

**SAN GABRIEL BASIN WATER QUALITY AUTHORITY  
ADMINISTRATIVE/FINANCE COMMITTEE  
JANUARY 14, 2025 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> <ul style="list-style-type: none"><li><b>a. Notification of Just Cause</b></li><li><b>b. Emergency Circumstances Requests</b></li></ul>	None.
<b>PUBLIC COMMENT</b>	None.
<b><i>Discussion Regarding Authorization to Extend the Cash Management Services Agreements with BMO Bank</i></b>	Ms. Saenz reported that Resolution 25-001 is being presented to the committee to extend the agreement with BMO Bank through December 2025 and commits BMO Bank to provide an ECR (earnings credit rate) of 0.60 basis points and maintains the bank’s fees at the rates that were established back in 2013 with Bank of the West. She noted that this resolution authorizes board officers to enter into Treasury Management

Agreements with BMO Bank. She reminded the committee that the board had selected Bank of the West in September 2013 as WQA's bank and entered into a three-year contract with a two-year renewal option which expired in September 2018. She reported that in September 2018 the board approved extending the agreement for an additional three years through September 2021 and in return Bank of the West committed to keeping the current terms and fee structure in place and it increased the ECR to 0.60 from 0.45 basis points. She stated that although the extension expired September 2021, WQA was able to keep the banking relationship with all terms in place. She reported that in September 2023, Bank of the West was acquired by BMO Bank and kept all terms and conditions, however, now BMO Bank is requiring a resolution of commitment for an additional 12-month term in order to maintain the 0.60 basis points and fee structure. She reported on the importance of the 0.60 basis points which offsets our bank fees so that WQA pays zero bank fees. She explained that the ECR is settled annually instead of monthly or quarterly and is higher than most banks.

After some discussion, the committee recommended that the resolution go to the full Board for approval.

***Report on Cash and Investments –  
4<sup>th</sup> Quarter 2024***

Ms. Saenz reported that WQA holds its investment funds at the Local Agency Investment Fund (LAIF) and the total investments are \$9.9 million as of December 2024. She reported that the LAIF quarterly rate for October to December 2024 has not yet been issued. She noted that WQA holds its cash funds of \$13.37M at BMO Bank. Funds held at BMO exceed the FDIC insured limit of \$250,000. All funds in excess of the FDIC limits are collateralized by BMO in accordance with California Government Code Title 5, Division 2, Part 1, Chapter 4, Article 2 – Deposit of Funds. She indicated that the BMO interest on the Money Market (MM) account for October 2024 is 4.0%, which is a reduction from 4.5% which had been previously been negotiated. She noted that the rate was further lowered to 3.812% for November and December, which reduces the interest rate to a rate lower than LAIF. She stated that these rate cuts are tied to cuts in the Fed rate. She reported that WQA transferred \$3M in December from the Money Market account to LAIF and depending on what happens in the next couple weeks, WQA will transfer another \$3M to capture the higher rate. Ms. Saenz concluded her report noting that the interest for the three months of October through December totals \$158,752.

**EXECUTIVE DIRECTOR'S  
REPORT**

Mr. Schoellerman reported on the progress of the agreement with DTSC and the South El Monte Operable Unit (SEMOU) concerning the transfer of Interim Remedy operations from EPA to DTSC. He stated that the efforts are ongoing to

establish an acceptable funding agreement with DTSC to cover the costs of purveyors operating the remediation systems consistent with the SEMOU Record of Decision.

Mr. Schoellerman reported that WQA is working on another agreement with Aerojet to fund the operation of the Whitmore Expansion project which is part of the Prop 1 Round 3 grant. He noted that WQA received an initial proposal that was inadequate and that further discussions would be ongoing. He noted that there is currently a transition within Aerojet as Scott Goulart, a key contact, is leaving.

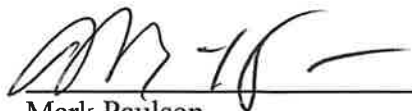
Mr. Schoellerman reported to the committee regarding WQA's Policy 42, which provides allowance of the collection of administrative fees up to 5% from the purveyors that received Prop 68 funds. He stated that the policy is intended to recapture costs associated with pursuing, obtaining, and securing the grant from the purveyors that benefited directly from the work.. He reported that staff was planning to provide a percentage recommendation for the calendar year 2024 distributions to the committee in February.


Mr. Schoellerman reported that the 406-Plan will come before the board at January's board meeting to open the public comment period. He stated that there would be no enclosure with the agenda but would be sent out the Monday or Tuesday prior to the meeting.

Mr. Schoellerman concluded his report by notifying the committee that the audit was still ongoing and would be finished by March.

## 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