



**SAWPA COMMISSION
REGULAR MEETING MINUTES
JANUARY 17, 2017**

COMMISSIONERS PRESENT

Susan Lien Longville, Chair, San Bernardino Valley Municipal Water District
Ronald W. Sullivan, Vice Chair, Eastern Municipal Water District
Jasmin A. Hall, Secretary-Treasurer, Inland Empire Utilities Agency
Phil Anthony, Orange County Water District
Brenda Dennstedt, Alternate, Western Municipal Water District

COMMISSIONERS ABSENT

Thomas P. Evans, Western Municipal Water District

**ALTERNATE COMMISSIONERS
PRESENT; NON-VOTING**

Kati Parker, Alternate, Inland Empire Utilities Agency
Gil Navarro, Alternate, San Bernardino Valley Municipal Water District

STAFF PRESENT

Celeste Cantú, Rich Haller, Larry McKenney, Mark Norton, Karen Williams, Dean Unger, Nicole Weideman, Kelly Berry

The Regular Commission Meeting of the Santa Ana Watershed Project Authority was called to order at 9:31 a.m. by Acting Vice Chair Longville at the Santa Ana Watershed Project Authority, 11615 Sterling Avenue, Riverside, California.

1. CALL TO ORDER/PLEDGE OF ALLEGIANCE

2. ROLL CALL

Roll call was duly noted and recorded by the Clerk of the Board.

3. PUBLIC COMMENTS

There were no public comments.

4. WELCOME NEW SAWPA COMMISSIONERS

The following were welcomed to the SAWPA Commission:

- Susan Lien Longville, Commissioner, representing SBVMWD
- Kati Parker, Alternate Commissioner, representing IEUA
- Gil Navarro, Alternate Commissioner, representing SBVMWD. Mr. Navarro was also recognized as the Pillar Leader for the Disadvantaged Communities Involvement Program.

5. CONSENT CALENDAR

A. APPROVAL OF MEETING MINUTES: JANUARY 3, 2017

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B. TREASURER'S REPORT – DECEMBER 2016

MOVED, approve the Consent Calendar.

Result:	Adopted (Unanimously; 4-0-1)
Motion/Second:	Anthony/Hall
Ayes:	Anthony, Hall, Longville, Sullivan
Nays:	None
Abstentions:	Dennstedt
Absent:	None

6. NEW BUSINESS

A. ROTATION OF OFFICERS AND COMMISSION APPOINTMENTS (CM# 2017.6)

SAWPA Resolution No. 355 calls for the rotation of officers at a meeting in January of each odd-numbered year, stating that it is the non-binding intention of the Commission to rotate the positions of Chair, Vice Chair and Secretary-Treasurer among the member agencies. In keeping with the historical rotation, the officer rotation among the member agencies would be as follows: Chair, SBVMWD; Vice Chair, EMWD; Secretary-Treasurer, IEUA. Commissioner Sullivan moved that the Commission follow the historical rotation of officers.

MOVED, follow the historical rotation of officers and appoint Susan Lien Longville as Chair, Ronald W. Sullivan as Vice Chair, and Jasmin A. Hall as Secretary-Treasurer.

Result: **Adopted (Unanimously; 5-0)**
Motion/Second: Sullivan/Anthony
Ayes: Anthony, Dennstedt, Hall, Longville, Sullivan
Nays: None
Abstentions: None
Absent: None

Other Commission Appointments – OCSD/SAWPA Joint Policy Committee

Ed Killgore had served on the OCSD/SAWPA Joint Policy Committee, along with Commissioner Sullivan who noted his desire to continue serving on the Committee. Commissioner Hall was invited to replace Mr. Killgore and agreed to serve on the Committee.

MOVED, reappoint Ronald W. Sullivan and appoint Jasmin A. Hall to the OCSD/SAWPA Joint Policy Committee.

Result: **Adopted (Unanimously; 5-0)**
Motion/Second: Anthony/Dennstedt
Ayes: Anthony, Dennstedt, Hall, Longville, Sullivan
Nays: None
Abstentions: None
Absent: None

Other Commission Appointments – LESJWA Representative

The Commission is required by the JPA creating the Lake Elsinore and San Jacinto Watersheds Authority (LESJWA) to appoint one SAWPA Commissioner to their Board of Directors to represent SAWPA for a two-year term. The current representative, Brenda Dennstedt, noted her desire to continue serving on the LESJWA Board.

