MINUTES OF THE SOUTHEAST WATER COALITION
REGULAR MEETING OF THE POLICY BOARD
THURSDAY, APRIL 3, 2025, 7:00 p.m.

A regular meeting of the Board of Directors of the Southeast Water Coalition Joint Powers Authority was held on Thursday, April 3, 2025 at 7:00 p.m. at the Norwalk Arts & Sports Complex, Sproul Room, 13000 Clarkdale Avenue, Norwalk CA 90650. Chair Ana Valencia called the meeting to order at 7:04 p.m. At the time the meeting was called to order, a quorum of members was present.

Ms. Madeline Anderson took attendance, and the following Board of Directors members were present:

BOARD MEMBERS PRESENT:

Frank Aurelio Yokoyama	City of Cerritos
Ana Valencia	City of Norwalk
Isabel Aguayo	City of Paramount
Joe Angel Zamora	City of Santa Fe Springs
Maria del Pilar Avalos	City of South Gate
Octavio Martinez	City of Whittier

STAFF AND GUESTS ON SIGN-IN SHEET:

Dan Mueller	City of Downey – AE
Derek Nguyen	City of Lakewood – AE
Michelle Tse	City of Paramount – AE
Chris Castillo	City of South Gate – AE
Ray Cordero	City of Whittier – AE
Kyle Cason	City of Whittier – AE
Jacque Koontz	City of Norwalk Staff
Michael Jea	City of Norwalk Staff
Madeline Anderson	SEWC Staff
Nicholas Ghirelli	Richards Watson & Gershon
Lorraine Avila Moore	City of Lynwood City Council
Vera DeWitt	Water Replenishment District
Rob Beste	Water Replenishment District

ITEM 2 – PUBLIC COMMENT

None.

ITEM 3 - CONSENT CALENDAR

Director Avalos moved to approve the consent calendar.

The motion was seconded by Director Zamora and was approved by the following voice vote:

AYES: **Valencia, Aguayo, Zamora, Avalos, Martinez**

NOES: **None.**

ABSTAIN: **Yokoyama (minutes only)**

ITEM 4 - PRESENTATION - WATER REPLENISHMENT DISTRICT (WRD) DRAFT FISCAL YEAR (FY) 2025/26 BUDGET AND PROPOSED REPLENISHMENT ASSESSMENT

Ms. Koontz began by providing context on the past correspondence between SEWC and WRD, especially regarding the Budget Advisory Committee (BAC) concerns.

She turned it over to Mr. Rob Beste, WRD Assistant General Manager who gave a presentation on the budget, noting how the finance committee came up with the numbers. He began by highlighting the extensive service area of WRD, encompassing 43 cities within southern Los Angeles County, covering 420 square miles and serving a population of 4 million people, which represents over 10% of California's total population, making it the second largest water district by population in the state. Mr. Beste further explained that groundwater constitutes nearly 50% of the region's water demand and noted that there is approximately 150 billion gallons of usable groundwater storage. He elaborated on WRD's multifaceted role in managing this groundwater basin through replenishment, monitoring, cleanup, water recycling, basin modeling, and acting as the regional watermaster.

Mr. Beste then addressed the increasing costs and variable availability of MWD water, noting that WRD manages the basin based on long-term averages of 30 years to ensure a stable supply and collaborates with pumpers to find solutions. He mentioned a shift in their budgeting approach, as they no longer allocate large sums for bulk water purchases from MWD. Mr. Beste pointed out a graph illustrating the locations where significant project funding and grant money have been invested. He also recalled the formation of a pumping committee several years prior to initiate the PFAS treatment program and outlined WRD's funding

assistance programs, which include wellhead treatment, grants and loans, and support in applying for funding.

The discussion then shifted to the FY 2026 Replenishment Assessment. He noted that the BAC had convened three separate meetings on February 25, 2025, March 4, 2025, and March 11, 2025, to discuss the proposed budget and the associated replenishment assessment. The BAC, by vote, recommended reducing the water purchase estimate by $38 million. Mr. Beste clarified that while WRD produces water at their facilities, they also purchase a significant amount of water from various locations at different rates, including putting treated water into the ground and buying water for four barrier areas, facilitated by agreements with multiple parties. He mentioned that the current budget includes a slightly higher water purchase estimate to align more closely with actual figures.

