

**NOTICE OF SPECIAL MEETING  
OF THE  
SOUTH ORANGE COUNTY WASTEWATER AUTHORITY  
BOARD OF DIRECTORS  
MANAGERS ROUNDTABLE WORKSHOP  
TELECONFERENCE MEETING**

**TELECONFERENCE PHONE NUMBER: (213) 279-1455  
TELECONFERENCE ID: 509 573 343**

**October 8, 2020  
1:00 p.m.**

NOTICE IS HEREBY GIVEN that a Special Meeting of the South Orange County Wastewater Authority (SOCWA) JPA Workshop was called to be held by Teleconference on **October 8, 2020** at **1:00 p.m.** SOCWA staff will be present and conducting the call at the SOCWA Administrative Office located at 34156 Del Obispo Street, Dana Point, California. This meeting is being conducted via Teleconference pursuant to the California Governor Executive Order N-29-20.

This meeting is set as a meeting of the SOCWA Agency General Managers and due to the number of Managers on the SOCWA Board it is required to be posted and held as an open and public special meeting of the Board.

*MEMBERS OF THE PUBLIC ARE INVITED TO PARTICIPATE IN THIS TELECONFERENCE MEETING AND MAY JOIN THE MEETING VIA THE TELECONFERENCE PHONE NUMBER AND ENTER THE ID CODE. THIS IS A PHONE CALL MEETING AND NOT A WEB-CAST MEETING SO PLEASE REFER TO AGENDA MATERIALS AS POSTED WITH THE AGENDA ON THE WEB-SITE [WWW.SOCWA.COM](http://WWW.SOCWA.COM). ON YOUR REQUEST, EVERY EFFORT WILL BE MADE TO ACCOMMODATE PARTICIPATION. IF YOU REQUIRE ANY SPECIAL DISABILITY RELATED ACCOMMODATIONS, PLEASE CONTACT THE SOUTH ORANGE COUNTY WASTEWATER AUTHORITY SECRETARY'S OFFICE AT (949) 234-5452 AT LEAST TWENTY-FOUR (24) HOURS PRIOR TO THE SCHEDULED MEETING TO REQUEST DISABILITY RELATED ACCOMMODATIONS. THIS AGENDA CAN BE OBTAINED IN ALTERNATE FORMAT UPON REQUEST TO THE SOUTH ORANGE COUNTY WASTEWATER AUTHORITY'S SECRETARY AT LEAST TWENTY-FOUR (24) HOURS PRIOR TO THE SCHEDULED MEETING.*

*AGENDA EXHIBITS AND OTHER WRITINGS THAT ARE DISCLOSABLE PUBLIC RECORDS DISTRIBUTED TO ALL, OR A MAJORITY OF, THE MEMBERS OF THE SOUTH ORANGE COUNTY WASTEWATER AUTHORITY FOR THE JPA WORKSHOP IN CONNECTION WITH A MATTER OR SUBJECT FOR DISCUSSION OR CONSIDERATION AT AN OPEN MEETING ARE AVAILABLE BY PHONE REQUEST MADE TO THE AUTHORITY ADMINISTRATIVE OFFICE AT 949-234-5452. THE AUTHORITY ADMINISTRATIVE OFFICES ARE LOCATED AT 34156 DEL OBISPO STREET, DANA POINT, CA ("AUTHORITY OFFICE"). IF SUCH WRITINGS ARE DISTRIBUTED TO MEMBERS OF THE JPA WORKSHOP LESS THAN TWENTY-FOUR (24) HOURS PRIOR TO THE MEETING, THEY WILL BE SENT TO PARTICIPANTS REQUESTING VIA EMAIL DELIVERY. IF SUCH WRITINGS ARE DISTRIBUTED IMMEDIATELY PRIOR TO, OR DURING, THE MEETING, THEY WILL BE AVAILABLE IMMEDIATELY ON VERBAL REQUEST TO BE DELIVERED VIA EMAIL TO REQUESTING PARTIES.*

**AGENDA**

**1. Welcome – Opening Remarks**

Betty Burnett, General Manager and Secretary

**2. Meeting Notes**

- Comments - Discussion

**3. Status of Amendment and Restatement of SOCWA JPA Agreement**

General Counsel Report on Draft Preparation and Agency Counsel consideration of draft recommendations

