



**SAWPA COMMISSION
REGULAR MEETING MINUTES
JUNE 21, 2022**

COMMISSIONERS PRESENT

Marco Tule, Chair, Inland Empire Utilities Agency
Bruce Whitaker, Vice Chair, Orange County Water District
Mike Gardner, Secretary-Treasurer, Western Municipal Water District
David J. Slawson, Eastern Municipal Water District
June D. Hayes, San Bernardino Valley Municipal Water District

COMMISSIONERS ABSENT

None

**ALTERNATE COMMISSIONERS
PRESENT; NON-VOTING**

Kelly Rowe, Orange County Water District
T. Milford Harrison, San Bernardino Valley Municipal Water District

STAFF PRESENT

Jeff Mosher, Karen Williams, Mark Norton, David Ruhl, Edina Goode,
Ian Achimore, Rick Whetsel, Marie Jauregui, Sara Villa, Zyanya
Ramirez, Haley Mullay, Alison Lewis, Jessica McDermott, John Leete

OTHERS PRESENT

Andrew Turner, Lagerlof, LLP; Joe Mouawad, Eastern Municipal
Water District; Nick Kanetis, Eastern Municipal Water District; Shivaji
Deshmukh, Inland Empire Utilities Agency; Michael Markus, Orange
County Water District; Kevin O'Toole, Orange County Water District;
Greg Woodside, Orange County Water District; Craig Miller, Western
Municipal Water District; Mallory Gandara, Western Municipal Water
District; Ryan Shaw, Western Municipal Water District; Brooke Jones,
Yorba Linda Water District; Wayne Miller, Yorba Linda Water District;
Tom Lindsey, Yorba Linda Water District; Madeline Blua, Yucaipa
Valley Water District; Megan Schwartz, Catalyst Environmental
Solutions; Beth Olhasso, West Coast Advisors; Jeremy Metts,
Anaergia

The Regular Meeting of the Santa Ana Watershed Project Authority Commission was called to order at 9:32 a.m. by Chair Marco Tule on behalf of the Santa Ana Watershed Project Authority, 11615 Sterling Avenue, Riverside, California.

1. CALL TO ORDER

Pursuant to the provisions of AB 361, this meeting was conducted virtually, and all votes were taken by oral roll call.

2. ROLL CALL

An oral roll call was duly noted and recorded by the Clerk of the Board.

3. PUBLIC COMMENTS

There were no public comments; there were no public comments received via email.

4. ITEMS TO BE ADDED OR DELETED

There were no items to be added or deleted.

5. CONSENT CALENDAR

A. APPROVAL OF MEETING MINUTES: JUNE 7, 2022

Recommendation: Approve as posted.

B. RESOLUTION ON CONTINUATION OF REMOTE COMMISSION AND COMMITTEE MEETINGS (CM#2022.37)

Recommendation: Adopt Resolution No. 2022-11 Proclaiming A State of Emergency Persists, Re-Ratifying the Proclamation of a State of Emergency by Governor Gavin Newsom, and Re-Authorizing Remote Teleconference Meetings of all Commission and Committee meetings of the Santa Ana Watershed Project Authority for the period of June 22, 2022 to July 22, 2022 pursuant to Brown Act Provisions.

MOVED, to approve the Consent Calendar as posted.

Result:	Adopted by Roll Call Vote
Motion/Second:	Slawson/Hayes
Ayes:	Gardner, Hayes, Slawson, Tule, Whitaker
Nays:	None
Abstentions:	None
Absent:	None

6. WORKSHOP DISCUSSION AGENDA

A. LEGISLATIVE REPORT

Beth Olhasso of West Coast Advisors provided a presentation on the Sacramento Update. With regard to the drought water supply update; as of February 2022, the State Water Project (SWP) water allocation was at 15% and has decreased to 5% allocation as of June 17, 2022. The State is at a severe drought of 97%. The State Water Resources Control Board (SWRCB) adopted emergency drought regulations; all agencies must move to drought condition two, and to ban using potable water on non-functional turf (does not include parks, trees, golf courses, etc.). The State is looking into more options to get water use down, possible mandatory conservation because with voluntary conservation, the state is not seeing appropriate results. Commissioner Hayes noted that the numbers may not be population adjusted due to the increase of houses being built and the population going up. Commissioner Gardner noted that the non-functional turf is considered grassy areas that are on tennis courts, or turf ornamental areas operated by homeowners' associations, and that's where residential customers are going to see the impact.

