



**SAWPA COMMISSION
REGULAR MEETING MINUTES
MARCH 18, 2025**

COMMISSIONERS PRESENT

Mike Gardner, Chair, Western Municipal Water District
Gil Botello, Vice Chair, San Bernardino Valley Municipal Water District
Philip E. Paule, Secretary-Treasurer, Eastern Municipal Water District
Denis Bilodeau, Orange County Water District [10:42 a.m. via – zoom]

COMMISSIONERS ABSENT

Jasmin A. Hall, Inland Empire Utilities Agency

**COMMISSIONERS PRESENT;
NON-VOTING**

David Slawson, Eastern Municipal Water District [via – zoom]
T. Milford Harrison, San Bernardino Valley Municipal Water District
Fred Jung, Orange County Water District [via – zoom]

STAFF PRESENT

Jeff Mosher, Karen Williams, David Ruhl, Rachel Gray, Shavonne Turner, Dean Unger, John Leete, Ian Achimore, Rick Whetsel, Sara Villa, Alison Lewis, Marie Jauregui, Natalia Gonzalez

OTHERS PRESENT

Thomas S. Bunn, Lagerlof, LLP; Lisa Haney, Orange County Water District; Carly Pierce, Western Municipal Water District; Mallory O'Connor, Western Municipal Water District; Michael Boccadoro, West Coast Advisors; Beth Olhasso, West Coast Advisors

The Regular Meeting of the Santa Ana Watershed Project Authority Commission was called to order at 9:31 a.m. by Chair Mike Gardner on behalf of the Santa Ana Watershed Project Authority, 11615 Sterling Avenue, Riverside, California, and Denis Bilodeau at 601 N. Ross Street, Room 327, Santa Ana, CA 92701.

1. CALL TO ORDER

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.

The Commission first considered Agenda Item No. 9.A, and Chair Mike Gardner recessed the meeting at 9:33 a.m. for Closed Session.

4. ITEMS TO BE ADDED OR DELETED

There were no items to be added or deleted.

5. CONSENT CALENDAR

A. APPROVAL OF MEETING MINUTES: MARCH 4, 2025

Recommendation: Approve as posted.

MOVED, to approve the Consent Calendar as posted.

Result:	Adopted by Roll Call Vote
Motion/Second:	Paule/Botello
Ayes:	Botello, Gardner, Paule
Nays:	None
Abstentions:	None
Absent:	Bilodeau

6. **WORKSHOP DISCUSSION AGENDA**

A. **LEGISLATIVE REPORT**

Jeff Mosher introduced Michael Boccadoro and Beth Olhasso of West Coast Advisors, and Mr. Boccadoro provided a report on the drought and water supply update.

California's reservoirs remain at or above historical averages due to recent atmospheric rivers, with substantial snowpack and precipitation in February. The two largest reservoirs, Shasta and Oroville, are near full capacity and released 2 million acre-feet of water to prepare for potential floods, while only 4% of the water was captured. This highlights the need for better infrastructure to store and move water, particularly to the Central Valley. Current snowpack is at 93% of the average, with optimism for reaching 100% due to cold storms in March. While northern and central California have benefited from the storms, southern California remains drier, and drought conditions are increasing in that region.

Ms. Olhasso provided a report on the Governor's proposed \$322.2 billion budget raises concerns, particularly around funding for wildfire response and recovery. Key details will be clearer after the May budget revision, which will incorporate tax receipts after April 15. A major issue is the potential redirection of Proposition 4 funds, which are intended for water recycling but may be used elsewhere, particularly for wildfire programs. This has led to push back from the Legislature, questioning whether this would be misleading to voters. Additionally, proposed staffing reductions, including cuts to the State Water Resources Control Board's vacant positions, could disrupt permitting processes, particularly in fee-based programs. Further details are expected in April, when a larger hearing on these matters will take place.

One key bill to watch is SB 72, which focuses on long-term water supply targets and is supported by the California Municipal Utilities Association and Western Municipal Water District. Although amendments are expected soon, there are no major concerns at the moment. The bill is scheduled to be discussed in the Natural Resources and Water Committee towards the end of the month, just before the summer recess. While the exact date isn't set, it will likely be addressed at the end of the month.

