



San Gabriel Basin Water Quality Authority

1720 W. Cameron Avenue, Suite 100, West Covina, CA 91790 • 626-338-5555 • Fax 626-338-5775

THIS MEETING WILL BE HELD IN PERSON

(A Zoom link is provided below for public attendees who would like to attend virtually)

**WQA ADMINISTRATIVE/FINANCE COMMITTEE
AND SPECIAL MEETING OF THE BOARD OF DIRECTORS
TO BE HELD ON TUESDAY, MARCH 14, 2023 AT 10:00 A.M.
AT
1720 W. CAMERON AVE., SUITE 100 IN WEST COVINA, CA**

Meeting Registration Link:

<https://us06web.zoom.us/meeting/register/tZEIcemopz8oHdLP1FvRxZXXRNfor7LFn-Mx>

A confirmation email will be sent to you with instructions on how to join the meeting virtually or a call-in option

**The Administrative/Finance Committee meeting is noticed as a joint committee meeting with the Board of Directors for the purpose of compliance with the Brown Act. Members of the Board that are not assigned to the Administrative/Finance Committee may attend and participate as members of the Board, whether or not a quorum of the Board is present. In order to preserve the function of the Committee as advisory to the Board, members of the Board who are not assigned to the Administrative/Finance Committee will not vote on matters before the Committee*

AGENDA

Committee Members: Mike Whitehead, Lynda Noriega and Mark Paulson

Liaison Member: Dave Michalko

- I. Call to Order
- II. Public Comment
- III. Discussion Regarding How WQA Committee Meetings are Classified [enc]
- IV. Discussion Regarding Board of Directors Cost of Living Adjustment (“COLA”) for Fiscal Year 2023-2024 [enc]
- V. Discussion Regarding Draft Budget for Fiscal Year 2023-2024 [enc]
- VI. Executive Director’s Report
- VII. Adjournment



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AGENDA SUBMITTAL

To: WQA Administrative/Finance Committee
From: Randy Schoellerman, Executive Director
Date: March 14, 2023
Subject: **WQA Committee Meetings**

Background and Discussion

In 2015, WQA re-classified Committee meetings to “Joint Special Meetings” to allow all WQA Board Members to attend committee meetings regardless of appointment. However, In order to preserve the function of the Committee as an advisory to the Board, members of the Board who are not assigned to the Committee may not vote on matters before the Committee.

On September 13, 2022, the Governor signed Assembly Bill 2449 into law. Effective January 1, 2023, AB 2449 effectively creates four periods with differing options for remote access to, and member attendance of, local agency public meetings under the Ralph M. Brown Act (Brown Act).

On December 21, 2022, the WQA Board approved Procedure No. 43 Teleconferencing Policy. This policy affirms WQA’s acknowledgment of the requirements and restrictions set forth under the Brown Act (Government Code Section 54950 et seq.) that permit members of legislative bodies to participate remotely (via teleconference) for meetings of such bodies.

In order to distinguish between Board Meetings and committee meetings as distinct legislative bodies a re-classification of committee meetings may be warranted.

Recommendation

Staff recommends that the committee consider no longer classifying the meetings as “Joint Special Meetings”.



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AGENDA SUBMITTAL

To: WQA Administrative / Finance Committee
From: Randy Schoellerman, Executive Director
Date: March 14, 2023
Subject: **Board of Directors Cost-of-Living Adjustment (“COLA”) for Fiscal Year 2023-2024**

Summary

Each year at this time the Board considers a cost-of-living (CPI) adjustment for the daily stipend per WQA procedures. Staff is recommending the Committee review the relevant cost of living indicators and applicable CA Water Code requirements when considering this option.

Discussion

CPI increases to Board Member stipends need to comply with the requirements of WQA Procedure No. 23 and the CA Water Code. The attached CPI-U Table 4 indicates that the CPI for January 2023 is 5.8%. Per Water Code Section 2022, the annual increase to Board compensation may not exceed 5%, therefore the CPI increase is limited to 5.0%.

If the Board elects to increase the compensation by 5.00%, the rate will increase by \$7.50 from \$150.00 to \$157.50.

Background

WQA Procedure No. 23 provides that each Board Member receive a daily stipend for services rendered for WQA. Under subsection H of the procedure, the Board may increase the Daily Stipend by an amount equal to the lesser of 5% or the percentage increase in the annual Consumer Price Index for All Urban Consumers (“CPI-U”), Los Angeles-Long Beach-Anaheim area.

