

**SAN GABRIEL BASIN WATER QUALITY AUTHORITY  
ADMINISTRATIVE/FINANCE COMMITTEE  
DECEMBER 10, 2024 AT 10:00 A.M.**

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<b>CALL TO ORDER</b>	Ms. Noriega called the Administrative/Finance committee meeting of the San Gabriel Basin Water Quality Authority to order and reviewed the actions anticipated on the agenda for the meeting.
<b>COMMITTEE MEMBERS PRESENT</b>	Lynda Noriega, Mark Paulson and Bob DiPrimio
<b>WATERMASTER LIASON</b>	None.
<b>COMMITTEE MEMBERS ABSENT</b>	None.
<b>OTHER BOARD MEMBERS PRESENT</b>	None
<b>STAFF MEMBERS PRESENT</b>	Randy Schoellerman, Executive Director; Dan Colby, Assistant Executive Director/Senior Project Manager; Stephanie Moreno, Director of Communications; Mary Saenz, Director of Finance; Jackie Montgomery, Accounting Specialist; Michelle Sanchez, Senior Administrative Assistant/Office Coordinator
<b>MEMBERS OF THE PUBLIC PRESENT</b>	None.
<b>MEMBERS OF THE PUBLIC ONLINE</b>	None.
<b>REMOTE PARTICIPATION DECLARATION – AB 2449 [Government Code 54953(f)]</b>	None.
<b>a. Notification of Just Cause</b>	
<b>b. Emergency Circumstances Requests</b>	
<b>PUBLIC COMMENT</b>	None.
<b><i>Discussion Regarding Interim Budget and Assessment Reserve Review for FY 24/25</i></b>	Mr. Schoellerman opened the discussion by outlining the purpose of the review, emphasizing that the six-month review aligns with the WQA policy, to analyze the budget, compare projections with actuals and provide a five-year outlook on reserves and expenses.

Ms. Saenz presented a detailed analysis of the designated assessment reserves, guided by Procedure 41, which outlines policies for designated and restricted reserves. Ms. Saenz explained that designated reserves, also known as operating reserves, cover operational costs without alternative funding sources. She explained the policy mandates maintaining reserves equivalent to six months (50%) of operating expenses, with a long-term goal of nine months (75%) of budgeted expenses. She reviewed the summary of the budget that was approved in May 2024 for FY24/25 which included budgeted costs funded by the WQA assessment of \$1.8 million. She stated that the initial assessment reserve balance of \$2.89 million, combined with collections and reduced assessment use, resulted in reserves of \$3.4 million for FY23/24. This was an increase of approximately \$101,000 over the initial projection from May of \$3.3 million. Ms. Saenz presented updated projected reserves for FY24/25, detailing that the assessments decreased due to higher-than-expected interest income and indicated a projected reserve balance of \$4 million.

Ms. Saenz presented three different assessment scenarios for the next 5 years. Scenario A maintains a \$12/acre-foot assessment rate for five years resulting in a projected reserve balance of \$3.1–\$3.2 million by 2029–2030. Scenario B would incrementally increase by \$0.50 per year starting in 2026–2027 and would yield a reserve balance of \$4 million by 2029–2030. Scenario D would increase the \$12 to \$14/acre-foot in 2028–2029 resulting in a comparable balance of approximately \$4 million by 2029–2030. Ms. Saenz noted that assumptions about interest rates significantly impact these projections, as future income from interest may decline with expected rate adjustments.

The committee requested that percentages reflecting the reserve balance relative to the goal (e.g., 75% of budgeted expenses) be included in future reports. Ms. Saenz concluded that the current \$12/acre-foot assessment rate aligns with the board's goals and objectives. The committee agreed that no immediate adjustments were necessary and gave a unanimous appreciation for the thorough analysis presented.

## **EXECUTIVE DIRECTOR'S REPORT**

Mr. Schoellerman reported that the WQA was taking the lead on planning the Puente Valley Operable Unit Intermediate Zone Treatment facility dedication for next year. He stated that the project is waiting for their final permit. He reported that the WQA is working with Northrop and La Puente Valley County Water District and has set a tentative date for April 29<sup>th</sup>.


Mr. Schoellerman reported that WQA had a webinar on Monday regarding the Round XI Federal Funding Program Administration Guidelines that the board approved at last months board meeting. Mr. Schoellerman reported that Mr.

Colby led the webinar with 10 to 15 people and that there were a few questions but nothing out of the ordinary.

Mr. Schoellerman also reported that the WQA offices will be closed the last two weeks in December for the holidays.

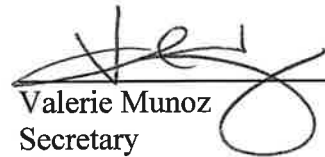
## **ADJOURNMENT**

Ms. Noriega asked if there were any other items of business to come before the committee. There being none, the meeting was adjourned.



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Mark Paulson  
Chairman



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Valerie Munoz  
Secretary