

**SAWPA Commission**  
**Regular Meeting Minutes**

**April 15, 2014**

COMMISSION MEMBERS PRESENT

Phil Anthony, Chair  
Don Galleano  
Ron Sullivan  
Mark Bulot  
Terry Catlin

REPRESENTING

Orange County Water District  
Western Municipal Water District  
Eastern Municipal Water District  
San Bernardino Valley Municipal Water District  
Inland Empire Utilities Agency

OTHERS PRESENT

Harry Sidhu  
Ed Killgore  
Jasmin Hall  
Paul Jones  
Kip Sturgeon  
Michael Markus  
Ron Coats  
Jeanne Delperdang  
Jacky Zukeran  
Piotr Kostecki  
Ziggy Kostecki  
Don Lee  
Chris Berch  
Craig Proctor  
Brenda Meyer  
John Wrobel  
Tom Gaworski  
Adoga Kiharangwa  
A. Ferrin  
Celeste Cantú  
Rich Haller  
Larry McKenney  
Mark Norton  
Karen Williams  
Dean Unger  
Carlos Quintero  
David Ruhl  
Lucas Gilbert  
Patti Bonawitz

Orange County Water District  
San Bernardino Valley Municipal Water District  
Inland Empire Utilities Agency  
Eastern Municipal Water District  
East Valley Water District  
Orange County Water District  
East Valley Water District  
K-Pure Waterworks  
City of Corona  
Department of Toxic Substance Control  
Department of Toxic Substance Control  
Tetra Tech  
Inland Empire Utilities Agency  
Inland Empire Utilities Agency  
Western Municipal Water District  
Yucaipa Valley Water District  
Orange County Sanitation District  
City of Corona  
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The Regular Commission Meeting of the Santa Ana Watershed Project Authority was called to order at 9:30 a.m. by Chair Phil Anthony at the Santa Ana Watershed Project Authority Office, 11615 Sterling Avenue, Riverside, CA 92503. Chair Anthony led the flag salute. Chair Anthony called for public comments; however, no comments were received.

**NEW BUSINESS**

**INLAND EMPIRE BRINE LINE – SEWER SYSTEM MANAGEMENT PLAN (SSMP) (CM#8866)**

Carlos Quintero stated that the SSMP has 12 sections, which are contained in two volumes: Volume 1 contains the Executive Summary and the Plan, and Volume 2 contains the Appendices. The SSMP has been sent to all the member agencies for review. It is a living document that was developed back in 2009. He reviewed the major changes. Discussion ensued regarding the coordination between SAWPA and

OCSD on this document. Staff stated that this plan was first done in parallel with OCSD five years ago. Commissioner Bulot concurred and also clarified that it is the Overflow Emergency Response Plan that interties with OCSD. Discussion further ensued regarding the definitions of a large vs. small spill and the appropriate response procedures, reporting requirements, and potential fines if spills are not handled properly. Carlos Quintero stated that staff always responds to spills regardless of the volume. Rich Haller commented that SAWPA conducts annual training for staff on the Overflow Emergency Response Plan. Chair Anthony opened the public hearing at 9:40 a.m.; hearing no comments, he closed the public hearing at 9:40 a.m.

Upon motion by Commissioner Bulot, seconded by Commissioner Sullivan, the motion unanimously carried (5-0):

**13-04-03**

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

with the following vote:

