



S A W P A

SANTA ANA WATERSHED PROJECT AUTHORITY

11615 Sterling Avenue, Riverside, California 92503 • (951) 354-4220

REGULAR COMMISSION MEETING TUESDAY, SEPTEMBER 4, 2018 – 9:30 A.M.

AGENDA

1. CALL TO ORDER/PLEDGE OF ALLEGIANCE (Mark Bulot, Chair)

2. ROLL CALL

3. PUBLIC COMMENTS

Members of the public may address the Commission on items within the jurisdiction of the Commission; however, no action may be taken on an item not appearing on the agenda unless the action is otherwise authorized by Government Code §54954.2(b).

4. CONSENT CALENDAR

All matters listed on the Consent Calendar are considered routine and non-controversial and will be acted upon by the Commission by one motion as listed below.

- A. APPROVAL OF MEETING MINUTES: AUGUST 21, 2018.....5
Recommendation: Approve as posted.

5. NEW BUSINESS

- A. OWOW GOVERNANCE (CM#2018.90).....11
Presenter: Larry McKenney
Recommendation: Receive and file.
- B. ORANGE COUNTY STAKEHOLDERS – (OWOW) | OC PLAN PRESENTATION (CM#2018.89).....17
Presenters: Larry McKenney
Amanda Carr, OC Public Works, Deputy Director of Environmental Resources
Recommendation: Receive and file.

C. [REQUEST FOR PROPOSALS \(RFP\) FOR STATE ADVOCACY AND LOBBYING SERVICES \(CM#2018.91\)](#).....23

Presenter: Larry McKenney

Recommendation: Authorize the issuance of a Request for Proposals (RFP) for advocacy and lobbying services in Sacramento for the next three (3) years.

D. [PROPOSED JPA AMENDMENTS AND NEW PROJECT AGREEMENT 24 \(CM#2018.92\)](#).....39

Presenter: Rich Haller

Recommendation: (1) Receive information on the proposed Joint Powers Agreement (JPA) Amendments, the Project Agreement 24, and provided comments from the Western Municipal Water District Board workshop; (2) consider approval of proposed JPA Amendments and Project Agreement 24 and/or provide direction to staff regarding further revisions; and, (3) receive and file a status update on staff preparation of two additional Project Agreements concerning OWOW and Task Forces.

6. **INFORMATIONAL REPORTS**

Recommendation: Receive for information.

A. **CHAIR’S COMMENTS/REPORT**

B. **COMMISSIONERS’ COMMENTS**

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

7. **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)

8. **ADJOURNMENT**

Americans with Disabilities Act: If you require any special disability related accommodations to participate in this meeting, please call (951) 354-4230 or email kberry@sawpa.org. Notification at least 48 hours prior to the meeting will enable staff to make reasonable arrangements to ensure accessibility for this meeting. Requests should specify the nature of the disability and the type of accommodation requested.

Materials related to an item on this agenda submitted to the Commission after distribution of the agenda packet are available for public inspection during normal business hours at the SAWPA office, 11615 Sterling Avenue, Riverside, and available at www.sawpa.org, subject to staff’s ability to post documents prior to the meeting.

Declaration of Posting

I, Kelly Berry, Clerk of the Board of the Santa Ana Watershed Project Authority declare that on Wednesday, August 29, 2018, a copy of this agenda has been uploaded to the SAWPA website at www.sawpa.org and posted at the SAWPA office, 11615 Sterling Avenue, Riverside, California.

/s/

Kelly Berry, CMC

2018 SAWPA Commission Meetings/Events

First and Third Tuesday of the Month

(NOTE: Unless otherwise noticed, all Commission Workshops/Meetings begin at **9:30 a.m.**, and are held at SAWPA.)

January	February
1/2/18 Commission Workshop [cancelled] 1/16/18 Regular Commission Meeting	2/6/18 Commission Workshop 2/20/18 Regular Commission Meeting
March	April
3/6/18 Commission Workshop 3/20/18 Regular Commission Meeting	4/3/18 Commission Workshop 4/17/18 Regular Commission Meeting
May	June
5/1/18 Commission Workshop 5/8 – 5/11/18 ACWA Spring Conference, Sacramento 5/15/18 Regular Commission Meeting	6/5/18 Commission Workshop 6/19/18 Regular Commission Meeting
July	August
7/3/18 Commission Workshop [cancelled] 7/17/18 Regular Commission Meeting	8/7/18 Commission Workshop 8/21/18 Regular Commission Meeting
September	October
9/4/18 Commission Workshop 9/18/18 Regular Commission Meeting	10/2/18 Commission Workshop 10/16/18 Regular Commission Meeting
November	December
11/6/18 Commission Workshop 11/20/18 Regular Commission Meeting 11/27 – 11/30/18 ACWA Fall Conference, San Diego	12/4/18 Commission Workshop 12/18/18 Regular Commission Meeting

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**SAWPA COMMISSION
REGULAR MEETING MINUTES
AUGUST 21, 2018**

COMMISSIONERS PRESENT

Mark Bulot, 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
Bruce Whitaker, 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

STAFF PRESENT

Rich Haller, Larry McKenney, Karen Williams, Dean Unger, David Ruhl,
Carlos Quintero, Ian Achimore, Mike Antos, Kelly Berry

The Commission welcomed Mark Bulot, appointed on August 7, 2018, as the San Bernardino Valley Municipal Water District representative to the SAWPA Commission. Mark Bulot will also step into the role of Commission Chair for the remainder of the term.

The Regular Commission Meeting of the Santa Ana Watershed Project Authority was called to order at 9:30 a.m. by Chair Bulot 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

Retiring SAWPA employee Dawna Munson addressed the Commission to again request the addition of a closed session item on the agenda for the next Commission meeting regarding a personnel matter. Chair Bulot noted as a personnel item, this would be referred to the SAWPA General Manager, and he will advise the Commission as to the policies and procedures.

4. CONSENT CALENDAR

A. APPROVAL OF MEETING MINUTES: AUGUST 7, 2018

Recommendation: Approve as posted.

B. TREASURER'S REPORT – JULY 2018

Recommendation: Approve as posted.

MOVED, approve the August 7, 2018 meeting minutes.

Result: **Adopted**
Motion/Second: Hall/Whitaker
Ayes: Hall, Sullivan, Whitaker
Nays: None
Abstentions: Bulot, Dennstedt
Absent: None

MOVED, approve the July 2018, Treasurer's Report.

Result: **Adopted (Unanimously)**
Motion/Second: Hall/Whitaker
Ayes: Bulot, Dennstedt, Hall, Sullivan, Whitaker
Nays: None
Abstentions: None
Absent: None

5. **NEW BUSINESS**

A. **NOMINATION OF COMMISSIONER WHITAKER TO THE SANTA ANA RIVER CONSERVANCY ADVISORY GROUP (CM#2018.83)**

Ian Achimore provided the PowerPoint presentation contained in the agenda packet (pages 17-21) outlining the makeup and purpose of the Santa Ana River Conservancy Advisory Group; it is anticipated the group will meet bi-monthly throughout the watershed. Commissioner Phil Anthony had served on past Santa Ana River Conservancy Advisory Groups for many years. Commissioner Whitaker voiced his enthusiasm to serve in this capacity. The appointment term is five (5) years; however, this is not a term limit and Commissioner Whitaker could continue to serve in this capacity should the Commission and Commissioner Whitaker elect to do so at that time.

MOVED, nominate Commissioner Bruce Whitaker to serve as a SAWPA representative on the Santa Ana River Conservancy Advisory Group for a period of five (5) years.

Result: **Adopted (Unanimously)**
Motion/Second: Dennstedt/Hall
Ayes: Bulot, Dennstedt, Hall, Sullivan, Whitaker
Nays: None
Abstentions: None
Absent: None

B. **CONTINUING EFFORT BY UNIVERSITY OF CALIFORNIA IRVINE IN THE DISADVANTAGED COMMUNITY INVOLVEMENT PROGRAM (CM#2018.84)**

Mike Antos provided the PowerPoint presentation contained in the agenda packet (pages 29-33). The proposed Amendment No. 2 (pages 25-28 of the agenda packet) includes additional scope and an increase to the contract in the amount of \$255,000, bringing the total contract amount to \$382,000. A discussion ensued as to deliverables; 12 additional listening sessions will be conducted involving data collection which will be included in the UC Irvine analysis and they will amend their reporting based on their additional conclusions. The purpose of their report is to better understand critical needs from the perspective of community members in relation to water and watersheds. Commissioner Sullivan requested the Commission be advised as to the locations selected for these listening sessions. Chair

Bulot noted UC Irvine deliverables (listed on page 27 of the agenda packet) include quarterly progress reports, and he requested the Commission be appraised on a quarterly basis into the future. Antos confirmed the information would be made available to the Commission moving forward.

MOVED, continue the involvement of the University of California Irvine (UC Irvine) as part of the Disadvantaged Communities Involvement Program by authorizing the General Manager to execute Amendment No. 2 to the 2016 Proposition 1 Integrated Regional Water Management Disadvantaged Community Involvement Program Agreement Between the Santa Ana Watershed Project Authority and University of California Irvine, containing a time, scope and budget amendment in the amount of \$255,000, bringing the total contract amount to \$382,000.

Result:	Adopted (Unanimously)
Motion/Second:	Sullivan/Hall
Ayes:	Bulot, Dennstedt, Hall, Sullivan, Whitaker
Nays:	None
Abstentions:	None
Absent:	None

C. ADOPTION OF LOCAL HAZARD MITIGATION PLAN (CM#2018.85)

Carlos Quintero provided an oral report on adoption of the Riverside County Operational Area Multi-Jurisdictional Local Hazard Mitigation Plan (LHMP). Participation in the hazard mitigation planning efforts allows agencies to receive funding for hazard mitigation projects and post-disaster assistance, such as those received by SAWPA for damage to the Brine Line access road resulting from the July 2017 storm events.

On June 6, 2016, the Commission approved a Letter of Commitment as a participant jurisdiction in the Riverside and San Bernardino Counties hazard mitigation planning efforts. On June 16, 2017, SAWPA submitted the Draft Local Hazard Mitigation Plan (LHMP) to Riverside County; staff submitted to San Bernardino County June 15, 2017. The San Bernardino County LHMP was approved July 13, 2017 by the Federal Emergency Management Agency (FEMA); no formal adoption by SAWPA was requested. The Riverside County LHMP, conditionally approved by FEMA, requires formal adoption by the SAWPA Commission.

MOVED, adopt Resolution 2018-8 adopting the Riverside County Operational Area Multi-Jurisdictional Local Hazard Mitigation Plan (LHMP) as required by the Federal Disaster Mitigation and Cost Reduction Act of 2000.

Result:	Adopted (Unanimously; Roll Call Taken)
Motion/Second:	Dennstedt/Sullivan
Ayes:	Bulot, Dennstedt, Hall, Sullivan, Whitaker
Nays:	None
Abstentions:	None
Absent:	None

D. IT INFRASTRUCTURE SERVER NETWORK UPGRADE (CM#2018.86)

Dean Unger provided the PowerPoint presentation contained in the agenda packet (pages 41-44) and reviewed the proposed equipment upgrade. These improvements will complete the hardware needs of the SAWPA server room over the next 5-7 years.

MOVED, approve the execution of a purchase order for additional storage, smart controllers and 48-port switch from MJP Technologies Inc. for an amount of \$27,874.

Result: **Adopted (Unanimously)**
Motion/Second: Dennstedt/Hall
Ayes: Bulot, Dennstedt, Hall, Sullivan, Whitaker
Nays: None
Abstentions: None
Absent: None

E. PROPOSITION 1 IRWM GRANT PROGRAM – PROJECT ELIGIBILITY CRITERIA AND RATING AND RANKING SYSTEM (CM#2018.87)

Mike Antos delivered the PowerPoint presentation contained in the agenda packet (pages 55-60) providing with an overview and status relating to the Project Eligibility Criteria and Rating & Ranking System, which is an evolution of the existing program. Commissioner Sullivan asked why there were two rounds; his understanding is that there would be only one. Antos stated DWR is continuing to support two rounds; however, staff continues to advocate flexibility to meet the needs of the region.

