**Agenda Item: 3a**

# MINUTES OF THE SOUTHEAST WATER COALITION JOINT POWERS AUTHORITY

## REGULAR MEETING OF THE POLICY BOARD

**THURSDAY, AUGUST 3, 2023**
**7:00 P.M.**

The regular meeting of the Southeast Water Coalition Joint Powers Authority Policy Board, held in person at the City of Vernon, was called to order at 7:00 p.m. by Policy Board Chair Melissa Ybarra (Vernon).

### 1. ROLL CALL

Kevin Sales (KJServices Environmental Consulting) called roll and the following Board Members were present:

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| Kevin Lainez | City of Commerce |
| Hector Sosa | City of Downey |
| Todd Rogers | City of Lakewood |
| Ana Valencia | City of Norwalk |
| Andrew Lara | City of Pico Rivera |
| Maria del Pilar Avalos | City of South Gate |
| Melissa Ybarra | City of Vernon |

Also Present:

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| Derek Nguyen | City of Lakewood |
| Joanna Moreno | City of Vernon |
| Ray Cordero | City of Whittier |

Others in Attendance:

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| Kevin Sales | KJServices Environmental Consulting |
| Nick Ghirelli | RWG (via Zoom) |

### 2. PUBLIC COMMENTS

No public comments were received.

### 3. CONSENT CALENDAR

SEWC Board Chair Ybarra asked for a motion to approve the Consent Calendar. The motion was made by Board Member Maria del Pilar Avalos (South Gate) and seconded by Board Member Andrew Lara (Pico Rivera). With one abstention from Board Member Lainez (Commerce), the motion passed with a unanimous roll call vote by all SEWC Board Members present.

## 4. SEWC PROGRAM MANAGEMENT SUPPORT

Administrative Entity Chair Joanna Moreno (Vernon) presented the staff report for this item.

At their April 6, 2023 Board of Directors meeting, the SEWC Policy Board voted to approve the Request for Proposals (RFP) for Program Management Services for the Southeast Water Coalition and authorized the Administrative Entity to begin informal bid process for Program Management Services. The Standard Consultant Agreement included in the RFP stipulates a two-year contract for Program Management Services and includes the Scope of Work and the SEWC Strategic Plan.

The RFP was initially sent out to prospective candidates on April 11, 2023 with a deadline of May 8, 2023. No proposals were received in response to the initial request. The RFP was re-issued on May 18, 2023. Proposals were due on June 8, 2023 by 5pm.

On June 8, 2023, staff received a proposal from Koa Consulting for $85,740 per year. The proposal included the following tasks:

1. Monthly meeting support - $2,480 per month.
2. Administrative Support and Document Management - $1,620 per month.
3. Tracking of Strategic Plan and Grant Opportunities - $2,940 per month.

The total proposed monthly cost was $7,145, with an estimated annual cost of $85,740.

A committee of Administrative Entity (AE) members reviewed and discussed Koa Consulting's June 8th proposal. In an effort to reduce costs, the committee deemed that some tasks could be completed by the AE. These tasks include monitoring of legislative bills and tracking the strategic plan and grant opportunities. Subsequent to committee discussion, the AE Chair provided Koa Consulting a revised scope of work and requested they submit a modified proposal.

Koa Consulting's modified proposal was submitted on July 10, 2023, and included the following tasks and their associated costs:

1. Monthly meeting support - $2,585 per month.
2. Administrative Support and Document Management - $1,405 per month.
3. Filings - $550 per month.

The total proposed monthly cost as submitted in the modified proposal is $4,540 per month, with an estimated annual cost of $54,480.

Board Member Lainez asked, with the revised proposal excluding monitoring of the Strategic Plan and Grant Opportunities, who would be performing those

duties? AE Chair Moreno stated that the AE members would assume the responsibility for those tasks.

SEWC Board Chair Ybarra asked for a motion to approve Koa Consulting's revised proposal to provide program management services to SEWC for FY 23/24 and FY 24/25. A motion was received from Board Member Rogers (Lakewood) with a second made by Board Member Lara. The motion was approved by a unanimous vote of the SEWC Board.

**5. SEWC AUDIT FOR FY 2022 / 2023**

Administrative Entity Chair Moreno presented the staff report for this Receive and File item.

The Southeast Water Coalition Joint Power Agreement, Section 7.I stipulates:

*The controller of the Coalition shall cause an independent annual audit of the Coalitions' finance to be made by a certified public accountant in compliance with Government Code Section 6505.*

The SEWC AE contacted DavisFarr, the accounting firm that had previously conducted SEWC's annual audit for FY 20/21 and FY 21/22. Their quote for the FY 22/23 audit was twice the cost of the previous two years' work and exceeded the allocated SEWC budget for the task by nearly 100%.

Administrative Entity Chair Moreno reached out to the City of Vernon's current auditors, The Pun Group, to request a proposal to conduct the FY 22/23 audit. The Pun Group has submitted a scope of work and fee proposal for the Fiscal Year (FY) 2022-2023 audit for an amount of $6,500. This amount is within the SEWC budgeted amount of $7,000 for this service. This figure includes the preparation and submittal of the State Controller's Special Districts Financial Transaction Report.

This fee is reasonable given the services to be provided. Staff have confidence in The Pun Group's ability to complete the audits in a professional and timely manner.

