

MINUTES OF THE
COMMISSION MEETING
OF THE
SANTA ANA WATERSHED PROJECT AUTHORITY

FEBRUARY 19, 2008

COMMISSION MEMBERS PRESENT

Ron Sullivan, Chair
John L. Anderson (for Wyatt Troxel)
Tom Evans (for Don Galleano)
Don Galleano
Phil Anthony
Mark Bulot

REPRESENTING

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

COMMISSION MEMBERS ABSENT

None

OTHERS PRESENT

Denis Bilodeau	Orange County Water District
Glenn Reiter	Glenn M. Reiter Associates
Randy Van Gelder	San Bernardino Valley MWD
Barbara Lohman	TMG Communications, Inc.
Aaron Knox	TMG Communications, Inc.
Pat Boldt	San Jacinto River Watershed Council
Phil Williams	San Jacinto River Watershed Council
Bruce and Annette Scott	Agriculture Coalition
Nora Verceles	Western Municipal Water District
Carole Beswick	Regional Water Quality Control Board
Gerard Thibeault	Regional Water Quality Control Board
Harrison Nguyen	Inland Empire Utilities Agency
Greg Gage	San Bernardino Valley MWD
Celeste Cantú	SAWPA General Manager
David Wysocki	SAWPA Legal Counsel
Rich Haller	SAWPA Ex. Mgr. of Engr. & Operations
Mark Norton	SAWPA Water Resources & Planning Mgr.
Karen Williams	SAWPA Chief Financial Officer
David Ruhl	SAWPA Senior Program Manager
Jeff Bechler	SAWPA Senior Environmental Project Mgr.
Rick Whetsel	SAWPA Watershed Planner
Patti Bonawitz	SAWPA Recording Secretary

The Commission Meeting of the Santa Ana Watershed Project Authority was called to order at 9:33 a.m. by Chair Sullivan at the Santa Ana Watershed Project Authority Office, 11615 Sterling Avenue, Riverside, CA 92503. Alternate Commissioner Evans led the flag salute.

Members of the public were invited to address the Committee on matters within its jurisdiction. Hearing none, Chair Sullivan presented Agenda Item No. 3, Special Presentations.

SPECIAL PRESENTATIONS

SERVICE PIN AWARDS

Chair Sullivan and General Manager Celeste Cantú presented a five-year service pin award to Denis Bilodeau, Commissioner (1-08). As Commissioner Killgore was absent, his ten-year service pin presentation was tabled to the next meeting.

Regional Board Executive Director Jerry Thibeault requested that their presentation be delayed, since his Board President Carole Beswick was running late. Chair Sullivan called for Item No. 4 – Featured Presentation, noting he would come back to Item No. 3B, upon Ms. Beswick’s arrival.

FEATURED PRESENTATION - SAN JACINTO RIVER WATERSHED COUNCIL SUB-REGIONAL IRWMP (CM#7020)

General Manager Celeste Cantú introduced San Jacinto River Watershed Council Executive Director Pat Boldt. Through a PowerPoint presentation, she walked the Commission through the building blocks of their IRWMP. She reviewed the composition of their Board, and then introduced their current President, Phil Williams. Their plan, which has been a major effort for the past two and one-half years, contains five watershed priorities: multiple benefit projects; environmental justice concerns; projects which will help lower TMDLs; prevention of non-source pollution from failing septic systems; and assist agricultural and dairy in implementing BMPs. The plan incorporates 110 projects and represents over \$1.3 billion worth of work. They have teamed with the Riverside County Flood Control District, who has taken the technical lead in the specific studies and had key stakeholder participation.

Chair Sullivan introduced Bruce and Annette Scott; Bruce Scott is the President of the Ag Coalition, and is working closely with EMWD in several grant efforts.

Discussion ensued regarding seeking grant funds, SJRWC’s shoe-string operating budget, and how their projects interact with the OWOW process.

Pat Boldt commented that their original grant didn’t provide sufficient funding to address groundwater issues in the detail as they would have liked; however, EMWD, the Cities of Hemet and San Jacinto have taken the effort to develop a Management Plan component for the Plan. She also acknowledged Mark Norton and Jeff Beehler of SAWPA staff who have been particularly helpful in facilitation to the Council and in the San Jacinto GAP Feasibility Study. The report was received and filed.