Chair Bulot noted this is the continuance of groupthink that has been the OWOW process, which is described as a competitive process. SAWPA is a cooperative, collaborative entity and to force SAWPA constituent agencies to compete against one another is detrimental to the future and well-being of SAWPA. Chair Bulot furthered that the replicability of the results denotes a rigging of the weighting so there isn't any other outcome. Finally, there is no benefit for the most water at the least cost – the greatest benefit to the population at large. Chair Bulot stated his dismay that the process has continued along these lines, which in essence has provided a way for the Commission to avoid the accountability and responsibility that they have under these grant programs. He hopes in the future something on a more cooperative basis can be accomplished to do the same thing so there are not just a number of smaller projects that may make us feel good but do not really improve the overall reliability of the watershed.

Larry McKenney noted regarding the competitive vs. collaborative aspect, we are required by the state to have a competitive process. If we do not, they are required to have a competitive process for us. We have tried to craft a process where project proponents feel incentivized to collaborate with each other to produce competitive project proposals; we want that collaboration to occur among project proponents. Ultimately our selection of grant funded projects is required by statute to be competitive. Chair Bulot stated that the process is cumbersome and convoluted. McKenney noted the constant tension during the process – securing grant funding, then ensuring we continue to have our own regional control and that the program is helping to produce an outcome beneficial to the region.

Commissioner Sullivan noted the process seems to be reversed – this rating and ranking developed by the Pillars had not been shared with the Commission; however, when everything gets ranked the Commission is expected to blindly approve everything, yet the Commission is the responsible entity. The Commission should at least review what goes before the OWOW Steering Committee so they are provided with a full, complete understanding. Commissioner Sullivan requested that at the very least, prior to going before the OWOW Steering Committee the Commission should be provided with an informational item and documentation so they can provide their own input.

Larry McKenney advised that the OWOW governance document delegates the authority for doing this type of rating and ranking to the OWOW Steering Committee, the committee would then make recommendations to the Commission for funding opportunities. The policy states that the Commission

is to approve those recommendations, as long as they are in accordance with the law. The Commission is required to ensure that statutory and regulatory requirements are being met. Commissioner Sullivan noted he wasn't aware that the Commission gave away its responsibilities to the OWOW Steering Committee and did not recall doing that while on the Commission. It was the consensus of the Commission that staff provide the OWOW governance document to the Commission at a future meeting in order to provide a clearer understanding as to authority and process.

Michael Markus, General Manager, OCWD, noted for the record that he did not support the rating and ranking system nor does he believe that OCWD was supportive. OCWD has expressed concerns, and those concerns were submitted in the form of a letter; OCWD would be supportive of the rating and ranking set forth in their letter as opposed to those submitted today. Markus believes Amanda Carr from Orange County will make a presentation on the OC Plan before the OWOW Steering at the next meeting, and suggested she give a similar presentation before the SAWPA Commission to explain what is being proposed and why. By consensus of the Commission, Amada Carr will be invited to make a presentation before the Commission at a future meeting.

Commissioner Whitaker, who has been in attendance during many of these OWOW Pillar and Steering Committee meetings, commended staff for providing and following an open process within the confines and requirements of these programs.

This item was for informational and discussion purposes; no action was taken on Agenda Item No. 5.E.

F. COMMISSIONER PHILIP L. ANTHONY RESOLUTION (CM#2018.88)

Commissioners and staff noted their appreciation for Phil Anthony's years of service; several shared their experience attending the celebration of life ceremony held August 19 in Westminster. The signed resolution will be framed and presented to his family. Commissioner Whitaker noted that the OCWD Board has dedicated an important facility, the Philip Anthony Water Quality Laboratory, to give proper due to his many contributions, ideas and initiatives during his service on the OCWD Board spanning more than 30 years.

MOVED, adopt Resolution No. 2018-9 in memoriam of Commissioner Philip L. Anthony for his many contributions and years of public service.

Result:	Adopted (Unanimously; Roll Call Taken)
Motion/Second:	Sullivan/Dennstedt
Ayes:	Bulot, Dennstedt, Hall, Sullivan, Whitaker
Nays:	None
Abstentions:	None
Absent:	None

6. INFORMATIONAL REPORTS

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

A. CASH TRANSACTIONS REPORT – JUNE 2018

B. INTER-FUND BORROWING – JUNE 2018 (CM#2018.81)

C. PERFORMANCE INDICATORS/FINANCIAL REPORTING – JUNE 2018 (CM#2018.82)

D. GENERAL MANAGER REPORT

Rich Haller reviewed the report and advised he will provide a presentation regarding proposed changes

to the JPA Agreement and the PA 24 Agreement to the WMWD Board on August 22, 2018.

- E. SAWPA GENERAL MANAGERS MEETING NOTES**
August 14, 2018
- F. STATE LEGISLATIVE REPORT**
- G. CHAIR'S COMMENTS/REPORT**
- H. COMMISSIONERS' COMMENTS**
- I. COMMISSIONERS' REQUEST FOR FUTURE AGENDA ITEMS**
There were no further requests for future agenda items.

7. CLOSED SESSION

The Commission took a brief recess at 10:39 a.m., then Chair Bulot commenced Closed Session at 10:45 a.m. Designated personnel essential to the discussion of Agenda Item No. 7.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 Bulot resumed Open Session at 11:33 a.m. There was no reportable action.

8. ADJOURNMENT

There being no further business for review, Chair Longville adjourned the meeting at 11:33 a.m.

Approved at a Regular Meeting of the Santa Ana Watershed Project Authority Commission on Tuesday, September 4, 2018.

Mark Bulot, Chair

Attest:

Kelly Berry, CMC
Clerk of the Board

COMMISSION MEMORANDUM NO. 2018.90

DATE: September 4, 2018
TO: SAWPA Commission
SUBJECT: OWOW Governance
PREPARED BY: Larry McKenney

RECOMMENDATION

Receive and file.

DISCUSSION

It was requested that the Commission be provided the OWOW Governance policy, which is attached.

The provisions of the policy most relevant to current discussions within the OWOW process have been highlighted in the attached version. Essentially, in order to enhance broad involvement of stakeholders, including other agencies within the watershed, and in order visibly to protect objectivity and fairness, the Commission created the Steering Committee and tasked it with independently developing the OWOW Plan and project recommendations for each funding opportunity. Those work products are then submitted to the Commission for review based on specific criteria. If issues are identified, the Commission is to send the work back to the Steering Committee to address the issues.

CRITICAL SUCCESS FACTORS

Continued support from SAWPA commission of OWOW Steering Committee's decision making authority as a means of ensuring trust, transparency, and external communications.

RESOURCE IMPACTS

None.

Attachments:

1. Santa Ana IRWMP "One Water One Watershed" Governance, Rev. January 15, 2013 (highlighted)

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Santa Ana IRWMP "One Water One Watershed" Governance Revised: January 15, 2013

In developing the One Water One Watershed (OWOW) Integrated Regional Water Management IRWM Plan (the Plan) for the Santa Ana River, unlike other integrated regional water management planning approaches, every effort has been made to allow the key discussions of major water resource issues, concerns, problems, goals and objectives and potential solutions to originate and be first fully vetted at the stakeholder level -the stakeholders being the local agencies, organizations, and other interested parties within the Santa Ana River Watershed Region. By expanding the involvement and collaboration to the on-the-ground level, greater buy-in and support were expected and realized for this planning development process. Consequently, if one were to ask where the governance originates for the Santa Ana River Watershed Region OWOW process, we believe the identification of issues starts from the grass-roots level, the foundation of a decentralized and collaborative "big tent" approach.

SAWPA Commission

The Santa Ana Watershed Project Authority Commission (the Commission) and SAWPA staff shall be responsible for all administrative oversight for the Plan, and for coordinating all on-going administrative responsibilities associated with its implementation including arranging for meetings of the OWOW Steering Committee, preparing agendas, taking and distributing minutes of the meetings and when directed by the SAWPA General Manager, preparing staff reports, and other related duties. The Commission shall review the Plan for compliance with applicable laws and guidelines. In the event that no issues or inconsistencies with the Plan or project selection process are detected, the Commission shall approve the Plan and the Project Prioritization as submitted by the Steering Committee. Should the Commission determine that the Plan or a specific selected portfolio of projects fails to meet applicable laws and guidelines, it will refer the Plan back to the Steering Committee for further revision and subsequent re-submittal to the Commission for reconsideration and ratification.

OWOW Steering Committee

The OWOW Steering Committee shall be constituted of eleven (11) members from the three counties (Orange County, Riverside and San Bernardino) that are within the Santa Ana River Watershed regional planning area. The Steering Committee members shall serve terms of four (4) years with staggered end dates, as described below. The following describes the composition of the Steering Committee:

- One (1) Supervisor from Orange County;
- One (1) Supervisor from Riverside County;
- One (1) Supervisor from San Bernardino County;
- One (1) Mayor or City Council Member from a City within the Region within Orange County;
- One (1) Mayor or City Council Member from a City within the Region within Riverside County;
- One (1) Mayor or City Council Member from a City within the Region within San Bernardino County;
- Two (2) SAWPA Commission representatives shall be selected by the SAWPA Commission,
- One (1) member of the business community,
- One (1) member of the environmental community, and;
- One (1) member of the Regional Water Quality Control Board.

The SAWPA Commission selected and convened the initial Steering Committee members in coordination with the governmental and non-governmental entities being represented on the Steering Committee.

Steering Committee members may be appointed for multiple terms. *A seated member who loses the status upon which membership on the Steering Committee is based (e.g. leaving an elected office) will continue as a member of the Steering Committee through the balance of that Steering Committee term, or until such time that the entity that selected him or her selects a new representative.* Steering Committee members are selected as follows:

- SAWPA Commission representatives shall be selected by the SAWPA Commission.
- County Supervisors shall be selected by their respective boards
- City representatives shall be selected by a majority vote of the Council of Governments in the respective county:
 - Western Riverside County Council of Governments [WRCOG] -Riverside County;
 - San Bernardino Association of Governments [SANBAG] -San Bernardino County; and
 - Orange County Council of Governments [OCCOG] -Orange County.
- Business and environmental community representatives shall be selected by a majority vote of the eight (8) governmental representatives on the Steering Committee based on an application process conducted during a public meeting.
- The Regional Water Quality Control Board representative is selected by the Santa Ana Regional Water Quality Control Board.

The Steering Committee shall be responsible for the development of the Plan. This includes receiving input from staff of their respective agencies as well as the SAWPA staff, providing direction for the development and long-term maintenance of the Plan, and development of a project prioritization process. The Steering Committee may make recommendations to the SAWPA Commission on proposed amendments to this governance document. Any such proposed amendments shall not take effect unless approved by the SAWPA Commission.

Meetings of the Steering Committee shall be scheduled at a regular time and place with an agenda posted prior to the meeting consistent with the Ralph M. Brown Act. The Steering Committee shall meet as needed with a minimum of at least an annual meeting. Minutes of the meetings shall be kept by SAWPA staff and posted on the OWOW website. Special meetings may be called and are subject to the provisions of the Ralph M. Brown Act.

In implementing the Steering Committee's Goals and Objectives, the Steering Committee will:

- 1) Acknowledge that water resources of the Santa Ana River Watershed Region should be put to maximum beneficial use and that water waste must be prevented;
- 2) Acknowledge water as a public resource and respect existing agreements governing the water resources of the Santa Ana River Watershed Region;
- 3) Seek regional solutions for regional problems;
- 4) Encourage collaboration across boundaries and between multiple parties in project development; and

- 5) Consider sub-regional plans and planning efforts.

