



San Gabriel Basin Water Quality Authority

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

**WQA ADMINISTRATIVE/FINANCE COMMITTEE
TO BE HELD ON TUESDAY, MAY 14, 2024 AT 10:00 A.M.
AT
1720 W. CAMERON AVE., SUITE 100 IN WEST COVINA, CA**

Zoom Registration Link:

<https://us06web.zoom.us/meeting/register/tZcrc--uqiMrE9TirnO7w1WeS8REOK2XCNwa>

AGENDA

Committee Members: Lynda Noriega, Mark Paulson and Robert DiPrimio

Liaison Member: Dave Michalko

- I. Call to Order
- II. Remote Participation Declaration - AB 2449
[Government Code Section 54953(f)]
 - a. Notification of Just Cause
 - b. Emergency Circumstances Requests
- III. Public Comment
- IV. Discussion Regarding Employee Reclassifications [enc]
- V. Updated Draft Budget for Fiscal Year 2024-2025 [enc]
- VI. Discussion Regarding Board of Directors Cost of Living Adjustment (“COLA”) for Fiscal Year 2024-2025 [enc]
- VII. Discussion Regarding 9320 Telstar Property Access Agreement [enc]
- VIII. Executive Director’s Report
- IX. Adjournment



San Gabriel Basin Water Quality Authority

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AGENDA SUBMITTAL

To: WQA Administrative/Finance Committee
From: Randy Schoellerman, Executive Director
Date: May 14, 2024
Subject: **Employee Reclassifications**

Summary

Conor Consulting was retained to conduct an organizational review of the agency. Several recommendations were made regarding staffing levels and job descriptions. A personnel ad hoc committee reviewed the recommendations and requested that staff bring the information and recommendations to the Administrative/Finance Committee for review and approval.

Background & Discussion

Conor Consulting's work included conducting interviews with all of the employees to assess their workloads and responsibilities. One of the areas that was identified for additional support was in the finance department. Staffed by the Director of Finance and the Administrative/Accounting Assistant, the department has experienced a significant increase in workload over the past several years due to the activities related to WQA's success in obtaining grant funding. While additional support has been provided by various consultants over the years it hasn't been effective because of the specialized nature of WQA's agency. Therefore, the addition of a full-time accountant position dedicated to assisting the Director of Finance is recommended. This would be accomplished by converting the existing Administrative/Accounting Assistant position to a full-time accountant position.

The Conor Consulting recommendation also includes adding a new Senior Administrative Assistant/Office Coordinator position to backfill the administrative assistant duties. This position would also be responsible for office coordination activities that include record keeping, Laserfiche database administration, and IT consultant/software support.

Finally, Conor Consulting is recommending reclassifying the current Executive Assistant/Public Outreach Coordinator position as the Director of Communications and Board Relations to better align with its current duties and responsibilities. In addition, this position would be supported in part by the Senior Administrative Assistant/Office Coordinator.

The personnel ad hoc committee met with Conor Consulting to review the staffing changes and directed staff to present the recommendations to the Administrative Finance Committee along with revised job descriptions, salary ranges and organization chart for review and approval.

Recommendation/Proposed Actions

Review and approve the organizational and staffing recommendations and refer to the full board for approval.

Attachments:

New Job Descriptions (available prior to meeting)

Revised Org Chart (available prior to meeting)



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To: WQA Administrative/Finance Committee
From: Randy Schoellerman, Executive Director
Date: May 14, 2024
Subject: Updated Budget for FY 24/25 – Version v2

Discussion

Budget Draft version v1 was presented at two budget workshops in April 2024.

Subsequent to the April 17, 2024 budget workshop, changes were made to the budget draft. This staff report and budget update discusses the changes and the effect of those changes on the assessment reserves and is being presented to you as Budget Draft v2.

WQA is in the midst of a staff reclassification which is proposed to be effective June 1, 2024. If the Board approves the reclassification, this increases the *operating expenses* for both the projected costs for FY 23-24 by \$18,675 and budget costs for FY 24-25 by \$151,350. These expenses are shown on pages 53 & 54 of the budget document.

The Summary page 1 of the budget has also been revised for these changes.

This budget presentation also includes a discussion of the WQA Reserve Fund Policy and the effect that the v2 version of the draft FY 24/25 Budget will have on the annual assessment level necessary to fund WQA's operations.

If the committee approves Budget draft version v2, it will be presented to the Board at the regular WQA Board Meeting on May 22, 2024. Staff anticipates that the budget would be adopted on May 22, 2024.

Recommendations / Proposed Actions

- Approve the Draft Budget v2, subject to any changes or comments received.

Attachments

*Excerpt FY 24/25 Draft Budget v2, dated 5/14/2024 (Page 1 and Pages 53 & 54).
Detail of Operating Expense Adjustment for Project and Budget costs
5 Year Projection Charts A, B, and C as revised for change in Budget Draft v2*

**SAN GABRIEL BASIN WATER QUALITY AUTHORITY
BUDGET SUMMARY
FOR FISCAL YEAR ENDING JUNE 30, 2025**

May 14, 2024: Budget Draft V2

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	Operating	Total Project Budget
CAPITAL COSTS	(6 Projects)	(12 Projects)	(5 Projects)	(12 Projects)	(5 Projects)	(3 Projects)			
	<u>\$7,169,457</u>	<u>\$5,547,269</u>	<u>\$6,072,000</u>	<u>\$4,131,353</u>	<u>\$6,842,973</u>	<u>\$54,500</u>	<u>\$0</u>	<u>\$0</u>	<u>\$29,817,552</u>
WQA Salaries	0	0	0	15,000	16,000	0			31,000
WQA Benefits	0	0	0	5,000	5,333	0		0	10,333
WQA Overhead	0	0	0	7,500	8,000	0		0	15,500
Government Relations	59,100	223,300	57,700	118,900	27,000	46,000		0	532,000
Community Relations	20,100	31,500	14,300	31,500	14,300	8,500		0	120,200
Project Construction	0	0	0	0	0	0		0	0
Contractors/Grants	7,090,257	5,292,469	6,000,000	3,953,453	6,772,340	0		0	29,108,519
Site Acquisition	0	0	0	0	0	0		0	0
OPERATING EXPENSES	<u>\$4,873,029</u>	<u>\$22,029,721</u>	<u>\$3,292,105</u>	<u>\$6,059,050</u>	<u>\$226,233</u>	<u>\$2,855,931</u>	<u>\$383,333</u>	<u>\$1,686,067</u>	<u>\$41,405,470</u>
WQA Salaries	21,000	127,500	42,500	124,500	25,000	6,500		722,000	1,069,000
Prop 68-WQA Salaries	0	0	0	0	0	0	100,000	0	100,000
WQA Benefits	7,000	42,112	14,050	41,500	8,333	2,100		33,333	309,667
WQA Overhead	10,500	63,750	21,250	62,250	12,500	3,300		50,000	1,026,379
Prop 68 - WQA Benefits	0	0	0	0	0	0		0	0
Prop 68 - WQA Overhead	0	0	0	0	0	0		0	0
Legal/Consultants	0	100,000	0	3,000	0	0		0	103,000
Utilities	0	0	0	20,000	0	0		0	20,000
Other (See attached pages)	0	12,000	1,000	0	4,000	0		0	17,000
Prop 68-Consultants	0	0	0	0	0	0	200,000	0	200,000
Prop 68-Treatment & Remediation	4,834,529	325,280	2,782,270	3,132,800	0	2,844,031		0	13,918,910
Treatment & Remediation Costs	0	21,359,079	431,035	2,675,000	176,400	0		0	24,641,514
TOTAL CAPITAL & OPERATING	<u>\$12,042,486</u>	<u>\$27,576,990</u>	<u>\$9,364,105</u>	<u>\$10,190,403</u>	<u>\$7,069,207</u>	<u>\$2,910,431</u>	<u>\$383,333</u>	<u>\$1,686,067</u>	<u>\$71,223,022</u>
REVENUES	<u>\$12,042,486</u>	<u>\$27,576,990</u>	<u>\$9,364,105</u>	<u>\$10,190,403</u>	<u>\$7,069,207</u>	<u>\$2,910,431</u>	<u>\$383,333</u>	<u>\$1,686,067</u>	<u>\$71,223,022</u>
Rest. Fund/Title XVI/PRPs/Producers									
Restoration Funds (RF)	2,512,500	3,041,231	0	0	1,200,000	0		0	6,753,731
Potentially Responsible Parties	0	21,778,415	6,431,035	0	5,048,740	0		0	33,258,190
Water Producers (PROD)	2,212,757	2,284,497	0	0	700,000	0		0	5,197,253
State - SWRCB/Prop 84/Prop	2,365,000	0	0	3,968,453	0	0		0	6,333,453
SEMOU EPA / DTSC	0	0	0	2,600,000	0	0		0	2,600,000
Prop 68 Fees	0	0	0	0	0	0		0	0
Interest income	0	0	0	0	0	0		882,719	882,719
SWRCB DFA Proposition 68	4,834,529	325,280	2,782,270	3,154,800	0	2,844,031	383,333	0	14,324,243
WQA Assessment	117,700	147,567	150,800	467,150	120,467	66,400		803,348	1,873,432
ASSESSMENT RESERVE									
<i>Reserve balance from FY 2022-23</i>									2,890,300
<i>WQA 23-24 Assessments Collected @ \$12 acre foot</i>									2,371,320
<i>WQA 23-24 Projected Costs Funded By Assessments</i>									(1,949,195)
<i>Projected reserve balance for FY 2023-24</i>									3,312,425
<i>Proposed WQA 24-25 Assessments Collected @ \$12 acre foot</i>									2,371,320
<i>WQA 24-25 Budgeted Costs Funded By Assessments</i>									(1,873,432)
<i>Projected Assessment Reserve for FY 24-25</i>									3,810,313
WQA ASSESSMENT SUMMARY - "See Annotation 33, page 52"									
WQA ASSESSMENT FOR FY 2024-25									<u>\$2,371,320</u>
WQA ASSESSMENT PER ACRE FOOT									<u>\$12</u>