MOVED, adopt Resolution No. 2017-01 appointing Brenda Dennstedt to the Lake Elsinore and San Jacinto Watersheds Authority (LESJWA) Board of Directors as the SAWPA representative.

Result: **Adopted (Unanimously; 5-0)**
Motion/Second: Sullivan/Anthony
Ayes: Anthony, Dennstedt, Hall, Longville, Sullivan
Nays: None
Abstentions: None
Absent: None

B. UPDATE OF OWOW INTEGRATED REGIONAL WATER MANAGEMENT PLAN (IRWMP) (CM#2017.7)

Mike Antos provided a PowerPoint presentation on the OWOW IRWM Plan update. SAWPA recently submitted a Proposition 1 IRWM Planning Grant request for \$250,000 to DWR to support the OWOW Plan update 2018 project. In December, DWR notified SAWPA the request was recommended for the full funding requested, and advised their final decision would be forthcoming in January 2017. The OWOW 2.0 Plan must be updated to comply with the 2016 IRWM Plan Standards; Standards compliance is a requirement for any projects seeking to receive IRWM Proposition 1 funding.

SAWPA will lead the OWOW Plan update 2018 project beginning in February 2017. The OWOW Steering Committee and OWOW Pillars will be engaged in this process, ensuring compliance with the 2016 Plan Standards. Commissioners Sullivan and Anthony requested future public hearing notifications also be published in a newspaper of general circulation in Orange County.

Chair Longville opened the public hearing to receive public comments. There were no public comments. Chair Longville closed the public hearing and called for a motion.

MOVED, direct staff to update the OWOW Plan, bringing the Plan in compliance with 2016 IRWM Plan Standards to meet eligibility for Proposition 1 IRWM funding.

Result:	Adopted (Unanimously; 5-0)
Motion/Second:	Anthony/Hall
Ayes	Anthony, Dennstedt, Hall, Longville, Sullivan
Nays:	None
Abstentions:	None
Absent:	None

C. BASIN MONITORING PROGRAM TASK FORCE – CONSULTANT SUPPORT (CM#2017.8)

Mark Norton provided a PowerPoint presentation on consultant support for the Basin Monitoring Program Task Force. A competitive RFP process was conducted and three proposals were submitted. Interviews were conducted of all three firms by a team of three Task Force agencies across the watershed, Regional Board staff, and SAWPA staff. Geoscience was unanimously recommended. These consultant services are fully supported and funded by the Basin Monitoring Task Force agency members. Commissioner Sullivan requested to be provided with a map showing where collection samples will be taken, voicing an interest in the data collected and how it is integrated into a report.

MOVED, approve an Agreement for Services and Task Order GEOS374-01 with Geoscience for the amount not-to-exceed \$249,800 to prepare the Santa Ana River Waste Load Allocation Model Update.

Result:	Adopted (Unanimously; 5-0)
Motion/Second:	Anthony/Dennstedt
Ayes	Anthony, Dennstedt, Hall, Longville, Sullivan
Nays:	None
Abstentions:	None
Absent:	None

D. FYE 2018 AND 2019 BUDGET GOALS AND OBJECTIVES (CM#2017.9)

Karen Williams provided a PowerPoint presentation, the first of many upcoming presentations during the budget process. Williams reviewed the goals and objectives of SAWPA's three business lines, as well as SAWPA operations (General Fund activities) goals and objectives. General Fund activities include day-to-day operations of the JPA. Commissioner Sullivan requested future reports indicate the activities/expenses not included in the three business lines.

Brine Line Goals and Objectives for Operations and Capital Projects were reviewed. Operations will be increasing in-house field staff capability/equipment in order to reduce reliance on contractors, increase efficiency and reduce costs. Commissioner Sullivan asked for a list of everything for which SAWPA would no longer contract and would instead be handled by in-house field staff.

OWOW Goals & Objectives for the eight funding areas within OWOW were reviewed.

- Fund 373 OWOW Plan
- Fund 370-01 General Basin Planning
- Fund 370-02 USBR Partnership Studies
- Fund 397 Water Energy Grant (WECAN)
- Fund 398 Prop 1 Disadvantaged Communities Involvement Program
- Fund 130-145 Prop 84 Grant Administration
- Fund 504-301 Prop 84 Drought Round Capital Projects [PA 22 Committee]
- Fund 504-401 Prop 84 2015 Round SARCCUP [PA 23 Committee]

Commissioner Sullivan requested a budget allocation for SAWPA's portion over the next five years. Commissioner Hall requested a monetary breakdown of the funding source for each of these eight projects; specifically, Member Agency Contributions. Commissioner Sullivan requested clarification on whether Member Agency Contributions are required matching funds or part of member agency annual contributions to SAWPA. Williams clarified it is member agency annual contributions to SAWPA. Commissioner Sullivan noted his concern funding might be allocated for the same item, such as basin monitoring, under more than one fund and accordingly requested future clarification.