SAWPA Administration

The other arm to the governance of the OWOW process includes a management function conducted by the SAWPA staff. As the regional water agency for the Santa Ana River Watershed Region, SAWPA has had a long history of supporting regional collaborative efforts of this kind. As with previous IRWMP efforts for the Santa Ana River Watershed Region, SAWPA serves as support in providing administrative and facilitative assistance to the Steering Committee for the overall OWOW Plan development. In addition, SAWPA provides decision tools to assist the Steering Committee in decision-making processes, and performs significant public outreach and education about the integrated planning approach for the Santa Ana River Watershed Region.

As funding opportunities arise to implement OWOW, the Steering Committee will provide to the Commission an updated Plan and programmatic portfolio of projects specific to the funding opportunity. As noted above, the Commission will review the Plan and programmatic project portfolio to ensure that these fulfill the intent and requirements of the specific funding mechanism, any legislation authorizing the funding, all legal requirements as defined by the funding administrative agency and equitable application of the benefits of the project portfolio across the entire region. Review of these items will be conducted by the Commission in a public meeting open to all interested stakeholders. It is understood that the Steering Committee will be responsible for the development and implementation of the project selection criteria.

Pillars

In order to manage the technical and planning work, the stakeholders are organized into separate workgroups or pillars centered around specific water resource management areas, issues, or concepts. They are identified and named by, and may be dissolved by, the Steering Committee. The Pillars support and assist SAWPA staff by, for example, offering creative ideas, conducting brainstorming, vetting ideas, assisting with regional coordination, assisting with outreach efforts, gathering or reviewing data or information, or developing or reviewing analysis. Each pillar consists of approximately 10 to 60 volunteers, depending on the topic and interest level. The volunteers include participants from local agencies, special districts, non-profit organizations, university officials, Native American Tribes, and private citizens.

Each pillar is led by a volunteer Co-Chairs with expertise in that specific aspect of water resources. The Pillar Co-Chairs are responsible for organizing, leading, and facilitating the workgroup process. The Pillar Co-Chairs are appointed as needed by the Steering Committee. No limits are placed on the duration someone may hold the position. A Pillar Co-Chair may only hold one chair position at a time.

Another role of the Pillar Co-Chairs is to provide support and input for SAWPA staff as they make recommendations to the Steering Committee about the Steering Committee OWOW goals and objectives. As technical experts in various water resource fields, the Pillar Co-Chairs provide important feedback to the Steering Committee. The Pillar Co-Chairs periodically meet and act, in collaboration with SAWPA staff, as a technical management committee for reviewing and making recommendations to the Steering Committee and to the Commission relative to implementation of the

Plan and development of specific proposals for funding. The Pillar Co-Chairs also will support SAWPA staff as a technical management committee to provide oversight for OWOW projects.

Pillar work product development is a consensus process. Where there is disagreement on specific recommendations, the Steering Committee will provide guidance. Pillar groups will be added or subtracted based on the goals and objectives of the Steering Committee.

Pillar Co-Chairs, with assistance from SAWPA staff, are responsible for maintaining a notification list of interested stakeholders and notifying them of meetings. SAWPA staff will provide lists of interested stakeholders to Pillar Co-Chairs; however, Pillar Co-Chairs will post notifications. Pillar committee meetings shall be open to all interested parties.

Project Prioritization Development and Modification

Project prioritization for specific grant applications shall be established and maintained by the Steering Committee in coordination and with support from SAWPA staff. Stakeholders shall be allowed to comment on the development and maintenance of the project prioritization process. In addition, the Steering Committee's role in project prioritization development and modification is to integrate regional water management goals and objectives for the region, to act as the oversight body that performs strategic decision making, crafts and adopts programmatic suites of project recommendations, and provides program advocacy necessary to optimize water resource protection for all.

AGREED TO:

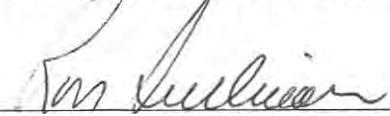
SAWPA COMMISSION



Chair

January 15, 2013
Dated

OWOW STEERING COMMITTEE



Convener

September 27, 2012
Dated

APPROVED:

9-27-12 OWOW Steering Committee
1-15-13 SAWPA Commission

COMMISSION MEMORANDUM NO. 2018.89

DATE: September 4, 2018

TO: SAWPA Commission

SUBJECT: Orange County Stakeholders – OWOW
OC Plan Presentation

PREPARED BY: Larry McKenney, Executive Counsel
Amanda Carr, OC Public Works, Deputy Director of Environmental Resources

RECOMMENDATION

Receive and file.

DISCUSSION

SAWPA received the subject letter, which is addressed to Commissioner Sullivan in his capacity of Convener of the OWOW Steering Committee. It is signed by the program director for the County of Orange and the general managers of OCWD and the Orange County Sanitation District.

The letter notes that stakeholders in north and central Orange County have developed an integrated resources management plan for that area which includes a project list and a project ranking process. It requests the Orange County plan be incorporated into the OWOW Plan Update 2018 as a separate chapter, and that 38% of Proposition 1 IRWM grant funding available to the Santa Ana funding area be allocated to the projects prioritized by the Orange County plan.

The letter supports this recommendation by stating that the 38% allocation of funds would be based on the portion of the land area and population and of the Santa Ana funding area that is within Orange County. The letter also asserts that less than 20% of north and central Orange County are hydrologically connected to the Santa Ana River watershed, and that the issues faced in Orange County are largely difficult to link to the watershed's concerns.

Because the letter addresses the development of the OWOW Plan and the selection of projects for the Proposition 1 opportunity for grant funding, it is appropriately addressed to the OWOW Steering Committee. The OWOW Governance policy adopted by the SAWPA Commission tasks the Steering Committee with those responsibilities. The letter will be on the agenda for the Steering Committee's meeting later in September. In the meantime, the letter is being provided to the Commission for information, and the OC stakeholders have been invited to speak to the Commission about the letter.

Ms. Amanda Carr, OC Public Works, Deputy Director of Environmental Resources, will provide a presentation to the commission on the OC Plan.

CRITICAL SUCCESS FACTORS

Continued support from SAWPA commission of OWOW Steering Committee's decision making authority as a means of ensuring trust, transparency, and external communications.

Active participation of a diverse group of stakeholders representing counties, cities, and water districts, as well as the private sector and the regulatory, environmental, and environmental justice communities who integrate

the different interests in the watershed beyond political boundaries. Ensuring all perspectives are heard and valued.

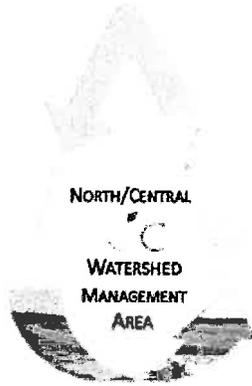
Distribution of benefits from the implementation of all integrated water resources management activities across the watershed in a fair and equitable fashion. Recognition that upstream conditions affect downstream water quality and quantity.

RESOURCE IMPACTS

None.

Attachments:

1. Orange County stakeholders letter of July 13, 2018 to Convener Ron Sullivan



July 13, 2018

Ron W. Sullivan, Convener
OWOW Steering Committee
SAWPA
11615 Sterling Avenue
Riverside, CA 02503

Dear Commissioner Sullivan,

The North and Central Orange County stakeholders have spent a number of months developing an update of the Integrated Regional Water Management Plan for North and Central Orange County (The OC Plan), which comprehensively reflects the water management needs of this highly urbanized area of Orange County. For the reasons discussed below, we ask that The OC Plan be incorporated into the OWOW Plan Update 2018 in the following manner:

- 38% of total available future grant funds be allocated to priority projects identified in The OC Plan;
- The OC Plan be incorporated as a separate chapter within the OWOW Plan; and
- Projects within the North and Central Orange County Watershed Management Areas (WMAs) be ranked and prioritized for Proposition 1 IRWM funding through the process developed in The OC Plan.

The proposed funding allocation percentage for Orange County is based on the land area and population methodology used by the San Diego IRWM Funding Area to allocate funds between its San Diego, Riverside and Orange County Regions, which in turn was based on the statewide allocation of funds under prior funding propositions. We will present a full overview of this request and our reasoning discussed below at the July 26 OWOW Steering Committee meeting.

Orange County is Largely Hydrologically Distinct from Santa Ana River Watershed

The hydrology of the Santa Ana River watershed presents unique challenges with respect to Orange County. Less than 20% of the North and Central Orange County WMAs are hydrologically connected to the watershed of the Santa Ana River, and Prado Dam physically separates the upper and lower watershed. Although issues and programs focused on the Santa Ana River and its tributaries are important to OCWD, they do not engage the majority of the stakeholders and watershed areas within Orange County.

Mr. Ron Sullivan
July 13, 2018
Page 2 of 3

Water Resource Priorities and Needs in Orange County are Unique Within the Funding Area

Issues, projects and programs focused on Orange County sub-watersheds are difficult to link to Santa Ana River-related benefits and concerns. Water resource priorities, such as beach water quality, seawater intrusion control, marine protected areas, and ecological health of Upper Newport Bay, are unique to this area and have little in common with the rest of the Santa Ana River watershed.

Since 2005 Orange County has maintained IRWM plans for its North, Central and South watershed management areas. Responding to requests from Orange County stakeholders, OC Environmental Resources began in early 2017 to update the existing North and Central Orange County IRWM plans. The intention of this effort was to:

- provide a forum to engage local stakeholders in the IRWM process,
- strengthen collaborative project efforts in the North and Central watershed management areas,
- identify and focus on the unique water resource issues within Orange County,
- develop a project portfolio that addresses the identified issues, and
- continue to maintain the option to become a region within the Santa Ana Funding Area.

The combined and updated plan was completed in March 2018, was adopted by the Orange County Water District and Orange County Sanitation District, and is undergoing final approval by the County of Orange.

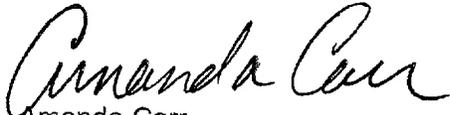
Orange County Stakeholders Set Goals and Objectives that Diverge from those in the OWOW Plan Goals

Water resource management priorities, challenges and issues within Orange County are highly integrated, reflective of the long-standing collaboration that predates the state's IRWM program. Water supply, water quality, flood risk, drought preparedness, wastewater treatment, recycled water, stormwater, and groundwater are cooperatively managed regionally within Orange County, and have been for decades. For example, the Orange County Flood Control District and the Orange County Water District began joint operations to manage flood risk while increasing groundwater recharge in the 1930s and Newport Bay stakeholders, with support from the County of Orange, have been working together to manage water quality impairments since the 1970s. We believe that these natural and long-standing integrated, regional water management efforts would be served best with grant funding decisions for Orange County projects determined through a local process.

With the changes requested above, we believe the OWOW process will be strengthened through increased local stakeholder participation and be more reflective of the needs identified by Orange County stakeholders. We hope that through our joint efforts we will improve the management of water resources in the Santa Ana Funding Area and foster collaboration and innovation in solving complex challenges in the watershed. We ask that a response to these requests be provided by August 27 as we have scheduled a meeting of the Regional Water Management Group on August 29 to review your response.

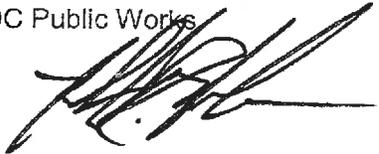
Mr. Ron Sullivan
July 13, 2018
Page 3 of 3

Sincerely,



Amanda Carr

Deputy Director, OC Environmental Resources
OC Public Works



Michael R. Markus, P.E.
General Manager
Orange County Water District



Jim Herberg, P.E.
General Manager
Orange County Sanitation District

cc: OWOW Steering Committee members
SAWPA Commissioners
SAWPA General Managers
OCWD Board of Directors
OCSD Board of Directors

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COMMISSION MEMORANDUM NO. 2018.91

DATE: September 4, 2018

TO: SAWPA Commission

SUBJECT: Request for Proposals (RFP) for State Advocacy and Lobbying Services

PREPARED BY: Larry McKenney, Executive Counsel

RECOMMENDATION

It is recommended that the Commission authorize the issuance of a Request for Proposals (RFP) for advocacy and lobbying services in Sacramento for the next two years with an option for two additional years.

