



**SAWPA COMMISSION
REGULAR MEETING MINUTES
SEPTEMBER 2, 2025**

COMMISSIONERS PRESENT

Mike Gardner, Chair, Western Municipal Water District
Gil Botello, Vice Chair, San Bernardino Valley Municipal Water District
David Slawson, Alternate, Eastern Municipal Water District
Denis Bilodeau, Orange County Water District [9:36 a.m.]

COMMISSIONERS ABSENT

Jasmin Hall, Inland Empire Utilities Agency

**COMMISSIONERS PRESENT:
NON-VOTING**

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

STAFF PRESENT

Karen Williams, David Ruhl, Shavonne Turner, Dean Unger, John Leete, Ian Achimore, Sara Villa, Alison Lewis, Natalia Gonzalez, Marie Jauregui, Emily Fuentes, Linda Kim

OTHERS PRESENT

Thomas S. Bunn [9:51 a.m.], Lagerlof, LLP; Lisa Haney, Orange County Water District; Mallory O'Connor, Western Municipal Water District; Adekunle Ojo, San Bernardino Valley Municipal Water District; Paul Kielhold, San Bernardino Valley Municipal Water District

The Regular Meeting of the Santa Ana Watershed Project Authority Commission was called to order at 9:30 a.m. by Chair Mike Gardner on behalf of San Bernardino Valley Municipal Water District's Board Room, 380 E. Vanderbilt Way, San Bernardino, CA 92408 and Commissioner 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.

4. ITEMS TO BE ADDED OR DELETED

There were no items to be added or deleted.

5. CONSENT CALENDAR

A. APPROVAL OF MEETING MINUTES: AUGUST 19, 2025

Recommendation: Approve as posted.

B. TREASURER'S REPORT: JULY 2025

Recommendation: Approve as posted.

MOVED, to approve the Consent Calendar as posted.

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|----------------|---------------------------|
| Result: | Adopted by Roll Call Vote |
| Motion/Second: | Slawson/Botello |
| Ayes: | Botello, Gardner, Slawson |
| Nays: | None |
| Abstentions: | None |
| Absent: | Bilodeau, Hall |

6. **NEW BUSINESS**

A. **CLOUD BASED FINANCIAL SOFTWARE AND IMPLEMENTATION SERVICES REQUEST FOR PROPOSALS (CM#2025.63)**

Dean Unger provided a presentation on the Cloud Based Financial Software and Implementation Services Request for Proposals (RFP), contained in the agenda packet on pages 49-57.

Staff are requesting authorization to release the RFP for cloud-based financial software and related implementation services. This initiative is aimed at replacing the current system, Microsoft Dynamics Great Plains (GP), which has been used since 2004. The current version is GP 2018, and it is hosted in-house on servers. While the system has served effectively, it's becoming outdated and more difficult to maintain, and Microsoft will sunset GP in 2027.

Mr. Unger provided an overview of the current Microsoft Dynamics GP wide range of functions it includes financial management, project accounting, sales, purchasing, human resources, payroll, purchase orders, and accounts payable. GP is also integrated with the following tools: Journex, Greenshades, and OnBase.

Mr. Unger emphasized that the proposed RFP includes technical specifications, description of workflows, integration requirements, and the need for full internet/cloud accessibility. Vendors will be expected to configure the system to handle installation, testing, training, support, and provide long-term maintenance and service.

If approved, the tentative schedule is to release the RFP September 2, proposals will be due October 16, and the recommended award will be brought forward to Commission on November 18.

Commissioner Botello asked what the estimated cost for this type of project and where will the RFP be posted? Mr. Unger noted that it is expected to fall between \$75,000 and \$150,000. Some higher-end vendors, like Oracle NetSuite, may come in closer to the top of that range or slightly up to \$200,000. However, since SAWPA's a small to mid-sized agency, we anticipate receiving some competitive bids on the lower end. The RFP will be posted to SAWPA's Website and PlanetBids.