- Update
- Discussion – Questions – Recommendations

**4. Task Force Report – Alternative Delivery of Wastewater Treatment Services**

MNWD Update (verbal report)

- Comments Received to Draft Service Proposal/Criteria (attached)
- Ad Hoc Committee Comments
- Discussion – Questions – Recommendations

**5. Alternatives for IRWD Transition to Contract Services with SOCWA (under separate cover)**

Updates

- IRWD Interest in Release of Capacity & Contracting for Operations (PC 21 – ETM, 24-Aliso Creek Outfall, 8-Pretreatment)
- Agencies Interest in ETM Reach B/C/D (Joint Capacity in IRWD/ETWD)

**6. Concluding Remarks & Adjournment**

I hereby certify that the foregoing Notice was personally emailed or mailed to each member of the SOCWA Agency Managers at least 24 hours prior to the scheduled time of the Special Meeting referred to above.

I hereby certify that the foregoing Notice was posted at least 24 hours prior to the time of the above-referenced JPA Workshop at the usual agenda posting location at the South Orange County Wastewater Authority Administrative Offices and at [www.socwa.com](http://www.socwa.com) and at the DoubleTree Hotel meeting location identified herein.

Dated this 7<sup>th</sup> day of October 2020.



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Betty Burnett, General Manager/Secretary  
SOUTH ORANGE COUNTY WASTEWATER AUTHORIT

## Manager's Meeting of August 11, 2020 Meeting Notes

1. Welcome – Opening Remarks  
Betty Burnet, General Manager and Secretary

Mr. Dan Ferons GM for Santa Margarita Water District open the meeting at 7:33 a.m. and requested a roll call of member agencies.

Ms. Hirsh conducted the roll call of member agencies noting that all members representing the ten member agencies of SOCWA were present as follows:

City of Laguna Beach	David Shissler	Irvine Ranch Water District	Kevin Burton
City of San Juan Capistrano	Steve May	Moulton Niguel Water District	Joone Lopez
City of San Clemente	Dave Rebensdorf	South Coast Water District	Rick Shintaku
El Toto Water District	Dennis Cafferty	Santa Margarita Water District	Dan Ferons
Emerald Bay Service District	Mike Dunbar	Trabuco Canyon Water District	Fernando Paludi

Others present:

Moulton Niguel Water District	Matt Collings	SOCWA	Betty Burnett
Santa Margarita Water District	Don Bunts	SOCWA	Danita Hirsh
South Coast Water District	Marc Serna		
South Coast Water District	Dennis Erdman		
Joe Tait Consulting	Joe Tait		

Also present were, SOCWA's General Counsel, Greg Moser, and Adriana Ochoa of Procopio Law.

2. Status of Amendment and Restatement of SOCWA JPA Agreement  
General Counsel Report on Draft Preparation and Agency Counsel consideration of draft recommendations

Mr. Moser provided an update on the collective input from member agencies counsels regarding potential amendments to revising the SOCWA Joint Powers Agreement (JPA). He noted Procopio had circulated a document in May of 2020 to the member agencies general counsels (GCs) to gather feedback on specific topics of concern such as uninsured liabilities, unfunded pension obligations, emergency response, and accounting for revenues from byproducts. Generally, the topics being addressed for the revision are not controversial and reflect consensus areas. The GCs discussed the idea of an exhibit to capture the key elements of the thousands of pages of PC agreements and Mr. Moser noted that there seemed to be general consensus that made sense.

Mr. Moser noted that several new concepts had emerged including discussion with IRWD regarding potential to contract with SOCWA for service and transition out of SOCWA governance. Also, SMWD/SJC transition is in discussion as to how to handle that.

Mr. Moser noted that the language being drafted is setting parameters for further discussion on points of general consensus.

Adriana Ochoa updated the managers on the work to look at the history of PC Agreements and capture from inception to the most recent amendments the key operative terms. She noted that there are many documents to review dating back to the 1970s commenting that for PC 3 there are 17 documents, for PC 24 there are 11 documents, for PC 15 there are 27 documents, for PC 12 there are 10 documents, for PC 5 there are 10 documents and for PC 2 there are 22 documents. She noted that it is not certain that all documents have been located. The effort now is for counsel to prepare a series of charts that relate to capacity, O&M, capital and how these are managed and calculated. The charts will also detail any key specific terms such as provisions for withdraw. Ms. Ochoa also noted the review will include comparison and reference to the Cost Allocation Workshops held in 2016 and to the Budget Assumptions updated in the Budget documentation in each year (most recently the 2020-2021 Budget). The goal is that all PC agreements will be within the review and capacity and key terms will transition to an exhibit for the JPA Agreement revision. Additional input will be coming in from the GCs as well.

