



SAN GABRIEL BASIN WATER QUALITY AUTHORITY

1720 W. Cameron Ave., Suite 100, West Covina, CA 91790 • 626-338-5555 • info@wqa.com • wqa.com

**WQA ADMINISTRATIVE/FINANCE COMMITTEE
TO BE HELD ON TUESDAY, MARCH 11, 2025 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/-_MFFI5RTOOFkgoXu52-mA

AGENDA

Committee Members: Robert DiPrimio, Lynda Noriega and Mark Paulson

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 Board of Directors Cost of Living Adjustment ("COLA") for Fiscal Year 2025-2026 [enc]
- V. Discussion Regarding Draft Budget and Reserve Analysis for Fiscal Year 2025-2026 [enc]
- VI. Discussion Regarding Administrative Procedure No. 42, Fees for the Pursuit of, and the Obtaining and Securing of Funding [enc]
- VII. Executive Director's Report
- VIII. Adjournment



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AGENDA SUBMITTAL

To: WQA Administrative / Finance Committee
From: Randy Schoellerman, Executive Director
Date: March 11, 2025
Subject: Board of Directors Cost-of-Living Adjustment (“COLA”) for Fiscal Year 2025-2026

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 2025 is 3.3%.

If the Board elects to increase the compensation by 3.3%, the rate will increase by \$4.95 from \$150.00 to \$154.95.

Background

WQA Procedure No. 23 provides that each Board Member receives 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 2025 – Table 4

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

Table 4. Consumer Price Index for All Urban Consumers (CPI-U): Selected areas, all items index, January 2025
 [1982-84=100, unless otherwise noted]

