



**SAWPA COMMISSION
REGULAR MEETING MINUTES
DECEMBER 17, 2019**

COMMISSIONERS PRESENT

Ronald W. Sullivan, Chair, Eastern Municipal Water District
Kati Parker, Vice Chair, Inland Empire Utilities Agency
Denis R. Bilodeau, Secretary-Treasurer, Orange County Water District (9:39 a.m.)
Brenda Dennstedt, Western Municipal Water District
T. Milford Harrison, San Bernardino Valley Municipal Water District

COMMISSIONERS ABSENT

None.

**ALTERNATE COMMISSIONERS
PRESENT; NON-VOTING**

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

STAFF PRESENT

Rich Haller, Karen Williams, Mark Norton, Dean Unger, David Ruhl,
Carlos Quintero, Rick Whetsel, Kelly Berry

OTHERS PRESENT

Andrew Turner, Lagerlof, Senecal, Gosney & Kruse, LLP

The Regular Commission Meeting of the Santa Ana Watershed Project Authority was called to order at 9:31 a.m. by 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

There were no public comments.

4. CONSENT CALENDAR

A. APPROVAL OF MEETING MINUTES: NOVEMBER 19, 2019

Recommendation: Approve as posted.

B. TREASURER'S REPORT – NOVEMBER 2019

Recommendation: Approve as posted.

MOVED, approve the Consent Calendar.

Result:	Adopted (Unanimously)
Motion/Second:	Dennstedt/Harrison
Ayes:	Dennstedt, Harrison, Parker, Sullivan
Nays:	None
Abstentions:	None
Absent:	Bilodeau

5. NEW BUSINESS

A. EMERGING CONSTITUENTS AND PFAS SAMPLING RESULTS | AUGUST 2019 (CM#2019.123)

Mark Norton provided the PowerPoint presentation contained in the agenda packet on pages 19 – 28. Commissioner Bilodeau arrived at 9:39 a.m., during Norton’s presentation. Michael Markus, General Manager, Orange County Water District provided a PowerPoint presentation titled Orange County PFAS Update, copies of which were provided to the Commission, staff and the public. OCWD will meet with CalEPA/State Board prior to the Response Level change. Continuing updates will be forthcoming.

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

B. BASIN MONITORING PROGRAM TASK FORCE – SANTA ANA RIVER WASTELOAD ALLOCATION UPDATE | FINAL REPORT (CM#2019.124)

Johnson Yeh, Project Manager, Geoscience Support Services, Inc., provided the PowerPoint presentation contained in the agenda packet on pages 31 – 64. There was no discussion.

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

C. SANTA ANA RIVER WATERSHED WEATHER MODIFICATION FOR WATER SUPPLY FEASIBILITY STUDY | AWARD OF CONTRACT (CM#2019.125)

Mark Norton provided the PowerPoint presentation contained in the agenda packet on pages 67 – 70. A Supplemental packet for Agenda Item No. 5.C. containing a revised Attachment #4 to CM#2019.125 was provided to the Commission, staff and the public. Commissioner Harrison asked for the estimated cost to implement a cloud seeding program; Norton replied the anticipated annual cost would be \$250,000 - \$400,000. Kelly Rowe addressed the Commission expressing his support for the program and the importance of utilizing relevant experience throughout the watershed.

MOVED, authorize the General Manager to execute an Agreement for Services and Task Order No. NAWC370-01 with North American Weather Consultants Inc. to conduct a feasibility analyses for a weather modification for water supply program in the Santa Ana River Watershed in an amount to not to exceed \$75,000; and, authorize SAWPA invoice each Member Agency \$15,000 to cover the cost of conducting this work.

Result:	Adopted (Unanimously)
Motion/Second:	Harrison/Parker
Ayes:	Bilodeau, Dennstedt, Harrison, Parker, Sullivan
Nays:	None
Abstentions:	None
Absent:	None

D. DISADVANTAGED COMMUNITY INVOLVEMENT (DCI) PROGRAM – TECHNICAL ASSISTANCE FUNDING RECOMMENDATIONS (CM#2019.126)

Rick Whetsel provided the PowerPoint presentation contained in the agenda packet on pages 140 – 153. There was no discussion. Commissioner Bilodeau left the meeting at 10:38 a.m., prior to the vote on Agenda Item No. 5.D., and did not return to the meeting.

MOVED, authorize the General Manager to execute sub-agreements for the portfolio of projects recommended for Proposition 1 Disadvantaged Community Involvement (DCI) Program Technical Assistance Grant Funding.

Result: **Adopted (Unanimously)**
Motion/Second: Dennstedt/Parker
Ayes: Dennstedt, Harrison, Parker, Sullivan
Nays: None
Abstentions: None
Absent: Bilodeau

E. FISCAL YEAR 2018-19 REPORT ON AUDIT (CM#2019.119)

Joshua Calhoun, Audit Partner, Teaman, Ramirez & Smith, Inc., provided an oral report on the Fiscal Year 2018-19 Report on Audit, and stated an unmodified, clean opinion will be issued. Chair Sullivan called for a motion to approve staff's recommendation.

MOVED, (1) Accept the CAFR, including the Report on Audit as prepared by Teaman, Ramirez & Smith, Inc.; (2) Direct staff to file the Report with the respective government agencies as required by law; and, (3) Direct staff to submit the CAFR, with any necessary changes, for the Certificate of Achievement for Excellence in Financial Reporting Award.

