



**SAWPA COMMISSION
REGULAR MEETING MINUTES
DECEMBER 18, 2018**

COMMISSIONERS PRESENT

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, Western Municipal Water District
June D. Hayes, San Bernardino Valley Municipal Water District

COMMISSIONERS ABSENT None

**ALTERNATE COMMISSIONERS
PRESENT; NON-VOTING** None

STAFF PRESENT Rich Haller, Karen Williams, Mark Norton, Dean Unger, David Ruhl,
Carlos Quintero, Mike Antos, Kelly Berry

The Regular Commission Meeting of the Santa Ana Watershed Project Authority was called to order at 9:32 a.m. by Vice Chair Sullivan 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

Kelly Rowe, recently elected Division 7 Director on the OCWD governing board, noted his interest in engaging throughout the watershed and working with SAWPA in the future.

4. CONSENT CALENDAR

A. APPROVAL OF MEETING MINUTES: DECEMBER 4, 2018

Recommendation: Approve as posted.

B. TREASURER REPORT – OCTOBER 2018

Recommendation: Approve as posted.

MOVED, approve the Consent Calendar.

Result: **Adopted (Unanimously)**

Motion/Second: Dennstedt/Whitaker

Ayes: Dennstedt, Hall, Hayes, Sullivan, Whitaker

Nays: None

Abstentions: None

Absent: None

5. NEW BUSINESS

A. SETTLEMENT AGREEMENT PROCEEDS (CM#2018.122)

Karen Williams provided the PowerPoint presentation contained in the agenda packet (pages 19-24) outlining the three available options for implementation. In November 2018, staff received checks totaling \$1,075,000 in settlement of the Reach V Capital Repair Project litigation. During the FYE 2018 and 2019 budget process, staff was directed to bring back to the Commission distribution options regarding any proceeds received as a result of that lawsuit. The options provided by staff are outlined below; CFO Williams recommended Option 3.

- Option 1: Reduce Reach V Capital Repairs SRF Loan
- Option 2: Payoff Higher Interest SRF Loans
- Option 3. Contribute the Pipeline Replacement Reserve Fund.

Current balance of the Pipeline Replacement Reserve Fund: \$16,500,000. The baseline amount had been \$10,000,000, which was recently increased due to higher costs of pipeline replacement but there is no maximum cap on the fund balance. If a maximum cap were to be instituted in the future and the transfer of settlement proceeds exceeded that maximum cap, the settlement proceeds would continue to remain in the fund unless the Commission directs otherwise.

MOVED, direct staff to implement Option 3 – Contribute to Pipeline Replacement/Repair Reserves the settlement proceeds in the amount of \$1,075,000.

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

B. SEWER SYSTEM MANAGEMENT PLAN INTERNAL AUDIT (CM#2018.126)

Carlos Quintero provided a PowerPoint presentation on the Inland Empire Brine Line Sewer System Management Plan (SSMP) Audit. Strategic goals include facilitating water supply through groundwater desalting and protecting watershed resources, managing/operating the Brine Line in an environmentally and sustainable way, and providing adequate capacity for existing and projected future customers. The next major update is due in 2019.

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

C. EMERGING CONSTITUENTS PROGRAM TASK FORCE STATUS (CM#2018.129)

Mark Norton provided the PowerPoint presentation contained in the agenda packet (pages 41-48) about the Emerging Constituents Program Task Force. In late November 2018, the Santa Ana River Dischargers Association along with Orange County Water District staff approached the Regional Board and SAWPA with an interest in possibly restarting a voluntary emerging constituents sampling program under the Emerging Constituents Program Task Force that is administered by SAWPA. Under discussion were new constituents known as Perfluorooctanoic Acid (PFOA) and Perfluorooctanesulfonic Acid (PFOS), manmade fluorinated chemicals that are part of a larger group of emerging chemicals of concern referred to as per- and polyfluoroalkyl substances (PFASs) detected in groundwater wells, wastewater effluent and various other water sources. On July 13, 2018, the State Water Resources Control Board issued a drinking water notification level relating to PFOAs and PFASs. Given this, a meeting with the EC Program Task Force to discuss the potential Santa Ana

Watershed EC sampling program has been scheduled for January 8, 2019, at SAWPA. Norton advised approximately \$86,000 in carryover funding is available to fund initial implementation of the monitoring program. Commissioner Hayes noted the importance of educating the public of potential health hazards due to exposure.

Liselle DeGrave of DeGrave Communications provided a PowerPoint presentation on public outreach efforts and social media tools utilized to inform the public on the safety of water supply. Commissioner Hall encouraged sharing information with school districts, universities, etc., a taking advantage of partnership opportunities.

