



# *City of Whittier*

## **PUBLIC WORKS**

13230 Penn Street, Whittier, California 90602-1716  
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## **SOUTHEAST WATER COALITION JOINT POWERS AUTHORITY BOARD OF DIRECTORS**

### **NOTICE OF SPECIAL MEETING**

**NOTICE IS HEREBY GIVEN** that a Special Meeting of the Southeast Water Coalition Board of Directors is scheduled for Thursday, March 5th at 6:30 p.m. at the City of Whittier Emergency Operations Center, 13200 Penn St., Whittier, CA 90602.

Meeting agenda is attached to this notice.

Dated: March 4, 2020

Veronica Barrios  
Administrative Secretary  
Department of Public Works



# **Southeast Water Coalition**

A joint powers authority to protect the Central Groundwater Basin

## **AGENDA**

### **SOUTHEAST WATER COALITION JOINT POWERS AUTHORITY**

#### **SPECIAL MEETING OF THE POLICY BOARD**

**CITY OF WHITTIER  
EMERGENCY OPERATIONS CENTER  
13200 PENN ST.  
WHITTIER, CA 90602**

**THURSDAY, MARCH 5, 2020  
6:30 P.M.**

- 1. PLEDGE OF ALLEGIANCE**
- 2. ROLL CALL**
- 3. PUBLIC COMMENTS**
- 4. CONSENT CALENDAR**
  - a. SEWC BOARD OF DIRECTORS MINUTES OF FEBRUARY 6, 2019**  
Recommendation: Approve minutes as submitted.

**\*\*End of Consent Calendar\*\***

- 5. RECEIVE AN UPDATE ON CBMWD BOARD AND AUTHORIZE SENDING LETTER RE: CENTRAL BASIN BOARD ACTIONS**  
Ray Cordero, Chair, Administrative Entity  
Recommendation: That the Board take the following action:

Receive an update on recent activities by the Central Basin Municipal Water District (CBMWD) Board of Directors and authorize sending a letter regarding the recent actions of the Central Basin Board.

**6. BOARD OF DIRECTORS COMMENTS**

**7. ADMINISTRATIVE ENTITY CHAIR / LEAD AGENCY COMMENTS**

**8. ADJOURNMENT**

**AMERICANS WITH DISABILITIES ACT:** In compliance with the Americans with Disabilities Act of 1990, the City of Whittier is committed to providing reasonable accommodations for a person with a disability. Please call Veronica Barrios with the City of Whittier at (562) 567-9501, if special accommodations are necessary and/or if information is needed in an alternative format. Special requests must be made in a reasonable amount of time in order that accommodations can be arranged.

The next meeting of the Southeast Water Coalition Joint Powers Authority Board of Directors is Thursday, April 2, 2020 at 6:30 p.m. at the Emergency Operations Center, 13200 Penn Street, Whittier, CA 90602.

*I, Veronica Barrios, City of Whittier, do hereby certify, under penalty of perjury under the laws of the State of California that the foregoing agenda was posted pursuant to Government Code Section 54950 Et. Seq. and City of Whittier Ordinance at the following locations: Whittier City Hall, Whittier Public Library, and Whittwood Branch Library.*

Dated: March 4, 2020



Veronica Barrios  
Administrative Secretary  
Public Works Department

**MINUTES OF THE  
SOUTHEAST WATER COALITION  
JOINT POWERS AUTHORITY**

**REGULAR MEETING OF THE POLICY BOARD**

**CITY OF WHITTIER  
EMERGENCY OPERATIONS CENTER  
13200 PENN STREET  
WHITTIER, CA 90602**

**THURSDAY, FEBRUARY 6, 2020  
6:30 P.M.**

The regular meeting of the Southeast Water Coalition Joint Powers Authority Policy Board was called to order at 6:32 p.m. by Policy Board Chair Fernando Dutra.

**1. PLEDGE OF ALLEGIANCE**

Policy Board Chair, Fernando Dutra, asked Tom Hansen, City of Paramount Board Member, to lead the Pledge of Allegiance.

