

**A REGULAR MEETING
OF THE
SAN GABRIEL BASIN WATER QUALITY AUTHORITY
JANUARY 18, 2012 at 12:00 P.M.**

CALL TO ORDER The Chairman 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.

ROLL CALL OF BOARD MEMBERS Bob Kuhn, Ed Chavez, Louie Aguiñaga, Mike Whitehead, Jim Byerrum, Greg Nordbak and John Leung

BOARD MEMBERS ABSENT None.

STAFF MEMBERS PRESENT Ken Manning, Executive Director; Randy Schoellerman, Assistant Executive Director/Senior Engineer; Stephanie Moreno, Admin/IS Assistant; Michelle Sanchez, Admin/Accounting Assistant; Dan Colby, Project Resource Manager; Mary Saenz, Director of Finance; Art Kidman, Legal Counsel

MEMBERS OF THE PUBLIC PRESENT Tracy Egoscue, Paul Hastings, LLP, Dan Horan, Three Valleys MWD, Tom Lindros, BPOU CR's, Michael Touhey, City of West Covina; Ben Lewis, Golden State Water Company; Tom Schmidt, EMOU Westside; Bill Snyder, NDE; Lenet Pacheco, Valley County Water District; Steve Johnson, Stetson Engineers; Mariana Lake, Valley County Water District; Margarita Vargas, Valley County Water District

ITEMS TOO LATE TO BE AGENDIZED None.

PUBLIC COMMENT Mr. Schmidt reported that construction of the El Monte Operable Unit West Side Shallow treatment system was complete and that start-up activities would begin soon. He thanked the WQA Board and staff for their help and support with the project.

ELECTION OF OFFICERS Mr. Kuhn moved to elect Mr. Nordbak as Chairman. Mr. Byerrum seconded the motion.

Mr. Kuhn moved to elect Mr. Aguiñaga as Vice-Chairman. Mr. Whitehead seconded the motion.

Mr. Kuhn moved to elect Mr. Byerrum as Treasurer. Mr. Whitehead seconded the motion.

Mr. Aguiñaga moved to elect Mr. Kuhn as Secretary. Mr. Whitehead

seconded the motion.

All motions were unanimously approved.

APPOINTMENT OF COMMITTEE MEMBERS

Mr. Nordbak asked if there were any Board Members that would like to make changes to the current committee appointments. There being none the committee appointments remained the same:

Administrative/Finance Committee – Nordbak, Whitehead, Byerrum
Engineering Committee – Byerrum, Aguiñaga, Leung
Legislative/Public Information Committee – Chavez, Leung, Kuhn

CONSENT CALENDAR

Mr. Kuhn moved to approve the consent calendar as presented. Mr. Aguiñaga seconded the motion and it was approved with the following abstentions: Mr. Byerrum abstained from project demand No. 3441, Mr. Whitehead abstained from project demand No. 3442.

COMMITTEE REPORTS

Administrative/Finance Committee Report

Mr. Manning reported that the minutes for the meeting held on January 11, 2012 were enclosed for review.

Discussion/Action Regarding Draft Budget Schedule

Mr. Manning reported that it was time to start the budget review process for the 2012/2013 fiscal year budget. He reviewed a draft schedule for the budget review. He indicated that the schedule allowed for various times for interested parties to submit comments on the draft budget, including a budget workshop scheduled for April 10, 2012 for interested parties and producers.

After general discussion, Mr. Byerrum moved to approve the draft budget schedule. Mr. Aguiñaga seconded the motion and it was unanimously approved.

Discussion/Action Regarding ACWA Health Benefits Authority(HBA) Election

Mr. Manning reported that the HBA was requesting votes for the selection of a new Director. He indicated that the committee reviewed the nominees and did not have any recommendations for a selection.

After general discussion, Mr. Kuhn moved to vote for Steven Ruetters. Mr. Byerrum seconded the motion and it was unanimously approved.

Discussion/Action Regarding ACWA's Clair A. Hill Water Agency Award of Excellence

Mr. Manning reported that he had reviewed the entry form for the Clair A. Hill award and felt that WQA would be a good candidate for the award. He noted that the WQA has a great story to tell and definitely fit all of the eligibility criteria for this award.

Mr. Whitehead commented that this was an excellent idea.

After brief discussion, Mr. Kuhn moved to approve staff submitting an entry for the ACWA Clair A. Hill Water Agency Award of Excellence. Mr. Whitehead seconded the motion, and it was unanimously approved.

***Engineering Committee
Report***

Mr. Schoellerman reported that a joint meeting of the WQA Board and the City of El Monte Planning Commission was scheduled for February 28, 2012 at 7:00 p.m. to review staff's responses to any comments received and to consider approving the CEQA documentation and project. He also noted that he would be attending a community meeting scheduled by the City of El Monte on January 26, 2012 to address the City of El Monte water customers prior to the close of the CEQA document review on January 31st.

Mr. Schoellerman reported that staff would be meeting with the United States Environmental Protection Agency, the Department of Toxic Substances Control and several water purveyors on January 23rd to discuss the future operation of the Whittier Narrows Operable Unit treatment facility.

