Southeast Water Coalition
A joint powers authority to protect the Central Groundwater Basin

MINUTES OF THE SOUTHEAST WATER COALITION
REGULAR MEETING OF THE POLICY BOARD
THURSDAY, JUNE 4, 2026, 7:00 p.m.

A regular meeting of the Board of Directors of the Southeast Water Coalition Joint Powers Authority was held on Thursday, June 4, 2026 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 7:17 p.m. At the time the meeting was called to order, a quorum of members was present.

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

BOARD MEMBERS PRESENT:

Jennifer Hong	City of Cerritos
Hector Sosa	City of Downey
Todd Rogers	City of Lakewood
Ana Valencia	City of Norwalk
Isabel Aguayo	City of Paramount
Maria del Pilar Avalos	City of South Gate
Melissa Ybarra	City of Vernon
Vicky Santana	City of Whittier

STAFF AND GUESTS ON SIGN-IN SHEET:

Andrew Caraveo	City of Commerce – AE
Chris Kuebert	City of Cerritos – AE
Dan Mueller	City of Downey – AE
Derek Nguyen	City of Lakewood – AE
Albert Mendoza	City of Norwalk - AE
Michelle Tse	City of Paramount – AE
Chris Castillo	City of South Gate – AE
Joanna Moreno	City of Vernon – AE
Ray Cordero	City of Whittier – AE
Andrew Lujan	City of Whittier – AE
Jim Homet	City of Whittier – AE

Jacque Koontz	City of Norwalk Staff
Madeline Gallagher	SEWC Staff
Olivia Turner	SEWC Staff
Nicholas Ghirelli	Richards Watson & Gershon
Vera Robles DeWitt	Water Replenishment District (WRD)
Paul Liu	Water Replenishment District (WRD)
Stephan Tucker	Water Replenishment District (WRD)
Greg Black	Water Replenishment District (WRD

ITEM 2 – PUBLIC COMMENT

None.

ITEM 3 - CONSENT CALENDAR

Director Rogers moved to approve the consent calendar.

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

AYES:	**Rogers, Valencia, Aguayo, Ybarra.**
NOES:	**None.**
ABSTAIN:	**Hong, Sosa, Avalos, Santana. (abstained from meeting minutes only)**

ITEM 4 - DISCUSSION/ACTION REGARDING FY 2026/2027 BUDGET APPROVAL

Mr. Mendoza presented highlights of the FY 2026/2027 Budget, including anticipated costs, expenditures, and expected expenses for the remainder of the fiscal year. He noted that the AE recommended that stipends be paid only to the voting member, meaning that if both a Board Member and their alternate attend the meeting, only the voting member would receive a stipend. He also highlighted three new line items at the end of the budget: the standalone website, staffing support services, and financial management services. Mr. Mendoza noted that Norwalk Staff cross-checked the budget carryover amounts against the financial audit. In response to Director Valencia's inquiry regarding the $550 increase to members, he explained the proposed increase is due to a recent policy change by the Board regarding Lead Agency administrative cost burden. He further explained that dues increased from $5,500 to $6,050 per member to cover the costs of relieving the lead agency of the burden of payment, as the lead agency would no longer pay membership dues.

Director Rogers moved to approve the following:

a) Approve and adopt the FY 2026/2027 Budget, as presented.

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

AYES:	**Hong, Sosa, Rogers, Valencia, Aguayo, Avalos, Ybarra, Santana.**
NOES:	**None.**
ABSTAIN:	**None.**

ITEM 5 - DISCUSSION/ACTION REGARDING THE LEAD AGENCY TRANSFER AND SCHEDULE RESOLUTION ADOPTION

Mr. Mendoza presented the official Lead Agency transfer resolution, noting that the City of Paramount would serve as Vice Chair. He noted the new meeting location and times in Cerritos, explaining that the AE would now meet on the third Wednesday of every odd-numbered month at 12:30 p.m. to accommodate lead agency schedules, while the regular Board of Directors meeting schedule would remain unchanged. He noted that the resolution would set the meeting times and officially transfer the Lead Agency to the City of Cerritos.

Director Hong moved to approve the following:

a) Approve and adopt the Lead Agency Transfer and Schedule Resolution 2026-01, as presented.

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

AYES:	**Hong, Sosa, Rogers, Valencia, Aguayo, Avalos, Ybarra, Santana.**
NOES:	**None.**
ABSTAIN:	**None.**

ITEM 6 – DISCUSSION/ACTION REGARDING SOUTHEAST WATER COALITION WEBSITE

Ms. Gallagher noted that the AE members discussed the need for a dedicated SEWC website. Upon further discussion, they agreed that they should solicit website development proposals which are included in the Board agenda for consideration. The website would serve as a central location for all SEWC information, provide easy access to meeting times and agendas, and preserve

SEWC history by hosting everything in one place. Both vendor proposals included ADA compliance requirements. Mr. Nguyen and Ms. Moreno spoke on behalf of the AE and noted that Revize was the preferred option.