Ms. Olhasso highlighted several important bills that are being discussed in California's legislature:

- AB 532 (introduced by CMUA) focuses on water rate assistance, offering an alternative to the controversial SB 350. While SB 350 proposes a low-income rate assistance program that includes sewer services, which presents additional challenges, AB 532 avoids a subsidy model and aligns with Prop 218, making it a more viable option. Advocates are working to demonstrate that AB 532 is the better solution, but progress may not happen until it reaches the Assembly.
- SB 350 aims for a broader water rate assistance program and now includes sewer services. The complexities of applying this to sewer rates (often tied to property tax rolls) complicate the implementation.

- SB 31 addresses updates to Title 22, which regulates non-potable recycled water. This bill, which has strong support, would make it easier for homeowners' associations and parks to use recycled water for landscaping and common areas. It's scheduled for discussion next week, with no opposition so far.
- SB 454 aims to create a PFAS mitigation fund for cleanup efforts. While still in the early stages, this bill marks a step toward collaborative PFAS mitigation, which could include funding for wellhead and effluent treatment.
- SB 694 focuses on advanced clean fleet regulations, addressing challenges in transitioning utility vehicles to electric models. It recognizes that some utility vehicles aren't yet available in electric form and that charging infrastructure may not meet emergency response needs. This bill has broad support.

Mr. Boccadoro noted that the California Air Resources Board (CARB) is struggling with a significant challenge regarding the Advanced Clean Trucks and Advanced Clean Fleets rules. The Advanced Clean Trucks rule mandates that manufacturers produce electric trucks, while the Advanced Clean Fleets rule requires fleet operators to purchase them. CARB is currently struggling to align these two regulations, creating a difficult situation for the agency. Despite this, CARB has yet to publicly acknowledge the full scope of the issue, making it a key challenge for the future of California's transportation and climate goals.

Looking ahead, there is hope for some relief for public agencies, but a major challenge remains: CARB is unlikely to meet its 2030 transportation and broader climate goals. Achieving a 40% reduction in emissions below 1990 levels by 2030 was already a tough target, even before the federal administration change. With the reduced federal funding following the administration shift, the likelihood of meeting these targets has significantly decreased. If CARB does manage to reach these goals, it may come at a high cost to California's consumers and businesses. Moving forward, there is hope that CARB will recognize these difficulties and adjust their expectations and approach to ensure more reasonable and achievable solutions.

Ms. Olhasso commended staff and thanked everyone who participates in the weekly legislative conference calls. The member agencies and SAWPA staff's consistent involvement has been incredibly valuable. These calls provide a fantastic opportunity to dig deeper into the bills and have productive, meaningful discussions. The engagement truly makes a difference and is grateful to all who contribute to such a productive space for collaboration. It's been extremely helpful and really appreciates all the effort and time everyone dedicates to making it successful.

This item is to receive and file; no action was taken on agenda item no. 6.A.

7. NEW BUSINESS

A. FYE 2026 AND 2027 GENERAL FUND DRAFT BUDGET (CM#2025.22)

Karen Williams provided a presentation on the FYE 2026 and 2027 General Fund Draft Budget, contained in the agenda packet on pages 15-43.

Ms. Williams provided a brief overview of the general fund budget, Indirect Costs and Benefit Rates, and Member Agency Contributions. The General Fund is used for all Joint Power Authority (JPA) administrative functions for the Commission, including legislative needs, building facility maintenance, and activities not directly related to specific projects. It covers costs for departments such as finance, accounting, Human Resources, legal, and IT. The Indirect Cost Rates, SAWPA aims to keep the indirect cost rate stable from year to year, providing consistency and predictability in the costs charged to projects, including software

labor and reimbursable contracts. SAWPA works to keep member agency contributions reasonable and relatively constant to provide stability for the member agencies.