**2. ROLL CALL**

Frank Yokoyama	City of Cerritos
Alex Saab	City of Downey
Todd Rogers	City of Lakewood
Tom Hansen	City of Paramount
Gustavo Camacho	City of Pico Rivera
Annette Rodriguez	City of Santa Fe Springs
Maria Belen Bernal	City of South Gate
Melissa Ybarra	City of Vernon
Fernando Dutra	City of Whittier, Board Chair

**Also Present:**

Bob Ortega	City of Cerritos
Dan Mueller	City of Downey
Jason Wen	City of Lakewood
Derwin Dy	City of Lakewood
Adriana Figueroa	City of Paramount
Chris Castillo	City of South Gate
Joanna Moreno	City of Vernon
Ray Cordero	City of Whittier, AE Chair
Kyle Cason	City of Whittier

Tia Lebherz	Cal-WEP
Mark Grajeda	CBWA / Pico Water District

Kristen Sales  
Kevin Sales

KJServices Environmental Consulting  
KJServices Environmental Consulting

**3. PUBLIC COMMENTS**

Mark Grajeda (Pico Water District / Central Basin Water Association) addressed the SEWC Board with an update on the status of recent activity on the Central Basin Municipal Water District Board of Directors. Mr. Grajeda stated that the CBMWD Board had fired their General Manager, Kevin Hunt, and replaced him with an interim General Manager, Kevin Wattier, who then retired this position. Mr. Grajeda stated that currently, the Central Basin Board does not have an active GM, and their legal counsel may also quit soon. Mr. Grajeda continued that while quorum for the Central Basin Board is five members, on January 30, 2020, the Board took action with only four members present. The Board also violated the Brown Act by not posting the meeting notice at least 24 hours prior, and did not post the meeting notice on their website. The CB Board voted against legal advice, and broke their own Administrative Code by voting to elect a new Board President.

Board Member Alex Saab (Downey) made the suggestion to continue the update from Mr. Grajeda during Item 6 discussing the current litigation against Central Basin.

**4. CONSENT CALENDAR**

Policy Board Chair Fernando Dutra (Whittier) called for a motion to approve the Consent Calendar. Gustavo Camacho (Pico Rivera) made the motion, and Melissa Ybarra (Vernon) seconded the motion. With abstentions from Todd Rogers (Lakewood) and Tom Hansen (Paramount), the motion was approved by a unanimous voice vote of the Policy Board.

**5. PRESENTATION ON STATEWIDE WATER CONSERVATION**

AE Chair Ray Cordero (Whittier) introduced Cal-WEP Executive Director of External Affairs Tia Lebherz, to provide an overview of statewide water conservation and efficiency goals, and how they will affect local water purveyors.

Ms. Lebherz stated that Cal-WEP was a member-funded (60% retail water agencies) advocacy group based in Sacramento whose mission it is to maximize water efficiency. Ms. Lebherz then provided a summary of recent legislation, SB 606 and AB 1668, which provide a framework of water conservation targets for water purveyors across the State. Ms. Lebherz stated that these laws are part of the Governor's initiation to "Make Conservation a California Way of Life." Ms. Lebherz stated that part of that mission involves creating unique budgets for every urban water provider in the State. Ms. Lebherz clarified that each purveyors' unique water target is based on *overall* (cumulative) water use, and

that there are no specific targets for individual rate payers.

The first of these targets is an indoor water use of 55 GPCD (per person, not per household). The second factor is outdoor water use, the monitoring for which will be assessed via aerial imagery of the landscape and verified by multiple standards. Commercial, Industrial & Institution (CII) Landscape is the third category, which requires dedicated irrigation meters which must be adopted by June 30, 2020. Ms. Leberz stated that the fourth individualized target is water loss standards. Ms. Leberz emphasized that each of these four categories would have an individual target budget.

Board Member Alex Saab (Downey) asked how the CII irrigation meters would be measured, to which Ms. Leberz answered that all meters in the City would have to be mapped. Board Member Saab stated that this seemed like a huge undertaking, and Ms. Leberz answered that it would require demanding water managers restructure their current budgets and strategies.