CA Water Code Section 20202: Increases to the amount of compensation may not exceed 5 percent for each calendar year following the operative date of the last adjustment of the compensation. The last increase to the daily stipend was effective 7/1/2022.

CA Water Code Section 20203: Requires that any ordinance to establish or increase the compensation rate for Board Members must be approved at a public hearing with prior published notice pursuant to Government Code Section 6066.

CA Water Code Section 20204: An ordinance adopted pursuant to Section 20201 shall only become effective after the passage of 60 days from the date of its final passage.

For any proposed increase, the Board needs to approve an ordinance at a noticed public hearing pursuant to the CA Water Sections noted above.

Recommendation

Discuss options for cost-of-living increase to Board compensation.

Attachments

Excerpt from Consumer Price Index for January 2023 – Table 4

Excerpt from Administrative Procedures 23 –Part III, Section H “Increases to Daily Stipend”

EXCERPT FROM ADMINISTRATIVE PROCEDURE No. 23
BOARD MEMBER REIMBURSEMENT, COMPENSATION AND ETHICS TRAINING:
Last amended on June 2018

Excerpt from Part III, Section H

Increases to the Daily Stipend. Subject to the procedures and restrictions set forth under Water Code Sections 20200 through 20204* and Water Code Section 71255 as the same may be amended from time to time, the Board, no more than once each fiscal year, may take action to increase the Daily Stipend by an amount equal to the lesser of the following:

- (i) the annual percentage change in the January Consumer Price Index (CPI) for the Los-Angeles-Long Beach-Anaheim CA area, Consumer Price Index, All Items, 1982-84=100 for All Urban Consumers (CPI-U); or
- (ii) five percent (5%) for each calendar year following the operative date of the last adjustment.

Such increases shall not take effect until the later of the following: (i) July 1st of the fiscal year immediately following the fiscal year in which the increase is finally adopted by the Board; or (ii) 60 calendar days from the date the increase is finally adopted by the Board. The foregoing notwithstanding and pursuant to Water Code Appendix Section 134-512, in no event may the amount of the Daily Stipend exceed the amount set for members of the governing boards of municipal water districts as the amount may be calculated pursuant to Water Code Sections 20202 and 71255.

*Water Code Section 20203 provides that no ordinance to increase compensation shall be adopted except following a public hearing. Notice of the public hearing shall be published in a newspaper of general circulation pursuant to Government Code Section 6066. Government Code Section 6066 provides that publication pursuant to its provisions shall be once a week for two successive weeks. Government Code Section 6066 also states that two publications in a newspaper published once a week or more often, with at least 5 days intervening between the respective publication dates not counting such publication dates, are sufficient. The period of notice commences upon the first day of publication and terminates at the end of the 14th day, including therein the first day.

Table 4. Consumer Price Index for All Urban Consumers (CPI-U): Selected areas, all items index, January 2023
 [1982-84=100, unless otherwise noted]