Ayes: Bulot, Sullivan, Galleano, Catlin, Anthony

Noes: None

Abstain: None

Absent: None

**INLAND EMPIRE BRINE LINE RATE RESOLUTION (CM#8868)**

Rich Haller stated that the proposed rates have been calculated using a financial model developed in 2010, and updated for the 2015 rate. The 2015 rate allocates recurring costs to the “variable” component (flow) and “fixed” components based on owned pipeline and treatment and disposal capacity rights using a distribution of 40% flow, 30% fixed pipeline, and 30% fixed treatment. Staff projected five percent for flow; however, OCSD increased their BOD rate to 11 percent and the TSS rate to 4%. These rates are straight pass through costs charged to SAWPA by OCSD. When OCSD updates their rate model, it directly impacts SAWPA’s rate. Also, the SAWPA rate model reflects two near-term capital projects, the repair of Reach V and the removal of rip-rap placed to protect the SARI in Orange County. An SRF loan will be used to finance the Reach V project. Discussion ensued regarding the current fixed costs, the rate increase and the associated costs that are a straight pass through from OCSD, and impacts of the rate model of increasing the number of dischargers. Both the dischargers and member agencies have been notified of this rate increase effective July 1, 2014.

Upon motion by Commissioner Bulot, seconded by Commissioner Sullivan, the motion unanimously carried (5-0):

**13-04-04**

**MOVED**, approval and adoption of Resolution No. 2014-03, establishing the new Inland Empire Brine Line rates to be effective July 1, 2014.

**RESOLUTION NO. 2014-03**

**A RESOLUTION OF THE COMMISSION FOR THE SANTA ANA WATERSHED PROJECT AUTHORITY ESTABLISHING THE RATES (FOR THE TREATMENT AND DISPOSAL OF NON-RECLAIMABLE WASTEWATER, TEMPORARY DOMESTIC WASTEWATER, COLLECTION STATION DISCHARGES, AND CHARGES FOR SUSPENDED SOLIDS AND BIOCHEMICAL OXYGEN DEMAND IN THE INLAND EMPIRE BRINE LINE (For full text, see Resolution Book).**

with the following vote:

Ayes: Bulot, Sullivan, Galleano, Catlin, Anthony

Noes: None

Abstain: None

Absent: None

**INLAND EMPIRE BRINE LINE REACH 4B UPPER IMPROVEMENTS – PHASE 3 (CM#8867)**

Carlos Quintero reviewed the improvements and the three change orders involved to accomplish project work by March 21, 2014: Change Order No. 1 was necessary to incorporate testing requirements for PVC pipe not originally included in the contract documents; Change Order No. 2 was to construct an additional maintenance access structure near the intersection of Buchanan and Sampson Avenues; and Change Order No. 3 addressed the compensation to the contractor for changed field conditions. He reviewed a schematic of some of the siphon replacements, noting that there were 22½ bends. Discussion ensued regarding the last time this section of line was cleaned (it was cleaned twice last year in the fall and summer).

Upon motion by Commissioner Catlin, seconded by Commissioner Sullivan, the motion unanimously carried (5-0):

**13-04-05**

**MOVED**, approval of Change Order No. 3 with MMC, Inc. in the amount of \$12,848.40, accepted the Reach 4B Upper Improvements – Phase 3 project as complete, and directed staff to file a Notice of Completion with the County of Riverside.

with the following vote:

Ayes: Bulot, Sullivan, Galleano, Catlin, Anthony  
Noes: None  
Abstain: None  
Absent: None

**INLAND EMPIRE BRINE LINE REACH V REHABILITATION AND IMPROVEMENT PROJECT (CM#8869)**

After extensive investigation following the October 18, 2011 spill at Temescal Canyon and Cabot Roads, David Ruhl reported that poor compaction and over-deflection of the pipe was found. A pipeline condition study was prepared. Staff hired Dudek to implement the design and prepare the preliminary design report, which was completed in January 2014. Staff also conducted a value engineering workshop in late February 2014, in which 16 options were selected. Two of the options provided the greatest potential to reduce costs and minimize risks - modifications to the MAS, which could have \$1 million in savings and the use of line stops. The final construction plans and specifications are anticipated to be complete in July 2014. The bid process is anticipated to commence in late summer 2014, with construction starting in late 2014. The services of a construction management firm (fees range from 7-8% of the \$13.8 million project cost), now are needed to provide input on the final draft construction plans and specifications, oversee construction activities, and provide inspection to ensure the project is installed according to the plans and specifications prepared by the design engineer. Staff will come back in June to present an award of contract. Discussion ensued regarding whether or not improper bedding and backfill were used, which was not changed out after the spill, and the status report of Castle and Cooke. Larry McKenney stated that there is no deal just yet; however, we are very hopeful of resolving in the next few weeks.