The Legislation Session ends August 31, and all the bills have had to move out of their house of origin and are working towards the second house Policy Committee deadline. The Legislature will be on recess for the month of July and come back in August for the final four weeks. Ms. Olhasso provided updates on the following bills:

- SB 1157 (Hertzberg): Lowering the indoor urban water use standard to 42 GPCD by 2030.
- SB 12 (McGuire): Requiring use of "heat resilient water infrastructure" in projects in high fire severity zones funded by state or federal government.
- AB 2142 (Gabriel): Exempts turf rebates from "taxable income"
- AB 2247 (Bloom): PFAS publicly accessible reporting platform.
- AB 2387 (E. Garcia): Water Bond
- AB 2639 (Quirk): Bay Delta Water Quality Control Plan

Western's General Manager, Craig Miller noted that Western is going to move to oppose SB 1157 unless amended. Water Districts do not have the means to separate and measure indoor from outdoor water use. The standard of 42 GPCD by 2030 will be exceedingly expensive; do we ask our customers to use lower flow toilets, shower heads, and sprinkler heads and do we fund it? - water districts are required to do more with less money.

Commissioner Harrison added that there will be a significant financial impact on the water districts and on the sewage, treatment plants and whether there will be additional corrosion on the piping systems and so forth and could cause tremendous problems and blockages.

Ms. Olhasso stated that the FY 2022-23 Budget has \$90 billion surplus, and the State is trying to figure out what to do with it. A budget framework which fulfilled their constitutional duty passed on June 15, and there are a lot of competing ideas. The Senate Water Package includes \$1.5 billion for stormwater capture, recycling, and groundwater cleanup. The specific allocations are anticipated to be negotiated in the July/August timeframe.

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

7. NEW BUSINESS

A. INLAND EMPIRE BRINE LINE RATE RESOLUTION (CM#2022.38)

David Ruhl provided a presentation on the Inland Empire Brine Line Rate Resolution 2022-9, contained in the agenda packet on pages 31-43. The Brine Line Rate components are Flow, Biochemical Oxygen Demand (BOD) Total Suspended Solids (TSS) and the fixed charges for pipeline, treatment, and disposal capacity owned. The proposed rates have been calculated using the financial model prepared in 2018 and are based on the approved two-year budget (FY 2021-22 and FY 2022-23). SAWPA staff reviewed the current and proposed budget expenditures and revenues to ensure the rates are consistent and in-line with the budget assumptions and goals when the budget was approved.

Summary of FY 2021-22 (Current) Rates and FY 2022-23 Proposed Rates

<i>Fiscal Year</i>	<i>Flow (MG)</i>	<i>BOD/1,000 lbs.</i>	<i>TSS/1,000 lbs.</i>	<i>Fixed Pipeline*</i>	<i>Fixed T&D*</i>
Current FY 2021-22	\$1,018	\$329	\$460	\$6,654	\$13,505
Proposed FY 2022-23	\$1,049	\$353	\$520	\$6,654	\$13,505

*Fixed pipeline and Fixed Treatment and Disposal (T&D) charges are per million gallons (MG) per month.

SAWPA received the proposed Brine Line rates from OC San (Flow, BOD, TSS) that include a 9.97% increase in their charges from last fiscal year, due to an increase in their treatment and disposal budget. Although this increase is significant, SAWPA is able to maintain a rate increase of 3.0% for Flow and no change in the rate for Fixed Pipeline and Fixed Treatment and Disposal. Since BOD and TSS are pass through costs the rate for BOD will increase 7.3% and the rate for TSS will increase 13.0%. As part of the Brine Line Rate resolution, planned rates for FY 2023-24 are presented to assist Member Agencies in their budget process for next fiscal year. OC San has also, provided planned rates for FY 2023-24. OC San's planned charges include a 5.2% increase in their charges due to an increase in their treatment and disposal budget. SAWPA's Planned rates for FY 2023-24 will include a 5.0% increase in the flow component and will include a 5.2% increase in the BOD and TSS rate to match OC San's increase.