Area	Pricing Schedule ¹	Percent change to Jan. 2023 from:			Percent change to Dec. 2022 from:		
		Jan. 2022	Nov. 2022	Dec. 2022	Dec. 2021	Oct. 2022	Nov. 2022
U.S. city average.....	M	6.4	0.5	0.8	6.5	-0.4	-0.3
Region and area size²							
Northeast.....	M	6.0	0.6	0.7	6.1	0.0	-0.1
Northeast - Size Class A.....	M	6.1	0.8	0.8	6.3	0.2	0.0
Northeast - Size Class B/C ³	M	5.9	0.4	0.5	5.9	-0.2	-0.2
New England ⁴	M	5.5	0.4	0.9	5.5	-0.1	-0.5
Middle Atlantic ⁴	M	6.3	0.7	0.6	6.3	0.1	0.1
Midwest.....	M	6.0	0.3	0.8	6.0	-0.6	-0.5
Midwest - Size Class A.....	M	5.9	0.2	0.7	5.8	-0.9	-0.4
Midwest - Size Class B/C ³	M	6.1	0.4	0.8	6.1	-0.5	-0.5
East North Central ⁴	M	6.2	0.3	0.9	6.2	-0.8	-0.6
West North Central ⁴	M	5.6	0.3	0.5	5.7	-0.2	-0.2
South.....	M	6.9	0.5	0.8	7.0	-0.2	-0.3
South - Size Class A.....	M	6.9	0.3	0.6	7.3	-0.2	-0.3
South - Size Class B/C ³	M	6.9	0.6	0.9	6.9	-0.2	-0.3
South Atlantic ⁴	M	6.9	0.3	0.6	7.3	0.0	-0.3
East South Central ⁴	M	6.6	0.8	0.8	6.5	-0.1	0.0
West South Central ⁴	M	7.0	0.7	1.1	6.7	-0.8	-0.4
West.....	M	6.3	0.5	0.9	6.2	-0.9	-0.4
West - Size Class A.....	M	6.6	0.9	1.2	6.2	-0.8	-0.3
West - Size Class B/C ³	M	6.0	0.0	0.6	6.3	-0.9	-0.5
Mountain ⁴	M	7.2	0.3	0.5	7.4	-0.6	-0.2
Pacific ⁴	M	6.0	0.6	1.1	5.8	-0.9	-0.5
Size classes							
Size Class A ⁵	M	6.4	0.6	0.9	6.4	-0.4	-0.2
Size Class B/C ³	M	6.4	0.4	0.8	6.5	-0.4	-0.4
Selected local areas							
Chicago-Naperville-Elgin, IL-IN-WI.....	M	5.4	0.0	0.9	5.5	-1.4	-0.8
Los Angeles-Long Beach-Anaheim, CA.....	M	5.8	1.3	1.9	4.9	-1.4	-0.6
New York-Newark-Jersey City, NY-NJ-PA.....	M	6.0	1.0	0.8	6.3	0.4	0.2
Atlanta-Sandy Springs-Roswell, GA.....	2				8.1	-0.5	
Baltimore-Columbia-Towson, MD ⁶	2				6.3	-0.1	
Detroit-Warren-Dearborn, MI.....	2				6.2	-1.0	
Houston-The Woodlands-Sugar Land, TX.....	2				5.3	-1.5	
Miami-Fort Lauderdale-West Palm Beach, FL.....	2				9.9	1.0	
Philadelphia-Camden-Wilmington, PA-NJ-DE-MD.....	2				6.4	-0.4	
Phoenix-Mesa-Scottsdale, AZ ⁷	2				9.5	-0.7	
San Francisco-Oakland-Hayward, CA.....	2				4.9	-0.3	
Seattle-Tacoma-Bellevue, WA.....	2				8.4	0.1	
St. Louis, MO-IL.....	2				6.2	0.1	
Urban Alaska.....	2				5.4	-1.7	
Boston-Cambridge-Newton, MA-NH.....	1	6.4	1.1				
Dallas-Fort Worth-Arlington, TX.....	1	7.5	0.8				
Denver-Aurora-Lakewood, CO.....	1	6.4	0.9				
Minneapolis-St. Paul-Bloomington, MN-WI.....	1	5.1	0.5				
Riverside-San Bernardino-Ontario, CA ⁴	1	7.3	1.3				
San Diego-Carlsbad, CA.....	1	6.4	1.8				
Tampa-St. Petersburg-Clearwater, FL ⁸	1	8.9	1.7				
Urban Hawaii.....	1	5.2	0.3				
Washington-Arlington-Alexandria, DC-VA-MD-WV ⁶	1	4.4	-0.3				

¹ Foods, fuels, and several other items are priced every month in all areas. Most other goods and services are priced as indicated: M - Every month. 1 - January, March, May, July, September, and November. 2 - February, April, June, August, October, and December.

² Regions defined as the four Census regions.

³ Indexes on a December 1996=100 base.

⁴ Indexes on a December 2017=100 base.

⁵ Indexes on a December 1986=100 base.

⁶ 1998 - 2017 indexes based on substantially smaller sample.

⁷ Indexes on a December 2001=100 base.

⁸ Indexes on a 1987=100 base.

NOTE: Local area indexes are byproducts of the national CPI program. Each local index has a smaller sample size than the national index and is, therefore, subject to substantially more sampling and other measurement error. As a result, local area indexes show greater volatility than the national index, although their long-term trends are similar. Therefore, the Bureau of Labor Statistics strongly urges users to consider adopting the national average CPI for use in their escalator clauses.



