SAWPA COMMISSION
REGULAR MEETING MINUTES
JUNE 7, 2016

COMMISSIONERS PRESENT
Ed Killgore, Vice Chair, San Bernardino Valley Municipal Water District
Ronald W. Sullivan, Secretary-Treasurer, Eastern Municipal Water District
Phil Anthony, Orange County Water District
Jasmin Hall, Alternate, Inland Empire Utilities Agency
Brenda Dennstedt, Alternate, Western Municipal Water District

COMMISSIONERS ABSENT
Thomas P. Evans, Chair, Western Municipal Water District
Terry Catlin, Inland Empire Utilities Agency

ALTERNATE COMMISSIONERS PRESENT; NON-VOTING
None.

STAFF PRESENT
Celeste Cantú, Rich Haller, Larry McKenney, Mark Norton, Karen Williams, Dean Unger, David Ruhl, Carlos Quintero, Ian Achimore, Mike Antos, Kelly Berry

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

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.

The Commission next considered Agenda Item No. 9.A.

9. **CLOSED SESSION**
   At 9:32 a.m., Vice Chair Killgore recessed the meeting to Closed Session for consideration of Agenda Item No. 9.A., discussion of which included Rich Haller and David Ruhl.

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)

   Vice Chair Killgore resumed Open Session at 10:04 a.m., and announced the following action was taken on Agenda Item No. 9.A. by the Commission during Closed Session.

   **MOVED**, authorize SAWPA staff to defend any litigation brought by Charles King Company, Inc., in respect to the Reach V Project.

   **Result:** **Adopted (Unanimously; 5-0)**
   **Motion/Second:** Sullivan/Dennstedt
   **Ayes:** Anthony, Dennstedt, Hall, Killgore, Sullivan
   **Nays:** None
   **Abstentions:** None
   **Absent:** None
The Commission next considered Agenda Item No. 4.

4. **GOVERNMENT FINANCE OFFICERS ASSOCIATION (GFOA) ACHIEVEMENT AWARDS – FYE JUNE 30, 2015**

SAWPA recently received the following achievement awards from the Government Finance Officers Association (GFOA). These are noteworthy achievements representing the highest form of recognition in government finance. Karen Williams, Chief Financial Officer, was presented with the awards.

- Certificate of Achievement for Excellence in Financial Reporting. This marks SAWPA’s eighth consecutive achievement award for excellence in financial reporting. SAWPA has received this annual achievement award consistently since 2009.
- Distinguished Budget Presentation Award. This marks SAWPA’s fifth consecutive distinguished budget presentation award. SAWPA has received this biennial award consistently since 2007.

5. **CONSENT CALENDAR**

A. **APPROVAL OF MEETING MINUTES: MAY 17, 2016**

   **Recommendation:** Approve as posted.

B. **TREASURER’S REPORT – APRIL 2016**

   **Recommendation:** Approve as posted.

   **MOVED,** approve the Consent Calendar.

   **Result:** Adopted (Unanimously; 5-0)

   **Motion/Second:** Anthony/Hall

   **Ayes:** Anthony, Hall, Killgore, Sullivan, Dennstedt

   **Nays:** None

   **Abstentions:** None

   **Absent:** None

6. **WORKSHOP DISCUSSION AGENDA**

   Agenda Item No. 6.A was removed from the agenda. The Commission next considered Agenda Item No. 6.D.

D. **U.S. BUREAU OF RECLAMATION BASIN STUDY UPDATE DRAFT PROPOSAL FRAMEWORK (CM#2016.39)**

Ian Achimore presented a PowerPoint presentation updating the Commission on the U.S. Bureau of Reclamation (Reclamation) Basin Study Update Proposal. Jack Simes was present from Reclamation.

Reclamation manages water projects for the Colorado River, which is part of the supply for the Santa Ana Basin. Reclamation assists in demand and supply for basins such as the Santa Ana Basin. Jack Simes noted Reclamation’s Basin Study program is very focused, and program efforts in 2010 created information valuable to the OWOW 2.0 process. Through this next effort, Reclamation will partner with SAWPA to update the OWOW 2.0 Plan. However, this is a competitive process, so Reclamation does require a Proposal. Simes has been working with SAWPA staff relative to proposal framework. Proposals are due June 23, and Reclamation’s recommendation will be announced by July 23. The final Proposal will be brought back to the Commission for approval prior to submitting to Reclamation.

The Commission next considered Agenda Item No. 6.B.
B. **THE ASPEN INSTITUTE 2016 ASPEN-NICHOLAS WATER FORUM**

Celeste Cantú gave a report on the Aspen-Nicholas Water Forum, an annual collaborative initiative between the Aspen Institute and Duke University’s Nicholas Institute for Environmental Policy Solutions, gathering leaders to discuss domestic water challenges in the 21st Century. This year’s Forum took place May 18-May 22, and participants were leaders from industry, finance, government and academia, water utilities, agriculture, food and technology companies, investors and entrepreneurs. SAWPA was invited as one of the four water representatives. Sessions included *Funding and Financing Water: Past, Present, Future; Markets for Water Rights, Water Quality and Ecosystem Services; A Capital Conflux – New Roles for Philanthropy, NGOs and Corporations; Impact Investing in Technology; Evaluating Water Risk & Investment Impact; Opportunities on the Horizon & Key Takeaways.* The 21st Century has brought a dramatic shift in how water and the economy intersect. Public funds have atrophied and infrastructure has an uncertain fiscal and operating future. There is a growing recognition that private and philanthropic capital can be utilized in addressing investment needs and delivering alternative benefits. New approaches are rapidly developing, such as green ecosystem services. Moving forward, participants will discuss how to further advance the application of increasing amounts of data to sustainable water management, as well as potential topics that the Water Forum can explore in the future.