REGIONAL WATER BOARD PRESENTATION – RESOLUTION OF APPRECIATION PRESENTED TO SAWPA

Regional Water Quality Control Board President Carole Beswick and Executive Director Jerry Thibeault presented a Resolution of Appreciation to SAWPA. Carole Beswick commented that their job is made so much easier, through the efforts of SAWPA, who has formed task forces to address difficult issues. The Regional Board realizes how much time, effort, and staff work are required to make these task force efforts successful. She thanked the Commission for making their jobs at the Regional Board enormously easier through SAWPA’s fine facilitation of these task forces. Through working together, our Regional Board has become a model for other Boards. The Regional Board thinks of SAWPA as its partner. Ms. Beswick commented, “...we have come to say thank you. We are very grateful for SAWPA’s time and commitment. This successful recipe is due to the SAWPA leadership, which makes for a much better watershed and makes us use good science. SAWPA is well known at the State level as a team player.” She extended a special thanks to Mark Norton for his efforts in facilitating the task forces.

OLD BUSINESS

STATE LEGISLATIVE UPDATE (CM#7015)

General Manager Celeste Cantú highlighted State legislative efforts.

AB 1127 (Carter) - This bill calls for SAWPA to manage perchlorate cleanup in the watershed. The bill has passed out of the Assembly; however, there are some bumps in the road from the local process (i.e., Cities of Colton and Rialto, and the Fontana Water Company). These entities are exploring the idea of forming a JPA from scratch to manage the money for cleanup. We understand that they have met with Senator Feinstein, who seems to be comfortable with SAWPA handling the funds. Discussion ensued.

Laird Water Conservation – Discussion ensued. Celeste Cantú suggested that we need to track this effort, as it is premature to take a position at this time. We need to pay close attention to this bill. The intent is good; however, the implementation could be painful.

Draft Allocated Tiered Rate Proposal - Marin Water District General Manager Paul Heilker is now one of our supporters in this concept. His feedback was particularly important in talking to legislators.

Extraordinary Session is in Progress – The budget deficit is now \$20B; Elizabeth Hill will come out with her analysis soon; the problems haven't been solved as yet. Term limits did not pass and there will be new leadership - Darrel Steinberg is the new Senate Pro Tem.

EMWD was in Washington D.C. last week, and Chair Sullivan commented that they had met with the U.S. Army Corps of Engineers to discuss the \$8M for the Mainstem Project. We learned that all \$8.1M is strictly for the Prado Dam. They had dinner with the U.S. Army Corps' of Engineers Los Angeles General Manager Colonel Thomas Magness and dialogued the importance of getting the SARI relocation started early rather than later. Both Colonel Magness and Brian Thompson indicated interest in attending a SAWPA Commission meeting. On Tuesday, John Rossi joined EMWD on their Federal visits and it was good to have strength and consistency among the member agencies.

Upon motion by Commissioner Anthony, seconded by Commissioner Evans, the motion unanimously carried:

08-02-01

MOVED, approval to add an item to the agenda, which arose after the posting of the agenda regarding SARI Joint Repairs.

NEW BUSINESS

ACTION TO CONFORM JOB TITLE, DESCRIPTION, AND COMPENSATION WITH INFORMATION TECHNOLOGY (IT) WORK PERFORMED (CM#7007)

Commissioner Anthony noted that this matter was discussed in Committee. No staff presentation was requested; there was no discussion.

Upon motion by Commissioner Anthony, seconded by Commissioner Bulot, the motion unanimously carried:

08-02-02

MOVED, approval of a change in job title for the current incumbent, GIS Analyst II, to GIS Project Manager, and approved a change in compensation commensurate with IT work performed.

ONE WATER ONE WATERSHED FALL CONFERENCE (CM#7016)

TMG Communications Executive Director Aaron Knox briefly reviewed his proposal to plan a One Water One Watershed Fall Conference and to model it after some of their past successes (i.e., the Riverside Symposium, I-215 Corridor Summit). Their approach and model would be the same as what they did for the Riverside Symposium. He extended an invitation to the Commission to attend the May 1st Riverside Symposium.

Discussion ensued regarding whether or not TMG Communications would make a profit from the event; profit margin projections vs. SAWPA handling the conference; TMG's excellent reputation; the goal of the conference; and possible locations (i.e., in Orange County).

Upon motion by Commissioner Anthony, seconded by Commissioner Bulot, the motion unanimously carried:

08-02-03

MOVED, approval and directed staff to conduct further research of conference costs, then bring that information back to the Administrative Committee for further consideration.

REQUEST FROM SOUTH ORANGE COUNTY TO JOIN THE OWOW PLANNING PROCESS

General Manager Celeste Cantú stated that South Orange County is out of our watershed's boundaries; however, she has received a verbal request for Irvine Ranch Water District to join SAWPA.