Commissioner Botello questioned if the recently hired firm to review SAWPA's investments and overall portfolio, is there any connection between what's being discussed here and the scope of work for that firm. Will they have access to this information, including the financial aspects? Ms. Williams said no, Chandler Asset Management will have access to SAWPA's information through the bank. As long as we're able to download the data into excel, that should be helpful. The current system allows for excel exports, and she expects that any new system adopted will have similar functionality.

Commissioner Denis Bilodeau attended the meeting a 9:36 a.m., during the discussion of Agenda Item No. 6.A.

MOVED, to authorize the release of the Request for Proposals for Cloud Based Financial Software and Implementation Services to replace the current Microsoft Dynamics Great Plains System Software.

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

B. STATEMENT OF INVESTMENT POLICY (CM#2025.64)

Karen Williams provided a presentation on the Statement of Investment Policy (Policy) Update, contained in the agenda packet on pages 109-118.

Ms. Williams reported that the Policy, guided by federal and state laws, must be adopted annually by the Commission. It allows delegation of investment authority to the CFO for up to one year, with the CFO providing monthly reports. All investments must comply with this policy. Normally reviewed in June, the policy review was delayed allowing input from the newly hired investment firm, Chandler Asset Management. The firm found the policy to be well-written and effective but recommended minor revisions to improve clarity, compliance, and alignment with best practices.

Ms. Williams referenced the red-lined version included in the agenda packet that highlights the proposed changes and provided a brief description of the recommended changes for the following Sections:

- Section 5.0 – Delegation Authority
- Section 6.0 – Ethics and Conflict of Interest
- Section 7.0 – Financial Institutions and Dealers
- Section 9.0 – Authorized Investments
- Section 14.0 – Risk Management
- Section 16.0 – Performance Standards
- Glossary of Terms

General Counsel Thomas S. Bunn attended the meeting a 9:51 a.m., during the discussion of Agenda Item No. 6.B.

Commissioner Slawson asked what the reasoning is to limit the authority of the CFO to one year in the investment authority. Ms. Williams noted that we review the investment policy annually to ensure compliance with any changes in the law. Bringing it back to the Commission each year is standard practice and part of our regular oversight process.

Commissioner Botello noted that the changes from the investment firm seem prudent and appropriate. However, has legal counsel reviewed the suggested changes? Mr. Bunn acknowledged reviewing the packet and is particularly pleased to see that the updated policy now includes the definition of “fiduciary”. Investment firms typically avoid using that term, but it's encouraging that they're now willing to be held to that standard.

MOVED, to adopt Resolution No. 2025-3, approving the Statement of Investment Policy and delegate authority to the General Manager and/or the Chief Financial Officer to manage investments in accordance with the Statement of Investment Policy.

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

C. APPROVAL OF EMPLOYMENT AGREEMENT | GENERAL MANAGER AND CHIEF FINANCIAL OFFICER

Chair Gardner reported that the Commission tasked him with negotiating the terms based on the guidelines provided. He's completed those negotiations, and there is an agreement ready for the Commission's consideration.

SAWPA's Legal Counsel, Thomas S. Bunn referenced the Employment Agreement contained in the agenda packet on pages 119-124 and highlighted that Ms. Karen Williams will serve in a dual role as both the General Manager and Chief Financial Officer. The key terms of the employment agreement include:

- Salary: \$350,000 annually.
- Cost of Living Adjustment (COLA): Annual increase aligned with the rate given to other employees.
- Merit Increases: At the discretion of the SAWPA Commission.
- Car Allowance: \$1,000 per month.
- Sick Leave Payout: Increased to 100% of accrued sick leave, contingent upon her remaining in the position through the end of 2027. If terminated without cause before that time, she will still receive the full 100% payout. If termination is due to cause, the payout will follow the rate specified in the employee handout.
- Other Benefits remain the same as other employees.

Chair Gardner noted that the reason for structuring the increased payout is the way that it is an incentive for Ms. Williams to remain through the end of 2027. If, for any reason other than cause, the Commission decides to end the employment relationship before that time, she will still receive the full 100% sick leave payout since that decision would be initiated by the Commission. However, if she is terminated for cause, which is considered highly unlikely, the payout would revert to the standard rate outlined in the employee handbook, which is periodically updated. To offer a measure of protection for Ms. Williams, recognizing that a separation not related to performance should not result in the loss of this benefit.