DISCUSSION

SAWPA's current State lobbying contract with West Coast Advisors is a three-year contract that will expire at the end of December 2018. SAWPA is satisfied with West Coast Advisors' performance, but recommends seeking proposals from the industry before entering into a new contract.

In response to SAWPA's RFP in 2015, several proposals were received and three firms were interviewed, resulting in the selection of West Coast Advisors, which has been SAWPA's lobbyist over several contract terms.

Staff intends to publish the RFP and allow three weeks for submission of proposals. Once proposals are received and initially reviewed, the General Manager will discuss a process for further evaluation or interviews with the Commission Chair. The draft RFP was provided to the member agencies' legislative staff for comments.

RESOURCE IMPACTS

Anticipated costs for State lobbying services are included in the FY 2017-18 and FY 2018-19 Budgets.

Attachments:

1. Request for Proposals (RFP)
2. Legislative Advocacy and Conflict Management Policy

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**REQUEST FOR PROPOSAL
FOR
CONSULTING SERVICES
FOR
STATE LEGISLATIVE LOBBYING SERVICES**

SEPTEMBER 2018

**REQUEST FOR PROPOSAL (RFP)
FOR
STATE LEGISLATIVE LOBBYING SERVICES**

1. INTRODUCTION

SAWPA is requesting proposals from legal and governmental relations firms to provide state lobbying services.

The Santa Ana Watershed Project Authority (SAWPA) is a joint powers authority that provides water resource planning and project implementation in order to secure a more sustainable future for the Santa Ana River Watershed. The Santa Ana River Watershed is located in southern California and is approximately 2,800 square miles in size. The Santa Ana River carries surface flows from rising groundwater, storm runoff, and discharges of treated wastewater from the San Bernardino and San Gabriel Mountains to the Pacific Ocean. SAWPA is constituted by its five member agencies: Eastern Municipal Water District, Inland Empire Utilities Agency, Orange County Water District, San Bernardino Valley Municipal Water District, and Western Municipal Water District. SAWPA is governed by a commission made up of representatives appointed by the governing boards of its member agencies.

SAWPA was originally created to develop and implement water quality protection measures on a regional basis. SAWPA has participated in the development of capital projects to achieve this mission, some of which facilities have been transferred to other agencies to operate. Central to this mission is the Inland Empire Brine Line (IEBL), which carries highly saline wastewater from groundwater desalters and industrial discharges out of the Inland Empire and discharges to the Santa Ana Regional Interceptor in Orange County for treatment by the Orange County Sanitation District. SAWPA owns and operates the IEBL, including responsibilities for capital improvement and repair projects, maintenance and repair activities, a pretreatment program, capacity management and administration, and routine inspections and utilities marking, for example.

SAWPA was created to help resolve conflicts within the watershed, and has a long history of facilitating and administering multi-agency and multi-stakeholder task forces and working groups to address a wide range of water resources issues, comprising water quality, salt imbalance, habitat protection, emerging constituents, and basin planning. SAWPA pioneered the concept of Integrated Regional Water Management Planning in California and serves as the Integrated Regional Water Management Group for the Santa Ana Region for purposes of receiving and allocating state grant funds. SAWPA led a watershed-wide stakeholder process to create the One Water One Watershed Plan to integrate and improve water resources management for the entire watershed.

SAWPA interacts with legislators representing districts within the Santa Ana River Watershed in Orange, Riverside, San Bernardino, and Los Angeles Counties, as well as with State agencies associated with water and watershed issues, including the State Water Resources Control Board, the Santa Ana Regional Water Quality Control Board, the Department of Water Resources, the Resources Agency, the Department of Fish and Wildlife, and others. SAWPA also interacts closely with the Counties named above and with the cities and special districts throughout the watershed.

SAWPA's member agencies have state and federal legislative programs, and SAWPA has both its own interests as an entity and a coordinating role, where such coordination can be beneficial to its member agencies.

2. OBJECTIVE

SAWPA seeks to engage a lobbying firm to influence legislation, represent SAWPA's perspective and interests, support SAWPA commissioners and staff in advocacy efforts, and provide information and recommendations to SAWPA regarding legislative activities in Sacramento.

3. TERM OF AGREEMENT

The Agreement period will be for two years, with an option for SAWPA to extend the Agreement for two additional years.

4. SCOPE OF WORK

1. Assist SAWPA in the development of a legislative strategy that addresses issues of interest to SAWPA and its member agencies, including near term and multi-year perspectives.
2. Identify state legislation that is of interest to SAWPA, monitor action on these bills, and advocate SAWPA's interests when appropriate. As necessary, report on emerging or unanticipated legislative issues or developments to the General Manager. Attend meetings at SAWPA as directed by the General Manager. Assume attendance at two SAWPA Commission meetings per year minimum.
3. Identify legislation that SAWPA may sponsor, and then actively advocate and advance the legislation, including coordination with other lobbyists.
4. Communicate SAWPA interests to the appropriate elected representatives, key Committee members, and staff members as needed. Maintain a relationship with the delegation from the SAWPA service area to ensure that delegation members are advised of SAWPA's position on legislation and issues.
5. Provide draft correspondence, briefing papers, talking points, etc., as needed to support SAWPA advocacy efforts, as directed by the General Manager.
6. Coordinate and support Sacramento visits by commissioners or SAWPA staff to meet with legislators or staff members or to attend hearings or committee meetings. Assume at least four visits per year.
7. Identify potential state funding opportunities, including grant programs, that meet SAWPA needs, and assist with securing funding through appropriate follow up with the Legislature and State departments and agencies.
8. Coordinate with staff and lobbyists of the SAWPA member agencies and with associations of which SAWPA is a member that have legislative programs, including the Association of California Water Agencies and others as identified by the General Manager.
9. Provide written monthly updates on legislation of interest to SAWPA and on the firm's activities, including narrative reports on bills one which SAWPA has taken a position or a position is being recommended.

10. Facilitate 30-minute conference calls to coordinate between SAWPA and the member agencies as directed by the General Manager, up to once per week.

5. GENERAL QUALIFICATIONS

1. Have at least 10 years of experience in providing legislative and intergovernmental services before the State Legislature in Sacramento.
2. Have represented the interests and needs of California agencies in Sacramento and direct experience working on California resources (e.g. water supply, recycled water wastewater, energy, renewable energy, environmental protection, flood risk management, etc.) and special district issues.
3. Demonstrate close working relationships with officials in the Administration and State legislators and committees.
4. Demonstrate close working relationships with State legislative offices and pertinent State legislative committees influencing issues of importance to SAWPA.
5. Be willing to provide a client list to demonstrate that no other clients would be in conflict with SAWPA legislative or policy interests.

6. SUBMITTALS

Responses to this RFP must be made according to the requirements set forth in this section for content and sequence. Failure to adhere to these requirements or to include conditions, limitations, or misrepresentations may be cause for rejection of the proposal. Any correction and resubmission by the proposer will not extend the time for evaluation of the proposal. Responses to this RFP shall be as concise as possible.

All proposals must include the following information:

1. Cover letter, including name, telephone number, fax number, and address of the firm, signed by an authorized officer or employee of the firm who has authority to contractually bind the firm. The cover letter must state that the respondent will comply with SAWPA's conflicts policy, attached to this RFP.
2. Background information about the proposer, including qualifications, size of firm, year established, representative clients, and any litigation or regulatory enforcement proceedings against the firm that are pending or have been resolved in the past three years.
3. Organizational chart showing proposed key staff, along with resumes demonstrating qualifications and experience in similar, relevant work, and designation of the person who will be primarily assigned to work on SAWPA's behalf. Identify California registered lobbyists.
4. Work plan describing generally the proposed approach to providing the services SAWPA requires.
5. Complete list of personnel, including subcontractors that will charge to this project.
6. Proposed price and fee structure based on a monthly retainer.
7. List of at least three former or existing clients exemplifying experience relevant to this assignment, including contact name, title, address, phone number, and email address.

8. Exceptions. Respondents shall thoroughly review the contents of this RFP and shall submit all supplemental information, required in this section of miscellaneous information. A draft contract agreement is attached to this RFP that the consultant/firm will be required to sign; the respondent must identify any exceptions to that draft agreement as an element of the proposal submitted for review and consideration.

SAWPA will respond to requests for clarification of this RFP in written addenda as needed. Inquiries should be directed by email only to lmckenney@sawpa.org. Any request for clarification must be received by Monday, September 12, 2018.

7. PROPOSAL SCHEDULE

Submit an electronic copy of the proposal and related information to Larry McKenney, Executive Counsel, lmckenney@sawpa.org. All proposals must be received by **5:00 p.m. on Tuesday, September 21, 2018**. Proposals received after the stated time will not be considered.

8. EVALUATION CRITERIA

Evaluation of qualifications will be conducted on the following:

- Responsiveness to the RFP
- Experience and qualifications of the assigned individuals/firm
- Project Approach and understanding of needs
- Appropriateness of fee proposal
- Anticipated value and quality of services received

SAWPA reserves the sole right to evaluate and select the successful proposal. The selection process is anticipated to include an evaluation of the proposal and an interview.

9. GENERAL REQUIREMENTS

1. All proposers are hereby advised that this RFP is an informal solicitation and is not a commitment or offer to enter into an agreement or engage into any competitive bidding or negotiation pursuant to any statute, ordinance, rule, or regulation. SAWPA reserves the right to negotiate with any qualified source. SAWPA reserves the right to reject any or all proposals for any reason or for no reason at all.
2. SAWPA reserves the right to request further information from the proposer either in writing or orally. Such request will be addressed to that person or persons authorized by the proposer to represent the proposer.
3. SAWPA reserves the sole right to judge the proposers' representations, either written or oral.
4. Proposers understand and agree that submission of a proposal constitutes acknowledgement and acceptance of, and a willingness to comply with, all of the terms, conditions, and criteria contained in this RFP.
5. False, incomplete, or unresponsive statements in connection with a proposal may result in rejection of the proposal. The valuation and determination of the fulfillment of the above requirement will be SAWPA's responsibility and its decision shall be final.
6. SAWPA reserves the right to interpret or change any provisions of this RFP at any time prior to the proposal submission date. Such interpretations or changes will be in the form

of addenda to this RFP. Such addenda will become part of this RFP and may become part of any resultant contract. Such addenda will be published in the same manner as this RFP.

7. All proposals submitted in response to this RFP will become the exclusive property of SAWPA. At such time as SAWPA's recommendation to the SAWPA Board relative to proposal selection appears on the Board Agenda, all such proposals become a matter of public record, and shall be regarded as public records. Confidential or proprietary materials should not be included in a proposal. SAWPA shall not in any way be liable or responsible for the disclosure of any such proposals or any part thereof if disclosure of any such proposals or any part thereof if disclosure is required under the Public Records Act.
8. SAWPA shall in no way be liable for any costs incurred in connection with the preparation of any proposal submitted in response to this RFP.



SANTA ANA WATERSHED PROJECT AUTHORITY
AGREEMENT FOR SERVICES BY INDEPENDENT CONSULTANT

This Agreement is made this ___ day of _____, 2018 by and between the Santa Ana Watershed Project Authority ("SAWPA") located at 11615 Sterling Ave., Riverside, California, 92503 and _____ ("Consultant") whose address is _____.

RECITALS

This Agreement is entered into on the basis of the following facts, understandings, and intentions of the parties to this Agreement:

- SAWPA desires to engage the professional services of Consultant to perform such professional consulting services as may be assigned, from time to time, by SAWPA in writing;
- Consultant agrees to provide such services pursuant to, and in accordance with, the terms and conditions of this Agreement and warrants to SAWPA that Consultant possesses the necessary skills, qualifications, personnel, and equipment to provide such services; and
- The services to be performed by Consultant shall be specifically described in one or more written Task Orders issued by SAWPA to Consultant pursuant to this Agreement.