SAN GABRIEL BASIN WATER QUALITY AUTHORITY
OPERATING EXPENSE BUDGET
FISCAL YEAR ENDING JUNE 30, 2025

ACCOUNT NAME	F Yr 22-23 Actual	FY 2023-24 Budget	FY 23-24 Projected	FY 2024-25 Budget
<u>OPERATING EXPENSES</u>				
Board Member Fees	45,435	66,800	60,000	66,800
<u>Insurance</u>	152,531	200,000	169,220	205,000
-General Liability/Property Insurance	31,036	40,000	42,220	45,000
-Group Insurance	115,761	150,000	120,000	150,000
-Workers Compensation	5,734	10,000	7,000	10,000
<u>Office Expenses</u>	54,938	74,000	64,750	89,500
- Supplies	13,737	14,000	14,000	18,000
- Printing/Mailings	0	1,500	500	1,500
- Dues & Subscriptions	29,672	35,000	35,000	35,000
- Postage	509	1,000	1,200	1,500
- Telephone	7,893	15,000	10,550	15,000
- Graphics/Photo	200	5,000	500	15,000
- Plant & Water Service	2,927	2,500	3,000	3,500
<u>Rents & Leases</u>	111,352	133,300	132,036	139,200
- Office Facilities "See Annotation 41a"	99,567	111,300	120,816	124,200
- Equipment: Postage Machine	722	2,500	2,500	2,500
- Security System	4,666	12,000	2,220	5,000
- Copy Machine	6,397	7,500	6,500	7,500
<u>Equipment O & M</u>	35,556	51,200	39,670	51,900
- Car Allowance	16,200	16,200	16,200	16,200
- Computer Systems "See Annotation 41b"	16,114	25,000	20,000	25,000
- Copier Machine	2,636	2,000	2,000	2,000
- Phone System	0	7,000	0	7,000
- Postage Machine	186	500	500	500
- Web Hosting	420	500	970	1,200
<u>Outside Consulting Services</u>	148,698	418,000	264,000	465,000
- Computer Consultant "See Annotation 41c"	19,083	40,000	30,000	40,000
- Engineering/Technical	0	50,000	0	50,000
- Working Group Activities "See Annotation 41d"	39,831	25,000	25,000	25,000
- Database & Mapping	0	90,000	90,000	90,000
- Legal (General Counsel)	25,080	60,000	25,000	60,000
- Legal (Special Counsel)	413	10,000	0	10,000
- Management Services	0	20,000	25,000	35,000
- Accounting/Audit/Finance	37,370	33,000	33,000	40,000
- Accounting	3,332	20,000	5,000	45,000
- Public Information/Relations "See Annotation 41e"	17,686	60,000	25,000	60,000
- General Outside Services "See Annotation 41f"	5,903	10,000	6,000	10,000
<u>Education & Training</u>	1,070	5,000	2,500	5,000
- Tuition Reimbursement	0	0	0	0
- Training	1,070	5,000	2,500	5,000
<u>Travel, Meetings & Conference Expenses</u>	29,311	60,000	60,000	70,000
"See Annotation 41g"				
- Board Member Travel, Meeting & Conferences	8,357	25,000	25,000	35,000
- Regular Employee Travel, Meeting & Conferences	20,954	35,000	35,000	35,000

SAN GABRIEL BASIN WATER QUALITY AUTHORITY
OPERATING EXPENSE BUDGET
FISCAL YEAR ENDING JUNE 30, 2025

ACCOUNT NAME	F Yr 22-23 Actual	FY 2023-24 Budget	FY 23-24 Projected	FY 2024-25 Budget
Administrative Salaries & Benefits "See Annotation 41h"	709,251	585,000	622,000	882,000
-Salaries - FT (6) Employees	889,487	940,000	930,000	1,200,000
-Payroll Taxes	17,468	22,000	22,000	25,000
-Retirement Plan	113,968	120,000	120,000	135,000
-Salaries Allocated to Projects "See Annotation 41i"	(311,672)	(497,000)	(450,000)	(478,000)
Fixed Assets	37,271	60,000	20,000	60,000
- Office Improvements / Furniture	0	25,000	10,000	25,000
- Computer Systems/Equipment	37,271	35,000	10,000	35,000
Contingency	0	50,000		50,000
TOTAL OPERATING EXPENSES	\$1,325,413	\$1,703,300	\$1,434,176	\$2,084,400
REVENUES	\$1,325,413	\$1,703,300	\$1,434,176	\$2,084,400
Interest income "See Annotation 42"	311,984	600,000	725,000	882,719
Other Income (Agenda/Copy Fees/Luncheons)	0	0	0	0
Benefits & Overhead Allocated to Projects	357,807	414,167	375,000	398,333
SEMOU Settlement Funding / FFPA Funds	0	0	0	0
WQA Assessment "See Annotation 43"	655,622	689,133	334,176	803,348

	FY 23-24 Projected			FY 24-25 Budget		
	v1	v2	Increase (Decrease)	v1	v2	Increase (Decrease)
Operating Expenses						
Workers Compensation	5,825	7,000	1,175			
Printing/Mailing	-	500	500			
Outside General Services	-	6,000	6,000			
Salaries & Benefits	622,000	628,000	6,000	730,650	882,000	151,350
Office Improvements	5,000	10,000	5,000			
Total Expense Increase between budget v1 and v2			<u>18,675</u>			<u>151,350</u>

	FY 23-24 Projected Reserve			FY 24-25 Budget Reserve		
	v1	v2	Increase (Decrease)	v1	v2	Increase (Decrease)
Assessment Reserve Balance	<u>3,324,100</u>	<u>3,312,425</u>	<u>(11,675)</u>	<u>3,973,338</u>	<u>3,810,313</u>	<u>(163,025)</u>

SUMMARY OF ASSESSMENT RESERVE AS ORIGINAL V1 DRAFT COMPARED TO V2 DRAFT WHICH INCLUDES RE-ORGANIZATION; \$12 ASSESSMENT

	<u>v1 presented at April workshops</u>			<u>v2 - includes reorganization</u>		<u>Increase of v2 over v1</u>	
	<u>Year</u>	<u>use of assessment</u>	<u>assess reserve</u>	<u>use of assessment</u>	<u>assess reserve</u>	<u>increase in use of assessment</u>	<u>reduction in assess reserve</u>
current	23-24	1,937,520	3,324,100	1,949,195	3,312,425	11,675	(11,675)
1	24-25	1,722,082	3,973,338	1,873,432	3,810,313	151,351	(163,026)
2	25-26	2,050,800	4,293,859	2,217,285	3,964,348	166,486	(329,511)
3	26-27	2,488,907	4,176,272	2,672,041	3,663,626	183,134	(512,645)
4	27-28	2,248,591	4,299,001	2,450,039	3,584,908	201,448	(714,093)
5	28-29	2,423,066	4,247,254	2,630,557	3,325,671	207,491	(921,584)

San Gabriel Basin WQA

A

RESERVE MINIMUM
Use of Assessments

Projected Assessment Activity for the next 5 years

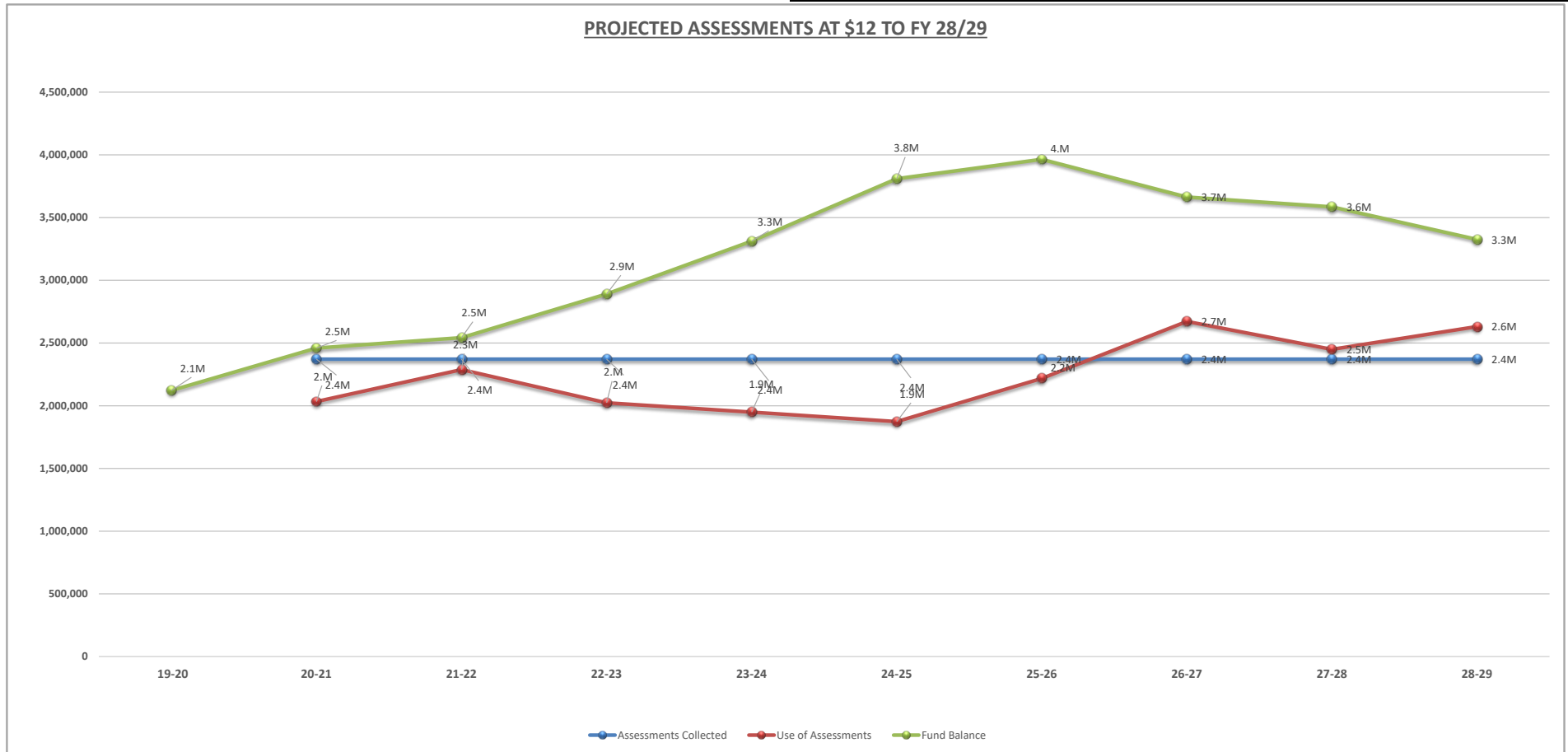
Assessments at \$12 for FY 24/25 to FY 28/29

Includes Whitmore T&R for 5 years; with 2 yrs paid by Prop 68 (\$155k ANNUAL) and future T&R costs (increase to \$310K ANNUAL T&R for FY 25/26).

