

**A REGULAR MEETING  
OF THE  
SAN GABRIEL BASIN WATER QUALITY AUTHORITY  
APRIL 16, 2025, AT 12:00 P.M.**

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<b>CALL TO ORDER</b>	The Chairwoman called the regular meeting of the San Gabriel Basin Water Quality Authority to order and reviewed the actions anticipated on the agenda for the meeting.
<b>REMOTE PARTICIPATION DECLARATION – AB 2449</b>	None
<b>ROLL CALL OF BOARD MEMBERS</b>	Lynda Noriega, Robert Gonzales, Valerie Munoz, Bob Kuhn, Mark Paulson, Ed Chavez and Robert DiPrimio.
<b>BOARD MEMBERS ABSENT</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
<b>MEMBERS OF THE PUBLIC PRESENT</b>	Gabriel Monares, The Monares Group; Bruce Knoles, San Gabriel Valley Municipal Water District
<b>MEMBERS OF THE PUBLIC THAT PARTICIPATED VIA ONLINE/TELECONFERENCE</b>	Mike Phillips, California American Water; Lenet Pacheco, Valley County Water District
<b>PUBLIC COMMENT</b>	None.
<b>ITEMS TOO LATE TO BE AGENDIZED</b>	<p>Mr. Schoellerman reported that the Third Amendment to the 2017 Baldwin Park Operable Unit Agreement was received by staff after the meeting agenda had been posted. As a result, staff is recommending that the item be added to the agenda as Item XI(b) for Board action.</p> <p>Mr. Paulson moved to add the Third Amendment to the 2017 Baldwin Park Operable Unit Agreement to the agenda as item XI(b). Ms. Munoz seconded the motion, and it was approved unanimously.</p>
<b>PUBLIC HEARING</b>	
<b><i>Ordinance 2025-1 – Board Member Compensation Increase</i></b>	Ms. Noriega reported that at the March 19 <sup>th</sup> Board meeting, the Board of Directors voted to increase the daily per diem from \$150.00 to \$154.95 per day. She noted that the procedures are

set forth according to Water Code §§ 20200-20207, in order to increase above \$100 per day the compensation paid to Board Members for attendance at a WQA approved activity, those sections require the adoption of an ordinance at a noticed public hearing. She reported that the new ordinance may take effect only 60 days after it is adopted, or July 1<sup>st</sup> whichever is later.

She indicated that the draft ordinance that is up for consideration today proposes that the members of the Board of Directors each shall receive a director fee of \$154.65 per day for each day of service rendered, subject to the procedures and policies of San Gabriel Basin Water Quality Authority Administrative Procedure No. 23.

Ms. Noriega opened the public hearing to receive comments on Ordinance 2025-1. There being no comments the public hearing was closed.

Mr. Gonzales moved to adopt Ordinance No. 2025-1, Board Member Compensation Increase. Ms. Noriega seconded the motion and it was approved by the following roll call vote:

AYES: NORIEGA, GONZALES, MUNOZ, KUHN, PAULSON, CHAVEZ AND DIPRIMIO

NO: NONE

ABSENT: NONE

ABSTENTIONS: NONE

## **WORKSHOP**

### ***Budget Workshop for Fiscal Year 2025/2026***

Ms. Saenz reviewed the draft budget for FY 25/26. She also reviewed the five-year projections for the assessment reserves. She noted that the assessment has been \$12/acre-foot since FY 19/20. She also noted that the FY 25/26 budget anticipates continuing the assessment of \$12/acre-foot. WQA's reserve policy requires an annual review as part of the budget process. She indicated that the Policy establishes a minimum assessment reserve of 6 months or 50 percent of current budgeted operating expenses with a goal of achieving reserves of 9 months or 75 percent of budgeted expenses. She stated that the reserve policy was on the agenda for discussion, noting there was discussion at the committee to look into adjusting the minimum reserve requirement to 12 months or 100 percent of budgeted expenses. She reviewed the projects' capital and operating expenses as well as the revenues. She also reviewed the project cost allocations.

Ms. Saenz reported that the draft budget would come back to the Administrative/Finance Committee in May, if necessary, and that she anticipated the board holding a public hearing and

adopting the draft budget at the May 21, 2025 Board meeting. She reported that the public hearing and adoption of the assessment was scheduled for August 20, 2025. She lastly reported that the two collection dates for the assessment were set for September 19 and November 14, 2025.

Mr. DiPrimio asked if the budget was impacted by the current government shortfalls. Ms. Saenz replied that it was not, as the budget is based on funds that have already been awarded and received.