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AGENDA SUBMITTAL

To: WQA Administrative/ Finance Committee
From: Randy Schoellerman, Executive Director
Date: March 14, 2023
Subject: Discussion of Draft Budget for FY 23/24

Discussion

The budget for FY 23/24 involves the participation of several interested parties – the WQA Board of Directors, the Water Producers, the Responsible Parties (RPs), the Prescriptive Pumping Rights Holders and the public.

The budget summary of the draft budget for FY 23/24 is being submitted today to the Administrative/Finance Committee. The budgeted assessment is \$2,371,320, which is \$12/acre foot of prescriptive pumping rights. There will most likely be comments and recommendations for changes, which may be incorporated in subsequent budget drafts.

The WQA will hold its first Budget Workshop on April 11, 2023, at the Administrative/Finance Committee Meeting. At this time the full version of the draft budget for FY 23/24 along with a 5 year budget projection will be presented. A second Budget Workshop is scheduled for the regular WQA Board Meeting on April 19, 2023.

Any comments or changes received by the WQA after April 19 may result in a revised version of the draft budget. If there are additional changes, the budget will be presented and discussed at the May 16, 2023, Administrative/Finance Committee meeting. At this point, the draft budget should be in its final version, and it is anticipated that the Administrative/Finance Committee will recommend submittal to the full Board for approval at the May 24th Board Meeting.

Recommendations / Proposed Actions

- Staff requests that the Committee provide comments on the draft Budget Summary and approve the Budget and Assessment Schedule.

Attachments:

2023/2024 Budget and Assessment Schedule – Draft.

Budget Summary of FY 23/24 Draft Budget v1, dated 3/14/2023.