Prop 68 Reimbursement \$611K for Prior Assessment Funded T&R (FY 22/23) and future T & R costs of \$305K . Expect reimb FY 25/26.

SEMOU Projected FFPA Awards for Whitmore & Prop 1 for FY 23/24 to FY 26/27.

	Fiscal Year	Assessments		Fund Balance	RESERVE MINIMUM Use of Assessments	
		Collected	Assessments		75%	50%
	19-20			2,121,807		
	\$12 20-21	2,371,320	2,033,286	2,459,841	1,524,965	1,016,643
	\$12 21-22	2,371,320	2,288,533	2,542,628	1,716,400	1,144,267
	\$12 22-23	2,371,320	2,023,648	2,890,300	1,517,736	1,011,824
	\$12 23-24	2,371,320	1,949,195	3,312,425	1,461,896	974,598
1	\$12 24-25	2,371,320	1,873,432	3,810,313	1,405,074	936,716
2	\$12 25-26	2,371,320	2,217,285	3,964,348	1,662,964	1,108,643
3	\$12 26-27	2,371,320	2,672,041	3,663,626	2,004,031	1,336,021
4	\$12 27-28	2,371,320	2,450,039	3,584,908	1,837,529	1,225,019
5	\$12 28-29	2,371,320	2,630,557	3,325,671	1,972,918	1,315,279



Projected Assessment Activity for the next 5 years

Assessments at \$12 for FY 24/25 and then increase by \$.50 per year through FY 28/29

Includes Whitmore T&R for 5 years; with 2 yrs paid by Prop 68 (\$155k ANNUAL)

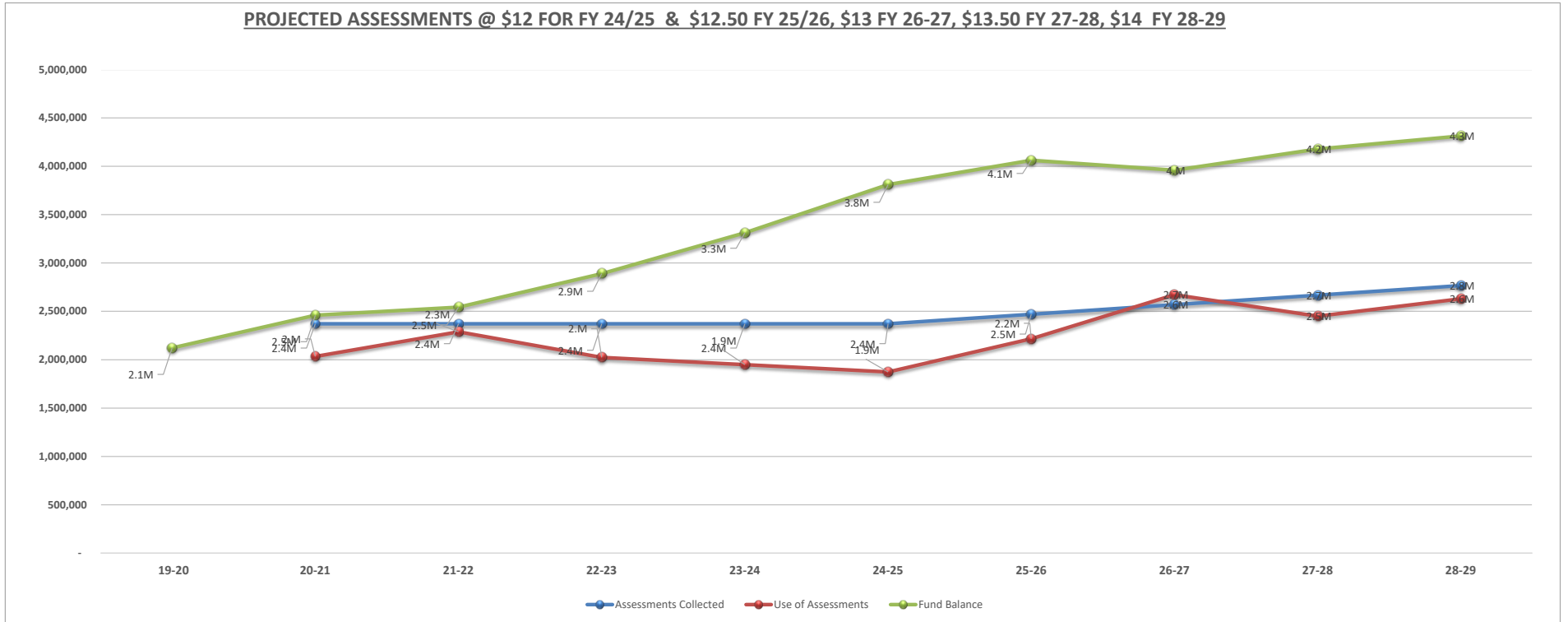
and future T&R costs (increase to \$310K ANNUAL T&R for FY 25/26).

Prop 68 Reimbursement \$611K for Prior Assessment Funded T&R (FY 22/23)

and future T & R costs of \$305K. Expect reimb FY 25/26.

SEMOU Projected FFPA Awards for Whitmore & Prop 1 for FY 23/24 to FY 26/27.

	Fiscal Year	Assessments		Use of Assessments	Fund Balance	RESERVE MINIMUM	
		Collected	Assessments			75%	50%
	19-20				2,121,807		
	\$12.00	20-21	2,371,320	2,033,286	2,459,841	1,524,965	1,016,643
	\$12.00	21-22	2,371,320	2,288,533	2,542,628	1,716,400	1,144,267
	\$12.00	22-23	2,371,320	2,023,648	2,890,300	1,517,736	1,011,824
	\$12.00	23-24	2,371,320	1,949,195	3,312,425	1,461,896	974,598
1	\$12.00	24-25	2,371,320	1,873,432	3,810,313	1,405,074	936,716
2	\$12.50	25-26	2,470,125	2,217,285	4,063,153	1,662,964	1,108,643
3	\$13.00	26-27	2,568,930	2,672,041	3,960,041	2,004,031	1,336,021
4	\$13.50	27-28	2,667,735	2,450,039	4,177,738	1,837,529	1,225,019
5	\$14.00	28-29	2,766,540	2,630,557	4,313,721	1,972,918	1,315,279



San Gabriel Basin WQA

C

RESERVE MINIMUM
Use of Assessments

Projected Assessment Activity for the next 5 years

Assessments at \$12 for FY 24/25 to FY 25/26; \$12.50 for FY 26/27, \$13 for FY 27/28, \$13.50 for FY 28/29

Includes Whitmore T&R for 5 years; with 2 yrs paid by Prop 68 (\$155k ANNUAL)

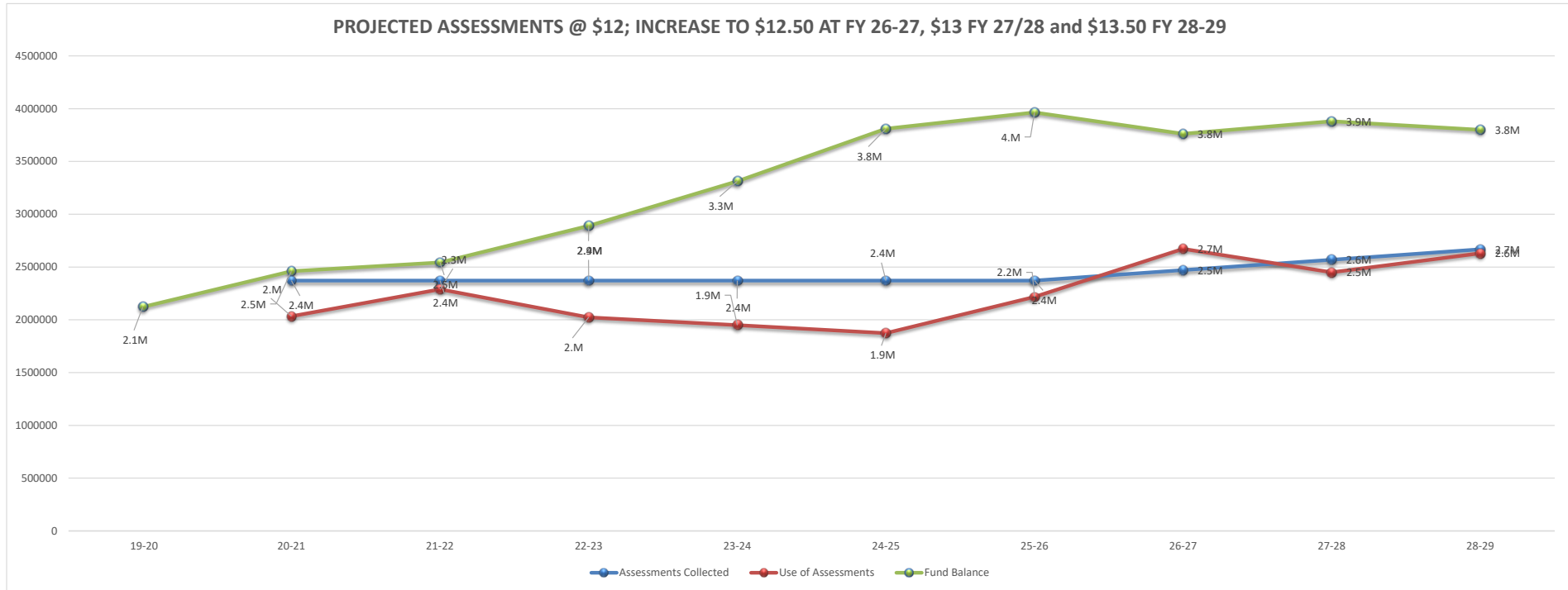
and future T&R costs (increase to \$310K ANNUAL T&R for FY 25/26).

Prop 68 Reimbursement \$611K for Prior Assessment Funded T&R (FY 22/23)

and future T & R costs of \$305K . Expect reimb FY 25/26.

SEMOU Projected FPPA Awards for Whitmore & Prop 1 for FY 23/24 to FY 26/27.