AGREEMENT

Now, therefore, in consideration of the foregoing Recitals and mutual covenants contained herein, SAWPA and Consultant agree to the following:

ARTICLE I

TERM OF AGREEMENT

1.01 This agreement shall become effective on the date first above written and shall continue until **December 31, 2020**, unless extended or sooner terminated as provided for herein. SAWPA shall have the option at its sole discretion to extend this agreement an additional two years until **December 31, 2022**, by letter to Consultant exercising this right prior to the December 31, 2020.

ARTICLE II

SERVICES TO BE PERFORMED

2.01 Consultant agrees to provide such professional consulting services as may be assigned, from time to time, in writing by the Commission and the General Manager of SAWPA. Each assignment shall be made in the form of a written Task Order. Each such Task Order shall include, but shall not be limited to, a description of the nature and scope of the services to be performed by Consultant, the amount of compensation to be paid, and the expected time of completion.

2.02 Consultant may at Consultant's sole cost and expense, employ such competent and qualified independent professional associates, subcontractors, and consultants as Consultant deems necessary to perform each assignment; provided that Consultant shall not subcontract any work to be performed without the prior written consent of SAWPA.

ARTICLE III

COMPENSATION

3.01 In consideration for the services to be performed by Consultant, SAWPA agrees to pay Consultant as provided for in each Task Order.

3.02 Each Task Order shall specify a total not-to-exceed sum of money and shall be based upon the regular hourly rates customarily charged by Consultant to its clients.

3.03 Consultant shall not be compensated for any services rendered nor reimbursed for any expenses incurred in excess of those authorized in any Task Order unless approved in advance by the Commission and General Manager of SAWPA, in writing.

3.04 Unless otherwise provided for in any Task Order issued pursuant to this Agreement, payment of compensation earned shall be made in monthly installments after receipt from Consultant of a timely, detailed, corrected, written invoice by SAWPA's Project Manager, describing, without limitation, the services performed, when such services were performed, the time spent performing such services, the hourly rate charged therefore, and the identity of individuals performing such services for the benefit of SAWPA. Such invoices shall also include a detailed itemization of expenses incurred. Upon approval by an authorized SAWPA employee, SAWPA will pay within 30 days after receipt of a valid invoice from Consultant.

ARTICLE IV

CONSULTANT OBLIGATIONS

4.01 Consultant agrees to perform all assigned services in accordance with the terms and conditions of this Agreement including those specified in each Task Order. In performing the services required by this Agreement and any related Task Order Consultant shall comply with all local, state and federal laws, rules and regulations. Consultant shall also obtain and pay for any permits required for the services it performs under this Agreement and any related Task Order.

4.02 Except as otherwise provided for in each Task Order, Consultant will supply all personnel and equipment required to perform the assigned services.

4.03 Consultant shall be solely responsible for the health and safety of its employees, agents and subcontractors in performing the services assigned by SAWPA. Consultant hereby covenants and agrees to:

4.03a Obtain a Commercial General Liability and an Automobile Liability insurance policy, including contractual coverage, with limits for bodily injury and property damage in an amount of not less than \$2,000,000.00 per occurrence for each such policy. Such policy shall name SAWPA, its officers, employees, agents and volunteers, as an additional insured, with any right to subrogation waived as to SAWPA, its officers, employees, agents and volunteers. If Commercial General Liability Insurance or other form with an aggregate limit is used, either the general aggregate limit shall apply separately to the work assigned by SAWPA under this Agreement or the general aggregate limit shall be at least twice the required occurrence limit. The coverage shall be at least as broad as Insurance Services Office Commercial General Liability Coverage (occurrence Form CG 00 01) and Insurance Services Office Form CA 00 01 covering Automobile Liability, Code 1 (any auto). The Commercial Liability Insurance shall include operations, products and completed operations, as applicable;

4.03b Obtain a policy of Professional Liability (errors and omissions) insurance appropriate to the Consultant's profession in a minimum amount of \$2,000,000.00 per claim or occurrence to cover any negligent acts or omissions or willful misconduct committed by Consultant, its employees, agents and subcontractors in the performance of any services for SAWPA. Architects' and engineers' coverage shall include contractual liability;

4.03c Obtain a policy of Employer's Liability insurance in a minimum amount of \$1,000,000.00 per accident for bodily injury and property damage.

4.03d Provide worker's compensation insurance or a California Department of Insurance-approved self-insurance program in an amount and form required by the State of California and the Employer's Liability Insurance that meets all applicable Labor Code requirements, covering all persons or entities providing services on behalf of the Consultant and all risks to such persons or entities;

4.03e Consultant shall require any subcontractor that Consultant uses for work performed for SAWPA under this Agreement or related Task Order to obtain the insurance coverages specified above.

4.03f Consultant hereby agrees to waive subrogation which any insurer of Consultant may seek to require from Consultant by virtue of the payment of any loss. Consultant shall obtain an endorsement

that may be necessary to give effect to this waiver of subrogation. In addition, the Workers Compensation policy shall be endorsed with a waiver of subrogation in favor of SAWPA for all work performed by Consultant, and its employees, agents and subcontractors.

All such insurance policy or policies shall be issued by a responsible insurance company with a minimum A. M. Best Rating of "A-" Financial Category "X", and authorized and admitted to do business in, and regulated by, the State of California. If the insurance company is not admitted in the State of California, it must be on the List of Eligible Surplus Line Insurers (LESLI), shall have a minimum A.M. Best Rating of "A", Financial Category "X", and shall be domiciled in the United States, unless otherwise approved by SAWPA in writing. Each such policy of insurance shall expressly provide that it shall be primary and noncontributory with any policies carried by SAWPA and, to the extent obtainable, such coverage shall be payable notwithstanding any act of negligence of SAWPA that might otherwise result in forfeiture of coverage. Evidence of all insurance coverage shall be provided to SAWPA prior to issuance of the first Task Order. Such policies shall provide that they shall not be canceled or amended without 30 day prior written notice to SAWPA. Consultant acknowledges and agrees that such insurance is in addition to Consultant's obligation to fully indemnify and hold SAWPA free and harmless from and against any and all claims arising out of an injury or damage to property or persons caused by the negligence, recklessness, or willful misconduct of Consultant in performing services assigned by SAWPA.

4.04 Consultant hereby covenants and agrees that SAWPA, its officers, employees, and agents shall not be liable for any claims, liabilities, penalties, fines or any damage to property, whether real or personal, nor for any personal injury or death caused by, or resulting from, or claimed to have been caused by or resulting from, any negligence, recklessness, or willful misconduct of Consultant. Consultant shall hold harmless, defend and indemnify SAWPA and its officers, employees, agents and volunteers from and against any and all liability, loss, damage, fines, penalties, expense and costs, including, without limitation, attorneys' fees and litigation expenses and costs, of every nature arising out of or related to Consultant's negligence, recklessness, or willful misconduct related to or arising from the performance of the work required under this Agreement and any related Task Order or Consultant's failure to comply with any of its obligations contained in this Agreement and any related Task Order, except as to such loss or damage which was caused by the active negligence or willful misconduct of SAWPA.

4.05 In the event that SAWPA requests that specific employees or agents of Consultant supervise or otherwise perform the services specified in each Task Order, Consultant shall ensure that such individual(s) shall be appointed and assigned the responsibility of performing the services.

4.06 In the event Consultant is required to prepare plans, drawings, specifications and/or estimates, the same shall be furnished with a registered professional engineer's number and shall conform to local, state and federal laws, rules and regulations. Consultant shall obtain all necessary permits and approvals in connection with this Agreement, any Task Order or Change Order. However, in the event SAWPA is required to obtain such an approval or permit from another governmental entity, Consultant shall provide all necessary supporting documents to be filed with such entity, and shall facilitate the acquisition of such approval or permit.

ARTICLE V

SAWPA OBLIGATIONS

5.01 SAWPA shall:

5.01a Furnish all existing studies, reports and other available data pertinent to each Task Order that are in SAWPA's possession;

5.01b Designate a person to act as liaison between Consultant and the General Manager and Commission of SAWPA.

ARTICLE VI

ADDITIONAL SERVICES, CHANGES AND DELETIONS

6.01 During the term of this Agreement, the Commission of SAWPA may, from time to time and without affecting the validity of this Agreement or any Task Order issued pursuant thereto, order changes, deletions,

and additional services by the issuance of written Change Orders authorized and approved by the Commission of SAWPA.

6.02 In the event Consultant performs additional or different services than those described in any Task Order or authorized Change Order without the prior written approval of the Commission of SAWPA, Consultant shall not be compensated for such services.

6.03 Consultant shall promptly advise SAWPA as soon as reasonably practicable upon gaining knowledge of a condition, event, or accumulation of events, which may affect the scope and/or cost of services to be provided pursuant to this Agreement. All proposed changes, modifications, deletions, and/or requests for additional services shall be reduced to writing for review and approval or rejection by the Commission of SAWPA.

6.04 In the event that SAWPA orders services deleted or reduced, compensation shall be deleted or reduced by a comparable amount as determined by SAWPA and Consultant shall only be compensated for services actually performed. In the event additional services are properly authorized, payment for the same shall be made as provided in Article III above.

ARTICLE VII

CONSTRUCTION PROJECTS: CONSULTANT CHANGE ORDERS

7.01 In the event SAWPA authorizes Consultant to perform construction management services for SAWPA, Consultant may determine, in the course of providing such services, that a Change Order should be issued to the construction contractor, or Consultant may receive a request for a Change Order from the construction contractor. Consultant shall, upon receipt of any requested Change Order or upon gaining knowledge of any condition, event, or accumulation of events, which may necessitate issuing a Change Order to the construction contractor, promptly consult with the liaison, General Manager and Commission of SAWPA. No Change Order shall be issued or executed without the prior approval of the Commission of SAWPA.

ARTICLE VIII

TERMINATION OF AGREEMENT

8.01 In the event the time specified for completion of an assigned task in a Task Order exceeds the term of this Agreement, the term of this Agreement shall be automatically extended for such additional time as is necessary to complete such Task Order and thereupon this Agreement shall automatically terminate without further notice.

8.02 Notwithstanding any other provision of this Agreement, SAWPA, at its sole option, may terminate this Agreement at any time by giving 10 day written notice to Consultant, whether or not a Task Order has been issued to Consultant.

8.03 In the event of termination, the payment of monies due Consultant for work performed prior to the effective date of such termination shall be paid after receipt of an invoice as provided in this Agreement.

ARTICLE IX

CONSULTANT STATUS

9.01 Consultant shall perform the services assigned by SAWPA in Consultant's own way as an independent contractor, in pursuit of Consultant's independent calling and not as an employee of SAWPA. Consultant shall be under the control of SAWPA only as to the result to be accomplished and the personnel assigned to perform services. However, Consultant shall regularly confer with SAWPA's liaison, General Manager, and Commission as provided for in this Agreement.

9.02 Consultant hereby specifically represents and warrants to SAWPA that the services to be rendered pursuant to this Agreement shall be performed in accordance with the standards customarily applicable to an experienced and competent professional consulting organization rendering the same or similar services. Furthermore, Consultant represents and warrants that the individual signing this Agreement on behalf of Consultant has the full authority to bind Consultant to this Agreement.

ARTICLE X

AUDIT AND OWNERSHIP OF DOCUMENTS

10.01 All draft and final reports, plans, drawings, specifications, data, notes, and all other documents of any kind or nature prepared or developed by Consultant in connection with the performance of services assigned to it by SAWPA are the sole property of SAWPA, and Consultant shall promptly deliver all such materials to SAWPA. Consultant may retain copies of the original documents, at its option and expense. Use of such documents by SAWPA for project(s) not the subject of this Agreement shall be at SAWPA's sole risk without legal liability or exposure to Consultant. SAWPA agrees to not release any software "code" without prior written approval from the Consultant.