Upon motion by Commissioner Sullivan, seconded by Commissioner Bulot, the motion unanimously carried (5-0):

**13-04-06**

**MOVED**, approval and directed staff to release a Request for Proposals (RFP) for construction management and inspection services for the Inland Empire Brine Line Reach V Rehabilitation and Improvement Project.

with the following vote:

Ayes: Bulot, Sullivan, Galleano, Catlin, Anthony  
Noes: None  
Abstain: None  
Absent: None

The following two OWOW items were considered, discussed, and acted upon as one item.

**OWOW 2014 EMERGENCY DROUGHT GRANT SOLICITATION (CM#8864)**

Mark Norton reviewed the early schedule, the intent of the Project Solicitation Proposal, and the set aside of \$200 million for emergency drought relief. He noted how the game changer is DWR's new deadline of July 2014, rather than August 2014. He reviewed some possible options:

1. Bypass this round, but staff feels that sends the wrong message to the State;
2. Abridged process with one watershed-wide project proposal as discussed among the SAWPA General Managers; or
3. Conduct a "Call for Projects" using Criterium Decision Plus software and form a Project Review Committee quickly. Staff does not believe there is sufficient time to accommodate this process, and some of our projects may not be competitive in the emergency drought relief grant funding.

In staff's opinion, Option 2 presents the best option - a new abridged approach. This approach has been discussed with the five SAWPA General Managers and also discussed at an April 8, 2014 workshop with watershed stakeholders. One watershed project application is being prepared to be submitted by the General Managers that will be brought to the May OWOW Steering Committee meeting for consideration. Extensive discussion ensued. Commissioner Galleano found the project concept offensive as his ratepayers are already doing what they should regarding water conservation and water budgeting/ allocation and he didn't appreciate the tone of that message. After much discussion, it was the consensus of the Commission that staff should define a specific watershed-wide project and bring it back for further consideration and approval.

Commissioner Bulot stated that he would like to hear the results of that discussion by the SAWPA General Managers. Commissioner Sullivan added that although there were three General Managers at that meeting who are not present today, the other two are in attendance today and requested their comments regarding the results of that meeting. Commissioner Sullivan also stated that if SAWPA does apply for anything, we need to make sure the application submitted will be ranked and is appropriate. A lot of the smaller agencies in our watershed could benefit from this type of project proposal. As Convener of the OWOW Steering Committee, Commissioner Sullivan stated that he doesn't believe it is a slap in the face; it is just a way for our smaller agencies/sub-agencies to have an opportunity for water-based budgeting programs and water efficiency tools and programs that might not have those opportunities otherwise. Discussion ensued regarding incorporating LIDAR as a part of the project toolbox in Option 2. Staff reminded the Commission that this "one" project proposal still was under development and it is only conceptual at this time; however, it is to be presented soon by the SAWPA General Managers. The General Managers have hired a consultant to help them focus and formulate the project.

Discussion further ensued regarding the concept of this one watershed-wide project proposal, the structure, it must be accessible to everyone in the watershed, political realities, including LIDAR into the concept, Watersmart tools or equivalent, and turf removal retrofit, SAWPA's role, and the next steps. All have a common goal – to conserve water. Celeste Cantú reminded the Commission that this proposal is only conceptual at this time and we do not have a specific project yet. Commissioner Catlin reminded the Commission that everything is moving very fast and that the State is shifting their priorities. Staff and others are trying to find ways to capture some funding through this Option 2 process and everything is not totally resolved just yet – it is conceptual.