Discussion ensued regarding LAFCO's sphere of influence; the pro's and con's; and potential benefits. It was the consensus of the Commission that they would need to submit a letter in writing expressing their interest before this matter is considered further.

WASTEWATER CONVEYANCE TREATMENT AND DISPOSAL AGREEMENT

Executive Manager of Engineering and Operations Rich Haller provided a brief update. MOU discussions are going well and we are making progress. Both sides are listening very well to each other at the moment, and we are trying to develop a single agreement that would supersede all the other four agreements. Also, staff may meet with IRWD to gain a better understanding of how they are billed by OCSD. OCSD folks have developed a rough agreement and both sides are reviewing and discussing the issues (i.e., how to further reclaim SARI flows, and Stringfellow). Staff is being assisted by Hyatt, Farber, Schreck, LLP (formerly Hatch & Parent Law Corp). Although their costs have exceeded the \$30,000 mark, they still remain within the General Manager's spending approval of \$50,000. Commissioner Anthony commented that this is a big improvement over where we were.

Discussion briefly ensued regarding opportunities dealing with waste streams, the concept of the SARI being a non-reclaimable line, and joint strategic planning being a key element. The report was received and filed.

CABALLERO GROUNDWATER LEGISLATION PROPOSAL

Celeste Cantú provided a brief overview of the pending legislation, noting that John Rossi has been involved in the process, and distributed a one-page copy of the draft legislation. WMWD General Manager John Rossi stated that the first sentence in the handout (proposed legislation) is where the problem lies. Discussion ensued. It was the consensus of the Commission that staff should gather additional information (i.e., bill language, actual bill number etc.) and bring back this matter for further consideration.

Upon motion by Commissioner Anthony, seconded by Commissioner Bulot, the motion unanimously carried:

08-02-04

MOVED, approval to refer this pending legislation back to staff for an updated report.

SARI LINE CLEANING

Executive Manager of Engineering and Operations Rich Haller presented pictures taken by EMWD of some of the line, in which scaling and solids accumulation occurred in the eight-inch pipe. Currently, the line is shut down by EMWD. In March 2008, a major new discharger, IE Energy Center, is anticipated to come online. Because of the tremendous scaling and solids accumulation, staff proposed that four access points be constructed on the 22-mile long Reach V. He requested \$30,000 for CDM to design four access points and prepare a public bid package, which will be brought back to the Commission, perhaps at a special Commission meeting to allow staff to move forward in a timely fashion. Staff estimates that the project will be \$100,000-150,000. There are 22 miles of pipeline, which are inaccessible.

Upon motion by Commissioner Evans, seconded by Commissioner Anthony, the motion unanimously carried:

08-02-05

MOVED, approval and authorized a Task Order for Camp Dresser & McKee (CDM) to prepare a public bid package for the design and construction of four access points (manholes) in an amount not-to-exceed \$30,000, and authorized the budding process in the amount of \$100,000-\$150,000.

Commissioner Anthony moved that Item 8B (SARI Line Cleaning and Reach IV-B Joint Repairs Status Report be received and filed; there was no second; the motion failed.

Chair Sullivan left the meeting room at 11:20 a.m. and turned over the Chair to Commissioner Anthony.

CONSENT CALENDAR

Upon motion by Commissioner Bulot, seconded by Commissioner Anderson, the motion unanimously carried:

08-02-06

MOVED, approval of the Consent Calendar.

- A. The Commission approved the Minutes from the Meetings held 11-13-07 and 1-22-08.
- B. The Commission received and filed the Treasurer's Report from the month of January 2008.
- C. The Commission approved the revised Personnel Handbook effective February 19, 2008, pending any non-substantive changes upon review by Legal Counsel, EMWD, and WMWD (CM##7006).
- D. The Commission received and filed the FYE 2009 Budget Schedule (CM#7005).
- E. The Commission adopted Resolution No. 494, a "Delegation of Authority to Request Disbursements" in order to establish a trust account with CalPERS (CM#7014).

RESOLUTION NO. 494

DELEGATION OF AUTHORITY TO REQUEST DISBURSEMENTS. (For full text, see Resolution Book).