	Fiscal Year	Assessments Collected	Use of Assessments	Fund Balance	RESERVE MINIMUM Use of Assessments	
					75%	50%
	19-20			2,121,807		
	\$12 20-21	2,371,320	2,033,286	2,459,841	1,524,965	1,016,643
	\$12 21-22	2,371,320	2,288,533	2,542,628	1,716,400	1,144,267
	\$12 22-23	2,371,320	2,023,648	2,890,300	1,517,736	1,011,824
	\$12 23-24	2,371,320	1,949,195	3,312,425	1,461,896	974,598
1	\$12 24-25	2,371,320	1,873,432	3,810,313	1,405,074	936,716
2	\$12 25-26	2,371,320	2,217,285	3,964,348	1,662,964	1,108,643
3	\$12.50 26-27	2,470,125	2,672,041	3,762,431	2,004,031	1,336,021
4	13.00 27-28	2,568,930	2,450,039	3,881,323	1,837,529	1,225,019
5	13.50 28-29	2,667,735	2,630,557	3,799,609	1,972,918	1,315,279





San Gabriel Basin Water Quality Authority

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AGENDA SUBMITTAL

To: WQA Administrative / Finance Committee
From: Randy Schoellerman, Executive Director
Date: May 14, 2024
Subject: Board of Directors Cost-of-Living Adjustment (“COLA”) for Fiscal Year 2024-2025

Summary

The FY 24-25 COLA increase was presented to the Administrative/Finance Committee meeting on April 9, 2024. During the discussion of this item, the Committee requested that staff work with the WQA attorney on revising Procedure 23 to remove the requirement to carry forward the deferred COLA. An amendment has been drafted for the Committee’s review and approval. In addition, the Committee should consider whether or not to recommend a board stipend COLA increase for FY 24/25.

Discussion

As per WQA procedure 23, “Board Member Reimbursement, Compensation and Ethics Training” the Board is eligible for a COLA increase each year based on the January CPI-U. If the Board decides not to take the COLA adjustment, the COLA is then deferred and accumulates until the fiscal year that the Board votes to take the COLA increase.

Richard Padilla, WQA’s attorney, explained that Procedure 23 can be revised to remove the requirement to carry forward the deferred COLA and suggested the following amendment.

Please see attached Draft of Procedure 23, Section III.H. Increases to the Daily Stipend. The following language has been inserted which removes the requirement to carry forward the COLA if it is declined in the current fiscal year.

“If during any given fiscal year the Board fails to approve an otherwise allowable increase to the Daily Stipend for that fiscal year, the dollar amount of an increase that would have been allowed may not be included as part of any future increase the Board may avail itself in any subsequent fiscal year.”

Also, if the deferred COLA is no longer carried forward, it is automatically capped at 5% per CA Water Code Section 20202.

The following is the information regarding the COLA that was presented at the April 9, 2024 Administrative/Finance Committee.

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 2024 is 2.5%.

If the Board elects to increase the compensation by 2.50%, the rate will increase by \$3.75 from \$150.00 to \$153.75. Additionally, the CPI for the prior year 2023 was 5%, and the Board declined that increase. The Board has the option to increase the board fees by 5% plus the current year’s increase of 2.5%, bringing the increase in board fees to \$161.25.

However, if Procedure 23 is revised to eliminate the requirement to carry forward the prior year’s deferred COLA, then the allowable COLA increase for FY 24-25 is capped at 2.5%.

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 Amendment to Procedure 23 and make a recommendation to the Board.*
- *Discuss options for cost-of-living increase to Board compensation.*

Attachments

Excerpt from Consumer Price Index for January 2023 – Table 4

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

ADMINISTRATIVE PROCEDURES - DRAFT

No. 23

Date: 06/93; Revised: 05/16; Amended: 06/18; Amended 4/23; Amended 5/24
Page 1 of 10

BOARD MEMBER REIMBURSEMENT, COMPENSATION AND ETHICS TRAINING:

Sections:

- I. Purpose of Policy**
- II. Additional Objectives of the Authority**
- III. Compensation-Daily Stipend**
- IV. Reimbursement**
- V. Reimbursement Procedure**
- VI. Additional Reimbursement Policies**
- VII. Additional Political Campaign Activity Procedures**
- VIII. Ethics Training**

I. Purpose of Policy

To establish practical, fiscally responsible and legally compliant rules and procedures for (i) compensating Board members for attendance at Board meetings, meetings of advisory bodies, conferences and educational activities and other specified occurrences; and (ii) the reimbursement of Board members for actual and necessary expenses incurred in the performance of official duties, including reimbursement for travel, lodging and food expenses associated with Board-related business activities.

II. Additional Objectives of Authority.

A purpose of the Authority is to seek State and Federal funding to assist it in cleaning up contaminated groundwater in the San Gabriel Basin. The Authority, like other public agencies in California, is authorized to conduct lobbying activities, including attempts to educate, influence and convince State and Federal public officials to support the Authority's objectives.

Board Members are encouraged to attend conferences, conventions, meetings, educational courses and seminars relating to the mission of the Authority.

III. Compensation – Daily Stipend

A. Attendance at Board Meetings. As last adjusted in July 2022 by the adoption of Board Ordinance No. 2022-1 adopted April 20, 2022, each member of the Board shall receive a per meeting stipend in the amount of One Hundred and Fifty Dollars (\$150.00) per day (hereinafter, the “Daily Stipend”)* for the Board members actual attendance at each regular meeting of the Board in accordance with, and subject to, the limitations and restrictions of, Section 134-512 of the Water Code Appendix and Section 20201 of the Water Code as the same may be modified from time to time by the California legislature. The Daily Stipend may only be given for those meetings and Activities identified under this Section III.

B. Non-Regular Meetings of the Board. Members of the Board may also receive the Daily Stipend for actual attendance at the following non-regular meetings of the Board, provided such non-regular meetings are not held on the same day as a regular meeting of the Board: special meetings, emergency meetings, adjourned regular meetings and adjourned special meetings. Should any meeting of the Board last past 12:00 a.m., a Board Member shall receive the Daily Stipend only for the day the meeting started.

C. Advisory Committee Meetings. As authorized pursuant to Water Code Section 20201 and Government Code Section 53232.1(a)(2), Board Members who are also sitting members of any standing or ad hoc advisory committee of the Board may receive the Daily Stipend for their attendance and participation in any meeting of a standing or ad hoc advisory committee. A Board Member who is a member of a standing committee subject to the Brown Act may participate in meetings of the committee and be counted as present when he or she participates in person or remotely in compliance with Government Code Section 54953. A Board Member may also attend meetings of a standing committee of which he or she is not a member but may not be counted toward the quorum of such a committee and should refrain from offering comment during such meetings. A Board Member who attends a meeting of a standing committee of which he or she is not a member may also receive the Daily Stipend for such attendance whether the Board Member attends in person or remotely by means of an Authority determined telephonic or online audio/visual connection. A Board Member who participates remotely for a meeting of a standing committee of which he or she is not a member does not need to comply with Government Code Section 54953 to attend remotely.

D. Other Board Authorized Activities for which the Daily Stipend May be Received.

1. Each Board member may receive the Daily Stipend for their attendance at, and participation in, an Activity, as the term “Activity” is defined below, provided such attendance and participation by an individual Board Member is undertaken either at the request of the Board by motion or resolution or has been pre-authorized by the Board under this policy.

2. If an Activity involves a Board Member’s representation of the Authority on the governing body of another public agency that separately provides compensation for attendance at its meetings the Board Member shall not be entitled to receive the Daily Stipend from the Authority for attending such meetings of the governing body of a public agency in which the Authority Board Member is serving as a representative of the Authority. If a Board Member is unable to attend a

meeting of another public body for which he/she has been appointed to represent the Authority, he/she is to notify staff in a timely manner so that the designated alternate Board Member may be timely contacted and instructed to attend in the primary representative's absence. If the alternate Board Member attends the meeting in place of the primary representative of the Authority, it is the alternate Board Member who will receive the Daily Stipend for actual attendance, not the primary representative. Also, if both the primary Board Member and the alternative Board Member attend a meeting of an outside public body of which both Board Members serve as primary and alternative representatives, respectively, only the primary Board Member may receive the Daily Stipend for attendance at the meeting, not the alternate representative.

3. Should an Activity last past 12:00 a.m., the Board Member shall receive the Daily Stipend only for the day the Activity starts.

E. "Activity" Defined. For purposes of this Section III, the term "Activity" means:

(i) attendance by a Board Member at any official meeting of another public body where the Board Member serves as the Authority's official representative on the other public body; or

(ii) a conference or organized educational activity conducted in compliance with subdivision (c) of Section 54952.2 of the Government Code; or

(iii) any other event, function, meeting (e.g., meetings of Board-created *ad hoc* committees), activity or occurrence which directly promotes the mission and interests of the Authority; or

(iv) time spent traveling to and from an Activity that is more than fifty (50) miles from the territory of the Authority on the day immediately preceding the scheduled start date of the Activity and the day immediately following the end date of the Activity.

For purposes of this subsection, the conferences, events, functions, meetings, activities and occurrences specifically listed in Exhibit A to this Administrative Procedures No. 23 are deemed to satisfy the criteria set forth under this subsection above and prior approval of the Board for attendance at such Activities shall not be required.

F. Non-Eligible Activities. Activities for which the Daily Stipend may not be granted include:

(i) Purely ceremonial events, parades, festivals, holiday events, retirement dinners and other social events;

(ii) Meetings of a partisan political organization or other like function; and

(iii) Fundraising and other campaign type events of any type, including, but not limited to local, state or federal campaign events for elected officials or ballot initiatives; and

(iv) Junkets or other pleasure or leisure-type travel.

G. Limit on Receipt of Daily Stipend.

1. Consistent with Section 134-512 of the Water Code Appendix and Section 20202 of the Water Code, in no event may a Board Member receive the Daily Stipend for actual attendance at any number of Board meetings, standing advisory committee meetings, ad hoc advisory committee meetings or Activities referenced under subsections A through E, above, that exceed six (6) in a given calendar month.

2. If a Board Member attends two or more Authority Board meetings, standing advisory committee meetings, ad hoc advisory committee meetings, Activities or combination thereof on the same day, he or she may not receive the Daily Stipend for attending each such event but instead shall receive the Daily Stipend for that day as if he or she only attended one such event.

3. If a Board Member who sits on the Board as the representative of another public agency receives a stipend or other similar compensation from the public agency he/she represents for attendance at any sort of Board meeting, committee meeting or Activity, then such Board Member shall not receive the Daily Stipend from the Authority for attending any such Board meeting, committee meeting or Activity, however if the amount of the daily stipend or daily compensation received by the Board Member from the other public agency is less than the amount of the Daily Stipend, the Board Member may receive the difference between the Authority's Daily Stipend and the other public agencies daily stipend or daily compensation amount. Receipt of this partial amount of the Daily Stipend will, however, count toward the monthly cap referenced under subsection (G)(1) of this subsection, above. A request to receive partial payment of the Daily Stipend pursuant to the preceding sentence shall be included with the Board Member's submission of his/her Authority Expense Sheet.

