

**SAN GABRIEL BASIN WATER QUALITY AUTHORITY
ADMINISTRATIVE/FINANCE COMMITTEE AND
SPECIAL MEETING OF THE BOARD OF DIRECTORS
JUNE 12, 2018 AT 10:00 A.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.

**COMMITTEE MEMBERS
PRESENT**

Bob Kuhn and Jorge Marquez

WATERMASTER LIASON

Dave Michalko

**COMMITTEE MEMBERS
ABSENT**

Michael Whitehead and Mark Paulson

**OTHER BOARD MEMBERS
PRESENT**

None

STAFF MEMBERS PRESENT

Ken Manning, Executive Director; Stephanie Moreno, Executive Assistant/Public Outreach Coordinator; Mary Saenz, Director of Finance; Michelle Sanchez, Accounting Assistant; Dan Colby, Project Resource Manager

**MEMBERS OF THE PUBLIC
PRESENT**

Lenet Pacheco, Valley County Water District; Margarita Vargas, Valley County Water District;

PUBLIC COMMENT

None.

***Discussion Regarding Board Fee
Increase/Cost of Living
Adjustments and Amendment to
Procedure 23***

Mr. Padilla reported that Subsection H of Section III of Administrative Procedures No. 23 ("Subsection H") sets forth the procedure for authorizing increases to the Daily Stipend received by members of the Authority's governing board. Under Subsection H, the Board may increase the Daily Stipend by an amount equal to the lesser of 5% or the percentage increase in the annual January CPI. In January 2018, however, the federal Bureau of Labor Statistics ("BLS") introduced a new geographic area sample for the Consumer Price Index ("CPI") and as part of this new sample, the Los Angeles and Riverside areas have been split into two separate indices – the Los Angeles-Long Beach-Anaheim area and the Riverside-San Bernardino-Ontario area. Because of this, references to CPI set forth in Subsection H must be updated to reflect changes established by the BLS and to better conform to applicable statutory requirements. The Authority now lies within the new Los Angeles-Long Beach-Anaheim geographic area. The attached Resolution amends the for calculating increases to the Daily Stipend to reflect this change. The

attached Resolution also attempts to better harmonize the Authority's procedures for increasing the Daily Stipend with applicable State law.

He also reported that Under Section 20202 of the Water Code, increases to the amount of compensation which may be received by members of the governing board of a water district above the amount of \$100 per day may not exceed an amount equal to 5 percent, for each calendar year following the operative date of the last adjustment of the compensation. Water Code Section 20203 further requires that any ordinance to establish or increase the compensation rate for Authority board members must be approved at a public hearing with prior published notice pursuant to Government Code Section 6066. Also, per 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.

The enclosed Resolution modifies the Authority's existing procedures to better conform to the statutory requirements described above. Under the attached Resolution, Administrative Procedure No. 23 will require that increase be approved by ordinance and in compliance with the noticed public hearing requirements referenced above.

He lastly reported that attached draft ordinance is the vehicle used to authorize a new increase to the Daily Stipend, in keeping with the modified procedures described above. The attached ordinance also repeals and replaces prior Ordinance No. 2006-1, again to bring the existing policy into better conformity with State law.

After brief discussion, the committee recommended that the resolution modifying the policy for approving increases to the daily stipend be adopted by the board then for the Board to approve an ordinance which authorizes an increase to the daily stipend subject to the requirements of applicable Water Code provisions.

Discussion Regarding Cost of Living Adjustment ("COLA") for Exempt and Non-Exempt Staff

Mr. Manning reported Procedure 40 establishes the Cost of Living Adjustment (COLA) procedures for WQA Employees. The COLA increase is based on the April Consumer Price Index for All Urban Consumers ("CPI-U"). He noted the policy differentiates between Exempt and Non-Exempt employees, as shown below.

- 1) Exempt employees: provides for an increase in the salary ranges by the April CPI-U.
 - 2) Non-Exempt employees: provides for an increase in both the salary ranges and the actual salaries by the April CPI-U.
- He also noted that the CPI-U percentage increase from April 2017 to April 2018 is 4.0%.

After brief discussion, the committee recommended that the

Board approve the following:

- Increase the salary ranges for both Exempt and Non-Exempt employees by 4.0%.
- Increase the salaries of the Non-Exempt employees by 4.0%.

***Discussion Regarding Contract
for Kevin Wong CPA Accounting
Consultant***

Mr. Manning reminded the committee that in lieu of hiring a staff accountant as a permanent employee, the Board has authorized the engagement of a professional Certified Public Accountant (CPA) as a consultant to the WQA on an as needed basis. The current contract approved by the Board expires this month, and is for the term of July 1, 2017 to June 30, 2018 with a not-to-exceed amount of \$25,000. Total costs for this contract through June 30, 2018 are projected to be \$14,900. He indicated that the approved Operating Expense Budget for the fiscal year 18/19 includes budgeted costs of \$15,000 for “Accounting – Outside Services”.

After brief discussion the committee recommended that the contract with Kevin Wong, CPA be renewed for the period of July 1, 2018 to June 30, 2019 in an amount not to exceed \$15,000.

***Discussion Regarding WQA
Investment Policy***

Mr. Manning reported that WQA’s Administrative Procedure No. 26, Investment Policy and Guidelines was last updated on September 25, 2013 in accordance with the relevant Government Code Sections and the Local Agency Investment Guidelines. Procedure No. 26 was affirmed by the Board last fiscal year on June 21, 2017.

Ms. Saenz reported that the guidelines require that WQA invest its public funds in a manner which will provide the highest investment return while meeting the daily cash flow demands, maintaining an appropriate risk level and conforming to all state and local statutes. Procedure No. 26 also itemizes the acceptable investment instruments for the WQA and includes a specific requirement that investments be limited to a 12 month term. She also noted that the WQA Investment Policy was discussed briefly at the January 9, 2017 Administrative/Finance Committee meeting. The discussion arose out of the presentation of the audited financial statements for the fiscal year 16/17 and was not a separate discussion item for that meeting. At that time, the Committee agreed that the policy was acceptable as is and did not need to be modified.

After some discussion, the committee recommended that Administrative Procedure No. 26, Investment Policy and Guidelines be affirmed as of June 20, 2018 as part of the procedures for the upcoming fiscal year 18/19.

**EXECUTIVE DIRECTOR’S
REPORT**

Mr. Manning reported that he was in Sacramento for the Groundwater Resources Association conference. He also

reported that he spoke at an event at Stanford University regarding different approaches to groundwater cleanup.

Ms. Vargas reported that Valley County Water District has approved two more storage tanks and that their office headquarters will be moving to a new location.

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.


Chairman


Secretary