Ms. Leberz then summarized the provisions of SB 555, which establishes water loss standards for water purveyors. Ms. Leberz stated that individualized water loss standards will begin rolling out from the State starting July 1, 2020, and added that water purveyors will receive bonus incentives of 15% for their use of recycled water. Ms. Leberz stated that the State will continue water purveyors to submit water loss audits monthly, but will also require more data. AE Member Chris Castillo (South Gate) asked if each water purveyor will have their own target number for water loss. Ms. Leberz answered that yes, while 55 GPCD is the statewide threshold, each water purveyor will receive a unique water target that factors in their indoor, outdoor, CII landscape use, plus water loss standard. Ms. Leberz added that permanent monthly reporting will continue in 2020, with more reporting requirements added in 2021 and 2022, and the State will provide a “gliding path to enforcement,” which establishes a slower rollout of purveyor fines. Ms. Leberz emphasized that enforcement will not fine individual residents, but only water purveyors.

Board Member Todd Rogers (Lakewood) asked if June, 2022 was a realistic date for all the standards to be met on time, particularly for CII use. Ms. Leberz stated that the hard due dates are written into the legislation, so if new dates needed to be established, they would have to be created through new legislative action. Ms. Leberz stated that state working groups consisting of the State Water Resources Control Board, Division of Water Resources, and the Association of California Water Agencies, were meeting to facilitate the requirements of the water conservation and water loss standards.

Cal-WEP, Ms. Leberz stated, has developed a conservation tracking tool that is available to members, and an aerial imaging portal for purveyors to review their landscaping. Ms. Leberz added that there is also a media toolkit available for free on the Cal-WEP website.

Policy Board Chair Fernando Dutra (Whittier) asked where the funds for the additional staff time required for more monitoring and reporting. Ms. Leberz answered that retail water agencies are currently advocating for additional funding by the State. Policy Board Chair Dutra asked what SEWC could do to aid the purveyors' efforts. Ms. Leberz answered that engaging in the working groups would be a good start. Board Member Bernal (South Gate) asked if businesses and industry would be responsible for the cost of installing additional water meters. Ms. Leberz stated that the cost would be shouldered by the purveyor.

Policy Board Chair Dutra asked about Cal-WEP's membership numbers and annual dues. Ms. Leberz stated that Cal-WEP has 200 members. Each member due is based on the number of water connections they have, with most annual membership costs ranging between \$3,000 - \$6,000. Ms. Leberz added that Cal-WEP's yearly budget is about \$1 million.

Policy Board Chair Dutra (Whittier) called for a motion to receive and file the item. The motion was made by Board Member Saab (Downey) and seconded by Board Member Ybarra (Vernon). The motion was approved by a unanimous voice vote of the Policy Board.

## **6. UPDATE ON CENTRAL BASIN LAWSUIT**

AE Chair Ray Cordero (Whittier) provided an overview of this item. AE Chair Cordero stated that while the SEWC Board of Directors had already allocated the expenditure of \$10,000 to the purveyors' case against Central Basin, the Administrative Entity now recommends the Board approve the full amount of \$10,000 at this time without filing an amicus brief. AE Chair Cordero stated that the hearing on writ (trial) is scheduled to take place on June 16, 2020, and in order for SEWC's donation of funds to be impactful, it is prudent to send the money now. AE Chair Cordero stated that the AE reached this decision based on the fact that amicus briefs is typically reserved for the appeals process, and since that timeline is unknown, it would be advisable to hold off on filing an amicus brief now and revisit the option if/when the Central Basin lawsuit reaches that point.

Board Member Alex Saab (Downey) stated his opinion that the Board of Directors should leave their motion as is, and not send the money at this time. Board Member Saab stated that the legal expenses in this case have reached \$300,000 and that SEWC's \$10,000 would not make a significant impact at this time. Board Member Todd Rogers (Lakewood) stated that SEWC's monetary donation would be a mutual benefit to the plaintiffs, which is why the Board already approved the expenditure of funds. Board Member Rogers added that the time to spend the funds is now. Board of Directors Chair Fernando Dutra (Whittier) asked the Administrative Entity what would be the benefit of submitting the funds at this time. Policy Board Chair Dutra added that SEWC shouldn't

spend more than \$10,000, inclusive of the cost of filing an amicus brief.