Result: **Adopted (Unanimously)**
Motion/Second: Dennstedt/Harrison
Ayes: Dennstedt, Harrison, Parker, Sullivan
Nays: None
Abstentions: None
Absent: Bilodeau

F. CALPERS UNFUNDED LIABILITY PAYMENT OPTIONS (CM#2019.120)

Karen Williams provided the PowerPoint presentation on the CalPERS Unfunded Liability and payment options contained in the agenda packet on pages 303 – 324, reviewing two unfunded liability payment options:

Option 1: Pay Off High Balance Amortization Bases. From General Fund Reserves and Brine Line Operating Reserves, pay a total of \$2,551.673 (\$972,510 share of Pre-2013 Pool UAL plus \$1,579,163 asset(gain)/loss 06/30/13), saving an estimated \$187,126 annually.

Option 2: Make Unfunded Liability Payment Using Alternate Schedules (15 yr. or 10 yr.). Make the payment from a 15-year or 10-year amortization schedule; by making a higher payment a savings in interest would be realized as well as a reduction in the number of years required to pay off the liability.

Commissioner Dennstedt asked the following questions:

- What would the savings be to SAWPA after payoff? Williams replied \$1.1M.
- What is the current amount of the Brine Line Operating Reserves? Williams replied between \$4.3M and \$4.8M.
- Are there any major Brine Line repairs planned in the near future? Williams replied no major repairs, and we do have other accounts to fund major repairs.

Commissioner Harrison asked Williams if Option 1 is her recommended. Williams replied Option 1 is her recommendation. Chair Sullivan stated having this paid off will be a benefit in the future and called for a motion.

MOVED, approve Option 1 – Pay Off High Balance Amortization Bases totaling \$2,551,673 (\$972,510 share of Pre-2013 Pool UAL and \$1,579,163 asset (gain)/loss 06/30/13) using General Fund Reserves in the amount of \$972,510 and Brine Line Operating Reserves in the amount of \$1,579,163.

Result: **Adopted (Unanimously)**
Motion/Second: Harrison/Dennstedt
Ayes: Dennstedt, Harrison, Parker, Sullivan
Nays: None
Abstentions: None
Absent: Bilodeau

G. STRATEGIC PLAN UPDATE (CM#2019.127)

Rich Haller provided the PowerPoint presentation contained in the agenda packet on pages 327 – 330. Haller recommended the use of a facilitator during the strategic plan update process. Commissioner Parker voiced her support since the majority of the Commissioners were not here during the last update process. Commissioner Dennstedt noted the 2016 process was lengthy did not result in a clear work product; this time around there should be a functional document outlining mission, vision and purpose. Commissioner Harrison stated the primary desired outcome is to have something that clearly guides implementation. Chair Sullivan agreed with the comments, noting that the plan update process was never finished in 2016; the facilitator during this process can utilize some of the work product from 2016.

MOVED, direct staff to issue a Request for Proposals (RFP) for Strategic Plan Facilitator Consultant Services.

Result: **Adopted (Unanimously)**
Motion/Second: Parker/Dennstedt
Ayes: Dennstedt, Harrison, Parker, Sullivan
Nays: None
Abstentions: None
Absent: Bilodeau

6. INFORMATIONAL REPORTS

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

A. CASH TRANSACTIONS REPORT – OCTOBER 2019 | NOVEMBER 2019

B. INTER-FUND BORROWING – OCTOBER 2019 (CM#2019.121)

C. PERFORMANCE INDICATORS/FINANCIAL REPORTING – OCTOBER 2019 (CM#2019.122)

D. BUDGET VS ACTUAL VARIANCE REPORT – FYE 2020 FIRST QUARTER – ENDING SEPTEMBER 30, 2019 (CM#2019.118)

E. FINANCIAL REPORT FOR THE FIRST QUARTER ENDING SEPTEMBER 30, 2019

F. FIRST QUARTER FYE 2020 EXPENSE REPORTS

G. GENERAL MANAGER REPORT

Rich Haller presented a token of appreciation to Commissioner Dennstedt for her time, input and guidance during the recent SAWPA building renovation.

H. STATE LEGISLATIVE REPORT

I. SAWPA GENERAL MANAGERS MEETING NOTES

- December 10, 2019

J. CHAIR'S COMMENTS/REPORT

Chair Sullivan welcomed Andy Turner, Lagerlof, Senecal, Gosney & Kruse, LLP, serving as SAWPA General Counsel.

K. COMMISSIONERS' COMMENTS

Commissioner Harrison thanked staff for an enjoyable first year serving on the Commission; it was an honor working with the Commissioners and Rich Haller, and he wished everyone a Merry Christmas and Happy New Year. Chair Sullivan wished everyone a blessed Merry Christmas and a prosperous New Year.

L. COMMISSIONERS' REQUEST FOR FUTURE AGENDA ITEMS

There were no Commissioners' request for future agenda items.

7. CLOSED SESSION

There was no Closed Session.

8. ADJOURNMENT

There being no further business for review, Chair Sullivan adjourned the meeting at 11:08 a.m.

Approved at a Regular Meeting of the Santa Ana Watershed Project Authority Commission on Tuesday, January 21, 2020.



David J. Slawson, Chair

Attest:



Kelly Berry, CMC
Clerk of the Board