10.02 Consultant shall retain and maintain, for a period not less than four years following termination of this Agreement, all time records, accounting records, and vouchers and all other records with respect to all matters concerning services performed, compensation paid and expenses reimbursed. At any time during normal business hours and as often as SAWPA may deem necessary, Consultant shall make available to SAWPA's agents for examination of all such records and will permit SAWPA's agents to audit, examine and reproduce such records.

ARTICLE XI

MISCELLANEOUS PROVISIONS

11.01 This Agreement supersedes any and all previous agreements, either oral or written, between the parties hereto with respect to the rendering of services by Consultant for SAWPA and contains all of the covenants and agreements between the parties with respect to the rendering of such services in any manner whatsoever. Any modification of this Agreement will be effective only if it is in writing signed by both parties.

11.02 Consultant shall not assign or otherwise transfer any rights or interest in this Agreement without the prior written consent of SAWPA. Unless specifically stated to the contrary in any written consent to an assignment, no assignment will release or discharge the assignor from any duty or responsibility under this Agreement.

11.03 In the event Consultant is an individual person and dies prior to completion of this Agreement or any Task Order issued hereunder, any monies earned that may be due Consultant from SAWPA as of the date of death will be paid to Consultant's estate.

11.04 Time is of the essence in the performance of services required hereunder. Extensions of time within which to perform services may be granted by SAWPA if requested by Consultant and agreed to in writing by SAWPA. All such requests must be documented and substantiated and will only be granted as the result of unforeseeable and unavoidable delays not caused by the lack of foresight on the part of Consultant.

11.05 Consultant shall comply with all local, state and federal laws, rules and regulations including those regarding nondiscrimination and the payment of prevailing wages.

11.06 SAWPA expects that Consultant will devote its full energies, interest, abilities and productive time to the performance of its duties and obligations under this Agreement, and shall not engage in any other consulting activity that would interfere with the performance of Consultant's duties under this Agreement or create any conflicts of interest. If required by law, Consultant shall file a Conflict of Interest Statement with SAWPA.

11.07 Any dispute which may arise by and between SAWPA and the Consultant, including the Consultants, its employees, agents and subcontractors, shall be submitted to binding arbitration. Arbitration shall be conducted by a neutral, impartial arbitration service that the parties mutually agree upon, in accordance with its rules and procedures. The arbitrator must decide each and every dispute in accordance with the laws of the State of California, and all other applicable laws. Unless the parties stipulate to the contrary prior to the appointment of the arbitrator, all disputes shall first be submitted to non-binding mediation conducted by a

Policy Name	Legislative Advocacy and Conflict Management
Policy Number	17-002
Date/Authorized	March 21, 2017 (CM# 2017.45)



Policy Name: Legislative Advocacy and Conflict Management

History: Original

Application: SAWPA Staff and Consultants Involved in Legislative Advocacy

GENERAL POLICY:

Conflicting viewpoints are inevitable within a diverse group of agencies over time, even where those agencies have strong common interests. SAWPA was created to provide a forum and a mechanism to manage and resolve conflicts. Therefore, SAWPA’s general approach to conflict is to engage, not to disengage. The focus is on full disclosure of positions, rather than disqualifying participants. This general approach, however, must be balanced against the need for fairness and equity in how SAWPA’s member agencies pay for SAWPA activities.

SAWPA engages a lobbyist based upon qualifications and expects its lobbyist to represent SAWPA interests zealously. SAWPA also understands that qualified lobbyists represent many clients and does not require alignment of positions among all of a lobbyist’s clients. However, SAWPA expects and requires that its lobbyist provide full disclosure of circumstances where the lobbyist will advocate positions that are conflicting or potentially conflicting with SAWPA or its member agencies so that concerns may be addressed. At a minimum, SAWPA’s lobbyist must take care to ensure that in those situations it is always clear when the lobbyist is representing SAWPA and when not.

For legislative advocacy, SAWPA conducts a public RFP process to solicit, evaluate, and select state advocacy or lobbying representation. SAWPA coordinates a work group the meets weekly to hear a report from SAWPA’s lobbyist and to share information among member agency staff and lobbyists about relevant legislative and regulatory issues. SAWPA also has a process for the Commission to adopt positions on legislation. Open, early and frequent communication is critical to coordinate the advocacy efforts of SAWPA and the member agencies as much as possible, and to identify and manage conflicts arising from divergent views.

SPECIFIC PROVISIONS:

Conflicting Positions of Member Agencies

When SAWPA member agencies have conflicting positions regarding a legislative or regulatory matter, whether those positions are formal or not, SAWPA and its lobbyist will determine whether SAWPA has or should have a position on the matter. If SAWPA has no position on the matter, then SAWPA staff will carefully maintain neutrality in communications on the matter, and will ensure that SAWPA’s lobbyist maintains neutrality in its communications representing SAWPA.

If SAWPA’s lobbyist represents other clients, including a SAWPA member agency, with a non-neutral position on such a matter, the lobbyist will fully disclose this situation to SAWPA staff and participants in SAWPA’s legislative work group. The work group meetings may be used as a forum to seek to manage or resolve conflicting positions. SAWPA’s lobbyist will take great care to identify which client’s view it is advocating in all communications on the matter with SAWPA, the member agencies, or any target of advocacy that would be expected to associate the lobbyist with SAWPA. If at any time SAWPA’s lobbyist cannot adhere to this policy, the lobbyist will fully inform SAWPA of the situation and SAWPA staff or the Commission will determine an appropriate course of action, which could include, for example, waiver of the conflict, reducing the scope of the

Policy Name	Legislative Advocacy and Conflict Management
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lobbyist's engagement with SAWPA, engage the services of another lobbyist as the expense of the principle SAWPA lobbyist, or terminating the engagement.

Conflicting Positions Between SAWPA and Member Agencies

If the SAWPA Commission adopts a position on a legislative or regulatory matter that is in conflict with an adopted position of a member agency, SAWPA staff and SAWPA's lobbyist will respectfully advocate SAWPA's adopted position.

If the SAWPA Commission adopts a position on such a matter that is in conflict with the position of another client of the lobbyist, including a SAWPA member agency, the lobbyist will fully inform SAWPA of the situation and SAWPA staff or the Commission will determine an appropriate course of action, which could include, for example, waiver of the conflict, reducing the scope of the lobbyist's engagement with SAWPA, engage the services of another lobbyist a the expense of the principle SAWPA lobbyist, or terminating the engagement.

COMMISSION MEMORANDUM NO. 2018.92

DATE: September 4, 2018
TO: SAWPA Commission
SUBJECT: Proposed JPA Amendments and New Project Agreement 24
PREPARED BY: Rich Haller, General Manager

RECOMMENDATION

(1) Receive information on the proposed Joint Powers Agreement (JPA) Amendments, the Project Agreement 24, and provided comments from the Western Municipal Water District Board workshop; (2) consider approval of proposed JPA Amendments and Project Agreement 24 and/or provide direction to staff regarding further revisions; and, (3) receive and file a status update on staff preparation of two additional Project Agreements concerning OWOW and Task Forces.

DISCUSSION

In a series of meetings last year, the Commission discussed the use of and need for project agreements per Section 18 of the JPA that formed SAWPA. The Commission directed staff to draft new project agreements covering significant activities of SAWPA and to coordinate with the member agency general managers regarding the draft agreements. The attached draft Project Agreement 24 (PA24) is the first of the new agreements, and would address all aspects of owning and operating the Inland Empire Brine Line (Brine Line).

The draft agreement has been shared among the general managers in several draft versions since December 2017 and has been discussed at length in a number of meetings. During these discussions, several JPA amendments were also proposed. These proposed amendments have also been reviewed and discussed by the member agency general managers.

Amendments to the JPA must be approved by all of the members, and the proposed PA24 would have to be approved by the four participating member agencies.

At the request of Western MWD, SAWPA participated in a workshop August 22nd on the JPA Amendments and PA24. Western Board members expressed concern about the inclusion of Agency GMs on Project Agreement Project Committees. Concern was also expressed about the wording of the requirement for unanimous Committee approval of budget and operating decisions.

This memorandum summarizes the agreement and highlights several aspects of the agreement that represent important policy choices for the Commission.

The proposed project agreement would be between SAWPA and all member agencies except Orange County Water District. The project that the agreement addresses is to establish policy and provide oversight to Brine Line operations, maintenance, planning, administration, implementation, and improvements, including rate setting, and permit issuance and enforcement. The agreement would form a project committee, per Section 18 of the JPA, with representatives of the participating member agencies to be appointed by the members as provided in that JPA provision. The agreement includes SAWPA's standard provisions about the project committee having autonomous decision making authority over the project and the participating members accepting financial responsibility for the project, since not all SAWPA member agencies are participating.

The PA24 project committee would have control of the Brine Line enterprise funds. Use of funds for Brine Line purposes would be described in a project budget adopted unanimously by the project committee and approved by the participating member agencies per the JPA. The proposed agreement specifically addresses the responsibility of participating members to fund their respective shares of the costs of administration of the Brine Line and of capital improvements for which SAWPA has already contracted in the event of the failure of approval of a new project budget.

CRITICAL SUCCESS FACTORS

None identified for the governance function.

RESOURCE IMPACTS

None

Attachments:

1. PowerPoint Presentation
2. Draft Project Agreement 24
3. Proposed amendments to the SAWPA Joint Powers Agreement
4. Policy Analysis



SAWPA JOINT POWERS AUTHORITY AGREEMENT AND PA24

Rich Haller, SAWPA General Manager
September 4, 2018

RECOMMENDATION

- (1) Receive information on the proposed Joint Powers Agreement (JPA) Amendments, the Project Agreement 24, and provided comments from the Western Municipal Water District Board workshop;
- (2) Consider approval of proposed JPA Amendments and Project Agreement 24 and/or provide direction to staff regarding further revisions; and,
- (3) Receive and file a status update on staff preparation of two additional Project Agreements concerning OWOW and Task Forces.

JPA

- Agreement – (1975) IEUA, OCWD, Valley, WMWD
- Amendment No. 1 – (1984) EMWD joins
- Amendment No. 2 – (1991) SAWPA has power of eminent domain
- Amendment No. 3 – (1997) established officers – Chair, Vice Chair, Treasurer, Secretary
- Amendment No.4 – (2002)
 - Commissioner, Primary Alt Comm, Secondary Alt. Comm established
 - Appointed by Board - elected Board members
 - Agency GM must be one of positions
 - One vote per agency
 - Revised Section 18, Specific Projects – any member of Board or GM can be on Project Committees. Unanimous consent of members or Commission
 - Technical Committee of GMs established as standing Committee
- Amendment No. 5 – (2007) Commissioners (Prim and Alt) are elected representatives only, Technical Comm of GMs eliminated.
- Amendment No. 6 – (2017) revised Section 15 Compensation

JPA

- Role of Commission
 - Governing body
 - Exercises powers and functions of SAWPA
 - Prior approval of budget items that impose financial liability
 - Commissioner and Alternate appointed by agency are elected Board Members
 - General budget approved by majority of Commissioners and each member agency Board

JPA

- Project Agreements – for activities except general admin, prelim studies
 - All or less member agencies
 - Unanimous consent of the members of the Project Committee or the Agency on budget and operating decisions
 - Commission can serve without a Project Committee when all 5 agencies participating

Project Agreements

- PA 1 SARI from OCSD plant to Prado Dam – construction and operation (1975) (IEUA, OCWD, SBVMWD, WMWD)
- PA 2 SARI Reach IV-A (1978) (IEUA, OCWD)
- PA 3, 4, 5 Not Used
- PA 6 SARI Reach IV-B (1981) (OCWD, WMWD)
- PA 7 SARI Reaches IV-A Upper and Lower (1981) (IEUA, WMWD)
- PA 8 SARI Reaches IV-D and IV-E (1982) (OCWD, SBVMWD, WMWD)
- PA 9 SARI Groundwater Salt Disposal System (1983) (OCWD, WMWD)
- PA 10 Santa Ana Basin Water Quality Studies (1984) (all member agencies)
 - PA 10A Basin Planning
 - PA 10B Bureau of Reclamation Studies
- PA 11 Regional WW Program – RIX Project (1986) (SBVMWD, WMWD)
- PA 12 LESJWA (1987) (all member agencies)
- PA 13 Water Resource Management Studies in the Chino Basin (1990) (IEUA, WMWD)