Commissioner Sullivan left the meeting at 10:24 a.m., and did not return.

Commissioner Anthony congratulated Celeste Cantú, stating it was an honor to have been included in this group. Celeste Cantú noted there are continuing communications and interest in SARCCUP, Mill Creek Wetlands, and Forest First. SAWPA was seen as the initiator of the concept of maximizing resources in its own backyard.

C. **BAJA CALIFORNIA SUR - ACORABCS**

SAWPA recently received a letter from Baja California Sur Watershed Group thanking staff for providing a tour of the Watershed and announcing their organization formation based on the SAWPA OWOW model. They look forward to continue working with the exchange of technical and administrative experiences with SAWPA.

The Commission next considered Agenda Item No. 6.E.

E. **INLAND EMPIRE BRINE LINE REACH 5 REHABILITATION AND IMPROVEMENT PROJECT – PHASE 2 (NICHOLS ROAD RELOCATION)**

David Ruhl provided a PowerPoint presentation updating the Commission on the Inland Empire Brine Line Reach 5 Rehabilitation and Improvement Project – Phase 2, Nichols Road Relocation. Work began June 7 and substantial completion is expected by September 2016. We are on schedule for project competition prior to the abandonment of use of the easement from Castle and Cooke.

7. **NEW BUSINESS**

A. **UNION PACIFIC RAILROAD PIPE PROTECTION PROJECT – REACH 4E (CM#2016.36)**

Carlos Quintero provided a PowerPoint presentation on the Union Pacific Railroad Pipe Protection Project, which impacts Reach 4E of the Inland Empire Brine Line and the RIX Pipeline. Following is a table showing final project cost, which was brought before the Commission to request authorization to transfer funding.
### Project Costs

<table>
<thead>
<tr>
<th>Task</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Engineering</td>
<td>$50,574.71</td>
</tr>
<tr>
<td>Construction</td>
<td>615,703.83</td>
</tr>
<tr>
<td>TOTAL</td>
<td>666,278.54</td>
</tr>
<tr>
<td>SAWPA Share (39%)</td>
<td>259,848.64</td>
</tr>
</tbody>
</table>

Union Pacific has submitted a final invoice, and staff is recommending transfer of $259,848.64 from Brine Line Reserves to the Brine Line Operating Budget.

**MOVED**, approve the transfer of $259,848.64 from Brine Line Reserves to the Brine Line Operating Budget to pay Union Pacific’s final invoice #90062492.

Result: **Adopted (Unanimously; 4-0)**

Motion/Second: Dennstedt/Hall

Ayes: Anthony, Hall, Killgore, Dennstedt

Nays: None

Abstentions: None

Absent: Sullivan

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### B. RIVERSIDE COUNTY MULTI-JURISDICTIONAL HAZARD MITIGATION PLAN (CM#2016.37)

Carlos Quintero provided a PowerPoint presentation on the Multi-Jurisdictional Hazard Mitigation Plan, provided the County of San Bernardino’s Notice of Intent to Participate in the 2016 Hazard Mitigation Plan Update, and amended the Recommendation to include approval to submit said Notice of Intent to Participate to the County of San Bernardino.

**MOVED**, direct the General Manager to submit a Letter of Commitment as a participating jurisdiction in Riverside County Operational Area Multi-Jurisdictional Hazard Mitigation Planning and a Notice of Intent to Participate in the San Bernardino County Local Hazard Mitigation Plan update process.

Result: **Adopted (Unanimously; 4-0)**

Motion/Second: Anthony/Hall

Ayes: Anthony, Hall, Killgore, Dennstedt

Nays: None

Abstentions: None

Absent: Sullivan
C. **MEMORANDUM OF UNDERSTANDING WITH FONTANA WATER COMPANY TO ACCEPT LOCAL COST-SHARE FOR THE WATER-ENERGY COMMUNITY ACTION NETWORK PROJECT (CM#2016.38)**

Larry McKenney provided a brief oral presentation. Fontana Water Company (FWC), one of the partners in the Water Energy Community Action Network (WECAN) Program, is a private entity and not a public agency. FWC has requested an indemnification clause in their MOU. Executive Counsel has reviewed the indemnification language and found it is reasonable to include the language in this MOU, and recommended approval of the MOU.

**MOVED**, authorize the General Manager to execute the Memorandum of Understanding (MOU) with the Fontana Water Company.

Result: **Adopted (Unanimously; 4-0)**

- Motion/Second: Anthony/Dennstedt
- Ayes: Anthony, Hall, Killgore, Dennstedt
- Nays: None
- Abstentions: None
- Absent: Sullivan

8. **INFORMATIONAL REPORTS**

**Recommendation:** Receive and file the following oral/written reports/updates.

A. **CHAIR’S COMMENTS/REPORT**

B. **COMMISSIONERS’ COMMENTS**

C. **COMMISSIONERS’ REQUEST FOR FUTURE AGENDA ITEMS**

10. **ADJOURNMENT**

   There being no further business for review, Vice Chair Killgore adjourned the meeting at 10:44 p.m.

Approved at a Regular Meeting of the Santa Ana Watershed Project Authority Commission on Tuesday, June 21, 2016.

Thomas P. Evans, Chair
Attest:

Kelly Berry, CMC
Clerk of the Board