**SAN GABRIEL BASIN WATER QUALITY AUTHORITY
BUDGET SUMMARY
FOR FISCAL YEAR ENDING JUNE 30, 2024**

Draft v1 - March 14, 2023

LINE ITEMS	Other Projects	Baldwin Park Operable Unit	El Monte Area Operable Unit	So. El Monte Operable Unit	Puente Valley Operable Unit	Area Three Operable Unit	Prop 68	Administration	Total Project Budget
CAPITAL COSTS	<u>\$6,309,586</u>	<u>\$13,561,442</u>	<u>\$1,610,462</u>	<u>\$400,400</u>	<u>\$7,715,313</u>	<u>\$2,742,867</u>	<u>\$0</u>	<u>\$0</u>	<u>\$32,340,070</u>
WQA Salaries	0	0	0	0	16,000	5,000		0	21,000
WQA Benefits	0	0	0	0	5,333	1,667		0	7,000
WQA Overhead	0	0	0	0	8,000	2,500		0	10,500
Government Relations	59,100	223,300	57,700	118,900	27,000	45,900		0	531,900
Community Relations	20,100	31,500	14,300	31,500	14,300	8,400		0	120,100
Project Construction	0	0	0	0	0	0		0	0
Contractors/Grants	6,230,386	13,306,642	1,538,462	250,000	7,644,680	2,679,400		0	31,649,570
Site Acquisition	0	0	0	0	0	0		0	0
OPERATING EXPENSES	<u>\$6,166,834</u>	<u>\$19,714,021</u>	<u>\$4,061,235</u>	<u>\$6,765,506</u>	<u>\$273,500</u>	<u>\$4,196,233</u>	<u>\$383,333</u>	<u>\$1,289,134</u>	<u>\$42,849,796</u>
WQA Salaries	25,000	127,500	42,500	139,500	35,000	6,500	0	448,000	824,000
Prop 68-WQA Salaries	0	0	0	0	0	0	100,000	0	100,000
WQA Benefits	8,334	42,112	14,050	46,500	11,667	2,100	33,333	136,905	295,000
WQA Overhead	12,500	63,750	21,250	69,750	17,500	3,300	50,000	704,229	942,279
Prop 68 - WQA Benefits	0	0	0	0	0	0	0	0	0
Prop 68 - WQA Overhead	0	0	0	0	0	0	0	0	0
Legal/Consultants	0	100,000	0	3,000	0	0	0	0	103,000
Utilities	0	0	0	20,000	0	0	0	0	20,000
Other (See attached pages)	0	12,000	1,000	0	4,000	0	0	0	17,000
Prop 68-Consultants	0	0	0	0	0	0	200,000	0	200,000
Prop 68-Treatment & Remediation	6,121,000	379,000	3,551,400	4,536,756	0	4,184,333	0	0	18,772,489
Treatment & Remediation Costs	0	18,989,659	431,035	1,950,000	205,333	0	0	0	21,576,027
TOTAL CAPITAL & OPERATING	<u>\$12,476,419</u>	<u>\$33,275,463</u>	<u>\$5,671,697</u>	<u>\$7,165,906</u>	<u>\$7,988,813</u>	<u>\$6,939,100</u>	<u>\$383,333</u>	<u>\$1,289,134</u>	<u>\$75,189,865</u>
REVENUES	<u>\$12,476,419</u>	<u>\$33,275,463</u>	<u>\$5,671,697</u>	<u>\$7,165,906</u>	<u>\$7,988,813</u>	<u>\$6,939,100</u>	<u>\$383,333</u>	<u>\$1,289,133</u>	<u>\$75,189,865</u>
Rest. Fund/Title XVII/PRPs/Producers									
Restoration Funds (RF)	2,512,500	9,076,179	1,000,000	239,000	1,200,000	500,000	0	0	14,527,679
Potentially Responsible Parties	0	20,017,006	969,497	0	5,950,013	0	0	0	26,936,516
Water Producers (PROD)	1,352,886	3,561,911	0	1,700,000	700,000	2,179,400	0	0	9,494,196
State - SWRCB/Prop 84/Prop	2,365,000	0	0	200,000	0	0	0	0	2,565,000
SEMOU Cooperative Agreement	0	0	0	0	0	0	0	0	0
SEMOU Settlement Funding	0	0	0	0	0	0	0	0	0
Interest income	0	0	0	0	0	0	0	600,000	600,000
SWRCB DFA Proposition 68	6,121,000	379,000	3,551,400	4,468,423	0	4,184,333	300,000	0	19,004,156
WQA Assessment	125,034	241,367	150,800	558,483	138,800	75,367	83,333	689,133	2,062,317
ASSESSMENT RESERVE									
<i>Reserve balance from FY 2021-22</i>									2,542,628
<i>WQA 22-23 Assessments Collected @ \$12 acre foot</i>									2,371,320
<i>WQA 22-23 Projected Costs Funded By Assessments</i>									(1,748,880)
<i>Projected reserve balance for FY 2022-23</i>									3,165,068
<i>WQA Assessments Collected @ \$12 acre foot</i>									2,371,320
<i>WQA 23-24 Budgeted Costs Funded By Assessments</i>									(2,062,317)
<i>Projected Assessment Reserve for FY 23-24</i>									3,474,071
WQA ASSESSMENT SUMMARY - "See Annotation 33, page 52"									
WQA ASSESSMENT FOR FY 2022-23									<u>\$2,371,320</u>
WQA ASSESSMENT PER ACRE FOOT									<u>\$12</u>

San Gabriel Basin Water Quality Authority
2023/2024 BUDGET AND ASSESSMENT SCHEDULE
DRAFT

TASK	DATE
Preliminary Draft Budget and Projections at the Administrative / Finance Committee Meeting	03/14/2023
Budget Workshop - Administrative / Finance Committee Meeting	04/11/2023
Public Hearing and Budget Workshop Presentation at the Regular Board Meeting	04/19/2023
Administrative/Finance Committee Meeting - review of revised draft budget (if necessary)	05/16/2023
WQA Board Meeting Budget Hearing Adoption of Budget, Set Date of Assessment Public Hearing Adoption of Budget Set Date of Assessment Public Hearing Resolution Setting Schedule of Assessment Collection	05/24/2023
Mail Notices of Assessment Hearing and Anticipated Assessment Amount and Schedule of Collections to Producers, Cities, Watermaster, and Interested Parties (<i>minimum 90 days Prior to Assessment Hearing</i>)	05/25/2023
Place Newspaper Announcement (2 days) (minimum <i>45 days prior to hearing</i>)	06/12/2023 and 06/19/2023
Post Hearing Notice at Entrance of Public Hearing Location (minimum <i>45 days prior to hearing</i>)	06/26/2023
WQA Board Meeting - Assessment Public Hearing and ADOPTION of Assessment	08/16/2023
Mail Invoices for Assessments	08/17/2023
Collect Assessments (1st installment)	09/15/2023
Collect Assessments (2nd installment)	11/13/2023

NOTE: These dates are subject to change with notification