation on the SAWPA Reserve Policy, contained in the agenda packet on pages 15-26. SAWPA currently maintains nine (9) distinct reserves that pertain to the Inland Empire Brine Line and two (2) reserves that pertain to the SAWPA General Fund. In November 2021, the PA 24 Committee approved a contract with Raftelis to perform a review of the SAWPA Reserve Policy, specifically the reserves and policies that pertain to the Brine Line. The work included a review of the reserve policies and recommendations for changes to reserve targets, setting minimum and maximum levels, combining reserves as needed and recommend changes to the policy. Raftelis and SAWPA staff collaborated with the member agency CFOs through several workshops to review the data and document and refine the preliminary findings to present to the General Managers and PA 24 Committee for discussion and approval. The draft updated Reserve Policy was presented to the General Managers at their October 11, 2022 meeting. Overall, the general managers were supportive of the work performed by Raftelis, member agency CFOs, and SAWPA staff and recommended the draft Reserve Policy be presented to the PA 24 Committee. The PA 24 Committee approved the

draft Reserve Policy and recommended approval by the SAWPA Commission and to maintain a maximum level in the reserve policy. Based on the comments received from the PA 24 Committee, the SAWPA Reserve Policy was edited to maintain a maximum level as the target level. Mr. Ruhl referenced pages 22-24 of the agenda packet and provided a summary of the recommendations and changes to the Reserve Policy. There was no discussion.

MOVED, to approve the updated SAWPA Reserve Policy.

Result:	Adopted by Roll Call Vote
Motion/Second:	Gardner/Slawson
Ayes:	Gardner, Hayes, Slawson, Tule, Whitaker
Nays:	None
Abstentions:	None
Absent:	None

B. FISCAL YEAR 2021-2022 REPORT ON AUDIT (CM#2022.78)

Karen Williams introduced Christopher Brown of Fedak & Brown, LLP. Mr. Brown provided a verbal report on the Fiscal Year 2021-2022 Report on Audit, acknowledging Karen Williams and staff for their preparation prior to and responsiveness during the virtual audit. Mr. Brown noted that the audit was performed in accordance with auditing standards generally accepted in the USA and the standards applicable to financial audits contained in the Government Auditing Standards. All went smoothly and there were no findings encountered during the audit. Mr. Brown noted that there was no identified material weakness within the authorities internal control structure for the Annual Comprehensive Financial Report for the Fiscal Year ending June 30, 2022. Commissioner Gardner commended SAWPA staff for all their efforts. There was no discussion.

MOVED, to receive and review the Annual Comprehensive Financial Report (ACFR) for the Fiscal Year ending June 30, 2022, which includes the Report on Audit prepared by Fedak & Brown LLP, then:

1. Accept the ACFR, including the Report on Audit as prepared by Fedak & Brown LLP.
2. Direct staff to file the Report with the respective government agencies as required by law; and,
3. Direct staff to submit the ACFR, with any necessary changes, for the Certificate of Achievement for Excellence in Financial Reporting Award.

Result:	Adopted by Roll Call Vote
Motion/Second:	Whitaker/Hayes
Ayes:	Gardner, Hayes, Slawson, Tule, Whitaker
Nays:	None
Abstentions:	None
Absent:	None

C. AMBIENT WATER QUALITY UPDATE PILOT STUDY – CONSULTANT SUPPORT (CM#2022.79)

Mark Norton provided a presentation on the Ambient Water Quality Update Pilot Study – Consulting Support, contained in the agenda packet on pages 209-217. The Basin Monitoring Program Task Force conducts analysis of TDS and nitrate in watershed groundwater every three (3) years to identify trends. The Task Force includes about twenty agencies and the Santa Ana Regional Board also as a non-funding task force agency that participates in all meetings. West Yost was hired in June 2021 through a competitive selection process to assist the Task Force in scoping planning priorities for the upcoming

four (4) years. They are to focus on work sought to ensure compliance with State Board 2019 Recycled Water Policy for Salt Nutrient Management Plans. As part of the agreement with the Regional Board, the Task Force is to conduct an Ambient Water Quality Update Pilot by the due date of October 2023. A Scoping Committee consisting of task force agencies agreed that contracting with a team of consultants with expertise in conducting ambient water quality updates for SAWPA was preferred considering the tight schedule. West Yost reached out to two past firms (Water Systems Consulting and Daniel B. Stephens, Inc.) that had conducted ambient water quality updates to develop proposal for pilot. Proposals were reviewed and the task force was unanimous in their recommendation to select West Yost and have Water Systems Consulting and Daniel B. Stephens, Inc. as subconsultants. The draft study report is scheduled to be completed by October 2023 with the final report including all task order work to be completed by December 31, 2023. There was no discussion.

MOVED, to authorize the General Manager to execute Task Order WEST374-02 for an amount not-to-exceed \$339,960.00 with West Yost to conduct work to assist the Basin Monitoring Program Task Force to implement the Ambient Water Quality Pilot Study for TDS and Nitrogen.