Fixed charges (pipeline, treatment, and disposal) are expected to remain the same. The truck disposal rates will continue to be based on two (2) tiers: a Brine Tier and a Non-Brine Tier. These charges remain unchanged from FY 2021-22. The current FY 2021-22 and proposed rates for FY 2022-23 for indirect discharger rates remain the same, as well as the proposed permit fees. The proposed Capacity Lease rates for FY 2022-23 remain unchanged from the rates from FY 2021-22. Mr. Ruhl noted that on June 7, the PA 24 Committee approved recommendation for SAWPA Commission approval of the Brine Line Rate Resolution. There was no discussion.

MOVED, to adopt Resolution No. 2022-9 establishing the Fiscal Year 2022-23 Inland Empire Brine Line Rates to be effective July 1, 2022.

Result:	Adopted by Roll Call Vote
Motion/Second:	Gardner/Slawson
Ayes:	Gardner, Hayes, Slawson, Tule
Nays:	None
Abstentions:	Whitaker
Absent:	None

B. STATEMENT OF INVESTMENT POLICY (CM#2022.39)

Karen Williams provided a verbal report on the Statement of Investment Policy being proposed for the next year. The Statement of Investment Policy is revisited annually and approved by the Commission. After reviewing the policy and state regulations that have changed, it was determined that there are no necessary changes needed to the policy from the prior year. There was no discussion.

MOVED, to adopt Resolution No. 2022-12, approving the Statement of Investment Policy and delegate authority to the Chief Financial Officer to invest or reinvest funds consistent with the Statement of Investment Policy.

Result:	Adopted by Roll Call Vote
Motion/Second:	Whitaker/Hayes
Ayes:	Gardner, Hayes, Slawson, Tule, Whitaker
Nays:	None
Abstentions:	None
Absent:	None

C. SANTA ANA RIVER WATERSHED WEATHER MODIFICATION PILOT PROJECT CEQA ADOPTION (CM#2022.40)

Mark Norton provided a presentation on the Santa Ana River Watershed Weather Modification Pilot Program (Project), contained in the agenda packet on pages 71-77. The Project objective is to increase water supply in the region by increasing the productivity of storm events. The Project is for four years, and it is to install 15 ground-based weather modification units throughout the watershed. When rain is imminent, it triggers the units to release silver-iodine crystals into clouds to increase the volume of precipitation released.

Through the California Environmental Quality Act (CEQA) Analysis, SAWPA analyzed the potential environmental impacts of installation and operation of the CNGs and AHOGS at the 15 locations throughout the watershed. Overall, the CEQA Analysis found that the concentrations of silver measured in water during and after cloud seeding projects has been shown to be similar to background concentrations and not harmful to human health or wildlife. SAWPA would implement suspension criteria to avoid flooding, and there are overall beneficial impacts from increased precipitation and runoff.

Catalyst Environmental Solutions worked closely with the feasibility consultant, North American Weather Consultants, as well as SAWPA staff to provide a description of the Project, a Notice of Preparation, Initial Study, preparations materials for a public comment scoping meeting with a 30-day public review period, and initial study for a mitigated negative declaration. Based on the public comment period, no comments were received except from the San Manuel Band of Mission Indians. Their comments did not reflect objections but preferred language regarding mitigation measures and inadvertent human remains. These preferences are now reflected in the Initial Study/Mitigated Negative Declaration and Mitigation Monitoring and Reporting Plan.

The next step for the CEQA approval process is for the SAWPA Commission to approve the Initial Study/Mitigated Negative Declaration and the Mitigation Monitoring and Reporting Plan. Thereafter the Initial Study will be finalized and filed with the Riverside County Clerk and posted on the CEQA Clearinghouse. Commissioner Gardner noted that Western received a comment from a Board Member of one of our Member Agencies that they were unsure about whether this is the best expenditure money. The Project is designed to answer the question of does it work, and it is not the ultimate approval of the Project, this is approval of the environmental document and the mitigation plan, and he would like to see this Project go forward so in the end we could start seeing the data.