The managers as a group expressed interest in this work and commented that it should be helpful to the ongoing process.

Mr. Collings commented that it may be too soon to consider revision of the JPA due to the big picture concepts before the Board, and it would be helpful to have a broader perspective as to what each agency is looking for going forward.

Mr. Moser provided assurance that the GCs participating in the process have reserved their need to talk with their clients and have been focused in their input on the legal provisions. He noted there are still areas that will need policy level input such as budget issues.

Mr. Ferons commented that he has talked with the SMWD Board but their focus has been on the assignment provisions related to San Juan Capistrano and he recognized that the work is on parallel paths. Mr. Ferons suggested that the managers should set some timelines for this work to keep on task and moving forward.

Mr. Moser noted that the counsels are working as close to consensus as possible before making recommendations. He noted there is benefit to addressing areas like the need for improved language on liability and responsibility for unfunded pensions and that Procopio as a firm is making these recommendations for fixes to other joint power agencies.

Mr. Moser stated the next steps are to circulate another draft of the restated JPA out to the member agencies general counsels. The members of the managers committee commented that for most of their agencies there had not been a board level discussion of the JPA revision work. Mr. Moser commented that members should determine a dedicated timeline to continue making progress on the JPA amendments.

Mr. Paludi commented that TCWD will be providing an update to their Board on the process and will be interested in what the IRWD proposal for separation from the JPA would look like.

Mr. Shissler commented that there is flexibility to determine the timing.

3. Task Force Report – Alternative Delivery of Wastewater Treatment Services  
[Ad Hoc Committee of El Toro Water District (ETWD), Moulton Niguel Water District (MNWD)  
/ Santa Margarita Water District (SMWD) / South Coast Water District (SCWD)]

At the September 19, 2019 Managers Meeting an Adhoc Committee consisting of MNWD, SMWD, ETWD and SCWD representatives was formed to consider the topic of alternative delivery. Mr. Collings noted that he was selected by the group to report on their work and stated that the purpose of the Task force was focus on wastewater treatment services. He noted the group had delivered in March 2020 a comprehensive list of areas for consideration in a proposal such as staff qualifications, agency qualifications, agency approach for transition and implementation, cost summary, and cost assessment. He noted the group had not focused on other services or on privatization or evaluation of any scenario.

Discussion ensued regarding governance models and Mr. Collings noted that there could be differing motivating factors from each agency as to whether the existing JPA structure or a project agreement structure is preferred. He noted that both structures have a successful history.

Mr. Serna noted that the group did not cover who would be responsible for a review of proposals but noted that the list would allow for a comparison to the current SOCWA operations. He noted that privatization could be considered.

Some discussion ensued as to the differences in an evaluation by the agencies in the PC and impacts to SOCWA as a whole. Mr. Ferons commented that some information could come from the transition of 3A which was contract operated by SOCWA as to overall impacts. He suggested that the Ad Hoc Committee look at the question of impacts to a PC group versus impacts to SOCWA. Mrs. Burnett noted that SOCWA staff may best understand the commonalities of services and impacts.

Mr. Bunts noted that there are commonalities in lab services, outfalls, pretreatment, chemicals and solids disposal and there is still developing a direction to consider.

Mr. Rebensdorf asked whether the governance model was similar to the AWMA JPA which utilized one agency as a contract operator with assets owned by the JPA, and that was confirmed as one option.

Mr. Collings stated the next steps would be to finalize a memorandum once there is feedback from member agency managers, and that all feedback should be submitted by August 31<sup>st</sup>.

Mr. Ferons encouraged the General Manager's to meet with their respective Boards to inform them of the current discussions and progress that has occurred to date.