Board Member Alex Saab made a motion to receive and file the update, but to amend the second action item, rejecting the allocation of funds at this time, and to retain the same action as was approved at the August Board meeting. The motion was seconded by Gustavo Camacho (Pico Rivera). The motion was approved by a unanimous voice vote of the Policy Board.

Board Member Alex Saab then made a motion to add an emergency addendum to Item 6, to continue the discussion of the Central Basin Board of Directors actions began during Public Comments. The motion was seconded by Policy Board Chair Dutra (Whittier), and approved by a unanimous voice vote of the Policy Board.

Policy Board Chair Dutra asked Mr. Grajeda what SEWC could do to help with the Central Basin Board. Board Member Todd Rogers (Lakewood) stated that this was not a novel problem, and that litigation may be the only remedy to the disfunction in Central Basin Board's organizational structure. Mr. Grajeda added that while SEWC does not have legal authority over CB because the Board of Directors members are elected, there are oversights available, like contacting the District Attorney Public Integrity Group and alerting media outlets. Mr. Grajeda added that as elected City Council Members, the SEWC Board of Directors have authority and should write to the Attorney General's office. Mr. Grajeda advised creating a talking points list for advocacy.

Mr. Grajeda stated that the violations of quorum are due to the "Big 5" purveyors' representative seat being empty, but noted that if there is not a current General Manager, the CB Board cannot legally hold a meeting to elect a new Big 5 representative. Mr. Grajeda added that the CB Board is not adhering to the provisions of their own Administrative Code.

Board Member Gustavo Camacho (Pico Rivera) stated that SEWC must take action. He asked if Assemblymember Cristina Garcia could get involved in the issue. Board Member Saab stated that SEWC should contact the Attorney General first. Board Member Camacho advised that before SEWC get involved with the Attorney General, the Central Basin Water Association (CBWA) had a lot more advocacy to do. Board Member Rogers (Lakewood) echoed Mr. Camacho's sentiments, stating that he would not file a complaint with the District Attorney for actions he did not witness in person. Board Member Rogers stated that the AE should prepare a report and agendize the item for the April 2, 2020 SEWC Board of Directors meeting.

AE Member Kyle Cason (Whittier) asked if there was any reason the item could not be agendized sooner than April 2nd, considering the fast-moving and serious nature of the issues at hand. Mr. Cason stated that the SEWC attorney and the CBWA attorney would need to conference on the issue at hand before the SEWC



Board took any action. Board Members Rogers and Tom Hansen (Paramount) both directed the AE to consult with SEWC's Legal Counsel for their written opinion.

AE Member Adriana Figueroa (Paramount) stated that the current state of the Central Basin Board was the worst it has ever been. AE Member Jason Wen (Lakewood) echoed this sentiment, stating that the CB Board has not approved minute minutes in months, they are hosting meetings without properly posting the agenda and taking action on items that are not agendized, and at this point, are basically a non-functioning entity.

Policy Board Chair Fernando Dutra (Whittier) stated that he would contact the L.A. County Board of Supervisors and recommend the Gateway Cities COG state a position on the issue.

The item was received and filed by the SEWC Board of Directors.

**7. DRAFT AUDIT REPORT - SOUTHEAST WATER COALITION (SEWC) FISCAL YEAR 2018/2019 FINANCIAL STATEMENTS**

Administrative Entity (AE) Chair, Ray Cordero (Whittier), provided an overview of this item to the Policy Board. AE Chair Cordero stated that the AE had received the draft documents from WNDE for the FY 2018-19 SEWC Audit, and the audit finds that all SEWC's financial statements were presented in conformity and in accordance with accounting principles accepted in the United States. Since there were no problems with the audit, AE Chair Cordero recommended that the SEWC Board of Directors approve the Draft SEWC Fiscal Year 2018-19 Financial Statements with Report on Audit, dated June 30, 2019, and authorize the draft audit report be finalized and filed with the County.