Result:	Adopted by Roll Call Vote
Motion/Second:	Gardner/Whitaker
Ayes:	Gardner, Hayes, Slawson, Tule, Whitaker
Nays:	None
Abstentions:	None
Absent:	None

D. SAWPA BUILDING – LOBBY SECURITY IMPROVEMENTS (CM#2022.80)

David Ruhl provided a presentation on the SAWPA Building Phase 3 – Lobby Security Improvements, contained in the agenda packet on pages 221-231. SAWPA issued a Task Order to Gillis + Panichapan Architects (Architect) to provide an architectural and engineering assessment of the existing SAWPA building and develop conceptual design drawings for the lobby to improve security, including associated ADA projects. The project drivers are to harden the entrance to add a layer of security, maintain an open lobby during business hours, and improve functionality and appearance of reception work area. The project size and scope triggered compliance with ADA requirements, as enforced by the City of Riverside’s permitting process. To meet these requirements, SAWPA collaborated with the Architect to engage an ADA consultant for a site analysis, an engineering survey team and civil engineer to redesign the exterior entrance and add a path of travel from the parking lot, and to generate a conceptual design of the first-floor restrooms.

In September 2021, the SAWPA Commission approved a recommendation to prepare bid documents for the SAWPA Building Lobby Improvements project at an estimated cost of \$260,000, exclusive of ADA improvements. There were some staffing changes that delayed the project implementation and since that time the ADA improvements were identified. The architect’s updated estimate for the lobby improvements only, has increased to \$290,000. The cost estimate for the ADA improvements inside the building is \$54,000 and the cost estimate for the ADA improvements outside the building is \$90,000. The estimated range for the total project cost is \$430,000 - \$490,000. This estimate is based on conceptual design. A revised cost estimate will be prepared based on completion of design.

If approved by the SAWPA Commission, a proposal would be requested from the Architect to prepare plans and specifications (bid documents). It was noted that the proposed finishes for the flooring and wall coverings of the lobby area not final; SAWPA staff will continue to coordinate with Brenda Dennstedt on finalizing the look. There was no discussion.

MOVED, to direct the General Manager to prepare bid documents for the SAWPA Building Lobby Security Improvements project, including improvements to provide equal access to persons with disabilities as required by the Americans with Disabilities Act (ADA).

Result:	Adopted by Roll Call Vote
Motion/Second:	Hayes/Gardner
Ayes:	Gardner, Hayes, Slawson, Tule, Whitaker
Nays:	None
Abstentions:	None
Absent:	None

8. **INFORMATIONAL REPORTS**

Recommendation: Receive for Information.

- A. **CASH TRANSACTIONS REPORT – SEPTEMBER 2022**
- B. **CASH TRANSACTIONS REPORT – OCTOBER 2022**
- C. **INTER-FUND BORROWING – SEPTEMBER 2022 (CM#2022.81)**
- D. **INTER-FUND BORROWING – OCTOBER 2022 (CM#2022.82)**
- E. **PERFORMANCE INDICATORS/FINANCIAL REPORTING – SEPTEMBER 2022 (CM#2022.83)**
- F. **PERFORMANCE INDICATORS/FINANCIAL REPORTING – OCTOBER 2022 (CM#2022.84)**
- G. **PROJECT AGREEMENT 25 – OWOW FUND – FINANCIAL REPORT, SEPTEMBER 2022**
- H. **PROJECT AGREEMENT 26 – ROUNDTABLE FUND – FINANCIAL REPORT SEPTEMBER 2022**
- I. **FIRST QUARTER FYE 2023 EXPENSE REPORT**
 - General Manager
 - Staff
- J. **BUDGET VS ACTUAL VARIANCE REPORT – FYE 2023 FIRST QUARTER – SEPTEMBER 30, 2022 (CM#2022.85)**
- K. **FINANCIAL REPORT FOR THE FIRST QUARTER ENDING SEPTEMBER 30, 2022**
- L. **GENERAL MANAGER REPORT**
- M. **STATE LEGISLATIVE REPORT OCTOBER 2022 | NOVEMBER 2022**

N. CHAIR'S COMMENTS/REPORT

There were no Chair comments.

O. COMMISSIONERS' COMMENTS

There were no Commissioners' comments. Happy Holidays!

P. COMMISSIONERS' REQUEST FOR FUTURE AGENDA ITEMS

There were no requests for future Agenda items.

9. CLOSED SESSION

There was no closed session.

10. ADJOURNMENT

There being no further business for review, Chair Marco Tule adjourned the meeting at 10:34 a.m.

Approved at a Regular Meeting of the Santa Ana Watershed Project Authority Commission on Tuesday, January 17, 2023.

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Bruce Whitaker

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Bruce Whitaker, Chair

Attest:

DocuSigned by:

Sara Villa

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Sara Villa, Clerk of the Board