

**SAN GABRIEL BASIN WATER QUALITY AUTHORITY
ADMINISTRATIVE/FINANCE COMMITTEE AND
SPECIAL MEETING OF THE BOARD OF DIRECTORS
MARCH 8, 2022 AT 10:00 A.M.**

With passage and signing of AB 361 and in light of the ongoing Statewide State of Emergency originally declared by Governor Newsom on March 4, 2020, WQA Board Meetings will continue to be conducted via remote teleconferencing, subject to the requirements of Government Code Section 54953(e).

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.

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, Lynda Noriega and Mark Paulson

WATERMASTER LIASON

Dave Michalko

**COMMITTEE MEMBERS
ABSENT**

None.

**OTHER BOARD MEMBERS
PRESENT**

Bob Kuhn

STAFF MEMBERS PRESENT

Randy Schoellerman, Executive Director; Dan Colby, Assistant Executive Director/Senior Project Manager; Mary Saenz, Director of Finance; Michelle Sanchez, Admin/Accounting Assistant

**MEMBERS OF THE PUBLIC
PRESENT**

Brian Bowcock, Three Valleys MWD; Joe Martinez, Valley County Water District; Ralph Galvan, Valley County Water District; Lenet Pacheco, Valley County Water District

PUBLIC COMMENT

None.

***Discussion Regarding Board of
Directors Cost of Living
Adjustment ("COLA") for Fiscal
Year 2022-2023***

Ms. Saenz reported each year at this time the Board considers a cost-of-living (CPI) adjustment for the daily stipend per WQA procedures. She reviewed with the Committee the relevant cost of living indicators and applicable CA Water Code requirements. She indicated that the CPI increases in Board Member stipends need to comply with the requirements of WQA Procedure No. 23 and the CA Water Code. She reviewed the CPI-U Table 4 that indicated that the CPI for January 2022 is 7.5%. Per Water Code Section 2022, the annual increase to Board compensation may not exceed 5% in a given year, therefore the CPI increase is limited to 5.0%.

She noted that if the Board elects to increase the daily stipend compensation by 5.00%, the rate will increase from \$149.43 to

\$156.90.

She also reported that the Board has the option to increase compensation based on cumulative increases in the CPI from 2015 to 2022, which could be an increase of up to 20.80%, and could increase the daily stipend from \$149.43 to \$180.51.

Mr. Whitehead commented that he did not think it would be appropriate for the committee to make a recommendation to the Board and a discussion with the full Board should be had. He also commented that he did not think that now was a time for an increase.

Ms. Noriega agreed with Mr. Whitehead's comments and that the full Board should discuss this item. She also agreed that taking an increase would not be appropriate.

Mr. Paulson commented that he didn't think a \$10-\$15 would be scrutinized but did understand the concerns of fellow Committee members that were expressed.

Mr. Kuhn commented as a non-committee member that he would like to have the stipend rounded off to an even number to make for easier math, if changed.

After some discussion, the committee recommended that this item go to the full Board for discussion without a committee recommendation.

***Discussion Regarding Draft
Budget for Fiscal Year 2022-2023***

Ms. Saenz reported that the budget summary of the draft budget for FY 22/23 was being reviewed today. She indicated that the budgeted assessment is \$2,371,320, which is \$12/acre foot of prescriptive pumping rights. She reviewed various charts to show projections over the next few years.

Ms. Noriega asked what projects were referred to when estimating the increase in the use of assessments in the 23-24 fiscal year.

Ms. Saenz commented that the increase included the anticipated up to 50% match requirements for future Proposition 1 funding and the BPOU negotiations. She also noted that these costs were spread out over multiple years.

Mr. Whitehead asked if WQA would be sharing some of the legal costs with Watermaster for the BPOU negotiations.

Mr. Schoellerman reported that the staff did anticipate sharing the BPOU negotiation legal costs with Watermaster.

Mr. Schoellerman indicated that should the WQA receive the \$10M from the Restoration Fund the budget projections would be modified. He also noted that the Federal Funding Program

Administration procedures would be updated and that staff would prepared recommendations about administering any funds received.

Mr. Whitehead commented that we can't anticipate what will happen, but the projections are helpful.

EXECUTIVE DIRECTOR'S REPORT

Mr. Schoellerman reported that discussions regarding the assessment cap adjustment continue. He noted that he met with the Water Association and indicated that they support AB 2163 if amended. Their position allows for support for the sunset date extension but to further the discussion on the assessment cap adjustment. He reported that the Water Association facilitated a workshop about the WQA for its members. The workshop was scheduled for the following day and would include a discussion about the proposed assessment cap adjustment and additional background on the WQA and its assessment approval process for the newer members in the basin.

He reported that AB 2163 was scheduled to be heard in committee on March 22, 2022, with only the extension language.

He reported that a Policy 97-005 training course has been scheduled for April 7, 2022. He indicated that anyone may attend, and the course will be hosted by the WQA along with the Department of Drinking Water. He noted that continuing education and legal education credits would be available.

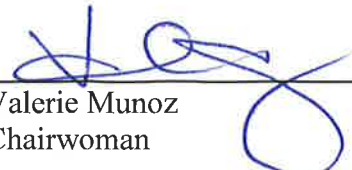
He reported that the WQA office lease was up in June. He indicated that staff is working with its broker to look available office space as well as renewing the current lease.

Mr. Michalko thanked staff for the presentation and asked that the use of assessment projection charts be available for the workshop with the Water Association tomorrow. He also asked if the use of assessment projections with the anticipated \$10M in Restoration Funds be available as well.

Mr. Schoellerman commented that staff would be able to have the projections, but they would not include the anticipated Restoration Funds.

ADJOURNMENT

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



Valerie Munoz
Chairwoman



Bob Kuhn
Secretary