Policy Board Chair Dutra (Whittier) called for a motion to approve the audit and authorize it be finalized and filed with the County. The motion was made by Gustavo Camacho (Pico Rivera) and seconded by Todd Rogers (Lakewood). The motion was approved by a unanimous voice vote of the Policy Board.

**8. BOARD OF DIRECTORS COMMENTS**

Tom Hansen (Paramount) stated that he will not be seeking reelection, and the April 2, 2020 SEWC Board of Directors meeting would be his last. SEWC Board Chair Fernando Dutra (Whittier) thanked Dr. Hansen for his years of service to SEWC, a sentiment that was echoed by all the Board Members present.

**9. ADMINISTRATIVE ENTITY CHAIR / LEAD AGENCY COMMENTS**

No comments were received.

**10. ADJOURNMENT**

Policy Board Chair Dutra (Whittier) adjourned the meeting at 7:43pm.

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CHAIRMAN

ATTEST:

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**SOUTHEAST WATER COALITION  
JOINT POWERS AUTHORITY  
AGENDA REPORT**

**Date:** March 5, 2020  
**To:** Southeast Water Coalition Board of Directors  
**From:** Ray Cordero, Chair, Administrative Entity

**Subject: Receive an Update on CBMWD Board and Authorize Sending Letter  
re: Central Basin Board Actions**

**Recommendation:** That the Board of Directors take the following action:

Receive an update on recent activities by the Central Basin Municipal Water District (CBMWD) Board of Directors and authorize sending a letter regarding the recent actions of the Central Basin Board.

**Background**

At the February 6, 2020 Southeast Water Coalition (SEWC) Board of Directors meeting, the Board voted to add an emergency item regarding recent actions taken by the Central Basin Municipal Water District (CBMWD) Board of Directors. The SEWC Board received a report from Mark Grajeda (Central Basin Water Association) with a number of updates on recent actions taken by the CBMWD Board. Mr. Grajeda stated that the CBMWD Board had fired their General Manager, Kevin Hunt, and replaced him with an interim General Manager, Kevin Wattier, who then retired this position. Mr. Grajeda stated that currently, the Central Basin Board does not have an active GM, and their legal counsel may also quit soon. Mr. Grajeda continued that while quorum for the Central Basin Board is five members, on January 30, 2020, the Board took action with only four members present. The Board also violated the Brown Act by not posting the meeting notice at least 24 hours prior, and did not post the meeting notice on their website. The CB Board voted against legal advice, and broke their own Administrative Code by voting to elect a new Board President.

On February 25, the SEWC Administrative Entity (AE) met in a Special Meeting to discuss drafting a letter concerning these illegal actions from the CBWMD Board. SEWC Legal Counsel Nick Ghirelli (RW&G) stated that he had contacted attorneys Dave Aleshire and Bill Kruse to discuss the legal issues affecting the purveyors represented by the Central Basin Board.

The legal firm Aleshire & Wynder, LLP is currently representing numerous Central Basin water purveyors in a lawsuit against Central Basin, challenging their retail meter charge. On February 10, 2020, A&W sent a letter to Robert Apodaca, president of the CBMWD Board of Directors, titled, "Re: Illegal Actions by Board of Directors Threatening Financial Security," which was also sent to the other members of the CB Board and to the various water agencies represented by Central Basin.

The AE members were in favor of Mr. Ghirelli drafting a letter similar to Aleshire's that would emphasize SEWC's mission to provide affordable and clean water to the Central Basin region, and how recent actions by the CBMWD Board is interfering with and impeding this mission. Mr. Ghirelli stated that a SEWC letter should emphasize the Central Basin's responsibility to the public interest, transparency and credibility.

To date, letters voicing concern have been sent to the Central Basin Board by the City of Signal Hill, and Assemblymember Cristina Garcia's office.

**Discussion:**

Attached is a draft of SEWC's letter to the Central Basin Municipal Water District Board of Directors, titled "Re: Transparency and Accountability at the Central Basin Municipal Water District."

It is recommended that the Board of Directors review and authorize sending this draft letter.