- F. The Commission received and filed the following informational reports:

From the Administrative Committee Meeting of 2-5-08

- o Imported Water Recharge Workgroup Status Report (CM#7008)
- o Cash Transactions Report – December 2007 (CM#7009)
- o Inter-Fund Borrowing (CM#7010)
- o Performance Indicators And Financial Reporting (CM#7011)
- o Staff Expense Report – Second Quarter FYE 2008 (CM#7012)
- o General Manager's Expense Report – Second Quarter FYE 2008 (CM#7013)

From the Legislative Committee Meeting of 2-5-08

- Federal Legislative Update

REPORTS

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

A. Santa Ana Sucker Conservation Team (CM#7017)

Senior Environmental Project Manager Jeff Beehler stated that the U.S. Army Corps of Engineers has prepared a Public Notice for a Regional General Permit based on a draft permit application submitted by the Conservation Team. Any new construction has to be permitted outside the permit process. Any habitat restoration undertaken in the program requires the individual permit process. SAWPA will be the data clearing house for the permit and will have to file the mitigated negative declaration. SAWPA also would be the lead applicant on the Regional Board Permit, the Fish and Game Permit, and a CEQA action (i.e., we will have to file a mitigated negative declaration). Compliance with the terms of the permit remains the responsibility of those undertaking maintenance activities under the terms of each permit. Any new construction has to be permitted outside the permit process and any habitat restoration undertaken within the program requires the individual permit process. Chair Anthony complimented staff that this is another great effort of staff. Commissioner Evans questioned whether or not SAWPA was handling the administrative duties, but not regulatory functions. SAWPA does not intend to do any oversight, only collection of data and giving that data to the Corps. Jeff Beehler noted that OCWD staff has done a tremendous amount of wonderful work.

B. SARI Line Cleaning and Reach IV-B Joint Repairs Status Report (CM#7018)

Written report only.

C. General Manager's Report

- o The Inland Empire Waterkeeper's "Building Bridges for a Sustainable Future" event held February 11th was well attended and the Governor was indeed a speaker at the event.
- o Just a reminder for the Commissioners to complete their AB-1234 Mandatory Ethics Training through their respective district agencies.
- o Rich Haller is likely to be deployed to Iraq early April. Celeste Cantú is working on a plan to fill the gaps.

D. Chair's Comments/Report

None.

E. Committee Chairs' Reports

None.

F. Commissioners' Comments

None.

CLOSED SESSION

The Commission convened into Closed Session at 11:31 a.m., A) pursuant to Government Code Section 54956.9 (B) – Conference with Legal Counsel - Anticipated Litigation - Significant Exposure to Litigation (One Potential Case), and B) pursuant to Government Code Section 54956.9 (A) – Conference With Legal Counsel – Existing Litigation - SAWPA vs. Southern California Gas Company, RSC Case No. RIC 438984; and SAWPA vs. Keeton Construction and Ricketts, RSC Case No. 471792.

The Commission reconvened into Open Session at 11:38 a.m. and Legal Counsel reported the following actions were taken regarding:

A. No action taken; and

B. Upon motion by Commissioner Bulot, seconded by Commissioner Evans, and EMWD was noted as absent; the motion was unanimously approved (4-0), to retain the legal services of Moore, Winter and McLennan for two cases.

Chair Sullivan recessed the Commission meeting and convened the SARI Rate Workshop at 11:39 a.m.

SARI RATE MODEL WORKSHOP (CM#7021)

Executive Manager of Engineering and Operations Rich Haller noted that the purpose of this workshop is to provide a presentation of the updated rate model that incorporates the evaluation of four issues:

1. \$10M loan agreement with Orange County Flood Control District;
2. Termination of Golden Cheese's operations and discharge approximately December 31, 2007;
3. Revised OCSD and SAWPA CIP; and
4. SARI Rate relative to local wastewater treatment plants.

Glenn Reiter, of Glenn M. Reiter Associates, through a PowerPoint presentation, provided the updated SARI rate model noting the following points:

1. May want to revisit the self-insurance fund, as there is not a lot of money in that fund;
2. Funds available for replacement are in pretty good shape; however, the critical component is construction costs; and
3. Presented three scenarios of the financial impacts of the \$10M loan, and noted that if the Commission is satisfied with the cash results from the model, they may need to project rate increases.

Rich Haller noted that next month the Commission will have a discussion on what should be the rate as of July 1st for the SARI. Currently, staff is trying to confirm OCSD's rate to SAWPA, but it is assumed that there will be a 10% rate increase. He noted that the truck rate may need to be adjusted and currently staff is looking at having a sliding rate (i.e., higher for BOD and solids). Staff commented that they did not see anything major from last year's model.

Chair Anthony adjourned the workshop at 11:51 a.m. and reconvened the Commission Meeting. There being no further business for review, Chair Anthony adjourned the meeting at 11:51 a.m.

APPROVED:
March 18, 2008



Ron Sullivan, Chair



2008-2-19 Com Min REV