#### 4. Task Force Report – Alternatives for Transition to Contract Services with SOCWA (under separate cover)

Mr. Burton, and Mr. Ferons gave a presentation on the alternative of transition to contracted services with focus on IRWD services from SOCWA in PCs 21, 24 and Pretreatment. The focus of the work was to identify possible pathways to withdraw from the JPA including (i) assignment of capacity ownership to another agency, (ii) withdraw from the JPA with retained capacity and contracting for services, and (iii) withdraw from only PC participation by agreement with member agencies of the PC. Mr. Burton explained that the primary focus is withdrawing from the JPA and its day to day governance while maintaining ownership of capacity and contracting for services as needed. He discussed a “test case” using Irvine Ranch Water District as a model example. Mr. Burton noted IRWD consensus among its board that participating in governance at SOCWA is no longer their interest, and they are working to clean up old agreements across other JPAs or partnerships as well. He noted IRWD interest is in not being responsible for areas outside of the project committee. Mr. Ferons noted others could consider a contracting relationship such as San Clemente and Trabuco Canyon.

Mr. Burton detailed some of the concepts in the business arrangement noting that an agreement has been prepared by counsel but not yet circulated. He stated that the interest including paying whatever rate is set for others in a PC. He noted IRWD has an interest in paying off its unfunded pension obligation and paying additional new unfunded amounts as part of their contract. Mr. Burton stated the contract would be expected to remain in place until there was a mutual agreement in the future to exit.

Mr. Moser noted there is draft language in the JPA revision process to address the unfunded obligations and liability concerns.

Mr. Rebensdorf commented the ideas are intriguing but not necessarily what San Clemente would want to consider. He would not want to see any shift in capacity rights between agencies or inadvertent shifting of costs. There should also be some consideration given to a fee for participating in contracted services to cover the costs of contracting for a fair share and noted the sharing of administrative costs as well.

Some discussion ensued as well regarding the Effluent Transmission Main (PC 21) reaches B, C and D as to potential changes to control and operation of the upper reaches of the pipeline as it is now 50% capacity ownership with IRWD and El Toro Water District. Mr. Ferons noted that these two agencies could discuss that option.

Additional discussion ensued.

#### 5. Concluding Remarks & Adjournment

Mr. Paludi noted he appreciated the work done to lay out various concepts.

Mr. Dunbar noted there should be a finish date prior to the new budget going into effect in May or June of next year.

There being no further discussion the meeting adjourned at 10:03 a.m.



South Orange County Wastewater Authority

August 31, 2020

Matt Collings  
Moulton Niguel Water District  
26880 Aliso Viejo Parkway  
Aliso Viejo, CA 92656

RE: Request for Comments – Analysis for Alternative Delivery of Wastewater Services

Dear Director Collings:

For the benefit of the AdHoc Committee, I appreciate the opportunity provided to comment on the items delivered to the SOCWA Member Agencies (March 4, 2020) and as reviewed at the August 11, 2020 Managers Meeting.

The March 4, 2020 Cover Letter listed as Item 4: Re-vision SOCWA with a Future Focus, and I submit for consideration the attached Strategic Approach to Governance and Management.

Additionally, Components of Analysis items for inclusion are:

#### Legal Obligations

- a. List legal requirements applicable to the operation of coastal wastewater treatment plants with upstream supported facilities
- b. List the legal requirements applicable to a joint enterprise organization
- c. Applicable Federal and State laws, regulations & regulatory guidance
- d. Demonstrate knowledge of applicable compliance oversight, compliance testing and reporting
- e. Areas of recommended changes to approach to NPDES permitting, compliance testing, and reporting, if any
- f. As relates to compliance under a regional NPDES permit, state your understanding of the requirements for governance participation by covered entities
- g. Designated staffing, qualifications and applicable experience demonstrating ability to support areas identified in a-e above
- h. Applying the above a-e list above demonstrate safety program qualification
- i. Applying the above a-e list above demonstrate employee training program qualification

#### Budgeting and Finance

- a. Experience in financial management of a regional service
- b. Experience with method and identification of joint liabilities, for example GASB reported obligations. How would your approach differ from SOCWA?
- c. Experience and processes to ensure that enterprise funds are not mingled with other enterprise funds within the organization
- d. Utilizing the PC line detail for the SOCWA Budget, provide an equivalent demonstration of your current program of wastewater service with its associated services in your current organization as provided for existing collection systems or plant operations
- e. Credit rating, borrowing refunding history – past 7 years, forward planned 3 years
- f. Insurance documents and limits, liability and workers comp history

- g. Business / disaster recovery plans
- h. Demonstrated familiarity with SOCWA enterprise programs, approach to integration of IT systems, estimated costs of conversion of data into alternate systems if that is planned