Area	Pricing Schedule ¹	Percent change to Jan. 2025 from:			Percent change to Dec. 2024 from:		
		Jan. 2024	Nov. 2024	Dec. 2024	Dec. 2023	Oct. 2024	Nov. 2024
U.S. city average.....	M	3.0	0.7	0.7	2.9	0.0	0.0
Region and area size²							
Northeast.....	M	3.7	0.8	0.8	3.5	-0.1	0.0
Northeast - Size Class A.....	M	3.9	0.9	0.8	3.9	0.1	0.1
Northeast - Size Class B/C ³	M	3.6	0.8	0.9	3.1	-0.2	-0.1
New England ⁴	M	4.0	1.3	1.2	3.3	0.2	0.1
Middle Atlantic ⁴	M	3.6	0.6	0.7	3.6	-0.2	-0.1
Midwest.....	M	3.4	0.8	0.6	3.0	0.1	0.2
Midwest - Size Class A.....	M	3.6	0.9	0.8	3.1	-0.2	0.1
Midwest - Size Class B/C ³	M	3.2	0.7	0.5	3.0	0.3	0.2
East North Central ⁴	M	3.4	0.9	0.7	3.1	0.1	0.2
West North Central ⁴	M	3.4	0.7	0.5	3.0	0.1	0.2
South.....	M	2.8	0.7	0.6	2.8	0.0	0.0
South - Size Class A.....	M	2.6	0.5	0.6	2.3	-0.2	-0.1
South - Size Class B/C ³	M	2.9	0.7	0.6	3.0	0.2	0.1
South Atlantic ⁴	M	2.9	0.6	0.5	2.9	0.2	0.2
East South Central ⁴	M	3.9	0.4	0.5	4.1	0.0	-0.2
West South Central ⁴	M	2.2	0.9	1.0	1.9	-0.4	-0.1
West.....	M	2.4	0.5	0.6	2.5	-0.1	0.0
West - Size Class A.....	M	2.9	0.6	0.7	2.7	-0.2	0.0
West - Size Class B/C ³	M	1.9	0.4	0.5	2.3	-0.1	-0.1
Mountain ⁴	M	1.4	0.1	0.2	1.7	-0.3	-0.1
Pacific ⁴	M	2.8	0.7	0.7	2.8	-0.1	0.0
Size classes							
Size Class A ⁵	M	3.1	0.7	0.7	2.9	-0.1	0.0
Size Class B/C ³	M	2.9	0.7	0.6	2.9	0.0	0.1
Selected local areas							
Chicago-Naperville-Elgin, IL-IN-WI.....	M	4.3	1.2	1.2	3.9	-0.2	0.1
Los Angeles-Long Beach-Anaheim, CA.....	M	3.3	1.1	0.9	3.4	0.1	0.2
New York-Newark-Jersey City, NY-NJ-PA.....	M	4.0	0.8	0.7	4.3	0.1	0.0
Atlanta-Sandy Springs-Roswell, GA.....	2				2.6	0.6	
Baltimore-Columbia-Towson, MD ⁶	2				3.4	-0.4	
Detroit-Warren-Dearborn, MI.....	2				2.8	-0.5	
Houston-The Woodlands-Sugar Land, TX.....	2				1.0	-1.1	
Miami-Fort Lauderdale-West Palm Beach, FL.....	2				2.8	-0.1	
Philadelphia-Camden-Wilmington, PA-NJ-DE-MD.....	2				3.3	0.0	
Phoenix-Mesa-Scottsdale, AZ ⁷	2				1.6	-0.8	
San Francisco-Oakland-Hayward, CA.....	2				2.4	-0.4	
Seattle-Tacoma-Bellevue, WA.....	2				2.7	-0.5	
St. Louis, MO-IL.....	2				3.1	0.3	
Urban Alaska.....	2				2.3	-0.8	
Boston-Cambridge-Newton, MA-NH.....	1	3.9	1.5				
Dallas-Fort Worth-Arlington, TX.....	1	2.8	1.7				
Denver-Aurora-Lakewood, CO.....	1	2.3	0.2				
Minneapolis-St. Paul-Bloomington, MN-WI.....	1	3.0	1.5				
Riverside-San Bernardino-Ontario, CA ⁴	1	2.9	1.8				
San Diego-Carlsbad, CA.....	1	3.8	1.6				
Tampa-St. Petersburg-Clearwater, FL ⁸	1	2.3	1.2				
Urban Hawaii.....	1	4.1	1.0				
Washington-Arlington-Alexandria, DC-VA-MD-WV ⁶	1	2.7	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.

EXCERPT FROM PROCEDURE 23, PART III, SECTION H
– Increase to the Daily Stipend

- (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.

EXCERPT FROM PROCEDURE 23, PART III, SECTION H
– Increase to the Daily Stipend

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.



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AGENDA SUBMITTAL

To: WQA Administrative/ Finance Committee
From: Randy Schoellerman, Executive Director
Date: March 11, 2025
Subject: Discussion of Draft Budget for FY 25/26

Discussion

The budget for FY 25/26 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 25/26 is being submitted today to the Administrative/Finance Committee. An initial 5-year budget projection is also being submitted. 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 8, 2025, at the Administrative/Finance Committee Meeting. At this time the full version of the draft budget for FY 25/26 along with a 5-year budget projection will be presented. A second Budget Workshop is scheduled for the regular WQA Board Meeting on April 16, 2025.

Any comments or changes received by the WQA after April 16 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 13, 2025, 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 22nd 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:

*2025/2026 Budget and Assessment Schedule – Draft
Budget Summary of FY 25/26 Draft Budget v1, dated 3/11/2025*

**San Gabriel Basin Water Quality Authority
2025/2026 BUDGET AND ASSESSMENT SCHEDULE**

TASK	DATE
Budget Workshop Presentation - Administrative / Finance Committee	04/08/25
Public Hearing and Budget Workshop Presentation at the Regular Board Meeting	04/16/25
Administrative/Finance Committee - review of revised draft budget	05/13/25
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	05/21/25
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>)	05/22/2025
Place Newspaper Announcement (2 days) (minimum <i>45 days prior to hearing</i>)	06/09/2025 and 06/16/2025
Post Hearing Notice at Entrance of Public Hearing Location (minimum <i>45 days prior to hearing</i>)	06/23/2025
WQA Board Meeting - Assessment Public Hearing and ADOPTION of Assessment	08/20/2025
Mail Invoices for Assessments	08/21/2025
Collect Assessments (1st installment)	09/19/2025
Collect Assessments (2nd installment)	11/14/2025