Mr. Beste explained that the limited rainfall in 2025 resulted in a substantial amount of water being directed to the ocean due to contamination from the Altadena fires. He reiterated their continuous efforts to optimize rainwater capture, highlighting the capture of 350,000 acre-feet in the past two years, which broke historical records. He commended the staff's expertise in developing the quantity budget but acknowledged the influence of external factors, particularly the significant price increases imposed by MWD. Mr. Beste stated that WRD aimed for rate increases within the CPI range (3-4%). He further explained that part of the rate increase was attributed to the operational costs of a newly constructed plant in Vernon dedicated to water cleanup.

Director Martinez commented on the complexity of the data presented and inquired about the selection process for BAC members. He was informed that the committee comprises public works directors, water managers, and similar professionals from other agencies, and there had been efforts to encourage participation. Mr. Beste noted that the Board intends to review the formation of the BAC to ensure equal representation. He noted that the committee has grown from 7 to 13 members, all of whom are involved in the water industry, although their familiarity with WRD's specific numbers and calculations may vary.

Director Martinez then questioned the BAC's recommendations, noting their suggested 0.9% increase compared to the Finance Committee's recommendation of 4%. He inquired about the purpose of the BAC if disagreements persisted despite access to the same data. Mr. Beste responded that while diverse perspectives are valuable, differing opinions have become more frequent recently, and he also pointed out that they had collected less revenue than anticipated.

Mr. Cason expressed gratitude to WRD for providing the requested data, acknowledging that they had been seeking this information for some time. He

noted that he would like to thoroughly examine the charts provided. Director Martinez then asked Mr. Cason about the potential benefits of using a 5-year average for the projected budget. Mr. Cason explained that WRD believes a 5-year average would be unsuitable due to significant fluctuations. He stated that he had not heard a compelling justification for rejecting a 5-year average and questioned the rationale behind the $5 million allocation in the budget. He concluded by emphasizing the importance of understanding the budget, as it ultimately impacts the customers who pay for these services.

ITEM 5 - DISCUSSION/ACTION REGARDING CONCERNS ON WRD'S BUDGET RELATED ACTIVITIES

Director Valencia invited Ms. DeWitt to make a brief statement, as she requested to do so prior to the start of the meeting. Ms. DeWitt stated that she was present as an individual, rather than a WRD Board member and expressed her strong concern and disappointment regarding the tone of the draft letter, urging for a reconsideration of its language. Director Avalos thanked Ms. DeWitt, emphasizing the hope that the concerns of SEWC would be genuinely considered. Director Avalos highlighted the negative impact of consistent overbudgeting and stressed the critical importance of water, urging a reconsideration of the proposed 4% increase due to its community impact.

Ms. Koontz then provided a brief historical overview of the Budget Advisory Committee (BAC) and the initial letter sent by SEWC to WRD. She mentioned WRD's attendance at a subsequent meeting for an in-person discussion, followed by WRD's own letter. Ms. Koontz explained that three additional concerns arose, which prompted the drafting of the subsequent letter under discussion.

Mr. Nguyen added that this letter was drafted following growing frustrations regarding the BAC and its new format. He pointed out that the BAC had recommended a 0.9% rate increase, and despite several budget line items, the discussion had primarily focused on water purchases, noting a 9% increase in rates over the past four years. He expressed the desire to examine other line items and the difficulty of projecting figures without adequate background information, clarifying that the 0.9% recommendation pertained to only one line item. Mr. Nguyen further emphasized the desire for WRD to reconsider the formation of the BAC and sought clarity on its future. He also raised concerns about an increase in the reserve amount, reportedly from grants that have not been observed, totaling $109 million. He concluded by stating that the letter represented a culmination of various frustrations and aimed to convey their opinion on the BAC for the Board's consideration while expressing interest in collaborating with WRD.

Director Valencia then sought the Board's consensus on sending the letter, which was affirmed. The floor was opened for proposed edits. Director Martinez asked Ms. DeWitt to specify the parts of the letter that were concerning, to which she reiterated her concern about the harsh tone of the language used.