**Agency Qualifications**

- a. Judgments against the agency in the past ten years
- b. Outstanding and pending litigation against and by the agency
- c. Open construction claims

**Operational History**

- a. Sample SOP's and EOP's for wastewater treatment services
- b. OSHA accident information and rating
- c. OSHA violations – 5 years
- d. Planning elements
  - o Approach to Asset Management – contrast and compare to SOCWA approach
  - o Approach to Reserves – contrast and compare to SOCWA approach
  - o Approach to long-term liabilities – contrast and compare to SOCWA approach
  - o For each of the above, how would your organization address the differences
- e. Planned or recent consolidations
  - o Provide an organizational chart proposing integration of SOCWA positions to positions comingled with acquisitions since 2015 or planned
  - o Approach to staffing – contrast and compare your vision of organizational staffing to SOCWA current structure. List any blended jobs or eliminated positions planned
- f. Proposed stakeholder input processes for complaints

**Administration**

- a. How will administration of Governance differ from SOCWA approach today?
- b. Number of anticipated meetings?
- c. Are you proposing a Finance Committee approach?
- d. An Engineering Committee approach?
- e. An Executive Committee approach?
- f. Suggested number of meetings per month or quarter for organizational business?
- g. If your organization has an interest in only one plant or resource describe governance vision for connected facilities, i.e. facilities that discharge into other facilities, or jointly to outfalls?

Please consider for the record as well the attached historical documents, which addressed (i) purposes identified by agency predecessors in the bringing together of the AWMA, SERRA and SOCWA JPAs, and (ii) a 2013 proposal suggesting reconsideration of SOCWA.

Thank you for your consideration of the above item,

Very truly yours,



Betty Burnett  
General Manager  
South Orange County Wastewater Authority

Enclosures

Cc: SOCWA Board of Directors  
SOCWA Member Agency Managers



## SOCWA Strategic Approach to Governance and Management

August 2020

Objective: Focus on the Outcome – What SOCWA Management and Staff want to Achieve?

### A. Organizational Parity

1. SOCWA, as an organization that is comprised of, serves and advocates for best performance to its Member Agencies, is an industry-equivalent government organization with a clear and separate mission from its individual agency members. Targeted business model to ocean disposal of non-utilized treated water, combined permitting, regional voice in industry matters, regional contract management. Shared objectives in cost efficient regional treatment and reuse of water.
2. Reach Board consensus on a Target Level of Service and cement an agreed-to-plan for the future of SOCWA Facilities and Services to be delivered.
3. Increase member agency knowledge and understanding of what SOCWA is responsible for and how that relates to each agency's obligations.
4. Clear-up and retire "old thinking" – Fact that some stakeholders still think of SOCWA with focus on its past (State Audit, incomplete records, unfunded maintenance history). Recognize current culture, accountability and delivery of services as consistent and efficient.
5. Establish importance to the Board Members and Managers of professionalism, reliability, and transparency between agencies – no surprises.
6. Define regional organizational needs – Reliance of multiple parties on joint facilities, 2 outfalls used by multiple entities, Regional Permits (Discharge and Recycled Water Delivery), dedicated lab services for operation of water and sanitary systems, operational qualification, engineering and environmental expertise.

What Do Member Agencies Want / Expect from SOCWA?

- ### A. Existing Baseline: Ensure facilities are operated at the lowest life cycle cost. Equipment and materials durability and reliability are core concepts for designing, constructing, operating, and maintaining SOCWA facilities. SOCWA uses applicable design guidelines, construction standards and recommended equipment and materials for the corrosive, abrasive and harsh conditions that impact material durability and reliability.
1. Necessary Facilities – upkeep of existing and add only regulatory required new systems
  2. Treatment is kept in Compliance
  3. Services – treatment, detailed use analysis and cost tracking, participatory engineering & capital work, permitting & compliance, lab, environmental & industry advocacy, cooperative purchasing
  4. Transparency – as defined by JPA obligations, detailed regulatory reporting requirements & member request
  5. Fair sharing of Costs – as defined by JPA agreements and Board policy
  6. Low Cost – at a cost set by the baseline requirements, delivered in quarterly increments
  7. Recognition of what vintage/conditions of assets that SOCWA inherited and what improvements SOCWA has completed and planned to a "replace existing" standard.
- ### B. Above the Baseline: Develop Board supported future vision – for example evaluate with ROI the opportunities to improve sustainable treatment, such as reduce ocean disposal

through greater water reuse, envision nutrient removal and permanent biosolids disposal options, add or participate in facilities to increase gas production. Best practice is to develop and work from an understanding of community expectations for environmental stewardship.