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. If during any given fiscal year the Board fails to approve an otherwise allowable increase to the Daily Stipend for that fiscal

year, the dollar amount of an increase that would have been allowed may not be included as part of any future increase the Board may avail itself in any subsequent fiscal year.

*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.

IV. Reimbursement

A. The reimbursement procedures set forth under this Section IV only apply to a Board Member's attendance and participation at an event, function or other occurrence that is defined as an Activity, above, or which is otherwise expressly provided for under this Section. Reimbursement as contemplated under this Section IV, shall not be afforded incident to a Board Member's attendance at, or participation in, any meeting referenced under subsections A through C of Section III (Compensation – Daily Stipend), above. The foregoing notwithstanding, reimbursement authorized per subsection B.3 of this Section below may be given incident to attendance at meetings referenced under subsections A through C of Section III, above.

B. Expense reimbursement, subject to the limitations set forth below, shall include the following:

1. Registration Fees, or other similar charges for attendance at any Activity defined under Section III, above.
2. Travel/Transportation Fees (coach air fares, taxi, car rental, shuttle)
3. Mileage for the use of the Board member's own vehicle (to and from Board meetings, committee meetings, or any pre-approved seminar etc.) Mileage reimbursement shall be given when personal vehicles are used for Authority business. The Authority reimbursement rate for mileage by use of a Board member's own vehicle shall be calculated on the basis of total miles driven for Authority purposes at the rate specified in the Internal Revenue Code in effect at the time of the vehicle usage.
4. Parking Fees
5. Room accommodations (excluding: Laundry service & personal entertainment)
6. Meals (excluding alcoholic beverages)
7. Telephone Charges (telephone calls or teleconference calls relating to Authority business only)

C. Board members shall be reimbursed for actual and necessary expenses incurred or necessary to incur in order to attend Activities, not to exceed:

1. Registration Fees: The Authority reimbursement rate for registration or other

charges to attend an authorized Activity shall be the actual amount incurred, not to exceed the maximum published rate after applying all applicable deductions for any available discounts. In the event that a Board Member must withdraw from a conference or activity after registration and payment has been made, and a refund or credit may not be obtained from the organizing group or agency, the expense will be charged against the Board Members annual budget limit. However, if a credit may be obtained and applied by the Authority for a future conference or activity of the same type or by the same organization, the expense account of the Board Member will not be debited until such time that the credit is applied or expires, if applicable.

2. Travel/Transportation: Board Members must use government or group rates offered by a provider of transportation services for travel when available. If such rates are not available, the Authority reimbursement rate for Board Member air transportation shall be the actual amount incurred, not to exceed the cost of round-trip coach air fare. If a Board Member is required to make use of a motor vehicle owned by a third-party entity (e.g., rental car, subway, bus, shuttle, taxicab or transportation network company such as Uber or Lyft) incident to authorized travel outside of Los Angeles County, such transportation shall be reimbursed up to the actual cost of such services. Motor vehicle rentals shall be limited to economy or compact motor vehicle rentals.
3. Meals: \$100 per day
 - per person (may include identified and authorized Authority guests as they relate to Authority business)
 - meals not reimbursed if paid with registration, except when unforeseen circumstances occur which relate to Authority business
4. Lodging: \$300 per night or lowest market/seasonal rate available subject to the following restrictions:
 - lodging costs will be paid only if the Board Member is attending an Activity held more than fifty (50) miles from the territorial boundaries of the Authority.
 - In accordance with Government Code Section 53232.2, if lodging is in connection with a conference or organized educational activity conducted in compliance with subdivision (c) of Government Code Section 54952.2, lodging costs shall not exceed the maximum group rate published by the conference or activity sponsor, provided that lodging at the group rate is available to a Board Member at the time of booking. If the group rate is not available, the Board Member shall use comparable lodging that is consistent with the requirements of subdivisions (c) and (e) of Government Code Section 53232.2 which require reliance upon lodging rates set forth under IRS Publication 463 and the use of government and group rates offered by a provider of lodging services when available.
5. Other Actual and Necessary Expenses: Authority reimbursement of all other actual and necessary expenses incurred by a Board Member shall be computed using the applicable Internal Revenue Service rates for reimbursement as established in Publication 463, or any successor publication subject to an overall maximum daily limit of \$50 per day. Such other actual and necessary expenses may include

reasonable tips up to 15% of the incurred cost per transaction.

D. The foregoing notwithstanding, to the extent available, Board Members must use government or group rates for transportation and lodging, if available. In addition, when lodging to be reimbursed is for an organized educational conference that would qualify for attendance under the Ralph M. Brown Act (Government Code Section 54950 et seq.), including ethics training, the reimbursement cannot be more than the group rate published by the conference, assuming it is available at the time the reservation is made. If the group rate is not available, then the amount of the reimbursement may not exceed the amounts set forth above under subsection C.

E. When the amount to be expended or reimbursed is anticipated to exceed the amounts set forth above, the expenditure must be approved by the Board at a public meeting before it is incurred.

F. Prohibition Against Duplicative Reimbursement.

1. It is acknowledged that a Board Member may be eligible to receive reimbursement for the same varieties of expenses from both the Authority and another entity or public agency of which the Board Member is also a member or representative. If a Board Member has already received reimbursement for a specific expense or set of expenses from another entity or public agency, then the Board Member shall only be able to receive compensation for those eligible expenses that have not already been paid for by the other entity or public agency. If a request for reimbursement is pending (but not yet approved) with another entity or public agency, the Authority shall postpone the processing of a reimbursement request submitted to the Authority until such time as the request made to the other entity or public agency has been fully processed and completed. The Authority reserves the right to contact such entities and public agencies to verify whether or not a Board Member has received or is seeking reimbursement for an expense or set of expenses that the Board Member is also claiming from the Authority. In the event the Authority determines that a Board Member has been compensated by both the Authority and another entity or public agency for the same claimed expense or set of expenses, the Authority, in addition to, and cumulative, with any other remedies available to it at law or in equity, may deduct the amount of the duplicative reimbursement paid by the Authority from: (i) any other pending sums that may be owed to the Board Member; (ii) the Board Member's annual reimbursement budget; or (iii) any combination thereof.

2. If the Board Member is representing the Authority and another entity or public agency by attending or participating in an Activity, defined above, the Board Member must prorate the expenses based on the amount of representation time. The Board Member shall not be reimbursed the total amount of such expenses if another entity or public agency is also providing reimbursement to the Board Member.

G. The total amount of reimbursement for eligible expenses received by any Board Member in a single fiscal year may not exceed the aggregate sum of Four Thousand Dollars (\$4,000). The foregoing notwithstanding, the Board, on a case-by-case basis and in its sole and absolute discretion, reserves the right to authorize reimbursement for eligible expenses that are proposed to be incurred in excess of the \$4,000 per fiscal year limit, provided approval to incur such additional actual and necessary expenses is obtained from the Board prior to such excess

costs or expenses being incurred. The Board shall be under no obligation to consider or approve the reimbursement of any costs or expenses in excess of the \$4,000 per fiscal year limit which have been incurred without the prior approval of the Board and Authority staff shall have no authority to disburse reimbursement sums without direction from the Board.

V. Reimbursement Procedure

A. In order to obtain reimbursement for eligible actual and necessary expenses incurred incident to a Board Member's participation at an authorized Activity the following procedures must be followed:

1. Board Members shall submit an expense sheet ("Authority Expense Sheet") detailing the date(s) of each qualifying Activity and describing the Activity. The Authority Expense Sheet shall include an itemization of all actual and necessary expenses incurred incident to the Board Member's attendance at, and participation in, any of the types of meetings, events, functions or other occurrences identified under subsections A through D of Section III, above, for which reimbursement is authorized. The itemization shall explain the relationship of the expense for which the Board Member seeks reimbursement to the Board Member's participation in the meeting, event, function or occurrence. Claimed expenses that bear no reasonable relationship to a Board Member's participation in an authorized meeting, event, function or occurrence may be disallowed by the Authority. Except as otherwise provided under this Section, each Authority Expense Sheet shall be accompanied by supporting documentation in the form of original receipts and/or invoices corresponding to each itemized expense for which reimbursement is sought. At the next regular meeting of the Board immediately following a Board Member's attendance at an authorized Activity for which a Board Member receives the Daily Stipend and/or requests reimbursement for actual and necessary expenses incurred, the Board Member shall give a brief oral or written report regarding the Activity. It is the responsibility of each Board Member, and not of Authority staff to provide/submit a Board Member's report.
2. Authority Expense Sheets submitted by Board Members shall be included in the agenda packet for the next regular meeting of the Board immediately following the Activity which the Board Member attended and shall be part of the Board Member's monthly report. If the receipt of the Daily Stipend and/or the requested reimbursement for actual and necessary expenses satisfies the requirements of this policy, then the Board shall ratify the Board Member's receipt of the Daily Stipend and/or requested reimbursement. If the request is not ratified, the monthly expense report will be reduced by any expenses not approved by the Board.
3. Written reports, which may be in the form of flyers, invitations, agendas or any similar document, shall be held in the Authority's files with the corresponding expense sheet and will be available upon request by the public. Written reports shall be included in the agenda packet at the next regular meeting of the Board immediately following the Activity.
4. The Authority Expense Sheets must be submitted within thirty (30) days of the last day of the month in which the Activity occurred. Example: Activity occurred on May 15th. Expense sheets must be submitted to staff no later than June 30.

5. With the exception of expenses that normally would not involve the generation of a printed receipt or invoice (e.g, tips or mileage reimbursement), any expense shown on Authority Expense Sheets must have a corresponding, attached written receipt. The foregoing notwithstanding, to the extent mileage reimbursement is sought, Board Members shall maintain a travel log indicating the date of travel, the distance traveled, the address of the point of departure and the address of the point of destination, and the purpose in traveling to the point of destination.
6. All Authority Expense Sheets and all receipts attached to them shall be public documents subject to redaction of any confidential information, such as credit card numbers.

VI. Additional Reimbursement Policies

Cash advances are not available. Any expenses incurred by the Board Member for a spouse, dependent, or guests (other than those guests authorized under Section IV.C.2., above), are not covered by the Authority. The Authority will only reimburse expenses specifically relating to a Board Members attendance and participation at an authorized Activity. Board members will not be issued Authority credit cards or car allowances.

