

**A REGULAR MEETING
OF THE
SAN GABRIEL BASIN WATER QUALITY AUTHORITY
MAY 18, 2022 AT 12:00 P.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, this WQA Board meeting took place online and teleconference.

CALL TO ORDER

The Chairwoman 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.

ROLL CALL OF BOARD MEMBERS

Valerie Munoz, Mark Paulson, Bob Kuhn, Lynda Noriega, Michael Whitehead, Ed Chavez, and Robert Gonzales

BOARD MEMBERS ABSENT

None.

STAFF MEMBERS PRESENT

Randy Schoellerman, Executive Director; Stephanie Moreno, Executive Assistant/Outreach Coordinator; Dan Colby, Assistant Executive Director/Senior Project Manager; Mary Saenz, Director of Finance; Michelle Sanchez, Admin/Accounting Assistant; Richard Padilla, Legal Counsel

MEMBERS OF THE PUBLIC PRESENT

None.

MEMBERS OF THE PUBLIC THAT PARTICIPATED VIA ONLINE/TELECONFERENCE

Brian Bowcock, Three Valleys MWD; Gabriel Monares, The Monares Group; Jasmin Lopez, VCWD

PUBLIC COMMENT

None.

ITEMS TOO LATE TO BE AGENDIZED

None.

PUBLIC HEARING

“Budget Workshop for Fiscal Year 2022/2023”

Ms. Saenz reported that staff presented the FY 22/23 Draft Budget at two workshops in April. The first one occurred at the Administrative/Finance Committee meeting on April 12, 2022, and the second on at the WQA Board Meeting on April 20, 2022. She indicated that staff did not receive any comments or requests for changes to the budget resulting from the workshops. Additionally, staff discussed the FY 22/23 Draft Budget at the May 10, 2022, Administrative/Finance Committee meeting. This provided another opportunity for

stakeholders to review and to submit comments the proposed budget. She noted that no comments or requests for changes have been received following the May Administrative/Finance Committee meeting. Accordingly, there has not been any revisions made to the FY 22/23 Draft Budget as presented at the April budget workshops and the May Administrative/Finance Committee meeting. She noted as submitted previously during the workshops, WQA's assessment is budgeted at \$12 per acre foot, resulting in an assessment balance of \$2,371,320 on a total of 197,610-acre feet of prescriptive pumping rights in the Basin. She reported that the budget workshops also included a specific discussion of the WQA Reserve Fund Policy and the effect that the FY 22/23 Budget has on the annual assessment level necessary to fund WQA's operations. She indicated that the Reserve Fund Policy mandates that an annual review of reserves be presented to the Board as a component of the annual budget process. She noted that the review was performed and presented to the Board at the April 2022 workshops. She reported that based on staff analysis, funding levels are appropriate and aligned with WQA Board goals and objectives for FY 22/23.

The Chairwoman opened the public hearing to receive comments on the draft budget for fiscal year 2022/2023. There being no comments, she closed the public hearing.

CONSENT CALENDAR

Mr. Gonzales moved to approve the consent calendar. Mr. Kuhn seconded the motion, and it was approved by the following roll call vote.

AYES: MUNOZ, PAULSON, KUHN, NORIEGA, WHITEHEAD, CHAVEZ, GONZALES

NO: NONE

ABSENT: NONE

ABSTENTIONS:

Mr. Whitehead abstained from Project Demand No. E91517.
Ms. Noriega abstained from Project Demand No. E91516.

COMMITTEE REPORTS

Administrative/Finance Committee Report

Discussion/Action Regarding WQA Office Lease Agreement – Addendum #4

Mr. Schoellerman reported the minutes for the committee meeting were enclosed for review.

Mr. Schoellerman reported that the WQA office lease expires June 30, 2022, and staff considered moving to alternate locations in addition to renewing the current lease. After much consideration, staff is recommending remaining in the current location and extending the lease another 5 years. He reported that Staff presented draft Lease Addendum #4 to the Administrative / Finance Committee on May 10, 2022.

As discussed at the Committee, WQA currently leases 4,288 square feet of useable office space and restrooms at a cost of \$7,488.99 (\$6,845.79 base rent plus \$643.20 electrical) or \$1.75 per square foot. He noted that Addendum #4 is for a 62-month term, includes 2 months of free rent, and increases the base rent to \$9,004.80 plus \$643.20 electrical with 3% annual increases to the base rent each year through August 31, 2027. This increases the cost per square foot from \$2.25 in year 1 to \$2.58 in the final months of the lease. Although this is a significant increase, it appears to be lower than the market rates being offered for similar properties. He indicated that the landlord has agreed to tenant improvements and repairs as described in Section 3 of the Lease Addendum #4. He also reported that staff has been working with Century 21 Commercial Broker Brion Costa who negotiated WQA's prior lease Addendum #3. He has been engaged to provide assistance to staff in looking at other properties and negotiating the new lease. He indicated that staff is recommending paying Mr. Costa a 1% commission, consistent with his prior agreement with the WQA.