1. Best Appropriate Treatment to meet redefined vision
  - a. Sustainable / Environmentally Forward Treatment
  - b. Water & Resource Recovery and Reuse
2. Expand Joint Purchasing Power
3. Access to Joint Legislative/Regulatory/Industry Influence
4. Access to Joint Funding

What does the SOCWA Management & Staff need (baseline) / encourage (above baseline) from its Member Agencies?

A. Baseline

1. Participate in Governance – Vote from an Informed Position
2. Meet requested data and reporting obligations
3. Meet identified financial commitments
4. Address expiring PC Agreements

B. Above the Baseline

1. Leadership based on a Quality of Service Vision tied to Community Expectations
2. Hard / Submitted Flow Commitments
3. Identification and recognition of your Service Needs (environmental support/Laboratory support/representation in environmental issues such as regional water quality organizations)
4. Understand the value of collective advocacy – Appreciate why SOCWA was formed from 3 former JPAs in 2001 and granted ownership of all facilities
5. Opportunity to inform community partners on valued work
6. Policy Commitments
  - i. Update the JPA to match current state & eliminate outdated PCs
  - ii. Importance of stable funding to address aged/depreciated infrastructure
  - iii. Meet UAL/PERS/OPEB obligations and create reserves/savings
  - iv. Plan to meet what is coming (among others):
    1. Biosolids disposal challenges
    2. Reduction of Ocean Disposal
    3. Nutrient Standards
    4. New tracking/tracing science (CECs, Covid, etc.)
    5. Energy reliability challenges
    6. Lower flows / larger storm events

AGENDA

SOUTH EAST REGIONAL  
RECLAMATION AUTHORITY  
BOARD OF DIRECTORS MEETING

November 9, 1989

ATTACHMENT #

- I. CALL MEETING TO ORDER
  - II. PLEDGE OF ALLEGIANCE
  - III. CONSENT CALENDAR
    - A. Regular meeting of October 12, 1989 . . . . . 1
- NOTE: The meeting minutes are included in the "executive" agenda package only. All minutes are on file in the SERRA Office of Administration for public review.
- B. Monthly Population Equivalent Report . . . . . 2
- IV. ORAL COMMUNICATIONS
  - A. Members of the public may address the Board or may reserve this opportunity during the meeting regarding an item on the agenda at the time that item is discussed by the Board. There will be a three minute time limit for public comments.

V. GENERAL MANAGER'S REPORT

ATTACHMENT #

- A. Report on the interim sludge composting project at the Chiquita Plant Site . . . . . 3

ACTION: The Board will be requested to approve the project concept and authorize the General Manager to proceed with development of contracts for approval at a subsequent meeting.

FISCAL  
IMPACT: None.

- B. **Development of SERRA/AWMA concept to evaluate related strategies for treatment plant operations and maintenance cost savings and regional support programs. . . . . 4**

**ACTION: The Board will be requested to direct the General Manager to proceed with the program.**

FISCAL  
IMPACT: None.

- C. Status Report: SERRA Industrial Waste/Pretreatment Program . . . . . 5

NOTE: Information Item.

VI. OPERATIONS REPORT

- A. Monthly status report: Operation and maintenance of the Jay B. Latham Regional Treatment Plant (PC 2) . . . . . 6

NOTE: Information Item.

- B. Monthly results from receiving water monitoring at shoreline sampling stations (PC 5) . . . . . 7

NOTE: Information Item.

- C. Monthly effluent discharge summary for: SERRA, CBSD, CSC, SMWD and the combined Ocean Outfall discharge (PC 5) . . . . . 8

NOTE: Information Item.

## AWMA/SERRA REGIONAL SERVICES PLAN

There is an opportunity available to AWMA and SERRA through evaluation of treatment plant operations in the combined service area to realize considerable cost savings by using the resources available to both Joint Powers Agencies. There are ten operating wastewater treatment facilities and one more to be added to Moulton Niguel Water District in the near future. In discussions with the Managers of these Districts, there appears a good potential to eliminate some of the duplication of services and perhaps achieve a higher degree of efficiency through economies of scale by development of specialized programs that could directly benefit the Member Districts.

