

**SAN GABRIEL BASIN WATER QUALITY AUTHORITY  
ADMINISTRATIVE/FINANCE COMMITTEE AND  
SPECIAL MEETING OF THE BOARD OF DIRECTORS  
OCTOBER 13, 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 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 and Mark Paulson,

**WATERMASTER LIASON**

Dave Michalko

**COMMITTEE MEMBERS  
ABSENT**

Bob Kuhn

**OTHER BOARD MEMBERS  
PRESENT**

Lynda Noriega

**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, Assistant Executive Director/Senior Project Manager

**MEMBERS OF THE PUBLIC  
PRESENT**

Brian Bowcock, Three Valleys Municipal Water District; Ken Manning, WQA Consultant

**PUBLIC COMMENT**

None.

***Discussion Regarding Report on  
Cash and Investments for 3<sup>rd</sup>  
Quarter 2020***

Ms. Saenz reported that the cash report was included in the agenda packet for review. She indicated that the average monthly effective yields for the Pooled Money Investment Account (PMIA) for July, August and September 2020 are 0.920%, 0.784% and 0.685%, respectively. She noted that the Local Agency Investment Fund (LAIF) quarterly rate for July through September 2020 has not yet been issued.

***Discussion Regarding Continued  
Participation in the Coalition for  
Environmental Restoration and  
Development***

Mr. Schoellerman reported that for the last several years, the WQA participated with the Coalition for Environmental Protection, Restoration and Development (CEPRD) in the development of a 97-005 user guide to benefit all communities statewide. He indicated the group is now focusing its attention

to Contaminants of Emerging Concern such as PFAS and PFOA and will continue to work with DDW and other stakeholders to provide a dialog about the development of PFAS regulations. The noted the CEPRD has a strong track record of collaboration with stakeholders such as OCWD, MWD, LADWP, DDW, Honeywell, Lockheed Martin, and others. He lastly noted that the cost for continued participation is \$25,000 and staff was recommending continuing that participation and support of the group.

Mr. Whitehead commented that he believed that the more the WQA can do to assist in water quality issues the better.

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

***Review/Discussion of FY Budget  
for Fiscal year 2020/2021***

Ms. Saenz reminded the committee that some questions, regarding the budget were raised at the June 17, 2020 Board meeting. She presented to the committee schedules of projected assessment needs for the next five years. She reported that now that the FY 19/20 has ended, staff has been able to calculate a more accurate use of assessments for the fiscal year ended 6-30-2020, which resulted in an increase of assessment reserves of \$469K (instead of the \$73.5K projected) for the fiscal year ended 6-30-2020. This resulted in current reserves of \$2.1M. She indicated that the increase is due primarily to the award of a Prop 68 funding grant for the Whitmore Street Groundwater Treatment Facility operations and timing of consultant costs.

Ms. Saenz presented charts showing that with the current assessment of \$12/AF WQA reserves would decline from \$2.1M to \$375K over the next 5 years. This is primarily due to the need for WQA to provide the required matching funds for Proposition 1 grants it is receiving or anticipates receiving for various projects. Additional charts were presented with various options for stabilizing the decline with assessment increases at various intervals over the 5-year period. These projections did not include any federal funding WQA might receive to offset the match requirements and other WQA costs.

Mr. Whitehead asked when projecting the assessment, is there a cap?

Ms. Saenz responded that WQA's current cap is \$14.60/AF and is adjusted by the CPI each year.

Mr. Paulson expressed concerns with the projections and the need to possibly raise the assessment again so soon. He recommended that WQA buckle down and cut costs wherever possible.

Mr. Whitehead commented that staff consider developing other

funding options beyond the assessment to be able to maintain operations.

Ms. Noriega commented that WQA should look at the long end game and sustainability and seek out other funding sources.

Mr. Schoellerman commented that staff is not making any recommendations at this time and was presenting this information to start a discussion. He noted that staff had been looking at extending a WQA policy to recover funding acquisition costs from grant recipients in the operable units to all grant recipients. He noted that staff has reviewed the cost allocations and continues to look for other funding options as well. He thanked everyone for their comments and indicated that they are helpful during this process.

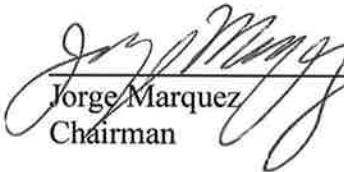
After detailed discussion, the committee requested that staff bring this item back for further review at a later date.

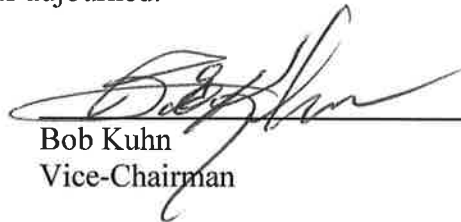
### **EXECUTIVE DIRECTOR'S REPORT**

Mr. Schoellerman gave a brief update on the Prop 68 Grant negotiation process and congratulated the San Gabriel Valley Water Company on receiving a Prop 68 award as well. He lastly reported that staff is finalizing the annual report and that it will be completed soon.

### **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.

  
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Jorge Marquez  
Chairman

  
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Bob Kuhn  
Vice-Chairman