Project Agreements

- PA 14 Chino Desalters (1991), Chino 1 Desalter Amendment No. 1, Chino 2 Desalter; Amendment No. 2 2001) (IEUA, OCWD, WMWD)
- PA 15 Brine Line Reach V – (1996, 1998) (EMWD, OCWD, WMWD)
- PA 16 Water Resources Management Program for the Colton-Riverside Basins (1992) (EMWD, OCWD, SBVMWD, WMWD)
- PA 17 Bunker Hill Groundwater Basin Cooperative Studies (1994) (all member agencies)
- PA 18 IRP (now OWOW) (1994) (all member agencies)
- PA 19 TIN/TDS (1995) (OCWD, SBVMWD, WMWD)
- PA 20 Basin Monitoring Program Task Force (2004) (EMWD, IEUA, OCWD)
- PA 20 Temescal Desalter (1997) (EMWD, OCWD, WMWD)
- PA 21 OCSD/SAWPA Issues (2010) (EMWD, IEUA, SBVMWD, WMWD)
- PA 22 Water Use Efficiency (Prop 84 Drought Round and Portions of SARCCUP) (2014) (all member agencies)
- PA 23 SARCCUP (2016) (all member agencies)

Member Agency General Managers Report

- 31 Recommendations
- 1-16 Communication/Collaboration
 - Meetings with GMs
 - Future Agendas
 - SAWPA Meetings with Outside Agencies
- 17-20 Project Agreements
 - SAWPA Projects
 - Projects Without Project Agreements
- 21-31 JPAA Amendments

Commission Activities

- Workshop 10/3/17
- Directed staff to draft Project Agreements in coordination with agencies

Proposed JPAA Amendments

- **Section 18 Specific Projects**
- **Currently:**
 - Board members or GMs may be appointed to project committees
 - Requires unanimous consent of the members for budget and operating decisions
- **Proposed changes:**
 - Commissioner, Alternate Commissioner or GM as project committee representative
 - Requires unanimous consent of the Committee or Commission for budget and operating decisions (i.e. unanimous vote)
 - Deletes provision describing SAWPA's initial projects
 - Deletes budget approval provision that was added by Amendment 4

Proposed JPAA Amendments

- **Section 26 Project Budgets**
- Currently:
 - Defines project budget adoption and approval process, including unanimous consent of the members
- Proposed changes:
 - Adds statement that budget is expenditure or contractual commitment
 - Expands budget elements for projects

Proposed JPAA Amendments

- **Section 29 Expenditures Within Approved Budgets**
- **Currently:**
 - Expenditures within budget authorized by majority vote of the Committee or Commission
 - No budget overruns; must have revised budget approved by the members
- **Proposed changes:**
 - Clarifying that budget exceedance requires consent of all members of the Project Committee or the Agency, as the case may be

Proposed PA 24 Brine Line

- EMWD, IEUA, Valley, WMWD
- Agency rep can be Commissioner, Alt Commissioner, or GM
- Project Committee to be formed to provide policy direction and oversight previously provided by the Commission
- Project budget adoption by unanimous vote of committee
- “Consistent with Section 29 of the SAWPA Joint Powers Agreement, any expenditure or contractual commitment which exceeds the PA24 budget must be approved by a unanimous vote of the PA24 Committee.”
- “Budget and operating decisions” require unanimous consent of the PA24 Committee Members

Workshop Feedback

Western MWD 8/22/18

- Committee representative Commissioner
- Concern about requiring unanimous voting

Task Forces

- Basin Monitoring Program Task Force (PA 20)
- Emerging Constituents Program Task Force (Administration)
- Lake Elsinore and Canyon Lake TMDL Task Force (LESJWA Administration)
- Middle Santa Ana River Watershed TMDL Task Force (Administration)
- Regional Water Quality Monitoring Task Force (Administration)

Other Programs

- Arundo Habitat Management, Santa Ana River Mitigation Bank (Project)
- Forest First Program (Project, PA 10)
- Lake Elsinore/San Jacinto Watersheds Authority (Administration, PA 12)
- Imported Water Recharge Working Group (Administration, Transition to Task Force in FY 19)
- OWOW (Project, PA 18)
- Santa Ana Sucker Conservation Team (Project)
- Santa Ana River Trail & Parkway (Administration, Study, PA 10)
- Southern CA Salinity Coalition (Member, Study, PA 10)
- Water-Energy Community Action Network (Project, PA 10)

Other New Project Agreements

- PA 25 Task Forces
 - Administration of Task Forces, work groups, other
 - Task Forces include agencies other than SAWPA member agencies
- PA 26 OWOW
- Every activity except planning studies and administration under one PA

Next Steps

- Consider approval of PA24 and JPAA Amendments
- Member Agency Board Approval Oct – Nov
- SAWPA Staff Complete Drafting of PA25 & PA26 for Commission consideration

RECOMMENDATION

- (1) Receive information on the proposed Joint Powers Agreement (JPA) Amendments, the Project Agreement 24, and provided comments from the Western Municipal Water District Board workshop;
- (2) Consider approval of proposed JPA Amendments and Project Agreement 24 and/or provide direction to staff regarding further revisions; and,
- (3) Receive and file a status update on staff preparation of two additional Project Agreements concerning OWOW and Task Forces.

SANTA ANA WATERSHED PROJECT AUTHORITY

PROJECT AGREEMENT 24

INLAND EMPIRE BRINE LINE

THIS AGREEMENT is made on _____, **2018**, by and between the **SANTA ANA WATERSHED PROJECT AUTHORITY (“SAWPA”)**, a joint powers agency created pursuant to Government Code Section 6500 et seq., and the following Member Agencies of SAWPA, referred to hereinafter as Project Agreement 24 (“PA24”) Committee Members: **EASTERN MUNICIPAL WATER DISTRICT (“EASTERN”); INLAND EMPIRE UTILITIES AGENCY (“IEUA”); SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT (“VALLEY”);** and **WESTERN MUNICIPAL WATER DISTRICT (“WESTERN”)**. The PA24 Committee members and SAWPA are jointly referred to herein as the “Parties.”

RECITALS

- A. The PA24 Committee Members are all special districts with broad authority over water resources, including powers to develop, protect, and enhance water supply and reliability within the region and to protect and preserve the quality of the surface and subsurface water supplies within their respective boundaries.
- B. The SAWPA Joint Powers Agreement, as amended, provides for SAWPA’s exercise of the shared powers of the Member Agencies, and recognizes SAWPA shall function through the identification and implementation of specific projects. The JPA establishes that such specific projects will be administered through individual project agreements and by project committees (“Project Committees”) when less than all of the SAWPA member agencies are participating.
- C. SAWPA owns and operates the Inland Empire Brine Line (“BRINE LINE”). The BRINE LINE is a wastewater pipeline conveyance system and was constructed for the transmission of non-reclaimable wastewater. The pipeline extends from its connection to the Orange County Sanitation District’s (“OCSD”) Santa Ana River Interceptor (“SARI”) at the Riverside County-Orange County boundary into the upper Santa Ana River watershed. As of the date of this Agreement SAWPA owns a 30-million gallons per day capacity right in the SARI that is subject to certain payment obligations and other terms and conditions including a Waste Water Interceptor Capacity Agreement with OCSD dated April 12, 1972 and subsequently amended.
- D. SAWPA member agencies formed a number of separate project agreements pursuant to Section 18 of the SAWPA Joint Powers Agreement for the study, design, or construction of parts of the BRINE LINE. Some of those project agreements also purported to address maintenance. In practice, SAWPA has operated the BRINE LINE as one infrastructure system as components were completed and added on, and currently none of the earlier project agreements or project committees related to BRINE LINE development remain active.

- E. As of the date of this Agreement SAWPA also owns a treatment and disposal capacity right of 17 million gallons per day, with a right to purchase additional capacity, in certain wastewater treatment and disposal facilities owned by OCSD. This treatment and disposal right is subject to certain payment obligations and other terms and conditions including a Treatment and Disposal Capacity Agreement with OCSD dated July 24, 1996.
- F. Since the early 1980s, SAWPA has entered into various written agreements with EASTERN, IEUA, VALLEY, WESTERN, and Orange County Water District regarding purchase and sale of pipeline capacity rights and treatment and disposal rights in the SARI and BRINE LINE.
- G. BRINE LINE policies are established by Ordinances and Resolutions that have been adopted by the SAWPA Commission, including Ordinance No. 8: "An Ordinance of the Santa Ana Watershed Project Authority Establishing Regulations for the Use of the Inland Empire Brine Line." Current Resolutions establish local limits on discharges, establish the purchase price for treatment and disposal capacity rights, and establish rates. SAWPA implements a comprehensive pretreatment program and issues or directly oversees issuance of permits to all dischargers. SAWPA complies with its agreements with OCSD through implementation of a 1991 MOU, which clarified roles and responsibilities in that relationship. In terms of water quality compliance, SAWPA's program documents clearly recognize OCSD as the Control Authority for discharges to the BRINE LINE, and SAWPA as the Delegated Control Authority. SAWPA and OCSD formed a Joint Policy Committee in 2013 to provide a regular forum to discuss and coordinate policy positions and avoid or manage conflicts. Two SAWPA Commissioners are appointed by SAWPA to serve on the Joint Policy Committee.
- H. SAWPA complies with the State Water Resources Control Board Order No. 2006-0003, a General Waste Discharge Requirement for all publicly owned sanitary sewer collection systems in California with more than one mile of sewer pipe. One component of Order No. 2006-0003 is the development and implementation of a Sewer System Management Plan ("SSMP") that defines provisions for management of the system to limit Sanitary Sewer Overflows. SAWPA adopted its SSMP in April 2009 and has been implementing its provisions since then.
- I. SAWPA maintains insurance policies covering BRINE LINE operations, including risks of wastewater spills and property damage.
- J. Operating the BRINE LINE is complex, requiring short- and long-term planning regarding future use and flows, capital improvements, financial modeling, recurring and nonrecurring operations and maintenance, regulatory compliance, relations with OCSD, marketing and community relations, and other evolving issues. Consistent with the requirements of the SAWPA Joint Powers Agreement, a Project Committee is required to oversee the administration and implementation of these and other project-related activities for the BRINE LINE.

- K. By this Agreement, the Parties wish to supersede and replace Project Agreement 21, originally executed on December 21, 2010, per Section 18 of the SAWPA Joint Powers Agreement. The Parties hereto desire to create Project Committee 24 to provide policy direction and oversight of the BRINE LINE.