Director Avalos moved to approve the following:

a) Approve Revize to build a Southeast Water Coalition website.

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

AYES:	**Hong, Sosa, Rogers, Valencia, Aguayo, Avalos, Ybarra, Santana.**
NOES:	**None.**
ABSTAIN:	**None.**

ITEM 7 – PRESENTATION - WATER REPLENISHMENT DISTRICT (WRD) FY 2026/2027 BUDGET UPDATE

Mr. Mendoza noted that WRD offered to present a budget update and introduced Paul Liu and Mr. Greg Black. Mr. Black updated the Board on the budget approved in April, noting the estimated cost of water purchases as recommended by the Engineering Survey Report (ESR); the plan for 1.40x fiscal year debt service coverage (DSCR) to ensure compliance with bond covenants and maintain the bond rating; satisfaction of the Additional Bond Test (DSCR 1.20x); and maintenance of historically modest Replenishment Assessment (RA) rate increases under the WIN Program. He explained that water purchases represent a significant portion of the budget and presented a cost-of-service slide, noting that the Cost of Service for FY 2027 totals $82.1 million, reflecting a $500,000 increase compared to FY 2026. The primary drivers of the increase are Water Purchases and Debt Service, balanced by growth in Interest income and Carryover Conversion.

Mr. Black reviewed the Budget Advisory Committee (BAC) process, noting that the BAC convened four times on February 24, March 5, March 10, and March 17, 2026 to review the proposed budget and RA, though consensus was not reached on an RA upper limit. Following the Board's March 17 adoption of a 6.6 percent RA upper limit with conditions, the BAC reconvened and recommended that WRD collaborate with the BAC to establish a mutually agreed methodology for determining the Water Purchase budget, which WRD accepted, and that WRD reconsider increasing the Rate Stabilization Reserve allocation, which WRD did not accept. WRD developed four versions of the FY 2027 budget to lower the

initially proposed 14.9 percent RA increase, ultimately reducing it to 5.6 percent in collaboration with the BAC and the Finance Audit Committee. He also noted that pumping levels have an inverse relationship with the rate.

Following the presentation, Director Santana requested that the PowerPoint be provided ahead of time and that WRD present before the budget is finalized in the future. In response to questions regarding cost reduction, Mr. Liu described the Torrance Desalter Expansion Project, which removes saltwater from the basin and returns water to the basin, and noted that the additional revenue of $3-5 million is expected to positively impact rates. Director Rogers thanked WRD and asked about the cost of the Torrance Desalter Expansion, which Mr. Liu noted was approximately $200 million with a 15-20 year payback period. Mr. Liu provided additional context on legacy salt and its effect on other pumpers, the collaborative process that reduced the increase from 14.9 to 5.6 percent, and the newly formed W Pack, which would hold its first meeting in July.

ITEM 8 – GENERAL LEGISLATIVE UPDATE

Mr. Ghirelli provided a brief legislative update. He noted that AB 35, the Proposition 4 Implementation Acceleration Act, would exempt grant programs administered through the bond program and had been referred to the Committee on Natural Resources, where it remained pending. He noted a related bill, now in effect, that allows the use of stormwater for flushing after rain events under certain circumstances. He reported that SB 1313, pending before the Senate Appropriations Committee, would establish a PFAS mitigation fund allowing the State Water Board to act, but had stalled after the Governor vetoed a prior version last year due to the lack of a funding source. He also noted SB 466, which addresses immunity for water sources regarding Chromium-6 where drinking water systems have implemented the required plan. Mr. Ghirelli reported on the EPA's proposed May 18 rule to maintain the current standards for PFOA and PFAS while allowing systems to apply for an extension, with a public hearing scheduled for July 7, 2026. Director Valencia asked that the legislative write-ups be included in the agenda packet.

ITEM 9 – DISCUSSION REGARDING ASSOCIATION OF CALIFORNIA WATER AGENCIES UPDATE

Mr. Mendoza noted that Staff was working through the process to add member email addresses to the ACWA account and expected it to be ready by the end of the following week.

ITEM 10 – BOARD OF DIRECTORS COMMENTS

Director Valencia thanked everyone for the past two years.

ITEM 11 – ADMINISTRATIVE ENTITY CHAIR/LEAD AGENCY COMMENTS

Mr. Mendoza thanked everyone and wished all well, noting that this is his last meeting as AE Chair.

ITEM 12 - ADJOURNMENT

The meeting adjourned at 8:35 p.m.

The next regular Southeast Water Coalition Board Meeting will be on August 6, 2026 at 7:00 p.m. at the Cerritos Sheriff Station, EOC Conference Room, 18135 Bloomfield Avenue, Cerritos, California 90703.

Frank Yokoyama, Chair

Date 8/6/26