### Recommendation

The Chairman of the Board of Directors is requested to select two interested Board members to serve on a committee and work with the General Manager to begin identifying acceptable programs that would be of interest and could feasibly provide potential cost savings to interested participating districts.

### Discussion

The following summary of programs identify several areas where potential savings could be realized from evaluation of treatment plant operations in greater detail. Some programs are being evaluated now, others are being identified not for the purpose of implementation at this time, but only to show the potential opportunities available to AWMA/SERRA by a joint combining of resources, be that personnel, equipment, maintenance expertise, or administrative assistance.

- 1) Composting Program - Regional sludge disposal is now being examined by AWMA/SERRA to provide an alternative to strict landfill disposal of sludge. The ability to pull sludge from the landfill and operate a viable composting program will benefit the operation of treatment plants immensely as well as reduce the potential of having the one main disposal option turned off.
- 2) Industrial Waste/Pretreatment - AWMA/SERRA have developed a joint position to assist in the implementation of source control programs throughout the consolidated AWMA/SERRA service area. The coordination of tasks required by the EPA for source control and testing programs on a regional basis will enhance the operations of the treatment plants and the participating districts.

- 3) Emergency Preparedness/Responsiveness - This area needs to be identified to evaluate Member Districts' specialized skills (i.e. electricians, skilled mechanics) that may be utilized at other facilities at an emergency basis. This should also include equipment and other resources available in the event of a potential disaster of some great magnitude. This is an area that can provide a vital resource to the communities that are served by AWMA/SERRA.
- 4) Regional Laboratory Services - All of the treatment plants in the AWMA/SERRA service area conduct laboratory tests whether for the processing of their wastewater or to comply with NPDES requirements. Many of the specialized tests are sent to outside contract laboratories. One thought for cost savings is to develop regional laboratory services based on equipment and personnel now available with technology in different districts that could more or less benefit or assist districts that perhaps did not have the equipment or technology available to them. As both ocean and sludge disposal monitoring requirements become more stringent due to regulations, the increased costs associated with this monitoring will be inevitable and a regionalized laboratory concept could help defray some of these anticipated costs.
- 5) Regional Training Programs - An ability to establish a local program to assist Member Districts in training personnel is quite evident in the day to day treatment plant operations. Not only is it hard to acquire trained and experienced personnel, but the time necessary to train these people to be competent in the many varied disciplines of treatment plant operations and/or maintenance could be improved by a voluntary program for training at various plants in the AWMA/SERRA region. Consolidation of several training areas may decrease district costs and increase the pool of trained personnel for participating agencies.  
  
A common link might be the development of a superintendents meeting on a monthly or quarterly basis where active participation by Member District's personnel could help achieve more cost effective wastewater treatment and disposal or reduce expenditures of operation in yet unidentified areas.
- 6) Air Pollution Regulations - The new air toxic hot spots regulations will require an inventory quantification and analysis of pollutants discharged from treatment plants into the air. Cooperation of the Member Districts in this regard as the new regulations develop can be essential to reducing future costs and help keep Agencies informed of changes in regulations.

- 7) Administration/Personnel - There are several potential areas that could be evaluated by the AWMA/SERRA staff in assisting with programs for evaluating health benefit programs. Perhaps it would reduce costs to Member Districts for health benefits if several entities pooled their employee health benefit renewal together and entered into a group purchase for the AWMA/SERRA Districts. Smaller agencies may particularly benefit in the areas of health, life, and disability insurance where they may presently not qualify for a large group discount.
- 8) Public Information - Coordination and dissemination of certain public information needs could be provided regionally on a cost effective basis through the assistance of schools, service clubs, and Member Agencies that disseminate information in their service areas. For example, making residents aware of the industrial waste control program being provided by AWMA/SERRA as well as regional reclamation programs could benefit by coordinated exposure through existing Member Districts' public information programs.

#### Summary

This assortment of programs were developed to outline areas that could be pursued should the Board give concurrence to staff to define and outline the requirements and cost benefit of some of these programs. There may be a cost increase to some Member Districts that would benefit from one of these programs or perhaps cost reductions, however, staff feels it important to have an opportunity to evaluate the likelihood of implementing similar programs. Should the Board decide that the Agency could benefit by participating in one or more programs, then staff would bring back during the upcoming budget session, the recommended activities for the next fiscal year.