Roundtable Goals & Objectives were reviewed.

- Fund 372 Imported Water Recharge
- Fund 374 Basin Monitoring Program TF
- Fund 381 SAR Fish Conservation TF
- Fund 384-01 MSAR TMDL TF
- Fund 386 RWQ Monitoring TF
- Fund 387 Arundo Management & Habitat Restoration
- Fund 392 Emerging Constituents TF
- Fund 396 Forest First

Commissioner Sullivan requested future reports include the balance in each fund. Williams advised the financial information in the agenda packet does include a list of reserves and cash/investment balances for each fund; she will also include the balance in future presentations. Commissioner Sullivan requested future reports also set forth why this work is done, what is accomplished by this work, and how/to whom any resulting work product is disseminated; he stated his desire that part of this budget process should be agreement of priorities.

Williams advised she would bring back to the Commission budget information for the three business lines and the general fund, each at a separate meeting. Commissioner Sullivan suggested the Brine Line business line should be discussed first.

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

E. PROP 84 STATUS PROJECTS STATUS UPDATE – ALL ROUNDS

Nicole Weideman provided a PowerPoint presentation with a Proposition 84 Projects Status Update. This was a broad update on progress of all projects, both financially and schedule related, on Proposition 84 Round 1, Round 2, Drought Round and 2015 Round.

As a result of discussions during a recent General Managers meeting, Weideman's presentation had been revised since the posting of the agenda packet. Chair Longville requested staff provide the revised presentation the Commission.

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

F. INLAND EMPIRE BRINE LINE, TIME EXTENSION FOR TEMPORARY DISCHARGE OF DOMESTIC WASTEWATER FROM THE CHINO PRESERVE (IEUA) (CM#2017.10)

Rich Haller provided an oral presentation with a recommendation to extend an agreement between SAWPA and IEUA for a continuation of a temporary discharge to allow additional time for the construction of the Pine Avenue Sewer, including the Preserve Lift Station and force main. Once completed, the sewer will convey the domestic wastewater currently being discharged into the Brine Line to IEUA's regional water recycling plant. Haller emphasized this extension will be through March of 2020. Commissioner Sullivan supported staff's request, noting his position that this should be the final extension.

MOVED, approve Amendment No. 5 to the "SARI System Treatment and Disposal Capacity and Pipeline Capacity Agreements" between SAWPA and the IEUA, extending the end date for the Chino Preserve Development temporary domestic connection from March 2017 to March 2020 (3 years).

Result:	Adopted (Unanimously; 5-0)
Motion/Second:	Anthony/Sullivan
Ayes	Anthony, Dennstedt, Hall, Longville, Sullivan
Nays:	None
Abstentions:	None
Absent:	None

G. PROJECT AGREEMENT 23 FIRST AMENDMENT AND RESTATEMENT (CM#2017.13)

Larry McKenney provided an oral presentation and background on Project Agreement 23 (PA 23). PA 23 was executed in June 2016 to implement the Santa Ana River Conservation and Conjunctive Use Program (SARCCUP), and expressly created a PA 23 Committee. The proposed amendment to PA 23 removes the project committee concept and leaves PA 23 administration to the oversight of the SAWPA Commissioners, simplifies the budget process description, and allows deletion of several provisions regarding financial responsibilities of committee members that are required by SAWPA policy for project committees. The amendment will place oversight responsibility for PA 23 on the SAWPA Commission and free the general managers to perform their respective roles in implementing SARCCUP without Brown Act formalities of a project committee.

Commissioner Sullivan stated it was his understanding EMWD staff had yet to review the final version of the proposed amendment, and recommended staff obtain consensus of the member agencies prior to consideration by the Commission. Commissioner Sullivan suggested a revised motion that

the proposed amendment first be provided to the general managers for review and comment and then brought back before the Commission for consideration; Commissioner Anthony seconded the revised motion. Chair Longville concurred.

There was a recommendation from Paul Jones that the amendment first be considered by the PA 23 Committee. McKenney noted that as a matter of formality, the jurisdiction of the PA 23 does not include revising its own agreement. That is a matter between the Commission and the member agency boards. Functionally, it is the same discussion with the general managers.