## **CONSENT CALENDAR**

Ms. Munoz moved to approve the consent calendar as presented. Mr. Gonzales seconded the motion, and it was approved unanimously with the following abstentions:

Ms. Noriega abstained from Project Demand No. E92586 and Mr. DiPrimio abstained from Project Demand No. E92580 and E92587.

## **COMMITTEE REPORTS**

### ***Legislative/Public Information Committee Report***

Mr. Schoellerman reported that the minutes for the committee meeting were enclosed for review.

### ***Discussion/Action Regarding EcoVoices Proposal***

Ms. Moreno reported that for the past nine years WQA has participated in a Summer Youth Outreach Program with EcoVoices to target a segment of the community that is difficult to reach, the youth of our communities. She stated that the program reaches an estimated 2,000 youth within the region and that the kids engage really well. She noted that the proposal amount of \$20,000 is the same as last year.

Mr. Paulson asked if Dr. Shope rotates school districts. Ms. Moreno replied that he goes to schools that are within the WQA's boundaries. She also noted that he currently has plans to go to schools in La Puente, West Covina and Azusa.

After discussion, Ms. Munoz moved to approve the EcoVoices proposal. Mr. Gonzales seconded the motion and it was approved unanimously.

### ***Discussion/Action Regarding Proposed Services Provided by Civic Publications***

Ms. Moreno reported that the Civic Publications proposals for the public outreach advertorials and for WQA's annual report were being submitted for Board approval. She noted that the proposals have not increased from the prior year.

After discussion, Mr. Kuhn moved to approve the Civic Publications proposals. Ms. Munoz seconded the motion and it was approved unanimously.

***Administrative/Finance Committee Report***

Mr. Schoellerman reported that the minutes for the committee meeting were enclosed for review.

***Discussion/Action Regarding Administrative Procedure No. 41 – Reserve Fund Policy***

Mr. Schoellerman reported that the Reserve Fund Policy is used in conjunction with the annual WQA budget process to determine the annual assessment level necessary to fund WQA's operations. He stated that the Policy No. 41 revision was presented at the April 8, 2025 Administrative/Finance Committee Meeting. He noted that staff recommended a change in Section 4.1 – "Designated Reserves", to increase the minimum assessment reserve from 6 months or 50% of current year budgeted expenses to 12 months or 100 % of current year budgeted expenses.

He stated that the Committee agreed with the recommendation and also advised removing the portion of the policy related to establishing a separate goal for the assessment reserves. He stated that the Committee agreed with the recommendation establishing a minimum assessment reserve of 100% being sufficient for the reserve policy, and that having a goal level is no longer necessary.

Ms. Noriega reported that the committee expressed concern that establishing a formal goal could create pressure to raise the assessment above the minimum level. She further noted that this would raise the question of how to manage any excess funds collected beyond 100%. The committee recommended that any such excess be allocated to a rate stabilization fund.

Mr. DiPrimio acknowledged the commendable work of both the current and previous Boards, as well as the staff, in successfully establishing a strong reserve fund.

After discussion, Mr. Kuhn moved to approve the Administrative Procedure No. 41 – Reserve Fund Policy. Mr. DiPrimio seconded the motion and it was approved unanimously.

***Discussion/Action Regarding the Federal Funding Program Administration (FFPA) Round XI Recommendations***

Mr. Colby reported on the Federal Funding Program Administration (FFPA) Round XI recommendations. He explained that staff's recommendations were focused on Capital projects consistent with past rounds of funding and noted the limited funds available this round. He reviewed the summary of recommendations from staff. Mr. Colby noted that some projects are not receiving awards in this round due to ongoing negotiations. He advised waiting for the outcomes of those funding agreements before making further decisions.

Mr. Paulson inquired whether there were unspent funds from previous rounds and, if so, what the timeline was for utilizing those funds. Mr. Colby responded that the anticipated timeline is 12 to 18 months; however, this may be extended depending

on conditions and potential delays.

The Board generally concurred with staff's recommendations for the capital awards only approach based on the limited amount of funding. However, there were concerns expressed about providing awards to projects with lower rankings considering the limited funding available. After further discussion, the Board of Directors recommended that staff revise the FFPA and it be brought back to the Administrative/Finance Committee.