Ultimately, it was still decided that the letter should be sent as-is because it accurately reflects how SEWC members feel about the frustrations and concerns regarding the BAC and WRD's proposed budget.

Director Zamora made a motion to send the letter as is, with the exception of updating the last page to accurately reflect the current Board members.

The motion was seconded by Director Aguayo and was approved by the following voice vote:

AYES:	**Yokoyama, Valencia, Aguayo, Zamora, Avalos, Martinez**
NOES:	**None.**
ABSTAIN:	**None.**

ITEM 6 – GENERAL LEGISLATIVE UPDATE

Ms. Koontz began by providing a brief background on the agenda item. Mr. Nicholas Ghirelli then provided a report on several legislative bills recently introduced at the State and Federal levels related to PFAS contamination.

Mr. Ghirelli noted that Assembly Bill 794 ("AB-794") would authorize the State Water Board to issue emergency regulations setting maximum contaminant levels ("MCL") for primary and secondary drinking water standards and require the State Water Board to adopt an emergency regulation and initiate a primary drinking water standard for PFAS by January 1, 2026.

Senate Bill 454 ("SB-454") would create the PFAS Mitigation Fund ("Fund"), to be managed by the State Water Board. The Fund's contents would be used to assist local public entities like water suppliers and wastewater operators in covering the costs of treating PFAS contaminated water to remove the forever chemicals. However, Mr. Ghirelli noted a potential issue as the bill does not currently include provisions for these grants.

Last, Mr. Ghirelli noted the House of Representatives Bill 1267 ("HR-1267"), which proposes the "Water Systems PFAS Liability Protection Act," which would exempt certain entities from liability for release of PFAS substances under the Comprehensive Environmental Response, Compensation, and Liability Act ("CERCLA"). Mr. Ghirelli considered this bill to be ultimately beneficial despite potential cost implications, as it is intended to protect public water systems.

Director Zamora then requested that Mr. Ghirelli share this information to ensure widespread awareness of these legislative efforts.

ITEM 7 – BOARD OF DIRECTORS COMMENTS

Director Zamora expressed his support for SEWC members who serve on the BAC and for everything they are doing. Director Avalos echoed this and asked the SEWC members on the BAC to look at the numbers on the slides that were shown by WRD and come back with updated suggestions now that they have more information.

Mr. Castillo noted that he was shocked by water stabilization rate policies and carryover conversion. He noted that he has concerns about purchasing estimates and pumping estimates.

Director Avalos wanted to note that Lynwood is not a part of this JPA and would like to explore adding them as a member and anyone else. Councilmember Lorainne from the City of Lynwood thanked everyone for allowing her to be at the meeting. She noted that the topics that SEWC addresses are extremely important to her because the City of Lynwood has aging wells and water rights issues.

Director Avalos asked Mr. Nguyen to potentially draft a letter or notes for SEWC cities to reference or send out to continue the efforts of taking a stand.

It was requested that Staff send a reminder about the April 29th meeting.

ITEM 8 – ADMINISTRATIVE ENTITY CHAIR/LEAD AGENCY COMMENTS

Ms. Koontz noted that Glen Kau said there was interest expressed in touring the Pure Water California facility. She noted that there will be a survey link sent to the Board and AE with a few potential dates. She asked SEWC members to fill out which dates work best for them. She noted that tours are minimum of 10 guests and maximum of 40 guests and are 90 minutes long.

Lastly, Ms. Koontz let the Board Members know that there are stipend payment forms for anyone who has not yet turned it in. She confirmed that she has the list of who has turned theirs in, in case anyone wasn't sure.

Mr. Nguyen thanked the Board members for their support.

ITEM 9 - ADJOURNMENT

The meeting adjourned at 8:56 p.m.

The next regular Southeast Water Coalition Board Meeting will be on June 5, 2025 at 7:00 p.m. at the Norwalk Arts & Sports Complex, Sproul Room, 13000 Clarkdale Avenue, Norwalk CA 90650.

Ana M. Valencia
Ana Valencia, Chair

6/5/25
Date