VII. Additional Political Campaign Activity Procedures

Board members shall not engage in political campaign activities while at the Authority's facilities. Board members shall not use Authority resources, including, but not limited to, personnel, phones, faxes, copiers or computers for political campaign activity. Board members shall not use the Authority's name, letterhead or logo for political campaign activity. Board members shall not solicit political contributions from employees of the Authority or use, promise, threaten or attempt to use their authority or influence to affect Authority personnel decisions as a result of the political contributions or political activities, or lack thereof, of any person.

VIII. Ethics Training

Each Board member, except for Board members whose term of office ends before January 1, 2007, must receive ethics training before January 1, 2007. Thereafter, ethics training must be received at least once every two years. For any Board member whose term of office begins after January 1, 2006, that Board member must receive ethics training within one year from the first day of service with the Authority. Thereafter, the Board member will also be required to receive ethics training at least once every two years. A Board member who serves on more than one local agency board may satisfy the requirement under this section by obtaining ethics training once every two years without regard to the number of local agencies with which he or she serves. The Authority shall provide information annually on where training is available. All Board Members shall provide a copy of proof of participation in the required ethics training to the Authority. Copies of proofs of participation shall be public documents and shall be retained by the Authority for five (5) years.

[END OF POLICY]

EXHIBIT A

MAIN SAN GABRIEL BASIN WATER QUALITY AUTHORITY Policy and Procedures Manual

ATTACHMENT TO ADMINISTRATIVE PROCEDURE NO. 23

Approved Meetings and Events _____ Approved: 09/05 Revised: 05/09

- 1) Association of California Water Agencies (ACWA)
- 2) ACWA Region 8
- 3) ACWA/JPIA
- 4) American Water Works Association (AWWA)
- 5) National Groundwater Association
- 6) National Water Resource Association
- 7) Southern California Water Utilities Association (SCWUA)
- 8) Urban Water Institute
- 9) Water Education Foundation
- 10) Groundwater Resources Association of California
- 11) Legislative, Administrative & Regulatory Agency
Receptions/Events/Meetings (in accordance with Section II of this policy).
- 12) Member Agencies' Events
- 13) Authority Related Speaking Engagements
- 14) Association of Ground Water Agencies (AGWA)
- 15) American Groundwater Trust
- 16) Meetings requested by and/or with Staff Management to Discuss Authority
matters.
- 17) New Water Supply Coalition
- 18) The San Gabriel Valley Economic Partnership
- 19) San Gabriel & Lower Los Angeles Rivers and Mountains Conservancy (RMC)
- 20) Amigos de Los Rios
- 21) Emerald Necklace

Table 4. Consumer Price Index for All Urban Consumers (CPI-U): Selected areas, all items index, January 2024
 [1982-84=100, unless otherwise noted]

Area	Pricing Schedule ¹	Percent change to Jan. 2024 from:			Percent change to Dec. 2023 from:		
		Jan. 2023	Nov. 2023	Dec. 2023	Dec. 2022	Oct. 2023	Nov. 2023
U.S. city average.....	M	3.1	0.4	0.5	3.4	-0.3	-0.1
Region and area size²							
Northeast.....	M	2.5	0.6	0.6	2.6	0.0	0.0
Northeast - Size Class A.....	M	3.1	0.9	0.8	3.1	0.0	0.1
Northeast - Size Class B/C ³	M	1.8	0.2	0.4	1.9	-0.1	-0.2
New England ⁴	M	2.0	0.4	0.5	2.3	0.2	-0.1
Middle Atlantic ⁴	M	2.7	0.7	0.7	2.7	-0.1	0.0
Midwest.....	M	2.7	0.1	0.3	3.2	-0.4	-0.2
Midwest - Size Class A.....	M	2.9	0.2	0.3	3.3	-0.3	-0.1
Midwest - Size Class B/C ³	M	2.5	0.0	0.3	3.1	-0.4	-0.3
East North Central ⁴	M	2.5	0.2	0.4	3.1	-0.2	-0.1
West North Central ⁴	M	3.0	-0.3	0.1	3.3	-0.7	-0.4
South.....	M	3.4	0.5	0.6	3.7	-0.2	-0.1
South - Size Class A.....	M	3.9	0.3	0.3	4.2	0.1	0.0
South - Size Class B/C ³	M	3.2	0.6	0.7	3.4	-0.4	-0.1
South Atlantic ⁴	M	3.5	0.4	0.5	3.7	-0.2	0.0
East South Central ⁴	M	3.6	0.4	0.7	3.7	-0.6	-0.3
West South Central ⁴	M	3.2	0.6	0.6	3.6	-0.1	0.0
West.....	M	3.3	0.5	0.7	3.6	-0.5	-0.1
West - Size Class A.....	M	3.0	0.5	0.5	3.7	-0.5	-0.1
West - Size Class B/C ³	M	3.7	0.6	0.8	3.5	-0.6	-0.2
Mountain ⁴	M	3.0	0.4	0.5	3.0	-0.6	-0.1
Pacific ⁴	M	3.5	0.6	0.7	3.8	-0.5	-0.1
Size classes							
Size Class A ⁵	M	3.2	0.5	0.5	3.6	-0.2	0.0
Size Class B/C ³	M	3.0	0.4	0.6	3.1	-0.4	-0.2
Selected local areas							
Chicago-Naperville-Elgin, IL-IN-WI.....	M	3.3	0.8	0.8	3.3	-0.5	0.0
Los Angeles-Long Beach-Anaheim, CA.....	M	2.5	1.0	1.0	3.5	-0.3	0.0
New York-Newark-Jersey City, NY-NJ-PA.....	M	3.1	1.1	1.0	2.9	-0.2	0.1
Atlanta-Sandy Springs-Roswell, GA.....	2				3.6	-0.1	
Baltimore-Columbia-Towson, MD ⁶	2				2.1	-0.3	
Detroit-Warren-Dearborn, MI.....	2				4.5	0.0	
Houston-The Woodlands-Sugar Land, TX.....	2				4.5	-0.1	
Miami-Fort Lauderdale-West Palm Beach, FL.....	2				5.7	-0.2	
Philadelphia-Camden-Wilmington, PA-NJ-DE-MD.....	2				3.9	0.0	
Phoenix-Mesa-Scottsdale, AZ ⁷	2				2.7	-0.9	
San Francisco-Oakland-Hayward, CA.....	2				2.6	-0.4	
Seattle-Tacoma-Bellevue, WA.....	2				4.4	-0.3	
St. Louis, MO-IL.....	2				2.8	-0.2	
Urban Alaska.....	2				1.8	-1.1	
Boston-Cambridge-Newton, MA-NH.....	1	2.0	0.7				
Dallas-Fort Worth-Arlington, TX.....	1	5.3	0.9				
Denver-Aurora-Lakewood, CO.....	1	3.5	-0.1				
Minneapolis-St.Paul-Bloomington, MN-WI.....	1	2.6	0.2				
Riverside-San Bernardino-Ontario, CA ⁴	1	2.9	0.0				
San Diego-Carlsbad, CA.....	1	3.8	0.4				
Tampa-St. Petersburg-Clearwater, FL ⁸	1	3.9	0.5				
Urban Hawaii.....	1	3.9	0.5				
Washington-Arlington-Alexandria, DC-VA-MD-WV ⁶	1	3.6	0.5				

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.



San Gabriel Basin Water Quality Authority

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

AGENDA SUBMITTAL

To: WQA Administrative / Finance Committee
From: Randy Schoellerman, Executive Director
Date: May 14, 2024
Subject: **9320 Telstar Property Access Agreement**

Summary

WQA received a Proposition 1 Implementation Grant to expand the effectiveness of the WQA's Whitmore Street Groundwater Remediation Facility (WSGRF). The expansion project is the cumulative result of WQA's previous Planning Grants received to conduct additional site investigation activities on various properties upgradient of the WSGRF. Staff is recommending approval of a site access agreement with the owners of the 9320 Telstar property.

Discussion

The Telstar property is a commercial building located at 9320 Telstar Ave., El Mone. In 2018, WQA was awarded a Proposition 1 Planning Grant to gather hydrogeologic data to address data gaps upgradient of the WSGRF.

The proposed license agreement allows WQA to construct additional groundwater extraction and monitoring wells along with all associated raw water pipelines conveying water to the existing WSGRF. The term of the agreement is 20 years for a one-time fee of \$5,000.

Recommendation / Proposed Action

Approve the Treatment System License Agreement for the 9320 Telstar Property.

Attachments:

Treatment System Lease of 9320 Telstar Property

RECORDING REQUESTED BY:

WHEN RECORDED, MAIL TO:

**SAN GABRIEL BASIN WATER
QUALITY AUTHORITY**

Attention: Randy Schoellerman
1720 W. Cameron Ave., Ste. 100
West Covina, California 91790

THIS SPACE FOR RECORDER'S USE ONLY

APN 8595-003-016

FREE GOVERNMENT
RECORDING PURSUANT TO
GOVERNMENT CODE SEC. 6103

TREATMENT SYSTEM LICENSE AGREEMENT

THIS TREATMENT SYSTEM LICENSE AGREEMENT (“Agreement”) is made and entered into as of this 19th day of April, 2024 (“Effective Date”), by and between 2829 Townsgate Telstar 2, LLC, a California limited liability company, 301 Swall Telstar, LLC, a California limited liability company, and Calabasas Medical Center Telstar 2, LLC, a California limited liability company, as tenants-in-common (“LICENSOR”), and the San Gabriel Basin Water Quality Authority, a California public agency (“LICENSEE”).

RECITALS

WHEREAS, LICENSOR is the owner of that certain real property located at 9320 Telstar Ave., in the City of El Monte, County of Los Angeles, California (the “Property”). The Property is more specifically described in the legal description which is attached and incorporated hereto as Exhibit “A”.

WHEREAS LICENSEE desires to construct monitoring wells extraction wells and pipelines (“Groundwater Remediation Project”) at locations on the Property as shown in Exhibit “B”;

WHEREAS LICENSOR and LICENSEE desire to set forth the terms and conditions for LICENSEE’s use of the Property.

NOW, THEREFORE, in consideration of the mutual obligations and agreements herein contained, the parties hereby agree as follows:

1. The Property and the Wells. The Property is more specifically described in the legal description which is attached and incorporated hereto as Exhibit “A”. The location of the

Groundwater Remediation Project components are depicted in that certain document entitled “Treatment System Layout and Location of Well Vaults” which is attached and incorporated hereto as Exhibit “B.”

2. Term/Payment. This Agreement shall be for a term of twenty (20) years, commencing on the Effective Date. In consideration of LICENSOR’s grant of the License as provided in Section 3 below, LICENSEE shall pay LICENSOR, within ten (10) business days following the mutual execution of this Agreement, the sum of Five Thousand Dollars (\$5,000.00).