Commissioner Slawson noted that regarding the termination for cause clause, specifically the provision stating that the general manager may be terminated if convicted of a crime, including those involving physical or emotional harm, it's important to note that this refers to criminal convictions, not civil matters. The language does provide the Commission with discretion. For example, if the conviction is for something relatively minor, like a traffic-related offense, the Commission is not required to act. The clause says "*may*," not "*shall*," which means we retain the ability to determine whether a specific situation truly constitutes cause under the terms of the agreement.

Chair Gardner stated that the list of actions that constitute termination for cause is always somewhat challenging to define. It often includes references to crimes of moral turpitude, which can be vague and inconsistently defined. This type of language is fairly standard in employment agreements.

Commissioner Botello thanked Chair Gardner for effectively capturing the details of the Commission's prior discussion on this matter and articulated the reasoning behind the changes to Ms. Williams sick leave provisions. He emphasized that it was a unanimous decision among the Commission that we wanted Ms. Williams to remain in her role through the end of 2027. SAWPA has gone through a period of significant transition, and we're now entering a phase of much-needed stability.

Commissioner Botello acknowledged that Ms. Williams has consistently shown herself to be calm, measured, prudent, and professional. He's observed her over the years, and her approach has always been steady and consistent. When she was asked to step into this leadership role on an interim basis, she accepted the responsibility gracefully and effectively, and we've already seen a positive impact on the staff and overall culture of the organization.

Commissioner Botello continued by saying that the Commission has high expectations. There is still a great deal of important work to be done, and Ms. Williams plays a critical role in that. She reports not only to this Commission, but also accountable to five general managers. That structure has always posed unique challenges, but we are all part of the same team, working towards a collective goal.

Chair Gardner noted that by combining the General Manager and CFO roles, SAWPA is saving nearly \$300,000 annually in salary costs. From a financial standpoint, this is a very smart and efficient decision. Though, what stands out more is the positive shift in morale amongst the SAWPA employees.

MOVED, to approve the Employment Agreement with Karen Williams, effective August 19, 2025, for the position of General Manager and Chief Financial Officer, and authorize the Commission Chair to execute the agreement.

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

7. INFORMATIONAL REPORTS

Recommendation: Receive for Information.

A. COMMUNICATIONS REPORT

Presenter: Karen Williams

B. GENERAL MANAGER REPORT

There were no comments/reports from the General Manager.

C. CHAIR'S COMMENTS/REPORT

There were no Chair comment received.

D. COMMISSIONERS' COMMENTS

There were no Commissioners' comments received.

E. COMMISSIONERS' REQUEST FOR FUTURE AGENDA ITEMS

There were no requests for future agenda items.

Chair Gardner recessed the meeting at 10:00 a.m. for Closed Session.

8. CLOSED SESSION

A. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION – SIGNIFICANT EXPOSURE TO LITIGATION PURSUANT TO PARAGRAPH (2) OF SUBDIVISION (d) OF SECTION 54956.9

Claim of Mary Ann Voarasky against Santa Ana Watershed Project Authority, Claim for Personal Injury, date of Claim August 14, 2025.

Commissioner Bilodeau left the meeting during the closed session discussion of Agenda Item No. 8.A.

9. CLOSED SESSION REPORT

Chair Gardner resumed the Open Session at 10:14 a.m. and Legal Counsel, Thomas S. Bunn announced that the Commission reviewed the claim submitted by Mary Ann Voarasky against SAWPA and voted unanimously (3-0) to deny it and refer the matter to the insurance carrier for further investigation.

10. ADJOURNMENT

There being no further business for review, Chair Gardner adjourned the meeting at 10:16 a.m.

Approved at a Regular Meeting of the Santa Ana Watershed Project Authority Commission on Tuesday, September 16, 2025.

Signed by:




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Mike Gardner, Chair

Attest:

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Sara Villa, Clerk of the Board