Paul Jones (EMWD) addressed the Commission and stated that the one watershed-wide project concept contains a suite of conservation and technical tools to help with implementation, as Celeste Cantú has described. It also contains other incentive-based programs and in the next few weeks, we will be refining the project and will be ready to present the project to the Commission at the May 20 meeting. Paul Jones stated, "...as staff pointed out, this is really a process at this point, not a project. In general, with the State changing their priorities and giving unrealistic priorities, this is the best way to go."

Mike Markus (OCWD) also added his support of this group concept, which is looking at projects that will help restore water use efficiency and aid in water conservation. It is more about providing the tools. Paul Jones added that because the State's requirements are so onerous; it is the only thing that will fit and will work. It was the consensus of the Commission to give direction to both the General Managers and staff to bring this project in full detail to the next Commission meeting.

Chair Anthony stated that the Steering Committee creates the process, and they can do it as an advising body, but it is the SAWPA Commission that gives the final approvals. Larry McKenny advised Chair Anthony that in accordance with the OWOW Governance Document, it is the Steering Committee that recommends and approves the approach.

Commissioner Catlin suggested that the Commission consider sending this matter back to the Steering Committee to adopt a new approach and bring the whole approach back with the project proposal, and if necessary, we could make any adjustments at that time to make our proposal successful. He reminded the Commission that there are a lot of moving parts right now. Commissioner Sullivan stated that there has been a lot of cooperation across the board among the General Managers and staff to accommodate this project submittal.

Upon motion by Commissioner Catlin, seconded by Commissioner Sullivan, the motion unanimously carried (5-0):

**13-04-07**

**MOVED**, approval to ask the OWOW Steering Committee to reconsider the 2014 OWOW Emergency Drought Grant process and schedule and support an abridged 2014 OWOW Emergency Grant Solicitation process, in light of the new compressed deadlines and delay in the draft DWR Proposal Solicitation Package and Guidelines release for the 2014 IRWM Drought Solicitation.

with the following vote:

Ayes: Bulot, Sullivan, Galleano, Catlin, Anthony  
Noes: None  
Abstain: None  
Absent: None

**RECONSIDER RECOMMENDATIONS BY THE OWOW STEERING COMMITTEE DUE TO THE LATE RELEASE OF DWR'S PROPOSAL SOLICITATION PACKAGE AND GUIDELINES (CM#8865)**

Refer to discussion above.

**REVIEW OF THE SECOND YEAR OF A TWO-YEAR BUDGET – FYE 2015 BUDGET (CM#8880)**

Karen Williams briefly reviewed the FYE 2015 Budget and noted that only Western Municipal Water District approved a one year budget; every other member agency approved the SAWPA Budget for a two-year budget.

Upon motion by Commissioner Galleano, seconded by Commissioner Bulot, the motion unanimously carried (5-0):

**13-04-08**

**MOVED**, approval to receive and file the second year of a two-year budget - FYE 2015, and:

Direct Western Municipal Water District to "Notice" the consideration of the FYE 2014/15 SAWPA Budget on their next Board of Directors Meeting agenda; and  
Approve by Board Resolution (pursuant to the Joint Powers Authority Agreement) the FYE 2014/15 SAWPA Budget.

with the following vote:

Ayes: Bulot, Sullivan, Galleano, Catlin, Anthony

Noes: None

Abstain: None

Absent: None

### **ACWA SPRING CONFERENCE PROXY**

Celeste Cantú requested the Commission's consideration to appoint a delegate to cast the SAWPA vote at the upcoming ACWA Spring Conference. Commissioner Galleano recommended that Chair Anthony cast the vote. Chair Anthony suggested that Commissioner Sullivan cast it.