3. Grant of License; Performance of Work. For good and valuable consideration, LICENSOR hereby grants to LICENSEE, and LICENSEE hereby accepts from LICENSOR a non-exclusive license and right (the “License”) to install, maintain, repair, inspect, operate, replace, relocate, and remove the groundwater treatment equipment that comprises the Groundwater Remediation Project at the locations depicted in Exhibit B of this Agreement (collectively, the “Work”). In addition to the foregoing, LICENSOR grants to LICENSEE, and LICENSEE accepts from LICENSOR a non-exclusive right of access over the Property, during LICENSEE’s regular business hours and at such other reasonable times as the parties may agree upon from time to time solely in connection with the performance of the Work. The License shall be subject and subordinate to the rights of all existing tenants and occupants of the property, and LICENSEE will conduct the Work in a manner that does not unreasonably interfere with the operations of LICENSOR or its tenants, licensees, permittees, or invitees. LICENSOR shall also take all reasonable steps to ensure that LICENSOR, LICENSOR’s tenants and the invitees of LICENSOR and LICENSOR’s tenants do not unreasonably interfere with LICENSEE’s exercise of its License under this Agreement. LICENSEE’s License granted herein includes and encompasses the right to:

a. Enter and pass and re-pass over the Property for access to the Groundwater Remediation Project area and to all portions of the Property solely in order to perform the Work.

b. Install, inspect, operate, maintain, repair, and/or replace buried and above ground telephone and utility lines, including water pipelines, and appurtenances necessary to operate the Groundwater Remediation Project or in connection with the Work. Following any excavation for the foregoing purposes, LICENSEE shall restore the excavated area to its former condition.

c. Take water samples and water level measurements from certain water wells located on the Property.

LICENSEE shall provide LICENSOR with reasonable prior notice prior to entering the Property pursuant to this Agreement, except in the event of emergencies, which notice shall include a description and schedule of any work LICENSEE intends to conduct during such entry and the anticipated dates and times. All Work and other activities by LICENSEE on the Property shall be conducted in accordance with all applicable laws. Any construction Work or other activities by LICENSEE on the Property shall be subject to such reasonable requirements as LICENSOR may impose, including, without limitation, requirements related to the permitted times to conduct disruptive and/or loud construction, storage of machinery, equipment, and materials, and insurance

requirements applicable to any third-party contractors performing Work on the Property on LICENSEE's behalf. GRANTEE shall not suffer or permit any mechanics' or material suppliers' liens (collectively, "Liens") to be placed against the Property, and shall indemnify, defend, and hold LICENSOR harmless from and against all claims, losses, and liabilities, including LICENSOR'S reasonable attorneys' fees and expenses, arising out of any such liens placed against the Property. Any machinery, equipment, or materials kept or stored on the Property by LICENSEE shall be at LICENSEE's sole risk, and LICENSOR assumes no responsibility for the security or safety of the same. LICENSEE shall promptly remove any soil cuttings, construction debris, trash, materials and other equipment from the Property upon conclusion of any phase of Work. Except as reasonably necessary in connection with the performance of the Work and in compliance with all applicable laws, LICENSEE shall not cause or permit any Hazardous Materials (as defined below) to be brought upon, kept, used, or released (collectively, a "Release") on the Property, and shall (i) notify LICENSOR as soon as reasonably possible following any Release, (ii) perform any remediation activities required by all applicable laws in connection with any Release, and (iii) indemnify, defend, and hold LICENSOR harmless from and against all claims, losses, and liabilities arising in connection with any Release. Nothing in this Agreement shall be construed to impose upon LICENSOR any reporting requirements with respect to any Hazardous Materials associated with the Groundwater Remediation Project and the Work, all of which shall remain the sole responsibility of LICENSEE. As used herein, "Hazardous Materials" shall mean any "hazardous material" as defined in California Health & Safety Code Section 25501(j), any hydrocarbons or polychlorinated biphenyls, and toxic or hazardous materials, substances, matters or materials as defined pursuant to any other applicable state, federal or local law or regulation, or any other substance or matter which may result in liability to any person or entity as a result of such person's possession, use, storage, release, or distribution of such substance or material under any statutory or common law theory.

4. No Representations or Warranties. LICENSOR makes no representation or warranty, express or implied, of any nature, kind or extent, as to the condition of any existing wells or other improvements on or under the Property or the fitness of any such wells and improvements for LICENSEE's desired use or for any other use or purpose. LICENSEE shall be solely responsible for determining the location of any underground utilities or other structures on the Property. LICENSEE shall have the right to use of such wells and the Property in the present "AS IS" condition and LICENSEE hereby assumes all risks associated with its entry onto the Property at any time pursuant to the License, and waives any and all claims, whether existing or future, known or unknown, against and fully releases LICENSOR from any and all claims with respect to the condition of the Property and any improvements thereon including but not limited to the existing wells and associated pumps, pipes, and other equipment.

5. Relocation of Groundwater Remediation Project. LICENSEE may request, via ninety (90) days prior written notice to LICENSOR, reasonable relocations of any components of LICENSEE's Groundwater Remediation Project, including moving wells, to another location on the Property. The cost and expense of such relocation shall be entirely borne by LICENSEE. The relocation of the Groundwater Remediation Project, including wells, shall be subject to LICENSOR'S prior written consent, which consent shall not be unreasonably withheld. Without limiting the foregoing, it is agreed that it shall be reasonable for LICENSOR to withhold its consent to any such relocation if it would cause unreasonable interference with any activities,

operations, and/or improvements of LICENSOR or any of tenants, licensees, agents, representatives or invitees then in possession of or entitled to the use of the Property, or with any contractual obligations or commitments of any of the foregoing in effect at the time of such relocation. Over the term of this License, one or more wells depicted in Exhibit B may cease to be suitable for its intended purpose and in such event, it will be necessary to replace the well with a replacement well that will be drilled within five (5) feet of the non-suitable well. In such event, LICENSOR shall notify LICENSOR in writing of its request to install a replacement well at a suitable location and the granting of such requests shall not be unreasonably withheld by LICENSOR. The cost and expense related to such replacement well(s) shall be entirely borne by LICENSEE.

6. Termination.

a. In the event either Party fails to timely perform any duty or obligation set forth under this Agreement an event of default (hereinafter, "Event of Default") will occur. The Party alleging an Event of Default will give written notice to the defaulting Party (hereinafter referred to as a "Default Notice") which will specify: (i) the nature of the Event of Default; (ii) the action required to cure the Event of Default; (iii) a date by which the Event of Default will be cured, which will not be less than (a) three (3) calendar days with respect to any Release, (b) ten (10) business days with respect to the placement of any Liens, and (c) thirty (30) calendar days with respect to any other Event of Default, or if a cure is not reasonably possible within the applicable cure period, to begin such cure and diligently prosecute such cure to completion. Upon the written request of the defaulting, the non-defaulting Party may grant reasonable requests for additional time to cure an Event of Default, provided that the defaulting Parties written notice states the reason additional time is needed, the amount of additional time needed and the measures the defaulting Party has already undertaken to cure the Event of Default. The Event of Default will constitute a breach of this Agreement if the defaulting Party fails to timely cure the Event of Default. If an Event of Default becomes a breach of the Agreement, the non-defaulting Party shall issue written notice of such breach to the defaulting Party and thereafter may pursue such remedies as may be available to the non-defaulting Party in law or at equity, including the termination of this License. In the event LICENSEE is in breach of the License, LICENSEE shall have forty-five (45) calendar days from the date LICENSOR delivers written notice of the breach to remove all above-ground equipment and related improvements and components installed by LICENSEE and return the Property to the condition that existed prior LICENSEE's installation of the equipment and related components and improvements, reasonable wear and tear and damage excepted.

b. LICENSEE may also terminate this Agreement without cause upon thirty (30) days prior written notice to LICENSOR, provided however, that LICENSEE shall have forty-five (45) days from the effective date of the termination to remove all above-ground equipment and related improvements and components installed by LICENSEE and return the Property to the condition that existed prior LICENSEE's installation of the equipment and related components and improvements, reasonable wear and tear and damage excepted.

7. Indemnification. LICENSEE shall indemnify, defend, protect and hold harmless LICENSOR, its officials, agents and employees from and against any and all claim, cause

of action, demand, injury, damage, liability, loss, cost or expense, including, but not limited to, reasonable attorneys' fees (collectively, "Claim"), that arises out of LICENSEE's use or occupancy of the Property; provided, however, that this indemnity shall not apply to the extent that any Claim results from the gross negligence or willful misconduct of LICENSOR, its officials, agents or employees, acting alone and without knowledge or acquiescence of LICENSEE. LICENSEE's indemnification obligations shall not encompass indemnification for any consequential damages of LICENSOR. The foregoing indemnity shall survive the termination of this Agreement.

8. Restoration of the Property. The Groundwater Remediation Project, all appurtenances and any articles of equipment or other personal property placed on the Property by or at the direction of LICENSEE at its sole expense shall be and remain the personal property of LICENSEE and may be removed by LICENSEE at any time, and in any event shall be removed by LICENSEE upon the expiration or earlier termination of this Agreement; provided that LICENSEE shall repair any damage caused by such removal and restore the Property in accordance with Section 6 above.

9. Notices. Any notice required herein shall be given by certified mail, postage prepaid, return receipt requested, or by reliable overnight courier to the address of the respective parties set forth immediately below. Any notice served by certified mail or by reliable overnight courier shall be deemed delivered on the date of receipt as shown on the certification of receipt or on the date receipt is refused as shown on the records or manifest of the US Postal Service or such courier. LICENSOR or LICENSEE may from time to time designate any other address for this purpose by written notice to the other party.

To LICENSOR: 2829 Townsgate Telstar 2, LLC, a California limited liability company, 301 Swall Telstar, LLC, a California limited liability company, and Calabasas Medical Center Telstar 2, LLC, a California limited liability company, as tenants-in-common
Attention:
David Fradin
5142 Clareton Drive, Suite 200
Agoura Hills, CA 91301

To LICENSEE: San Gabriel Basin Water Quality Authority
Attention: Randy Schoellerman
1720 W. Cameron Ave., Ste. 100
West Covina, California 91790

With a copy concurrently to:

Olivarez Madruga Law Organization, LLP
Attention: Richard Padilla, Partner
500 S. Grand Ave, Floor 12
Los Angeles, California 90071

10 Assignment. LICENSEE may assign this Agreement only with LICENSOR's prior written approval and consent, which approval shall not be unreasonably withheld, delayed, or conditioned.