Ms. Williams referenced the Labor Assumptions Used slide, contained in the agenda packet on page 31 and noted that SAWPA has 26 filled and approved FTE, 5 Interns and an 8% salary increase planned each year, which is split into 4% Merit Pool, based on performance evaluations for each employee, and 4% Cost-of-Living Adjustment (COLA). This will be determined by the Consumer Price Index (CPI) for the Ontario-Riverside-San Bernardino area, and the exact figure will be brought to the Commission for approval each year.

Commissioner Botello asked how the Merit Pool is determined for staff. Ms. Williams noted that the Department Heads conduct biannual staff evaluations and review accomplishments with employees at the end of the year. The Department Head then meets with the General Manager to discuss the evaluations, and ultimately the General Manager makes the final decision on who will receive salary increases. Some employees are at the maximum salary for their position, meaning they would not be able to receive merit increases but are eligible for a bonus. This approach provides flexibility based on individual performance while ensuring that salary adjustments are within a set framework. The General Manager has the final say, considering the evaluations and performance of each employee.

Mr. Mosher referenced SAWPA's Organization Chart slide, contained in the agenda packet on page 32 and reported that there are changes with Ms. Williams' retirement, and her holding multiple roles, including CFO and Deputy General Manager. We have discussed with both the General Managers and the Commission the hiring of a Director of Finance, instead of a CFO, and bringing in an external advisor for investment. The RFP for this advisor is currently out, which aligns with our transition plan for the finance department.

In addition to Ms. Williams' role in finance, she also serves as Deputy General Manager, which is a crucial position within our organization. Ms. Williams has been instrumental in supporting all aspects of SAWPA, from budget administration, IT, Human Resources, and planning. We want to continue this support by hiring an Assistant General Manager (AGM).

Mr. Mosher noted that the greatest need right now is in the area of planning. We feel additional support is necessary to strengthen this area, which is why we are repurposing the AGM role to focus more on planning services. In addition, we plan to expand the department's responsibilities to include areas that have been supporting our planning initiatives, such as data management and GIS. Additionally, we are expanding beyond the IRWM focus to include climate adaptation and resiliency programs, such as the grant we're currently working on. This involves areas like communications, community outreach, and ensuring input from disadvantaged communities. As state priorities shift toward climate resiliency, we see opportunities to align SAWPA's work with Proposition 4 priorities, such as nature-based solutions. This could position us to seek out grant funding in areas outside of IRWM, such as watershed resiliency and nature-based solutions funding from agencies like CalEPA, which falls outside of DWR. Our goal is to reshape how SAWPA approaches planning, not only in support of watershed member agencies but also expanding to include other stakeholders like flood control and power sectors.

Mr. Mosher noted that while we don't yet have an exact picture of how this will all look, we intend to hire the AGM and work closely with them to develop strategies for CARP, regional projects, and position SAWPA to better serve our member agencies in this evolving environment. This is a work in progress as we move into the next fiscal year, these changes are being proposed in light of Ms. Williams' retirement and the need to position SAWPA to better support its mission.

Vice Chair, Gil Botello raised questions about how staff are looking to hire an external investment advisor because the new hire would need to focus on SAWPA financial needs, leaving them unable to concentrate on other responsibilities. But now it is proposed to hire both an external investment advisor and an AGM and we could create additional costs. Also, being familiar with SAWPA staff and having very talented individuals, is it being considered to promote someone from within to the AGM role? Also, given that your organization runs so smoothly and has such a talented team, do you really need to bring someone from the outside? That person may not be familiar with the history or culture of the organization, which could create challenges when it comes to managing the team. Mr. Botello emphasized that experience and institutional knowledge are important, and that's something he highly values from his time as a public servant. So, adding two new positions, especially if one is an external hire, may not be the best approach. However, if the Commission and/or the General Manager decide to move forward, he is interested to hear the General Managers thoughts.

Mr. Mosher noted that we're not adding any new positions. Staff is maintaining the same staffing levels with 26 full-time equivalents. We're simply reorganizing responsibilities to align better with the evolving needs of the organization, especially with regards to the planning program's future direction. On the finance side, it's been determined that we don't need to hire a CFO, as that's a higher-level position. Instead, we're considering bringing in a Director of Finance, which would come at a lower cost than a CFO. Regarding the AGM role, it serves a dual purpose at a high level, it would support the entire organization and help with succession planning. We've recently hired several new senior level positions at SAWPA, like in administrative services and the planning department. Bringing in an AGM would allow them to grow into the role and prepare for future succession. This would also help other staff members gain experience for the next leadership transition. The AGM would play an essential role in overseeing the organization's various functions, including planning, and working alongside the General Manager.

