



South Coast Water District's Proposal to Optimize SOCWA *(dated Feb 20, 2023)*

SOCWA Board Facilitated Discussion

May 4, 2023

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South Coast Water District

As a Reminder, ...

- Actions Approved unanimously by all three boards at 3/23/23 Joint Board meeting:
 - Parallel Paths
 - 1) **Facilitated Discussion to discuss the organization, governance and terms for updated Joint Powers Agreement (e.g., SCWD proposal)**
 - 2) **District's technical teams to develop term sheets for operation of the JBL, Regional, and Coastal Treatment Plants with term sheet elements identified for report to each District by June 1, 2023 (i.e., "check-in")**
 - Amendment extending the term of the PC No. 2 agreement to September 30, 2023, to be considered by each agency's (i.e., SMWD, SCWD, MNWD, and PC-2) Boards at its next available meetings.
 - Rescission of Nov. 22, 2022 vote thus allowing SOCWA's continued operation of JBL.
 - District's General Managers and their designees to continue discussions, solicit feedback and negotiations with the SOCWA Employees Association and the SOCWA unrepresented employees to discuss impacts to SOCWA Employees under alternative service delivery approaches.

SCWD's Definition of the Problem

SCWD's Assessment of the Conflict:

- ✓ Opportunities to Improve SOCWA and Address the specific goals and objectives of the member agencies CAN effectively be Accomplished under SOCWA's Existing Structure.
- What's missing is a Framework for all SOCWA member agencies to work in Partnership by Engaging in a Process to jointly develop proposals and constructively affect Change.
 - Define Service Levels and Performance Benchmarks
 - Identify Areas for Improvement

SCWD Recommended Overarching Course of Action

- “SCWD proposes a collaborative workgroup process facilitated by a neutral third party that engages and involves all SOCWA member agencies”
 - 1) Identify the key issues and challenges with the existing SOCWA structure;
 - 2) Consensus on a common set of goals for improving SOCWA, addressing issues and challenges identified by SOCWA’s member agencies;
 - 3) Develop mutually acceptable reforms to address the above goals and identify specific actionable changes within SOCWA;
 - 4) Identify opportunities to streamline SOCWA administrative, engineering, and financial functions; and
 - 5) Work toward the development of new policies and amendments to each of the applicable SOCWA agreements to implement the agreed-to changes that are needed to modernize SOCWA and meet the member agencies’ goals for the organization.

SCWD Proposed Key Tasks & Milestones *(original SCWD proposal indicated for a December 2023 conclusion of tasks)*

1) Facilitated Process

- SCWD Proposal indicated a **Dec 2023** Report of Recommendations

2) Due Diligence Studies to Support Decision Making

- Financial Study - **Nov 2023**
- Condition Assessments – **Dec 2023**

3) Evaluation of SOCWA Agreements

- PC-2 Agreement – Existing Term extended to Sep 30, 2023 – **Apr 2023**
- Amend Terms & Conditions of PC & JPA agreements based on facilitated discussions – **Dec 2023**
- New Agreements, such as Recycled Water Flow/Quality, Contract Ops, and others, as applicable – **Dec 2023**

SCWD's Definition of this Facilitated Process (*Page 3 of Proposal*)

- **Select Neutral 3rd Party Facilitator** ★
- **Facilitated Workshops should build consensus on the following:**
 - **Critical Issues that need to be resolved in the existing SOCWA structure**
 - **SWOT analysis (e.g., AWWA Effective Utility Management process)**
 - **Guiding Principles for addressing issues and evaluating changes**
 - **Development of Solutions**
 - **Identification of Performance Benchmarks / Success Metrics**
- **Report of Findings & Recommendations**
 - **Proposed Milestone Implementation Schedule**

Specific Issues for Facilitated Discussion to Optimize SOCWA

- 1) Water Recycling
- 2) Operations & Engineering
- 3) Financial Efficiencies
- 4) Risk & Liability
- 5) Governance
- 6) Other...

Note: The Weekly staff level meetings have identified a different menu of Specific Issues for evaluating terms for a member agency Operation of SOCWA treatment plants

Thank You!!!



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