11. Licensee's Insurance. Without limiting LICENSEE's obligation or liability under Section 7, while this Agreement is in effect, LICENSEE shall maintain, at its own sole expense and through insurers licensed to issue policies by the State of California and reasonably acceptable to LICENSOR, comprehensive commercial general liability insurance naming LICENSOR as an additional insured in an amount not less than Two Million Dollars (\$2,000,000) combined single limit with a deductible of not more than Five Thousand Dollars (\$5,000). Such insurance shall be primary and non-contributory with any insurance maintained by LICENSOR. Evidence of such insurance, including but not limited to Certificates, Policies and Endorsements, shall be provided to LICENSOR within sixty (60) days of the Effective Date and shall be kept in full force and effect while this License is in effect.

12. MISCELLANEOUS.

a. It is hereby mutually agreed and understood that this Agreement contains all agreements, promises, and understandings between LICENSOR and LICENSEE and that no verbal or oral agreements, promises, or understandings shall or will be binding upon either LICENSOR or LICENSEE in any dispute, controversy, or proceeding at law, and any addition, variation, or modification to this Agreement shall be void and ineffective unless in writing and signed by the parties hereto.

b. In the event that any provision in this Agreement is determined by a court to be invalid, the court shall reform the provision in the manner that is both consistent with the intent of the parties and legally valid. The remainder of this Agreement shall not be affected thereby.

c. This Agreement and the performance thereof shall be governed, interpreted, construed, and regulated by the laws of the State of California. This Agreement may be recorded in the Official Records of Los Angeles County at LICENSEE's sole cost. Upon the expiration or earlier termination of this Agreement, LICENSEE shall promptly execute such instruments as LICENSOR may reasonably request in order to remove this Agreement of record from title to the Property.

d. The prevailing party in any action or proceeding brought to enforce this Agreement shall be entitled to recover its reasonable attorneys' fees, costs, and expenses in connection with such action or proceeding from the other party.

e. This Agreement shall be binding upon and inure to the benefit of the successors in interest to the Property, successors in interest to the rights granted under this Agreement, and assigns of LICENSOR and LICENSEE.

f. The parties agree to execute and deliver all further documents and perform all further acts that may be reasonable and necessary to carry out the provisions of this Agreement.

IN WITNESS WHEREOF, LICENSOR and LICENSEE have duly executed this Agreement on the day and year first above written.

LICENSOR: 2829 Townsgate Telstar 2, LLC, a California limited liability company, 301 Swall Telstar, LLC, a California limited liability company, and Calabasas Medical Center Telstar 2, LLC, a California limited liability company, as tenants-in-common

By _____
Name:
Title:

LICENSEE: SAN GABRIEL BASIN WATER QUALITY AUTHORITY

By: _____
Name: Randy Schoellerman
Title: Executive Director

CERTIFICATE OF ACCEPTANCE

Under authority of its Board of Directors, the interest in real property set forth in the forgoing Treatment System License Agreement is accepted by and on behalf of the San Gabriel Basin Water Quality Authority.

By: _____
Name: Randy Schoellerman
Title: Executive Director
Date: _____

Exhibit A

LEGAL DESCRIPTION

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF EL MONTE IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

PARCEL 1, IN THE CITY OF EL MONTE, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS SHOWN ON PARCEL MAP NO. 290, FILED IN BOOK 51 PAGE 59 OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

APN: 8595-003-016

Exhibit B

Treatment System Layout and Location of Well Vaults
(Attached following two pages)

S:\GIS\1128-WCA\1128.010_Offsite_Hydropunch_Assessment\ArcMapDocuments\023_1128.010_Study_Area.mxd\11/11/2019



EXPLANATION

- OFFSITE GROUNDWATER GRAB SAMPLE
- AEROJET MONITORING WELL UPPER ZONE
- AEROJET MONITORING WELL SEPERATING ZONE
- AEROJET MONITORING WELL LOWER ZONE
- ⊕ WSGRF MONITORING WELL UPPER ZONE
- ⊕ WSGRF MONITORING WELL MIDDLE ZONE
- ⊕ WSGRF MONITORING WELL LOWER ZONE
- ⊕ WSGRF MONITORING WELL DEAD ZONE
- ⊗ WSGRF EXTRACTION WELL UPPER ZONE
- ⊗ WSGRF EXTRACTION WELL MIDDLE ZONE
- ⊗ WSGRF EXTRACTION WELL LOWER ZONE
- ⊗ WSGRF EXTRACTION WELL DEAD ZONE
- EPA NESTED MONITORING WELL

BASEMAP REFERENCE:
USGS AERIAL PHOTOGRAPH
DATED: DECEMBER 28, 2013

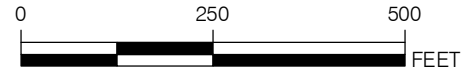
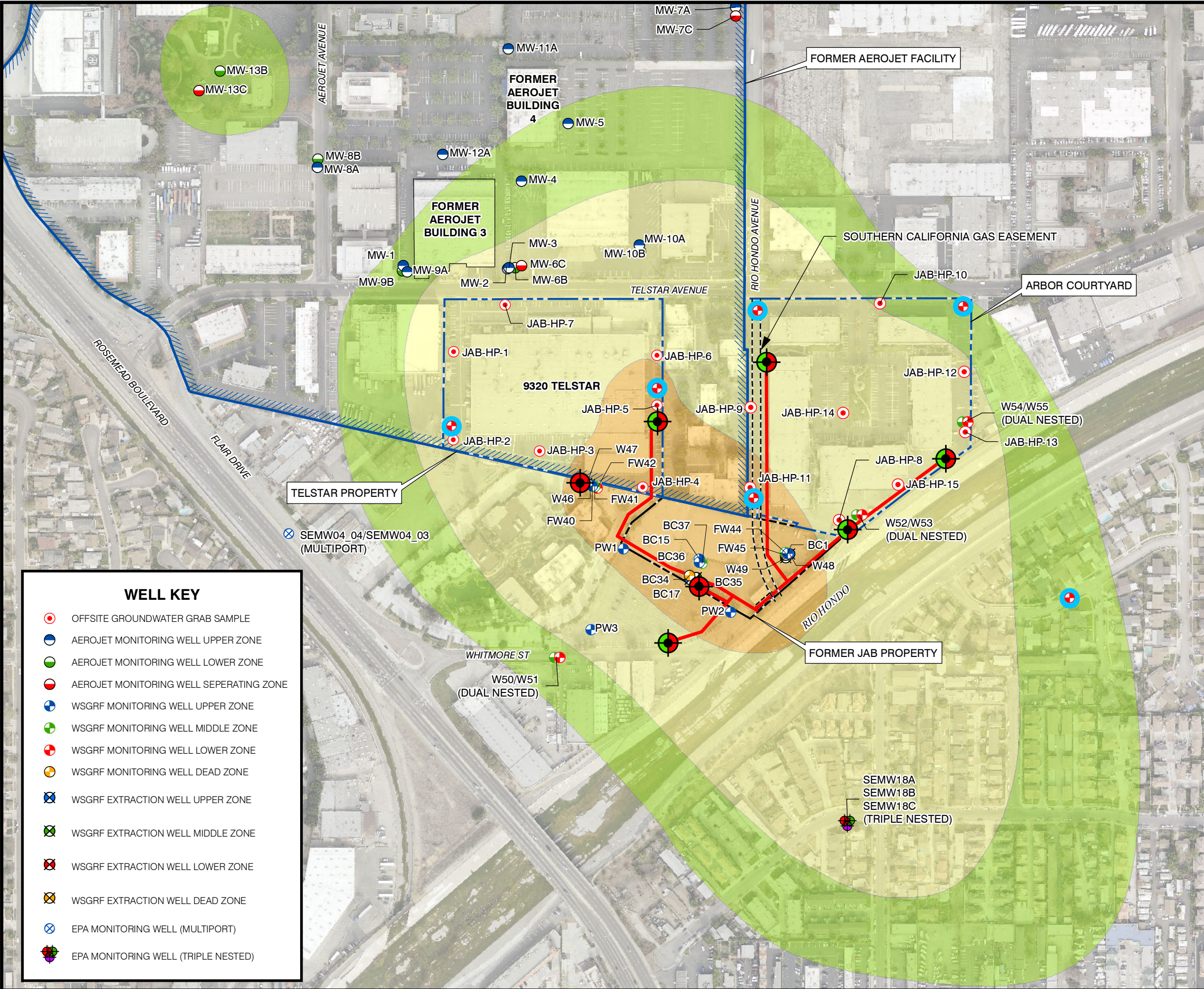


FIGURE 3
STUDY AREA
9320 TELSTAR AVENUE
EL MONTE, CALIFORNIA





WELL KEY	
	OFFSITE GROUNDWATER GRAB SAMPLE
	AEROJET MONITORING WELL UPPER ZONE
	AEROJET MONITORING WELL LOWER ZONE
	AEROJET MONITORING WELL SEPERATING ZONE
	WSGRF MONITORING WELL UPPER ZONE
	WSGRF MONITORING WELL MIDDLE ZONE
	WSGRF MONITORING WELL LOWER ZONE
	WSGRF MONITORING WELL DEAD ZONE
	WSGRF EXTRACTION WELL UPPER ZONE
	WSGRF EXTRACTION WELL MIDDLE ZONE
	WSGRF EXTRACTION WELL LOWER ZONE
	WSGRF EXTRACTION WELL DEAD ZONE
	EPA MONITORING WELL (MULTIPOINT)
	EPA MONITORING WELL (TRIPLE NESTED)

EXPLANATION	
	RECOMMENDED DUAL ZONE (MIDDLE AND LOWER) EXTRACTION WELL
	RECOMMENDED LOWER ZONE EXTRACTION WELL
	RECOMMENDED DUAL NESTED GROUNDWATER MONITORING WELL (MIDDLE AND LOWER ZONES)
	TENTATIVE TRENCH LAYOUT
	1,4-DIOXANE POTENTIALLY RANGING UP TO 10 µg/L
	1,4-DIOXANE POTENTIALLY RANGING UP TO 100 µg/L
	1,4-DIOXANE POTENTIALLY EXCEEDING 100 µg/L

BASEMAP REFERENCE:
USGS AERIAL PHOTOGRAPH
DATED: DECEMBER 28, 2013



FIGURE 2-9
EXTRACTION AND MONITORING WELL LOCATIONS
WSGRF EXPANSION
SOUTH EL MONTE OPERABLE UNIT
LOS ANGELES COUNTY, CALIFORNIA