Upon motion by Commissioner Bulot, seconded by Chair Anthony, the motion unanimously carried (5-0):

**13-04-09**

**MOVED**, approval and appointed Ron Sullivan as the SAWPA voting delegate at the upcoming ACWA Spring Conference.

with the following vote:

Ayes: Bulot, Sullivan, Galleano, Catlin, Anthony

Noes: None

Abstain: None

Absent: None

### **OLD BUSINESS**

#### **INLAND EMPIRE BRINE LINE REACH 4A UPPER**

The following two informational presentations were received and filed on the occurrence of hydrogen sulfide gas in the Inland Empire Brine Line Reach 4A Upper, and the measures being taken to address the resulting corrosion.

#### **STATUS UPDATE - HYDROGEN SULFIDE (H<sub>2</sub>S) PROBLEM IN REACH 4A UPPER**

Craig Proctor of IEUA provided an update on the hydrogen sulfide problem in Reach 4A Upper of the Inland Empire Brine Line, which involves five industrial dischargers. The problem was noticed in 2010 when pipeline cleaning was conducted. He reviewed Trussell Technologies' findings and conclusions, control strategies, and next steps. IEUA will continue to work with SAWPA regarding continued analysis and monitoring. Discussion ensued regarding the damage caused by the sulfides (pipeline corrosion). Chair Anthony, Commissioner Sullivan and Celeste Cantú thanked him for presenting to the Commission.

#### **INLAND EMPIRE BRINE LINE REACH 4A UPPER - MAS CORROSION PROTECTION (CM#8863)**

Carlos Quintero briefed the Commission on the corrosion issues in Reach 4A Upper pipeline due to high hydrogen sulfide (H<sub>2</sub>S) levels. Six MAS were lined in 2014 due to poor conditions, and there are 17 others in this section of Reach 4A Upper that are targeted to be lined. He presented photos showing the protection work in the Corona Lateral. Discussion ensued regarding the contractor's low-cost bid and can they really perform the work. Chair Anthony requested that staff bring back any change orders on this project work and reminded staff that the costs shouldn't be over 10%. Staff reminded the Commission that this project work is not a public works contract, but rather a service contract.

#### **SAWPA'S FEDERAL ADVOCACY (CM#8878)**

Celeste Cantú stated that Larry McKenney has been working with Paul Jones (EMWD) who expressed interest in this matter. Discussion ensued regarding a SAWPA federal advocacy program, SAWPA and its five member agencies are to be one voice or six voices, and most importantly, we all need to understand how we are going to work together on a federal advocacy program. Commissioner Sullivan stated, "...SAWPA is not being given a license to do whatever it wants to do on a federal role, but rather it should be supportive and be in concert with the five member agencies, since the five member agencies pay for everything at SAWPA."



Upon motion by Commissioner Sullivan, seconded by Commissioner Bulot, the motion unanimously carried (5-0):

**13-04-10**

**MOVED**, approval to refer the matter back to the SAWPA General Managers at their next meeting for further discussion, and bring it back to the Commission for further action.

with the following vote:

Ayes: Bulot, Sullivan, Galleano, Catlin, Anthony

Noes: None

Abstain: None

Absent: None

### **PRETREATMENT PROGRAM STATUS UPDATE**

No formal report was given as Rich Haller stated that his report was included in the General Manager's Report.

### **CONSENT CALENDAR**

Upon motion by Commissioner Catlin, seconded by Commissioner Bulot, the motion unanimously carried (5-0):

**13-04-11**

**MOVED**, approval of the Consent Calendar.

- A. The Commission approved the Minutes from the Meeting held 4-1-14.
- B. The Treasurer's Reports for the months of February and March 2014 were approved.
- C. The Disposal of SAWPA Surplus Property report was received and filed (CM#8879).

with the following vote:

Ayes: Bulot, Sullivan, Galleano, Catlin, Anthony

Noes: None

Abstain: None

Absent: None

### **INFORMATIONAL REPORTS**

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

A. OWOW Round 2 Update (CM#8875)

B. State Legislative Report

Celeste Cantú discussed two legislative bills of interest. The Commission considered it important to take action on these two bills.