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

D. AUTHORIZATION TO DISTRIBUTE REQUEST FOR QUALIFICATIONS (RFQ) (CM#2018.127)

Mike Antos provided a PowerPoint presentation outlining distribution of a Request for Qualifications (RFQ) to create a list of on-call firms that can provide oral and written translation services. Thereafter, SAWPA will issue a Request for Proposals for local entities to access the on-call consultants for translation services on activities related to community engagement for water management. These activities are entirely funded by the Disadvantaged Communities Involvement (DCI) Program, which includes a task to provide translation services via an on-call list to assist water agencies and organizations in ensuring the involvement of disadvantaged, economically-distressed, and underrepresented communities. Provisions of the DCI Program will determine which language translation services will be provided within designated regions.

MOVED, authorize the release of a Request for Qualifications (RFQ) to create an on-call list of firms that can provide document translation and simultaneous and/or following meeting translation, a grant-funded task of the Disadvantaged Communities Involvement (DCI) Program.

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

E. AUTHORIZATION TO DISTRIBUTE REQUEST FOR PROPOSALS (RFP) (CM# 2018.128)

Mike Antos provide a PowerPoint presentation regarding issuance of a Request for Proposals (RFP) for a California IRWM Roundtable of Regions Network Director. SAWPA will serve as the contracting authority for a consultant who will serve the statewide needs of the California IRWM Roundtable of Regions (Roundtable). There are fourteen contributing Roundtable participants pledging \$71,600 for the first-year scope. SAWPA's contribution will total \$10,000 -- \$5,000 in cash and \$5,000 in administrative work. This will be a single-year contract; however, the proposal suggests it could be extended and will be adjusted as needed. Future reports will be provided to the Commission as part of the OWOW Program updates.

MOVED, (1) Authorize the release of a Request for Proposals (RFP) to fill a collaboratively-funded Network Coordinator consultant for the California IRWM Roundtable of Regions; and, (2) Commit \$5,000 previously budgeted for consultant support and previously budgeted staff time valued at approximately \$5,000 from within Fund 373 (OWOW) to support the selection, contracting and management of a Roundtable of Regions Network Coordinator.

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

F. CAPACITY TRANSFER AGREEMENT AND AGREEMENT TO DISCHARGE RELATED TO CONNECTING CITY OF BEAUMONT TO THE INLAND EMPIRE BRINE LINE (CM# 2018.130)

David Ruhl provided a PowerPoint presentation on the Capacity Transfer Agreement and Agreement to Discharge Related to Connecting the City of Beaumont to the Inland Empire Brine Line.

The following documents were revised subsequent to the posting of the agenda, and copies were provided to the Commission, staff and members of the public:

1. Capacity Transfer Agreement Transferring Inland Empire Brine Line Capacity from Western Municipal Water District to San Bernardino Valley Municipal Water District (Transfer Agreement); and,
2. Agreement Approving City of Beaumont to Discharge to the Inland Empire Brine Line (Discharge Agreement).

Beaumont City Manager Todd Parton and Assistant City Manager Christine Day were in the audience and available to answer any questions. While the City of Beaumont (Beaumont) is outside the Brine Line Service area, it is within the Santa Ana River watershed. Beaumont is seeking to upgrade their existing wastewater treatment plant to comply with the Regional Water Quality Control Board order and basin plan objectives. Upgrades must be in place by March 2020 and include reverse osmosis treatment of the tertiary treated wastewater plan effluent. To operate its treatment plant as planned, Beaumont needs to purchase Brine Line pipeline capacity and treatment and disposal capacity. Beaumont has been negotiating a purchase of capacity from former discharger Dairy Farmers of America (DFA). DFA's capacity is in WMWD's service area; the discharge connection is in SBVMWD's service area, necessitating the Transfer Agreement.

The Discharge Agreement sets forth discharge requirements and conditions, such a hydraulic improvements necessary to accommodate transfer of flow, permitting, submittal of design documents, SAWPA's recovery of pretreatment program (PTP) costs, etc. Additionally, SAWPA will modify five (5) maintenance access structures in Reach 4D in order to withstand slight pressurization without allowing overflows; Beaumont will fully reimburse SAWPA its costs. Beaumont City Manager Parton advised this will meet Beaumont's needs for full buildout; Beaumont is currently at half its full buildout.

MOVED, approve and authorize the General Manager to execute subject to minor, non-substantive changes contingent on concurrence by legal counsel: (1) a capacity transfer agreement to transfer pipeline capacity rights and treatment and disposal capacity rights in the Inland Empire Brine Line for 0.55 mgd at 200/mg/l BOD and 200 mg/L TSS from Western Municipal Water District to San Bernardino Valley Municipal Water District; and, (2) an agreement to discharge with the City of Beaumont with stated conditions.