COVENANTS

Based on the foregoing facts, and in consideration of the mutual covenants of the PA24 Committee Members and SAWPA, it is agreed that:

1. The PA24 Committee is hereby established for the purpose of establishing policy and providing oversight of the BRINE LINE operations, maintenance, planning, administration, implementation, and improvement of the BRINE LINE, including but not limited to rate-setting and revenue collection, permit issuance and enforcement, and usage of the Brine Line Enterprise Fund. The PA24 Committee shall consist of the Commissioners or Alternate Commissioners on the SAWPA Commission who represent each of the Parties, or their respective General Managers, at the sole discretion of the participating agencies. The PA24 Committee will appoint SAWPA's two Commissioners to the Joint Policy Committee with OCSD.
2. Facilities constructed for the purposes of this Project Agreement will be owned by SAWPA for the benefit of the PA24 Committee. The PA24 Committee shall approve any necessary agreements that specify how existing BRINE LINE infrastructure and all future facility improvements will be financed, designed, constructed, operated, and maintained.
3. The PA24 Committee will be operated as a distinct account within SAWPA's accounting system for the administration by SAWPA of Brine Line Enterprise Funds and for any other funds that may be made available to the PA24 Committee for actions within the Committee's purpose.
4. The PA24 Committee will be constituted as set forth in Section 18 of the SAWPA Joint Powers Agreement. The PA24 Committee will constitute the executive authority through which SAWPA shall act for purposes of this Project Agreement.
5. All budget and operating decisions of the PA24 Committee will be made by unanimous consent of the PA24 Committee Members. The Parties agree that "operating decisions" are those that involve significant, system-wide decisions about how the BRINE LINE will function, including decisions concerning: physical repairs or alterations that could result in an impairment of use of the BRINE LINE. "Operating decisions" are not intended to include those involving day-to-day functioning or to matters mandated by law, regulation, or permits, or in response to emergencies.
6. The PA24 Committee will have, without further ratification by the PA24 Committee Members or SAWPA, such authority as may be necessary to implement the provisions of this Project Agreement so long as expenditures are within the PA24 budget. Consistent with Section 29 of the SAWPA Joint Powers Agreement, any expenditure or contractual commitment which exceeds the PA24 budget must be approved by a unanimous vote of the PA24 Committee. Any expenditures or contractual commitments within the designations and limitations of the approved PA24 budget shall be made on the authorization of a majority of the PA24 Committee.

This section does not limit the authority the SAWPA General Manager has to respond to emergencies. This section does not impact the unanimous vote requirements for operating decisions as set forth in Section 5.

7. SAWPA has funded all aspects of BRINE LINE operations, maintenance, planning, administration, and improvements through rates set by the Commission that are paid by the Parties and other contractual dischargers as a fee for service. SAWPA has used debt financing for some BRINE LINE improvements that is guaranteed by a pledge of rate revenue for repayment. Rates that are established by the PA24 Committee and adopted by SAWPA take effect upon adoption and are not dependent on the approval of the PA24 budget.
8. In conjunction with each SAWPA budget, SAWPA shall prepare a budget for the PA24 BRINE LINE project (PA24 budget) that shall address the sources and uses of funds and the respective financial obligations and functions of the PA24 Committee Members, including the matching funds included in any grant agreements. The budget shall include costs for SAWPA support of the PA24 Committee. If any PA24 Committee Member fails or refuses to approve any PA24 budget, said budget shall be returned to the PA24 Committee for restudy and revision. In the event a budget acceptable to all of the PA24 Committee members is not obtained prior to the start of the fiscal year, SAWPA shall continue to operate the BRINE LINE at the level of total expenditure authorized by the last approved PA24 budget for administrative, operations and maintenance activities, and shall continue with the construction of contractually authorized capital improvement projects included in the last approved PA24 budget. The PA24 Committee Members shall be obligated to fund such administrative, operations and maintenance activities to the same extent as in the previously approved budget, and to fund capital improvement projects under contract at previously authorized expenditure and contracting limits. The PA24 budget, unanimously adopted by the PA24 Committee, shall be included in the SAWPA budget for approval by the SAWPA member agencies' governing boards per the SAWPA Joint Powers Agreement. Approval of the proposed PA24 budget shall not be unreasonably withheld by the SAWPA member agencies. SAWPA shall provide a quarterly report to the PA24 Committee of actual expenses relative to the approved budget.
9. The PA24 Committee Members shall be solely financially responsible for all liabilities and expenses, including administrative, consultant and legal expenses incurred in connection with PA24 activities, and to the extent necessary shall reimburse SAWPA for any and all such costs and expenses that are incurred on behalf of the PA24 Committee to the extent not otherwise covered by PA24 revenues or funds, or SAWPA's liability insurance. Unless otherwise specified by unanimous Committee action, PA24 Committee Members shall have an equal share in such financial obligation.
10. The PA24 Committee Members will indemnify and hold harmless SAWPA and any SAWPA member agency not then participating as a member of the PA24 Committee from any and all financial liability, including claims or disputes, arising from or in connection with the operation, maintenance, or repair of the BRINE LINE and other PA24 facilities, and any project-related contracts or actions, to the extent such liability is not fully covered by budgeted PA24 revenues or funds, or SAWPA's insurance.
11. PA24 Committee Members may withdraw from this Project Agreement at any time upon not less than 60 days written notice to the other members. Obligations of the withdrawing agency,

including any liabilities related to any grant agreement or other financing commitment associated with PA24, will be determined according to the PA24 budget then in effect or by the PA24 Committee. Pursuant to Section 8 of the SAWPA Joint Powers Agreement, no withdrawal shall relieve the withdrawing agency from financial obligations theretofore incurred by it under this Agreement.

- 12. No right, duty, or obligation of whatever kind or nature created herein will be assigned by any party to this Project Agreement without the prior written consent of SAWPA.
- 13. This Project Agreement shall inure to the benefit of and bind the successors and assigns of the parties hereto.
- 14. Each signatory hereto warrants that the execution of this Project Agreement represents the approval of that Agency’s board of directors of this Agreement.
- 15. This Project Agreement may be executed in counterparts.
- 16. The Recitals are incorporated herein and made an operative part of this Agreement.
- 17. Except as otherwise specifically provided for in this Agreement, the provisions of the SAWPA Joint Powers Agreement, as amended, shall be controlling in regard to the performance of this Agreement.

IN WITNESS WHEREOF, the signatories hereto have executed this Project Agreement to be effective as of the day and year first written above.

SANTA ANA WATERSHED PROJECT AUTHORITY

By _____

Its _____

EASTERN MUNICIPAL WATER DISTRICT

By _____

Its _____

INLAND EMPIRE UTILITIES AGENCY

By _____

Its _____

SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT

By _____

Its _____

WESTERN MUNICIPAL WATER DISTRICT

By _____

Its _____

Section 18

Specific Projects. Except for preliminary studies and matters of general administration, the Agency shall function through the identification and implementation of specific projects. A project may involve all or less than all members of the Agency, provided that no member shall be involved without its approval. A separate budget and agreement of the parties shall be established for each such project, which shall determine the respective obligations, functions, and rights of the members involved and of the Agency. ~~The initial projects of the agency are (1) construction and operation of the Santa Ana Regional Interceptor through Prado Dam, together with acquisition of and use of appropriate treatment facilities, and (2) control of water quality degradation caused by dairy wastes. Said projects shall be further defined in project agreements to be concluded between the participating members before they shall become obligated with respect thereto.~~ To the extent that any specific project is undertaken which affects less than all members of the Agency, ~~the Commissioners representing each of the members who will be involved in financing said project shall be and constitute~~ each participating member agency shall appoint its Commissioner, Alternate Commissioner, or General Manager to the Project Committee of the Commission for purposes of administration and implementation of such project. ~~Notwithstanding anything to the contrary in this Agreement or in any agreement establishing a Project Committee, a member participating in a Project Committee may directly appoint any member of its governing board or its general manager as its representative and/or alternate to the Project Committee.~~ All budget and operating decisions with regard to any project shall require the unanimous consent of the ~~members of the Project Committee or the Agency, as the case may be. Consistent with Sections 7 and 26 of this Agreement, the budget of a Project Committee shall require the approval of the governing board of every member participating in the~~ Project Committee, or of the Commission if there is not a Project Committee.

Section 26

Project Budgets. ~~The~~ A project budget or other is the expenditure and contractual commitment of funds for the study, implementation or design, permitting, construction, operation, and maintenance of any specific project or works to be constructed by the Agency. A project budget shall be adopted by the Project Committee of the Commission concerned with the specific project. Each such project budget ~~or commitment~~ must be approved by the unanimous consent of the members represented on the Project Committee of the Commission, or by all members of the Agency if all are involved in the specific project.

Section 29

Expenditures Within Approved Budgets:

All expenditures within the designations and limitations of approved general or project budgets shall be made on the authorization of a majority of the Commission or the Project Committee of the Commission which is supervising such expenditure. No expenditures in excess of those budgeted shall be made without the unanimous consent and approval of all members of the ~~Agency~~ Project Committee or the Agency, as the case may be, to a revised or amended budget which may from time to time be submitted by the Commission.

Attachment 4 Policy Analysis

Several aspects of the proposed PA24 reflect policy choices that the Commission should be aware of.

Committee representatives and current meetings and schedules. The Commission's discussion during its October workshop reflected the view that the development of new project agreements was not intended to disrupt the current Commission meeting schedule or format, and that there would simply be agenda items on which only certain members would vote. Allowing committee representatives other than commissioners or alternate commissioners might not be consistent with that view. The JPA provides that representatives on the project committee may be any director from the member agency's board or its general manager. Within these general rules, previous project agreements have made specific decisions about project committees and representation that suited the particular project. Project Agreement 22 specified that a project committee would be formed even though all five member agencies were participating. That agreement also specified that the committee representatives would be the member agency general managers. Project Agreement 23 also created a project committee even though all five member agencies were participating, but it left it to the member agencies to appoint representatives per Section 18 of the JPA. The proposed PA24 proposes simply to use the existing JPA provisions and allow committee representatives other than commissioners to be appointed.

What, if any, project decisions should require a unanimous vote? The JPA requires approval of SAWPA's budget by all of the member agencies and of project budgets by all of the participating member agencies, and that expenditures that are within the budget are approved by the Commission or the project committee by majority vote. Section 18 of the JPA, however, states that, "All budget and operating decisions with regard to any project shall require the unanimous consent of the members of the Project Committee or the Agency, as the case may be." Views have differed about what this provision means, whether it refers to unanimous committee decisions as opposed to approval of all of the participating agencies, and what constitutes an "operating decision." The term "operating decision" appears nowhere else in the JPA and is not defined. A 2002 amendment to the JPA added another sentence reaffirming the JPA provisions about member agencies' governing boards approving project budgets. One alternative to address the confusion this provision creates would be simply to remove the provision and require unanimous approval of the budget. The recommended action here takes a different approach. The proposed PA24 attempts to define what an operating decision is in the context of the Brine Line. The project agreement reiterates the requirement that budget and operating decisions get the unanimous consent of the members, meaning the member agencies. At the same time, the proposed JPA amendments would change Section 18 of the JPA to clearly require operating decisions for all projects to be by unanimous vote, rather than by unanimous consent of the member agencies. While this approach seeks to clarify what "operating decisions" are, it creates confusion between the project agreement and the JPA amendment about approval process. It does not clarify what a "budget decision" is, as opposed to actually approving the budget. And while "operating decision" would be better defined, the definition inevitably cannot be comprehensive, and questions may arise in the future about whether a decision is an "operating decision," and therefore requires a unanimous vote, versus a normal decision within the approved budget, which would require a majority vote. PA24 would also specify that project budget adoption would require a unanimous vote of the project committee before sending the budget to the participating member agencies, which would be a straightforward procedural requirement applying only to this project budget.

Should the PA24 project committee be allowed to overrun the approved project budget? Currently, neither SAWPA nor any project committee may exceed its approved budget. The proposed PA24 would allow this project committee to overrun its budget with a unanimous committee vote. Allowing exceedance of the approved budget is a change in policy from the existing JPA, a central premise of which is that financial commitments require the consent of all of the participating agencies. Allowing more latitude for the Brine Line function may be appropriate since the Brine Line is funded from enterprise funds and State loans, and not member agency contributions. The proposed JPA amendments preserve the idea that "no expenditures in excess of those budgeted shall be made without the unanimous consent and approval of all members of the

Project Committee” It is staff’s view that this would require approval of the participating agencies to any project budget overrun, except where addressed differently in a project agreement, such as with PA24. However, the language of the proposed PA24, that budget overruns require a unanimous committee vote “consistent with Section 29” of the JPA, suggests an interpretation of the JPA that would apply to all SAWPA projects, and indeed to the general SAWPA budget, and not just the Brine Line. The Commission therefore should decide whether to allow the PA24 committee to authorize exceedances of the approved project budget, and may wish to clarify its policy views on budget overruns of all types.