MOVED, to adopt the Initial Study/Mitigated Negative Declaration and the Mitigation Monitoring and Reporting Plan for Santa Ana River Watershed Weather Modification Pilot Project under CEQA.

Result:	Adopted by Roll Call Vote
Motion/Second:	Gardner/Slawson
Ayes:	Gardner, Hayes, Slawson, Tule, Whitaker
Nays:	None
Abstentions:	None
Absent:	None

D. APPROVAL OF FYE 2023 NETWORK COORDINATOR TASK ORDER WITH WATER SYSTEMS CONSULTING, INC. (CM#2022.41)

Ian Achimore provided a presentation on the Approval of FYE 2023 Network Coordinator Task Order with Water Systems Consulting (WSC), contained in the agenda packet on pages 267-276. The Integrated Regional Water Management (IRWM) Roundtable of Regions formally began in 2006 as an informal partnership, led by engaged staff and two co-chairs. For the past three (3) years JM Consultants has served as the Network Coordinator. The principal of JM Consultants announced she is retiring on June 30, 2022. There is a funding agreement in place to fund this consultant support for this fiscal year and FYE 2023. In order to utilize the funding and ensure the Roundtable operates efficiently for the next year, the SAWPA Commission approved issuing the RFP at the April 5 meeting. Two proposals were received, and SAWPA and four (4) other reviewers from the Roundtable of Regions reviewed the proposals and interviewed both consultants. WSC Inc. scored a total of 140 points, and the other entity received 127 total points. WSC Inc. has experience in managing these types of coordinated efforts, IRWM projects and plans, and also has a wide range of staff who are able to assist the Roundtable with technical tasks such as outreach to State government officials.

Mr. Achimore referenced WSC's proposed changes to SAWPA's standard general services agreement. The suggested changes have been reviewed by SAWPA's legal counsel, Lagerlof and the General Manager and were deemed acceptable and protective of SAWPA's interests. There was no discussion.

MOVED, to authorize the General Manager to execute Task Order WSC373-01 with Water Systems Consulting, Inc. (WSC) for \$72,900 for the Roundtable of Regions Network Coordinator consulting role for Fiscal Year Ending 2023.

Result:	Adopted by Roll Call Vote
Motion/Second:	Gardner/Slawson
Ayes:	Gardner, Hayes, Slawson, Tule, Whitaker
Nays:	None
Abstentions:	None
Absent:	None

E. COLA AND MERIT POOL INCREASES – FY 2022-23 (CM#2022.42)

Jeff Mosher provided a presentation on the Cost-of-Living Adjustments (COLA) and Merit Pool Increases – FY 2022-2023, contained in the agenda packet on pages 335-344. The recommendation is a 4% Merit Pool and a 5% COLA increase. While some of the SAWPA member agencies are still in negotiations for their COLA and Merit increases for FY 2022-23, the chart below lists the information currently available from the Chief Financial Officers.

Member Agency	COLA	Merit
EMWD	4.1% Actual Jan'23	2.5% - 5%
IEUA	3% MOU	2.5% per step increment
OCWD	2% MOU	3% Budgeted
SBVMWD	6% Budgeted	2.5% - 5%
WMWD	4% MOU	1% - 5%

An annual merit pool of 4% was adopted by the Commission for fiscal year 2022-2023 in the budget and is implemented at the discretion of the General Manager. Merit increases are tied to annual performance evaluations, which maps performance to goals. It is recommended that SAWPA continue the practice of determining an appropriate COLA using a standard empirical third-party metric (i.e., the regional Consumer Price Index [CPI]), to maintain salaries at market levels. To assess the COLA for FY 2022-2023 the following regional Consumer Price Indexes (CPI) were reviewed; Long Beach-Los Angeles-Anaheim index and Riverside-San Bernardino-Ontario index are as follows:

Index	Annual CPIs (All Items)	Months
Long Beach-Los Angeles-Anaheim	7.4%-8.5%	Jan-Apr
Riverside-San Bernardino-Ontario	8.6%-10%	Jan and Mar

The CPIs between January and April for the two indexes range from 7.4% to 10%, which reflects the current elevated level of inflation. Based on the two indexes and reviewing member agency information, staff is recommending a 5% COLA increase. The FY 2022-23 budget has funds available for both the proposed COLA and merit. Total salaries, COLA, and merit will be \$52,265 under the budgeted amount, based on the recommended increases. Commissioner Whitaker noted that numbers are fairly supportable considering that it is a one-year deal, and no one knows what the future holds especially experiencing the higher levels of inflation that are reflected in the index.