Mr. Mosher noted that as staff explore future funding opportunities, we will bring back an analysis of Prop 4 and other potential funding streams, with a focus on positioning our members to take advantage of them. We're seeing these changes gradually unfold, and we're adapting our strategy to meet the future needs of the watershed. Lastly, we're fortunate to have Ms. Williams here for this two-year budget cycle. In the next two years, we're set with the current grant funding from Prop 1, as those projects will carry us through. However, we've already started discussing Year 3 and 4, as many of our IRWM programs will be wrapping up. Ms. Williams will also present the expiration of several grant programs: Prop 84 ends in November, and Prop 1 Round 1 and 2 will conclude in fiscal year 2027. The idea is that initially, the Director of Finance will have a lot to learn, but we believe that we could potentially reduce their workload down the line. Additionally, the fees for the external investment advisor role will be covered by interest earnings, so it won't be a direct budgeted expense like a consultant.

Mr. Mosher noted that he met individually with the five General Managers, and while he meets with them regularly, they had more in-depth discussions over the past 4-6 weeks about our priorities and how we plan to achieve them. This topic was also addressed at the last General Managers meeting. Regarding their feedback, the General Managers will raise concerns if they have any, or if they want to suggest changes or additions. The General Managers are generally supportive of bringing this forward to the Commission.

Ms. Williams noted that the Comprehensive Budget will be brought back to the Commission on April 1st with the opportunity to approve or wait until May.

Commissioner Denis Bilodeau joined the meeting via – zoom at 10:42 a.m., during Agenda Item No. 7.A.

This item is to receive and file; no action was taken on agenda item no. 7.A.

B. UPDATE ON THE SANTA ANA RIVER HABITAT SURVEY (CM#2025.23)

Ian Achimore provided a presentation on the Update on the Santa Ana River Habitat Survey, contained in the agenda packet on pages 61-79.

Mr. Achimore noted that an update on the habitat survey was provided to the Commission in June of last year, and staff have completed two of the surveys in the past couple of months. Mr. Achimore took a moment to thank our partners, including the Orange County Water District, San Bernardino Valley Municipal Water District, Colton Police Department, Riverside County Regional Park and Open Space District, and the U.S. Fish and Wildlife Service for their contributions to the recent pilot surveys on February 3rd. These collaborations were essential for the success of the surveys, and we are truly grateful for their support.

A brief overview of the Santa Ana Sucker was provided. This fish species is a bottom feeder, scraping algae from rocks and gravel in the Santa Ana River. The ideal habitat for the sucker consists of a river bottom that mixes sand, cobble, and gravel. These elements provide both feeding grounds and suitable locations for spawning. SAWPA staff have been conducting habitat surveys on the Santa Ana River since 2006. While the task force itself has been operating since 1998, the first habitat survey was done in 2006. These surveys occur every fall, providing a snapshot of the river's habitat conditions at that time. The key elements assessed during these surveys include Vegetation Canopy, River Bottom composition, River depth, and gravel bar locations. The surveys span 18 miles of the Santa Ana River, from the Rialto Channel (City of Colton) downstream to River Road near Prado Dam. The survey covers 116 preset, geolocated points along this stretch of the river. Consistency in survey points year to year is essential for tracking trends over time.

Mr. Achimore noted that at the last update in June, the possibility of expanding the surveys was discussed to include other seasons, such as winter. Traditionally, these surveys were conducted only in the fall. However, winter can bring storm flows, which change the river's conditions. To explore these changes, we worked with the task force to pilot wintertime surveys. These surveys were conducted after storm flows, approximately one week after major storms, in the months of November, December, and early January. Despite the challenges, staff managed to conduct surveys during the winter pilot. Unfortunately, the storms encountered in November, December, and January were not as strong as expected. The river flow was low, and staff were unable to assess significant changes to the riverbed due to the lack of high precipitation. As a result, there were fewer visible changes to the river habitat, and the vegetation remained largely undisturbed.