Mr. Kuhn asked if there was a reason why this item had to be voted on today and if it could be pushed back one month to have a schedule of the tenant improvements added to the agreement.

Ms. Noriega expressed the same concerns as Mr. Kuhn.

After some discussion, the Board decided to table this item and to consider it at the next Board meeting.

***Legislative/Public Information
Committee Report***

***Discussion/Action Regarding
Proposed Services by Civic
Publications, Inc.***

- *Public Outreach Proposal*
- *Annual Report Proposal*

Mr. Schoellerman reported the minutes for the committee meeting were enclosed for review.

Mr. Schoellerman reported Civic Publications, Inc. provides the public outreach advertorials that are published in special inserts within the Los Angeles Times and the San Gabriel Valley Newspaper Group on behalf of WQA. He also reported that Civic Publications has submitted a proposal to produce WQA's annual report.

Ms. Moreno reported that the amounts of the proposals did not increase and were the same as the previous year.

After brief discussion, Mr. Kuhn moved to approve the public outreach proposal and the annual report proposal submitted by Civic Publications. Ms. Munoz seconded the motion and it was approved by the following roll call vote:

AYES: MUNOZ, PAULSON, KUHN, NORIEGA,
WHITEHEAD, CHAVEZ, GONZALES

NO: NONE

ABSENT: NONE

ABSTENTIONS: NONE

**OTHER
ACTION/INFORMATION
ITEMS**

**a. Discussion/Action
Regarding Adoption of
Budget of Draft Budget for
FY 2022/2023**

Mr. Paulson moved to adopt the budget for fiscal year 2022/2023, and adopt Resolution No. 22-007, setting the hearing date, time and location of the proposed prescriptive pumping right assessment, and adopt Resolution No. 22-008, a resolution setting a schedule for collection.

**b. Discussion/Action
Regarding Assessment for
Fiscal Year 2022/2023**

AYES: MUNOZ, PAULSON, KUHN, NORIEGA,
WHITEHEAD, CHAVEZ, GONZALES

1. Resolution No. 22-007

NO: NONE

2. Resolution No. 22-008

ABSENT: NONE

ABSTENTIONS: NONE

PROJECT REPORTS

Mr. Colby reported that three sites are completed in the SEMOU site investigation. He reviewed some maps and photos to show progress of the work being done.

Mr. Whitehead asked if there was a wider angle view to show the entirety of the site investigations.

Mr. Colby commented that staff would look into providing a more project wide update at a future meeting once more data is available.

ATTORNEY'S REPORT

None.

LEGISLATIVE REPORT

Mr. Monares reported that AB 2163 is waiting to be assigned to a Senate committee and that he participated in the recent trip to DC to discuss funding with legislative members.

**EXECUTIVE DIRECTOR'S
REPORT**

Mr. Schoellerman reported that staff is working with the Bureau of Reclamation to obtain the \$10M appropriated to the San Gabriel Basin Restoration Fund for fiscal year 2022 and that staff would be coming to the Board with WQA's Federal Funding Program Administration guidelines for consideration with a solicitation round possibly opening this summer. He reported on meetings with legislators and committee staff that Ms. Noriega, Mr. Monares, Mr. Kierig and himself had in DC to discuss WQA's fiscal year 2023 federal funding requests. He also noted that staff is working on an amendment to the Restoration Fund language to extend the reimbursement

timeline to 15 or 20 years, and possibly increasing the authorization cap. He lastly reported that Assemblymember Rubio has committed to introducing a stand-alone bill for the language regarding WQA's assessment cap next year.

FUTURE AGENDA ITEMS

None.

FUTURE BOARD AND COMMITTEE MEETINGS

The next Administrative/Finance Committee meeting was scheduled for Tuesday, June 14, 2022, at 10am.

The next Legislative/Public Information Committee meeting was scheduled for Wednesday, June 15, 2022, at 11:00am.

The next WQA Board meeting is scheduled for Wednesday, June 22, 2022, at 12:00pm.

The Board cancelled all committee and Board meetings in the month of July.

BOARD MEMBERS' COMMENTS/REPORTS

Mr. Whitehead commended Ms. Saenz and staff on the budget and mitigating the assessment and the projected increase. He noted that it is appreciated by the producers.

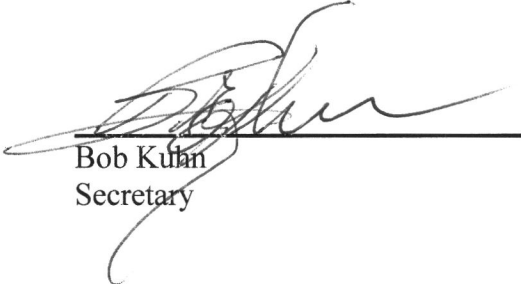
Mr. Paulson asked if Mr. Colby's former position would be filled.

Mr. Schoellerman commented that he hopes to bring this up for consideration soon.

ADJOURNMENT

The Chairwoman asked if there were any other items of business to come before the Board. There being none, the meeting was adjourned to May 18, 2022.



Valerie Munoz
Chairwoman

Bob Kulan
Secretary