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

Mr. Manning reported that committee discussed the idea of producing a professionally designed full color executive summary of the 2012 406 Plan. He indicated that the 406 Plan is updated every year and it would be beneficial to have an easy to read version of the plan to use for public outreach and could be considered WQA's annual report. He noted that the new document would be designed with the assistance of a consultant that specializes in creating similar documents for other agencies. He indicated that there was about \$10K in the budget already to start the process for this year.

OTHER ACTION ITEMS

Mr. Nordbak appointed a sub-committee of the following Board Members to perform the evaluation of the Executive Director: Nordbak, Chavez and Aguiñaga

ENGINEER'S REPORT

Mr. Schoellerman gave an update on the Prop 84 applications. He indicated that WQA had four applications submitted that totaled \$14M that were still under review by the Department Public Health.

He reported that WQA has received \$4.5M in settlement funds from the South El Monte Operable Unit litigation for the San Gabriel Valley Water Company, Golden State Water Company and the City of Monterey Park. Therefore, staff would be setting up an allocation meeting with the three agencies. Additionally, WQA received \$1.5M in settlement funds for WQA and that staff planned to seek Board input on the use of those funds.

Mr. Whitehead asked if this settlement money that has been received is separate from the funding that is coming from the cooperative agreement.

Mr. Kidman reported that this money would be in addition to the funding from the cooperative agreement.

Mr. Whitehead requested that when the staff meets with the parties to discuss the allocation of the money that it be presented in a way to show the multiple sources of funding and where it is all coming from.

ATTORNEY'S COMMENTS

Mr. Kidman reported that he was appointed to the ACWA's State Legislative Committee and thanked the WQA for its nomination. He also noted that his committee would be looking at a legislative analyst report that was prepared for the assembly committee on accountability and administrative review of small special districts and the effectiveness of the Local Agency Formation Commission.

Mr. Whitehead suggested that we should have the Gualco Group look into this and keep us informed.

Mr. Nordbak suggested that the WQA should go on record stating why the WQA is an exception to the title of a special district.

Mr. Manning indicated that he would have Mr. Kidman provide a legal opinion on the issue.

EXECUTIVE DIRECTOR'S REPORT

Mr. Manning reported that back in April of 2011 the Board approved a task order for Park Place Computer Solutions. He indicated that Park Place Computer Solutions decided not to pursue work with the WQA. He noted that staff met with another company to discuss the work that was needed and was recommending 24 Tech Corporation to assist staff with IT services. He also noted that the task order would be the same as what was approved before; the only difference was the name of the vendor.

Mr. Manning introduced Ms. Egoscue and indicated that after meeting with her to discuss the basin discharge permit they determined that a slight change in the permit might be advantageous in order to obtain the permit without any opposition.

Mr. Kuhn asked if he might be conflicted on this matter because Ms. Egoscue works for Paul Hastings and Mr. Kuhn uses the Paul Hastings firm for personal business.

Mr. Kidman indicated that it was not a conflict.

Ms. Egoscue gave an overview of her background to the Board and summarized the work done on the basin discharge permit. She reported that it was suggested to have a permit that would be available to anyone in the Los Angeles Region as opposed to just the San Gabriel Basin. She indicated that making the permit region-wide would help to eliminate opposition.

Mr. Nordbak commented that he had a problem with staff changing the direction of the project without going to the Board for approval first.

Mr. Manning commented that nothing has been changed yet and that is why Ms. Egoscue was in attendance today to provide an update on the process. He also noted that he would bring this change back to the Board for approval.

FUTURE AGENDA ITEMS None.

FUTURE BOARD AND COMMITTEE MEETINGS

The next Administrative/Finance Committee meeting was re-scheduled to Wednesday, February 14, 2012 at 12:00 P.M.

The next Engineering Committee meeting was scheduled for Tuesday, February 14, 11 2012 at 1:00 P.M.

The next Legislative/Public Information Committee meeting was scheduled for Wednesday, February 15, 2012 at 12:00 P.M.

The next WQA Board meeting was scheduled for Wednesday, February 22, 2012 at 12:00 P.M.

BOARD MEMBERS' COMMENTS/REPORTS

Mr. Kuhn thanked the staff and Board Members for their help and support during his time as the WQA Chairman.

Mr. Whitehead thanked Mr. Kuhn for serving as the WQA Chairman.

CLOSED SESSION

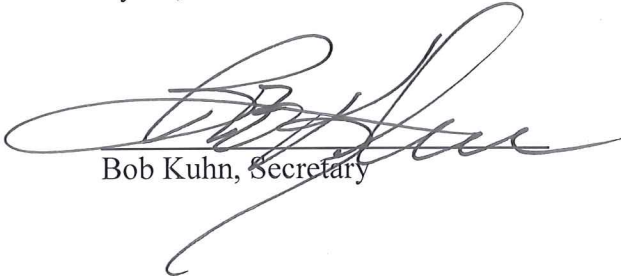
A closed session was not held.

ADJOURNMENT

The Chairman asked if there were any other items of business to come before the Board. There being none, the Board meeting was adjourned to February 22, 2012 at 12:00 P.M.



J. Greg Nordbak, Chairman



Bob Kuhn, Secretary