SEWC Board Vice Chair Ybarra asked for a motion to approve the Pun Group to conduct the SEWC audit for FY 22/23. A motion was received from Board Member del Pilar Avalos, with a second made by Board Member Ana Valencia (Norwalk). The motion was approved by a unanimous vote of the SEWC Board.

## 6. PFAS SETTLEMENTS

AE Chair Moreno presented this receive and file item to the Board.

On June 2, 2023, The Chemours Company, DuPont de Nemours, Inc. and Corteva, Inc. announced they have reached an agreement in principle to comprehensively resolve all PFAS related drinking water claims of a defined class of public water systems that serve the vast majority of the United States population.

The class includes water systems with a current detection of PFAS at any level and those that are currently required to monitor for the presence of PFAS under EPA monitoring rules or other applicable laws. This includes but is not limited to systems in the South Carolina aqueous film-forming foam multi-district litigation ("AFFF MDL").

The companies will collectively establish and contribute a total of $1.185 billion to a settlement fund ("water district settlement fund").

On June 22, 2023, 3M announced that it had also reached an agreement to settle lawsuits that claimed that toxic "forever chemicals", polyfluoroalkyl and perfluoroalkyl substances (PFAS), had contaminated water supplies in the United States. The company said it would pay up to $10.3 billion over 13 years to fund public water suppliers in the US that have detected these chemicals in drinking water.

The settlement comes after 3M faced thousands of lawsuits for the last two decades over its manufacturing of products containing PFAS. Last year, 3M said it would stop producing the controversial chemicals by the end of 2025. 3M said its multi-billion-dollar settlement is not an admission of liability. If the settlement agreement is not approved by a court, the company said it would be prepared to continue defending itself against litigation.

Mr. Ghirelli stated that the California Attorney General along with the Attorneys General of 18 other states, Washington DC, and two territories oppose the proposed 3M settlement, saying it lets the manufacturer off too easily.

Board Member Lara stated that the proposed settlements do not include compensation for the health effects of the PFAS contamination but only cover a portion of the costs for cleanups. He went on to say that, while the City of Pico Rivera has received some funds from the WRD for PFAS remediation, he feels that the WRD should also cover the cost of ongoing operation and maintenance of the remediation facilities that the City constructed with the initial funding provided by the WRD.

Board Member Lara went on to say that SEWC should approach LA County Supervisor Janice Hahn, who recently made a motion at the Supervisors' meeting to investigate the extent of PFAS contamination in LA County, to work together on the issue since so many SEWC communities are in Hahn's district.

As this item was a Receive and File, Board Chair Ybarra asked for a motion for the Receive and File. A motion was received from Board Member del Pilar Avalos with a second from Board Member Lara. The motion to receive and file was approved by the Board.

## 7. LETTER TO OPPOSE A DECREASE IN FUNDING FOR THE DRINKING WATER STATE REVOLVING FUND BY CONGRESS

AE Chair Moreno presented this Receive and File item to the Board.

On July 19, 2023, the U.S. House Appropriations Committee approved a spending bill for Fiscal Year 2024 that would dramatically reduce the U.S. Environmental Protection Agency's (EPA) budget, including drastic cuts to important programs that fund water infrastructure.

The FY24 Interior, Environment, and Related Agencies Appropriations bill includes a 35% overall reduction in funding for EPA, along with a 59% cut to the Drinking Water State Revolving Fund. The DWSRF would receive $460 million next year under the House bill, more than $2.5 billion below the amount authorized by Congress and $670 million below last year's funding level of $1.13 billion. The Clean Water SRF would see a cut of 67% from last year's funding levels, from $1.64 billion in FY23 to $535 million in FY24.

These cuts are not likely to pass muster in the Senate, where appropriators are drawing up their own spending bills for FY24. The Senate Appropriations Committee is likely to propose funding levels more in line with last year for both EPA and the DWSRF. Once both chambers have passed their respective bills, representatives from each will meet in a conference committee to negotiate a compromise, which both the House and Senate must then pass.

SEWC member agencies depend on funds made available through the State Drinking Water Revolving Fund program and the Clean Water State Revolving Fund project to help pay for local water infrastructure programs.

The SEWC Board agreed to send a letter to their local Congressional representatives asking them to oppose the proposed cuts to these programs and encouraging them to maintain funding for both the DWSRV and the CWSRF at least equal to their current levels.

Board Chair Ybarra asked for a motion to approve SEWC's sending a letter of opposition to the proposed funding reduction to the member cities' local congressional representatives. A motion was received from Board Member Lainez with a second from Board Member Lara. The motion was approved by the Board.

## 8. BOARD OF DIRECTORS COMMENTS

1. Board Member Lara asked the AE to send a letter to Los Angeles County Supervisor Janice Hahn to discuss the impact of PFAS contamination on SEWC cities and invite her to team with SEWC to address and solve the issue.

## 9. ADMINISTRATIVE ENTITY CHAIR / LEAD AGENCY COMMENTS

AE Chair Moreno provided copies of the presentation materials from the WRD's *PFAS Update Workshop for Elected Officials* to any SEWC Board Member that requested them. This WRD workshop was held on July 26, 2023.

## 10. ADJOURNMENT

Policy Board Chair Ybarra adjourned the meeting at 7:15 p.m.

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CHAIR

ATTEST:

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Melissa Ybarra
CHAIR

ATTEST:

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