MOVED, to approve a 4% Merit Pool and a 5% COLA increase for FY 2022-23.

Result: Adopted by Roll Call Vote
 Motion/Second: Hayes/Gardner
 Ayes: Gardner, Hayes, Slawson, Tule, Whitaker
 Nays: None
 Abstentions: None
 Absent: None

8. INFORMATIONAL REPORTS

Recommendation: Receive for Information.

A. PROPOSITION 1 ROUND 2 INTEGRATED REGIONAL WATER MANAGEMENT (IRWM) CALL FOR PROJECTS UPDATE**B. CASH TRANSACTIONS REPORT – APRIL 2022****C. INTER-FUND BORROWING – APRIL 2022 (CM#2022.43)****D. PERFORMANCE INDICATORS/FINANCIAL REPORTING – APRIL 2022 (CM#2022.44)****E. PROJECT AGREEMENT 25 – OWOW FUND – FINANCIAL REPORT, APRIL 2022****F. PROJECT AGREEMENT 26 – ROUNDTABLE FUND – FINANCIAL REPORT APRIL 2022****G. BUDGET VS ACTUAL VARIANCE REPORT – FYE 2022 THIRD QUARTER – MARCH 31, 2022 (CM#2022.45)****H. GENERAL MANAGER REPORT**

Jeff Mosher informed the Commission about SAWPA's new Drought Response Webpage that includes drought information and resources, and it includes direct links to member agencies' drought related webpages. There is a BIA Southern California Water Conference scheduled for August 12 at the DoubleTree Hotel in Ontario where he will be on panel moderated by Heather Dyer.

I. STATE LEGISLATIVE REPORT**J. CHAIR'S COMMENTS/REPORT****K. COMMISSIONERS' COMMENTS**

Commissioner Hayes suggested that with election time approaching that SAWPA look into a policy and/or procedure that would allow staff to properly inform the clerk when a new member is appointed. Jeff Mosher stated that the Clerk of the Board has established procedures to communicate with each of the Board Secretaries on getting information when it becomes available, and formal notification is given when the minutes are approved. A future Agenda item to further discuss in detail can be anticipated.

L. COMMISSIONERS' REQUEST FOR FUTURE AGENDA ITEMS

There were no Commissioners' request for future Agenda items.

Chair Marco Tule recessed the meeting at 10:41 a.m. for Closed Session.

9. CLOSED SESSION

A. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

Significant exposure to litigation pursuant to paragraph (2) or (3) of subdivision (d) of Section 54956.9: one case
PFAS Regional Analysis Phase I Consultant Contract and Funding

10. CLOSED SESSION REPORT

Chair Marco Tule resumed Open Session at 11:03 a.m. and Legal Counsel, Andy Turner announced that the SAWPA Commission received a report from SAWPA staff and counsel; the following action was taken during Closed Session on Agenda Item No. 9.A.

MOVED, to authorize staff to move forward with the consultant contract and funding for the PFAS Regional Analysis Phase I.

Result:	Adopted by Roll Call Vote
Motion/Second:	Gardner/Hayes
Ayes:	Gardner, Hayes, Slawson, Tule, Whitaker
Nays:	None
Abstentions:	None
Absent:	None

11. ADJOURNMENT


There being no further business for review, Chair Marco Tule adjourned the meeting at 11:04 a.m.

Approved at a Regular Meeting of the Santa Ana Watershed Project Authority Commission on Tuesday, July 19, 2022.

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 Marco Tule, Chair

Attest:
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 Sara Villa, Clerk of the Board