

**SAN GABRIEL BASIN WATER QUALITY AUTHORITY  
ADMINISTRATIVE/FINANCE COMMITTEE AND  
SPECIAL MEETING OF THE BOARD OF DIRECTORS  
AUGUST 11, 2020 AT 10:00 A.M.**

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*To the extent authorized by the Governor's Executive Order N-25-20 dated March 12, 2020 ("Executive Order") issued in response to the Covid-19 outbreak, the WQA Board Reserved the Right to Suspend Application of Certain Public Meeting Requirements Under the Brown Act during the term of the Executive Order, Including Restrictions and Noticing Requirements Relating to the Conduct of Teleconferenced Board Meetings.*

*Due to the essential nature of the WQA Board Meetings in conducting Authority business, the WQA Administrative/Finance Committee and Special meeting of the Board took place on Wednesday, August 11, 2020 at 10:00am online and teleconference.*

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**CALL TO ORDER**

Mr. Whitehead called the regular meeting of the San Gabriel Basin Water Quality Authority to order and reviewed the actions anticipated on the agenda for the meeting.

**COMMITTEE MEMBERS  
PRESENT**

Mike Whitehead, Bob Kuhn, and Mark Paulson,

**WATERMASTER LIASON**

Dave Michalko

**COMMITTEE MEMBERS  
ABSENT**

None.

**OTHER BOARD MEMBERS  
PRESENT**

Lynda Noriega, Ed Chavez

**STAFF MEMBERS PRESENT**

Randy Schoellerman, Executive Director; Stephanie Moreno, Executive Assistant/Public Outreach Coordinator; Mary Saenz, Director of Finance; Michelle Sanchez, Accounting Assistant; Dan Colby, Project Resource Manager

**MEMBERS OF THE PUBLIC  
PRESENT**

Lenet Pacheco, Valley County Water District; John Mendoza, Three Valleys Municipal Water District; Ken Manning, WQA Consultant

**PUBLIC COMMENT**

None.

***Discussion Regarding Disposal of  
Surplus Personal Property***

Ms. Saenz reported that staff wishes to dispose of surplus equipment as listed on the attached schedule that is either broken, worn out or has been replaced with updated technology, and is of no further use. She indicated that these items have been fully depreciated and have a net book value of \$0. She noted that under Guideline #1 of Administrative Procedure 35, the value of the property shall be determined by the Executive Director after contacting appraisers or dealers, vendors, or other businesses which buy used equipment or take such items as trade-in. After review of the list of surplus items and further examination of the actual equipment, it was determined that the iPads currently have a trade-in value of \$40 each. All other items proposed for disposal do not have any

resale value. Guideline #3 states that if the property has no reasonable resale value, the Executive Director may determine to donate the property to another governmental agency or a charitable institution.

After brief discussion, the committee recommended that this item go to the full Board for approval.

***Discussion Regarding Re-Affirming WQA Investment Policy***

Ms. Saenz reminded the Committee that the WQA Investment Policy was discussed briefly at the March 18, 2020 Board meeting. The discussion arose during the presentation of the audited financial statements for the fiscal year 18/19 and was not a separate discussion item for that meeting. At that time, the Board agreed that the policy was acceptable as is and did not need to be modified. She indicated that at the June 17, 2020 Board meeting, WQA staff submitted the Investment Policy for affirmation. During that meeting, the Board requested staff submit the policy at the next Administrative/Finance committee meeting for further review and discussion. She reported that the investment guidelines require that WQA invest its public funds in a manner which will provide the highest investment return while meeting the daily cash flow demands, maintaining an appropriate risk level and conforming to all state and local statutes. Procedure No. 26 itemizes the acceptable investment instruments for the WQA and includes a specific requirement that investments be limited to a 12-month term. She noted that staff is requesting that the Committee recommend that Administrative Procedure No. 26, Investment Policy and Guidelines be affirmed by the Board as of August 19, 2020 as part of the procedures for the fiscal year 20/21.

After some discussion, the committee recommending that re-affirming of the WQA investment policy go to the full Board for approval.

***Discussion Regarding SAS 114-Planning Letter for the Audit of Fiscal Year Ended June 30, 2020***

Ms. Saenz reported that the SAS 114-Planning Letter was enclosed with the agenda for your review. She noted that it is for the audit of fiscal year ended June 30, 2020. She indicated that SAS 114 is an auditing standard that requires certain information be communicated between auditors and those charged with oversight of the organization being audited. She reported that WQA's auditors, Vasquez & Company LLP are communicating the information via this Planning Letter which they have addressed to the Board of Directors. She lastly reported that Mr. Roger Martinez, CPA, the audit partner, has requested that he be contacted directly if you have questions or need additional information. He is asking that he be contacted if any Board member has knowledge of any fraud, internal control weaknesses, improper accounting practices, or any other matters that may be relevant. She noted that this was for information only and no action was needed.

***Discussion Regarding Assistant Executive Director/Senior Project Manager Job Description Modification***

Mr. Schoellerman reported he modified the job description for the Assistant Executive Director/Senior Engineer. He noted he was modifying the position by expanding the minimum qualifications and changing the title to Assistant Executive Director/Senior Project Manager. He indicated that modification to the qualifications include allowing for bachelor's degrees in hydrogeology, chemistry, or other related environmental fields in addition to engineering. Additionally, the requirement to be registered as a professional engineer is now preferred, but not required. He noted that these changes and the new title reflect the current needs of the WQA and allow for additional flexibility when considering candidates for the position.

Mr. Whitehead asked about the reason for not requiring a registered engineer or an engineering degree.

Mr. Schoellerman commented that other environmental-related degrees are applicable for the work that the WQA requires.

Mr. Kuhn commented that in the past the WQA had two Assistant Executive Directors, one for Engineering and one for Administration. He questioned if the WQA should consider that approach again. He commented that he would like to see someone work locally with the cities and public affairs, which the presented job description does not address.

Mr. Paulson noted that Mr. Schoellerman had only been in the position a short time and if he felt that it was necessary to restructure the small staff in the future then he should look at that.

Mr. Schoellerman indicated that after modifying this position now in the short-term, in the long term there will be an opportunity for an overall review of WQA's staffing structure to address the committee's comments.

After some discussion, the committee recommended that Assistant Executive Director/Senior Project Manager job description go to the full Board for approval.

**EXECUTIVE DIRECTOR'S REPORT**

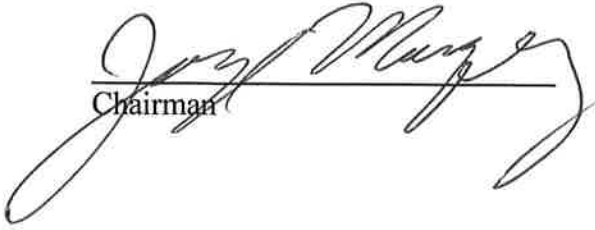
Mr. Schoellerman reported that he attended the ACWA virtual conference and was very impressed with the format of the conference. He noted that the WQA staff was still working remotely and within the office. He reported that staff has received a few letters and phone calls from residents from the City of Monterey Park protesting the annual assessment. He indicated that staff has communicated with the residents to help them better understand the assessment process.

Mr. Whitehead commented on his concerns with the WQA's financial sustainability going forward. He suggested that staff consider setting up a meeting to examine the options and what

the WQA can do to keep the momentum going with the current activities.

**ADJOURNMENT**

Mr. Whitehead asked if there were any other items of business to come before the Board. There being none, the Board meeting was adjourned.

  
Chairman

  
Secretary