**OTHER  
ACTION/INFORMATION  
ITEMS**

***Discussion Regarding 1<sup>st</sup> Quarter  
2025 Cash Report***

Ms. Saenz reported that the cash report was for the first quarter ending March 31<sup>st</sup> and the cash and funds at the end of that quarter was \$22.3 million. She reported that the WQA holds its investment funds at the Local Agency Investment Fund (LAIF). The LAIF quarterly rate for January to March 2025, which was issued on April 15<sup>th</sup>, was 4.8%, with interest earned totaling \$110,423 for the quarter. She noted that WQA holds its cash funds at BMO Bank. Funds held at BMO exceed the FDIC insured limit of \$250,000. She indicated that 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 reported that BMO interest on the Money Market (MM) account for January to March 2025 is 3.812%. She noted the interest earned for the 3 months of January, February and March totals \$112,507.

***Discussion/Action Regarding  
Third Amendment to the 2017  
Baldwin Park Operable Unit  
Agreement***

Mr. Schoellerman reported that the 2017 Baldwin Park Operable Unit (BPOU) Agreement provides that the statute of limitations for each party's claims be tolled while the agreement is ongoing. He noted, however, state law is such that the tolling period must be extended every four years. He reported that the ten-year BPOU agreement essentially requires the parties to extend the tolling period every four years and that the Third Amendment to the 2017 BPOU Agreement provides for the tolling extension. He noted that the Second Amendment was done in 2002.

Mr. Paulson moved to approve the Third Amendment to the 2017 BPOU Agreement. Ms. Munoz seconded the motion and it was approved unanimously.

**PROJECT REPORTS**

Mr. Colby reported that the WQA will be hosting Project Technical meetings for El Monte Operable Unit on April 22<sup>nd</sup> and both South El Monte Operable Unit and Whittier Narrows

Operable Unit on May 6<sup>th</sup>.

He reported that DTSC has submitted the SEMOU Agreement to their contracts department. He noted that the agreement is for 5 years and not-to-exceed \$10 million with provisions to re-negotiated when reaching that amount.

He reported that WQA has submitted the required draft of the Capture Zone Modeling Report for the Whitmore Street Groundwater Remediation Facility under the Prop 1 Implementation Grant. He explained that the purpose of the report is to confirm the appropriate locations for the extraction wells.

#### **ATTORNEY'S REPORT**

None.

#### **LEGISLATIVE REPORT**

Mr. Monares reported that State and Congress are both on recess this week. He noted that WQA had some great meetings in D.C. with the local representatives and with the Bureau of Reclamation. He reported that letters of support have been sent requesting \$10 million in appropriations.

#### **EXECUTIVE DIRECTOR'S REPORT**

Mr. Schoellerman repeated the sentiments of Mr. Monares regarding the meetings in D.C.

He reported that the job announcement for the Project Resource Specialist has been posted and that WQA was currently accepting applications through April 28<sup>th</sup>.

He stated that he and Ms. Saenz had a meeting with the auditor regarding the next audit for FY24/25 which will begin in June.

Mr. Schoellerman stated that he approved an \$18K media system upgrade for the board room, which is anticipated to be completed by the end of May. This work is replacing outdated technology and would allow WQA to continue providing remote meeting access more effectively.

He reminded the Board that Upper District's Annual WaterFest will take place on May 3rd, and that WQA will be participating with an informational booth. He also noted that the ACWA Spring Conference is scheduled for May 13th to 15th in Monterey. He informed the Board that he will be out of the office on vacation next week.

#### **FUTURE AGENDA ITEMS**

None.

#### **FUTURE BOARD AND COMMITTEE MEETINGS**

The next Legislative/Public Information Committee meeting was scheduled for Tuesday, May 6, 2025, at 9:00 a.m.

The next Administrative/Finance Committee meeting was scheduled for Tuesday, May 6, 2025, at 10:00 a.m.

The next WQA Board meeting was scheduled for Wednesday, May 21, 2025, at 12:00 p.m.

**CLOSED SESSION**

Closed Session Pursuant to 54956.9(d)(4) – Conference with Legal Counsel re: Initiation of Litigation (Settlement Opportunities with potential defendants) – Two (2) Matters

**RECONVENE OPEN SESSION**

None.

**BOARD MEMBERS'  
COMMENTS/  
REPORTS**

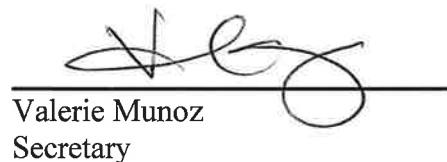
None.

**ADJOURNMENT**

The Chairwoman asked if there were any other items of business to come before the Board, there being none, the meeting was adjourned until the next meeting on May 21, 2025.



Lynda Noriega  
Chairwoman



Valerie Munoz  
Secretary