Upon motion by Commissioner Bulot, seconded by Commissioner Sullivan, the motion unanimously carried (5-0):

**13-04-12**

**MOVED**, approval to oppose AB 1671 (Frazier) regarding Sacramento-San Joaquin Delta: water conveyance system.

with the following vote:

Ayes: Bulot, Sullivan, Galleano, Catlin, Anthony  
Noes: None  
Abstain: None  
Absent: None

Upon motion by Commissioner Bulot, seconded by Commissioner Sullivan, the motion unanimously carried (5-0):

**13-04-13**

**MOVED**, approval to oppose, unless amended, AB 1874 (Gonzales) regarding integrated regional water management plans: funding.

with the following vote:

Ayes: Bulot, Sullivan, Galleano, Catlin, Anthony  
Noes: None  
Abstain: None  
Absent: None

C. Inter-Fund Borrowing – January 2014 (CM#8872)

D. Performance Indicators/Financial Reporting – February 2014 (CM#8873)

E. FYE 2014 Second Quarter Budget Vs. Actual Variance Report (CM#8874)

F. Financial Report For The Second Quarter Ending December 31, 2013

- Inland Empire Brine Line
- SAWPA

G. Expense Reports – Fourth Quarter FYE 2013

- Staff
- General Manager

H. General Manager's Report

Celeste Cantú provided a verbal report:

- OWOW Conference is scheduled for Tuesday, October 14, 2014 at the Riverside Convention Center. Jennifer Bowles has replaced Rita Schmidt Sudman as the Executive Director at WEF and WEF will be coordinating our annual OWOW Conference.
- Project Performance Certification – SAWPA; SARI Repairs Upstream of Prado Dam (Reaches IV-A and IV-B) Project; Clean Water State Revolving Fund Program No. C-06-05610-110.
- Final Project Inspection – SAWPA; SARI Repairs Upstream of Prado Dam (Reaches IV-A and IV-B) Project; Clean Water State Revolving Fund Program Project No. C-06-05610-110.
- Recruitment for a Senior Pretreatment Program Specialist continues. It has been difficult to find and recruit candidates, but we have three prospective candidates that we intend to interview. Lucas Gilbert was promoted to the position of Manager of Pretreatment and Permitting.
- Another new position and recruitment that staff will seek the Commission's approval on next month is a Grants Administrator. With 20 Proposition 84, Round 2 projects forthcoming and overseeing the 13 projects from Round 1, we will need one staff member to manage all the projects/funding for Proposition 84.
- Attended EMWD's Perris Recreation Facility celebration, which was well attended.
- Congratulations to IEUA for receiving the Regional EPA award.
  - The May 6, 2014 Commission Meeting is cancelled due to the ACWA Conference.
  - At the May 20, 2014 Commission Meeting, the Commission will hear from the Department of Toxic Substance regarding Stringfellow's New Treatment Plant.



I. SAWPA General Managers Meeting Notes – April 8, 2014

J. Chair's Comments/Report

Chair Anthony requested that copies of the strategic plan, including the goals, be sent to all the Commissioners to serve as the foundation for our OWOW discussion at the next meeting. Over the years, SAWPA has been known to be the peace maker in this watershed, the preparer of the IRWM, to develop water initiatives and provide funding for influencing legislation. He suggested that staff and the Commission review it prior to the next meeting.

K. Commissioners' Comments

Commissioner Galleano commented that he really enjoyed the four dischargers' presentations earlier this month. He especially appreciated receiving the information regarding the economic benefits of the Inland Empire Brine Line to their respective businesses. He suggested that the Commission schedule a tour of the new expansion of the Chino II Desalter and then invited the Commissioners to have lunch at his winery immediately following the tour. Discussion briefly ensued regarding the brine line investment.

There being no further business for review, Chair Anthony adjourned the meeting at 11:20 a.m.

**APPROVED:**

May 20, 2014

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Phl Anthony, Chair

2014-4-15 Com Min