**Attachments:**

1) Draft SEWC Letter "Re: Transparency and Accountability at the Central Basin Municipal Water District"



# Southeast Water Coalition

A joint powers authority to protect the Central Groundwater Basin

Honorable Board of Directors  
Central Basin Municipal Water District  
6252 Telegraph Road  
Commerce, California 90040-2512

Re: *Transparency and Accountability at the Central Basin Municipal Water District*

Dear Members of the Board:

I write to express the Southeast Water Coalition's (SEWC) serious concerns about the governance of the Central Basin Municipal Water District ("District") and its Board of Directors' ability to effectively manage the District's important public functions.

SEWC is a joint powers authority comprised of eleven cities in southeast Los Angeles County: Commerce, Cerritos, Downey, Lakewood, Norwalk, Paramount, Pico Rivera, Santa Fe Springs, South Gate, Vernon, and Whittier. SEWC's Board of Directors is comprised of one council member from each of these eleven cities. Our member cities are purveyors of water service to businesses and residents within their communities, and they collectively serve a population of 670,000 in a service area of over 93 square miles. SEWC provides leadership and collaborates to ensure a safe, reliable, and affordable water supply within the Central Basin. To that end, SEWC regularly monitors the District's activities and advocates for effective water policy and good governance regulation applicable to the District.

SEWC has become aware of serious lapses in governance on the District's Board of Directors that has rendered it unable to carry out its most basic functions, such as holding lawful Board meetings, appointing officers, and hiring a qualified management team. Furthermore, attempts to perform these basic functions have been tainted by violations of the Brown Act and votes that do not satisfy the clear threshold for passage. These problems are compounded by two opposing Board factions who cannot agree on a common understanding of basic facts and legal principles. The following summarizes the most serious allegations:

- The Board has failed to reorganize and appoint a Chair and Vice Chair. Because the Board has been unable to agree on appointments for these two positions, it has defaulted to a provision of the District's Administrative Code that establishes a rotating system of appointments based on seniority. Yet, Directors cannot even agree on who qualifies as the most senior member under this process, apparently leaving the Board with two Directors claiming the chairmanship.
- The Board has conducted improperly noticed and agendized meetings in violation of the Brown Act. We are informed that on January 30, 2020, a group of four members met after the regular meeting concluded due to the loss of a quorum and continued to conduct business. Then, on February 6, 2020, an improperly noticed special meeting was held by four members of the Board to conduct business, such as the purported appointment of a General Counsel and General Manager, that were not agendized.

- The Board has sought to take action without a quorum of the Board and without achieving the approval of a majority of the Board to approve such actions. Recent decisions to hire an acting General Manager and General Counsel have been made at Board meetings with only four members, or with only four votes, of the District's eight member Board of Directors. A review of applicable law and the District's Administrative Code make clear that a quorum of the Board is five members and such important decisions require a vote of five members of the Board.
- A 2015 State Auditor report entitled "Central Basin Water District: Its Board of Directors Has Failed to Provide the Leadership Necessary for It to Effectively Fulfill Its Responsibilities" highlights additional governmental deficiencies, as well as serious financial challenges facing the District. The State Auditor made some 30 recommendations to improve the District's governance and financial situation. To date, however, many of these recommendations have yet to be implemented and SEWC remains concerned that the District's finances threaten future operations.

This conduct is untenable at an agency that provides a critical water source to our communities. It is imperative that the Board of Directors act in a transparent and lawful manner. This begins with complying with the requirements of the Brown Act and basic laws that outline the Board's governance structure.

Assembly Member Cristina Garcia, Central Basin water purveyors, and other cities in the region share SEWC's concerns and have expressed similar allegations in correspondence to you. As a leader in water policy in our region, SEWC is prepared to assist the District overcome the current obstacles and begin implementing the recommendations of the State Auditor's 2015 report. If that is not possible, SEWC will work with other stakeholders to explore options that ensure the water resource provided by the District remains available and affordable for our respective agencies.

Very truly yours,

Fernando Dutra  
SEWC Board Chair  
Council Member, City of Whittier

CC: SEWC Board of Directors  
SEWC Administrative Entity  
Assembly Member Cristina Garcia