MOVED, that the proposed First Amended and Restated Project Agreement 23 be provided to the general managers for review and comment and then brought before the Commission for consideration.

Result:	Adopted (Unanimously; 5-0)
Motion/Second:	Sullivan/Anthony
Ayes:	Anthony, Dennstedt, Hall, Longville, Sullivan
Nays:	None
Abstentions:	None
Absent:	None

7. **INFORMATIONAL REPORTS**

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

A. **CASH TRANSACTIONS REPORT – NOVEMBER 2016**

B. **INTER-FUND BORROWING – NOVEMBER 2016 (CM#2017.11)**

Commissioner Sullivan noted that in the aggregate we can only borrow \$250,000 yet the amount is \$686,000. Cantú agreed, noting the policy directs that the Commission be informed if the amount exceeds \$250,000, which is why the information is provided. Cantú noted this is a result of DWR's delay in reimbursing monthly grant requests. We generally pay on a 30-day basis, but DWR reimburses us on a 90-day basis. This is paid out of General Fund reserves.

Commissioner Sullivan asked why LESJWA is behind. Karen Williams responded we accumulate the costs for the entire month, which are then billed on the first day of the following month.

Commissioner Sullivan noted the JPA states if a receivable is over 60 days, SAWPA can assess a 10% penalty and this may be something we want to address if it is more than 120 days past due. Williams noted that with regard to the Brine Line expenses we are already a month behind when the bills are sent out due to staff awaiting the lab data from the different agencies and our own information before we can compile and send the billings.

C. **PERFORMANCE INDICATORS/FINANCIAL REPORTING – NOVEMBER 2016 (CM#2017.12)**

On the Labor Hours Budget vs Actual table (page 144 of the agenda packet) Commissioner Sullivan questioned the percentage of Fund 100 General & Administrative and requested more detailed information in future reports.

D. **SAWPA ROUNDTABLE STATUS REPORT FOR THE FIRST QUARTER ENDING DECEMBER 31, 2016**

E. **OWOW STATUS REPORT FOR THE FIRST QUARTER ENDING DECEMBER 31, 2016**

F. **STATUS REPORT – 2017 OWOW CONFERENCE (May 25 | Ontario Convention Center)**

G. **GENERAL MANAGER'S REPORT**

H. SAWPA GENERAL MANAGERS MEETING NOTES

I. STATE LEGISLATIVE REPORT

J. CHAIR'S COMMENTS/REPORT

Chair Longville announced the Brine Line Bypass Pipeline Removal celebration will take place on January 20, 2017, in the City of Corona.

K. COMMISSIONERS' COMMENTS

There were no further Commissioners' comments.

L. COMMISSIONERS' REQUEST FOR FUTURE AGENDA ITEMS

Commissioner Sullivan noted SAWPA's JPA states if a receivable is over 60 days, SAWPA can thereafter assess a 10% penalty; this may be something we want to address if it is more than 120 days. It was recommended this be considered as a future agenda item.

Commissioner Sullivan suggested sending a letter of support on behalf of SAWPA regarding the California Water Fix. Commissioner Anthony concurred. Staff was directed to prepare a draft letter and/or resolution for consideration by the Commission at a future meeting.

8. CLOSED SESSION

Larry McKenney noted the Commission would discuss Agenda Item No. 8.A., and that no action was anticipated. At 11:00 a.m., Chair Longville recessed the meeting to Closed Session. Designated personnel essential to the discussion of Agenda Item No. 8.A. were present during Closed Session.

A. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION PURSUANT TO GOVERNMENT CODE SECTION 54956.9(d)(1)

Name of Case: Spiniello Companies v. Charles King Company, Inc., Santa Ana Watershed Project Authority, The Ohio Casualty Insurance Company (Superior Court of Los Angeles BC616589)

Chair Longville resumed Open Session at 11:10 a.m. There was no reportable action.

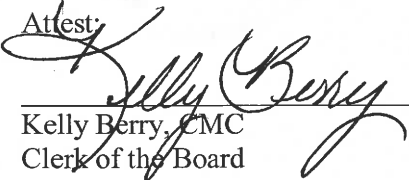
9. ADJOURNMENT

There being no further business for review, Chair Longville adjourned the meeting at 11:10 a.m.

Approved at a Regular Meeting of the Santa Ana Watershed Project Authority Commission on Tuesday, February 7, 2017.


Susan Lien Longville, Chair

Attest:


Kelly Berry, CMC
Clerk of the Board