Mr. Achimore noted that the pilot winter survey produced interesting data, but further analysis is needed to make meaningful conclusions. Staff will continue to discuss whether winter surveys should become regular practice. One important takeaway is that turbidity did not present a significant issue during the survey, and safety concerns were adequately addressed.

Chair Mike Gardner recommended reaching out to the mosquito and vector control district to explore the feasibility of using their hovercraft for these purposes. There could be potential for a mutually beneficial partnership, where they provide the hovercraft and support, and you bring the expertise in surveying and data collection. It could be a valuable way to enhance the efficiency and safety of the surveys, especially in winter conditions after storms.

This item is to receive and file; no action was taken on agenda item no. 7.B.

8. **INFORMATIONAL REPORTS**

Recommendation: Receive for Information.

A. **CASH TRANSACTIONS REPORT – JANUARY 2025**

Presenter: Karen Williams

B. **INTER-FUND BORROWING – JANUARY 2025 (CM#2025.24)**

Presenter: Karen Williams

C. **PERFORMANCE INDICATORS/FINANCIAL REPORTING – JANUARY 2025**

Presenter: Karen Williams

D. **PROJECT AGREEMENT 25 – OWOW FUND – FINANCIAL REPORT, JANUARY 2025**

Presenter: Karen Williams

E. **PROJECT AGREEMENT 25 – ROUNDTABLE FUND – FINANCIAL REPORT, JANUARY 2025**

Presenter: Karen Williams

F. **SECOND QUARTER FYE 2025 EXPENSE REPORT**

- General Manager
- Staff

Presenter: Karen Williams

G. **BUDGET VS ACTUAL VARIANCE REPORT FYE 2025 SECOND QUARTER – DECEMBER 31, 2024 (CM#2025.26)**

Presenter: Karen Williams

H. **FINANCIAL REPORT FOR THE SECOND QUARTER ENDING DECEMBER 31, 2024**

Presenter: Karen Williams

I. **STATE LEGISLATIVE REPORT**

Presenter: Jeff Mosher

J. **GENERAL MANAGER REPORT**

Jeff Mosher reported that the lobby improvement award will be brought to the Commission on April 1st, and the rotating location schedule will be presented at that time. SAWPA staff are working on the validation results for the cloud seeding project. We're aware that we're on a tight timeframe and need to get feedback from the flood control districts while also reviewing the validation results before making a final decision on whether we'll proceed with cloud seeding.

K. **CHAIR'S COMMENTS/REPORT**

There were no Chair comments received.

L. **COMMISSIONERS' COMMENTS**

Vice Chair Gil Botello noted he would like to withdraw his comment from the previous Commission meeting of the possibility of eliminating the line item in the budget for West Coast Advisors Consultant. After today's discussion, he realizes that they have a distinct role in terms of the information they provide to this Commission and appreciates the value they bring.

M. COMMISSIONERS' REQUEST FOR FUTURE AGENDA ITEMS

Chair Mike Gardner requested an Agenda Items to discuss whether we wish to take a formal position on Senate Bill 72.

9. CLOSED SESSION

A. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

Significant Exposure to litigation pursuant to paragraph (2) or (3) subdivision (d) of Section 54956.9: one case

Chair Mike Gardner resumed the Open Session at 9:58 a.m. and considered Agenda Item No. 10, Closed Session Report.

10. CLOSED SESSION REPORT

Legal Counsel, Thomas S. Bunn announced that the Commission received a report from Counsel and provided direction; no reportable action was taken on Agenda Items No. 9.A.

The Commission next considered Agenda Item No. 4, Items to be Added or Deleted.

11. ADJOURNMENT

There being no further business for review, Chair Mike Gardner adjourned the meeting at 11:15 a.m.

Approved at a Regular Meeting of the Santa Ana Watershed Project Authority Commission on Tuesday, April 1, 2025.

Signed by:

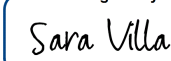


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Mike Gardner, Chair

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