NOTE: These dates are subject to change with notification

**SAN GABRIEL BASIN WATER QUALITY AUTHORITY
BUDGET SUMMARY
FOR FISCAL YEAR ENDING JUNE 30, 2026**

Draft v1 - 3/11/25

LINE ITEMS	Other Projects (6 Projects)	Baldwin Park Operable Unit (12 Projects)	El Monte Area Operable Unit (5 Projects)	So. El Monte Operable Unit (12 Projects)	Puente Valley Operable Unit (5 Projects)	Area Three Operable Unit (3 Projects)	Prop 68	Operating	Total Project Budget
CAPITAL COSTS	<u>\$7,161,057</u>	<u>\$5,067,831</u>	<u>\$6,067,100</u>	<u>\$4,124,353</u>	<u>\$6,840,573</u>	<u>\$50,700</u>	<u>\$0</u>	<u>\$0</u>	<u>\$29,311,614</u>
WQA Salaries	0	0	0	15,000	16,000	0		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	54,000	205,800	53,100	109,900	24,900	42,300		0	490,000
Community Relations	16,800	33,600	14,000	33,500	14,000	8,400		0	120,300
Project Construction	0	0	0	0	0	0		0	0
Contractors/Grants	7,090,257	4,828,431	6,000,000	3,953,453	6,772,340	0		0	28,644,481
Site Acquisition	0	0	0	0	0	0		0	0
OPERATING EXPENSES	<u>\$2,577,248</u>	<u>\$21,823,490</u>	<u>\$3,292,105</u>	<u>\$4,187,947</u>	<u>\$226,233</u>	<u>\$2,902,756</u>	<u>\$383,333</u>	<u>\$1,607,111</u>	<u>\$37,000,223</u>
WQA Salaries	26,200	127,500	42,500	124,500	25,000	6,500		685,636	1,037,836
Prop 68-WQA Salaries	0	0	0	0	0	0	100,000	0	100,000
WQA Benefits	9,334	42,112	14,050	41,500	8,333	2,100	33,333	172,650	323,413
WQA Overhead	13,100	63,750	21,250	62,250	12,500	3,300	50,000	748,825	974,975
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	2,528,614	325,280	2,782,270	2,011,697	0	2,890,856	0	0	10,538,717
Treatment & Remediation Costs	0	21,152,848	431,035	1,925,000	176,400	0	0	0	23,685,283
TOTAL CAPITAL & OPERATING	<u>\$9,738,305</u>	<u>\$26,891,321</u>	<u>\$9,359,205</u>	<u>\$8,312,300</u>	<u>\$7,066,807</u>	<u>\$2,953,456</u>	<u>\$383,333</u>	<u>\$1,607,111</u>	<u>\$66,311,837</u>
REVENUES	<u>\$9,738,305</u>	<u>\$26,891,321</u>	<u>\$9,359,205</u>	<u>\$8,312,300</u>	<u>\$7,066,807</u>	<u>\$2,953,456</u>	<u>\$383,333</u>	<u>\$1,607,111</u>	<u>\$66,311,837</u>
Rest. Fund/Title XVI/PRPs/Producers									
Restoration Funds (RF)	2,512,500	2,362,733	0	0	1,200,000	0	0	0	6,075,233
Potentially Responsible Parties	0	21,769,344	6,431,035	0	5,048,740	0	0	0	33,249,119
Water Producers (PROD)	2,212,757	2,284,497	0	0	700,000	0	0	0	5,197,253
State - SWRCB/Prop 84/Prop	2,365,000	0	0	3,968,453	0	0	0	0	6,333,453
SEMOU EPA / DTSC	0	0	0	1,900,000	0	0	0	0	1,900,000
Prop 68 Fees	0	0	0	0	0	0	0	0	0
Interest income	0	0	0	0	0	0	0	701,670	701,670
SWRCB DFA Proposition 68	2,528,614	325,280	2,782,270	2,033,697	0	2,890,856	383,333	0	10,944,050
WQA Assessment	119,434	149,467	145,900	410,150	118,067	62,600	0	905,441	1,911,059
ASSESSMENT RESERVE									
<i>Reserve balance from FY 2023-24</i>									3,414,635
<i>WQA 24-25 Assessments Collected @ \$12 acre foot</i>									2,371,320
<i>WQA 24-25 Projected Costs Funded By Assessments</i>									(1,765,432)
<i>Projected reserve balance for FY 2024-25</i>									4,020,523
<i>Proposed WQA 25-26 Assessments Collected @ \$12 acre foot</i>									2,371,320
<i>WQA 25-26 Budgeted Costs Funded By Assessments</i>									(1,911,059)
<i>Projected Assessment Reserve for FY 25-26</i>									4,480,784
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>