## MEMORANDUM

TO: SOCWA Executive Committee

FROM: Larry Lizotte, Board Member  
Moulton Niguel Water District

DATE: September 17, 2013

SUBJECT: **ASSESSMENT PROPOSAL**

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SOCWA was formed to provide cost-effective regional wastewater treatment. MNWD is the largest financial and wastewater contributor to SOCWA and has been a major supporter of its efficient operations. The recent changes in the leadership of SOCWA staff offers an opportunity to assess its current role to ensure that it's consistent with the original intent of the JPA formation – providing a regional high-quality service in the most cost-effective and reliable manner, in line with the expectations of its participating agencies.

Over the last couple of years, SOCWA management has proposed various alternatives and planning efforts. These have included a stakeholder survey, reorganization of the management team and the recently proposed strategic plan. The cost impact of these proposed ideas are significant and requires greater analyses to determine the necessity and timing of these items.

MNWD has participated in discussions with other participating agencies, and there appears to be a general consensus around cost concerns, agency direction and focus on project completion. With this in mind, MNWD feels that it's critical to utilize this time of transition to allow a qualified interim general manager who can manage and support an assessment of the agency prior to selection of the new general manager. The assessment should be performed by a professional with proven experience and demonstrable results.

At the conclusion of the 90-day assessment, a written report of the findings should be generated along with a profile of the ideal candidate for the permanent general manager position. The profile would then be shared with a selected recruitment firm that can develop the profile into a comprehensive recruitment effort.

### ASSESSMENT SCOPE OF WORK

- Review existing documents/reports generated in the last year related to organizational issues and participating agencies input to get an understanding of efforts made to date.



- Meet with participating agencies, SOCWA representatives and staff to answer the following questions:
  - What is SOCWA's core business as identified when the JPA was originally formed?
  - What specific services/functions does SOCWA perform to carry out its core business?
  - What is the minimum cost to meet its core business?
  - Breakdown the operations of each PC and identify cost-saving alternatives for future operations. (i.e. participating agencies to operate instead of SOCWA)
  - What additional services and functions has SOCWA added to its responsibilities since the formation of the JPA?
  - How has SOCWA's budget increased in the last ten years and what were the drivers of those increases?
  - What efforts have been made in the last five years to identify and exercise cost-saving opportunities and what actual savings have been achieved?
  - Is the current organizational structure consistent with meeting its core business? Is the staffing appropriate and division of responsibilities consistent with its core business?
  - How has the staffing level increased/changed over the last ten years? What were the drivers of those changes and what portion of the budget increases are attributed to this?
  - What efforts have been made to share resources or contract services with SOCWA's member agencies? What were the results of these efforts?
  - What functions/services does SOCWA currently perform that are also being provided by its participating agencies? And if so, why are there redundancies?
  - For participating agencies and stakeholders that want SOCWA to expand its responsibilities, what financing mechanism can be established to have the interested entities fund the programs? (similar to MWDOC's CHOICE program)
  - How can SOCWA be better managed by its Board? Is everyone satisfied with the current board responsibilities, committee designation, communication protocols, and agenda development?
  - Develop a timeline schedule of tasks for wrapping up the Cost Allocation Study efforts that were initiated by the previous GM.
  - What kind of a general manager is needed to fulfill the core business of SOCWA? What is the appropriate compensation range to do the job?
- Conduct minimum of 3 study sessions:
  - Kick off the assessment – overview of scope and align expectations
  - All day workshop to facilitate discussions that include the above questions. The workshop should include SOCWA board members and general managers of the participating agencies.
  - Present a draft report of the findings and basic profile of the manager
- Receive/integrate/reconcile comments received from the participating agencies and finalize the assessment report and GM profile.



### Role of the executive committee

The executive committee will oversee the assessment, which will be completed in 90-days.

A committee of participating agencies' general managers should be formed to advise the executive committee and assist in the assessment process.

The executive committee should meet either before or after the monthly board meeting with the Acting General Manager Jim Burror and/or the interim general manager to assess the progression of the daily operations and identify any issues/needs that may be supported by SOCWA's member agencies. Additionally, any pressing matters that were primarily handled by the previous GM should be identified to ensure appropriate resources going forward (i.e. AWMA bridge, Dana Point property development).

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