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

G. INLAND EMPIRE BRINE LINE LEASE CAPACITY POOL AGREEMENT AND UPDATED RATE RESOLUTIONS (CM# 2018.131)

David Ruhl provided a PowerPoint presentation on the Inland Empire Brine Line Lease Capacity Pool Agreement and Updated Rate Resolutions. Resolution No. 2018-13 will establish rates and charges for dischargers to the Inland Empire Brine Line; Resolution 2018-14 will establish the purchase price for treatment and disposal rights to the Inland Empire Brine Line.

Marketing efforts have determined that potential customers would experience a significant financial challenge under SAWPA's current policy requiring the purchase of pipeline and treatment and disposal capacity for any discharge permit. A Lease Capacity Pool Agreement (Capacity Agreement) would allow member agencies with available capacity to commit to making available a specific amount of pipeline capacity and treatment and disposal capacity for lease for a minimum five-year period. The pooled capacity would be marketed and made available to new dischargers or existing dischargers needing additional capacity. This would allow an option for industrial customers to lease rather than purchase pipeline capacity and treatment and disposal rights, which will be easier for them to obtain and less of a financial challenge to smaller customers.

Commissioner Hall noted that IEUA staff has reviewed the proposed Capacity Agreement, but voiced concern the Commission would be approving an agreement impacting the member agencies which had not first been considered by the member agency governing boards. General Manager Haller acknowledged the concern, noting staff was trying to expedite the process; seeking approval by member agency governing boards would not have a significant impact on the timeline. The Commission and staff concurred consideration of the Capacity Agreement would be subject to approval by the member agency governing boards, and staff's recommendation was updated accordingly.

MOVED, (1) Adopt Resolution No. 2018-13 Establishing the Rates and Discharges to the Inland Empire Brine Line; (2) Adopt Resolution No. 2018-14 Establishing the Purchase Price for Treatment and Disposal Rights in the Inland Empire Brine Line; and, (3) Subject to approval by member agency governing boards, approve and authorize the General Manager to execute an agreement for the creation of a lease capacity pool for the Inland Empire Brine Line, subject to minor, non-substantive changes contingent on concurrence by legal counsel.

Result:	Adopted (Unanimously)
Motion/Second:	Hall/Dennstedt
Ayes:	Dennstedt, Hall, Hayes, 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 – OCTOBER 2018

B. INTER-FUND BORROWING – OCTOBER 2018 (CM#2018.123)

Commissioner Hayes requested information relating to inter-fund transfers; CFO Karen Williams noted direction as been provided to staff by way of an adopted Resolution. The Resolution will be included with materials provided for future Commission items.

C. PERFORMANCE INDICATORS/FINANCIAL REPORTING – OCTOBER 2018 (CM#2018.124)

D. BUDGET VS ACTUAL VARIANCE REPORT – FYE 2019 FIRST QUARTER – ENDING SEPTEMBER 30, 2018 (CM#2018.125)

E. FINANCIAL REPORT FOR THE FOURTH QUARTER ENDING SEPTEMBER 30, 2018

- Inland Empire Brine Line
- SAWPA

F. FIRST QUARTER FYE 2019 EXPENSE REPORTS

- General Manager
- Staff

G. GENERAL MANAGER REPORT

General Manager Haller reviewed the General Manager report. Commissioner Sullivan requested the Commission receive the list of potential speakers for the upcoming OWOW Conference; Commissioner Sullivan suggested a potential speaker from the University of Arizona and directed staff regarding follow up.

H. STATE LEGISLATIVE REPORT

I. CHAIR'S COMMENTS/REPORT

There were no further Chair comments/reports.

J. COMMISSIONERS' COMMENTS

There were no Commissioners comments.

K. COMMISSIONERS' REQUEST FOR FUTURE AGENDA ITEMS

There were no further requests for future agenda items.

7. CLOSED SESSION

There were no Closed Session items.

8. ADJOURNMENT

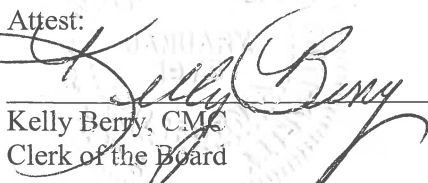
There being no further business for review, Vice Chair Sullivan adjourned the meeting at 10:54 a.m.

Approved at a Regular Meeting of the Santa Ana Watershed Project Authority Commission on Tuesday, January 15, 2019.



Ronald W. Sullivan, Chair

Attest:



Kelly Berry, CMS
Clerk of the Board