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AGENDA SUBMITTAL

To: Administrative/Finance Committee
From: Randy Schoellerman, Executive Director
Date: March 11, 2025
Subject: **Administrative Procedure No. 42**
Fees for the Pursuit of, and the Obtaining and Securing of Funding

Summary

At February's committee meeting staff provided an overview of WQA's Administrative Procedure No. 42 some analysis of how the policy could be implemented. This month staff will be providing the committee with additional information regarding impacts to the WQA budget and recommendations concerning the collection of fees pursuant to Procedure No. 42.

Background

WQA's Administrative Procedure No. 42, which was approved by the Board on April 21, 2021, establishes a fee for services to support WQA's efforts in pursuing, obtaining, and securing all varieties of funding on behalf of producers. The WQA wishes to ensure that costs incurred by the WQA to secure such funds are offset by those who receive the most direct benefit (i.e., funding recipients). The fee shall be a sum of not more than 5% on the total amount of funding received by each producer. According to the policy, WQA shall annually consider the fee for the prior calendar year of funding.

Attachment:

Administrative Procedure 42

ADMINISTRATIVE PROCEDURE

No. 42

Date: April 21, 2021

Revised:

Page 1 of 1

Policy for Establishing a Fee for the Pursuit of, and the Obtaining and Securing of Funding

1. Purpose

This policy of the San Gabriel Water Quality Authority (WQA) establishes a fee for service to support the WQA's efforts in pursuing, obtaining, and securing all varieties of funding on behalf of producers as the term "producer" is defined under Section 312 of Chapter 134 of the Water Code – Appendix. The WQA wishes to ensure that costs incurred by the WQA to secure such funds are offset by those who receive the most direct benefit (i.e., funding recipients). The fee established under this policy is *de minimis* and is voluntary to the extent that the obligation to pay the fee only arises in the event a producer voluntarily chooses to receive funding secured by the WQA.

2. Amount of Fees

The fee for WQA's costs in pursuing, obtaining, and securing funding on behalf of the producers shall be a sum not more than five percent (5%) of the total amount of funding received by each producer.

3. Costs Incurred by WQA

Producers who seek funding from the WQA acknowledge that WQA has incurred past costs and expenses in performing the service of pursuing, obtaining, and securing funding on behalf of the producers. Such costs and expenses commonly include, but are not limited to, professional advocacy services, engineering services and WQA operating costs.

4. Payment of Fees

A producer for whom WQA has pursued, obtained, and secured funding shall pay a fee no greater than an amount equal to five percent (5%) of funds received in the prior calendar year within thirty (30) days of WQA's annual billing statement.